



ELL
Environmental
Holdings Limited

ANNUAL REPORT 2019 年報



ELL Environmental Holdings Limited

強泰環保控股有限公司*

(Incorporated in the Cayman Islands with limited liability)
(於開曼群島註冊成立之有限公司)

* For identification purpose only
僅供識別

Stock Code 股份代號 : 1395



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Corporate Information 公司資料

DIRECTORS

EXECUTIVE DIRECTORS

CHAU On Ta Yuen *BBS, SBS (Chairman)*
CHAN Kwan (*Chief Executive Officer*)
Rajiv SUHENDRA
CHAU Chi Yan Benny

NON-EXECUTIVE DIRECTOR

CHAN Pak Lam Brian

INDEPENDENT NON-EXECUTIVE DIRECTORS

NG Chung Yan Linda
NG Man Kung
LEUNG Bo Yee Nancy

BOARD COMMITTEES

AUDIT COMMITTEE

NG Chung Yan Linda (*Chairlady*)
NG Man Kung
LEUNG Bo Yee Nancy

NOMINATION COMMITTEE

CHAU On Ta Yuen (*Chairman*)
CHAN Kwan
NG Chung Yan Linda
NG Man Kung
LEUNG Bo Yee Nancy

REMUNERATION COMMITTEE

NG Man Kung (*Chairman*)
CHAN Pak Lam Brian
NG Chung Yan Linda
LEUNG Bo Yee Nancy

REGISTERED OFFICE

Cricket Square
Hutchins Drive, P. O. Box 2681
Grand Cayman KY1-1111
Cayman Islands

董事

執行董事

周安達源 *銅紫荊星章、銀紫荊星章(主席)*
陳昆 (*行政總裁*)
蘇堅人
周致人

非執行董事

陳栢林

獨立非執行董事

伍頌恩
吳文拱
梁寶儀

董事委員會

審核委員會

伍頌恩 (*主席*)
吳文拱
梁寶儀

提名委員會

周安達源 (*主席*)
陳昆
伍頌恩
吳文拱
梁寶儀

薪酬委員會

吳文拱 (*主席*)
陳栢林
伍頌恩
梁寶儀

註冊辦事處

Cricket Square
Hutchins Drive, P. O. Box 2681
Grand Cayman KY1-1111
Cayman Islands



Corporate Information 公司資料

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

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

於中華人民共和國（「中國」）的總部

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

PRINCIPAL PLACE OF BUSINESS IN HONG KONG

Unit 5, 7th Floor, Westlands Centre
20 Westlands Road
Hong Kong

香港主要營業地點

香港
華蘭路20號
華蘭中心7樓5室

AUTHORISED REPRESENTATIVES

CHAN Kwan
Sir KWOK Siu Man *KR*

授權代表

陳昆
郭兆文 黎劭騎士勳賢

COMPANY SECRETARY

Sir KWOK Siu Man *KR*

公司秘書

郭兆文 黎劭騎士勳賢

CAYMAN ISLANDS PRINCIPAL SHARE REGISTRAR

Conyers Trust Company (Cayman) Limited
Cricket Square
Hutchins Drive, P. O. Box 2681
Grand Cayman KY1-1111
Cayman Islands

開曼群島主要股份過戶登記處

Conyers Trust Company (Cayman) Limited
Cricket Square
Hutchins Drive, P. O. Box 2681
Grand Cayman KY1-1111
Cayman Islands

HONG KONG BRANCH SHARE REGISTRAR

Boardroom Share Registrars (HK) Limited
Room 2103B, 21st Floor
148 Electric Road
North Point
Hong Kong

香港證券登記分處

寶德隆證券登記有限公司
香港
北角
電氣道148號
21樓2103B室



Corporate Information 公司資料

PRINCIPAL BANKERS

Chiyu Banking Corporation Limited
The Hongkong and Shanghai Banking Corporation Limited
Bank of China (Hong Kong) Limited

INDEPENDENT AUDITOR

Baker Tilly Hong Kong Limited
Certified Public Accountants

LEGAL ADVISORS

AS TO HONG KONG LAW:

H.M. Chan & Co
in association with Taylor Wessing

AS TO PRC LAW:

King & Wood Mallesons

WEBSITE

www.ellhk.com

LISTING INFORMATION

Place of Listing

Main Board of The Stock Exchange of Hong Kong Limited

Stock Code

1395

Board Lot

5,000 shares

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
中國銀行(香港)有限公司

獨立核數師

天職香港會計師事務所有限公司
執業會計師

法律顧問

有關香港法律：

陳浩銘律師事務所
與泰樂信聯盟

有關中國法律：

金杜律師事務所

公司網站

www.ellhk.com

上市資料

上市地點

香港聯合交易所有限公司主板

股份代號

1395

買賣單位

5,000股股份



Chairman's Statement 主席報告

Dear Shareholders,

On behalf of the board (the “**Board**”) of directors (the “**Directors**”) of ELL Environmental Holdings Limited (“**ELL Environmental**” or the “**Company**”, together with its subsidiaries, the “**Group**”), I present the annual report of the Company for the year ended 31 December 2019 (“**FY2019**” or the “**Year**”).

Looking back at 2019, in the face of factors such as unresolved Sino-US trade negotiations and uncertainties in the global economy, China's economic development continued to remain stagnant. According to the data from China's National Bureau of Statistics, China's gross domestic product (GDP) for 2019 was RMB99.1 trillion¹, representing a 6.1% growth in 2019 over that of last year. The overall Chinese economy continued to maintain steady development, and the main economic indicators were in line with market expectations. With the continuous support from national policies, China's environmental protection industry managed to have active development in 2019. During the “13th Five-Year Plan”, China further strengthened its implementation of environmental protection policies. Among which, the government issued relevant preventive and control plans for water pollution, including the newly amended “Action Plan for Prevention and Control of Water Pollution (水污染防治行動計劃)” in rectifying water pollution sources and water ecosystem, and achieved goals such as guaranteeing the safety of drinking water and eliminating black and odorous water bodies in cities, and thus boosted the demand for wastewater treatment businesses in China and created new opportunities for the market. In the past year, the Company continued to keep a keen pulse on the changes in the market and national policies, in order to respond quickly and develop business with a prudent approach.

致各位股東：

本人謹代表強泰環保控股有限公司（「強泰環保」或「本公司」，連同其附屬公司，統稱「本集團」）董事（「董事」）會（「董事會」）呈報本公司截至二零一九年十二月三十一日止年度（「二零一九財政年度」或「本年度」）的年報。

回顧二零一九年，面對懸而未決的中美貿易談判、全球經濟不明朗等因素，中國經濟發展增長持續放緩。根據中國國家統計局數據顯示，二零一九年全年中國國內生產總值為人民幣99.1萬億元¹，比去年同期增長6.1%。中國經濟總體繼續處於平穩的發展趨勢，主要經濟指標符合市場預期。在國家政策的持續支持下，中國環保行業於2019年仍然積極發展。「十三五」規劃期間國內進一步加強實施保護環境的政策，其中針對水污染發佈了相關防治行動方案，包括新修訂的《水污染防治行動計劃》整治水污染源以及水生生態系統，達到保障飲用水安全、消除城市黑臭水體等目標。令中國對水污染業務帶來持續的需求，為市場注入新動力。本公司過去一年繼續緊密留意市場及國家政策的變化，務求快速應變並以審慎原則發展業務。

1 http://www.stats.gov.cn/tjsj/zxfb/202001/t20200117_1723591.html

1 http://www.stats.gov.cn/tjsj/zxfb/202001/t20200117_1723591.html



Chairman's Statement 主席報告

Although national policies have facilitated sound development of the environmental protection industry, the Group still has to face challenges arising from fierce market competition. In the fourth quarter of 2016, with the aim of developing new business directions, the Group acquired Weal Union Limited (“**Weal Union**”) and its subsidiary in the Republic of Indonesia (“**Indonesia**”) PT Rimba Palma Sejahtera Lestari (“**RPSL**”), which is engaged in the biomass power generation business in Jambi, Indonesia. RPSL’s power plant has two generating units, which are used mainly for the operation of its palm kernel oil production facility and for solving the issue of undersupply of electricity in the area. Since the completion of the acquisition, the Group has actively invested in projects such as the reconstruction of the power generation facilities, in order to improve the efficiency of the power plants and lower the cost of sales. However, the Group’s biomass power generation plant in Indonesia (the “**Biomass power plants**”) have failed to reach their expected utilisation rate. As disclosed in the interim report of the Company for the six months ended 30 June 2019 (the “**2019 Interim Report**”), the Biomass power plants reduced their operating level in 2019, resulting in a financial loss for FY2019. Taking into account the risk level of such project and the uncertainties of its return, we are actively seeking a feasible and ideal alternative to the project. Moreover, the Group is actively developing the biofuel pellet business in Indonesia and will continue to explore opportunities to cooperate with other power generation plants. Also, the Group is still under discussion with local governments concerning the electricity unit price, and we look forward to having progress and reaching consensus in 2020. The Group expects that the biofuel pellet business will provide opportunities for the diversified development and expansion of its environmental protection business.

The Group owns two wastewater treatment facilities whose operations are in Jiangsu Province, China, namely Haiyan Hengfa Wastewater Treatment Company Limited (“**Haiyan Hengfa**”) and Rugao Hengfa Water Treatment Company Limited (“**Rugao Hengfa**”). For Haiyan Hengfa, water tariffs in 2019 has risen to a certain level, and as disclosed in the 2019 Interim Report, we have successfully reached a consensus with the local governments to increase water tariffs during FY2019 from RMB0.91 per tonne to RMB1.14 per tonne. For Rugao Hengfa, the Group is still striving to continue negotiations with the government with the aim of adjusting the water tariffs to an optimal level. Looking forward, the Group expects that upon gradual tariff adjustments, its revenue and gross profit will be further increased, resulting in a sound financial position.

環保行業有賴國家政策得到良好的發展，然而激烈的市場競爭為本集團帶來的挑戰仍不容忽視。於二零一六年第四季度，本集團以發展新的業務方向為目的收購了旭衡有限公司「旭衡」及其位於印度尼西亞共和國（「印尼」）的附屬公司PT Rimba Palma Sejahtera Lestari（「RPSL」），該公司在印尼占碑省從事生物質能發電業務。RPSL的發電廠擁有兩台發電機組，主要支持其棕櫚仁榨油廠的運營，並補足當地電力需求的缺口。自完成收購以來，本集團積極透過投資發電設施改建工程等以提高發電廠效率及降低銷售成本，然而本集團的印尼生物質發電廠（「生物質發電廠」）至今尚未達到其預期利用率。誠如本公司截至二零一九年六月三十日止六個月的中期報告（「二零一九年中期報告」）所披露，生物質發電廠在2019年已降低營運水平，2019年度財務呈虧損狀態。考慮到該項目的風險程度，以及回報的不確定性，我們正積極為此項目尋求可行的理想出路。另外，本集團正積極開展印尼生物燃料球團業務，並繼續探索與其他發電廠合作的機會，而電價仍與當地政府商討中，展望於2020年取得進展並達成共識。本集團期望生物燃料球團業務會為本集團的環保業務多元化發展及擴張帶來機遇。

本集團擁有營運位於中國江蘇省的兩座污水處理設施，即海安恆發污水處理有限公司（「海安恆發」）以及如皋恆發水處理有限公司（「如皋恆發」）。海安恆發方面，水價於2019年已提升到一定水平，且誠如二零一九年中期報告所討論，我們已成功與當地政府達成共識，於二零一九財政年度將水價由每噸人民幣0.91元增至每噸人民幣1.14元。如皋恆發方面，本集團仍致力與政府繼續洽談，以達到理想的水價調整。展望未來逐步調整水價後，本集團的收入及毛利將進一步提升，使財務狀況更為穩健。



Chairman's Statement 主席報告

Confronting with endless opportunities and challenges in the market, the Group will continue to implement sound business strategies as well as carefully formulate and implement development strategies that have gone through comprehensive risk considerations. Looking forward, ELL Environmental will uphold a cautiously optimistic attitude, and apart from safeguarding its existing solid foundation in the market, committing to increase profitability of wastewater treatment business and maintaining strong competitive advantages, it will also enhance its development in various environmental protection projects based on its enriched experience and established foundation. Adopting the principle of stable development, the Group will continue to embrace a brand-new stage of development in steady steps by implementing prudent operation management and effective risk control.

Here, I would like to express my gratitude to my fellow Directors, shareholders, staff and stakeholders. The management and all staff of ELL Environmental will join hands to overcome all difficulties together in such a challenging business environment, strive to maintain high-quality service level and establish close cooperation with customers, with our sincere hope to generate consistent and attractive returns for our investors and shareholders.

CHAU On Ta Yuen
Chairman

Hong Kong, 27 March 2020

面對市場帶來源源不絕的機遇及挑戰，本集團將繼續貫徹穩健的經營方針，以謹慎的原則制定及實施經過全面風險考慮的發展策略。展望未來，強泰環保將秉持審慎樂觀的態度，除了繼續堅守已有的市場穩固根基，致力提升水污染業務的盈利能力及保持良好競爭優勢外，亦在已建立的豐富經驗和基礎上加強發展於各項環保項目。發展中不忘穩健，本集團將透過謹慎的運營管理，有效地控制風險，繼續穩步邁向嶄新的階段。

在此本人向董事、股東、員工及各持份者致以衷心感謝。強泰環保的管理層及全體員工將繼續在具挑戰性的營商環境下排除萬難，攜手迎難而上，致力維持優質的服務水平，以及與客戶緊密的合作關係，期望為投資者及股東帶來持續可觀的回報。

主席
周安達源

香港，二零二零年三月二十七日



Management Discussion and Analysis 管理層討論與分析

BUSINESS REVIEW

In 2019, uncertainties such as Sino-US trade war imposed downward risk on global economy. However, under the support of the Chinese government's fiscal policies and the modification of macroeconomic policies, China's economy prevented itself from suffering a sharp decline in its growth in the second half of 2019, with China's gross domestic product (GDP) for FY2019 reaching approximately RMB99,100 billion¹.

In the "Report on Achievements in Economic and Social Development in the 70 years since the Founding of the PRC" (新中國成立七十週年經濟社會發展成就系列報告) published by China's National Bureau of Statistics in 2019, it was mentioned that China had put much focus on environmental protection, and had effectively improved the long-standing issue of deteriorating water quality. The "11th Five-Year Plan" outline proposed to accelerate the construction of municipal wastewater treatment plants, and implement effective measures such as wastewater treatment charges, thus water pollution treatment work has achieved good results. In terms of investment in environmental infrastructure, the contribution in drainage investments was RMB172.8 billion² in 2017, representing a 6.1-time growth compared to that of 2001, and is expected that China's environmental protection industry will enjoy sustainable growth driven by national policies in the coming years.

Although the environmental protection industry was able to have continuous development under the support of the Chinese government by allocating substantial resources, the intensifying competition in the industry still brought forth various challenges to the Group. Currently, the Group owns two wastewater treatment facilities in Jiangsu Province, China, respectively operated by Hai'an Hengfa and Rugao Hengfa. For Hai'an Hengfa, as disclosed in the 2019 Interim Report, we have reached an agreement with the relevant authorities to increase water tariffs during FY2019 from RMB0.91 per tonne to RMB1.14 per tonne. For Rugao Hengfa, the Group is still in active negotiations with the authorities with the aim of adjusting the water tariffs to an optimal level. Looking forward, the Group expects that upon gradual adjustment of tariffs, its revenue and gross profit will be further increased.

業務回顧

回顧二零一九年，中美貿易戰等不確定性令全球經濟面臨下行風險。然而，中國經濟在中國政府財政政策的支持及宏觀經濟政策調整下，避免了二零一九年下半年經濟增長過快下滑，二零一九財政年度國內生產總值達到約人民幣991,000億元¹。

中國國家統計局於二零一九年年發表的《新中國成立七十週年經濟社會發展成就系列報告》中提及國家對於環保事業越趨高度重視，使長久以來水質惡化的問題得以有效改善。「十一五」規劃綱要中提出加快建設城市污水處理廠、實施污水處理收費等有效措施，水污染治理工作取得良好成效；環境基礎設施投資方面，排水投資於二零一七年的投資金額為人民幣1,728億元²，相對二零零一年有6.1倍的增長，預期未來數年中國環保行業在國家政策推動下將持續增長。

儘管環境保護業在得到中國政府投入更多資源的情況下得以持續發展，行業內的激烈競爭仍為本集團帶來不少挑戰。目前，本集團擁有位於中國江蘇省的兩座污水處理設施，分別由海安恆發及如皋恆發營運。海安恆發方面，誠如二零一九年中期報告所披露，我們已與有關當局達成協議，於二零一九財政年度提高水價，由每噸人民幣0.91元增加至每噸人民幣1.14元。如皋恆發方面，本集團仍積極與政府繼續商討以達到理想的水價調整。展望未來水價逐步完成調整後，將為本集團的收入及毛利帶來進一步提升。

1 http://www.stats.gov.cn/tjsj/zxfb/202001/t20200117_1723591.html

2 http://www.stats.gov.cn/tjsj/zxfb/201907/t20190718_1677012.html

1 http://www.stats.gov.cn/tjsj/zxfb/202001/t20200117_1723591.html

2 http://www.stats.gov.cn/tjsj/zxfb/201907/t20190718_1677012.html



Management Discussion and Analysis 管理層討論與分析

ELL Environmental is an environmental protection industry services provider which offers a one-stop approach to the provision of wastewater treatment services using the “Build-Operate-Transfer” or “BOT” mode. Our services range from the design of wastewater treatment facilities, through the procurement of suitable equipment and materials to the supervision of construction as well as the ongoing operation and maintenance of the facilities throughout long-term concession periods. ELL Environmental has actively adhered to the national policies, flexibly responding to market changes and making use of development opportunities in both China and overseas, to stably operate the Group’s wastewater treatment business. However, as competition in the industry has become increasingly intense, wastewater treatment projects may not be as profitable as in the past. In October 2016, the Group acquired Weal Union Limited and its subsidiary in Indonesia, RPSL (collectively as “**Weal Union Group**”). RPSL is engaged in the biomass power generation business in Jambi, Indonesia. Since the completion of the acquisition, the Group has actively invested in upgrade works of the power generation facilities in order to improve the efficiency of the power plants and lower the cost of sales. However, due to factors such as the relatively low market consumption of electricity in the region during the Year and the intensifying competitions, the Group’s Biomass power plants have yet to reach their expected utilisation rate for the sale of electricity. As disclosed in the 2019 Interim Report, the Group reduced the operation level of the Biomass power plants in the first half of FY2019. Due to the continuing unfavourable conditions in the market, the Group has yet to reach an agreement with the local customer on the sale price of electricity. As a result, the operations of the Biomass power plants had not resumed as expected by the end of FY2019. Meanwhile, the Group has continued to invest in biofuel pellet production business which allows the self-consumption of our electricity, and thus the ability to increase the utilisation of the power plants. Management is confident that the biofuel pellet business will provide growth momentum to the Group and will enable the Group to achieve diversified development and expansion of its environmental protection business in the long run.

強泰環保是一家環保產業服務供應商，採用「建設 — 經營 — 移交」或「BOT」模式提供一站式污水處理服務，涵蓋設計污水處理設施、採購合適的設備及材料、監督設施建設以及在整個漫長特許期內持續運營及保養設施。強泰環保一直積極配合國家政策，靈活面對市場變化，把握中國及海外的發展機遇，以穩定經營集團的污水處理業務。然而，行業競爭日漸激烈，污水處理項目回報未必及以往。於二零一六年十月，本集團收購了旭衡有限公司及其印尼附屬公司RPSL（統稱「**旭衡集團**」）。RPSL在印尼占碑省從事生物質能發電業務。自完成收購以來，本集團曾積極投資發電設施升級工程以提高發電廠效率及降低銷售成本。然而由於該年度內地市場耗電量較低以及競爭加劇等因素，本集團的生物質發電廠至今尚未達到其預期利用率以供電力銷售。誠如二零一九年中期報告所披露，本集團已於二零一九財政年度上半年調低生物質發電廠的營運水平。由於市場的不利狀況持續，本集團尚未就電力售價與當地客戶達成協議。因此，未能如期於二零一九財政年度結束前恢復生物質發電廠的營運。同時，本集團已繼續投資於生物燃料球團生產業務，容許消耗自有電力，因此提升發電廠的使用的能力。管理層有信心生物燃料球團業務會為本集團提供增長動力，並使本集團長遠而言能達到環保業務多元化的發展及實踐擴張的目標。



Management Discussion and Analysis

管理層討論與分析

OUTLOOK

Despite the volatility in the market and business environment, the Group will continue adhering to the principles of stability and prudence and cautiously develop its business with risk-oriented approach, thus allowing sustainable business development under appropriate risk control. Meanwhile, we shall also continue to solidify our strong foundation in China's wastewater treatment market and provide high-quality services to customers. Moreover, we shall leverage our extensive experience and expertise to develop environmental protection-related industrial chain projects and actively implement potential new environmental protection projects. On the other hand, we shall promote more comprehensive decision management and internal control, thus laying a solid foundation of achieving sustainable development for the Company in the coming few decades.

FINANCIAL REVIEW

REVENUE

Our total revenue decreased by HK\$1.6 million or 2.0% to HK\$77.5 million for FY2019 as compared to HK\$79.1 million for the year ended 31 December 2018 (“FY2018”), primarily due to (i) the decrease of construction revenue by HK\$5.0 million or 44.7% from HK\$11.2 million for FY2018 to HK\$6.2 million for FY2019 in relation to the construction services of our upgrade works of the wastewater treatment facility of Rugao Hengfa and the wastewater treatment facility of Hai'an Hengfa (the “Hai'an Hengfa Facility”) and (ii) the decrease in revenue from the sales of electricity generated from the Biomass power plants by HK\$30.1 million or 96.4% from HK\$31.2 million for FY2018 to HK\$1.1 million for FY2019 as a result of, as disclosed in the 2019 Interim Report, the Group reducing the operation level of the Biomass power plants during the first half of FY2019 to reduce operating loss. Due to the continuing unfavourable conditions in the market, the Group has yet to reach an agreement with the local customer on the sale price of electricity. As a result, the operations of the Biomass power plants had not resumed as expected by the end of FY2019. Such decrease in revenue was partially offset by the increase in revenue from wastewater treatment facility operation services by HK\$33.9 million or 157.4% from HK\$21.5 million for FY2018 to HK\$55.4 million for FY2019 as a result of the retrospective adjustment in water tariff in the Hai'an Hengfa Facility from RMB0.91 per tonne to RMB1.14 per tonne during FY2019 as disclosed in the 2019 Interim Report.

未來展望

縱然市場環境及業務波動，本集團將繼續保持審慎穩健的原則，以風險為導向審慎發展業務，讓業務在適當的風險控制下得以持續發展。同時我們會繼續堅守在中國污水處理業務的穩固根基，一如既往地向客戶提供優越的服務。善用多年來累積的經驗和專業知識，發展環保相關產業鏈的項目，積極落實具潛力的新環保項目。另一方面，我們會提倡更全面的決策管理和企業內部的監控，為企業在往後數十年達致可持續發展，奠下堅實基礎。

財務回顧

營業收入

我們的營業收入總額由截至二零一八年十二月三十一日止年度（「二零一八財政年度」）的79.1百萬港元減少1.6百萬港元或2.0%至二零一九財政年度的77.5百萬港元，主要是由於(i)就有關如皋恆發的污水處理設施及海安恆發的污水處理設施（「海安恆發設施」）的升級工程建設服務的建設營業收入由二零一八財政年度的11.2百萬港元減少5.0百萬港元或44.7%至二零一九財政年度的6.2百萬港元；及(ii)由於（誠如二零一九年中期報告所披露）本集團已於二零一九財政年度上半年調低生物質發電廠的營運水平以減少經營虧損。由於市場的不利狀況持續，本集團尚未就電力售價與當地客戶達成協議。因此，未能如期於二零一九年財政年度結束前恢復生物質發電廠的營運，導致因銷售生物質發電廠產生的電力帶來的營業收入由二零一八財政年度的31.2百萬港元減少30.1百萬港元或96.4%至二零一九財政年度的1.1百萬港元。該等營業收入的減少部分由（誠如二零一九年中期報告所披露）因海安恆發設施的水價於二零一九財政年度由每噸人民幣0.91元追溯調整至每噸人民幣1.14元，以致污水處理設施營運服務的營業收入由二零一八財政年度的21.5百萬港元增加33.9百萬港元或157.4%至二零一九財政年度的55.4百萬港元所抵銷。



Management Discussion and Analysis 管理層討論與分析

COST OF SALES

Our total cost of sales decreased by HK\$24.8 million or 36.3% from HK\$68.4 million for FY2018 to HK\$43.6 million for FY2019, primarily due to the decrease in cost of sales from the operation of the Biomass power plants by HK\$26.7 million or 80.7% from HK\$33.1 million for FY2018 to HK\$6.4 million for FY2019 as a result of the reduced level of operation as aforementioned.

GROSS PROFIT AND GROSS PROFIT MARGIN

Our gross profit increased by HK\$23.2 million or 217.6% from HK\$10.7 million for FY2018 to HK\$33.9 million for FY2019, primarily due to (i) the recognition of a gross profit from the wastewater treatment facility operation services of HK\$23.1 million for FY2019 as compared to a gross loss of HK\$4.9 million for FY2018 as a result of the increase in water tariffs of Hai'an Hengfa as aforementioned, and (ii) the offsetting effect from the increase in gross loss for the Biomass power plants by HK\$3.4 million or 189.5% from HK\$1.8 million for FY2018 to HK\$5.3 million for FY2019 as a result of the decrease in revenue from the Biomass power plants as aforementioned.

Our gross profit margin increased from 13.5% for FY2018 to 43.8% for FY2019, as a combined effect of the factors discussed above.

IMPAIRMENT LOSS

The Group engaged an independent professional valuer to perform impairment testing using the value-in-use approach, which requires the use of key assumptions, including the discount rate, terminal growth rate, budgeted sales, gross margin and earnings before interest, tax, depreciation and amortization margin.

銷售成本

我們的銷售成本總額由二零一八財政年度的68.4百萬港元減少24.8百萬港元或36.3%至二零一九財政年度的43.6百萬港元，主要是由於因上述的調低營運水平，導致生物質發電廠營運的銷售成本由二零一八財政年度的33.1百萬港元減少26.7百萬港元或80.7%至二零一九財政年度的6.4百萬港元。

毛利及毛利率

我們的毛利由二零一八財政年度的10.7百萬港元增加23.2百萬港元或217.6%至二零一九財政年度的33.9百萬港元，主要是由於(i)因上述海安恆發的水價增加，以致確認二零一九財政年度的污水處理設施營運服務毛利為23.1百萬港元，而二零一八財政年度則為毛損4.9百萬港元；及(ii)因上述來自生物質發電廠的營業收入減少，導致生物質發電廠毛損由二零一八財政年度的1.8百萬港元增加3.4百萬港元或189.5%至二零一九財政年度的5.3百萬港元所帶來的抵銷效果。

由於以上討論的因素的合併影響，我們的毛利率由二零一八財政年度的13.5%上升至二零一九財政年度的43.8%。

減值虧損

本集團已委聘獨立專業估值師採用使用價值法進行該減值測試，這需要使用主要假設，包括貼現率、永久增長率、預算銷售、毛利率及息稅折舊及攤銷前利潤率。



Management Discussion and Analysis

管理層討論與分析

During FY2019, we did not recognise any impairment loss (2018: HK\$79.7 million) to the property, plant and equipment in our Indonesian subsidiary RPSL (the “**PPE of RPSL**”). The valuation, and hence the impairment loss of the goodwill arising on acquisition of Weal Union Group (the “**Goodwill**”) as well as the PPE of RPSL was determined by using the value-in-use approach in calculating the recoverable amount based on the discounted cash flow model (the “**DCF model**”). This approach implies the adoption of the assumption on the ongoing operation of the existing business in RPSL, with the parameters of the DCF model taken according to the latest information available to the management. The calculated net present value of the cash flows generated from the operation of RPSL as at 31 December 2019 was higher than the carrying amount of the PPE of RPSL. Details of the impairment of property, plant and equipment are disclosed in note 18 to the Notes to the Consolidated Financial Statements as set out in this annual report below.

During FY2018, an impairment loss of HK\$39.9 million to the Goodwill was recognised. The Goodwill was fully impaired as at 31 December 2018, and as such, no further impairment loss to the Goodwill had been recognised for FY2019. Details of the Goodwill are disclosed in note 17 to the Notes to the Consolidated Financial Statements as set out in this annual report below.

ADMINISTRATIVE EXPENSES

Our administrative expenses decreased by HK\$4.5 million or 13.8% from HK\$32.7 million for FY2018 to HK\$28.2 million for FY2019. As a percentage of our revenue, our administrative expenses represented 41.3% and 36.4% for FY2018 and FY2019, respectively. The decrease of our administrative expenses was primarily attributable to the decrease in administrative expenses in our Indonesia subsidiaries by HK\$6.4 million or 48.0% from HK\$13.3 million for FY2018 to HK\$6.9 million for FY2019 as a result of the reduced level of operation of the Biomass power plants.

FINANCE COSTS

Our finance costs remained stable at HK\$2.1 million for FY2019 as compared to HK\$2.2 million for FY2018, which represented the interest expense from bank borrowings.

於二零一九財政年度，我們並無就我們的印尼附屬公司RPSL的物業、廠房及設備（「**RPSL的物業、廠房及設備**」）確認任何減值虧損（二零一八年：79.7百萬港元）。就收購旭衡集團所產生的商譽（「**商譽**」）及RPSL的物業、廠房及設備的估值以及減值虧損均按貼現現金流模型（「**貼現現金流模型**」）以使用價值法計算可收回金額的方法釐定。此法意味應用RPSL現有業務持續營運的假設，以及根據管理層可取得的最新資料採取的貼現現金流模型參數。於二零一九年十二月三十一日計算得出來的RPSL業務營運所得現金流量淨現值較高於RPSL的物業、廠房及設備的賬面值。物業、廠房及設備減值的詳情於本年報下文所載綜合財務報表附註18中披露。

於二零一八財政年度，商譽已確認減值虧損39.9百萬港元。商譽已於二零一八年十二月三十一日悉數減值，因此，概無於二零一九財政年度進一步確認商譽減值虧損。有關商譽的詳情於本年報下文所載綜合財務報表附註17中披露。

行政開支

我們的行政開支由二零一八財政年度的32.7百萬港元減少4.5百萬港元或13.8%至二零一九財政年度的28.2百萬港元。二零一八財政年度及二零一九財政年度，我們行政開支佔營業收入的百分比分別為41.3%及36.4%。行政開支減少主要是因生物質發電廠調低營運水平，導致我們印尼附屬公司的行政開支由二零一八財政年度的13.3百萬港元減少6.4百萬港元或48.0%至二零一九財政年度的6.9百萬港元。

融資成本

我們的融資成本與二零一八財政年度的2.2百萬港元相比，二零一九財政年度維持穩定在2.1百萬港元，其為銀行借款的利息開支。



Management Discussion and Analysis 管理層討論與分析

PROFIT/LOSS BEFORE TAX

We recorded a profit before tax of HK\$17.0 million for FY2019 as compared to a loss before tax of HK\$141.1 million for FY2018, primarily due to the factors mentioned above.

INCOME TAX EXPENSE

Our income tax expense increased by HK\$3.9 million or 108.8% from HK\$3.6 million for FY2018 to HK\$7.4 million for FY2019, primarily due to the provision for current tax expense in Hai'an Hengfa of HK\$5.4 million for FY2019 (2018: nil) as a result of the recognition of a profit before tax for FY2019 as compared to a loss before tax for FY2018.

PROFIT/LOSS ATTRIBUTABLE TO OWNERS OF THE COMPANY

We recorded a profit attributable to owners of the Company of HK\$1.0 million for FY2019 as compared to a loss attributable to owners of the Company of HK\$139.7 million for FY2018, primarily due to the factors mentioned above.

BANK BORROWINGS

As at 31 December 2019, the Group had (i) an unsecured one-year bank loan with a carrying amount of HK\$18.0 million, which was denominated in Hong Kong dollars ("HK\$") (2018: HK\$28.0 million) with variable interest rates at Hong Kong Interbank Offered Rate (HIBOR) plus 1.4% per annum, repayable on demand, and (ii) an unsecured five-year bank loan with a carrying amount of HK\$6.7 million, which was denominated in United States dollars ("US\$") (2018: HK\$9.0 million) with variable interest rates at London Interbank Offered Rate (LIBOR) plus 1.4% per annum.

As at 31 December 2018, the Group had a secured 6-month bank loan with a carrying amount of HK\$2.3 million, which was denominated in Renminbi ("RMB") with a fixed interest rate of 5.1% per annum, secured by HK\$11.4 million of receivables under service concession arrangements (the "RMB loan"). The RMB loan was fully repaid during FY2019.

除稅前溢利／虧損

我們錄得二零一九財政年度的除稅前溢利為17.0百萬港元，相比二零一八財政年度則為除稅前虧損141.1百萬港元，主要由上文所述原因所致。

所得稅開支

我們的所得稅開支由二零一八財政年度的3.6百萬港元增加3.9百萬港元或108.8%至二零一九財政年度的7.4百萬港元，主要因就二零一九財政年度確認除稅前溢利，相比二零一八財政年度則為除稅前虧損，導致二零一九財政年度就海安恆發的即期稅項開支計提撥備5.4百萬港元(二零一八年：無)。

本公司擁有人應佔溢利／虧損

我們錄得二零一九財政年度的本公司擁有人應佔溢利為1.0百萬港元，相比二零一八財政年度則為本公司擁有人應佔虧損139.7百萬港元，主要由上文所述原因所致。

銀行借款

於二零一九年十二月三十一日，本集團有(i)一筆賬面值為18.0百萬港元的一年期無抵押銀行貸款，該貸款以港元(「港元」)計值(二零一八年：28.0百萬港元)，按香港銀行同業拆息(HIBOR)加年息1.4%的浮動利率計息及須按要求償還；及(ii)一筆賬面值為6.7百萬港元的五年期無抵押銀行貸款，該貸款以美元(「美元」)計值(二零一八年：9.0百萬港元)，按倫敦銀行同業拆息(LIBOR)加年息1.4%的浮動利率計息。

於二零一八年十二月三十一日，本集團有一筆賬面值為2.3百萬港元的六個月有抵押銀行貸款，該貸款以人民幣(「人民幣」)計值，按年息5.1%的固定利率計息，以服務特許權安排下的應收款項11.4百萬港元抵押(「人民幣貸款」)。人民幣貸款已於二零一九財政年度內悉數償還。



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LIQUIDITY AND FINANCIAL RESOURCES

Our principal liquidity and capital requirements primarily relate to investments in our projects, namely the construction works that relate to upgrades to our wastewater treatment facilities in the PRC and our biofuel pellet production facilities in Indonesia, as well as the purchase of plant and equipment, operating costs and expenses. As at 31 December 2019, the net assets of the Group were HK\$377.7 million, representing an increase by HK\$3.3 million or 0.9% as compared with those of HK\$374.4 million as at 31 December 2018.

GEARING RATIO

The Group's gearing ratio is calculated by dividing total debt by total equity and total debt is the bank borrowings. The gearing ratio decreased from 0.10 as at 31 December 2018 to 0.07 as at 31 December 2019.

CHARGE ON ASSETS

As at 31 December 2019, the Group had no charge on assets. As at 31 December 2018, the Group's receivables under service concession arrangements amounting to HK\$11.4 million were used to secure a banking facility of HK\$2.3 million.

TREASURY POLICIES

The Group has adopted a prudent financial management approach towards its treasury policies and thus maintained a healthy liquidity position throughout FY2019. 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 requirements for the Group's strategy or direction from time to time can be met.

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(即為升級中國的污水處理設施及於印尼的生物燃料球團生產設施而進行的建設工程)以及購買廠房及設備、營運成本及開支有關。於二零一九年十二月三十一日,本集團的資產淨值為377.7百萬港元,較二零一八年十二月三十一日的374.4百萬港元增加3.3百萬港元或0.9%。

資產負債比率

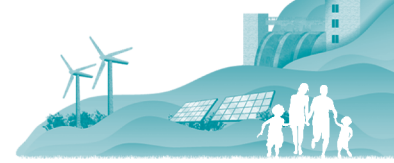
本集團的資產負債比率按債務總額除以權益總額計算,而債務總額為銀行借款。資產負債比率由於二零一八年十二月三十一日的0.10下跌至於二零一九年十二月三十一日的0.07。

資產抵押

於二零一九年十二月三十一日,本集團並無資產抵押。於二零一八年十二月三十一日,本集團服務特許權安排下的應收款項共11.4百萬港元用於取得一筆2.3百萬港元的銀行融資。

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,故於二零一九財政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。為支持本集團不時的策略或方向,過剩的現金將用作適當的投資以滿足本集團的現金需要。



Management Discussion and Analysis 管理層討論與分析

CAPITAL EXPENDITURES

Our major capital expenditures consist primarily of expenditures to upgrade and improve the Group's wastewater treatment facilities and the acquisition of plant and equipment for the biofuel pellet production business in Indonesia. During FY2019, we incurred HK\$4.9 million (2018: HK\$8.9 million) on the capital expenditures for the upgrade works of our wastewater treatment facilities, and HK\$17.1 million on the capital expenditures for the upgrade works of our Biomass power plants and the construction of biofuel pellet production facilities (2018: HK\$11.0 million).

FOREIGN EXCHANGE RISKS

Individual member companies in mainland China and Indonesia within the Group have limited foreign currency risk as most of the transactions are denominated and settled in RMB and Indonesian Rupiah ("IR"), respectively. The Group did not have significant foreign currency exposures from its operations. However, our consolidated financial statements are presented in HK\$. Any appreciation or depreciation of HK\$ against RMB and IR will affect our financial position and will be reflected in the exchange reserve. The Group does not have a foreign currency hedging policy and does not use any financial instruments for hedging purposes. The management monitors the Group's foreign exchange fluctuation exposure closely. In light of the unpredictable fluctuations of RMB against HK\$, the Group has managed to minimise the exposures in RMB by converting a majority of the cash and bank balances into US\$ or HK\$. Management considers the volatility of the exchange rate of HK\$ against IR and the Group's currency exposures to IR to be acceptable.

SIGNIFICANT INVESTMENTS, MATERIAL ACQUISITIONS AND DISPOSALS

Save as disclosed in this annual report, the Group did not have any significant investments, material acquisitions or disposals of assets, subsidiaries, associates or joint ventures during FY2019.

FUTURE PLANS FOR MATERIAL INVESTMENTS OR CAPITAL ASSETS

Save as disclosed in this annual report, the Group has no plan authorised by the Board for other material investments or additions of capital assets as at the date of this annual report.

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以及收購印尼生物燃料球團生產業務的廠房及設備的開支。於二零一九財政年度，我們就污水處理設施升級工程所產生的資本開支為4.9百萬港元(二零一八年：8.9百萬港元)，而就生物質發電廠升級工程及生物燃料球團生產設施建設所產生的資本開支則為17.1百萬港元(二零一八年：11.0百萬港元)。

外匯風險

由於大部分交易均分別以人民幣及印尼盾(「印尼盾」)列值及結算，因此本集團旗下位於中國內地及印尼的個別成員公司僅分別承受有限的外幣風險。本集團的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。任何港元兌人民幣及印尼盾升值或貶值將影響我們的財務狀況，並將於匯兌儲備中反映。本集團並無外幣對沖政策，亦無使用任何金融工具作對沖用途。管理層密切監察本集團的外匯浮動風險。由於人民幣兌港元出現未能預期的波動，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盡量減低人民幣風險。管理層認為港元兌印尼盾的匯率波幅及本集團面臨的印尼盾貨幣風險是可接受的。

重大投資、重大收購及出售事項

除本年報所披露者外，本集團於二零一九財政年度內概無任何重大投資、重大收購或出售資產、附屬公司、聯營公司或合營企業。

重大投資或資本資產的未來計劃

除本年報所披露者外，於本年報日期，本集團並無已獲董事會批准有關其他重大投資或增添資本資產的計劃。



Management Discussion and Analysis 管理層討論與分析

CONTINGENT LIABILITIES

The Group had no contingent liabilities as at 31 December 2019 (2018: nil).

EMPLOYEE AND REMUNERATION POLICIES

As at 31 December 2019, the Group had 116 (2018: 227) employees (including the Directors). Employee costs (including Directors' emoluments) amounted to HK\$18.6 million for FY2019 (2018: HK\$21.0 million). Our remuneration policy for the Directors as well as our senior management members and general staff (the "Staff") 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 financial results of the Group and the individual performance of the Directors and our Staff. The Group provides on-the-job training where appropriate.

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.

EVENTS AFTER THE REPORTING PERIOD

The Group had no material event subsequent to 31 December 2019 and up to the date of this annual report.

FINAL DIVIDEND

A final dividend of HK0.5 cent per share has been recommended by the Board for FY2019 (2018: nil) to be paid to the shareholders of the Company (the "Shareholders") whose names will appear on the register of members of the Company (the "Register of Members") on Monday, 22 June 2020. Subject to the passing of the relevant resolution at the forthcoming annual general meeting of the Company, the final dividend is expected to be paid to the Shareholders on or around Friday, 31 July 2020 in cash in HK\$.

或然負債

於二零一九年十二月三十一日，本集團並無或然負債(二零一八年：無)。

僱員及薪酬政策

於二零一九年十二月三十一日，本集團共有116名(二零一八年：227名)僱員(包括董事)。二零一九財政年度的僱員成本(包括董事酬金)為18.6百萬港元(二零一八年：21.0百萬港元)。我們的董事以及高級管理層成員及一般員工(「該等員工」)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財務業績及董事及該等員工的個人表現掛鈎。本集團在適當時候提供在職培訓。

本公司於二零一四年九月五日採納一項購股權計劃，旨在激勵及獎勵本集團的合資格董事及僱員。

報告期後事項

於二零一九年十二月三十一日後及直至本年報日期，本集團概無重大事項。

末期股息

董事會建議向將於二零二零年六月二十二日(星期一)名列本公司股東名冊(「股東名冊」)的本公司股東(「股東」)派付二零一九財政年度的末期股息每股股份0.5港仙(二零一八年：無)。待相關決議案於本公司應屆股東週年大會上獲通過後，預定期末股息將於二零二零年七月三十一日(星期五)或前後以港元現金派付予股東。



Environmental, Social and Governance Report

環境、社會及管治報告

ABOUT THIS REPORT

REPORTING PERIOD AND SCOPE

ELL Environmental Holdings Limited (“**ELL Environmental**” or the “**Company**”, together with its subsidiaries, collectively known as the “**Group**”, “**we**” or “**us**”) is pleased to present its fourth environmental, Social and Governance (“**ESG**”) Report (this “**Report**”), for the purpose of outlining the Group’s strategies and performance in sustainable development from 1 January 2019 to 31 December 2019 (the “**Reporting Period**”). Unless otherwise stated, the reporting scope encompasses:

- (i) Operation services of two wastewater treatment facilities, the Rugao Hengfa Facility and the Haiyan Hengfa Facility, in Jiangsu Province, the People’s Republic of China (“**PRC**”); and
- (ii) Biomass power generation business of PT Rimba Palma Sejahtera Lestari (“**RPSL**”) in Jambi, Indonesia, supported by a palm kernel oil production facility with two generating units.

REPORTING STANDARD

This Report makes appropriate disclosures under the “comply or explain” provisions and recommended disclosures based on the requirements of the *ESG Reporting Guide* in Appendix 27 to the *Rules Governing the Listing of Securities* on The Stock Exchange of Hong Kong Limited.

REPORTING PRINCIPLES

This Report has been prepared based on the following reporting principles:

關於本報告

報告期間和範圍

強泰環保控股有限公司(「**強泰環保**」)或「**本公司**」，連同其附屬公司統稱「**本集團**」或「**我們**」欣然呈報其第四份環境、社會及管治(「**ESG**」)報告(本「**報告**」)，以概述本集團從二零一九年一月一日至二零一九年十二月三十一日(「**報告期間**」)在可持續發展方面的策略和表現。報告範圍涵蓋(除非另有說明)：

- (i) 中華人民共和國(「**中國**」)江蘇省兩個污水處理設施(如皋恆發設施和海安恆發設施)的營運服務；及
- (ii) 位於印尼占碑的PT Rimba Palma Sejahtera Lestari(「**RPSL**」)的生物質發電業務，由一個棕櫚仁油生產設施支持，該設施有兩個發電機組。

報告準則

本報告根據「不遵守就解釋」條款及香港聯合交易所有限公司證券上市規則附錄27中的**ESG報告指引**要求進行適當披露。

報告原則

本報告根據下列原則編製：

Principle 原則	Definition 定義	Our Response 我們的回應
Materiality 重要性	The issues covered in this Report should reflect the significant impacts of the Group on the environmental and social aspects that affect the assessments and decisions of stakeholders. 本報告所涵蓋的議題應反映本集團在有關影響持份者評估和決策的環境和社會方面的重大影響。	Through communication with stakeholders, as well as taking into account the Group’s business nature and development, material sustainability issues have been identified. 透過與持份者溝通，並考慮本集團的業務性質和發展，已發現重大可持續議題。



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Principle 原則	Definition 定義	Our Response 我們的回應
Quantitative 定量	This Report should disclose measurable key performance indicators. 本報告應披露可計量的關鍵績效指標。	As far as practicable, the Group discloses its key environmental and social performance indicators with quantitative measures. 在可行情況下，本集團採用定量措施披露其關鍵環境和社會績效指標。
Balance 平衡	This Report should present all information of the Group objectively, to enable a reasoned assessment of overall performance. 本報告應客觀呈列本集團所有資料，以便合理評估整體表現。	The Group has disclosed achievements and challenges regarding the identified material issues to reflect its sustainable development performance. 本集團披露有關已識別重大議題的成就和挑戰，以反映其可持續發展表現。
Consistency 一致性	The Group should confirm that the method used in the preparation of this Report is consistent with that of previous years, or state the revised reporting methods, or illustrate other relevant factors that will affect a meaningful comparison. 本集團應確認編製本報告所採用的方法與往年一致，或述明經修訂報告方法，或列示其他相關會影響具意義比較的因素。	The reporting scope and reporting method are substantially consistent with those of prior years, and this Report has also disclosed information comparative with those in the previous year. 報告範圍和報告方法與上年基本一致，本報告還披露與上年比較的資料。

YOUR FEEDBACK

We value every valuable opinion from our stakeholders and see this as a cornerstone for the Group's business continuity and sustainable development. For any comments or suggestions on our sustainable development and this Report, please contact us at ell@anli.com.hk.

您的反饋

我們重視各持份者的意見，並視其為本集團業務的持續性及可持續發展的基石。如您對我們的可持續發展和本報告有任何意見或建議，可透過電郵 ell@anli.com.hk 聯絡我們。

OUR APPROACH IN SUSTAINABILITY

Being a qualified service provider in environmental protection solutions, ELL Environmental is committed to achieving sustainable operations while not compromising the large environment and society. Throughout our Environmental, Social and Governance Policy as well as other related policies and measures, we encourage our subsidiaries and employees to uphold the principle of responsible operations at all times and in all domains, including but not limited to protecting employees' rights, occupational health and safety, product and service responsibility, anti-corruption and environmental protection, thereby bringing positive impact to the environment and society and creating sustainable values to our stakeholders. The following 4 sections in this Report outline our key strategies, policies and achievements in sustainable development.

可持續發展方針

作為一個合資格的環境保護解決方案服務提供者，強泰環保致力於實現可持續營運，同時又不損害整體環境和社會。在我們的環境、社會及管治政策以及其他相關政策和措施中，我們鼓勵附屬公司和僱員在任何時間、任何領域都要秉持負責任的經營原則（包括但不限於保護僱員權利、職業健康與安全、產品和服務責任、反貪污以及環境保護），藉此為環境和社會帶來正面影響，並為我們的持份者創造可持續價值。本報告下列四節概述我們在可持續發展的關鍵策略、政策和成就。



Environmental, Social and Governance Report 環境、社會及管治報告



Corporate Governance 企業管治

- Assess, prevent and manage environmental, social and governance risks and maintain high-level business ethics and integrity
- 評估、防止和管理環境、社會及管治風險，並維持高度商業道德和誠信



Creating Green Fortune 創造綠色財富

- Deliver high-quality environmental protection solutions to mitigate pollution and reduce environmental impact
- 提供優質環境解決方案，以減低污染和對環境的影響。



Caring Our People 關愛員工

- Build a harmonious and safe working environment while achieving people-oriented and care for employees
- 建立和諧及安全的工作環境，同時實現以人為本，並關愛員工



Contributing to the Community 社區貢獻

- Encourage employees to participate in voluntary activities and actively contribute to community investment
- 鼓勵僱員參與志願活動，積極為社區投資帶來貢獻

STAKEHOLDER ENGAGEMENT

To improve our approach to sustainability, considering stakeholders' opinions is critical with no doubts. ELL Environmental have identified employees, contractors, shareholders and investors, government authorities, non-governmental organizations (“**NGO**”), environmental protection department (“**EPD**”), suppliers, business partners and the neighbouring community as our key stakeholder parties. We have developed and well maintained an array of formal and informal communication channels for frequent and mutual communications with them to understand their opinions, needs and expectations in relations to our business operations and sustainable development. The following lists some of the routine communication channels:

持份者參與

為改善我們的可持續發展方針，持份者的意見毫無疑問至關重要。強泰環保已將僱員、承包商、股東和投資者、政府當局、非政府組織（「**NGO**」）、環境保護處（「**EPD**」）、供應商、商業夥伴和鄰近社區識別為我們的主要持份者。我們已建立並維持一系列正式和非正式的溝通渠道，與他們進行頻繁和相互的溝通，以了解他們對有關業務營運和可持續發展的意見、需求和期望。以下列示若干例行溝通渠道：



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EMPLOYEES 僱員	CONTRACTORS 承包商	SHAREHOLDERS AND INVESTORS 股東和投資者
<ul style="list-style-type: none"> • Staff Mailbox 員工郵箱 • Meeting 會議 • Training 培訓 • Interview 訪談 • Intranet 內聯網 	<ul style="list-style-type: none"> • Interview 訪談 • Meeting 會議 	<ul style="list-style-type: none"> • General Meeting 股東大會 • Telephone Interview 電話訪談 • Company Website 公司網站 • Press Conference 新聞發佈會 • Announcement 公告 • Financial Report 財務報告
GOVERNMENT AUTHORITIES 政府當局	NGO/EPD 非政府組織／環境保護處	SUPPLIERS 供應商
<ul style="list-style-type: none"> • Site Visit 實地考察 • Interview 訪談 	<ul style="list-style-type: none"> • Site Visit 實地考察 • Interview 訪談 	<ul style="list-style-type: none"> • Site Visit 實地考察 • Interview 訪談
BUSINESS PARTNERS 商業夥伴	COMMUNITY 社區	
<ul style="list-style-type: none"> • Site Visit 實地考察 • Cooperation Meeting 合作會議 	<ul style="list-style-type: none"> • Social Media (e.g., public account on WeChat/WhatsApp) 社交媒體(例如微信官方賬戶／WhatsApp) • Company Website 公司網站 • Interview 訪談 • Seminar 研討會 	



Environmental, Social and Governance Report 環境、社會及管治報告

MATERIALITY ASSESSMENT

The Group believes that opinions from stakeholders are crucial for the Group's decision making and sustainability practice. Therefore, apart from routine communications with them, our independent sustainability consultant has assisted in carrying out a materiality assessment on a yearly basis by collecting their views through an online survey to identify the materiality of various sustainability issues.

重要性評估

本集團認為持份者的意見對本集團的決策和實踐可持續發展至關重要。因此，除與他們進行例行溝通外，我們的獨立可持續發展顧問還透過網上調查收集其意見以識別各種可持續發展議題的重要性，藉此協助每年進行重要性評估。

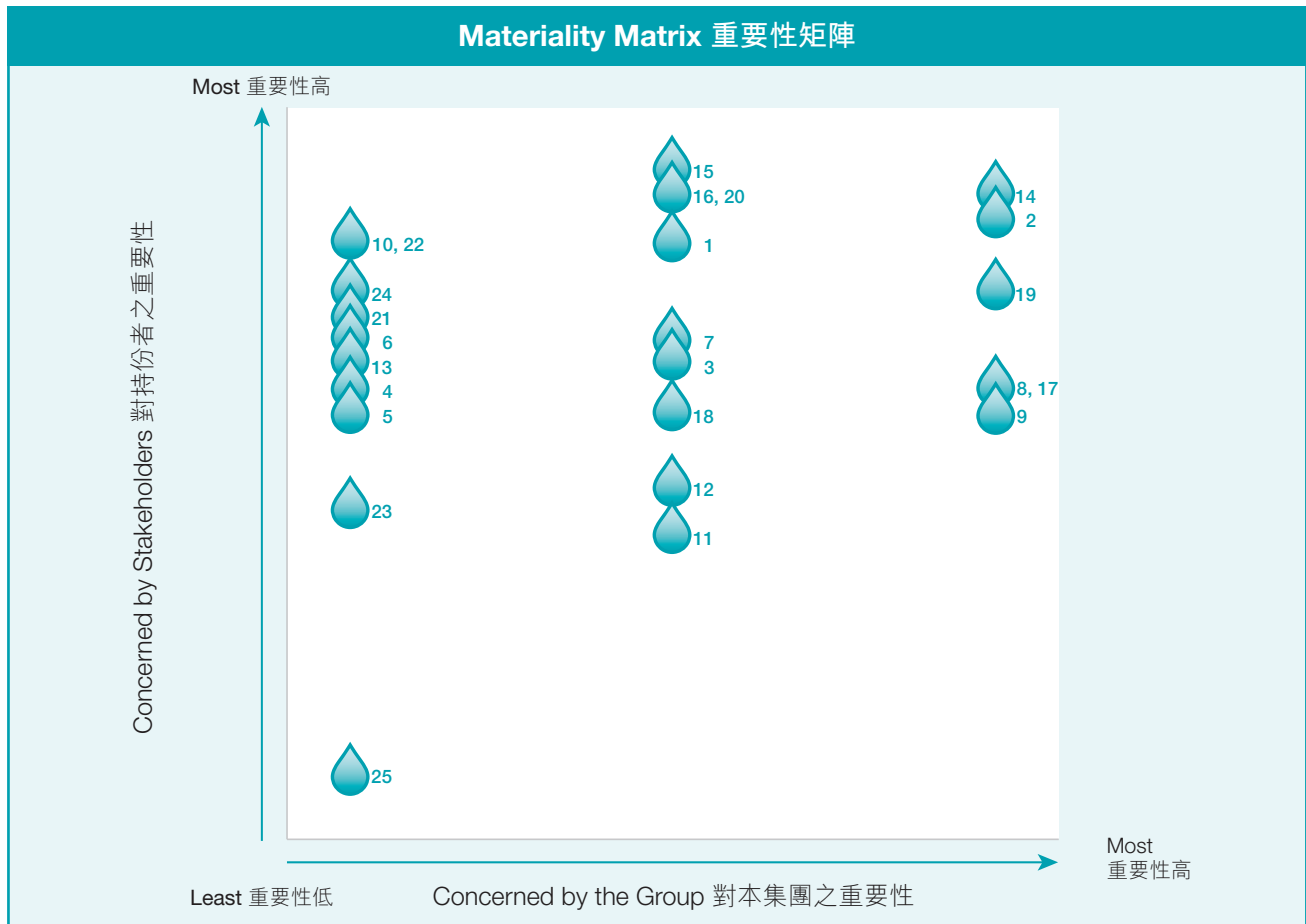
1. Identify 25 ESG issues that are of concern to the Group based on recent and available stakeholder communication findings, listing requirements and latest sustainability trend in the industry.
根據近期和可用的持份者溝通結果、上市要求和最新可持續發展行業趨勢，識別本集團關注的25個ESG議題。
2. Invite stakeholders from various sectors to fill in an online survey by rating the materiality of the issues to the Group.
邀請來自不同類別的持份者填寫網上問卷，就議題對本集團的重要性進行評分。
3. Carry out materiality analysis based on the collected data and combine with the assessment of the management.
根據所收集數據進行重要性分析，並與管理層的評估合併。



Environmental, Social and Governance Report 環境、社會及管治報告

The materiality matrix below outlines the results of analysis during the Reporting Period.

下列重要性矩陣概述在報告期間分析的結果。





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Service Responsibility 服務責任		
1.	Quality of services	服務質素
2.	Services safety and health	服務安全與健康
3.	Customer communication and satisfaction	客戶溝通和滿意度
4.	Customer data protection and privacy	保障客戶數據和私隱
5.	Protection of intellectual properties and rights	保障知識產權
6.	Advertising Management	廣告管理
Corporate Governance 企業管治		
7.	Anti-fraud and corruption	反舞弊貪污
8.	Supplier selection process and tendering management	供應商甄選流程和招標管理
9.	Disaster/ emergency response and management	自然災害／緊急回應和管理
Caring for Employees 關愛僱員		
10.	Diversification and Equal opportunities	多樣化和平等機會
11.	Recruiting and maintaining talents	招聘和挽留人才
12.	Training and development	培訓和發展
13.	Labor practices	勞工常規
14.	Occupation health and safety	職業健康與安全
Safeguarding the Environment 保護環境		
15.	Air emissions management	氣體排放管理
16.	Energy consumption	能源消耗
17.	Discharge quality management	排放質素管理
18.	Greenhouse Gas Emissions	溫室氣體排放
19.	Hazardous and non-hazardous waste management	有害和無害廢棄物管理
20.	Noise management	噪音管理
21.	Resource utilization and mitigation measures	資源利用和緩解措施
22.	Green procurement	綠色採購
Giving Back to Community 回饋社區		
23.	Participation in Volunteer Activities	參與志願活動
24.	Charitable donations	慈善捐贈
25.	Fundraising work	籌款工作



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Issues located at the top right-hand corner of the matrix indicate the most significant topics identified and will be focused in this Report. The following table indicates the relevant sections and pages for the material issues identified.

位於矩陣右上角的議題表示最為重大的已識別主題，並將在報告中重點介紹。下表列示已識別重大議題的相關章節和頁次。

ESG Topics ESG 主題	Material Issues 重大議題	Section in this Report 本報告章節	Page Number 頁次
Service Responsibility 服務責任	Services safety and health 服務安全與健康	Creating Green Fortune 創造綠色財富	27
Corporate Governance 企業管治	Supplier selection process and tendering management 供應商甄選流程和招標管理	Working with Suppliers 與供應商合作	25
	Disaster/emergency response and management 自然災害／緊急回應和管理	Protecting Employees' Wellbeing 保障僱員福祉	38
Caring for Employees 關愛僱員	Occupation health and safety 職業健康與安全	Protecting Employees' Wellbeing 保障僱員福祉	38
Safeguarding the Environment 保護環境	Air emissions management 氣體排放管理	Emissions 排放物	31
	Energy consumption 能源消耗	Use of Resources 資源使用	33
	Discharge quality management 排放質素管理	Emissions 排放物	31
	Hazardous and non-hazardous waste management 有害和無害廢棄物管理	Emissions 排放物	31
	Noise management 噪音管理	Emissions 排放物	31



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CORPORATE GOVERNANCE

ESG GOVERNANCE

The Board of Directors (the “**Board**”) of the Group oversees environmental, social and governance risk management, whilst taking into account stakeholders’ concerns to determine issues that are material to the Group. The Group has established risk management and internal control mechanisms to identify, prevent, and manage risks, in which ESG-related risks are covered. The Group reviews and refines relevant mechanisms regularly to ensure relevant ESG issues and risks have been covered. For more details about the Group’s measures in corporate governance, please refer to the *Corporate Governance Report* in this *Annual Report*.

BUSINESS ETHICS AND INTEGRITY

The Group adheres to business ethics and integrity rigorously during daily operations and decision-making processes, by adopting a zero-tolerance approach to any illegal or unethical behaviours, especially those related to corruption, bribery, extortion, money laundering and fraud. We have established an Anti-corruption Policy and require our employees to strictly abide by the Group’s Code of Conduct to maintain a high level of business ethics and integrity at all times, thereby complying with applicable laws and regulations including but not limited to the *Criminal Law* of the PRC (《中華人民共和國刑法》), the *Anti-Unfair Competition Law* of the PRC (《中華人民共和國反不正當競爭法》) and *Interim Provisions on Banning Commercial Bribery* (《關於禁止商業賄賂行為的暫行規定》).

In the event of any unlawful or unethical acts spotted during operations, employees and other parties are encouraged to report to the Group with sound evidence as stated in our Whistle-blowing Policy. We promise to conduct appropriate and timely investigations in the most stringent manner to safeguard the Group’s core values and benefits and minimize any loss. We will also provide relevant training to employees to raise their awareness of related issues.

During the Reporting Period, we were not aware of any violation of laws and regulations related to corruption, bribery, extortion, money laundering and fraud.

WORKING WITH SUPPLIERS

As of 31 December 2019, the Group had a total of 242 suppliers, mainly located in countries or jurisdictions in which our businesses operate. This helps lower the carbon emissions brought by transportation. The following graph shows the distribution of geographical locations of suppliers engaged during the Reporting Period:

企業管治

ESG 管治

本集團董事會(「**董事會**」)監督環境、社會及管治風險管理，並考慮持份者的擔憂，以釐定對本集團至為重要的議題。本集團已設立風險管理和內部監控機制以識別、防止和管理涵蓋 ESG 相關的風險。本集團定期檢討和完善相關機制，以確保涵蓋 ESG 相關議題和風險。更多有關本集團在企業管治方面的措施詳情，請參閱本年報的企業管治報告。

商業道德和誠信

本集團在日常營運和決策過程中嚴格遵守商業道德和誠信，對任何非法或不道德行為(尤其是與貪污、賄賂、勒索、洗黑錢和詐騙有關)採取零容忍態度。我們已設立反貪污政策和要求僱員嚴格遵守本集團的守行為守則，以時常維持高度商業道德和誠信，並藉此遵守適用法律和法規(包括但不限於《中華人民共和國刑法》、《中華人民共和國反不正當競爭法》及《關於禁止商業賄賂行為的暫行規定》)。

誠如我們的舉報政策所述，倘在營運過程中發現任何違法或不道德行為，我們鼓勵員工和其他參與方提供有力依據向本集團舉報。我們承諾將以最嚴謹的方式進行適當和及時的調查，以維護本集團的核心價值和利益，並盡量減少虧損。我們還將為僱員提供相關培訓，以提高他們對相關議題的意識。

在報告期間，我們並未發現任何與貪污、賄賂、勒索、洗黑錢和詐騙有關的違法違規行為。

與供應商合作

截至二零一九年十二月三十一日，本集團總共與 242 名主要位於我們業務經營所在國家或司法權區的供應商合作，這有助降低因運輸而產生的碳排放。下圖展示報告期間所聘用供應商的地理位置分佈：



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No. of Suppliers by Geographical Location in 2019 二零一九年按地理位置劃分的供應商數量



The Group has formulated a series of policies and measures to strictly monitor and manage activities of suppliers, in order to ensure the best quality of our products and services:

- **New suppliers:** we conduct rigorous assessments on candidate suppliers on their backgrounds such as qualifications, product and service quality, price, reputation, etc. to select the excellent ones among all. Selected suppliers will be recorded in our List of Qualified Suppliers for further consideration and management.
- **Existing suppliers:** we carry out continuous assessments on existing suppliers by evaluating their performance to ensure their products and services satisfy relevant standards and our requirements.

The approach we cooperate with our suppliers may impose certain impact on the environment and the larger society. To achieve sustainable development beyond the Group itself, we strive to bring a positive impact to the entire supply chain by establishing a Code of Conduct for suppliers. It outlines our expectations on our suppliers in terms of environmental protection, labour rights, labour standards, anti-corruption etc., and requires them to take into account these elements into daily operations and decision-making processes. Through regular assessments, we ensure our suppliers do not violate this Code. For those who fail to meet the requirements, we may terminate the partnership and urge them to carry out corrective measures promptly.

本集團制定一系列政策和措施，嚴格監控和管理供應商活動，以確保我們的產品和服務維持最佳品質：

- **新供應商：**我們根據候選供應商的資歷、產品和服務品質、價格、聲譽等背景資料進行嚴密評估，從中挑選優秀的供應商。獲挑選供應商將記錄在我們的合資格供應商名單，以供進一步考慮和管理。
- **現有供應商：**我們透過評價現有供應商的表現對其進行持續評估，以確保其產品和服務符合相關標準和我們的要求。

我們與供應商的合作方式可能會對環境和整體社會產生若干影響。為了實現本集團自身以外的可持續發展，我們透過制定供應商行為守則，致力為整個供應鏈帶來正面影響。該守則概述我們對供應商就環保、勞工權利、勞工標準、反貪污等方面的期望，並要求他們在日常營運和決策過程中考慮該等因素。透過定期評估，我們確保供應商不會違反該守則。對於未能符合要求的供應商，我們可終止合作關係，並敦促他們迅速採取糾正措施。



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CREATING GREEN FORTUNE

ELL Environmental has always considered environmental protection as the most critical issue and the most fundamental responsibility within the Group. By strictly abiding by applicable environmental laws and regulations in the PRC and Indonesia, including but not limited to the *Environmental Protection Law of the PRC* (《中華人民共和國環境保護法》), the *Atmospheric Pollution Prevention and Control Law of the PRC* (《中華人民共和國大氣污染防治法》), the *Water Pollution Prevention and Control Law of the PRC* (《中華人民共和國水污染防治法》), the *Law of the PRC on the Prevention and Control of Environmental Pollution by Solid Waste* (《中華人民共和國固體廢物污染環境防治法》), *Law No. 32/2009 on Environmental Protection and Management*, *Government Regulation No. 41/1999 on Air Pollution Control*, *Government Regulation No. 101/2014 on Management of Hazardous Waste and Toxic*, *Law No. 7/2004 on Water Resources*, as well as the *Regulation of the Minister of Energy and Mineral Resources No. 12/2017 on Utilization of Renewable Energy Sources for Power Supply of the Republic of Indonesia*.

While strengthening the management on daily operations, service quality and impact imposed on the environment, we are committed to alleviating pollution problems in the surroundings where our businesses operate, striving to build a better and greener environment for our future generations. The following performance statistics of our operation demonstrates our contribution to environmental services.

創造綠色財富

強泰環保一直將環境保護視為本集團內最重大議題和最根本責任，並嚴格遵守中國和印尼的適用環境法律和法規，包括但不限於《中華人民共和國環境保護法》、《中華人民共和國大氣污染防治法》、《中華人民共和國水污染防治法》、《中華人民共和國固體廢物污染環境防治法》、第32/2009號《環境保護和管理法》、有關空氣污染控制的第41/1999號政府法規、有關有害及有毒物質廢棄物管理的第101/2014號政府法規、有關水資源的第7/2004號法律，以及有關利用可再生能源以便於印度尼西亞供電的第12/2017號能源及礦產資源部部長令。

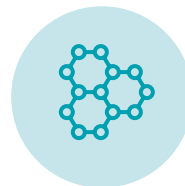
在加強管理日常營運、服務品質和對環境產生的影響同時，我們還致力於緩解業務營運環境周邊的污染問題，並為我們的後代建設更美好、更環保的環境。下列營運表現統計數據列示我們對環境服務的貢獻。



80,000 tonnes 噸
daily wastewater treatment capacity
每日污水可處理量



25,192,946 tonnes 噸
wastewater treated in 2019
二零一九年處理污水量



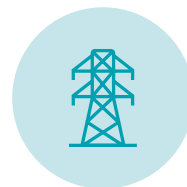
8,421 tonnes 噸
COD removed in 2019
二零一九年減除化學需氧量



13%
increased in COD removed compared with 2018
較二零一八年減除化學需氧量有所增加



30Mw 千個千瓦
biomass power output capacity
生物質發電產能



2,713MWh 千個千瓦時
electricity generated in 2019
二零一九年發電量



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As disclosed in last year's report, previously identified environmental non-compliance of the Rugao Hengfa Facility has been rectified. Rugao Hengfa has entrusted a qualified third party to carry out environmental monitoring for the acceptance tests. An acceptance report was prepared according to the test results obtained and published online in the official website of Rugao Economic and Technical Development Zone. During the Reporting Period, the Group was not aware of any non-compliance concerning environmental-related laws and regulations.

WASTEWATER TREATMENT

The Group is currently operating 2 facilities in Rugao County and Hai'an County of Jiangsu Province in China, offering wastewater treatment services for municipal sewage and industrial sewage.

To mitigate water pollution problem in the surrounding environment, we see maintaining high-quality wastewater treatment as our chief responsibility. Both Rugao Hengfa Facility and Hai'an Hengfa Facility are qualified for handling wastewater and have obtained new Pollutant Emission Permits (《排污許可證》) under the Measures for Pollutant Discharge Permitting Administration (for Trial Implementation) (《排污許可管理辦法(試行)》). Our wastewater treatment services normally include the following procedures:



The above procedures, accompanied by a range of professional treatment facilities and techniques, together with scrupulous monitoring, we can therefore ensure that the quality of treated wastewater being discharged can fulfil requirements in the Integrated Wastewater Discharge Standard (《污水綜合排放標準》) and Class 1-A or Class 1-B of Discharge Standard of Pollutants for Municipal Wastewater Treatment Plants (《城鎮污水處理廠污染物排放標準》) (GB18918-2002). We conduct regular monitoring on indicators of water quality such as suspended solids (“**SS**”), chemical oxygen demand (“**COD**”), biological oxygen demand (“**BOD**”), ammonia and other pollutants to guarantee the quality of treated wastewater.

誠如往年報告所披露，先前已識別的如皋恆發設施環境違規行為已糾正。如皋恆發已委託符合資格的第三方就驗收測試進行環境監測。驗收報告根據所獲得的測試結果而編製，並在如皋經濟技術開發區官方網站上發佈。在報告期間，本集團並未發現任何違規行為與環境法律及法規相關。

污水處理

本集團目前在中國江蘇省如皋縣和海安縣經營兩間設施，為城市污水和工業污水提供污水處理服務。

為減輕周邊環境的水污染問題，我們視維持優質污水處理為主要責任。如皋恆發設施和海安恆發設施均具有污水處理資格，並取得《排污許可管理辦法(試行)》項下新的《排污許可證》。我們的污水處理服務一般包括以下程序：

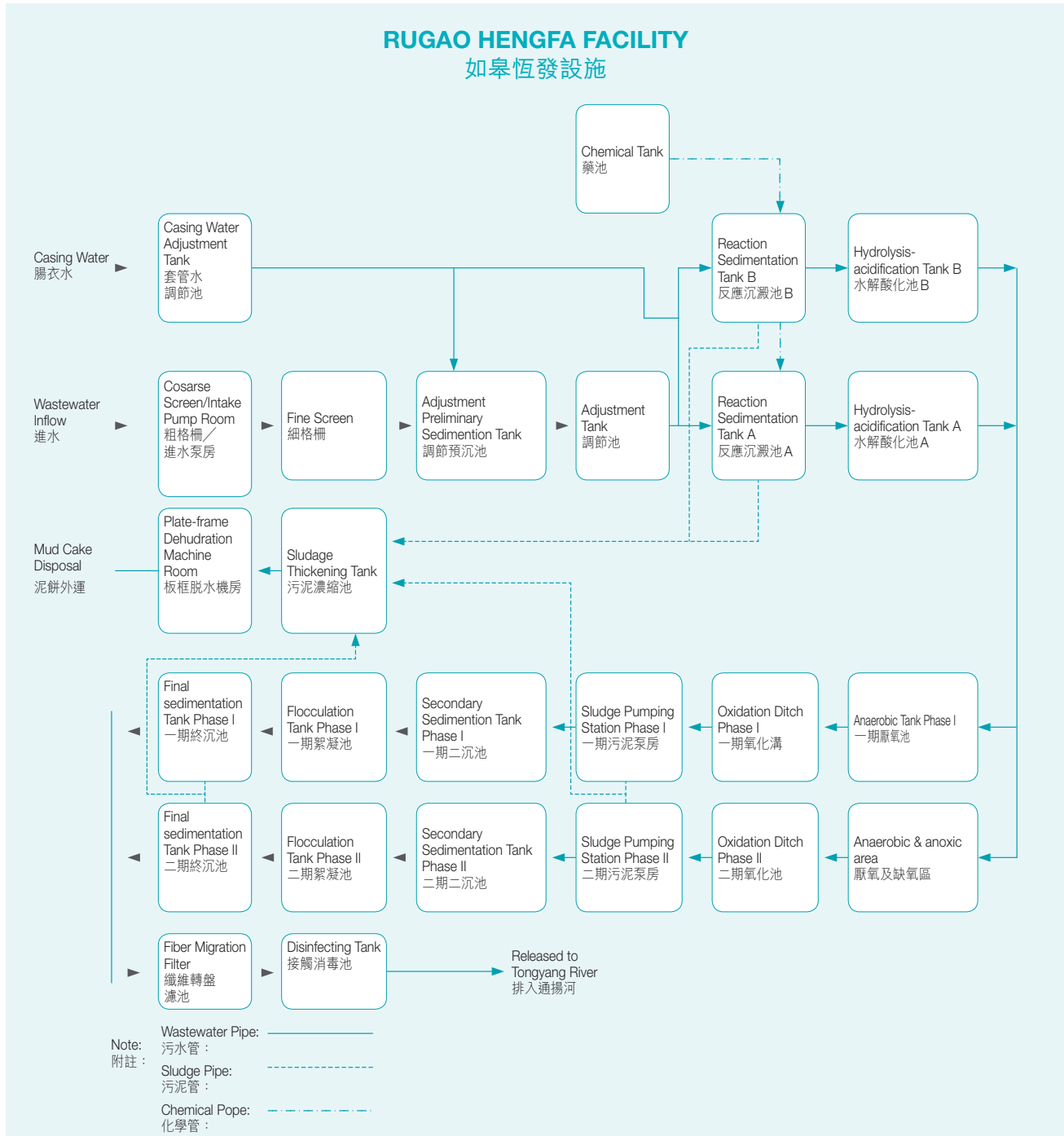
上述程序，連同一系列專業處理設施及技術，以及嚴格監控，我們可因此確保處理後污水的品質能夠達至《污水綜合排放標準》及《城鎮污水處理廠污染物排放標準》(GB18918-2002)的1-A級或1-B級要求。我們定期監測水質指標，例如懸浮固體(「**SS**」)、化學需氧量(「**COD**」)、生物需氧量(「**BOD**」)、氨及其他污染物，以保證處理後污水的品質。



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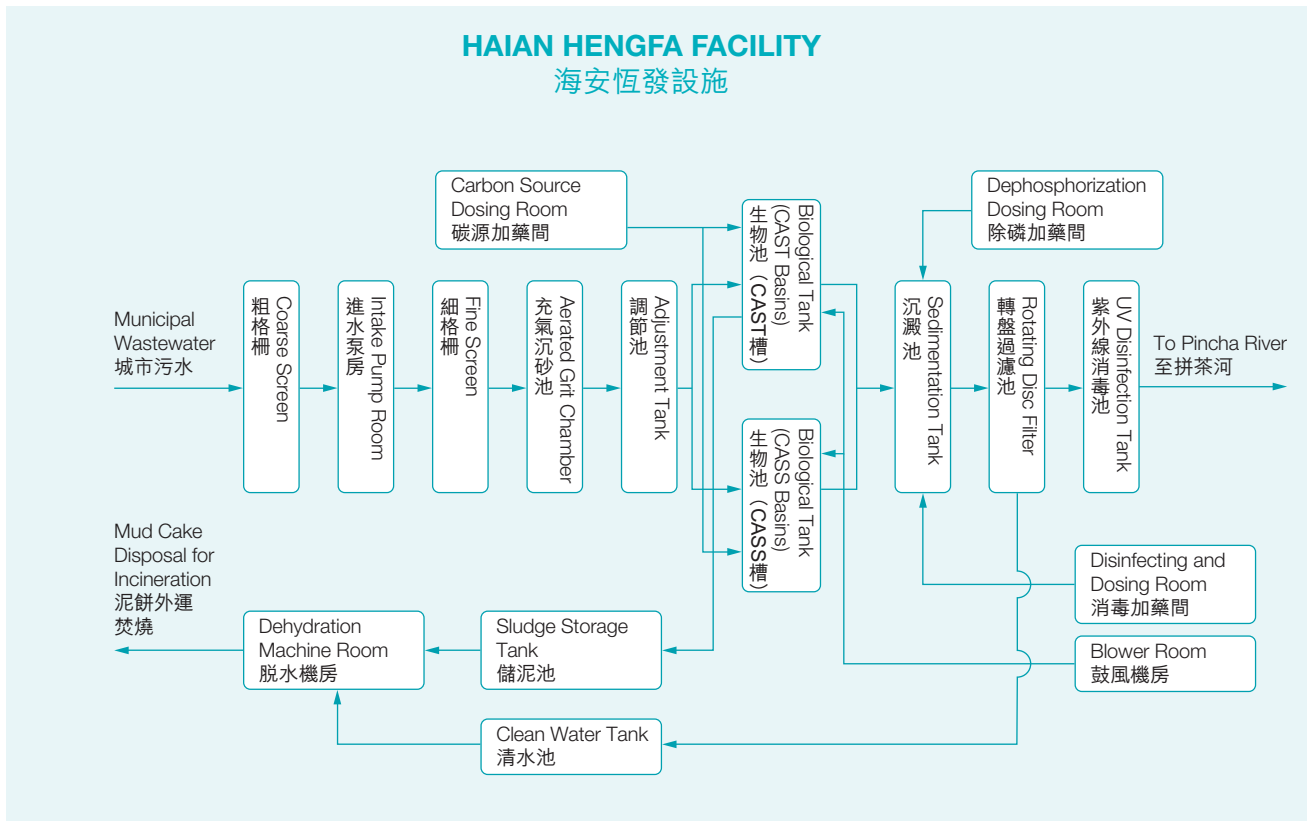
Rugao Hengfa Facility and Haian Hengfa Facility respectively adopt Moving Bed Biofilm Reactor (“**MBBR**”) treatment approach and Cyclic Activated Sludge Technology (“**CAST**”) approach to treat wastewater. The following diagrams clearly state the procedures of treatment:

如皋恆發設施及海安恆發設施分別採用流動式接觸床廢水生物膜反應(「**MBBR**」)處理方法及循環活性污泥技術(「**CAST**」)方法處理污水。下圖清楚列示處理程序：





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BIOMASS POWER GENERATION AND PALM KERNEL OIL

The business of RPSL in Jambi, Indonesia primarily engages in biomass power generation and palm kernel oil extraction. To cater for the increasing demand for renewable energy in the country, we make the most of palm kernel by:

- 1) Crushing palm kernel to render palm kernel oil for sale; and
- 2) Combustion of the palm kernel expeller for power generation.

The electricity produced is used internally to drive the palm kernel oil mill. Excess power is sold to Perusahaan Listrik Negara (“PLN”), a state-owned power supplier to supplement traditional energy for promoting the development and popularization of renewable energy.

生物質發電及棕櫚仁榨油

RPSL在印尼占碑的業務主要從事生物質發電及提取棕櫚仁油。為滿足該國對可再生能源不斷增長的需求，我們透過過以下方式充分利用棕櫚仁：

- 1) 壓榨棕櫚仁以銷售棕櫚仁油；及
- 2) 燃燒棕櫚仁渣供電。

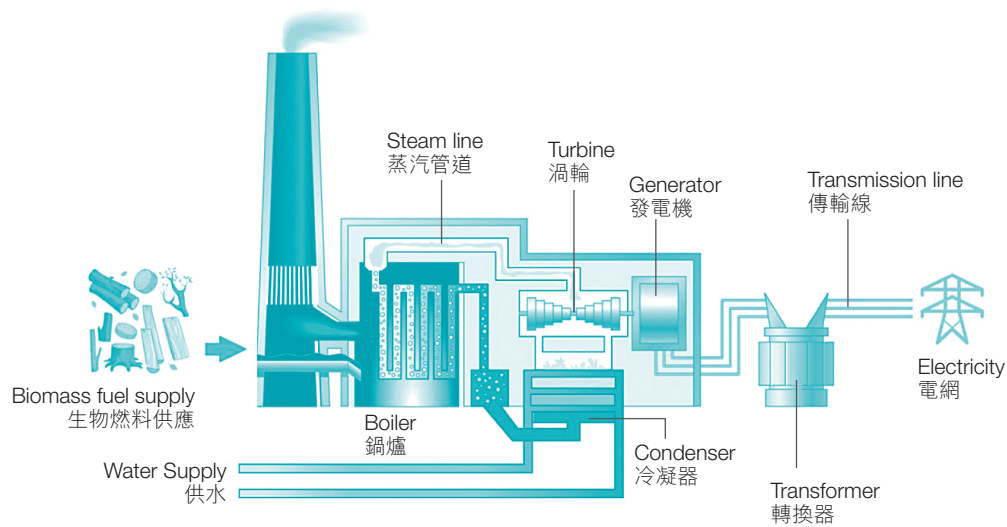
產生的電力能用於內部驅動棕櫚仁油榨油廠。多餘電力會出售予一家國有供電企業Perusahaan Listrik Negara (「PLN」) 以補充傳統能源，從而促進可再生能源的發展和普及。



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Currently, we have 2 power generation units under operation. The bioenergy is produced by the procedures depicted as follows.

我們目前有兩部發電機正在運作。生物能源生產程序如下。



EMISSIONS

Major emissions of our wastewater treatment and biomass power generation businesses during the Reporting Period include air and greenhouse gases (“GHG”) emissions, odour, wastewater and noise. Hazardous and non-hazardous wastes including sludge, waste oil, used battery, general refuse, ash, screen residue and sediment are also part of the emissions. We have adopted sophisticated emission management systems with a series of policies and measures, aiming at minimizing our impact imposed on the surrounding environment:

排放物

報告期內，我們污水處理和生物質發電業務的主要排放物包括空氣和溫室氣體（「GHG」）、臭氣、污水和噪音。有害和無害廢棄物（包括污泥、廢油、廢電池、一般垃圾、灰燼、篩渣和沉澱物）亦是排放物的一部分。我們已採用先進的排放管理系統，並採取一系列政策和措施，旨在將我們對周邊環境的影響減到最少：



Wastewater	污水
<ul style="list-style-type: none"> Effluent discharge quality of our Jiangsu facilities is regularly monitored as mentioned above. RPSL treats industrial wastewater by its own plant before discharge, and collects and handles domestic wastewater with septic tanks. Regularly monitor water quality with indicators such as TSS, pH, metals and phosphate to comply with Government Regulation No. 82/2001 on the Management of Water Quality. 	<ul style="list-style-type: none"> 如上所述，我們定期監測於江蘇設施的污水排放品質。 RPSL在排放前由自己的工廠處理工業污水，並使用化糞池收集和處理城鎮污水。 定期使用指標（包括總懸浮固體、酸鹼值、金屬及磷酸鹽）監測水質，以遵守關於水質管理的政府規例第82/2001號。



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Waste	廢棄物
<ul style="list-style-type: none"> Set up waste management system to handle, collect, store, and dispose solid wastes in wastewater treatment facilities General refuse and screener residue are collected by sanitation service providers Dewatered sewage sludge is collected and handled by qualified third parties Has obtained relevant license according to the requirements of the Government Regulation No. 18/1999 to legally collect and store hazardous waste generated from biomass power generation Use non-hazardous waste ash generated in power plant to backfill uneven grounds of the plant 	<ul style="list-style-type: none"> 設立廢棄物管理系統以處理、收集、存儲和處置污水處理設施中的固體廢物 排 污服務商收集一般垃圾和篩渣 合資格第三方收集和處理脫水污泥 根據政府規例第 18/1999 號的要求取得相關許可證，合法收集和存儲生物質發電產生的有害廢物 使用發電廠產生的無害廢物灰燼填充發電廠不平坦的地面



Odour	臭氣
<ul style="list-style-type: none"> Has enclosed facilities in a wastewater treatment plant and collect the air for deodorization Adopt biological deodorization technology in Rugao Hengfa Facility to remove odour Has planted trees around wastewater treatment plants to restrain and adsorb odour Collect and transport solid waste timely to reduce odour generation Has installed a roof at the wet fuel stock feed in the power plant to prevent the widespread of odour 	<ul style="list-style-type: none"> 在污水處理廠另設設施，收集空氣進行除臭 在如皋恒發設施採用生物除臭技術去除臭氣 在污水處理廠附近種植樹木，以抑制和吸收臭氣 及時收集和運輸固體廢物，減少臭氣產生 在發電廠的濕燃料進口處安裝屋頂，防止臭氣擴散



Air	空氣
<ul style="list-style-type: none"> Set up atmospheric environmental protection zone around the wastewater treatment facilities to prevent air pollutants from affecting nearby residents Control burning condition in biomass power plant to ensure complete combustion and avoid black smoke Routine monitoring of air pollutants to ensure compliance with the prescribed limits stipulated in relevant laws and regulations 	<ul style="list-style-type: none"> 在污水處理設施周邊設置大氣環境保護區，防止空氣污染物影響附近居民 控制生物質發電廠的燃燒狀態，以確保完全燃燒並避免產生黑煙 定期監測空氣污染物，以確保符合相關法例及規例的規定限制



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Noise	噪音
<ul style="list-style-type: none"> • Has purchased low-noise equipment during procurement • Has built structures for indoor installation of noisy equipment, such as blower • Provides damping base and vibration absorber for noisy equipment • Has planted trees or bamboo in the surroundings to screen noise from our premises • Has installed rubber damper on windows and doors to abate noise leakage • Conducts frequent inspection and maintenance to keep equipment in good condition and reduce noise from friction or loose parts 	<ul style="list-style-type: none"> • 採購時購買低噪音設備 • 為室內安裝鼓風機等噪音設備建立專有結構 • 為噪音設備提供減震底座和避震器 • 在周邊種植樹木或竹子，以屏蔽來自廠區的噪音 • 在門窗上安裝橡膠減震器，減少噪音產生 • 進行頻密檢查和維護，使設備處於良好狀態，並減少因摩擦或零件鬆動引起的噪音

USE OF RESOURCES

Both our wastewater treatment and biomass power generation businesses consume electricity, water and fuel for power generators, vehicles, kitchen and other machinery to support our daily operation. Rugao Hengfa and Hai'an Hengfa use water supplied by local municipal water suppliers. RSPL has obtained Groundwater Extraction Permit to pump water from underground. During the Reporting Period, we did not encounter any difficulties in water sourcing. Our businesses do not consume any packaging material.

Because of the scarcity of natural resources, we pledge to adopt stringent resource consumption management, with measures including:

- Turn down the air flowrate of blowers according to the quality and dissolved oxygen of incoming wastewater and reduce energy consumption
- Use treated wastewater to clean equipment upstream
- Reuse water in cooling towers of the power plant
- Shut down motor engines when vehicles are idled
- Prevent air-conditioning from being too hot or too cold
- Turn off electrical appliances when leaving
- Use electronic communication to replace using paper
- Encourage double-sided printing, copying and reuse single-sided paper

資源使用

我們的污水處理和生物質發電業務均消耗發電機、車輛、廚房和其他機器的電力、水和燃料，以支持日常營運。如皋恆發和海安恆發所使用的水乃當地市政供水商提供，而RSPL已取得地下水抽取許可證，可從地下抽水。報告期內，我們在水源上並無遇到任何難題。我們的業務亦不消耗任何包裝材料。

由於自然資源稀缺，我們保證採取嚴格的資源消耗管理，包括以下措施：

- 根據入廠污水水質和溶解氧氣調低鼓風機風量，節能降耗
- 使用已經過處理的污水清潔上游設備
- 重用發電廠冷凍塔中的水
- 汽車閒置時關閉引擎
- 防止空調溫度過高或過低
- 離開時關閉電器
- 使用電子方式溝通，代替用紙
- 鼓勵使用雙面列印、複印及重用單面紙



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GREEN PROCUREMENT

We believe that the natural environment should not be compromised for business development. As a result, we actively promote the concept of green procurement by prioritizing the purchase of energy-efficient appliances as well as water-efficient equipment to save resources and improve the environment.

綠色採購

我們認為，不應因業務發展而破壞自然環境。因此，我們優先選購節能裝置和節水設備，積極推廣綠色採購的概念，以節省資源，同時改善環境。

KEY ENVIRONMENTAL FIGURES

關鍵環境數據

Environmental Performance 環境表現		2019 二零一九年	2018 ² 二零一八年	Unit 單位
Emissions	排放			
Air Emissions ¹	氣體排放 ¹			
Nitrogen Oxides (NO _x)	氮氧化物 (NO _x)	214	850	kg 千克
Sulphur Oxides (SO _x)	硫氧化物 (SO _x)	2	16	kg 千克
Particulate Matters (PM)	懸浮顆粒 (PM)	4	30	kg 千克
GHG Emissions	溫室氣體排放			
Total GHG Emissions (Scope 1 & Scope 2)	溫室氣體排放總量 (範圍一及範圍二)	8,179	7,258	tonnes of CO ₂ e 公噸二氧化碳當量
Direct Emissions (Scope 1) ¹	直接排放 (範圍一) ¹	61	361	tonnes of CO ₂ e 公噸二氧化碳當量
Indirect Emissions (Scope 2)	間接排放 (範圍二)	8,125	6,903	tonnes of CO ₂ e 公噸二氧化碳當量
GHG Removal (Scope 1)	溫室氣體減除 (範圍一)	7	6	tonnes of CO ₂ e 公噸二氧化碳當量
GHG Emissions (Scope 1 & Scope 2) Intensity (per floor area)	溫室氣體排放 (範圍一及範圍二) 密度 (每樓面面積)	49	44	kg of CO ₂ e/m ² 千克二氧化碳 當量/平方米
Total GHG Emissions (Biogenic) ¹	溫室氣體排放總量 (生物) ¹	879	21,773	tonnes of CO ₂ e 公噸二氧化碳當量
Hazardous and Non-hazardous Wastes	有害及無害廢棄物			
Total Hazardous Waste Produced	產生的有害廢棄物總量	10	28	tonnes 公噸
Hazardous Waste Intensity (per floor area)	有害廢棄物密度 (每樓面面積)	0.06	0.17	kg/m ² 千克/平方米
Total Non-hazardous Waste Produced	產生的無害廢棄物總量	32,359	28,113	tonnes 公噸
General Refuse	一般廢物	97	97	tonnes 公噸
Sludge	污泥	32,262	28,016	tonnes 公噸
Non-hazardous Waste Intensity (per floor area)	無害廢棄物密度 (每樓面面積)	195	170	kg/m ² 千克/平方米



Environmental, Social and Governance Report 環境、社會及管治報告

Environmental Performance 環境表現		2019 二零一九年	2018 ² 二零一八年	Unit 單位
Use of Resources³	資源使用³			
Energy	能源			
Total Energy Consumption ¹	能源消耗總量 ¹	12,083	20,516	MWh 千個千瓦時
Purchased Electricity	購入電力	11,415	9,733	MWh 千個千瓦時
Biomass (for internal use) ¹	生物質(內部使用) ¹	448	9,490	MWh 千個千瓦時
Diesel Oil ¹	柴油 ¹	178	1,245	MWh 千個千瓦時
Liquefied Petroleum Gas	液化石油氣	—	9	MWh 千個千瓦時
Liquefied Natural Gas	液化天然氣	4	2	MWh 千個千瓦時
Unleaded Petrol	無鉛汽油	38	37	MWh 千個千瓦時
Energy Consumption Intensity (per floor area) ¹	能源消耗密度(每樓面面積) ¹	87	124	kWh/m ² 千瓦時/平方米
Water ¹	水 ¹			
Total Water Consumption	總用水量	58,411	319,862	m ³ 立方米
Water Consumption Intensity (per floor area)	用水密度(每樓面面積)	0.4	1.9	m ³ /m ² 立方米/平方米

¹ Significant decrease in emissions and energy consumptions compared with 2018 due to reduced operation level of the biomass power plants.

² Some figures for 2018 have been rounded.

³ Due to business nature, the Group is not involved in the use of packaging material for finished products.

¹ 排放及能源使用較二零一八年大幅減少乃由於生物質發電廠的營運水平下降所致。

² 二零一八年的部分數據已四捨五入。

³ 由於業務性質，本集團並無就製成品使用包裝材料。

PROTECTING PRIVACY

Protecting the privacy of the Group's and our customers' information is considered of great importance. We strive to protect the confidentiality of data and information including customers' information, business information, financial data etc. by forbidding the disclosure of any of such information to the third party without prior consent or approval. We state our expectations to employees explicitly in our personnel management policy and the employee handbook. Password protection is imposed for computers storing confidential information and printed sensitive materials are stored in a room with electronic lock and 24-hour surveillance cameras. Given our business nature, protecting intellectual property rights are immaterial to us.

ADVERTISING AND LABELLING

When formulating materials and content for promotion purpose, we are in stringent compliance with applicable laws and regulations concerning advertising, including the *Advertising Law* of the PRC (《中華人民共和國廣告法》) so as to ensure the authenticity of the content without any misleading information to consumers. Product labelling is irrelevant to the Group considering our business nature.

私隱保障

保障本集團及客戶資料的私隱十分重要。我們致力於保障數據及資料(包括客戶資料、商業資料、財務數據等)的機密性，禁止未經事先同意或批准而將任何該等資料透露予第三方。我們在人事管理政策和僱員手冊中明確表明對員工的期望。對存儲機密資料的電腦實施密碼保護，並將所列印的敏感資料存儲於帶有電子鎖和24小時監控攝像鏡頭的房間。基於我們的業務性質，保護知識產權對我們而言並不重大。

廣告及標籤

構想宣傳素材和內容時，我們嚴格遵守有關廣告的適用法律法規，包括《中華人民共和國廣告法》，以確保內容的真實性不會引起任何會帶給消費者的誤導資訊。基於我們的業務性質，產品標籤與本集團無關。



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CARING OUR PEOPLE

ELL Environmental sees every employee as our valuable asset that contributes the most to the Group's sustainable development and operations. Being a people-oriented employer, we strive to pay back to our employees by safeguarding their rights, health and safety, as well as providing a harmonious and friendly workplace for them. We have strictly abided by applicable labour-related laws and regulations, including but not limited to the *Labour Law* of the PRC (《中華人民共和國勞動法》), the *Labour Contract Law* of the PRC (《中華人民共和國勞動合同法》), the *Law on the Prevention and Control of Occupational Diseases* of the PRC (《中華人民共和國職業病防治法》), and the *Government Regulation No. 50/2012 on the Implementation of Occupational Safety and Health Management Systems* of the Republic of Indonesia etc. throughout all labour-related processes ranging from recruitment, training, dismissal, remunerations and benefits provision, labour standards to occupational health and safety. During the Reporting Period, the Group was not aware of any violations of labour-related laws and regulations.

EMPLOYEE OVERVIEW

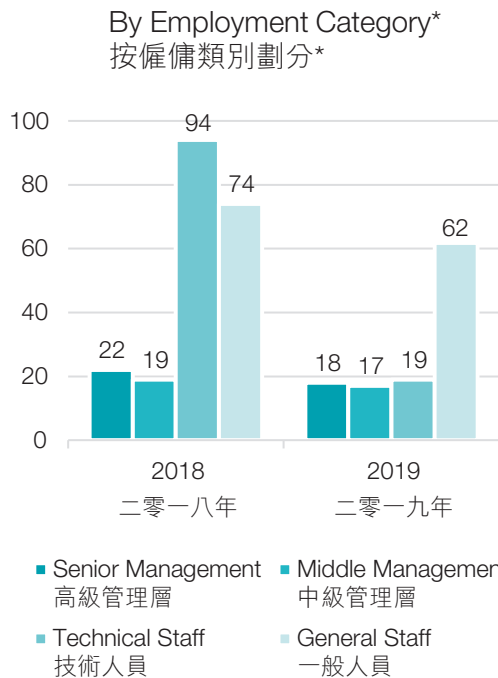
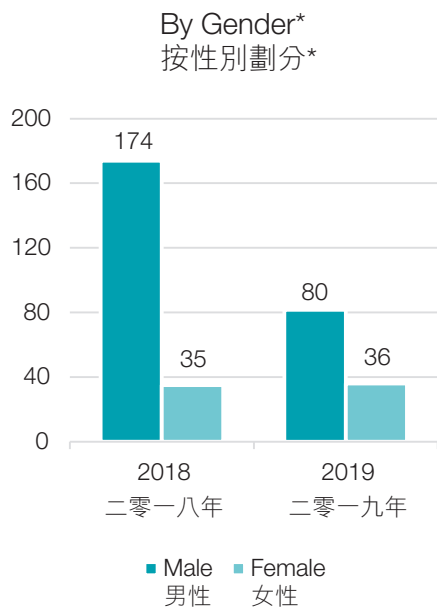
As of 31 December 2019, the Group employed a total of 116* employees. The following shows the distributions of employees by gender, employment type, age as well as geographical location:

關愛員工

強泰環保視每位僱員為我們的寶貴資產，他們為本集團的可持續發展和營運做出極大貢獻。作為本著以人為本精神的僱主，我們致力保障僱員的權利、健康和 safety，並提供和諧友好的工作環境，作以回報。我們就招募、培訓、解僱、薪酬和福利提供、勞工準則至職業健康與安全等所有與勞工相關的過程嚴格遵守與勞工相關的適用法律法規，包括但不限於《中華人民共和國勞動法》、《中華人民共和國勞動合同法》、《中華人民共和國職業病防治法》及關於印度尼西亞共和國實施職業安全健康管理制第 50/2012 號政府法規等。於報告期間，本集團並無發現任何違反勞工相關法律法規的行為。

僱員概覽

截至二零一九年十二月三十一日，本集團合共聘用了 116* 名僱員。下圖列示按性別、僱傭類別、年齡以及地區劃分的僱員分佈：



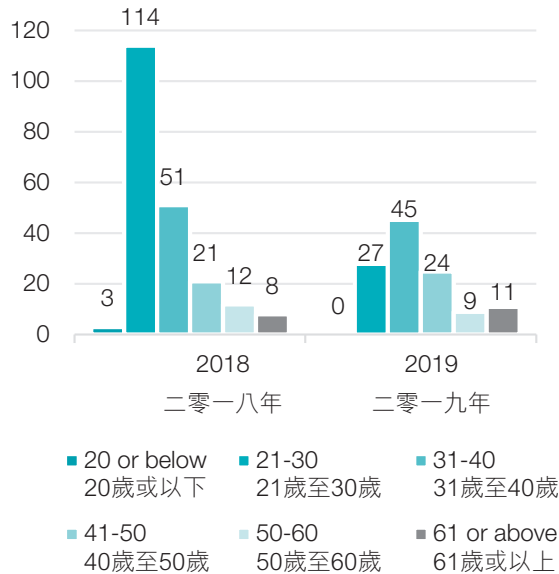
* Data included all employees of the whole Group.

* 數據包括整個本集團全體僱員。

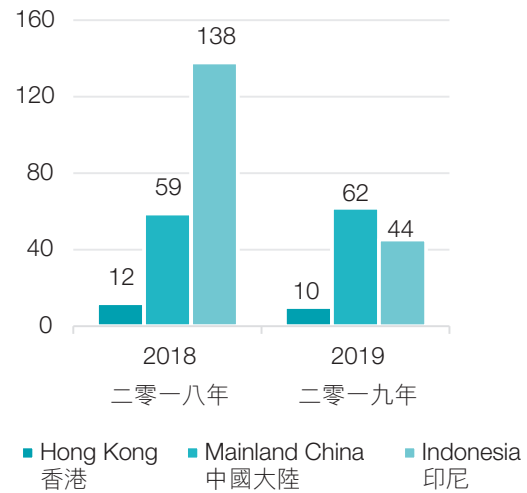


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By Age*
按年齡劃分*



By Geographical Location*
按地區劃分*



* Data included all employees of the whole Group.

* 數據包括整個本集團全體僱員。

RECRUITMENT

The Group posts job openings and selects the most suitable candidates to cater to the demands for talents from different departments. Being a responsible employer, we are in stringent compliance with applicable labour standards during recruitment processes and refrain from using child labour or forced labour. In the time of recruitment, we verify identification documents of candidates to ensure they are eligible for work in order to meet the requirements set out in the *Provisions on the Prohibition of Using Child Labour* (《禁止使用童工規定》). We have also stated the terms of overtime work arrangement, working hour and dismissal policies in relevant documents to avoid the occurrence of forced labour. In the event of resignation or dismissal of employees, we will provide necessary and adequate compensations. During the Reporting Period, we were not aware of any child or forced labour within the Group.

招聘

本集團發佈職位空缺，挑選最合適人選，以滿足不同部門對人才的需求。作為負責任的僱主，我們在招聘過程中嚴格遵守適用的勞工標準，避免聘用童工或強制勞工。在招聘時，我們會核實候選人的身份證明文件，確保他們合資格工作，以符合《禁止使用童工規定》所載的要求。我們亦在相關文件中闡明加班安排、工作時間和解僱政策的條款，以避免發生強制勞工情況。倘僱員辭職或被解僱，我們將提供必要和足夠補償。在報告期間，我們並無發現本集團內有任何童工或強制勞工。

SAFEGUARDING EMPLOYEES' RIGHTS

ELL Environmental has always been upholding the principle of equal opportunities, diversification and anti-discrimination in the workplace. All employees, irrespective of their gender, age, race, religion, marital status, nationality, or sexual orientation, are treated equally. We strive to ensure that they will not be subject to any forms of discriminations and protect their rights.

保障僱員權益

強泰環保一貫秉持工作環境上的平等機會、多元化和反歧視原則。所有僱員，不論其性別、年齡、種族、宗教、婚姻狀況、國籍或性取向如何，均一視同仁。我們致力確保僱員不會受到任何形式的歧視，保護他們的權利。



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We also secure employees' rights by offering them competitive remunerations and benefits. Remuneration packages of employees mainly comprise of basic salary, allowances and bonuses. The Group regularly reviews and adjusts remunerations of employees to ensure they are not lower than the market level. As set out in the Employee Handbook, employees are also entitled to leaves such as public and statutory holidays, marriage leave, maternity leave, compassionate leave, annual leave etc.

我們亦向僱員提供具競爭力的薪酬和福利，以保障他們的權利。僱員的薪酬待遇主要包括基本工資、津貼和花紅。本集團會定期檢討及調整僱員薪酬，以確保其薪酬不低於市場水平。根據僱員手冊所載，僱員亦有權享有休假，例如公眾和法定假期、婚假、產假、陪產假、年假等。

Basic benefits	基本福利
<ul style="list-style-type: none"> Pension, medical, unemployment, maternity, work-related insurance and housing provident fund (for PRC employees) 	<ul style="list-style-type: none"> 養老保險、醫療保險、失業保險、生育保險、工傷保險和住房公積金(為中國僱員而設)
<ul style="list-style-type: none"> Pension, health insurance, work-related insurance and termination compensation (for Indonesia employees) 	<ul style="list-style-type: none"> 養老保險、健康保險、工傷保險和終止聘用賠償金(為印尼僱員而設)
<ul style="list-style-type: none"> Medical allowance 	<ul style="list-style-type: none"> 醫療津貼
<ul style="list-style-type: none"> Overtime allowance 	<ul style="list-style-type: none"> 加班津貼

Additional benefits	額外福利
<ul style="list-style-type: none"> Religious holiday allowance 	<ul style="list-style-type: none"> 宗教節日津貼
<ul style="list-style-type: none"> Discretionary bonus 	<ul style="list-style-type: none"> 酌情花紅
<ul style="list-style-type: none"> Meal allowance 	<ul style="list-style-type: none"> 膳食津貼
<ul style="list-style-type: none"> Mourning allowance 	<ul style="list-style-type: none"> 慰問金
<ul style="list-style-type: none"> Festive gift cards 	<ul style="list-style-type: none"> 節日禮券
<ul style="list-style-type: none"> Company trip 	<ul style="list-style-type: none"> 公司旅行

PROTECTING EMPLOYEES' WELLBEING

Safeguarding employees' wellbeing has always been the Group's core responsibility. We strictly abide by applicable laws and regulations including *Work Safety Law* of the PRC (《中華人民共和國安全生產法》) and the *Government Regulation No. 50/2012 on Implementation of Occupational Safety and Health Management Systems* of the Republic of Indonesia to provide a safe workplace to employees and implement occupational health and safety measures to keep our employees healthy. Below describes some of the measures we have in place.

保障僱員福祉

保障僱員福祉一直是本集團的核心責任。我們嚴格遵守適用的法律法規，包括《中華人民共和國安全生產法》和關於印度尼西亞共和國實施職業安全健康管理制度的第50/2012號政府法規，為僱員提供安全的工作環境，並採取職業健康和安全措施，照顧僱員健康。以下乃描述我們已採取的若干措施。



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Workplace Safety	工作間安全
<ul style="list-style-type: none"> • Provide suitable Personal Protective Equipment (“PPE”) to employees such as gloves and work clothes • Regularly inspect and maintain fire-fighting equipment, facilities and electrical appliances for fire prevention • Conduct fire and emergency drills and training to enhance employees’ awareness of safety issues • Deploy designated personnel to monitor the implementation of safety measures and manage relevant risks 	<ul style="list-style-type: none"> • 為僱員提供個人保護設備(「個人保護設備」)，例如手套和工作服 • 定期檢查和維護消防設備、設施和電器，防止火災發生 • 進行消防緊急演習和訓練，提高僱員的安全意識 • 派遣專人監督實施安全措施，管理相關風險



Health	健康
<ul style="list-style-type: none"> • Arrange regular health checks • Provide health insurance • Arrange leisure and sports activities for employees such as badminton games to maintain work-life balance 	<ul style="list-style-type: none"> • 安排定期健康檢查 • 提供健康保險 • 為僱員安排休閒體育活動，例如羽毛球賽，維持工作生活平衡

Despite our best endeavours, an employee in Jiangsu encountered a traffic accident on the way to work, which resulted in a loss of 100 working days. An employee in Jambi was slightly injured while cleaning the plant and was absent for 1 working day. The Group was not aware of any incompliance with laws and regulations related to occupational health and safety.

儘管我們已盡最大努力，但江蘇的一名僱員在上班途中遇到交通事故，導致有100日未能工作。而占碑的一名僱員在清潔工廠時受到輕傷，缺席了1個工作日。本集團並無發現任何違反相關職業健康和安全的法律法規。

TRAINING AND DEVELOPMENT

For the sake of the Group’s sustainable development, we believe that investing in human capital is critical. The Group strives to build a sound career path for our employees and provide adequate training opportunities, enabling our employees to grow and glow.

培訓和發展

為了本集團的可持續發展，我們認為人力資本投資至關重要。本集團致力為僱員建立良好的職業發展道路，提供適當的培訓機會，以使我們的僱員成長並煥發光芒。

To better attract and retain employees, we provide sufficient career development opportunities. Employee promotion will be considered with regards to their performance appraisal results. The appraisal is conducted regularly to understand employees’ work performance, abilities and skills. The appraisal results form the basis for adjusting work positions and salary.

為極力吸引和挽留僱員，我們提供充足職業發展機會。僱員晉升將依據其表現評估結果而定。定期進行評估以了解僱員的工作表現、能力和技能，而評估結果乃構成調整工作崗位和薪金的基礎。



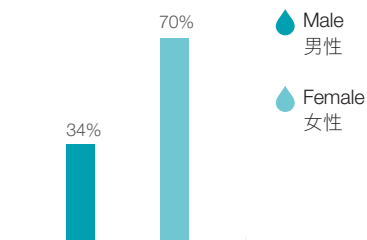
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Apart from development in the career path, we also organize an array of training programs based on the needs of our employees and our development to boost employees' knowledge and professional skills. During the Reporting Period, we have arranged over 900 hours of training, with detailed distributions shown below:

除職業道路發展之外，我們亦根據僱員的需求和發展安排一系列培訓計劃，以提高僱員的知識和專業技能。在報告期間，我們已安排超過900小時的培訓，詳細分配如下所示：

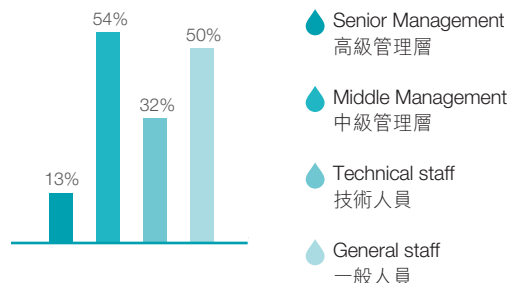
Percentage of employees trained by gender

按性別劃分的受訓僱員百分比



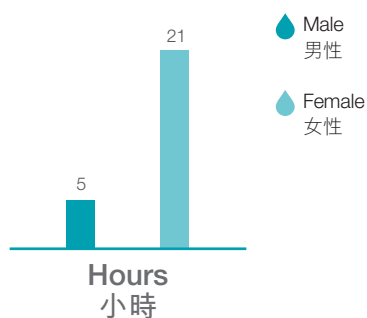
Percentage of employees trained by employee category

按僱員類別劃分的受訓僱員百分比



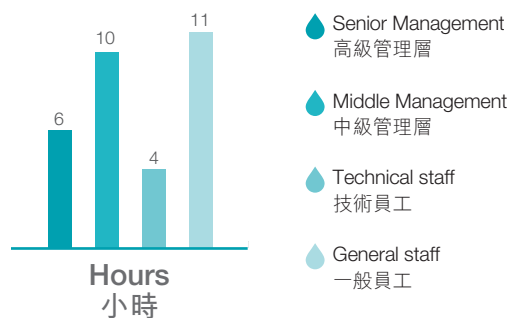
Average training hours completed per employee by gender

按性別劃分的每位僱員完成的平均受訓時數



Average training hours completed per employee by employee category

按僱員類別劃分的每位僱員完成的平均受訓時數





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CONTRIBUTING TO COMMUNITY

Being a responsible corporate citizen, we are dedicated to giving back to society by actively engaging in community activities with employees, aiming at sharing what we have with the needy and the neighbouring community.

For our wastewater treatment services in the PRC, Rugao Hengfa donated RMB100,000 to Rugao Charity Federation during the Reporting Period. The Federation has been subsidizing elderly, orphans, poor students, and severe disease patients in poor families for the past decades.

RPSL in Jambi has been adhering to Jambi City Regional Regulation No. 1/2016 on Corporate Social Responsibility. We are honoured that RPSL received the “Appreciation of Corporate Social Responsibility Participation” from the Mayor of Jambi for the 3rd consecutive year. During the Reporting Period, we donated IDR272.6 million to the Mayor CSR Programme for Jambi and the nearby communities and helped distribute the goods bought by one of these donations to the people in need.

貢獻社區

作為負責任的企業公民，我們致力於與僱員積極參與社區活動以回饋社會，旨在與有需要的人和鄰近社區分享我們所有。

在報告期間，如皋恆發就在中國的污水處理服務向如皋慈善基金會捐出人民幣100,000元。在過去幾十年，該基金會一直在資助老年人、孤兒、貧困學生和貧困家庭的重症患者。

位於占碑的RPSL一直遵守占碑市關於企業社會責任的第1/2006號區域法規。我們很榮幸RPSL連續第三年獲得占碑市市長的「企業社會責任參與獎」。在報告期間，我們向占碑市及鄰近社區的市長企業社會責任計劃捐出272,600,000印尼盾，幫助將透過其中一筆捐款購買的物品分派給有需要的人。



Environmental, Social and Governance Report

環境、社會及管治報告

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORTING GUIDE INDEX

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KPI A1.3 關鍵績效指標 A1.3	Total hazardous waste produced and intensity. 所產生有害廢棄物總量及密度。		
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KPI A1.6 關鍵績效指標 A1.6	Description of how hazardous and non-hazardous wastes are handled, reduction initiatives and results achieved. 描述處理有害及無害廢棄物的方法、減低產生量的措施及所得成果。		



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KPI A2.1 關鍵績效指標 A2.1	Direct and/or indirect energy consumption by type in total and intensity. 按類型劃分的直接及／或間接能源總耗量及密度。	Key Environmental Figures 關鍵環境數據	34
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Description of energy use efficiency initiatives and results achieved. 描述能源使用效益措施及所得成果。 Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency initiatives and results achieved. 描述尋求適用水源上可有任何問題，以及提升用水效益計劃及所得成果。			
KPI A2.5 關鍵績效指標 A2.5	Total packaging material used for finished products and with reference to per unit produced. 製成品所用包裝材料的總量及每生產單位佔量。	Not applicable to the Group's business 不適用於本集團業務	N/A 不適用
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General Disclosure 一般披露 Policies on minimizing the issuer's significant impact on the environment and natural resources. 減低問題產生者對環境及天然資源造成重大影響的政策。		Creating Green Fortune 創造綠色財富	27
KPI A3.1 關鍵績效指標 A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them. 描述業務活動對環境及天然資源的重大影響及已採取管理有關影響的行動。		



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KPI B1.1 關鍵績效指標 B1.1	Total workforce by gender, employment type, age group and geographical region. 按性別、僱傭類型、年齡組別及地區劃分的僱員總數。	Employee Overview 僱員概覽	36
KPI B1.2 關鍵績效指標 B1.2	Employee turnover rate by gender, age group and geographical region. 按性別、年齡組別及地區劃分的僱員流失比率。	Not disclosed this year 今年暫不披露	N/A 不適用



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General Disclosure 一般披露 Information on: 有關提供安全工作環境及保障僱員避免職業性危害的： <ul style="list-style-type: none"> (a) the policies; and (a) 政策；及 (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to providing a safe working environment and protecting employees from occupational hazards. (b) 遵守對問題產生者有重大影響的相關法律及規例的資料。 		Protecting Employees' Wellbeing 保障僱員福祉	38
KPI B2.1 關鍵績效指標 B2.1	Number and rate of work-related fatalities. 因工作關係而死亡的人數及比率。		
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Aspect B3: Development and Training 層面 B3：發展及培訓			
General Disclosure 一般披露 Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities. 有關提升僱員履行工作職責的知識及技能的政策。描述培訓活動。		Training and Development 培訓和發展	39
KPI B3.1 關鍵績效指標 B3.1	The percentage of employees trained by gender and employee category. 按性別及僱員類別劃分的受訓僱員百分比。		
KPI B3.2 關鍵績效指標 B3.2	The average training hours completed per employee by gender and employee category. 按性別及僱員類別劃分，每名僱員完成受訓的平均時數。		



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Information on: 有關防止童工或強制勞工的：			
(a) the policies; and 政策；及 (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child and forced labour. 遵守對問題產生者有重大影響的相關法律及規例的資料。			
KPI B4.1 關鍵績效指標 B4.1	Description of measures to review employment practices to avoid child and forced labour. 描述檢討招聘慣例的措施以避免聘用童工及強制勞工。		
KPI B4.2 關鍵績效指標 B4.2	Description of steps taken to eliminate such practices when discovered. 描述在發現違規情況時消除有關情況所採取的步驟。	Not disclosed this year 今年暫不披露	N/A 不適用
<i>Operating Practices</i> 營運慣例			
Aspect B5: Supply Chain Management 層面 B5：供應鏈管理			
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Policies on managing environmental and social risks of the supply chain. 管理供應鏈的環境及社會風險政策。			
KPI B5.1 關鍵績效指標 B5.1	Number of suppliers by geographical region. 按地區劃分的供應商數目。		
KPI B5.2 關鍵績效指標 B5.2	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, how they are implemented and monitored. 描述有關聘用供應商的慣例，向其執行有關慣例的供應商數目、以及有關慣例的執行及監察方法。		



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Information on: 有關所提供產品和服務的健康與安全、廣告、標籤及私隱事宜以及補救方法的： (a) the policies; and (a) 政策；及 (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress. (b) 遵守對問題產生者有重大影響的相關法律及規例的資料。			
KPI B6.1 關鍵績效指標 B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons. 已售或已運送產品總數中因安全與健康理由而須回收的百分比。	Not applicable to the Group's business 不適用於本集團業務	N/A 不適用
KPI B6.2 關鍵績效指標 B6.2	Number of products and service-related complaints received and how they are dealt with. 接獲關於產品及服務的投訴數目以及應對方法。	Not disclosed this year 今年暫不披露	N/A 不適用
KPI B6.3 關鍵績效指標 B6.3	Description of practices relating to observing and protecting intellectual property rights. 描述與維護及保障知識產權有關的慣例。	Not applicable to the Group's business 不適用於本集團業務	N/A 不適用
KPI B6.4 關鍵績效指標 B6.4	Description of quality assurance process and recall procedures. 描述質量檢定過程及產品回收程序。	Not applicable to the Group's business 不適用於本集團業務	N/A 不適用
KPI B6.5 關鍵績效指標 B6.5	Description of consumer data protection and privacy policies, how they are implemented and monitored. 描述消費者資料保障及私隱政策，以及相關執行及監察方法。	Protecting Privacy 私隱保障	35



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Information on: 有關防止賄賂、勒索、欺詐及洗黑錢的：			
(a) the policies; and (a) 政策；及 (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to bribery, extortion, fraud and money laundering. (b) 遵守對問題產生者有重大影響的相關法律及規例的資料。			
KPI B7.1 關鍵績效指標 B7.1	Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the reporting period and the outcomes of the cases. 於報告期內對問題產生者或其僱員提出並已審結的貪污訴訟案件的數目及訴訟結果。		
KPI B7.2 關鍵績效指標 B7.2	Description of preventive measures and whistle-blowing procedures, how they are implemented and monitored. 描述防範措施及舉報程序，以及相關執行及監察方法。		



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Aspect B8: Community Investment 層面 B8：社區投資			
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Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities take into consideration the communities' interests. 有關以社區參與來了解問題產生者營運所在社區需要和確保其業務活動會考慮社區利益的政策。			
KPI B8.1 關鍵績效指標 B8.1	Focus areas of contribution. 專注貢獻範疇。		
KPI B8.2 關鍵績效指標 B8.2	Resources contributed to the focus area. 在專注範疇所動用資源。		



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

EXECUTIVE DIRECTORS

Mr. Chau On Ta Yuen

Mr. Chau On Ta Yuen, aged 72, was appointed as a Director of the Company on 18 March 2014 and was re-designated as the chairman of the Board (the “**Chairman**”) and an executive Director of the Company on 5 September 2014. He has been the chairman of the nomination committee of the Board (the “**Nomination Committee**”) since 5 September 2014. Mr. Chau also holds directorships in certain subsidiaries of the Company and is mainly responsible for business development and formulation of strategies 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 is a director of and owns 90% of the issued shares in Wealthy Sea Holdings Limited (“**Wealthy Sea**”), a substantial shareholder of the Company.

Mr. Chau obtained a bachelor's degree in Chinese language and literature from Xiamen University (廈門大學) in the People's Republic of China (the “**PRC**”) 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 and the secretary-general of the 10th board of directors of the Hong Kong Federation of Fujian Associations (香港福建社團聯會). Mr. Chau was awarded a Bronze Bauhinia Star a Silver Bauhinia Star by the Hong Kong government in 2010 and 2016, respectively.

執行董事

周安達源先生

周安達源先生，72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董事會主席（「**主席**」）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（「**提名委員會**」）主席。周先生亦擔任本公司若干附屬公司的董事職務，並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。周先生為本公司主要股東潤海集團有限公司（「**潤海**」）的董事並擁有其已發行股份的90%。

周先生於一九六八年八月獲中華人民共和國（「**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十屆董事會副主席兼秘書長。周先生於二零一零年及二零一六年分別獲香港政府授予銅紫荊星章和銀紫荊星章。



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

Mr. Chau has held directorships in various companies listed on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”). Mr. Chau was the chairman and an executive director of China Ocean Industry Group Limited (stock code: 651) from September 2007 and had ceased to be the chairman from June 2015 and was re-designated as the non-executive director and appointed as the honorary chairman from June 2015 to November 2019. Mr. Chau has also been appointed as an independent non-executive director of Redco Properties Group Limited (stock code: 1622), Come Sure Group (Holdings) Limited (stock code: 794), Good Resources Holdings Limited (stock code: 109) and Hang Pin Living Technology Company Limited (formerly known as Hua Long Jin Kong Company Limited) (stock code: 1682) since January 2014, February 2009, July 2007 and September 2017, 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, GR Properties Limited (stock code: 108) from December 2008 to September 2010 and Leyou Technologies Holdings Limited (stock code: 1089) from December 2010 to May 2016. Mr. Chau is the father of Mr. Chau Chi Yan Benny, an executive Director of the Company.

Mr. Chan Kwan

Mr. Chan Kwan, aged 37, was appointed as a Director of the Company on 25 February 2014 and was re-designated as an executive Director and the chief executive officer of the Company (the “**CEO**”) on 5 September 2014. He has been a member of the Nomination Committee since 5 September 2014. Mr. Chan also holds directorships in certain subsidiaries of the Company and is mainly responsible for all major affairs of the Group, including project construction and operation, business development, marketing and formulation of strategies. 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 of America (“**US**”), from February 2005 to December 2006.

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重工集團有限公司（股份代號：651）主席兼執行董事，自二零一五年六月不再任職主席，並於二零一五年六月至二零一九年十一月被調任為非執行董事及獲委任為名譽主席。周先生分別自二零一四年一月、二零零九年二月、二零零七年七月及二零一七年九月起亦獲委任為力高地產集團有限公司（股份代號：1622）、錦勝集團（控股）有限公司（股份代號：794）、天成國際集團控股有限公司（股份代號：109）及杭品生活科技股份有限公司（前稱華隆金控有限公司）（股份代號：1682）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）、於二零零八年十二月至二零一零年九月擔任國銳地產有限公司（股份代號：108）及於二零一零年十二月至二零一六年五月擔任樂遊科技控股有限公司（股份代號：1089）獨立非執行董事。周先生為本公司執行董事周致人先生的父親。

陳昆先生

陳昆先生，37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執行董事兼行政總裁（「**行政總裁**」）。彼自二零一四年九月五日起一直為提名委員會成員。陳先生亦擔任本公司若干附屬公司的董事職務，並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利堅合眾國（「**美國**」）洛杉磯 Panda Restaurant Group, Inc. 的數據庫管理員。



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

Mr. Chan obtained a bachelor's degree in science from the Iowa State University of Science and Technology in the US in December 2004. He is a member of the 12th 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 10th 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 president of the 2nd Hong Kong Federation of Overseas Chinese Youth Committee (香港華僑華人總會). Since March 2018, he has been serving as an executive director of Wan Kei Group Holdings Limited (stock code: 1718). Mr. Chan is the elder brother of Mr. Chan Pak Lam Brian, the non-executive Director of the Company.

Mr. Chan is the sole director of and holds a 20% shareholding interest in Everbest Environmental Investment Limited ("**Everbest Environmental**"), a controlling shareholder of the Company. Mr. Chan also owns 20% of the issued shares in Kingdrive Limited ("**Kingdrive**"). Kingdrive owned all the issued shares in Carlton Asia Limited which owns approximately 1.42% of the issued shares of the Company.

Mr. Radius Suhendra

Mr. Radius Suhendra, aged 46, was appointed as an executive Director of the Company on 21 October 2016. Mr. Suhendra is mainly responsible for all major affairs of an Indonesia-incorporated subsidiary of the Company, which was acquired by the Group in late 2016. He has been overseeing the construction and operation of the palm kernel oil mill and the ancillary biomass power plants in that subsidiary.

He obtained a bachelor's degree in business administration from Ohio State University, the US in 1996. He has 15 years of experience in managing businesses in heavy industries in Asia, including 7 years in managing ferrous trading business of a ferrous alloy trading firm between 1998 and 2005 in Singapore. From 2006 to 2010, Mr. Suhendra was the president director of PT. Indoferro which operates blast furnace producing nickel pig iron in Indonesia.

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十二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、香港閩西聯會第十屆監事長、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第二屆主席。自二零一八年三月起，彼擔任宏基集團控股有限公司(股份代號：1718)的執行董事。陳先生為本公司非執行董事陳柏林先生的胞兄。

陳先生為本公司控股股東Everbest Environmental Investment Limited ("**Everbest Environmental**")的唯一董事，並持有其20%的股權。陳先生亦擁有Kingdrive Limited ("**Kingdrive**")20%的已發行股份。Kingdrive擁有Carlton Asia Limited全部已發行股份，而Carlton Asia Limited擁有本公司約1.42%的已發行股份。

蘇堅人先生

蘇堅人先生，46歲，於二零一六年十月二十一日獲委任為本公司執行董事。蘇先生主要負責本集團於二零一六年年末收購的本公司於印尼註冊成立附屬公司的所有重大事項。彼一直在監督該附屬公司的棕櫚仁油榨油廠及自備生物質電廠的建造及營運。

蘇先生於一九九六年取得美國俄亥俄州立大學工商管理學士學位。彼在亞洲重工業業務管理方面擁有15年的經驗，包括於一九九八年至二零零五年7年在新加坡一間鐵合金交易公司負責管理黑色金屬交易業務。自二零零六年至二零一零年期間，蘇先生為PT. Indoferro的總裁董事，PT. Indoferro的業務為在印尼使用高爐生產含鎳生鐵。



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

Mr. Chau Chi Yan Benny

Mr. Chau Chi Yan Benny, aged 38, was appointed as a Director of the Company on 18 March 2014, was re-designated as a non-executive Director of the Company on 5 September 2014 and was further re-designated as an executive Director of the Company and appointed as the deputy general manager of the Group both since April 2019. He also holds directorships in certain subsidiaries of the Company.

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 (the "UK") from November 2005 to September 2008.

Mr. Chau was a consultant of Convoy Financial Services Limited from August 2012 to June 2017. He obtained a bachelor's degree in arts from Manchester Metropolitan University in the UK in September 2005. He is also registered as a technical representative of the Professional Insurance Brokers Association in Hong Kong. Mr. Chau is (i) the son of Mr. Chau On Ta Yuen, an executive Director of the Company and the Chairman and (ii) a director of Wealthy Sea, a substantial shareholder of the Company.

NON-EXECUTIVE DIRECTOR

Mr. Chan Pak Lam Brian

Mr. Chan Pak Lam Brian, aged 31, 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 (the "**Remuneration Committee**") since 5 September 2014. He is also a director of three subsidiaries of the Company. Mr. Chan obtained a bachelor's degree in communication from Purdue University in the US 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 Environmental to be used as the holding company for the purpose of the listing of the shares of the Company on the Stock Exchange. 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 had been appointed as a Director on 18 March 2014. Mr. Chan is the younger brother of Mr. Chan Kwan, an executive Director and the CEO.

周致人先生

周致人先生，38歲，於二零一四年三月十八日獲委任為本公司董事，於二零一四年九月五日調任為本公司非執行董事，繼而自二零一九年四月起獲調任為本公司執行董事及獲委任為本集團副總經理。彼亦在本公司若干附屬公司擔任董事職務。

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(「英國」)Vodafone Ltd.業務顧問。

周先生於二零一二年八月至二零一七年六月擔任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。彼亦為香港專業保險經紀協會的註冊業務代表。周先生為(i)本公司執行董事兼主席周安達源先生之子及(ii)本公司主要股東潤海的董事。

非執行董事

陳栢林先生

陳栢林先生，31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(「**薪酬委員會**」)成員。彼亦為本公司三間附屬公司的董事。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Everbest Environmental當時的股東擬就本公司股份於聯交所上市將強泰作為控股公司。在擔任強泰董事時，陳先生參與在亞洲更多地區探索環保相關行業的業務機會，亦負責本公司資訊科技系統的設立及保養。陳先生於二零一四年三月十八日獲委任為董事後繼續參與本集團業務。陳先生為本公司執行董事兼行政總裁陳昆先生的胞弟。



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

INDEPENDENT NON-EXECUTIVE DIRECTORS

Ms. Ng Chung Yan Linda

Ms. Ng Chung Yan Linda, aged 44, was appointed as an independent non-executive Director of the Company (the “**INED**”) on 5 September 2014. She has been the chairlady of the audit committee of the Board (the “**Audit Committee**”) and a member of each of the Remuneration Committee and the Nomination Committee since 5 September 2014.

Ms. Ng has been a director of 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 of 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 and a part-time lecturer at HKCA Learning Media Limited since August 2010, and was a part-time lecturer at Accountancy Training Company (International) Limited from September 2007 to April 2010. She has been 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 in the UK since October 2005 and a practising member of Hong Kong Institute of Certified Public Accountants since January 2005.

獨立非執行董事

伍頌恩女士

伍頌恩女士，44歲，於二零一四年九月五日獲委任為本公司獨立非執行董事（「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審核委員會（「審核委員會」）主席以及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立經營者。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》的作者及為自二零一三年九月起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 68, was appointed as an INED 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 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 each of Fujian Holdings Limited (stock code: 181) since June 2014, Guoan International Limited (stock code: 143) and HKBridge Financial Holdings Limited (stock code: 2323) since March 2016, Shanghai Zendai Property Limited (stock code: 755) since May 2017 and Green Future Food Hydrocolloid Marine Science Company Limited (stock code: 1084) since September 2019. Mr. Ng was a non-executive director of Roma Group Limited (stock code: 8072) from August 2017 to December 2017. The issued shares of all the above companies are listed on the Stock Exchange.

Mr. Ng has also been the chairman of the supervisory board of Well Link Bank in Macau since 31 March 2018.

吳文拱先生

吳文拱先生，68歲，於二零一四年九月五日獲委任為獨立非執行董事。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。

吳先生亦分別自二零一四年六月起擔任閩港控股有限公司(股份代號：181)、自二零一六年三月起擔任國安國際有限公司(股份代號：143)及港橋金融控股有限公司(股份代號：2323)、自二零一七年五月起擔任上海証大房地產有限公司(股份代號：755)及自二零一九年九日起擔任綠新親水膠體海洋科技有限公司(股份代號：1084)的獨立非執行董事。吳先生於二零一七年八月至二零一七年十二月期間擔任羅馬集團有限公司(股份代號：8072)的非執行董事。所有上述公司的已發行股份均於聯交所上市。

吳先生亦自二零一八年三月三十一日起擔任澳門立橋銀行監事會主席。



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

Ms. Leung Bo Yee Nancy

Ms. Leung Bo Yee Nancy, aged 47, was appointed as an INED with effect from 15 October 2019. She has been a member of each of the Audit Committee, the Remuneration Committee and the Nomination Committee since 15 October 2019.

Ms. Leung graduated from the University of Cambridge in England with a master's degree in law in July 1996 and from the University of Hong Kong with a bachelor's degree in law in July 1994. After graduation, from 1996 to 2004, Ms. Leung worked at Clyde & Co., where her last position was associate.

Ms. Leung is a qualified solicitor in Hong Kong, England and Wales and a partner of Leung and Lau, Solicitors LLP which she co-founded in 2005. She co-founded L.I.M Tech Limited which commenced operations in December 2018 and Xu Shan Charitable Foundation Company Limited in July 2019, and has been the major shareholder and chairlady of California Insurance Company, Limited since 2018.

Ms. Leung is presently a member of the Legal Education Committee of the Law Society of Hong Kong. She was previously a member of the Public Education and Publicity Sub-committee under the Steering Committee on Mediation of the Department of Justice and the Mediate First Pledge Sub-Group of the Public Education and Publicity Sub-Group of the Secretary of Justice's Working Group on Mediation in Hong Kong. She was previously also appointed as a Deputy District Court Judge in Hong Kong in 2012.

Ms. Leung served as the non-executive director of New Trend Lifestyle Group Plc (LON:NTLG) from June 2016 to January 2018. Save as the above, she does not hold any other position within the Group and has not held any directorship in any other public listed company in the past three years.

梁寶儀女士

梁寶儀女士，47歲，獲委任為獨立非執行董事，自二零一九年十月十五日起生效。彼自二零一九年十月十五日起一直為審核委員會、薪酬委員會及提名委員會各自之成員。

梁女士於一九九六年七月畢業於英國劍橋大學並取得法學碩士學位，於一九九四年七月畢業於香港大學並取得法學學士學位。畢業後，由一九九六年至二零零四年，梁女士任職於Clyde & Co.，彼於該公司最後之職位為律師。

梁女士，為香港、英國及威爾斯合資格律師，以及梁寶儀劉正豪律師行有限法律責任合夥（彼於二零零五年共同創立）之合夥人。彼共同創立鍊科有限公司（於二零一八年十二月開始營運）並於二零一九年七月共同創立Xu Shan Charitable Foundation Company Limited，並自二零一八年起一直擔任加洲保險有限公司之主要股東及主席。

梁女士目前為香港律師會之法律教育委員會 (Legal Education Committee) 之成員。彼於過往曾為律政司調解督導委員會轄下之公眾教育及宣傳小組委員會以及律政司於香港調解事務之工作小組的公眾教育及宣傳專責小組之調解為先專責小組之成員。彼過往亦曾於二零一二年於香港獲委任為區域法院暫委法官。

梁女士自二零一六年六月至二零一八年一月期間於新天地集團股份有限公司 (New Trend Lifestyle Group Plc) (LON:NTLG) 擔任非執行董事。除上文所述者外，彼於過去三年並無於本集團內擔任任何其他職務，亦無擔任任何其他公眾上市公司之任何董事職務。



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 34, 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 of the Company in our strategic planning and business development, as well as the Group's compliance with applicable laws and regulations in Hong Kong and the PRC. Since 24 July 2017, he has been serving as an executive director of Grace Wine Holdings Limited (stock code: 8146), a company listed on GEM of the Stock Exchange. Since June 2019, he has been serving as an independent non-executive director of Shinelong Automotive Lightweight Application Limited (stock code: 1930) and Hevol Services Group Co. Limited (stock code: 6093), both companies listed on the Main Board of the Stock Exchange.

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 57, was appointed as the deputy general manager of the wastewater treatment facility operated by Haian Hengfa, a subsidiary of the Company (the "**Haian Hengfa Facility**") on 18 March 2014. Mr. Wang joined the Group in February 2005 and is mainly responsible for overseeing operational matters related to the Haian Hengfa Facility. Prior to joining the Group, Mr. Wang was vice chairman and general manager of 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 of National Youth Services Centre (中國青少年社會服務中心) and a researcher of Zhuzhou Electric Locomotive Research Institute (鐵道部株洲電力機車研究院), and had 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 the PRC in July 1983.

高級管理層

范智超先生

范智超先生，34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本公司財務總監。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。彼協助本公司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。彼自二零一七年七月二十四日起擔任怡園酒業控股有限公司(股份代號：8146，一間在聯交所GEM上市的公司)的執行董事。自二零一九年六月起，彼擔任勛龍汽車輕量化應用有限公司(股份代號：1930)及和泓服務集團有限公司(股份代號：6093)的獨立非執行董事，兩間公司均於聯交所主板上市。

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，57歲，於二零一四年三月十八日獲委任為本公司附屬公司海安恆發所營運污水處理設施(「**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中國大連鐵道學院(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

COMPANY SECRETARY

Sir Kwok Siu Man KR (“Sir Seaman Kwok”)

Sir Seaman Kwok has been appointed as the company secretary of the Company since 18 March 2014. Sir Seaman Kwok is an executive director and the head, corporate secretarial of 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 Chartered Governance Institute (formerly known as the Institute of Chartered Secretaries and Administrators) in England (“CGI”), The Hong Kong Institute of Chartered Secretaries (“HKICS”), The Association of Hong Kong Accountants, The Hong Kong Institute of Directors, the Institute of Financial Accountants in England and the Institute of Public Accountants in Australia, a Chartered Governance Professional of both the CGI and the HKICS and a member of the Hong Kong Securities and Investment Institute. 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, Sir Seaman Kwok has 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. He was conferred as a Knight of Rizal in the Philippines in June 2019.

Sir Seaman 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 reputable overseas and Hong Kong (including Hang Seng Index Constituent stock and Hang Seng Mid-Cap 50) 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 an independent non-executive director of Tak Lee Machinery Holdings Limited (stock code: 8142), a company listed on GEM of the Stock Exchange, 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 fund in Hong Kong. Sir Seaman Kwok is also an executive committee member of Federation of Share Registrars Limited.

Sir Seaman Kwok is not an employee of the Group.

公司秘書

郭兆文黎利騎士勳賢(「郭勳賢」)

郭勳賢自二零一四年三月十八日以來出任本公司的公司秘書。郭勳賢為寶德隆企業服務(香港)有限公司的執行董事兼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。彼現為英國特許公司治理公會(前稱英國特許秘書及行政人員公會(「CGI」))、香港特許秘書公會(「香港秘書會」)、香港專業會計師協會、香港董事學會、英國註冊財務會計師公會及澳洲公共會計師協會的資深會員、CGI及港秘書會特許管治專業人員以及香港證券及投資學會會員。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，郭勳賢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。彼於二零一九年六月獲授予菲律賓黎利騎士勳章。

郭勳賢於多家知名海外及香港(包括恒生指數成份股及恒生50中型市值股)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。彼目前為聯交所GEM上市公司德利機械控股有限公司(股份代號：8142)之獨立非執行董事、多間聯交所上市公司的公司秘書及聯席公司秘書，及一間香港慈善基金的副主席。郭勳賢亦擔任證券登記公司總會有限公司執行委員會成員。

郭勳賢並非本集團僱員。



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**”) recognise the importance of incorporating elements of good corporate governance in the management structures and internal control procedures of the Company and its subsidiaries (the “**Group**”) so as to achieve effective accountability, and to enable our Shareholders to evaluate how the principles of the CG Code (defined below) have been applied.

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 Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**” and the “**CG Code**”, respectively) throughout the year ended 31 December 2019 (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 as contained in Appendix 10 to the Listing Rules (the “**Model Code**”) as its own code of conduct governing the securities transactions by the Directors. Following a specific enquiry made by the Company on each of the current Directors, all of them confirmed that they had complied with the required standard set out in the Model Code during the Year or from the effective date of appointment as a Director until the end of the Year (as the case might be).

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 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

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。

本公司董事(「**董事**»)深信要達至有效的問責制度及確保我們的股東能夠評估應用企業管治守則(定義見下文)原則的方式，在本公司及其附屬公司(「**本集團**»)之管理架構及內部管控制程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，本公司於截至二零一九年十二月三十一日止年度(「**本年度**»)內應用香港聯合交易所有限公司證券上市規則附錄十四所載企業管治守則(分別為「**上市規則**」及「**企業管治守則**»)的原則及遵守所有適用守則條文。

董事進行證券交易

本公司已採納上市規則附錄十所載之上市發行人董事進行證券交易之標準守則(「**標準守則**»),作為董事進行證券交易之操守準則。經本公司向各現任董事作出具體查詢後，彼等確認彼等於本年度或自委任董事生效日期起直至年末(視情況而定)一直遵守標準守則所規定之準則。

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致其目標。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



Corporate Governance Report 企業管治報告

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 the 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 eight Directors:

Executive Directors (the “EDs”)

Mr. Chau On Ta Yuen (*Chairman*)
Mr. Chan Kwan (*Chief Executive Officer*)
Mr. Radius Suhendra
Mr. Chau Chi Yan Benny (“**Mr. Benny Chau**”)

Non-executive Director (the “NED”)

Mr. Chan Pak Lam Brian

Independent Non-executive Directors (the “INEDs”)

Ms. Ng Chung Yan Linda
Mr. Ng Man Kung
Ms. Leung Bo Yee Nancy

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

Mr. Chau On Ta Yuen, the chairman of the Board (the “**Chairman**”), is the father of Mr. Chau Chi Yan Benny, an ED. He is also a substantial shareholder (as defined in the Listing Rules) of the Company. Mr. Chan Kwan, the chief executive officer of the Company (the “**Chief Executive Officer**”), is the elder brother of Mr. Chan Pak Lam Brian, the NED. Mr. Chan Kwan owns 20% of the issued shares of a controlling shareholder (as defined in the Listing Rules) of the Company. Save as aforesaid, there was no financial, business, family or other material relationship among the Directors.

准本公司董事及高級管理層(「**高級管理層**」)的薪酬組合，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，董事會由以下八位董事組成：

執行董事(「執行董事」)

周安達源先生(主席)
陳昆先生(行政總裁)
蘇堅人先生
周致人先生(「周致人先生」)

非執行董事(「非執行董事」)

陳栢林先生

獨立非執行董事(「獨立非執行董事」)

伍頌恩女士
吳文拱先生
梁寶儀女士

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(「**主席**」)周安達源先生為執行董事周致人先生之父親。彼亦為本公司之主要股東(定義見上市規則)。本公司行政總裁(「**行政總裁**」)陳昆先生為非執行董事陳栢林先生之兄長。陳昆先生持有本公司控股股東(定義見上市規則)已發行股本的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。



Corporate Governance Report 企業管治報告

The EDs are responsible for the leadership and control of the Company and overseeing the Group's businesses development, formulation of strategies 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 scrutinise 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 an independent judgment on the corporate actions of the Company so as to protect Shareholders' interest and the overall interest of the Group.

Mr. Sze Yeuk Lung Benedict (**"Mr. Sze"**) resigned as an INED, and ceased to be a member of each of the Audit Committee, the Nomination Committee and the Remuneration Committee, all with effect from 17 July 2019. Following Mr. Sze's resignation, the number of INEDs and the number of members of the Audit Committee falls below the minimum number required under Rules 3.10(1), 3.10A and 3.21 of the Listing Rules, respectively. In addition, the Company fails to meet the requirement of establishing a Nomination Committee comprising a majority of INEDs under code provision A.5.1 of the CG Code.

With effect from 15 October 2019, Ms. Leung Bo Yee Nancy has been appointed as an INED and a member of each of the Audit Committee, the Remuneration Committee and the Nomination Committee. Following Ms. Leung's appointment as an INED and a member of each of the Audit Committee, the Remuneration Committee and the Nomination Committee, (i) the Board comprises eight Directors, of which three are INEDs, and (ii) the Audit Committee comprises three members, and hence, the number of INEDs and the number of members of the Audit Committee are in compliance with the requirements under Rules 3.10(1), 3.10A and 3.21 of the Listing Rules. In addition, the Company meets the requirement of establishing a Nomination Committee comprising a majority of INEDs under code provision A.5.1 of the CG Code.

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，並透過指導及監督本公司事項，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。

施若龍先生(「**施先生**」)已辭任獨立非執行董事，並不再擔任審核委員會、提名委員會及薪酬委員會各自的成員，均自二零一九年七月十七日起生效。施先生辭任後，獨立非執行董事數目及審核委員會成員數目分別低於上市規則第3.10(1)條、第3.10A條及3.21條規定的最低數目。此外，本公司未能符合企業管治守則的守則條文第A.5.1條所規定的成立提名委員會須以獨立非執行董事佔大多數組成的要求。

梁寶儀女士已獲委任為獨立非執行董事以及審核委員會、薪酬委員會及提名委員會各自的成員，自二零一九年十月十五日起生效。梁女士獲委任為獨立非執行董事以及審核委員會、薪酬委員會及提名委員會各自的成員後，(i)董事會由八名董事組成，其中三名為獨立非執行董事；及(ii)審核委員會由三名成員組成，因此，獨立非執行董事數目及審核委員會成員數目均已符合上市規則第3.10(1)條、第3.10A條及3.21條之規定。此外，本公司已符合企業管治守則之守則條文第A.5.1條所規定之成立提名委員會須以獨立非執行董事佔大多數組成之要求。



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As at the date of this annual report, the Company had three INEDs, which complied with the requirement of the Listing Rules that (i) the number of INEDs must represent at least one-third of the Board members; and (ii) at least one of the INEDs has appropriate professional qualifications or accounting or related financial management expertise.

Each of the current 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 or from the effective date of appointment as a Director (as the case may be) 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.

DIRECTORS' INDUCTION AND CONTINUING PROFESSIONAL DEVELOPMENT

Any Director will 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 from time to time provides 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. Radius Suhendra, Mr. Chau Chi Yan Benny, Mr. Chan Pak Lam Brian, Ms. Ng Chung Yan Linda, Mr. Ng Man Kung and Ms. Leung Bo Yee Nancy has attended seminars/conference/forums and/or read newspapers, journals and materials relating to the economy, general business, corporate governance and directors' duties and responsibilities.

於本年報日期，本公司擁有三名獨立非執行董事，此乃符合上市規則規定，即(i)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；及(ii)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。

各現任獨立非執行董事已根據上市規則第3.13條以書面形式作出年度獨立性確認，而董事會信納，於本年度或自委任董事生效日期(視情況而定)及直至本年報日期，全體獨立非執行董事均具獨立性並符合上市規則第3.13條所載的獨立性指引。

本公司已就針對董事責任之法律訴訟安排適當的保險。

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將接受正式、全面及專門為其而設之就任須知，以確保適當地了解本公司的營運及業務，並完全清楚董事在成文法則及普通法、上市規則、法律及其他監管規定以及本公司業務及管治政策下的責任。

本公司不時向全體董事提供簡報，以制定及更新董事的職責及責任。本公司亦承擔費用鼓勵全體董事參加相關培訓課程，並要求彼等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、蘇堅人先生、周致人先生、陳栢林先生、伍頌恩女士、吳文拱先生及梁寶儀女士各人已就經濟、一般業務、企業管治及董事職責及責任等議題出席研討會／會議／論壇及／或閱讀相關報章、期刊及材料。



Corporate Governance Report 企業管治報告

MEETINGS OF BOARD AND BOARD COMMITTEES AND DIRECTORS' ATTENDANCE RECORDS

The Board is scheduled to meet four times a year at approximately quarterly intervals with notice given to all 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 close associates (as defined in the Listing Rules) with a material interest in the transactions to be discussed at the Board meetings will abstain from deliberating and voting on resolutions approving such transactions and are not to be counted in the quorum of the meetings.

董事會會議、董事會轄下委員會及董事出席記錄

董事會計劃每年舉行四次會議，大約每季舉行一次，並最少提前十四天向全體董事發出通知。對於需要討論及決議因本公司經營而產生的重大事項之額外董事會會議，將提前一段合理時間發出通知。於每次董事會會議前，最少提前三天或經協定的其他期間向全體董事發出議程稿本，以便董事可於議程內加入需要在會上商討及議決的任何其他事宜。在每次董事會會議前，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，將提前三天或經協定的其他期間向全體董事發出有關董事會文件及所有關於會議事項之適用及相關資料。全體董事應有權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會議記錄稿本予董事傳閱，以便董事給予意見，而最終確認版本公開供董事查閱。根據上市規則，任何於董事會會議行將討論交易中擁有重大權益之董事及其緊密聯繫人（定義見上市規則）將須就批准該等交易的決議案進行商議及放棄其表決權，及不計入會議法定人數。



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

於本年度，已舉行一次本公司股東週年大會（「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 Meetings 董事會會議	AGM 股東週年大會
EDs	執行董事		
Chau On Ta Yuen	周安達源	3/4	0/1
Chan Kwan	陳昆	4/4	1/1
Radius Suhendra	蘇堅人	0/4	0/1
Chau Chi Yan Benny	周致人	3/4	1/1
NED	非執行董事		
Chan Pak Lam Brian	陳栢林	1/4	0/1
INEDs	獨立非執行董事		
Ng Chung Yan Linda	伍頌恩	3/4	0/1
Ng Man Kung	吳文拱	3/4	1/1
Sze Yeuk Lung Benedict (resigned with effect from 17 July 2019)	施若龍 (自二零一九年七月十七日 日起辭任)	1/1	0/1
Leung Bo Yee Nancy (appointed with effect from 15 October 2019)	梁寶儀 (自二零一九年十月十五日 起獲委任)	1/1	N/A 不適用

Pursuant to code provision E.1.2 of the CG Code, the Chairman should attend the AGM. However, Mr. Chau On Ta Yuen, the Chairman, was unable to attend the AGM held on 21 June 2019 (the “2019 AGM”) due to other business engagements. In the absence of the Chairman, Mr. Chan Kwan, an ED and the Chief Executive Officer, took the chair of the 2019 AGM in accordance with the Articles of Association to ensure an effective communication with the Shareholders.

根據企業管治守則的守則條文第E.1.2條，主席應出席股東週年大會。然而，主席周安達源先生因有其他業務安排而未能出席於二零一九年六月二十一日舉行的股東週年大會（「二零一九年股東週年大會」）。為確保於股東週年大會能與股東有效溝通，根據組織章程細則，在主席缺席的情況下，執行董事兼行政總裁陳昆先生已代其主持二零一九年股東週年大會。

Apart from the Board meetings, the Chairman met with the INEDs without the presence of the other Directors during the Year.

除董事會會議外，主席亦於本年度與獨立非執行董事在沒有其他董事在場的情況下會面。



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 having 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. The Board considered that the aforementioned measurable goals have been achieved satisfactorily during the Year and the Board will continue to review the relevant goals from time to time to ensure its progress for achieving such goals.

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 vested in any member of the Board. Mr. Chau On Ta Yuen, the Chairman, is responsible for business development and formulation of strategies 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 formulation of strategies.

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 of Hong Kong Limited (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，並討論就實施政策而設定的所有可衡量目標。

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。董事會認為，上述可計量目標於年內已獲完滿達成，且董事會將繼續不時審閱有關目標，以確保其就達成有關目標的進度。

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，令權力不屬於董事會任何成員。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，並分別刊登於香港聯合交易所有限公司（「聯交所」）及本公司網站上。



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AUDIT COMMITTEE

The Audit Committee was established with written terms of reference in compliance with the CG Code. It currently consists of three INEDs, namely Ms. Ng Chung Yan Linda, serving as the chairlady, Mr. Ng Man Kung and Ms. Leung Bo Yee Nancy.

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 an action or improvement is needed;
- discussing with the external auditor before the audit commences, the nature and scope of the audit and reporting obligations, 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 the Senior Management where necessary);
- monitoring the integrity of the Company's financial statements, annual report and financial statements, 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。審核委員會現包括三名獨立非執行董事，即伍頌恩女士（擔任主席）、吳文拱先生及梁寶儀女士。

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；
- 根據適用準則審查及監察外部核數師之獨立性、客觀性及核數程序之有效性；
- 制定及執行聘任外部核數師之政策，以提供非核數服務並向董事會匯報有關情況，以及就其認為需要行動或改善的任何事項確定及作出建議；
- 於核數工作開始前先與外聘核數師討論核數性質及範疇以及申報責任，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，應在高級管理層不在場情況下進行有關討論）；
- 監察本公司財務報表、年度報告及財務報表、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 findings of major investigations 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 auditor 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 the arrangements that 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系統；
- 與高級管理層討論風險管理及內部管控系統，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控事項重大調查結果及高級管理層對有關調查結果之回應；
- 倘若有內部審核職能部門，確保內部與外部核數師之間的協調，確保內部審核職能部門獲得足夠的資源及於本公司內具有適當的地位，並審查及監察其有效性；
- 審查本集團財務及會計之政策及常規；
- 審查外部核數師管理層函件、該核數師向高級管理層提出任何有關會計記錄、財務賬目或管控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；
- 審查本公司僱員可保密使用的安排，以提出有關在財務匯報、內部管控或其他事項等方面的潛在不正當行為之關切，並確保有適當安排，以公平獨立地調查上述事項及採取適當跟進行動；
- 作為負責監察本公司與外部核數師之間的關係的主要代表機構；



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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 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 and 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.
- 為本公司僱員及與公司有往來者（如客戶及供應商）制定舉報政策及系統，以保密地就涉及本公司的任何事項中的潛在不正當行為向審核委員會提出關切；
 - 制定及檢討本公司的企業管治政策及常規，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常規；
 - 制定、檢討及監察適用於僱員及董事的行為守則及合規手冊（如有）；
 - 檢討本公司對企業管治守則的遵守情況及在本公司年報企業管治報告內的披露事項；
 - 檢討本公司的持續關聯交易，確保其符合股東批准的條款；
 - 檢討內部調查的調查結果以及高級管理層對任何欺詐或違規嫌疑、違反內部控制或違法違規嫌疑的應對措施；及
 - 考慮董事會釐定的任何其他議題。

During the Year, 3 Audit Committee meetings were held whereat the Audit Committee reviewed, among others, (i) the audited consolidated financial results of the Company for the year ended 31 December 2018; (ii) the unaudited consolidated financial results of the Company for the six months ended 30 June 2019; (iii) the internal control and risk management systems of the Group; (iv) the effectiveness of the Group's internal audit function; and (v) the change of independent auditor. The attendance of individual members was set out in the following table.

於本年度內，已舉行三次審核委員會會議，審核委員會於會議上分別（其中包括）(i) 審閱本公司截至二零一八年十二月三十一日止年度的經審核綜合財務業績；(ii) 審閱本公司截至二零一九年六月三十日止六個月的未經審核綜合財務業績；(iii) 檢討本集團的內部管控及風險管理系統；(iv) 本集團的內部審核職能的有效性；及(v) 更改獨立核數師。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 (Note 1)	施若龍先生(附註1)	1/1
Mr. Chau Chi Yan Benny (Note 2)	周致人先生(附註2)	1/1
Ms. Leung Bo Yee Nancy (Note 3)	梁寶儀女士(附註3)	1/1

Notes

附註

1	Mr. Sze resigned as an INED and ceased to be a member of the Audit Committee both with effect from 17 July 2019.	1	施先生已辭任獨立非執行董事，並不再擔任審核委員會的成員，均自二零一九年七月十七日起生效。
2	Mr. Benny Chau was re-designated from a NED to an ED and ceased to be a member of the Audit Committee both with effect from 1 April 2019.	2	周致人先生已由非執行董事調任至執行董事，並已不再為審核委員會成員，均自二零一九年四月一日起生效。
3	Ms. Leung was appointed as an INED and a member of the Audit Committee both with effect from 15 October 2019.	3	梁女士已獲委任為獨立非執行董事及審核委員會的成員，均自二零一九年十月十五日起生效。

REMUNERATION COMMITTEE

The Remuneration Committee was established with written terms of reference in compliance with the CG Code. The Remuneration Committee currently consists of three INEDs, namely Mr. Ng Man Kung, serving as the chairman, Ms. Ng Chung Yan Linda and Ms. Leung Bo Yee Nancy, and Mr. Chan Pak Lam Brian, the NED. 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;

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。薪酬委員會成員現包括三名獨立非執行董事，即吳文拱先生(擔任主席)、伍頌恩女士及梁寶儀女士及非執行董事陳栢林先生。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的政策及結構及設立正式及透明的薪酬政策制定程序向董事會提供推薦意見；
- 參考董事會的企業目標及宗旨審查及批准高級管理層的薪酬建議；
- 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福利、退休金權利及補償付款(包括喪失或終止其任職或委任的任何應付補償)；



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- 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;
- 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.
- 就非執行董事的薪酬向董事會提供推薦意見；
- 考慮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；
- 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(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, 3 Remuneration Committee meetings were held whereat the Remuneration Committee reviewed and recommended to the Board for consideration, among others, the remuneration packages of the existing and proposed Directors as well as the proposed reduction in emoluments of certain EDs. The attendance of individual members was set out in the following table.

於本年度內，已舉行三次薪酬委員會會議，薪酬委員會於會議上審閱及向董事會推薦考慮(其中包括)現任及候任董事的薪酬政策以及建議削減若干執行董事的薪酬。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
Mr. Ng Man Kung	吳文拱先生	3/3
Ms. Ng Chung Yan Linda	伍頌恩女士	2/3
Mr. Sze Yeuk Lung Benedict (Note 1)	施若龍先生(附註1)	1/1
Mr. Chan Pak Lam Brian	陳栢林先生	1/3
Ms. Leung Bo Yee Nancy (Note 2)	梁寶儀女士(附註2)	1/1

Notes:

- 1 Mr. Sze resigned as an INED and ceased to be a member of the Remuneration Committee both with effect from 17 July 2019.
- 2 Ms. Leung was appointed as an INED and a member of the Remuneration Committee both with effect from 15 October 2019.

附註：

- 1 施先生已辭任獨立非執行董事，並不再擔任薪酬委員會的成員，均自二零一九年七月十七日起生效。
- 2 梁女士已獲委任為獨立非執行董事及薪酬委員會的成員，均自二零一九年十月十五日起生效。

NOMINATION COMMITTEE

The Nomination Committee was established with written terms of reference in compliance with the CG Code. It currently consists of three INEDs, namely Ms. Ng Chung Yan Linda, Mr. Ng Man Kung and Ms. Leung Bo Yee Nancy, 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:

- reviewing the structure, size and diversity (including the skills, knowledge and experience) of the Board at least annually and making recommendations on any proposed changes to the Board to complement the Company's corporate strategy;
- identifying individuals suitably qualified to become Board members and selecting or making recommendations to the Board on the selection of individuals nominated for directorships, with due regard for the benefits of diversity on the Board;
- assessing the independence of the INEDs;

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。提名委員會現包括三名獨立非執行董事，即伍頌恩女士、吳文拱先生及梁寶儀女士及兩名執行董事，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：

- 至少每年檢討董事會結構、規模及多元化(包括技巧、知識及經驗)，並就任何建議變動向董事會提供推薦意見，以補充本公司的企業策略；
- 物色具備合適資格可擔任董事的人士，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；



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- reviewing the Board diversity policy of the Company and Directors' nomination policy, as appropriate; and reviewing the measurable objectives that the Board has set for implementing such Board diversity policy, and the progress in achieving the objectives; and
- making recommendations to the Board on the appointment or re-appointment of Directors and the succession planning for the Directors, in particular, the Chairman and the chief executives.
- 檢討本公司董事會多元化政策及董事提名政策(如適用);及審查董事會為推行該董事會多元化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, 2 Nomination Committee meetings were held whereat the Nomination Committee, among others, (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 2019 AGM; (iii) reviewed the structure, size and diversity of the Board; (iv) reviewed the Board diversity policy; and (v) recommended to the Board for consideration the appointment of new Director. The attendance of individual members was set out in the following table.

於本年度內,已舉行兩次提名委員會會議,提名委員會於會議上(其中包括)(i)評估獨立非執行董事的獨立性;(ii)推薦董事會考慮於二零一九年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、規模及多元化;(iv)檢討董事會的多元化政策;及(v)建議董事會考慮委任新董事。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	1/2
Mr. Chan Kwan	陳昆先生	2/2
Mr. Ng Man Kung	吳文拱先生	2/2
Ms. Ng Chung Yan Linda	伍頌恩女士	1/2
Mr. Sze Yeuk Lung Benedict (Note 1)	施若龍先生(附註1)	1/1
Ms. Leung Bo Yee Nancy (Note 2)	梁寶儀女士(附註2)	N/A 不適用

Notes:

- 1 Mr. Sze resigned as an INED and ceased to be a member of the Nomination Committee both with effect from 17 July 2019.
- 2 Ms. Leung was appointed as an INED and a member of the Nomination Committee both with effect from 15 October 2019.

附註:

- 1 施先生已辭任獨立非執行董事,並不再擔任提名委員會的成員,均自二零一九年七月十七日起生效。
- 2 梁女士已獲委任為獨立非執行董事及提名委員會的成員,均自二零一九年十月十五日起生效。

NOMINATION POLICY

The Board has adopted a nomination policy (the “**Nomination Policy**”) which aims to:

- set out the criteria and process in the nomination and appointment of Directors;

提名政策

董事會已採納提名政策(「**提名政策**」),旨在:

- 載列提名及委任董事的準則及程序;



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- ensure that the Board has a balance of skills, experience and diversity of perspectives appropriate to the Company; and
 - ensure the Board's continuity and appropriate leadership at Board level.
- 確保董事會具備切合本公司所需的技能、經驗及多元化觀點；及
 - 確保董事會的持續性及維持其領導角色。

CRITERIA

The Nomination Committee shall consider the following criteria in evaluating and selecting candidates for directorships:

- character, reputation and integrity;
 - qualifications, experience and accomplishments, including professional qualifications, skills, knowledge and experience that are relevant to the Company's business and corporate strategy;
 - willingness to devote adequate time to discharge duties as a Board member and other directorships and significant commitments;
 - requirement for the Board to have independent directors in accordance with the Listing Rules and whether the candidates would be considered independent by reference to the independence guidelines set out in the Listing Rules;
 - Board diversity policy and any measurable objectives adopted by the Nomination Committee for achieving diversity on the Board;
 - any other perspectives that are appropriate to the Company's business and succession plan and where applicable, may be adopted and/or amended by the Board and/or the Nomination Committee from time to time for nomination of Directors and succession planning; and
 - such other perspectives appropriate to the Company's business.
- 品格、聲譽與誠信；
 - 資格、經驗及成就，包括與本公司業務及企業策略相關的專業資格、技能、知識及經驗；
 - 是否願意投放足夠時間履行身為董事會成員的職責及其他董事及重大承擔；
 - 根據上市規則，董事會需包括獨立董事的規定，以及參考上市規則所載有關獨立性的指引，候選人是否被視為獨立；
 - 提名委員會為達致董事會成員多元化而採納的董事會多元化政策及任何可計量目標；
 - 適用於本公司業務及其繼任計劃的任何其他因素，及董事會及/或提名委員會可不時採納及/或修訂有關董事提名及繼任計劃的因素（如適用）；及
 - 適用於本公司業務的該等其他觀點。

準則

提名委員會在評估及挑選候選人擔任董事時應考慮下列準則：



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NOMINATION PROCEDURES

(A) APPOINTMENT OF NEW DIRECTOR

- (i) The Nomination Committee shall, upon receipt of the proposal on appointment of the new Director, the biographical information (or relevant details) of such candidate and evaluate such candidate based on the criteria as set out in above paragraph of “Criteria” to determine whether such candidate is qualified for directorship.
- (ii) The Nomination Committee may request candidates to provide additional information and documents, if considered necessary.
- (iii) If the process yields one or more desirable candidates, the Nomination Committee shall rank them by order of preference based on the needs of the Company (including but not limited to ensuring that the Board has a balance of skills, experience and diversity of perspectives) and reference check of each candidate (where applicable).
- (iv) The Nomination Committee shall then recommend appointment of the appropriate candidate for directorship and the candidate shall provide his/her written consent (i) to be appointed as a Director, and (ii) to the public disclosure of his/her personal data on any documents or the relevant websites for the purpose of or in relation to his/her standing for election as a Director.
- (v) For any person that is nominated by a Shareholder for election as a Director at the general meeting of the Company, the Nomination Committee shall evaluate such candidate based on the above paragraph of “Criteria” to determine whether such candidate is qualified for directorship and where appropriate, the Nomination Committee and/or the Board shall make recommendation to the Shareholders in respect of the proposed election of Director at the general meeting.
- (vi) The Board shall have the final decision on all matters relating to its recommendation of candidates to stand for election at any general meeting.

提名程序

(A) 委任新董事

- (i) 提名委員會應在收到委任新董事的建議及該候選人的個人資料(或相關詳情)後,依據上段「準則」所載之準則評估該候選人以決定該候選人是否合資格擔任董事。
- (ii) 提名委員會可要求候選人提供額外資料及文件(如有必要)。
- (iii) 如過程涉及一個或多個合意的候選人,提名委員會應根據本公司的需要(包括但不限於確保董事會擁有平衡的技能、經驗及多元化觀點)及每位候選人的證明審查(如適用)排列彼等的優先次序。
- (iv) 提名委員會隨後應就委任合適候選人擔任董事一事提出建議,而候選人應就(i)獲委任為董事;(ii)為其參選董事在任何文件或相關網站公開披露其個人資料等事宜提供其書面同意。
- (v) 就任何經股東提名於本公司股東大會上選舉為董事的人士,提名委員會應依據上段「準則」評估該候選人,以釐定該候選人是否合資格擔任董事及提名委員會及/或董事會應就於股東大會上委任董事的提案向股東提出建議(如適用)。
- (vi) 對推薦候選人於股東大會上參選的所有事宜,董事會擁有最終決定權。



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(B) RE-ELECTION OF DIRECTOR AT GENERAL MEETING

- (i) Retiring Directors are eligible for nomination by the Board to stand for re-election at a general meeting of the Company.
- (ii) The Nomination Committee shall review the retiring Director's overall contribution and service to the Company, including his/her attendance of Board meetings and, where applicable, general meetings, and his/her level of participation and performance on the Board.
- (iii) The Nomination Committee shall also review and determine whether the retiring Director continues to meet the criteria as set out in above paragraph.
- (iv) The Nomination Committee and/or the Board shall then make recommendation to the Shareholders in respect of the proposed re-election of the Director at the general meeting.
- (v) The Board shall have the final decision on all matters relating to its recommendation of candidates to stand for re-election at any general meeting.

REGULAR REVIEW

The Nomination Committee will conduct regular review on (i) the effectiveness of the Nomination Policy to ensure that it remains relevant to the Company's needs and reflects both current regulatory requirements and good corporate governance practice, and (ii) the structure, size and composition of the Board and where appropriate, make recommendations on changes to the Board to complement the Company's corporate strategy and business needs.

BOARD'S CORPORATE GOVERNANCE FUNCTIONS

The Company has adopted the code provisions stated in the CG Code and the Board is responsible for determining the corporate governance policies of and 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.

(B) 於股東大會上重選董事

- (i) 退任董事合資格獲董事會提名在本公司股東大會上參選。
- (ii) 提名委員會應檢討退任董事對本公司的整體貢獻及服務，包括其董事會會議及(如適用)股東大會出席率以及在董事會的參與程度及表現。
- (iii) 提名委員會亦應檢討及釐定退任董事是否仍然符合上段所載準則。
- (iv) 提名委員會及/或董事會應就於股東大會上重選董事的提案向股東提出建議。
- (v) 對推薦候選人於股東大會上參選的所有事宜，董事會擁有最終決定權。

定期檢討

提名委員會將會定期檢討(i)提名政策的效率，以確保其與本公司需求相關以及可反映現時的法規規定及良好的企業管治常規；及(ii)董事會的架構、規模及組成以及在有需要時向董事會提出修訂建議，以完善本公司企業策略及切合業務需要。

董事會的企業管治職能

本公司已採納企業管治守則之守則條文及董事會負責釐定企業管治政策及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 current NEDs (including INEDs) has entered into an appointment letter with the Company for the term of three years in respect of their appointment as NED or INED (as the case may be).

None of the Directors has or is proposed to have a service contract or letter of appointment with the Company or any of its subsidiaries other than contracts or letters of appointment 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 in general meetings elect any person to be a Director either to fill a casual vacancy or as an addition to the existing Directors. 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

各現任非執行董事(包括獨立非執行董事)根據其各自與本公司訂立為期三年的委任書,同意相關委任(視情況而定)。

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或委任書,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)的合約或委任書。

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(如數目並非三或非三的倍數,則最接近之數,但不得低於三分之一)將輪席退任,惟各董事須最少每三年退任一次。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週年大會舉行為止,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週年大會舉行為止,惟屆時將符合資格膺選連任。

然而,本公司將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 10 to the Notes to the Consolidated Financial Statements in this annual report.

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 "Directors' and Senior Management's Biographical Details" in this annual report for the Year by band is set out below:

Remuneration band (in HK\$) 薪酬組別 (港元)

Nil to 1,000,000	零至 1,000,000
1,000,001 to 1,500,000	1,000,001 至 1,500,000

Number of individuals 人數

1
1

INDEPENDENT AUDITORS' REMUNERATION

On 26 November 2019, Deloitte Touche Tohmatsu ("**Deloitte**") resigned as the Group's independent auditors, and Baker Tilly Hong Kong Limited ("**Baker Tilly**") has been appointed as the new independent auditor of the Company with effect from 12 December 2019. The fees charged by Baker Tilly in respect of the auditing services for the Year amounted to approximately HK\$800,000. The fees charged by Deloitte in respect of the non-auditing services for the Year amounted to approximately HK\$115,000. The non-auditing services rendered related to the performance of agreed-upon procedures on interim financial report of the Company for the six months ended 30 June 2019.

Both the Board and the Audit Committee have agreed to recommend the re-appointment of Baker Tilly as the Company's independent auditors for the ensuing year at the 2020 AGM.

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 Group's state of affairs, results and cash flows for the Year and are properly prepared on a going concern basis in accordance with the applicable statutory requirements as well as accounting and financial reporting 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.

董事及高級管理層薪酬

本年度內董事的薪酬詳情列載於本年報綜合財務報表附註的附註10內。

根據企業管治守則之守則條文第B.1.5條，董事以外的高級管理層（其資料按組別載列於本年報「董事及高級管理層之個人履歷」內）之薪酬列載如下：

獨立核數師酬金

於二零一九年十一月二十六日，德勤•關黃陳方會計師行（「**德勤**」）辭任本集團獨立核數師，而天職香港會計師事務所有限公司（「**天職**」）已獲委任為本公司新獨立核數師，自二零一九年十二月十二日起生效。天職就本年度審核服務收取之費用約為800,000港元。德勤就本年度非審核服務收取之費用約為115,000港元。所提供之非審核服務與履行有關截至二零一九年六月三十日止六個月之本公司中期財務報告之協定程序有關。

董事會及審核委員會均同意建議於二零二零年股東週年大會上續聘天職為本公司來年的獨立核數師。

董事對財務報表的責任

董事確認彼等有責任根據適用的法定規定及會計及財務報告準則編製本年度綜合財務報表，以真實公平地反映本集團於本年度的事務狀況、業績及現金流量，並按持續經營基準妥為編製。董事並無發現有任何重大不確定因素可能影響本集團業務或對本集團持續經營能力產生重大懷疑。



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

RISK MANAGEMENT AND INTERNAL CONTROL

The Board is responsible for maintaining sound and effective risk management and internal control systems in order to protect the interest of the Company and its Shareholders. The risk management and internal control systems are designed to manage rather than eliminate the risk of failure to achieve business objectives, and can only provide reasonable and not absolute assurance against material misstatement or loss.

Our Group has established an enterprise risk management (the "ERM") framework in order to implement effective risk management efforts. Our ERM framework comprises two key elements, namely risk management structure and risk management process. It defines a simple and clear risk management structure as well as the responsibilities as below.

RISK MANAGEMENT STRUCTURE

BOARD OF DIRECTORS

The Board has a duty to ensure the effectiveness of the risk management and internal control systems of the Group (the "ERM system"). The Board oversees the ERM system, assesses and evaluates the Group's business strategies and risk tolerance. The Board reviews, with the assistance of the Audit Committee, at least annually the effectiveness of the ERM system and monitors the ERM system in an on-going manner.

AUDIT COMMITTEE

The Audit Committee has the primary responsibility for risk management and internal control after the Board. It assists the Board in overseeing the Group's ERM system by providing support and advice, including on-going monitoring of the execution of risk management processes, reviewing the Group's risk register as well as reviewing and approving the internal control review plan and results.

此外，天職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。

風險管理及內部管控

董事會負責維持完善及有效之風險管理及內部管控系統，從而保障本公司及其股東之利益。風險管理及內部管控系統旨在管理而非消除未能達成業務目標之風險，而且只能就不會有重大的失實陳述或缺失作出合理而非絕對的保證。

本集團已確立企業風險管理（「**企業風險管理**」）框架，以進行有效之風險管理。我們的企業風險管理框架主要包含兩部份，即風險管理架構及風險管理流程。其界定了下文簡單明確的風險管理架構以及職責。

風險管理架構

董事會

董事會有責任確保本集團風險管理及內部管控系統（「**企業風險管理系統**」）之有效性。董事會監督企業風險管理系統，評估及評定本集團業務策略及風險承受能力。董事會在審核委員會之協助下，至少每年檢討企業風險管理系統之有效性及持續監察企業風險管理系統。

審核委員會

除董事會外，審核委員會對風險管理及內部管控負有主要責任。審核委員會透過提供支持及意見，協助董事會監督本集團之企業風險管理系統，包括持續監察風險管理流程之執行、檢討本集團之風險登記冊以及審閱及批准內部管控檢討計劃及結果。



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MANAGEMENT

The management of the Group (the “**Management**”) is responsible for identifying and monitoring the risks relevant to the Group during daily operations, including strategic, operational, financial, reporting and compliance risks. The Management reports to the Board and the Audit Committee on the risks identified and their changes. The Management is also responsible for developing appropriate internal control measures to mitigate the risks, and identify and resolve material internal control defects.

INTERNAL CONTROL

The Group has established the internal audit function and the scope of work includes reviewing the effectiveness of the ERM system. The scope of the risk management and internal control review is risk-based and is reviewed by the Audit Committee. The internal audit function is able to communicate with the Audit Committee directly regarding the results of its review.

RISK MANAGEMENT PROCESS

Our ERM framework defines the procedures for identifying, assessing, responding and monitoring risks and their changes. Through regular discussions with each operating function, the Group strengthens the understanding of risk management such that all employees can understand and report various risks they have identified in a timely manner. It enhances the Group’s ability to identify and manage risks.



To identify and prioritise material risks throughout the Group, the Management communicates with each operating function, collects significant risk factors that affect the Group from bottom to top, including strategic, operational, financial, reporting and compliance risks. After identifying all relevant risks, the Management assesses the potential impact and possibilities of the risks and prioritises the risks. Appropriate internal control measures are then developed to mitigate the risks identified and the changes of risks are monitored in an on-going manner.

管理層

本集團管理層（「**管理層**」）負責識別及監察日常運營期間與本集團相關之風險，包括策略、運營、財務、報告及合規風險。管理層向董事會及審核委員會報告已識別風險及其變化。管理層亦負責制定適當的內部管控措施以降低風險，及識別及解決重大內部管控缺陷。

內部管控

本集團已成立內部審核職能部門，其工作範圍包括檢討企業風險管理系統之有效性。風險管理及內部管控檢討之範圍乃基於風險而定，並由審核委員會檢討。內部審核職能部門可就其檢討結果直接與審核委員會交流。

風險管理流程

我們的企業風險管理架構規定了識別、評估、響應及監察風險及其變化的程序。透過定期與各運營部門討論，本集團加強對風險管理的了解，以便全體僱員能夠及時了解並報告彼等已識別之各種風險。該流程提升本集團識別及管理風險之能力。

為識別本集團內部重大風險並分清主次，管理層與各運營部門進行溝通，收集自下而上影響本集團各個方面的重大風險因素，包括策略、運營、財務、報告及合規風險。在識別所有相關風險後，管理層對風險的潛在影響及可能性進行評估並分清主次風險。管理層隨後制定適當的內部管控措施以降低已識別風險及持續監察風險變化。



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MAIN FEATURES OF OUR RISK MANAGEMENT AND INTERNAL CONTROL SYSTEMS

MAINTAIN AN EFFECTIVE INTERNAL CONTROL SYSTEM (OPERATIONAL LEVEL)

- Establish clear internal control policies and procedures, and clearly define the responsibilities, authorities and accountabilities of each key position;
- Establish code of conduct and explain the Group's requirements on integrity and ethical value to all staff;
- Establish a whistle-blowing mechanism and encourage employees to report incidents of misconduct or fraud;
- Establish appropriate level of information technology to assess rights and avoid the leakage of price-sensitive information; and
- Establish inside information disclosure policy, including reporting channel and responsible person of disclosure, unify response to external enquiries and obtain advice from professional financial adviser or the Stock Exchange if necessary.

During the Year, the Board had reviewed the effectiveness of risk management and internal control policies and procedures, including those related to financial reporting and Listing Rules compliance. The Board has considered the adequacy of resources, staff qualifications and experience, training programmes and budget of the accounting, internal audit and financial reporting functions during the review of the effectiveness of the ERM system.

ON-GOING RISK MONITORING (RISK MANAGEMENT LEVEL)

Based on the ERM framework and risk management policies established by the Board, the Management communicates with each operating function, and collects significant risk factors that affect the Group from bottom to top. The Group has established a risk register to record the risks identified, and the Management assesses the potential impact and possibilities of the risks and develops appropriate internal control measures to mitigate the risks identified.

During the Year, the Management conducted an evaluation of the Group's risk management structure and procedures and submitted a risk assessment report to the Board and the Audit Committee, including a 3-year internal control review plan, to enable the Board and the Audit Committee to effectively monitor the major risks of the Group and understand how the Management responds to and mitigates the risks.

我們的風險管理及內部管控系統之主要特點

維持有效之內部管控系統（運營層面）

- 制定明確的內部管控政策及程序，及清楚界定各關鍵職位之責任、權限及職責；
- 確立行為守則，並向全體員工闡釋本集團有關誠信及道德價值的要求；
- 確立舉報機制，鼓勵僱員報告不當行為或欺詐事件；
- 確立適度的資訊科技水平，以評估權限及避免洩漏股價敏感信息；及
- 確立內幕消息披露政策，包括報告渠道及披露之負責人、統一答复外部查詢及在必要時徵詢專業財務顧問或聯交所意見。

於本年度，董事會已檢討風險管理及內部管控政策及程序之有效性，包括與財務報告及上市規則合規相關之政策及程序。董事會於檢討企業風險管理系統之有效性期間，考慮多種因素，包括資源充足性、僱員資歷及經驗、培訓計劃及會計預算、內部審核及財務報告職能。

持續風險監控（風險管理層面）

基於董事會制定之企業風險管理架構及風險管理政策，管理層與各運營部門進行溝通，並收集自下而上影響本集團的重大風險因素。本集團已設立風險登記冊以記錄已識別風險，而管理層評估風險之潛在影響及可能性，制定適當的內部管控措施以降低已識別風險。

於本年度，管理層對本集團之風險管理架構及程序進行評估，並向董事會及審核委員會提交風險評估報告，包括3年內部管控檢討計劃，以令董事會及審核委員會能夠有效監察本集團之主要風險及了解管理層應對及降低風險之措施。



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INTERNAL CONTROL DEPARTMENT

During the Year, the Group had not established an internal control department internally. Instead, the Group engaged an external internal control consulting company, Avista Group, to conduct an assessment and evaluation on the effectiveness of internal control measures and systems of the Group. Certain internal control enhancement suggestions have been identified and the Management has established action plans for improving the internal control effectiveness accordingly. An internal control review report has been provided to the Audit Committee which has also been reported to the Board about the findings and improvement measures.

No material internal control deficiency has been identified during the Year and the Board considers that the ERM system to be adequate and effective.

內部管控部門

於本年度，本集團並未在公司內部設立內部管控部門，而是委聘了外部的內部管控諮詢公司艾華迪集團評估及評價本集團內部管控措施及系統的功效。若干內部管控改進建議已獲識別，而管理層已就改進內部管控成效制定相應的行動計劃。內部管控檢討報告已呈予審核委員會，而審核委員會亦已向董事會匯報有關的結果及改進措施。

於本年度，本集團並無識別重大內部管控缺陷，而董事會認為企業風險管理系統屬完善及有效。

MAJOR RISKS OF THE GROUP

Our risk management process has identified the following as major risks of the Group and their changes.

本集團之主要風險

我們的風險管理流程已識別本集團之以下主要風險及其變化。

Risk 風險	Description 描述	Key Risk Mitigations 主要風險緩解措施	Changes 變化
Electricity demand in Jambi, Indonesia 印尼占碑的電力需求	<p>The Group is engaged in biomass power generation business in Indonesia. Electricity is sold to Perusahaan Listrik Negara, a state-owned electricity corporation in Indonesia. The consumption of electricity and hence, the sales of electricity by our power plants are subject to the demand in the region. If the level of consumption decreases or cannot be sustained in the future, the Company could suffer a significant loss from operation, and the investment in the power plants cannot be recovered.</p> <p>本集團於印尼從事生物質發電業務。電力出售予印尼一家國有電力企業 Perusahaan Listrik Negara。電力消耗及我們發電廠的電力銷售受該地區的需求影響。倘日後消耗水平下降或無法持續，本公司的營運會遭受重大損失，發電廠的投資亦無法收回。</p>	<ul style="list-style-type: none"> — Invest in technology researches and studies to improve the efficiency of electricity generation to reduce cost — 投資技術研發以提高發電之效率，降低成本 — Develop other businesses, e.g. biofuel pellet manufacturing business, for better utilisation of the production capacities of the power plants — 發展其他業務（例如生物燃料球團生產業務）從而更好利用發電廠的產能 	<p>Increased 上升</p>



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Risk 風險	Description 描述	Key Risk Mitigations 主要風險緩解措施	Changes 變化
Credit 信貸	<p>Customers or counterparties of the Company are local government authorities. Payment from them could be longer than the credit period granted to them due to the complexity of their internal administrative procedures. The Group might suffer from a financial loss or liquidity difficulty in the case of delay in payment.</p> <p>本公司客戶或對手方為當地政府部門。由於其內部行政程序之複雜性，彼等之付款可能遲於授予彼等之信貸期。本集團或會因付款延誤遭受財務虧損或流動資金困難。</p>	<ul style="list-style-type: none"> — Frequently communicate with customers to follow up the outstanding balance — 經常與客戶溝通，以跟進未償還餘額 — Maintain sufficient cash flow to avoid liquidity problem — 維持充足的現金流量以避免流動資金問題 — Regularly perform impairment review to assess the recovery of account receivables and provide sufficient impairment to avoid over-statement of balance — 定期進行減值檢討以評估應收賬款之可收回性並作出足夠的減值撥備以避免呈列過高結餘 	<p>Unchanged 無變化</p>



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Risk 風險	Description 描述	Key Risk Mitigations 主要風險緩解措施	Changes 變化
Pricing and cost recovery 定價及成本補償	<p>The Group operates the wastewater treatment facilities at a pre-determined tariff rate specified at the time the Build, Operate and Transfer (BOT) agreement is entered into. The circumstances of tariff adjustment are also specified that the Company has only limited ability to change / re-negotiate the tariffs. The increase in operating costs due to an increase in utilisation of the wastewater treatment facilities might not be fully compensated that the Company could suffer from loss or decrease in profitability.</p> <p>本集團按訂立建設、經營及移交 (BOT) 協議時預先決定的費率運營污水處理設施。水費調整之情況亦表明本公司變更／重新協定水費的能力有限。因增加使用污水處理設施導致之運營成本增加可能無法完全得到補償，因此本公司或會遭受虧損或盈利減少。</p>	<ul style="list-style-type: none"> — On-going cost control to avoid unnecessary spending — 持續進行成本控制以避免不必要的開支 — Negotiate with supplier to minimise the increase in costs — 與供應商協商盡量減小成本增加額 — Diversify the services offered to compensate the potential decrease in profit margin — 擴充所提供服務類別以補償利潤率之潛在減少 	<p>Decrease 減少</p>



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DISCLOSURE OF INSIDE INFORMATION

The Group acknowledges its responsibilities under the Securities and Futures Ordinance, Chapter 571 of the laws of Hong Kong and the Listing Rules and the overriding principle that inside information should be announced promptly when it is the subject of a decision. The procedures and internal controls for the handling and dissemination of inside information are as follows:

- the Group conducts its affairs with close regard to the disclosure requirement under the Listing Rules as well as the “Guidelines on Disclosure of Inside Information” published by the Securities and Futures Commission of Hong Kong in June 2012;
 - the Group has implemented and disclosed its policy on fair disclosure by pursuing broad, non-exclusive distribution of information to the public through channels such as financial reporting, public announcements/circulars and its website;
 - the Group has strictly prohibited unauthorised use of confidential or inside information; and
 - the Group has established and implemented procedures for responding to external enquiries about the Group’s affairs, so that only the EDs, the Company Secretary and the chief financial officer of the Company (the “**Chief Financial Officer**”) are authorised to communicate with parties outside the Group.
- 本集團處理事務時會充分考慮上市規則及香港證券及期貨事務監察委員會於二零一二年六月頒佈的「內幕消息披露指引」項下之披露規定；
 - 本集團透過財務報告、公告／通告及其網站等途徑，向公眾廣泛及非獨家地披露資料，以實施及披露其公平披露政策；
 - 本集團已經嚴格禁止未經授權使用機密或內幕消息；及
 - 本集團已就外界對本集團事務的查詢訂立及執行回應程序，以致唯有執行董事、公司秘書及本公司財務總監（「**財務總監**」）方獲授權與本集團外部通訊。

內幕消息之披露

本集團確認其根據香港法例第571章證券及期貨條例及上市規則所應履行之責任，最高原則是凡涉及內幕消息，必須在有所決定後即時公佈。處理及發佈內幕消息之程序及內部管控措施如下：



Corporate Governance Report 企業管治報告

COMPANY SECRETARY

Sir Kwok Siu Man *KR* (“**Sir Seaman 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 Sir Seaman Kwok has been contacting in respect of company secretarial matters is Mr. Fan Chi Chiu, the Chief Financial Officer.

Sir Seaman Kwok had delivered and attended relevant seminars for over 15 hours 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.

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.

公司秘書

郭兆文黎利騎士勳賢(「**郭勳賢**」)由寶德隆企業服務(香港)有限公司(「**寶德隆**」)提名擔任公司秘書。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。郭勳賢就公司秘書事宜與本公司中就公司秘書事宜與郭勳賢聯絡的主要人士為財務總監范智超先生。

郭勳賢於本年度內出席相關研討會並於會上講話超過15個小時。

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。

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。



Corporate Governance Report 企業管治報告

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) himself/herself/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 him/her/them by the Company.

PROCEDURES FOR SHAREHOLDERS TO SEND ENQUIRIES 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 its principal place of business in Hong Kong, presently at Unit 5, 7th Floor, Westlands Centre, 20 Westlands Road, Hong Kong or by email to ell@anli.com.hk.

Shareholders should direct their questions about their shareholdings or change of correspondence address or dividend instructions by mail to the Company's Hong Kong branch share registrar, Boardroom Share Registrars (HK) Limited at Room 2103B, 21/F., 148 Electric Road, North Point, Hong Kong, which has been appointed by the Company to deal with Shareholders for share registration and related matters.

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其香港主要營業地點，現時位於香港鰂魚涌華蘭路20號華蘭中心7樓5室或透過電郵發送至 ell@anli.com.hk。

股東可將有關彼等持股或通訊地址變動的問題或股息指示透過郵件寄送至本公司的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21樓2103B室，寶德隆證券登記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。



Corporate Governance Report 企業管治報告

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), announcements and circulars, the AGMs and the EGMs that may be convened, as well as by all the published disclosures submitted to the Stock Exchange and its corporate communications made available by the Company 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）、公告及通函、股東週年大會及可能召開的股東特別大會，並將所有呈交予聯交所的本公司已公佈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 the Company (the “**Directors**”) present their report and the audited consolidated financial statements of the Company and its subsidiaries (the “**Group**”) for the year ended 31 December 2019 (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**”) and the generation of electricity by biomass power plants in Jambi, the Republic of Indonesia (“**Indonesia**”). The principal activities and other particulars of its principal subsidiaries are set out in note 40 to the Notes to the Consolidated Financial Statements in this annual report.

RESULTS

The results of the Group for the Year and the state of affairs of the Group as at 31 December 2019 are set out on pages 120 to 243 of this annual report.

DIVIDEND POLICY

OBJECTIVES

The dividend policy of the Company (the “**Dividend Policy**”) aims to set out the principles and guidelines that the Company intends to apply in relation to the declaration, payment or distribution of its net profits as dividends to the shareholders of the Company (the “**Shareholders**”).

PRINCIPLES AND GUIDELINES

1. The board of Directors (the “**Board**”) adopts the policy that, in recommending or declaring dividends, the Company shall maintain adequate and sufficient cash reserves for meeting its working capital requirements and future growth as well as its shareholder value.
2. The Company does not have any pre-determined dividend payout ratio.
3. The Board has the full discretion to declare and distribute dividends to the Shareholders, subject to the articles of association of the Company (the “**Articles of Association**”), all applicable laws and regulations and the factors set out below.

本公司董事(「**董事**」)提呈本公司及其附屬公司(「**本集團**」)截至二零一九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，及於印度尼西亞共和國(「**印尼**」)占碑省的生物質發電廠發電。其主要附屬公司之主要業務及其他資料列載於本年報綜合財務報表附註的附註40。

業績

本集團於本年度之業績及於二零一九年十二月三十一日之財務狀況列載於本年報第120頁至第243頁。

股息政策

目的

本公司股息政策(「**股息政策**」)旨在載列本公司就宣派、派付或分發其純利予本公司股東(「**股東**」)作為股息時擬應用的原則及指引。

原則及指引

1. 本董事會(「**董事會**」)採納的政策為，在建議或宣派股息時，本公司應維持足夠及充足現金儲備，以應付其營運資金需求、未來增長以及其股權價值。
2. 本公司並無任何預定派息率。
3. 根據本公司組織章程細則(「**組織章程細則**」)及所有適用法律及法規及下列因素的規定，董事會可全權酌情宣派及分發股息予股東。



Directors' Report 董事會報告

4. The Board shall also take into account the following factors of the Group when considering the declaration and payment of dividends:
- financial results;
 - cash flow situation;
 - business conditions and strategies;
 - expected future operations and earnings;
 - capital requirements and expenditure plans;
 - interests of Shareholders;
 - any restrictions on payment of dividends; and
 - any other factors that the Board may consider relevant.
4. 董事會在考慮宣派及派付股息時，應同時考慮下列有關本集團的因素：
- 財務業績；
 - 現金流量情況；
 - 業務狀況及策略；
 - 預期未來營運及盈利；
 - 現金需求及開支計劃；
 - 股東的利益；
 - 任何派付股息的限制；及
 - 董事會可能視為相關的任何其他因素。
5. Depending on the financial conditions of the Company and the Group and the conditions and factors as set out above, dividends may be proposed and/or declared by the Board for a financial year or period as follows:
- interim dividend;
 - final dividend;
 - special dividend; and
 - any distribution of net profits that the Board may deem appropriate.
5. 視乎本公司及本集團的財政狀況以及上述條件及因素，董事會可在財政年度或期間建議及／或宣派下列股息：
- 中期股息；
 - 末期股息；
 - 特別股息；及
 - 任何董事會認為合適的純利分發。
6. Any final dividend for a financial year will be subject to the Shareholders' approval.
6. 任何財政年度之末期股息均須由股東批准。
7. The Company may declare and pay dividends by way of cash or scrip or by other means that the Board considers appropriate.
7. 本公司可以董事會認為合適的形式宣派及派付股息，包括現金或代息股份或其他形式。
8. Any dividend unclaimed shall be forfeited and shall revert to the Company in accordance with the Articles of Association, and all applicable laws and regulations.
8. 任何未領取的股息應被沒收及應根據組織章程細則及所有適用法律及法規複歸本公司。

REVIEW

The Board will review the Dividend Policy as appropriate from time to time.

檢討

董事會將在有需要時檢討股息政策。



Directors' Report 董事會報告

DIVIDENDS

No interim dividend was paid or declared for the six months ended 30 June 2019 (2018: nil).

During its meeting held on 27 March 2020, the Board has resolved to recommend the payment of a final dividend of HK0.5 cent per share for the Year (the **"Final Dividend"**) to the Shareholders whose names will appear on the register of members of the Company (the **"Register of Members"**) on Monday, 22 June 2020 (2018: nil). Subject to the passing of the relevant resolution at the forthcoming annual general meeting of the Company (the **"AGM"**), the Final Dividend is expected to be paid to the Shareholders on or around Friday, 31 July 2020 in cash in HK\$.

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 and in the Management Discussion and Analysis on pages 8 to 16 of this annual report.

No important event affecting the Group has occurred since the end of the Year and up to the date of this report.

The performance analysis of the Group for the Year using financial key performance indicators is set out in the Management Discussion and Analysis on pages 8 to 16 of this annual report.

PRINCIPAL RISKS OF THE GROUP

A discussion on the principal risks and uncertainties faced by the Group, together with the Group's internal control, is set out on pages 78 to 83 of this annual report. The financial risks are covered in note 34 to the Notes to the Consolidated Financial Statements in this annual report. A more comprehensive analysis of the Group's risk factors (excluding the operation of the palm kernel oil mill and the ancillary biomass power plants by a subsidiary of the Company in Indonesia, which the Group acquired in late 2016) is set out on pages 29 to 46 of the prospectus of the Company dated 12 September 2014 (the **"Prospectus"**). The risk factors relating to the operation of the palm kernel oil mill and the ancillary biomass power plants in Indonesia are set out on pages 35 to 37 of the Company's circular dated 24 August 2016.

股息

並無就截至二零一九年六月三十日止六個月派發或宣派中期股息(二零一八年：無)。

於二零二零年三月二十七日舉行的會議上，董事會議決於本年度建議向於二零二零年六月二十二日(星期一)名列本公司股東名冊(「股東名冊」)內的股東宣派末期股息每股0.5港仙(「末期股息」)(二零一八年：無)。待有關決議案於本公司應屆股東週年大會(「股東週年大會」)上獲通過後，預期將於二零二零年七月三十一日(星期五)前後向股東以現金港元派付末期股息。

業務回顧

本集團本年度之業務回顧與本集團的潛在未來業務發展之論述均載於本年報第5頁至第7頁之主席報告及第8頁至第16頁之管理層討論與分析。

自本年度結束後及直至本報告日期，概無發生任何影響本集團之重大事件。

本集團採用財務關鍵表現指標的本年度表現分析載於本年報第8頁至第16頁之管理層討論與分析。

本集團主要風險

關於本集團面臨的主要風險及不確定因素，連同本集團內部管控的討論載於本年報第78至83頁。財務風險載於本年報綜合財務報表附註的附註34。對本集團風險因素的更為全面的分析(不包括本集團於二零一六年年末收購的本公司印尼附屬公司營運仁油榨油廠及自備生物質發電廠的風險因素)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至46頁。有關營運印尼仁油榨油廠及自備生物質發電廠的風險因素載於本公司日期為二零一六年八月二十四日的通函第35至37頁。



Directors' Report 董事會報告

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

The Group operates its business mainly in Hong Kong, the PRC and Indonesia.

During the Year, save as disclosed in the rest of this annual report, as far as the Company is aware, there was no breach of or non-compliance with applicable laws and regulations of Hong Kong, the PRC and Indonesia by the Group that has a significant impact on the business and operations of the Group.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE

Details of the environmental, social and governance of the Group are set out in the Environmental, Social and Governance Report on pages 17 to 49 of this annual report.

RELATIONSHIPS WITH STAKEHOLDERS

An account of the Group's key relationships with its stakeholders are set out in the Environmental, Social and Governance Report on pages 17 to 49 of this annual report.

FINANCIAL SUMMARY

A summary of the Group's results for the Year and assets and liabilities as at 31 December 2019 and for the past four financial years are set out on page 244 of this annual report. This summary does not form part of the audited financial statements of the Group for the Year.

ANNUAL GENERAL MEETING

The Company will hold its AGM on Friday, 12 June 2020 (the "2020 AGM"), the notice of which will be published and dispatched to the Shareholders in due course in the manner as required by the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Stock Exchange" and the "Listing Rules", respectively).

CLOSURE OF REGISTER OF MEMBERS

For determining the Shareholders' entitlement to attend and vote at the 2020 AGM, the Register of Members will be closed from Tuesday, 9 June 2020 to Friday, 12 June 2020 (both dates inclusive), during which period no transfer of shares of the Company (the "Shares") will be effected. In order to qualify for attending and voting at the 2020 AGM, the non-registered Shareholders must lodge all duly completed

遵守對本集團有重大影響的相關法律及法規

本集團主要在香港、中國及印尼經營業務。

除於本年報其他地方所披露者外，於本年度，就本公司所知，本集團概無違反或不遵守對本集團業務及營運有重大影響的香港、中國及印尼適用法律及法規。

環境、社會及管治

本集團之環境、社會及管治詳情列載於本年報第17頁至第49頁之環境、社會及管治報告。

與持份者之關係

本集團與其持份者之主要關係之闡述已載於本年報第17至49頁之環境、社會及管治報告。

財務摘要

本集團的本年度業績及於二零一九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244頁。本摘要並不構成本集團本年度經審核財務報表之一部份。

股東週年大會

本公司將於二零二零年六月十二日(星期五)舉行其股東週年大會(「二零二零年股東週年大會」)，股東週年大會通告將按香港聯合交易所有限公司證券上市規則(分別為「聯交所」及「上市規則」)所規定之方式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

為釐定股東出席二零二零年股東週年大會並於會上投票的權利，將自二零二零年六月九日(星期二)至二零二零年六月十二日(星期五)(包括首尾兩日)暫停股份登記，期內將不會辦理本公司股份(「股份」)過戶登記手續。為符合資格出



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transfer documents, accompanied by the relevant share certificates, with the Company's Hong Kong branch share registrar, Boardroom Share Registrars (HK) Limited at Room 2103B, 21/F., 148 Electric Road, North Point, Hong Kong for registration not later than 4:30 p.m. on Monday, 8 June 2020.

Conditional on the passing of the resolution approving the declaration of the Final Dividend by the Shareholders at the 2020 AGM, the Register of Members will be closed from Thursday, 18 June 2020 to Monday, 22 June 2020 (both dates inclusive), during which period no transfer of Shares will be effected. In order to qualify for the Final Dividend, the non-registered Shareholders must lodge all duly completed transfer documents, accompanied by the relevant share certificates, with the Company's Hong Kong branch share registrar, Boardroom Share Registrars (HK) Limited at Room 2103B, 21/F., 148 Electric Road, North Point, Hong Kong for registration not later than 4:30 p.m. on Wednesday, 17 June 2020.

PRE-EMPTIVE RIGHTS

There is no provision for pre-emptive rights under 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 (i) two customers which are local government authorities in the PRC for the wastewater treatment business, and (ii) one customer which is a state-owned company in Indonesia for the sale of electricity generated by ancillary power plant of the palm kernel oil mill. They jointly accounted for 100% of the Group's revenue, where the two local government authorities in the PRC accounted for 41.7% and 56.8% of the Group's revenue, respectively, and the state-owned company in Indonesia accounted for 1.5% of the Group's revenue. The purchases attributable to the largest supplier and the five largest suppliers of the Group accounted for 31.2% and 88.1%, respectively of the Group's total purchases.

席二零二零年股東週年大會並於會上投票，非登記股東須將所有已正式填妥之過戶文件連同有關股票於二零二零年六月八日(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21樓2103B室，以辦理登記手續。

待股東於二零二零年股東週年大會上通過批准宣派末期股息的決議案後，本公司將自二零二零年六月十八日(星期四)至二零二零年六月二十二日(星期一)(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。為符合資格收取末期股息，未進行股份登記的股東須將所有已正式填妥之過戶文件連同有關股票於二零二零年六月十七日(星期三)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21樓2103B室，以辦理登記手續。

優先購買權

根據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(i)向兩名客戶提供污水處理服務，該兩名客戶為中國地方政府機關；及(ii)向一名客戶銷售仁油榨油廠的自備發電廠生產的電力，該客戶為印尼的國有公司。其合共佔本集團營業收入的100%，其中，兩家中國地方政府機關分別佔本集團營業收入的41.7%及56.8%，而印尼國有公司佔本集團營業收入的1.5%。本集團最大供應商及五名最大供應商應佔採購額佔本集團總採購額之百分比分別為31.2%及88.1%。



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An Indonesia-incorporated subsidiary of the Company has been procuring direct labour, repairs and maintenance services, plant and machinery acquisition services, administrative services, consultancy services and certain spare parts and equipment from PT Global Inovasi Prima, an associate of Fusion Joy Holdings Inc., whose beneficial owners are close associates (as defined in the Listing Rules) of one of the Directors. For details, please refer to note 38 to the Notes to the Consolidated Financial Statements in this annual report.

Save as disclosed above, none of the Directors or any of their close associates or any Shareholders (who, to the best knowledge of the Directors, own more than 5% of the number of the issued Shares) 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 30 to the Notes to the Consolidated Financial Statements in this annual report.

DISTRIBUTABLE RESERVES OF THE COMPANY

As at 31 December 2019, the Company's reserves available for distribution, calculated in accordance with the provisions of the Companies Law of the Cayman Islands, amounted to HK\$272.5 million (2018: HK\$395.9 million). This amount included the Company's share premium account of HK\$408.6 million as at 31 December 2019 (2018: HK\$408.6 million), which may be distributed provided that immediately following the date on which the dividend is distributed, the Company will be in a position to pay off its debts as and when they fall due in the ordinary course of business.

本公司的印尼附屬公司一直自PT Global Inovasi Prima (Fusion Joy Holdings Inc. 的一間聯營公司)獲取直接勞動、維修及維護服務、廠房及機器收購服務、行政服務、諮詢服務及若干零部件及設備，Fusion Joy Holdings Inc.的實益擁有人是一名董事的緊密聯繫人(定義見上市規則)。有關詳情，請參閱本年報綜合財務報表附註的附註38。

除上文所披露者外，概無董事或其任何緊密聯繫人或任何股東(據董事所知，擁有已發行股份數目5%以上)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本年報綜合財務報表附註的附註30內。

本公司之可分派儲備

於二零一九年十二月三十一日，本公司根據開曼群島公司法條文計算的可供分派儲備為272.5百萬港元(二零一八年：395.9百萬港元)。此金額包括本公司於二零一九年十二月三十一日可分派的股份溢價賬408.6百萬港元(二零一八年：408.6百萬港元)，惟緊隨分派股息之日期後，本公司須有能力支付其於一般業務過程中到期應付之債務。



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DIRECTORS

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

Executive Directors

CHAU On Ta Yuen (“**Mr. Chau**”) (Chairman)^N
 CHAN Kwan (“**Mr. Chan**”) (Chief Executive Officer)^N
 Radius SUHENDRA (“**Mr. Suhendra**”)
 CHAU Chi Yan Benny (“**Mr. Benny Chau**”) (Note 1)

Non-executive Director (the “NED”)

CHAN Pak Lam Brian (“**Mr. Brian Chan**”)^R

Independent Non-executive Directors (the “INEDs”)

NG Chung Yan Linda (“**Ms. Ng**”)^{A/R/N}
 NG Man Kung (“**Mr. Ng**”)^{A/R/N}
 SZE Yeuk Lung Benedict (“**Mr. Sze**”) (Note 2)
 LEUNG Bo Yee Nancy (“**Ms. Leung**”)^{A/R/N} (Note 3)

A = member of the audit committee of the Board (the “**Audit Committee**”)

R = member of the remuneration committee of the Board (the “**Remuneration Committee**”)

N = member of the nomination committee of the Board (the “**Nomination Committee**”)

Notes:

- Mr. Benny Chau was re-designated from a NED to an executive Director and ceased to be a member of the Audit Committee both with effect from 1 April 2019.
- Mr. Sze resigned as an INED and ceased to be a member of each of the Audit Committee, the Nomination Committee and the Remuneration Committee, all with effect from 17 July 2019.
- Ms. Leung was appointed as an INED and a member of each of the Audit Committee, the Nomination Committee and the Remuneration Committee, all with effect from 15 October 2019.

In accordance with the Articles of Association, Mr. Suhendra, Mr. Brian Chan, Mr. Ng and Ms. Leung shall retire at the 2020 AGM and all of them, being eligible, have offered themselves for re-election.

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(「周先生」)(主席)^N
 陳昆(「陳先生」)(行政總裁)^N
 蘇堅人(「蘇先生」)
 周致人(「周致人先生」)(附註1)

非執行董事(「非執行董事」)

陳栢林(「陳栢林先生」)^R

獨立非執行董事(「獨立非執行董事」)

伍頌恩(「伍女士」)^{A/R/N}
 吳文拱(「吳先生」)^{A/R/N}
 施若龍(「施先生」)(附註2)
 梁寶儀(「梁女士」)^{A/R/N}(附註3)

A = 董事會審核委員會(「審核委員會」)成員

R = 董事會薪酬委員會(「薪酬委員會」)成員

N = 董事會提名委員會(「提名委員會」)成員

附註：

- 周致人先生已由非執行董事調任至執行董事，並已不再擔任審核委員會成員，均自二零一九年四月一日起生效。
- 施先生已辭任獨立非執行董事，並不再擔任審核委員會、提名委員會及薪酬委員會各自的成員，均自二零一九年七月十七日起生效。
- 梁女士已獲委任為獨立非執行董事以及審核委員會、提名委員會及薪酬委員會各自的成員，均自二零一九年十月十五日起生效。

根據組織章程細則，蘇先生、陳栢林先生、吳先生及梁女士將於二零二零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。



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CONFIRMATION OF INDEPENDENCE OF INEDs

The Company has received from each of the current INEDs, namely Ms. Ng, Mr. Ng and Ms. Leung, an annual written confirmation of his/her independence pursuant to Rule 3.13 of the Listing Rules. As 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 50 to 56 of this annual report.

DIRECTORS' SERVICE CONTRACTS

None of the Directors being proposed for re-election at the forthcoming 2020 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 38 to the Notes to the Consolidated Financial Statements in this annual report, none of the Directors or an entity connected with a 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, subsisted during or at the end of the Year.

CHARITABLE DONATION

During the Year, the Group has made charitable donations amounting to IDR272.6 million in Indonesia (2018: IDR500,000).

SHARE OPTION SCHEME

On 5 September 2014, the Company adopted a share option scheme (the "**Share Option Scheme**") to enable the Company to grant options to the eligible participant as incentives or rewards for their contribution or potential contribution to the Group.

確認獨立非執行董事之獨立性

本公司已收到各現任獨立非執行董事，即伍女士、吳先生及梁女士依據上市規則第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50至56頁。

董事服務合約

擬於應屆二零二零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

除本年報綜合財務報表附註的附註38所披露者外，於本年度內或年末，概無董事或與董事有關連的任何實體與本公司或其任何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，本集團於印尼作出慈善捐款為272,600,000印尼盾(二零一八年：500,000印尼盾)。

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。



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The Share Option Scheme took effect on 26 September 2014. During the Year, no options were granted, exercised or cancelled or lapsed and as at 31 December 2019, options comprising 500,000 Shares, representing approximately 0.045% of the number of the issued Shares, were outstanding under the Share Option Scheme.

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 7.22% of the Shares in issue as at the date of this report). Excluding the abovementioned options comprising 500,000 Shares granted during the year ended 31 December 2016, the total number of Shares available for issue under the Share Option Scheme was 79,500,000 Shares, which represented approximately 7.18% of the issued Shares as at the date of this report.

Details of the options outstanding during the Year under the Share Option Scheme are set out as follows:

購股權計劃於二零一四年九月二十六日生效。於本年度，概無購股權獲授出、獲行使或註銷或失效，及於二零一九年十二月三十一日，根據購股權計劃下尚未行使的購股權可發行的股份包括500,000股股份，約佔已發行股份數目的0.045%。

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最大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7.22%)。除截至二零一六年十二月三十一日止年度授予的上述包括500,000股股份的購股權外，根據購股權計劃可予發行的股份總數為79,500,000股股份，佔於本報告日期已發行股份的約7.18%。

本年度購股權計劃項下未行使購股權之詳情載列如下：

Name of option holder 購股權持有人名稱	Position held in the Group 於本集團擔任的職位	Date of grant 授予日期	Number of underlying Shares comprised in options 購股權所包括的相關股份數目				Lapsed/cancelled during the Year 本年度內已失效/註銷	Outstanding as at 31 December 2019 於二零一九年十二月三十一日尚未行使	Exercise price per Share 每股股份行使價 HK\$ 港元
			Outstanding as at 1 January 2019 於二零一九年一月一日尚未行使	Granted during the Year 本年度內已授出	Exercised during the Year 本年度內已行使				
Mr. Fan Chi Chiu ("Mr. Fan") 范智超先生 (「范先生」)	Chief financial officer 財務總監	14 April 2016 二零一六年四月十四日	500,000	—	—	—	500,000	0.52	

The options granted to Mr. Fan shall vest over a period of three years commencing on the date of grant. The closing price of the Shares immediately before the date of grant was HK\$0.50 per Share, as stated in the daily quotation sheet issued by the Stock Exchange. Those options are exercisable from 14 April 2017 to 13 April 2026.

授予范先生的購股權將於授出日期起三年期間內歸屬。緊接授出日期之前的股份收市價為每股0.50港元(聯交所每日報價表所示)。該等購股權於二零一七年四月十四日至二零二六年四月十三日間可予行使。



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The principal terms of the Share Option Scheme 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 the 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 the 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 7.22% of the Shares in issue as at the date of this report).

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 under the Share Option Scheme or options under other schemes which have been granted to that Eligible Participant;

購股權計劃之主要條款載列如下：

1. 目的

購股權計劃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**」）授出購股權以認購董事會可能決定的有關數目新股份。

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7.22%）。

4. 各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) 因行使購股權計劃項下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已發行的任何股份；



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- (b) any Shares which would be issued upon the exercise of outstanding options under the Share Option Scheme or options under other schemes granted to that Eligible Participant; and
- (c) any cancelled Shares which were the subject of options under the Share Option Scheme 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 1% of the number of Shares in issue on the offer date. Any further grant of options in excess of this 1% 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/its associates (as defined in the Listing Rules) shall abstain from voting.

Where any grant of options to a substantial shareholder (as defined in the Listing Rules) of the Company or an INED, or any of their respective associates, would result in the Shares issued and to be issued upon exercise of all options already granted and to be granted (including options exercised, cancelled and outstanding) to such person in the 12-month period up to and including the date of such grant (i) representing in aggregate over 0.1% of the Shares in issue on the date of such grant; and (ii) having an aggregate value, based on the official closing price of the Shares as stated in the daily quotation sheets issued by the Stock Exchange on the date of grant, in excess of HK\$5.0 million, such further grant of the options shall be subject to the approval of the Shareholders with such person/entity and his/her/its core connected persons (as defined in the Listing Rules) abstaining from voting in favour at the general meeting.

- (b) 因行使購股權計劃項下的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；及
- (c) 註銷購股權計劃項下的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數目的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，而合資格參與者及其聯繫人（定義見上市規則）應放棄投票。

倘向本公司主要股東（定義見上市規則）或獨立非執行董事或彼等各自的任何聯繫人授出任何購股權會導致截至授出日期（包括該日）止12個月期間因向該人士已授出或將予授出之所有購股權（包括已行使、已註銷及尚未行使購股權）獲行使而發行及將予發行之股份(i)總計佔於該授出日期已發行股份超過0.1%；及(ii)總值（根據股份於授出日期於聯交所每日報價表所示之官方收市價計算）超過5.0百萬港元，則進一步授出該等購股權須獲股東於股東大會批准（有關人士／實體及其核心關連人士（定義見上市規則）須放棄投贊成票）。



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Any grant of options to any Director, chief executive or substantial shareholder (as defined in the Listing Rules) of the Company, or any of their respective associates under the Share Option Scheme is subject to the prior approval of the INEDs (excluding the INED who is the grantee of an option).

5. 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/its option in the following manner:

- (a) up to 33% of the Shares that are subject to the option so granted to him/her/it (rounded down to the nearest whole number) at any time during the period commencing on the first anniversary of the date on which such option is granted (the "**Commencement Date**") and ending on the expiry of the period to be notified by the Board to each grantee (the "**Option Period**"), within which the option may be exercisable provided that the Option Period 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/it (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/it (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.

根據購股權計劃向本公司任何董事、最高行政人員或主要股東(定義見上市規則)或彼等各自的任何聯繫人授出任何購股權，須事先經獨立非執行董事(不包括本身為購股權承授人的獨立非執行董事)批准。

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獲授予購股權的各承授人應有權以下列方式行使其購股權：

- (a) 於授出購股權當日(「**開始日期**」)的第一週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(惟購股權期限自開始日期起不應超過十年)內任何時間，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) 於開始日期的第二週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) 於開始日期的第三週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)。



Directors' Report 董事會報告

6. 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.

8. 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 (the “**Business Day**”);
- (b) the average of the official closing prices of the Shares as stated in the daily quotation sheets of the Stock Exchange for the five Business Days immediately preceding the date of grant; and
- (c) the nominal value of a Share.

9. 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.

EQUITY-LINKED AGREEMENTS

Save for the share option granted with details set out under the section headed “Share Option Scheme” in this report, the Company has not entered into any equity-linked agreements that (i) will or may result in the Company issuing Shares; or (ii) require the Company to enter into any agreement that will or may result in the Company issuing Shares during the Year and no such agreement subsisted at the end of the Year.

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。

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 (「營業日」)) 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年期間維持有效。

股票掛鈎協議

除本報告「購股權計劃」一節所詳述之已授出購股權外，本公司概無訂立任何股票掛鈎協議而 (i) 將會或可能導致本公司發行股份；或 (ii) 要求本公司訂立將會或可能會導致本公司於本年度發行股份之任何協議，且本年度末亦不存在任何該等協議。



Directors' Report 董事會報告

ARRANGEMENTS FOR DIRECTORS TO ACQUIRE SHARES

At no time during the Year or at the end of 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 or debentures of other body corporate.

MANAGEMENT CONTRACT

No contracts (except for the executive Directors' service contracts) 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 10 and 11, respectively to the Notes to the Consolidated Financial Statements in this annual report.

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 2019, 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"), which were required: (i) 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); or (ii) pursuant to section 352 of the SFO, to be entered in the register referred to therein; or (iii) to be notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 to the Listing Rules (the "Model Code"), were as follows:

董事購入股份的安排

本公司或其任何附屬公司於本年度或年末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或債權證而獲益。

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（執行董事的服務合約除外）。

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本年報綜合財務報表附註的附註10及11。

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

於二零一九年十二月三十一日，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（「證券及期貨條例」）第XV部）的股份、相關股份及債權證中擁有：(i) 根據證券及期貨條例第XV部第7及8分部須知會本公司及聯交所的權益或淡倉（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）；或(ii) 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(iii) 根據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」）須知會本公司及聯交所的權益或淡倉如下：



Directors' Report 董事會報告

Interest in the Company's ordinary Shares of HK\$0.0001 each

於本公司每股面值0.0001港元的普通股
份之權益

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 Interest in the Company 於本公司股權 概約百分比
Mr. Chau 周先生	Interest in a controlled corporation 受控法團權益	225,000,000 ⁽¹⁾	20.32%
Mr. Chan 陳先生	Interest in controlled corporations 受控法團權益	390,700,000 ⁽²⁾	35.28%

Notes:

附註：

- | | |
|--|--|
| <p>(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 Board (the “Chairman”), and Ms. Wong Mei Ling, the wife of Mr. Chau, respectively.</p> | <p>(1) 潤海集團有限公司(「潤海」)持有225,000,000股股份，並由執行董事兼董事會主席(「主席」)周先生及王美玲女士(周先生的妻子)分別擁有90%及10%。</p> |
| <p>(2) Everbest Environmental Investment Limited (“Everbest Environmental”) which held 375,000,000 Shares was owned as to 50%, 30% and 20% by Ms. Wong Shu Ying (“Ms. Wong”), Ms. Judy Chan and Mr. Chan, an executive Director and the chief executive officer of the Company (the “Chief Executive Officer”), respectively. Mr. Chan is the sole director of Everbest Environmental. Ms. Wong is the mother of all of Ms. Judy Chan, Mr. Chan and Mr. Brian Chan, the NED. Mr. Chan also owns 20% of the issued shares in Kingdrive Limited which in turn owns 100% of the issued shares in Carlton Asia Limited (“Carlton Asia”). Carlton Asia held 15,700,000 Shares and is accustomed to act in accordance with the directions of Mr. Chan.</p> | <p>(2) Everbest Environmental Investment Limited (「Everbest Environmental」) 持有375,000,000股股份並由王穗英女士(「王女士」)、陳芳女士及本公司執行董事兼行政總裁(「行政總裁」)陳先生分別擁有50%、30%及20%。陳先生為Everbest Environmental的唯一董事。王女士為陳芳女士、陳先生及非執行董事陳栢林先生的母親。陳先生亦持有Kingdrive Limited 20%的已發行股份，而該公司擁有Carlton Asia Limited(「Carlton Asia」) 100%已發行股份。Carlton Asia擁有15,700,000股股份及慣於按照陳先生的指示行事。</p> |
| <p>(3) All the above Shares were held in long position.</p> | <p>(3) 上述所有股份均以好倉持有。</p> |

Save as disclosed above, as at 31 December 2019, none of the Directors or chief executives of the Company had any interests 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 in the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

除上文所披露者外，於二零一九年十二月三十一日，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或根據標準守則須知會本公司及聯交所的任何權益或淡倉。



Directors' Report 董事會報告

SUBSTANTIAL SHAREHOLDERS' AND OTHER PERSONS' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES OF THE COMPANY

As at 31 December 2019, to the best of the Directors' knowledge, the following entities or persons (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 Divisions 2 and 3 of Part XV of the SFO or which was recorded in the register required to be kept by the Company pursuant to section 336 of the SFO.

Interest in the Company's ordinary Shares of HK\$0.0001 each

主要股東及其他人士於本公司股份及相關股份中的權益及淡倉

於二零一九年十二月三十一日，就董事所知，下列實體或人士（本公司董事及最高行政人員除外）擁有或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或記錄於根據證券及期貨條例第336條本公司須存置的登記冊內的權益及／或淡倉。

於本公司每股面值0.0001港元的普通股股份之權益

Name of Shareholders 股東姓名／名稱	Capacity/Nature of Interest 身份／權益性質	Number of Shares Held 所持股份數目	Approximate Percentage of Shareholding Interest in the Company 佔本公司股權概約百分比
Everbest Environmental	Beneficial interest 實益權益	375,000,000 ⁽¹⁾	33.87%
Ms. Wong 王女士	Interest in controlled corporations 受控法團權益	383,665,000 ^{(1) & (2)}	34.65%
Mr. 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	383,665,000 ^{(1) & (2)}	34.65%
Wealthy Sea 潤海	Beneficial interest 實益權益	225,000,000 ⁽³⁾	20.32%
Ms. Wong Mei Ling 王美玲女士	Interest held by spouse 配偶所持權益	225,000,000 ⁽³⁾	20.32%
Morgan Top Trading Co., Ltd.	Beneficial interest 實益權益	143,300,000	12.94%



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Notes:

- (1) Each of Everbest Environmental and Hightop Investment 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 8,665,000 Shares held by Everbest Environmental and Hightop respectively pursuant to the SFO.
- (2) Hightop is also 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 8,665,000 Shares held by Hightop and 375,000,000 Shares deemed to be held by Ms. Wong pursuant to the SFO.
- (3) Wealthy Sea is owned as to 90% and 10% by Mr. Chau, an executive Director and the Chairman, 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.
- (4) All the above Shares were held in long position.

Save as disclosed above, as at 31 December 2019, the Directors were not aware of any entities or persons (other than a Director or the chief executive of the Company) which/who 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 (Chapter 485 of the laws of Hong Kong) 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.

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8,665,000股股份中擁有權益。
- (2) 高峻亦由陳進強先生擁有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8,665,000股股份及視為王女士所持有的375,000,000股股份中擁有權益。
- (3) 潤海由執行董事兼主席周先生及王美玲女士(周先生的妻子)分別擁有90%及10%。因此，根據證券及期貨條例，王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。
- (4) 上述所有股份均以好倉持有。

除上文所披露者外，於二零一九年十二月三十一日，董事並不知悉有任何實體或人士(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當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

本集團遵照香港法例第485章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。



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

Under the Indonesia Labour Law, companies are required to pay separation, appreciation and compensation benefits to their employees if the conditions specified in the Indonesia Labour Law are met. The Company's subsidiaries in Indonesia estimate their liability for employee service entitlement benefits in order to meet and cover the minimum benefits requirement to be paid to employees under the Indonesia Labour Law. For further information, please refer to note 36 to the Notes to the Consolidated Financial Statements in this annual report.

No forfeited contributions were incurred during the Year. For further information, please refer to note 36 to the Notes to the Consolidated Financial Statements in this annual report.

SUFFICIENCY OF PUBLIC FLOAT

Based on the information publicly 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 and up to the date of this report.

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 38 to the Notes to the Consolidated Financial Statements in this annual report.

CONNECTED TRANSACTIONS

During the Year, the Group had not conducted any "one-off 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. Save for disclosed in note 38(a) and (b) to the Notes to the Consolidated Financial Statements in this annual report, the transactions disclosed in note 38 to the Notes to the Consolidated Financial Statements in this annual report 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.

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予僱員。

根據《印尼勞工法》，倘《印尼勞工法》中指定的條件適用，公司必須向其僱員支付離職、升職及賠償福利。本公司的印尼附屬公司，會估計僱員服務應付福利的負債，以符合及涵蓋《印尼勞工法》必須向僱員提供福利的最低要求。進一步資料，請參閱本年報綜合財務報表附註的附註36。

本年度並無產生沒收供款。進一步資料，請參閱本年報綜合財務報表附註的附註36。

足夠公眾持股量

根據本公司所取得的公開資料及據董事所知，本公司於本年度及直至本報告日期維持足夠公眾持股量（即至少25%的已發行股份由公眾持有）。

關聯方交易

本集團於本年度在日常業務過中進行的關聯方交易詳情載於本年報綜合財務報表附註的附註38。

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項下申報及年度審閱規定的「一次性關連交易」或「持續關連交易」（定義見上市規則第14A章）。除本年報綜合財務報表附註38(a)及(b)所披露者外，本年報綜合財務報表附註的附註38披露為關聯方交易的交易不符合「關連交易」或「持續關連交易」（定義見上市規則第14A章）的定義，並是根據上市規則第14A.73條規定獲全面豁免的持續關連交易。



Directors' Report 董事會報告

DEED OF NON-COMPETITION

Each of Ms. Judy Chan, Mr. Chan (an executive Director and the Chief Executive Officer), Ms. Wong, Everbest Environmental (a company owned by Ms. Wong, Ms. Judy Chan and Mr. Chan as to 50%, 30% and 20%, respectively), Mr. Chau (an executive Director and the Chairman) and Wealthy Sea (a company owned as to 90% and 10% by Mr. Chau and his wife, respectively) (collectively, the “**Controlling Shareholders**”) executed a deed of non-competition (the “**Deed of Non-Competition**”) in favour of the Company on 5 September 2014. Pursuant to the Deed of Non-Competition, 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 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 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 had reviewed the compliance by each of the Controlling Shareholders with the Deed of Non-Competition and were not aware of the occurrence of any adverse event, 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

During the Year and up to the date of this report, none of the Directors is considered to have interests in a business (apart from the Group's business) which competes or is likely to compete, either directly or indirectly, with the business of the Group and has any other conflicts of interest, as required to be disclosed under the Listing Rules.

不競爭契據

陳芳女士、陳先生(執行董事兼行政總裁)、王女士、Everbest Environmental(一家由王女士、陳芳女士及陳先生分別擁有50%、30%及20%的公司)、周先生(執行董事兼主席)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公司的利益訂立不競爭契據(「**不競爭契據**」)。根據不競爭契據, 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, 其不會及會促使其聯繫人(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、參與、從事、收購或持有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, 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人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)的任何其他業務競爭或可能競爭的任何活動或業務或於當中擁有權益(在各個情況下不論是否以股東、董事、合夥人、代理人、僱員或其他身份及不論以牟利、獎勵或其他方式)。

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及並未得悉任何不利事件的發生, 并已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

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(本集團業務除外)中擁有權益及擁有根據上市規則須予披露的任何其他利益衝突。



Directors' Report 董事會報告

CONTROLLING SHAREHOLDERS' INTERESTS IN CONTRACTS OF SIGNIFICANCE

Save as disclosed above and in note 38 to the Notes to the Consolidated Financial Statements in this annual report, no controlling Shareholder or any of its subsidiaries had a material interest, either directly or indirectly, in any contract of significance (whether for the provision of services to the Group 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 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/her as a Director in defending any proceedings, whether civil or criminal, in which judgment is given in his/her favour, or in which he/she is acquitted. In addition, proper insurance coverage in respect of legal actions against the Directors' liability has been arranged. The relevant provisions in the Articles of Association and the Directors' liability insurance were in force during the Year and as at the date of this report.

TAX RELIEF

The Company is not aware of any relief on taxation available to the Shareholders by reason of their holdings of the Shares. If the Shareholders are unsure about the taxation implications of purchasing, holding, disposing of, dealing in, or exercising of any rights in relation to the Shares, they are advised to consult their professional advisers.

EMPLOYEES AND EMOLUMENT POLICY

As at 31 December 2019, the Group had 116 (2018: 209) employees (including the Directors). Employee costs, including Directors' emoluments, amounted to approximately HK\$18.6 million for the Year (2018: approximately HK\$21.0 million). The remuneration policy for the Directors, senior management members and general staff 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 financial results of the Group and the individual performance of the Directors, senior management members and general staff.

The Group provides on-the-job training where appropriate.

The Company adopted the Share Option Scheme on 5 September 2014 for the purpose of providing incentives and rewards to eligible participants including the directors and employees of the Group.

控股股東於重大合約之權益

除上文及本年報綜合財務報表附註的附註38所披露者外，概無控股股東或其任何附屬公司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重大關係的任何合約（不論是否向本集團提供服務）中直接或間接擁有任何重大權益。

獲准許彌償

根據組織章程細則，每名董事以董事身份對其獲判勝訴或無罪的任何訴訟（不論民事或刑事）進行抗辯，所引致或蒙受之一切損失或責任應從本公司資產當中獲得彌償。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。組織章程細則之相關條文及董事責任保險均於本年度及截至本報告日期生效。

稅項寬減

本公司並不知悉股東因持有股份而可獲得任何稅項寬減。倘股東不確定購買、持有、出售、買賣或行使股份相關權利方面的稅務影響，彼等應諮詢專業顧問。

僱員及薪酬政策

於二零一九年十二月三十一日，本集團共有116名（二零一八年：209名）僱員（包括董事）。本年度的僱員成本（包括董事酬金）約為18.6百萬港元（二零一八年：約21.0百萬港元）。董事、高級管理層成員及一般員工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的財務業績及董事、高級管理層成員及一般員工的個人表現掛鉤。

本集團在適當時提供在職培訓。

本公司於二零一四年九月五日採納購股權計劃，旨在激勵及獎勵本集團的合資格參與者，包括董事及僱員。



Directors' Report 董事會報告

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

During the Year, the Company repurchased 700,000 Shares on the Stock Exchange for an aggregate consideration of HK\$98,000 excluding transaction costs. All the above repurchased Shares had been cancelled on 10 May 2019. The nominal value of the total issued capital of the Company was reduced by HK\$70. The repurchases were effected by the Directors for the enhancement of shareholders' value.

Particulars of the repurchases during the Year are as follows:

Period of repurchase 回購月份	Number of Shares 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)	
January 2019 二零一九年一月	700,000	0.140	0.140	98,000

Save as disclosed 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 of its subsidiaries purchase or sell any of such Shares during the Year.

購買、出售或贖回上市證券

於本年度內，本公司於聯交所以總代價98,000港元(不包括交易成本)回購700,000股股份。所有上述回購股份已於二零一九年五月十日註銷。本公司的全部已發行股本面值減少70港元。董事為提升股東價值而進行該等回購。

於本年度內，回購詳情如下：

除上文所披露者外，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。



Directors' Report 董事會報告

CORPORATE GOVERNANCE

Details of the principal corporate governance policies and practices adopted by the Company are set out in the Corporate Governance Report on pages 59 to 87 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, risk management and internal controls. As at the date of this report, the Audit Committee comprises three members, namely Ms. Ng Chung Yan Linda (who is also the chairlady of the Audit Committee), Mr. Ng Man Kung and Ms. Leung Bo Yee Nancy, all being the INEDs. The Audit Committee has reviewed with the Company's management the accounting principles and practices adopted by the Group and the annual audited consolidated results of the Group for the Year.

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 Directors' information since the date of the 2019 interim report of the Company are set out below:

Ms. Leung Bo Yee Nancy has been appointed as an INED and a member of each of the Audit Committee, the Nomination Committee and the Remuneration Committee, all with effect from 15 October 2019.

Mr. Chau On Ta Yuen resigned as the non-executive director of China Ocean Industry Group Limited (stock code: 651) with effect from 1 December 2019.

Mr. Ng Man Kung has been appointed as an independent non-executive director of Green Future Food Hydrocolloid Marine Science Company Limited (stock code: 1084) on 25 September 2019.

The annual emoluments of the three executive Directors, namely Mr. Chau On Ta Yuen, Mr. Chan Kwan and Mr. Chau Chi Yan Benny, have been reduced to HK\$188,000, HK\$343,000 and HK\$100,000, respectively, all with effect from 1 February 2020.

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59至87頁之企業管治報告。

由審核委員會審閱

本公司已遵照上市規則第3.21條及上市規則附錄十四所載之企業管治守則第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、風險管理及內部控制。於本報告日期，審核委員會包括三名成員，即獨立非執行董事伍頌恩女士（其亦擔任審核委員會主席）、吳文拱先生及梁寶儀女士。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年度經審核綜合業績。

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，董事自本公司二零一九年中期報告日期以來的資料變動載列如下：

梁寶儀女士已獲委任為獨立非執行董事以及審核委員會、提名委員會及薪酬委員會各自的成員，均自二零一九年十月十五日起生效。

周安達源先生辭任中海重工集團有限公司（股份代號：651）的非執行董事，自二零一九年十二月一日起生效。

吳文拱先生獲委任為綠新親水膠體海洋科技有限公司（股份代號：1084）的獨立非執行董事，自二零一九年九月二十五日起生效。

三名執行董事（即周安達源先生、陳昆先生及周致人先生）的年度薪酬已分別削減至188,000港元、343,000港元及100,000港元，均自二零二零年二月一日起生效。



Directors' Report 董事會報告

INDEPENDENT AUDITOR

Deloitte Touche Tohmatsu (“**Deloitte**”) resigned as the independent auditor of the Group with effect from 26 November 2019. Baker Tilly Hong Kong Limited (“**Baker Tilly**”) was appointed as the independent auditor of the Company with effect from 12 December 2019 to fill the casual vacancy following the resignation of Deloitte.

The consolidated financial statements of the Group for the Year have been audited by Baker Tilly, which will retire and, being eligible, offer itself for re-appointment at the forthcoming 2020 AGM. Having been approved by the Board upon the Audit Committee’s recommendation, a resolution to re-appoint Baker Tilly as the independent auditor of the Company and to authorise the Directors to fix its remuneration will be proposed at the forthcoming 2020 AGM.

On behalf of the Board

Chau On Ta Yuen
Chairman

Hong Kong, 27 March 2020

獨立核數師

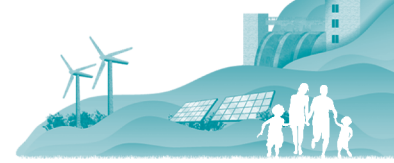
德勤•關黃陳方會計師行(「**德勤**」)辭任本集團獨立核數師，自二零一九年十一月二十六日起生效。香港會計師事務所有限公司(「**天職**」)已獲委任為本公司獨立核數師以填補德勤辭任後的臨時職位空缺，自二零一九年十二月十二日生效。

本集團就本年度之綜合財務報表經已由天職審核，天職將退任及符合資格並願意於即將舉行之二零二零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，續聘請天職為本公司獨立核數師並授權董事訂定彼等薪酬之決議案將於即將舉行之二零二零年股東週年大會提呈。

代表董事會

主席
周安達源

香港，二零二零年三月二十七日



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)

OPINION

We have audited the consolidated financial statements of ELL Environmental Holdings Limited (the **"Company"**) and its subsidiaries (collectively referred to as **"the Group"**) set out on pages 120 to 243, which comprise the consolidated statement of financial position as at 31 December 2019, the consolidated statement of profit or loss, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2019 and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards (**"HKFRSs"**) issued by the Hong Kong Institute of Certified Public Accountants (**"HKICPA"**) and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

BASIS FOR OPINION

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

致強泰環保控股有限公司股東

(於開曼群島註冊成立的有限公司)

意見

本核數師(以下簡稱「我們」)已審計列載於第120頁至243頁的強泰環保控股有限公司(以下簡稱「貴公司」)及其附屬公司(以下統稱「貴集團」)的綜合財務報表，此財務報表包括於二零一九年十二月三十一日的綜合財務狀況表與截至該日止年度的綜合損益表、綜合損益及其他全面收入表、綜合權益變動表及綜合現金流量表，以及綜合財務報表附註，包括主要會計政策概要。

我們認為，該等綜合財務報表已根據香港會計師公會(「香港會計師公會」)頒佈的香港財務報告準則(「香港財務報告準則」)真實而中肯地反映了貴集團於二零一九年十二月三十一日的綜合財務狀況及截至該日止年度的綜合財務表現及綜合現金流量，並已遵照香港公司條例的披露規定妥為擬備。

意見的基礎

我們已根據香港會計師公會頒佈的香港審計準則(「香港審計準則」)進行審計。我們在該等準則下承擔的責任已在本報告「核數師就審計綜合財務報表承擔的責任」部分中作出進一步闡述。根據香港會計師公會頒佈的專業會計師道德守則(以下簡稱「守則」)，我們獨立於貴集團，並已履行守則中的其他道德責任。我們相信，我們所獲得的審計憑證能充足及適當地為我們的審計意見提供基礎。



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)

致強泰環保控股有限公司股東

(於開曼群島註冊成立的有限公司)

KEY AUDIT MATTERS

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

關鍵審計事項

關鍵審計事項是根據我們的專業判斷，認為對本期綜合財務報表的審計最為重要的事項。這些事項是在我們審計整體綜合財務報表及出具意見時進行處理的。我們不會對這些事項提供單獨的意見。

Key audit matter

關鍵審計事項

How our audit addressed the key audit matter

我們的審計如何對關鍵審計事項進行處理

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

Refer to note 16 to the consolidated financial statements

請參閱綜合財務報表附註16

We identified recognition of imputed interest income on receivables under service concession arrangements as a key audit matter due to the significant estimation made by the Group's management.

由於 貴集團管理層所作重大估計，我們將服務特許權安排下應收款項的推算利息收入認定為關鍵審計事項。

Imputed interest income from wastewater treatment facilities under the terms of build-operate-transfer (the "BOT") arrangement 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 estimated effective interest rate computed at initial recognition.

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建設 – 經營 – 移交（「BOT」）安排條款下污水處理設施的推算利息收入，並按照初始確認時計算的估計實際利率將服務特許期的估計未來現金收入貼現。

Our procedures in relation to recognition of imputed interest income on receivables under service concession arrangements included:

我們就確認服務特許權安排下應收款項的推算利息收入採取的程序包括：

- Examining the related BOT agreements entered into between the governments and the Group to assess the appropriateness of the related accounting treatment adopted by the Group; 審查政府與 貴集團訂立的相關BOT協議，以評估 貴集團所採納相關會計處理的適當性；
- Evaluating the independent external valuer's competence, capabilities and objectives of the exercise and assessing its valuation methodology; and 評估獨立外部估值師的資歷、能力及其審核客觀性及評估其估值方法；及



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KEY AUDIT MATTERS (Cont'd)

關鍵審計事項(續)

Key audit matter
關鍵審計事項

How our audit addressed the key audit matter
我們的審計如何對關鍵審計事項進行處理

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

Refer to note 16 to the consolidated financial statements
請參閱綜合財務報表附註 16

The Group engages an independent qualified valuer to access the effective interest rate for service concession arrangements as mentioned above.

貴集團聘請獨立合資格估值師評估上述服務特許權安排的實際利率。

As disclosed in note 16 to the consolidated financial statements, the Group recognised imputed interest income on receivables under services concession agreements of HKD14,745,000 during the year ended 31 December 2019.

如綜合財務報表附註 16 所披露，截至二零一九年十二月三十一日止年度，貴集團確認服務特許權安排下應收款項的推算利息收入為 14,745,000 港元。

- Evaluating the reasonableness of estimated effective interest rate for the imputed interest income on receivables under service concession arrangements by benchmarking against market data.
以市場數據為基準評估服務特許權安排下應收款項的推算利息收入的估計實際利率的合理性。



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KEY AUDIT MATTERS (Cont'd)

關鍵審計事項(續)

Key audit matter
關鍵審計事項

How our audit addressed the key audit matter
我們的審計如何對關鍵審計事項進行處理

Impairment assessment of property, plant and equipment
物業、廠房及設備的減值評估

Refer to notes 15 and 18 to the consolidated financial statements
請參閱綜合財務報表附註 15 及 18

We identified impairment assessment of property, plant and equipment as a key audit matter due to the significant judgements made by the management in assessing the recoverable amount of the cash-generating unit (“CGU”), which are derived from value in use calculations using discounted cash flow model. 由於 貴集團管理層在評估現金產生單位(「現金產生單位」)的可收回金額(由貼現現金流模型計算使用價值產生)時會作出重大判斷，我們將物業、廠房及設備及商譽減值評估確定為關鍵審計事項。

Management's impairment assessment of property, plant and equipment is highly judgmental and is dependent on certain key assumptions including the discount rate, growth rates, budgeted sales and gross margin, which are affected by expected future market or economic conditions, particularly those in the Republic of Indonesia (the “Indonesia”). 管理層對物業、廠房及設備的減值評估過程涉及重大判斷，而該評估取決於若干重要假設，包括貼現率、增長率及預算銷售及毛利率，前述各項均受預期未來市場或經濟情況所影響，尤其是印度尼西亞共和國(「印尼」)的未來市場或其經濟狀況。

Our procedures in relation to impairment assessment of property, plant and equipment included: 我們就物業、廠房及設備的減值評估採取的程序包括：

- Evaluating the independent external valuer's competence, capabilities and objectives of the exercise and assessing its valuation methodology; 評估獨立外部估值師的資歷、能力及其審核的客觀性及評估其估值方法；
- Understanding the Group's impairment assessment process, including the impairment model, preparation of the cash flow projections and involvement of an independent valuer appointed by the Group; 了解 貴集團減值評估的過程(包括減值模型、現金流量預測的編製及 貴集團委聘的獨立估值師的參與)；
- Evaluating the appropriateness of impairment model applied by the management; 評估管理層運用減值模型的恰當性；



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KEY AUDIT MATTERS (Cont'd)

關鍵審計事項(續)

Key audit matter 關鍵審計事項	How our audit addressed the key audit matter 我們的審計如何對關鍵審計事項進行處理
<i>Impairment assessment of property, plant and equipment</i> 物業、廠房及設備的減值評估	
<i>Refer to notes 15 and 18 to the consolidated financial statements</i> 請參閱綜合財務報表附註 15 及 18	
<p>An independent qualified professional valuer is engaged to assess the recoverable amount of the CGU. 貴集團聘請一名獨立合資格專業估值師評估現金產生單位的可收回金額。</p> <p>During the year ended 31 December 2019, no impairment loss was recognised in respect of property, plant and equipment after assessing the recoverable amount of CGU which is principally engaged in the biomass power generation business in the Indonesia. Details are disclosed in notes 15 and 18 to the consolidated financial statements. 截至二零一九年十二月三十一日止年度，於評估現金產生單位可收回金額後已就物業、廠房及設備確認並無減值虧損，而現金產生單位主要在印尼從事生物質發電業務。詳情披露於綜合財務報表附註 15 及 18。</p>	<ul style="list-style-type: none">• Evaluating the accuracy of the management's cash flow forecasts by comparing the actual results of the CGU to the previously forecasted results;• 透過將現金產生單位的實際結果與此前預測結果進行比較，以評估管理層的現金流量預測的準確度；• Assessing the reasonableness of growth rates and discount rate applied in the forecast based on historical experiences and trends; and 根據過往經驗及趨勢評估運用於該預測中的增長率及貼現率的合理性；及• Comparing the budgeted sales and gross margin against historical performance and the management's business plan in respect of the CGU.• 將預算銷售及毛利率與過往表現及管理層就現金產生單位作出的業務計劃進行比較。



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OTHER INFORMATION

The directors of the Company are responsible for the other information. The other information comprises the information included in the annual report, but does not include the consolidated financial statements and our auditor's report thereon.

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

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

RESPONSIBILITIES OF THE DIRECTORS AND THOSE CHARGED WITH GOVERNANCE FOR THE CONSOLIDATED FINANCIAL STATEMENTS

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

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

Those charged with governance are responsible for overseeing the Group's financial reporting process.

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其他信息

貴公司董事需對其他信息負責。其他信息包括刊載於年報內的信息，但不包括綜合財務報表及我們的核數師報告。

我們對綜合財務報表的意見並不涵蓋其他信息，我們亦不對該等信息發表任何形式的鑑證結論。

結合我們對綜合財務報表的審計，我們的責任是閱讀其他信息，在此過程中，考慮其他信息是否與綜合財務報表或我們在審計過程中所了解的情況存在重大抵觸或者似乎存在重大錯誤陳述的情況。基於我們已執行的工作，如果我們認為其他信息存在重大錯誤陳述，我們需要報告該事實。在這方面，我們沒有任何報告。

董事及治理層就綜合財務報表須承擔的責任

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的披露規定擬備真實而中肯的綜合財務報表，並對其認為為使綜合財務報表的擬備不存在由於欺詐或錯誤而導致的重大錯誤陳述所需的內部控制負責。

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

治理層須負責監督貴集團的財務報告過程。



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

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

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

As part of an audit in accordance with HKSA's, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

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

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核數師就審計綜合財務報表承擔的 責任

我們的目標，是對綜合財務報表整體是否存在由於欺詐或錯誤而導致的重大錯誤陳述取得合理保證，並僅向全體股東出具包括我們意見的核數師報告。除此之外，我們的報告不可作其他用途。我們並不就本報告之內容對任何其他人士承擔任何責任或接受任何義務。

合理保證是高水平的保證，但不能保證按照香港審計準則進行的審計在重大錯誤陳述存在時總能發現。錯誤陳述可以由欺詐或錯誤引起，如果合理預期它們單獨或匯總起來可能影響綜合財務報表使用者依賴綜合財務報表所作出的經濟決定，則有關的錯誤陳述被視作重大。

在根據香港審計準則進行審計的過程中，我們運用了專業判斷，保持了專業懷疑態度。我們亦：

- 識別和評估由於欺詐或錯誤而導致綜合財務報表存在重大錯誤陳述的風險，設計及執行審計程序以應對這些風險，以及獲取充足和適當的審計憑證，作為我們意見的基礎。由於欺詐可能涉及串謀、偽造、蓄意遺漏、虛假陳述，或凌駕於內部控制之上，因此未能發現因欺詐而導致的重大錯誤陳述的風險高於未能發現因錯誤而導致的重大錯誤陳述的風險。
- 了解與審計相關的內部控制，以設計適當的審計程序，但目的並非對貴集團內部控制的有效性發表意見。



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AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS (Cont'd)

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

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

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核數師就審計綜合財務報表承擔的 責任(續)

- 評價董事所採用會計政策的恰當性及作出會計估計和相關披露的合理性。
- 對董事採用持續經營會計基礎的恰當性作出結論。根據所獲取的審計憑證，確定是否存在與事項或情況有關的重大不確定性，從而可能導致對 貴集團的持續經營能力產生重大疑慮。如果我們認為存在重大不確定性，則有必要在核數師報告中提請使用者注意綜合財務報表中的相關披露。假若有關的披露不足，則我們應當發表非無保留意見。我們的結論是基於核數師報告日止所取得的審計憑證。然而，未來事項或情況可能導致 貴集團不能持續經營。
- 評價綜合財務報表的整體呈列方式、結構和內容，包括披露，以及綜合財務報表是否中肯反映交易和事項。
- 就 貴集團內實體或業務活動的財務信息獲取充足、適當的審計憑證，以對綜合財務報表發表意見。我們負責集團審計的方向、監督和執行。我們為審計意見承擔全部責任。

除其他事項外，我們與治理層溝通了計劃的審計範圍、時間安排、重大審計發現等，包括我們在審計中識別出內部控制的任何重大缺陷。



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AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS (Cont'd)

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

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

The engagement director on the audit resulting in the independent auditor's report is Chan Kwan Ho, Edmond.

Baker Tilly Hong Kong Limited

Certified Public Accountants
Hong Kong, 27 March 2020

Chan Kwan Ho, Edmond

Practicing certificate number P02092

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核數師就審計綜合財務報表承擔的 責任(續)

我們還向治理層提交聲明，說明我們已符合有關獨立性的相關道德要求，並與他們溝通有可能合理地被認為會影響我們獨立性的所有關係和其他事項，以及在適用情況下，相關的防範措施。

從與治理層溝通的事項中，我們確定哪些事項對本期綜合財務報表的審計最為重要，因而構成關鍵審計事項。我們在核數師報告中描述這些事項，除非法律或法規不允許公開披露這些事項，或在極端罕見的情況下，如果合理預期在我們報告中溝通某事項造成的負面後果超過產生的公眾利益，我們決定不應在報告中溝通該事項。

出具本獨立核數師報告的審計項目董事是陳鈞浩。

天職香港會計師事務所有限公司

執業會計師
香港，二零二零年三月二十七日

陳鈞浩

執業證書編號 P02092



Consolidated Statement of Profit or Loss 綜合損益表

For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度

		NOTES 附註	2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Revenue	營業收入	5	77,473	79,050
Cost of sales	銷售成本		(43,552)	(68,368)
Gross profit	毛利		33,921	10,682
Other income and net gains	其他收入及淨收益	7	13,403	2,692
Impairment loss recognised in respect of property, plant and equipment	就物業、廠房及設備確認的減值虧損	15	—	(79,743)
Impairment loss recognised in respect of goodwill	就商譽確認的減值虧損	17	—	(39,889)
Administrative expenses	行政開支		(28,213)	(32,670)
Finance costs	融資成本	8	(2,073)	(2,177)
Profit/(loss) before tax	除稅前溢利／(虧損)	9	17,038	(141,105)
Income tax expense	所得稅開支	12	(7,438)	(3,562)
Profit/(loss) for the year	年內溢利／(虧損)		9,600	(144,667)
Profit/(loss) for the year attributable to:	以下各方應佔年內溢利／(虧損)：			
Owners of the Company	本公司擁有人		970	(139,718)
Non-controlling interests	非控股權益		8,630	(4,949)
			9,600	(144,667)
			HK cents 港仙	HK cents 港仙
Earnings/(loss) per share	每股盈利／(虧損)	14		
— Basic	— 基本		0.09	(12.58)
— Diluted	— 攤薄		0.09	(12.58)

The accompanying notes are an integral part of the consolidated financial statements.

隨附附註為本綜合財務報表的一部分。



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

For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度

		NOTES 附註	2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Profit/(loss) for the year	年內溢利／(虧損)		9,600	(144,667)
Other comprehensive income/ (expense)	其他全面收入／(開支)			
<i>Items that may be reclassified subsequently to profit or loss:</i>	<i>隨後可能重新分類至損益的項目：</i>			
Exchange differences arising on translation of foreign operations	換算海外業務產生之匯兌差額		(6,046)	(2,568)
Fair value change on debt instruments at fair value through other comprehensive income	透過其他全面收益 按公允值計量的債務工具 之公允值變動		—	(128)
Investment revaluation reserve released upon disposal of debt instruments at fair value through other comprehensive income	出售透過其他全面收益 按公允值計量的債務工具 後解除的投資重估儲備		78	404
<i>Item that will not be reclassified to profit or loss:</i>	<i>將不會重新分類至損益的項目：</i>			
Actuarial loss of defined benefit retirement plan	界定福利退休計劃之精算虧損		(194)	(35)
Total comprehensive income/ (expense) for the year	年內全面收入／(開支)總額		3,438	(146,994)
Total comprehensive income/(expense) for the year attributable to:	以下各方應佔年內全面 收入／(開支)總額：			
Owners of the Company	本公司擁有人		(4,581)	(141,843)
Non-controlling interests	非控股權益		8,019	(5,151)
			3,438	(146,994)

The accompanying notes are an integral part of the consolidated financial statements.

隨附附註為本綜合財務報表的一部分。



Consolidated Statement of Financial Position 綜合財務狀況表

As at 31 December 2019 於二零一九年十二月三十一日

		NOTES 附註	2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
NON-CURRENT ASSETS	非流動資產			
Property, plant and equipment	物業、廠房及設備	15	71,423	54,493
Deposits paid for purchase of property, plant and equipment	購買物業、廠房及設備之已付按金		1,280	2,661
Receivables under service concession arrangements	服務特許權安排下的應收款項	16	282,308	285,230
Goodwill	商譽	17	—	—
Debt instruments at fair value through other comprehensive income	透過其他全面收益按公允值計量的債務工具	19	3,390	8,193
Restricted bank deposits	受限制銀行存款	22	6,070	5,882
			364,471	356,459
CURRENT ASSETS	流動資產			
Inventories	存貨		613	728
Receivables under service concession arrangements	服務特許權安排下的應收款項	16	18,182	29,109
Trade receivables	貿易應收款項	20	—	8,018
Prepayments and other receivables	預付款項及其他應收款項	21	10,612	7,385
Income tax recoverable	可收回所得稅		776	930
Debt instruments at fair value through other comprehensive income	透過其他全面收益按公允值計量的債務工具	19	15,128	23,060
Restricted bank deposits	受限制銀行存款	22	6,070	5,882
Bank balances and cash	銀行結餘及現金	22	64,074	44,317
			115,455	119,429
CURRENT LIABILITIES	流動負債			
Trade payables	貿易應付款項	23	3,003	4,971
Other payables and accruals	其他應付款項及應計費用	24	11,067	7,682
Amounts due to related parties	應付關聯方款項	25	8,986	3,424
Bank borrowings	銀行借款	26	20,240	32,517
Lease liabilities	租賃負債	27	525	—
Income tax payables	應付所得稅		5,408	164
			49,229	48,758
NET CURRENT ASSETS	流動資產淨值		66,226	70,671
TOTAL ASSETS LESS CURRENT LIABILITIES	總資產減流動負債		430,697	427,130



Consolidated Statement of Financial Position (Cont'd) 綜合財務狀況表(續)

As at 31 December 2019 於二零一九年十二月三十一日

		NOTES 附註	2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
CAPITAL AND RESERVES	資本及儲備			
Share capital	股本	30	111	111
Reserves	儲備	31	345,713	350,392
Equity attributable to owners of the Company	本公司擁有人應佔權益		345,824	350,503
Non-controlling interests	非控股權益		31,892	23,873
TOTAL EQUITY	權益總額		377,716	374,376
NON-CURRENT LIABILITIES	非流動負債			
Bank borrowings	銀行借款	26	4,480	6,720
Lease liabilities	租賃負債	27	1,019	—
Deferred tax liabilities	遞延稅項負債	28	33,331	34,186
Provision for major overhauls	重大檢修撥備	29	13,147	11,040
Retirement benefit obligations	退休福利責任	36	1,004	808
			52,981	52,754
			430,697	427,130

The consolidated financial statements on pages 120 to 243 were approved and authorised for issue by the Board of Directors on 27 March 2020 and are signed on its behalf by:

第120頁至243頁的綜合財務報表經董事會於二零二零年三月二十七日批准及授權刊發，並由下列人士代為簽署：

Chau On Ta Yuen
周安達源
Chairman
主席

Chan Kwan
陳昆
Executive Director
執行董事

The accompanying notes are an integral part of the consolidated financial statements.

隨附附註為本綜合財務報表的一部分。



Consolidated Statement of Changes in Equity 綜合權益變動表

For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度

		Attributable to owners of the Company 本公司擁有人應佔										
		Share capital 股本	Share premium 股份溢價	Share option reserve 購股權儲備	Other reserve 其他儲備	Exchange reserve 匯兌儲備	General reserve 一般儲備	Investment revaluation reserve 投資重估儲備	Retained earnings/ (accumulated losses) 保留盈利/ (累計虧損)	Sub-total 小計	Non-controlling interests 非控股權益	Total 總計
		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	HK\$'000 千港元
		(note 31(A)) (附註31(A))										
As at 1 January 2018	於二零一八年一月一日	111	409,031	100	(31,476)	(3,843)	21,005	(292)	98,162	492,798	29,024	521,822
Loss for the year	年內虧損	-	-	-	-	-	-	-	(139,718)	(139,718)	(4,949)	(144,667)
Exchange differences arising on translation of foreign operations	換算海外業務產生之匯兌差額	-	-	-	-	(2,366)	-	-	-	(2,366)	(202)	(2,568)
Fair value change on debt instruments at fair value through other comprehensive income	透過其他全面收益按公允值計量的債務工具之公允值變動	-	-	-	-	-	-	(128)	-	(128)	-	(128)
Investment revaluation reserve released upon disposal of debt instruments at fair value through other comprehensive income	出售透過其他全面收益按公允值計量的債務工具後解除的投資重估儲備	-	-	-	-	-	-	404	-	404	-	404
Actuarial loss of defined benefit retirement plan	界定福利退休計劃之精算虧損	-	-	-	-	-	-	-	(35)	(35)	-	(35)
Total comprehensive (expense)/income for the year	年內全面(開支)/收益總額	-	-	-	-	(2,366)	-	276	(139,753)	(141,843)	(5,151)	(146,994)
Repurchase of ordinary shares	普通股回購	-	(473)	-	-	-	-	-	-	(473)	-	(473)
Recognition of equity-settled share-based payments	確認以權益結算基於股份的付款	-	-	21	-	-	-	-	-	21	-	21
Transfer to general reserve	轉撥至一般儲備	-	-	-	-	-	705	-	(705)	-	-	-
		-	(473)	21	-	-	705	-	(705)	(452)	-	(452)
As at 31 December 2018	於二零一八年十二月三十一日	111	408,558	121	(31,476)	(6,209)	21,710	(16)	(42,296)	350,503	23,873	374,376



Consolidated Statement of Changes in Equity (Cont'd) 綜合權益變動表(續)

For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度

		Attributable to owners of the Company 本公司擁有人應佔										
		Share capital	Share premium	Share option reserve	Other reserve	Exchange reserve	General reserve	Investment revaluation reserve	Retained earnings/ (accumulated losses)	Sub-total	Non- controlling interests	Total
		股本	股份溢價	購股權儲備	其他儲備	匯兌儲備	一般儲備	投資重估儲備	保留盈利/ (累計虧損)	小計	非控股權益	總計
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元
		(note 31(A)) (附註31(A))										
As at 1 January 2019	於二零一九年一月一日	111	408,558	121	(31,476)	(6,209)	21,710	(16)	(42,296)	350,503	23,873	374,376
Profit for the year	年內溢利	-	-	-	-	-	-	-	970	970	8,630	9,600
Exchange differences arising on translation of foreign operations	換算海外業務產生之匯兌差額	-	-	-	-	(5,435)	-	-	-	(5,435)	(611)	(6,046)
Investment revaluation reserve released upon disposal of debt instruments at fair value through other comprehensive income	出售透過其他全面收益按公允值計量的債務工具後解除的投資重估儲備	-	-	-	-	-	-	78	-	78	-	78
Actuarial loss of defined benefit retirement plan	界定福利退休計劃之精算虧損	-	-	-	-	-	-	-	(194)	(194)	-	(194)
Total comprehensive (expense)/ income for the year	年內全面(開支)/收益總額	-	-	-	-	(5,435)	-	78	776	(4,581)	8,019	3,438
Repurchase of ordinary shares	普通股回購	-	(98)	-	-	-	-	-	-	(98)	-	(98)
Transfer to general reserve	轉撥至一般儲備	-	-	-	-	-	418	-	(418)	-	-	-
		-	(98)	-	-	-	418	-	(418)	(98)	-	(98)
As at 31 December 2019	於二零一九年十二月三十一日	111	408,460	121	(31,476)	(11,644)	22,128	62	(41,938)	345,824	31,892	377,716

The accompanying notes are an integral part of the consolidated financial statements.

隨附註為本綜合財務報表的一部分。



Consolidated Statement of Cash Flows

綜合現金流量表

For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Operating activities	經營活動		
Profit/(loss) before tax	除稅前溢利／(虧損)	17,038	(141,105)
Adjustments for:	對以下各項作出調整：		
Bank interest income	銀行利息收入	(1,074)	(979)
Interest income from debt instruments at fair value through other comprehensive income	透過其他全面收益按公允值計量的債務工具的利息收入	(1,341)	(650)
Depreciation of property, plant and equipment	物業、廠房及設備折舊	3,940	12,949
Provision for major overhauls	重大檢修撥備	1,692	2,058
Share-based payments	基於股份的付款	—	21
Finance costs	融資成本	2,073	2,177
Loss on disposal of debt instruments at fair value through other comprehensive income	出售透過其他全面收益按公允值計量的債務工具的虧損	78	404
Impairment loss recognised in respect of goodwill	就商譽確認的減值虧損	—	39,889
Impairment loss recognised in respect of property, plant and equipment	就物業、廠房及設備確認的減值虧損	—	79,743
Contribution to defined benefit retirement plans	界定福利退休計劃供款	430	604
Operating cash flow before movements in working capital	未計營運資金變動前的經營現金流量	22,836	(4,889)
Decrease/(increase) in inventories	存貨減少／(增加)	115	(192)
Decrease in receivables under service concession arrangements	服務特許權安排下的應收款項減少	8,169	4,940
Decrease/(increase) in trade receivables	貿易應收款項減少／(增加)	8,018	(2,070)
(Increase)/decrease in prepayments and other receivables	預付款項及其他應收款項(增加)／減少	(3,227)	56,563
Decrease in trade payables	貿易應付款項減少	(1,968)	(4,033)
Decrease in retirement benefit obligations	退休福利責任減少	(457)	—
Increase in other payables and accruals	其他應付款項及應計費用增加	3,385	2,254
Cash generated from operations	經營產生的現金	36,871	52,573
Income tax paid	已付所得稅	(2,166)	(7,003)
Net cash from operating activities	經營活動產生的現金淨額	34,705	45,570



Consolidated Statement of Cash Flows (Cont'd) 綜合現金流量表(續)

For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Investing activities	投資活動		
Purchases of debt instruments at fair value through other comprehensive income	購買透過其他全面收益按公允值計量的債務工具	(10,152)	(31,198)
Purchases of property, plant and equipment	購買物業、廠房及設備	(17,423)	(12,490)
Proceeds on disposal of debt instruments at fair value through other comprehensive income	出售透過其他全面收益按公允值計量的債務工具的所得款項	24,228	10,126
Interest received from available-for-sale investments	已收可供出售投資的利息	—	1,138
Bank interest received	已收銀行利息	1,074	979
Deposits for purchase of property, plant and equipment	購買物業、廠房及設備之按金	1,381	747
Net cash used in investing activities	投資活動使用的現金淨額	(892)	(30,698)
Financing activities	融資活動		
Repayment to related parties	向一名關聯方還款	(6,580)	(3,050)
New loan from related parties	來自關聯方的新貸款	12,000	—
Repayment of bank borrowings	償還銀行借款	(44,776)	(2,424)
Repayment of lease liabilities	償還租賃負債	(96)	—
Interest paid	已付利息	(1,267)	(1,612)
Payment on repurchase of shares	回購股份的付款	(98)	(473)
New bank borrowings raised	新造銀行借款	30,268	2,181
Net cash used in financing activities	融資活動所用的現金淨額	(10,549)	(5,378)
Net increase in cash and cash equivalents	現金及現金等價物增加淨額	23,264	9,494
Cash and cash equivalents at beginning of the year	年初現金及現金等價物	44,317	35,515
Effect of foreign exchange rate changes, net	外匯匯率變動的影響，淨額	(3,507)	(692)
Cash and cash equivalents at end of the year	年末現金及現金等價物	64,074	44,317
Represented by:	指：		
Bank balances and cash	銀行結餘及現金	64,074	44,317

The accompanying notes are an integral part of the consolidated financial statements.

隨附附註為本綜合財務報表的一部分。



Notes to the Consolidated Financial Statements 綜合財務報表附註

For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度

1. GENERAL

ELL Environmental Holdings Limited (the “Company”) is incorporated in the Cayman Islands as an exempted company with limited liability and its shares are listed on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”). The addresses of the registered office of the Company is P.O. Box 39, Ugland House, Grand Cayman, KY1-1104, Cayman Islands and the principal place of business of the Company is Unit 5, 7th Floor, Westlands Centre, 20 Westlands Road, Hong Kong.

The Company acts as an investment holding company. The principal activities of its principal subsidiaries are set out in note 40.

The consolidated financial statements are presented in Hong Kong dollars (“HK\$”), which is also the functional currency of the Company.

2. APPLICATION OF NEW AND AMENDMENTS TO HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”)

NEW AND AMENDMENTS TO HKFRSs THAT ARE MANDATORILY EFFECTIVE FOR THE CURRENT YEAR

ELL Environmental Holdings Limited and its subsidiaries (collectively referred to as “the Group”) has applied the following new and amendments to HKFRSs issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”) for the first time in the current year:

HKFRS 16
香港財務報告準則第16號
HK(IFRIC)-Int 23
香港(國際財務報告詮釋委員會)
—詮釋第23號
Amendments to HKFRS 9
香港財務報告準則第9號(修訂本)
Amendments to HKAS 19
香港會計準則第19號(修訂本)
Amendments to HKAS 28
香港會計準則第28號(修訂本)
Amendments to HKFRSs
香港財務報告準則(修訂本)

Leases
租賃
Uncertainty over Income Tax Treatments
所得稅處理的不確定性
Prepayment Features with Negative Compensation
反向補償提前還款特徵
Plan Amendment, Curtailment or Settlement
計劃修正、縮減或清償
Long-term Interests in Associates and Joint Ventures
於聯營公司及合營企業之長期權益
Annual Improvements to HKFRSs 2015-2017 Cycle
香港財務報告準則二零一五年至二零一七年週期之年度改進

1. 一般事項

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，其股份於香港聯合交易所有限公司(「聯交所」)上市。本公司的註冊辦事處地址為PO 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7樓5室。

本公司為投資控股公司。其主要附屬公司的主要活動載於附註40。

綜合財務報表以港元(「港元」)列值，港元亦為本公司功能貨幣。

2. 採用新訂及經修訂香港財務報告準則(「香港財務報告準則」)

於本年度強制生效之新訂香港財務報告準則及修訂本

於本年度，強泰環保控股有限公司及其附屬公司(統稱「本集團」)已首次採用以下由香港會計師公會(「香港會計師公會」)頒佈之新訂香港財務報告準則及修訂本：



Notes to the Consolidated Financial Statements 綜合財務報表附註

For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度

2. APPLICATION OF NEW AND AMENDMENTS TO HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”) (Cont’d)

NEW AND AMENDMENTS TO HKFRSs THAT ARE MANDATORILY EFFECTIVE FOR THE CURRENT YEAR (Cont’d)

Except as described below, the application of the new and amendments to HKFRSs in the current year has had no material impact on the Group’s consolidated financial statements for the years presented.

HKFRS 16 LEASES

The Group has applied HKFRS 16 for the first time in the current year. HKFRS 16 superseded HKAS 17 Leases (“HKAS 17”) and the related interpretations.

Definition of a lease

The Group has elected the practical expedient to apply HKFRS 16 to contracts that were previously identified as leases applying HKAS 17 and HK(IFRIC)-Int 4 Determining whether an Arrangement contains a Lease and not apply this standard to contracts that were not previously identified as containing a lease. Therefore, the Group has not reassessed contracts which already existed prior to the date of initial application.

For contracts entered into or modified on or after 1 January 2019, the Group applies the definition of a lease in accordance with the requirements set out in HKFRS 16 in assessing whether a contract contains a lease.

2. 採用新訂及經修訂香港財務報告準則(「香港財務報告準則」)(續)

於本年度強制生效之新訂香港財務報告準則及修訂本(續)

除下述者外，於本年度應用新訂香港財務報告準則及修訂本對本集團本年度所呈列的綜合財務報表並無重大影響。

香港財務報告準則第16號租賃

本集團已於本年度首次應用香港財務報告準則第16號。香港財務報告準則第16號取代香港會計準則第17號租賃(「香港會計準則第17號」)及相關詮釋。

租賃的定義

本集團選用權宜方案，對過往應用香港會計準則第17號及香港(國際財務報告詮釋委員會) — 詮釋第4號「釐定一項安排是否包含租賃」識別為租賃的合約應用香港財務報告準則第16號，對過往並非識別為包含租賃的合約則未有應用此準則。因此，本集團並無重新評估在首次應用日期之前已經存在的合約。

就於二零一九年一月一日或之後訂立或修改的合約，本集團按照香港財務報告準則第16號所載規定應用租賃定義以評估合約是否包含租賃。



Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度

2. APPLICATION OF NEW AND AMENDMENTS TO HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”) (Cont’d)

NEW AND AMENDMENTS TO HKFRSs THAT ARE MANDATORILY EFFECTIVE FOR THE CURRENT YEAR (Cont’d)

HKFRS 16 LEASES(Cont’d)

As a lessee

The Group has applied HKFRS 16 retrospectively with the cumulative effect recognised at the date of initial application, 1 January 2019.

When applying the modified retrospective approach under HKFRS 16 at transition, the Group applied the following practical expedients to leases previously classified as operating leases under HKAS 17, on lease-by-lease basis, to the extent relevant to the respective lease contracts:

- (i) elected not to recognise right-of-use assets and lease liabilities for leases with lease term ends within 12 months of the date of initial application; and
- (ii) excluded initial direct costs from measuring the right-of-use assets at the date of initial application.

On transition, the Group has made the following adjustments upon application of HKFRS 16:

The Group recognised right-of-use assets of HK\$2,644,000 as at 1 January 2019, which comprised land rights previously under finance leases which were included in property, plant and equipment under HKAS 17. The Group recategorised the carrying amounts of the land rights which were still under lease as at 1 January 2019 as right-of-use assets.

2. 採用新訂及經修訂香港財務報告準則(「香港財務報告準則」)(續)

於本年度強制生效之新訂香港財務報告準則及修訂本(續)

香港財務報告準則第16號租賃(續)

作為承租人

本集團已追溯應用香港財務報告準則第16號，並於首次應用日期即二零一九年一月一日確認累計影響。

於過渡時根據香港財務報告準則第16號應用經修訂追溯方法時，本集團對過往根據香港會計準則第17號分類為經營租賃的租賃，按個別租賃基準，於各自租賃合約相關範圍內應用以下權宜方案：

- (i) 選擇不對租期於首次應用日期12個月內完結的租賃確認使用權資產及租賃負債；及
- (ii) 於首次應用日期計量使用權資產時撇除初始直接成本。

於過渡時，本集團就應用香港財務報告準則第16號而作出以下調整：

本集團確認於二零一九年一月一日2,644,000港元的使用權資產，當中包括過往根據香港會計準則第17號計入物業、廠房及設備的融資租賃的土地使用權。本集團將於二零一九年一月一日仍於租賃項下的土地使用權的賬面值重新分類為使用權資產。



Notes to the Consolidated Financial Statements 綜合財務報表附註

For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度

2. APPLICATION OF NEW AND AMENDMENTS TO HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”) (Cont’d)

NEW AND AMENDMENTS TO HKFRSs IN ISSUE BUT NOT YET EFFECTIVE (Cont’d)

The Group has not early applied the following new and amendments to HKFRSs that have been issued but are not yet effective:

HKFRS 17
香港財務報告準則第17號
Amendments to HKFRS 3
香港財務報告準則第3號(修訂本)
Amendments to HKFRS 10
and HKAS 28
香港財務報告準則第10號及
香港會計準則第28號(修訂本)
Amendments to HKAS 1 and HKAS 8
香港會計準則第1號及
香港會計準則第8號(修訂本)
Amendments to HKFRS 9,
HKAS 39 and HKFRS 7
香港財務報告準則第9號、
香港會計準則第39號及
香港財務報告準則第7號(修訂本)

Insurance Contracts¹
保險合同¹
Definition of a Business²
業務的定義²
Sale or Contribution of Assets between an Investor and
its Associate or Joint Venture³
投資者與其聯營公司或合營企業之
間的資產銷售或注資³
Definition of Material⁴
重大的定義⁴
Interest Rate Benchmark Reform⁴
利率基準改革⁴

¹ Effective for annual periods beginning on or after 1 January 2021.

² Effective for business combinations and asset acquisitions for which the acquisition date is on or after the beginning of the first annual period beginning on or after 1 January 2020.

³ Effective for annual periods beginning on or after a date to be determined.

⁴ Effective for annual periods beginning on or after 1 January 2020

In addition to the above new and amendments to HKFRSs, a revised Conceptual Framework for Financial Reporting was issued in 2018. Its consequential amendments, the Amendments to References to the Conceptual Framework in HKFRS Standards, will be effective for annual periods beginning on or after 1 January 2020.

2. 採用新訂及經修訂香港財務報告準則(「香港財務報告準則」)(續)

已頒佈但尚未生效的新訂及經修訂香港財務報告準則

本集團並無提早應用以下已頒佈但尚未生效的新訂及經修訂香港財務報告準則：

¹ 於二零二一年一月一日或之後開始之年度期間生效。

² 適用於收購日期為二零二零年一月一日或之後開始的首個年度期間開始當日或之後進行的業務合併及資產收購。

³ 於將釐定的日期或之後開始的年度期間生效。

⁴ 於二零二零年一月一日或之後開始的年度期間生效。

除上述新訂及經修訂香港財務報告準則外，已於二零一八年發佈經修訂的財務報告概念框架。其相應的修訂，即對香港財務報告準則中概念框架的引用的修訂，將於二零二零年一月一日或之後開始的年度期間生效。



Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度

2. APPLICATION OF NEW AND AMENDMENTS TO HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”) (Cont’d)

NEW AND AMENDMENTS TO HKFRSs IN ISSUE BUT NOT YET EFFECTIVE (Cont’d)

The directors of the Company anticipate that the application of the new and amendments to HKFRSs will have no material impact on the consolidated financial statements in the foreseeable future.

3. SIGNIFICANT ACCOUNTING POLICIES

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

The consolidated financial statements have been prepared on the historical cost basis, except for certain financial instruments that are measured at fair values at the end of each reporting period, as explained in the accounting policies set out below.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these consolidated financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of HKFRS 2 Share-based Payment, leasing transactions that are accounted for in accordance with HKFRS 16 (since 1 January 2019) or HKAS 17 (before application of HKFRS 16), and measurements that have some similarities to fair value but are not fair value, such as net realisable value in HKAS 2 Inventories or value in use in HKAS 36 Impairment of Assets.

2. 採用新訂及經修訂香港財務報告準則(「香港財務報告準則」)(續)

已頒佈但尚未生效的新訂及經修訂香港財務報告準則(續)

本公司董事預期應用新訂及經修訂香港財務報告準則於可預見未來將不會對綜合財務報表產生重大影響。

3. 重大會計政策

綜合財務報表乃按照香港會計師公會頒佈之香港財務報告準則編製。此外，綜合財務報表載有聯交所證券上市規則及香港公司條例規定之適用披露事項。

綜合財務報表按歷史成本基準編製，惟下文的會計政策說明者(於各報告期末按公允值計量的若干金融工具)除外。

歷史成本一般按交換貨物及服務之代價之公允值計量。

公允值為市場參與者於計量日期在有序交易中出售資產所收取的價格或轉讓負債所支付的價格，不論該價格是否直接觀察可得或使用另一種估值技術估計。估計資產或負債公允值時，本集團考慮了市場參與者於計量日期為該資產或負債定價時會考慮的資產或負債的特徵。在該等綜合財務報表中計量及／或披露的公允值均在此基礎上予以釐定，惟香港財務報告準則第2號基於股份的付款範圍內之基於股份的付款交易、根據香港財務報告準則第16號(自二零一九年一月一日起)或香港會計準則第17號(採納香港財務報告準則第16號前)入賬之租賃交易以及與公允值部分類似但並非公允值的計量(例如，香港會計準則第2號存貨中的可變現淨值或香港會計準則第36號資產減值中的使用價值)除外。



Notes to the Consolidated Financial Statements 綜合財務報表附註

For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度

3. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

The principal accounting policies are set out below.

BASIS OF CONSOLIDATION

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company and its subsidiaries. Control is achieved when the Company:

- has power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns.

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 listed above.

3. 重大會計政策(續)

此外，就財務報告而言，公允值計量根據公允值計量之輸入數據可觀察程度及輸入數據對公允值計量之整體重要性分類為第一級、第二級或第三級，載述如下：

- 第一級輸入數據為實體於計量日期可以取得的相同資產或負債於活躍市場的報價(未經調整)；
- 第二級輸入數據為就資產或負債直接或間接地可觀察之輸入數據(第一級內包括的報價除外)；及
- 第三級輸入數據為資產或負債的不可觀察輸入數據。

主要會計政策載列如下。

綜合基準

綜合財務報表包括本公司及受本公司及其附屬公司控制的實體的財務報表。倘屬以下情況，則本公司獲得控制權：

- 可對被投資方行使權力；
- 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；及
- 有能力行使其權力以影響其回報。

倘事實及情況顯示上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。



Notes to the Consolidated Financial Statements 綜合財務報表附註

For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度

3. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

BASIS OF CONSOLIDATION (Cont'd)

Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of profit or loss from the date the Group gains control until the date when the Group ceases to control the subsidiary.

Profit or loss and each item of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies.

All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

Non-controlling interests in subsidiaries are presented separately from the Group's equity therein, which represent present ownership interests entitling their holders to a proportionate share of net assets of the relevant subsidiaries upon liquidation.

GOODWILL

Goodwill arising on an acquisition of a business is carried at cost as established at the date of acquisition of the business less accumulated impairment losses, if any.

For the purposes of impairment testing, goodwill is allocated to each of the Group's cash-generating units (or groups of cash-generating units) that is expected to benefit from the synergies of the combination, which represent the lowest level at which the goodwill is monitored for internal management purposes and not larger than an operating segment.

3. 重大會計政策(續)

綜合基準(續)

本集團於獲得附屬公司的控制權時將該附屬公司綜合入賬，並於失去附屬公司的控制權時停止綜合入賬。具體而言，年內收購或出售附屬公司的收入及開支自本集團獲得對附屬公司之控制權當日起計入綜合損益表至本集團不再控制附屬公司當日為止。

損益及其他全面收益的各個項目歸屬於本公司的擁有人及非控股權益。附屬公司全面收益總額歸屬於本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。

必要時，調整附屬公司財務報表，使其會計政策與本集團之會計政策一致。

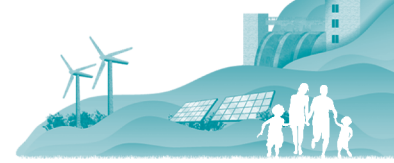
所有有關本集團各成員公司間的交易之集團內公司間資產及負債、權益、收入、開支及現金流量會於綜合計算時全數抵銷。

於附屬公司之非控股權益與本集團於當中之權益分開呈列，指相關附屬公司清盤後其持有人可按比例分佔其資產淨值之現時擁有權權益。

商譽

收購業務產生的商譽以於收購業務日期既定之成本減累計減值虧損(如有)入賬。

為進行減值測試，商譽乃分配至預期將從合併所帶來的協同效益中受惠的各個本集團的現金產生單位(或現金產生單位組合)，而該單位(或單位組合)指就內部管理目的監控商譽的最低水平且不超過經營分類。



Notes to the Consolidated Financial Statements 綜合財務報表附註

For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度

3. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

GOODWILL (Cont'd)

A cash-generating unit (or groups of cash-generating units) to which goodwill has been allocated is tested for impairment annually, or more frequently whenever there is indication that the unit may be impaired. For goodwill arising on an acquisition in a reporting period, the cash-generating unit (or groups of cash-generating units) to which goodwill has been allocated is tested for impairment before the end of that reporting period. If the recoverable amount of the cash-generating unit is less than the carrying amount of the unit, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro rata on the basis of the carrying amount of each asset in the unit (or groups of cash-generating units).

On disposal of the relevant cash-generating unit or any of the cash-generating unit within the group of cash-generating units, the attributable amount of goodwill is included in the determination of the amount of profit or loss on disposal. When the Group disposes of an operation within the cash-generating unit (or a cash-generating unit within a group of cash-generating units), the amount of goodwill disposed of is measured on the basis of the relative values of the operation (or the cash-generating unit) disposed of and the portion of the cash-generating unit (or the group of cash-generating units) retained.

REVENUE FROM CONTRACTS WITH CUSTOMERS

The Group recognises revenue when (or as) a performance obligation is satisfied, i.e. when “control” of the goods or services underlying the particular performance obligation is transferred to the customer.

A performance obligation represents a good or service (or a bundle of goods or services) that is distinct or a series of distinct goods or services that are substantially the same.

3. 重大會計政策(續)

商譽(續)

獲得商譽分配的現金產生單位(或現金產生單位組合)每年進行減值測試及每當有跡象顯示該單位可能出現減值時更為頻繁地進行減值測試。就於某一報告期間收購產生的商譽而言，獲得商譽分配的現金產生單位(或現金產生單位組合)於該報告期末前進行減值測試。倘現金產生單位的可收回金額低於該單位的賬面值，則首先分配減值虧損以減低分配至該單位的任何商譽的賬面值，然後按該單位(或現金產生單位組合)內各項資產的賬面值所佔比例分配至該單位的其他資產。

於出售相關現金產生單位或現金產生單位組合中的任何現金產生單位時，商譽的應佔金額計入釐定的出售損益金額。當本集團出售現金產生單位(或現金產生單位組合)中的現金產生單位內之業務時，所出售商譽金額按所出售業務(或現金產生單位)與所保留現金單位(或現金產生單位組合)部分之相對價值計量。

客戶合約收入

本集團確認收益，即於特定履約義務的相關商品或服務的「控制權」轉讓予客戶時確認。

履約義務指一項明確商品及服務(或一批商品或服務)或一系列大致相同的明確商品及服務。



Notes to the Consolidated Financial Statements 綜合財務報表附註

For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度

3. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

REVENUE FROM CONTRACTS WITH CUSTOMERS (Cont'd)

Control is transferred over time and revenue is recognised over time by reference to the progress towards complete satisfaction of the relevant performance obligation if one of the following criteria is met:

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

Otherwise, revenue is recognised at a point in time when the customer obtains control of the distinct good or service.

A contract asset represents the Group's right to consideration in exchange for goods or services that the Group has transferred to a customer that is not yet unconditional. It is assessed for impairment in accordance with HKFRS 9. In contrast, a receivable represents the Group's unconditional right to consideration, i.e. only the passage of time is required before payment of that consideration is due.

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

A contract asset and a contract liability relating to a contract are accounted for and presented on a net basis.

3. 重大會計政策(續)

客戶合約收入(續)

倘符合以下其中一項標準，則控制權隨時間轉移，而收益乃參照完全滿足相關履約義務的進展情況而隨時間確認：

- 客戶於本集團履約時同時收取及消耗本集團履約所提供的利益；
- 本集團的履約導致創建及增強客戶於本集團履約時所控制的資產；或
- 本集團的履約並未創建對本集團具有替代用途的資產，而本集團有強制執行權收取至今已履約部分的款項。

否則，收益於客戶獲得明確商品或服務控制權的時間點確認。

合約資產指本集團收取代價以換取本集團向客戶轉讓貨品或服務之權利(尚未成為無條件)。其根據香港財務報告準則第9號就減值作出評估。相反，應收款項則指本集團收取代價之無條件權利，即該代價到期應付前僅需時間推移。

合約負債指本集團就已向客戶收取代價(或代價金額已到期)而承擔向該客戶轉移貨品或服務的責任。

與合約相關之合約資產及合約負債乃按淨額列賬。



Notes to the Consolidated Financial Statements 綜合財務報表附註

For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度

3. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

CONTRACTS WITH MULTIPLE PERFORMANCE OBLIGATIONS (INCLUDING ALLOCATION OF TRANSACTION PRICE)

For contracts that contain more than one performance obligations, the Group allocates the transaction price to each performance obligation on a relative stand-alone selling price basis.

The stand-alone selling price of the distinct good or service underlying each performance obligation is determined at contract inception. It represents the price at which the Group would sell a promised good or service separately to a customer. If a stand-alone selling price is not directly observable, the Group estimates it using appropriate techniques such that the transaction price ultimately allocated to any performance obligation reflects the amount of consideration to which the Group expects to be entitled in exchange for transferring the promised goods or services to the customer.

OVER TIME REVENUE RECOGNITION: MEASUREMENT OF PROGRESS TOWARDS COMPLETE SATISFACTION OF A PERFORMANCE OBLIGATION

INPUT METHOD

The progress towards complete satisfaction of a performance obligation is measured based on input method, which is to recognise revenue on the basis of the Group's efforts or inputs to the satisfaction of a performance obligation relative to the total expected inputs to the satisfaction of that performance obligation, that best depict the Group's performance in transferring control of goods or services.

EXISTENCE OF SIGNIFICANT FINANCING COMPONENT

In determining the transaction price, the Group adjusts the promised amount of consideration for the effects of the time value of money if the timing of payments agreed (either explicitly or implicitly) provides the customer or the Group with a significant benefit of financing the transfer of goods or services to the customer. In those circumstances, the contract contains a significant financing component. A significant financing component may exist regardless of whether the promise of financing is explicitly stated in the contract or implied by the payment terms agreed to by the parties to the contract.

3. 重大會計政策(續)

包含多項履約責任的合約(包括分配交易價格)

對於包含一項以上履約責任的合約，本集團以相對獨立的銷售價格基準將交易價格分配至各項履約責任。

各項履約責任項下特定商品或服務的獨立售價均於合約開始時釐定。其指本集團將承諾的商品或服務單獨出售予客戶的價格。倘一項獨立的銷售價格不能直接觀察，本集團採用適當的技術進行估計，以便最終分配至任何履約責任的交易價格反映本集團預期將承諾的商品或服務轉讓予客戶有權換取的代價金額。

隨時間確認收益：計量完全履行履約責任的進度

投入法

完全履行履約責任的進度乃根據投入法計量，即根據本集團為履行履約責任所付出或投入(相對於預期對履行有關履約責任的總投入)確認收益，此方法最能反映本集團於轉移貨品或服務控制權時的履約表現。

存在重大融資成份

於釐定交易價時，倘向客戶轉移貨品或服務時(不論以明示或暗示方式)協定之付款時間為客戶或本集團帶來重大融資利益，則本集團就金額時間值的影響而調整已承諾之代價金額。於該等情況下，合約含有重大融資成份。不論於合約中以明示呈列或合約訂約方協定的支付條款暗示融資承諾，合約中均存在重大融資成份。



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For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度

3. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

OVER TIME REVENUE RECOGNITION: MEASUREMENT OF PROGRESS TOWARDS COMPLETE SATISFACTION OF A PERFORMANCE OBLIGATION (Cont'd)

EXISTENCE OF SIGNIFICANT FINANCING COMPONENT (Cont'd)

For contracts where the period between payment and transfer of the associated goods or services is less than one year, the Group applies the practical expedient of not adjusting the transaction price for any significant financing component.

REVENUE FROM CONSTRUCTION SERVICE OF WASTEWATER TREATMENT FACILITIES

Revenue from provision of construction services of wastewater treatment facilities is derived from long-term contracts with customers. Such contracts are entered into before the services begin. Under the term of contracts, the Group is contractually required to perform the services at the customers' specified sites that the Group's performance creates and enhances an asset towards complete satisfaction of a performance obligation is measured based on input method, which is to recognise revenue on the basis of the Group's efforts or inputs to the satisfaction of a performance obligation relative to the total expected inputs to the satisfaction of that performance obligation, that best depict the Group's performance in transferring control of goods or services.

LEASING

DEFINITION OF A LEASE (upon application of HKFRS 16 in accordance with transitions in note 2)

A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

For contracts entered into or modified or arising from business combinations on or after the date of initial application, the Group assesses whether a contract is or contains a lease based on the definition under HKFRS 16 at inception, modification date or acquisition date, as appropriate. Such contract will not be reassessed unless the terms and conditions of the contract are subsequently changed.

3. 重大會計政策(續)

隨時間確認收益：計量完全履行履約責任的進度(續)

存在重大融資成份(續)

就相關貨品或服務的支付與轉移期間少於一年的合約而言，本集團就任何重大融資成份應用不調整交易價的簡易處理方法。

來自污水處理設施之建造服務之營業收入

提供污水處理設施建造服務的營業收入來自與客戶訂立的長期合約。該等合約於服務開始前訂立。根據合約條款，本集團須按合約於客戶指定地點提供服務，而本集團的履約會產生及增強一項資產，其乃根據投入法計量，即根據本集團為履行履約責任所付出或投入(相對於預期對履行有關履約責任的總投入)確認收益，此方法最能反映本集團於轉移貨品或服務控制權時的履約表現。

租賃

租賃定義(根據附註2的過渡性條文應用香港財務報告準則第16號後)

倘合約為換取代價而給予可在一段時間內控制使用已識別資產的權利，則該合約屬於或包含租賃。

就於首次應用日期或之後訂立或修改或業務合併所產生的合約而言，本集團根據香港財務報告準則第16號的定義於開始、修改日期或收購日期(如適用)評估該合約是否屬於或包含租賃。除非合約的條款及條件其後出現變動，否則有關合約不予重新評估。



Notes to the Consolidated Financial Statements 綜合財務報表附註

For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度

3. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

LEASING (Cont'd)

THE GROUP AS A LESSEE (upon application of HKFRS 16 in accordance with transitions in note 2)

Allocation of consideration to components of a contract

For a contract that contains a lease component and one or more additional lease or non-lease components, the Group allocates the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components.

As a practical expedient, leases with similar characteristics are accounted on a portfolio basis when the Group reasonably expects that the effects on the consolidated financial statements would not differ materially from individual leases within the portfolio.

Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to leases of machinery and equipment that have a lease term of 12 months or less from the commencement date and do not contain a purchase option. It also applies the recognition exemption for lease of low-value assets. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis or another systematic basis over the lease term.

Right-of-use assets

The cost of right-of-use asset includes:

- the amount of the initial measurement of the lease liability;
- any lease payments made at or before the commencement date, less any lease incentives received;
- any initial direct costs incurred by the Group; and
- an estimate of costs to be incurred by the Group in dismantling and removing the underlying assets, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease.

3. 重大會計政策(續)

租賃(續)

本集團作為承租人(根據附註2的過渡性條文應用香港財務報告準則第16號後)

將代價分配至合約部分

就包含租賃部分以及一個或多個額外租賃或非租賃部分的合約而言,本集團根據租賃部分的相對獨立價格及非租賃部分總獨立價格,將合約中的代價分配至各租賃部分。

作為權宜方案,當本集團合理預期對綜合財務報表之影響將不會與組合內之個別租賃有重大差別時,類似性質的租賃乃按組合基準入賬。

短期租賃及低價值資產租賃

本集團就租期自開始日期起計為12個月或以下且並無包括購買權的機器及設備租賃應用短期租賃確認豁免。其同時就低價值資產租賃應用確認豁免。短期租賃及低價值資產租賃的租賃付款以直線法或其他系統化基準於租期內確認為開支。

使用權資產

使用權資產的成本包括:

- 租賃負債的初步計量金額;
- 於開始日期或之前作出的任何租賃付款,減去任何已收租賃優惠;
- 本集團產生的任何初步直接成本;及
- 本集團於拆卸及移除相關資產、復原相關資產所在場地或復原相關資產至租賃的條款及條件所規定狀況時將產生的成本估計。



Notes to the Consolidated Financial Statements 綜合財務報表附註

For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度

3. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

LEASING (Cont'd)

THE GROUP AS A LESSEE (upon application of HKFRS 16 in accordance with transitions in note 2) (Cont'd)

Right-of-use assets (Cont'd)

Right-of-use assets in which the Group is reasonably certain to obtain ownership of the underlying leased assets at the end of the lease term are depreciated from commencement date to the end of the useful life. Otherwise, right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term.

The Group presents right-of-use assets in “property, plant and equipment”, the same line item within which the corresponding underlying assets would be presented if they were owned.

Refundable rental deposits

Refundable rental deposits paid are accounted under HKFRS 9 Financial Instruments (“HKFRS 9”) and initially measured at fair value. Adjustments to fair value at initial recognition are considered as additional lease payments and included in the cost of right-of-use assets.

Lease liabilities

At the commencement date of a lease, the Group recognises and measures the lease liability at the present value of lease payments that are unpaid at that date. In calculating the present value of lease payments, the Group uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable.

3. 重大會計政策(續)

租賃(續)

本集團作為承租人(根據附註2的過渡性條文應用香港財務報告準則第16號後)(續)

使用權資產(續)

本集團合理確定將於租期結束時獲取相關租賃資產所有權的使用權資產，自開始日期起至可使用年期結束期間折舊。在其他情況下，使用權資產以直線法於其估計可使用年期及租期(以較短者為準)內折舊。

本集團於「物業、廠房及設備」呈列使用權資產，即呈列相應相關資產(倘被擁有)的同一分列項目內。

可退回之租賃按金

已付可退回租賃按金根據香港財務報告準則第9號金融工具(「香港財務報告準則第9號」)入賬並以公允值初步計量。就初步確認公允值所作之調整乃視為額外租賃付款，並計入使用權資產成本內。

租賃負債

於租賃開始日期，本集團以於該日期尚未支付的租賃付款的現值確認並計量租賃負債。倘租賃隱含的利率不易釐定，則本集團會使用於租賃開始日期的遞增借款利率計算租賃付款現值。



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For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度

3. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

LEASING (Cont'd)

THE GROUP AS A LESSEE (upon application of HKFRS 16 in accordance with transitions in note 2) (Cont'd)

Lease liabilities (Cont'd)

The lease payments include:

- fixed payments (including in-substance fixed payments) less any lease incentives receivable;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable by the Group under residual value guarantees;
- the exercise price of a purchase option if the Group is reasonably certain to exercise the option; and
- payments of penalties for terminating a lease, if the lease term reflects the Group exercising an option to terminate the lease.

After the commencement date, lease liabilities are adjusted by interest accretion and lease payments.

The Group remeasures lease liabilities (and makes a corresponding adjustment to the related right-of-use assets) whenever:

- the lease term has changed or there is a change in the assessment of exercise of a purchase option, in which case the related lease liability is remeasured by discounting the revised lease payments using a revised discount rate at the date of reassessment.
- the lease payments change due to changes in market rental rates following a market rent review/expected payment under a guaranteed residual value, in which cases the related lease liability is remeasured by discounting the revised lease payments using the initial discount rate.

The Group presents lease liabilities as a separate line item on the consolidated statement of financial position.

3. 重大會計政策(續)

租賃(續)

本集團作為承租人(根據附註2的過渡性條文應用香港財務報告準則第16號後)(續)

租賃負債(續)

租賃付款包括：

- 固定付款(包括實質固定付款)減任何應收租賃優惠；
- 取決於指數或利率的可變租賃付款；於開始日期首次使用指數或利率計量；
- 本集團預期應付的剩餘價值擔保金額；
- 倘本集團合理確定將行使購買選擇權的行權價；及
- 終止租賃的罰款金額(倘租賃期反映出本集團正行使終止租賃的選擇權)。

於開始日期後，租賃負債經利息增加及租賃付款進行調整。

倘出現以下情況，本集團將重新計量租賃負債(並對相關使用權資產進行相應調整)：

- 租期變動或行使購買選擇權的評估有所變動，在此情況下，相關租賃負債透過使用重新評估日期的經修訂貼現率貼現經修訂租賃款項而重新計量。
- 租賃付款因進行市場租金審查後市場租金率/保證剩餘價值項下的預期付款變動而出現變動，在此情況下，相關租賃負債透過使用首次貼現率貼現經修訂租賃款項而重新計量。

本集團於綜合財務狀況表中將租賃負債呈列為單獨項目。



Notes to the Consolidated Financial Statements 綜合財務報表附註

For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度

3. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

LEASING (Cont'd)

THE GROUP AS A LESSEE (upon application of HKFRS 16 in accordance with transitions in note 2) (Cont'd)

Lease modifications

The Group accounts for a lease modification as a separate lease if:

- the modification increases the scope of the lease by adding the right to use one or more underlying assets; and
- the consideration for the leases increases by an amount commensurate with the stand-alone price for the increase in scope and any appropriate adjustments to that stand-alone price to reflect the circumstances of the particular contract.

For a lease modification that is not accounted for as a separate lease, the Group remeasures the lease liability based on the lease term of the modified lease by discounting the revised lease payments using a revised discount rate at the effective date of the modification.

The Group accounts for the remeasurement of lease liabilities by making corresponding adjustments to the relevant right-of-use asset. When the modified contract contains a lease component and one or more additional lease or non-lease components, the Group allocates the consideration in the modified contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components.

THE GROUP AS A LESSEE (prior to 1 January 2019)

Leases were classified as finance leases whenever the terms of the lease transferred substantially all the risks and rewards of ownership to the lessee. All other leases were classified as operating leases.

Operating lease payments were recognised as an expense on a straight line basis over the term of the relevant lease. Contingent rentals arising under operating leases were recognised as an expense in the period in which they were incurred.

3. 主要會計政策(續)

租賃(續)

本集團作為承租人(根據附註2的過渡性條文應用香港財務報告準則第16號後)(續)

租賃的修改

倘出現以下情況，本集團將租賃的修改作為獨立租賃入賬：

- 該項修改通過增加使用一項或多項相關資產的權利擴大租賃範圍；及
- 租賃代價的增加金額相當於範圍擴大對應的獨立價格及為反映特定合約情況而對獨立價格進行的任何適當調整。

就未作為一項獨立租賃入賬的租賃修改而言，本集團透過使用修改生效日期的經修訂貼現率貼現經修訂租賃付款，按經修訂租賃的租期重新計量租賃負債。

本集團通過對相關使用權資產進行相應調整，對租賃負債的重新計量進行會計處理。當經修訂的合同包含租賃部分及一個或多個其他租賃或非租賃部分時，本集團會根據租賃部分的相對獨立價格及非租賃部分的總獨立價格將經修訂合同代價分配至每個租賃部分。

本集團作為承租人(二零一九年一月一日前)

租賃條款將所有權的絕大部分風險及回報轉移至承租人時，有關租賃即歸類為融資租賃。所有其他租賃均歸類為經營租賃。

經營租賃付款以直線法於有關租期內確認為開支。根據經營租賃所產生的或然租金乃於其產生的期間內確認為開支。



Notes to the Consolidated Financial Statements 綜合財務報表附註

For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度

3. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

LEASING (Cont'd)

THE GROUP AS A LESSEE (prior to 1 January 2019) (Cont'd)

In the event that lease incentives were received to enter into operating leases, such incentives were recognised as a liability. The aggregate benefit of incentives was recognised as a reduction of rental expense on a straight line basis.

Land rights held under capitalised finance lease were included in property, plant and equipment and not depreciated.

FOREIGN CURRENCIES

In preparing the financial statements of each individual group entity, transactions in currencies other than the functional currency of that entity (foreign currencies) are recognised at the rates of exchanges prevailing on the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are re-translated at the rates prevailing on the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences arising on the settlement of monetary items, and on the re-translation of monetary items, are recognised in profit or loss in the period in which they arise.

For the purposes of presenting the consolidated financial statements, the assets and liabilities of the Group's operations are translated into the presentation currency of the Group (i.e. Hong Kong dollars) using exchange rates prevailing at the end of each reporting period. Income and expenses items are translated at the average exchange rates for the period. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in equity under the heading of exchange reserve (attributed to non-controlling interests as appropriate).

On the disposal of a foreign operation (that is, a disposal of the Group's entire interest in a foreign operation, or a disposal involving loss of control over a subsidiary that includes a foreign operation, or a partial disposal of an interest in a joint arrangement or an associate that includes a foreign operation of which the retained interest becomes a financial asset), all of the exchange differences accumulated in equity in respect of that operation attributable to the owners of the Company are reclassified to profit or loss.

3. 重大會計政策(續)

租賃(續)

本集團作為承租人(二零一九年一月一日前)(續)

倘訂立經營租賃可獲得租賃優惠，該等優惠作為負債確認。總優惠利益以直線法扣減租金開支確認。

以資本化融資租賃持有的土地權計入物業、廠房及設備，而且不會折舊。

外幣

於編製各個別集團實體的財務報表時，以該實體功能貨幣以外貨幣(外幣)進行的交易按交易日期的現行匯率確認。於各報告期末，以外幣列值的貨幣項目以釐定公平值當日的現行匯率重新換算。以外幣計值按歷史成本計量的非貨幣項目不予重新換算。

結算及重新換算貨幣項目產生的匯兌差額於產生期間於損益內確認。

為呈列綜合財務報表，本集團營運的資產及負債均以各報告期末的現行匯率換算為本集團的呈列貨幣(即港元)，而收入及開支項目則以期間平均匯率進行換算。所產生的匯兌差額(如有)則於其他全面收入確認並累計計入匯兌儲備項下的權益(在適當情況下歸屬於非控股權益)。

於出售海外業務(即出售本集團於海外業務之所有權益，或出售涉及失去對一間包含海外業務之附屬公司控制權，或部分出售包含其保留權益成為金融資產之海外業務之合營安排或聯營公司權益)時，於本公司擁有人應佔該業務於權益累計之所有匯兌差額重新分類至損益。



Notes to the Consolidated Financial Statements 綜合財務報表附註

For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度

3. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

FOREIGN CURRENCIES (Cont'd)

Goodwill and fair value adjustments on identifiable assets acquired arising on an acquisition of a foreign operation are treated as assets and liabilities of that foreign operation and translated at the rate of exchange prevailing at the end of each reporting period. Exchange differences arising are recognised in other comprehensive income.

BORROWING COSTS

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets until such time as the assets are substantially ready for their intended use or sale.

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

GOVERNMENT GRANTS

Government grants are not recognised until there is reasonable assurance that the Group will comply with the conditions attaching to them and that the grants will be received.

Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Group with no future related costs are recognised in profit or loss in the period in which they become receivable.

RETIREMENT BENEFIT COSTS AND TERMINATION BENEFITS

Payments to defined contribution retirement benefit plan are recognised as expenses when employees have rendered service entitling them to the contributions.

3. 重大會計政策(續)

外幣(續)

海外業務收購所產生之已收購可識別資產商譽及公允值調整視作該海外業務的資產及負債，並按各報告期末的現行匯率重新換算。產生之匯兌差額於其他全面收益確認。

借款成本

直接來自收購、興建或生產合資格資產(指必須經一段長時間方可作其擬定用途或出售之資產)之借款成本加入該等資產之成本，直至資產大致上可作其擬定用途或出售為止。

所有其他借款成本在其產生期內於損益確認。

政府補助

在合理肯定本集團符合政府補助的附帶條件及將會收到補助的情況下，政府補助方會予以確認。

作為抵銷已產生的支出或虧損或旨在給予本集團即時財務支持(而無未來有關成本)的應收政府補助，於其成為應收款項的期間於損益確認。

退休福利成本及離職福利

向定額供款退休福利計劃的付款於僱員提供服務令彼等有權收取該等供款時確認為開支。



Notes to the Consolidated Financial Statements 綜合財務報表附註

For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度

3. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

RETIREMENT BENEFIT COSTS AND TERMINATION BENEFITS (Cont'd)

For defined benefit retirement benefit plans, the cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period. Remeasurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable) and the return on plan assets (excluding interest), is reflected immediately in the consolidated statement of financial position with a charge or credit recognised in other comprehensive income in the period in which they occur. Remeasurement recognised in other comprehensive income is reflected immediately in retained earnings and will not be reclassified to profit or loss. Past service cost is recognised in profit or loss in the period of a plan amendment. Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset.

Defined benefit costs are categorised as follows:

- service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements);
- net interest expense or income; and
- remeasurement.

The Group presents the first two components of defined benefit costs in profit or loss in the line item. Curtailment gains and losses are accounted for as past service costs.

The retirement benefit obligation recognised in the consolidated statement of financial position represents the actual deficit or surplus in the Group's defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any economic benefits available in the form of refunds from the plans or reductions in future contributions to the plans.

A liability for a termination benefit is recognised at the earlier of when the Group entity can no longer withdraw the offer of the termination benefit and when it recognises any related restructuring costs.

3. 重大會計政策(續)

退休福利成本及離職福利(續)

對於界定福利退休福利計劃，提供福利的成本是採用預期累計福利單位法予以確定，並在每個年度報告期末執行精算估價。重新計量（包括精算損益、資產上限（如適用）變動之影響及計劃資產回報（不包括利息））即時於綜合財務狀況表反映，並於其產生期間於其他全面收益確認為支出或抵免。於其他全面收益確認之重新計量即時於保留盈利反映，將不會重新分類至損益。過往服務成本乃於計劃修訂期於損益確認。利息淨額乃使用於期初對界定福利負債或資產淨額貼現率計算。

界定福利成本分類如下：

- 服務成本（包括目前服務成本、過往服務成本以及削減及結算之收益及虧損）；
- 利息開支或收入淨額；及
- 重新計量。

本集團將首兩項界定福利成本呈報為損益之項目。計劃縮減收益及虧損以過往服務成本入賬。

綜合財務狀況表內確認之退休福利責任代表本集團界定福利退休計劃實際虧損或盈餘。由此計算產生之盈餘將不多於以該計劃收回款項模式的經濟收益或該計劃之未來供款減額之現值。

離職福利負債會於本集團實體無法再撤回離職福利邀約及當其確認任何相關重組成本（取其較早者）時確認。



Notes to the Consolidated Financial Statements 綜合財務報表附註

For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度

3. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

SHORT-TERM AND OTHER LONG-TERM EMPLOYEE BENEFITS

Short-term employee benefits are recognised at the undiscounted amount of the benefits expected to be paid as and when employees rendered the services. All short-term employee benefits are recognised as an expense unless another HKFRS requires or permits the inclusion of the benefit in the cost of an asset.

A liability is recognised for benefits accruing to employees (such as wages and salaries, annual leave and sick leave) after deducting any amount already paid.

Liabilities recognised in respect of other long-term employee benefits are measured at the present value of the estimated future cash outflows expected to be made by the Group in respect of services provided by employees up to the reporting date. Any changes in the liabilities' carrying amounts resulting from service cost, interest and remeasurements are recognised in profit or loss except to the extent that another HKFRS requires or permits their inclusion in the cost of an asset.

SHARE-BASED PAYMENT

EQUITY-SETTLED SHARE-BASED PAYMENT TRANSACTIONS

Share options granted to employees

Equity-settled share-based payments to employees and others providing similar services are measured at the fair value of the equity instruments at the grant date.

The fair value of the equity-settled share-based payments determined at the grant date without taking into consideration of all non-market vesting condition is expensed on a straight-line basis over the vesting period, based on the Group's estimate of equity instruments that will eventually vest, with a corresponding increase in equity (share option reserve). At the end of each reporting period, the Group revises its estimate of the number of equity instruments expected to vest based on assessment of all relevant non-market vesting conditions. The impact of the revision of the original estimates, if any, is recognised in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to the share option reserve.

3. 重大會計政策(續)

短期及其他長期僱員福利

短期僱員福利於僱員提供服務時按預期支付福利的未折現金額確認。所有短期僱員福利均確認為開支，除非有另一項香港財務報告準則規定或允許將福利計入資產成本則作別論。

僱員累計福利(如工資及薪金、年假及病假)於扣除已付金額後確認為負債。

就其他長期僱員福利確認的負債按本集團截至報告日期預期就僱員所提供服務作出的估計未來現金流出的現值計量。服務成本、利息及重新計量引致負債賬面值的任何變動於損益確認，惟有另一項香港財務報告準則規定或允許計入資產成本則作別論。

基於股份的付款

以權益結算基於股份的付款交易

授予僱員的購股權

向僱員及提供類似服務之其他人士作出以權益結算基於股份的付款乃按授出日期權益工具的公允值計量。

於以權益結算基於股份的付款的公允值(於授出日期釐定，未考慮所有非市場歸屬條件)，基於本集團預計將最終歸屬之權益工具按直線法於歸屬期內支銷，而權益(購股權儲備)亦相應增加。於各報告期末，本集團根據對所有相關的非市場歸屬條件的評估修訂其對預期歸屬的權益工具數目之估計。修訂原有估計之影響(如有)於損益內確認，以使累計開支能反映經修訂估計，而購股權儲備亦作出相應調整。



Notes to the Consolidated Financial Statements 綜合財務報表附註

For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度

3. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

SHARE-BASED PAYMENT (Cont'd)

EQUITY-SETTLED SHARE-BASED PAYMENT TRANSACTIONS (Cont'd)

Share options granted to employees (Cont'd)

When share options are exercised, the amount previously recognised in share option reserve will be transferred to share premium. When the share options are forfeited after the vesting date or are still not exercised at the expiry date, the amount previously recognised in share option reserve will be transferred to retained earnings.

TAXATION

Income tax expense represents the sum of the tax currently payable and deferred tax.

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

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

3. 重大會計政策(續)

基於股份的付款(續)

以權益結算基於股份的付款交易
(續)

授予僱員的購股權(續)

於行使購股權之時，先前於購股權儲備確認之金額將轉撥至股份溢價。當購股權於歸屬日後被沒收或於屆滿日期仍未獲行使，先前於購股權儲備確認之款項將轉撥至保留溢利。

稅項

所得稅開支指現時應付稅項及遞延稅項的總和。

現時應付稅項乃按年內應課稅溢利計算。應課稅溢利與「除稅前溢利／虧損」不同，乃由於其他年度應課稅或可扣稅的收入或開支及永不須課稅或不可扣稅的項目所致。本集團乃按報告期末已實行或實際已實行之稅率計算即期稅項負債。

遞延稅項乃就綜合財務報表中資產及負債之賬面值與用於計算應課稅溢利的相應稅基之差額確認。遞延稅項負債一般會就所有應課稅暫時性差額予以確認，而遞延稅項資產一般於可能有應課稅溢利用以抵銷可扣稅暫時性差額時就所有可扣稅暫時性差額予以確認。若暫時性差額乃因商譽或首次確認一項既不影響應課稅溢利亦不影響會計溢利之交易(業務合併除外)中之其他資產及負債而產生，則不予確認有關資產及負債。此外，若暫時性差額是源自商譽之初步確認，則不確認遞延稅項負債。



Notes to the Consolidated Financial Statements 綜合財務報表附註

For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度

3. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

TAXATION (Cont'd)

Deferred tax liabilities are recognised for taxable temporary differences associated with investments in subsidiaries, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of the 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 asset to be recovered.

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

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

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

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

3. 重大會計政策(續)

稅項(續)

遞延稅項負債乃就與附屬公司投資相關之應課稅暫時性差額予以確認，惟若本集團可控制暫時性差額之撥回及暫時性差額於可見未來很可能不會撥回之情況除外。與該等投資相關的扣稅暫時性差額所產生的遞延稅項資產，僅於很可能有足夠應課稅溢利可以抵銷暫時性差額的利益且預計於可見將來可以撥回時確認。

遞延稅項資產的賬面值在報告期末進行檢討，並於不再可能有足夠應課稅溢利可用以備抵將收回的全部或部分資產時作出相應扣減。

遞延稅項資產及負債乃根據於報告期末已實行或實際已實行的稅率(及稅法)，按清償該負債或變現該資產期間預期適用的稅率計量。

遞延稅項負債及資產的計量反映本公司在報告期末預期收回或清償其資產及負債賬面值所用方式可能導致的稅務後果。

倘有可執行合法權利許可將即期稅項資產與即期稅項負債抵銷，且與同一稅務機關徵收之所得稅有關且本集團擬按淨額基準結算其即期稅項資產及負債時，則遞延稅項資產及負債可互相對銷。

即期及遞延稅項於損益內確認，惟倘即期及遞延稅項有關之項目於其他全面收益或直接於權益確認之情況下，則即期及遞延稅項亦分別於其他全面收益或直接於權益內確認。倘對業務合併進行初步會計處理而產生即期或遞延稅項，則稅務影響計入業務合併的會計處理。



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For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度

3. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment including held for use in the production or supply of goods or services, or for administrative purposes are stated in the consolidated statement of financial position at cost less subsequent accumulated depreciation and subsequent accumulated impairment losses, if any.

Properties in the course of under construction for production, supply or administrative purposes are carried at cost, less any recognised impairment loss. Costs include professional fees and, for qualifying assets, borrowing costs capitalised in accordance with the Group's accounting policy. Such properties are classified to the appropriate categories of property, plant and equipment when completed and ready for intended use. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

When the Group makes payments for ownership interests of properties which includes both leasehold land and building elements, the entire consideration is allocated between the leasehold land and the building elements in proportion to the relative fair values at initial recognition.

To the extent the allocation of the relevant payments can be made reliably, interest in leasehold land that is accounted for as an operating lease is presented as "right-of-use assets" (upon application of HKFRS 16) or "prepaid lease payments" (before application of HKFRS 16) in the consolidated statement of financial position. When the consideration cannot be allocated reliably between non-lease building element and undivided interest in the underlying leasehold land, the entire properties are classified as property, plant and equipment.

Depreciation is recognised so as to write off the cost of assets less their residual values over their estimated useful lives, using the straight line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

3. 重大會計政策(續)

物業、廠房及設備

持作用於生產或提供貨物或服務或作行政用途之物業、廠房及設備乃按成本減後續累計折舊及後續累計減值虧損(如有)列賬於綜合財務狀況表。

興建中作生產、供應或行政用途之物業按成本減任何已確認減值虧損列賬。成本包括專業費用及(就合資格資產而言)根據本集團會計政策資本化的借款成本。在該等物業於完工及準備好作預定用途時,分類至物業、廠房及設備之適當類別。當此等資產準備好作預定用途時,會按照與其他物業資產相同的基準開始計算折舊。

當本集團就包括租賃土地及樓宇兩部分之物業擁有權益付款時,全部代價於初步確認時按相對公允值比例於租賃土地及樓宇部分之間分配。

倘租賃付款能夠可靠分配,則以經營租賃入賬的租賃土地權益於綜合財務狀況表中呈列為「使用權資產」(採納香港財務報告準則第16號後)或「預付租賃」(採納香港財務報告準則第16號前)。倘代價無法於非租賃樓宇成分及相關租賃土地不可分割的權益間可靠分配,則整項物業會歸類為物業、廠房及設備。

確認折舊乃以直線法在資產的估計可使用年期內撇銷其成本減其殘值。估計使用年期、殘值及折舊方法於各報告期末審閱,任何估計變動之影響按預期基準入賬。



Notes to the Consolidated Financial Statements 綜合財務報表附註

For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度

3. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

PROPERTY, PLANT AND EQUIPMENT (Cont'd)

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

IMPAIRMENT ON PROPERTY, PLANT AND EQUIPMENT AND RIGHT-OF-USE ASSETS

At the end of each reporting period, the Group reviews the carrying amounts of its property, plant and equipment and right-of-use assets with finite useful lives to determine whether there is any indication that these assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

The recoverable amount of property, plant and equipment and right-of-use assets are estimated individually. When it is not possible to estimate the recoverable amount individually, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

In addition, the Group assesses whether there is indication that corporate assets may be impaired. If such indication exists, corporate assets are also allocated to individual cash-generating units, when a reasonable and consistent basis of allocation can be identified, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset (or a cash-generating unit) for which the estimates of future cash flows have not been adjusted.

3. 重大會計政策(續)

物業、廠房及設備(續)

物業、廠房及設備項目會在出售或預期繼續使用資產不會帶來未來經濟利益時終止確認。出售或停用物業、廠房及設備項目所產生之任何盈虧為該資產出售所得款項與賬面值之差額，於損益中確認。

物業、廠房及設備以及使用權資產的減值

於各報告期末，本集團審閱其使用年期有限的物業、廠房及設備以及使用權資產的賬面值，衡量是否有跡象顯示此等資產已出現減值虧損。倘出現任何該等跡象，則會估計資產的可收回金額，以釐定減值虧損(如有)之程度。

物業、廠房及設備以及使用權資產已個別估計可收回金額，倘不能個別估計可收回金額時，本集團則估計該資產所屬之現金產生單位之可收回金額。

此外，本集團會評估是否有跡象表明企業資產已出現減值。倘存在有關跡象，如能識別合理一致的分配基準，公司資產亦會分配至個別現金產生單位，或以其他方式分配至能識別合理一致分配基準的現金產生單位最小組別。

可收回金額為公允值減出售成本及使用價值之較高者。於評估使用價值時，估計日後現金流量乃採用稅前貼現率貼現至其現值，該貼現率反映貨幣時間價值之現行市場評估及尚未就日後現金流量之估計作出調整之資產(或現金產生單位)之特有風險。



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3. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

IMPAIRMENT ON PROPERTY, PLANT AND EQUIPMENT AND RIGHT-OF-USE ASSETS (Cont'd)

If the recoverable amount of an asset (or a cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or a cash-generating unit) is reduced to its recoverable amount. For corporate assets or portion of corporate assets which cannot be allocated on a reasonable and consistent basis to a cash-generating unit, the Group compares the carrying amount of a group of cash-generating units, including the carrying amounts of the corporate assets or portion of corporate assets allocated to that group of cash-generating units, with the recoverable amount of the group of cash-generating units. In allocating the impairment loss, the impairment loss is allocated first to reduce the carrying amount of any goodwill (if applicable) and then to the other assets on a pro-rata basis based on the carrying amount of each asset in the unit or the group of cash-generating units. The carrying amount of an asset is not reduced below the highest of its fair value less costs of disposal (if measurable), its value in use (if determinable) and zero. The amount of the impairment loss that would otherwise have been allocated to the asset is allocated pro rata to the other assets of the unit or the group of cash-generating units. An impairment loss is recognised immediately in profit or loss.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit or a group of cash-generating units) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or a cash-generating unit or a group of cash-generating units) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

3. 重大會計政策(續)

物業、廠房及設備以及使用權資產的減值(續)

倘估計資產(或現金產生單位)之可收回金額將少於其賬面值,則資產(或現金產生單位)之賬面值將調減至其可收回金額。就未能按合理一致的基準分配至現金產生單位的企業資產或部分企業資產而言,本集團會比較一個組別的現金產生單位賬面值(包括已分配至該現金產生單位組別的企業資產或部分企業資產的賬面值)與該現金產生單位組別的可收回金額。於分配減值虧損時,首先分配減值虧損以減少任何商譽的賬面值(如適用),其後根據該單位各資產或現金產生單位組別的賬面值按比例分配至其他資產。資產賬面值不得減少至低於其公允值減出售成本(如可計量)、其使用價值(如可計量)及零之中的最高值。已另行分配至資產之減值虧損數額按比例分配至該單位其他資產或現金產生單位組別。減值虧損即時於損益確認。

倘減值虧損其後撥回,該項資產(或現金產生單位)之賬面值將增加至其經修訂之估計可收回金額,惟增加後之賬面值不得超過倘若該資產或現金產生單位或現金產生單位組別於過往年度並無確認減值虧損所釐定之賬面值。減值虧損之撥回即時於損益確認。



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3. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

SERVICE CONCESSION ARRANGEMENTS

CONSIDERATION GIVEN BY THE GRANTOR

A financial asset (receivable under service concession arrangement) 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/or the consideration paid and payable by the Group for the right to charge users of the public service; 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 (receivable under service concession arrangement) is accounted for in accordance with the policy set out for “Financial instruments” below.

OPERATING SERVICES

Revenue and costs relating to operating services are accounted for in accordance with the policy for “Revenue from contracts with customers”.

CONTRACTUAL OBLIGATIONS TO RESTORE THE INFRASTRUCTURE TO A SPECIFIED LEVEL OF SERVICEABILITY

The Group has contractual obligations which it must fulfil as a condition of its licence, that is (a) to maintain the wastewater treatment facilities it operates to a specified level of serviceability and/or (b) to restore the plants 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 are recognised and measured in accordance with the policy set out for “Provisions” below.

3. 重大會計政策(續)

服務特許權安排

授予人給予之代價

所確認財務資產(服務特許權安排下之應收款項)以下列者為限：(a)本集團有無條件權利就所提供建築服務向授予人或按其指示收取現金或其他金融資產及／或本集團就向公共服務使用者收費之權利而支付及應付之代價；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)已收公共服務用戶之款項與指定或待定金額兩者間之差額(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(服務特許權安排下之應收款項)根據下文「金融工具」所載之政策列賬。

經營服務

與經營服務有關之營業收入及成本按「客戶合約收入」之政策列賬。

修復基礎設施至特定可提供服務水平的合約責任

本集團為獲取許可證而須承擔的合約責任為(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／或(b)於服務特許權安排結束時，在移交廠房予授予人之前，將其修復至替定狀態。該等保養或修復污水處理設施的合約責任乃根據下文「撥備」所載政策確認與計量。



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3. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

INVENTORIES

Inventories are stated at the lower of cost and net realisable value. Cost of inventories are determined on a first-in, first-out method. Net realisable value represents the estimated selling price for inventories less all costs of completion and cost necessary to make the sale.

PROVISIONS

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group will be required to settle that obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (where the effect of the time value of money is material).

FINANCIAL INSTRUMENTS

Financial assets and financial liabilities are recognised when a group entity becomes a party to the contractual provisions of the instrument. All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the market place.

Financial assets and financial liabilities are initially measured at fair value except for trade receivables arising from contracts with customers which are initially measured in accordance with HKFRS 15. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets or financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

3. 重大會計政策(續)

存貨

存貨以成本及可變現淨值兩者之間較低者入賬。存貨成本乃按先入先出法釐定。可變現淨值指存貨的估計售價減所有完工成本及銷售所需成本。

撥備

倘本集團須就過往事件承擔現時(法定或推定)責任，及本集團有可能須履行該項責任，並可對責任的金額作出可靠估計時，則會確認撥備。

已確認為撥備的金額為對報告期末履行現時責任所需代價的最佳估計，並考慮與責任有關的風險及不明朗因素。倘使用履行現時責任所需的估計現金流量計量撥備，其賬面值為相關現金流量的現值(倘貨幣時間價值之影響重大)。

金融工具

金融資產及金融負債於集團實體成為工具合約條文的訂約方時確認。所有日常購買或出售金融資產乃按交易日基準確認及終止確認。日常買賣乃指須按市場規定或慣例所釐定的時限內交付資產的金融資產買賣。

除根據香港財務報告準則第15號初步計量由客戶合約收入產生的貿易應收款項外，金融資產及金融負債初步按公允值計量。於初步確認時，收購或發行金融資產及金融負債(除透過損益按公允值計量的金融資產及金融負債外)所產生直接交易成本將視乎情況計入或扣除自金融資產或金融負債的公允值。收購透過損益按公允值計量的金融資產或金融負債的直接應佔交易成本即時於損益確認。



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3. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

FINANCIAL INSTRUMENTS (Cont'd)

The effective interest method is a method of calculating the amortised cost of a financial asset or financial liabilities and of allocating interest income and interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts and payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial asset or financial liabilities, or, where appropriate, a shorter period to the net carrying amount on initial recognition.

FINANCIAL ASSETS

Classification and subsequent measurement of financial assets

Financial assets that meet the following conditions are subsequently measured at amortised cost:

- the financial asset is held within a business model whose objective is to collect contractual cash flows; and
- the contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets that meet the following conditions are subsequently measured at fair value through other comprehensive income ("FVTOCI"):

- the financial asset is held within a business model whose objective is achieved by both selling and collecting contractual cash flows; and
- the contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

3. 重大會計政策(續)

金融工具(續)

實際利率法乃計算金融資產或金融負債攤銷成本及分攤相關期間利息收入及利息開支的方法。實際利率乃透過金融資產或金融負債的預期年期或(如適用)較短期間將估計未來現金收入及付款(包括所有構成整體實際利率的已付或已收費用及代價、交易成本及其他溢價或折讓)準確貼現至於初步確認時的賬面淨值的利率。

金融資產

金融資產分類及後續計量

符合以下條件的金融資產其後按攤銷成本計量：

- 以收取合約現金流量為目的之業務模式下持有之金融資產；及
- 合約條款於指定日期產生之現金流量純粹為支付本金及尚未償還本金之利息。

符合下列條件的金融資產其後透過其他全面收益按公允值(「透過其他全面收益按公允值」)計量：

- 以達致收取合約現金流量及出售目的而持有金融資產之業務模式下持有之金融資產；及
- 合約條款於指定日期產生之現金流量純粹為支付本金及尚未償還本金之利息。



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3. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

FINANCIAL INSTRUMENTS (Cont'd)

FINANCIAL ASSETS (Cont'd)

Classification and subsequent measurement of financial assets (Cont'd)

All other financial assets are subsequently measured at fair value through profit or loss ("FVTPL"), except that at the date of initial application of HKFRS 9/initial recognition of a financial asset the Group may irrevocably elect to present subsequent changes in fair value of an equity investment in other comprehensive income if that equity investment is neither held for trading nor contingent consideration recognised by an acquirer in a business combination to which HKFRS 3 Business Combinations applies.

A financial asset is held for trading if:

- it has been acquired principally for the purpose of selling in the near term; or
- on initial recognition it is a part of a portfolio of identified financial instruments that the Group manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument.

In addition, the Group may irrevocably designate a financial asset that are required to be measured at the amortised cost or FVTOCI as measured at FVTPL if doing so eliminates or significantly reduces an accounting mismatch.

3. 重大會計政策(續)

金融工具(續)

金融資產(續)

金融資產分類及後續計量(續)

所有其他金融資產其後透過損益按公允值(「透過損益按公允值」)計量，惟在首次應用香港財務報告準則第9號/首次確認金融資產日期，倘該股權投資並非持作買賣，亦非由於收購方在香港財務報告準則第3號業務合併所適用的業務合併中確認的或然代價，則本集團可不可撤銷地選擇於其他全面收益呈列股權投資公允值的其後變動。

金融資產於下列情況為持作交易：

- 收購的主要目的為於短期作出售用途；或
- 於初步確認時構成本集團合併管理的已識別金融工具組合的一部分，並具有近期實際短期獲利模式；或
- 其並非作為指定及有效對沖工具的衍生工具。

此外，本集團可不可撤回地將按攤銷成本計量或透過其他全面收益按公允值計量的金融資產指定為透過損益按公允值計量，前提是有關指定可撤銷或大幅減少會計錯配。



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3. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

FINANCIAL INSTRUMENTS (Cont'd)

FINANCIAL ASSETS (Cont'd)

Classification and subsequent measurement of financial assets (Cont'd)

(i) Amortised cost and interest income

Interest income is recognised using the effective interest method for financial assets measured subsequently at amortised cost and debt instruments. Interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset, except for financial assets that have subsequently become credit-impaired (see below). For financial assets that have subsequently become credit-impaired, interest income is recognised by applying the effective interest rate to the amortised cost of the financial asset from the next reporting period. If the credit risk on the credit-impaired financial instrument improves so that the financial asset is no longer credit-impaired, interest income is recognised by applying the effective interest rate to the gross carrying amount of the financial asset from the beginning of the reporting period following the determination that the asset is no longer credit impaired.

(ii) Debt instruments classified as at FVTOCI

Subsequent changes in the carrying amounts for debt instruments classified as at FVTOCI as a result of interest income calculated using the effective interest method, and foreign exchange gains and losses are recognised in profit or loss. All other changes in the carrying amount of these debt instruments are recognised in other comprehensive income and accumulated under the heading of investment revaluation reserve. Impairment allowances are recognised in profit or loss with corresponding adjustment to other comprehensive income without reducing the carrying amounts of these debt instruments. When these debt instruments are derecognised, the cumulative gains or losses previously recognised in other comprehensive income are reclassified to profit or loss.

3. 重大會計政策(續)

金融工具(續)

金融資產(續)

金融資產分類及後續計量(續)

(i) 攤銷成本及利息收入

其後按攤銷成本及債務工具計量之金融資產之利息收入使用實際利率法確認。利息收入乃對金融資產賬面總值應用實際利率計算，惟其後出現信貸減值之金融資產除外(見下文)。對於其後出現信貸減值之金融資產而言，利息收入按金融資產自下個報告期起之攤銷成本應用實際利率確認。倘信貸減值金融工具之信貸風險有所改善，致使金融資產不再信貸減值，則利息收入自釐定有關資產不再出現信貸減值後之報告期開始對賬面總值應用實際利率確認。

(ii) 分類為透過其他全面收益按公允值計量之債務工具

分類為透過其他全面收益按公允值計量之債務工具，其賬面值之後續變動會於損益中確認，有關變動乃由實際利率法計算之利息收入及外匯收益及虧損所致。該等債務工具賬面值之所有其他變動均於其他全面收益中確認，並於投資重估儲備項下累計。於損益中確認之減值撥備連同其他全面收益之相應調整並無減少該等債務工具之賬面值。如該等債務工具終止確認，則先前於其他全面收益確認之累計收益或虧損將重新分類至損益。



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3. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

FINANCIAL INSTRUMENTS (Cont'd)

FINANCIAL ASSETS (Cont'd)

Classification and subsequent measurement of financial assets (Cont'd)

(iii) Financial assets at FVTPL

Financial assets that do not meet the criteria for being measured at amortised cost or FVTOCI or designated as FVTOCI are measured at FVTPL.

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any fair value gains or losses recognised in profit or loss. The net gain or loss recognised in profit or loss excludes any dividend or interest earned on the financial asset and is included in the “other income and net gains” line item.

Impairment of financial assets

The Group performs impairment assessment under expected credit loss (“ECL”) model on financial assets (including trade and other receivables, receivables under service concession arrangements, financial assets at FVTOCI, restricted bank deposits and bank balances and cash) which are subject to impairment under HKFRS 9. The amount of ECL is updated at each reporting date to reflect changes in credit risk since initial recognition.

3. 重大會計政策(續)

金融工具(續)

金融資產(續)

金融資產分類及後續計量(續)

(iii) 透過損益按公允值計量的金融資產

金融資產如不符合按攤銷成本或透過其他全面收益按公允值計量或指定為透過其他全面收益按公允值計量的條件，則透過損益按公允值計量。

於各報告期末，透過損益按公允值計量的金融資產按公允值計量，而任何公允值收益或虧損於損益確認。於損益確認的收益或虧損淨額不包括就金融資產所賺取的任何股息或利息，並計入「其他收入及淨收益」項目內。

金融資產之減值

本集團根據香港財務報告準則第9號就發生減值之金融資產(包括貿易及其他應收款項、服務特許權安排下的應收款項、透過其他全面收益按公允值計量的金融資產、受限制銀行存款及銀行結餘及現金)根據預期信貸虧損(「預期信貸虧損」)模式進行減值評估。預期信貸虧損的金額於各報告日期更新，以反映自初步確認後信貸風險的變動。



Notes to the Consolidated Financial Statements 綜合財務報表附註

For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度

3. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

FINANCIAL INSTRUMENTS (Cont'd)

FINANCIAL ASSETS (Cont'd)

Impairment of financial assets (Cont'd)

Lifetime ECL represents the ECL that will result from all possible default events over the expected life of the relevant instrument. In contrast, 12-month ECL ("12m ECL") represents the portion of lifetime ECL that is expected to result from default events that are possible within 12 months after the end of the reporting period. Assessment are done based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current conditions at the end of the reporting period as well as the forecast of future conditions.

The Group always recognises lifetime ECL for trade receivables. The ECL on these assets are assessed individually for debtors with significant balances.

For all other instruments, the Group measures the loss allowance equal to 12m ECL, unless when there has been a significant increase in credit risk since initial recognition, the Group recognises lifetime ECL. The assessment of whether lifetime ECL should be recognised is based on significant increases in the likelihood or risk of a default occurring since initial recognition.

(i) Significant increase in credit risk

In assessing whether the credit risk has increased significantly since initial recognition, the Group compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition. In making this assessment, the Group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort.

3. 重大會計政策(續)

金融工具(續)

金融資產(續)

金融資產之減值(續)

全期預期信貸虧損指因相關工具的預期使用期內所有可能的違約事件而將產生之預期信貸虧損。相反，12個月預期信貸虧損(「12個月預期信貸虧損」)指預期於報告期末後12個月內可能發生的違約事件導致之全期預期信貸虧損部份。評估乃根據本集團的歷史信貸虧損經驗進行，並根據債務人特有的因素、一般經濟狀況以及對報告期末當前狀況的評估以及對未來狀況的預測作出調整。

本集團經常就貿易應收賬款確認全期預期信貸虧損。該等資產的預期信貸虧損乃就具有巨額結餘的債務人個別作出評估。

就所有其他工具而言，本集團計量的虧損撥備等於12個月預期信貸虧損，惟倘自初始確認以來信貸風險顯著增加，則本集團確認全期預期信貸虧損。評估是否應確認全期預期信貸虧損乃基於自初始確認以來發生違約之可能性或風險是否顯著增加。

(i) 信貸風險顯著增加

於評估自初始確認以來信貸風險是否顯著增加時，本集團將於報告日期金融工具發生之違約風險與初始確認日起金融工具發生之違約風險進行比較。在進行該評估時，本集團會考慮合理且可支持的定量及定性資料，包括無需付出不必要的成本或努力而可取得之過往經驗及前瞻性資料。



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For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度

3. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

FINANCIAL INSTRUMENTS (Cont'd)

FINANCIAL ASSETS (Cont'd)

Impairment of financial assets (Cont'd)

(i) Significant increase in credit risk (Cont'd)

In particular, the following information is taken into account when assessing whether credit risk has increased significantly:

- an actual or expected significant deterioration in the financial instrument's external (if available) or internal credit rating;
- significant deterioration in external market indicators of credit risk, e.g. a significant increase in the credit spread, the credit default swap prices for the debtor;
- existing or forecast adverse changes in business, financial or economic conditions that are expected to cause a significant decrease in the debtor's ability to meet its debt obligations;
- an actual or expected significant deterioration in the operating results of the debtor;
- an actual or expected significant adverse change in the regulatory, economic, or technological environment of the debtor that results in a significant decrease in the debtor's ability to meet its debt obligations.

Irrespective of the outcome of the above assessment, the Group presumes that the credit risk has increased significantly since initial recognition when contractual payments are more than 30 days past due, unless the Group has reasonable and supportable information that demonstrates otherwise.

3. 重大會計政策(續)

金融工具(續)

金融資產(續)

金融資產之減值(續)

(i) 信貸風險顯著增加(續)

特別是，在評估信貸風險是否已顯著增加時，會考慮以下資料：

- 金融工具的外部(如有)或內部信貸評級的實際或預期顯著惡化；
- 信貸風險外部市場指標的顯著惡化，如信貸利差、債務人的信貸違約掉期價格大幅增加；
- 預計會導致債務人償還債務能力大幅下降的業務、財務或經濟狀況的現有或預測的不利變動；
- 債務人經營業績的實際或預期顯著惡化；
- 導致債務人償還債務能力大幅下降的債務人監管、經濟或技術環境的實際或預期的重大不利變動。

不論上述評估之結果如何，本集團認為，倘合約付款逾期超過30天，則自初始確認以來信貸風險已顯著增加，除非本集團有合理且可支持之資料證明屬其他情況。



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For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度

3. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

FINANCIAL INSTRUMENTS (Cont'd)

FINANCIAL ASSETS (Cont'd)

Impairment of financial assets (Cont'd)

(i) Significant increase in credit risk (Cont'd)

Despite the foregoing, the Group assumes that the credit risk on a debt instrument has not increased significantly since initial recognition if the debt instrument is determined to have low credit risk at the reporting date. A debt instrument is determined to have low credit risk if i) it has a low risk of default, ii) the borrower has a strong capacity to meet its contractual cash flow obligations in the near term and iii) adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the borrower to fulfil its contractual cash flow obligations. The Group considers a debt instrument to have low credit risk when it has an internal or external credit rating of "investment grade" as per globally understood definitions.

The Group regularly monitors the effectiveness of the criteria used to identify whether there has been a significant increase in credit risk and revises them as appropriate to ensure that the criteria are capable of identifying significant increase in credit risk before the amount becomes past due.

(ii) Definition of default

For internal credit risk management, the Group considers an event of default occurs when information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including the Group, in full (without taking into account any collaterals held by the Group).

3. 重大會計政策(續)

金融工具(續)

金融資產(續)

金融資產之減值(續)

(i) 信貸風險顯著增加(續)

儘管如此，倘債務工具於報告日期釐定為具有較低信貸風險，則本集團可假設債務工具之信貸風險自初始確認以來並未顯著增加。在以下情況下，債務工具會釐定為具有較低信貸風險：i)其違約風險較低；ii)借款人短期內絕對有能力履行其合約現金流量責任；及iii)經濟及商業環境之長期不利變動可能但未必會降低借款人履行合約現金流量責任之能力。本集團認為，倘債務工具之內部或外部信貸評級為國際通用的「投資級別」，則該債務工具具有較低信貸風險。

本集團定期監察識別信貸風險是否顯著上升所用標準之有效性，並酌情修訂以確保該標準能夠在款項逾期前識別信貸風險之顯著上升。

(ii) 違約之定義

就內部信貸風險管理而言，本集團認為內部產生或獲取自外部來源之資料顯示債務人不太可能向債權人(包括本集團)全額還款(不考慮本集團持有之任何抵押品)時將構成違約事件。



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For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度

3. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

FINANCIAL INSTRUMENTS (Cont'd)

FINANCIAL ASSETS (Cont'd)

Impairment of financial assets (Cont'd)

(ii) Definition of default (Cont'd)

Irrespective of the above, the Group considers that default has occurred when the instrument is more than 90 days past due unless the Group has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

(iii) Credit-impaired financial assets

A financial asset is credit-impaired when one or more events of default that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit-impaired includes observable data about the following events:

- (a) significant financial difficulty of the issuer or the borrower;
- (b) a breach of contract, such as a default or past due event;
- (c) the lender(s) of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession(s) that the lender(s) would not otherwise consider;
- (d) it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation; or
- (e) the disappearance of an active market for that financial asset because of financial difficulties.

3. 重大會計政策(續)

金融工具(續)

金融資產(續)

金融資產之減值(續)

(ii) 違約之定義(續)

不論上述結果如何，倘該工具逾期超過90天，則本集團認為已發生違約，除非本集團有合理可作為依據之資料顯示更滯後之違約準則更為適合則作別論。

(iii) 信貸減值金融資產

當發生對金融資產之估計未來現金流量產生不利影響之一項或多項違約事件時，金融資產即出現信貸減值。金融資產信貸減值之證據包括以下可觀察事件：

- (a) 發行人或借款人陷入重大財困；
- (b) 違反合約，如違約或逾期事件；
- (c) 借款人之貸款人因與借款人出現財困相關之經濟或合約原因，而向借款人授予貸款人在一般情況下不會考慮之優惠條件；
- (d) 借款人可能破產或進行其他財務重組；或
- (e) 因財困導致金融資產之活躍市場消失。



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For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度

3. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

FINANCIAL INSTRUMENTS (Cont'd)

FINANCIAL ASSETS (Cont'd)

Impairment of financial assets (Cont'd)

(iv) Write-off policy

The Group writes off a financial asset when there is information indicating that the counterparty is in severe financial difficulty and there is no realistic prospect of recovery, for example, when the counterparty has been placed under liquidation or has entered into bankruptcy proceedings, or in the case of trade receivables, when the amounts are over two years past due, whichever occurs sooner. Financial assets written off may still be subject to enforcement activities under the Group's recovery procedures, taking into account legal advice where appropriate. A write-off constitutes a derecognition event. Any subsequent recoveries are recognised in profit or loss.

(v) Measurement and recognition of ECL

The measurement of ECL is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data adjusted by forward-looking information. Estimation of ECL reflects an unbiased and probability-weighted amount that is determined with the respective risks of default occurring as the weights.

Generally, the ECL is the difference between all contractual cash flows that are due to the Group in accordance with the contract and the cash flows that the Group expects to receive, discounted at the effective interest rate determined at initial recognition.

3. 重大會計政策(續)

金融工具(續)

金融資產(續)

金融資產之減值(續)

(iv) 撇銷政策

當有資料顯示交易對手陷入重大財困，且並無實際收回可能(例如交易對手已被清盤或進入破產程序，或就貿易應收款項而言，款項逾期超過兩年，以較早者為準)，本集團會撇銷金融資產。已撇銷之金融資產仍可根據本集團之收回程序進行法律行動，在適當情況下應聽取法律建議。撇銷構成取消確認事項。任何後續收回款項會於損益中確認。

(v) 預期信貸虧損之計量及確認

預期信貸虧損之計量為違約概率、違約虧損(即違約時虧損程度)及違約風險之函數。違約概率及違約虧損之評估乃基於歷史數據按前瞻性資料作調整。預期信貸虧損的估計反映公正及概率加權金額，有關金額乃根據發生相應違約風險的金額作為加權數值而釐定。

一般而言，預期信貸虧損及按根據合約應付本集團之所有合約現金流量與本集團預期收取之現金流量之間的差額(按初始確認時釐定之實際利率貼現)估計。



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3. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

FINANCIAL INSTRUMENTS (Cont'd)

FINANCIAL ASSETS (Cont'd)

Impairment of financial assets (Cont'd)

(v) Measurement and recognition of ECL (Cont'd)

Where ECL is measured on a collective basis or cater for cases where evidence at the individual instrument level may not yet be available, the financial instruments are grouped on the following basis:

- Nature of financial instruments (i.e. the Group's trade and other receivables, finance lease receivables and amounts due from customers are each assessed as a separate group. Loans to related parties are assessed for expected credit losses on an individual basis);
- Past-due status;
- Nature, size and industry of debtors; and
- External credit ratings where available.

The grouping is regularly reviewed by management to ensure the constituents of each group continue to share similar credit risk characteristics.

Interest income is calculated based on the gross carrying amount of the financial asset unless the financial asset is credit impaired, in which case interest income is calculated based on amortised cost of the financial asset.

3. 重大會計政策(續)

金融工具(續)

金融資產(續)

金融資產之減值(續)

(v) 預期信貸虧損之計量及確認(續)

倘按集體基準計量預期信貸虧損或並無迎合個別工具層面之證據之情況，金融工具按以下項目分組：

- 金融工具性質(即本集團之貿易及其他應收款項、應收融資租賃款項及應收客戶款項作為單獨組別評估。向關聯方提供之貸款按個別基準評估預期信貸虧損)；
- 逾期狀況；
- 債務人之性質、規模及行業；及
- 外部信貸評級(如有)。

管理層定期檢討分組方法，確保各組別之組成項目仍然具有類似之信貸風險特徵。

利息收入按金融資產之總賬面值計算，除非該金融資產已發生信貸減值，則利息收入按金融資產之攤銷成本計算。



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3. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

FINANCIAL INSTRUMENTS (Cont'd)

FINANCIAL ASSETS (Cont'd)

Impairment of financial assets (Cont'd)

(v) Measurement and recognition of ECL (Cont'd)

Except for investments in debt instruments that are measured at FVTOCI, the Group recognises an impairment gain or loss in profit or loss for all financial instruments by adjusting their carrying amount, with the exception of trade and other receivables where the corresponding adjustment is recognised through a loss allowance account. For investments in debt instruments that are measured at FVTOCI, the loss allowance is recognised in OCI and accumulated in the FVTOCI reserve without reducing the carrying amount of these debt instruments. Such amount represents the changes in the FVTOCI reserve in relation to accumulated loss allowance.

Derecognition of financial assets

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

3. 重大會計政策(續)

金融工具(續)

金融資產(續)

金融資產之減值(續)

(v) 預期信貸虧損之計量及確認(續)

除債務工具投資透過其他全面收益按公允值計量外，本集團透過調整其賬面值就所有金融工具於損益中確認減值收益或虧損，惟透過虧損撥備賬確認相應調整之貿易應收款項及其他應收款項除外。就透過其他全面收益按公允值計量之債務工具投資外，虧損撥備於其他全面收益中確認並透過其他全面收益按公允值計量儲備中累計而不會減少該等債務工具之賬面值。有關金額指與累計虧損撥備相關之透過其他全面收益按公允值計量之儲備之變動。

終止確認金融資產

本集團僅會於資產現金流量之合約權力屆滿或其轉讓金融資產並已向另一實體轉移資產絕大部分擁有權風險及回報時終止確認金融資產。倘本集團並未轉移亦未保留擁有權之絕大部分風險及回報，並繼續控制已轉移資產，則本集團確認從其於該資產之保留權益及與其可能須支付金額有關之負債。倘本集團仍保留已轉移金融資產擁有權之絕大部分風險及回報，本集團將繼續確認該金融資產以及確認已收所得款項之有抵押借款。



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3. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

FINANCIAL INSTRUMENTS (Cont'd)

FINANCIAL ASSETS (Cont'd)

Derecognition of financial assets (Cont'd)

On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss.

On derecognition of an investment in a debt instrument classified as at FVTOCI, the cumulative gain or loss previously accumulated in the FVTOCI reserve is reclassified to profit or loss.

FINANCIAL LIABILITIES AND EQUITY

CLASSIFICATION AS DEBT OR EQUITY

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

EQUITY INSTRUMENT

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instrument issued by the Company are recognised at the proceeds received, net of direct issue costs.

Repurchase of the Company's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

FINANCIAL LIABILITIES AT AMORTISED COST

Financial liabilities including trade payables, other payables, amounts due to related parties and bank borrowings are subsequently measured at amortised cost, using the effective interest method.

3. 重大會計政策(續)

金融工具(續)

金融資產(續)

終止確認金融資產(續)

終止確認按攤銷成本計量之一項金融資產時，該資產賬面值與已收及應收代價總和之差額於損益中確認。

於終止確認分類為透過其他全面收益按公允值計量之債務工具投資時，先前於透過其他全面收益按公允值計量儲備中累計之累計收益或虧損將重新分類至損益。

金融負債及權益

分類為債務或權益

債務及權益工具乃根據所合約安排的內容以及金融負債及權益工具的定義分類為金融負債或權益。

權益工具

權益工具為證明實體的資產於扣除其所有負債後的剩餘權益的任何合約。本公司所發行的權益工具乃按已收所得款項扣除直接發行成本確認。

回購本公司自身的權益工具直接於權益確認及扣除。在購買、出售、發行或註銷本公司自身的權益工具時，並無於損益確認收益或虧損。

按攤銷成本列值的金融負債

金融負債(包括貿易應付款項、其他應付款項、應付關連方款項及銀行借款)於其後採用實際利率法按攤銷成本計量。



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3. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

FINANCIAL LIABILITIES AND EQUITY (Cont'd)

DERECOGNITION OF FINANCIAL LIABILITIES

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

4. CRITICAL ACCOUNTING JUDGEMENT AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Group's accounting policies, which are described in note 3, the directors of the Company are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

CRITICAL JUDGEMENT IN APPLYING ACCOUNTING POLICIES

The following is the critical judgement, apart from those involving estimations (see below), that the directors of the Company have made in the process of applying the Group's accounting policies and that have the most significant effect on the amounts recognised in the consolidated financial statements.

3. 重大會計政策(續)

金融負債及權益(續)

終止確認金融負債

本集團於及僅會於本集團責任遭解除、註銷或屆滿時終止確認財務負債。已終止確認的財務負債賬面值與已付及應付代價的差額於損益確認。

4. 關鍵會計判斷及估計不明朗因素的主要來源

於應用本集團會計政策(載於附註3)時,本公司董事須就未能直接從其他來源取得的資產及負債的賬面值作出判斷、估計及假設。該等估計及相關假設乃根據過往經驗及其他被視為相關的因素作出。實際結果與該等估計或有所不同。

該等估計及相關假設會作持續檢討。倘對會計估計的修訂僅影響估計修訂的期間,則於該期間確認有關修訂,或倘修訂影響當前及未來期間,則於修訂期間及未來期間確認有關修訂。

應用會計政策時的關鍵判斷

下列為本公司董事於應用本集團會計政策的過程中所作出且對於綜合財務報表中確認的金額具有最重大影響的關鍵判斷(除該等涉及估計者外(見下文))。



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4. CRITICAL ACCOUNTING JUDGEMENT AND KEY SOURCES OF ESTIMATION UNCERTAINTY (Cont'd)

CRITICAL JUDGEMENT IN APPLYING ACCOUNTING POLICIES (Cont'd)

DEPRECIATION OF LAND RIGHTS

The Group classified the land rights held by a subsidiary, PT Rimba Palma Sejahtera Lestri ("RPSL"), in Indonesia as right-of-use assets because the management considered that substantially all risks and rewards are transferred to RPSL, even if at the end of the lease term, titles do not pass to RPSL. Indonesian land rights are granted for a stated period of time, with an extension option at an immaterial cost. Land rights are also renewable after the extended period term expires. Given the fact that land rights can be extended at RPSL's option, the management considered that the term of land rights is sufficiently long to indicate the transfer of risks and rewards from the government to RPSL and the government's interest in the residual value of the underlying land is considered as insignificant. Also, the management considered that RPSL has the ability and intent to renew the land leases in perpetuity, the useful life of the land rights are in perpetuity and hence are not depreciated.

KEY SOURCES OF ESTIMATION UNCERTAINTY

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

4. 關鍵會計判斷及估計不明朗因素的主要來源(續)

應用會計政策時的關鍵判斷(續)

土地權折舊

本集團將附屬公司PT Rimba Palma Sejahtera Lestri(「RPSL」)於印尼持有的土地權分類為使用權資產，原因是管理層認為其絕大部分風險及回報已轉讓予RPSL，儘管於租賃期末土地業權尚未轉讓至RPSL。印尼土地權於規定時期內獲授予，可選擇以非重大成本延期。延長期限到期後，土地權亦可續期。鑑於RPSL可選擇延長土地權，管理層認為土地權的期限之久足以表明風險及回報由政府轉讓至RPSL，政府於相關土地剩餘價值的權益被視為無關緊要。管理層亦認為RPSL能夠及有意續簽永久地契，土地權的使用年期為永久，因此不會貶值。

估計不明朗因素的主要來源

以下乃有關日後的主要假設及於報告期末的估計不明朗因素的其他主要來源，而該等假設及估計不明朗因素或會導致須對下一個財政年度資產及負債的賬面值作出重大調整的重大風險。



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4. CRITICAL ACCOUNTING JUDGEMENT AND KEY SOURCES OF ESTIMATION UNCERTAINTY (Cont'd)

KEY SOURCES OF ESTIMATION UNCERTAINTY (Cont'd)

ESTIMATED IMPAIRMENT OF PROPERTY, PLANT AND EQUIPMENT AND GOODWILL RELATING TO BUSINESS OPERATION IN INDONESIA

Determining whether property, plant and equipment and goodwill is impaired requires an estimation of the recoverable amount of the cash-generating unit ("CGU") to which the property, plant and equipment and goodwill has been allocated, which is the higher of the value in use or fair value less costs of disposal. The value in use calculation requires the Group to estimate the future cash flows expected to arise from the CGU and a suitable discount rate in order to calculate the present value. Where the actual future cash flows are less than expected, or change in facts and circumstances which results in downward revision of future cash flows, further impairment loss may arise. During the year ended 31 December 2019, the Group recognised an impairment loss of HK\$nil (2018: HK\$79,743,000) in respect of property, plant and equipment and HK\$nil (2018: HK\$39,889,000) in respect of goodwill after assessing the recoverable amount of CGU which is principally engaged in the biomass power generation business in the Indonesia ("Biomass Plant").

The management's assessment of property, plant and equipment and goodwill impairment is highly judgemental and is dependent on certain key assumptions including the discount rate, growth rates and budgeted sales, and gross margin, which are affected by expected future market or economic conditions, particularly those in the Indonesia. An independent qualified professional valuer is engaged to assess the recoverable amount of the CGU. The detail assumptions were set out in note 18.

4. 關鍵會計判斷及估計不明朗因素的主要來源(續)

估計不明朗因素的主要來源(續)

與印尼的業務運營相關的估計物業、廠房及設備及商譽減值

決定物業、廠房及設備及商譽有否減值須估計物業、廠房及設備及商譽所分配至的現金產生單位(「現金產生單位」)的可收回金額(使用價值或公允值減出售成本之較高者)。計算使用價值須本集團估計預期來自現金產生單位的未來現金流量及合適的貼現率以計算現值。倘實際的未來現金流量低於預期，或事實及環境變化導致向下修訂未來現金流量，則可能產生更大的減值虧損。於截至二零一九年十二月三十一日止年度，於評估主要於印尼從事生物質發電業務的現金產生單位(「生物質發電廠」)的可收回金額後，本集團分別就物業、廠房及設備及就商譽確認減值虧損零港元(二零一八年：79,743,000港元)及零港元(二零一八年：39,889,000港元)。

管理層對物業、廠房及設備及商譽減值的評估過程涉及重大判斷，而該評估取決於若干重要假設，包括貼現率、增長率及預算銷售及毛利率，前述各項均受預期未來市場或經濟情況所影響，尤其是印尼的未來市場或其經濟狀況。本集團聘請一名獨立合資格專業估值師評估現金產生單位的可收回金額。詳細假設載於附註18。



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4. CRITICAL ACCOUNTING JUDGEMENT AND KEY SOURCES OF ESTIMATION UNCERTAINTY (Cont'd)

KEY SOURCES OF ESTIMATION UNCERTAINTY (Cont'd)

SERVICE CONCESSION ARRANGEMENTS

The Group entered into the build-operate-transfer (the “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.

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. The revenue from the construction of wastewater treatment facilities has recognised during the year ended 31 December 2019 was HK\$6,170,000 (2018: HK\$11,151,000).

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 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 the People's Republic of China (the “PRC”).

4. 關鍵會計判斷及估計不明朗因素的主要來源(續)

估計不明朗因素的主要來源(續)

服務特許權安排

本集團已訂立污水處理建設—經營—移交(「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。

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相關合約的估計總成本的比例計量。截至二零一九年十二月三十一日止年度，確認來自建造污水處理設施的營業收入為6,170,000港元(二零一八年：11,151,000港元)。

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貼現。

相關實際利率經參考可資比較的中華人民共和國(「中國」)基建公司的公司債券收益率釐定。



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4. CRITICAL ACCOUNTING JUDGEMENT AND KEY SOURCES OF ESTIMATION UNCERTAINTY (Cont'd)

KEY SOURCES OF ESTIMATION UNCERTAINTY (Cont'd)

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 2019 was HK\$13,147,000 (2018: HK\$11,040,000), further details of which are set out in note 29.

PROVISION OF ECL AND IMPAIRMENT OF RECEIVABLES UNDER SERVICES CONCESSION ARRANGEMENTS AND TRADE RECEIVABLES

The Group individually calculates ECL for the receivables under services concession arrangements and trade receivables. The provision rates are based on internal credit ratings. The rates are based on the Group's historical default rates. At every reporting date, the historical observed default rates are reassessed and changes in the forward-looking information are considered. The provision of ECL is sensitive to changes in estimates. The information about the ECL is disclosed in note 34.

4. 關鍵會計判斷及估計不明朗因素的主要來源(續)

估計不明朗因素的主要來源(續)

使污水處理設施達致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開支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設施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。於二零一九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13,147,000港元(二零一八年：11,040,000港元)，有關進一步詳情載於附註29。

預期信貸虧損撥備及服務特許權安排下的應收款項減值及貿易應收款項

本集團就服務特許權安排下的應收款項及貿易應收款項個別計算預期信貸虧損。撥備率乃以內部信貸評級為基準。該等比率乃以本集團的過往違約率為基準。於每個報告日期，重新評估過往觀察的違約率，並已考慮前瞻性資料的變動。預期信貸虧損的撥備易受估計的變動影響。預期信貸虧損的資料於附註34披露。



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4. CRITICAL ACCOUNTING JUDGEMENT AND KEY SOURCES OF ESTIMATION UNCERTAINTY (Cont'd)

KEY SOURCES OF ESTIMATION UNCERTAINTY (Cont'd)

CURRENT TAX AND DEFERRED TAX

The Group is subject to income taxes in Hong Kong, the PRC and the Republic of Indonesia (the "Indonesia"). The Group carefully evaluates tax implications of its transactions in accordance with prevailing tax regulations and makes tax provision accordingly. However, a 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 amount of deferred tax liabilities is set out in the consolidated statement of financial position and note 28.

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 the PRC 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 28.

4. 關鍵會計判斷及估計不明朗因素的主要來源(續)

估計不明朗因素的主要來源(續)

即期稅項及遞延稅項

本集團於香港、中國及印度尼西亞共和國(「印尼」)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。遞延稅項負債的賬面值載於綜合財務狀況表及附註28。

已就本集團於中國所成立的附屬公司須繳納預扣稅的若干部分未匯回盈利應繳納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分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附註28。



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5. REVENUE

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Types of goods and services	商品及服務類別		
Construction services	建設服務	6,170	11,151
Wastewater treatment facility operation services	污水處理設施營運服務	55,428	21,531
Sales of electricity generated from biomass power plants	銷售生物質發電廠產生的電力	1,130	31,245
Revenue from goods and services	商品及服務營業收入	62,728	63,927
Imputed interest income on receivables under service concession arrangements	服務特許權安排下應收款項推算利息收入	14,745	15,123
		77,473	79,050

5. 營業收入

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Timing of revenue recognition	收入確認時點		
A point in time	於某一時間點	56,558	52,776
Over time	隨時間	6,170	11,151
Revenue from goods and services	商品及服務營業收入	62,728	63,927

The contracts for construction services, wastewater treatment facility operation services and sales of electricity generated from biomass power plants are for periods of one year or less. As permitted under HKFRS 15, the transaction price allocated to these unsatisfied contracts is not disclosed.

建設服務、污水處理設施營運服務、銷售生物質發電廠產生的電力合約期限均為一年或以下。如香港財務報告準則第15號所批准，並無披露分配至該等未履行合約的交易價。



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5. REVENUE (Cont'd)

Set out below is the reconciliation of the revenue from contracts with customers with the amounts disclosed in the segment information.

5. 營業收入(續)

以下為來自客戶合約的營業收入與分部資料所披露金額的對賬：

		2019 二零一九年			
		Hong Kong 香港 HK\$'000 千港元	PRC 中國 HK\$'000 千港元	Indonesia 印尼 HK\$'000 千港元	Total 總計 HK\$'000 千港元
Construction services	建設服務	—	6,170	—	6,170
Wastewater treatment facilities operation services	污水處理設施營運服務	—	55,428	—	55,428
Sales of electricity generated from biomass power plants	銷售生物質發電廠產生的電力	—	—	1,130	1,130
Revenue from contracts with customers	來自客戶合約的營業收入	—	61,598	1,130	62,728
Imputed interest income on receivables under service concession arrangements	服務特許權安排下應收款項推算利息收入	—	14,745	—	14,745
Total revenue	營業收入總額	—	76,343	1,130	77,473
		2018 二零一八年			
		Hong Kong 香港 HK\$'000 千港元	PRC 中國 HK\$'000 千港元	Indonesia 印尼 HK\$'000 千港元	Total 總計 HK\$'000 千港元
Construction services	建設服務	—	11,151	—	11,151
Wastewater treatment facilities operation services	污水處理設施營運服務	—	21,531	—	21,531
Sales of electricity generated from biomass power plants	銷售生物質發電廠產生的電力	—	—	31,245	31,245
Revenue from contracts with customers	來自客戶合約的營業收入	—	32,682	31,245	63,927
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	—	15,123	—	15,123
Total revenue	營業收入總額	—	47,805	31,245	79,050



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For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度

6. SEGMENTAL INFORMATION

The Group is engaged in the construction and operation of wastewater treatment facilities and biomass power generation business. Information reported to the Group's chief operating decision maker (i.e. the executive directors) for the purposes of resource allocation and assessment of performance is focused on geographical locations of its manpower and customers, including Hong Kong, PRC and Indonesia.

SEGMENT REVENUE AND RESULTS

The following is an analysis of the Group's revenue and results by reportable and operating segments:

For the year ended 31 December 2019

		Hong Kong 香港 HK\$'000 千港元	PRC 中國 HK\$'000 千港元	Indonesia 印尼 HK\$'000 千港元	Total 總計 HK\$'000 千港元
Results	業績				
Segment revenue	分部收入	—	76,343	1,130	77,473
Segment (loss)/profit	分部(虧損)/溢利	(16,343)	41,331	(7,913)	17,075
Unallocated expenses	未分配開支				
Administrative expenses	行政開支				(37)
Profit before tax	除稅前溢利				17,038

For the year ended 31 December 2018

		Hong Kong 香港 HK\$'000 千港元	PRC 中國 HK\$'000 千港元	Indonesia 印尼 HK\$'000 千港元	Total 總計 HK\$'000 千港元
Results	業績				
Segment revenue	分部收入	—	47,805	31,245	79,050
Segment (loss)/profit	分部(虧損)/溢利	(17,776)	10,330	(93,751)	(101,197)
Unallocated expenses	未分配開支				
Administrative expenses	行政開支				(19)
Impairment loss recognised in respect of goodwill	已確認商譽減值虧損				(39,889)
Loss before tax	除稅前虧損				(141,105)

There are no inter-segment sales for both years.

All of the segment revenue reported above is from external customers.

6. 分部資料

本集團從事建設及營運污水處理設施以及生物質發電業務。呈報予本集團主要營運決策人(即執行董事)，以作為資源分配及表現評估之用的資料集中在其人力資源及客戶的地理位置，包括香港、中國及印尼。

分部收入及業績

本集團可呈報及經營分部的收入及業績分析如下：

截至二零一九年十二月三十一日止年度

截至二零一八年十二月三十一日止年度

兩個年度均無分部間銷售。

上述呈報的所有分部收入均來自外部客戶。



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For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度

6. SEGMENTAL INFORMATION (Cont'd)

SEGMENT ASSETS AND LIABILITIES

The following is an analysis of the Group's assets and liabilities by reportable and operating segments:

As at 31 December 2019

		Hong Kong 香港 HK\$'000 千港元	PRC 中國 HK\$'000 千港元	Indonesia 印尼 HK\$'000 千港元	Total 總計 HK\$'000 千港元
Assets	資產				
Segment and total consolidated assets	分部綜合資產及綜合資產總值	28,694	359,123	92,109	479,926
Liabilities	負債				
Segment and total consolidated liabilities	分部綜合負債及綜合負債總值	40,171	57,597	4,442	102,210

6. 分部資料(續)

分部資產及負債

本集團按可呈報及經營分部劃分之資產及負債分析如下：

於二零一九年十二月三十一日

For the year ended 31 December 2019

截至二零一九年十二月三十一日止年度

		Hong Kong 香港 HK\$'000 千港元	PRC 中國 HK\$'000 千港元	Indonesia 印尼 HK\$'000 千港元	Total 總計 HK\$'000 千港元
Amounts included in the measure of segment profit or loss or segment assets:	計入分部溢利或虧損或分部資產之金額：				
Additions to non-current assets (note)	添置非流動資產(附註)	1,629	274	17,149	19,052
Depreciation of property, plant and equipment	物業、廠房及設備折舊	91	459	3,390	3,940
Bank interest income	銀行利息收入	116	231	727	1,074



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6. SEGMENTAL INFORMATION (Cont'd)

SEGMENT ASSETS AND LIABILITIES (Cont'd)

As at 31 December 2018

		Hong Kong 香港 HK\$'000 千港元	PRC 中國 HK\$'000 千港元	Indonesia 印尼 HK\$'000 千港元	Total 總計 HK\$'000 千港元
Assets	資產				
Segment and total consolidated assets	分部綜合資產及綜合資產總值	51,295	338,082	86,511	475,888
Liabilities	負債				
Segment and total consolidated liabilities	分部綜合負債及綜合負債總值	42,410	54,561	4,541	101,512

For the year ended 31 December 2018

於二零一八年十二月三十一日
截至二零一八年十二月三十一日止年度

		Hong Kong 香港 HK\$'000 千港元	PRC 中國 HK\$'000 千港元	Indonesia 印尼 HK\$'000 千港元	Total 總計 HK\$'000 千港元
Amounts included in the measure of segment profit or loss or segment assets:	計入分部溢利或虧損或分部資產之金額：				
Additions to non-current assets (note)	添置非流動資產(附註)	—	1,156	11,334	12,490
Impairment loss recognised in respect of property, plant and equipment	就物業、廠房及設備確認的減值虧損	—	—	79,743	79,743
Depreciation of property, plant and equipment	物業、廠房及設備折舊	—	410	12,539	12,949
Bank interest income	銀行利息收入	57	34	888	979



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For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度

6. SEGMENTAL INFORMATION (Cont'd)

SEGMENT ASSETS AND LIABILITIES (Cont'd)

The Group's non-current assets by geographical locations of the assets are detailed below:

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Hong Kong	香港	1,538	-
PRC	中國	284,424	287,570
Indonesia	印尼	69,049	54,814
		335,011	342,384

Note: Non-current assets excluded debt instruments at FVTOCI and restricted bank deposits.

Revenue from customers of the corresponding years contributing over 10% of the Group's revenue are as follows:

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Customer A from the PRC segment	中國分部客戶 A	44,018	10,205
Customer B from the PRC segment	中國分部客戶 B	32,325	37,600
Customer C from the Indonesia segment	印尼分部客戶 C	N/A 不適用	31,245

6. 分部資料(續)

分部資產及負債(續)

本集團按資產之地區劃分之非流動資產詳列如下：

附註：非流動資產不包括透過其他全面收益按公允值計量的債務工具及受限制銀行存款。

相應年度佔本集團收入10%以上的客戶收入如下：



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For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度

7. OTHER INCOME AND NET GAINS

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Bank interest income	銀行利息收入	1,074	979
Interest income from debt instruments at FVTOCI	透過其他全面收益按公允值計入的債務工具的利息收入	1,341	650
Foreign exchange gain/(loss), net	外匯收益/(虧損)淨額	1,721	(3,816)
Government grants (note)	政府補助(附註)	2,782	1,365
Refund of value-added tax	增值稅退稅	5,926	3,114
Others	其他	559	400
		13,403	2,692

Note: Government grants have been received from local governments in Jiangsu Province, the PRC for the purpose of carrying out environmental protection works. There were no unfulfilled conditions or contingencies relating to these grants as at 31 December 2019 and 2018.

7. 其他收入及淨收益

附註：就實施環保工程得到中國江蘇省地方政府的補助。於二零一九年及二零一八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。

8. FINANCE COSTS

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Interest on bank borrowings	銀行借款的利息	1,267	1,164
Interest on loan from a related party	來自一名關聯方的貸款利息	142	448
Interest on lease liabilities	租賃負債利息	11	—
Increase in discounted amounts of provision for major overhauls arising from the passage of time (note 29)	由於時間流逝而產生的重大檢修撥備的貼現金額增加(附註29)	653	565
		2,073	2,177

8. 融資成本



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9. PROFIT/(LOSS) BEFORE TAX

9. 除稅前溢利／(虧損)

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Profit/(loss) before tax has been arrived at after charging/(crediting):	除稅前溢利／(虧損) 已扣除／(計入)：		
Employee benefit expense (including directors' remuneration):	僱員福利開支(包括董事酬金)：		
Salaries and other benefits	薪金及其他福利	16,309	18,642
Discretionary bonus	酌情花紅	342	120
Pension scheme contributions (note)	退休金計劃供款(附註)	1,937	2,236
Share-based payments	基於股份的付款	—	21
		18,588	21,019
Cost of construction services	建設服務成本	4,870	8,875
Cost of wastewater treatment facilities operation services rendered	提供污水處理設施營運服務的成本	32,297	26,433
Cost of power plant operation (including cost of inventories recognised as expenses of HK\$577,000 (2018: HK\$21,999,000))	發電廠營運成本(包括確認為開支的存貨成本577,000港元(二零一八年：21,999,000港元))	6,385	33,060
Depreciation of property, plant and equipment	物業、廠房及設備折舊	3,940	12,949
Auditors' remuneration	核數師薪酬	1,048	1,300
Research and development cost recognised as an expense (included in administrative expenses)	確認作開支的研發成本(已計入行政開支)	38	—
Foreign exchange (gain)/loss, net	外匯(收益)／虧損淨額	(1,721)	3,816
Provision for major overhauls	重大檢修撥備	1,692	2,058

Note: As at 31 December 2019, the Group had no forfeited contributions available to reduce its contributions to the pension scheme in future years (2018: nil).

附註：於二零一九年十二月三十一日，本集團概無被沒收供款可減少未來年度的退休金計劃供款(二零一八年：無)。



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For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度

10. DIRECTORS' AND CHIEF EXECUTIVE'S EMOLUMENTS

Directors' and chief executive's remuneration for the year, disclosed pursuant to the applicable Listing Rules and Companies Ordinance, is as follows:

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Directors' fees	董事袍金	2,035	2,060
Other emoluments:	其他酬金：		
Salaries and other benefits	薪金及其他福利	2,996	2,345
Pension scheme contributions	退休金計劃供款	32	18
		3,028	2,363
		5,063	4,423

(A) INDEPENDENT NON-EXECUTIVE DIRECTORS

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Ms. Ng Chung Yan Linda	伍頌恩女士	120	120
Mr. Ng Man Kung	吳文拱先生	120	120
Mr. Sze Yeuk Lung Benedict	施若龍先生	54	100
Ms. Leung Bo Yee Nancy	梁寶儀女士	21	—
		315	340

The independent non-executive directors' emoluments shown above were for their services as directors of the Company.

There were no other emoluments payable to the independent non-executive directors during the year (2018: nil).

10. 董事及最高行政人員薪酬

根據適用上市規則及公司條例已披露之年內董事及最高行政人員薪酬如下：

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Directors' fees	董事袍金	2,035	2,060
Other emoluments:	其他酬金：		
Salaries and other benefits	薪金及其他福利	2,996	2,345
Pension scheme contributions	退休金計劃供款	32	18
		3,028	2,363
		5,063	4,423

(A) 獨立非執行董事

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Ms. Ng Chung Yan Linda	伍頌恩女士	120	120
Mr. Ng Man Kung	吳文拱先生	120	120
Mr. Sze Yeuk Lung Benedict	施若龍先生	54	100
Ms. Leung Bo Yee Nancy	梁寶儀女士	21	—
		315	340

上述獨立非執行董事之酬金乃就彼等作為本公司董事所提供服務之薪酬。

年內並無支付獨立非執行董事其他酬金(二零一八年：無)。



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10. DIRECTORS' AND CHIEF EXECUTIVE'S EMOLUMENTS (Cont'd)

(B) EXECUTIVE DIRECTORS AND NON-EXECUTIVE DIRECTORS

10. 董事及最高行政人員薪酬 (續)

(B) 執行董事及非執行董事

		Fees	Salaries and other benefits	Pension scheme contributions	Total emoluments
		袍金	薪金及 其他福利	退休金 計劃供款	酬金總額
		HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元
Year ended 31 December 2019	截至二零一九年 十二月三十一日止年度				
Executive directors	執行董事				
Mr. Chau On Ta Yuen	周安達源先生	1,320	68	—	1,388
Mr. Chan Kwan (Chief Executive)	陳昆先生(行政總裁)	100	2,002	18	2,120
Mr. Suhendra Radius	蘇堅人先生	100	—	—	100
Mr. Chau Chi Yan Benny	周致人先生	100	450	14	564
		1,620	2,520	32	4,172
Non-executive directors	非執行董事				
Mr. Chan Pak Lam Brian	陳栢林先生	100	476	—	576
		1,720	2,996	32	4,748



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10. DIRECTORS' AND CHIEF EXECUTIVE'S EMOLUMENTS (Cont'd)

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

	Fees	Salaries and other benefits	Pension scheme contributions	Total emoluments	
		薪金及 其他福利	退休金 計劃供款	酬金總額	
	袍金	其他福利	退休金 計劃供款	酬金總額	
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	
	千港元	千港元	千港元	千港元	
Year ended 31 December 2018	截至二零一八年 十二月三十一日止年度				
Executive directors	執行董事				
Mr. Chau On Ta Yuen	周安達源先生	1,320	68	—	1,388
Mr. Chan Kwan (Chief Executive)	陳昆先生(行政總裁)	100	1,834	18	1,952
Mr. Suhendra Radius	蘇堅人先生	100	—	—	100
		1,520	1,902	18	3,440
Non-executive directors	非執行董事				
Mr. Chan Pak Lam Brian	陳栢林先生	100	443	—	543
Mr. Chau Chi Yan Benny	周致人先生	100	—	—	100
		200	443	—	643
		1,720	2,345	18	4,083

The executive directors' emoluments shown above were for their services in connection with the management of the affairs of the Company and the Group.

上述執行董事酬金乃就彼等提供與管理本公司及本集團事務有關之服務之薪酬。

The non-executive directors' emoluments shown above were for their services as directors of the Company or its subsidiaries.

上述非執行董事酬金乃就彼等作為本公司或其附屬公司之董事所提供服務之薪酬。

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

年內並無董事或最高行政人員放棄或同意放棄任何薪酬之安排。



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11. FIVE HIGHEST PAID EMPLOYEES

The five highest paid employees during the year included three directors (2018: two directors), details of whose remuneration are set out in note 10 above. Details of the remuneration for the year of the remaining two (2018: three) non-director, highest paid employees are as follows:

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Employees' salaries and other benefits	僱員薪金及其他福利	2,444	2,902
Discretionary bonus	酌情花紅	85	119
Pension scheme contributions	退休金計劃供款	58	75
Share-based payments	基於股份的付款	—	21
		2,587	3,117

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	
		2019 二零一九年	2018 二零一八年
Nil to HK\$1,000,000	零至 1,000,000 港元	—	1
HK\$1,000,001 to HK\$1,500,000	1,000,001 港元至 1,500,000 港元	2	2
		2	3

11. 五名最高薪酬僱員

年內五名最高薪酬僱員包括三名(二零一八年:兩名)董事,其薪酬之詳情載列於上文附註10。年內餘下兩名(二零一八年:三名)非董事之最高薪酬僱員之薪酬詳情載列如下:

薪酬屬於以下範圍非董事的最高薪酬僱員的數目如下:



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12. INCOME TAX EXPENSE

12. 所得稅開支

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Current tax:	即期稅項：		
Hong Kong	香港	25	—
PRC Corporate Income Tax	中國企業所得稅	7,482	2,464
		7,507	2,464
Under/(over) provision in prior years:	過往年度撥備不足／ (超額撥備)：		
Hong Kong	香港	(3)	—
PRC Corporate Income Tax	中國企業所得稅	162	38
		159	38
Deferred tax (note 28):	遞延稅項(附註28)：	(228)	1,060
Total tax charge for the year	年內稅項支出總額	7,438	3,562

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

根據開曼群島及英屬處女群島(「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。

For the year ended 31 December 2019, the provision for Hong Kong Profits Tax was calculated at 16.5% of the estimated assessable profit for the year. No provision for Hong Kong Profits Tax had been made for the year ended 31 December 2018 as the Group did not generate any assessable profits arising in Hong Kong.

截至二零一九年十二月三十一日止年度，香港利得稅撥備按估計可評稅溢利的16.5%計算。由於本集團並無於香港產生任何可評稅溢利，故截至二零一八年十二月三十一日止年度無計提香港利得稅撥備。



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12. INCOME TAX EXPENSE (Cont'd)

The provision for the PRC income tax is based on the respective corporate income tax rates applicable to the subsidiaries of the company located in the PRC as determined in accordance with the relevant income tax rules and regulations of the PRC.

No provision for Indonesian income tax had been made as the Group did not generate any assessable profits arising in Indonesia during the year (2018: nil).

Haian Hengfa Wastewater Treatment Company Limited (“Haian Hengfa”) and Rugao Hengfa Water Treatment Company Limited (“Rugao Hengfa”) obtained preferential income tax treatment whereby their income taxes are charged at the taxable profit with an exemption of 10% of the revenue generated for the year ended 31 December 2016. However, the in-charge PRC tax bureau of Rugao Hengfa issued a notice in March 2018 that Rugao Hengfa did not fulfil the conditions for preferential income tax treatment after conducting reassessment for the years ended 31 December 2014, 2015 and 2016. Accordingly, additional PRC tax provision for the possible denial of preferential income tax treatment to both Rugao Hengfa and Haian Hengfa at HK\$2,584,000 in total for the year ended 31 December 2017 was recognised. Taxable profit for Haian Hengfa and Rugao Hengfa have been prepared without the exemption of 10% for 2018 and 2019.

12. 所得稅開支(續)

中國所得稅撥備是根據位於中國的本公司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。

由於本集團於年內並無於印尼產生任何可評稅溢利(二零一八年：無)，故概無計提印尼所得稅撥備。

海安恆發污水處理有限公司(「海安恆發」)及如皋恆發水處理有限公司(「如皋恆發」)獲得所得稅優惠待遇，據此，將就減免10%於截至二零一六年十二月三十一日止年度產生的營業收入的應課稅溢利繳納所得稅。然而，規管如皋恆發的中國稅務局於二零一八年三月發出通知，稱在對截至二零一四年、二零一五年及二零一六年十二月三十一日止年度進行重新評估後發現如皋恆發並不滿足所得稅優惠待遇的條件。因此，截至二零一七年十二月三十一日止年度，就如皋恆發及海安恆發的所得稅優惠待遇可能被否決確認額外中國稅項撥備合共2,584,000港元。於計算二零一八年及二零一九年海安恆發及如皋恆發的應課稅溢利時未有計及該10%的減免。



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12. INCOME TAX EXPENSE (Cont'd)

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

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Profit/(loss) before tax	除稅前溢利／(虧損)	17,038	(141,105)
Tax at the statutory tax rates at 25%	按法定稅率 25% 計算的稅項	4,260	(35,276)
Underprovision in prior years	過往年度撥備不足	159	38
Effect of withholding tax on the distributable profits of the Group's subsidiaries in the PRC	預扣稅對本集團中國附屬公司可供分配溢利的影響	624	268
Tax effect of income not taxable for tax purpose	毋須課稅收入之稅務影響	(3,125)	(2,591)
Tax effect of expenses not deductible for tax purpose	不可扣稅開支之稅務影響	4,076	37,015
Tax effect of tax losses not recognised	未確認稅項虧損之稅項影響	3,790	3,847
The effect of deductible temporary difference not recognised	未確認可扣除暫時性差額之影響	(1,345)	261
Utilisation of tax losses previously not recognised	動用先前未確認稅項虧損	(955)	—
Effect of different tax rates of subsidiaries operating in other jurisdictions	於其他司法權區營運之附屬公司稅率不同之影響	(46)	—
Tax charge for the year	年內稅項支出	7,438	3,562

13. DIVIDEND

No interim dividend was proposed during both years.

The Board has recommended a final dividend of HK0.5 cents per share amounting to HK\$5,536,500 for the year ended 31 December 2019 (2018: nil), which will be subject to the approval of the shareholders of the Company at its forthcoming annual general meeting.

12. 所得稅開支(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／(虧損)適用的稅項開支與按本集團實際稅率計算的稅項開支的對賬如下：

13. 股息

兩個年度內均未有建議派付中期股息。

董事會建議派發截至二零一九年十二月三十一日止年度末期股息每股0.5港仙，金額為5,536,500港元(二零一八年：無)，須獲本公司股東於其應屆股東週年大會上批准。



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For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度

14. EARNINGS/(LOSS) PER SHARE

The calculation of the basic and diluted earnings/(loss) per share attributable to the owners of the Company is based on the following data:

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Profit/(loss) for the purposes of basic and diluted earnings/(loss) per share, being profit/(loss) for the year attributable to owners of the Company	就每股基本及攤薄盈利/(虧損)而言之溢利/(虧損), 即本公司擁有人應佔年內溢利/(虧損)	970	(139,718)

14. 每股盈利/(虧損)

本公司擁有人應佔每股基本及攤薄盈利/(虧損)的計算基於下列數據：

		Number of shares 股份數目	
		2019 二零一九年 '000 千股	2018 二零一八年 '000 千股
Weighted average number of ordinary shares for the purpose of basic earnings/(loss) per share	就每股基本盈利/(虧損)而言之普通股加權平均數	1,107,327	1,110,975

For the years ended 31 December 2019 and 2018, the computation of diluted earnings/(loss) per share does not assume the exercise of the Company's outstanding share options since their exercise would result in a decrease in earnings/(loss) per share.

截至二零一九年及二零一八年十二月三十一日止年度，因本公司購股權之行使會導致每股盈利/(虧損)減少，故計算每股攤薄盈利/(虧損)時並未假設行使本公司未行使的購股權。



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15. PROPERTY, PLANT AND EQUIPMENT

15. 物業、廠房及設備

		Construction in progress 在建工程 HK\$'000 千港元	Leased properties 租賃物業 HK\$'000 千港元	Land rights 土地權 HK\$'000 千港元	Land and buildings 土地及樓宇 HK\$'000 千港元	Equipment and machines 設備及機器 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
COST	成本								
As at 1 January 2018	於二零一八年 一月一日	—	—	5,449	6,709	136,012	1,064	1,580	150,814
Additions	添置	10,541	—	426	90	1,042	391	—	12,490
Disposal	出售	—	—	—	—	—	(8)	(224)	(232)
Exchange realignment	匯兌重列	(978)	—	(330)	(366)	(7,227)	(36)	(36)	(8,973)
As at 31 December 2018 and 1 January 2019	於二零一八年 十二月三十一日及 二零一九年 一月一日	9,563	—	5,545	6,433	129,827	1,411	1,320	154,099
Additions	添置	16,928	1,629	—	29	184	282	—	19,052
Transfer	轉讓	(8,572)	—	—	3,666	4,906	—	—	—
Exchange realignment	匯兌重列	421	—	177	255	4,072	(21)	7	4,911
As at 31 December 2019	於二零一九年 十二月三十一日	18,340	1,629	5,722	10,383	138,989	1,672	1,327	178,062
DEPRECIATION AND IMPAIRMENT	折舊及減值								
As at 1 January 2018	於二零一八年 一月一日	—	—	—	604	14,324	668	892	16,488
Provided for the year	年內撥備	—	—	—	544	12,141	128	136	12,949
Impairment loss recognised for the year	年內已確認減值虧損	6,158	—	3,198	3,619	66,655	39	74	79,743
Eliminated by disposal	透過出售撇銷	—	—	—	—	—	—	(213)	(213)
Exchange realignment	匯兌重列	(573)	—	(297)	(418)	(8,022)	(28)	(23)	(9,361)
As at 1 December 2018 and 1 January 2019	於二零一八年 十二月三十一日及 二零一九年一月一日	5,585	—	2,901	4,349	85,098	807	866	99,606
Provided for the year	年內撥備	—	91	—	367	3,225	156	101	3,940
Exchange realignment	匯兌重列	180	—	103	134	2,692	(12)	(4)	3,093
As at 31 December 2019	於二零一九年 十二月三十一日	5,765	91	3,004	4,850	91,015	951	963	106,639
CARRYING VALUES	賬面值								
As at 31 December 2019	於二零一九年 十二月三十一日	12,575	1,538	2,718	5,533	47,974	721	364	71,423
As at 31 December 2018	於二零一八年 十二月三十一日	3,978	—	2,644	2,084	44,729	604	454	54,493



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

The above property, plant and equipment, except for construction in progress, are depreciated on a straight-line basis at the following rates per annum:

Land and buildings	0% - 9%
Leased properties	Over the term of lease
Equipment and machines	10% - 20%
Office equipment	18% - 20%
Motor vehicles	12.5% - 20%

During the year ended 31 December 2019, the Group carried out a review of the recoverable amounts of the related property, plant and equipment of the subsidiary, PT Rimba Plama Sejahtera Lestari, which are used in the Group's biomass power generation business. The recoverable amounts of the relevant assets have been determined on the basis of their value in use. These valuations are performed by independent qualified professional valuers from AVISTA Group, who are members of the Institute of Valuers and not connected with the Group. The review did not lead to the recognition of an impairment loss.

For the year ended 31 December 2018, a similar impairment review was carried out and an impairment loss of HK\$79,743,000 was recognised in profit or loss (see note 18).

Management also assessed the potential for impairment of the Group's remaining property, plant and equipment and is satisfied that no objective evidence of impairment loss existed for these assets.

15. 物業、廠房及設備(續)

上述物業、廠房及設備(在建工程除外)按下列年率以直線法計提折舊：

土地及樓宇	0% — 9%
租賃物業	以租賃期計算
設備及機器	10% — 20%
辦公室設備	18% — 20%
汽車	12.5% — 20%

截至二零一九年十二月三十一日止年度，本集團對附屬公司 PT Rimba Plama Sejahtera Lestari 於本集團生物質發電業務所使用相關物業、廠房及設備之可收回金額進行審閱。有關資產的可收回金額已以其使用價值為基準釐定。該等估值工作乃由與本集團並無關連之獨立合資格估值師兼估值師學會成員艾華迪集團進行。該審閱並無導致確認減值虧損。

截至二零一八年十二月三十一日止年度，已進行類似的減值審閱，並於損益中確認 79,743,000 港元減值虧損(請參閱附註 18)。

管理層亦已評估本集團餘下物業、廠房及設備之潛在減值，並信納並無客觀證據顯示該等資產存在減值虧損。



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

Analysis of right-of-use assets included in the property, plant and equipment:

		Land rights 土地權 HK\$'000 千港元	Leased properties 租賃物業 HK\$'000 千港元	Total 總計 HK\$'000 千港元
As at 1 January 2019	於二零一九年一月一日			
Carrying amount	賬面值	2,644	—	2,644
As at 31 December 2019	於二零一九年十二月三十一日			
Carrying amount	賬面值	2,718	1,538	4,256
For the year ended 31 December 2019	截至二零一九年 十二月三十一日止年度			
Depreciation charge	折舊費用	—	91	91
Expense relating to short-term leases and other leases with lease terms end within 12 months of the date of initial application of HKFRS 16	有關租期於首次應用香港財務報告準則第16號日期12個月內完結之短期租賃及其他租賃之開支			1,455
Total cash outflow for leases (Remark 1)	租賃現金流出總額(備註1)			1,562
Additions to right-of-use assets (Remark 2)	使用權資產添置(備註2)			1,629

Remark 1: Amount includes payments of principal and interest portion of lease liabilities and short-term leases. These amounts could be presented in operating, investing or financing cash flows.

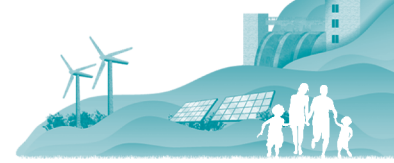
備註1: 金額包括支付本金以及租賃負債及短期租賃的利息部分。該等金額可於經營、投資或融資現金流量內呈列。

Remark 2: Amount includes right-of-use assets resulting from the capitalised lease payments payable under new tenancy agreement.

備註2: 金額包括根據新租賃協議資本化應付租賃款項所致的使用權資產。

For both years, the Group leases various offices for its operations. Lease contracts are entered into for fixed term of 12 months to 3 years. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. In determining the lease term and assessing the length of the non-cancellable period, the Group applies the definition of a contract and determines the period for which the contract is enforceable.

在兩年內，本集團就其營運租賃多個辦公室。租賃合約已按固定租期12個月至3年訂立。租期乃在個別基礎上協商，並包含各種不同的條款及條件。於釐定租期及評估不可撤回期間的長度時，本集團應用合約的定義並釐定合約可強制執行的期間。



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16. RECEIVABLES UNDER SERVICE CONCESSION ARRANGEMENTS

The Group entered into a number of service concession arrangements with certain governmental authorities in the PRC 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 the PRC over the service concession periods. The governmental authorities guarantee that the Group will receive minimum annual payments in connection with the arrangements or receive a top up fee depending on the volume of water that the wastewater treatment facilities treated. 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.

16. 服務特許權安排下的應收款項

本集團已與若干中國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或依據污水處理設施處理的污水量收取補足費用。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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16. RECEIVABLES UNDER SERVICE CONCESSION ARRANGEMENTS (Cont'd)

As at 31 December 2019, the Group had 4 (2018: 4) service concession arrangements on wastewater treatment with two governmental authorities in the PRC and a summary of the major terms of the principal service concession arrangements are set out as follows:

16. 服務特許權安排下的應收款項(續)

於二零一九年十二月三十一日，本集團與兩個中國政府機關訂立4項(二零一八年：4項)污水處理的服務特許權安排，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	Nature of grantor 授予人名稱	Type of service concession equipment 服務特許權設備類型	Designed processing capacity 設計處理能力	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 Country, Nantong City 南通市海安縣	Haian Country Construction Bureau 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二零二零年止，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 Country, Nantong City 南通市海安縣	Haian Country Construction Bureau 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 Country, Nantong City 南通市如皋縣	Rugao Economic and Technological Development Zone Administrative Committee 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
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 Country, Nantong City 南通市如皋縣	Rugao Economic and Technological Development Zone Administrative Committee 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	20 years from 2015 to 2035 20年，從二零一五年起計至二零三五年止

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

* 授予人的官方名稱為中文名稱。英文名稱翻譯僅供參考。



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16. RECEIVABLES UNDER SERVICE CONCESSION ARRANGEMENTS (Cont'd)

Pursuant to the service concession agreements, 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. The Group is 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 2018 and 2019, 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 Group companies. 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 during the respective concession periods for nil consideration for providing wastewater treatment services under the relevant BOT agreements.

For the year ended 31 December 2019, revenue and profit were recognised for exchanging construction services for a financial asset amounting and HK\$6,170,000 (2018: HK\$11,151,000) and HK\$1,300,000 (2018: HK\$2,276,000). 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.

16. 服務特許權安排下的應收款項(續)

根據服務特許權協議，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。本集團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。於二零一八年及二零一九年十二月三十一日，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有關本集團公司的名下。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。

截至二零一九年十二月三十一日止年度，就以建造服務交換金融資產確認營業收入及溢利金額為6,170,000港元(二零一八年：11,151,000港元)及1,300,000港元(二零一八年：2,276,000港元)。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」。

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Receivables under service concession arrangements	服務特許權安排下的應收款項	300,490	314,339
Portion classified as current assets	分類為流動資產的部分	(18,182)	(29,109)
Portion classified as non-current assets	分類為非流動資產的部分	282,308	285,230



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For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度

16. RECEIVABLES UNDER SERVICE CONCESSION ARRANGEMENTS (Cont'd)

The following is an aged analysis of receivables under service concession arrangements, based on the invoice date, at the end of the reporting period:

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Billed:	已開具發票：		
Within 3 months	3個月內	8,931	12,113
4 to 6 months	4至6個月	1,521	7,268
		10,452	19,381
Not yet billed	尚未開具發票	290,038	294,958
		300,490	314,339

Receivables under service concession arrangements are assessed individually for expected credit losses based on the historical credit losses experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the end of each reporting period, including time value of money where appropriate.

16. 服務特許權安排下的應收款項(續)

於報告期末，根據發票日期對服務特許權安排下應收款項的賬齡分析如下：

服務特許權安排下的應收款項根據過往信貸虧損經驗就預期信貸虧損作個別評估，並按與債務人、整體經濟狀況以及就目前及各報告期末狀況的預測方向所作評估(包括金錢的時間價值)(如適用)有關的特定因素作出調整。



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For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度

17. GOODWILL

17. 商譽

		HK\$'000 千港元
<hr/>		
COST	成本	
As at 1 January 2018	於二零一八年一月一日	85,998
Exchange adjustments	匯兌調整	(4,591)
<hr/>		
As at 31 December 2018, 1 January 2019 and 31 December 2019	於二零一八年十二月三十一日、 二零一九年一月一日及 二零一九年十二月三十一日	81,407
<hr/>		
IMPAIRMENT		
As at 1 January 2018	於二零一八年一月一日	43,756
Impairment loss recognised for the year	年內確認之減值虧損	39,889
Exchange adjustments	匯兌調整	(2,238)
<hr/>		
As at 31 December 2018, 1 January 2019 and 31 December 2019	於二零一八年十二月三十一日、 二零一九年一月一日及 二零一九年十二月三十一日	81,407
<hr/>		
CARRYING VALUES		
As at 31 December 2019	於二零一九年十二月三十一日	—
<hr/>		
As at 31 December 2018	於二零一八年十二月三十一日	—
<hr/>		

Particulars regarding impairment testing on goodwill are disclosed in note 18.

有關商譽減值測試的詳情於附註18披露。

The amount represents goodwill arising on the acquisition of Weal Union Limited and its subsidiary (the “Weal Union Group”) on 21 October 2016. The recoverable amounts of the relevant assets had been determined on the basis of their value in use. These valuations were performed by independent qualified professional valuers from AVISTA Group, who are members of the Institute of Valuers and are not connected with the Group. The impairment loss was charged pro rata to the property, plant and equipment of the subsidiary related to the biomass power generation business.

金額表示於二零一六年十月二十一日收購旭衡有限公司及其附屬公司(「旭衡集團」)產生的商譽。有關資產的可收回金額已以其使用價值為基準釐定。該等估值工作乃由與本集團並無關連之獨立合資格估值師兼估值師學會成員艾華迪集團進行。減值虧損按比例自有關生物質發電業務的附屬公司的物業、廠房及設備中扣除。



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For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度

18. IMPAIRMENT OF PROPERTY, PLANT AND EQUIPMENT AND GOODWILL

For the purposes of impairment testing, the property, plant and equipment used in Biomass Plant and the goodwill arising on acquisition of Weal Union Group have been allocated to only one CGU, comprising one subsidiary in the investment holding and one subsidiary in the biomass power generation business.

During the year ended 31 December 2018, the Group recognised an impairment loss of HK\$79,743,000 in respect of property, plant and equipment used in the Biomass Plant and HK\$39,889,000 in respect of goodwill arising on acquisition of Weal Union Group.

Taking into consideration that (i) the new offered electricity unit price by the counterparty for the forthcoming one year period has decreased by 25.3% compared to the latest contracted price; (ii) the electricity grid construction by the Indonesian government to connect the South Sumatra region where the Biomass Plant was located, and the North Sumatra region where the demand of electricity is higher, had been aborted; (iii) the 10-year forecast of electricity growth rate in Sumatra, Indonesia, where the Biomass Plant is located, as published by the Ministry of Energy and Mineral Resources in the first quarter of 2018 had dropped to 9.1% from 11.2% as published in the first quarter of 2017, it was expected that the future electricity unit price will drop and the growth of electricity demand will slow down; and (iv) the increase in gross profit from the expected sales of pellets in the future. Therefore, the expected utilisation growth rate of the Biomass Plant in near term was lowered. There was also no clarity as to when or whether the aforesaid infrastructure will resume and when the local economy will start to improve. Accordingly, the valuation of Weal Union Group, and hence the recoverable amount of the property, plant and equipment and goodwill, was impaired due to the lower growth rate and the delay in the realisation of the expected return.

18. 物業、廠房及設備及商譽減值

為進行減值測試，生物質發電廠所用的物業、廠房及設備以及收購旭衡集團產生的商譽已分配至唯一一個現金產生單位，包含充擔投資控股公司的一個附屬公司及從事生物質發電業務的一個附屬公司。

截至二零一八年十二月三十一日止年度，本集團就生物質發電廠所用的物業、廠房及設備以及就收購旭衡集團產生的商譽分別確認減值虧損79,743,000港元及39,889,000港元。

考慮到(i)對手方就未來一年期間新開出的電力單位價格較最近期的合約價格下降25.3%；(ii)由印尼政府建設、將蘇門答臘島南部(生物質發電廠所在地區)與蘇門答臘島北部(有較高的用電需求)連接的電網建設已被中止；(iii)能源及礦產資源部於二零一八年第一季度公佈之印尼蘇門答臘島(生物質發電廠所在地區)的電力增長率10年期預測從二零一七年第一季度公佈的11.2%降至9.1%，預期未來電價將下降及電力需求增長將會減緩；及(iv)未來顆粒預期銷售的毛利上升。因此，短期內生物質發電廠的預期利用增長率將會下降。目前亦不清楚上述基礎設施工程何時或是否會恢復建設以及當地經濟何時會開始好轉。因此，旭衡集團的估值及物業、廠房及設備及商譽的可收回金額因較低增長率及預期回報延遲實現而減值。



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18. IMPAIRMENT OF PROPERTY, PLANT AND EQUIPMENT AND GOODWILL (Cont'd)

The recoverable amount of Weal Union Group has been determined on the basis of value in use calculations which use cash flow projections based on financial budgets approved by the management. According to HKAS 36, the recoverable amount is defined as the higher of an asset's or CGU's fair value less costs of disposal and its value in use. When there is no basis for making a reliable estimate of the price at which an orderly transaction to sell the asset would take place between market participants at the measurement date under current market conditions, value in use approach is a possible way to estimate the recoverable amount. Given that there is no or limited recent transaction with similar business as Weal Union Group observed, the management believes that it is more appropriate to adopt value in use approach for calculating the recoverable amount of Weal Union Group for the impairment test. In view of the above, when preparing the cash flow projects for the impairment assessment of the property, plant and equipment and goodwill as at 31 December 2019, certain assumptions in the cash flow projections (such as utilisation rate and unit price) during the budget period are adjusted. Expected cash inflows/outflows, when include budgeted sales of electricity and pellets and gross margin have been adjusted based on the performance of the biomass power plants for the year ended 31 December 2019 and the management's expectations for the market development. The financial budgets were approved by the management, covering a 5-year period, and a discount rate of 14.7% (2018: 18.4%). Cash flows at Weal Union Group beyond the 5-year period are extrapolated using a growth rate at 5% (2018: 5%). The long term growth rate was estimated based on the relevant industry growth forecasts and does not exceed the average long-term growth rate for the relevant industry.

18. 物業、廠房及設備及商譽減值(續)

旭衡集團的可收回金額乃根據使用價值計算釐定，該項計算使用了基於管理層所批准之財務預算的現金流量預測。根據香港會計準則第36號，可收回金額定義為資產或現金產生單位的公允價值減出售成本與其使用價值兩者中之較高者。倘並無基準能夠可靠估計市場參與者在現行市況下於計量日期可能進行有序交易出售資產的價格，則使用價值法是估計可回收金額的可行方式。鑑於近期完全沒有或較少可觀察到的涉及類似於旭衡集團之業務的交易，管理層認為就減值測試採用使用價值法計算旭衡集團的可收回金額較為適當。鑑於以上所述，編製用於二零一九年十二月三十一日物業、廠房及設備及商譽減值評估的現金流量預測時，預算期間現金流量預測的若干假設(例如利用率及單位價格)已予調整。預期現金流入／流出(包括電力及顆粒的預算銷售、毛利率)乃根據生物質發電廠截至二零一九年十二月三十一日止年度的表現及管理層對市場發展之預期進行調整。已獲管理層批准之財務預算週期為五年，貼現率為14.7%(二零一八年：18.4%)。旭衡集團超過五年期間之現金流量乃採用5%(二零一八年：5%)的增長率推算。該長期增長率乃基於相關行業的增長預測估計，且不超過相關行業的平均長期增長率。



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For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度

18. IMPAIRMENT OF PROPERTY, PLANT AND EQUIPMENT AND GOODWILL (Cont'd)

The effect of the reasonably possible change in key assumption on the calculation of value in use of the CGU of Weal Union Group, which would cause the carrying amount to exceed its recoverable amount is disclosed below.

If the discount rate increased by 1% or 2% and all other variables were held constant, the carrying amount of the CGU of Weal Union Group would exceed its recoverable amount by approximately HK\$1,825,000 or HK\$4,340,000 respectively, at 31 December 2019.

If the budgeted sales decreased by 3% or 5% and all other variables were held constant, the carrying amount of the CGU of Weal Union Group would exceed its recoverable amount by approximately HK\$4,150,000 or HK\$7,458,000 respectively, at 31 December 2019.

If the gross margin decreased by 3% or 5% and all other variables were held constant, they carrying amount of the CGU of Weal Union Group would exceed its recoverable amount by approximately HK\$19,984,000 or HK\$33,847,000 respectively at 31 December 2019.

18. 物業、廠房及設備及商譽減值(續)

有關旭衡集團的現金產生單位計算使用價值的主要假設的合理可能變動的影響，並導致賬面值超出其可收回金額之披露如下。

倘貼現率上升1%或2%，而所有其他變數維持不變，旭衡集團於二零一九年十二月三十一日的現金產生單位的賬面值會超出其可收回金額分別約1,825,000港元或4,340,000港元。

倘預算銷售下降3%或5%，而所有其他變數維持不變，旭衡集團於二零一九年十二月三十一日的現金產生單位的賬面值會超出其可收回金額分別約4,150,000港元或7,458,000港元。

倘毛利率下降3%或5%，而所有其他變數維持不變，旭衡集團於二零一九年十二月三十一日的現金產生單位的賬面值會超出其可收回金額分別約19,984,000港元或33,847,000港元。



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For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度

19. DEBT INSTRUMENTS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

19. 透過其他全面收益按公允值計量的債務工具

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元	
Listed debt securities classified as debt instruments at fair value through other comprehensive income	分類為透過其他全面收益按公允值計量的債務工具的上市債務證券	18,518	31,253	
	Interest rate 利率	Maturity date 到期日	2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Listed bond	4.75%	11 February 2019 二零一九年二月十一日	—	3,980
Listed bond	6.53%	25 February 2019 二零一九年二月二十五日	—	3,178
Listed bond	5.25%	25 April 2019 二零一九年四月二十五日	—	3,984
Listed bond	6.75%	22 May 2019 二零一九年五月二十二日	—	3,953
Listed bond	3.25%	2 July 2019 二零一九年七月二日	—	7,965
Listed bond	6.00%	4 November 2020 二零二零年十一月四日	8,051	8,193
Listed bond	7.90%	9 February 2020 二零二零年二月九日	3,954	—
Listed bond	3.75%	4 December 2020 二零二零年十二月四日	3,123	—
Listed bond	6.13%	21 February 2022 二零二二年二月二十一日	3,390	—
			18,518	31,253
Analysed as:	分析為：			
Non-current	非流動		3,390	8,193
Current	流動		15,128	23,060
			18,518	31,253

Details of impairment assessment are set out in note 34.

減值評估詳情載列於附註34。



Notes to the Consolidated Financial Statements 綜合財務報表附註

For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度

20. TRADE RECEIVABLES

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Trade receivables	貿易應收款項	—	8,018

Trade receivables mainly arise from sales of electricity generated from biomass power plants. The Company's credit terms are negotiated at terms determined and agreed with its trade customers. The credit periods are ranging from 30 to 60 days.

The following is an aged analysis of trade receivables, presented based on the invoice dates:

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
0 - 30 days	0至30日	—	5,088
31 - 60 days	31至60日	—	2,930
		—	8,018

The Company maintains a defined credit policy to assess the credit quality of the trade customers. The collection is closely monitored to minimise any credit risk associated with these trade receivables.

貿易應收款項主要因銷售生物質發電廠產生的電力產生。本公司之信貸期乃按與其貿易客戶磋商及協定的條款而訂立。信貸期為30至60日。

貿易應收款項按發票日期列示之賬齡分析如下：

本公司設有既定之信貸政策，以評核各貿易客戶之信貸質素。密切注視收款情況，以將該等貿易應收款項之任何相關信貸風險減至最低。

21. PREPAYMENTS AND OTHER RECEIVABLES

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Other receivables	其他應收款項	6,586	2,155
Deposits and prepayments	按金及預付款項	2,267	4,300
VAT recoverable	可收回增值稅	1,759	930
		10,612	7,385

Details of impairment assessment are set out in note 34.

21. 預付款項及其他應收款項

減值評估的詳情載於附註34。



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For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度

22. RESTRICTED BANK DEPOSITS AND BANK BALANCES AND CASH

22. 受限制銀行存款及銀行結餘及現金

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Restricted bank deposits	受限制銀行存款	12,140	11,764
Bank balances and cash	銀行結餘及現金	58,457	26,087
Time deposits	定期存款	5,617	18,230
		76,214	56,081
Less: Restricted bank deposits — non-current portion	減：受限制銀行存款 — 非流動部份	(6,070)	(5,882)
Restricted bank deposits — current portion	受限制銀行存款 — 流動部份	(6,070)	(5,882)
		64,074	44,317
Restricted bank deposits and bank balances and cash denominated in:	以下列貨幣計值的受限制 銀行存款及 銀行結餘及現金：		
Renminbi (“RMB”)	人民幣(「人民幣」)	49,759	16,713
HK\$	港元	6,936	2,291
United States dollars (“US\$”)	美元(「美元」)	1,155	23,574
Indonesian Rupiah (“IDR”)	印尼盾(「印尼盾」)	18,364	13,503
		76,214	56,081

Cash at banks earns interest at floating rates based on daily bank deposit rates ranging from 0.01% to 0.3% (2018: 0.01% to 0.3%) per annum. 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 at 1.1% (2018: 1.1%) per annum.

銀行現金根據每天銀行存款利率按浮動利率賺取利息，年利率介乎0.01%至0.3%（二零一八年：0.01%至0.3%）。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，年利率為1.1%（二零一八年：1.1%）。



Notes to the Consolidated Financial Statements 綜合財務報表附註

For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度

22. RESTRICTED BANK DEPOSITS AND BANK BALANCES AND CASH (Cont'd)

During the year ended 31 December 2017, PT. Sentosa Jaya Purnama ("SJP"), a subsidiary of the Group, entered into a service agreement with an independent third party in order to build and operate a 10 mega watt plant for the independent third party in Indonesia. Under the service agreement, SJP is required to place a restricted deposit denominated in IDR for 33 months up to 45 months. Restricted bank deposits carry fixed interest rate at 6% per annum.

The bank balances, time deposits and restricted bank deposits are deposited with creditworthy banks with no recent history of default.

Details of impairment assessment are set out in note 34.

23. TRADE PAYABLES

The following is an aged analysis of trade payables, presented based on the invoice date:

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
0 - 60 days	0至60日	776	2,790
61 - 90 days	61至90日	566	504
Over 90 days	90日以上	1,661	1,677
		3,003	4,971

Included in the Group's trade payables are construction retention payables of HK\$74,000 (2018: HK\$75,000).

22. 受限制銀行存款及銀行結餘及現金(續)

截至二零一七年十二月三十一日止年度，本集團附屬公司PT. Sentosa Jaya Purnama(「SJP」)與一名獨立第三方訂立一項服務協議，以為該獨立第三方於印尼建設及營運一個10兆瓦特的發電廠。根據該服務協議，SJP須存置一筆以印尼盾計值的受限制存款，為期33至45個月。受限制銀行存款按6%的固定年利率計息。

銀行結餘、定期存款及受限制銀行存款乃存入近期並無違約記錄的信譽良好銀行。

減值評估的詳情載於附註34。

23. 貿易應付款項

貿易應付款項按發票日期列示之賬齡分析如下：

本集團貿易應付款項包括工程應付保留金74,000港元(二零一八年：75,000港元)。



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24. OTHER PAYABLES AND ACCRUALS

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Other payables	其他應付款項	7,402	5,581
Accruals	應計費用	3,665	2,101
		11,067	7,682

25. AMOUNTS DUE TO RELATED PARTIES

As at 31 December 2019, the balance represents amount due to a close family member of a director and a related company, amounting to HK\$844,000 (2018: HK\$3,424,000) and HK\$8,142,000 (2018: HK\$ nil) respectively.

The amount due to a close family member of a director is unsecured, interest-free and repayable on demand.

The amount due to a related company, which was wholly owned by a substantial shareholder of the Company, is unsecured, interest-bearing at 6% per annum and repayable on 17 October 2020.

24. 其他應付款項及應計費用

25. 應付關聯方款項

於二零一九年十二月三十一日，結餘指應付一名董事的一名近親及一間關聯公司的款項分別為844,000港元(二零一八年：3,424,000港元)及8,142,000港元(二零一八年：零港元)。

應付一名董事的一名近親的款項為無抵押、不計息和按要求償還。

應付一間關聯公司(由本公司一名主要股東全資擁有)的款項為無抵押、按年利率6%計息和須於二零二零年十月十七日償還。

26. BANK BORROWINGS

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
On demand or within one year	按要求或一年內	20,240	32,517
In the second year	第二年	2,240	2,240
In the third to fifth year, inclusive	第三年至第五年(包括首尾兩年)	2,240	4,480
		24,720	39,237
Less: Amount due within one year shown under current liabilities	減：一年內到期並列作流動負債之款項	(20,240)	(32,517)
Amount due after one year	一年後到期款項	4,480	6,720
Current — secured (note)	即期 — 有抵押(附註)	—	2,277
Current — unsecured	即期 — 無抵押	20,240	30,240
Non-current — unsecured	非即期 — 無抵押	4,480	6,720
		24,720	39,237

26. 銀行借款



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For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度

26. BANK BORROWINGS (Cont'd)

The bank borrowings comprise of:

		Effective interest rate 實際利率	Carrying amount 賬面值	
			2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Fixed-rate borrowing:	固定利率借款：			
Secured RMB bank borrowing	有抵押人民幣 銀行借款	5.10%	—	2,277
Floating-rate borrowings:	浮動利率借款：			
Unsecured HK\$ bank borrowing	無抵押港元 銀行借款	3.23%	18,000	28,000
Unsecured US\$ bank borrowing	無抵押美元 銀行借款	3.72%	6,720	8,960
Total bank borrowings	銀行借款總額		24,720	39,237

Note: The bank borrowing denominated in RMB is secured by receivables under service concession arrangements of HK\$11,386,000, while the bank borrowings denominated in HK\$ and US\$ are guaranteed by a director and the Company.

26. 銀行借款(續)

銀行借款包括：

附註：人民幣銀行借款以服務特許權安排下的應收款項11,386,000港元，港元及美元銀行借款由一名董事及本公司擔保。

27. LEASE LIABILITIES

		2019 二零一九年 HK\$'000 千港元
Lease liabilities payable:	應付租賃負債：	
Within one year	一年內	525
Within a period of more than one year but not more than two years	超過一年但不超過兩年之期間內	547
Within a period of more than two years but not more than five years	超過兩年但不超過五年之期間內	472
		1,544
Less: Amount due for settlement with 12 months shown under current liabilities	減：於12個月到期結算 並列作流動負債之款項	(525)
Amount due for settlement after 12 months shown under non-current liabilities	於12個月後到期結算 並列作非流動負債之款項	1,019

27. 租賃負債



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28. DEFERRED TAX LIABILITIES

The following are the major deferred tax liabilities and assets recognised and movements thereon during the current and prior years:

		Provision for major overhauls 重大檢修撥備 HK\$'000 千港元	Temporary difference 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
As at 1 January 2018	於二零一八年一月一日	2,159	(32,513)	(3,237)	(33,591)
Credited/(charged) to profit or loss during the year	計入/(扣自)年內損益	258	(1,500)	173	(1,069)
Exchange realignment	匯兌重列	(38)	481	31	474
As at 31 December 2018 and 1 January 2019	於二零一八年十二月三十一日及 二零一九年一月一日	2,379	(33,532)	(3,033)	(34,186)
Credited/(charged) to profit or loss during the year	計入/(扣自)年內損益	966	(379)	(359)	228
Exchange realignment	匯兌重列	(58)	624	61	627
As at 31 December 2019	於二零一九年十二月三十一日	3,287	(33,287)	(3,331)	(33,331)

At 31 December 2019, the Group had unused tax losses of HK\$45,133,000 (2018: HK\$32,660,000) available for offset against future taxable profits. No deferred tax asset has been recognised on the tax losses, as in the opinion of the directors of the Company, the future profit streams of these subsidiaries are uncertain. The tax losses could be carried forward for a maximum of five years.

At 31 December 2019, the Group has deductible temporary differences of HK\$12,729,000 (2018: HK\$14,500,000). No deferred tax asset has been recognised in relation to such deductible temporary differences as it is not probable that taxable profit will be available against which the deductible temporary differences can be utilised.

28. 遞延稅項負債

以下為於本年度及過往年度確認的主要遞延稅項負債及資產及其變動：

於二零一九年十二月三十一日，本集團有未動用稅項虧損45,133,000港元(二零一八年：32,660,000港元)可用作抵銷未來應課稅溢利。由於本公司董事認為，該等附屬公司的未來溢利來源不確定，故未就稅項虧損確認遞延稅項資產。稅項虧損最多可結轉五年。

於二零一九年十二月三十一日，本集團有可扣稅暫時性差額12,729,000港元(二零一八年：14,500,000港元)。由於產生應課稅溢利而可用以抵銷可扣稅暫時性差額之可能性不大，故並無就該等可扣稅暫時性差額確認遞延稅項資產。



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28. DEFERRED TAX LIABILITIES (Cont'd)

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

	2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Net deferred tax liabilities	33,331	34,186

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 the PRC. The requirement is effective from 1 January 2008 and applies to earnings after 31 December 2007. A lower withholding tax rate of 5% may be applied if there is a tax treaty between the PRC and the jurisdiction of the foreign investors. The Group is therefore liable for withholding taxes on dividends distributed by those subsidiaries established in the PRC in respect of earnings generated from 1 January 2008.

29. 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 are collectively referred to as "major overhauls". The estimation basis is reviewed on an ongoing basis, and revised where appropriate.

28. 遞延稅項負債(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：

	2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Net deferred tax liabilities	33,331	34,186

根據中國企業所得稅法，在中國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5%繳納預扣稅。因此，本集團須就該等於中國成立的附屬公司自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。

29. 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。



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29. PROVISION FOR MAJOR OVERHAULS (Cont'd)

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

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
As at 1 January	於一月一日	11,040	8,635
Addition	添置	1,692	2,058
Increase in discounted amounts arising from the passage of time (note 8)	由於時間流逝而產生的貼現金額增加(附註8)	653	565
Exchange realignment	匯兌重列	(238)	(218)
As at 31 December	於十二月三十一日	13,147	11,040

29. 重大檢修撥備(續)

年內，該等設施的重大檢修撥備變動如下：

30. SHARE CAPITAL

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Authorised: 3,800,000,000 ordinary shares of HK\$0.0001 each	法定： 3,800,000,000 股每股面值 0.0001 港元的普通股	380	380
Issued and fully paid: 1,107,300,000 (2018: 1,108,000,000) ordinary shares of HK\$0.0001 each	已發行及繳足： 1,107,300,000 股 (二零一八年： 1,108,000,000 股) 每股面值 0.0001 港元 的普通股	111	111

30. 股本



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30. SHARE CAPITAL (Cont'd)

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

		Number of shares 股份數目	Amount 金額 HK\$'000 千港元
As at 1 January 2018	於二零一八年一月一日	1,111,000,000	111
Shares repurchased and cancelled	回購及撤銷股份	(3,000,000)	N/A 不適用*
As at 31 December 2018 and 1 January 2019	於二零一八年十二月三十一日 及二零一九年一月一日	1,108,000,000	111
Shares repurchased and cancelled	回購及撤銷股份	(700,000)	N/A 不適用*
As at 31 December 2019	於二零一九年 十二月三十一日	1,107,300,000	111

* Amount less than HK\$1,000.

30. 股本(續)

本公司的已發行股本變動概述如下：

		Number of shares 股份數目	Amount 金額 HK\$'000 千港元
As at 1 January 2018	於二零一八年一月一日	1,111,000,000	111
Shares repurchased and cancelled	回購及撤銷股份	(3,000,000)	N/A 不適用*
As at 31 December 2018 and 1 January 2019	於二零一八年十二月三十一日 及二零一九年一月一日	1,108,000,000	111
Shares repurchased and cancelled	回購及撤銷股份	(700,000)	N/A 不適用*
As at 31 December 2019	於二零一九年 十二月三十一日	1,107,300,000	111

*金額少於1,000港元。

During the year, the Company repurchased its own ordinary shares on the Stock Exchange as follows:

本年度，本公司在聯交所回購其本身的普通股，詳情如下：

Month of repurchase 回購月份	No. of ordinary shares 普通股股份數目	Price per share 每股價格		Aggregate consideration paid 已付總代價 HK\$'000 千港元
		Highest 最高 HK\$ 港元	Lowest 最低 HK\$ 港元	
January 2019 二零一九年一月	700,000	0.140	0.140	98

The above ordinary shares were cancelled on 10 May 2019.

上述普通股已於二零一九年五月十日註銷。

None of the Company's subsidiaries purchased or sold any of the Company's listed securities during the year.

本公司附屬公司於年內概無購買或出售任何本公司的上市證券。



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31. RESERVES

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

(A) OTHER RESERVE

Other reserve comprises HK\$113,780,000 debit reserve resulting from the share swap pursuant to the Group reorganisation and HK\$82,304,000 credit reserve resulting from capitalisation of shareholders' loans in the year ended 31 December 2014.

(B) GENERAL RESERVE

The transfers from retained earnings to the general reserve 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.

31. 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

其他儲備包括根據集團重組的股份互換產生的113,780,000港元扣除儲備及截至二零一四年十二月三十一日止年度股東貸款資本化產生的82,304,000港元信貸儲備。

(B) 一般儲備

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一般儲備。



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32. RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

The table below details changes in the Group's liabilities arising from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are those for which cash flows were, or future cash flows will be, classified in the Group's consolidated statement of cash flows as cash flows from financing activities.

32. 融資活動產生之負債對賬

下表詳列融資活動產生之本集團負債變動，包括現金及非現金變動。融資活動產生之負債乃指其現金流量或未來現金流量於本集團綜合現金流量表中分類為融資活動產生的現金流量。

		Bank borrowings	Amount due to related parties	Lease liabilities	Total
		銀行借款	應付一名 關聯方款項	租賃負債	總計
		HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元
As at 1 January 2018	於二零一八年 一月一日	39,200	6,474	—	45,674
Financing cash flows	融資現金流量	(1,855)	(3,050)	—	(4,905)
Interest expense	利息開支	1,612	—	—	1,612
Exchange differences	匯兌差額	280	—	—	280
As at 31 December 2018 and 1 January 2019	於二零一八年 十二月三十一日及 二零一九年 一月一日	39,237	3,424	—	42,661
Financing cash flows	融資現金流量	(15,775)	5,420	(96)	(10,451)
Interest expense	利息開支	1,267	142	11	1,420
New lease liabilities	新租賃負債	—	—	1,629	1,629
Exchange differences	匯兌差額	(9)	—	—	(9)
As at 31 December 2019	於二零一九年 十二月三十一日	24,720	8,986	1,544	35,250



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33. CAPITAL RISK MANAGEMENT

The Group manages its capital to ensure that entities in the Group will be able to continue as a going concern while maximising the return to stakeholders through the optimisation of the debts and equity balance. The Group's overall strategy remains unchanged from prior year.

The capital structure of the Group consists of debts, which includes the bank borrowings disclosed in note 26 and equity attributable to owners of the Company, comprising issued share capital and reserves.

The directors of the Company review the capital structure on an annual basis. As part of this review, the directors consider the cost of capital and the risks associated with each class of capital. Based on recommendations of the directors, the Group will balance its overall capital structure through the payment of dividends, new share issues and share buy-backs as well as the issue of new debt or the redemption of existing debt.

34. FINANCIAL INSTRUMENTS

(A) CATEGORIES OF FINANCIAL INSTRUMENTS

FINANCIAL ASSETS

	2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Debt instruments at FVTOCI 透過其他全面收益按公允值計量的債務工具	18,518	31,253
Financial assets at amortised cost 按攤銷成本計量的金融資產	383,290	380,593
	401,808	411,846

FINANCIAL LIABILITIES

	2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Financial liabilities at amortised cost 按攤銷成本計量的金融負債	45,655	53,213

33. 資本風險管理

本集團管理其資本以確保本集團旗下實體將能夠繼續按持續經營基準經營，同時透過優化債務及股權之平衡讓股東的回報最大化。本集團的整體策略與去年保持不變。

本集團的資本架構包括債務，其中包括附註26披露的銀行借款及本公司擁有人應佔權益(包括已發行股本及儲備)。

本公司董事每年檢討資本架構。作為檢討的一部分，董事考慮資本成本及與各類資本有關的風險。根據董事的推薦建議，本集團將藉由派付股息、發行新股份及回購股份，以及發行新債務或贖回現有債務平衡其整體資本架構。

34. 金融工具

(A) 金融工具類別

金融資產

	2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Debt instruments at FVTOCI 透過其他全面收益按公允值計量的債務工具	18,518	31,253
Financial assets at amortised cost 按攤銷成本計量的金融資產	383,290	380,593
	401,808	411,846

金融負債

	2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Financial liabilities at amortised cost 按攤銷成本計量的金融負債	45,655	53,213



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34. FINANCIAL INSTRUMENTS (Cont'd)

(B) FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's major financial instruments include receivables under service concession arrangements, debt instruments at FVTOCI, trade receivables, other receivables, restricted bank deposits, bank balances and cash, trade payables, other payables, amounts due to related parties and bank borrowings. Details of the financial instruments are disclosed in respective notes. The risks associated with these financial instruments include market risk (interest rate risk and other price risk), foreign currency risk, credit risk and liquidity risk. The policies on how to mitigate these risks are set out below. The management manages and monitors these exposures to ensure appropriate measures are implemented on a timely and effective manner.

MARKET RISK

(i) Interest rate risk

The Group is exposed to cash flow interest rate risk in relation to the floating-rate bank borrowings (see note 26 for details of these borrowings). The Group cash flow interest rate risk is mainly concentrated on HIBOR arising from the Group's HK\$ denominated borrowings. It is the Group's policy to keep its borrowings at floating rate of interests so as to minimise the fair value interest rate risk.

The Group was exposed to fair value rate risk in relation of fixed-rate borrowings (see note 26 for details of these borrowings). The Group aims at keeping borrowings at variable rates.

34. 金融工具(續)

(B) 金融風險管理目標及政策

本集團主要金融工具包括服務特許權安排下的應收款項、透過其他全面收益按公允值計量的債務工具、貿易應收款項、其他應收款項、受限制銀行存款、銀行結餘及現金、貿易應付款項、其他應付款項、應付關聯方款項及銀行借款。有關金融工具之詳情已於各附註披露。與該等金融工具相關的風險包括市場風險(利率風險及其他價格風險)、外匯風險、信貸風險及流動資金風險。下文載列有關減低該等風險的政策。管理層管理及監察該等風險以確保能及時且有效實施適當措施。

市場風險

(i) 利率風險

本集團就其浮動利率銀行借款而面臨現金流量利率風險(該等借款詳情參見附註26)。本集團現金流量利率風險主要集中於本集團以港元計值的借款所產生的香港銀行同業拆息。本集團的政策為保持借款按浮動利率計息，以將公允值利率風險降至最低。

本集團面臨有關固定利率借款的公允值利率風險(該等借款之詳情請參閱附註26)。本集團旨在保持浮動利率借款。



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34. FINANCIAL INSTRUMENTS (Cont'd)

(B) FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Cont'd)

MARKET RISK (Cont'd)

(i) Interest rate risk (Cont'd)

The Group's exposures to interest rates on financial liabilities are detailed in the liquidity risk management section of this note. The Group's cash flow interest rate risk is mainly concentrated on the fluctuation of interest rate arising from the bank borrowings.

Total interest revenue/income from financial assets that are measured at amortised cost or at FVTOCI is as follows:

34. 金融工具(續)

(B) 金融風險管理目標及政策(續)

市場風險(續)

(i) 利率風險(續)

本集團所面臨的金融負債利率風險詳述於本附註流動資金風險管理一節。本集團現金流量利率風險主要集中於銀行借款所引致的利率浮動。

按攤銷成本或透過其他全面收益按公允值計量的金融資產的利息收入／收益總額如下：

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Interest revenue	利息收入		
Financial assets at amortised cost	按攤銷成本計量的金融資產	15,819	16,102
Other income and net gains	其他收入及淨收益		
Debt instruments at FVTOCI	透過其他全面收益按公允值計量的債務工具	1,341	650
		17,160	16,752



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34. FINANCIAL INSTRUMENTS (Cont'd)

(B) FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Cont'd)

MARKET RISK (Cont'd)

(i) Interest rate risk (Cont'd)

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Interest expense on financial liabilities not measured at FVTPL:	並非透過損益按公允值計量的金融負債的利息開支：		
Financial liabilities at amortised cost	按攤銷成本計量的金融資產	2,073	2,177

Sensitivity analysis

The sensitivity analyses below have been determined based on the exposure to interest rates for bank borrowings at the end of the reporting period.

For floating-rate borrowings, the analysis is prepared assuming the amount of liability outstanding at the end of the reporting period was outstanding for the whole year. A 50 basis point increase or decrease is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates.

If interest rates had been 50 basis points higher/lower and all other variables were held constant, the Group's post-tax profit/(loss) for the year ended 31 December 2019 would have increase or decrease by approximately HK\$123,600 (2018: decreased/increased by approximately HK\$196,000). This is mainly attributable to the Group's exposure to interest rates on its variable rate bank borrowings.

34. 金融工具(續)

(B) 金融風險管理目標及政策(續)

市場風險(續)

(i) 利率風險(續)

敏感度分析

以下敏感度分析已按於報告期末銀行借款所面臨的利率風險釐定。

就浮動利率借款而言，該分析乃假設於報告期末未清償的負債於全年一直未清償而編製。向內部主要管理人員匯報利率風險時採用利率增加或減少50個基點，代表管理層對利率合理可能變動作出的評估。

倘利率上升/下降50個基點，而所有其他變數維持不變，則本集團截至二零一九年十二月三十一日止年度的除稅後溢利/(虧損)將增加或減少約123,600港元(二零一八年：減少/增加約196,000港元)。此乃主要歸因於本集團就其浮息銀行借款面臨利率風險。



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34. FINANCIAL INSTRUMENTS (Cont'd)

(B) FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Cont'd)

MARKET RISK (Cont'd)

(ii) Other price risk

The Group is exposed to debt securities price risk through its investments in debt instruments at FVTOCI. The management manages this exposure by maintaining a portfolio of investments with different risk profiles. The Group's other price risk is mainly concentrated on equity and debt instruments operating in infrastructure industry sector quoted in the Stock Exchange.

Other price sensitivity analysis

The sensitivity analyses below have been determined based on the exposure to equity and debt price risks at the reporting date.

If the prices of the respective debt instruments had been 5% higher/lower investment revaluation reserve would have increased/decreased by approximately HK\$926,000 (2018: HK\$1,562,000) for the Group as a result of the change in fair value of debt instruments at FVTOCI.

34. 金融工具(續)

(B) 金融風險管理目標及政策(續)

市場風險(續)

(ii) 其他價格風險

本集團透過其於透過其他全面收益按公允值計量的債務工具的投資而須面臨債務證券價格風險。管理層透過持有風險情況不同的投資組合管理有關風險。本集團其他價格風險主要集中於從事基建業務並在聯交所報價之權益及債務工具。

其他價格敏感度分析

以下敏感度分析乃根據於報告日期面臨的權益及債務價格風險而釐定。

倘各有關債務工具的價格上升/下跌5%，則本集團投資重估儲備將由於透過其他全面收益按公允值計量的債務工具的公允值變動而增加/減少約926,000港元(二零一八年：1,562,000港元)。



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34. FINANCIAL INSTRUMENTS (Cont'd)

(B) FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Cont'd)

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 the PRC and Indonesia 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 and IDR, therefore any appreciation or depreciation of HK\$ against RMB and IDR will affect the Group's consolidated financial position and be reflected in the exchange reserve.

As at 31 December 2019, individual companies in Hong Kong within the Group have foreign currency exposure because debt instruments at FVTOCI of approximately HK\$18,518,000 (2018: HK\$31,253,000) and a bank borrowing of HK\$6,720,000 (2018: HK\$8,960,000) were denominated in US\$. The Group considers that the currency exposures in related to the US\$ are insignificant as HK\$ is pegged to the US\$. Therefore, this balance is excluded from the sensitivity analysis.

34. 金融工具(續)

(B) 金融風險管理目標及政策(續)

外幣風險

外幣風險為外匯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和印尼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，因此本集團旗下位於中國和印尼的各公司僅承受有限的外幣風險。然而，由於主要附屬公司主要以人民幣及印尼盾開展交易，因此，港元兌人民幣及印尼盾的任何升值或貶值將對本集團的綜合財務狀況產生影響，並於匯兌儲備中反映。

於二零一九年十二月三十一日，由於透過其他全面收益按公允值計量的債務工具約18,518,000港元(二零一八年：31,253,000港元)及一筆銀行借款6,720,000港元(二零一八年：8,960,000港元)以美元計值，故本集團旗下的香港各公司須承擔外幣風險。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。因此，該項結餘不包含於敏感度分析。



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34. FINANCIAL INSTRUMENTS (Cont'd)

(B) FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Cont'd)

CREDIT RISK

As at 31 December 2019, the Group's maximum exposure to credit risk which will cause a financial loss to the Group due to failure to discharge an obligation by the counterparties arises from the carrying amount of the respective recognised financial assets as stated in the consolidated statement of financial position. The Group's credit risk is primarily attributable to its receivables under service concession arrangements, trade receivables and other receivables. The Group is exposed to concentration of credit risk as the major customers of the Group are the grantors in the PRC and consumers in Indonesia. The directors of the Company consider that these customers are local government authorities in the PRC and the Indonesia which are financially sound and accordingly no provision is required.

In order to minimise the credit risk, the management of the Group has delegated a team responsible for determination of credit limits, credit approvals and other monitoring procedures to ensure that follow-up action is taken to recover overdue debts. In addition, the Group reviews the recoverable amount of each individual trade debt at end of the reporting period to ensure that adequate impairment losses are made for irrecoverable amounts. In this regard, the directors consider that the Group's credit risk is significantly reduced.

As at 31 December 2019, the Group's credit risk is also attributable to its other receivables. Included in other receivables are mainly consideration receivable from an independent third party which is indirectly wholly-owned by the Rugao Economic and Technological Development Zone Administrative Committee. The directors of the Company consider that the credit risk is minimal.

34. 金融工具(續)

(B) 金融風險管理目標及政策(續)

信貸風險

於二零一九年十二月三十一日，本集團所面臨將會因交易對手未能履行責任而造成本集團財務損失的最高信貸風險乃產生自綜合財務狀況表所列的相關已確認金融資產的賬面值。本集團的信貸風險主要源自其服務特許權安排下的應收款項、貿易應收款項及其他應收款項。由於本集團的主要客戶為於中國的授予人及印尼的用戶，本集團面臨集中信貸風險。本公司董事認為該等客戶為財務狀況穩健的中國及印尼地方政府機構，因此無須作出撥備。

為盡量減低信貸風險，本集團的管理層已指派一支團隊，負責釐定信貸限額、信貸批核及其他監察程序，以確保採取跟進行動收回過期債項。此外，本集團於報告期末檢討各個別貿易債務的可收回金額，以確保就不可收回金額確認足夠的減值虧損。就此而言，董事認為，本集團的信貸風險已大為減少。

於二零一九年十二月三十一日，本集團的信貸風險亦與其他應收款項有關。計入其他應收款項的項目主要是來自如皋經濟技術開發區管委會間接全資擁有的一名獨立第三方的應收代價。本公司董事認為該信貸風險極低。



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34. FINANCIAL INSTRUMENTS (Cont'd)

(B) FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Cont'd)

CREDIT RISK (Cont'd)

The credit risk for bank deposits is limited because the directors of the Company consider that the counterparties are financially sound.

The Group's internal credit risk grading assessment comprises the following categories:

Internal credit rating 內部信貸評級	Description 說明	Trade receivables/ contract assets 貿易應收款項/ 合約資產	Other financial assets/other items 其他金融資產/ 其他項目
Low risk 低風險	The counterparty has a low risk of default and does not have any past-due amounts 交易對手的違約風險較低，且並無任何逾期款項	Lifetime ECL — not credit-impaired 全期預期信貸虧損 — 未發生信貸減值	12-month ECL 12個月預期信貸虧損
Watch list 觀察名單	Debtor frequently repays after due dates but usually settle after due date 債務人經常於到期日後還款但通常於到期後結清	Lifetime ECL — not credit-impaired 全期預期信貸虧損 — 未發生信貸減值	12-month ECL 12個月預期信貸虧損
Doubtful 存疑	There have been significant increases in credit risk since initial recognition through information developed internally or external resources 信貸風險自初始確認以來顯著增加(透過內部或外部資源開發之信息)	Lifetime ECL — not credit-impaired 全期預期信貸虧損 — 未發生信貸減值	Lifetime ECL — not credit-impaired 全期預期信貸虧損 — 未發生信貸減值
Loss 虧損	There is evidence indicating the asset is credit-impaired 有證據顯示有關資產已發生信貸減值	Lifetime ECL — credit-impaired 全期預期信貸虧損 — 已發生信貸減值	Lifetime ECL — credit-impaired 全期預期信貸虧損 — 已發生信貸減值
Write-off 撇銷	There is evidence indicating that the debtor is in severe financial difficulty and the Group has no realistic prospect of recovery 有證據顯示債務人陷入嚴重的財務困難且本集團不認為日後可收回有關款項	Amount is written off 撇銷有關金額	Amount is written off 撇銷有關金額

34. 金融工具(續)

(B) 金融風險管理目標及政策(續)

信貸風險(續)

本公司董事認為對手方財務狀況穩健，因此銀行存款的信貸風險有限。

本集團內部信貸風險級別評估包括以下類別：



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34. FINANCIAL INSTRUMENTS (Cont'd)

(B) FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Cont'd)

CREDIT RISK (Cont'd)

The tables below detail the credit risk exposures of the Group's financial assets, which are subject to ECL assessment:

34. 金融工具(續)

(B) 金融風險管理目標及政策(續)

信貸風險(續)

本集團金融資產的信貸風險敞口(須進行預期信貸虧損評估)詳情如下：

	Notes 附註	External credit rating 外部 信貸評級	Internal credit rating 內部 信貸評級	12-month or lifetime ECL 12個月或全期預期信貸虧損	2019 二零一九年 Gross carrying amount 賬面總額 HK\$'000 千港元	2018 二零一八年 Gross carrying amount 賬面總額 HK\$'000 千港元
Debt instruments at FVTOCI 透過其他全面收益按公允值計量的債務工具						
Investments in listed bonds 上市債券投資	19	AA	N/A 不適用	12-month ECL 12個月預期信貸虧損	18,518	31,253
Financial assets at amortised cost 按攤銷成本計量的金融資產						
Receivables under service concession arrangements 服務特許權安排下的應收款項	16	N/A 不適用	Low risk (note 1) 低風險(附註1)	12-month ECL (individual assessment) 12個月預期信貸虧損 (獨立評估)	300,490	314,339
Restricted bank deposits 受限制銀行存款	22	AA	N/A 不適用	12-month ECL 12個月預期信貸虧損	12,140	11,764
Bank balances 銀行結餘	22	AA+	N/A 不適用	12-month ECL 12個月預期信貸虧損	64,074	44,317
Other receivables 其他應收款項	21	N/A 不適用	Low risk (note 2) 低風險(附註2)	12-month ECL 12個月預期信貸虧損	6,586	2,135
Trade receivables — goods and services 貿易應收款項 - 產品與服務	20	N/A 不適用	Low risk (note 1) 低風險(附註1)	12-month ECL (individual assessment) 12個月預期信貸虧損 (獨立評估)	—	8,018



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34. FINANCIAL INSTRUMENTS (Cont'd)

(B) FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Cont'd)

CREDIT RISK (Cont'd)

Notes:

- For receivables under service concession arrangements and trade receivables, the Group has applied the general approach in HKFRS 9 to measure the loss allowance at 12-month ECL. The trade receivables are assessed for ECL individually. The average loss rate is 0.08% (2018: 0.038%).
- For the purposes of internal credit risk management, the Group uses past due information to assess whether credit risk has increased significantly since initial recognition.

2019
二零一九年

		Past due	Not past due/ No fixed repayment terms	Total
		逾期	未逾期/ 無固定還款期限	總計
		HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元
Other receivables	其他應收款項	—	6,586	6,586

2018
二零一八年

		Past due	Not past due/ No fixed repayment terms	Total
		逾期	未逾期/ 無固定還款期限	總計
		HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元
Other receivables	其他應收款項	—	2,155	2,155

34. 金融工具(續)

(B) 金融風險管理目標及政策(續)

信貸風險(續)

附註：

- 就服務特許權安排下的應收款項及貿易應收款項而言，本集團已應用香港財務報告準則第9號的一般方法以12個月預期信貸虧損計量虧損撥備。貿易應收款項的預期信貸虧損乃個別評估。平均虧損率為0.08%（二零一八年：0.038%）。
- 就內部信貸風險管理而言，本集團使用逾期資料評估信貸風險自初始確認以來是否大幅增加。



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34. FINANCIAL INSTRUMENTS (Cont'd)

(B) FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Cont'd)

LIQUIDITY RISK

The Group's liquidity position and its compliance with lending covenants is monitored closely by the management of the Company, to ensure that the Group maintains sufficient reserve of cash and adequate committed line of funding from major financial institutions to meet its liquidity requirement in the short and long term. The Group finances its working capital requirements through a combination of funds generated from operations and bank and other borrowings.

Liquidity and interest risk tables

The following table details the Group's remaining contractual maturity for its non-derivative financial liabilities. The table has been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group can be required to pay. The maturity dates for other non-derivative financial liabilities are based on the agreed repayment dates. The tables include both interest and principal cash flows. To the extent that interest flows are floating rate, the undiscounted amount is derived from interest rate curves at the end of the reporting period.

34. 金融工具(續)

(B) 金融風險管理目標及政策(續)

流動資金風險

本公司管理層密切監察本集團的資金流動狀況及其是否遵守貸款契諾，以確保本集團維持足夠的現金儲備以及主要金融機構承諾提供足夠的資金，以滿足其短期及長期流動資金需要。本集團透過從經營業務所產生的資金以及銀行及其他借款滿足其營運資金需要。

流動資金及利率風險表

下表詳列本集團非衍生金融負債的剩餘合約期。下表乃根據金融負債的未折現現金流量而開列，該等金融負債乃根據本集團可能須付款的最早日期分類。其他非衍生金融負債之到期日乃按協定還款日期而釐定。該等列表包括利息及本金流量。利息流量只限於浮動利率，而未折現之金額乃來自報告期末之利率曲線。



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34. FINANCIAL INSTRUMENTS (Cont'd)

(B) FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Cont'd)

LIQUIDITY RISK (Cont'd)

Liquidity and interest risk tables (Cont'd)

		Weighted average effective interest rate	Repayable on demand or 3 months or less 須按要 求或3個月或以內償還	3 - 6 months 3至6個月	6 - 12 months 6至12個月	1 - 3 years 1至3年	Total undiscounted cash flows 未折現現金流量總額	Carrying amount at 31.12.2019 於二零一九年十二月三十一日的賬面值
		%	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
2019	二零一九年							
Trade payables	貿易應付款項	—	3,003	—	—	—	3,003	3,003
Other payables	其他應付款項	—	7,402	—	—	—	7,402	7,402
Bank borrowings	銀行借款	3.36%	115	20,612	71	4,621	25,419	24,720
Lease liabilities	租賃負債	3.93%	144	144	287	1,053	1,628	1,544
Amounts due to related parties	應付關聯方款項	—	844	—	8,549	—	9,393	8,986
			11,508	20,756	8,907	5,674	46,845	45,655

		Weighted average effective interest rate	Repayable on demand or 3 months or less 須按要 求或3個月或以內償還	3 - 6 months 3至6個月	6 - 12 months 6至12個月	1 - 3 years 1至3年	Over 3 years 超過3年	Total undiscounted cash flows 未折現現金流量總額	Carrying amount at 31.12.2018 於二零一八年十二月三十一日的賬面值
		%	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
2018	二零一八年								
Trade payables	貿易應付款項	—	4,971	—	—	—	—	4,971	4,971
Other payables	其他應付款項	—	5,581	—	—	—	—	5,581	5,581
Bank borrowings	銀行借款	3.03	28,000	2,311	2,511	4,819	2,308	39,949	39,237
Amounts due to related parties	應付關聯方款項	—	3,424	—	—	—	—	3,424	3,424
			41,976	2,311	2,511	4,819	2,308	53,925	53,213

The amounts included above for variable interest rate instruments for non-derivative financial liabilities are subject to change if changes in variable interest rates differ from those estimates of interest rates determined at the end of the reporting period.

34. 金融工具(續)

(B) 金融風險管理目標及政策(續)

流動資金風險(續)

流動資金及利率風險表(續)

倘浮動利率變動與於報告期末釐定的利率估計有別，則上述所包含非衍生金融負債的浮動利率工具金額亦會有變。



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34. FINANCIAL INSTRUMENTS (Cont'd)

(C) FAIR VALUE

The fair values of debt instruments at FVTOCI are based on quoted market prices.

The following table illustrates the fair value measurement hierarchy of the Group's financial instruments:

ASSETS MEASURED AT FAIR VALUE

34. 金融工具(續)

(C) 公允值

透過其他全面收益按公允值計量的債務工具之公允值乃按市場報價計算。

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

**Fair value measurement
using quoted prices
in active markets
(Level 1)**
按活躍市場報價
計量的公允值
(第一級)
HK\$'000
千港元

As at 31 December 2019	於二零一九年十二月三十一日	
Debt instruments at fair value through other comprehensive income	透過其他全面收益按公允值計量的債務工具	18,518
As at 31 December 2018	於二零一八年十二月三十一日	
Debt instruments at fair value through other comprehensive income	透過其他全面收益按公允值計量的債務工具	31,253



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35. SHARE OPTION SCHEME

The Company's share option scheme ("**Share Option Scheme**"), was adopted pursuant to a resolution passed on 5 September 2014 for the primary purpose of providing incentives to directors and eligible employees for their contribution or potential contribution to our Group. Under the Scheme, the board of directors of the Company may grant options to eligible employees, including directors of the Company and its subsidiaries, to subscribe for shares in the Company.

At 31 December 2019, the number of shares in respect of which options had been granted and remained outstanding under the Scheme was 500,000 (31 December 2018: 500,000), representing 0.045% (31 December 2018: 0.045%) of the shares of the Company in issue at that date. The total number of shares in respect of which options may be granted under the Scheme is not permitted to exceed 10% of the shares of the Company in issue at any point in time, without prior approval from the Company's shareholders. The number of shares issued and to be issued in respect of which options granted and may be granted to any individual in any one year is not permitted to exceed 1% of the shares of the Company in issue at any point in time, without prior approval from the Company's shareholders.

The limit on the total number of Company's shares which may be issued upon exercise of all outstanding options granted and yet to be exercised under the Share Option Scheme and any other share option schemes of our Company at any time shall not exceed 30% of the Shares in issue from time to time (the "**Maximum Limit**"). The maximum number of Shares in respect of which options under the Share Option Scheme and any other share option schemes of our Company may be granted is 10% of the Shares in issue immediately upon completion of the share offer, being 80,000,000 Shares (the "**Scheme Limit**"), excluding for this purpose the number of shares which would be issued on the exercise in full of the options granted under the Share Option Scheme or any other schemes of our Company but not cancelled, lapsed or exercised; the number of Shares which have been allotted and issued pursuant to the exercise of any options granted under the Share Option Scheme or any other schemes of our Company; and the number of cancelled Shares.

35. 購股權計劃

本公司根據於二零一四年九月五日通過的決議案採納購股權計劃(「**購股權計劃**」)，主要旨在激勵對本集團作出貢獻或可能作出貢獻的董事及合資格僱員。根據該計劃，本公司董事會可向合資格僱員授出購股權，其中包括本公司及其附屬公司的董事，以認購本公司股份。

於二零一九年十二月三十一日，根據該計劃已授出但尚未行使的購股權涉及的股份數目為500,000股(二零一八年十二月三十一日：500,000股)，相當於本公司於該日期已發行股份之0.045%(二零一八年十二月三十一日：0.045%)。在未經本公司股東事先批准之情況下，根據該計劃授出之購股權所涉之股份總數目，於任何時候不得超過本公司已發行股份之10%。在未經本公司股東事先批准之情況下，於任何一年向任何個人已授予及可能授予之購股權所涉及之已發行及將予發行之股份數目不得超過本公司於任何時間已發行股份之1%。

根據購股權計劃及本公司任何其他購股權計劃已授出而尚未行使之所有未行使購股權獲行使時可予發行之本公司股份總數目的上限，於任何時候不得超過不時已發行股份之30%(「**最高限額**」)。根據購股權計劃及本公司任何其他購股權計劃可能授出的購股權所涉及的股份最高數目為緊接股份發售完成後已發行股份的10%，即80,000,000股股份(「**計劃限額**」)，就此而言，不包括根據購股權計劃或本公司任何其他計劃授出的購股權(以並無註銷、失效或獲行使者為限)獲悉數行使時可能發行的股份數目；因行使根據購股權計劃或本公司任何其他計劃授出的任何購股權而已配發及發行的股份數目；及已註銷股份之數目。



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35. SHARE OPTION SCHEME (Cont'd)

No options shall be granted under any schemes of our Company (including the Share Option Scheme) if this will result in the Maximum Limit being exceeded.

Any grant of options to a director, chief executive or substantial shareholder of our Company or any of their respective associates is required to be approved by our independent non-executive directors (excluding any independent non-executive director who is the grantee of the options). If the Board determines to offer to grant options to a substantial shareholder or an independent non-executive director or any of their respective associates which will result in the number of shares issued and to be issued in excess of 0.1% of the issued shares or with an aggregate value (based on the closing price of the shares at the date of grant) in excess of HK\$5,000,000 within any 12-month period is subject to approval by shareholders of the Company in general meeting.

The subscription price for the Company's shares on the exercise of options under Share Option Scheme shall be at least the highest of: (a) the closing price of the shares as stated in Stock Exchange's daily quotations sheet on the date of grant, which must be a business day; (b) the average closing price of the shares as stated in the Stock Exchange's daily quotations sheet for the 5 business days immediately preceding the date of grant; and (c) the nominal value of the share.

35. 購股權計劃(續)

倘根據本公司的任何計劃(包括購股權計劃)授出的購股權導致超出最高限額,則不得授出該等購股權。

向本公司董事、最高行政人員或主要股東或彼等各自的任何聯繫人授出任何購股權,須經本公司獨立非執行董事(不包括本身為購股權承授人的任何獨立非執行董事)批准。倘董事會決議向主要股東或獨立非執行董事或任何彼等各自的聯繫人授出購股權,而導致任何十二個月期間內已發行及將予發行股份數目超過已發行股份的0.1%或超過5,000,000港元價值總額(根據於授出日期股份收市價計算),則須經本公司股東於股東大會上的批准。

本公司行使購股權計劃授出的購股權之股份認購價不得低於下列三者中之最高者:(a)股份於授出日期(必須為營業日)在聯交所每日報價表所報收市價股份;(b)於緊接授出日期前五個營業日在聯交所每日報價表所報平均收市價;及(c)股份面值。



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35. SHARE OPTION SCHEME (Cont'd)

During the year ended 31 December 2019, movements of the Company's share options held by senior management were as follows:

		Outstanding at the beginning of the year 於年初尚未行使	Granted during the year 於本年度已授出	Outstanding at the end of the year 於年底尚未行使	Exercisable share options at the end of the year 於年底可行使之購股權
For the year ended 31 December 2019	截至二零一九年十二月三十一日止年度				
Year of grant of options 2016	授出購股權年度二零一六年	500,000	—	500,000	—
Weighted average exercise price (HK\$)	加權平均行使價(港元)	0.52	—	0.52	—

The estimated fair value of the options granted on 14 April 2016 is HK\$0.25.

The exercise price of the options of HK\$0.52 was equal to the market price of the shares on the date of grant. Options granted must be taken up within 30 days of the date of grant — 14 April 2016, upon payment of HK\$1.00 per option. Each of the grantees to whom an option has been granted under the Scheme shall be entitled to exercise their options up to 33%, 66% and 100% of the shares that are subject to the option so granted to them at any time during the period commencing from the first, second and third anniversaries of the date. The options will vest over a period of three years from the date of grant and the chief financial officer will still be employed on the date of vesting and exercise. The validity period of the options is ten years from the date of grant and the options shall lapse at the expiry of the validity period. The fair value at grant date is estimated using a binomial pricing model, taking into account the terms and conditions upon which the options were granted. The contractual life of each option granted is ten years. There is no cash settlement of the options.

35. 購股權計劃(續)

於截至二零一九年十二月三十一日止年度期間，由高級管理層持有本公司購股權之變動如下：

於二零一六年四月十四日授出的購股權之估計公允值為0.25港元。

購股權行使價為0.52港元，相當於授出日期的股份市價。已授出購股權須於授出日期後30日內承購(即二零一六年四月十四日)，承授人須支付每股購股權1.00港元。根據購股權計劃，於授出購股權當日的第一週年、第二週年、第三週年起期間內任何時間，獲授予購股權的各承授人應有權行使其獲授予的購股權所涉及股份分別不超過33%、66%及100%。購股權的權利將在授予日期起計的三年期間內歸屬，且財務總監於歸屬及行使日期將仍受僱於本公司。購股權的有效期為自授出日期起計十年內及購股權將在有效期屆滿時失效。授出日期的公允值乃按二項式定價模式估算，計及授出購股權所依據之條款及條件。已授出之每份購股權之合約年期為十年。購股權概無現金支付。



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35. SHARE OPTION SCHEME (Cont'd)

The fair value was calculated using the Binomial model. The inputs into the model were as follows:

Weighted average share price	0.52
Exercise price	0.52
Expected dividend yield (%)	1.35
Expected volatility (%)	47.69
Risk-free interest rate (%)	1.33
Expected life of share options (years)	10

Expected volatility was determined by using the historical volatility of the comparable companies' share prices over the previous 7-10 years. The expected life used in the model has been adjusted, based on management's best estimate, for the effects of non-transferability, exercise restrictions and behavioural considerations.

During the year ended 31 December 2019, the Group has recognised approximately HK\$ nil of share-based payment expense in profit or loss (2018: HK\$21,000).

36. RETIREMENT BENEFIT OBLIGATIONS

(A) DEFINED CONTRIBUTION RETIREMENT PLAN OPERATING IN HONG KONG

The Group operates a defined contribution 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.

35. 購股權計劃(續)

公允值乃按二項式定價模式計算。上述模式之輸入數據如下：

加權平均股價	0.52
行使價	0.52
預期股息率 (%)	1.35
預期波幅 (%)	47.69
無風險利率 (%)	1.33
購股權的預期年期 (年)	10

預期波幅利用可供比較公司過去七至十年股價之歷史波幅釐定。模型所用預期年期已根據管理層之最佳估計就不可轉讓、行使限制及行為考慮因素之影響作出調整。

於截至二零一九年十二月三十一日止年度，本集團已於損益內確認基於股份的付款開支約零港元(二零一八年：21,000港元)。

36. 退休福利責任

(A) 於香港實行之界定供款退休計劃

本集團遵照強制性公積金計劃條例為合資格參與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。



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36. RETIREMENT BENEFIT OBLIGATIONS (Cont'd)

(B) DEFINED CONTRIBUTION RETIREMENT PLAN OPERATING IN THE PRC

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.

(C) DEFINED BENEFIT RETIREMENT PLAN OPERATING IN INDONESIA

Under the Indonesia Labor Law, companies are required to pay separation, appreciation and compensation benefits to their employees if the conditions specified in the Indonesia Labor Law are met. The Group's subsidiaries in Indonesia, estimates its liability for employee service entitlement benefits in order to meet and cover the minimum benefits requirement to be paid to employees under the Indonesia Labor Law.

The plan exposes the Group to actuarial risks such as investment risk, interest rate risk, longevity risk and salary risk.

INVESTMENT RISK

The present value of the defined benefit plan liability is calculated using a discount rate determined by reference to Indonesian government bonds; if the return on plan asset is below this rate, it will create a plan deficit.

36. 退休福利責任(續)

(B) 於中國實行之界定供款退休計劃

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作出，並於應付時從損益扣除。僱主的供款於其作出供款時即全數歸屬。

(C) 於印尼實行之界定福利退休計劃

根據《印尼勞工法》，倘《印尼勞工法》中指明的條件適用，則公司必須向其僱員支付離職、升職及賠償福利。本集團的印尼附屬公司估計僱員服務應付福利的負債，以符合及涵蓋《印尼勞工法》必須向僱員提供福利的最低要求。

該計劃使本集團面臨精算風險，如投資風險、利率風險、長壽風險及薪金風險。

投資風險

界定福利計劃負債的現值按參考印尼政府債券釐定的貼現率計算；倘計劃資產回報率低於貼現率，則會形成計劃虧絀。



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36. RETIREMENT BENEFIT OBLIGATIONS (Cont'd)

(C) DEFINED BENEFIT RETIREMENT PLAN OPERATING IN INDONESIA (Cont'd)

INTEREST RATE RISK

A decrease in the bond interest rate will increase the plan liability.

LONGEVITY RISK

The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability.

SALARY RISK

The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.

The post-employment benefits are unfunded.

The most recent actuarial valuation of the present value of the defined benefit obligation was carried out at 31 December 2019 by PT Dayamandiri Dharmakonsilindo, an independent actual consulting firm in Indonesia. The present value of the defined benefit obligation, and the related current service cost and past service cost, were measured using the Projected Unit Credit Method.

36. 退休福利責任(續)

(C) 於印尼實行之界定福利退休計劃(續)

利率風險

債券利率降低將增加計劃負債。

長壽風險

界定福利計劃負債的現值乃參考對計劃參與人於僱用期間及期後離世的最佳估計而計算。計劃參與人預期壽命延長將增加計劃負債。

薪金風險

界定福利計劃負債的現值乃參考計劃參與人的未來薪金而計算。因此，計劃參與人薪金上升將增加計劃負債。

本集團並無提供離職後福利。

界定福利責任現值最近之精算估值乃由印尼一間獨立精算顧問公司PT Dayamandiri Dharmakonsilindo於二零一九年十二月三十一日進行。界定福利責任現值及相關的目前服務成本及過往服務成本按預計單位貸記法計量。



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For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度

36. RETIREMENT BENEFIT OBLIGATIONS (Cont'd)

(C) DEFINED BENEFIT RETIREMENT PLAN OPERATING IN INDONESIA (Cont'd)

SALARY RISK (Cont'd)

(i) Current service cost:

The current service cost and the net interest expense for the year are included in the employee benefits expense in profit or loss. Of the expense for the year, HK\$430,000 (2018: HK\$256,000) has been included in the administrative expenses.

The remeasurement of the net defined benefit liability is included in other comprehensive income.

(ii) Retirement benefit obligations:

The amount included in the consolidated statement of financial position arising from the Group's obligation in respect of its defined benefit plan is as follows:

	2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Present value of funded defined benefit obligation 已注資界定福利責任現值	1,004	808
Fair value of plan assets 計劃資產的公允值	—	—
Net liability arising from defined benefit obligations 界定福利責任產生的負債淨額	1,004	808

36. 退休福利責任(續)

(C) 於印尼實行之界定福利退休計劃(續)

薪金風險(續)

(i) 目前服務成本：

目前服務成本及年內利息開支淨額計入損益表的僱員福利開支。年內開支430,000港元(二零一八年：256,000港元)已計入行政開支。

界定福利負債淨額之重新計量計入其他全面收益。

(ii) 退休福利責任：

本集團就其界定福利計劃的責任產生的計入綜合財務狀況表的金額如下：



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36. RETIREMENT BENEFIT OBLIGATIONS (Cont'd)

(C) DEFINED BENEFIT RETIREMENT PLAN OPERATING IN INDONESIA (Cont'd)

SALARY RISK (Cont'd)

(ii) Retirement benefit obligations: (Cont'd)

Movements in the present value of the defined benefit obligations in the current year are as follows:

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Opening defined benefit obligation	年初界定福利責任	808	171
Current service cost	目前服務成本	374	246
Interest cost	利息成本	56	16
Past service cost, including gains on curtailments	過往服務成本(包括縮減收益)		
Adjustment related to termination plan	有關終止計劃調整	—	3
Remeasurement losses:	重新計量虧損:		
— Actuarial gains and losses arising from experience adjustments	— 經驗調整所產生之精算收益及虧損	(66)	(26)
— Actuarial gains and losses arising from changing demographic assumptions	— 人口假設變動所產生之精算收益及虧損	260	33
Income in the OCI	其他全面收益之收益	—	73
Benefits paid	已付福利	(457)	(2)
Exchange differences on foreign plans	海外計劃匯兌差額	29	(19)
Closing defined benefit obligation	年末界定福利責任	1,004	808

(iii) Key assumptions:

The principal assumptions used for the purposes of the actuarial valuations were as follows:

		2019 二零一九年	2018 二零一八年
Discount rate	貼現率	8.02%	8.68%
Expected rate of salary increase	預期薪金升幅	9.33%	4.5%

36. 退休福利責任(續)

(C) 於印尼實行之界定福利退休計劃(續)

薪金風險(續)

(ii) 退休福利責任:(續)

界定福利責任現值於本年度的變動如下:

(iii) 關鍵假設:

精算估值所用主要假設如下:



Notes to the Consolidated Financial Statements 綜合財務報表附註

For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度

36. RETIREMENT BENEFIT OBLIGATIONS (Cont'd)

(C) DEFINED BENEFIT RETIREMENT PLAN OPERATING IN INDONESIA (Cont'd)

SALARY RISK (Cont'd)

(iii) Key assumptions: (Cont'd)

Significant actuarial assumptions for the determination of the defined obligation are discount rate and expected salary increase. The sensitivity analysis below has been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant.

		Increase in net defined benefit obligations	Increase in net obligation benefit
		Increase in rate 利率上升 %	Decrease in rate 利率下降 %
		HK\$'000 千港元	HK\$'000 千港元
As at 31 December 2019	於二零一九年 十二月三十一日		
Discount rate(s)	貼現率	1	149
Expected rate(s) of salary increase	預期薪金升幅	1	(71)
As at 31 December 2018	於二零一八年 十二月三十一日		
Discount rate(s)	貼現率	1	42
Expected rate(s) of salary increase	預期薪金升幅	1	—

The sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

由於部分假設可能互相關連，單一獨立假設變動不太可能發生，以上呈列敏感度分析不一定能代表界定福利責任之實際變動。

36. 退休福利責任(續)

(C) 於印尼實行之界定福利退休計劃(續)

薪金風險(續)

(iii) 關鍵假設(續)

釐定界定責任之重大精算假設為貼現率及預期薪金增幅。以下敏感度分析根據於報告期末各假設出現合理可能變動而其他假設維持不變而釐定。



Notes to the Consolidated Financial Statements 綜合財務報表附註

For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度

36. RETIREMENT BENEFIT OBLIGATIONS (Cont'd)

(C) DEFINED BENEFIT RETIREMENT PLAN OPERATING IN INDONESIA (Cont'd)

SALARY RISK (Cont'd)

(iii) Key assumptions: (Cont'd)

Furthermore, in presenting the above sensitivity analysis, the present value of the defined benefit obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same as that applied in calculating the defined benefit obligation liability recognised in the consolidated statement of financial position.

36. 退休福利責任(續)

(C) 於印尼實行之界定福利退休計劃(續)

薪金風險(續)

(iii) 關鍵假設(續)

此外，於呈列以上敏感度分析時，界定福利責任之現值於報告期末以預計單位貸記法計量，與應用於計算綜合財務狀況表內確認之界定福利責任負債之方法相同。

37. CAPITAL COMMITMENT

37. 資本承擔

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Capital expenditure in respect of service concession arrangement contracted for but not provided in the consolidated financial statements	有關已訂約但未於綜合財務報表作出撥備的服務特許權安排的資本開支	—	1,312



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For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度

38. RELATED PARTY TRANSACTIONS

- (a) During the period from 1 January to 19 November 2019, the Group sub-leased the commercial premises located at Units 1-3, 11th Floor, Westlands Centre, 20 Westlands Road, Hong Kong, for use as offices from Dragonfield (“Dragonfield”), a company controlled by certain executive Directors and their family members at a rent of HK\$136,600 per month.

During the period from 20 November to 31 December 2019, the Group sub-leased the commercial premises located at Unit 5, 7th Floor, Westlands Centre, 20 Westlands Road, Hong Kong for use as offices from Dragonfield. The sub-lease has a term of three years from 20 November 2019 to 19 November 2022 at a rent of HK\$47,800 per month.

On 2 January 2019, the Group entered into an administrative services sharing agreement with Dragonfield, in connection with the sharing of administrative services, retrospectively, effective from 1 July 2018 to 30 June 2021. The Group was charged for the shared administrative services, which includes the rent to Dragonfield for the area of the office precieuses used by the Group, on a cost basis.

The total amount of shared administrative services expenses charged to profit or loss during the year ended 31 December 2019 was HK\$3,250,000 (2018: HK\$3,335,000).

There is no amount due to Dragonfield for both years.

38. 關聯方交易

- (a) 於二零一九年一月一日至十一月十九日期間，本集團向龍田管理有限公司（「龍田」）（由本公司若干執行董事及其家屬控制的公司）分租位於香港華蘭路20號華蘭中心11樓1-3室的商用物業用作辦公室，月租為136,600港元。

於二零一九年十一月二十日至十二月三十一日期間，本集團向龍田分租位於香港華蘭路20號華蘭中心7樓5室的商用物業用作辦公室，分租期為期三年（自二零一九年十一月二十日至二零二二年十一月十九日），月租金為47,800港元。

於二零一九年一月二日，本集團已就共享行政服務與龍田訂立行政服務共享協議，追溯生效，自二零一八年七月一日起至二零二一年六月三十日止。相關共享行政服務按成本基準向本集團收費，其中包括租賃龍田作本集團辦公室物業用途。

截至二零一九年十二月三十一日止年度計入損益的共享行政服務開支總額為3,250,000港元（二零一八年：3,335,000港元）。

兩個年度並無應付龍田之款項。



Notes to the Consolidated Financial Statements 綜合財務報表附註

For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度

38. RELATED PARTY TRANSACTIONS (Cont'd)

- (b) During the year ended 31 December 2019, HK\$321,000 (2018: HK\$621,000) services fee and rental expenses were paid to related companies over which a director of the Company has significant influence to operate, monitor and maintain the two power plants of the Group.

- (c) Compensation of key management personnel

The remuneration of directors and other members of key management during the year was as follows:

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Short-term employee benefits	短期僱員福利	6,266	5,612
Post-employment benefits	離職後福利	50	36
		6,316	5,648

The remuneration of directors and key executives is determined by the remuneration committee having regard to the performance of individuals and market trends. Further details of compensation of directors' emoluments are included in note 10.

38. 關聯方交易(續)

- (b) 於截至二零一九年十二月三十一日止年度，已支付321,000港元(二零一八年：621,000港元)服務費用及租金開支予關聯公司，而本公司一名董事對關聯公司擁有重大影響力，從而影響本集團兩座發電廠的營運、監督及維護。

- (c) 主要管理層人員的薪酬

於年內董事及主要管理層其他人員的薪酬如下：

董事及主要行政人員之薪酬由薪酬委員會經考慮個人表現及市場趨勢後釐定。董事酬金的進一步詳情載於附註10。



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For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度

39. STATEMENT OF FINANCIAL POSITION OF THE COMPANY

39. 本公司的財務狀況表

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Non-current assets	非流動資產		
Investments in subsidiaries	於附屬公司的投資	164,259	164,259
Debt instruments at FVTOCI	透過其他全面收益 按公允值計量的債務工具	3,390	8,193
		167,649	172,452
Current assets	流動資產		
Other receivables	其他應收款項	173	172
Amounts due from subsidiaries	應收附屬公司款項	140,771	116,602
Debt instruments at FVTOCI	透過其他全面收益 按公允值計量的債務工具	15,128	23,060
Bank balances and cash	銀行結餘及現金	1,954	17,292
		158,026	157,126
Current liabilities	流動負債		
Other payables and accruals	其他應付款項及應計費用	808	1,300
Amount due to a subsidiary	應付一間附屬公司款項	44,081	49,000
Amount due to a related party	應付一名關聯方款項	8,142	—
		53,031	50,300
Net current assets	流動資產淨值	104,995	106,826
Net assets	資產淨值	272,644	279,278
Equity	權益		
Issued capital	已發行股本	111	111
Reserves	儲備	272,533	279,167
Total equity	總權益	272,644	279,278



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For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度

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

39. 本公司的財務狀況表(續)

MOVEMENT IN EQUITY OF THE COMPANY

本公司權益變動

		Issued capital 已發行股本 HK\$'000 千港元	Share premium 股份溢價 HK\$'000 千港元	Share option reserve 購股權儲備 HK\$'000 千港元	Investment revaluation reserve 投資重估儲備 HK\$'000 千港元	Accumulated losses 累計虧損 HK\$'000 千港元	Total 總額 HK\$'000 千港元
As at 1 January 2018	於二零一八年一月一日	111	409,031	100	(292)	(5,870)	403,080
Loss for the year	年內虧損	—	—	—	—	(123,626)	(123,626)
Fair value change on debt instruments at FVTOCI	透過其他全面收益按公允值計量的債務工具之公允值變動	—	—	—	(128)	—	(128)
Investment revaluation reserve released upon disposal of debt instruments at FVTOCI	出售透過其他全面收益按公允值計量的債務工具後解除投資重估儲備	—	—	—	404	—	404
Total comprehensive income/(expense) for the year	年內全面收益/(開支)總額	—	—	—	276	(123,626)	(123,350)
Recognition of equity-settled share-based payments	確認以權益結算基於股份的付款	—	—	21	—	—	21
Repurchase of ordinary shares (note 30)	普通股回購(附註30)	—	(473)	—	—	—	(473)
As at 31 December 2018 and 1 January 2019	於二零一八年十二月三十一日及二零一九年一月一日	111	408,558	121	(16)	(129,496)	279,278
Loss for the year	年內虧損	—	—	—	—	(6,614)	(6,614)
Investment revaluation reserve released upon disposal of debt instruments at FVTOCI	出售透過其他全面收益按公允值計量的債務工具後解除投資重估儲備	—	—	—	78	—	78
Total comprehensive income/(expense) for the year	年內全面收益/(開支)總額	—	—	—	78	(6,614)	(6,536)
Repurchase of ordinary shares (note 30)	普通股回購(附註30)	—	(98)	—	—	—	(98)
As at 31 December 2019	於二零一九年十二月三十一日	111	408,460	121	62	(136,110)	272,644



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For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度

40. PARTICULARS OF PRINCIPAL SUBSIDIARIES OF THE COMPANY

Particulars of the Company's principal subsidiaries as at 31 December 2019 and 2018 are as follows:

40. 本公司主要附屬公司的詳情

於二零一九年及二零一八年十二月三十一日，本公司主要附屬公司的詳情如下：

Name of subsidiary 附屬公司名稱	Place of incorporation/ registration 成立/ 註冊地點	Place of operation 營運 地點	Issued and fully paid/ registered ordinary share capital 已發行及繳足/ 已註冊普通股股本	Proportion of nominal value of issued ordinary share capital held by the Group 本集團持有已發行普通股股本面值比例		Principal activities 主要活動
				2019 二零一九年 %	2018 二零一八年 %	
Haian Hengfa ("海安恆發污水處理有限公司") (notes a & c) 海安恆發 (「海安恆發污水處理有限公司」)(附註a及c)	PRC 中國	PRC 中國	RMB30,000,000 人民幣30,000,000元	70	70	Wastewater treatment 污水處理
Rugao Hengfa ("如皋恆發水處理有限公司") (notes b & c) 如皋恆發 (「如皋恆發水處理有限公司」)(附註b及c)	PRC 中國	PRC 中國	US\$10,880,000 10,880,000美元	100	100	Wastewater treatment 污水處理
Shanghai Taihuan Environmental Technology Company Limited ("上海泰環環保科技有限公司") (notes b & c) 上海泰環 (「上海泰環環保科技有限公司」) (附註b及c)	PRC 中國	PRC 中國	HK\$400,000 400,000港元	100	100	Dormant 暫無業務
Rugao Taihuan Environmental Technology Company Limited ("如皋泰環環保科技有限公司") (notes b & c) 如皋泰環 (「如皋泰環環保科技有限公司」) (附註b及c)	PRC 中國	PRC 中國	US\$1,000,000 1,000,000美元	100	100	Wastewater treatment 污水處理
ELL Environmental Limited	BVI 英屬處女群島	BVI 英屬處女群島	US\$100 100美元	100	100	Investment holding 投資控股



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40. PARTICULARS OF PRINCIPAL SUBSIDIARIES OF THE COMPANY (Cont'd)

40. 本公司主要附屬公司的詳情 (續)

Name of subsidiary 附屬公司名稱	Place of incorporation/ registration 成立/ 註冊地點	Place of operation 營運 地點	Issued and fully paid/ registered ordinary share capital 已發行及繳足/ 已註冊普通股 股本	Proportion of nominal value of issued ordinary share capital held by the Group 本集團持有已發行普通股股本面值比例		Principal activities 主要活動
				2019 二零一九年 %	2018 二零一八年 %	
Everbest Water Treatment Development Company Limited 恆發水務發展有限公司	Hong Kong 香港	Hong Kong 香港	HK\$82,304,273 82,304,273 港元	100	100	Investment holding 投資控股
Grand Target Holdings Limited	BVI 英屬處女群島	BVI 英屬處女群島	US\$100 100 美元	100	100	Investment holding 投資控股
Greatcorp International Limited 宏皓國際有限公司	Hong Kong 香港	Hong Kong 香港	HK\$100 100 港元	100	100	Investment holding 投資控股
Eternity Time Group Limited	BVI 英屬處女群島	BVI 英屬處女群島	US\$100 100 美元	100	100	Investment holding 投資控股
Weal Union Limited 旭衡有限公司	Hong Kong 香港	Hong Kong 香港	HK\$250 250 港元	100	100	Investment holding 投資控股
Absolute Praise Limited	Cayman Islands 開曼群島	Cayman Islands 開曼群島	US\$100 100 美元	100	100	Dormant 暫無業務



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40. PARTICULARS OF PRINCIPAL SUBSIDIARIES OF THE COMPANY (Cont'd)

40. 本公司主要附屬公司的詳情 (續)

Name of subsidiary 附屬公司名稱	Place of incorporation/ registration 成立/ 註冊地點	Place of operation 營運 地點	Issued and fully paid/ registered ordinary share capital 已發行及繳足/ 已註冊普通股 股本	Proportion of nominal value of issued ordinary share capital held by the Group 本集團持有已發行普通股股本面值比例		Principal activities 主要活動
				2019 二零一九年 %	2018 二零一八年 %	
PT. Rimba Plama Sejahtera	Indonesia 印尼	Indonesia 印尼	IDR230,900 million 230,900百萬印尼盾	95	95	Manufacturing and sale of electricity and palm kemei oil 生產及出售電力及棕櫚仁油
PT. Sentosa Jaya Purnama	Indonesia 印尼	Indonesia 印尼	IDR25,000 million 25,000百萬印尼盾	95	95	Dormant 暫無業務
PT. ELL Environmental Limited	Indonesia 印尼	Indonesia 印尼	IDR2,500 million 25,000百萬印尼盾	99	99	Provision of administration and management services to group companies 向集團公司提供行政管理服務

Notes:

- (a) This entity is registered as a Sino-foreign equity joint venture under the laws of PRC.
- (b) These entities are registered as wholly-owned foreign enterprises under the laws of PRC.
- (c) 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.

附註：

- (a) 該實體根據中國法律註冊為中外合資經營企業。
- (b) 該等實體根據中國法律註冊為外商獨資企業。
- (c) 鑑於該等實體並未註冊任何官方英文名稱，該等實體的英文名稱乃由管理層盡力從彼等中文名稱翻譯得出。



Notes to the Consolidated Financial Statements 綜合財務報表附註

For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度

40. PARTICULARS OF PRINCIPAL SUBSIDIARIES OF THE COMPANY (Cont'd)

Except for ELL Environmental Limited, Absolute Praise Limited and Eternity Time Group Limited, all subsidiaries are indirectly held by the Company.

The above table lists the subsidiaries of the Company which, in the opinion of the directors, principally affect the results of the year or constitute 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.

41. PARTIAL-OWNED SUBSIDIARY WITH MATERIAL NON-CONTROLLING INTERESTS

The table below shows details of non-wholly-owned subsidiary of the Group that has material non-controlling interests:

Name of company 公司名稱	Form of entity 實體形式	Place of incorporation/ operation 註冊成立/ 營運地點	Percentage of equity interest held by non-controlling interest 非控股權益所持股權百分比		Profit/(loss) for the year allocated to non-controlling interests by the Group 本集團分配予非控股權益的年內溢利/(虧損)		Accumulated balance of non-controlling interests 非控股權益的累計結餘	
			2019 二零一九年 %	2018 二零一八年 %	2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Haian Hengfa 海安恆發	Incorporated 註冊成立	PRC 中國	30	30	9,014	(445)	35,505	27,122
Individually immaterial subsidiaries with non-controlling interest	擁有非控股權益的個別非重大附屬公司						(3,613)	(3,249)
							31,892	23,873

Summarised financial information in respect of the Group's subsidiary that has material non-controlling interests is set out below. The summarised financial information below presents amounts before intragroup eliminations.

本集團擁有重大非控股權益的附屬公司的財務資料概要載於下文。以下財務資料概要呈列集團內公司間對銷前的數額。

40. 本公司主要附屬公司的詳情 (續)

除 ELL Environmental Limited, Absolute Praise Limited 及 Eternity Time Group Limited 外，所有附屬公司由本公司間接持有。

上表列示董事認為主要影響年度業績或構成本集團資產淨值之主要部分之本公司附屬公司。董事認為，提供其他附屬公司之詳情會令篇幅過於冗長。

41. 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非全資附屬公司的詳情載列於下：



Notes to the Consolidated Financial Statements 綜合財務報表附註

For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度

41. PARTIAL-OWNED SUBSIDIARY WITH MATERIAL NON-CONTROLLING INTERESTS (Cont'd)

HAIAN HENGFA

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Current assets	流動資產	52,555	17,102
Non-current assets	非流動資產	93,306	90,369
Current liabilities	流動負債	(10,803)	(1,781)
Non-current liabilities	非流動負債	(16,709)	(15,285)
Equity attributable to owners of the Company	本公司擁有人應佔權益	82,844	63,283
Non-controlling interests of Haian Hengfa	海安恆發的非控股權益	35,505	27,122
Revenue	營業收入	44,023	10,205
Profit/(loss) attributable to owners of the Company	本公司擁有人應佔溢利／(虧損)	21,034	(1,038)
Profit/(loss) attributable to non-controlling interests of Haian Hengfa	海安恆發非控股權益應佔溢利／(虧損)	9,014	(445)
Profit/(loss) for the year	年內溢利／(虧損)	30,048	(1,483)

41. 擁有重大非控股權益的非全 資附屬公司(續)

海安恆發



Notes to the Consolidated Financial Statements 綜合財務報表附註

For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度

41. PARTIAL-OWNED SUBSIDIARY WITH MATERIAL NON-CONTROLLING INTERESTS (Cont'd)

HAIAN HENGFA (Cont'd)

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Other comprehensive expense attributable to owners of the Company	本公司擁有人應佔其他全面開支	(1,473)	(800)
Other comprehensive expense attributable to non-controlling interests of Haian Hengfa	海安恆發非控股權益應佔其他全面開支	(631)	(342)
Other comprehensive expense for the year	年內其他全面開支	(2,104)	(1,142)
Total comprehensive income/(expense) attributable to owners of the Company	本公司擁有人應佔全面收益/(開支)總額	19,561	(1,838)
Total comprehensive income/(expense) attributable to non-controlling interests of Haian Hengfa	海安恆發非控股權益應佔全面收益/(開支)總額	8,383	(787)
Total comprehensive income/(expense) for the year	年內全面收益/(開支)總額	27,944	(2,625)
Net cash flows from operating activities	來自經營活動的現金流量淨額	34,837	1,219
Net cash flows used in investing activities	投資活動使用的現金流量淨額	(270)	(317)
Net cash flows used in financing activities	融資活動使用的現金流量淨額	—	—
Net increase in bank balances and cash	銀行結餘及現金增加淨額	34,567	902

41. 擁有重大非控股權益的非全資附屬公司(續)

海安恆發(續)

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Other comprehensive expense attributable to owners of the Company	本公司擁有人應佔其他全面開支	(1,473)	(800)
Other comprehensive expense attributable to non-controlling interests of Haian Hengfa	海安恆發非控股權益應佔其他全面開支	(631)	(342)
Other comprehensive expense for the year	年內其他全面開支	(2,104)	(1,142)
Total comprehensive income/(expense) attributable to owners of the Company	本公司擁有人應佔全面收益/(開支)總額	19,561	(1,838)
Total comprehensive income/(expense) attributable to non-controlling interests of Haian Hengfa	海安恆發非控股權益應佔全面收益/(開支)總額	8,383	(787)
Total comprehensive income/(expense) for the year	年內全面收益/(開支)總額	27,944	(2,625)
Net cash flows from operating activities	來自經營活動的現金流量淨額	34,837	1,219
Net cash flows used in investing activities	投資活動使用的現金流量淨額	(270)	(317)
Net cash flows used in financing activities	融資活動使用的現金流量淨額	—	—
Net increase in bank balances and cash	銀行結餘及現金增加淨額	34,567	902



Five-Year Financial Summary 五年財務概要

RESULTS

業績

		Year ended 31 December 截至十二月三十一日止年度				2019
		2015	2016	2017	2018	2019
		二零一五年	二零一六年	二零一七年	二零一八年	二零一九年
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元
Revenue	營業收入	145,462	100,317	78,964	79,050	77,473
Profit (loss) before tax	除稅前溢利 (虧損)	36,229	18,522	(50,891)	(141,105)	17,038
Income tax (expenses) credit	所得稅(開支) 抵免	3,920	(7,029)	(9,856)	(3,562)	(7,438)
Profit (loss) for the year	年內溢利(虧損)	40,149	11,493	(60,747)	(144,667)	9,600

ASSETS, LIABILITIES AND NON-CONTROLLING INTERESTS

資產、負債及非控股權益

		As at 31 December 於十二月三十一日				2019
		2015	2016	2017	2018	2019
		二零一五年	二零一六年	二零一七年	二零一八年	二零一九年
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元
Total assets	總資產	610,439	681,140	628,928	475,888	479,926
Total liabilities	總負債	(95,304)	(111,538)	(107,106)	(101,512)	(102,210)
Non-controlling interests	非控股權益	(27,593)	(27,650)	(29,024)	(23,873)	(31,892)
		487,542	541,952	492,798	350,503	345,824



ELL

Environmental
Holdings Limited