



光大國際
Everbright International

(Stock Code 股份代號: 257)



Pursuit of **Sustainable Growth**

志存高遠 行穩致遠

Annual Report 年報 **2019**

Corporate Profile 公司簡介

China Everbright International Limited (“Everbright International” or the “Company”, together with its subsidiaries, collectively the “Group”) is a flagship company in the industrial investment sector of China Everbright Group Ltd. Everbright International is listed on the Main Board of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) (257.HK), and has two listed subsidiaries: China Everbright Water Limited, which is listed on the mainboard of the Singapore Exchange Securities Trading Limited and the Main Board of the Stock Exchange (U9E.SG & 1857.HK), and China Everbright Greentech Limited, which is listed on the Main Board of the Stock Exchange (1257.HK). After over a decade of development, Everbright International has grown into a leading player in China and Asia's environmental protection industries, as well as a world-renowned ecological and environmental management group.

Everbright International is the first one-stop integrated environmental solution provider in China, with its main businesses covering waste-to-energy and integrated waste treatment, biomass power generation, hazardous waste and solid waste treatment, environmental remediation, waste water treatment, reusable water, water supply, water environment management, waste sorting, sanitation integration, resource recycling, development of zero-waste cities, energy-saving lighting, equipment manufacturing, analysis and testing, research and development relating to green technologies, ecological and environmental planning and designing, as well as environmental protection industrial parks. Everbright International has a business presence in 187 locations across 23 provinces, municipalities and autonomous regions in China, as well as overseas markets of Germany, Poland and Vietnam.

Everbright International is strategic partners of the International Coalition for Green Development on the Belt and Road and the Ecological Protection and Green Development of the Yangtze River Economic Belt. The Company adheres to its corporate mission of being “Devoted to Ecology and Environment for a Beautiful China” and its aspiration to “Create Better Investment Value and Undertake More Social Responsibility”. For four consecutive years, Everbright International has been a constituent member of the world's top Dow Jones Sustainability Indices. It has also been included in the Hang Seng Corporate Sustainability Index for the sixth year running. In the meantime, the Company is a constituent stock of MSCI China Index and a constituent stock of FTSE4Good Index.

中國光大國際有限公司(「光大國際」或「公司」，連同其附屬公司統稱「本集團」)為中國光大集團股份公司旗下實業投資之旗艦公司，香港聯合交易所有限公司(「聯交所」)主板上市公司(257.HK)。下轄兩家上市企業：新加坡證券交易所有限公司及聯交所主板上市之中國光大水務有限公司(U9E.SG及1857.HK)以及聯交所主板上市之中國光大綠色環保有限公司(1257.HK)。歷經十多年的發展，光大國際現已成為中國乃至亞洲環保行業的領軍企業、世界知名的生態環境集團。

光大國際是中國首個一站式、全方位的環境綜合治理服務商，主營業務包括垃圾發電及協同處理、生物質發電、危廢及固廢處置、環境修復、污水處理、中水回用、供水、水環境綜合治理、垃圾分類、環衛一體化、資源循環利用、無廢城市建設、節能照明、裝備製造、分析檢測、綠色技術研發、生態環境規劃設計、環保產業園等。國內業務遍及23個省(市)、自治區的187個地區；海外業務已佈局德國、波蘭及越南市場。

光大國際現為「一帶一路」綠色發展國際聯盟戰略合作夥伴和長江經濟帶生態大保護戰略合作夥伴。公司以「情系生態環境，築夢美麗中國」為使命擔當，以「創造更好投資價值，承擔更多社會責任」為企業追求，連續四年獲納入全球頂尖的道瓊斯可持續發展指數，連續六年獲納入恒生可持續發展企業指數。本公司現為MSCI明晟中國指數成份股及富時社會責任指數成份股。

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金色品牌 綠色事業

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Corporate Information 公司資料

DIRECTORS

Executive Directors

CAI Yunge (Chairman)
WANG Tianyi (Chief Executive Officer)
WONG Kam Chung, Raymond (Chief Financial Officer)
HU Yanguo (Deputy General Manager)
QIAN Xiaodong (Deputy General Manager)

Independent Non-executive Directors

FAN Yan Hok, Philip
MAR Selwyn
ZHAI Haitao
SUO Xuquan

COMPANY SECRETARY

POON Yuen Ling

REGISTERED OFFICE

Room 2703, 27th Floor
Far East Finance Centre
16 Harcourt Road, Hong Kong

PRINCIPAL BANKERS

Agricultural Bank of China Limited
Asian Development Bank
Bank of China (Hong Kong) Limited
Bank of Communications Co., Ltd.
China CITIC Bank Corporation Limited
China CITIC Bank International Limited
China Construction Bank Corporation
China Development Bank Corporation
China Everbright Bank Company Limited
China Merchants Bank Co., Ltd.
CMB Wing Lung Bank Limited
DBS Bank Limited
Far Eastern International Bank Co., Ltd.
Hang Seng Bank Limited
Industrial and Commercial Bank of China Limited
ING Bank N.V.
International Finance Corporation
Mizuho Bank, Limited
Nanyang Commercial Bank Limited
Overseas-Chinese Banking Corporation Limited
Societe Generale
Shanghai Pudong Development Bank Co., Ltd.
Standard Chartered Bank (Hong Kong) Limited
Taipei Fubon Commercial Bank Co., Ltd.
The Bank of East Asia, Limited
Postal Savings Bank of China Co., Ltd.

董事

執行董事

蔡允革(主席)
王天義(行政總裁)
黃錦聰(財務總監)
胡延國(副總經理)
錢曉東(副總經理)

獨立非執行董事

范仁鶴
馬紹援
翟海濤
索緒權

公司秘書

潘婉玲

註冊辦事處

香港夏慤道十六號
遠東金融中心
二十七樓二七零三室

主要往來銀行

中國農業銀行股份有限公司
亞洲開發銀行
中國銀行(香港)有限公司
交通銀行有限公司
中信銀行股份有限公司
中信銀行(國際)有限公司
中國建設銀行股份有限公司
國家開發銀行股份有限公司
中國光大銀行股份有限公司
招商銀行股份有限公司
招商永隆銀行有限公司
星展銀行
遠東國際商業銀行有限公司
恒生銀行有限公司
中國工商銀行股份有限公司
ING Bank N.V.
國際金融公司
瑞穗銀行
南洋商業銀行有限公司
華僑銀行
法國興業銀行
上海浦東發展銀行股份有限公司
渣打銀行(香港)有限公司
台北富邦商業銀行股份有限公司
東亞銀行有限公司
中國郵政儲蓄銀行股份有限公司

SOLICITORS

Grandall Legal Group (Beijing)
Li & Partners

AUDITOR

Ernst & Young

SHARE REGISTRAR

Tricor Tengis Limited
Level 54, Hopewell Centre
183 Queen's Road East, Hong Kong

PUBLIC RELATIONS

Citigate Dewe Rogerson

WEBSITE

www.ebchinaintl.com

STOCK CODE

257

律師

國浩律師集團(北京)事務所
李偉斌律師行

核數師

安永會計師事務所

股份過戶處

卓佳登捷時有限公司
香港皇后大道東一百八十三號
合和中心五十四樓

公關顧問

哲基傑訊

電子網址

www.ebchinaintl.com

股份代號

257

Financial Highlights 財務概況

| | | 2019 二零一九年 HK\$'000 港幣千元 | 2018 二零一八年 HK\$'000 港幣千元 | Percentage Change 百分比 變動 |
|--|-----------------------|-----------------------------------|-----------------------------------|-----------------------------------|
| RESULTS | 業績 | | | |
| Revenue | 收益 | 37,557,635 | 27,227,998 | 38% |
| EBITDA* | 除利息、稅項、折舊及攤銷前盈利* | 10,957,474 | 8,994,788 | 22% |
| Profit attributable to equity holders of the Company | 本公司權益持有人應佔盈利 | 5,203,291 | 4,319,235 | 20% |
| Return on shareholders' equity (%)# | 股東資金回報(%)# | 14.81 | 15.29 | -0.48 ppt |
| Basic earnings per share (HK cents)# | 每股基本盈利(港仙)# | 84.70 | 85.77 | -1% |
| FINANCIAL POSITION | 財務狀況 | | | |
| Total assets | 資產總額 | 119,351,503 | 95,121,637 | 25% |
| Total liabilities | 負債總額 | 74,624,924 | 54,426,298 | 37% |
| Equity attributable to equity holders of the Company | 本公司權益持有人應佔權益 | 36,346,951 | 33,926,107 | 7% |
| Net asset value per share attributable to equity holders of the Company (HK\$) | 本公司權益持有人應佔每股資產淨值(港幣元) | 5.917 | 5.523 | 7% |
| Gearing ratio (%) | 資產負債比率(%) | 63 | 57 | 6 ppt |
| Current ratio (%) | 流動比率(%) | 122 | 195 | -73 ppt |

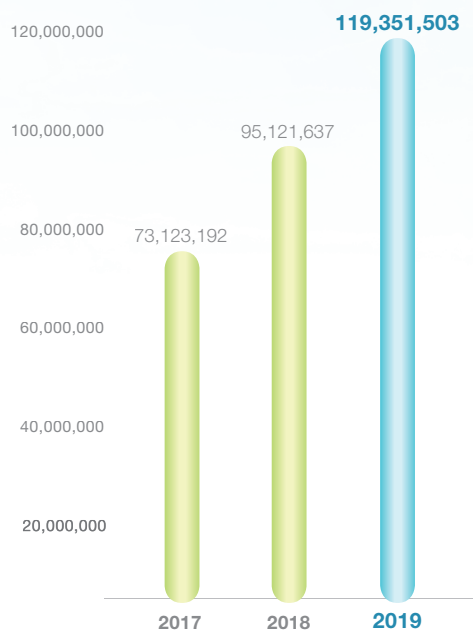
* EBITDA is the profit for the year before deduction of interest, taxation, depreciation and amortisation.

* 除利息、稅項、折舊及攤銷前盈利為扣除利息、稅項、折舊及攤銷前之本年度盈利。

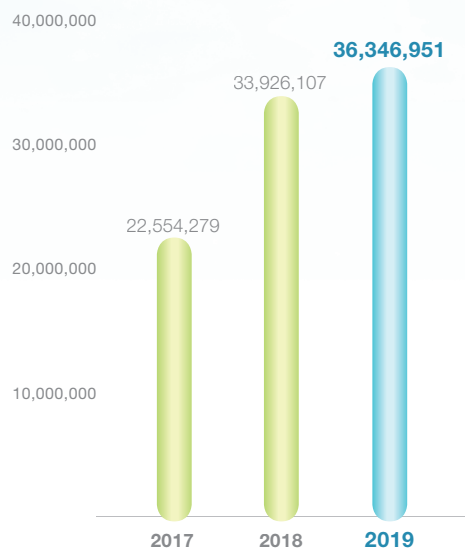
The current year return on shareholders' equity and basis earnings per share decreased as compared to last year which were due to the dilution impact of the HK\$10 billion rights issue completed in September 2018.

本年度的股東資金回報率及每股基本盈利較去年下降是由於二零一八年九月完成港幣100億元供股的攤薄效應所致。

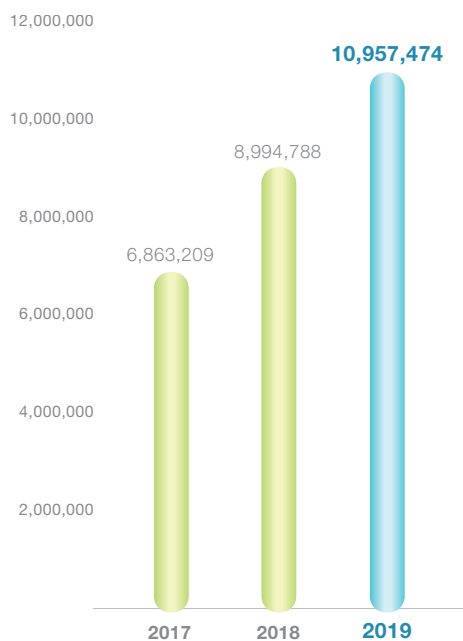
TOTAL ASSETS HK\$'000
資產總額 港幣千元



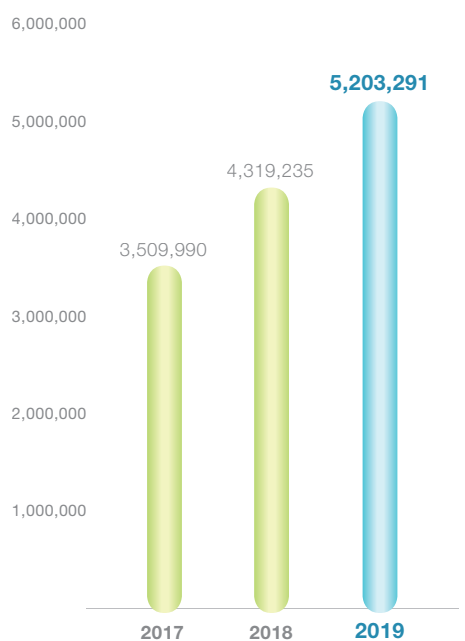
NET ASSETS ATTRIBUTABLE TO EQUITY HOLDERS HK\$'000
權益持有人應佔資產淨額 港幣千元



EBITDA HK\$'000
除利息、稅項、折舊及攤銷前盈利 港幣千元



PROFIT ATTRIBUTABLE TO EQUITY HOLDERS HK\$'000
權益持有人應佔盈利 港幣千元



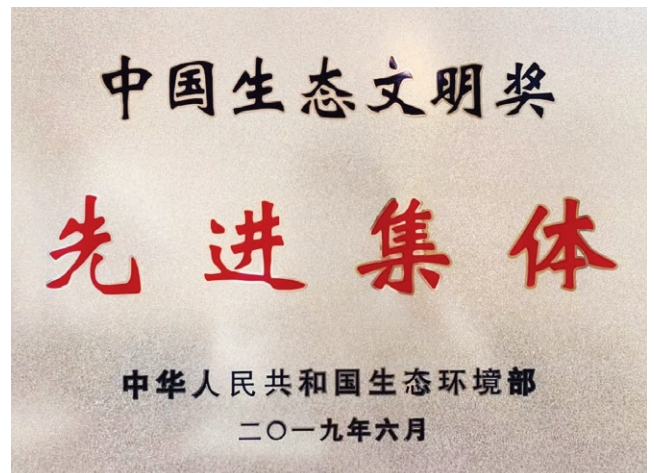
Corporate Milestones 企業大事概要

FIRST QUARTER OF 2019
2019年第一季



- Announced 2018 annual results, with profit attributable to equity holders of the Company up by 23% year-on-year
- Secured Jiangsu Wujiang Waste-to-energy Plant Expansion Project, which has a designed daily household waste processing capacity of 3,000 tonnes
- Everbright International Environmental Protection Charitable Foundation supported Earth Hour Hong Kong as the lead sponsor for the sixth year running
- 公佈二零一八年全年業績，本公司權益持有人應佔盈利較二零一七年錄得23%增長
- 取得江蘇吳江垃圾發電廠擴建項目，設計日處理生活垃圾規模3,000噸
- 光大國際環保公益基金連續第六年首席贊助香港「地球一小時」活動

SECOND QUARTER OF 2019
2019年第二季度



- Convened the Company's 2019 annual general meeting
- Secured Yulin Waste-to-energy Project in Guangxi Zhuang Autonomous Region through acquisition, marking the Group's first waste-to-energy project in Guangxi
- Invested in a technology enterprise that focuses on the waste sorting business, marking the Group's foray into the fields of waste sorting and resources recycling
- Awarded "China's Ecological Civilisation Award" by the Ministry of Ecology and Environment of the People's Republic of China, and shortlisted among the 2019 "Top 10 Public Engagement Case Studies Award" in the 2019 "Beautiful China, I'm an Actor" campaign
- 召開二零一九年本公司股東週年大會
- 通過收購方式取得廣西壯族自治區玉林市垃圾發電項目，為本集團於廣西的首個垃圾發電項目
- 通過注資獲得山東濟南一家專注於垃圾分類業務的科技型企業，標誌著本集團正式進軍垃圾分類及資源回收領域
- 榮獲中華人民共和國生態環境部頒發的「中國生態文明獎」，並入選「美麗中國，我是行動者」2019年「十佳公眾參與案例獎」

THIRD QUARTER OF 2019 2019年第三季度



Hang Seng Corporate
Sustainability Index
Series Member 2019-2020



恒生可持續發展企業
指數系列 2019 - 2020成份股



MEMBER OF

**Dow Jones
Sustainability Indices**



In collaboration with a RobecoSAM brand



- Invested in and established Everbright Brilliant Greenenergy and Lighting (Shenzhen) Limited, in which Everbright International holds a 60% equity stake, marking the Group's entry into the energy conservation services sector
- Jiangsu Changzhou Household Waste-to-energy Project recognised as an innovative case study that has resolved the NIMBY (Not-in-my-backyard) effect, in the Case Studies on Overcoming Obstacles Following Chinese President Xi Jinping Thought on Socialism with Chinese Characteristics for a New Era under the chapter of ecological civilisation development
- Included in Hang Seng Corporate Sustainability Index for the sixth consecutive year
- Launched China Everbright Green Technology Innovation Research Institute in Hong Kong, aiming to become a world-class centre dedicated to green technological innovation and commercialisation of research results
- Included in Dow Jones Sustainability Indices for the fourth year running
- Secured Jiangsu Changzhou Household Waste-to-energy Project Upgrading, marking China's first fenceless community-friendly waste-to-energy project
- Awarded Most Honored Company in 2019 All-Asia Executive Team by Institutional Investor for the third consecutive year, with Mr. Wang Tianyi, the Chief Executive Officer of the Company, awarded Asia's Best CEO
- 出資成立光大晶朗節能照明(深圳)有限公司並持有該公司60%股權，標誌著本集團正式進入節能技術與服務領域
- 旗下江蘇常州垃圾焚燒發電項目作為破解「鄰避」困境的創新案例，入選中共中央組織部編寫的《貫徹落實習近平新時代中國特色社會主義思想在發展改革穩定中攻堅克難案例》叢書(生態文明建設篇)
- 連續第六年獲納入恒生可持續發展企業指數
- 在香港成立中國光大綠色技術創新研究院，打造世界級綠色技術創新及成果轉化中心
- 連續第四年獲納入道瓊斯可持續發展指數
- 取得江蘇常州生活垃圾發電廠開放提升工程，打造全國首個無圍牆的開放鄰利垃圾發電廠
- 連續第三年獲國際權威財經雜誌《機構投資者》評選為「亞洲最受尊崇企業」，本公司行政總裁王天義先生獲評「亞洲最佳CEO」

FOURTH QUARTER OF 2019
2019年第四季度



- Won the bid for Xiongan New Area Waste Integrated Treatment Project Phase I, the sole waste integrated treatment facility in the area
- Secured a streetlight upgrading project in Rizhao City of Shandong Province, based on the energy management contract (“EMC”) model, marking the landing of first project of the Group’s Greenergy sector
- Construction work of Zhejiang Hangzhou Waste-to-energy Project shortlisted among the second batch of the Luban Prize (National Quality Project) in China’s construction field for 2018/2019
- Liaoning Shenyang Daxin Waste-to-energy Project, the Group’s first project of this type in northeast China, completed construction and commenced operation
- Secured a streetlight upgrading project, based on the EMC model, in Ji’nan City of Shandong Province, and established a base in the city with a focus on the manufacturing and research and development of energy-saving streetlights
- Ranked the first place for the ninth year running in the “Top 10 Influential Solid Waste Treatment Enterprises in China”
- 中標雄安新區唯一的垃圾綜合處理設施—雄安新區垃圾綜合處理設施一期工程項目
- 取得山東日照路燈節能改造合同能源管理項目，標誌著本集團環境節能板塊首單項目落地
- 旗下浙江杭州垃圾發電項目工程榮獲「2018-2019」年度第二批中國建設工程魯班獎(國家優質工程)
- 旗下東北首個垃圾發電項目—遼寧瀋陽大辛垃圾發電項目建成投運
- 以合同能源管理方式取得山東濟南市區路燈節能亮化改造項目，並於濟南投資設立節能路燈生產基地與研發基地
- 連續第九年獲評「年度固廢十大影響力企業」並位居榜首

Chairman's Statement 主席報告



Knowing where the winds are blowing allows one to take advantage by setting sail in the right direction, and only those who are bold and skillful enough to ride the rolling waves will be able to stay ahead.

The year 2019 saw a surge in consensus to protect ecological environment and promote sustainable development around the globe. The Chinese government proactively explored a green development-oriented growth path that put ecological protection at the top of the agenda and stepped up supervision over the environmental protection industry, providing significant impetus for the growth and innovation of the environmental protection sector.

During the year under review, China Everbright International Limited (the “Company”, together with its subsidiaries, collectively the “Group”) delivered an excellent performance with remarkable achievements, by adhering to its long-term values, playing a industry-leading role, capitalising on unprecedented opportunities arising from the industry, maintaining a full-cycle development mindset and striving for strategic transformation. The Group recorded revenue of approximately HK\$37.558 billion, an increase of 38% compared with 2018, profit attributable to equity holders of the Company up by 20% to approximately HK\$5.203 billion compared with 2018.

風起揚帆時，能者立潮頭。

二零一九年，全球保護生態環境、推動可持續發展的共識不斷增進，中國政府積極探索以生態優先、綠色發展為導向的發展路徑，加大環保行業監管力度，為環保行業帶來巨大的增長和創新動能。

回顧年度內，中國光大國際有限公司（「本公司」）連同其附屬公司，統稱「本集團」）秉持對長期價值的堅守，佇立市場頭部，緊抓行業歷史機遇，踐行全週期發展思維，力推戰略轉型，收穫靚麗成績、累累碩果。全年實現收益約港幣375.58億元、較二零一八年增長38%，實現本公司權益持有人應佔盈利約港幣52.03億元、較二零一八年增長20%。

Continuous effort to strengthen business development has enhanced project quality. The Group has kept efficiency as the priority and continued to enhance its project quality. As a result, it hit new records in terms of number of projects secured and the total amount of project investment. The Group secured and acquired 83 new projects, in addition to signing 6 supplementary agreements for existing projects. Among these projects, there were 8 projects with processing capacity of 1,000 tonnes or above. It won the bid for Xiongan New Area Waste Integrated Treatment Project, which is of great strategic importance, as well as the ancillary household waste treatment project for the 2022 Winter Olympic Games in Zhangjiakou, Hebei Province. In addition, the Group made a foray into the market of Guangdong-Hong Kong-Macau Greater Bay Area. The Group has achieved strategic progress in its key business sectors, including environmental energy, greentech and environmental water, further enhancing its market-leading position.

Continuous effort to boost technological innovation has led to significant improvements in proficiency and efficiency. The Group has been enhancing its core competitive edge and foster internal impetus, by adopting an innovation-driven and technology-led approach. It remained committed to resolving difficult problems in the environmental protection industry and enhancing its technological capabilities. By independently developing China's first 1,000 tonnes/day household waste grate furnace, the Group has again improved its technological proficiency, filling a void in the domestic market. It also made great strides in the plasma melting technology for the treatment of fly ash, which has been adopted at the Group's Zhenjiang Waste-to-energy Project, creating a new path for the treatment of waste incineration fly ash and hazardous waste in the industry. In addition, the Group furthered technological innovation to improve its proficiency and efficiency. On the back of medium-temperature sub-high-pressure and medium-temperature ultra-high-pressure technologies, the Group has boosted the electricity generation efficiency by 12% to 20% under the same conditions. Meanwhile, it successfully developed and promoted the integrated treatment technology for household waste and food waste. This has helped to reduce the construction cost of one single food waste treatment project by approximately 30%, significantly improving the overall efficiency of the Group's projects.

Effective expansion of financing channels has helped to solidify the financial foundation. Committed to maintaining stable operations, the Group has been sustaining good collaborations with a number of banks, including the Asian Development Bank, the World Bank and the China Development Bank, and maintains a reasonable amount of capital holdings. As at the end of 2019, the Group had cash on hand amounting to HK\$12.30 billion and available credit facilities of HK\$27.80 billion. With reasonable gearing ratio, as well as healthy cash flow and financial conditions, the Group is well positioned for strategic planning for future. Meanwhile, it has been through paying heed of capital management and strengthening complementary external financing, China Everbright Water Limited, a subsidiary of the Group was successfully listed on the Main Board of The Stock Exchange of Hong Kong Limited, further strengthening the Group's overall strength.

持續加強市場拓展，項目質量不斷提升。堅持效益優先，在獲取項目數量與投資總額再創歷史新高的同時，不斷提升項目質量。全年共取得及併購83個新項目並簽署6個現有項目的補充協議，其中千噸級(含)以上的優質大項目8個。成功中標具有重大戰略意義的雄安新區垃圾綜合處理項目、二零二二年張家口冬奧會生活垃圾處理配套項目。順利開拓粵港澳大灣區市場。環保能源、綠色環保、環保水務等主要業務板塊均實現戰略進位，市場優勢進一步提升。

大力推進科技創新，提質增效成果斐然。堅持創新驅動，聚焦科技引領，不斷增強核心競爭力、激發內生動力。一方面，專注行業難點攻關，增加科技硬核。自主研發國產首台1,000噸/日生活垃圾焚燒爐排爐，再次提高本集團技術高度，成功填補中國市場空白；等離子飛灰融熔技術取得重大突破，鎮江示範項目建成投產，開創全行業垃圾焚燒飛灰處理和危廢處置新路徑。另一方面，深化科技創新，助推提質增效。中溫次高壓再熱、中溫超高壓再熱技術投入使用，同等條件下發電量增加12%-20%；生活垃圾與餐廚垃圾協同處理技術研發成功並進入推廣階段，單個餐廚垃圾處理項目建設成本下降約30%，顯著提升項目綜合效益。

有效拓展融資渠道，財務基礎穩健牢固。堅持穩健經營，與亞洲開發銀行、世界銀行、國家開發銀行等多家銀行保持良好合作，保持合理資金持有量。截至年末，手持現金港幣123億元，可動用銀行授信額度港幣278億元，槓桿水平合理，現金流和財務狀況健康，為未來的戰略佈局留下空間。同時，注重資本管理，加強外源性補充，旗下中國光大水務有限公司成功在香港聯合交易所有限公司主板上市，進一步增強了企業綜合實力。

Chairman's Statement 主席報告

Proactive effort to foster development impetus has boosted growth momentum for future. By focusing on current realities and adopting a future-oriented approach, the Group adhered to its development strategy of driving growth in its traditional businesses and tapping into new business areas, with an aim to extend its value chain and broaden its business scope. The Group established the eco-recycling business sector, making a foray into new business areas such as waste sorting and resource utilisation, as well as the greenenergy sector. These new areas have enabled the Group to explore an asset-light, high-return business model and to nurture new impetus to drive profit growth. The Group secured projects of Everbright Greenery New Sodium Lamp to renovate a total of 135,000 streetlights with the municipal governments of Rizhao and Ji'nan. These projects are expected to deliver high-level returns and unleash ample room for such business development.

Dedication to developing a golden brand has further enhanced the corporate image. Taking into account both social responsibility and profitability, and placing equal emphasis on ethics and conduct, the Group continued to enhance its service quality and build its brand, as well as continuously improved its influence. In addition to topping the list of 2019 China's Top 50 Environmental Enterprises published by the All-China Federation of Industry and Commerce 2019, the Group also ranked first among the Top 10 Influential Solid Waste Treatment Enterprises in China for the ninth consecutive year. It was included in the Hang Seng Corporate Sustainability Index for the sixth consecutive year and the Dow Jones Sustainability Indices for the fourth consecutive year. In addition, the Group was awarded a number of national accolades, including the award of China's Ecological Civilization Award, Top 10 Public Engagement Case Studies Award, Luban Prize (highest recognition in China's construction field), etc.

Since the outbreak of the novel coronavirus pneumonia, the Group has adopted scientific prevention and control measures to ensure the continuity of its business and project operations, with approximately 94% of its operating projects maintaining normal operation. As a result, the Group effectively managed the short-term impact of the epidemic. In the meantime, the Group's projects leveraged its professional expertise and treated nearly 10,000 tonnes of medical waste in total.

積極培育新生動能，發展後勁得到增強。堅持傳統業務和創新業務雙管齊下，立足當前、著眼長遠，不斷延伸產業長度和業務寬度。成立生態資源板塊，進軍垃圾分類、資源利用、環境節能等新業務領域，探索輕資產、高回報的發展路徑，培育新的利潤增長點。成功與濟南市、日照市政府簽訂共13.5萬盞光大新鈉燈項目，預計回報水平較高，發展空間廣闊。

傾心澆灌金色品牌，企業形象更加靚麗。堅持義利兼容、德行並重，實行品質與品牌提升工程，不斷提升企業社會影響力。榮登全國工商聯2019中國環境企業50強榜首，連續第九年獲評年度固廢十大影響力企業榜首，連續第六年獲納入恆生可持續發展企業指數，連續第四年獲納入道瓊斯可持續發展指數系列。此外，本集團還榮獲「中國生態文明獎」、「十佳公眾參與案例獎」、「魯班獎」(國家建設工程質量最高榮譽)等多項國家級殊榮。

新冠肺炎疫情發生以來，本集團科學防控，防疫不停產、隔離不停工，約94%的投產項目正常運營，有效應對疫情短期衝擊。同時，勇擔責任，發揮專業優勢處置醫療廢棄物等垃圾近萬噸。

The Group's development is backed by the trust and support of the shareholders of the Company. Adhering to its principle of sharing its development results with its shareholders, as well as the goal of pursuing sustainable development, the board of directors (the "Board") of the Company has proposed to pay a final dividend of HK13.0 cents per share for the year of 2019 (2018: HK12.0 cents per share), with the total dividend for the year amounting to HK26.0 cents per share (2018: HK24.0 cents per share).

On behalf of the Board, I would like to take this opportunity to express my heartfelt gratitude to all shareholders of the Company and stakeholders who have given us their unreserved support and trust. I would also like to express my sincere appreciations to the management and staff of the Group for their diligent work over the past year.

Starting with a dream, a great career is built upon innovation and its success depends on the actions taken. The path towards building a world-leading ecological and environmental group is bound to be filled with challenges. Looking forward, the Group will embrace opportunities arising from ecological and environmental protection, which were unseen over the past century, confront difficult challenges calmly, reinforce the full-cycle development mindset, put into practice a two-pronged approach of developing its traditional businesses while accelerating its strategic transformation, as well as continuously expand into new areas, cultivate new growth momentum and create new pillars of growth. In doing so, the Group strives to continuously improve shareholders' consolidated returns, push forward the establishment of a new sustainable development framework, and make further achievements in developing its world-leading position.

本集團的發展，凝聚著全體股東的厚愛和支持！按照與股東共享發展成果以及可持續發展的原則，本公司董事會（「董事會」）擬向股東派發二零一九年度末期股息每股13.0港仙（二零一八年：每股12.0港仙），全年股息總額為每股26.0港仙（二零一八年：每股24.0港仙）。

藉此機會，本人謹代表董事會向各位股東、社會各界人士長期給予本集團的信任和 support 致以由衷謝意！對本集團全體同仁在過去一年的辛勤努力表示誠摯感謝！

偉大事業始於夢想，基於創新，成於實幹。通往世界領先生態環境集團的道路注定不會是坦途，展望未來，本集團將積極擁抱生態環保事業百年未有之機遇，冷靜面對前所未有之挑戰，強化全週期發展思維，發展傳統業務和加快戰略轉型並舉，不斷突破新領域、培育新動能、打造新的增長極，努力持續提升股東綜合回報，推動形成行穩致遠發展新格局，奮力取得全球領先建設新成就。

CAI YUNGE
蔡允革

Chairman

主席

Hong Kong, 18 March 2020

香港，二零二零年三月十八日

Chief Executive Officer's Report 行政總裁報告



Chief Executive Officer
行政總裁
Wang Tianyi
王天義

BUSINESS REVIEW AND PROSPECTS 業務回顧與展望

Operating Results 經營業績

2019 saw an increasing level of uncertainty and instability shrouding the international community amidst the vicissitude of global trends. Against the backdrop of significantly slowed global economic growth, the economy in the PRC faced greater downward pressure. The environmental protection industry was confronted with various challenging factors, including the deleveraging policy and a tightening financing environment. As the economy in the PRC shifts away from high-speed growth to high-quality development, the evolution of the environmental protection industry has grown increasingly connected with the development of a modern social governance system and related capabilities. With requirements for the pace and quality of such evolution growing ever higher, ecological and environmental protection and pollution control have become a crucial hurdle to overcome amid China's social and economic transformation.

二零一九年，世界格局陰晴難測，國際形勢的不確定性、不穩定性持續上升。全球經濟增速明顯下降，國內經濟下行壓力加大。受「去槓桿」經濟政策、融資環境趨緊等影響，環保產業發展備受挑戰。但隨著我國經濟由高速增長階段轉向高品質發展階段，環保產業發展與構建現代化社會治理體系和能力聯繫更為緊密，對發展速度和品質要求不斷提高，打贏生態環境保護與污染防治攻堅成為社會經濟轉型的一道重要關口。

Over the past year, with the promulgation, revision and implementation of several ecological and environmental laws and regulations including the Soil Pollution Prevention and Control Law, the regulatory framework for ecological and environmental protection gradually took shape in China. Ecological and environmental protection entered into its most challenging phase. The concept of building a resource-conserving society added depth and breadth to ongoing ecological and environmental protection efforts, while an array of important national development strategies, such as the Beijing-Tianjin-Hebei integration plan, the development of the Yangtze River Economic Belt, the Greater Bay Area Initiative, the development of zero-waste cities and the Green Belt and Road Route, helped to establish a systematic environmental management and protection framework. China's transition into a new economy from an old industrial one, as well as a shift towards more environmentally friendly life concepts and lifestyles, provided enormous space for China's ecological and environmental protection industry to witness robust growth.

Knowing where the winds are blowing allows one to take advantage by setting sail in the right direction, and only those who are both bold and skilful enough to ride the rolling waves are able to stay ahead. As a leading player in the domestic environmental protection industry and a globally well-known ecological and environmental group, China Everbright International Limited (the "Company" or "Everbright International", together with its subsidiaries, collectively the "Group") has upheld its mission of being "Devoted to Ecology and Environment for a Beautiful China", as well as its aspiration to "Create Better Investment Value and Undertake More Social Responsibility". The Group made comprehensive development strategies for "value creation" and "reform and upgrade", followed its integrity and sought innovation, continuously strengthened the overall competitiveness of its advantageous businesses to consolidate its industry-leading position, as well as proactively tapping into and plotted development schemes for its emerging business segments to further diversify its businesses. As a result, the Group delivered growth across the board, making significant achievements in terms of market expansion, project construction, operations management and technological research and development ("R&D"). Such an impressive performance laid a solid foundation for the Group's next round of exponential development.

During the year under review, China Everbright Water Limited ("Everbright Water"), a subsidiary of the Company, successfully listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "Stock Exchange") on 8 May 2019, achieving a dual listing status in Singapore and Hong Kong. Everbright Water is also the Group's second company listed in Hong Kong, following the spin-off and listing of the Group's greentech business sector on the Main Board of the Stock Exchange in 2017.

過去一年，土壤污染防治法等生態環境領域多項法律法規的出台、修訂和實施，使得中國生態環境領域監管大格局逐步形成，生態環保事業進入攻堅階段；「節約型社會」的提出為生態環保事業再添新內涵；京津冀協同發展戰略、長江經濟帶發展、粵港澳大灣區建設、無廢城市建設、綠色「一帶一路」等重要國家發展戰略促進環境治理和保護工作系統性大格局形成；新舊動能轉換、人們生活理念和方式的綠色轉變，都為中國生態環保行業的蓬勃發展開啟了巨大的市場空間。

風起揚帆時，能者立潮頭。作為中國環保行業領軍企業、世界知名生態環境集團，中國光大國際有限公司（「本公司」或「光大國際」，連同其附屬公司合稱「本集團」）秉承「情系生態環境，築夢美麗中國」的企業使命，堅持「創造更好投資價值，承擔更多社會責任」的企業追求，圍繞「價值創造」、「改革提升」全面佈局，守正出新，持續增強優勢業務綜合競爭力，鞏固行業領軍地位；積極開拓佈局新興業務領域，提升業務多元化水平，實現業務全方位增長，在市場拓展、工程建設、運營管理、技術研發等方面成就諸多亮點，交出了一份靚麗的成績單，為本集團下一輪闊步發展鋪就堅實基礎。

回顧年度內，本公司之附屬公司中國光大水務有限公司（「光大水務」）於二零一九年五月八日成功於香港聯合交易所有限公司（「聯交所」）主板上市，實現新加坡香港兩地雙重上市，是繼二零一七年分拆旗下綠色環保業務於聯交所主板上市後，本集團旗下第二家於香港上市的附屬公司。

Chief Executive Officer's Report 行政總裁報告

During the year under review, the Group took the bull by the horns and seized the opportunity to develop overall business strategies in an increasingly competitive market environment. As a result, it signed a total of 78 new projects and 6 supplementary agreements for existing projects, completed the acquisition of 5 projects, commanding a total investment of approximately RMB31.660 billion. The Group also expanded its business into new areas including waste sorting, resource recycling, energy-saving lighting and raw water protection, while adopting new business models to explore new profit growth points, such as energy management contracts ("EMC") and market-oriented operations of industrial park projects. The Group won the bid for the only waste integrated treatment project in the Xiongan New Area and secured Shenzhen Environmental Remediation Project, playing an increasingly prominent role in important national development strategies. It managed to expand its business footprint to local environmental protection markets of Heilongjiang, Hebei and Yunnan provinces, extending its presence to 187 areas in 23 provinces, municipalities and autonomous regions in China, as well as overseas markets of Germany, Poland and Vietnam. The new projects increased the Group's household waste processing capacity by 28,350 tonnes/day, food waste treatment capacity by 565 tonnes/day, water supply capacity by 600,000 m³/day, waste water treatment capacity by 655,000 m³/day, reusable water treatment capacity by 85,000 m³/day, leachate treatment capacity by 1,300 m³/day, biomass raw materials processing capacity by 120,000 tonnes/year, and hazardous waste and solid waste treatment capacity by 1,058,000 tonnes/year.

During the year under review, the Group continued to strictly focus on its principles of "productivity, efficiency, quality, cost-effectiveness, legitimacy, safety and integrity"; appropriately develop business strategies; take precautions; and address the most challenging issues with concerted efforts, in a bid to ensure the smooth construction of all its projects. This continued to boost its revenue from construction services. In 2019, the number of construction sites at once reached as many as 124, of which 55 projects completed construction and commenced operation while 67 projects commenced construction. During the year under review, the Group completed and delivered 12 environmental remediation services. As at 31 December 2019, the Group was in the process of implementing a total of 9 environmental remediation services, had 3 such services in the preparatory stage, and accumulatively delivered a total of 15 such services.

回顧年度內，本集團在競爭日趨激烈的市場環境中直面挑戰、緊抓機遇、謀篇佈局，共簽署78個新項目及6個現有項目的補充協議，以及完成收購5個項目，總投資約人民幣316.60億元；業務拓展至垃圾分類、資源回收利用、節能照明、原水保護等新領域；採用合同能源管理（「EMC」）、工業園區項目市場化運營等新業務模式，探索新的盈利增長點；中標雄安新區唯一垃圾綜合處理項目，取得深圳環境修復項目，在重大國家發展戰略中角色日益突顯；業務足跡拓展至黑龍江、河北、雲南的環保市場，業務版圖已延伸至國內23個省（市）、自治區，遍及187個地區，遠至德國、波蘭及越南。新增生活垃圾處理規模28,350噸／日；新增餐廚垃圾處理規模565噸／日；新增供水規模600,000立方米／日；新增污水處理規模655,000立方米／日；新增中水處理規模85,000立方米／日；新增滲濾液處理規模1,300立方米／日；新增生物質原材料處理規模120,000噸／年；新增危廢及固廢處置規模1,058,000噸／年。

回顧年度內，本集團繼續緊密圍繞「多快好省法安廉」七字訣，科學籌劃、未雨綢繆、合力攻堅，確保旗下各項目工程建設有序推進，持續帶動建造服務收益提升。二零一九年，本集團項目建設工地曾一度多達124個；其中，建成投運項目55個；新開工項目67個。回顧年度內，本集團完工並交付的環境修復服務達12個。截至二零一九年十二月三十一日，本集團執行中的環境修復服務共9個，籌備中的環境修復服務為3個，已交付的環境修復服務累計達15個。

The Group's environmental projects have been serving the public interest and livelihood, and set ground rules for safety and environmental management that all of its operating projects are run and managed by, in line with only the highest standards. The Group has firmly followed its "Three Zeroes" principle (zero safety accidents, zero discharge and zero cases of violation of regulations or disciplinary action), "Two Nevers" principle (the Group would rather fail to meet its target income than allow for non-compliance with relevant discharge standards; it would rather miss a project but never fail one), and "Two Percentages" principle (put in 100% of effort for the prevention of even 1% of risk), and "Four Withstands" standard (perform well in terms of factory appearance, odour management, noise control and emission indicators), with the view to pursue only the highest standards of excellence, perfection and almost zero discharge. During the year under review, the Group concentrated on safety and environmental management. As such, it improved relevant management rules and regulations, rolled out special lectures and training classes, facilitated the establishment of a full-fledged environmental management system, pressed ahead with the development of an information sharing platform and environmental monitoring platform, as well as strengthening the prevention and control of operational risks for its projects.

The Group is a staunch supporter of pragmatic environmental management and highly transparent environmental information disclosure, both of which play an indispensable part in driving the sustainable development of ecological and environmental protection companies. As such, the Group continuously honed its ingenuity, and became a trailblazer in the opening-up of environmental protection facilities for public visits in China, as well as a role model in terms of high-quality construction and operations. During the year under review, the Group's environmental protection projects across different business sectors received an accumulative total of more than 180,000 local and foreign visitors from all social circles. At the main event of the World Environment Day 2019 celebrations, the Group received the Advanced Group on Ecological Civilisation in China award and was among the Top Ten Case Studies on Public Participation 2019 for its efforts to open up facilities for public visits under the "I am an Enabler for a Beautiful China" programme by the Ministry of Ecology and Environment of the PRC. This reflected the central government's full recognition of Everbright International's work and dedication, as well as the public's commendation of its vision to build "the most reliable brand in the green world". In addition, the Group's Hangzhou Waste-to-energy Project, which was built with great devotion and efforts alongside a commitment to the Group's philosophy of integrating "local ecology, factory production and local communities", was awarded the Luban Prize, the highest recognition in China's construction field. Its Changzhou Waste-to-energy Project, as a good neighbour to local residents and a demonstration project for addressing the NIMBY (Not-in-my-backyard) predicament, was shortlisted for Case Studies on "Overcoming Obstacles Following Chinese President Xi Jinping's Thought on Socialism with Chinese Characteristics for a New Era" under the chapter of ecological civilisation development, which was compiled by the Organisation Department of the Central Committee of the Communist Party of China. The project will soon become the first fenceless waste-to-energy demonstration project in China to be opened up for public visits for free, transforming from an area of limited access into a figurative "living room" of the city.

作為民生和民心工程，本集團旗下所有環保項目築牢安全及環境管理紅線，以行業最高標準管理所有運營項目，緊遵三個零（零安全事故，零超標排放，零違規違紀），兩個決不允許（寧可收益不達標，絕不排放不達標；寧可少做一個項目，絕不做砸一個項目），兩個萬（用一萬分的努力防止萬分之一的可能），四個經得起（經得起看、經得起聞、經得起聽、經得起測）的工作宗旨，追求極致，追求完美，追求近零的至高境界。回顧年度內，本集團圍繞安全與環境管理，完善相關管理規章制度，舉辦專題講座及培訓班，推動建立健全環境管理體系，推進信息共享平台及環境監測平台的建設，加強項目運營風險的防範及控制水平。

本集團堅信，行之有效的環境管理以及高度透明的環境信息披露是驅動生態環保企業可持續發展的必要條件。故此，本集團不斷錘煉匠心，現已成為中國環保行業公眾開放先驅、高品質建設運營模範。回顧年度內，本集團旗下各業務板塊的環保項目累計接待國內外各界人士參觀考察超過18萬人次。在「2019世界環境日」全球主會場活動中，光大國際榮獲國家生態環境部頒發的「中國生態文明獎先進集體」和環保設施整體開放「美麗中國，我是行動者」2019「十佳公眾參與案例」，這意味著國家層面對光大國際工作和付出的充分肯定，也是社會大眾層面對光大國際「綠色事業，金色品牌」的高度認可。此外，杭州垃圾發電項目是在本集團堅持「生態、生產、生活」三生融合理念下用心、用情、用力高標準打造而成，並榮獲國家建築行業最高獎項魯班獎。常州垃圾發電項目作為「垃圾發電與民為鄰」破解鄰避困局示範工程，入選中組部編寫的《貫徹落實習近平新時代中國特色社會主義思想在改革發展穩定中攻堅克難案例》叢書生態文明建設篇，不久後將成為全國首個無圍牆垃圾發電示範工程向市民免費開放，完成從「閒人免進」到「城市客廳」的華麗轉身。

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During the year under review, the Group proactively participated in various forms of communications with both regional and foreign peers, sharing its experience of running an environmental protection business in a developing country. Meanwhile, it also took reference from other countries' advanced ideology, technologies and other areas. In 2019, Mr. Wang Tianyi, the Chief Executive Officer of the Company, was invited to join multiple international trade conferences; for instance, the Roundtable on Financing Water organised by Asian Development Bank ("ADB"), in which he delivered speeches as an important guest. He also participated in professional discussions on ecological and environmental topics that are under the global spotlight, including the application of the Public-Private Partnership (PPP) model and zero-waste cities, and shared unique insights and suggestions.

During the year under review, the Group proactively supported and participated in various charitable activities across the fields of environmental protection education, energy conservation, emission reduction, ecological conservation and community care through Everbright International Environmental Protection Charitable Foundation. It was the lead sponsor of the Earth Hour campaign launched by the World Wide Fund for Nature Hong Kong for the sixth consecutive year, and supported Heifer International Hong Kong branch's "Read to Feed" fundraising programme for the third year in a row. It also arranged for its Hong Kong employees to hold environmental protection workshops in local primary and secondary schools for two years running. Moreover, the Group partnered with UNICEF Hong Kong for the first time to successfully roll out the charitable outdoor parent-child carnival "Everbright International: 'Adventure in the Woods'" in Hong Kong. The event was designed to cultivate children's awareness of ecological and environmental protection and responsibility, with all funds raised donated to UNICEF's maternal and infant health projects in mountainous areas. Meanwhile, employees from various project companies under the Group continued to spontaneously organise a range of environmental protection advocacy campaigns and charitable activities, in order to frequently interact and appropriately integrate with local communities in a friendly manner.

During 2019, on the back of its employees who worked together diligently and stayed true to its original vision, the Group continued to make progress in the areas of business expansion, sustainable development, corporate governance and social responsibility, winning multiple domestic and international awards and accolades. It topped the list of 2019 China's Top 50 Environmental Enterprises published by the China Environment Service Industry Association, with its China Everbright Greentech Limited ("Everbright Greentech") and Everbright Water ranking 16th and 21st respectively. On top of that, the Group ranked first among the Top Ten Influential Solid Waste Treatment Enterprises in China for nine consecutive years, and was recognised as Asia's Most Honoured Company by internationally influential financial publication Institutional Investor for the third consecutive year. It was also included in the Dow Jones Sustainability Index for the fourth year running, in the Hang Seng Corporate Sustainability Index (also in the Hang Seng (Mainland and HK simultaneously) Corporate Sustainability Index) for six years straight, and in the FTSE4Good Index and Green Supply Chain CITI Index for the third and second year in a row respectively. Notably, Mr. Wang Tianyi, the Chief Executive Officer of the Company, was named Best CEO in the 2019 All-Asia Executive Team awards launched by Institutional Investor, as well as Asia's Best CEO for two consecutive years at the annual Asia Awards of Excellence held by Corporate Governance Asia, a reputable corporate governance magazine in Asia.

回顧年度內，本集團積極參與各類區域及國際性的行業交流，分享發展中國家的環保業務經驗，同時借鑒其他國家的先進理念、技術等。二零一九年，本公司行政總裁王天義先生受邀出席亞洲開發銀行（「亞發行」）水務融資圓桌會議等多個國際性行業會議，並作為重要嘉賓發表演講、參與專業討論，就政府和社會資本合作（PPP）模式應用、無廢城市等備受全球關注的生態環保議題，分享別有洞見的看法和建議。

回顧年度內，本集團通過旗下的光大國際環保公益基金積極支持並參與各類環保教育、節能減排、生態保育、社區關懷等方面的慈善公益活動：連續第六年成為世界自然基金會香港分會「地球一小時」活動的首席贊助商；連續第三個學年支持「國際小母牛」香港分會舉辦的開卷助人閱讀籌款計劃；連續第二年組織香港員工深入香港中小學，開展環保教育工作坊活動；首次攜手聯合國兒童基金會香港委員會在香港成功舉辦「光大國際呈現：童『闖』大自然」親子戶外嘉年華慈善活動，培養兒童的生態環保意識與責任意識，並將活動籌得善款全數捐給聯合國兒童基金會的山區母嬰健康項目。本集團各地項目員工繼續自發組織各類環保宣傳、慈善公益活動，與當地社區高頻友好互動，完美融合。

二零一九年，得益於全體員工同心協力、勤勞精幹，不忘初心，本集團在業務拓展、可持續發展、企業管治、社會責任等方面繼續實現提升，斬獲多個國內外獎項和榮譽。光大國際在全國工商聯環境商會發佈的「2019中國環境企業50強榜單」中位居榜首，旗下中國光大綠色環保有限公司（「光大綠色環保」）以及光大水務分別位居第16位及第21位；連續第九年位居「年度固廢十大影響力企業」榜首；連續第三年獲國際權威財經雜誌《機構投資者》評選為「亞洲最受尊崇企業」；連續第四年獲納入道瓊斯可持續發展指數系列；連續第六年獲納入恒生可持續發展企業指數（並自動被納入恒生內地及香港可持續發展企業指數）；連續第三年獲納入富時社會責任指數；連續第二年獲納入綠色供應鏈CITI指數。本公司行政總裁王天義先生在《機構投資者》2019年度亞洲最佳企業管理團隊評選中獲評「亞洲最佳CEO」，並連續第二年於亞洲知名企業管治專業雜誌《亞洲企業管治》年度亞洲卓越大獎評選中獲評「亞洲最佳CEO」。

In terms of operating results, the Group achieved swift, high-quality and stable growth during the year under review, with its different business sectors maintaining positive momentum of vitalised growth. Its revenue, profits before tax and profits attributable to equity holders of the Company all recorded steady growth. The Group's project construction continued to progress expeditiously, resulting in continued growth in construction service revenue. The Group also saw significant growth in revenue from operation services, as it continued to reduce costs, expand income streams and enhance efficiency, in addition to continued growth in the total number of operating projects. During the year under review, the Group's consolidated revenue amounted to HK\$37,557,635,000, an increase of 38% over HK\$27,227,998,000 in 2018. EBITDA amounted to HK\$10,957,474,000, an increase of 22% over HK\$8,994,788,000 in 2018. Profit attributable to equity holders of the Company was HK\$5,203,291,000, 20% more than HK\$4,319,235,000 recorded in the previous year. Basic earnings per share for 2019 was HK84.70 cents, HK1.07 cents less than HK85.77 cents in 2018, mainly due to the dilution impact of rights issue completed in September 2018. The Group has ready access to financing channels with abundant capital, with excellent performance across all financial indicators.

In order to maintain its sustainable development and fulfill the capital need for its mid-to long-term growth, the Group explored and expanded financing channels during the year under review. This has bolstered its financial capabilities and next round of development, buttressed by diversified and consistently stable capital. Meanwhile, it also made adjustments in response to the fluctuations of the Renminbi. During the year under review, the Group actively collected account receivables, negotiated with banks to secure additional facility support, and obtained various subsidies of RMB501 million in total from various authorities in the country. As of 31 December 2019, the Group had cash on hand amounting to HK\$12,302,988,000, with a reasonable gearing level and healthy financial position.

The Company is dedicated to performing with excellence and adding value for its shareholders (the "Shareholders"), and consistently shares development outcomes with them. To reward the support of the Shareholders, as well as take into account the Group's sustainable development, the board of directors of the Company (the "Board") has proposed to pay a final dividend of HK13.0 cents per share as of 31 December 2019 (2018: HK12.0 cents per share). The total dividends for the year are to be HK26.0 cents per share (2018: HK24.0 cents per share).

經營業績方面，回顧年度內，本集團整體實現高速、高品質、穩健發展，旗下各大業務板塊延續競相發展的良好態勢，收益、稅前盈利以及本公司權益持有人應佔盈利均錄得穩健增長。年內工程項目繼續快速推進，持續帶動建造服務收益增長。運營項目繼續開源節流，提升效益，加上運營項目數量陸續增加，運營服務收益大幅提升。回顧年度內，本集團錄得綜合收益港幣37,557,635,000元，較二零一八年之港幣27,227,998,000元增加38%。除利息、稅項、折舊及攤銷前盈利為港幣10,957,474,000元，較二零一八年之港幣8,994,788,000元增加22%。本公司權益持有人應佔盈利港幣5,203,291,000元，較二零一八年之港幣4,319,235,000元增加20%。二零一九年每股基本盈利為84.70港仙，較二零一八年之85.77港仙減少1.07港仙，主要為二零一八年九月完成供股的攤薄效應。本集團融資渠道暢通，資金充裕，各項財務指標良好。

為保持企業自身的可持續發展及解決中長期發展的資金需求，本集團於回顧年度內積極探索和拓展融資渠道，增強資金實力，為新一輪發展提供多元化、長期和穩定的資金後盾，同時亦針對人民幣匯率波動積極作好應對調節。本集團於回顧年度內積極回收各類應收賬款及與銀行磋商獲得新貸款額度，並獲得國家各類資金補助達人民幣5.01億元。於二零一九年十二月三十一日，本集團手持現金達港幣12,302,988,000元，負債水平合理，財務狀況健康。

本公司致力為其股東（「股東」）創優增值，並堅持將公司發展成果與股東分享。為回饋股東的支持及考慮本集團的可持續發展，本公司董事會（「董事會」）建議就截至二零一九年十二月三十一日止年度派發末期股息每股13.0港仙予股東（二零一八年：每股12.0港仙），全年股息每股26.0港仙（二零一八年：每股24.0港仙）。

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Environmental Protection Business 環保業務

As of 31 December 2019, the Group has a business presence in 187 locations across 23 provinces, municipalities and autonomous regions in China, as well as overseas markets of Germany, Poland and Vietnam. The Group secured 399 environmental protection projects, commanding a total investment of approximately RMB123.801 billion. It also undertook 27 environmental remediation projects, 11 engineering procurement construction (“EPC”) projects, 2 EMC projects and 3 operation and management (“O&M”) projects. Among these projects, 255 projects completed construction, with a total investment of approximately RMB62.532 billion; 59 projects were under construction, with a total investment of approximately RMB29.820 billion; and 85 projects were in preparatory stage, with a total investment of approximately RMB31.449 billion.

As of 31 December 2019, the Group, being the world's largest waste-to-energy project investor and operator, secured a total of 144 waste-to-energy projects, with a designed daily household waste processing capacity of 123,200 tonnes, under its environmental energy and greentech business sectors. In addition, the Group had 83 projects that completed construction and commenced operation, with a designed daily household waste processing capacity of 69,450 tonnes. Meanwhile, 31 projects were under construction, with a designed daily household waste processing capacity of 29,600 tonnes, and 30 projects were in the preparatory stage, with a designed daily household waste processing capacity of 24,150 tonnes.

During the year under review, the Group's environmental energy, greentech and environmental water projects generated a total revenue of HK\$36,368,285,000, of which revenue from construction services increased by 44% to HK\$23,846,903,000 and revenue from operation services increased by 37% to HK\$9,436,752,000, as compared with 2018. Each segment generated the following proportions of revenue: revenue from construction services took up 66%, revenue from operation services took up 26% and finance income provided 8%.

截至二零一九年十二月三十一日，本集團業務佈局已拓展至全國23個省(市)、自治區，遍及187個地區，遠至德國、波蘭及越南，已落實環保項目總數399個，涉及總投資約人民幣1,238.01億元。共承接27個環境修復項目：11個工程總包(「EPC」)項目；2個EMC項目以及3個委託運營項目。其中，已竣工項目255個，涉及總投資約人民幣625.32億元；在建項目59個，涉及總投資約人民幣298.20億元；籌建項目85個，涉及總投資約人民幣314.49億元。

截至二零一九年十二月三十一日，本集團作為全球最大的垃圾發電投資運營商，旗下環保能源板塊及綠色環保板塊合共落實垃圾發電項目144個，設計日處理生活垃圾123,200噸；已投運、在建以及籌建的垃圾發電項目分別83個、31個及30個，設計日處理生活垃圾規模分別為69,450噸、29,600噸及24,150噸。

回顧年度內，本集團旗下環保能源、綠色環保、環保水務項目的收益合共達港幣36,368,285,000元，其中建造服務收益為港幣23,846,903,000元，較二零一八年增長44%；運營服務收益為港幣9,436,752,000元，較二零一八年增長37%。各收益比重為：建造服務收益、運營服務收益及財務收入分別佔66%、26%及8%。

Major financial data relating to the three major environmental protection business sectors in 2019 are summarised in the table below:

二零一九年三大環保業務板塊之主要財務資料摘要如下：

| | | 2019 二零一九年 | | | | 2018 二零一八年 | | | |
|-------------------------|-------------------------|---|---|--|---------------------------------|---|---|--|---|
| | | Environmental Energy Projects 環保能源項目 HK\$'000 港幣千元 | Greentech Projects 綠色環保項目 HK\$'000 港幣千元 | Environmental Water Projects 環保水務項目 HK\$'000 港幣千元 | Total 合計 HK\$'000 港幣千元 | Environmental Energy Projects 環保能源項目 HK\$'000 港幣千元 (Restated) (重報) | Greentech Projects 綠色環保項目 HK\$'000 港幣千元 | Environmental Water Projects 環保水務項目 HK\$'000 港幣千元 | Total 合計 HK\$'000 港幣千元 (Restated) (重報) |
| Revenue | 收益 | | | | | | | | |
| - Construction services | - 建造服務 | 15,720,547 | 4,919,759 | 3,206,597 | 23,846,903 | 9,709,674 | 4,127,440 | 2,761,642 | 16,598,756 |
| - Operation services | - 運營服務 | 3,723,750 | 4,165,018 | 1,547,984 | 9,436,752 | 2,902,147 | 2,730,775 | 1,236,683 | 6,869,605 |
| - Finance income | - 財務收入 | 2,093,907 | 194,531 | 796,192 | 3,084,630 | 1,728,708 | 140,848 | 720,714 | 2,590,270 |
| | | 21,538,204 | 9,279,308 | 5,550,773 | 36,368,285 | 14,340,529 | 6,999,063 | 4,719,039 | 26,058,631 |
| EBITDA | 除利息、稅項、 折舊及攤銷前 盈利 | 6,660,887 | 2,890,813 | 1,649,369 | 11,201,069 | 5,541,212 | 2,179,350 | 1,437,774 | 9,158,336 |

The Group placed equal emphasis on generating both social and economic benefits in relation to its commitment to adhere to environmental protection and social responsibility, and promote energy conservation and emissions reduction, with the aim to boost social, economic and environmental efficiencies. During the year under review, the Group processed 24,739,000 tonnes of household waste, 198,000 tonnes of hazardous waste and solid waste and 4,636,000 tonnes of agricultural and forestry waste, and generated 12,272,395,000 kWh of green electricity. This output can support the annual electricity consumption needs of 10,227,000 households, equivalent to saving 4,909,000 tonnes of standard coal while reducing carbon dioxide (CO₂) emissions by 12,343,000 tonnes. The Group also treated 1,433,805,000 m³ of waste water, 5,210,000 m³ of leachate produced from waste-to-energy plants, and reduced COD (Chemical Oxygen Demand) emissions by 513,000 tonnes. Since the Group's first environmental protection project commenced operation in 2005, it has processed an accumulated total of 93,960,000 tonnes of household waste, 889,000 tonnes of hazardous waste and solid waste and 11,931,000 tonnes of agricultural and forestry waste, and generated 41,374,196,000 kWh of green electricity. This fulfilled the annual electricity consumption needs of 34,479,000 households, which was equivalent to saving 16,550,000 tonnes of standard coal while reducing CO₂ emissions by 44,227,000 tonnes, and preventing 5,378,645,000 trees from being cut down. The Group has treated an accumulated 9,704,496,000 m³ of waste water and 19,143,000 m³ of leachate produced from waste-to-energy plants, and reduced COD emissions by 3,633,000 tonnes.

本集團致力推動社會及經濟雙重效益共進，堅守環境保護與社會責任理念，積極推動節能減排，實現社會、經濟和環境效益的同步提升。於回顧年度內，本集團分別處理生活垃圾24,739,000噸，危廢及固廢198,000噸及農林廢棄物4,636,000噸，提供綠色電力12,272,395,000千瓦時，可供10,227,000個家庭一年使用，相當於節約標煤4,909,000噸，減少二氧化碳排放12,343,000噸。本集團處理污水1,433,805,000立方米，垃圾發電廠的滲濾液5,210,000立方米及減少COD(化學需氧量)排放513,000噸。自二零零五年本集團首個環保項目運行以來，累計分別處理生活垃圾93,960,000噸，危廢及固廢889,000噸及農林廢棄物11,931,000噸，提供綠色電力41,374,196,000千瓦時，可供34,479,000個家庭一年使用，相當於節約標煤16,550,000噸，減少二氧化碳排放44,227,000噸，減少樹木砍伐5,378,645,000株。本集團累計處理污水9,704,496,000立方米，垃圾發電廠的滲濾液19,143,000立方米，減少COD排放3,633,000噸。



ENVIRONMENTAL ENERGY 環保能源

Growing from **Biggest** to **Best**

從 **最大** 走向 **最優**

I. ENVIRONMENTAL ENERGY — 環保能源

As of 31 December 2019, the Group's environmental energy sector had 125 waste-to-energy projects (including 2 O&M projects), 18 food waste treatment projects, 5 sludge treatment and disposal projects, 3 leachate treatment projects, 2 methane-to-energy projects, 1 fecal treatment project, 1 fly ash landfill project, 1 medical waste treatment project and 1 solid waste treatment project, with a total investment of approximately RMB70.594 billion. These projects have a total designed annual household waste processing capacity of approximately 41,738,000 tonnes, which can generate annual on-grid electricity of approximately 13,696,451,000 kWh. The total designed annual food waste treatment capacity is approximately 865,000 tonnes, while the total designed annual sludge treatment capacity is approximately 157,000 tonnes, and the designed annual medical waste treatment capacity is approximately 4,000 tonnes.

In 2019, in terms of market expansion, the environmental energy sector secured 44 new projects (including 1 acquired project) and 2 supplementary agreements for its existing projects, with a total investment of approximately RMB20.509 billion. Among these projects, there were 34 waste-to-energy projects (including 1 acquired project) and 2 supplementary agreements for existing waste-to-energy projects, commanding a total investment of approximately RMB20.024 billion, contributing a total designed daily household waste processing capacity of 28,350 tonnes, up by 23% as compared with 2018. In addition, the environmental energy sector secured 6 food waste treatment projects, commanding a total investment of approximately RMB249 million, with a designed daily food waste treatment capacity by 565 tonnes. The environmental energy sector also secured 2 sludge treatment and disposal projects, 1 leachate treatment project, and 1 medical waste treatment project, which commanded a total investment of approximately RMB236 million.

截至二零一九年十二月三十一日，本集團環保能源板塊共簽署125個垃圾發電項目（包括2個委託運營項目）、18個餐廚垃圾處理項目、5個污泥處理處置項目、3個滲濾液處理項目、2個沼氣發電項目、1個糞便處理項目、1個飛灰填埋場項目、1個醫療廢物處理項目及1個固廢處理項目，涉及總投資約人民幣705.94億元。設計總規模為年處理生活垃圾約41,738,000噸、年上網電量約13,696,451,000千瓦時、年處理餐廚垃圾約865,000噸、年處理污泥約157,000噸及年處理醫療廢物約4,000噸。

市場拓展方面，於二零一九年，環保能源板塊共取得44個新項目（包括1個收購項目）及簽署2個現有項目的補充協議，涉及總投資約人民幣205.09億元。其中，新增垃圾發電項目34個（包括1個收購項目）並簽署2個現有垃圾發電項目的補充協議，涉及總投資約人民幣200.24億元，新增設計規模為日處理生活垃圾28,350噸，較二零一八年同比增長23%；新增6個餐廚垃圾處理項目，涉及總投資約人民幣2.49億元，新增設計規模為日處理餐廚垃圾565噸；新增2個污泥處理處置項目、1個滲濾液處理項目及1個醫療廢物處理項目，涉及總投資約人民幣2.36億元。

When it comes to operations management, projects under the environmental energy sector strictly complied with the relevant emission standards and sought to operate efficiently. By participating in safety and environmental management trainings, the Group was able to further strengthen its operation team's professional knowledge, advance its management philosophy, and improve risk prevention and control awareness. This laid a foundation for continuous improvements to the project operation management system. The Group also stepped up its R&D effort in intelligent management systems, such as intelligent power stations, which has helped pave the way to enhance efficiency further. It also strengthened the management and control of various management procedures including budgeting, tendering and procurement, to promote precise management and improve cost control. In 2019, the electricity generation per tonne of waste of waste-to-energy projects under the environmental energy sector continued to rise, with an average electricity generated per waste incinerated of over 440 kWh per tonne, and an integrated power consumption ratio of 15%.

In terms of project construction, during the year under review, 25 projects completed construction and commenced operation, commanding a total investment of approximately RMB11.404 billion. Among these projects, there were 18 waste-to-energy projects, with a total designed daily household waste processing capacity of 18,950 tonnes; 5 food waste treatment projects, with a total designed daily food waste treatment capacity of 975 tonnes; 1 sludge treatment and disposal project, with a daily sludge treatment capacity of 100 tonnes; and 1 leachate treatment project, with a daily leachate treatment capacity of 1,300 tonnes. In addition, 29 projects, in addition to 3 construction projects related to the supplementary agreements for existing projects, commenced construction during the year under review, commanding a total investment of approximately RMB14.324 billion. These projects include 22 waste-to-energy projects, in addition to 3 construction projects related to the supplementary agreement for existing projects, with a total designed daily household waste processing capacity of 20,550 tonnes; 5 food waste treatment projects, with a total designed daily food waste treatment capacity of 750 tonnes; in addition to 1 leachate treatment project and 1 fly ash landfill project.

As of 31 December 2019, in the environmental energy sector, 73 waste-to-energy projects (including 2 O&M projects) were under operation, commanding a total investment of approximately RMB33.135 billion, with a total designed daily household waste processing capacity of 64,850 tonnes, up by 39% as compared with 2018. There were 25 waste-to-energy projects under construction, commanding a total investment of approximately RMB18.584 billion, with a designed daily household waste processing capacity of 26,650 tonnes, up by 8% as compared with 2018. There are 27 waste-to-energy projects in the preparatory stage, commanding a total investment of approximately RMB15.912 billion, with a designed daily household waste processing capacity of 22,850 tonnes, up by 44% as compared with 2018.

運營管理方面，環保能源板塊項目嚴格遵守相關排放指標、高效運營，通過參與安全與環境管理培訓提升運營團隊的專業知識、先進管理理念、風險防控意識等，為持續完善項目運營管理體系奠定基礎；加大在「智慧電廠」等智慧化管理系統方面的研發力度，為進一步提高效能做好鋪墊；加強在精準預算、招標採購等方面的管控力度，為推進精細化管理及提高成本管控水平作出切實努力。二零一九年，環保能源板塊垃圾發電項目的垃圾噸發電量持續提升，平均每噸入爐垃圾發電量達440千瓦時以上，綜合廠用電率約15%。

項目建設方面，回顧年度內，共有25個項目建成投運，涉及總投資約人民幣114.04億元。其中包括18個垃圾發電項目，設計日處理生活垃圾18,950噸；5個餐廚垃圾處理項目，設計日處理餐廚垃圾975噸；1個污泥處理處置項目，設計日處理污泥100噸；1個滲濾液處理項目，設計日處理滲濾液1,300噸。此外，29個項目及3個現有項目補充協議涉及的工程項目於回顧年度內開工建設，總投資約人民幣143.24億元。其中包括22個垃圾發電項目及3個現有項目補充協議涉及的工程項目，設計日處理生活垃圾20,550噸；5個餐廚垃圾處理項目，設計日處理餐廚垃圾750噸；1個滲濾液處理項目及1個飛灰填埋場項目。

截至二零一九年十二月三十一日，環保能源板塊共有73個投運的垃圾發電項目（包括2個委託運營項目），涉及總投資約人民幣331.35億元，設計日處理生活垃圾64,850噸，較二零一八年同比增長39%；25個在建的垃圾發電項目，涉及總投資約人民幣185.84億元，設計日處理生活垃圾26,650噸，較二零一八年同比增長8%；27個籌建的垃圾發電項目，涉及總投資約人民幣159.12億元，設計日處理生活垃圾22,850噸，較二零一八年同比增長44%。

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During the year under review, the environmental energy sector obtained various subsidies worth approximately RMB258 million in total.

During the year under review, the environmental energy sector waste-to-energy projects processed a total of 21,515,000 tonnes of household waste, an increase of 19% compared with 2018. All projects generated 6,617,870,000 kWh of on-grid electricity in total, an increase of 22% compared with 2018. Environmental energy projects contributed an EBITDA of HK\$6,660,887,000, an increase of 20% compared with 2018. Environmental energy projects contributed a net profit attributable to the Group of HK\$4,129,737,000, an increase of 20% compared with 2018. The increase in profit was mainly attributable to the substantial growth in the number of construction projects, driving an increase in construction services revenue.

As of 31 December 2019, the environmental energy sector had two overseas environmental protection projects, located in Poland and Vietnam respectively. During the year under review, the Group's first overseas acquisition project in Poland, NOVAGO Sp. z o.o., proactively dealt with the challenges from changes to environmental regulations in Poland, and focused on compliance and smooth operations. As the Group's first overseas waste-to-energy project, Vietnam Can Tho Waste-to-energy Project ("Can Tho Project") experienced stable operations and met emission standards throughout the year. The Group will use Can Tho Project as a first step into exploring further opportunities in the environmental protection business in Vietnam and even Southeast Asia.

回顧年度內，環保能源板塊共獲得各項專項資金補貼約人民幣2.58億元。

回顧年度內，環保能源板塊之垃圾發電項目合共處理生活垃圾21,515,000噸，較二零一八年增加19%；所有項目提供上網電量合共6,617,870,000千瓦時，較二零一八年增加22%。環保能源項目貢獻除利息、稅項、折舊及攤銷前盈利合共港幣6,660,887,000元，較二零一八年增加20%。環保能源項目貢獻本集團應佔淨盈利為港幣4,129,737,000元，較二零一八年增加20%。盈利增加主要受惠於回顧年度內建設項目數量大幅上升，提升了建造服務收益。

截至二零一九年十二月三十一日，環保能源板塊共有2個海外環保項目，分別位於波蘭及越南。回顧年度內，作為本集團首個於波蘭的海外併購項目，NOVAGO Sp. z o.o.積極應對波蘭環保法規的變化，推進合規建設，實現平穩運營。作為本集團首個海外垃圾發電項目，越南芹苴垃圾發電項目（「芹苴項目」）全年穩定運營，達標排放。本集團將以芹苴項目為契機，積極探索越南乃至東南亞市場的環保業務機會。

Major operating and financial data relating to environmental energy projects during 2019 are summarised in the table below:

二零一九年度環保能源板塊項目之主要運營與財務資料摘要如下：

| | | 2019 二零一九年 | 2018 二零一八年 (Restated) (重報) |
|--|-----------------------|-------------------|-------------------------------------|
| Environmental energy projects | 環保能源項目 | | |
| Household waste processing volume (tonnes) | 垃圾處理量(噸) | 21,515,000 | 18,079,000 |
| Food waste, sludge and other waste treatment volume (tonnes) | 餐廚垃圾、污泥及其他垃圾處理量(噸) | 1,232,000 | 157,000 |
| On-grid electricity (MWh) | 上網電量(兆瓦時) | 6,617,870 | 5,419,543 |
| EBITDA (HK\$'000) | 除利息、稅項、折舊及攤銷前盈利(港幣千元) | 6,660,887 | 5,541,212 |

GREENTECH 綠色環保

Seeking **Diversification** with a **Green Focus**

聚焦 綠色 多元 發展

II. GREENTECH 二、綠色環保

As of 31 December 2019, the Group held a 69.7% stake in Everbright Greentech, which is listed on the Main Board of the Stock Exchange, with its main businesses covering: biomass integrated utilisation, hazardous waste and solid waste treatment, and environmental remediation, among other services.

As at the 31 December 2019, Everbright Greentech had secured 109 projects, with 48 biomass integrated utilisation projects, 51 hazardous waste and solid waste treatment projects, 7 solar energy projects, 2 wind power projects and 1 environmental protection company, with a total investment of approximately RMB29.130 billion. The designed annual processing capacity of biomass raw materials was 8,089,800 tonnes, the designed annual household waste processing capacity was 3,230,250 tonnes, and the designed annual hazardous waste and solid waste treatment capacity was approximately 2,229,370 tonnes. There was a total of approximately 6,623,903,400 kWh of on-grid electricity generated, while the annual heat supply capacity amounted to approximately 3,179,000 tonnes. In addition, Everbright Greentech also undertook 27 environmental remediation services in total, with an aggregate contract value of approximately RMB725 million.

Regarding market expansion, in 2019, Everbright Greentech secured 16 new projects, undertook 7 environmental remediation services, signed 5 supplementary agreements for existing projects, which commanded a total investment of RMB5.702 billion and environmental remediation service contract value of approximately RMB113 million. These new projects contributed a designed power generation capacity of 7 MW, a designed annual biomass raw materials processing capacity of approximately 120,000 tonnes, and an annual heat supply capacity of approximately 1,242,000 tonnes, and an annual designed hazardous waste and solid waste treatment capacity of approximately 965,000 tonnes. In addition, Everbright Greentech completed the acquisition of 3 environmental protection companies during the year under review.

截至二零一九年十二月三十一日，本集團持有光大綠色環保69.7%的權益。光大綠色環保為聯交所主板上市公司，主營業務包括生物質綜合利用、危廢及固廢處置和環境修復等。

截至二零一九年十二月三十一日，光大綠色環保已落實環保項目109個，包括48個生物質綜合利用項目、51個危廢及固廢處置項目、7個光伏發電項目、2個風電項目及1家環保企業，總投資約人民幣291.30億元，設計規模為年處理生物質原材料約8,089,800噸、年處理生活垃圾約3,230,250噸，年處置危廢及固廢約2,229,370噸，年上網電量合共約6,623,903,400千瓦時，年供蒸汽合共約3,179,000噸。此外，光大綠色環保累計承接27個環境修復服務項目，合同金額合共約人民幣7.25億元。

市場拓展方面，於二零一九年，光大綠色環保共取得16個新項目，承接7個環境修復服務項目，以及簽署5個現有項目的補充協議，涉及項目總投資約人民幣57.02億元，環境修復服務合同總額約人民幣1.13億元。新增設計發電裝機容量約7兆瓦、年處理生物質原材料約120,000噸、年供蒸汽約1,242,000噸、年處置危廢及固廢約965,000噸。此外，光大綠色環保於回顧年度內完成收購3家環保企業。

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In terms of operations management, Everbright Greentech continued to deepen the implementation of the environmental, safety, health and social responsibility ("ESHS") system, and refined its "dual prevention mechanism" for hierarchical safety risk control and potential hazard rectification, as well as environmental management throughout its operational process. It also tightened specific controls over high-risk operation locations and procedures, and improved safety conditions at project sites.

Regarding project construction, during the year under review, Everbright Greentech had 12 projects completed construction and commenced operation; 2 projects completed construction, commanding a total investment of RMB4.299 billion. Everbright Greentech also had 12 environmental remediation services completed remediation work and were delivered in 2019. During the year under review, Everbright Greentech had 14 projects commenced construction, and 6 environmental remediation services projects gradually started remediation work.

As at 31 December 2019, Everbright Greentech's 20 hazardous waste and solid waste treatment projects were under operation and completed construction, with a designed annual hazardous waste and solid waste treatment capacity of 403,576 tonnes, an increase of 88% over the end of the previous year; in terms of integrated resources utilisation, approximately 5,242 tonnes of recycled products were sold. There were also 5 hazardous waste and solid waste treatment projects under construction, with a designed annual hazardous waste and solid waste treatment capacity of 160,000 tonnes.

As of 31 December 2019, Everbright Greentech had a total of 32 integrated biomass utilisation projects in operation, the annual on-grid electricity generation was approximately 4,533,143 MWh, which represented an increase of 51% over the same period last year. The designed annual biomass raw materials processing capacity of approximately 6,220,000 tonnes represented an increase of 47% over 2018. The designed daily household waste processing capacity of approximately 4,600 tonnes represented an increase of 64% over 2018. The annual heat supply of approximately 1,939,000 tonnes represented an increase of 73% over the same period last year. As of 31 December 2019, 13 integrated biomass utilisation projects under construction, with an annual on-grid electricity generation was approximately 1,658,815 MWh, a designed annual biomass raw materials processing capacity of approximately 1,870,000 tonnes, and a designed daily household waste processing capacity of approximately 2,950 tonnes.

運營管理方面，光大綠色環保繼續深化落實環境、安全、健康及社會責任(「ESHS」)制度，完善安全風險分級管控、隱患分級治理「雙重預防機制」及全過程環境管理，並針對性地加強高風險作業場所和作業環節的管控，改善項目現場安全作業條件。

工程建設方面，回顧年度內，光大綠色環保共有12個項目建成投運；2個項目建成完工，涉及總投資約人民幣42.99億元，12個環境修復服務項目於二零一九年完成修復工程並交付。回顧年度內，14個項目開工建設，6個環境修復服務項目陸續開始提供修復工程。

截至二零一九年十二月三十一日，光大綠色環保投運及完工的危廢及固廢處置項目20個，設計年處置危廢及固廢403,576噸，較去年同比增加88%；資源綜合利用方面，銷售資源化利用產品約5,242噸。在建危廢及固廢處置項目5個，設計年處置危廢及固廢160,000噸。

截至二零一九年十二月三十一日，光大綠色環保投運的生物質綜合利用項目共32個，年上網電量約4,533,143兆瓦時，較去年同比增長51%；設計年處理生物質原材料約6,220,000噸，較去年同比增長47%；設計日處理生活垃圾約4,600噸，同比增長64%；年供應蒸汽約1,939,000噸，較去年同比增長73%。截至二零一九年十二月三十一日，在建生物質綜合利用項目13個，年上網電量約1,658,815兆瓦時，設計年處理生物質原材料約1,870,000噸，設計日處理生活垃圾約2,950噸。

During the year under review, Everbright Greentech obtained various subsidies exceeding RMB162 million in total.

During the year under review, greentech projects provided approximately 4,095,179,000 kWh of on-grid electricity in total, an increase of 42% compared with 2018. Greentech projects contributed an EBITDA of HK\$2,890,813,000, a 33% increase compared with 2018. Greentech projects contributed a net profit attributable to the Group of HK\$1,147,515,000, a 22% increase compared with 2018. The increase in profit was mainly due to the significant increase in both construction and operation service revenues compared with 2018.

回顧年度內，光大綠色環保共獲得各項資金補貼約人民幣1.62億元。

回顧年度內，綠色環保項目合共提供上網電量4,095,179,000千瓦時，較二零一八年增加42%。綠色環保項目貢獻除利息、稅項、折舊及攤銷前盈利港幣2,890,813,000元，較二零一八年上升33%。綠色環保項目貢獻本集團應佔淨盈利港幣1,147,515,000元，較二零一八年上升22%。盈利上升主要得益於建造服務收益及運營服務收益均較二零一八年大幅增長。

Major operating and financial data of greentech projects in 2019 are summarised in the table below:

二零一九年綠色環保項目之主要運營與財務資料摘要如下：

| | | 2019 二零一九年 | 2018 二零一八年 |
|---|-----------------------|------------------|---------------|
| Greentech projects | 綠色環保項目 | | |
| Waste processing volume (tonnes) | 垃圾處理量(噸) | 1,440,000 | 881,000 |
| Biomass raw materials processing volume (tonnes) | 生物質原材料處理量(噸) | 4,636,000 | 3,160,000 |
| Hazardous waste and solid waste treatment volume (tonnes) | 危廢及固廢處置量(噸) | 198,000 | 127,000 |
| On-grid electricity (MWh) | 上網電量(兆瓦時) | 4,095,179 | 2,873,871 |
| EBITDA (HK\$'000) | 除利息、稅項、折舊及攤銷前盈利(港幣千元) | 2,890,813 | 2,179,350 |



ENVIRONMENTAL WATER 環保水務

Exploring **Full-chain Business**
and **Striving for Innovation**

全產業鏈發展 全過程創新

III. ENVIRONMENTAL WATER 三、環保水務

As of 31 December 2019, the Group has a 72.87% stake in Everbright Water. Everbright Water is listed on the Mainboard of the Singapore Exchange Securities Trading Limited and the Main Board of the Stock Exchange. It has developed a full-fledged business coverage, which includes raw water protection, water supply, municipal waste water treatment, industrial waste water treatment, reusable water, river-basin ecological restoration, and sludge treatment and disposal. Meanwhile, it has also formed a full industry chain on the water business, including project investment, planning and design, technological R&D, engineering and construction, operations management, among others.

As of 31 December 2019, Everbright Water had 1 raw water protection project, 3 water supply projects, 96 municipal waste water treatment projects, 12 industrial waste water treatment projects, 1 leachate treatment project, 8 reusable water projects, 6 ecological restoration of river-basin projects and 2 waste water source heat pump projects, commanding a total investment of approximately RMB23.485 billion. It also secured 2 EPC projects and 1 O&M project. These projects have a designed annual waste water treatment capacity of approximately 1,876,684,000 m³, a designed annual reusable water supply capacity of approximately 75,409,000 m³, and a designed annual water supply capacity of approximately 310,250,000 m³. The waste water source heat pump projects provide heating and cooling services to an area of 295,000 m².

截至二零一九年十二月三十一日，本集團持有光大水務72.87%的權益。光大水務為新加坡證券交易所有限公司及聯交所的主板上市公司，目前已實現原水保護、供水、市政污水處理、工業廢水處理、中水回用、流域治理、污泥處理處置等全業務覆蓋，精專於項目投資、規劃設計、科技研發、工程建設、運營管理等業務領域。

截至二零一九年十二月三十一日，光大水務共有1原水保護項目、3個供水項目、96個市政污水處理項目、12個工業廢水處理項目、1個滲濾液處理項目、8個中水回用項目、6個流域治理項目及2個污水源熱泵項目，涉及總投資約人民幣234.85億元；承接2個EPC項目及1個委託運營項目。設計規模為年處理污水約1,876,684,000立方米、年供中水約75,409,000立方米、年供水約310,250,000立方米；污水源熱泵項目可為295,000平方米面積提供供熱及製冷服務。

In terms of market expansion, during the year under review, Everbright Water secured 18 new projects and signed 1 supplementary agreement for its existing project, commanding a total investment of approximately RMB4.743 billion. It also secured 2 EPC projects and 1 O&M project. The new projects contributed to the increases in designed daily waste water treatment capacity by 655,000 m³, designed daily reusable water supply capacity by 85,000 m³, designed daily water supply capacity by 600,000 m³, and designed daily sludge treatment and disposal capacity by 200 tonnes.

In terms of operations management, during the year under review, Everbright Water continued to promote its “Intelligent Water” management system and trials in order to make stable improvements to the the execution of each level of ESHS management system and risk management system. In 2019, 10 waste water treatment plants under Everbright Water were approved for an increase in tariffs ranging from 4% to 61%.

Everbright Water made steady progress in project construction. During the year under review, 18 projects commenced construction while 18 projects completed construction and commenced operation, with a designed daily waste water treatment capacity of approximately 440,600 m³, a designed daily reusable water supply capacity of 40,000 m³, a designed daily water supply capacity of 150,000 m³, and a designed daily sludge treatment capacity of 50 tonnes.

Furthermore, Everbright Water obtained various subsidies totalling RMB65.27 million during the year under review.

市場拓展方面，回顧年度內，光大水務共取得18個新項目及簽署1個現有項目的補充協議，涉及總投資約人民幣47.43億元；承接2個EPC項目及1個委託運營項目。新增設計規模為日處理污水655,000立方米、日供中水85,000立方米、日供水600,000立方米、日污泥處理處置規模200噸。

運營管理方面，回顧年度內，光大水務持續推進「智慧水務」管理系統的應用和試點工作，穩步強化ESHS管理體系和風險管理體系在各層級的落實力度。二零一九年，光大水務旗下合共10個污水處理廠獲批上調水價，上調幅度介乎4%至61%。

工程建設方面，光大水務繼續有序推進各項目工程建設。回顧年度內，18個項目開工建設；18個項目建成投運，設計規模為日處理污水440,600立方米，日供中水40,000立方米，日供水150,000立方米，日處理污泥50噸。

此外，光大水務於回顧年度內合共獲得各項資金補貼約人民幣6,527萬元。

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As of 31 December 2019, Everbright Water had 101 projects in operation. These projects commanded a total investment of approximately RMB12.407 billion, with a total designed daily municipal waste water treatment capacity of 4,330,000 m³, up 15% compared with 2018; a total designed daily industrial waste water treatment capacity of 80,000 m³, up 14% compared with 2018; a total designed daily reusable water supply capacity of 121,600 m³, up 49% compared with 2018; and a designed daily leachate treatment capacity of 600 m³. Everbright Water also had 12 projects under construction, with a total investment of approximately RMB5.307 billion, including 6 municipal waste water treatment projects, 3 industrial waste water treatment projects, 1 reusable water project and 2 river-basin ecological restoration projects. These projects are designed to have a total daily municipal waste water treatment capacity of 285,000 m³, a total daily industrial waste water treatment capacity of 21,000 m³ and a daily reusable water supply capacity of 40,000 m³.

During the year under review, the Group's environmental water projects treated a total of 1,433,805,000 m³ of waste water, up 13% compared with 2018. Such environmental water projects contributed an EBITDA of HK\$1,649,369,000, an increase of 15% compared with 2018. Environmental water projects contributed a net profit attributable to the Group of HK\$619,343,000, up 21% compared with 2018. The increase of profit was mainly due to the growth in revenue from the improvement of operation and the expansion of business.

截至二零一九年十二月三十一日，光大水務共有101個運營項目，涉及總投資約人民幣124.07億元，設計規模為日處理生活污水4,330,000立方米，較二零一八年同比增長15%；日處理工業廢水80,000立方米，同比增長14%；設計日供中水121,600立方米，較二零一八年同比增長49%；設計日處理滲濾液600立方米。此外，光大水務共有12個在建項目，涉及總投資約人民幣53.07億元，包括6個市政污水處理項目、3個工業廢水處理項目、1個中水回用項目及2個流域治理項目，設計規模為日處理生活污水285,000立方米、日處理工業廢水21,000立方米、日供中水40,000立方米。

回顧年度內，本集團之環保水務項目合共處理污水1,433,805,000立方米，較二零一八年增加13%。環保水務貢獻除利息、稅項、折舊及攤銷前盈利共港幣1,649,369,000元，較二零一八年增加15%。環保水務項目貢獻本集團應佔淨盈利為港幣619,343,000元，較二零一八年增加21%。盈利上升主要為受惠於經營狀況改善及業務擴張帶動收入增長。

Major operating and financial data relating to environmental water projects in 2019 are summarised in the table below:

二零一九年環保水務業務之主要運營與財務資料摘要如下：

| | | 2019 二零一九年 | 2018 二零一八年 |
|---|-----------------------|------------------|---------------|
| Environmental water projects | 環保水務項目 | | |
| Waste water treatment volume ('000 m ³) | 污水處理量(千立方米) | 1,433,805 | 1,271,248 |
| EBITDA (HK\$'000) | 除利息、稅項、折舊及攤銷前盈利(港幣千元) | 1,649,369 | 1,437,774 |



EQUIPMENT MANUFACTURING 裝備製造

Setting **World-class Quality** with
Everbright Inspiration

國際水準 光大智造

IV. EQUIPMENT MANUFACTURING 四、裝備製造

During the year under review, based on the “Intelligent Manufacturing” approach, the equipment manufacturing sector took the initiative to implement key initiatives, such as introducing talents, boosting technological capacity, launching new products, enhancing productivity and offering excellent services. As a result, the equipment manufacturing sector saw continued improvement in its overall competitiveness in the market, as it strove to grow as a high-end equipment manufacturing supplier.

In terms of market development, the equipment manufacturing sector signed 33 external sales contracts and sold 45 sets of equipment to external markets, including 27 sets of grate furnaces, 11 sets of gas purification systems and 7 sets of leachate systems. In 2019, the total external contract sales for equipment secured by the sector amounted to RMB850 million.

In terms of equipment supply and services, during the year under review, the equipment manufacturing sector launched a total of 39 service items, spanning 15 provinces and municipalities in China. In 2019, the equipment manufacturing sector provided 79 sets of grate furnaces for projects of the Group and external customers, with a 32% increase compared with 2018. The designed daily waste processing capacity of these grate furnaces reached 39,200 tonnes, up 22% production capacity compared with 2018. Moreover, the equipment manufacturing sector sold 64 sets of grate furnaces, 59 sets of gas purification systems and 27 sets of leachate treatment systems during the year under review.

回顧年度內，裝備製造板塊繼續圍繞「光大智造」積極實施「引人才、強技術、推新品、增產能、優服務」等重點舉措，持續增強市場化綜合競爭力，致力成長為高端裝備開發製造供應商。

市場拓展方面，回顧年度內，裝備製造板塊共簽署外銷合同33份，外銷設備共計45台套，其中焚燒爐27台套、煙氣淨化系統設備11台套、滲濾液處理系統7台套。二零一九年，落實的外銷成套設備合同總額達人民幣8.50億元。

項目供貨及服務方面，回顧年度內，裝備製造板塊啟動項目供貨服務39個，分佈於國內15個省及直轄市。二零一九年，裝備製造板塊完成本集團內部項目及外界客戶爐排爐生產79台套，同比增長32%，設計規模達日處理垃圾39,200噸，同比二零一八年產能增長22%。此外，回顧年度內，裝備製造板塊完成焚燒爐系統成套設備供貨64台套、煙氣淨化系統成套設備供貨59台套、滲濾液處理系統成套設備供貨27台套。

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In terms of after-sales service, during the year under review, contributions from the after-sales market of the equipment manufacturing sector saw a further increase. Among them, a total of 87 external after-sales service contracts were signed, with a total value of RMB32.077 million, recording an increase of 17% as compared with 2018. A total of 118 after-sales service projects were provided throughout the year, amounting to an increase of 79% year-on-year, of which 67 were internal projects and 51 were external projects.

During the year under review, we successfully self-developed a grate furnace model with a daily waste processing capacity of 1,000 tonnes with the prototype under trial run. In addition, the Group's capability in self-developed technology for equipment manufacturing was substantially enhanced. Throughout the year under review, we were able to complete 13 design optimisation projects and 20 independent design projects. A total of 3 new product development projects were also completed in the same time frame.

In 2019, the equipment manufacturing sector received various dedicated subsidies, totalling approximately RMB3.77 million.

Furthermore, the construction of Phase III of the Group's equipment manufacturing centre in Changzhou City was completed, and the centre commenced trial operation, during the year under review. It expanded the equipment manufacturing capacity of the Group, and provided a resilient safeguard in terms of infrastructure for more rapid development in terms of the Group's equipment manufacturing capability.

售後服務方面，回顧年度內，裝備製造板塊售後服務市場經濟貢獻值獲進一步提升。其中，外部售後服務共簽署外銷售後服務合同87份，合同金額達人民幣3,207.70萬元，同比增長17%。全年共提供售後服務項目118個，同比增加79%，其中內部項目67個，外部項目51個。

回顧年度內，自主研發的1,000噸／日爐排爐研製成功並處於樣機單元調試階段。此外，裝備製造板塊自主技術設計能力顯著增強，全年完成設計優化項目13項，獨立承擔設計項目20項。全年共完成新產品開發3項。

二零一九年，裝備製造板塊共獲得各項專項資金補貼約人民幣377萬元。

此外，常州裝備公司三期擴建項目已於回顧年度內建成並投入試運行，進一步擴充本集團裝備製造產能，為裝備製造服務下一輪快速發展提供了強有力的基礎設施保障。



ECO-RECYCLING 生態資源

Riding New Wave of Waste Sorting and Recycling

垃圾分類新時尚 再生利用新商機

V. ECO-RECYCLING 五、生態資源

As the Group's new business sector, the eco-recycling sector mainly focuses on solid waste treatment front-end services and the utilisation of renewable resources, with the aim to become a first-class investor, operator and services provider in China when it comes to integrated urban-rural environmental management.

During the year under review, the Group was determined to follow Chinese President Xi Jinping's directive for waste sorting, and carefully took steps to put the directive into action, for the building of a full industry chain from waste recycling and sorting to harmless treatment. The eco-recycling sector actively explored new technologies and new models, and expanded upon business opportunities in areas of waste sorting, sanitation operation services, zero-waste cities and the utilisation of renewable resources.

作為本集團旗下新興業務板塊，生態資源專注於固廢處置前端服務與再生資源綜合利用相關業務，定位為國內一流的城鄉環境綜合治理投資運營服務商。

回顧年度內，本集團堅決按照國家主席習近平對垃圾分類的重要指示精神，認真抓好貫徹落實，構建起從源頭分類回收至末端無害化處置的全產業鏈業務體系。生態資源積極探索新技術、新模式，拓展有關垃圾分類、環衛作業服務、無廢城市、再生資源綜合利用的業務機會。

Chief Executive Officer's Report 行政總裁報告

During the year under review, the Group invested RMB45 million to obtain a 90% equity interests in a technology-based enterprise focusing on the waste sorting business, and forayed into the waste sorting and resource recycling business sector. Its main scope of business focuses on R&D, the manufacturing and sales of smart waste recycling machines, as well as the sorting, collection and transportation of waste and reuse of resources through the "Internet +" model. Based on the strength of its "Dian Dian Recycling" brand, the enterprise launched waste-sorting programmes in cities including Beijing, Ji'nan, Suzhou and Chengdu. These programmes have served over one million people, and are able to sort and recycle approximately 10,000 tonnes of renewable resources annually. The demonstration community project of the "Dian Dian Recycling" brand in Ji'nan City is based on a four-area waste collection and disposal system, coupled with incentivising initiatives, and encourages residents in the community to actively implement waste sorting.

In addition, the eco-recycling sector secured Yunnan Yuxi Environmental Sanitation Integration Project during the year under review. This project marks Everbright International's first environmental protection project in Yunnan Province. It has a designed daily waste collection and transportation capacity of 800 tonnes, and covers the needs for waste collection and transportation of the Hongta District of Yuxi City. The project's waste collection and transportation works were carried out in an orderly manner. During the year, the eco-recycling sector explored project investment opportunities related to waste sorting, collection and transportation in Shandong and other provinces, while making rapid progress in sourcing projects related to collaboration of and investment in resource recycling technologies.

During the year under review, using a smart waste sorting system, the eco-recycling sector developed dedicated rubbish bags for residents to carry out their wet and dry waste-sorting, in a bid to collect data and better understand the waste sorting and disposal habits of the residents. The initiative traced the waste sorting process and fostered refined development of the waste sorting model. In addition, there was a focus on the eco-recycling sector to realise the concept of "sorting for utilisation, utilise after sorting" for household waste, advancing the level of integrated utilisation of recyclable resources. This sector proactively explored and promoted the low-value waste treatment business, including the integrated treatment of construction waste from old town area reconstruction, as well as paper-based food packaging materials.

回顧年度內，本集團通過注資人民幣4,500萬元以獲得一家專注於垃圾分類業務的科技型企業90%股權，正式進軍垃圾分類及資源回收領域。主營業務為垃圾智慧回收機的研發、製造、銷售，以及採用「互聯網+」模式開展垃圾分類、收運和資源再利用。其透過「點點回收」品牌在北京、濟南、蘇州、成都等城市開展垃圾分類項目，服務人口逾百萬，年分類回收可再生資源近萬噸。「點點回收」品牌在濟南市的示範社區項目基於四分法的垃圾收集和處置體系，配合良好的宣傳普及工作，鼓勵社區居民積極實踐垃圾分類。

此外，生態資源板塊於回顧年度內簽署雲南玉溪環衛一體化項目。該項目是本集團在雲南省落實的第一個環保項目，總設計規模為日收轉運生活垃圾800噸，實現玉溪市紅塔區生活垃圾收轉運全覆蓋。該項目的生活垃圾收集轉運工作已有序開展。年內，生態資源板塊在山東等多個省份推動垃圾分類和轉運業務的項目投資，並快速落實資源再生利用技術合作與投資項目。

回顧年度內，生態資源板塊在智慧垃圾分類系統基礎上，研發用於居民進行乾濕垃圾分類投放的專用垃圾袋，以便搜集資料更好了解居民生活垃圾分類投放情況，對垃圾分類環節進行追溯，推動垃圾分類模式的細化發展。此外，生態資源板塊以實現生活垃圾「為用而分，分而必用」、提高可回收資源綜合利用水平為目標，積極探索和推動老舊城區改造及建築垃圾協同處理、紙基食品包裝物等低值廢棄物處理業務。



GREENERGY 環境節能

Everbright's **New Sodium Lamp** Lighting the Way Home

光大 **新納燈** 暖亮回家的路

VI. GREENERGY 六、環境節能

The greenery sector, another new business sector of the Group, has a keen focus on energy-saving lighting for urban roads and other energy conservation industries.

During the year under review, the Group and Beijing Jinglang Photoelectric Technology Co., Ltd. signed a cooperation agreement to jointly establish Everbright Brilliant Greenery and Lighting (Shenzhen) Limited (“Everbright Greenery”), a joint venture company in which Everbright International holds a 60% equity stake. The establishment of Everbright Greenery marked Everbright International's entry into the new era for energy-saving technologies and services. Everbright Greenery focuses on the R&D and manufacturing of energy-saving streetlights, urban outdoor lighting projects and other types of energy-saving lighting products, offering comprehensive lighting solutions to conserve energy and reduce emissions. By providing such services, Everbright Greenery aims to realise smart lighting through the intelligent control of outdoor lighting devices, as well as environmentally friendly lighting through the research and improvement of electric parameters when it comes to light sources. Everbright Greenery began its business with the launch of its major product, Everbright Greenery New Sodium Lamp. It is devoted to facilitating cities and regions to fully upgrade their energy-saving lighting networks based on different models, such as the EMC model or direct purchases. Leveraging on its advantages in technology, talent, capital and brand, Everbright Greenery intends to enter the market by offering upgrades to the traditional high-pressure sodium lamps across the country. By integrating R&D, manufacturing, sales and the EMC model, the Group will explore a “triple-win” situation where three parties benefit as they help government authorities to save on budget, benefit the public, and also generate profit for the business.

作為集團旗下另一個新業務板塊，環境節能板塊專注於城市道路節能照明與其他節能產業。

回顧年度內，本集團與北京晶朗光電科技有限公司簽署合作協議，雙方共同出資成立光大晶朗節能照明(深圳)有限公司(「光大節能照明」)，光大國際持有光大節能照明60%股權，標誌著光大國際正式進入節能技術與服務新領域。光大節能照明專注於節能路燈、城市亮化工程、節能照明產品研發、製造，為使用者提供照明整體解決方案，實現節能減排；同時通過對室外照明設施的智慧控制實現智慧照明，通過對產品光源參數的研究與改進實現健康照明。作為光大節能照明首期業務的主營產品，「光大新鈉燈」致力於以EMC或業主直接採購等合作模式幫助實現城市、區域節能照明的全面改造升級。光大節能照明將憑藉於技術、團隊、資金以及品牌等方面的優勢，以全國傳統高壓鈉燈升級換代的契機切入市場，集研發、製造、銷售、EMC模式等於一體，尋求政府省錢、民眾受益、企業獲利的三贏格局。

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During the year under review, the greenery sector signed a strategic cooperation agreement with the Rizhao Municipal Government of Shandong Province on the EMC project for retrofitting energy-saving streetlights in Rizhao City, marking the successful launch of the first project of the greenery sector, and the first cooperation with local governments using the EMC model. The project, invested in and constructed by Everbright Greenery, involves approximately retrofitting 13,000 energy-saving streetlights. The completion of the project will see a significant improvement in lighting and save more than 45% of electricity. The government does not need to expend their budget to in the project while they share the benefits of energy conservation with enterprises. In addition the greenery sector undertook the energy conservation, retrofitting and regular maintenance of 122,000 streetlights in Ji'nan, Shandong Province. At the same time, the greenery sector invested in setting up energy-saving streetlight production and R&D bases in Ji'nan. A number of demonstrative street areas have been successfully installed with Everbright Greenery New Sodium Lamp in major cities such as Beijing, Shenzhen, Nanjing, and Hangzhou, boosting the brand awareness of the Everbright Greenery New Sodium Lamp.

回顧年度內，環境節能板塊與山東省日照市政府就日照市路燈節能改造EMC項目簽署戰略合作協議，標誌著環境節能板塊首個項目成功落地，也是以EMC模式與地方政府合作的首次嘗試，具有里程碑式意義；本次簽約涉及的節能改造路燈約13,000盞，由光大節能照明投資建設，項目竣工後既能顯著改善照明效果，又可節電45%以上，政府無需出資並可與企業分享節電效益。環境節能板塊亦以EMC模式承接山東省濟南市區122,000盞路燈節能亮化改造工程與常年運營維護。與此同時，環境節能板塊在濟南投資設立節能路燈生產基地與研發基地，還在北京、深圳、南京、杭州等地打造了一批「光大新鈉燈」照明示範街區，「光大新鈉燈」品牌影響力持續提升。



ENVIROTECH 綠色科創

Pursuing Development Driven by
Technology and **Innovation**

科技引領 創新發展

VII. ENVIROTECH 七、綠色科創

During the year under review, the Group made proactive efforts to optimise and adjust the framework for technological innovation, and further confirmed the important role of the technological innovation on guiding and propelling the development of the Group. Through comprehensive reviews and the integration of technological R&D resources, the Group implemented its “Three Institutes” plan through the establishment of a green technology innovation and research institute, a zero-waste city research institute, and an ecological and environmental planning and design institute. The Group also established related technological innovation platforms in Hong Kong, Shenzhen, Nanjing, Qingdao and Xiongan New Area.

The Group founded the China Everbright Green Technology Innovation Research Institute Limited (the “Green Innovation Research Institute”) in Hong Kong in 2019. The Institute aims to attract advanced technologies and talents in order to become a platform for the commercialisation of green technologies. It also aims to be a centre of worldwide exchange and collaboration on technologies, a hub for technology collaboration in Mainland China, and also a centre of exchange and training among global talents. As the headquarters of Everbright International’s technological innovation and R&D, with a focus on Hong Kong, a deep-rooted foundation in the mainland China and a global vision, the Green Innovation Research Institute will form a “Four-in-One” structure together with the Group’s technological innovation platforms in Shenzhen, Nanjing and Qingdao cities, in order to better promote the Group’s strategic planning of pursuing development that is driven by technology and innovation, as well as to ensure the commercialisation of technological R&D results. During the year under review, the Group also established its zero-waste city research institute in Xiong’an New Area. This marks China’s first research institute dedicated to the “Zero-Waste City” theme within the area, which aims to provide insights and advice for the development of a “Zero-Waste Xiong’an”, facilitate Xiong’an New Area into becoming an “Eco-friendly and Habitable New Urban Area”, and steadily achieve the goal of becoming a pioneer in green and environmental protection to support the new area, which is of national significance and will form a crucial strategy in the coming millennium.

回顧年度內，本集團積極推動科技創新架構的優化調整，進一步明確科技創新對本集團發展的重要引領和驅動作用。通過全面梳理、整合各類科技研發資源，本集團圍繞綠色技術創新研究院、無廢城市研究院及生態環境規劃設計院打造「三院」佈局，並逐步於香港、深圳、南京、青島、雄安新區設立相關機構平台。

二零一九年，本集團於香港成立中國光大綠色技術創新研究院有限公司（「綠色創新研究院」），旨在通過吸納先進技術和人才，打造綠色技術轉化平台、面向全球的技术交流與合作中心、內地技術合作樞紐、國際化人才交流與培訓中心。綠色創新研究院將成為本集團未來技術創新和研發的總部，深耕香港，根植內地，輻射全球，與本集團在深圳、南京和青島市搭建的技術創新平台形成「四位一體」佈局，更好推動本集團科技創新引領發展的戰略構想，保障科技研發的實效產出。此外，光大國際雄安無廢城市研究院於回顧年度內正式成立，成為全國首家在雄安新區以「無廢城市」為主題而設立的研究機構，為建設「無廢雄安」提供光大智慧，以實際行動助力雄安新區「綠色生態宜居新城區」建設，當好「千年大計、國家大事」的綠色環保先鋒的堅定目標。

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The results of technological innovation further drove the development of the Group's major business in 2019. During the year under review, scientific and technological R&D investment exceeded RMB200 million for the first time, accomplishing outstanding scientific and technological achievements. In respect of solid waste treatment, the Group successfully developed the first domestic large-scale household waste grate furnace with a daily waste processing capacity of 1,000 tonnes, consolidating its position as a leading company in the industry. The Group also established an unstaffed and highly-automated intelligent control system, and achieved progress in phases by adopting this system in several waste-to-energy projects within the Group. The Group completed a scientific research demonstration project on plasma melting technology for the treatment of 30 tonnes/day of household waste incineration fly ash in Zhenjiang Waste-to-energy Project, providing new technology to address the fly ash issue. With regard to water environment management, the Group was in process of developing a stable and highly efficient leachate treatment technology by adopting EDR technique in the treatment of leachate MBR effluent, and explored a new method that innovated the solid waste landfill leachate treatment technique. The Group's high-parameter reheating technology with a header system successfully passed the national science research results assessment. The Group's envirotech sector obtained various subsidies of RMB10.45 million in total from the government during the year.

In 2019, the Group was granted 181 patents and software copyright licenses in total, including 11 invention patents, 124 utility patents, 42 software copyright licenses and 4 appearance patents. A total of 24 important essays were published in core journals and international conferences. As of 31 December 2019, the Group had been granted 773 patents and software copyright licenses in total, including 105 invention patents, 588 utility model patents, 76 software copyright licenses and 4 appearance patents.

二零一九年，技術創新成果對本集團主營業務支撐的能力進一步增強。回顧年度內，科技研發投入預算首次超過人民幣2億元，科技成果顯著。固廢處理方面：國產首台1,000噸／日大型生活垃圾焚燒爐研製成功，高位引領行業發展；無人值守，高度自動化的智能控制系統在本集團旗下多個垃圾發電項目應用已取得階段性進展；完成鎮江垃圾發電項目30噸／日生活垃圾焚燒飛灰等離子熔融科研示範項目，為解決飛灰問題提供新技術；水環境治理方面，應用EDR技術處理滲濾液MBR出水的新工藝正開發一種運行穩定且高效節能的滲濾液處理技術。危廢填埋場滲濾液處理技術為新型危廢填埋場滲濾液處理工藝探索新道路；高參數母管制再熱技術順利通過國家級科技成果鑒定，本集團綠色科創板塊年內獲得政府各項資金補助合共約人民幣1,045萬元。

二零一九年，本集團共獲授權專利181項，包括發明專利11項、實用型專利124項、軟件著作專利42項及外觀專利4項，並在核心期刊及國際會議上發表重要論文24篇。截至二零一九年十二月三十一日，本集團獲授權專利合共773項，其中發明專利105項、實用專利588項、軟件著作專利76項及外觀專利4項。



ENVIRONMENTAL PLANNING 環境規劃

Adopting a Novel Approach to Planning and Enhancing Efficiency through Design

規劃出 **新奇** 設計出 **效益**

VIII. ENVIRONMENTAL PLANNING 八、環境規劃

In order to support the healthy development of the Group's ecological and environmental protection business, the Group has reclassified Everbright Ecological and Environmental Planning and Design Institute (the "Environmental Planning and Design Institute") as a new business sector. The Group will further improve the design qualifications of the Environmental Planning and Design Institute with the aim of developing it into a first-class planning institute to enhance innovation capabilities, and through the marketisation of development, striving to achieve new breakthroughs in various aspects, including design quality, value creation, brand building and industry-leading.

During the year under review, Environmental Planning and Design Institute took the initiative to seek opportunities in various design consulting services projects and signed 2 EPC projects. It was responsible for the projects' engineering design, equipment procurement, construction management, completion and handover, etc. In addition, the Everbright Analysis and Testing Centre achieved breakthroughs during the year under review, as it conducted testing on various fields such as gas, fly ash, bottom ash, leachate, air and groundwater, and so on. The total amount of internal and external testing service contracts reached over RMB2.68 million.

為了支撐本集團生態環保事業的健康發展，本集團將光大生態環境設計研究院（「環境設計院」）調整為新業務板塊。本集團將進一步提升環境設計院設計資質，以發展成為一流規劃院為目標，提升創新能力，以市場化引領發展，爭取在設計質量、創造效益、品牌建設、行業引領作用等方面實現新突破。

於回顧年度內，環境設計院積極探索各類設計諮詢服務項目機會，簽署2個EPC項目，負責項目的工程設計、設備採購、建設管理、竣工移交等工作。此外，光大分析檢測中心於回顧年度內實現業務零的突破，檢測服務覆蓋煙氣、飛灰、爐渣、滲濾液、空氣、地下水等多個領域，內外檢測服務全年合同金額超過人民幣268萬元。

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BUSINESS PROSPECTS 業務展望

2020 is the last year of China's "13th Five-year Plan", marking the point at which the country is set to become an all-round wealthy society and accomplish its first centenary goal. As a vital part of China's development and reforms in recent years, the ecological and environmental industry is also entering a critical year during which environmental protection efforts are expected to finally bear fruit in the final phase of the country's battle against pollution.

Prior to the Chinese New Year of 2020, the pneumonia epidemic caused by the novel coronavirus began to spread in China. Considering the severity of the accelerating spread of the epidemic, the Group implemented the PRC government's decisive measures and plans to secure victory in the battle of epidemic prevention and control, while fully implementing the work plans of China Everbright Group Ltd. ("Everbright Group") to prevent the spread of the epidemic. Undertaking responsibilities with all members of staff mobilised for relevant actions, the Group has adopted preventive and control measures in a scientific approach and executed policies with precision as standing at the forefront of the battle against the epidemic. Taking into account the challenge for epidemic prevention presented by the Group's geographically dispersed business presence and staff deployment, the Group quickly built up a three-level epidemic prevention system in its headquarters, business sectors, and project companies. Though the system, the Group issues epidemic prevention responsibilities, tasks, and working guidelines at each level, clarifying each responsibility to ensure no blind spot in epidemic prevention. At the project level, staff of the Group's project companies have showed utmost commitment during the epidemic prevention period, making meticulous planning and performing their duties with firm dedication to ensure the full-speed and stable operation of the projects. As the Group's projects continue to reach emission goals and provide the harmless treatment of household waste, medical waste and waste water, this is certain to eliminate any secondary virus transmission through waste. By providing reliable, effective environmental services, the Group has helped to safeguard the living environment, which are highly recognised by local governments, residents and the media.

二零二零年，中國邁入「十三五」規劃的收官之年，並將在這一年全面建成小康社會，實現第一個百年奮鬥目標。作為國家近年來發展變革的重要內容，生態環保行業也迎來了落實環境保護成果、衝刺污染防治攻堅的關鍵之年。

二零二零年春節前，新型冠狀病毒引發的肺炎疫情在國內蔓延，面對疫情的嚴峻形勢，本集團堅定貫徹落實國家堅決打贏疫情防控阻擊戰的決策部署，全面落實中國光大集團股份有限公司（「光大集團」）防疫工作部署，全員行動，勇擔責任，科學防控，精準施策，走在戰「疫」最前線。考慮到本集團業務分佈廣、人員分散對防疫工作帶來挑戰，本集團還迅速建立起總部、板塊、項目公司三級防疫體系，發佈各級防疫職責、任務和工作指引，明確責任，確保防疫工作無死角。在項目層面，本集團旗下各項目員工在防疫期間展現出至高的擔當精神，嚴密部署，堅守崗位，確保項目穩定運營、全速運轉、達標排放，為當地提供生活垃圾、醫療廢物、污水等無害化處理，確保阻斷病毒通過廢棄物媒介二次傳播，通過可靠、高效的環境服務守護人居環境，得到當地政府、民眾和媒體的高度認可。

In January 2020, the Ministry of Finance of the PRC, the National Development and Reform Commission and the National Energy Administration jointly published the Opinions on Facilitating the Sound Development of Power Generation Through Non-water Renewable Energy (Cai Jian [2020] No.4)* (《關於促進非水可再生能源發電健康發展的若干意見》)(財建[2020]4號) and the Measures for the Administration of Additional Subsidies for Renewable Energy Electricity Prices (Cai Jian [2020] No.5)* (《可再生能源電價附加補助資金管理辦法》)(財建[2020]5號). Under these new policies, local governments are expected to plan and build waste-to-energy projects and maintain the stable operation of existing ones by adjusting the amount of waste to be processed in light of the reasonable needs of the local environment. Given the new policies, Everbright International will strive to secure policy support, negotiate for the adjustment of waste treatment fees and create other favourable operating conditions, while continuously optimising its techniques and procedures, as well as pursuing technological innovation and advancement, in order to achieve steady development and stable efficiency.

Having been dedicated to environmental protection for 17 years, Everbright International has built a constructive business framework centering on the development of zero-waste cities with a primary focus on waste-to-energy services, out of which various emerging business sector have grown in tandem. The Group is now striving to build a new business structure across the three domains of environment, resource and energy. With its waste-to-energy business and complementary services acting as its central pillar, Everbright International has become one of the first Chinese companies to secure a leading position in the international environmental market, driving the development of the industry. It has developed a steadfast triangle with water treatment, hazardous waste treatment and waste-to-energy forming the three corners, which are built upon a host of peerless businesses. This has further boosted the Group towards becoming a leading player in the realms of water and hazardous waste treatment. In addition, the Group has helped to stimulate industrial revolution and continuously bolstered its advantageous position via the right equipment and technological progress, by utilising knowledge provided by the equipment manufacturing and envirotech sectors. The strength of Everbright International's brand image, urban resources and thousands of employees, combined with a favourable capital market, have provided a powerful driving force behind the Group's consistent exponential growth and remarkable achievements as it actively forayed into and rapidly gained a foothold in the two emerging resource- and energy-related business areas, continuously improved its business framework, and created new growth poles.

二零二零年一月，中國財政部、國家發展改革委和國家能源局聯合發佈了《關於促進非水可再生能源發電健康發展的若干意見》(財建[2020]4號)以及《可再生能源電價附加補助資金管理辦法》(財建[2020]5號)。在新政策下，預計地方政府會根據城市環境的客觀需要，通過調增垃圾處理量來規劃建設生活垃圾發電項目，維持現有項目的正常穩定運營。光大國際面對新政策，結合自身實際情況，對外將積極爭取政策支持、爭取調整垃圾處理費、爭取其他有利運營條件，對內將不斷優化工藝流程、推動科技創新和進步，實現穩步發展和效益穩定。

光大國際在環保事業的道路上已走過十七年，形成了以垃圾發電為主體、以無廢城市建設為核心、新興業務爭相發展的良好局面，正推動形成「環境、資源、能源」三位一體發展的新格局。以垃圾發電及協同業務為主軸，率先實現國際領先和行業引領；以水處理和危廢處置業務為兩翼，與垃圾發電一起構成優勢業務鐵三角，進一步推動在水處理和危廢處置兩個領域成為行業領先；以裝備製造和綠色科創為智慧核心，依靠設備和技術進步促進實現產業革新，持續拉大領先優勢；以資本市場、品牌價值、城市資源、萬人隊伍為動力源泉，保持高增長，持續締造靚麗業績，積極探索佈局資源和能源兩個新興業務領域，持續優化業務格局，打造全新增長極。

* For identification purpose only

* 僅供識別用途

Chief Executive Officer's Report 行政總裁報告

Currently, Everbright International has become a colossal organic system with business sectors that are all growing systematically and creating synergy. It is now experiencing an unprecedented period full of historic opportunities that radiates unparalleled vigour and vitality. 2020 is the year Everbright International will march towards the goal of becoming a globally leading world-class company at an accelerated pace. In response to opportunities arising from the latest national policies, industry trends and market movements, the Group will launch the new “Three, Five, Eight and Seven” development strategy. This means it will focus on the three areas of the environment, resource and energy where there is greater space for development and the improvement of its business structure; boost capabilities in five major aspects, namely market expansion, project construction, project operation, equipment manufacturing and technological innovation; concentrate on its competitive advantages, bolster overall strength and sustainability in order to cement the foundation for further success; and concentrate on expanding and strengthening its eight business sectors: environmental energy, greentech, environmental water, equipment manufacturing, eco-recycling, greenergy, envirotech and environmental planning. Doing so will allow the Group to share resources and develop synergistically in a bid towards establishing a pan-environmental systematic business structure and an ecosphere that incorporates environmental protection and its derivative businesses with Everbright International at its core. It will also further strengthen protection in terms of the seven aspects of finance, procurement, budget, safety and environment, human resources, efficiency as well as corporate culture, to comprehensively improve the overall governance while enhancing its capabilities of early warning and risk prevention, with a view to safeguarding the Group's stable and sustainable growth.

(1) The environmental energy sector will boost its innovativeness in order to cement its market position; (2) the greentech sector will continue to develop hazardous waste and solid waste treatment services while tapping into new areas; (3) the environmental water sector will expand its business scale, with the aim to build a full value-chain business system; (4) the equipment manufacturing sector will continue to expand into both domestic and overseas markets and step up its product R&D efforts; (5) the eco-recycling sector will closely follow development trends in the industry, taking front-end waste sorting and resource recycling as entry points through which to enter the market, and also implement the Group's “Five Points and One Line” full value-chain business philosophy for waste sorting and treatment; (6) the greenergy sector will enhance market exploration, continuously improve its products, and facilitate the establishment of manufacturing and R&D bases; (7) the envirotech sector will set up a technological R&D system led by an institute that has a presence in four cities (that is, the Hong Kong-headquartered Green Technology Innovation Research Institute that also has technological research platforms in Shenzhen, Nanjing and Qingdao), to better facilitate the better development of other sectors; (8) the environmental planning sector will build upon the Ecological and Environmental Planning and Design Institute as a platform to strongly support internal business needs and proactively secure new businesses, with the aim to create new sources for profit growth.

現時，光大國際已經是一個發展有序，協同共進的龐大有機體，正經歷前所未有的歷史機遇期，也正煥發前所未有的動力與活力。二零二零年將是光大國際靶向世界一流，向世界領先目標闊步邁進的提速之年。對應最新國家政策機遇、行業走向、市場動向，二零二零年，光大國際將推行「三五八七」全新發展戰略。聚焦「環境、資源、能源」三大領域的升維發展，進一步拓寬發展空間，優化產業格局；精進「市場拓展、工程建設、項目運營、裝備製造、科技創新」五大發展能力，凝聚競爭優勢，提升綜合實力和可持續發展動能，夯實繼續取得全新成功的基礎；集中精力做大做強八大業務板塊，分別是：環保能源、綠色環保、環保水務、裝備製造、生態資源、環境節能、綠色科創、環境規劃，融貫板塊間資源分享，協同共進，形成大環保的系統性產業格局，締造以光大國際為主軸的環保及延伸產業生態圈；進一步落實「財務、採購、預算、安全與環境、人才、效能、文化」七大保障，全面提升企業整體管治水平，強化風險預警及防化能力，為企業穩健可持續發展保駕護航。

(1) 環保能源將進一步擴大領先優勢，鞏固市場地位；(2) 綠色環保將繼續深耕危廢及固廢處置業務，同時探索其他新業務；(3) 環保水務將提升業務規模，打造全產業鏈業務體系；(4) 裝備製造板塊將繼續積極拓展境內外裝備市場，加大產品研發力度；(5) 生態資源將盯緊行業動向，從垃圾前端分類和資源回收利用切入市場，貫徹「五點一線」的垃圾分類處理全產業鏈理念；(6) 環境節能將加大市場拓展力度，持續完善產品，推動生產研發基地的落地；(7) 綠色科創將建成「一院四城」的科技研發體系(綠色技術創新研究院，以香港為總部統籌深圳、南京、青島的科研平台)，助力各業務板塊更好發展；(8) 環境規劃將以光大生態環境規劃設計院為平台，有力支持內部業務需要，積極對外承接業務，打造新盈利增長點。

Led and supported by Everbright Group and the Board, Everbright International is convinced that with the concerted efforts of its management team and employees, it will continue to see stable progress as it steels itself to handle unprecedented challenges and changes, rides waves of change and grows by capitalising on unrivalled development opportunities, and innovates throughout its progress in order to continue making outstanding accomplishments to the fullest extent possible, in a bid to live up to the trust and expectations of all sectors of society. The Group will hold fast to its aspirations and bear its mission in mind, as well as put in all efforts to fulfill its corporate mission of being “Devoted to Ecology and Environment for a Beautiful China” and maintain its corporate pursuit of “Create Better Investment Value and Undertake More Social Responsibility” while being held accountable. In doing so, Everbright International will do its utmost to take great strides towards its goal of becoming a world-leading ecological and environmental management group.

本集團堅信，在光大集團和董事會的領導與支持下，在社會各界的信賴和期望中，在本公司管理團隊及廣大員工的同心協力下，本集團定能穩中求進，從容應對空前的挑戰與變革；變中求進，緊緊抓住空前的發展機遇；進中求新，繼續全力跑出好成績。本集團將不忘初心、牢記使命，勇於擔當、全力以赴，以「情系生態環境、築夢美麗中國」和「創造更好投資價值、承擔更多社會責任」的使命擔當，朝著建設成為全球領先生態環境集團的目標闊步邁進。

Financial Results 財務業績

In 2019, the Group's consolidated revenue amounted to HK\$37,557,635,000, an increase of 38% over HK\$27,227,998,000 in 2018. The increase in revenue was mainly attributable to the construction of record high number of projects bringing higher construction service revenue and rise in operation service revenue as a result of continuous increment of operating capacity during the year. Consolidated gross profit was HK\$11,457,901,000, an increase of 21% over HK\$9,430,596,000 in 2018. The Group's consolidated gross margin decreased by 4 percentage points to 31% as compared with last year. The EBITDA amounted to HK\$10,957,474,000, an increase of 22% over HK\$8,994,788,000 in 2018. Profit attributable to equity holders of the Company for 2019 was HK\$5,203,291,000, 20% more than HK\$4,319,235,000 as compared with last year. Basic earnings per share for 2019 were HK84.70 cents, HK1.07 cents less than the amount of HK85.77 cents in last year. The decrease in basic earnings per share was due to the dilution impact of the HK\$10 billion rights issue completed in September 2018.

二零一九年，本集團錄得綜合收益為港幣37,557,635,000元，較二零一八年的港幣27,227,998,000元增加38%。收益增加，主要由於年內工程建設項目數量創新高增加建造服務收益，加上運營項目處理量持續上升帶動運營服務收益增加。綜合毛利為港幣11,457,901,000元，較二零一八年的港幣9,430,596,000元增加21%；綜合毛利率較去年下跌4個百分點至31%。除利息、稅項、折舊及攤銷前盈利為港幣10,957,474,000元，較二零一八年之港幣8,994,788,000元增加22%。二零一九年本公司權益持有人應佔盈利為港幣5,203,291,000元，較去年之港幣4,319,235,000元增加20%。二零一九年度每股基本盈利為84.70港仙，較去年之85.77港仙減少1.07港仙。每股基本盈利下降是由於二零一八年九月完成港幣100億元供股的攤薄效應。

Financial Position 財務狀況

As at 31 December 2019, the Group's total assets approximately amounted to HK\$119,351,503,000 with net assets amounting to HK\$44,726,579,000. Net asset value per share attributable to equity holders of the Company was HK\$5.917 per share, representing an increase of 7% as compared to HK\$5.523 per share as at the end of 2018. As at 31 December 2019, gearing ratio (total liabilities over total assets) of the Group was 63%, an increase of 6 percentage points as compared with that of 57% as at the end of 2018.

於二零一九年十二月三十一日，本集團之總資產約為港幣119,351,503,000元。淨資產為港幣44,726,579,000元。本公司權益持有人應佔每股資產淨值為港幣5.917元，較二零一八年年末之每股資產淨值港幣5.523元增加7%。於二零一九年十二月三十一日，本集團之資產負債比率（以總負債除以總資產計算所得）為63%，較二零一八年年末之57%上升6個百分點。

Chief Executive Officer's Report 行政總裁報告

Financial Resources 財務資源

The Group adopts a prudent approach on cash and financial management to ensure proper risk control and low cost of funds. It finances its operations primarily with internally generated cash flow and loan facilities from banks. As at 31 December 2019, the Group had cash and bank balances of HK\$12,302,988,000, representing a decrease of HK\$3,671,492,000 as compared to HK\$15,974,480,000 at the end of 2018. Most of the Group's cash and bank balance, representing approximately 99%, was denominated in Hong Kong dollars and Renminbi.

本集團對現金及財務管理採取審慎的原則，妥善管理風險及降低資金成本。運營資金基本來自內部現金流及往來銀行提供之貸款。於二零一九年十二月三十一日，本集團持有現金及銀行結餘約港幣12,302,988,000元，較二零一八年年底之港幣15,974,480,000元減少港幣3,671,492,000元。本集團大部份現金及銀行結餘均為港幣及人民幣，佔約99%。

Borrowings 負債狀況

The Group is dedicated to enhancing the ways of financing and improving banking facilities to reserve funding to support the development of the environmental protection business. As at 31 December 2019, the Group had outstanding borrowings of HK\$53,179,873,000, representing an increase of HK\$14,653,706,000 as compared to HK\$38,526,167,000 at the end of 2018. The borrowings included secured interest-bearing borrowings of HK\$21,085,310,000 and unsecured interest-bearing borrowings of HK\$32,094,563,000. The borrowings are mainly denominated in Renminbi, representing approximately 54% of the total, and the remainder is denominated in Hong Kong dollars, US dollars and Polish zloty. Most of the borrowings are at floating rates. As at 31 December 2019, the Group had banking facilities of HK\$77,028,783,000, of which HK\$27,841,500,000 have not been utilised. The banking facilities are of 1 to 21 years terms.

本集團致力擴闊不同的融資途徑及提升銀行貸款額度，儲備資金配合環保業務的發展。於二零一九年十二月三十一日，本集團尚未償還貸款總額約為港幣53,179,873,000元，較二零一八年年底之港幣38,526,167,000元增加港幣14,653,706,000元。貸款包括有抵押之計息借貸港幣21,085,310,000元及無抵押之計息借貸港幣32,094,563,000元。本集團的貸款主要以人民幣為單位，佔總數約54%，其餘則包括港幣、美元和波蘭茲羅提。本集團的大部份貸款均為浮動利率。於二零一九年十二月三十一日，本集團之銀行融資額度為港幣77,028,783,000元，其中港幣27,841,500,000元為尚未動用之額度，銀行融資為一至二十一年期。

Foreign Exchange Risks 外匯風險

The Company's financial statements are denominated in Hong Kong dollars, which is the functional currency of the Company. The Group's investments made outside Hong Kong (including mainland China) may incur foreign exchange risks. The Group's operations are predominantly based in China, which makes up over 99% of its total investments and revenue. The Group's assets, borrowings and major transactions are mainly denominated in Renminbi, and as such, it forms a natural hedging effect. With this in mind, the Group also pursues an optimal allocation of borrowings in different currencies while setting appropriate levels of borrowing in non-base currencies, and adoption of proper financial instruments to closely manage foreign exchange risk.

本公司之列賬及功能貨幣均為港幣。本集團投資於香港以外地區(包括中國內地)存在外匯風險。一直以來，中國為本集團之主要業務所在地，佔總投資及收益超過99%以上。本集團資產、貸款及主要交易大部份以人民幣為單位，基本形成一種自然的對沖。通過合理匹配各種貨幣貸款，適量控制非本位幣貸款，及採用合適的金融工具以密切管理外匯風險。

Pledge of Assets 資產抵押

Certain banking facilities of the Group were secured by revenue and receivables in connection with the Group's service concession arrangements, bank deposits, mortgages over property, plants and equipment, and prepaid land lease payments and the equity interests of certain subsidiaries of the Company. As at 31 December 2019, the aggregate net book value of assets and equity interests in subsidiaries pledged amounted to approximately HK\$52,510,366,000.

本集團若干銀行融資以本集團服務特許經營權安排下之若干收益及應收款項、銀行存款、物業、廠房及設備、預付土地租賃款項及本公司若干附屬公司的股權作為抵押。於二零一九年十二月三十一日，已抵押資產及附屬公司股權之賬面淨值總額約為港幣52,510,366,000元。

Commitments 承擔

As at 31 December 2019, the Group had purchase commitments of HK\$10,626,406,000 outstanding in connection with the construction contracts.

於二零一九年十二月三十一日，本集團為建造合約而訂約之採購承擔為港幣10,626,406,000元。

Contingent Liabilities 或有負債

As at 31 December 2019, the Company granted financial guarantees to a subsidiary. The Board does not consider it probable that a claim will be made against the Company under the guarantees. The maximum liability of the Company as at 31 December 2019 for the provision of the guarantees was HK\$357,443,000.

於二零一九年十二月三十一日，本公司曾為一家附屬公司作出財務擔保。董事會認為，有關擔保持有人不大可能根據上述擔保向本公司作出申索。於二零一九年十二月三十一日，本公司在上述財務擔保下之最高負債之餘額為港幣357,443,000元。

Internal Management 內部管理

The Group adheres to the management principle of “People-oriented, Pragmatism, Creativity and Systematic Management”, and has built a comprehensive management structure to maximise efficiency. The Company’s management holds Management Decision Committee meeting on a monthly basis to review current operations and management, with a view to ensuring the sustainable development of the Company. The responsibilities of each functional department and business sector of the Company are clear with various comprehensive management systems. Internal control procedures are sound and have been implemented effectively. The Company’s Internal Audit Department performs its internal monitoring functions to ensure that each functional department and business sector would strictly comply with the relevant internal control requirements.

The Group is committed to building a comprehensive risk management culture. It implements the risk management model of “Integration of Policy, Procedure and System with Risk-oriented”, to comprehensively strengthen risk management and risk control. During the year under review, the Group amended the “Risk Management Practice Handbook” and the “Annual Risk Management Instructions” according to the progress of the implementation of risk management system. In light of its actual situation, the Company created the “Internal Control Management Manual” pursuant to the relevant requirements of risk management and internal control under the Rules Governing the Listing of the Securities on the Stock Exchange, to direct the effective implementation of internal control. In order to improve the overall risk management of investment projects, the Group’s Project Advisory Committee has built up review systems for full-time and part-time committee members respectively. It has also amended and issued the “Project Review Organisation and Review Workflow”, in an effort to strengthen the risk management of investment projects in advance and in process as well as enhancing the quality and efficiency of project review. A procurement management center, a budget management center, a R&D center, a technology management center and a technology committee have been established at the headquarters of the Company. Meanwhile, Everbright International has developed an electronic transaction platform for tendering and procurement, to further enhance its management efficiency and risk control capability.

本集團一直奉行「以人為本、求真務實、開拓創新、規範管理」的管理理念，並建立了完善的管理架構，以發揮最大效能。本公司管理層每月召開管理決策委員會會議，對當期運營和管理情況進行檢討，確保企業的可持續發展。本公司各職能部門及各業務板塊職責清晰明確，各項管理制度完善，內部控制流程健全且得到有效執行，其中內部審計部門發揮內部監督職能，確保各職能部門、各業務板塊嚴格執行相關內部控制要求。

本集團致力建立健全的風險管理文化，並推行「以風險為導向、以制度為基礎、以流程為紐帶、以系統為抓手」的風險管理模式，全面強化管理和管控風險。於回顧年度內，本集團根據風險管理體系的推進情況，對《風險管理手冊》、《年度風險管理工作指導意見》進行了修訂，同時根據《聯交所證券上市規則》就風險管理與內部控制有關要求，結合實際情況，制定《內部控制管理手冊》，以指導內部控制工作的有效開展。為加強投資項目的整體管控，本集團之項目評審委員會已建立項目評審專職委員及兼職委員評審制度，修訂並下發了《項目評審組織及評審流程》，以強化投資項目事前及事中的風險管理，提高項目評審品質及效率。本公司總部設立了採購管理中心、預算管理中心、發展研究中心、技術管理中心、技術委員會，同時建立光大國際招標採購電子交易平台，以進一步提高本集團管理效能及風險防控能力。

Chief Executive Officer's Report 行政總裁報告

Human Resources 人力資源

Human Resources are the key strategy of corporate development which require appropriate personnel to execute this core strategy. The Group highly values its human resources management and puts great emphasis on staff training. It believes that realising the full potential of its employees is crucial to its long-term growth. The Group continued to improve its human resources through internal training as well as local, overseas, and on-campus recruitment.

During the year under review, to cope with the need of its business development, the Group established the Ecological Environment Institute to arrange for appropriate training centrally. Training programmes for general managers and construction directors, training courses for safety and environmental management and training courses for public communication staff were also held to enhance management's and staff's professional and general competence through continuous education. All along employees of the Group are provided with a platform for personal development. During the year under review, the Group conducted internal selection and recruitment for vacancies in headquarters. Employees with vision and self-confidence are encouraged to apply for internal transfer so that they can unleash their full potential in their favorite job positions. In order to enhance the efficiency of human resources management and to encourage existing staff to refer suitable candidate(s) to the Group, the Group issued a series of management measures for human resources, which included "Management Measures for Staff Recruitment", "Management Measures for Reserve Cadres", "Requirements on the Selection and Appointment of Senior and Middle Management" and the "Management Measures and Awards for Talent Referral by Internal Staff". In addition to the issuance of the "Measures for the Establishment of Talent Cultivation Base", the Group selected 16 operating projects as talent cultivation bases to provide internship opportunities for its future management and senior technical staff. Total 167 staffs were selected to join the training arranged by the talent cultivation bases.

As at 31 December 2019, the Group had approximately 13,200 employees. Employees within the Group are remunerated according to their qualifications, experience, job nature, performance and with reference to market conditions. Apart from a discretionary performance bonus, the Group also provides other benefits such as medical insurance and a mandatory provident fund scheme to employees in Hong Kong.

企業發展關鍵是人才，實施人才戰略核心是人。本集團高度重視人力資源管理，一向注重員工培訓，深信發揮每個僱員的潛力對本集團業務長遠發展有舉足輕重的影響。本集團繼續通過自身培養、社會招聘、海外招聘、校園招聘等方式不斷加強人才隊伍建設。

回顧年度內，本集團設立生態環境學院，針對本集團業務發展需要，統一安排合適培訓，亦先後舉辦了總經理與總指揮培訓班、安全環境管理培訓班、通訊員培訓班等，讓管理層及員工持續進修，提升專業和綜合能力。本集團繼續為員工提供個人發展的平台。回顧年度內，本集團安排了總部崗位進行內部選聘，鼓勵有理想、有自信的員工申請內部調職，讓員工在喜歡的崗位有更好的發揮。本集團先後頒發了《員工招聘管理辦法》、《後備幹部管理辦法》、《中高層管理人員選拔任用規定》、《內部員工推薦外部人才管理及獎勵辦法》等一系列人力資源管理辦法，以提升人力資源管理效率，鼓勵員工引薦合適人員加入本集團。本集團頒發了《人才培養基地建設辦法》，選出16個運營項目作為培養基地及167名員工進行培養，為未來管理新力軍及技術骨幹提供實習機會。

於二零一九年十二月三十一日，本集團合共僱用約13,200名員工。僱員之薪酬乃根據資歷、經驗、工作性質、表現以及市場情況計算釐定。除了獎勵花紅外，本集團亦提供其他福利予香港僱員，包括醫療保險及強積金計劃。

Principal Risks and Uncertainties 主要風險及不確定性

Employing unified assessment scope and criteria as well as standardised assessment process and tools, the Group carried out the systemwide risk self-assessment and risk assessment for the year, which identified the major risks faced by the Group during 2019. The Group has already established control measures responsive to those major risks. According to their effectiveness evaluation, the existing control measures were effective as a whole, leading to the realisation of risk reduction and mitigation.

本集團通過統一的評估範圍與標準、標準化的評估工具與流程，在全系統開展年度風險自評與風險評估工作，確定了本集團2019年度的主要風險。本集團對各主要風險均有對應的管控措施，根據對管控措施效果的評價，現有管控措施整體有效，實現了降低和緩解風險的作用。

| No. 序號 | Risk 風險名稱 | Effectiveness of control measures 管控措施有效性 | Change in Risk Level 風險等級變化趨勢 |
|--------|---|---|-------------------------------|
| 1 | Policy changing risk 政策變動風險 | Partially effective 部份有效 | ↔ |
| 2 | Environmental compliance risk 環境合規風險 | Effective 有效 | ↓ |
| 3 | Construction project management risk 工程管理風險 | Effective 有效 | ↓ |
| 4 | Staff turnover risk 員工離職風險 | Effective 有效 | ↓ |
| 5 | Accounts receivable risk 應收賬款風險 | Partially effective 部份有效 | ↔ |
| 6 | Market competitive risk 市場競爭風險 | Effective 有效 | ↓ |
| 7 | Not-in-my-backyard risk 鄰避效應風險 | Effective 有效 | ↓ |
| 8 | Cost control risk 成本控制風險 | Partially effective 部份有效 | ↔ |

Policy changing risk: With the maturation of environmental industry, any adjustment to industry policy, such as the cancellation of national subsidies, will bring some uncertainties to the profitability of integrated biomass utilisation projects and waste-to-energy projects. The Group has strategically stopped expanding the integrated biomass utilisation business and proactively pushed forward the relevant approval and filing for the newly secured waste-to-energy projects. In addition to setting up a work leading team responsible for handling the “cancellation of national subsidies”, it formulated the “25 measures to address the cancellation of national subsidies”. At the same time, through strengthening communication with the Ministry of Finance, the National Development and Reform Commission and the Ministry of Ecology and Environment, the Group had a better understanding of the proposals for the implementation of policies. In addition to proactively guiding the formulation of policies, it worked with industrial players to take the initiative to voice their view. Besides, during contract negotiation over the terms of newly secured project, a price adjustment clause with respect to the change of boundary condition of the project due to policy change will be included and the “risk of cancellation of national subsidies” will be included in the formula for price adjustment to specify the compensation mechanism, for the purpose of minimising the impact on the Group. The impact of cancellation of national subsidies is an external uncontrollable factor. To a certain extent, the existing control measures could mitigate the risk impact. The risk level remained unchanged.

政策變動風險：隨著環保產業日漸成熟，國補退坡等行業政策調整對生物質綜合利用和垃圾發電類型項目的盈利產生一定不確定性。本集團已經戰略性暫停新增生物質綜合利用業務，全力推進新取得的垃圾發電項目的核准備案工作，並成立了應對「國補退坡」工作領導小組，制定《應對「國補退坡」二十五條》，通過加大與中國財政部、國家發展和改革委員會、生態環境部等相關部委溝通，進一步明確政策實施方案、積極引導政策編制，協同行業力量主動發聲、在新獲取項目的合同談判中，增加政策變動導致項目邊界條件變動的調價條款，將「國補政策取消風險」寫入調價公式，明確補償機制等一系列措施以降低對本集團的影響。國補退坡影響屬於外部不可控因素，目前管控措施可以從一定程度降低風險影響程度，風險等級保持不變。

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Environmental compliance risk: With the continual increase in the number of operating projects, there is an increasing occurrence probability of excessive emission of pollutants and improper disposal of hazardous waste due to failure to adequately identify issues in environmental and safety management during operation, sudden change in external environment and companies in the surrounding areas and human error, which could result in the reporting of violation by governing bodies or penalties from the same. The Group has developed a safety and environmental management system that integrated four major levels of the Group, namely the headquarters, all business sectors, regional centres and project companies. It also set up the “Everbright International Safety and Environmental Management Work Leading Team” and the “Everbright International Safety and Environmental Management Work Supervising Team”, as well as forming the “Safety and Environmental Management Work Implementation Team” for each business sector. Utilising information sharing platform, environmental monitoring platform and testing platform, the Group could timely monitor its projects' compliance with environmental laws and regulations, such that it can take precautionary measures in advance and timely rectify any identified problem. The Group has already commenced grading assessment on environmental management of operating projects (in the form of three letter grades (i.e. A, B and C)). Those projects which are awarded with Grade C under such assessment and with the highest risk level are required to mitigate risks in a timely manner under supervision. Besides, the Group has created the “Operation and maintenance manual for CEMS”. Project companies are required to regulate the use and maintenance of Continuous Emission Monitoring System (CEMS) in order to meet regulatory requirements. In addition, the Group has amended and improved the contract template in relation to online monitoring of gas and pollutants emissions to specify the responsibilities of the operation and maintenance unit of subcontractors (which are third parties) and to enhance the management and supervision of their performance of contract. Environmental compliance risk is the top priority of the Group. At present, the control measures are effective as a whole. The risk level is on a downward trend.

環境合規風險：隨著投運項目增多，運營過程中發生未能充分識別環境與安全管理問題、外部環境及周邊企業的突發變化、人為失誤等原因造成污染物排放超標、危險廢棄物處置不當等情況的可能性在增加，導致監管機構的通報或處罰。本集團建立總部、業務板塊、區域中心、轄屬項目公司「四位一體」的安全與環境管理體系，成立了光大國際安全與環境管理領導小組、光大國際安全與環境管理工作監管小組及各業務板塊安全與環境管理工作實施小組；利用資訊共用平台、環保監控平台、檢測平台，對項目環境合規情況進行即時監控，達到風險提前預警和防範，發現問題及時整改；開展運營項目環境管理A/B/C分級評定工作，通過動態評定，重點對最高風險級別的C類項目進行督導，及時消除風險；制定《CEMS系統維護管理操作手冊》，敦促項目公司規範使用、維護煙氣排放連續監測系統（「CEMS」），確保符合監管要求；修改完善煙氣、污染物線上監測合同範本，明確第三方運維單位有關責任並加強對其履約情況監督管理。本集團高度重視環境合規風險，目前管控措施整體有效，該風險等級處於下降趨勢。

Construction project management risk: At the peak of the Group's project construction, there is an increasing occurrence probability of safety incidents and quality failures due to the negligence of site management staff of construction projects. Besides, project construction involves tender for construction equipment, safety equipment, etc., which involves a huge amount of work. This, coupled with the shortage of experienced project management staff, means that there is an increasing occurrence probability of deviation from tendering procedure. The Group's existing rules and regulations for project management are comprehensive, which have been implemented effectively. As regards construction site management, the Group enhanced supervision and inspection, as well as random inspection, for construction safety and quality and for the performance of contractor and supervisor. Inspection for the working procedure of important parts will be performed too. Site supervisor will make safety disclosure and technical disclosure to the site workers before commencing project works. Construction plan will be reviewed and supplier visit will be conducted. On-site working procedures will be arranged in a reasonable manner. Besides, the Group strengthened the safety management of all types of engineering works. It will confirm all disclosures in respect of project activities with participating units. On-site overlapping jobs will be strictly managed. Furthermore, the Group will split the total construction period into different ranges to formulate monthly and weekly construction schedules, in an effort to improve construction schedule management. It continued to push forward construction projects and finalised the "VI (Visual Identification) Standard Manual", leading to the progressive enhancement of standardisation of construction sites. As for tendering and procurement management, the Company has already set up a procurement management center. Through the implementation of procurement management systems, namely the "Procurement Management System", the "Tendering Management Measures", the "Non-tender Procurement Management Measures" and the "Accountability Management Measures on Non-compliant Procurement", the Group specified the operation standards for tendering and procurement. By establishing an electronic transaction platform for tendering and procurement, it regulates the workflow for tendering and procurement. Having engaged in project management for a number of years, the Group has solid experience in project management. The control measures are effective as a whole. The risk level is on a downward trend.

工程管理風險：本集團處於工程建設高峰期，各工程建設項目存在由於施工單位管理人員現場履職缺失導致的工程安全與品質事故的可能性在增加，同時工程建設涉及建安設備等多方面招標，招標工作量大，具備經驗的工程管理人員數量不足，偏離採購招標流程的可能性增加。本集團現有完善的工程管理規章制度且得到有效執行。在工程建設現場管理方面，本集團加大對工程項目的安全與品質、以及承包商、監理方履職情況的監督檢查和隨機抽查，實現對重點部位工序檢查、安全技術交底、施工方案審查、供應商考察等領域的全覆蓋；合理安排現場工序，加強各專業工程師的安全管理力度，對各參建單位落實作業票內的各項交底內容、現場交叉作業進行嚴管；強化工程進度管理，將總工期分解制定月度、週工程進度計劃；持續推進各工程項目落實VI(視覺形象識別)標準化手冊，工程現場的標準化水準穩步提升；在招標採購管理方面，在本公司成立了採購管理中心，通過出台《採購管理制度》、《招標管理辦法》、《非招標採購管理辦法》、《採購違規問責管理辦法》等一系列採購管理制度明確招標採購的操作規範，通過建立招標採購電子交易平台規範招標採購的工作流程。本集團經過多年工程管理實踐，已積累了較為豐富的工程管理經驗。目前管控措施整體有效，該風險處於下降趨勢。

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Staff turnover risk: Given the keen competition in the industry, failure to fill up vacancy for key post(s) created by the resignation of the Group's experienced officer(s) and the negative impacts arising from the infringement of the Group's intellectual property rights and patented technology will adversely affect the interest of the Group. The Group is actively committed to nurturing an outstanding corporate culture. To provide development opportunities for its employees, the Group has developed a vast platform of development forging a multiple-lane career development path of "Management, skills and competency" for its employees. It continued to boost employee's sense of achievement while retaining talents by offering a promising career and by harmonious relation. Through stepping up talent training, the Group enhanced the comprehensive quality and professional skills of its general managers, supervisors and backup management personnel. It carried out assessment and recruitment exercise of professional and technical staff as well as strengthening the cultivation of reserve talents. Based on the midyear and annual appraisals, the Group will build up and enrich the reserve talent pool biannually. After the leaving of an employee, the Group will immediately close the relevant employee's OA (Office Automation System) account and email account. For certain business sectors, those officers who have confidentiality obligations with the Group, are required to enter into confidentiality agreements to safeguard the interest of the Group. At present, the control measures are effective as a whole. The risk level is on a downward trend.

Accounts receivable risk: If the government's or client's ability to settle service charge is affected due to financial difficulties, or if the waste processing fee of any waste-to-energy project or the on-grid power tariffs of any biomass integrated utilisation project remained outstanding and cannot obtain national subsidy and provincial subsidy temporarily after its commencement of commercial operation due to failure to obtain approval for registration of its waste processing fee and on-grid power tariffs in the subsidy catalogue, the balance of accounts receivable and the amount overdue will increase. The Group strictly follows the "Management Method on Accounts Receivable" and will analyse the overall status of accounts receivable on a regular basis. Based on the analysis, the Group will set receivable recovery objectives and set up recovery plans to ensure the reasonableness of ageing and the effective operation of recovery mechanism. It will review the recoverability of accounts receivable and effectively implement the collection of accounts receivable. Besides, the Company will analyse and report on the recoverability of accounts receivable on a regular basis, including ageing management, analysis and management, quarterly client account reconciliation and accounts receivable verification. The Group continuously enhanced credit investigation of commercial clients and gradually established its management model for commercial clients. Under such model, commercial clients will be pre-screened and their accounts will be closely monitored and followed by designated officers. In addition, credit policy and debt collection procedures will be applied flexibly according to client's individual circumstances and adjustment will be made promptly so as to minimise the possibility of bad debt. At present, the relevant measures can partially mitigate the risk impact. The risk level remained unchanged.

員工離職風險：隨著激烈的行業競爭，本集團經驗豐富員工的離職可能導致關鍵崗位空置以及對本集團知識產權和專利技術被侵害的負面影響。本集團積極打造優秀企業文化，為員工打造更廣闊的發展平台、提供更多的發展機會，打通管理、技術及職能序列多條通道，不斷增強員工的獲得感，以事業留人、感情留人；加大人才培訓力度，全方位提升總經理、總指揮及其後備人員的綜合素質和專業技能。開展專業技術職務評聘工作，加強本集團後備人才梯隊建設，根據半年、年度考核情況，每半年對後備人才庫進行充實和完善；在員工離職後即時刪除其協同辦公系統(OA)及郵箱等賬號，在部份業務板塊與有保密義務的員工簽訂保密協議，以保障本集團利益。目前管控措施整體有效，該風險等級處於下降趨勢。

應收賬款風險：如果由於政府或者客戶財務緊張造成服務費用支付能力下降，或者新投運的垃圾發電和生物質綜合利用項目的垃圾處理費、上網電價等尚未收回且未能納入補助目錄造成短期內無法及時獲取國補和省補等原因，將導致應收賬款餘額和逾期金額增加。本集團嚴格執行《應收賬款管理辦法》，對應收賬款總體情況進行定期分析，據此制定有針對性的回收目標和計劃，確保賬齡的合理和回收機制的有效運行，並對應收賬款回收情況進行考核，有效落實應收賬款清理工作；對應收賬款回收情況進行定期分析報告，包括賬齡管理、分析管理，並按季度與客戶開展對賬工作，對應收賬款進行核查；對於商業客戶，不斷完善客戶信用調查，逐步形成對商業客戶進行事前甄別、事中監督、事後專人跟蹤的管理模式，並根據不同的客戶可以採取靈活的信用政策和催收策略，即時調整減少壞賬發生概率。目前相關管控措施可以部份降低風險影響程度，風險等級保持不變。

Market competitive risk: The substantial influx of competitors into the environmental industry not only intensified competition in the industry, but also led to rapid change of business model. Market competition, particularly in the sectors of waste-to-energy and biomass integrated utilisation, has become unprecedentedly fierce. Competitors conducted malicious competition on the back of low prices, which impacted on the market competitiveness of the Group. While consolidating and expanding the business areas where it already has a competitive edge according to the change of policies and market conditions, the Group actively tapped into such new business fields as energy conservation and renewable resources, in a bid to expand its business layout, enrich its business scope and optimise its business layout. Leveraging on its advantages in science and technology, the Group pushed forward the construction of intelligent power station to enhance the intelligence level of power station. Through the newly established institutes (namely China Everbright Green Technology Innovation and Research Institute Company Limited (中國光大綠色技術創新研究院有限公司), China Everbright Zero-waste City Research Institute Company Limited (中國光大無廢城市研究院有限公司) and Everbright Ecological and Environmental Planning and Design Institute Company Limited (光大生態環境設計研究院有限公司), the Group gave full play to the driving force of scientific and technological innovation. Meanwhile, the organisational structure for market expansion (i.e. “headquarters for project organisation and coordination + business sector for project development on its own”) has been formed. By means of joint business development via mutual cooperation and coordination among business sectors, the Group strives to reinforce its business development momentum. The Group also strengthened the risk management of investment projects in advance and in process, and enhanced the quality and efficiency of project review. Comprising full-time and part-time committee members, the Group’s Project Advisory Committee will carry out evaluation on investment projects on a regular basis, in an effort to safeguard the interest of the Group. Benchmarking will be conducted on a regular basis. In addition, the Company will study the industry development trend and the industry policies from time to time, and will conduct research on new sectors, new technologies and new status of competition. The existing control measures can cover the specific conditions of this risk. The control measures are effective and the risk level is on a downward trend.

市場競爭風險：目前大量競爭對手進入環保產業，加劇行業競爭、商業模式快速更迭，特別是在垃圾發電、生物質綜合利用等領域市場競爭更是進入白熱化，不乏有競爭對手通過低價方式進行惡性競爭，影響本集團之市場競爭力。本集團根據政策變化和市場情況，進一步鞏固和擴大原有優勢業務的同時，積極進入環保節能、再生資源等新業務領域，增加產業縱深，優化產業佈局。發揮科技優勢，推進智慧電廠建設，提高工廠智能化水平；依託新成立的中國光大綠色技術創新研究院有限公司、中國光大無廢城市研究院有限公司和光大生態環境設計研究院有限公司，積極發揮科技的驅動力作用；形成「總部協調統籌+業務板塊獨立拓展項目」的市場拓展組織架構，通過各業務板塊協同聯動、相互協作，共同拓展業務，提高本集團業務拓展勢能；強化對投資項目的事前事中管控，提高項目評審品質和效率，本集團項目評審委員會採用專職委員和兼職委員的方式，定期對投資項目進行評審，全力維護本集團之利益。定期開展同業對標工作，隨時了解行業動態，了解行業政策，並對新領域、新技術、新的競爭態勢進行研究。目前管控措施可覆蓋該風險的主要表現，管控措施整體有效，風險等級處於下降趨勢。

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Not-in-my-backyard risk: Poor environmental performance of peers and business partners, and the public's misunderstanding over environmental industry might adversely affect the business development of the Group. In the era of rapid development of new media, negative public sentiment and public objection might be exaggerated by certain environmental groups' negative publicity and misleading information, which would adversely affect the reputation of the Group and the stability of operation. The Group continued to enhance its operating quality. The Group opened up more environmental protection facilities for public visits and proactively invited public supervision. The Group is the first environmental protection enterprise in China to carry out such an opening-up initiative. As at the end of 2019, a total of 77 waste-to-energy projects and waste water treatment projects had been opened up for public visits. By maintaining good communication with local government and the surrounding community, the Group can promptly understand the general trend of affairs in the area, enabling it to make quick response to any spontaneous mass movement, and any disputes will be submitted to the relevant government department for mediation. Meanwhile, through strengthening the management of transportation contractors for domestic waste, sludge and bottom ash, the Group strives to minimise the adverse effects resulted from such contractors' improper acts on the residents in the surrounding areas. As regards solving not-in-my-backyard effect, the Company has solid experience and successful cases. At present, the control measures are effective as a whole. The risk level is on a downward trend.

Cost control risk: Owing to the failure to comply with environmental standards, a large number of environmental consumable manufacturers were ordered to suspend production, which led to inadequate supply of environmental consumables, rise in prices and continual increase in operating costs. As a result of the lack of competition due to limited suppliers, the bargaining power of the Group during the course of project construction procurement is low, which led to the increase of cost. The Group has established the Budget Management Centre to improve the delicacy management of project cost. The "Construction Budget Management Measures" has been issued to specify the responsibilities and terms of reference of the construction cost management department as well as the assessment requirements. The Group also established the Procurement Management Centre to carry out centralised procurement for bulk goods, in a bid to strengthen bargaining power and lower procurement costs. To improve the supplier management system, the Group implemented graded management of suppliers, and supplier assessment will be carried out on a regular basis to optimise the Group's supplier base. Meanwhile, the Group enhanced its competitiveness in raw material procurement and increased the choice of procurement alternatives. At present, the electronic transaction platform for tendering and procurement has over two thousand registered suppliers. At the same time, the platform linked with several hundred thousands of suppliers of various e-commerce corporates. At present, the control measures are partially effective as a whole. The risk level remained unchanged.

鄰避效應風險：由於其他同業企業和合作單位在環境方面的不良表現以及公眾對環保行業的誤解，可能會對本集團在業務開展方面帶來不利影響，同時隨著新媒體的發展以及部份環保組織的負面宣傳和誤導，公眾負面情緒和抵制行為會被放大，對本集團的聲譽、運營穩定性帶來負面影響。本集團不斷提高運營品質，加強環保設施向公眾開放力度，在行業內率先以「企業整體」的名義向社會公眾開放本集團旗下之環保項目，主動接受公眾監督，截止二零一九年年底，本集團已開放垃圾發電、污水處理等項目共77個；保持與項目所在地政府和周邊社區溝通對話，即時了解周邊動態，對於突發的群眾事件能夠快速回應，依靠政府部門進行協調解決；強化垃圾清運、污泥運輸、爐渣處置等外協單位的管理，降低外協單位的不當行為對周邊居民的負面影響。本集團有著較為豐富的鄰避效應化解經驗和成功案例。目前管控措施整體有效，風險等級處於下降趨勢。

成本控制風險：目前大量環保耗材生產廠家因環保措施不符合要求被勒令停產，造成環保耗材供貨緊張、價格上漲，運營成本不斷增加；工程項目採購招標過程中，由於供應商數量不足導致競爭不充分，本集團整體議價能力不足，導致工程成本增加。本集團成立了預算管理中心，旨在加強對工程項目成本精細化管理，發佈《工程建設預算管理辦法》，以明確工程建設項目成本管理職責、權限、考核等工作要求；亦成立了採購管理中心，實現大宗物資採購集中管理，提高議價能力、降低採購成本；完善供應商管理體系，對供應商進行分級管理，定期對供應商進行動態評估優化，增強原材料採購的競爭性和供應商的可替代性。目前招標採購電子交易平台供應商註冊數量已超過兩千家，同時實現與多家電商的數十萬供應商的對接。目前管控措施部份有效，該風險等級保持不變。

Environmental and Social Management 環境與社會管理

The Group pays particular attention to the impact of its operations on the environment and society. An environmental and social management system has been developed and implemented in accordance with the Safeguard Policy Statement of the ADB and international best practices. The system contains a set of policies, standards, guidelines, and working procedures for enhancing the environmental and social performance of the Group. Meanwhile, the Group is also committed to maintaining a close relationship with our key stakeholders, including investors, shareholders, governments, employees, local communities, suppliers, and non-governmental organisations, through various communication channels.

In order to better integrate system requirements into operational practices, the Group has implemented its ESHS Management System since 2016. The system comprises management standards to provide procedural guidelines on identification of material environmental, safety, health, and social issues, environmental, health and safety audits, incident investigation and reporting, work injury treatment and contractor ESHS management. Implementation of the system has not only promoted sustainable development within the Group, but also extended our safety culture and policies to the supply chain. In 2019, the Group continued to optimise the ESHS Management System, and enhanced its implementation at all project companies to drive for the standardisation of construction and operational management.

The operation of the Group's projects strictly adheres to the applicable environmental protection standards and requirements. The key laws, regulations and standards which are highly relevant to the Group's business include the Environmental Protection Law of the PRC, Law of the PRC on Environmental Impact Assessment, Production Safety Law of the PRC, Labour Law of the PRC, the Standard for Pollution Control on Municipal Solid Waste Incineration (GB18485-2014), the Emission Standard for Air Pollutants of Thermal Power Plants (GB13223-2011), and the Discharge Standard for Pollutants of Municipal Wastewater Treatment Plants (GB18918-2002), etc. In 2019, there was no confirmed case of non-compliance in relation to environmental protection that would have a significant impact on the Group.

本集團十分重視自身運營所帶來的環境與社會影響，並已根據亞發行的《保障政策聲明》及國際最佳範例編寫並實行環境與社會管理制度。該制度包含一系列政策、標準、指引、及工作流程，以致力提升集團在環境及社會方面的表現。此外，本集團亦積極通過各種溝通途徑，與各主要持份者，包括投資者、股東、政府、員工、當地社區、供應商、及非政府組織等保持緊密關係。

為進一步加強制度要求和運營實踐的有效結合，本集團自二零一六年起全面實施ESHS管理體系。該體系包括重要環境、安全、健康及社會議題的識別、審核、事故調查及匯報、工傷處理及承包商ESHS管理方面等指導程序的管理標準，這不僅促進集團內部的可持續發展，更將安全文化和政策延伸到本集團的供應鏈中。於二零一九年，本集團繼續推進並提高ESHS管理體系在各項目公司的執行效果，實現項目建設、運營過程中整體管理的標準化。

本集團項目的運營均嚴格遵照相關的環保標準及要求。適用於本集團項目的主要法律、規例和標準包括：《中華人民共和國環境保護法》、《中華人民共和國環境影響評價法》、《中華人民共和國安全生產法》、《中華人民共和國勞動法》；《生活垃圾焚燒污染控制標準》(GB18485-2014)、《火電廠大氣污染物排放標準》(GB13223-2011)，以及《城鎮污水處理廠污染物排放標準》(GB18918-2002)等。二零一九年並沒有任何與環境保護相關並對本集團有重大影響的已確認違規事件。

Chief Executive Officer's Report 行政總裁報告

Final Dividend 末期股息

The Board has proposed to pay a final dividend of HK13.0 cents per share (2018: HK12.0 cents per share) for the year ended 31 December 2019, payable to the Shareholders whose names appear on the register of members of the Company (the "Register of Members") on Friday, 29 May 2020. Subject to approval by the Shareholders of the payment of final dividend at the forthcoming annual general meeting of the Company to be held on Wednesday, 20 May 2020 (the "AGM"), the final dividend will be paid to the Shareholders on or around Friday, 19 June 2020.

董事會建議派發截至二零一九年十二月三十一日止年度之末期股息每股13.0港仙(二零一八年：每股12.0港仙)，給予於二零二零年五月二十九日(星期五)名列在本公司股東名冊(「股東名冊」)之股東。待股東即將於二零二零年五月二十日(星期三)舉行之本公司應屆股東週年大會(「股東週年大會」)上批准派付末期股息，末期股息將於二零二零年六月十九日(星期五)或左右派發予股東。

Closure of Register of Members 暫停辦理股份過戶登記手續

For the purpose of determining the Shareholders' eligibility to attend and vote at the AGM and entitlement to the final dividend, the Register of Members will be closed in accordance with the following timetable:

為確定股東出席股東週年大會並於會上投票及收取末期股息的資格，本公司將根據以下時間表暫停辦理股份過戶登記手續：

(i) For determining the Shareholders' eligibility to attend and vote at the AGM:

確定股東出席股東週年大會並於會上投票的資格：

(a) Latest time to lodge transfer documents for registration
遞交股份過戶文件以辦理登記手續的最後時限
4:30 pm on Thursday, 14 May 2020
二零二零年五月十四日(星期四)
下午四時三十分

(b) Closure of Register of Members
暫停辦理股東登記手續
Friday, 15 May 2020 to
Wednesday, 20 May 2020
二零二零年五月十五日(星期五)至
二零二零年五月二十日(星期三)
(both dates inclusive 包括首尾兩天)

(ii) For determining entitlement to the final dividend:

確定收取末期股息的權利：

(a) Latest time to lodge transfer documents for registration
遞交股份過戶文件以辦理登記手續的最後時限
4:30 pm on Tuesday, 26 May 2020
二零二零年五月二十六日(星期二)
下午四時三十分

(b) Closure of Register of Members
暫停辦理股東登記手續
Wednesday, 27 May 2020 to
Friday, 29 May 2020
二零二零年五月二十七日(星期三)至
二零二零年五月二十九日(星期五)
(both dates inclusive 包括首尾兩天)

(c) Record date
記錄日期
Friday, 29 May 2020
二零二零年五月二十九日(星期五)

During the above closure periods, no transfer of shares will be registered. In order to be eligible to attend and vote at the AGM, and to qualify for the proposed final dividend, all transfer forms accompanied by the relevant share certificates must be lodged with the Company's share registrar and transfer office, Tricor Tengis Limited at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong for registration not later than the relevant latest time set out above.

於上述暫停辦理期間將不會進行股份過戶登記手續。為確保符合資格出席股東週年大會並於會上投票並享有上述建議之末期股息，所有過戶表格連同有關股票必須於上述的有關最後時限前送交本公司之股份登記及過戶處卓佳登捷時有限公司，地址為香港皇后大道東一百八十三號合和中心五十四樓。

Purchase, Sale or Redemption of the Company's Listed Securities 買賣或贖回本公司之上市證券

During the year under review, neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the listed securities of the Company.

於回顧年度內，本公司或其任何附屬公司並無購買、出售或贖回本公司之任何上市證券。

WANG TIANYI

王天義

Chief Executive Officer

行政總裁

Hong Kong, 18 March 2020

香港，二零二零年三月十八日

Sustainability Report

可持續發展報告

LOVE THE EARTH,
LOVE THE PLANET

We live in

讓我們**關愛地球**
關愛人類賴以生存的**家園**



Sustainability Report 可持續發展報告

This is an abstract of our Sustainability Report 2019. The Sustainability Report 2019 of China Everbright International Limited (the “Company”, or “Everbright International”, together with its subsidiaries, collectively, the “Group”) is prepared in accordance with the Global Reporting Initiative (“GRI”) Standards: Comprehensive option, its Electric Utilities Sector Disclosures document, as well as the Environmental, Social and Governance Reporting Guide published by The Stock Exchange of Hong Kong Limited. The Sustainable Development Goals (“SDGs”) of the United Nations were fully integrated into the Group’s environmental and social management strategies to reflect its commitment to tackling the world’s most pressing issues.

The full report, in both Chinese and English versions, is available for download at the corporate website of the Company (www.ebchinaintl.com/en/csr/susreport.php) and the website of Hong Kong Exchanges and Clearing Limited (www.hkexnews.hk) within three months after the publish of our annual report.

此章節為我們《二零一九年可持續發展報告》的摘要。中國光大國際有限公司（「本公司」或「光大國際」，連同其附屬公司，統稱「本集團」）的《二零一九年可持續發展報告》依循全球報告倡議組織（「GRI」）準則：全面選項、其《電力行業披露》文件及香港聯合交易所有限公司發佈的《環境、社會及管治報告指引》編寫。此外，本集團將聯合國可持續發展目標全面融入環境及社會管理戰略中，以展示應對全球最迫切議題的決心。

完整版報告（備有中英文版本）可於我們刊發年報後的三個月內透過本公司網站（www.ebchinaintl.com/tc/csr/susreport.php）及香港交易及結算所有限公司網站（www.hkexnews.hk）下載。

RESPONSIBLE OPERATION AND MANAGEMENT 負責任的經營管理

The Group pays close attention to the operational impacts brought to the environment and society. An Environmental and Social Management System (“ESMS”) has been established in accordance with the Safeguard Policy Statement of the ADB and other international best practices. The ESMS covers the entire cycle of projects from early-stage planning and design till the final-stage operation and management, with specific requirements in place in relation to environmental and social screening and categorisation, resettlement, indigenous peoples, environmental impact assessment, information disclosure, public engagement, gender equality, due diligence and review, and monitoring and reporting. In addition, the Group’s Environmental Policy and operations manual, aim to reduce the operational impacts to the environment and natural resources by providing clear guidelines on air and greenhouse gas emissions, discharges into water and land, generation of hazardous and non-hazardous waste, as well as the efficient use of energy, water and other raw materials.

本集團高度重視自身運營所帶來的環境與社會影響，並已根據亞發行的《保障政策聲明》及國際最佳範例編寫了一套《環境與社會管理制度》。該制度涵蓋由前期項目規劃到最終項目運營的項目全週期管理，包括涉及環境和社會篩選和分類、搬遷安置、原住民、環境影響評估、信息披露、公眾參與、性別平等、盡職調查和審查，及監測和報告等範疇的要求。此外，本集團的《環境政策》和《運營守則》，對運營中所涉及的廢氣及溫室氣體排放、向水及土地的排污、有害及無害廢棄物的產生及處置方法，以及能源、水資源、其他原材料使用等方面提供了明確指引，致力減輕本集團的運營對環境及天然資源所造成的負面影響。

RESPONSIBLE OPERATION AND MANAGEMENT (*continued*) 負責任的經營管理(續)

To further integrate system requirements into operational practices, the Group has implemented its comprehensive Environmental, Safety, Health and Social Responsibility (“ESHS”) management system (the “ESHS Management System”) since 2016. During the reporting period, we enhanced the implementation of the ESHS Management System across different entities under the Group, and successfully applied standardised management in the overall project investment, construction and operation management, which improves overall operational efficiency and effectiveness. The Group established an ESHS Management Committee led by the Chief Executive Officer under Risk Management Committee, which provides practical guidelines and support to the Group’s sustainable development work to ensure thorough implementation of the Group’s sustainable development management policies in a top-down manner.

Besides controlling internal risks, the Group also extends our successful ESHS management along our supply chain. We established a fair and transparent procedure for selecting and managing suppliers and contractors. Our Supplier Management Measures, Supplier Code of Conduct, Contractor ESHS Management Standards, Tender Management Measures and Management Measures for Appraisal Expert Database of Project Construction Procurement, etc. have guided our business partners to improve their sustainability performance.

To develop an effective, accountable and transparent organisation at all levels, we continued to maintain employee conduct in accordance with our Staff Handbook and Code of Conduct, to ensure the Group is operating ethically in our businesses.

The board of directors of the Company and senior management review the sustainability strategy on a regular basis, and revises the strategy when appropriate.

我們自二零一六年起全面實施環境、安全、健康及社會責任(「ESHS」)管理體系(「ESHS管理體系」)，以進一步加強體制要求和運營實踐的有效結合。報告期內，本集團繼續推動ESHS管理體系在全組織內的實施，實現項目投資、建設及運營管理過程中各環節管理的規範化，加強整體運營效率和成效。本集團於風險管理委員會下亦設有由行政總裁牽頭的光大國際ESHS管理委員會，為企業的可持續發展工作提供實質的領導和支持，確保集團的可持續發展管理政策由上至下得以貫徹實施。

除了內部風險監控，本集團還把我們優秀的ESHS管理延伸至整條供應鏈。我們為供應商及承包商的選擇和管理訂立了公正和透明的守則。我們的《供應商管理辦法》、《供應商行為準則》、《承包商ESHS管理標準》、《招標管理辦法》及《工程建設採購評審專家庫管理辦法》等進一步引領了業務夥伴提升其可持續發展表現。

為全方位建立一個有效、可靠和透明的組織，我們持續依循《員工手冊》和《員工守則》維護員工操守，以確保本集團的經營符合相關之商業道德。

本公司董事會和高級管理層定期檢視其可持續發展政策，並會在適當時作出修訂。

ENVIRONMENTAL PROTECTION 環境保護

Priority SDGs:

優先的可持續發展目標：



As a leading company in the environmental protection industry in China, the Group strives to minimise its operational impacts on the environment and natural resources. Our environmental energy business helps reduce the adverse per capita environmental impact and preserve precious land resources of cities via green incineration of household waste; our greentech projects improve air quality in rural areas by converting biomass raw materials such as agricultural and forestry waste into electricity and heat, hence avoiding open burning of agricultural and forestry straw. Both businesses increase the share of renewable energy in China's energy mix, demonstrating our dedication to the green energy era in China. Besides, our two new business sectors, eco-recycling and greenery, aims to develop zero-waste cities via waste sorting and resources utilisation, and contribute to energy conservation and urban outdoor lighting projects via research and development and manufacturing of energy-saving streetlights respectively. Our waste water treatment projects effectively treat waste water strictly in compliance with national standards and produce high quality industrial reusable water to help alleviate water quality and sanitation problems.

Our Group's businesses align with the Plan for Pilot Development of "Zero-Waste Cities", published by the General Office of the State Council of the People's Republic of China (the "PRC") issued earlier this year. The plan aims to promote green development and a green lifestyle, and encourage the reduction of solid waste at the source as well as recycling and reuse of resources, in order to minimise landfill waste and mitigate the impact of solid waste on the environment. Currently, Everbright International has established a systematic development model with the development of "Zero-Waste Cities" as its core mission and is proactively exploring a unique model relating to the development of "Zero-Waste Cities" that covers waste sorting, reduction of waste at source, recycling, harmless treatment at the back end, among others.

作為中國環保行業的領軍企業，本集團致力減低其運營對環境及天然資源造成的影響。我們的環保能源業務透過城市生活垃圾的綠色焚燒，協助減少人均環境影響及保存珍貴的城市土地資源；我們的綠色環保業務主要透過將農林廢棄物等生物質原材料轉換為電力和熱能，避免了農林秸稈的露天焚燒，從而改善農村地區空氣質量。這兩項業務還通過增加可再生能源在能源總量的比重，為中國的綠色用電作出重大貢獻。此外，我們新增的兩大業務板塊，生態資源業務致力從事垃圾分類及資源回收，從而建設無廢城市；而環境節能業務透過研發和製造節能路燈，致力貢獻環境節能，建造城市亮化工程。另一方面，我們的污水處理項目嚴格按照國家標準有效處理污水，並生產高質量的工業用回用水，以協助舒緩水質量和衛生問題。

本集團的業務與國務院辦公廳於今年年初印發《「無廢城市」建設試點工作方案》同出一轍，旨在促進綠色發展方式和生活方式的形成，推進固體廢物源頭減量、資源化回收利用，減少填埋量和減低固體廢物對環境造成的影響。光大國際目前已形成以「無廢城市」建設為核心的系統性發展格局，積極探索涵蓋垃圾分類、源頭減量、資源回用、末端無害化處置的光大國際「無廢城市」建設獨有模式。

Sustainability Report 可持續發展報告

ENVIRONMENTAL PROTECTION (continued) 環境保護(續)

During the reporting period, we processed approximately 24,739,000 tonnes of household waste, 4,636,000 tonnes of agricultural and forestry waste and 198,000 tonnes of hazardous and solid waste. Our projects supplied approximately 12,272,395,000 kWh of on-grid green electricity in this year, and offset approximately 12,343,000 tonnes of carbon dioxide equivalent (CO₂e) emissions. We also treated approximately 1,433,805,000 m³ of waste water and 5,210,000 m³ of leachate, reducing chemical oxygen demand (COD) discharge by approximately 513,000 tonnes in total.

報告期內，我們處理了約24,739,000噸生活垃圾、4,636,000噸農林廢棄物及198,000噸危廢及固廢。我們的項目於本年內合共提供綠色上網電量約12,272,395,000千瓦時，並抵消約12,343,000噸二氧化碳當量排放。另外，我們處理約1,433,805,000立方米污水及約5,210,000立方米滲濾液，合共減少了約513,000噸化學需氧量(COD)排放。

EMISSION MANAGEMENT 排放管理

As a leading waste-to-energy operator, we play an important role in tackling air pollution and climate problems. For emissions control, we strictly control stack emissions such as particulate matter (PM), sulphur dioxide (SO₂) and nitrogen oxides (NO_x) in all combustion operations, by implementing stringent operational procedures with frequent inspection and extensive supervision. We also pay attention to the effective control of fugitive air emissions at our projects to prevent air pollution. Our waste-to-energy projects are designed and operated fully in compliance with the Standard for Pollution Control on the Municipal Solid Waste Incineration (GB18485-2014), while the daily average values of online continuously monitored parameters are well below the respective emission limits as stipulated under the EU Industrial Emissions Directive (2010/75/EU) and its relevant Annexes/Amendments. Our biomass combustion operations meet the “Emission Standard of Air Pollutants for Thermal Power Plants” (GB13223-2011).

In addition, other air pollutants such as dioxins and heavy metals are tested by Everbright International with frequencies far beyond national requirements. For instance, the testing of dioxins in every waste-to-energy project has reached at least four times a year, which is higher than the national requirement of once per year. Dioxins concentrations of all samples were lower than the emissions limits of the “Standard for Pollution Control on the Municipal Solid Waste Incineration” (GB18485-2014).

We strive to ensure that people everywhere can conveniently access our projects' environmental information. During the reporting period, we maintained the initiative in timely disclosing emissions data and environmental management information of projects in Everbright International's corporate website, including the ground-breaking measure of online hourly disclosure of average emissions data across all our operating waste-to-energy projects.

作為一家領先的垃圾發電運營商，我們在對抗空氣污染和氣候問題擔當重要角色。在排放控制方面，我們採納了嚴謹的操作程序、高頻率的檢查和嚴謹的監督，嚴格控制所有在燃燒過程中所排放的顆粒物(PM)、二氧化硫(SO₂)及氮氧化物(NO_x)等煙氣。我們亦特別關注項目無組織排放的有效控制，避免造成空氣污染。我們的垃圾發電項目的設計及運營能完全符合《生活垃圾焚燒污染控制標準》(GB18485-2014)，煙氣在線監測指標日均值更全面優於歐盟《工業排放指令》(2010/75/EU)及其相關附表／修訂中的相關排放限值。生物質燃燒的運營則達《火電廠大氣污染物排放標準》(GB13223-2011)。

此外，光大國際對煙氣二噁英和重金屬等污染物均以高於國家的要求作更頻密的檢測，而當中每個垃圾發電項目的煙氣二噁英的測頻率更達每年至少四次，遠高於國家每年一次的檢測要求，所有檢測樣本濃度均低於《生活垃圾焚燒污染控制標準》(GB18485-2014)中所列的限值。

我們致力確保所有人都能隨時隨地掌握我們項目的環境信息。報告期內，我們繼續恪守主動對項目的排放數據和環境管理信息實施適時披露的舉措，包括於光大國際網站每小時更新所有運營垃圾發電項目的煙氣在線監測均值，創行業先河。

WASTE MANAGEMENT 廢棄物管理

Cherishing resources and reducing wastage is an essential part of our practice. The Group strives to achieve environmentally sound management of all wastes throughout their life cycles, and significantly reduce their release to air, water and soil through comprehensive recycling schemes. The bottom ash generated from our waste-to-energy projects were recycled to produce bricks for sustainable constructions, while ash produced from biomass combustion were used to produce fertilisers. Treated sludge as a result of the municipal waste water treatment process were used in compost production, thus supporting landscaping and greenery. In addition, we collect, treat, and recycle the process waste water generated from our plant operations, and the leachate of our environmental energy projects can be recycled for on-site industrial use.

In addition, the Group established a zero-waste city research team and commenced initial liaison with zero-waste city pilot areas to provide an infrastructure plan and explore the “Zero-Waste Cities” construction model.

惜物減廢是我們作為環保企業的重要一環。本集團務求達至對所有廢物全生命週期的綠色管理，並透過全面的回收計劃，減少它們排入空氣、水和土壤。我們垃圾發電項目產生的爐渣被循環再用於製磚，以支持綠化建設；生物質燃燒產生的爐灰可用於製作肥料，而生活污水處理中產生的污泥在經處理後則可用於製作堆肥，從而支持園景綠化。另外，我們對廠內運營過程中排放的污水進行回收並加以處理，所有環保能源項目的滲濾液均可於園內循環利用。

此外，本集團亦設立無廢城市調研小組，並開始與無廢城市試點地區進行初步接洽，提供建設方案，共同探討「無廢城市」建設示範模式。

HUMAN CAPITAL 人力資本

Priority SDGs:

優先的可持續發展目標：



The Group highly values its human resources management, we put great emphasis on staff training and continuously refine our human resources strategy to attract and retain the best talents. We provide an employment platform that promotes fair and open opportunities for all, to ensure employees are not discriminated in any way due to gender, age, ethnicity, nationality, marital status, religion, etc., at work.

We provide permanent employees with comprehensive welfare packages and safeguards, including life insurance, medical insurance, disability and critical illness coverage, parental leave, etc., while discretionary bonuses are distributed to reward employees with outstanding performance. To ensure the physical and mental well-being of employees, we offer free medical and occupational disease prevention check-ups for employees on an annual basis. We also organise regular leisure activities ranging from eco-tours to sports activities to let our employees enjoy work-life balance and build meaningful relationships with each other.

本集團高度重視人力資源管理，注重員工培訓並持續改善人力資源策略，以吸引和保留最優秀的人才。我們為所有人提供公平公開的就業平台，確保員工在工作中不會因性別、年齡、種族、國籍、婚姻狀況、宗教等因素而受到任何形式的歧視。

我們為正式員工提供完善的福利和保障，包括人壽保險、醫療保險、傷殘及疾病保障、產假／侍產假等福利，而且派發酌情花紅，獎勵表現優異的員工。為確保員工的身心健康，我們每年均為員工提供免費的身體檢查及職業病防範檢查服務，並定期舉辦多項由生態旅遊到體育競技等的休閒活動，令員工在享受生活與工作平衡的同時，與同事建立良好關係。

TRAINING AND DEVELOPMENT 培訓及發展

Through providing regular and comprehensive training development to employees, the Group incorporates employee training as a norm in management where training profiles are established to help employees reach their full potential. During the reporting period, the Group established the Ecological Environment Institute to arrange centralised training programmes tailored to business development needs of the Group. Training programmes for general managers and construction directors, training courses for safety and environmental management and training courses for public communication staff were also held to enhance management's and staff's professional and general competence through continuous education. Our Ecological Environmental Institute held a 3-day environmental and safety management training course with the theme of "Opportunities and Risks" in Tsinghua Shenzhen International Graduate School.

During the reporting period, the Group issued the Measures for the Establishment of Talent Cultivation Base, in which we selected 16 operating projects as talent cultivation bases to provide internship opportunities for our future management and senior technical leaders. We further improved our human resources and information management systems, and accelerated the cultivation and export of management talents through increasing the quota of deputy positions in the project companies. Our tailor-made training and development programmes allow all levels of staff to unleash their full potentials, as we try to match their needs with the appropriate programmes in their career development stage.

During the reporting period, the average hours of training per employee was 27.43 hours.

透過為員工提供定期及全面的發展培訓，本集團把員工培訓納入常態管理，建立培訓檔案，務求裝備員工成才。於報告期內，本集團設立生態環境學院，針對本集團業務發展需要，統一安排合適培訓，亦先後舉辦了總經理與總指揮培訓班、安全環境管理培訓班、通訊員培訓班等，讓管理層及員工持續進修，提升專業和綜合能力。光大國際生態環境學院在清華大學深圳國際研究生院更以「風險與危機」為題舉行了為期三天的安全與環境管理培訓班。

回顧期內，本集團頒發了《人才培養基地建設辦法》，選出16個運營項目作為培養基地，為未來管理員工及技術骨幹成員提供實習機會。我們進一步完善人事制度和信息化管理體系，通過項目公司副職崗位的適度增設，加快管理人才的培養和輸出。為了讓員工發揮潛能、盡展所長，我們積極配合各職級的員工在職業發展階段的需求，為員工提供特製的培訓計劃。

報告期內，員工平均培訓時數為人均27.43小時。

HEALTH AND SAFETY 健康與安全

To provide a safe working environment and protect employees from occupational injuries while maintaining public safety, the Group adheres to the ESHS Management System to establish standardised operating procedures and on-site checklists for each project. Safety committees are formed for all projects under construction, while a safety management team headed by the general manager and run by the safety and environmental commissioner is set up under each operating project to monitor and manage health and safety issues in every stage of projects.

During the reporting period, daily checks on safety, environmental and occupational health were proactively conducted as safety risk assessments, so as to ensure all constructing and operating projects comply with all safety policies. The “Safety Production Month” was incorporated into our operation, where safety knowledge have been popularised through proactive and special edutainment like publicities, trainings, seminars, competitions on ESHS knowledge, and cross-regional ESHS skill competitions, with an aim to enable effective prevention of safety accidents. The Group also organises regular emergency drills and practices to raise employees’ competency in coping with risk.

In 2019, the injury rate of our employees was 0.19*.

本集團堅守ESHS管理體系，於所有項目均建立了標準操作流程和現場工作檢查表，致力為員工提供安全的工作環境及保障僱員避免職業性傷害，同時維護公眾安全。我們還在所有建設項目現場均設立安全委員會，在運營項目則設立由總經理牽頭、環衛專員執行的安全管理團隊，負責監督和管理項目各個階段的健康和安全事宜。

報告期內，本集團積極開展安全、環境與職業健康日常檢查工作，確保各在建及運營項目嚴格執行各項安全制度，並結合「安全生產月」，積極透過安全宣傳、培訓、研討會、ESHS知識競賽及跨區域ESHS技能比武等特色活動，以寓教於樂的形式普及了安全知識，為有效防止安全事故提供了有力保障。我們更定期舉辦應急演習和演練，務求提高員工應對危機時的處理技巧。

二零一九年，本集團員工的工傷率為0.19*。

* Injury rate (IR) = (Total number of work-related injuries/total working hours) x 200,000. Figures are rounded to two decimal places.

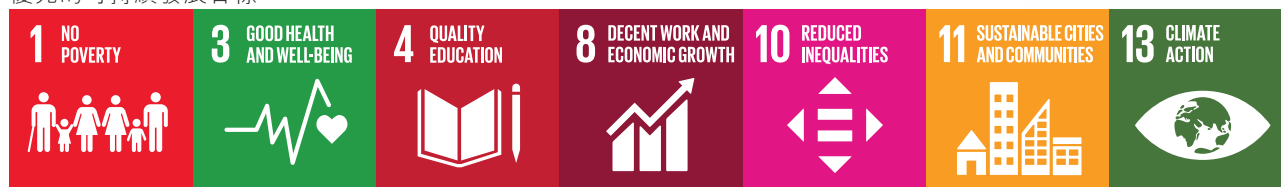
* 工傷率(IR)=(工傷個案總計/工作總小時數)x 200,000；數字調整至最接近的小數點後兩位表示。

Sustainability Report 可持續發展報告

COMMUNITY CARE 社區關懷

Priority SDGs:

優先的可持續發展目標：



Not only do we contribute to the community through direct economic contribution, we are also committed to maintaining close relationships with the community through environmental protection education, community engagement, poverty alleviation, climate action, among others. We uphold our mission as an environmental protection enterprise, and we take social responsibility in a proactive manner.

本集團不單以直接經濟貢獻的方式回饋社會，還致力通過環保教育、社區共融、扶貧濟困、氣候行動等方面與社區維持緊密的關係。我們堅守作為環保企業的責任與使命，主動承擔社會責任。

QUALITY EDUCATION 優質教育

We believe that quality education is the foundation to creating a sustainable future. The Group established Everbright International Environmental Protection Charitable Foundation Company Limited in Hong Kong in 2013, in which providing quality education to young people has been a key focus. The foundation has supported the development of the Group's "Everbright International True Love School" in Dangshan, which has provided educational opportunities for 4,500 students living in rural areas. This year, we have sent the 14th batch of voluntary teachers to the school, with the aim to provide the underprivileged students with a better opportunity. In addition, the foundation has been supporting Heifer International Hong Kong Branch's "Read to Feed" fundraising programme for three consecutive years. Through this programme, we encourage Hong Kong students to develop reading habits, while deepening their understanding on poverty and environmental protection issues.

In order to nurture young people and the public's interest in sustainable development and green lifestyle, Everbright International makes extensive use of our project facilities in various locations as environmental education bases and science education experience centres. During the reporting period, the Group has continued fostered activities relating to the opening-up of environmental protection facilities of all business sectors of the Group for public visit. Moreover, by facilitating large environmental protection promotional initiatives, such as the "June Fifth" World Environmental Day, the projects of the Group could better spread the awareness on various issues relating to science popularisation relating to environmental protection, ecological and environmental protection, and circular economy. During the reporting period, the Group's environmental protection projects played the roles as hubs for environmental education, environmental science popularisation, circular economy and industrial tourism, receiving a total of 181,752 domestic and foreign visitors from all circles.

我們相信優質的教育是創建可持續發展的前提。本集團於二零一三年在香港成立光大國際環保公益基金會有限公司，專責管理「光大國際環保公益基金」及協調集團所有的慈善公益活動，而為青少年提供優質的教育正是重點工作之一。基金捐助了位於碭山的「光大國際愛心學校」的建立，已為4,500名偏遠地區的學生提供教育機會。本年度，我們的第十四批由熱心員工組成的義務教師赴愛心學校提供教學支援，望為有需要的兒童提供更好的機會。此外，我們連續第三個學年支持國際小母牛香港分會舉辦的開卷助人閱讀籌款計劃，鼓勵香港學童養成閱讀習慣，透過閱讀加深對貧困、環保等問題的了解。

為培養年輕人和公眾對可持續發展和綠色生活方式的興趣，光大國際廣泛利用項目公司於各地的設施作為環保教育基地和科普教育體驗中心。報告期內，本集團繼續堅定地推動旗下各業務板塊環保設施向公眾開放的相關工作，再配合「六·五」世界環境日等大型環保宣傳倡議，本集團旗下各項目更好地向公眾推廣和宣傳環保科普、生態環保、循環經濟等重要生態環境保護議題。報告期內，本集團旗下環保項目積極承擔環境教育、環境科普、循環經濟及工業旅遊基地的重要角色，共接待國內外各界人士參觀考察達181,752人次。

COMMUNITY INTEGRATION 社區共融

To ensure our Group's waste-to-energy projects comply with the environmental and social safeguard principles and requirements internationally, we follow the requirements of ADB to mainstream social concerns into the beginning of project life cycle, thus ensuring that any resettlement associated with our project development will be properly managed in compliance with applicable laws, and all affected people will receive fair and adequate compensation and rehabilitation.

In line with the central government's direction to pursue rural green development, we introduced advanced waste treatment facilities into the rural villages, thereby laying a foundation to support sustainable rural development in China by preventing waste disposal and related pollution problems before they arise through our urban-rural integration projects. Our Hangzhou Waste-to-energy Project was the first project to tackle the Not-In-My-Backyard ("NIMBY") obstacle in China. The project has promoted tourism development that fosters the consumption on catering and hospitality sectors, stimulates the prosperity of service industry, and also to act as a demonstration project for solving the "NIMBY" obstacle in the waste-to-energy industry in China.

為確保本集團的垃圾發電項目能滿足國際上對環境及社會的保障原則和要求，我們遵循亞發行的相關要求，將社會關注點納入項目生命週期的初始階段，從而確保與項目開發相關的拆遷安置工作按照適用法律進行妥善管理，所有受影響人士將得到公平、充分的補償和修復安排。

配合中央政府推進鄉村綠色發展的方向，本集團通過城鄉一體化項目，將先進的垃圾處理設施引入農村，預防廢物棄置及其相關污染問題發生，從而為中國農村的可持續發展奠定了基礎。本集團的杭州垃圾發電項目更是國內首次成功破解「鄰避效應」的項目。項目所帶來的旅遊效應拉動了廠區周邊餐飲業、酒店的消費，推動了服務業的蓬勃發展，為國內垃圾發電行業的發展和化解「鄰避效應」起到了示範效應。

POVERTY ALLEVIATION 扶貧濟困

Through our biomass business, we have built a targeted poverty alleviation industry chain which brings opportunities for decent work and economic growth to China's rural dwellers, and developed a poverty alleviation mechanism that is led by the government, operated by enterprises, and run with market rules. The local governments arrange underprivileged households to collect and sell biomass materials to our operating projects, as a way to provide extra income to the needed while helping to address the local waste treatment problem. The collaboration model breaks new ground to create a situation that benefits the environment, society and economy. In 2019, our biomass integrated utilisation projects have directly and/or indirectly created over 40,000 jobs and increased farmers' income by approximately RMB1.6 billion, benefiting over 7.1 million farmers.

通過我們的生物質業務，我們打造了一個精準的扶貧產業鏈，為中國的農村人口提供更體面的工作和經濟發展機會，並且建立了「政府主導、企業運作、市場運行」的幫扶工作機制。地方政府透過此模式組織貧困戶收集生物質原料出售予我們的運營項目，為當地市民提供額外收入的同時有助解決當地的廢物處理問題，開創環境、社會和經濟效益三豐收的新格局。二零一九年，我們的生物質綜合利用項目直接及／或間接提供工作崗位逾40,000個，帶動農民增收約人民幣16億元，令逾710萬名農民受益。

Sustainability Report 可持續發展報告

POVERTY ALLEVIATION (continued) 扶貧濟困(續)

Moreover, the Group consistently encourages and promotes effective public and civil society partnerships to address local problems. Our project company in Suzhou is a co-founder of the “Everbright Environmental Protection Charitable Foundation” together with Suzhou Environmental and Municipal Administration Bureau and Suzhou Charity Federation. This year, the foundation continued to provide financial and psychological support to sanitation workers and their families in Suzhou who are experiencing financial hardship or critical illness. The 12th and 13th batches of “Everbright Environmental Protection Charitable Fund” have been distributed to sanitation workers in difficulties. As of the end of 2019, the foundation has supported a total of 1,516 beneficiaries, with a total of over RMB6.8 million delivered as ex-gratia funds and financial aids. Starting from 2019, with an aim to safeguard the health of our sanitation workers, the charitable fund has contributed RMB1 million for the use of free body check for them.

During the reporting period, co-operated with UNICEF HK, our Everbright International Environmental Protection Charitable Foundation successfully launched the “Everbright International: Adventure in the Woods”, which was an outdoor charity carnival event aiming to cultivate the ecological and environmental protection awareness of the children. Over 800 Hong Kong citizens joined the event and all the donation was given to support the Maternal and Child Health Services Improvement in Rural Area Project of UNICEF HK.

此外，本集團透過不斷鼓勵和發展有效的公共和公民社會合作，解決當地問題。我們的蘇州項目公司與蘇州市市容市政管理局及蘇州市慈善總會共同發起成立「光大環保愛心基金」。於本年度，該基金繼續為蘇州環境衛生工人及其家庭就他們的財務困難或嚴重疾病提供經濟及心理支持。第十二及十三批「光大環保愛心基金」已發放到處於困境的環衛工人手中，而截至二零一九年底，該基金已累計產生1,516名受益者，共計已發放超過人民幣680萬元慰問金及救助金。從二零一九年開始，愛心基金每年拿出人民幣100萬元向一線環衛工人提供免費體檢，為員工的身體健康提供保障。

報告期內，光大國際環保公益基金會攜手聯合國兒童基金會香港委員會(UNICEF HK)在香港粉嶺高爾夫球場成功舉辦了「光大國際呈獻：童『闖』大自然」親子戶外嘉年華慈善活動，旨在培養兒童生態環保意識與責任意識。當天現場吸引了800多名香港市民參與，活動籌得善款將全數捐獻給聯合國兒童基金會的山區母嬰健康項目。

CLIMATE ACTION 氣候行動

To evoke public attention to climate change, Everbright International Environmental Protection Charitable Foundation has fully supported the “Earth Hour” event hosted by the World Wide Fund for Nature (WWF) Hong Kong as the lead sponsor for the sixth consecutive year. The event hosted in 2019 emphasised eliminating the use of disposable plastic. The aim of the event was to act as a wake-up call to continuously urge the Hong Kong citizens to realise the problems of marine debris. It also aimed to encourage the general public and the catering industry to reduce their use of unnecessary single-use plastic products.

During the reporting period, our project companies also conducted various environmental activities, such as participating in voluntary activities to spread the scientific knowledge, responding to a series of environmental protection events, including the “World Water Day” and “June Fifth” World Environmental Day. Also, in response to the “I am the Enabler for a Beautiful China” initiative of the Ministry of Ecology and Environment of the PRC, we encourage our employees to actively adopt an environmentally friendly lifestyle, such as promoting paperless working environment and bringing your own shopping bag, combining individual efforts into a momentum that thrusts a change.

為喚起大眾對氣候變化的關注，光大國際環保公益基金會連續第六年作為首席贊助機構，全力支持由世界自然基金會(「WWF」)香港分會主辦的「地球一小時」活動。二零一九年活動的重點是提倡棄用即棄塑膠，旨在持續呼籲香港各界人士正視本地的海洋垃圾問題，鼓勵大眾及餐飲業減少使用非必要的即棄塑膠製品。

報告期內，本集團的項目公司亦組織了多項環保活動，如參與環保志願者活動以宣傳科普知識，響應「世界水日」及「六·五」世界環境日等的環保節日。此外，為響應中國環境保護部門「美麗中國，我是行動者」計劃，我們積極鼓勵員工從生活上實踐環保，例如推行工作環境無紙化和自備購物袋等，希望匯聚各人微小的努力成一股改變的動力。

Corporate Governance Report

企業管治報告

Strive to maintain **A HIGH STANDARD**
OF CORPORATE GOVERNANCE

致力維持 **高 水 平 企 業 管 治**



Corporate Governance Report 企業管治報告

Corporate Governance 企業管治

China Everbright International Limited (the “Company”, together with its subsidiaries, the “Group”) strives to maintain a high standard of corporate governance as it believes good corporate governance practices are increasingly important for maintaining and promoting the confidence of shareholders of the Company (the “Shareholders”). They are crucial for the development of the Group’s business and protection of the Shareholders’ interests. The Group upholds the management principle of “People-oriented, Pragmatism, Creativity and Systematic Management”, and through a set of rules and regulations, has continuously strengthened internal control and risk management system. Furthermore, by full and timely public disclosure of information, the Group has maintained transparency and accountability which also enhanced its corporate values.

The Corporate Governance Code and Corporate Governance Report (the “CG 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”) have been duly adopted by the board (the “Board”) of directors (the “Director(s)”) of the Company as the code on corporate governance practices of the Company.

The Company complied with all Code Provisions as set out in the CG Code throughout the year ended 31 December 2019. The Company will continue to commit itself to enhancing its corporate governance appropriate to the conduct and growth of its business, and from time to time, to reviewing its corporate governance practices to ensure the same comply with the CG Code and align with the latest developments.

中國光大國際有限公司(「本公司」，連同其附屬公司，「本集團」)致力維持高水準企業管治，相信良好企業管治對維持和提升本公司股東(「股東」)的信心日益重要，並以此為發展本集團業務及保障股東利益之關鍵。本集團奉行「以人為本、求真務實、開拓創新、規範管理」的管理理念，並透過一系列的規章制度不斷強化內部監控和風險管理系統。此外，本集團以全面及時的態度公開披露資料，維持透明度及問責性，以提升公司價值。

本公司董事(「董事」)會(「董事會」)已採納《香港聯合交易所有限公司證券上市規則》(「《上市規則》」)附錄十四所載的《企業管治守則及企業管治報告》(「《企業管治守則》」)作為本公司的企業管治常規守則。

於截至二零一九年十二月三十一日止年度期間，本公司一直遵守《企業管治守則》所載所有守則條文。本公司將不斷提升其企業管治以配合其業務運作及增長，且不時審閱及評估其企業管治常規，確保遵守《企業管治守則》及切合最新發展形勢。

THE BOARD OF DIRECTORS 董事會

Composition and function 組成及職責

The Board currently comprises 5 executive Directors and 4 independent non-executive Directors (the “INED(s)”).

The Directors during the financial year and up to the date of the report are set out on page 109 of the annual report and are set out as follows:

董事會現由五名執行董事及四名獨立非執行董事組成。

於本財政年度內及截至本報告之日的董事已載列於年報內第109頁，並載列如下：

| Name of Directors | Title | 董事姓名 | 職位 |
|--|-------------------------|----------------|------|
| <i>Executive Directors</i> | | <i>執行董事</i> | |
| Mr. Cai Yunge | Chairman | 蔡允革先生 | 主席 |
| Mr. Wang Tianyi | Chief Executive Officer | 王天義先生 | 行政總裁 |
| Mr. Wong Kam Chung, Raymond | Chief Financial Officer | 黃錦聰先生 | 財務總監 |
| Mr. Hu Yanguo | Deputy General Manager | 胡延國先生 | 副總經理 |
| Mr. Qian Xiaodong | Deputy General Manager | 錢曉東先生 | 副總經理 |
| <i>Independent Non-executive Directors</i> | | <i>獨立非執行董事</i> | |
| Mr. Fan Yan Hok, Philip | | 范仁鶴先生 | |
| Mr. Mar Selwyn | | 馬紹援先生 | |
| Mr. Zhai Haitao | | 翟海濤先生 | |
| Mr. Suo Xuquan | | 索緒權先生 | |

The Directors have given sufficient time and attention to the Group's affairs. The Directors have disclosed to the Company annually the number and the nature of offices held in public companies or organisations and other significant commitments. The Board believes that the balance between executive Directors and INEDs is reasonable and adequate to provide sufficient balances that protect the interests of the Shareholders and the Group.

董事均有足夠時間及精力以處理本集團的事務。董事每年向本公司披露其於公眾公司或組織擔任職位的數目及性質，以及其他重大承擔的職務。董事會認為執行董事及獨立非執行董事組合之比例合理及適當，並充分發揮制衡作用，以保障股東及本集團之利益。

THE BOARD OF DIRECTORS *(continued)* 董事會 *(續)*

Composition and function *(continued)* 組成及職責 *(續)*

INEDs provide the Group with diversified experience and professionalism. Their advices and views as well as participation in the Board and Board committee meetings bring independent view, advice and judgement on issues relating to the strategy and development, business operation and performance, risk control, conflict of interests, etc., to ensure the Shareholders' interests are taken into consideration.

In accordance with the Company's articles of association (the "Articles of Association"), subject to the manner of retirement by rotation of Directors as from time to time prescribed under the Listing Rules, and notwithstanding any contractual or other terms on which any Director may be appointed or engaged, at each annual general meeting of the Company (the "AGM") one third of the Directors for the time being (or, if their number is not a multiple of 3, the number nearest to but not less than one third) shall retire from office by rotation, provided that every Director (including those appointed for a specific term) shall be subject to retirement at least once every 3 years.

The position of the Chairman and the Chief Executive Officer are held by separate individuals, with a view to maintain an effective segregation of duties between the management of the Board and the day-to-day management of the Group's business and operation.

The Board meets regularly throughout the year. Under the lead of the Chairman, the Board is responsible for approving and supervising the overall strategies and policies of the Group, approving annual budget and business plans, assessing the Group's performance and supervising the work of the management. All Directors have access to Board papers and related materials, and are provided with adequate information in a timely manner. The Directors may, if necessary, seek legal or other independent professional advice at the expense of the Company.

獨立非執行董事為本集團帶來多元化的經驗及專業知識。他們提出的提議及意見，以及透過彼等參與董事會及各個董事會委員會會議，為本集團的策略及發展、業務運營及表現、風險監控及利益衝突等事宜上，提供獨立意見、提議及判斷，以確保股東之權益均獲得考慮。

根據本公司《章程細則》(「《章程細則》」)，遵照《上市規則》不時規定之董事輪值告退方式，以及儘管委任或聘任任何董事時訂立了任何合約性或其他性質之條款，於每次股東週年大會上，三分之一在任董事(或若其數目並非三之倍數，則為最接近之數目，惟不得少於三分之一)須輪值告退，惟每名董事(包括具有指定任期者)必須至少每三年退任一次。

主席及行政總裁之職務由不同人士擔任，使董事會運作及本集團業務以及運營之日常管理得以有效區分。

董事會於年度內定期開會。在主席領導下，董事會負責批准及監察本集團的整體策略及政策，批准年度預算及業務計劃、評估本集團表現，以及監督管理層的工作。全體董事均有權查閱董事會文件及有關資料，並會及時獲提供充份資料。在適當的情況下，董事可向外諮詢法律或其他獨立的專業意見，有關費用由本公司支付。

THE BOARD OF DIRECTORS (continued) 董事會(續)

Composition and function (continued) 組成及職責(續)

In respect of the regular meetings of the Board/Board committees, formal notices and agenda were sent to all Directors/respective Board committee members at least 14 days before the respective meetings. Non-regular/ad-hoc meetings may also be taken place as and when necessary of reasonable notice. In general, the meeting papers were dispatched to all Directors/respective Board committee members for review at least 3 days before the meeting. The agenda had been prepared after consultation with the Directors/respective Board committee members and the management.

In addition to Board meetings, the Chairman meets with INEDs at least once a year without the presence of other Directors. The INEDs are free to provide their independent opinions to the Board.

The minutes of the Board/Board committees are recorded in sufficient details which include the matters discussed and considered together with the decisions reached, and any concerns raised or dissenting views expressed by the Board members/respective Board committee members. The original signed minutes, upon reviewed by all Directors/respective Board committee members, are properly kept by the Company Secretary/duly appointed secretaries of the respective Board committees and such minutes are open for inspection by all Directors/respective Board committee members.

All the Directors are entitled to seek independent professional advice regarding their duties at the Company's expenses. The Board can also seek advices and services from the Company Secretary.

The Company has arranged a Directors' and Officers' Liability Insurance Policy, and the insurance coverage and the sum insured under the policy are reviewed annually.

就定期的董事會／董事會委員會會議，在相關會議召開前至少十四天向全體董事／相關董事會委員會成員發出正式通知及會議議程。非定期／臨時的會議則會在給予合理通知後召開。會議文件一般會在會議舉行前至少三天發送予全體董事／相關董事會委員會成員以供審閱。每次會議議程內容均經諮詢董事／相關董事會委員會成員及管理層意見。

除董事會會議外，主席與獨立非執行董事在其他董事避席下每年至少會面一次。獨立非執行董事可自由地向董事會提供獨立意見。

董事會／董事會委員會會議紀錄對於會議上所討論、考慮事項及達致的決定均作足夠詳細的記錄，其中包括董事會／相關董事會委員會成員提出的任何疑慮或表達的反對意見。已簽署的會議紀錄正本經所有董事／相關董事會委員會成員審閱後由公司秘書／經正式委任的相關董事會委員會秘書備存，而該等會議紀錄可供全體董事／相關董事會委員會成員查閱。

所有董事均有權就其職責問題尋求獨立專業意見，有關費用由本公司支付。董事會亦可向公司秘書尋求意見及服務。

本公司已為董事及高級人員安排責任保險，並每年均會對該保險的保障範圍及投保金額進行檢討。

THE BOARD OF DIRECTORS (continued) 董事會(續)

Composition and function (continued) 組成及職責(續)

As an integral part of good corporate governance, the Board has established the following 5 Board committees with specific written terms of reference which deal clearly with their respective authority and duties:

作為良好的企業管治，董事會成立了以下的五個董事會委員會，並書面訂明各董事會委員會之具體職權範圍，清楚說明其各自之職權及職責：

1. Audit Committee 審核委員會

The Audit Committee, currently comprising 3 INEDs, namely Mr. Mar Selwyn (Chairman), Mr. Fan Yan Hok, Philip and Mr. Zhai Haitao, is primarily responsible for reviewing the Group's financial reporting process, risk management and internal control systems, internal and external audit and such other financial and accounting matters of the Group, etc. Under its terms of reference, the Audit Committee is required to oversee the relationship between the Company and Ernst & Young ("EY"), the external auditor of the Company. The terms of reference of the Audit Committee are available on the websites of the Company and Hong Kong Exchanges and Clearing Limited ("HKEx").

During the year under review, the Audit Committee reviewed with the management and EY, including but not limited to the accounting principles and practices adopted by the Group, significant audit matters such as significant accounting estimates and judgemental areas, and discussed the Group's risk management and internal control systems and financial reporting matters, etc., including review of the annual results for the year ended 31 December 2018, the interim results for the six months ended 30 June 2019 and reports from Internal Audit Department and Risk Management Department of the Company.

審核委員會現時由三名獨立非執行董事，包括馬紹援先生(擔任主席)、范仁鶴先生及翟海濤先生組成，其主要職責包括審閱本集團財務匯報程序、風險管理及內部監控系統、對內和外部審計及本集團任何其他財務和會計事宜等。根據審核委員會之職權範圍，審核委員會須監察本公司與外聘核數師安永會計師事務所(「安永」)的關係。有關審核委員會的職權範圍已於本公司及香港交易及結算所有限公司(「港交所」)網站公開。

於回顧年度內，審核委員會已與管理層及安永審閱包括(但不限於)本集團所採納之會計原則及常規、重要審計事項如重要的會計估計及判斷領域，並討論本集團的風險管理和內部監控系統以及財務報告等事宜(包括審閱本公司截至二零一八年十二月三十一日止年度業績、截至二零一九年六月三十日止六個月之中期業績及本公司內部審計部及風險管理部發出的報告)。

2. Risk Management Committee 風險管理委員會

The Risk Management Committee currently comprises Mr. Fan Yan Hok, Philip (Chairman), an INED, Mr. Mar Selwyn, an INED, Mr. Suo Xuquan, an INED, Mr. Wong Kam Chung, Raymond, the executive Director and the Chief Financial Officer, Mr. Hu Yanguo, the executive Director and the Deputy General Manager, and Ms. Guo Ying, the General Manager of Internal Audit Department and Risk Management Department of the Company. Its main duties are to provide oversight of the Company's risk management programs, and to review the effectiveness of the management's processes for identifying, assessing, mitigating and monitoring enterprise-wide risks. The terms of reference of the Risk Management Committee had been established in writing.

風險管理委員會現時由獨立非執行董事范仁鶴先生(擔任主席)、獨立非執行董事馬紹援先生、獨立非執行董事索緒權先生、執行董事兼財務總監黃錦聰先生、執行董事兼副總經理胡延國先生及本公司內部審計部及風險管理部總經理郭穎女士組成。其主要職責為監管本公司的風險管理程序和負責審核管理層就企業全面風險識別、評估、緩解、監控程序的有效性。風險管理委員會設有書面的職權範圍。

THE BOARD OF DIRECTORS (continued) 董事會(續)

Composition and function (continued) 組成及職責(續)

2. Risk Management Committee (continued) 風險管理委員會(續)

During the year under review, the Group carried out risk assessment and analysis to identify the annual changes in risks and the internal control assessment to ensure the effectiveness of the internal control management. The Risk Management Committee reviewed the progress of risk control and management system for the year of 2018, major risk management in 2018, the 2019 risk management work plan as well as the annual risk assessment results of 2019.

於回顧年度內，本集團進行了風險評估與分析工作，以明確年度風險變化情況；及內部監控評估工作，以確保內部監控管理的有效性。風險管理委員會審議二零一八年風險監控及管理系統進展情況、二零一八年主要風險管理情況、二零一九年風險管理工作計劃，以及二零一九年風險評估結果。

3. Nomination Committee 提名委員會

The Nomination Committee currently comprises Mr. Cai Yunge (Chairman), an executive Director and the Chairman of the Board, Mr. Wang Tianyi, the executive Director and the Chief Executive Officer, and all the 4 INEDs, namely Mr. Fan Yan Hok, Philip, Mr. Mar Selwyn, Mr. Zhai Haitao and Mr. Suo Xuquan. Its primary responsibilities include but not limited to reviewing annually the structure, size and composition (including the skills, knowledge and experience) of the Board, reviewing and reporting the Board diversity to the Board, assessing the independence of the INEDs, making recommendations to the Board, by taking into account the Board Diversity Policy and the Nomination Policy (please refer to the sections headed “Board Diversity Policy” and “Nomination Policy” in this report for more details), on appointment or re-appointment or re-designation of Directors and assessing the qualifications and competencies of the candidates, so as to ensure that all nominations are fair and transparent. The terms of reference of the Nomination Committee are available on the websites of the Company and HKEx.

During the year under review, the Nomination Committee reviewed the structure, size and composition (including the skills, knowledge and experience) of the Board, assessed the independence of the INEDs and recommended the re-appointment of the INEDs to the Board, etc.

提名委員會現時由執行董事兼董事會主席蔡允革先生(擔任主席)、執行董事兼行政總裁王天義先生，以及全數四名獨立非執行董事范仁鶴先生、馬紹援先生、翟海濤先生及索緒權先生組成。其主要職責包括(但不限於)每年檢討董事會的架構、人數及組成(包括技能、知識及經驗方面)，檢視及向董事會報告董事會成員的多元化事宜，評核獨立非執行董事的獨立性，以及根據《董事會多元化政策》及《提名政策》(有關詳情載於本報告「《董事會多元化政策》」及「《提名政策》」之章節內)就董事的委任或重新委任或調任向董事會提出建議，評估候選人的資格及能力，以確保所有提名均屬公正和具透明度。有關提名委員會的職權範圍已於本公司及港交所網站公開。

於回顧年度內，提名委員會檢討了本公司董事會的架構、人數及組成(包括技能、知識及經驗方面)，評核獨立非執行董事的獨立性，以及向董事會推薦續聘獨立非執行董事等事宜。

4. Remuneration Committee 薪酬委員會

The Remuneration Committee currently comprises Mr. Zhai Haitao (Chairman), an INED, Mr. Cai Yunge, the executive Director and the Chairman of the Board, and 3 other INEDs, namely Mr. Fan Yan Hok, Philip, Mr. Mar Selwyn and Mr. Suo Xuquan. The terms of reference of the Remuneration Committee, which are available on the websites of the Company and HKEx, set out the duties of the Remuneration Committee, including but not limited to determining, with delegated responsibilities by the Board, the remuneration packages of the individual executive Directors and senior management.

薪酬委員會現時由獨立非執行董事翟海濤先生(擔任主席)、執行董事兼董事會主席蔡允革先生以及另外三名獨立非執行董事范仁鶴先生、馬紹援先生及索緒權先生組成。有關薪酬委員會的職權範圍已於本公司及港交所網站公開，該職權範圍載列薪酬委員會的職責包括(但不限於)在獲董事會轉授責任下釐定個別執行董事及高級管理層的薪酬待遇。

THE BOARD OF DIRECTORS (continued) 董事會(續)

Composition and function (continued) 組成及職責(續)

4. Remuneration Committee (continued) 薪酬委員會(續)

During the year under review, the Remuneration Committee enforced the policy for the remuneration of the executive Directors, assessed performance of the executive Directors, and reviewed the 2019 bonus proposal, 2018 bonus payment and the remuneration package of the individual executive Directors and the senior management of the Company, as well as the remuneration package of the INEDs.

The remuneration of all the Directors is set out in note 9 to the financial statements.

於回顧年度內，薪酬委員會落實執行董事的薪酬政策、評估執行董事的表現及審議本公司個別執行董事及高級管理層的二零一九年度花紅計提方案以及二零一八年度花紅發放方案及薪酬待遇，以及獨立非執行董事之薪酬待遇。

各董事的薪酬刊載於財務報表附註9內。

5. Disclosure Committee 披露委員會

The Disclosure Committee currently comprises 4 executive Directors, namely, Mr. Wang Tianyi (Chairman), the Chief Executive Officer, Mr. Wong Kam Chung, Raymond, the Chief Financial Officer, Mr. Hu Yanguo, the Deputy General Manager and Mr. Qian Xiaodong, the Deputy General Manager as well as Mr. An Xuesong, the Deputy General Manager and Ms. Poon Yuen Ling, the Company Secretary. The Board has delegated the day-to-day execution of its continuous disclosure obligations to the Disclosure Committee to ensure the compliance of the Company with its disclosure obligations. The terms of reference of the Disclosure Committee had been established in writing.

披露委員會現時由四名執行董事包括行政總裁王天義先生(擔任主席)、財務總監黃錦驄先生、副總經理胡延國先生和副總經理錢曉東先生，以及副總經理安雪松先生與公司秘書潘婉玲女士組成。董事會已授權披露委員會負責持續披露責任的日常執行工作以確保本公司遵守披露責任。披露委員會設有書面的職權範圍。

Other than the 5 Board committees above, the Management Decision Committee, being chaired by the Chief Executive Officer of the Company, is responsible for handling the day-to-day business activities and making collective decisions on major matters relating to the Group's daily business operations, management and personnel matters, etc. The Management Decision Committee also takes charge of reviewing the investment projects of the Group, after recommended by the Project Advisory Committee, pursuant to the power delegated from the Board to the Chief Executive Officer. For project risk management and project technological risk management, the Group has set up the Project Advisory Committee to monitor and assess risks regularly, boost related management standards and evaluate investment projects as well as assess the technologies used in different investment projects. For project financial control, the Group insists on stringent budget management, and has set up the Budget Management Centre that focuses on monitoring construction budgets. In addition, the Group has also set up Internal Audit Department and Risk Management Department to perform internal audits, and risk management and control functions respectively to bolster the Group's management standards.

除了上述五個董事會委員會外，由本公司行政總裁擔任主席的管理決策委員會負責處理日常業務活動，以及對於日常業務運營、管理及人事等重大事項進行集體決定。根據董事會給予行政總裁的授權，管理決策委員會亦負責審查本集團的投資項目(在獲取項目評審委員會之建議後)。在項目風險管理及項目技術風險管理機制上，本集團設立項目評審委員會負責定期進行風險監督及評估，以提升相關的管理水平及審核投資項目，同時亦會負責在投資項目的技術方面作出評審。在項目財務監控上，本集團堅持嚴格的項目預算管理，並特別成立預算管理中心專職監控項目的工程預算。此外，本集團亦設立內部審計部及風險管理部分別進行內部審核及風險管控以提升管理水平。

THE BOARD OF DIRECTORS (continued) 董事會(續)

Role of the Board 董事會的角色

The Board directs and approves the overall strategies of the Group. It is the decision-making body of the Company except for matters requiring the Shareholders' approval in accordance with the Articles of Association, the Listing Rules and other applicable laws and regulations.

The Board has delegated day-to-day business of the Group to the management. As mentioned above, all committees established under the Board have their specific terms of reference in writing clearly explaining their roles and the authorities delegated to them.

董事會制定及批准本集團的整體政策。除根據《章程細則》、《上市規則》及其他適用法例及法規須獲股東批准的事宜外，董事會為本公司的決策機關。

董事會授權管理層管理本集團的日常業務。如上所述，董事會下設的委員會有其特定的書面職權範圍，明確解釋它們的角色及董事會轉授予的權力。

Corporate governance functions 企業管治職責

The Board is responsible for performing the corporate governance duties as set out below:

1. to develop and review the Company's policies and practices on corporate governance and make recommendations;
2. to review and monitor the training and continuous professional development of Directors and senior management;
3. to review and monitor the Company's policies and practices on compliance with legal and regulatory requirements;
4. to develop, review and monitor the code of conduct and compliance manual (if any) applicable to employees and Directors; and
5. to review the Company's compliance with the CG Code and disclosure in the Corporate Governance Report.

The Board performed the above duties during the year under review.

董事會負責履行下述企業管治的職責：

1. 制定及檢討本公司的企業管治政策及常規，並提出建議；
2. 檢討及監察各董事及高級管理人員的培訓及持續專業發展；
3. 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；
4. 制定、檢討及監察僱員及董事的操守準則及合規手冊(如有)；及
5. 檢討本公司遵守《企業管治守則》的情況及在《企業管治報告》內的披露。

於回顧年度內，董事會已履行上述職責。

THE BOARD OF DIRECTORS (*continued*) 董事會(續)

Nomination Policy 《提名政策》

The Board adopted a policy on the nomination of Directors (the “Nomination Policy”), which sets out the criteria and procedures when identifying suitably qualified candidates to be appointed, re-appointed or re-designated as Directors.

董事會採納有關董事提名的政策(「《提名政策》」)，其列載了委任、重新委任及調任合資格候選人為董事時應考慮的標準及程序。

Nomination Criteria 提名標準

The following factors would be considered by the Nomination Committee in assessing the proposed candidates:

- (a) accomplishment and professional experience that, in the opinion of the Nomination Committee, could benefit the development of the Company;
- (b) commitment in respect of available time to the Board. In this regard, the number and nature of offices held by the candidate in public companies or organisations, and other executive appointments or significant commitments will be considered;
- (c) diversity in all its aspects, including but not limited to gender, ethnicity, skills, knowledge, experience, age (18 years or above), cultural and education background;
- (d) potential/actual conflict of interests that may arise if the candidate is selected;
- (e) independence of the candidate (where applicable); and
- (f) in the case of a proposed re-appointment of an INED, the number of years the individual has already served.

These factors are not meant to be exhaustive and decisive. The Nomination Committee has the discretion to consider other factors as it considers appropriate and helpful to achieve the objective of the Nomination Policy.

提名委員會在評估擬候選人時將考慮以下因素：

- (a) 提名委員會認為有助於本公司發展的成就及專業經驗；
- (b) 對董事會投入時間的承諾。在這方面，會考慮候選人在公眾公司或機構所擔任的職務數量及性質，以及其他具有行政管理性質的委任或重要承諾；
- (c) 就各方面而言的多元化，包括但不限於性別、民族、技能、知識、經驗、年齡(18歲或以上)、文化及教育背景；
- (d) 如果候選人被委任，可能產生的潛在或實際的利益衝突；
- (e) 候選人的獨立性(如適用)；及
- (f) 就重新委任獨立非執行董事的情況，候選人已經在任的服務年期。

上述因素並不旨在涵蓋所有因素，也不具決定性作用。提名委員會有權考慮其他任何適合及有助實現《提名政策》目的之因素。

THE BOARD OF DIRECTORS (continued) 董事會(續)

Nomination Policy (continued) 《提名政策》(續)

Nomination Procedure 提名程序

Subject to the provisions in the Articles of Association, the following procedures for nomination should be adopted:

- (a) the Nomination Committee identifies or selects candidates pursuant to the nomination criteria sets out under section of Nomination Criteria;
- (b) the Nomination Committee may use any process it deems necessary and appropriate to evaluate the candidates, including personal interview, background checks, presentations or written submission by the candidates or third-party references;
- (c) the Nomination Committee makes recommendation to the Board and provides all the information required by applicable Listing Rules including its assessment results based on the nomination criteria set out under section of Nomination Criteria;
- (d) the Board shall have the final decision on the appointment based on the recommendation by the Nomination Committee;
- (e) all appointment of Directors should be confirmed by letter of appointments setting out the key terms and conditions of the appointments of relevant Directors, which should be approved by the Nomination Committee; and
- (f) where Shareholders are required to vote on appointment or re-appointment or re-designation of a Director, the circular accompanying the notice of relevant general meeting should contain all the information of the candidates required by Listing Rules (including Appendix 14).

The Shareholders may also propose a person for election as a Director, details and procedure of which are set out in the Procedures for Shareholders to Propose a Person for Election as a Director of the Company, which are available on the website of the Company.

受限於《章程細則》的規定，提名程序如下：

- (a) 提名委員會根據「提名標準」項下的提名標準識別或甄選候選人；
- (b) 提名委員會可選用其認為任何必要和適當的程序評估候選人，包括面談、背景調查、演講或由候選人遞交的書面意見或第三方的推薦意見；
- (c) 提名委員會向董事會作出推薦並且提供所有適用的《上市規則》要求的資料，以及其根據「提名標準」項下的提名標準作出評估結果；
- (d) 董事會對基於提名委員會推薦作出的委任有最終決定權；
- (e) 所有對董事的委任應通過委任函確認，委任函應列載相關委任的關鍵條款及條件，並且需得到提名委員會的批准；及
- (f) 如股東需要對委任或重新委任或調任進行投票時，連隨召開相關股東大會通知的通函應包含所有《上市規則》(包括附錄十四)要求的資料。

股東亦可推薦董事候選人，有關詳情及程序列載於本公司的《股東提名候選董事的程序》(已於本公司網站公開)。

THE BOARD OF DIRECTORS (continued) 董事會(續)

Board Diversity Policy 《董事會成員多元化政策》

The Company has formulated the Board Diversity Policy aiming at setting out the approach on diversity of the Board.

The Board recognises the importance of having a diverse Board in enhancing the Board's effectiveness and corporate governance. A diverse Board includes and makes good use of differences in the skills, industry knowledge and experience, education, background and other qualities of the Directors and does not discriminate on the ground of race, age, gender, culture or religious belief. These differences are taken into account in determining the optimum composition of the Board and when possible should be balanced appropriately.

The Nomination Committee has responsibility for identifying and nominating candidates for approval by the Board. It takes responsibility in assessing the appropriate mix of gender, age (18 years or above), culture, experience, expertise, skills and diversity required on the Board and assessing the extent to which the required skills are represented on the Board and overseeing the Board succession.

The Nomination Committee is also responsible for reviewing and reporting to the Board in relation to Board diversity.

Board appointments will be based on merits of the candidates and other objective criteria, having due regard for the benefits of diversity on the Board.

Selection of candidates to join the Board will be, in part, dependent on the pool of candidates with the necessary knowledge, experience, skills, educational background and other qualities. The final decision will be based on the chosen candidate's merits and contributions that he/she will bring to the Board.

The Board considers that board diversity is a vital asset to the Company.

At present, the Nomination Committee has not set any measurable objectives to implement the Board Diversity Policy. However, the Nomination Committee will consider and review the Board Diversity Policy, and set any measurable objectives from time to time.

本公司訂立《董事會成員多元化政策》，目的是為董事會成員的多元化訂立方向。

董事會明白一個多元化的董事會對於提高董事會效益及企業管治的重要性。多元化的董事會包括以及善用董事的不同技能、行業知識和經驗、教育、背景和其他素質，而不會產生基於種族、年齡、性別、文化或宗教的歧視。在決定最佳董事會組合時會考慮該等因素，並盡可能取得適當的平衡。

提名委員會負責物色及提名董事候選人予董事會批准；負責評估董事會所需的適當性別、年齡(十八歲或以上)、文化、經驗、專業知識和技能的組合和多元化因素；以及監督董事會的繼任。

提名委員會亦負責檢視及向董事會報告有關董事會成員的多元化事宜。

董事的任命將根據候選人的優點及其他客觀標準作出，充分考慮該等因素對於董事會成員多元化的好處。

甄選候選人加入董事會時，會按照候選人有否具備所需的知識、經驗、技能、教育背景及其他素質來考慮。最終的決定將會取決於候選人的優點和其將會為董事會作出的貢獻。

董事會認為董事會成員的多元化，對於公司企業是一項重要的資產。

目前，提名委員會尚未就實踐《董事會成員多元化政策》而訂定任何可量化的目標。然而，提名委員會將會不時考慮及檢討《董事會成員多元化政策》以及訂定任何可計量目標。

THE BOARD OF DIRECTORS (*continued*) 董事會(續)

Dividend Policy 《股息政策》

The Company adheres to the principle of sharing the fruit of our success with the Shareholders and considers stable and sustainable returns to the Shareholders to be its goal. The Company has adopted a Dividend Policy which is only a guideline on distribution of dividends to the Shareholders.

The recommendation of the payment of any dividend is subject to the absolute discretion of the Board, and any declaration of final dividend will be subject to the approval of the Shareholders. The distribution of dividends to the Shareholders can be by way of cash or scrip or partly by cash or scrip or some other ways as determined by the Board from time to time. Any payment of the dividend by the Company is also subject to any restrictions under the Companies Ordinance (Chapter 622 of the Laws of Hong Kong) (the “Companies Ordinance”), the Articles of Association and the Shareholders.

The Board takes into account the following factors when considering the declaration and payment of dividends, inter alia:

- (1) the funding needs to the operation and business development of the Company from time to time;
- (2) the market situation from time to time;
- (3) the solvency requirements of the Companies Ordinance;
- (4) cash flow and financial condition of the Company;
- (5) the requirements of the Articles of Association and the relevant laws, rules and regulations applicable to the Company;
- (6) any banking or other funding covenants by which the Company is bound from time to time; and
- (7) any other factors that the Board deems relevant.

本公司遵循把成果與股東分享的原則並以穩定及持續性地向股東派息作為我們的目標。本公司已採納《股息政策》，作為只是分配股息予股東的指引。

支付任何股息的建議視乎董事會的絕對酌情權而定，任何末期股息之宣派須待股東批准後方可作實。向股東分配的股息可採取現金或以股代息方式，或部份以現金或以股代息方式，或由董事會不時決定的其他方式。本公司支付任何股息亦須受香港法例第六百二十二章《公司條例》(「《公司條例》」)、《章程細則》及股東所規限。

董事會在考慮宣派及派付股息時，會考慮以下因素(其中包括)：

- (1) 本公司不時對運營和業務發展的資金需求；
- (2) 不時的市場情況；
- (3) 《公司條例》的償付能力要求；
- (4) 本公司現金流及財務狀況；
- (5) 《章程細則》及有關適用於本公司的法律、法規和規章要求；
- (6) 本公司不時就任何銀行或其他融資制約條款的限制；及
- (7) 任何其他董事會認為相關的因素。

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THE BOARD OF DIRECTORS (continued) 董事會(續)

Dividend Policy (continued) 《股息政策》(續)

When assessing the Company's performance for each financial year or interim financial period, the Board shall seek to maintain a steady dividend policy depending on the capital expenditure and cash flow for each financial year or interim financial period, while smoothing the effect of any variation in the cash flow that may be due to one off gains or losses in the same period.

The Dividend Policy will be reviewed from time to time which should not form a commitment on distribution of dividends to the Shareholders and there is no assurance that dividends will be paid in any particular amount for any given period.

在評估本公司每個財政年度或中期財政期間之業績表現時，董事會在維持一個穩定股息政策的同時，會視乎每年或半年的資本性開支與現金流的情況來確定派息比率(扣除可能在同期出現一次性的收益或損失而影響現金流的因素)。

《股息政策》將不時進行檢討，不應該形成分配股息予股東的承諾，且並不保證在任何期限內將分發任何金額的股息。

Training for Directors 董事培訓

Each newly appointed Director receives an induction training package covering the statutory and regulatory obligation of a director of a listed company. The Company continuously updates Directors with the latest developments and amendments to the Listing Rules and other applicable regulatory requirements, and provides trainings to develop and refresh the Directors' knowledge and skills.

During the year under review, the Company provided Directors with monthly updates on the performance, position and prospects of the Company. The Company also provided Directors with monthly analysis report on the Company's stock price performance, monthly journal of the Company and biannually shareholder analysis report of the Company.

Directors are encouraged to participate in continuing professional development to develop and refresh their knowledge and skills as Directors. The Company has prepared a training record in order to assist the Directors in recording the training that they have undertaken.

During the year under review, the Company organised a training for Directors on the new economic substance requirements for key offshore centres. Individual Director had also attended seminars and/or conferences or forums relevant to his profession and duties as Directors. The Company also arranged the Shenzhen office visit for the Directors.

每名新委任的董事均獲得就任培訓，內容包括上市公司董事在法規及監管規定上之責任的資料。本公司持續向董事提供有關《上市規則》和其他適用監管規定之最新發展概況，並提供培訓以發展及更新董事的知識和技能。

於回顧年度內，本公司向董事提供有關本公司表現、狀況及前景的每月更新資料。本公司亦向董事每月提供有關本公司股價表現的分析報告、公司月刊，以及半年度本公司股東分析報告。

本公司鼓勵董事參加持續專業發展，以發展並更新董事的知識和技能。本公司已備有培訓記錄，以協助董事記錄所接受的培訓。

於回顧年度內，本公司為董事舉辦有關主要離岸中心新的經濟實質要求之培訓。個別董事還參加了有關其專業和董事職務的座談會及／或會議或論壇。本公司亦安排董事到本公司深圳辦公室現場考察。

THE BOARD OF DIRECTORS (continued) 董事會(續)

Training for Directors (continued) 董事培訓(續)

Below is a summary of the trainings the Directors received during the year under review:

於回顧年度內，董事所接受的培訓概要如下：

| Name of Directors | 董事姓名 | Types of Training 培訓類型 |
|--|----------------|---------------------------|
| <i>Executive Directors</i> | <i>執行董事</i> | |
| Mr. Cai Yunge | 蔡允革先生 | A,C,D |
| Mr. Wang Tianyi | 王天義先生 | A,B,C,D |
| Mr. Wong Kam Chung, Raymond | 黃錦聰先生 | A,B,C,D |
| Mr. Hu Yanguo | 胡延國先生 | A,B,C,D |
| Mr. Qian Xiaodong | 錢曉東先生 | A,B,C,D |
| <i>Independent Non-executive Directors</i> | <i>獨立非執行董事</i> | |
| Mr. Fan Yan Hok, Philip | 范仁鶴先生 | A,C,D |
| Mr. Mar Selwyn | 馬紹援先生 | A,C,D |
| Mr. Zhai Haitao | 翟海濤先生 | A,C,D |
| Mr. Suo Xuquan | 索緒權先生 | A,C,D |

Notes 註：

A: attending seminars/conferences/forums

出席座談會／會議／論壇

B: giving talks at seminars/conferences

於座談會／會議上演講

C: reading newspapers, journals and updates relating to the economy, environmental protection business or directors' duties and responsibilities, etc.

閱讀有關經濟、環保業務或董事職責等之報章、刊物及更新資料

D: attending site visit(s) arranged by the Company

參與本公司安排的現場考察

Remuneration of Directors and Senior Management 董事及高級管理層薪酬

The remuneration of the members of the senior management by band for the year ended 31 December 2019 is set out below:

截至二零一九年十二月三十一日止年度高級管理層之薪酬組別如下：

| Remuneration bands (HK\$) | Number of persons 人數 | 薪酬組別(港幣元) |
|----------------------------|----------------------|-----------------------|
| \$2,000,001 to \$3,000,000 | 1 | 2,000,001元至3,000,000元 |
| \$4,000,001 to \$5,000,000 | 3 | 4,000,001元至5,000,000元 |

Corporate Governance Report 企業管治報告

THE BOARD OF DIRECTORS (continued) 董事會(續)

Remuneration of Directors and Senior Management (continued) 董事及高級管理層薪酬(續)

Further particulars regarding Directors' remuneration and the five highest paid employees as required to be disclosed pursuant to Appendix 16 to the Listing Rules are set out in notes 9 and 10 to the financial statements, respectively.

根據《上市規則》附錄十六須就董事酬金以及五名最高薪僱員披露之進一步詳情，分別載於財務報表附註9及10。

NUMBER OF BOARD MEETINGS AND BOARD COMMITTEE MEETINGS AND ATTENDANCE RATE OF DIRECTORS 董事會及董事會委員會會議次數及各董事的出席次數

The following table shows the number of regular Board meetings and Board committee meetings held during the year under review as well as the attendance rate of the Directors:

下表顯示回顧年度內本公司所舉行的定期董事會及董事會委員會會議次數以及董事的出席次數：

| Name of Directors 董事姓名 | Board of Directors 董事會 | Audit Committee 審核委員會 | Risk Management Committee 風險管理委員會 | Nomination Committee 提名委員會 | Remuneration Committee 薪酬委員會 | Disclosure Committee 披露委員會 |
|---|---------------------------|--------------------------|--------------------------------------|-------------------------------|---------------------------------|-------------------------------|
| <i>Executive Directors</i> 執行董事 | | | | | | |
| Mr. Cai Yunge 蔡允革先生 | 6/6 | N/A 不適用 | N/A 不適用 | 1/1 | 2/2 | N/A 不適用 |
| Mr. Wang Tianyi 王天義先生 | 6/6 | N/A 不適用 | N/A 不適用 | 1/1 | N/A 不適用 | NIL 無 |
| Mr. Wong Kam Chung, Raymond 黃錦聰先生 | 6/6 | N/A 不適用 | 2/2 | N/A 不適用 | N/A 不適用 | NIL 無 |
| Mr. Hu Yanguo 胡延國先生 | 6/6 | N/A 不適用 | 2/2 | N/A 不適用 | N/A 不適用 | NIL 無 |
| Mr. Qian Xiaodong 錢曉東先生 | 6/6 | N/A 不適用 | N/A 不適用 | N/A 不適用 | N/A 不適用 | NIL 無 |
| <i>Independent Non-executive Directors</i> 獨立非執行董事 | | | | | | |
| Mr. Fan Yan Hok, Philip 范仁鶴先生 | 6/6 | 3/3 | 2/2 | 1/1 | 2/2 | N/A 不適用 |
| Mr. Mar Selwyn 馬紹援先生 | 6/6 | 3/3 | 2/2 | 1/1 | 2/2 | N/A 不適用 |
| Mr. Zhai Haitao 翟海濤先生 | 6/6 | 3/3 | N/A 不適用 | 1/1 | 2/2 | N/A 不適用 |
| Mr. Suo Xuquan 索緒權先生 | 6/6 | N/A 不適用 | 2/2 | 1/1 | 2/2 | N/A 不適用 |
| Total number of meetings 會議總數 | 6 | 3 | 2 | 1 | 2 | NIL 無 |

THE DIVISION OF RESPONSIBILITIES BETWEEN THE CHAIRMAN AND THE CHIEF EXECUTIVE OFFICER 主席及行政總裁之職責分工

The roles of the Chairman and the Chief Executive Officer should be separate and should not be performed by the same individual. The Chairman's responsibility is to manage the Board and the Chief Executive Officer's responsibility is to manage the Company's business. The division of responsibilities between the Chairman and the Chief Executive Officer is clearly established.

The main duties of the Chairman include providing leadership for and overseeing the functioning of the Board; formulating overall strategies and policies of the Company; ensuring that all the Directors are properly briefed on issues arising at Board meetings and giving each Director an opportunity to express his view at Board meetings; ensuring that the Directors receive adequate information, which must be complete and reliable, in a timely manner; ensuring that the Board works effectively and discharges its responsibilities; ensuring that all key and appropriate issues are discussed by the Board in a timely manner; drawing up and approving the agenda for each Board meeting, taking into account, where appropriate, any matters proposed by the other Directors for inclusion in the agenda; taking responsibility for ensuring that good corporate governance practices and procedures are established; encouraging all Directors to make a full and active contribution to the Board's affairs and taking the lead to ensure that the Board acts in the best interests of the Company; ensuring that appropriate steps are taken to provide effective communication with the Shareholders and that views of the Shareholders are communicated to the Board as a whole; and facilitating the effective contribution of the Directors and ensuring constructive relations between executive Directors and INEDs.

The duties of the Chief Executive Officer include taking responsibility for the Group's operation and management; implementing decisions and plans approved by the Board; making day-to-day operational and managerial decisions; and coordinating overall business operations.

主席與行政總裁的職位應有區分，不應由同一人擔任。主席管理董事會的職責與行政總裁管理本公司業務的職責有清晰的區別。

主席的主要職責包括領導董事會及監察董事會功能；制定本公司整體策略及政策；確保董事會會議上所有董事均適當知悉當前的事項及給每名董事在董事會會議上表達其意見的機會；確保董事及時收到充份的資訊，而有關資訊亦必須完備及可靠；確保董事會有效地運作，且履行應有責任；確保董事會及時就所有重要的適当事項進行討論；釐定並批准每次董事會會議的議程，在適當情況下，這過程中應計及其他董事提議加入議程的任何事項；有責任確保本公司制定良好的企業管治常規及程序；鼓勵所有董事全力投入董事會事務，並以身作則，確保董事會行事符合本公司最佳利益；確保採取適當步驟保持與股東有效聯繫，以及確保股東意見可傳達到整個董事會；及促進董事對董事會作出有效貢獻，並確保執行董事與獨立非執行董事之間維持建設性的關係。

行政總裁的職責包括負責本集團的運營和管理；執行董事會的決議及計劃；作出運營管理的日常決策；及協調整體業務運營。

INDEPENDENT NON-EXECUTIVE DIRECTORS 獨立非執行董事

The current 4 INEDs hold office for a term until 31 December 2021. They are subject to retirement by rotation and re-election in accordance with the Articles of Association.

In accordance with the independence guidelines set out in Rule 3.13 of the Listing Rules, the Board is of the view that all INEDs are independent (notwithstanding that for (i) Mr. Fan Yan Hok, Philip under Rule 3.13(7), he had been a non-executive Director prior to his re-designation as an INED; (ii) Mr. Mar Selwyn was appointed and has served as an INED for more than 9 years since September 2004; and (iii) Mr. Zhai Haitao was appointed and has served as an INED for more than 9 years since January 2011) and the Company has received an annual confirmation of independence from each of the INEDs pursuant to the requirements in the Listing Rules.

Moreover, the Directors are of the opinion that Mr. Fan, Mr. Mar and Mr. Zhai remain independent as the INEDs, notwithstanding their re-designation of Board position or length of tenure. They have not engaged in any executive management of the Group. Throughout their positions of the INEDs, they have participated in the meetings of the Board and Board committees to give objective views and impartial advices as well as exercise independent judgement. The Board believes that Mr. Fan, Mr. Mar and Mr. Zhai's detailed knowledge and experience of the Group's business and their external experience continue to be of significant benefit to the Group, and that they maintain an independent view of the Company's affairs.

INEDs are identified as such in all corporate communications containing names of the Directors. An updated list of the Directors identifying the INEDs and the roles and functions of the Directors is maintained on the websites of the Company and HKEx.

現時四名獨立非執行董事的任期直至二零二一年十二月三十一日止。彼等須遵行《章程細則》有關輪值退任及膺選連任之規定。

根據《上市規則》第3.13條所載之獨立性指引，董事會認為全體獨立非執行董事均為獨立人士（儘管(i)根據《上市規則》第3.13(7)條，范仁鶴先生在被調任為獨立非執行董事前為非執行董事；(ii)馬紹援先生自二零零四年九月起獲委任為獨立非執行董事，任職超過九年；及(iii)翟海濤先生自二零一一年一月起獲委任為獨立非執行董事，任職超過九年），而每名獨立非執行董事已根據《上市規則》的規定向本公司提供有關其獨立性的年度確認書。

另外，董事會認為范先生、馬先生及翟先生作為獨立非執行董事仍然保持獨立，並無證據顯示其董事會職位的調任或其任期對其獨立性有任何影響。彼等並無從事本集團之任何執行管理事務，於擔任獨立非執行董事期間，彼等曾參與董事會會議及不同董事會委員會的會議，均給予客觀的意見及中肯的建議，並作出獨立判斷。董事會相信范先生、馬先生及翟先生對本集團業務的豐富知識和經驗以及在本集團以外的經驗，將繼續為本集團帶來莫大裨益，並相信他們會對本公司事務保持獨立意見。

本公司在所有載有董事姓名的公司通訊中，已說明獨立非執行董事身份。本公司之最新董事名單已載於本公司及港交所的網站內，註明獨立非執行董事身份及列明董事角色及職能。

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

董事進行證券交易之標準守則

The Group has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the “Model Code”) set out in Appendix 10 to the Listing Rules as its own code of conduct for Directors’ transactions in securities of the Company. Having made specific enquiries to the Directors, all Directors confirmed that they had complied with the required standard of dealings as set out in the Model Code during the year ended 31 December 2019.

本集團採納《上市規則》附錄十所載《上市發行人董事進行證券交易的標準守則》(「《標準守則》」)作為董事進行本公司證券交易事宜的指引。經向所有董事作出特定查詢後，所有董事均確認其於截至二零一九年十二月三十一日止年度內一直遵守《標準守則》所載的規定。

COMPANY SECRETARY 公司秘書

The Company Secretary is accountable to the Board for ensuring that Board policy and procedures are followed and Board activities are efficiently and effectively conducted. The Company Secretary is a full-time employee of the Company. Although the Company Secretary reports to the Chairman of the Board and the Chief Executive Officer, all the Directors may call upon the Company Secretary for assistance and advice at any time in respect to their duties so as to ensure effective operation of the Board and the committees thereunder. The Company Secretary advises the Board on governance matters and facilitates the induction and professional development of Directors. For the year under review, the Company Secretary has obtained the practitioner’s endorsement certificate for 2019/20 issued by The Hong Kong Institute of Chartered Secretaries and confirmed she had taken no less than 15 hours of relevant professional training.

公司秘書向董事會負責，以確保遵守董事會政策和程序，以及董事會事務有效率及有效地進行。公司秘書為本公司全職僱員，雖然公司秘書向董事會主席及行政總裁匯報，但全體董事均可隨時要求公司秘書提供有關董事責任的意見及協助，確保董事會及其轄下委員會可有效運作。公司秘書負責就管治事宜向董事會提供建議，並負責董事的就任須知及專業發展。於回顧年度，公司秘書已取得由香港特許秘書公會發出的二零一九／二零二零年度的執業批准證書及確認其已接受不少於十五小時的相關專業培訓。

CONSTITUTIONAL DOCUMENTS 組織章程文件

During the year under review, there was no change in the Articles of Association.

於回顧年度內，《章程細則》並無變動。

EXTERNAL AUDITOR 外聘核數師

It is the auditor’s responsibility to form an independent opinion, based on its audit, on the Company’s financial statements and to report their opinions solely to the Shareholders, as a body, in accordance with section 405 of the Companies Ordinance, and for no other purpose. They do not assume responsibility towards or accept liability to any other person for the contents of the independent auditor’s report.

核數師之職責是根據彼等審核工作的結果，對本公司財務報表作出獨立意見，並按照《公司條例》第405條的規定，僅向股東作出報告。除此之外，該報告不可用作其他用途，核數師概不就獨立核數師報告的內容，對任何其他人仕負責或承擔責任。

Corporate Governance Report 企業管治報告

EXTERNAL AUDITOR (continued) 外聘核數師(續)

The external auditor of the Company for the year under review was EY. Apart from the provision of annual audit services, EY also carried out interim review of the Group's results and provided (i) assurance services in connection with the requirements under the Occupational Retirement Schemes Ordinance; (ii) tax advisory services; (iii) assurance services and agreed upon procedures in connection with the subsidiary's listing exercise; and (iv) assurance services and agreed upon procedures in connection with the subsidiary's debt financing exercise.

For the year ended 31 December 2019, EY received the following remuneration from the Group in connection with the provision of audit and non-audit services to the Group:

於回顧年度內，本公司之外聘核數師為安永。除每年提供審核服務外，安永亦審閱本集團的中期業績，及(i)就本集團按照《職業退休計劃條例》的規定而提供核證服務；(ii)提供稅務諮詢服務；(iii)就一間附屬公司之上市活動而提供之核證服務及商定的程序；及(iv)就一間附屬公司之債務融資活動而提供之核證服務及商定的程序。

截至二零一九年十二月三十一日止年度內，安永就提供審核及非審核服務予本集團而收取下列酬金：

| | | 2019 二零一九年 HK\$'000 港幣千元 |
|--|---------------------------|-----------------------------------|
| Financial statements audit services and interim review services | 財務報表審核服務及中期業績審閱服務 | 8,170 |
| Other services | 其他服務 | |
| – assurance services in connection with the requirements under the Occupational Retirement Schemes Ordinance | – 根據《職業退休計劃條例》有關規定的核證服務 | 6 |
| – tax advisory services | – 稅務諮詢服務 | 658 |
| – assurance services and agreed upon procedures in connection with the subsidiary's listing exercise | – 附屬公司上市活動有關的核證服務及商定的程序 | 1,308 |
| – assurance services and agreed upon procedures in connection with the subsidiary's debt financing exercise | – 附屬公司債務融資活動有關的核證服務及商定的程序 | 280 |
| | | 10,422 |

RISK MANAGEMENT AND INTERNAL CONTROLS 風險管理及內部監控

The Board has full responsibility for the Group's risk management and internal control systems, which include the establishment of a defined management structure with specified limits of authority. The systems are designed to help the achievement of business objectives of the Group, safeguard assets against unauthorised use or disposition, ensure the maintenance of proper accounting records for the provision of reliable financial information for internal use or for publication and ensure compliance with relevant legislations and regulations. The risk management and internal control systems are designed to manage rather than eliminate the risks of failure to achieve business objectives, and can only provide reasonable and not absolute assurance against material misstatement or loss.

董事會全權負責本集團的風險管理及內部控制系統，包括制訂管理架構及相關的權限。該等系統旨在協助本集團達成業務目標、保管資產以防未經授權使用或出售、確保存有正確會計紀錄以提供可靠的財務資料供內部使用或對外發放，並確保遵守有關法例與規則。風險管理及內部監控系統旨在管理而非消除未能達成業務目標的風險，而且只可合理(但並非絕對)保證不會出現重大失實陳述或損失。

RISK MANAGEMENT AND INTERNAL CONTROLS (continued) 風險管理及內部監控(續)

The Board has conducted a review of the effectiveness of the Group's risk management and internal control systems for the year ended 31 December 2019. This review covered all material controls, including financial, operational and compliance controls and risk management functions, and also considered the adequacy of resources, qualifications and experience of staff of the Company's accounting, internal audit and financial reporting functions, and their training programmes and budget. The Risk Management Department reports to the Company's Risk Management Committee on the control of major risks and internal control implementation. The Board considered that the risk management and internal control systems were effective. Any internal control weaknesses of the Group detected by the Internal Audit Department is reported to the Audit Committee members and the management of the Company. Accordingly, the management takes remedial actions and the Internal Audit Department subsequently follows up and reviews whether the remedial actions in place are adequate.

To provide effective internal controls, the Board has established the following key procedures:

董事會已對本集團截至二零一九年十二月三十一日止年度的風險管理及內部監控系統的有效性進行檢討。該等檢討包括所有重要的監控，特別是財務監控、運營監控、合規監控及風險管理功能，並考慮本公司在會計、內部審計及財務匯報職能方面的資源、員工資歷及經驗是否足夠，以及員工所接受的培訓課程及有關預算是否充足。風險管理部就主要風險的控制情況和內部監控的執行情況向本公司的風險管理委員會匯報。董事會認為風險管理及內部監控系統屬有效。倘若發現任何本集團內部監控的弱點，內部審計部會向本公司的審核委員會成員及管理層匯報。據此，管理層會採取相應的糾正措施及由內部審計部隨後跟進及審核有關糾正措施是否足夠。

為提供有效的內部監控，董事會確立了下列主要程序：

– Organisational Structure 組織架構

An appropriate organisational structure is in place with defined operating policies and procedures as well as responsibility and reporting lines.

本集團已制訂合適的組織架構，清楚訂明相關的運營政策及程序、職責及匯報渠道。

– Authority and Control 權限及監控

The executive Directors and senior management are delegated with respective levels of authorities to carry out the corporate strategies, policies and the related matters formulated by the Board, and also based on related internal control requirements of the existing policies and procedures to execute.

執行董事及高級管理人員獲授予相關權限以執行董事會制訂的企業策略、政策及有關事務，並根據現有制度與流程中有關內部監控的要求行事。

RISK MANAGEMENT AND INTERNAL CONTROLS (continued) 風險管理及內部監控(續)

– Budgetary Control and Financial Reporting 預算控制及財務報告機制

The Group implements budget management, and financial budget is executed upon approval by the Board. Relevant procedures have been established to assess, review and approve major capital and recurrent expenditures, and regular review and comparison between operating results and the budget are made.

The Group has established appropriate internal control procedures to ensure the keeping of complete and accurate accounting and management records on a timely basis. Examination and review are carried out regularly to ensure that the financial statements are properly prepared in conformity with the generally accepted accounting principles, the Group's accounting policies and the applicable laws and regulations.

本集團實行預算管理，財務預算由董事會批核後執行。本集團已訂立相關程序以評估、檢討及批核主要的資本性及經常性支出，並定期檢討與比較運營結果與預算。

本集團已建立適當的內部監控程序，確保全面、正確及準時記錄會計及管理資料。定期進行檢討及審查，確保財務報表的編製符合一般認可的會計準則、本集團會計政策，以及適用的法律及法規。

– Internal Auditing 內部審計

The Group has its Internal Audit Department, which has regularly conducted internal audits to review whether the risk management and internal control procedures are being implemented appropriately.

本集團設有內部審計部，並定期進行內部審計以檢討風險管理及內部監控程序是否如實執行。

The Group has established an internal whistleblowing policy and system for employees of the Company to raise concerns, in confidence, about possible improprieties in financial reporting, internal control or other matters.

In order to achieve effective step-by-step management, the Group has set up 3 lines of defence in risk management and internal control: The first line of defence includes business sectors, regional centers and project companies. They are responsible for continuous identification, assessment, monitoring and report of risks in operating process and implementation of risk management and internal control specific process. The second line of defence includes functional departments of the headquarters, functional departments in all sectors and Risk Management Department. They are responsible for the regular review of overall risk level and effectiveness of control measures in major risks. The third line of defence is Internal Audit Department which is responsible for the regular review on risk management and the follow up actions taken in enhancing internal control.

本集團制定了內部舉報政策及系統，僱員可暗中就財務匯報、內部監控或其他方面可能發生的不正當行為提出關注。

本集團建立了風險管理和內部監控的三道防線組織體系，實現有效的逐級管理：第一道防線包括各業務板塊、區域中心和項目公司，負責對運營過程中的風險持續識別、評估、監控及匯報，實施風險管理及內部監控系統的具體流程；第二道防線包括總部職能部門、各板塊職能部門和風險管理部，負責定期評估整體的風險等級、審閱主要風險管控措施的有效性；第三道防線為公司內部審計部，負責定期審核風險管理和內部監控系統改進的落實情況。

RISK MANAGEMENT AND INTERNAL CONTROLS (continued) 風險管理及內部監控(續)

Adherence to the principle of “Up-and-Down Coordination and Cross-segmental Cooperation”, the Group has strengthened its risk management through promotion of risk management system and establishment of the risk management working network. The Risk Management Committee under the Board takes accountability on risk management, and reviews the corporate risk management and internal controls at least twice a year.

The Risk Management Committee reviewed the progress of risk control and management system for the year of 2018, major risk management in 2018, the 2019 risk management work plan as well as the annual risk assessment results of 2019. The Risk Management Department of the Group is responsible for the implementation of the risk management system and evaluation of internal control and evaluates the effectiveness of the risk management and internal control systems through on-site assessment and risk information collection, etc.

In 2018, the Group released annual risk management instructions in accordance with the Risk Management Systems and the Risk Management Operation Manual, detailed work flow and specific implementation requirements of risk management and internal control, enhanced supervision and inspection mechanism of risk management and internal control. The Company enhanced list of risk factors and evaluation criteria of risk effect degree, and continuously maintained the risk event database within the year. According to the changes of external environment and actual operation, the Company used unified evaluation scope, evaluation criteria, evaluation process and tools, carried out risk evaluation work of the year, determined major risk of the year and established effective control measures, continuously analysed effectiveness of control methods and followed up specific control effect. During the year, the Company conducted internal control evaluation from company level, business level and information system level etc. to improve the effectiveness of internal control. The Company has continued to carry out special inspection work on risks to improve normalisation of risk management.

本集團以「上下聯動、縱橫交錯」為指導原則全面推進風險管理體系，建立風險管理工作網絡，提升風險管理水準。董事會轄下風險管理委員會對風險管理工作負責，每年不少於兩次對企業風險管理和內部監控情況進行檢討。

於回顧年度內，風險管理委員會審議二零一八年風險監控及管理系統進展情況、二零一八年主要風險管理情況、二零一九年風險管理工作計劃，以及二零一九年風險評估結果。本集團風險管理部負責風險管理體系落實和內部監控評估工作，通過現場風險調研、風險資訊收集等方式，評估風險管理和內部監控系統的有效性。

二零一八年，本集團根據《風險管理系統》和《風險管理操作手冊》的要求下發了年度風險管理工作指導意見，風險管理與內部監控的詳細工作流程和具體執行要求，以提高風險管理與內部監控監督檢查機制。本公司於年內完善了風險要素清單和風險影響程度評估標準，並持續維護風險事件資料庫。根據外部環境變化和實際運營狀況，本公司採用統一的評估範圍、評估標準、評估流程和評估工具，開展年度風險評估工作，確定了年度主要風險並對主要風險制定了有效的管控措施，持續分析管控措施的有效性和跟進具體的管控效果。本公司於年內從公司層面、業務層面、信息系統層面等開展內部監控評估工作，提升內部監控的有效性。本公司於年內持續開展風險專項檢查工作，提升風險管理工作的常態化。

Corporate Governance Report 企業管治報告

RISK MANAGEMENT AND INTERNAL CONTROLS (continued) 風險管理及內部監控(續)

The Company paid high attention for risk awareness and improvement of risk management ability, carried out different forms of risk management trainings, enhanced on site risk inspection and special inspection, improved standardisation of risk management within the year.

With respect to procedures and internal controls for the handling and dissemination of inside information, the Group has established a Disclosure Committee and the Board has delegated the day-to-day execution of its continuous disclosure obligations to the Disclosure Committee. Moreover, the Group has formulated the Inside Information Reporting Policy to ensure that potential inside information can be promptly identified, assessed and escalated, if necessary, for the attention of the Disclosure Committee and/or the Board to decide about the need for disclosure.

本公司高度重視風險意識和風險管理能力的提升，年內開展多種形式的風險管理培訓，強化風險現場核查和專項檢查工作，提升風險管理的標準化水平。

有關處理及發佈內幕消息的程序和內部監控，本集團設有披露委員會，由董事會授權負責持續披露責任的日常執行工作。此外，本集團制定了《內幕消息報告政策》以確保潛在的內幕消息及時得以識別、評估及在必要時反映至披露委員會及／或董事會，以便決定是否需要作出披露。

CODE OF CONDUCT 《操守準則》

The Group places utmost importance on employees' ethical, personal and professional standards. Every employee is required to undertake to adhere to the Code of Conduct of the Group, and is expected to achieve the highest standards set out in the Code of Conduct including avoidance of conflict of interests, discrimination or harassment and bribery and corruption, etc. Employees are required to report any non-compliance with the Code of Conduct to the management.

本集團極為重視僱員的道德、個人及專業操守準則。每名僱員均須承諾遵守本集團之《操守準則》，本集團期望所有僱員均達到《操守準則》所訂的最高準則，包括避免利益衝突、歧視或騷擾、以及賄賂及貪污等。僱員須向管理層報告任何違反《操守準則》的情況。

INTERNAL AND EXTERNAL WHISTLEBLOWING AND INVESTIGATION POLICIES

內部及外部舉報及調查辦法

To enhance the transparency, integrity and accountability of the Group and to retain a consistently high standard of corporate governance, the Company has put in place Internal Whistleblowing and Investigation Policy and External Whistleblowing and Investigation Policy (the "Policies"). The Policies apply to the employees/the related persons (including but not limited to investors, lenders, suppliers, customers, services providers and government, etc.) of the Company and its subsidiaries (excluding China Everbright Water Limited, China Everbright Greentech Limited and their respective subsidiaries). The Policies are designed to provide the employees/the related persons with the confidential whistleblowing channels to report the actual or suspected illegal activities and misconducts in corporate financial reporting, internal control or other areas in which the Company's attention should be drawn and investigation should be initiated. The valid whistleblowing method is posted in the Company's website.

為提高本集團運作的透明度、廉潔度、問責性及致力保持一貫高度的企業管治標準，本公司設有《內部舉報及調查辦法》和《外部舉報及調查辦法》(「該等辦法」)。該等辦法適用於本公司及其附屬公司(不包括中國光大水務有限公司、中國光大綠色環保有限公司及其等的附屬公司)的僱員／往來人士(包括但不限於投資者、貸款人、供應商、客戶、服務商及政府等)。該等辦法旨在為僱員／往來人士在保密的情況下就公司財務匯報、內部監控或其他方面可能或已發生的不正當或不合法行為提供舉報渠道，引起本公司關注及調查。有效之舉報方法已載列於本公司網站。

DIRECTORS' RESPONSIBILITIES IN RESPECT OF FINANCIAL STATEMENTS

董事就財務報表所承擔的責任

The Directors confirm that they are responsible for the preparation of the Group's financial statements.

The Finance Management Department of the Company is taken charge by the Chief Financial Officer. With the assistance of the Finance Management Department, the Directors ensure that the Group's financial statements have been properly prepared in accordance with relevant regulations and applicable accounting principles.

A statement by EY, the external auditor of the Company, about its reporting responsibilities on the financial statements of the Group is included in the Independent Auditor's Report on pages 120 to 128.

董事確認須就編製本集團財務報表承擔有關責任。

本公司的財務管理部由財務總監負責管理。在財務管理部的協助下，董事確保本集團財務報表的編製符合有關法規及適用之會計準則。

本公司外聘核數師安永就本集團財務報表所作之申報責任聲明列載於第120頁至第128頁之獨立核數師報告內。

SHAREHOLDERS' RIGHTS 股東的權利

The Company recognises the importance of good communications with the Shareholders and the investors and also recognises the value of providing current and relevant information to the Shareholders and the investors. The Board has established a Shareholders' communication policy setting out the principles of the Company in relation to the Shareholders' communication, with the objective of ensuring the Shareholders and investors are provided with ready, equal and timely access to current and relevant information about the Group.

The Company maintains on-going dialogue with the Shareholders to communicate with them through AGMs or other general meetings of the Company and encourages their participation in such meetings.

Notices of Shareholders' meetings which contain agenda, proposed resolutions and voting form, are sent to the registered Shareholders by post.

All registered Shareholders are entitled to attend annual and extraordinary general meetings, provided that their shares have been recorded in the register of members of the Company.

Annual and interim reports offer comprehensive operational and financial performance information to the Shareholders, and the AGM provides a forum for the Shareholders to exchange views directly with the Board, which together help enhance and facilitate communication with the Shareholders. The Shareholders who are unable to attend a general meeting may complete and return to the Company's Share Registrar the proxy form enclosed with notice of meeting to give proxy to their representatives, another Shareholder or chairman of the meeting.

本公司明白與股東及投資者保持良好溝通的重要性，也認識到向股東及投資者提供當前及相關資訊的價值。董事會制定了股東通訊政策，列出本公司有關股東通訊之原則，旨在確保股東及投資者，能取得現成、相同及適時的最新相關資料。

本公司就此透過股東週年大會或其他本公司之股東大會與股東一直保持溝通並鼓勵彼等參與該等會議。

股東大會通告(載有議程、提呈的決議案及投票表格)，以郵遞方式發送予登記股東。

任何登記股東均有權出席股東週年大會及股東特別大會，惟彼等的股份必須已登記於本公司之股東名冊內。

年度及中期報告為股東提供運營及財務業績表現的詳盡資料，股東週年大會為股東提供與董事會成員直接交換意見的機會，這有助於加強和促進與股東的溝通。未能出席股東大會的股東可填妥隨附於大會通告的代表委任表格並交回本公司股份過戶處，以委任彼等之代表或另一名股東或大會主席為彼等的代表。

CONVENING OF EXTRAORDINARY GENERAL MEETING ON REQUISITION BY SHAREHOLDERS 應股東要求召開股東特別大會

Pursuant to section 566 of the Companies Ordinance, the members of the Company representing at least 5% of the total voting rights of all the members having a right to vote at general meetings may request the Directors to call a general meeting. The request must state the general nature of business to be dealt with at the meeting and may include the text of a resolution that may properly be moved and is intended to be moved at the meeting. The request may consist of several documents in like form and may be sent to the Company in hard copy form or in electronic form and must be authenticated by the person(s) making it.

If the Directors do not within 21 days from the date of the deposit of the request proceed duly to convene a general meeting for a day not more than 28 days after the date on which the notice convening a general meeting is given, the members who requested the meeting or any of them representing more than one-half of the total voting rights of all of them, may themselves convene a general meeting, provided that the general meeting so convened shall not be held after the expiration of 3 months from such date.

The general meeting convened by such members shall be convened in the same manner, as nearly as possible, as that in which general meetings are to be convened by the Directors.

根據《公司條例》第566條，擁有股東大會上投票資格的全體股東總投票權佔最少5%之本公司股東，可要求董事召開股東大會。有關要求書必須列明將於會上處理的事項的大致性質，並可包括將於會上適當動議或擬於會上動議的決議案內容。有關要求書可包含多份格式相近的文件，並可透過複印本形式或電子形式向本公司提出，惟必須經由提出要求的人士核證。

倘董事在該要求書交付日期起計二十一天內，未有在召開股東大會通知書發出日期後二十八天內安排召開一次股東大會，則該等請求人或佔全體請求人一半以上總表決權的請求人，可自行召開股東大會，但如此召開的股東大會不得在上述請求日期起計三個月屆滿後舉行。

由有關股東召開的股東大會，須盡可能以接近董事召開股東大會的方式召開。

PUTTING FORWARD PROPOSAL AT ANNUAL GENERAL MEETING 於股東週年大會上提出議案

Pursuant to section 615 of the Companies Ordinance, the members of the Company may request the Company to give, to members of the Company entitled to receive notice of the AGM, notice of a resolution that may properly be moved and is intended to be moved at that meeting. The request may be sent to the Company in hard copy form or in electronic form and must identify the resolution of which notice is to be given, be authenticated by the person or persons making it and be received by the Company not later than 6 weeks before the AGM to which the requests relates; or if later, the time at which notice is given of that meeting.

The Company will give notice of a resolution if it has received the requests from (a) members representing at least 2.5% of the total voting rights of all the members of the Company who have a relevant right to vote on the resolution to which the request relate; or (b) at least 50 members who have a relevant right to vote on the resolution to which the request relate.

根據《公司條例》第615條，本公司股東可要求本公司向有權收取股東週年大會通告的股東發出決議案通告，而有關決議案將於股東週年大會上適當動議或擬於會上動議。有關要求書可透過複印本形式或電子形式向本公司提出，並須說明將予發出通告所述決議案，且必須經由提出要求的人士核證，以及本公司必須不遲於有關股東週年大會舉行日期前六個星期或(如較後)發出股東週年大會通告的時間接獲有關要求書。

本公司將於接獲下列人士發出的要求書後，發出決議案通告：(a)擁有就有關決議案投票的本公司全體股東總投票權的至少2.5%之股東；或(b)至少50名擁有就有關決議案投票權的股東。

PROPOSING A PERSON FOR ELECTION AS A DIRECTOR

提名個別人士候選董事的程序

As regards the procedures for proposing a person for election as a Director, please refer to the procedures made available under the Corporate Governance section of the Company's website at www.ebchinaintl.com.

有關提名個別人士候選董事的程序，請參閱本公司網站www.ebchinaintl.com內企業管治部份的程序。

2019 ANNUAL GENERAL MEETING 二零一九年股東週年大會

At the 2019 AGM, a separate resolution was proposed by the chairman of the meeting in respect of each separate issue, including re-election of each retiring Director. All resolutions were duly passed by the Shareholders by way of poll at the meeting. Certain Directors and members of Board committees attended the meeting to answer questions of the Shareholders. The Company announced the results of the voting by poll in the manner prescribed under the Listing Rules. No other general meeting was held during the year of 2019. The attendance record of the Directors at the 2019 AGM is set out below:

於二零一九年股東週年大會，會議主席就每項獨立的事項個別提呈獨立決議案，其中包括重選各退任董事。所有決議案獲股東於該會議上以投票表決方式通過。部份董事及董事會委員會的成員出席會議並回答股東的提問。本公司根據《上市規則》規定的方式公佈投票表決結果。於二零一九年年度內並沒有舉行其他股東大會。董事出席二零一九年股東週年大會之紀錄如下：

| Directors | 董事 | General meeting attended/held 出席大會次數／全部大會次數 |
|--|-------|--|
| <i>Executive Directors</i> | | |
| Mr. Cai Yunge | 蔡允革先生 | 1/1 |
| Mr. Wang Tianyi | 王天義先生 | 1/1 |
| Mr. Wong Kam Chung, Raymond | 黃錦聰先生 | 1/1 |
| Mr. Hu Yanguo | 胡延國先生 | 1/1 |
| Mr. Qian Xiaodong | 錢曉東先生 | 1/1 |
| <i>Independent Non-executive Directors</i> | | |
| Mr. Fan Yan Hok, Philip | 范仁鶴先生 | 1/1 |
| Mr. Mar Selwyn | 馬紹援先生 | 1/1 |
| Mr. Zhai Haitao | 翟海濤先生 | 1/1 |
| Mr. Suo Xuquan | 索緒權先生 | 1/1 |

INVESTOR RELATIONS AND COMMUNICATIONS 與投資者的關係及溝通

The Company recognises the importance of efficient and effective communications with the investor community. Briefings and meetings with institutional investors and analysts through various communication channels, including teleconference, video conference, video web-casting, etc. are conducted regularly to provide them with up-to-date and comprehensive information about the Group's development. Besides, the Company facilitates the initiation and coverage of the Company published by research analysts of well-received investment banks which are instrumental in providing investors with independent and professional evaluations of the Company. Moreover, the Group participates in different international forums and overseas non-deal roadshows to elaborate on the Group's business development plans to global investors. Furthermore, the Company arranges site visits for investors and media to our key projects in the PRC. Last but not least, the Company has established a function dedicated to investor relations and engaged an external public relations company to take care of investor relations matters. The Company also maintains a website (www.ebchinaintl.com) which renders Shareholders, investors and the general public direct access to the information of the Group on a timely basis.

In order to enable the Shareholders to exercise their rights in an informed manner, and to allow them to engage actively with the Company, a Shareholders Communication Policy of the Company has been established. Shareholders may at any time send their enquiries and concerns to the Company via the Company's website at www.ebchinaintl.com. Shareholders may also make enquiries with the Board at the general meetings of the Company.

本公司非常重視與投資者的高效及有效的溝通。本公司會不時透過不同通訊渠道與機構投資者及分析員舉行簡報會及會議包括電話會議、視頻會議及線上視頻直播等，為彼等提供有關本集團發展的最新全面詳情。此外，本公司協助知名投資銀行的研究分析師為本公司撰寫分析報告，此舉有利於提供投資者有關本公司的獨立及專業評估。此外，本集團出席不同的國際論壇和海外的非交易路演，向全球投資者闡述本集團的業務發展計劃。另外，我們更透過實地考察，為投資者和媒體展示本集團位於中國的若干重點項目。本公司已設有專責投資者關係的職能，並聘請外部公關公司負責投資者關係的事宜。本公司之網站(www.ebchinaintl.com)為股東、投資者及公眾人士適時提供本公司資訊。

為了讓股東在知情的情況下行使其股東的權利，並讓他們積極參與本公司溝通，本公司訂立了股東通訊政策。股東可在任何時間通過本公司網站www.ebchinaintl.com向本公司發送他們的查詢和其所關心的問題。股東亦可在本公司的股東大會上向董事會提出查詢。

Directors and Senior Management 董事及高級管理人員

CAI YUNGE – EXECUTIVE DIRECTOR AND CHAIRMAN OF THE BOARD

aged 48, is the Executive Director and the Chairman of the Board of the Company. He is also the Chairman of the Nomination Committee and the Member of the Remuneration Committee of the Board. Mr. Cai is the Deputy General Manager of China Everbright Group Ltd., the Vice-chairman and General Manager of China Everbright Holdings Company Limited, and executive director and chairman of the board of directors of China Everbright Limited (the shares of which are listed on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”)), and a non-executive director of China Everbright Bank Company Limited (“Everbright Bank”) (the shares of which are listed on the Stock Exchange and Shanghai Stock Exchange). Currently he is the vice chairman of The Hong Kong Chinese Enterprises Association. Mr. Cai holds a master degree in Business Administration from The University of Warwick, UK and a doctoral degree in Economics from the Financial Research Institute of the People’s Bank of China. He holds the title of Senior Economist. Before joining the Company, Mr. Cai has served as the secretary to the board and general manager of executive office of Everbright Bank, deputy chief of the Development and Reform Commission of Guangdong Province, and division chief of the General Office and deputy division chief of Banking Supervisory Department II of the China Banking Regulatory Commission. He joined the Board in November 2016, and was re-designated as the Executive Director and the Chairman of the Board of the Company in December 2016.

蔡允革(執行董事兼董事會主席)

現年48歲，為本公司執行董事兼董事會主席。彼亦為董事會轄下提名委員會主席及薪酬委員會成員。蔡先生為中國光大集團股份公司副總經理，中國光大集團有限公司副董事長、總經理，中國光大控股有限公司(其股份於香港聯合交易所有限公司(「聯交所」)上市)執行董事兼董事會主席，以及中國光大銀行股份有限公司(「光大銀行」)(其股份於聯交所及上海證券交易所上市)非執行董事，彼現為香港中國企業協會副會長。蔡先生持有英國沃里克(華威)大學工商管理碩士學位及中國人民銀行金融研究所博士研究生學位，彼具有高級經濟師職稱。在加入本公司前，蔡先生曾任光大銀行董事會秘書、辦公室總經理，廣東省發展和改革委員會副主任以及中國銀行業監督管理委員會辦公廳處長、銀行監管二部副處長等職務。蔡先生於二零一六年十一月加入董事會，並於二零一六年十二月調任為本公司執行董事兼董事會主席。

Directors and Senior Management 董事及高級管理人員

WANG TIANYI – EXECUTIVE DIRECTOR AND CHIEF EXECUTIVE OFFICER

aged 57, is the Executive Director and the Chief Executive Officer of the Company. He is also the Chairman of the Disclosure Committee and the Member of the Nomination Committee of the Board, and a director of several subsidiaries of the Group. Mr. Wang is the non-executive director and the chairman of China Everbright Water Limited (the Company's subsidiary and the shares of which are listed on the Singapore Exchange Securities Trading Limited and The Stock Exchange of Hong Kong Limited (the "Stock Exchange")). He is also the non-executive director and the chairman of the board of directors of China Everbright Greentech Limited (the Company's subsidiary and the shares of which are listed on the Stock Exchange). Prior to joining the Group, he was the Dean of Shandong Academy of Sciences. He was formerly the Deputy Mayor of Jinan City of Shandong Province. He had been the Vice President, and the Dean and Professor of the School of Economics and Management of Yantai University of Shandong Province.

He is currently a part-time professor of Tsinghua University and a Co-Director of the Center for PPP of Tsinghua University. He is also a member of the China Council for International Cooperation on Environment and Development, a member of International Coalition for Green Development on the Belt and Road Advisory Board, a vice chairman of China Ecological Civilization Research and Promotion Association, a vice chairman of All-China Environment Federation, a vice chairman of Industrial and Academic Union of Ecological Environment of the China Association for Science and Technology, a member of the UNECE PPP Business Advisory Board, and a member of China Business Research Centre Advisory Council of the National University of Singapore. He holds a doctorate degree in economics, a master's degree in management and a bachelor's degree in electronics from Tsinghua University. He had pursued advanced studies at Harvard University and University of California in the United States. Mr. Wang joined the Board in February 2010, and was re-designated as the Executive Director and the Chief Executive Officer of the Company in January 2018.

王天義(執行董事兼行政總裁)

現年57歲，為本公司執行董事兼行政總裁。彼亦為董事會轄下披露委員會主席及提名委員會成員，以及本集團若干附屬公司的董事。王先生為中國光大水務有限公司(本公司之附屬公司，其股份於新加坡證券交易所有限公司及香港聯合交易所有限公司(「聯交所」)上市)的非執行董事兼董事長。彼亦為中國光大綠色環保有限公司(本公司之附屬公司，其股份於聯交所上市)的非執行董事兼董事會主席。在加入本集團前，彼為山東省科學院院長。彼亦曾任山東省濟南市副市長，並曾任山東省煙台大學副校長、經管學院院長及教授。

現擔任清華大學兼職教授和清華大學PPP研究中心的共同主任，中國環境與發展國際合作委員會委員，「一帶一路」綠色發展國際聯盟諮詢委員會委員，中國生態文明研究與促進會副會長，中華環保聯合會副會長，中國科協生態環境產學聯合體副主席，聯合國歐洲經濟委員會PPP專家委員會委員，以及新加坡國立大學中國商務研究中心諮詢委員會委員。彼持有清華大學經濟學博士、管理學碩士及電子學學士銜。彼亦曾在美國哈佛大學和加州大學學習深造。王先生於二零一零年二月加入董事會，並於二零一八年一月調任為本公司執行董事兼行政總裁。

WONG KAM CHUNG, RAYMOND – EXECUTIVE DIRECTOR AND CHIEF FINANCIAL OFFICER

aged 56, is the Executive Director and the Chief Financial Officer of the Company. He is also the Member of each of the Risk Management Committee and the Disclosure Committee of the Board, and a director of several subsidiaries of the Group. Mr. Wong holds a Master of Business Administration Degree, a Master of Management Degree in Information Technology Management from Macquarie University, Australia, and a Bachelor of Arts with Honours Degree in Accountancy from the City University of Hong Kong. He is a member of the Hong Kong Institute of Certified Public Accountants, a fellow member of the Institute of Chartered Accountants of England and Wales, a fellow member of the Association of Chartered Certified Accountants of United Kingdom and a member of the Chartered Professional Accountants of Canada. He has extensive experience in accounting, finance and auditing areas. Mr. Wong joined the Board in December 2002.

黃錦聰(執行董事兼財務總監)

現年56歲，為本公司執行董事兼財務總監。彼亦為董事會轄下風險管理委員會及披露委員會之各自成員，以及本集團若干附屬公司的董事。黃先生持有澳洲麥克理大學工商管理碩士銜，管理學碩士銜(主修資訊科技管理)，以及香港城市大學會計學榮譽文學士銜，並為香港會計師公會會員、英格蘭及威爾斯特許會計師公會資深會員、英國特許公認會計師公會資深會員及加拿大特許專業會計師協會會員。彼具有豐富之會計、財務及核數經驗。黃先生於二零零二年十二月加入董事會。

HU YANGUO – EXECUTIVE DIRECTOR AND DEPUTY GENERAL MANAGER

aged 53, is the Executive Director and the Deputy General Manager of the Company, and the general manager of Everbright Environmental Protection (China) Company Limited (a wholly-owned subsidiary of the Company). He is also the Member of each of the Risk Management Committee and the Disclosure Committee of the Board, and a director of several subsidiaries of the Group. Mr. Hu was formerly the non-executive director of China Everbright Greentech Limited (the Company's subsidiary and the shares of which are listed on The Stock Exchange of Hong Kong Limited (the "Stock Exchange")). Prior to joining the Group, Mr. Hu was the person-in-charge of the accounting department of the Guangzhou branch of China Everbright Bank Company Limited (the shares of which are listed on the Stock Exchange and Shanghai Stock Exchange). Mr. Hu obtained a bachelor's degree in mathematics and a master's degree in forestry economy and management from Northeast Forestry University in the People's Republic of China (the "PRC"). He is a certified public accountant in the PRC. Mr. Hu joined the Board in January 2018.

胡延國(執行董事兼副總經理)

現年53歲，為本公司執行董事兼副總經理及光大環保(中國)有限公司(本公司之全資附屬公司)的總經理。彼亦為董事會轄下風險管理委員會及披露委員會之各自成員，以及本集團若干附屬公司的董事。胡先生曾任中國光大綠色環保有限公司(本公司之附屬公司，其股份於香港聯合交易所有限公司(「聯交所」)上市)的非執行董事。胡先生在加入本集團前，曾任職中國光大銀行股份有限公司(其股份於聯交所及上海證券交易所上市)廣州分行會計部負責人。胡先生持有中華人民共和國(「中國」)東北林業大學數學學士學位及林業經濟管理碩士學位。彼為中國註冊會計師。胡先生於二零一八年一月加入董事會。

Directors and Senior Management 董事及高級管理人員

QIAN XIAODONG – EXECUTIVE DIRECTOR AND DEPUTY GENERAL MANAGER

aged 47, is the Executive Director and the Deputy General Manager of the Company. He is also the Member of the Disclosure Committee of the Board and a director of several subsidiaries of the Group. Moreover, Mr. Qian is an executive director and the chief executive officer of China Everbright Greentech Limited (the Company's subsidiary and the shares of which are listed on The Stock Exchange of Hong Kong Limited). He had been the General Manager of the investment development department of the Company and the General Manager of Everbright Environmental Protection Venture Capital (Shenzhen) Ltd, a wholly-owned subsidiary of the Company. He obtained a bachelor's degree in thermal engineering from Dalian University of Technology in the People's Republic of China (the "PRC") and a master's degree in environment engineering from the Southeast University in the PRC. Mr. Qian joined the Board in January 2018.

錢曉東(執行董事兼副總經理)

現年47歲，為本公司執行董事兼副總經理。彼亦為董事會轄下披露委員會成員及本集團若干附屬公司的董事。此外，錢先生為中國光大綠色環保有限公司(本公司之附屬公司，其股份於香港聯合交易所有限公司上市)的執行董事兼行政總裁。彼曾擔任本公司投資發展部總經理及本公司全資附屬公司光大環保創業投資(深圳)有限公司總經理。彼持有中華人民共和國(「中國」)大連理工大學熱能工程學士學位及中國東南大學環境工程碩士學位。錢先生於二零一八年一月加入董事會。

FAN YAN HOK, PHILIP – INDEPENDENT NON-EXECUTIVE DIRECTOR

aged 70, is the Independent Non-executive Director of the Company, the Chairman of the Risk Management Committee of the Board, and the Member of each of the Audit Committee, the Remuneration Committee and the Nomination Committee of the Board. Mr. Fan is an independent non-executive director of the following Hong Kong listed public companies, namely Hysan Development Company Limited, First Pacific Company Limited, China Aircraft Leasing Group Holdings Limited and PFC Device Inc. Mr. Fan was formerly an independent director of Goodman Group, an Australian listed company and a member of the Asian Advisory Committee of AustralianSuper, a pension fund established in Australia until November 2017 and February 2017 respectively. Mr. Fan holds a Bachelor's Degree in Industrial Engineering, a Master's Degree in Operations Research from Stanford University and a Master's Degree in Management Science from Massachusetts Institute of Technology. Before joining the Company in 1997, he was an executive director of CITIC Pacific Limited in charge of industrial projects in China. Mr. Fan joined the Board in November 1997 and was re-designated as a Non-executive Director and an Independent Non-executive Director of the Company in January 2010 and December 2012 respectively.

范仁鶴(獨立非執行董事)

現年70歲，為本公司之獨立非執行董事，董事會轄下風險管理委員會主席，以及審核委員會、薪酬委員會及提名委員會之各自成員。范先生為多家香港上市公司(即希慎興業有限公司、第一太平有限公司、中國飛機租賃集團控股有限公司及節能元件有限公司)的獨立非執行董事。范先生曾任Goodman Group(一家於澳大利亞上市的公司)的獨立董事及AustralianSuper(一家於澳大利亞成立的退休基金)的亞洲諮詢委員會成員，分別直至二零一七年十一月及二零一七年二月止。范先生持有史丹福大學工程學士銜，史丹福大學統籌學碩士銜及麻省理工學院管理科學碩士銜。在一九九七年加入本公司之前，彼曾任中信泰富有限公司執行董事，主管中國工業業務。范先生於一九九七年十一月加入董事會，並分別於二零一零年一月及二零一二年十二月調任為本公司之非執行董事及獨立非執行董事。

MAR SELWYN – INDEPENDENT NON-EXECUTIVE DIRECTOR

aged 84, is the Independent Non-executive Director of the Company, the Chairman of the Audit Committee of the Board, and the Member of each of the Remuneration Committee, the Nomination Committee and the Risk Management Committee of the Board. Mr. Mar graduated from the London School of Economics, University of London. He is a fellow member of the Institute of Chartered Accountants of United Kingdom and the Hong Kong Institute of Certified Public Accountants. Mr. Mar is a director of Nexia Charles Mar Fan Limited. He is also an independent non-executive director and chairman of the audit committee of Minmetals Land Limited and Man Yue Technology Holdings Limited, as well as an independent non-executive director of PanAsialum Holdings Company Limited. He was the President of Hong Kong Society of Accountants (now known as Hong Kong Institute of Certified Public Accountants) in 1991. Mr. Mar is an Honorary Fellow of the Lingnan University. He joined the Board in September 2004.

馬紹援(獨立非執行董事)

現年84歲，為本公司之獨立非執行董事，董事會轄下審核委員會主席，以及薪酬委員會、提名委員會及風險管理委員會之各自成員。馬先生畢業於倫敦大學倫敦經濟學院經濟系。彼為英國特許公認會計師公會及香港會計師公會資深會員。馬先生現為馬炎璋會計師行有限公司的董事。彼亦為五礦建設有限公司及萬裕科技集團有限公司的獨立非執行董事及審核委員會主席，以及榮陽實業集團有限公司的獨立非執行董事。彼曾於一九九一年出任香港會計師公會會長。馬先生亦為嶺南大學榮譽院士。彼於二零零四年九月加入董事會。

ZHAI HAITAO – INDEPENDENT NON-EXECUTIVE DIRECTOR

aged 51, is the Independent Non-executive Director of the Company, the Chairman of the Remuneration Committee of the Board, and the Member of each of the Audit Committee and the Nomination Committee of the Board. He is also an independent director of China Everbright Water Limited (the Company's subsidiary and the shares of which are listed on the Singapore Exchange Securities Trading Limited and The Stock Exchange of Hong Kong Limited). Mr. Zhai is the President and Partner of Primavera Capital Group. He is a director and the chairman of the audit committee of the board of China Asset Management Co., Ltd. He was formerly Managing Director of Goldman Sachs (Asia) LLC and Chief Representative of Goldman Sachs Beijing Office. Prior to joining Goldman Sachs, Mr. Zhai worked at the International Department of the People's Bank of China in Beijing, and was Deputy Representative of the People's Bank of China Representative Office for the Americas based in New York. He holds a Master's Degree in International Relations from Columbia University, a Master of Business Administration Degree from New York University and a Bachelor of Arts Degree in Economics from Peking University. He has extensive experience and knowledge in banking, capital market and management. Mr. Zhai joined the Board in January 2011.

翟海濤(獨立非執行董事)

現年51歲，為本公司之獨立非執行董事，董事會轄下薪酬委員會主席，以及審核委員會及提名委員會之各自成員。彼亦為中國光大水務有限公司(本公司之附屬公司，其股份於新加坡證券交易所有限公司及香港聯合所有有限公司上市)的獨立董事。翟先生為春華資本集團的總裁兼合夥人，以及華夏基金管理有限公司的董事，及其董事會審計委員會主席。彼曾任職高盛(亞洲)有限責任公司董事總經理及高盛集團北京代表處首席代表。在任職高盛之前，翟先生曾任職中國人民銀行總行國際司，並曾擔任中國人民銀行駐美洲代表處(紐約)副代表。彼持有哥倫比亞大學國際關係碩士，紐約大學工商管理碩士，以及北京大學經濟學學士。彼於銀行、資本市場及企業管理方面擁有豐富的經驗及知識。翟先生於二零一一年一月加入董事會。

Directors and Senior Management 董事及高級管理人員

SUO XUQUAN – INDEPENDENT NON-EXECUTIVE DIRECTOR

aged 62, is the Independent Non-executive Director of the Company, and the Member of each of the Remuneration Committee, the Nomination Committee and the Risk Management Committee of the Board. Mr. Suo is an independent director of China Satellite Communications Co., Ltd.* (中國衛通集團股份有限公司) (the shares of which are listed on Shanghai Stock Exchange) and CITIC Bank International (China) Limited. Mr. Suo is a part-time professor of Business School of China University of Political Science and Law. Mr. Suo was the general manager of Credit Extension Approval Department of Head Office of Industrial and Commercial Bank of China Limited (“ICBC”, the shares of which are listed on The Stock Exchange of Hong Kong Limited and Shanghai Stock Exchange) prior to his retirement from the ICBC group after 33 years of services. He also worked in the Shaanxi Branch of the People’s Bank of China before joining the ICBC Group. Mr. Suo graduated from on-job postgraduate class of Economics and Management in the Correspondence College of Central Party School of the Communist Party of China, and he is a senior economist and expert entitled to special allowance of the State Council. Mr. Suo has over 37 years of relevant banking experience and has extensive experience in bank credit management and bank credit risk management. He has expertise in business operation and financial analysis. Mr. Suo joined the Board in August 2018.

* For identification purpose only

* 僅供識別用途

索緒權(獨立非執行董事)

現年62歲，為本公司之獨立非執行董事，以及董事會轄下薪酬委員會、提名委員會及風險管理委員會之各自成員。索先生為中國衛通集團股份有限公司(其股份於上海證券交易所上市)及中信銀行國際(中國)有限公司之獨立董事。索先生於中國政法大學商學院受聘為兼職教授。索先生從服務滿三十三年之中國工商銀行集團退休前，曾任中國工商銀行有限公司(「中國工商銀行」，其股份於香港聯合交易所有限公司及上海證券交易所上市)總行授信審批部總經理。彼於加入中國工商銀行集團之前亦曾於中國人民銀行陝西省分行任職。索先生於中共中央黨校函授學院經濟管理專業在職研究生班畢業，為高級經濟師及享有中國國務院政府特殊津貼專家。索先生擁有逾三十七年銀行相關經驗，於銀行信貸管理及銀行信用風險管理方面經驗豐富，具備工商企業經營及財務分析專長。索先生於二零一八年八月加入董事會。

AN XUESONG – DEPUTY GENERAL MANAGER

aged 49, is the Deputy General Manager of the Company. Mr. An is also the executive director and chief executive officer of China Everbright Water Limited (the Company’s subsidiary and the shares of which are listed on the Singapore Exchange Securities Trading Limited and The Stock Exchange of Hong Kong Limited). He holds a Master of Business Administration Degree from Jinan University. Mr. An is a Certified Public Accountant in the People’s Republic of China and International Internal Auditor. He has comprehensive experience in mergers and acquisitions, project investment and management, financial management and risk management. Mr. An joined the Group in May 2002.

安雪松(副總經理)

現年49歲，本公司副總經理。安先生亦為中國光大水務有限公司(本公司之附屬公司，其股份於新加坡證券交易所有限公司及香港聯合交易所有限公司上市)的執行董事兼總裁。安先生持有暨南大學工商管理碩士銜，彼亦為中國註冊會計師及國際註冊內部審計師。彼具有豐富的兼併收購、項目投資與管理、財務管理和風險管理經驗。安先生於二零零二年五月加入本集團。

LI CHUNJU – DEPUTY GENERAL MANAGER

aged 53, is the Deputy General Manager of the Company. She is also the general manager of the Group's Shenzhen Managerial Centre. Prior to her positions with the Group, Ms. Li was the general manager of several departments, including the human resources, legal and compliance, retail business and electronic banking departments, in the Shenzhen Branch of China Everbright Bank Company Limited (the shares of which are listed on Shanghai Stock Exchange and The Stock Exchange of Hong Kong Limited) as well as the vice president of Everbright Xinglong Trust Co., Ltd. Ms. Li graduated from Shanxi Educational College. She has extensive experience in finance. Ms. Li joined the Group in November 2018.

李春菊(副總經理)

現年53歲，本公司副總經理。彼亦兼任本集團深圳管理中心總經理。李女士在加入本集團前，曾任職中國光大銀行股份有限公司(其股份於上海證券交易所及香港聯合交易所有限公司上市)深圳分行人力資源部、法律合規部、零售業務部及電子銀行部總經理，以及光大興隴信託有限責任公司副總裁。李女士畢業於山西省衛電高師專科大專。彼具有豐富的金融工作經驗，李女士於二零一八年十一月加入本集團。

YANG SHIQIAO – DEPUTY GENERAL MANAGER

aged 51, is the Deputy General Manager of the Company. Mr. Yang is also the chairman of Everbright Environmental Technical Equipment (Changzhou) Limited* (the Company's wholly-owned subsidiary), as well as a director of certain subsidiaries of the Group. Previously, Mr. Yang was appointed as the chief executive officer of Everbright Envirotech (China) Limited*, the deputy general manager of Everbright Environmental Protection (China) Limited* ("Everbright Environmental Protection"), the Special Assistant to Chief Executive Officer of the Company, and the general manager of the Department of Project Management and Environment Management under Everbright Environmental Protection. Mr. Yang holds a Master's degree in Environmental Science and Engineering from Tsinghua University. He is a Senior Engineer with extensive experience in operational management, project management and corporate management. Mr. Yang joined the Group in October 2004.

* For identification purpose only

* 僅供識別用途

楊仕橋(副總經理)

現年51歲，本公司副總經理。楊先生亦為光大環保技術裝備(常州)有限公司(本公司全資附屬公司)的董事長，以及本集團若干附屬公司的董事。楊先生曾任光大環境科技(中國)有限公司總裁、光大環保(中國)有限公司(「光大環保」)副總經理、本公司行政總裁特別助理、光大環保項目管理及環境管理部總經理。楊先生持有清華大學環境科學與工程碩士銜。彼亦為高級工程師，具有豐富之運營管理、項目管理及企業管理經驗，楊先生於二零零四年十月加入本集團。

POON YUEN LING – COMPANY SECRETARY

aged 52, is the Company Secretary of the Company. She is a fellow member of The Hong Kong Institute of Chartered Secretaries and The Institute of Chartered Secretaries and Administrators (now known as ICSA: The Governance Institute). She joined the Group in April 1994, with over 25 years of experience in company secretarial affairs.

潘婉玲(公司秘書)

現年52歲，本公司之公司秘書。彼為香港特許秘書公會及英國特許秘書及行政人員公會(現更名為ICSA：管治學會)之資深會員。彼於一九九四年四月加入本集團，具逾二十五年公司秘書事務經驗。

REPORT OF THE DIRECTORS 董事會報告

The directors (the “Director(s)”) of China Everbright International Limited (the “Company”) are pleased to present this Annual Report together with the audited financial statements for the year ended 31 December 2019.

PRINCIPAL PLACE OF BUSINESS

The Company is a company incorporated and domiciled in Hong Kong and has its registered office and principal place of business at Room 2703, 27th Floor, Far East Finance Centre, 16 Harcourt Road, Hong Kong.

PRINCIPAL ACTIVITIES

The principal activity of the Company is investment holding. The principal activities and other particulars of the principal subsidiaries are set out in note 49 to the financial statements.

The analysis of the principal activities and geographical locations of the operations of the Company and its subsidiaries (the “Group”) during the financial year are set out in note 4 to the financial statements.

BUSINESS REVIEW

A fair review of the business of the Group during the year and a discussion on the Group’s future business development are provided in the Chairman’s Statement and Chief Executive Officer’s Report on pages 10 to 55 of this Annual Report. In particular, description of principal risks and uncertainties faced by the Group can be found in the section headed “Principal Risks and Uncertainties” in the Chief Executive Officer’s Report on pages 47 to 52. An analysis of the Group’s performance during the year using key performance indicators by each business sector can be found on pages 20 to 39 of the Chief Executive Officer’s Report. In addition, discussions on the Group’s environmental policies, relationships with its key stakeholders and compliance with relevant laws and regulations which have a significant impact on the Group are provided in the section headed “Environmental and Social Management” in the Chief Executive Officer’s Report on page 53.

中國光大國際有限公司(「本公司」)董事(「董事」)欣然提呈截至二零一九年十二月三十一日止年度之年度報告及經審核財務報表。

主要營業地點

本公司為一家於香港註冊成立，並以香港為本籍之公司。本公司之註冊辦事處及主要營業地點位於香港夏慤道十六號遠東金融中心二十七樓二零三零三號。

主要業務

本公司之主要業務為投資控股。各主要附屬公司之主要業務及其他詳情載於財務報表附註49。

本公司及其附屬公司(「本集團」)於本財政年度內之主要業務及按運營地域劃分之分析載於財務報表附註4。

業務回顧

本集團業務之年度回顧及有關本集團未來業務發展之討論載於本年報第10頁至第55頁之主席報告及行政總裁報告。特別是，本集團所面對之主要風險及不確定性之描述載於第47頁至第52頁之行政總裁報告「主要風險及不確定性」一節。本集團使用主要表現指標按各業務板塊劃分之年度表現分析載於第20頁至第39頁之行政總裁報告。此外，有關本集團環境政策、與主要持份者之關係，以及對本集團有重大影響之相關法律及法規之遵守情況之討論載於第53頁之行政總裁報告「環境與社會管理」一節。

MAJOR CUSTOMERS AND SUPPLIERS

The information in respect of the major customers and suppliers of the Group respectively during the financial year is as follows:

主要客戶及供應商

本集團於本財政年度之主要客戶及供應商資料如下：

| | | Percentage of the Group's total 佔本集團下列總額之百分比 | |
|-------------------------------------|---------|--|------------------|
| | | Revenue 收益 | Purchases 採購額 |
| The largest customer | 最大客戶 | 6% | |
| Five largest customers in aggregate | 五大客戶合計 | 21% | |
| The largest supplier | 最大供應商 | | 10% |
| Five largest suppliers in aggregate | 五大供應商合計 | | 18% |

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

各董事或彼等之任何聯繫人士或任何本公司股東(「股東」)(據董事所深知擁有本公司股本5%以上)概無擁有本集團五大客戶及供應商任何實益權益。

MATERIAL RELATED PARTY TRANSACTIONS

Material related party transactions entered into by the Group during the year are set out in note 43 to the financial statements. In relation to those related party transactions that also constituted connected transactions or continuing connected transactions of the Group as defined in the Rules Governing the Listing of Securities (the "Listing Rules") on The Stock Exchange of Hong Kong Limited (the "Stock Exchange"), the Company has complied with the relevant disclosure requirements in accordance with Chapter 14A of the Listing Rules during the year.

重大關聯人士交易

本集團於年內訂立之重大關聯人士交易載於財務報表附註43。就同時構成本集團關連交易或持續關連交易(定義見《香港聯合交易所有限公司(「聯交所」)證券上市規則》(《上市規則》))之關聯人士交易而言，本公司於年內已根據《上市規則》第十四A章遵行相關披露規定。

CONNECTED TRANSACTIONS

During the year, the Company and the Group had the following connected transactions and continuing connected transactions, details of which are disclosed in compliance with the requirements of Chapter 14A of the Listing Rules.

關連交易

年內，本公司及本集團有下列關連交易及持續關連交易，有關交易之詳情已遵從《上市規則》第十四A章之規定作出披露。

CONNECTED TRANSACTIONS (continued)

Connected transactions

Underwriting service in respect of the issue of CEWL's bonds

On 21 July 2017, China Everbright Water Limited (“CEWL”), a subsidiary of the Company, and Everbright Securities Company Limited (“Everbright Securities”), a connected person of the Company, entered into the underwriting agreement (the “Bond Underwriting Agreement”) in relation to the proposed issue of the bonds with an aggregate principal amount of not exceeding RMB2,500,000,000. Pursuant to the Bond Underwriting Agreement, underwriting service fees of HK\$3,971,000 was charged by Everbright Securities to the Group during the year ended 31 December 2019. Further details of the transactions are included in the Company’s announcement dated 21 July 2017 and notes 31 and 43(g) to the financial statements.

Underwriting service in respect of the separate listing of CEWL's shares in Hong Kong

On 22 April 2019, the Company, CEWL, and 3 connected persons of the Company, namely China Everbright Capital Limited (“CEBC”), China Everbright Securities (HK) Limited (“CEBS”) and CEB International Capital Corporation Limited (“CEBI”), among others, entered into the conditional underwriting agreement (the “HKUA”) in respect of the issue and offer of the shares of CEWL for subscription by the public in Hong Kong. On 29 April 2019, the Company, CEWL and CEBS, among others, entered into the conditional underwriting agreement (the “IUA”) in respect of the placing of the shares of CEWL to professional, institutional and other investors. Pursuant to the HKUA and IUA, the underwriting commission and incentive fees of HK\$5,640,000 were charged by CEBC, CEBS and CEBI to the Group during the year ended 31 December 2019. Further details of the transactions are included in the Company’s announcement dated 29 April 2019 and notes 37 and 43(g) to the financial statements.

關連交易(續)

關連交易

發行光大水務債券之承銷服務

於二零一七年七月二十一日，本公司附屬公司中國光大水務有限公司(「光大水務」)及本公司關連人士光大證券股份有限公司(「光大證券」)就建議發行本金總額不超過人民幣2,500,000,000元的債券訂立承銷協議(「《債券承銷協議》」)。於截至二零一九年十二月三十一日止年度，光大證券根據《債券承銷協議》向本集團收取承銷服務費用港幣3,971,000元。有關交易之進一步詳情載於本公司日期為二零一七年七月二十一日之公告及財務報表附註31及43(g)。

光大水務股份於香港獨立上市之承銷服務

於二零一九年四月二十二日，本公司、光大水務以及本公司三名關連人士中國光大融資有限公司(「光大融資」)、中國光大證券(香港)有限公司(「光證香港」)及光銀國際資本有限公司(「光銀國際」)等就於香港發行及發售光大水務股份供公眾認購訂立有條件承銷協議(「《香港承銷協議》」)。於二零一九年四月二十九日，本公司、光大水務及光證香港等就向專業、機構及其他投資者配售光大水務股份訂立有條件承銷協議(「《國際承銷協議》」)。於截至二零一九年十二月三十一日止年度，光大融資、光證香港及光銀國際根據《香港承銷協議》及《國際承銷協議》向本集團收取承銷費及獎金港幣5,640,000元。有關交易之進一步詳情載於本公司日期為二零一九年四月二十九日之公告及財務報表附註37及43(g)。

CONNECTED TRANSACTIONS (continued)

Continuing connected transactions

Deposit and loan services

On 7 December 2016, the Company entered into the deposit services master agreement (the “Deposit Services Master Agreement”) and the loan services master agreement (the “Loan Services Master Agreement”) with China Everbright Group Ltd. (“China Everbright Group”), pursuant to which China Everbright Group will, through its associate, China Everbright Bank Company Limited (“CE Bank”), provide deposit, loan and related services to the Group.

- (a) Pursuant to the Deposit Services Master Agreement, China Everbright Group shall procure CE Bank to provide to the Group deposit services (including current and fixed term deposit) in accordance with rules and regulations prescribed by the People’s Bank of China (the “PBOC”) and/or other relevant rules and regulations within or outside the People’s Republic of China (the “PRC”). The deposit services to be provided by China Everbright Group shall be on normal commercial terms and no less favourable than the terms available to the Group from independent third parties.

During the year ended 31 December 2019, the maximum daily closing balance of the Group’s deposits (including interests accrued thereon) placed in CE Bank amounted to HK\$1,822,478,000. This amount was below the annual cap of HK\$2,000,000,000 for the year ended 31 December 2019 which was stated in the announcement of the Company dated 7 December 2016.

- (b) The Loan Services Master Agreement shall be on a non-exclusive basis and the Company is at liberty to obtain loan services from other third parties. Pursuant to the Loan Services Master Agreement, China Everbright Group shall procure CE Bank to provide loans (including revolving credit facility and fixed term loan) to the Group in accordance with rules and regulations prescribed by the PBOC and/or other relevant rules and regulations within or outside the PRC. The loans services to be provided by China Everbright Group shall be on normal commercial terms and no less favourable than the terms available to the Group from independent third parties.

關連交易(續)

持續關連交易

存款及貸款服務

於二零一六年十二月七日，本公司與中國光大集團股份公司及中國光大集團訂立了存款服務總協議(「《存款服務總協議》」)及貸款服務總協議(「《貸款服務總協議》」)，據此，中國光大集團同意透過其聯營公司中國光大銀行股份有限公司(「光大銀行」)向本集團提供存款、貸款及相關服務。

- (a) 根據《存款服務總協議》，中國光大集團將促使光大銀行根據中國人民銀行(「中國人民銀行」)訂定之規則及規例及／或中華人民共和國(「中國」)境內或境外其他相關規則及規例，向本集團提供存款服務(包括活期及定期存款)。中國光大集團將提供之存款服務乃按一般商業條款提供，有關條款不遜於本集團自獨立第三方獲得之條款。

於截至二零一九年十二月三十一日止年度，本集團存放於光大銀行之最高每日存款結餘(包括其應計利息)為港幣1,822,478,000元。此金額低於截至二零一九年十二月三十一日止年度之年度限額港幣2,000,000,000元，即本公司日期為二零一六年十二月七日之公告所載年度限額。

- (b) 《貸款服務總協議》乃按非獨家基準訂立，本公司可自由從其他第三方獲得貸款服務。根據《貸款服務總協議》，中國光大集團將促使光大銀行根據中國人民銀行訂定之規則及規例及／或中國境內或境外其他相關規則及規例，向本集團提供貸款(包括循環信貸融資及定期貸款)。中國光大集團將提供之貸款服務乃按一般商業條款提供，有關條款不遜於本集團自獨立第三方獲得之條款。

CONNECTED TRANSACTIONS (continued)

Continuing connected transactions (continued)

Deposit and loan services (continued)

(b) (continued)

During the year ended 31 December 2019, the maximum daily closing balance of the Group's loans (excluding loans which do not require security over the assets of the Group) provided by CE Bank amounted to HK\$674,640,000. This amount was below the annual cap of HK\$2,000,000,000 for the year ended 31 December 2019 which was stated in the announcement of the Company dated 7 December 2016.

On 6 December 2019, the Company entered into the new deposit services master agreement (the "New Deposit Services Master Agreement") and the new loan services master agreement (the "New Loan Services Master Agreement") with China Everbright Group, pursuant to which China Everbright Group will, through CE Bank, provide deposit, loan and related services to the Group with effect from 1 January 2020. Details are set out in the Company's announcement dated 6 December 2019. The annual caps in respect of the New Deposit Services Master Agreement and New Loan Services Master Agreement have taken into account and included the respective annual caps applicable to the subsidiaries of the Company which are also listed on the Stock Exchange, including China Everbright Greentech Limited ("CEGL") and CEWL.

On 15 April 2019, CEWL entered into the deposit services framework agreement (the "CEWL Deposit Services Framework Agreement") and the loan services framework agreement (the "CEWL Loan Services Framework Agreement") with China Everbright Group, pursuant to which China Everbright Group will procure CE Bank to provide deposit, loan and related services to CEWL. Details are set out in the Company's announcement dated 15 April 2019.

On 6 December 2019, CEGL entered into the deposit services framework agreement (the "CEGL Deposit Services Framework Agreement") and the loan services framework agreement (the "CEGL Loan Services Framework Agreement") with China Everbright Group, pursuant to which China Everbright Group will procure CE Bank to provide deposit, loan and related services to CEGL. Details are set out in CEGL's announcement dated 6 December 2019.

關連交易(續)

持續關連交易(續)

存款及貸款服務(續)

(b) (續)

於截至二零一九年十二月三十一日止年度，光大銀行提供予本集團之貸款(不包括毋須本集團資產作抵押之貸款)之最高每日結餘為港幣674,640,000元。此金額低於截至二零一九年十二月三十一日止年度之年度限額港幣2,000,000,000元，即本公司日期為二零一六年十二月七日之公告所載年度限額。

於二零一九年十二月六日，本公司與中國光大集團訂立了新存款服務總協議(「《新存款服務總協議》」)及新貸款服務總協議(「《新貸款服務總協議》」)，據此，中國光大集團同意透過光大銀行向本集團提供存款、貸款及相關服務，自二零二零年一月一日起生效。有關詳情載於本公司日期為二零一九年十二月六日之公告。有關《新存款服務總協議》及《新貸款服務總協議》的年度限額已考慮並且包括了適用於本公司在聯交所上市的附屬公司(包括中國光大綠色環保有限公司(「光大綠色環保」)及光大水務)各自的年度限額在內。

於二零一九年四月十五日，光大水務與中國光大集團訂立了存款服務總協議(「《光大水務存款服務總協議》」)及貸款服務總協議(「《光大水務貸款服務總協議》」)，據此，中國光大集團將促使光大銀行向光大水務提供存款、貸款及相關服務。有關詳情載於本公司日期為二零一九年四月十五日之公告。

於二零一九年十二月六日，光大綠色環保與中國光大集團訂立了存款服務總協議(「《光大綠色環保存款服務總協議》」)及貸款服務總協議(「《光大綠色環保貸款服務總協議》」)，據此，中國光大集團將促使光大銀行向光大綠色環保提供存款、貸款及相關服務。有關詳情載於光大綠色環保日期為二零一九年十二月六日之公告。

CONNECTED TRANSACTIONS (continued)

Continuing connected transactions (continued)

Lease of the premises

On 18 May 2016, China Everbright Environmental Group Limited, a direct wholly-owned subsidiary of the Company, entered into an agreement (the “Tenancy Agreement”) with Lane Bright Limited, an indirect wholly-owned subsidiary of China Everbright Holdings Company Limited (“CE Hong Kong”), in relation to the leasing of the whole of 36th Floor, Far East Finance Centre, 16 Harcourt Road, Hong Kong for a term of three years commencing from 18 May 2016 to 17 May 2019 (both days inclusive) at a monthly rent of HK\$1,026,000 (exclusive of rates, management fee, water, electricity, gas and other utility charges payable to independent third parties not connected with the Company in respect of the use of the premises during the lease term).

During the year ended 31 December 2019, the rent paid or payable to Lane Bright Limited under the Tenancy Agreement amounted to approximately HK\$4,666,000. The amount did not exceed the annual cap of HK\$4,666,646 for the year ended 31 December 2019 which was stated in the announcement of the Company dated 18 May 2016.

Save for the information disclosed above, during the year, the Company did not enter into any other transactions which constituted connected transactions or continuing connected transactions that were subject to reporting requirements under Chapter 14A of the Listing Rules.

The independent non-executive Directors (the “INED(s)”) have reviewed the above continuing connected transactions and confirmed that such transactions were:

- entered into in the ordinary and usual course of business of the Group;
- conducted either on normal commercial terms or, if there are not sufficient comparable transactions to judge whether they are on normal commercial terms, on terms no less favourable to the Group than terms available to or from independent third parties; and
- in accordance with the relevant agreements governing them on terms that are fair and reasonable and in the interests of the Shareholders as a whole.

關連交易(續)

持續關連交易(續)

租賃物業

於二零一六年五月十八日，本公司直接全資附屬公司中國光大環境集團有限公司與中國光大集團有限公司(「光大香港」)的間接全資附屬公司隆耀有限公司就租賃香港夏慤道十六號遠東金融中心三十六樓全層訂立協議(「《租賃協議》」)，租期自二零一六年五月十八日起至二零一九年五月十七日止(包括首尾兩日)，為期三年，月租港幣1,026,000元(不包括差餉、管理費、水費、電費、煤氣費以及其他於租期內使用上述物業而應向與本公司概無關連的獨立第三方支付的公用支出)。

於截至二零一九年十二月三十一日止年度，根據《租賃協議》已付或應付隆耀有限公司之租金約為港幣4,666,000元。有關金額並無超出截至二零一九年十二月三十一日止年度之年度限額港幣4,666,646元，即本公司日期為二零一六年五月十八日之公告所載年度限額。

除上文所披露的資料外，於本年度內，本公司並無訂立任何其他構成關連交易或持續關連交易而須要根據《上市規則》第十四A章規定申報的交易。

獨立非執行董事已審閱上述持續關連交易，並確認有關交易為：

- 於本集團日常及一般業務過程中訂立；
- 按一般商業條款進行或倘並無足夠可供比較者以鑑定有關交易是否按一般商業條款進行，則按不遜於本集團給予獨立第三方或獨立第三方提供予本集團之條款訂立；及
- 根據監管持續關連交易之有關協議訂立，而交易條款屬公平合理，且符合股東之整體利益。

REPORT OF THE DIRECTORS 董事會報告

CONNECTED TRANSACTIONS (continued)

Ernst & Young, the Company's auditor, was engaged to report to the Group's continuing connected transactions in accordance with Hong Kong Standard on Assurance Engagements 3000 (Revised) "Assurance Engagements Other Than Audits or Reviews of Historical Financial Information" and with reference to Practice Note 740 "Auditor's Letter on Continuing Connected Transactions under the Hong Kong Listing Rules" issued by the Hong Kong Institute of Certified Public Accountants. Ernst & Young has issued its unqualified letter containing the findings and conclusions in respect of the continuing connected transactions disclosed above by the Group in accordance with Rule 14A.56 of the Listing Rules. A copy of the auditor's letter has been provided by the Company to the Stock Exchange.

RESULTS

The results of the Group for the year ended 31 December 2019 and the Group's financial position at that date are set out in the financial statements on pages 129 to 333.

FINAL DIVIDEND

An interim dividend of HK13.0 cents per share (2018: HK12.0 cents per share) was paid on 4 October 2019. The Directors recommend the payment of a final dividend of HK13.0 cents per share (2018: HK12.0 cents per share) in respect of the year ended 31 December 2019.

DISTRIBUTABLE RESERVES

At 31 December 2019, the aggregate amount of reserves available for distribution to equity holders of the Company, as calculated under the provisions of sections 291, 297 and 299 of the Companies Ordinance (Chapter 622 of the Laws of Hong Kong), was HK\$4,652,050,000 (2018: HK\$2,360,580,000). After the end of the reporting period, the Directors proposed a final dividend of HK13.0 cents per share (2018: HK12.0 cents per share), amounting to HK\$798,587,000 (2018: HK\$737,157,000).

CHARITABLE DONATIONS

Charitable donations made by the Group during the year amounted to HK\$10,772,000 (2018: HK\$7,558,000).

關連交易(續)

本公司核數師安永會計師事務所已獲委聘就本集團之持續關連交易作出匯報，有關匯報乃根據香港會計師公會發出之《香港核證委聘準則》第3000號(經修訂)「審核或審閱過往財務資料以外之核證委聘」，並經參考《實務說明》第740號「關於《上市規則》所述持續關連交易的核數師函件」進行。安永會計師事務所已根據《上市規則》第14A.56條之規定，就本集團於上文所披露之持續關連交易發出無保留意見函件，當中載列其發現及結論。本公司已向聯交所提供核數師函件副本。

業績

本集團截至二零一九年十二月三十一日止年度之業績，以及本集團於該日之財務狀況載於第129頁至第333頁之財務報表內。

末期股息

本公司已於二零一九年十月四日派付中期股息每股13.0港仙(二零一八年：每股12.0港仙)。董事建議派付截至二零一九年十二月三十一日止年度末期股息每股13.0港仙(二零一八年：每股12.0港仙)。

可供分派儲備

於二零一九年十二月三十一日，根據香港法例第六百二十二章《公司條例》第291、297及299條之條文計算可供分派予本公司權益持有人之儲備總額為港幣4,652,050,000元(二零一八年：港幣2,360,580,000元)。於報告期末後，董事建議派付末期股息每股13.0港仙(二零一八年：每股12.0港仙)，合共港幣798,587,000元(二零一八年：港幣737,157,000元)。

慈善捐款

本集團於本年度內共捐款港幣10,772,000元(二零一八年：港幣7,558,000元)作慈善用途。

SHARE CAPITAL

There were no movements in the share capital of the Company during the year. Details of the share capital of the Company are set out in note 33 to the financial statements.

DIRECTORS

The Directors during the financial year and up to the date of this Annual Report were:

Executive Directors

Cai Yunge (*Chairman*)
Wang Tianyi (*Chief Executive Officer*)
Wong Kam Chung, Raymond (*Chief Financial Officer*)
Hu Yanguo (*Deputy General Manager*)
Qian Xiaodong (*Deputy General Manager*)

Independent Non-executive Directors

Fan Yan Hok, Philip
Mar Selwyn
Zhai Haitao
Suo Xuquan

In accordance with articles 77, 78 and 79 of the Company's articles of association (the "Articles of Association"), Mr. Wong Kam Chung, Raymond, Mr. Fan Yan Hok, Philip and Mr. Mar Selwyn will retire from the board of Directors (the "Board") by rotation at the forthcoming annual general meeting of the Company (the "AGM") and, being eligible, offer themselves for re-election.

The INEDs are appointed for a specific term, subject to re-election. The current 4 INEDs hold office for a term until 31 December 2021. They are all subject to retirement by rotation in accordance with the Articles of Association as indicated above.

股本

本年度內本公司之股本並無任何變動。本公司之股本詳情載於財務報表附註33。

董事

於年內及截至本年報日期，本公司的董事如下：

執行董事

蔡允革 (*主席*)
王天義 (*行政總裁*)
黃錦聰 (*財務總監*)
胡延國 (*副總經理*)
錢曉東 (*副總經理*)

獨立非執行董事

范仁鶴
馬紹援
翟海濤
索緒權

依據本公司之《章程細則》(「《章程細則》」)第77、78及79條規定，黃錦聰先生、范仁鶴先生及馬紹援先生須於即將舉行之本公司股東週年大會(「股東週年大會」)上依章輪值告退，而彼等合符資格，並已表示願意膺選連任。

獨立非執行董事獲委任指定年期，並須符合重選之規定。本公司四名現任獨立非執行董事之任期直至二零二一年十二月三十一日止。彼等須如上文所述根據《章程細則》輪值告退。

REPORT OF THE DIRECTORS 董事會報告

DIRECTORS OF SUBSIDIARIES

To the best knowledge of the Board and based on the information available, other than certain Directors and senior management named in the section headed “Directors and Senior Management” as set out on pages 95 to 101 of this Annual Report, the persons who have served on the boards of the subsidiaries of the Company either during the year ended 31 December 2019 or up to the date of this Annual Report included Ms. Alicja Szymanowska, Mr. An Pinglin, Mr. Bi Xuejun, Mr. Cai Shuguang, Ms. Cao Chunyan, Ms. Cao Jixiang, Mr. Cao Zhi, Mr. Cao Zhichang, Mr. Ceng Xiaotian, Mr. Chang Hua, Mr. Chee Ying Keung, Mr. Chen Hengbao, Mr. Chen Qianchang, Mr. Chen Wei, Ms. Chen Yunxin, Mr. Chen Zhong, Ms. Cheng Fong Yee, Mr. Chow Siu Lui, Ms. Ding Hong, Mr. Ding Zhenzhong, Mr. Dou Zhimin, Mr. Du Derong, Mr. Du Jiahong, Mr. Du Linhai, Mr. Fan Enzhuo, Mr. Fan Ruolian, Mr. Feng Yanming, Ms. Halina Zimon-Porożyńska, Mr. Han Fangxing, Ms. Hao Gang, Mr. He Jian, Mr. He Jingwen, Mr. He Peng, Mr. He Weiguang, Mr. Hu Dengke, Mr. Hua Bo, Mr. Hua Feng, Mr. Huang Juhua, Mr. Huang Kenneth Gang, Mr. Huang Mingsheng, Ms. Huang Yiyi, Mr. Gao Guolong, Mr. Gao Jianxin, Mr. Gao Li, Mr. Gu Yan, Mr. Gu Zhengyi, Mr. Guan Chenggang, Mr. Guo Heng, Ms. Guo Ying, Mr. Jacek Fertikowski, Ms. Jadwiga Skórcz, Mr. Ji Bin, Mr. Jiang Jian, Mr. Jiang Jianqing, Mr. Jiao Hai, Mr. Jin Zhuping, Mr. Jing Yongde, Mr. Ke Weibing, Mr. Li Genfeng, Mr. Li Hongli, Mr. Li Jianghua, Mr. Li Jiaping, Mr. Li Songbo, Ms. Li Yingzi, Mr. Li Yulin, Mr. Liang Haidong, Mr. Liao Guoyong, Mr. Lim Yu Neng, Paul, Mr. Ling Huafeng, Mr. Liu Bin, Mr. Liu Chao, Mr. Liu Dapeng, Mr. Liu Jinhao, Mr. Liu Junliang, Mr. Liu Longshun, Mr. Liu Pinhua, Ms. Liu Qiuling, Mr. Lo Kam Fan, Ms. Lou Jie, Ms. Lo Kong, Grace, Mr. Lu Kee Hong, Mr. Lu Qilin, Mr. Lu Sheng, Mr. Lv Wei, Mr. Lu Yifeng, Mr. Luo Guopeng, Mr. Luo Junling, Mr. Luo Yanggang, Mr. Ma Guoping, Mr. Maciej Dalka, Mr. Marek Drzewiecki, Mr. Mariusz Walter, Ms. Monika Saracyn, Ms. Nie Lu, Mr. Niu Kesheng, Mr. Niu Yadong, Mr. Nong Jiwei, Mr. Pan Yongjin, Mr. Pang Chi Tung, Mr. Pan Liangcong, Mr. Peng Lei, Mr. Peng Yong, Mr. Philip Tsao, Mr. Piotr Jeromin, Mr. Qi Tian, Ms. Qian Ying, Mr. Qiao Haifei, Mr. Qin Binghan, Mr. Qin Haijin, Mr. Qin Zhijian, Mr. Qiu Bo, Mr. Qiu Zheyong, Mr. Qu Gang, Mr. Qu Lei, Mr. Qu Xiaoping, Ms. Ren Yanshuang, Mr. Reinhold Brenner, Mr. Sha Jianxin, Mr. Shao Qichao, Mr. Shao Ren, Mr. Shao Shilei, Mr. Shen Hao, Mr. Shen Liqing, Mr. Shen Yong, Mr. Shen Yuxin, Mr. Sheng He, Mr. Shi Huanming, Mr. Shi Wei, Mr. Sławomir Baran, Mr. Song Jian, Mr. Song Zhenzhong, Mr. Su Xiaojiang, Mr. Su Yong, Mr. Su Zanpeng, Mr. Sun Baolin, Mr. Sun Kai, Mr. Sun Linbo, Mr. Sun Xianlian, Mr. Sun Zuoxin, Ms. Tan Ning, Mr. Tan Qiang, Mr. Tang Xia, Mr. Tang Xianqing, Mr. Tang Zhangxing, Mr. Tao Junjie, Mr. Tao Mingqiang, Mr. Tso Yan Wing, Alan, Mr. Tu Xinwen, Mr. Wang Anyue, Mr. Wang Dianer, Mr. Wang Feng, Mr. Wang Guanping, Mr. Wang Haitao, Mr. Wang Haiyun, Mr. Wang Ke, Mr. Wang Qiang, Mr. Wang Senlin, Mr. Wang Shaojie, Mr. Wang Sibin, Mr. Wang Wei, Mr. Wang Wei, Mr. Wang Yong, Mr. Wang Yuexing, Mr. Wang Yungan, Mr. Wang Zhenyu, Mr. Wei Dong, Mr. Wei Xuejun, Ms. Wang Xiaoyun, Ms. Wang Yaixin, Mr. Wang Yuyang, Mr.

附屬公司之董事

就董事會所深知，以及根據取得之資料，除了名列本年報第95頁至第101頁所載「董事及高級管理人員」一節之若干董事及高級管理人員外，於截至二零一九年十二月三十一日止年度或直至本報告日期，本公司附屬公司董事會之在任董事包括Alicja Szymanowska女士、安平林先生、畢學軍先生、蔡曙光先生、曹春艷女士、曹際香女士、曹智先生、曹志昌先生、曾曉天先生、常華先生、徐應強先生、陳恆寶先生、陳謙昌先生、陳偉先生、陳雲欣女士、陳忠先生、鄭鳳儀女士、鄒小磊先生、丁虹女士、丁振中先生、都志民先生、杜德榮先生、杜加宏先生、杜林海先生、范恩卓先生、范若聯先生、馮彥明先生、Halina Zimon-Porożyńska女士、韓方興先生、郝剛女士、賀健先生、何景文先生、何鵬先生、何偉光先生、胡登科先生、華波先生、華鋒先生、黃菊華先生、黃剛先生、黃明生先生、黃奕奕女士、高國龍先生、高建新先生、高立先生、谷岩先生、顧正義先生、管成剛先生、郭恆先生、郭穎女士、Jacek Fertikowski先生、Jadwiga Skórcz女士、季彬先生、姜健先生、蔣建清先生、焦海先生、金朱平先生、靖永德先生、柯衛兵先生、李根鋒先生、李洪利先生、李江華先生、李佳平先生、李高博先生、李英姿女士、李玉林先生、梁海東先生、廖國勇先生、林御能先生、凌華豐先生、劉斌先生、劉超先生、劉大鵬先生、劉金標先生、柳俊良先生、劉龍順先生、劉品華先生、劉秋玲女士、盧錦勳先生、婁潔女士、盧剛女士、呂奇峰先生、陸其林先生、陸聖先生、呂璋先生、陸逸峰先生、羅國鵬先生、羅俊嶺先生、羅養剛先生、馬國平先生、Maciej Dalka先生、Marek Drzewiecki先生、Mariusz Walter先生、Monika Saracyn女士、聶露女士、牛克勝先生、牛亞東先生、農基偉先生、潘永進先生、彭志東先生、潘良聰先生、彭磊先生、彭勇先生、曹為實先生、Piotr Jeromin先生、齊添先生、錢穎女士、喬海飛先生、秦炳漢先生、秦海金先生、秦志堅先生、邱波先生、裘浙勇先生、渠剛先生、曲磊先生、曲曉平先生、任艷雙女士、Reinhold Brenner先生、沙建新先生、邵啓超先生、邵韜先生、邵士雷先生、沈浩先生、沈利清先生、沈永先生、沈育新先生、盛赫先生、史煥明先生、石偉先生、Sławomir Baran先生、宋儉先生、宋振忠先生、蘇小江先生、蘇勇先生、蘇贊澎先生、孫寶林先生、孫凱先生、孫林波先生、孫先棟先生、孫祚新先生、譚寧女士、談強先生、唐俠先生、唐賢清先生、湯長興先生、陶俊杰先生、陶敏強先生、曹欣榮先生、涂新文先生、王安岳先生、王殿二先生、王鋒先生、王冠平先生、王海濤先生、王海雲先生、王克先生、王強先生、王森林先生、王少杰先生、汪思斌先生、王煒先生、王偉先生、王勇先生、王悅興先生、王雲剛先生、王振宇先生、魏東先生、魏學軍先生、王小雲女士、王耀昕女士、王宇陽先生、王貞先生、吳德水先生、吳迪先生、吳晉先生、吳凱先生、吳

DIRECTORS OF SUBSIDIARIES (continued)

Wang Zhen, Mr. Wu Deshui, Mr. Wu Di, Mr. Wu Jin, Mr. Wu Kai, Mr. Wu Yongxin, Mr. Wu Zhiguo, Mr. Xiong Jianping, Mr. Xiu Zhiguang, Ms. Xu Hongna, Mr. Xu Liqun, Ms. Xu Nailong, Mr. Xu Peng, Mr. Xu Zhenghong, Prof. Yan Houmin, Mr. Yan Shun, Mr. Yang Lin, Mr. Yang Ming, Mr. Yang Yang, Mr. Yang Zhiqiang, Mr. Yang Zijiang, Mr. Yao Fenggen, Mr. Ye Aidong, Mr. Ye Minghua, Mr. Yin Yong, Mr. Yu Yang, Mr. Yu Yiping, Mr. Yu Yuehui, Mr. Zang Hailong, Mr. Zbigniew Pawel Paika, Mr. Zhang Guangjun, Mr. Zhang Guofeng, Mr. Zhang Hongbo, Mr. Zhang Hourui, Mr. Zhang Jianping, Mr. Zhang Shijun, Mr. Zhang Ximing, Mr. Zhang Ya, Mr. Zhang Yajie, Mr. Zhang Yan Kai, Mr. Zhang Yuelin, Mr. Zhang Zhangjian, Mr. Zhang Zhengxiang, Mr. Zhang Zhiwen, Mr. Zhang Zhongmei, Ms. Zhao Hongli, Ms. Zhao Lichun, Mr. Zhao Qing, Ms. Zhao Ying, Mr. Zheng Wensheng, Mr. Zhong Lap Bun, Mr. Zhou Jun, Mr. Zhou Houfeng, Mr. Zhou Wending, Mr. Zhou Xiang, Mr. Zhou Yichun, Mr. Zhu Fugang, Mr. Zhu Jie and Mr. Zhu Yugang.

CHANGES IN INFORMATION OF DIRECTORS

Pursuant to Rule 13.51B(1) of the Listing Rules, the changes in information of the Directors since the Company's last published 2019 interim report are as follows:

Mr. Wang Tianyi, the executive Director and the Chief Executive Officer, was appointed as the vice chairman of All-China Environment Federation with effect from 1 November 2019.

Mr. Zhai Haitao, an INED, was appointed as a director and the chairman of the audit committee of the board of China Asset Management Co., Ltd. with effect from 22 October 2019.

The Company entered into re-appointment letters (the "Re-appointment Letters") with the INEDs on 28 November 2019 in relation to the renewal of the terms of appointment of the INEDs for another 2 years from 1 January 2020 to 31 December 2021. Pursuant to the Re-appointment Letters, the meeting allowance has been cancelled and the updated remuneration packages of the INEDs with effect from 1 January 2020 are as follows:

- Each of the INEDs chairing Board committees (i.e. Mr. Fan Yan Hok, Philip, Mr. Mar Selwyn and Mr. Zhai Haitao) is entitled to Director's fee of HK\$470,000 per annum.
- The INED who does not chair any Board committees (i.e. Mr. Suo Xuquan) is entitled to Director's fee of HK\$465,000 per annum.

Save as disclosed above, the Company is not aware of other information which is required to be disclosed under Rule 13.51B(1) of the Listing Rules.

附屬公司之董事(續)

永新先生、吳志國先生、熊建平先生、修志光先生、許紅娜女士、許立群先生、徐乃玲女士、徐鵬先生、許正宏先生、嚴厚民教授、閻順先生、楊林先生、楊明先生、楊楊先生、楊志強先生、楊子江先生、姚鳳根先生、葉愛東先生、葉明華先生、殷勇先生、余洋先生、余一平先生、喻躍輝先生、臧海龍先生、Zbigniew Pawel Paika先生、張廣軍先生、張國鋒先生、張洪波先生、張後瑞先生、張建平先生、張士俊先生、張習明先生、張亞先生、張雅杰先生、張言凱先生、張岳林先生、張章建先生、張正祥先生、張志雯先生、張忠梅先生、趙宏麗女士、趙立春女士、趙慶先生、趙穎女士、鄭文勝先生、張立濱先生、周俊先生、周厚峰先生、周文定先生、周祥先生、周宜春先生、朱福剛先生、朱杰先生及諸宇剛先生。

董事資料變動

根據《上市規則》第13.51B(1)條，自本公司上一次刊發二零一九年中期報告以來，董事資料變動如下：

王天義先生(執行董事及行政總裁)自二零一九年十一月一日起獲委任為中華環保聯合會副會長。

翟海濤先生(獨立非執行董事)自二零一九年十月二十二日起獲委任為華夏基金管理有限公司的董事及其董事會審計委員會主席。

本公司於二零一九年十一月二十八日與獨立非執行董事訂立續聘書(「續聘書」)，獨立非執行董事的任期續期兩年由二零二零年一月一日至二零二一年十二月三十一日止。根據續聘書，會議津貼已取消，獨立非執行董事的薪酬待遇自二零二零年一月一日起更新如下：

- 任何一位擔任董事會委員會主席的獨立非執行董事(即范仁鶴先生、馬紹援先生及翟海濤先生)有權收取董事袍金每年港幣470,000元。
- 沒有擔任任何董事會委員會主席的獨立非執行董事(即索緒權先生)有權收取董事袍金每年港幣465,000元。

除上文所披露者外，本公司並不知悉須根據《上市規則》第13.51B(1)條予以披露之其他資料。

REPORT OF THE DIRECTORS 董事會報告

DIRECTORS' SERVICE CONTRACTS

No Director proposed for re-election at the forthcoming AGM has an unexpired service contract which is not determinable by the Company or any of its subsidiaries within one year without payment of compensation, other than normal statutory obligations.

MANAGEMENT CONTRACTS

No contracts concerning the management and administration of the whole or any substantial part of the business of the Company were entered into or existed during the year.

DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES

As at 31 December 2019, the interests and short positions of the Directors and the Company's chief executives and their respective associates in shares, underlying shares and debentures of the Company and/or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO")) as recorded in the register required to be kept by the Company pursuant to section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of the Listed Issuers set out in Appendix 10 to the Listing Rules (the "Model Code") were as follows:

Long position in shares of the Company

| Name of Director 董事姓名 | Capacity 身份 | Nature of interest 權益性質 | Number of shares held (ordinary shares) 持有之股份數目 (普通股) | Approximate percentage of total issued shares ^(note) 約佔已發行股份 總數百分比 ^(附註) |
|--------------------------------|---------------------------|-------------------------------|---|--|
| Wong Kam Chung, Raymond 黃錦聰 | Beneficial Owner 實益擁有人 | Personal 個人 | 2,740,740 | 0.04% |
| Fan Yan Hok, Philip 范仁鶴 | Beneficial Owner 實益擁有人 | Personal 個人 | 11,154,810 | 0.18% |

Note: Based on 6,142,975,292 shares of the Company in issue as at 31 December 2019.

董事之服務合約

在即將舉行之股東週年大會上獲提名連任之董事概無訂立本公司或其任何附屬公司不可於一年內免付賠償(一般法定賠償除外)予以終止之未屆滿服務合約。

管理合約

年內，本公司並無就全盤業務或其中任何部份簽訂或存有管理及行政合約。

董事及最高行政人員在股份、相關股份及債券中擁有之權益及淡倉

於二零一九年十二月三十一日，董事及本公司之最高行政人員及彼等之各自聯繫人士於本公司及／或其任何相聯法團(定義見《證券及期貨條例》(「《證券條例》」)第XV部)之股份、相關股份及債券中擁有記載於本公司按《證券條例》第352條規定須備存之登記冊內的權益或淡倉，或根據《上市規則》附錄十所載《上市發行人董事進行證券交易的標準守則》(「《標準守則》」)須知會本公司及聯交所的權益或淡倉如下：

於本公司股份之好倉

附註：根據於二零一九年十二月三十一日的本公司已發行股份6,142,975,292股計算。

DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES (continued)

Long position in shares of C EGL, a listed subsidiary of the Company

董事及最高行政人員在股份、相關股份及債券中擁有之權益及淡倉(續)

於本公司之上市附屬公司光大綠色環保股份之好倉

| Name of Director 董事姓名 | Capacity 身份 | Nature of interest 權益性質 | Number of shares held (ordinary shares) 持有之股份數目 (普通股) | Approximate percentage of total issued shares (note) 約佔已發行股份總數百分比(附註) |
|--------------------------------|---------------------------|----------------------------|--|--|
| Wong Kam Chung, Raymond 黃錦聰 | Beneficial Owner 實益擁有人 | Personal 個人 | 67,549 | Below 0.01% 低於0.01% |
| Hu Yanguo 胡延國 | Beneficial Owner 實益擁有人 | Personal 個人 | 287,000 | 0.01% |
| Qian Xiaodong 錢曉東 | Beneficial Owner 實益擁有人 | Personal 個人 | 182,000 | Below 0.01% 低於0.01% |
| Fan Yan Hok, Philip 范仁鶴 | Beneficial Owner 實益擁有人 | Personal 個人 | 100,494 | Below 0.01% 低於0.01% |

Note: Based on 2,066,078,000 shares of C EGL in issue as at 31 December 2019.

附註：根據於二零一九年十二月三十一日的光大綠色環保已發行股份2,066,078,000股計算。

Save as disclosed above, as at 31 December 2019, none of the Directors and chief executives of the Company and their respective associates had interests or short positions in shares, underlying shares or debentures of the Company, or any of its associated corporations (within the meaning of Part XV of the SFO), as recorded in the register required to be kept by the Company under section 352 of the SFO, or as otherwise required to be notified to the Company and the Stock Exchange pursuant to the Model Code.

除上文所述者外，於二零一九年十二月三十一日，董事及本公司最高行政人員及彼等各自之聯繫人士概無在本公司或其任何相聯法團(定義見《證券條例》第XV部)之股份、相關股份或債券中擁有須根據《證券條例》第352條規定須備存之登記冊內之權益或淡倉，或根據《標準守則》須知會本公司及聯交所之權益或淡倉。

DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

At no time during the year was the Company or any of its subsidiaries, holding companies or fellow subsidiaries, a party to any arrangements to enable the Directors to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

董事認購股份或債券之權利

年內，本公司、其任何附屬公司、控股公司或同系附屬公司並無參與任何安排，致使董事可藉購買本公司或任何其他法人團體股份或債券而取得利益。

REPORT OF THE DIRECTORS 董事會報告

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

So far as is known to the Directors, as at 31 December 2019, the following persons (other than any Directors or chief executives of the Company) were substantial Shareholders and had interests or short positions in shares or underlying shares of the Company as recorded in the register required to be kept by the Company under section 336 of the SFO, or as otherwise notified to the Company and the Stock Exchange:

主要股東及其他人士於股份及相關股份的權益及淡倉

據董事所知，於二零一九年十二月三十一日，下列人士（任何董事或本公司最高行政人員除外）為主要股東，並於本公司的股份或相關股份中擁有根據《證券條例》第336條須備存之登記冊內或已知會本公司或聯交所的權益或淡倉如下：

| Name of company 公司名稱 | Capacity 身份 | Nature of interest 權益性質 | Number of shares/ underlying shares (ordinary shares) 股份/ 相關股份數目 (普通股) | Approximate percentage of total issued shares ^(note 1) 約佔已發行股份 總數百分比 ^(附註1) |
|--|---|----------------------------|---|---|
| Central Huijin Investment Ltd. ("Huijin") ^(note 2) 中央匯金投資有限責任公司(「匯金」) ^(附註2) | Interest of controlled corporation 受控制公司的權益 | Corporate interest 公司權益 | 2,580,666,137(L) | 42.01% |
| China Everbright Group ^(note 3) 中國光大集團 ^(附註3) | Interest of controlled corporation 受控制公司的權益 | Corporate interest 公司權益 | 2,580,666,137(L) | 42.01% |
| Citigroup Inc. | Interest of controlled corporation/approved lending agent 受控制公司的權益/ 核准借出代理人 | Corporate interest 公司權益 | 490,076,759(L) ^(note 附註4) | 7.97% |
| | | | 39,082,156(S) | 0.63% |
| | | | 450,617,897(P) | 7.33% |
| GIC Private Limited | Investment manager 投資經理 | Corporate interest 公司權益 | 308,395,324(L) | 5.02% |

(L) = Long Position
(S) = Short Position
(P) = Lending Pool

(L) 指好倉
(S) 指淡倉
(P) 指可供借出的股份

Notes:

附註：

- (1) Based on 6,142,975,292 shares of the Company in issue as at 31 December 2019.
- (2) Huijin is indirectly wholly owned by the State Council of the PRC and holds 55.67% equity interests of China Everbright Group. It is deemed to be interested in the 2,580,666,137 shares indirectly held by China Everbright Group.

- (1) 根據於二零一九年十二月三十一日的本公司已發行股份6,142,975,292股計算。
- (2) 匯金由中國國務院間接全資擁有，並持有中國光大集團55.67%股權。其被視為於中國光大集團間接持有之2,580,666,137股股份中擁有權益。

SUBSTANTIAL SHAREHOLDERS' AND OTHER PERSONS' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES (continued)

Notes: (continued)

- (3) China Everbright Group holds 100% of the issued shares of CE Hong Kong. CE Hong Kong holds (i) 100% of the issued shares of Datten Investments Limited ("Datten") which in turn holds 55% of the issued shares of Guildford Limited ("Guildford"); (ii) 100% of the issued shares of Everbright Investment & Management Limited ("EIM"); and (iii) 45% of the issued shares of Guildford, respectively. Out of the 2,580,666,137 shares, 2,430,442,287 shares are held by Guildford. The remaining 150,223,850 shares are held by EIM. Accordingly, China Everbright Group is deemed to be interested in 2,430,442,287 shares held by Guildford and 150,223,850 shares held by EIM.
- (4) The long position of 490,076,759 shares of the Company includes derivative interests in 15,817,222 underlying shares of the Company which are derived from unlisted and cash settled derivatives.

Save as disclosed above, as at 31 December 2019, the Company had not been notified of any other persons (other than the Directors or chief executives of the Company or substantial Shareholders) who had interests or short positions in shares or underlying shares of the Company as recorded in the register required to be kept by the Company under section 336 of the SFO.

SHARE OPTIONS SCHEME

The Group has no share option schemes during the year.

SUFFICIENCY OF PUBLIC FLOAT

Based on the information that is publicly available to the Company and within the knowledge of the Directors as at the date of this Annual Report, the Company has maintained the prescribed public float under the Listing Rules.

PERMITTED INDEMNITY

The Articles of Association provides that every Director shall be indemnified out of the funds of the Company against all liabilities incurred by him in relation to the Company in defending any proceedings, whether civil or criminal, in which judgement is given in his favour, or in which he is acquitted. In addition, liability insurance for the Directors and senior management of the Company is maintained by the Company with appropriate coverage for certain legal actions against the Directors and senior management.

EQUITY-LINKED AGREEMENTS

No equity-linked agreements were entered into during the year and subsisted at the end of the year.

主要股東及其他人士於股份及相關股份的權益及淡倉(續)

附註：(續)

- (3) 中國光大集團持有光大香港100%已發行股份。光大香港分別持有(i) Datten Investments Limited (「Datten」)100%已發行股份，而Datten則持有Guildford Limited (「Guildford」)55%已發行股份；(ii)光大投資管理有限公司(「光大投資管理」)100%已發行股份；及(iii) Guildford 45%已發行股份。在2,580,666,137股股份中，其中2,430,442,287股股份由Guildford持有；其餘150,223,850股股份則由光大投資管理持有。故此，中國光大集團被視為在Guildford所持有之2,430,442,287股股份及光大投資管理所持有之150,223,850股股份中擁有權益。
- (4) 490,076,759股本公司股份的好倉包括來自非上市及現金結算衍生工具的15,817,222股本公司相關股份的衍生權益。

除上文所述者外，於二零一九年十二月三十一日，本公司並無接獲任何人士(任何董事或本公司最高行政人員或主要股東除外)訂明的通知，表示於本公司的股份及相關股份中擁有根據《證券條例》第336條須置存之登記冊內的權益或淡倉。

購股權計劃

本集團於年內並無購股權計劃。

足夠的公眾持股量

根據本公司取得之公開資料，以及就董事所知，於本年報刊發日期，本公司維持《上市規則》所規定之公眾持股量。

准許的彌償

《章程細則》規定，本公司須以本公司之資金，就董事因有關本公司之民事或刑事法律程序中進行辯護並獲判勝訴或無罪所招致之法律責任作出彌償。此外，本公司已為董事及本公司之高級管理人員購買責任保險，為若干針對董事及本公司之高級管理人員而作出之法律訴訟提供合適之保額。

股票掛鈎協議

年內並無訂立於年結日仍然有效之任何股票掛鈎協議。

REPORT OF THE DIRECTORS 董事會報告

DIRECTORS' INTERESTS IN TRANSACTIONS, ARRANGEMENTS OR CONTRACTS

No transactions, arrangements or contracts of significance to which the Company, or its holding company or any of its subsidiaries was a party, and in which a Director or any entity connected with a Director had a material interest, subsisted at the end of the year or at any time during the year.

COMPETING INTERESTS

As at the date of this Annual Report, as far as the Directors are aware of, none of the Directors or their respective associates had any interests in a business which competes or may compete, either directly or indirectly, with the business of the Group or any other conflicts of interests with the Group.

BANK LOANS AND OTHER BORROWINGS

Particulars of bank loans and other borrowings of the Group as at 31 December 2019 are set out in note 29 to the financial statements.

USE OF PROCEEDS FROM THE COMPANY'S RIGHTS ISSUE

In September 2018, the Company completed the issue of rights shares to the qualifying Shareholders on the basis of 10 rights shares for every 27 existing shares held on the record date (the "Rights Issue") at the subscription price of HK\$6.00 per rights share, and raised gross proceeds of approximately HK\$9,962 million and actual net proceeds of approximately HK\$9,924 million (the "Net Proceeds") from the Rights Issue.

As disclosed in the prospectus of the Rights Issue dated 30 August 2018, by 2020, China's waste-to-energy market is expected to enjoy relatively large potential for development. Since the completion of the Rights Issue in September 2018, the Company has recorded remarkable achievements in market expansion by securing a number of new waste-to-energy projects, so as to further strengthen the Group's core business and maintain its leading foothold in the market.

The Board considers that reallocation of more funding to the waste-to-energy projects through deploying of proceeds originally intended for other environmental protection business will enhance the financial flexibility and capacity of the Group to further develop the waste-to-energy business, which is fair and reasonable and in the interests of the Company and the Shareholders as a whole. On 10 December 2019, the Board resolved to reallocate the Net Proceeds, details of which are set out in the announcement of the Company dated 10 December 2019 (the "Change in Use of Proceeds Announcement").

董事於交易、安排或合約之權益

本公司或其控股公司或其任何附屬公司概無訂立於年結日或本年度內任何時間仍然有效，且董事或與董事有關連之任何實體於當中擁有重大利益之重要交易、安排或合約。

於競爭性業務之權益

於本年報刊發日期，就董事所知，各董事或彼等各自之聯繫人士概無於與本集團業務構成競爭或可能構成競爭(不論直接或間接)之業務中擁有任何權益，亦無與本集團有任何其他利益衝突。

銀行貸款及其他借貸

本集團於二零一九年十二月三十一日之銀行貸款及其他借貸詳情載於財務報表附註29。

本公司供股所得款項用途

於二零一八年九月，本公司完成按認購價每股供股股份港幣6.00元按於記錄日期每持有27股現有股份獲配發10股供股股份之基準向合資格股東發行供股股份(「供股」)。本公司已自供股籌集所得款項總額約港幣99.62億元及實際所得款項淨額約港幣99.24億元(「所得款項淨額」)。

誠如在日期為二零一八年八月三十日之供股章程所披露，到二零二零年，中國垃圾發電市場仍有較大發展空間。供股於二零一八年九月完成以來，本公司在市場拓展方面成績驕人，新取得多個垃圾發電項目，藉此進一步加強本集團核心業務和保持市場龍頭地位。

董事會認為，透過利用原擬用作其他環保業務之所得款項重新分配更多資金至垃圾發電項目，將提升本集團之財務靈活性及實力以進一步發展垃圾發電項目，屬公平合理並符合本公司及股東之整體利益。於二零一九年十二月十日，董事會已議決重新分配所得款項淨額之用途，詳情載於本公司日期為二零一九年十二月十日之公告(「更改所得款項用途公告」)。

USE OF PROCEEDS FROM THE COMPANY'S RIGHTS ISSUE (continued)

本公司供股所得款項用途(續)

During the year under review, details of the use of the Net Proceeds are as listed below:

於回顧年度內，所得款項淨額之用途載列如下：

| Net proceeds raised (Appr.) and originally intended use | Amended use of the Net proceeds (Appr.) as disclosed in the Change in use of Proceeds Announcement | Actual use of the Net proceeds up to 31 December 2019 (Appr.) | Intended use and expected timeline of the remaining amount of the Net Proceeds (Appr.) |
|--|---|---|--|
| 籌集所得款項淨額(約數)以及先前之擬定用途 | 在《更改所得款項用途公告》所披露之有關所得款項淨額之經修訂用途(約數) | 截至二零一九年十二月三十一日已動用之所得款項淨額(約數) | 尚未動用所得款項淨額(約數)·擬定用途及預期時間表 |
| 1. HK\$5,947,000,000 (representing about 60% of the Net Proceeds) for implementation of existing and future waste-to-energy projects and other environmental protection projects 港幣5,947,000,000元(佔所得款項淨額約60%)用作落實現有及日後的垃圾發電項目及其他環保項目 | HK\$7,962,000,000 (representing about 80% of the Net Proceeds) for implementation of existing and future waste-to-energy projects and other environmental protection projects 港幣7,962,000,000元(佔所得款項淨額約80%)用作落實現有及日後的垃圾發電項目及其他環保項目 | HK\$7,459,358,000 was used for waste-to-energy projects 港幣7,459,358,000元已用於垃圾發電項目 | The remaining unused amount of HK\$502,642,000 is intended to be used for waste-to-energy projects in the first quarter of 2020 剩餘未使用的港幣502,642,000元將於二零二零年第一季度用於垃圾發電項目 |
| 2. HK\$2,478,000,000 (representing about 25% of the Net Proceeds) for pursuing other environmental protection businesses including but not limited to technological research and development, equipment manufacturing, waste sorting and management, and atmospheric monitoring and testing services 港幣2,478,000,000元(佔所得款項淨額約25%)用作發展其他環保業務，包括但不限於技術研發、裝備製造、垃圾分類與管理以及大氣治理與檢測服務 | HK\$463,000,000 (representing about 5% of the Net Proceeds) for pursuing other environmental protection businesses including but not limited to technological research and development, equipment manufacturing, waste sorting and management, and atmospheric monitoring and testing services 港幣463,000,000元(佔所得款項淨額約5%)用作發展其他環保業務，包括但不限於技術研發、裝備製造、垃圾分類與管理以及大氣治理與檢測服務 | HK\$432,832,000 was used in the development of technological research and development, equipment manufacturing, waste sorting and management, and atmospheric monitoring and testing services 港幣432,832,000元已用於發展技術研發、裝備製造、垃圾分類與管理以及大氣治理與檢測服務 HK\$30,168,000 was used in the development of food waste treatment projects 港幣30,168,000元已用於發展餐廚垃圾處理項目 | The amount of the Net Proceeds for pursuing other environmental protection businesses including but not limited to technological research and development, equipment manufacturing, waste sorting and management, and atmospheric monitoring and testing services had been fully utilised 用作發展其他環保業務，包括但不限於技術研發、裝備製造、垃圾分類與管理以及大氣治理與檢測服務的所得款項淨額已全數動用 |

REPORT OF THE DIRECTORS 董事會報告

USE OF PROCEEDS FROM THE COMPANY'S RIGHTS ISSUE (continued)

本公司供股所得款項用途(續)

| Net proceeds raised (Appr.) and originally intended use | Amended use of the Net proceeds (Appr.) as disclosed in the Change in use of Proceeds Announcement 在《更改所得款項用途公告》所披露之有關所得款項淨額之經修訂用途(約數) | Actual use of the Net proceeds up to 31 December 2019 (Appr.) 截至二零一九年十二月三十一日已動用之所得款項淨額(約數) | Intended use and expected timeline of the remaining amount of the Net Proceeds (Appr.) 尚未動用所得款項淨額(約數)·擬定用途及預期時間表 |
|---|---|---|---|
| 籌集所得款項淨額(約數)以及先前之擬定用途 | | | |
| 3. HK\$1,499,123,000 (representing about 15% of the Net Proceeds) for general working capital of the Group (approximately HK\$499,000,000) and repayment of bank loans (approximately HK\$1,000,000,000) 港幣1,499,123,000元(佔所得款項淨額約15%)用作本集團之一般營運資金(約港幣499,000,000元)及償還銀行貸款(約港幣1,000,000,000元) | HK\$1,499,123,000 (representing about 15% of the Net Proceeds) has been fully utilised for general working capital of the Group and repayment of bank loans and therefore remains unchanged 港幣1,499,123,000元(佔所得款項淨額約15%)已悉數用作本集團之一般營運資金及用以償還銀行貸款，故維持不變 | HK\$1,499,123,000 was used for repayment of bank loans during the year ended 31 December 2018 於截至二零一八年十二月三十一日之年度內，港幣1,499,123,000元已用以償還銀行貸款 | The amount of the Net Proceeds for general working capital of the Group and repayment of bank loans had been fully utilised 用作本集團之一般營運資金及用以償還銀行貸款的款項淨額已全數動用 |

FIVE YEAR SUMMARY

A summary of the results and of the assets and liabilities of the Group for the last five financial years is set out on pages 334 and 335 of this Annual Report.

PROPERTIES

Particulars of the major properties of the Group are shown on page 336 of this Annual Report.

RETIREMENT SCHEMES

The Company provides retirement benefits to all local eligible employees in Hong Kong under an approved defined contribution provident fund (the "ORSO Scheme"). The ORSO Scheme is administered by trustees, the majority of which are independent, with its assets held separately from those of the Company. The ORSO Scheme is funded by contributions from employees and employers at 5% each based on the monthly salaries of employees. Forfeited contribution may be used to reduce the existing level of contribution by the Company.

五年業績概要

本集團過去五個財政年度之業績及資產與負債概要載於本年報第334頁及第335頁。

物業

本集團之主要物業詳情載於本年報第336頁。

退休計劃

本公司已為所有香港本地合資格僱員設定認可定額供款公積金(「職業退休計劃條例計劃」)。職業退休計劃條例計劃由信託人(大部份為獨立信託人)管理，其資產與本公司之資產分開持有。僱員及僱主均須就職業退休計劃條例計劃供款，分別為僱員月薪的5%。沒收之供款可用作抵銷本公司現需承擔之供款。

RETIREMENT SCHEMES (continued)

As from 1 December 2000, the Group also operates a Mandatory Provident Fund Scheme (the “MPF Scheme”) under the Hong Kong Mandatory Provident Fund Schemes Ordinance for employees employed under the jurisdiction of the Hong Kong Employment Ordinance and not previously covered by the ORSO Scheme. The MPF Scheme is a defined contribution retirement scheme administered by independent trustees. Under the Group’s MPF Scheme, the employer and its employees are each required to make contributions to the scheme at 10% and 5% of the employees’ relevant income, respectively. Employees can choose to contribute with a cap of monthly relevant income of HK\$30,000.

The employees of the subsidiaries of the Company in the PRC are members of the retirement schemes operated by the local authorities. The subsidiaries are required to contribute a certain percentage of their payroll to these schemes to fund the benefits. The only obligation of the Group with respect to these schemes is the required contributions under the schemes.

The Group’s total contributions to these schemes charged to the consolidated income statement during the year ended 31 December 2019 amounted to HK\$315,905,000.

CONFIRMATION OF INDEPENDENCE

In accordance with the independence guidelines set out in Rule 3.13 of the Listing Rules, the Board is of the view that all INEDs are independent and satisfy the requirements under Rule 3.13 (except that for Mr. Fan Yan Hok, Philip under Rule 3.13(7), he had been a non-executive Director prior to his re-designation as an INED) and the Company has received an annual confirmation of independence from each of the INED pursuant to the Listing Rules.

AUDITOR

Ernst & Young will retire and, being eligible, will offer itself for re-appointment. A resolution for the re-appointment of Ernst & Young as the auditor of the Company is to be proposed at the forthcoming AGM.

BY ORDER OF THE BOARD

Cai Yunge

Chairman

Hong Kong, 18 March 2020

退休計劃(續)

自二零零零年十二月一日起，本集團亦根據香港強制性公積金計劃條例為受香港僱傭條例管轄且原先未包括在職業退休計劃條例計劃內之僱員提供強制性公積金計劃(「強積金計劃」)。強積金計劃為由獨立信託人管理之定額供款退休計劃。根據本集團的強積金計劃，僱主及僱員各自須向計劃供款，供款額分別為僱員有關入息之10%及5%，僱員供款可選擇以有關入息每月港幣30,000元為上限。

本公司中國附屬公司之僱員均參與當地政府管理之退休計劃。該等附屬公司須按員工薪金之若干百分比向上述計劃作出供款，為有關福利提供資金。就此等計劃而言，本集團之唯一責任為根據此等計劃作出所需供款。

本集團於截至二零一九年十二月三十一日止年度向此等計劃所作並已入賬綜合損益表內之總供款額為港幣315,905,000元。

獨立性確認書

根據《上市規則》第3.13條所載之獨立性指引，董事會認為全體獨立非執行董事均為獨立人士，並符合第3.13條之要求(儘管根據《上市規則》第3.13(7)條，范仁鶴先生在被調任為獨立非執行董事前為非執行董事外)，而每名獨立非執行董事已根據《上市規則》之規定向本公司提供有關其獨立性的年度確認書。

核數師

安永會計師事務所將任滿退任，且符合資格並願意膺選連任。本公司將於應屆股東週年大會上提呈續聘安永會計師事務所出任本公司核數師之決議案。

承董事會命

蔡允革

主席

香港，二零二零年三月十八日

Independent Auditor's Report

獨立核數師報告

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CHINA EVERBRIGHT INTERNATIONAL LIMITED

(Incorporated in Hong Kong with limited liability)

OPINION

We have audited the consolidated financial statements of China Everbright International Limited (the "Company") and its subsidiaries (the "Group") set out on pages 129 to 333, which comprise the consolidated statement of financial position as at 31 December 2019, and the consolidated income statement, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and 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 (the "HKICPA") and have been properly prepared in compliance with 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.

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. For each matter below, our description of how our audit addressed the matter is provided in that context.

致中國光大國際有限公司各股東 獨立核數師報告

(於香港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129頁至第333頁中國光大國際有限公司(以下簡稱「貴公司」)及其附屬公司(統稱「貴集團」)的綜合財務報表，此綜合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及截至該日止年度的綜合損益表、綜合全面損益表、綜合權益變動表及綜合現金流量表，以及綜合財務報表附註，包括主要會計政策概要。

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」)真實和公允地反映 貴集團於二零一九年十二月三十一日的綜合財務狀況和 貴集團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》妥善編製。

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須承擔的責任」一節中闡述。按照香港會計師公會頒佈的「專業會計師道德守則」(「守則」)，我們獨立於 貴集團，並已按照守則履行其他道德責任。我們相信，我們所獲得的審計憑證能充足和適當地為我們的審計意見提供基礎。

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。該等事項是在我們審計整體綜合財務報表及出具意見時處理，且我們不對該等事項提供單獨的意見。下文載有我們的審計如何處理以下各項事項的資料。

Independent Auditor's Report

獨立核數師報告

KEY AUDIT MATTERS (continued)

We have fulfilled the responsibilities described in the *Auditor's responsibilities for the audit of the consolidated financial statements* section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated financial statements.

關鍵審計事項(續)

我們已履行本報告「核數師就審計綜合財務報表須承擔的責任」一節中所闡述的責任，包括有關該等事項的責任。因此，我們的審計包括執行為應對綜合財務報表重大錯報風險的評估而設的程序。審計程序(包括處理以下事項的程序)的結果，為我們就隨附的綜合財務報表的審計意見提供基礎。

| Key audit matter 關鍵審計事項 | How our audit addressed the key audit matter 我們的審計如何處理關鍵審計事項 |
|--|---|
| <p><i>Service concession arrangements</i> 服務特許經營權安排</p> <p>The Group has entered into Build-Operate-Transfer (“BOT”), Transfer-Operate-Transfer (“TOT”) and Build-Operate-Own (“BOO”) arrangements with local governments in Mainland China in respect of its environmental energy projects, greentech projects and environmental water projects. The assessment on whether the BOT, TOT and BOO arrangements fall within the scope of HK(IFRIC) Interpretation 12 <i>Service Concession Arrangements</i> requires significant management judgement. Management’s assessment included whether the grantors control or regulate what services the Group must provide with the infrastructures, to whom it must provide them, and at what price; and whether the grantors control, through ownership, beneficial entitlement or otherwise, any significant residual interest in the infrastructures at the end of the term of the arrangements.</p> <p>貴集團就旗下環保能源項目、綠色環保項目及環保水務項目與中國大陸當地政府訂立建造－運營－轉移(「BOT」)、轉移－運營－轉移(「TOT」)及建造－運營－擁有(「BOO」)安排。在評估BOT、TOT及BOO安排是否屬於《香港(國際財務報告詮釋委員會)詮釋》第12號「服務特許經營權安排」範圍內時，管理層需要作出重大判斷。管理層的評估包括授權人可否控制或監管 貴集團利用基礎設施所須提供的服務、服務的提供對象及收取的價格；以及授權人在有關安排的有效期結束時，能否通過所有權、實益享有權或其他方式，控制基礎設施的任何重大剩餘權益。</p> <p>The details of the Group’s service concession arrangements are disclosed in notes 3 and 49 to the financial statements. 貴集團的服務特許經營權安排詳情於財務報表附註3及附註49披露。</p> | <p>We evaluated the management’s assessment of the BOT, TOT and BOO arrangements of the Group by reviewing and understanding the terms of the respective agreements. In particular, we evaluated the management’s assessment as to whether the grantors control or regulate what services the Group must provide with the infrastructures, to whom it must provide them, and at what price. In addition, we evaluated the management’s assessment as to whether the grantors control any significant residual interest in the infrastructures at the end of the term of the arrangements, including whether the infrastructures for the service concession arrangements are used for their entire or substantially entire useful lives.</p> <p>我們已透過審視及了解 貴集團BOT、TOT及BOO安排的相關協議條款，評價管理層對有關安排所作的評估。特別是，我們已評價管理層就授權人可否控制或監管 貴集團利用基礎設施所須提供的服務、服務的提供對象及收取的價格等方面所作的評估。此外，我們亦已評價管理層就授權人在有關安排的有效期結束時能否控制基礎設施的任何重大剩餘權益所作的評估(包括服務特許經營權安排所涉的基礎設施是否於其整個或大致上整個可使用年期使用)。</p> |

Independent Auditor's Report

獨立核數師報告

KEY AUDIT MATTERS (continued)

關鍵審計事項(續)

| Key audit matter 關鍵審計事項 | How our audit addressed the key audit matter 我們的審計如何處理關鍵審計事項 |
|--|---|
| <p data-bbox="113 577 778 642"><i>Revenue and profit recognition for construction services</i> 建造服務的收益及盈利確認</p> <p data-bbox="113 664 823 1138">Revenue arising from construction services is measured based on the Group's estimation of the fair value of construction services and the progress of construction work completed during the year. Significant judgement is required to determine the fair value of construction services which involves estimation of the total construction costs and the margin of each project. The Group engaged independent professional valuers to assist in the estimation of the fair value of construction services. The progress of construction work completion is estimated based on the survey of work performed by independent surveyors with relevant qualifications and industry experience. Judgement is required in estimating the progress of construction work completed.</p> <p data-bbox="113 1149 823 1386">建造服務所產生的收益乃按 貴集團之估計建造服務公允值及年內建造工程完成進度計量。在釐定建造服務公允值時，需要作出重大判斷，當中涉及估計各個項目之建造總成本及利潤率。 貴集團已委聘獨立專業估值師協助估計建造服務之公允值。建造工程完成進度乃按具有相關資歷及行業經驗之獨立測量師對已進行工程之查勘估算。在估計建造工程完成進度時，需要作出判斷。</p> <p data-bbox="113 1425 823 1662">The details of the Group's revenue from construction services in relation to its environmental energy projects, greentech projects and environmental water projects are disclosed in notes 2.4, 3 and 5 to the financial statements. 貴集團來自環保能源項目、綠色環保項目及環保水務項目相關建造服務的收益詳情於財務報表附註2.4、附註3及附註5披露。</p> | <p data-bbox="831 664 1394 933">We evaluated the management's measurement of the revenue from construction services by assessing the valuation methodology and the key assumptions, such as margins, with the assistance of our valuation specialists who have made reference to the observable market data and comparable companies in the industry.</p> <p data-bbox="831 944 1394 1073">我們已評價管理層對建造服務收益之計量，方法為在我們的估值專家之協助下，經參考可觀察市場數據及業內可供比較之公司後，評估估值方法及主要假設(例如：利潤率)。</p> <p data-bbox="831 1112 1394 1662">We also evaluated the management's assessment of the completion progress of construction services by discussing the status of significant projects under construction with the management, including finance and technical staff of the Group, as well as examining independent surveyors' reports. We tested the underlying data adopted by independent surveyors, which included checking to suppliers' agreements and invoices for construction costs of respective construction work performed. We also understood and reviewed the management's process of estimating the total budget cost and costs to completion of incomplete construction contracts.</p> <p data-bbox="831 1673 1394 1936">我們亦曾與管理層(包括 貴集團的財務及技術人員)討論重大建設中項目的情況，以及審視獨立測量師報告，藉以評價管理層就建造服務完成進度所作的評估。此外，我們已測試獨立測量師所採納的有關數據，包括就已進行的建造工程的建造成本核對供應商協議及發票。另外，我們亦已了解並審視管理層估計未完成建造合約的總預算成本及完工成本的程序。</p> |

Independent Auditor's Report

獨立核數師報告

KEY AUDIT MATTERS (continued)

關鍵審計事項(續)

| Key audit matter 關鍵審計事項 | How our audit addressed the key audit matter 我們的審計如何處理關鍵審計事項 |
|---|---|
| <p><i>Impairment assessment of debtors</i> 應收賬款的耗損評估</p> <p>Debtors of the Group amounted to HK\$3,566,305,000, after an impairment provision of HK\$137,443,000, as at 31 December 2019. The management performed an impairment assessment of debtors by applying the simplified approach to provide for expected credit losses ("ECLs"), taking into account the debtors' financial position, historical settlement records, past experience and other factors. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment, which involved significant management's judgement and estimation uncertainty.</p> <p>於二零一九年十二月三十一日，貴集團的應收賬款為港幣3,566,305,000元(已扣除耗損撥備港幣137,443,000元)。管理層已就應收賬款作出耗損評估，有關評估應用簡化處理方法來提撥預期信貸虧損，並經計及債務人之財政狀況、過往償還記錄、過往經驗及其他因素。貴集團已基於其過往信貸虧損經驗制定撥備矩陣，並因應與債務人及經濟環境相關並具有前瞻性之特定因素作出調整，而此涉及重大管理層判斷及估算不確定性。</p> <p>The details of the Group's debtors are included in notes 3 and 25 to the financial statements. 貴集團應收賬款的詳情載於財務報表附註3及附註25。</p> | <p>We evaluated the management's impairment assessment of debtors by understanding and reviewing the management's provision matrix, testing the debtors' ageing analysis, discussing with the management about the status of significant overdue individual debtors' balances, and reviewing the historical settlement pattern of individual debtors. We also reperformed the management's calculation of ECLs for debtors.</p> <p>我們已透過了解及審視管理層之撥備矩陣、測試應收賬款的賬齡分析，與管理層討論個別嚴重逾期的應收賬款結餘的情況，以及審視個別債務人的過往償還模式，評價管理層所作的應收賬款耗損評估。此外，就管理層計算應收賬款預期信貸虧損之方法而言，我們亦已再次進行有關計算。</p> |

Independent Auditor's Report

獨立核數師報告

KEY AUDIT MATTERS (continued)

關鍵審計事項(續)

| Key audit matter 關鍵審計事項 | How our audit addressed the key audit matter 我們的審計如何處理關鍵審計事項 |
|---|---|
| <p><i>Impairment assessment of goodwill</i> 商譽的耗損評估</p> <p>The Group is required to test goodwill acquired in business combinations for impairment annually. The goodwill of the Group amounted to HK\$1,908,783,000 as at 31 December 2019 and was allocated to the relevant individual cash-generating units ("CGUs") or business segments. The management's impairment assessment of goodwill involved the estimation of the recoverable amounts of the CGUs or business segments to which the goodwill was allocated. The recoverable amount of the Group's goodwill as at 31 December 2019 is determined using a value in use calculation. Significant management estimates were used to determine the key assumptions, such as future revenue growth rate, operating margin, terminal growth rate and discount rate, that are affected by expected future market or economic conditions. The assessment process also involved management appropriately identifying the CGUs.</p> <p>貴集團須每年就業務合併所得的商譽進行耗損測試。於二零一九年十二月三十一日，貴集團的商譽為港幣1,908,783,000元，其已獲分配至有關的獨立現金生產單位（「現金生產單位」）或業務分部。管理層進行的商譽耗損評估涉及對獲分配商譽的現金生產單位或業務分部的可收回金額作出估計。貴集團的商譽於二零一九年十二月三十一日的可收回金額乃採用使用價值計算法來釐定，管理層須使用重大估計來釐定各項主要假設，例如：未來收益增長率、經營利潤率、長期增長率及貼現率，而彼等會受預期未來市場或經濟情況影響。此外，管理層在評估過程中亦須洽當地識別現金生產單位。</p> <p>The details of the Group's goodwill are included in notes 3 and 17 to the financial statements. 貴集團的商譽詳情載於財務報表附註3及附註17。</p> | <p>Our procedures to evaluate the management's impairment assessment of goodwill included: 我們為了評價管理層的商譽耗損評估而進行的程序包括：</p> <ul style="list-style-type: none"> - Assessing management's identification of CGUs based on the Group's accounting policies and our understanding of the Group's business; 根據貴集團的會計政策及我們對貴集團業務的了解，評估管理層對現金生產單位的識別； - Assessing the value in use calculation methodologies adopted by management; and 評估管理層所採用的使用價值計算法；及 - Assessing the key assumptions, including future revenue growth rate, operating margin, terminal growth rate and discount rate, based on our knowledge of the Group's business and the industry. We also involved our valuation specialists to assist in the assessment of the above key assumptions, which included reference to the observable market data and comparable companies in the industry. 根據我們對貴集團業務及有關行業的認識，評估各項主要假設（包括未來收益增長率、經營利潤率、長期增長率及貼現率）。此外，我們亦安排我們的估值專家協助評估上述主要假設，包括參考可觀察市場數據及業內可供比較的公司。 |

Independent Auditor's Report

獨立核數師報告

OTHER INFORMATION INCLUDED IN THE ANNUAL REPORT

The directors of the Company are responsible for the other information. The other information comprises the information included in the Annual Report, other than 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 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 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 of the Company 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 of the Company either intend to liquidate the Group or to cease operations or have no realistic alternative but to do so.

The directors of the Company are assisted by the Audit Committee in discharging their responsibilities for overseeing the Group's financial reporting process.

年報所載的其他資料

貴公司董事須對其他資料負責。其他資料包括年報所載綜合財務報表及我們就此發出的核數師報告以外的資料。

我們對綜合財務報表的意見並不涵蓋其他資料，我們亦不會就其發表任何形式的鑒證結論。

就審計綜合財務報表而言，我們的責任是閱讀其他資料，及在此過程中，考慮其他資料是否與綜合財務報表或我們在審計過程中所了解的情況有重大不符，或者似乎有重大錯誤陳述。基於我們已執行的工作，如果我們認為其他資料有重大錯誤陳述，我們需要報告有關事實。就此而言，我們無需報告任何事項。

董事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》的規定，編製真實和公允的綜合財務報表，及落實其認為編製綜合財務報表所必要的內部監控，以確保綜合財務報表不存在由於欺詐或錯誤而導致的重大錯誤陳述。

在編製綜合財務報表時，貴公司董事須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準，除非貴公司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。

審核委員會協助貴公司董事履行監督貴集團財務報告過程的責任。

Independent Auditor's Report

獨立核數師報告

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

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Our report is made solely to you, as a body, in accordance with section 405 of the Hong Kong Companies Ordinance, 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 scepticism throughout the audit. We also:

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

核數師就審計綜合財務報表須承擔的責任

我們的目標，是對整體綜合財務報表是否不存在由於欺詐或錯誤而導致的任何重大錯誤陳述取得合理保證，並出具包括我們意見的核數師報告。我們按照香港《公司條例》第405條的規定，僅向全體股東報告。除此以外，本報告別無其他目的。我們不會就本報告的內容向任何其他人士負上或承擔任何責任。

合理保證是高水平的保證，但不能保證按照香港審計準則進行的審計總能發現重大錯誤陳述。錯誤陳述可以由欺詐或錯誤引起，如果按合理預期錯誤陳述個別或匯總起來可能會影響綜合財務報表使用者所作出的經濟決定，則有關的錯誤陳述可被視作重大。

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。我們亦會：

- 識別及評估由於欺詐或錯誤而導致綜合財務報表存在重大錯誤陳述的風險，設計及執行審計程序以應對該等風險，以及取得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，或凌駕於內部監控之上，因此未能發現因欺詐而導致的重大錯誤陳述的風險較因錯誤而導致的重大錯誤陳述的風險為高。
- 了解與審計相關的內部監控，以設計適當的審計程序，但目的並非對貴集團的內部監控的有效性發表意見。
- 評價董事所採用的會計政策的合適性及作出會計估計及相關披露資料的合理性。

Independent Auditor's Report

獨立核數師報告

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

- 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 the Audit Committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

核數師就審計綜合財務報表須承擔的責任(續)

- 對董事採用持續經營會計基準的恰當性作出結論，並根據所得的審計憑證，決定是否存在與事件或情況有關的重大不確定性，而可能對 貴集團持續經營的能力構成重大疑慮。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關注綜合財務報表中的相關披露資料，假若有關披露資料不足，則我們須出具非無保留意見的核數師報告。我們的結論是基於截至核數師報告日止所取得的審計憑證。然而，未來事件或情況可導致 貴集團不能繼續持續經營。
- 評價綜合財務報表的整體列報方式、結構及內容，包括披露資料，以及綜合財務報表是否公允反映交易及事項。
- 就 貴集團實體或業務活動的財務資料獲得充分、適當的審計憑證，以對綜合財務報表發表意見。我們須負責指導、監督和執行集團審計。我們對審計意見承擔全部責任。

我們與審核委員會溝通計劃審計範圍、時間安排、重大審計發現等事項，包括我們於審計期間識別出內部監控的任何重大缺陷。

我們亦向審核委員會提交聲明，說明我們已符合有關獨立性的相關道德要求，並與彼等溝通所有合理地被認為會影響我們獨立性的關係及其他事項，以及(倘適用)相關的防範措施。

Independent Auditor's Report

獨立核數師報告

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS *(continued)*

From the matters communicated with the Audit Committee, 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 partner on the audit resulting in this independent auditor's report is Lai Wan Fung.

Ernst & Young

Certified Public Accountants

22/F CITIC Tower

1 Tim Mei Avenue

Central

Hong Kong

18 March 2020

核數師就審計綜合財務報表須承擔的責任(續)

就與審核委員會溝通的事項而言，我們釐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。我們於核數師報告中描述該等事項，除非法律法規不允許對某件事項作出公開披露，或在極端罕見的情況下，若有合理預期於我們報告中溝通某事項而造成的負面後果將會超過其產生的公眾利益，我們將不會在此等情況下在報告中溝通該事項。

本獨立核數師報告的審計項目合夥人為賴耘峰。

安永會計師事務所

執業會計師

香港

中環

添美道1號

中信大廈22樓

二零二零年三月十八日

Consolidated Income Statement

綜合損益表

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 港幣千元 | 2018 二零一八年 HK\$'000 港幣千元 |
|---|----------------------------|-------------|-----------------------------------|-----------------------------------|
| REVENUE | 收益 | 5 | 37,557,635 | 27,227,998 |
| Direct costs and operating expenses | 直接成本及經營費用 | | (26,099,734) | (17,797,402) |
| Gross profit | 毛利 | | 11,457,901 | 9,430,596 |
| Other revenue | 其他收益 | 6 | 765,649 | 738,914 |
| Other income and gains/(losses), net | 其他收入及收益/ (虧損)淨額 | 6 | (30,211) | (57,139) |
| Administrative expenses | 行政費用 | | (2,366,354) | (1,899,452) |
| PROFIT FROM OPERATING ACTIVITIES | 經營活動所得盈利 | | 9,826,985 | 8,212,919 |
| Finance costs | 財務費用 | 7 | (1,830,798) | (1,376,010) |
| Share of profits of joint ventures | 所佔合營企業盈利 | | 248,126 | 157,774 |
| Share of profits of associates | 所佔聯營公司盈利 | | 19,382 | 3,759 |
| PROFIT BEFORE TAX | 除稅前盈利 | 8 | 8,263,695 | 6,998,442 |
| Income tax | 所得稅 | 11 | (1,895,533) | (1,728,667) |
| PROFIT FOR THE YEAR | 本年度盈利 | | 6,368,162 | 5,269,775 |
| ATTRIBUTABLE TO: | 應佔部份： | | | |
| Equity holders of the Company | 本公司權益持有人 | | 5,203,291 | 4,319,235 |
| Non-controlling interests | 非控股權益 | | 1,164,871 | 950,540 |
| | | | 6,368,162 | 5,269,775 |
| EARNINGS PER SHARE ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY | 本公司權益持有人 應佔每股盈利 | 13 | | |
| – Basic and diluted | – 基本及攤薄 | | HK84.70 cents 港仙 | HK85.77 cents 港仙 |

Consolidated Statement of Comprehensive Income

綜合全面損益表

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 港幣千元 | 2018 二零一八年 HK\$'000 港幣千元 |
|---|-------------------------------|-----------------------------------|-----------------------------------|
| PROFIT FOR THE YEAR | 本年度盈利 | 6,368,162 | 5,269,775 |
| OTHER COMPREHENSIVE INCOME/(LOSS) | 其他全面收入／(虧損) | | |
| Other comprehensive loss that may be reclassified to profit or loss in subsequent periods: | 於其後期間可能重新分類至損益表之其他全面虧損： | | |
| Exchange differences: | 匯兌差額： | | |
| Exchange differences on translation of foreign operations | 換算海外業務產生之匯兌差額 | (1,558,647) | (2,172,421) |
| Net other comprehensive loss that may be reclassified to profit or loss in subsequent periods | 於其後期間可能重新分類至損益表之其他全面虧損淨額 | (1,558,647) | (2,172,421) |
| Other comprehensive income/(loss) that will not be reclassified to profit or loss in subsequent periods: | 於其後期間不會重新分類至損益表之其他全面收入／(虧損)： | | |
| Other financial assets measured at fair value through other comprehensive income: | 按公允值計入其他全面收入計量之其他財務資產： | | |
| Changes in fair value | 公允值變動 | (388) | 1,216 |
| Net other comprehensive income/(loss) that will not be reclassified to profit or loss in subsequent periods | 於其後期間不會重新分類至損益表之其他全面收入／(虧損)淨額 | (388) | 1,216 |
| OTHER COMPREHENSIVE LOSS FOR THE YEAR, NET OF TAX | 本年度其他全面虧損 (已扣除稅項) | (1,559,035) | (2,171,205) |
| TOTAL COMPREHENSIVE INCOME FOR THE YEAR | 本年度全面收入總額 | 4,809,127 | 3,098,570 |
| ATTRIBUTABLE TO: | 應佔部份： | | |
| Equity holders of the Company | 本公司權益持有人 | 3,926,079 | 2,522,471 |
| Non-controlling interests | 非控股權益 | 883,048 | 576,099 |
| | | 4,809,127 | 3,098,570 |

Consolidated Statement of Financial Position

綜合財務狀況表

31 December 2019 二零一九年十二月三十一日

| | | Notes | 2019 二零一九年 HK\$'000 港幣千元 | 2018 二零一八年 HK\$'000 港幣千元 |
|---|-------------------------|-------|-----------------------------------|-----------------------------------|
| | | 附註 | | |
| NON-CURRENT ASSETS | | | | |
| 非流動資產 | | | | |
| Investment properties | 投資物業 | 14 | 159,393 | 159,310 |
| Property, plant and equipment | 物業、廠房及設備 | 15 | 4,637,701 | 4,410,100 |
| Right-of-use assets | 使用權資產 | 16(b) | 597,673 | – |
| Prepaid land lease payments | 預付土地租賃款項 | 16(a) | – | 213,082 |
| | | | 5,394,767 | 4,782,492 |
| Goodwill | 商譽 | 17 | 1,908,783 | 1,753,737 |
| Intangible assets | 無形資產 | 18 | 18,401,533 | 12,642,951 |
| Interests in joint ventures | 合營企業權益 | 19 | 1,163,597 | 679,246 |
| Interests in associates | 聯營公司權益 | 20 | 381,220 | 334,679 |
| Contract assets | 合約資產 | 23 | 58,900,254 | 43,540,152 |
| Finance lease receivables | 融資租賃應收款項 | 24 | 15,390 | 16,435 |
| Other financial assets | 其他財務資產 | 21 | 510,110 | 42,570 |
| Debtors, other receivables, deposits and prepayments | 應收賬款、其他應收 款項、按金及預付款項 | 25 | 2,300,788 | 1,572,127 |
| Deferred tax assets | 遞延稅項資產 | 32 | 165,319 | 92,875 |
| Total non-current assets | 非流動資產總額 | | 89,141,761 | 65,457,264 |
| CURRENT ASSETS | | | | |
| 流動資產 | | | | |
| Inventories | 存貨 | 22 | 823,528 | 658,759 |
| Contract assets | 合約資產 | 23 | 8,804,372 | 7,536,954 |
| Finance lease receivables | 融資租賃應收款項 | 24 | 622 | 567 |
| Debtors, other receivables, deposits and prepayments | 應收賬款、其他應收 款項、按金及預付款項 | 25 | 8,278,232 | 5,492,094 |
| Tax recoverable | 可收回稅項 | | – | 1,519 |
| Pledged bank deposits | 已抵押銀行存款 | 26 | 537,989 | 1,115,382 |
| Deposits with banks with maturity period over three months | 存款期超過三個月之 銀行存款 | 26 | 22,180 | 2,722,719 |
| Cash and cash equivalents | 現金及現金等價物 | 27 | 11,742,819 | 12,136,379 |
| Total current assets | 流動資產總額 | | 30,209,742 | 29,664,373 |

Consolidated Statement of Financial Position

綜合財務狀況表

31 December 2019 二零一九年十二月三十一日

| | | Notes 附註 | 2019 二零一九年 HK\$'000 港幣千元 | 2018 二零一八年 HK\$'000 港幣千元 |
|--|------------------|-------------|-----------------------------------|-----------------------------------|
| CURRENT LIABILITIES | 流動負債 | | | |
| Creditors, other payables and accrued expenses | 應付賬款、其他應付款項及應計費用 | 28 | 14,011,899 | 10,167,760 |
| Interest-bearing borrowings | 計息借貸 | 29 | | |
| – Secured | – 有抵押 | | 2,674,780 | 2,846,064 |
| – Unsecured | – 無抵押 | | 7,793,220 | 2,088,871 |
| | | | 10,468,000 | 4,934,935 |
| Tax payable | 應付稅項 | | 191,628 | 131,692 |
| Total current liabilities | 流動負債總額 | | 24,671,527 | 15,234,387 |
| NET CURRENT ASSETS | 流動資產淨額 | | 5,538,215 | 14,429,986 |
| TOTAL ASSETS LESS CURRENT LIABILITIES | 總資產減流動負債 | | 94,679,976 | 79,887,250 |
| NON-CURRENT LIABILITIES | 非流動負債 | | | |
| Other payables | 其他應付款項 | 28 | 703,702 | 299,269 |
| Interest-bearing borrowings | 計息借貸 | 29 | | |
| – Secured | – 有抵押 | | 18,410,530 | 13,537,237 |
| – Unsecured | – 無抵押 | | 24,301,343 | 20,053,995 |
| | | | 42,711,873 | 33,591,232 |
| Deferred tax liabilities | 遞延稅項負債 | 32 | 6,537,822 | 5,301,410 |
| Total non-current liabilities | 非流動負債總額 | | 49,953,397 | 39,191,911 |
| NET ASSETS | 資產淨額 | | 44,726,579 | 40,695,339 |

Consolidated Statement of Financial Position

綜合財務狀況表

31 December 2019 二零一九年十二月三十一日

| | | Notes 附註 | 2019 二零一九年 HK\$'000 港幣千元 | 2018 二零一八年 HK\$'000 港幣千元 |
|--|--------------|-------------|-----------------------------------|-----------------------------------|
| EQUITY | 權益 | | | |
| Equity attributable to equity holders of the Company | 本公司權益持有人應佔權益 | | | |
| Share capital | 股本 | 33 | 17,329,537 | 17,329,537 |
| Reserves | 儲備 | 34 | 19,017,414 | 16,596,570 |
| | | | 36,346,951 | 33,926,107 |
| Non-controlling interests | 非控股權益 | | 8,379,628 | 6,769,232 |
| TOTAL EQUITY | 權益總額 | | 44,726,579 | 40,695,339 |

Wang Tianyi
王天義
Director
董事

Wong Kam Chung, Raymond
黃錦聰
Director
董事

Consolidated Statement of Changes in Equity

綜合權益變動表

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

| | | Attributable to equity holders of the Company 本公司權益持有人應佔 | |
|---|---------------------------------------|---|-----------------------------------|
| | | Share capital | Goodwill arising on consolidation |
| | | 股本 | 綜合賬項產生之商譽 |
| | | HK\$'000 | HK\$'000 |
| | | 港幣千元 | 港幣千元 |
| | Notes 附註 | | |
| At 1 January 2018 | 於二零一八年一月一日 | 7,405,414 | (986) |
| Profit for the year | 本年度盈利 | - | - |
| Other comprehensive income/(loss) for the year: | 本年度其他全面收入/(虧損): | | |
| Changes in fair value of other financial assets measured at fair value through other comprehensive income, net of tax | 按公允值計入其他全面收入計量之其他財務資產之公允值變動(已扣除稅項) | - | - |
| Exchange differences on translation of foreign operations | 換算海外業務產生之匯兌差額 | - | - |
| Total comprehensive income/(loss) for the year | 本年度全面收入/(虧損)總額 | - | - |
| Dividend approved in respect of the previous year | 已批准上年度之股息 | 12 | - |
| Dilution of non-controlling interests in a subsidiary | 附屬公司非控股權益攤薄 | 49(a) | - |
| Acquisition of subsidiaries | 收購附屬公司 | 36 | - |
| Transfer to reserve fund | 轉撥至儲備金 | - | - |
| Issue of shares | 發行股份 | 33 | 9,961,582 |
| Share issue expenses | 股份發行開支 | 33 | (37,459) |
| Capital contributions received by non wholly-owned subsidiaries from non-controlling shareholders | 非全資附屬公司從非控股股東收取所得之出資額 | - | - |
| Dividend declared to non-controlling shareholders of subsidiaries | 已向附屬公司非控股股東宣派之股息 | - | - |
| Interim 2018 dividend | 二零一八年中中期股息 | 12 | - |
| At 31 December 2018 | 於二零一八年十二月三十一日 | 17,329,537 | (986)* |
| At 1 January 2019 | 於二零一九年一月一日 | 17,329,537 | (986) |
| Profit for the year | 本年度盈利 | - | - |
| Other comprehensive income/(loss) for the year: | 本年度其他全面收入/(虧損): | | |
| Changes in fair value of other financial assets measured at fair value through other comprehensive income, net of tax | 按公允值計入其他全面收入計量之其他財務資產之公允值變動(已扣除稅項) | - | - |
| Exchange differences on translation of foreign operations | 換算海外業務產生之匯兌差額 | - | - |
| Total comprehensive income/(loss) for the year | 本年度全面收入/(虧損)總額 | - | - |
| Dividend approved in respect of the previous year | 已批准上年度之股息 | 12 | - |
| Dilution of non-controlling interests in a subsidiary | 附屬公司非控股權益攤薄 | 49(a) | - |
| Acquisition of subsidiaries | 收購附屬公司 | 36 | - |
| Deemed disposal of partial interests in a subsidiary without losing control upon shares issued by a subsidiary to non-controlling interests | 附屬公司發行股份予非控股權益後被視作出售附屬公司部份權益(並無失去控制權) | 37 | - |
| Transfer to reserve fund | 轉撥至儲備金 | - | - |
| Capital contributions received by non wholly-owned subsidiaries from non-controlling shareholders | 非全資附屬公司從非控股股東收取所得之出資額 | - | - |
| Acquisition of non-controlling interests in a subsidiary | 收購附屬公司非控股權益 | 38 | - |
| Dividend declared to non-controlling shareholders of subsidiaries | 已向附屬公司非控股股東宣派之股息 | - | - |
| Interim 2019 dividend | 二零一九年中中期股息 | 12 | - |
| At 31 December 2019 | 於二零一九年十二月三十一日 | 17,329,537 | (986)* |

* These reserve accounts comprise the consolidated reserves of HK\$19,017,414,000 (2018: HK\$16,596,570,000) in the consolidated statement of financial position.

* 該等儲備賬包括綜合財務狀況表所示綜合儲備港幣19,017,414,000元(二零一八年:港幣16,596,570,000元)。

Consolidated Statement of Changes in Equity

綜合權益變動表

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

| Attributable to equity holders of the Company 本公司權益持有人應佔 | | | | | | | | | |
|---|--------------------------|---|--------------------------|-------------------------|--------------------------|------------------------|---------------------------|--------------------------|--|
| Property revaluation reserve | Exchange reserve | Other financial assets measured at fair value through other comprehensive income reserve 按公允值計入其他全面收入計量之其他財務資產儲備 | Other reserves | Reserve fund | Retained profits | Total | Non-controlling interests | Total equity | |
| 物業重估儲備 HK\$'000 港幣千元 | 匯兌儲備 HK\$'000 港幣千元 | 其他財務資產儲備 HK\$'000 港幣千元 | 其他儲備 HK\$'000 港幣千元 | 儲備金 HK\$'000 港幣千元 | 保留盈利 HK\$'000 港幣千元 | 總額 HK\$'000 港幣千元 | 非控股權益 HK\$'000 港幣千元 | 權益總額 HK\$'000 港幣千元 | |
| 90,512 | (58,232) | (1,922) | 3,099,052 | 919,079 | 11,074,664 | 22,527,581 | 6,080,288 | 28,607,869 | |
| - | - | - | - | - | 4,319,235 | 4,319,235 | 950,540 | 5,269,775 | |
| - | - | 1,216 | - | - | - | 1,216 | - | 1,216 | |
| - | (1,797,980) | - | - | - | - | (1,797,980) | (374,441) | (2,172,421) | |
| - | (1,797,980) | 1,216 | - | - | 4,319,235 | 2,522,471 | 576,099 | 3,098,570 | |
| - | - | - | - | - | (537,925) | (537,925) | - | (537,925) | |
| - | - | - | 27,782 | - | - | 27,782 | (59,927) | (32,145) | |
| - | - | - | - | - | - | - | 27,303 | 27,303 | |
| - | - | - | - | 339,529 | (339,529) | - | - | - | |
| - | - | - | - | - | - | 9,961,582 | - | 9,961,582 | |
| - | - | - | - | - | - | (37,459) | - | (37,459) | |
| - | - | - | - | - | - | - | 276,330 | 276,330 | |
| - | - | - | - | - | - | - | (130,861) | (130,861) | |
| - | - | - | - | - | (537,925) | (537,925) | - | (537,925) | |
| 90,512* | (1,856,212)* | (706)* | 3,126,834* | 1,258,608* | 13,978,520* | 33,926,107 | 6,769,232 | 40,695,339 | |
| 90,512 | (1,856,212) | (706) | 3,126,834 | 1,258,608 | 13,978,520 | 33,926,107 | 6,769,232 | 40,695,339 | |
| - | - | - | - | - | 5,203,291 | 5,203,291 | 1,164,871 | 6,368,162 | |
| - | - | (388) | - | - | - | (388) | - | (388) | |
| - | (1,276,824) | - | - | - | - | (1,276,824) | (281,823) | (1,558,647) | |
| - | (1,276,824) | (388) | - | - | 5,203,291 | 3,926,079 | 883,048 | 4,809,127 | |
| - | - | - | - | - | (737,157) | (737,157) | - | (737,157) | |
| - | - | - | 33,954 | - | - | 33,954 | (63,262) | (29,308) | |
| - | - | - | - | - | - | - | 58,223 | 58,223 | |
| - | - | - | 5,170 | - | - | 5,170 | 294,057 | 299,227 | |
| - | - | - | - | 410,118 | (410,118) | - | - | - | |
| - | - | - | - | - | - | - | 625,324 | 625,324 | |
| - | - | - | (8,615) | - | - | (8,615) | (23,887) | (32,502) | |
| - | - | - | - | - | - | - | (163,107) | (163,107) | |
| - | - | - | - | - | (798,587) | (798,587) | - | (798,587) | |
| 90,512* | (3,133,036)* | (1,094)* | 3,157,343* | 1,668,726* | 17,235,949* | 36,346,951 | 8,379,628 | 44,726,579 | |

Consolidated Statement of Cash Flows

綜合現金流量表

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 港幣千元 | 2018 二零一八年 HK\$'000 港幣千元 |
|---|------------------------|-----------------------------------|-----------------------------------|
| CASH FLOWS FROM OPERATING ACTIVITIES | 經營活動所得現金流量 | | |
| Profit before tax | 除稅前盈利 | 8,263,695 | 6,998,442 |
| Adjustments for: | 經調整： | | |
| Depreciation of property, plant and equipment | 物業、廠房及設備折舊 | 8 311,865 | 274,156 |
| Depreciation of right-of-use assets/ amortisation of prepaid land lease payments | 使用權資產折舊/ 預付土地租賃款項攤銷 | 8 46,334 | 5,208 |
| Amortisation of intangible assets | 無形資產攤銷 | 8 504,782 | 340,972 |
| Finance costs | 財務費用 | 7 1,830,798 | 1,376,010 |
| Dividend income | 股息收入 | 6 (323) | (1,664) |
| Interest income | 利息收入 | 6 (176,147) | (112,886) |
| Share of profits of joint ventures | 所佔合營企業盈利 | (248,126) | (157,774) |
| Share of profits of associates | 所佔聯營公司盈利 | (19,382) | (3,759) |
| Fair value gains, net: | 公允值收益淨額： | | |
| Other financial assets – unlisted equity investment | 其他財務資產 — 非上市股本投資 | 6 (4,496) | – |
| Other financial assets – unlisted investment | 其他財務資產 — 非上市投資 | 6 (23,512) | – |
| Fair value adjustment of contingent consideration receivable | 應收或然代價公允值調整 | 6 646 | (3,428) |
| Impairment of debtors | 應收賬款耗損 | 6 52,414 | 56,454 |
| Loss on disposal and write-off of property, plant and equipment, net | 出售及撇銷物業、廠房及設備之淨虧損 | 6 2,334 | 4,113 |
| Effect of foreign exchange rates changes, net | 匯率變動之影響淨額 | (334,589) | (370,273) |
| | | 10,206,293 | 8,405,571 |
| Increase in inventories | 存貨增加 | (167,192) | (170,104) |
| Increase in contract assets | 合約資產增加 | (17,346,558) | (11,555,262) |
| Increase in debtors, other receivables, deposits and prepayments | 應收賬款、其他應收款項、按金及預付款項增加 | (3,441,303) | (2,341,826) |
| Increase in creditors, other payables and accrued expenses | 應付賬款、其他應付款項及應計費用增加 | 3,658,325 | 1,681,354 |
| Cash used in operations | 經營所動用之現金 | (7,090,435) | (3,980,267) |
| Interest received | 已收利息 | 176,147 | 112,886 |
| People's Republic of China ("PRC") and overseas income taxes paid | 已付中華人民共和國(「中國」)及海外所得稅 | (573,016) | (498,201) |
| Net cash flows used in operating activities | 經營活動所動用之現金流量淨額 | (7,487,304) | (4,365,582) |

Consolidated Statement of Cash Flows

綜合現金流量表

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 港幣千元 | 2018 二零一八年 HK\$'000 港幣千元 |
|--|----------------------------|-----------------------------------|-----------------------------------|
| CASH FLOWS FROM INVESTING ACTIVITIES | 投資活動所得現金流量 | | |
| Dividend received | 已收股息 | 323 | 1,664 |
| Purchase of items of property, plant and equipment | 購買物業、廠房及設備 | (629,968) | (848,176) |
| Proceeds from disposal of items of property, plant and equipment | 出售物業、廠房及設備 所得款項 | 4,638 | 12,584 |
| Principal portion of lease payments/ prepayment of land leases | 租賃款項之本金部份/ 土地租賃預付款項 | (160,771) | (57,005) |
| Additions of intangible assets | 增置無形資產 | (6,015,944) | (4,274,080) |
| Acquisition of subsidiaries | 收購附屬公司 | (402,127) | (341,934) |
| Capital contributions to joint ventures | 注資合營企業 | (261,512) | (8,669) |
| Capital contributions to associates | 注資聯營公司 | (31,184) | (95,357) |
| Increase in an amount due from an associate | 應收聯營公司款項增加 | (4,646) | (4,551) |
| Increase in non-current portion of prepayments | 預付款項非即期部份 增加 | (197,657) | (52,210) |
| Repayment from finance lease receivables | 融資租賃應收款項還款 | 587 | 566 |
| Purchase of other financial assets | 購買其他財務資產 | (457,446) | (2,787) |
| Decrease in restricted balances in financial institutions | 於財務機構之受限制 結餘減少 | - | 90,871 |
| Decrease/(increase) in deposits with banks with maturity period over three months | 存款期超過三個月之 銀行存款減少/(增加) | 2,636,060 | (1,918,799) |
| Net cash flows used in investing activities | 投資活動所動用之現金 流量淨額 | (5,519,647) | (7,497,883) |

Consolidated Statement of Cash Flows

綜合現金流量表

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 港幣千元 | 2018 二零一八年 HK\$'000 港幣千元 |
|---|-------------------------------|-------------|-----------------------------------|-----------------------------------|
| CASH FLOWS FROM FINANCING ACTIVITIES | 融資活動所得現金流量 | | | |
| Proceeds from issue of shares | 發行股份所得款項 | 33 | - | 9,961,582 |
| Share issue expenses | 股份發行開支 | 33 | - | (37,459) |
| Proceeds from issue of corporate bond, net of related expenses paid | 發行公司債券所得款項 (已扣除已付相關開支) | 31 | 804,235 | 944,251 |
| New bank and other loans | 新增銀行及其他貸款 | | 22,767,809 | 13,599,106 |
| Repayment of bank and other loans | 償還銀行及其他貸款 | | (8,676,495) | (6,553,466) |
| Capital contributions received by non wholly-owned subsidiaries from non-controlling shareholders | 非全資附屬公司從 非控股股東收取 所得之出資額 | | 924,551 | 276,330 |
| Acquisition of non-controlling interests | 收購非控股權益 | 38, 49(a) | (61,810) | (32,145) |
| Increase in an amount due to non-controlling shareholder of a subsidiary | 應付附屬公司非控股 股東款項增加 | | 17,513 | - |
| Decrease in pledged bank deposits | 已抵押銀行存款減少 | | 550,979 | 76,220 |
| Interest paid | 已付利息 | 39(a) | (1,799,798) | (1,367,951) |
| Interest portion of lease payments/finance lease rental payments | 租賃款項/融資租賃 租金付款之利息部份 | | (5,165) | (1,600) |
| Principal portion of lease payments/finance lease rental payments | 租賃款項/融資租賃 租金付款之本金部份 | | (44,275) | (14,427) |
| Dividend paid to equity holders of the Company | 已付本公司權益持有人 之股息 | | (1,535,744) | (1,075,850) |
| Dividend paid to non-controlling shareholders of subsidiaries | 已付附屬公司非控股 股東之股息 | 39(a) | (169,062) | (122,455) |
| Net cash flows from financing activities | 融資活動所得現金 流量淨額 | | 12,772,738 | 15,652,136 |
| NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS | 現金及現金等價物 增加/(減少)淨額 | | (234,213) | 3,788,671 |
| Cash and cash equivalents at beginning of year | 年初現金及現金等價物 | | 12,136,379 | 8,657,193 |
| Effect of foreign exchange rates changes, net | 匯率變動之影響淨額 | | (159,347) | (309,485) |
| CASH AND CASH EQUIVALENTS AT END OF YEAR | 年終現金及現金等價物 | 27 | 11,742,819 | 12,136,379 |

Notes to Financial Statements

財務報表附註

31 December 2019 二零一九年十二月三十一日

1 CORPORATE AND GROUP INFORMATION

China Everbright International Limited (the “Company”) is a limited liability company incorporated in Hong Kong. The registered office of the Company is located at Room 2703, 27th Floor, Far East Finance Centre, 16 Harcourt Road, Hong Kong.

During the year, the principal activities of the Company and its subsidiaries (collectively referred to as the “Group”) are construction, environmental energy project operation (waste-to-energy plants, food waste treatment projects, sludge treatment and disposal projects, leachate treatment projects, methane-to-energy plants, fecal treatment project, fly ash landfill project, medical waste treatment project and solid waste treatment project), greentech project operation (integrated biomass utilisation projects, hazardous and solid waste treatment projects, solar energy projects and wind power projects, and provision of environmental remediation services), environmental water project operation (waste water treatment plants, water supply, reusable water treatment plants, sludge harmless treatment, sponge city construction, river-basin ecological restoration, waste water source heat pump projects, leachate treatment, research and development of water environment technologies and engineering projects), conduct of environmental protection technology research and development, provision of environmental-related technological services, design of environmental protection projects, provision of environmental protection project equipment construction and installation services and sales of related equipment, provision of waste sorting, renewable resources utilisation, sanitation operation services, sales of energy-saving streetlights, and investment holding.

The immediate holding company of the Company is Guildford Limited, a limited liability company incorporated in the British Virgin Islands. In the opinion of the directors, the ultimate holding entity of the Company is China Investment Corporation, an entity established in the PRC.

1 公司及集團資料

中國光大國際有限公司(「本公司」)為一家於香港註冊成立之有限公司。本公司之註冊辦事處位於香港夏慤道十六號遠東金融中心二十七樓二七零三室。

年內，本公司及其附屬公司(統稱「本集團」)之主要業務為建造、環保能源項目運營(垃圾發電廠、餐廚垃圾處理項目、污泥處理處置項目、滲濾液處理項目、沼氣發電廠、糞便處理項目、飛灰填埋場項目、醫療廢物處理項目及固廢處理項目)、綠色環保項目運營(生物質綜合利用項目、危廢及固廢處置項目、光伏發電項目及風電項目，以及提供環境修復服務)、環保水務項目運營(污水處理廠、供水、中水回用處理廠、污泥無害化處理、海綿城市建設、流域治理、污水源熱泵項目、滲濾液處理以及環保水務技術研發及工程建設項目)、進行環保技術研發、提供環保相關技術服務、設計環保項目、提供環保項目裝備建造及安裝服務及銷售相關裝備、提供垃圾分類、再生資源綜合利用、環衛作業服務、銷售節能路燈以及投資控股。

本公司之直接控股公司為 Guildford Limited，其為於英屬維爾京群島註冊成立之有限責任公司。董事認為，本公司之最終控股實體為中國投資有限責任公司，其為於中國成立之實體。

Notes to Financial Statements

財務報表附註

31 December 2019 二零一九年十二月三十一日

2.1 BASIS OF PREPARATION

These financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards (“HKFRSs”) (which include all Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards (“HKASs”) and Interpretations) issued by the Hong Kong Institute of Certified Public Accountants (the “HKICPA”), accounting principles generally accepted in Hong Kong and the Hong Kong Companies Ordinance. They have been prepared under the historical cost convention, except for investment properties, equity investments designated at fair value through other comprehensive income, financial assets at fair value through profit or loss and contingent consideration receivable which have been measured at fair value. These financial statements are presented in Hong Kong dollars and all values are rounded to the nearest thousand except when otherwise indicated.

Basis of consolidation

The consolidated financial statements include the financial statements of the Group for the year ended 31 December 2019. A subsidiary is an entity (including a structured entity), directly or indirectly, controlled by the Company. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee (i.e., existing rights that give the Group the current ability to direct the relevant activities of the investee).

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

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

2.1 編製基準

此等財務報表乃按照香港會計師公會(「香港會計師公會」)頒佈之香港財務報告準則(「香港財務報告準則」)(包括所有香港財務報告準則、香港會計準則(「香港會計準則」)及詮釋)、香港公認會計原則及香港公司條例而編製。此等財務報表已根據歷史成本慣例編製，惟投資物業、指定按公允值計入其他全面收入之股本投資、按公允值計入損益之財務資產及應收或然代價除外，彼等乃按公允值計量。此等財務報表乃以港幣呈列，除另有指明外，所有價值均調整至最接近的千元數。

綜合基準

綜合財務報表包括本集團截至二零一九年十二月三十一日止年度之財務報表。附屬公司為本公司直接或間接控制之實體(包括結構性實體)。當本集團對被投資公司之業務之浮動回報承擔風險或享有權利以及能透過運用其對被投資公司的控制權(即本集團當時獲賦予可主導被投資公司相關活動之現有權利)影響該等回報時，即屬取得控制權。

倘本公司於被投資公司直接或間接擁有之投票權或類似權利未能佔大多數，則本集團於評估其是否擁有支配被投資公司之權力時，會考慮一切相關事實及情況，包括：

- (a) 與被投資公司其他投票權持有人訂立之合約安排；
- (b) 其他合約安排所產生之權利；及
- (c) 本集團之投票權及潛在投票權。

Notes to Financial Statements

財務報表附註

31 December 2019 二零一九年十二月三十一日

2.1 BASIS OF PREPARATION (continued)

Basis of consolidation (continued)

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

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

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

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

2.1 編製基準(續)

綜合基準(續)

附屬公司之財務報表按本公司相同之報告期間使用一致之會計政策編製。附屬公司之業績自本集團取得控制權當日起綜合入賬，並一直綜合入賬，直至有關控制權終止之日為止。

損益及其他全面收入之各組成部份歸屬於本集團母公司擁有人及非控股權益，即使此舉會導致非控股權益出現虧絀結餘亦然。所有集團內公司間之資產與負債、權益、收入、支出以及與本集團成員公司之間的交易有關的現金流量均於綜合賬目時悉數抵銷。

倘事實及情況顯示上述三項控制權因素其中一項或多項有變，屆時本集團便會重新評估其是否仍然控制被投資公司。附屬公司擁有權權益之變動(並無失去控制權)於入賬時列作權益交易。

倘本集團失去一家附屬公司之控制權，便會終止確認(i)該附屬公司之資產(包括商譽)及負債；(ii)任何非控股權益之賬面值；及(iii)於權益內記錄之累計匯兌差額；及確認(i)已收代價之公允值；(ii)任何仍然保留之投資之公允值；及(iii)損益表所列任何因此產生之盈餘或虧絀。本集團所佔原先於其他全面收入確認之部份會按假若本集團直接出售相關資產或負債而須依據之同一基準重新分類至損益表或保留盈利(視何者適用)。

Notes to Financial Statements

財務報表附註

31 December 2019 二零一九年十二月三十一日

2.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

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

| | |
|--|---|
| Amendments to HKFRS 9 | <i>Prepayment Features with Negative Compensation</i> |
| HKFRS 16 | <i>Leases</i> |
| Amendments to HKAS 19 | <i>Plan Amendment, Curtailment or Settlement</i> |
| Amendments to HKAS 28 | <i>Long-term Interests in Associates and Joint Ventures</i> |
| HK(IFRIC)-Int 23 | <i>Uncertainty over Income Tax Treatments</i> |
| <i>Annual Improvements to HKFRSs 2015-2017 Cycle</i> | Amendments to HKFRS 3, HKFRS 11, HKAS 12 and HKAS 23 |

Other than as explained below regarding the impact of HKFRS 16 and HK(IFRIC)-Int 23, the adoption of the above new and revised standards has had no significant financial effect on these financial statements.

2.2 會計政策之變動及披露

本集團已於本年度之財務報表首次採納下列新訂及經修訂香港財務報告準則：

| | |
|----------------------------|---|
| 香港財務報告準則第9號之修訂 | 「具有負補償之提早還款特性」 |
| 香港財務報告準則第16號 | 「租賃」 |
| 香港會計準則第19號之修訂 | 「計劃修訂、縮減或結算」 |
| 香港會計準則第28號之修訂 | 「於聯營公司及合營企業之長期權益」 |
| 香港(國際財務報告詮釋委員會)一詮釋第23號 | 「所得稅處理的不確定性」 |
| 二零一五年至二零一七年周期香港財務報告準則之年度改進 | 「香港財務報告準則第3號、香港財務報告準則第11號、香港會計準則第12號及香港會計準則第23號之修訂」 |

除下文所闡釋有關香港財務報告準則第16號及香港(國際財務報告詮釋委員會)一詮釋第23號之影響外，採納上述新訂及經修訂準則對此等財務報表並無任何重大財務影響。

Notes to Financial Statements

財務報表附註

31 December 2019 二零一九年十二月三十一日

2.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES (continued)

The nature and the impact of HKFRS 16 and HK(IFRIC)-Int 23 are described below:

- (a) HKFRS 16 replaces HKAS 17 *Leases*, HK(IFRIC)-Int 4 *Determining whether an Arrangement contains a Lease*, HK(SIC)-Int 15 *Operating Leases – Incentives* and HK(SIC)-Int 27 *Evaluating the Substance of Transactions Involving the Legal Form of a Lease*. The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases under a single on-balance sheet model to recognise and measure right-of-use assets and lease liabilities, except for certain recognition exemptions. Lessor accounting under HKFRS 16 is substantially unchanged from HKAS 17. Lessors continue to classify leases as either operating or finance leases using similar principles as in HKAS 17. HKFRS 16 did not have any significant impact on leases where the Group is the lessor.

The Group has adopted HKFRS 16 using the modified retrospective method with the date of initial application of 1 January 2019. Under this method, the standard has been applied retrospectively with the cumulative effect of initial adoption recognised as an adjustment to the opening balance of retained profits at 1 January 2019, and the comparative information for 2018 was not restated and continued to be reported under HKAS 17 and related interpretations.

2.2 會計政策之變動及披露(續)

香港財務報告準則第16號及香港(國際財務報告詮釋委員會)一詮釋第23號之性質及影響闡述如下：

- (a) 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(國際財務報告詮釋委員會)一詮釋第4號「釐定安排是否包含租賃」、香港(常務詮釋委員會)一詮釋第15號「經營租賃－優惠」及香港(常務詮釋委員會)一詮釋第27號「評估牽涉租賃的法律形式的交易的內容」。該準則載列有關確認、計量、呈列及披露租賃之原則，並規定承租人須將所有租賃入賬列示於單一資產負債表內，以確認及計量使用權資產及租賃負債，惟若干豁免確認情況除外。香港財務報告準則第16號所載的出租人會計處理方式大致上沿襲香港會計準則第17號的相關會計處理方式。出租人將繼續使用香港會計準則第17號所載的類似原則將租賃分類為經營租賃或融資租賃。香港財務報告準則第16號對本集團為出租人的租賃並無構成任何重大影響。

本集團使用經修訂追溯採納方式採納香港財務報告準則第16號，有關準則之首次應用日期為二零一九年一月一日。根據此方式，有關準則已獲追溯應用，而首次採納之累計影響確認為二零一九年一月一日之保留盈利年初結餘調整，二零一八年之比較資料不會重報，並繼續根據香港會計準則第17號及相關詮釋之規定報告。

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財務報表附註

31 December 2019 二零一九年十二月三十一日

2.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES (continued)

(a) (continued)

New definition of a lease

Under HKFRS 16, a contract is, or contains, a lease if the contract conveys a right to control the use of an identified asset for a period of time in exchange for consideration. Control is conveyed where the customer has both the right to obtain substantially all of the economic benefits from use of the identified asset and the right to direct the use of the identified asset. The Group elected to use the transition practical expedient allowing the standard to be applied only to contracts that were previously identified as leases applying HKAS 17 and HK(IFRIC)-Int 4 at the date of initial application. Contracts that were not identified as leases under HKAS 17 and HK(IFRIC)-Int 4 were not reassessed. Therefore, the definition of a lease under HKFRS 16 has been applied only to contracts entered into or changed on or after 1 January 2019.

As a lessee – Leases previously classified as operating leases

Nature of the effect of adoption of HKFRS 16

The Group has lease contracts for various items of buildings, plant and machinery, motor vehicles, electronic equipment and others. As a lessee, the Group previously classified leases as either finance leases or operating leases based on the assessment of whether the lease transferred substantially all the rewards and risks of ownership of assets to the Group. Under HKFRS 16, the Group applies a single approach to recognise and measure right-of-use assets and lease liabilities for all leases, except for two elective exemptions for leases of low-value assets (elected on a lease-by-lease basis) and leases with a lease term of 12 months or less (“short-term leases”) (elected by class of underlying asset). Instead of recognising rental expenses under operating leases on a straight-line basis over the lease term commencing from 1 January 2019, the Group recognises depreciation (and impairment, if any) of the right-of-use assets and interest accrued on the outstanding lease liabilities (as finance costs).

2.2 會計政策之變動及披露(續)

(a) (續)

租賃之新定義

根據香港財務報告準則第16號，倘合約透過轉移已識別資產在一段時間內的用途控制權來換取代價，該合約即屬租賃或包含租賃。倘客戶有權獲取來自使用已識別資產的絕大部份經濟利益及有權管理已識別資產用途，控制權即屬已轉移。本集團選擇使用可行權宜過渡處理方法，使有關準則在首次應用日期僅適用於先前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)一詮釋第4號獲確定為租賃之合約。根據香港會計準則第17號及香港(國際財務報告詮釋委員會)一詮釋第4號未獲確定為租賃之合約並無作出重新評估。因此，在香港財務報告準則第16號下之租賃定義僅應用於二零一九年一月一日或之後訂立或變更之合約。

作為承租人—原先分類為經營租賃之租賃

採納香港財務報告準則第16號之影響性質

本集團具有有關樓宇、廠房及機器、汽車、電子設備及其他項目等多個項目的租賃合約。作為承租人，本集團原先把租賃分類為融資租賃或經營租賃，有關分類乃根據租賃會否把資產擁有權絕大部份回報及風險轉讓予本集團之評估而作出。根據香港財務報告準則第16號，除了兩項可選擇的租賃豁免(低價值資產之租賃(按每項租賃逐一決定)及租期為12個月或以下之租賃(「短期租賃」)(按相關資產類別決定))外，本集團應用單一處理方法就所有租賃確認及計量使用權資產及租賃負債。本集團自二零一九年一月一日開始並非按直線法於租期內確認經營租賃租金開支，而是確認使用權資產折舊(及耗損(如有))及尚欠租賃負債累計利息(作為財務費用)。

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財務報表附註

31 December 2019 二零一九年十二月三十一日

2.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES (continued)

(a) (continued)

As a lessee – Leases previously classified as operating leases (continued)

Impact on transition

Lease liabilities at 1 January 2019 were recognised based on the present value of the remaining lease payments, discounted using the incremental borrowing rate at 1 January 2019 and included in interest-bearing borrowings. The right-of-use assets were measured at the amount of the lease liability, adjusted by the amount of any prepaid or accrued lease payments relating to the lease recognised in the statement of financial position immediately before 1 January 2019.

All these assets were assessed for any impairment based on HKAS 36 on that date. The Group elected to present the right-of-use assets separately in the statement of financial position. This include the lease assets recognised previously under finance leases of HK\$55,910,000 that were reclassified from property, plant and equipment and the lease assets recognised previously under operating leases of HK\$213,082,000 that were reclassified from prepaid land lease payments.

For the leasehold land and buildings (that were held to earn rental income and/or for capital appreciation) previously included in investment properties and measured at fair value, the Group has continued to include them as investment properties at 1 January 2019. They continue to be measured at fair value applying HKAS 40.

The Group has used the following elective practical expedients when applying HKFRS 16 at 1 January 2019:

- Applying the short-term lease exemptions to leases with a lease term that ends within 12 months from the date of initial application
- Using hindsight in determining the lease term where the contract contains options to extend/terminate the lease
- Using a single discount rate to a portfolio of leases with reasonably similar characteristics
- Excluding the initial direct costs from the measurement of the right-of-use assets at the date of initial application

2.2 會計政策之變動及披露(續)

(a) (續)

作為承租人 – 原先分類為經營租賃之租賃(續)

過渡之影響

於二零一九年一月一日之租賃負債乃按剩餘租賃款項採用於二零一九年一月一日之遞增借貸利率貼現所得之現值確認，並計入計息借貸。使用權資產已按租賃負債金額計量，並就緊接二零一九年一月一日前在財務狀況表確認之租賃之任何相關預付或累計租賃款項金額作出調整。

所有該等資產於該日根據香港會計準則第36號評估耗損。本集團選擇在財務狀況表獨立呈列使用權資產。此包括原先在融資租賃(從物業、廠房及設備重新分類者)下確認之租賃資產港幣55,910,000元及原先在經營租賃(從預付土地租賃款項重新分類者)下確認之租賃資產港幣213,082,000元。

至於原先計入投資物業並按公允值計量之租賃土地及樓宇(持作賺取租金收入及/或資本增值者)，於二零一九年一月一日，本集團繼續將之計作投資物業。彼等繼續應用香港會計準則第40號按公允值計量。

於二零一九年一月一日應用香港財務報告準則第16號時，本集團使用下列可選擇的可行權宜處理方法：

- 對租期於首次應用日期起計12個月內結束的租賃應用短期租賃豁免
- 倘合約包含延長/終止租賃之選擇權，則於事後釐定租期
- 對具有合理相似特徵之租賃組合使用單一貼現率
- 於首次應用日期計量使用權資產時撇除初步直接成本

Notes to Financial Statements

財務報表附註

31 December 2019 二零一九年十二月三十一日

2.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES (continued)

(a) (continued)

As a lessee – Leases previously classified as finance leases

The Group did not change the initial carrying amounts of recognised assets and liabilities at the date of initial application for leases previously classified as finance leases. Accordingly, the carrying amounts of the right-of-use assets and the lease liabilities at 1 January 2019 were the carrying amounts of the recognised assets and liabilities (i.e., finance lease payables) measured under HKAS 17.

Financial impact at 1 January 2019

The impact arising from the adoption of HKFRS 16 as at 1 January 2019 are as follows:

2.2 會計政策之變動及披露(續)

(a) (續)

作為承租人 – 原先分類為融資租賃之租賃

就原先分類為融資租賃之租賃而言，於首次應用日期，本集團並無改變已確認資產及負債之初始賬面值。因此，於二零一九年一月一日，使用權資產及租賃負債之賬面值為根據香港會計準則第17號計量所得已確認資產及負債(即融資租賃應付款項)之賬面值。

於二零一九年一月一日之財務影響

於二零一九年一月一日，採納香港財務報告準則第16號所產生之影響如下：

| | | Increase/ (decrease) 增加/(減少) HK\$'000 港幣千元 |
|---|---------------------|--|
| Assets | | |
| 資產 | | |
| Increase in right-of-use assets | 使用權資產增加 | 284,022 |
| Decrease in property, plant and equipment | 物業、廠房及設備減少 | (55,910) |
| Decrease in prepaid land lease payments | 預付土地租賃款項減少 | (213,082) |
| Increase in total assets | 總資產增加 | 15,030 |
| Liabilities | | |
| 負債 | | |
| Increase in interest-bearing borrowings – Unsecured (current portion) | 計息借貸 – 無抵押(即期部份)增加 | 2,523 |
| Increase in interest-bearing borrowings – Unsecured (non-current portion) | 計息借貸 – 無抵押(非即期部份)增加 | 12,507 |
| Increase in total liabilities | 總負債增加 | 15,030 |

Notes to Financial Statements

財務報表附註

31 December 2019 二零一九年十二月三十一日

2.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES (continued)

(a) (continued)

Financial impact at 1 January 2019 (continued)

The lease liabilities as at 1 January 2019 reconciled to the operating lease commitments as at 31 December 2018 is as follows:

| | | HK\$'000 港幣千元 |
|--|--|------------------|
| Operating lease commitments as at 31 December 2018 | 於二零一八年十二月三十一日之經營租賃承擔 | 34,638 |
| Less: Commitments relating to short-term leases and those leases with a remaining lease term ended on or before 31 December 2019 | 減：有關短期租賃及餘下租期已於二零一九年十二月三十一日或之前結束之租賃之承擔 | (15,143) |
| Commitments relating to leases of low-value assets | 有關低價值資產租賃之承擔 | (1,012) |
| | | 18,483 |
| Weighted average incremental borrowing rate as at 1 January 2019 | 於二零一九年一月一日之加權平均遞增借貸利率 | 4.33% |
| Discounted operating lease commitments at 1 January 2019 | 於二零一九年一月一日之經貼現經營租賃承擔 | 15,030 |
| Add: Finance lease liabilities recognised as at 31 December 2018 | 加：於二零一八年十二月三十一日已確認之融資租賃負債 | 42,199 |
| Lease liabilities as at 1 January 2019 | 於二零一九年一月一日之租賃負債 | 57,229 |

(b) HK(IFRIC)-Int 23 addresses the accounting for income taxes (current and deferred) when tax treatments involve uncertainty that affects the application of HKAS 12 (often referred to as “uncertain tax positions”). The interpretation does not apply to taxes or levies outside the scope of HKAS 12, nor does it specifically include requirements relating to interest and penalties associated with uncertain tax treatments. The interpretation specifically addresses (i) whether an entity considers uncertain tax treatments separately; (ii) the assumptions an entity makes about the examination of tax treatments by taxation authorities; (iii) how an entity determines taxable profits or tax losses, tax bases, unused tax losses, unused tax credits and tax rates; and (iv) how an entity considers changes in facts and circumstances. The interpretation did not have any impact on the financial position or performance of the Group.

2.2 會計政策之變動及披露(續)

(a) (續)

於二零一九年一月一日之財務影響(續)

於二零一九年一月一日之租賃負債與二零一八年十二月三十一日之經營租賃承擔對賬如下：

(b) 香港(國際財務報告詮釋委員會)－詮釋第23號於稅項處理涉及影響應用香港會計準則第12號之不確定性(通常指的是「不確定稅務狀況」)時，處理所得稅(即期及遞延)之會計方法。有關詮釋並不適用於香港會計準則第12號範疇以外之稅項或徵費，亦無特意地包括與不確定稅項處理有關之利息及罰款之相關規定。有關詮釋特別強調：(i)實體是否獨立考慮不確定之稅項處理方法；(ii)實體對稅務機關之稅項處理檢查所作之假設；(iii)實體如何釐定應課稅溢利或稅項虧損、稅基、未動用稅項虧損、未動用稅項抵免及稅率；及(iv)實體如何考慮事實及情況變動。有關詮釋對本集團之財務狀況或表現並無構成任何影響。

Notes to Financial Statements

財務報表附註

31 December 2019 二零一九年十二月三十一日

2.3 ISSUED BUT NOT YET EFFECTIVE HONG KONG FINANCIAL REPORTING STANDARDS

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

| | |
|--|---|
| Amendments to HKFRS 3 | <i>Definition of a Business</i> ¹ |
| Amendments to HKFRS 9, HKAS 39 and HKFRS 7 | <i>Interest Rate Benchmark Reform</i> ¹ |
| Amendments to HKFRS 10 and HKAS 28 (2011) | <i>Sale or Contribution of Assets between an Investor and its Associate or Joint Venture</i> ³ |
| HKFRS 17 | <i>Insurance Contracts</i> ² |
| Amendments to HKAS 1 and HKAS 8 | <i>Definition of Material</i> ¹ |

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

² Effective for annual periods beginning on or after 1 January 2021

³ No mandatory effective date yet determined but available for adoption

Further information about those HKFRSs that are expected to be applicable to the Group is described below.

Amendments to HKFRS 3 clarify and provide additional guidance on the definition of a business. The amendments clarify that for an integrated set of activities and assets to be considered a business, it must include, at a minimum, an input and a substantive process that together significantly contribute to the ability to create output. A business can exist without including all of the inputs and processes needed to create outputs. The amendments remove the assessment of whether market participants are capable of acquiring the business and continue to produce outputs. Instead, the focus is on whether acquired inputs and acquired substantive processes together significantly contribute to the ability to create outputs. The amendments have also narrowed the definition of outputs to focus on goods or services provided to customers, investment income or other income from ordinary activities. Furthermore, the amendments provide guidance to assess whether an acquired process is substantive and introduce an optional fair value concentration test to permit a simplified assessment of whether an acquired set of activities and assets is not a business. The Group expects to adopt the amendments prospectively from 1 January 2020. Since the amendments apply prospectively to transactions or other events that occur on or after the date of first application, the Group will not be affected by these amendments on the date of transition.

2.3 已頒佈但尚未生效之香港財務報告準則

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

| | |
|---------------------------------------|---|
| 香港財務報告準則第3號之修訂 | 「業務」之定義 ¹ |
| 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號之修訂 | 「利率基準改革」 ¹ |
| 香港財務報告準則第10號及香港會計準則第28號之修訂(二零一一年) | 「投資者與其聯營公司或合營企業之間的資產出售或注資」 ³ |
| 香港財務報告準則第17號 | 「保險合同」 ² |
| 香港會計準則第1號及香港會計準則第8號之修訂 | 「重大」之定義 ¹ |

¹ 於二零二零年一月一日或之後開始之年度期間生效

² 於二零二一年一月一日或之後開始之年度期間生效

³ 尚未確定強制生效日期，惟已可供採納

預期將適用於本集團之香港財務報告準則之進一步資料闡述如下：

香港財務報告準則第3號之修訂澄清及提供有關業務之定義之進一步指引。有關修訂作出澄清，就被視為業務之一組具整合性的活動及資產而言，其必須最低限度包括投入及重大程序等要素，兩者能共同大力促成創造產出。即使不包含創造產出所需之所有投入及程序，業務仍可存在。有關修訂免除了對市場參與者是否有能力收購有關業務並繼續製造產出作出評估。取而代之，焦點集中於收購所得之投入及收購所得之重大程序是否能共同大力促成創造產出。有關修訂亦把產出之定義收窄至集中於提供予客戶之貨品或服務、投資收入或來自日常活動之其他收入。此外，有關修訂亦就評估收購所得之程序是否屬重大提供指引，並引入非強制性公允值集中測試，允許以簡化方式評估收購所得之一組活動及資產是否不屬業務。本集團預期自二零二零年一月一日起按未來適用基準採納有關修訂。由於有關修訂按未來適用基準應用於首次應用日期或之後發生之交易或其他事件，故於過渡日期有關修訂不會對本集團構成任何影響。

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2.3 ISSUED BUT NOT YET EFFECTIVE HONG KONG FINANCIAL REPORTING STANDARDS (continued)

Amendments to HKFRS 10 and HKAS 28 (2011) address an inconsistency between the requirements in HKFRS 10 and in HKAS 28 (2011) in dealing with the sale or contribution of assets between an investor and its associate or joint venture. The amendments require a full recognition of a gain or loss when the sale or contribution of assets between an investor and its associate or joint venture constitutes a business. For a transaction involving assets that do not constitute a business, a gain or loss resulting from the transaction is recognised in the investor's profit or loss only to the extent of the unrelated investor's interest in that associate or joint venture. The amendments are to be applied prospectively. The previous mandatory effective date of amendments to HKFRS 10 and HKAS 28 (2011) was removed by the HKICPA in January 2016 and a new mandatory effective date will be determined after the completion of a broader review of accounting for associates and joint ventures. However, the amendments are available for adoption now.

Amendments to HKAS 1 and HKAS 8 provide a new definition of material. The new definition states that information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements. The amendments clarify that materiality will depend on the nature or magnitude of information. A misstatement of information is material if it could reasonably be expected to influence decisions made by the primary users. The Group expects to adopt the amendments prospectively from 1 January 2020. The amendments are not expected to have any significant impact on the Group's financial statements.

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Investments in associates and joint ventures

An associate is an entity in which the Group has a long term interest of generally not less than 20% of the equity voting rights and over which it is in a position to exercise significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but is not control or joint control over those policies.

2.3 已頒佈但尚未生效之香港財務報告準則(續)

香港財務報告準則第10號及香港會計準則第28號(二零一一年)之修訂,處理香港財務報告準則第10號及香港會計準則第28號(二零一一年)兩者在投資者與其聯營公司或合營企業之間進行資產出售或注資之規定中的一個不一致情況。有關修訂規定,當投資者與其聯營公司或合營企業之間的資產出售或注資構成一項業務時,即須確認全數收益或虧損。倘交易涉及並不構成一項業務的資產,由該交易產生之收益或虧損須於該投資者之損益賬內確認,惟僅以不相關投資者於該聯營公司或合營企業之權益為限。有關修訂將按未來適用基準應用。香港會計師公會已於二零一六年一月移除香港財務報告準則第10號及香港會計準則第28號(二零一一年)之修訂的原先強制生效日期,而新的強制生效日期將於對聯營公司及合營企業的會計處理完成更廣泛的檢討後釐定。然而,該等修訂現時已可供採納。

香港會計準則第1號及香港會計準則第8號之修訂為「重大」一詞提供了新定義。有關新定義列明,如合理預期遭遺漏、錯誤陳述或模糊不清之資料可能會影響一般財務報表主要用家根據有關財務報表所作之決定,則有關資料屬重大資料。有關修訂澄清,重大與否取決於資料之性質及重要性。如果按合理預期錯誤陳述之資料可能會影響其主要用家所作之決定,則有關錯誤陳述資料將被視作重大。本集團預期自二零二零年一月一日起按未來適用基準採納有關修訂。預期有關修訂不會對本集團之財務報表構成任何重大影響。

2.4 主要會計政策概要

於聯營公司及合營企業之投資

聯營公司為本集團長期擁有其股本投票權一般不少於20%權益且有權對其行使重大影響力之實體。重大影響力指有權參與決定被投資公司之財務及營運政策,惟並非控制或共同控制該等政策。

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2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Investments in associates and joint ventures (continued)

A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control.

The Group's investments in associates and joint ventures are stated in the consolidated statement of financial position at the Group's share of net assets under the equity method of accounting, less any impairment losses.

The Group's share of the post-acquisition results and other comprehensive income of associates and joint ventures is included in the consolidated income statement and consolidated statement of comprehensive income, respectively. In addition, when there has been a change recognised directly in the equity of the associate or joint venture, the Group recognises its share of any changes, when applicable, in the consolidated statement of changes in equity. Unrealised gains and losses resulting from transactions between the Group and its associates or joint ventures are eliminated to the extent of the Group's investments in the associates or joint ventures, except where unrealised losses provide evidence of an impairment of the assets transferred. Goodwill arising from the acquisition of associates or joint ventures is included as part of the Group's investments in associates or joint ventures.

If an investment in an associate becomes an investment in a joint venture or vice versa, the retained interest is not remeasured. Instead, the investment continues to be accounted for under the equity method. In all other cases, upon loss of significant influence over the associate or joint control over the joint venture, the Group measures and recognises any retained investment at its fair value. Any difference between the carrying amount of the associate or joint venture upon loss of significant influence or joint control and the fair value of the retained investment and proceeds from disposal is recognised in profit or loss.

2.4 主要會計政策概要(續)

於聯營公司及合營企業之投資(續)

合營企業為一項共同安排，據此，對共同安排擁有共同控制權之訂約方均有權享有合營企業的資產淨值。共同控制是指按照合約協定對某項安排共享控制權，其僅在相關活動決策必須獲共享控制權的人士一致同意方始存在。

本集團於聯營公司及合營企業之投資乃按權益會計法，以本集團應佔資產淨值減去任何耗損虧損，於綜合財務狀況表列賬。

本集團應佔聯營公司及合營企業之收購後業績及其他全面收入分別計入綜合損益表及綜合全面損益表。此外，倘出現直接於聯營公司或合營企業之權益確認之變動，則本集團會於綜合權益變動表確認其應佔之任何變動(倘適用)。本集團與其聯營公司或合營企業之間之交易所產生之未實現收益及虧損將以本集團於聯營公司或合營企業之投資為限對銷，但如未實現虧損為所轉讓資產耗損之憑證則除外。收購聯營公司或合營企業所產生之商譽計作本集團於聯營公司或合營企業之投資之一部份。

倘於聯營公司之投資成為於合營企業之投資(反之亦然)，則保留權益不會重新計量，而是有關投資將繼續使用權益會計法入賬。在所有其他情況下，在失去聯營公司之重大影響力或失去合營企業之共同控制權時，本集團會按公允值計量並確認任何保留投資。於失去重大影響力或失去共同控制權時聯營公司或合營企業之賬面值與保留投資及出售所得款項之公允值間之差額於損益表確認。

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2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Business combinations and goodwill

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

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

If the business combination is achieved in stages, the previously held equity interest is remeasured at its acquisition date fair value and any resulting gain or loss is recognised in profit or loss.

Any contingent consideration to be transferred by the acquirer is recognised at fair value at the acquisition date. Contingent consideration classified as an asset or liability is measured at fair value with changes in fair value recognised in profit or loss. Contingent consideration that is classified as equity is not remeasured and subsequent settlement is accounted for within equity.

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

2.4 主要會計政策概要(續)

業務合併及商譽

業務合併採用收購法入賬。所轉讓代價按收購日期之公允值計量，而公允值乃本集團所轉讓資產之收購日期公允值、本集團對被收購公司前擁有人所承擔之負債及本集團為換取被收購公司控制權所發行之股權之總和。就每項業務合併而言，本集團會選擇按公允值或按其於被收購公司可辨別資產淨值之應佔比例，計量於被收購公司之非控股權益，非控股權益屬現時擁有人權益，並賦予其持有人權利可於清盤時按比例分佔資產淨值。非控股權益之所有其他部份按公允值計量。收購交易之相關成本於產生時支銷。

當本集團收購業務時，其會根據合約條款、經濟情況及於收購日期之相關情況評估收購所得之財務資產及所承擔之財務負債，以作出適當分類及指定。此包括區分被收購公司主合約之嵌入式衍生工具。

倘業務合併乃分階段完成，則原先持有之股權會按收購日期之公允值重新計量，所產生之收益或虧損於損益表確認。

收購方將轉讓之任何或然代價按收購日期之公允值確認。獲分類為資產或負債之或然代價乃按公允值計量，而公允值變動則於損益表確認。分類為權益之或然代價並不會重新計量，而其後結算會於權益中入賬。

商譽初步按成本值計量，而成本乃所轉讓代價、就非控股權益確認之金額及本集團原先持有被收購公司之股權之任何公允值之總和超出收購所得可辨別資產淨值及所承擔負債之數。倘該代價與其他項目之總和低於收購所得資產淨值之公允值，則經重新評估後之差額於損益表確認為議價購入收益。

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2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Business combinations and goodwill (continued)

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. Goodwill is tested for impairment annually or more frequently if events or changes in circumstances indicate that the carrying value may be impaired. The Group performs its annual impairment test of goodwill as at 31 December. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units, or groups of cash-generating units, that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the Group are assigned to those units or groups of units.

Impairment is determined by assessing the recoverable amount of the cash-generating unit (group of cash-generating units) to which the goodwill relates. Where the recoverable amount of the cash-generating unit (group of cash-generating units) is less than the carrying amount, an impairment loss is recognised. An impairment loss recognised for goodwill is not reversed in a subsequent period.

Where goodwill has been allocated to a cash-generating unit (or group of cash-generating units) and part of the operation within that unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on the disposal. Goodwill disposed of in these circumstances is measured based on the relative value of the operation disposed of and the portion of the cash-generating unit retained.

Fair value measurement

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

2.4 主要會計政策概要(續)

業務合併及商譽(續)

於初步確認後，商譽按成本值減去任何累計耗損虧損計量。商譽會每年測試耗損或於發生事件或情況有變顯示賬面值可能耗損時將更頻密地測試耗損。本集團於十二月三十一日進行其年度商譽耗損測試。為進行耗損測試，於業務合併中收購所得之商譽自收購日期起分配至本集團預期可受惠於合併協同效益之各個現金生產單位或現金生產單位組別，而不論本集團其他資產或負債是否撥入該等單位或單位組別。

耗損乃藉評估與商譽有關之現金生產單位(現金生產單位組別)之可收回金額而釐定。倘現金生產單位(現金生產單位組別)之可收回金額少於賬面值，便會確認耗損虧損。就商譽確認之耗損虧損不會於其後期間撥回。

倘商譽獲分配至現金生產單位(或現金生產單位組別)及該單位之部份業務獲出售，則於釐定該出售事項之收益或虧損時，與該已出售業務相關之商譽會計入該業務之賬面值。在此情況下出售之商譽根據所出售業務之相關價值及所保留現金生產單位部份計量。

公允值計量

本集團於各報告期末按公允值計量其投資物業、若干股本投資及財富管理產品，以及應收或然代價。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之價格或轉讓負債所支付之價格。公允值乃根據出售資產或轉讓負債之交易於資產或負債主要市場或(在無主要市場情況下)最具優勢市場進行之假設而計量。主要及最具優勢市場須為本集團可進入之市場。資產或負債之公允值乃按市場參與者於資產或負債定價時所使用之假設計量，並假設市場參與者會以符合最佳經濟利益之方式行事。

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2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Fair value measurement (continued)

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

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

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

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

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

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

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

2.4 主要會計政策概要(續)

公允值計量(續)

非財務資產之公允值計量會計及市場參與者能否自最佳最有效使用該資產而賺取經濟利益，或能否將該資產出售予將最佳最有效使用該資產之其他市場參與者而賺取經濟利益。

本集團會使用適用於不同情況且具備充分數據以供計量公允值之估值方法，並盡量使用相關可觀察輸入數據及盡量減少使用不可觀察輸入數據。

已於財務報表中計量或披露公允值之所有資產及負債乃按對公允值計量整體而言屬重大之最低層輸入數據根據以下公允值等級分類：

第一級 – 基於相同資產或負債於活躍市場之報價(未經調整)

第二級 – 基於對公允值計量而言屬重大之可觀察(直接或間接)最低層輸入數據之估值方法

第三級 – 基於對公允值計量而言屬重大之不可觀察最低層輸入數據之估值方法

就按經常性基準於財務報表確認之資產及負債而言，本集團透過於各報告期末重新評估分類(按對公允值計量整體而言屬重大之最低層輸入數據)確定不同等級之間是否出現轉移。

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2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Impairment of non-financial assets

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

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

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

2.4 主要會計政策概要(續)

非財務資產之耗損

倘出現耗損跡象或須就資產進行年度耗損測試(存貨、合約資產、遞延稅項資產、財務資產及投資物業除外)，便會估計資產之可收回金額。資產之可收回金額為資產或現金生產單位之使用價值或其公允值減去銷售成本(以較高者為準)，並就每項資產釐定，除非有關資產並不能產生明顯獨立於其他資產或資產組別之現金流入，在此情況下則就資產所屬現金生產單位釐定可收回金額。

耗損虧損僅在資產賬面值超出其可收回金額之情況下予以確認。在評估使用價值時，估計日後現金流量乃使用能反映市場當前所評估之貨幣時間價值及資產之特定風險之除稅前貼現率貼現至現值。耗損虧損於其產生期間自損益表中與該耗損資產功能相符之開支類別中扣除。

於各報告期末，將評估是否有跡象顯示先前已確認之耗損虧損可能不再存在或已減少。倘出現有關跡象，便會估計可收回金額。先前就商譽以外資產確認之耗損虧損僅會在用以釐定該資產可收回金額之估計出現變動時撥回，而有關金額將不會高於倘過往年度並無就資產確認耗損虧損而應釐定之賬面值(扣除任何折舊／攤銷)。耗損虧損之撥回金額於其產生期間計入損益表。

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2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Related parties

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

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

or

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

2.4 主要會計政策概要(續)

關聯人士

在下列情況下，某一方將被視為與本集團有關聯：

- (a) 如上述一方為一名人士(或有關人士之直系親屬)，而有關人士
 - (i) 控制或共同控制本集團；
 - (ii) 對本集團有重大影響力；或
 - (iii) 為本集團或本集團母公司之主要管理人員其中一名成員；

或

- (b) 如上述一方為一個實體，且下列任何情況適用：
 - (i) 有關實體與本集團屬同一集團之成員；
 - (ii) 其中一個實體為另一實體(或另一實體之母公司、附屬公司或同系附屬公司)之聯營公司或合營企業；
 - (iii) 有關實體及本集團均為同一第三方之合營企業；
 - (iv) 其中一個實體為第三方實體之合營企業，而另一實體則為該第三方實體之聯營公司；
 - (v) 有關實體為離職後福利計劃，而該計劃之受益人為本集團或與本集團有關之實體之僱員；
 - (vi) 有關實體由(a)項所辨識人士控制或共同控制；
 - (vii) 於(a)(i)項所辨識人士對有關實體有重大影響力或屬有關實體(或有關實體之母公司)主要管理人員其中一名成員；及
 - (viii) 有關實體或其所屬集團之任何成員公司向本集團或向本集團之母公司提供主要管理人員服務。

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2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Property, plant and equipment and depreciation

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

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

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

| | |
|---|--|
| Freehold land | Not depreciated |
| Buildings | Over the shorter of the lease terms and 2% to 5% |
| Leasehold improvements | Over the shorter of the lease terms and 10% |
| Plant and machinery | 4% to 20% |
| Furniture and fixtures | 10% to 20% |
| Motor vehicles, electronic equipment and others | 8 $\frac{1}{3}$ % to 33 $\frac{1}{3}$ % |

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

2.4 主要會計政策概要(續)

物業、廠房及設備以及折舊

物業、廠房及設備(在建工程除外)按成本值減去累計折舊及任何耗損虧損列賬。物業、廠房及設備項目之成本包括其購買價及任何使資產達至營運狀況及地點作擬定用途之直接應佔成本。

物業、廠房及設備項目投入運作後所產生之支出(例如：維修保養)，一般於其產生期間在損益表扣除。倘符合確認條件，則重大檢查支出會於資產賬面值中資本化作為置換。倘須定期置換物業、廠房及設備之重大部份，則本集團會將該等部份確認為有特定可使用年期之個別資產，並相應作出折舊。

折舊以直線基準按估計可使用年期將物業、廠房及設備各個項目之成本撇銷至其餘值計算。就此使用之主要年率如下：

| | |
|------------|--------------------------------------|
| 永久業權土地 | 不予折舊 |
| 樓宇 | 租賃年期或2%至5%，以較短者為準 |
| 租賃物業裝修 | 租賃年期或10%，以較短者為準 |
| 廠房及機器 | 4%至20% |
| 傢俬及裝置 | 10%至20% |
| 汽車、電子設備及其他 | 8 $\frac{1}{3}$ %至33 $\frac{1}{3}$ % |

倘物業、廠房及設備項目各部份具有不同之可使用年期，則該項目之成本將合理分配至各部份，而各部份將個別折舊。剩餘價值、可使用年期及折舊方法至少於各財政年度年結日審閱，並作出調整(倘適用)。

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2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Property, plant and equipment and depreciation (continued)

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

Construction in progress is stated at cost less any impairment losses, and is not depreciated. Cost comprises the direct costs of construction and capitalised borrowing costs on related borrowed funds during the period of construction. Construction in progress is reclassified to the appropriate category of property, plant and equipment when completed and ready for use.

Investment properties

Investment properties are interests in land and buildings (including the leasehold property held as a right-of-use asset (2018: leasehold property under an operating lease) which would otherwise meet the definition of an investment property) held to earn rental income and/or for capital appreciation, rather than for use in the production or supply of goods or services or for administrative purposes; or for sale in the ordinary course of business. Such properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at fair value, which reflects market conditions at the end of the reporting period.

Gains or losses arising from changes in the fair values of investment properties are included in the income statement in the year in which they arise.

Any gains or losses on the retirement or disposal of an investment property are recognised in the income statement in the year of the retirement or disposal.

2.4 主要會計政策概要(續)

物業、廠房及設備以及折舊(續)

物業、廠房及設備項目(包括初步確認之任何重大部份)於出售時或預期日後使用或出售該項目不會產生經濟利益時終止確認。於資產終止確認之年度在損益表就出售或廢棄資產而確認之任何收益或虧損為有關資產出售所得款項淨額與賬面值間之差額。

在建工程按成本值減去任何耗損虧損列賬，且不予折舊。成本包括直接建造成本及於施工期間內相關借入資金之資本化借貸成本。在建工程在竣工及可投入使用時重新分類至物業、廠房及設備之合適類別。

投資物業

投資物業乃指持作賺取租金收入及／或資本升值，而非為生產或供應貨物或服務的用途；或為行政目的；或為於日常業務過程中出售而持有的土地及樓宇中的權益(包括持作使用權資產並符合投資物業定義之租賃物業(二零一八年：在經營租賃下之租賃物業))。該等物業初步按成本值計量，當中包括交易成本。於初步確認後，投資物業按能反映報告期末市場情況的公允值列賬。

投資物業公允值變動而產生之收益或虧損於產生年度計入損益表。

投資物業報廢或出售而產生之任何收益或虧損於報廢或出售年度在損益表確認。

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2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Intangible assets (other than goodwill)

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is the fair value at the date of acquisition. The useful lives of intangible assets are assessed to be either finite or indefinite. Intangible assets with finite lives are subsequently amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at each financial year end.

The following intangible assets are amortised from the date they are available for use and their estimated useful lives are as follows:

| | |
|---|----------------|
| Environmental energy project operating rights | 7 to 30 years |
| Greentech project operating rights | 20 to 50 years |
| Environmental water project operating rights | 20 to 32 years |
| Patents, trademarks and licences | 6 to 20 years |
| Computer software | 5 years |
| Backlog contracts | 2 to 30 years |
| Technology | 8 to 10 years |
| Customer relations | 5 to 7 years |
| Trade contracts | 4 years |

An intangible asset is derecognised on disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on disposal or retirement recognised in the income statement in the year the intangible asset is derecognised is the difference between the net sale proceeds and the carrying amount of the relevant intangible asset.

Leases (applicable from 1 January 2019)

The Group assesses at contract inception whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified assets for a period of time in exchange for consideration.

2.4 主要會計政策概要(續)

無形資產(商譽除外)

個別收購所得之無形資產於初步確認時按成本值計量。於業務合併收購所得之無形資產之成本指收購當日之公允值。無形資產之可使用年期可評定為有限期或無限期。具有有限可使用年期之無形資產其後於可使用經濟年期攤銷，並於無形資產可能出現耗損跡象時評估耗損。具有有限可使用年期之無形資產之攤銷期及攤銷方法至少須於各個財政年度年結日進行審閱。

下列無形資產自其可供使用日期起攤銷，而其估計可使用年期如下：

| | |
|-----------|---------|
| 環保能源項目運營權 | 七至三十年 |
| 綠色環保項目運營權 | 二十至五十年 |
| 環保水務項目運營權 | 二十至三十二年 |
| 專利、商標及牌照 | 六至二十年 |
| 電腦軟件 | 五年 |
| 未完成合約 | 二至三十年 |
| 技術 | 八至十年 |
| 客戶關係 | 五至七年 |
| 貿易合同 | 四年 |

無形資產於出售時或當預期日後使用或出售不會產生經濟利益時終止確認。於無形資產終止確認年度在損益表就出售或報廢無形資產而確認之任何收益或虧損為有關無形資產之出售所得款項淨額與賬面值之差額。

租賃(自二零一九年一月一日起適用)

本集團會於合約開始時評估該合約是否屬租賃或包含租賃。倘合約透過轉易已識別資產在一段時間內的用途控制權來換取代價，該合約即屬租賃或包含租賃。

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2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Leases (applicable from 1 January 2019) (continued) Group as a lessee

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

At inception or on reassessment of a contract that contains a lease component and non-lease component(s), the Group adopts the practical expedient not to separate non-lease component(s) and to account for the lease component and the associated non-lease component(s) (e.g., property management services for leases of properties) as a single lease component.

(a) Right-of-use assets

Right-of-use assets are recognised at the commencement date of the lease (that is the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and any impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease terms and the estimated useful lives of the assets as follows:

| | |
|---|----------------|
| Leasehold land | 20 to 50 years |
| Buildings | 1.3 to 5 years |
| Plant and machinery | 1.3 to 5 years |
| Motor vehicles, electronic equipment and others | 1.3 to 3 years |

If ownership of the leased assets transfers to the Group by the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

When a right-of-use asset meets the definition of investment property, it is included in investment properties. The corresponding right-of-use asset is initially measured at cost, and subsequently measured at fair value, in accordance with the Group's policy for "Investment properties".

2.4 主要會計政策概要(續)

租賃(自二零一九年一月一日起適用)(續) 本集團作為承租人

本集團對所有租賃採用單一確認及計量法，惟短期租賃及低價值資產租賃除外。本集團會確認作出租賃付款之租賃負債及使用權資產(即使用相關資產之權利)。

在包含租賃部份及非租賃部份之合約開始時或重新評估時，本集團應用可行權宜處理方法，不予分開非租賃部份，並把租賃部份及相關非租賃部份(例如：物業租賃之物業管理服務)作為一個單一租賃部份入賬處理。

(a) 使用權資產

使用權資產乃於租賃開始日期(即相關資產可供使用日期)確認。使用權資產按成本減去任何累計折舊及任何耗損虧損計量，並就租賃負債之任何重新計量作出調整。使用權資產之成本包括已確認租賃負債金額、初步已產生直接成本，以及於開始日期或之前已作出之租賃付款減去任何已收取之租賃獎勵。使用權資產按直線法於租期或有關資產之估計可使用年期(以較短者為準)計算折舊，詳情如下：

| | |
|------------|--------|
| 租賃土地 | 20至50年 |
| 樓宇 | 1.3至5年 |
| 廠房及機器 | 1.3至5年 |
| 汽車、電子設備及其他 | 1.3至3年 |

如租賃資產擁有權會於租期結束時轉歸本集團，又或成本反映行使購買選擇權，便會使用有關資產之估計可使用年期計算折舊。

如使用權資產符合投資物業之定義，其將計入投資物業。根據本集團有關「投資物業」之政策，相關使用權資產初步按成本值計量，其後則按公允值計量。

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2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Leases (applicable from 1 January 2019) (continued) Group as a lessee (continued)

(b) Lease liabilities

Lease liabilities are recognised at the commencement date of the lease at the present value of lease payments to be made over the lease term. 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, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for termination of a lease, if the lease term reflects the Group exercising the option to terminate. The variable lease payments that do not depend on an index or a rate are recognised as an expense in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in lease payments (e.g., a change to future lease payments resulting from a change in an index or rate) or a change in assessment of an option to purchase the underlying asset.

The Group's lease liabilities are included in interest-bearing borrowings.

2.4 主要會計政策概要(續)

租賃(自二零一九年一月一日起適用)(續)

本集團作為承租人(續)

(b) 租賃負債

本集團於租賃開始日期按租期內須作出之租賃付款現值確認租賃負債。租賃付款包括定額付款(包括實質定額款項)減去任何應收租賃獎勵、取決於指數或利率之可變租賃付款以及預期根據剩餘價值擔保須予支付之金額。租賃付款亦包括合理確定本集團將予行使之購買選擇權之行使價及有關終止租賃之罰款(如租期反映本集團行使終止租賃選擇權)。並不取決於指數或利率之可變租賃付款在觸發付款之事件或情況發生之期間確認為開支。

在計算租賃款項之現值時，由於租賃內含利率不易釐定，故此本集團使用租賃開始日期之遞增借貸利率計算。於租賃開始日期後，租賃負債金額之增加反映利息之增長，其減少則關乎已作出之租賃付款。此外，倘出現修改、租期變動、租賃款項變動(指數或利率變動導致未來租賃款項變動)、或購買相關資產之選擇權之評估有變，便會重新計量租賃負債之賬面值。

本集團之租賃負債計入計息借貸。

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2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Leases (applicable from 1 January 2019) (continued) Group as a lessee (continued)

(c) Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to its short-term leases (that is those leases 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 leases of low-value assets.

Lease payments on short-term leases and leases of low-value assets are recognised as an expense on a straight-line basis over the lease term.

Group as a lessor

When the Group acts as a lessor, it classifies at lease inception (or when there is a lease modification) each of its leases as either an operating lease or a finance lease.

Leases in which the Group does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. When a contract contains lease and non-lease components, the Group allocates the consideration in the contract to each component on a relative stand-alone selling price basis. Rental income is accounted for on a straight-line basis over the lease terms and is included in other revenue in the income statement due to its operating nature. Initial direct cost incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as other revenue in the period in which they are earned.

Leases that transfer substantially all the risks and rewards incidental to ownership of an underlying asset to the lessee are accounted for as finance leases. At the commencement date, the cost of the leased asset is capitalised at the present value of the lease payments and related payments (including the initial direct costs), and presented as a receivable at an amount equal to the net investment in the lease. The finance costs of such leases are charged to the income statement so as to provide a constant periodic rate of charge over the lease terms.

2.4 主要會計政策概要(續)

租賃(自二零一九年一月一日起適用)(續) 本集團作為承租人(續)

(c) 短期租賃及低價值資產租賃

本集團對短期租賃(即自租賃開始日期起計租期為十二個月或以下,並且不包含購買選擇權的租賃)應用短期租賃確認豁免。其亦對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之租賃款項按直線法於租期內確認為開支。

本集團作為出租人

如本集團為出租人,便會在租賃開始時(或在租賃修訂時)把各項租賃分類為經營租賃或融資租賃。

凡本集團轉讓資產擁有權附帶之絕大部份風險及回報之租賃,均分類為經營租賃。倘合約包含租賃及非租賃部份,本集團會根據相對獨立的售價基準將合約代價分配予各部份。租金收入按直線法於租期內入賬,並由於屬經營性質,故於損益表中計入其他收益處理。於磋商及安排經營租賃過程中所產生之初步直接成本會加至租賃資產之賬面值,並按租金收入之同一基準在租期內確認。或然租金於賺取有關租金之期間確認為其他收益。

凡轉讓相關資產擁有權附帶之絕大部份風險及回報予承租人之租賃,均入賬為融資租賃。於開始日期,租賃資產之成本按租賃款項及相關付款(包括初步直接成本)之現值撥充資本,並列作應收款項,金額相等於租賃中的投資淨額。該等租約之財務費用於租期內以固定定期的支銷率自損益表扣除。

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2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Leases (applicable before 1 January 2019)

Leases that transfer substantially all the rewards and risks of ownership of assets to the Group, other than legal title, are accounted for as finance leases. At the inception of a finance lease, the cost of the leased asset is capitalised at the present value of the minimum lease payments and recorded together with the obligation, excluding the interest element, to reflect the purchase and financing. Assets held under capitalised finance leases, including prepaid land lease payments under finance leases, are included in property, plant and equipment, and depreciated over the shorter of the lease terms and the estimated useful lives of the assets. The finance costs of such leases are charged to the income statement so as to provide a constant periodic rate of charge over the lease terms.

Assets acquired through hire purchase contracts of a financing nature are accounted for as finance leases, but are depreciated over their estimated useful lives.

When the Group is a lessor under finance leases, an amount representing the minimum lease payment receivables and initial direct costs is included in the statement of financial position as finance lease receivables. Any unguaranteed residual value is also recognised at the inception of the lease. The difference between the sum of the minimum lease payment receivables, initial direct costs, the unguaranteed residual value and their present value is recognised as unearned finance income. Unearned finance income is recognised over the period of the lease using the effective interest rate method.

Leases where substantially all the rewards and risks of ownership of assets remain with the lessor are accounted for as operating leases. Where the Group is the lessor, assets leased by the Group under operating leases are included in non-current assets, and rentals receivable under the operating leases are credited to the income statement on the straight-line basis over the lease terms. Where the Group is the lessee, rentals payable under operating leases net of any incentives received from the lessor are charged to the income statement on the straight-line basis over the lease terms.

2.4 主要會計政策概要(續)

租賃(二零一九年一月一日前適用)

凡資產擁有權絕大部份回報及風險(法定業權除外)轉讓予本集團之租賃，均以融資租賃入賬。融資租賃開始時，租賃資產之成本按最低租賃款項之現值撥充資本，並連同責任(不包括利息部份)一併列賬，以反映購買及融資情況。根據經撥充資本融資租賃持有之資產(包括在融資租賃下之預付土地租賃款項)計入物業、廠房及設備，並按租賃年期或資產估計可使用年期(以較短者為準)折舊。該等租約之財務費用按租賃年期以固定定期的支銷率自損益表扣除。

透過融資性質租購合同而獲得的資產列作融資租賃，惟將於資產預計可使用年期內折舊。

倘本集團為融資租賃項下之出租方，便會將相當於最低租賃應收款項及初始直接成本之金額在財務狀況表入賬為融資租賃應收款項。此外，亦會於訂立租賃時確認任何未擔保剩餘價值。最低租賃應收款項、初始直接成本及未擔保剩餘價值之總和與其現值之間的差額會確認為未實現融資收入。未實現融資收入乃使用實際利率法於租期內確認。

凡資產擁有權絕大部份回報及風險仍歸出租人所有之租賃，均列作經營租賃。倘本集團為出租人，則本集團根據經營租賃出租之資產計入非流動資產，而根據經營租賃應收之租金則按租賃年期以直線基準計入損益表。倘本集團為承租人，則根據經營租賃應付之租金(扣除自出租人收取所得之任何優惠)按租賃年期以直線基準自損益表扣除。

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2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Leases (applicable before 1 January 2019) (continued)

Prepaid land lease payments under operating leases are initially stated at cost and subsequently recognised on the straight-line basis over the lease terms.

Investments and other financial assets

Initial recognition and measurement

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income, and fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. With the exception of debtors that do not contain a significant financing component or for which the Group has applied the practical expedient of not adjusting the effect of a significant financing component, the Group initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. Debtors that do not contain a significant financing component or for which the Group has applied the practical expedient are measured at the transaction price determined under HKFRS 15 in accordance with the policies set out for "Revenue recognition" below.

In order for a financial asset to be classified and measured at amortised cost or fair value through other comprehensive income, it needs to give rise to cash flows that are solely payments of principal and interest ("SPPI") on the principal amount outstanding. Financial assets with cash flows that are not SPPI are classified and measured at fair value through profit or loss, irrespective of the business model.

2.4 主要會計政策概要(續)

租賃(二零一九年一月一日前適用)(續)

經營租賃項下預付土地租賃款項初步按成本值列賬，其後按租賃年期以直線基準確認。

投資及其他財務資產

初步確認及計量

財務資產於初步確認時分類，其後按攤銷成本、按公允值計入其他全面收入及按公允值計入損益計量。

財務資產於初步確認時之分類取決於有關財務資產之合約現金流量特徵及本集團管理有關財務資產之業務模式。除了並無重大融資成份之應收賬款或本集團已對其應用可行權宜處理方法不會就重大融資成份之影響作出調整之應收賬款外，本集團初步按公允值，加上(如為並非按公允值計入損益之財務資產)交易成本計量財務資產。並無重大融資成份之應收賬款或本集團已對其應用可行權宜處理方法之應收賬款會按照下文「收益確認」所載政策根據香港財務報告準則第15號釐定之交易價格計量。

就按攤銷成本或按公允值計入其他全面收入分類及計量之財務資產而言，其產生之現金流量必需為純粹就未償還本金而支付之本金及利息。如財務資產所產生之現金流量並非純粹就未償還本金而支付之本金及利息，則按公允值計入損益分類及計量，而不論其業務模式。

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2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Investments and other financial assets (continued)

Initial recognition and measurement (continued)

The Group's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both. Financial assets classified and measured at amortised cost are held within a business model with the objective to hold financial assets in order to collect contractual cash flows, while financial assets classified and measured at fair value through other comprehensive income are held within a business model with the objective of both holding to collect contractual cash flows and selling. Financial assets which are not held within the aforementioned business models are classified and measured at fair value through profit or loss.

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

Subsequent measurement

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

Financial assets at amortised cost (debt instruments)

Financial assets at amortised cost are subsequently measured using the effective interest method and are subject to impairment. Gains and losses are recognised in the income statement when the asset is derecognised, modified or impaired.

2.4 主要會計政策概要(續)

投資及其他財務資產(續)

初步確認及計量(續)

本集團管理財務資產之業務模式指其管理旗下財務資產以產生現金流量之方法。業務模式決定現金流量是否來自收取合約現金流量、出售財務資產或同時來自兩者。按攤銷成本分類及計量之財務資產乃於特定業務模式內持有之財務資產，而持有有關財務資產之目的為收取合約現金流量。而按公允值計入其他全面收入分類及計量之財務資產則於旨在收取合約現金流量及出售之業務模式內持有。並非於上述業務模式內持有之財務資產按公允值計入損益分類及計量。

所有一般買賣之財務資產於交易日確認，即本集團承諾購買或出售該資產之日。一般買賣指須按照市場一般設立之規定或慣例在一定期間內交付資產之財務資產買賣。

其後計量

財務資產之其後計量取決於其分類，現載列如下：

按攤銷成本計算之財務資產(債務工具)

按攤銷成本計算之財務資產其後按實際利息法計量，並須計提耗損。當終止確認或修訂有關資產或有關資產出現耗損時，便會在損益表確認盈虧。

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2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Investments and other financial assets (continued)

Subsequent measurement (continued)

Financial assets designated at fair value through other comprehensive income (equity investments)

Upon initial recognition, the Group can elect to classify irrevocably its equity investments as equity investments designated at fair value through other comprehensive income when they meet the definition of equity under HKAS 32 *Financial Instruments: Presentation* and are not held for trading. The classification is determined on an instrument-by-instrument basis.

Gains and losses on these financial assets are never recycled to the income statement. Dividends are recognised as other income in the income statement when the right of payment has been established, it is probable that the economic benefits associated with the dividend will flow to the Group and the amount of the dividend can be measured reliably, except when the Group benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in other comprehensive income. Equity investments designated at fair value through other comprehensive income are not subject to impairment assessment.

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss are carried in the statement of financial position at fair value with net changes in fair value recognised in the income statement.

This category includes derivative instruments and equity investments which the Group had not irrevocably elected to classify at fair value through other comprehensive income. Dividends on equity investments classified as financial assets at fair value through profit or loss are also recognised as other income in the income statement when the right of payment has been established, it is probable that the economic benefits associated with the dividend will flow to the Group and the amount of the dividend can be measured reliably.

2.4 主要會計政策概要(續)

投資及其他財務資產(續)

其後計量(續)

指定按公允值計入其他全面收入之財務資產(股本投資)

於初步確認時，本集團可以不可撤回地選擇，把其股本投資分類為指定按公允值計入其他全面收入之股本投資，如有關股本投資符合香港會計準則第32號「金融工具：呈報」下有關權益之定義，且並非持作買賣用途。分類乃按每個工具逐一釐定。

此等財務資產之盈虧不會結轉至損益表。股息將於確立支付權後，以及與股息相關之經濟利益將流入本集團，且能可靠地計量股息金額時，在損益表中確認為其他收入，惟如本集團獲得有關所得款項利益作為財務資產之部份收回成本則除外。在此情況下，有關收益會入賬其他全面收入。指定按公允值計入其他全面收入之股本投資毋須進行耗損評估。

按公允值計入損益之財務資產

按公允值計入損益之財務資產於財務狀況表中按公允值列賬，而公允值變動淨額則於損益表中確認。

此類別包括本集團並無不可撤回地選擇將之分類為按公允值計入其他全面收入之衍生工具及股本投資。分類為按公允值計入損益之財務資產之股本投資之股息亦將於確立股息支付權後，以及與股息相關之經濟利益將流入本集團，且能可靠地計量股息金額時，在損益表中確認為其他收入。

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2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Investments and other financial assets (continued)

Subsequent measurement (continued)

Financial assets at fair value through profit or loss (continued)

A derivative embedded in a hybrid contract, with a financial liability or non-financial host, is separated from the host and accounted for as a separate derivative if the economic characteristics and risks are not closely related to the host; a separate instrument with the same terms as the embedded derivative would meet the definition of a derivative; and the hybrid contract is not measured at fair value through profit or loss. Embedded derivatives are measured at fair value with changes in fair value recognised in the income statement. Reassessment only occurs if there is either a change in the terms of the contract that significantly modifies the cash flows that would otherwise be required or a reclassification of a financial asset out of the fair value through profit or loss category.

Derecognition of financial assets

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

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

2.4 主要會計政策概要(續)

投資及其他財務資產(續)

其後計量(續)

按公允值計入損益之財務資產(續)

當嵌入混合合約(包括財務負債及非金融主體合約)之衍生工具具備與主體合約不緊密相關之經濟特徵及風險;具備與嵌入式衍生工具相同條款之單獨工具符合衍生工具之定義;且混合合約並非按公允值計入損益計量,則有關衍生工具與主體合約分開並作為單獨衍生工具列賬。嵌入式衍生工具按公允值計量,而公允值變動於損益表確認。僅會在合約條款出現變動,大幅改變其他情況下所須現金流量時;或當按公允值計入損益之財務資產獲重新分類時,方會進行重新評估。

終止確認財務資產

財務資產(或(倘適用)一項財務資產之一部份或一組類似財務資產之一部份)主要在下述情況下終止確認(即從本集團之綜合財務狀況表剔除):

- 自資產收取現金流量之權利已屆滿;或
- 本集團已轉讓自資產收取現金流量之權利,或承擔根據「轉手」安排在無重大延誤之情況下向第三方全數支付所收取現金流量之責任;且(a)本集團已轉讓資產之絕大部份風險及回報;或(b)本集團既無轉讓亦無保留資產之絕大部份風險及回報,惟已轉讓資產之控制權。

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2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Derecognition of financial assets (continued)

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

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

Impairment of financial assets

The Group recognises an allowance for expected credit losses ("ECLs") for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

2.4 主要會計政策概要(續)

終止確認財務資產(續)

倘本集團已轉讓其可自資產收取現金流量之權利或已訂立轉手安排，便會評估是否保留資產擁有權之風險及回報及其程度。倘既無轉讓亦無保留資產之絕大部份風險及回報，亦無轉讓資產之控制權，則本集團按其持續參與之程度繼續確認已轉讓資產。於該情況下，本集團亦確認相關負債。已轉讓資產及相關負債乃按能反映本集團所保留權利及責任之基準計量。

以擔保方式繼續參與已轉讓資產之參與程度，按該資產之原賬面值或本集團可能被要求償還之代價之最高金額(以較低者為準)計量。

財務資產之耗損

本集團就所有並非按公允值計入損益持有之債務工具確認預期信貸虧損撥備。預期信貸虧損乃基於根據合約應付之合約現金流量與本集團預期可收取之所有現金流量之間的差額，按原實際利率近似值貼現計算。預期現金流量將包括來自銷售所持有抵押品或其他信用增級之現金流量，此乃合約條款不可或缺之部份。

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2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Impairment of financial assets (continued)

General approach

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12 months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

At each reporting date, the Group assesses whether the credit risk on a financial instrument has increased significantly since initial recognition. When making the assessment, 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 and considers reasonable and supportable information that is available without undue cost or effort, including historical and forward-looking information.

The Group considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

2.4 主要會計政策概要(續)

財務資產之耗損(續)

一般處理方法

預期信貸虧損於兩個階段進行確認。對於自初步確認後並無大幅上升之信貸風險，將會就可能於未來12個月內(12個月預期信貸虧損)出現之違約事件所帶來之信貸虧損計提預期信貸虧損撥備。對於自初步確認後出現大幅上升之信貸風險，須就有關風險剩餘年期之預期信貸虧損計提虧損撥備，而不論違約事件於何時發生(全期預期信貸虧損)。

於各個報告日期，本集團會評估自首次確認以來金融工具之信貸風險有否大幅上升。在作出有關評估時，本集團會將有關金融工具於報告日期發生違約事件之風險，與有關金融工具於初步確認日期發生違約事件之風險作比較，並會考慮毋須付出不必要的成本或努力即可獲得之合理且有依據之資料(包括過往資料及具有前瞻性的資料)。

本集團認為，財務資產合約還款逾期90日，即屬發生違約事件。然而，在若干情況下，如內部或外部資料顯示，本集團不可能悉數收取尚欠合約金額(在不計及其所持有之任何信用增級前)，屆時本集團亦可能認為發生財務資產違約事件。在並無合理期望能收回合約現金流量時，便會撇銷財務資產。

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2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Impairment of financial assets (continued)

General approach (continued)

Financial assets at amortised cost are subject to impairment under the general approach and they are classified within the following stages for measurement of ECLs except for debtors and contract assets which apply the simplified approach as detailed below.

Stage 1 – Financial instruments for which credit risk has not increased significantly since initial recognition and for which the loss allowance is measured at an amount equal to 12-month ECLs

Stage 2 – Financial instruments for which credit risk has increased significantly since initial recognition but that are not credit-impaired financial assets and for which the loss allowance is measured at an amount equal to lifetime ECLs

Stage 3 – Financial assets that are credit-impaired at the reporting date (but that are not purchased or originated credit-impaired) and for which the loss allowance is measured at an amount equal to lifetime ECLs

Simplified approach

For debtors and contract assets that do not contain a significant financing component or when the Group applies the practical expedient of not adjusting the effect of a significant financing component, the Group applies the simplified approach in calculating ECLs. Under the simplified approach, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

For debtors and contract assets that contain a significant financing component and lease receivables, the Group chooses as its accounting policy to adopt the simplified approach in calculating ECLs with policies as described above.

2.4 主要會計政策概要(續)

財務資產之耗損(續)

一般處理方法(續)

根據一般處理方法，按攤銷成本計算之財務資產須計提耗損，並會分類至以下所述階段，以計量預期信貸虧損，惟應收賬款及合約資產除外，彼等應用簡化處理方法(詳見下文)。

第一階段 – 自初步確認後信貸風險並無大幅上升及虧損撥備按相當於12個月預期信貸虧損金額計量之金融工具

第二階段 – 自初步確認後信貸風險出現大幅上升惟不屬出現信貸耗損之財務資產及虧損撥備按相當於全期信貸虧損金額計量之金融工具

第三階段 – 於報告日期已出現信貸耗損(並非購入或源生的信貸耗損)及虧損撥備按相當於全期信貸虧損金額計量之財務資產

簡化處理方法

就並無重大融資成份之應收賬款及合約資產或就本集團已對其應用可行權宜處理方法不會就重大融資成份之影響作出調整之應收賬款及合約資產而言，本集團會應用簡化處理方法來計算預期信貸虧損。根據簡化處理方法，本集團不會追蹤信貸風險變動，惟會於各個報告日期根據全期預期信貸虧損確認虧損撥備。本集團已基於其過往信貸虧損經驗制定撥備矩陣，並因應與債務人及經濟環境相關並具有前瞻性之特定因素作出調整。

就具有重大融資成份之應收賬款及合約資產以及租賃應收款項而言，本集團選擇採納簡化處理方法作為其計算預期信貸虧損之會計政策，有關政策詳情已於上文闡述。

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2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, or payables, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Group's financial liabilities include creditors, other payables and accrued expenses, and interest-bearing borrowings.

Subsequent measurement

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

Financial liabilities at amortised cost (loans and borrowings)

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

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

2.4 主要會計政策概要(續)

財務負債

初步確認及計量

財務負債於初步確認時分類為按公允值計入損益之財務負債、貸款及借貸或應付款項(視何者適用)。

所有財務負債均於初步確認時按公允值確認，並(就貸款及借貸以及應付款項而言)經扣除直接應佔交易成本。

本集團之財務負債包括應付賬款、其他應付款項及應計費用以及計息借貸。

其後計量

財務負債其後之計量取決於其分類，現載列如下：

按攤銷成本計量之財務負債(貸款及借貸)

於初步確認後，計息貸款及借貸其後以實際利率法按攤銷成本計量，但如貼現之影響並不重大則除外，在此情況下，則按成本值列賬。盈虧於負債終止確認時及於按實際利率法攤銷之過程中在損益表確認。

計算攤銷成本時會計及收購所產生之任何折讓或溢價，亦計及作為實際利率一部份之費用或成本。實際利率攤銷計入損益表之財務費用中。

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2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial liabilities (continued)

Subsequent measurement (continued)

Financial guarantee contracts

Financial guarantee contracts issued by the Group are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. A financial guarantee contract is recognised initially as a liability at its fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequent to initial recognition, the Group measures the financial guarantee contracts at the higher of: (i) the ECL allowance determined in accordance with the policy as set out in “Impairment of financial assets”; and (ii) the amount initially recognised less, when appropriate, the cumulative amount of income recognised.

Derecognition of financial liabilities

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

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

Offsetting of financial instruments

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

2.4 主要會計政策概要(續)

財務負債(續)

其後計量(續)

財務擔保合約

本集團發出之財務擔保合約為要求作出付款以償付持有人因特定債務人未能根據債務工具條款償還到期款項而招致之損失之合約。財務擔保合約初步按其公允值確認為負債，並就發出擔保直接應佔之交易成本作出調整。於初步確認後，本集團按以下兩項之較高者計量財務擔保合約：(i)按照「財務資產之耗損」所載政策釐定之預期信貸虧損撥備；及(ii)初步確認金額減去(倘適用)已確認累計收益金額。

終止確認財務負債

財務負債於負債項下之責任獲解除或取消或屆滿時終止確認。

如一項現有財務負債以來自同一貸款人而條款絕大部份不同之另一項財務負債取代，或現有負債之條款獲大幅修改，則有關轉換或修改事宜會被當作終止確認原有負債及確認新負債處理，而兩者賬面值間之差額在損益表確認。

抵銷金融工具

倘現時可強制執行法定權利抵銷已確認金額及有意向以淨額結算，或同時變現資產及清償負債，財務資產與財務負債便可互相抵銷，並在財務狀況表呈報淨額。

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2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Derivative financial instruments

Initial recognition and subsequent measurement

Derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently remeasured at fair value. Derivatives are carried as assets when the fair value is positive and as liabilities when the fair value is negative.

Any gains or losses arising from changes in fair value of derivatives are taken directly to the income statement, except for the effective portion of cash flow hedges, which is recognised in other comprehensive income and later reclassified to profit or loss when the hedged item affects profit or loss.

Current versus non-current classification

Derivative instruments that are not designated as effective hedging instruments are classified as current or non-current or separated into current and non-current portions based on an assessment of the facts and circumstances (i.e., the underlying contracted cash flows).

- When the Group expects to hold a derivative as an economic hedge (and does not apply hedge accounting) for a period beyond 12 months after the end of the reporting period, the derivative is classified as non-current (or separated into current and non-current portions) consistently with the classification of the underlying item.
- Embedded derivatives that are not closely related to the host contract are classified consistently with the cash flows of the host contract.
- Derivative instruments that are designated as, and are effective hedging instruments, are classified consistently with the classification of the underlying hedged item. The derivative instruments are separated into current portions and non-current portions only if a reliable allocation can be made.

2.4 主要會計政策概要(續)

衍生金融工具

初步確認及其後計量

衍生金融工具初步於衍生工具合約訂立日期按公允值確認，其後按公允值重新計量。當衍生工具之公允值為正數時，便會入賬為資產；當衍生工具之公允值為負數時，便會入賬為負債。

衍生工具公允值變動所產生之任何收益或虧損，會直接計入損益表，惟現金流量對沖之有效部份除外，有關部份於其他全面收入確認，之後會於被對沖項目影響損益時重新分類至損益表。

即期與非即期分類

並非指定作為有效對沖工具之衍生工具會基於事實及情況(即相關合約現金流量)之評估分類為即期或非即期衍生工具，或分開為即期或非即期部份。

- 當本集團預期於報告期末之後超過12個月期間持有衍生工具作經濟上對沖(及並無應用對沖會計法)，則有關衍生工具會分類為非即期衍生工具(或分開為即期及非即期部份)，與相關項目分類一致。
- 與主合約並無密切關連之內含衍生工具，與主合約之現金流量分類一致。
- 被指定及屬於有效對沖工具之衍生工具，與有關被對沖項目之分類一致。只有在可作出可靠分配之情況下，衍生工具方可分開為即期及非即期部份。

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2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Inventories

Inventories, mainly comprise construction materials, biomass fuel, spare parts and consumables used in the repairs and maintenance of the environmental energy projects, greentech projects and environmental water projects, and are stated at the lower of cost and net realisable value. Cost is determined on the weighted average basis. Net realisable value is based on estimated selling prices less any estimated costs to be incurred to completion and disposal. When inventories are consumed, the carrying amount of those inventories is recognised as an expense in the income statement.

Cash and cash equivalents

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

Provisions

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

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

2.4 主要會計政策概要(續)

存貨

存貨主要包括建築物料、生物燃料、用於維修及保養環保能源項目、綠色環保項目及環保水務項目之零件及消耗品，其按成本值或可變現淨值(以較低者為準)列賬。成本值按加權平均基準計算。可變現淨值按估計售價減去於完成及出售前將產生之任何估計成本計算。在耗用存貨後，有關存貨之賬面值會於損益表中確認為開支。

現金及現金等價物

現金及現金等價物包括手頭現金及活期存款，以及可在無重大價值轉變風險之前提下換算為已知現金數額並於短期(一般在購入後三個月)內到期之短期高流動性投資，當中減去須按要求償還並構成本集團現金管理重要部份之銀行透支。

撥備

倘因過去事件導致目前存在(法律或推斷)責任，且日後很可能須流出資源以償付責任，便會確認撥備，惟必須可對責任涉及之金額作出可靠估計。

倘貼現影響重大，確認為撥備之金額為預期日後償付責任所須開支於報告期末之現值。隨著時間流逝產生之經貼現現值增加數額於損益表入賬。

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2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Income tax

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

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

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

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

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

2.4 主要會計政策概要(續)

所得稅

所得稅包括即期及遞延稅項。於損益表以外部份確認之項目之相關所得稅，會於損益表以外部份確認，即於其他全面收入確認或直接於權益確認。

即期稅項資產及負債乃根據於報告期末已頒佈或實際頒佈之稅率(及稅法)，考慮到本集團業務所在國家當前之詮釋及慣例，以預期可自稅務機關收回或向稅務機關支付之金額計量。

遞延稅項乃使用負債法，就於報告期末資產及負債之稅基與其作財務申報用途之賬面值間所有暫時差異作出撥備。

所有應課稅暫時差異均會確認遞延稅項負債，惟以下情況除外：

- 當遞延稅項負債因初步確認商譽或非業務合併交易之資產或負債而產生，且在進行交易時對會計盈利或應課稅損益均無影響；及
- 就與於附屬公司、聯營公司及合營企業之投資有關之應課稅暫時差異而言，當暫時差異之撥回時間可予控制，且暫時差異於可見將來不可能撥回。

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2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Income tax (continued)

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

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

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

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

2.4 主要會計政策概要(續)

所得稅(續)

所有可扣減暫時差異以及結轉未動用稅項抵免及任何未動用稅項虧損，均會確認遞延稅項資產。倘將來很可能取得應課稅盈利而令可扣減暫時差異、結轉未動用稅項抵免及未動用稅項虧損得以運用，便會確認遞延稅項資產，惟於以下情況除外：

- 倘遞延稅項資產與因初步確認一項並非業務合併之交易資產或負債而產生之可扣減暫時差異有關，而在進行交易時遞延稅項資產對會計盈利或應課稅損益均無影響；及
- 就與於附屬公司、聯營公司及合營企業之投資有關之可扣減暫時差額而言，遞延稅項資產僅會於暫時差異可能於可見將來撥回及很可能取得應課稅盈利而令暫時差額得以運用時確認。

遞延稅項資產之賬面值會於各報告期末覆核，並將予扣減，直至不再可能有足夠應課稅盈利可供抵銷全部或部份遞延稅項資產為止。未確認遞延稅項資產會於各報告期末重新評估，並於可能有足夠應課稅盈利可供抵銷全部或部份遞延稅項資產時予以確認。

遞延稅項資產及負債根據於報告期末前已頒佈或實際頒佈之稅率(及稅法)，按預期於變現資產或清償負債期間應用之稅率計量。

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2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Income tax (continued)

Deferred tax assets and deferred tax liabilities are offset if and only if the Group has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

Government grants

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

Where the grant relates to an asset, the fair value is credited to a deferred income account and is released to the income statement over the expected useful life of the relevant asset by equal annual instalments or deducted from the carrying amount of the asset and released to the income statement by way of a reduced depreciation charge.

Revenue recognition

Revenue from contracts with customers

Revenue from contracts with customers is recognised when control of goods or services is transferred to the customers at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods and services.

When the consideration in a contract includes a variable amount, the amount of consideration is estimated to which the Group will be entitled in exchange for transferring the goods or services to the customer. The variable consideration is estimated at contract inception and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognised will not occur when the associated uncertainty with the variable consideration is subsequently resolved.

2.4 主要會計政策概要(續)

所得稅(續)

遞延稅項資產及遞延稅項負債可予抵銷，如果(並僅如果)本集團在法律上擁有抵銷本期稅項資產及本期稅項負債之行使權利，且遞延稅項資產及遞延稅項負債與同一稅務當局向同一應課稅單位或不同之應課稅單位(預期在未來每一個週期將清償或追償顯著數目之遞延稅項負債或資產，及計劃以淨額基準清償本期稅項負債及資產，或同時變現資產及清償負債)徵收之所得稅有關。

政府補助金

如能合理保證將可收取政府補助金，且所有附帶條件將得以遵行，便會按公允值確認政府補助金。如補助金與開支項目有關，便會有系統地在擬補償之成本之支銷期間確認為收入。

如補助金與資產有關，屆時公允值便會計入遞延收入賬，並於有關資產之預計可使用年期分期每年等額撥回損益表，或自資產之賬面值扣除，並以已扣減折舊費用方式撥回損益表。

收益確認

客戶合約收益

客戶合約收益於貨物或服務之控制權轉移予客戶時，按能反映本集團就有關貨物及服務而預期有權換取所得之代價金額予以確認。

當合約代價包含可變金額時，便會估計本集團轉讓貨物或服務予客戶而預期有權換取所得之代價金額。可變代價於合約開始時予以估計，並會受到限制，直至可變代價之相關不確定性其後得以解決，已確認累計收益金額不大可能出現大幅收益撥回情況為止。

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2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Revenue recognition (continued)

Revenue from contracts with customers (continued)

When the contract contains a financing component which provides the customer with a significant benefit of financing the transfer of goods or services to the customer for more than one year, revenue is measured at the present value of the amount receivable, discounted using the discount rate that would be reflected in a separate financing transaction between the Group and the customer at contract inception. When the contract contains a financing component which provides the Group a significant financial benefit for more than one year, revenue recognised under the contract includes the interest expense accreted on the contract liability under the effective interest method. For a contract where the period between the payment by the customer and the transfer of the promised goods or services is one year or less, the transaction price is not adjusted for the effects of a significant financing component, using the practical expedient in HKFRS 15.

The Group satisfied a performance obligation and recognises revenue over time, 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 or enhances an asset that the customer controls as the asset is created or enhanced.
- The Group's performance does not create an asset with an alternate use to the Group and the Group has an enforceable right to payment for performance completed to date.

If none of the above conditions are met, the Group recognises revenue at the point in time at which the performance obligation is satisfied.

If control of the asset transfers over time, revenue is recognised over the period of the contract by reference to the progress towards complete satisfaction of that performance obligation. Otherwise, revenue is recognised at a point in time when the customer obtains control of the asset.

2.4 主要會計政策概要(續)

收益確認(續)

客戶合約收益(續)

倘合約具有融資成份，其為客戶提供超過一年有關轉讓貨物或服務予客戶之重大融資利益，則收益於合約開始時按應收金額之現值計量，並使用本集團與客戶間之獨立融資交易中反映之貼現率貼現。倘合約具有為本集團提供超過一年之重大融資利益之融資成份，則在合約下確認之收益包括根據實際利率法合約負債附有之利息開支。就客戶付款至轉讓所承諾貨物或服務之期間為一年或以下之合約而言，由於使用香港財務報告準則第15號之可行權宜處理方法，交易價格不會就重大融資成份之影響作出調整。

倘符合以下其中一項條件，本集團會於履行履約責任後隨時間轉移確認收益：

- 客戶同時取得及消耗本集團履行履約責任時所提供之利益。
- 本集團之履約行為創造或改良了客戶在資產被創造或改良時已控制的資產。
- 本集團之履約行為並未創造一項可被本集團用於替代用途之資產，且本集團具有就迄今為止已完成之履約部份獲得客戶付款之可執行權利。

倘不符合所有上述條件，本集團將於履約責任獲履行之時點確認收益。

如資產控制權在一段時間內轉移，本集團會於整個合約期間內經參考圓滿完成履約責任之進度確認收益。否則，收益於客戶獲得資產控制權之時點確認。

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2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Revenue recognition (continued)

Revenue from contracts with customers (continued)

The progress towards complete satisfaction of the performance obligation is measured based on the Group's efforts or inputs to the satisfaction of the performance obligation, by reference to the surveyors' assessment of work performed and the costs incurred up to the end of the reporting period as a percentage of total estimated costs for each contract.

When the Group provides more than one service in a service concession arrangement, the transaction price will be allocated to each performance obligation by reference to their relative stand-alone selling prices. If the stand-alone selling prices are not directly observable, they are estimated based on expected cost plus a margin or adjusted market assessment approach, depending on the availability of observable information.

In determining the transaction price, the Group adjusts the promised amount of consideration for the effect of a financing component if it is significant.

(a) Construction service revenue

The Group's performance in respect of construction services creates or enhances an asset or work in progress that the customer controls as the asset is created or enhanced, thus the Group satisfies a performance obligation and recognises revenue over time, by reference to completion of the specific transaction assessed on the basis of the surveyors' assessment of work performed and the costs incurred up to the end of the reporting period as a percentage of total estimated costs for each contract.

Revenue from the construction services under a service concession agreement is estimated on a cost-plus basis with reference to a prevailing market rate of gross margin at the date of the agreement applicable to similar construction services rendered.

2.4 主要會計政策概要(續)

收益確認(續)

客戶合約收益(續)

圓滿完成履約責任之進度乃根據本集團為完成履約責任而產生的支出或投入而計量，並經參考測量師就已進行之工程所作之評估以及截至報告期末已產生之成本佔各合約之估計總成本之百分比。

倘本集團在服務特許經營權安排下提供超過一項服務，則交易價格將會參考彼等各自的獨立銷售價後分配至各項履約責任。倘獨立銷售價不能直接觀察所得，便會根據預期成本加利潤率或經調整市場評估法(取決於是否可得到可觀察資料)進行估計。

在釐定交易價格時，如融資成份重大，本集團將會根據融資成份來調整承諾代價。

(a) 建造服務收益

就建造服務而言，本集團之履約行為創造或改良了客戶在資產被創造或改良時已控制的資產或在建工程，因此本集團履行履約責任後隨時間轉移確認收益，有關收益確認乃經參考特定交易之完成階段(根據測量師就已進行之工程評估而評定)，以及截至報告期末已產生之成本佔各合約之估計總成本之百分比作出。

根據服務特許經營權協議提供建造服務所得收益經參考於協議日期提供類似建造服務適用之現行市場毛利率，按成本加成法估計。

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2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Revenue recognition (continued)

Revenue from contracts with customers (continued)

(b) Operation revenue

The Group recognised revenue from environmental energy project, greentech project and environmental water project operation services, conduct of environmental protection technological research and development services, provision of environmental-related technological services, design of environmental protection projects services, and provision of waste sorting, renewable resources utilisation, sanitation operation services, when the related services are rendered.

(c) Equipment construction and installation service revenue

Revenue from the provision of equipment construction and installation services is recognised over time, by reference to the progress towards complete satisfaction of the performance obligation.

The progress towards complete satisfaction of the performance obligation in respect of equipment construction and installation services is measured based on the Group's efforts or inputs to the satisfaction of the performance obligation, by reference to the contract costs incurred up to the end of the reporting period as a percentage of total estimated costs for each contract, because 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.

(d) Sales of products

Revenue from the sales of products is recognised at the point in time when control of the asset is transferred to the customer, generally when the customer obtains the physical possession or the legal title of the completed products and the Group has present right to payment and the collection of the consideration is probable.

2.4 主要會計政策概要(續)

收益確認(續)

客戶合約收益(續)

(b) 運營收益

就環保能源項目、綠色環保項目及環保水務項目運營服務、進行環保技術研發服務、提供環保相關技術服務、設計環保項目服務，以及提供垃圾分類、再生資源綜合利用、環衛作業服務而言，本集團於提供相關服務時確認有關收益。

(c) 裝備建造及安裝服務收益

提供裝備建造及安裝服務之收益會經參考圓滿完成履約責任之進度於一段時間內確認。

就裝備建造及安裝服務而言，圓滿完成履約責任之進度乃根據本集團為完成履約責任而產生的支出或投入而計量，並經參考截至報告期末已產生之合約成本佔各合約之估計總成本之百分比，因為本集團之履約行為並未創造一項可被本集團用於替代用途之資產，且本集團具有就迄今為止已完成之履約部份獲得客戶付款之可執行權利。

(d) 銷售產品

銷售產品收益於資產控制權轉移至客戶時確認，一般於客戶取得已製成產品之實物擁有權或法定擁有權，且本集團獲得現時收款權並很可能收取代價時確認。

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2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Revenue recognition (continued)

Revenue from other sources and other income

Rental income is recognised on a time proportion basis over the lease terms. Variable lease payments that do not depend on an index or a rate are recognised as income in the accounting period in which they are incurred.

Finance and interest income is recognised on an accrual basis using the effective interest method by applying the rate that exactly discounts the estimated future cash receipts over the expected life of the financial instrument or a shorter period, when appropriate, to the net carrying amount of the financial asset.

Dividend income is recognised when the shareholders' right to receive payment has been established, it is probable that the economic benefits associated with the dividend will flow to the Group and the amount of the dividend can be measured reliably.

Contract assets

A contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the Group performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognised for the earned consideration that is conditional. Contract assets are subject to impairment assessment, details of which are included in the accounting policies for impairment of financial assets.

Employee benefits

Retirement schemes

The Company provides retirement benefits to all local eligible employees in Hong Kong under an approved defined contribution provident fund (the "ORSO Scheme"). The ORSO Scheme is administered by trustees, the majority of which are independent, with its assets held separately from those of the Company. Contributions are made based on a percentage of the employees' basic salaries. Forfeited contributions may be used to reduce the existing level of contributions by the Company.

2.4 主要會計政策概要(續)

收益確認(續)

來自其他來源之收益及其他收入

租金收入根據有關租賃年期按時間比例確認。並不取決於指數或利率之可變租賃款項在產生之會計期間確認為收入。

財務及利息收入乃按應計基準採用實際利率法透過應用有關利率(即於金融工具預計年期或(倘適用)較短期間內將估計未來現金收入準確貼現至財務資產賬面淨值之利率)計算確認。

股息於確立股東收款權後，以及與股息相關之經濟利益將流入本集團，且能可靠地計量股息金額時予以確認。

合約資產

合約資產為就轉移貨物及服務予客戶而換取所得之收取代價權利。倘本集團在客戶支付代價前或在款項到期前透過轉移貨物或服務予客戶履行合約，則就附帶條件之已賺取代價確認合約資產。合約資產須進行耗損評估，有關詳情載於財務資產耗損會計政策中。

僱員福利

退休計劃

本公司已為所有香港本地合資格僱員提供認可定額供款公積金(「職業退休計劃條例計劃」)。職業退休計劃條例計劃由信託人(大部份為獨立信託人)管理，其資產與本公司之資產分開持有。供款按僱員基本薪金某一百分比計算作出。沒收之供款可用作抵銷本公司現需承擔之供款。

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2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Employee benefits (continued)

Retirement schemes (continued)

As from 1 December 2000, the Group also operates a defined contribution Mandatory Provident Fund retirement benefit scheme (the “MPF Scheme”) under the Mandatory Provident Fund Schemes Ordinance for employees employed under the jurisdiction of the Hong Kong Employment Ordinance and not previously covered by the ORSO Scheme. Contributions are made based on a percentage of the employees’ basic salaries and are charged to the income statement 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, except for the Group’s employer voluntary contributions, which are refunded to the Group when the employee leaves employment prior to the contributions vesting fully, in accordance with the rules of the MPF Scheme.

The employees of the Group’s subsidiaries which operate in Mainland China are required to participate in a central pension scheme operated by the local municipal government. These subsidiaries are required to contribute a certain percentage of their payroll costs to the central pension scheme. The contributions are charged to the income statement as they become payable in accordance with the rules of the central pension scheme.

Termination benefits

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

2.4 主要會計政策概要(續)

僱員福利(續)

退休計劃(續)

自二零零零年十二月一日起，本集團亦根據香港強制性公積金計劃條例為受香港僱傭條例管轄且原先未包括在職業退休計劃條例計劃內之僱員提供定額供款強制性公積金退休福利計劃(「強積金計劃」)。按照強積金計劃之規則，供款按僱員基本薪金某一百分比計算作出，並於有關供款須予支付時在損益表支銷。強積金計劃之資產獨立於本集團之資產，在獨立管理之基金持有。本集團向強積金計劃所作之僱主供款，一經支付即全數歸屬於僱員，惟本集團之僱主自願性供款除外，按照強積金計劃之規則，倘僱員在有關供款全數歸屬於僱員前離職，有關供款將退還予本集團。

本集團於中國大陸經營之附屬公司之僱員須參加由當地市政府運作的中央退休金計劃。該等附屬公司須按其薪金成本之若干百分比向中央退休金計劃供款。有關供款於根據中央退休金計劃之規則須予支付時在損益表支銷。

終止僱用福利

終止僱用福利於本集團不能取消提供該等福利時及本集團確認涉及支付終止僱用福利的重組成本當日(以較早者為準)確認。

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2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Borrowing costs

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

Dividends

Final dividends are recognised as a liability when they are approved by the shareholders in a general meeting. Proposed final dividends are disclosed in the notes to the financial statements.

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

Foreign currencies

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

2.4 主要會計政策概要(續)

借貸成本

收購、建造或生產合資格資產(即必需花上一段長時間方能作其擬定用途或出售之資產)之直接應佔借貸成本均撥充資本,作為此等資產成本之一部份。於此等資產大致上可作其擬定用途或出售時,即停止將該等借貸成本撥充資本。指定用途借貸在用作合資格資產之開支前作為短暫投資所賺取投資收入,從已撥充資本之借貸成本中扣除。所有其他借貸成本於產生期間列作開支。借貸成本包括利息及實體於借入資金時產生之其他成本。

股息

末期股息於股東在股東大會上作出批准後確認為負債。擬派末期股息於財務報表附註中披露。

由於本公司組織章程大綱及公司細則授予董事宣派中期股息之權利,故中期股息可同步建議派發及宣派。因此,中期股息將於建議派發及宣派時即時確認為負債。

外幣

此等財務報表以港幣呈列,港幣為本公司之功能貨幣。本集團各實體自行決定其功能貨幣,而載入各實體財務報表內之項目則以該功能貨幣計量。本集團實體已入賬之外幣交易初步按交易日期之適用匯率入賬。以外幣計值之貨幣資產及負債按報告期末適用之功能貨幣匯率換算。因結算或換算貨幣項目而產生之差額均於損益表確認。

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2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Foreign currencies (continued)

Differences arising on settlement or translation of monetary items are recognised in the income statement with the exception of monetary items that are designated as part of the hedge of the Group's net investment of a foreign operation. These are recognised in other comprehensive income until the net investment is disposed of, at which time the cumulative amount is reclassified to the income statement. Tax charges and credits attributable to exchange differences on those monetary items are also recorded in other comprehensive income.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was measured. The gain or loss arising on translation of a non-monetary item measured at fair value is treated in line with the recognition of the gain or loss on change in fair value of the item (i.e., translation difference on the item whose fair value gain or loss is recognised in other comprehensive income or profit or loss is also recognised in other comprehensive income or profit or loss, respectively).

In determining the exchange rate on initial recognition of the related asset, expense or income on the derecognition of a non-monetary asset or non-monetary liability relating to an advance consideration, the date of initial transaction is the date on which the Group initially recognises the non-monetary asset or non-monetary liability arising from the advance consideration. If there are multiple payments or receipts in advance, the Group determines the transaction date for each payment or receipt of the advance consideration.

2.4 主要會計政策概要(續)

外幣(續)

因結算或換算貨幣項目而產生的差額於損益表確認，惟指定作為對沖本集團的海外業務投資淨額一部份的貨幣項目除外。有關項目於其他全面收入確認，直至投資淨額已出售為止。屆時累計金額會重新分類至損益表。該等貨幣項目之匯兌差額應佔的稅項支出及抵免亦計入其他全面收入。

按歷史成本計量之外幣非貨幣項目採用首次交易日期之處理方式匯率換算。按公允值計量之外幣非貨幣項目則採用計量公允值日期之匯率換算。因換算按公允值計量之非貨幣項目而產生的收益及虧損之處理方式與該項目公允值變動所產生之收益或虧損之處理方式一致(即公允值收益或虧損於其他全面收入或損益表確認的項目的匯兌差額亦分別於其他全面收入或損益表確認)。

就終止確認預收代價之相關非貨幣資產或非貨幣負債而言，在釐定初步確認相關資產、開支或收入所使用之匯率時，初始交易日期指本集團初步確認預收代價所產生之非貨幣資產或非貨幣負債之日期。倘存在多筆預付款或預收款，本集團將釐定每筆預付代價付款或收款的交易日期。

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財務報表附註

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2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Foreign currencies (continued)

The functional currencies of certain overseas subsidiaries, joint ventures and associates are currencies other than the Hong Kong dollar. As at the end of the reporting period, the assets and liabilities of these entities are translated into Hong Kong dollars at the exchange rates prevailing at the end of the reporting period and their income statements are translated into Hong Kong dollars at the weighted average exchange rates for the year.

The resulting exchange differences are recognised in other comprehensive income and accumulated in the exchange reserve. On disposal of a foreign operation, the component of other comprehensive income relating to that particular foreign operation is recognised in the income statement.

Any goodwill arising on the acquisition of a foreign operation and any fair value adjustments to the carrying amounts of assets and liabilities arising on acquisition are treated as assets and liabilities of the foreign operation and translated at the closing rate.

For the purpose of the consolidated statement of cash flows, the cash flows of overseas subsidiaries are translated into Hong Kong dollars at the exchange rates ruling at the dates of the cash flows. Frequently recurring cash flows of overseas subsidiaries which arise throughout the year are translated into Hong Kong dollars at the weighted average exchange rates for the year.

2.4 主要會計政策概要(續)

外幣(續)

若干海外附屬公司、合營企業及聯營公司之功能貨幣為港幣以外之貨幣。於報告期末，該等實體之資產及負債按報告期末之適用匯率換算為港幣，而其損益表則按年內加權平均匯率換算為港幣。

就此產生之匯兌差額於其他全面收入確認，並於匯兌儲備累計。在出售海外業務時，與該特定海外業務有關之其他全面收入部份於損益表確認。

因收購海外業務而產生之任何商譽及收購所得資產與負債之賬面值之公允值調整會被當作海外業務的資產及負債處理，並根據期末匯率換算。

就綜合現金流量表而言，海外附屬公司之現金流量按現金流量日期適用之匯率換算為港幣。海外附屬公司於整個年度內不斷出現之現金流量按年內加權平均匯率換算為港幣。

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3 SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

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

Judgements

In the process of applying the Group's accounting policies, management has made the following judgements, apart from those involving estimations, which have the most significant effect on the amounts recognised in the financial statements:

Service concession arrangements

The Group entered into Build-Operate-Transfer ("BOT"), Transfer-Operate-Transfer ("TOT") and Build-Operate-Own ("BOO") arrangements in respect of its environmental energy projects, greentech projects and environmental water projects.

The Group concluded that all the BOT and TOT arrangements and certain BOO arrangements are service concession arrangements under HK(IFRIC) Interpretation 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 respect of BOT and TOT arrangements, upon expiry of concession right agreement, the infrastructure has to be transferred to the local government at nil consideration. Infrastructure for BOO arrangements is used in the service concession arrangements for its entire or substantially entire useful life.

3 重大會計判斷及估計

在編製本集團財務報表時，管理層須作出判斷、估計及假設，而有關判斷、估計及假設會影響所呈報收益、開支、資產與負債金額以及其隨附披露及或然負債披露。此等假設及估計之不明朗因素可能會導致在未來需要對受影響資產或負債之賬面值作出重大調整。

判斷

管理層在應用本集團會計政策時，除了作出涉及估計之判斷外，亦曾作出下列對財務報表已確認金額構成最重大影響之判斷：

服務特許經營權安排

本集團就其環保能源項目、綠色環保項目及環保水務項目，訂立建造－運營－轉移（「BOT」）、轉移－運營－轉移（「TOT」）及建造－運營－擁有（「BOO」）安排。

本集團確定所有BOT及TOT安排及若干BOO安排均屬《香港（國際財務報告詮釋委員會）詮釋》第12號「服務特許經營權安排」下之服務特許經營權安排，因為當地政府控制並監管本集團利用基礎設施按預定服務費所須提供之服務。就BOT及TOT安排而言，在特許經營權協議到期後，有關基礎設施須無償轉歸當地政府所有。就BOO安排而言，有關服務特許經營權安排所涉及之基礎設施於其整個或大致上整個可使用年期使用。

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3 SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES (continued)

Judgements (continued)

Property lease classification – Group as lessor

The Group has entered into commercial property leases on its investment property portfolio. The Group has determined, based on an evaluation of the terms and conditions of the arrangements, such as the lease term not constituting a major part of the economic life of the commercial property and the present value of the minimum lease payments not amounting to substantially all the fair value of the commercial property, that it retains substantially all the significant risks and rewards incidental to ownership of these properties which are leased out and accounts for the contracts as operating leases.

Estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below.

Construction contracts

As explained in the accounting policies set out in note 2.4 to the financial statements for “Revenue recognition” and “Contract assets”, revenue and profit recognition on an incompleting project is dependent on estimating the final outcome of the construction contract, as well as the work done to date. Based on the Group’s recent experience and the nature of the construction activity undertaken by the Group, the Group makes estimates of the point at which it considers the work is sufficiently advanced such that the costs to complete and revenue can be reliably estimated. As a result, until this point is reached, the “Service concession assets” as disclosed in note 23 will not include profit which the Group may eventually realise from the work done to date. In addition, actual outcomes in terms of revenue or costs may be higher or lower than estimated at the end of the reporting period, which would affect the revenue and profit recognised in future years as an adjustment to the amounts recorded to date.

3 重大會計判斷及估計(續)

判斷(續)

物業租賃分類 – 本集團作為出租人

本集團已就其投資物業組合訂立商用物業租賃。根據對有關安排之條款及條件作出之評估(如租期並不構成商用物業之經濟壽命之主要部份及最低租賃款項現值不等於商用物業之絕大部份公允值)，本集團確定其保留上述出租物業所有權附帶之絕大部份風險及回報，並將有關合約入賬為經營租賃。

估計之不確定性

下文闡述有關未來之主要假設，以及於報告期末導致估計出現不確定性之其他主要緣由，其具有可能導致須對下一個財政年度之資產及負債賬面值作出重大調整之重大風險。

建造合約

誠如財務報表附註2.4下有關「收益確認」及「合約資產」之會計政策所闡釋，未完成項目之收益及盈利確認取決於對建造合約最終成果之估計及迄今已完成之工程。根據本集團之近期經驗及本集團所承辦建造活動之性質，本集團會於其認為工程進度已達致一定水平，足以可靠估計完工成本及收益時進行估計。因此，在達至有關階段前，附註23所披露之「服務特許經營權資產」不會包括本集團就迄今已完成工程而最終可能變現之盈利。此外，於報告期末收益或成本之實際結果可能會高於或低於估計之數，亦因而會由於對迄今已入賬之金額作出調整而影響在未來年度確認之收益及盈利。

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3 SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES (continued)

Estimation uncertainty (continued)

Impairment losses for debtors

The Group uses a provision matrix to calculate ECLs for debtors. The provision matrix is initially based on the Group's historical observed default rates. The Group will calibrate the matrix to adjust the historical credit loss experience with forward-looking information. At each reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

The assessment of the correlation among historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and forecast economic conditions. The Group's historical credit loss experience and forecast of economic conditions may also not be representative of a customer's actual default in the future. The information about the ECLs on the Group's debtors is disclosed in note 25 to the financial statements.

The carrying amount of debtors at 31 December 2019 was HK\$3,566,305,000 (2018: HK\$2,473,773,000).

Impairment losses for goodwill

As explained in the accounting policy set out in note 2.4 to the financial statements for "Business combinations and goodwill", goodwill is allocated to a cash-generating unit or to a group of cash-generating units that are expected to benefit from the synergies of the combination for the purpose of impairment assessment, which requires significant judgement. The Group determined that the group of cash-generating units to which goodwill was allocated reflected the lowest level at which goodwill was monitored for internal reporting and was not larger than an operating segment in accordance with HKAS 36 *Impairment of Assets*.

3 重大會計判斷及估計(續)

估計之不確定性(續)

應收賬款之耗損虧損

本集團使用撥備矩陣計算應收賬款之預期信貸虧損。撥備矩陣最初基於本集團之過往觀察所得違約率。本集團會調整矩陣，根據具有前瞻性之資料調整過往信貸虧損經驗。於各個報告日期，本集團會更新過往觀察所得違約率，並會分析具有前瞻性之估計數字之變動。

對過往觀察所得違約率、經濟狀況預測及預期信貸虧損之相關性之評估屬重大估算。預期信貸虧損金額受經濟情況及經濟狀況預測之變動影響。本集團過往信貸虧損經驗及經濟狀況預測亦可能無法反映客戶日後之實際違約率。本集團應收賬款之預期信貸虧損資料於財務報表附註25披露。

於二零一九年十二月三十一日，應收賬款賬面值為港幣3,566,305,000元(二零一八年：港幣2,473,773,000元)。

商譽之耗損虧損

誠如財務報表附註2.4下有關「業務合併及商譽」之會計政策所闡釋，商譽會被分配至預期可受惠於合併協同效益之一個現金生產單位或一個現金生產單位組別，以便進行耗損評估，而此需要作出重大判斷。根據《香港會計準則》第36號「資產耗損」，本集團確定獲分配商譽之現金生產單位組別為本集團就內部申報目的而監察商譽之最低層次，且監察層面不會大於一個經營分部。

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3 SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES (continued)

Estimation uncertainty (continued)

Impairment losses for goodwill (continued)

The Group determines whether goodwill is impaired at least on an annual basis. This involves an estimation of the value in use of the cash-generating units to which the goodwill is allocated. Estimating the value in use requires the Group to make an estimate of the expected future cash flows from the cash-generating units and also to choose a suitable discount rate in order to calculate the present value of those cash flows. The carrying amount of goodwill at 31 December 2019 was HK\$1,908,783,000 (2018: HK\$1,753,737,000). Further details are given in note 17 to the financial statements.

Other impairment losses

If circumstances indicate that the carrying values of investments in associates and joint ventures, property, plant and equipment, right-of-use assets, intangible assets and other non-financial assets may not be recoverable, these assets may be considered impaired, and an impairment loss may be recognised in accordance with HKAS 36 *Impairment of Assets*. The carrying amounts of these assets are reviewed periodically in order to assess whether the recoverable amounts have declined below the carrying amounts. These assets are tested for impairment whenever events or changes in circumstances indicate that their recorded carrying amounts may not be recoverable. When such a decline has occurred, the carrying amount is reduced to recoverable amount. The recoverable amount is the greater of the fair value less costs of disposal and the value in use. It is difficult to estimate precisely fair values because quoted market prices for the Group's assets are not readily available. In determining the value in use, expected cash flows generated by the asset are discounted to their present value, which requires significant judgement relating to revenue and amount of operating costs. The Group uses all readily available information in determining an amount that is a reasonable approximation of recoverable amount, including estimates based on reasonable and supportable assumptions and projections of revenue and amount of operating costs.

3 重大會計判斷及估計(續)

估計之不確定性(續)

商譽之耗損虧損(續)

本集團最少每年一次釐定商譽有否出現耗損，而此涉及估計獲分配商譽之現金生產單位之使用價值。在估計使用價值時，本集團須估計來自現金生產單位之預期未來現金流量，並須選擇合適的貼現率，以便計算有關現金流量之現值。於二零一九年十二月三十一日，商譽之賬面值為港幣1,908,783,000元(二零一八年：港幣1,753,737,000元)。進一步詳情載於財務報表附註17。

其他耗損虧損

當情況顯示於聯營公司及合營企業之投資、物業、廠房及設備、使用權資產、無形資產及其他非財務資產等項目之賬面值可能無法收回時，該等資產可被視為已耗損，並可按照《香港會計準則》第36號「資產耗損」之規定確認耗損虧損。本集團會定期檢討該等資產之賬面值，以評估可收回金額是否已降至低於賬面值。當有事件發生或情況轉變顯示該等資產之已記賬賬面值可能無法收回時，便會對該等資產進行耗損測試。當出現上述跌幅時，賬面值會減至可收回金額。可收回金額為公允值減去出售成本或使用價值(以較高者為準)。由於未能隨時取得本集團資產之市場報價，因此難以準確估計公允值。於釐定使用價值時，資產產生之預期現金流量會貼現至其現值，而此需要就收益及營運成本金額作出重大判斷。本集團會利用所有現有所得資料來釐定可收回金額之合理概約金額，包括根據收益及營運成本金額之合理有力假設與預測所作出之估計。

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3 SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES (continued)

Estimation uncertainty (continued)

Estimation of fair value of investment properties

As described in note 14 to the financial statements, the Group's investment properties were revalued at the end of the reporting period based on the appraised market value provided by independent firms of surveyors. Such valuations were based on certain assumptions, which are subject to uncertainty and might materially differ from the actual results. In making the estimation, the Group considers information from current prices in an active market for similar properties and uses assumptions that are mainly based on market conditions existing at the end of each reporting period. The carrying amount of investment properties at 31 December 2019 was HK\$159,393,000 (2018: HK\$159,310,000). Further details are given in note 14 to the financial statements.

Income taxes

Determining income tax provisions involves judgement on the future tax treatment of certain transactions. The Group carefully evaluates the tax implications of transactions and tax provisions are set up accordingly. The tax treatment of such transactions is reconsidered periodically to take into account all changes in tax legislation. Deferred tax assets are recognised for temporary deductible differences. As those deferred tax assets can only be recognised to the extent that it is probable that future taxable profits will be available against which the unused tax credits can be utilised, management's judgement is required to assess the probability of future taxable profits. Management reassesses these estimates at the end of each reporting period. Additional deferred tax assets are recognised if it becomes probable that future taxable profits will allow the deferred tax assets to be recovered. The carrying value of deferred tax assets at 31 December 2019 was HK\$165,319,000 (2018: HK\$92,875,000). Further details are included in note 32 to the financial statements.

3 重大會計判斷及估計(續)

估計之不確定性(續)

估計投資物業之公允值

誠如財務報表附註14所述，本集團之投資物業已於報告期末根據獨立測量師行提供之經評定市場價值進行重新估值。有關估值乃基於若干假設進行，故受限於不明朗因素以及或會與實際結果有重大差異。在作出估計時，本集團會考慮在活躍市場同類物業之當前價格資料，並會使用主要基於各個報告期末之現行市況作出之假設。於二零一九年十二月三十一日，投資物業之賬面值為港幣159,393,000元(二零一八年：港幣159,310,000元)。進一步詳情載於財務報表附註14。

所得稅

釐訂所得稅撥備涉及對若干交易之日後稅項處理方法作出判斷。本集團會審慎評估交易之相關稅務影響，從而計提稅項撥備。本集團會定期重新考慮有關交易之稅項處理方法，並會將稅務規例之所有變動列為考慮因素。本集團會就暫時可扣減差異確認遞延稅項資產。由於上述遞延稅項資產僅限於將來很可能取得應課稅盈利而令未使用稅項抵免得以運用之情況下予以確認，故管理層須作出判斷，評估產生未來應課稅盈利之可能性。管理層會於各個報告期末重新評估上述估計。倘未來應課稅盈利有可能令遞延稅項資產得以收回，便會確認額外的遞延稅項資產。於二零一九年十二月三十一日，遞延稅項資產之賬面值為港幣165,319,000元(二零一八年：港幣92,875,000元)。進一步詳情載於財務報表附註32。

Notes to Financial Statements

財務報表附註

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4 OPERATING SEGMENT INFORMATION

The Group manages its business by divisions, which are organised by business lines. In a manner consistent with the way in which information is reported internally to the Group's most senior executive management for the purposes of resource allocation and performance assessment, the Group has presented four reportable segments.

- Environmental energy project construction and operation: this segment engages in the construction and operation of waste-to-energy plants, food waste treatment projects, sludge treatment and disposal projects, leachate treatment projects, methane-to-energy plants, fecal treatment project, fly ash landfill project, medical waste treatment project and solid waste treatment project, to generate revenue from construction services, revenue from operation services as well as finance income.
- Greentech project construction and operation: this segment engages in the construction and operation of integrated biomass utilisation projects, hazardous and solid waste treatment projects, solar energy projects and wind power projects, and provision of environmental remediation services, to generate revenue from construction services, revenue from operation services as well as finance income.
- Environmental water project construction and operation: this segment engages in the construction, upgrade and operation of waste water treatment plants, water supply, reusable water treatment plants, sludge harmless treatment, sponge city construction, river-basin ecological restoration, waste water source heat pump projects, leachate treatment, research and development of water environment technologies and engineering projects, to generate revenue from construction services, revenue from operation services as well as finance income.
- Others: this segment engages in the conduct of environmental protection technology research and development, provision of environmental-related technological services, design of environmental protection projects, provision of environmental protection project equipment construction and installation services and sales of related equipment, provision of waste sorting, renewable resources utilisation, sanitation operation services, and sales of energy-saving streetlights, from which it generates revenue.

4 經營分部資料

本集團之業務按業務種類劃分為多個分部並加以管理。按照公司內部就資源分配及表現評估而向本集團最高管理層呈報資料之一貫方式，本集團呈報了下列四個須予報告分部。

- 環保能源項目建造及運營：此分部透過建造及運營垃圾發電廠、餐廚垃圾處理項目、污泥處理處置項目、滲濾液處理項目、沼氣發電廠、糞便處理項目、飛灰填埋場項目、醫療廢物處理項目及固廢處理項目，以賺取建造服務收益、運營服務收益及財務收入。
- 綠色環保項目建造及運營：此分部透過建造及運營生物質綜合利用項目、危廢及固廢處置項目、光伏發電項目及風力發電項目，以及提供環境修復服務，以賺取建造服務收益、運營服務收益及財務收入。
- 環保水務項目建造及運營：此分部透過建造、改造及運營污水處理廠、供水、中水回用處理廠、污泥無害化處理、海綿城市建設、流域治理、污水源熱泵項目、滲濾液處理以及環保水務技術研發及工程建設項目，以賺取建造服務收益、運營服務收益及財務收入。
- 其他：此分部透過進行環保技術研發、提供環保相關技術服務、設計環保項目、提供環保項目裝備建造及安裝服務及銷售相關裝備、提供垃圾分類、再生資源綜合利用、環衛作業服務，以及銷售節能路燈，從中賺取收益。

Notes to Financial Statements

財務報表附註

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4 OPERATING SEGMENT INFORMATION (continued)

For the purpose of assessing segment performance and allocating resource between segments, the Group's senior executive management monitors the results, assets and liabilities attributable to each reportable segment on the following bases:

Segment assets include all tangible assets, intangible assets, goodwill, interests in associates and joint ventures, investments in other financial assets, deferred tax assets and current assets with the exception of intercompany receivables and other corporate assets. Segment liabilities include current taxation, deferred tax liabilities, creditors, other payables and accrued expenses attributable to the activities of the individual segment and borrowings managed directly by the segments, with the exception of intercompany payables and other corporate liabilities.

Revenue and expenses are allocated to the reportable segments with reference to revenue generated by those segments and the expenses incurred by those segments or which otherwise arise from the depreciation or amortisation of assets attributable to those segments. However, other than reporting inter-segment sales of equipment and provision of technological services, assistance provided by one segment to another, including technical know-how, is not measured.

The measure used for reporting segment profit is "earnings before interest, taxes, depreciation and amortisation" ("EBITDA"). To arrive at EBITDA, the Group's earnings are further adjusted for items not specifically attributed to the individual segment, such as directors' and auditor's remuneration and other head office or corporate administration costs.

In addition to receiving segment information concerning EBITDA, management is provided with segment information concerning revenue (including inter-segment sales and revenue from technological services), depreciation and amortisation and additions to non-current segment assets used by the segments in their operations.

During the year, the Group redefined its business divisions to align its organisation structure for the purpose of managing its strategic direction. Accordingly, the segment information of certain subsidiaries previously included in the "Others" segment have been reclassified to the "Environmental energy project construction and operation" segment. Accordingly, the comparative segment information has been reclassified to conform to the current year's presentation.

4 經營分部資料(續)

就分部表現評估及分部間之資源分配而言，本集團之最高管理層按下列基準監察各個須予報告分部之業績、資產及負債：

分部資產包括所有有形資產、無形資產、商譽、聯營公司及合營企業權益、於其他財務資產之投資、遞延稅項資產及流動資產，惟不包括集團內公司間之應收款項及其他企業資產。分部負債包括各個個別分部之業務活動所產生之本期稅項、遞延稅項負債、應付賬款、其他應付款項及應計費用及由各個分部直接管理之借貸，惟不包括集團內公司間之應付款項及其他企業負債。

收益及開支乃參考須予報告分部所賺取之收益及所產生之開支或有關分部之資產所產生之折舊或攤銷而分配至有關分部。然而，除報告分部間之裝備銷售及提供之技術服務外，某一分部向另一分部提供之協助(包括專業知識技術)並不計算在內。

用於報告分部盈利之表示方式為「除利息、稅項、折舊及攤銷前盈利」，即「EBITDA」。為了得出EBITDA，本集團之盈利將就無明確歸於任何分部之項目(例如：董事酬金及核數師酬金及其他總公司或企業行政成本)作進一步調整。

除獲提供有關EBITDA之分部資料外，管理層亦獲提供有關下列各項之分部資料：收益(包括分部間之銷售額及來自技術服務之收益)及各分部運營時所使用之非流動分部資產之折舊、攤銷及增置。

年內，本集團因應其組織架構，重新界定旗下業務分部，以便管理集團策略方向。因此，原先列入「其他」分部之若干附屬公司之分部資料已重新分類至「環保能源項目建造及運營」分部。因此分部比較資料亦已重新分類，以符合本年度之呈報方式。

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4 OPERATING SEGMENT INFORMATION (continued)

(i) Segment results, assets and liabilities

Information regarding the Group's reportable segments as provided to the Group's most senior executive management for the purposes of resource allocation and assessment of segment performance for the years ended 31 December 2019 and 2018 is set out below.

For the year ended 31 December

4 經營分部資料(續)

(i) 分部業績、資產及負債

截至二零一九年及二零一八年十二月三十一日止年度，本集團就資源分配及分部表現評估而向本集團最高管理層提供之須予報告分部資料如下：

截至十二月三十一日止年度

| | Environmental energy project construction and operation 環保能源項目 建造及運營 | | Greentech project construction and operation 綠色環保項目 建造及運營 | | Environmental water project construction and operation 環保水務項目 建造及運營 | | Others 其他 | Total 總額 | | |
|---|--|---|---|-----------------------------------|---|-----------------------------------|---|-----------------------------------|-----------------------------------|-----------------------------------|
| | 2019 二零一九年 HK\$'000 港幣千元 | 2018 二零一八年 HK\$'000 港幣千元 (Restated) (重報) | 2019 二零一九年 HK\$'000 港幣千元 | 2018 二零一八年 HK\$'000 港幣千元 | 2019 二零一九年 HK\$'000 港幣千元 | 2018 二零一八年 HK\$'000 港幣千元 | 2019 二零一九年 HK\$'000 港幣千元 (Restated) (重報) | 2018 二零一八年 HK\$'000 港幣千元 | 2019 二零一九年 HK\$'000 港幣千元 | 2018 二零一八年 HK\$'000 港幣千元 |
| Segment revenue (Note 5): 分部收益(附註5): | | | | | | | | | | |
| Revenue from external customers 來自外界客戶收益 | 21,538,204 | 14,340,529 | 9,279,308 | 6,999,063 | 5,550,773 | 4,719,039 | 1,189,350 | 1,169,367 | 37,557,635 | 27,227,998 |
| Inter-segment revenue 分部間收益 | - | - | 247 | 2,757 | - | 49,279 | 2,039,324 | 1,784,490 | 2,039,571 | 1,836,526 |
| Reportable segment revenue 須予報告之分部收益 | 21,538,204 | 14,340,529 | 9,279,555 | 7,001,820 | 5,550,773 | 4,768,318 | 3,228,674 | 2,953,857 | 39,597,206 | 29,064,524 |
| Reconciliation: 對賬: | | | | | | | | | | |
| Elimination of inter-segment revenue 抵銷分部間收益 | | | | | | | | | (2,039,571) | (1,836,526) |
| Reportable segment revenue derived from the Group's external customers 來自本集團外界客戶之須予報告分部收益 | | | | | | | | | 37,557,635 | 27,227,998 |

Notes to Financial Statements

財務報表附註

31 December 2019 二零一九年十二月三十一日

4 OPERATING SEGMENT INFORMATION (continued) (i) Segment results, assets and liabilities (continued)

4 經營分部資料(續)

(i) 分部業績、資產及負債(續)

For the year ended 31 December

截至十二月三十一日止年度

| | Environmental energy project construction and operation 環保能源項目建造及運營 | | Greentech project construction and operation 綠色環保項目建造及運營 | | Environmental water project construction and operation 環保水務項目建造及運營 | | Others 其他 | | Total 總額 | |
|--|--|---|---|-----------------------------------|---|-----------------------------------|-----------------------------------|---|-----------------------------------|-----------------------------------|
| | 2019 二零一九年 HK\$'000 港幣千元 | 2018 二零一八年 HK\$'000 港幣千元 (Restated) (重報) | 2019 二零一九年 HK\$'000 港幣千元 | 2018 二零一八年 HK\$'000 港幣千元 | 2019 二零一九年 HK\$'000 港幣千元 | 2018 二零一八年 HK\$'000 港幣千元 | 2019 二零一九年 HK\$'000 港幣千元 | 2018 二零一八年 HK\$'000 港幣千元 (Restated) (重報) | 2019 二零一九年 HK\$'000 港幣千元 | 2018 二零一八年 HK\$'000 港幣千元 |
| Segment results: | 分部業績： | | | | | | | | | |
| Reportable segment profit (EBITDA) | 須予報告分部盈利(EBITDA) | | | | | | | | | |
| | 6,660,887 | 5,541,212 | 2,890,813 | 2,179,350 | 1,649,369 | 1,437,774 | 524,410 | 601,657 | 11,725,479 | 9,759,993 |
| Elimination of inter-segment profits | 抵銷分部間盈利 | | | | | | | | | |
| | | | | | | | | | (643,131) | (673,407) |
| Reportable segment profit derived from the Group's external customers | 來自本集團外界客戶之須予報告分部盈利 | | | | | | | | | |
| | | | | | | | | | 11,082,348 | 9,086,586 |
| Finance costs | 財務費用 | | | | | | | | | |
| | | | | | | | | | (1,830,798) | (1,376,010) |
| Depreciation and amortisation, including unallocated portion | 折舊及攤銷 (包括未分配部份) | | | | | | | | | |
| | | | | | | | | | (862,981) | (620,336) |
| Unallocated head office and corporate income | 未分配總公司及企業收入 | | | | | | | | | |
| | | | | | | | | | 92,408 | 39,580 |
| Unallocated head office and corporate expenses | 未分配總公司及企業開支 | | | | | | | | | |
| | | | | | | | | | (217,282) | (131,378) |
| Consolidated profit before tax | 綜合除稅前盈利 | | | | | | | | | |
| | | | | | | | | | 8,263,695 | 6,998,442 |
| Other segment information: | 其他分部資料： | | | | | | | | | |
| Depreciation and amortisation | 折舊及攤銷 | | | | | | | | | |
| | 297,187 | 178,017 | 387,346 | 290,424 | 92,363 | 89,442 | 62,250 | 40,451 | 839,146 | 598,334 |
| Impairment of debtors, net | 應收賬款耗損淨額 | | | | | | | | | |
| | 41,789 | - | 2,000 | 1,939 | 17,314 | 16,664 | (8,689) | 37,851 | 52,414 | 56,454 |
| Additions to investment properties, property, plant and equipment and right-of-use assets/ prepayment of land leases during the year | 年內增置投資物業、物業、廠房及設備以及使用權資產/土地租賃預付款項 | | | | | | | | | |
| | 207,956 | 338,931 | 761,064 | 454,195 | 28,523 | 22,790 | 105,444 | 127,896 | 1,102,987 | 943,812 |
| Additions to intangible assets and non-current portion of prepayments during the year | 年內增置無形資產及預付款項之非即期部份 | | | | | | | | | |
| | 2,509,033 | 1,877,162 | 3,969,527 | 2,943,386 | 239,455 | 194,772 | 19,273 | 25,190 | 6,737,288 | 5,040,510 |
| Additions to non-current portion of contract assets during the year | 年內增置合約資產之非即期部份 | | | | | | | | | |
| | 14,148,863 | 9,104,246 | 1,453,209 | 1,409,716 | 3,989,179 | 3,247,009 | - | - | 19,591,251 | 13,760,971 |

Notes to Financial Statements

財務報表附註

31 December 2019 二零一九年十二月三十一日

4 OPERATING SEGMENT INFORMATION (continued)

(i) Segment results, assets and liabilities (continued)

4 經營分部資料(續)

(i) 分部業績、資產及負債(續)

| | | Environmental energy project construction and operation 環保能源項目 建造及運營 | | Greentech project construction and operation 綠色環保項目 建造及運營 | | Environmental water project construction and operation 環保水務項目 建造及運營 | | Others 其他 | | Total 總額 | |
|---|-------------|--|---|---|-----------------------------------|---|-----------------------------------|-----------------------------------|---|-----------------------------------|-----------------------------------|
| | | 2019 二零一九年 HK\$'000 港幣千元 | 2018 二零一八年 HK\$'000 港幣千元 (Restated) (重報) | 2019 二零一九年 HK\$'000 港幣千元 | 2018 二零一八年 HK\$'000 港幣千元 | 2019 二零一九年 HK\$'000 港幣千元 | 2018 二零一八年 HK\$'000 港幣千元 | 2019 二零一九年 HK\$'000 港幣千元 | 2018 二零一八年 HK\$'000 港幣千元 (Restated) (重報) | 2019 二零一九年 HK\$'000 港幣千元 | 2018 二零一八年 HK\$'000 港幣千元 |
| Reportable segment assets | 須予報告之分部資產 | 62,211,440 | 44,663,920 | 26,216,428 | 18,573,215 | 22,383,618 | 19,298,504 | 3,808,971 | 2,662,397 | 114,620,457 | 85,198,036 |
| Unallocated head office and corporate assets | 未分配總公司及企業資產 | | | | | | | | | 4,731,046 | 9,923,601 |
| Consolidated total assets | 綜合資產總額 | | | | | | | | | 119,351,503 | 95,121,637 |
| Reportable segment liabilities | 須予報告之分部負債 | 26,158,807 | 18,526,794 | 15,671,070 | 9,168,525 | 13,120,503 | 10,921,723 | 2,323,164 | 1,747,835 | 57,273,544 | 40,364,877 |
| Unallocated head office and corporate liabilities | 未分配總公司及企業負債 | | | | | | | | | 17,351,380 | 14,061,421 |
| Consolidated total liabilities | 綜合負債總額 | | | | | | | | | 74,624,924 | 54,426,298 |

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財務報表附註

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4 OPERATING SEGMENT INFORMATION (continued)

(ii) Geographic information

The following table sets out information about the geographical location of (i) the Group's revenue from external customers, (ii) the Group's investment properties, property, plant and equipment, right-of-use assets/prepaid land lease payments and intangible assets and (iii) the Group's non-current portion of debtors, other receivables, deposits and prepayments and non-current portion of contract assets. The geographical location of customers is based on the location at which the services were provided. The geographical location of the assets is based on the physical location of the asset, in the case of investment properties, property, plant and equipment and right-of-use assets/prepaid land lease payments, and the location of the operation to which they are allocated, in the case of debtors, other receivables, deposits and prepayments, intangible assets and contract assets.

| | | Revenue from external customers 來自外界客戶之收益 | | Investment properties, property, plant and equipment, right-of-use assets/prepaid land lease payments and intangible assets 投資物業、物業、廠房及設備、使用權資產/預付土地租賃款項及無形資產 | | Non-current portion of debtors, other receivables, deposits and prepayments and contract assets 應收賬款、其他應收款項、按金及預付款項及合約資產之非即期部份 | |
|----------------------------------|----------------|--|-----------------------------------|--|-----------------------------------|---|-----------------------------------|
| | | 2019 二零一九年 HK\$'000 港幣千元 | 2018 二零一八年 HK\$'000 港幣千元 | 2019 二零一九年 HK\$'000 港幣千元 | 2018 二零一八年 HK\$'000 港幣千元 | 2019 二零一九年 HK\$'000 港幣千元 | 2018 二零一八年 HK\$'000 港幣千元 |
| Hong Kong (place of domicile) | 香港 (註冊營業地點) | - | - | 77,792 | 46,039 | - | - |
| Other parts of the PRC | 中國其他地區 | 37,094,642 | 26,741,256 | 22,742,436 | 16,325,445 | 61,196,143 | 45,110,263 |
| Germany | 德國 | 20,797 | 7,501 | 37,798 | 41,475 | - | - |
| Poland | 波蘭 | 383,378 | 473,170 | 654,820 | 726,272 | 4,899 | 2,016 |
| Vietnam | 越南 | 58,818 | 6,071 | 281,300 | 286,194 | - | - |
| Singapore | 新加坡 | - | - | 2,154 | 18 | - | - |
| Total | 總額 | 37,557,635 | 27,227,998 | 23,796,300 | 17,425,443 | 61,201,042 | 45,112,279 |

(iii) Information about a major customer

For the years ended 31 December 2019 and 2018, the revenue from the Group's largest customer amounted to less than 10% of the Group's total revenue.

4 經營分部資料(續)

(ii) 地區資料

下表載列有關(i)本集團來自外界客戶之收益、(ii)本集團之投資物業、物業、廠房及設備、使用權資產/預付土地租賃款項及無形資產及(iii)本集團之應收賬款、其他應收款項、按金及預付款項之非即期部份及合約資產之非即期部份之所在地區。客戶所在地區按服務提供地點劃分。資產所在地區按資產實際所在地點(以投資物業、物業、廠房及設備以及使用權資產/預付土地租賃款項而言)、以及涉及之業務之所在地點(以應收賬款、其他應收款項、按金及預付款項、無形資產及合約資產而言)劃分。

Investment properties, property, plant and equipment, right-of-use assets/prepaid land lease payments and intangible assets
投資物業、物業、廠房及設備、使用權資產/預付土地租賃款項及無形資產

Non-current portion of debtors, other receivables, deposits and prepayments and contract assets
應收賬款、其他應收款項、按金及預付款項及合約資產之非即期部份

(iii) 主要客戶資料

截至二零一九年及二零一八年十二月三十一日止年度，來自本集團最大客戶之收益佔本集團收益總額少於10%。

Notes to Financial Statements

財務報表附註

31 December 2019 二零一九年十二月三十一日

5 REVENUE

An analysis of revenue is as follows:

5 收益

收益分析如下：

| | | 2019 二零一九年 HK\$'000 港幣千元 | 2018 二零一八年 HK\$'000 港幣千元 (Restated) (重報) |
|---|----------------|-----------------------------------|---|
| <i>Revenue from contracts with customers</i> | 客戶合約收益 | | |
| Revenue from environmental energy project construction services | 環保能源項目建造服務收益 | 15,720,547 | 9,709,674 |
| Revenue from greentech project construction services | 綠色環保項目建造服務收益 | 4,919,759 | 4,127,440 |
| Revenue from environmental water project construction services | 環保水務項目建造服務收益 | 3,206,597 | 2,761,642 |
| Revenue from environmental energy project operation services | 環保能源項目運營服務收益 | 3,723,750 | 2,902,147 |
| Revenue from greentech project operation services | 綠色環保項目運營服務收益 | 4,165,018 | 2,730,775 |
| Revenue from environmental water project operation services | 環保水務項目運營服務收益 | 1,547,984 | 1,236,683 |
| Revenue from equipment construction and installation services and sales | 裝備建造及安裝服務及銷售收益 | 994,428 | 1,159,536 |
| Others | 其他 | 194,922 | 9,831 |
| Total revenue from contracts with customers | 客戶合約收益總額 | 34,473,005 | 24,637,728 |
| Finance income from service concession arrangements | 服務特許經營權安排之財務收入 | 3,084,630 | 2,590,270 |
| Total revenue | 收益總額 | 37,557,635 | 27,227,998 |

The aggregated revenues from environmental energy project construction and operation services, greentech project construction and operation services, environmental water project construction and operation services and finance income derived from the local government authorities in the PRC amounted to HK\$33,245,678,000 (2018: HK\$24,060,098,000) for the year ended 31 December 2019. The revenues are included in “Environmental energy project construction and operation”, “Greentech project construction and operation” and “Environmental water project construction and operation” segments as disclosed in note 4 to the financial statements.

截至二零一九年十二月三十一日止年度，來自中國當地政府機關之環保能源項目建造及運營服務收益、綠色環保項目建造及運營服務收益、環保水務項目建造及運營服務收益及財務收入總額為港幣33,245,678,000元（二零一八年：港幣24,060,098,000元）。有關收益計入「環保能源項目建造及運營」分部、「綠色環保項目建造及運營」分部及「環保水務項目建造及運營」分部（詳見財務報表附註4）。

Notes to Financial Statements

財務報表附註

31 December 2019 二零一九年十二月三十一日

5 REVENUE (continued)

Revenue from contracts with customers

(i) Disaggregated revenue information

5 收益(續)

客戶合約收益

(i) 經分拆收益資料

For the year ended 31 December 2019

截至二零一九年十二月三十一日止年度

| Segments | 分部 | Environmental energy project construction and operation 環保能源項目 建造及運營 HK\$'000 港幣千元 | Greentech project construction and operation 綠色環保項目 建造及運營 HK\$'000 港幣千元 | Environmental water project construction and operation 環保水務項目 建造及運營 HK\$'000 港幣千元 | Others 其他 HK\$'000 港幣千元 | Total 總額 HK\$'000 港幣千元 |
|--|--------------|--|---|---|----------------------------------|---------------------------------|
| Type of goods and services | 貨物及服務類型 | | | | | |
| Construction services | 建造服務 | 15,720,547 | 4,919,759 | 3,206,597 | - | 23,846,903 |
| Operation services | 運營服務 | 3,723,750 | 4,165,018 | 1,547,984 | - | 9,436,752 |
| Equipment construction and installation services and sales | 裝備建造及安裝服務及銷售 | - | - | - | 994,428 | 994,428 |
| Others | 其他 | - | - | - | 194,922 | 194,922 |
| Total revenue from contracts with customers | 客戶合約收益總額 | 19,444,297 | 9,084,777 | 4,754,581 | 1,189,350 | 34,473,005 |
| Geographical location of customers* | 客戶所在地區* | | | | | |
| Mainland China | 中國大陸 | 19,002,101 | 9,078,664 | 4,739,897 | 1,189,350 | 34,010,012 |
| Germany | 德國 | - | 6,113 | 14,684 | - | 20,797 |
| Poland | 波蘭 | 383,378 | - | - | - | 383,378 |
| Vietnam | 越南 | 58,818 | - | - | - | 58,818 |
| Total revenue from contracts with customers | 客戶合約收益總額 | 19,444,297 | 9,084,777 | 4,754,581 | 1,189,350 | 34,473,005 |
| Timing of revenue recognition | 收益確認時間 | | | | | |
| Over time | 於一段時間內 | 19,443,206 | 9,084,777 | 4,643,850 | 982,071 | 34,153,904 |
| At a point in time | 於某一時點 | 1,091 | - | 110,731 | 207,279 | 319,101 |
| Total revenue from contracts with customers | 客戶合約收益總額 | 19,444,297 | 9,084,777 | 4,754,581 | 1,189,350 | 34,473,005 |

* The geographical location of customers is based on the location of which the services were provided.

* 客戶所在地區按服務提供地點劃分。

Notes to Financial Statements

財務報表附註

31 December 2019 二零一九年十二月三十一日

5 REVENUE (continued)

Revenue from contracts with customers (continued)

(i) Disaggregated revenue information (continued)

For the year ended 31 December 2018

| Segments | 分部 | Environmental energy project construction and operation 環保能源項目 建造及運營 HK\$'000 港幣千元 (Restated) (重報) | Greentech project construction and operation 綠色環保項目 建造及運營 HK\$'000 港幣千元 | Environmental water project construction and operation 環保水務項目 建造及運營 HK\$'000 港幣千元 | Others 其他 HK\$'000 港幣千元 (Restated) (重報) | Total 總額 HK\$'000 港幣千元 |
|--|------------------|--|---|---|--|---------------------------------|
| Type of goods and services | 貨物及服務類型 | | | | | |
| Construction services | 建造服務 | 9,709,674 | 4,127,440 | 2,761,642 | - | 16,598,756 |
| Operation services | 運營服務 | 2,902,147 | 2,730,775 | 1,236,683 | - | 6,869,605 |
| Equipment construction and installation services and sales | 裝備建造及安裝服務 及銷售 | - | - | - | 1,159,536 | 1,159,536 |
| Others | 其他 | - | - | - | 9,831 | 9,831 |
| Total revenue from contracts with customers | 客戶合約收益總額 | 12,611,821 | 6,858,215 | 3,998,325 | 1,169,367 | 24,637,728 |
| Geographical location of customers* | 客戶所在地區* | | | | | |
| Mainland China | 中國大陸 | 12,132,580 | 6,850,714 | 3,998,325 | 1,169,367 | 24,150,986 |
| Germany | 德國 | - | 7,501 | - | - | 7,501 |
| Poland | 波蘭 | 473,170 | - | - | - | 473,170 |
| Vietnam | 越南 | 6,071 | - | - | - | 6,071 |
| Total revenue from contracts with customers | 客戶合約收益總額 | 12,611,821 | 6,858,215 | 3,998,325 | 1,169,367 | 24,637,728 |
| Timing of revenue recognition | 收益確認時間 | | | | | |
| Over time | 於一段時間內 | 12,602,687 | 6,858,215 | 3,969,221 | 781,428 | 24,211,551 |
| At a point in time | 於某一時點 | 9,134 | - | 29,104 | 387,939 | 426,177 |
| Total revenue from contracts with customers | 客戶合約收益總額 | 12,611,821 | 6,858,215 | 3,998,325 | 1,169,367 | 24,637,728 |

* The geographical location of customers is based on the location of which the services were provided.

* 客戶所在地區按服務提供地點劃分。

5 收益(續)

客戶合約收益(續)

(i) 經分拆收益資料(續)

截至二零一八年十二月三十一日止年度

Notes to Financial Statements

財務報表附註

31 December 2019 二零一九年十二月三十一日

5 REVENUE (continued)

Revenue from contracts with customers

(continued)

(i) Disaggregated revenue information (continued)

Set out below is the reconciliation of the revenue from contracts with customers with the amounts disclosed in the segment information:

For the year ended 31 December 2019

5 收益(續)

客戶合約收益(續)

(i) 經分拆收益資料(續)

下文載列客戶合約收益與分部資料所披露金額之對賬：

截至二零一九年十二月三十一日止年度

| Segments | 分部 | Environmental energy project construction and operation 環保能源項目 建造及運營 HK\$'000 港幣千元 | Greentech project construction and operation 綠色環保項目 建造及運營 HK\$'000 港幣千元 | Environmental water project construction and operation 環保水務項目 建造及運營 HK\$'000 港幣千元 | Others 其他 HK\$'000 港幣千元 | Total 總額 HK\$'000 港幣千元 |
|---|----------|---|--|--|----------------------------------|---------------------------------|
| Revenue from contracts with customers | 客戶合約收益 | | | | | |
| External customers | 外界客戶 | 21,538,204 | 9,279,308 | 5,550,773 | 1,189,350 | 37,557,635 |
| Inter-segment revenue | 分部間收益 | - | 247 | - | 2,039,324 | 2,039,571 |
| Finance income | 財務收入 | 21,538,204 | 9,279,555 | 5,550,773 | 3,228,674 | 39,597,206 |
| Inter-segment adjustments and eliminations | 分部間調整及對銷 | (2,093,907) | (194,531) | (796,192) | - | (3,084,630) |
| | | - | (247) | - | (2,039,324) | (2,039,571) |
| Total revenue from contracts with customers | 客戶合約收益總額 | 19,444,297 | 9,084,777 | 4,754,581 | 1,189,350 | 34,473,005 |

Notes to Financial Statements

財務報表附註

31 December 2019 二零一九年十二月三十一日

5 REVENUE (continued)

Revenue from contracts with customers (continued)

(i) Disaggregated revenue information (continued)

For the year ended 31 December 2018

5 收益(續)

客戶合約收益(續)

(i) 經分拆收益資料(續)

截至二零一八年十二月三十一日止年度

| Segments | 分部 | Environmental energy project construction and operation 環保能源項目 建造及運營 HK\$'000 港幣千元 (Restated) (重報) | Greentech project construction and operation 綠色環保項目 建造及運營 HK\$'000 港幣千元 (Restated) (重報) | Environmental water project construction and operation 環保水務項目 建造及運營 HK\$'000 港幣千元 (Restated) (重報) | Others 其他 HK\$'000 港幣千元 (Restated) (重報) | Total 總額 HK\$'000 港幣千元 |
|--|--------------|---|--|--|--|---------------------------------|
| Revenue from contracts with customers | 客戶合約收益 | | | | | |
| External customers | 外界客戶 | 14,340,529 | 6,999,063 | 4,719,039 | 1,169,367 | 27,227,998 |
| Inter-segment revenue | 分部間收益 | - | 2,757 | 49,279 | 1,784,490 | 1,836,526 |
| Finance income | 財務收入 | 14,340,529 | 7,001,820 | 4,768,318 | 2,953,857 | 29,064,524 |
| Inter-segment adjustments and eliminations | 分部間調整 及對銷 | (1,728,708) | (140,848) | (720,714) | - | (2,590,270) |
| | | - | (2,757) | (49,279) | (1,784,490) | (1,836,526) |
| Total revenue from contracts with customers | 客戶合約收益總額 | 12,611,821 | 6,858,215 | 3,998,325 | 1,169,367 | 24,637,728 |

Included in the revenue recognised in the year ended 31 December 2019, HK\$62,665,000 (2018: HK\$75,101,000) were related to performance obligations satisfied in previous periods.

在截至二零一九年十二月三十一日止年度確認之收益中，其中港幣62,665,000元(二零一八年：港幣75,101,000元)關於過往期間已履行之履約責任。

Notes to Financial Statements

財務報表附註

31 December 2019 二零一九年十二月三十一日

5 REVENUE (continued)

Revenue from contracts with customers

(continued)

(ii) Performance obligations

The amounts of transaction prices allocated to the remaining performance obligations (unsatisfied or partially unsatisfied) as at 31 December are as follows:

| | | 2019 二零一九年 HK\$'000 港幣千元 | 2018 二零一八年 HK\$'000 港幣千元 |
|---|---------------|-----------------------------------|-----------------------------------|
| Amounts expected to be recognised as revenue: | 預期將會確認為收益之金額： | | |
| Within one year | 一年內 | 39,943,022 | 30,518,128 |
| After one year | 一年後 | 414,603,636 | 316,016,407 |
| | | 454,546,658 | 346,534,535 |

The amounts of transaction prices allocated to the remaining performance obligations which are expected to be recognised as revenue after one year relate to construction services, operation services and other services, of which the performance obligations are to be satisfied within 50 years. All the other amounts of transaction prices allocated to the remaining performance obligations are expected to be recognised as revenue within one year. The amounts disclosed above do not include variable consideration which is constrained.

The Group has applied the practical expedient under HKFRS 15 and does not include information about revenue that the Group will be entitled to when it satisfied the remaining performance obligations for contracts with an original expected duration of one year or less.

5 收益(續)

客戶合約收益(續)

(ii) 履約責任

於十二月三十一日已分配至餘下履約責任(未獲履行或部份未獲履行)之交易價格金額如下：

已分配至餘下履約責任並預期於一年後確認為收益之交易價格金額涉及須於五十年內履行有關建造服務、運營服務及其他服務之履約責任。已分配至餘下履約責任之所有其他交易價格金額預期將於一年內確認為收益。上文所披露之金額並不包括受限制的可變代價。

本集團應用了香港財務報告準則第15號下之可行權宜處理方法及並無包括本集團將於原先預期時限為一年或以內之合約之餘下履約責任獲完成時有權獲得之收益之資料。

Notes to Financial Statements

財務報表附註

31 December 2019 二零一九年十二月三十一日

6 OTHER REVENUE, OTHER INCOME AND GAINS/(LOSSES), NET

An analysis of other revenue, other income and gains/(losses), net is as follows:

6 其他收益、其他收入及收益／(虧損)淨額

其他收益、其他收入及收益／(虧損)淨額分析如下：

| | | 2019 二零一九年 HK\$'000 港幣千元 | 2018 二零一八年 HK\$'000 港幣千元 |
|--|-----------------------|-----------------------------------|-----------------------------------|
| Other revenue | 其他收益 | | |
| Rental income from operating leases | 經營租賃租金收入 | 7,001 | 7,267 |
| Interest income | 利息收入 | 176,147 | 112,886 |
| Dividend income | 股息收入 | 323 | 1,664 |
| Government grants* | 政府補助金* | 140,818 | 134,123 |
| Value-added tax refund** | 增值稅退稅** | 311,723 | 375,643 |
| Others | 其他 | 129,637 | 107,331 |
| | | 765,649 | 738,914 |
| Other income and gains/(losses), net | 其他收入及收益／(虧損)淨額 | | |
| Fair value gains, net: | 公允值收益淨額： | | |
| Other financial assets | 其他財務資產 | | |
| – unlisted equity investment | – 非上市股本投資 | 4,496 | – |
| Other financial assets | 其他財務資產 | | |
| – unlisted investment | – 非上市投資 | 23,512 | – |
| Fair value adjustment of contingent consideration receivable (note 25) | 應收或然代價之公允值調整(附註25) | (646) | 3,428 |
| Loss on disposal and write-off of property, plant and equipment, net | 出售及撇銷物業、廠房及設備之淨虧損 | (2,334) | (4,113) |
| Impairment of debtors (note 25) | 應收賬款耗損(附註25) | (52,414) | (56,454) |
| Others | 其他 | (2,825) | – |
| | | (30,211) | (57,139) |
| Total | 總額 | 735,438 | 681,775 |

Notes to Financial Statements

財務報表附註

31 December 2019 二零一九年十二月三十一日

6 OTHER REVENUE, OTHER INCOME AND GAINS/(LOSSES), NET (continued)

- * Government grants of HK\$140,818,000 (2018: HK\$134,123,000) were granted during the year ended 31 December 2019 to subsidise certain environmental energy projects, greentech projects and environmental water projects of the Group in the PRC and Poland. There are no unfulfilled conditions and other contingencies attached to the receipts of those grants. There is no assurance that the Group will continue to receive such grants in the future.
- ** Value-added tax refund of HK\$311,723,000 (2018: HK\$375,643,000) was received/receivable during the year ended 31 December 2019 in relation to certain environmental energy projects, greentech projects and environmental water projects operations of the Group in the PRC. There are no unfulfilled conditions and other contingencies attached to the receipts of such tax refund. There is no assurance that the Group will continue to receive such tax refund in the future.

6 其他收益、其他收入及收益/(虧損)淨額(續)

- * 於截至二零一九年十二月三十一日止年度，本集團獲發放政府補助金港幣140,818,000元(二零一八年：港幣134,123,000元)，以補貼本集團若干中國及波蘭的環保能源項目、綠色環保項目及環保水務項目。概無有關收取該等補助金之未達成條件或其他或然事項。目前不能保證本集團於日後將可繼續獲發該等補助金。
- ** 於截至二零一九年十二月三十一日止年度，本集團在中國之若干環保能源運營項目、綠色環保運營項目及環保水務運營項目已獲發放/將獲發放增值稅退稅港幣311,723,000元(二零一八年：港幣375,643,000元)。概無有關收取該等增值稅退稅之未達成條件及其他或然事項。目前不能保證本集團於日後將可繼續獲發該等增值稅退稅。

7 FINANCE COSTS

7 財務費用

| | | 2019 二零一九年 HK\$'000 港幣千元 | 2018 二零一八年 HK\$'000 港幣千元 |
|--|------------------|-----------------------------------|-----------------------------------|
| Interest on bank and other loans | 銀行及其他貸款之利息 | 1,706,462 | 1,314,659 |
| Interest on corporate bond | 公司債券之利息 | 122,415 | 70,458 |
| Interest on lease liabilities | 租賃負債之利息 | 5,165 | - |
| Interest on finance leases | 融資租賃之利息 | - | 1,600 |
| Others | 其他 | 20,760 | - |
| Less: Interest expenses capitalised into construction in progress* | 減：於在建工程資本化之利息支出* | (24,004) | (10,707) |
| | | 1,830,798 | 1,376,010 |

- * The borrowing costs have been capitalised at rates ranging from 4.7% to 5.4% (2018: 4.7% to 5.2%) per annum during the year ended 31 December 2019.

- * 於截至二零一九年十二月三十一日止年度，借貸成本按介乎4.7%至5.4%(二零一八年：4.7%至5.2%)之年利率進行資本化。

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財務報表附註

31 December 2019 二零一九年十二月三十一日

8 PROFIT BEFORE TAX

The Group's profit before tax is arrived at after charging:

8 除稅前盈利

本集團之除稅前盈利已扣除：

| | Notes 附註 | 2019 二零一九年 HK\$'000 港幣千元 | 2018 二零一八年 HK\$'000 港幣千元 |
|---|---------------------------|-----------------------------------|-----------------------------------|
| Depreciation | 折舊 | | |
| – property, plant and equipment | – 物業、廠房及設備 | 15 | 311,865 |
| – right-of-use assets | – 使用權資產 | 16(b) | 46,334 |
| Amortisation | 攤銷 | | |
| – prepaid land lease payments | – 預付土地租賃款項 | 16(a) | – |
| – intangible assets | – 無形資產 | 18 | 504,782 |
| Research and development costs | 研究及開發成本 | | 119,126 |
| Minimum lease payments under operating leases | 經營租賃最低租賃款項 | | – |
| Lease payments not included in the measurement of lease liabilities | 並無計入租賃負債計量之租賃款項 | 16(d) | 39,949 |
| Auditor's remuneration | 核數師酬金 | | |
| – audit services | – 審核服務 | | 8,170 |
| – other services | – 其他服務 | | 2,252 |
| Employee benefit expense (excluding directors' remuneration (note 9)): | 僱員福利開支(不包括董事酬金(附註9)): | | |
| Wages, salaries, allowances and benefits in kind | 工資、薪金、津貼及實物利益 | | 2,170,162 |
| Retirement scheme contributions | 退休計劃供款 | | 314,538 |
| | | | 2,484,700 |
| Foreign exchange differences, net | 匯兌淨差額 | | 9,576 |
| Direct operating expenses (including repairs and maintenance) arising from rental-earning investment properties | 賺取租金之投資物業之直接經營費用(包括維修及保養) | | 348 |
| | | | 25,708 |
| | | | 348 |

As at 31 December 2019, the Group had no forfeited contributions available to reduce its contributions to the retirement schemes in future years (2018: Nil).

於二零一九年十二月三十一日，本集團並無沒收供款可用以扣減本集團在未來年度之退休計劃供款(二零一八年：無)。

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財務報表附註

31 December 2019 二零一九年十二月三十一日

9 DIRECTORS' REMUNERATION

Directors' remuneration for the year, disclosed pursuant to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules"), section 383(1)(a), (b), (c) and (f) of the Hong Kong Companies Ordinance and Part 2 of the Companies (Disclosure of Information about Benefits of Directors) Regulation, is as follows:

9 董事薪酬

根據香港聯合交易所有限公司證券上市規則（「上市規則」）、香港《公司條例》第383(1)(a)、(b)、(c)及(f)條及《公司(披露董事利益資料)規例》第2部披露之董事年度薪酬如下：

| | | Group 本集團 | |
|---|---------------------|-----------------------------------|-----------------------------------|
| | | 2019 二零一九年 HK\$'000 港幣千元 | 2018 二零一八年 HK\$'000 港幣千元 |
| Fees | 袍金 | 1,280 | 1,083 |
| Other emoluments: | | | |
| Salaries, allowances and benefits in kind | 其他酬金： 薪金、津貼及實物利益 | 9,628 | 9,711 |
| Discretionary bonuses | 酌情花紅 | 14,520 | 12,420 |
| Retirement scheme contributions | 退休計劃供款 | 1,367 | 1,354 |
| | | 25,515 | 23,485 |
| | | 26,795 | 24,568 |

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財務報表附註

31 December 2019 二零一九年十二月三十一日

9 DIRECTORS' REMUNERATION (continued)

9 董事薪酬(續)

| | | Fees | Salaries, allowances and benefits in kind | Discretionary bonuses | Retirement scheme contributions | Total |
|---|----------------------|----------|--|--------------------------|---------------------------------------|----------|
| | | 袍金 | 薪金、津貼 及實物利益 | 酌情花紅 | 退休計劃 供款 | 總額 |
| | | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 |
| | | 港幣千元 | 港幣千元 | 港幣千元 | 港幣千元 | 港幣千元 |
| 2019 | 二零一九年 | | | | | |
| Executive directors: | 執行董事： | | | | | |
| Cai Yunge | 蔡允革 | - | - | - | - | - |
| Wang Tianyi (note (b)) | 王天義(附註(b)) | - | 2,678 | 5,130 | 146 | 7,954 |
| Wong Kam Chung, Raymond | 黃錦聰 | - | 2,328 | 3,000 | 799 | 6,127 |
| Hu Yanguo (note (c)) | 胡延國(附註(c)) | - | 2,288 | 3,270 | 143 | 5,701 |
| Qian Xiaodong (note (c)) | 錢曉東(附註(c)) | - | 2,023 | 3,120 | 279 | 5,422 |
| | | - | 9,317 | 14,520 | 1,367 | 25,204 |
| Independent non-executive directors: | 獨立 非執行董事： | | | | | |
| Fan Yan Hok, Philip | 范仁鶴 | 320 | 106 | - | - | 426 |
| Mar Selwyn | 馬紹援 | 320 | 109 | - | - | 429 |
| Zhai Haitao | 翟海濤 | 320 | 96 | - | - | 416 |
| Suo Xuquan (note (f)) | 索緒權(附註(f)) | 320 | - | - | - | 320 |
| | | 1,280 | 311 | - | - | 1,591 |
| | | 1,280 | 9,628 | 14,520 | 1,367 | 26,795 |

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財務報表附註

31 December 2019 二零一九年十二月三十一日

9 DIRECTORS' REMUNERATION (continued)

9 董事薪酬(續)

| | | Fees 袍金 HK\$'000 港幣千元 | Salaries, allowances and benefits in kind 薪金、津貼 及實物利益 HK\$'000 港幣千元 | Discretionary bonuses 酌情花紅 HK\$'000 港幣千元 | Retirement scheme contributions 退休計劃 供款 HK\$'000 港幣千元 | Total 總額 HK\$'000 港幣千元 |
|---|----------------------|--------------------------------|--|--|---|---------------------------------|
| 2018 | 二零一八年 | | | | | |
| Executive directors: | 執行董事： | | | | | |
| Cai Yunge | 蔡允革 | - | - | - | - | - |
| Chen Xiaoping (note (a)) | 陳小平(附註(a)) | - | - | - | - | - |
| Wang Tianyi (note (b)) | 王天義(附註(b)) | - | 2,727 | 4,500 | 134 | 7,361 |
| Wong Kam Chung, Raymond | 黃錦聰 | - | 2,349 | 2,520 | 727 | 5,596 |
| Hu Yanguo (note (c)) | 胡延國(附註(c)) | - | 2,253 | 2,760 | 148 | 5,161 |
| Qian Xiaodong (note (c)) | 錢曉東(附註(c)) | - | 2,068 | 2,640 | 345 | 5,053 |
| Cai Shuguang (note (d)) | 蔡曙光(附註(d)) | - | - | - | - | - |
| | | - | 9,397 | 12,420 | 1,354 | 23,171 |
| Non-executive director: | 非執行董事： | | | | | |
| Tang Shuangning (note (e)) | 唐雙寧(附註(e)) | - | - | - | - | - |
| Independent non-executive directors: | 獨立 非執行董事： | | | | | |
| Fan Yan Hok, Philip | 范仁鶴 | 320 | 106 | - | - | 426 |
| Mar Selwyn | 馬紹援 | 320 | 109 | - | - | 429 |
| Zhai Haitao | 翟海濤 | 320 | 99 | - | - | 419 |
| Suo Xuquan (note (f)) | 索緒權(附註(f)) | 123 | - | - | - | 123 |
| | | 1,083 | 314 | - | - | 1,397 |
| | | 1,083 | 9,711 | 12,420 | 1,354 | 24,568 |

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財務報表附註

31 December 2019 二零一九年十二月三十一日

9 DIRECTORS' REMUNERATION (continued)

Notes:

- (a) Mr. Chen Xiaoping was also the chief executive officer of the Group and resigned as the executive director and the chief executive officer on 1 January 2018.
- (b) Mr. Wang Tianyi was re-designated as the chief executive officer on 1 January 2018.
- (c) Mr. Hu Yanguo and Mr. Qian Xiaodong were appointed as the executive directors on 1 January 2018.
- (d) Mr. Cai Shuguang resigned as executive director on 1 January 2018.
- (e) Mr. Tang Shuangning resigned as non-executive director on 16 March 2018.
- (f) Mr. Suo Xuquan was appointed as independent non-executive director on 14 August 2018.

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

10 FIVE HIGHEST PAID EMPLOYEES

The five highest paid employees during the year included four directors (2018: four directors), details of whose remuneration are set out in note 9 above. Details of the remuneration for the year of the remaining one (2018: one) highest paid employee who is not a director of the Company are as follows:

9 董事薪酬(續)

附註：

- (a) 陳小平先生亦曾任本集團行政總裁，並已於二零一八年一月一日辭任執行董事兼行政總裁。
- (b) 王天義先生於二零一八年一月一日調任行政總裁。
- (c) 胡延國先生及錢曉東先生於二零一八年一月一日獲委任為執行董事。
- (d) 蔡曙光先生於二零一八年一月一日辭任執行董事。
- (e) 唐雙寧先生於二零一八年三月十六日辭任非執行董事。
- (f) 索緒權先生於二零一八年八月十四日獲委任為獨立非執行董事。

年內概無訂立董事或主要行政人員放棄或同意放棄任何酬金之安排。

10 五名最高薪酬僱員

年內五名最高薪酬僱員包括四名董事(二零一八年：四名董事)，彼等之薪酬詳情載於上文附註9。年內餘下一名(二零一八年：一名)非本公司董事之最高薪酬僱員的薪酬詳情如下：

| | | 2019 二零一九年 HK\$'000 港幣千元 | 2018 二零一八年 HK\$'000 港幣千元 |
|---|------------|-----------------------------------|-----------------------------------|
| Salaries, allowances and benefits in kind | 薪金、津貼及實物利益 | 1,846 | 1,862 |
| Discretionary bonuses | 酌情花紅 | 2,580 | 2,183 |
| Retirement scheme contributions | 退休計劃供款 | 281 | 298 |
| | | 4,707 | 4,343 |

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財務報表附註

31 December 2019 二零一九年十二月三十一日

10 FIVE HIGHEST PAID EMPLOYEES (continued)

The number of non-director highest paid employee whose remuneration fell within the following band is as follows:

| | | Number of employee 僱員人數 | |
|--------------------------------|-------------------------------|----------------------------|---------------|
| | | 2019 二零一九年 | 2018 二零一八年 |
| HK\$4,000,001 to HK\$4,500,000 | 港幣4,000,001元至 港幣4,500,000元 | - | 1 |
| HK\$4,500,001 to HK\$5,000,000 | 港幣4,500,001元至 港幣5,000,000元 | 1 | - |
| | | 1 | 1 |

During the year, no emoluments were paid by the Group to the directors of the Company or any of the highest paid employees who are not a director of the Company as an inducement to join or upon joining the Group or as compensation for loss of office.

10 五名最高薪酬僱員(續)

薪酬介乎以下範圍之非董事最高薪酬僱員的人數如下：

年內，本集團並無向本公司董事或任何並非本公司董事之最高薪酬僱員支付任何酬金，作為加入本集團或於加入本集團時之獎勵或離職補償。

11 INCOME TAX

No provision for Hong Kong profits tax has been made as the Group did not generate any assessable profits arising in Hong Kong for the year ended 31 December 2019 (2018: Nil).

Tax for the PRC operations is charged at the statutory rate of 25% of the assessable profits under tax rules and regulations in the PRC. During the year, certain PRC subsidiaries are subject to tax at 50% of the standard tax rate or fully exempted from income tax under the relevant tax rules and regulations.

11 所得稅

由於本集團於截至二零一九年十二月三十一日止年度在香港並無賺取任何應課稅盈利，故此並無作出香港利得稅撥備(二零一八年：無)。

中國業務之稅項根據中國稅務法律及法規，按應課稅盈利以法定稅率25%計算。年內，根據相關稅務法律及法規，若干中國附屬公司須按標準稅率之50%繳納所得稅或獲所得稅稅項全數豁免。

| | | 2019 二零一九年 HK\$'000 港幣千元 | 2018 二零一八年 HK\$'000 港幣千元 |
|--|---------------------|-----------------------------------|-----------------------------------|
| Current – Elsewhere: Charge for the year | 本期 – 其他國家： 本年度計提 | 686,494 | 490,950 |
| Underprovision/(overprovision) in prior years | 過往年度撥備不足/ (撥備過剩) | (42,302) | 16,244 |
| Deferred (note 32) | 遞延(附註32) | 1,251,341 | 1,221,473 |
| Total tax expense for the year | 本年度稅項開支總額 | 1,895,533 | 1,728,667 |

Notes to Financial Statements

財務報表附註

31 December 2019 二零一九年十二月三十一日

11 INCOME TAX (continued)

A reconciliation of the tax expense applicable to profit before tax at the statutory rates for the countries or jurisdictions in which the Company and the majority of its subsidiaries are domiciled to the tax expense at the effective tax rates is as follows:

11 所得稅(續)

按適用於本公司及其大部份附屬公司所在國家或司法權區之法定稅率計算除稅前盈利之稅項支出與按實際稅率計算之稅項支出之對賬如下：

| | | 2019 二零一九年 HK\$'000 港幣千元 | 2018 二零一八年 HK\$'000 港幣千元 |
|--|------------------------------|-----------------------------------|-----------------------------------|
| Profit before tax | 除稅前盈利 | 8,263,695 | 6,998,442 |
| Tax at the statutory tax rate | 按法定稅率計算之稅項 | 2,120,261 | 1,798,044 |
| Difference in tax rates enacted by local authorities | 地方當局頒佈之稅率差異 | (551,872) | (416,755) |
| Effect of withholding tax on the distributable and distributed profits of the Group's PRC subsidiaries | 預提所得稅對本集團中國附屬公司可供分派及已分派盈利之影響 | 245,222 | 229,852 |
| Adjustments in respect of current tax of previous periods | 就過往期間之即期稅項作出之調整 | (42,302) | 16,244 |
| Profits and losses attributable to joint ventures and associates | 合營企業及聯營公司之盈利及虧損 | (66,877) | (40,428) |
| Income not subject to tax | 毋須課稅收入 | (80,966) | (79,122) |
| Expenses not deductible for tax | 不可扣稅開支 | 268,472 | 217,225 |
| Tax losses utilised from previous periods | 動用過往期間之可抵扣虧損 | (10,065) | (1,397) |
| Tax losses not recognised | 未確認可抵扣虧損 | 13,660 | 5,004 |
| Tax expense at the Group's effective rate | 按本集團實際稅率計算之稅項支出 | 1,895,533 | 1,728,667 |

The share of tax attributable to joint ventures and associates amounting to HK\$98,352,000 (2018: HK\$46,462,000) and HK\$7,058,000 (2018: HK\$1,671,000), respectively, is included in "Share of profits of joint ventures and associates" in the consolidated income statement.

所佔合營企業及聯營公司稅項分別為港幣98,352,000元(二零一八年:港幣46,462,000元)及港幣7,058,000元(二零一八年:港幣1,671,000元),已計入綜合損益表「所佔合營企業及聯營公司盈利」項下。

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31 December 2019 二零一九年十二月三十一日

12 DIVIDENDS

12 股息

| | | 2019 二零一九年 HK\$'000 港幣千元 | 2018 二零一八年 HK\$'000 港幣千元 |
|---|--|---|-----------------------------------|
| Dividends attributable to the year: | 本年度股息： | | |
| Interim – HK13.0 cents (2018: HK12.0 cents) per ordinary share | 中期股息－每股 普通股13.0港仙 (二零一八年：12.0港仙) | 798,587 | 537,925 |
| Proposed final – HK13.0 cents (2018: HK12.0 cents) per ordinary share | 擬派末期股息－每股 普通股13.0港仙 (二零一八年：12.0港仙) | 798,587 | 737,157 |
| | | 1,597,174 | 1,275,082 |
| Final dividend in respect of the previous financial year paid during the year – HK12.0 cents (2018: HK12.0 cents) per ordinary share | 年內已付上一個財政年度之 末期股息－每股 普通股12.0港仙 (二零一八年：12.0港仙) | 737,157 | 537,925 |

The proposed final dividend for the year is subject to the approval of the Company's shareholders at the forthcoming annual general meeting. The final dividend proposed after the end of the reporting period has not been recognised as a liability at the end of the reporting period.

本年度建議分派之末期股息須待本公司股東在應屆股東週年大會上批准後方可作實。於報告期末後建議分派之末期股息並未在報告期末確認為負債。

13 EARNINGS PER SHARE ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY

The calculation of basic earnings per share amount is based on the profit for the year attributable to equity holders of the Company of HK\$5,203,291,000 (2018: HK\$4,319,235,000), and 6,142,975,292 (2018: the weighted average number of 5,035,567,681) ordinary shares in issue during the year.

The Group had no potentially dilutive ordinary shares in issue during the years ended 31 December 2019 and 2018.

13 本公司權益持有人應佔每股盈利

每股基本盈利金額乃按本公司權益持有人應佔本年度盈利港幣5,203,291,000元(二零一八年：港幣4,319,235,000元)以及年內已發行普通股6,142,975,292股(二零一八年：加權平均數5,035,567,681股普通股)計算。

截至二零一九年及二零一八年十二月三十一日止年度，本集團並無任何已發行具潛在攤薄影響之普通股。

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14 INVESTMENT PROPERTIES

14 投資物業

| | | 2019 二零一九年 HK\$'000 港幣千元 | 2018 二零一八年 HK\$'000 港幣千元 |
|--------------------------------|------------------|-----------------------------------|-----------------------------------|
| Carrying amount at 1 January | 於一月一日之賬面值 | 159,310 | 165,133 |
| Additions | 增置 | 3,211 | – |
| Exchange realignment | 匯兌調整 | (3,128) | (5,823) |
| Carrying amount at 31 December | 於十二月三十一日之 賬面值 | 159,393 | 159,310 |

The directors of the Company have determined that the Group's investment properties were commercial investment properties based on the nature, characteristics and risks of each property. The Group's investment properties were revalued on 31 December 2019 based on valuations performed by Beijing Deping Daxin Assets Appraisal Co, Ltd. and Shenzhen Zhong Heng Xin Assets Appraisal Co., Ltd, independent firms of surveyors, and the management, at HK\$159,393,000. Each year, the management decides to appoint which external valuer to be responsible for the external valuations of the Group's properties. Selection criteria include market knowledge, reputation, independence and whether professional standards are maintained. The management has discussions with the surveyors on the valuation assumptions and valuation results twice a year when the valuation is performed for interim and annual financial reporting.

The investment properties are leased to third parties under operating leases, further summary details of which are included in note 16 to the financial statements.

Further particulars of the Group's investment properties are included on page 336.

根據各項物業之性質、特性及風險，本公司董事確定本集團之投資物業屬商用投資物業。於二零一九年十二月三十一日，本集團投資物業進行重估，有關重估依據獨立測量師行北京德平達盛資產評估有限責任公司及深圳市中衡信資產評估有限公司及管理層所作之估值進行，重估價值為港幣159,393,000元。管理層於每個年度均會決定委聘那家外聘估值公司負責對本集團物業進行外部估值。甄選準則包括對市場之熟識程度、聲譽、獨立性及能否維持專業水平。管理層與測量師每年兩次為中期及年度財務申報而進行之估值之估值假設及估值結果進行討論。

投資物業根據經營租賃出租予第三方，其進一步資料概要載於財務報表附註16。

本集團投資物業之進一步詳情載於第336頁。

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財務報表附註

31 December 2019 二零一九年十二月三十一日

14 INVESTMENT PROPERTIES (continued)

Fair value hierarchy

The following table illustrates the fair value measurement hierarchy of the Group's investment properties:

14 投資物業(續)

公允值架構級別

下表說明本集團投資物業之公允值計量架構級別：

Fair value measurement
as at 31 December 2019 using
於二零一九年十二月三十一日
使用以下各項進行公允值計量

| | Quoted prices in active markets (Level 1) 活躍市場 之報價 (第一級) HK\$'000 港幣千元 | Significant observable inputs (Level 2) 重大可觀察 輸入數據 (第二級) HK\$'000 港幣千元 | Significant unobservable inputs (Level 3) 重大不可觀察 輸入數據 (第三級) HK\$'000 港幣千元 | Total 總額 HK\$'000 港幣千元 |
|---------------------------------------|--|--|---|---------------------------------|
| Recurring fair value measurement for: | 下列項目之經常性的公允值計量： | | | |
| Commercial investment properties | - | - | 159,393 | 159,393 |

Fair value measurement
as at 31 December 2018 using
於二零一八年十二月三十一日
使用以下各項進行公允值計量

| | Quoted prices in active markets (Level 1) 活躍市場 之報價 (第一級) HK\$'000 港幣千元 | Significant observable inputs (Level 2) 重大可觀察 輸入數據 (第二級) HK\$'000 港幣千元 | Significant unobservable inputs (Level 3) 重大不可觀察 輸入數據 (第三級) HK\$'000 港幣千元 | Total 總額 HK\$'000 港幣千元 |
|---------------------------------------|--|--|---|---------------------------------|
| Recurring fair value measurement for: | 下列項目之經常性的公允值計量： | | | |
| Commercial investment properties | - | - | 159,310 | 159,310 |

Notes to Financial Statements

財務報表附註

31 December 2019 二零一九年十二月三十一日

14 INVESTMENT PROPERTIES (continued)

Fair value hierarchy (continued)

During the year, there were no transfers of fair value measurements between Level 1 and Level 2 and no transfers into or out of Level 3 (2018: Nil).

Reconciliation of fair value measurements categorised within Level 3 of the fair value hierarchy:

14 投資物業(續)

公允值架構級別(續)

年內，第一級與第二級之間並無公允值計量轉移，第三級亦無任何轉入或轉出(二零一八年：無)。

分類於公允值架構級別第三級之公允值計量之對賬：

| | | Commercial investment properties 商用投資物業 HK\$'000 港幣千元 |
|--|-----------------------------|--|
| Carrying amount at 1 January 2018 | 於二零一八年一月一日之賬面值 | 165,133 |
| Exchange realignment | 匯兌調整 | (5,823) |
| Carrying amount 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之賬面值 | 159,310 |
| Additions | 增置 | 3,211 |
| Exchange realignment | 匯兌調整 | (3,128) |
| Carrying amount at 31 December 2019 | 於二零一九年十二月三十一日之賬面值 | 159,393 |

No valuation gain or loss is recognised in the consolidated income statement for the years ended 31 December 2019 and 2018 as there has been no change in the fair value of the investment properties since previous valuations.

於截至二零一九年及二零一八年十二月三十一日止年度並無在綜合損益表確認任何估值盈虧，原因為投資物業之公允值自上一次估值以來並無變動。

Notes to Financial Statements

財務報表附註

31 December 2019 二零一九年十二月三十一日

14 INVESTMENT PROPERTIES (continued)

Fair value hierarchy (continued)

Below is a summary of the valuation technique used and the key inputs to the valuation of investment properties:

| | Valuation technique 估值技術 | Significant unobservable inputs 重大不可觀察輸入數據 |
|--|-------------------------------------|--|
| Commercial investment properties 商用投資物業 | Market comparison approach 市場比較法 | Premium (discount) on quality of the buildings 有關樓宇質量之溢價(折讓) Adjustment on timing of comparable transactions 就可供比較交易時間作出之調整 |

The fair value of investment properties is determined using market comparison approach by reference to recent sales price of comparable properties on a price per square metre basis, adjusted for a premium or a discount specific to the quality of the Group's buildings compared to the recent sales and the timing on the comparable transactions. Higher premium for higher quality buildings and a favourable adjustment on the timing of comparable transactions will result in a higher fair value measurement.

14 投資物業(續)

公允值架構級別(續)

下表概述投資物業估值所使用之估值技術及主要輸入數據：

投資物業之公允值乃使用市場比較法釐定，其經參考可供比較物業按每平方米價格基準計算之近期售價，且已就本集團樓宇質量之特定溢價或折讓(與可供比較交易近期銷售及時間比較所得)作出調整。倘樓宇質量較佳以致溢價較高及倘可供比較交易之時間導致作出有利調整，均會導致計量所得之公允值較高。

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財務報表附註

31 December 2019 二零一九年十二月三十一日

15 PROPERTY, PLANT AND EQUIPMENT

15 物業、廠房及設備

| | | Land and buildings 土地及樓宇 HK\$'000 港幣千元 | Plant and machinery 廠房及機器 HK\$'000 港幣千元 | Leasehold improvements, furniture and fixtures 租賃物業裝修、傢俬及裝置 HK\$'000 港幣千元 | Motor vehicles, electronic equipment and others 汽車、電子設備及其他 HK\$'000 港幣千元 | Construction in progress 在建工程 HK\$'000 港幣千元 | Total 總額 HK\$'000 港幣千元 |
|---|---------------------------|---|--|--|---|--|---------------------------------|
| 31 December 2019 | 二零一九年十二月三十一日 | | | | | | |
| Cost: | 成本值： | | | | | | |
| At 31 December 2018 | 於二零一八年十二月三十一日 | 2,321,963 | 1,927,311 | 123,843 | 434,332 | 559,114 | 5,366,563 |
| Effect of adoption of HKFRS 16 (note 2.2) | 採納香港財務報告準則第16號之影響 (附註2.2) | - | (61,372) | - | (16,423) | - | (77,795) |
| At 1 January 2019 (restated) | 於二零一九年一月一日 (重報) | 2,321,963 | 1,865,939 | 123,843 | 417,909 | 559,114 | 5,288,768 |
| Additions | 增置 | 25,913 | 34,891 | 44,545 | 226,443 | 322,180 | 653,972 |
| Acquisition of subsidiaries (note 36) | 收購附屬公司 (附註36) | 53,826 | 28,272 | 2,621 | 5,321 | 7,276 | 97,316 |
| Disposals and write-off | 出售及撇銷 | (1,101) | (3,652) | (2,155) | (18,417) | - | (25,325) |
| Transfers | 轉撥 | 178,739 | 139,519 | - | 4,150 | (322,408) | - |
| Transfer in (note 16(b)) | 轉入(附註16(b)) | - | 3,951 | - | 5,488 | - | 9,439 |
| Exchange realignment | 匯兌調整 | (76,902) | (62,159) | (3,760) | (16,576) | (22,886) | (182,283) |
| At 31 December 2019 | 於二零一九年十二月三十一日 | 2,502,438 | 2,006,761 | 165,094 | 624,318 | 543,276 | 5,841,887 |
| Accumulated depreciation: | 累計折舊： | | | | | | |
| At 31 December 2018 | 於二零一八年十二月三十一日 | 335,429 | 370,683 | 58,043 | 192,308 | - | 956,463 |
| Effect of adoption of HKFRS 16 (note 2.2) | 採納香港財務報告準則第16號之影響 (附註2.2) | - | (17,367) | - | (4,518) | - | (21,885) |
| At 1 January 2019 (restated) | 於二零一九年一月一日 (重報) | 335,429 | 353,316 | 58,043 | 187,790 | - | 934,578 |
| Charge for the year | 本年度折舊 | 98,680 | 118,009 | 25,098 | 70,078 | - | 311,865 |
| Disposals and write-off | 出售及撇銷 | (164) | (3,793) | (2,131) | (12,265) | - | (18,353) |
| Transfer in (note 16(b)) | 轉入(附註16(b)) | - | 2,335 | - | 2,614 | - | 4,949 |
| Exchange realignment | 匯兌調整 | (10,814) | (10,683) | (1,623) | (5,733) | - | (28,853) |
| At 31 December 2019 | 於二零一九年十二月三十一日 | 423,131 | 459,184 | 79,387 | 242,484 | - | 1,204,186 |
| Net carrying amount: | 賬面淨值： | | | | | | |
| At 31 December 2019 | 於二零一九年十二月三十一日 | 2,079,307 | 1,547,577 | 85,707 | 381,834 | 543,276 | 4,637,701 |
| At 1 January 2019 (restated) | 於二零一九年一月一日 (重報) | 1,986,534 | 1,512,623 | 65,800 | 230,119 | 559,114 | 4,354,190 |

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財務報表附註

31 December 2019 二零一九年十二月三十一日

15 PROPERTY, PLANT AND EQUIPMENT (continued)

15 物業、廠房及設備(續)

| | | Land and buildings 土地及樓宇 HK\$'000 港幣千元 | Plant and machinery 廠房及機器 HK\$'000 港幣千元 | Leasehold improvements, furniture and fixtures 租賃物業 裝修、 傢俬及裝置 HK\$'000 港幣千元 | Motor vehicles, electronic equipment and others 汽車、 電子設備及 其他 HK\$'000 港幣千元 | Construction in progress 在建工程 HK\$'000 港幣千元 | Total 總額 HK\$'000 港幣千元 |
|--|---------------------------|--|---|---|---|---|---------------------------------|
| 31 December 2018 | 二零一八年 十二月三十一日 | | | | | | |
| Cost: | 成本值: | | | | | | |
| At 1 January 2018 | 於二零一八年一月一日 | 2,188,509 | 1,754,557 | 98,190 | 371,534 | 356,185 | 4,768,975 |
| Additions | 增置 | 5,622 | 8,957 | 32,416 | 88,501 | 740,525 | 876,021 |
| Acquisition of subsidiaries (note 36) | 收購附屬公司 (附註36) | 10,970 | - | 267 | 892 | - | 12,129 |
| Disposals and write-off | 出售及撇銷 | (744) | (8,585) | (1,862) | (18,681) | (3,185) | (33,057) |
| Transfers | 轉撥 | 226,240 | 264,931 | - | 11,746 | (502,917) | - |
| Exchange realignment | 匯兌調整 | (108,634) | (92,549) | (5,168) | (19,660) | (31,494) | (257,505) |
| At 31 December 2018 | 於二零一八年 十二月三十一日 | 2,321,963 | 1,927,311 | 123,843 | 434,332 | 559,114 | 5,366,563 |
| Accumulated depreciation: | 累計折舊: | | | | | | |
| At 1 January 2018 | 於二零一八年一月一日 | 263,431 | 276,648 | 43,760 | 160,120 | - | 743,959 |
| Charge for the year | 本年度折舊 | 86,443 | 114,336 | 18,336 | 55,041 | - | 274,156 |
| Disposals and write-off | 出售及撇銷 | (147) | (1,891) | (1,639) | (12,683) | - | (16,360) |
| Exchange realignment | 匯兌調整 | (14,298) | (18,410) | (2,414) | (10,170) | - | (45,292) |
| At 31 December 2018 | 於二零一八年 十二月三十一日 | 335,429 | 370,683 | 58,043 | 192,308 | - | 956,463 |
| Net carrying amount: | 賬面淨值: | | | | | | |
| At 31 December 2018 | 於二零一八年 十二月三十一日 | 1,986,534 | 1,556,628 | 65,800 | 242,024 | 559,114 | 4,410,100 |

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財務報表附註

31 December 2019 二零一九年十二月三十一日

15 PROPERTY, PLANT AND EQUIPMENT (continued)

As at 31 December 2018, the Group was in the process of applying for the property ownership certificate in respect of a self-used office building acquired during the year ended 31 December 2017 in Nanjing, the PRC, (the "Building") with net book value of approximately HK\$300,000,000. The directors of the Company confirmed that, pursuant to the contracts and correspondences between the seller and the Group, the right to use or lease the Building has been transferred from the seller to the Group in 2017. However, the Group cannot sell, transfer, pledge or otherwise dispose of the Building before the registration of property ownership and obtaining the property ownership certificate with respect to the Building. The property ownership certificate of the Building was obtained by the Group during the year ended 31 December 2019.

At 31 December 2019, certain of the Group's items of property, plant and equipment with an aggregate carrying amount of HK\$1,382,422,000 (2018: HK\$1,798,512,000) were pledged to secure banking facilities granted to the Group, further details of which are included in notes 29 and 40 to the financial statements.

16 LEASES

The Group as a lessee

The Group has lease contracts for various items of buildings, plant and machinery, and motor vehicles, electronic equipment and others used in its operations. Lump sum payments were made upfront to acquire the leased land from the owners with lease terms of 20 to 50 years, and no ongoing payments will be made under the terms of these land leases. Leases of buildings, plant and machinery generally have lease terms between 1.3 and 5 years, while motor vehicles, electronic equipment and others generally have lease terms between 1.3 and 3 years. Generally, the Group is restricted from assigning and subleasing the leased assets outside the Group.

15 物業、廠房及設備(續)

於二零一八年十二月三十一日，本集團正就截至二零一七年十二月三十一日止年度購入位於中國南京之自用辦公室大樓（「該大樓」）辦理房產證申請。該大樓之賬面淨值約為港幣300,000,000元。本公司董事確認，根據賣方與本集團訂立之合同及書信，該大樓之使用或租賃權利已於二零一七年由賣方轉歸本集團。然而，在完成該大樓之房產證登記及取得房產證之前，本集團不得出售、轉讓、質押或以其他方式處置該大樓。本集團已於截至二零一九年十二月三十一日止年度取得該大樓之房產證。

於二零一九年十二月三十一日，本集團若干物業、廠房及設備（賬面總值港幣1,382,422,000元（二零一八年：港幣1,798,512,000元））已抵押作為本集團獲授銀行融資之抵押品，進一步詳情載於財務報表附註29及附註40。

16 租賃

本集團作為承租人

本集團具有涉及業務運作中使用的樓宇、廠房及機器，以及汽車、電子設備及其他項目等多個項目的租賃合約。本集團已作出一次性前期付款，從擁有人獲取租期為20年至50年的租賃土地，而根據該等土地租賃之條款，無需作出持續性付款。樓宇、廠房及機器之租賃租期一般為1.3年至5年；而汽車、電子設備及其他項目之租期則一般為1.3年至3年。基本上，本集團不得向本集團以外人士轉讓及分租有關租賃資產。

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財務報表附註

31 December 2019 二零一九年十二月三十一日

16 LEASES (continued)

The Group as a lessee (continued)

(a) Prepaid land lease payments (before 1 January 2019)

16 租賃(續)

本集團作為承租人(續)

(a) 預付土地租賃款項(二零一九年一月一日前)

| | | HK\$'000 港幣千元 |
|---------------------------------------|-------------------|------------------|
| Carrying amount at 1 January 2018 | 於二零一八年一月一日之賬面值 | 170,904 |
| Additions | 增置 | 57,005 |
| Amortisation provided during the year | 年內攤銷撥備 | (5,208) |
| Exchange realignment | 匯兌調整 | (9,619) |
| Carrying amount at 31 December 2018 | 於二零一八年十二月三十一日之賬面值 | 213,082 |

(b) Right-of-use assets

The carrying amounts of the Group's right-of-use assets and the movements during the year are as follows:

(b) 使用權資產

本集團使用權資產之賬面值及其年內變動如下：

| | | Prepaid land lease payments 預付土地 租賃款項 HK\$'000 港幣千元 | Buildings 樓宇 HK\$'000 港幣千元 | Plant and machinery 廠房及 機器 HK\$'000 港幣千元 | Motor vehicles, electronic equipment and others 汽車、電子 設備及其他 HK\$'000 港幣千元 | Total 總額 HK\$'000 港幣千元 |
|--|----------------------|---|-------------------------------------|---|---|---------------------------------|
| At 1 January 2019 | 於二零一九年一月一日 | 213,082 | 13,992 | 45,043 | 11,905 | 284,022 |
| Additions | 增置 | 160,771 | 82,542 | 20,941 | 6,348 | 270,602 |
| Additions as a result of acquisition of subsidiaries (note 36) | 因收購附屬公司而增置 (附註36) | 105,785 | - | - | - | 105,785 |
| Transfer out (note 15) | 轉出(附註15) | - | - | (1,617) | (2,873) | (4,490) |
| Depreciation charge | 折舊開支 | (8,238) | (25,974) | (9,233) | (2,889) | (46,334) |
| Exchange realignment | 匯兌調整 | (9,941) | (527) | (1,183) | (261) | (11,912) |
| As at 31 December 2019 | 於二零一九年 十二月三十一日 | 461,459 | 70,033 | 53,951 | 12,230 | 597,673 |

At 31 December 2019, certain of the Group's right-of-use assets (2018: prepaid land lease payments) with an aggregate carrying amount of HK\$113,686,000 (2018: HK\$81,860,000) were pledged to secure banking facilities granted to the Group, further details of which are included in notes 29 and 40 to the financial statements.

於二零一九年十二月三十一日，本集團若干使用權資產(二零一八年：預付土地租賃款項，賬面總值港幣113,686,000元(二零一八年：港幣81,860,000元))已抵押作為本集團獲授銀行融資之抵押品，進一步詳情載於財務報表附註29及附註40。

Notes to Financial Statements

財務報表附註

31 December 2019 二零一九年十二月三十一日

16 LEASES (continued)

The Group as a lessee (continued)

(b) Right-of-use assets (continued)

At 31 December 2019, certain of the Group's right-of-use assets (2018: property, plant and equipment) with an aggregate carrying amount of HK\$57,683,000 (2018: HK\$55,910,000) were pledged to secure the Group's lease liabilities, further details of which are included in notes 29 and 40 to the financial statements.

(c) Lease liabilities

The carrying amount of the Group's lease liabilities (included under interest-bearing borrowings) and the movements during the year are as follows:

16 租賃(續)

本集團作為承租人(續)

(b) 使用權資產(續)

於二零一九年十二月三十一日，本集團賬面總值港幣57,683,000元(二零一八年：港幣55,910,000元)之若干使用權資產(二零一八年：物業、廠房及設備)已抵押作為本集團租賃負債之抵押品，進一步詳情載於財務報表附註29及附註40。

(c) 租賃負債

本集團租賃負債(計入計息借貸)之賬面值及其年內變動如下：

| | | 2019 二零一九年 Lease liabilities 租賃負債 HK\$'000 港幣千元 | 2018 二零一八年 Finance lease payables 融資租賃 應付款項 HK\$'000 港幣千元 |
|--|--------------|---|--|
| Carrying amount at 1 January | 於一月一日之賬面值 | 57,229 | 42,593 |
| New leases | 新訂租賃 | 109,831 | 17,138 |
| Accretion of interest recognised during the year | 年內已確認利息增加 | 5,165 | 1,600 |
| Payments | 付款 | (49,440) | (16,027) |
| Exchange realignment | 匯兌調整 | (1,722) | (3,105) |
| Carrying amount at 31 December | 於十二月三十一日之賬面值 | 121,063 | 42,199 |
| Analysed into: | 分析： | | |
| Current portion | 即期部份 | 52,195 | 17,358 |
| Non-current portion | 非即期部份 | 68,868 | 24,841 |
| Carrying amount at 31 December | 於十二月三十一日之賬面值 | 121,063 | 42,199 |

The maturity analysis of lease liabilities (2018: finance lease payables) is disclosed in note 29 to the financial statements.

租賃負債(二零一八年：融資租賃應付款項)之到期情況分析於財務報表附註29披露。

Notes to Financial Statements

財務報表附註

31 December 2019 二零一九年十二月三十一日

16 LEASES (continued)

The Group as a lessee (continued)

(d) The amounts recognised in profit or loss in relation to leases are as follows:

16 租賃(續)

本集團作為承租人(續)

(d) 於損益表中確認之租賃相關金額如下：

| | | 2019 二零一九年 HK\$'000 港幣千元 |
|---|--|-----------------------------------|
| Interest on lease liabilities | 租賃負債利息 | 5,165 |
| Depreciation charge of right-of-use assets | 使用權資產折舊開支 | 46,334 |
| Expense relating to short-term leases and other leases with remaining lease terms ended on or before 31 December 2019 (included in administrative expenses) | 有關短期租賃及餘下租期已於二零一九年十二月三十一日或之前結束之其他租賃之開支(計入行政開支) | 39,949 |
| Total amount recognised in profit or loss | 於損益表中確認之總金額 | 91,448 |

(e) The total cash outflow for leases and future cash outflows relating to leases that have not yet commenced are disclosed in notes 39(c) and 41, respectively, to the financial statements.

(e) 租賃之現金流出總額及尚未開始之租賃之相關未來現金流出分別於財務報表附註39(c)及附註41披露。

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財務報表附註

31 December 2019 二零一九年十二月三十一日

16 LEASES (continued)

The Group as a lessor

The Group leases its investment properties (note 14) under operating lease arrangements. The terms of the leases generally require the tenants to pay security deposits and provide for periodic rent adjustments according to the then prevailing market conditions. Rental income recognised by the Group during the year was HK\$7,001,000 (2018: HK\$7,267,000), details of which are included in note 6 to the financial statements.

At 31 December 2019, the undiscounted lease payments receivables by the Group in future periods under non-cancellable operating leases with its tenants are as follows:

16 租賃(續)

本集團作為出租人

本集團根據經營租賃安排出租其投資物業(附註14)，租賃條款一般規定租戶須支付保證金，並規定可定期按照當時之市場情況調整租金。年內，本集團已確認之租金收入為港幣7,001,000元(二零一八年：港幣7,267,000元)，有關詳情載於財務報表附註6。

於二零一九年十二月三十一日，根據本集團與其租戶訂立之不可解除經營租賃，本集團於未來期間的未貼現應收租賃款項如下：

| | | 2019 二零一九年 HK\$'000 港幣千元 | 2018 二零一八年 HK\$'000 港幣千元 |
|---|---------|-----------------------------------|-----------------------------------|
| Within one year | 一年內 | 7,249 | 5,816 |
| After one year but within two years | 一年後但兩年內 | 7,249 | 5,715 |
| After two years but within three years | 兩年後但三年內 | 5,471 | 5,020 |
| After three years but within four years | 三年後但四年內 | 3,781 | 3,806 |
| After four years but within five years | 四年後但五年內 | 89 | 3,749 |
| After five years | 五年後 | 74 | — |
| | | 23,913 | 24,106 |

The Group leases its machinery to customer under finance lease arrangement, further details of which are included in note 24 to the financial statements.

本集團根據融資租賃安排出租機器予其客戶，進一步詳情載於財務報表附註24。

Notes to Financial Statements

財務報表附註

31 December 2019 二零一九年十二月三十一日

17 GOODWILL

17 商譽

| | | 2019 二零一九年 HK\$'000 港幣千元 | 2018 二零一八年 HK\$'000 港幣千元 |
|---|-------------------|---|-----------------------------------|
| Cost and net carrying amount at 1 January | 於一月一日之成本值及賬面淨值 | 1,753,737 | 1,747,451 |
| Acquisition of subsidiaries (note 36) | 收購附屬公司(附註36) | 154,252 | 103,335 |
| Exchange realignment | 匯兌調整 | 794 | (97,049) |
| Cost and net carrying amount at 31 December | 於十二月三十一日之成本值及賬面淨值 | 1,908,783 | 1,753,737 |

Impairment testing of goodwill

The carrying amount of goodwill allocated to the Group's cash-generating units ("CGUs") identified according to business segment is as follows:

商譽之耗損測試

下表列示已分配至本集團按業務分部分類之現金生產單位(「現金生產單位」)之商譽之賬面值：

| | | 2019 二零一九年 HK\$'000 港幣千元 | 2018 二零一八年 HK\$'000 港幣千元 |
|---|-------------|---|-----------------------------------|
| Environmental energy project construction and operation | 環保能源項目建造及運營 | 748,596 | 717,778 |
| Greentech project construction and operation | 綠色環保項目建造及運營 | 149,079 | - |
| Environmental water project construction and operation | 環保水務項目建造及運營 | 1,011,108 | 1,035,959 |
| | | 1,908,783 | 1,753,737 |

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財務報表附註

31 December 2019 二零一九年十二月三十一日

17 GOODWILL (continued)

Impairment testing of goodwill (continued)

Goodwill allocated to individual CGUs

The carrying amount of goodwill allocated to the individual CGUs is as follows:

17 商譽(續)

商譽之耗損測試(續)

分配至獨立現金生產單位之商譽

分配至獨立現金生產單位之商譽之賬面值如下：

| | | 2019 二零一九年 HK\$'000 港幣千元 | 2018 二零一八年 HK\$'000 港幣千元 |
|---|-------------------|-----------------------------------|-----------------------------------|
| Allocated to the individual CGUs in: | 分配至以下分部之獨立現金生產單位： | | |
| – “Environmental energy project construction and operation” segment | – 「環保能源項目建造及運營」分部 | 677,065 | 644,784 |
| – “Environmental energy project construction and operation” segment | – 「環保能源項目建造及運營」分部 | 60,276 | 61,739 |
| – “Environmental energy project construction and operation” segment | – 「環保能源項目建造及運營」分部 | 11,255 | 11,255 |
| – “Greentech project construction and operation” segment | – 「綠色環保項目建造及運營」分部 | 68,049 | – |
| – “Greentech project construction and operation” segment | – 「綠色環保項目建造及運營」分部 | 65,149 | – |
| – “Greentech project construction and operation” segment | – 「綠色環保項目建造及運營」分部 | 15,881 | – |
| – “Environmental water project construction and operation” segment | – 「環保水務項目建造及運營」分部 | 9,538 | 9,538 |
| | | 907,213 | 727,316 |

The goodwill of HK\$677,065,000 as at 31 December 2019 (2018: HK\$644,784,000) arose from the acquisition of the entire equity interest in Arent Capital Sp. z o.o. (the name was changed to Arent Capital Finance Sp. z o.o. with effect from 24 March 2017) and Uscudar Holdings Limited and their subsidiaries in the previous year, and is attributable mainly to the expected synergies from combining the operations of the Group and the acquirees. During the year, the Group redefined its business divisions to align its organisation structure for the purpose of managing its strategic direction. Accordingly, the individual CGU previously included in “Others” segment has been reclassified to the “Environmental energy project construction and operation” segment. Accordingly, the comparative information has been reclassified to conform to the current year’s presentation.

於二零一九年十二月三十一日之商譽港幣677,065,000元(二零一八年：港幣644,784,000元)來自過往年度收購Arent Capital Sp. z o.o.(自二零一七年三月二十四日起，公司名稱變更為Arent Capital Finance Sp. z o.o.)及Uscudar Holdings Limited以及彼等之附屬公司全部股權，其主要根據本集團及被收購公司合併業務之預期協同效益而計算。年內，本集團因應其組織架構，重新界定旗下業務分部，以便管理集團策略方向。因此，原先列入「其他」分部之獨立現金生產單位已重新分類至「環保能源項目建造及運營」分部。比較資料亦因而已重新分類，以符合本年度之呈報方式。

Notes to Financial Statements

財務報表附註

31 December 2019 二零一九年十二月三十一日

17 GOODWILL (continued)

Impairment testing of goodwill (continued)

Goodwill allocated to individual CGUs (continued)

The goodwill of HK\$60,276,000 as at 31 December 2019 (2018: HK\$61,739,000) arose from the acquisition of the entire equity interest in 九江威立雅環境服務有限公司 (the name was changed to Everbright Environmental Energy (Jiujiang) Limited with effect from 18 July 2018) (“Jiujiang Energy”) (note 36(f)) in last year, and is attributable mainly to the expected synergies from combining the operations of the Group and the acquiree.

The goodwill of HK\$68,049,000 as at 31 December 2019 (2018: Nil) arose from the acquisition of 88.88% of the equity interest in Suntime Environmental Remediation CO., Ltd (“Suntime Environmental”) (note 36(a)) in the current year, and is attributable mainly to the expected synergies from combining the operations of the Group and the acquiree.

The goodwill of HK\$65,149,000 as at 31 December 2019 (2018: Nil) arose from the acquisition of 90% of the equity interest in Jiangsu Jiayuan Environmental Technology Company Limited (“Jiangsu Jiayuan”) (note 36(b)) in the current year, and is attributable mainly to the expected synergies from combining the operations of the Group and the acquiree.

The recoverable amount of the respective CGUs is determined based on value-in-use calculations. These calculations use cash flow projections based on financial budgets approved by management covering a five-year period. The pre-tax discount rates of 8.4% to 13.7% (2018: 6.3% to 12.0%) have been used for the value-in-use calculations, and cash flows beyond the five-year period were extrapolated using growth rates of 2% to 3% (2018: 2%). Management determined the budgets based on service agreements governing the relevant operations. The discount rates used are pre-tax and reflect specific risks relating to the relevant segments. Based on the assessment, no impairment is considered necessary at 31 December 2019 and 2018.

17 商譽(續)

商譽之耗損測試(續)

分配至獨立現金生產單位之商譽(續)

於二零一九年十二月三十一日之商譽港幣60,276,000元(二零一八年：港幣61,739,000元)來自去年度收購九江威立雅環境服務有限公司(自二零一八年七月十八日起，公司名稱變更為光大環保能源(九江)有限公司(「九江能源」)(附註36(f))，其主要根據本集團及被收購公司合併業務之預期協同效益而計算。

於二零一九年十二月三十一日之商譽港幣68,049,000元(二零一八年：無)來自本年度收購上田環境修復股份有限公司(「上田環境修復」)88.88%股權(附註36(a))，其主要根據本集團及被收購公司合併業務之預期協同效益而計算。

於二零一九年十二月三十一日之商譽港幣65,149,000元(二零一八年：無)來自本年度收購江蘇佳願環境科技有限公司(「江蘇佳願」)90%股權(附註36(b))，其主要根據本集團及被收購公司合併業務之預期協同效益而計算。

有關現金生產單位之可收回金額乃根據使用價值計算法釐定，其按照管理層已核准之五年期間財務預算之現金流量預測計算。用於計算使用價值之稅前貼現率為8.4%至13.7%(二零一八年：6.3%至12.0%)，而超過五年期間之現金流量乃以增長率2%至3%(二零一八年：2%)推算。管理層根據監管有關業務之服務協議，釐定有關預算。所使用之貼現率為能反映有關分部特定風險之稅前貼現率。根據評估結果，於二零一九年及二零一八年十二月三十一日，毋需確認任何耗損。

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財務報表附註

31 December 2019 二零一九年十二月三十一日

17 GOODWILL (continued)

Impairment testing of goodwill (continued)

Goodwill allocated to a segment

The goodwill as at 31 December 2019 also comprised HK\$36,244,000 (2018: HK\$37,123,000), HK\$247,375,000 (2018: HK\$253,375,000) and HK\$717,951,000 (2018: HK\$735,923,000), arising from the acquisition of Xuzhou Municipal Engineering Design Institute Co., Ltd. (“Xuzhou Engineering Design Institute”) (note 36(e)), Dalian Dongda Water Co., Ltd and HanKore Environment Tech Group Limited, respectively, in previous years, and is attributable mainly to the expected synergies from combining the operations of the Group and the acquirees.

For the purpose of impairment testing, such goodwill has been allocated to the “Environmental water project construction and operation” segment.

The recoverable amount of the group of CGUs within the “Environmental water project construction and operation” segment is determined based on value-in-use calculations using cash flow projections based on financial budgets covering a five-year period approved by management. The pre-tax discount rate applied to the cash flow projections was 11.0% (2018: 11.2%) and cash flows beyond the five-year period were extrapolated using a growth rate of 3% (2018: 3%). Management determined the budgets based on service agreements governing the relevant operations. Based on the assessment, no impairment is considered necessary at 31 December 2019 and 2018.

None of the goodwill acquired is expected to be deductible for tax purposes.

17 商譽(續)

商譽之耗損測試(續)

分配至分部之商譽

於二零一九年十二月三十一日之商譽亦包括來自過往年度收購徐州市市政設計院有限公司(「徐州市市政設計院」)之港幣36,244,000元(二零一八年:港幣37,123,000元)(附註36(e)),來自收購大連東達水務有限公司之港幣247,375,000元(二零一八年:港幣253,375,000元)及來自收購漢科環境科技集團有限公司之港幣717,951,000元(二零一八年:港幣735,923,000元),其主要根據本集團及被收購公司合併業務之預期協同效益而計算。

就耗損測試而言,有關商譽已被分配至「環保水務項目建造及運營」分部。

屬於「環保水務項目建造及運營」分部之一組現金生產單位之可收回金額乃根據使用價值計算法按照管理層已核准之五年期間財務預算之現金流量預測釐定。應用於現金流量預測之稅前貼現率為11.0%(二零一八年:11.2%),而超過五年期間之現金流量乃以增長率3%(二零一八年:3%)推算。管理層根據監管有關業務之服務協議,釐定有關預算。根據評估結果,於二零一九年及二零一八年十二月三十一日,毋需確認任何耗損。

預期收購所得之商譽皆不可扣稅。

Notes to Financial Statements

財務報表附註

31 December 2019 二零一九年十二月三十一日

18 INTANGIBLE ASSETS

18 無形資產

| | | Environmental energy project operating rights 環保能源 項目運營權 HK\$'000 港幣千元 | Greentech project operating rights 綠色環保 項目運營權 HK\$'000 港幣千元 | Environmental water project operating rights 環保水務 項目運營權 HK\$'000 港幣千元 | Patents, trademarks and licences 專利、商標 及牌照 HK\$'000 港幣千元 | Computer software 電腦軟件 HK\$'000 港幣千元 | Backlog contracts 未完成合約 HK\$'000 港幣千元 | Technology 技術 HK\$'000 港幣千元 | Customer relations 客戶關係 HK\$'000 港幣千元 | Trade contracts 貿易合同 HK\$'000 港幣千元 | Total 總額 HK\$'000 港幣千元 |
|--|--------------------------|---|--|--|--|--|---|--------------------------------------|---|--|---------------------------------|
| 31 December 2019 | 二零一九年 十二月三十一日 | | | | | | | | | | |
| Cost: | 成本值: | | | | | | | | | | |
| At 1 January 2019 | 於二零一九年一月一日 | 3,343,197 | 7,878,376 | 1,765,534 | 106,300 | 5,469 | 240,843 | 81,130 | 103,556 | 10,747 | 13,535,152 |
| Additions | 增置 | 2,489,028 | 3,661,081 | 236,843 | 3,452 | 5,084 | - | - | - | - | 6,395,488 |
| Acquisition of subsidiaries (note 36) | 收購附屬公司(附註36) | - | - | - | 126,844 | - | 3,070 | 14,229 | - | - | 144,143 |
| Transfer in | 轉入 | 174,113 | - | - | - | - | - | - | - | - | 174,113 |
| Exchange realignment | 匯兌調整 | (137,573) | (268,969) | (47,175) | (8,164) | (242) | (11,567) | (2,180) | (2,076) | (206) | (478,152) |
| At 31 December 2019 | 於二零一九年 十二月三十一日 | 5,868,765 | 11,270,488 | 1,955,202 | 228,432 | 10,311 | 232,346 | 93,179 | 101,480 | 10,541 | 19,770,744 |
| Accumulated amortisation: | 累計攤銷: | | | | | | | | | | |
| At 1 January 2019 | 於二零一九年一月一日 | 111,948 | 388,176 | 250,538 | 47,444 | 3,638 | 32,558 | 19,553 | 32,075 | 6,271 | 892,201 |
| Amortisation provided during the year | 年內攤銷撥備 | 140,677 | 229,391 | 65,992 | 28,170 | 685 | 8,465 | 13,398 | 15,350 | 2,654 | 504,782 |
| Exchange realignment | 匯兌調整 | (5,845) | (14,052) | (3,160) | (1,761) | (475) | (1,057) | (502) | (779) | (141) | (27,772) |
| At 31 December 2019 | 於二零一九年 十二月三十一日 | 246,780 | 603,515 | 313,370 | 73,853 | 3,848 | 39,966 | 32,449 | 46,646 | 8,784 | 1,369,211 |
| Net carrying amount: | 賬面淨值: | | | | | | | | | | |
| At 31 December 2019 | 於二零一九年 十二月三十一日 | 5,621,985 | 10,666,973 | 1,641,832 | 154,579 | 6,463 | 192,380 | 60,730 | 54,834 | 1,757 | 18,401,533 |

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財務報表附註

31 December 2019 二零一九年十二月三十一日

18 INTANGIBLE ASSETS (continued)

18 無形資產(續)

| | | Environmental energy project operating rights 環保能源 項目運營權 HK\$'000 港幣千元 | Greentech project operating rights 綠色環保 項目運營權 HK\$'000 港幣千元 | Environmental water project operating rights 環保水務 項目運營權 HK\$'000 港幣千元 | Patents, trademarks and licences 專利、商標 及牌照 HK\$'000 港幣千元 | Computer software 電腦軟件 HK\$'000 港幣千元 | Backlog contracts 未完成合約 HK\$'000 港幣千元 | Technology 技術 HK\$'000 港幣千元 | Customer relations 客戶關係 HK\$'000 港幣千元 | Trade contracts 貿易合同 HK\$'000 港幣千元 | Total 總額 HK\$'000 港幣千元 |
|--|-------------------|---|--|--|--|--|---|--------------------------------------|---|--|---------------------------------|
| 31 December 2018 | 二零一八年 十二月三十一日 | | | | | | | | | | |
| Cost: | 成本值: | | | | | | | | | | |
| At 1 January 2018 | 於二零一八年一月一日 | 1,824,071 | 5,372,561 | 1,669,343 | 85,918 | 5,636 | 30,400 | 87,197 | 97,704 | 11,553 | 9,184,383 |
| Additions | 增置 | 1,575,021 | 2,858,571 | 181,095 | 25,190 | 39 | - | - | - | - | 4,639,916 |
| Acquisition of subsidiaries (note 36) | 收購附屬公司(附註36) | 90,377 | - | - | - | 65 | 211,764 | - | 13,573 | - | 315,779 |
| Exchange realignment | 匯兌調整 | (146,272) | (352,756) | (84,904) | (4,808) | (271) | (1,321) | (6,067) | (7,721) | (806) | (604,926) |
| At 31 December 2018 | 於二零一八年 十二月三十一日 | 3,343,197 | 7,878,376 | 1,765,534 | 106,300 | 5,469 | 240,843 | 81,130 | 103,556 | 10,747 | 13,535,152 |
| Accumulated amortisation: | 累計攤銷: | | | | | | | | | | |
| At 1 January 2018 | 於二零一八年一月一日 | 55,908 | 237,003 | 194,577 | 35,516 | 3,298 | 30,400 | 12,296 | 18,609 | 3,852 | 591,459 |
| Amortisation provided during the year | 年內攤銷撥備 | 61,061 | 168,664 | 66,255 | 14,072 | 481 | 3,479 | 8,561 | 15,563 | 2,836 | 340,972 |
| Exchange realignment | 匯兌調整 | (5,021) | (17,491) | (10,294) | (2,144) | (141) | (1,321) | (1,304) | (2,097) | (417) | (40,230) |
| At 31 December 2018 | 於二零一八年 十二月三十一日 | 111,948 | 388,176 | 250,538 | 47,444 | 3,638 | 32,558 | 19,553 | 32,075 | 6,271 | 892,201 |
| Net carrying amount: | 賬面淨值: | | | | | | | | | | |
| At 31 December 2018 | 於二零一八年 十二月三十一日 | 3,231,249 | 7,490,200 | 1,514,996 | 58,856 | 1,831 | 208,285 | 61,577 | 71,481 | 4,476 | 12,642,951 |

As at 31 December 2019, certain of the Group's concession rights of the environmental energy projects, greentech projects and environmental water projects (comprising operating rights, contract assets, debtors and other receivables) with an aggregate carrying amount of HK\$49,327,041,000 (2018: HK\$29,149,261,000) were pledged to secure banking facilities granted to the Group, further details of which are included in notes 29 and 40 to the financial statements.

於二零一九年十二月三十一日，本集團若干環保能源項目、綠色環保項目及環保水務項目之特許經營權(包括運營權、合約資產、應收賬款及其他應收款項)(賬面總值港幣49,327,041,000元(二零一八年：港幣29,149,261,000元))已抵押作為本集團獲授銀行融資之抵押品，進一步詳情載於財務報表附註29及附註40。

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財務報表附註

31 December 2019 二零一九年十二月三十一日

19 INTERESTS IN JOINT VENTURES

19 合營企業權益

| | | 2019 二零一九年 HK\$'000 港幣千元 | 2018 二零一八年 HK\$'000 港幣千元 |
|---------------------|--------|-----------------------------------|-----------------------------------|
| Share of net assets | 應佔資產淨額 | 1,163,597 | 679,246 |

The Group's debtors due from the joint ventures are disclosed in note 25 to the financial statements.

本集團之應收合營企業賬款於財務報表附註25披露。

Particulars of the Group's material joint ventures are as follows:

本集團重大合營企業之資料如下：

| Name 名稱 | Particulars of capital 資本詳情 | Place of registration and business 登記及業務地點 | Percentage of ownership interest 擁有權權益百分比 | | Principal activities 主要業務 |
|---|---|---|---|---------------|--|
| | | | 2019 二零一九年 | 2018 二零一八年 | |
| Everbright Jiangdong Environmental Energy (Ma'anshan) Limited ("EB Energy (Ma'anshan)") ⁺ 光大江東環保能源(馬鞍山) 有限公司(「光大能源(馬鞍山)」) | Paid up capital of Renminbi ("RMB") 170,000,000 繳足股本人民幣 170,000,000元 | PRC/ Mainland China 中國/中國大陸 | 50 | 50 | Design, construction, operation and maintenance of waste-to-energy plant (note (a)) 設計、建造、運營及維護 垃圾發電廠(附註(a)) |
| Everbright SITA Solid Waste Treatment (Changzhou) Limited ("EB SITA Solid Waste") 光大升達固廢處置(常州) 有限公司(「光大升達固廢」) | Paid up capital of RMB110,000,000 繳足股本人民幣 110,000,000元 | PRC/ Mainland China 中國/中國大陸 | 34.85 | 34.85 | Design, construction, operation and maintenance of hazardous waste landfill (note (b)) 設計、建造、運營及維護 危廢填埋場(附註(b)) |
| Sichuan Everbright Environmental Investment Limited ("Sichuan EB Investment") 四川光大節能環保投資有限公司 (「四川光大投資」) | Paid up capital of RMB500,000,000 繳足股本人民幣 500,000,000元 | PRC/ Mainland China 中國/中國大陸 | 49 | 49 | Investment in waste-to-energy plants (note (c)) 投資垃圾發電廠(附註(c)) |

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財務報表附註

31 December 2019 二零一九年十二月三十一日

19 INTERESTS IN JOINT VENTURES (continued)

19 合營企業權益(續)

| Name 名稱 | Particulars of capital 資本詳情 | Place of registration and business 登記及業務地點 | Percentage of ownership interest 擁有權益百分比 | | Principal activities 主要業務 |
|--|--|---|--|---------------|--|
| | | | 2019 二零一九年 | 2018 二零一八年 | |
| Hangzhou Fuyang Luzhu Environmental Energy Limited ("Fuyang Luzhu") ⁺ 杭州富陽淥諸環境能源 有限公司(「富陽淥諸」) | Paid up capital of RMB458,700,000 繳足股本人民幣 458,700,000元 | PRC/ Mainland China 中國/中國大陸 | 49 | - | Design, construction, operation and maintenance of environmental protection projects (note (d)) 設計、建造、運營及維護 環保項目(附註(d)) |

+ English translation is for identification only.

+ 英文譯名僅供識別。

Notes:

附註：

- (a) EB Energy (Ma'anshan) was established by the Group with Ma'anshan City Development Investment Group Limited in the PRC, the other investor to this joint venture, to carry out the Group's waste-to-energy business in specific areas in Ma'anshan City.
- (b) EB SITA Solid Waste was established by the Group with SITA Asia Pacific Limited in the PRC, the other investor to this joint venture, to enhance the harmless disposal of hazardous waste of Changzhou City.
- (c) Sichuan EB Investment was established by the Group with Sichuan Energy Investment Limited in the PRC, the other investor to this joint venture, to invest in the waste-to-energy sector in Sichuan Province.
- (d) Fuyang Luzhu was established by the Group with Zhejiang Fuchunjiang Environmental Thermoelectric Company Limited in the PRC, the other investor to this joint venture, to carry out the Group's environmental protection projects in Fuyang Luzhu City.

- (a) 光大能源(馬鞍山)由本集團及馬鞍山市城投集團市政公用事業投資管理有限公司(此合營企業之另一投資者)於中國成立，以於馬鞍山市指定地區進行本集團之垃圾發電業務。
- (b) 光大升達固廢由本集團及升達亞洲有限公司(此合營企業之另一投資者)於中國成立，以提升常州市之無害化危廢處理工作。
- (c) 四川光大投資由本集團及四川省能源投資集團有限責任公司(此合營企業之另一投資者)於中國成立，以投資於四川省之垃圾發電業。
- (d) 富陽淥諸由本集團及浙江富春江環保熱電股份有限公司(此合營企業之另一投資者)於中國成立，以於富陽淥諸市進行本集團之環保項目。

As at 31 December 2019, the above investments are held by the Company's subsidiaries.

於二零一九年十二月三十一日，上述投資由本公司附屬公司持有。

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19 INTERESTS IN JOINT VENTURES (continued)

The following table illustrates the summarised financial information in respect of the material joint venture, Sichuan EB Investment, and its subsidiaries, adjusted for any differences in accounting policies and reconciled to the carrying amount in the consolidated financial statements:

19 合營企業權益(續)

下表載列重大合營企業四川光大投資及其附屬公司之財務資料概要，其已就會計政策差異作出調整，並已與綜合財務報表所載賬面值對賬：

| | | 2019 二零一九年 HK\$'000 港幣千元 | 2018 二零一八年 HK\$'000 港幣千元 |
|---|--------------------------|-----------------------------------|-----------------------------------|
| Cash and cash equivalents | 現金及現金等價物 | 556,814 | 182,214 |
| Other current assets | 其他流動資產 | 2,584,188 | 872,027 |
| Current assets | 流動資產 | 3,141,002 | 1,054,241 |
| Non-current assets | 非流動資產 | 3,685,516 | 1,781,437 |
| Trade and other payables and provisions | 貿易及其他應付款項及撥備 | (3,194,433) | (1,036,480) |
| Other current liabilities | 其他流動負債 | (166,978) | (56,795) |
| Current liabilities | 流動負債 | (3,361,411) | (1,093,275) |
| Non-current financial liabilities, excluding trade and other payables and provisions | 非流動財務負債(不包括貿易及其他應付款項及撥備) | (1,894,374) | (679,215) |
| Other non-current liabilities | 其他非流動負債 | (116,398) | (90,879) |
| Non-current liabilities | 非流動負債 | (2,010,772) | (770,094) |
| Non-controlling interests | 非控股權益 | (116,983) | (61,322) |
| Net assets attributable to the Group | 本集團應佔資產淨額 | 1,337,352 | 910,987 |
| Reconciliation to the Group's interest in Sichuan EB Investment and its subsidiaries: | 與本集團於四川光大投資及其附屬公司之權益之對賬： | | |
| Proportion of the Group's ownership | 本集團之擁有權比例 | 49% | 49% |
| Group's share of net assets of Sichuan EB Investment | 本集團應佔四川光大投資資產淨額 | 655,303 | 446,384 |
| Carrying amount of the investment | 有關投資之賬面值 | 655,303 | 446,384 |
| Revenue | 收益 | 3,409,721 | 1,128,388 |
| Interest income | 利息收入 | 15,443 | 7,289 |
| Depreciation and amortisation | 折舊及攤銷 | (28,657) | (20,899) |
| Interest expenses | 利息開支 | (99,811) | (51,851) |
| Tax | 稅項 | (195,525) | (73,776) |
| Profit for the year | 年度盈利 | 457,002 | 264,976 |
| Other comprehensive loss | 其他全面虧損 | (15,597) | (40,796) |
| Total comprehensive income for the year | 年度全面收入總額 | 441,405 | 224,180 |

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19 INTERESTS IN JOINT VENTURES (continued)

The following table illustrates the aggregate financial information of the Group's joint ventures that are not individually material:

19 合營企業權益(續)

下表載列本集團個別不屬於重大之合營企業之匯總財務資料：

| | | 2019 二零一九年 HK\$'000 港幣千元 | 2018 二零一八年 HK\$'000 港幣千元 |
|--|------------------|-----------------------------------|-----------------------------------|
| Share of the joint ventures' profits for the year | 分佔合營企業之年度盈利 | 25,752 | 33,825 |
| Share of the joint ventures' other comprehensive loss | 分佔合營企業之其他全面虧損 | (11,832) | (10,845) |
| Share of the joint ventures' total comprehensive income | 分佔合營企業之全面收入總額 | 13,920 | 22,980 |
| Aggregate carrying amount of the Group's investments in the joint ventures | 本集團於合營企業之投資之賬面總值 | 508,294 | 232,862 |

20 INTERESTS IN ASSOCIATES

20 聯營公司權益

| | | 2019 二零一九年 HK\$'000 港幣千元 | 2018 二零一八年 HK\$'000 港幣千元 |
|---------------------|--------|-----------------------------------|-----------------------------------|
| Share of net assets | 應佔資產淨額 | 381,220 | 334,679 |

The Group's debtors and creditors with the associates are disclosed in notes 25 and 28 to the financial statements.

本集團與聯營公司之應收賬款及應付賬款在財務報表附註25及附註28披露。

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20 INTERESTS IN ASSOCIATES (continued)

Particulars of the Group's material associates are as follows:

20 聯營公司權益(續)

本集團重大聯營公司之資料如下：

| Name 名稱 | Particulars of capital 資本詳情 | Place of registration and business 登記及業務地點 | Percentage of ownership interest attributable to the Group 本集團應佔擁有權 權益百分比 | | Principal activities 主要業務 |
|--|--|--|--|---------------|--|
| | | | 2019 二零一九年 | 2018 二零一八年 | |
| Nanjing Jiangnan Environmental Industrial Park Development Limited ("Nanjing Jiangnan") ⁺ (note (a)) 南京江南環保產業園發展有限公司 (「南京江南」)(附註(a)) | Paid up capital of RMB380,000,000 繳足股本人民幣380,000,000元 | PRC/ Mainland China 中國/中國大陸 | 51 | 51 | Design, construction, operation and maintenance of environmental protection projects 設計、建造、運營及維護環保項目 |
| Xiangxiang Xiandai Environmental Energy Limited (formerly known as "Xiandai Everbright Environmental Energy (Xiangxiang) Limited") ("Xiangxiang Energy") ⁺ (note (b)) 湘鄉現代環保能源有限公司 (前稱「現代光大環保能源(湘鄉)有限公司」)(「湘鄉能源」)(附註(b)) | Paid up capital of RMB83,400,000 繳足股本人民幣83,400,000元 | PRC/ Mainland China 中國/中國大陸 | 20 | 20 | Design, construction, operation and maintenance of environmental protection projects 設計、建造、運營及維護環保項目 |
| Anqing Jinghuan Green Environmental Solid Waste Comprehensive Disposal Co. Ltd. ("Anqing Solid Waste") (note (c)) 安慶京環綠色環境固廢綜合處置有限公司(「安慶固廢」)(附註(c)) | Paid up capital of RMB141,000,000 繳足股本人民幣141,000,000元 | PRC/ Mainland China 中國/中國大陸 | 34.15 | 34.15 | Design, construction, operation and maintenance of hazardous and solid waste treatment project 設計、建造、運營及維護危廢及固廢處置項目 |
| Jiangsu Daji Environmental Energy Limited ("Jiangsu Daji") ⁺ (note (d)) 江蘇大吉環境能源有限公司 (「江蘇大吉」)(附註(d)) | Paid up capital of RMB221,565,400 繳足股本人民幣221,565,400元 | PRC/ Mainland China 中國/中國大陸 | 14.29 | 14.29 | Design, construction, operation and maintenance of environmental protection projects 設計、建造、運營及維護環保項目 |

+ English translation is for identification only.

+ 英文譯名僅供識別。

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財務報表附註

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20 INTERESTS IN ASSOCIATES (continued)

Notes:

- (a) Nanjing Jiangnan is established with a local government body in Nanjing City, the PRC, which enables the Group to further develop environmental protection projects in Nanjing City.

The Group has significant influence, but not control or joint control, over Nanjing Jiangnan, including participation in the financial and operating policy decisions, pursuant to the Articles of Association of Nanjing Jiangnan. Accordingly, Nanjing Jiangnan is classified as an associate of the Group.

- (b) Xiangxiang Energy is established with a local government body in Xiangxiang City, the PRC, which enables the Group to further develop environmental protection projects in Xiangxiang City.

The Group has significant influence, but not control or joint control, over Xiangxiang Energy, including participation in the financial and operating policy decisions, pursuant to the Articles of Association of Xiangxiang Energy. Accordingly, Xiangxiang Energy is classified as an associate of the Group.

- (c) Anqing Solid Waste is established by the Group with Beijing Environment Limited in the PRC to enhance harmless disposal ability of hazardous waste in Anqing City.

The Group has significant influence, but not control or joint control, over Anqing Solid Waste, including participation in the financial and operating policy decisions, pursuant to the Articles of Association of Anqing Solid Waste. Accordingly, Anqing Solid Waste is classified as an associate of the Group.

- (d) Jiangsu Daji is established by the Group with two entities established in the PRC, which enables the Group to further develop environmental protection projects in Daji City.

The Group has significant influence, but not control or joint control, over Jiangsu Daji, including participation in the financial and operating policy decisions, pursuant to the Articles of Association of Jiangsu Daji. Accordingly, Jiangsu Daji is classified as an associate of the Group.

As at 31 December 2019, the above investments are held by the Company's subsidiaries.

20 聯營公司權益(續)

附註：

- (a) 南京江南由本集團與中國南京市當地政府機關共同成立，其讓本集團得以在南京市進一步發展環保項目。

根據南京江南之公司章程，本集團可重大影響（而非控制或共同控制）南京江南，包括參與決定其財務及運營政策。因此，南京江南被分類為本集團之聯營公司。

- (b) 湘鄉能源由本集團與中國湘鄉市當地政府機關共同成立，其讓本集團得以在湘鄉市進一步發展環保項目。

根據湘鄉能源之公司章程，本集團可重大影響（而非控制或共同控制）湘鄉能源，包括參與決定其財務及運營政策。因此，湘鄉能源被分類為本集團之聯營公司。

- (c) 安慶固廢由本集團與北京環境有限公司於中國共同成立，旨在提升安慶市的危廢無害處置能力。

根據安慶固廢之公司章程，本集團可重大影響（而非控制或共同控制）安慶固廢，包括參與決定其財務及運營政策。因此，安慶固廢被分類為本集團之聯營公司。

- (d) 江蘇大吉由本集團與兩家在中國成立之實體於中國共同成立，其讓本集團得以在大吉市進一步發展環保項目。

根據江蘇大吉之公司章程，本集團可重大影響（而非控制或共同控制）江蘇大吉，包括參與決定其財務及運營政策。因此，江蘇大吉被分類為本集團之聯營公司。

於二零一九年十二月三十一日，上述投資由本公司附屬公司持有。

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20 INTERESTS IN ASSOCIATES (continued)

The following table illustrates the summarised financial information in respect of the material associate, Nanjing Jiangnan, adjusted for any differences in accounting policies and reconciled to the carrying amount in the consolidated financial statements:

| | | 2019 二零一九年 HK\$'000 港幣千元 | 2018 二零一八年 HK\$'000 港幣千元 |
|---|------------------|--|-----------------------------------|
| Current assets | 流動資產 | 47,304 | 74,434 |
| Non-current assets | 非流動資產 | 509,645 | 461,022 |
| Current liabilities | 流動負債 | (139,482) | (106,884) |
| Net assets | 資產淨額 | 417,467 | 428,572 |
| Reconciliation to the Group's interest in Nanjing Jiangnan: | 與本集團於南京江南之權益之對賬： | | |
| Proportion of the Group's ownership | 本集團之擁有權比例 | 51% | 51% |
| Group's share of net assets of Nanjing Jiangnan | 本集團應佔南京江南資產淨額 | 224,081 | 225,621 |
| Carrying amount of the investment | 有關投資之賬面值 | 224,081 | 225,621 |
| Loss for the year | 年度虧損 | (978) | (496) |
| Other comprehensive loss | 其他全面虧損 | (10,127) | (16,373) |
| Total comprehensive loss for the year | 年度全面虧損總額 | (11,105) | (16,869) |

20 聯營公司權益(續)

下表載列重大聯營公司南京江南之財務資料概要，其已就會計政策差異作出調整，並已與綜合財務報表所載賬面值對賬：

The following table illustrates the aggregate financial information of the Group's associates that are not individually material:

下表載列本集團個別不屬於重大之聯營公司之匯總財務資料：

| | | 2019 二零一九年 HK\$'000 港幣千元 | 2018 二零一八年 HK\$'000 港幣千元 |
|--|------------------|--|-----------------------------------|
| Share of the associates' profits for the year | 分佔聯營公司之年度盈利 | 19,881 | 4,012 |
| Share of the associates' other comprehensive loss | 分佔聯營公司之其他全面虧損 | (2,984) | (2,207) |
| Share of the associates' total comprehensive income | 分佔聯營公司之全面收入總額 | 16,897 | 1,805 |
| Aggregate carrying amount of the Group's investments in the associates | 本集團於聯營公司之投資之賬面總值 | 157,139 | 109,058 |

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21 OTHER FINANCIAL ASSETS

21 其他財務資產

| | | Notes 附註 | 2019 二零一九年 HK\$'000 港幣千元 | 2018 二零一八年 HK\$'000 港幣千元 |
|---|---------------------------------------|-------------|-----------------------------------|-----------------------------------|
| Equity investments designated at fair value through other comprehensive income | 指定按公允值計入其他全面收入之股本投資 | (a) | | |
| Listed equity investments, at fair value | 上市股本投資 (按公允值) | | | |
| – HKC (Holdings) Limited | – 香港建設(控股)有限公司 | | 7,832 | 8,130 |
| – China Renewable Energy Investment Limited | – 中國再生能源投資有限公司 | | 336 | 426 |
| | | | 8,168 | 8,556 |
| Unlisted equity investments, at fair value | 非上市股本投資 (按公允值) | | | |
| – Kerry Shanghai Limited | – Kerry Shanghai Limited | | 3,899 | 3,899 |
| – CEL Catalyst China Israel Fund L.P. | – CEL Catalyst China Israel Fund L.P. | | 35,998 | 30,115 |
| | | | 39,897 | 34,014 |
| | | | 48,065 | 42,570 |
| Financial assets at fair value through profit or loss | 按公允值計入損益之財務資產 | (b) | | |
| Unlisted investments, at fair value | 非上市投資 (按公允值) | | 431,035 | – |
| Unlisted equity investment, at fair value | 非上市股本投資 (按公允值) | | 31,010 | – |
| | | | 462,045 | – |
| Total | 總額 | | 510,110 | 42,570 |

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31 December 2019 二零一九年十二月三十一日

21 OTHER FINANCIAL ASSETS (continued)

Notes:

- (a) The above equity investments were irrevocably designated at fair value through other comprehensive income as the Group considers these investments to be strategic in nature.

During the year ended 31 December 2019, the Group received dividends in the amounts of HK\$307,000 (2018: HK\$250,000), HK\$16,000 (2018: HK\$14,000) and nil (2018: HK\$1,400,000) from HKC (Holdings) Limited, China Renewable Energy Investment Limited and Kerry Shanghai Limited, respectively.

During the year ended 31 December 2019, the gross loss in respect of the Group's equity investments designated at fair value through other comprehensive income recognised in other comprehensive income amounted to HK\$388,000 (2018: gross gain of HK\$1,216,000).

- (b) The above unlisted investments at 31 December 2019 were wealth management products issued by financial institutions in Hong Kong. They were mandatorily classified as financial assets at fair value through profit or loss as their contractual cash flows are not solely payments of principal and interest.

22 INVENTORIES

| | | 2019 二零一九年 HK\$'000 港幣千元 | 2018 二零一八年 HK\$'000 港幣千元 |
|--------------------------------------|----------|-----------------------------------|-----------------------------------|
| Raw materials and operating supplies | 原材料及運營用品 | 384,573 | 247,789 |
| Spare parts | 零部件 | 438,955 | 410,970 |
| | | 823,528 | 658,759 |

The analysis of amount of inventories recognised as an expense and included in profit or loss is as follows:

| | | 2019 二零一九年 HK\$'000 港幣千元 | 2018 二零一八年 HK\$'000 港幣千元 |
|---|-----------|-----------------------------------|-----------------------------------|
| Carrying amount of inventories consumed | 已耗用存貨之賬面值 | 4,472,162 | 3,516,403 |

21 其他財務資產(續)

附註:

- (a) 上述股本投資已不可撤回地指定為按公允值計入其他全面收入，原因為本集團認為有關投資屬策略性性質。

於截至二零一九年十二月三十一日止年度，本集團分別從香港建設(控股)有限公司、中國再生能源投資有限公司及 Kerry Shanghai Limited 收取股息港幣307,000元(二零一八年：港幣250,000元)、港幣16,000元(二零一八年：港幣14,000元)及港幣零元(二零一八年：港幣1,400,000元)。

於截至二零一九年十二月三十一日止年度，就指定按公允值計入其他全面收入之股本投資而言，本集團在其他全面收入確認之虧損總額為港幣388,000元(二零一八年：收益總額港幣1,216,000元)。

- (b) 於二零一九年十二月三十一日，上述非上市投資為香港金融機構發行之財富管理產品。由於其合約現金流量並非純粹為本金及利息付款，故此其被強制分類為按公允值計入損益之財務資產。

22 存貨

已於損益表確認入賬為開支之存貨金額分析如下：

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23 CONTRACT ASSETS

23 合約資產

| | | | 31 December 2019 二零一九年 十二月三十一日 HK\$'000 港幣千元 | 31 December 2018 二零一八年 十二月三十一日 HK\$'000 港幣千元 | 1 January 2018 二零一八年 一月一日 HK\$'000 港幣千元 |
|---|--|-----|---|---|--|
| Non-current | 非即期 | | | | |
| Service concession assets | 服務特許經營權資產 | (a) | 58,900,254 | 43,540,152 | 36,780,980 |
| Current | 即期 | | | | |
| Service concession assets | 服務特許經營權資產 | (a) | 4,567,265 | 5,112,965 | 3,549,354 |
| Unbilled renewable energy tariff subsidy | 未發單再生能源電價 補貼 | (b) | 3,646,473 | 1,835,849 | 986,850 |
| Other contract assets | 其他合約資產 | (c) | 590,634 | 588,140 | - |
| | | | 8,804,372 | 7,536,954 | 4,536,204 |
| Total | 總額 | | 67,704,626 | 51,077,106 | 41,317,184 |
| Contract assets arising from performance under construction contracts in connection with service concession arrangements, which are included in "Intangible assets" (note 18) | 履行服務特許經營權安排相關建造合約而產生並計入「無形資產」之合約資產(附註18) | | 4,060,698 | 4,151,924 | 2,028,953 |

Notes:

(a) Included in "Service concession assets" are amounts of HK\$542,172,000 (2018: HK\$582,215,000) and HK\$730,733,000 (2018: HK\$603,995,000) which are related to the construction service under BOT and certain BOO arrangements or upgrade services under TOT arrangements rendered by the Group to a non-controlling shareholder of a non wholly-owned subsidiary and a related company, respectively.

"Service concession assets" arose from the Group's revenue from construction under BOT and certain BOO arrangements or upgrade services under TOT arrangements and bear interest at rates ranging from 4.90% to 7.83% (2018: 4.90% to 7.83%) per annum. Among the total of HK\$63,467,519,000 (2018: HK\$48,653,117,000), HK\$41,971,452,000 (2018: HK\$27,558,726,000) relates to BOT, TOT and BOO arrangements with operations commenced.

附註：

(a) 在「服務特許經營權資產」中，包括港幣542,172,000元(二零一八年：港幣582,215,000元)，其關乎本集團根據BOT及部份BOO安排為非全資附屬公司之非控股股東提供之建造服務，以及港幣730,733,000元(二零一八年：港幣603,995,000元)，其關乎本集團根據TOT安排為關聯公司提供之改造服務。

「服務特許經營權資產」乃於本集團的BOT及部份BOO安排下之建造服務收益或在TOT安排下之改造服務收益所產生，其按年息率4.90%至7.83%(二零一八年：4.90%至7.83%)計算利息。在總額港幣63,467,519,000元(二零一八年：港幣48,653,117,000元)中，其中港幣41,971,452,000元(二零一八年：港幣27,558,726,000元)關乎已投入運營之BOT、TOT及BOO安排。

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財務報表附註

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23 CONTRACT ASSETS (continued)

Notes: (continued)

(a) (continued)

Pursuant to the BOT, TOT and BOO arrangements, the Group receives no payment from the grantors during the construction period and receives service fees when relevant services are rendered during the operating periods. The service concession assets are not yet due for payment and will be settled by service fees to be received during the operating periods of the service concession arrangements. Amounts billed will be transferred to debtors (note 25).

All of the current portion of service concession assets are expected to be recovered within one year.

- (b) The balance represented government on-grid tariff subsidy for certain projects which will be billed and settled upon the successful completion of government administrative procedures pursuant to notices jointly issued by the Ministry of Finance, the National Development and Reform Commission and the National Energy Administration.
- (c) The balance as at 31 December 2019 comprised contract assets of HK\$217,435,000 (2018: HK\$67,025,000) arising from performance under environmental remediation service contracts, HK\$270,317,000 (2018: HK\$251,466,000) arising from performance under construction management service contracts, HK\$102,882,000 (2018: Nil) arising from performance under operation service contracts, and nil (2018: HK\$269,649,000) arising from performance under equipment construction and installation service contracts.

Such contracts include payment schedules which require stage payments over the service periods once milestones are reached.

Included in "Other contract assets" of the Group at 31 December 2018 were amounts of HK\$235,309,000 and HK\$17,039,000 which were related to the construction management service rendered by the Group to joint ventures and the equipment construction and installation service rendered by the Group to an associate, respectively.

23 合約資產(續)

附註：(續)

(a) (續)

根據有關BOT、TOT及BOO安排，本集團於建造期內不會從授權人收到任何款項，而是於運營期內提供有關服務時收到服務費。服務特許經營權資產尚未到期支付，並將以服務特許經營權安排之運營期服務費支付。已發單金額將轉撥至應收賬款(附註25)。

服務特許經營權資產之所有即期部份預期可於一年內收回。

- (b) 有關結餘為若干項目之政府上網電價補貼，其將於根據國家財政部、國家發展和改革委員會及國家能源局聯合發佈之通知，成功完成政府行政程序後發單及收回。
- (c) 於二零一九年十二月三十一日之結餘包括履行環境修復服務合約所產生之合約資產港幣217,435,000元(二零一八年：港幣67,025,000元)、履行建造工程管理服務合約所產生之合約資產港幣270,317,000元(二零一八年：港幣251,466,000元)、履行運營服務合約所產生之合約資產港幣102,882,000元(二零一八年：無)及履行裝備建造及安裝服務合約所產生之合約資產港幣零元(二零一八年：港幣269,649,000元)。

有關合約載有付款時間表，其規定於服務期內當達致指定工程進度時，便須支付進度付款。

於二零一八年十二月三十一日，在本集團之「其他合約資產」中，包括港幣235,309,000元，其關乎本集團向合營企業提供之建造工程管理服務及港幣17,039,000元，其關乎本集團向聯營公司提供之裝備建造及安裝服務。

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財務報表附註

31 December 2019 二零一九年十二月三十一日

23 CONTRACT ASSETS (continued)

The loss allowance was assessed to be minimal at 31 December 2019 and 2018 in respect of the contract assets.

As at 31 December 2019, certain of the Group's concession rights of the environmental energy projects, greentech projects and environmental water projects (comprising operating rights, contract assets, debtors and other receivables) with an aggregate carrying amount of HK\$49,327,041,000 (2018: HK\$29,149,261,000) were pledged to secure banking facilities granted to the Group, further details of which are included in notes 29 and 40 to the financial statements.

24 FINANCE LEASE RECEIVABLES

The Group leases machinery to its customer. This lease was classified as a finance lease prior to HKFRS 16 becoming effective on 1 January 2019 and had a remaining lease term of 16 years. The customer shall purchase or has an option to purchase the leased machinery at the end of the lease term of the finance lease.

23 合約資產(續)

於二零一九年及二零一八年十二月三十一日，合約資產虧損撥備被評定為輕微。

於二零一九年十二月三十一日，本集團若干環保能源項目、綠色環保項目及環保水務項目之特許經營權(包括運營權、合約資產、應收賬款及其他應收款項)(賬面總值港幣49,327,041,000元(二零一八年：港幣29,149,261,000元))已抵押作為本集團獲授銀行融資之抵押品，進一步詳情載於財務報表附註29及附註40。

24 融資租賃應收款項

本集團出租機器予其客戶。在香港財務報告準則第16號於二零一九年一月一日生效前，有關租賃被分類為融資租賃，餘下租期為16年。於融資租賃租期完結時，有關客戶須購買或有權選擇購買有關租賃機器。

| | | 2019 二零一九年 HK\$'000 港幣千元 | 2018 二零一八年 HK\$'000 港幣千元 |
|---|---------------------|-----------------------------------|-----------------------------------|
| Finance lease receivables, non-current portion | 融資租賃應收款項 (非即期部份) | 15,390 | 16,435 |
| Finance lease receivables, current portion | 融資租賃應收款項 (即期部份) | 622 | 567 |
| | | 16,012 | 17,002 |

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財務報表附註

31 December 2019 二零一九年十二月三十一日

24 FINANCE LEASE RECEIVABLES (continued)

At 31 December 2019, the undiscounted lease payments to be received in future periods under finance leases and their present values were as follows:

24 融資租賃應收款項(續)

於二零一九年十二月三十一日，在融資租賃項下於未來期間將予收取之未貼現租賃款項及其現值如下：

| | | Undiscounted lease payments receivables 未貼現應收租賃款項 | | Present value of lease payment receivables 應收租賃款項之現值 | |
|---|-------------|--|-----------------------------------|---|-----------------------------------|
| | | 2019 二零一九年 HK\$'000 港幣千元 | 2018 二零一八年 HK\$'000 港幣千元 | 2019 二零一九年 HK\$'000 港幣千元 | 2018 二零一八年 HK\$'000 港幣千元 |
| Amounts receivable: | 應收款項： | | | | |
| Within one year | 一年內 | 1,564 | 1,602 | 622 | 567 |
| After one year but within two years | 一年後但兩年內 | 1,564 | 1,602 | 660 | 637 |
| After two years but within three years | 兩年後但三年內 | 1,564 | 1,602 | 700 | 675 |
| After three years but within four years | 三年後但四年內 | 1,564 | 1,602 | 742 | 717 |
| After four years but within five years | 四年後但五年內 | 1,565 | 1,603 | 786 | 760 |
| After five years | 五年後 | 17,207 | 19,227 | 12,502 | 13,646 |
| Undiscounted lease payments receivables | 未貼現應收租賃款項 | 25,028 | 27,238 | 16,012 | 17,002 |
| Unearned finance income | 未實現財務收入 | (9,016) | (10,236) | | |
| Total net finance lease receivables | 融資租賃應收款項總淨額 | 16,012 | 17,002 | | |
| Portion classified as current assets | 分類為流動資產之部份 | (622) | (567) | | |
| Non-current portion | 非即期部份 | 15,390 | 16,435 | | |

No contingent income was recognised during the year ended 31 December 2019 (2018: Nil).

Finance lease receivables that were neither past due nor impaired relate to customer for whom there was no recent history of default.

於截至二零一九年十二月三十一日止年度，並無確認任何或然收入(二零一八年：無)。

既無逾期亦無耗損之融資租賃應收款項與近期並無拖欠還款紀錄之客戶有關。

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財務報表附註

31 December 2019 二零一九年十二月三十一日

25 DEBTORS, OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS 25 應收賬款、其他應收款項、按金及預付款項

| | | 2019 二零一九年 HK\$'000 港幣千元 | 2018 二零一八年 HK\$'000 港幣千元 |
|---|----------------|-----------------------------------|-----------------------------------|
| Non-current | 非即期 | | |
| Debtors | 應收賬款 | 4,714 | 50,216 |
| Other receivables, deposits and prepayments | 其他應收款項、按金及預付款項 | 2,296,074 | 1,519,756 |
| | | 2,300,788 | 1,569,972 |
| Contingent consideration receivable | 應收或然代價 | - | 2,155 |
| | | 2,300,788 | 1,572,127 |
| Current | 即期 | | |
| Debtors | 應收賬款 | 3,699,034 | 2,511,537 |
| Less: Impairment | 減：耗損 | (137,443) | (87,980) |
| | | 3,561,591 | 2,423,557 |
| Other receivables, deposits and prepayments | 其他應收款項、按金及預付款項 | 4,708,933 | 3,062,151 |
| | | 8,270,524 | 5,485,708 |
| Contingent consideration receivable | 應收或然代價 | 7,708 | 6,386 |
| | | 8,278,232 | 5,492,094 |
| Total | 總額 | 10,579,020 | 7,064,221 |

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財務報表附註

31 December 2019 二零一九年十二月三十一日

25 DEBTORS, OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS (continued)

The movements in the loss allowance for impairment of debtors are as follows:

25 應收賬款、其他應收款項、按金及預付款項(續)

應收賬款耗損虧損撥備之變動如下：

| | | 2019 二零一九年 HK\$'000 港幣千元 | 2018 二零一八年 HK\$'000 港幣千元 |
|---------------------------------|------------|-----------------------------------|-----------------------------------|
| At beginning of year | 年初 | 87,980 | 35,669 |
| Impairment losses, net (note 6) | 耗損淨虧損(附註6) | 52,414 | 56,454 |
| Exchange realignment | 匯兌調整 | (2,951) | (4,143) |
| At end of year | 年終 | 137,443 | 87,980 |

Included in “Debtors, other receivables, deposits and prepayments” are debtors, that were not individually nor collectively considered to be impaired, with the following ageing analysis as at the end of the reporting period:

「應收賬款、其他應收款項、按金及預付款項」中包括並未視為個別或共同出現耗損之應收賬款，其於報告期末之賬齡分析如下：

| | | 2019 二零一九年 HK\$'000 港幣千元 | 2018 二零一八年 HK\$'000 港幣千元 |
|--|-----------------|-----------------------------------|-----------------------------------|
| Current | 即期 | 2,609,767 | 1,773,812 |
| Within 1 month past due | 逾期不多於一個月 | 335,705 | 161,750 |
| More than 1 month but within 3 months past due | 逾期超過一個月但不多於三個月 | 112,650 | 120,415 |
| More than 3 months but within 6 months past due | 逾期超過三個月但不多於六個月 | 171,397 | 243,686 |
| More than 6 months but within 12 months past due | 逾期超過六個月但不多於十二個月 | 108,774 | 93,537 |
| More than 12 months past due | 逾期超過十二個月 | 228,012 | 80,573 |
| Amounts past due | 逾期金額 | 956,538 | 699,961 |
| | | 3,566,305 | 2,473,773 |

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財務報表附註

31 December 2019 二零一九年十二月三十一日

25 DEBTORS, OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS (continued)

The ageing analysis of debtors, based on the date of invoice (or date of revenue recognition, if earlier) and net of loss allowance, as at the end of the reporting period is as follows:

| | | 2019 二零一九年 HK\$'000 港幣千元 | 2018 二零一八年 HK\$'000 港幣千元 |
|---|---------------|-----------------------------------|-----------------------------------|
| Within 1 month | 不多於一個月 | 1,791,988 | 1,391,980 |
| More than 1 month but within 2 months | 超過一個月但不多於兩個月 | 371,069 | 231,078 |
| More than 2 months but within 4 months | 超過兩個月但不多於四個月 | 443,686 | 287,053 |
| More than 4 months but within 7 months | 超過四個月但不多於七個月 | 305,638 | 290,313 |
| More than 7 months but within 13 months | 超過七個月但不多於十三個月 | 233,098 | 110,917 |
| More than 13 months | 超過十三個月 | 420,826 | 162,432 |
| | | 3,566,305 | 2,473,773 |

Debtors are due within 30 to 90 days from the date of billing. During the year ended 31 December 2018, certain local government authorities agreed repayment schedules for the Group's debtors past due of HK\$50,216,000 to be settled by instalments from 2020 to 2021. Further details on the Group's credit policy are set out in note 46 to the financial statements.

Included in "Debtors, other receivables, deposits and prepayments" of the Group are debtors of HK\$3,566,305,000 (2018: HK\$2,473,773,000), of which HK\$151,337,000 (2018: HK\$213,357,000), HK\$83,698,000 (2018: HK\$119,146,000), HK\$70,615,000 (2018: HK\$148,663,000) and HK\$11,072,000 (2018: HK\$10,612,000) are due from the Group's joint ventures, an associate, a non-controlling shareholder of a non wholly-owned subsidiary and a related company, respectively. Debtors mainly represent revenue from the provision of operation services for environmental energy projects, greentech projects, environmental water projects and the provision of environmental protection project equipment construction and installation services and sales of related equipment and the billed amounts of the service concession assets.

25 應收賬款、其他應收款項、按金及預付款項(續)

按照發票日期(或收益確認日期,以較早者為準)計算,應收賬款(已扣除虧損撥備)於報告期末之賬齡分析如下:

應收賬款由發單日期起計三十至九十日內到期。於截至二零一八年十二月三十一日止年度,若干當地政府機關商定有關本集團逾期應收賬款港幣50,216,000元之還款時間表,有關逾期應收賬款將於二零二零年至二零二一年分期償還。本集團信貸政策之進一步資料載於財務報表附註46。

本集團之「應收賬款、其他應收款項、按金及預付款項」中,包括應收賬款港幣3,566,305,000元(二零一八年:港幣2,473,773,000元),其中港幣151,337,000元(二零一八年:港幣213,357,000元)為應收本集團的合營企業款項、港幣83,698,000元(二零一八年:港幣119,146,000元)為應收本集團的聯營公司款項、港幣70,615,000元(二零一八年:港幣148,663,000元)為應收本集團的非全資附屬公司之非控股股東款項及港幣11,072,000元(二零一八年:港幣10,612,000元)為應收本集團的關聯公司款項。應收賬款主要來自提供環保能源項目、綠色環保項目、環保水務項目之運營服務以及提供環保項目裝備建造及安裝服務及銷售相關裝備所得收益,以及服務特許經營權資產之已發單款項。

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31 December 2019 二零一九年十二月三十一日

25 DEBTORS, OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS (continued)

An impairment analysis is performed at each reporting date using a provision matrix to measure expected credit losses. The provision rates are based on days past due for groupings of various customer segments with similar loss patterns. The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions. Debtors are written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Group determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off.

Set out below is the information about the credit risk exposure on the Group's debtors using a provision matrix:

As at 31 December 2019

| | Current | Past due within 1 year | Past due more than 1 year but within 2 years | Past due over 2 years | Total |
|----------------------------------|-----------|------------------------|--|-----------------------|-----------|
| | 即期 | 逾期不多於一年 | 逾期超過一年但不多於兩年 | 逾期超過兩年 | 總額 |
| Expected credit loss rate | 1.4% | 1.1% | 18.7% | 54.9% | 3.7% |
| Gross carrying amount (HK\$'000) | 2,646,973 | 736,420 | 230,499 | 89,856 | 3,703,748 |
| Impairment (HK\$'000) | 37,206 | 7,894 | 42,997 | 49,346 | 137,443 |

25 應收賬款、其他應收款項、按金及預付款項(續)

本集團於各個報告日期使用撥備矩陣進行耗損分析，以計量預期信貸虧損。撥備率乃基於具有類似虧損模式的多個客戶分類組別之逾期日釐定。有關計算反映或然率加權結果、金錢時間價值及於報告日期可得之有關過往事件、當前情況及未來經濟情況預測之合理且有依據之資料。應收賬款將以無實際可能收回者為限予以撇銷(部份或全數)。此情況通常指本集團確定債務人並無資產或收入來源足以產生充足的現金流量償還應予撇銷之金額。

下文載列使用撥備矩陣計算所得有關本集團應收賬款信貸風險之資料：

於二零一九年十二月三十一日

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31 December 2019 二零一九年十二月三十一日

25 DEBTORS, OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS (continued)

As at 31 December 2018

25 應收賬款、其他應收款項、按金及預付款項(續)

於二零一八年十二月三十一日

| | | Current | Past due within 1 year | Past due more than 1 year but within 2 years | Past due over 2 years | Total |
|----------------------------------|------------|-----------|------------------------|--|-----------------------|-----------|
| | | 即期 | 逾期不多於一年 | 逾期超過一年但不多於兩年 | 逾期超過兩年 | 總額 |
| Expected credit loss rate | 預期信貸虧損率 | 0.5% | 4.9% | 19.0% | 52.9% | 3.4% |
| Gross carrying amount (HK\$'000) | 賬面總值(港幣千元) | 1,783,183 | 651,284 | 60,754 | 66,532 | 2,561,753 |
| Impairment (HK\$'000) | 耗損(港幣千元) | 9,371 | 31,896 | 11,530 | 35,183 | 87,980 |

Included in “Debtors, other receivables, deposits and prepayments” at 31 December 2019 are advances made to local government authorities in relation to service concession arrangements amounting to HK\$51,752,000 (2018: HK\$65,151,000) which are unsecured, interest-bearing at rates ranging from the rates announced by the People’s Bank of China to 110% of the rates announced by the People’s Bank of China, and will be settled by instalments from 2020 to 2026.

Included in “Debtors, other receivables, deposits and prepayments” under non-current assets at 31 December 2019 is other receivable of HK\$22,180,000 (2018: Nil) due from the Group’s non-controlling shareholder of a non wholly-owned subsidiary, which is secured, interest-bearing at 110% of the rates announced by the People’s Bank of China and repayable by December 2022.

Included in “Debtors, other receivables, deposits and prepayments” under current assets (2018: non-current assets) at 31 December 2019 is an advance of HK\$8,181,000 (2018: HK\$4,029,000) to the Group’s associate for daily operation, which is unsecured, interest-bearing at a rate of 4.75% per annum and repayable in 2020.

在二零一九年十二月三十一日之「應收賬款、其他應收款項、按金及預付款項」中，包括向當地政府機關作出有關服務特許經營權安排之墊款港幣51,752,000元(二零一八年：港幣65,151,000元)，其為無抵押、按中國人民銀行公佈之息率至中國人民銀行公佈之息率的110%計息，並須於二零二零年至二零二六年分期償還。

在二零一九年十二月三十一日非流動資產下之「應收賬款、其他應收款項、按金及預付款項」中，包括應收本集團非全資附屬公司非控股股東之其他應收款項港幣22,180,000元(二零一八年：無)，其為有抵押、按中國人民銀行公佈之息率的110%計息，並須於二零二二年十二月前償還。

在二零一九年十二月三十一日流動資產(二零一八年：非流動資產)下之「應收賬款、其他應收款項、按金及預付款項」中，包括提供予本集團聯營公司作日常運營用途之墊款港幣8,181,000元(二零一八年：港幣4,029,000元)，其為無抵押、按年息率4.75%計息，並須於二零二零年償還。

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財務報表附註

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25 DEBTORS, OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS (continued)

Included in “Debtors, other receivables, deposits and prepayments” at 31 December 2019 is contingent consideration receivable of HK\$7,708,000 (2018: HK\$8,541,000) in relation to the acquisition of Xuzhou Engineering Design Institute (note 36(e)) during the year ended 31 December 2018. The contingent consideration receivable constitutes a derivative within the scope of HKFRS 9, and is recognised at its fair value as asset on initial recognition and is subsequently remeasured at fair value with changes in fair value recognised in profit or loss.

25 應收賬款、其他應收款項、按金及預付款項(續)

在二零一九年十二月三十一日之「應收賬款、其他應收款項、按金及預付款項」中，包括於截至二零一八年十二月三十一日止年度收購徐州市市政設計院(附註36(e))之應收或然代價港幣7,708,000元(二零一八年：港幣8,541,000元)。應收或然代價構成香港財務報告準則第9號範圍內之衍生工具，並於初步確認時按公允值確認為資產及其後按公允值重新計量，而公允值變動則於損益表中確認。

| | | 2019 二零一九年 HK\$'000 港幣千元 | 2018 二零一八年 HK\$'000 港幣千元 |
|---|-------------------|---|-----------------------------------|
| Contingent consideration receivable | 應收或然代價 | | |
| At beginning of year | 年初 | 8,541 | – |
| Additions (note 36(e)) | 增置(附註36(e)) | – | 5,643 |
| Fair value adjustment recognised in profit or loss (note 6) | 於損益表確認之公允值調整(附註6) | (646) | 3,428 |
| Exchange realignment | 匯兌調整 | (187) | (530) |
| At end of year | 年終 | 7,708 | 8,541 |
| Portion classified as current assets | 分類為流動資產之部份 | (7,708) | (6,386) |
| Non-current portion | 非流動部份 | – | 2,155 |

The loss allowance was assessed to be minimal at 31 December 2019 and 2018 in respect of the financial assets included in other receivables, deposits and prepayments.

於二零一九年及二零一八年十二月三十一日，計入其他應收款項、按金及預付款項之財務資產之虧損撥備被評定為輕微。

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財務報表附註

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25 DEBTORS, OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS (continued)

As at 31 December 2019, certain of the Group's concession rights of the environmental energy projects, greentech projects and environmental water projects (comprising operating rights, contract assets, debtors and other receivables) with an aggregate carrying amount of HK\$49,327,041,000 (2018: HK\$29,149,261,000) were pledged to secure banking facilities granted to the Group, further details of which are included in notes 29 and 40 to the financial statements.

All of the current portion of the above balances are expected to be recovered or recognised as expenses within one year.

26 PLEDGED BANK DEPOSITS AND DEPOSITS WITH BANKS WITH MATURITY PERIOD OVER THREE MONTHS

25 應收賬款、其他應收款項、按金及預付款項(續)

於二零一九年十二月三十一日，本集團若干環保能源項目、綠色環保項目及環保水務項目之特許經營權(包括運營權、合約資產、應收賬款及其他應收款項)(賬面總值港幣49,327,041,000元(二零一八年：港幣29,149,261,000元))已抵押作為本集團獲授銀行融資之抵押品，進一步詳情載於財務報表附註29及附註40。

上述結餘之所有即期部份預期可於一年內收回或確認為開支。

26 已抵押銀行存款及存款期超過三個月之銀行存款

| | | Notes 附註 | 2019 二零一九年 HK\$'000 港幣千元 | 2018 二零一八年 HK\$'000 港幣千元 |
|--|---------------|-------------|-----------------------------------|-----------------------------------|
| Pledged bank deposits | 已抵押銀行存款 | (a) | 537,989 | 1,115,382 |
| Deposits with banks with maturity period over three months | 存款期超過三個月之銀行存款 | (b) | 22,180 | 2,722,719 |
| | | | 560,169 | 3,838,101 |

Notes:

- (a) As at 31 December 2019, bank deposits are pledged to secure certain bank and other loans of the Group (note 29) and are pledged to banks for the issuance of guarantees by the banks to the grantors in respect of the specific performance of the duties by the Group under certain service concession agreements.
- (b) Deposits with banks with maturity period over three months are not included in cash and cash equivalents.

附註：

- (a) 於二零一九年十二月三十一日，銀行存款已抵押作為本集團若干銀行及其他貸款(附註29)之抵押品，以及由於若干銀行就本集團在若干服務特許經營權協議下之特定履約責任而向授權人發出擔保，故已抵押予有關銀行。
- (b) 現金及現金等價物並無計入存款期超過三個月之銀行存款。

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財務報表附註

31 December 2019 二零一九年十二月三十一日

26 PLEDGED BANK DEPOSITS AND DEPOSITS WITH BANKS WITH MATURITY PERIOD OVER THREE MONTHS (continued)

Included in “Deposits with banks with maturity period over three months” at 31 December 2018 were deposits of HK\$200,000,000 placed with a related party bank.

Pledged bank deposits and deposits with banks earn interest at the respective time deposit rates, and are deposited with creditworthy banks with no recent history of default.

27 CASH AND CASH EQUIVALENTS

| | |
|---|-------------------|
| Deposits with banks with maturity period less than three months | 存款期少於三個月之 銀行存款 |
| Cash at banks and in hand | 銀行結餘及現金 |

Included in “Cash and cash equivalents” at 31 December 2019 are deposits of HK\$1,822,478,000 (2018: HK\$1,123,939,000) placed with a related party bank.

26 已抵押銀行存款及存款期超過三個月之銀行存款(續)

於二零一八年十二月三十一日，「存款期超過三個月之銀行存款」包括存放於關聯人士銀行之存款港幣200,000,000元。

已抵押銀行存款及銀行存款按相關定期存款息率賺取利息，並存放於信譽良好且近期並無違約紀錄之銀行。

27 現金及現金等價物

| | | 2019 二零一九年 HK\$'000 港幣千元 | 2018 二零一八年 HK\$'000 港幣千元 |
|---|-------------------|-----------------------------------|-----------------------------------|
| Deposits with banks with maturity period less than three months | 存款期少於三個月之 銀行存款 | 925,172 | 4,454,862 |
| Cash at banks and in hand | 銀行結餘及現金 | 10,817,647 | 7,681,517 |
| | | 11,742,819 | 12,136,379 |

於二零一九年十二月三十一日之「現金及現金等價物」包括存放於關聯人士銀行之存款港幣1,822,478,000元(二零一八年：港幣1,123,939,000元)。

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財務報表附註

31 December 2019 二零一九年十二月三十一日

27 CASH AND CASH EQUIVALENTS (continued)

Included in “Cash and cash equivalents” at the end of the reporting period are the following amounts denominated in a currency other than the functional currency of the entity to which they relate:

| | | 2019 二零一九年 US\$'000 千美元 | 2018 二零一八年 US\$'000 千美元 |
|----------------------|----|----------------------------------|----------------------------------|
| United States dollar | 美元 | 15,742 | 7,244 |

At the end of the reporting period, the cash and cash equivalents of the Group denominated in RMB amounted to HK\$8,573,687,000 (2018: HK\$6,728,708,000). The RMB is not freely convertible into other currencies, however, under Mainland China's Foreign Exchange Control Regulations and Administration of Settlement, Sale and Payment of Foreign Exchange Regulations, the Group is permitted to exchange RMB for other currencies through banks authorised to conduct foreign exchange business.

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

27 現金及現金等價物(續)

於報告期末之「現金及現金等價物」包括下列款項，其以相關實體之功能貨幣以外之貨幣計值：

於報告期末，本集團以人民幣計值之現金及現金等價物為港幣8,573,687,000元（二零一八年：港幣6,728,708,000元）。人民幣不能自由兌換成其他貨幣。然而，根據中國大陸《外匯管理條例》及《結匯、售匯及付匯管理規定》，本集團可透過獲授權經營外匯業務之銀行將人民幣兌換成其他貨幣。

銀行結餘按浮動息率賺取利息，而浮動息率乃根據銀行存款每日息率釐定。視乎本集團之即時現金需求而定，短期定期存款之存款期介乎一日至三個月不等，並按相關短期定期存款息率賺取利息。銀行結餘及定期存款乃存放於信譽良好且近期並無違約紀錄之銀行。

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財務報表附註

31 December 2019 二零一九年十二月三十一日

28 CREDITORS, OTHER PAYABLES AND ACCRUED EXPENSES

28 應付賬款、其他應付款項及應計費用

| | | 2019 二零一九年 HK\$'000 港幣千元 | 2018 二零一八年 HK\$'000 港幣千元 |
|--|----------------------------|-----------------------------------|-----------------------------------|
| Creditors | 應付賬款 | 11,147,856 | 7,829,514 |
| Other payables, accrued expenses and deferred income – government grants | 其他應付款項、應計費用及遞延收入 – 政府補助金 | 3,567,745 | 2,637,515 |
| | | 14,715,601 | 10,467,029 |
| Less: Non-current portion | 減：非即期部份 | | |
| – other payables, accrued expenses and deferred income – government grants | – 其他應付款項、應計費用及遞延收入 – 政府補助金 | (703,702) | (299,269) |
| Current portion | 即期部份 | 14,011,899 | 10,167,760 |

Included in “Creditors, other payables and accrued expenses” are creditors with the following ageing analysis based on the date of invoice as at the end of the reporting period:

「應付賬款、其他應付款項及應計費用」中包括應付賬款。按照發票日期計算，其於報告期末之賬齡分析如下：

| | | 2019 二零一九年 HK\$'000 港幣千元 | 2018 二零一八年 HK\$'000 港幣千元 |
|-----------------|--------|-----------------------------------|-----------------------------------|
| Within 6 months | 不多於六個月 | 9,608,132 | 6,688,659 |
| Over 6 months | 超過六個月 | 1,539,724 | 1,140,855 |
| | | 11,147,856 | 7,829,514 |

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財務報表附註

31 December 2019 二零一九年十二月三十一日

28 CREDITORS, OTHER PAYABLES AND ACCRUED EXPENSES (continued)

Creditors totalling HK\$8,059,785,000 (2018: HK\$5,986,034,000) represent construction payables for the Group's BOT, TOT and certain BOO arrangements, of which HK\$2,218,000 (2018: HK\$1,136,000) is due to a non-controlling shareholder of a non wholly-owned subsidiary. The construction payables are not yet due for payment.

Included in "Creditors, other payables and accrued expenses" are creditors of HK\$8,361,000 (2018: HK\$6,940,000) due to the Group's associate, which are unsecured, interest-free and repayable on credit terms similar to those offered by the associate to its major customers.

Included in "Other payables, accrued expenses and deferred income – government grants" at 31 December 2019 are other payables of HK\$3,005,000 (2018: Nil) and HK\$20,931,000 (2018: HK\$28,583,000) due to the Group's associate and a non-controlling shareholder of a non wholly-owned subsidiary, respectively, which are unsecured, interest-free and repayable on demand. Included in "Other payables, accrued expenses and deferred income – government grants" at 31 December 2019 is other payable of HK\$16,635,000 (2018: Nil) due to a non-controlling shareholder of a non wholly-owned subsidiary, which is unsecured, interest-bearing at the rates announced by the People's Bank of China and repayable within one year.

28 應付賬款、其他應付款項及應計費用 (續)

合共港幣8,059,785,000元(二零一八年：港幣5,986,034,000元)之應付賬款為在本集團BOT、TOT及部份BOO安排下之建造工程應付款項，其中港幣2,218,000元(二零一八年：港幣1,136,000元)為應付予非全資附屬公司之非控股股東款項。建造工程應付款項屬未到期支付。

在「應付賬款、其他應付款項及應計費用」中，包括應付本集團聯營公司之應付賬款港幣8,361,000元(二零一八年：港幣6,940,000元)，其為無抵押、免息及須按有關聯營公司給予其主要客戶之類似信貸條款予以償還。

在二零一九年十二月三十一日之「其他應付款項、應計費用及遞延收入－政府補助金」中，分別包括應付本集團聯營公司之其他應付款項港幣3,005,000元(二零一八年：無)及應付非全資附屬公司之非控股股東之其他應付款項港幣20,931,000元(二零一八年：港幣28,583,000元)，皆為無抵押、免息及須按的要求償還。在二零一九年十二月三十一日之「其他應付款項、應計費用及遞延收入－政府補助金」中，包括應付非全資附屬公司之非控股股東之其他應付款項港幣16,635,000元(二零一八年：無)，其為無抵押、按中國人民銀行公佈之息率計息及須於一年內償還。

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31 December 2019 二零一九年十二月三十一日

29 INTEREST-BEARING BORROWINGS

29 計息借貸

| | | 31 December 2019 二零一九年 十二月三十一日 | | 1 January 2019 二零一九年 一月一日 | 31 December 2018 二零一八年 十二月三十一日 | |
|---|------------------------|---------------------------------------|-------------------|---------------------------------|---------------------------------------|------------------|
| | | Maturity 到期日 | HK\$'000 港幣千元 | HK\$'000 港幣千元 | Maturity 到期日 | HK\$'000 港幣千元 |
| Current | 即期 | | | | | |
| Lease liabilities (notes 16(c) and 30) | 租賃負債(附註16(c)及 附註30) | 2020 二零二零年 | 52,195 | 19,881 | 2019 二零一九年 | 17,358 |
| Bank and other loans – secured | 銀行及其他貸款 —有抵押 | 2020 or on demand 二零二零年或 按要求 | 2,658,081 | 2,828,706 | 2019 or on demand 二零一九年或 按要求 | 2,828,706 |
| Bank loans – unsecured | 銀行貸款—無抵押 | 2020 or on demand 二零二零年或 按要求 | 6,652,116 | 2,088,871 | 2019 or on demand 二零一九年或 按要求 | 2,088,871 |
| Corporate bond – unsecured (note 31) | 公司債券—無抵押 (附註31) | 2020 二零二零年 | 1,105,608 | - | - | - |
| | | | 10,468,000 | 4,937,458 | | 4,934,935 |
| Non-current | 非即期 | | | | | |
| Lease liabilities (notes 16(c) and 30) | 租賃負債(附註16(c)及 附註30) | 2021-2049 二零二一年至 二零四九年 | 68,868 | 37,348 | 2020-2023 二零二零年至 二零二三年 | 24,841 |
| Bank loans – secured | 銀行貸款—有抵押 | 2021-2037 二零二一年至 二零三七年 | 18,386,355 | 13,512,396 | 2020-2033 二零二零年至 二零三三年 | 13,512,396 |
| Bank and other loans – unsecured | 銀行及其他貸款 —無抵押 | 2021-2038 二零二一年至 二零三八年 | 22,599,730 | 18,018,591 | 2020-2038 二零二零年至 二零三八年 | 18,018,591 |
| Corporate bond – unsecured (note 31) | 公司債券—無抵押 (附註31) | 2021-2024 二零二一年至 二零二四年 | 1,656,920 | 2,035,404 | 2022-2023 二零二二年至 二零二三年 | 2,035,404 |
| | | | 42,711,873 | 33,603,739 | | 33,591,232 |
| | | | 53,179,873 | 38,541,197 | | 38,526,167 |

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財務報表附註

31 December 2019 二零一九年十二月三十一日

29 INTEREST-BEARING BORROWINGS (continued)

29 計息借貸(續)

| | | 2019 二零一九年 HK\$'000 港幣千元 | 2018 二零一八年 HK\$'000 港幣千元 |
|--|------------------------|-----------------------------------|-----------------------------------|
| Analysed into: | 分析： | | |
| Bank loans repayable: | 須於下列期間償還之 銀行貸款： | | |
| Within one year or on demand | 一年內或按要求 | 9,310,197 | 4,420,303 |
| In the second year | 第二年 | 7,413,057 | 6,560,811 |
| In the third to fifth years, inclusive | 第三至第五年 (包括首尾兩年) | 21,757,078 | 17,895,111 |
| Beyond five years | 五年後 | 10,706,950 | 7,075,065 |
| | | 49,187,282 | 35,951,290 |
| Other loans repayable: | 須於下列期間償還之 其他貸款： | | |
| Within one year or on demand | 一年內或按要求 | - | 497,274 |
| In the third to fifth years, inclusive | 第三至第五年 (包括首尾兩年) | 1,109,000 | - |
| | | 1,109,000 | 497,274 |
| Lease liabilities repayable: | 須於下列期間償還之 租賃負債： | | |
| Within one year | 一年內 | 52,195 | 17,358 |
| In the second year | 第二年 | 30,497 | 14,268 |
| In the third to fifth years, inclusive | 第三至第五年 (包括首尾兩年) | 30,053 | 10,573 |
| Beyond five years | 五年後 | 8,318 | - |
| | | 121,063 | 42,199 |
| Corporate bond repayable (note): | 須於下列期間償還之 公司債券(附註)： | | |
| Within one year or on demand | 一年內或按要求 | 1,105,608 | - |
| In the second year | 第二年 | 883,842 | 1,131,070 |
| In the third to fifth years, inclusive | 第三至第五年 (包括首尾兩年) | 773,078 | 904,334 |
| | | 2,762,528 | 2,035,404 |
| | | 53,179,873 | 38,526,167 |

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29 INTEREST-BEARING BORROWINGS (continued)

Note: For the purpose of the above analysis, the corporate bond payable in the amount of HK\$2,762,528,000 (2018: HK\$2,035,404,000) as at 31 December 2019 and containing an option to sell back the bond to the Group which is exercisable after three years from the issuance date (note 31) is analysed as to HK\$1,105,608,000 repayable within the first year, HK\$883,842,000 repayable within the second year and HK\$773,078,000 repayable within the third to fifth years, inclusive as at 31 December 2019 (2018: HK\$1,131,070,000 repayable within the second year and HK\$904,334,000 repayable within the third to fifth years, inclusive).

The corporate bond payable at 31 December 2019 will be due for repayment on the respective maturity dates (note 31) unless being sold back to the Group prior to the maturity date pursuant to the terms of the Corporate Bond (as defined in note 31). Based on the maturity terms of the Corporate Bond (as defined in note 31), the amounts repayable in respect of the corporate bond payable are: HK\$2,762,528,000 repayable within the third to fifth years, inclusive as at 31 December 2019 (2018: HK\$2,035,404,000 repayable within the third to fifth years, inclusive).

As at 31 December 2019, certain banking facilities and other loans of the Group are secured by certain revenue and receivables in connection with the Group's service concession arrangements, bank deposits, mortgages over property, plant and equipment and right-of-use assets and shares of certain subsidiaries of the Group. Such banking facilities and other loans, amounting to HK\$35,781,210,000 (2018: HK\$23,620,870,000), were utilised to the extent of HK\$21,044,436,000 (2018: HK\$16,341,102,000) at 31 December 2019. Among the secured banking facilities, HK\$290,000,000 (2018: HK\$290,000,000) are guaranteed by the Company and nil were utilised at 31 December 2019 (2018: Nil).

29 計息借貸(續)

附註：就上述分析而言，於二零一九年十二月三十一日金額為港幣2,762,528,000元(二零一八年：港幣2,035,404,000元)之應付公司債券載有一項有關售回債券予本集團之期權，有關期權自發行日期起計三年後可予行使(附註31)。於二零一九年十二月三十一日，有關債券之分析如下：港幣1,105,608,000元須於第一年償還、港幣883,842,000元須於第二年償還及港幣773,078,000元須於第三至第五年(包括首尾兩年)償還(二零一八年：港幣1,131,070,000元須於第二年償還及港幣904,334,000元須於第三至第五年(包括首尾兩年)償還)。

於二零一九年十二月三十一日之應付公司債券將於各自之到期日到期償還(附註31)，但如已於到期日前根據公司債券(定義見附註31)之條款售回本集團則除外。根據公司債券(定義見附註31)之到期條款，應付公司債券之償還金額如下：於二零一九年十二月三十一日，須於第三至第五年(包括首尾兩年)償還港幣2,762,528,000元(二零一八年：須於第三至第五年(包括首尾兩年)償還港幣2,035,404,000元)。

於二零一九年十二月三十一日，本集團若干銀行融資及其他貸款以本集團服務特許經營權安排下之若干收益及應收款項、銀行存款、物業、廠房及設備及使用權資產之按揭，以及本集團旗下若干附屬公司之股份作抵押。於二零一九年十二月三十一日，上述銀行融資及其他貸款之金額為港幣35,781,210,000元(二零一八年：港幣23,620,870,000元)，已動用港幣21,044,436,000元(二零一八年：港幣16,341,102,000元)。上述有抵押銀行融資其中港幣290,000,000元(二零一八年：港幣290,000,000元)由本公司作擔保，於二零一九年十二月三十一日並無動用有關融資(二零一八年：無)。

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財務報表附註

31 December 2019 二零一九年十二月三十一日

29 INTEREST-BEARING BORROWINGS

(continued)

As at 31 December 2019, the unsecured banking facilities and other loans, amounting to HK\$42,356,572,000 (2018: HK\$29,875,534,000), were utilised to the extent of HK\$29,251,846,000 (2018: HK\$20,107,462,000). Among the unsecured banking facilities of the Group, HK\$377,443,000 (2018: HK\$422,215,000) are guaranteed by the Company and were utilised to the extent of HK\$357,443,000 (2018: HK\$402,215,000) at 31 December 2019.

As at 31 December 2019, banking facilities of HK\$41,006,150,000 (2018: HK\$32,391,000,000) are subject to the fulfilment of covenants relating to certain of the Group's financial ratios. If the Group were to breach the covenants, the drawn down facilities would become payable on demand. At 31 December 2019, such facilities were utilised to the extent of HK\$29,211,288,000 (2018: HK\$23,116,867,000). The Group regularly monitors its compliance with these covenants. Further details of the Group's management of liquidity risk are set out in note 46 to the financial statements.

As at 31 December 2019, the lease liabilities of HK\$40,875,000 (2018: HK\$42,199,000) were secured by the underlying right-of-use assets (notes 16(c) and 30).

As at 31 December 2019, the Group's bank and other loans of HK\$106,446,000 (2018: HK\$782,124,000) bear interest at fixed rates ranging from 3.00% to 4.35% (2018: 2.88% to 4.57%) per annum, bank and other loans of HK\$50,189,836,000 (2018: HK\$35,666,440,000) bear interest at variable rates ranging from 1.30% to 5.39% (2018: 2.69% to 5.39%) per annum, lease liabilities of HK\$121,063,000 (2018: HK\$42,199,000) bear interest at rates ranging from 0.72% to 7.50% (2018: 2.89% to 6.61%) per annum, and corporate bond payable of HK\$2,762,528,000 (2018: HK\$2,035,404,000) bears interest at fixed rates ranging from 3.89% to 4.60% (2018: 4.55% to 4.60%) per annum.

29 計息借貸(續)

於二零一九年十二月三十一日，無抵押銀行融資及其他貸款之金額為港幣42,356,572,000元(二零一八年：港幣29,875,534,000元)，已動用港幣29,251,846,000元(二零一八年：港幣20,107,462,000元)。上述本集團無抵押銀行融資其中港幣377,443,000元(二零一八年：港幣422,215,000元)由本公司作擔保，於二零一九年十二月三十一日，已動用港幣357,443,000元(二零一八年：港幣402,215,000元)。

於二零一九年十二月三十一日，銀行融資港幣41,006,150,000元(二零一八年：港幣32,391,000,000元)須符合有關本集團若干財務比率之契諾。倘本集團違反有關契諾，則已提取之融資須應要求償還。於二零一九年十二月三十一日，有關融資已動用港幣29,211,288,000元(二零一八年：港幣23,116,867,000元)。本集團會定期監察有關契諾之遵行情況。有關本集團管理流動資金風險之進一步資料載於財務報表附註46。

於二零一九年十二月三十一日，租賃負債港幣40,875,000元(二零一八年：港幣42,199,000元)以相關使用權資產作抵押(附註16(c)及附註30)。

於二零一九年十二月三十一日，本集團之銀行及其他貸款港幣106,446,000元(二零一八年：港幣782,124,000元)按介乎3.00%至4.35%(二零一八年：2.88%至4.57%)之固定年息率計息，銀行及其他貸款港幣50,189,836,000元(二零一八年：港幣35,666,440,000元)按介乎1.30%至5.39%(二零一八年：2.69%至5.39%)之浮動年息率計息，租賃負債港幣121,063,000元(二零一八年：港幣42,199,000元)按介乎0.72%至7.50%(二零一八年：2.89%至6.61%)之年息率計息，以及應付公司債券港幣2,762,528,000元(二零一八年：港幣2,035,404,000元)按固定年息率3.89%至4.60%(二零一八年：4.55%至4.60%)計息。

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29 INTEREST-BEARING BORROWINGS

(continued)

As at 31 December 2019, the Group's bank and other loans of HK\$2,406,636,000 (2018: HK\$1,052,583,000) are denominated in United States dollars, HK\$26,056,634,000 (2018: HK\$18,066,386,000) are denominated in RMB, HK\$386,040,000 (2018: HK\$539,729,000) are denominated in Polish zloty, HK\$9,130,000 (2018: Nil) are denominated in Euro dollars, and HK\$21,437,842,000 (2018: HK\$16,789,866,000) are denominated in Hong Kong dollars.

Included in "Interest-bearing borrowings" at 31 December 2019 are bank loans of HK\$578,855,000 (2018: HK\$694,947,000) from a related party bank.

Included in loans from a related party bank are:

- (i) bank loans in aggregate of HK\$578,855,000 (2018: HK\$660,870,000) which are secured, interest-bearing at rates ranging from 90% of the rates announced by the People's Bank of China to the rates announced by the People's Bank of China (2018: rates ranging from 90% of the rates announced by the People's Bank of China to the rates announced by the People's Bank of China), and will be settled by instalments until 2023 to 2030 (2018: until 2023 to 2030); and
- (ii) bank loan of HK\$34,077,000 as at 31 December 2018 which was unsecured, interest-bearing at 105% of the rates announced by the People's Bank of China, and fully settled in May 2019.

Included in "Interest-bearing borrowings" at 31 December 2019 are other loans of HK\$1,109,000,000 (2018: Nil) from an intermediate holding company of the Company, which are unsecured, interest-bearing at 85% of the rates announced by the People's Bank of China, and repayable in 2022.

29 計息借貸(續)

於二零一九年十二月三十一日，本集團之銀行及其他貸款港幣2,406,636,000元(二零一八年：港幣1,052,583,000元)以美元計值，港幣26,056,634,000元(二零一八年：港幣18,066,386,000元)以人民幣計值，港幣386,040,000元(二零一八年：港幣539,729,000元)以波蘭茲羅提計值，港幣9,130,000元(二零一八年：無)以歐羅計值及港幣21,437,842,000元(二零一八年：港幣16,789,866,000元)以港幣計值。

於二零一九年十二月三十一日之「計息借貸」包括關聯人士銀行提供之銀行貸款港幣578,855,000元(二零一八年：港幣694,947,000元)。

關聯人士銀行提供之貸款包括：

- (i) 銀行貸款總額港幣578,855,000元(二零一八年：港幣660,870,000元)為有抵押、按介乎中國人民銀行公佈之息率90%至中國人民銀行公佈之息率計息(二零一八年：介乎中國人民銀行公佈之息率90%至中國人民銀行公佈之息率)，並將於二零二三年至二零三零年前(二零一八年：二零二三年至二零三零年前)分期償還；及
- (ii) 於二零一八年十二月三十一日之銀行貸款港幣34,077,000元為無抵押、按中國人民銀行公佈之息率105%計息，並已於二零一九年五月悉數償還。

於二零一九年十二月三十一日之「計息借貸」包括本公司中間控股公司提供之其他貸款港幣1,109,000,000元(二零一八年：無)，其為無抵押、按中國人民銀行公佈之息率85%計息，並須於二零二二年償還。

Notes to Financial Statements

財務報表附註

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30 FINANCE LEASE PAYABLES

The Group leases certain of its machinery and motor vehicles for its business operation. These leases were classified as finance leases prior to HKFRS 16 becoming effective on 1 January 2019 and had remaining lease terms of 5 years.

At 31 December 2018, the total future minimum lease payments under finance leases and their present values were as follows:

30 融資租賃應付款項

本集團租用若干機器及汽車作業務運作之用。在香港財務報告準則第16號於二零一九年一月一日生效前，有關租賃被分類為融資租賃，餘下租期為5年。

於二零一八年十二月三十一日，在融資租賃下未來最低租賃款項總額及其現值如下：

| | | Minimum lease payments 最低租賃款項 HK\$'000 港幣千元 | Present value of minimum lease payments 最低租賃款項之現值 HK\$'000 港幣千元 |
|---|----------------------|--|--|
| Amounts payable: | 應付款項： | | |
| Within one year | 一年內 | 18,664 | 17,358 |
| In the second year | 第二年 | 14,960 | 14,268 |
| In the third to fifth years, inclusive | 第三至第五年 （包括首尾兩年） | 10,967 | 10,573 |
| Total minimum finance lease payments | 最低融資租賃款項總額 | 44,591 | 42,199 |
| Future finance charges | 未來財務費用 | (2,392) | |
| Total net finance lease payables | 融資租賃應付款項總淨額 | 42,199 | |
| Portion classified as current liabilities (note 29) | 分類為流動負債之部份 （附註29） | (17,358) | |
| Non-current portion (note 29) | 非即期部份（附註29） | 24,841 | |

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財務報表附註

31 December 2019 二零一九年十二月三十一日

31 CORPORATE BOND

31 公司債券

| | | 2019 二零一九年 HK\$'000 港幣千元 | 2018 二零一八年 HK\$'000 港幣千元 |
|----------------------------|------------|-----------------------------------|-----------------------------------|
| Current | 流動 | | |
| Corporate bond – unsecured | 公司債券 – 無抵押 | 1,105,608 | – |
| Non-current | 非流動 | | |
| Corporate bond – unsecured | 公司債券 – 無抵押 | 1,656,920 | 2,035,404 |
| | | 2,762,528 | 2,035,404 |

On 21 July 2017, China Everbright Water Limited (“CEWL”), a 72.87% (2018: 75.24%) owned subsidiary of the Company, entered into an underwriting agreement with the relevant financial institution in relation to the issue of RMB-denominated corporate bonds with an aggregate principal amount of not exceeding RMB2.5 billion (the “Corporate Bond”) to the qualified investors in the PRC.

On 24 July 2017 (the “First Issue Date”), CEWL issued the first tranche of the Corporate Bond with principal amount of RMB1 billion, before related expenses of RMB5,964,000, with a maturity period of five years from the First Issue Date. The first tranche of the Corporate Bond bears interest at a rate of 4.55% per annum and the interest will be repayable by CEWL annually from the First Issue Date and up to the maturity date. According to the terms of the Corporate Bond, after three years from the First Issue Date, CEWL is entitled to adjust the interest rate of the first tranche of the Corporate Bond for the remaining two years before the maturity date. CEWL will announce the adjustment in interest rate, if any, 20 working days prior to the payment of the interest for the third year after the First Issue Date. The bondholders have an option to sell back the first tranche of the Corporate Bond to CEWL at the nominal price, and the exercisable period of this option is five working days immediately after the issuance of CEWL’s announcement related to the adjustment in interest rate of the first tranche of the Corporate Bond.

於二零一七年七月二十一日，中國光大水務有限公司（「光大水務」，本公司擁有72.87%（二零一八年：75.24%）權益之附屬公司）與有關金融機構訂立承銷協議，內容有關光大水務發行本金總額不超過人民幣25億元的人民幣公司債券（「公司債券」）予中國合資格投資者。

於二零一七年七月二十四日（「首個發行日期」），光大水務發行第一批公司債券，本金額為人民幣10億元（扣除相關開支人民幣5,964,000元前），期限由首個發行日期起計為期五年。第一批公司債券按年息率4.55%計息及光大水務將由首個發行日期起至到期日止每年支付利息。根據公司債券之條款，自首個發行日期起計三年後，光大水務有權於到期日前調整第一批公司債券於餘下兩年之息率。光大水務將於首個發行日期後，支付第三年利息前20個工作日公佈息率調整詳情（如有）。債券持有人擁有一項期權，可按名義價格將第一批公司債券售回光大水務。是項期權之行使期為緊隨光大水務發出有關調整第一批公司債券息率之公佈後五個工作日。

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31 CORPORATE BOND (continued)

On 16 August 2018 (the “Second Issue Date”), CEWL issued the second tranche of the Corporate Bond with principal amount of RMB800 million, before related expenses of RMB4,171,000, with a maturity period of five years from the Second Issue Date. The second tranche of the Corporate Bond comprises two types of bonds: (i) bonds with principal amount of RMB400 million which bear interest at a rate of 4.60% per annum, and (ii) bonds with principal amount of RMB400 million which bear interest at a rate of 4.58% per annum. The interest will be repayable by CEWL annually from the Second Issue Date and up to the maturity date. According to the terms of the Corporate Bond, after three years from the Second Issue Date, CEWL is entitled to adjust the interest rate of the second tranche of the Corporate Bond for the remaining two years before the maturity date. CEWL will announce the adjustment in interest rate, if any, 20 working days prior to the payment of the interest for the third year after the Second Issue Date. The bondholders have an option to sell back the second tranche of the Corporate Bond to CEWL at the nominal price, and the exercisable period of this option is five working days immediately after the issuance of CEWL’s announcement related to the adjustment in interest rate of the second tranche of the Corporate Bond.

On 21 January 2019 (the “Third Issue Date”), CEWL issued the third tranche of the Corporate Bond with principal amount of RMB700 million, before related expenses of RMB3,632,000, with a maturity period of five years from the Third Issue Date. The third tranche of the Corporate Bond bears interest at a rate of 3.89% per annum and the interest will be repayable by CEWL annually from the Third Issue Date and up to the maturity date. According to the terms of the Corporate Bond, after three years from the Third Issue Date, CEWL is entitled to adjust the interest rate of the third tranche of the Corporate Bond for the remaining two years before the maturity date. CEWL will announce the adjustment in interest rate, if any, 20 working days prior to the payment of the interest for the third year after the Third Issue Date. The bondholders have an option to sell back the third tranche of the Corporate Bond to CEWL at the nominal price, and the exercisable period of this option is five working days immediately after the issuance of CEWL’s announcement related to the adjustment in interest rate of the third tranche of the Corporate Bond.

31 公司債券(續)

於二零一八年八月十六日(「第二個發行日期」)，光大水務發行第二批公司債券，本金額為人民幣8億元(扣除相關開支人民幣4,171,000元前)，期限由第二個發行日期起計為期五年。第二批公司債券包括兩類債券：(i)本金額為人民幣4億元之債券，其按年息率4.60%計息；及(ii)本金額為人民幣4億元之債券，其按年息率4.58%計息。光大水務將由第二個發行日期起至到期日止每年支付利息。根據公司債券之條款，自第二個發行日期起計三年後，光大水務有權於到期日前調整第二批公司債券於餘下兩年之息率。光大水務將於第二個發行日期後，支付第三年利息前20個工作日公佈息率調整詳情(如有)。債券持有人擁有一項期權，可按名義價格將第二批公司債券售回光大水務。是項期權之行使期為緊隨光大水務發出有關調整第二批公司債券息率之公佈後五個工作日。

於二零一九年一月二十一日(「第三個發行日期」)，光大水務發行第三批公司債券，本金額為人民幣7億元(扣除相關開支人民幣3,632,000元前)，期限由第三個發行日期起計為期五年。第三批公司債券按年息率3.89%計息。光大水務將由第三個發行日期起至到期日止每年支付利息。根據公司債券之條款，自第三個發行日期起計三年後，光大水務有權於到期日前調整第三批公司債券於餘下兩年之息率。光大水務將於第三個發行日期後，支付第三年利息前20個工作日公佈息率調整詳情(如有)。債券持有人擁有一項期權，可按名義價格將第三批公司債券售回光大水務。是項期權之行使期為緊隨光大水務發出有關調整第三批公司債券息率之公佈後五個工作日。

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32 DEFERRED TAX

The movements in deferred tax assets/(liabilities) during the year are as follows:

32 遞延稅項

遞延稅項資產／(負債)於年內之變動如下：

| | | Temporary differences on assets recognised under HK(IFRIC)-Int 12 根據《香港(國際財務報告詮釋委員會)－詮釋》第12號 確認之資產之暫時差異 HK\$'000 港幣千元 | Revaluation of properties 物業重估 HK\$'000 港幣千元 | Fair value adjustments arising from acquisition of subsidiaries 收購附屬公司所產生之 公允價值調整 HK\$'000 港幣千元 | Undistributed profits of subsidiaries 附屬公司未分派盈利 HK\$'000 港幣千元 | Others 其他 HK\$'000 港幣千元 | Total 總額 HK\$'000 港幣千元 |
|--|----------------------------|---|---|---|--|----------------------------------|---------------------------------|
| At 1 January 2018 | 於二零一八年一月一日 | (3,241,145) | (19,629) | (278,639) | (714,484) | 19,103 | (4,234,794) |
| Deferred tax credited/(charged) to the consolidated income statement during the year (note 11) | 年內在綜合損益表計入／(扣除)之遞延稅項(附註11) | (1,021,602) | - | 20,480 | (224,731) | 4,380 | (1,221,473) |
| Acquisition of subsidiaries (note 36) | 收購附屬公司(附註36) | - | - | (27,363) | - | - | (27,363) |
| Exchange realignment | 匯兌調整 | 219,010 | 1,475 | 14,933 | 40,630 | (953) | 275,095 |
| 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 | (4,043,737) | (18,154) | (270,589) | (898,585) | 22,530 | (5,208,535) |
| Deferred tax credited/(charged) to the consolidated income statement during the year (note 11) | 年內在綜合損益表計入／(扣除)之遞延稅項(附註11) | (1,073,945) | - | 24,115 | (232,826) | 31,315 | (1,251,341) |
| Acquisition of subsidiaries (note 36) | 收購附屬公司(附註36) | - | - | (66,530) | - | 10,584 | (55,946) |
| Exchange realignment | 匯兌調整 | 87,538 | 311 | 9,961 | 48,027 | (2,518) | 143,319 |
| At 31 December 2019 | 於二零一九年十二月三十一日 | (5,030,144) | (17,843) | (303,043) | (1,083,384) | 61,911 | (6,372,503) |

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32 DEFERRED TAX (continued)

For presentation purposes, certain deferred tax assets and liabilities have been offset in the consolidated statement of financial position. The following is an analysis of the deferred tax balances of the Group for financial reporting purposes:

| | | 2019 二零一九年 HK\$'000 港幣千元 | 2018 二零一八年 HK\$'000 港幣千元 |
|---|---------------------|-----------------------------------|-----------------------------------|
| Net deferred tax assets recognised in the consolidated statement of financial position | 於綜合財務狀況表確認之遞延稅項資產淨額 | 165,319 | 92,875 |
| Net deferred tax liabilities recognised in the consolidated statement of financial position | 於綜合財務狀況表確認之遞延稅項負債淨額 | (6,537,822) | (5,301,410) |
| | | (6,372,503) | (5,208,535) |

The Group has estimated tax losses arising in Hong Kong of approximately HK\$207,735,000 (2018: approximately HK\$207,735,000) that are available indefinitely for offsetting against future taxable profits of the companies in which the losses arose. The Group also has estimated tax losses arising in Mainland China of approximately HK\$99,977,000 (2018: approximately HK\$117,783,000) that will expire in one to five years for offsetting against future taxable profits of the companies in which the losses arose. Deferred tax assets in respect of tax losses arising in Hong Kong of approximately HK\$207,735,000 (2018: approximately HK\$207,735,000) and Mainland China of approximately HK\$99,977,000 (2018: approximately HK\$117,783,000) have not been recognised as they have arisen in certain subsidiaries that have been loss-making for some time and it is not considered probable that taxable profits will be available against which the tax losses can be utilised.

32 遞延稅項(續)

為了呈報目的，若干遞延稅項資產及負債已於綜合財務狀況表中抵銷。下表為就財務申報目的而對本集團遞延稅項結餘作出之分析：

本集團於香港產生之估計稅項虧損約港幣207,735,000元(二零一八年：約港幣207,735,000元)，可無限年期用作抵銷產生虧損之公司日後應課稅盈利。此外，本集團於中國大陸產生估計稅項虧損約港幣99,977,000元(二零一八年：約港幣117,783,000元)，有關虧損可用作抵銷產生虧損之公司日後應課稅盈利，其應用限期將於一至五年內屆滿。概無就香港產生之稅項虧損約港幣207,735,000元(二零一八年：約港幣207,735,000元)及中國大陸產生之稅項虧損約港幣99,977,000元(二零一八年：約港幣117,783,000元)確認遞延稅項資產，原因為有關虧損來自已出現虧損一段時間之若干附屬公司，且本集團認為於日後不大可能會產生應課稅盈利而令有關稅項虧損得以運用。

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32 DEFERRED TAX (continued)

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

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

32 遞延稅項(續)

根據中國企業所得稅法，於中國大陸成立之外資企業向外國投資者宣派股息時，需按10%之稅率徵收預扣稅。該規定於二零零八年一月一日起生效，並適用於二零零七年十二月三十一日之後產生之盈利。倘若中國大陸與有關外國投資者所屬司法權區訂有相關稅務協議，則可應用較低之預扣稅率。本集團之適用稅率為5%或10%。因此，本集團須就中國大陸成立之附屬公司自二零零八年一月一日起產生之盈利所分派之股息繳納預扣稅。

本公司向其股東派發股息並不附帶任何所得稅後果。

33 SHARE CAPITAL

33 股本

| | | 2019 二零一九年 HK\$'000 港幣千元 | 2018 二零一八年 HK\$'000 港幣千元 |
|-------------------------------------|-------------------------------|-----------------------------------|-----------------------------------|
| Issued and fully paid: | 已發行及悉數繳足： | | |
| 6,142,975,292 (2018: 6,142,975,292) | 6,142,975,292股 | | |
| ordinary shares | (二零一八年： 6,142,975,292股)普通股 | 17,329,537 | 17,329,537 |

During the year ended 31 December 2018, on 14 August 2018, the Company announced a rights issue on the basis of 10 rights shares for every 27 existing shares held by shareholders of the Company at a subscription price of HK\$6.00 per rights share. The rights issue was completed and 1,660,263,592 ordinary shares were issued on 21 September 2018. After deducting the expenses in connection with the rights issue of HK\$37,459,000, the net proceeds from issuance were HK\$9,924,123,000. Details of the rights issue were disclosed in the Company's announcements dated 14 August 2018, 14 September 2018 and 20 September 2018, and prospectus dated 30 August 2018.

於截至二零一八年十二月三十一日止年度，本公司於二零一八年八月十四日公佈按認購價每股供股股份港幣6.00元進行供股，基準為本公司股東每持有27股現有股份獲配發10股供股股份。供股已於二零一八年九月二十一日完成，並發行了1,660,263,592股普通股。經扣除供股相關開支港幣37,459,000元後，發行所得款項淨額為港幣9,924,123,000元。供股詳情已於本公司日期分別為二零一八年八月十四日、二零一八年九月十四日及二零一八年九月二十日之公告及日期為二零一八年八月三十日之供股章程中披露。

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34 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 of the financial statements.

(i) Goodwill arising on consolidation

The goodwill arising on consolidation has been set up and dealt with in accordance with the transitional arrangements under HKFRS 3 (August 2004), goodwill which had previously been taken directly to reserves (i.e. goodwill which arose before 1 January 2001) will not be recognised in profit or loss on disposal or impairment of the acquired business, or under any other circumstances.

(ii) Property revaluation reserve

Certain properties previously occupied by the Group as owner-occupied properties were transferred to investment properties in prior years and a revaluation surplus was credited to property revaluation reserve to account for the difference between the carrying amounts and the fair values of the properties at the date of change in use, determined using market comparison approach by independent firms of surveyors.

The property revaluation reserve of the Group is not distributable as at 31 December 2019 and 2018.

(iii) Exchange reserve

The exchange reserve comprises all foreign exchange differences arising from the translation of the financial statements of foreign operations. The reserve is dealt with in accordance with the accounting policy set out in note 2.4 to the financial statements.

34 儲備

本集團於本年度及過往年度之儲備金額及其變動詳情於財務報表中之綜合權益變動表呈列。

(i) 綜合賬項產生之商譽

本公司已根據香港財務報告準則第3號(二零零四年八月)之過渡條文設立及處理綜合賬項所產生之商譽。據此，當所收購業務被出售或出現耗損時，或在任何其他情況下，過往直接計入儲備之商譽(即於二零零一年一月一日之前產生之商譽)亦不會在損益表中確認。

(ii) 物業重估儲備

若干原先由本集團佔用之物業(自用物業)於過往年度轉撥至投資物業，並已於物業重估儲備計入重估盈餘，以入賬有關物業於用途變更日期之賬面值與公允值之間的差額，其由獨立測量師行按市場比較法釐定。

於二零一九年及二零一八年十二月三十一日，本集團之物業重估儲備並不可供分派。

(iii) 匯兌儲備

匯兌儲備包括換算外國業務之財務報表所產生之所有匯兌差額。本公司會根據財務報表附註2.4所載會計政策處理儲備。

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34 RESERVES (continued)

(iv) Other financial assets measured at fair value through other comprehensive income reserve

The other financial assets measured at fair value through other comprehensive income reserve comprise the cumulative net change in the fair value of other financial assets measured at fair value through other comprehensive income held at the end of the reporting period and are dealt with in accordance with the accounting policy set out in note 2.4 to the financial statements.

(v) Other reserves

Other reserves comprise (i) the difference between the consideration paid/received for the acquisition/dilution of non-controlling interests and the carrying amount of non-controlling interests at the transaction date, less the foreign exchange movements on translation of those subsidiaries attributable to the non-controlling interests; and (ii) the difference between the fair value of the Group's equity interest in subsidiaries transferred to the acquiree for the acquisition of subsidiaries and the net asset value attributable to the non-controlling interests in respect of the subsidiaries transferred to the acquiree at the transaction date.

(vi) Reserve fund

Statutory reserve – wholly-foreign-owned enterprises
Subsidiaries of the Group in the PRC, which are wholly-foreign-owned enterprises, follow the accounting principles and relevant financial regulations of the PRC applicable to wholly-foreign-owned enterprises ("PRC GAAP – WFOE"), in the preparation of its accounting records and financial statements. Pursuant to the accounting regulations for business enterprises (企業會計制度[財會(2000)25號]), the subsidiaries are required to appropriate 10% of the profit arrived at in accordance with PRC GAAP – WFOE for each year to the statutory reserve. The profit arrived at must be used initially to set off against any accumulated losses. The appropriations to the statutory reserve, after offsetting against any accumulated losses, must be made before the distribution of dividends to equity owners. The appropriation is required until the statutory reserve reaches 50% of the registered capital. This statutory reserve is not distributable in the form of cash dividends, but may be used to set off losses or be converted into paid-in capital.

34 儲備(續)

(iv) 按公允值計入其他全面收入計量之其他財務資產儲備

按公允值計入其他全面收入計量之其他財務資產儲備包括於報告期末持有之按公允值計入其他全面收入計量之其他財務資產公允值之累計變動淨額及其根據財務報表附註2.4所載會計政策處理。

(v) 其他儲備

其他儲備包括(i)收購／攤薄非控股權益之已付／已收代價與非控股權益於交易日期之賬面值間之差額減非控股權益應佔換算該等附屬公司而產生之匯兌變動；及(ii)本集團在已轉讓予被收購公司之附屬公司(因收購附屬公司而轉讓者)中之股權之公允值與非控股權益應佔已轉讓予被收購公司之附屬公司於交易日期之資產淨值間之差額。

(vi) 儲備金

法定儲備 – 全外資企業

本集團位於中國之附屬公司(全外資企業)依據適用於全外資企業之中國會計原則及有關財務法規(「中國公認會計原則 – 全外資企業」)，編製會計記錄及財務報表。根據《企業會計制度[財會(2000)25號]》，附屬公司須每年將按照「中國公認會計原則 – 全外資企業」計算所得之盈利其中10%劃撥至法定儲備。盈利必須首先用以抵銷任何累計虧損。此外，只有在劃撥盈利(已扣除任何累計虧損後)至法定儲備後方可向股權擁有人分派股息。附屬公司須一直劃撥盈利至法定儲備，直至法定儲備達至註冊資本50%為止。此法定儲備不會以現金股息形式分派，惟可用於抵銷虧損或轉換為繳足股本。

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35 PARTLY-OWNED SUBSIDIARIES WITH MATERIAL NON-CONTROLLING INTERESTS

Details of the Group's subsidiaries that have material non-controlling interests are set out below:

35 附帶重大非控股權益之非全資附屬公司

本集團附帶重大非控股權益之附屬公司之詳情載列如下。

| | | 2019 二零一九年 | 2018 二零一八年 |
|--|------------------------|-----------------------------------|-----------------------------------|
| Percentage of equity interest held by non-controlling interests: | 非控股權益持有之股權百分比： | | |
| CEWL | 光大水務 | 27.1% | 24.8% |
| China Everbright Greentech Limited ("CEGL") | 中國光大綠色環保有限公司(「光大綠色環保」) | 30.3% | 30.3% |
| | | 2019 二零一九年 HK\$'000 港幣千元 | 2018 二零一八年 HK\$'000 港幣千元 |
| Profit for the year allocated to non-controlling interests: | 分配予非控股權益之年度盈利： | | |
| CEWL | 光大水務 | 221,305 | 169,364 |
| CEGL | 光大綠色環保 | 491,308 | 401,436 |
| Dividends paid to non-controlling interests: | 已付非控股權益之股息： | | |
| CEWL | 光大水務 | 29,308 | 32,145 |
| CEGL | 光大綠色環保 | 90,781 | 93,912 |
| Accumulated balances of non-controlling interests at the reporting date: | 於報告日期非控股權益之累計結餘： | | |
| CEWL | 光大水務 | 2,113,518 | 1,722,913 |
| CEGL | 光大綠色環保 | 3,134,904 | 2,829,672 |

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35 PARTLY-OWNED SUBSIDIARIES WITH MATERIAL NON-CONTROLLING INTERESTS (continued)

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

35 附帶重大非控股權益之非全資附屬公司(續)

下表列示上述附屬公司之財務資料概要。所披露之金額為集團內公司間互相對銷前之金額：

| 2019 | 二零一九年 | CEWL 光大水務 HK\$'000 港幣千元 | CEGL 光大綠色環保 HK\$'000 港幣千元 |
|--|---------------|----------------------------------|------------------------------------|
| Revenue | 收益 | 5,550,773 | 9,279,555 |
| Total expenses | 開支總額 | (4,800,471) | (7,808,789) |
| Profit for the year | 年度盈利 | 884,729 | 1,647,105 |
| Total comprehensive income for the year | 年度全面收入總額 | 593,982 | 1,336,685 |
| Current assets | 流動資產 | 4,916,629 | 7,547,858 |
| Non-current assets | 非流動資產 | 16,755,294 | 18,710,457 |
| Current liabilities | 流動負債 | (4,557,504) | (5,076,536) |
| Non-current liabilities | 非流動負債 | (8,576,775) | (10,594,427) |
| Non-controlling interests | 非控股權益 | (738,683) | (241,133) |
| Net cash flows used in operating activities | 經營活動所動用現金流量淨額 | (1,058,122) | (137,720) |
| Net cash flows used in investing activities | 投資活動所動用現金流量淨額 | (134,018) | (4,279,300) |
| Net cash flows from financing activities | 融資活動所得現金流量淨額 | 1,563,192 | 5,098,387 |
| Effect of foreign exchange rate changes, net | 匯率變動影響淨額 | (25,673) | (40,734) |
| Net increase in cash and cash equivalents | 現金及現金等價物增加淨額 | 345,379 | 640,633 |

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35 PARTLY-OWNED SUBSIDIARIES WITH MATERIAL NON-CONTROLLING INTERESTS (continued)

35 附帶重大非控股權益之非全資附屬公司(續)

| 2018 | 二零一八年 | CEWL 光大水務 HK\$'000 港幣千元 | CEGL 光大綠色環保 HK\$'000 港幣千元 |
|--|---------------|----------------------------------|------------------------------------|
| Revenue | 收益 | 4,768,318 | 7,001,820 |
| Total expenses | 開支總額 | (4,190,486) | (5,829,133) |
| Profit for the year | 年度盈利 | 736,755 | 1,331,351 |
| Total comprehensive income for the year | 年度全面收入總額 | 227,620 | 905,230 |
| Current assets | 流動資產 | 4,765,264 | 5,187,849 |
| Non-current assets | 非流動資產 | 13,783,165 | 13,414,953 |
| Current liabilities | 流動負債 | (4,100,578) | (3,355,517) |
| Non-current liabilities | 非流動負債 | (6,820,114) | (5,816,211) |
| Non-controlling interests | 非控股權益 | (680,507) | (92,222) |
| Net cash flows used in operating activities | 經營活動所動用現金流量淨額 | (1,015,647) | (240,876) |
| Net cash flows used in investing activities | 投資活動所動用現金流量淨額 | (53,541) | (2,369,647) |
| Net cash flows from financing activities | 融資活動所得現金流量淨額 | 781,806 | 2,275,893 |
| Effect of foreign exchange rate changes, net | 匯率變動影響淨額 | (80,161) | (24,719) |
| Net decrease in cash and cash equivalents | 現金及現金等價物減少淨額 | (367,543) | (359,349) |

36 ACQUISITION OF SUBSIDIARIES

Business combinations

(a) Acquisition of Suntime Environmental Remediation

On 12 December 2018, the Group entered into a share transfer agreement with certain independent third parties to acquire 88.88% of the equity interest in Suntime Environmental Remediation, which is principally engaged in the environmental remediation business in the PRC, at a consideration of RMB222,200,000 (equivalent to approximately HK\$257,197,000). The acquisition was completed on 21 January 2019 and Suntime Environmental Remediation has become a subsidiary of the Group.

The Group has elected to measure the non-controlling interests in Suntime Environmental Remediation at the non-controlling interests' proportionate share of Suntime Environmental Remediation's identifiable net assets.

36 收購附屬公司

業務合併

(a) 收購上田環境修復

於二零一八年十二月十二日，本集團與若干獨立第三方訂立股份轉讓協議，收購上田環境修復（其主要在中國從事環境修復業務）88.88%股權，代價為人民幣222,200,000元（相當於約港幣257,197,000元）。有關收購交易已於二零一九年一月二十一日完成及上田環境修復已成為本集團之附屬公司。

本集團已選擇按非控股權益應佔上田環境修復可辨別資產淨額之比例，計量於上田環境修復之非控股權益。

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36 ACQUISITION OF SUBSIDIARIES (continued)

Business combinations (continued)

(a) Acquisition of Suntime Environmental Remediation (continued)

The fair values of the identifiable assets and liabilities of Suntime Environmental Remediation as at the date of acquisition were as follows:

36 收購附屬公司(續)

業務合併(續)

(a) 收購上田環境修復(續)

於收購日期，上田環境修復之可辨別資產及負債之公允值如下：

| | | Notes 附註 | 2019 Fair value recognised on acquisition 二零一九年 收購時確認之 公允值 HK\$'000 港幣千元 |
|--|---------------------|-------------|--|
| Property, plant and equipment | 物業、廠房及設備 | 15 | 16,666 |
| Right-of-use assets | 使用權資產 | 16 | 4,931 |
| Intangible assets | 無形資產 | 18 | 104,362 |
| Debtors, other receivables, deposits and prepayments | 應收賬款、其他應收款項、按金及預付款項 | | 40,920 |
| Contract assets | 合約資產 | | 82,996 |
| Deferred tax assets | 遞延稅項資產 | 32 | 342 |
| Inventories | 存貨 | | 63 |
| Cash and cash equivalents | 現金及現金等價物 | | 47,113 |
| Creditors, other payables and accrued expenses | 應付賬款、其他應付款項及應計費用 | | (58,076) |
| Tax payable | 應付稅項 | | (2,713) |
| Deferred tax liabilities | 遞延稅項負債 | 32 | (27,140) |
| Non-controlling interests | 非控股權益 | | (23,292) |
| Total identifiable net assets at fair value | 可辨別資產總淨值(按公允值) | | 186,172 |
| Goodwill on acquisition | 收購所產生之商譽 | 17 | 71,025 |
| | | | 257,197 |
| Total consideration | 總代價 | | 257,197 |

The cash considerations for the acquisition of HK\$50,479,000 and HK\$182,826,000 were paid by the Group in 2018 and 2019, respectively, and the remaining consideration of HK\$23,892,000 was recorded in "Creditors, other payables and accrued expenses" in the consolidated statement of financial position as at 31 December 2019.

本集團已分別於二零一八年及二零一九年支付收購交易現金代價港幣50,479,000元及港幣182,826,000元，而餘下代價港幣23,892,000元已於二零一九年十二月三十一日之綜合財務狀況表入賬為「應付賬款、其他應付款項及應計費用」。

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財務報表附註

31 December 2019 二零一九年十二月三十一日

36 ACQUISITION OF SUBSIDIARIES (continued)

Business combinations (continued)

(a) Acquisition of Suntime Environmental Remediation (continued)

The fair values of the debtors, other receivables, deposits and prepayments as at the date of acquisition amounted to HK\$40,920,000. The gross contractual amounts of debtors, other receivables, deposits and prepayments were HK\$40,920,000, none of which is expected to be uncollectible.

The Group incurred transaction costs of HK\$84,000 for this transaction. These transaction costs were expensed and included in "Administrative expenses" in the consolidated income statement for the year ended 31 December 2019.

An analysis of the cash flows in respect of the acquisition of Suntime Environmental Remediation is as follows:

36 收購附屬公司(續)

業務合併(續)

(a) 收購上田環境修復(續)

於收購日期，應收賬款、其他應收款項、按金及預付款項之公允值為港幣40,920,000元。應收賬款、其他應收款項、按金及預付款項之總合約金額為港幣40,920,000元，預期皆可收回。

本集團就是項交易產生之交易成本為港幣84,000元。有關交易成本已於截至二零一九年十二月三十一日止年度之綜合損益表支銷，並計入「行政費用」。

有關收購上田環境修復之現金流量分析如下：

| | | 2019 二零一九年 HK\$'000 港幣千元 |
|---|---------------------------|-----------------------------------|
| Cash consideration | 現金代價 | (182,826) |
| Cash and cash equivalents acquired | 收購所得現金及現金等價物 | 47,113 |
| Net outflow of cash and cash equivalents included in cash flows from investing activities | 計入投資活動所得現金流量之現金及現金等價物流出淨額 | (135,713) |
| Transaction costs of the acquisition included in cash flows from operating activities | 計入經營活動所得現金流量之收購交易成本 | (84) |
| | | (135,797) |

Since the acquisition, Suntime Environmental Remediation contributed HK\$205,775,000 to the Group's revenue and a profit of HK\$26,878,000 to the consolidated profit for the year ended 31 December 2019.

自收購以來，上田環境修復於截至二零一九年十二月三十一日止年度為本集團貢獻收益港幣205,775,000元，並為綜合盈利帶來盈利港幣26,878,000元。

Notes to Financial Statements

財務報表附註

31 December 2019 二零一九年十二月三十一日

36 ACQUISITION OF SUBSIDIARIES (continued)

Business combinations (continued)

(a) Acquisition of Suntime Environmental Remediation (continued)

Had the transaction taken place on 1 January 2019, the consolidated revenue and profit for the year of the Group would have been HK\$37,579,638,000 and HK\$6,370,936,000, respectively. In determining these amounts, management assumed that the fair value adjustments to the acquired assets and liabilities that arose on the date of acquisition would have been the same if the acquisition had occurred on 1 January 2019.

(b) Acquisition of Jiangsu Jiayuan

On 20 December 2018, the Group entered into a share transfer agreement with certain independent third parties to acquire 90% of the equity interest in Jiangsu Jiayuan, which is principally engaged in the integrated recycling and harmless disposal of hazardous waste business in the PRC, at a consideration of RMB180,000,000 (equivalent to approximately HK\$206,120,000). The acquisition was completed on 25 January 2019 and Jiangsu Jiayuan has become a subsidiary of the Group.

The Group has elected to measure the non-controlling interests in Jiangsu Jiayuan at the non-controlling interests' proportionate share of Jiangsu Jiayuan's identifiable net assets.

36 收購附屬公司(續)

業務合併(續)

(a) 收購上田環境修復(續)

倘有關交易於二零一九年一月一日進行，本集團年內綜合收益及盈利將分別為港幣37,579,638,000元及港幣6,370,936,000元。在釐定此等金額時，管理層假設倘是項收購交易於二零一九年一月一日發生，收購所得資產及負債於收購日期所產生之公允值調整仍然相同。

(b) 收購江蘇佳願

於二零一八年十二月二十日，本集團與若干獨立第三方訂立股份轉讓協議，收購江蘇佳願(其主要在中國從事綜合回收及無害化危廢處理業務)90%股權，代價為人民幣180,000,000元(相當於約港幣206,120,000元)。有關收購交易已於二零一九年一月二十五日完成及江蘇佳願已成為本集團之附屬公司。

本集團已選擇按非控股權益應佔江蘇佳願可辨別資產淨額之比例，計量於江蘇佳願之非控股權益。

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財務報表附註

31 December 2019 二零一九年十二月三十一日

36 ACQUISITION OF SUBSIDIARIES (continued)

Business combinations (continued)

(b) Acquisition of Jiangsu Jiayuan (continued)

The fair values of the identifiable assets and liabilities of Jiangsu Jiayuan as at the date of acquisition were as follows:

36 收購附屬公司(續)

業務合併(續)

(b) 收購江蘇佳願(續)

於收購日期，江蘇佳願之可辨別資產及負債之公允值如下：

| | | Notes 附註 | 2019 Fair value recognised on acquisition 二零一九年 收購時確認之 公允值 HK\$'000 港幣千元 |
|---|-------------------------|-------------|--|
| Property, plant and equipment | 物業、廠房及設備 | 15 | 61,888 |
| Right-of-use assets | 使用權資產 | 16 | 28,090 |
| Intangible assets | 無形資產 | 18 | 34,512 |
| Debtors, other receivables, deposits and prepayments | 應收賬款、其他應收款項、 按金及預付款項 | | 15,447 |
| Deferred tax assets | 遞延稅項資產 | 32 | 8,712 |
| Inventories | 存貨 | | 12,574 |
| Cash and cash equivalents | 現金及現金等價物 | | 27,655 |
| Creditors, other payables and accrued expenses | 應付賬款、其他應付款項及 應計費用 | | (3,027) |
| Tax payable | 應付稅項 | | (593) |
| Deferred tax liabilities | 遞延稅項負債 | 32 | (14,353) |
| Non-controlling interests | 非控股權益 | | (32,055) |
| Total identifiable net assets at fair value | 可辨別資產總淨值(按公允值) | | 138,850 |
| Goodwill on acquisition | 收購所產生之商譽 | 17 | 67,270 |
| | | | 206,120 |
| Total consideration | 總代價 | | 206,120 |

The cash consideration for the acquisition of HK\$144,284,000 was paid by the Group in 2019, and the remaining consideration of HK\$61,836,000 was recorded in "Creditors, other payables and accrued expenses" in the consolidated statement of financial position as at 31 December 2019.

本集團已於二零一九年支付收購交易現金代價港幣144,284,000元，而餘下代價港幣61,836,000元已於二零一九年十二月三十一日之綜合財務狀況表入賬於「應付賬款、其他應付款項及應計費用」下。

Notes to Financial Statements

財務報表附註

31 December 2019 二零一九年十二月三十一日

36 ACQUISITION OF SUBSIDIARIES (continued)

Business combinations (continued)

(b) Acquisition of Jiangsu Jiayuan (continued)

The fair values of the debtors, other receivables, deposits and prepayments as at the date of acquisition amounted to HK\$15,447,000. The gross contractual amounts of debtors, other receivables, deposits and prepayments were HK\$15,447,000, none of which is expected to be uncollectible.

The Group incurred transaction costs of HK\$60,000 for this transaction. These transaction costs were expensed and included in "Administrative expenses" in the consolidated income statement for the year ended 31 December 2019.

An analysis of the cash flows in respect of the acquisition of Jiangsu Jiayuan is as follows:

| | | 2019 二零一九年 HK\$'000 港幣千元 |
|---|---------------------------|-----------------------------------|
| Cash consideration | 現金代價 | (144,284) |
| Cash and cash equivalents acquired | 收購所得現金及現金等價物 | 27,655 |
| Net outflow of cash and cash equivalents included in cash flows from investing activities | 計入投資活動所得現金流量之現金及現金等價物流出淨額 | (116,629) |
| Transaction costs of the acquisition included in cash flows from operating activities | 計入經營活動所得現金流量之收購交易成本 | (60) |
| | | (116,689) |

Since the acquisition, Jiangsu Jiayuan contributed HK\$63,505,000 to the Group's revenue and a loss of HK\$5,775,000 to the consolidated profit for the year ended 31 December 2019.

Had the transaction taken place on 1 January 2019, the consolidated revenue and profit for the year of the Group would have been HK\$37,560,993,000 and HK\$6,367,087,000, respectively. In determining these amounts, management assumed that the fair value adjustments to the acquired assets and liabilities that arose on the date of acquisition would have been the same if the acquisition had occurred on 1 January 2019.

36 收購附屬公司(續)

業務合併(續)

(b) 收購江蘇佳願(續)

於收購日期，應收賬款、其他應收款項、按金及預付款項之公允值為港幣15,447,000元。應收賬款、其他應收款項、按金及預付款項之總合約金額為港幣15,447,000元，預期皆可收回。

本集團就是項交易產生之交易成本為港幣60,000元。有關交易成本已於截至二零一九年十二月三十一日止年度之綜合損益表支銷，並計入「行政費用」。

有關收購江蘇佳願之現金流量分析如下：

自收購以來，江蘇佳願於截至二零一九年十二月三十一日止年度為本集團貢獻收益港幣63,505,000元，並為綜合盈利帶來虧損港幣5,775,000元。

倘有關交易於二零一九年一月一日進行，本集團年內綜合收益及盈利將分別為港幣37,560,993,000元及港幣6,367,087,000元。在釐定此等金額時，管理層假設倘是項收購交易於二零一九年一月一日發生，收購所得資產及負債於收購日期所產生之公允值調整仍然相同。

Notes to Financial Statements

財務報表附註

31 December 2019 二零一九年十二月三十一日

36 ACQUISITION OF SUBSIDIARIES (continued)

Business combinations (continued)

(c) Acquisition of Zhangjiagang Gelin Environmental Engineering Company Limited ("Zhangjiagang Gelin")

On 29 July 2019, the Group entered into a share transfer agreement with certain independent third parties to acquire 100% of the equity interest in Zhangjiagang Gelin, which is principally engaged in sewage water treatment business in the PRC, at a consideration of RMB68,000,000 (equivalent to approximately HK\$75,772,000). The acquisition was completed on 4 September 2019 and Zhangjiagang Gelin has become a subsidiary of the Group.

The fair values of the identifiable assets and liabilities of Zhangjiagang Gelin as at the date of acquisition were as follows:

36 收購附屬公司(續)

業務合併(續)

(c) 收購張家港格林環境工程有限公司 (「張家港格林」)

於二零一九年七月二十九日，本集團與若干獨立第三方訂立股份轉讓協議，收購張家港格林（其主要在中國從事污水處理業務）100%股權，代價為人民幣68,000,000元（相當於約港幣75,772,000元）。有關收購交易已於二零一九年九月四日完成及張家港格林已成為本集團之附屬公司。

於收購日期，張家港格林之可辨別資產及負債之公允值如下：

| | | Notes 附註 | 2019 Fair value recognised on acquisition 二零一九年 收購時確認 之公允值 HK\$'000 港幣千元 |
|---|-------------------------|-------------|--|
| Property, plant and equipment | 物業、廠房及設備 | 15 | 10,890 |
| Right-of-use assets | 使用權資產 | 16 | 72,764 |
| Debtors, other receivables, deposits and prepayments | 應收賬款、其他應收款項、 按金及預付款項 | | 2 |
| Deferred tax assets | 遞延稅項資產 | 32 | 293 |
| Cash and cash equivalents | 現金及現金等價物 | | 47 |
| Creditors, other payables and accrued expenses | 應付賬款、其他應付款項及 應計費用 | | (5,996) |
| Deferred tax liabilities | 遞延稅項負債 | 32 | (18,185) |
| Total identifiable net assets at fair value | 可辨別資產總淨值(按公允值) | | 59,815 |
| Goodwill on acquisition | 收購所產生之商譽 | 17 | 15,957 |
| | | | 75,772 |
| Total consideration | 總代價 | | 75,772 |

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財務報表附註

31 December 2019 二零一九年十二月三十一日

36 ACQUISITION OF SUBSIDIARIES (continued)

Business combinations (continued)

(c) Acquisition of Zhangjiagang Gelin Environmental Engineering Company Limited ("Zhangjiagang Gelin") (continued)

The consideration of HK\$75,772,000 was recorded in "Creditors, other payables and accrued expenses" in the consolidated statement of financial position as at 31 December 2019.

The Group incurred transaction costs of HK\$86,000 for this transaction. These transaction costs were expensed and included in "Administrative expenses" in the consolidated income statement for the year ended 31 December 2019.

An analysis of the cash flows in respect of the acquisition of Zhangjiagang Gelin is as follows:

36 收購附屬公司(續)

業務合併(續)

(c) 收購張家港格林環境工程有限公司 (「張家港格林」)(續)

代價港幣75,772,000元已於二零一九年十二月三十一日之綜合財務狀況表入賬為「應付賬款、其他應付款項及應計費用」。

本集團就是項交易產生之交易成本為港幣86,000元。有關交易成本已於截至二零一九年十二月三十一日止年度之綜合損益表支銷，並計入「行政費用」。

有關收購張家港格林之現金流量分析如下：

| | | 2019 二零一九年 HK\$'000 港幣千元 |
|--|---------------------------|---|
| Cash and cash equivalents acquired | 收購所得現金及現金等價物 | 47 |
| Net inflow of cash and cash equivalents included in cash flows from investing activities | 計入投資活動所得現金流量之現金及現金等價物流入淨額 | 47 |
| Transaction costs of the acquisition included in cash flows from operating activities | 計入經營活動所得現金流量之收購交易成本 | (86) |
| | | (39) |

Since the acquisition, Zhangjiagang Gelin contributed HK\$253,000 to the Group's revenue and a loss of HK\$1,383,000 to the consolidated profit for the year ended 31 December 2019.

Had the transaction taken place on 1 January 2019, the consolidated revenue and profit for the year of the Group would have been HK\$37,559,044,000 and HK\$6,365,824,000, respectively. In determining these amounts, management assumed that the fair value adjustments to the acquired assets and liabilities that arose on the date of acquisition would have been the same if the acquisition had occurred on 1 January 2019.

自收購以來，張家港格林於截至二零一九年十二月三十一日止年度為本集團貢獻收益港幣253,000元，並為綜合盈利帶來虧損港幣1,383,000元。

倘有關交易於二零一九年一月一日進行，本集團年內綜合收益及盈利將分別為港幣37,559,044,000元及港幣6,365,824,000元。在釐定此等金額時，管理層假設倘是項收購交易於二零一九年一月一日發生，收購所得資產及負債於收購日期所產生之公允值調整仍然相同。

Notes to Financial Statements

財務報表附註

31 December 2019 二零一九年十二月三十一日

36 ACQUISITION OF SUBSIDIARIES (continued)

Business combinations (continued)

(d) Acquisition of Yulin Chuanneng Huashi Renewable Energy Limited (“Yulin Chuanneng”)

On 9 May 2019, the Group entered into an equity transfer agreement with an independent entity which was established in the PRC, pursuant to which the Group agreed to acquire the entire equity interest in Yulin Chuanneng at a consideration of RMB135,000,000 (equivalent to approximately HK\$153,414,000) in cash (the “Yulin Acquisition”). Yulin Chuanneng is engaged in the construction and operation of waste-to-energy plant in Yulin. The Yulin Acquisition was completed in June 2019.

The fair values of the identifiable assets and liabilities of Yulin Chuanneng as at the date of acquisition were as follows:

36 收購附屬公司(續)

業務合併(續)

(d) 收購玉林川能華西環保發電有限公司(「玉林川能」)

於二零一九年五月九日，本集團與一家於中國成立之獨立實體訂立股權轉讓協議。據此，本集團同意收購玉林川能全部股權，現金代價為人民幣135,000,000元（相當於約港幣153,414,000元）（「玉林收購事項」）。玉林川能在玉林從事建造及運營垃圾發電廠。玉林收購事項已於二零一九年六月完成。

於收購日期，玉林川能之可辨別資產及負債之公允值如下：

| | | Notes 附註 | 2019 Fair value recognised on acquisition 二零一九年 收購時確認 之公允值 HK\$'000 港幣千元 |
|--|-----------------------|-------------|--|
| Property, plant and equipment | 物業、廠房及設備 | 15 | 352 |
| Contract assets | 合約資產 | | 581,670 |
| Debtors, other receivables, deposits and prepayments | 應收賬款、其他應收款項、按金及預付款項 | | 57,578 |
| Cash and cash equivalents | 現金及現金等價物 | | 3,527 |
| Creditors, other payables and accrued expenses | 應付賬款、其他應付款項及應計費用 | | (79,837) |
| Interest-bearing borrowings | 計息借貸 | | (403,024) |
| Deferred tax liabilities | 遞延稅項負債 | 32 | (6,852) |
| Total identifiable net assets at fair value | 可辨別資產總淨值(按公允值) | | 153,414 |
| Total consideration | 總代價 | | 153,414 |

Notes to Financial Statements

財務報表附註

31 December 2019 二零一九年十二月三十一日

36 ACQUISITION OF SUBSIDIARIES (continued)

Business combinations (continued)

(d) Acquisition of Yulin Chuanneng Huashi Renewable Energy Limited (“Yulin Chuanneng”) (continued)

The cash consideration of HK\$96,626,000 was paid by the Group in 2019, and the remaining consideration of HK\$56,788,000 was recorded in “Creditors, other payables and accrued expenses” in the consolidated statement of financial position as at 31 December 2019.

The fair values of the debtors, other receivables, deposits and prepayments as at the date of acquisition amounted to HK\$57,578,000. The gross contractual amounts of debtors, other receivables, deposits and prepayments were HK\$57,578,000, none of which is expected to be uncollectible.

The Group incurred transaction costs of HK\$532,000 for this transaction. These transaction costs were expensed and included in “Administrative expenses” in the consolidated income statement for the year ended 31 December 2019.

An analysis of the cash flows in respect of the acquisition of Yulin Chuanneng is as follows:

36 收購附屬公司(續)

業務合併(續)

(d) 收購玉林川能華西環保發電有限公司(「玉林川能」)(續)

本集團已於二零一九年支付現金代價港幣96,626,000元，而餘下代價港幣56,788,000元已於二零一九年十二月三十一日之綜合財務狀況表入賬為「應付賬款、其他應付款項及應計費用」。

於收購日期，應收賬款、其他應收款項、按金及預付款項之公允值為港幣57,578,000元。應收賬款、其他應收款項、按金及預付款項之總合約金額為港幣57,578,000元，預期皆可收回。

本集團就是項交易產生之交易成本為港幣532,000元。有關交易成本已於截至二零一九年十二月三十一日止年度之綜合損益表支銷，並計入「行政費用」。

有關收購玉林川能之現金流量分析如下：

| | | 2019 二零一九年 HK\$'000 港幣千元 |
|---|---------------------------|---|
| Cash consideration | 現金代價 | (96,626) |
| Cash and cash equivalents acquired | 收購所得現金及現金等價物 | 3,527 |
| Net outflow of cash and cash equivalents included in cash flows from investing activities | 計入投資活動所得現金流量之現金及現金等價物流出淨額 | (93,099) |
| Transaction costs of the acquisition included in cash flows from operating activities | 計入經營活動所得現金流量之收購交易成本 | (532) |
| | | (93,631) |

Notes to Financial Statements

財務報表附註

31 December 2019 二零一九年十二月三十一日

36 ACQUISITION OF SUBSIDIARIES (continued)

Business combinations (continued)

(d) Acquisition of Yulin Chuanneng Huashi Renewable Energy Limited (“Yulin Chuanneng”) (continued)

Since the acquisition, Yulin Chuanneng contributed HK\$14,230,000 to the Group’s revenue and a profit of HK\$1,087,000 to the consolidated profit for the year ended 31 December 2019.

Had the transaction taken place on 1 January 2019, the consolidated revenue and profit for the year of the Group would have been HK\$37,557,635,000 and HK\$6,368,162,000, respectively. In determining these amounts, management assumed that the fair value adjustments to the acquired assets and liabilities that arose on the date of acquisition would have been the same if the acquisition had occurred on 1 January 2019.

(e) Acquisition of Xuzhou Engineering Design Institute

During the year ended 31 December 2018, on 13 June 2018, the Group entered into an equity purchase agreement (the “Xuzhou Agreement”) with certain individual third parties (the “Xuzhou Sellers”), pursuant to which the Group agreed to acquire the entire equity interest in Xuzhou Engineering Design Institute from the Xuzhou Sellers at a consideration of RMB82,000,000 (equivalent to approximately HK\$99,946,000) in cash (the “Xuzhou Acquisition”). Xuzhou Engineering Design Institute and its subsidiary (collectively, “Xuzhou Engineering Design Institute Group”) are engaged in the survey, mapping, design and consultancy services for projects relating to roads, bridges, tunnels, water supply, drainage, heat, gas, electricity, construction, landscape, sanitation, highways and water conservancy, as well as the consultancy services for project costs and project management.

36 收購附屬公司(續)

業務合併(續)

(d) 收購玉林川能華西環保發電有限公司 (「玉林川能」)(續)

自收購以來，玉林川能於截至二零一九年十二月三十一日止年度為本集團貢獻收益港幣14,230,000元，並為綜合盈利帶來盈利港幣1,087,000元。

倘有關交易於二零一九年一月一日進行，本集團年內綜合收益及盈利將分別為港幣37,557,635,000元及港幣6,368,162,000元。在釐定此等金額時，管理層假設倘是項收購交易於二零一九年一月一日發生，收購所得資產及負債於收購日期所產生之公允值調整仍然相同。

(e) 收購徐州市市政設計院

於截至二零一八年十二月三十一日止年度，本集團於二零一八年六月十三日與若干獨立第三方(「徐州賣家」)訂立股權購買協議(「徐州協議」)。據此，本集團同意向徐州賣家收購徐州市市政設計院全數股權，現金代價為人民幣82,000,000元(相當於約港幣99,946,000元)(「徐州收購事項」)。徐州市市政設計院及其附屬公司(統稱「徐州市設計院集團」)從事有關道路、橋樑、隧道、供水、渠務、供熱、燃氣、電力、建造、園藝、環境衛生、公路及水利工程之測量、繪圖、設計及顧問服務，以及工程項目成本及工程項目管理顧問服務。

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31 December 2019 二零一九年十二月三十一日

36 ACQUISITION OF SUBSIDIARIES (continued)

Business combinations (continued)

(e) Acquisition of Xuzhou Engineering Design Institute (continued)

Pursuant to the Xuzhou Agreement, the Xuzhou Sellers and Xuzhou Engineering Design Institute guarantee and undertake to the Group that the amount of new business contracts entered into by Xuzhou Engineering Design Institute Group shall be no less than RMB55,000,000 (the "Target Amount") for each calendar year from 2018 to 2020, and the aggregate amount of the new business contracts entered into by Xuzhou Engineering Design Institute Group shall be no less than RMB165,000,000 (the "Target Sum") during 2018 to 2020 (the "Performance Guarantee"). In the event that the Performance Guarantee is unfulfilled, the Xuzhou Sellers undertake to pay to the Group a compensation which is determined depending on the amount of shortfall between the actual new business contract amount and the Target Amount and/or the Target Sum.

The consideration for the Xuzhou Acquisition was satisfied by the Group as follows:

- HK\$99,946,000 in cash;
- contingent consideration receivable of HK\$5,643,000, arising from the Performance Guarantee.

At the date of acquisition, Xuzhou Engineering Design Institute had claims against certain customers for approximately RMB200,000,000 (equivalent to approximately HK\$244,000,000). Pursuant to the Xuzhou Agreement, any claim amounts recovered from the relevant customers within three years from completion of the Xuzhou Acquisition, after deducting the related recovery costs, tax expenses and commission expenses, will be payable to the Xuzhou Sellers. Having considered all currently available information, the directors of the Company are of the view that the recovery of the claims is not probable.

The Xuzhou Acquisition was completed on 30 June 2018, and thereafter Xuzhou Engineering Design Institute and its subsidiary became indirect subsidiaries of the Company.

36 收購附屬公司(續)

業務合併(續)

(e) 收購徐州市市政設計院(續)

根據徐州協議，徐州賣家及徐州市市政設計院向本集團保證及承諾，徐州市設計院集團於二零一八年至二零二零年各個曆年所訂立之新業務合約金額將不會少於人民幣55,000,000元(「目標金額」)及徐州市設計院集團於二零一八年至二零二零年內所訂立之新業務合約總額將不會少於人民幣165,000,000元(「目標總額」)(「履約擔保」)。倘履約擔保未獲履行，徐州賣家承諾向本集團支付賠償，有關賠償取決於新業務合約之實際金額與目標金額及／或目標總額之間的差額而釐定。

本集團按下列方式支付徐州收購事項之代價：

- 以現金支付港幣99,946,000元；
- 履約擔保所產生之應收或然代價港幣5,643,000元。

於收購日期，徐州市市政設計院具有向若干客戶提出之申索約人民幣200,000,000元(相當於約港幣244,000,000元)。根據徐州協議，自徐州收購事項完成起計三年內從有關客戶收回所得之任何申索金額經扣除相關收回成本、稅項開支及佣金開支後，須支付予徐州賣家。經考慮所有現有所有資料後，本公司董事認為，不大可能收回申索金額。

徐州收購事項已於二零一八年六月三十日完成，此後徐州市市政設計院及其附屬公司成為本公司之間接附屬公司。

Notes to Financial Statements

財務報表附註

31 December 2019 二零一九年十二月三十一日

36 ACQUISITION OF SUBSIDIARIES (continued)

Business combinations (continued)

(e) Acquisition of Xuzhou Engineering Design Institute (continued)

The fair values of the identifiable assets and liabilities of Xuzhou Engineering Design Institute Group as at the date of acquisition were as follows:

36 收購附屬公司(續)

業務合併(續)

(e) 收購徐州市市政設計院(續)

於收購日期，徐州市市政設計院之可辨別資產及負債之公允值如下：

| | | Notes 附註 | 2018 Fair value recognised on acquisition 二零一八年 收購時確認 之公允值 HK\$'000 港幣千元 |
|--|---------------------|-------------|--|
| Property, plant and equipment | 物業、廠房及設備 | 15 | 11,614 |
| Intangible assets | 無形資產 | 18 | 13,638 |
| Debtors, other receivables, deposits and prepayments | 應收賬款、其他應收款項、按金及預付款項 | | 38,721 |
| Cash and cash equivalents | 現金及現金等價物 | | 33,458 |
| Deferred tax liabilities | 遞延稅項負債 | 32 | (2,269) |
| Creditors, other payables and accrued expenses | 應付賬款、其他應付款項及應計費用 | | (39,266) |
| Tax payable | 應付稅項 | | (1,428) |
| | | | 94,303 |
| Total identifiable net assets at fair value | 可辨別資產總淨值(按公允值) | | 54,468 |
| Goodwill on acquisition | 收購所產生之商譽 | 17 | 39,835 |
| | | | 94,303 |
| Total consideration: | 總代價： | | |
| Cash | 現金 | | 99,946 |
| Contingent consideration receivable | 應收或然代價 | 25 | (5,643) |
| | | | 94,303 |

Notes to Financial Statements

財務報表附註

31 December 2019 二零一九年十二月三十一日

36 ACQUISITION OF SUBSIDIARIES (continued)

Business combinations (continued)

(e) Acquisition of Xuzhou Engineering Design Institute (continued)

The cash consideration for the Xuzhou Acquisition of HK\$84,952,000 was paid by the Group in 2018, and the remaining consideration of HK\$14,994,000 was recorded in “Creditors, other payables and accrued expenses” in the consolidated statement of financial position as at 31 December 2018. The cash consideration of HK\$5,900,000 was paid by the Group in 2019, and the remaining consideration of HK\$9,094,000 was recorded in “Creditors, other payables and accrued expenses” in the consolidated statement of financial position as at 31 December 2019.

The fair value of the debtors, other receivables, deposits and prepayments as at the date of acquisition amounted to HK\$38,721,000. The gross contractual amount of debtors, other receivables, deposits and prepayments was HK\$50,569,000, of which HK\$11,848,000 is expected to be uncollectible.

The fair value of contingent consideration receivable as at 30 June 2018 is based on the valuation report issued by Grant Sherman Appraisal Limited, an independent professional qualified valuer, by using a discounted cash flow method with scenario simulation.

Significant unobservable valuation inputs for the fair value measurement of contingent consideration receivable as at 30 June 2018 are as follows:

| Significant unobservable inputs 重大不可觀察輸入數據 | | Range 範圍 |
|---|-------------------------------------|---|
| Estimated amounts of the new business contracts entered into by Xuzhou Engineering Design Institute Group during 2018 to 2020 | 估計於二零一八年至二零二零年內徐州市設計院集團所訂立之新業務合約之金額 | RMB85,600,000 to RMB261,400,000 人民幣85,600,000元至人民幣261,400,000元 |
| Discount rate | 貼現率 | 17.5% |

36 收購附屬公司(續)

業務合併(續)

(e) 收購徐州市市政設計院(續)

本集團已於二零一八年支付徐州收購事項現金代價港幣84,952,000元，而餘下代價港幣14,994,000元已於二零一八年十二月三十一日之綜合財務狀況表入賬為「應付賬款、其他應付款項及應計費用」。本集團已於二零一九年支付現金代價港幣5,900,000元，而餘下代價港幣9,094,000元已於二零一九年十二月三十一日之綜合財務狀況表入賬為「應付賬款、其他應付款項及應計費用」。

於收購日期，應收賬款、其他應收款項、按金及預付款項之公允值為港幣38,721,000元。應收賬款、其他應收款項、按金及預付款項之總合約金額為港幣50,569,000元。預期其中港幣11,848,000元屬不能收回。

應收或然代價於二零一八年六月三十日之公允值乃基於獨立專業合資格估值師中證評估有限公司發出之估值報告，使用貼現現金流量法及情景模擬計算所得。

於二零一八年六月三十日之應收或然代價公允值計量所使用之重大不可觀察估值輸入數據如下：

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財務報表附註

31 December 2019 二零一九年十二月三十一日

36 ACQUISITION OF SUBSIDIARIES (continued)

Business combinations (continued)

(e) Acquisition of Xuzhou Engineering Design Institute (continued)

A significant increase (decrease) in the amounts of the new business contracts entered into by Xuzhou Engineering Design Institute Group would result in a significant decrease (increase) in the fair value of the contingent consideration receivable. A significant increase (decrease) in the discount rate would result in a significant decrease (increase) in the fair value of the contingent consideration receivable.

The Group incurred transaction costs of HK\$878,000 for this acquisition. These transaction costs were expensed and included in "Administrative expenses" in the consolidated income statement for the year ended 31 December 2018.

An analysis of the cash flows in respect of the acquisition of Xuzhou Engineering Design Institute is as follows:

36 收購附屬公司(續)

業務合併(續)

(e) 收購徐州市市政設計院(續)

徐州市設計院集團所訂立之新業務合約之金額大幅上升(下跌)將會導致應收或然代價公允值大幅減少(增加)。貼現率大幅上升(下跌)將會導致應收或然代價公允值大幅減少(增加)。

本集團就是項收購交易產生之交易成本為港幣878,000元。有關交易成本已於截至二零一八年十二月三十一日止年度之綜合損益表支銷，並計入「行政費用」。

有關收購徐州市市政設計院之現金流量分析如下：

| | | 2018 二零一八年 HK\$'000 港幣千元 |
|---|---------------------------|-----------------------------------|
| Cash consideration | 現金代價 | (84,952) |
| Cash and cash equivalents acquired | 收購所得現金及現金等價物 | 33,458 |
| Net outflow of cash and cash equivalents included in cash flows from investing activities | 計入投資活動所得現金流量之現金及現金等價物流出淨額 | (51,494) |
| Transaction costs of the acquisition included in cash flows from operating activities | 計入經營活動所得現金流量之收購交易成本 | (878) |
| | | (52,372) |

Notes to Financial Statements

財務報表附註

31 December 2019 二零一九年十二月三十一日

36 ACQUISITION OF SUBSIDIARIES (continued)

Business combinations (continued)

(e) Acquisition of Xuzhou Engineering Design Institute (continued)

Since the acquisition, Xuzhou Engineering Design Institute Group contributed HK\$53,320,000 to the Group's revenue and a profit of HK\$5,523,000 to the consolidated profit for the year ended 31 December 2018.

Had the acquisition taken place on 1 January 2018, the consolidated revenue and profit of the Group for the year ended 31 December 2018 would have been HK\$27,303,666,000 and HK\$5,285,706,000, respectively. In determining these amounts, management assumed that the fair value adjustments to the acquired assets and liabilities that arose on the date of acquisition would have been the same if the acquisition had occurred on 1 January 2018.

(f) Acquisition of Jiujiang Energy

During the year ended 31 December 2018, on 8 July 2018, the Group entered into an equity transfer agreement with an independent entity which was incorporated in Hong Kong, pursuant to which the Group agreed to acquire (i) the entire equity interest in Jiujiang Energy and (ii) an advance to Jiujiang Energy of HK\$59,009,000 at a consideration of RMB180,559,000 (approximately HK\$210,947,000) in cash (the "Jiujiang Acquisition"). Jiujiang Energy is engaged in the construction and operation of waste-to-energy plant in Jiujiang. The Jiujiang Acquisition was completed in August 2018.

36 收購附屬公司(續)

業務合併(續)

(e) 收購徐州市市政設計院(續)

自收購以來，徐州市設計院集團於截至二零一八年十二月三十一日止年度為本集團貢獻收益港幣53,320,000元，並為綜合盈利帶來盈利港幣5,523,000元。

倘有關收購交易於二零一八年一月一日進行，本集團截至二零一八年十二月三十一日止年度之綜合收益及盈利將分別為港幣27,303,666,000元及港幣5,285,706,000元。在釐定此等金額時，管理層假設倘是項收購交易於二零一八年一月一日發生，收購所得資產及負債於收購日期所產生之公允值調整仍然相同。

(f) 收購九江能源

於截至二零一八年十二月三十一日止年度，本集團於二零一八年七月八日與一名在香港註冊成立之獨立實體訂立股權轉讓協議。據此，本集團同意收購：(i)九江能源全數股權及(ii)給予九江能源之墊款港幣59,009,000元，現金代價為人民幣180,559,000元(約港幣210,947,000元)(「九江收購事項」)。九江能源於九江從事建造及運營垃圾發電廠業務。九江收購事項已於二零一八年八月完成。

Notes to Financial Statements

財務報表附註

31 December 2019 二零一九年十二月三十一日

36 ACQUISITION OF SUBSIDIARIES (continued)

Business combinations (continued)

(f) Acquisition of Jiujiang Energy (continued)

The fair values of the identifiable assets and liabilities of Jiujiang Energy as at the date of acquisition were as follows:

36 收購附屬公司(續)

業務合併(續)

(f) 收購九江能源(續)

於收購日期，九江能源之可辨別資產及負債之公允值如下：

| | | Notes 附註 | 2018 Fair value recognised on acquisition 二零一八年 收購時確認 之公允值 HK\$'000 港幣千元 |
|--|-----------------------|-------------|--|
| Intangible assets | 無形資產 | 18 | 213,144 |
| Debtors, other receivables, deposits and prepayments | 應收賬款、其他應收款項、按金及預付款項 | | 31,365 |
| Inventories | 存貨 | | 983 |
| Cash and cash equivalents | 現金及現金等價物 | | 15,129 |
| Deferred tax liabilities | 遞延稅項負債 | 32 | (25,094) |
| Creditors, other payables and accrued expenses* | 應付賬款、其他應付款項及應計費用* | | (87,208) |
| Tax payable | 應付稅項 | | (872) |
| Total identifiable net assets at fair value | 可辨別資產總淨值(按公允值) | | 147,447 |
| Goodwill on acquisition | 收購所產生之商譽 | 17 | 63,500 |
| | | | 210,947 |
| Total consideration | 總代價 | | 210,947 |

* Included in the balance is an amount due to a group company of HK\$59,009,000.

* 有關結餘包括應付集團公司款項港幣59,009,000元。

The cash consideration of HK\$188,555,000 was paid by the Group in 2018, and the remaining consideration of HK\$22,392,000 was recorded in "Creditors, other payables and accrued expenses" in the consolidated statement of financial position as at 31 December 2018, which was fully settled by the Group in 2019.

本集團已於二零一八年支付現金代價港幣188,555,000元，而餘下代價港幣22,392,000元已於二零一八年十二月三十一日之綜合財務狀況表入賬為「應付賬款、其他應付款項及應計費用」，而本集團已於二零一九年悉數支付有關代價。

Notes to Financial Statements

財務報表附註

31 December 2019 二零一九年十二月三十一日

36 ACQUISITION OF SUBSIDIARIES (continued)

Business combinations (continued)

(f) Acquisition of Jiujiang Energy (continued)

The fair value of the debtors, other receivables, deposits and prepayments as at the date of acquisition amounted to HK\$31,365,000. The gross contractual amount of debtors, other receivables, deposits and prepayments was HK\$32,714,000, of which HK\$1,349,000 is expected to be uncollectible.

The Group incurred transaction costs of HK\$204,000 for this acquisition. These transaction costs were expensed and included in "Administrative expenses" in the consolidated income statement for the year ended 31 December 2018.

An analysis of the cash flows in respect of the acquisition of Jiujiang Energy is as follows:

36 收購附屬公司(續)

業務合併(續)

(f) 收購九江能源(續)

於收購日期，應收賬款、其他應收款項、按金及預付款項之公允值為港幣31,365,000元。應收賬款、其他應收款項、按金及預付款項之總合約金額為港幣32,714,000元。預期其中港幣1,349,000元屬不能收回。

本集團就是項收購交易產生之交易成本為港幣204,000元。有關交易成本已於截至二零一八年十二月三十一日止年度之綜合損益表支銷，並計入「行政費用」。

有關收購九江能源之現金流量分析如下：

| | | 2018 二零一八年 HK\$'000 港幣千元 |
|---|---------------------------|-----------------------------------|
| Cash consideration | 現金代價 | (188,555) |
| Cash and cash equivalents acquired | 收購所得現金及現金等價物 | 15,129 |
| Net outflow of cash and cash equivalents included in cash flows from investing activities | 計入投資活動所得現金流量之現金及現金等價物流出淨額 | (173,426) |
| Transaction costs of the acquisition included in cash flows from operating activities | 計入經營活動所得現金流量之收購交易成本 | (204) |
| | | (173,630) |

Since the acquisition, Jiujiang Energy contributed HK\$32,705,000 to the Group's revenue and a profit of HK\$14,062,000 to the consolidated profit for the year ended 31 December 2018.

Had the acquisition taken place on 1 January 2018, the consolidated revenue and profit of the Group for the year ended 31 December 2018 would have been HK\$27,268,279,000 and HK\$5,281,994,000, respectively. In determining these amounts, management assumed that the fair value adjustments to the acquired assets and liabilities that arose on the date of acquisition would have been the same if the acquisition had occurred on 1 January 2018.

自收購以來，九江能源於截至二零一八年十二月三十一日止年度為本集團貢獻收益港幣32,705,000元，並為綜合盈利帶來盈利港幣14,062,000元。

倘有關收購交易於二零一八年一月一日進行，本集團截至二零一八年十二月三十一日止年度之綜合收益及盈利將分別為港幣27,268,279,000元及港幣5,281,994,000元。在釐定此等金額時，管理層假設倘是項收購交易於二零一八年一月一日發生，收購所得資產及負債於收購日期所產生之公允值調整仍然相同。

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財務報表附註

31 December 2019 二零一九年十二月三十一日

36 ACQUISITION OF SUBSIDIARIES (continued)

Net cash outflow for the acquisition of subsidiaries included in the cash flows from investing activities:

36 收購附屬公司(續)

計入投資活動所得現金流量有關收購附屬公司之現金流出淨額：

| | | 2019 二零一九年 HK\$'000 港幣千元 | 2018 二零一八年 HK\$'000 港幣千元 |
|---|---------------------|-----------------------------------|-----------------------------------|
| Acquisition of Suntime Environmental Remediation (note 36(a)) | 收購上田環境修復(附註36(a)) | (135,713) | — |
| Acquisition of Jiangsu Jiayuan (note 36(b)) | 收購江蘇佳願(附註36(b)) | (116,629) | — |
| Acquisition of Zhangjiagang Gelin (note 36(c)) | 收購張家港格林(附註36(c)) | 47 | — |
| Acquisition of Yulin Chuanneng (note 36(d)) | 收購玉林川能(附註36(d)) | (93,099) | — |
| Acquisition of Xuzhou Engineering Design Institute (note 36(e)) | 收購徐州市市政設計院(附註36(e)) | (5,900) | (51,494) |
| Acquisition of Jiujiang Energy (note 36(f)) | 收購九江能源(附註36(f)) | (22,392) | (173,426) |
| Others* | 其他* | (28,441) | (117,014) |
| | | (402,127) | (341,934) |

* Balance for the year ended 31 December 2019 represented net cash outflow for the acquisition of subsidiaries with major assets including property, plant and equipment of HK\$7,520,000, intangible assets of HK\$5,269,000 and deferred tax assets of HK\$1,237,000, and non-controlling interests of HK\$2,876,000, as at the date of acquisition.

Balance for the year ended 31 December 2018 represented net cash outflow for the acquisition of a subsidiary with major assets including property, plant and equipment of HK\$515,000 and intangible assets of HK\$88,997,000, and non-controlling interests of HK\$27,303,000, as at the date of acquisition.

* 截至二零一九年十二月三十一日止年度之結餘為於收購日期收購具有主要資產之附屬公司之現金流出淨額，有關主要資產包括物業、廠房及設備港幣7,520,000元、無形資產港幣5,269,000元及遞延稅項資產港幣1,237,000元，以及非控股權益港幣2,876,000元。

截至二零一八年十二月三十一日止年度之結餘為於收購日期收購一間具有主要資產之附屬公司之現金流出淨額，其主要資產包括物業、廠房及設備港幣515,000元及無形資產港幣88,997,000元，以及非控股權益港幣27,303,000元。

37 DEEMED DISPOSAL OF PARTIAL INTERESTS IN A SUBSIDIARY

In August 2018, CEWL applied to the Listing Committee of the Stock Exchange for a proposed separate listing of the Group's environmental water project construction and operation business (the "Separate Listing"). The Separate Listing was achieved by global offering, which included the issue of 10,398,000 shares for Hong Kong public offer and 93,572,000 shares for international offer, at an issue price of HK\$2.99 per share. The shares of CEWL have been listed on the Stock Exchange since 8 May 2019. Upon completion of the Separate Listing, the Group's equity interest in CEWL was diluted from 75.24% to 72.43% and CEWL is still classified as a subsidiary of the Company.

37 被視作出售附屬公司之部份權益

於二零一八年八月，光大水務就建議分拆本集團環保水務項目建造及運營業務獨立上市(「獨立上市」)向聯交所上市委員會提交申請。獨立上市已透過按發行價每股港幣2.99元全球發售(當中包括發行10,398,000股股份—香港公开发售及93,572,000股股份—國際發售)完成。光大水務之股份自二零一九年五月八日起在聯交所上市。在獨立上市完成後，本集團於光大水務之股權由75.24%攤薄至72.43%，而光大水務仍被歸類為本公司之附屬公司。

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38 ACQUISITION OF NON-CONTROLLING INTERESTS

In 2019, the Group entered into agreements with the non-controlling shareholders of Suntime Environmental Remediation, pursuant to which, the non-controlling shareholders agreed to sell and the Group agreed to purchase 11.12% equity interest in Suntime Environmental Remediation at a consideration of RMB27,800,000 (equivalent to approximately HK\$32,502,000).

The Group recognised a decrease in non-controlling interests and other reserve of HK\$23,887,000 and HK\$8,615,000, respectively.

39 NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS

(a) Major non-cash transactions

- (i) During the year ended 31 December 2019, the Group had non-cash additions to right-of-use assets and lease liabilities of HK\$109,831,000 and HK\$109,831,000, respectively, in respect of lease arrangements for buildings, plant and machinery, and motor vehicles, electronic equipment and others.

During the year ended 31 December 2018, the Group entered into finance lease arrangements in respect of property, plant and equipment with a total capital value at the inception of the leases of HK\$17,138,000.

- (ii) During the year ended 31 December 2019, the interest expenses on corporate bond of HK\$67,505,000 (2018: HK\$40,137,000) are not yet settled by the Group, and recorded in "Creditors, other payables and accrued expenses" in the consolidated statement of financial position as at 31 December 2019, and has no cash flow impact to the Group.
- (iii) During the year ended 31 December 2019, the dividend declared to the non-controlling shareholders of a non wholly-owned subsidiary of HK\$23,035,000 (2018: HK\$29,856,000) are not yet settled by the Group, and recorded in "Creditors, other payables and accrued expenses" in the consolidated statement of financial position as at 31 December 2019, and has no cash flow impact to the Group.

38 收購非控股權益

於二零一九年，本集團與上田環境修復之非控股股東訂立協議。據此，非控股股東同意出售，而本集團同意購買上田環境修復11.12%股權，代價為人民幣27,800,000元（相當於約港幣32,502,000元）。

本集團確認非控股權益減少港幣23,887,000元及其他儲備減少港幣8,615,000元。

39 綜合現金流量表附註

(a) 主要非現金交易

- (i) 於截至二零一九年十二月三十一日止年度，本集團具有有關樓宇、廠房及機器，以及汽車、電子設備及其他項目之租賃安排之使用權資產及租賃負債非現金增置分別港幣109,831,000元及港幣109,831,000元。

於截至二零一八年十二月三十一日止年度，本集團就物業、廠房及設備訂立了融資租賃安排，有關租賃訂立時之資本總值為港幣17,138,000元。

- (ii) 於截至二零一九年十二月三十一日止年度，本集團尚未付清公司債券之利息開支港幣67,505,000元（二零一八年：港幣40,137,000元），有關款項已入賬二零一九年十二月三十一日之綜合財務狀況表「應付賬款、其他應付款項及應計費用」內及其對本集團之現金流量並無構成影響。
- (iii) 於截至二零一九年十二月三十一日止年度，本集團尚未付清已向非全資附屬公司之非控股股東宣派之股息港幣23,035,000元（二零一八年：港幣29,856,000元），有關款項已入賬二零一九年十二月三十一日之綜合財務狀況表「應付賬款、其他應付款項及應計費用」內及其對本集團之現金流量並無構成影響。

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39 NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS (continued)

(b) Changes in liabilities arising from financing activities

39 綜合現金流量表附註(續)

(b) 融資活動所產生之負債變動

| | | Corporate bond interest payables | Bank and other loans | Finance lease payables/ lease liabilities | Corporate bond | Amount due to non- controlling interests |
|--|-------------------|--|---------------------------------|--|--------------------------|--|
| | | 公司債券 應付利息 HK\$'000 港幣千元 | 銀行及 其他貸款 HK\$'000 港幣千元 | 融資租賃 應付款項/ 租賃負債 HK\$'000 港幣千元 | 公司債券 HK\$'000 港幣千元 | 應付 非控股 權益款項 HK\$'000 港幣千元 |
| At 1 January 2018 | 於二零一八年一月一日 | 23,405 | 30,230,375 | 42,593 | 1,181,035 | - |
| Changes from financing cash flows | 融資現金流量變動 | (53,292) | 5,730,981 | (16,027) | 944,251 | - |
| New finance lease | 新訂融資租賃 | - | - | 17,138 | - | - |
| Finance costs, including capitalised interest expenses | 財務費用(包括已資本化利息開支) | 70,458 | 1,314,659 | 1,600 | - | - |
| Foreign exchange movement | 匯兌變動 | (2,145) | (827,451) | (3,105) | (89,882) | - |
| At 31 December 2018 | 於二零一八年十二月三十一日 | 38,426 | 36,448,564 | 42,199 | 2,035,404 | - |
| Effect of adoption of HKFRS 16 | 採納香港財務報告準則第16號之影響 | - | - | 15,030 | - | - |
| At 1 January 2019 (restated) | 於二零一九年一月一日(重報) | 38,426 | 36,448,564 | 57,229 | 2,035,404 | - |
| Changes from financing cash flows | 融資現金流量變動 | (93,336) | 12,384,852 | (49,440) | 804,235 | 17,513 |
| New leases | 新訂租賃 | - | - | 109,831 | - | - |
| Increase arising from acquisition of a subsidiary | 收購附屬公司所產生之增幅 | - | 403,024 | - | - | - |
| Finance costs, including capitalised interest expenses | 財務費用(包括已資本化利息開支) | 122,415 | 1,706,462 | 5,165 | - | - |
| Foreign exchange movement | 匯兌變動 | (1,529) | (646,620) | (1,722) | (77,111) | (878) |
| At 31 December 2019 | 於二零一九年十二月三十一日 | 65,976 | 50,296,282 | 121,063 | 2,762,528 | 16,635 |

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39 NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS (continued)

(c) Total cash outflow for leases

The total cash outflow for leases included in the statement of cash flows is as follows:

| | | 2019 二零一九年 HK\$'000 港幣千元 |
|-----------------------------|------|-----------------------------------|
| Within operating activities | 經營活動 | (39,949) |
| Within investing activities | 投資活動 | (160,771) |
| Within financing activities | 融資活動 | (49,440) |
| | | (250,160) |

40 PLEDGE OF ASSETS

Details of the Group's assets pledged for the Group's banking facilities, other loans and lease liabilities are included in note 29 to the financial statements. The aggregate net book value of assets and equity interest in subsidiaries pledged amounted to HK\$52,510,366,000 (2018: HK\$33,100,358,000) as at 31 December 2019.

41 OPERATING LEASE ARRANGEMENTS

As lessee

The Group leases a number of properties and motor vehicles under operating leases, with leases negotiated for terms within one year. None of the leases includes contingent rentals.

At 31 December 2019, the Group had total future lease payments under non-cancellable lease contracts (including short-term leases, leases of low-value assets and lease contracts that have not yet commenced as at 31 December 2019) as follows:

| | | 2019 二零一九年 HK\$'000 港幣千元 | 2018 二零一八年 HK\$'000 港幣千元 |
|--------------------------------------|---------|-----------------------------------|-----------------------------------|
| Within one year | 一年內 | 9,683 | 15,905 |
| After one year but within five years | 一年後但五年內 | - | 10,588 |
| After five years | 五年後 | - | 8,145 |
| | | 9,683 | 34,638 |

39 綜合現金流量表附註(續)

(c) 租賃之現金流出總額

現金流量表所載租賃之現金流出總額如下：

40 資產抵押

就本集團銀行融資、其他貸款及租賃負債而已予抵押之本集團資產之詳情載於財務報表附註29。於二零一九年十二月三十一日，已抵押資產及附屬公司股權之賬面總淨值為港幣52,510,366,000元(二零一八年：港幣33,100,358,000元)。

41 經營租賃安排

作為承租人

本集團根據經營租賃租用多項物業及汽車，商定租期為一年之內。概無任何租賃包括或然租金。

於二零一九年十二月三十一日，根據不可解除的租賃合同(包括短期租賃、低價值資產租賃及於二零一九年十二月三十一日尚未開始之租賃合同)，本集團日後的租賃款項總額如下：

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42 COMMITMENTS

The Group had the following commitments at the end of the reporting period:

- (a) Purchase commitments outstanding in connection with the Group's construction contracts were as follows:

| | 2019 二零一九年 HK\$'000 港幣千元 | 2018 二零一八年 HK\$'000 港幣千元 |
|---|-----------------------------------|-----------------------------------|
| Contracted but not provided for 已訂約但未撥備 | 10,626,406 | 8,542,181 |

- (b) At 31 December 2019, the Group had an outstanding capital commitment relating to the purchase of a limited partnership in an investment fund not provided for in the financial statements of HK\$2,889,000 (2018: HK\$8,753,000).
- (c) At 31 December 2019, the Group had an outstanding capital commitment relating to the capital contribution to an unlisted equity investment not provided for in the financial statements of HK\$23,154,000 (2018: Nil).
- (d) At 31 December 2019, the Group had outstanding capital commitment relating to the capital contribution to associates not provided for in the financial statements of HK\$42,197,000 (2018: HK\$74,006,000).
- (e) On 12 December 2018, the Group entered into a share transfer agreement with certain independent third parties to acquire 88.88% of the equity interest in Suntime Environmental Remediation, which is principally engaged in the environmental remediation business in the PRC, at a consideration of RMB222,200,000 (equivalent to approximately HK\$252,397,000). The acquisition transaction was completed during the year ended 31 December 2019.

At 31 December 2019, the Group had no outstanding capital commitment relating to the acquisition of Suntime Environmental Remediation not provided for in the financial statements (2018: HK\$201,918,000).

42 承擔

於報告期末，本集團有以下承擔：

- (a) 有關本集團建造合約之採購承擔如下：

- (b) 於二零一九年十二月三十一日，本集團具有有關購買營運一個投資基金的一家有限責任合伙公司之資本承擔港幣2,889,000元（二零一八年：港幣8,753,000元），有關承擔並未在財務報表中作出撥備。
- (c) 於二零一九年十二月三十一日，本集團具有有關向非上市股本投資注資之資本承擔港幣23,154,000元（二零一八年：無），有關承擔並未在財務報表中作出撥備。
- (d) 於二零一九年十二月三十一日，本集團具有有關向聯營公司注資之資本承擔港幣42,197,000元（二零一八年：港幣74,006,000元），有關承擔並未在財務報表中作出撥備。
- (e) 於二零一八年十二月十二日，本集團與若干獨立第三方訂立股份轉讓協議，收購上田環境修復（其主要在中國從事環境修復業務）88.88%股權，代價為人民幣222,200,000元（相當於約港幣252,397,000元）。有關收購交易已於截至二零一九年十二月三十一日止年度完成。

於二零一九年十二月三十一日，本集團並無有關收購上田環境修復且並未在財務報表中作出撥備之資本承擔（二零一八年：港幣201,918,000元）。

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31 December 2019 二零一九年十二月三十一日

42 COMMITMENTS (continued)

- (f) On 20 December 2018, the Group entered into a share transfer agreement with certain independent third parties to acquire 90% of the equity interest in Jiangsu Jiayuan, which is principally engaged in the hazardous and solid waste treatment business in the PRC, at a consideration of RMB180,000,000 (equivalent to approximately HK\$204,462,000). The acquisition transaction was completed during the year ended 31 December 2019.

At 31 December 2019, the Group had no outstanding capital commitment relating to the acquisition of Jiangsu Jiayuan not provided for in the financial statements (2018: HK\$204,462,000).

43 RELATED PARTY TRANSACTIONS

In addition to the transactions and balances disclosed elsewhere in these financial statements, the Group entered into the following material related party transactions during the year:

- (a) The Group entered into the following related party transactions with a related party bank:

| | | 2019 二零一九年 HK\$'000 港幣千元 | 2018 二零一八年 HK\$'000 港幣千元 |
|------------------|------|-----------------------------------|-----------------------------------|
| Interest income | 利息收入 | 20,314 | 13,562 |
| Interest expense | 利息支出 | 46,133 | 35,176 |

Details of the Group's deposits placed with a related party bank and loans from a related party bank are included in notes 26, 27 and 29 to the financial statements.

42 承擔(續)

- (f) 於二零一八年十二月二十日，本集團與若干獨立第三方訂立股份轉讓協議，收購江蘇佳願（其主要在中國從事危廢及固廢處置業務）90%股權，代價為人民幣180,000,000元（相當於約港幣204,462,000元）。有關收購交易已於截至二零一九年十二月三十一日止年度完成。

於二零一九年十二月三十一日，本集團並無有關收購江蘇佳願且並未在財務報表中作出撥備之資本承擔（二零一八年：港幣204,462,000元）。

43 關聯人士交易

除了此等財務報表其他部份所披露之交易及結餘外，年內本集團訂立了下列重大關聯人士交易：

- (a) 本集團與一家關聯人士銀行訂立了下列關聯人士交易：

本集團存放於關聯人士銀行之存款及關聯人士銀行提供之貸款詳情載於財務報表附註26、附註27及附註29。

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43 RELATED PARTY TRANSACTIONS (continued)

- (b) The Group entered into the following related party transactions with an intermediate holding company of the Group:

| | | 2019 二零一九年 HK\$'000 港幣千元 | 2018 二零一八年 HK\$'000 港幣千元 |
|------------------|------|-----------------------------------|-----------------------------------|
| Interest expense | 利息開支 | 29,499 | - |

Details of the Group's other loans from an intermediate holding company of the Group are included in note 29 to the financial statements.

本集團來自其中間控股公司之其他貸款之詳情載於財務報表附註29。

- (c) The Group entered into the following related party transactions with non-controlling shareholders of non wholly-owned subsidiaries of the Group:

| | | 2019 二零一九年 HK\$'000 港幣千元 | 2018 二零一八年 HK\$'000 港幣千元 |
|---|--------------|-----------------------------------|-----------------------------------|
| Revenue from environmental water project operation services | 環保水務項目運營服務收益 | 59,960 | 114,139 |
| Finance income | 財務收入 | 18,813 | 20,931 |
| Cost of construction service | 建造服務成本 | 162,774 | 120,644 |

- (c) 本集團與其非全資附屬公司之非控股股東訂立了下列關聯人士交易：

- (d) The Group entered into the following related party transactions with a related company of the Group:

| | | 2019 二零一九年 HK\$'000 港幣千元 | 2018 二零一八年 HK\$'000 港幣千元 |
|---|--------------|-----------------------------------|-----------------------------------|
| Revenue from environmental water project operation services | 環保水務項目運營服務收益 | 50,256 | 53,594 |
| Finance income | 財務收入 | 48,001 | 46,651 |

- (d) 本集團與其關聯公司訂立了下列關聯人士交易：

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43 RELATED PARTY TRANSACTIONS (continued)

(e) The Group entered into the following related party transactions with joint ventures of the Group:

| | | 2019 二零一九年 HK\$'000 港幣千元 | 2018 二零一八年 HK\$'000 港幣千元 |
|---|--------------|--|-----------------------------------|
| Revenue from environmental energy project construction services | 環保能源項目建造服務收益 | 417,987 | 494,966 |
| Sales of machinery | 銷售機器 | 203,500 | 74,903 |
| Management service income | 管理服務收入 | 4,863 | 1,110 |
| Interest income | 利息收入 | - | 194 |

(f) The Group entered into the following related party transactions with associates of the Group:

| | | 2019 二零一九年 HK\$'000 港幣千元 | 2018 二零一八年 HK\$'000 港幣千元 |
|---|--------------|--|-----------------------------------|
| Service expenses for operation of waste water treatment plants | 污水處理廠運營服務開支 | 42,344 | 41,884 |
| Revenue from environmental energy project construction services | 環保能源項目建造服務收益 | 16,057 | - |
| Sales of machinery | 銷售機器 | - | 302,568 |

(g) The Group entered into the following related party transactions with fellow subsidiaries of the Group, which also constituted connected transactions or continuing connected transactions under the Listing Rules, details of which are disclosed under the paragraph headed "Connected transactions" in the Report of the Directors:

| | | 2019 二零一九年 HK\$'000 港幣千元 | 2018 二零一八年 HK\$'000 港幣千元 |
|---------------------------|--------|--|-----------------------------------|
| Rental expenses | 租金費用 | 4,666 | 11,286 |
| Listing related fees | 上市相關費用 | 5,640 | - |
| Underwriting service fees | 承銷服務費用 | 3,971 | 4,746 |

43 關聯人士交易(續)

(e) 本集團與其合營企業訂立了下列關聯人士交易：

(f) 本集團與其聯營公司訂立了下列關聯人士交易：

(g) 本集團與其同系附屬公司訂立了下列關聯人士交易。根據上市規則，有關交易亦構成關連交易或持續關連交易，有關交易詳情於董事會報告「關連交易」部份披露：

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財務報表附註

31 December 2019 二零一九年十二月三十一日

43 RELATED PARTY TRANSACTIONS (continued)

(g) (continued)

Notes:

- (i) The rental expenses of an office were charged by a fellow subsidiary of the Group on mutually agreed terms at a fixed monthly amount of HK\$1,026,000 up to May 2019. In the opinion of the directors of the Company, the rental expenses were determined by reference to the prevailing market rent and the rental valuation report of the premises conducted by an independent property consulting firm engaged by the Company.

During the year ended 31 December 2018, the Group has renewed the lease contract of the aforementioned office. As at 31 December 2019, the right-of-use assets related to an office leased from a fellow subsidiary of the Group amounted to HK\$18,254,000 and lease liabilities of HK\$18,412,000 are due to a fellow subsidiary of the Group. Depreciation on right-of-use assets related to this office amounted to HK\$8,168,000 and interest on lease liabilities to a fellow subsidiary of the Group amounted to HK\$644,000 during the year ended 31 December 2019.

- (ii) The listing related fees were charged by fellow subsidiaries of the Group on mutually agreed terms. Further details of the underwriting agreements are disclosed in the announcement of the Company dated 29 April 2019.
- (iii) The underwriting service fees of the issue of the second and third tranches of the Corporate Bond were calculated pursuant to the relevant underwriting agreement. Further details of the underwriting agreement are disclosed in the announcement of the Company dated 21 July 2017.

43 關聯人士交易(續)

(g) (續)

附註：

- (i) 辦公室租金費用由本集團同系附屬公司按雙方協定條款計收，直至二零一九年五月之固定月租為港幣1,026,000元。本公司董事認為，租金費用乃經參考當時之市場租金及本公司委聘之獨立物業顧問公司就有關物業作出之租金估值報告而釐定。

於截至二零一八年十二月三十一日止年度，本集團重續上述辦公室之租賃合約。於二零一九年十二月三十一日，與本集團同系附屬公司租用之辦公室有關之使用權資產為港幣18,254,000元，而租賃負債港幣18,412,000元乃應付本集團同系附屬公司之款項。於截至二零一九年十二月三十一日止年度，此辦公室之相關使用權資產折舊為港幣8,168,000元，而應付本集團同系附屬公司之租賃負債之利息為港幣644,000元。

- (ii) 上市相關費用由本集團同系附屬公司按雙方協定條款計收。承銷協議之進一步詳情於本公司日期為二零一九年四月二十九日之公告中披露。
- (iii) 發行第二批及第三批公司債券之承銷服務費乃根據相關承銷協議計算。承銷協議之進一步詳情於本公司日期為二零一七年七月二十一日之公告中披露。

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財務報表附註

31 December 2019 二零一九年十二月三十一日

43 RELATED PARTY TRANSACTIONS (continued)

- (h) Transactions with other stated-owned entities in Mainland China:

The Group operates in an economic environment predominated by enterprises directly or indirectly owned and/or controlled by the PRC government through its numerous authorities, affiliates or other organisations (collectively “Other SOEs”). During the year ended 31 December 2019, the Group had transactions with the Other SOEs including, but not limited to the revenue, bank deposits and borrowings, and utilities consumptions. The directors of the Company consider that the transactions with the Other SOEs are activities in the ordinary course of the Group’s business, and that the dealings of the Group have not been significantly or unduly affected by the fact that the Group and the Other SOEs are ultimately controlled or owned by the PRC government. The Group has also established pricing policies for products and services and such pricing policies are not carried out on non-market terms and do not depend on whether or not the customers are the Other SOEs. Having due regard to the substance of the relationships, the directors of the Company are of the opinion that none of these transactions is material related party transaction that would require separate disclosure.

- (i) The Group paid key management personnel compensation as follows:

| | | 2019 二零一九年 HK\$'000 港幣千元 | 2018 二零一八年 HK\$'000 港幣千元 |
|---|-------------|-----------------------------------|-----------------------------------|
| Salaries and other short-term employee benefits | 薪金及其他短期僱員福利 | 38,778 | 30,741 |
| Retirement scheme contributions | 退休計劃供款 | 2,053 | 2,141 |
| | | 40,831 | 32,882 |

43 關聯人士交易(續)

- (h) 與中國大陸其他國有企業之交易：

本集團運營所在經濟環境由中國政府通過眾多機關、附屬機構或其他組織所直接或間接擁有及／或控制之企業(統稱「其他國有企業」)佔主導地位。於截至二零一九年十二月三十一日止年度，本集團曾與其他國有企業進行之交易包括(但不限於)收益、銀行存款及借貸，以及公共設施消費。本公司董事認為，該等與其他國有企業之交易均屬本集團於日常業務過程中進行之業務，而本集團之交易並無因本集團及其他國有企業均由中國政府最終控制或擁有而受到重大或過度影響。本集團亦已制定產品及服務定價政策，而有關定價政策並非按非市場條款制訂，亦不取決於客戶是否其他國有企業。經妥為考慮上述關係之本質後，本公司董事認為該等交易並非須作獨立披露之重大關聯人士交易。

- (i) 本集團已支付予主要管理人員之報酬如下：

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財務報表附註

31 December 2019 二零一九年十二月三十一日

44 FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS

Management has assessed that the fair values of cash and cash equivalents, pledged bank deposits, deposits with banks with maturity period over three months, creditors, current portion of debtors, other receivables, deposits and prepayments, finance lease receivables, other payables and accrued expenses, and interest-bearing borrowings approximate to their carrying amounts largely due to the short term maturities of these instruments.

The Group's finance management department is responsible for determining the policies and procedures for the fair value measurement of financial instruments. At each reporting date, the finance management department analyses the movements in the values of financial instruments and determines the major inputs applied in the valuation. The valuation is reviewed and approved by the chief financial officer. The valuation process and results are discussed with the audit committee twice a year for interim and annual financial reporting.

The fair values of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The following methods and assumptions were used to estimate the fair values:

The fair values of the non-current portion of debtors, other receivables, deposits and prepayments, finance lease receivables, other payables, and interest-bearing borrowings have been calculated by discounting the expected future cash flows using rates currently available for instruments with similar terms, credit risk and remaining maturities. The Group's own non-performance risk for interest-bearing borrowings as at 31 December 2019 was assessed to be insignificant.

44 金融工具之公允值及公允值架構級別

管理層評定現金及現金等價物、已抵押銀行存款、存款期超過三個月之銀行存款、應付賬款以及應收賬款、其他應收款項、按金及預付款項、融資租賃應收款項、其他應付款項及應計費用及計息借貸之即期部份之公允值與其賬面值相若，主要由於該等工具於短期內到期。

本集團之財務管理部門專責釐定金融工具公允值計量之政策及程序。於各個報告日期，財務管理部門會分析金融工具之價值變動，並釐定估值所應用之主要輸入數據。估值由財務總監審閱及審批。審核委員會每年兩次討論估值程序及結果，以便作出中期及年度財務報告。

財務資產及負債之公允值以該工具於自願交易方（而非強迫或清盤出售）當前交易下之可交易金額入賬。下列方法及假設乃用於估計公允值：

應收賬款、其他應收款項、按金及預付款項、融資租賃應收款項、其他應付款項以及計息借貸之非即期部份之公允值乃按具有類似條款、信貸風險及剩餘年期之工具之現行適用利率，貼現預期未來現金流量之方式計算。於二零一九年十二月三十一日，就計息借貸而言，本集團本身之不履約風險被評定為甚微。

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財務報表附註

31 December 2019 二零一九年十二月三十一日

44 FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS (continued)

The equity investment designated at fair value through other comprehensive income in Level 2 represents an investment in a property investment company, with its investment properties (being significant part of the total assets) stated at fair value. The fair value of such investment is determined based on net asset value of the investee which approximates to the fair value.

The fair value of the equity investment designated at fair value through other comprehensive income in Level 3 is estimated with reference to the expected future cash flows of the investment.

The fair values of the financial assets at fair value through profit or loss in Level 2 as at 31 December 2019 are based on net asset value of the investees which approximate to the fair value.

The fair value of the financial assets at fair value through profit or loss in Level 3 as at 31 December 2019 is based on the expected future cash flows of the investment.

The fair value of contingent consideration receivable is based on the valuation by the management using a discounted cash flow method with scenario simulation.

44 金融工具之公允值及公允值架構級別 (續)

屬於第二級並指定按公允值計入其他全面收入之股本投資指於一家物業投資公司之投資，該公司之投資物業(佔其總資產重大部份)按公允值列賬。有關投資之公允值根據被投資公司之資產淨值釐定，有關資產淨值與公允值相若。

屬於第三級並指定按公允值計入其他全面收入之股本投資之公允值乃經參考有關投資之預期未來現金流量而估計。

於二零一九年十二月三十一日，屬於第二級並按公允值計入損益之財務資產之公允值乃根據被投資公司之資產淨值釐定，有關資產淨值與公允值相若。

於二零一九年十二月三十一日，屬於第三級並按公允值計入損益之財務資產之公允值乃根據有關投資之預期未來現金流量釐定。

應收或然代價之公允值乃根據管理層使用貼現現金流量法及情景模擬估計而釐定。

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財務報表附註

31 December 2019 二零一九年十二月三十一日

44 FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS (continued)

Fair value hierarchy

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

Assets measured at fair value:

As at 31 December 2019

44 金融工具之公允值及公允值架構級別 (續)

公允值架構級別

下表列出本集團金融工具之公允值計量層級：

按公允值計量之資產：

於二零一九年十二月三十一日

| | | Fair value measurement using 使用以下各項進行公允值計量 | | | |
|--|-----------------------------|--|--|---|---------------------------------|
| | | Quoted prices in active markets (Level 1) 活躍市場 之報價 (第一級) HK\$'000 港幣千元 | Significant observable inputs (Level 2) 重大可觀察 輸入數據 (第二級) HK\$'000 港幣千元 | Significant unobservable inputs (Level 3) 重大不可觀察 輸入數據 (第三級) HK\$'000 港幣千元 | Total 總額 HK\$'000 港幣千元 |
| Equity investments designated at fair value through other comprehensive income | 指定按公允值計入 其他全面收入之 股本投資 | | | | |
| - Listed | - 上市 | 8,168 | - | - | 8,168 |
| - Unlisted | - 非上市 | - | 3,899 | 35,998 | 39,897 |
| | | 8,168 | 3,899 | 35,998 | 48,065 |
| Financial assets at fair value through profit or loss | 按公允值計入 損益之財務資產 | - | 431,035 | 31,010 | 462,045 |
| Contingent consideration receivable | 應收或然代價 | - | - | 7,708 | 7,708 |
| | | 8,168 | 434,934 | 74,716 | 517,818 |

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44 FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS (continued)

Fair value hierarchy (continued)

Assets measured at fair value: (continued)

As at 31 December 2018

44 金融工具之公允值及公允值架構級別 (續)

公允值架構級別 (續)

按公允值計量之資產：(續)

於二零一八年十二月三十一日

| | | Fair value measurement using 使用以下各項進行公允值計量 | | | |
|--|-----------------------------|--|--|---|---------------------------------|
| | | Quoted prices in active markets (Level 1) 活躍市場 之報價 (第一級) HK\$'000 港幣千元 | Significant observable inputs (Level 2) 重大可觀察 輸入數據 (第二級) HK\$'000 港幣千元 | Significant unobservable inputs (Level 3) 重大不可觀察 輸入數據 (第三級) HK\$'000 港幣千元 | Total 總額 HK\$'000 港幣千元 |
| Equity investments designated at fair value through other comprehensive income | 指定按公允值計入 其他全面收入之 股本投資 | | | | |
| - Listed | - 上市 | 8,556 | - | - | 8,556 |
| - Unlisted | - 非上市 | - | 3,899 | 30,115 | 34,014 |
| | | 8,556 | 3,899 | 30,115 | 42,570 |
| Contingent consideration receivable | 應收或然代價 | - | - | 8,541 | 8,541 |
| | | 8,556 | 3,899 | 38,656 | 51,111 |

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31 December 2019 二零一九年十二月三十一日

44 FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS (continued)

Fair value hierarchy (continued)

Assets measured at fair value: (continued)

The movements in fair value measurements within Level 3 during the year are as follows:

44 金融工具之公允值及公允值架構級別 (續)

公允值架構級別(續)

按公允值計量之資產：(續)

第三級公允值計量於年內之變動如下：

| | | 2019 二零一九年 HK\$'000 港幣千元 | 2018 二零一八年 HK\$'000 港幣千元 |
|---|---------------------|-----------------------------------|-----------------------------------|
| Equity investments designated at fair value through other comprehensive income: | 指定按公允值計入其他全面收入之股本投資 | | |
| At 1 January | 於一月一日 | 30,115 | 27,328 |
| Purchases | 購買 | 5,883 | 2,787 |
| At 31 December | 於十二月三十一日 | 35,998 | 30,115 |
| Financial assets at fair value through profit or loss: | 按公允值計入損益之財務資產： | | |
| At 1 January | 於一月一日 | - | - |
| Purchases | 購買 | 27,146 | - |
| Fair value gain | 公允值收益 | 4,496 | - |
| Exchange realignment | 匯兌調整 | (632) | - |
| At 31 December | 於十二月三十一日 | 31,010 | - |
| Contingent consideration receivable: | 應收或然代價： | | |
| At 1 January | 於一月一日 | 8,541 | - |
| Additions | 增置 | - | 5,643 |
| Fair value adjustment | 公允值調整 | (646) | 3,428 |
| Exchange realignment | 匯兌調整 | (187) | (530) |
| At 31 December | 於十二月三十一日 | 7,708 | 8,541 |

The Group did not have any financial liabilities measured at fair value as at 31 December 2019 and 2018.

於二零一九年及二零一八年十二月三十一日，本集團並無任何按公允值計量之財務負債。

During the year ended 31 December 2019, there were no transfers of fair value measurements between Level 1 and Level 2 and no transfers into or out of Level 3 for both financial assets and financial liabilities (2018: Nil).

截至二零一九年十二月三十一日止年度，就財務資產及財務負債而言，第一級和第二級公允值計量之間並無任何轉移，第三級亦無任何轉入或轉出(二零一八年：無)。

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財務報表附註

31 December 2019 二零一九年十二月三十一日

45 FINANCIAL INSTRUMENTS BY CATEGORY

The carrying amounts of each of the categories of financial instruments as at the end of the reporting period are as follows:

2019

| Financial assets | 財務資產 | Financial assets at amortised cost 按攤銷成本計算之財務資產 HK\$'000 港幣千元 | 二零一九年 | | | Total 總額 HK\$'000 港幣千元 |
|---|----------------------------|--|--|---|---|---------------------------------|
| | | | Financial assets at fair value through profit or loss – designated as such upon initial recognition 按公允值計入損益之財務資產 指定為此分類 HK\$'000 港幣千元 | Financial assets at fair value through profit or loss – mandatorily designated as such 按公允值計入損益之財務資產 指定為此分類 HK\$'000 港幣千元 | Equity investments designated at fair value through other comprehensive income 指定按公允值計入其他全面收入 之股本投資 HK\$'000 港幣千元 | |
| Finance lease receivables | 融資租賃應收款項 | 16,012 | - | - | - | 16,012 |
| Other financial assets | 其他財務資產 | - | 31,010 | 431,035 | 48,065 | 510,110 |
| Financial assets included in debtors, other receivables, deposits and prepayments | 計入應收賬款、其他應收款項、按金及預付款項之財務資產 | 4,390,127 | - | 7,708 | - | 4,397,835 |
| Pledged bank deposits | 已抵押銀行存款 | 537,989 | - | - | - | 537,989 |
| Deposits with banks with maturity period over three months | 存款期超過三個月之銀行存款 | 22,180 | - | - | - | 22,180 |
| Cash and cash equivalents | 現金及現金等價物 | 11,742,819 | - | - | - | 11,742,819 |
| | | 16,709,127 | 31,010 | 438,743 | 48,065 | 17,226,945 |
| Financial liabilities | 財務負債 | | | | Financial liabilities at amortised cost 按攤銷成本計算之財務負債 HK\$'000 港幣千元 | |
| Financial liabilities included in creditors, other payables and accrued expenses | 計入應付賬款、其他應付款項及應計費用之財務負債 | | | | | 13,706,914 |
| Interest-bearing borrowings | 計息借貸 | | | | | 53,179,873 |
| | | | | | | 66,886,787 |

45 按類別劃分之金融工具

於報告期末，各類別金融工具之賬面值如下：

二零一九年

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31 December 2019 二零一九年十二月三十一日

45 FINANCIAL INSTRUMENTS BY CATEGORY (continued)

The carrying amounts of each of the categories of financial instruments as at the end of the reporting period are as follows: (continued)

2018

45 按類別劃分之金融工具(續)

於報告期末，各類別金融工具之賬面值如下：(續)

二零一八年

| Financial assets | 財務資產 | Financial assets at amortised cost 按攤銷成本計算之財務資產 HK\$'000 港幣千元 | Financial assets at fair value through profit or loss – mandatorily designated as such 按公允價值計入損益之財務資產 —強制指定為此分類 HK\$'000 港幣千元 | Equity investments designated at fair value through other comprehensive income 指定按公允價值計入其他全面收入之股本投資 HK\$'000 港幣千元 | Total 總額 HK\$'000 港幣千元 |
|---|----------------------------|--|---|--|---------------------------------|
| Finance lease receivables | 融資租賃應收款項 | 17,002 | – | – | 17,002 |
| Other financial assets | 其他財務資產 | – | – | 42,570 | 42,570 |
| Financial assets included in debtors, other receivables, deposits and prepayments | 計入應收賬款、其他應收款項、按金及預付款項之財務資產 | 3,107,654 | 8,541 | – | 3,116,195 |
| Pledged bank deposits | 已抵押銀行存款 | 1,115,382 | – | – | 1,115,382 |
| Deposits with banks with maturity period over three months | 存款期超過三個月之銀行存款 | 2,722,719 | – | – | 2,722,719 |
| Cash and cash equivalents | 現金及現金等價物 | 12,136,379 | – | – | 12,136,379 |
| | | 19,099,136 | 8,541 | 42,570 | 19,150,247 |

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財務報表附註

31 December 2019 二零一九年十二月三十一日

45 FINANCIAL INSTRUMENTS BY CATEGORY (continued)

The carrying amounts of each of the categories of financial instruments as at the end of the reporting period are as follows: (continued)

2018

| Financial liabilities | 財務負債 | Financial liabilities at amortised cost 按攤銷成本計算之財務負債 HK\$'000 港幣千元 |
|--|-------------------------|---|
| Financial liabilities included in creditors, other payables and accrued expenses | 計入應付賬款、其他應付款項及應計費用之財務負債 | 9,661,813 |
| Interest-bearing borrowings | 計息借貸 | 38,526,167 |
| | | 48,187,980 |

46 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's principal financial instruments comprise interest-bearing borrowings, cash and short term deposits. The main purpose of these financial instruments is to finance the Group's operations. The Group has various other financial assets and liabilities such as debtors, other receivables, deposits, finance lease receivables, and creditors, other payables and accrued expenses, which arise directly from its operations.

The main risks arising from the Group's financial instruments are interest rate risk, foreign currency risk, credit risk, liquidity risk and equity price risk. The board of directors reviews and agrees policies for managing each of these risks and they are summarised below. The Group's accounting policies in relation to derivatives are set out in note 2.4 to the financial statements.

Interest rate risk

The Group's interest rate risk arises primarily from the Group's cash and cash equivalents, bank deposits, balances in financial institutions, bank and other loans, lease liabilities and corporate bond. Borrowings issued at variable rates and at fixed rates expose the Group to cash flow interest rate risk and fair value interest rate risk respectively. The Group does not use financial derivatives to hedge against the interest rate risk. The Group's interest rate profile as monitored by management is set out in (i) below.

45 按類別劃分之金融工具(續)

於報告期末，各類別金融工具之賬面值如下：(續)

二零一八年

46 財務風險管理目標及政策

本集團之主要金融工具包括計息借貸、現金及短期存款。此等金融工具之主要目的在於為本集團之業務運作提供資金。本集團還有其他財務資產及負債，包括應收賬款、其他應收款項、按金、融資租賃應收款項以及應付賬款、其他應付款項及應計費用，乃直接自其業務產生。

本集團金融工具產生之主要風險包括利率風險、外幣風險、信貸風險、流動資金風險及股本價格風險。董事會檢討及協定管理各項有關風險之政策，有關政策概述於下文。本集團有關衍生工具之會計政策載於財務報表附註2.4。

利率風險

本集團之利率風險主要源自本集團之現金及現金等價物、銀行存款、於財務機構之結餘、銀行及其他貸款、租賃負債以及公司債券。按浮動利率及固定利率批出之借貸令本集團分別承受現金流量利率風險及公允值利率風險。本集團並無利用金融衍生工具來對沖利率風險。本集團之利率概況由管理層監察，詳載於下文(i)。

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財務報表附註

31 December 2019 二零一九年十二月三十一日

46 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

Interest rate risk (continued)

(i) Interest rate profile

The following table details the interest rate profile of the Group's net borrowings (being interest-bearing financial liabilities less bank deposits, cash and cash equivalents and other interest-bearing financial assets) at the end of the reporting period.

46 財務風險管理目標及政策(續)

利率風險(續)

(i) 利率概況

下表載列本集團於報告期末之借貸淨額(即計息財務負債減去銀行存款、現金及現金等價物以及其他計息財務資產)之利率概況。

| | | 2019 二零一九年 | | 2018 二零一八年 | |
|--|--------------------------------|------------------------------------|-------------------|------------------------------------|--------------------|
| | | Effective interest rate 實際利率 | HK\$'000 港幣千元 | Effective interest rate 實際利率 | HK\$'000 港幣千元 |
| | | % | | % | |
| Net fixed rate borrowings/ (deposits): | 定息借貸/(存款) 淨額: | | | | |
| Bank and other loans, lease liabilities and corporate bond | 銀行及其他貸款、租賃負債及公司債券 | 0.72 – 7.50 | 2,990,037 | 2.88 – 6.61 | 2,859,727 |
| Less: Pledged bank deposits | 減: 已抵押銀行存款 | 1.50 – 2.10 | (92,223) | 0.15 – 2.10 | (643,808) |
| Deposits with banks with maturity period over three months | 存款期超過三個月之銀行存款 | 1.55 | (22,180) | 1.55 – 3.30 | (2,722,719) |
| Cash and cash equivalents | 現金及現金等價物 | 1.10 – 3.20 | (925,172) | 1.10 – 3.00 | (4,454,862) |
| Amount due from an associate | 應收聯營公司款項 | 4.75 | (8,181) | 4.75 | (4,029) |
| | | | 1,942,281 | | (4,965,691) |
| Net variable rate borrowings/(deposits): | 浮息借貸/(存款) 淨額: | | | | |
| Bank and other loans | 銀行及其他貸款 | 1.30 – 5.39 | 50,189,836 | 2.69 – 5.39 | 35,666,440 |
| Amount due to non-controlling interests | 應付非控股權益之款項 | 4.35 | 16,635 | - | - |
| Less: Other receivables, deposits and prepayments | 減: 其他應收款項、按金及預付款項 | 4.75 – 5.39 | (51,752) | 4.75 – 5.39 | (65,151) |
| Pledged bank deposits | 已抵押銀行存款 | 0.01 – 2.10 | (445,766) | 0.01 – 2.10 | (471,574) |
| Cash and cash equivalents | 現金及現金等價物 | 0.01 – 2.10 | (10,817,647) | 0.01 – 2.10 | (7,681,517) |
| Amount due from non-controlling interests | 應收非控股權益之款項 | 5.23 | (22,180) | - | - |
| | | | 38,869,126 | | 27,448,198 |
| Total net borrowings | 總借貸淨額 | | 40,811,407 | | 22,482,507 |

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財務報表附註

31 December 2019 二零一九年十二月三十一日

46 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

Interest rate risk (continued)

(ii) Sensitivity analysis

At 31 December 2019, it is estimated that a general increase/decrease of one percent in interest rates, with all other variables held constant, would decrease/increase the Group's profit before tax by approximately HK\$408,114,000 (2018: HK\$224,825,000).

The sensitivity analysis above indicates the instantaneous change in the Group's profit before tax that would arise assuming that the change in interest rates had occurred at the end of the reporting period and had been applied to remeasure those financial instruments held by the Group which expose the Group to fair value interest rate risk at the end of the reporting period. In respect of the exposure to cash flow interest rate risk arising from floating rate non-derivative instruments held by the Group at the end of the reporting period, the impact on the Group's profit before tax is estimated as an annualised impact on interest expense or income of such a change in interest rates. The analysis was performed on the same basis for 2018.

Foreign currency risk

(i) Exposure to currency risk

The Group is exposed to currency risk primarily from bank loans, cash and cash equivalents, pledged bank deposits, other financial assets, receivables and payables that are denominated in a foreign currency, i.e. a currency other than the functional currency of the operations to which they relate. The currencies giving rise to this risk are primarily Hong Kong dollars, RMB, United States dollars, Singapore dollars and Euro dollars.

46 財務風險管理目標及政策(續)

利率風險(續)

(ii) 敏感度分析

於二零一九年十二月三十一日，據本集團估計，如利率整體上調／下調1個百分點，而所有其他不定因素維持不變，本集團之除稅前盈利將會減少／增加約港幣408,114,000元(二零一八年：港幣224,825,000元)。

上述敏感度分析指出本集團之除稅前盈利可能產生之即時變動。敏感度分析假設利率變動於報告期末已經發生，並已用於重新計量本集團所持有並於報告期末使本集團面臨公允值利率風險之金融工具。對於由本集團於報告期末所持有之浮動利率非衍生工具所產生之現金流利率風險，其對本集團除稅前盈利之影響是基於利率變動而產生之利息支出或收入作估計。有關分析按二零一八年之分析之相同基準進行。

外幣風險

(i) 須承受之貨幣風險

本集團之貨幣風險主要來自以外幣(即相關業務之功能貨幣以外之貨幣)計值之銀行貸款、現金及現金等價物、已抵押銀行存款、其他財務資產、應收款項及應付款項。涉及貨幣風險之貨幣主要為港幣、人民幣、美元、新加坡元及歐羅。

Notes to Financial Statements

財務報表附註

31 December 2019 二零一九年十二月三十一日

46 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

Foreign currency risk (continued)

(i) Exposure to currency risk (continued)

The following table details the Group's exposure at the end of the reporting period to currency risk arising from recognised assets or liabilities denominated in a currency other than the functional currency of the entity to which they relate. For presentation purposes, the amounts of the exposure are shown in Hong Kong dollars, translated using the spot rate at the reporting period end date. Differences resulting from the translation of the financial statements of foreign operations into the Group's presentation currency are excluded.

46 財務風險管理目標及政策(續)

外幣風險(續)

(i) 須承受之貨幣風險(續)

下表詳列本集團於報告期末需承受由已確認資產或負債(以相關實體之功能貨幣以外之貨幣計值)所產生之貨幣風險。為方便呈報，貨幣風險之金額乃按報告期間結算日之即期匯率兌換為港幣列示。海外業務之財務報表換算為集團呈報貨幣時產生之差異，不會計入貨幣風險。

Exposure to foreign currencies
(expressed in Hong Kong dollars)

As at 31 December 2019

須承受之外幣風險

(以港幣計算)

於二零一九年十二月三十一日

| | | Hong Kong dollars 港幣 HK\$'000 港幣千元 | RMB 人民幣 HK\$'000 港幣千元 | United States dollars 美元 HK\$'000 港幣千元 | Singapore dollars 新加坡元 HK\$'000 港幣千元 | Euro dollars 歐羅 HK\$'000 港幣千元 |
|--|-------------------|---|--------------------------------|---|---|--|
| Cash and cash equivalents | 現金及現金等價物 | 284,787 | 55,799 | 123,429 | 1,230 | 754 |
| Other financial assets | 其他財務資產 | - | - | 467,033 | - | - |
| Bank loans | 銀行貸款 | (2,016,007) | (88,720) | (774,555) | - | (9,132) |
| Amounts due from/(to) group companies (net) | 應收/(應付)集團公司款項(淨額) | 1,404,751 | 370,819 | (867,325) | 19,864 | 174,077 |
| Creditors, other payables and accrued expenses | 應付賬款、其他應付款項及應計費用 | (6,520) | (66,027) | (17,710) | (1,062) | - |
| | | (332,989) | 271,871 | (1,069,128) | 20,032 | 165,699 |

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財務報表附註

31 December 2019 二零一九年十二月三十一日

46 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

Foreign currency risk (continued)

(i) Exposure to currency risk (continued)

46 財務風險管理目標及政策(續)

外幣風險(續)

(i) 須承受之貨幣風險(續)

Exposure to foreign currencies
(expressed in Hong Kong dollars)

As at 31 December 2018

須承受之外幣風險
(以港幣計算)

於二零一八年十二月三十一日

| | | Hong Kong | | United States | Singapore | Euro |
|--|-------------------|-------------|----------|---------------|-----------|----------|
| | | dollars | RMB | dollars | dollars | dollars |
| | | 港幣 | 人民幣 | 美元 | 新加坡元 | 歐羅 |
| | | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 |
| | | 港幣千元 | 港幣千元 | 港幣千元 | 港幣千元 | 港幣千元 |
| Pledged bank deposits | 已抵押銀行存款 | - | - | 547,050 | - | - |
| Cash and cash equivalents | 現金及現金等價物 | 42,784 | 97,773 | 91,449 | 1,252 | 8,715 |
| Other financial assets | 其他財務資產 | - | - | 30,115 | - | - |
| Bank loans | 銀行貸款 | (1,476,918) | - | (1,052,583) | - | - |
| Amounts due from/(to) group companies (net) | 應收/(應付)集團公司款項(淨額) | 531,564 | 704,618 | 1,342 | (54) | 124,505 |
| Creditors, other payables and accrued expenses | 應付賬款、其他應付款項及應計費用 | (6,162) | (4,578) | (22,624) | (1,437) | - |
| | | (908,732) | 797,813 | (405,251) | (239) | 133,220 |

(ii) Sensitivity analysis

The following table indicates the instantaneous change in the Group's profit before tax that would arise if foreign exchange rates to which the Group has significant exposure at the end of the reporting period had changed at that date, assuming all other risk variables remained constant. In this respect, it is assumed that the pegged rate between the Hong Kong dollar and the United States dollar would be materially unaffected by any changes in movement in value of the United States dollar against other currencies. Except for those subsidiaries with their functional currencies other than Hong Kong dollars, the impact of foreign exchange rate fluctuations with respect to the assets and liabilities denominated in United States dollars is insignificant as the Hong Kong dollar is pegged to the United States dollar.

(ii) 敏感度分析

下表顯示假設於報告期末對本集團有重大影響之匯率於當日出現變動，而所有其他風險不定因素維持不變，屆時本集團之除稅前盈利可能產生之即時變動。就此而言，本集團假設美元兌其他貨幣之幣值變動將不會對港元與美元之間的聯繫匯率構成重大影響。除了並非以港元作為功能貨幣之附屬公司外，就以美元計值之資產及負債而言，由於港元與美元掛鈎，故此匯率波動之影響甚微。

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財務報表附註

31 December 2019 二零一九年十二月三十一日

46 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

Foreign currency risk (continued)

(ii) Sensitivity analysis (continued)

46 財務風險管理目標及政策(續)

外幣風險(續)

(ii) 敏感度分析(續)

| | | As at 31 December 於十二月三十一日 | | | |
|-----------------------|------|--|--|--|--|
| | | 2019 二零一九年 | | 2018 二零一八年 | |
| | | Increase/ (decrease) in foreign exchange rates 匯率上升/ (下跌) % | Increase/ (decrease) in profit before tax 除稅前 盈利增加/ (減少) HK\$'000 港幣千元 | Increase/ (decrease) in foreign exchange rates 匯率上升/ (下跌) % | Increase/ (decrease) in profit before tax 除稅前 盈利增加/ (減少) HK\$'000 港幣千元 |
| Hong Kong dollars | 港幣 | 10 (10) | (33,299) 33,299 | 10 (10) | (90,873) 90,873 |
| RMB | 人民幣 | 10 (10) | 27,187 (27,187) | 10 (10) | 79,781 (79,781) |
| United States dollars | 美元 | 10 (10) | 5,808 (5,808) | 10 (10) | 79,755 (79,755) |
| Singapore dollars | 新加坡元 | 10 (10) | 2,003 (2,003) | 10 (10) | (24) 24 |
| Euro dollars | 歐羅 | 10 (10) | 16,570 (16,570) | 10 (10) | 13,322 (13,322) |

Results of the analysis as presented in the above table represent an aggregation of the instantaneous effects on each of the Group entities' profit before tax measured in the respective functional currencies, translated into Hong Kong dollars at the exchange rate ruling at the end of the reporting period for presentation purposes.

上表呈列之分析結果總結了本集團各個別公司以相關功能貨幣計量之除稅前盈利之即時影響，有關影響以報告期末之匯率折算為港幣呈報。

Notes to Financial Statements

財務報表附註

31 December 2019 二零一九年十二月三十一日

46 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

Foreign currency risk (continued)

(ii) Sensitivity analysis (continued)

The sensitivity analysis assumes that the change in foreign exchange rates had been applied to remeasure those financial instruments held by the Group which expose the Group to foreign currency risk at the end of the reporting period, including inter-company payables and receivables within the Group which are denominated in a currency other than the functional currencies of the lender or the borrower. The analysis excludes differences that would result from the translation of the financial statements of foreign operations into the Group's presentation currency. The analysis was performed on the same basis for 2018.

Credit risk

Management has a credit policy in place and the exposures to credit risk are monitored on an ongoing basis. Debts are usually due within 30 to 90 days from the date of billing.

Debtors of the Group represent receivables in respect of revenue from environmental energy projects, greentech projects and environmental water project operation services which are settled on a monthly basis. In addition, the Group has contract assets and other receivables in respect of the BOT, TOT and certain BOO arrangements.

At the end of the reporting period, debtors, other receivables, deposits and prepayments and contract assets of the Group amounted to HK\$10,579,020,000 (2018: HK\$7,064,221,000) and HK\$67,704,626,000 (2018: HK\$51,077,106,000), respectively, of which HK\$1,283,938,000 (2018: HK\$553,749,000) and HK\$8,385,605,000 (2018: HK\$6,173,985,000) were due from the largest customer and the five largest customers in aggregate of the Group, respectively. Since the parties to BOT, TOT and BOO arrangements are local government authorities in the PRC, the Group considers the credit risk is low. The Group does not hold any collateral over these balances.

46 財務風險管理目標及政策(續)

外幣風險(續)

(ii) 敏感度分析(續)

敏感度分析乃假設匯率變動已用於重新計量本集團所持有令本集團於報告期末蒙受外幣風險之金融工具，包括集團內公司間以貸款人或借款人之功能貨幣以外之貨幣計值之應付款項及應收款項。海外業務之財務報表換算為集團呈報貨幣時產生之差異，不會計入貨幣風險。有關分析按二零一八年之分析之相同基準進行。

信貸風險

管理層設定了信貸政策，並持續監察本集團所面對之信貸風險。債項通常由發單日期起計三十至九十日內到期。

本集團之應收賬款指來自環保能源項目、綠色環保項目及環保水務項目之運營服務收益之應收款項，有關款項按月收取。此外，本集團亦有涉及BOT、TOT及部份BOO安排之合約資產及其他應收款項。

於報告期末，本集團之「應收賬款、其他應收款項、按金及預付款項」及「合約資產」分別為港幣10,579,020,000元（二零一八年：港幣7,064,221,000元）及港幣67,704,626,000元（二零一八年：港幣51,077,106,000元），其中港幣1,283,938,000元（二零一八年：港幣553,749,000元）及港幣8,385,605,000元（二零一八年：港幣6,173,985,000元）分別為本集團最大客戶欠款及五大客戶合計欠款。由於BOT、TOT及BOO安排下之訂約方均為中國當地政府機關，故本集團認為信貸風險屬低。本集團並無就該等結餘持有任何抵押品。

Notes to Financial Statements

財務報表附註

31 December 2019 二零一九年十二月三十一日

46 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

Credit risk (continued)

Management groups financial instruments on basis of shared credit risk characteristics, such as instrument type and credit risk ratings for the purpose of determining significant increase in credit risk and calculation of impairment. The carrying amount of each financial asset in the consolidated statement of financial position represents the Group's maximum exposure to credit risk in relation to its financial assets.

A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit-impaired includes observable data about the following events:

- significant financial difficulty of the debtor;
- a breach of contract such as a default or past due event;
- it is probable that the debtor will enter bankruptcy or other financial reorganisation.

To manage credit risk arising from debtors and contract assets, the credit quality of the debtors is assessed, taking into account their financial position, historical settlement records, past experience and other factors. The Group applies the simplified approach to provide for ECL prescribed by HKFRS 9, which permits the use of lifetime expected loss provision for all debtors and contract assets. The ECLs also incorporated forward looking information.

46 財務風險管理目標及政策(續)

信貸風險(續)

就釐定信貸風險之大幅增加及計算耗損而言，管理層基於共同信貸風險特徵(例如：工具類型及信貸風險評級)分類金融工具。綜合財務狀況表中各項財務資產之賬面值為本集團財務資產相關信貸風險之最高值。

當發生一項或多項對財務資產估計未來現金流量有不利影響之事件時，財務資產便會出現信貸耗損。財務資產信貸耗損之證據包括下列事件之可觀察數據：

- 債務人出現重大財政困難；
- 違反合約，例如：拖欠或逾期事件；
- 債務人有可能破產或進行其他財務重組。

為了管理應收賬款及合約資產所產生之信貸風險，本集團會評估債務人之信貸質素，會考慮其財政狀況、過往償付記錄、過往經驗及其他因素。本集團應用香港財務報告準則第9號所訂明之簡化處理方法來提撥預期信貸虧損，其允許就所有應收賬款及合約資產使用全期預期信貸虧損撥備。預期信貸虧損亦納入具有前瞻性之資料。

Notes to Financial Statements

財務報表附註

31 December 2019 二零一九年十二月三十一日

46 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

Credit risk (continued)

The Group has established a policy to perform an assessment, of whether a financial instrument's credit risk has increased significantly since initial recognition, by considering the change in the risk of default occurring over the remaining life of the financial instrument. The Group groups its other receivables into Stage 1, Stage 2 and Stage 3, as described below:

- Stage 1 When other receivables are first recognised, the Group recognised an allowance based on 12 months' ECL.
- Stage 2 When other receivables have shown a significant increase in credit risk since origination, the Group records an allowance for the lifetime ECLs.
- Stage 3 Other receivables considered credit-impaired. The Group records an allowance for the lifetime ECLs.

Management also makes periodic collective assessments for other receivables as well as individual assessment on the recoverability of other receivables based on historical settlement records, past experience and other factors. The Group classified other receivables in Stage 1 and continuously monitored their credit risk. Management believes that there is no material credit risk inherent in the Group's outstanding balance of other receivables as at 31 December 2019.

All pledged bank deposits, deposits with banks with maturity period over three months and cash and cash equivalents were deposited with creditworthy financial institutions without significant credit risk.

The Group does not provide any guarantees which would expose the Group or the Company to credit risk. Further quantitative disclosures in respect of the Group's exposure to credit risk arising from "Contract assets" as well as "Debtors, other receivables, deposits and prepayments" are set out in notes 23 and 25 to the financial statements, respectively.

46 財務風險管理目標及政策(續)

信貸風險(續)

本集團已制定政策，透過考慮金融工具剩餘年期內發生違約風險之變化，評估自初步確認以來金融工具之信貸風險是否顯著增加。本集團將其他應收款項分類為下述第一階段、第二階段及第三階段：

- 第一階段 當首次確認其他應收款項時，本集團根據12個月預期信貸虧損確認撥備。
- 第二階段 當其他應收款項顯示其信貸風險自開始以來大幅增加時，本集團會記錄全期預期信貸虧損撥備。
- 第三階段 其他應收款項被視為出現信貸耗損。本集團會記錄全期預期信貸虧損撥備。

管理層亦根據歷史償付記錄、過往經驗及其他因素，定期就其他應收款項作出共同評估，並對其他應收款項之可收回性作出個別評估。本集團把其他應收款項歸類第一階段，並持續監察其信貸風險。管理層認為，於二零一九年十二月三十一日，本集團尚未收回之其他應收款項結餘並無固有的重大信貸風險。

所有已抵押銀行存款、存款期超過三個月之銀行存款以及現金及現金等價物皆存放於信譽良好之財務機構，且並無重大信貸風險。

本集團並無提供任何會令本集團或本公司承受信貸風險之擔保。本集團「合約資產」及「應收賬款、其他應收款項、按金及預付款項」所涉信貸風險之進一步數據披露，分別載於財務報表附註23及附註25。

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財務報表附註

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46 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

Liquidity risk

Individual operating entities within the Group are responsible for their own cash management, including the short term investment of cash surpluses and the raising of loans to cover expected cash demands, subject to approval by the parent company's board when the borrowings exceed certain predetermined levels of authority. The Group's policy is to regularly monitor its liquidity requirements and its compliance with lending covenants to ensure that it maintains sufficient reserves of cash and adequate committed lines of funding from major financial institutions to meet its liquidity requirements in the short and longer term.

The following tables show the remaining contractual maturities at the end of the reporting period of the Group's non-derivative financial liabilities, which are based on contractual undiscounted cash flows (including interest payments computed using contractual rates or, if floating, based on rates current at the end of the reporting period) and the earliest date the Group can be required to pay.

46 財務風險管理目標及政策(續)

流動資金風險

本集團旗下獨立營運實體須自行負責現金管理工作，包括現金盈餘之短期投資及籌措貸款以應付預期現金需求，惟如借貸超出預定授權金額，則須獲母公司董事會之批准方可作實。本集團之政策是定期監察流動資金所需及監察其對借貸契諾之遵行情況，確保集團維持充裕的現金儲備及從主要財務機構取得足夠的承諾信貸融資，以應付短期及長期流動資金需求。

下表列示本集團於報告期末之非衍生工具財務負債之剩餘合約期限情況，並以訂約未貼現現金流量(包括按合約利率或(如屬浮息)根據報告期末通行之利率計算之利息)及本集團須償還有關款項之最早日期為基準而列出。

2019

二零一九年

| | Carrying amount | Total contractual undiscounted cash flow | Within 1 year or on demand | More than 1 year but within 2 years | More than 2 years but within 5 years | More than 5 years | |
|--|-------------------------|--|----------------------------|-------------------------------------|--------------------------------------|-------------------|------------|
| | 賬面值 | 現金流量總額 | 一年內或按要求 | 一年後但兩年內 | 兩年後但五年內 | 五年後 | |
| | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | |
| | 港幣千元 | 港幣千元 | 港幣千元 | 港幣千元 | 港幣千元 | 港幣千元 | |
| Financial liabilities included in creditors, other payables and accrued expenses | 計入應付賬款、其他應付款項及應計費用之財務負債 | 13,706,914 | 13,706,914 | 13,344,164 | 311,441 | 20,442 | 30,867 |
| Interest-bearing borrowings (excluding lease liabilities)* | 計息借貸(不包括租賃負債)* | 53,058,810 | 61,903,362 | 12,630,877 | 10,107,030 | 27,066,091 | 12,099,364 |
| Lease liabilities | 租賃負債 | 121,063 | 132,750 | 56,914 | 33,353 | 32,680 | 9,803 |
| | | 66,886,787 | 75,743,026 | 26,031,955 | 10,451,824 | 27,119,213 | 12,140,034 |

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財務報表附註

31 December 2019 二零一九年十二月三十一日

46 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued) Liquidity risk (continued)

46 財務風險管理目標及政策(續)

流動資金風險(續)

| | | 2018 二零一八年 | | | | | |
|--|-------------------------|--------------------------------|-----------------|----------------------------|-------------------------------------|--------------------------------------|-------------------|
| | | Total contractual undiscounted | Carrying amount | Within 1 year or on demand | More than 1 year but within 2 years | More than 2 years but within 5 years | More than 5 years |
| | | 賬面值 | 賬面值 | 一年內或按要 求 | 一年後 但兩年內 | 兩年後 但五年內 | 五年後 |
| | | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 |
| | | 港幣千元 | 港幣千元 | 港幣千元 | 港幣千元 | 港幣千元 | 港幣千元 |
| Financial liabilities included in creditors, other payables and accrued expenses | 計入應付賬款、其他應付款項及應計費用之財務負債 | 9,661,813 | 9,661,813 | 9,621,886 | 32,003 | - | 7,924 |
| Interest-bearing borrowings* | 計息借貸* | 38,526,167 | 44,595,685 | 6,507,742 | 9,175,474 | 21,338,816 | 7,573,653 |
| | | 48,187,980 | 54,257,498 | 16,129,628 | 9,207,477 | 21,338,816 | 7,581,577 |

* Included in interest-bearing borrowings is corporate bond payable with a carrying amount of HK\$2,762,528,000 (2018: HK\$2,035,404,000) containing an option to sell back the bond to the Group and therefore, for the purpose of the above maturity profile, the total contractual discounted cash flow amount of HK\$2,923,069,000 (2018: HK\$2,230,461,000) related to the Corporate Bond is presented as: HK\$1,205,413,000 classified as repayable "within 1 year or on demand", HK\$941,356,000 classified as repayable "more than 1 year but within 2 years" and HK\$776,300,000 classified as repayable "more than 2 years but within 5 years" as at 31 December 2019 (2018: HK\$93,649,000 classified as repayable "within 1 year or on demand", HK\$1,203,637,000 classified as repayable "more than 1 year but within 2 years" and HK\$933,175,000 classified as repayable "more than 2 years but within 5 years").

The Corporate Bond will be due for repayment on the respective maturity dates unless being sold back to the Group prior to the maturity date pursuant to the terms of the Corporate Bond. In accordance with the terms of the Corporate Bond, the maturity terms as at 31 December 2019 are HK\$121,297,000 in 2020, HK\$120,883,000 in 2021 and HK\$2,922,655,000 in 2022 to 2024 (2018: HK\$93,649,000 in 2019, HK\$93,649,000 in 2020 and HK\$2,230,462,000 in 2021 to 2023).

* 計息借貸包括賬面值為港幣2,762,528,000元(二零一八年:港幣2,035,404,000元)之應付公司債券,其載有一項有關售回債券予本集團之期權。因此,就上述到期概況而言,於二零一九年十二月三十一日,公司債券之合約貼現現金流量總額港幣2,923,069,000元(二零一八年:港幣2,230,461,000元)呈列如下:港幣1,205,413,000元分類為「一年內或按要
求」償還、港幣941,356,000元分類為「一年後但兩年內」償還及港幣776,300,000元分類為「兩年後但五年內」償還(二零一八年:港幣93,649,000元分類為「一年內或按要
求」償還、港幣1,203,637,000元分類為「一年後但兩年內」償還及港幣933,175,000元分類為「兩年後但五年內」償還)。

公司債券將於各自之到期日期償還,但如已於到期日前根據公司債券之條款售回本集團則除外。根據公司債券之條款,於二零一九年十二月三十一日,還款條款如下:於二零二零年到期償還港幣121,297,000元、於二零二一年到期償還港幣120,883,000元及於二零二二年至二零二四年到期償還港幣2,922,655,000元(二零一八年:於二零一九年到期償還港幣93,649,000元、於二零二零年到期償還港幣93,649,000元及於二零二一年至二零二三年到期償還港幣2,230,462,000元)。

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31 December 2019 二零一九年十二月三十一日

46 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

Equity price risk

The Group is exposed to equity price changes arising from equity investments classified as equity investments designated at fair value through other comprehensive income and financial assets at fair value through profit or loss (note 21). The Group's listed investments are listed on the Stock Exchange. The Group's unquoted investments are held for long term strategic purposes. The management monitors regularly the performance of the investments against expectation, together with an assessment of their relevance to the Group's long term strategic plans.

At 31 December 2019, it is estimated that an increase/decrease of 10% (2018: 10%) in that relevant stock market index (for listed investments) or the price/earning ratios of comparable listed companies (for unquoted investments) as applicable, with all other variables held constant, would have increased/decreased the Group's other components of consolidated equity as follows:

46 財務風險管理目標及政策(續)

股本價格風險

本集團承受股本投資(被歸類為指定按公允價值計入其他全面收入之股本投資及按公允價值計入損益之財務資產(附註21))之股本價格變動風險。本集團之上市投資均在聯交所上市。本集團之非上市投資均為長期策略目的而持有。管理層定期監察各項投資之實際與預期表現，並評估有關投資是否配合本集團之長期策略規劃。

於二零一九年十二月三十一日，據本集團估計，如有關股市指數(適用於上市投資)或可供比較上市公司之市盈率(適用於非上市投資)(視何者適用)上調/下調10%(二零一八年：10%)，而所有其他不定因素維持不變，本集團之綜合權益之其他部份將會增加/減少如下：

| | | 2019 Effect of other components of equity 二零一九年 權益之其他部份之影響 HK\$'000 港幣千元 | | 2018 Effect of other components of equity 二零一八年 權益之其他部份之影響 HK\$'000 港幣千元 | |
|--|----------------------|--|---------|--|---------|
| Change in the relevant equity price risk variable: | 相關股本價格風險 不定因素之變化: | | | | |
| Increase | 上升 | 10% | 4,807 | 10% | 4,257 |
| Decrease | 下跌 | 10% | (4,807) | 10% | (4,257) |

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財務報表附註

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46 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

Equity price risk (continued)

The sensitivity analysis indicates the instantaneous change in the Group's other components of consolidated equity that would arise assuming that the changes in the stock market index or other relevant risk variables had occurred at the end of the reporting period and had been applied to remeasure those financial instruments held by the Group which expose the Group to equity price risk at the end of the reporting period. It is also assumed that the fair values of the Group's equity investments would change in accordance with the historical correlation with the relevant stock market index or the relevant risk variables, that none of the Group's equity investments would be considered impaired as a result of the decrease in the relevant stock market index or other relevant risk variables, and that all other variables remain constant. The analysis is performed on the same basis for 2018.

Capital management

The Group's primary objectives when managing capital are to maintain a strong credit rating and healthy capital ratios in order to support its business and maximise shareholders' value.

The Group manages its capital structure and makes adjustments to it in light of changes in economic conditions. The Group reviews the capital structure on a regular basis and considers the cost of capital and the associated risks. Based on recommendations of the board of directors, the Group will balance its overall capital structure through adjusting the amount of dividends paid to shareholders, new shares issues or new debt financing. No changes were made in the objectives, policies or processes for managing capital during the years ended 31 December 2019 and 2018.

46 財務風險管理目標及政策(續)

股本價格風險(續)

上述敏感度分析指出本集團之綜合權益之其他部份可能產生之即時變動。敏感度分析假設股市指數或其他相關風險不定因素之變動於報告期末已經發生，並已用於重新計量本集團所持有並於報告期末使本集團面臨股本價格風險之金融工具。此外，亦假設本集團股本投資之公允值會根據與相關股市指數或相關風險不定因素之間存在的歷史相關性而產生變動，本集團之股本投資不會因為相關股市指數或其他相關風險不定因素下跌而被視為已出現耗損，以及所有其他不定因素維持不變。有關分析按二零一八年之分析之相同基準進行。

資本管理

本集團管理資本之主要目的是要維持優越的信貸評級及穩健的資本比率，以支持業務運作，並為股東帶來最大利益。

本集團在管理資本架構的同時，亦會因應經濟狀況之變動對資本架構作出調整。本集團會定期檢討資本架構，並加以考慮資本成本及相關風險。根據董事會之建議，本集團會透過調節支付予股東之股息數目、發行新股份或籌集新的債務融資，致力平衡整體資本架構。於截至二零一九年及二零一八年十二月三十一日止年度內，管理資本之目標、政策或程序維持不變。

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46 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

Capital management (continued)

The Group monitors capital with reference to its debt position. The Group's strategy was to maintain the equity and debt in a balanced position and ensure that there was adequate working capital to service its debt obligation. The Group's gearing ratio, being the Group's total liabilities over its total assets, as at 31 December 2019 was 63% (2018: 57%).

Except for the banking facilities which require the fulfilment of covenants relating to certain of the Group's financial ratios as disclosed in note 29 to the financial statements, neither the Company nor any of its subsidiaries are subject to externally imposed capital requirements.

47 COMPARATIVE AMOUNTS

As further explained in note 2.2 to the financial statements, the Group adopted HKFRS 16 on 1 January 2019 using the modified retrospective approach. Under this approach, the comparative amounts in the financial statements were not restated and continued to be reported under the requirements of the previous standard, HKAS 17, and related interpretations.

As set out in note 4 to the financial statements, certain comparative amounts have been reclassified to conform with the current year's presentation and disclosures.

46 財務風險管理目標及政策(續)

資本管理(續)

本集團透過參照負債情況來監察資本情況。本集團之策略，是保持權益與負債的適當平衡，確保有足夠營運資金償付債務。於二零一九年十二月三十一日，本集團之資產負債比率(即本集團之總負債除以總資產所得之數)為63%(二零一八年：57%)。

除了財務報表附註29所披露之銀行融資須符合有關本集團若干財務比率之契諾外，本公司及其任何附屬公司均無受外界施加之資本規定所限制。

47 比較數字

誠如財務報表附註2.2進一步闡釋，本集團於二零一九年一月一日採用經修訂追溯方式應用香港財務報告準則第16號。根據此方式，本集團不會重報財務報表中之比較數字，而是繼續根據原先之準則(香港會計準則第17號)及相關詮釋之規定呈報。

誠如附註4所載，若干比較數字已重新分類，以符合本年度之呈列方式及披露。

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財務報表附註

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48 STATEMENT OF FINANCIAL POSITION OF THE COMPANY

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

48 本公司之財務狀況表

以下為於報告期末本公司財務狀況表之資料：

| | | 2019 二零一九年 HK\$'000 港幣千元 | 2018 二零一八年 HK\$'000 港幣千元 |
|--|-----------------|-----------------------------------|-----------------------------------|
| NON-CURRENT ASSETS | 非流動資產 | | |
| Property, plant and equipment | 物業、廠房及設備 | 2,943 | 3,298 |
| Interests in subsidiaries | 附屬公司權益 | 32,662,653 | 25,931,483 |
| Other financial assets | 其他財務資產 | 3,899 | 3,899 |
| Total non-current assets | 非流動資產總額 | 32,669,495 | 25,938,680 |
| CURRENT ASSETS | 流動資產 | | |
| Due from subsidiaries | 應收附屬公司款項 | 4,344,597 | 29,265 |
| Other receivables, deposits and prepayments | 其他應收款項、按金及預付款項 | 19,813 | 5,361 |
| Deposits with banks with maturity period over three months | 存款期超過三個月之銀行存款 | - | 2,700,000 |
| Cash and cash equivalents | 現金及現金等價物 | 1,867,930 | 4,749,986 |
| Total current assets | 流動資產總額 | 6,232,340 | 7,484,612 |
| CURRENT LIABILITIES | 流動負債 | | |
| Other payables and accrued expenses | 其他應付款項及應計費用 | 47,988 | 50,359 |
| Interest-bearing borrowings | 計息借貸 | | |
| – Secured | – 有抵押 | 455,000 | 205,000 |
| – Unsecured | – 無抵押 | 4,452,341 | 421,864 |
| | | 4,907,341 | 626,864 |
| Total current liabilities | 流動負債總額 | 4,955,329 | 677,223 |
| NET CURRENT ASSETS | 流動資產淨額 | 1,277,011 | 6,807,389 |
| TOTAL ASSETS LESS CURRENT LIABILITIES | 總資產減流動負債 | 33,946,506 | 32,746,069 |

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財務報表附註

31 December 2019 二零一九年十二月三十一日

48 STATEMENT OF FINANCIAL POSITION OF THE COMPANY (continued)

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

48 本公司之財務狀況表(續)

以下為於報告期末本公司財務狀況表之資料：(續)

| | | 2019 二零一九年 HK\$'000 港幣千元 | 2018 二零一八年 HK\$'000 港幣千元 |
|--------------------------------------|----------------|-----------------------------------|-----------------------------------|
| NON-CURRENT LIABILITIES | 非流動負債 | | |
| Interest-bearing borrowings | 計息借貸 | | |
| – Secured | – 有抵押 | 435,000 | 890,000 |
| – Unsecured | – 無抵押 | 11,437,211 | 12,069,801 |
| | | 11,872,211 | 12,959,801 |
| Due to subsidiaries | 應付附屬公司款項 | 92,708 | 96,151 |
| Total non-current liabilities | 非流動負債總額 | 11,964,919 | 13,055,952 |
| NET ASSETS | 資產淨額 | 21,981,587 | 19,690,117 |
| EQUITY | 權益 | | |
| Share capital | 股本 | 17,329,537 | 17,329,537 |
| Reserves | 儲備 | 4,652,050 | 2,360,580 |
| TOTAL EQUITY | 權益總額 | 21,981,587 | 19,690,117 |

Wang Tianyi
王天義
Director
董事

Wong Kam Chung, Raymond
黃錦聰
Director
董事

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48 STATEMENT OF FINANCIAL POSITION OF THE COMPANY (continued)

Note:

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

48 本公司之財務狀況表(續)

附註：

本公司之儲備概要如下：

| | | Special reserve 特別儲備 HK\$'000 港幣千元 | Retained profits 保留盈利 HK\$'000 港幣千元 | Total 總額 HK\$'000 港幣千元 |
|---|-----------------------------|--|---|---------------------------------|
| At 1 January 2018 | 於二零一八年一月一日 | - | 3,892,494 | 3,892,494 |
| Total comprehensive loss for the year | 年度全面虧損總額 | - | (456,064) | (456,064) |
| Final 2017 dividend declared | 已宣派二零一七年末期股息 | - | (537,925) | (537,925) |
| Interim 2018 dividend | 二零一八年中中期股息 | - | (537,925) | (537,925) |
| 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 | - | 2,360,580 | 2,360,580 |
| Total comprehensive income for the year | 年度全面收入總額 | - | 3,827,214 | 3,827,214 |
| Final 2018 dividend declared | 已宣派二零一八年末期股息 | - | (737,157) | (737,157) |
| Interim 2019 dividend | 二零一九年中中期股息 | - | (798,587) | (798,587) |
| At 31 December 2019 | 於二零一九年十二月三十一日 | - | 4,652,050 | 4,652,050 |

On 5 January 2004, the Company announced its intention to put forward a proposal for the reduction of the Company's share premium account by the sum of HK\$2,372,172,824 (i.e. accumulated losses of the Company as at 30 September 2003) and the application of the same amount of credit arising from such reduction towards the elimination of the accumulated losses of the Company. The reduction of the share premium account, approved by the shareholders at the extraordinary general meeting held on 2 February 2004, was confirmed by an order made by the High Court of Hong Kong (the "Court") on 2 March 2004 and became effective upon registration of the said order by the Registrar of Companies in Hong Kong on the same date.

於二零零四年一月五日，本公司公佈其擬提呈建議，削減本公司股份溢價賬港幣2,372,172,824元（即本公司截至二零零三年九月三十日之累計虧損），並將削減股份溢價賬所產生之同一數額進賬金額用於抵銷本公司之累計虧損。削減股份溢價賬事項已於二零零四年二月二日舉行之股東特別大會上獲股東批准，並於二零零四年三月二日獲香港高等法院（「法院」）作出頒令予以確認及於本公司在同日向香港公司註冊處登記上述頒令後生效。

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48 STATEMENT OF FINANCIAL POSITION OF THE COMPANY (continued)

Note: (continued)

To safeguard the interests of the Company's creditors, the Company undertakes to the Court to create a special reserve upon the reduction of the share premium account on the terms set out below:

(1) that for so long as there shall remain outstanding any debt of or claim against the Company which, if the date on which the reduction of the share premium account of the Company (the "Effective Date") were the commencement of the winding-up of the Company, would be admissible to proof in such winding-up and the person entitled to the benefit thereof shall not have consented to the said reduction of the share premium account or agreed otherwise, the Company shall credit to a special reserve in the books of the Company (the "Special Reserve"):

- any amount arising by reason of a release of any provision taken into account in establishing the accumulated losses of the Company shown in the statement of financial position of the management accounts of the Company for the nine months ended 30 September 2003; or
- any amount received by the Company as profit by way of distribution from a corporation which was a subsidiary or an associated company of the Company at the Effective Date (a "subsidiary" or an "associated company" respectively) which is made by such subsidiary or associated company out of profits available for distribution prior to the Effective Date or any dividend paid to the Company in respect of any liquidation of a subsidiary or an associated company commencing prior to the Effective Date; and

(2) the Special Reserve:

- shall not be treated as realised profits of the Company; and
- shall, for so long as the Company shall remain a limited company, be treated as an undistributable reserve of the Company for the purposes of the Hong Kong Companies Ordinance or any statutory modification or re-enactment thereof.

48 本公司之財務狀況表(續)

附註：(續)

為了保障本公司債權人之權益，本公司向法院作出承諾，於削減股份溢價賬時設立一個特別儲備，條款如下：

(1) 倘於本公司削減股份溢價賬生效當日(「生效日期」)(若該日為本公司清盤開始日)公司仍有任何未清償債務或未了結申索，而此等債務或申索為本公司清盤事宜之可接納債權證明，且此等債務或申索之受益人不批准或不同意上述削減股份溢價賬事項，則本公司須把下述各項記入本公司賬目之特別儲備(「特別儲備」)下：

- 因撥回已計入本公司截至二零零三年九月三十日止九個月管理賬目中財務狀況表所示累計虧損之任何撥備所產生之金額；或
- 本公司從一家公司收取所得作為盈利分派之金額，有關公司於生效日期為本公司附屬公司或聯營公司(分別簡稱為「附屬公司」或「聯營公司」)，而上述金額乃由有關附屬公司或聯營公司利用生效日期前可供分派之盈利支付，或本公司就生效日期前已開始清盤行動之附屬公司或聯營公司收取所得之股息；及

(2) 特別儲備：

- 不得被視為本公司之已變現盈利；及
- 只要本公司仍為有限公司，根據香港公司條例或法例規定就其所作之任何修改或修訂，其應被視為本公司之不可分派儲備。

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財務報表附註

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48 STATEMENT OF FINANCIAL POSITION OF THE COMPANY (continued)

Note: (continued)

Provided always that:

- (1) the Special Reserve may be applied for the same purposes as a share premium account may lawfully be applied;
- (2) the amount standing to the credit of the Special Reserve may be reduced by an amount equal to any increase, after the Effective Date, in the share premium account of the Company which results from an issue of shares (other than for the purposes of any redemption or purchase by the Company of its own shares) for cash or other consideration or by way of the capitalisation of distributable profits or reserves, and the Company shall be at liberty to transfer the amount so reduced to the general reserves of the Company and the same shall become available for distribution;
- (3) the amount credited to the Special Reserve in accordance with the foregoing provisions of this undertaking shall not at any time exceed HK\$1,762,999,500 (the "Limit");
- (4) the Limit may be reduced by the amount of any increase, after the Effective Date, in the paid-up share capital or share premium account of the Company which results from an issue of shares (other than for the purposes of any redemption or purchase by the Company of its own shares) for cash or other consideration or by way of the capitalisation of distributable profits or reserves;
- (5) the Limit may be reduced upon the liquidation, disposal or other realisation, after the Effective Date, of a subsidiary, an associated company or any of the financial assets or property, plant and equipment of the Company by the amount of the provision made in relation to such subsidiary, associated company or financial assets or property, plant and equipment as at 30 September 2003 less such amount (if any) as credited to the Special Reserve as a result of such liquidation, disposal or realisation; and
- (6) in the event that the amount standing to the credit of the Special Reserve at any time exceeds the Limit after any reduction of the Limit pursuant to provisos (4) and/or (5) above, the Company shall be at liberty to transfer the amount of any such excess to the general reserves of the Company and the same shall become available for distribution.

48 本公司之財務狀況表(續)

附註：(續)

惟：

- (1) 特別儲備可用作適用於股份溢價賬之合法用途；
- (2) 特別儲備進賬金額可被削減，數額為在生效日期後，因發行股份（因本公司贖回或購買本身股份者除外）換取現金或其他代價或透過資本化可分派盈利或儲備而引致本公司股份溢價賬增加之數。本公司可自由轉撥就此減少之數至本公司之一般儲備，而有關金額可供分派之用；
- (3) 根據本承諾之上述規定記入特別儲備之金額在任何時間均不得超過港幣1,762,999,500元（「有關限額」）；
- (4) 在生效日期後，因發行股份（因本公司贖回或購買本身股份者除外）換取現金或其他代價或透過資本化可分派盈利或儲備而引致本公司之繳足股本或股份溢價賬增加之數可用作減少有關限額；
- (5) 於生效日期後，在清盤、出售或以其他方式變現附屬公司、聯營公司或本公司任何財務資產或物業、廠房及設備時，於二零零三年九月三十日就有關附屬公司、聯營公司或財務資產或物業、廠房及設備所提撥之準備金額減上述清盤、出售或變現事項所產生之特別儲備進賬金額（如有）之數，可用作減少有關限額；及
- (6) 倘根據上文第(4)及/或(5)條削減有關限額後特別儲備之進賬金額超過有關限額，本公司可自由轉撥超出之數至本公司之一般儲備，而有關金額可供分派之用。

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48 STATEMENT OF FINANCIAL POSITION OF THE COMPANY (continued)

The Special Reserve of HK\$112,016,000 credited in 2004 was reduced to nil during the year ended 31 December 2006 due to an increase in the share premium account of the Company which resulted from an issue of shares in 2006.

After the Effective Date, shares were issued during the prior years through the placing and exercise of share options. Pursuant to the proviso (4) above, the Limit was reduced by the amount of any increase in the paid-up share capital or share premium account of the Company which results from an issue of shares for cash or other considerations. At 31 December 2019, the Limit was reduced to nil and no further amount will be credited to the Special Reserve.

49 PARTICULARS OF PRINCIPAL SUBSIDIARIES

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

| Name 名稱 | Place of incorporation/ registration and business 註冊成立/ 登記及業務地點 | Issued ordinary share/ paid up capital 已發行普通股/ 繳足股本 | Percentage of equity attributable to the Company 本公司應佔權益百分比 | | Principal activities 主要業務 |
|--|--|--|---|----------------|--|
| | | | Direct 直接 | Indirect 間接 | |
| CEGL [^] 光大綠色環保 [^] | Cayman Islands 開曼群島 | US\$206,607,800 206,607,800美元 | - | 69.70% | Investment holding 投資控股 |
| CEWL (note (a)) 光大水務(附註(a)) | Bermuda 百慕達 | HK\$2,860,876,723 港幣2,860,876,723元 | - | 72.87% | Investment holding 投資控股 |
| EB Greentech Biomass Energy (Guoyang) Limited** (note (b)) 光大綠色環保生物能源(渦陽) 有限公司**(附註(b)) | PRC/ Mainland China 中國/中國大陸 | RMB101,700,000 人民幣101,700,000元 | - | 69.70% | Design, construction, operation and maintenance of biomass electricity and heat cogeneration project 設計、建造、運營及維護生物質 熱電聯供項目 |
| EB Urban and Rural Renewable Energy (Huai'an) Limited** (notes (b) and (c)) 光大城鄉再生能源(淮安) 有限公司**(附註(b)及附註(c)) | PRC/ Mainland China 中國/中國大陸 | RMB233,000,000 人民幣233,000,000元 | - | 69.70% | Design, construction, operation and maintenance of integrated biomass and waste-to-energy project 設計、建造、運營及維護生物質 及垃圾發電一體化項目 |

48 本公司之財務狀況表(續)

於截至二零零六年十二月三十一日止年度，於二零零四年入賬之特別儲備港幣112,016,000元減至零，原因為本公司於二零零六年發行股份以致股份溢價賬增加所致。

在生效日期後，於過往年度，本公司因配售事項及購股權獲行使而發行股份。根據上文第(4)條，因發行股份換取現金或其他代價而引致本公司之繳足股本或股份溢價賬增加之數已用作減少有關限額。於二零一九年十二月三十一日，有關限額已減至零，以及再無任何金額記入特別儲備。

49 主要附屬公司資料

本公司主要附屬公司詳情如下：

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49 PARTICULARS OF PRINCIPAL SUBSIDIARIES (continued)

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

49 主要附屬公司資料(續)

本公司主要附屬公司詳情如下：(續)

| Name 名稱 | Place of incorporation/ registration and business 註冊成立/ 登記及業務地點 | Issued ordinary share/ paid up capital 已發行普通股/ 繳足股本 | Percentage of equity attributable to the Company 本公司應佔權益百分比 | | Principal activities 主要業務 |
|--|--|--|---|----------------|---|
| | | | Direct 直接 | Indirect 間接 | |
| EB Urban and Rural Renewable Energy (Xiao County) Limited** ⁺ (notes (b) and (c)) 光大城鄉再生能源(蕭縣)有限公司** (附註(b)及附註(c)) | PRC/ Mainland China 中國/中國大陸 | RMB230,260,000 人民幣230,260,000元 | - | 69.70% | Design, construction, operation and maintenance of integrated biomass and waste-to-energy project 設計、建造、運營及維護生物質及垃圾發電一體化項目 |
| EB Urban and Rural Renewable Energy (Zhongjiang) Limited** ⁺ (note (b)) 光大城鄉再生能源(中江)有限公司** (附註(b)) | PRC/ Mainland China 中國/中國大陸 | RMB128,333,000 人民幣128,333,000元 | - | 69.70% | Design, construction, operation and maintenance of biomass electricity and heat cogeneration project 設計、建造、運營及維護生物質熱電聯供項目 |
| Everbright Biomass Energy (Guixi) Limited** ⁺ (note (b)) 光大生物能源(貴溪)有限公司** (附註(b)) | PRC/ Mainland China 中國/中國大陸 | RMB128,087,000 人民幣128,087,000元 | - | 69.70% | Design, construction, operation and maintenance of biomass electricity and heat cogeneration project 設計、建造、運營及維護生物質熱電聯供項目 |
| Everbright Biomass Energy (Huaiyuan) Limited** ⁺ (note (c)) 光大生物能源(懷遠)有限公司** (附註(c)) | PRC/ Mainland China 中國/中國大陸 | HK\$220,630,000 港幣220,630,000元 | - | 69.70% | Design, construction, operation and maintenance of integrated biomass and waste-to-energy project 設計、建造、運營及維護生物質及垃圾發電一體化項目 |
| Everbright Biomass Energy (Weihai) Limited** ⁺ (note (b)) 光大生物能源(威海)有限公司** (附註(b)) | PRC/ Mainland China 中國/中國大陸 | RMB127,337,000 人民幣127,337,000元 | - | 69.70% | Design, construction, operation and maintenance of biomass electricity and heat cogeneration project 設計、建造、運營及維護生物質熱電聯供項目 |
| Everbright Environmental (Suzhou) Solid Waste Treatment Limited** ⁺ (note (c)) 光大環保(蘇州)固廢處置有限公司** (附註(c)) | PRC/ Mainland China 中國/中國大陸 | US\$4,865,000 4,865,000美元 | - | 69.70% | Design, construction, operation and maintenance of hazardous waste landfill project 設計、建造、運營及維護危險廢物填埋項目 |
| Everbright Environmental Energy (Bolu) Limited** ⁺ (note (c)) 光大環保能源(博羅)有限公司** (附註(c)) | PRC/ Mainland China 中國/中國大陸 | RMB210,986,300 人民幣210,986,300元 | - | 100% | Design, construction, operation and maintenance of waste-to-energy plants 設計、建造、運營及維護垃圾發電廠 |

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49 PARTICULARS OF PRINCIPAL SUBSIDIARIES (continued) 49 主要附屬公司資料(續)

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

本公司主要附屬公司詳情如下：(續)

| Name 名稱 | Place of incorporation/ registration and business 註冊成立/ 登記及業務地點 | Issued ordinary share/ paid up capital 已發行普通股/ 繳足股本 | Percentage of equity attributable to the Company 本公司應佔權益百分比 | | Principal activities 主要業務 |
|---|--|--|---|----------------|---|
| | | | Direct 直接 | Indirect 間接 | |
| Everbright Environmental Energy (Danyang) Limited ^{#+} (note (c)) 光大環保能源(丹陽)有限公司 ^{#+} (附註(c)) | PRC/ Mainland China 中國/中國大陸 | RMB157,983,010 人民幣157,983,010元 | - | 100% | Design, construction, operation and maintenance of waste-to-energy plant and food waste treatment plant 設計、建造、運營及維護 垃圾發電廠及餐廚垃圾處理廠 |
| Everbright Environmental Energy (Hangzhou) Limited ^{#+} (note (c)) 光大環保能源(杭州)有限公司 ^{#+} (附註(c)) | PRC/ Mainland China 中國/中國大陸 | RMB600,000,000 人民幣600,000,000元 | - | 70% | Design, construction, operation and maintenance of waste-to-energy plant 設計、建造、運營及維護 垃圾發電廠 |
| Everbright Environmental Energy (Heze) Limited ^{#+} (note (c)) 光大環保能源(荷澤)有限公司 ^{#+} (附註(c)) | PRC/ Mainland China 中國/中國大陸 | RMB161,670,000 人民幣161,670,000元 | - | 100% | Design, construction, operation and maintenance of waste-to-energy plant 設計、建造、運營及維護 垃圾發電廠 |
| Everbright Environmental Energy (Huidong) Limited ^{#+} (notes (b) and (c)) 光大環保能源(惠東)有限公司 ^{#+} (附註(b)及附註(c)) | PRC/ Mainland China 中國/中國大陸 | HK\$212,220,000 港幣212,220,000元 | - | 100% | Design, construction, operation and maintenance of waste-to-energy plants 設計、建造、運營及維護 垃圾發電廠 |
| Everbright Environmental Energy (Jian) Limited ^{#+} (note (c)) 光大環保能源(吉安)有限公司 ^{#+} (附註(c)) | PRC/ Mainland China 中國/中國大陸 | RMB212,417,200 人民幣212,417,200元 | - | 80% | Design, construction, operation and maintenance of waste-to-energy plant 設計、建造、運營及維護 垃圾發電廠 |
| Everbright Environmental Energy (Jiangyin) Limited ^{#+} (note (c)) 光大環保能源(江陰)有限公司 ^{#+} (附註(c)) | PRC/ Mainland China 中國/中國大陸 | US\$58,970,000 58,970,000美元 | - | 100% | Design, construction, operation and maintenance of waste-to-energy plants 設計、建造、運營及維護 垃圾發電廠 |
| Everbright Environmental Energy (Jiujiang) Limited ^{#+} (note (c)) 光大環保能源(九江)有限公司 ^{#+} (附註(c)) | PRC/ Mainland China 中國/中國大陸 | RMB337,881,320 人民幣337,881,320元 | - | 100% | Design, construction, operation and maintenance of waste-to-energy plant 設計、建造、運營及維護 垃圾發電廠 |
| Everbright Environmental Energy (Lantian) Limited ^{#+} (note (c)) 光大環保能源(藍田)有限公司 ^{#+} (附註(c)) | PRC/ Mainland China 中國/中國大陸 | RMB403,975,200 人民幣403,975,200元 | - | 90% | Design, construction, operation and maintenance of waste-to-energy plant 設計、建造、運營及維護 垃圾發電廠 |

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49 PARTICULARS OF PRINCIPAL SUBSIDIARIES (continued) 49 主要附屬公司資料(續)

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

本公司主要附屬公司詳情如下：(續)

| Name 名稱 | Place of incorporation/ registration and business 註冊成立/ 登記及業務地點 | Issued ordinary share/ paid up capital 已發行普通股/ 繳足股本 | Percentage of equity attributable to the Company 本公司應佔權益百分比 | | Principal activities 主要業務 |
|--|--|--|---|-------------------|---|
| | | | Direct 直接 | Indirect 間接 | |
| Everbright Environmental Energy (Leshan) Limited ^{#^+} (note (c)) 光大環保能源(樂山)有限公司 ^{#^+} (附註(c)) | PRC/ Mainland China 中國/中國大陸 | RMB434,000,000 人民幣434,000,000元 | - | 90% | Design, construction, operation and maintenance of waste-to-energy plant 設計、建造、運營及維護 垃圾發電廠 |
| Everbright Environmental Energy (Lingshui) Limited ^{#^+} (note (c)) 光大環保能源(陵水)有限公司 ^{#^+} (附註(c)) | PRC/ Mainland China 中國/中國大陸 | RMB136,140,000 人民幣136,140,000元 | - | 100% | Design, construction, operation and maintenance of waste-to-energy plant 設計、建造、運營及維護 垃圾發電廠 |
| Everbright Environmental Energy (Nanjing) Limited ^{#^} (notes (b) and (c)) 光大環保能源(南京)有限公司 ^{#^} (附註(b)及附註(c)) | PRC/ Mainland China 中國/中國大陸 | RMB680,000,000 人民幣680,000,000元 | - | 100% | Design, construction, operation and maintenance of waste-to-energy plants 設計、建造、運營及維護 垃圾發電廠 |
| Everbright Environmental Energy (Quzhou) Limited ^{#^} (note (c)) 光大環保能源(衢州)有限公司 ^{#^} (附註(c)) | PRC/ Mainland China 中國/中國大陸 | RMB295,000,000 人民幣295,000,000元 | - | 70% | Design, construction, operation and maintenance of waste-to-energy plant 設計、建造、運營及維護 垃圾發電廠 |
| Everbright Environmental Energy (Rizhou) Limited ^{#^} (note (c)) 光大環保能源(日照)有限公司 ^{#^} (附註(c)) | PRC/ Mainland China 中國/中國大陸 | RMB187,900,000 人民幣187,900,000元 | - | 100% | Design, construction, operation and maintenance of waste-to-energy plants 設計、建造、運營及維護 垃圾發電廠 |
| Everbright Environmental Energy (Sanya) Limited ^{#^} (notes (b) and (c)) 光大環保能源(三亞)有限公司 ^{#^} (附註(b)及附註(c)) | PRC/ Mainland China 中國/中國大陸 | HK\$473,300,000 港幣473,300,000元 | - | 100% | Design, construction, operation and maintenance of waste-to-energy plants 設計、建造、運營及維護 垃圾發電廠 |
| Everbright Luhuan Environmental Energy (Shenyang) Limited ^{#^} (note (c)) 光大綠環環保能源(瀋陽)有限公司 ^{#^} (附註(c)) | PRC/ Mainland China 中國/中國大陸 | RMB340,494,000 人民幣340,494,000元 | - | 66% | Design, construction, operation and maintenance of waste-to-energy plant 設計、建造、運營及維護 垃圾發電廠 |
| Everbright Environmental Energy (Suzhou) Limited ("EB Energy (Suzhou)") ^{#^} (note (c)) 光大環保能源(蘇州)有限公司(「光大能源(蘇州)」) ^{#^} (附註(c)) | PRC/ Mainland China 中國/中國大陸 | RMB1,308,995,800 人民幣1,308,995,800元 | - | note (d) 附註(d) | Design, construction, operation and maintenance of waste-to-energy plant 設計、建造、運營及維護 垃圾發電廠 |

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49 PARTICULARS OF PRINCIPAL SUBSIDIARIES (continued) 49 主要附屬公司資料(續)

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

本公司主要附屬公司詳情如下：(續)

| Name 名稱 | Place of incorporation/ registration and business 註冊成立/ 登記及業務地點 | Issued ordinary share/ paid up capital 已發行普通股/ 繳足股本 | Percentage of equity attributable to the Company 本公司應佔權益百分比 | | Principal activities 主要業務 |
|---|--|--|---|----------------|--|
| | | | Direct 直接 | Indirect 間接 | |
| Everbright Environmental Energy (Tianjin) Limited ^{#+*} (notes (b) and (c)) 光大環保能源(天津)有限公司 ^{#*} (附註(b)及附註(c)) | PRC/ Mainland China 中國/中國大陸 | RMB646,387,800 人民幣646,387,800元 | 90% | - | Design, construction, operation and maintenance of waste-to-energy plant, food waste treatment plant and fecal treatment plant 設計、建造、運營及維護 垃圾發電廠、餐廚垃圾處理廠及糞便處理廠 |
| Everbright Environmental Energy (Weifang) Limited ^{#+*} (note (c)) 光大環保能源(濰坊)有限公司 ^{#*} (附註(c)) | PRC/ Mainland China 中國/中國大陸 | US\$50,571,000 50,571,000美元 | - | 100% | Design, construction, operation and maintenance of waste-to-energy plants 設計、建造、運營及維護 垃圾發電廠 |
| Everbright Environmental Energy (Xinzheng) Limited ^{#+*} (note (c)) 光大環保能源(新鄭)有限公司 ^{#*} (附註(c)) | PRC/ Mainland China 中國/中國大陸 | US\$28,280,780 28,280,780美元 | - | 100% | Design, construction, operation and maintenance of waste-to-energy plant 設計、建造、運營及維護 垃圾發電廠 |
| Everbright Environmental Energy (Yixing) Limited ^{#+*} (note (b)) 光大環保能源(宜興)有限公司 ^{#*} (附註(b)) | PRC/ Mainland China 中國/中國大陸 | US\$51,600,000 51,600,000美元 | - | 100% | Design, construction, operation and maintenance of waste-to-energy plants 設計、建造、運營及維護 垃圾發電廠 |
| Everbright Environmental Protection (China) Limited ^{#+*} (note (b)) 光大環保(中國)有限公司 ^{#*} (附註(b)) | PRC/ Mainland China 中國/中國大陸 | US\$46,000,000 46,000,000美元 | 100% | - | Provision of construction management and leachate treatment services and investment holding 提供工程管理及滲濾液處理服務及投資控股 |
| Everbright Environmental Protection (Lianyungang) Solid Waste Treatment Company Limited ^{#+*} (note (b)) 光大環保(連雲港)固廢處置有限公司 ^{#*} (附註(b)) | PRC/ Mainland China 中國/中國大陸 | HK\$128,640,000 港幣128,640,000元 | - | 69.70% | Design, construction, operation and maintenance of hazardous waste landfill project 設計、建造、運營及維護危險廢 填埋項目 |
| Everbright Environmental Technical Equipment (Changzhou) Limited ^{#+*} 光大環保技術裝備(常州)有限公司 ^{#*} | PRC/ Mainland China 中國/中國大陸 | RMB197,000,000 人民幣197,000,000元 | - | 100% | Construction of environmental protection equipment 製造環保裝備 |
| Everbright Envirotech (China) Limited ^{#+*} 光大環境科技(中國)有限公司 ^{#*} | PRC/ Mainland China 中國/中國大陸 | US\$37,701,000 37,701,000美元 | - | 100% | Provision of research and development and investment holding 提供研究、開發以及投資控股 |

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49 PARTICULARS OF PRINCIPAL SUBSIDIARIES (continued) 49 主要附屬公司資料(續)

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

本公司主要附屬公司詳情如下：(續)

| Name 名稱 | Place of incorporation/ registration and business 註冊成立/ 登記及業務地點 | Issued ordinary share/ paid up capital 已發行普通股/ 繳足股本 | Percentage of equity attributable to the Company 本公司應佔權益百分比 | | Principal activities 主要業務 |
|---|--|--|---|----------------|---|
| | | | Direct 直接 | Indirect 間接 | |
| Everbright Industrial Waste Water Treatment Nanjing Limited ^{^&+} (note (c)) 光大工業廢水處理南京有限公司 ^{^&} (附註(c)) | PRC/ Mainland China 中國/中國大陸 | RMB50,000,000 人民幣50,000,000元 | - | 43.72% | Design, construction, operation and maintenance of waste-water treatment plant 設計、建造、運營及維護污水處理廠 |
| Everbright Brilliant Greenery and Lighting (Shenzhen) Limited ^{^+*} 光大晶朗節能照明(深圳)有限公司 ^{^*} | PRC/ Mainland China 中國/中國大陸 | RMB10,000,000 人民幣10,000,000元 | - | 60% | Provision of research and development and manufacturing of energy-saving streetlights 提供研究、開發及製造節能路燈 |
| Everbright River Basin Remediation (Nanjing) Limited ^{^+*} (note (c)) 光大河道整治(南京)有限公司 ^{^*} (附註(c)) | PRC/ Mainland China 中國/中國大陸 | RMB92,000,000 人民幣92,000,000元 | - | 72.87% | River basin ecological repair 流域治理 |
| Everbright Sponge City Development (Zhenjiang) Limited ^{^*} (note (c)) 光大海綿城市發展(鎮江)有限公司 ^{^*} (附註(c)) | PRC/ Mainland China 中國/中國大陸 | RMB462,000,000 人民幣462,000,000元 | - | 51.01% | Construction, operation and research and development of sponge city 建造、運營及研究及開發海綿城市 |
| Everbright Urban and Rural Renewable Energy (Sheqi) Limited ^{^*} (notes (b) and (c)) 光大城鄉再生能源(社旗)有限公司 ^{^*} (附註(b)及附註(c)) | PRC/ Mainland China 中國/中國大陸 | RMB193,440,000 人民幣193,440,000元 | - | 69.70% | Design, construction, operation and maintenance of integrated biomass and waste-to-energy project 設計、建造、運營及維護生物質及垃圾發電一體化項目 |
| Everbright Urban and Rural Renewable Energy (Xiayi) Limited ^{^*} (notes (b) and (c)) 光大城鄉再生能源(夏邑)有限公司 ^{^*} (附註(b)及附註(c)) | PRC/ Mainland China 中國/中國大陸 | RMB186,670,000 人民幣186,670,000元 | - | 69.70% | Design, construction, operation and maintenance of integrated biomass and waste-to-energy project 設計、建造、運營及維護生物質及垃圾發電一體化項目 |
| Everbright Water (Beijing) Limited ^{^+*} (note (c)) 光大水務(北京)有限公司 ^{^*} (附註(c)) | PRC/ Mainland China 中國/中國大陸 | RMB119,310,000 人民幣119,310,000元 | - | 72.87% | Design, construction, operation and maintenance of waste-water treatment plants 設計、建造、運營及維護污水處理廠 |

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49 PARTICULARS OF PRINCIPAL SUBSIDIARIES (continued)

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

49 主要附屬公司資料(續)

本公司主要附屬公司詳情如下：(續)

| Name 名稱 | Place of incorporation/ registration and business 註冊成立/ 登記及業務地點 | Issued ordinary share/ paid up capital 已發行普通股/ 繳足股本 | Percentage of equity attributable to the Company 本公司應佔權益百分比 | | Principal activities 主要業務 |
|--|--|--|---|-----------------------------|---|
| | | | Direct 直接 | Indirect 間接 | |
| Everbright Water (Ji'nan Licheng) Limited** (note (c)) 光大水務(濟南曆城)有限公司** (附註(c)) | PRC/ Mainland China 中國/中國大陸 | RMB386,848,000 人民幣386,848,000元 | - | 72.87% | Design, construction, operation and maintenance of waste-water treatment plants 設計、建造、運營及維護 污水處理廠 |
| Everbright Water (Ji'nan) Limited** (note (c)) 光大水務(濟南)有限公司** (附註(c)) | PRC/ Mainland China 中國/中國大陸 | US\$106,246,600 106,246,600美元 | - | 72.87% | Design, construction, operation and maintenance of waste-water treatment plants 設計、建造、運營及維護 污水處理廠 |
| Everbright Water (Jiangyin) Limited** (notes (b) and (c)) 光大水務(江陰)有限公司** (附註(b)及附註(c)) | PRC/ Mainland China 中國/中國大陸 | RMB263,877,000 人民幣263,877,000元 | - | 51.01% | Design, construction, operation and maintenance of waste-water treatment plants 設計、建造、運營及維護 污水處理廠 |
| Everbright Water (Nanning) Limited ("EB Water (Nanning)")** (notes (b) and (c)) 光大水務(南寧)有限公司(「光大水務(南寧)」)**(附註(b)及附註(c)) | PRC/ Mainland China 中國/中國大陸 | RMB488,690,000 人民幣488,690,000元 | - | 58.00% note (e) 附註(e) | River restoration works 河流修復工程 |
| Everbright Water (Suzhou) Limited** (note (c)) 光大水務(蘇州)有限公司** (附註(c)) | PRC/ Mainland China 中國/中國大陸 | HK\$258,000,000 港幣258,000,000元 | - | 72.87% | Design, construction, operation and maintenance of waste-water treatment plants 設計、建造、運營及維護 污水處理廠 |
| Everbright Water (Tongxiang) Limited** (note (c)) 光大水務(桐鄉)有限公司** (附註(c)) | PRC/ Mainland China 中國/中國大陸 | RMB270,000,000 人民幣270,000,000元 | - | 58.22% | Construction and operation of wetland ecological engineering project 濕地生態工程建營及運營 |
| Everbright Water (Xianyang) Limited** (notes (b) and (c)) 光大水務(咸陽)有限公司** (附註(b)及附註(c)) | PRC/ Mainland China 中國/中國大陸 | RMB94,000,000 人民幣94,000,000元 | - | 72.87% | Design, construction, operation and maintenance of waste-water treatment plants 設計、建造、運營及維護 污水處理廠 |
| Everbright Water (Xuzhou) Limited** (note (c)) 光大水務(徐州)有限公司** (附註(c)) | PRC/ Mainland China 中國/中國大陸 | RMB15,438,000 人民幣15,438,000元 | - | 72.87% | Design, construction, operation and maintenance of leachate and waste-water treatment plant 設計、建造、運營及維護 滲濾液及污水處理廠 |

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49 PARTICULARS OF PRINCIPAL SUBSIDIARIES (continued)

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

49 主要附屬公司資料(續)

本公司主要附屬公司詳情如下：(續)

| Name 名稱 | Place of incorporation/ registration and business 註冊成立/ 登記及業務地點 | Issued ordinary share/ paid up capital 已發行普通股/ 繳足股本 | Percentage of equity attributable to the Company 本公司應佔權益百分比 | | Principal activities 主要業務 |
|---|--|--|---|----------------|--|
| | | | Direct 直接 | Indirect 間接 | |
| Everbright Water (Zibo) Limited** (note (c)) 光大水務(濰博)有限公司** (附註(c)) | PRC/ Mainland China 中國/中國大陸 | US\$85,666,900 85,666,900美元 | - | 72.87% | Design, construction, operation and maintenance of waste- water treatment plants and reusable water treatment plants 設計、建造、運營及維護污水 處理廠及中水回用處理廠 |
| Everbright Water Operating (Xinyi) Limited** (note (c)) 光大水務運營(新沂)有限公司** (附註(c)) | PRC/ Mainland China 中國/中國大陸 | US\$19,496,300 19,496,300美元 | - | 44.01% | Design, construction, operation and maintenance of waste- water treatment plants and reusable water treatment plants 設計、建造、運營及維護污水 處理廠及中水回用處理廠 |
| Everbright Water Suizhou Water Environment Management Limited** (note (c)) 光大水務隨州水環境治理 有限公司** (附註(c)) | PRC/ Mainland China 中國/中國大陸 | RMB260,000,000 人民幣260,000,000元 | - | 57.13% | River restoration works 河流修復工程 |
| Everbright Wind Power (Ningwu) Company Limited** 光大風電(寧武)有限公司** | PRC/ Mainland China 中國/中國大陸 | RMB258,360,000 人民幣258,360,000元 | - | 69.70% | Design, construction, operation and maintenance of wind power project 設計、建造、運營及維護 風電項目 |
| Ji'nan Everbright Water Supply Limited** (note (c)) 濟南光大供水有限公司** (附註(c)) | PRC/ Mainland China 中國/中國大陸 | RMB250,000,000 人民幣250,000,000元 | - | 58.30% | Water supply, construction and operation of water source and water supply facility 供水、建造及運營水源及 供水設施 |
| Jiaxiang Everbright Environmental Energy Limited** (notes (b) and (c)) 嘉祥光大環保能源有限公司** (附註(b)及附註(c)) | PRC/ Mainland China 中國/中國大陸 | RMB190,971,300 人民幣190,971,300元 | - | 100% | Design, construction, operation and maintenance of waste-to- energy plant 設計、建造、運營及維護 垃圾發電廠 |
| NOVAGO Sp. z o.o.^ | Poland 波蘭 | Polish zloty 4,336,000 波蘭茲羅提4,336,000 | - | 97.12% | Collection and treatment of municipal wastes by way of mechanical and biological technology 收集及透過生物機械處理方式 處理城鎮垃圾 |

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49 PARTICULARS OF PRINCIPAL SUBSIDIARIES (continued)

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

49 主要附屬公司資料(續)

本公司主要附屬公司詳情如下：(續)

| Name 名稱 | Place of incorporation/ registration and business 註冊成立/ 登記及業務地點 | Issued ordinary share/ paid up capital 已發行普通股/ 繳足股本 | Percentage of equity attributable to the Company 本公司應佔權益百分比 | | Principal activities 主要業務 |
|---|--|--|---|----------------|---|
| | | | Direct 直接 | Indirect 間接 | |
| Shandong Everbright Intelligence Ecological Technology Limited (formerly known as "Shangdong QuXiang Information Technology Company Limited") ^{*,+,&^} 山東光大智慧生態科技有限公司 (前稱「山東趣享信息科技有限公司」) ^{&^} | PRC/ Mainland China 中國/中國大陸 | RMB27,520,000 人民幣27,520,000元 | - | 90% | Provision of waste sorting and renewable resources utilisation services 提供垃圾分類及再生資源綜合利用服務 |
| Suzhou Wujiang Everbright Environmental Energy Limited ^{*,&} 蘇州吳江光大環保能源有限公司 ^{*,&} (附註(c)) | PRC/ Mainland China 中國/中國大陸 | RMB392,925,500 人民幣392,925,500元 | - | 100% | Design, construction, operation and maintenance of waste-to-energy plant 設計、建造、運營及維護垃圾發電廠 |
| Xuzhou Engineering Design Institute ^{*,&^} 徐州市市政設計院 ^{&^} | PRC/ Mainland China 中國/中國大陸 | RMB6,000,000 人民幣6,000,000元 | - | 72.87% | Survey, mapping, design and consultancy for municipal projects 市政項目的勘察、測繪、設計及諮詢 |
| EB GZEPI Environmental Energy (Zhaoqing) Limited ^{*,&^} (note (c)) 光大廣環投環保能源(肇慶)有限公司 ^{*,&^} (附註(c)) | PRC/ Mainland China 中國/中國大陸 | RMB278,000,000 人民幣278,000,000元 | - | 60% | Design, construction, operation and maintenance of waste-to-energy plant 設計、建造、運營及維護垃圾發電廠 |
| Zoucheng Everbright Environmental Energy Limited ^{*,&} (note (c)) 鄒城光大環保能源有限公司 ^{*,&} (附註(c)) | PRC/ Mainland China 中國/中國大陸 | RMB176,172,800 人民幣176,172,800元 | - | 100% | Design, construction, operation and maintenance of waste-to-energy plants 設計、建造、運營及維護垃圾發電廠 |

* Registered under the laws of the PRC as foreign investment enterprises.

* 根據中國法律註冊為外商投資企業。

Registered under the laws of the PRC as sino-foreign co-operation joint ventures.

根據中國法律註冊為中外合作合營企業。

& Registered under the laws of the PRC as private companies with limited liability.

& 根據中國法律註冊為私營有限公司。

^ Not audited by Ernst & Young, Hong Kong or another member firm of the Ernst & Young global network.

^ 並非由香港安永會計師事務所或安永會計師事務所全球網絡另一會員事務所審核。

+ English translation is for identification only.

+ 英文譯名僅供識別。

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49 PARTICULARS OF PRINCIPAL SUBSIDIARIES (continued)

Notes:

- (a) During the year ended 31 December 2019, upon completion of the Separate Listing, the Group's equity interest in CEWL changed to 72.43%.

Subsequent to the completion of the Separate Listing, CEWL allotted and issued 80,844,537 new ordinary shares to its ordinary shareholders who had elected to participate in the scrip dividend scheme of CEWL. After the aforementioned transactions, the Group's equity interest in CEWL changed to 72.87% as at 31 December 2019.

During the year ended 31 December 2018, CEWL allotted and issued 50,420,315 new ordinary shares to its ordinary shareholders who had elected to participate in the scrip dividend scheme of CEWL. After the aforementioned transaction, the Group's equity interest in CEWL changed to 75.24% as at 31 December 2018.

- (b) These subsidiaries of the Group entered into service concession arrangements with the local government authorities in the PRC (the "Grantors"). Pursuant to the service concession arrangements, the Group was granted rights to construct, operate and maintain environmental energy projects, greentech projects and environmental water projects in the PRC for a period of 7 to 50 years. The service fees are based on the extent of services rendered and are subject to the approvals from the relevant local government authorities. During the operating period, the Group will be responsible for maintaining the environmental energy projects, greentech projects and environmental water projects in good condition.

The service concession arrangements do not contain renewal options. Both the Grantors and the Group have the rights to terminate the agreements in the event of a material breach of the terms of the agreements.

Operating rights of the environmental energy projects, greentech projects and environmental water projects are recognised as intangible assets.

49 主要附屬公司資料(續)

附註：

- (a) 截至二零一九年十二月三十一日止年度，在完成獨立上市後，本集團在光大水務之股權變為72.43%。

在完成獨立上市後，光大水務配發及發行80,844,537股新普通股予選擇參與光大水務以股代息計劃之普通股股東。在進行上述交易後，於二零一九年十二月三十一日，本集團在光大水務之股權變為72.87%。

於截至二零一八年十二月三十一日止年度，光大水務配發及發行50,420,315股新普通股予選擇參與光大水務以股代息計劃之普通股股東。在進行上述交易後，於二零一八年十二月三十一日，本集團在光大水務之股權變為75.24%。

- (b) 本集團該等附屬公司與中國當地政府機關(「授權人」)訂立服務特許經營權安排。根據服務特許經營權安排，本集團獲授權在中國建造、運營及維護環保能源項目、綠色環保項目及環保水務項目，為期七至五十年。服務費按已提供之服務而定，並須待有關當地政府機關批准後方可作實。於運營期內，本集團有責任維持環保能源項目、綠色環保項目及環保水務項目的良好狀況。

服務特許經營權安排並無續約選擇。授權人及本集團均有權於協議條款遭重大違反之情況下終止有關協議。

環保能源項目、綠色環保項目及環保水務項目之運營權確認為無形資產。

Notes to Financial Statements

財務報表附註

31 December 2019 二零一九年十二月三十一日

49 PARTICULARS OF PRINCIPAL SUBSIDIARIES (continued)

Notes: (continued)

- (c) These subsidiaries of the Group entered into service concession arrangements with the Grantors. Pursuant to the service concession arrangements, the Group has to design, construct and/or upgrade, operate and maintain environmental energy projects, greentech projects and environmental water projects in the PRC for a period of 5 to 30 years. The Group has the obligation to maintain the environmental energy projects, greentech projects and environmental water projects in good condition. The Grantors guarantee that the Group will receive minimum annual payments in connection with the arrangements. Upon expiry of the concession periods, the environmental energy projects, greentech projects and environmental water projects will be transferred to the local government authorities.

The service concession arrangements do not contain renewal options. The standard rights of the Grantors to terminate the agreements include failure of the Group to construct, upgrade or operate the environmental energy projects, greentech projects and environmental water projects and in the event of a material breach of the terms of the agreements. The standard rights of the Group to terminate the agreements include failure to receive payments for waste treatment service from the Grantors and in the event of a material breach of the terms of the agreements.

Revenue relates to the construction services provided in constructing or upgrading the environmental energy projects, greentech projects and environmental water projects is recognised as service concession assets under "Contract assets" in the financial statements.

49 主要附屬公司資料(續)

附註：(續)

- (c) 本集團該等附屬公司與授權人訂立服務特許經營權安排。根據服務特許經營權安排，本集團須於中國設計、建造及／或改造、運營及維護環保能源項目、綠色環保項目及環保水務項目，為期五至三十年。本集團有責任維持環保能源項目、綠色環保項目及環保水務項目的良好狀況。授權人擔保，就有關安排而言，本集團將可每年收取最低保證款項。待特許經營期屆滿後，環保能源項目、綠色環保項目及環保水務項目將轉歸當地政府機關所有。

服務特許經營權安排並無續約選擇。授權人可行使標準權利終止協議之情況包括：本集團未能建造、改造或運營環保能源項目、綠色環保項目及環保水務項目以及協議條款遭重大違反。本集團可行使標準權利終止協議之情況包括：未能從授權人取得廢物處理服務費，以及協議條款遭重大違反。

因建造環保能源項目、綠色環保項目及環保水務項目而提供建造或改造服務所得之相關收益在財務報表中確認為「合約資產」下之服務特許經營權資產。

Notes to Financial Statements

財務報表附註

31 December 2019 二零一九年十二月三十一日

49 PARTICULARS OF PRINCIPAL SUBSIDIARIES (continued)

Notes: (continued)

- (d) Everbright Environmental Energy (Suzhou) Holdings Limited, a wholly-owned subsidiary of the Company and the foreign joint venture partner of EB Energy (Suzhou), is committed to contribute the full amount of EB Energy (Suzhou)'s registered capital. Net profit, after payment of an agreed sum of RMB880,000 annually to the PRC joint venture partner of EB Energy (Suzhou), is fully attributable to Everbright Environmental Energy (Suzhou) Holdings Limited.
- (e) CEWL is committed to contributing 79.6474% of EB Water Nanning's registered capital. The remaining 20.3526% registered capital is contributed by three PRC joint venture partners. Except for one of the PRC joint venture partners, who is committed to contributing 0.0097% of registered capital and shall not be entitled to the net profit of EB Water Nanning, CEWL and other two PRC joint venture partners share the net profit of EB Water Nanning on the basis of their respective proportions of registered capital contribution.

50 APPROVAL OF THE FINANCIAL STATEMENTS

The financial statements were approved and authorised for issue by the board of directors on 18 March 2020.

49 主要附屬公司資料(續)

附註：(續)

- (d) 本公司之全資附屬公司兼光大能源(蘇州)之外方合營夥伴—光大環保能源(蘇州)控股有限公司承諾注入光大能源(蘇州)全數註冊資本。光大能源(蘇州)之淨盈利(在每年支付協定款項人民幣880,000元予光大能源(蘇州)中方合營夥伴後)將全歸光大環保能源(蘇州)控股有限公司所有。
- (e) 光大水務承諾注入光大水務南寧79.6474%註冊資本。餘下20.3526%註冊資本由中國三家合營企業夥伴注入。除一家承諾注入0.0097%註冊資本且無權享有光大水務南寧淨盈利的中國合營企業夥伴外，光大水務及其餘兩家中國合營企業夥伴基於彼等各自的註冊資本注資比例分攤光大水務南寧的淨盈利。

50 批准財務報表

董事會於二零二零年三月十八日批准並授權刊發財務報表。

Five Year Summary

五年業績概要

At 31 December
於十二月三十一日

| | | 2019 二零一九年 HK\$'000 港幣千元 | 2018 二零一八年 HK\$'000 港幣千元 | 2017 二零一七年 HK\$'000 港幣千元 (Restated) (重報) | 2016 二零一六年 HK\$'000 港幣千元 (Restated) (重報) | 2015 二零一五年 HK\$'000 港幣千元 (Restated) (重報) |
|---|--------------------------------|-----------------------------------|-----------------------------------|---|---|---|
| Assets and liabilities | 資產及負債 | | | | | |
| Investment properties, property, plant and equipment, right-of-use assets and prepaid land lease payments | 投資物業、物業、廠房及設備、使用權資產、以及預付土地租賃款項 | 5,394,767 | 4,782,492 | 4,361,053 | 3,338,648 | 2,667,411 |
| Goodwill | 商譽 | 1,908,783 | 1,753,737 | 1,747,451 | 1,563,390 | 1,061,891 |
| Intangible assets | 無形資產 | 18,401,533 | 12,642,951 | 8,592,924 | 5,686,374 | 3,357,187 |
| Interests in joint ventures | 合營企業權益 | 1,163,597 | 679,246 | 543,638 | 345,353 | 209,161 |
| Interests in associates | 聯營公司權益 | 381,220 | 334,679 | 248,002 | 228,047 | 239,306 |
| Contract assets | 合約資產 | 58,900,254 | 43,540,152 | 36,780,980 | 25,469,526 | 21,210,582 |
| Finance lease receivables | 融資租賃應收款項 | 15,390 | 16,435 | 17,817 | 17,273 | 19,062 |
| Other financial assets | 其他財務資產 | 510,110 | 42,570 | 38,567 | 33,332 | 24,800 |
| Debtors, other receivables, deposits and prepayments | 應收賬款、其他應收款項、按金及預付款項 | 2,300,788 | 1,572,127 | 1,078,062 | 488,863 | 309,160 |
| Deferred tax assets | 遞延稅項資產 | 165,319 | 92,875 | 77,250 | 53,732 | 36,483 |
| Net current assets | 流動資產淨額 | 5,538,215 | 14,429,986 | 5,604,228 | 2,993,400 | 5,164,723 |
| | | 94,679,976 | 79,887,250 | 59,089,972 | 40,217,938 | 34,299,766 |
| Non-current liabilities | 非流動負債 | (49,953,397) | (39,191,911) | (30,446,434) | (20,372,730) | (14,879,225) |
| NET ASSETS | 資產淨額 | 44,726,579 | 40,695,339 | 28,643,538 | 19,845,208 | 19,420,541 |
| Share capital | 股本 | 17,329,537 | 17,329,537 | 7,405,414 | 7,405,414 | 7,405,414 |
| Reserves | 儲備 | 19,017,414 | 16,596,570 | 15,148,865 | 9,983,888 | 9,790,740 |
| Total equity attributable to equity holders of the Company | 本公司權益持有人應佔權益總額 | 36,346,951 | 33,926,107 | 22,554,279 | 17,389,302 | 17,196,154 |
| Non-controlling interests | 非控股權益 | 8,379,628 | 6,769,232 | 6,089,259 | 2,455,906 | 2,224,387 |
| TOTAL EQUITY | 權益總額 | 44,726,579 | 40,695,339 | 28,643,538 | 19,845,208 | 19,420,541 |

Five Year Summary

五年業績概要

For the year ended 31 December
截至十二月三十一日止年度

| | | 2019 二零一九年 HK\$'000 港幣千元 | 2018 二零一八年 HK\$'000 港幣千元 | 2017 二零一七年 HK\$'000 港幣千元 (Restated) (重報) | 2016 二零一六年 HK\$'000 港幣千元 | 2015 二零一五年 HK\$'000 港幣千元 (Restated) (重報) |
|--|-------------|-----------------------------------|-----------------------------------|---|-----------------------------------|---|
| Results | 業績 | | | | | |
| Revenue | 收益 | 37,557,635 | 27,227,998 | 20,043,116 | 13,971,204 | 8,528,393 |
| Profit from operating activities | 經營活動所得盈利 | 9,826,985 | 8,212,919 | 6,306,219 | 4,675,413 | 3,576,466 |
| Finance costs | 財務費用 | (1,830,798) | (1,376,010) | (938,280) | (639,584) | (451,759) |
| Shares of profits and losses of joint ventures | 所佔合營企業盈利及虧損 | 248,126 | 157,774 | 61,632 | 63,373 | (6,046) |
| Shares of profits and losses of associates | 所佔聯營公司盈利及虧損 | 19,382 | 3,759 | (1,372) | (479) | 140 |
| Profit before tax | 除稅前盈利 | 8,263,695 | 6,998,442 | 5,428,199 | 4,098,723 | 3,118,801 |
| Income tax | 所得稅 | (1,895,533) | (1,728,667) | (1,376,352) | (1,062,150) | (783,275) |
| Profit for the year | 本年度盈利 | 6,368,162 | 5,269,775 | 4,051,847 | 3,036,573 | 2,335,526 |
| Attributable to: | 應佔部份： | | | | | |
| Equity holders of the Company | 本公司權益持有人 | 5,203,291 | 4,319,235 | 3,509,990 | 2,784,863 | 2,084,888 |
| Non-controlling interests | 非控股權益 | 1,164,871 | 950,540 | 541,857 | 251,710 | 250,638 |
| Profit for the year | 本年度盈利 | 6,368,162 | 5,269,775 | 4,051,847 | 3,036,573 | 2,335,526 |
| Basic earnings per share | 每股基本盈利 | HK84.70 cents 港仙 | HK85.77 cents 港仙 | HK76.20 cents 港仙 | HK62.12 cents 港仙 | HK46.50 cents 港仙 |

Major Properties held by the Group

本集團所持有之主要物業

| | Location 地點 | Existing use 現時用途 | Term of lease 租賃年期 | Percentage of interest 所佔權益百分比 |
|----|--|----------------------|-----------------------|--------------------------------------|
| 1. | Units 2703 and 2704, 27th Floor Far East Finance Centre 16 Harcourt Road, Hong Kong 香港夏慤道16號 遠東金融中心27樓2703及2704室 | Commercial 商業 | Medium 中期 | 100% |
| 2. | 25th Floor to 28th Floor Block A, Oriental Xintiandi Plaza No. 1003 Shennan Avenue Futian District, Shenzhen Guangdong Province, the PRC 中國廣東省深圳市福田區 深南大道1003號 東方新天地廣場A座25樓至28樓 | Commercial 商業 | Medium 中期 | 100% |
| 3. | Units 3 and 4, 11th Floor Qingsong South Lane Dalian Development Zone the PRC 中國大連開發區青松南里 11樓3及4室 | Residential 住宅 | Medium 中期 | 100% |
| 4. | Room 1301-1309 Central Business Building No. 88 Fuhua Road One Futian District, Shenzhen Guangdong Province, the PRC 中國廣東省深圳市福田區 福華一路88號 中心商務大廈1301至1309室 | Commercial 商業 | Medium 中期 | 100% |
| 5. | 24th Floor Tower of Education Science & Technology Building Zhuzilin, Futian District, Shenzhen Guangdong Province, the PRC 中國廣東省深圳市福田區竹子林 教育科技大廈24樓 | Commercial 商業 | Medium 中期 | 100% |
| 6. | Block J07, Zhongguancun Science Park No. 156 Wenquan Town Haidian District Beijing, the PRC 中國北京海淀區 溫泉鎮156號 中關村環保科技園J07號 | Commercial 商業 | Medium 中期 | 100% |
| 7. | Block B3, Jiulonghu International Headquarters Park No. 19 Suyuan Avenue Jiangning District, Nanjing, the PRC 中國南京市江寧區 蘇源大道19號 九龍湖國際企業總部園B3幢 | Commercial 商業 | Medium 中期 | 100% |



CHINA EVERBRIGHT INTERNATIONAL LIMITED
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