



维港环保

WEIGANG ENVIRONMENT

维港环保科技控股集团有限公司

Weigang Environmental Technology Holding Group Limited

(於開曼群島註冊成立的有限公司)

(Incorporated in the Cayman Islands with limited liability)

股份代號 Stock Code: 1845

年報 **2020**
ANNUAL REPORT



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COMPANY PROFILE

公司簡介

Weigang Environmental Technology Holding Group Limited (the “Company”) together with its subsidiaries (the “Group”) are the leading comprehensive hazardous waste incineration turnkey solution provider in China. As at 31 December 2020, the Group has 31 completed hazardous waste incineration projects with aggregate designed disposal capacity of 727,300 tonnes per annum, and 18 ongoing hazardous waste incineration projects with aggregate designed disposal capacity of 446,000 tonnes per annum.

The shares of the Company had been listed on the Main Board of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) on 3 January 2019.

Leveraging its experience and expertise in hazardous waste incineration, the Group has expanded its offerings to other areas of solid waste treatment, such as thermal desorption of oil sludge, pyrolysis treatment of solid waste and cement plant parallel kiln co-treatment.

The Group will continue to focus on the technology innovation to maintain its advanced technology and strong R&D capability. To capture the opportunities brought by the policies for the development of the environmental protection industry and the huge demand of industrial enterprise to comply with increasingly tighter environmental protection policies, the Group will leverage on its technology advantage to expanding its business into more and more new areas, and devote itself to become a leading solid waste treatment solutions provider in China.

维港环保科技控股集团有限公司(「本公司」)及其附屬公司(「本集團」)是中國領先的綜合危險廢物焚燒處置的整體解決方案提供商。截至2020年12月31日，本集團完成31個危廢焚燒處置項目，累計設計年處置量為727,300噸，並持有18個在建危廢焚燒處置項目，累計設計年處置量為446,000噸。

本公司股份於2019年1月3日在香港聯合交易所有限公司(「聯交所」)主板上市。

憑藉本集團在危險廢物焚燒處置方面的經驗及專業知識，本集團已將業務擴展至固體廢物處理的其他領域，如油泥熱脫附、固體廢物的無氧裂解處理及水泥回轉窯平行協同處置。

本集團將繼續專注於技術創新，保持自身的先進技術及強大的研發能力。為抓住環保行業發展政策及工業企業為滿足日益趨嚴的環保政策產生的巨大需求所帶來的機遇，本集團將憑藉自身的技術優勢在越來越多的新領域拓展業務，致力於成為中國領先的固體廢物處置解決方案提供商。

CORPORATE INFORMATION

公司資料

DIRECTORS AND SENIOR MANAGEMENT

DIRECTORS

Executive Directors

Mr. Cai Zhuhua (*Chairman*)
Mr. Dong Honghui
Mr. Deng Zhaoshan
Mr. Gu Chunbin (*appointed on 11 March 2021*)

Non-executive Directors

Mr. Ren Jingfeng (*resigned on 11 March 2021*)
Mr. Yang Zhiqiang (*resigned on 11 March 2021*)

Independent Non-executive Directors

Mr. Yang Zhifeng
Mr. Jiang Guoliang
Mr. Feng Tao

AUDIT COMMITTEE

Mr. Feng Tao (*Chairman*)
Mr. Yang Zhifeng
Mr. Jiang Guoliang

REMUNERATION COMMITTEE

Mr. Feng Tao (*Chairman*)
Mr. Dong Honghui
Mr. Jiang Guoliang

NOMINATION COMMITTEE

Mr. Cai Zhuhua (*Chairman*)
Mr. Feng Tao
Mr. Jiang Guoliang

JOINT COMPANY SECRETARIES

Mr. Gu Chunbin
Ms. So Shuk Yi Betty

董事及高級管理層

董事

執行董事

蔡珠華先生(*董事長*)
董紅暉先生
鄧兆善先生
辜淳彬先生(*於2021年3月11日獲委任*)

非執行董事

任景豐先生(*於2021年3月11日辭任*)
楊志強先生(*於2021年3月11日辭任*)

獨立非執行董事

楊志峰先生
蔣國良先生
馮濤先生

審核委員會

馮濤先生(*主席*)
楊志峰先生
蔣國良先生

薪酬委員會

馮濤先生(*主席*)
董紅暉先生
蔣國良先生

提名委員會

蔡珠華先生(*主席*)
馮濤先生
蔣國良先生

聯席公司秘書

辜淳彬先生
蘇淑儀女士

CORPORATE INFORMATION

公司資料

AUTHORISED REPRESENTATIVES

Mr. Cai Zhuhua
Mr. Gu Chunbin

授權代表

蔡珠華先生
辜淳彬先生

LEGAL ADVISERS TO OUR COMPANY

As to Hong Kong law:

Miao & Co.
(in Association with Han Kun Law Offices)
Rooms 3901-05, 39/F, Edinburgh Tower
The Landmark
15 Queen's Road Central
Hong Kong

本公司法律顧問

關於香港法律：
繆氏律師事務所
(與漢坤律師事務所聯營)
香港
皇后大道中 15 號
置地廣場
公爵大廈 39 樓 3901-05 室

As to Cayman Islands law:

Walkers (Hong Kong)
15th Floor, Alexandra House
18 Chater Road
Central
Hong Kong

關於開曼群島法律：

Walkers (香港)
香港
中環
遮打道 18 號
歷山大廈 15 樓

As to PRC law:

DeHeng Law Offices (Guangzhou)
17/F, the North Tower of Guangzhou Media Centre
370 Yuejiang West Road
Haizhu District
Guangzhou 510335
PRC

關於中國法律：

北京德恒(廣州)律師事務所
中國
廣州市
海珠區
閱江西路 370 號
廣報中心北塔 17 層
郵編：510335

AUDITORS AND REPORTING ACCOUNTANTS

Baker Tilly Hong Kong Limited
Certified Public Accountants
2/F, 625 King's Road
North Point
Hong Kong

審計師及申報會計師

天職香港會計師事務所有限公司
執業會計師
香港
北角
英皇道 625 號 2 樓

CORPORATE INFORMATION

公司資料

COMPLIANCE ADVISER

Altus Capital Limited
21 Wing Wo Street
Central, Hong Kong

REGISTERED OFFICE

190 Elgin Avenue
George Town
Grand Cayman KY1-9008
Cayman Islands

HEADQUARTERS

14-15/F, Block A4
No. 181 Science Boulevard
Guangzhou, Guangdong Province
China

PLACE OF BUSINESS IN HONG KONG

Unit 3507, 35/F, AIA Tower
183 Electric Road
North Point
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PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE IN THE CAYMAN ISLANDS

Walkers Corporate Limited
190 Elgin Avenue
George Town
Grand Cayman KY1-9008
Cayman Islands

HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

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

合規顧問

浩德融資有限公司
香港中環
永和街21號

註冊辦事處

190 Elgin Avenue
George Town
Grand Cayman KY1-9008
Cayman Islands

總部

中國
廣東省廣州市
科學大道181號
A4座14-15樓

香港營業地點

香港
北角
電氣道183號
友邦廣場35樓3507室

開曼群島主要股份過戶登記處

Walkers Corporate Limited
190 Elgin Avenue
George Town
Grand Cayman KY1-9008
Cayman Islands

香港股份過戶登記分處

卓佳證券登記有限公司
香港
皇后大道東183號
合和中心54樓

CORPORATE INFORMATION

公司資料

PRINCIPAL BANK

Bank of Guangzhou
Science City Branch
3/F, Science and Technology
Innovation Base Complex
80 Lanyue Road
Science City, Guangzhou
Guangdong Province
China

China Merchants Bank
Hong Kong Branch
31/F, Three Exchange Square
8 Connaught Place, Central
Hong Kong

STOCK CODE

1845

COMPANY'S WEBSITE

<http://www.gzweigang.com/>

DATE OF LISTING

3 January 2019

主要往來銀行

廣州銀行
科學城支行
中國
廣東省
廣州市科學城
攬月路80號
科技創新基地綜合服務樓3樓

招商銀行
香港分行
香港
中環康樂廣場八號
交易廣場三期31樓

股份代號

1845

公司網站

<http://www.gzweigang.com/>

上市日期

2019年1月3日

FINANCIAL SUMMARY

財務概要

For the year ended 31 December 2020, the revenue of the Group amounted to RMB536.8 million, representing a decrease of 0.1% as compared with the year ended 31 December 2019.

For the year ended 31 December 2020, the gross profit of the Group amounted to RMB82.9 million and the gross profit margin of the Group was 15.4%, representing a decrease of 42.5% and 11.4 percentage points as compared with the year ended 31 December 2019, respectively.

For the year ended 31 December 2020, the Group recorded net loss amounted to RMB7.4 million, and the net loss margin of the Group was 1.4%, compared with the net profit amounted to RMB78.0 million and the net profit margin of 14.5% for the year ended 31 December 2019.

For the year ended 31 December 2020, the loss attributable to owners of the Company was RMB10.9 million, compared with the profit attributable to owners of the Company amounted to RMB67.0 million for the year ended 31 December 2019.

For the year ended 31 December 2020, the basic loss per share attributable to owners of the Company amounted to RMB0.008, compared with the basic earnings per share attributable to owners of the Company amounted to RMB0.050 for the year ended 31 December 2019.

截至2020年12月31日止年度，本集團的收入為人民幣536.8百萬元，較截至2019年12月31日止年度減少0.1%。

截至2020年12月31日止年度，本集團的毛利為人民幣82.9百萬元，而本集團的毛利率則為15.4%，分別較截至2019年12月31日止年度減少42.5%及11.4個百分點。

與截至2019年12月31日止年度的純利人民幣78.0百萬元及淨利率14.5%相比，本集團截至2020年12月31日止年度錄得淨虧損人民幣7.4百萬元，而本集團的淨虧損率則為1.4%。

與截至2019年12月31日止年度本公司擁有人應佔利潤人民幣67.0百萬元相比，截至2020年12月31日止年度本公司擁有人應佔虧損為人民幣10.9百萬元。

與截至2019年12月31日止年度本公司擁有人應佔每股基本盈利人民幣0.050元相比，截至2020年12月31日止年度本公司擁有人應佔每股基本虧損為人民幣0.008元。

		For the year ended 31 December 截至12月31日止年度				
		2020 2020年	2019 2019年	2018 2018年	2017 2017年	2016 2016年
		RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元
Revenue	收入	536,811	537,509	480,091	189,407	88,971
Gross profit	毛利	82,882	144,236	124,663	62,104	28,840
(Loss)/profit before income tax	除所得稅前(虧損)/利潤	(8,319)	91,122	67,970	36,379	22,880
Income tax credit/(expense)	所得稅抵免/(開支)	949	(13,091)	(10,559)	(6,620)	(3,357)
(Loss)/profit for the year	年內(虧損)/利潤	(7,370)	78,031	57,411	29,759	19,523
(Loss)/profit attributable to:	以下各方應佔(虧損)/利潤:					
Owners of the Company	本公司擁有人	(10,929)	66,984	49,799	30,195	19,523
Non-controlling interests	非控股權益	3,559	11,047	7,612	(436)	—

		As at 31 December 於12月31日				
		2020 2020年	2019 2019年	2018 2018年	2017 2017年	2016 2016年
		RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元
Total Assets	資產總值	938,723	802,027	469,735	253,053	90,842
Total liabilities	負債總額	343,639	227,886	310,445	218,356	38,443
Non-controlling interests	非控股權益	89,739	57,326	27,220	(436)	—
Equity attributable to the owners of the Company	本公司擁有人應佔權益	505,345	516,815	132,070	35,133	52,399

CHAIRMAN'S STATEMENT

董事長報告書

On behalf of the Board, I hereby to present the annual results of the Group for the year ended 31 December 2020 and the future outlook of 2021.

2020 REVIEW

The year 2020 was an exceptional year. In 2020, the novel coronavirus ("COVID-19") spread rapidly across the world with most countries being hit hard by the pandemic, the road to global economic recovery will be long and challenging. However, thanks to effective pandemic prevention and control measures, various industries in China took lead in resuming work and production and China became the only major economy in the world that achieved positive economic growth.

In 2020, the Group shouldered and fulfilled its social responsibilities. During the critical period of the COVID-19 pandemic, the Group adopted scientific pandemic prevention and control measures, and the staff guarded their positions steadfastly, to ensure that all projects operated at full swing and provided high quality services to our customers. The recognition from our customers which the Group has received is its driving force to move forward. On behalf of the Board of Directors and the senior management, I would like to extend my sincere gratitude to all colleagues who have remained at their posts with hard work, as well as people from all walks of life who have given great support to the Group's development all along!

FUTURE PROSPECTS

Looking forward to 2021, the Group will continue to capture the opportunities brought by the policies for the development of the environmental protection industry, and actively seize more business opportunities from solid waste treatment by commercialising its advanced solid waste treatment technologies to market with the resources from strategic shareholders, the capital market network, and its strong R&D capabilities. The Group will still continue to focus on the technology innovation to further expand the Group's business scope, maintain the Group's leading position in the market, maximize shareholder returns and optimize the Group's commitment of becoming a leading solid waste treatment solutions provider in China.

CAI Zhuhua
Chairman

26 March 2021

本人謹代表董事會欣然呈報本集團截至2020年12月31日止年度的年度業績以及對2021年的未來展望。

2020年回顧

二零二零年是極不平凡的一年。這一年，新型冠狀病毒引發的疫情(「新冠疫情」)席捲全球，各國經濟體遭到重創，全球經濟復甦之路崎嶇而漫長。得益於行之有效的疫情防控措施，中國各個行業率先實現復工復產，並成為全球唯一實現經濟正增長的主要經濟體。

這一年，本集團勇擔社會責任，在疫情嚴峻時期，科學防控、堅守崗位，確保旗下項目全速運轉，為我們的客戶提供優質服務。為此，本公司收獲來自我們客戶的高度評價，這是激勵我們勇往直前的不竭動力。本人謹代表本公司董事會和管理層，向一直以來堅守崗位辛勤耕耘的全體同仁，以及長期為公司發展給予大力支持的各界人士，致以最誠摯的謝意！

未來前景

展望2021年，本集團將繼續抓住環保行業發展政策所帶來的機遇，依托戰略股東資源，以資本市場為紐帶，以強大的研發能力為輔，將先進的固體廢物處理技術商業化，積極把握更多來自固體廢物處理的商機。本集團將繼續專注於技術創新，進一步拓展本集團的業務範疇，維持本集團的市場領先地位，為股東帶來最大回報，並致力實踐本集團成為中國領先的固體廢物處理解決方案提供商的承諾。

蔡珠華
董事長

2021年3月26日

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

I. BUSINESS REVIEW

The Group is a leading comprehensive hazardous waste incineration turnkey solution provider in China focused on the research, design, integration and commissioning of solid waste treatment systems, particularly for hazardous waste incineration. Leveraging its experience and expertise in hazardous waste incineration, the Group has expanded its offerings to other areas of solid waste treatment, such as thermal desorption of oil sludge, pyrolysis treatment of solid waste and cement plant parallel kiln co-treatment. The Group conducts research and development of technologies related to these new areas and have successfully applied some of them to its new solid waste treatment projects.

In 2020, the Group primarily engaged in and generated a substantial portion of the revenue from the design, integration and commissioning of hazardous waste incineration systems in China.

Provision of Hazardous Waste Incineration Solutions

Before 2020, the Group has 20 completed hazardous waste incineration projects with aggregate designed disposal capacity of 435,000 tonnes per annum which were passed to the Group's customers in normal operation. In 2020, the Group completed 11 more hazardous waste incineration projects with an aggregate designed disposal capacity of approximately 292,500 tonnes per annum. As at 31 December 2020, the Group had 18 ongoing hazardous waste incineration projects on hand, covering 18 cities in China with an aggregate designed disposal capacity of approximately 446,000 tonnes per annum. The table below sets out the summary of the completed hazardous waste incineration projects in 2020 and the ongoing hazardous waste incineration projects as at 31 December 2020:

I. 業務回顧

本集團是中國領先的綜合危險廢物焚燒處置整體解決方案提供商，專注於固體廢物處理系統（尤其是危險廢物焚燒處置系統）的研究、設計、集成及調試。憑藉本集團在危險廢物焚燒處置方面的經驗及專業知識，本集團已將業務擴展至固體廢物處理的其他領域，如油泥熱脫附、固體廢物的無氧裂解處理及水泥回轉窯平行協同處置。本集團開展與該等新領域相關的技術研發，並已成功地將部分研發成果應用於新的固體廢物處理項目。

於2020年，本集團主要在中國提供危險廢物焚燒處置系統的設計、集成及調試，並自其中產生很大一部分收入。

提供危險廢物焚燒處置解決方案

於2020年前，本集團完成了20個危險廢物焚燒處置項目並已於正常運營下轉交予本集團的客戶，累計設計處置能力為435,000噸／年。於2020年，本集團額外完成了11個危險廢物焚燒處置項目，累計設計處置能力約為292,500噸／年。於2020年12月31日，本集團手上有18個危險廢物焚燒處置項目尚未完工，遍佈中國18個城市，累計設計處置能力約為446,000噸／年。下表載列於2020年竣工危險廢物焚燒處置項目及於2020年12月31日尚未完工危險廢物焚燒處置項目的概要：

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

Completed hazardous waste incineration projects in 2020:

於 2020 年竣工的危險廢物焚燒處置項目：

No.	Project	Designed Disposal/ Treatment Capacity (tonnes per annum)
編號	項目	設計處置／處理能力 (噸／年)
1	Xiamen hazardous waste incineration project	20,000
2	Shaoxing hazardous waste incineration project	20,000
3	Guizhou Qiannanzhou hazardous waste incineration project	20,000
4	Jiangsu Changqing Nonghua Nantong hazardous waste incineration project	22,500
5	Hubei Yaojiagang industrial waste treatment and utilisation project I	30,000
6	Sichuan Chengdu hazardous waste incineration project II	30,000
7	Foshan hazardous waste incineration project	30,000
8	Dongguan hazardous waste incineration project	20,000
9	Hangzhou 3rd solid waste treatment center project I	60,000
10	Xinjiang Bazhou hazardous waste and solid waste treatment center project	20,000
11	Jilin hazardous waste incineration project	20,000
	Total	292,500

* Completed project is defined as which the system functionality evaluation is completed.

* 已竣工項目界定為完成系統功能性評估的項目。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

Ongoing hazardous waste incineration projects as at 31 December 2020:

於2020年12月31日尚未完工的危險廢物焚燒處置項目：

No.	Project	Designed Disposal/ Treatment Capacity (tonnes per annum)	
編號	項目	設計處置／處理能力 (噸／年)	
1	Yantai hazardous waste incineration project	煙台危險廢物焚燒處置項目	30,000
2	North Bay hazardous waste incineration project	北部灣危險廢物焚燒處置項目	16,500
3	Guangzhou hazardous waste incineration project	廣州危險廢物焚燒處置項目	33,000
4	Zhuhai hazardous waste incineration project	珠海危險廢物焚燒處置項目	20,000
5	Jiangsu Nanjing hazardous waste incineration Project	江蘇南京危險廢物焚燒處置項目	21,000
6	Henan Puyang hazardous waste incineration project	河南濮陽危險廢物焚燒處置項目	15,000
7	Sichuan Zigong industry hazardous waste treatment project	四川自貢工業危險廢物處置項目	30,000
8	Anqing hazardous waste incineration project	安慶危險廢物焚燒處置項目	30,000
9	Shandong hazardous waste incineration project	山東危險廢物焚燒處置項目	33,000
10	Hubei Xianning hazardous waste incineration project	湖北咸寧危險廢物焚燒處置項目	21,000
11	Sichuan Meishan hazardous waste incineration project	四川眉山危險廢物焚燒處置項目	21,000
12	Yunfu hazardous waste incineration project	雲浮危險廢物焚燒處置項目	25,000
13	Huanggang hazardous waste incineration project	黃岡危險廢物焚燒處置項目	30,000
14	Xianju hazardous waste incineration project	仙居危險廢物焚燒處置項目	15,000
15	Guangzhou East Area hazardous waste incineration project	廣州東部危險廢物焚燒處置項目	33,000
16	Jiangsu Xuzhou hazardous waste incineration project	江蘇徐州危險廢物焚燒處置項目	20,000
17	Hubei Yichang hazardous waste incineration project	湖北宜昌危險廢物焚燒處置項目	22,500
18	Zhejiang Zhoushan hazardous waste incineration project	浙江舟山危險廢物焚燒處置項目	30,000
Total	總計	446,000	

Provision of Oilfield Auxiliary Services

On 26 March 2020, the Group completed the acquisition of Xinjiang Tiansheng Xinhong Environmental Protection Co., Ltd. ("Xinjiang Tiansheng"), which is principally engaged in the business of provision of oil sludge thermal desorption treatment services and oilfield auxiliary services in Xinjiang Uyghur Autonomous Region.

Through Xinjiang Tiansheng, the Group entered into the oilfield auxiliary services market of Xinjiang and recorded relevant revenue amounted to RMB48.5 million during the year.

提供油田周邊服務

於2020年3月26日，本集團完成了對新疆天聖新宏環保科技有限公司（「新疆天聖」）的收購，新疆天聖主要於新疆維吾爾自治區內從事油泥熱脫附處置業務以及油田周邊服務業務。

通過新疆天聖，本集團成功進入新疆的油田周邊服務市場並在本年錄得相關營收人民幣48.5百萬元。

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II. FINANCIAL POSITION AND OPERATING RESULTS

Revenue

Revenue decreased by 0.1% from RMB537.5 million for the year ended 31 December 2019 to RMB536.8 million for the year ended 31 December 2020.

The Group derived the majority of its revenue from provision of hazardous waste incineration solutions and the remainder from provision of oil sludge thermal desorption solution, pyrolysis solid waste treatment solutions and other services including technical upgrading and maintenance services.

Revenue from hazardous waste incineration solutions increased by 3.4% from RMB453.0 million for the year ended 31 December 2019 to RMB468.5 million for the year ended 31 December 2020. This increase was mainly driven by a combination of favourable factors: 1) general increase in market demand; and 2) increased customer recognition of the Group.

The Group recorded oilfield auxiliary services revenue amounted to RMB48.5 million for the year ended 31 December 2020 (2019: nil), which was brought by the acquisition of Xinjiang Tiansheng.

Revenue from other services (including technical upgrading services and maintenance services) increased by 17.8% from RMB16.3 million for the year ended 31 December 2019 to RMB19.2 million for the year ended 31 December 2020. This increase was attributable to more technical upgrading and maintenance services demand from customers during the year.

II. 財務狀況及經營業績

收入

收入從截至2019年12月31日止年度的人民幣537.5百萬元減少0.1%至截至2020年12月31日止年度的人民幣536.8百萬元。

本集團的大部分收入來自提供危險廢物焚燒處置解決方案，剩餘收入來自提供油泥熱脫附解決方案、無氧裂解固體廢物處置解決方案及其他服務(包括技術升級及維護服務)。

危險廢物焚燒處置解決方案的收入從截至2019年12月31日止年度的人民幣453.0百萬元增加3.4%至截至2020年12月31日止年度的人民幣468.5百萬元。該增長主要由各項有利因素共同推動：1)市場需求整體增長；及2)本集團客戶認可度提升。

截至2020年12月31日止年度，本集團錄得油田周邊服務收入為人民幣48.5百萬元(2019年：無)，該等收入是來自於收購新疆天聖。

來自其他服務的收入(包括技術升級及維護服務)從截至2019年12月31日止年度的人民幣16.3百萬元增加17.8%至截至2020年12月31日止年度的人民幣19.2百萬元。該增加主要歸因於本年度內客戶的技術升級及技術維護服務需求增加。

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Cost of Services

Cost of services increased by 15.4% from RMB393.3 million for the year ended 31 December 2019 to RMB453.9 million for the year ended 31 December 2020. This increase was mainly attributable to the increase in cost of services for the Group's hazardous waste incineration treatment business and provision of oilfield auxiliary services.

Cost of services for the Group's hazardous waste incineration treatment business consists primarily of (i) cost of equipment and materials; (ii) direct labour costs; (iii) sub-contracting costs; and (iv) others.

The cost of services for the Group's hazardous waste incineration treatment business increased by 13.0% from RMB353.6 million for the year ended 31 December 2019 to RMB399.4 million for the year ended 31 December 2020. This increase was mainly due to the Company has procured equipment and materials with higher cost for installation of certain hazardous incineration systems so as to improve the quality of our systems, enhance our corporate brand and maintain better relationship with our customers.

The Group's cost of oilfield auxiliary services was RMB37.2 million for the year ended 31 December 2020 (2019: nil), which was attributable to the commencement of oilfield auxiliary services after the completion of acquisition of Xinjiang Tiansheng in the first quarter of 2020.

Cost of services for other services increased by 22.6% from RMB12.4 million for the year ended 31 December 2019 to RMB15.2 million for the year ended 31 December 2020. This increase was in line with the Group's other services revenue, which increased in 2020 compared with 2019.

服務成本

服務成本從截至2019年12月31日止年度的人民幣393.3百萬元增加15.4%至截至2020年12月31日止年度的人民幣453.9百萬元。該增長主要歸因於本集團的危險廢物焚燒處置業務及提供油田周邊服務的服務成本上漲。

本集團危險廢物焚燒處置業務的服務成本主要包括：(i)設備及材料成本；(ii)直接人工成本；(iii)分包成本；及(iv)其他。

本集團危險廢物焚燒處置業務的服務成本從截至2019年12月31日止年度的人民幣353.6百萬元增加13.0%至截至2020年12月31日止年度的人民幣399.4百萬元。該增長主要歸因於為提高我們系統的質量、提升我們的公司品牌及維持與客戶的良好關係，本公司以較高的成本採購了用於安裝若干危險廢物焚燒系統的設備及材料。

截至2020年12月31日止年度，本集團來自油田周邊服務的服務成本為人民幣37.2百萬元(2019年：無)，歸因於本集團於2020年第一季度完成對新疆天聖的收購。

來自其他服務的服務成本從截至2019年12月31日止年度的人民幣12.4百萬元增加22.6%至截至2020年12月31日止年度的人民幣15.2百萬元。該增加與本集團之其他服務收入一致，而其於2020年較2019年增加。

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Gross Profit and Gross Profit Margin

The Group's gross profit decreased by 42.5% from RMB144.2 million for the year ended 31 December 2019 to RMB82.9 million for the year ended 31 December 2020, while the gross profit margin decrease from 26.8% for the year ended 31 December 2019 to 15.4% for the year ended 31 December 2020.

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

		Gross profit		GP margin	
		毛利		毛利率	
		2020	2019	2020	2019
		2020年	2019年	2020年	2019年
		RMB million	RMB million		
		人民幣百萬元	人民幣百萬元		
Hazardous waste incineration solutions	危險廢物焚燒處置解決方案	69.1	99.4	14.7%	21.9%
Pyrolysis solid waste treatment solutions	無氧裂解固體廢物處置解決方案	(1.5)	10.3	N/A	45.2%
Oilfield auxiliary services	油田周邊服務	11.3	—	23.3%	N/A
Oil sludge thermal desorption treatment services	油泥熱脫附處理服務	—	30.6	N/A	67.4%
Other services	其他服務	4.0	3.9	20.9%	23.9%
Total	合計	82.9	144.2	15.4%	26.8%

The gross profit of hazardous waste incineration solutions decreased by 30.5% from RMB99.4 million for the year ended 31 December 2019 to RMB69.1 million for the year ended 31 December 2020. This decrease was mainly attributable to the gross profit margin decreased. The gross profit margin of hazardous waste incineration solutions decreased from 21.9% for the year ended 31 December 2019 to 14.7% for the year ended 31 December 2020 primarily due to (i) the Company has adjusted the project price of the hazardous waste incineration solutions in view of the intense competition in the market and in order to maintain our leading market share; and (ii) the Company has procured equipment and materials with higher cost for installation of certain hazardous incineration systems so as to improve the quality of our systems, enhance our corporate brand and maintain good relationships with our customers.

毛利及毛利率

本集團的毛利從2019年的人民幣144.2百萬元減少42.5%至2020年的人民幣82.9百萬元，而毛利率從截至2019年12月31日止年度的26.8%減少至截至2020年12月31日止年度的15.4%。

下表載列於所述期間本集團各業務分部的毛利及毛利率。

危險廢物焚燒處置解決方案的毛利從截至2019年12月31日止年度的人民幣99.4百萬元減少30.5%至截至2020年12月31日止年度的人民幣69.1百萬元。該減少主要歸因於毛利率減少。危險廢物焚燒處置解決方案的毛利率從截至2019年12月31日止年度的21.9%減少至截至2020年12月31日止年度的14.7%，主要由於(i)鑒於市場競爭激烈及為維持領先市場份額，本公司已調整危險廢物焚燒處置解決方案的項目價格；及(ii)為提高我們系統的質量、提升我們的公司品牌及維持與客戶的良好關係，本公司以較高的成本採購了用於安裝若干危險廢物焚燒系統的設備及材料。

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The gross loss of provision of pyrolysis treatment of solid waste solution for the year ended 31 December 2020 amounted to RMB1.5 million (2019: gross profit amounted to RMB10.3 million), which were attributable to the Group's pyrolysis treatment project mainly progress in 2019 and some additional cost occurred in 2020.

The gross profit of oilfield auxiliary services for the year ended 31 December 2020 amounted to RMB11.3 million (2019: nil), which was attributable to the completion of acquisition of Xinjiang Tiansheng in the first quarter of 2020.

The gross profit of provision of oil sludge thermal desorption solution for the year ended 31 December 2020 was nil (2019: RMB30.6 million), which was attributable to the completion of the Group's existing oil sludge thermal desorption project by the end of 2019 and the new projects were still in initial stage.

The gross profit of other services increased by 2.6% from RMB3.9 million for the year ended 31 December 2019 to RMB4.0 million for the year ended 31 December 2020. This increase was attributable to the customers' demand for maintenance of hazardous waste incineration projects increase, which is in line with the Group's expansion in hazardous waste incineration business. The gross profit margin of other services decreased from 23.9% for the year ended 31 December 2019 to 20.8% for the year ended 31 December 2020 primarily due to the intense competition in the market.

Other Income, Gains and Losses

The Group's other income and gains decreased by 37.0% from RMB11.9 million for the year ended 31 December 2019 to RMB7.5 million for the year ended 31 December 2020, primarily attributable to one-off government grants received for Listing amounted to RMB8.1 million in 2019.

截至2020年12月31日止年度，提供固體廢物的無氧裂解處理解決方案的毛虧損為人民幣1.5百萬元(2019年：毛利潤人民幣10.3百萬元)，此乃歸因於本集團新的無氧裂解處理項目主要於2019年獲得進展及部分新增成本於2020年發生。

截至2020年12月31日止年度，油田周邊服務的毛利為人民幣11.3百萬元(2019年：無)，歸因於本集團於2020年第一季度完成對新疆天聖的收購。

截至2020年12月31日止年度，提供油泥熱脫附解決方案的毛利為無(2019年：人民幣30.6百萬元)，歸因於本集團現存的油泥熱脫附項目已於2019年底前結束且新的項目尚在啟動階段。

其他服務的毛利從截至2019年12月31日止年度的人民幣3.9百萬元增加2.6%至截至2020年12月31日止年度的人民幣4.0百萬元。該增長歸因於客戶對維護危險廢物焚燒處置項目的需求有所增加，符合本集團向其他固體廢物處理的業務擴展。其他服務的毛利率從截至2019年12月31日止年度的23.9%減少至截至2020年12月31日止年度的20.8%，此乃歸因於市場的激烈競爭。

其他收入、收益及虧損

本集團的其他收入及收益從截至2019年12月31日止年度的人民幣11.9百萬元減少37.0%至截至2020年12月31日止年度的人民幣7.5百萬元，主要歸因於2019年取得一次性的上市政府補貼人民幣8.1百萬元。

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Administrative Expenses

The Group's administrative expenses increased by 39.4% from RMB39.8 million for the year ended 31 December 2019 to RMB55.5 million for the year ended 31 December 2020, primarily attributable to (i) consolidation of the expenses of Xinjiang Tiansheng since 2020Q1, which has more than one hundred staff; (ii) the depreciation expense of oil sludge thermal desorption equipment was accrued as administrative expenses in 2020, while which was recognized as cost in 2019 due to the completion of the Group's existing oil sludge thermal desorption project by the end of 2019.

Other Expenses

Other expenses mainly include research and development expenses, which including staff costs, material and other related costs mainly in connection with the research and development of solid waste treatment applications.

The Group's research and development expenses increased by 3.8% from RMB21.1 million for the year ended 31 December 2019 to RMB21.9 million for the year ended 31 December 2020, primarily attributable to the Group continued our focus of research and development on hazardous waste incineration solutions and new area.

Written-off and impairment losses, net of reversal

The Group's written-off and impairment losses increased from RMB0.8 million for the year ended 31 December 2019 to RMB15.4 million for the year ended 31 December 2020. This increase was attributable to new provision accrued for account receivable due to the impact of the novel coronavirus outbreak.

Finance costs

The Group's finance costs increased by 118.2% from RMB1.1 million for the year ended 31 December 2019 to RMB2.4 million for the year ended 31 December 2020, primarily attributable to the increase of borrowings.

行政開支

本集團的行政開支從截至2019年12月31日止年度的人民幣39.8百萬元增加39.4%至截至2020年12月31日止年度的人民幣55.5百萬元，主要歸因於(i)自2020年一季度開始合併新疆天聖的費用，該公司擁有過百名員工；(ii)油泥熱脫附設施的折舊費用於2020年計入行政開支，於2019年計入服務成本，歸因於本集團現存的油泥熱脫附項目已於2019年底結束。

其他開支

其他開支主要包括研發開支(包括主要與固體廢物處理應用研發有關的人工成本、材料及其他相關成本)。

本集團的研發開支從截至2019年12月31日止年度的人民幣21.1百萬元增加3.8%至截至2020年12月31日止年度的人民幣21.9百萬元，主要歸因於本集團繼續專注於研發危險廢物焚燒處置解決方案及新技術領域。

撇銷及減值虧損(扣除撥回)

本集團之減值虧損從截至2019年12月31日止年度的人民幣0.8百萬元增加至截至2020年12月31日止年度的人民幣15.4百萬元。該等增加主要由於新冠疫情的影響針對應收款項計提新的撥備。

融資成本

本集團的融資成本自截至2019年12月31日止年度的人民幣1.1百萬元增加118.2%至截至2020年12月31日止年度的人民幣2.4百萬元，主要歸因於借款的增加。

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Income Tax Expense

Income tax expense consists of current tax and deferred tax for PRC enterprise income tax.

The Company operated business principally through its PRC subsidiaries which were subject to the PRC enterprise income tax at a statutory rate of 25% on its estimated assessable profits for the year ended 31 December 2020 (2019: 25%). Guangzhou Weigang was recognised as a “High and New Technology Enterprise” in 2019 again and was entitled to a preferential PRC income tax rate of 15% for each of 2020, 2020 and 2021 and such recognition can be applied for renewal every three years. Xinjiang Tiansheng and Karamay Shuangxin Company Limited were entitled to a tax concession of Western Development at a preferential corporate income tax rate of 15% in 2020.

Profit for the Year

For the year 31 December 2020, the Group recorded net loss amounted to RMB7.4 million, and the net loss margin of the Group was 1.4%, compared with the net profit amounted to RMB78.0 million and the net profit margin of 14.5% for the year ended 31 December 2019. It's mainly due to (1) the novel coronavirus outbreak in 2020, which caused disruption to the Group's business plan (including but not limited to the delay of hazardous waste incineration solutions progress); and (2) the gross profit margin of hazardous waste incineration solutions decreased because of the intense competition in the market.

Trade and note receivables

The increase in trade and note receivables from RMB143.9 million as at 31 December 2019 to RMB235.0 million as at 31 December 2020 was primarily due to an increase in the total number of ongoing hazardous waste incineration projects.

The average trade receivables turnover days increased from 83.6 days in 2019 to 99.4 days in 2020 as the Group consolidated Xinjiang Tiansheng engaged in the oilfield auxiliary services, which has longer turnover days for the receivables, a common practice to deal with the oil production entity.

所得稅開支

所得稅開支包括中國企業所得稅的即期稅項及遞延稅項。

本公司主要透過中國附屬公司運營業務，該等附屬公司於截至2020年12月31日止年度就估計應課稅利潤按25%（2019年：25%）的法定稅率繳納中國企業所得稅。廣州維港於2019年被再度評為「高新技術企業」，並有權於2019年、2020年及2021年各年度享受15%的中國所得稅稅率優惠。該項認可每三年可申請續期。新疆天聖及克拉瑪依雙信有限公司享有西部大開發稅收優惠，於2020年按企業所得稅優惠稅率15%納稅。

年內利潤

與截至2019年12月31日止年度的純利人民幣78.0百萬元及淨利率14.5%相比，本集團截至2020年12月31日止年度錄得淨虧損人民幣7.4百萬元，而本集團的淨虧損率則為1.4%。主要由於(1)新型冠狀病毒疫情於2020年爆發，對本集團的業務計畫造成干擾（包括但不限於危險廢物焚燒處置解決方案專案進度的延誤）；及(2)市場競爭激烈以致危險廢物焚燒處置解決方案的毛利率減少。

貿易應收款項及應收票據

貿易應收款項及應收票據自2019年12月31日的人民幣143.9百萬元增加至2020年12月31日的人民幣235.0百萬元，主要原因是正在進行的危險廢物焚燒處置項目總數增加。

貿易應收款項的平均周轉日數自2019年的83.6日增加至2020年的99.4日，原因是集團合併從事油田周邊服務的天聖新宏，該公司應收款項的周轉日數相對較長，此舉亦為與產油實體進行買賣的普遍慣例。

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Trade payables

The increase in trade payables from RMB119.6 million as at 31 December 2019 to RMB152.0 million as at 31 December 2020 was primarily due to an increase in the procurement of equipment and materials, as well as sub-contracting services which was generally in line with the expanded business and number of ongoing projects of hazardous waste incineration at the end of 2020.

The average trade payables turnover days increased from 94.5 days in 2019 to 109.2 days in 2020 as the Group intended to better manage liquidity and cash flow.

Contract assets

The increase in contract assets from RMB274.4 million as at 31 December 2019 to RMB278.7 million as at 31 December 2020 was primarily due to an increase in our total number of ongoing hazardous waste incineration projects.

Contract liabilities

The increase in contract liabilities from RMB44.2 million as at 31 December 2019 to RMB105.1 million as at 31 December 2020 was primarily due to an increase in our total number of ongoing hazardous waste incineration projects.

Borrowings

As at 31 December 2020, the Group had borrowings of RMB55.7 million provided by several financial institutions in China, which were secured by the Group's assets and the personal guarantee provided by the Group's controlling shareholder, Mr. Cai Zhuhua, and his spouse, Ms. Huang Ying (2019: RMB26.6 million).

Capital Expenditure

For the year ended 31 December 2020, the Group's material capital expenditure amounted to approximately RMB16.6 million (2019: RMB73.8 million), mainly used for (1) the purchase of the company and the land for oil sludge treatment project; (2) the purchase of facility for solid waste treatment projects owned by the Group that were under construction.

貿易應付款項

貿易應付款項自2019年12月31日的人民幣119.6百萬元增加至2020年12月31日的人民幣152.0百萬元，主要原因是我們採購的設備和材料增加以及分包服務總體符合我們的業務擴張及2020年底正在進行的危險廢物焚燒處置項目數量。

貿易應付款項的平均周轉日數自2019年的94.5日增加至2020年的109.2日，原因是本集團有意更好地管理流動資金及現金流。

合約資產

合約資產自2019年12月31日的人民幣274.4百萬元增加至2020年12月31日的人民幣278.7百萬元，主要原因是正在進行的危險廢物焚燒處置項目總數增加。

合約負債

合約負債自2019年12月31日的人民幣44.2百萬元增加至2020年12月31日的人民幣105.1百萬元，主要原因是正在進行的危險廢物焚燒處置項目總數增加。

借款

於2020年12月31日，本集團獲數間中國金融機構借款為人民幣55.7百萬元，有關借款由本集團的資產提供擔保及本集團控股股東蔡珠華先生及其配偶黃瑛女士提供個人擔保(2019年：人民幣26.6百萬元)。

資本開支

截至2020年12月31日止年度，本集團的重大資本開支約為人民幣16.6百萬元(2019年：人民幣73.8百萬元)，主要用於(1)為油泥處理項目購買公司及土地；(2)為集團自有在建的固體廢物處置項目購買設備。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

Capital Commitment

As at 31 December 2020, the Group had capital commitment amounted to RMB19.5 million (2019: RMB13.0 million) which consisted mainly of payments to be made for (1) the Cement Plant Co-treatment project in Guangdong; (2) the pyrolysis solid waste treatment project in Sichuan.

Pledge of Assets

As at 31 December 2020, the Group had pledged deposits of RMB43.4 million (2019: RMB53.0 million) mainly for (1) deposit for bank acceptance which the Groups issued to its suppliers; and (2) deposit for bank guarantee given to several customers for performance obligation fulfilment.

Contingent Liabilities

As at 31 December 2020, the Group had no material contingent liabilities.

Gearing Ratio

As at 31 December 2020, the current assets of the Group were approximately RMB712.3 million, total assets were approximately RMB938.7 million, current liabilities were approximately RMB330.4 million and total liabilities were approximately RMB343.6 million. The gearing ratio (total liabilities/total assets) of the Group was approximately 36.6% (2019: 28.4%).

III. PROSPECTS

In recent years, the PRC government has over time introduced a series of policies that have far-reaching impact on the development of the environmental protection industry, and promoted the sustained and rapid development of environmental protection. The realisation of “Beautiful China initiative” and “Ecological Civilization” has been written into the PRC Constitution, highlighting the importance of ecological civilization construction in the overall layout of the country, and the construction of ecological civilization has risen to the level of national will. With a strong support from national policies, the demand for solid waste treatment will continue to grow. The Group will seize these development opportunities by virtue of its own strength and a leading solid waste treatment solutions provider in China.

資本承擔

於2020年12月31日，本集團的資本承擔為人民幣19.5百萬元(2019年：人民幣13.0百萬元)，主要包括為就(1)廣東水泥廠協同處理項目；及(2)四川無氧裂解固體廢物處置項目所作的付款。

資產抵押

於2020年12月31日，本集團已抵押存款人民幣43.4百萬元(2019年：人民幣53.0百萬元)，主要有關(1)本集團向其供應商發出的銀行承兌匯票按金；及(2)出具給若干客戶履行履約義務的銀行保函按金。

或有負債

於2020年12月31日，本集團概無重大或有負債。

資本負債比率

於2020年12月31日，本集團有流動資產約人民幣712.3百萬元、資產總額約人民幣938.7百萬元、流動負債約人民幣330.4百萬元及負債總額約人民幣343.6百萬元。本集團的資本負債比率(負債總額/資產總額)約為36.6%(2019年：28.4%)。

III. 前景

近年，中國政府已隨時間推出一系列對環保行業發展有深遠影響的政策，並促進環境保護的可持續及急速發展。實現「美麗中國倡議」及「生態文明」已獲納入中國憲法，強調建立生態文明對國家整體布局的重要性，且建立生態文明已提升至國家願景層面。憑藉國家政策所提供的強大支持，固體廢物處理的需求將繼續增長。作為中國領先固體廢物處理解決方案供應商，本集團將透過其自身優勢把握該等發展機遇。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

So far, the prevention and control measures of the new coronavirus pandemic ("COVID-19 pandemic") adopted by various countries are still under huge pressures due to the global spread of COVID-19 pandemic, having a significant impact on the global economy. In addition, intensifying geopolitical conflict against the backdrop of COVID-19 pandemic has also painted a grim outlook of global economy with uncertainties.

At present, the COVID-19 pandemic appears to be effectively controlled in China, and domestic economic activities has returned to normal since the reopening of businesses at steady and gradual pace. The latest series of economic data also show that the Chinese economy has been resilient against the COVID-19 pandemic. As the pressures and challenges still weigh on the external economic landscape and the pandemic-control, China is expected to focus on pursuing economic progress while ensuring overall stability. Upon the balance between normalizing COVID-19 prevention efforts and promoting economic and social development, China' economy will be propelled to a phase of high-quality growth.

Taking into account the challenge for epidemic prevention, the Group has set up a epidemic prevention regime comprising the head office and the project companies, with specific duties, tasks and guidelines for epidemic prevention allocated to ensure that there would be no blind spots in epidemic prevention. The impact of the epidemic of coronavirus on the operation status of the Group has been controllable as a result of the adoption of the plans mentioned above.

In the first half of 2020, the lockdown measures and restrictions implemented by the government as a result of the COVID-19 pandemic caused supply chain disruptions and construction delays of our projects. With our customers and suppliers adjusting their operations to adapt the ongoing social-distancing measures, the equipment supplies and the construction activities have gradually returned to close to normal levels since the middle of the year.

目前，新型冠狀病毒疫情(「新冠疫情」)仍在全球範圍內肆虐蔓延，疫情防控形勢仍然嚴峻，各國因此而採取的防控措施對全球經濟體系造成較大沖擊。除此以外，疫情背景下地緣政治沖突日趨緊張，令全球經濟前景充滿較多不確定性。

目前，新冠疫情在中國已得到有效控制，復工復產持續有效推進，國內經濟活動逐漸回歸正常，最新公布的系列經濟數據也顯示出中國經濟在抵禦新冠疫情沖擊時體現的強勁韌性。鑒於外部經濟及疫情防控形勢依然嚴峻，預計未來國內仍將堅持穩中求進的總基調，統籌疫情防控常態化及經濟社會發展工作，推動經濟高質量發展。

經考慮防疫工作帶來挑戰後，本集團已建立由總辦事處及項目公司組成的防疫體系，就防疫發布具體職責、任務及指引，確保防疫工作併無盲點。由於採納上文所述的計劃，故冠狀病毒疫情對本集團營運狀況的影響已受控。

於二零二零年上半年，政府因COVID-19疫情而實施的封城措施及限制導致的供應鏈中斷及我們的項目施工延誤。隨著我們的客戶及供應商調整其營運以適應持續實施的社交距離措施，設備供應及施工活動自年中起已逐漸恢復至接近正常水平。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

The Group will continue to capture the opportunities brought by the policies for the development of the environmental protection industry, and actively seize more business opportunities from solid waste treatment by commercialising its advanced solid waste treatment technologies to market with the resources from strategic shareholders, the capital market network, and its strong R&D capabilities. The Group will still continue to focus on the technology innovation to further expand the Group's business scope, maintain the Group's leading position in the market, maximize shareholder returns. Looking forward, the Group will carry out the following tasks with its existing advantages:

Continue to consolidate the leading market position and expand the market share on hazardous waste incineration

The Group will focus on: (1) further improving technics on hazardous waste incineration treatments; (2) continue to cultivate customer relationships as well as explore new customers in both China and oversea markets; (3) facilitate more frequent communications and provide more comprehensive value-add services with industry participants; and (4) further investment on other area of hazardous waste treatment, including applying the facilities of oil sludge thermal desorption technology, upgrading cement production facilities to implement hazardous waste cooperative disposal system and etc.

Grasp more business opportunities on solid waste treatment through industrialization of pyrolysis technology

The Group will explore the demand of market by developing and commercializing solutions for a number of new solid waste treatment applications such as with respect to waste new energy batteries and waste paper residues.

本集團將繼續抓住環保行業發展政策所帶來的機遇，以來自策略性股東的資源將先進的固體廢物處理技術商業化，積極把握更多來自固體廢物處理的商機。本集團將繼續專注於技術創新，進一步拓展本集團的業務範疇，維持本集團的市場領先地位，為股東帶來最大回報。展望未來，本集團將繼續以其現有優勢專注進行以下任務：

繼續鞏固領先市場地位，並擴大在危險廢物處置領域的市場份額

本集團將專注於：(1) 進一步提高危險廢物焚燒處理技術；(2) 於國內外市場繼續培養客戶關係及發掘新客戶；(3) 與行業參與者進行更頻繁的溝通及提供更全面的增值服務；及(4) 進一步投資危險廢物處理的其他範疇，包括應用油泥熱脫附技術及升級水泥生產設施以推行協作處置系統等。

通過將無氧裂解技術工業化，把握更多來自固體廢物處理領域的商機

本集團將通過開發及商業化其他多種新固體廢物處置應用解決方案(例如廢舊新能源電池及廢紙渣處置等)，以挖掘市場需求。

MANAGEMENT DISCUSSION AND ANALYSIS

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Further enhance our competitiveness and risk management with the adoption of more project models

The Group will continue to seek opportunities to participate in solid waste treatment projects by exploring different project models, such as the first operation and maintenance services project, an oil sludge treatment facility designed and commissioned in Karamay. In future, the Group may also consider investing in and/or operating its own solid waste treatment projects as primary or joint project owner in other new area of solid waste treatment industry.

Utilize capital market platform to realize enterprise value appreciation

While developing business and expanding the markets, the Group will leverage its strong capital strength to enter the fields of solid waste treatment through various approaches, such as technology cooperation, investment, mergers and acquisitions, so as to build an integrated environmental industry group.

EMPLOYEE AND REMUNERATION POLICIES

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

As at 31 December 2020, the Group employed 332 employees (2019: 230 employees), among which more than 200 were personnel conducting R&D, project management and execution for our business.

Remuneration of Directors is determined based on their roles and duties and with reference to the market conditions, the Company's remuneration policy and the prevailing market conditions, subject to the approval by the shareholders in the general meeting.

我們將採用更多的項目模式，進一步提升競爭力併加強風險管理

本集團將繼續通過發掘不同項目模式，以尋求參與固體廢物處置項目的機遇，例如首個運營及維護服務項目以及於克拉瑪依設計和調試的油泥處理設施。將來，本集團亦可能會考慮以項目主要或聯合擁有人的身份投資及／或運營自有的固體廢物處理項目的其他新範疇。

運用資本市場平臺實現企業增值

於發展業務及擴展市場時，本集團將憑藉其強勁資本優勢透過各途徑（如技術合作、投資、併購）進入固體廢物處理領域，從而建立一個綜合環保行業集團。

僱員及薪酬政策

薪酬委員會已告成立，以檢討本集團的酬金政策以及董事及本集團高級管理層整體薪酬的架構，其中已考慮到本集團的經營業績、董事及高級管理層的个人工作表現以及相若市場慣例。

於2020年12月31日，本集團聘有332名僱員（2019年：230名僱員），其中超過200名僱員負責我們業務的研發、項目管理及執行。

董事的薪酬乃根據彼等的職責及職務併經參考市況、本公司的薪酬政策及現行市況後釐定，惟須待股東於股東大會上批准方可作實。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

USE OF PROCEEDS

The Company was listed on the Stock Exchange on 3 January 2019. The net proceeds raised from the global offering were approximately HK\$259.4 million (approximately equivalent to RMB227.2 million). During the year ended 31 December 2020, there was no change in the intended use of net proceeds as previously disclosed in the prospectus of the Company dated 19 December 2018 (the “prospectus”).

所得款項用途

本公司於2019年1月3日在聯交所上市。全球發售募集的所得款項淨額約為259.4百萬港元（約等於人民幣227.2百萬元）。截至2020年12月31日止年度內，先前在2018年12月19日的本公司招股章程（「招股章程」）披露的所得款項淨額擬定用途概無變動。

<i>Unit: RMB million</i>	Net proceeds from the global offering	Utilisation up to 31 December 2020	Unutilised amount	Expected timeline of the unutilised amount
<i>單位：人民幣百萬元</i>	全球 發售所得 款項淨額	截至2020年 12月31日 已動用金額	未動用金額	未動用金額 預計使用時間
Utilisation of the pyrolysis technology for the treatment of various types of solid waste 用作利用各類固體廢物處理的無氧裂解技術	90.9	90.9	—	N/A 不適用
Establishment of a research and engineering centre 用作設立研究與工程技術中心	45.4	—	45.4	The unutilised amount is expected to be fully utilised by the second half of 2023 未動用金額預計在2023年下半年前全部使用完畢
Commercialisation of oil sludge thermal desorption technology 用作油泥熱脫附技術的商業化	34.1	11.0	23.1	The unutilised amount is expected to be fully utilised by the second half of 2023 未動用金額預計在2023年下半年前全部使用完畢
Invest in and operate the business of cement plant parallel kiln co-treatment solutions 用作投資及經營水泥回轉窯平行協同處置解決方案業務	34.1	26.1	8.0	The unutilised amount is expected to be fully utilised by the second half of 2023 未動用金額預計在2023年下半年前全部使用完畢
Working capital and general corporate use 用作營運資金及一般公司用途	22.7	22.7	—	N/A 不適用
Total 總計	227.2	150.7	76.5	

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

OTHER INFORMATION

Adoption of Dividend Policy

The Board has approved and adopted a dividend policy on 26 March 2019 (“Dividend Policy”) that aims to set out the principles and guidelines of the Company in relation to the declaration, recommendation and payment of dividends to its shareholders.

Under the Dividend Policy, the Company does not have any pre-determined dividend payout ratio. Distribution of dividends should be in the interests of the Company and its shareholders as a whole. When considering dividend declaration recommendation, the Board shall take into account of the following factors:

- (i) business condition and strategy of the Group;
- (ii) capital requirement for the Group's existing/ potential project or investment;
- (iii) earnings, financial and cash flow position and distributable reserves of the Company and the Group; and
- (iv) other factors that the Board deem relevant.

The declaration and payment of dividends is subject to the provisions of the Articles of the Company, the Companies Law of the Cayman Islands and any other applicable laws, rules and regulations.

The Board has the sole discretion to recommend or not to recommend final dividends to the shareholders for approval; and to declare or not to declare any other dividends, including but not limited to interim and/or special dividends, after taking into consideration the factors as stated in the Dividend Policy.

The Dividend Policy may be updated, amended and modified from time to time as the Board may think fit and necessary.

其他資料

採納股息政策

董事會已於2019年3月26日批准並採納股息政策(「股息政策」)，旨在列明有關本公司向其股東宣派、建議及派付股息的原則及指引。

根據股息政策，本公司並無任何預定的派息比率。派付股息應符合本公司及其股東的整體利益。於考慮宣派股息的建議時，董事會應考慮以下因素：

- (i) 本集團的業務狀況及戰略；
- (ii) 本集團現有／潛在項目或投資的資金需求；
- (iii) 本公司及本集團的盈利、財務及現金流量狀況以及可供分派儲備；及
- (iv) 董事會認為相關的其他因素。

宣派及派付股息須遵守以下文件的規定：本公司的章程細則、開曼群島《公司法》以及任何其他適用法律、規則及法規。

經考慮股息政策所述因素後，董事會可全權酌情向股東建議或不建議派付末期股息以供批准；及宣派或不宣派任何其他股息，包括但不限於中期及／或特別股息。

倘董事會認為適當及必要，可不時更新、修訂及修改股息政策。

DIRECTORS AND SENIOR MANAGEMENT

董事及高級管理層

DIRECTORS

董事

Name 姓名	Age 年齡	Date of appointment 獲委任日期	Position 職位
Mr. CAI Zhuhua 蔡珠華先生	57 57 歲	18 May 2017 2017 年 5 月 18 日	Executive Director 執行董事
Mr. DONG Honghui 董紅暉先生	50 50 歲	27 April 2018 2018 年 4 月 27 日	Executive Director 執行董事
Mr. DENG Zhaoshan 鄧兆善先生	54 54 歲	27 April 2018 2018 年 4 月 27 日	Executive Director 執行董事
Mr. GU Chunbin 辜淳彬先生	31 31 歲	11 March 2021 2021 年 3 月 11 日	Executive Director 執行董事
Mr. YANG Zhifeng 楊志峰先生	57 57 歲	3 January 2019 2019 年 1 月 3 日	Independent non-executive Director 獨立非執行董事
Mr. FENG Tao 馮濤先生	46 46 歲	3 January 2019 2019 年 1 月 3 日	Independent non-executive Director 獨立非執行董事
Mr. JIANG Guoliang 蔣國良先生	45 45 歲	3 January 2019 2019 年 1 月 3 日	Independent non-executive Director 獨立非執行董事

DIRECTORS AND SENIOR MANAGEMENT

董事及高級管理層

Mr. CAI Zhuhua, aged 57, is an executive Director and the chairman of our Board since 27 April 2018. Mr. CAI is responsible for the management of the Board and the overall management, strategic planning and business development of our Group. Mr. CAI is the spouse of Ms. HUANG, who is a member of our senior management. Mr. CAI is also the chairman of the nomination committee of the Board.

Mr. CAI has over 22 years' experience in providing solid waste treatment solutions and in particular for hazardous waste incineration.

Mr. CAI was awarded a bachelor's degree in welding engineering by South China University of Technology* (華南理工大學) (then known as South China Engineering College* (華南工學院)) in the PRC in July 1984. Mr. CAI was certified as an engineer by Guangzhou Science and Technology Committee* (廣州市科學技術委員會) in March 1993.

Mr. DONG Honghui, aged 50, is an executive Director since 27 April 2018. Mr. DONG is responsible for the daily operation of our Group.

Mr. DONG has over 15 years' experience in providing solid waste treatment solutions. Mr. DONG joined the Group in 2009 and has been the general manager of Guangzhou Weigang Environmental Protection Technology Limited* (廣州維港環保科技有限公司) ("Guangzhou Weigang"), a wholly-owned subsidiary of the Company. In addition, he is also a director of a certain subsidiaries of the Group.

Mr. DONG obtained a bachelor's degree in material science and engineering from Northwestern Polytechnical University* (西北工業大學) in China in July 1993. Mr. DONG was certified as a mechanical engineer by Guangzhou Personnel Bureau* (廣州市人事局) in January 2003.

Mr. DENG Zhaoshan, aged 54, is an executive Director since 27 April 2018. Mr. DENG is responsible for the project management, technical supervision and research and development for our Group's business.

蔡珠華先生，57歲，自2018年4月27日為執行董事兼董事長。蔡先生負責董事會管理以及本集團整體管理、戰略規劃及業務發展。蔡先生為高級管理層成員黃女士的配偶，亦為董事會提名委員會主席。

蔡先生於提供固體廢物處理解決方案(尤其是危險廢物焚燒)方面擁有逾22年經驗。

蔡先生於1984年7月在中國獲華南理工大學(當時稱華南工學院)授予焊接工程學士學位。蔡先生於1993年3月獲廣州市科學技術委員會頒發工程師資格。

董紅暉先生，50歲，自2018年4月27日起出任執行董事。董先生負責本集團日常運營。

董先生於提供固體廢物處理解決方案方面擁有逾15年經驗。董先生於2009年加入本集團，此後，一直擔任本公司全資附屬公司廣州維港環保科技有限公司(「廣州維港」)的總經理。此外，彼亦為本集團若干附屬公司的董事。

董先生於1993年7月獲得中國西北工業大學材料科學與工程學士學位。董先生於2003年1月獲廣州市人事局頒發機械工程師資格。

鄧兆善先生，54歲，自2018年4月27日起出任執行董事。鄧先生負責本集團業務的項目管理、技術監督及研發。

DIRECTORS AND SENIOR MANAGEMENT

董事及高級管理層

Mr. DENG has over 14 years' experience in providing solid waste treatment solutions. He joined our Group in 2009 and has been the chief engineer and a deputy general manager of Guangzhou Weigang. In addition, he is also a director of a certain subsidiaries of the Group.

Mr. DENG received a bachelor's degree in Cementitious Material Science from South China University of Technology* (華南理工大學) in China in July 1988. Mr. DENG was certified as a cement production process engineer by Guangdong International Trust & Investment Co., Ltd.* (廣東國際信託投資公司) in November 1995.

Mr. GU Chunbin, aged 31, is an executive Director since 11 March 2021. Mr. GU is responsible for corporate governance, corporate investment, corporate finance, and investor relations of the Group.

Mr. GU is experienced in investment, finance, corporate finance and business management. He joined our Group in December 2016 as a consultant to provide advice on financial matters and strategic development of our Group. In addition, he is also one of the joint company secretaries of the Company as well as the head of corporate investment and financing.

Mr. Gu received a bachelor's degree in logistics management from Shanghai Institute of Foreign Trade* (上海對外貿易學院) in China in July 2012 and concurrently, a bachelor's degree in business (logistics and supply chain management) from the Royal Melbourne Institute of Technology in Australia in June 2012. He also obtained a master's degree in media management from the Hong Kong Baptist University in Hong Kong in November 2013.

Mr. YANG Zhifeng, aged 57, has been appointed as an independent non-executive Director and a member of the audit committee of the Board on 3 January 2019.

Mr. YANG has over 23 years of experience in research and education in the environmental science field. Since October 1995, Mr. YANG has been working as a professor at the School of Environment of Beijing Normal University* (北京師範大學). Mr. YANG served as the head of the Institute of Environmental Science* (環境科學研究所) of Beijing Normal University* (北京師範大學) from November 1999 to September 2003. From October 2003 to January 2016, Mr. YANG served as the dean of School of Environment of Beijing Normal University* (北京師範大學).

鄧先生於提供固體廢物處理解決方案方面擁有逾14年經驗。其於2009年加入本集團，此後，一直擔任廣州維港總工程師及副總經理。此外，彼亦為本集團若干附屬公司的董事。

鄧先生於1988年7月在中國獲華南理工大學膠凝材料學學士學位。鄧先生於1995年11月獲廣東國際信託投資公司頒發水泥生產工藝工程師資格。

辜淳彬先生，31歲，自2021年3月11日起出任執行董事。辜先生負責本集團企業管治、企業投資、企業融資及投資者關係。

辜先生於投資、財務、企業融資及業務管理擁有豐富經驗。其於2016年12月加入本集團擔任顧問，就本集團的財務事宜及戰略發展提供意見。彼亦為本公司聯席公司秘書之一兼企業投融資部總經理。

辜先生於2012年7月自中國上海對外貿易學院取得物流管理專業學士學位，同時，於2012年6月自澳洲皇家墨爾本理工大學取得商學(物流與供應鏈管理)學士學位。其亦於2013年11月在香港自香港浸會大學取得傳媒管理專業碩士學位。

楊志峰先生，57歲，於2019年1月3日獲委任為獨立非執行董事及董事會審核委員會成員。

楊先生於環境科學領域擁有逾23年的研究及教育經驗。自1995年10月起，楊先生一直於北京師範大學環境學院擔任教授。自1999年11月至2003年9月，楊先生於北京師範大學環境科學研究所擔任所長。自2003年10月至2016年1月，楊先生擔任北京師範大學環境學院院長。

DIRECTORS AND SENIOR MANAGEMENT

董事及高級管理層

Mr. YANG obtained the degree of doctor in philosophy in engineering from Tsinghua University (清華大學) in China in December 1989. Mr. YANG has been a fellow member of the Chinese Academy of Engineering* (中國工程院) since November 2015.

Mr. FENG Tao, aged 46, has been appointed as an independent non-executive Director and the chairman of the audit committee and the remuneration committee and a member of the nomination committee of the Board on 3 January 2019.

Mr. FENG has over 17 years' experience in providing financial management services to listed companies. Mr. FENG served as the chief financial officer, from September 2013 to November 2017, and an executive director, from December 2013 to October 2017, of Peace Map Holding Limited (天下圖控股有限公司), the shares of which are listed on the Stock Exchange (stock code: 402).

Mr. FENG obtained his bachelor's degree in accounting from Central University of Finance and Economics (中央財經大學) in China in June 1997 and a master's degree in business administration from Peking University (北京大學) in China in January 2010. Mr. FENG obtained a professional technology qualification in business administration and economics (intermediate level)* (工商管理經濟(中級)專業技術資格) from the Ministry of Human Resources and Social Security of the PRC* (中華人民共和國人力資源和社會保障部) in November 2004.

楊先生於1989年12月獲得中國清華大學工程系博士學位。自2015年11月起，楊先生為中國工程院院士。

馮濤先生，46歲，於2019年1月3日獲委任為獨立非執行董事兼董事會審核委員會及薪酬委員會主席以及提名委員會成員。

馮先生於向上市公司提供財務管理服務方面擁有逾17年經驗。馮先生分別自2013年9月至2017年11月及自2013年12月至2017年10月擔任天下圖控股有限公司(其股份於聯交所上市，股份代號：402)的財務總監及執行董事。

馮先生於1997年6月獲得中國中央財經大學會計學學士學位，於2010年1月獲得中國北京大學工商管理碩士學位。馮先生於2004年11月獲中華人民共和國人力資源和社會保障部頒發工商管理經濟(中級)專業技術資格。

DIRECTORS AND SENIOR MANAGEMENT

董事及高級管理層

Mr. JIANG Guoliang, aged 45, has been appointed as an independent non-executive Director and a member of the audit committee, the remuneration committee and the nomination committee of the Board on 3 January 2019.

Mr. JIANG has served as a partner of T&C (Zhejiang) Law Firm* (浙江天冊律師事務所) since October 2012. Prior to that, Mr. JIANG was a vice president of BOCGI Zheshang Capital Co. Ltd.* (中銀投資浙商產業基金管理有限公司) from August 2010 to September 2012, a partner of the Hangzhou branch of King & Wood Mallesons (北京金杜律師事務所杭州分所) from August 2008 to July 2010 and an associate of T&C (Zhejiang) Law Firm* (浙江天冊律師事務所) from April 1999 to July 2008.

Mr. JIANG has been an independent director of Zhejiang Communications Technology Co., Ltd.* (浙江交通科技股份有限公司) since December 2013, the shares of which are listed on the Shanghai Stock Exchange (stock code: 002061), and an independent non-executive director of OKG Technology Holdings Limited (歐科雲鏈控股有限公司) (Formerly known as Leap Holdings Group Limited) since 31 August 2018, the shares of which are listed on the Stock Exchange (stock code: 1499).

Mr. JIANG obtained his bachelor's degree in laws from Peking University* (北京大學) in the PRC in July 1997, and is a practising PRC lawyer.

蔣國良先生，45歲，於2019年1月3日獲委任為獨立非執行董事兼董事會審核委員會、薪酬委員會及提名委員會成員。

蔣先生自2012年10月起擔任浙江天冊律師事務所合夥人。在此之前，自2010年8月至2012年9月，蔣先生為中銀投資浙商產業基金管理有限公司副總裁；自2008年8月至2010年7月，為北京金杜律師事務所杭州分所合夥人及自1999年4月至2008年7月為浙江天冊律師事務所的執業律師。

自2013年12月起，蔣先生擔任浙江交通科技股份有限公司(其股份於上海證券交易所上市，證券代碼：002061)的獨立董事，並自2018年8月31日起擔任歐科雲鏈控股有限公司(前稱前進控股集團有限公司，其股份於聯交所上市，股份代號：1499)的獨立非執行董事。

蔣先生於1997年7月獲得中國北京大學法學學士學位，且其為中國執業律師。

DIRECTORS AND SENIOR MANAGEMENT

董事及高級管理層

SENIOR MANAGEMENT 高級管理層

Name	Age	Date of joining the Group	Position	Responsibility
姓名	年齡	加入本集團的日期	職位	職責
Ms. HUANG Ying 黃瑛女士	53 53歲	15 July 2009 2009年7月15日	Deputy general manager 副總經理	Overseeing the daily operations of our Group 監督本集團日常運營
Mr. CUI Jinhong 崔錦鴻先生	47 47歲	1 February 2017 2017年2月1日	Vice President 副總裁	Overseeing the daily operations of our Group 監督本集團日常運營
Mr. ZHENG Ziyuan 鄭梓元先生	36 36歲	2 March 2018 2018年3月2日	Chief financial officer 首席財務官	Overseeing the financial and accounting affairs of our Group 監督本集團財務及會計事務

Ms. HUANG Ying, aged 53, joined our Group in July 2009 as a deputy general manager of Guangzhou Weigang and is mainly responsible for overseeing our daily operations. She is a director of Guangzhou Weigang.

Ms. HUANG received a college diploma in architectural studies from the Guangdong Architectural Engineering Technical College* (廣東省建築工程專科學校) in June 1990, and was awarded an architectural design engineer qualification by the Guangzhou First Evaluation Committee of Architectural Engineering Technology Engineer* (廣州市建築工程技術工程師第一評審委員會) in November 1998.

Ms. HUANG is the spouse of Mr. CAI, who is an executive Director and a Controlling Shareholder.

黃瑛女士，53歲，於2009年7月加入本集團，擔任廣州維港副總經理，主要負責監督日常運營。其為廣州維港一名董事。

黃女士於1990年6月自廣東省建築工程專科學校取得建築學大專學位，並於1998年11月獲廣州市建築工程技術工程師第一評審委員會頒發建築設計工程師資格證。

黃女士為執行董事及控股股東蔡先生的配偶。

DIRECTORS AND SENIOR MANAGEMENT

董事及高級管理層

Mr. CUI Jinhong, aged 47, joined our Group in February 2017 as a deputy general manager of Guangzhou Weigang. Mr. CUI currently serves as Vice President of the Group and is mainly responsible for overseeing the daily operations of our Group.

Mr. CUI has over 20 years of experience in the environmental protection industry.

Mr. CUI obtained a bachelor's degree in chemical machinery and equipment from the South China University of Technology* (華南理工大學) in the PRC in July 1995 and a master's degree in environmental engineering from the Harbin Institute of Technology* (哈爾濱工業大學) in the PRC in January 2008. Mr. CUI was certified as an Environmental Protection Technology Engineer* (環境保護技術工程師) by Shenzhen Job Title Management Office* (深圳職稱管理辦公室) in December 2002.

Mr. ZHENG Ziyuan, aged 36, joined our Group in March 2018 as the financial controller. Mr. ZHENG currently served as the Chief Financial Officer and is mainly responsible for overseeing the financial and accounting affairs of our Group.

Mr. ZHENG has over 10 years of experience in corporate finance and accounting, investment management and risk management.

Mr. ZHENG obtained his bachelor's degree in finance from Shenzhen University* (深圳大學) in the PRC in June 2008. He was qualified as a Certified Public Accountant* (註冊會計師) in the PRC in February 2012.

崔錦鴻先生，47歲，於2017年2月加入本集團，擔任廣州維港副總經理。現任集團副總裁，主要負責監管本集團的日常運營。

崔先生於環保行業擁有逾20年經驗。

崔先生於1995年7月自中國華南理工大學取得化工機械與設備學士學位，並於2008年1月自中國哈爾濱工業大學取得環境工程碩士學位。崔先生於2002年12月獲深圳職稱管理辦公室頒發環境保護技術工程師資格。

鄭梓元先生，36歲，於2018年3月加入本集團擔任財務總監。現任本集團首席財務官，主要負責監督本集團的財務及會計事務。

鄭先生於公司金融及會計、投資管理及風險管理方面擁有逾10年經驗。

鄭先生於2008年6月自中國深圳大學取得金融專業學士學位。其於2012年2月獲授中國註冊會計師資格。

CORPORATE GOVERNANCE REPORT

企業管治報告

The Board is pleased to present the corporate governance report for the annual report of the Company for the year ended 31 December 2020.

CORPORATE GOVERNANCE PRACTICES

The Group is committed to maintaining high standards of corporate governance to safeguard the interests of shareholders and to enhance corporate value and accountability. The Company has adopted the CG Code as set out in Appendix 14 to the Listing Rules. In the opinion of the Directors the Company has fully complied with the CG Code during the Period except from the deviation from the Code Provision A.2.1 of the CG Code. The Company will continue to review and enhance its corporate governance practices to ensure compliance with the CG Code.

MODEL CODE FOR SECURITIES TRANSACTIONS

The Company has adopted the Model Code as set out in Appendix 10 to the Listing Rules as its code of conduct regarding dealings in the securities of the Company. Having made specific enquiry of all the Directors of the Company, all the Directors confirmed that they have strictly complied with the required standards set out in the Model Code during the period.

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

董事會欣然提呈截至2020年12月31日止年度本公司年報的企業管治報告。

企業管治常規

本集團致力維持高水平的企業管治，以維護股東的權益並改善企業價值及問責性。本公司已採納《上市規則》附錄十四所載《企業管治守則》。董事認為本公司於期內已全面遵守《企業管治守則》，惟偏離《企業管治守則》的守則條文第A.2.1條除外。本公司將繼續檢討提升其企業管治常規，以確保遵守《企業管治守則》。

證券交易的《標準守則》

本公司已採納上市規則附錄十所載《標準守則》，作為其買賣本公司證券時的行為準則。在向本公司全體董事作出特定查詢後，全體董事已確認彼等於期內已嚴格遵守《標準守則》所載的必守準則。

董事會亦已採納《標準守則》，規範可能擁有本公司有關本公司證券的未公開內幕消息的相關僱員的所有交易（如企業管治守則的守則條文第A.6.4條所述）。經作出合理查詢後，報告期內並無發現本公司的相關僱員未有遵守《標準守則》的情況。

CORPORATE GOVERNANCE REPORT

企業管治報告

THE BOARD

Responsibilities

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

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

The Board is responsible for leadership and control of the Company and oversees the Group's businesses, strategic decisions and performance, and is collectively responsible for promoting the success of the Company by directing and supervising its affairs.

The Board directly, and indirectly through its committees, leads and provides direction to management by laying down strategies and overseeing their implementation, monitors the Group's operational and financial performance, and ensures that sound internal control and risk management systems are in place.

董事會

職責

董事會負責本集團的整體領導、監督本集團的戰略決定以及監察業務及表現。董事會向本集團高級管理層授予本集團日常管理及營運的權力及職責。為監察本公司的特定事務範疇，董事會已設立三個董事會委員會，包括審核委員會、薪酬委員會及提名委員會。董事會已授予董事會委員會載於其各自職權範圍的職責。

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

董事會負責領導及控制本公司以及監督本集團的業務、戰略決定及表現，並集體負責指導及監管本公司的事務，推動其成功發展。

董事會直接及間接透過其委員會制定戰略並監督其實施、監督本集團的營運及財務表現，並確保建立健全的內部控制及風險管理制度，藉以為管理層提供引導及方向。

CORPORATE GOVERNANCE REPORT

企業管治報告

Composition of the Board

The Board currently comprises seven Directors, including four executive Directors and three independent non-executive Directors. Members of the Board are listed below:

董事會的組成

董事會現時由七名董事組成，包括四名執行董事及三名獨立非執行董事。董事會成員名單如下：

Members of the Board

董事會成員

Position

職位

Date of appointment

委任日期

Executive Directors

執行董事

Mr. CAI Zhuhua 蔡珠華先生	Chairman of the Board, Executive Director and Chief Executive Officer 董事長、執行董事兼行政總裁	18 May 2017 2017年5月18日
Mr. DONG Honghui 董紅暉先生	Executive Director 執行董事	27 April 2018 2018年4月27日
Mr. DENG Zhaoshan 鄧兆善先生	Executive Director 執行董事	27 April 2018 2018年4月27日
Mr. GU Chunbin 辜淳彬先生	Executive Director and Joint Company Secretary 執行董事兼聯席公司秘書	11 March 2021 2021年3月11日

Independent Non-executive Directors

獨立非執行董事

Mr. YANG Zhifeng 楊志峰先生	Independent Non-executive Directors 獨立非執行董事	3 January 2019 2019年1月3日
Mr. FENG Tao 馮濤先生	Independent Non-executive Directors 獨立非執行董事	3 January 2019 2019年1月3日
Mr. JIANG Guoliang 蔣國良先生	Independent Non-executive Directors 獨立非執行董事	3 January 2019 2019年1月3日

CORPORATE GOVERNANCE REPORT

企業管治報告

All Directors, including non-executive Directors and independent non-executive Directors, have brought a wide spectrum of valuable business experience, knowledge and professionalism to the Board for its efficient and effective functioning. All Directors have carried out duties in good faith and in compliance with applicable laws and regulations, and have acted in the interests of the Company and the Shareholders at all times.

Biography of each Director is set out in the section headed "Directors and Senior Management".

Save as disclosed herein, there is no relationship (including financial, business, family or other material/relevant relationship(s)) between the Directors.

Chairman and Chief Executive Officer

Under code provision A.2.1 of the CG Code provides that the roles of chairman and chief executive should be separate and should not be performed by the same individual. Mr. Cai Zhuhua serves as chairman as well as chief executive officer of the Company and this dual role leadership has been in practice by the Company since 2009. Such deviation is deemed appropriate as it is considered to be more efficient to have one single person to be chairman of the Company as well as to discharge the executive functions of a chief executive thereby enabling more effective planning and better execution of long-term strategies. The Board believes that the balance of power and authority is adequately ensured by the operations and governance of the Board which comprises experienced and high calibre individuals. The Company will review the current structure when and as it becomes appropriate.

Independent Non-executive Directors

During the Period, the Company has three independent non-executive Directors in compliance with the Rules 3.10(1) and Rules 3.10(2) of the Listing Rules, with at least one of them possessing appropriate professional qualifications or accounting or related financial management expertise. The number of independent non-executive Directors accounts for more than one-third of the number of the Board members.

全體董事(包括非執行董事及獨立非執行董事)為董事會帶來廣泛且寶貴的業務經驗、知識及專業技能，使其高效及有效地運作。全體董事一直本著真誠、遵守適用法律及法規履行職務，並按符合本公司及股東利益的方式行事。

各董事的履歷載於「董事及高級管理層」一節。

除本報告所披露者外，董事之間概無任何關係(包括財務、業務、親屬或其他重大／相關關係)。

董事長兼行政總裁

《企業管治守則》的守則條文第A.2.1條規定，董事長與行政總裁的角色應有區分，並不應由一人同時兼任。蔡珠華先生為本公司董事長兼行政總裁，而此雙角色領導模式自2009年起於本公司一直推行。有關偏離情況被視為恰當，原因是由同一人士擔任本公司董事長兼履行行政總裁的執行職能被視為更具效率，有助提高長遠戰略的有效規劃及執行表現。董事會認為董事會成員不乏經驗豐富及具才幹的人士，其營運及管治足以確保權力及職能平衡。本公司將於適當時候檢討現行架構。

獨立非執行董事

於期內，本公司符合《上市規則》第3.10(1)條及第3.10(2)條具有三名獨立非執行董事，當中至少一名擁有合適專業資格或會計或相關財務管理專業知識。獨立非執行董事佔董事會成員人數超過三分之一。

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According to the Rule 3.13 of Listing Rules, the independent non-executive Directors of the Company have made confirmations to the Company regarding their independence during the Period. Based on the confirmations of the independent non-executive Directors, the Company considers each of them to be independent during the Period.

Appointment and Re-election of Directors

Code provision A.4.1 of the CG Code stipulates that non-executive directors shall be appointed for a specific term, subject to re-election, whereas code provision A.4.2 states that all directors appointed to fill a casual vacancy shall be subject to election by shareholders at the first general meeting after appointment and that every director, including those appointed for a specific term, shall be subject to retirement by rotation at least once every three years.

The procedures and process of appointment, re-election and removal of Directors are laid down in the Memorandum and Articles of Association.

Each of Mr. Cai Zhuhua, Mr. Dong Honghui and Mr. Deng Zhaoshan, being executive Directors, have entered into a service contract with the Company pursuant to which they agreed to act as executive Directors for an initial term of three years with effect from the Listing Date or until the third annual general meeting of the Company since the Listing Date (whichever ends earlier). Mr. Gu Chunbin has entered into a service contract with the Company pursuant to which he agreed to act as executive Director for a term of three years with effect from 11 March 2021. Either party has the right to give not less than three months' written notice to terminate the agreement.

Each of the non-executive Directors has entered into an appointment letter on 10 December 2018 with the Company with an initial term for three years or until the third annual general meeting of the Company since the Listing Date, whichever ends earlier, subject to re-election as and when required under the Memorandum and Articles of Association unless terminated in accordance with the terms and conditions of the appointment letter or by either party giving to the other not less than one month's prior notice in writing.

Each of the independent non-executive Directors has entered into an appointment letter with the Company on 10 December 2018 with an initial term for three years or until the third annual general meeting of the Company since the Listing Date, whichever ends earlier, subject to re-election as and when required under the Memorandum and Articles of Association unless terminated in accordance with the terms and conditions of the appointment letter or by either party giving to the other not less than one month's prior notice in writing.

根據《上市規則》第3.13條，本公司獨立非執行董事就彼等於期內的獨立性向本公司作出確認。根據獨立非執行董事的確認，本公司認為彼等各自於期內屬獨立人士。

委任及重選董事

《企業管治守則》的守則條文第A.4.1條規定，非執行董事的委任應有指定任期，並須予重選，而守則條文第A.4.2條規定，所有獲委任填補臨時空缺的董事須於獲委任後的首屆股東大會由股東選舉，而每名董事(包括以指定任期獲委任的董事)須至少每三年輪值退任一次。

有關委任、重選及罷免董事的手續及程序載於組織大綱及組織章程細則。

蔡珠華先生、董紅暉先生和鄧兆善先生各自均已與本公司訂立服務合約，據此，彼等同意擔任執行董事，初始任期自上市日期起為期三年或自上市日期起至本公司第三屆股東週年大會當日止(以較早者為準)。辜淳彬先生已與本公司訂立服務合約，據此，彼同意擔任執行董事，任期自2021年3月11日起為期三年。任何一方均有權提前不少於三個月發出書面通知終止協議。

各非執行董事已於2018年12月10日與本公司訂立委任書，初始任期為三年或自上市日期起至本公司第三屆股東週年大會當日止(以較早者為準)，惟須根據組織大綱及組織章程細則所規定重選連任，除非根據委任書所訂明的條款及條件或任何一方均有權提前不少於一個月發出書面通知予以終止。

各獨立非執行董事已於2018年12月10日與本公司訂立委任書，初始任期為三年或自上市日期起至本公司第三屆股東週年大會當日止(以較早者為準)，惟須根據組織大綱及組織章程細則所規定重選連任，除非根據委任書所訂明的條款及條件或任何一方均有權提前不少於一個月發出書面通知予以終止。

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In accordance with the Memorandum and Articles of Association, all Directors are subject to retirement by rotation at least once every three years and any new director appointed to fill a causal vacancy shall submit himself/herself for re-election by shareholders at the first general meeting after appointment. Any director appointed as an addition to the existing Board shall hold office only until the next following annual general meeting of the Company and shall then be eligible for re-election.

Training and Continuous Professional Development

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

Each newly appointed Director has been provided with necessary induction and information to ensure that he has a proper understanding of the Company's operations and businesses as well as his responsibilities under relevant statutes, laws, rules and regulations. As at 31 December 2020, each of Executive Directors, Non-Executive Directors and Independent Non-Executive Directors has read the training materials provided by the company secretary of the Company, as is summarized below. The content of such training related to compliance review, takeover codes, and listed company's responsibilities for company acquisitions and sales.

Name of Director

董事姓名

Mr. Cai Zhuhua
蔡珠華先生
Mr. Dong Honghui
董紅暉先生
Mr. Deng Zhaoshan
鄧兆善先生
Mr. Gu Chunbin*
辜淳彬先生*
Mr. Ren Jingfeng**
任景豐先生**
Mr. Yang Zhiqiang**
楊志強先生**
Mr. Yang Zhifeng
楊志峰先生
Mr. Feng Tao
馮濤先生
Mr. Jiang Guoliang
蔣國良先生

* Mr. GU Chunbin was appointed as an executive Director on 11 March 2021.

** Each of Mr. REN Jingfeng and Mr. YANG Zhiqiang has resigned as a non-executive Director with effect from 11 March 2021.

根據組織大綱及組織章程細則，所有董事須至少每三年輪值退任一次，而獲委任填補臨時空缺的任何新董事須於獲委任後的首個股東大會上供股東重選連任。獲委任作為現行董事會增補董事的任何董事，任期僅至本公司下屆股東週年大會為止，屆時合資格重選連任。

培訓及持續專業發展

根據《企業管治守則》守則條文第A.6.5條，全體董事應參與持續專業發展，發展並更新其知識及技能，以確保其繼續在具備全面資訊及切合所需的情況下對董事會作出貢獻。

每名新委任董事均已獲提供必要的入職培訓及資料，確保其對本公司營運及業務以及其於相關條例、法律、規則及法規的責任具有適當程度的了解。截至2020年12月31日止年度，各執行董事、非執行董事及獨立非執行董事均已閱讀由本公司公司秘書提供的培訓材料，匯總如下。而培訓內容有關合規審查、收購守則、及上市公司在公司收購和出售項目上的責任。

Training for the year ended 31 December 2020 截至2020年12月31日止年度培訓

Mr. Cai Zhuhua 蔡珠華先生	✓
Mr. Dong Honghui 董紅暉先生	✓
Mr. Deng Zhaoshan 鄧兆善先生	✓
Mr. Gu Chunbin* 辜淳彬先生*	N/A
Mr. Ren Jingfeng** 任景豐先生**	✓
Mr. Yang Zhiqiang** 楊志強先生**	✓
Mr. Yang Zhifeng 楊志峰先生	✓
Mr. Feng Tao 馮濤先生	✓
Mr. Jiang Guoliang 蔣國良先生	✓

* 辜淳彬先生於2021年3月11日獲委任為執行董事。

** 任景豐和楊志強先生已自2021年3月11日起辭任非執行董事。

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All the Directors have been updated with the latest developments regarding the Listing Rules and other applicable regulatory requirement to ensure compliance and enhance their awareness of good corporate governance practices. In addition, continuing briefing and professional development to Directors will be arranged whenever necessary.

Directors' Responsibility on Financial Statements

The Directors acknowledge their responsibilities for preparing the financial statements of the Company for the financial year ended 31 December 2020.

The Directors are responsible for overseeing the preparation of financial statements of the Company with a view to ensuring that such financial statements give a true and fair view of the state of affairs of the Group and relevant statutory and regulatory requirements and applicable accounting standards are complied with.

The Board has received from the senior management the management accounts and such accompanying explanation and information as are necessary to enable the Board to make an informed assessment for approving the financial statements.

Board Meetings and General Meeting

Up to the year ended 31 December 2020, four Board meetings and one General Meeting were held for reviewing and approving the financial statements for the year ended 31 December 2019 and other matters. The attendance records of Board Meetings and General Meeting for all Directors are set out in the table below. In addition to Board meetings, the Chairman held one meeting with independent non-executive directors annually without the presence of executive directors.

Name of Directors

董事姓名

Executive Directors

執行董事

Mr. CAI Zhuhua

蔡珠華先生

Mr. DONG Honghui

董紅暉先生

Mr. DENG Zhaoshan

鄧兆善先生

全體董事已獲悉有關《上市規則》及其他適用監管規定的最新發展，確保遵守有關規定及提高彼等對良好企業管治常規的意識。此外，本公司將於有需要時為董事安排持續簡報及專業發展。

董事對財務報表的責任

董事知悉彼等對編製本公司截至2020年12月31日止財政年度的財務報表的責任。

董事負責監督本公司財務報表的編製，以確保有關財務報表真實公平反映本集團的事務狀況，並符合相關法定及監管規定以及適用會計準則。

董事會已收悉高級管理層提供管理賬目、必要隨附說明及資料，以便董事會就批准財務報表作出知情評估。

董事會會議及股東大會

截至2020年12月31日止年度四次董事會會議及一次股東大會已舉行，以審閱及批准截至2019年12月31日止年度財務報表及其他事宜。全體董事出席董事會會議及股東大會紀錄載於下表。除董事會會議外，主席與獨立非執行董事舉行了一次執行董事避席的年度會議。

	Meetings attended/ Number of general meetings held in 2020 於2020出席/ 舉行股東大會次數	Meetings attended/ Number of Board meetings held in 2020 於2020出席/ 舉行董事會次數
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1/1

4/4

1/1

4/4

1/1

4/4

CORPORATE GOVERNANCE REPORT

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Name of Directors	Meetings attended/ Number of general meetings held in 2020 於 2020 出席/ 舉行股東大會次數	Meetings attended/ Number of Board meetings held in 2020 於 2020 出席/ 舉行董事會次數
Non-Executive Directors		
非執行董事		
Mr. REN Jingfeng (<i>resigned on 11 March 2021</i>) 任景豐先生(已於2021年3月11日辭任)	1/1	4/4
Mr. YANG Zhiqiang (<i>resigned on 11 March 2021</i>) 楊志強先生(已於2021年3月11日辭任)	1/1	3/4
Independent Non-Executive Directors		
獨立非執行董事		
Mr. YANG Zhifeng 楊志峰先生	1/1	3/4
Mr. FENG Tao 馮濤先生	1/1	4/4
Mr. JIANG Guoliang 蔣國良先生	1/1	4/4

Notices for all regular Board meeting and the agenda and accompanying Board paper will be given to all Directors at least 3 days before the meetings in order that they have sufficient time to review the papers. Minutes of meetings are kept by the joint company secretary with copies circulated to all Directors or Board Committee members for information and records. Directors who have conflicts of interest in a board resolution have abstained from voting for that resolution.

所有定期董事會會議通知、會議議程及相關董事會文件均於會議舉行至少3日前派發予全體董事，以便彼等具備充足時間審閱有關文件。會議記錄由聯席公司秘書保存，並向全體董事或董事會委員會成員傳閱副本，以供參閱及記錄。與董事會決議案有利益衝突的董事均已放棄就該決議案表決。

CORPORATE GOVERNANCE REPORT

企業管治報告

BOARD COMMITTEES

Audit Committee

The Audit Committee of the Company consists of three independent non-executive Directors, namely Mr. FENG Tao, Mr. YANG Zhifeng and Mr. JIANG Guoliang. Mr. FENG, who holds the appropriate professional qualifications as required under Rule 3.10(2) and Rule 3.21 of the Listing Rules, serves as the chairman of the Audit Committee.

The primary duties of the Audit Committee include examining independently the financial positions of the Company, overseeing the Company's financial reporting system, risk management and internal control system, the audit process and proposals of internal management, communicating independently with, monitoring and verifying the work of internal audit and external auditors.

Up to the year ended 31 December 2020, two meetings were held by the Audit Committee to review the annual/interim financial results and report and major internal audit issues, re-appointment of external auditors and relevant scope of works.

Name of committee member

委員會成員姓名

Mr. FENG Tao (*chairman*)

馮濤先生(主席)

Mr. YANG Zhifeng

楊志峰先生

Mr. JIANG Guoliang

蔣國良先生

The Audit Committee reviewed the financial reporting system, compliance procedures, internal control (including the adequacy of resources, staff qualifications and experience, training programmes and budget of the Company's accounting and financial reporting function), risk management systems and processes and the reappointment of the external auditor and fulfilled duties as required aforesaid. The Board had not deviated from any recommendation given by the Audit Committee on the selection, appointment, resignation or dismissal of external auditor. They also reviewed final results of the Company and its subsidiaries for the fiscal year as well as the audit report prepared by the external auditor relating to accounting issues and major findings in course of audit. There are proper arrangements for employees, in confidence, to raise concerns about possible improprieties in financial reporting, internal control and other matters. The written terms of reference of the Audit Committee are available on the websites of the Company and the Stock Exchange.

董事會委員會

審核委員會

本公司審核委員會由三名獨立非執行董事組成，即馮濤先生、楊志峰先生及蔣國良先生。馮先生為審核委員會主席，持有《上市規則》第3.10(2)條及第3.21條所規定的適當專業資格。

審核委員會的主要職務包括獨立審查本公司的財務狀況、監察本公司的財務報告制度、風險管理及內部控制制度、審核過程及內部管理建議、與內部審計的核數師及外聘核數師獨立溝通，並監督及核實彼等的工作。

截至2020年12月31日止年度，審核委員會已舉行兩次會議，以審閱年度／中期財務業績及重大內部審核事宜、重新委任外聘核數師以及相關工作範疇。

Attended/number of meeting(s) held

出席會議次數／舉行會議次數

2/2

1/2

2/2

審核委員會已檢討財務報告制度、合規程序、內部控制(包括本公司於會計及財務報告職能方面的資源、員工資格及經驗是否足夠，以及培訓課程及預算是否充足)、風險管理制度及程序以及外聘核數師的續聘及履行上述規定的職務。董事會並無偏離審核委員會就挑選、委任、辭退或罷免外聘核數師所提供的任何建議。彼等亦已審閱本公司及其附屬公司於財政年度的全年業績以及由外聘核數師所編製有關審核過程中的會計事項及重大發現的審核報告。委員會為僱員作出適當安排，讓彼等可透過保密方式就財務報告、內部控制及其他事宜可能出現的不當行為提出疑問。審核委員會的書面職權範圍可於本公司及聯交所網站查閱。

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企業管治報告

Remuneration Committee

The Remuneration Committee comprises three members, namely Mr. FENG Tao (chairman), Mr. DONG Honghui and Mr. JIANG Guoliang, the majority of them are independent non-executive Directors. The primary duties of the Remuneration Committee are to recommend the Board on the Group's remuneration policy and structure for the Directors and senior management remuneration and on the establishment of a formal and transparent procedure for developing remuneration policy, to review and approve the management's remuneration proposals with reference to the Board's corporate goals and objectives, and to make recommendations to the Board on the remuneration packages of the executive Directors and senior management.

Up to the year ended 31 December 2020, one meeting was held by the Remuneration Committee on 27 March 2020 for considering and recommending to the Board the remuneration and other benefits paid by the Company to the Directors and senior management and other related matters. The table below sets forth the details of the attendance at the meeting:

Name of committee member	委員會成員姓名	Attended/number of meeting(s) held 出席會議次數／舉行會議次數
Mr. FENG Tao (<i>chairman</i>)	馮濤先生(主席)	1/1
Mr. DONG Honghui	董紅暉先生	1/1
Mr. JIANG Guoliang	蔣國良先生	1/1

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

Remuneration of senior management

The remuneration payable to the senior management of the Company (who are not the Directors) is shown in the following table by band:

	2020 2020年
Nil to HK\$1,000,000	零至1,000,000港元
	3

薪酬委員會

薪酬委員會由三名成員組成，即馮濤先生(主席)、董紅暉先生及蔣國良先生，大部分成員為獨立非執行董事。薪酬委員會的主要職務為就本集團董事及高級管理層薪酬的薪酬政策及架構向董事會提供建議，並就制定薪酬政策設立正式及透明的程序，且參照董事會的企業目標及宗旨檢討及批准管理層薪酬建議，以及就執行董事及高級管理層的薪酬待遇向董事會提供建議。

截至2020年12月31日止年度，薪酬委員會已於2020年3月27日舉行一次會議，以考慮及向董事會建議本公司向董事及高級管理層支付的薪酬及其他福利以及其他相關事宜。下表載列會議的出席詳情：

Attended/number of meeting(s) held 出席會議次數／舉行會議次數

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

高級管理層的薪酬

應付予本公司高級管理層(並非董事)的薪酬按等級於下表列示：

CORPORATE GOVERNANCE REPORT

企業管治報告

Nomination Committee

The Nomination Committee currently comprises three members, namely Mr. CAI Zhuhua (chairman), Mr. FENG Tao and Mr. JIANG Guoliang, the majority of them are independent non-executive Directors.

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

The Nomination Committee will assess the candidate or incumbent on criteria such as integrity, experience, skill and ability to commit time and effort to carry out the duties and responsibilities. The recommendations of the Nomination Committee will then be put to the Board for decision.

Up to the year ended 31 December 2020, one meeting was held by the Nomination Committee on 27 March 2020 to review the structure, size and composition of the Board, assess the independence of independent non-executive Directors and make recommendation to the Board on the re-election of the retiring Directors. The table below sets forth the details of the attendance at the meeting:

Name of committee member

委員會成員姓名

Mr. CAI Zhuhua (<i>chairman</i>)	蔡珠華先生(主席)
Mr. FENG Tao	馮濤先生
Mr. JIANG Guoliang	蔣國良先生

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

提名委員會

提名委員會由三名成員組成，即蔡珠華先生(主席)、馮濤先生及蔣國良先生，大部分成員為獨立非執行董事。

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

提名委員會將按標準評估候選人或現任人，如誠信、經驗、技能以及投入時間及精力以履行職務及職責的能力。提名委員會的推薦建議隨後將提呈予董事會作出決定。

截至2020年12月31日止年度，提名委員會已於2020年3月27日舉行一次會議，以檢討董事會的架構、規模及組成、評估獨立非執行董事的獨立性以及就重選退任董事向董事會提供建議。下表載列會議的出席詳情：

Attended/number of meeting(s) held

出席會議次數／舉行會議次數

1/1
1/1
1/1

提名董事會評估獨立非執行董事的獨立性、考慮重選退任董事的事宜以及檢討擔任非執行董事所需投入的時間並履行上述規定的職務。

CORPORATE GOVERNANCE REPORT

企業管治報告

NOMINATION POLICY

Board Diversity Policy

The Board has adopted a board diversity policy (the "BD Policy") in accordance with the requirements of the Listing Rules with effect from 26 March 2019 which sets out the approach to achieve diversity on the Board. All Board appointments shall be based on meritocracy, and candidates will be considered against selection criteria, having regard for the benefits of diversity on the Board. Selection of candidates will be based on range of diversity perspectives, which would include but not limited to gender, age, cultural and educational background, ethnicity, professional experience, skills, knowledge and length of service. The ultimate decision will be based on merit and contribution that the selected candidates will bring to the Board. The Nomination Committee will monitor the implementation of the BD Policy and will from time to time review the BD Policy, as appropriate, to ensure the effectiveness of the BD Policy.

CORPORATE GOVERNANCE FUNCTION

The Board recognises that corporate governance should be the collective responsibility of Directors which include:

- to formulate and review the Company's policies and practices on corporate governance and make recommendations to the Board;
- to review and monitor the training and continuous professional development of Directors and senior management;
- to review and monitor the Company's policies and practices on compliance with legal and regulatory requirements;
- to formulate, review and monitor the code of conduct and compliance manual (if any) applicable to employees and Directors; and
- to review the Company's compliance with the Listing Rules and disclosure in the Corporate Governance Report.

JOINT COMPANY SECRETARIES

During the Period, the joint company secretaries of the Company are Mr. GU Chunbin and Ms. SO Shuk Yi Betty. The primary contact person at the Company is Mr. GU Chunbin, one of the joint company secretaries of the Company.

提名政策

董事會成員多元化政策

董事會已按照《上市規則》的規定自2019年3月26日起採納董事會成員多元化政策(「董事會多元化政策」)，當中載列為達致董事會成員多元化而採取的方針。所有董事會成員的委任均以用人唯才為原則，並在考慮人選時以充分顧及董事會成員多元化的裨益為甄選準則。甄選人選將按一系列多元化範疇為基準，包括但不限於性別、年齡、文化及教育背景、種族、專業經驗、技能、知識及服務任期。最終將按人選的長處及可為董事會提供的貢獻而作決定。提名委員會將監察董事會多元化政策的執行，並將不時在適當時候檢討董事會多元化政策，以確保董事會多元化政策行之有效。

企業管治職能

董事會認為企業管治乃董事的共同責任，包括：

- 制定並檢討本公司企業管治方面的政策及常規，並向董事會提供建議；
- 檢討及監察董事及高級管理層的培訓及持續專業發展；
- 檢討及監察本公司於遵守法律及監管規定方面的政策及常規；
- 制定、檢討及監察僱員及董事適用的操守守則及合規手冊(如有)；及
- 檢討本公司遵守《上市規則》的情況及在企業管治報告內的披露事項。

聯席公司秘書

於期內，本公司的聯席公司秘書為辜淳彬先生及蘇淑儀女士。本公司的主要聯絡人為本公司聯席公司秘書之一辜淳彬先生。

CORPORATE GOVERNANCE REPORT

企業管治報告

Biographical details of the joint company secretaries are set out under "Directors and Senior Management" section in this annual report. In compliance with Rule 3.29 of the Listing Rules, each of the joint company secretaries has undertaken no less than 15 hours of relevant professional training during the year ended 31 December 2020.

AUDITOR

Financial statements contained in this report have been audited by Baker Tilly Hong Kong Limited. Service fees which shall be paid by the Company to Baker Tilly Hong Kong Limited for the year amounted to RMB1.6 million.

Service rendered

所提供的服務

Audit service	審核服務
Non-audit services	非審核服務

Total

總計

Fees Payable

應付費用

(RMB)

(人民幣)

1,600,000

—

1,600,000

The statement of the external auditor of the Company about its reporting responsibilities for the Consolidated Financial Statements is set out in the Auditor's Report on page 87 to 99.

聯席公司秘書的履歷詳情載於本年報「董事及高級管理層」一節。根據上市規則第3.29條，聯席公司秘書各自於截至2020年12月31日止年度接受不少於15小時的相關專業培訓。

核數師

本報告所載財務報表已由天職香港會計師事務所有限公司審核。本年度應付天職香港會計師事務所有限公司的服務費為人民幣1.6百萬元。

本公司外聘核數師對綜合財務報表報告責任的聲明載於第87頁至第99頁的核數師報告。

RISK MANAGEMENT AND INTERNAL CONTROL

The Board is responsible for maintaining an adequate risk management and internal control systems to safeguard Shareholders' investments and Company's assets and with the support of the Audit Committee, reviewing the effectiveness of such systems on an annual basis. Such systems are designed to manage rather than eliminate the risk of failure to achieve business objectives, and can only provide reasonable and not absolute assurance against material misstatement or loss.

The Group utilises an integrated risk management system to minimise and protect against a range of strategic, business, financial and legal risks. Through our risk management system, we seek to manage and reduce risks, encourage effective and reliable communication, maintain legal compliance and improve the efficiency of our business and management.

風險管理及內部控制

董事會負責維持充分的風險管理及內部控制制度，以保障股東投資及本公司的資產，並在審核委員會的支持下，每年檢討有關制度的效能。該等系統旨在管理，而非消除無法實現業務目標的風險，而且只能就重大錯誤陳述或損失提供合理（而非絕對）的保證。

本集團利用風險集中管理制度以最大程度減低並防範在戰略、業務、財務及法律方面的一系列風險。通過風險管理系統，我們力求管理並減低風險，促進高效且可靠的溝通，堅持依法合規，從而提升我們的業務及管理效率。

CORPORATE GOVERNANCE REPORT

企業管治報告

Our risk management system is implemented on three levels. Its implementation starts with the manager of each department who is responsible for organising the daily work in accordance with the relevant policies. The second level involves the active role of the internal audit department which centralises our risk management policies and supervises the individual departments through periodic audits. The Group has also engaged external consultants to perform a review of the internal control and risk management systems of the Group. Finally, the highest level involves decision-making by the board of directors regarding certain risk management decisions. The relevant personnel at these three levels are in frequent communication in order to ensure accurate information is shared between all parties.

In order to formulate and implement effective policies, our risk management system emphasises continuous information gathering. Our risk management system collects data on a variety of business, financial and legal risks such as market demand, technological trends and innovations, comparisons with our competitors, our financial performance and results of operation, costs of services, changes in intellectual property law, company laws and possible legal disputes.

The information gathered is used for risk assessment. Our risk assessment procedures take into account our Company's overall risk philosophy and seek to accurately evaluate how a potential risk may affect our objective in the strategic, business, compliance and financial reporting areas. We seek to identify both internal risks, such as employee ethics, our financial condition or product quality, as well as external risks, such as economic and legal developments, technology advances and environmental factors. Identified risks are assessed on the basis of likelihood of occurrence and the degree of influence it may have on our business. Risks with a high probability of occurring are more closely examined in order to ensure accurate results. We then determine what countermeasures should be implemented in order to avoid, absorb or reduce such risks and any negative consequences.

The Company is required to disclose inside information as soon as practicable in accordance with the SFO and the Listing Rules. It ensures, through its internal reporting processes, the appropriate handling and dissemination of inside information. Reasonable measures have been taken from time to time to ensure that proper safeguards exist to prevent a breach of a disclosure requirement in relation to the Group, which include:

- The access of inside information is restricted to a limited number of employees (mainly senior management and Directors) on a need-to-know basis. Employees who are in possession of inside information are fully conversant with their obligations to preserve confidentiality.

我們的風險管理制度按三個層次實施。由各部門經理開始實施(其負責根據相關政策安排日常工作)。第二層次涉及內部審計部門的積極作用，該部門聚焦於我們的風險管理政策並通過定期審計監督各部門。本集團亦已聘請外部顧問對本集團的內部監控及風險管理系統進行檢討。最後，最高層次涉及董事會就若干風險管理決策的決策過程。該等三個層次的相關人員須進行頻繁溝通，以確保各方得以共用準確資料。

為制定並有效實施政策，我們的風險管理制度重視持續收集資料。風險管理制度收集有關各類業務、財務及法律風險的資料，如市場需求、技術發展趨勢及創新、與競爭對手的數據比較、我們的財務表現及經營業績、服務成本、知識產權法及公司法的變更以及潛在法律糾紛等。

所收集資料用於風險評估。我們的風險評估程序會考慮本公司的整體風險理念，力求對潛在風險可能對我們在戰略、業務、合規及財務報告等方面的目標造成哪些影響進行準確評估。我們力求同時識別內部風險(如僱員道德操守、我們的財務狀況或產品質量)及外部風險(如經濟及法律發展、技術進步以及環境因素)。已識別風險乃基於其發生概率及可能對我們業務造成影響的程度進行評估。發生概率高的風險將受到更嚴格的審查，以確保取得準確結果。我們隨後將確定須實施哪些對策，以規避、消化或減低有關風險及任何負面後果。

本公司須根據證券條例及上市規則在合理切實可行的範圍內儘快披露內幕消息。本公司透過其內部報告程序，確保適當處理及發佈內幕消息。本集團已不時採納合理措施以確保設有適當保障防止違反有關本集團的披露要求，包括：

- 僅有少數僱員(主要為高級管理人員及董事)在有需要知悉的情況下取得內幕消息。掌握內幕消息的僱員充份熟知彼等之保密責任。

CORPORATE GOVERNANCE REPORT

企業管治報告

- The company has adopted the Model Code as its model code for securities transactions by the directors and guidelines on insider dealing on terms no less exacting than those set out in the Model Code for the relevant employees who are or may be in possession of inside information.
- The Group has formulated an inside information policy and regularly reminds its Directors and employees to comply with all inside information policies.

During the year, a review of the effectiveness of the group's risk management and internal control systems and procedures was conducted by the Audit Committee and subsequently reported to the Board. The Board is not aware of any significant internal control and risk management weaknesses nor significant breach of limits or risk management policies, and considers that the current monitoring systems of the Company are effective and that the qualifications and experience of the staff, performing accounting and financial reporting functions and the training programmes of the Company as well as the experiences and resources for setting the budget of the Company are adequate. The Company has complied with the requirements under C.2.1 to C.2.5 and C.3.3 of the CG Code relating to risk management and internal control.

SHAREHOLDERS' RIGHTS

To safeguard shareholders' interests and rights, a separate resolution will be proposed for each issue at shareholder meetings, including the election of individual directors. All resolutions put forward at shareholder meetings will be voted by poll pursuant to the Listing Rules and poll results will be posted on the websites of the Company and the Stock Exchange in a timely manner after each shareholder meeting.

Procedures for shareholders to convene an extraordinary general meeting

According to Article 64 of the Articles of Association, general meetings can be convened on the written requisition of any two or more shareholders holding at the date of deposit of the requisition not less than one-tenth of the paid up capital of the Company which carries the right of voting at general meetings of the Company deposited at the principal office of the Company in Hong Kong. If the Board does not within 21 days from the date of deposit of the requisition proceed duly to convene the meeting to be held within a further 21 days, the requisitionist(s) themselves or any of them representing more than one-half of the total voting rights of all of them, may convene the general meeting in the same manner, as nearly as possible, as that in which meetings may be convened by the Board provided that any meeting so convened shall not be held after the expiration of three months from the date of deposit of the requisition, and all reasonable expenses incurred by the requisitionist(s) as a result of the failure of the Board shall be reimbursed to them by the Company.

- 本公司已採納標準守則作為董事進行證券交易之標準守則，以及就擁有或可能擁有內幕消息之有關僱員，制定條款與標準守則所載者同等嚴謹之股份買賣指引。
- 本集團已制訂內幕消息政策，並定期提醒其董事及員工遵守所有內幕消息政策。

於年內，審核委員會已對本集團風險管理及內部監控系統及程序的效用作出檢討並其後向董事會匯報。董事會並不知悉任何重大內部控制及風險管理的不足之處，亦不知悉遭重大違反限制或風險管理政策的情況，並認為本公司目前的監控制度行之有效，而本公司員工的資格及經驗、會計及財務呈報職能的履行，以及本公司的培訓課程及本公司有關預算方面的經驗及資源亦屬足夠。本公司已遵守有關風險管理及內部控制的《企業管治守則》第C.2.1條至第C.2.5條以及第C.3.3條項下的規定。

股東權利

為保障股東的利益及權利，本公司會於股東大會上就各項議題(包括選舉個別董事)提呈獨立決議案。於股東大會上提呈的所有決議案將根據《上市規則》以投票方式進行表決，投票結果將於各股東大會舉行後適時於本公司及聯交所網站刊登。

股東召開股東特別大會的程序

根據組織章程細則第64條，股東大會須於任何兩名或以上於存放請求書於本公司香港主要辦事處當日持有不少於有權於股東大會上投票的本公司繳足股本十分之一的股東要求時召開。倘董事會並無於提交要求當日起計21日內，正式召開將於額外21日內舉行的會議，要求者本身或當中代表彼等所享有全部投票權過半數的任何人士，可按相同方式(盡可能接近董事會可召開會議的方式)召開股東大會，前提為如此召開的任何會議不得在提交要求當日起計三個月屆滿後舉行，而所有因董事會未能履行要求而令要求者產生的合理費用須由本公司向要求者作出補償。

CORPORATE GOVERNANCE REPORT

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

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

Shareholders' inquiries

If you have any query in connection with your shareholdings, please write to or contact the Company's Hong Kong share registrar, Tricor Investor Services Limited, at:

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

Tel: (852) 2980 1333

Fax: (852) 2810 8185

Website: www.tricorglobal.com

Investor relations and communications

The Company has set up a website at www.gzwingang.com as a channel to promote communication, publishing announcements, financial information and other relevant information of the Company. Shareholders are welcome to make enquiries directly to the Company at its principal place of business in Hong Kong. The Company will deal with all enquiries in a timely and appropriate manner.

CHANGE IN CONSTITUTIONAL DOCUMENTS

The Memorandum and Articles of Association of the Company have been amended and restated with effect from the Listing Date.

During the year ended 31 December 2020, there has been no change in the Memorandum and Articles of Association.

股東提名人選參選董事的程序

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

股東查詢

如閣下對所持股份有任何查詢事項，請致函或聯絡本公司香港股份登記處卓佳證券登記有限公司，地址為：

香港皇后大道東183號合和中心54樓

電話：(852) 2980 1333

傳真：(852) 2810 8185

網站：www.tricorglobal.com

投資者關係及通訊

作為促進有效溝通的渠道，本公司設立網站 www.gzwingang.com 刊發本公司的公告、財務資料及其他相關資料。如有任何查詢，股東可直接致函至本公司於香港的主要營業地點。本公司將及時以適當方式處理所有查詢。

憲章文件的變動

本公司的組織章程大綱及細則已予修訂及重列，自上市日期起生效。

截至2020年12月31日止年度，組織章程大綱及細則並無變化。

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

環境、社會及管治報告

ABOUT THIS REPORT

Weigang Environmental Technology Holding Group Limited (Stock Code: 1845) and its subsidiaries (hereinafter referred to as the “Group” or “We”) are pleased to present the Environmental, Social and Governance (“ESG”) Report (the “Report”) for the year ended 31 December 2020, entailing a detailed description of our sustainability efforts throughout the year. The Group would also like to take this opportunity to thank all stakeholders who have contributed to this sustainability journey with us.

The Report is prepared both in English and Chinese. In case of inconsistency, the English version shall prevail. Electronic version of this ESG Report is available on the website of HKEx at www.hkexnews.hk, or our company website at www.gzweigang.com.

Reporting Scope

This Report details the operations of the Group's core business for the financial year from 1 January 2020 to 31 December 2020 (“the Year” or “the Reporting Period”). The reporting scope covers our major segment, turnkey solution for hazardous waste incineration, which occupies around 90% of the Group's revenue. Other segments, such as oilfield peripheral service and waste treatment service are not regarded.

Our business scope has changed significantly this year, due to the suspension of the oily sludge treatment business, which consumes a large amount of natural gas translating into 90% of air pollutant emission and 96% of Scope 1 greenhouse gas emission of the Group last year. The business suspension also saves the use of electricity and water significantly. Therefore, readers can expect a much lower number in emissions and consumption in this Report, being in line with the Group's commitment on carbon reduction, and comparison with last year may not be necessarily meaningful.

關於本報告

維港環保科技控股集團有限公司(股份代號：1845)及其附屬公司(下文統稱為「本集團」或「我們」)欣然提呈截至2020年12月31日止年度的環境、社會及管治(「環境、社會及管治」)報告(「本報告」)，當中詳述我們於整個年度在可持續發展方面所做的工作。本集團亦藉此機會感謝所有與我們攜手為可持續發展作出貢獻的持份者。

本報告以中英文兩種語言編製。如中英文版本有任何差異，概以英文版為準。本環境、社會及管治報告的電子版本可於聯交所網站www.hkexnews.hk或本公司網站www.gzweigang.com查閱。

匯報範圍

本報告詳述本集團核心業務於2020年1月1日至2020年12月31日財政年度(「本年度」或「報告期間」)的營運情況。匯報範圍涵蓋我們的主要業務分部，即危險廢物焚燒處置整體解決方案，該分部佔本集團收益約90%。其他業務分部(如油田周邊服務及廢物處理服務)則未納入。

由於油泥處理業務暫停營運，本集團的業務範圍於本年度發生重大變化。上年，油泥處理業務消耗大量天然氣，本集團90%的空氣污染物排放量及96%的範圍1溫室氣體排放量均源自該項業務。該項業務暫停營運亦大幅降低了水電用量。因此，讀者可預期本報告會提到排放量及耗能量大幅下降，這與本集團的減碳承諾一致，惟與上年比較未必有意義。

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

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Reporting Principles

The Report has been prepared according to the “Environmental, Social and Governance Reporting Guide” (“ESG Reporting Guide”) as set out in Appendix 27 of the Listing Rules on the Stock Exchange. The Report is based on the four report principles of materiality, quantitative, balance and consistency. To serve the best interest of readers, we conducted a materiality assessment and selected the key issues concerning our business, which are covered in the later part. We adopt consistent approach in computing environmental KPIs, making reference from the ESG Reporting Guide and the standards of Greenhouse Gas Protocol, which makes our ESG performance measurable, in terms of carbon emission, resource usage, waste generation and so on. Also, the Report aims to provide a comprehensive and objective view of our ESG management efficacy, the Group therefore, is committed to revealing statistics and numbers to the best of our knowledge.

For convenience, an index is available in the last chapter of the Report, for the location of KPIs within the Report.

Confirmation and Approval

The company's Board of Directors has overall responsibility for KPI setting and disclosure, and hereby confirms that all information presented in this report is as accurate and reliable as possible.

This Report contains forward-looking statements that are based on assumptions and expectations at the time of its publication. No guarantee is expressed as to the accuracy of the statements and the Group expressly disclaims any liability for and assumes no responsibility to correct or update those forward-looking statements in the event that any of the statements does not materialize or turns out to be incorrect.

Contact Us

For more information on the Group's business, please refer to our official website and other parts of the Annual Report. We welcome any comments on the Report and are eager to improve our ESG disclosures. Should you have any enquiries, please contact us via the following channels:

Tel: 020-3221-1246

Email: gzwg@gzweigang.com

Official website: www.gzweigang.com

匯報原則

本報告遵循《聯交所上市規則》附錄二十七所載的《環境、社會及管治報告指引》(「《環境、社會及管治報告指引》」)編製。本報告乃基於四個報告原則，即重要性、量化、平衡及一致性。為方便讀者，我們進行了重要性評估，並選定與我們業務相關的關鍵議題，這些議題在後面部分闡述。我們採用一致的方法計算環境關鍵績效指標，並參考《環境、社會及管治報告指引》及《溫室氣體核算體系》的標準，以使我們的環境、社會及管治表現在碳排放、資源使用、廢物產生等方面均可予計量。此外，本報告旨在全面客觀地反映我們的環境、社會及管治管理成效，因此，本集團盡可能披露我們所知的統計數據及數字。

為方便閱覽，本報告最後一章載有本報告內關鍵績效指標位置的索引。

確認及批准

本公司董事會對關鍵績效指標的制定及披露負有整體責任，並謹此確認本報告所呈列的所有資料已盡可能準確可靠。

本報告載有基於其刊發時所作假設及預期的前瞻性陳述。本集團不會就該等陳述的準確性作出任何保證，且本集團明確表示，倘任何該等陳述未能實現或被證明不準確，概不會就此承擔任何責任，亦不負責更正或更新任何該等前瞻性陳述。

聯絡方式

有關本集團業務的更多資料，請參閱我們的官網及年報其他部分。我們歡迎各位對本報告提出任何意見，以便改進我們的環境、社會及管治披露。如閣下有任何查詢，請透過以下方式聯絡我們：

電話：020-3221-1246

電郵：gzwg@gzweigang.com

官網：www.gzweigang.com

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About the Company

Our business can be divided into three major segments, namely hazardous waste incineration system solution, oilfield peripheral service and waste treatment service. Incineration solution, where operations spread across 16 provinces in China, brings a revenue of RMB 490 million for the Group for the year ended 31 December 2020, while oilfield brings a revenue of RMB 64 million. As waste treatment is a new business which started in 2020, it does not generate revenue for the Group for the reporting year, but the treatment facilities will start to run in 2021.

Being a major engineering solution provider of hazardous waste incineration in China, we are deeply aware of the environmental impacts, regulatory requirements and social expectation regarding waste handling. Therefore, much of our emphasis in the Year has been put into improving the design of our products in terms of eco-friendliness and efficiency. We will continue to promote sustainability concepts and improve our corporate governance standards, in order to raise our management quality, protect the interest of stakeholders and create values for all parties of society.

ESG Governance

To lead the company to be socially responsible, a solid ESG governance structure is essential. The Board acknowledges its role in identifying ESG risks and opportunities and has been involved in the determination of major ESG strategies. To fulfill the strategies, we have formulated an ESG working group comprised of senior managers of functional departments, to discuss ESG issues from time to time, serving as a bridge between the Board and the departments in communication of corporate sustainability strategies, to show great determination to improve corporate governance and ensure effective implementation of our ESG policies in the course of operation. In the future, the company would consider to involve external environmental professionals in our working group to further stress our focus on ESG improvement.

關於本公司

我們的業務可分為三個主要分部，即危險廢物焚燒處置系統解決方案、油田周邊服務及廢物處理服務。焚燒解決方案業務遍佈中國 16 個省份，於截至 2020 年 12 月 31 日止年度為本集團帶來收入人民幣 490 百萬元，而油田周邊服務則帶來收入人民幣 64 百萬元。廢物處理為本集團於 2020 年開展的新業務，於報告年度並無產生收入，惟處理設施將於 2021 年投入營運。

作為中國主要的危險廢物焚燒處置工程解決方案提供商，我們深知廢物處理方面的環境影響、監管規定及社會期望。因此，我們於本年度的工作重點是改善產品在環保及效率方面的設計。我們將繼續倡導可持續發展理念及提升企業管治水平，從而提升我們的管理質量、保障持份者的權益及為社會各方創造價值。

環境、社會及管治治理

就建設對社會負責的公司而言，穩健的環境、社會及管治治理架構至關重要。董事會承擔識別環境、社會及管治風險及機遇的職責，參與釐定主要環境、社會及管治策略。為落實相關策略，我們已成立由職能部門高級管理人員組成的環境、社會及管治工作小組，不時討論環境、社會及管治事宜，作為董事會與部門之間溝通企業可持續發展策略的橋梁，彰顯我們改善企業管治的決心及確保環境、社會及管治政策在營運過程中得到有效實施。未來，本公司將考慮邀請外部環境專業人士加入工作小組，進一步加強我們對提升環境、社會及管治表現的關注。

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

環境、社會及管治報告

STAKEHOLDER ENGAGEMENT

It is the Group's direction to take stakeholders' view seriously, as a company's success cannot be independent of stakeholders' input. We wish to establish a transparent mechanism that consolidates the voices from stakeholders so that we can integrate them in our corporate decisions.

持份者參與

本集團的方針是認真對待持份者的意見，因為公司的成功離不開持份者的投入。我們希望建立一個透明的機制，以集合持份者的意見，從而可將持份者的意見融入我們的企業決策中。

Stakeholder Group 持份者組別	Concerns and expectations 關注事項及期望	Communication channel 溝通渠道
Shareholders and investors 股東與投資者	Transparency; risk control; long-term development of the business 透明度；風險管理；業務的長遠發展	Annual General Meeting; corporate communication; announcements; Annual Report 股東週年大會；公司通訊；公告；年報
Employees 僱員	Work-life balance; safe work environment; adequate welfare 工作與生活平衡；安全工作環境；適當的福利	Employee activities; Intranet; performance appraisal and interviews; conferences 員工活動；內聯網；表現評估及面談；會議
Suppliers and business partners 供應商與業務夥伴	Timely settlement of accounts, purchase quantity, reputation 及時結賬、採購數量、聲譽	Conferences, supplier management system; site visits 會議、供應商管理制度；實地考察
Government departments and regulatory authorities 政府部門與監管機構	Conformity with the environment-and safety-related laws and regulations 符合環境及安全相關法律法規	Supervision and assessment; formal meetings; information disclosure 監督及評估；正式會議；信息披露
Customers 客戶	Product quality and safety, maintenance policy, product lifecycle 產品質量及安全、維護政策、產品生命週期	Comprehensive feedback system; daily operations, communications 完善的意見反饋制度；日常營運、溝通
Community 社區	Support local economic development, resolving solid waste problem and improve the living environment 支持當地經濟發展、解決固體廢棄物問題、改善生活環境	News; charitable events 新聞；慈善活動

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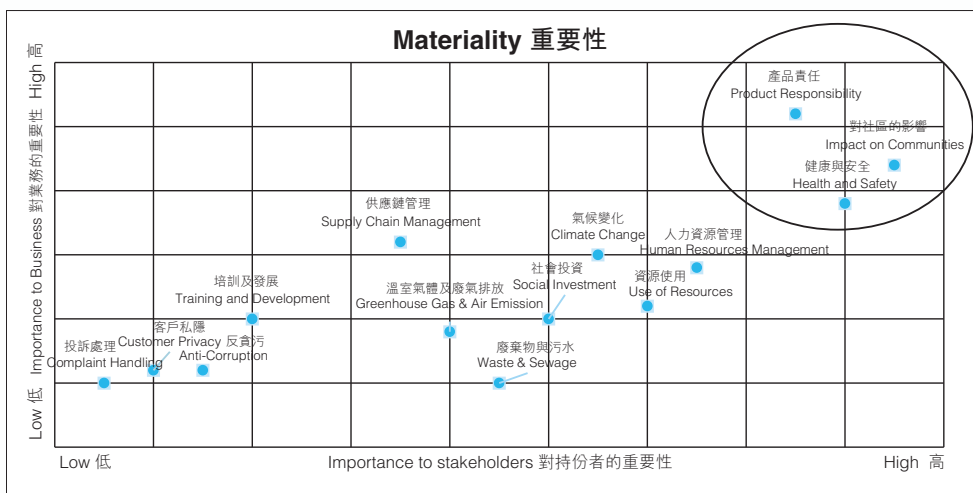
環境、社會及管治報告

Materiality Assessment

The Group has obtained the views of management on the Group's material issues and sustainability strategy. After a series of managerial-level meetings and the Board's discussion, the Group has assessed the ESG topics and produced the following materiality matrix to clarify the ESG issues that concern our business most.

重要性評估

本集團已取得管理層對本集團重大事宜及可持續發展策略的意見。經過一系列管理層會議及董事會討論後，本集團對環境、社會及管治議題作出評估並製作以下重要性矩陣，以釐清與我們業務最相關的環境、社會及管治事宜。



In view of our business nature, impacts on local communities are unavoidable since construction is a big part of the project, which creates noise and disrupts the landscape. Even though we do not assemble the parts ourselves and the majority of the construction work is outsourced, our workers often climb up to heights to monitor and test the production, posing risks of injuries and deaths. Additionally, as our product can be of significant social consequences, it is critical to make our product safe, render the functionality required, as well as continuously improve product design according to the rising social expectations on waste management.

因業務性質使然，我們不可避免對當地社區產生影響。建造是我們業務項目的重要部分，會產生噪音及破壞景觀。儘管我們並無自行組裝零件，且大部分建築工程均外包，但我們的工人時常需於高空監察及測試生產，存在傷亡風險。此外，由於我們的產品可能會產生重大社會後果，根據日漸提高的廢物管理社會期望，不斷改善產品設計，確保產品安全可靠並具備所需功能，對我們而言至關重要。

For environmental areas, since we are mostly providing consultancy service this year, we do not produce significant emissions or waste, or consume a large amount of resources. They are therefore of lower importance and will not be the highlight of this ESG Report. However, we acknowledge the impact of climate change on our business as to having us to make our product adaptive to the environmental challenges. For corporate social relationship, the Group will continue to transform the opinions and supports from all stakeholders into services that meet the modern living standards, and contribute to social well-being through donation and community projects.

在環境方面，由於我們於本年度主要提供顧問服務，我們並無產生大量排放物或廢棄物，亦無消耗大量資源。因此，排放及能耗的重要性較低，不會於本環境、社會及管治報告重點闡述。然而，我們亦深明，我們的產品必須能夠應對氣候變化帶來的環境挑戰。在企業社會關係方面，本集團將繼續充分利用所有持份者的意見及支持，致力提供符合現代生活水平的服務，並透過捐款及社區項目為社會福祉作出貢獻。

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

環境、社會及管治報告

SOCIAL SUSTAINABILITY

Product Responsibility

Product Quality

The Group seizes every opportunity to improve our product quality. As an evidence of the Group's ambition and commitment, we have obtained the ISO9001 accreditation, with a focus on standardization and strategic sourcing.

We require contractors to follow standard production procedures, making sure all critical steps are taken and executed in a reasonable timeframe. We established KPIs for production, such as resource input, quality of outcomes, and structure robustness, in order to measure contractor's performance and identify rooms for improvement.

Apart from process improvement, we source raw materials carefully. This can produce a huge impact on the output quality, as a single point of weakness can result in structural collapse and system failure. To guarantee product safety, we constantly compare the valves and pipes against the specifications. Knowing intense heating and a chain of chemical reactions would be involved during product operation, mechanical components must be resistant to high temperature and acidic gas.

Being a solution provider in hazardous waste incineration, it is of our first priority to ensure a complete decomposition of waste and no unwanted materials remain. Hence, we have made product testing a compulsory part of production, focused on equipment capacity, decomposition rate and emission tracking, so as to make our clients aware of the risks and not to overwhelm the system. Only after we obtain all sorts of experimental data with a sufficient confidence level would the product be delivered.

As one of the leaders in the industry, the Group does not sit on its laurels and is keen on researching waste treatment technologies. Facing the complex environmental problems today, we are obliged to resolve the solid waste problem in a more efficient and environmentally-friendly manner. We look into every possibility of getting more energy out of the waste and reducing the amount of pollutant that results from the combustion process, and have been integrating relevant concepts into the products, for example, harvesting the heat to facilitate waste pre-treatment and installing detecting sensors that monitor pollutant emission levels.

社會可持續性

產品責任

產品質量

本集團把握每一個機會提高產品質量。我們已通過ISO9001認證，專注於標準化及策略性採購，這體現了本集團的抱負及承諾。

我們要求承包商遵守標準生產程序，確保在合理時間內採取及執行各項重要步驟。我們已設立生產面的關鍵績效指標，如資源投入、成果質量及結構穩健性，以衡量承包商的表現及識別改善空間。

除流程改進外，我們亦審慎採購原材料。原材料質量可能會對輸出質量產生巨大影響，因為每一個缺陷都有可能導致結構崩潰及系統故障。為確保產品安全，我們經常將閥門和管道與規格進行比較。由於在產品運作過程中會涉及大量加熱及一連串化學反應，機械部件必須耐高溫及耐酸性氣體。

作為危險廢物焚燒處置解決方案提供商，我們的首要任務是確保廢物完全分解，且不遺留有利的材料。因此，產品測試是我們生產過程的必要環節，重點關注設備容量、分解率及排放物追蹤，從而可讓客戶了解所存在的風險，不會令系統不堪重負。僅於取得各種具有足夠置信水平的實驗數據後，我們方會交付產品。

作為行業領導者之一，本集團並未滿足於現狀，而是積極投入研究廢棄物處理技術。面對現今複雜的環境問題，我們有責任以更有效及更環保的方式解決固體廢棄物問題。我們研究各種可能性，力求從廢物中獲取更多能源及減少燃燒過程產生的污染物數量，並已將相關概念融入產品中，例如收集熱能以促進廢物預處理及安裝監測污染物排放水平的檢測傳感器。

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Customer Opinion

It is always important to listen to the opinion of customers. While we serve our customers, they in turn feed us with valuable insights of how the products can be made to fit their business needs. Hence, we cherish the relationship with customers and have carried out in-depth surveys in assessing their satisfaction level.

Advertising and label

The Group complies with the laws and regulations related to advertising in Mainland China and Hong Kong and confirms the accuracy and authenticity of all published materials.

Privacy

We do not collect more information than we need to complete the projects, or share customer information with any unauthorized third party.

Supply Chain Management

Suppliers is one of the key stakeholders to the Group who cannot be independent of production materials. Hence, we value our relationship with suppliers and are actively developing a sustainable supply chain that meets the Group's ethical, environmental, health and safety standards.

During the Reporting Period, our main suppliers are material vendors and contract manufacturers responsible for installation. They are mainly distributed across China, especially in Guangdong Province.

Selection of suppliers has been made according to the ISO9001 Framework. We established an assessment scheme and review the performance of suppliers each year. We study their price, steadiness, quality, and long-term potential to identify those who are in good fit with our criteria. As a reward, we establish long-term relationship with well-rated suppliers and engage them in our corporate meetings regarding supply chain management.

To ensure we have sufficient knowledge on their operations and products for fair judgement, we conduct regular visits to their production facilities. A quality control personnel is assigned to monitor the manufacturing process of equipment.

客戶意見

聆聽客戶意見至為重要。在我們為客戶提供服務的同時，客戶也為我們提供寶貴見解，讓我們了解產品如何才能切合其業務需要。因此，我們珍視與客戶的關係，並已進行深入調查以評估客戶滿意度。

廣告及標籤

本集團遵守中國內地及香港有關廣告的法律法規，並確認所發佈資料的準確性及真實性。

私隱

我們收集的資料以完成項目所需者為限，且不會與任何未經授權的第三方分享客戶資料。

供應鏈管理

供應商為本集團的主要持份者之一，因為本集團無法自供所需生產材料。因此，我們重視與供應商的關係，並積極建立符合本集團道德、環境、健康與安全標準的可持續供應鏈。

於報告期間，我們的主要供應商為材料供應商及負責安裝的合約製造商。該等供應商分佈於中國各地，尤其是廣東省。

本集團根據ISO9001框架挑選供應商。我們制定評估計劃，並每年檢討供應商的表現。我們研究供應商的價格、穩定性、質量及長期潛力，以識別符合我們標準的供應商。我們與信譽良好的供應商建立長期關係，並邀請這些供應商參與我們有關供應鏈管理的公司會議。

為確保我們對供應商的營運及產品有充分了解，以作出公平判斷，我們定期視察供應商的生產設施。我們指派質量控制人員監控設備的製造過程。

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Health and Safety

The Group places occupational health and safety at the first place. In compliance with relevant laws and regulations of mainland China and Hong Kong, the Group has formulated a control system for labour safety and sanitation with certification of OHSAS18001.

As a consultant in hazardous waste incineration system development, we instruct, monitor and make sure the equipment is built in strict accordance with sketches and diagrams. For structures that have been established within the project phase, we scrutinize every screw and joint in search of possible faults and malfunctions. This requires us to be close to the source of risk.

We have established a risk management system, which entails precautions and handling procedures for hazards. Guidelines are reviewed periodically to ensure alignment with industry consensus and regulatory requirements. Apart from documentation, we assign safety managers to maintain communications with employees at all levels to make sure they are well aware of safety hazards and the steps to take in case of occurrence.

We strive to reduce risk. Through observation and laboratory procedures, we evaluate the health of incineration system structures. For every flaw or mismatch identified, we would look into the issue and broaden the range of inspection to dig out other possible defects that pose risks of system collapse. We cherish such experience, despite an unpleasant one, and report our findings to contractors.

Where working at heights, in confined space, or where mobile machineries are involved, we offer protective gadgets to workers to reduce the magnitude and chance of incidents, for example, safety harness that ties the body of the workers to the working structures and helmets that avoid objects falling overhead. We also delegate a site supervisor to monitor operations, including the adoption of safety procedures, the maneuvering of vehicles, and the division of labour.

健康與安全

本集團將職業健康與安全放在第一位。根據中國內地及香港的相關法律法規，本集團制定了勞動安全及衛生管理體系，並通過OHSAS18001認證。

作為危險廢物焚燒系統開發顧問，我們指導、監控並確保設備嚴格按照圖紙要求建造。對於在項目施工階段已建立的結構，我們會仔細檢查每個螺桿及接頭以發現可能存在的缺陷及故障。這要求我們接近風險的源頭。

我們已建立風險管理制度，當中包括危險預防及處理程序。我們定期檢討指引，以確保符合業界共識及監管規定。除文件外，我們指派安全經理與各級僱員保持溝通，以確保彼等充分了解安全風險及發生事故時應採取的措施。

我們致力減低風險。通過觀察及實驗室程序，我們評估焚燒系統結構的牢靠性。對於發現的每一個缺陷或錯配，我們都會認真研究問題並擴大檢查範圍，以挖出其他可能導致系統崩潰風險的缺陷。儘管這並非愉快的過程，但我們予以重視，並向承包商報告我們的調查結果。

在高空、密閉空間作業或涉及移動機械的情況下，我們為工人提供保護裝置，以減少事故發生的幅度及可能性，例如將工人身體與工作架連接的安全帶及避免頭部受墜落物體砸傷的安全帽。我們亦委派一名地盤主管監察作業情況，包括採納安全程序、車輛操作及分工。

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

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Last but not least, we provide safety trainings for workers who are stationed in construction sites. Workshops are held to inform workers of the safety concerns of production practices, hoping they would exercise extra caution when performing relevant duties and not trigger accidents that may harm other people or the environment. Regardless of seniority, workers are required to attend trainings regularly, even if they have accessed similar materials before. This is to remind them of the correct working postures and operating procedures, and promote corporate safety culture.

Thanks to the joint efforts of workers and site supervisors, during the Reporting Period, the Group has recorded 0 safety incidents, meaning 0 deaths and injuries arising from work.

Employment

The Group regards talents as one of its core competencies, and has optimized the use of human resources through a dedicated recruitment process and appraisal system.

The management regularly reviews the Group's remuneration and welfare policies with respect to market standards and is committed to safeguarding the rights and interests of the staff. With the annual performance appraisal, we offer bonuses and salary increments to reward employees for their diligence and dedication.

In any circumstances, the Group offers wages not lower than the minimum wage as stipulated by law. In addition to the statutory benefits such as insurances and public holidays, the Group provides paid holidays such as annual leave, bereavement leave, maternity and sick leave, as well as subsidies in travelling and studying.

Our Group embraces a diverse workforce that includes employees of different ages, genders, family status, sexual orientation, disability, ethnicity, and religion. We encourage our employees to work closely with one another through teambuilding activities, inter and intra-departmental conferences, and sports competitions. These ensure their well-being and a healthy working lifestyle.

To maintain the relationship within this one big family, we open up communication channels for workers to express their concerns, such as General Meetings, in favour of the reflection on operation and management. We also distribute notice regarding the significant changes in our management directions, to make sure workers are all informed and comply.

最後，我們為駐於建築地盤的工人提供安全培訓。我們舉辦專題培訓，讓工人了解生產作業中的安全問題，以期彼等在履行職責時格外小心謹慎，確保不會觸發可能危害他人或環境的事故。不論資歷高低，工人均須定期參加培訓，即使以前了解過類似材料亦不例外。這是為了提醒工人正確的工作姿勢及操作程序，弘揚企業安全文化。

在工人及地盤主管的共同努力下，於報告期間，本集團無發行安全事故，即無出現因工死亡及受傷情況。

僱傭

本集團視人才為其核心競爭力之一，並通過專門的招聘流程及考核體系優化人力資源使用。

管理層定期按市場標準檢討本集團的薪酬及福利政策，致力保障員工的權益。根據年度績效評估，我們提供花紅及加薪以獎勵員工的努力及奉獻。

在任何情況下，本集團提供的工資均不低於法律規定的最低工資。除保險及公眾假期等法定福利外，本集團亦提供年假、喪假、產假及病假等帶薪假期，以及交通及學習補貼。

本集團擁有多元化的員工隊伍，包括不同年齡、性別、家庭狀況、性取向、殘疾、種族及宗教的僱員。我們鼓勵僱員透過團隊建設活動、部門內部會議及跨部門會議、運動賽事等加強交流，工作上可緊密合作，從而保障員工的福祉及健康的工作生活方式。

為了維持這個大家庭的和諧關係，我們為員工開辟溝通渠道，以表達他們的關切事項，例如員工代表大會，有利於我們對營運及管理進行反思。我們亦就管理方針的重大變動發佈通知，以確保工人均知悉及遵守有關規定。

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

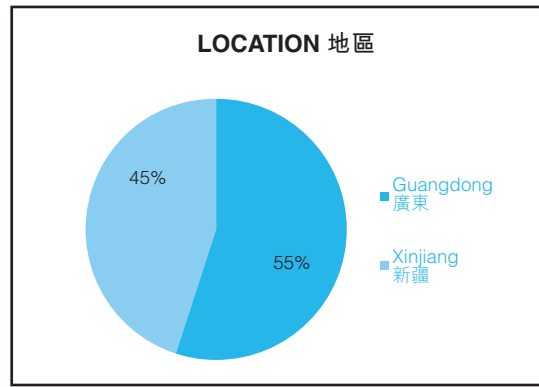
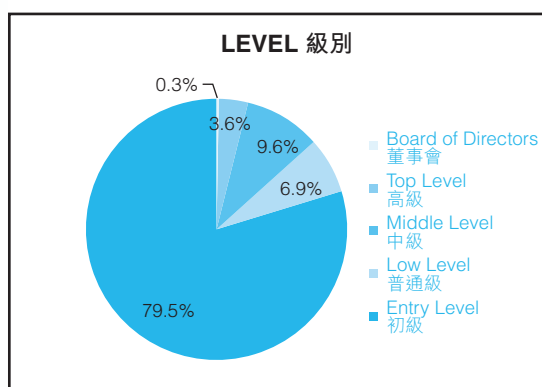
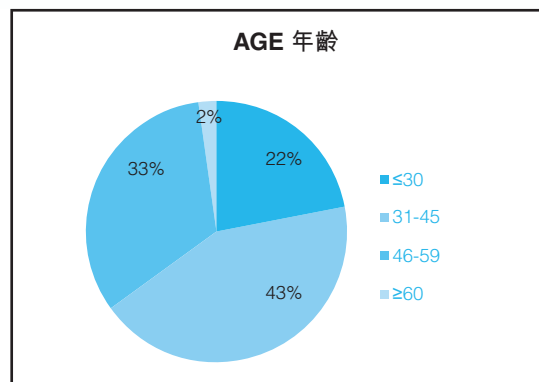
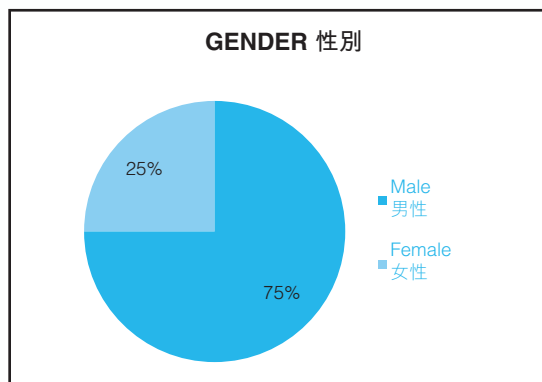
環境、社會及管治報告

At the end of Reporting Period, our Group hires a total of 332 employees, increasing by 45.6% from last year. Across our business portfolio, females accounted for 25% of the total labor. While the gender gap may seem big, we are glad to see more females joining us and we must understand that the professionals in engineering consultancy are dominantly males. Regarding age, most of our employees concentrate in 31-45, accounting for 43% of total. This is good for the company as employees at this age are often experienced and productive. We would develop retainment strategies accordingly.

於報告期間末，本集團共聘用332名僱員，較去年增加45.6%。在我們的業務組合中，女性佔總員工的25%。雖然性別差距似乎較大，我們很高興看到更多女性加入我們，且我們必須理解工程諮詢的專業人士以男性為主。在年齡方面，我們大部分僱員集中在31至45歲，佔總數的43%。這對於公司而言是有利的，因為在這個年齡段的員工通常經驗豐富且工作效率高。我們將會相應制定僱員挽留策略。

Employee Statistics

僱員統計數據



ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

環境、社會及管治報告

Development and Training

The Group treasures talents and encourages employees to grow both intellectually and professionally. The Group has formulated training plans for employees, including seminars and workshops. During the reporting period, the Group has organized two core trainings listed as below:

Training Subject 培訓主題	Training purpose and content 培訓目的及內容
Technology of Hazardous Waste Treatment 危險廢物處置技術	<ol style="list-style-type: none"> 1. Analysis of possible hazards 潛在危險分析 2. Latest technology that allows decomposition in higher resolution 允許以較高分辨率進行分解的最新技術 3. Heat extraction after the incineration process 焚燒過程後的熱量採集
Operation Project Safety Training 運營項目安全培訓	<ol style="list-style-type: none"> 1. Standard procedures for thermal load debugging and trial operation; 熱負荷調試及試運行的標準程序； 2. Emergency response; 應急響應； 3. Other project safety related issues 其他項目安全相關事宜

Labour Standards

Child and forced labour violate international labour conventions and are strongly opposed by the Group.

We inspect carefully the candidates' identity to prevent the hiring of underaged labour. We form a voluntary employment relationship with each of our employees and prohibit working hours exceeding the regulatory limits. We also promote such concepts within the supply chain so as to protect the well-being of labour of the entire community. If, unfortunately child labour is found, their employment will be terminated immediately and remuneration will be made according to the agreed wages.

During the reporting period, the Group did not recognize any material irregularities in the laws and regulations relating to labour standards.

發展及培訓

本集團重視人才，並鼓勵僱員在知識及專業方面持續成長。本集團已為僱員制定培訓計劃，包括研討會及工作坊。報告期間內，本集團組織了兩項核心培訓，具體如下：

勞工準則

童工及強制勞工違反國際勞工公約，本集團堅決反對童工及強制勞工。

我們審慎檢查候選人的身份，以防止聘用未成年勞工。我們與各僱員建立自願僱傭關係，並禁止工作時間超過監管限制。我們亦在供應鏈中倡導此觀念，以保障整個社區勞工福利。倘不幸發現童工，將立即終止其僱傭，並根據協定工資支付薪酬。

於報告期間，本集團並無發現任何嚴重違反勞工準則相關法律法規的情況。

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

環境、社會及管治報告

Anti-Corruption

The Group does not accept any form of corporate misconduct and is committed to upholding the core values of honesty, responsibility and integrity in daily operation. We comply with the Anti-Unfair Competition Law of the PRC, the Supervision Law of the PRC, the Prevention of Bribery Ordinance (Cap. 201) and other relevant regulations regarding the subject. We do not allow employees to derive benefits or opportunities with one's position, company resources or information. We also implement an Anti-Fraud system to control the risk of corruption.

During the reporting period, the Group did not observe any cases involving bribery, extortion, fraud or money laundering.

Social Investment

The Group is committed to building a harmonious relationship with the community. The Group harnesses its know-how in waste incineration to serve society. By devising solution in handling industrial and municipal waste, such as heavy metals and electronics, the Group helps free up the landfill and improves the living environment.

Not only did the Group provide waste removal solution, but we also added lines of greenery for the city. We held tree planting activities along the roads during the year to facilitate clean air production and make our journey more pleasant.

We would continue to encourage employees to do good to their surrounding communities by drawing their attention to diverse social and environmental issues and organizing charitable activities.

反貪污

本集團不接受任何形式的企業不當行為，並致力在日常營運中秉持誠實、負責及正直的核心價值觀。我們遵守《中國反不正當競爭法》、《中國監察法》、《防止賄賂條例》(香港法例第201章)及其他相關法規。我們不允許僱員利用其職位、公司資源或信息謀取利益或機會。我們亦實施反欺詐系統以控制貪污風險。

於報告期間，本集團並無發現任何涉及賄賂、勒索、欺詐或洗黑錢的案件。

社會投資

本集團致力與社區建立和諧關係。本集團利用其於垃圾焚燒方面的專業知識服務社會。本集團設計處理工業及城市垃圾(如重金屬及電子產品)的解決方案，從而幫助清理填埋區及改善生活環境。

本集團不僅提供廢物清除解決方案，亦為城市增添多條綠化路。年內，我們舉辦植樹活動，在道路沿線種植樹木，以促進清潔空氣生產並讓我們的旅程更愉快。

我們將繼續鼓勵僱員關注各種社會及環境事宜，並組織慈善活動，對周邊社區作出貢獻。

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

環境、社會及管治報告

ENVIRONMENTAL SUSTAINABILITY

Impact on Communities

The Group is well aware of the importance of sustainable development and has always regarded environmental protection as one of its key tasks. The Group's management acknowledges its responsibility in monitoring environmental impacts and the use of natural resources. We abide by relevant environmental protection laws and regulations, namely Environmental Protection Law of the PRC, Energy Conservation Law of the PRC and so on. We actively search for opportunities to reduce our environmental footprint, which stems primarily from noise, emissions and the change of landscape during the production of incineration system.

The Group values the harmony with the environment and has received the ISO14001 Environmental Management System Certification. We plan ahead of the project, taking into account the site-specific factors and demands from clients, for the sake of minimizing disturbance to the neighbouring communities. This includes limiting the height of the establishment to prevent the output from being incompatible, if not peculiar, with the surroundings, or ruining the urban scenery. For sites with high proximity to dwellings, we work only in the daytime and enclose the area with noise barriers. For sites in suburbs widely surrounded by vegetation, we make the equipment as compact as possible so that it is not taking up too much space of the nature.

Aside from planning, we assess the environmental performance during the construction phase of the project. We continuously monitor the operation to make sure contractors have adopted environmentally-friendly practices, such as the spraying of water over the ground to prevent the sand from flying into the air. This helps contractors and us to beware of the environmental impacts we are making, and not to forget about our mission – to solve environmental problems in face of the rising living standards and changing social behaviours.

環境可持續性

對社區的影響

本集團深知可持續發展的重要性，始終將環境保護作為重點工作之一。本集團管理層承擔監察環境影響及天然資源使用的責任。我們遵守相關的环境保護法律法規，包括《中國環境保護法》、《中國節約能源法》等。我們積極尋求機會減少我們對環境的影響，有關影響主要來自焚燒系統製造過程中的噪音、排放物及景觀變化。

本集團重視與環境的和諧相處，並已取得ISO14001環境管理體系認證。為盡量減少對鄰近社區的干擾，我們考慮地盤的特定因素及客戶的需求，提前作出規劃。這包括限制建築物的高度，以防止與周圍環境不協調（如非顯得怪異）或破壞城市景觀。若地盤鄰近住宅，我們僅於日間工作，並使用隔音屏障圍封。對於植被環繞的郊區地盤，我們盡可能將設備範圍收窄，不佔用太多的自然空間。

除規劃外，我們於項目建設階段評估環境表現。我們持續監察作業情況，以確保承包商採取環保措施，例如在地面噴水以防止沙子飛揚。這有助於承包商及我們警惕我們對環境造成的影響，同時不忘我們的使命——在生活水平不斷提高及社會行為不斷變化中，解決環境問題。

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Emissions

The Group has always emphasized environmental friendliness and reducing emissions of all kinds. Since we are mostly providing consultancy services for hazardous waste incineration system this year, our emissions are rather limited.

Air and Greenhouse Gases

The following charts set out the relevant statistics for the reporting period:

Indicators 指標	Unit 單位	Total (2020) 總計(2020年)	Total (2019) 總計(2019年)
Nitrogen Oxides (NOx) 氮氧化物(NOx)	kg 千克	6.39	1,784.26
NOx Intensity (Per Employee) NOx密度(每名僱員)	kg/Employee 千克/僱員	0.0193	7.83
Sulphur Oxides (SOx) 硫氧化物(SOx)	kg 千克	0.11	144.97
SOx Intensity (Per Employee) SOx密度(每名僱員)	kg/Employee 千克/僱員	0.0003	0.64
Particulate Matter (PM) 顆粒物(PM)	kg 千克	0.47	19.30
PM Intensity (Per Employee) 顆粒物密度(每名僱員)	kg/Employee 千克/僱員	0.0014	0.085
Total GHG Emissions 溫室氣體排放總量	Tonnes of CO ₂ e 噸二氧化碳當量	90.25	6,001.25
Intensity (Per Employee) 密度(每名僱員)	Tonnes of CO ₂ e/ Employee 噸二氧化碳當量/僱員	0.27	26.32
Scope 1 — Stationary combustion 範圍1 — 固定源燃燒	Tonnes of CO ₂ e 噸二氧化碳當量	0	4,536.38
Intensity (Per Employee) 密度(每名僱員)	Tonnes of CO ₂ e/ Employee 噸二氧化碳當量/僱員	0	19.90
Scope 1 — Mobile combustion 範圍1 — 移動源燃燒	Tonnes of CO ₂ e 噸二氧化碳當量	20.79	177.75
Intensity (Per Employee) 密度(每名僱員)	Tonnes of CO ₂ e/ Employee 噸二氧化碳當量/僱員	0.063	0.78
Scope 2 Indirect Emissions 範圍2間接排放	Tonnes of CO ₂ e 噸二氧化碳當量	69.46	1,287.12
Intensity (Per Employee) 密度(每名僱員)	Tonnes of CO ₂ e/ Employee 噸二氧化碳當量/僱員	0.21	5.65

Note: GHG emissions are computed based on the ESG Reporting Guide and Emission Factor from Cross-Sector Tools prepared by Greenhouse Gas Protocol.

排放物

本集團一直強調環保及減少各類排放物。由於我們於本年度主要提供危險廢物焚燒系統方面的顧問服務，我們的排放量相當少。

廢氣及溫室氣體

下圖載列報告期間的相關統計數據：

附註：溫室氣體排放量乃根據環境、社會及管治報告指引及溫室氣體核算體系編製的跨行業工具排放系數計算。

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Due to the suspension of oily sludge treatment business, which consumes a great deal of natural gas in boiler and electricity, there is a significant reduction of GHG emission this year. Apart from the narrowing in business scope, we also come up with plans to cut emissions.

The Group strives to reduce air and greenhouse gases (GHG) emissions through improving process flow, for example, we ease the moving of cranes by clearing obstacles on the paths and avoid acceleration, thus consuming less fuels. Not only do we modify our operation, but we also integrate sustainability concepts into our products, including flue gas cleaning and the harvest of waste heat. Through scrubbing and bag-house filtering, acidic gas and fly ash is removed from the incineration process so that the resultant flue gas is much less harmful to the environment.

Since incineration requires a huge heat input and the decomposition of waste does not consume fully the heat, the system is made able to store the leftover for alternative usages, such as pre-treatment of waste and the driving of turbine for electricity generation, substantially saving energy.

We also avoid the use of refrigerant for system cooling, which otherwise would produce GHG with a much higher global warming potential than ordinary fossil fuel combustion.

Solid Waste Emission

We uphold the principle of "4Rs", namely Reduce, Reuse, Replace and Recycle. In our offices, we produce only municipal waste, which is unarmful, disposed through legal means and collected by governmental services daily. Hence, we do not consider this a big issue to the business and do not report the figures here.

As we outsource the installation of incineration system to contractors, we do not generate waste in system production. However, this does not mean we do not contribute to waste reduction. Instead, we actively assist them in retrieving materials for future production, such as metal scrap.

由於油泥處理業務暫停(其需於鍋爐消耗大量天然氣及電力)，因此本年度的溫室氣體排放量大幅減少。除業務範圍縮小外，我們亦制定了減少排放的計劃。

本集團致力透過改善工藝流程減少廢氣及溫室氣體排放，例如，清除路上障礙讓起重機移動靈便並避免加速，從而減少燃料消耗。我們不僅改善作業流程，亦將可持續發展理念融入產品中，包括煙氣淨化及餘熱回收。通過清洗和袋式過濾，去除焚燒過程中的酸性氣體和飛灰，從而產生的煙氣對環境的危害小得多。

由於焚燒需要大量的熱量輸入，且垃圾的分解不會完全消耗所輸入熱量，因此該系統能夠將剩餘的熱量儲存作其他用途，如垃圾的預處理及發電用渦輪機的驅動，大大節省了能源。

由於使用製冷劑進行系統冷卻產生的溫室氣體全球增溫潛值較普通化石燃料燃燒所產生者更高，我們亦避免使用製冷劑。

固體廢棄物排放

我們秉持「4R」原則，即減少使用、物盡其用、替代使用及循環再用。我們的辦公室僅產生無害的城市垃圾，均以合法方式處置及每日由政府服務機構收集。因此，我們認為這不屬重大事宜，故並無在此報告數據。

由於我們將焚燒系統的安裝外包予承包商，我們在系統生產中不會產生廢棄物。然而，這並不意味著我們不會為減少廢棄物作貢獻。相反，我們積極協助承包商回收日後生產可用的材料，如廢金屬等。

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

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Wastewater

The wastewater of the Group comes mainly from lavatories. Since living wastewater should not pose huge harm to the environment, we assume this topic insignificant. The Group strictly discharges wastewater into municipal sewage pipelines for uniform treatment in accordance with the “Wastewater Quality Standards for Discharge to Municipal Sewers”. The Group also calls on employees to conserve water resources.

During the Reporting Period, there was no incidence of non-compliance in emissions with the relevant environmental laws and regulations that have a significant impact on our Group.

Use of Resources

The Group earnestly reduces resource consumption and improves economic efficiency, including fuels, electricity, water, and paper.

The following table shows the figures of resource consumption in our business operations:

The Group 本集團	Unit 單位	Total (2020) 總計(2020年)	Total (2019) 總計(2019年)
Electricity consumption 用電量	kWh 千瓦時	86,376.0	1,949,592.0
Intensity (per Employee) 密度(每名僱員)	kWh/Employee 千瓦時/僱員	260.2	8550.8
Water consumption 用水量	tonnes 噸	2,039.0	102,266.3
Intensity (per Employee) 密度(每名僱員)	tonnes/Employee 噸/僱員	6.1	448.5
Natural gas consumption 天然氣用量	m ³ 立方米	0	2,167,961.0
Gasoline consumption 汽油耗用量	liter 公升	7,677.8	65,669.0

廢水

本集團產生的廢水主要來自洗手間。由於生活污水不會對環境造成重大危害，我們認為此議題並不重大。本集團嚴格按照《污水排入城鎮下水道水質標準》將廢水排入城鎮污水管道進行統一處理。本集團亦呼籲員工節約水資源。

於報告期間，並無發生對本集團有重大影響的違反相關環境法律法規排放的事件。

資源使用

本集團切實減少資源消耗，提高燃料、電力、水及紙張等資源使用的經濟效益。

下表列示我們的業務營運所耗用資源的數字：

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The Group endeavours to cut fuel consumption. In addition to avoiding idling engines, we seek to introduce hybrid vehicles to reduce the dependence on gasoline, which generates GHG during combustion. On the other hand, the Group does not back down when it comes to energy saving. We adopt smart lighting in the stairway of office area as to if no person is detected, lights will be off. We retrofit office equipment when in need, such as air-conditioners, lightings and lift, in order to prevent obsolete components from hindering performance and taking up more electricity per unit of work delivered. We also maintain environmentally-friendly indoor temperature to ensure comfort both inside and outside the office buildings.

For water resources, the Group adopts a robust management system, which keeps track of water use patterns and compares usage among offices. In the events where water consumption is significantly higher on a year-over-year basis, we would delve into the issue and develop responsive strategies, such as replacing the leaking faucets.

Climate Change

Climate change is an issue that troubles a multitude of corporations and countries around the world. The Group is not likely to be unaffected and will not leave ourselves unguarded. We have, apart from reducing GHG emissions, developed adaptive measures.

In view of extreme weather, in particular up-scaled floods or tropical cyclones, we have considered to use storm-resistant materials in our products, which digest hazardous industrial waste and are critical to the well-being of the community. If leakage occurs during the incineration process owing to weather events, results can be catastrophic and irreversible to the ecosystem. Therefore, we will continue to strengthen the physical ability of the system to prevent damage or loss of functionality arising from natural disasters.

Climate change does not only involve physical risks, but also transition risk, according to the Taskforce on Climate-related Financial Disclosures. We expect the Chinese government to raise emission requirements and impose carbon quota in the future, and have hence further researched the incineration technology on using less energy and releasing less pollutant, to improve the competencies of our products.

本集團致力降低燃料消耗。由於汽油在燃燒過程中產生溫室氣體，除避免引擎空轉外，我們亦尋求引入混合動力汽車，以減少對汽油的依賴。此外，本集團亦積極減少電能消耗。我們在辦公區域樓梯採用智能照明，在沒有人的情況下，會自動熄燈。我們於有需要時對辦公室設備（如冷氣機、電燈及電梯）進行改造，以防止過時部件影響性能及耗用更多電力。我們亦保持環保的室內溫度，確保辦公樓內外的舒適度。

在水資源方面，本集團採用健全的管理系統，追蹤用水模式及比較各辦公室的用水情況。倘用水量較上年同期大幅增加，我們會進行深入探討並制定應對策略，例如更換漏水的水龍頭。

氣候變化

氣候變化是困擾全球眾多企業及國家的問題。本集團不可能不受影響，亦不會無所防備。除減少溫室氣體排放外，我們還制定了適應措施。

鑒於極端天氣，尤其是大規模的洪災或熱帶氣旋，我們已考慮在產品中使用抗風暴材料，因為產品需要消化有害工業廢物，對社區福祉至關重要。倘於焚燒過程中因天氣問題而發生洩漏，可能會對生態系統造成災難性的不可逆轉傷害。因此，我們將繼續加強系統的物理能力，以防止因自然災害而造成的功能損壞或喪失。

根據氣候相關財務信息披露工作組提供的資料，氣候變化不僅涉及實體風險，亦涉及轉型風險。我們預期中國政府日後將提高排放要求及實施碳配額，因此我們已著手深入研究可減少能耗及污染物的焚燒技術，以提升我們產品的競爭力。

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環境、社會及管治報告索引

Aspects 層面	Summary 內容	Page Index/Notes 頁碼索引／附註
A. Environmental 環境		
A1 Emission 排放物		
General Disclosure 一般披露	Relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste: 有關廢氣及溫室氣體排放、向水及土地排污、產生有害及無害廢棄物等的： (a) the policies; and 政策；及 (b) compliance with relevant laws and regulations that have a significant impact on the issuer. 遵守對發行人有重大影響的相關法律及法規的資料。	For more details, please refer to Page 61-63 有關更多詳情，請參閱第 61 至 63 頁
A1.1	The types of emissions and respective emissions data. 排放物類型及相關排放數據。	For more details, please refer to Page 61 有關更多詳情，請參閱第 61 頁
A1.2	Greenhouse gas emissions in total (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility). 溫室氣體總排放量(以噸計算)及(如適用)密度(如以每產量單位、每項設施計算)。	For more details, please refer to Page 61 有關更多詳情，請參閱第 61 頁
A1.3	Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility). 所產生危險廢物總量(以噸計算)及(如適用)密度(如以每產量單位、每項設施計算)。	For more details, please refer to Page 62-63 有關更多詳情，請參閱第 62 至 63 頁
A1.4	Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility). 所產生無害廢棄物總量(以噸計算)及(如適用)密度(如以每產量單位、每項設施計算)。	For more details, please refer to Page 62-63 有關更多詳情，請參閱第 62 至 63 頁
A1.5	Description of measures to mitigate emissions and results achieved. 描述減低排放量的措施及所得成果	For more details, please refer to Page 61-63 有關更多詳情，請參閱第 61 至 63 頁
A1.6	Description of how hazardous and non-hazardous wastes are handled, reduction initiatives and results achieved. 描述處理有害及無害廢棄物的方式、減低產生量的措施及所得成果。	For more details, please refer to Page 61-63 有關更多詳情，請參閱第 61 至 63 頁

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Aspects 層面	Summary 內容	Page Index/Notes 頁碼索引／附註
A2 Use of Resources 資源使用		
General Disclosure 一般披露	Policies on the efficient use of resources, including energy, water and other raw materials. 有效使用資源(包括能源、水及其他原材料)的政策。	For more details, please refer to Page 63-64 有關更多詳情，請參閱第63至64頁
A2.1	Direct and/or indirect energy consumption by type (e.g. electricity, gas or oil) in total (kWh in '000s) and intensity (e.g. per unit of production volume, per facility). 按類型劃分的直接及／或間接能源(如電、氣或油)總耗量(以千個千瓦時計算)及密度(如以每產量單位、每項設施計算)。	For more details, please refer to Page 63 有關更多詳情，請參閱第63頁
A2.2	Water consumption in total and intensity (e.g. per unit of production volume, per facility). 總耗水量及密度(如以每產量單位、每項設施計算)。	For more details, please refer to Page 63 有關更多詳情，請參閱第63頁
A2.3	Description of energy use efficiency initiatives and results achieved. 描述能源使用效益計劃及所得成果。	For more details, please refer to Page 63 有關更多詳情，請參閱第63頁
A2.4	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency initiatives and results achieved. 描述求取適用水源上可有任何問題，以及提升用水效益計劃及所得成果。	For more details, please refer to Page 63 有關更多詳情，請參閱第63頁
A2.5	Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced. 製成品所用包裝材料的總量(以噸計算)及(如適用)每生產單位佔量。	Not material 不重大
A3 The Environment and Natural Resources 環境及天然資源		
General Disclosure 一般披露	Policies on minimizing the issuer's significant impact on the environment and natural resources. 減低發行人對環境及天然資源造成重大影響的政策。	For more details, please refer to Page 60 有關更多詳情，請參閱第60頁
A3.1	Description of the significant impacts of activities on the environment and natural resources and actions taken to manage them. 描述業務活動對環境及天然資源的重大影響及已採取管理有關影響的行動。	For more details, please refer to Page 60 有關更多詳情，請參閱第60頁

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Aspects 層面	Summary 內容	Page Index/Notes 頁碼索引／附註
A4 Climate Change 氣候變化		
General Disclosure 一般披露	Policies on identification and mitigation of significant climate-related issues which have impacted, and those which may impact, the issuer. 識別及應對已經及可能會對發行人產生影響的重大氣候相關事宜的政策。	For more details, please refer to Page 64 有關更多詳情，請參閱第 64 頁
A4.1	Description of the significant climate-related issues which have impacted, and those which may impact, the issuer, and the actions taken to manage them. 描述已經及可能會對發行人產生影響的重大氣候相關事宜，及應對行動。	For more details, please refer to Page 64 有關更多詳情，請參閱第 64 頁
Social 社會		
B1 Employment and Labour Practices 僱傭及勞工常規		
General Disclosure 一般披露	Following information on: 以下有關薪酬及解僱、招聘及晉升、工作時數、假期、平等機會、多元化、反歧視以及其他待遇及福利的： (a) the policies; and 政策；及 (b) compliance with relevant laws and regulations that have a significant impact on the issuer. 遵守對發行人有重大影響的相關法律及法規 Relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits welfare. 的資料。	For more details, please refer to Page 56-58 有關更多詳情，請參閱第 56 至 58 頁
B1.1	Total workforce by gender, position level, age group and geographical region. 按性別、職級、年齡組別及地區劃分的僱員總數。	For more details, please refer to Page 57 有關更多詳情，請參閱第 57 頁
B1.2	Turnover Rate by gender, position level, age group and geographical region 按性別、職級、年齡組別及地區劃分的僱員流失比率	For more details, please refer to Page 58 有關更多詳情，請參閱第 58 頁

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Aspects 層面	Summary 內容	Page Index/Notes 頁碼索引／附註
B2 Health and Safety 健康與安全		
General Disclosure 一般披露	Information on: 有關提供安全工作環境及保障僱員避免職業性危害的： (a) the policies; and 政策；及 (b) compliance with relevant laws and regulations that have a significant impact on the issuer. 遵守對發行人有重大影響的相關法律及法規 relating to providing a safe working environment and protecting employees from occupational hazards. 的資料。	For more details, please refer to Page 55-56 有關更多詳情，請參閱第55至56頁
B2.1	Number of work fatalities 因工亡故的人數	For more details, please refer to Page 56 有關更多詳情，請參閱第56頁
B2.2	Lost day due to work injury 因工傷損失工作日數	For more details, please refer to Page 56 有關更多詳情，請參閱第56頁
B2.3	Description of occupational health and safety measures adopted, how they are implemented and monitored. 描述所採納的職業健康與安全措施，以及相關執行及監察方法。	For more details, please refer to Page 56 有關更多詳情，請參閱第56頁
B3 Development and Training 發展及培訓		
General Disclosure 一般披露	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities. 有關提升僱員履行工作職責的知識及技能的政策。描述培訓活動。	For more details, please refer to Page 58 有關更多詳情，請參閱第58頁
B3.1	The percentage of employees trained by gender and employee category (e.g. senior management, middle management). 按性別及僱員類別(如高級管理層、中級管理層等)劃分的受訓僱員百分比。	Will provide next year 明年提供
B3.2	The average training hours completed per employee by gender and employee category. 按性別及僱員類別劃分，每名僱員完成受訓的平均時數。	Will provide next year 明年提供

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Aspects 層面	Summary 內容	Page Index/Notes 頁碼索引／附註
B4 Labour Standards 勞工準則		
General Disclosure 一般披露	Relating to preventing child and forced labour: 有關防止童工及強制勞工的： (a) the policies; and 政策；及 (b) compliance with relevant laws and regulations that have a significant impact on the issuer. 遵守對發行人有重大影響的相關法律及法規的資料。	For more details, please refer to Page 58 有關更多詳情，請參閱第 58 頁
B4.1	Description of measures to review employment practices to avoid child and forced labour. 描述檢討招聘慣例的措施以避免童工及強制勞工。	For more details, please refer to Page 58 有關更多詳情，請參閱第 58 頁
B4.2	Description of steps taken to eliminate such practices when discovered. 描述在發現違規情況時消除有關情況所採取的步驟。	For more details, please refer to Page 59 有關更多詳情，請參閱第 59 頁
B5 Supply Chain Management 供應鏈管理		
General Disclosure 一般披露	Policies on managing environmental and social risks of the supply chain. 管理供應鏈的環境及社會風險政策	For more details, please refer to Page 54 有關更多詳情，請參閱第 54 頁
B5.1	Number of suppliers by geographical region. 按地區劃分的供應商數目。	Will provide next year 明年提供
B5.2	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, and how they are implemented and monitored. 描述有關聘用供應商的慣例，向其執行有關慣例的供應商數目，以及有關慣例的執行及監察方法。	For more details, please refer to Page 54 有關更多詳情，請參閱第 54 頁
B5.3	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored. 描述有關識別供應鏈每個環節的環境及社會風險的慣例，以及相關執行及監察方法。	For more details, please refer to Page 54 有關更多詳情，請參閱第 54 頁
B5.4	Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored. 描述在揀選供應商時促使多用環保產品及服務的慣例，以及相關執行及監察方法。	For more details, please refer to Page 54 有關更多詳情，請參閱第 54 頁

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Aspects 層面	Summary 內容	Page Index/Notes 頁碼索引／附註
B6 Product Responsibility 產品責任		
General Disclosure 一般披露	Relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress: 有關所提供產品和服務的健康與安全、廣告、標籤及私隱事宜以及補救方法的： (a) the policies; and 政策；及 (b) compliance with relevant laws and regulations that have a significant impact on the issuer. 遵守對發行人有重大影響的相關法律及法規的資料。	For more details, please refer to Page 53-54 有關更多詳情，請參閱第53至54頁
B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons. 已售或已運送產品總數中因安全與健康理由而須回收的百分比。	Will provide next year 明年提供
B6.2	Number of products and service related complaints received and how they are dealt with. 接獲關於產品及服務的投訴數目以及應對方法。	Will provide next year 明年提供
B6.3	Description of practices relating to observing and protecting intellectual property rights. 描述與維護及保障知識產權有關的慣例。	Will provide next year 明年提供
B6.4	Description of quality assurance process and recall procedures. 描述質量檢定過程及產品回收程序。	Will provide next year 明年提供
B6.5	Description of consumer data protection and privacy policies, how they are implemented and monitored. 描述消費者資料保障及私隱政策，以及相關執行及監察方法。	For more details, please refer to Page 54 有關更多詳情，請參閱第54頁

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Aspects 層面	Summary 內容	Page Index/Notes 頁碼索引／附註
B7 Anti-corruption 反貪污		
General Disclosure 一般披露	Relating to bribery, extortion, fraud and money laundering: 有關防止賄賂、勒索、欺詐及洗黑錢的： (a) the policies; and 政策；及 (b) compliance with relevant laws and regulations that have a significant impact on the issuer. 遵守對發行人有重大影響的相關法律及法規的資料。	For more details, please refer to Page 59 有關更多詳情，請參閱第 59 頁
B7.1	Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the reporting period and the outcomes of the cases. 於匯報期內對發行人或其僱員提出並已審結的貪污訴訟案件的 數目及訴訟結果。	For more details, please refer to Page 59 有關更多詳情，請參閱第 59 頁
B7.2	Description of preventive measures and whistle-blowing procedures, how they are implemented and monitored. 描述防範措施及舉報程序，以及相關執行及監察方法。	For more details, please refer to Page 59 有關更多詳情，請參閱第 59 頁
B7.3	Description of anti-corruption training provided to directors and staff. 描述向董事及員工提供的反貪污培訓。	Not material 非重大
B8 Community Investment 社區投資		
General Disclosure 一般披露	Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities take into consideration the communities' interests. 有關以社區參與來了解營運所在社區需要和確保其業務活動會 考慮社區利益的政策。	For more details, please refer to Page 59-60 有關更多詳情，請參閱第 59 至 60 頁
B8.1	Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport). 專注貢獻範疇(如教育、環境事宜、勞工需求、健康、文化、體 育)。	For more details, please refer to Page 59-60 有關更多詳情，請參閱第 59 至 60 頁
B8.2	Resources contributed (e.g. money or time) to the focus area. 在專注範疇所動用資源(如金錢或時間)。	For more details, please refer to Page 59-60 有關更多詳情，請參閱第 59 至 60 頁

DIRECTORS' REPORT

董事會報告

The Board is pleased to present this annual report together with the audited financial statements of the Group for the year ended 31 December 2020.

GLOBAL OFFERING

The Company was incorporated in the Cayman Islands on 18 May 2017 as an exempted company with limited liability. The Shares of the Company were listed on the Main Board of the Stock Exchange on 3 January 2019.

PRINCIPAL BUSINESSES AND ACTIVITIES

The Group is a leading comprehensive hazardous waste incineration turnkey solution provider in China focused on the research, design, integration and commissioning of solid waste treatment systems, particularly for hazardous waste incineration.

A list of the Company's principal subsidiaries as of 31 December 2020 and their particulars are set out in note 40 of the consolidated financial statements.

BUSINESS REVIEW

A review of the business of the Group during the year and a discussion on the Group's future business development are provided on page 8 of this annual report. An analysis of the Group's performance during the year using financial key performance indicators is provided on pages 12 to 19 of this annual report. Details of the capital structure of the Company is provided on page 19 of this annual report. Details of the significant capital investment of the Group is provided on page 18 of this annual report.

In addition, information of the Company's environmental policies and performance can be found in environmental, social and governance report of this annual report. The Company's compliance with relevant laws and regulations which have a significant impact on the Group are provided in the section headed "Compliance with Laws and Regulations" of this directors' report.

董事會欣然提呈本年報連同本集團截至2020年12月31日止年度的經審核財務報表。

全球發售

本公司於2017年5月18日在開曼群島註冊成立為獲豁免有限公司。本公司股份於2019年1月3日在聯交所主板上市。

主要業務及活動

本集團是中國領先的綜合危險廢物焚燒處置整體解決方案提供商，專注於固體廢物處理系統(尤其是危險廢物焚燒處置系統)的研究、設計、集成及調試。

本公司於2020年12月31日的主要附屬公司列表及其詳情載於綜合財務報表附註40。

業務回顧

有關本集團年內業務的回顧及對本集團未來業務發展的論述載於本年報第8頁。運用財務主要表現指標對本集團年內表現進行的分析載於本年報第12頁至第19頁。有關本公司資本架構的詳情載於本年報第19頁。有關本集團重大資本投資的詳情載於本年報第18頁。

此外，有關本公司環境政策及表現的資料可參閱本年報環境、社會及管治報告。本公司遵守對本集團有重大影響的相關法律及法規的情況載於本董事會報告「遵守法律及法規」一節。

DIRECTORS' REPORT

董事會報告

RESULTS

The consolidated results of the Group for the year ended 31 December 2020 are set out on pages 100 to 256 of this annual report.

DIVIDEND POLICY

Subject to the Companies Law of the Cayman Islands and the memorandum and articles of association of the Company, the Company in general meeting may declare dividends in any currency but no dividends shall exceed the amount recommended by the Board.

The Board may, before recommending any dividend, set aside out of the profits of the Company such sums as it thinks fit as a reserve or reserves which shall, at the discretion of the Board, be applicable for meeting claims on or liabilities of the Company or contingencies or for paying off any loan capital or for equalizing dividends or for any other purpose to which the profits of the Company may be properly applied, and pending such application may, at the like discretion, either be employed in the business of the Company or be invested in such investments (including in the repurchase by the Company of its own securities or the giving of any financial assistance for the acquisition of its own securities) as the Board may from time to time think fit, and so that it shall not be necessary to keep any investments constituting the reserve or reserves separate or distinct from any other investments of the Company. The Board may also without placing the same to reserve, carry forward any profits which it may think prudent not to distribute by way of dividend.

FINAL DIVIDEND

The Board has resolved that no final dividend was declared for the year ended 31 December 2020.

業績

本集團截至2020年12月31日止年度的綜合業績載於本年報第100頁至第256頁。

股息政策

在開曼群島《公司法》及本公司組織章程大綱及細則的規限下，本公司可於股東大會中以任何貨幣宣派股息，惟股息不得超過董事會建議的金額。

在建議任何股息之前，董事會可從本公司溢利中留存其認為恰當的款項作為儲備，董事會可酌情將有關儲備用作支付本公司遭索償的金額、負債、或有負債，或用作償還任何資本性貸款或補足股息或作任何其他可適當動用本公司溢利的用途，且在有關動用之前，同樣可酌情將其用於本公司業務或董事會不時認為恰當的投資（包括本公司購回其自身證券或就收購其自身證券提供任何財務資助），因此董事會並無必要將任何構成儲備的投資與本公司任何其他投資劃分開來。董事會也可結轉任何其認為不宜以股息分派的溢利，而不必將其置入儲備。

末期股息

董事會議決截至2020年12月31日止年度不會宣派末期股息。

DIRECTORS' REPORT

董事會報告

CLOSURE OF THE REGISTER OF MEMBERS

The register of members of the Company will be closed from Monday, 31 May 2021 to Thursday, 3 June 2021, both days inclusive and during which period no transfer of share will be effected. In order to be eligible to attend and vote at the AGM, unregistered holders of shares of the Company shall ensure that all transfer documents accompanied by the relevant share certificates must be lodged with the Company's share registrar, Tricor Investor Services Limited, at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong for registration not later than 4:30 pm on Friday, 28 May 2021.

SHARE CAPITAL

As at 31 December 2020, the authorised share capital of the Company was HK\$200,000,000, divided into 4,000,000,000 shares of HK\$0.05 each. Details of movements in the share capital of the Company during the year 2020 are set out in note 31 to the consolidated financial statements.

RESERVES

Details of movements in the reserves of the Company during the year 2020 are set out in note 46 to the consolidated financial statements on page 255 of this annual report.

DISTRIBUTABLE RESERVES

Details of movements in the reserves of the Company and the Group during the year ended 31 December 2020 are set out on page 255 and page 105 of this annual report.

DONATIONS

During the year ended 31 December 2020, the Company and its subsidiaries made no external donations.

BANK BORROWINGS AND OTHER BORROWINGS

Details of bank borrowings of the Company and its subsidiaries as at 31 December 2020 are set out in note 30 to the consolidated financial statements.

暫停辦理股份過戶登記

本公司的股份過戶登記將於2021年5月31日(星期一)至2021年6月3日(星期四)(包括首尾兩日)期間暫停,期間不會進行股份過戶登記。為符合資格出席股東週年大會並於會上投票,務請本公司的未登記股份持有人確保所有股份過戶文件連同相關股票須於2021年5月28日(星期五)下午四時三十分前送交本公司的股份過戶登記處卓佳證券登記有限公司,地址為香港皇后大道東183號合和中心54樓,以辦理過戶登記手續。

股本

於2020年12月31日,本公司的法定股本為200,000,000港元,分為4,000,000,000股每股面值0.05港元的股份。有關本公司股本於2020年內的變動詳情載於綜合財務報表附註31。

儲備

有關本公司儲備於2020年內的變動詳情載於本年報第255頁內的綜合財務報表附註46。

可供分派儲備

截至2020年12月31日止年度,本公司及本集團之儲備變動詳情載於本年報第255及105頁。

捐贈

截至2020年12月31日止年度,本公司及其附屬公司並無對外作出捐款。

銀行借款及其他借款

有關本公司及其附屬公司於2020年12月31日的銀行借款詳情載於綜合財務報表附註30。

DIRECTORS' REPORT

董事會報告

MAJOR CUSTOMERS AND SUPPLIERS

The largest customers and the five largest customers of the Group accounted for approximately 13.9% and 49.1% respectively of the Group's revenue for the year ended 31 December 2020.

For the year ended 31 December 2020, the total amount of purchases made by the Group from the its five largest suppliers amounted to RMB107.6 million, and accounted for 24.8% of the total purchases for the year. The amount of the purchases from the largest supplier amounted to RMB25.6 million, and accounted for 5.9% of the total purchases for the year.

Save as disclosed above, during the year, to the knowledge of the Directors, none of the Directors, their close associates, or Shareholders of the Company (which, to the knowledge of the Directors, owned more than 5% of the number of issued Shares of the Company) had interests in the five largest suppliers or customers of the Group.

PROPERTY, PLANT AND EQUIPMENT

Details of changes in property, plant and equipment of the Company are set out in note 14 to the Financial Statements.

DIRECTORS

The Board currently consists of the following seven Directors:

Executive Directors

Mr. CAI Zhuhua (*Chairman and Chief Executive Officer*)

Mr. DONG Honghui

Mr. DENG Zhaoshan

Mr. GU Chunbin (*appointed on 11 March 2021*)

Independent Non-executive Directors

Mr. YANG Zhifeng

Mr. JIANG Guoliang

Mr. FENG Tao

主要客戶及供應商

本集團最大客戶及五大客戶分別佔本集團於截至2020年12月31日止年度收入約13.9%及49.1%。

截至2020年12月31日止年度，本集團向其五大供應商作出的採購總金額為人民幣107.6百萬元，佔年內採購總額24.8%。年內向最大供應商作出的採購總金額為人民幣25.6百萬元，佔採購總額5.9%。

除上文所披露者外，據董事所知，概無董事、其緊密聯繫人或本公司股東(據董事所知擁有超過本公司5%以上已發行股份數目)於本年度在本集團五大供應商或客戶中擁有權益。

物業、廠房及設備

有關本公司物業、廠房及設備的變動詳情載於財務報表附註14。

董事

董事會現時由以下七名董事組成：

執行董事

蔡珠華先生(*董事長兼行政總裁*)

董紅暉先生

鄧兆善先生

辜淳彬先生(*於2021年3月11日獲委任*)

獨立非執行董事

楊志峰先生

蔣國良先生

馮濤先生

DIRECTORS' REPORT

董事會報告

BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT

The Board comprises of seven Directors in total. For details, please refer to the section headed "Directors" above. There are three senior management in total, including Ms. HUANG Ying, Mr. CUI Jinhong, Mr. ZHENG Ziyuan.

Information about the details of the Directors and senior management of the Company is set out in the section headed "Directors and Senior Management".

CONFIRMATION OF INDEPENDENCE OF INDEPENDENT NON-EXECUTIVE DIRECTORS

The Company has received an annual confirmation of independence from each of the independent non-executive Directors pursuant to Rule 3.13 of the Listing Rules, and considers all the independent non-executive Directors to be independent.

SERVICE CONTRACTS OF DIRECTORS

The Company has entered into service contracts with all Directors for a term of three years following each Director's respective appointment date or until the third annual general meeting of the Company since the Listing Date, whichever ends earlier, or which shall be terminated pursuant to relevant terms of respective contracts or letters of appointment.

None of the Directors proposed for re-election at the forthcoming annual general meeting has entered into any service contract with the Company or any of its subsidiaries which was not determinable by the Company within one year without payment of compensation (other than statutory compensation).

董事及高級管理層的履歷詳情

董事會合共由七名董事組成。有關詳情，請參閱上文「董事」一節。高級管理層總人數為三名，包括黃瑛女士、崔錦鴻先生、鄭梓元先生。

有關董事及本公司高級管理層詳情的資料載於「董事及高級管理層」一節。

獨立非執行董事的獨立性確認書

本公司已收到每位獨立非執行董事根據《上市規則》第3.13條發出的年度獨立確認書，並認為，所有獨立非執行董事均為獨立人士。

董事服務合約

本公司已與所有董事訂立服務合約，自各名董事各自的委任日期起或直至本公司自上市日期起第三屆股東週年大會止（以較早者為準）為期三年，或根據有關合約或委任書的相關條款須予終止。

所有擬於應屆本公司股東週年大會上膺選連任之董事概無與本公司及其任何附屬公司訂立於一年內由本公司及其附屬公司予以終止而需作出賠償（一般法定賠償除外）之尚未屆滿服務合約。

DIRECTORS' REPORT

董事會報告

DIRECTORS' AND CONTROLLING SHAREHOLDERS' MATERIAL INTERESTS IN TRANSACTIONS, ARRANGEMENTS AND CONTRACTS OF SIGNIFICANCE

Save for service contracts, there were no other transactions, arrangements or contracts of significance in relation to the Group's business, to which the Company, its holding company, any of its subsidiaries or fellow subsidiaries was a party and in which any of the Directors, an entity connected with a Director, or the controlling shareholders of the Company had a material interest, whether directly or indirectly, as at the end of the year or at any time during the Reporting Period.

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 Reporting Period.

INTERESTS OF DIRECTORS IN BUSINESSES COMPETING WITH THE COMPANY

The Company has received confirmation letters from the Directors, confirming that other than business of the Group, none of the Directors holds any interest in business which directly or indirectly competes or is likely to compete with the business of the Group.

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

As at Latest Practicable Date, the interests and short positions of the Directors and chief executive of the Company in the Shares, underlying shares or debentures of the Company and any of its associated corporations (within the meaning of Part XV of the SFO), which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including those taken or deemed as their interests and short position in accordance with such provisions of the SFO), or which were required, pursuant to section 352 of the SFO, to be entered in the register kept by the Company referred to therein, or which were required, pursuant to the Model Code, to be notified to the Company and the Stock Exchange were as follows:

董事及控股股東於交易、安排及重要合約的重大權益

於年末或報告期內任何時間，除服務合約外，本公司、其控股公司、其任何附屬公司或同系附屬公司概無訂立與本集團業務有重大聯繫的交易、安排或合約，且董事、與該董事有關連的實體或本公司控股股東於相關交易、安排或合約中直接或間接擁有重大權益。

管理合約

於報告期內，概無訂立或存在任何有關本公司全部或任何主要部分業務的管理及行政合約。

董事於與本公司構成競爭的業務中的權益

本公司已收到董事出具的確認函，確認董事概無於本集團業務以外任何對本集團業務構成或可能構成直接或間接競爭的業務中擁有任何權益。

董事及最高行政人員於本公司及其相關法團股份、相關股份及債權證中的權益及淡倉

於最後實際可行日期，董事及本公司最高行政人員於本公司及其相關法團(定義見《證券及期貨條例》第XV部)的股份、相關股份或債權證中擁有根據《證券及期貨條例》第XV部第7及第8分部知會本公司及聯交所的權益及淡倉(包括其根據《證券及期貨條例》的該等條文被認為或視為擁有的權益及淡倉)，或須根據《證券及期貨條例》第352條載入有關條例所述存置於本公司的登記冊內的權益及淡倉，或根據《標準守則》須知會本公司及聯交所的權益及淡倉如下：

DIRECTORS' REPORT

董事會報告

Long Position in Shares and Underlying Shares

於股份及相關股份中的好倉

Name of Director	Nature of interest	Note 附註	Number of ordinary shares held 所持普通股 數目	Number of underlying shares held 所持相關 股份數目	Approximately percentage of the Company's issued share capital 本公司 已發行股本的 概約百分比
Mr. CAI Zhuhua 蔡珠華先生	Interest in controlled corporation 於受控法團中的權益		664,418,000	—	49.83%
	Interest of spouse 配偶權益	1	—	3,933,338	0.29%
Mr. DONG Honghui 董紅暉先生	Beneficial owner 實益擁有人		—	3,933,338	0.29%
Mr. DENG Zhaoshan 鄧兆善先生	Beneficial owner 實益擁有人		—	3,933,338	0.29%
Mr. GU Chunbin 辜淳彬先生	Beneficial owner 實益擁有人	2	—	1,333,335	0.10%

Note:

- Mr. CAI is the spouse of Ms. HUANG Ying. By virtue of the SFO, Mr. CAI is deemed to be interested in all the Shares in which Ms. HUANG Ying is interested.
- Mr. GU Chunbin was appointed as an executive Director on 11 March 2021.

Save as disclosed above, so far as the Directors are aware, as at Latest Practicable Date, none of the Directors or chief executives and their respective associates had any interest or short positions in the shares, underlying shares and debentures of the Company or its associated corporations (within the meaning of Part XV of the SFO) (i) which will be required, pursuant to Section 352 of the SFO, to be recorded in the register kept by the Company, or (ii) which will be required to be notified to the Company and the Hong Kong Stock Exchange pursuant to the Model Code.

附註：

- 蔡先生為黃瑛女士的配偶。根據《證券及期貨條例》，蔡先生被視為於黃瑛女士擁有權益的所有股份中擁有權益。
- 辜淳彬先生於2021年3月11日獲委任為執行董事。

除上文所披露者外，據董事所知，於最後實際可行日期，董事或最高行政人員及彼等各自的聯繫人概無於本公司或其相關法團（定義見《證券及期貨條例》第XV部）股份、相關股份及債權證中擁有(i)根據《證券及期貨條例》第352條須登記於本公司所存置登記冊的任何權益或淡倉，或(ii)根據《標準守則》須知會本公司及香港聯交所的任何權益或淡倉。

DIRECTORS' REPORT

董事會報告

INTERESTS OF SUBSTANTIAL SHAREHOLDERS

So far as the Directors are aware, as at Latest Practicable Date, the following person (other than the Directors and chief executives) had interest or short positions in the shares of the Company which would be required to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO or which will be required, pursuant to Section 336 of the SFO, to be recorded in the register kept by the Company:

Long Position in Shares and Underlying Shares

Name of Director	Nature of interest	Notes	Number of ordinary shares held	Number of underlying shares held	Approximately percentage of the Company's issued share capital
董事姓名	權益性質	附註	所持普通股數目	所持相關股份數目	本公司已發行股本的概約百分比
WeiGang Technology 維港科技	Beneficial owner 實益擁有人	1	664,418,000	—	49.83%
Weigang Green 維港綠色	Interest in controlled corporation 於受控法團中的權益	1	664,418,000	—	49.83%
Mr. CAI 蔡先生	Interest in controlled corporation 於受控法團中的權益	1	664,418,000	—	49.83%
	Interest of spouse 配偶權益	2	—	3,933,338	0.29%
Ms. HUANG 黃女士	Interest of spouse 配偶權益	3	664,418,000	—	49.83%
	Beneficial owner 實益擁有人	3	—	3,933,338	0.29%
DHW Holdings 大河灣控股	Beneficial owner 實益擁有人	4	191,671,000	—	14.38%
Mr. ZHANG Weiyang 張維仰先生	Interest in controlled corporation 於受控法團中的權益	4	191,671,000	—	14.38%
	Beneficial owner 實益擁有人	4	46,710,000	—	3.50%
Ms. ZHOU Wenying 周文英女士	Interest of spouse 配偶權益	5	238,381,000	—	17.88%

主要股東權益

據董事所知，於最後實際可行日期，以下人士（董事或最高行政人員除外）於本公司股份中擁有須根據《證券及期貨條例》第XV部第2及3分部條文予以披露或根據《證券及期貨條例》第336條須記入有關條例所述登記冊的股份或淡倉如下：

於股份及相關股份中的好倉

DIRECTORS' REPORT

董事會報告

Notes:

1. WeiGang Technology is wholly owned by Weigang Green which is in turn wholly owned by Mr. CAI. Mr. CAI and Weigang Green are deemed to be interested in all the Shares held by WeiGang Technology under the SFO.
2. Mr. CAI is the spouse of Ms. HUANG. By virtue of the SFO, Mr. CAI is deemed to be interested in all the Shares in which Ms. HUANG is interested.
3. Ms. HUANG is the spouse of Mr. CAI. By virtue of the SFO, Ms. HUANG is deemed to be interested in all the Shares in the Shares in which Mr. CAI is interested.
4. DHW Holdings is wholly owned by Mr. ZHANG Weiyang ("Mr. ZHANG"). Mr. ZHANG is deemed to be interested in all the Shares held by DHW Holdings under the SFO.
5. Ms. ZHOU Wenying is the spouse of Mr. ZHANG. By virtue of the SFO, Ms. ZHOU Wenying is deemed to be interested in all the Shares in which Mr. ZHANG is interested.

DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

Save as otherwise disclosed in this annual report, no rights to acquire benefits by means of the acquisition of shares in or debentures of the Company were granted to any Directors or their respective spouse or children under 18 years of age, or were any such rights exercised by them; or was the Company and any of its subsidiaries a party to any arrangement to enable the Directors or their respective spouse or children under 18 years of age, to acquire such rights in any other body corporate for the Reporting Period.

PERMITTED INDEMNITY PROVISION

The Company has maintained appropriate liability insurance for its Directors and senior management. The permitted indemnity provisions are set out in such liability insurance.

附註：

1. 維港科技由維港綠色全資擁有，而維港綠色由蔡先生全資擁有。根據《證券及期貨條例》，蔡先生和維港綠色被視為於維港科技持有的所有股份中擁有權益。
2. 蔡先生為黃女士的配偶。根據《證券及期貨條例》，蔡先生被視為於黃女士擁有權益的所有股份中擁有權益。
3. 黃女士為蔡先生的配偶。根據《證券及期貨條例》，黃女士被視為於蔡先生擁有權益的所有股份中擁有權益。
4. 大河灣控股由張維仰先生（「張先生」）全資擁有。根據《證券及期貨條例》，張先生被視為於大河灣控股持有的所有股份中擁有權益。
5. 周文英女士為張先生的配偶。根據《證券及期貨條例》，周文英女士被視為於張先生擁有權益的所有股份中擁有權益。

董事購買股份或債權證的權利

除本年報另有披露外，概無向任何董事或彼等各自的配偶或18歲以下的子女授出透過購買本公司股份或債權證而取得利益的權利，彼等亦無行使任何有關權利；或本公司及其任何附屬公司亦無訂立任何安排，致使董事或彼等各自的配偶或18歲以下的子女於報告期內取得於任何其他法人團體的有關權利。

允許彌償條文

本公司已為其董事及高級管理層維持適當的責任保險。有關責任保險載列允許彌償條文。

DIRECTORS' REPORT

董事會報告

PRE-IPO SHARE OPTION SCHEME

In order to incentivize the Directors, senior management, connected persons and other grantees for their contribution to the Group and to attract and retain suitable personnel to the Group, the Company adopted the Pre-IPO Share Option Scheme on 10 December 2018. Subject to the terms of the Pre-IPO Share Option Scheme, the Pre-IPO Share Option Scheme shall be valid and effective for the period commencing on the 10 December 2018 (the "Adoption Date") and ending on the tenth anniversary of the Adoption Date. The term of this scheme are not subject to the provisions of Chapter 17 of the Listing Rules as this scheme will not involve the grant of options by the Company to subscribe for shares subsequent to the Listing of the Company.

Details of the Options Granted under the pre-IPO Share Option Scheme

As at the 31 December 2020, the total number of outstanding share options was 41,946,719, representing approximately 3.1% of the issued share capital of the Company. No such provision regarding maximum entitlement of each participant under the Pre-IPO Share Option Scheme.

The details below set out the movement of the Share options granted under Pre-IPO Share Option Scheme during the year:

Grantee	Balance as at 01/01/2020 於2020年 1月1日的結餘	During the reporting period 於報告期間		Lapsed 已失效	Balance as at 31/12/2020 於2020年 12月31日的結餘	Exercise price per share 每股行使價 (HK\$) (港元)	Option period 購股權期限
		Exercised 已行使	Cancelled 已註銷				
Directors							
董事							
DONG Honghui 董紅暉	3,933,338	—	—	—	3,933,338	0.23	03/01/2021- 29/04/2027
DENG Zhaoshan 鄧兆善	3,933,338	—	—	—	3,933,338	0.23	03/01/2021- 29/04/2027

首次公開發售前購股權計劃

為獎勵董事、高級管理層、關連人士及其他承授人對本集團作出的貢獻，並為本集團吸引及留聘合適的人才，本公司已於2018年12月10日採納首次公開發售前購股權計劃。受限於首次公開發售前購股權計劃的條款，首次公開發售前購股權計劃自2018年12月10日（「採納日期」）起至採納日期第十週年止期間有效及生效。由於此計劃並不涉及本公司授出購股權以於本公司上市後認購股份，故此計劃的條款並不受上市規則第17章之條文所規限。

根據首次公開發售前購股權計劃授出的購股權詳情

於2020年12月31日，尚未行使的購股權總數為41,946,719股，相當於本公司已發行股本約3.1%。首次公開發售前購股權計劃並無就每名參與人可獲授權益設定上限。

於期內，根據首次公開發售前購股權計劃授出的購股權之變動載列如下：

DIRECTORS' REPORT

董事會報告

Grantee 承授人	Balance as at 01/01/2020 於2020年 1月1日的結餘	During the reporting period 於報告期間		Lapsed 已失效	Balance as at 31/12/2020 於2020年 12月31日的結餘	Exercise price per share 每股行使價 (HK\$) (港元)	Option period 購股權期限
		Exercised 已行使	Cancelled 已註銷				
Employees 僱員							
HUANG Ying (wife of Mr. CAI Zhuhua) 黃瑛(蔡珠華先生的 妻子)	3,933,338	—	—	—	3,933,338	0.23	03/01/2021- 29/04/2027
30 other employees 30名其他僱員	32,653,375	—	2,506,670	—	30,146,705	0.23	03/01/2021- 29/04/2027
Total 總計	44,453,389	—	2,506,670	—	41,946,719		

SUFFICIENCY OF PUBLIC FLOAT

Based on the information that is publicly available to the Company and to the knowledge of the Directors, the Company has maintained a public float of no less than 25% of the issued shares as at the date of this annual report, which was in line with the requirement under the Listing Rules.

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

Neither the Company nor any member of the Group has purchased, sold or redeemed any of the Company's shares during the period under review.

PRE-EMPTIVE RIGHTS

There is no provision for pre-emptive rights under the Memorandum and Articles of Association or the laws of the Cayman Islands that would oblige the Company to offer new shares on a pro rata basis to existing Shareholders.

充足公眾持股量

根據本公司所得公開資料及就董事所知，於本年報日期，本公司已維持已發行股份不少於25%的公眾持股量，符合《上市規則》的規定。

購買、出售或贖回本公司的上市證券

於回顧期內，本公司或本集團任何成員公司並無購買、出售或贖回本公司任何股份。

優先購買權

組織章程大綱及細則或開曼群島法律並無載列有關優先購買權的條文，規定本公司須按比例向現有股東發售新股份。

DIRECTORS' REPORT

董事會報告

EMPLOYEES, REMUNERATION AND PENSION SCHEME

A remuneration committee was set up for reviewing the Group's emolument policy and structure for all remuneration of the Directors and senior management of the Group, having regard to the Group's operating results, individual performance of the Directors and senior management and comparable market practices. The Company offers the executive Directors and senior management, as its employees, with remuneration in the form of salaries, allowances, benefits in kind, performance-related bonuses, share based payments, pensions, and other social insurance benefits. Non-executive Directors and Independent non-executive Directors receive compensation according to their duties (including serving as members or chairmen of the Board committees).

Remuneration of Directors is determined based on their roles and duties and with reference to the market conditions, the Company's remuneration policy and the prevailing market conditions, subject to the approval of the shareholders general meeting. Details of remuneration of Directors and the five highest paid individuals of the Company during the Reporting Period are set out in Note 11 to the Financial Statements.

REMUNERATION OF DIRECTORS AND FIVE INDIVIDUALS WITH HIGHEST EMOLUMENTS

Details of the emoluments of the Directors and five highest paid individuals are set out in note 11 to the consolidated financial statements.

CONTINGENT LIABILITIES

As at 31 December 2020, the Group had no material contingent liabilities.

僱員、薪酬及退休金計劃

薪酬委員會已告成立，以檢討本集團的酬金政策以及董事及本集團高級管理層整體薪酬的架構，其中已考慮到本集團的經營業績、董事及高級管理層的個人工作表現以及相若市場慣例。本公司透過薪金、津貼、實物福利、績效花紅、股份付款、退休金及其他社會保險福利等方式向身為其僱員的執行董事及高級管理層提供薪酬。非執行董事及獨立非執行董事根據其職務(包括擔任董事會委員會成員或主席)收取薪酬。

董事的薪酬乃根據彼等的職責及職務並經參考市況、本公司的薪酬政策及現行市況後釐定，惟須待股東於股東大會上批准方可作實。有關董事及本公司五名最高薪酬人士於報告期內的薪酬載於財務報表附註11。

董事及五名最高薪人士的薪酬

有關董事及五名最高薪人士的酬金詳情載於綜合財務報表附註11。

或有負債

於2020年12月31日，本集團並無重大或有負債。

DIRECTORS' REPORT

董事會報告

NON-COMPETITION UNDERTAKING

Each of the Controlling Shareholders, namely Mr. CAI, Weigang Green and WeiGang Technology, has executed a deed of non-competition on 10 December 2018 pursuant to which they have irrevocably and unconditionally undertaken to the Company (for the Company itself and on behalf of the members of the Group) that, during the period that the Non-Competition Deed remains effective, he/it/she shall not, and shall procure that his/its/her close associates (other than any member of the Company) shall not, directly or indirectly, develop, acquire, participate in, hold any right or interest or invest in or engage in, render any services for or otherwise be involved in any business in competition with or likely to be in competition with the existing business activities of the Company in the PRC or any other area in which the Company carries on business. The Company shall seek opinion and decision from the independent non-executive Directors who are responsible for reviewing and determining whether to accept or decline such new business opportunity provided by Controlling Shareholders or its associates. The details of the Deed of Non-competition have been disclosed in the Prospectus under the section headed "Relationship with Controlling Shareholders".

The independent non-executive Directors have reviewed the Non-Competition Deed and had determined that neither Mr. CAI, Weigang Green and WeiGang Technology has been in breach of the Non-Competition Deed during the Reporting Period.

COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

The Company is committed to maintaining and promoting stringent corporate governance. The principle of the Company's corporate governance is to promote effective internal control measures, uphold a high standard of ethics, transparency, responsibility and integrity in all aspects of business, to ensure that its business and operations are conducted in accordance with applicable laws and regulations and to enhance the transparency and accountability of the Board to all shareholders.

The Company has complied with the applicable code provisions of the Corporate Governance Code (the "CG Code") as set out in Appendix 14 to the Listing Rules during the Reporting Period except from the deviation from the Code Provision A.2.1 of the CG Code.

不競爭承諾

控股股東(即蔡先生、維港綠色及維港科技)各自於2018年12月10日簽立不競爭契據，據此，彼等已不可撤回及無條件地向本公司(為本公司本身及代表本集團成員公司)承諾，其不得且促使其緊密聯繫人(本公司任何成員公司除外)不得在不競爭契據維持有效期間直接或間接從事、收購、參與與本公司於中國或本公司進行業務的任何其他地區從事的現有業務活動構成競爭或可能構成競爭的任何業務，或於該等業務中持有任何權利或權益或投資或從事或提供任何服務或以其他方式參與該等業務。本公司須向負責審閱及確定是否接納或拒絕控股股東或其聯繫人所提供的有關新商機的獨立非執行董事尋求意見及決策。有關不競爭契據的詳情於招股章程「與控股股東的關係」一節中披露。

獨立非執行董事已審閱不競爭契據，並已釐定蔡先生、維港綠色及維港科技於報告期內並無違反不競爭契據。

遵守《企業管治守則》

本公司致力維持及促進嚴格的企業管治。本公司的企業管治原則為促進有效的內部控制措施，維持高水平的道德標準、保持所有業務範疇透明負責且廉潔，確保其業務及營運均遵守適用法律及法規，藉此加強董事會對所有股東的透明度與問責性。

本公司於報告期內已遵守《上市規則》附錄十四所載的《企業管治守則》(「《企業管治守則》」)內的適用守則條文，惟偏離《企業管治守則》的守則條文第A.2.1條除外。

DIRECTORS' REPORT

董事會報告

Under code provision A.2.1 of the CG Code provides that the roles of chairman and chief executive should be separate and should not be performed by the same individual. Mr. Cai Zhuhua serves as chairman as well as chief executive officer of the Company and this dual role leadership has been in practice by the Company since 2009. Such deviation is deemed appropriate as it is considered to be more efficient to have one single person to be chairman of the Company as well as to discharge the executive functions of a chief executive thereby enabling more effective planning and better execution of long-term strategies. The Board believes that the balance of power and authority is adequately ensured by the operations and governance of the Board which comprises experienced and high calibre individuals. The Company will review the current structure when and as it becomes appropriate.

COMPLIANCE WITH THE MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set out in Appendix 10 to the Listing Rules as the code of conduct regarding Directors' dealings in the securities of the Company.

Having made specific enquiry of all the Directors, each Director confirmed that he/she had complied with the required standards set out in the Model Code during the reporting period. The Board has also established written guidelines to regulate dealings by relevant employees who are likely to be in possession of inside information of the Company in respect of securities in the Company as referred to in code provision A.6.4 of the CG Code.

AUDITORS

The consolidated financial statements of the Group for the year ended 31 December 2020 have been audited by Baker Tilly Hong Kong Limited, certified public accountants. Baker Tilly Hong Kong Limited will retire and, being eligible, offer themselves for re-appointment. A resolution for their re-appointment as auditor of the Company will be proposed at the AGM.

Baker Tilly Hong Kong Limited has been appointed as the auditors of the Company following the annual general meeting of the Company on 5 June 2019 to fill the vacancy from the retirement of the previous auditors. Details of the change of auditors were set out in the Company's announcements dated 26 April 2019 and 9 May 2019.

《企業管治守則》的守則條文第A.2.1條規定，董事長與行政總裁的角色應有區分，並不應由一人同時兼任。蔡珠華先生為本公司董事長兼行政總裁，而此雙角色領導模式自2009年起於本公司一直推行。有關偏離情況被視為恰當，原因是由同一人士擔任本公司董事長兼履行行政總裁的執行職能被視為更具效率，有助提高長遠戰略的有效規劃及執行表現。董事會認為董事會成員不乏經驗豐富及具才幹的人士，其營運及管治足以確保權力及職能平衡。本公司將於適當時候檢討現行架構。

遵守董事進行證券交易的《標準守則》

本公司已採納《上市規則》附錄十所載《上市發行人董事進行證券交易的標準守則》(「標準守則」)，作為董事買賣本公司證券時的行為準則。

在向全體董事作出特定查詢後，各董事均已確認彼已於報告期內遵守《標準守則》所載的必守準則。董事會亦已制定書面指引，規範可能擁有本公司有關本公司證券內幕消息的相關僱員的所有交易(如《企業管治守則》的守則條文第A.6.4條所述)。

核數師

本集團於截至2020年12月31日止年度的綜合財務報表已由執業會計師天職香港會計師事務所有限公司審核。天職香港會計師事務所有限公司將退任，並符合資格及願意接受續聘。本公司將於股東週年大會上提呈續聘其為本公司核數師之決議案。

天職香港會計師事務所有限公司已在2019年6月5日舉行之股東週年大會後獲委任為本公司核數師，以填補前任核數師退任後的空缺。有關核數師變動之詳情載於本公司日期為2019年4月26日及2019年5月9日的公告。

DIRECTORS' REPORT

董事會報告

CONTINUING CONNECTED TRANSACTIONS

The Group did not enter into any other connected transactions which should comply with the reporting, announcement and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

For certain material related party transactions disclosed in note 38 to the Financial Statements which were also connected transactions under Chapter 14A of the Listing Rules of the Company, the Company had made disclosure as required under the Listing Rules.

SIGNIFICANT LEGAL PROCEEDINGS

During the year, the Company was not engaged in any litigation or arbitration of material importance and no litigation or claim of material importance is known to the Directors to be pending or threatened against the Company.

COMPLIANCE WITH LAWS AND REGULATIONS

The Group has allocated system and staff resources to ensure ongoing compliance with rules and regulations and to maintain well relationships with regulators effectively through effective communications. During the year, the Group has complied, to the best of our knowledge, with all relevant rules and regulations that have a significant impact on the Company.

By order of the Board

Weigang Environmental Technology Holding Group Limited

CAI Zhuhua

Chairman

PRC

26 March 2021

持續關連交易

本集團並無訂立任何其他須遵守《上市規則》第十四A章項下申報、公告及獨立股東批准規定的關連交易。

就財務報表附註38所披露的若干重大關聯方交易(同時為本公司於《上市規則》第十四A章項下的關連交易)而言，本公司已按照《上市規則》的規定作出披露。

重大法律程序

本公司於年內概無牽涉任何重大訴訟或仲裁，且就董事所知，概無針對本公司或尚未了結的重大訴訟或申索。

遵守法律及法規

本集團已分配系統及人力資源，確保持續遵守規則及法規，並透過有效溝通與監管部門保持良好關係。就我們所深知，本集團於年內已遵守所有對本公司有重大影響的規則及法規。

承董事會命

维港环保科技控股集团有限公司

蔡珠華

董事長

中國

2021年3月26日

INDEPENDENT AUDITOR'S REPORT

獨立核數師報告



**Independent auditor's report to the shareholders of
Weigang Environmental Technology Holding Group Limited**
(Incorporated in the Cayman Islands with limited liability)

OPINION

We have audited the consolidated financial statements of Weigang Environmental Technology Holding Group Limited (the "Company") and its subsidiaries (collectively referred to as "the Group") set out on pages 100 to 255, which comprise the consolidated statement of financial position as at 31 December 2020, the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2020, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards ("IFRSs") issued by the International Accounting Standards Board ("IASB") and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

致維港環保科技控股集團有限公司股東之
獨立核數師報告
(於開曼群島註冊成立的有限公司)

意見

本核數師(以下簡稱「我們」)已審計載於第100至255頁維港環保科技控股集團有限公司(「貴公司」)及其附屬公司(統稱「貴集團」)之綜合財務報表，包括於2020年12月31日之綜合財務狀況表，截至該日止年度之綜合損益及其他全面收益表、綜合權益變動表及綜合現金流量表，以及綜合財務報表附註，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國際會計準則理事會所頒佈的《國際財務報告準則》真實而中肯地反映了 貴集團於2020年12月31日的綜合財務狀況及截至該日止年度的綜合財務表現及綜合現金流量，並已遵照香港《公司條例》的披露要求妥為擬備。

INDEPENDENT AUDITOR'S REPORT

獨立核數師報告

BASIS FOR OPINION

We conducted our audit in accordance with Hong Kong Standards on Auditing ("HKSAAs") issued by the Hong Kong Institute of Certified Public Accountants (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.

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

關鍵審計事項

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

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

Recognition of revenue on contracts with customers for hazardous waste incineration solutions services

確認與客戶就危險廢物焚燒處置解決方案服務所訂立合約的收入

We identified the recognition of revenue from contracts with customers for hazardous waste incineration solutions services as a key audit matter due to its significance to the consolidated statement of profit or loss and other comprehensive income and the determination of the timing and recognition involved significant management judgement.

我們將與客戶就危險廢物焚燒處置解決方案服務所訂立合約產生的收入識別為關鍵審計事項，原因為其對綜合損益及其他全面收益表具有重大影響，且釐定時間及進行確認需要管理層作出重大判斷。

As set out in Note 6 to the consolidated financial statements, the Group has recognised revenue from hazardous waste incineration solutions services amounting to RMB468,528,000 for the year ended 31 December 2020.

誠如綜合財務報表附註6所載述，截至2020年12月31日止年度，貴集團已確認來自危險廢物焚燒處置解決方案服務的收入人民幣468,528,000元。

How our audit addressed the key audit matter

我們的審計如何對關鍵審計事項進行處理

Our audit procedures in relation to the recognition of revenue on contracts with customers for hazardous waste incineration solutions services included:

我們有關確認與客戶就危險廢物焚燒處置解決方案服務所訂立合約的收入的審計程序包括：

- Obtaining an understanding of the revenue business process and the key controls over revenue recognition performed by the management;

了解收入業務流程及管理層就收入確認所進行的關鍵控制；

- On a sample selection basis, agreeing the contract sum to signed contracts;

按抽選樣本基準根據已簽訂合約核對合約金額；

- On a sample selection basis, agreeing the estimated total contract costs to signed contracts, visiting selected construction sites and interviewing project managers for the progress of the construction work and evaluating the reasonableness of estimated total contract costs prepared by management by performing gross margin analysis and comparing the actual outcome of completed projects against management's estimation of total contract costs;

按照抽選樣本基準根據已簽訂合約核對估計總合約成本，考察施工選址，並與工地項目經理訪談建造工程的進度，以及透過進行毛利分析及將已完成項目的實際結果與管理層對總合約成本的估算進行比較以評價管理層所編備的估計總合約成本的合理性；

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 我們的審計如何對關鍵審計事項進行處理
<p>Recognition of revenue on contracts with customers for hazardous waste incineration solutions services (continued)</p> <p>確認與客戶就危險廢物焚燒處置解決方案服務所訂立合約的收入(續)</p> <p>The accounting policies and estimation uncertainty in relation to revenue from hazardous waste incineration solutions services are set out in Notes 3 and 4 respectively to the consolidated financial statements. The Group recognised revenue from hazardous waste incineration solutions services over time by using the input method with reference to the estimated total contract costs.</p> <p>有關來自危險廢物焚燒處置解決方案服務的收入的會計政策及估計不確定性分別載於綜合財務報表附註3及4。貴集團參照估計總合約成本使用投入法於一段時間內確認來自危險廢物焚燒處置解決方案服務的收入。</p>	<ul style="list-style-type: none">Tracing, on a sample selection basis, the contract costs incurred for work performed during the year to supporting documents; 按抽樣基準，對照證明文件追查年內所進行工程產生之合約成本；Arranging confirmations to selected customers by agreeing the contract amount, the progress billings issued to customers, and relevant balance of trade and note receivables, and assessing the reasonableness of the percentage of completion of the corresponding contracts based on the confirmed information; 透過核對合約金額、向客戶發出的合約進度款項賬單及貿易應收款項及應收票據相關結餘，安排向經選定客戶作出確認，以及根據已確認資料評估相應合約完成百分比的合理性；Performing alternative procedures for the unreturned confirmations by tracing to the relevant supporting documents, and assessing the reasonableness of the percentage of completion of the corresponding contract based on the supporting documents; and 透過追查相關證明文件以對未有交還的確認書執行替代程序，並根據證明文件對相應合約的完工百分比的合理性予以評估；及Recalculating the percentage of completion based on the proportion that contract costs incurred for work performed to date relative to the estimated total contract costs. 根據截至目前所開展工程產生的合約成本佔估計總合約成本的比例，重新計算完工百分比。

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

我們的審計如何對關鍵審計事項進行處理

Estimated impairment of trade receivables and contract assets

貿易應收款項及合約資產的預計減值

We identified the estimated impairment of trade receivables and contract assets as a key audit matter due to their significance to the consolidated statement of financial position and the involvement of management judgement in evaluating the expected credit losses ("ECL") of trade receivables and contract assets at the end of the reporting period. As at 31 December 2020, the Group had trade receivables and contract assets, with carrying amounts of approximately RMB172,950,000 and RMB278,733,000 in Notes 22 and 24 to the consolidated financial statements respectively, amounting to approximately RMB451,683,000 in aggregate.

我們將貿易應收款項及合約資產的預計減值識別為關鍵審計事項，原因為其對綜合財務狀況表具有重大影響及於評價報告期末的貿易應收款項及合約資產的預期信貸虧損時涉及管理層判斷。於2020年12月31日，貴集團之貿易應收款項及合約資產（其賬面值分別約人民幣172,950,000元及人民幣278,733,000元（見綜合財務報表附註22及24））合共約為人民幣451,683,000元。

Our audit procedures in relation to the estimated impairment of trade receivables and contract assets included:

我們有關貿易應收款項及合約資產的預計減值的審計程序包括：

- Obtaining an understanding of management's process of assessing the ECL of trade receivables and contract assets;

了解管理層評估貿易應收款項及合約資產的預期信貸虧損的過程；

- Obtaining management's assessment on the collectability of individual trade receivables, and contract assets, and corroborated management's assessment against relevant supporting evidence, including subsequent settlements and credit history of these customers;

取得管理層對個別貿易應收款項及合約資產可收回性的評估，並根據相關支持證據（包括該等客戶的後續結算及信貸歷史）證實管理層的評估；

- Assessing the appropriateness of the Group's grouping for those trade receivables and contact assets that were not assessed individually by considering the credit risk;

透過考慮信貸風險評估 貴集團對未進行個別評估的貿易應收款項及合約資產分組的適當性；

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 我們的審計如何對關鍵審計事項進行處理
<p>Estimated impairment of trade receivables and contract assets (continued)</p> <p>貿易應收款項及合約資產的預計減值(續)</p> <p>As disclosed in Note 4 to the consolidated financial statements, the management of the Group performs periodic review on the construction projects and individual credit evaluations on significant customers. These evaluations focused on the customer's settlement history and current and future ability to pay, and took into account the information specific to the customer as well as pertaining to the current and future economic environment in which the customer operates.</p> <p>誠如綜合財務報表附註4所披露，貴集團管理層對與重大客戶有關的建築項目及相關個別信貸評估進行定期審閱。該等評估關注客戶的過往結算狀況以及當前及未來的付款能力，並考慮客戶的特定資料以及與客戶經營所在的當前及未來經濟環境有關的資料。</p>	<ul style="list-style-type: none">• Evaluating the reasonableness of the default rates of different groups by considering the actual losses recorded during the prior and current financial years; 透過考慮過往及當前財政年度錄得的實際虧損評估不同組別違約率的合理性；• Assessing the reasonableness of management's loss allowance estimates by examining the information used by management to form such judgements, including testing the accuracy of the historical default data and evaluating whether the historical loss rates are appropriately adjusted based on current economic conditions and forward-looking information; 透過檢查管理層用以作出有關判斷的資料(包括測試過往違約數據的準確性及評估過往虧損率是否根據當前經濟狀況及前瞻性資料作出適當調整)，評估管理層虧損撥備估計的合理性；

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

我們的審計如何對關鍵審計事項進行處理

Estimated impairment of trade receivables and contract assets (continued)

貿易應收款項及合約資產的預計減值(續)

For trade receivables and contract assets which were not subject to individual evaluations or individually assessed as not impaired, management collectively assessed expected credit losses taking into account of the nature of customers, the aging analysis and historical bad debt losses incurred in respect of those group of customers. Expected credit losses are estimated by grouping the remaining trade receivables based on shared credit risk characteristics and collectively assessed for likelihood of recovery. The historical loss rates are adjusted to reflect current and forward-looking information affecting the ability of the customers to settle the receivables.

就毋須進行個別評估或個別評估為並無減值的貿易應收款項及合約資產而言，管理層經計及客戶性質、賬齡分析及就該等客戶組別產生的過往壞賬虧損，集體評估預期信貸虧損。預期信貸虧損透過根據共同信貸風險特徵對餘下貿易應收款項進行分組估計，並集體評估收回的可能性。過往虧損率乃經調整以反映影響客戶結算應收款項能力的當前及前瞻性資料。

As disclosed in Notes 22 and 24 to the consolidated financial statements, the impairment loss of the Group on trade receivables and contract assets as at 31 December 2020 amounted to RMB7,494,000 and RMB9,753,000 respectively.

誠如綜合財務報表附註22及24所披露，貴集團於2020年12月31日的貿易應收款項及合約資產的減值虧損分別為人民幣7,494,000元及人民幣9,753,000元。

- Checking the subsequent settlements of any credit-impaired trade receivables, by inspecting supporting documents in relation to cash receipt from trade debtors subsequent to the end of the current reporting period and challenging management regarding their reasons for not considering a provision against any unsettled past-due balances; and

檢查任何信貸減值貿易應收款項的期後結算情況，並在本報告期結束後查核有關貿易債務人現金收款的證明文件，並就管理層不考慮就任何未結算逾期結餘計提撥備的理由提出質疑；及

- Evaluating the appropriateness of the disclosures in respect of the credit risk and impairment assessment of trade receivables and contract assets in the consolidated financial statements.

評價綜合財務報表中有關貿易應收款項及合約資產的信貸風險及減值評估的披露是否恰當。

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 我們的審計如何對關鍵審計事項進行處理
<p>Impairment of goodwill 商譽減值</p> <p>We identified the impairment of goodwill as a key audit matter due to the judgement and estimation involved in determining the recoverable amount which was prepared and used by the management in considering impairment of goodwill.</p> <p>我們將商譽減值識別為關鍵審計事項，原因為釐定管理層於考慮商譽減值時所編製及採用的可收回金額涉及判斷及估計。</p> <p>Impairment of goodwill is assessed by the management by comparing the recoverable amount and carrying amount of the relevant cash-generating units at the end of the reporting period. The recoverable amount is determined based on the value in use of which the calculation involved significant assumptions such as discount rate and the forecasts of future revenue growth rates and gross margins used in the estimated future cash flow.</p> <p>商譽減值由管理層透過比較相關現金產生單位於報告期末的可收回金額及賬面值進行評估。可收回金額乃根據使用價值釐定，其計算涉及重大假設，如貼現率及估計未來現金流量所用的未來收入增長率及毛利率預測。</p> <p>As disclosed in Note 17 to the consolidated financial statements, the Group reported goodwill in oilfield auxiliary services business with a carrying amount of RMB18,277,000 as at 31 December 2020.</p> <p>誠如綜合財務報表附註17所披露，貴集團於2020年12月31日呈報賬面值為人民幣18,277,000元的油田周邊服務業務的商譽。</p> <p>Details of the related key estimation uncertainty are set out in Note 4 to the consolidated financial statements.</p> <p>有關主要估計不確定因素的詳情載於綜合財務報表附註4。</p>	<p>Our procedures in relation to management's impairment assessment of goodwill included:</p> <p>我們有關管理層對商譽減值評估的程序包括：</p> <ul style="list-style-type: none">Understanding the Group's key control over the management's impairment assessment on goodwill; 了解貴集團就管理層進行商譽減值評估所採取的關鍵控制；Obtaining the future cash flow analysis prepared by the management and checking its mathematical accuracy; 取得管理層編製的未來現金流量分析並檢查其計算準確性；Reviewing the valuation report prepared by the independent professional valuer not connected with the Group, checking its mathematical accuracy and assessing the capability and qualification of the valuer; 審閱與貴集團並無關連的獨立專業估值師編製的評估報告、檢查其計算準確性及評估估值師的能力及資格；Evaluating the discount rate used in the discounted cash flow model, by comparing with the industry practice; 透過與行業慣例進行比較，評估貼現現金流量模型中使用的貼現率；

INDEPENDENT AUDITOR'S REPORT

獨立核數師報告

Key Audit Matter

關鍵審計事項

How our audit addressed the key audit matter

我們的審計如何對關鍵審計事項進行處理

Impairment of goodwill (continued)

商譽減值(續)

- Evaluating the key assumptions used in the estimated future cash flow, including the forecasts of future revenue growth rates and gross margins, by comparing with the historical performance and future strategic plan of the Group in respect of the cash-generating units; and

透過比較 貴集團有關現金產生單位的過往表現及未來策略計劃，評估估計未來現金流量所用的主要假設，包括未來收入增長率及毛利率的預測；及

- Assessing management's sensitivity analysis for the key assumptions, to ascertain the extent to which adverse changes, either individually or in aggregate, would result in the impairment of goodwill.

評估管理層對主要假設的敏感度分析，以確定個別或整體不利變動將導致商譽減值的程度。

INDEPENDENT AUDITOR'S REPORT

獨立核數師報告

OTHER INFORMATION

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

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

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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

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

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

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

其他信息

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

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

結合我們對綜合財務報表的審計，我們的責任是閱讀上文所識別的其他信息，在此過程中，考慮其他信息是否與綜合財務報表或我們在審計過程中所了解的情況存在重大抵觸或者似乎存在重大錯誤陳述的情況。

基於我們已執行的工作，如果我們認為其他信息存在重大錯誤陳述，我們需要報告該事實。在這方面，我們沒有任何報告。

董事及治理層就綜合財務報表須承擔的責任

貴公司董事須負責根據國際會計準則理事會所頒佈的《國際財務報告準則》及香港《公司條例》的披露要求擬備真實而中肯的綜合財務報表，並對其認為為使綜合財務報表的擬備不存在由於欺詐或錯誤而導致的重大錯誤陳述所需的內部控制負責。

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

治理層須負責監督貴集團的財務報告過程。

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 solely to you, as a body, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

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

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

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

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

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，在某一重大錯誤陳述存在時總能發現。錯誤陳述可以由欺詐或錯誤引起，如果合理預期它們單獨或匯總起來可能影響綜合財務報表使用者依賴綜合財務報表所作出的經濟決定，則有關的錯誤陳述被視作重大。

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

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

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

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

核數師就審計綜合財務報表承擔的責任 (續)

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

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

我們亦向治理層提交聲明，說明我們已符合有關獨立性的相關專業道德要求，並與彼等溝通有可能合理地被認為會影響我們獨立性的所有關係和其他事項，以及在適用的情況下，為消除威脅而採取的行動及所實施的相關防範措施。

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

The engagement director on the audit resulting in the independent auditor's report is Lo Wing See.

Baker Tilly Hong Kong Limited

Certified Public Accountants

Hong Kong, 26 March 2021

Lo Wing See

Practising certificate number P04607

核數師就審計綜合財務報表承擔的責任 (續)

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

出具本獨立核數師報告的審計項目總監為羅詠思。

天職香港會計師事務所有限公司

執業會計師

香港，2021年3月26日

羅詠思

執業證書編號 P04607

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

綜合損益及其他全面收益表

For the year ended 31 December 2020 截至2020年12月31日止年度
(Expressed in Renminbi) (以人民幣為單位)

			2020 2020年	2019 2019年
		Note 附註	RMB'000 人民幣千元	RMB'000 人民幣千元
Revenue	收入	5,6	536,811	537,509
Cost of services	服務成本		(453,929)	(393,273)
Gross profit	毛利		82,882	144,236
Other income, gains and losses	其他收入、收益及虧損	7	7,484	11,862
Administrative expenses	行政開支		(55,483)	(39,764)
Distribution and selling expenses	分銷及銷售開支		(2,481)	(2,280)
Impairment losses and write-off of trade receivables and other receivables and contract assets, net of reversal	貿易應收款項及其他應收款項以及合約資產的減值虧損及撇銷(扣除撥回)		(15,449)	(767)
Other expenses	其他開支		(21,890)	(21,058)
Share of results of associates	應佔聯營企業的業績		(953)	(13)
Finance costs	融資成本	8	(2,429)	(1,094)
(Loss)/profit before tax	稅前(虧損)/利潤	10	(8,319)	91,122
Income tax credit/(expense)	所得稅抵免/(開支)	9	949	(13,091)
(Loss)/profit for the year	年內(虧損)/利潤		(7,370)	78,031
Other comprehensive (expense)/ income	其他全面(開支)/收益			
<i>Items that will not be reclassified to profit or loss:</i>	<i>不會重新分類至損益的項目：</i>			
Fair value (loss)/gain on equity instrument at fair value through other comprehensive (expense)/ income	按公允價值計量並計入其他全面(開支)/收益的股本工具的公允價值(虧損)/收益		(950)	1,795
Income tax relating to items that will not be reclassified to profit or loss	與不會重新分類至損益的項目有關的所得稅		237	(449)
			(713)	1,346
Total comprehensive (expense)/ income for the year	年內全面(開支)/收益總額		(8,083)	79,377

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

綜合損益及其他全面收益表

For the year ended 31 December 2020 截至2020年12月31日止年度
(Expressed in Renminbi) (以人民幣為單位)

		2020 2020年	2019 2019年
		RMB'000 人民幣千元	RMB'000 人民幣千元
	Note 附註		
(Loss)/profit for the year attributable to:	以下各方應佔年內(虧損)/利潤:		
— Owners of the Company	— 本公司擁有人	(10,929)	66,984
— Non-controlling interests	— 非控股權益	3,559	11,047
		(7,370)	78,031
Total comprehensive (expense)/income for the year attributable to:	以下各方應佔年內全面(開支)/收益總額:		
— Owners of the Company	— 本公司擁有人	(11,256)	67,753
— Non-controlling interests	— 非控股權益	3,173	11,624
		(8,083)	79,377
(Loss)/earnings per share	每股(虧損)/盈利		
— Basic (RMB)	— 基本(人民幣元)	(0.008)	0.050
— Diluted (RMB)	— 攤薄(人民幣元)	(0.008)	0.049

The accompanying notes form an integral part of these consolidated financial statements.

隨附附註為該等綜合財務報表之組成部分。

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

綜合財務狀況表

As at 31 December 2020 於 2020 年 12 月 31 日
(Expressed in Renminbi) (以人民幣為單位)

			2020 2020 年	2019 2019 年
		Note 附註	RMB'000 人民幣千元	RMB'000 人民幣千元
Non-current assets	非流動資產			
Property, plant and equipment	物業、廠房及設備	14	132,205	81,065
Intangible assets	無形資產	15	22,047	15,765
Right-of-use assets	使用權資產	18	11,775	6,310
Goodwill	商譽	17	18,277	—
Interests in associates	於聯營企業的權益	16	594	581
Equity instrument at fair value through other comprehensive income	按公允價值計量並計入其他全面收益的股本工具	19	3,825	4,775
Deposits for acquisition of property, plant and equipment	購置物業、廠房及設備的按金		16,551	7,971
Pledged bank deposits	已抵押銀行存款	25	7,382	24,715
Deferred tax assets	遞延稅項資產	20	13,764	9,703
			226,420	150,885
Current assets	流動資產			
Inventories	存貨	21	6,952	5,250
Trade and note receivables	貿易應收款項及應收票據	22	234,951	143,874
Deposits, prepayments and other receivables	按金、預付款項及其他應收款項	23	63,737	57,120
Contract assets	合約資產	24	278,733	274,408
Amounts due from non-controlling shareholders of a subsidiary	應收一間附屬公司非控股股東款項	26	4,523	—
Pledged bank deposits	已抵押銀行存款	25	36,053	28,284
Bank balances and cash	銀行結餘及現金	25	87,354	142,206
			712,303	651,142
Current liabilities	流動負債			
Trade payables	貿易應付款項	27	151,962	119,606
Other payables and accrued expenses	其他應付款項及應計開支	28	25,211	15,264
Contract liabilities	合約負債	24	105,089	44,179
Lease liabilities	租賃負債	29	2,670	2,802
Income tax payable	應納所得稅		1,087	15,478
Borrowings	借款	30	44,384	26,598
			330,403	223,927

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

綜合財務狀況表

As at 31 December 2020 於2020年12月31日
(Expressed in Renminbi) (以人民幣為單位)

		2020 2020年		2019 2019年
		<i>RMB'000</i> 人民幣千元	<i>RMB'000</i> 人民幣千元	
	Note 附註			
Net current assets	流動資產淨值	381,900	427,215	
Total assets less current liabilities	資產總額減流動負債	608,320	578,100	
Non-current liabilities	非流動負債			
Borrowings	借款 30	11,344	—	
Lease liabilities	租賃負債 29	1,275	3,959	
Deferred tax liabilities	遞延稅項負債 20	617	—	
		13,236	3,959	
NET ASSETS	資產淨值	595,084	574,141	
Capital and reserves	資本及儲備			
Share capital	股本 31	55,100	55,100	
Reserves	儲備	450,245	461,715	
Equity attributable to owners of the Company	本公司擁有人應佔權益	505,345	516,815	
Non-controlling interests	非控股權益	89,739	57,326	
TOTAL EQUITY	權益總額	595,084	574,141	

Approved and authorised for issue by the Board of Directors on 26 March 2021:

於2021年3月26日經董事會批准及授權發佈：

Mr. Cai Zhuhua

蔡珠華先生

Director

董事

Mr. Dong Honghui

董紅暉先生

Director

董事

The accompanying notes form an integral part of these consolidated financial statements.

隨附附註為該等綜合財務報表之組成部分。

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

綜合權益變動表

For the year ended 31 December 2020 截至2020年12月31日止年度
(Expressed in Renminbi) (以人民幣為單位)

		Attributable to owners of the Company 本公司擁有人應佔									
		Share capital	Share premium	Share-based payment reserve	Other reserve	Revaluation reserve	Statutory surplus reserve	Retained profits	Sub-total	Non-controlling interests	Total
		股本	股份溢價	以股份為基礎的支付儲備	其他儲備	重估儲備	法定盈餘儲備	保留利潤	小計	非控股權益	合計
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
		(Note 31)					(Note (a))				
		(附註 31)					(附註 (a))				
At 1 January 2019	於2019年1月1日	41,413	23,583	2,160	(50,425)	1,110	12,711	101,156	131,708	27,220	158,928
Profit for the year	年內利潤	—	—	—	—	—	—	66,984	66,984	11,047	78,031
Other comprehensive income for the year, net of income tax	年內其他全面收益 (扣除所得稅)	—	—	—	—	769	—	—	769	577	1,346
Total comprehensive income for the year	年內全面收益總額	—	—	—	—	769	—	66,984	67,753	11,624	79,377
Issue of ordinary shares relating to IPO (Note (b))	就首次公開發售發行普通股 (附註(b))	13,687	227,195	—	—	—	—	—	240,882	—	240,882
Transaction costs attributable to issue of new shares	發行新股份產生的交易成本	—	(13,648)	—	—	—	—	—	(13,648)	—	(13,648)
Derecognition of obligation arising from a put option (Note (c))	終止確認認沽期權產生的責任(附註(c))	—	—	—	99,901	—	—	—	99,901	—	99,901
Capital contribution from a non-controlling shareholder	一名非控股股東注資	—	—	—	—	—	—	—	—	2,500	2,500
Change in ownership interests in subsidiaries without change of control (Note (c))	附屬公司所有者權益變動 (不改變控制權) (附註(c))	—	—	—	(13,693)	—	—	—	(13,693)	13,693	—
Transaction with non-controlling interests (Note 44)	與非控股權益的交易 (附註44)	—	—	—	2,611	—	—	—	2,611	2,289	4,900
Recognition of equity-settled share-based payment (Note 39)	確認股權結算以股份為基礎的支付(附註39)	—	—	1,301	—	—	—	—	1,301	—	1,301
Transfer to statutory surplus	轉撥至法定盈餘	—	—	—	—	—	12,905	(12,905)	—	—	—
At 31 December 2019	於2019年12月31日	55,100	237,130	3,461	38,394	1,879	25,616	155,235	516,815	57,326	574,141

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

綜合權益變動表

For the year ended 31 December 2020 截至2020年12月31日止年度
(Expressed in Renminbi) (以人民幣為單位)

		Attributable to owners of the Company 本公司擁有人應佔									
		Share capital	Share premium	Share-based payment reserve	Other reserve	Revaluation reserve	Statutory surplus reserve	Retained profits	Sub-total	Non-controlling interests	Total
		股本	股份溢價	以股份為基礎的支付儲備	其他儲備	重估儲備	法定盈餘儲備	保留利潤	小計	非控股權益	合計
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
		(Note 31)	(Note 31)	(Note 31)	(Note 31)	(Note 31)	(Note (a))	(Note (a))	(Note (a))	(Note (a))	(Note (a))
		(附註 31)	(附註 31)	(附註 31)	(附註 31)	(附註 31)	(附註 (a))	(附註 (a))	(附註 (a))	(附註 (a))	(附註 (a))
At 1 January 2020	於2020年1月1日	55,100	237,130	3,461	38,394	1,879	25,616	155,235	516,815	57,326	574,141
(Loss)/profit for the year	年內(虧損)/利潤	—	—	—	—	—	—	(10,929)	(10,929)	3,559	(7,370)
Other comprehensive expense for the year, net of income tax	年內其他全面開支(扣除所得稅)	—	—	—	—	(327)	—	—	(327)	(386)	(713)
Total comprehensive (expense)/income for the year	年內全面(開支)/收益總額	—	—	—	—	(327)	—	(10,929)	(11,256)	3,173	(8,083)
Recognition of equity-settled share-based payment (Note 39)	確認股權結算以股份為基礎的支付(附註39)	—	—	1,006	—	—	—	—	1,006	—	1,006
Acquisition of subsidiaries (Notes 41 and 42)	收購附屬公司(附註41及42)	—	—	—	—	—	—	—	—	19,575	19,575
Change in ownership interests in subsidiaries without change of control (Note (c))	附屬公司所有者權益變動(不改變控制權)(附註(c))	—	—	—	(920)	—	—	—	(920)	920	—
Capital contribution from non-controlling shareholders	非控股股東注資	—	—	—	—	—	—	—	—	8,445	8,445
Transaction with non-controlling interests (Note 44)	與非控股權益的交易(附註44)	—	—	—	(300)	—	—	—	(300)	300	—
Transfer to statutory surplus	轉撥至法定盈餘	—	—	—	—	—	295	(295)	—	—	—
At 31 December 2020	於2020年12月31日	55,100	237,130	4,467	37,174	1,552	25,911	144,011	505,345	89,739	595,084

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

綜合權益變動表

For the year ended 31 December 2020 截至2020年12月31日止年度
(Expressed in Renminbi) (以人民幣為單位)

Note:

- (a) In accordance with the Articles of Association of all subsidiaries established in the People's Republic of China (the "PRC"), the PRC subsidiaries are required to set aside 10% of their profit after tax as per statutory financial statements determined under the PRC laws and regulations for the statutory surplus reserve fund until the reserve reach 50% of their registered capital. Transfer to this reserve must be made before distributing dividends to equity owners of the subsidiaries. The statutory surplus reserve can be used to make up previous years' losses, expand the existing operations or convert into additional capital of the respective subsidiaries.
- (b) On 3 January 2019, 312,471,000 ordinary shares with a par value of HK\$0.05 each of the Company were issued at a price of HK\$0.88 per share by way of public offer. On the same date, the shares of the Company were listed on the Main Board of the Stock Exchange.
- (c) On 4 April 2018, Guangzhou Weigang Environmental Protection Technology Limited ("Guangzhou Weigang"), WEIGANG HOLDINGS (HONG KONG) LIMITED ("Weigang Holdings (Hong Kong)"), Jade Road Investment Limited ("Jade Road"), Jade Fly Investment Limited ("Jade Fly"), WeiGang Technology Limited ("WeiGang Technology") and Orient Landscape Group Environmental Protection Co., Ltd ("Orient Landscape"), an independent third party, entered into investment agreements whereby Orient Landscape agreed, among others, to subscribe for the registered capital of RMB40,000,000 in Guangzhou Weigang, for 10% of the equity interest in Guangzhou Weigang, at a consideration of RMB94,444,444. Upon completion of the subscription on 11 April 2018, an amount representing the proportionate share of the carrying amount of the net assets of Guangzhou Weigang at the date of the completion of the subscription was transferred to non-controlling interests. The difference between the capital contribution from the non-controlling interests, the proportionate share of the carrying amount of the net assets of Guangzhou Weigang and the re-attribution of its statutory surplus reserve and retained profits have been recognised in other reserve.

On the same date, an amount representing the present value amounting to RMB94,444,444 of the amount that the Group could be required to pay to Orient Landscape pursuant to the put option over the 10% equity interest in Guangzhou Weigang held by Orient Landscape, with a corresponding debit in other reserve, was recognised in obligation arising from a put option.

Upon the successful listing of the Company on 3 January 2019, the put option was lapsed and all the previously recognised interest expenses were reversed through equity without any payment to Orient Landscape.

During the year ended 31 December 2020, the Company has made several capital injections to Guangzhou Weigang for a total amount of RMB9,198,900 (2019: RMB136,930,920). Upon the completion of capital injections, there has been no change in shareholding of Guangzhou Weigang and the amount representing 10% of the above capital injections has been transferred to non-controlling interests.

附註:

- (a) 根據於中華人民共和國(「中國」)成立的所有附屬公司的組織章程細則，中國附屬公司須從其法定財務報表中所呈報的稅後利潤(根據中國法律法規釐定)中轉撥10%作為法定盈餘儲備，直至儲備達到其註冊資本的50%。向該儲備的轉入必須在向附屬公司權益擁有人分派股息前進行。法定盈餘儲備可用作彌補以前年度的虧損、擴展現有業務或轉換為相應附屬公司的額外資本。
- (b) 於2019年1月3日，本公司已以公開發售方式按每股0.88港元的價格發行312,471,000股每股面值0.05港元的普通股。同日，本公司股份於聯交所主板上市。
- (c) 於2018年4月4日，廣州維港環保科技有限公司(「廣州維港」)、維港控股(香港)有限公司(「維港控股(香港)」)、杰路投資有限公司(「杰路」)、杰飛投資有限公司(「杰飛」)、維港科技有限公司(「維港科技」)及東方園林集團環保有限公司(「東方園林」，為獨立第三方)訂立投資協議，據此，東方園林同意(其中包括)認購廣州維港人民幣40,000,000元的註冊資本(廣州維港10%的股權)，對價為人民幣94,444,444元。認購於2018年4月11日完成後，一筆相當於完成認購當日應佔的廣州維港資產淨值賬面值的金額轉撥至非控股權益。非控股權益注資、應佔廣州維港資產淨值的賬面值及重新分配其法定盈餘儲備及保留利潤之間的差額於其他儲備中確認。

同日，有關金額指本集團可能須向東方園林支付的現值人民幣94,444,444元(按東方園林持有的廣州維港10%股權的認沽期權於其他儲備中借記)，於認沽期權產生的責任中確認。

本公司於2019年1月3日成功上市後，認沽期權已失效，且所有先前確認的利息開支已透過股本撥回，且並無向東方園林作出任何付款。

截至2020年12月31日止年度，本公司已數度向廣州維港注資，總金額為人民幣9,198,900元(2019年：人民幣136,930,920元)。於完成注資後，廣州維港的股權並無變動，而相當於上述注資10%的金額已轉撥至非控股權益。

The accompanying notes form an integral part of these consolidated financial statements.

隨附附註為該等綜合財務報表之組成部分。

CONSOLIDATED STATEMENT OF CASH FLOWS

綜合現金流量表

For the year ended 31 December 2020 截至2020年12月31日止年度
(Expressed in Renminbi) (以人民幣為單位)

		2020 2020年	2019 2019年
		RMB'000 人民幣千元	RMB'000 人民幣千元
	Note 附註		
Operating activities	經營活動		
(Loss)/profit before tax	稅前(虧損)/利潤	(8,319)	91,122
Adjustments for:	調整項目：		
Share of results of associates	應佔聯營企業的業績	953	13
Loss on disposal of a subsidiary	出售一間附屬公司的虧損	—	6
Depreciation of property, plant and equipment	物業、廠房及設備折舊	7,596	3,559
Depreciation of right-of-use assets	使用權資產折舊	2,839	2,051
Amortisation of intangible assets	無形資產攤銷	3,330	945
Bank interest income	銀行利息收入	(2,972)	(1,504)
Finance costs	融資成本	2,429	1,094
Impairment loss and write-off of trade receivables and other receivables and contract assets, net of reversal	貿易應收款項及其他應收款項以及合約資產的減值虧損及撇銷(扣除撥回)	15,449	767
Net foreign exchange losses/(gains)	外匯虧損/(收益)淨額	805	(2,107)
Share-based payment expenses	以股份為基礎的支付開支	1,006	1,301
Loss/(gain) on disposal of property, plant and equipment	出售物業、廠房及設備的虧損/(收益)	3	(3)
Operating cash flows before movements in working capital	營運資金變動前的經營現金流量	23,119	97,244
Increase in inventories	存貨增加	(1,702)	(3,267)
Increase in trade and note receivables	貿易應收款項及應收票據增加	(67,632)	(1,689)
Decrease/(increase) in deposits, prepayments and other receivables	按金、預付款項及其他應收款項減少/(增加)	9,347	(33,375)
Increase in contract assets	合約資產增加	(641)	(97,552)
(Decrease)/increase in trade payables	貿易應付款項(減少)/增加	(52,507)	32,830
Decrease in other payables and accrued expenses	其他應付款項及應計開支減少	(8,919)	(4,294)
Increase/(decrease) in contract liabilities	合約負債增加/(減少)	60,809	(28,706)
Cash used in operations	經營所用現金	(38,126)	(38,809)
Income tax paid	已付所得稅	(16,915)	(8,718)
Net cash used in operating activities	經營活動所用現金淨額	(55,041)	(47,527)

CONSOLIDATED STATEMENT OF CASH FLOWS

綜合現金流量表

For the year ended 31 December 2020 截至2020年12月31日止年度
(Expressed in Renminbi) (以人民幣為單位)

		2020 2020年	2019 2019年
	Note 附註	RMB'000 人民幣千元	RMB'000 人民幣千元
Investing activities	投資活動		
Purchase of and deposits paid for property, plant and equipment	購置物業、廠房及設備已付按金	(48,365)	(66,365)
Purchase of intangible assets	購置無形資產	—	(12,727)
Addition of right-of-use assets	添置使用權資產	(8,304)	—
Investment in associates	於聯營企業的投資	(966)	(590)
Interest received	已收利息	2,972	1,504
Proceeds from disposal of items of property, plants and equipment	出售物業、廠房及設備項目所得款項	339	6
Withdrawal of pledged bank deposits	提取已抵押銀行存款	43,265	27,936
Placement of pledged bank deposits	存入已抵押銀行存款	(33,701)	(37,023)
Acquisition of subsidiaries, net of cash paid	收購附屬公司(扣除已付現金)	18,552	1,080
Net cash outflow on acquisition of assets through acquisition of a subsidiary	透過收購一家附屬公司收購資產的現金流出淨額	(1,500)	—
Proceeds from partial disposal of a subsidiary without losing control	部分出售一間附屬公司所得款項(不失去控制權)	—	4,900
Disposal of a subsidiary, net of cash disposed	出售一間附屬公司(扣除已出售現金)	—	(10)
Net cash used in investing activities	投資活動所用現金淨額	(27,708)	(81,289)
Financing activities	融資活動		
Capital element of lease rental paid	已付租金的本金部分	(2,816)	(2,024)
Interest element of lease rental paid	已付租金的利息部分	(261)	(270)
Interest paid	已付利息	(2,078)	(824)
Issue costs paid	已付發行成本	—	(9,277)
Advance to non-controlling shareholders of a subsidiary	向一間附屬公司非控股股東墊款	(4,523)	—
Repayment of borrowings	償還借款	(30,137)	(10,450)
Proceeds from new borrowings	新籌借款所得款項	59,267	27,048
Proceeds from issuance of ordinary shares upon IPO, net of other issuance costs	首次公開發售後發行普通股所得款項，扣除其他發行成本	—	240,882
Capital injection by non-controlling shareholders	非控股股東注資	8,445	2,500
Net cash from financing activities	融資活動所得現金淨額	27,897	247,585
Net (decrease)/increase in cash and cash equivalents	現金及現金等價物(減少)/增加淨額	(54,852)	118,769
Cash and cash equivalents at beginning of the year	年初現金及現金等價物	142,206	23,437
Cash and cash equivalents at end of the year, represented by bank balances and cash	年末現金及現金等價物，指銀行結餘及現金	87,354	142,206

The accompanying notes form an integral part of these consolidated financial statements.

隨附附註為該等綜合財務報表之組成部分。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

(Expressed in Renminbi)

(以人民幣為單位)

1 GENERAL

Weigang Environmental Technology Holding Group Limited (the "Company") was incorporated in the Cayman Islands on 18 May 2017 as an exempted company with limited liability under the Companies Law of the Cayman Islands. The immediate holding company and the ultimate holding company of the Company are WeiGang Technology and Weigang Green Technology Limited ("Weigang Green"), respectively, both of which were incorporated in British Virgin Island ("BVI"), Weigang Green is wholly owned by Mr. Cai Zhuhua ("Mr. Cai"), the ultimate controlling shareholder of the Group, who is also the chairman and executive director of the Company. The shares of the Company have been listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "Stock Exchange") on 3 January 2019.

The address of the registered office of the Company is Cayman Corporate Centre, 27 Hospital Road, George Town, Grand Cayman, KY1-9008 Cayman Islands and the address of principal place of business of the Company is Unit 3507, 35/F, AIA Tower, 183 Electric Road, North Point, Hong Kong.

The Company is an investment holding company. The Company and its subsidiaries (collectively referred as a "Group") are principally engaged in hazardous waste incineration turnkey solution provider in China focused on the research, design, integration and commissioning of solid waste treatment systems particularly for hazardous waste incineration and oilfield auxiliary services.

A list of the Company's principal subsidiaries as of 31 December 2020 and their particulars are set out in Note 40.

The consolidated financial statements are presented in Renminbi ("RMB"), which is also the functional currency of the Company.

1 一般資料

維港環保科技控股集團有限公司(「本公司」)於2017年5月18日根據開曼群島公司法於開曼群島註冊成立為獲豁免有限公司。本公司的直接控股公司及最終控股公司分別為維港科技及維港綠色科技有限公司(「維港綠色」)，兩者均於英屬維爾京群島(「英屬維爾京群島」)註冊成立，維港綠色由蔡珠華先生(「蔡先生」，本集團最終控股股東)全資擁有，蔡先生亦為本公司主席兼執行董事。本公司股份已於2019年1月3日在香港聯合交易所有限公司(「聯交所」)主板上市。

本公司的註冊辦事處地址為Cayman Corporate Centre, 27 Hospital Road, George Town, Grand Cayman, KY1-9008 Cayman Island，而本公司主要營業地點的地址為香港北角電氣道183號友邦廣場35樓3507室。

本公司為一間投資控股公司。本公司及其附屬公司(統稱為「本集團」)主要於中國提供危險廢物焚燒處置整體解決方案，專注於固體廢物處理系統(尤其是危險廢物焚燒處置系統)的研究、設計、集成及調試，同時亦提供油田周邊服務。

本公司於2020年12月31日的主要附屬公司名單及其詳情載於附註40。

綜合財務報表以人民幣(「人民幣」)列示，人民幣亦為本公司的功能貨幣。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

(Expressed in Renminbi)

(以人民幣為單位)

2 APPLICATION OF AMENDMENTS TO INTERNATIONAL FINANCIAL REPORTING STANDARDS

In the current year, the Group has applied the Amendments to References to the Conceptual Framework in International Financial Reporting Standards (“IFRSs”) and the following amendments to IFRSs issued by the International Accounting Standard Board (“IASB”) for the first time, which are mandatorily effective for the annual period beginning on or after 1 January 2020 for the preparation of the consolidated financial statements:

Amendments to IAS 1 and IAS 8	Definition of Material
Amendments to IFRS 3	Definition of a Business
Amendments to IFRS 9, IAS 39 and IFRS 7	Interest Rate Benchmark Reform

In addition, the Group has early applied the Amendment to IFRS16 “Covid-19-Related Rent Concessions”. Other than the amendment to IFRS 16, the Group has not applied any new standard or interpretation that is not yet effective for the current accounting period. Impacts of the adoption of the amended IFRSs are discussed below:

Impacts on early application of Amendment to IFRS 16, Covid-19-Related Rent Concessions

The Group has applied the amendment for the first time in the current year. The amendment introduces a new practical expedient for lessees to elect not to assess whether a Covid-19-related rent concession is a lease modification. The practical expedient only applies to rent concessions occurring as a direct consequence of the Covid-19 that meets all of the following conditions:

- the change in lease payments results in revised consideration for the lease that is substantially the same as, or less than, the consideration for the lease immediately preceding the change;

2 應用《國際財務報告準則》之修訂

於本年度，本集團已首次應用《國際財務報告準則》中概念框架引用的修訂及以下由國際會計準則理事會頒佈並於2020年1月1日或之後開始的年度期間強制生效的《國際財務報告準則》修訂，以編製綜合財務報表：

《國際會計準則》第1號 重大的定義及《國際會計準則》第8號之修訂
《國際財務報告準則》 業務的定義 第3號之修訂
《國際財務報告準則》 利率基準改革 第9號、《國際會計準則》第39號及《國際財務報告準則》第7號之修訂

此外，本集團已提早應用《國際財務報告準則第16號》之修訂「新冠疫情相關租金減免」。除《國際財務報告準則》第16號之修訂外，本集團並無應用任何於本會計期間尚未生效的新訂準則或詮釋。採納經修訂《國際財務報告準則》的影響討論如下：

提早應用《國際財務報告準則》第16號之修訂「新冠疫情相關租金減免」的影響

本集團已於本年度首次應用該修訂。該修訂引入新的可行權宜方法，允許承租人選擇不評估新冠疫情相關租金減免是否屬租賃修改。該可行權宜方法僅適用於滿足以下所有條件由新冠疫情直接引致的租金減免：

- 租賃付款的變動使租賃對價有所修改，而經修改的對價與緊接變動前租賃對價大致相同，或少於緊接變動前租賃對價；

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

(Expressed in Renminbi)

(以人民幣為單位)

2 APPLICATION OF AMENDMENTS TO INTERNATIONAL FINANCIAL REPORTING STANDARDS *(continued)*

Impacts on early application of Amendment to IFRS 16, Covid-19-Related Rent Concessions *(continued)*

- any reduction in lease payments affects only payments originally due on or before 30 June 2021; and
- there is no substantive change to other terms and conditions of the lease.

A lessee applying the practical expedient accounts for changes in lease payments resulting from rent concessions the same way it would account for the changes applying IFRS 16 "Leases" if the changes were not a lease modification. Forgiveness or waiver of lease payments are accounted for as variable lease payments. The related lease liabilities are adjusted to reflect the amounts forgiven or waived with a corresponding adjustment recognised in the profit or loss in the period in which the event occurs.

The application of the amendment had no impact to the opening retained profits at 1 January 2020. The Group has benefited from 3 months waiver of lease payments on a lease in an office amounting to approximately RMB202,000.

2 應用《國際財務報告準則》之修訂(續)

提早應用《國際財務報告準則》第16號之修訂「新冠疫情相關租金減免」的影響(續)

- 租賃付款的任何減少僅影響原到期日為2021年6月30日或之前的付款；及
- 租賃的其他條款及條件並無實質變動。

應用該可行權宜方法的承租人就租金減免產生的租賃付款變動所用的入賬方式，與其應用《國際財務報告準則》第16號租賃時就變動所用的入賬方式(倘有關變動並非租賃修改)相同。租賃付款的寬免或豁免作為可變租賃付款入賬。相關租賃負債予以調整以反映寬免或豁免的金額，並於該事件發生期間於損益確認相應調整。

應用該修訂對2020年1月1日的年初保留利潤並無影響。本集團一處辦公室租賃獲豁免3個月租金(約人民幣202,000元)。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

(Expressed in Renminbi)

(以人民幣為單位)

2 APPLICATION OF AMENDMENTS TO INTERNATIONAL FINANCIAL REPORTING STANDARDS (continued)

New and amendments to IFRSs issued but not yet effective

The following new and amendments to IFRSs, potentially relevant to the Group's financial statements, have been issued, but are not yet effective and have not been early adopted by the Group:

Amendments to IFRS 3
《國際財務報告準則》第3號之修訂

Reference to the Conceptual Framework²
概念框架引用²

Amendments to IFRS 9, IAS39, IFRS 7, IFRS 4 and IFRS 16
《國際財務報告準則》第9號、《國際會計準則》第39號、《國際財務報告準則》第7號、《國際財務報告準則》第4號及《國際財務報告準則》第16號之修訂

Interest Rate Benchmark Reform – Phase 3³
利率基準改革 — 第二階段³

Amendments to IFRS 10 and IAS 28
《國際財務報告準則》第10號及
《國際會計準則》第28號之修訂

Sale or Contribution of Assets between an Investor and its Associate or Joint Venture⁴
投資者與其聯營企業或合營企業之間出售或注入資產⁴

Amendments to IAS 1
《國際會計準則》第1號之修訂

Classification of Liabilities as Current or Non-current¹
將負債分類為流動或非流動¹

Amendments to IAS 16
《國際會計準則》第16號之修訂

Property, Plant and Equipment: Proceeds before Intended Use²
物業、廠房及設備：擬定用途前之所得款項²

Amendments to IAS 37
《國際會計準則》第37號之修訂

Onerous Contracts – Cost of Fulfilling a Contract²
虧損性合約 — 履行合約的成本²

Amendments to IFRS Standards
《國際財務報告準則》之修訂

Annual Improvements to IFRS Standards 2018-2020²
《國際財務報告準則》2018年至2020年之年度改進²

¹ Effective for annual periods beginning on or after 1 January 2023.

¹ 於2023年1月1日或之後開始的年度期間生效。

² Effective for annual periods beginning on or after 1 January 2022.

² 於2022年1月1日或之後開始的年度期間生效。

³ Effective for annual periods beginning on or after 1 January 2021.

³ 於2021年1月1日或之後開始的年度期間生效。

⁴ Effective for annual periods beginning on or after a date to be determined.

⁴ 於待定日期或之後開始的年度期間生效。

2 應用《國際財務報告準則》之修訂(續)

已頒佈但未生效的新訂及經修訂《國際財務報告準則》

以下可能與本集團財務報表有關的新訂及經修訂《國際財務報告準則》已頒佈但尚未生效，本集團並無提早採納：

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2 APPLICATION OF AMENDMENTS TO INTERNATIONAL FINANCIAL REPORTING STANDARDS *(continued)*

New and amendments to IFRSs issued but not yet effective *(continued)*

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

3 BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES

Basis of preparation of consolidated financial statements

The consolidated financial statements have been prepared in accordance with IFRSs issued by the IASB. For the purpose of preparation of the consolidated financial statements, information is considered material if such information is reasonably expected to influence decision made by primary users. In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong and by the Hong Kong Companies Ordinance.

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

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

2 應用《國際財務報告準則》之修訂(續)

已頒佈但未生效的新訂及經修訂《國際財務報告準則》(續)

本公司董事預期，應用該等新訂及經修訂《國際財務報告準則》於可見將來不會對綜合財務報表造成重大影響。

3 綜合財務報表之編製基準及主要會計政策

綜合財務報表之編製基準

綜合財務報表乃根據國際會計準則理事會頒佈的《國際財務報告準則》編製。就編製綜合財務報表而言，倘某一項資料合理預期會影響主要使用者作出的決定，則有關資料被視為重大。此外，綜合財務報表包含《香港聯合交易所有限公司證券上市規則》及香港《公司條例》規定的適用披露。

綜合財務報表已按歷史成本基準編製，惟如下文會計政策所說明於各報告期末按公允價值計量的若干金融工具除外。

歷史成本一般根據換取貨品及服務所付對價之公允價值計算。

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3 BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES (continued)

Basis of preparation of consolidated financial statements (continued)

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

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

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

The principal accounting policies are set out below.

3 綜合財務報表之編製基準及主要會計政策(續)

綜合財務報表之編製基準(續)

公允價值為於計量日期於市場參與者的有序交易中因出售資產而收取或因轉讓負債而支付的價格，不論該價格是否直接觀察可得或使用另一種估值技術估計。於估計資產或負債的公允價值時，本集團會考慮市場參與者於計量日期為該資產或負債進行定價時所考慮有關資產或負債的特徵。用於在綜合財務報表中計量及／或披露的公允價值均在此基礎上予以釐定，惟屬於《國際財務報告準則》第2號「以股份為基礎的支付」範圍內的以股份為基礎的支付交易、根據《國際財務報告準則》第16號入賬的租賃交易，以及與公允價值部分類似但並非公允價值的計量(例如《國際會計準則》第2號「存貨」內的可變現淨值或《國際會計準則》第36號「資產減值」內的使用價值)除外。

此外，就財務呈報而言，公允價值計量根據公允價值計量的輸入數據可觀察程度及公允價值計量的輸入數據對其整體的重要性分類為第一級、第二級或第三級，詳情如下：

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

主要會計政策載列如下。

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3 BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES (continued)

Significant accounting policies

Basis of consolidation

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

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

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

When the Group has less than a majority of the voting rights of an investee, it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The Group considers all relevant facts and circumstances in assessing whether or not the Group's voting rights in an investee are sufficient to give it power, including:

- the size of the Group's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- potential voting rights held by the Group, other vote holders or other parties;
- rights arising from other contractual arrangements; and
- any additional facts and circumstances that indicate that the Group has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

3 綜合財務報表之編製基準及主要會計政策(續)

主要會計政策

綜合基準

綜合財務報表包括本公司及受本公司控制之實體和附屬公司的財務報表。倘屬以下情況，則本公司取得控制權：

- (i) 擁有對投資對象的權力；
- (ii) 因參與投資對象業務而承擔浮動回報的風險或享有浮動回報的權利；及
- (iii) 可對投資對象行使權力影響本公司之回報金額。

倘有事件及情況顯示上述三項控制權因素之一項或多項出現變動，本集團會重估是否仍控制投資對象。

倘本集團於投資對象的投票權未能佔大多數，則當投票權足以賦予本公司實際能力以單方面指揮投資對象的相關活動時即對投資對象擁有權力。本集團於評估本集團於投資對象的投票權是否足以賦予其權力時考慮所有相關事實及情況，包括：

- 相較其他投票權持有人所持投票權的數量及分散情況，本集團持有投票權的數量；
- 本集團、其他投票人或其他人士持有之潛在投票權；
- 其他合約安排所產生的權利；及
- 於需要作出決定時，表明本集團目前能夠或不能指揮相關活動的任何額外事實及情況(包括於過往股東會議上的投票模式)

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3 BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES (continued)

Significant accounting policies (continued)

Basis of consolidation (continued)

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

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

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

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.

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

3 綜合財務報表之編製基準及主要會計政策(續)

主要會計政策(續)

綜合基準(續)

當本集團取得附屬公司的控制權，則該附屬公司綜合入賬，直至本集團失去對該附屬公司的控制權為止。具體而言，年內收購或出售附屬公司的收入及開支自本集團取得控制權當日起計入綜合損益及其他全面收益表，直至本集團不再控制該附屬公司為止。

損益及其他全面收入各項目歸屬於本公司擁有人及非控股權益。附屬公司的全面收益總額歸屬於本公司擁有人及非控股權益，即使這會導致非控股權益出現虧絀結餘。

必要時，對附屬公司的財務報表作出調整，使其會計政策與本集團會計政策一致。

有關本集團成員公司間交易的所有集團內公司間資產及負債、權益、收入、開支及現金流量均於合併賬目時悉數對銷。

於附屬公司的非控股權益與本集團於有關附屬公司的股權分開呈列。非控股權益指清盤時持有人有權按比例分佔相關附屬公司資產淨值之現有所有權權益。

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3 BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES (continued)

Significant accounting policies (continued)

Changes in the Group's ownership interests in existing subsidiaries

Changes in the Group's ownership interests in existing subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Group's relevant components of equity and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries, including re-attribution of relevant reserves between the Group and the non-controlling interests according to the Group's and the non-controlling interests' proportionate interests.

Any difference between the amount by which the non-controlling interests are adjusted, and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Company.

When the Group loses control of a subsidiary, the assets and liabilities of that subsidiary and non-controlling interests (if any) are derecognised. A gain or loss is recognised in profit or loss and is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the carrying amount of the assets (including goodwill), and liabilities of the subsidiary attributable to the owners of the Company. All amounts previously recognised in other comprehensive income in relation to that subsidiary are accounted for as if the Group had directly disposed of the related assets or liabilities of the subsidiary (i.e. reclassified to profit or loss or transferred to another category of equity as specified/permitted by applicable IFRSs). The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under "Financial Instruments" ("IFRS 9") or, when applicable, the cost on initial recognition of an investment in an associate or a joint venture.

3 綜合財務報表之編製基準及主要會計政策(續)

主要會計政策(續)

本集團於現有附屬公司的所有權權益變動

本集團於現有附屬公司的所有權權益變動，如不會導致本集團失去對附屬公司的控制權，則入賬列作權益交易。本集團相關權益部分及非控股權益的賬面值乃經調整以反映各自於附屬公司中的相關利益變動，包括根據本集團及非控股權益的權益佔比於本集團與非控股權益之間重新分配相關儲備。

非控股權益的調整金額與已付或已收對價的公允價值之間的差額直接在權益中確認，歸屬於本公司擁有人。

倘本集團失去附屬公司控制權，則終止確認該附屬公司的資產及負債以及非控股權益(如有)。收益或虧損於損益確認並按(i)已收對價的公允價值及任何保留權益的公允價值的總值與(ii)本公司擁有人應佔附屬公司的資產(包括商譽)及負債的賬面值之間的差額計算。先前於其他全面收益就該附屬公司確認的所有金額，會按猶如本集團已直接出售該附屬公司的相關資產或負債入賬(即按適用《國際財務報告準則》所訂明/允許而重新分類至損益或轉撥至另一權益類別)。於失去控制權當日在前附屬公司保留的任何投資的公允價值，將被視為其後根據《國際財務報告準則》第9號「金融工具」入賬時初始確認的公允價值或(如適用)於聯營企業或合營企業之投資的初始確認成本。

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3 BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES (continued)

Significant accounting policies (continued)

Asset acquisitions

When the Group acquires a group of assets and liabilities that do not constitute a business, the Group identifies and recognises the individual identifiable assets acquired and liabilities assumed by allocating the purchase price first to financial assets/financial liabilities at the respective fair values, the remaining balance of the purchase price is then allocated to the other identifiable assets and liabilities on the basis of their relative fair values at the date of purchase. Such a transaction does not give rise to goodwill or bargain purchase gain.

Business combinations

Acquisitions of businesses are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of the assets transferred by the Group, liabilities incurred 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. Acquisition-related costs are generally recognised in profit or loss as incurred.

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their fair value, except that:

- deferred tax assets or liabilities, and assets or liabilities related to employee benefit arrangements are recognised and measured in accordance with IAS 12 "Income Taxes" and IAS 19 "Employee Benefits" respectively;

3 綜合財務報表之編製基準及主要會計政策(續)

主要會計政策(續)

資產收購

當本集團收購不構成業務的一組資產及負債時，本集團識別及確認各項可識別的所收購資產及所承擔負債，方式為首先將購買價按各自的公允價值分配至金融資產／金融負債，然後將購買價餘額按於收購日的相對公允價值分配至其他可識別資產及負債。有關交易不會產生商譽或議價購買收益。

業務合併

收購業務以收購法入賬。業務合併所轉讓對價以公允價值計量，而公允價值按本集團所轉讓資產、本集團對被收購方前擁有人所產生負債以及本集團就交換被收購方控制權所發行股本權益於收購日期的公允價值總和計算。收購相關成本一般於產生時於損益內確認。

於收購日期，所購入可識別資產及所承擔負債按其公允價值確認，但以下各項除外：

- 遞延稅項資產或負債及有關僱員福利安排的資產或負債分別根據《國際會計準則》第12號「所得稅」及《國際會計準則》第19號「僱員福利」確認及計量；

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3 BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES (continued)

Significant accounting policies (continued)

Business combinations (continued)

- liabilities or equity instruments related to share-based payment arrangements of the acquiree or share-based payment arrangements of the Group entered into to replace share-based payment arrangements of the acquiree are measured in accordance with IFRS 2 “Share-based Payment” at the acquisition date;
- assets (or disposal groups) that are classified as held for sale in accordance with IFRS 5 “Non-current Assets Held for Sale and Discontinued Operations” are measured in accordance with that standard; and
- lease liabilities are recognised and measured at the present value of the remaining lease payments (as defined in IFRS 16) as if the acquired leases were new leases at the acquisition date, except for leases for which (a) the lease term ends within 12 months of the acquisition date; or (b) the underlying asset is of low value. Right-of-use assets are recognised and measured at the same amount as the relevant lease liabilities, adjusted to reflect favourable or unfavourable terms of the lease when compared with market terms.

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net amount of the identifiable assets acquired and the liabilities assumed as at acquisition date. If, after re-assessment, the net amount of the identifiable assets acquired and liabilities assumed exceeds the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree and the fair value of the acquirer's previously held interest in the acquiree (if any), the excess is recognised immediately in profit or loss as a bargain purchase gain.

3 綜合財務報表之編製基準及主要會計政策(續)

主要會計政策(續)

業務合併(續)

- 與被收購方以股份為基礎的支付安排或本集團為替代被收購方以股份為基礎的支付安排而訂立之以股份為基礎的支付安排有關之負債或股本工具，於收購日期根據《國際財務報告準則》第2號「以股份為基礎的支付」計量；
- 根據《國際財務報告準則》第5號「持作出售之非流動資產及已終止經營業務」分類為持作出售之資產(或出售組別)按該準則計量；及
- 租賃負債乃按餘下租賃付款的現值(定義見《國際財務報告準則》第16號)確認及計量，猶如所收購租賃於收購日期為新租賃，惟(a)租期於收購日期後12個月內完結；或(b)相關資產為低價值的租賃除外。使用權資產按與相關租賃負債相同的金額確認及計量，並作出調整以反映租賃較市場條款有利或不利的條款。

商譽按所轉讓對價、於被收購方之任何非控股權益金額及收購方過往所持被收購方股本權益(如有)公允價值之總和超出於收購日期所收購可識別資產與所承擔負債之淨額之差額計量。倘於重新評估後，所收購可識別資產及所承擔負債之淨額超出所轉讓對價、於被收購方之任何非控股權益金額及收購方過往所持被收購方權益(如有)公允價值之總和，差額即時於損益確認為議價購買收益。

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3 BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES (continued)

Significant accounting policies (continued)

Business combinations (continued)

Non-controlling interests that are present ownership interests and entitle their holders to a proportionate share of the relevant subsidiary's net assets in the event of liquidation are initially measured either at fair value or at the non-controlling interests' proportionate share of the recognised amounts of the acquiree's identifiable net assets. The choice of measurement basis is made on a transaction-by-transaction basis.

When a business combination is achieved in stages, the Group's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date (i.e. the date when the Group obtains control), and the resulting gain or loss, if any, is recognised in profit or loss or other comprehensive income, as appropriate. Amounts arising from interests in the acquiree prior to the acquisition date that have previously been recognised in other comprehensive income and measured under IFRS 9 would be accounted for on the same basis as would be required if the Group had disposed directly of the previously held equity interest.

3 綜合財務報表之編製基準及主要會計政策(續)

主要會計政策(續)

業務合併(續)

屬現有所有權權益且清盤時持有人有權按比例分佔相關附屬公司資產淨值之非控股權益，初步按公允價值或非控股權益按比例分佔被收購方可識別資產淨值之已確認數額計量。計量基準按個別交易作出選擇。

倘業務合併分階段完成，本集團先前持有之被收購方股本權益按於收購日期(即本集團獲得控制權之日)的公允價值重新計量，而所產生之收益或虧損(如有)於損益或其他全面收益(倘適合)確認。先前已於其他全面收益確認並根據《國際財務報告準則》第9號計量的在收購日期前於被收購方權益所產生的金額，按本集團直接出售該等先前持有之股本權益的相同基準入賬。

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綜合財務報表附註

(Expressed in Renminbi)

(以人民幣為單位)

3 BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES (continued)

Significant accounting policies (continued)

Goodwill

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

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

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

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

3 綜合財務報表之編製基準及主要會計政策(續)

主要會計政策(續)

商譽

收購業務所產生的商譽按收購業務當日確定的成本減累計減值虧損(如有)列賬。

就減值測試而言，商譽會分配至預期可從合併之協同效益中獲益之本集團各現金產生單位(或現金產生單位組別)，即就內部管理目的監控商譽的最小單位，且並不大於經營分部。

獲分配商譽的現金產生單位(或現金產生單位組別)會每年進行減值測試，或於有跡象顯示該單位可能出現減值時更頻繁地進行減值測試。就於某一報告期間進行收購所產生之商譽而言，獲分配商譽的現金產生單位(或現金產生單位組別)於該報告期末前進行減值測試。倘可收回金額少於其賬面值，則減值虧損會首先分配以減少任何商譽的賬面值，然後根據該單位(或現金產生單位組別)內各項資產的賬面值按比例分配至其他資產。

倘出售相關現金產生單位或現金產生單位組別內任何現金產生單位，於釐定出售的損益金額時應計入商譽應佔金額。於本集團出售現金產生單位內的業務(或現金產生單位組別內的現金產生單位)時，所出售商譽金額按所出售業務(或現金產生單位)與該現金產生單位(或現金產生單位組別)保留部分的相對價值計量。

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3 BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES (continued)

Significant accounting policies (continued)

Investments in subsidiaries

Investments in subsidiaries are stated in the statements of financial position of the Company at cost less any identified impairment loss.

Investments in associates

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over these policies.

The results and assets and liabilities of associates are incorporated in the consolidated financial statements using the equity method of accounting. The financial statements of associates used for equity accounting purpose is prepared using uniform accounting policies as those of the Group for like transactions and events in similar circumstances. Under the equity method, an investment in an associate is initially recognised in the consolidated statements of financial position at cost and adjusted thereafter to recognise the Group's share of the profit or loss and other comprehensive income of the associate. Changes in net assets of the associate other than profit or loss and other comprehensive income are not accounted for unless such changes result in changes in ownership interest held by the Group. When the Group's share of losses of an associate exceeds the Group's interest in that associate (which includes any long-term interests that, in substance, form part of the Group's net investment in the associate), the Group discontinues recognising its share of further losses. Additional losses are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate.

3 綜合財務報表之編製基準及主要會計政策(續)

主要會計政策(續)

於附屬公司的投資

於附屬公司的投資按成本減任何已識別減值虧損於本公司財務狀況表內列賬。

於聯營企業的投資

聯營企業為本集團對其具有重大影響力的實體。重大影響力指參與被投資方財務及經營政策決策之權力，但對該等政策並無控制或共同控制權。

聯營企業的業績及資產與負債按權益會計法併入綜合財務報表。用作權益會計法用途的聯營企業財務報表採用與本集團就同類情況下的類似交易及事件所採用者相同的會計政策編製。按照權益法，於聯營企業的投資初始按成本於綜合財務狀況表中確認，並於其後調整以確認本集團應佔的該聯營企業損益及其他全面收益。聯營企業除損益及其他全面收益外的資產淨值變動不予入賬，除非該等變動會導致本集團所持所有權權益發生變動。若本集團應佔聯營企業的虧損超出其於該聯營企業的權益(包括任何實質上屬於本集團於該聯營企業的投資淨額的長期權益)，則本集團終止確認其分佔的進一步虧損。僅在本集團已招致法律責任或推定責任或代表該聯營企業作出付款的情況下，方會確認額外虧損。

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3 BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES (continued)

Significant accounting policies (continued)

Investments in associates (continued)

An investment in an associate is accounted for using the equity method from the date on which the investee becomes an associate. On acquisition of the investment in an associate, any excess of the cost of the investment over the Group's share of the net fair value of the identifiable assets and liabilities of the investee is recognised as goodwill, which is included within the carrying amount of the investment. Any excess of the Group's share of the net fair value of the identifiable assets and liabilities over the cost of the investment, after reassessment, is recognised immediately in profit or loss in the period in which the investment is acquired.

The Group assesses whether there is an objective evidence that the interest in an associate may be impaired. When any objective evidence exists, the entire carrying amount of the investment (including goodwill) is tested for impairment in accordance with IAS 36 "Impairment of Assets" as a single asset by comparing its recoverable amount (higher of value in use and fair value less costs of disposal) with its carrying amount. Any impairment loss recognised forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognised in accordance with IAS 36 to the extent that the recoverable amount of the investment subsequently increases.

When the Group ceases to have significant influence over an associate, it is accounted for as a disposal of the entire interest in the investee with a resulting gain or loss being recognised in profit or loss. When the Group retains an interest in the former associate and the retained interest is a financial asset within the scope of IFRS 9, the Group measures the retained interest at fair value at that date and the fair value is regarded as its fair value on initial recognition. The difference between the carrying amount of the associate and the fair value of any retained interest and any proceeds from disposing of the relevant interest in the associate is included in the determination of the gain or loss on disposal of the associate.

3 綜合財務報表之編製基準及主要會計政策(續)

主要會計政策(續)

於聯營企業的投資(續)

於投資對象成為聯營企業當日，對於聯營企業的投資採用權益法入賬。於收購於聯營企業的投資時，投資成本超過本集團所佔投資對象可識別資產及負債公允價值淨值之任何部分乃確認為商譽，並計入投資之賬面值。本集團所佔可識別資產及負債於重新評估後之公允價值淨值超過投資成本之任何差額，於收購投資期間即時在損益內確認。

本集團評估是否有客觀證據表明於聯營公司的權益可能出現減值。若存在任何客觀證據，則將投資之全部賬面值(包括商譽)作為單一資產根據《國際會計準則》第36號「資產減值」進行減值測試，方法為將其可收回金額(使用價值與公允價值減處置成本兩者中之較高者)與賬面值進行比較。任何已確認減值虧損均為投資賬面值之一部分。減值虧損的任何撥回乃按《國際會計準則》第36號確認，惟僅限於投資的可收回金額隨後增加。

於本集團對聯營企業失去重大影響力的情況下，有關交易將會當作處置於該投資對象之全部權益入賬，而所得盈虧將於損益中確認。倘本集團保留於前聯營企業的權益且該保留權益屬《國際財務報告準則》第9號項下的金融資產，則本集團會於該日按公允價值計量保留權益，而該公允價值被視為初步確認時的公允價值。聯營企業的賬面值與任何保留權益及處置聯營企業相關權益的任何所得款項公允價值間的差額，於釐定出售該聯營企業的收益或虧損時應予計入。

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(以人民幣為單位)

3 BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES (continued)

Significant accounting policies (continued)

Investments in associates (continued)

When a group entity transacts with an associate of the Group, profits and losses resulting from the transactions with the associate are recognised in the Group's consolidated financial statements only to the extent of interests in the associate that are not related to the Group.

Revenue recognition

Revenue is recognised to depict the transfer of promised goods or services to customers in an amount reflects the consideration to which the Group expects to be entitled in exchange for those goods or services. Specifically, the Group uses a 5-step approach to revenue recognition:

- Step 1: Identify the contract(s) with a customer
- Step 2: Identify the performance obligations in the contract
- Step 3: Determine the transaction price
- Step 4: Allocate the transaction price to the performance obligations in the contract
- Step 5: Recognise revenue when (or as) the entity satisfied a performance obligation

The Group recognised revenue when (or as) a performance obligation is satisfied, i.e. when "control" of the goods or services underlying the particular performance obligation is transferred to customers.

3 綜合財務報表之編製基準及主要會計政策(續)

主要會計政策(續)

於聯營企業的投資(續)

當集團實體與本集團的聯營企業進行交易時，與該聯營企業交易所產生的利潤及虧損僅於該聯營企業的權益與本集團無關的情況下，方會於本集團的綜合財務報表中確認。

收入確認

收入按向客戶轉移所承諾商品或服務的金額確認，而該金額能反映本集團預期就交換該等商品或服務有權獲得的對價。具體而言，本集團採用的5步法確認收入：

- 第一步：識別與客戶訂立的合約
- 第二步：識別合約中的履約責任
- 第三步：釐定交易價
- 第四步：將交易價分配至合約中的履約責任
- 第五步：於(或隨著)實體完成履約責任時確認收入

本集團於(或隨著)履約責任完成時(即於特定履約責任相關的商品或服務的「控制權」轉移予客戶時)確認收入。

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3 BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES (continued)

Significant accounting policies (continued)

Revenue recognition (continued)

Control of the goods or services may be transferred over time or at a point of time. Control of the goods or services is transferred over time if:

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

If control of the services transfer over time, revenue is recognised over the period of the contract by reference to the progress toward complete satisfaction of that performance obligation. Otherwise, revenue is recognised at a point in time when the customer obtains control of the distinct goods or services.

Revenue is measured based on the consideration specified in a contract with a customer. The Group recognises revenue when it transfers control of a product or service to a customer. The Group recognises revenue from the following major sources:

- i) provision of hazardous waste incineration solutions services,
- ii) provision of pyrolysis solid waste treatment solutions services,
- iii) provision of technical upgrading services,

3 綜合財務報表之編製基準及主要會計政策(續)

主要會計政策(續)

收入確認(續)

商品或服務的控制權可在一段時間內或某一時點轉讓。倘為下列情況，則商品或服務的控制權在一段時間內轉讓：

- 客戶隨著本集團履約的同時獲得及消費本集團履約所提供的利益；
- 本集團的履約行為創造及改良了客戶於本集團履約時控制的資產；或
- 本集團的履約行為不會創造可由本集團另作他用的資產，且本集團就對迄今已完成的履約部分獲得付款擁有可強制執行的權利。

如服務的控制權在一段時間內轉移，收入乃於合約期參照履約責任完成的進度確認。否則，收入於客戶取得相關商品或服務的控制權的時點確認。

收入按客戶合約中訂明的對價計量。本集團於其向客戶轉讓產品或服務的控制權時確認收入。本集團確認以下主要來源的收入：

- i) 提供危險廢物焚燒處置解決方案服務；
- ii) 提供固體廢物無氧裂解處理解決方案服務；
- iii) 提供技術升級服務；

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3 BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES (continued)

Significant accounting policies (continued)

Revenue recognition (continued)

- iv) provision of oil sludge thermal desorption treatment services,
- v) provision of maintenance services, and
- vi) provision of oilfield auxiliary services.

Provision of i) hazardous waste incineration solutions services, ii) pyrolysis solid waste treatment solutions services and iii) technical upgrading services

Recognition

Provision of hazardous waste incineration solutions services and pyrolysis solid waste treatment solutions services represent the services on design, integration and commissioning of solid waste treatment systems which comprise a range of equipment and other components, on a made-to-order basis pursuant to the technical specification and requirement of the customers. Provision of technical upgrading services represent the upgrading services provided for existing hazardous waste incineration systems and certain cement production facilities. Since the Group's performance creates and enhances an asset that the customer controls as the Group performs, revenue from these services therefore are recognised over time using input methods, i.e. based on the stage of completion of the contract, and the stage of completion of the contract is measured based on the proportion that contract costs incurred for work performed to date relative to the estimated total contract costs.

For warranty embedded to the contracts, the customer does not have the option to purchase a warranty separately, the Group accounts for the warranty in accordance with IAS 37 "Provisions, Contingent Liabilities and Contingent Assets" unless the warranty provides the customer with a service in addition to the assurance that the contracting work complies with the agreed-upon specifications.

3 綜合財務報表之編製基準及主要會計政策(續)

主要會計政策(續)

收入確認(續)

- iv) 提供油泥熱脫附處理服務；
- v) 提供維護服務；及
- vi) 提供油田周邊服務。

*提供 i) 危險廢物焚燒處置解決方案服務；
ii) 固體廢物無氧裂解處理解決方案服務；
及 iii) 技術升級服務*

確認

提供危險廢物焚燒處置解決方案服務及固體廢物無氧裂解處理解決方案服務指根據客戶的技術規範和要求所提供有關固體廢物處理系統(包括一系列設備及其他部件)的設計、集成及調試的定制服務。提供技術升級服務指為現有危險廢物焚燒處置系統及若干水泥生產設施提供的升級服務。由於本集團的履約行為創造及改良了客戶於本集團履約時控制的資產，故該等服務收入於一段時間內使用投入法(即按合約的完成進度)進行確認，而合約的完成進度按截至目前所開展工程產生的合約成本佔估計總合約成本的比例計量。

就合約隨附的保修而言，客戶無權單獨購買保修，且除非該保修服務向客戶提供保證合約工程符合約定規範以外的服務，否則本集團根據《國際會計準則》第37號「撥備、或有負債及或有資產」將保修入賬。

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3 BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES (continued)

Significant accounting policies (continued)

Revenue recognition (continued)

Provision of i) hazardous waste incineration solutions services, ii) pyrolysis solid waste treatment solutions services and iii) technical upgrading services (continued)

Contract assets/liabilities

A contract asset represents the Group's right to consideration in exchange for services that the Group has transferred to a customer that is not yet unconditional. It is assessed for impairment in accordance with IFRS 9. In contrast, a receivable represents the Group's unconditional right to consideration, i.e. only the passage of time is required before payment of that consideration is due. Any amount previously recognised as a contract asset is reclassified to trade and note receivables at the point at which it is invoiced to the customer. If the progress payment exceeds the revenue recognised to date under the input method then the Group recognises a contract liability for the difference. A contract asset and a contract liability relating to a contract are accounted for and presented on a net basis.

Provision of oil sludge thermal desorption treatment services

Provision of oil sludge thermal desorption treatment services represent the service provided for an oil service provider which has the relevant operating licence, to lease and provide operation and maintenance services for, an oil sludge treatment facility designed and commissioned by the Group in Karamay, Xinjiang, by charging a leasing and operation fee based on the actual treatment volume of oil sludge.

3 綜合財務報表之編製基準及主要會計政策(續)

主要會計政策(續)

收入確認(續)

提供 i) 危險廢物焚燒處置解決方案服務；
ii) 固體廢物無氧裂解處理解決方案服務；
及 iii) 技術升級服務(續)

合約資產／負債

合約資產指本集團就其已轉讓予客戶的服務收取對價的權利，但並非無條件的權利。其根據《國際財務報告準則》第9號評估減值。與之相對，應收款項指本集團獲得對價的無條件權利，即在該對價到期支付之前僅需要通過一段時間。先前確認為合約資產的任何金額於向客戶出具賬單時重新歸類至貿易應收款項及應收票據。倘工程進度款超過到目前為止根據投入法確認的收入，則本集團就差額確認合約負債。與同一合約有關的合約資產及合約負債按淨值入賬及呈列。

提供油泥熱脫附處理服務

提供油泥熱脫附處理服務指向擁有相關經營許可證的石油服務提供商提供的服務，本集團向石油服務提供商出租新疆克拉瑪依的一處由本集團設計和調試的油泥處理設施，並提供運營及維護服務，根據實際油泥處置量收取租賃及運營費。

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(Expressed in Renminbi)

(以人民幣為單位)

3 BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES (continued)

Significant accounting policies (continued)

Revenue recognition (continued)

Provision of maintenance services

The Group provides maintenance services, including repair and maintenance services to customers. Income is recognised over the contract period when the relevant services are provided by the Group and the customers simultaneously receive and consume the benefits provided by the Group's performance.

Provision of oilfield auxiliary services

The Group provides oilfield auxiliary services, including the provision of petroleum transportation, meter maintenance, oil pipe repair and water treatment. Revenue from providing services is recognised in the accounting period in which the services are rendered by the Group and the customer simultaneously receives and uses the benefits provided by the Group's performance.

Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker ("CODM"). The CODM, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the steering committee that make strategic decisions.

Lease

Definition of a lease

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

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

3 綜合財務報表之編製基準及主要會計政策(續)

主要會計政策(續)

收入確認(續)

提供維護服務

本集團向客戶提供維護服務，包括維修及保養服務。收入於本集團提供相關服務，同時客戶收到並消費本集團履約的利益的合約期內確認。

提供油田周邊服務

本集團提供油田周邊服務，包括提供石油運輸、測量儀維護、油管維修及水處理服務。提供服務的收入於本集團提供服務的會計期間確認，而客戶同時收取及使用本集團履約所提供的利益。

分部報告

經營分部的報告方式與向主要經營決策者（「主要經營決策者」）提供內部報告的方式一致。主要經營決策者負責分配資源及評估經營分部的表現，已被確定為作出戰略決策的指導委員會。

租賃

租賃的定義

倘合約賦予於一段時間內控制已識別資產用途以換取對價的權利，則該合約為租賃或包含租賃。

就於首次應用日期或之後訂立、修改或因業務合併而產生的合約而言，本集團於合約開始時、修改日期或收購日期（如適用）根據《國際財務報告準則》第16號項下的定義評估合約是否為租賃或包含租賃。除非合約的條款及條件隨後有更改，否則不會重新評估該合約。

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3 BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES (continued)

Significant accounting policies (continued)

Lease (continued)

The Group as a lessee

Allocation of consideration to components of a contract

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

Short-term leases and leases of low-value assets

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

Right-of-use assets

The cost of right-of-use asset includes:

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

3 綜合財務報表之編製基準及主要會計政策(續)

主要會計政策(續)

租賃(續)

本集團作為承租人

將對價分配至合約的各部分

就包含租賃部分及一個或多個額外租賃或非租賃部分的合約而言，本集團按租賃部分的相對獨立價格及非租賃部分的總獨立價格將合約對價分配至各租賃部分。

短期租賃及低價值資產租賃

本集團對租期自開始日期起計為12個月或以內且並不包含購買選擇權的辦公室及機器租賃應用短期租賃確認豁免。其亦就低價值資產租賃應用確認豁免。短期租賃及低價值資產租賃的租賃付款於租期內按直線法或另一系統性基準確認為開支。

使用權資產

使用權資產成本包括：

- 租賃負債的初步計量金額；
- 於租賃開始日期或之前作出的任何租賃付款，減任何已收租賃優惠；
- 本集團產生的任何初始直接成本；及
- 就本集團拆解及搬遷相關資產、復原相關資產所在場地或復原相關資產至租賃的條款及條件所規定狀況所產生成本作出的估計，惟該等成本為生產存貨而產生，則另當別論。

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3 BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES (continued)

Significant accounting policies (continued)

Lease (continued)

The Group as a lessee (continued)

Right-of-use assets (continued)

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

The Group presents right-of-use assets as a separate line item on the consolidated statement of financial position.

Lease liabilities

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

The lease payments include:

- fixed payments (including in-substance fixed payments) less any lease incentives receivable;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable by the Group under residual value guarantees;

3 綜合財務報表之編製基準及主要會計政策(續)

主要會計政策(續)

租賃(續)

本集團作為承租人(續)

使用權資產(續)

本集團合理確定於租期結束時可取得相關租賃資產所有權的使用權資產自開始日期起至使用年期結束期間計提折舊。在其他情況下，使用權資產以直線法於其估計使用年期或租期(以較短者為準)內計提折舊。

本集團於綜合財務狀況表內將使用權資產呈列為單獨項目。

租賃負債

於租賃開始日期，本集團按該日未付的租賃付款現值確認及計量租賃負債。倘租賃隱含的利率難以釐定，則本集團會使用租賃開始日期的增量借貸利率計算租賃付款的現值。

租賃付款包括：

- 固定付款(包括實質固定付款)減任何應收租賃優惠；
- 取決於某一指數或利率的可變租賃付款，於開始日期使用該指數或利率初步計量；
- 根據餘下價值擔保本集團預期應付的金額；

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3 BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES (continued)

Significant accounting policies (continued)

Lease (continued)

The Group as a lessee (continued)

Lease liabilities (continued)

- the exercise price of a purchase option if the Group is reasonably certain exercise the option; and
- payments of penalties for terminating a lease, if the lease term reflects the Group exercising an option to terminate the lease.

After the commencement date, lease liabilities are adjusted by interest accretion and lease payments.

The Group remeasures lease liabilities (and makes a corresponding adjustment to the related right-of-use assets) whenever:

- the lease term has changed or there is a change in the assessment of exercise of a purchase option, in which case the related lease liability is remeasured by discounting the revised lease payments using a revised discount rate at the date of reassessment.
- the lease payments change due to changes in expected payment under a guaranteed residual value, in which cases the related lease liability is remeasured by discounting the revised lease payments using the initial discount rate.

The Group presents lease liabilities as a separate line item on the consolidated statement of financial position.

3 綜合財務報表之編製基準及主要會計政策(續)

主要會計政策(續)

租賃(續)

本集團作為承租人(續)

租賃負債(續)

- 購買選擇權的行使價(倘本集團合理確定將行使該選擇權); 及
- 終止租賃的罰款(倘租期反映本集團行使終止租賃選擇權)。

於開始日期後, 租賃負債根據利息增長及租賃付款作出調整。

倘出現以下情況, 本集團會重新計量租賃負債(並對相關使用權資產作出相應調整):

- 租期有所變動或行使購買選擇權的評估發生變化, 在此情況下, 相關租賃負債透過使用重新評估日期的經修訂貼現率貼現經修訂租賃付款而重新計量。
- 租賃付款因擔保餘下價值項下預計付款有變而出現變動, 在此情況下, 相關租賃負債透過使用初始貼現率貼現經修訂租賃付款而重新計量。

本集團於綜合財務狀況表內將租賃負債呈列為單獨項目。

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3 BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES (continued)

Significant accounting policies (continued)

Lease (continued)

The Group as a lessee (continued)

Lease modifications

Except for Covid-19-related-rent concessions in which the Group applied the practical expedient, the Group accounts for a lease modification as a separate lease if:

- the modification increases the scope of the lease by adding the right to use one or more underlying assets; and
- the consideration for the leases increases by an amount commensurate with the stand-alone price for the increase in scope and any appropriate adjustments to that stand-alone price to reflect the circumstances of the particular contract.

For a lease modification that is not accounted for as a separate lease, the Group remeasures the lease liability based on the lease term of the modified lease by discounting the revised lease payments using a revised discount rate at the effective date of the modification.

The Group accounts for the remeasurement of lease liabilities by making corresponding adjustments to the relevant right-of-use asset. When the modified contract contains a lease component and one or more additional lease or non-lease components, the Group allocates the consideration in the modified contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components.

3 綜合財務報表之編製基準及主要會計政策(續)

主要會計政策(續)

租賃(續)

本集團作為承租人(續)

租賃修改

除應用可行權宜方法將新冠疫情相關租金減免入賬外，在以下情況下，本集團將租賃修改作為獨立租賃入賬：

- 該項修改通過增加一項或多項相關資產的使用權擴大租賃範圍；及
- 租賃對價增加，增加的金額相當於範圍擴大對應的獨立價格，加上為反映特定合約的實際情況而對獨立價格進行的任何適當調整。

就並非作為獨立租賃入賬的租賃修改而言，本集團透過使用修改生效日期的經修訂貼現率貼現經修訂租賃付款，根據經修改租賃的租期重新計量租賃負債。

本集團透過對相關使用權資產進行相應調整，將租賃負債的重新計量入賬。當經修改合約包含租賃部分以及一個或多個額外租賃或非租賃部分時，本集團根據租賃部分的相對獨立價格及非租賃部分的總獨立價格，將經修改合約中的對價分配至各租賃部分。

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3 BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES (continued)

Significant accounting policies (continued)

Lease (continued)

The Group as a lessee (continued)

Covid-19-related rent concessions

In relation to rent concessions that occurred as a direct consequence of the Covid-19 pandemic, the Group has elected to apply the practical expedient not to assess whether the change is a lease modification if all of the following conditions are met:

- the change in lease payments results in revised consideration for the lease that is substantially the same as, or less than, the consideration for the lease immediately preceding the change;
- any reduction in lease payments affects only payments originally due on or before 30 June 2021; and
- there is no substantive change to other terms and conditions of the lease.

A lessee applying the practical expedient accounts for changes in lease payments resulting from rent concessions the same way it would account for the changes applying IFRS 16 if the changes are not a lease modification. Forgiveness or waiver of lease payments are accounted for as variable lease payments. The related lease liabilities are adjusted to reflect the amounts forgiven or waived with a corresponding adjustment recognised in the profit or loss in the period in which the event occurs.

3 綜合財務報表之編製基準及主要會計政策(續)

主要會計政策(續)

租賃(續)

本集團作為承租人(續)

新冠疫情相關租金減免

就因新冠疫情直接產生的租金減免而言，倘符合以下所有條件，本集團已選擇應用可行權宜方法不評估有關變動是否屬租賃修改：

- 租賃付款的變動使租賃對價有所修改，而經修改的對價與緊接變動前租賃對價大致相同，或少於緊接變動前租賃對價；
- 租賃付款的任何減少僅影響原到期日為2021年6月30日或之前的付款；及
- 租賃的其他條款及條件並無實質變動。

應用該可行權宜方法的承租人就租金減免產生的租賃付款變動所用的入賬方式，與其在有關變動並非租賃修改的情況下，應用《國際財務報告準則》第16號將變動入賬所用的方式相同。租賃付款的寬免或豁免作為可變租賃付款入賬。相關租賃負債予以調整以反映寬免或豁免的金額，並於該事件發生期間於損益內確認相應調整。

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3 BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES (continued)

Significant accounting policies (continued)

Foreign currencies

In preparing the financial statements of each individual group entity, transactions in currencies other than the functional currency of that entity (foreign currencies) are recorded in the respective functional currency (i.e. the currency of the primary economic environment in which the entity operates) at the rates of exchanges prevailing on the dates of the transactions. At the end of the reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences arising on the settlement of monetary items, and on the retranslation of monetary items, are recognised in profit or loss in the period in which they arise, except for exchange differences on monetary items receivable from or payable to a foreign operation for which settlement is neither planned nor likely to occur (therefore forming part of the net investment in the foreign operation), which are recognised initially in other comprehensive income and reclassified from equity to profit or loss on disposal or partial disposal of the Group's interests in associates/joint ventures.

For the purpose of presenting consolidated financial statements, the assets and liabilities of the Group's operations are translated into the presentation currency of the Group (i.e. RMB) using exchange rates prevailing at the end of each reporting period. Income and expense items are translated at the average exchange rates for the period, unless exchange rates fluctuate significantly during that period, in which case, the exchange rates prevailing at the dates of transactions are used. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in equity under the heading of translation reserve (attributed to non-controlling interests as appropriate).

3 綜合財務報表之編製基準及主要會計政策(續)

主要會計政策(續)

外幣

編製各個個別集團實體的財務報表時，以實體功能貨幣以外之貨幣(外幣)進行的交易均按交易日期之適用匯率以相關功能貨幣(即實體營運所在主要經濟環境的貨幣)記賬。於報告期末，以外幣計值的貨幣項目按該日之適用匯率重新換算。以歷史成本計量並以外幣計價的非貨幣性項目並無予以重新換算。

因結算貨幣項目及重新換算貨幣項目而產生之匯兌差額乃於產生期間於損益內確認，惟應收或應付海外業務的貨幣項目的匯兌差額除外，該等差額並無計劃結算且發生結算的可能性亦不大，因而構成海外業務投資淨額之一部份，初步於其他全面收益確認及於本集團出售或部分出售於聯營企業／合營企業的權益時由權益重新分類至損益。

就呈列綜合財務報表而言，本集團業務的資產及負債於各報告期末使用適用匯率換算至本集團的呈列貨幣(即人民幣)。收入及開支項目按期內平均匯率換算，惟若匯率於該期間出現大幅波動，則使用於交易日期的匯率換算。所產生的匯兌差額(如有)於其他全面收益確認，並於匯兌儲備項下權益累計(歸屬於非控股權益(如適用))。

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3 BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES (continued)

Significant accounting policies (continued)

Foreign currencies (continued)

On the disposal of a foreign operation (i.e. a disposal of the Group's entire interest in a foreign operation, or a disposal involving loss of control over a subsidiary that includes a foreign operation, or a partial disposal of an interest in a joint arrangement or an associate that includes a foreign operation of which the retained interest becomes a financial asset), all of the exchange differences accumulated in equity in respect of that operation attributable to the owners of the Company are reclassified to profit or loss.

Research and development costs

Expenditure on research activities is recognised as an expense in the year in which it is incurred.

When no internally-generated intangible asset can be recognised, development expenditure is recognised in profit or loss in the year in which it is incurred.

Government grants

Government grants are not recognised until there is reasonable assurance that the Group will comply with the conditions attaching to them and that the grants will be received.

Government grants related to income that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Group with no future related costs are recognised in profit or loss in the year in which they become receivable. Such grants are presented under "other income".

3 綜合財務報表之編製基準及主要會計政策(續)

主要會計政策(續)

外幣(續)

出售海外業務(即出售本集團於海外業務的全部權益,或涉及失去一間附屬公司(包含海外業務)控制權的出售事項,或部分出售於包含海外業務的合營安排或聯營企業(其保留權益成為金融資產)的權益)時,本公司擁有人應佔該業務於權益累計的所有匯兌差額重新分類至損益。

研發成本

研究活動開支均於其產生年度確認為支出。

若未能確認內部產生之無形資產,則開發開支乃於產生年度內於損益確認。

政府補助

於可合理保證本集團會遵守政府補助的附帶條件以及將會得到補助時,政府補助方予以確認。

作為已產生支出或虧損的補償或旨在給予本集團實時財務支持(而無未來有關成本)而可收取的收入相關政府補助,於可收取的年度於損益中確認。該等補助於「其他收入」項下呈列。

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3 BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES (continued)

Significant accounting policies (continued)

Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets until such time as the assets are substantially ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

Inventories

Inventories are stated at the lower of cost and net realisable value. Costs of inventories are determined on a first-in, first-out method. Net realisable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale.

Retirement benefit costs

Payments to state-managed retirement benefit schemes and the Mandatory Provident Fund Scheme are recognised as an expense when employees have rendered services entitling them to the contributions.

Short-term employee benefits

Short-term employee benefits are recognised at the undiscounted amount of the benefits expected to be paid as and when employees rendered the services. All short-term employee benefits are recognised as an expense unless another IFRS requires or permits the inclusion of the benefit in the cost of an asset.

A liability is recognised for benefits accruing to employees (such as wages and salaries) after deducting any amount already paid.

3 綜合財務報表之編製基準及主要會計政策(續)

主要會計政策(續)

借貸成本

直接因收購、建造或生產合資格資產(即須耗用大量時間方可作其擬定用途或銷售的資產)產生的借貸成本計入該等資產的成本，直至該等資產大致可作其擬定用途或銷售時為止。

擬投資於合資格資產之特定借貸在用於特定投資前所作暫時投資所賺取的投資收入從可撥充資本之借貸成本中扣除。

所有其他借貸成本於其產生期間在損益中確認。

存貨

存貨乃按成本及可變現淨值兩者中之較低者列賬。存貨成本乃按先進先出法計算。可變現淨值按存貨的估計售價減所有估計完工成本及銷售所需成本計算。

退休福利成本

由國家管理的退休福利計劃及強制性公積金計劃之供款於僱員提供服務並因而有權收取供款時確認為開支。

短期僱員福利

短期僱員福利乃按預期將於僱員提供服務時支付之福利之未貼現金額確認。所有短期僱員福利均確認為開支，惟倘另一項《國際財務報告準則》規定或允許將有關福利計入一項資產的成本中則作別論。

僱員之應計福利(如薪金及工資)乃於扣除任何已付金額後確認負債。

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3 BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES (continued)

Significant accounting policies (continued)

Share-based payments

Equity-settled share-based payment transactions

Share options granted to directors and employees

Equity-settled share-based payments to employees and others providing similar services are measured at the fair value of the equity instruments at the grant date.

The fair value of the equity-settled share-based payments determined at the grant date without taking into consideration all non-market vesting conditions is expensed on a straight-line basis over the vesting period, based on the Group's estimate of equity instruments that will eventually vest, with a corresponding increase in equity (share-based payment reserve). At the end of each reporting period, the Group revises its estimate of the number of equity instruments expected to vest based on assessment of all relevant non-market vesting conditions. The impact of the revision of the original estimates, if any, is recognised in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to the share-based payment reserve. For share options that vest immediately at the date of grant, the fair value of the share options granted is expensed immediately to profit or loss.

When share options are exercised, the amount previously recognised in share-based payment reserve will be transferred to share capital and share premium. When the share options are forfeited after the vesting date or are still not exercised at the expiry date, the amount previously recognised in share-based payment reserve will be transferred to retained profits.

3 綜合財務報表之編製基準及主要會計政策(續)

主要會計政策(續)

以股份為基礎的支付

股權結算以股份為基礎的支付交易

授予董事及僱員的購股權

向僱員及提供類似服務的其他方作出的股權結算以股份為基礎的支付按本工具於授出日期的公允價值計量。

於授出日期釐定且並無考慮所有非市場歸屬條件的股權結算以股份為基礎的支付的公允價值，根據本集團估計最後將歸屬的股本工具數目，按直線法於歸屬期間支銷，並於權益(以股份為基礎的支付儲備)作出相應增幅。於各報告期末，本集團根據對所有相關非市場歸屬條件的評估修訂其估計最後將歸屬的股本工具數目。修訂原先估計數目的影響(如有)於損益中確認，令有關累計支出反映經修訂估計，並於以股份為基礎的支付儲備作出相應調整。就於授出日期即時歸屬的購股權而言，已授出購股權的公允價值即時於損益中支銷。

行使購股權時，先前於以股份為基礎的支付儲備確認的金額將轉撥至股本及股份溢價。當購股權於歸屬日期後被沒收，或於屆滿日期尚未獲行使，先前於以股份為基礎的支付儲備確認的金額將轉撥至保留利潤。

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3 BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES (continued)

Significant accounting policies (continued)

Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from (loss)/profit before tax because of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. In addition, deferred tax liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill.

Deferred tax liabilities are recognised for taxable temporary differences associated with investments in subsidiaries and associates, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

3 綜合財務報表之編製基準及主要會計政策(續)

主要會計政策(續)

稅項

所得稅開支為即期應付稅項及遞延稅項之總和。

即期應付稅項乃按年內應課稅利潤計算。因於其他年度應課稅或可扣稅的收支以及毋須課稅或不可扣稅的項目的緣故，應課稅利潤與稅前(虧損)/利潤不同。本集團的即期稅項負債乃按報告期末已頒佈或實質已頒佈的稅率計算。

遞延稅項按綜合財務報表中資產及負債的賬面值與計算應課稅利潤所採用的相應稅基的暫時差額確認。遞延稅項負債一般就所有應課稅暫時差額確認。倘於日後可能取得應課稅利潤以抵銷可動用的可扣減暫時差額，則遞延稅項資產一般按所有可扣減暫時差額確認。倘暫時差額產生自初始確認一項交易(業務合併除外)之資產及負債，而有關交易既不影響應課稅利潤亦不影響會計利潤，則不予確認有關遞延稅項資產及負債。此外，倘因商譽的初始確認產生暫時差額，則不會確認相關的遞延稅項負債。

遞延稅項負債乃就與於附屬公司及聯營公司投資相關的應課稅暫時差額而確認，惟若本集團可控制暫時差額的撥回及暫時差額於可見將來很可能不會撥回則除外。與該等投資相關之可扣減暫時差額所產生之遞延稅項資產，僅在可能將出現足夠應課稅利潤而動用暫時差額利益且其預期於可見將來撥回時確認。

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3 BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES (continued)

Significant accounting policies (continued)

Taxation (continued)

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the assets to be recovered.

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

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

For leasing transactions in which the tax deductions are attributable to the lease liabilities, the Group applies IAS 12 "Income Taxes" requirements to the leasing transaction as a whole. Temporary differences relating to right-of-use assets and lease liabilities are assessed on a net basis. Excess of depreciation on right-of-use assets over the lease payments for the principal portion of lease liabilities resulting in net deductible temporary differences.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied to the same taxable entity by the same taxation authority.

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

3 綜合財務報表之編製基準及主要會計政策(續)

主要會計政策(續)

稅項(續)

遞延稅項資產之賬面值於各個報告期末檢討，並在不再可能有足夠應課稅利潤收回全部或部分資產時作調減。

遞延稅項資產及負債乃根據於報告期末已頒佈或實質已頒佈之稅率(及稅法)，按清償負債或變現資產之期間預期適用之稅率計量。

遞延稅項負債及資產之計量反映按照本集團預期之方式於報告期末收回或結算其資產及負債賬面值將會產生之稅務結果。

就稅項扣減歸屬於租賃負債的租賃交易而言，本集團對租賃交易整體採納《國際會計準則》第12號「所得稅」規定。有關使用權資產及租賃負債的臨時差額按淨額基準估算。由於使用權資產折舊超過租賃負債本金部分的租金，而導致可扣除臨時淨差額。

當有合法可執行權力將即期稅項資產與即期稅項負債抵銷，且遞延稅項資產及負債與同一稅務機關對同一應課稅實體徵收的所得稅有關時，則可將遞延稅項資產及負債互相抵銷。

即期及遞延稅項於損益確認，惟在其與其他全面收益或直接於權益內確認的項目有關的情況下，即期及遞延稅項亦會分別於其他全面收益或直接於權益內確認。倘因對業務合併進行初步會計處理而產生即期稅項或遞延稅項，則相關稅務影響納入業務合併會計處理。

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3 BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES (continued)

Significant accounting policies (continued)

Property, plant and equipment

Property, plant and equipment including facility held for use in the production or supply of goods or services or for administrative purposes other than properties under construction as described below are stated in the consolidated statements of financial position at cost less subsequent accumulated depreciation and subsequent accumulated impairment losses, if any.

Properties in the course of construction for production, supply or administrative purposes are carried at cost, less any recognised impairment loss. Such properties are classified to the appropriate categories of property, plant and equipment when completed and ready for intended use. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

Depreciation is recognised so as to write off the cost of assets less their residual values over their estimated useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

3 綜合財務報表之編製基準及主要會計政策(續)

主要會計政策(續)

物業、廠房及設備

包括持作生產或供應商品或服務或行政用途的設施之物業、廠房及設備(下文所述在建物業除外)乃按成本減其後累計折舊及其後累計減值虧損(如有)於綜合財務狀況表列賬。

作生產、供應或行政用途的建設中物業按成本減任何已確認減值虧損列賬。該等物業於竣工及或作擬定用途時，被分類至物業、廠房及設備的適當類別。與其他物業資產的折舊基準一樣，該等資產的折舊於可用作其擬定用途時開始計提折舊。

折舊乃採用直線法於資產之估計可使用年期內撇銷資產成本(經扣除剩餘價值)而確認。估計可使用年期、剩餘價值及折舊方法於各個報告期末檢討，任何估計變動的影響按未來適用法入賬。

物業、廠房及設備項目於出售後或預期繼續使用資產不會產生未來經濟利益時終止確認。出售或報廢物業、廠房及設備項目所產生的任何收益或虧損釐定為出售所得款項與資產賬面值間的差額，並於損益中確認。

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3 BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES (continued)

Significant accounting policies (continued)

Intangible assets

Intangible assets with finite useful lives that are acquired separately are carried at costs less accumulated amortisation and any accumulated impairment losses. Amortisation for intangible assets with finite useful lives is recognised on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

Impairment on property, plant and equipment, intangible assets and right-of-use assets other than goodwill

At the end of each reporting period, the Group reviews the carrying amounts of its tangible and intangible assets with finite useful lives to determine whether there is any indication that these assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the relevant asset is estimated in order to determine the extent of the impairment loss (if any).

The recoverable amounts of tangible and intangible assets are estimated individually. When it is not possible to estimate the recoverable amount individually, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

In testing a cash-generating unit for impairment, corporate assets are allocated to the relevant cash-generating unit when a reasonable and consistent basis of allocation can be established, or otherwise they are allocated to the smallest group of cash generating units for which a reasonable and consistent allocation basis can be established. The recoverable amount is determined for the cash-generating unit or group of cash-generating units to which the corporate asset belongs, and is compared with the carrying amount of the relevant cash-generating unit or group of cash-generating units.

3 綜合財務報表之編製基準及主要會計政策(續)

主要會計政策(續)

無形資產

獨立收購的具有有限可使用年期之無形資產按成本減累計攤銷及任何累計減值虧損列賬。具有有限可使用年期之無形資產於估計可使用年內以直線法確認攤銷。估計可使用年期以及攤銷方法於各個報告期末檢討，任何估計變動的影響按未來適用法入賬。

物業、廠房及設備、無形資產及使用權資產(商譽除外)的減值

於各報告期末，本集團對具有有限可使用年期的有形和無形資產賬面值進行檢討，以釐定有否任何跡象顯示該等資產出現減值虧損。如有任何減值跡象，則會估計相關資產之可收回金額，以釐定減值虧損(如有)之程度。

有形及無形資產的可收回金額個別估計。如果無法估計個別資產的可收回金額，本集團會估計該資產所屬的現金產生單位的可收回金額。

對現金產生單位進行減值測試時，倘可建立合理一致的分配基準，則企業資產會分配至相關現金產生單位，否則會分配至可建立合理一致的分配基準的最小現金產生單位組別。釐定企業資產所屬的現金產生單位或現金產生單位組別的可收回金額，並與相關現金產生單位或現金產生單位組別的賬面值進行比較。

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3 BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES (continued)

Significant accounting policies (continued)

Impairment on property, plant and equipment, intangible assets and right-of-use assets other than goodwill

(continued)

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset (or a cash-generating unit) for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or a cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or a cash-generating unit) is reduced to its recoverable amount. For corporate assets or portion of corporate assets which cannot be allocated on a reasonable and consistent basis to a cash-generating unit, the Group compares the carrying amount of a group of cash-generating units, including the carrying amounts of the corporate assets or portion of corporate assets allocated to that group of cash-generating units, with the recoverable amount of the group of cash-generating units. In allocating the impairment loss, the impairment loss is allocated first to reduce the carrying amount of any goodwill (if applicable) and then to the other assets on a pro-rata basis based on the carrying amount of each asset in the unit. The carrying amount of an asset is not reduced below the highest of its fair value less costs of disposal (if measurable), its value in use (if determinable) and zero. The amount of the impairment loss that would otherwise have been allocated to the asset is allocated pro rata to the other assets of the unit or the group of cash-generating units. An impairment loss is recognised immediately in profit or loss.

3 綜合財務報表之編製基準及主要會計政策(續)

主要會計政策(續)

物業、廠房及設備、無形資產及使用權資產(商譽除外)的減值(續)

可收回金額指公允價值減銷售成本與使用價值二者中的較高者。在評估使用價值時，估計未來現金流量會採用稅前貼現率貼現至現值，該稅前貼現率反映對貨幣時間價值的當前市場評估及該資產(或現金產生單位)特有的風險(未針對該等風險調整估計未來現金流量)。

倘資產(或現金產生單位)之估計可收回金額低於賬面值，則資產(或現金產生單位)之賬面值將調減至其可收回金額。就未能按合理一致基準分配至現金產生單位的企業資產或部分企業資產，本集團會比較一個組別的現金產生單位賬面值(包括已分配至該組現金產生單位的企業資產或部分企業資產的賬面值)與該組現金產生單位的可收回金額。在分配減值虧損時，首先分配減值虧損以減少任何商譽的賬面值(如適用)，然後按比例根據該單位內各資產的賬面值分配至其他資產。資產賬面值不會扣減至低於其公允價值減出售成本(倘可計量)、使用價值(倘可釐定)及零當中之最高者。本應分配至該項資產的減值虧損數額，按比例分配至該單位或該現金產生單位組別內其他資產。減值虧損即時於損益中確認。

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3 BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES (continued)

Significant accounting policies (continued)

Impairment on property, plant and equipment, intangible assets and right-of-use assets other than goodwill

(continued)

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit or the group of cash-generating units) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or a cash-generating unit or the group of cash-generating units) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group will be required to settle that obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (where the effect of the time value of money is material).

3 綜合財務報表之編製基準及主要會計政策(續)

主要會計政策(續)

物業、廠房及設備、無形資產及使用權資產(商譽除外)的減值(續)

倘減值虧損其後撥回，則資產(或現金產生單位或現金產生單位組別)的賬面值將調高至其可收回金額的經修訂估計數，惟經調高的賬面值不得超出資產(或現金產生單位或現金產生單位組別)於過往年度未有確認減值虧損時原應有的賬面值。減值虧損撥回即時於損益中確認。

撥備

當本集團因過往事件而導致現時的責任(法律或推定)，且本集團很可能須履行該責任，並可對該責任的金額作出可靠估計時，則確認撥備。

確認為撥備的金額為於各報告期末履行該現時責任所需對價的最佳估計，當中已計及有關責任的風險及不確定性。倘撥備以估計履行現時責任之現金流量計量時，其賬面值為該等現金流量之現值(倘貨幣時間價值影響屬重大)。

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3 BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES (continued)

Significant accounting policies (continued)

Financial instruments

Financial assets and financial liabilities are recognised when a group entity becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value except for trade receivables arising from contracts with customers which are initially measured in accordance with IFRS 15. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets or financial liabilities at fair value through profit or loss ("FVTPL")) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at FVTPL are recognised immediately in profit or loss.

The effective interest method is a method of calculating the amortised cost of a financial asset or financial liability and of allocating interest income and interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts and payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial asset or financial liability, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

3 綜合財務報表之編製基準及主要會計政策(續)

主要會計政策(續)

金融工具

金融資產及金融負債於集團實體成為該工具合約條文的訂約方時確認。

金融資產及金融負債初始按公允價值計量，惟自客戶合約產生的貿易應收款項根據《國際財務報告準則》第15號進行初步計量。收購或發行金融資產及金融負債(按公允價值計量並計入損益(「按公允價值計量並計入損益」)之其他金融資產或金融負債除外)直接應佔之交易成本於初步確認時計入或扣除自金融資產或金融負債之公允價值(倘適合)。收購按公允價值計量並計入損益之金融資產或金融負債直接應佔之交易成本即時於損益中確認。

實際利率法乃計算金融資產或金融負債的攤銷成本及分配相關期間利息收入及利息開支的方法。實際利率乃將金融資產或金融負債於預計年期或(如適用)較短期間內估計未來現金收入及付款(包括所有屬實際利率不可或缺部分的已付或已收費用及利率差價、交易成本及其他溢價或折讓)準確貼現至於初始確認時之賬面淨值的利率。

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3 BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES (continued)

Significant accounting policies (continued)

Financial instruments (continued)

Financial assets

Classification and subsequent measurement of financial assets

Financial assets that meet the following conditions are subsequently measured at amortised cost:

- the financial asset is held within a business model whose objective is to collect contractual cash flows; and
- the contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets that meet the following conditions are subsequently measured at fair value through other comprehensive income ("FVTOCI"):

- the financial asset is held within a business model whose objective is achieved by both selling and collecting contractual cash flows; and
- the contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

All other financial assets are subsequently measured at FVTPL, except that at initial recognition of a financial asset the Group may irrevocably elect to present subsequent changes in fair value of an equity investment in other comprehensive income if that equity investment is neither held for trading nor contingent consideration recognised by an acquirer in a business combination to which IFRS 3 "Business Combinations" applies.

3 綜合財務報表之編製基準及主要會計政策(續)

主要會計政策(續)

金融工具(續)

金融資產

金融資產的分類及後續計量

符合以下條件的金融資產後續按攤銷成本計量：

- 持有金融資產的業務模式以收取合約現金流量為目的；及
- 合約條款規定於特定日期產生僅為支付未償還本金的本金及利息的現金流量。

符合以下條件的金融資產後續按公允價值計量並計入其他全面收益(「按公允價值計量並計入其他全面收益」)：

- 持有金融資產的業務模式以通過出售及收取合約現金流量為目的；及
- 合約條款規定於特定日期產生僅為支付未償還本金的本金及利息的現金流量。

所有其他金融資產後續均按公允價值計量並計入損益，惟於金融資產初始確認時，倘股本投資並非持作交易亦非收購方於《國際財務報告準則》第3號「業務合併」所適用的業務合併中確認的或有對價，則本集團可不可撤銷地選擇於其他全面收益內呈列股本投資的公允價值後續變動。

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3 BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES (continued)

Significant accounting policies (continued)

Financial instruments (continued)

Financial assets (continued)

Classification and subsequent measurement of financial assets (continued)

A financial asset is held for trading if:

- it has been acquired principally for the purpose of selling in the near term; or
- on initial recognition it is a part of a portfolio of identified financial instruments that the Group manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument.

In addition, the Group may irrevocably designate a financial asset that are required to be measured at the amortised cost or FVTOCI as measured at FVTPL if doing so eliminates or significantly reduces an accounting mismatch.

Amortised cost and interest income

Interest income is recognised using the effective interest method for financial assets measured subsequently at amortised cost and debt instruments/receivables subsequently measured at FVTOCI. Interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset, except for financial assets that have subsequently become credit-impaired (see below). For financial assets that have subsequently become credit-impaired, interest income is recognised by applying the effective interest rate to the amortised cost of the financial asset from the next reporting period. If the credit risk on the credit-impaired financial instrument improves so that the financial asset is no longer credit-impaired, interest income is recognised by applying the effective interest rate to the gross carrying amount of the financial asset from the beginning of the reporting period following the determination that the asset is no longer credit impaired.

3 綜合財務報表之編製基準及主要會計政策(續)

主要會計政策(續)

金融工具(續)

金融資產(續)

金融資產的分類及後續計量(續)

金融資產於下列情況為持作交易：

- 收購的主要目的為於短期作出售用途；或
- 於初始確認時構成本集團合併管理的已識別金融工具組合的一部分，並具有近期實際短期獲利模式；或
- 並非作為指定及有效對沖工具的衍生工具。

此外，本集團可不可撤銷地將須按攤銷成本計量或按公允價值計量並計入其他全面收益的金融資產指定為按公允價值計量並計入損益，前提是該做法可消除或顯著減少會計錯配情況。

攤銷成本及利息收入

後續按攤銷成本計量的金融資產及後續按公允價值計量並計入其他全面收益計量的債務工具／應收款項，其利息收入使用實際利率法確認。利息收入透過對金融資產賬面總值應用實際利率計算，惟其後出現信用減值的金融資產除外(見下文)。就其後出現信用減值的金融資產而言，自下一報告期間起，利息收入乃透過對金融資產的攤銷成本應用實際利率予以確認。倘出現信用減值的金融工具的信貨風險好轉，使金融資產不再存在信用減值，則由釐定該資產不再存在信用減值後的報告期開始，利息收入乃透過對金融資產賬面總值應用實際利率予以確認。

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3 BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES (continued)

Significant accounting policies (continued)

Financial instruments (continued)

Financial assets (continued)

Equity instruments designated as at FVTOCI

Investments in equity instruments at FVTOCI are subsequently measured at fair value with gains and losses arising from changes in fair value recognised in other comprehensive income and accumulated in the revaluation reserve; and are not subject to impairment assessment. The cumulative gain or loss will not be reclassified to profit or loss on disposal of the equity investments, and will be transferred to retained profits.

Dividends from these investments in equity instruments are recognised in profit or loss when the Group's right to receive the dividends is established, unless the dividends clearly represent a recovery of part of the cost of the investment. Dividends are included in the "other income, gains and losses" line item in profit or loss.

Impairment of financial assets

The Group performs impairment assessment under ECL model on financial assets which are subject to impairment under IFRS 9 (including trade and note receivables, other receivables, amounts due from non-controlling shareholders of a subsidiary, pledged bank deposits and bank balances) and contract assets which are subject to impairment assessment under IFRS 9. The amount of ECL is updated at each reporting date to reflect changes in credit risk since initial recognition.

3 綜合財務報表之編製基準及主要會計政策(續)

主要會計政策(續)

金融工具(續)

金融資產(續)

指定為按公允價值計量並計入其他全面收益的股本工具

於按公允價值計量並計入其他全面收益的股本工具之投資其後按公允價值計量(公允價值變動產生的收益及虧損按於其他全面收益中確認並於重估儲備累計);且毋須進行減值評估。於出售股本投資時,累計收益或虧損不會重新分類至損益,而會轉撥至保留利潤。

當本集團收取股息的權利確立時,來自股本工具投資的股息於損益中確認,除非有關股息明確指收回部分投資成本。股息計入損益中的「其他收入、收益及虧損」。

金融資產的減值

本集團根據預期信貸虧損模式對根據《國際財務報告準則》第9號須進行減值的金融資產(包括貿易應收款項及應收票據、其他應收款項、應收一間附屬公司非控股股東款項、已抵押銀行存款和銀行結餘)及根據《國際財務報告準則》第9號須進行減值評估的合約資產進行減值評估。預期信貸虧損金額應於各報告日期更新以反映自初始確認以來信貸風險的變化。

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3 BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES (continued)

Significant accounting policies (continued)

Financial instruments (continued)

Financial assets (continued)

Impairment of financial assets (continued)

Lifetime ECL represents the ECL that will result from all possible default events over the expected life of the relevant instrument. In contrast, 12-month ECL ("12m ECL") represents the portion of lifetime ECL that is expected to result from default events that are possible within 12 months after the reporting date. Assessments are conducted based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current conditions at the reporting date as well as the forecast of future conditions.

The Group always recognises lifetime ECL for trade receivables and contract assets.

For all other instruments, the Group measures the loss allowance equal to 12m ECL, unless there has been a significant increase in credit risk since initial recognition, in which case the Group recognises lifetime ECL. The assessment of whether lifetime ECL should be recognised is based on significant increases in the likelihood or risk of a default occurring since initial recognition.

3 綜合財務報表之編製基準及主要會計政策(續)

主要會計政策(續)

金融工具(續)

金融資產(續)

金融資產的減值(續)

整個存續期預期信貸虧損指於相關工具預期存續期間可能發生的所有違約事項引起的預期信貸虧損。相反，12個月預期信貸虧損(「12個月預期信貸虧損」)指預期於報告日期後12個月內可能發生的違約事項所導致的部分整個存續期預期信貸虧損。相關評估會根據本集團歷史信貸虧損經驗展開，並就債務人特定因素、整體經濟狀況以及對報告日期當前狀況及未來狀況預測的評估作出調整。

本集團通常對貿易應收款項及合約資產確認整個存續期預期信貸虧損。

就所有其他工具而言，本集團計量的虧損撥備等於12個月預期信貸虧損，但若自初始確認以來信貸風險顯著增加，則本集團確認整個存續期預期信貸虧損。評估是否應確認整個存續期預期信貸虧損乃基於從初始確認以來違約的風險或可能性是否顯著增加。

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3 BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES (continued)

Significant accounting policies (continued)

Financial instruments (continued)

Financial assets (continued)

Significant increase in credit risk

In assessing whether the credit risk has increased significantly since initial recognition, the Group compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition. In making this assessment, the Group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort.

In particular, the following information is taken into account when assessing whether credit risk has increased significantly:

- an actual or expected significant deterioration in the financial instrument's external (if available) or internal credit rating;
- significant deterioration in external market indicators of credit risk, e.g. a significant increase in the credit spread, the credit default swap prices for the debtor;
- existing or forecast adverse changes in business, financial or economic conditions that are expected to cause a significant decrease in the debtor's ability to meet its debt obligations;
- an actual or expected significant deterioration in the operating results of the debtor; or
- an actual or expected significant adverse change in the regulatory, economic, or technological environment of the debtor that results in a significant decrease in the debtor's ability to meet its debt obligations.

3 綜合財務報表之編製基準及主要會計政策(續)

主要會計政策(續)

金融工具(續)

金融資產(續)

信貸風險的顯著增加

於評估自初始確認以來信貸風險是否顯著增加時，本集團會將金融工具於報告日期發生違約的風險與金融工具於初始確認之日發生違約的風險進行比較。在進行此項評估時，本集團會考慮合理且可佐證的定量和定性資料，包括歷史經驗和無需過度成本或投入即可獲得的前瞻性資料。

具體而言，在評估信貸風險是否顯著增加時，會考慮以下資料：

- 金融工具外部(如有)或內部信用評級實際或預期顯著惡化；
- 信貸風險的外部市場指標顯著惡化，如信貸息差、債務人之信貸違約掉期價格大幅增加；
- 業務、財務或經濟狀況當前或預期有不利變動，預計會導致債務人償還債務能力大幅下降；
- 債務人經營業績的實際或預期顯著惡化；或
- 債務人的監管、經濟或技術環境的實際或預期重大不利變化，導致債務人償還債務能力的大幅下降。

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3 BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES (continued)

Significant accounting policies (continued)

Financial instruments (continued)

Financial assets (continued)

Significant increase in credit risk (continued)

Irrespective of the outcome of the above assessment, the Group presumes that the credit risk has increased significantly since initial recognition when contractual payments are more than 30 days past due, unless the Group has reasonable and supportable information that demonstrates otherwise.

Despite the foregoing, the Group assumes that the credit risk on a debt instrument has not increased significantly since initial recognition if the debt instrument is determined to have low credit risk at the reporting date. A debt instrument is determined to have low credit risk if i) it has a low risk of default, ii) the borrower has a strong capacity to meet its contractual cash flow obligations in the near term and iii) adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the borrower to fulfil its contractual cash flow obligations. The Group considers a debt instrument to have low credit risk when it has an internal or external credit rating of "investment grade" as per globally understood definitions.

The Group regularly monitors the effectiveness of the criteria used to identify whether there has been a significant increase in credit risk and revises them as appropriate to ensure that the criteria are capable of identifying significant increase in credit risk before the amount becomes past due.

Definition of default

The Group considers that default has occurred when a financial asset is more than 90 days past due unless the Group has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

3 綜合財務報表之編製基準及主要會計政策(續)

主要會計政策(續)

金融工具(續)

金融資產(續)

信貸風險的顯著增加(續)

無論上述評估的結果如何，倘合約付款已逾期超過30日，本集團均假定自初始確認以來的信貸風險大幅增加，除非本集團有合理及可佐證的資料證明屬其他情況。

儘管如此，倘債務工具在報告日期被確定為具有較低信貸風險，本集團則會假設債務工具自初始確認以來的信貸風險並未顯著增加。在符合下列情況時，債務工具被認為具有較低的信貸風險：i) 違約風險較低；ii) 借款人有能力在短期內履行合約現金流量義務；及iii) 長期經濟及業務形勢的不利變化可能，但不一定，會降低借款人履行其合約現金流量義務的能力。本集團認為，倘債務工具有全球認可的內部或外部「投資等級」信用評級，則其信貸風險較低。

本集團定期監察用以識別信貸風險曾否顯著增加的標準的成效，並於適當時候作出修訂，從而確保有關標準能夠於款項逾期前識別信貸風險顯著增加。

違約的定義

本集團認為，倘金融資產逾期超過90日，即屬發生違約，除非本集團有合理及可佐證的資料證明較寬鬆的違約標準更為適用則作別論。

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3 BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES (continued)

Significant accounting policies (continued)

Financial instruments (continued)

Financial assets (continued)

Credit-impaired financial assets

A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence of that a financial asset is credit-impaired includes observable data about the following events:

- significant financial difficulty of the issuer or the borrower;
- a breach of contract, such as a default or past due event;
- the lender(s) of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession(s) that the lender(s) would not otherwise consider; or
- it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation.

Write-off policy

The Group writes off a financial asset when there is information indicating that the counterparty is in severe financial difficulty and there is no realistic prospect of recovery, for example, when the counterparty has been placed under liquidation or has entered into bankruptcy proceedings.

Financial assets written off may still be subject to enforcement activities under the Group's recovery procedures, taking into account legal advice where appropriate. A write-off constitutes a derecognition event. Any subsequent recoveries are recognised in profit or loss.

3 綜合財務報表之編製基準及主要會計政策(續)

主要會計政策(續)

金融工具(續)

金融資產(續)

信貸減值的金融資產

當發生一項或多項對金融資產的估計未來現金流量產生不利影響的事件時，則金融資產出現信貸減值。金融資產出現信貸減值的證據包括有關以下事件的可觀察數據：

- 發行人或借款人出現重大財務困難；
- 違反合約，例如違約或逾期事件；
- 借款人的貸款人，出於與借款人的財務困難有關的經濟或合約原因，已向借款人授予貸款人本不會考慮給予的優惠；或
- 借款人很可能會將破產或進行其他財務重組。

撇銷政策

當有資料顯示交易對手陷入嚴重財務困難，且並無實際收回的可能之時(例如交易對手已清算或進入破產程序)，本集團會撇銷金融資產。

經考慮法律意見(如適用)後，已撇銷的金融資產仍可根據本集團的收回程序實施強制執行。撇銷構成終止確認事件。其後收回的任何金額於損益確認。

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3 BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES (continued)

Significant accounting policies (continued)

Financial instruments (continued)

Financial assets (continued)

Measurement and recognition of ECL

The measurement of ECL is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data and forward-looking information.

Generally, the ECL is estimated as the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the Group expects to receive, discounted at the effective interest rate determined at initial recognition.

Interest income is calculated based on the gross carrying amount of the financial asset unless the financial asset is credit impaired, in which case interest income is calculated based on amortised cost of the financial asset.

The Group recognises an impairment gain or loss in profit or loss for all financial instruments by adjusting their carrying amount, with the exception of trade and note receivables and contract assets where the corresponding adjustment is recognised through a loss allowance account.

3 綜合財務報表之編製基準及主要會計政策(續)

主要會計政策(續)

金融工具(續)

金融資產(續)

預期信貸虧損的計量和確認

預期信貸虧損的計量取決於違約概率、違約損失率(即發生違約時的損失程度)及違約風險敞口。違約概率及違約損失率的評估基於過往數據及前瞻性資料。

一般而言，預期信貸虧損估計為本集團根據合約應收的所有合約現金流量與本集團預期收取的所有現金流量之間的差額，按初始確認時釐定的實際利率進行折現。

利息收入按金融資產的賬面總值計算，除非金融資產出現信貸減值，在此情況下，利息收入按金融資產的攤銷成本計算。

本集團通過調整賬面值於損益中確認所有金融工具的減值損益，惟貿易應收款項及應收票據以及合約資產除外，其相應調整透過虧損撥備賬確認。

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3 BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES (continued)

Significant accounting policies (continued)

Financial instruments (continued)

Derecognition of financial assets

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss.

On derecognition of an investment in equity instrument classified as at FVTOCI, the cumulative gain or loss previously accumulated in the revaluation reserve is not reclassified to profit or loss, but is transferred to retained profits.

3 綜合財務報表之編製基準及主要會計政策(續)

主要會計政策(續)

金融工具(續)

終止確認金融資產

僅在從資產收取現金流量的合約權利屆滿，或本集團已將金融資產及其擁有權的絕大部分風險及回報轉讓予另一實體時，本集團方會終止確認金融資產。倘本集團並無轉移或保留資產擁有權的絕大部份風險及回報並繼續控制所轉讓資產，本集團確認其在資產中的保留權益，並就可能須支付的金額確認相關負債。倘本集團保留已轉讓金融資產擁有權的絕大部分風險及回報，則本集團將繼續確認該金融資產，並就已收款項確認抵押借款。

於終止確認按攤銷成本計量的金融資產時，該項資產賬面值與已收及應收對價之和的差額，於損益內確認。

於終止確認分類為按公允價值計量並計入其他全面收益的股本工具時，先前於重估儲備中積累的累計收益或虧損不會重新分類至損益，而是轉轉至保留利潤。

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3 BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES (continued)

Significant accounting policies (continued)

Financial instruments (continued)

Financial liabilities and equity instruments

Classification as debt or equity

Debt and equity instruments issued by a group entity are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities. Equity instruments issued by the Group are recognised at the proceeds received, net of direct issue costs.

Financial liabilities

All financial liabilities are subsequently measured at amortised cost using the effective interest method.

Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant year. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Interest expense is recognised on an effective interest basis.

Financial liabilities at amortised cost

Financial liabilities (including trade payables, other payables and accrued expenses, lease liabilities and borrowings) are subsequently measured at amortised cost, using the effective interest method.

3 綜合財務報表之編製基準及主要會計政策(續)

主要會計政策(續)

金融工具(續)

金融負債及股本工具

分類為債務或股本

集團實體發行的債務及股本工具根據合約安排的實質以及金融負債及股本工具的定義分類為金融負債或權益。

股本工具

股本工具乃證明於本集團經扣除所有負債後的資產中擁有剩餘權益的任何合約。本集團發行的股本工具乃按已收所得款項(扣除直接發行成本)確認。

金融負債

所有金融負債其後使用實際利率法按攤銷成本計量。

實際利率法

實際利率法為計算金融負債之攤銷成本及於有關年度分配利息開支的方法。實際利率為將金融負債於估計年期或(如適用)較短期間的估計未來現金付款(包括屬實際利率不可或缺部分的所有已付或已收費用及利率差價、交易成本及其他溢價或折讓)準確貼現至初始確認時賬面淨值的利率。

利息開支按實際利率基準確認。

按攤銷成本計量的金融負債

金融負債(包括貿易應付款項、其他應付款項及應計開支、租賃負債及借款)其後採用實際利率法按攤銷成本計量。

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3 BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES (continued)

Significant accounting policies (continued)

Financial instruments (continued)

Derecognition of financial liabilities

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

Related parties

- (a) A person, or a close member of that person's family, is related to the Group if that person:
- (i) has control or joint control of the Group;
 - (ii) has significant influence over the Group; or
 - (iii) is a member of the key management personnel of the Group or the Group's parent.
- (b) An entity is related to the Group if any of the following conditions applies:
- (i) The entity and the Group are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others);
 - (ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member);
 - (iii) Both entities 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;

3 綜合財務報表之編製基準及主要會計政策(續)

主要會計政策(續)

金融工具(續)

終止確認金融負債

本集團於且僅於本集團義務已履行、撤銷或已到期時終止確認金融負債。終止確認的金融負債賬面值與已付及應付對價之間的差額於損益中確認。

關聯方

- (a) 任何人士或其近親如符合以下情況，即為與本集團有關聯：
- (i) 對本集團有控制權或共同控制權；
 - (ii) 對本集團有重大影響力；或
 - (iii) 為本集團或本集團母公司的主要管理人員。
- (b) 倘一間實體符合以下條件，即為與本集團有關聯：
- (i) 該實體與本集團為同一集團的成員公司(即各母公司、附屬公司及同系附屬公司彼此互有關聯)；
 - (ii) 一間實體為另一間實體的聯營企業或合營企業(或為另一間實體所屬集團成員公司的聯營企業或合營企業)；
 - (iii) 兩間實體均為同一第三方的合營企業；
 - (iv) 一間實體為一名第三方的合營企業，而另一間實體為該第三方的聯營企業；
 - (v) 該實體為本集團或與本集團有關聯的實體的僱員福利而設的退休福利計劃；

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3 BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES (continued)

Significant accounting policies (continued)

Related parties (continued)

(b) (continued)

- (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 members of a group of which it is a part, provides key management personnel services to the Group or to the Group's parent.

Close members of the family of a person are those family members who may be expected to influence, or be influenced by, that person in their dealings with the entity.

4 CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Group's accounting policies, which are described in Note 3, the directors of the Company are required to make judgments, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the year in which the estimate is revised if the revision affects only that year, or in the year of the revision and future years if the revision affects both current and future periods.

3 綜合財務報表之編製基準及主要會計政策(續)

主要會計政策(續)

關聯方(續)

(b) (續)

- (vi) 該實體受第(a)項所識別人土控制或共同控制；
- (vii) 第(a)(i)項所識別人土對該實體有重大影響力或為該實體(或該實體的母公司)主要管理人員；及
- (viii) 該實體或其所屬集團的任何成員公司向本集團或本集團母公司提供主要管理人員服務。

一名人土的近親指於該人土與該實體進行買賣時，預期可能會影響該人土或受該人土影響的家庭成員。

4 重大會計判斷及估計不確定因素的主要來源

在應用本集團的會計政策(見附註3)時，本公司董事須就不可透過其他資料來源而輕易取得的資產及負債之賬面值作出判斷、估計及假設。該等估計及相關假設乃根據過往經驗及視為相關的其他因素而作出。實際結果或會與該等估計有所不同。

估計與相關假設按持續基準檢討。假如會計估計的修訂僅影響作出有關修訂的年度，則會在該年度內確認；但如對當期及未來的期間均有影響，則會在作出有關修訂的年度及未來年度確認。

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4 CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

(continued)

Key sources of estimation uncertainty

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period, that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

Recognition of revenue on contracts with customers for hazardous waste incineration solution services

The Group recognised contract revenue using the input method and contract costs are recognised on actual incurred basis. The input method is measured by reference to the stage of completion of the contract activity at the end of the reporting period, as measured by the proportion that contract costs incurred for work performed to date relative to the estimated contract costs.

The estimated contract revenue is determined in accordance with the terms set out in the relevant contract.

The estimated total contract costs are based on contracted amount of suppliers' contracts, and in respect of amounts not contracted for, management's estimates for the amounts to be incurred taking into consideration historical trends for the amounts incurred and adjusted for any price fluctuation during the year, where applicable. Significant assumptions are required in estimating the total contract costs which affect the contract revenue recognised to date based on the input method.

Management review the contract with customers for foreseeable losses whenever there is an indication that the estimated contract revenue is lower than the estimated contract costs. The actual outcome in terms of total cost or revenue may be higher or lower than estimated at the end of each of the reporting period, which would affect the revenue and profit recognised in future years as an adjustment to the amounts recorded to date.

4 重大會計判斷及估計不確定因素的主要來源(續)

估計不確定因素的主要來源

以下為涉及未來的主要假設及於報告期末估計不確定因素的其他主要來源，該等估計及假設很可能導致下一個財政年度的資產及負債賬面值須作出重大調整。

確認與客戶就危險廢物焚燒處置解決方案服務所訂立合約的收入

本集團使用投入法確認合約收入，並按實際產生基準確認合約成本。投入法參照報告期末合約活動之完成階段予以計量，而該完成階段按迄今已完成工程所產生的合約成本佔估計總合約成本的比例計量。

預計合約收入乃根據相關合約所載條款確定。

估計總合約成本乃基於供應商合約的訂約金額，對於未訂約的金額，管理層對所產生金額的估計考慮到了該等金額的歷史趨勢，並對照年內價格波動進行調整(如適用)。在估計影響迄今所確認之合約收入的總合約成本時，須根據投入法作出重大假設。

若有跡象表明估計合約收入低於估計合約成本，則管理層會審核與客戶合約有無可預見的損失。於各報告期末，總成本或收入之實際數額可能高於或低於估計，而該等差異將影響未來年度確認的收入及利潤(作為對迄今所記錄金額的調整)。

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4 CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

(continued)

Estimated impairment of trade receivables and contract assets

The management estimates the amount of loss allowance for ECL on trade receivables that are measured at amortised cost and contract assets. The Group uses a lifetime ECL model and estimates the expected loss rate for the trade receivables and the contract assets based on the assessment of probability of default and loss given default with reference to historical data adjusted by forward-looking information. The assessment of the credit risk of the trade receivables and contract assets involves high degree of estimation and uncertainty as details in Notes 22, 24 and 34. When the actual future cash flows are less than expected or more than expected, a material impairment loss or a material reversal of impairment loss may arise, accordingly.

As at 31 December 2020, the total carrying amount of trade receivables and contract assets of the Group amounted to approximately RMB451,683,000 (2019: RMB393,618,000), net of allowance for impairment of approximately RMB17,247,000 (2019: RMB7,838,000).

Estimated impairment of goodwill

Determining whether goodwill is impaired requires an estimation of the recoverable amount of the cash-generating unit (or group of cash-generating units) to which goodwill has been allocated, which is the higher of the value in use or fair value less costs of disposal. The value in use calculation requires the Group to estimate the future cash flows expected to arise from the cash-generating unit (or a group of cash-generating units) and a suitable discount rate in order to calculate the present value. Where the actual future cash flows are less than expected, or change in facts and circumstances which results in downward revision of future cash flows or upward revision of discount rate, a material impairment loss or further impairment loss may arise.

As at 31 December 2020, the carrying amount of goodwill is RMB18,277,000 (2019: Nil). Details of the recoverable amount calculation are disclosed in Note 17.

4 重大會計判斷及估計不確定因素的主要來源(續)

貿易應收款項及合約資產的預計減值

管理層估計按攤銷成本計量的貿易應收款項及合約資產預期信貸虧損的損失準備金額。本集團使用整個存續期預期信貸虧損模式，並參考按前瞻性資料調整的歷史數據評估違約概率及違約損失率，估計貿易應收款項及合約資產的預期虧損率。評估貿易應收款項及合約資產的信貸風險涉及較大程度的估計及不確定因素(誠如附註22、24及34所詳述)。若實際未來現金流量少於預期或多於預期，可能會因此產生重大減值虧損或減值虧損重大撥回。

於2020年12月31日，本集團貿易應收款項及合約資產的總賬面值約為人民幣451,683,000元(2019年：人民幣393,618,000元)，已扣除減值撥備約人民幣17,247,000元(2019年：人民幣7,838,000元)。

商譽的預計減值

釐定商譽是否減值須估計獲分配商譽的現金產生單位(或現金產生單位組別)的可收回金額，即使用價值與公允價值減出售成本兩者中的較高者。計算使用價值時，本集團須估計現金產生單位(或現金產生單位組別)預期產生的未來現金流量及適當的貼現率，以計算現值。倘實際未來現金流量少於預期，或事實及情況變動導致未來現金流量下調或貼現率上調，則可能產生重大減值虧損或進一步減值虧損。

於2020年12月31日，商譽的賬面值為人民幣18,277,000元(2019年：無)。可收回金額的計算詳情於附註17披露。

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5 OPERATING SEGMENT INFORMATION

During the year ended 31 December 2020, the Group commenced the business in oilfield auxiliary services along with the acquisition of subsidiaries (see Note 41). It is considered as a new operating and reportable segment. The Group is organised into two business units based on the internal structure and management strategy, which is also the basis of information reported to the Group's CODM (i.e. the executive directors of the Company) for the purpose of making strategic decisions.

The two reportable and operating segments are set out as follows:

- (a) solid waste treatment segment is engaged in the provision of comprehensive solid waste incineration turnkey solutions focused on the research, design, integration and commissioning of solid waste systems by the Group to external customers in the PRC; and
- (b) oilfield auxiliary services segment is engaged in petroleum transportation, meter maintenance, oil pipe repair and water treatment.

Management monitors the results of the Group's operating segments separately for the purpose of making decision about resources allocation and performance assessment. Segment performance is evaluated based on reportable segment result, which is a measure of adjusted (loss)/profit before tax. The adjusted (loss)/profit before tax is measured consistently with the Group's (loss)/profit before tax except that bank interest income, net foreign exchange gains/(losses), certain finance costs, and income tax credit/(expenses) are excluded from such measurement.

For the purpose of monitoring segment performance and allocating resources between segments:

- All assets are allocated to reportable segments other than certain right-of-uses assets, certain cash and cash equivalents and certain other receivables as these assets are managed on a group basis.

5 營運分部資料

於截至2020年12月31日止年度，本集團收購多間附屬公司(見附註41)，開展油田周邊服務業務。該業務被視為新的營運及可呈報分部。本集團根據內部架構及管理策略分為兩個業務單位，而內部架構及管理策略亦為向本集團主要經營決策者(即本公司執行董事)呈報資料以供作戰略決策的基準。

上述兩個可呈報及營運分部載列如下：

- (a) 固體廢物處理分部，為中國境內外外部客戶提供綜合固體廢物焚燒處置整體解決方案，專注於固體廢物系統的研究、設計、集成及調試；及
- (b) 油田周邊服務分部，從事石油運輸、測量儀維護、油管維修及水處理業務。

管理層會分別監察本集團各營運分部的業績，以作資源分配決定及表現評估。分部表現乃基於可呈報分部業績進行評估，即經調整稅前(虧損)/利潤的計量。除銀行利息收入、外匯收益/(虧損)淨額、若干融資成本及所得稅抵免/(開支)不納入計算外，經調整稅前(虧損)/利潤與本集團稅前(虧損)/利潤的計量方法一致。

就監察分部表現及於分部間分配資源而言：

- 除按組別基準管理的若干使用權資產、若干現金及現金等價物及若干其他應收款項外，所有資產均分配至可呈報分部。

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5 OPERATING SEGMENT INFORMATION (continued)

- All liabilities are allocated to reportable segments other than certain lease liabilities, certain other payables and tax payables as these liabilities are managed on a group basis.

Prior year's segment information has been represented to conform with the current year's presentation.

Segment revenue and results

The group's revenue and result by operating and reportable segments are presented below:

		Solid waste treatment 固體廢物處理		Oilfield auxiliary services 油田周邊服務		Total 總計	
		2020 2020年 RMB'000 人民幣千元	2019 2019年 RMB'000 人民幣千元	2020 2020年 RMB'000 人民幣千元	2019 2019年 RMB'000 人民幣千元	2020 2020年 RMB'000 人民幣千元	2019 2019年 RMB'000 人民幣千元
Revenue (Note 6)	收入(附註6)	488,304	537,509	48,507	—	536,811	537,509
Segment (loss)/profit	分部(虧損)/利潤	(2,047)	96,741	2,314	—	267	96,741
Bank interest income	銀行利息收入					2,972	1,504
Unallocated corporate other income, other gains and losses	未分配企業其他收入、其他收益及虧損					(943)	2,677
Unallocated corporate expenses	未分配企業開支					(10,590)	(9,855)
Finance costs	融資成本					(25)	55
(Loss)/profit before tax	稅前(虧損)/利潤					(8,319)	91,122
Income tax credit/(expenses)	所得稅抵免/(開支)					949	(13,091)
(Loss)/profit for the year	年內(虧損)/利潤					(7,370)	78,031

5 營運分部資料(續)

- 除按組別基準管理的若干租賃負債、若干其他應付款項及應付稅項外，所有負債均分配至可呈報分部。

過往年度的分部資料已重列，以符合本年度的呈列方式。

分部收入及業績

本集團按營運及可呈報分部劃分的收入及業績呈列如下：

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5 OPERATING SEGMENT INFORMATION (continued)

Segment assets and liabilities

The following is an analysis of the Group's assets and liabilities by reportable and operating segments.

		Solid waste treatment		Oilfield auxiliary services		Total	
		固體廢物處理		油田周邊服務		總計	
		2020	2019	2020	2019	2020	2019
		2020年	2019年	2020年	2019年	2020年	2019年
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
Segment assets	分部資產	787,561	752,679	129,240	—	916,801	752,679
Interests in associates	於聯營企業的權益	594	581	—	—	594	581
Reconciliation:	對賬：						
Corporate and other unallocated assets	企業及其他未分配資產					21,328	48,767
Total assets	資產總額					938,723	802,027
Segment liabilities	分部負債	(282,305)	(196,716)	(58,139)	—	(340,444)	(196,716)
Reconciliation:	對賬：						
Corporate and other unallocated liabilities	企業及其他未分配負債					(3,195)	(31,170)
Total liabilities	負債總額					(343,639)	(227,886)

5 營運分部資料(續)

分部資產及負債

以下為本集團按可呈報及營運分部劃分的資產及負債分析。

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5 OPERATING SEGMENT INFORMATION

(continued)

Amounts included in measure of segment profit or loss or segment assets:

5 營運分部資料(續)

計入分部損益或分部資產計量的金額：

		Solid waste treatment		Oilfield auxiliary services		Corporate		Total	
		固體廢物處理		油田周邊服務		企業		總計	
		2020	2019	2020	2019	2020	2019	2020	2019
		2020年	2019年	2020年	2019年	2020年	2019年	2020年	2019年
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
Other information	其他資料								
Addition to non-current assets	添置非流動資產								
— Property, plant and equipment	— 物業、廠房及設備	49,143	61,096	4,806	—	—	—	53,949	61,096
— Intangible assets	— 無形資產	—	27	—	—	—	—	—	27
— Right-of-use assets	— 使用權資產	8,304	2,403	—	—	—	—	8,304	2,403
Acquisition of subsidiaries	收購附屬公司								
— Property, plant and equipment	— 物業、廠房及設備	—	—	14,526	—	—	—	14,526	—
— Intangible assets	— 無形資產	9,612	—	—	—	—	—	9,612	—
— Goodwill	— 商譽	—	—	18,277	—	—	—	18,277	—
Depreciation and amortisation	折舊及攤銷								
— Property, plant and equipment	— 物業、廠房及設備	4,590	3,503	3,006	—	—	56	7,596	3,559
— Right-of-use assets	— 使用權資產	2,310	1,527	—	—	529	524	2,839	2,051
— Intangible assets	— 無形資產	3,330	945	—	—	—	—	3,330	945
Allowance for impairment of trade and note receivables	貿易應收款項及應收票據減值撥備	1,960	650	1,736	—	—	—	3,696	650
Allowance for impairment of contract assets	合約資產減值撥備	5,713	117	—	—	—	—	5,713	117
Write-off of trade receivables	撇銷貿易應收款項	6,540	—	—	—	—	—	6,540	—
Reversal of impairment of other receivables	其他應收款項減值撥回	—	—	(500)	—	—	—	(500)	—

Geographical information

The Group primarily operates in the PRC. Substantially all of the Group's non-current assets, excluding financial instruments and deferred tax assets, are located in the PRC, and revenue of the Group is generated from customers located in the PRC.

地區資料

本集團主要在中國境內營運。本集團幾乎全部的非流動資產(不含金融工具以及遞延稅項資產)均位於中國，且本集團的收入來源於中國的客戶。

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6 DISAGGREGATION OF REVENUE

Revenue from major services

The following is an analysis of the Group's revenue from its major services, which is recognised over time within the scope of IFRS15:

		2020	2019
		2020 年	2019 年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Hazardous waste incineration solutions	危險廢物焚燒處置解決方案	468,528	452,990
Oilfield auxiliary services	油田周邊服務	48,507	—
Pyrolysis solid waste treatment solutions	無氧裂解固體廢物處置解決方案	577	22,773
Oil sludge thermal desorption treatment services	油泥熱脫附處理服務	—	45,436
Maintenance services	維護服務	16,177	12,191
Technical upgrading services	技術升級服務	3,022	4,119
		536,811	537,509

6 收入分拆

主要服務收入

下表載列本集團來自其主要服務的收入之分析，其皆於《國際財務報告準則》第15號範圍內隨時間確認：

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6 DISAGGREGATION OF REVENUE (continued)

Transaction price allocated to the remaining performance obligations for contracts with customers

The following table shows the aggregate amount of the transaction price allocated to performance obligations that are unsatisfied (or partially unsatisfied) as at 31 December 2020 and 2019.

		2020 2020年	2019 2019年
		RMB'000 人民幣千元	RMB'000 人民幣千元
Provision of hazardous waste incineration solutions	提供危險廢物焚燒處置解決方案	576,293	432,008
Provision of pyrolysis solid waste treatment solutions	提供無氧裂解固體廢物處置解決方案	5,561	1,699
Provision of technical upgrading services	提供技術升級服務	2,640	5,672
Provision of maintenance services	提供維護服務	4,475	2,646
Total	合計	588,969	442,025

Based on the information available to the Group at the end of reporting period, the directors of the Company expect the transaction price allocated to the above unsatisfied (or partially unsatisfied) contracts as of 31 December 2019 and 2020 will be recognised as revenue during the years ended/ending 31 December 2020 to 31 December 2021 in respect of provision of hazardous waste incineration solutions, provision of pyrolysis solid waste treatment solutions, technical upgrading services and provision of maintenance services.

6 收入分拆(續)

就客戶合約分配至餘下履約責任的交易價格

下表列示於2020年及2019年12月31日分配至未履行(或部分未履行)的履約責任的交易價格總額。

根據本集團於報告期末獲得的資料，本公司董事預計於2019年及2020年12月31日分配至上述未履行(或部分未履行)的合約的交易價格將分別於截至2020年12月31日至2021年12月31日止年度就提供危險廢物焚燒處置解決方案、提供無氧裂解固體廢物處理解決方案、技術升級服務及提供維護服務確認為收入。

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6 DISAGGREGATION OF REVENUE (continued)

Transaction price allocated to the remaining performance obligations for contracts with customers (continued)

The Group has applied the practical expedient in paragraph 121 of IFRS 15 to its contracts for the provision of oilfield auxiliary services such that the above information does not include information about revenue that the Group will be entitled to when it satisfies the remaining performance obligations under the contracts for the provision of oilfield auxiliary services that had an original expected duration of one year or less.

Major customers

Revenue from customers of the corresponding years contributing over 10% of the total revenue of the Group are as follows:

Customer A	客戶 A
Customer B	客戶 B
Customer C	客戶 C
Customer D	客戶 D

* Revenue did not account for 10% or more of the Group's revenue during the respective reporting period.

6 收入分拆(續)

就客戶合約分配至餘下履約責任的交易價格(續)

本集團對提供油田周邊服務的合約應用《國際財務報告準則》第15號第121段所述可行權宜方法，因此，上述資料並不包括有關本集團於履行提供油田周邊服務合約(原預期期限為一年或以下)項下餘下履約責任時有權獲得的收入的資料。

主要客戶

於相應年度在本集團總收入中佔10%以上的客戶收入如下：

2020	2019
2020年	2019年
RMB'000	RMB'000
人民幣千元	人民幣千元
74,635	N/A* 不適用*
67,670	N/A* 不適用*
N/A* 不適用*	138,391
N/A* 不適用*	68,977

* 收入佔本集團於相應報告期總收入的比例不足10%。

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7 OTHER INCOME, GAINS AND LOSSES

7 其他收入、收益及虧損

		2020 2020年	2019 2019年
		RMB'000 人民幣千元	RMB'000 人民幣千元
Bank interest income	銀行利息收入	2,972	1,504
Government grants (Note)	政府補助(附註)	2,256	8,106
Value-added tax refund	增值稅退稅	2,449	—
Sundry income	雜項收入	413	148
Other income		8,090	9,758
Net foreign exchange (losses)/gains	外匯(虧損)/收益淨額	(805)	2,107
Covid-19-related rent concessions	新冠疫情相關租金減免	202	—
Loss on disposal of a subsidiary (Note 43)	出售一間附屬公司產生的虧損 (附註43)	—	(6)
(Loss)/gain on disposal of property, plant and equipment, net	出售物業、廠房及設備產生的 (虧損)/收益, 淨額	(3)	3
Other gains and losses		(606)	2,104
		7,484	11,862

Note:

Government grants represented immediate financial support granted by the local governments. There were no specific conditions attached to the grants and the amounts were recognised in profit or loss upon the receipt of relevant cash.

附註：

政府補助為當地政府給予的即時財務支持。補助不附帶特定條件，且金額於收到相關現金時在損益中確認。

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8 FINANCE COSTS

8 融資成本

		2020	2019
		2020 年	2019 年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Interest on borrowings	借款利息	2,168	824
Interest on lease liabilities	租賃負債利息	261	270
		2,429	1,094

9 INCOME TAX (CREDIT)/EXPENSE

9 所得稅(抵免)/開支

		2020	2019
		2020 年	2019 年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
The income tax (credit)/expense comprises:	所得稅(抵免)/開支包括：		
PRC Enterprise Income Tax ("EIT"):	中國企業所得稅(「企業所得稅」)：		
— Current tax	— 即期稅項	2,320	20,389
— Under provision in prior years	— 過往年度撥備不足	195	—
		2,515	20,389
Deferred tax (Note 20)	遞延稅項(附註 20)	(3,464)	(7,298)
		(949)	13,091

The Company and its subsidiaries, WeiGang Environment Limited, Jade Far Investment Limited and Definite Thrive Limited, were incorporated in the Cayman Islands and BVI respectively. All these entities did not have assessable profits in the Cayman Islands, BVI or other jurisdictions in both years.

No provision for Hong Kong Profits Tax has been recognised in the consolidated financial statements in both years as the Group does not have income which arose in, or derived from Hong Kong.

本公司及其附屬公司(維港環境有限公司、杰發投資有限公司及興定有限公司)分別於開曼群島及英屬維爾京群島註冊成立。於該兩個年度，所有該等實體在開曼群島、英屬維爾京群島或其他司法管轄區均無應課稅利潤。

由於本集團並無得自香港的收入，因此於該兩個年度，並未於綜合財務報表中確認香港利得稅撥備。

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9 INCOME TAX (CREDIT)/EXPENSE (continued)

Pursuant to the Enterprise Income Tax Law (the "EIT Law") effective on 1 January 2008, Guangzhou Weigang obtained a "High and New Technology Enterprise" (the "HNTE") in 2016 which Guangzhou Weigang was entitled to a preferential tax rate of 15% from 2019 to 2021 and eligible for renewal every three years. Xinjiang Tiansheng Xinhong Environmental Protection Technology Co., Ltd.[#] ("Xinjiang Tiansheng") and Karamay Shuangxin Company Limited[#] were entitled to a tax concession of Western Development at a preferential corporate income tax rate of 15% in 2020.

The applicable tax rate of other PRC subsidiaries of the Company was 25% (2019: 25%) during the year ended 31 December 2020.

Income tax (credit)/expense can be reconciled to the (loss)/profit before tax as stated in the consolidated statement of profit or loss and other comprehensive income as follows:

		2020 2020年	2019 2019年
		RMB'000 人民幣千元	RMB'000 人民幣千元
(Loss)/profit before tax	稅前(虧損)/利潤	(8,319)	91,122
Tax at applicable income tax rate of 25% (2019: 25%)	按適用所得稅稅率25% (2019年: 25%)計算的稅項	(2,080)	22,781
Tax effect due to preferential tax rate	因優惠稅率而產生的稅務影響	(866)	(8,971)
Tax effect of expenses not deductible for tax purposes	不可扣稅開支的稅務影響	1,911	1,806
Tax effect of income not taxable for tax purpose	毋須課稅收入的稅務影響	(825)	(69)
Tax effect of share of results of an associate	應佔聯營企業的業績的稅務影響	238	3
Tax effect of tax loss not recognised	未確認之稅項虧損的稅務影響	3,821	1,022
Tax effect of super-deduction on research and development expenses	加計扣除研發開支的稅務影響	(3,343)	(3,481)
Under provision in prior years	過往年度撥備不足	195	—
Income tax (credit)/expense	所得稅(抵免)/開支	(949)	13,091

[#] The English name is for identification only.

[#] 英文名稱僅供識別。

9 所得稅(抵免)/開支(續)

根據2008年1月1日生效的《企業所得稅法》(「企業所得稅法」)，廣州維港自2016年獲認定為「高新技術企業」(「高新技術企業」)，廣州維港在2019年至2021年享受15%的優惠稅率，並可每三年續期。新疆天聖新宏環保科技有限公司(「新疆天聖」)及克拉瑪依雙信有限公司享有西部大開發稅收優惠，於2020年按企業所得稅優惠稅率15%納稅。

於截至2020年12月31日止年度，本公司其他中國附屬公司的適用稅率為25%(2019年: 25%)。

所得稅(抵免)/開支與綜合損益及其他全面收益表所載的稅前(虧損)/利潤對賬如下：

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10 (LOSS)/PROFIT BEFORE TAX

10 稅前(虧損)/利潤

		2020 2020年	2019 2019年
		RMB'000 人民幣千元	RMB'000 人民幣千元
(Loss)/profit before tax has been arrived at after charging/(crediting):	稅前(虧損)/利潤已扣除/(計入)下列各項:		
Staff costs (including directors' emoluments)	員工成本(包括董事酬金)		
Directors' remuneration	董事薪酬	3,534	3,272
Other staff:	其他員工:		
— Salaries and other benefits	— 薪金與其他福利	47,100	32,147
— Bonus	— 花紅	4,941	3,500
— Contributions to retirement benefits scheme	— 退休福利計劃供款	5,358	6,340
— Share-based payment expenses	— 以股份為基礎的支付開支	776	1,071
Total staff costs	總員工成本	61,709	46,330
Auditor's remuneration	核數師薪酬	1,660	1,746
Research and development costs (included in other expenses)*	研發成本(計入其他開支)*	21,890	21,058
Loss on disposal of subsidiary	出售一間附屬公司產生的虧損	—	6
Depreciation of property, plant and equipment	物業、廠房及設備折舊	7,596	3,559
Depreciation of right-of-use assets	使用權資產折舊	2,839	2,051
Amortisation of intangible assets	無形資產攤銷	3,330	945
Allowance for impairment of trade and note receivables	貿易應收款項及應收票據減值撥備	3,696	650
Write-off of trade receivables	撇銷貿易應收款項	6,540	—
Allowance for impairment of contract assets	合約資產減值撥備	5,713	117
Reversal of impairment of other receivables	其他應收款項減值撥回	(500)	—
Loss/(gain) on disposal of property, plant and equipment	出售物業、廠房及設備產生的虧損/(收益)	3	(3)

* Amount included staff costs of approximately RMB7,511,000 (2019: RMB8,770,000), and materials and other related costs of approximately RMB14,379,000 (2019: RMB12,288,000) for the year ended 31 December 2020.

* 該款項包括截至2020年12月31日止年度的員工成本約人民幣7,511,000元(2019年: 人民幣8,770,000元)以及材料及其他相關成本約人民幣14,379,000元(2019年: 人民幣12,288,000元)。

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11 DIRECTORS', CHIEF EXECUTIVE'S AND EMPLOYEES' EMOLUMENTS

Directors and chief executive

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

For the year ended 31 December 2020

11 董事、最高行政人員及僱員酬金

董事及最高行政人員

根據上市規則、香港公司條例第383(1)(a)、(b)、(c)及(f)條及公司(披露董事利益資料)規例第2部披露的年內董事及最高行政人員薪酬如下：

截至2020年12月31日止年度

		Salaries and other allowances	Discretionary bonuses	Share-based payment expenses	Retirement benefits contributions	Total
		Fees in kind	in kind	with share-based	scheme	
		袍金	薪金與	以股份為基礎	退休福利	合計
		其他實物津貼	酌情花紅	的支付開支	計劃供款	
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
Executive directors	執行董事					
Mr. Cai (Note (i))	蔡先生(附註(i))	317	421	80	30	848
Mr. Dong Honghui	董紅輝先生	211	391	70	29	816
Mr. Deng Zhaoshan	鄧兆善先生	211	389	70	30	815
Non-executive directors	非執行董事					
Mr. Ren Jingfeng (Note (iii))	任景豐先生(附註(iii))	211	—	—	—	211
Mr. Yang Zhiqiang (Note (ii))	楊志強先生(附註(ii))	211	—	—	—	211
Independent non-executive directors	獨立非執行董事					
Mr. Yang Zhifeng	楊志峰先生	211	—	—	—	211
Mr. Feng Tao	馮濤先生	211	—	—	—	211
Mr. Jiang Guoliang	蔣國良先生	211	—	—	—	211
		1,794	1,201	220	89	3,534

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11 DIRECTORS', CHIEF EXECUTIVE'S AND EMPLOYEES' EMOLUMENTS (continued)

Directors and chief executive (continued)

For the year ended 31 December 2019

		Fees	Salaries and other allowances in kind	Discretionary bonuses	Share-based payment expenses	Retirement benefits contributions	Total
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
Executive directors	執行董事						
Mr. Cai	蔡先生	317	325	26	—	68	736
Mr. Dong Honghui	董紅暉先生	211	325	20	115	68	739
Mr. Deng Zhaoshan	鄧兆善先生	211	328	20	115	68	742
Non-executive directors	非執行董事						
Mr. Ren Jingfeng	任景豐先生	211	—	—	—	—	211
Mr. Yang Zhiqiang	楊志強先生	211	—	—	—	—	211
Independent non-executive directors	獨立非執行董事						
Mr. Yang Zhifeng (Note (iii))	楊志峰先生(附註(iii))	211	—	—	—	—	211
Mr. Feng Tao (Note (iii))	馮濤先生(附註(iii))	211	—	—	—	—	211
Mr. Jiang Guoliang (Note (iii))	蔣國良先生(附註(iii))	211	—	—	—	—	211
		1,794	978	66	230	204	3,272

Note:

- (i) Mr. Cai is also the chief executive of the Company.
- (ii) Resigned as non-executive directors of the Company on 11 March 2021.
- (iii) Appointed as an independent non-executive director and member of the audit committee of the Company on 3 January 2019.

附註：

- (i) 蔡先生亦為本公司最高行政人員。
- (ii) 於2021年3月11日辭任本公司非執行董事。
- (iii) 於2019年1月3日獲委任為本公司獨立非執行董事及審核委員會成員。

11 董事、最高行政人員及僱員酬金(續)

董事及最高行政人員(續)

截至2019年12月31日止年度

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11 DIRECTORS', CHIEF EXECUTIVE'S AND EMPLOYEES' EMOLUMENTS (continued)

Directors and chief executive (continued)

The executive directors' emoluments shown above were for their services in connection with the management affairs of the Group.

The discretionary bonuses payments are determined with reference to the operating results and individual performance during the years ended 31 December 2020 and 2019.

Details of share-based payment transaction are set out in Note 39.

Employees

The five highest paid individuals of the Group included three (2019: three) directors, whose emoluments are included in the disclosures above for the year ended 31 December 2020. The emoluments of the remaining two (2019: two) individuals for the years ended 31 December 2020 and 2019, are as follows:

		2020 2020年	2019 2019年
		RMB'000 人民幣千元	RMB'000 人民幣千元
Salaries and other benefits in kind	工資及其他實物福利	1,268	1,297
Discretionary bonuses	酌情花紅	106	73
Retirement benefits scheme contributions	退休福利計劃供款	32	45
Share-based payment expenses	以股份為基礎的支付開支	100	61
		1,506	1,476

11 董事、最高行政人員及僱員酬金(續)

董事及最高行政人員(續)

上述執行董事酬金乃因彼等就本集團管理事務提供服務而取得。

酌情花紅乃參考截至2020年及2019年12月31日止年度的經營業績及個人表現而釐定。

以股份為基礎的支付交易的詳情載於附註39。

僱員

截至2020年12月31日止年度，本集團五名最高薪酬人士包括三名(2019年：三名)董事，彼等之酬金已於上文披露。截至2020年及2019年12月31日止年度，其餘兩名(2019年：兩名)人士的酬金如下：

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11 DIRECTORS', CHIEF EXECUTIVE'S AND EMPLOYEES' EMOLUMENTS (continued)

Employees (continued)

The number of the five highest paid employee who are not the directors of the Company whose remuneration fell within the following band is as follows bands:

Nil to HK\$1,000,000	零至 1,000,000 港元

During the years ended 31 December 2020 and 2019, no remuneration was paid by the Group to the five highest paid individuals including directors of the Company as an inducement to join or upon joining the Group or as compensation for loss of office. Each of the directors of the Company did not waive or agreed to waive any remuneration during the years ended 31 December 2020 and 2019.

11 董事、最高行政人員及僱員酬金(續)

僱員(續)

五名最高薪酬僱員中並非本公司董事且薪酬介乎以下範圍的人數如下：

2020 2020 年 Number of employees 僱員數目	2019 2019 年 Number of employees 僱員數目
2	2

於截至2020年及2019年12月31日止年度，本集團概無向五名最高薪酬人士(包括本公司董事)支付任何酬金，作為加盟本集團或加盟後的獎勵或作為離職補償。於截至2020年及2019年12月31日止年度，本公司各董事均無放棄或同意放棄任何薪酬。

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12 (LOSS)/EARNINGS PER SHARE

The calculation of the basic and diluted (loss)/earnings per share attributable to the owners of the Company is based on the following data:

		2020 2020年	2019 2019年
		RMB'000 人民幣千元	RMB'000 人民幣千元
(Loss)/earnings	(虧損)/盈利		
(Loss)/earnings for the purpose of calculating basic and diluted (loss)/earnings per share	用以計算每股基本及攤薄(虧損)/盈利的(虧損)/盈利	(10,929)	66,984
Number of shares	股份數目		
Number of shares for the purpose of calculating basic (loss)/earnings per share	用於計算每股基本(虧損)/盈利的股份數目	1,331,622,830	1,331,622,830
Effect of dilutive potential ordinary shares:	具攤薄效應潛在普通股的影響：		
Share options	購股權	20,318,327	31,830,822
Number of shares for the purpose of calculating diluted (loss)/earnings per share	用於計算每股攤薄(虧損)/盈利的股份數目	1,351,941,157	1,363,453,652

The computation of diluted (loss)/earnings per share during the years ended 31 December 2020 and 2019 has adjusted to reflect the effect of the exercise of all dilutive share options.

12 每股(虧損)/盈利

本公司擁有人應佔每股基本及攤薄(虧損)/盈利的計算乃基於下列數據：

		2020 2020年	2019 2019年
		RMB'000 人民幣千元	RMB'000 人民幣千元
(Loss)/earnings	(虧損)/盈利		
(Loss)/earnings for the purpose of calculating basic and diluted (loss)/earnings per share	用以計算每股基本及攤薄(虧損)/盈利的(虧損)/盈利	(10,929)	66,984
Number of shares	股份數目		
Number of shares for the purpose of calculating basic (loss)/earnings per share	用於計算每股基本(虧損)/盈利的股份數目	1,331,622,830	1,331,622,830
Effect of dilutive potential ordinary shares:	具攤薄效應潛在普通股的影響：		
Share options	購股權	20,318,327	31,830,822
Number of shares for the purpose of calculating diluted (loss)/earnings per share	用於計算每股攤薄(虧損)/盈利的股份數目	1,351,941,157	1,363,453,652

於計算截至2020年及2019年12月31日止年度的每股攤薄(虧損)/盈利時，已作出調整以反映所有具攤薄效應的購股權獲行使的影響。

13 DIVIDENDS

No dividend has been paid or declared by the Company during the years ended 31 December 2020 and 2019, nor has any dividend been proposed since 31 December 2020.

13 股息

截至2020年及2019年12月31日止年度，本公司並無派付或宣派任何股息，且自2020年12月31日以來亦無建議派付任何股息。

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14. PROPERTY, PLANT AND EQUIPMENT

14. 物業、廠房及設備

		Leasehold improvements	Oil sludge treatment facilities	Pyrolysis treatment facility	Office equipment	Motor vehicles	Plant and machinery	Land and buildings	Construction in progress	Total
		租賃裝修	油泥處理設施	無氧裂解處理設施	辦公設備	車輛	廠房及設備	土地與樓宇	在建工程	合計
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
			(Note)	(Note)					(Note)	
			(附註)	(附註)					(附註)	
COST	成本									
At 1 January 2019	於2019年1月1日	1,276	20,859	—	2,375	1,456	—	—	—	25,966
Additions	添置	974	—	—	689	357	—	—	59,076	61,096
Disposals	出售	—	—	—	(10)	(30)	—	—	—	(40)
Transfer from construction in progress	來自在建工程的轉撥	—	6,468	—	—	—	—	—	(6,468)	—
At 31 December 2019 and 1 January 2020	於2019年12月31日及2020年1月1日	2,250	27,327	—	3,054	1,783	—	—	52,608	87,022
Additions	添置	158	82	—	203	3,559	314	—	49,633	53,949
Disposals	出售	—	(388)	—	—	(343)	—	—	—	(731)
Acquisition of subsidiaries (Note 41)	收購附屬公司(附註41)	—	—	—	909	8,402	1,386	3,829	—	14,526
Transfer to inventories	轉撥至存貨	—	—	—	—	—	—	—	(9,397)	(9,397)
Transfer from construction in progress	來自在建工程的轉撥	—	—	5,941	—	—	—	—	(5,941)	—
At 31 December 2020	於2020年12月31日	2,408	27,021	5,941	4,166	13,401	1,700	3,829	86,903	145,369
ACCUMULATED DEPRECIATION	累計折舊									
At 1 January 2019	於2019年1月1日	321	656	—	1,066	392	—	—	—	2,435
Provided for the year	年內撥備	249	2,247	—	905	158	—	—	—	3,559
Eliminated on disposal	於出售時對銷	—	—	—	(8)	(29)	—	—	—	(37)
At 31 December 2019 and 1 January 2020	於2019年12月31日及2020年1月1日	570	2,903	—	1,963	521	—	—	—	5,957
Provided for the year	年內撥備	626	2,625	384	744	2,876	113	228	—	7,596
Eliminated on disposal	於出售時對銷	—	(63)	—	—	(326)	—	—	—	(389)
At 31 December 2020	於2020年12月31日	1,196	5,465	384	2,707	3,071	113	228	—	13,164
CARRYING VALUES	賬面值									
At 31 December 2020	於2020年12月31日	1,212	21,556	5,557	1,459	10,330	1,587	3,601	86,903	132,205
At 31 December 2019	於2019年12月31日	1,680	24,424	—	1,091	1,262	—	—	52,608	81,065

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14 PROPERTY, PLANT AND EQUIPMENT (continued)

Note: Amount represented the costs incurred for the construction of a thermal desorption of oil sludge treatment facilities and a pyrolysis treatment facility. The oil sludge treatment facilities are being used to provide oil sludge thermal desorption treatment service to customer, while the respective operating income is charged according to the tons of oil sludge being processed. The pyrolysis treatment facility is being used to provide pyrolysis solid waste treatment solutions to customers, while the respective operating income is charged according to the quantity of service provided.

The above items of property, plant and equipment, other than construction in progress, after taking into account their estimated residual value, are depreciated on a straight-line basis at the following useful lives:

Land and buildings	20 years
Leasehold improvements	5 years
Oil sludge treatment facilities	10 years
Pyrolysis treatment facility	10 years
Office equipment	3 years
Plant and machinery	10 years
Motor vehicles	3-5 years

14. 物業、廠房及設備(續)

附註：有關數額指建造油泥熱脫附處理設施及無氧裂解處理設施所產生的成本。油泥處理設施用於向客戶提供油泥熱脫附處理服務，而相關經營收入乃根據所處理的油泥噸數收取。無氧裂解處理設施用於向客戶提供無氧裂解固體廢物處理解決方案，而相關經營收入乃根據所提供服務的數量收取。

上述物業、廠房及設備項目(在建工程除外)在考慮到其估計剩餘價值後以下列使用年限按直線法折舊：

土地及樓宇	20年
租賃裝修	5年
油泥處理設施	10年
無氧裂解處理設施	10年
辦公設備	3年
廠房及設備	10年
車輛	3-5年

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15 INTANGIBLE ASSETS

15 無形資產

		Concession right	Patents	Total
		特許經營權	專利	合計
		RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元
COST	成本			
At 1 January 2019	於 2019 年 1 月 1 日	—	17,153	17,153
Additions	添置	—	27	27
At 31 December 2019 and 1 January 2020	於 2019 年 12 月 31 日及 2020 年 1 月 1 日	—	17,180	17,180
Acquisition of assets through acquisition of a subsidiary (Note 42)	透過收購一間附屬公司收購 資產(附註 42)	9,612	—	9,612
At 31 December 2020	於 2020 年 12 月 31 日	9,612	17,180	26,792
ACCUMULATED AMORTISATION	累計攤銷			
At 1 January 2019	於 2019 年 1 月 1 日	—	470	470
Provided for the year	年內撥備	—	945	945
At 31 December 2019 and 1 January 2020	於 2019 年 12 月 31 日及 2020 年 1 月 1 日	—	1,415	1,415
Provided for the year	年內撥備	481	2,849	3,330
At 31 December 2020	於 2020 年 12 月 31 日	481	4,264	4,745
CARRYING VALUES	賬面值			
At 31 December 2020	於 2020 年 12 月 31 日	9,131	12,916	22,047
At 31 December 2019	於 2019 年 12 月 31 日	—	15,765	15,765

Note:

The other intangible assets have finite useful lives and are amortised on a straight-line basis over the following periods:

Concession right	20 years
Patents	5 to 10 years

附註：

其他無形資產具有有限可使用年期，並於下列期間以直線法攤銷。

特許經營權	20 年
專利	5 至 10 年

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16 INTERESTS IN ASSOCIATES

16 於聯營企業的權益

		2020	2019
		2020年	2019年
		RMB'000	<i>RMB'000</i>
		人民幣千元	人民幣千元
Cost of investment in associates	於聯營企業的投資成本	1,560	594
Share of post-acquisition losses	應佔收購後虧損	(966)	(13)
		594	581

Details of the Group's associates at the end of the reporting period are as follows:

於報告期末本集團聯營企業的詳情載於下表：

Name of associate	Principal activities	Place and date of establishment and operation	Proportion of ownership interest and voting interest held by the Group at 31 December	
			2020	2019
聯營企業名稱	主要活動	成立與營運的地點和日期	本集團持有所有權權益及表決權份額於12月31日	
			2020	2019
			2020年	2019年
Jiangxi Ruicheng Environmental Technology Co., Ltd.* ("Jiangxi Ruicheng") (Note (i))	Provision of project management service for solid and hazardous waste	The PRC, 11 September 2019	—	15%
江西瑞城環保科技有限責任公司 (「江西瑞城」)(附註(i))	就固體及有害廢物提供項目管理服务	中國·2019年9月11日		
Guangzhou Weigang Hongda Environmental Company Ltd.* ("Weigang Hongda") (Note (ii))	Provision of project management service for solid and hazardous waste	The PRC, 21 May 2019	37%	37%
廣州維港泓達環境有限公司 (「維港泓達」)(附註(ii))	就固體及有害廢物提供項目管理服务	中國·2019年5月21日		

The above associates are accounted for using equity method in the consolidated financial statements.

上述聯營企業使用權益法在綜合財務報表入賬。

* The English names are for identification purpose only.

* 英文名稱僅供識別。

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16 INTERESTS IN ASSOCIATES *(continued)*

Note:

- (i) The Group was able to exercise significant influence over Jiangxi Ruicheng since it had appointed 1 out of 5 directors of that company under the Articles of Association of Jiangxi Ruicheng. Jiangxi Ruicheng was deregistered on 25 August 2020.
- (ii) On 21 May 2019, Guangzhou Weigang made a capital injection which represents 60% shareholding of Guangzhou Weigang. On 8 October 2019, the Group and the shareholder of Weigang Hongda entered into a share transfer agreement with an independent third party, pursuant to which, the Group and the shareholder of Weigang Hongda agreed to dispose of 19% and 13% equity interests of Weigang Hongda to an independent third party at consideration of RMB1. Upon the completion of the disposal, the Group's shareholding of Weigang Hongda has been changed from 54% to 37%, accordingly, Weigang Hongda became an associate of the Group since then (Note 43).

16 於聯營企業的權益(續)

附註：

- (i) 由於本集團已根據江西瑞城的組織章程細則於該公司5名董事中委任1名，故本集團能對江西瑞城發揮重大影響力。江西瑞城已於2020年8月25日完成註銷手續。
- (ii) 於2019年5月21日，廣州維港作出注資，佔廣州維港60%股權。於2019年10月8日，本集團及維港泓達的股東與一名獨立第三方訂立股份轉讓協議，據此，本集團及維港泓達的股東同意向一名獨立第三方以對價人民幣1元出售維港泓達19%及13%股東權益。於出售事項完成後，本集團於廣州維港所持的股東權益由54%變為37%。因此，維港泓達自此成為本集團的聯營企業(附註43)。

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16 INTERESTS IN ASSOCIATES (continued)

Aggregate information of associates that are not individually material.

		2020 2020年	2019 2019年
		RMB'000 人民幣千元	RMB'000 人民幣千元
The Group's share of loss	本集團應佔虧損	(953)	(13)
The Group's share of other comprehensive income	本集團應佔其他全面收益	—	—
The Group's share of total comprehensive income	本集團應佔全面收益總額	(953)	(13)
Aggregate earning of the Group's interest in the associates	本集團於聯營企業的權益的總盈利	594	581

16 於聯營企業的權益(續)

並非個別重大的聯營企業累計資料。

17 GOODWILL

		2020 2020年	2019 2019年
		RMB'000 人民幣千元	RMB'000 人民幣千元
At 1 January	於1月1日	—	—
Arising on acquisition of the subsidiaries	收購附屬公司產生的商譽	18,277	—
At 31 December	於12月31日	18,277	—

The goodwill arising from acquisition of the subsidiaries has been recognised by the Group during the year ended 31 December 2020, based on valuation by an independent valuer on the fair values of the identifiable assets acquired and liabilities acquired. The details are disclosed in Note 41.

17 商譽

截至2020年12月31日止年度，本集團已根據獨立估值師對所收購可識別資產及所收購負債的公允價值進行的估值確認收購附屬公司產生的商譽。詳情於附註41披露。

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17 GOODWILL (continued)

Impairment testing on goodwill

For the purpose of impairment testing, the goodwill has been allocated to the CGU representing the Xinjiang Tiansheng and its subsidiary (collectively referred to as "Xinjiang Tiansheng Group").

The recoverable amount of Xinjiang Tiansheng Group has been determined based on a value in use calculation. The calculation uses cash flow projections based on financial budgets approved by management covering a 5-year period, and discount rate of 19.5%. Xinjiang Tiansheng Group's cash flows beyond the 5-year period are extrapolated using a steady 2% growth rate, which is based on the relevant industry growth forecasts and does not exceed the average long-term growth rate for the relevant industry. Other key assumptions for the value in use calculations relate to the estimation of cash inflows/outflows which include budgeted sales and gross margin to provide basis and explanation of significant changes in key assumptions, where appropriate, such estimation is based on the unit's past performance and management's expectations for the market development. The cash flow projections, growth rates and discount rate have been assessed as at 31 December 2020 taking into consideration higher degree of estimation uncertainties in the current year due to how the Covid-19 pandemic may progress and evolve and volatility in financial markets, including potential disruptions of the Group's oilfield auxiliary services.

During the year ended 31 December 2020, management of the Group determines that there is no impairment on goodwill. Management has performed sensitivity analysis and believes that any reasonably possible change in any of these assumptions would not cause the carrying amount of goodwill to exceed its recoverable amount.

17 商譽(續)

商譽減值測試

就減值測試而言，商譽已分配至代表新疆天聖及其附屬公司(統稱「新疆天聖集團」)的現金產生單位。

新疆天聖集團的可收回金額乃根據使用價值計算釐定。該計算使用基於管理層批准的五年期財務預算的現金流量預測及貼現率19.5%。新疆天聖集團超過5年期的現金流量採用2%的穩定增長率推算，該增長率乃基於相關行業增長預測，且不過過相關行業的平均長期增長率。使用價值計算的其他主要假設與現金流入／流出的估計有關，包括預算銷售額及毛利率，以就主要假設的重大變動提供基準及解釋(如適用)，有關估計乃基於單位的過往表現及管理層對市場發展的預期。現金流量預測、增長率及貼現率已於2020年12月31日評估，當中已考慮本年度較高的估計不確定性，原因為新冠疫情的進展及演變以及金融市場的波動，包括本集團油田周邊服務可能出現的中斷。

截至2020年12月31日止年度，本集團管理層釐定商譽並無減值。管理層已進行敏感性分析並相信，任何該等假設的任何合理可能變動將不會導致商譽的賬面值超過其可收回金額。

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18 RIGHT-OF-USE ASSETS

18 使用權資產

		Leasehold land	Leased properties	Total
		租賃土地	租賃物業	合計
		RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元
COST	成本			
At 1 January 2019	於2019年1月1日	—	5,958	5,958
Additions	添置	—	2,403	2,403
At 31 December 2019 and 1 January 2020	於2019年12月31日及 2020年1月1日	—	8,361	8,361
Additions	添置	8,304	—	8,304
At 31 December 2020	於2020年12月31日	8,304	8,361	16,665
DEPRECIATION	折舊			
At 1 January 2019	於2019年1月1日	—	—	—
Provided for the year	年內撥備	—	2,051	2,051
At 31 December 2019 and 1 January 2020	於2019年12月31日及 2020年1月1日	—	2,051	2,051
Provided for the year	年內撥備	83	2,756	2,839
At 31 December 2020	於2020年12月31日	83	4,807	4,890
CARRYING VALUES	賬面值			
At 31 December 2020	於2020年12月31日	8,221	3,554	11,775
At 31 December 2019	於2019年12月31日	—	6,310	6,310

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18 RIGHT-OF-USE ASSETS (continued)

		2020	2019
		2020 年	2019 年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Expense relating to short-term leases	有關短期租賃的開支	316	68
Expense relating to leases of low-value assets	有關低價值資產租賃的開支	10	676
Total cash outflow for lease	租賃現金流出總額	3,201	3,038

Rent concessions

During the year ended 31 December 2020, a lessor of an office provided rent concessions to the Group through rent reductions of 94% over a 3-month period.

These rent concessions occurred as a direct consequence of Covid-19 pandemic and met of all of the conditions in IFRS 16.46B, and the Group applied the practical expedient not to assess whether the changes constitute lease modifications. The effects on changes in lease payments due to forgiveness or waiver by the lessors for the relevant leases of approximately RMB202,000 were recognised as negative variable lease payments.

18 使用權資產(續)

租金減免

截至2020年12月31日止年度，一間辦公室的一名出租人透過於三個月期間減租94%向本集團提供租金優惠。

該等租金優惠因新冠疫情直接產生，並符合《國際財務報告準則》第16.46 B條的所有條件，且本集團應用可行權宜方法不評估有關變動是否構成租賃修改。出租人就相關租賃免除或豁免約人民幣202,000元對租賃付款變動的影響確認為負可變租賃付款。

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19 EQUITY INSTRUMENT AT FVTOCI

19 按公允價值計量並計入其他全面收益的股本工具

		2020	2019
		2020年	2019年
		RMB'000	<i>RMB'000</i>
		人民幣千元	人民幣千元
Unlisted investment:	未上市投資：		
— Equity securities	— 股本證券	3,825	4,775

The unlisted equity investment represents shares in a private entity engaged in oil sludge treatment facility operator in the PRC. The Group designated its unlisted equity investment at FVTOCI as the investment is held for strategic purposes. No dividends were received on this investment during the year (2019: Nil). The investment is measured at fair value at the end of each reporting period, details of fair value measurements are disclosed in Note 34(c).

未上市股本投資指於一間在中國從事油泥處理設備運營的私營實體的股份。由於該投資乃持作策略用途，故本集團將其未上市股本投資指定為按公允價值計量並計入其他全面收益。年內並無就此項投資收取股息(2019年：無)。於各報告期末，該投資以公允價值計量，公允價值計量詳情披露於附註34(c)。

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20 DEFERRED TAXATION

The following are the major deferred tax assets/(liabilities) recognised and movements thereon during the years ended 31 December 2020 and 2019.

20 遞延稅項

下文載有於截至2020年及2019年12月31日止年度確認的主要遞延稅項資產／(負債)及其變動情況：

		Allowance for impairment of trade and note receivables and contract assets and impairment loss on advance to a supplier	Tax loss	Changes in fair value of equity instrument at FVTOCI	Fair value adjustments arising from acquisition of subsidiaries	Unrealised profit of inter-company transaction	Lease liabilities	Total
		貿易應收款項及應收票據以及合約資產的減值撥備及與向供應商作出的墊款有關的減值虧損	稅項虧損	按公允價值計量並計入其他全面收益的股本工具之公允價值變動	收購附屬公司產生的公允價值調整	公司間交易之未變現利潤	租賃負債	合計
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
At 1 January 2019	於2019年1月1日	1,030	1,698	(370)	—	434	62	2,854
Credit to profit or loss (Note 9)	計入損益(附註9)	114	206	—	—	6,976	2	7,298
Charge to other comprehensive income	於其他全面收益扣除	—	—	(449)	—	—	—	(449)
At 1 January 2020	於2020年1月1日	1,144	1,904	(819)	—	7,410	64	9,703
Acquisition of subsidiaries (Note 41)	收購附屬公司(附註41)	—	—	—	(257)	—	—	(257)
Credit/(charge) to profit or loss (Note 9)	計入/(扣自)損益(附註9)	1,687	(882)	—	222	2,449	(12)	3,464
Charge to other comprehensive income	於其他全面收益扣除	—	—	237	—	—	—	237
At 31 December 2020	於2020年12月31日	2,831	1,022	(582)	(35)	9,859	52	13,147

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20 DEFERRED TAXATION (continued)

For the purpose of presentation in the consolidated statement of financial position, certain deferred tax assets and liabilities have been offset. The following is the analysis of deferred tax balances for financial reporting purposes:

		2020 2020年	2019 2019年
		RMB'000 人民幣千元	RMB'000 人民幣千元
Deferred tax assets	遞延稅項資產	13,764	10,522
Deferred tax liabilities	遞延稅項負債	(617)	(819)
		13,147	9,703

Under the EIT Law of the PRC, withholding tax is imposed on dividends declared in respect of profits earned by the PRC subsidiaries from 1 January 2008 onwards. Deferred taxation has not been provided for the consolidated financial statements in respect of temporary differences attributable to the profit earned by the PRC subsidiaries amounting to approximately RMB32,340,000 (2019: RMB149,449,000) as at 31 December 2020 as the Group is able to control the timing of reversal of temporary difference and it is probable that temporary difference will not be reversed in the foreseeable future.

As at 31 December 2020, the Group has unused tax losses of approximately RMB27,112,000 (2019: RMB11,828,000) available for offset against future profits for the consecutive five years and will expire on 2022 and 2023. Deferred tax assets have been recognised in respect of approximately RMB4,088,000 (2019: RMB7,616,000) of such losses as at 31 December 2020. No deferred tax asset has been recognised in respect of the remaining tax losses of approximately RMB23,024,000 (2019: RMB4,212,000) due to the unpredictability of future profit streams as at 31 December 2020 and 2019.

20 遞延稅項(續)

就綜合財務狀況表的呈列而言，已抵銷若干遞延稅項資產及負債。就財務報告分析的遞延稅項結餘如下：

		2020 2020年	2019 2019年
		RMB'000 人民幣千元	RMB'000 人民幣千元
Deferred tax assets	遞延稅項資產	13,764	10,522
Deferred tax liabilities	遞延稅項負債	(617)	(819)
		13,147	9,703

根據中國《企業所得稅法》，自2008年1月1日起，就中國附屬公司所得利潤而宣派的股息須繳納預扣稅。對於在2020年12月31日金額約為人民幣32,340,000元(2019年：人民幣149,449,000元)的中國附屬公司所得利潤之暫時差額，並無在綜合財務報表中作出遞延稅項的撥備，原因是本集團能夠控制暫時差額的撥回時機，而且在可預見的將來該暫時差額可能不會撥回。

於2020年12月31日，本集團尚未使用的稅項虧損約為人民幣27,112,000元(2019年：人民幣11,828,000元)，可連續五年抵銷未來利潤，將於2022年及2023年屆滿。於2020年12月31日，就該等約人民幣4,088,000元(2019年：人民幣7,616,000元)的虧損確認遞延稅項資產。於2020年及2019年12月31日，由於未來利潤流的不可預測性，尚未就金額為約人民幣23,024,000元(2019年：人民幣4,212,000元)的剩餘稅項虧損確認遞延稅項資產。

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21 INVENTORIES

21 存貨

		2020 2020 年	2019 2019 年
		RMB'000 人民幣千元	RMB'000 人民幣千元
Spare parts and other materials	備件及其他材料	6,952	5,250

22 TRADE AND NOTE RECEIVABLES

22 貿易應收款項及應收票據

		2020 2020 年	2019 2019 年
		RMB'000 人民幣千元	RMB'000 人民幣千元
Trade receivables	貿易應收款項	180,444	123,008
Less: allowance for impairment	減：減值撥備	(7,494)	(3,798)
		172,950	119,210
Note receivables	應收票據	62,001	24,664
Total trade and note receivables	貿易應收款項及應收票據總額	234,951	143,874

The Group normally allows a credit period generally within 90 (2019: 90) days to its trade customers.

The following is an aging analysis of trade receivables net of allowance for impairment at the end of the reporting period presented based on payment schedule or invoice date stated in the contracts.

本集團一般向貿易客戶授予90日(2019年：90日)內的信貸期。

下文載有貿易應收款項(減去根據合約所述付款安排呈報的各報告期末或發票日期之減值撥備)的賬齡分析。

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22 TRADE AND NOTE RECEIVABLES (continued)

		2020 2020年	2019 2019年
		RMB'000 人民幣千元	RMB'000 人民幣千元
0 – 90 days	0至90日	129,838	75,109
91 – 180 days	91至180日	30,571	24,944
181 – 365 days	181至365日	9,377	16,413
Over 365 days	365日以上	3,164	2,744
		172,950	119,210

Note receivables are bank acceptance notes and commercial acceptance notes amounting to approximately RMB37,109,000 (2019: RMB24,664,000) and RMB24,892,000 (2019: RMB Nil) respectively and the average aging is generally within 180 (2019: 180) days based on the issuance date, which management believes that no impairment allowance is necessary as there is no significant change in credit quality and the balances are considered fully recoverable. As at 31 December 2020 and 2019, all the amounts of bank acceptance notes were endorsed to settle trade payables and not derecognised until the maturity date of the notes.

The management of the Group considers the note receivables are issued by the banks and reputable state-owned enterprise with high credit rating and the probability of default is low. Therefore, no impairment is considered necessary.

Movement in the allowance for impairment for trade receivables:

		2020 2020年	2019 2019年
		RMB'000 人民幣千元	RMB'000 人民幣千元
Balance at the beginning of the year	年初結餘	3,798	3,148
Impairment losses recognised	已確認減值虧損	6,128	2,171
Impairment losses reversed	已撥回減值虧損	(2,432)	(1,521)
Balance at the end of the year	年末結餘	7,494	3,798

Further details on the Group's credit policy and credit risk arising from trade receivables are set out in Note 34(b).

22 貿易應收款項及應收票據(續)

		2020 2020年	2019 2019年
		RMB'000 人民幣千元	RMB'000 人民幣千元
0 – 90 days	0至90日	129,838	75,109
91 – 180 days	91至180日	30,571	24,944
181 – 365 days	181至365日	9,377	16,413
Over 365 days	365日以上	3,164	2,744
		172,950	119,210

應收票據為金額分別約為人民幣37,109,000元(2019年：人民幣24,664,000元)及人民幣24,892,000元(2019年：人民幣零元)的銀行承兌票據及商業承兌票據，且基於發行日期的平均賬齡一般為180日(2019年：180日)內，管理層認為，由於信用質量無重大變動及該等結餘被認為可悉數收回，故無必要作出減值撥備。於2020年及2019年12月31日，已背書所有銀行承兌票據的款項以結清貿易應付款項，直至票據到期日並未終止確認。

本集團管理層認為，該等應收票據由具有高信貸評級及違約可能性較低的銀行及知名國有企業發行，故毋須作出減值。

貿易應收款項減值撥備之變動：

		2020 2020年	2019 2019年
		RMB'000 人民幣千元	RMB'000 人民幣千元
Balance at the beginning of the year	年初結餘	3,798	3,148
Impairment losses recognised	已確認減值虧損	6,128	2,171
Impairment losses reversed	已撥回減值虧損	(2,432)	(1,521)
Balance at the end of the year	年末結餘	7,494	3,798

有關本集團信貸政策及來自貿易應收款項之信貸風險的進一步詳情載於附註34(b)。

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23 DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES

23 按金、預付款項及其他應收款項

		2020 2020年	2019 2019年
		<i>RMB'000</i> 人民幣千元	<i>RMB'000</i> 人民幣千元
Advance to suppliers	向供應商作出的墊款	37,250	25,664
Deposits for tender bidding	投標按金	6,345	11,319
Other deposits	其他按金	1,931	1,830
Value-added tax receivables	應收增值稅	13,390	10,563
Staff advances	員工墊款	1,186	1,034
Prepayment for acquisition of a subsidiary*	收購一間附屬公司的預付款項*	—	5,500
Others	其他	3,635	1,210
		63,737	57,120

* Represented the partial payment for the acquisition of 73% equity interest of a subsidiary of which the transaction was completed on 16 January 2020. (Note 42)

* 指收購一間附屬公司73%股權的部分付款，相關交易已於2020年1月16日完成。(見附註42)

24 CONTRACT ASSETS/LIABILITIES

24 合約資產／負債

		2020 2020年	2019 2019年
		<i>RMB'000</i> 人民幣千元	<i>RMB'000</i> 人民幣千元
Contract assets	合約資產	278,733	274,408
Contract liabilities	合約負債	105,089	44,179

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24 CONTRACT ASSETS/LIABILITIES (continued)

As at 31 December 2020, contract assets include retention receivables of approximately RMB19,780,000 (2019: RMB25,737,000). The Group generally provides their customers with one to two (2019: one to two) years warranty period. Upon the expiration of retention period, if the relevant hazardous wastage processing plant has met the requirements in the contract, the customer would conduct a final inspection and provide an acceptance certificate and pay the retention within the terms as specified in the contract.

The changes in contract assets and liabilities are due to i) adjustments arising from changes in the measure of progress of contracting work, or ii) reclassification to trade receivables when the Group has unconditional right to the consideration.

Contract assets

Arising from performance under hazardous waste incineration solutions services, pyrolysis solid waste treatments solutions services and technical upgrading services	產生自有害廢物焚燒處理解決方案服務、無氧裂解固體廢物處理解決方案服務及技術升級服務的表現
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24 合約資產／負債(續)

於2020年12月31日，合約資產包括應收保留金約人民幣19,780,000元(2019年：人民幣25,737,000元)。本集團一般向其客戶提供一至兩年(2019年：一至兩年)的保修期。於保留期屆滿之時，若相關危險廢物處理廠已滿足合約所列要求，客戶將進行最後檢驗並提供驗收合格證書，且於合約規定的期限內支付保留金。

合約資產及負債的變動乃由於 i) 因合約工程進度的衡量標準變動而產生的調整，或 ii) 本集團擁有無條件收款權時重新分類至貿易應收款項。

合約資產

	2020 2020年 <i>RMB'000</i> 人民幣千元	2019 2019年 <i>RMB'000</i> 人民幣千元
	278,733	274,408

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24 CONTRACT ASSETS/LIABILITIES (continued)

Contract assets (continued)

The Group classifies these contract assets as current because the Group expects to realise them in its normal operating cycle.

The contract assets have the same risk characteristics as the trade receivables, which are subject to the same ECL assessment as the trade receivables.

During the year ended 31 December 2020, the allowance for impairment of contract assets amounting to approximately RMB5,713,000 (2019: RMB117,000) was recognised in profit or loss. As at 31 December 2020, the accumulated allowance for impairment of contract assets is approximately RMB9,753,000 (2019: RMB4,040,000).

Further details on the Group's credit policy and credit risk arising from contract assets are set out in Note 34(b).

24 合約資產／負債(續)

合約資產(續)

本集團將該等合約資產分類為流動，原因為本集團預期於其正常營運週期內將其變現。

合約資產與貿易應收款項具有相同的風險特徵，就合約資產作出的預期信貸虧損評估與貿易應收款項相同。

截至2020年12月31日止年度，約人民幣5,713,000元(2019年：人民幣117,000元)的合約資產減值撥備已於損益中確認。於2020年12月31日，合約資產減值累計撥備約為人民幣9,753,000元(2019年：人民幣4,040,000元)。

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24 CONTRACT ASSETS/LIABILITIES (continued)

Contract liabilities

		2020 2020年	2019 2019年
		<i>RMB'000</i> 人民幣千元	<i>RMB'000</i> 人民幣千元
Hazardous waste incineration solutions	有害廢物焚燒處理解決方案	97,781	43,881
Technical upgrading services	技術升級服務	2,468	298
Maintenance services	維護服務	4,840	—
		105,089	44,179

All the contract liabilities are expected to be recognised as revenue in the following year.

Contract liabilities represent the progress payment exceeds the revenue recognised to date under the input method and are recognised as revenue when the Group performs its obligations under the contracts.

The following table shows amount of the revenue recognised in the current year relates to carried-forward contract liabilities in prior periods.

24 合約資產／負債(續)

合約負債

		2020 2020年	2019 2019年
		<i>RMB'000</i> 人民幣千元	<i>RMB'000</i> 人民幣千元
Hazardous waste incineration solutions	有害廢物焚燒處理解決方案	97,781	43,881
Technical upgrading services	技術升級服務	2,468	298
Maintenance services	維護服務	4,840	—
		105,089	44,179

全部合約負債預期於下一年度確認為收入。

合約負債指進度付款超過至今按投入法確認的收入，並於本集團履行其於合約項下的責任時確認為收入。

下表列示於本年度確認的收入與過往期間結轉的合約負債的相關程度。

		Hazardous waste incineration solutions 危險廢物焚燒處置解決方案		Technical upgrading services 技術升級服務	
		2020 2020年	2019 2019年	2020 2020年	2019 2019年
		<i>RMB'000</i> 人民幣千元	<i>RMB'000</i> 人民幣千元	<i>RMB'000</i> 人民幣千元	<i>RMB'000</i> 人民幣千元
Revenue recognised that was included in the contract liability balance at the beginning of the year	計入年初合約負債結餘的已確認收入	31,072	59,441	78	240

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25 BANK BALANCES AND CASH AND PLEDGED BANK DEPOSITS

Bank balances and cash comprise cash and bank balances held by the Group with maturity of three months or less and carry interest at market rate of 0.01% to 1.35% (2019: 0.01% to 1.35%) per annum as at 31 December 2020.

Pledged bank deposits represent the bank guarantee with several customers for performance obligation fulfilment. The pledged bank deposits will be released when the performance obligation is met, the customer cancelled the requirement for the bank guarantee or the bank guarantee is due. Pledged bank deposits of the Group carrying interest at market rate of 0.35% to 2.415% (2019: 0.35% to 2.415%) per annum as at 31 December 2020.

26 AMOUNTS DUE FROM NON-CONTROLLING SHAREHOLDERS OF A SUBSIDIARY

The amounts are secured by their 27% equity interest in a subsidiary, Qingyang Qingyi Petroleum Engineering Company Limited[#] ("Qingyang Qingyi"), interest-free and receivable on demand, except for an amount of RMB1,500,000 which carries interest of 10% per annum.

[#] The English name is for identification only.

25 銀行結餘及現金和已抵押銀行存款

於2020年12月31日，銀行結餘及現金包括本集團持有的期限不超過三個月並以每年0.01%至1.35%（2019年：0.01%至1.35%）的市場利率計息的現金和銀行結餘。

已抵押銀行存款指就履行履約責任與若干客戶訂立的銀行擔保。已抵押銀行存款將在履行履約義務、客戶取消銀行擔保要求或銀行擔保到期時解除。於2020年12月31日，本集團的已抵押銀行存款按市場利率每年0.35%至2.415%（2019年：0.35%至2.415%）計息。

26 應收一間附屬公司非控股股東款項

該等款項由彼等於附屬公司慶陽慶義石油工程有限公司（「慶陽慶義」）的27%股權作抵押、免息及須按要求償還，惟金額為人民幣1,500,000元按年利率10%計息的款項除外。

[#] 英文名稱僅供識別。

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27 TRADE PAYABLES

The following is an aging analysis of the trade payables presented based on the invoice date at the end of the reporting period:

		2020 2020年	2019 2019年
		<i>RMB'000</i> 人民幣千元	<i>RMB'000</i> 人民幣千元
0 – 90 days	0至90日	117,828	98,797
91 – 180 days	91至180日	17,540	15,707
181 – 365 days	181至365日	3,808	4,576
Over 365 days	365日以上	12,786	526
		151,962	119,606

There is no specific credit period granted on purchase of goods and services. All of the trade payables are expected to be settled or recognised as income within one year or are repayable on demand.

27 貿易應付款項

以下為於報告期末按發票日期呈列的貿易應付款項的賬齡分析：

2020 2020年	2019 2019年
<i>RMB'000</i> 人民幣千元	<i>RMB'000</i> 人民幣千元
117,828	98,797
17,540	15,707
3,808	4,576
12,786	526
151,962	119,606

本公司並無就購買商品及服務被授予特定的信貸期。預期所有貿易應付款項將於一年內結付或確認為收入或須按要求償還。

28 OTHER PAYABLES AND ACCRUED EXPENSES

Other tax payables	其他應付稅項	7,192	5,126
Accrued staff costs	應計員工成本	8,418	5,625
Accrued charges	應計費用	5,441	1,603
Provision for legal claim	法律申索撥備	950	1,250
Others	其他	3,210	1,660
		25,211	15,264

28 其他應付款項及應計開支

2020 2020年	2019 2019年
<i>RMB'000</i> 人民幣千元	<i>RMB'000</i> 人民幣千元
7,192	5,126
8,418	5,625
5,441	1,603
950	1,250
3,210	1,660
25,211	15,264

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29 LEASE LIABILITIES

The following table shows the remaining contractual maturities of the Group's lease liabilities at the end of reporting period:

29 租賃負債

下表顯示本集團租賃負債於本報告期末的餘下合約到期日：

		2020 2020年		2019 2019年	
		Present value of the minimum lease payments 最低 租賃付款現值	Total Minimum lease payments 最低 租賃付款總額	Present value of the minimum lease payments 最低 租賃付款現值	Total Minimum lease payments 最低 租賃付款總額
		<i>RMB'000</i> 人民幣千元	<i>RMB'000</i> 人民幣千元	<i>RMB'000</i> 人民幣千元	<i>RMB'000</i> 人民幣千元
Within one year	一年內	2,670	2,797	2,802	3,063
After 1 year but within 2 years	一年後但兩年內	1,275	1,296	2,684	2,811
After 2 years but within 5 years	兩年後但五年內	—	—	1,275	1,296
		3,945	4,093	6,761	7,170
Total future interest expenses	未來利息開支總額		(148)		(409)
Present value of lease liabilities	租賃負債現值		3,945		6,761

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30. BORROWINGS

30 借款

		2020 2020年	2019 2019年
		RMB'000 人民幣千元	RMB'000 人民幣千元
Fixed-rate borrowings:	定息借款：		
— Secured bank borrowings	— 有抵押銀行借款	28,000	—
— Unsecured bank borrowings	— 無抵押銀行借款	—	14,048
— Secured borrowings from financial institutions	— 來自金融機構的有抵押借款	16,461	—
Variable-rate borrowings:	浮息借款：		
— Secured bank borrowings	— 有抵押銀行借款	11,267	12,550
		55,728	26,598
The carrying amounts of the above borrowings are repayable based on the scheduled repayment dates set out in the loan agreements as:	上述借款的賬面值須按貸款協議所載計劃還款日期償還，詳情如下：		
— Within one year	— 一年內	44,384	26,598
— More than one year, but not exceeding two years	— 一年以上但不超過兩年	8,642	—
— More than two years, but not exceeding three years	— 兩年以上但不超過三年	2,702	—
		55,728	26,598
Less: amount due within one year shown under current liabilities	減：流動負債項下所示一年內到期的金額	(44,384)	(26,598)
Amount shown under non-current liabilities	非流動負債項下所示金額	11,344	—

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30. BORROWINGS (continued)

The ranges of effective interest rates on the Group's borrowings are as follows:

Effective interest rate:	實際利率：
— Fixed-rate borrowings	— 定息借款
— Variable-rate borrowings	— 浮息借款

As at 31 December 2020, the bank borrowings of approximately RMB39,267,000 (2019: approximately RMB12,550,000) were secured by the pledged bank deposits and the personal guarantee provided by Mr. Cai.

Other borrowings were secured by an oil sludge treatment facility and certain patents in the PRC with an aggregate carrying amount of approximately RMB15,482,000 (2019: Nil).

Except for the borrowing denominated in US\$ of approximately RMB8,417,000 (2019: Nil), the remaining balance was denominated in RMB which is the same as the functional currency of the corresponding group entities.

30 借款(續)

本集團借款的實際利率範圍如下：

2020	2019
2020年	2019年
3.85%-7.00%	5.22%
0.89%-5.05%	5.17%-6.18%

於2020年12月31日，銀行借款約人民幣39,267,000元(2019年：約人民幣12,550,000元)由已抵押銀行存款及蔡先生提供的個人擔保作抵押。

其他借款以賬面值總額為約人民幣15,482,000元(2019年：無)位於中國的一項油泥處理設施及若干專利作抵押。

除以美元計值的借款約人民幣8,417,000元(2019年：無)外，餘下結餘以人民幣計值，人民幣亦為相應集團實體的功能貨幣。

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31 SHARE CAPITAL

Details of the movement of share capital of the Company are as follows:

	Number of shares 股份數目	Nominal value per share 每股面值	Share capital		
			Share capital 股本	Share capital 股本	
		HK\$ 港元	HK\$ 港元	RMB'000 人民幣千元	
Authorised	法定				
At 1 January 2019, 31 December 2019, 1 January 2020 and 31 December 2020	於2019年1月1日、2019年12月31日、2020年1月1日及2020年12月31日	4,000,000,000	0.05	200,000,000	168,620
Issued and fully paid	已發行及繳足				
At 1 January 2019	於2019年1月1日	1,020,864,000	0.05	51,043,200	41,413
— Issuance of new shares upon IPO (Note)	— 首次公開發售後發行新股份 (附註)	312,471,000	0.05	15,623,550	13,687
At 31 December 2019, 1 January 2020 and 31 December 2020	於2019年12月31日、2020年1月1日及2020年12月31日	1,333,335,000	0.05	66,666,750	55,100

Note:

On 3 January 2019, 312,471,000 ordinary shares with a par value of HK\$0.05 each of the Company were issued at a price of HK\$0.88 per share by way of public offer. On the same date, the shares of the Company were listed on the Main Board of the Stock Exchange.

31 股本

本公司股本變動的詳情如下：

附註：

於2019年1月3日，本公司312,471,000股每股面值0.05港元的普通股已以公開發售的方式按每股0.88港元的價格發行。同日，本公司股份已於聯交所主板上市。

32 RETIREMENT BENEFITS PLANS

The Group operates a Mandatory Provident Fund Scheme for all qualify employees in Hong Kong. The assets of the scheme are held separately from those of the Group, in funds under the control of trustees. The Group contributes 5% of relevant payroll costs to the Scheme, which contribution is matched by employees.

32 退休福利計劃

本集團於香港為所有合資格僱員推行強制性公積金計劃。該計劃的資產與本集團資產分隔開來，由受託人所控制基金持有。本集團按相關工資成本的5%向該計劃作出供款，而僱員亦須作出等額供款。

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32 RETIREMENT BENEFITS PLANS *(continued)*

The employees of the Group's subsidiaries in the PRC are members of a state-managed retirement benefits scheme operated by the PRC government. The subsidiaries are required to contribute a specified percentage of payroll costs as determined by respective local government authority to the retirement benefits scheme to fund the benefits. The only obligation of the Group with respect to the retirement benefits scheme is to make the specified contributions under the scheme.

The amounts of contributions made by the Group in respect of the retirement benefits scheme for the years ended 31 December 2020 and 2019 are disclosed in Notes 10 and 11.

33 CAPITAL RISK MANAGEMENT

The Group's policy is to maintain a strong capital base so as to maintain creditor and market confidence and to sustain future development of business. The Group's overall strategy remains unchanged from prior years.

The capital structure of the Group consists of borrowings, net of bank balances and cash, and equity attributable to owners of the Company, comprising share capital and reserves.

The directors of the Company review the capital structure on a continuous basis taking into account the cost of capital and the risks associated with the capital. Based on recommendations of the directors of the Company, the Group will balance its overall capital structure through the issue of new shares and raising of new debts.

32 退休福利計劃(續)

本集團於中國附屬公司的僱員為中國政府主辦的國家管理退休福利計劃的成員。相關附屬公司需要向退休福利計劃作出一筆由各當地政府確定的薪酬成本之特定比例的供款，以向福利提供資金。本集團有關退休福利計劃的唯一義務是作出計劃下的特定供款。

本集團於截至2020年及2019年12月31日止年度就退休福利計劃作出的供款金額披露於附註10及11。

33 資本風險管理

本集團的政策規定保持穩固的資本基礎，以維持債權人和市場信心，並支持未來業務的可持續發展。本集團的整體戰略與過往年度相同。

本集團的資本架構包括借款(扣除銀行結餘及現金)以及本公司擁有人應佔權益(其中包括股本與儲備)。

本公司董事根據資本成本以及各類資本所涉及的風險，持續審核資本架構。根據本公司董事的建議，本集團將透過發行新股及募集新債來平衡其整體資本架構。

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綜合財務報表附註

(Expressed in Renminbi)

(以人民幣為單位)

34 FINANCIAL INSTRUMENTS

(a) Categorises of financial instruments

		2020 2020年	2019 2019年
		<i>RMB'000</i> 人民幣千元	<i>RMB'000</i> 人民幣千元
Financial assets	金融資產		
Financial assets at amortised cost	按攤銷成本計量的金融資產	373,898	340,289
Equity instrument at FVTOCI	按公允價值計量並計入其他全面收益的股本工具	3,825	4,775
		377,723	345,064
Financial liabilities	金融負債		
Financial liabilities measured at amortised cost	按攤銷成本計量的金融負債	221,236	157,478

Financial assets at amortised cost are as follows:

按攤銷成本計量之金融資產如下：

		2020 2020年	2019 2019年
		<i>RMB'000</i> 人民幣千元	<i>RMB'000</i> 人民幣千元
Trade and note receivables	貿易應收款項及應收票據	234,951	143,874
Other receivables	其他應收款項	3,635	1,210
Amounts due from non-controlling shareholders of a subsidiary	應收一間附屬公司非控股股東款項	4,523	—
Pledged bank deposits	已抵押銀行存款	43,435	52,999
Bank balances and cash	銀行結餘及現金	87,354	142,206
		373,898	340,289

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綜合財務報表附註

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34 FINANCIAL INSTRUMENTS (continued)

(b) Financial risk management objectives and policies

The Group's major financial instruments include trade and note receivables, amounts due from non-controlling shareholders of a subsidiary, other receivables, pledged bank deposits, bank balances and cash, equity instrument at FVTOCI, trade payables, other payables, borrowings and lease liabilities. Details of these financial instruments are disclosed in the respective notes.

The risks associated with these financial instruments include interest rate risk, currency risk, credit risk and liquidity risk. The policies on how to mitigate these risks are set out below. The directors of the Company manage and monitor these exposures to ensure appropriate measures are implemented on a timely and effective manner.

Interest rate risk

The Group is exposed to fair value interest rate risk in relation to fixed-rate borrowings. The Group currently does not have any fair value interest rate hedging policy. However, the management will consider hedging significant interest rate exposure should the need arises.

The Group is also exposed to cash flow interest rate risk due to the fluctuation of market rate, the benchmark lending rate quoted by the People's Bank of China on variable-rate bank balances, pledged bank deposits and borrowings.

34 金融工具(續)

(b) 財務風險管理目標及政策

本集團的主要金融工具包括貿易應收款項及應收票據、應收一間附屬公司非控股股東的款項、其他應收款項、已抵押銀行存款、銀行結餘及現金、按公允價值計量並計入其他全面收益的股本工具、貿易應付款項、其他應付款項、借款及租賃負債。該等金融工具之詳情於相應附註披露。

與該等金融工具有關的風險包括利率風險、貨幣風險、信貸風險及流動性風險。下文載列如何降低該等風險的政策。本公司董事管理及監控該等風險，以確保及時有效地採取適當措施。

利率風險

本集團面臨與定息借款有關的公允價值利率風險。本集團目前並無制定任何公允價值利率對沖政策。但管理層於有需要時考慮對沖重大利率風險。

本集團亦面臨浮息銀行結餘、已抵押銀行存款及借款之市場利率、中國人民銀行公佈的貸款基準利率波動導致的現金流量利率風險。

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34 FINANCIAL INSTRUMENTS (continued)

(b) Financial risk management objectives and policies (continued)

Interest rate risk (continued)

The following table details the Group's interest-bearing financial assets and liabilities at variable rates as at the end of reporting period:

		2020 2020年	2019 2019年
		RMB'000 人民幣千元	RMB'000 人民幣千元
Variable rate financial assets/ (liabilities)	浮動利率金融資產/(負債)		
Pledge bank deposits	已抵押銀行存款	43,435	52,999
Bank balances	銀行結餘	87,339	142,184
Borrowings	借款	(11,267)	(12,550)
Net exposure	風險淨額	119,507	182,633

Sensitivity analysis

The sensitivity analysis below has been determined based on the exposure to interest rates for bank balances and cash, pledged bank deposits and variable rate borrowings at the end of each reporting period and assumed that the amount of liabilities outstanding at the end of each reporting period was outstanding for the whole year. 100 basis points increase or decrease is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates.

34 金融工具(續)

(b) 財務風險管理目標及政策(續)

利率風險(續)

下表詳述本集團於報告期末按浮動利率計息的金融資產及負債：

敏感度分析

下文的敏感度分析乃基於銀行結餘及現金、已抵押銀行存款及可變利率借款於各報告期末的利率風險釐定，並假設於各報告期末的未償還負債金額於整個年度尚未償還。向主要管理人員內部匯報利率風險時，採用100基點的增減，代表管理層對利率的合理可能變動作出的評估。

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34 FINANCIAL INSTRUMENTS (continued)

(b) Financial risk management objectives and policies

(continued)

Interest rate risk (continued)

Sensitivity analysis (continued)

If interest rates had been 100 basis points higher/lower and all other variables were held constant, the Group's post-tax loss for the year ended 31 December 2020 would have decreased/increased by approximately RMB896,000 (2019: post-tax profit would have increased/decreased by approximately RMB1,370,000). This is mainly attributable to the Group's exposure to interest rates on its bank balances and pledged bank deposits and partially offset by the impact from borrowings.

Currency risk

The Group's certain bank balances and cash, other receivables, other payables and borrowings are denominated in US\$ and HK\$, which exposed the Group to foreign currency risk.

The carrying amount of the Group's foreign currency denominated monetary assets and monetary liabilities at the end of the reporting date is as below:

		2020	2019
		2020 年	2019 年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Assets	資產		
US\$	美元	9,397	56,103
HK\$	港元	2,857	2,021
Liabilities	負債		
US\$	美元	8,417	—
HK\$	港元	439	1,617

34 金融工具(續)

(b) 財務風險管理目標及政策(續)

利率風險(續)

敏感度分析(續)

倘利率增加／減少100基點，而所有其他變數維持不變，則本集團截至2020年12月31日止年度的稅後虧損將減少／增加約人民幣896,000元(2019年：稅後利潤將增加／減少約人民幣1,370,000元)。這主要是由於本集團的銀行結餘及已抵押銀行存款面臨利率風險，並部分被借款的影響抵銷。

貨幣風險

本集團的若干銀行結餘及現金、其他應收款項、其他應付款項及借款均以美元及港元計值，這使本集團面臨外匯風險。

於報告期末，本集團以外幣計值的貨幣資產及貨幣負債的賬面值載列如下：

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綜合財務報表附註

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34 FINANCIAL INSTRUMENTS (continued)

(b) Financial risk management objectives and policies (continued)

Currency risk (continued)

Sensitivity analysis

The sensitivity analysis below has been determined based on the exposure to foreign currency rates and includes only outstanding foreign currency denominated monetary items and adjusted their transaction at year end for a 5% change in foreign currency rates. The sensitivity analysis includes bank balances and cash, other receivables and other payables. A 5% increase or decrease is used when reporting foreign currency rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign currency rates.

If 5% weakening/strengthening of US\$ and HK\$ against RMB, the Group's post-tax loss for the year ended 31 December 2020 would increase/decrease by approximately RMB127,000 (2019: post-tax profit would decrease/increase by approximately RMB2,119,000). This is mainly attributable to the Group's exposure to foreign currencies rates of US\$ and HK\$ on its bank balances and cash, other receivables and other payables as at 31 December 2020 and 2019.

34 金融工具(續)

(b) 財務風險管理目標及政策(續)

貨幣風險(續)

敏感度分析

下文的敏感度分析乃基於外幣匯率風險釐定，且僅包括以外幣計值的尚未支付貨幣項目，並以5%的外幣匯率變動於年末作交易調整。敏感度分析包括銀行結餘及現金、其他應收款項以及其他應付款項。向主要管理人員內部匯報外幣匯率風險時，採用5%的增減，代表管理層對外幣匯率的合理可能變動作出的評估。

倘美元及港元兌人民幣匯率下跌／上升5%，則截至2020年12月31日止年度，本集團稅後虧損將增加／減少約人民幣127,000元(2019年：稅後利潤將減少／增加約人民幣2,119,000元)。這主要是由於本集團於2020年及2019年12月31日之銀行結餘及現金、其他應收款項以及其他應付款項面臨美元及港元外幣匯率風險。

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綜合財務報表附註

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34 FINANCIAL INSTRUMENTS (continued)

(b) Financial risk management objectives and policies (continued)

Credit risk and impairment assessment

The Group's credit risk is primarily attributable to trade and note receivables, contract assets, amounts due from non-controlling shareholders of a subsidiary, bank balances and pledged bank deposits.

The carrying amounts of the respective recognised financial assets and contract assets as stated in the consolidated statements of financial position best represent the Group's maximum exposure to credit risk.

In order to minimise the credit risk, the directors of the Company estimates the lifetime ECL of trade receivables and contract assets, after considering credit risk characteristics based on historical observed default rates over the expected life of the debtors and are adjusted for forward-looking information. Estimated loss rates are based on credit risk characteristics with reference to estimated loss rates assigned by international credit-rating agencies. In this regard, the directors of the Company consider that the Group's credit risk is significantly reduced.

The credit risk on bank balances, pledged bank deposits and bank acceptance note receivables are limited because the counterparties are reputable financial institutions in the PRC. The credit risk on commercial acceptance note receivables is also limited because the counterparties are reputable state-owned enterprise in the PRC.

34 金融工具(續)

(b) 財務風險管理目標及政策(續)

信貸風險及減值評估

本集團的信貸風險主要來自貿易應收款項及應收票據、合約資產、應收一間附屬公司非控股股東款項、銀行結餘及已抵押銀行存款。

綜合財務狀況表所示各項已確認金融資產及合約資產的相應賬面值最能反映本集團面臨的最大信貸風險。

為將信貸風險降至最低，本公司董事估計貿易應收款項及合約資產的整個存續期預期信貸虧損，並根據債務人預期年期內的歷史觀察違約率考慮信貸風險特徵，並就前瞻性資料作出調整。估計虧損率乃基於信貸風險特徵，並參考國際信貸評級機構指定的估計虧損率。故此，本公司董事認為本集團的信貸風險已大幅降低。

由於對手方均為信譽良好之中國境內金融機構，故銀行結餘、已抵押銀行存款及應收銀行承兌票據的信貸風險有限。由於對手方為信譽良好之中國國有企業，故應收商業承兌票據的信貸風險亦屬有限。

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綜合財務報表附註

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34 FINANCIAL INSTRUMENTS (continued)

(b) Financial risk management objectives and policies (continued)

Credit risk and impairment assessment (continued)

The management of the Group considers pledged bank deposits and bank balances that are deposited with state-owned banks or financial institutions with high credit rating to be low credit risk financial assets. The directors of the Company consider that the probability of default is negligible on the basis of high-credit rating issuers during the year ended 31 December 2020 and 2019.

The Group's concentration by geographical locations is mainly in the PRC, which accounted for all of the trade and note receivables as at 31 December 2020 and 2019.

The Group has concentration of credit risk as 20% (2019: 36%) of the total trade and note receivables was due from the Group's largest customer as at 31 December 2020.

The Group has concentration of credit risk as 44% (2019: 90%) of the total trade and note receivables was due from the Group's five largest customers as at 31 December 2020.

The Group applies the simplified approach to provide for expected credit losses as prescribed by IFRS 9, which permits the use of the lifetime expected loss provision for trade and note receivables and contract assets.

34 金融工具(續)

(b) 財務風險管理目標及政策(續)

信貸風險及減值評估(續)

本集團管理層認為，存放於國有銀行或信用評級較高的金融機構的已抵押銀行存款及銀行結餘為低信貸風險金融資產。基於截至2020年及2019年12月31日止年度彼等為高信貸評級發行人，本公司董事認為違約的可能性可忽略。

本集團按地區劃分之集中信貸風險主要位於中國境內，於2020年及2019年12月31日佔貿易應收款項及應收票據的全部。

於2020年12月31日，本集團因貿易應收款項及應收票據總額中有20% (2019年：36%) 應由本集團最大客戶支付而面臨信貸集中風險。

於2020年12月31日，本集團因貿易應收款項及應收票據總額中有44% (2019年：90%) 應由本集團五大客戶支付而面臨信貸集中風險。

本集團應用簡化方法來提供《國際財務報告準則》第9號所規定的預期信貸虧損，該準則允許使用貿易應收款項及應收票據以及合約資產的整個存續期預期虧損撥備。

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34 FINANCIAL INSTRUMENTS (continued)

(b) Financial risk management objectives and policies (continued)

Credit risk and impairment assessment (continued)

The Group's internal credit risk grading assessment comprises the following categories:

Internal credit rating Description

內部信用評級 內容

Group A The counterparty has a low risk of default and does not have any past-due amounts

組合A 對手方的違約風險屬低微，且並無任何逾期款項

Group B Debtor frequently repays after due dates but usually settle in full

組合B 債務人時常於逾期後悉數償付

Group C There have been significant increases in credit risk since initial recognition through information developed internally or externally

組合C 信貸風險自透過內部或外部資源建立的資料初始確認起大幅增加

Group D There is evidence indicating the asset is credit-impaired

組合D 顯示資產信貸減值的證據

Group E There is evidence indicating that the debtor is in severe financial difficulty and the Group has no realistic prospect

組合E 顯示債務人處於嚴峻財務困難的證據，且本集團並無實際收回的可能

34 金融工具(續)

(b) 財務風險管理目標及政策(續)

信貸風險及減值評估(續)

本集團的內部信貸風險評級的評估包括以下類別：

Trade receivables/ contract assets Other financial assets/other items

貿易應收款項/
合約資產

其他金融資產/
其他項目

Lifetime ECL – not credit-impaired

整個存續期預期信貸虧損 – 並無信貸減值

12m ECL

12個月的預期信貸虧損

Lifetime ECL – not credit-impaired

整個存續期預期信貸虧損 – 並無信貸減值

12m ECL

12個月的預期信貸虧損

Lifetime ECL – not credit-impaired

整個存續期預期信貸虧損 – 並無信貸減值

Lifetime ECL – not credit-impaired

整個存續期預期信貸虧損 – 並無信貸減值

Lifetime ECL – credit-impaired

整個存續期預期信貸虧損 – 信貸減值

Lifetime ECL – credit-impaired

整個存續期預期信貸虧損 – 信貸減值

Amount is written off

款項已撇銷

Amount is written off

款項已撇銷

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34 FINANCIAL INSTRUMENTS (continued)

(b) Financial risk management objectives and policies (continued)

Credit risk and impairment assessment (continued)

The tables below detail the credit risk exposures of the Group's trade and note receivables and contract assets, bank balances, pledged bank deposits, amounts due from non-controlling shareholders of a subsidiary and other receivables, which are subject to ECL assessment:

Financial assets at amortised costs

	Note 附註	External credit rating 外部信貸 評級	Internal credit rating 內部信貸評級	12-month or lifetime ECL 12個月或整個存續 期預期信貸虧損	Gross carrying amount 總賬面值	
					2020 2020年 RMB'000 人民幣千元	2019 2019年 RMB'000 人民幣千元
Trade receivables 貿易應收款項	22	N/A 不適用	(Note 2) (附註2)	Lifetime ECL 整個存續期預期信貸 虧損	180,444	123,008
Note receivables 應收票據	22	Low risk 低風險	N/A 不適用	12m ECL 12個月的預期信貸 虧損	62,001	24,664
Contract assets 合約資產	24	N/A 不適用	(Note 2) (附註2)	Lifetime ECL 整個存續期預期信貸 虧損	288,486	278,448
Bank balances 銀行結餘	25	Low risk 低風險	N/A 不適用	12m ECL 12個月的預期信貸 虧損	87,339	142,184
Pledged bank deposits 已抵押銀行存款	25	Low risk 低風險	N/A 不適用	12m ECL 12個月的預期信貸 虧損	43,435	52,999
Amounts due from non-controlling shareholders of a subsidiary 應收一間附屬公司 非控股股東款項	26	N/A 不適用	(Note 1) (附註1)	12m ECL 12個月的預期信貸 虧損	4,523	—
Other receivables 其他應收款項	23	N/A 不適用	(Note 1) (附註1)	12m ECL 12個月的預期信貸 虧損	3,635	1,210

34 金融工具(續)

(b) 財務風險管理目標及政策(續)

信貸風險及減值評估(續)

下表詳列本集團貿易應收款項及應收票據以及合約資產、銀行結餘、已抵押銀行存款、應收一間附屬公司非控股股東款項及其他應收款項面對的信貸風險，須進行預期信貸虧損評估：

按攤銷成本計量的金融資產

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34 FINANCIAL INSTRUMENTS (continued)

(b) Financial risk management objectives and policies (continued)

Credit risk and impairment assessment (continued)

Financial assets at amortised costs (continued)

Note:

1. For the purposes of internal credit risk management, the Group uses past due information to assess whether credit risk has increased significantly since initial recognition. At 31 December 2020, other receivables and amounts due from non-controlling shareholders of a subsidiary with no fixed payment terms amounting to approximately RMB3,635,000 (2019: RMB1,210,000) and RMB4,523,000 (2019: RMB Nil) respectively.
2. For trade receivables and contract assets, the Group has applied the simplified approach under IFRS 9 to measure the loss allowance at lifetime ECL. The Group determines the expected credit losses on these items.

As part of the Group's credit risk management, the Group applies internal credit rating for its customers in relation to its operation. The following table provides information about the exposure to credit risk for trade receivables and contract assets which are assessed on a collective basis within lifetime ECL (not credit-impaired).

34 金融工具(續)

(b) 財務風險管理目標及政策(續)

信貸風險及減值評估(續)

按攤銷成本計量的金融資產(續)

附註：

1. 就內部信貸風險管理的目的而言，本集團使用逾期資料評估信貸風險是否自初始確認起一直大幅上升。於2020年12月31日，並無固定付款期的其他應收款項及應收一間附屬公司非控股股東款項分別約為人民幣3,635,000元(2019年：人民幣1,210,000元)及人民幣4,523,000元(2019年：人民幣零元)。
2. 就貿易應收款項及合約資產而言，根據《國際財務報告準則》第9號，本集團應用簡化方法計量整個存續期預期信貸虧損的虧損撥備。本集團釐定該等項目的預期信貸虧損。

作為本集團信貸風險管理的一部分，本集團對與其營運相關的客戶進行內部信貸評級。下表提供有關整個存續期預期信貸虧損(無信貸減值)內按集體基準評估的貿易應收款項及合約資產的信貸風險資料。

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34 FINANCIAL INSTRUMENTS (continued)

(b) Financial risk management objectives and policies (continued)

Credit risk and impairment assessment (continued)

Financial assets at amortised costs (continued)

34 金融工具(續)

(b) 財務風險管理目標及政策(續)

信貸風險及減值評估(續)

按攤銷成本計量的金融資產(續)

		2020 2020年			
		Average loss rate 平均虧損率	Gross carrying amount 總賬面值	Loss allowances 虧損撥備	Net carrying amount 賬面淨值
Internal credit rate 內部信貸評級			RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元
Group A	組合A	0.14%	316,586	444	316,142
Group B	組合B	3.59%	131,484	4,720	126,764
Group C	組合C	33.08%	13,115	4,338	8,777
Group D	組合D	100.00%	7,745	7,745	—
			468,930	17,247	451,683

		2019 2019年			
		Average loss rate 平均虧損率	Gross carrying amount 總賬面值	Loss allowances 虧損撥備	Net carrying amount 賬面淨值
Internal credit rate 內部信貸評級			RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元
Group A	組合A	0.11%	259,077	287	258,790
Group B	組合B	2.74%	136,459	3,733	132,726
Group C	組合C	21.04%	2,662	560	2,102
Group D	組合D	100.00%	3,258	3,258	—
			401,456	7,838	393,618

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34 FINANCIAL INSTRUMENTS (continued)

(b) Financial risk management objectives and policies (continued)

Credit risk and impairment assessment (continued)

Financial assets at amortised costs (continued)

The estimated loss rates are estimated based on historical observed default rates over the expected life of the debtors and are adjusted for forward-looking information that is available without undue cost or effort. The grouping is regularly reviewed by management to ensure relevant information about specific debtors is updated. The contract assets have substantially the same risk characteristics as the trade receivables for the same type of contracts. The Group has therefore concluded that the loss rates for trade receivables are a reasonable approximation of the loss rates for contract assets.

In the opinion of the directors of the Company, the trade receivables at the end of the reporting period which have been past due over 90 days are not considered as in default based on good repayment records for those customers and continuous business with the Group.

Liquidity risk

In the management of the liquidity risk, the Group monitors and maintains a level of cash and cash equivalents deemed adequate by the management to finance the Group's operations and mitigate the effects of fluctuations in cash flows.

The following tables detail the Group's remaining contractual maturity for its financial liabilities based on the agreed repayment terms. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group can be required to pay. The tables include both interest and principal cash flows.

34 金融工具(續)

(b) 財務風險管理目標及政策(續)

信貸風險及減值評估(續)

按攤銷成本計量的金融資產(續)

估計虧損率乃根據債務人於預期存續期內的過往已觀察違約率估計，並就無需過度成本或投入即可獲得的前瞻性資料作出調整。管理層定期檢討有關分類，以確保已更新有關特定債務人的相關資料。合約資產與同類合約的貿易應收款項具有大致相同的風險特徵。因此，本集團認為貿易應收款項的虧損率為合約資產虧損率的合理近似值。

本公司董事認為，於報告期末已逾期超過90日之貿易應收款項根據該等客戶之良好還款記錄及持續與本集團進行之業務將不被視為違約。

流動性風險

在管理流動性風險時，本集團監控及維持管理層認為足以為本集團的經營提供資金的現金及現金等價物水平，並降低現金流量波動的影響。

下表詳述根據議定還款條款，本集團金融負債的餘下合約到期詳情。該等表格根據本集團可被要求支付金融負債未貼現現金流量的最早日期的有關現金流量繪製。下表載列利息及本金現金流量。

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34 FINANCIAL INSTRUMENTS (continued)

(b) Financial risk management objectives and policies (continued)

Liquidity risk (continued)

	Weighted average interest rate 加權平均利率	On demand or less than 3 months 按要求或3個月以內	4 – 6 months 4至6個月	6 months to 1 year 6個月至1年	1 – 2 years 1至2年	More than 2 years 2年以上	Total undiscounted cash flows 未貼現現金流量總額	Carrying amount 賬面值
		RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元
At 31 December 2020 於2020年12月31日								
Trade payables 貿易應付款項	—	151,962	—	—	—	—	151,962	151,962
Other payables 其他應付款項	—	9,601	—	—	—	—	9,601	9,601
Borrowings 借款	4.43%	10,719	12,462	22,704	9,298	2,798	57,981	55,728
Lease liabilities 租賃負債	4.75%	763	733	1,301	1,296	—	4,093	3,945
		173,045	13,195	24,005	10,594	2,798	223,637	221,236
At 31 December 2019 於2019年12月31日								
Trade payables 貿易應付款項	—	119,606	—	—	—	—	119,606	119,606
Other payables 其他應付款項	—	4,513	—	—	—	—	4,513	4,513
Borrowings 借款	5.49%	2,558	14,257	10,522	—	—	27,337	26,598
Lease liabilities 租賃負債	4.75%	753	766	1,545	2,811	1,296	7,171	6,761
		127,430	15,023	12,067	2,811	1,296	158,627	157,478

(c) Fair value measurements of financial instruments

This note provides information about how the Group determines fair value of its financial asset, which is measured at fair value for financial reporting purposes.

In estimating the fair value, the Group uses market-observable data to the extent it is available. Where Level 1 inputs are not available, the Group engages third party qualified valuers to perform the valuation. The management works closely with the qualified external valuers to establish the appropriate valuation techniques and inputs to the model.

34 金融工具(續)

(b) 財務風險管理目標及政策(續)

流動性風險(續)

(c) 金融工具的公允價值計量

本附註提供有關本集團如何釐定其金融資產之公允價值的資料，乃以財務呈報目的按公允價值計量。

估計公允價值時，本集團使用可用市場可觀察數據。倘第一級輸入數據不可用，本集團會委聘第三方合資格估值師進行估值。管理層與合資格外聘估值師緊密合作，制訂合適估值技術及模式輸入數據。

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34 FINANCIAL INSTRUMENTS (continued)

(c) Fair value measurements of financial instruments (continued)

Fair value of the Group's financial asset that is measured at fair value on a recurring basis

The Group owns 3% equity interest in a PRC private company that is classified as an equity investment at FVTOCI and is measured at fair value at the end of reporting period. The fair value of the investment as at 31 December 2020 amounts to approximately RMB3,825,000 (2019: RMB4,775,000), measured using a valuation technique with significant unobservable inputs and hence was classified as Level 3 of the fair value hierarchy under IFRS 13.

The following table gives information about how the fair value of the Group's financial asset is determined.

Financial assets 金融資產	Fair value as at 於下列日期的公允價值	Fair value hierarchy 公允價值等級
Private equity investment classified as equity instrument at FVTOCI -3% equity investment in a PRC private company engaged in oil sludge treatment facility operator	RMB3,825,000 (2019: RMB4,775,000)	Level 3
私募股權投資分類為按公允價值計量並計入其他全面收益的股本工具-3%的股權投資於從事油泥處理設施營運的一間中國私營公司	人民幣3,825,000元 (2019年：人民幣4,775,000元)	第三級

If the market multiples increase/decrease by 10% with all other variable hold constant, other comprehensive income for the year ended 31 December 2020 would have been RMB287,000 (2019: RMB358,000) higher and lower, respectively.

There were no transfers between Level 1, 2 and 3 during the years ended 31 December 2020 and 2019.

34 金融工具(續)

(c) 金融工具的公允價值計量(續)

按經常性基準以公允價值計量之本集團金融資產的公允價值

本集團於一間中國私營公司擁有的3%股本權益被分類為按公允價值計量並計入其他全面收益的股本工具，並於報告期末以公允價值計量。於2020年12月31日，投資的公允價值約為人民幣3,825,000元(2019年：人民幣4,775,000元)，採用估值技術計量，當中涉及重大不可觀察輸入數據，因此根據《國際財務報告準則》第13號分類為公允價值等級之第三級。

下表提供有關如何釐定本集團金融資產之公允價值的資料。

Valuation technique(s) and key inputs 估值技術及關鍵輸入數據	Range of parameter 參數範圍
Market approach — The fair value is primarily affected by market multiples. Market multiples are determined based on the enterprise value to earnings before interest, tax, depreciation and amortisation of the comparable companies.	5.62 (2019: 5.87)
市場法 — 公允價值主要受市值倍數影響。市值倍數乃根據企業價值與多個可資比較公司未計利息、稅項、折舊及攤銷前的盈利之比釐定。	5.62 (2019年：5.87)

在所有其他變量保持不變的情況下，市值倍數增加／減少10%，截至2020年12月31日止年度的其他全面收益將分別上升及下降人民幣287,000元(2019年：人民幣358,000元)。

於截至2020年及2019年12月31日止年度，第一級、第二級及第三級之間並無轉移。

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34 FINANCIAL INSTRUMENTS (continued)

(c) Fair value measurements of financial instruments (continued)

Fair value measurements and valuation processes

The management of the Company is responsible to determine the appropriate valuation techniques and inputs for fair value measurements.

In estimating the fair value of an asset, the Group uses market-observable data to the extent it is available. Where Level 1 inputs are not available, the Group engages third party qualified valuers to perform the valuation. The management works closely with the qualified external valuers to establish the appropriate valuation techniques and inputs to the model. The management reports the findings to the board of directors of the Company to explain the cause of fluctuations in the fair value of the assets.

Information about the valuation techniques and inputs used in determining the fair value of various assets are disclosed above.

34 金融工具(續)

(c) 金融工具的公允價值計量(續)

公允價值計量和估值過程

本公司的管理層負責確定合適的估值技術及公允價值計量的輸入數據。

在估計一項資產的公允價值時，本集團使用可用市場可觀察數據。倘第一級輸入數據不可用，本集團會委聘第三方合資格估值師進行估值。管理層與合資格外聘估值師緊密合作，制訂合適估值技術及模式輸入數據。管理層向本公司董事會報告有關發現，並解釋資產公允價值波動的原因。

有關用於釐定各資產公允價值的估值技術及輸入數據的資料如上文披露。

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34 FINANCIAL INSTRUMENTS (continued)

(c) Fair value measurements of financial instruments (continued)

Fair value measurements and valuation processes (continued)

Reconciliation of Level 3 fair value measurements

34 金融工具(續)

(c) 金融工具的公允價值計量(續)

公允價值計量和估值過程(續)

第三級公允價值計量對賬

		Equity investment at FVTOCI 按公允價值計量 並計入其他全面 收益的股本投資 RMB'000 人民幣千元
1 January 2019	2019年1月1日	2,980
Total gains	收益總額	
— in other comprehensive income (Note)	— 於其他全面收益(附註)	1,795
31 December 2019 and 1 January 2020	2019年12月31日及2020年1月1日	4,775
Total losses	虧損總額	
— in other comprehensive expense (Note)	— 於其他全面開支(附註)	(950)
31 December 2020	2020年12月31日	3,825

Note: Included in other comprehensive expense are the amounts of approximately RMB950,000 losses (2019: approximately RMB1,795,000 gains) relating to unlisted equity securities classified as an equity instrument at FVTOCI held at 31 December 2020.

Fair values of the Group's financial assets and financial liabilities that are not measured at fair value on a recurring basis

The management estimates the fair values of its financial assets and financial liabilities measured at amortised cost using discounted cash flows analysis. Management of the Group considers that the carrying amounts of financial assets and financial liabilities recorded at amortised cost in the consolidated financial statements approximate their respective fair value.

附註：計入其他全面開支之虧損約人民幣950,000元(2019年：約人民幣1,795,000元收益)，為於2020年12月31日持有之非上市股本證券被分類為按公允價值計量並計入其他全面收益的股本工具。

本集團根據經常性基準不以公允價值計量的金融資產及金融負債的公允價值

管理層採用貼現現金流量分析估計其按攤銷成本計量的金融資產及金融負債公允價值。本集團管理層認為，於綜合財務報表以攤銷成本入賬的金融資產及金融負債賬面值與其各自的公允價值相若。

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35 RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

The table below details changes in the Group's liabilities arising from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are those for which cash flows were, or future cash flows will be, classified in the Group's consolidated statement of cash flows as cash flows from financing activities.

35 融資活動所產生負債之對賬

下表詳列融資活動產生的本集團負債變動，包括現金和非現金變動。融資活動產生的負債為相關現金流量已經或未來現金流量將會在本集團綜合現金流量表中被歸類為融資活動所產生之現金流量的負債。

		Borrowings	Accrued issue costs	Obligation arising from a put option	Lease liabilities	Total
		借款	應計發行成本	認沽期權 產生的責任	租賃負債	合計
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
		(Note 30)			(Note 29)	
		(附註30)			(附註29)	
At 1 January 2019	於2019年1月1日	10,000	1,950	99,901	6,382	118,233
Financing cash flows	融資現金流量	15,774	(9,277)	—	(2,294)	4,203
Interest expenses	利息開支	824	—	—	270	1,094
Non-cash transactions	非現金交易					
— Recognition of lease liabilities	— 確認租賃負債	—	—	—	2,403	2,403
— Deferred issue costs	— 遞延發行成本	—	7,327	—	—	7,327
— Derecognition of obligation arising from a put option	— 終止確認認沽期權產生之責任	—	—	(99,901)	—	(99,901)
At 31 December 2019 and 1 January 2020	於2019年12月31日及2020年1月1日	26,598	—	—	6,761	33,359
Financing cash flows	融資現金流量	27,052	—	—	(3,077)	23,975
Interest expenses	利息開支	2,078	—	—	261	2,339
At 31 December 2020	於2020年12月31日	55,728	—	—	3,945	59,673

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36 CAPITAL COMMITMENTS

36 資本承擔

		2020 2020年	2019 2019年
		RMB'000 人民幣千元	RMB'000 人民幣千元
Commitments contracted for but not provided for:	已訂約但未撥備之承擔：		
i) In respect of the acquisition of property, plant and equipment	i) 收購物業、廠房及設備	19,496	12,950
ii) In respect of the acquisition of a subsidiary	ii) 收購一間附屬公司	12,750	1,500
iii) In respect of the interest in associates	iii) 於聯營企業之權益	2,534	11,900

37 PLEDGE OF ASSETS

37 資產抵押

Details of the Group's borrowings, which are secured by the assets of the Group are included in Note 30.

以本集團資產作抵押的本集團借款詳情載於附註30。

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38 RELATED PARTY TRANSACTIONS AND BALANCES

(i) Guarantees in support of the bank borrowing

Details of guarantees in support of the bank borrowings of the Group provided by a director are set out in Note 30.

(ii) Compensation of key management personnel

The key management personnel of the Group comprises all executive directors of the Company, details of their emoluments are disclosed in Note 11. The emoluments of the directors of the Company are determined with regard to individual's performance, the Group's performance and profitability, remuneration benchmark in the industry and prevailing market condition.

(iii) Amounts due from non-controlling shareholders of a subsidiary

Details of balances with non-controlling shareholders of a subsidiary are set out in Note 26.

39 SHARE-BASED PAYMENT TRANSACTION

On 30 April 2017, the shareholders of Guangzhou Weigang have passed the shareholders resolution to implement an employee incentive scheme to grant share options to the employees of Guangzhou Weigang. On the same date, share options are granted to 35 employees of Guangzhou Weigang. The number of shares awarded shall equal to 3.5% of the total number of shares of the Company upon the Listing. If the Listing does not complete by 31 December 2018, Guangzhou Weigang or the Company is entitled to amend, terminate or cancel the employee incentive scheme. The total exercise price of the share options was fixed at RMB8,750,000.

38 關聯方交易及結餘

(i) 銀行借款擔保

由一名董事就本集團銀行借款提供之擔保詳情載於附註30。

(ii) 主要管理人員薪酬

本集團主要管理人員包括本公司全體執行董事，彼等的酬金詳情載於附註11。本公司董事酬金乃參照個人表現、本集團表現及盈利能力、行業薪酬基準及現行市況釐定。

(iii) 應收一間附屬公司非控股股東款項

有關與一間附屬公司非控股股東餘額之詳情載於附註26。

39 以股份為基礎的支付交易

於2017年4月30日，廣州維港的股東通過了實行僱員激勵計劃向廣州維港僱員授出購股權的股東決議案。同日，向廣州維港35名僱員授出購股權。獎勵股份的數目應為本公司上市後股份總數的3.5%。倘上市並無於2018年12月31日前完成，則廣州維港或本公司有權修改、終止或取消僱員激勵計劃。購股權的總行使價釐定為人民幣8,750,000元。

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39 SHARE-BASED PAYMENT TRANSACTION

(continued)

On 10 December 2018, the principal terms of the pre initial public offering share option scheme (the “Pre-IPO Share Option Scheme”) were adopted by the Company, and the share options granted to 35 employees of Guangzhou Weigang on 30 April 2017 had been approved by the board of directors of the Company as the Pre-IPO Share Option Scheme. Upon the adoption of the Pre-IPO Share Option Scheme, a total of 46,666,725 share options were offered for acceptance by the Company to the 35 employees.

Details of share options granted during the years ended 31 December 2020 and 2019 are as follows:

Date of grant 授出日期	Number of options 購股權數目	Adoption date 採納日期	Vesting date 歸屬日期	Exercisable period 行使期間	Exercise price 行使價格
30.4.2017 2017年4月30日	46,666,725	10.12.2018 2018年12月10日	30.4.2017 2017年4月30日	3.1.2021 to 29.4.2027 2021年1月3日至 2027年4月29日	HK\$0.23 0.23港元

The share options granted on 30 April 2017 shall be exercisable unless and until the Listing and be exercisable in the following three batches:

- (i) the first batch being exercisable after the second anniversary of the date of the Listing;
- (ii) the second batch being exercisable after the third anniversary of the date of the Listing; and
- (iii) the last batch is being exercisable after the fourth anniversary of the date of the Listing.

39 以股份為基礎的支付交易(續)

於2018年12月10日，本公司已採納首次公開發售前購股權計劃(「首次公開發售前購股權計劃」)的主要條款，而本公司董事會已批准於2017年4月30日向廣州維港35名僱員授出的購股權作為首次公開發售前購股權計劃。於採納首次公開發售前購股權計劃後，本公司已向該35名僱員提呈合共46,666,725份購股權以供接納。

截至2020年及2019年12月31日止年度已授出的購股權詳情如下：

於2017年4月30日授出的購股權除非及直至上市前均可獲行使，並可分為如下三份行使：

- (i) 第一份於上市日期第二週年後可行使；
- (ii) 第二份於上市日期第三週年後可行使；及
- (iii) 最後一份於上市日期第四週年後可行使。

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39 SHARE-BASED PAYMENT TRANSACTION

(continued)

The following table discloses movements of the Company's share options held by directors of the Company and employees of the Group during the years ended 31 December 2020 and 2019:

39 以股份為基礎的支付交易(續)

下表披露截至2020年及2019年12月31日止年度本公司董事及本集團僱員持有本公司購股權的變動：

	Exercise price	Date of grant	Outstanding at 1/1/2020 於2020年 1月1日	Granted during the year	Lapsed during the year	Exercised during the year	Outstanding at 31/12/2020 於2020年 12月31日
	行使價	授出日期	尚未行使 '000 千份	年內已授出 '000 千份	年內已失效 '000 千份	年內已行使 '000 千份	尚未行使 '000 千份
Directors							
董事							
Mr. Deng	HK\$0.23	30.4.2017	3,933	—	—	—	3,933
鄧先生	0.23 港元	2017年4月30日					
Mr. Dong	HK\$0.23	30.4.2017	3,933	—	—	—	3,933
董先生	0.23 港元	2017年4月30日					
Employees							
僱員							
	HK\$0.23	30.4.2017	36,587	—	(2,507)	—	34,080
	0.23 港元	2017年4月30日					
Total			44,453	—	(2,507)	—	41,946
總計							
Exercisable at the end of							
the year							
年未可行使							
							Nil
							無
Weighted average							
exercise price							
加權平均行使價							
			Nil	Nil	Nil	Nil	Nil
			無	無	無	無	無

(Note)
(附註)

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39 SHARE-BASED PAYMENT TRANSACTION

(continued)

39 以股份為基礎的支付交易(續)

	Exercise price	Date of grant	Outstanding at 1/1/2019 於2019年 1月1日 尚未行使 '000 千份	Granted during the year 年內已授出 '000 千份	Lapsed during the year 年內已失效 '000 千份	Exercised during the year 年內已行使 '000 千份	Outstanding at 31/12/2019 於2019年 12月31日 尚未行使 '000 千份
Directors							
董事							
Mr. Deng	HK\$0.23	30.4.2017	3,933	—	—	—	3,933
鄧先生	0.23港元	2017年4月30日					
Mr. Dong	HK\$0.23	30.4.2017	3,933	—	—	—	3,933
董先生	0.23港元	2017年4月30日					
Employees							
僱員							
	HK\$0.23	30.4.2017	36,587	—	—	—	36,587
	0.23港元	2017年4月30日					
Total			44,453	—	—	—	44,453
總計							
Exercisable at the end of							
the year							
年未可行使							
							Nil
							無
Weighted average							
exercise price							
加權平均行使價							
			Nil	Nil	Nil	Nil	Nil
			無	無	無	無	無

Note:

During the year ended 31 December 2020, two employees left the Group and the corresponding share options granted were lapsed accordingly.

附註：

於截至2020年12月31日止年度，本集團有兩名僱員離職，已授出的有關購股權已相應失效。

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39 SHARE-BASED PAYMENT TRANSACTION

(continued)

The estimated fair values of the Pre-IPO Share Option Scheme granted on 30 April 2017 are RMB6,305,000.

The fair values were calculated using the Binomial Option Pricing Model. The major inputs into the model were as follows:

Granted date	30 April 2017
授出日期	2017年4月30日
Exercise price*	0.23
行使價*	
Expected volatility	60.4%
預期波幅	
Expected life	10 years
預期年期	10年
Risk-free rate	3.5%
無風險利率	
Expected dividend yield	0.0%
預期股息率	

* The exercise price was fixed at RMB8,750,000 for 3.5% of the total number of shares of the Company upon the Listing.

Expected volatility was determined by using the historical volatility of the comparable companies' share price over the previous 10 years. The expected life used in the model has been stated in the option scheme. The risk free rate was referred to the China sovereign bond yield with the term close to the option life as at the grant date.

The Group recognised a total expense of approximately RMB1,006,000 (2019: RMB1,301,000) in relation to share options granted under Pre-IPO Share Option Scheme by the Company during the year ended 31 December 2020.

The total number of shares in respect of which options may be granted under the Pre-IPO Share Option Scheme is not permitted to exceed 30% of the enlarged issued share capital of the Company as at the Listing date.

39 以股份為基礎的支付交易(續)

於2017年4月30日，已授出首次公開發售前購股權計劃的估計公允價值為人民幣6,305,000元。

公允價值使用二項式期權定價模式而計算得出。該模式的主要輸入數據如下：

* 行使價就本公司上市後股份總數3.5%而言，行使價釐定為人民幣8,750,000元。

預期波幅乃根據可資比較公司股價於過去10年的歷史波幅釐定。該模式所使用的預期年期載列於購股權計劃。無風險利率參考中國主權債券收益率，有關期限接近於授予日期的購股權年期。

截至2020年12月31日止年度，本集團就本公司根據首次公開發售前購股權計劃授出購股權確認開支總額約人民幣1,006,000元(2019年：人民幣1,301,000元)。

有關可能根據首次公開發售前購股權計劃授出購股權的股份總數不得超過本公司於上市日期經擴大的已發行股本30%。

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40 PARTICULARS OF SUBSIDIARIES OF THE COMPANY

Details of the subsidiaries directly and indirectly held by the Company at the end of the reporting period are set out below.

40 本公司的附屬公司詳情

於報告期末，本公司直接或間接持有之附屬公司詳情載於下文。

Name of subsidiaries	Date of incorporation/ establishment	Place of incorporation/ establishment and legal form	Issued and fully paid share capital/ registered capital	Proportion of ownership interest		Principal activities
				所有權權益之百分比		
附屬公司名稱	註冊成立/成立日期	地點及法律形式	已發行及繳足股本/註冊資本	Group's effective interest as at 31 December		主要活動
				本集團於12月31日之實際權益	2020	
				2020年	2019年	
				%	%	
<i>Directly held:</i>						
<i>直接持有：</i>						
WeiGang Environment Limited	11 May 2017	British Virgin Islands, limited liability company	1 ordinary share of US\$1 each	100.00	100.00	Investment holding
維港環境有限公司	2017年5月11日	英屬維爾京群島·有限公司	1股每股面值1美元的普通股			投資控股
Jade Far Investment Limited	16 May 2017	British Virgin Islands, limited liability company	US\$1,001	100.00	100.00	Investment holding
杰發投資有限公司	2017年5月16日	英屬維爾京群島·有限公司	1,001美元			投資控股
Definite Thrive Limited	19 March 2019	British Virgin Islands, limited liability company	US\$50,000	100.00	100.00	Investment holding
興定有限公司	2019年3月19日	英屬維爾京群島·有限公司	50,000美元			投資控股

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40 PARTICULARS OF SUBSIDIARIES OF THE COMPANY (continued)

40 本公司的附屬公司詳情(續)

Name of subsidiaries	Date of incorporation/ establishment	Place of incorporation/ establishment and legal form	Issued and fully paid share capital/ registered capital	Proportion of ownership interest 所有權益之百分比		Principal activities
				2020	2019	
附屬公司名稱	註冊成立/ 成立日期	註冊成立/ 成立地點及法律形式	已發行及繳足股本/ 註冊資本	Group's effective interest as at 31 December 本集團於12月31日之實際權益		主要活動
				2020年	2019年	
				%	%	
<i>Indirectly held:</i>						
<i>間接持有：</i>						
Weigang Holdings (Hong Kong) Limited 維港控股(香港)有限公司	19 September 2016 2016年9月19日	Hong Kong, limited liability company 香港, 有限公司	10,000 ordinary shares of HK\$10,000 10,000股10,000港元的普通股	100.00	100.00	Investment holding 投資控股
Jade Road Investment Limited 杰路投資有限公司	28 October 2015 2015年10月28日	Hong Kong, limited liability company 香港, 有限公司	10,000 ordinary shares of HK\$10,000 10,000股10,000港元的普通股	100.00	100.00	Investment holding 投資控股
Weigang Development (Hong Kong) Limited 維港發展(香港)有限公司	24 April 2019 2019年4月24日	Hong Kong, limited liability company 香港, 有限公司	10,000 ordinary shares of HK\$10,000 10,000股10,000港元的普通股	100.00	100.00	Investment holding 投資控股

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40 PARTICULARS OF SUBSIDIARIES OF THE COMPANY (continued)

40 本公司的附屬公司詳情(續)

Name of subsidiaries	Date of incorporation/ establishment	Place of incorporation/ establishment and legal form	Issued and fully paid share capital/ registered capital	Proportion of ownership interest 所有權益之百分比		Principal activities
				2020	2019	
附屬公司名稱	註冊成立/成立日期	註冊成立/成立地點及法律形式	已發行及繳足股本/註冊資本	Group's effective interest as at 31 December 本集團於12月31日之 實際權益		主要活動
				2020年 %	2019年 %	
Guangzhou Weigang	15 July 2009	PRC, sino-foreign equity joint venture	Issued and fully paid up capital as at 31 December 2020: RMB196,129,820 (2019: RMB186,930,920)	90.00	90.00	Providing solutions for solid waste treatment
廣州維港	2009年7月15日	中國·中外合資企業	於2020年12月31日的已發行及繳足股本：人民幣196,129,820元(2019年：人民幣186,930,920元)			提供固體廢物處理解決方案
			Registered capital as at 31 December 2020: RMB400,000,000 (2019: RMB400,000,000)			
			於2020年12月31日的註冊資本：人民幣400,000,000元(2019年：人民幣400,000,000元)			

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40 PARTICULARS OF SUBSIDIARIES OF THE COMPANY (continued)

40 本公司的附屬公司詳情(續)

Name of subsidiaries	Date of incorporation/ establishment	Place of incorporation/ establishment and legal form	Issued and fully paid share capital/ registered capital	Proportion of ownership interest 所有權權益之百分比		Principal activities
				2020	2019	
附屬公司名稱	註冊成立/成立日期	註冊成立/成立地點及法律形式	已發行及繳足股本/註冊資本	Group's effective interest as at 31 December 本集團於12月31日之 實際權益		主要活動
				2020年 %	2019年 %	
Xinjiang Wosen Environmental Protection Technology Limited ("Xinjiang Wosen")* (Notes f & g)	17 November 2011	PRC, sino-foreign equity joint venture	Issued and fully paid up capital as at 31 December 2020: RMB10,000,000 (2019: RMB10,000,000)	45.90	45.90	Providing research and development of environmental protection technologies and facilities
新疆沃森環保科技有限責任公司 (「新疆沃森」) (附註f及g)	2011年11月17日	中國·中外合資企業	於2020年12月31日的已發行及繳足股本：人民幣10,000,000元(2019年：人民幣10,000,000元) Registered capital as at 31 December 2020: RMB10,000,000 (2019: RMB10,000,000) 於2020年12月31日的註冊資本：人民幣10,000,000元(2019年：人民幣10,000,000元)			提供環保技術及設施的研發

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40 PARTICULARS OF SUBSIDIARIES OF THE COMPANY (continued)

40 本公司的附屬公司詳情(續)

Name of subsidiaries	Date of incorporation/ establishment	Place of incorporation/ establishment and legal form	Issued and fully paid share capital/ registered capital	Proportion of ownership interest 所有權益之百分比		Principal activities	
				Group's effective interest as at 31 December			
附屬公司名稱	註冊成立/成立日期	註冊成立/成立地點及法律形式	已發行及繳足股本/註冊資本	本集團於12月31日之實際權益	2020	2019	主要活動
				2020年	2019年		
				%	%		
Shenzhen Xinnengji Technology Limited ("Shenzhen Xinnengji")* (Note a)	24 November 2016	PRC, Corporate-owned limited liability company	Issued and fully paid up capital as at 31 December 2020: RMB20,980,000 (2019: RMB20,980,000)	90.00	90.00	Providing research and development of environmental protection technologies and facilities	
深圳新能極科技有限公司(「深圳新能極」)(附註a)	2016年11月24日	中國·企業擁有有限公司	於2020年12月31日的已發行及繳足股本：人民幣20,980,000元(2019年：人民幣20,980,000元)			提供環保技術及設施的研發	
			Registered capital as at 31 December 2020: RMB28,000,000 (2019: RMB28,000,000)				
			於2020年12月31日的註冊資本：人民幣28,000,000元(2019年：人民幣28,000,000元)				

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40 PARTICULARS OF SUBSIDIARIES OF THE COMPANY (continued)

40 本公司的附屬公司詳情(續)

Name of subsidiaries	Date of incorporation/ establishment	Place of incorporation/ establishment and legal form	Issued and fully paid share capital/ registered capital	Proportion of ownership interest 所有權益之百分比		Principal activities
				2020	2019	
附屬公司名稱	註冊成立/成立日期	註冊成立/成立地點及法律形式	已發行及繳足股本/註冊資本	本集團於12月31日之實際權益	2019年	主要活動
				2020年	2019年	
				%	%	
Guangdong Lvhuan Taian Environmental Protection Limited ^g (Note g)	28 August 2017	PRC, sino-foreign equity joint venture	Issued and fully paid up capital as at 31 December 2020: RMB1,000,000 (2019: RMB60,000)	45.90	45.90	Inactive
廣東綠環泰安環保有限公司(附註g)	2017年8月28日	中國·中外合資企業	於2020年12月31日的已發行及繳足股本：人民幣1,000,000元(2019年：人民幣60,000元)			未營業
			Registered capital as at 31 December 2020: RMB10,000,000 (2019: RMB10,000,000)			
			於2020年12月31日的註冊資本：人民幣10,000,000元(2019年：人民幣10,000,000元)			

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40 PARTICULARS OF SUBSIDIARIES OF THE COMPANY (continued)

40 本公司的附屬公司詳情(續)

Name of subsidiaries	Date of incorporation/ establishment	Place of incorporation/ establishment and legal form	Issued and fully paid share capital/ registered capital	Proportion of ownership interest 所有權益之百分比		Principal activities
				2020	2019	
附屬公司名稱	註冊成立/成立日期	註冊成立/成立地點及法律形式	已發行及繳足股本/註冊資本	Group's effective interest as at 31 December 本集團於12月31日之 實際權益		主要活動
				2020年 %	2019年 %	
Shenzhen Kaipu Lansheng Energy Environmental Protection Co., Ltd ("Shenzhen Kaipu") [#] (Note e)	29 May 2007	PRC, limited liability company	Issued and fully paid up capital as at 31 December 2020: RMB8,987,070 (2019: RMB8,987,070)	90.00	90.00	Providing research and development of environmental protection technologies and facilities
深圳開普藍生能源環保有限公司 (「深圳開普」) (附註e)	2007年5月29日	中國，有限公司	於2020年12月31日的已發行及繳足股本：人民幣8,987,070元(2019年：人民幣8,987,070元)			提供環保技術及設施的研發
			Registered capital as at 31 December 2020: RMB8,987,070 (2019: RMB8,987,070)			
			於2020年12月31日的註冊資本：人民幣8,987,070元(2019年：人民幣8,987,070元)			

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40 PARTICULARS OF SUBSIDIARIES OF THE COMPANY (continued)

40 本公司的附屬公司詳情(續)

Name of subsidiaries	Date of incorporation/ establishment	Place of incorporation/ establishment and legal form	Issued and fully paid share capital/ registered capital	Proportion of ownership interest 所有權權益之百分比		Principal activities
				2020	2019	
附屬公司名稱	註冊成立/成立日期	註冊成立/成立地點及法律形式	已發行及繳足股本/註冊資本	2020年 %	2019年 %	主要活動
Qingchuan Kaipu Environmental Construction Co., Ltd [#] (Note e)	23 March 2018	PRC, limited liability company	Issued and fully paid up capital as at 31 December 2020: RMB900,000 (2019: RMB600,000)	81.00	81.00	Providing research and development of environmental protection technologies and facilities
青川開普環境工程有限公司(附註e)	2018年3月23日	中國·有限公司	於2020年12月31日的已發行及繳足股本：人民幣900,000元(2019年：人民幣600,000元)			提供環保技術及設施的研發
			Registered capital as at 31 December 2020: RMB10,000,000 (2019: RMB10,000,000)			
			於2020年12月31日的註冊資本：人民幣10,000,000元(2019年：人民幣10,000,000元)			

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40 PARTICULARS OF SUBSIDIARIES OF THE COMPANY (continued)

40 本公司的附屬公司詳情(續)

Name of subsidiaries	Date of incorporation/ establishment	Place of incorporation/ establishment and legal form	Issued and fully paid share capital/ registered capital	Proportion of ownership interest		Principal activities
				所有權益之百分比		
附屬公司名稱	註冊成立/成立日期	註冊成立/成立地點及法律形式	已發行及繳足股本/註冊資本	Group's effective interest as at 31 December		主要活動
				本集團於12月31日之實際權益	2019	
				2020	2019	
				%	%	
Debo Environmental (Guangzhou) Co., Ltd ("Debo") [#]	22 May 2019	PRC, wholly foreign-owned enterprise	Issued and fully paid up capital as at 31 December 2020: RMB50,000,000 (2019: RMB30,174,787)	100.00	100.00	Providing research and development of environmental protection technologies and facilities
德博環境(廣州)有限公司 (「德博」)	2019年5月22日	中國，外商獨資企業	於2020年12月31日的已發行及繳足股本：人民幣50,000,000元(2019年：人民幣30,174,787元)			提供環保技術及設施的研發
			Registered capital as at 31 December 2020: RMB50,000,000 (2019: RMB50,000,000)			
			於2020年12月31日的註冊資本：人民幣50,000,000元(2019年：人民幣50,000,000元)			

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40 PARTICULARS OF SUBSIDIARIES OF THE COMPANY (continued)

40 本公司的附屬公司詳情(續)

Name of subsidiaries	Date of incorporation/ establishment	Place of incorporation/ establishment and legal form	Issued and fully paid share capital/ registered capital	Proportion of ownership interest 所有權益之百分比		Principal activities
				2020	2019	
附屬公司名稱	註冊成立/成立日期	註冊成立/成立地點及法律形式	已發行及繳足股本/註冊資本	本集團於12月31日之實際權益	2019年	主要活動
				2020年	2019年	
				%	%	
Xinjiang Tiansheng [#] (Note c)	26 December 2016	PRC, limited liability company	Issued and fully paid up capital as at 31 December 2020: RMB26,000,000	60.00	N/A	Providing oilfield auxiliary services
新疆天聖(附註c)	2016年12月26日	中國·有限公司	於2020年12月31日的已發行及繳足股本：人民幣26,000,000元		不適用	提供油田周邊服務
			Registered capital as at 31 December 2020: RMB50,000,000			
			於2020年12月31日的註冊資本：人民幣50,000,000元			

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40 PARTICULARS OF SUBSIDIARIES OF THE COMPANY (continued)

40 本公司的附屬公司詳情(續)

Name of subsidiaries	Date of incorporation/ establishment	Place of incorporation/ establishment and legal form	Issued and fully paid share capital/ registered capital	Proportion of ownership interest		Principal activities
				所有權益之百分比		
附屬公司名稱	註冊成立/成立日期	註冊成立/成立地點及法律形式	已發行及繳足股本/註冊資本	Group's effective interest as at 31 December		主要活動
				本集團於12月31日之實際權益	2019	
				2020年	2019年	
				%	%	
Karamay Shuangxin Company Limited* (Note c and g)	12 August 1998	PRC, limited liability company	Issued and fully paid up capital as at 31 December 2020: RMB10,010,000	32.94	N/A	Providing oilfield auxiliary services
克拉瑪依雙信有限責任公司(附註c及g)	1998年8月12日	中國·有限公司	於2020年12月31日的已發行及繳足股本：人民幣10,010,000元		不適用	提供油田周邊服務
			Registered capital as at 31 December 2020: RMB10,010,000			
			於2020年12月31日的註冊資本：人民幣10,010,000元			

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40 PARTICULARS OF SUBSIDIARIES OF THE COMPANY (continued)

40 本公司的附屬公司詳情(續)

Name of subsidiaries	Date of incorporation/ establishment	Place of incorporation/ establishment and legal form	Issued and fully paid share capital/ registered capital	Proportion of ownership interest 所有權益之百分比		Principal activities
				2020	2019	
附屬公司名稱	註冊成立/成立日期	註冊成立/成立地點及法律形式	已發行及繳足股本/註冊資本	Group's effective interest as at 31 December 本集團於12月31日之實際權益		主要活動
				2020年	2019年	
				%	%	
Qinyang Qingyi* (Note d)	30 September 2014	PRC, limited liability company	Issued and fully paid up capital as at 31 December 2020: RMB9,752,000	73.00	N/A	Providing research and development of environmental protection technologies and facilities
慶陽慶義(附註d)	2014年9月30日	中國·有限公司	於2020年12月31日的已發行及繳足股本：人民幣9,752,000元		不適用	提供環保技術及設施的研發
			Registered capital as at 31 December 2020: RMB60,000,000			
			於2020年12月31日的註冊資本：人民幣60,000,000元			

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40 PARTICULARS OF SUBSIDIARIES OF THE COMPANY (continued)

40 本公司的附屬公司詳情(續)

Name of subsidiaries	Date of incorporation/ establishment	Place of incorporation/ establishment and legal form	Issued and fully paid share capital/ registered capital	Proportion of ownership interest 所有權益之百分比		Principal activities
				2020	2019	
附屬公司名稱	註冊成立/成立日期	註冊成立/成立地點及法律形式	已發行及繳足股本/註冊資本	Group's effective interest as at 31 December 本集團於12月31日之 實際權益		主要活動
				2020年 %	2019年 %	
Akesu Debo Environmental Co., Ltd ^a	27 June 2019	PRC, limited liability company	Registered capital as at 31 December 2020: RMB10,000,000 (2019: RMB10,000,000)	70.00	70.00	Inactive
阿克蘇德博環境有限公司	2019年6月27日	中國·有限公司	於2020年12月31日的註冊資本：人民幣10,000,000元(2019年：人民幣10,000,000元)			未營業

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40 PARTICULARS OF SUBSIDIARIES OF THE COMPANY (continued)

40 本公司的附屬公司詳情(續)

Name of subsidiaries	Date of incorporation/ establishment	Place of incorporation/ establishment and legal form	Issued and fully paid share capital/ registered capital	Proportion of ownership interest 所有權權益之百分比		Principal activities
				2020	2019	
附屬公司名稱	註冊成立/成立日期	地點及法律形式	已發行及繳足股本/註冊資本	2020年 %	2019年 %	主要活動
Guangdong Qizhou Weigang Co., Ltd [#]	8 July 2019	PRC, wholly foreign-owned enterprise	Issued and fully paid up capital as at 31 December 2020: RMB31,100,000 (2019: RMB30,000,000)	100.00	100.00	Providing research and development of environmental protection technologies and facilities
廣東青洲維港環保有限公司	2019年7月8日	中國·外商獨資企業	於2020年12月31日的已發行及繳足股本：人民幣31,100,000元(2019年：人民幣30,000,000元) Registered capital as at 31 December 2020: RMB50,000,000 (2019: RMB50,000,000) 於2020年12月31日的註冊資本：人民幣50,000,000元(2019年：人民幣50,000,000元)			提供環保技術及設施的研發

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40 PARTICULARS OF SUBSIDIARIES OF THE COMPANY (continued)

40 本公司的附屬公司詳情(續)

Name of subsidiaries	Date of incorporation/ establishment	Place of incorporation/ establishment and legal form	Issued and fully paid share capital/ registered capital	Proportion of ownership interest 所有權益之百分比		Principal activities
				2020	2019	
附屬公司名稱	註冊成立/成立日期	註冊成立/成立地點及法律形式	已發行及繳足股本/註冊資本	Group's effective interest as at 31 December 本集團於12月31日之 實際權益		主要活動
				2020年 %	2019年 %	
Weierneng Environmental (Suzhou) Limited ("Weierneng Environmental") [#] (Note b and g)	25 July 2018	PRC, Natural person investment or holding limited liability company	Issued and fully paid up capital as at 31 December 2020: RMB18,000,000 (2019: RMB7,376,000)	51.00	45.90	Providing research and development of environmental protection technologies and facilities
威爾能環保科技(蘇州)有限公司(「威爾能環保」)(附註b及g)	2018年7月25日	中國，自然人投資或控股有限公司	於2020年12月31日的已發行及繳足股本：人民幣18,000,000元(2019年：人民幣7,376,000元)			提供環保技術及設施的研發
			Registered capital as at 31 December 2020: RMB20,000,000 (2019: RMB20,000,000)			
			於2020年12月31日的註冊資本：人民幣20,000,000元(2019年：人民幣20,000,000元)			

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40 PARTICULARS OF SUBSIDIARIES OF THE COMPANY (continued)

40 本公司的附屬公司詳情(續)

Name of subsidiaries	Date of incorporation/ establishment	Place of incorporation/ establishment and legal form	Issued and fully paid share capital/ registered capital	Proportion of ownership interest 所有權權益之百分比		Principal activities
				2020	2019	
附屬公司名稱	註冊成立/成立日期	註冊成立/成立地點及法律形式	已發行及繳足股本/註冊資本	Group's effective interest as at 31 December 本集團於12月31日之 實際權益		主要活動
				2020年 %	2019年 %	
Karamay Shuangxin Environmental Technology Limited (Note g)	2 June 2020*	PRC, limited liability company	Registered capital as at 31 December 2020: RMB10,000,000	32.94	N/A	Providing oilfield auxiliary services
克拉瑪依雙信環保科技 有限公司(附註g)	2020年6月2日*	中國·有限公司	於2020年12月31日的 註冊資本:人民幣 10,000,000元		不適用	提供油田周邊服務

The English name is for identification only.

英文名稱僅供識別。

* Incorporated during the year.

* 於本年度註冊成立。

Note:

附註:

(a) During the year ended 31 December 2019, an amount of RMB6,580,300 was paid to Shenzhen Xinnengji as capital injection by the Group. As at 31 December 2020 and 2019, the outstanding amount of RMB7,019,700 has not yet been paid by the Group.

(a) 截至2019年12月31日止年度，本集團向深圳新能極支付人民幣6,580,300元作為註資。於2020年及2019年12月31日，本集團尚有人民幣7,019,700元未支付。

(b) Weierneng Environmental was established as a limited liability company under the laws of the PRC on 25 July 2018 and an indirectly non-wholly owned subsidiary of the Company, which is owned as to 51% by Shenzhen Xinnengji and 49% by an independent third party, Party D. According to the Articles of Association of Weierneng Environmental, the capital injection of the shareholders should be paid to Weierneng Environmental no later than 31 August 2037.

(b) 威爾能環保於2018年7月25日根據中國法律成立為一家有限公司，為本公司的間接非全資附屬公司，由深圳新能極和獨立第三方丁方分別擁有51%及49%的權益。根據威爾能環保的組織章程細則，股東注資應於2037年8月31日前支付予威爾能環保。

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40 PARTICULARS OF SUBSIDIARIES OF THE COMPANY (continued)

Note: (continued)

(b) (continued)

During the year ended 31 December 2020, the amounts of RMB5,304,000 (2019: RMB2,876,000) and RMB5,320,000 (2019: RMB2,500,000) were paid to Weierneng Environmental by the Group and Party D, respectively. As at 31 December 2020, the outstanding amounts of RMB1,020,000 (2019: RMB6,324,000) and RMB980,000 (2019: RMB6,300,000) have not been paid by the Group and Party D, respectively.

On 23 June 2020, Weierneng Environmental was acquired by Debo. As a result, the Group's effective interest has changed from 45.9% to 51% as disclosed in Note 44.

(c) On 26 March 2020, the subsidiary of the Group, Debo, has acquired 60% equity interests in Xinjiang Tiansheng from an independent third party at consideration of approximately RMB18,552,000 as disclosed in Note 41.

(d) On 16 January 2020, the subsidiary of the Group, Debo, has acquired 73% equity interests in Qingyang Qingyi from an independent third party at consideration of approximately RMB7,000,000 as disclosed in Note 42.

(e) On 9 May 2019, the subsidiary of the Group, Guangzhou Weigang, has acquired 100% equity interest in Shenzhen Kaipu from an independent third party at consideration of RMB1 as detailed in Note 41.

(f) On 5 August 2019, the Group has partial disposed of 49% the equity interests of Xinjiang Wosen to an independent third party as disclosed in Note 44.

(g) For the years ended 31 December 2020 and 2019, the Group holds less than 50% of the registered capital of these subsidiaries. The Group controls the composition of the Board of directors of these subsidiaries and has control over them. Therefore, they are classified as the subsidiaries of the Group.

None of the subsidiaries had issued any debt securities at the end of the year.

40 本公司的附屬公司詳情(續)

附註：(續)

(b) (續)

截至2020年12月31日止年度，本集團及丁方已向威爾能環保分別支付人民幣5,304,000元(2019年：人民幣2,876,000元)及人民幣5,320,000元(2019年：人民幣2,500,000元)。於2020年12月31日，本集團及丁方尚有人民幣1,020,000元(2019年：人民幣6,324,000元)及人民幣980,000元(2019年：人民幣6,300,000元)未支付。

於2020年6月23日，威爾能環保由德博收購。因此，誠如附註44所披露，本集團的實際權益由45.9%變更為51%。

(c) 誠如附註41所披露，於2020年3月26日，本集團附屬公司德博向一名獨立第三方收購新疆天聖60%股權，對價約為人民幣18,552,000元。

(d) 誠如附註42所披露，於2020年1月16日，本集團附屬公司德博向一名獨立第三方收購慶陽慶義的73%股權，對價約為人民幣7,000,000元。

(e) 誠如附註41所披露，於2019年5月9日，本集團的附屬公司廣州維港以人民幣1元的對價向一名獨立第三方收購深圳開普的100%股權。

(f) 誠如附註44所披露，於2019年8月5日，本集團已向一名獨立第三方部分出售新疆沃森的49%股權。

(g) 截至2020年及2019年12月31日止年度，本集團持有該等附屬公司少於50%的註冊資本。本集團控制該等附屬公司董事會的組成並對其擁有控制權。因此，彼等被分類為本集團的附屬公司。

概無附屬公司於年末發行任何債務證券。

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40 PARTICULARS OF SUBSIDIARIES OF THE COMPANY (continued)

Details of non-wholly owned subsidiaries that have material non-controlling interests

The table below shows details of non-wholly-owned subsidiaries of the Group that have material non-controlling interests as at 31 December 2020 and 2019:

Name of subsidiary 附屬公司名稱	Place of incorporation and principal place of business 註冊成立地點及主要營業地點	Proportion of ownership interests and voting rights held by non-controlling interests 非控股權益所持所有權權益及投票權份額		Profit allocated to non-controlling interests 分配予非控股權益的利潤		Accumulated non-controlling interests 累計非控股權益	
		31/12/2020 2020年 12月31日	31/12/2019 2019年 12月31日	31/12/2020 2020年 12月31日	31/12/2019 2019年 12月31日	31/12/2020 2020年 12月31日	31/12/2019 2019年 12月31日
Guangzhou Weigang 廣州維港	The PRC 中國	10%	10%	1,977 RMB'000 人民幣千元	12,904 RMB'000 人民幣千元	56,627 RMB'000 人民幣千元	53,730 RMB'000 人民幣千元
Xinjiang Tiansheng 新疆天聖	The PRC 中國	40%	N/A 不適用	4,290 RMB'000 人民幣千元	N/A 不適用	20,761 RMB'000 人民幣千元	N/A 不適用

Summarised financial information in respect of the Group's subsidiaries that have material non-controlling interests as at 31 December 2020 and 2019 is set out below. The summarised financial information below represents amounts before intragroup eliminations.

40 本公司的附屬公司詳情(續)

擁有重大非控股權益的非全資附屬公司詳情

下表列示於2020年及2019年12月31日本集團擁有重大非控股權益的非全資附屬公司詳情：

以下所載為於2020年及2019年12月31日本集團擁有重大非控股權益的附屬公司之概述財務資料。下列概述財務資料呈列集團內對銷前之金額。

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40 PARTICULARS OF SUBSIDIARIES OF THE COMPANY (continued)

40 本公司的附屬公司詳情(續)

Guangzhou Weigang

廣州維港

		2020 2020年	2019 2019年
		RMB'000 人民幣千元	RMB'000 人民幣千元
Current assets	流動資產	760,248	631,098
Non-current assets	非流動資產	108,069	134,286
Current liabilities	流動負債	289,122	225,864
Non-current liabilities	非流動負債	11,919	2,221
Equity attributable to owners of the Company	本公司擁有人應佔權益	510,649	483,569
Non-controlling interests of Guangzhou Weigang	廣州維港之非控股權益	56,627	53,730
		2020 2020年	2019 2019年
		RMB'000 人民幣千元	RMB'000 人民幣千元
Revenue	收入	534,843	606,594
Expenses	開支	(515,074)	(477,550)
Profit and total comprehensive income for the year	年內利潤及全面收入總額	19,769	129,044

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40 PARTICULARS OF SUBSIDIARIES OF THE COMPANY (continued)

Guangzhou Weigang (continued)

		2020 2020年	2019 2019年
		RMB'000 人民幣千元	RMB'000 人民幣千元
Dividends paid to non-controlling interests of Guangzhou Weigang	已付廣州維港非控股權益股息	—	—
Net cash outflow from operating activities	經營活動產生的現金流出淨額	(60,149)	(50,251)
Net cash inflow/(outflow) from investing activities	投資活動產生的現金流入／(流出)淨額	6,997	(39,373)
Net cash inflow from financing activities	融資活動產生的現金流入淨額	35,625	151,649
Net cash (outflow)/inflow	現金(流出)／流入淨額	(17,527)	62,025

40 本公司的附屬公司詳情(續)

廣州維港(續)

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40 PARTICULARS OF SUBSIDIARIES OF THE COMPANY (continued)

40 本公司的附屬公司詳情(續)

Xinjiang Tiansheng and its subsidiaries

新疆天聖及其附屬公司

		2020 2020年	2019 2019年
		<i>RMB'000</i> 人民幣千元	<i>RMB'000</i> 人民幣千元
Current assets	流動資產	94,412	—
Non-current assets	非流動資產	54,587	—
Current liabilities	流動負債	96,443	—
Non-current liabilities	非流動負債	—	—
Equity attributable to:	以下各方應佔權益：		
— Owners of the Company	— 本公司擁有人	31,795	—
— Non-controlling interests of Xinjiang Tiansheng and its subsidiaries	— 新疆天聖及附屬公司之非控股權益	20,761	—
		2020 2020年	2019 2019年
		<i>RMB'000</i> 人民幣千元	<i>RMB'000</i> 人民幣千元
Revenue	收入	48,507	—
Expenses	開支	(43,210)	—
Profit and total comprehensive income for the year	年內利潤及全面收入總額	5,297	—
Profit and total comprehensive income attributable to:	以下各方應佔利潤及全面收入總額：		
— Owners of the Company	— 本公司擁有人	1,007	—
— Non-controlling interests of Xinjiang Tiansheng and its subsidiaries	— 新疆天聖及附屬公司之非控股權益	4,290	—

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40 PARTICULARS OF SUBSIDIARIES OF THE COMPANY (continued)

Xinjiang Tiansheng and its subsidiaries (continued)

40 本公司的附屬公司詳情(續)

新疆天聖及其附屬公司(續)

		2020 2020年	2019 2019年
		RMB'000 人民幣千元	RMB'000 人民幣千元
Dividends paid to non-controlling interests of Xinjiang Tiansheng Group	已付新疆天聖集團非控股權益股息	—	—
Net cash outflow from operating activities	經營活動產生的現金流出淨額	(17,784)	—
Net cash outflow from investing activities	投資活動產生的現金流出淨額	(2,833)	—
Net cash inflow financing activities	融資活動產生的現金流入淨額	—	—
Net cash outflow	現金流出淨額	(20,617)	—

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(Expressed in Renminbi)

(以人民幣為單位)

41 ACQUISITION OF SUBSIDIARIES

Xinjiang Tiansheng Group

On 27 December 2019, Debo, a wholly-owned subsidiary of the Company, entered into the Capital Injection and Subscription Agreement (the "Agreement") with Xinjiang Tiansheng Group and two independent third parties, Xinjiang Hongtong Industry and Trade Co., Ltd.[#] ("Hongtong") and Mr. Tian Yixin. Pursuant to the Agreement, Debo agreed to subscribe for 60% equity interests in Xinjiang Tiansheng Group by way of capital injection in the amount of RMB24,000,000.

On 26 March 2020, the transaction has been completed, Xinjiang Tiansheng Group became a non-wholly owned subsidiary of the Group. Xinjiang Tiansheng Group is principally engaged in the business of provision of oil sludge thermal desorption treatment services and oilfield auxiliary services. The acquisition has been accounted for as acquisition of business using the acquisition method.

Based on valuation provided by an independent valuer who assessed the fair values of the identifiable assets and liabilities acquired, goodwill of approximately RMB18,277,000 arising from the acquisition has been recognised during the year.

[#] The English name is for identification only.

41 收購附屬公司

新疆天聖集團

於2019年12月27日，本公司的全資附屬公司德博與新疆天聖集團以及兩名獨立第三方新疆宏通工貿有限公司(「宏通」)及田宜新先生簽訂增資認購協議(「協議」)。根據協議，德博同意出資人民幣24,000,000元以認購新疆天聖集團60%股權。

於2020年3月26日，上述交易已完成，新疆天聖集團成為本集團的非全資附屬公司。新疆天聖集團主要從事提供油泥熱脫附處置服務及油田周邊服務業務。本次收購已按收購法入賬列作業務收購。

根據獨立估值師對本次收購涉及的可識別資產與所收購負債的公允價值估值，於本年度已確認本次收購產生的商譽約人民幣18,277,000元。

[#] 英文名稱僅供識別。

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41 ACQUISITION OF SUBSIDIARIES (continued)

Xinjiang Tiansheng Group (continued)

The fair values of the identifiable assets and liabilities of the acquired subsidiaries as at the date of acquisition are as follows:

		RMB'000 人民幣千元
Property, plant and equipment (Note 14)	物業、廠房及設備(附註 14)	14,526
Deposit for acquisition of property, plant and equipment	收購物業、廠房及設備的按金	12,934
Trade and note receivables	貿易應收款項及應收票據	33,681
Deposits, prepayments and other receivables	按金、預付款項及其他應收款項	20,944
Bank balances and cash	銀行結餘及現金	28,552
Trade payables	貿易應付款項	(83,633)
Other payables and accrued expenses	其他應付款項及應計開支	(3,928)
Contract liabilities	合約負債	(101)
Income tax payable	應納所得稅	(9)
Deferred tax liabilities (Note 20)	遞延稅項負債(附註 20)	(257)
		22,709
Non-controlling interests	非控股權益	(16,986)
Goodwill (Note 17)	商譽(附註 17)	18,277
Consideration	對價	24,000
Satisfied by:	以下列方式支付：	
Cash	現金	10,000
Other payables	其他應付款項	14,000
		24,000

41 收購附屬公司(續)

新疆天聖集團(續)

於收購日期，所收購附屬公司的可識別資產及負債的公允價值如下：

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(Expressed in Renminbi)

(以人民幣為單位)

41 ACQUISITION OF SUBSIDIARIES (continued)

Xinjiang Tiansheng Group (continued)

Non-controlling interests

The Group has chosen to recognise the non-controlling interest at its fair value for this acquisition. The fair value of the non-controlling interest in Xinjiang Tiansheng Group was estimated by applying the replacement cost approach.

Goodwill arising on acquisition

Goodwill arose on the acquisition of Xinjiang Tiansheng Group because the acquisition included the assembled workforce of Xinjiang Tiansheng Group and some potential contracts which are still under negotiation with prospective new customers at the date of acquisition. These benefits are not recognised separately from goodwill because they do not meet the recognition criteria for identifiable intangible assets.

The goodwill arising on this acquisition is not expected to be deductible for tax purposes.

Net cash inflow arising on acquisition of Xinjiang Tiansheng Group

Bank balances and cash acquired	所購入的銀行結餘及現金	28,552
Less: consideration paid in cash	減：以現金支付的對價	(10,000)
		18,552

Impact of acquisition on the results of the Group

Included in the loss for the year ended 31 December 2020 is profit of approximately RMB2,314,000 attributable to the additional business generated by Xinjiang Tiansheng. Revenue for the year ended 31 December 2020 includes approximately RMB48,507,000 generated from Xinjiang Tiansheng.

41 收購附屬公司(續)

新疆天聖集團(續)

非控股權益

本集團已選擇就是次收購按公允價值確認非控股權益。於新疆天聖集團的非控股權益公允價值乃應用重置成本法估算。

收購產生的商譽

收購新疆天聖集團產生商譽乃因該項收購包括新疆天聖集團旗下員工及部分於收購日期仍在與潛在新客戶磋商的潛在合約。由於該等利益未符合確認為可識別無形資產的標準，故並無與商譽分開確認。

是次收購產生的商譽預期不可扣稅。

收購新疆天聖集團產生的現金流入淨額

RMB'000
人民幣千元

收購對本集團業績的影響

截至2020年12月31日止年度的虧損中包括新疆天聖產生的額外業務利潤約人民幣2,314,000元。截至2020年12月31日止年度的收入包括新疆天聖產生的收入約人民幣48,507,000元。

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(Expressed in Renminbi)

(以人民幣為單位)

41 ACQUISITION OF SUBSIDIARIES (continued)

Xinjiang Tiansheng Group (continued)

Impact of acquisition on the results of the Group (continued)

Had the acquisition of Xinjiang Tiansheng been completed on 1 January 2020, revenue for the year ended 31 December 2020 of the Group would have been approximately RMB552,980,000, and the loss for the year ended 31 December 2020 would have been approximately RMB6,599,000.

In determining the 'pro-forma' revenue and profit of the Group had Xinjiang Tiansheng Group been acquired at the beginning of the current year, the directors of the Company calculated depreciation and amortisation of property, plant and equipment based on the recognised amounts of property, plant and equipment at the date of the acquisition.

Shenzhen Kaipu

On 9 May 2019, the Group entered into a sales and purchase agreement with Mr Zhang LiQin, an independent third party, pursuant to which a subsidiary of the Group, Guangzhou Weigang, has acquired 100% of the equity interests in Shenzhen Kaipu at a consideration of RMB1. The acquisition has been completed in 2019. Shenzhen Kaipu is engaged in the provision of solid waste treatment in the PRC.

The fair value of identifiable assets and liabilities at the date of acquisition is as follows:

Cash and bank balances	現金及銀行結餘	1,080
Other receivables	其他應收款項	920
Other payables	其他應付款項	(2,000)
Net identifiable assets acquired		—*

41 收購附屬公司(續)

新疆天聖集團(續)

收購對本集團業績的影響(續)

假設收購新疆天聖於2020年1月1日完成，則本集團截至2020年12月31日止年度的收入將約為人民幣552,980,000元，而截至2020年12月31日止年度的虧損將約為人民幣6,599,000元。

假設新疆天聖集團於本年初被收購，於釐定本集團「備考」收入及利潤時，本公司董事根據物業、廠房及設備於收購日期的已確認金額計算物業、廠房及設備的折舊及攤銷。

深圳開普

於2019年5月9日，本集團與一名獨立第三方張莉琴女士訂立買賣協議，據此，本集團附屬公司廣州維港已按對價人民幣1元收購於深圳開普的100%股權。收購事項已於2019年完成。深圳開普於中國從事固體廢物處理。

可識別資產及負債於收購日期的公允價值如下：

RMB'000
人民幣千元

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(Expressed in Renminbi)

(以人民幣為單位)

41 ACQUISITION OF SUBSIDIARIES (continued)

Shenzhen Kaipu (continued)

Net cash inflow on acquisition of Shenzhen Kaipu

Consideration satisfied by:	以下列方式支付對價：	
Cash paid	已付現金	—*
Less: Cash and cash equivalents acquired	減：所購入的現金及現金等價物	1,080
Net cash inflows included in investing activities	計入投資活動的現金流入淨額	1,080

* less than RMB1,000

41 收購附屬公司(續)

深圳開普(續)

收購深圳開普的現金流入淨額

RMB'000

人民幣千元

* 少於人民幣1,000元

42 ACQUISITION OF ASSETS THROUGH ACQUISITION OF A SUBSIDIARY

On 16 January 2020, the Group acquired 73% equity interest in Qingyang Qingyi at a cash consideration of RMB7,000,000. The principal activity of Qingyang Qingyi is holding of a concession right and classified as an intangible asset. This acquisition is determined by the directors of the Company to be acquisition of assets and liabilities through acquisition of a subsidiary rather than as business combination because the assets acquired and liabilities assumed did not constitute a business as defined under IFRS 3.

42 透過收購一間附屬公司收購資產

於2020年1月16日，本集團以現金對價人民幣7,000,000元收購慶陽慶義73%股權。慶陽慶義的主要活動為持有特許經營權並分類為無形資產。由於所購入的資產及所承擔負債並不構成《國際財務報告準則》第3號所界定的業務，故是次收購經本公司董事釐定為透過收購附屬公司收購資產及負債，而非業務合併。

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綜合財務報表附註

(Expressed in Renminbi)

(以人民幣為單位)

42 ACQUISITION OF ASSETS THROUGH ACQUISITION OF A SUBSIDIARY (continued)

The net assets acquired in the above acquisition are as follows:

		RMB'000 人民幣千元
Intangible asset	無形資產	9,612
Deposits, prepayments and other receivables	按金、預付款項及其他應收款項	20
Bank balances and cash	銀行結餘及現金	—*
Other payables and accrued expenses	其他應付款項及應計開支	(43)
Net assets	資產淨值	9,589
Less: Non-controlling interests	減：非控股權益	(2,589)
Consideration	對價	7,000
Satisfied by:	以下列方式支付：	
Cash	現金	1,500
Prepayment for acquisition of a subsidiary	收購附屬公司的預付款項	5,500
		7,000

Net cash outflow arising on acquisition of Qingyang Qingyi

收購慶陽慶義產生的現金流出淨額

		RMB'000 人民幣千元
Bank balances and cash acquired	所購入的銀行結餘及現金	—*
Less: consideration paid in cash	減：以現金支付的對價	(1,500)
		(1,500)

Non-controlling interests

The non-controlling interest (27%) in Qingyang Qingyi recognised at the acquisition date was measured by reference to the proportionate share of recognised amounts of net assets of Qingyang Qingyi and amounted to approximately RMB2,589,000.

* Less than RMB1,000

非控股權益

於收購日期確認的慶陽慶義非控股權益(27%)乃參考慶陽慶義已確認資產淨值所佔比例計量，約為人民幣2,589,000元。

* 少於人民幣1,000元

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

(Expressed in Renminbi)

(以人民幣為單位)

43 DISPOSAL OF A SUBSIDIARY

On 21 May 2019, Guangzhou Weigang have made a capital injection which represents 60% shareholding of Guangzhou Weigang.

On 8 October 2019, the Group and the shareholder of Weigang Hongda entered into a share transfer agreement with an independent third party, pursuant to which, the Group and the shareholder of Weigang Hongda agreed to sell 19% and 13% equity interests of Weigang Hongda to an independent third party at a consideration of RMB1. Upon the completion of disposal, the equity interest held by Guangzhou Weigang is decreased from 60% to 41%. As a result, the Group's effective equity interests in Weigang Hongda has reduced from 54% to 37% and, since then, Weigang Hongda has become an associate of the Group.

The net assets of Weigang Hongda at the date of disposal were as follows:

43 出售一間附屬公司

於2019年5月21日，廣州維港已注資相當於廣州維港60%股權的金額。

於2019年10月8日，本集團及維港泓達的股東與一名獨立第三方訂立股份轉讓協議，據此，本集團及維港泓達的股東同意向一名獨立第三方以對價人民幣1元出售維港泓達19%及13%的股東權益。於出售事項完成後，廣州維港所持的股東權益由60%減少至41%。因此，本集團於維港泓達的實際權益已由54%減至37%，維港泓達自此成為本集團的聯營企業。

維港泓達於出售日期的資產淨值如下：

		<i>RMB'000</i> 人民幣千元
Net assets disposed of:	已出售資產淨值：	
Cash and bank balances	現金及銀行結餘	10
Net assets disposed of	已出售資產淨值	10

		<i>RMB'000</i> 人民幣千元
Loss on disposal of a subsidiary:	出售一間附屬公司的虧損：	
Consideration received	已收對價	—*
Net assets disposed of	已出售資產淨值	(10)
Investment in associates retained	保留於聯營企業的投資	4
Loss on disposal	出售事項的虧損	(6)

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(以人民幣為單位)

43 DISPOSAL OF A SUBSIDIARY (continued)

43 出售一間附屬公司(續)

RMB'000
人民幣千元

Net cash outflow arising on disposal:	出售事項產生的現金流出淨額：	
Cash consideration	現金對價	—*
Less: bank balances and cash disposed of	減：已出售銀行結餘及現金	(10)
		(10)

* Less than RMB1,000

* 少於人民幣 1,000 元

44 TRANSACTION WITH NON-CONTROLLING INTERESTS

44 與非控股權益的交易

Acquisition of additional interests in a subsidiary

On 23 June 2020, a non-wholly owned subsidiary of the Group, Guangzhou Weigang, disposed of all of its equity interests in Weierneng Environmental to a wholly-owned subsidiary of the Group, Debo, at cost of RMB5,100,000. As a result, the Group's effective interest in Weierneng Environmental has been changed from 45.9% to 51% accordingly.

收購一間附屬公司的額外權益

於2020年6月23日，廣州維港(本集團的非全資附屬公司)向德博(本集團的全資附屬公司)出售其於威爾能環保之所有權益，成本為人民幣5,100,000元。因此，本集團於威爾能環保的實際股權由45.9%變為51%。

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(Expressed in Renminbi)

(以人民幣為單位)

44 TRANSACTION WITH NON-CONTROLLING INTERESTS (continued)

Partial disposal of a subsidiary without losing control

On 5 August 2019, Guangzhou Weigang and Mr. Zhu Xin Wei ("Mr. Zhu"), an independent third party entered into capital injection for the increase of Xinjiang Wosen's registered capital from RMB5,000,000 to RMB10,000,000 in which, Guangzhou Weigang and Mr. Zhu injected RMB100,000 and RMB4,900,000 into Xinjiang Wosen, respectively. After the above capital injection, Guangzhou Weigang and Mr. Zhu own 51% and 49% equity interest in Xinjiang Wosen respectively, and Xinjiang Wosen remains as a subsidiary of the Group.

44 與非控股權益的交易(續)

部分出售一間附屬公司(不失去控制權)

於2019年8月5日，廣州維港與一名獨立第三方朱新位先生(「朱先生」)訂立增資，將新疆沃森的註冊資本由人民幣5,000,000元增加至人民幣10,000,000元，其中，廣州維港及朱先生分別對新疆沃森注資人民幣100,000元及人民幣4,900,000元。在上述增資完成後，廣州維港及朱先生分別擁有新疆沃森51%及49%的股權，且新疆沃森仍然是本集團的附屬公司。

		RMB'000 人民幣千元
Carrying amount of net assets transferred to non-controlling interests	轉撥至非控股權益的資產淨值的賬面值	(2,289)
Consideration received from non-controlling interests	自非控股權益收取的對價	4,900
Gains on partial disposal of equity interest recognised within equity	部分出售權益內確認的股權收益	2,611

45 COMPARATIVE FIGURES

Certain comparative figures have been reclassified to conform to the current year's presentation.

45 比較數字

若干比較數字已重新分類，以符合本年度之呈列方式。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

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(以人民幣為單位)

46 STATEMENTS OF FINANCIAL POSITION AND RESERVES OF THE COMPANY

46 本公司財務狀況表及儲備

		2020 2020年	2019 2019年
		<i>RMB'000</i> 人民幣千元	<i>RMB'000</i> 人民幣千元
Non-current assets	非流動資產		
Investment in subsidiaries	於附屬公司的投資	4,821	3,813
Right-of-use assets	使用權資產	209	756
		5,030	4,569
Current assets	流動資產		
Deposits, prepayments and other receivables	按金、預付款項及其他應收款項	228	243
Amounts due from subsidiaries	應收附屬公司款項	247,167	226,699
Bank balances and cash	銀行結餘及現金	11,317	56,783
		258,712	283,725
Current liabilities	流動負債		
Other payables and accrued expenses	其他應付款項及應計開支	218	836
Amounts due to subsidiaries	應付附屬公司款項	8,992	7,878
Lease liabilities	租賃負債	221	546
		9,431	9,260
Net current assets	流動資產淨值	249,281	274,465
Total assets less current liabilities	總資產減流動負債	254,311	279,034
Non-current liabilities	非流動負債		
Lease liabilities	租賃負債	—	235
NET ASSETS	資產淨值	254,311	278,799
Capital and reserves	資本及儲備		
Share capital	股本	55,100	55,100
Reserves	儲備	199,211	223,699
TOTAL EQUITY	權益總額	254,311	278,799

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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(Expressed in Renminbi)

(以人民幣為單位)

46 STATEMENTS OF FINANCIAL POSITION AND RESERVES OF THE COMPANY (continued)

46 本公司財務狀況表及儲備(續)

Movement in the Company's reserves

本公司儲備變動

		Share premium	Share-based payment reserve	Other reserve	Accumulated losses	Total
		以股份為基礎				
		股份溢價	的支付儲備	其他儲備	累計虧損	總計
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
At 1 January 2019	於2019年1月1日	23,583	2,160	8	(16,306)	9,445
Loss and total comprehensive expense for the year	年內虧損及全面開支總額	—	—	—	(594)	(594)
Issue of ordinary shares relating to IPO	就首次公開發售發行普通股	227,195	—	—	—	227,195
Transaction costs attributable to issue of new shares	因發行新股份產生的交易成本	(13,648)	—	—	—	(13,648)
Recognition of equity-settled share based payment	確認股權結算以股份為基礎的支付	—	1,301	—	—	1,301
At 31 December 2019 and 1 January 2020	於2019年12月31日及2020年1月1日	237,130	3,461	8	(16,900)	223,699
Loss and total comprehensive expense for the year	年內虧損及全面開支總額	—	—	—	(25,494)	(25,494)
Recognition of equity-settled share based payment	確認股權結算以股份為基礎的支付	—	1,006	—	—	1,006
At 31 December 2020	於2020年12月31日	237,130	4,467	8	(42,394)	199,211

FINANCIAL SUMMARY

財務摘要

Consolidated statement of profit or loss

綜合損益表

		2020 2020年	2019 2019年	2018 2018年	2017 2017年	2016 2016年
		RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元
Revenue	收入	536,811	537,509	480,091	189,407	88,971
Cost of sales	銷售成本	(453,929)	(393,273)	(355,428)	(127,303)	(60,131)
Gross profit	毛利	82,882	144,236	124,663	62,104	28,840
Other income, gains and losses	其他收入、收益及虧損	7,484	11,862	8,110	2,372	786
Administrative expenses	行政開支	(55,483)	(39,764)	(27,854)	(11,743)	(3,713)
Distribution and selling costs	分銷及銷售成本	(2,481)	(2,280)	(951)	—	—
Other expenses	其他開支	(21,890)	(21,058)	(29,251)	(14,474)	(5,571)
Impairment losses and write-off of trade receivables and other receivables and contract assets, net of reversal	貿易應收款項及其他應收款項以及合約資產的減值虧損及撇銷(扣除撥回)	(15,449)	(767)	(716)	(767)	(129)
Share of results of associates	應佔聯營企業的業績	(953)	(13)	—	(675)	2,667
Finance costs	融資成本	(2,429)	(1,094)	(6,031)	(438)	—
(Loss)/profit before income tax	除所得稅前(虧損)/利潤	(8,319)	91,122	67,970	36,379	22,880
Income tax credit/(expense)	所得稅抵免/(開支)	949	(13,091)	(10,559)	(6,620)	(3,357)
(Loss)/profit for the year	年內(虧損)/利潤	(7,370)	78,031	57,411	29,759	19,523
(Loss)/profit for the year attributable to:	以下各方應佔年內(虧損)/利潤:					
Owners of the Company	本公司擁有人	(10,929)	66,984	49,799	30,195	19,523
Non-controlling interests	非控股權益	3,559	11,047	7,612	(436)	—
		(7,370)	78,031	57,411	29,759	19,523

Extracts from the consolidated statement of financial position

摘錄自綜合財務狀況表

		2020 2020年	2019 2019年	2018 2018年	2017 2017年	2016 2016年
		RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元
Total assets	資產總額	938,723	802,027	469,735	253,053	90,842
Total liabilities	負債總額	(343,639)	(227,886)	(310,445)	(218,356)	(38,443)
Non-controlling interest	非控股權益	(89,739)	(57,326)	(27,220)	436	—
Equity attributable to owners of the Company	本公司擁有人應佔權益	505,345	516,815	132,070	35,133	52,399

GLOSSARY

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"AGM"	the forthcoming annual general meeting for the year 2020 of the Company	「股東週年大會」	指 本公司即將舉行的2020年股東週年大會
"Audit Committee"	the audit committee under the Board	「審核委員會」	指 董事會屬下審核委員會
"Board"	board of directors of the Company	「董事會」	指 本公司董事會
"CG Code"	the Corporate Governance Code as set out in Appendix 14 of the Listing Rules	「《企業管治守則》」	指 《上市規則》附錄十四所載《企業管治守則》
"China" or "PRC"	the People's Republic of China, but for the purposes of this annual report and for geographical reference only (unless otherwise indicated), excluding Taiwan, Macau and Hong Kong	「中國」	指 中華人民共和國，僅就本年報及地理參考目的而言（除另有註明外），不包括台灣、澳門及香港
"Company" or "we"	an exempted company incorporated in the Cayman Islands with limited liability on 18 May 2017 under the names of "Weigang Environmental Technology Holding Group Limited" and "维港环保科技控股集团有限公司", and registered as a non-Hong Kong company under Part 16 of the Companies Ordinance	「本公司」或「我們」	指 以「Weigang Environmental Technology Holding Group Limited」及「维港环保科技控股集团有限公司」的名稱於2017年5月18日在開曼群島註冊成立的獲豁免有限公司，並根據《公司條例》第16部註冊為一家非香港公司
"DHW Holdings"	DHW Holdings Limited, a company incorporated in the BVI with limited liability on 30 January 2018, which is wholly owned by Mr. ZHANG	「大河灣控股」	指 大河灣控股有限公司，一家於2018年1月30日在英屬維爾京群島註冊成立的有限公司，由張維仰先生全資擁有
"Director(s)"	director(s) of the Company	「董事」	指 本公司董事
"Global Offering"	the offer of the Company's Shares for subscription as described in the section headed "Structure of the Global Offering" in the Prospectus	「全球發售」	指 誠如招股章程「全球發售的架構」一節所述，發售本公司股份以供認購
"Group"	the Company and its subsidiaries and operating entities	「本集團」	指 本公司以及其附屬公司及經營實體

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“HKSCC”	Hong Kong Securities Clearing Company Limited	「香港結算」	指 香港中央結算有限公司
“HK\$” or “HKD”	Hong Kong dollars, the lawful currency for the time being of Hong Kong	「港元」	指 香港當時的法定貨幣港元
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC	「香港」	指 中國香港特別行政區
“IFRS”	the International Financial Reporting Standards, which include standards and interpretations promulgated by the International Accounting Standards Board (IASB), and the International Accounting Standards (IAS) and interpretation issued by the International Accounting Standards Committee (IASC)	「《國際財務報告準則》」	指 《國際財務報告準則》，包括國際會計準則理事會頒佈的準則及詮釋，以及國際會計準則委員會頒佈的國際會計準則及詮釋
“Independent Third Party(ies)”	any entity or person who is not a connected person of the Company within the meaning ascribed thereto under the Listing Rules	「獨立第三方」	指 並非本公司關連人士(定義見《上市規則》)的實體或個人
“Latest Practicable Date”	14 April 2021, being the latest practicable date for the purpose of ascertaining certain information contained in this annual report prior to its publication	「最後實際可行日期」	指 2021年4月14日，即於本年報發佈前為確定當中所載若干資料的最後實際可行日期
“Listing Date”	3 January 2019 on which the Shares were listed on the Stock Exchange	「上市日期」	指 2019年1月3日，即股份於聯交所上市當日
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, as amended from time to time	「《上市規則》」	指 《香港聯合交易所有限公司證券上市規則》，經不時修訂
“Memorandum and Articles of Association”	the amended and restated memorandum of articles of association and articles of association of our Company, conditionally adopted on 20 May 2018 with effect from the Listing Date, and as amended from time to time	「組織章程大綱及細則」	指 本公司於2018年5月20日有條件採納並自上市日期起生效的經修訂及重述組織章程大綱及章程細則，經不時修訂

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"Model Code"	Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 of the Listing Rules	「《標準守則》」	指 《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》
"Nomination Committee"	the nomination committee under the Board	「提名委員會」	指 董事會屬下提名委員會
"Period"	the year ended 31 December 2020	「期內」	指 截至2020年12月31日止年度
"PBOC"	People's Bank of China	「中國人民銀行」	指 中國人民銀行
"Pre-IPO Share Option Scheme"	the pre-IPO share option scheme of our Company as approved by the Board on 10 December 2018 with effective immediately prior to the completion of the Global Offering	「首次公开发售前購股權計劃」	指 董事會於2018年12月10日通過的本公司首次公开发售前購股權計劃，於緊接全球發售完成前生效
"Prospectus"	the prospectus of the Company dated 19 December 2018 in connection with the Hong Kong public offering of the Company	「招股章程」	指 本公司日期為2018年12月19日有關本公司香港公开发售的招股章程
"Remuneration Committee"	the remuneration committee under the Board	「薪酬委員會」	指 董事會屬下薪酬委員會
"RMB" or "Renminbi"	the lawful currency of the PRC	「人民幣」	指 中國的法定貨幣
"Reorganisation"	the reorganisation of the Group in preparation for Listing as set out in the subsection headed "History and Reorganisation and Group Structure – Reorganisation" in the Prospectus	「重組」	指 誠如招股章程「歷史、重組及集團架構 – 重組」分節所載述，本集團為籌備上市而進行的重組
"SFO"	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) as amended, supplemented or otherwise modified from time to time	「《證券及期貨條例》」	指 香港法例第571章《證券及期貨條例》，經不時修訂、補充或以其他方式修改
"SFC"	the Securities and Futures Commission of Hong Kong	「證監會」	指 香港證券及期貨事務監察委員會

GLOSSARY

釋義

“Shareholder(s)”	holder(s) of the Shares	「股東」	指 股份持有人
“Shares”	shares in the share capital of the Company, with a nominal value of HK\$0.05 each	「股份」	指 本公司股本中每股面值0.05港元的股份
“Stock Exchange”	The Stock Exchange of Hong Kong Limited	「聯交所」	指 香港聯合交易所有限公司
“Weigang Green”	Weigang Green Technology Limited, a company incorporated in the BVI with limited liability on 8 June 2017, which is wholly owned by Mr. Cai and is a Controlling Shareholder	「維港綠色」	指 維港綠色科技有限公司，一家於2017年6月8日在英屬維爾京群島註冊成立的有限公司，由蔡先生全資擁有，為控股股東
“WeiGang Technology”	WeiGang Technology Limited, a company incorporated in the BVI with limited liability on 3 January 2017, formerly known as “First Jump Inc.”, which is indirectly wholly owned by Mr. Cai through Weigang Green and is a Controlling Shareholder	「維港科技」	指 維港科技有限公司，一家於2017年1月3日在英屬維爾京群島註冊成立的有限公司（前稱「先越有限公司」），由蔡先生（通過維港綠色）間接全資擁有，為控股股東
“%”	per cent.	「%」	指 百分比

