



泛亞環保集團有限公司
Pan Asia Environmental Protection Group Limited

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

股份代號 stock code : 00556.HK

2021

ANNUAL REPORT
年報



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Corporate Information 公司資料

DIRECTORS

Executive Director

Mr. Jiang Xin (*Chairman & Chief Executive Officer*)

Non-executive Director

Mr. Fan Yajun

Independent Non-executive Directors

Mr. Leung Shu Sun, Sunny
Mr. Hu Jianjun (appointed on 1 April 2021)
Mr. Chen Xuezheng (appointed on 1 August 2021)
Professor Wang Guozhen (passed away on 4 January 2021)
Mr. Lai Wing Lee (resigned on 1 August 2021)

COMPANY SECRETARY

Mr. Wan San Fai, Vincent

AUTHORISED REPRESENTATIVES

Mr. Jiang Xin
Mr. Wan San Fai, Vincent

PRINCIPAL BANKERS

China Construction Bank Corporation
China CITIC Bank International Limited
Hang Seng Bank Limited

INDEPENDENT AUDITOR

Ascenda Cachet CPA Limited
13F Neich Tower
128 Gloucester Road
Wanchai
Hong Kong

LEGAL ADVISER

Chiu & Partners
40/F, Jardine House
1 Connaught Place
Central
Hong Kong

PUBLIC RELATIONS

Strategic Financial Relations Limited
24/F, Admiralty Centre I
18 Harcourt Road
Hong Kong

董事

執行董事

蔣鑫先生 (主席兼行政總裁)

非執行董事

范亞軍先生

獨立非執行董事

梁樹新先生
胡建軍先生 (於二零二一年四月一日委任)
陳學政先生 (於二零二一年八月一日委任)
王國珍教授 (於二零二一年一月四日辭世)
賴永利先生 (於二零二一年八月一日辭任)

公司秘書

溫新輝先生

授權代表

蔣鑫先生
溫新輝先生

主要往來銀行

中國建設銀行股份有限公司
中信銀行(國際)有限公司
恒生銀行有限公司

獨立核數師

天健德揚會計師事務所有限公司
香港
灣仔
告士打道128號
祥豐大廈13樓F室

法律顧問

趙不渝 • 馬國強律師事務所
香港
中環
康樂廣場1號
怡和大廈40樓

公共關係

縱橫財經公關顧問有限公司
香港
夏慤道18號
海富中心第1期24樓

Corporate Information 公司資料

REGISTERED OFFICE

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

PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE IN THE CAYMAN ISLANDS

Conyers Trust Company (Cayman) Limited
Cricket Square
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Grand Cayman KY1-1111
Cayman Islands

BRANCH SHARE REGISTRAR AND TRANSFER OFFICE IN HONG KONG

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

PRINCIPAL PLACE OF BUSINESS IN THE PRC

Baihe Industrial Park
Xinjie Street
Yixing City
Jiangsu Province
The PRC

PRINCIPAL PLACE OF BUSINESS IN HONG KONG

Room 3702, 37/F, Tower One
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WEBSITE

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STOCK CODE

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Cayman Islands

香港股份過戶登記分處

卓佳證券登記有限公司
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皇后大道東183號
合和中心54樓

中國主要營業地點

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江蘇省
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新街街道
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香港主要營業地點

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股份代號

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Chairman's Statement 主席報告

To Our Shareholders:

On behalf of the Board (the "Board") of Directors (the "Directors"), I am pleased to present the annual report of Pan Asia Environmental Protection Group Limited ("Pan Asia" or the "Company") and its subsidiaries (collectively referred to as the "Group") for the year ended 31 December 2021.

The COVID-19 pandemic continued to spread and mutate worldwide in 2021, although the rollout of COVID-19 vaccines and the climbing vaccination rate led the overall global economy to show signs of recovery. Having been the first major economy to return to growth amid the shadow of the pandemic, the economy of the People's Republic of China (the "PRC") continued to steadily improve. With the business environment gradually improving, projects in the environmental protection ("EP") sector experienced continuous recovery as a whole.

The year 2021 also marked the first year of the PRC's 14th Five-Year Plan ("FYP"), which lays down a comprehensive framework for the country's development for the 2021-2025 period and sets out concrete goals relating to EP. As specified in the FYP, the PRC government is aiming to reduce energy consumption and carbon dioxide emissions per unit of GDP by 13.5% and 18% respectively, with total emissions of the main pollutants continuing to fall and the rate of forest coverage increasing to 24.1%. The PRC government also published a detailed guiding document and an action plan in 2021, in order to provide clear national directives for reaching carbon emissions peaking before 2030 and achieving carbon neutrality before 2060. With this governmental support, the PRC EP industry is expected to have good growth prospects going forward, and Pan Asia will certainly strive to grasp the resultant market opportunities in order to further enhance its sustainable business development.

FINANCIAL REVIEW

During the year under review, the Group generated a total revenue of RMB38.2 million, a decline of 3.1% compared with RMB39.4 million recorded in 2020. The decline in revenue of the Group was partly due to the outbreak of the COVID-19 pandemic in the PRC, which had disrupted the EP industry and had interrupted the business operation of the Group and partly due to the severe competition in the industry where market players adopted increasingly aggressive pricing and tendering strategies to secure tenders. Gross profit increased by 67.3% to RMB2.9 million (2020: RMB1.8 million) and the gross profit margin increased to 7.7% (2020: 4.5%). Profit attributable to owners of the Company was RMB8.3 million

致各位股東：

本人謹代表董事（「董事」）會（「董事會」）提呈泛亞環保集團有限公司（「泛亞環保」或「本公司」）及其附屬公司（統稱「本集團」）截至二零二一年十二月三十一日止年度之年度報告。

儘管2019冠狀病毒病疫情於二零二一年繼續在全球蔓延並出現變種，但隨著疫苗推出和疫苗接種率攀升，全球經濟整體已出現復甦跡象。作為首個在疫情陰霾中重拾增長的主要經濟體，中華人民共和國（「中國」）的經濟持續穩步增長，而隨著營商環境逐步好轉，環境保護（「環保」）領域的項目運作整體亦持續復甦。

二零二一年亦是中國第十四個五年規劃（「十四五」規劃）的開局之年，有關規劃為國家於二零二一年至二零二五年的發展制定全面框架，並設立與環保相關的具體目標。「十四五」規劃提出，在主要污染物總排放量持續下降下，國家的目標是將單位國內生產總值能耗及二氧化碳排放量分別降低13.5%和18%，森林覆蓋率則提高至24.1%。去年，中國政府亦發佈詳盡的指引文件及行動計劃，為在二零三零年前實現碳達峰及於二零六零年前實現碳中和提供明確的國家指引。在政府支持下，中國環保行業的增長前景可觀，泛亞環保將致力把握市場機遇，進一步推動業務的可持續發展。

財務回顧

於回顧年度，本集團的總收入達到人民幣3,820萬元，較二零二零年人民幣3,940萬元減少3.1%。集團收入下降，部分原因是中國爆發COVID-19疫情，環保行業出現混亂，集團業務運營受阻，部分原因是市場競爭激烈，市場參與者愈益採用激進的定價和招標策略來爭取投標項目。毛利增加67.3%至人民幣290萬元（二零二零年：人民幣180萬元），毛利率亦增加至7.7%（二零二零年：4.5%）。年內，本集團錄得本公司擁有人應佔溢利人民幣

Chairman's Statement 主席報告

for the year, a turnaround from the loss attributable to owners of the Company, amounting to RMB29.3 million, recorded in 2020. The improvement was mainly attributable to net impairment loss reversed on trade receivables and contracts assets. Basic earnings per share amounted to RMB0.99 cents, an improvement on the basic loss per share of RMB3.49 cents recorded in 2020.

PROSPECTS

Recent resurgence of COVID-19 infections in multiple Mainland Chinese cities would put pressure on the economy as a result of sharp reduction in mobility due to lockdowns and transport restrictions. Industrial activities and domestic consumption would feel the strain in the near term. The Group will therefore continue to closely monitor market developments and respond prudently to the challenges such as logistics interruptions in Shanghai and other cities.

However, in view of the global trend of "going green" and the relevant supportive environmental policies and actions taken by the PRC government, the Group believes that the EP industry has strong potential for growth in the long run. To broaden its income streams and maintain steady business growth, the Group will continue to explore new market opportunities and diversify its business portfolio. The Group will also strive to expand through potential business acquisitions and tap into other industries with high growth potential. The Group aims to become a highly valuable enterprise, maximizing the returns for shareholders and making positive contributions to the environment and society.

APPRECIATION

On behalf of the Board and the management, I would like to express my heartfelt gratitude to our staff for their unfaltering dedication over the past year. I also wish to extend my appreciation to the Group's shareholders for their continued support which has enabled the Group to steadily develop its ongoing EP business and seek strategic investment opportunities. The Group, as always, will continue to exert relentless effort and strive to achieve stable growth while delivering long-term value to shareholders.

Jiang Xin
Chairman
Hong Kong, 30 March 2022

830萬元，去年則錄得本公司擁有人應佔虧損人民幣2,930萬元，轉虧為盈主要由於撥回應收貿易款項及合同資產的減值虧損淨額所致。每股基本盈利為人民幣0.99分，較去年每股基本虧損人民幣3.49分有所改善。

展望

最近中國內地多個城市再次出現COVID-19感染個案，各項封控措施和交通管制導致流動性急劇下降，將為經濟帶來壓力，工業活動和國內消費短期內亦受到影響。本集團將繼續密切關注市場發展，審慎應對上海及其他城市物流中斷等挑戰。

然而，鑒於「走向綠色」的全球趨勢及中國政府推出的相關支持環境政策及行動，本集團認為，從長遠來看，環保行業具有強大的增長潛力。為拓寬收入來源及維持業務穩定增長，本集團將繼續探索新的市場機遇及多元化業務組合。本集團亦將致力透過潛在業務收購進行擴張，並進軍其他具有高增長潛力的行業。本集團的目標是成為高價值企業，為股東創造最大回報，為環境和社會作出積極的貢獻。

致謝

本人謹此代表董事會及管理層衷心感謝全體員工於去年所作的努力，並感謝所有股東持續支持本集團穩步發展環保業務及尋求策略投資機會。一如既往，本集團將致力爭取長期穩定的增長及締造長期股東價值。

蔣鑫
主席
香港，二零二二年三月三十日

Management Discussion and Analysis 管理層討論與分析

INDUSTRY REVIEW

New waves of the COVID-19 pandemic continued to emerge across the globe in 2021, casting continued uncertainty over the pace of global economic recovery. However, with a high vaccination rate and the implementation of stringent anti-pandemic measures, the “PRC” sustained continuous and steady economic recovery during the year, recording an 8.1% year-on-year increase in GDP.

In order to address the impacts of global climate change, the PRC government has set the “dual-carbon” goals – achieving peak carbon dioxide emissions by 2030 and carbon neutrality by 2060. As highlighted in the 2021 Government Work Report and the 14th Five-Year Plan, taking solid steps toward the “dual-carbon” goals has been listed as one of the key priorities. In the second half of 2021, the Central Committee of the Chinese Communist Party and the State Council published the Working Guidance for Carbon Dioxide Peaking and Carbon Neutrality in Full and Faithful Implementation of the New Development Philosophy and the Action Plan for Carbon Dioxide Peaking Before 2030, which formed the basic policy framework and laid out key specific targets and measures for reaching the two key carbon reduction targets. In particular, the government set reduction targets of 13.5% and 18% for energy consumption and carbon dioxide emissions, respectively, per unit of GDP from the 2020 level. This, in turn, will present great potential business opportunities to the EP industry.

BUSINESS REVIEW

The Group is principally engaged in the development, manufacture and sale of EP products and equipment, and the provision of EP construction engineering solutions and services. In 2021, the sale of EP products and equipment remained the Group’s major source of revenue. The segment contributed revenue of RMB37.0 million (2020: RMB38.9 million), accounting for 97.0% (2020: 98.8%) of the Group’s total revenue. The decline in revenue was partly due to the outbreak of the COVID-19 pandemic in the PRC, which had disrupted the EP industry and had interrupted the business operation of the Group and partly due to the severe competition in the industry where market players adopted increasingly aggressive pricing and tendering strategies to secure tenders. The Group completed two water treatment-related projects. EP construction engineering design services generated a revenue of approximately RMB1.1 million (2020: RMB0.5 million), representing 3.0% of the Group’s total revenue (2020: 1.2%).

行業回顧

新一波新冠肺炎疫情於二零二一年繼續在全球肆虐，為全球經濟環境帶來不確定性。儘管如此，在高疫苗接種率及嚴格的防疫措施推動下，中國的經濟於年內持續穩定復甦，國內生產總值按年增長8.1%。

為應對全球氣候變化的影響，中國政府已設定「雙碳」目標，到二零三零年實現二氧化碳排放達峰，到二零六零年實現碳中和。正如《2021年政府工作報告》和「十四五」規劃所強調，實現「雙碳」目標已被列為主要優先事項之一。二零二一年下半年，中共中央及國務院發布了《關於完整準確全面貫徹新發展理念做好碳達峰碳中和工作的意見》和《2023年前碳達峰行動方案》，形成了基本的政策框架，並為實現兩個關鍵的減碳目標制定了重要具體目標和措施。特別是，政府制定目標將單位國內生產總值耗能和二氧化碳排放較二零二零年分別減少13.5%和18%，這將為環保行業帶來巨大的潛在商機。

業務回顧

本集團主要從事環保產品及設備的開發、製造及銷售，以及提供環保建設工程解決方案及服務。二零二一年，環保產品及設備的銷售仍然是其主要收入來源。該分部貢獻的收入為人民幣3,700萬元（二零二零年：人民幣3,890萬元），佔集團總收入的97.0%（二零二零年：98.8%）。集團收入下降，部分原因是中國爆發COVID-19疫情，環保行業出現混亂，集團業務運營受阻，部分原因是市場競爭激烈，市場參與者愈益採用激進的定價和招標策略來爭取投標項目。本集團完成了兩個水處理相關項目。環保建設工程設計服務的收入約人民幣110萬元（二零二零年：人民幣50萬元），佔集團總收入的3.0%（二零二零年：1.2%）。

Management Discussion and Analysis 管理層討論與分析

LIQUIDITY AND FINANCIAL RESOURCES

As at 31 December 2021, the Group's total assets amounted to RMB1,230.1 million, a decrease of RMB34.9 million compared with RMB1,265.0 million in 2020. The Group's total liabilities as at 31 December 2021 amounted to RMB100.4 million, a decrease of RMB45.5 million compared with RMB145.9 million in 2020. The Group's total equity as at 31 December 2021 was RMB1,129.6 million (2020: RMB1,119.1 million), and the gearing ratio, calculated on the basis of the total borrowings (including corporate bonds and amount due to a related company) to equity (including all capital and reserves), was 7.0% (2020: 6.3%). The Group's cash and cash equivalents amounted to RMB1,222.1 million as at 31 December 2021 (2020: RMB1,219.8 million).

EXPOSURE TO FLUCTUATIONS IN FOREIGN EXCHANGE RATES

The majority of the Group's business transactions and liabilities are denominated in Renminbi and Hong Kong dollars. The Group adopted a conservative financial policy and the majority of its bank deposits are in Renminbi and Hong Kong dollars. As at 31 December 2021, the Group did not have any foreign currency bank liabilities, foreign exchange contracts, interest or currency swaps or other financial derivatives for hedging purposes. Nevertheless, the management continues to monitor the Group's foreign exchange exposure and will take prudent measures as and when appropriate. As at 31 December 2021, the Group did not hold any derivatives for hedging against interest rate or foreign exchange risks.

CAPITAL COMMITMENTS AND CONTINGENT LIABILITIES

As at 31 December 2021, the Group did not have any capital expenditure commitment in respect of the acquisition of property, plant and equipment (2020: Nil). The Group has provided product warranties to its customers in respect of certain of its EP products and equipment sold for a warranty period ranging from six months to two years after installation. At the same time, the Group has also received product warranties in respect of those EP products and equipment supplied from its suppliers. The Directors believe that the amount of crystallized warranty liabilities will not be significant at the end of the reporting period.

流動資金及財務資源

於二零二一年十二月三十一日，本集團的資產總值為人民幣12.301億元，較二零二零年人民幣12.650億元減少人民幣3,490萬元。本集團於二零二一年十二月三十一日的負債總值為人民幣1.004億元，較二零二零年人民幣1.459億元減少人民幣4,550萬元。本集團於二零二一年十二月三十一日的權益總額為人民幣11.296億元（二零二零年：人民幣11.191億元），以借貸總額（包括公司債券及應付一間關聯公司款項）除以權益（包括所有資本及儲備）計算的權益負債比率為7.0%（二零二零年：6.3%）。於二零二一年十二月三十一日，本集團的現金及等同現金項目為人民幣12.221億元（二零二零年：人民幣12.198億元）。

承受匯率波動風險

本集團絕大多數營業交易與負債均以人民幣及港元計值。本集團奉行穩健財務政策，大部分銀行存款為人民幣及港元。於二零二一年十二月三十一日，本集團無任何外幣銀行負債、外匯合同、利息或貨幣掉期或其他對沖用途之金融衍生工具。然而，管理層將繼續監察本集團之外匯風險，並在適當時採取審慎措施。於二零二一年十二月三十一日，本集團並無持有對沖利率及外匯風險的任何衍生工具。

資金承擔及或然負債

於二零二一年十二月三十一日，本集團無任何就採購物業、廠房及設備之資本開支承擔（二零二零年：無）。本集團就其售出之若干環保產品及設備為其客戶提供產品保修服務，保修期由安裝後計六個月至兩年不等。同時，本集團亦享有其供應商就所提供之環保產品及設備之產品保修服務。董事相信，於報告期末，保修負債之實際金額並不重大。

Management Discussion and Analysis

管理層討論與分析

PLEDGE OF ASSETS

There was no pledge of assets by the Group as at 31 December 2021.

RELATIONSHIP WITH EMPLOYEES AND KEY STAKEHOLDERS

As at 31 December 2021, the Group had approximately 94 employees. Employee salaries were maintained at competitive levels and are reviewed annually, with close reference to the relevant labor markets and economic situations. Directors' remuneration is determined based on a variety of factors such as market conditions and the specific responsibilities shouldered by the individual directors. In addition to providing the basic remuneration and statutory benefits as required by the law, the Group provides discretionary bonuses based on its results and the performance of the individual employees. The Group also has an employee share option scheme in operation. The total remuneration cost, including Directors' remuneration, for the year ended 31 December 2021 was RMB12.5 million (2020: RMB12.6 million). During the year under review, the Group organized professional and vocational training for its employees. The Directors believe that the Group has an admirable relationship with its employees.

資產抵押

於二零二一年十二月三十一日，本集團無資產抵押。

與僱員及主要持份者之關係

於二零二一年十二月三十一日，本集團僱用約94名員工。僱員之薪酬維持在一個具競爭力之水平，並參考相關人力市場及經濟情況，每年進行檢討。董事之酬金乃根據一系列包括市場狀況及每位董事之職責之因素而釐定。除法律規定之基本薪酬及法定福利外，本集團亦根據本身之業績及個別員工之表現，酌情發放花紅。本集團亦已採納員工購股權計劃。截至二零二一年十二月三十一日止，薪酬成本總額（包括董事酬金）為人民幣1,250萬元（二零二零年：人民幣1,260萬元）。於回顧年內，本集團為其僱員舉辦專業及職業培訓。董事相信本集團與僱員關係良好。

Corporate Governance Report 企業管治報告

CORPORATE GOVERNANCE PRACTICES

The Board of Directors of the Company (the “Board”) is pleased to present the Corporate Governance Report in the Group’s annual report for the year ended 31 December 2021.

The Board was committed to achieving high corporate governance standards.

The Board believes that high corporate governance standards are essential in providing a framework for the Group to safeguard the interests of shareholders (the “Shareholders”), enhance corporate value, formulate its business strategies and policies, and enhance its transparency and accountability.

The Company’s corporate governance practices are based on the principles and code provisions as set out in the Corporate Governance Code (the “CG Code”) contained in Appendix 14 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) (the “Listing Rules”).

The Company has in place a corporate governance framework and has established a set of policies and procedures based on the CG Code contained in Appendix 14 to the Listing Rules. Such policies and procedures provide the infrastructure for enhancing the Board’s ability to implement governance and exercise proper oversight on business conduct and affairs of the Company.

In the opinion of the Directors, throughout the year ended 31 December 2021, the Company has complied with all applicable code provisions of the CG Code, except for CG Code provisions C.2.1 and F.2.2, which provides that the roles of Chairman and Chief Executive Officer should be separate and should not be performed by the same individual and the Chairman of the Board should attend the annual general meeting, details of which are set out in the sections headed “Attendance Records of Directors”, “Board of Directors” and “Communication with Shareholders and Investors” of this Corporate Governance Report.

DIRECTORS’ SECURITIES TRANSACTIONS

The Company has adopted its own code of conduct regarding Directors’ dealings in the Company’s securities (the “Company’s Securities Dealing Code”) on terms no less exacting than the Model Code for Securities Transactions by Directors of Listed Issuers (the “Model Code”) as set out in Appendix 10 to the Listing Rules.

企業管治常規

本公司董事會（「董事會」）欣然提呈本集團截至二零二一年十二月三十一日止年度年報內的企業管治報告。

董事會致力於達致高水平的企業管治。

董事會認為，高水平的企業管治對於為本集團提供保障股東（「股東」）權益、提升其企業價值、制定其業務策略和政策以及提高其透明度及問責性的框架而言至關重要。

本公司的企業管治常規乃根據香港聯合交易所有限公司（「聯交所」）證券上市規則（「上市規則」）附錄十四所載的企業管治守則（「企業管治守則」）所載列的原則及守則條文編製。

本公司已基於上市規則附錄十四所載的企業管治守則設立企業管治框架及一套政策及程序。該等政策及程序作為基礎，提升董事會執行管治及妥為監督本公司的業務活動及事務的能力。

董事認為，於截至二零二一年十二月三十一日止整個年度內，本公司一直遵守企業管治守則的所有適用守則條文，惟守則條文第C.2.1條及第F.2.2條除外（該等條文訂明，主席及行政總裁角色應予區分，不應由同一人擔任，以及董事會主席應出席股東周年大會），有關詳情載於本企業管治報告「董事出席記錄」、「董事會」及「與股東及投資者的溝通」等節內。

董事的證券交易

本公司已就董事買賣本公司證券採納本身的一套嚴格程度不遜於上市規則附錄十所載列的《上市發行人董事進行證券交易之標準守則》（「標準守則」）所訂標準的守則（「本公司證券買賣守則」）。

Corporate Governance Report

企業管治報告

Specific enquiry has been made of all the Directors and the Directors have confirmed that they have complied with the Company's Securities Dealing Code throughout the year ended 31 December 2021.

The Company's Securities Dealing Code, no less exacting than the Model Code, for securities transactions also applies to all employees who are likely to be in possession of unpublished price sensitive information of the Company. No incident of non-compliance of the Company's Securities Dealing Code by the employees was noted by the Company.

BOARD OF DIRECTORS

The Company is headed by an effective Board which oversees the Group's businesses, strategic decisions and performance and takes decisions objectively in the best interests of the Company.

The Board should regularly review the contribution required from a Director to perform his responsibilities to the Company, and whether the Director is spending sufficient time performing them.

Board Composition

The Board currently comprises five members including one Executive Director, one Non-executive Director and three Independent Non-executive Directors:

Executive Director:

Mr. Jiang Xin, *Chairman, Chief Executive Officer and member of the Nomination Committee and Remuneration Committee*

Non-executive Director:

Mr. Fan Yajun

Independent Non-executive Directors:

Mr. Leung Shu Sun, Sunny, *chairman of the Audit Committee and member of the Nomination Committee and Remuneration Committee*

Mr. Hu Jianjun, *member of the Audit Committee, Nomination Committee and Remuneration Committee*

Mr. Chen Xuezheng, *chairman of the Nomination Committee and Remuneration Committee and member of the Audit Committee*

經向全體董事作出具體查詢後，董事確認彼等於截至二零二一年十二月三十一日止整個年度一直遵守本公司證券買賣守則。

本公司證券買賣守則之嚴格程度不遜於有關證券交易的標準守則，且同樣適用於所有可能會掌握本公司未刊發之價格敏感資料的僱員。據本公司所悉，僱員並無違反本公司證券買賣守則。

董事會

本公司由高效的董事會領導，其監管本集團的業務、戰略決策及表現，並以本公司最佳利益作出客觀決策。

董事會應定期向本公司檢討董事履行其職責所需作出的貢獻，及董事是否花費足夠時間履行該等職責。

董事會組成

董事會成員現時合共有五名董事，包括一名執行董事、一名非執行董事及三名獨立非執行董事：

執行董事：

蔣鑫先生，*主席、行政總裁兼提名委員會及薪酬委員會成員*

非執行董事：

范亞軍先生

獨立非執行董事：

梁樹新先生，*審核委員會主席兼提名委員會及薪酬委員會成員*

胡建軍先生，*審核委員會、提名委員會及薪酬委員會成員*

陳學政先生，*提名委員會及薪酬委員會主席兼審核委員會成員*

Corporate Governance Report 企業管治報告

The biographical information of the Directors are set out in the section headed “Directors and Senior Management” on pages 27 to 29 of the annual report for the year ended 31 December 2021.

None of the members of the Board have any financial, business, family or other material/relevant relationships with one another.

Chairman and Chief Executive Officer

Pursuant to code provision C.2.1 of the CG Code as set out in Appendix 14 to the Listing Rules, companies listed on the Stock Exchange are expected to comply with, but may choose to deviate from the requirement that the responsibilities between the Chairman and the Chief Executive Officer should be segregated and should not be performed by the same individual. The Company does not have a separate Chairman and Chief Executive Officer and Mr. Jiang Xin currently performs these two roles.

The Board believes that vesting the roles of both Chairman and Chief Executive Officer in the same person has the benefit of ensuring consistent leadership within the Group and enables more effective and efficient overall strategic planning for the Group. The Board considers that the balance of power and authority for the present arrangement will not be impaired and this structure will enable the Company to make and implement decisions promptly and effectively.

The Board will continue to review and consider splitting the roles of Chairman and the Chief Executive Officer at a time when it is appropriate by taking into account the circumstances of the Group as a whole.

Independent Non-executive Directors

During the year ended 31 December 2021, the Board at all times met the requirements of the Listing Rules relating to the appointment of at least three Independent Non-executive Directors representing at least one-third of the Board. The chairman of the Audit Committee is Mr. Leung Shu Sun, Sunny, who possesses the appropriate professional qualification, and accounting and financial management expertise as required under Rule 3.10(2) of the Listing Rules.

董事履歷資料載於截至二零二一年十二月三十一日止年度的年報第27頁至29頁的「董事及高級管理層」一節。

董事會成員之間概無任何財務、業務、家庭或其他重大／相關關係。

主席及行政總裁

根據上市規則附錄十四所載企業管治守則的守則條文第C.2.1條，在聯交所上市之公司預期遵守但可以選擇偏離以下規定，即主席與行政總裁的職責應予以區分及不應由同一人履行職務。本公司並無將主席及行政總裁分開，蔣鑫先生目前履行該兩個角色。

董事會相信，由同一人兼任主席及行政總裁的角色，有助確保本集團內部領導貫徹一致，使本集團的整體策略規劃更有效及更具效率。董事會認為，目前的安排將不會削弱權力制衡，而此架構將有助本公司迅速及有效地作出及實行決策。

顧慮到本集團的整體情況，董事會將持續檢討並考慮於適時將本公司的主席與行政總裁的職能分開。

獨立非執行董事

截至二零二一年十二月三十一日止年度，董事會一直遵守上市規則有關委任至少三名獨立非執行董事並佔董事會人數至少三分之一。審核委員會主席為梁樹新先生，彼擁有上市規則第3.10(2)條所規定的合適專業資格及會計及財務管理專長。

Corporate Governance Report

企業管治報告

The Company has received written annual confirmation from each of the Independent Non-executive Directors in respect of his independence in accordance with the independence guidelines set out in Rule 3.13 of the Listing Rules. The Company is of the view that all Independent Non-executive Directors are independent.

Following the passing away of Professor Wang Guozhen on 4 January 2021, who was an Independent Non-executive Director, a member of the Audit Committee, the Remuneration Committee and the Nomination Committee of the Board, the composition of the Board comprises one Executive Director, one Non-executive Director and two Independent Non-executive Directors and hence the number of Independent Non-executive Directors and members of the Audit Committee has fallen below the minimum number required under Rules 3.10(1) and 3.21 of the Listing Rules.

The Company has appointed Mr. Hu Jianjun as an Independent Non-executive Director, a member of the Audit Committee, the Remuneration Committee and the Nomination Committee of the Board in each case with effect from 1 April 2021. Following such changes, the Company is in compliance with Rule 3.10(1) and 3.21 of the Listing Rules.

Appointment and Re-election of Directors

The Non-executive Director of the Company has entered into a service contract with the Company which is renewable from year to year until terminated by either party with 3 months' notice in writing served on the other side. Each of the Independent Non-executive Directors of the Company is appointed under a letter of appointment which is terminable by either party with 3 months' notice in writing served on the other side.

Under the Articles of Association of the Company, at each annual general meeting, one-third of the Directors for the time being, or if their number is not three or a multiple of three, the number nearest to but not less than one-third shall retire from office by rotation provided that every Director, including those appointed for a specific term, shall be subject to retirement by rotation at least once every three years. The Company's Articles of Association also provides that all Directors appointed to fill a casual vacancy shall be subject to election by shareholders at the first general meeting after appointment. The retiring Directors shall be eligible for re-election.

本公司已收到各獨立非執行董事根據上市規則第3.13條所載獨立性指引就其獨立性發出的年度確認書。本公司認為，全體獨立非執行董事均屬獨立。

隨著獨立非執行董事、董事會審核委員會、薪酬委員會及提名委員會成員王國珍教授於二零二一年一月四日辭世，董事會由一名執行董事、一名非執行董事及兩名獨立非執行董事組成，因此，獨立非執行董事及審核委員會成員人數低於上市規則第3.10(1)條及第3.21條規定的最低人數。

本公司已委任胡建軍先生為獨立非執行董事、董事會審核委員會成員、薪酬委員會成員及提名委員會成員，分別自二零二一年四月一日起生效。於有關變動後，本公司符合上市規則第3.10(1)條及3.21條之規定。

委任及重選董事

本公司非執行董事已與本公司訂立服務合同，每年可予續期，直至任何一方向另一方發出三個月書面通知終止。本公司各獨立非執行董事均根據委任書獲委任，惟該委任可經任何一方向另一方發出三個月的書面通知予以終止。

根據本公司組織章程細則，於每屆股東周年大會上，當時為數三分之一的董事（如董事人數並非三或三的倍數，則須為最近但不少於三分之一的董事人數）須輪值退任，惟所有董事（包括獲指定任期的董事）須最少每三年輪值退任一次。本公司組織章程細則亦規定，所有為填補臨時空缺而被委任的董事應在接受委任後的首次股東大會上接受股東選舉。退任董事合資格膺選連任。

Corporate Governance Report 企業管治報告

Responsibilities, Accountabilities and Contributions of the Board and Management

The Board should assume responsibility for leadership and control of the Company and is collectively responsible for directing and supervising the Company's 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.

All Directors, including Non-executive Director 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.

The Independent Non-executive Directors are responsible for ensuring a high standard of regulatory reporting of the Company and providing a balance in the Board for bringing effective independent judgement on corporate actions and operations.

All Directors have full and timely access to all the information of the Company and may, upon request, seek independent professional advice in appropriate circumstances at the Company's expenses for discharging their duties to the Company.

The Directors shall disclose to the Company details of other offices held by them and the Board regularly reviews the contribution required from each Director to perform his responsibility to the Company.

The Board reserves for its decision all major matters relating to policy matters, strategies and budgets, internal control and risk management, material transactions (in particular those that may involve conflict of interests), financial information, appointment of Directors and other significant operational matters of the Company. Responsibilities relating to implementing decisions of the Board, directing and co-ordinating the daily operation and management of the Company are delegated to the management.

The Company has arranged appropriate insurance coverage on Directors' and officers' liabilities in respect of any legal actions taken against Directors and senior management arising out of corporate activities. The insurance coverage would be reviewed on an annual basis.

董事會及管理層的職責、問責性及貢獻

董事會承擔領導及控制本公司的職責並集體負責指導及監管本公司的事務。

董事會直接（及間接透過其各委員會）領導及指導管理層，其工作包括制定策略及監督管理層執行情況、監控本集團營運及財務表現，以及確保設有完備的內部監控及風險管理系統。

全體董事（包括非執行董事及獨立非執行董事）均為董事會帶來多種領域的寶貴業務經驗、知識及專長，使其高效及有效地運作。

獨立非執行董事須負責確保本公司監管報告具有高標準以及就企業行動及運作提供有效的獨立判斷並為董事會帶來平衡。

全體董事均可全面並及時獲得本公司所有資料，及可在適當情況下經提出要求後尋求獨立專業意見，以向本公司履行其職責，費用由本公司承擔。

董事須向本公司披露彼等所擔任其他職務的詳情，而董事會亦定期檢討各董事向本公司履行其職責所需作出的貢獻。

董事會保留其有關本公司政策事項、策略及預算、內部監控及風險管理、重大交易（尤其是可能涉及利益衝突的交易）、財務資料、委任董事及其他重大營運事項的所有重大事項的決策。有關執行董事會決策、指導及協調本公司日常營運及管理的職責均授權予管理層處理。

本公司已安排適當的董事及主管責任保險，涵蓋董事及高級管理層就企業活動而對彼等產生的法律訴訟責任。該保險範圍將會每年檢討。

Corporate Governance Report 企業管治報告

Continuous Professional Development of Directors

Directors shall keep abreast of regulatory developments and changes in order to effectively perform their responsibilities and to ensure that their contribution to the Board remains informed and relevant.

Every newly appointed Director has received formal, comprehensive and tailored induction on the first occasion of his/her appointment to ensure appropriate understanding of the business and operations of the Company and full awareness of Director's responsibilities and obligations under the Listing Rules and relevant statutory requirements. Such induction shall be supplemented by visits to the Company's key plant sites and meetings with senior management of the Company.

Directors should participate in appropriate continuous professional development to develop and refresh their knowledge and skills. Internally-facilitated briefings for Directors would be arranged and reading material on relevant topics would be provided to Directors where appropriate. All Directors are encouraged to attend relevant training courses at the Company's expenses.

董事的持續專業發展

董事須瞭解最新監管發展及變更以有效履行職責，藉此確保彼等繼續對董事會作出知情及相關貢獻。

每位新獲委任董事均於首次接受委任時獲得正式、全面及專門的入職培訓，以確保該董事對本公司的業務及營運均有適當的理解，並充分知悉彼於上市規則及相關法定規定下的責任及義務。除該等入職培訓外，亦會讓新獲委任董事參觀本公司的主要工廠，並與本公司高級管理層會面。

董事應參與適當的持續專業發展，以發展及更新彼等的知識及技能。本公司將為董事安排內部簡報，並於適當時候向董事提供相關議題的閱讀材料。全體董事均獲鼓勵參加相關培訓課程，費用由本公司承擔。

Corporate Governance Report 企業管治報告

The record of continuous professional development relating to Director's duties and regulatory and business development that have been received by the Directors for the year ended 31 December 2021 are summarized as follows:

截至二零二一年十二月三十一日止年度，董事已接獲有關董事職責以及監管及業務發展的持續專業發展記錄概述如下：

Directors	董事	Type of Training ^{Note} 培訓類別 ^{附註}
<i>Executive Director</i> Mr. Jiang Xin	執行董事 蔣鑫先生	B
<i>Non-executive Director</i> Mr. Fan Yajun	非執行董事 范亞軍先生	B
<i>Independent Non-executive Directors</i> Mr. Leung Shu Sun, Sunny Mr. Hu Jianjun (appointed on 1 April 2021) Mr. Chen Xuezheng (appointed on 1 August 2021) Professor Wang Guozhen (passed away on 4 January 2021) Mr. Lai Wing Lee (resigned on 1 August 2021)	獨立非執行董事 梁樹新先生 胡建軍先生 (於二零二一年四月一日委任) 陳學政先生 (於二零二一年八月一日委任) 王國珍教授 (於二零二一年一月四日辭世) 賴永利先生 (於二零二一年八月一日辭任)	A A A N/A 不適用 A

Note:

附註：

Types of Training

培訓類別

A: Attending training sessions, including but not limited to, briefings, seminars, conferences and workshops

A: 參加培訓課程，包括但不限於簡報會、研討會、會議及工作坊

B: Reading relevant news alerts, newspapers, journals, magazines and relevant publications

B: 閱讀相關新聞快訊、報紙、期刊、雜誌及相關出版物

BOARD COMMITTEES

董事委員會

The Board has established three committees, namely, the Audit Committee, the Remuneration Committee and the Nomination Committee, for overseeing particular aspects of the Company's affairs. All Board committees of the Company are established with specific written terms of reference which deal clearly with their authority and duties. The terms of reference of the Board committees are posted on the Company's website and the Stock Exchange's website and are available to Shareholders upon request.

董事會已設立三個委員會，分別為審核委員會、薪酬委員會及提名委員會，以監察本公司各範疇的具體事務。所有本公司董事委員會的成立均有書面界定其職權範圍，清楚列載各委員會的權力及職責。有關董事委員會職權範圍的資料已刊登於本公司網站及聯交所網站並應股東要求可供查閱。

Corporate Governance Report

企業管治報告

The list of the chairman and members of each Board committee is set out under “Board of Directors” on page 10 of this Corporate Governance Report.

Audit Committee

The Audit Committee consists of three members, including three Independent Non-executive Directors, namely Mr. Chen Xuezheng, Mr. Hu Jianjun and Mr. Leung Shu Sun, Sunny. Mr. Leung Shu Sun, Sunny is the chairman of the Audit Committee.

The terms of reference of the Audit Committee are of no less exacting terms than those set out in the CG Code.

The main duties of the Audit Committee are to assist the Board in reviewing the financial information and reporting process, risk management and internal control systems, effectiveness of the internal audit function, scope of audit and appointment of external auditor, and arrangements to enable employees of the Company to raise concerns about possible improprieties in financial reporting, internal control or other matters of the Company.

During the year ended 31 December 2021, the Audit Committee held two meetings to review the annual financial results and reports in respect of the year ended 31 December 2020 and the interim financial results and reports for the period ended 30 June 2021 and significant issues on the financial reporting, operational and compliance controls, the effectiveness of the risk management and internal control systems and internal audit function, appointment of external auditor, engagement of non-audit services and relevant scope of works, amendments of the terms of reference in light of the amendments to the Corporate Governance Code and arrangements for employees to raise concerns about possible improprieties.

The Audit Committee also met the external auditor twice without the presence of the Executive Directors.

Remuneration Committee

The Remuneration Committee consists of four members including one Executive Director, namely Mr. Jiang Xin, and three Independent Non-executive Directors, namely Mr. Chen Xuezheng, Mr. Hu Jianjun and Mr. Leung Shu Sun, Sunny. Mr. Chen Xuezheng is the chairman of the Remuneration Committee.

各董事委員會的主席及成員名單載於本企業管治報告第10頁的「董事會」內。

審核委員會

審核委員會由三名成員組成，包括三名獨立非執行董事，即為陳學政先生、胡建軍先生及梁樹新先生。梁樹新先生為審核委員會主席。

審核委員會的職權範圍不限於企業管治守則所載條款。

審核委員會的主要職責為協助董事會檢討本公司的財務資料及報告程序、風險管理及內部監控系統、內部審核功能的效能、審核範疇及委任外部核數師和使本公司僱員就本公司財務申報、內部控制或其他事宜的可能不當行為提出舉報的安排。

於截至二零二一年十二月三十一日止年度，審核委員會曾舉行兩次會議，以審閱截至二零二零年十二月三十一日止年度的年度財務業績及報告以及截至二零二一年六月三十日止期間的中期財務業績及報告，以及有關財務申報、營運及合規控制，以及風險管理、內部監控系統及內部審核功能的效能、外部核數師的委任、聘任非審核服務及相關工作範圍、鑒於企業管治守則修訂之職權範圍的修訂，以及安排僱員就可能的不當行為提出舉報的重大事宜。

審核委員會亦曾在執行董事不在場的情況下與外部核數師會面兩次。

薪酬委員會

薪酬委員會由四名成員組成，包括一名執行董事，即蔣鑫先生，及三名獨立非執行董事，即陳學政先生、胡建軍先生及梁樹新先生。陳學政先生為薪酬委員會主席。

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The terms of reference of the Remuneration Committee are of no less exacting terms than those set out in the CG Code.

The primary functions of the Remuneration Committee include reviewing and making recommendations to the Board on the remuneration packages of individual executive Directors and senior management, the remuneration policy and structure for all Directors and senior management, and establishing transparent procedures for developing such remuneration policy and structure to ensure that no Director or any of his associates will participate in deciding his own remuneration.

During the year ended 31 December 2021, the Remuneration Committee held one meeting to review and make recommendation to the Board on the remuneration policy and structure of the Company and the remuneration packages of the Executive Director and senior management and other related matters.

Details of the remuneration of the senior management by band are set out in note 11 in the notes to the audited consolidated financial statements for the year ended 31 December 2021.

Nomination Committee

The Nomination Committee consists of four members, including one Executive Director, namely Mr. Jiang Xin, and three Independent Non-executive Directors, namely Mr. Chen Xuezheng, Mr. Hu Jianjun and Mr. Leung Shu Sun, Sunny. Mr. Chen Xuezheng is the chairman of the Nomination Committee.

The terms of reference of the Nomination Committee are of no less exacting terms than those set out in the CG Code.

The principal duties of the Nomination Committee include reviewing the Board composition, developing and formulating relevant procedures for the nomination and appointment of Directors, making recommendations to the Board on the appointment and succession planning of Directors, and assessing the independence of Independent Non-executive Directors.

In assessing the Board composition, the Nomination Committee would take into account various aspects as well as factors concerning Board diversity as set out in the Company's Board Diversity Policy. The Nomination Committee would discuss and agree on measurable objectives for achieving diversity on the Board, where necessary, and recommend them to the Board for adoption.

薪酬委員會的職權範圍不限於企業管治守則所載條款。

薪酬委員會的主要職責包括審閱及釐定個別執行董事及高級管理層的薪酬待遇、全體董事及高級管理層的薪酬政策及架構，並就此向董事會提出建議及制定透明的程序藉以確立有關薪酬政策及架構，確保董事或其任何聯繫人不會參與決定其自身薪酬。

截至二零二一年十二月三十一日止年度，薪酬委員會舉行了一次會議，以審閱本公司薪酬政策及架構以及執行董事及高級管理人員薪酬待遇及其他相關事宜，並就此向董事會提出建議。

按組別分類的高級管理層薪酬的詳情載於截至二零二一年十二月三十一日止年度之經審核綜合財務報表附註中的附註11。

提名委員會

提名委員會由四名成員組成，包括一名執行董事，即蔣鑫先生，及三名獨立非執行董事，即陳學政先生、胡建軍先生及梁樹新先生。陳學政先生為提名委員會主席。

提名委員會的職權範圍不限於企業管治守則所載條款。

提名委員會主要負責檢討董事會組成，發展及制訂提名及委任董事的有關程序，就董事的委任及繼任計劃向董事會提供推薦意見，以及評估獨立非執行董事的獨立性。

於評估董事會組成時，提名委員會將考慮本公司董事會多元化政策所載董事會多元化的若干方面以及因素。提名委員會將討論及協定達致董事會多元化的可計量目標（倘必要）並向董事會推薦以供採納。

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In identifying and selecting suitable candidates for directorships, the Nomination Committee would consider the candidate's relevant criteria as set out in the Director Nomination Policy that are necessary to complement the corporate strategy and achieve Board diversity, where appropriate, before making recommendation to the Board.

During the year ended 31 December 2021, the Nomination Committee held one meeting to review the structure, size and composition of the Board and the independence of the Independent Non-executive Directors, to consider the qualifications of the retiring Directors standing for election at the annual general meeting. The Nomination Committee considered an appropriate balance of diversity perspectives of the Board is maintained.

Board Diversity Policy

The Company has adopted a Board Diversity Policy which sets out the approach to achieve diversity of the Board. The Company recognizes and embraces the benefits of having a diverse Board and sees increasing diversity at the Board level as an essential element in maintaining the Company's competitive advantage.

Pursuant to the Board Diversity Policy, the Nomination Committee will review annually the structure, size and composition of the Board and where appropriate, make recommendations on changes to the Board to complement the Company's corporate strategy and to ensure that the Board maintains a balanced diverse profile. In relation to reviewing and assessing the Board composition and the nomination of Directors, the Nomination Committee is committed to diversity at all levels and will consider a number of aspects, including but not limited to gender, age, cultural and educational background, professional qualifications, skills, knowledge and regional and industry experience.

The Company aims to maintain an appropriate balance of diversity perspectives that are relevant to the Company's business growth and is also committed to ensuring that recruitment and selection practices at all levels (from the Board downwards) are appropriately structured so that a diverse range of candidates are considered.

The Board will consider setting measurable objectives to implement the Board Diversity Policy and review such objectives from time to time to ensure their appropriateness and ascertain the progress made towards achieving those objectives.

在物色及甄選合適的董事候選人時，提名委員會在向董事會提出推薦意見前，會考慮董事提名政策所載之候選人相關標準就補充公司策略及達致董事會成員多元化而言屬必要（倘適用）。

截至二零二一年十二月三十一日止年度，提名委員會舉行了一次會議，檢討董事會的架構、規模及組成，以及獨立非執行董事的獨立性，以考慮擬於股東周年大會上重選的退任董事的資格。提名委員會認為，董事會組成在多元化方面維持適當平衡。

董事會成員多元化政策

本公司已採納董事會成員多元化政策，其中載列達成董事會多元化的方法。本公司意識到並接納多元化董事會的好處，並認為董事會層面日益多元化乃是維持本公司競爭優勢不可或缺的因素。

根據董事會成員多元化政策，提名委員會將每年檢討董事會的架構、規模及組成，並就任何為配合本公司的公司策略而對董事會作出的變動提出建議（倘適用），以確保董事會維持均衡的多元化形象。在檢討及評估董事會組成及董事提名方面，提名委員會致力於各層面的多元化，並會考慮多個方面，包括但不限於性別、年齡、文化及教育背景、專業資格、技能、知識以及區域及行業經驗。

本公司旨在使董事會成員多元化方面能保持適當平衡，以切合本公司業務發展並致力於確保各層面（由董事會而下）的招聘及甄選均按適當的架構程序進行，以便招徠多元背景的人選供委聘。

董事會將考慮設定可計量的目標，以實施董事會成員多元化政策，並不時檢討該等目標，確保目標合適並確定其達成進度。

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At present, the Nomination Committee considered that the Board is sufficiently diverse and the Board has not set any measurable objectives.

The Nomination Committee will review the Board Diversity Policy, as appropriate, to ensure its effectiveness.

Director Nomination Policy

The Board has delegated its responsibilities and authority for selection and appointment of Directors to the Nomination Committee of the Company.

The Company has adopted a Director Nomination Policy which sets out the selection criteria and process and the Board succession planning considerations in relation to nomination and appointment of Directors of the Company and aims to ensure that the Board has a balance of skills, experience and diversity of perspectives appropriate to the Company and the continuity of the Board and appropriate leadership at Board level.

The Director Nomination Policy sets out the factors for assessing the suitability and the potential contribution to the Board of a proposed candidate, including but not limited to the following:

- Character and integrity;
- Qualifications including professional qualifications, skills, knowledge and experience that are relevant to the Company's business and corporate strategy;
- Diversity in all aspects, including but not limited to gender, age (18 years or above), cultural and educational background, ethnicity, professional experience, skills, knowledge and length of service;
- Requirements of Independent Non-executive Directors on the Board and independence of the proposed Independent Non-executive Directors in accordance with the Listing Rules; and
- Commitment in respect of available time and relevant interest to discharge duties as a member of the Board and/or Board committee(s) of the Company.

目前，提名委員會認為董事會已充分多元化，而董事會並未設定任何可計量的目標。

提名委員會將酌情審閱董事會多元化政策，以確保其有效性。

董事提名政策

董事會已將其甄選及委任董事的職責及權力授予本公司提名委員會。

本公司已採納董事提名政策，其中載列有關提名及委任本公司董事的甄選準則及程序以及董事會繼任計劃考慮因素，旨在確保董事會成員具備切合本公司業務所需的技能、經驗及多元化觀點以及董事會的穩定性及維持董事會的領導角色。

董事提名政策載列評估建議候選人是否適合董事會及對董事會的潛在貢獻之因素，包括但不限於以下各項：

- 品格及誠信；
- 資格，包括專業資格、技能、知識及與本公司業務及企業策略相關的經驗；
- 全方面的多元化，包括但不限於性別、年齡（18歲或以上）、文化及教育背景、族裔、專業經驗、技能、知識及服務年限；
- 根據上市規則，董事會需包括獨立非執行董事的規定及候選人是否被視為獨立；及
- 作為本公司董事會及／或董事會轄下委員會成員履行其職責的可用時間及相關利益之承諾。

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The Director Nomination Policy also sets out the procedures for the selection and appointment of new Directors and re-election of Directors at general meetings.

The Nomination Committee will review the Director Nomination Policy, as appropriate, to ensure its effectiveness.

Corporate Governance Functions

The Board is responsible for performing the functions set out in the code provision A.2.1 of the CG Code.

During the year ended 31 December 2021, the Board had reviewed the Company's corporate governance policies and practices, training and continuous professional development of Directors and senior management, the Company's policies and practices on compliance with legal and regulatory requirements, the compliance of the Company's Securities Dealing Code and the Model Code, and the Company's compliance with the CG Code and disclosure in the Corporate Governance Report.

ATTENDANCE RECORDS OF DIRECTORS

The attendance record of each Director at the Board and Board Committee meetings and the general meetings of the Company held during the year ended 31 December 2021 is set out in the table below:

Name of Director	董事姓名	Attendance/Number of Meetings				Annual General Meeting
		Board 董事會	Audit Committee 審核委員會	Remuneration Committee 薪酬委員會	Nomination Committee 提名委員會	
Jiang Xin	蔣鑫	6/6	N/A 不適用	1/1	1/1	0/1
Fan Yajun	范亞軍	6/6	N/A 不適用	N/A 不適用	N/A 不適用	0/1
Leung Shu Sun, Sunny	梁樹新	6/6	2/2	1/1	1/1	1/1
Hu Jianjun (appointed on 1 April 2021)	胡建軍 (於二零二一年 四月一日委任)	2/2	1/1	1/1	1/1	0/1
Chen Xuezheng (appointed on 1 August 2021)	陳學政 (於二零二一年 八月一日委任)	1/1	1/1	1/1	1/1	N/A 不適用
Wang Guozhen (passed away on 4 January 2021)	王國珍 (於二零二一年 一月四日辭世)	N/A 不適用	N/A 不適用	N/A 不適用	N/A 不適用	N/A 不適用
Lai Wing Lee (resigned on 1 August 2021)	賴永利 (於二零二一年 八月一日辭任)	5/5	1/1	1/1	1/1	1/1

董事提名政策亦載列甄選及委任新董事及於股東大會上重選董事的程序。

提名委員會將酌情審閱董事提名政策，以確保其有效性。

企業管治職能

董事會負責執行企業管治守則第A.2.1條所載的職能。

截至二零二一年十二月三十一日止年度，董事會已檢討本公司的企業管治政策及常規、董事及高級管理層的培訓及持續專業發展、本公司有關遵守法律及監管規定的政策及常規、遵守本公司證券買賣守則及標準守則的情況以及本公司遵守企業管治守則及本企業管治報告中的披露情況。

董事出席記錄

各董事於截至二零二一年十二月三十一日止年度舉行的董事會及董事委員會會議以及本公司股東大會的出席記錄載列如下：

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Regular Board meetings should be held at least four times a year involving active participation, either in person or through electronic means of communication, of a majority of Directors. During the year ended 31 December 2021, the Board held six meetings with active participation of majority directors, either in person or through electronic means of communication.

Apart from regular Board meetings, the Chairman also held meetings with Independent Non-executive Directors without the presence of other Directors during the year.

RISK MANAGEMENT AND INTERNAL CONTROLS

The Board acknowledges its responsibility for the risk management and internal control systems and reviewing their effectiveness. 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 Board has the overall responsibility for evaluating and determining the nature and extent of the risks it is willing to take in achieving the Company's strategic objectives, and establishing and maintaining appropriate and effective risk management and internal control systems.

The Audit Committee assists the Board in leading the management and overseeing their design, implementation and monitoring of the risk management and internal control systems.

The Company has developed and adopted various risk management procedures and guidelines with defined authority for implementation by key business processes and office functions, including project management, sales and leasing, financial reporting, human resources and information technology.

每年應舉行至少四次常規董事會會議，且大多數董事須積極參與（無論親身或通過電子通訊方式）。於截至二零二一年十二月三十一日止年度，董事會舉行六次會議，且大多數董事積極參與（無論親身或通過電子通訊方式）。

年內，除定期董事會會議外，主席亦曾於其他董事不在場的情況下與獨立非執行董事舉行會議。

風險管理及內部監控

董事會確認知悉其負責風險管理及內部監控系統並檢討其成效之責任。該等系統旨在管理而非消除未能達成業務目標的風險，而且只能就不會有重大的失實陳述或損失作出合理而非絕對的保證。

董事會全面負責評估及釐定本公司達成策略目標時所願意接納的風險性質及程度，並設立和維持合適而有效的風險管理及內部監控系統。

審核委員會協助董事會開展管理工作並監督董事會設計、實施及監管風險管理及內部監控系統。

本公司已制定及採納多項風險管理程序及指引，並通過明晰關鍵業務流程及部門職能（包括項目管理、銷售及租賃、財務匯報、人力資源及信息技術）訂明操作權責。

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All divisions conducted internal control assessment regularly to identify risks that potentially impact the business of the Group and various aspects including key operational and financial processes, regulatory compliance and information security. Self-evaluation has been conducted annually to confirm that control policies are properly complied with by each division.

The management, in co-ordination with division heads, assessed the likelihood of risk occurrence, provide treatment plans, and monitor the risk management progress, and reported to the Audit Committee and the Board on all findings and the effectiveness of the systems.

The management has reported to the Board and the Audit Committee on the effectiveness of the risk management and internal control systems for the year ended 31 December 2021.

The Company has engaged external professional firm for providing the internal audit function and performing independent review of the adequacy and effectiveness of the risk management and internal control systems. The internal audit function examined key issues in relation to the accounting practices and all material controls and provided its findings and recommendations for improvement to the Audit Committee.

The Board, as supported by the Audit Committee as well as the management report and the internal audit findings, reviewed the risk management and internal control systems, including the financial, operational and compliance controls, for the year ended 31 December 2021, and considered that such systems are effective and adequate. The annual review also covered the financial reporting and internal audit function and staff qualifications, experiences and relevant resources.

Arrangements are in place to facilitate employees of the Company to raise, in confidence, concerns about possible improprieties in financial reporting, internal control or other matters of the Company.

The Company has developed its disclosure policy which provides a general guide to the Company's Directors, officers, senior management and relevant employees in handling confidential information, monitoring information disclosure and responding to enquiries.

Control procedures have been implemented to ensure that unauthorized access and use of inside information are strictly prohibited.

各部門均定期進行內部監控評測，以識別可能影響本集團業務及包括主要營運及財務流程、監管合規及信息安全在內多個方面的潛在風險。各部門亦每年進行自我評估，以確保妥當遵守控制政策。

管理層與各部門領導相互配合，評估發生風險事件的可能性並提供應對計劃及監控風險管理程序，並就一切有關結果及該系統的效能向審核委員會及董事會作出報告。

管理層已就風險管理及內部監控系統於截至二零二一年十二月三十一日止年度之成效向董事會及審核委員會作出報告。

本公司已委聘外部專業公司提供內部審核功能並就風險管理及內部監控系統是否足夠及其成效進行獨立審核。內部審核功能已就有關會計常規及所有重大控制審核重大問題，及向審核委員會提供其審核結果及改進推薦意見。

董事會參考管理層報告以及內部審核結果，在審核委員會的協助下就截至二零二一年十二月三十一日止年度之風險管理及內部監控系統(包括財務、營運及合規控制)作出檢討，並認為此等系統有效及足夠。年度審核亦已涵蓋財務申報及內部審核功能以及員工資歷、經驗及相關資源。

本公司已設立方便其僱員就本公司財務申報、內部監控或其他事項可能出現的不適當行為而以保密形式表達關注的安排。

本公司已制定披露政策，為本公司董事、職員、高級管理層及相關僱員提供處理機密資料、監察資料披露及回應查詢的常規指引。

本公司已制定監控措施，嚴禁任何未經授權獲取及使用內幕資料。

Corporate Governance Report 企業管治報告

DIRECTORS' RESPONSIBILITY IN RESPECT OF THE FINANCIAL STATEMENTS

The Directors acknowledge their responsibility for preparing the financial statements of the Company for the year ended 31 December 2021.

The Directors are not aware of any material uncertainties relating to events or conditions that may cast significant doubt upon the Company's ability to continue as a going concern.

The statement of the independent auditor of the Company about their reporting responsibilities on the financial statements is set out in the Independent Auditor's Report on pages 44 to 50.

Where appropriate, a statement from the Audit Committee explaining its recommendation regarding the selection, appointment, resignation or dismissal of external auditors and the reasons why the Board has taken a different view from that of the Audit Committee.

AUDITOR'S REMUNERATION

An analysis of the remuneration paid to the external auditor of the Company, Ascenda Cachet CPA Limited, in respect of audit services and non-audit services for the year ended 31 December 2021 is set out below:

Service Category	服務類別	Fees 費用 HK\$ 港元
Audit Services	審核服務	1,430,000
Non-audit Services	非審核服務	
– Review of accounts for the period ended 30 June 2021	– 審閱截至二零二一年六月三十日止期間賬目	430,000
– Agreed upon procedures on preliminary results announcement	– 初步業績公告之商定執行程序	50,000
		1,910,000

董事對財務報表的責任

董事確認彼等編製本公司截至二零二一年十二月三十一日止年度財務報表的責任。

董事並不知悉有關可能會令本公司按持續基準經營的能力備受質疑的事件或狀況的任何重大不確定因素。

本公司獨立核數師有關其對財務報表的申報責任的聲明載於第44至50頁獨立核數師報告內。

於適當時，審核委員會之聲明就甄選、委任、辭退或罷免外聘核數師闡述其建議，以及董事會就此與審核委員會持不同意見之原因。

核數師薪酬

截至二零二一年十二月三十一日止年度向本公司外聘核數師天健德揚會計師事務所有限公司支付有關審核服務及非審核服務的酬金分析如下：

Corporate Governance Report 企業管治報告

COMPANY SECRETARY

The Board appoints Mr. Wan San Fai, Vincent as its Company Secretary in accordance with the Company's Articles of Association and in compliance with the requirements of the Listing Rules. Mr. Wan has complied with the professional training requirement as set out in Rule 3.29 of the Listing Rules during the year ended 31 December 2021.

SHAREHOLDERS' RIGHTS

The Company engages with Shareholders through various communication channels and a Shareholders' communication policy is in place to ensure that Shareholders' views and concerns are appropriately addressed. The policy is regularly reviewed to ensure its effectiveness.

The Company has adopted a Dividend Policy on payment of dividends. Depending on the financial conditions of the Company and the Group and the conditions and factors as set out in the Dividend Policy, dividends may be proposed and/or declared by the Board for a financial year or period. Any final dividend for a financial year will be subject to Shareholders' approval and any dividend unclaimed shall be forfeited and reverted to the Company in accordance with the Company's Articles of Association.

To safeguard Shareholder interests and rights, separate resolution should be proposed for each substantially separate issue at general meetings, including the election of individual Director. All resolutions put forward at general meetings will be voted on by poll pursuant to the Listing Rules and poll results will be posted on the websites of the Company and of the Stock Exchange after each general meeting.

公司秘書

董事會根據本公司組織章程細則並在遵守上市規則規定之前提下委任溫新輝先生為公司秘書。截至二零二一年十二月三十一日止年度，溫先生已遵守上市規則第3.29條載列的專業培訓規定。

股東權利

本公司以各種溝通渠道與股東接觸，股東通訊政策亦得到落實，確保股東意見及關注事宜得到妥善解決。該政策定期檢討，以確保行之有效。

本公司已就派付股息採納股息政策。董事可視乎本公司及本集團的財務狀況及股息政策所載條件及因素建議及／或宣派任一財政年度或期間之股息。任何財政年度之末期股息均須經股東批准，而任何未領取之股息將根據本公司組織章程細則予以沒收及歸還予本公司。

為保障股東權益及權利，各實質上獨立的事宜（包括推選個別董事）應以獨立決議案形式於股東大會上提呈。於股東大會上提出的所有決議案將根據上市規則以投票表決方式進行表決，而投票結果將於每次股東大會舉行後於本公司及聯交所網站刊登。

Corporate Governance Report 企業管治報告

Convening an Extraordinary General Meeting by Shareholders

Pursuant to Article 64 of the Articles of Association of the Company, extraordinary general meetings may be convened on the requisition of one 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 having the right of voting at general meetings. Such requisition shall be made in writing to the Directors or the Secretary for the purpose of requiring an Extraordinary General Meeting to be called by the Directors for the transaction of any business specified in such requisition. If within twenty-one (21) days of such deposit the Directors do not proceed to convene such meeting, the requisitionist(s) himself (themselves) may do so in the same manner, and all reasonable expenses incurred by the requisitionist(s) shall be reimbursed to the requisitionist(s) by the Company.

Putting Forward Proposals at General Meetings

For proposal of a person for election as Director, pursuant to Article 113 of the Articles of Association of the Company, no person, other than a retiring Director, shall, unless recommended by the Directors for election, be eligible for election to the office of Director at any general meeting, unless notice in writing of the intention to propose that person for election as a Director and notice in writing by that person of his willingness to be elected shall have been lodged at the Company's Head Office at Room 3702, 37/F, Tower One, Lippo Centre, No. 89 Queensway, Admiralty, Hong Kong or at the Company's Registration Office at Tricor Investor Services Limited at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong at least seven (7) clear days before the date of the general meeting and the period for lodgement of such notices shall commence no earlier than the day after the despatch of the notice of the general meeting appointed for such election and shall be at least seven (7) clear days in length.

Shareholders who wish to put forward other proposals at general meetings may follow the procedures in "Convening an Extraordinary General Meeting by Shareholders" set out above to convene an extraordinary general meeting for business specified in the written requisition.

股東召開股東特別大會

根據本公司組織章程細則第64條，股東特別大會可應於遞呈請求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一位或以上股東要求予以召開。有關請求須以書面形式向董事或秘書提出，述明要求董事召開股東特別大會以處理請求內訂明的任何事項。如於遞呈請求書日期起二十一(21)日內董事未能召開該大會，請求人自身可以同一方式召開大會，請求人因董事未能召開大會而產生的所有合理開支須由本公司補償予請求人。

於股東大會上提出議案

關於推選董事人選的議案，根據本公司組織章程細則第113條，除非一項有意提名選舉該位人士為董事的書面通知以及一項該位被推選人士簽發表明其願意膺選的書面通知已呈交至本公司總辦事處（地址為香港金鐘金鐘道89號力寶中心一座37樓3702室）或本公司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），否則概無人士（退任董事除外）有權在任何股東大會上膺選出任董事職位（除非由董事推選）。提交該等通知的期間須由不早於指定進行該推選的股東大會通告寄發翌日起計，及不遲於該股東大會舉行日期前七(7)個整日結束，而向本公司發出該等通知的最短期間須為最少七(7)個整日。

擬於股東大會上提呈其他建議的股東可跟隨上述「股東召開股東特別大會」所載的程序，為該書面要求所載的任何事務召開股東特別大會。

Corporate Governance Report

企業管治報告

Putting Forward Enquiries to the Board

For putting forward any enquiries to the Board of the Company, Shareholders may send written enquiries to the Company. The Company will not normally deal with verbal or anonymous enquiries.

Contact Details

Shareholders may send their enquiries or requests as mentioned above to the following:

Address: Room 3702, 37/F, Tower One, Lippo Centre, No. 89 Queensway, Admiralty, Hong Kong (For the attention of the Board of Directors)

Fax: (852) 3747-8047

Email: info@paep.com.cn

For the avoidance of doubt, Shareholder(s) must deposit and send the original duly signed written requisition, notice or statement, or enquiry (as the case may be) to the above address, apart from other specified office of the Company, if any, and provide their full name, contact details and identification in order to give effect thereto. Shareholders' information may be disclosed as required by law.

COMMUNICATION WITH SHAREHOLDERS AND INVESTORS

The Company considers that effective communication with Shareholders is essential for enhancing investor relations and investor understanding of the Group's business performance and strategies. The Company endeavours to maintain an ongoing dialogue with Shareholders and in particular, through annual general meetings and other general meetings. At the annual general meeting, Directors (or their delegates as appropriate) are available to meet Shareholders and answer their enquiries.

The Chairman of the Board was unable to attend the annual general meeting held on 3 June 2021 because of attending another meeting which was important to the Company's business. He will use his best endeavours to attend all future shareholders' meetings of the Company.

During the year ended 31 December 2021, the Company has not made any changes to its Articles of Association. An up to date version of the Company's Articles of Association is also available on the Company's website and the Stock Exchange's website.

向董事會作出查詢

股東如欲向本公司董事會作出任何查詢，可將查詢內容以書面形式寄送至本公司。本公司一般不會處理口頭或匿名的查詢。

聯絡詳情

股東可將上述查詢或請求發送至下列地址：

地址：香港金鐘金鐘道89號力寶中心一座37樓3702室（註明董事會收啟）

傳真：(852) 3747-8047

電郵：info@paep.com.cn

為免生疑，股東須向上述地址（除本公司的其他指定地址（如有）外）送交及發出正式簽署的書面請求、通知或聲明或查詢（視情況而定）的正本，並提供彼等全名、聯絡詳情及身份，以使之生效。股東資料或會根據法律規定予以披露。

與股東及投資者的溝通

與股東及投資者的溝通本公司認為，與股東有效溝通對促進投資者關係及讓投資者了解本集團業務表現及策略而言至關重要。本公司致力於維持與股東的持續溝通，尤其是透過股東周年大會及其他股東大會。董事（或彼等的代表，如適用）將出席股東周年大會，與股東會面並解答股東疑問。

董事會主席因須出席另一對本公司業務屬重要的會議而未能出席於二零二一年六月三日舉行的股東周年大會。彼將竭力出席本公司日後所有的股東大會。

截至二零二一年十二月三十一日止年度，本公司並無對其組織章程細則作出任何修訂。本公司組織章程細則的最新版本於本公司網站及聯交所網站可供查閱。

Directors and Senior Management 董事及高級管理層

BOARD OF DIRECTORS

Executive Director

Mr. Jiang Xin, aged 37, is the Chairman of the Board, an Executive Director and Chief Executive Officer. He was appointed as an Executive Director and Chief Executive Officer of the Company in December 2016. He was also appointed as the Chairman of the Company in September 2017. He is also a member of the Nomination Committee and the Remuneration Committee. He is currently the general manager of China Rare Earth Holdings Limited ("China Rare Earth") (Stock Code: 769) (the shares of which are listed on the Main Board of the Stock Exchange). He joined China Rare Earth in August 2008 and was promoted to the present position of general manager in August 2012. Mr. Jiang Xin obtained a bachelor's degree in arts majoring in international business, finance and economics from University of Manchester in June 2006 and a bachelor's degree in arts majoring in business studies from University of Wales in July 2008.

Non-Executive Director

Mr. Fan Yajun, aged 54, is a Non-executive Director. He was appointed as an Executive Director in March 2007 and was re-designated as a Non-executive Director on 12 April 2016. Mr. Fan has more than 20 years of experience in business management. He joined the Group in July 2002 and has been responsible for the overall administration and business management. He completed a Master of Business Administration course at Southeast University in July 2004. For the period between August 1999 and August 2005, he was an executive director of China Rare Earth, the shares of which are listed on the Main Board of the Stock Exchange.

董事會

執行董事

蔣鑫先生，37歲，為董事會主席、執行董事及行政總裁。彼於二零一六年十二月獲委任為本公司執行董事及行政總裁。彼亦於二零一七年九月獲委任為本公司之主席。彼同時為提名委員會及薪酬委員會之成員。彼現任中國稀土控股有限公司（「中國稀土」）（股份代號：769）（其股份於聯交所主板上市）之總經理。彼於二零零八年八月加入中國稀土，並於二零一二年八月晉升至現職（總經理）。蔣鑫先生於二零零六年六月自曼徹斯特大學取得文學士學位，主修國際商業、金融及經濟，並於二零零八年七月自威爾斯大學取得文學士學位，主修商業研究。

非執行董事

范亞軍先生，54歲，為非執行董事。彼於二零零七年三月獲委任為執行董事，並於二零一六年四月十二日調任為非執行董事。范先生擁有逾20年之企業管理經驗。彼於二零零二年七月加入本集團，負責本集團之整體行政及業務管理。彼於二零零四年七月完成東南大學工商管理碩士課程。彼於一九九九年八月至二零零五年八月期間為中國稀土（其股份於聯交所主板上市）之執行董事。

Directors and Senior Management 董事及高級管理層

Independent Non-Executive Directors

Mr. Leung Shu Sun, Sunny, aged 59, has been appointed as an Independent Non-executive Director since December 2007. He is the chairman of the Audit Committee and a member of the Nomination Committee and the Remuneration Committee. He has over 20 years' working experience in, among others, accounting, treasury management, budgeting and corporate finance. He graduated from Hong Kong Polytechnic University with a professional diploma in Accountancy and obtained a master's degree in business administration from the University of South Australia. He is a fellow member of the Association of Chartered Certified Accountants, an associate member of the Hong Kong Institute of Certified Public Accountants and a member of Certified General Accountants' Association of Canada. From 2005 to 2007, he served as the financial controller, qualified accountant and company secretary of Xiwang Sugar Holdings Company Limited (now known as Xiwang Property Holdings Company Limited) (Stock Code: 2088), the shares of which are listed on the Main Board of the Stock Exchange. From 2001 to date, he has been a director of a company providing accounting, tax and corporate finance services. From 1999 to 2001, he held key financial position in a listed company in Hong Kong. From 1998 to 1999, he was a finance director of a company principally engaged in the provision of network infrastructure solutions. From 1993 to 1998, he was the financial controller of a company principally engaged in property investment, trading and securities. From 1987 to 1990, he worked in international accounting firms handling audit, tax and accounting matters. Mr. Leung has been an independent non-executive director of Xiwang Special Steel Company Limited (Stock Code: 1266), the shares of which are listed on the Main Board of the Stock Exchange since February 2012. He was appointed as an independent non-executive director of China Art Financial Holdings Limited (Stock Code: 1572), the shares of which are listed on the Main Board of the Stock Exchange on 14 October 2016.

Mr. Hu Jianjun, aged 58, has been appointed as an Independent Non-executive Director since 1 April 2021. He is a member of the Audit Committee, the Nomination Committee and the Remuneration Committee. He obtained a master degree of business administration in public sector management by the University of South Australia in September 2003. He gained the accreditation as a senior economist from Industrial and Commercial Bank of China ("ICBC") in September 1997 and the qualification as certified financial analyst in the People's Republic of China in September 2007. Mr. Hu has over 38 years of experience working in the field of financial industry. He started his career in Nanchang Branch of the People's Bank

獨立非執行董事

梁樹新先生，59歲，自二零零七年十二月起獲委任為獨立非執行董事。彼為審核委員會之主席，並為提名委員會及薪酬委員會之成員。彼在會計、財資管理、預算及企業融資方面，還有其他方面，擁有逾20年工作經驗。彼以會計專業文憑畢業於香港理工大學，並在南澳大學獲得工商管理碩士學位。彼為英國特許公認會計師公會資深會員、香港會計師公會會員及加拿大註冊會計師協會會員。彼於二零零五年至二零零七年期間擔任西王糖業控股有限公司（現稱為西王置業控股有限公司）（股份代號：2088）（其股份於聯交所主板上市）之財務總監、合資格會計師及公司秘書。彼自二零零一年至今，於一家提供會計、稅務及企業融資服務之公司擔任董事。彼自一九九九年至二零零一年期間，於一家香港上市公司擔任主要財務職位。彼自一九九八年至一九九九年期間，於一家主要從事提供網絡基建解決方案業務之公司擔任財務董事。彼自一九九三年至一九九八年期間，為一家主要從事物業投資、貿易及證券之公司之財務總監。彼自一九八七年至一九九零年期間，曾於國際會計師行工作，負責處理審計、稅務及會計事宜。梁先生自二零一二年二月起為西王特鋼有限公司（股份代號：1266）（其股份於聯交所主板上市）之獨立非執行董事。彼於二零一六年十月十四日獲委任為中國藝術金融控股有限公司（股份代號：1572）（其股份於聯交所主板上市）之獨立非執行董事。

胡建軍先生，58歲，自二零二一年四月一日起獲委任為獨立非執行董事。彼為審核委員會、提名委員會及薪酬委員會之成員。彼於二零零三年九月畢業於南澳大利亞大學公共事務管理專業，獲得工商管理碩士。彼於一九九七年九月獲中國工商銀行（「中國工商銀行」）評為高級經濟師，二零零七年九月獲得中國註冊金融分析師資格。胡先生於金融行業擁有逾38年的經驗。其職業生涯起步於一九七九年二月在中國人民銀行南昌市分行參加工作。自一九八四年十月至二零零一年十二月，彼

Directors and Senior Management 董事及高級管理層

of China in February 1979. From October 1984 to December 2001, he held various important positions in ICBC. He joined China Huarong Asset Management Co., Ltd. (“Huarong”) (a company listed on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”); stock code: 2799), previously known as China Huarong Asset Management Corporation, in December 2001. He served successively as deputy general manager of Nanchang Office, deputy general manager of Xi’an Office, general manager of Nanchang Office, general manager of Customer Marketing Department, director of the President Office, director of the Board Office and general manager of Beijing Branch. He was appointed as the company secretary of Huarong in January 2015 and resigned on 14 April 2017. He was also an executive director of International Business Settlement Holdings Limited (a company listed on the Stock Exchange; stock code: 147) for the period from 22 August 2017 to 31 August 2020. He is a director of Shunho Cell Biology Technology (Tianjin) Co., Ltd. (a company listed on the National Equities Exchange and Quotations; stock code: 833686) since 8 February 2021.

Mr. Chen Xuezheng, aged 42, has been appointed as an Independent Non-executive Director since 1 August 2021. He is the chairman of the Nomination Committee and the Remuneration Committee and also a member of the Audit Committee. He is an associate professor in the School of Economics at Jiangxi University of Finance and Economics. He graduated from Xiamen University with a bachelor’s degree of economics majoring in international economics and trade in July 2001, and obtained a master’s degree in international economics from the University of Essex in September 2004, and a Master of Philosophy degree in economics and a Doctor of Philosophy degree in economics from the University of Warwick in September 2008 and April 2013 respectively. He was a distinguished associate researcher in the School of Economics at Sichuan University from 2013 to 2018. His main research areas include new political economy, institutional economics and behavioral and experimental economics. He published five journal papers and several working papers from 2015 to 2019. He has won many awards for research excellence in this research areas, including the Excellent Paper Award in the 15th China Young Economists Forum, Outstanding Paper Award in the 1st China Behavioral and Experimental Economics Forum, and the 18th Sichuan Province Excellent Achievement Award in Social Science.

在中國工商銀行工作並曾擔任多個重要職位。胡先生於二零零一年十二月加入中國華融資產管理股份有限公司（「華融」）（一間在香港聯合交易所有限公司（「聯交所」）上市的公司；股份代號：2799，前稱中國華融資產管理公司）。彼先後擔任南昌辦事處副總經理、西安辦事處副總經理、南昌辦事處總經理、客戶營銷部總經理、總裁辦公室主任、董事會辦公室主任及北京市分公司總經理。胡先生於二零一五年一月獲委任為華融董事會秘書，並於二零一七年四月十四日離職。自二零一七年八月二十二日至二零二零年八月三十一日，彼獲委任為國際商業結算控股有限公司（一間在聯交所上市的公司；股份代號：147）執行董事。胡先生於二零二一年二月八日起獲順昊細胞生物技術（天津）股份有限公司（一間在全國中小企業股份轉讓系統上市的公司；股份代號：833686）委任為執行董事。

陳學政先生，42歲，自二零二一年八月一日起獲委任為獨立非執行董事。彼為提名委員會及薪酬委員會之主席，亦為審核委員會之成員。彼為江西財經大學經濟學院副教授。彼於二零零一年七月畢業於廈門大學，具有經濟學學士學位之國際經濟與貿易專業，並於二零零四年九月於英國埃塞克斯大學獲得國際經濟學碩士學位，其後分別於二零零八年九月及二零一三年四月自英國華威大學獲得經濟學哲學碩士學位及經濟學哲學博士學位。彼於二零一三年至二零一八年期間在四川大學經濟學院擔任特聘副研究員。其主要研究領域包括新政治經濟學、制度經濟學及行為與實驗經濟學。彼於二零一五年至二零一九年間發表五篇期刊論文和多篇工作論文。彼曾因在其研究領域的卓越研究榮獲多項獎項，包括第十五屆中國青年經濟學者論壇的優秀論文獎、首屆中國行為與實驗經濟學論壇的優秀論文獎，及四川省第十八次社會科學優秀成果獎。

Directors and Senior Management 董事及高級管理層

SENIOR MANAGEMENT

Mr. Wan San Fai, Vincent, aged 48, is the chief financial officer and company secretary of the Company. He joined the Group in March 2007 and is responsible for the corporate finance function of the Group. He oversees matters relating to financial administration, and compliance and reporting obligations of the Group. Mr. Wan has more than 20 years' experience in auditing, accounting and financial management. Prior to joining the Group, Mr. Wan has worked for a company listed on the Singapore Stock Exchange as its financial controller from 2005 to 2007. Mr. Wan is a member of the Hong Kong Institute of Certified Public Accountants. Mr. Wan holds a Bachelor of Arts degree in Accountancy from the Hong Kong Polytechnic University.

Mr. Cai Xijun, aged 53, is the general manager of Jiangsu Pan Asia. He has more than 10 years of experience in sales and project management. He joined the Group in 2000 and is responsible for project management of EP projects. Before joining the Group, he was office manager of Yixing Xinwei Group Company Limited. He graduated from Hufu Middle School of Yixing City.

Mr. Wu Dongping, aged 39, is the financial controller of Jiangsu Pan Asia. He has about 10 years of experience in financial management. He joined the Group in May 2014. Before joining the Group, he was a finance manager of Yixing AGC Ceramics Company Limited. He graduated from the Huaiyin Institute of Technology, majoring in accountancy.

高級管理層

溫新輝先生，48歲，本公司之財務總監兼公司秘書。彼於二零零七年三月加入本集團，負責本集團之企業融資部門。彼監督財務管理相關事宜及負責本集團之合規事宜及履行呈報責任。溫先生在審核、會計及財務管理方面擁有逾20年經驗。於加入本集團前，溫先生於二零零五年至二零零七年在一家於新加坡證券交易所上市之公司擔任財務總監。溫先生現為香港會計師公會之會員。溫先生持有香港理工大學會計學文學士學位。

蔡錫軍先生，53歲，江蘇泛亞總經理。彼在銷售及項目管理領域擁有逾10年經驗。彼於二零零零年加入本集團，負責環保項目之項目管理。於加入本集團前，彼為宜興新威集團有限公司辦公室主任。彼畢業於宜興市湖汊中學。

吳冬萍先生，39歲，江蘇泛亞財務總監。彼在財務管理方面擁有約10年經驗。彼於二零一四年五月加入本集團。於加入本集團前，彼為宜興旭硝子工業陶瓷有限公司財務經理。彼畢業於淮陰工學院會計專業。

Report of the Directors 董事會報告

The Board is pleased to present their annual report together with the audited consolidated financial statements of the Group for the year ended 31 December 2021.

PRINCIPAL PLACE OF BUSINESS

The Company was incorporated in the Cayman Islands and has its principal place of business in the PRC at Baihe Industrial Park, Xinjie Street, Yixing City, Jiangsu Province, the PRC and has its principal place of business in Hong Kong at Room 3702, 37/F, Tower One, Lippo Centre, No. 89 Queensway, Admiralty, Hong Kong.

PRINCIPAL ACTIVITIES

The Group is principally engaged in the sales of EP products and equipment, as well as undertaking of EP construction engineering services in the PRC.

BUSINESS REVIEW

A business review of the Group is set out in the section headed "Management Discussion and Analysis" on page 6 of this annual report.

MAJOR CUSTOMERS AND SUPPLIERS

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

The largest customer	最大客戶
Five largest customers in aggregate	五大客戶總計
The largest supplier	最大供應商
Five largest suppliers in aggregate	五大供應商總計

None of the Directors, their close associates (as defined in the Listing Rules) or any shareholders of the Company (which to the knowledge of the Directors owned more than 5% of the Company's share capital) had a beneficial interest in the Group's five largest customers and suppliers.

董事會欣然提呈彼等之年報連同本集團截至二零二一年十二月三十一日止年度之經審核綜合財務報表。

主要營業地點

本公司乃一家於開曼群島註冊成立之公司，其位於中國之主要營業地點為中國江蘇省宜興市新街街道百合工業園，其於香港之主要營業地點為香港金鐘金鐘道89號力寶中心一座37樓3702室。

主要業務

本集團主要於中國從事銷售環保產品及設備，以及承接環保建設工程服務。

業務回顧

本集團之業務回顧載於本年報第6頁「管理層討論與分析」一節。

主要客戶及供應商

於財政年度內有關本集團主要客戶及供應商之資料如下：

	Percentage of the Group's total 佔本集團總額之百分比	
Revenue 收入	Purchases 採購額	

The largest customer	最大客戶	52%	—
Five largest customers in aggregate	五大客戶總計	100%	—
The largest supplier	最大供應商	—	100%
Five largest suppliers in aggregate	五大供應商總計	—	100%

概無董事、彼等之緊密聯繫人士（定義見上市規則）或本公司任何股東（據董事所知擁有本公司股本5%以上）於本集團五大客戶及供應商擁有實益權益。

Report of the Directors

董事會報告

FINANCIAL STATEMENTS

The results of the Group for the financial year ended 31 December 2021 and the state of the Company's and the Group's affairs as at that date are set out in the consolidated financial statements on pages 51 to 139.

FINAL DIVIDEND

The Board did not recommend the payment of a final dividend for the year ended 31 December 2021 (2020: Nil) as the capital will be reserved for the development of the Group's business operations.

DISTRIBUTABLE RESERVES

As at 31 December 2021, the distributable reserves of the Company amounted to approximately RMB542,511,000 (2020: RMB553,912,000).

PROPERTY, PLANT AND EQUIPMENT

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

CORPORATE BONDS

Details of movements of corporate bonds issued by the Company are set out in note 21 to the consolidated financial statements.

SHARE CAPITAL

Details of the movements in share capital of the Company during the financial year are set out in note 23 to the consolidated financial statements.

GEARING RATIO

As at 31 December 2021, the gearing ratio of the Group, based on total borrowings (including corporate bonds and amount due to a related company) to the equity (including all capital and reserves) was 7.0% (2020: 6.3%).

財務報表

本集團於截至二零二一年十二月三十一日止財政年度之業績及本公司及本集團於該日之狀況載於綜合財務報表第51頁至139頁。

末期股息

董事會不建議派付截至二零二一年十二月三十一日止年度之末期股息(二零二零年：無)，以保留資金發展本集團各項業務。

可分發儲備

於二零二一年十二月三十一日，本公司可分發儲備約為人民幣542,511,000元(二零二零年：人民幣553,912,000元)。

物業、廠房及設備

本集團於財政年度內之物業、廠房及設備之變動詳情載於綜合財務報表附註14。

公司債券

本公司發行之公司債券之變動詳情載於綜合財務報表附註21。

股本

本公司股本於財政年度內之變動詳情載於綜合財務報表附註23。

權益負債比率

於二零二一年十二月三十一日，本集團之權益負債比率根據借貸總額(包括公司債券及應付一間關聯公司款項)除以權益(包括所有股本及儲備)為7.0%(二零二零年：6.3%)。

Report of the Directors 董事會報告

DIRECTORS

The Directors during the financial year were:

Executive Director

Mr. Jiang Xin (*Chairman and Chief Executive Officer*)

Non-executive Director

Mr. Fan Yajun

Independent Non-executive Directors

Mr. Leung Shu Sun, Sunny

Mr. Hu Jianjun (appointed on 1 April 2021)

Mr. Chen Xuezheng (appointed on 1 August 2021)

Professor Wang Guozhen (passed away on 4 January 2021)

Mr. Lai Wing Lee (resigned on 1 August 2021)

Mr. Jiang Xin and Mr. Leung Shu Sun, Sunny shall retire from the offices as Executive Director and Independent Non-executive Director respectively at the forthcoming Annual General Meeting in accordance with article 108 of the Articles of Association. Mr. Chen Xuezheng shall retire from the office as Independent Non-executive Director at the forthcoming Annual General Meeting in accordance with article 112 of the Articles of Association.

CONFIRMATION OF INDEPENDENCE

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

DIRECTORS' SERVICE CONTRACTS

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

DIRECTORS' PERMITTED INDEMNITY PROVISION

Under the Company's Articles of Association, every Director or officer of the Company acting in relation to any of the affairs of the Company shall be indemnified and secured harmless out of the assets and profits of the Company from and against all actions, costs and damages which he may incur or sustain in the execution of the duties of his office or otherwise in relation thereto. Such provision is in force during the year under review and as of the date of this annual report.

董事

於財政年度內之董事為：

執行董事

蔣鑫先生 (*主席及行政總裁*)

非執行董事

范亞軍先生

獨立非執行董事

梁樹新先生

胡建軍先生 (於二零二一年四月一日委任)

陳學政先生 (於二零二一年八月一日委任)

王國珍教授 (於二零二一年一月四日辭世)

賴永利先生 (於二零二一年八月一日辭任)

蔣鑫先生及梁樹新先生將根據組織章程細則第108條於應屆股東周年大會上分別退任執行董事及獨立執行董事之職務。陳學政先生將根據組織章程細則第112條於應屆股東周年大會上退任獨立非執行董事之職務。

確認獨立性

本公司已接獲各獨立非執行董事根據上市規則第3.13條作出之年度獨立性確認書，並認為全體獨立非執行董事均為獨立人士。

董事之服務合同

概無擬於應屆股東周年大會重選之董事訂有本公司或其任何附屬公司在一年內不支付賠償 (一般法定賠償除外) 不可終止之未到期服務合同。

董事獲允許的彌償保證條文

根據本公司的組織章程細則，就本公司任何事務行事的本公司各董事或主管人員，可就其執行職務而產生或承受或因其職務而以其他方式產生或承受的所有行動、費用及損害，從本公司的資產及溢利中獲得彌償並免受損害。有關條文於回顧年度內及截至本年報日期一直有效。

Report of the Directors

董事會報告

DIRECTORS'/CONTROLLING SHAREHOLDERS' INTERESTS IN CONTRACTS OF SIGNIFICANCE

Save for the information disclosed in “Material Related Party Transactions” in note 27 to the consolidated financial statements, no transaction, arrangement or contract of significance in which a Director or an entity connected with a Director had a material interest, whether directly or indirectly, subsisted during or at the end of 2021, and there was no contract of significance between the Company or a subsidiary of the Company with the controlling shareholder or any of its subsidiaries during the year under review.

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

Neither the Company nor any of its subsidiary purchased, sold or redeemed any of the Company's listed securities during the year ended 31 December 2021.

SUFFICIENCY OF PUBLIC FLOAT

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

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

As at 31 December 2021, the interests and short positions of the Directors and chief executive of the Company in the shares, underlying shares or debentures of the Company or its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) (the “SFO”)) which were required (a) to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO); or (b) to be recorded in the register of interests required to be maintained by the Company pursuant to section 352 of the SFO; or (c) as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code were as follows:

董事／控股股東於重大合同中之權益

除於綜合財務報表附註27「重大有關連人士交易」所披露之資料外，於二零二一年年內或年底概無存在董事或與董事有關連的實體直接或間接擁有重大權益的交易、安排或重大合同，且於回顧年度內，本公司或本公司附屬公司與控股股東或其任何附屬公司概無任何重大合同。

購入、出售或贖回本公司之上市證券

於截至二零二一年十二月三十一日止年度，本公司或其附屬公司概無購入、出售或贖回本公司之任何上市證券。

足夠之公眾持股量

根據截至本年報日期本公司可公開取得之資料及據董事所知，本公司一直維持上市規則規定之公眾持股量。

董事及最高行政人員於本公司或其相聯法團的股份、相關股份及債券中之權益及淡倉

於二零二一年十二月三十一日，本公司董事及最高行政人員於本公司或其相聯法團（定義見香港法例第571章證券及期貨條例（「證券及期貨條例」）第XV部）之股份、相關股份或債券中擁有(a)根據證券及期貨條例第XV部第7及第8分部須知會本公司及聯交所（包括彼等根據證券及期貨條例之該等條文被視為或被當作擁有的權益及淡倉）；或(b)記錄於本公司根據證券及期貨條例第352條保存之權益登記冊內；或(c)根據標準守則須知會本公司及聯交所之權益及淡倉如下：

Report of the Directors 董事會報告

Interests in shares and underlying shares of the Company

於本公司股份及相關股份之權益

Name of Director 董事姓名	Nature of interest 權益性質	Number of shares held 持有股份數目 (Note 1) (附註1)	Equity derivatives (share option) 股本衍生工具 (購股權) (Notes 1 and 3) (附註1及3)	Approximate percentage of issued share capital 佔已發行股本 之概約百分比
Mr. Jiang Xin 蔣鑫先生	Interest of controlled corporation 受控制法團權益	356,568,000 (L) (Note 2) (附註2)		42.45%
		266,568,000 (S)		31.73%
	Beneficial interest 實益權益	2,000,000 (L)		0.24%
Mr. Fan Yajun 范亞軍先生	Beneficial interest 實益權益		2,500,000 (L)	0.30%
Mr. Leung Shu Sun, Sunny 梁樹新先生	Beneficial interest 實益權益		500,000 (L)	0.06%

Notes:

- The letter "L" denotes the Director's long position in the shares/underlying shares. The letter "S" denotes the person's short position in the shares/underlying shares.
- These 356,568,000 shares were registered in the name of and beneficially owned by Praise Fortune Limited ("Praise Fortune"). The total number of issued shares in Praise Fortune as at 31 December 2021 was 129,215 shares of US\$1 each. Mr. Jiang Xin held 77,615 shares being approximately 60.07% in Praise Fortune and was deemed to be interested in the Shares held by Praise Fortune under the SFO.
- These interests represent the interests in underlying shares in respect of share options granted by the Company to these Directors as beneficial owners, the details of which are set out in the Share Option Scheme section stated below.

Save as disclosed above, as at 31 December 2021, so far as was known to any Director or chief executive of the Company, neither the Directors nor the chief executive had any interests or short positions in any shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO).

附註：

- 字母「L」指董事於股份／相關股份之好倉。字母「S」指有關人士於股份／相關股份之淡倉。
- 該等356,568,000股股份以Praise Fortune Limited(「Praise Fortune」)之名義登記並由其實益擁有。Praise Fortune於二零二一年十二月三十一日之已發行股份總數為129,215股，每股面值1美元。蔣鑫先生擁有77,615股股份(即約佔Praise Fortune全部已發行股份之60.07%)，根據證券及期貨條例，被視為擁有Praise Fortune所持有之股份權益。
- 該等權益指本公司向有關董事(作為實益擁有人)授出購股權所涉及的相關股份權益，有關詳情載於下文購股權計劃一節。

除上述披露外，於二零二一年十二月三十一日，就本公司任何董事或最高行政人員所知，概無董事或最高行政人員於本公司或任何其相聯法團(定義見證券及期貨條例第XV部)之任何股份、相關股份或債券中擁有任何權益或淡倉。

Report of the Directors

董事會報告

SHARE OPTION SCHEME

The Company adopted a share option scheme (the “Share Option Scheme”), details of which are set out in note 25 to the consolidated financial statements. Details of the share options granted under the Share Option Scheme and their movements during the year ended 31 December 2021 were as follows:

購股權計劃

本公司採納一項購股權計劃（「購股權計劃」），詳情載於綜合財務報表附註25。根據購股權計劃授出之購股權之詳情及其截至二零二一年十二月三十一日止年度之變動如下：

Directors 董事	Date of Grant 授出日期	Exercise Price per share 每股行使價 HK\$ 港元	Vesting Period 歸屬期	Exercise Period 行使期間	Number of Share Options 購股權數目			
					Balance as at 1/1/2021 於二零二一年一月一日之結餘	Granted during the year 於年內已授出	Exercised/Cancelled/Lapsed during the year 於年內已行使/已註銷/已失效	Balance as at 31/12/2021 於二零二一年十二月三十一日之結餘
Mr. Fan Yajun 范亞軍先生	11/6/2012	0.83	11/6/2012 to 至 10/6/2013	11/6/2013 to 至 10/6/2022	2,500,000	-	-	2,500,000
Mr. Leung Shu Sun, Sunny 梁樹新先生	11/6/2012	0.83	11/6/2012 to 至 10/6/2013	11/6/2013 to 至 10/6/2022	500,000	-	-	500,000
Professor Wang Guozhen 王國珍教授 (passed away on 4 January 2021) (於二零二一年一月四日辭世)	11/6/2012	0.83	11/6/2012 to 至 10/6/2013	11/6/2013 to 至 10/6/2022	500,000	-	(500,000)	-
Mr. Lai Wing Lee 賴永利先生 (resigned on 1 August 2021) (於二零二一年八月一日辭任)	11/6/2012	0.83	11/6/2012 to 至 10/6/2013	11/6/2013 to 至 10/6/2022	500,000	-	(500,000)	-
					4,000,000	-	(1,000,000)	3,000,000
Continuous contract employees 長期合同僱員	11/6/2012	0.83	11/6/2012 to 至 10/6/2013	11/6/2013 to 至 10/6/2022	28,500,000	-	-	28,500,000
Total 總計					32,500,000	-	(1,000,000)	31,500,000

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DIRECTORS' RIGHT TO ACQUIRE SHARES AND DEBENTURES

Other than the Share Option Scheme disclosed above, at no time during the year was the Company or any of its holding company, subsidiaries or fellow subsidiaries a party to any arrangements to enable the Directors to acquire benefits by means of acquisition of shares in or debentures of, the Company or any other body corporate.

EQUITY-LINKED AGREEMENTS

Save for the Share Option Scheme disclosed above, no equity-linked agreements were entered into by the Company, or existed during the year under review.

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

So far as was known to the Directors and chief executive of the Company, as at 31 December 2021, the following persons (other than the Directors or chief executive of the Company) had interests or short positions in the shares or underlying shares of the Company which would fail to be disclosed to the Company pursuant to Divisions 2 and 3 of Part XV of the SFO or as recorded in the register of interests required to be kept by the Company under section 336 of the SFO:

Interests in the shares and underlying shares of the Company

Name 名稱	Nature of interest 權益性質	Number of shares held 所持股份數目 (Note 1) (附註1)	Equity derivatives (share option) 股本衍生工具 (購股權) (Note 1) (附註1)	Approximate percentage of issued share capital 佔已發行股本之概約百分比
Praise Fortune Limited (Note 2)	Beneficial interest	356,568,000 (L)		42.45%
Praise Fortune Limited (附註2)	實益權益	266,568,000 (S)		31.73%
Caitong International Asset Management Co., Limited (Note 3) 財通國際資產管理有限公司 (附註3)	Investment manager 投資經理	250,000,000 (L)		29.76%
Caitong Securities Co., Limited (Note 4) 財通證券股份有限公司 (附註4)	Security interest 保證權益	266,568,000 (L)		31.73%
	Interest of controlled corporation 受控制法團權益	250,000,000 (L)		29.76%
Ministry of Finance of Zhejiang Province, the PRC (Note 4) 中華人民共和國浙江省財政廳 (附註4)	Security interest 保證權益	266,568,000 (L)		31.73%
	Interest of controlled corporation 受控制法團權益	250,000,000 (L)		29.76%

董事收購股份及債券之權利

除上述購股權計劃所披露者外，於本年度內任何時間，本公司或其控股公司、附屬公司或同系附屬公司並無訂立任何安排，使董事可透過收購本公司或任何其他法人團體之股份或債券而獲益。

股票掛鈎協議

除上文披露之購股權計劃外，於回顧年度內本公司概無訂立任何股票掛鈎協議，亦無存在有關協議。

主要股東於本公司股份及相關股份之權益及淡倉

據本公司董事及最高行政人員所知，於二零二一年十二月三十一日，下列人士（本公司董事或最高行政人員除外）於本公司之股份或相關股份中擁有根據證券及期貨條例第XV部第2及3分部之條文須向本公司披露或記錄於本公司根據證券及期貨條例第336條規定須存置之權益登記冊內之權益或淡倉如下：

於本公司股份及相關股份之權益

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Notes:

1. The Letter "L" denotes the person's long position in the shares/ underlying shares. The Letter "S" denotes the person's short position in the shares/underlying shares.
2. The long position in 356,568,000 shares and short position in 266,568,000 shares were beneficially owned by Mr. Jiang Xin, the Chairman, the Chief Executive Officer and an Executive Director of the Company and Ms. Qian Yuanying. Mr. Jiang Xin holds 77,615 shares in Praise Fortune, representing approximately 60.07% in its issued share capital and Ms. Qian Yuanying holds 51,600 shares in Praise Fortune, representing approximately 39.93% in its issued share capital. Ms. Qian Yuanying is the mother of Mr. Jiang Xin. Mr. Jiang Quanlong, the spouse of Ms. Qian Yuanying, was deemed to have interest in the Company.
3. These 250,000,000 shares were beneficially owned by Caitong Strategic SPC (formerly known as "Avenue Multi-Strategy Fund SPC") on behalf of CTI Environmental Protection Industrial Fund SP (formerly known as "Avenue Multi-Strategy Fund Segregated Portfolio 1"). Caitong International Asset Management Co., Limited was interested in these 250,000,000 shares in the capacity of investment manager.
4. The 266,568,000 shares were held by Caitong Securities (Hong Kong) Co., Limited as security. Caitong Securities (Hong Kong) Co., Limited is wholly owned by Caitong Securities Co., Limited which is owned as to 29.03% by Zhejiang Province Financial Holdings Co., Ltd and 3.23% by Zhejiang Province Financial Development Limited. Zhejiang Province Financial Holdings Co., Ltd and Zhejiang Province Financial Development Limited are wholly owned by Ministry of Finance of Zhejiang Province, the PRC. Accordingly, Caitong Securities Co., Limited, Zhejiang Province Financial Holdings Co., Ltd, Zhejiang Province Financial Development Limited and Ministry of Finance of Zhejiang Province, the PRC are deemed to be interested in the same number of shares in which Caitong Securities (Hong Kong) Co., Limited is interested under the SFO.

Save as disclosed above, as at 31 December 2021, the Company has not been notified by any person (other than the Directors or chief executive of the Company) who had interests or short position in the shares or underlying shares of the Company.

附註：

1. 字母「L」指有關人士於股份／相關股份之好倉。字母「S」指有關人士於股份／相關股份之淡倉。
2. 於356,568,000股股份之好倉及於266,568,000股股份之淡倉乃由本公司主席、行政總裁兼執行董事蔣鑫先生及錢元英女士實益擁有。蔣鑫先生於Praise Fortune持有77,615股股份，佔其已發行股本約60.07%，而錢元英女士於Praise Fortune持有51,600股股份，佔其已發行股本約39.93%。錢元英女士為蔣鑫先生之母親。錢元英女士之配偶蔣泉龍先生被視為於本公司擁有權益。
3. 該等250,000,000股股份乃由Caitong Strategic SPC(前稱「Avenue Multi-Strategy Fund SPC」)代表CTI Environmental Protection Industrial Fund SP(前稱「Avenue Multi-Strategy Fund Segregated Portfolio 1」)實益擁有。財通國際資產管理有限公司以投資經理身份於該等250,000,000股股份中擁有權益。
4. 該等266,568,000股股份乃由財通證券(香港)有限公司作為抵押品持有。財通證券(香港)有限公司乃由財通證券股份有限公司全資擁有，而財通證券股份有限公司則由浙江省金融控股有限公司擁有29.03%及由浙江省財務開發公司擁有3.23%股權；浙江省金融控股有限公司及浙江省財務開發公司由中華人民共和國浙江省財政廳全資擁有。因此，根據證券及期貨條例，財通證券股份有限公司、浙江省金融控股有限公司、浙江省財務開發公司及中華人民共和國浙江省財政廳被視為擁有財通證券(香港)有限公司所持有之相同數量之股份權益。

除上述所披露者外，於二零二一年十二月三十一日，本公司概不知悉有任何人士(本公司董事或最高行政人員除外)於本公司股份或相關股份中擁有權益或淡倉。

Report of the Directors 董事會報告

MANAGEMENT CONTRACTS

No contracts, other than the service contracts of the Directors or any person engaged in the full-time employment of the Company, concerning the management and administration of the whole or any substantial part of the business of the Company were entered into or existed during the year.

COMPETING BUSINESS INTERESTS OF DIRECTORS

Non-Competition Undertaking

Under the restrictive covenants of a share purchase agreement dated 1 December 2007 executed among (i) YY Holdings as vendor, (ii) Praise Fortune, Mr. Jiang Xin (current Director), Mr. Jiang Quanlong (former Director), Ms. Qian Yuanying and Mr. Jiang Lei (former Director) as covenantors, and (iii) the Company as the purchaser, each of Praise Fortune, Mr. Jiang Xin, Mr. Jiang Quanlong, Ms. Qian Yuanying, and Mr. Jiang Lei (collectively the "Covenantors") has undertaken that he/she/it will not and shall procure his/her/its close associates will not:

- (a) at any time disclose to any person, or himself/herself/itself use for any purpose, and shall use his/her/its best endeavours to prevent the publication or disclosure of, any information concerning the business, accounts or finances of any Group company, or any of its clients', suppliers' or customers' transactions or affairs, which may, or may have, come to his/her/its knowledge;
- (b) at any time during which the Company is listed on the Stock Exchange and for so long as each of the Covenantors and their respective close associates collectively hold, whether individually or taken together, 30% or more of the issued shares or is regarded as the controlling shareholder(s) of the Company under the Listing Rules or for a period of two years from the date of the Listing, whichever is the longest period of time:
 - (i) directly or indirectly solicit, interfere with, employ or endeavour to entice away from any Group company with a view to competing with the Group any person who, to his/her/its knowledge, is now, or has during the 12 months preceding the date of the share purchase agreement been, a client, customer, supplier or employee of, or has been in the habit of dealing with, any Group company;

管理合同

除本公司董事或任何全職人士之服務合同外，年內概無訂立或存在有關本公司整體業務或其中任何重要部分之管理及行政之合同。

董事於競爭業務之權益

不競爭承諾

根據由(i) YY Holdings(賣方)、(ii) Praise Fortune、蔣鑫先生(現任董事)、蔣泉龍先生(前董事)、錢元英女士及蔣磊先生(前董事)(作為承諾人)與(iii)本公司(作為買方)於二零零七年十二月一日訂立之購股協議之限制性條款，Praise Fortune、蔣鑫先生、蔣泉龍先生、錢元英女士及蔣磊先生(統稱為「承諾人」)分別承諾，其將不會且將促使其緊密聯繫人士不會：

- (a) 於任何時間向任何人士透露或其本人因任何目的利用就其所知可能涉及本集團任何公司之業務、賬目或財務之資料，或其客戶、供應商或客戶之交易或事務，並將竭盡所能防止該等資料交易或事務被公開或透露；
- (b) 於本公司在聯交所上市期間內，及根據上市規則或自上市之日起計兩年期間內(以最長者為準)任何時間，共同持有(無論單獨或視作共同持有)30%或以上已發行股份或被視為本公司控股股東之各承諾人及彼等各自緊密聯繫人士：
 - (i) 直接或間接誘使、干預、聘用或試圖誘使就其所知現時或於購股協議訂立日期前12個月期間為本集團任何公司之客戶、顧客、供應商或僱員或慣常與本集團任何公司進行交易之任何人士離開本集團任何公司以與本集團競爭；

Report of the Directors

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- (ii) at any time use the name or trading style of any Group company, or any trademarks or logos or device similar in appearance to any trademarks, in the PRC, Hong Kong or any other part of the world, or represent himself as carrying on or continuing or being connected with any Group company or its business for any purposes whatsoever; and/or
- (iii) directly or indirectly carry on or be engaged or concerned or interested in the businesses of (i) the production of water treatment and flue gas treatment and solid waste treatment equipment and components and pipes; (ii) the sale and installation of water treatment and flue gas treatment and solid waste treatment equipment and pipes; and (iii) the contracting of water treatment and flue gas treatment and solid waste treatment projects, being the current principal businesses of the Group.
- (ii) 於任何時間，在中國、香港或任何其他國家或地區使用本集團任何公司之名稱或經營模式或與彼等任何商標之外觀相似之任何商標、圖標或圖案，或不論任何目的代表其本身開展或繼續從事與本集團任何公司或其業務有關之業務；及／或
- (iii) 直接或間接開展、從事或涉及本集團目前主要業務或於其中擁有權益，即：(i) 生產水處理及煙氣處理及固體廢棄物處理設備及元件及管材；(ii) 水處理及煙氣處理及固體廢棄物處理設備及管材銷售及安裝；及(iii) 承包水處理及煙氣處理及固體廢棄物處理工程。

Each of the Covenantors has undertaken in favour of the Company under the share purchase agreement to procure the provision to the Company of all information necessary for the enforcement of the above undertaking. Each of the Covenantors further undertakes in favour of the Company to make a statement in the annual report of the Company confirming compliance by it and its affiliates with the terms of the non-competition undertaking in the share purchase agreement. The Company has received the confirmation in relation to compliance by them and their affiliates with the terms of the non-competition undertaking in the share purchase agreement for the year ended 31 December 2021.

Each of the Covenantors has confirmed that he/she/it is not currently engaged in any business, which directly or indirectly competes or may compete with the Group's business.

各承諾人均已根據購股協議作出以本公司為受益人之承諾，以促使向本公司提供執行上述承諾所需之全部資料。各承諾人進一步作出以本公司為受益人之承諾，將於本公司年報中作出聲明，確認其及其聯屬公司將遵守購股協議內不競爭承諾之條款。本公司已收到確認，彼等及彼等之聯屬公司已於截至二零二一年十二月三十一日止年度遵守購股協議內之不競爭承諾條款。

各承諾人均已確認，彼等現時並無從事與本集團業務直接或間接構成競爭或可能構成競爭之任何業務。

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Benxi Fanya Environmental Heat & Power Co., Ltd. (“Benxi Fanya”) is owned as to 49% by Asia Global Tech Group Limited (“AGT (HK)”), and as to 51% by Benxi (Asia) Thermal Technology Company Limited (“Benxi Asia”) (beneficially owned as to 90% and 10% by Ms. Qian Yuanying (the spouse of Mr. Jiang Quanlong) and Mr. Fan Xinyang (son of Mr. Fan Yajun)). AGT (HK) is beneficially owned as to 54%, 18%, 18% and 10% by Ms. Qian Yuanying, Mr. Jiang Lei, Mr. Jiang Xin (both of whom are sons of Mr. Jiang Quanlong) and Mr. Fan Xinyang respectively. The permitted business scope on the business licence of Benxi Fanya includes, among others, heat supply, electricity generation, operation and construction of pipeline. As at the date of this annual report, Benxi Fanya was principally engaged in generating electricity and heat, and was not engaged or interested in any businesses which compete with the current principal businesses of the Group. Jiangsu Tianyuan Technologies Limited (“Jiangsu Tianyuan”) is owned by the associates of Mr. Fang Guohong, a former Executive Director of the Company who resigned on 25 March 2009. The permitted business scope on the business licence of Jiangsu Tianyuan includes, among others, research and development of denitrification EP equipment and technology, manufacture of FGD EP equipment, desulphurization absorption tower and flue glass flake anticorrosive material and denitrification EP equipment. As at the date of this annual report, Jiangsu Tianyuan was principally engaged in the business of producing thermal insulation components, and was not engaged or interested in any businesses which compete with the current principal businesses of the Group. The permitted scope of business of each of Benxi Fanya and Jiangsu Tianyuan is relatively wide, but it is not unusual for a corporate entity to provide for a broader scope of business in its corporate documents to allow for flexibility. At present, neither Benxi Fanya nor Jiangsu Tianyuan has any plan to vary their respective business licences to exclude or alter the permitted activities as set out therein.

Under the restrictive covenants of several service agreements dated 1 December 2007 between the Company and each of the Executive Directors, the Executive Directors gave undertakings similar to the wordings stated in paragraph (b) above of the said share purchase agreement.

本溪泛亞環保熱電有限公司(「本溪泛亞」)由Asia Global Tech Group Limited(「AGT (HK)」)擁有49%及本溪亞洲熱能科技有限公司(「本溪亞洲」)(分別由錢元英女士(蔣泉龍先生之配偶)持有90%及范欣暘先生(范亞軍先生之子)持有10%)擁有51%。AGT (HK)分別由錢元英女士、蔣磊先生、蔣鑫先生(均為蔣泉龍先生之子)及范欣暘先生擁有54%、18%、18%及10%。本溪泛亞之營業執照所列許可經營範圍涵蓋(其中包括)供熱、發電、熱力管網的配套建設與經營。於本年報日期,本溪泛亞主要從事電力及熱能生產,而並無從事與本集團現有主要業務構成競爭之任何業務或於其中擁有權益。江蘇天元科技有限公司(「江蘇天元」)由本公司前任執行董事方國洪先生(彼於二零零九年三月二十五日辭任)之聯繫人士擁有。江蘇天元營業執照所列許可經營範圍涵蓋(其中包括)脫硝環保設備及技術的研發;煙氣脫硫環保設備、脫硫吸收塔、煙道玻璃鱗片防腐材料及脫硝環保設備之製造。於本年報日期,江蘇天元主要從事生產熱絕緣元件之業務,而並無從事與本集團現有主要業務構成競爭之任何業務或於其中擁有權益。本溪泛亞與江蘇天元之獲許可經營範圍相對較廣。但為保持靈活性,一間公司實體往往會於其公司文件中設定較廣之業務範圍。目前,本溪泛亞與江蘇天元並無計劃更換其各自之營業執照,以去除或修改其中載明之獲許可業務。

根據本公司與各執行董事於二零零七年十二月一日訂立之若干服務協議之限制性承諾,執行董事均作出與上文所述購股協議(b)段措詞類似之承諾。

Report of the Directors

董事會報告

The Independent Non-executive Directors shall review, at least on an annual basis, the compliance with the non-competition undertaking by each of such persons on their existing or future competing business and the Company shall disclose the result of such review either through the annual report of the Company, or by way of announcement to the public. The Independent Non-executive Directors have reviewed and confirmed the compliance by each of such persons with the non-competition undertaking for the year ended 31 December 2021.

As the controlling shareholders namely, Praise Fortune, Mr. Jiang Xin (current Director), Mr. Jiang Quanlong (former Director), Ms. Qian Yuanying and Mr. Jiang Lei (former Director) have given non-competition undertakings in favour of the Company and none of them has interests in other businesses that compete or are likely to compete with the business of the Group, the management and operation of the operating entities are independent from each other. The Directors are of the view that the Group is capable of carrying on its business independently of the controlling shareholders.

PRE-EMPTIVE RIGHTS

There is no provision for pre-emptive rights under the Company's Articles of Association or the laws of the Cayman Islands which would oblige the Company to offer new shares on a pro-rata basis to its existing shareholders.

FINANCIAL SUMMARY

A summary of the results and of the assets and liabilities of the Group for the last five financial years is set out on page 140 of the annual report.

RETIREMENT BENEFIT COSTS

The retirement schemes of the Company and its subsidiaries are primarily in form of contributions to the Hong Kong mandatory provident fund and China statutory public welfare fund. Particulars of these retirement schemes are set out in note 9 to the consolidated financial statements.

PROFESSIONAL TAX ADVICE RECOMMENDED

If the shareholders of the Company are unsure about the taxation implications of purchasing, holding, disposing of, dealing in, or the exercise of any rights in relation to the shares, they are advised to consult an expert.

獨立非執行董事須至少每年檢討各有關人士於彼等之現有或日後競爭業務遵守不競爭承諾方面之合規情況，而本公司將透過本公司年報或公告向公眾人士披露有關檢討結果。獨立非執行董事已審閱並已確認各有關人士已於截至二零二一年十二月三十一日止年度遵守不競爭承諾。

由於控股股東即Praise Fortune、蔣鑫先生（現任董事）、蔣泉龍先生（前董事）、錢元英女士及蔣磊先生（前董事）已作出以本公司為受益人之不競爭承諾，且彼等概無於與本集團業務競爭或可能與本集團業務競爭之其他業務中擁有權益，各經營實體之管理及營運相互獨立，因此董事認為本集團有能力獨立於控股股東經營本集團業務。

優先購買權

本公司組織章程細則或開曼群島法律均無有關強制本公司按比例向其現有股東發售新股份之優先購買權之規定。

財務概要

本集團在過去五個財政年度之業績及資產與負債概要載於年報第140頁。

退休福利成本

本公司及其附屬公司之退休計劃主要以香港強制性公積金及中國法定公積金供款之形式。此等退休計劃之詳情載於綜合財務報表附註9。

建議之專業稅務意見

如本公司股東未能確定購買、持有、出售、處理或行使有關股份之任何權利之稅務影響，謹請彼等諮詢專業人士。

Report of the Directors 董事會報告

ENVIRONMENTAL POLICIES AND PERFORMANCE

The Company is preparing the environmental, social and governance report (the “ESG report”) for the year ended 31 December 2021 in accordance with the Environmental, Social and Governance Reporting Guide of the Stock Exchange. The Company will publish the ESG report on the Stock Exchange’s website and the Company’s website as close as possible to, and in any event no later than five months after the end of the financial year.

CHANGES IN DIRECTORS’ INFORMATION

Pursuant to Rule 13.51B(1) of the Listing Rules, the changes in information on Directors are as follows:

1. Mr. Chen Xuezheng was appointed as an Independent Non-executive Director, a member of the Audit Committee, chairman of the Nomination Committee and the Remuneration Committee in each case with effect from 1 August 2021.
2. Mr. Lai Wing Lee resigned as an Independent Non-executive Director, a member of the Audit Committee, chairman of the Nomination Committee and the Remuneration Committee in each case with effect from 1 August 2021.

INDEPENDENT AUDITOR

The consolidated financial statements for the year ended 31 December 2021 have been audited by Ascenda Cachet CPA Limited. Ascenda Cachet CPA Limited will retire and, being eligible, offer themselves for re-appointment. A resolution for the re-appointment of Ascenda Cachet CPA Limited as auditor of the Company will be proposed at the forthcoming Annual General Meeting.

On behalf of the Board
Jiang Xin
Chairman

Hong Kong, 30 March 2022

環境政策與績效

本公司正在根據聯交所《環境、社會及管治報告指引》編製截至二零二一年十二月三十一日止年度之環境、社會及管治報告（「環境、社會及管治報告」）。本公司將於盡可能接近財政年度結束的時間，但不遲於財政年度結束後五個月內於聯交所網站及本公司網站發佈本公司環境、社會及管治報告。

董事資料的變動

根據上市規則第13.51B(1)條，董事資料的變動如下：

1. 陳學政先生獲委任為獨立非執行董事、審核委員會成員、提名委員會及薪酬委員會主席，分別自二零二一年八月一日起生效。
2. 賴永利先生辭任獨立非執行董事、審核委員會成員、提名委員會及薪酬委員會主席，分別自二零二一年八月一日起生效。

獨立核數師

截至二零二一年十二月三十一日止年度之綜合財務報表已經由天健德揚會計師事務所有限公司審核。天健德揚會計師事務所有限公司將退任，惟合資格並願意獲重新聘任。重新聘任天健德揚會計師事務所有限公司為本公司核數師之決議案將於應屆股東周年大會上提呈。

代表董事會
蔣鑫
主席

香港，二零二二年三月三十日

Independent Auditor's Report 獨立核數師報告



13F Neich Tower
128 Gloucester Road
Wanchai Hong Kong
香港灣仔
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祥豐大廈13樓F室

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF PAN ASIA ENVIRONMENTAL PROTECTION GROUP LIMITED

(Incorporated in the Cayman Islands with limited liability)

OPINION

We have audited the consolidated financial statements of Pan Asia Environmental Protection Group Limited (the "Company") and its subsidiaries (hereinafter collectively referred to as the "Group") set out on pages 51 to 139, which comprise the consolidated statement of financial position as at 31 December 2021, and the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2021, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

BASIS FOR OPINION

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

致泛亞環保集團有限公司全體股東之 獨立核數師報告

(於開曼群島註冊成立之有限公司)

意見

本核數師已審核第51頁至139頁所載泛亞環保集團有限公司(「貴公司」)及其附屬公司(以下統稱「貴集團」)之綜合財務報表，包括於二零二一年十二月三十一日之綜合財務狀況表及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。

本核數師認為，綜合財務報表已根據香港會計師公會(「香港會計師公會」)頒佈的香港財務報告準則(「香港財務報告準則」)真實而中肯地反映了貴集團於二零二一年十二月三十一日的綜合財務狀況及其截至該日止年度的綜合財務表現及綜合現金流量，並已遵照香港公司條例的披露規定妥為編製。

意見基準

本核數師之審核工作按照香港會計師公會頒佈之香港審計準則(「香港審計準則」)進行。本核數師就該等準則承擔的責任在本報告「核數師審核綜合財務報表之責任」部分中進一步闡述。根據香港會計師公會的專業會計師道德守則(「守則」)，本核數師獨立於貴集團，並已履行守則中的其他職業道德責任。本核數師相信，本核數師所獲得的審核憑證能充足及適當地為本核數師的意見提供基礎。

Independent Auditor's Report 獨立核數師報告

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. Our description of how our audit addressed the key audit matter identified in our audit in relation to the revenue recognition relating to sales of goods is provided in that context.

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

關鍵審核事項

關鍵審核事項為本核數師之專業判斷中，審核本期綜合財務報表中最重要的事項。該等事項於本核數師審核整體綜合財務報表及出具意見時進行處理。本核數師不會對該等事項提供單獨意見。有關吾等的審核如何處理吾等就 貴集團有關貨品銷售之收入確認審核時識別的關鍵審核事項的描述僅適用於此等情況。

本核數師已履行本報告「核數師審核綜合財務報表之責任」一節所述之責任，包括有關該等事項之責任。因此，本核數師的審核包括程序的執行，該等程序乃為應對本核數師對綜合財務報表重大錯誤陳述風險的評估而設計。本核數師的審核程序結果（包括為處理以下事項而執行的程序）為本核數師就隨附綜合財務報表的審核意見提供了基礎。

Independent Auditor's Report

獨立核數師報告

Revenue recognition relating to sales of goods 有關貨品銷售的收入確認

Refer to note 4 to the consolidated financial statements and the significant accounting policies in note 2(q) to the consolidated financial statements.

請參閱綜合財務報表附註4及載於綜合財務報表附註2(q)的主要會計政策。

Key Audit Matter

關鍵審核事項

A substantial portion of the Group's revenue was derived from sales of environmental protection ("EP") products and equipment.
貴集團大部分收入來自銷售環保(「環保」)產品及設備。

For sales of EP products and equipment, the amount of revenue recognised during the year is dependent on the point in time the transfer of the control of the goods from the Group to the customers.

就銷售環保產品及設備而言，年內確認的收入金額視乎貨品控制權由本集團轉移至客戶的時間點而定。

We identified the recognition of revenue relating to sales of goods as key audit matter because there is a significant inherent risk over the recognition of revenue by the management to meet specific targets or expectations and the significance of revenue in the context of the consolidated financial statements.

本核數師將有關貨品銷售的收入確認識別為關鍵審核事項，因為管理層為滿足特定目標或預期而確認收入存在重大固有風險，以及收入在綜合財務報表中的重要性。

How our audit addressed the key audit matter

本核數師的審核如何處理關鍵審核事項

Our procedures in relation to the Group's revenue recognition of the sales of goods included, among others, the followings:

本核數師就貴集團銷售貨品的收入確認所執行的程序包括(其中包括)：

- Obtaining an understanding of and assessing the design, implementation and operating effectiveness of the Group's key internal controls over the revenue recognition including the control over recording work done, invoicing and cash receipts;
- 了解並評估貴集團有關收入確認的關鍵內部控制的設計、實施及運營有效性，包括對記錄已完成的工作、發票及現金收入的控制；
- Checking, on a sample basis, the terms set out in the sales contracts and assessing whether the control of the goods had been transferred to the customers by the review of delivery notes and customers' acceptance;
- 抽樣檢查銷售合同中載列的條款，並通過審閱交貨單及客戶的驗收評估貨品控制權是否已轉移至客戶；
- Inspecting sales contracts, on a sample basis, to assess whether management recognised the related revenue in accordance with the Group's accounting policies, with reference to the requirements of the prevailing accounting standards; and
- 抽樣檢查銷售合同，參考現行會計準則的規定以評估管理層是否按照貴集團的會計政策確認相關收入；及

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Revenue recognition relating to sales of goods (Continued) 有關貨品銷售的收入確認(續)

Key Audit Matter

關鍵審核事項

How our audit addressed the key audit matter

本核數師的審核如何處理關鍵審核事項

- Testing of samples of revenue related journal entries on a sample basis and by inquiring management of their nature and also validating the samples selected to supporting documents.
- 抽樣測試有關收入的記賬分錄樣本，向管理層詢問其性質，並驗證所選擇的樣本以證明文件。

OTHER INFORMATION

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

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

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

其他資料

貴公司董事對其他資料負責。其他資料包括年報所載資料，惟不包括綜合財務報表及本核數師就此發出的核數師報告。

本核數師對綜合財務報表的意見並不涵蓋其他資料，本核數師亦不對其他資料發表任何形式的鑒證結論。

就本核數師審核綜合財務報表而言，本核數師的責任是閱讀其他資料，在此過程中，考慮其他資料是否與綜合財務報表或本核數師在審核過程中所瞭解的情況有重大不一致，或似乎有重大錯誤陳述。基於本核數師已執行的工作，倘本核數師認為其他資料有重大錯誤陳述，本核數師需要報告該事實。本核數師就此並無任何事項須報告。

Independent Auditor's Report 獨立核數師報告

RESPONSIBILITIES OF THE DIRECTORS FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The directors of the Company are responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with HKFRSs issued by the HKICPA and the 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 of the Company are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors of the Company either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

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

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, in accordance with our agreed terms of engagement, 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 HKSAs 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.

董事編製綜合財務報表之責任

貴公司董事須遵照香港會計師公會頒佈之香港財務報告準則及香港公司條例之披露規定，負責編製真實公平的綜合財務報表以及董事認為需要之有關內部監控，以確保綜合財務報表之編製並不存在由於欺詐或錯誤而導致的重大錯誤陳述。

於編製綜合財務報表時，貴公司董事負責評估貴集團根據持續經營基準經營的能力，披露（倘適用）有關持續經營的事項及採用持續經營會計基準，惟貴公司董事擬清算貴集團或終止營運或除此之外並無其他實際選擇除外。

貴公司董事獲審核委員會協助履行其監督貴集團的財務報告程序的責任。

核數師審核綜合財務報表之責任

本核數師的目標是對整體綜合財務報表是否不存在由於欺詐或錯誤而導致的任何重大錯誤陳述取得合理保證，並出具包括本核數師意見的核數師報告。本核數師僅向閣下（作為整體）按照協定的委聘條款報告，除此之外本報告別無其他目的。本核數師不會就本報告的內容向任何其他人士負上或承擔任何責任。

合理保證是高水平的保證，但不能保證按香港審計準則進行的審核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，若合理預期其個別或共同可能影響綜合財務報表使用者所作出的經濟決策，則有關錯誤陳述可被視作重大。

Independent Auditor's Report 獨立核數師報告

As part of an audit in accordance with HKSAAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

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

作為根據香港審計準則進行審核的一部份，本核數師在審核過程中運用了專業判斷，保持了職業懷疑態度。本核數師亦：

- 識別及評估由於欺詐或錯誤而導致綜合財務報表存在重大錯誤陳述的風險，設計及執行審核程序以應對該等風險，以及取得充足和適當的審核憑證，作為本核數師意見的基準。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較因錯誤而導致的重大錯誤陳述的風險為高。
- 瞭解與審核相關的內部控制，以設計情形適當的審核程序，但目的並非為對貴集團內部控制的有效性發表意見。
- 評估董事所採用會計政策的適當性及作出會計估計和相關披露的合理性。
- 對董事採用持續經營會計基礎的適當性作出結論。根據所得的審核憑證，決定是否存在與事件或情況有關的重大不確定性，而可能對貴集團根據持續經營基準經營的能力構成重大疑慮。倘本核數師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垂注綜合財務報表中的相關披露資料。若有關披露資料不足，則本核數師須修改意見。本核數師的結論乃基於截至核數師報告日止所取得的審核憑證。然而，未來事件或情況可能導致貴集團不能根據持續經營基準經營。
- 評估綜合財務報表的整體呈報方式、結構及內容，包括披露資料，以及綜合財務報表是否公允地反映有關交易及事項。

Independent Auditor's Report 獨立核數師報告

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

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

The engagement director on the audit resulting in this independent auditor's report is Lai Wing Ip.

- 就 貴集團中實體或業務活動的財務資料獲取充分、適當的審核憑證，以對綜合財務報表發表意見。本核數師負責指導、監督及執行集團審核。本核數師對審核意見承擔全部責任。

本核數師與審核委員會溝通了(其中包括)計劃的審核範圍、審核時間及重大審核發現，包括本核數師在審核期間識別出內部控制的任何重大缺陷。

本核數師亦向審核委員會提交聲明，說明本核數師已符合有關獨立性的相關職業道德要求，並與彼等溝通所有合理地被認為會影響本核數師獨立性的關係及其他事項，以及在適用的情況下，採取行動消除威脅或應用防範措施。

從與審核委員會溝通的事項中，本核數師確定對本期綜合財務報表的審核最為重要的事項，因而構成關鍵審核事項。本核數師會在核數師報告中描述該等事項，除非法律或法規不允許對某個事項作出公開披露，或在極端罕見的情況下，若有合理預期在本核數師報告中溝通某事項而造成的負面後果將會超過其產生的公眾利益，本核數師將不會在此等情況下在報告中溝通該事項。

本獨立核數師報告的審計項目董事是黎永業。

Ascenda Cachet CPA Limited
Certified Public Accountants
Hong Kong, 30 March 2022

Lai Wing Ip
Practising Certificate Number P07296

天健德揚會計師事務所有限公司
執業會計師
香港，二零二二年三月三十日

黎永業
執業證書編號P07296

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 2021
截至二零二一年十二月三十一日止年度

		Note 附註	2021 二零二一年 RMB'000 人民幣千元	2020 二零二零年 RMB'000 人民幣千元
Revenue	收入	4	38,158	39,388
Cost of sales	銷售成本		(35,210)	(37,626)
Gross profit	毛利		2,948	1,762
Other income	其他收益	5	4,358	4,412
Other net gain/(loss)	其他收益／(虧損)淨額	6	21,545	(14,108)
Selling and distribution expenses	銷售及分銷開支		(532)	(581)
General and administrative expenses	一般及行政開支		(17,150)	(17,755)
Finance costs	融資成本	7(b)	(2,869)	(3,077)
Profit/(loss) before taxation	除稅前溢利／(虧損)	7	8,300	(29,347)
Income tax	所得稅	8	-	-
Profit/(loss) for the year attributable to owners of the Company	本公司擁有人應佔年內溢利／(虧損)		8,300	(29,347)
Other comprehensive income for the year	年內其他全面收益			
<i>Item that will not be reclassified to profit or loss:</i>	<i>將不會重新分類至損益之項目：</i>			
- Exchange differences on translation of financial statements to presentation currency	- 換算財務報表至呈列貨幣產生之匯兌差額		2,229	4,264
Total comprehensive income/(loss) for the year attributable to owners of the Company	本公司擁有人應佔年內全面收益／(虧損)總額		10,529	(25,083)
			RMB cents 人民幣分	RMB cents 人民幣分
EARNINGS/(LOSS) PER SHARE	每股盈利／(虧損)	13		
Basic earnings/(loss) per share	每股基本盈利／(虧損)		0.99	(3.49)
Diluted earnings/(loss) per share	每股攤薄盈利／(虧損)		0.99	(3.49)

The notes on pages 57 to 139 form part of these consolidated financial statements.

第57頁至139頁之附註屬本綜合財務報表之一部份。

Consolidated Statement of Financial Position

綜合財務狀況表

		Note	2021 二零二一年 RMB'000 人民幣千元	2020 二零二零年 RMB'000 人民幣千元
		附註		
NON-CURRENT ASSETS	非流動資產			
Property, plant and equipment	物業、廠房及設備	14	493	1,601
Right-of-use assets	使用權資產	15	1,048	1,818
			1,541	3,419
CURRENT ASSETS	流動資產			
Trade and other receivables	應收貿易及其他款項	17	6,456	41,825
Cash and bank balances	現金及銀行結餘	18	1,222,063	1,219,778
			1,228,519	1,261,603
CURRENT LIABILITIES	流動負債			
Trade and other payables	應付貿易及其他款項	19	55,084	96,010
Corporate bonds	公司債券	21	25,522	43,321
Lease liabilities	租賃負債	20	751	734
Tax payable	應付稅項	22(a)	-	2,521
			81,357	142,586
NET CURRENT ASSETS	流動資產淨值		1,147,162	1,119,017
TOTAL ASSETS LESS CURRENT LIABILITIES	資產總值減 流動負債		1,148,703	1,122,436
NON-CURRENT LIABILITIES	非流動負債			
Corporate bonds	公司債券	21	18,762	2,242
Lease liabilities	租賃負債	20	324	1,106
			19,086	3,348
NET ASSETS	資產淨值		1,129,617	1,119,088

Consolidated Statement of Financial Position 綜合財務狀況表

		2021 二零二一年 RMB'000 人民幣千元	2020 二零二零年 RMB'000 人民幣千元
	Note 附註		
CAPITAL AND RESERVES	股本及儲備		
Share capital	23	78,073	78,073
Reserves	24	1,051,544	1,041,015
TOTAL EQUITY	權益總額	1,129,617	1,119,088

The consolidated financial statements on pages 51 to 139 were approved and authorised for issue by the board of directors on 30 March 2022 and were signed on its behalf by:

經董事會於二零二二年三月三十批准及授權刊發第51頁至139頁之綜合財務報表並由下列董事代表簽署：

Jiang Xin
Director

蔣鑫
董事

Fan Yajun
Non-executive Director

范亞軍
非執行董事

The notes on pages 57 to 139 form part of these consolidated financial statements.

第57頁至139頁之附註屬本綜合財務報表之一部份。

Consolidated Statement of Changes in Equity

綜合權益變動表

For the year ended 31 December 2021
截至二零二一年十二月三十一日止年度

		Attributable to owners of the Company 本公司擁有人應佔								
		Share capital 股本	Share premium 股份溢價	Special reserve 特別儲備	Enterprise expansion reserve 企業擴展儲備	Statutory surplus reserve 法定盈餘儲備	Translation reserve 匯兌儲備	Share option reserve 購股權儲備	Retained profits 保留溢利	Total 總額
		RMB'000 人民幣千元 (Note 23) (附註23)	RMB'000 人民幣千元 (Note 24(i)) (附註24(i))	RMB'000 人民幣千元 (Note 24(ii)) (附註24(ii))	RMB'000 人民幣千元 (Note 24(iii)) (附註24(iii))	RMB'000 人民幣千元 (Note 24(iv)) (附註24(iv))	RMB'000 人民幣千元 (Note 24(v)) (附註24(v))	RMB'000 人民幣千元 (Note 24(vi)) (附註24(vi))	RMB'000 人民幣千元 (Note 24(vii)) (附註24(vii))	RMB'000 人民幣千元 (Note 24(viii)) (附註24(viii))
As at 1 January 2020	於二零二零年一月一日	78,073	466,844	94,225	1,303	1,302	(10,511)	6,640	506,295	1,144,171
Loss for the year	年內虧損	-	-	-	-	-	-	-	(29,347)	(29,347)
Other comprehensive income	其他全面收益	-	-	-	-	-	-	-	-	-
- Exchange differences on translation of financial statements to presentation currency	- 換算財務報表至呈列貨幣產生之匯兌差額	-	-	-	-	-	4,264	-	-	4,264
Total comprehensive income/(loss) for the year	年內全面收益/(虧損)總額	-	-	-	-	-	4,264	-	(29,347)	(25,083)
As at 31 December 2020 and 1 January 2021	於二零二零年十二月三十一日及二零二一年一月一日	78,073	466,844	94,225	1,303	1,302	(6,247)	6,640	476,948	1,119,088
Profit for the year	年內溢利	-	-	-	-	-	-	-	8,300	8,300
Other comprehensive income	其他全面收益	-	-	-	-	-	-	-	-	-
- Exchange differences on translation of financial statements to presentation currency	- 換算財務報表至呈列貨幣產生之匯兌差額	-	-	-	-	-	2,229	-	-	2,229
Total comprehensive income for the year	年內全面收益總額	-	-	-	-	-	2,229	-	8,300	10,529
Transfer to retained profits upon lapse of share options	於購股權失效後轉撥至保留溢利	-	-	-	-	-	-	(224)	224	-
As at 31 December 2021	於二零二一年十二月三十一日	78,073	466,844	94,225	1,303	1,302	(4,018)	6,416	485,472	1,129,617

The notes on pages 57 to 139 form part of these consolidated financial statements.

第57頁至139頁之附註屬本綜合財務報表之一部份。

Consolidated Statement of Cash Flows

綜合現金流量表

For the year ended 31 December 2021
截至二零二一年十二月三十一日止年度

	Note	2021 二零二一年 RMB'000 人民幣千元	2020 二零二零年 RMB'000 人民幣千元
Operating activities			
Profit/(loss) before taxation		8,300	(29,347)
Adjustments for:			
Depreciation of property, plant and equipment	7(c)	530	692
Depreciation of right-of-use assets	7(c)	729	1,289
Net impairment loss (reversed)/ recognised on	6		
– trade receivables		(21,790)	11,962
– contract assets		(248)	(733)
– prepayments		–	2,879
Loss on disposal of property, plant and equipment	6	493	–
Interest expenses	7(b)	2,869	3,077
Interest income	5	(4,347)	(4,078)
		(13,464)	(14,259)
Changes in working capital			
Decrease/(increase) in trade and other receivables		57,400	(1,107)
(Decrease)/increase in trade and other payables		(51,350)	14,981
Cash used in operations		(7,414)	(385)
PRC Enterprises Income Tax paid	22(a)	(2,521)	–
Net cash used in operating activities		(9,935)	(385)

Consolidated Statement of Cash Flows

綜合現金流量表

For the year ended 31 December 2021
截至二零二一年十二月三十一日止年度

	Note 附註	2021 二零二一年 RMB'000 人民幣千元	2020 二零二零年 RMB'000 人民幣千元
Investing activities			
Interest received		4,347	4,078
Payments for acquisition of property, plant and equipment		(5)	(93)
Proceeds from disposal of property, plant and equipment and prepaid lease payments		86	-
Net cash generated from investing activities		4,428	3,985
Financing activities			
Advance from a related company	34	12,500	19,394
Repayment of advance from a related company	34	(1,130)	(1,201)
Direct cost incurred for renewal of corporate bonds	21, 34	(87)	-
Redemption of corporate bonds	21, 34	-	(859)
Interests paid on corporate bonds	21, 34	(2,688)	(2,905)
Settlement of lease liabilities	15, 34	(796)	(1,326)
Net cash generated from financing activities		7,799	13,103
Net increase in cash and cash equivalents		2,292	16,703
Cash and cash equivalents at beginning of the year		1,219,778	1,203,070
Effect of foreign exchange rate changes, net		(7)	5
Cash and cash equivalents at end of the year		1,222,063	1,219,778
Analysis of the balance of cash and cash equivalents			
Cash and bank balances	18	1,222,063	1,219,778

The notes on pages 57 to 139 form part of these consolidated financial statements.

第57頁至139頁之附註屬本綜合財務報表之一部份。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2021
截至二零二一年十二月三十一日止年度

1. GENERAL INFORMATION

Pan Asia Environmental Protection Group Limited (the “Company”) was incorporated as an exempted company and registered in the Cayman Islands with limited liability and its shares are listed on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”). The addresses of the registered office and principal place of business of the Company are disclosed in the “Corporate Information” section to this annual report.

The Company and its subsidiaries (collectively referred to as the “Group”) are principally engaged in the sales of environmental protection (“EP”) products and equipment, and undertaking of EP construction engineering services in the People’s Republic of China (the “PRC”), and investment holding.

2. SIGNIFICANT ACCOUNTING POLICIES

a) Statement of compliance

These consolidated financial statements have been prepared in accordance with all applicable Hong Kong Financial Reporting Standards (“HKFRSs”), which collective term includes all applicable individual Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards (“HKASs”) and Interpretations issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”), accounting principles generally accepted in Hong Kong and the applicable disclosure requirements of the Hong Kong Companies Ordinance (“CO”). These consolidated financial statements also comply with the applicable disclosure provisions of the Rules Governing the Listing of Securities on the Stock Exchange (the “Listing Rules”). Significant accounting policies adopted by the Group are disclosed below.

The HKICPA has issued certain new and revised HKFRSs that are first effective or available for early adoption for the current accounting period of the Group. Note 3 provides information on any changes in accounting policies resulting from initial application of these developments to the extent that they are relevant to the Group for the current and prior accounting periods reflected in these consolidated financial statements.

1. 一般資料

泛亞環保集團有限公司(「本公司」)於開曼群島註冊成立為一間獲豁免有限公司，其股份於香港聯合交易所有限公司(「聯交所」)上市。本公司之註冊辦事處及主要營業地點地址披露於本年報「公司資料」一節。

本公司及其附屬公司(以下統稱「本集團」)主要在中華人民共和國(「中國」)從事環境保護(「環保」)產品及設備之銷售，並承接環保建設工程服務及投資控股。

2. 主要會計政策

a) 守規聲明

此等綜合財務報表已根據香港會計師公會(「香港會計師公會」)頒佈之所有適用香港財務報告準則(「香港財務報告準則」)(此乃包括所有適用之個別香港財務報告準則、香港會計準則(「香港會計準則」)及詮釋之統稱)、香港普遍採納會計原則及適用的香港公司條例(「公司條例」)之適用披露規定而編製。此等綜合財務報表亦遵守聯交所證券上市規則(「上市規則」)之適用披露規定。本集團採納之主要會計政策披露如下。

香港會計師公會已頒佈若干新訂及經修訂香港財務報告準則，均於本集團之本會計期間首次生效或可供提早採納。附註3提供了有關首次應用該等發展而導致的此等綜合財務報表內所反映的本集團於本會計期間及過往會計期間的任何會計政策變動的資料。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2021
截至二零二一年十二月三十一日止年度

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

b) Basis of preparation of the consolidated financial statements

The consolidated financial statements for the year ended 31 December 2021 comprise the Company and its subsidiaries.

The measurement basis used in the preparation of the consolidated financial statements is the historical cost basis except for certain financial instruments, which are stated at their fair value as explained in the accounting policies set out below.

The preparation of consolidated financial statements in conformity with HKFRSs requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about the carrying amounts of assets and liabilities that are not readily apparent from other sources. 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 period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Judgements made by management in the application of HKFRSs that have a significant effect on the consolidated financial statements and major sources of estimation uncertainty are discussed in note 32.

2. 主要會計政策(續)

b) 綜合財務報表之編製基準

截至二零二一年十二月三十一日止年度綜合財務報表包括本公司及其附屬公司之財務報表。

綜合財務報表之編製乃以歷史成本作計量基準，惟若干金融工具以公平值計量除外(見下文會計政策所闡釋)。

編製符合香港財務報告準則之綜合財務報表時，管理層需作出判斷、估計和假設，該等判斷、估計及假設對會計政策之應用以及所呈報資產、負債、收入和支出之金額構成影響。該等估計及有關假設乃根據過往經驗及被認為在該情況下屬合理之多項其他因素而作出，其結果便成為判斷未能透過其他來源確定之資產及負債之賬面值之基礎。實際結果可能有別於該等估計。

該等估計及相關假設會按持續基準進行檢討。對會計估計進行修訂時，倘修訂僅影響該期間，則修訂會於修訂估計之期間確認；或倘有關修訂同時影響當前及未來期間，則會於修訂期間及未來期間確認。

管理層在應用對本綜合財務報表構成重大影響之香港財務報告準則時所作出之判斷，以及估計不確定性之主要來源，將在附註32內討論。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2021
截至二零二一年十二月三十一日止年度

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

c) Subsidiaries

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. When assessing whether the Group has power, only substantive rights (held by the Group and other parties) are considered.

An investment in a subsidiary is consolidated into the consolidated financial statements from the date that control commences until the date that control ceases. Intra-group balances, transactions and cash flows and any unrealised profits arising from intra-group transactions are eliminated in full in preparing the consolidated financial statements. Unrealised losses resulting from intra-group transactions are eliminated in the same way as unrealised gains but only to the extent that there is no evidence of impairment.

Changes in the Group's interests in a subsidiary that do not result in a loss of control are accounted for as equity transactions, whereby adjustments are made to the amounts of controlling and non-controlling interests within consolidated equity to reflect the change in relative interests, but no adjustments are made to goodwill and no gain or loss is recognised.

When the Group loses control of a subsidiary, it is accounted for as a disposal of the entire interest in that subsidiary, with a resulting gain or loss being recognised in profit or loss. Any interest retained in that former subsidiary at the date when control is lost is recognised at fair value and this amount is regarded as the fair value on initial recognition of a financial asset, or, when appropriate, the cost on initial recognition of an investment in an associate or a joint venture.

In the Company's statement of financial position, an investment in a subsidiary is stated at cost less impairment losses (see note 2(f)(ii)), unless the investment is classified as held for sale (or included in a disposal group that is classified as held for sale).

2. 主要會計政策(續)

c) 附屬公司

附屬公司指受本集團控制之實體。當本集團承受或享有由參與實體所得不定回報時，且有能透過其對實體之權力影響該等回報時，則本集團控制該實體。於評估控制權時，惟本集團及其他人士持有之實質性權利計算在內。

於附屬公司之投資將由控制權開始至控制權終止之期間計入綜合財務報表。集團內部往來之餘額、交易及現金流量以及由集團內部交易產生之任何未變現溢利，均在編製綜合財務報表時全數抵銷。集團內部交易所產生之未變現虧損，其抵銷方法與抵銷未變現收益之方法相同，但抵銷額只限於沒有證據顯示已出現減值之部份。

本集團於一間附屬公司之權益變動（並無導致失去控制權）列作權益交易，並對合併權益中的控股及非控股權益金額作出調整，以反映有關權益的變動，惟概無對商譽作出任何調整及並無確認任何損益。

倘本集團失去一間附屬公司的控制權，將列作出售其於該附屬公司的全部權益，因此產生的收益或虧損於損益中確認。於失去控制權當日仍保留於前附屬公司的任何權益乃按公平值確認，而該金額將視為於初步確認金融資產時或（如適用）就於聯營公司或合營企業之投資進行初步確認時之成本之公平值。

在本公司財務狀況表中，於附屬公司之投資以成本減去減值虧損列賬（見附註2(f)(ii)），除非該投資被列為持作出售（或計入分類為持作出售之出售組別）。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2021
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2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

d) Property, plant and equipment

Property, plant and equipment are stated in the consolidated statement of financial position at cost less any accumulated depreciation and any accumulated impairment losses (see note 2(f)(ii)).

Depreciation is calculated to write off the cost of items of property, plant and equipment, less their estimated residual value, if any, using the straight-line method over their estimated useful lives.

Furniture, fixtures and equipment	5 years
Leasehold improvements	1 year to 5 years
Motor vehicles	5 years
Machineries	10 years

Where parts of an item of property, plant and equipment have different useful lives, the cost of the item is allocated on a reasonable basis between the parts and each part is depreciated separately. Both the useful life of an asset and its residual value, if any, are reviewed annually.

Gains or losses arising from the retirement or disposal of an item of property, plant and equipment are determined as the difference between the net disposal proceeds and the carrying amount of the item and are recognised in profit or loss on the date of retirement or disposal.

e) Leased assets

At inception of a contract, the Group assesses whether the contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Control is conveyed where the customer has both the right to direct the use of the identified asset and to obtain substantially all of the economic benefits from that use.

2. 主要會計政策(續)

d) 物業、廠房及設備

物業、廠房及設備概以成本減任何累計折舊及任何累計減值虧損於綜合財務狀況表列賬(見附註2(f)(ii))。

物業、廠房及設備項目乃使用直線法按其估計可使用年期減彼等之估計剩餘價值(如有)以撇銷其成本值計算折舊。

傢俬、裝置及設備	五年
租賃物業裝修	一至五年
汽車	五年
機器	十年

當一項物業、廠房及設備之各部份有不同之可使用年期，此項目各部份之成本將按合理基礎分配，而每部份將作個別折舊。資產之可使用年期及其剩餘價值(如有)會每年進行檢討。

因報廢或出售物業、廠房及設備項目而產生之收益或虧損乃釐定為出售所得款項淨額與該項目之賬面值間之差額，並於報廢或出售當日於損益內確認。

e) 租賃資產

訂立合同時，本集團評估該合同是否屬於租賃或包含租賃。如果合同授予權利以代價為交換在某一時期內控制已識別資產的使用的權利，則該合同屬於租賃或包含租賃。當客戶有權主導已識別資產的使用及有權從使用中獲取幾乎所有的經濟利益時，則表示擁有控制權。

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For the year ended 31 December 2021
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2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

e) Leased assets (Continued)

As a lessee

Where the contract contains lease component(s) and non-lease component(s), the Group has elected not to separate non-lease components and accounts for each lease component and any associated non-lease components as a single lease component for all leases.

At the lease commencement date, the Group recognises a right-of-use asset and a lease liability, except for short-term leases that have a lease term of 12 months or less and leases of low-value assets. When the Group enters into a lease in respect of a low-value asset, the Group decides whether to capitalise the lease on a lease-by-lease basis. The lease payments associated with those leases which are not capitalised are recognised as an expense on a systematic basis over the lease term.

Where the lease is capitalised, the lease liability is initially recognised at the present value of the lease payments payable over the lease term, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, using a relevant incremental borrowing rate. After initial recognition, the lease liability is measured at amortised cost and interest expense is calculated using the effective interest method. Variable lease payments that do not depend on an index or rate are not included in the measurement of the lease liability and hence are charged to profit or loss in the accounting period in which they are incurred.

The right-of-use asset recognised when a lease is capitalised is initially measured at cost, which comprises the initial amount of the lease liability plus any lease payments made at or before the commencement date, and any initial direct costs incurred. Where applicable, the cost of the right-of-use assets also includes an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, discounted to their present value, less any lease incentives received. The right-of-use asset is subsequently stated at cost less accumulated depreciation and impairment losses (see note 2(f)(ii)).

2. 主要會計政策(續)

e) 租賃資產(續)

作為承租人

倘合同包含租賃部分及非租賃部分，則本集團選擇不區分非租賃部分，且將各租賃部分及任何相關非租賃部分入賬列為所有租賃的單一租賃部分。

於租賃開始日期，本集團確認使用權資產及租賃負債(除租期為十二個月或以下的短期租賃及低價值資產租賃外)。於本集團就低價值資產訂立租賃時，本集團決定是否按逐項租賃基準將租賃資本化。與該等未資本化租賃相關之租賃款項在租賃期內按系統基準確認為開支。

倘租賃資本化，於租賃期，租賃負債以應付租賃款項現值初步確認，並按租賃中所隱含的利率貼現或，倘該利率難以釐定，則採用相關增量借款利率計算。於初步確認後，租賃負債按攤銷成本計量且利息開支則採用實際利率法計算。租賃負債的計量並不包括取決於一項指數或比率之浮動租賃款項，因此按照所產生之金額於會計期間計入損益。

於租賃資本化時，已確認使用權資產按成本初步計量，其中包括租賃負債的初始金額加上於開始日期或之前作出的任何租賃款項，以及產生的任何初始直接成本。如適用，使用權資產的成本亦包括拆卸及移除相關資產或還原相關資產或該資產所在地點而產生的估計成本，按其現值貼現並減任何已收租賃優惠。使用權資產其後按成本減累計折舊及減值虧損列賬(見附註2(f)(ii))。

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2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

e) Leased assets (Continued)

As a lessee (Continued)

The lease liability is remeasured when there is a change in future lease payments arising from a change in an index or rate, or there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, or there is a change arising from the reassessment of whether the Group will be reasonably certain to exercise a purchase, extension or termination option. When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The Group presents right-of-use assets and lease liabilities separately in the consolidated statement of financial position.

f) Credit losses and impairment of assets

i) Credit losses from financial instruments and contract assets

The Group recognises a loss allowance for expected credit losses ("ECLs") on the following items:

- financial assets measured at amortised cost (including cash and cash equivalents, and trade and other receivables); and
- contract assets as defined in HKFRS 15 (see note 2(h)).

Financial assets measured at fair value, including equity securities measured at FVPL, equity securities designated at FVOCI (non-recycling) and derivative financial assets, are not subject to the ECL assessment.

2. 主要會計政策(續)

e) 租賃資產(續)

作為承租人(續)

倘指數或利率變化引致日後租賃款項出現變動，或本集團剩餘價值擔保之預期支付金額的估計金額出現變動，或就本集團是否合理確定將會行使購買權、續租或終止權的重新評估變更，則租賃負債將重新計量。倘以此方式重新計量租賃負債，則對使用權資產賬面值作出相應調整，而倘使用權資產賬面值已調減至零，則計入損益。

本集團於綜合財務狀況表中將使用權資產及租賃負債個別呈列。

f) 信貸虧損及資產減值

i) 來自金融工具及合同資產的信貸虧損

本集團就以下項目的預期信貸虧損(「預期信貸虧損」)確認虧損撥備：

- 按攤銷成本計量的金融資產(包括現金及等同現金項目，以及應收貿易及其他款項)；及
- 香港財務報告準則第15號所定義的合同資產(見附註2(h))。

按公平值計量的金融資產(包括按公平值計入損益的股本證券、指定為按公平值計入其他全面收益的股本證券(不可重新歸入)及衍生金融資產)毋須進行預期信貸虧損評估。

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2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

f) Credit losses and impairment of assets (Continued)

i) *Credit losses from financial instruments and contract assets (Continued)*

Measurement of ECLs

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all expected cash shortfalls (i.e. the difference between the cash flows due to the Group in accordance with the contract and the cash flows that the Group expects to receive).

The expected cash shortfalls are discounted using the following discount rates where the effect of discounting is material:

- fixed-rate financial assets, trade and other receivables and contract assets: effective interest rate determined at initial recognition or an approximation thereof; and
- variable-rate financial assets: current effective interest rate.

The maximum period considered when estimating ECLs is the maximum contractual period over which the Group is exposed to credit risk.

In measuring ECLs, the Group takes into account reasonable and supportable information that is available without undue cost or effort. This includes information about past events, current conditions and forecasts of future economic conditions.

2. 主要會計政策(續)

f) 信貸虧損及資產減值(續)

i) 來自金融工具及合同資產 的信貸虧損(續)

預期信貸虧損的計量

預期信貸虧損為信貸虧損的概率加權估計。信貸虧損以所有預期現金差額的現值(即根據合同應付本集團的現金流量與本集團預計收取的現金流量之間的差額)計量。

倘貼現影響重大，則預期現金差額採用以下貼現率貼現：

- 定息金融資產、應收貿易及其他款項及合同資產：於初步確認時釐定的實際利率或其近似值；及
- 浮息金融資產：即期實際利率。

估計預期信貸虧損時所考慮的最長期間為本集團面臨信貸風險的最長合同期間。

於計量預期信貸虧損時，本集團考慮在毋須付出過多成本或努力下即可獲得的合理可靠資料，包括有關過往事務、現時狀況及未來經濟狀況預測的資料。

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For the year ended 31 December 2021
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2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

f) Credit losses and impairment of assets (Continued)

i) *Credit losses from financial instruments and contract assets (Continued)*

Measurement of ECLs (Continued)

ECLs are measured on either of the following bases:

- 12-month ECLs: these are losses that are expected to result from possible default events within the 12 months after the reporting date; and
- lifetime ECLs: these are losses that are expected to result from all possible default events over the expected lives of the items to which the ECL model applies.

Loss allowances for trade receivables and contract assets are always measured at an amount equal to lifetime ECLs. ECLs on these financial assets are estimated using a provision matrix based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors and an assessment of both the current and forecast general economic conditions at the reporting date.

For all other financial instruments, the Group recognises a loss allowance equal to 12-month ECLs unless there has been a significant increase in credit risk of the financial instrument since initial recognition, in which case the loss allowance is measured at an amount equal to lifetime ECLs.

2. 主要會計政策(續)

f) 信貸虧損及資產減值(續)

i) 來自金融工具及合同資產的信貸虧損(續)

預期信貸虧損的計量(續)

預期信貸虧損按以下任一基準計量：

- 12個月預期信貸虧損：指報告日期後12個月內可能發生的違約事件導致的預期虧損；及
- 存續期的預期信貸虧損：指預期信貸虧損模式適用項目的預計年期內所有可能違約事件導致的預期虧損。

應收貿易款項及合同資產的虧損撥備一直按等同於存續期的預期信貸虧損的金額計量。於報告日期，該等金融資產的預期信貸虧損乃根據本集團的過往信貸虧損經驗使用撥備矩陣進行評估，根據債務人的特定因素及對目前及預測一般經濟狀況的評估進行調整。

就所有其他金融工具而言，本集團確認相等於12個月預期信貸虧損的虧損撥備，除非金融工具的信貸風險自初步確認以來大幅上升，於此情況下，虧損撥備乃按相等於存續期的預期信貸虧損的金額計量。

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2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

f) Credit losses and impairment of assets (Continued)

i) Credit losses from financial instruments and contract assets (Continued)

Significant increases in credit risk

In assessing whether the credit risk of a financial instrument has increased significantly since initial recognition, the Group compares the risk of default occurring on the financial instrument assessed at the reporting date with that assessed at the date of initial recognition. In making this reassessment, the Group considers that a default event occurs when (i) the borrower is unlikely to pay its credit obligations to the Group in full, without recourse by the Group to actions such as realising security (if any is held); or (ii) the financial asset is 90 days past due. 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 since initial recognition:

- failure to make payments of principal or interest on their contractually due dates;
- an actual or expected significant deterioration in a financial instrument's external or internal credit rating (if available);
- an actual or expected significant deterioration in the operating results of the debtor; and
- existing or forecast changes in the technological, market, economic or legal environment that have a significant adverse effect on the debtor's ability to meet its obligation to the Group.

2. 主要會計政策(續)

f) 信貸虧損及資產減值(續)

i) 來自金融工具及合同資 產的信貸虧損(續)

信貸風險大幅上升

於評估金融工具的信貸風險自初步確認以來是否大幅上升時，本集團比較於報告日期評估及於初步確認日期評估金融工具的違約風險。於重新評估時，本集團認為(i)於本集團未有採取追索行動，如變現抵押品(倘持有任何抵押品)的情況下，借款人全數履行其對本集團之信貸責任的可能性不大；或(ii)金融資產已逾期90天，則構成違約事件。本集團會考慮合理可靠的定量及定性資料，包括過往經驗及毋須付出過多成本或努力下即可獲得的前瞻性資料。具體而言，評估信貸風險自初步確認以來是否大幅上升時會考慮以下資料：

- 未能按合同到期日期支付本金或利息；
- 金融工具外部或內部信貸評級實際或預期顯著惡化(如有)；
- 債務人經營業績實際或預期顯著惡化；及
- 科技、市場、經濟或法律環境的當前或預期變動對債務人履行其對本集團責任的能力有重大不利影響。

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2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

f) Credit losses and impairment of assets (Continued)

i) *Credit losses from financial instruments and contract assets (Continued)*

Significant increases in credit risk (Continued)

Depending on the nature of the financial instruments, the assessment of a significant increase in credit risk is performed on either an individual basis or a collective basis. When the assessment is performed on a collective basis, the financial instruments are grouped based on shared credit risk characteristics, such as past due status and credit risk ratings.

ECLs are remeasured at each reporting date to reflect changes in the financial instrument's credit risk since initial recognition. Any change in the ECL amount is recognised as an impairment gain or loss in profit or loss. The Group recognises an impairment gain or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account.

Basis of calculation of interest income

Interest income recognised in accordance with note 2(q)(iii) 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 the amortised cost (i.e. the gross carrying amount less loss allowance) of the financial asset.

At each reporting date, the Group assesses whether a financial asset is credit-impaired. A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

2. 主要會計政策(續)

f) 信貸虧損及資產減值(續)

i) 來自金融工具及合同資產的信貸虧損(續)

信貸風險大幅上升(續)

視乎金融工具的性質而定，信貸風險大幅上升的評估乃按個別基準或共同基準進行。倘評估為按共同基準進行，金融工具則按共同的信貸風險特徵(如逾期狀況及信貸風險評級)進行分組。

預期信貸虧損於各報告日期進行重新計量，以反映金融工具自初步確認以來的信貸風險變動。預期信貸虧損金額的任何變動均於損益確認為減值收益或虧損。本集團就所有金融工具確認減值收益或虧損，並通過虧損撥備賬對其賬面值作出相應調整。

計算利息收入的基準

根據附註2(q)(iii)確認的利息收入乃按金融資產的總賬面值計算，除非該金融資產出現信貸減值，於此情況下，利息收入按金融資產的攤銷成本(即總賬面值減虧損撥備)計算。

於各報告日期，本集團評估金融資產是否出現信貸減值。倘發生一項或多項對金融資產預計未來現金流量有不利影響的事件，金融資產則出現信貸減值。

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2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

f) Credit losses and impairment of assets (Continued)

i) Credit losses from financial instruments and contract assets (Continued)

Basis of calculation of interest income
(Continued)

Evidence that a financial asset is credit-
impaired includes the following observable
events:

- significant financial difficulties of the debtor;
- a breach of contract, such as a default or past due event;
- it becoming probable that the borrower will enter into bankruptcy or other financial reorganisation;
- significant changes in the technological, market, economic or legal environment that have an adverse effect on the debtor; or
- the disappearance of an active market for a security because of financial difficulties of the issuer.

Write-off policy

The gross carrying amount of a financial asset or contract asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Group determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off.

Subsequent recoveries of an asset that was previously written off are recognised as a reversal of impairment in profit or loss in the period in which the recovery occurs.

2. 主要會計政策(續)

f) 信貸虧損及資產減值(續)

i) 來自金融工具及合同資 產的信貸虧損(續)

計算利息收入的基準
(續)

金融資產出現信貸減值的
證據包括以下可觀察
事件：

- 債務人陷入重大財務困難；
- 違反合同，如拖欠或逾期事項；
- 借款人可能破產或進行其他財務重組；
- 科技、市場、經濟或法律環境出現重大變動，並對債務人產生不利影響；或
- 證券活躍市場因發行人陷入財務困難而消失。

撇銷政策

若日後實際上無法收回款項，本集團則會撇銷(部分或全部)金融資產或合同資產的總賬面值。該情況通常出現在本集團確定債務人沒有資產或可產生足夠現金流量的收入來源來償還應撇銷的金額。

其後收回先前撇銷之資產於收回期間在損益中確認為減值撥回。

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For the year ended 31 December 2021
截至二零二一年十二月三十一日止年度

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

f) Credit losses and impairment of assets (Continued)

ii) Impairment of other non-current assets

Internal and external sources of information are reviewed at the end of each reporting period to identify indications that the following assets may be impaired or an impairment loss previously recognised no longer exists or may have decreased:

- property, plant and equipment;
- right-of-use assets; and
- investments in subsidiaries in the Company's statement of financial position.

If any such indication exists, the asset's recoverable amount is estimated.

- Calculation of recoverable amount

The recoverable amount of an asset is the greater of its 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. Where an asset does not generate cash inflows largely independent of those from other assets, the recoverable amount is determined for the smallest group of assets that generates cash inflows independently (i.e. a cash-generating unit).

2. 主要會計政策(續)

f) 信貸虧損及資產減值(續)

ii) 其他非流動資產減值

於各報告期末，內部及外部資料會予以檢討，以識別以下資產已出現減值跡象，或先前已確認之減值虧損已不存在或減少的跡象：

- 物業、廠房及設備；
- 使用權資產；及
- 本公司財務狀況表內之於附屬公司之投資。

倘若存在任何有關跡象，則會估計資產之可收回金額。

- 計算可收回金額

資產之可收回金額以其公平值減出售成本和使用價值計算，以兩者較高值為準。於評估使用價值時，估計未來現金流量乃以能反映現時市場評估資金時間值及資產特定風險之稅前貼現率貼現至其現值。倘資產不可在大致上獨立於其他資產之情況下產生現金流量，則可收回金額以能獨立地產生現金流量之最小組別資產(即現金產生單位)計算。

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For the year ended 31 December 2021
截至二零二一年十二月三十一日止年度

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

f) Credit losses and impairment of assets (Continued)

ii) Impairment of other non-current assets (Continued)

– Recognition of impairment losses

An impairment loss is recognised in profit or loss if the carrying amount of an asset, or the cash-generating unit to which it belongs, exceeds its recoverable amount. Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the cash-generating unit (or group of cash-generating units) and then, to reduce the carrying amount of the other assets in the unit (or group of cash-generating units) on a pro rata basis, except that the carrying value of an asset will not be reduced below its individual fair value less costs of disposal (if measurable) or value in use (if determinable).

– Reversals of impairment losses

An impairment loss is reversed if there has been a favourable change in the estimates used to determine the recoverable amount.

A reversal of an impairment loss is limited to the asset's carrying amount that would have been determined had no impairment loss been recognised in prior years. Reversals of impairment losses are credited to profit or loss in the year in which the reversals are recognised.

2. 主要會計政策(續)

f) 信貸虧損及資產減值(續)

ii) 其他非流動資產減值 (續)

– 確認減值虧損

每當資產或其所屬之現金產生單位之賬面值超過其可收回金額時，於損益內確認減值虧損。就現金產生單位確認之減值虧損，首先會分配予現金產生單位(或一組現金產生單位)以減少其所獲分配之任何商譽賬面值，其後再按比例減少單位(或一組現金產生單位)其他資產之賬面值，惟資產賬面值不會減少至低於其本身之公平值減出售成本(若能計量)或使用價值(若能釐定)。

– 撥回減值虧損

倘用以釐定可收回金額之估計出現有利轉變，則撥回減值虧損。

撥回減值虧損僅限於倘過往年度並未確認減值虧損而釐定之資產之賬面值。撥回減值虧損乃於確認撥回之年度計入損益。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2021
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2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

g) Inventories

Inventories are carried at the lower of cost and net realisable value. Cost is calculated using the weighted average cost formula and comprises all costs of purchase, and other costs incurred in bringing the inventories to their present location and condition.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

When inventories are sold, the carrying amount of those inventories is recognised as an expense in the period in which the related revenue is recognised. The amount of any write-down of inventories to net realisable value and all losses of inventories are recognised as an expense in the period the write-down or loss occurs. The amount of any reversal of any write-down of inventories is recognised as a reduction in the amount of inventories recognised as an expense in the period in which the reversal occurs.

h) Contract assets and contract liabilities

A contract asset is recognised when the Group recognises revenue (see note 2(q)) before being unconditionally entitled to the consideration under the payment terms set out in the contract. Contract assets are assessed for ECL in accordance with the policy set out in note 2(f)(i) and are reclassified to receivables when the right to the consideration has become unconditional (see note 2(i)).

A contract liability is recognised when the customer pays non-refundable consideration before the Group recognises the related revenue. A contract liability would also be recognised if the Group has an unconditional right to receive non-refundable consideration before the Group recognises the related revenue. In such cases, a corresponding receivable would also be recognised (see note 2(i)).

2. 主要會計政策(續)

g) 存貨

存貨按成本及可變現淨值兩者之較低者列賬。成本以加權平均成本方程式計算，包括使存貨達致目前地點及狀況而產生之購買成本及其他成本。

可變現淨值乃按日常業務過程中之估計售價減完成之估計成本及進行銷售所需之估計成本計算。

所出售存貨的賬面值在相關收入獲確認的期間內確認為支出。存貨撇減至可變現淨值的金額及存貨的所有虧損，均在出現撇減或虧損的期間內確認為支出。存貨撇減的任何撥回之金額在出現撥回期間內確認為扣除已確認為開支的存貨金額。

h) 合同資產及合同負債

合同資產乃於本集團有權無條件根據合同所載付款條款收取代價前確認收入時(見附註2(q))獲確認。合同資產按附註2(f)(i)所載政策就預期信貸虧損獲評估，並於代價權利成為無條件時重新分類至應收款項(見附註2(i))。

合同負債乃於本集團確認相關收入前客戶即支付不可退還代價時獲確認。倘本集團有無條件權利在本集團確認相關收入前收取不可退還代價，則合同負債亦會獲確認。於該等情況下，相應應收款項亦會獲確認(見附註2(i))。

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2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

h) Contract assets and contract liabilities (Continued)

For a single contract with the customer, either a net contract asset or a net contract liability is presented. For multiple contracts, contract assets and contract liabilities of unrelated contracts are not presented on a net basis.

When the contract includes a significant financing component, the contract balance includes interest accrued under the effective interest method (see note 2(q)(iii)).

i) Trade and other receivables

A receivable is recognised when the Group has an unconditional right to receive consideration. A right to receive consideration is unconditional if only the passage of time is required before payment of that consideration is due. If revenue has been recognised before the Group has an unconditional right to receive consideration, the amount is presented as a contract asset (see note 2(h)).

Receivables are stated at amortised cost using the effective interest method less allowance for credit losses (see note 2(f)(i)).

j) Interest-bearing borrowings

Interest-bearing borrowings (including corporate bonds) are measured initially at fair value less transaction costs. Subsequent to initial recognition, interest-bearing borrowings are stated at amortised cost using the effective interest method. Interest expense is recognised in accordance with the Group's accounting policy for borrowing costs (see note 2(s)).

k) Trade and other payables

Trade and other payables are initially recognised at fair value and are subsequently stated at amortised cost unless the effect of discounting would be immaterial, in which case they are stated at cost.

2. 主要會計政策(續)

h) 合同資產及合同負債(續)

本集團就與客戶的單一合同呈列合同資產淨額或合同負債淨額。就多份合同而言，不相關合同的合同資產及合同負債不按淨額基準呈列。

倘合同包括重大融資成分，則合同結餘包括按實際利息法累計之利息(見附註2(q)(iii))。

i) 應收貿易及其他款項

應收款項於本集團有無條件收取代價的權利時確認。倘支付該代價到期前僅須待時間流逝，則收取代價的權利為無條件。倘收入於本集團有無條件收取代價的權利前獲確認，則該金額呈列為合同資產(見附註2(h))。

應收款項按採用實際利息法的攤銷成本減信貸虧損撥備列賬(見附註2(f)(i))。

j) 計息借貸

計息借貸(包括公司債券)初步按公平值減交易成本計量。初步確認後，計息借貸按採用實際利息法的攤銷成本列賬。利息開支根據本集團借貸成本之會計政策確認(見附註2(s))。

k) 應付貿易及其他款項

應付貿易及其他款項初步按公平值確認並於其後按攤銷成本列賬，惟倘貼現之影響並不重大，則按成本列賬。

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綜合財務報表附註

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截至二零二一年十二月三十一日止年度

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

l) Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and on hand, demand deposits with banks and other financial institutions, and short-term, highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value, having been within three months of maturity at acquisition. Bank overdrafts that are repayable on demand and form an integral part of the Group's cash management are also included as a component of cash and cash equivalents for the purpose of the consolidated statement of cash flows. Cash and cash equivalents are assessed for ECL in accordance with the Group's accounting policy set out in note 2(f)(i).

m) Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new ordinary shares or options are shown in equity as a deduction from the proceeds.

n) Employee benefits

j) Short-term employee benefits and contributions to defined contribution retirement plans

Salaries, annual bonuses, paid annual leave, contributions to defined contribution retirement plans and the cost of non-monetary benefits are accrued in the year in which the associated services are rendered by employees. Where payment or settlement is deferred and the effect would be material, these amounts are stated at their present values.

2. 主要會計政策(續)

l) 現金及等同現金項目

現金及等同現金項目包括銀行及手頭現金，銀行及其他金融機構之活期存款，以及可隨時轉換為已知金額現金，並於購入起計三個月內到期且幾乎不受價值變動風險影響之短期高流動性投資。就綜合現金流量表而言，須應要求償還且構成本集團現金管理主要部分之銀行透支亦列入現金及等同現金項目之一部分。現金及等同現金項目根據本集團載於附註2(f)(i)之會計政策就預期信貸虧損進行評估。

m) 股本

普通股分類為權益。發行新普通股或購股權增加的直接應佔成本於權益中列為所得款項的扣減項目。

n) 僱員福利

j) 短期僱員福利及定額供款退休計劃之供款

薪金、年度花紅、有薪年假、定額供款退休計劃之供款及非貨幣福利成本，乃於僱員提供有關服務之年度計算。倘款項支付或清付須遞延處理且其影響屬重大，則該等金額按其現值列賬。

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2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

n) Employee benefits (Continued)

ii) *Share-based payments*

The fair value of share options granted to employees is recognised as an employee cost with a corresponding increase in share option reserve within equity. The fair value is measured at grant date using the binomial option pricing model, taking into account the terms and conditions upon which the options were granted. Where the employees have to meet vesting conditions before becoming unconditionally entitled to the share options, the total estimated fair value of the share options is spread over the vesting period, taking into account the probability that the options will vest.

During the vesting period, the number of share options that is expected to vest is reviewed. Any resulting adjustment to the cumulative fair value recognised in prior years is charged/credited to profit or loss for the year of the review, unless the original employee expenses qualify for recognition as an asset, with a corresponding adjustment to the share option reserve. On vesting date, the amount recognised as an expense is adjusted to reflect the actual number of share options that vest (with a corresponding adjustment to the share option reserve) except where forfeiture is only due to not achieving vesting conditions that relate to the market price of the Company's shares. The equity amount is recognised in the share option reserve until either the option is exercised (when it is transferred to the share capital for the shares issued) or the option expires (when it is released directly to retained profits).

iii) *Termination benefits*

Termination benefits are recognised at the earlier of when the Group can no longer withdraw the offer of those benefits and when it recognises restructuring costs involving the payment of termination benefits.

2. 主要會計政策(續)

n) 僱員福利(續)

ii) 以股份為基礎之付款

授予僱員之購股權公平值會確認為僱員成本，並會相應增加權益內之購股權儲備。公平值於授出當日經考慮購股權之授出條款及條件後，採用二項式期權定價模式釐定。倘僱員須於無條件獲授購股權前符合歸屬條件，則購股權之估計公平總值經考慮購股權歸屬的可能性後，會在歸屬期內攤分。

於歸屬期內會檢討預期歸屬之購股權數目。於過往年度確認之累計公平值產生之任何調整，乃於審核年度於損益扣除／計入，惟合資格確認為資產之原本僱員開支則除外，並對購股權儲備作相應調整。於歸屬日，確認為開支之金額會予以調整，以反映歸屬購股權之實際數目（並對購股權儲備作相應調整），惟僅因並無達致與本公司股份市值相關之歸屬條件沒收之購股權除外。權益金額乃於購股權儲備內確認，直至購股權獲行使（當其轉撥至已發行股份之股本）或購股權到期（當其直接撥至保留溢利時）為止。

iii) 離職福利

離職福利於本集團不能再撤回該等福利時以及於本集團確認重組成本所涉及離職福利付款時，於上述兩者之間較早發生時確認。

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2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

o) Income tax

Income tax for the year comprises current tax and movements in deferred tax assets and liabilities. Current tax and movements in deferred tax assets and liabilities are recognised in profit or loss except to the extent that they relate to items recognised in other comprehensive income or directly in equity, in which case the relevant amounts of tax are recognised in other comprehensive income or directly in equity, respectively.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the end of the reporting period, and any adjustment to tax payable in respect of previous years.

Deferred tax assets and liabilities arise from deductible and taxable temporary differences respectively, being the differences between the carrying amounts of assets and liabilities for financial reporting purposes and their tax bases. Deferred tax assets also arise from unused tax losses and unused tax credits.

Apart from certain limited exceptions, all deferred tax liabilities, and all deferred tax assets to the extent that it is probable that future taxable profits will be available against which the asset can be utilised, are recognised. Future taxable profits that may support the recognition of deferred tax assets arising from deductible temporary differences include those that will arise from the reversal of existing taxable temporary differences, provided those differences relate to the same taxation authority and the same taxable entity, and are expected to reverse either in the same period as the expected reversal of the deductible temporary differences or in periods into which a tax loss arising from the deferred tax asset can be carried back or forward. The same criteria are adopted when determining whether existing taxable temporary differences support the recognition of deferred tax assets arising from unused tax losses and credits, that is, those differences are taken into account if they relate to the same taxation authority and the same taxable entity, and are expected to reverse in a period, or periods, in which the tax loss or credit can be utilised.

2. 主要會計政策(續)

o) 所得稅

本年度所得稅包括即期稅項及遞延稅項資產及負債之變動。即期稅項及遞延稅項資產及負債之變動均在損益內確認，惟彼等有關於其他全面收益或直接於權益確認之項目除外，於此情況下，有關稅款分別於其他全面收益確認或直接於權益確認。

即期稅項乃按年內應課稅收入根據報告期末已執行或實質上已執行之稅率計算之預期應付稅項，加上過往年度應付稅項之任何調整。

遞延稅項資產及負債分別由可抵扣及應課稅暫時差異產生，即資產及負債就財務呈報之賬面值與其課稅基礎值之差異。遞延稅項資產亦產生自未動用稅項虧損及未動用稅項抵免。

除若干有限之例外情況外，所有遞延稅項負債及所有遞延稅項資產（以未來可能有應課稅溢利可予抵銷之資產為限）均予以確認。支持確認由可抵扣暫時差異所產生之遞延稅項資產之未來應課稅溢利包括因撥回現有應課稅暫時差異而產生之數額；惟此等撥回之差異與同一稅務機關及同一應課稅實體有關，並預期在可抵扣暫時差異預計撥回之同一期間或遞延稅項資產所產生可抵扣虧損可向後期或向前期結轉之期間內撥回。在判斷現有應課稅暫時差異是否足以支持確認因未動用稅項虧損及稅項抵免所產生的遞延稅項資產時，亦會採用相同準則，即如該等差額與相同稅務機關及相同應課稅實體有關，並預期在稅項虧損或稅項抵免可被動用的同一期間內撥回的情況下，始會計入有關差異。

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2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

o) Income tax (Continued)

The limited exceptions to recognition of deferred tax assets and liabilities are those temporary differences arising from the initial recognition of assets or liabilities that affect neither accounting nor taxable profit (provided they are not part of a business combination), and temporary differences relating to investments in subsidiaries to the extent that, in the case of taxable differences, the Group controls the timing of the reversal and it is probable that the differences will not reverse in the foreseeable future, or in the case of deductible differences, unless it is probable that they will reverse in the future.

The amount of deferred tax recognised is measured based on the expected manner of realisation or settlement of the carrying amount of the assets and liabilities, using tax rates enacted or substantively enacted at the end of the reporting period. Deferred tax assets and liabilities are not discounted.

The carrying amount of a deferred tax asset is reviewed at the end of each reporting period and is reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow the related tax benefit to be utilised. Any such reduction is reversed to the extent that it becomes probable that sufficient taxable profits will be available.

Additional income taxes that arise from the distribution of dividends are recognised when the liability to pay the related dividends is recognised.

2. 主要會計政策(續)

o) 所得稅(續)

該等確認遞延稅項資產及負債之有限例外情況，包括初步確認但並不影響會計溢利及應課稅溢利之資產或負債（惟其不可為企業合併之一部分）、以及有關於附屬公司投資所引致之暫時差異（如為應課稅差異，只限於本集團可控制回撥之時間，並且不大可能在可見未來撥回之差異；或如為可扣減差異，則只限於可能在未來撥回之差異）。

已確認之遞延稅項金額乃按照資產及負債賬面值之預期變現或清償方式，以於報告期末實施或實際上已實施之稅率計算。遞延稅項資產及負債均無作貼現計算。

遞延稅項資產之賬面值於各報告期末予以審閱，若日後不再可能有足夠應課稅溢利用以抵扣相關稅項利益，則扣減遞延稅項資產賬面值。若日後可能有足夠應課稅溢利用以抵扣，則撥回所扣減之數額。

股息分派產生之額外所得稅於支付相關股息之負債獲確認時予以確認。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2021
截至二零二一年十二月三十一日止年度

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

o) Income tax (Continued)

Current tax balances and deferred tax balances, and movements therein, are presented separately from each other and are not offset. Current tax assets are offset against current tax liabilities, and deferred tax assets against deferred tax liabilities, if the Group has the legally enforceable right to set off current tax assets against current tax liabilities and the following additional conditions are met:

- in the case of current tax assets and liabilities, the Group intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously; or
- in the case of deferred tax assets and liabilities, if they relate to income taxes levied by the same taxation authority on either:
 - the same taxable entity; or
 - different taxable entities, which, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered, intend to realise the current tax assets and settle the current tax liabilities on a net basis or realise and settle simultaneously.

p) Provisions and contingent liabilities

Provisions are recognised when the Group has a legal or constructive obligation arising as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made. Where the time value of money is material, provisions are stated at the present value of the expenditure expected to settle the obligation.

2. 主要會計政策(續)

o) 所得稅(續)

即期稅項結餘及遞延稅項結餘及其變動額將各自呈列，並不予抵銷。即期稅項資產及遞延稅項資產只會在本集團有合法可強制執行權利以即期稅項資產抵銷即期稅項負債時，並且符合以下附帶條件之情況下，方可分別抵銷即期及遞延稅項負債：

- 即期稅項資產及負債：本集團計劃按淨額基準結算，或同時變現該資產及清償該負債；或
- 遞延稅項資產及負債：此等資產及負債必須與同一稅務機關就以下其中一項徵收之所得稅有關：
 - 同一應課稅實體；或
 - 不同之應課稅實體，該等實體預期在日後每個預計有大額遞延稅項負債需要清償或大額遞延稅項資產可以收回之期間內，按淨額基準變現即期稅項資產及清償即期稅項負債，或同時變現該資產及清償該負債。

p) 撥備及或然負債

當本集團因過往事件而須負上法定或推定責任，而履行該責任很可能導致經濟效益流出及能夠就此作出可靠估計時，方可確認撥備。當金額涉及重大之時間價值時，則會按預期用以履行責任之開支之現值作出撥備。

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

For the year ended 31 December 2021
截至二零二一年十二月三十一日止年度

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

p) Provisions and contingent liabilities (Continued)

Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote. Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events are also disclosed as contingent liabilities unless the probability of outflow of economic benefits is remote.

q) Revenue and other income

Income is classified by the Group as revenue when it arises from the sale of goods, and the provision of services in the ordinary course of the Group's business.

Revenue is recognised when control over a product or service is transferred to the customer at the amount of promised consideration to which the Group is expected to be entitled, excluding those amounts collected on behalf of third parties. Revenue excludes value added tax or other sales taxes and is after deduction of any trade discounts.

Where the contract contains a financing component which provides a significant financing benefit to the customer for more than 12 months, revenue is measured at the present value of the amount receivable, discounted using the discount rate that would be reflected in a separate financing transaction with the customer, and interest income is accrued separately under the effective interest method. Where the contract contains a financing component which provides a significant financing benefit to the Group, revenue recognised under that contract includes the interest expense accreted on the contract liability under the effective interest method. The Group takes advantage of the practical expedient in paragraph 63 of HKFRS 15 and does not adjust the consideration for any effects of a significant financing component if the period of financing is 12 months or less.

2. 主要會計政策(續)

p) 撥備及或然負債(續)

倘不一定須流出經濟效益履行責任或未能可靠估計金額，則該等責任將作為或然負債予以披露，惟出現經濟效益流出之可能性極微則除外。可能出現之責任（僅於一項或多項未來事件發生或不發生之情況下確定其是否存在）亦作為或然負債予以披露，惟出現經濟效益流出之可能性極微則除外。

q) 收入及其他收益

倘收益來自本集團於日常業務過程中銷售貨品及提供服務，則本集團將該收益分類為收入。

收入在產品或服務的控制權按本集團預期有權收取的承諾代價金額（不包括代表第三方收取的金額）轉移至客戶時確認。收入不包括增值稅或其他銷售稅，並經扣除任何貿易折扣。

倘合同包含融資成分，為客戶提供重大融資利益超過12個月，則收入按與客戶進行之個別融資交易所反映貼現率貼現之應收金額現值計量，而利息收入則根據實際利息法獨立累計。倘合同包含融資成分，為本集團提供重大融資利益，則根據該合同確認之收入包括按實際利息法計算合同負債產生之利息開支。本集團利用香港財務報告準則第15號第63段之可行權宜方法，倘融資期限為12個月或以下，則不會就重大融資成分之任何影響調整代價。

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綜合財務報表附註

For the year ended 31 December 2021
截至二零二一年十二月三十一日止年度

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

q) Revenue and other income (Continued)

Further details of the Group's revenue and other income recognition policies are as follows:

ij) Sales of goods

The Group provides installation services for the sales of EP products and equipment. The goods or services are highly related that the Group would not be able to fulfill its promises by transferring each of the goods or services independently. Thus, the installation services which are bundled together with the sales of EP products and equipment are not considered to be distinct. Revenue from sales of goods are recognised when the control of the assets has been transferred to the customers, which is usually upon completion of the installation and on-site testing.

A receivable is recognised by the Group when the customers have accepted the goods and the related risks and rewards of ownership as this represents the point in time at which the right to consideration becomes unconditional, as only the passage of time is required before payment is due. Customers have no right to return the goods once accepted.

iii) Design services

Revenue from design services in the contract is recognised when the customer takes the possession of and accepts the design work performed.

2. 主要會計政策(續)

q) 收入及其他收益(續)

本集團之收入及其他收益確認政策之進一步詳情如下：

ij) 貨品銷售

本集團就銷售環保產品及設備提供安裝服務。該等貨品或服務高度相關，致使本集團無法透過獨立轉移各項貨品或服務履行其承諾。因此，銷售環保產品及設備時一併提供的安裝服務不被視為明確服務。銷售貨品的收入於資產控制權轉移至客戶時（通常於安裝及現場測試完成後）確認。

本集團於客戶接受貨品及相關風險以及所有權回報時確認應收款項，此乃由於收取代價的權利於該時間點成為無條件，支付到期前僅須待時間流逝。客戶一旦接受貨品便無權退貨。

iii) 設計服務

合同中的設計服務收入於客戶佔有並接受完成之設計工作時予以確認。

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

For the year ended 31 December 2021
截至二零二一年十二月三十一日止年度

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

q) Revenue and other income (Continued)

iii) Interest income

Interest income is recognised as it accrues under the effective interest method using the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying amount of the financial asset. For financial assets measured at amortised cost or FVOCI (recycling) that are not credit-impaired, the effective interest rate is applied to the gross carrying amount of the assets. For credit-impaired financial assets, the effective interest rate is applied to the amortised cost (i.e. gross carrying amount net of loss allowance) of the assets (see note 2(f)(i)).

iv) Government grants

Government grants are recognised in the consolidated statement of financial position initially when there is reasonable assurance that they will be received and that the Group will comply with the conditions attaching to them. Grants that compensate the Group for expenses incurred are recognised as income in profit or loss on a systematic basis in the same periods in which the expenses are incurred. Grants that compensate the Group for the cost of an asset are deducted from the carrying amount of the asset and consequently are effectively recognised in profit or loss over the useful life of the asset by way of reduced depreciation expense.

2. 主要會計政策(續)

q) 收入及其他收益(續)

iii) 利息收入

利息收入於產生時根據實際利息法，按於金融資產之預計年期內將估計未來現金收入直接貼現至金融資產的總賬面值之利率確認。就按攤銷成本或按公平值計入其他全面收益(可重新歸入)計量且並無出現信貸減值之金融資產而言，實際利率應用於該等資產之總賬面值。就出現信貸減值之金融資產而言，實際利率應用於該等資產之攤銷成本(即總賬面值扣除虧損撥備)(見附註2(f)(i))。

iv) 政府補助

政府補助於能夠合理保證其將會獲收取且本集團將遵守附帶條件的情況下初步於綜合財務狀況表確認。補償本集團已產生開支的補助於開支產生的同一期間於損益中系統化確認為收益。補償本集團資產成本的補助於相關資產賬面值中扣除，故於該資產的可用年期內以扣減折舊開支方式於損益實際確認。

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綜合財務報表附註

For the year ended 31 December 2021
截至二零二一年十二月三十一日止年度

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

r) Translation of foreign currencies

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). These consolidated financial statements are presented in Renminbi ("RMB"), rounded to the nearest thousand except for per share data, which is different from the Company's functional currency of Hong Kong dollars ("HK\$") as the majority of the Group's transactions is denominated in RMB.

Foreign currency transactions during the year are translated at the foreign exchange rates ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies are translated at the foreign exchange rates ruling at the end of the reporting period. Exchange gains and losses are recognised in profit or loss, except those arising from foreign currency borrowings used to hedge a net investment in a foreign operation which are recognised in other comprehensive income.

Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the foreign exchange rates ruling at the transaction dates. The transaction date is the date on which the Group initially recognises such non-monetary assets or liabilities. Non-monetary assets and liabilities denominated in foreign currencies stated at fair value are translated using the foreign exchange rates ruling at the dates the fair value was determined.

The results of those entities within the Group which have a functional currency other than RMB are translated into RMB at the exchange rates approximating the foreign exchange rates ruling at the dates of the transactions. Statement of financial position items are translated into RMB at the closing foreign exchange rates ruling at the end of the reporting period. The resulting exchange differences are recognised in other comprehensive income and accumulated separately in equity in the translation reserve.

2. 主要會計政策(續)

r) 外幣換算

本集團旗下各實體之財務報表所列項目均以該實體經營所在主要經濟環境之通行貨幣(「功能貨幣」)計量。該等綜合財務報表以人民幣(「人民幣」)(已湊整至最接近千位數(惟每股數據除外)與本公司之功能貨幣港元(「港元」)不同呈列，因本集團大部分交易乃以人民幣計值。

於本年度之外幣交易均按交易當日之適用匯率換算。以外幣計值之貨幣資產及負債則按報告期末適用之外幣匯率換算。匯兌收益及虧損於損益中確認，惟用於對沖海外業務淨投資之外幣借貸所產生之匯兌收益及虧損，則在其他全面收益中確認。

以歷史成本計量之非貨幣資產及負債，按交易日適用之匯率換算。交易日為本集團初步確認該等非貨幣資產或負債之日期。按公平值列賬而以外幣計值之非貨幣資產及負債，按釐定公平值當日適用之外幣匯率換算。

以人民幣以外之貨幣作為功能貨幣之本集團內實體之業績按交易當日適用之相若外幣匯率換算成人民幣金額，財務狀況表項目按報告期末適用之收市外幣匯率換算為人民幣金額。所產生之匯兌差額於其他全面收益確認及個別累計於匯兌儲備權益。

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

For the year ended 31 December 2021
截至二零二一年十二月三十一日止年度

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

r) Translation of foreign currencies (Continued)

On the disposal of any of such entities, the cumulative amount of the exchange differences relating to that foreign operation is reclassified from equity to profit or loss when the profit or loss on disposal is recognised.

s) Borrowing costs

Borrowing costs that are directly attributable to the acquisition, construction or production of an asset which necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of that asset. Other borrowing costs are expensed in the period in which they are incurred.

The capitalisation of borrowing costs as part of the cost of a qualifying asset commences when expenditure for the asset is being incurred, borrowing costs are being incurred and activities that are necessary to prepare the asset for its intended use or sale are in progress. Capitalisation of borrowing costs is suspended or ceases when substantially all the activities necessary to prepare the qualifying asset for its intended use or sale are interrupted or complete.

t) 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 over 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.

2. 主要會計政策(續)

r) 外幣換算(續)

於出售任何該等實體時，倘確認出售之損益，與海外業務有關之匯兌差額之累計金額從權益中重新分類至損益。

s) 借貸成本

購買、建造或生產就其擬作用途或銷售而需要相當長時間的資產所直接涉及之借貸成本列作該資產成本之一部分。其他借貸成本於產生期間支銷。

當發生資產開支、產生借貸成本及正進行就其擬作用途或銷售而須準備資產的活動時，則借貸成本開始資本化為合資格資產成本之一部分。倘就其擬作用途或銷售而須準備合資格資產的大部分活動中斷或完成，則借貸成本暫停或終止資本化。

t) 有關連人士

- a) 倘屬以下人士，則該人士或該人士之近親與本集團有關連：
- i. 控制或共同控制本集團；
 - ii. 對本集團有重大影響力；或
 - iii. 為本集團或本集團母公司之主要管理層成員。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2021
截至二零二一年十二月三十一日止年度

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

t) Related parties (Continued)

- 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.
 - vi. The entity is controlled or jointly controlled by a person identified in note 2(t)(a).
 - vii. A person identified in note 2(t)(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).
 - viii. The entity, or any member of a group of which it is a part, provides key management personnel services to the Group or to the Group's parent.

2. 主要會計政策(續)

t) 有關連人士(續)

- b) 倘符合下列任何條件，則該實體與本集團有關連：
- i. 該實體與本集團屬同一集團之成員公司(即各母公司、附屬公司及同系附屬公司彼此間有關連)。
 - ii. 一間實體為另一實體之聯營公司或合營企業(或另一實體為集團旗下成員公司之聯營公司或合營企業之成員公司)。
 - iii. 兩間實體均為同一第三方之合營企業。
 - iv. 一間實體為第三方實體之合營企業，而另一實體為該第三方實體之聯營公司。
 - v. 該實體為本集團或與本集團有關連之實體就僱員利益設立之離職福利計劃。
 - vi. 該實體受附註2(t)(a)內所定義人士控制或共同控制。
 - vii. 附註2(t)(a)(i)內所定義人士對該實體有重大影響力或屬該實體(或該實體之母公司)之主要管理層成員。
 - viii. 向本集團或本集團之母公司提供主要管理人員服務之實體或其所屬集團之任何成員公司。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2021
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2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

t) Related parties (Continued)

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.

u) Segment reporting

Operating segments, and the amounts of each segment item reported in the consolidated financial statements, are identified from the financial information provided regularly to the Group's Chief Executive Officer, who is the Group's chief operating decision maker ("CODM"), for the purposes of allocating resources to, and assessing the performance of, the Group's various lines of business and geographical locations.

Individually material operating segments are not aggregated for financial reporting purposes unless the segments have similar economic characteristics and are similar in respect of the nature of products and services, the nature of production processes, the type or class of customers, the methods used to distribute the products or provide the services, and the nature of the regulatory environment. Operating segments which are not individually material may be aggregated if they share a majority of these criteria.

2. 主要會計政策(續)

t) 有關連人士(續)

任何人士之近親指與該實體交易時預期可能影響該名人士或受該人士影響的家庭成員。

u) 分部報告

於綜合財務報表之營運分部及各分部項目之金額乃自定期向本集團之行政總裁，即本集團之首席營運決策人(「首席營運決策人」)提供以分配資源及評估本集團各業務類別之表現及地域位置之財務資料中識別。

就財務報告而言，除非分部具備相似的經濟特徵與產品及服務性質、生產工序性質、客戶類型或類別、用作分銷產品或提供服務之方法及監管環境之性質方面相似，否則各個重大營運分部不會進行合算。倘符合上述大部分標準，個別非重大之營運分部可進行合算。

3. CHANGES IN ACCOUNTING POLICIES

In the current year, the Group has applied the following amendments to HKFRSs issued by the HKICPA for the first time, which are mandatorily effective for the annual period beginning on or after 1 January 2021 for the preparation of the consolidated financial statements:

Amendment to HKFRS 16	COVID-19-related Rent Concessions
Amendments to HKAS 39, HKFRS 4, HKFRS 7, HKFRS 9 and HKFRS 16	Interest Rate Benchmark Reform – Phase 2

3. 會計政策變動

於本年度，本集團編製綜合財務報表時首次應用自二零二一年一月一日或之後開始之年度期間強制生效的下列香港會計師公會頒佈的經修訂之香港財務報告準則：

香港財務報告準則第16號(修訂本)	COVID-19 相關之租金優惠
香港會計準則第39號、香港財務報告準則第4號、香港財務報告準則第7號、香港財務報告準則第9號及香港財務報告準則第16號(修訂本)	利率基準改革 – 第二階段

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3. CHANGES IN ACCOUNTING POLICIES (Continued)

The application of the amendments to HKFRSs in the current year had no material impact on the Group's financial positions and performance for the current and prior years and/or on the disclosures set out in these consolidated financial statements.

4. REVENUE

Revenue represents the fair value of the amounts received and receivables for goods sold, and services rendered, which excludes value-added and other sales taxes, and is after deduction of any goods returns and trade discounts.

Disaggregation of revenue from contracts with customers during the year are as follows:

3. 會計政策變動(續)

於本年度應用香港財務報告準則修訂本對本集團於本年度及過往年度之財務狀況及表現及／或該等綜合財務報表所載列之披露並無構成重大影響。

4. 收入

收入指因銷售貨品及提供服務所產生之已收及應收款項的公平值，惟不包括增值稅及其他銷售稅，並經扣除任何退貨及貿易折扣。

年內來自客戶合同之收入細分如下：

Segment 分部	Types of goods or services 貨品或服務類別	2021 二零二一年		Total 總計
		EP products and equipment 環保產品及設備 RMB'000 人民幣千元	EP construction engineering services 環保建設工程服務 RMB'000 人民幣千元	
	Sales of goods — Water treatment products and equipment Design services	37,013	-	37,013
		-	1,145	1,145
Total	總計	<u>37,013</u>	<u>1,145</u>	<u>38,158</u>
	Timing of revenue recognition A point in time	<u>37,013</u>	<u>1,145</u>	<u>38,158</u>
	收入確認之時間 某一時間點	<u>37,013</u>	<u>1,145</u>	<u>38,158</u>

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4. REVENUE (Continued)

4. 收入(續)

Segment 分部	Types of goods or services 貨品或服務類別	2020 二零二零年		Total 總計
		EP products and equipment 環保產品及設備 RMB'000 人民幣千元	EP construction engineering services 環保建設工程服務 RMB'000 人民幣千元	
	Sales of goods			
	- Flue gas treatment products and equipment	23,243	-	23,243
	- Water treatment products and equipment	15,671	-	15,671
	Design services	-	474	474
	Total	<u>38,914</u>	<u>474</u>	<u>39,388</u>
	Timing of revenue recognition			
	A point in time	<u>38,914</u>	<u>474</u>	<u>39,388</u>

Information about the Group's performance obligation

Sales of EP products and equipment

The performance obligation is satisfied when the control of the EP products and equipment has been transferred to the customers, which is usually upon completion of the installation and on-site testing. The trading terms with customers are mainly on credit and payment in advance is normally required from customers. A certain percentage of payment is retained by customers until the end of the retention period. Warranties associated with the sales of EP products and equipment cannot be purchased separately and they serve as an assurance that the products and equipment sold comply with agreed-upon specifications.

Design services

The performance obligation is satisfied when the customer takes the possession of and accepts the design work performed. Payment is generally due upon acceptance of the design work by customers.

有關本集團履約責任的資料

銷售環保產品及設備

履約責任於環保產品及設備的控制權轉移至客戶時達成，通常為完成安裝及現場測試後。與客戶的交易條款以信貸為主，且客戶通常須支付預付款。客戶會保留若干比例之付款直至保固期結束。與銷售環保產品及設備相關之保修無法單獨購買，而是作為售出產品及設備符合協定規格之保證。

設計服務

履約責任於客戶持有並接受完成之設計成品時達成。付款一般於客戶接受設計成品後到期。

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4. REVENUE (Continued)

Revenue expected to be recognised in the future arising from contracts with customers in existence at the reporting date

The Group has applied the practical expedient in paragraph 121 of HKFRS 15 to its contracts with customers such that the Group does not disclose information about revenue that the Group will be entitled to when it satisfies the remaining performance obligations under these contracts as these contracts have an original expected duration of one year or less.

5. OTHER INCOME

Interest income on bank deposits	銀行存款利息收入
Government grants (Note)	政府補助(附註)
Sundry income	雜項收入

Note: The Group was granted subsidies of RMB328,000 under the Employment Support Scheme launched by the Government of the Hong Kong Special Administrative Region for the payment of wages of employees during the year ended 31 December 2020 (2021: Nil).

6. OTHER NET GAIN/(LOSS)

Net impairment loss reversed/(recognised) on:	已撥回/(已確認)減值虧損淨額：
- trade receivables (Note 17(a))	- 應收貿易款項(附註17(a))
- contract assets (Note 17(c))	- 合同資產(附註17(c))
- prepayments	- 預付款
Loss on disposal of property, plant and equipment	出售物業、廠房及設備之虧損

4. 收入(續)

產生自於報告日期現存客戶所訂合同預期於日後確認的收入

本集團已就客戶合同應用香港財務報告準則第15號第121段的可行權宜方法，故本集團無須披露有關本集團於滿足該等合同項下之餘下履約責任時將有權獲得的收入之資料，乃因該等合同的原預期持續期間為一年或更短。

5. 其他收益

2021 二零二一年 RMB'000 人民幣千元	2020 二零二零年 RMB'000 人民幣千元
4,347	4,078
-	328
11	6
4,358	4,412

附註：於截至二零二零年十二月三十一日止年度，本集團獲授香港特別行政區政府推出的「保就業」計劃所資助的人民幣328,000元，用於支付僱員的薪金(二零二一年：無)。

6. 其他收益/(虧損)淨額

2021 二零二一年 RMB'000 人民幣千元	2020 二零二零年 RMB'000 人民幣千元
21,790	(11,962)
248	733
-	(2,879)
(493)	-
21,545	(14,108)

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7. PROFIT/(LOSS) BEFORE TAXATION

Profit/(loss) before taxation is arrived at after charging the following:

7. 除稅前溢利／（虧損）

除稅前溢利／（虧損）經扣除下列各項：

	2021 二零二一年 RMB'000 人民幣千元	2020 二零二零年 RMB'000 人民幣千元
a) Staff costs (including directors' emoluments (Note 10)):		
– Salaries, wages and other benefits	12,179	12,498
– Contributions to defined contribution retirement plans (Note 9)	314	136
	12,493	12,634
b) Finance costs:		
Interest expenses on corporate bonds (Note 21)	2,796	3,003
Interest on lease liabilities	73	74
	2,869	3,077
c) Other items:		
Auditor's remuneration		
– audit services	1,186	1,242
– other services	398	417
Cost of inventories (Note)	34,279	37,165
Depreciation of property, plant and equipment	530	692
Depreciation of right-of-use assets	729	1,289

Note: During the year ended 31 December 2021, the cost of inventories in relation to staff costs and depreciation, amounts to approximately RMB252,000 (2020: RMB141,000) which is also included in the respective total amounts disclosed separately above.

附註：截至二零二一年十二月三十一日止年度與員工成本及折舊相關的存貨成本約人民幣252,000元（二零二零年：人民幣141,000元），而該金額亦已計入上文分開披露之總金額內。

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8. INCOME TAX IN THE CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

The Company and its subsidiaries incorporated in the Cayman Islands and the British Virgin Islands, respectively, are not subject to any income tax pursuant to the rules and regulations of their respective countries of incorporation.

PRC Enterprise Income Tax is calculated at 25% of the estimated assessable profits of the Company's subsidiaries established in the PRC during the years ended 31 December 2021 and 2020. No provision of PRC Enterprise Income Tax has been made for the years ended 31 December 2021 and 2020 as the Group did not generated any assessable profits in the PRC for both years.

No provision for Hong Kong Profits Tax has been made for the years ended 31 December 2021 and 2020 as the Group did not have assessable profits arising in Hong Kong during both years.

The PRC Enterprise Income Tax Law also requires withholding tax of 10% upon distribution of profits by the subsidiaries established in the PRC since 1 January 2008 to its overseas shareholders.

8. 於綜合損益及其他全面收益表之所得稅

本公司及其附屬公司分別於開曼群島及英屬處女群島註冊成立，根據彼等各自註冊成立之國家之規則及規例毋須繳付任何所得稅。

中國企業所得稅乃根據本公司於中國成立之附屬公司於截至二零二一年及二零二零年十二月三十一日止年度之估計應課稅溢利按稅率25%計算。由於本集團於截至二零二一年及二零二零年十二月三十一日止年度並無於中國產生任何應課稅溢利，故於該兩個年度並無就中國企業所得稅作出撥備。

由於本集團於截至二零二一年及二零二零年十二月三十一日止年度並無源自香港之應課稅溢利，故於該兩個年度並無就香港利得稅作出撥備。

中國企業所得稅法亦規定，自二零零八年一月一日起，於中國成立之附屬公司向其海外股東所作溢利分派須按10%的稅率繳納預扣稅。

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8. INCOME TAX IN THE CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (Continued)

Reconciliation between income tax expenses and accounting profit/(loss) at applicable tax rates is as follows:

8. 於綜合損益及其他全面收益表之所得稅(續)

按適用稅率計算之所得稅開支與會計溢利/(虧損)之對賬如下：

		2021 二零二一年 RMB'000 人民幣千元	2020 二零二零年 RMB'000 人民幣千元
Profit/(loss) before taxation	除稅前溢利/(虧損)	8,300	(29,347)
Notional tax on profit/(loss) before taxation calculated at the statutory rates applicable to respective tax jurisdictions	按適用於在各自司法權區之法定稅率計算除稅前溢利/(虧損)之名義稅項	3,065	(6,274)
Tax effect of non-taxable income	毋須課稅收入之稅務影響	(2)	(54)
Tax effect of non-deductible expenses	不可扣稅開支之稅務影響	1,925	2,109
Tax effect of tax losses not recognised	未確認稅項虧損之稅務影響	521	692
Tax effect of temporary difference not recognised	未確認暫時差異之稅務影響	(5,509)	3,527
Income tax	所得稅	-	-

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9. RETIREMENT BENEFIT COSTS

Defined contribution retirement plan

The Group has arranged for its Hong Kong employees employed under the jurisdiction of the Hong Kong Employment Ordinance to join the Mandatory Provident Fund Scheme (the "MPF Scheme") under the Hong Kong Mandatory Provident Fund Schemes Ordinance and Hong Kong Employment Ordinance. The MPF Scheme is a defined contribution retirement plan managed by independent trustees. Under the MPF Scheme, the Group (the employer) and its employees make monthly contributions to the scheme at 5% of the employees' relevant income as defined under the Mandatory Provident Fund Schemes Ordinance. The contributions from each of the employer and employees are subject to a cap of HK\$1,500 per month and thereafter contributions are voluntary. Contributions to the plan vest immediately.

The employees of the Company's subsidiaries established in the PRC are members of a state-sponsored retirement plan operated by the local government in the PRC and these subsidiaries make mandatory contributions to the state-sponsored retirement plan to fund the employees retirement benefits. The retirement contributions paid by these subsidiaries are based on a certain percentage of the relevant portion of the payroll of all qualifying employees in accordance with the relevant regulations in the PRC and are charged to profit or loss as incurred. The Group discharges its retirement obligations upon payment of the retirement contributions to the state-sponsored retirement plan operated by the local governments in the PRC. Contributions to the plan vest immediately.

The Group's contributions to defined contribution retirement plans for the years ended 31 December 2021 and 2020 are as follows:

Contributions to defined contribution retirement plans	定額供款退休計劃之供款
--	-------------

During the years ended 31 December 2021 and 2020, the Group had no forfeited contributions under its retirement benefit scheme in the PRC and under the MPF Scheme in Hong Kong which may be used to reduce the existing level of contributions as described in paragraph 26(2) of Appendix 16 to the Rules Governing the Listing of Securities on the Stock Exchange.

9. 退休福利成本

定額供款退休計劃

根據香港強制性公積金計劃條例及香港僱傭條例規定，本集團已安排其根據香港僱傭條例管轄下所僱用的香港僱員參與強制性公積金計劃（「強積金計劃」）。強積金計劃乃由獨立受託人管理之定額供款退休計劃。根據強積金計劃，本集團（作為僱主）及其僱員須每月各自按僱員相關收入（定義見強制性公積金計劃條例）之5%向該計劃作出供款。僱主及僱員每月各自之供款以1,500港元為上限，另可自願額外供款。對該計劃之供款即時歸屬。

本公司於中國成立之附屬公司之僱員均參與中國地方政府運作並由國家資助之退休計劃，該等附屬公司向該項國家資助之退休計劃作出強制性供款以為僱員之退休福利提供資金。該等附屬公司支付之退休金供款乃基於所有合資格僱員薪酬之有關部分之特定百分比，及根據中國有關規定，並按照所產生之金額計入損益。本集團在向由中國地方政府運作並由國家資助之退休金計劃支付退休供款之後即為已履行其於僱員退休福利方面之責任。對該計劃之供款即時歸屬。

本集團截至二零二一年及二零二零年十二月三十一日止年度之定額供款退休計劃之供款如下：

2021 二零二一年 RMB'000 人民幣千元	2020 二零二零年 RMB'000 人民幣千元
314	136

截至二零二一年及二零二零年十二月三十一日止年度，本集團於其中國退休福利計劃及香港強積金計劃（根據聯交所證券上市規則附錄十六第26(2)段可用於降低現有供款水平）項下並無沒收供款。

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10. DIRECTORS' AND CHIEF EXECUTIVE'S EMOLUMENTS

Directors' emoluments disclosed pursuant to section 383(1) of the Hong Kong Companies Ordinance and Part 2 of the Companies (Disclosure of Information about Benefits of Directors) Regulations are as follows:

10. 董事及最高行政人員酬金

根據香港公司條例第383(1)條及公司(披露董事利益資料)規例2部所披露之董事酬金如下：

		Year ended 31 December 2021 截至二零二一年十二月三十一日止年度			
		Contributions			
		Salaries, allowances and other benefits	to defined contribution retirement plans		Total
Name of director	董事姓名	Fees 袍金	薪金、津貼及 其他福利	定額供款 退休計劃之供款	總計
		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
Executive director	執行董事				
Mr. Jiang Xin	蔣鑫先生	100	-	-	100
Non-executive director	非執行董事				
Mr. Fan Yajun	范亞軍先生	100	-	-	100
Independent non-executive directors	獨立非執行董事				
Mr. Leung Shu Sun, Sunny	梁樹新先生	179	-	-	179
Mr. Hu Jianjun (Note (a))	胡健軍先生 (附註(a))	37	-	-	37
Mr. Chen Xuezheng (Note (b))	陳學政先生 (附註(b))	21	-	-	21
Mr. Lai Wing Lee (Note (c))	賴永利先生 (附註(c))	29	-	-	29
Professor Wang Guozhen (Note (d))	王國珍教授 (附註(d))	4	-	-	4
		470	-	-	470

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10. DIRECTORS' AND CHIEF EXECUTIVE'S EMOLUMENTS (Continued)

10. 董事及最高行政人員酬金(續)

		Year ended 31 December 2020 截至二零二零年十二月三十一日止年度			
Name of director 董事姓名		Fees 袍金 RMB'000 人民幣千元	Salaries, allowances and other benefits 薪金、津貼及 其他福利 RMB'000 人民幣千元	Contributions	Total 總計 RMB'000 人民幣千元
				to defined contribution retirement plans 定額供款 退休計劃之供款 RMB'000 人民幣千元	
Executive director Mr. Jiang Xin	執行董事 蔣鑫先生	104	-	-	104
Non-executive director Mr. Fan Yajun	非執行董事 范亞軍先生	104	-	-	104
Independent non-executive directors Mr. Leung Shu Sun, Sunny Mr. Lai Wing Lee (Note (c)) Professor Wang Guozhen (Note (d))	獨立非執行董事 梁樹新先生 賴永利先生(附註(c)) 王國珍教授(附註(d))	188 52 52	- - -	- - -	188 52 52
		<u>500</u>	<u>-</u>	<u>-</u>	<u>500</u>

Notes:

- (a) Mr. Hu Jianjun was appointed as the independent non-executive director of the Company on 1 April 2021.
- (b) Mr. Chen Xuezheng was appointed as the independent non-executive director of the Company on 1 August 2021.
- (c) Mr. Lai Wing Lee resigned as the independent non-executive director of the Company on 1 August 2021.
- (d) Professor Wang Guozhen passed away on 4 January 2021.

As at 31 December 2021 and 2020, the directors of the Company held share options under the Company's share option scheme. Details of which are disclosed in note 25.

During the years ended 31 December 2021 and 2020, no directors received any emoluments from the Group as an inducement to join or upon joining the Group or as compensation for loss of office. No directors has waived or agreed to waive any emoluments during both years.

附註：

- (a) 胡健軍先生自二零二一年四月一日起獲委任為本公司獨立非執行董事。
- (b) 陳學政先生自二零二一年八月一日起獲委任為本公司獨立非執行董事。
- (c) 賴永利先生自二零二一年八月一日起辭任本公司獨立非執行董事。
- (d) 王國珍教授於二零二一年一月四日辭世。

於二零二一年及二零二零年十二月三十一日，本公司董事根據本公司購股權計劃持有購股權。有關購股權計劃之詳情披露於附註25。

截至二零二一年及二零二零年十二月三十一日止年度，概無董事已自本集團收取任何酬金作為促使加入或於加入本集團時之獎金或離職之賠償。概無董事於該兩個年度放棄或同意放棄任何酬金。

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11. INDIVIDUALS WITH HIGHEST EMOLUMENTS AND SENIOR MANAGEMENT'S EMOLUMENTS

(a) Five highest paid individuals

None (2020: none) of the five individuals with the highest emoluments, is a director of the Company whose emoluments are disclosed in note 10. The aggregate of the emoluments in respect of the remaining five (2020: five) individuals are as follows:

Salaries, allowances and other benefits	薪金、津貼及其他福利
Contributions to defined contribution retirement plans	定額供款退休計劃之供款

During the years ended 31 December 2021 and 2020, no emoluments were paid or payable by the Group to the five highest paid individuals as inducement to join or upon joining the Group or as compensation for loss of office during both years.

The emoluments of the above five (2020: five) individuals with the highest emoluments are within the following bands:

Bands:	組別:
Nil to HK\$1,000,000	零至1,000,000港元
HK\$1,000,001 to HK\$1,500,000	1,000,001港元至1,500,000港元
HK\$1,500,001 to HK\$2,000,000	1,500,001港元至2,000,000港元

11. 最高酬金人士及高級管理層酬金

(a) 五名最高薪人士

五名最高酬金人士中無(二零二零年:無)本公司董事,其酬金披露於附註10。其餘五名(二零二零年:五名)人士之酬金合計如下:

2021 二零二一年 RMB'000 人民幣千元	2020 二零二零年 RMB'000 人民幣千元
3,661	4,263
60	63
3,721	4,326

截至二零二一年及二零二零年十二月三十一日止年度,本集團概無向五名最高薪人士支付或應付任何酬金作為於該兩個年度促使彼等加入或於加入本集團時之獎金或離職之賠償。

上述五名(二零二零年:五名)最高酬金人士之酬金組別如下:

Number of individuals 人數

2021 二零二一年	2020 二零二零年
4	3
-	1
1	1
5	5

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11. INDIVIDUALS WITH HIGHEST EMOLUMENTS AND SENIOR MANAGEMENT'S EMOLUMENTS (Continued)

(b) Senior management's emoluments

The emoluments paid or payable to senior management (including one (2020: one) highest paid individual as disclosed above) are within the following bands:

Bands:	組別：
Nil to HK\$1,000,000	零至1,000,000港元
HK\$1,500,001 to HK\$2,000,000	1,500,001港元至2,000,000港元

11. 最高酬金人士及高級管理層酬金 (續)

(b) 高級管理層酬金

已付或應付予高級管理層(包括一名(二零二零年：一名)上述披露之最高薪人士)之酬金組別如下：

Number of individuals 人數	
2021 二零二一年	2020 二零二零年
2	3
1	1
3	4

12. DIVIDENDS

The directors of the Company did not recommend the payment of a final dividend for the year ended 31 December 2021 (2020: Nil).

12. 股息

本公司董事不建議派付截至二零二一年十二月三十一日止年度之末期股息(二零二零年：無)。

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13. EARNINGS/(LOSS) PER SHARE

Basic earnings/(loss) per share

The calculation of the basic earnings/(loss) per share attributable to owners of the Company is based on the following data:

Profit/(loss) for the year attributable to owners of the Company for the purposes of calculating basic earnings/(loss) per share

就計算每股基本盈利/(虧損)而言的本公司擁有人應佔年內溢利/(虧損)

Number of shares

Weighted average number of ordinary shares for the purpose of calculating basic earnings/(loss) per share

就計算每股基本盈利/(虧損)而言的普通股加權平均數

Diluted earnings/(loss) per share

No dilutive potential ordinary shares from share options was presented for the year ended 31 December 2021 as the exercise prices of the Company's outstanding share options were higher than the average market prices of the Company's ordinary shares during the year.

Diluted loss per share for the year ended 31 December 2020 was the same as the basic loss per share because the exercise of the Company's outstanding share options would have anti-dilutive effect.

13. 每股盈利/(虧損)

每股基本盈利/(虧損)

本公司擁有人應佔每股基本盈利/(虧損)乃按以下數據計算：

2021 二零二一年 RMB'000 人民幣千元	2020 二零二零年 RMB'000 人民幣千元
8,300	(29,347)

2021 二零二一年	2020 二零二零年
840,000,000	840,000,000

每股攤薄盈利/(虧損)

截至二零二一年十二月三十一日止年度，由於本公司尚未行使購股權的行使價高於本公司普通股的平均市價，故並無呈列購股權的潛在攤薄普通股。

由於行使本公司尚未行使購股權具有反攤薄影響，故截至二零二零年十二月三十一日止年度之每股攤薄虧損與每股基本虧損相同。

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14. PROPERTY, PLANT AND EQUIPMENT

14. 物業、廠房及設備

		Furniture, fixtures and equipment 傢俬、 裝置及設備 RMB'000 人民幣千元	Leasehold improvements 租賃 物業裝修 RMB'000 人民幣千元	Machineries 機器 RMB'000 人民幣千元	Motor vehicles 汽車 RMB'000 人民幣千元	Total 總額 RMB'000 人民幣千元
Cost:	成本：					
As at 1 January 2020	於二零二零年一月一日	3,519	139	19,829	8,264	31,751
Additions	添置	-	93	-	-	93
Disposal	處置	-	-	-	(3,217)	(3,217)
Exchange adjustments	匯兌調整	(9)	(8)	-	(38)	(55)
As at 31 December 2020 and 1 January 2021	於二零二零年十二月三十一日及 二零二一年一月一日	3,510	224	19,829	5,009	28,572
Additions	添置	5	-	-	-	5
Disposal	處置	(1,891)	-	(18,692)	(1,723)	(22,306)
Exchange adjustments	匯兌調整	(8)	(7)	-	(17)	(32)
As at 31 December 2021	於二零二一年十二月三十一日	1,616	217	1,137	3,269	6,239
Accumulated depreciation:	累積折舊：					
As at 1 January 2020	於二零二零年一月一日	3,315	97	18,093	8,043	29,548
Charge for the year	本年度開支	149	57	486	-	692
Eliminated on disposal	處置撥回	-	-	-	(3,217)	(3,217)
Exchange adjustments	匯兌調整	(6)	(8)	-	(38)	(52)
As at 31 December 2020 and 1 January 2021	於二零二零年十二月三十一日及 二零二一年一月一日	3,458	146	18,579	4,788	26,971
Charge for the year	本年度開支	31	31	468	-	530
Eliminated on disposal	處置撥回	(1,889)	-	(18,201)	(1,637)	(21,727)
Exchange adjustments	匯兌調整	(6)	(5)	-	(17)	(28)
As at 31 December 2021	於二零二一年十二月三十一日	1,594	172	846	3,134	5,746
Carrying amounts:	賬面值：					
As at 31 December 2021	於二零二一年十二月三十一日	22	45	291	135	493
As at 31 December 2020	於二零二零年十二月三十一日	52	78	1,250	221	1,601

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15. RIGHT-OF-USE ASSETS

15. 使用權資產

		Leased property 租賃物業	
		2021 二零二一年 RMB'000 人民幣千元	2020 二零二零年 RMB'000 人民幣千元
As at 1 January	於一月一日	1,818	903
Addition	添置	-	2,406
Depreciation	折舊	(729)	(1,289)
Exchange adjustments	匯兌調整	(41)	(202)
As at 31 December	於十二月三十一日	1,048	1,818
Settlement of lease liabilities	償還租賃負債	796	1,326
Expenses relating to short-term leases	與短期租賃相關之開支	180	180
Expenses relating to leases of low-value assets, excluding short-term leases of low-value assets	與低價值資產租賃相關之開支，不包括低價值資產之短期租賃	9	11
Total cash outflows for leases	租賃之現金流出總額	985	1,517

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16. INVESTMENTS IN SUBSIDIARIES

Details of the Company's principal subsidiaries as at 31 December 2021 are as follows:

Name of subsidiary 附屬公司名稱	Place of incorporation/ establishment and type of legal entity 註冊成立/ 成立地點及 法律實體性質	Issued and fully paid share capital/ registered capital 已發行及繳足 股本/註冊股本	Proportion of ownership interest 擁有權比例			Principal activities and place of operation 主要業務及經營地點
			The Group's effective interest 本集團 實際權益	Held by the Company 由本公司 持有	Held by a subsidiary 由附屬公司 持有	
Pan Asia Environmental Protection Technologies Limited	British Virgin Islands, limited liability company 英屬處女群島， 有限公司	US\$200/ Ordinary Share 200美元/普通股	100%	100%	-	Investment holding/ Hong Kong 投資控股/香港
Pan Asia Environmental Protection (Jiangsu) Company Limited (Note (i)) 泛亞環保(江蘇)有限公司 (附註(i))	The PRC, wholly-foreign- owned enterprise 中國，外商獨資企業	N/A (Note (iii)) 不適用 (附註(ii))	100%	-	100%	Sales of EP products and equipment, and provision of EP construction engineering services/ the PRC 銷售環保產品及設備， 及提供環保建設工程 服務/中國
Pan Asia Environmental Protection (China) Company Limited (Note (i)) 泛亞環保(中國)有限公司 (附註(i))	The PRC, wholly-foreign- owned enterprise 中國，外商獨資企業	HK\$100,000,000/ Registered Capital 100,000,000港元/ 註冊股本	100%	-	100%	Sales of EP products and equipment, and provision of EP construction engineering services/ the PRC 銷售環保產品及設備， 及提供環保建設工程 服務/中國

None of the subsidiaries had any debt securities subsisting at the end of the year or within any time during the year.

Notes:

- (i) The English names for these companies which were established in the PRC are not officially registered but included here as a translation for identification purpose.
- (ii) As at 31 December 2021, the registered capital of this company was not yet injected by the Group.

The Group had no subsidiaries which have material non-controlling interests during the years ended 31 December 2021 and 2020.

16. 於附屬公司之投資

於二零二一年十二月三十一日，本公司之主要附屬公司詳情如下：

於年末或本年度任何時間內概無附屬公司有任何債務證券存續。

附註：

- (i) 該等於中國成立之公司之英文名稱並非正式註冊登記之名稱，本報告中所載英文名稱均為翻譯所得，供識別之用。
- (ii) 於二零二一年十二月三十一日，該公司註冊股本尚未由本集團注入。

截至二零二一年及二零二零年十二月三十一日止年度，本集團並無附屬公司擁有重大非控股權益。

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17. TRADE AND OTHER RECEIVABLES

17. 應收貿易及其他款項

		2021 二零二一年 RMB'000 人民幣千元	2020 二零二零年 RMB'000 人民幣千元
Trade receivables (Note (a))	應收貿易款項 (附註(a))	2,612	58,201
Less: Impairment loss on trade receivables	減：應收貿易款項之減值虧損	(149)	(21,939)
		<hr/>	<hr/>
Trade receivables, net	應收貿易款項淨額	2,463	36,262
		<hr style="border-top: 1px dashed black;"/>	<hr style="border-top: 1px dashed black;"/>
Other receivables (Note (b))	其他應收款項 (附註(b))	-	108
		<hr/>	<hr/>
Contract assets (Note (c))	合同資產 (附註(c))	2,463	36,370
Prepayments and deposits	預付款及按金	3,766	5,137
Other tax recoverable	其他可收回稅項	216	284
		<hr/>	<hr/>
		11	34
		<hr/>	<hr/>
		6,456	41,825
		<hr style="border-top: 3px double black;"/>	<hr style="border-top: 3px double black;"/>

a) Trade receivables

The Group generally allows credit period ranging from 0 to 180 days to its trade customers. Further details on the Group's credit policy are set out in note 31(a).

Credit is offered to customers following an assessment of their financial abilities and payment track record. Credit limits are set out for all customers and these can be exceeded only with the approval from management. Management also monitors overdue trade receivables, and follows up the collection of these receivables.

a) 應收貿易款項

本集團一般給予其貿易客戶0至180日的信貸期。有關本集團信貸政策之進一步詳情，載於附註31(a)。

信貸乃經評估客戶的財務能力及付款紀錄後向客戶授出。本公司為所有客戶制定信貸限額，僅可在管理層批准後方可超過此等信貸限額。管理層亦監控逾期的應收貿易款項，並負責跟進收回該等應收款項。

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17. TRADE AND OTHER RECEIVABLES (Continued)

a) Trade receivables (Continued)

The following is an ageing analysis of trade receivables, net of impairment loss, at the end of the reporting period, presented based on the invoice date, which approximated the respective revenue recognition dates:

Less than six months	六個月內
Over six months but less than one year	六個月以上但一年內
Over one year but less than two years	一年以上但兩年內

The movements in the loss allowances for impairment of trade receivables during the year is as follows:

As at 1 January	於一月一日	21,939	49,597
Net impairment losses (reversed)/ recognised (Note 6)	(已撥回)/已確認減值虧損淨額(附註6)	(21,790)	11,962
Write-off as unrecoverable	撇銷無法收回款項	-	(39,620)
As at 31 December	於十二月三十一日	149	21,939

The Group applied the ECL model prescribed by HKFRS 9, and the impairment methodology of ECL model is set out in note 31(a).

17. 應收貿易及其他款項(續)

a) 應收貿易款項(續)

以下為應收貿易款項於報告期末根據發票日期(與有關收入的確認日期相若)呈列並經扣除減值虧損之賬齡分析:

2021 二零二一年 RMB'000 人民幣千元	2020 二零二零年 RMB'000 人民幣千元
2,463	2,036
-	22,412
-	11,814
2,463	36,262

年內之應收貿易款項之減值虧損撥備變動如下:

2021 二零二一年 RMB'000 人民幣千元	2020 二零二零年 RMB'000 人民幣千元
21,939	49,597
(21,790)	11,962
-	(39,620)
149	21,939

本集團應用香港財務報告準則第9號規定之預期信貸虧損模式，而預期信貸虧損模式之減值方法載於附註31(a)。

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17. TRADE AND OTHER RECEIVABLES (Continued)

b) Other receivables

The movements in the loss allowances for impairment of other receivables during the year, including both specific and collective loss components, are as follows:

As at 1 January	於一月一日
Write-off as unrecoverable	撇銷無法收回款項
As at 31 December	於十二月三十一日

c) Contract assets

The contract assets primarily represent the retention receivables from the contracts with customers. The retention receivables (generally 5% to 10% of the total contracted value) are amounts which are not paid by the customers until expiry of the retention period (generally one year) as specified in the contracts.

The movements in the loss allowance for impairment of contract assets during the year are as follows:

As at 1 January	於一月一日
Net impairment loss reversed (Note 6)	已撥回減值虧損淨額 (附註6)
As at 31 December	於十二月三十一日

17. 應收貿易及其他款項(續)

b) 其他應收款項

年內之其他應收款項減值虧損撥備變動(包括特定及整體虧損部分)如下:

2021 二零二一年 RMB'000 人民幣千元	2020 二零二零年 RMB'000 人民幣千元
-	901
-	(901)
-	-

c) 合同資產

合同資產主要指來自客戶合同之應收質保款項。應收質保款項(一般為合同總價值之5%至10%)指直至合同訂明之質保期間(通常為一年)屆滿時客戶方支付之金額。

年內之合同資產減值虧損撥備變動如下:

2021 二零二一年 RMB'000 人民幣千元	2020 二零二零年 RMB'000 人民幣千元
795	1,528
(248)	(733)
547	795

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18. CASH AND BANK BALANCES

Cash and bank balances comprise cash held by the Group and short-term bank deposits with an original maturity of three months or less. As at 31 December 2021, the bank balances and deposits carried interests at the prevailing market interest rate which ranged from 0% to 0.3% (2020: 0% to 0.3%) per annum.

As at 31 December 2021, the Group had bank balances and cash denominated in RMB that were either not freely convertible and were subject to exchange controls in the PRC, amounting to approximately RMB1,221,819,000 (2020: RMB1,219,530,000).

18. 現金及銀行結餘

現金及銀行結餘包括本集團持有之現金及原定到期日為三個月或以下之短期銀行存款。於二零二一年十二月三十一日，銀行結餘及存款按現行市場年利率介乎0%至0.3%（二零二零年：0%至0.3%）計息。

於二零二一年十二月三十一日，本集團持有不能於中國自由兌換並受外匯管制影響之以人民幣計值之銀行結餘及現金約為人民幣1,221,819,000元（二零二零年：人民幣1,219,530,000元）。

19. TRADE AND OTHER PAYABLES

Trade payables (Note (a))	應付貿易款項(附註(a))	7,838	48,005
Accruals and other payables	應計費用及其他應付款項	12,236	14,423
Amount due to a related company (Note (b))	應付一間關聯公司款項(附註(b))	35,010	24,503
Financial liabilities measured at amortised cost	按攤銷成本計量的金融負債	55,084	86,931
Other tax payable	其他應付稅項	-	9,079
		55,084	96,010

a) Ageing analysis of trade payables

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

Less than six months	六個月內	4,798	16,647
Over six months but less than one year	六個月以上但一年內	2,052	16,013
Over one year but less than two years	一年以上但兩年內	-	14,357
Over two years	兩年以上	988	988
		7,838	48,005

19. 應付貿易及其他款項

2021 二零二一年 RMB'000 人民幣千元	2020 二零二零年 RMB'000 人民幣千元
7,838	48,005
12,236	14,423
35,010	24,503
55,084	86,931
-	9,079
55,084	96,010

a) 應付貿易款項之賬齡分析

應付貿易款項於各報告期末按發票日期之賬齡分析如下：

2021 二零二一年 RMB'000 人民幣千元	2020 二零二零年 RMB'000 人民幣千元
4,798	16,647
2,052	16,013
-	14,357
988	988
7,838	48,005

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19. TRADE AND OTHER PAYABLES (Continued)

- b) The amount due to Praise Fortune Limited, the Company's immediate and ultimate controlling party, is non-trade in nature, unsecured, interest-free and repayment on demand.

20. LEASE LIABILITIES

The lease liabilities were repayable as follows:

Within 1 year	一年內
After 1 year but within 2 years	一年後但兩年內
After 2 years but within 5 years	兩年後但五年內

Less: Amounts due for settlement within 12 months shown under current liabilities 減：應於12個月內結清之款項（見流動負債）

Amounts due for settlement after 12 months shown under non-current liabilities 應於12個月後結清之款項（見非流動負債）

21. CORPORATE BONDS

During the year ended 31 December 2017, the Company issued five tranches of 3 years to 7.5 years corporate bonds with aggregate principal amount of HK\$25,000,000 (equivalent to approximately RMB21,278,000) which will be matured during the period from October 2020 to May 2025.

Two tranches of 4 years corporate bonds were subscribed by Mr. Jiang Xin, the executive director of the Company, and Mr. Jiang Quanlong, father of Mr. Jiang Xin, with principal amount of HK\$10,500,000 each (equivalent to approximately RMB8,944,000 each) which were matured in October 2021. In October 2021, the mature dates of these two tranches corporate bonds were extended to October 2031.

19. 應付貿易及其他款項（續）

- b) 應付本公司之直接及最終控制方Praise Fortune Limited款項乃非貿易性質、無抵押、免息及須按要求償還。

20. 租賃負債

須償還的租賃負債如下：

2021 二零二一年 RMB'000 人民幣千元	2020 二零二零年 RMB'000 人民幣千元
751	734
324	772
-	334
1,075	1,840
(751)	(734)
324	1,106

21. 公司債券

截至二零一七年十二月三十一日止年度，本公司發行五期3年至7.5年公司債券，本金總額為25,000,000港元（相等於約人民幣21,278,000元），將於二零二零年十月起至二零二五年五月期間到期。

兩期4年公司債券由蔣鑫先生（本公司執行董事）及蔣泉龍先生（蔣鑫先生之父親）認購，每期本金額為10,500,000港元（相等於每期約人民幣8,944,000元），於二零二一年十月到期。於二零二一年十月，兩期公司債券的到期日延長至二零三一年十月。

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21. CORPORATE BONDS (Continued)

The rest of three tranches of 3 years to 7.5 years corporate bonds with aggregate principal amount of HK\$4,000,000 (equivalent to approximately RMB3,390,000) were subscribed by three independent third parties. One tranche of 3 years corporate bond was matured and redeemed by the Company during the year ended 31 December 2020. The remaining two tranches will be matured from December 2022 to May 2025.

During the year ended 31 December 2018, the Company issued one tranche corporate bond of 6 months with a principal amount of HK\$30,000,000 (equivalent to approximately RMB26,604,000) to an independent third party. The bond matured in May 2019 and the mature date was further extended to November 2022.

The corporate bonds are unlisted, unsecured and interest bearing at a fixed interest rate of 6% per annum with interest payable annually in arrears. The effective interest rates of the corporate bonds as at 31 December 2021 are ranged from approximately 6.0% to 10.4% (2020: 6.0% to 10.4%).

Movements of the corporate bonds during the year are as follows:

21. 公司債券(續)

餘下三期本金總額4,000,000港元(相等於約人民幣3,390,000元)之3年至7.5年公司債券已由三名獨立第三方認購。一期3年公司債券於截至二零二零年十二月三十一日止年度到期並由本公司贖回。其餘二期將於二零二二年十二月起至二零二五年五月期間到期。

截至二零一八年十二月三十一日止年度，本公司向一名獨立第三方發行一期6個月公司債券，本金額為30,000,000港元(相等於約人民幣26,604,000元)。該債券於二零一九年五月到期，而到期日已進一步延長至二零二二年十一月。

公司債券未上市、無抵押且利息按固定年利率6%計算，連同每年延後收取之應付利息。於二零二一年十二月三十一日，公司債券之有效利率介乎約6.0%至10.4%(二零二零年：6.0%至10.4%)。

公司債券於年內之變動如下：

		2021 二零二一年 RMB'000 人民幣千元	2020 二零二零年 RMB'000 人民幣千元
At 1 January	於一月一日	45,563	49,254
Effective interest expenses (Note 7(b))	有效利息開支 (附註7(b))	2,796	3,003
Direct cost for renewal	續期直接成本	(87)	-
Interests paid	已付利息	(2,688)	(2,905)
Redemption	贖回	-	(859)
Exchange adjustments	匯兌調整	(1,300)	(2,930)
		44,284	45,563
At 31 December	於十二月三十一日		
<i>Analysed for reporting purpose as follows:</i>	<i>就呈報分析如下：</i>		
Current portion	即期部分	25,522	43,321
Non-current portion	非即期部分	18,762	2,242
		44,284	45,563
Total	總計		

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21. CORPORATE BONDS (Continued)

Carrying amounts repayable (based on the scheduled repayable dates set out in the subscription agreements):

Within one year	一年內	25,522	43,321
Over one year but not more than two years	超過一年但不超過兩年	-	799
Over two years but not more than five years	超過兩年但不超過五年	1,434	1,443
Over five years	超過五年	17,328	-
Total	總計	44,284	45,563

21. 公司債券(續)

償還之賬面值(根據認購協議所載之安排償還日期):

2021 二零二一年 RMB'000 人民幣千元	2020 二零二零年 RMB'000 人民幣千元
25,522	43,321
-	799
1,434	1,443
17,328	-
44,284	45,563

22. INCOME TAX IN THE CONSOLIDATED STATEMENT OF FINANCIAL POSITION

a) The movements of tax payable in the consolidated statement of financial position during the year are as follows:

As at 1 January	於一月一日	2,521	2,521
Income tax paid during the year	年內已付所得稅	(2,521)	-
As at 31 December	於十二月三十一日	-	2,521

22. 綜合財務狀況表內之所得稅

a) 綜合財務狀況表所列之應付稅項於年內之變動如下:

2021 二零二一年 RMB'000 人民幣千元	2020 二零二零年 RMB'000 人民幣千元
2,521	2,521
(2,521)	-
-	2,521

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For the year ended 31 December 2021
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22. INCOME TAX IN THE CONSOLIDATED STATEMENT OF FINANCIAL POSITION (Continued)

b) Deferred taxation

Under the PRC Enterprise Income Tax Law with effect from 1 January 2008 onwards, non-resident enterprises without an establishment or place of business in the PRC or which have an establishment or place of business but the relevant income is not effectively connected with the establishment or a place of business in the PRC, will be subject to withholding income tax at the rate of 10% on various types of passive income such as dividends derived from sources in the PRC. On 22 February 2008, the Ministry of Finance and State Administration of Tax approved Caishui (2008) No. 1, pursuant to which dividend distributions out of retained profits of foreign investment enterprises prior to 31 December 2007 will be exempted from withholding income tax.

As at 31 December 2021, the Group has unrecognised deferred tax liabilities of approximately RMB34,155,000 (2020: RMB32,169,000) in relation to withholding tax on undistributed earnings of approximately RMB341,548,000 (2020: RMB321,688,000) due to the retention of undistributed earnings by the subsidiaries established in the PRC as determined by the directors of the Company.

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

As at 31 December 2021, deductible temporary differences in respect of tax losses not recognised in these consolidated financial statements were approximately RMB12,665,000 (2020: RMB12,114,000). No deferred tax asset has been recognised in respect of such deductible temporary differences due to the unpredictability of future profit streams. Included in the above are tax losses of approximately RMB12,665,000 (2020: RMB12,114,000) which can only be carried forward for a maximum period of five years.

22. 綜合財務狀況表內之所得稅 (續)

b) 遞延稅項

根據於二零零八年一月一日起生效之中國企業所得稅法，並無於中國成立或設有業務之非駐居企業或於中國成立或設有業務但相關收入並非實際與於中國成立或設有業務相關，則將須就各類被動收入（如源自中國之股息）按10%稅率繳納預扣所得稅。於二零零八年二月二十二日，財政部及國家稅務總局批准財稅(2008)1號，據此於二零零七年十二月三十一日前自外資企業保留溢利作出之股息分派將獲豁免繳納預扣所得稅。

於二零二一年十二月三十一日，本集團有未分派盈利約人民幣341,548,000元（二零二零年：人民幣321,688,000元）之預扣稅有關的未確認遞延稅項負債為約人民幣34,155,000元（二零二零年：人民幣32,169,000元），乃由於本公司董事決定由在中國成立的附屬公司保留未分派盈利所致。

本公司向其股東支付之股息並無附帶本公司之所得稅影響。

於二零二一年十二月三十一日，未於本綜合財務報表確認的稅項虧損的可抵扣暫時差異約為人民幣12,665,000元（二零二零年：人民幣12,114,000元）。由於未來利潤流難以預計，本集團並未就該等可抵扣暫時差異確認遞延稅項資產。上述項目包括稅項虧損約人民幣12,665,000元（二零二零年：人民幣12,114,000元），僅可結轉最多為期五年。

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23. SHARE CAPITAL

Authorised and issued share capital

Ordinary shares of HK\$0.1 each 每股面值0.1港元的普通股

Authorised:

As at 1 January and 31 December 於一月一日及
十二月三十一日

Issued and fully paid:

As at 1 January and 31 December 於一月一日及
十二月三十一日

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at shareholders' meetings of the Company. All ordinary shares rank equally with regard to the Company's residual assets.

23. 股本

法定及已發行股本

2021 and 2020
二零二一年及二零二零年

	Number of shares 股份數目 '000 千股	Amount 金額 HK\$'000 千港元
Authorised:		
As at 1 January and 31 December	4,000,000	400,000
Issued and fully paid:		
As at 1 January and 31 December	840,000	84,000
		(Equivalent to approximately RMB78,073,000) (相等於約人民幣 78,073,000元)

普通股持有人有權收取不時宣派之股息並有權於本公司股東大會上以每股一票投票。全部普通股對本公司剩餘資產而言屬同等。

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24. RESERVES

The reconciliation between the opening and closing balances of each component of the Group's consolidated equity is set out in the consolidated statement of changes in equity. Details of the changes in the Company's individual components of equity between the beginning and the end of the year are set out below:

24. 儲備

本集團的綜合權益各組成部分之年初及年終結餘之對賬載於綜合權益變動表。本公司權益的個別組成部份於年初及年終之間的變動詳情載列如下：

		Attributable to owners of the Company 本公司擁有人應佔						
		Share capital 股本	Share premium 股份溢價	Contributed surplus 繳入盈餘	Translation reserve 匯兌儲備	Share option reserve 購股權儲備	Accumulated losses 累計虧損	Total 總額
		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
		(Note 23) (附註23)	(Note (i)) (附註(i))	(Note (iii)) (附註(iii))	(Note (vi)) (附註(vi))	(Note (vii)) (附註(vii))		
As at 1 January 2020	於二零二零年一月一日	78,073	466,844	372,178	(41,370)	6,640	(274,290)	608,075
Loss for the year	年內虧損	-	-	-	-	-	(10,820)	(10,820)
Other comprehensive loss	其他全面虧損							
- Exchange differences on translation of financial statements to presentation currency	- 換算財務報表至呈列貨幣產生之匯兌差額	-	-	-	(36,454)	-	-	(36,454)
Total comprehensive loss for the year	年內全面虧損總額	-	-	-	(36,454)	-	(10,820)	(47,274)
As at 31 December 2020 and 1 January 2021	於二零二零年十二月三十一日及二零二一年一月一日	78,073	466,844	372,178	(77,824)	6,640	(285,110)	560,801
Loss for the year	年內虧損	-	-	-	-	-	(11,625)	(11,625)
Other comprehensive loss	其他全面虧損							
- Exchange differences on translation of financial statements to presentation currency	- 換算財務報表至呈列貨幣產生之匯兌差額	-	-	-	(15,825)	-	-	(15,825)
Total comprehensive loss for the year	年內全面虧損總額	-	-	-	(15,825)	-	(11,625)	(27,450)
Transfer to accumulated losses upon lapse of share options	於購股權失效後轉撥至累計虧損	-	-	-	-	(224)	224	-
As at 31 December 2021	於二零二一年十二月三十一日	<u>78,073</u>	<u>466,844</u>	<u>372,178</u>	<u>(93,649)</u>	<u>6,416</u>	<u>(296,511)</u>	<u>533,351</u>

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24. RESERVES (Continued)

Share premium and reserves

Notes:

i) Share premium

Under the Companies Act of the Cayman Islands, the share premium of the Company is distributable to the owners of the Company provided that immediately following the date on which the dividend is proposed to be distributed, the Company will be in a position to pay off its debts as they fall due in the ordinary course of business.

ii) Special reserve

The special reserve of the Group represents the difference between the nominal value and share premium of the subsidiaries acquired and the nominal value of the Company's shares issued for the acquisition of these subsidiaries at the time of group reorganisation immediately prior to the listing of the Company's shares on 1 December 2007.

iii) Contributed surplus

The contributed surplus of the Company represents the difference between the nominal value of the ordinary shares issued by the Company and the net assets value of subsidiaries acquired through an exchange of shares pursuant to the group reorganisation.

iv) Enterprise expansion reserve and statutory surplus reserve

Statutory surplus reserve and enterprise expansion reserve are set up by the Company's subsidiaries established in the PRC by way of appropriation from the profit for the year in accordance with the relevant laws and regulations in the PRC. These subsidiaries are required to allocate certain percent of its net profit for the year as reported in their PRC statutory accounts to the statutory surplus reserve and enterprise expansion reserve until such reserves reach 50% of registered capital. These reserves are non-distributable. The statutory surplus reserve can be used to make up prior year losses of these subsidiaries, if any, and can be applied in conversion into capital by means of capitalisation issues. The enterprise expansion reserve is used for expanding the capital base of these subsidiaries by means of capitalisation issue.

24. 儲備(續)

股份溢價及儲備

附註：

i) 股份溢價

根據開曼群島公司法，本公司之股份溢價可分派予本公司擁有人，惟緊隨建議分派股息當日之後，本公司須有能力償還於日常業務過程中到期之債項。

ii) 特別儲備

本集團之特別儲備指所收購附屬公司之面值及股份溢價與緊接本公司股份於二零零七年十二月一日上市前本公司於集團重組時就收購該等附屬公司所發行股份之面值之差額。

iii) 繳入盈餘

本公司之繳入盈餘指本公司已發行普通股之面值與根據集團重組透過換股所收購附屬公司之資產淨值的差額。

iv) 企業擴展儲備及法定盈餘儲備

法定盈餘儲備及企業擴展儲備乃本公司於中國成立之附屬公司根據相關中國法律法規透過分撥年度溢利設立。該等附屬公司必須分配其中國法定賬目中所呈報之若干百分比年度純利至法定盈餘儲備及企業擴展儲備，直至有關儲備達至註冊資本之50%。該等儲備不可分派。法定盈餘儲備可用於彌補過往年度該等附屬公司之虧損(如有)及可以資本化發行之方式轉換為資本。企業擴展儲備將用於以資本化發行之方式擴大該等附屬公司之資本基礎。

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24. RESERVES (Continued)

Share premium and reserves (Continued)

Notes: (Continued)

v) *Translation reserve*

The translation reserve comprises all foreign exchange differences arising from the translation of the financial statements of the entities within the Group whose functional currency is other than RMB. The reserve is dealt with in accordance with the accounting policies set out in note 2(r).

vi) *Share option reserve*

The share option reserve arose upon on the grant of share options of the Company and is dealt with in accordance with the accounting policies set out in note 2(n)(ii).

Distributable reserves of the Company

Under the Companies Act of the Cayman Islands, share premium and contributed surplus are distributable to shareholders, subject to the condition that the Company cannot declare or pay a dividend, or make a distribution out of share premium and contributed surplus if (i) it is, or would after the payment be unable to pay its liabilities as they become due, or (ii) the realisable value of its assets would thereby be less than the aggregate of its liabilities and its share capital account.

As at 31 December 2021, the Company's reserves available for distribution to shareholders amounted to approximately RMB542,511,000 (2020: RMB553,912,000), computed in accordance with the Companies Act of the Cayman Islands and the Company's articles of association. This includes the Company's share premium of approximately RMB466,844,000 (2020: RMB466,844,000) and contributed surplus of approximately RMB372,178,000 (2020: RMB372,178,000), less accumulated losses of approximately RMB296,511,000 (2020: RMB285,110,000), which are available for distribution.

24. 儲備 (續)

股份溢價及儲備 (續)

附註：(續)

v) *匯兌儲備*

匯兌儲備包括換算其功能貨幣非人民幣之本集團實體之財務報表產生之所有外匯差額。本公司根據附註2(r)所載會計政策處理儲備。

vi) *購股權儲備*

購股權儲備乃因授出本公司之購股權而產生，及按附註2(n)(ii)所載會計政策處理。

本公司之可分派儲備

根據開曼群島公司法，股份溢價及繳入盈餘可分派予股東，惟倘本公司支付有關款項後(i)將不能償還到期之債項；或(ii)可變現資產價值將低於負債及股本賬合計之數額，則不得宣派或支付股息，或從股份溢價及繳入盈餘作出分派。

於二零二一年十二月三十一日，根據開曼群島公司法及本公司組織章程細則計算，本公司可供分派予股東之儲備約為人民幣542,511,000元(二零二零年：人民幣553,912,000元)。該數額包括本公司股份溢價約人民幣466,844,000元(二零二零年：人民幣466,844,000元)及繳入盈餘約人民幣372,178,000元(二零二零年：人民幣372,178,000元)減累計虧損約人民幣296,511,000元(二零二零年：人民幣285,110,000元)，可作出分派。

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25. SHARE OPTION SCHEME

The Company's share option scheme (the "Share Option Scheme") was adopted pursuant to a resolution passed on 1 December 2007. The purpose of the Share Option Scheme is to enable the Company to grant options to selected participants as incentives or rewards for their contributions to the Group. Under the Share Option Scheme, the directors of the Company may grant options to the following eligible participants:

- i) any employee (whether full-time or part-time, including any executive director but excluding any non-executive director) of the Company, any of its subsidiaries or any entity ("Invested Entity") in which the Group holds an equity interest;
- ii) any non-executive director (including independent non-executive director) of the Company, any of its subsidiaries or any Invested Entity;
- iii) any supplier of goods or services to any member of the Group or any Invested Entity;
- iv) any customer of the Group or any Invested Entity;
- v) any person or entity that provides research, development or other technological support to the Group or any Invested Entity;
- vi) any shareholder of any member of the Group or any Invested Entity or any holder of any securities issued by any member of the Group or any Invested Entity;
- vii) any advisor (professional or otherwise) or consultant to any area of business or business development of any member of the Group or any Invested Entity; and
- viii) any other group or classes of participants who have contributed or may contribute by way of joint venture, business alliance or other business arrangement to the development and growth of the Group.

25. 購股權計劃

本公司之購股權計劃(「購股權計劃」)乃根據於二零零七年十二月一日通過之決議案獲採納。購股權計劃旨在促使本公司授予經甄選參與者購股權，作為彼等為本集團作出貢獻之獎勵或獎賞。根據購股權計劃，本公司董事可向下列合資格參與者授出購股權：

- i) 本公司、其任何附屬公司或本集團持有其股權之任何實體(「投資實體」)之任何僱員(不論全職或兼職，包括任何執行董事，但不包括任何非執行董事)；
- ii) 本公司、其任何附屬公司或任何投資實體之任何非執行董事(包括獨立非執行董事)；
- iii) 向本集團任何成員公司或任何投資實體提供貨品或服務之任何供應商；
- iv) 本集團或任何投資實體之任何客戶；
- v) 為本集團或任何投資實體提供研究、開發或其他科技支持之任何人士或實體；
- vi) 本集團任何成員公司或任何投資實體之任何股東或由本集團任何成員公司或任何投資實體發行之任何證券之任何持有人；
- vii) 本集團任何成員公司或任何投資實體之任何業務範疇或業務發展之任何諮詢人(不論是否為專業人士)或顧問；及
- viii) 透過合營企業、業務聯盟或對本集團之發展及增長作出其他業務安排而作出或可能作出貢獻之任何其他團體或類別之參與者。

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25. SHARE OPTION SCHEME (Continued)

The total number of shares which may be issued upon exercise of all options to be granted under the Share Option Scheme and any other share option scheme of the Group must not in aggregate exceed 10% of the shares in issue on the day on which trading of the shares commenced on the Main Board of the Stock Exchange (“General Scheme Limit”). The total number of shares available for issue under the Share Option Scheme is 84,000,000 (including those granted but not yet to be exercised), representing 10% of the issued shares of the Company as at 31 December 2021.

The maximum number of shares in respect of which options may be granted under the Share Option Scheme must not in aggregate exceed 30% of the shares of the Company in issue from time to time. The number of shares in respect of which options may be granted to any participant is not permitted to exceed 1% of the shares of the Company in issue during the 12-month period before the date of grant without prior approval from the Company’s shareholders. Any grant of options under the Share Option Scheme to a director, chief executive or substantial shareholder of the Company or any of their respective associates (as defined under the Listing Rules) must be approved by the independent non-executive directors of the Company. In addition, any grant of options to a substantial shareholder or an independent non-executive director or any of their respective associates in excess of 0.1% of the shares of the Company in issue and with an aggregate value (based on the closing price of the Company’s shares at the date of grant) in excess of HK\$5 million within any 12-month period must be approved by shareholders of the Company in general meeting.

Unless otherwise determined by the directors of the Company and stated in the offer of the grant of options to a grantee, there is one year vesting period required under the Share Option Scheme for the holding of an option before it can be exercised.

An offer for the grant of options to a grantee shall be accepted by no later than 21 days from the date of offer. HK\$1 per grant of options is payable on the acceptance of the grant of options. Options may be exercised in accordance with the terms of the Share Option Scheme and expiring in accordance with the terms of the Share Option Scheme or upon the expiry of the tenth anniversary of the Share Option Scheme, whichever is the earlier.

25. 購股權計劃(續)

因行使根據購股權計劃及本集團任何其他購股權計劃所授出之全部購股權而可能發行之股份總數合共不得超過股份開始在聯交所主板買賣當日已發行股份之10%（「一般計劃限額」）。根據購股權計劃可供發行之股份總數為84,000,000股（包括已授出但尚未行使者），佔本公司於二零二一年十二月三十一日之已發行股份10%。

根據購股權計劃可予授出之購股權涉及之股份數目最多合共不超過本公司不時已發行股份總數之30%。未經本公司股東事先批准，任何參與者於授出日期前十二個月期間獲授之購股權所涉及之股份數目不得超過本公司已發行股份1%。根據購股權計劃向本公司董事、最高行政人員或主要股東或彼等各自之任何聯繫人士（定義見上市規則）授出任何購股權，須由本公司之獨立非執行董事批准。此外，於任何十二個月內期間向主要股東或獨立非執行董事或彼等各自之任何聯繫人士授出超過本公司已發行股份0.1%及總值（根據本公司股份於授出日期之收市價計算）超過500萬港元之購股權，須獲得本公司股東在股東大會上批准。

除非本公司董事另行決定及在向承授人提呈授出購股權要約時表明，否則購股權計劃規定在行使前須持有購股權一年之歸屬期限。

向獲授人作出的授出購股權要約須不遲於要約日期後21日內接納。接納獲授之購股權時須就每份購股權支付1港元。購股權可根據購股權計劃之條款行使，並根據購股權計劃之條款或於購股權計劃滿十週年時失效（以較早者為準）。

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25. SHARE OPTION SCHEME (Continued)

The exercise price is determined by the directors of the Company, and shall not be less than the highest of (i) the closing price of the Company's shares as stated in the daily quotations sheets of the Stock Exchange on the date of the offer of grant; (ii) the average closing price of the Company's shares as stated in the daily quotations sheets of the Stock Exchange for the five trading days immediately preceding the date of the offer of grant; and (iii) the nominal value of the Company's share.

a) The terms and conditions of the share options granted to directors and employees are as follows:

		Number of share options granted 授出 購股權數目	Vesting conditions 歸屬條件	Contractual life of options 購股權 合同年期
Granted to directors: – on 11 June 2012	授予董事之購股權： – 二零一二年 六月十一日	5,000,000	one year 一年	10 years 十年
Granted to employees: – on 11 June 2012	授予僱員之購股權： – 二零一二年 六月十一日	30,000,000	one year 一年	10 years 十年
Total number of share options granted	授出購股權總數	<u>35,000,000</u>		

On 11 June 2012, 39,000,000 share options were granted to directors, senior management and employees of the Group under the Company's Share Option Scheme at a consideration of HK\$1 for each offer of which 35,000,000 share options were accepted in July 2012. Each option gives the holder the right to subscribe for one ordinary share of HK\$0.1 each of the Company. These share options vested on 11 June 2013, and will be exercisable until 10 June 2022. The exercise price is HK\$0.83 per share. As at 31 December 2021, the outstanding share options granted and accepted by directors and employees was 31,500,000 (2020: 32,500,000).

1,000,000 (2020: Nil) share options were lapsed during the year ended 31 December 2021.

No share options were exercised during the years ended 31 December 2021 and 2020.

25. 購股權計劃(續)

行使價由本公司董事釐定，而且不得低於(i)授出要約日期聯交所每日報價表所載本公司股份之收市價；(ii)緊接授出要約日期前五個營業日聯交所每日報價表所載本公司股份之平均收市價；及(iii)本公司股份面值(以最高者為準)。

a) 授予董事及僱員購股權之條款及條件如下：

於二零一二年六月十一日，根據本公司之購股權計劃以每份1港元的代價向本集團董事、高級管理人員及僱員授出39,000,000份購股權，其中35,000,000份購股權於二零一二年七月獲接納。每份購股權賦予持有人認購本公司一股每股面值為0.1港元之普通股的權利。該等購股權已於二零一三年六月十一日歸屬，並可於二零二二年六月十日之前行使。行使價為每股0.83港元。於二零二一年十二月三十一日，已授出且董事及僱員已接納之尚未行使購股權為31,500,000份(二零二零年：32,500,000份)。

於截至二零二一年十二月三十一日止年度，已有1,000,000份購股權失效(二零二零年：無)。

截至二零二一年及二零二零年十二月三十一日止年度，概無購股權獲行使。

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25. SHARE OPTION SCHEME (Continued)

- b) The number and weighted average exercise price of share options granted and accepted by directors and employees are as follows:

		2021 二零二一年		2020 二零二零年	
		Weighted average exercise price 加權平均 行使價	Number of share options 購股權數目	Weighted average exercise price 加權平均 行使價	Number of share options 購股權數目
Outstanding at beginning of the year	年初尚未行使	HK\$0.83 港元	32,500,000	HK\$0.83 港元	32,500,000
Lapsed during the year	年內失效	HK\$0.83 港元	(1,000,000)	-	-
Outstanding at end of the year	年終尚未行使	HK\$0.83 港元	<u>31,500,000</u>	HK\$0.83 港元	<u>32,500,000</u>
Exercisable at end of the year	年終可予行使	HK\$0.83 港元	<u>31,500,000</u>	HK\$0.83 港元	<u>32,500,000</u>

The options outstanding as at 31 December 2021 had an exercise price of HK\$0.83 (2020: HK\$0.83) and had a weighted average remaining contractual life of 0.441 years (2020: 1.441 years).

25. 購股權計劃(續)

- b) 已授出且董事及僱員已接納之購股權數目及加權平均行使價如下：

於二零二一年十二月三十一日尚未行使購股權之行使價為0.83港元(二零二零年：0.83港元)，加權平均剩餘合同年限為0.441年(二零二零年：1.441年)。

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25. SHARE OPTION SCHEME (Continued)

c) Fair value of share options and assumptions

The fair value of services received in return for share options granted is measured by reference to the fair value of share options granted. The estimate of the fair value of the share options granted is measured based on the Binomial Option Pricing Model. The contractual life of the share option is used as an input into this model.

Fair value of share options and assumptions

Fair value at measurement date

Share price

Exercise price

Expected volatility (expressed as weighted average volatility used in the modeling under the Binomial Option Pricing Model)

Option life (expressed as weighted average life used in the modeling under the Binomial Option Pricing Model)

Expected dividends

Risk-free interest rate
(based on Exchange Fund Notes)

The expected volatility is based on the historic volatility (calculated based on the weighted average remaining life of the share options), adjusted for any expected changes to future volatility based on publicly available information. Expected dividends are based on historical dividends. Changes in the subjective input assumptions could materially affect the fair value estimate.

There were one year vesting period from the date of grant associated with the share options granted.

25. 購股權計劃(續)

c) 購股權之公平值及假設

以授出購股權而獲得之服務之公平值按獲授購股權之公平值計量。獲授購股權之估計公平值按「二項式期權定價模式」計算。購股權之合同年期為此模式之一項輸入參數。

Share options granted on 11 June 2021 二零二一年六月十一日授出之購股權

購股權之公平值及假設

於計量日期之公平值

股價

行使價

預期波幅(以「二項式期權定價模式」內採用的加權平均波幅表示)

購股權年期(以「二項式期權定價模式」內採用的加權平均年期表示)

預期股息

無風險利率
(根據外匯基金票據)

HK\$0.25港元
至
HK\$0.27港元
HK\$0.83港元
HK\$0.83港元

54%

10 years
十年

4.82%

1.13%

預期波幅乃根據歷史波幅計算(以購股權之加權平均剩餘年期計算),再基於可公開取得的資料就未來波幅之預期變動調整。預期股息乃根據過往股息釐定。所採用主觀輸入參數假設之變動可對公平值之估計構成重大影響。

已授出之購股權附帶自授出日期起一年歸屬期限。

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26. SEGMENT REPORTING

The Group manages its business by divisions and all those divisions are located in the PRC. In a manner consistent with the way in which information is reported internally to the Group's CODM for the purposes of resources allocation and performance assessment, the Group's operating and reportable segments under HKFRS 8, *Operating segments* are organised into two main operating segments including (i) EP products and equipment, and (ii) EP construction engineering services. No other operating segments identified by the CODM have been aggregated in arriving at the reportable segments of the Group.

a) Segment revenue, profit or loss, assets and liabilities

For the purposes of assessing segment performance and allocating resources between segments, the Group's CODM monitors the results, assets and liabilities attributable to each reportable segment on the following basis:

Segment assets include all tangible and intangible assets, and current assets with the exception of unallocated cash and bank balances, investments in financial assets and other corporate assets. Segment liabilities include trade and other payables attributable to individual segments.

Revenue and expenses are allocated to the reportable segments with reference to sales generated and services rendered by those segments and the expenses incurred by those segments or which otherwise arise from the depreciation or amortisation of assets attributable to those segments. Inter-segment assistance provided by one segment to another is not measured.

The measure used for reporting segment profit/(loss) is "adjusted EBITDA" that is, "adjusted earnings before interest, taxes, depreciation and amortisation", where "interest" is regarded as including investment income and "depreciation and amortisation" is regarded as including impairment losses on non-current assets. To arrive at adjusted EBITDA, the Group's loss are further adjusted for items not specifically attributed to individual segments, such as directors' emoluments, auditor's remuneration and other corporate administration costs.

In addition to receiving segment information concerning adjusted EBITDA, the Group's CODM is provided with segment information concerning revenue, depreciation, amortisation and impairment losses and additions to non-current segment assets used by the segments in their operations. Inter-segment sales are priced with reference to prices charged to external parties for similar orders.

26. 分部報告

本集團按部門劃分管理其業務，所有該等部門均位於中國。為了與就資源分配及表現評估向本集團首席營運決策人內部呈報之資料方式一致，香港財務報告準則第8號營運分部項下本集團的營運及可呈報分部劃分為兩個主要營運分部，包括(i)環保產品及設備，及(ii)環保建設工程服務。於釐定本集團可呈報分部時，概無將首席營運決策人所識別之其他營運分部合併。

a) 分部收入、溢利或虧損、資產及負債

就評估分部表現及分部間分配資源而言，本集團之首席營運決策人按以下基準監察各可呈報分部之業績、資產及負債：

分部資產包括所有有形、無形及流動資產（未分配現金及銀行結餘、金融資產及其他企業資產之投資除外）。分部負債包括個別分部應佔的應付貿易及其他款項。

收益及支出乃經參考該等分部產生之銷售額及提供之服務，以及所產生之支出或該等分部應佔之資產折舊或攤銷產生之支出分配予該等可呈報分部。分部間提供之支持不計算在內。

用於呈報分部溢利／（虧損）的方法為「經調整EBITDA」，即「經調整之未計利息、稅項、折舊及攤銷前的盈利」，其中「利息」包括投資收入，而「折舊及攤銷」包括非流動資產之減值虧損。為達至經調整EBITDA，本集團之虧損乃對並未指定屬於個別分部之項目作出進一步調整，如董事薪酬及核數師之酬金及其他公司行政成本。

除收到有關經調整EBITDA之分部資料外，本集團之首席營運決策人獲提供用於各分部營運有關收入、折舊、攤銷及減值虧損以及非流動分部資產添置之分部資料。分部間銷售乃經參考就類似訂單向外部人士收取之價格而進行定價。

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26. SEGMENT REPORTING (Continued)

a) Segment revenue, profit or loss, assets and liabilities (Continued)

Information regarding the Group's reportable segments as provided to the Group's CODM for the purposes of resources allocation and assessment of segment performance for the years ended 31 December 2021 and 2020 is set out below:

		EP products and equipment 環保產品及設備		EP construction engineering services 環保建設工程服務		Total 總計	
		2021 二零二一年 RMB'000 人民幣千元	2020 二零二零年 RMB'000 人民幣千元	2021 二零二一年 RMB'000 人民幣千元	2020 二零二零年 RMB'000 人民幣千元	2021 二零二一年 RMB'000 人民幣千元	2020 二零二零年 RMB'000 人民幣千元
Reportable segment revenue from external customers	來自外部客戶之可呈報分部收入	37,013	38,914	1,145	474	38,158	39,388
Inter-segment revenue	分部間收入	-	-	-	-	-	-
Reportable segment revenue	可呈報分部收入	37,013	38,914	1,145	474	38,158	39,388
Reportable segment profit/(loss) (adjusted EBITDA)	可呈報分部溢利/(虧損) (經調整EBITDA)	24,221	(12,985)	233	14	24,454	(12,971)
Depreciation of property, plant and equipment	物業、廠房及設備之折舊	(481)	(486)	-	-	(481)	(486)
Net impairment loss reversed/ (recognised) on:	已撥回/(已確認)減值虧損淨額:						
- trade receivables	- 應收貿易款項	21,790	(11,962)	-	-	21,790	(11,962)
- contract assets	- 合同資產	248	733	-	-	248	733
- prepayments	- 預付款	-	(2,879)	-	-	-	(2,879)
Reportable segment assets	可呈報分部資產	6,521	42,648	135	2	6,656	42,650
Reportable segment liabilities	可呈報分部負債	8,273	47,016	8,906	8,840	17,179	55,856

Note:

There were no additions to non-current assets to both reportable segments during the years ended 31 December 2021 and 2020.

26. 分部報告 (續)

a) 分部收入、溢利或虧損、資產及負債 (續)

截至二零二一年及二零二零年十二月三十一日止年度，就資源分配及分部表現評估而向本集團首席營運決策人提供之本集團可呈報分部資料載列如下：

附註：

於截至二零二一年及二零二零年十二月三十一日止年度，兩個可呈報分部均無添置非流動資產。

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26. SEGMENT REPORTING (Continued)

b) Reconciliations of reportable segment revenue, profit or loss, assets and liabilities

Revenue

Reportable segment revenue
Elimination of inter-segment revenue

Consolidated revenue

Profit/(Loss)

Reportable segment profit/(loss) derived from external customers
Depreciation of property, plant and equipment
Depreciation of right-of-use assets
Finance costs
Unallocated income
Unallocated head office and corporate expenses

Consolidated profit/(loss) before taxation

Assets

Reportable segment assets
Unallocated cash and bank balances
Unallocated head office and corporate assets

Consolidated total assets

Liabilities

Reportable segment liabilities
Corporate bonds
Tax payable
Amount due to a related company
Unallocated head office and corporate liabilities

Consolidated total liabilities

收入

可呈報分部收入
撇銷分部間收入

綜合收入

溢利／(虧損)

源自外部客戶的可呈報分部溢利／(虧損)
物業、廠房及設備之折舊
使用權資產之折舊
融資成本
未分配收益
未分配總部及企業開支

除稅前綜合溢利／(虧損)

資產

可呈報分部資產
未分配現金及銀行結餘
未分配總部及企業資產

綜合總資產

負債

可呈報分部負債
公司債券
應付稅項
應付一間關聯公司款項
未分配總部及企業負債

綜合總負債

26. 分部報告(續)

b) 可呈報分部收入、溢利或虧損、資產及負債之對賬

	2021 二零二一年 RMB'000 人民幣千元	2020 二零二零年 RMB'000 人民幣千元
	38,158	39,388
	-	-
	38,158	39,388
	24,454	(12,971)
	(530)	(692)
	(729)	(1,289)
	(2,869)	(3,077)
	4,358	4,412
	(16,384)	(15,730)
	8,300	(29,347)
	6,656	42,650
	1,222,063	1,219,778
	1,341	2,594
	1,230,060	1,265,022
	17,179	55,856
	44,284	45,563
	-	2,521
	35,010	24,503
	3,970	17,491
	100,443	145,934

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26. SEGMENT REPORTING (Continued)

c) Information about major customers

Revenue from external customers individually contributing 10% or more of the Group's total revenue is as follows:

Customer A	客戶甲
Customer B	客戶乙
Customer C	客戶丙
Customer D	客戶丁

Revenue from the above customers during the years ended 31 December 2021 and 2020 are generated from both EP products and equipment segment and EP construction engineering services segment.

d) Geographical information

(i) Revenue from external customers

The following table sets out information about the geographical location of the Group's revenue from external customers. The geographical location of customers is based on the location at which the services were provided or the goods were delivered.

The PRC (place of domicile)	中國(註冊地)
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26. 分部報告(續)

c) 有關主要客戶之資料

來自個別對外客戶之收入佔本集團總收入10%或以上如下：

2021 二零二一年 RMB'000 人民幣千元	2020 二零二零年 RMB'000 人民幣千元
19,857	-
18,301	-
-	23,717
-	15,671

截至二零二一年及二零二零年十二月三十一日止年度，來自上述客戶的收入乃從環保產品及設備分部以及環保建設工程服務分部而來。

d) 地理資料

(i) 來自外部客戶之收入

下表載列有關本集團來自外部客戶之收入的所在地區之資料。客戶所在地區按提供服務或貨品付運地點劃分。

2021 二零二一年 RMB'000 人民幣千元	2020 二零二零年 RMB'000 人民幣千元
38,158	39,388

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26. SEGMENT REPORTING (Continued)

d) Geographical information (Continued)

(ii) Specified non-current assets

The Group's specified non-current assets comprise property, plant and equipment, and right-of-use assets.

The geographical location of these specified non-current assets is based on the physical location of the assets, in the case of property, plant and equipment, and right-of-use assets.

The following table sets out information about the geographical location of the specified non-current assets.

The PRC (place of domicile)	中國(註冊地)
Hong Kong	香港

26. 分部報告(續)

d) 地理資料(續)

(ii) 指定非流動資產

本集團之指定非流動資產，包括物業、廠房及設備以及使用權資產。

該等指定非流動資產的所在地區乃根據(就物業、廠房及設備以及使用權資產而言)資產的實際所在地而定。

下表載列有關指定非流動資產的所在地區之資料。

	2021 二零二一年 RMB'000 人民幣千元	2020 二零二零年 RMB'000 人民幣千元
	427	1,488
	1,114	1,931
	1,541	3,419

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27. MATERIAL RELATED PARTY TRANSACTIONS

Other than those disclosed in the consolidated statement of financial position and other notes to the consolidated financial statements:

a) Transactions with related parties

Corporate bonds:		公司債券：	
- Mr. Jiang Xin	Director of the Company	- 蔣鑫先生	本公司董事
- Mr. Jiang Quanlong	Father of Mr. Jiang Xin, a director of the Company	- 蔣泉龍先生	本公司董事 蔣鑫先生之父親

The directors of the Company are of the opinion that the above transactions were entered into under normal course of business and in accordance with the terms of the agreements governing these transactions.

b) Transactions with key management personnel

Remuneration for key management personnel of the Group representing the amounts paid to the Company's directors as disclosed in note 10 and the highest paid employees and senior management as disclosed in note 11 is as follows:

Short-term employee benefits	短期僱員福利
Post-employment benefits	離職福利

27. 重大有關連人士交易

綜合財務狀況表披露之外及綜合財務報表的其他附註：

a) 與有關連人士交易

Amounts owed by the Group to related parties 本集團應付有關連人士的款項		Related interest expenses 相關利息開支	
As at 31 December 於十二月三十一日		Year ended 31 December 截至十二月三十一日止年度	
2021 二零二一年 RMB'000 人民幣千元	2020 二零二零年 RMB'000 人民幣千元	2021 二零二一年 RMB'000 人民幣千元	2020 二零二零年 RMB'000 人民幣千元
8,664	8,940	545	573
8,664	8,940	545	573

本公司董事認為上述交易是在日常業務過程中且根據規管該等交易之協議條款訂立。

b) 與主要管理層人員交易

本集團主要管理人員之薪酬（即附註10所披露之付予本公司董事及附註11所披露之最高酬金僱員及高級管理人員之金額）載列如下：

2021 二零二一年 RMB'000 人民幣千元	2020 二零二零年 RMB'000 人民幣千元
2,126	2,198
28	17
2,154	2,215

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28. COMMITMENTS

As at 31 December 2021 and 2020, the Group did not have significant capital commitment in respect of acquisition and construction of property, plant and equipment contracted but not provided for.

29. CAPITAL MANAGEMENT

The Group's primary objectives when managing capital are to safeguard the Group's ability to continue as a going concern, and to generate sufficient profit to maintain growth and provide a satisfactory return to its shareholders.

The management actively and regularly reviews and manages its capital structure to maintain a balance between the higher shareholder returns that might be possible with higher levels of borrowings and the advantages and security afforded by a sound capital position, and makes adjustments to the capital structure through the amount of dividend payment to shareholders or raise new debt financing. No changes were made in the objectives or policies during the year.

The management monitors the Group's capital structure on the basis of a net debt-to-equity ratio. For this purpose, the Group defines net debt as total debt (which includes trade and other payables, lease liabilities and corporate bonds) minus cash and bank balances.

There was no net debt for the Group as at 31 December 2021 and 2020.

Neither the Company nor any of its subsidiaries are subject to externally imposed capital requirements.

28. 承擔

於二零二一年及二零二零年十二月三十一日，本集團並無就收購及建造物業、廠房及設備已訂約但未於財務報表作出撥備之重大資本承擔。

29. 資本管理

本集團管理資本之首要目標乃保障本集團能夠繼續根據持續經營基準經營，以及產生足夠盈利以維持增長，及為股東賺取滿意之回報。

管理層積極及定期對資本架構進行檢討及管理，以在較高股東回報情況下可能伴隨之較高借貸水平與穩健之資本狀況帶來之好處及保障之間取得平衡，並透過對股東派發股息或進行新債務融資就資本架構作出調整。年內，概無就該等目標或政策作出任何變動。

管理層按債權比率淨值基準監察本集團之資本結構。為此，本集團界定債務淨額為債務總額（包括應付貿易及其他款項、租賃負債以及公司債券）減現金及銀行結餘。

本集團於二零二一年及二零二零年十二月三十一日概無債務淨額。

本公司或任何其附屬公司概無受外部實施之資本規定限制。

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30. FINANCIAL INSTRUMENTS BY CATEGORIES

The carrying amounts of each of the categories of financial instruments at the end of each reporting period are as follows:

Financial assets	金融資產
Trade receivables	應收貿易款項
Other receivables	其他應收款項
Contract assets	合同資產
Cash and bank balances	現金及銀行結餘
Financial assets measured at amortised cost	按攤銷成本計量的金融資產
Financial liabilities	金融負債
Trade and other payables	應付貿易及其他款項
Corporate bonds	公司債券
Lease liabilities	租賃負債
Financial liabilities measured at amortised cost	按攤銷成本計量的金融負債

30. 金融工具分類

於各報告期末，各類金融工具的賬面值如下：

2021 二零二一年 RMB'000 人民幣千元	2020 二零二零年 RMB'000 人民幣千元
2,463	36,262
-	108
3,766	5,137
1,222,063	1,219,778
1,228,292	1,261,285
55,084	86,931
44,284	45,563
1,075	1,840
100,443	134,334

31. FINANCIAL RISK MANAGEMENT AND FAIR VALUE OF FINANCIAL INSTRUMENTS

The risks associated with the financial instruments include credit risk, interest rate risk, liquidity risk and currency risk arises in the normal course of the Group's business. The Group's exposure to these risks and the financial risk management policies and practices used by the Group to manage these risks are described below.

a) Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in a financial loss to the Group. The Group's credit risk is primarily attributable to trade and other receivables, and bank balances. Management has a credit policy in place and the exposures to these credit risks are monitored on an ongoing basis.

31. 金融風險管理及金融工具之公平值

與該等金融工具有關之風險包括本集團日常業務過程中產生的信貸風險、利率風險、流動資金風險及貨幣風險。本集團所面對之風險及本集團用以管理該等風險的財務風險管理政策及慣例載列如下。

a) 信貸風險

信貸風險指對手方將違反合同責任以致本集團蒙受財務虧損。本集團之信貸風險主要來自應收貿易及其他款項以及銀行結餘。管理層已制定信貸政策，並持續監察該等信貸風險。

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31. FINANCIAL RISK MANAGEMENT AND FAIR VALUE OF FINANCIAL INSTRUMENTS (Continued)

a) Credit risk (Continued)

Maximum exposure and year-end staging

The tables below show the credit quality and the maximum exposure to credit risk based on the Group's credit policy, which is mainly based on past due information unless other information is available without undue cost or effort, and year-end staging classification as at 31 December.

The amounts presented are gross carrying amounts for financial assets and the exposure to credit risk for the financial guarantee contracts.

As at 31 December 2021

Trade receivables	應收貿易款項
Contract assets	合同資產
Bank balances	銀行結餘

12-month ECLs 12個月 預期信貸虧損	Lifetime ECLs 存續期的預期信貸虧損			Simplified approach 簡化方式 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
	Stage 1 第一階段 RMB'000 人民幣千元	Stage 2 第二階段 RMB'000 人民幣千元	Stage 3 第三階段 RMB'000 人民幣千元		
-	-	-	2,612	2,612	
-	-	-	4,313	4,313	
1,222,060	-	-	-	1,222,060	
1,222,060	-	-	6,925	1,228,985	

As at 31 December 2020

Trade receivables	應收貿易款項
Contract assets	合同資產
Other receivables	其他應收款項
Bank balances	銀行結餘

12-month ECLs 12個月 預期信貸虧損	Lifetime ECLs 存續期的預期信貸虧損			Simplified approach 簡化方式 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
	Stage 1 第一階段 RMB'000 人民幣千元	Stage 2 第二階段 RMB'000 人民幣千元	Stage 3 第三階段 RMB'000 人民幣千元		
-	-	-	58,201	58,201	
-	-	-	5,932	5,932	
108	-	-	-	108	
1,219,771	-	-	-	1,219,771	
1,219,879	-	-	64,133	1,284,012	

31. 金融風險管理及金融工具之公平值(續)

a) 信貸風險(續)

最高信貸風險承擔及年終分階

下表列示基於本集團信貸政策的信貸質素及最高信貸風險承擔，此乃主要根據逾期資料(除非其他資料毋須花費不當成本或精力即可獲得)及於十二月三十一日的年終分階類別得出。

所呈列的金額為金融資產的總賬面值及財務擔保合同的信貸風險承擔。

於二零二一年十二月三十一日

於二零二零年十二月三十一日

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31. FINANCIAL RISK MANAGEMENT AND FAIR VALUE OF FINANCIAL INSTRUMENTS (Continued)

a) Credit risk (Continued)

i) Trade receivables

In respect of trade receivables, individual credit evaluations are performed on all customers requiring credit over a certain amount. These evaluations focus on the customer's past history of making payments when due and current ability to pay, and take into account information specific to the customer as well as pertaining to the economic environment in which the customer operates. The Group generally allows credit period ranging from 0 to 180 days to its trade customers. Normally, the Group does not obtain collateral from its customers.

In respect of trade receivables, the Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. Taking into account the creditworthiness of the Group's customers, the credit risk measures and the historical levels of the bad debts, the directors of the Company consider that such concentration of credit risk would result in significant credit default exposure to the Group. At the end of the reporting period, 0% (2020: 49%) and 100% (2020: 49%) of trade receivables were due from the Group's largest customer and the five largest customers, respectively, arising from EP products and equipment segment.

The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the consolidated statement of financial position after deducting any impairment loss.

As at 31 December 2021 and 2020, the Group did not provide any guarantees which would expose the Group to credit risk.

31. 金融風險管理及金融工具之公平值(續)

a) 信貸風險(續)

i) 應收貿易款項

就應收貿易款項而言，本集團對要求一定金額以上信貸之所有客戶個別進行信貸評估。該等評估主要根據客戶之歷史如期付款記錄及現時之償付能力，並考慮客戶特定資料及其所處之經濟環境。本集團一般給予貿易客戶0至180日的信貸期。在一般情況下，本集團不會自客戶獲取抵押品。

就應收貿易款項而言，本集團之信貸風險主要受每個客戶之個別情況所影響。考慮到本集團客戶之信譽、信貸風險措施及過往之壞賬水平，本公司董事認為，此種集中信貸風險會對本集團構成重大信貸拖欠風險。於報告期末，來自環保產品及設備分部之本集團最大客戶及五大客戶分別佔應收貿易款項0%（二零二零年：49%）及100%（二零二零年：49%）。

最高信貸風險指扣除任何減值虧損後綜合財務狀況表中各項金融資產的賬面值。

於二零二一年及二零二零年十二月三十一日，本集團並無提供任何可能導致本集團面臨信貸風險的擔保。

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31. FINANCIAL RISK MANAGEMENT AND FAIR VALUE OF FINANCIAL INSTRUMENTS (Continued)

a) Credit risk (Continued)

i) Trade receivables (Continued)

The Group reassesses lifetime ECLs for trade receivables under HKFRS 9 to ensure that adequate impairment losses are made for significant increase in the likelihood or risk of a default occurring. The ECLs on trade receivables are assessed for debtors individually or collectively using a provision matrix. As part of the Group's credit risk management, the Group uses debtors' ageing to assess with the impairment loss because these customers consist of a large number of customers which share common risk characteristics that are representative of the customers' abilities to pay all amounts due in accordance with the contractual terms. The estimated loss rates are estimated on historical observed default rates over the expected life of the debtors and are adjusted forward-looking information that is available without undue cost or effort.

The following table provides information about the Group's exposure to credit risk and ECLs for trade receivables as at 31 December 2021 and 2020:

Less than 6 months past due	逾期少於6個月
Total	總計

31. 金融風險管理及金融工具之公平值(續)

a) 信貸風險(續)

i) 應收貿易款項(續)

本集團根據香港財務報告準則第9號重新評估應收貿易款項的存續期的預期信貸虧損，以確保就違約發生的可能性或風險大幅增加計提足夠的減值虧損。應收貿易款項的預期信貸虧損乃運用撥備矩陣就債務人進行個別或共同評估。作為本集團信貸風險管理的一環，本集團透過債務人的賬齡評估減值虧損，此乃由於該等客戶包括大量具共同風險特徵的客戶，而該等風險特徵代表客戶根據合同條款悉數支付逾期款項的能力。估計虧損率乃按債務人預期年期的過往觀察所得違約率估計，並按毋須付出過多成本或努力即可獲得的前瞻性資料作出調整。

下表提供於二零二一年及二零二零年十二月三十一日有關本集團信貸風險及應收貿易款項之預期信貸虧損的資料：

31 December 2021 二零二一年十二月三十一日		
Expected loss rate 預期虧損率	Gross carrying amount 總賬面值 RMB'000 人民幣千元	Impairment loss allowances 減值虧損撥備 RMB'000 人民幣千元
5.71%	2,612	149
	2,612	149

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31. FINANCIAL RISK MANAGEMENT AND FAIR VALUE OF FINANCIAL INSTRUMENTS (Continued)

a) Credit risk (Continued)

i) Trade receivables (Continued)

		31 December 2020 二零二零年十二月三十一日		
		Expected loss rate 預期虧損率	Gross carrying amount 總賬面值 RMB'000 人民幣千元	Impairment loss allowances 減值虧損撥備 RMB'000 人民幣千元
Current (not yet past due)	即期(未逾期)	2.28%	2,083	48
Less than 6 months past due	逾期少於6個月	9.96%	5,843	582
More than 6 months but less than 1 year past due	逾期6個月以上但少於1年	16.18%	20,463	3,311
Over 1 year past due but less than 2 years past due	逾期1年以上但少於2年	56.31%	27,042	15,228
Over 2 years past due	逾期2年以上	100%	2,770	2,770
Total	總計		58,201	21,939

Expected loss rates are based on actual loss experience over the past 2 years. These rates are adjusted to reflect differences between economic conditions during the period over which the historical data has been collected, current conditions and the Group's view of economic conditions over the expected lives of the receivables.

Further quantitative disclosures in respect of the Group's exposure to credit risk arising from trade receivables are set out in note 17.

ii) Bank balances

The Group mitigates its exposure to credit risk by placing deposits with financial institutions with established credit rating. Given the high credit ratings of the banks, the management does not expect any counterparty to fail to meet its obligations.

31. 金融風險管理及金融工具之公平值(續)

a) 信貸風險(續)

i) 應收貿易款項(續)

		31 December 2020 二零二零年十二月三十一日		
		Expected loss rate 預期虧損率	Gross carrying amount 總賬面值 RMB'000 人民幣千元	Impairment loss allowances 減值虧損撥備 RMB'000 人民幣千元
Current (not yet past due)	即期(未逾期)	2.28%	2,083	48
Less than 6 months past due	逾期少於6個月	9.96%	5,843	582
More than 6 months but less than 1 year past due	逾期6個月以上但少於1年	16.18%	20,463	3,311
Over 1 year past due but less than 2 years past due	逾期1年以上但少於2年	56.31%	27,042	15,228
Over 2 years past due	逾期2年以上	100%	2,770	2,770
Total	總計		58,201	21,939

預期虧損率按過往2年的實際虧損經驗計算。此等比率乃為反映期內(過往數據已在期間收集)經濟狀況差異、當前狀況及本集團對應收款項預期存續期的經濟狀況之意見而加以調整。

有關本集團面臨之應收貿易款項產生之信貸風險之進一步定量披露載於附註17。

ii) 銀行結餘

本集團於信貸評級良好的金融機構存款以降低其信貸風險。鑒於銀行信貸評級良好，管理層預期不會出現對手方未能履行責任之情況。

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31. FINANCIAL RISK MANAGEMENT AND FAIR VALUE OF FINANCIAL INSTRUMENTS (Continued)

b) Interest rate risk

The Group is exposed to fair value interest rate risk in relation to corporate bonds with fixed interest rate (see note 21). The management monitors interest rate exposure and will consider repayment of the corporate bonds when significant interest rate exposure is anticipated.

The Group's cash flow interest rate risk relates primarily to variable-rates of bank balances.

The Group does not anticipate significant interest rate risk because the interest rates of these balances are not expected to change significantly.

i) Interest rate profile

The following table details the interest rate profile of the Group's variable-rate bank balances at the end of the reporting period:

Bank balances

銀行結餘

31. 金融風險管理及金融工具之公平值(續)

b) 利率風險

本集團面臨有關固定利率公司債券(見附註21)的公平值利率風險。管理層監控利率風險並將於預期面臨重大利率風險時考慮償還公司債券。

本集團之現金流量利率風險主要與銀行結餘之浮動利率有關。

本集團並無預期重大利率風險，因為該等結餘的利率預計無重大變化。

i) 利率概況

下表詳述本集團的銀行結餘之浮動利率於報告期末的利率概況：

2021 二零二一年		2020 二零二零年	
Effective interest rate 實際利率	RMB'000 人民幣千元	Effective interest rate 實際利率	RMB'000 人民幣千元
0%-0.3%	1,222,060	0%-0.3%	1,219,771

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31. FINANCIAL RISK MANAGEMENT AND FAIR VALUE OF FINANCIAL INSTRUMENTS (Continued)

b) Interest rate risk (Continued)

ii) Sensitivity analysis

At 31 December 2021, it is estimated that a general increase/decrease of 100 basis points in interest rates, with all other variables held constant, would increase/decrease the Group's profit after tax and increase/decrease the Group's retained profits by approximately RMB9,164,000 (2020: decrease/increase the Group's loss after tax and increase/decrease the Group's retained profit by RMB9,148,000). Other components of equity would not be affected by the changes in interest rates.

The sensitivity analysis above has been determined assuming that the change in interest rates had occurred at the end of the reporting period and had been applied to the exposure to interest rate risk for non-derivative financial instruments in existence at that date. The 100 basis point increase or decrease represents management's assessment of a reasonably possible change in interest rates over the period until the end of the next reporting period. The analysis is performed on the same basis for year 2020.

31. 金融風險管理及金融工具之公平值(續)

b) 利率風險(續)

ii) 敏感度分析

於二零二一年十二月三十一日，據估計，在所有其他變數維持不變之情況下，利率普遍上升／下降100個基點將令本集團之除稅後溢利增加／減少及本集團之保留溢利增加／減少約人民幣9,164,000元（二零二零年：令本集團之除稅後虧損減少／增加及本集團之保留溢利增加／減少人民幣9,148,000元）。權益之其他部分將不會受利率變動之影響。

上述敏感度分析乃假設利率變動已於報告期末發生，並已應用於該日期存在之非衍生金融工具須承受之利率風險。100個基點之增幅或跌幅為管理層就直至下個報告期末期間利率之合理可能變動所作之評估。二零二零年的分析是以相同的基準進行。

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31. FINANCIAL RISK MANAGEMENT AND FAIR VALUE OF FINANCIAL INSTRUMENTS (Continued)

c) Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset as they fall due. The Group's policy is to regularly monitor current and expected liquidity requirements and its compliance with lending covenants and to ensure that it maintains sufficient reserves of cash and adequate committed lines of funding from banks to meet its liquidity requirements in the short and longer term.

The following table details the remaining contractual maturities at the end of the reporting period of the Group's non-derivative financial liabilities, which are based on contractual undiscounted cash flows (including interest payments computed using contractual rates or, if floating, based on rates current at the end of the reporting period) and the earliest date the Group can be required to pay.

31. 金融風險管理及金融工具之公平值(續)

c) 流動資金風險

流動資金風險乃指本集團於履行有關以現金交付方式或其他金融資產結算到期之金融負債義務時遇到困難的風險。本集團之政策為定期監控現時及預期之流動資金需求及其遵守借款契約之情況，以確保本集團維持充裕現金儲備及獲往來銀行承諾提供足夠資金，以應付其短期及較長期之流動資金需求。

下表為詳列本集團之非衍生金融負債於報告期末之餘下合同期限。此乃基於合同所定未貼現現金流量(包括根據合同利率(或倘為浮動利率，則基於報告期末的現行利率)計算之利息付款)及本集團可能須付款之最早日期計算。

		2021 二零二一年				
		Contractual undiscounted cash flow 合同所定未貼現現金流				
		Within one year or on demand	More than one year but less than two years	More than two years but less than five years	Over five years	Total
		一年內或 按要求償還	超過一年但 少於兩年	超過兩年但 少於五年	超過五年	總額
		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
Non-derivative financial liabilities	非衍生金融負債					
Trade and other payables	應付貿易及其他款項	55,084	55,084	-	-	55,084
Corporate bonds	公司債券	44,284	47,553	1,162	5,016	59,033
Lease liabilities	租賃負債	1,075	808	337	-	1,145
		100,443	103,445	1,499	5,016	115,262

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31. FINANCIAL RISK MANAGEMENT AND FAIR VALUE OF FINANCIAL INSTRUMENTS (Continued)

31. 金融風險管理及金融工具之公平值(續)

c) Liquidity risk (Continued)

c) 流動資金風險(續)

		2020 二零二零年					
		Contractual undiscounted cash flow 合同所定未貼現現金流量					
		Within one year or on demand	More than one year but less than two years	More than two years but less than five years	More than five years	Over five years	Total
Carrying amount		一年內或 按 要求償還	超過一年但 少於兩年	超過兩年但 少於五年	超過五年	超過五年	總額
賬面值		按 要求償還	少於兩年	少於五年	超過五年	超過五年	總額
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
Non-derivative financial liabilities	非衍生金融負債						
Trade and other payables	應付貿易及其他款項	86,931	86,931	-	-	-	86,931
Corporate bonds	公司債券	45,563	45,651	993	1,936	-	48,580
Lease liabilities	租賃負債	1,840	808	808	337	-	1,953
		<u>134,334</u>	<u>133,390</u>	<u>1,801</u>	<u>2,273</u>	<u>-</u>	<u>137,464</u>

d) Currency risk

The Group's PRC subsidiaries transact in RMB, and the Company and other subsidiaries mainly transact in HK\$. Management considers the Group's exposure to currency risk is not significant.

d) 貨幣風險

本集團的中國附屬公司以人民幣進行交易，而本公司及其他附屬公司則主要以港元進行交易。故管理層認為，本集團所面臨的貨幣風險並不重大。

e) Estimation of fair values

Financial assets and financial liabilities

For financial assets and financial liabilities that are liquid or having a short-term maturity, it is assumed that the carrying amounts approximate their fair values. The assumption is applied to trade receivables, other receivables, trade and other payables, and bank balances without a specific maturity. For other financial instruments (including corporate bonds), the fair values are determined in accordance with generally accepted pricing models based on discounted cash flow analysis.

e) 公平值估計

金融資產及金融負債

流動性或到期日短之金融資產及金融負債乃假設其賬面值與公平值相若。該假設適用於無特定到期日之應收貿易款項、其他應收款項、應付貿易及其他款項及銀行結餘。至於其他金融工具(包括公司債券)，其公平值乃根據公認定價模型釐定並以貼現現金流量分析為基準。

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32. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

a) Key sources of estimation uncertainty

In the application of the Group's accounting policies, which are described in note 2, the directors of the Company are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if revision affects both current and future periods.

i) *Estimation of impairment of trade receivables*

The Group estimates the loss allowances for trade receivables by assessing the ECLs. This requires the use of estimates and judgements. ECLs are based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors, and an assessment of both the current and forecast general economic conditions at the end of reporting period. Where the estimation is different from the original estimate, such difference will affect the carrying amounts of trade receivables and thus the impairment loss in the period in which such estimate is changed. The Group keeps assessing the expected credit loss of trade receivables during their expected lives. As at 31 December 2021, the carrying amount of trade receivables was approximately RMB2,463,000 (2020: RMB36,262,000). Details of the impairment of trade receivables are disclosed in notes 17 and 31(a).

32. 關鍵會計判斷及估計不確定性之主要來源

a) 估計不確定性之主要來源

誠如附註2所述，在應用本集團會計政策時，本公司董事須對未能透過其他來源確定之資產及負債賬面值作出判斷、估計及假設。該等估計及有關假設乃根據過往經驗及其他被視為相關之因素而作出。實際結果可能有別於該等估計。

該等估計及相關假設會按持續基準進行檢討。對會計估計進行修訂時，倘修訂僅影響該期間，則修訂會於修訂估計之期間確認；或倘有關修訂同時影響即期及未來期間，則會於修訂期間及未來期間確認。

i) *應收貿易款項之減值估計*

本集團透過評估預期信貸虧損估計應收貿易款項的虧損撥備，需運用估計及判斷。預期信貸虧損乃根據本集團的過往信貸虧損經驗（就債務人特定因素作出調整）及於報告期末對當前及預期整體經濟狀況之評估而得出。倘估計與初始估計出現差異，有關差異將影響應收貿易款項的賬面值，因此，該等估計期間的減值虧損會出現變動。本集團於應收貿易款項的預期存續期內持續對其預期信貸虧損進行評估。於二零二一年十二月三十一日，應收貿易款項的賬面值約為人民幣2,463,000元（二零二零年：人民幣36,262,000元）。有關應收貿易款項減值之詳情披露於附註17及31(a)。

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32. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (Continued)

a) Key sources of estimation uncertainty (Continued)

ii) *Warranty provisions*

The Group does not make provision for product warranties arising from sales of EP products and equipment, taking into account the Group's recent claim experience and past experience of the level of repairs. In addition, the Group has also received product warranties in respect of those products and equipment supplied from its suppliers, and the scope of the product warranties (including warranty periods) are the same as those the Group offered to its customers. It is not indicative of future claims that it will receive in respect of past sales.

b) Critical accounting judgements in applying the Group's accounting policies

In determining the carrying amounts of certain assets and liabilities, the Group makes assumptions for the effects of uncertain future events on those assets and liabilities at the end of each reporting period. These estimates involve assumptions about such items as cash flows and discount rates used. The Group's estimates and assumptions are based on historical experience and expectations of future events and are reviewed periodically. In addition to assumptions and estimations of future events, judgements are also made during the process of applying the Group's accounting policies.

i) *Income taxes*

The Group is subject to income tax in Hong Kong and various taxes in the PRC. Significant judgement is required in determining the provision for taxation. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group recognises liabilities for anticipated tax issues based on estimates of whether additional tax will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

32. 關鍵會計判斷及估計不確定性之主要來源 (續)

a) 估計不確定性之主要來源 (續)

ii) *保修撥備*

經考慮本集團近期之索賠經驗及維修層面之過往經驗，本集團並無就銷售環保產品及設備所提供之產品保修而作出撥備。此外，本集團亦獲其供應商就該等產品及設備提供之保修，且該等產品保修之範圍（包括保修期間）與本集團向其客戶提供者相同。這並不表明其日後將因過往銷售而遭受索賠。

b) 應用本集團之會計政策當中作出之重要判斷

在釐定若干資產及負債之賬面值時，本集團就不確定的未來事件對各報告期末資產及負債之影響作出假設。有關估計涉及對現金流量及所用貼現率等項目之假設。本集團根據過往經驗及對未來事件之預期作出估計及假設，並定期檢討。除對未來事件之假設及估計外，本集團在應用其會計政策時亦作出判斷。

i) *所得稅*

本集團在香港須繳付所得稅，而在中國須繳付不同稅項。於釐定稅項撥備時須作出重大判斷。於一般業務過程中存有頗多交易及計算，使得最終稅務釐定存在不確定性。本集團根據是否須繳納額外稅項之估計就預期稅務事宜確認負債。倘上述事宜之最終稅務結果與最初記錄之金額有所不同，有關差額將影響作出有關釐定期間之所得稅及遞延稅項撥備。

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32. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (Continued)

b) Critical accounting judgements in applying the Group's accounting policies (Continued)

ii) *Withholding tax on the distributable profits of the Company's subsidiaries established in the PRC*

On 16 March 2007, National People's Congress approved the New EIT Laws which was effective from 1 January 2008. According to the relevant regulations of the New EIT Laws, when a foreign investment enterprise distributes dividends out of the profits earned from 1 January 2008 onwards to its foreign investors, they are subject to the PRC Enterprise Income Tax. The applicable income tax rate varies with the origin of the overseas investors.

The Group's determination as to whether to accrue for withholding tax from distribution of dividends from its subsidiaries established in the PRC according to the relevant tax law and regulations is subject to judgement on the timing of the payment of the dividends. The estimation process is highly based on assumptions, which are influenced by projected future market and economic conditions and future financing requirements of the Group, and it is not probable that these subsidiaries will distribute dividends in the foreseeable future.

32. 關鍵會計判斷及估計不確定性之主要來源(續)

b) 應用本集團之會計政策當中作出之重要判斷(續)

ii) 本公司在中國成立的附屬公司的可分派溢利預扣稅

於二零零七年三月十六日，全國人民代表大會通過了《新企業所得稅法》，並於二零零八年一月一日起生效。根據《新企業所得稅法》之有關規定，中國國內之外商投資企業向境外投資者分派自二零零八年一月一日起產生之溢利作為股息，需要徵收中國企業所得稅，並根據外商投資者所處之不同地區適用不同之所得稅率。

本集團於釐定是否就相關稅務法律及法規計提其於中國成立之附屬公司的股息派發之預扣稅時，須對派付股息的時間作出判斷。有關估算過程很大程度上基於假設，該假設受估計未來市場及經濟狀況以及本集團未來融資需求影響，且該等附屬公司於可見未來派發股息的可能性極低。

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33. COMPANY-LEVEL STATEMENT OF FINANCIAL POSITION

33. 公司層面財務狀況表

		Note 附註	2021 二零二一年 RMB'000 人民幣千元	2020 二零二零年 RMB'000 人民幣千元
NON-CURRENT ASSETS	非流動資產			
Equipment	設備		66	113
Right-of-use assets	使用權資產	15	1,048	1,818
Investments in subsidiaries	於附屬公司之投資	16	358,508	369,032
			359,622	370,963
CURRENT ASSETS	流動資產			
Other receivables	其他應收款項		216	309
Amounts due from subsidiaries	應收附屬公司的款項		256,596	264,099
Cash and bank balances	現金及銀行結餘		182	183
			256,994	264,591
CURRENT LIABILITIES	流動負債			
Other payables	其他應付款項		37,906	27,350
Corporate bonds	公司債券	21	25,522	43,321
Lease liabilities	租賃負債	20	751	734
			64,179	71,405
NET CURRENT ASSETS	流動資產淨值		192,815	193,186
TOTAL ASSETS LESS CURRENT LIABILITIES	總資產減流動負債		552,437	564,149
NON-CURRENT LIABILITIES	非流動負債			
Corporate bonds	公司債券	21	18,762	2,242
Lease liabilities	租賃負債	20	324	1,106
			19,086	3,348
NET ASSETS	資產淨值		533,351	560,801
CAPITAL AND RESERVES	股本及儲備			
Share capital	股本	23	78,073	78,073
Reserves	儲備	24	455,278	482,728
TOTAL EQUITY	權益總額		533,351	560,801

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34. RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

The table below details the 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 consolidated statement of cash flows as cash flows from financing activities.

34. 融資活動所產生負債之對賬

下表詳列本集團融資活動所產生負債之變動，包括現金及非現金變動。融資活動所產生負債指融資活動之現金流量已經或未來現金流量將會於綜合現金流量表分類為融資活動產生的現金流量。

		Amount due to a related company 應付關聯公司款項 (Note 19(b)) (附註19(b)) RMB'000 人民幣千元	Lease liabilities 租賃負債 (Note 20) (附註20) RMB'000 人民幣千元	Corporate bonds 公司債券 (Note 21) (附註21) RMB'000 人民幣千元	Total 總額 RMB'000 人民幣千元
At 1 January 2020	於二零二零年一月一日	7,320	926	49,254	57,500
Changes from financing cash flows:	融資現金流量之變動：				
Advance from a related company	來自關聯公司之墊款	19,394	-	-	19,394
Repayment of advance from a related company	償還關聯公司之墊款	(1,201)	-	-	(1,201)
Settlement of lease liabilities	償還租賃負債	-	(1,326)	-	(1,326)
Interests paid on corporate bonds	已付公司債券利息	-	-	(2,905)	(2,905)
Redemption of corporate bonds	贖回公司債券	-	-	(859)	(859)
Total changes from financing cash flows	融資現金流量之變動總額	18,193	(1,326)	(3,764)	13,103
Effect of changes in foreign exchange rates	外幣匯率變動之影響	(1,010)	(204)	(2,930)	(4,144)
Other changes:	其他變動：				
Effective interest expenses	實際利息開支	-	74	3,003	3,077
Increase in lease liabilities from entering into a new lease	新訂租賃產生的租賃負債增加	-	2,370	-	2,370
At 31 December 2020 and 1 January 2021	於二零二零年十二月三十一日 及二零二一年一月一日	24,503	1,840	45,563	71,906
Changes from financing cash flows:	融資現金流量之變動：				
Advance from a related company	來自關聯公司之墊款	12,500	-	-	12,500
Repayment of advance from a related company	償還關聯公司之墊款	(1,130)	-	-	(1,130)
Settlement of lease liabilities	償還租賃負債	-	(796)	-	(796)
Interests paid on corporate bonds	已付公司債券利息	-	-	(2,688)	(2,688)
Direct cost incurred for renewal of corporate bonds	公司債券續期產生之直接成本	-	-	(87)	(87)
Total changes from financing cash flows	融資現金流量之變動總額	11,370	(796)	(2,775)	7,799
Effect of changes in foreign exchange rates	外幣匯率變動之影響	(863)	(42)	(1,300)	(2,205)
Other changes:	其他變動：				
Effective interest expenses	實際利息開支	-	73	2,796	2,869
At 31 December 2021	於二零二一年十二月三十一日	35,010	1,075	44,284	80,369

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35. IMMEDIATE AND ULTIMATE CONTROLLING PARTY

The directors of the Company consider the immediate and ultimate controlling party of the Group to be Praise Fortune Limited, which is incorporated in the British Virgin Islands. This entity does not produce financial statements available for public use.

36. EVENTS AFTER THE REPORTING PERIOD

The following significant events took place subsequent to 31 December 2021:

Proposed acquisition of 99.99% of the issued share capital in Mayee International Holdings Limited (“Mayee International”)

On 7 November 2018 and 30 January 2019, the Company entered into a sale and purchase agreement, and a supplemental sale and purchase agreement (the “Acquisition Agreement”), respectively, with an independent third party, Zhongying International Limited (“Zhongying”), pursuant to which the Company has conditionally agreed to acquire, and Zhongying has conditionally agreed to sell 99.99% of the issued share capital of Mayee International at a total consideration of approximately HK\$1,253,220,000. The total consideration will be settled by the Company through payment of cash amounting to approximately HK\$1,013,220,000 and issuance of convertible bonds with a principal amount of HK\$240,000,000. Mayee International and its subsidiaries are principally engaged in property management and leasing of shops in a shopping mall located in Kunming, Yunnan, the PRC. This proposed acquisition constitutes a very substantial acquisition under Chapter 14 of the Listing Rules and is therefore subject to the shareholders’ approval at an extraordinary general meeting of the Company.

On 28 June 2019, the Company and Zhongying entered into the second supplemental agreement to extend the date for fulfillment of the conditions precedent set out in the Acquisition Agreement to 27 June 2020.

On 31 August 2020, the Company and Zhongying entered into the third supplemental agreement to extend the date for fulfillment of the conditions precedent set out in the Acquisition Agreement to 30 September 2021.

35. 直接及最終控制方

本公司董事認為，本集團之直接及最終控制方為於英屬處女群島註冊成立之公司Praise Fortune Limited。該實體並無編製可供公眾查閱之財務報表。

36. 報告期後事項

下列重大事項乃於二零二一年十二月三十一日後發生：

建議收購美怡國際投資有限公司（「美怡國際」）99.99%已發行股本

於二零一八年十一月七日及二零一九年一月三十日，本公司與獨立第三方Zhongying International Limited（「Zhongying」）分別訂立買賣協議及補充買賣協議（「收購協議」），據此，本公司已有條件同意收購及Zhongying已有條件同意出售美怡國際99.99%已發行股本，總代價約為1,253,220,000港元。總代價將由本公司透過支付現金約1,013,220,000港元及發行本金額240,000,000港元之可換股債券結付。美怡國際及其附屬公司主要從事物業管理及租賃位於中國雲南昆明的賣場店舖。該建議收購構成上市規則第14章下的非常重大收購，因此須經股東於本公司股東特別大會上批准。

於二零一九年六月二十八日，本公司與Zhongying訂立第二份補充協議，將收購協議訂明須達成先決條件的日期延長至二零二零年六月二十七日。

於二零二零年八月三十一日，本公司與Zhongying訂立第三份補充協議，將收購協議訂明須達成先決條件的日期延長至二零二一年九月三十日。

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36. EVENTS AFTER THE REPORTING PERIOD (Continued)

On 31 March 2021, the Company and Zhongying entered into the fourth supplemental agreement to extend the date for fulfillment of the conditions precedent set out in the Acquisition Agreement to 30 September 2022.

Further details of this proposed acquisition are set out in the Company's announcements dated 5 December 2018, 30 January 2019, 29 April 2019, 28 June 2019, 30 September 2019, 29 November 2019, 28 February 2020, 31 August 2020 and 31 March 2021 respectively.

Up to the date of this report, the conditions precedent in the Acquisition Agreement have not yet been fulfilled. Accordingly, the proposed acquisition has not yet been completed.

37. POSSIBLE IMPACT OF AMENDMENTS, NEW STANDARDS AND INTERPRETATIONS ISSUED BUT NOT YET EFFECTIVE FOR THE YEAR ENDED 31 DECEMBER 2021

Up to the date of issuance of these consolidated financial statements, the HKICPA has issued a number of amendments, new standards and interpretations which are not yet effective for the year ended 31 December 2021 and which have not been adopted in these consolidated financial statements. These include the following which may be relevant to the Group.

HKFRS 17 Amendments to HKFRS 3 Amendments to HKAS 16 Amendments to HKAS 37 Amendments to HKAS 1	Insurance Contracts and the Related Amendments ³ Reference to the Conceptual Framework ² Proceeds before Intended Use ² Onerous Contracts – Cost of Fulfilling a Contract ² Classification of Liabilities as Current or Non-current and Hong Kong Interpretation 5 (2020) ³
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36. 報告期後事項(續)

於二零二一年三月三十一日，本公司與Zhongying訂立第四份補充協議，將收購協議訂明須達成先決條件的日期延長至二零二二年九月三十日。

本建議收購之進一步詳情分別載於本公司日期為二零一八年十二月五日、二零一九年一月三十日、二零一九年四月二十九日、二零一九年六月二十八日、二零一九年九月三十日、二零一九年十一月二十九日、二零二零年二月二十八日、二零二零年八月三十一日及二零二一年三月三十一日之公告。

截至本報告日期止，收購協議之先決條件尚未獲達成，因此，建議收購尚未完成。

37. 已頒佈但於截至二零二一年十二月三十一日止年度尚未生效之修訂本、新準則及詮釋之可能影響

截至該等綜合財務報表刊發日期，香港會計師公會已頒佈若干於截至二零二一年十二月三十一日止年度尚未生效且並無於此等綜合財務報表中採納的修訂本、新準則及詮釋。其中包括以下可能與本集團有關者。

香港財務報告準則 第17號 香港財務報告準則 第3號(修訂本) 香港會計準則 第16號(修訂本) 香港會計準則第37號 (修訂本) 香港會計準則第1號 (修訂本)	保險合同及相關 修訂 ³ 概念框架之 提述 ² 擬定用途前之 所得款項 ² 有償合同－ 履行合同 之成本 ² 負債分類為流動或 非流動及香港 詮釋第5號 (二零二零年) ³
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37. POSSIBLE IMPACT OF AMENDMENTS, NEW STANDARDS AND INTERPRETATIONS ISSUED BUT NOT YET EFFECTIVE FOR THE YEAR ENDED 31 DECEMBER 2021 (Continued)

Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture ⁴
Amendments to HKFRSs	Annual Improvements to HKFRSs 2018-2020 Cycle ²
Amendments to HKFRS 16	COVID-19-related Rent Concessions beyond 30 June 2021 ¹
Amendments to HKAS 1 and HKFRS Practice Statement 2	Disclosure of Accounting Policies ³
Amendments to HKAS 8	Definition of Accounting Estimates ³
Amendments to HKAS 12	Deferred Tax related to Assets and Liabilities arising from a Single Transaction ³

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

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

³ Effective for annual periods beginning on or after 1 January 2023.

⁴ No mandatory effective date yet determined but available for adoption.

The Group is in the process of making an assessment of what the impact of these developments are expected to be in the period of initial application. So far the Group has concluded that the adoption of them is unlikely to have significant impact on the Group's consolidated financial statements.

37. 已頒佈但於截至二零二一年十二月三十一日止年度尚未生效之修訂本、新準則及詮釋之可能影響(續)

香港財務報告準則第10號及香港會計準則第28號(修訂本)	投資者及其聯營公司或合營企業間之資產出售或注資 ⁴
香港財務報告準則(修訂本)	二零一八年至二零二零年週期香港財務報告準則之年度改進 ²
香港財務報告準則第16號(修訂本)	二零二一年六月三十日之後的COVID-19相關之租金優惠 ¹
香港會計準則第1號(修訂本)及香港財務報告準則作業準則第2號	會計政策之披露 ³
香港會計準則第8號(修訂本)	會計估計之定義 ³
香港會計準則第12號(修訂本)	與單一交易產生之資產及負債相關的遞延稅項 ³

¹ 於二零二一年四月一日或之後開始的年度期間生效。

² 於二零二二年一月一日或之後開始的年度期間生效。

³ 於二零二三年一月一日或之後開始的年度期間生效。

⁴ 尚未釐定強制生效日期，惟可供採納。

本集團正就預期首次應用此等變動期間造成之影響進行評估。迄今本集團認為，採納該等修訂本對本集團之綜合財務報表造成重大影響的可能性並不大。

Financial Summary

財務概要

The following is a summary of the consolidated results and the consolidated assets and liabilities of the Group for the last five financial years.

下表為本集團過往五個財政年度之綜合業績及綜合資產與負債概要。

CONSOLIDATED RESULTS

綜合業績

		For the year ended 31 December 截至十二月三十一日止年度				
		2021 二零二一年 RMB'000 人民幣千元	2020 二零二零年 RMB'000 人民幣千元	2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
Continuing operations:	持續經營業務：					
Revenue	收入	38,158	39,388	79,802	162,188	588,549
Profit/(loss) before taxation	除稅前溢利／(虧損)	8,300	(29,347)	(56,227)	(14,237)	24,687
Income tax (expenses)/credit	所得稅(開支)／抵免	—	—	(2,397)	(3,116)	11,416
Profit/(loss) for the year from continuing operations	年內來自持續經營業務之溢利／(虧損)	8,300	(29,347)	(58,624)	(17,353)	36,103
Discontinued operation:	已終止經營業務：					
Loss for the year from discontinued operations	年內來自已終止經營業務之虧損	—	—	—	(2,004)	(183,462)
Profit/(loss) for the year	年內溢利／(虧損)	8,300	(29,347)	(58,624)	(19,357)	(147,359)

CONSOLIDATED ASSETS AND LIABILITIES

綜合資產與負債

		As at 31 December 於十二月三十一日				
		2021 二零二一年 RMB'000 人民幣千元	2020 二零二零年 RMB'000 人民幣千元	2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
Total non-current assets	非流動資產總值	1,541	3,419	3,106	7,112	237,291
Total current assets	流動資產總值	1,228,519	1,261,603	1,257,956	1,284,006	1,516,899
Total assets	資產總值	1,230,060	1,265,022	1,261,062	1,291,118	1,754,190
Total liabilities	負債總值	(100,443)	(145,934)	(116,891)	(87,098)	(520,515)
Net assets	資產淨值	1,129,617	1,119,088	1,144,171	1,204,020	1,233,675



泛亞環保集團有限公司
Pan Asia Environmental Protection Group Limited

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

股份代號 stock code : 00556.HK

