



维港环保

WEIGANG ENVIRONMENT

维港环保科技控股集团有限公司

Weigang Environmental Technology Holding Group Limited

(於開曼群島註冊成立的有限公司)

(Incorporated in the Cayman Islands with limited liability)

股份代號 Stock Code: 1845



2019

年報 Annual Report

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COMPANY PROFILE

公司簡介

Weigang Environmental Technology Holding Group Limited (the “Company”) together with its subsidiaries (the “Group”) are the leading comprehensive hazardous waste incineration turnkey solution provider in China. As at 31 December 2019, the Group has 20 completed hazardous waste incineration projects with aggregate designed disposal capacity of 435,000 tonnes per annum, and 18 outstanding hazardous waste incineration projects with aggregate designed disposal capacity of 458,000 tonnes per annum.

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

Leveraging its experience and expertise in hazardous waste incineration, the Group has expanded its offerings to other areas of solid waste treatment, such as thermal desorption of oil sludge, pyrolysis treatment of solid waste and cement plant parallel kiln co-treatment. As at 31 December 2019, the Group already successfully entered into aforementioned business areas with some customers.

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

维港环保科技控股集团有限公司(「本公司」)及其附屬公司(「本集團」)是中國領先的綜合危險廢物焚燒處置的整體解決方案提供商。截至2019年12月31日，本集團完成20個危廢焚燒處置項目，累計設計年處置量為435,000噸，並持有18個在建危廢焚燒處置項目，累計設計年處置量為458,000噸。

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

憑藉本集團在危險廢物焚燒處置方面的經驗及專業知識，本集團已將業務擴展至固體廢物處理的其他領域，如油泥熱脫附、固體廢物的無氧裂解處理及水泥回轉窯平行協同處置。截至2019年12月31日，本集團通過與新客戶的合作成功進入前述各領域業務。

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

CORPORATE INFORMATION

公司資料

DIRECTORS AND SENIOR MANAGEMENT

DIRECTORS

Executive Directors

Mr. Cai Zhuhua (*Chairman*)
Mr. Dong Honghui
Mr. Deng Zhaoshan

Non-executive Directors

Mr. Ren Jingfeng
Mr. Yang Zhiqiang

Independent Non-executive Directors

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

AUDIT COMMITTEE

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

REMUNERATION COMMITTEE

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

NOMINATION COMMITTEE

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

JOINT COMPANY SECRETARIES

Mr. Gu Chunbin
Ms. So Shuk Yi Betty

董事及高級管理層

董事

執行董事

蔡珠華先生(*董事長*)
董紅暉先生
鄧兆善先生

非執行董事

任景豐先生
楊志強先生

獨立非執行董事

楊志峰先生
蔣國良先生
馮濤先生

審核委員會

馮濤先生(*主席*)
楊志峰先生
蔣國良先生

薪酬委員會

馮濤先生(*主席*)
董紅暉先生
蔣國良先生

提名委員會

蔡珠華先生(*主席*)
馮濤先生
蔣國良先生

聯席公司秘書

辜淳彬先生
蘇淑儀女士

CORPORATE INFORMATION

公司資料

AUTHORISED REPRESENTATIVES

Mr. Cai Zhuhua
Mr. Gu Chunbin

LEGAL ADVISERS TO OUR COMPANY

As to Hong Kong law:

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

As to Cayman Islands law:

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

As to PRC law:

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

AUDITORS AND REPORTING ACCOUNTANTS

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

授權代表

蔡珠華先生
辜淳彬先生

本公司法律顧問

關於香港法律：

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

關於開曼群島法律：

Walkers (香港)
香港
中環
遮打道 18 號
歷山大廈 15 樓

關於中國法律：

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

審計師及申報會計師

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

CORPORATE INFORMATION

公司資料

COMPLIANCE ADVISER

Altus Capital Limited
21 Wing Wo Street
Central, Hong Kong

REGISTERED OFFICE

Cayman Corporate Centre
27 Hospital Road, George Town
Grand Cayman, KY1-9008
Cayman Islands

HEADQUARTERS

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

PLACE OF BUSINESS IN HONG KONG

Unit 3507, 35/F, AIA Tower
183 Electric Road
North Point
Hong Kong

PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE IN THE CAYMAN ISLANDS

Walkers Corporate Limited
Cayman Corporate Centre
27 Hospital Road
George Town
Grand Cayman KY1-9008
Cayman Islands

HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

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

合規顧問

浩德融資有限公司
香港中環
永和街21號

註冊辦事處

Cayman Corporate Centre
27 Hospital Road, George Town
Grand Cayman, KY1-9008
Cayman Islands

總部

中國
廣東省廣州市
科學大道181號
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香港營業地點

香港
北角
電氣道183號
友邦廣場35樓3507室

開曼群島主要股份過戶登記處

Walkers Corporate Limited
Cayman Corporate Centre
27 Hospital Road
George Town
Grand Cayman KY1-9008
Cayman Islands

香港股份過戶登記分處

卓佳證券登記有限公司
香港
皇后大道東183號
合和中心54樓

CORPORATE INFORMATION

公司資料

PRINCIPAL BANK

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

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

STOCK CODE

1845

COMPANY'S WEBSITE

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

DATE OF LISTING

3 January 2019

主要往來銀行

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

招商銀行
香港分行
香港
中環康樂廣場八號
交易廣場三期31樓

股份代號

1845

公司網站

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

上市日期

2019年1月3日

FINANCIAL SUMMARY

財務概要

For the year ended 31 December 2019, the revenue of the Group amounted to RMB537.5 million, representing an increase of 12.0% as compared with the year ended 31 December 2018.

For the year ended 31 December 2019, the gross profit of the Group amounted to RMB144.2 million and the gross profit margin of the Group was 26.8%, representing an increase of 15.6% and 0.8 percentage points as compared with the year ended 31 December 2018, respectively.

For the year ended 31 December 2019, the net profit of the Group amounted to RMB78.0 million, and the net profit margin of the Group was 14.5%, representing an increase of 35.9% and 2.5 percentage points as compared with the year ended 31 December 2018 respectively.

For the year ended 31 December 2019, the profit attributable to owners of the Company amounted to RMB67.0 million, representing an increase of 34.5% as compared with the year ended 31 December 2018.

For the year ended 31 December 2019, the basic earnings per share attributable to owners of the Company amounted to RMB0.050, as compared to RMB0.049 for the year ended 31 December 2018.

截至2019年12月31日止年度，本集團的收入為人民幣537.5百萬元，較截至2018年12月31日止年度增加12.0%。

截至2019年12月31日止年度，本集團的毛利為人民幣144.2百萬元，而本集團的毛利率則為26.8%，分別較截至2018年12月31日止年度增加15.6%及0.8個百分點。

截至2019年12月31日止年度，本集團的純利為人民幣78.0百萬元，而本集團的淨利率則為14.5%，分別較截至2018年12月31日止年度增加35.9%及2.5個百分點。

截至2019年12月31日止年度，本公司擁有人應佔利潤為人民幣67.0百萬元，較截至2018年12月31日止年度增加34.5%。

截至2019年12月31日止年度，本公司擁有人應佔每股基本盈利為人民幣0.050元，而截至2018年12月31日止年度則為人民幣0.049元。

For the year ended 31 December 截至12月31日止年度

		2019 2019年	2018 2018年	2017 2017年	2016 2016年	2015 2015年
		RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元
Revenue	收入	537,509	480,091	189,407	88,971	74,883
Gross profit	毛利	144,236	124,663	62,104	28,840	26,713
Profit before income tax	除所得稅前利潤	91,122	67,970	36,379	22,880	20,720
Income tax expense	所得稅開支	(13,091)	(10,559)	(6,620)	(3,357)	(5,105)
Profit for the year	年內利潤	78,031	57,411	29,759	19,523	15,615
Profit attributable to:	以下各方應佔利潤：					
Owners of the Company	本公司擁有人	66,984	49,799	30,195	19,523	15,615
Non-controlling interests	非控股權益	11,047	7,612	(436)	—	—

As at 31 December 於12月31日

		2019 2019年	2018 2018年	2017 2017年	2016 2016年	2015 2015年
		RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元
Total Assets	資產總值	802,027	469,735	253,053	90,842	63,904
Total liabilities	負債總額	227,886	310,445	218,356	38,443	31,028
Non-controlling interests	非控股權益	57,326	27,220	(436)	—	—
Equity attributable to the owners of the Company	本公司擁有人應佔權益	516,815	132,070	35,133	52,399	32,876

CHAIRMAN'S STATEMENT

董事長報告書

On behalf of the Board, I am hereby pleased to present the annual results of the Group for the year ended 31 December 2019 and the future outlook of 2020.

2019 REVIEW

2019 has been a year of significant milestone for the Group. The Group was successfully listed on the Main Board of The Stock Exchange on 3 January 2019. This is yet another breakthrough in the development of the Group and a new starting point for the Group to achieve leapfrog development. In 2019, in view of a complex and volatile market environment, the Group upheld the principle of being steady and proactive, seized the opportunity following the successful listing on the Stock Exchange and actively explored and expand market potentials and coverage, with "industry and capital" as its aim. The mutual integration and promotion of capital and industry has opened the path of gradual progress towards becoming a leading solid waste treatment solutions provider in China.

FUTURE PROSPECTS

Looking forward to 2020, the Group will continue to capture the opportunities brought by the policies for the development of the environmental protection industry, and actively seize more business opportunities from solid waste treatment by commercialising its advanced solid waste treatment technologies to market with the resources from strategic shareholders, the capital market network, and its strong R&D capabilities. The Group will still continue to focus on the technology innovation to further expand the Group's business scope, maintain the Group's leading position in the market, maximize shareholder returns and optimize the Group's commitment of becoming a leading solid waste treatment solutions provider in China.

CAI Zhuhua
Chairman

27 March 2020

本人謹代表董事會欣然呈報本集團截至2019年12月31日止年度的年度業績以及對2020年的未來展望。

2019年回顧

2019年是本集團具有里程碑意義的一年。本集團於2019年1月3日成功在香港聯合交易所有限公司主板上市，這是本集團發展中的又一突破，是本集團實現跨越式發展的新起點。2019年，面對複雜多變的市場環境，本集團堅持穩健進取的方針，以上市為契機積極開拓市場空間，以「產業與資本」為雙翼，實現資本與產業的相互融合與促進，開啟逐步向中國領先的固體廢物處理解決方案提供商邁進的步伐。

未來前景

展望2020年，本集團將繼續抓住環保行業發展政策所帶來的機遇，依托戰略股東資源，以資本市場為紐帶，以強大的研發能力為輔，將先進的固體廢物處理技術商業化，積極把握更多來自固體廢物處理的商機。本集團將繼續專注於技術創新，進一步拓展本集團的業務範疇，維持本集團的市場領先地位，為股東帶來最大回報，並致力實踐本集團成為中國領先的固體廢物處理解決方案提供商的承諾。

蔡珠華
董事長

2020年3月27日

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

I. BUSINESS REVIEW

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

In 2019, the Group primarily engaged in and generated a substantial portion of the revenue from the design, integration and commissioning of hazardous waste incineration systems in China.

Provision of Hazardous Waste Incineration Solutions

Before 2019, the Group has 12 completed hazardous waste incineration projects with aggregate designed disposal capacity of 215,000 tonnes per annum which were passed to the Group's customers in normal operation. In 2019, the Group completed 8 more hazardous waste incineration projects with an aggregate designed disposal capacity of approximately 220,000 tonnes per annum. As at 31 December 2019, the Group took 18 outstanding hazardous waste incineration projects on hand, covering 18 cities in China with an aggregate designed disposal capacity of approximately 458,000 tonnes per annum. The table below sets out the summary of the completed hazardous waste incineration projects in 2019 and the outstanding hazardous waste incineration projects as at 31 December 2019:

I. 業務回顧

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

於2019年，本集團主要在中國提供危險廢物焚燒處置系統的設計、集成及調試，並自其中產生很大一部分收入。

提供危險廢物焚燒處置解決方案

於2019年前，本集團完成了12個危險廢物焚燒處置項目並已於正常運營下轉交予本集團的客戶，累計設計處置能力為215,000噸／年。於2019年，本集團額外完成了8個危險廢物焚燒處置項目，累計設計處置能力約為220,000噸／年。於2019年12月31日，本集團手上有18個危險廢物焚燒處置項目尚未完工，遍佈中國18個城市，累計設計處置能力約為458,000噸／年。下表載列於2019年竣工危險廢物焚燒處置項目及於2019年12月31日尚未完工危險廢物焚燒處置項目的概要：

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

Completed hazardous waste incineration projects in 2019:

於 2019 年竣工的危險廢物焚燒處置項目：

No.	Project	Designed Disposal/ Treatment Capacity (tonnes per annum)
編號	項目	設計處置／處理能力 (噸／年)
1	Shandong Weifang hazardous waste incineration project	50,000
2	Taixing economic development area hazardous waste incineration project	30,000
3	Shanghai hazardous waste incineration project	25,000
4	Jiangxi Ganzhou hazardous waste incineration project	20,000
5	Nantong hazardous waste incineration project	25,000
6	Fuzhou hazardous waste incineration project	20,000
7	Suzhou industry park hazardous waste incineration project	30,000
8	Tangshan hazardous waste incineration project	20,000
	Total	220,000

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

* 已竣工項目界定為完成系統功能性評估的項目。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

Outstanding hazardous waste incineration projects as at 31 December 2019:

於2019年12月31日尚未完工的危險廢物焚燒處置項目：

No.	Project		Designed Disposal/ Treatment Capacity (tonnes per annum) 設計處置/處理能力 (噸/年)
編號	項目		
1	Yantai hazardous waste incineration project	煙台危廢焚燒處置項目	30,000
2	Xiamen hazardous waste incineration project	廈門危險廢物焚燒處置項目	20,000
3	Shaoxing hazardous waste incineration project	紹興危險廢物焚燒處置項目	20,000
4	Guizhou hazardous waste incineration project	貴州危險廢物焚燒處置項目	20,000
5	North Bay hazardous waste incineration project	北部灣危險廢物焚燒處置項目	16,500
6	Jiangsu Changqing Nonghua Nantong hazardous waste incineration project	江蘇長青農化南通危險廢棄物焚燒處置項目	22,500
7	Hangzhou 3rd solid waste treatment center project I	杭州第三固廢處置中心一期項目	60,000
8	Xinjiang Bazhou hazardous waste and solid waste treatment center project	新疆巴州危廢固廢處理處置中心項目	20,000
9	Jilin hazardous waste incineration project	吉林危險廢物焚燒處置項目	20,000
10	Guangzhou hazardous waste incineration project	廣州危險廢物焚燒處置項目	33,000
11	Hubei Yaojiagang industrial waste treatment and utilisation project I	湖北姚家港工業廢物處理及資源化項目一期	30,000
12	Zhuhai hazardous waste incineration project	珠海危險廢物焚燒處置項目	20,000
13	Sichuan Chengdu hazardous waste incineration project II	四川成都危險廢物處置中心二期	30,000
14	Jiangsu Nanjing hazardous waste incineration Project	江蘇南京危險廢物焚燒處置項目	21,000
15	Foshan hazardous waste incineration project	佛山危廢焚燒處置項目	30,000
16	Dongguan hazardous waste incineration project	東莞危廢焚燒處置項目	20,000
17	Henan Puyang hazardous waste incineration project	河南濮陽危廢焚燒處置項目	15,000
18	Sichuan Zigong industry hazardous waste treatment project	四川自貢工業危險廢物處置項目	30,000
	Total	總計	458,000

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

(i) **General increase in market demand**

There was a general increase in market demand driven by various factors such as the increasing hazardous waste suitable for incineration, the increasing number of centralised incineration facilities as well as favourable government policy support.

(ii) **Increased customer recognition**

The Group has been focusing on hazardous waste incineration treatment solutions to the facility operators and other customers with large solid waste output and environmental compliance needs. With many years of experience, the Group has gradually accumulated an extensive knowledge pool and has built its brand recognition among hazardous waste treatment facility operators in China. The increased customer recognition facilitates the Group's exploration of new customers and it is able to obtain more projects through customers' referral.

Provision of Oil Sludge Thermal Desorption Solution

In 2019, the second thermal desorption project of the Group which located in Karamay, Xinjiang, has already commenced operation.

In 2019, the thermal desorption projects of the Group generated revenue amounted to RMB45.4 million.

Provision of Pyrolysis Treatment of Solid Waste Solution

In 2019, the Group continued to explore the demand of market by developing and commercializing solutions for a number of new solid waste treatment applications.

Provision of Cement Plant Co-treatment of Hazardous Waste Solution

In 2019, we had entered into a formal contract with a well-known cement producer for the co-treatment project which located in Guangdong province, and we expect the project will commence operation in 2020.

(i) **市場需求整體增長**

市場需求受各項因素推動而整體增長，如適用於焚燒的危險廢物增加、集中焚燒設施數量增加及政府有利政策支持。

(ii) **客戶認可度提升**

本集團一直專注於為設施運營商及具有大量固體廢物產生量及環境合規需求的其他客戶提供危險廢物焚燒處置解決方案。憑藉多年經驗，本集團已逐步積累廣泛的知識庫，並在中國危險廢物處理設施運營商中建立我們的品牌知名度。客戶認可度的提升促使本集團挖掘新客戶，而且本集團有能力通過客戶的轉介獲得更多項目。

提供油泥熱脫附解決方案

於2019年，本集團位於新疆克拉瑪依的第二個熱脫附項目已開始營運。

於2019年，本集團的熱脫附項目產生了收入人民幣45.4百萬元。

提供固體廢物的無氧裂解處理解決方案

於2019年，本集團繼續通過開發及商業化多種新固體廢物處置應用解決方案，以挖掘市場需求。

提供水泥廠協同處理危險廢物解決方案

於2019年，我們已與知名水泥生產商就位於廣東省的協同處理項目訂立正式合約，並預期項目將於2020年開始營運。

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II. FINANCIAL POSITION AND OPERATING RESULTS

The overall operating results of the Group for 2019 has grown substantially as compared with 2018; and the financial conditions of the Group for 2019 maintained steady which strongly supported the Group's strategic development. The operating revenue continued to increase as the Group successfully seized strategic opportunities under the enhanced environmental management in the PRC, which leads to that the profit increased substantially as compared to that of 2018. The Group continued to maintain sufficient cash resources, which in turn, helps to lay a solid foundation for the Group's future development.

Revenue

Revenue increased by 12.0% from RMB480.1 million for the year ended 31 December 2018 to RMB537.5 million for the year ended 31 December 2019. This increase was mainly attributable to: 1) the growth of our hazardous waste incineration treatment business; and 2) the Group successfully tapped into the oil sludge thermal desorption solution market and pyrolysis solid waste treatment solution market.

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

Revenue from hazardous waste incineration solutions increased by 1.8% from RMB444.8 million for the year ended 31 December 2018 to RMB453.0 million for the year ended 31 December 2019. This increase was mainly driven by a combination of favourable factors: 1) general increase in market demand; and 2) increased customer recognition of the Group.

II. 財務狀況及經營業績

與2018年相比，本集團於2019年的整體經營業績錄得大幅增長，而本集團於2019年的財務狀況維持穩定，為本集團的戰略發展提供強而有力的支持。本集團把握中國加強環境管理所帶來的戰略機遇，經營收入因而持續增加，導致利潤較2018年大幅增長。本集團持續維持足夠現金資源，有助為本集團的未來發展奠定了堅實的基礎。

收入

收入從截至2018年12月31日止年度的人民幣480.1百萬元增加12.0%至截至2019年12月31日止年度的人民幣537.5百萬元。該增長主要歸因於：1)危險廢物焚燒處置業務增長；及2)本集團成功開拓油泥熱脫附解決方案市場及無氧裂解固體廢物處置解決方案市場。

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

危險廢物焚燒處置解決方案的收入從截至2018年12月31日止年度的人民幣444.8百萬元增加1.8%至截至2019年12月31日止年度的人民幣453.0百萬元。該增長主要由各項有利因素共同推動：1)市場需求整體增長；及2)本集團客戶認可度提升。

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The Group's revenue generated from the provision of oil sludge thermal desorption solution for the year ended 31 December 2019 amounted to RMB45.4 million (2018: RMB10.7 million), which were attributable to the Group's first oil sludge thermal desorption project commenced operation in 2018 and the Group's second oil sludge thermal desorption project commenced operation in 2019.

The Group recognized revenue from the provision of pyrolysis treatment of solid waste solution for the year ended 31 December 2019 amounted to RMB22.8 million (2018: RMB4.1 million) due to the Group's pyrolysis treatment project of waste new energy batteries progress in 2019.

Revenue from other services (including technical upgrading services and maintenance services) decreased by 20.5% from RMB20.5 million for the year ended 31 December 2018 to RMB16.3 million for the year ended 31 December 2019. This decrease was attributable to the revenue from technical upgrading services decreased as customers' demand is occasional.

Cost of Services

Cost of services increased by 10.7% from RMB355.4 million for the year ended 31 December 2018 to RMB393.3 million for the year ended 31 December 2019. This increase was mainly attributable to the increase in cost of services for the Group's hazardous waste incineration treatment business, provision of oil sludge thermal desorption solution and provision of pyrolysis treatment of solid waste solution.

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

The cost of services for the Group's hazardous waste incineration treatment business increased by 6.8% from RMB331.2 million for the year ended 31 December 2018 to RMB353.6 million for the year ended 31 December 2019. This increase was mainly due to the Group's expansion in hazardous waste incineration business.

截至2019年12月31日止年度，本集團來自提供油泥熱脫附解決方案的收入為人民幣45.4百萬元(2018年：人民幣10.7百萬元)，歸因於本集團首個油泥熱脫附項目已於2018年開始營運，而本集團第二個油泥熱脫附項目已於2019年開始營運。

由於本集團新能源廢電池的無氧裂解處理項目於2019年取得進展，本集團已確認截至2019年12月31日止年度來自提供固體廢物的無氧裂解處理解決方案的收入人民幣22.8百萬元(2018年：人民幣4.1百萬元)。

來自其他服務的收入(包括技術升級及維護服務)從截至2018年12月31日止年度的人民幣20.5百萬元減少20.5%至截至2019年12月31日止年度的人民幣16.3百萬元。該減少歸因於客戶技術升級服務的需求僅偶然出現。

服務成本

服務成本從截至2018年12月31日止年度的人民幣355.4百萬元增加10.7%至截至2019年12月31日止年度的人民幣393.3百萬元。該增長主要歸因於本集團的危險廢物焚燒處置業務、提供油泥熱脫附解決方案及提供固體廢物的無氧裂解處理解決方案的服務成本上漲。

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

本集團危險廢物焚燒處置業務的服務成本從截至2018年12月31日止年度的人民幣331.2百萬元增加6.8%至截至2019年12月31日止年度的人民幣353.6百萬元。該增長主要歸因於本集團在危險廢物焚燒處置的業務擴展。

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The Group's cost of services generated for provision of oil sludge thermal desorption solution for the year ended 31 December 2019 amounted to RMB14.8 million (2018: RMB2.8 million), which were attributable to the Group's first oil sludge thermal desorption project commenced operation in 2018 and the Group's second oil sludge thermal desorption project commenced operation in 2019. The cost of services for provision of oil sludge thermal desorption solution primarily consist of energy consumption, depreciation, staff cost and other miscellaneous expenses.

The Group's cost of services generated for provision of pyrolysis treatment of solid waste solution for the year ended 31 December 2019 amounted to RMB12.5 million (2018: RMB2.9 million) due to the Group's pyrolysis treatment project of waste new energy batteries progress in 2019.

Cost of services for other services decreased by 33.0% from RMB18.5 million for the year ended 31 December 2018 to RMB12.4 million for the year ended 31 December 2019. This decrease was in line with the Group's other services revenue, which decreased in 2019 compared with 2018.

Gross Profit and Gross Profit Margin

The Group's gross profit increased by 15.6% from RMB124.7 million for the year 2018 to RMB144.2 million for the year 2019, while the gross profit margin increase from 26.0% for the year ended 31 December 2018 to 26.8% for the year ended 31 December 2019.

截至2019年12月31日止年度，本集團來自提供油泥熱脫附解決方案的服務成本為人民幣14.8百萬元(2018年：人民幣2.8百萬元)，歸因於本集團首個油泥熱脫附項目已於2018年開始營運，而本集團第二個油泥熱脫附項目已於2019年開始營運。提供油泥熱脫附解決方案的服務成本主要包括能源耗用、折舊、人工成本及其他雜項開支。

截至2019年12月31日止年度，本集團來自提供固體廢物的無氧裂解處理解決方案的服務成本為人民幣12.5百萬元(2018年：人民幣2.9百萬元)，由於本集團於2019年進行新能源廢電池的無氧裂解處理項目。

來自其他服務的服務成本從截至2018年12月31日止年度的人民幣18.5百萬元減少33.0%至截至2019年12月31日止年度的人民幣12.4百萬元。該減少與本集團之其他服務收入一致，而其於2019年較2018年減少。

毛利及毛利率

本集團的毛利從2018年的人民幣124.7百萬元增加15.6%至2019年的人民幣144.2百萬元，而毛利率從截至2018年12月31日止年度的26.0%增加至截至2019年12月31日止年度的26.8%。

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

下表載列於所述期間本集團各業務分部的毛利及毛利率。

		Gross profit		GP margin	
		毛利		毛利率	
		2019	2018	2019	2018
		2019年	2018年	2019年	2018年
		RMB million	RMB million		
		人民幣百萬元	人民幣百萬元		
Hazardous waste incineration solutions	危險廢物焚燒處置解決方案	99.4	113.6	21.9%	25.5%
Pyrolysis solid waste treatment solutions	無氧裂解固體廢物處置解決方案	10.3	1.2	45.2%	29.3%
Oil sludge thermal desorption treatment services	油泥熱脫附處理服務	30.6	7.9	67.4%	73.8%
Technical upgrading services	技術升級服務	0.3	0.6	7.3%	5.4%
Maintenance services	維護服務	3.6	1.4	29.5%	14.9%
Total	合計	144.2	124.7	26.8%	26.0%

The gross profit of hazardous waste incineration solutions decreased by 12.5% from RMB113.6 million for the year ended 31 December 2018 to RMB99.4 million for the year ended 31 December 2019. This decrease was mainly attributable to the gross profit margin decreased. The gross profit margin of hazardous waste incineration solutions decreased from 25.5% for the year ended 31 December 2018 to 21.9% for the year ended 31 December 2019 primarily due to (i) the Company has adjusted the project price of the hazardous waste incineration solutions in view of the intense competition in the market and in order to maintain our leading market share; and (ii) the Company has procured equipment and materials with higher cost for installation of certain hazardous incineration systems so as to improve the quality of our systems, enhance our corporate brand and maintain better relationship with our customers.

危險廢物焚燒處置解決方案的毛利從截至2018年12月31日止年度的人民幣113.6百萬元減少12.5%至截至2019年12月31日止年度的人民幣99.4百萬元。該減少主要歸因於毛利率減少。危險廢物焚燒處置解決方案的毛利率從截至2018年12月31日止年度的25.5%減少至截至2019年12月31日止年度的21.9%，主要由於(i)鑒於市場競爭激烈及為維持領先市場份額，本公司已調整危險廢物焚燒處置解決方案的項目價格；及(ii)為提高我們系統的質量、提升我們的公司品牌及維持與客戶的良好關係，本公司以較高的成本採購了用於安裝若干危險廢物焚燒系統的設備及材料。

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The gross profit of provision of pyrolysis treatment of solid waste solution for the year ended 31 December 2019 amounted to RMB10.3 million (2018: RMB1.2 million), which were attributable to the Group's pyrolysis treatment project of waste new energy batteries progress in 2019. The gross profit margin of pyrolysis treatment of solid waste solution increased from 29.3% for the year ended 31 December 2018 to 45.2% for the year ended 31 December 2019 primarily due to the gross profit margin of pyrolysis treatment project of waste new energy batteries progress in 2019 was higher than the pyrolysis treatment project progress in 2018.

The gross profit of provision of oil sludge thermal desorption solution for the year ended 31 December 2019 amounted to RMB30.6 million (2018: RMB7.9 million), which were attributable to the Group's first oil sludge thermal desorption project commenced operation in 2018 and the Group's second oil sludge thermal desorption project commenced operation in 2019. The gross profit margin of provision of oil sludge thermal desorption solution decreased from 73.8% for the year ended 31 December 2018 to 67.4% for the year ended 31 December 2019 primarily due to the treatment fee of the Group's second oil sludge thermal desorption project was lower than the first one.

The gross profit of other services increased by 95% from RMB2.0 million for the year ended 31 December 2018 to RMB3.9 million for the year ended 31 December 2019. This increase was attributable to the customers' demand for maintenance of hazardous waste incineration projects increase, which is in line with the Group's expansion in hazardous waste incineration business. The gross profit margin of other services increased from 9.8% for the year ended 31 December 2018 to 23.9% for the year ended 31 December 2019 primarily due to the proportion of the maintenance services in the total other services increase, which had higher gross profit margin than the technical upgrading services.

截至2019年12月31日止年度，提供固體廢物的無氧裂解處理解決方案的毛利為人民幣10.3百萬元(2018年：人民幣1.2百萬元)，此乃歸因於本集團新能源廢電池的無氧裂解處理項目於2019年獲得進展。固體廢物的無氧裂解處理解決方案的毛利率從截至2018年12月31日止年度的29.3%增加至截至2019年12月31日止年度的45.2%，主要由於新能源廢電池的無氧裂解處理項目於2019年的進度較無氧裂解處理項目於2018年的進度高。

截至2019年12月31日止年度，提供油泥熱脫附解決方案的毛利為人民幣30.6百萬元(2018年：人民幣7.9百萬元)，歸因於本集團首個油泥熱脫附項目已於2018年開始營運，而本集團第二個油泥熱脫附項目已於2019年開始營運。提供油泥熱脫附解決方案的毛利率從截至2018年12月31日止年度的73.8%減少至截至2019年12月31日止年度的67.4%，主要由於本集團第二個油泥熱脫附項目的處置費用較首個低。

其他服務的毛利從截至2018年12月31日止年度的人民幣2.0百萬元增加95%至截至2019年12月31日止年度的人民幣3.9百萬元。該增長歸因於客戶對維護危險廢物焚燒處置項目的需求有所增加，符合本集團向其他固體廢物處理的業務擴展。其他服務的毛利率從截至2018年12月31日止年度的9.8%增加至截至2019年12月31日止年度的23.9%，主要由於維護服務於全部其他服務的所佔百分比增加，並取得高於技術升級服務的毛利率。

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Other Income, Gains and Losses

The Group's other income and gains increased by 46.9% from RMB8.1 million for the year ended 31 December 2018 to RMB11.9 million for the year ended 31 December 2019, primarily attributable to government grants received for Listing amounted to RMB8.1 million.

Administrative Expenses

The Group's administrative expenses increased by 42.7% from RMB27.9 million for the year ended 31 December 2018 to RMB39.8 million for the year ended 31 December 2019, primarily attributable to (i) an increase in staff salaries and benefits of RMB5.0 million as the Group has hired more staff for role of management, finance and administration for the business growth; (ii) an increase in professional fees of RMB2.6 million as more professionals has been engaged to provide consultancy services in relation to the business operations, financial management, strategic development and post listing compliance matters; (iii) an increase in director fee of RMB1.8 million as the director fee only incurred after the Listing since 3 January 2019; (iv) an increase in entertainment fee of RMB1.1 million as the Group intended to explore the new market; and (v) an increase in depreciation fee of RMB1.0 million as the Group's first thermal desorption project commenced operation in 2018Q4 and the second project commenced operation in 2019.

Other Expenses

Other expenses include (i) listing expenses; and (ii) research and development expenses, including staff costs, material and other related costs mainly in connection with the research and development of solid waste treatment applications.

The listing expenses of the Company was nil for the year ended 31 December 2019 as the Listing completed on 3 January 2019 (2018: RMB12.3 million).

The Group's research and development expenses increased by 25.6% from RMB16.8 million for the year ended 31 December 2018 to RMB21.1 million for the year ended 31 December 2019, primarily attributable to the Group continued our focus of research and development on hazardous waste incineration solutions and new area.

其他收入、收益及虧損

本集團的其他收入及收益從截至2018年12月31日止年度的人民幣8.1百萬元增加46.9%至截至2019年12月31日止年度的人民幣11.9百萬元，主要歸因於已取得上市政府補貼人民幣8.1百萬元。

行政開支

本集團的行政開支從截至2018年12月31日止年度的人民幣27.9百萬元增加42.7%至截至2019年12月31日止年度的人民幣39.8百萬元，主要歸因於(i)本集團因業務增長而增聘管理、財務及行政職能方面的人員，令員工薪資及福利增加人民幣5.0百萬元；(ii)就業務營運、財務管理及戰略發展以及上市後合規事宜委聘更多專業人士以提供諮詢服務，令專業費用增加人民幣2.6百萬元；(iii)董事酬金僅自2019年1月3日起上市後產生，令董事酬金增加人民幣1.8百萬元；(iv)本集團有意拓展新市場，令酬酢費用增加人民幣1.1百萬元；及(v)本集團首個油泥熱脫項目於2018年第四季度開始營運，而第二個項目於2019年開始營運，令折舊費用增加人民幣1.0百萬元。

其他開支

其他開支包括(i)上市開支；及(ii)研發開支(包括主要與固體廢物處理應用研發有關的人工成本、材料及其他相關成本)。

由於上市已於2019年1月3日完成，故本公司截至2019年12月31日止年度的上市開支為零(2018年：人民幣12.3百萬元)。

本集團的研發開支從截至2018年12月31日止年度的人民幣16.8百萬元增加25.6%至截至2019年12月31日止年度的人民幣21.1百萬元，主要歸因於本集團繼續專注於研發危險廢物焚燒處置解決方案及新技術領域。

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Finance costs

The Group's finance costs decreased by 81.7% from RMB6.0 million for the year ended 31 December 2018 to RMB1.1 million for the year ended 31 December 2019, primarily attributable to the interest on obligation arising from a put option amounted to RMB5.5 million for the year ended 31 December 2018.

On 4 April 2018, the Group entered into two joint venture agreements with Orient Landscape Group Environmental Protection Co., Ltd. ("Orient Landscape") for the investment in Guangzhou Weigang. Pursuant to such agreements, the Group granted Orient Landscape a put option, which if the Listing does not take place on or before 3 April 2020, Orient Landscape is entitled to require the Group to purchase all of the equity interest in Guangzhou Weigang held by Orient Landscape at a price equal to the sum of (i) the Subscription Price plus an interest of 8% per annum and (ii) any declared but unpaid dividends.

Pursuant to the put option aforementioned, the investment from Orient Landscape is recognised as obligation arising from a put option, and the corresponding interest of 8% per annum during 2018 is recognised in obligation arising from a put option and profit or loss. Pursuant to such agreements aforementioned, as the Listing of the Company already succeeded, the put option lapsed and all the previously recognised interest expenses had been reversed through equity at the Listing date of the Company in 2019 without any payment to Orient Landscape.

Income Tax Expense

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

The Company operated business principally through its PRC subsidiaries which were subject to the PRC enterprise income tax at a statutory rate of 25% on its estimated assessable profits for the year ended 31 December 2019 (2018: 25%). Guangzhou Weigang was recognised as a "High and New Technology Enterprise" in 2019 again and was entitled to a preferential PRC income tax rate of 15% for each of 2019, 2020 and 2021 and such recognition can be applied for renewal every three years.

融資成本

本集團的融資成本自截至2018年12月31日止年度的人民幣6.0百萬元減少81.7%至截至2019年12月31日止年度的人民幣1.1百萬元，主要歸因於認沽期權所產生責任的利息截至2018年12月31日止年度錄得人民幣5.5百萬元。

於2018年4月4日，本集團與東方園林集團環保有限公司（「東方園林」）就投資廣州維港訂立兩份合資協議。根據該等協議，本集團向東方園林授予一項認沽期權，而倘上市未在2020年4月3日或之前進行，則東方園林有權要求本集團購買東方園林所持廣州維港的全部股本權益，價格等於以下各項的總和：(i)認購價加8%的年息；及(ii)任何已宣派但未支付的股息。

根據上述認沽期權，東方園林的投資確認為認沽期權產生的責任，以及於2018年相應的8%年息於認沽期權產生的責任及損益中確認。根據上述該等協議，由於本公司已成功上市，認沽期權已失效，而所有過往確認的利息費用已於2019年本公司上市之日起全部通過權益撥回而毋須向東方園林作任何付款。

所得稅開支

所得稅開支包括中國企業所得稅的即期稅項及遞延稅項。

本公司主要透過中國附屬公司運營業務，該等附屬公司於截至2019年12月31日止年度就估計應課稅利潤按25%（2018年：25%）的法定稅率繳納中國企業所得稅。廣州維港於2019年被再度評為「高新技術企業」，並有權於2019年、2020年及2021年各年度享受15%的中國所得稅稅率優惠。該項認可每三年可申請續期。

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The Group's effective tax rate decreased from 15.6% for the year ended 31 December 2018 to 14.5% for the year ended 31 December 2019, primarily due to the Group had super-deduction on R&D expenses for income tax amounted to RMB3.5 million for the year ended 31 December 2019.

Profit for the Year

Profit for the year increased by 35.9% from RMB57.4 million for the year ended 31 December 2018 to RMB78.0 million for the year ended 31 December 2019 mainly due to the Group's rapid growth in business. The net profit margin increased from 12.0% for the year ended 31 December 2018 to 14.5% for the year ended 31 December 2019 mainly due to the increase of gross profit margin and no Listing expenses incurred in 2019.

Trade and note receivables

The increase in trade and note receivables from RMB142.8 million as at 31 December 2018 to RMB143.9 million as at 31 December 2019 was primarily due to an increase in the total number of ongoing hazardous waste incineration projects.

The average trade receivables turnover days increased from 67.1 days in 2018 to 83.6 days in 2019 as the management allowed relatively longer turnover days for the receivables for oil sludge thermal desorption treatment services, which is also a common practice to deal with the oil production entity.

Trade payables

The increase in trade payables from RMB84.1 million as at 31 December 2018 to RMB119.6 million as at 31 December 2019 was primarily due to an increase in the procurement of equipment and materials, as well as sub-contracting services which was generally in line with the expanded business and number of outstanding projects of hazardous waste incineration at the end of 2019.

The average trade payables turnover days increased from 60.1 days in 2018 to 94.5 days in 2019 as the Group intended to better manage liquidity and cash flow.

本集團的實際稅率從截至2018年12月31日止年度的15.6%減少至截至2019年12月31日止年度的14.5%，主要由於本集團截至2019年12月31日止年度有關所得稅的加計扣除研發開支為人民幣3.5百萬元。

年內利潤

年內利潤從截至2018年12月31日止年度的人民幣57.4百萬元增加35.9%至截至2019年12月31日止年度的人民幣78.0百萬元，主要由於本集團的業務快速增長。淨利率從截至2018年12月31日止年度的12.0%增加至截至2019年12月31日止年度的14.5%，主要由於毛利率增加及於2019年並無產生上市開支。

貿易應收款項及應收票據

貿易應收款項及應收票據自2018年12月31日的人民幣142.8百萬元增加至2019年12月31日的人民幣143.9百萬元，主要原因是正在進行的危險廢物焚燒處置項目總數增加。

貿易應收款項的平均周轉日數自2018年的67.1日增加至2019年的83.6日，原因是管理層容許油泥熱脫附處置服務應收款項的周轉日數相對較長，此舉亦為與產油實體進行買賣的普遍慣例。

貿易應付款項

貿易應付款項自2018年12月31日的人民幣84.1百萬元增加至2019年12月31日的人民幣119.6百萬元，主要原因是我們採購的設備和材料增加以及分包服務總體符合我們的業務擴張及2019年底正在進行的危險廢物焚燒處置項目數量。

貿易應付款項的平均周轉日數自2018年的60.1日增加至2019年的94.5日，原因是本集團有意更好地管理流動資金及現金流。

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Contract assets

The increase in contract assets from RMB177.0 million as at 31 December 2018 to RMB274.4 million as at 31 December 2019 was primarily due to an increase in our total number of ongoing hazardous waste incineration projects.

Contract liabilities

The decrease in contract liabilities from RMB72.9 million as at 31 December 2018 to RMB44.2 million as at 31 December 2019 was primarily due to the Group speed up the progress of ongoing hazardous waste incineration projects.

Bank Borrowings

As at 31 December 2019, the Group had bank borrowings of RMB26.6 million provided by two commercial banks in China with personal guarantees provided by the Group's controlling shareholder, Mr. Cai Zhuhua, and his spouse, Ms. Huang Ying (2018: RMB10.0 million).

Capital Expenditure

For the year ended 31 December 2019, the Group's material capital expenditure amounted to approximately RMB73.8 million (2018: RMB11.7 million), mainly used for (1) the purchase of oil sludge treatment facility for the Group's second thermal desorption project in Karamay; (2) the purchase of Cement Plant Co-treatment facility for a project in Guangdong; (3) the purchase of pyrolysis solid waste treatment facility for a project in Sichuan and another project in Shandong; and (4) the remaining payment amount of patents for pyrolysis solid waste treatment methods, which was purchased in 2018.

Capital Commitment

As at 31 December 2019, the Group had capital commitment amounted to RMB13.0 million (2018: RMB4.6 million) which consisted mainly of payments to be made for (1) the Cement Plant Co-treatment project in Guangdong; (2) the pyrolysis solid waste treatment project in Sichuan.

合約資產

合約資產自2018年12月31日的人民幣177.0百萬元增加至2019年12月31日的人民幣274.4百萬元，主要原因是正在進行的危險廢物焚燒處置項目總數增加。

合約負債

合約負債自2018年12月31日的人民幣72.9百萬元減少至2019年12月31日的人民幣44.2百萬元，主要原因是本集團加快正在進行的危險廢物焚燒處置項目的進度。

銀行借款

於2019年12月31日，本集團獲兩家中國商業銀行提供銀行借款為人民幣26.6百萬元，有關借款由本集團控股股東蔡珠華先生及其配偶黃瑛女士提供個人擔保(2018年：人民幣10.0百萬元)。

資本開支

截至2019年12月31日止年度，本集團的重大資本開支約為人民幣73.8百萬元(2018年：人民幣11.7百萬元)，主要用於(1)就本集團第二個克拉瑪依熱脫附項目購買油泥處理設施；(2)就一個廣東項目購買水泥廠協同處理設施；(3)就一項四川項目及另一項山東項目購買無氧裂解固體廢物處置設施；及(4)支付無氧裂解固體廢物處置方法的專利的餘額，已於2018年購買該專利。

資本承擔

於2019年12月31日，本集團的資本承擔為人民幣13.0百萬元(2018年：人民幣4.6百萬元)，主要包括為就(1)廣東水泥廠協同處理項目；及(2)四川無氧裂解固體廢物處置項目所作的付款。

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Pledge of Assets

As at 31 December 2019, the Group had pledged deposits of RMB53.0 million (2018: RMB43.9 million) mainly for (1) deposit for bank acceptance which the Group issued to its suppliers; and (2) deposit for bank guarantee given to several customers for performance obligation fulfilment.

Contingent Liabilities

As at 31 December 2019, the Group had no material contingent liabilities.

Gearing Ratio

As at 31 December 2019, the current assets of the Group were approximately RMB651.1 million, total assets were approximately RMB802.0 million, current liabilities were approximately RMB223.9 million and total liabilities were approximately RMB227.9 million. The gearing ratio (total liabilities/total assets) of the Group was approximately 28.4% (2018: 66.1%).

III. PROSPECTS

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

資產抵押

於2019年12月31日，本集團已抵押存款人民幣53.0百萬元(2018年：人民幣43.9百萬元)，主要有關(1)本集團向其供應商發出的銀行承兌匯票按金；及(2)出具給若干客戶履行履約義務的銀行保函按金。

或有負債

於2019年12月31日，本集團概無重大或有負債。

資本負債比率

於2019年12月31日，本集團有流動資產約人民幣651.1百萬元、資產總額約人民幣802.0百萬元、流動負債約人民幣223.9百萬元及負債總額約人民幣227.9百萬元。本集團的資本負債比率(負債總額/資產總額)約為28.4%(2018年：66.1%)。

III. 前景

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

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The novel coronaries outbreak in early 2020, which has caused disruption to businesses and market uncertainties in the affected regions, may further impose a negative impact on the economy. Taking into account the challenge for epidemic prevention presented by the Group's geographically dispersed business presence and staff deployment, the Group has also swiftly set up a epidemic prevention regime comprising the head office and the project companies, with specific duties, tasks and guidelines for epidemic prevention allocated to ensure that there would be no blind spots in epidemic prevention. The impact of the epidemic of coronavirus on the operation status of the Group has been controllable as a result of the adoption of the plans mentioned above, and whether the Group will be further impacted is subject to the evolution of the epidemic in China.

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

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

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

新型冠狀病毒疫情於2020年初爆發，對受影響地區之業務造成干擾，且導致其市場不明朗，可能進一步對經濟造成負面影響。經考慮本集團業務分佈廣泛及人員分散對防疫工作帶來挑戰後，本集團亦已迅速建立由總辦事處及項目公司組成的防疫體系，就防疫發佈具體職責、任務及指引，確保防疫工作並無盲點。由於採納上文所述的計劃，故冠狀病毒疫情對本集團營運狀況的影響已受控，而本集團會否進一步受影響乃取決於中國疫情的事態發展。

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

繼續鞏固領先市場地位，並擴大在危險廢物處置領域的市場份額

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

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

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

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

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

Utilize capital market platform to realize enterprise value appreciation

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

EMPLOYEE AND REMUNERATION POLICIES

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

As at 31 December 2019, the Group employed 230 employees (2018: 200 employees), among which approximately 150 were personnel conducting R&D, project management and execution for our business.

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

通過將無氧裂解技術工業化，把握更多來自固體廢物處理領域的商機

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

我們將採用更多的項目模式，進一步提升競爭力並加強風險管理

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

運用資本市場平台實現企業增值

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

僱員及薪酬政策

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

於2019年12月31日，本集團聘有230名僱員(2018年：200名僱員)，其中約150名僱員負責我們業務的研發、項目管理及執行。

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

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USE OF PROCEEDS

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

所得款項用途

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

<i>Unit: RMB million</i>	Net proceeds from the global offering	Utilisation up to 31 December 2019	Unutilised amount	Expected timeline of the unutilised amount
單位：人民幣百萬元	全球 發售所得 款項淨額	截至2019年 12月31日 已動用金額	未動用金額	未動用金額 預計使用時間
Utilisation of the pyrolysis technology for the treatment of various types of solid waste 用作利用各類固體廢物處理的無氧裂解技術	90.9	63.1	27.8	The unutilised amount is expected to be fully utilised by the second half of 2023 未動用金額預計在2023年下半年前全部使用完畢
Establishment of a research and engineering centre 用作設立研究與工程技術中心	45.4	—	45.4	The unutilised amount is expected to be fully utilised by the second half of 2023 未動用金額預計在2023年下半年前全部使用完畢
Commercialisation of oil sludge thermal desorption technology 用作油泥熱脫附技術的商業化	34.1	8.6	25.5	The unutilised amount is expected to be fully utilised by the second half of 2023 未動用金額預計在2023年下半年前全部使用完畢
Invest in and operate the business of cement plant parallel kiln co-treatment solutions 用作投資及經營水泥回轉窯平行協同處置解決方案業務	34.1	13.1	21.0	The unutilised amount is expected to be fully utilised by the second half of 2023 未動用金額預計在2023年下半年前全部使用完畢
Working capital and general corporate use 用作營運資金及一般公司用途	22.7	22.7	—	N/A 不適用
Total 總計	227.2	107.5	119.7	

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OTHER INFORMATION

Adoption of Dividend Policy

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

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

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

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

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

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

其他資料

採納股息政策

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

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

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

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

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

倘董事會認為適當及必要，可不時更新、修訂及修改股息政策。

DIRECTORS AND SENIOR MANAGEMENT

董事及高級管理層

DIRECTORS

董事

Name 姓名	Age 年齡	Date of appointment 獲委任日期	Position 職位
Mr. CAI Zhuhua 蔡珠華先生	56 56歲	18 May 2017 2017年5月18日	Executive Director 執行董事
Mr. DONG Honghui 董紅暉先生	49 49歲	27 April 2018 2018年4月27日	Executive Director 執行董事
Mr. DENG Zhaoshan 鄧兆善先生	53 53歲	27 April 2018 2018年4月27日	Executive Director 執行董事
Mr. REN Jingfeng 任景豐先生	77 77歲	27 April 2018 2018年4月27日	Non-executive Director 非執行董事
Mr. YANG Zhiqiang 楊志強先生	59 59歲	8 November 2018 2018年11月8日	Non-executive Director 非執行董事
Mr. YANG Zhifeng 楊志峰先生	56 56歲	3 January 2019 2019年1月3日	Independent non-executive Director 獨立非執行董事
Mr. FENG Tao 馮濤先生	45 45歲	3 January 2019 2019年1月3日	Independent non-executive Director 獨立非執行董事
Mr. JIANG Guoliang 蔣國良先生	44 44歲	3 January 2019 2019年1月3日	Independent non-executive Director 獨立非執行董事

DIRECTORS AND SENIOR MANAGEMENT

董事及高級管理層

Mr. CAI Zhuhua, aged 56, is an executive Director and the chairman of our Board since 27 April 2018. Mr. CAI is responsible for the management of the Board and the overall management, strategic planning and business development of our Group. Mr. CAI is the spouse of Ms. HUANG, who is a member of our senior management. Mr. CAI is also the chairman of the nomination committee of the Board.

Mr. CAI has over 20 years' experience in providing solid waste treatment solutions and in particular for hazardous waste incineration.

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

Mr. DONG Honghui, aged 49, is an executive Director since 27 April 2018. Mr. DONG is responsible for the daily operation of our Group.

Mr. DONG has over 13 years' experience in providing solid waste treatment solutions. Mr. DONG joined the Group in 2009 and has been the general manager of Guangzhou Weigang Environmental Protection Technology Limited* (廣州維港環保科技有限公司) ("Guangzhou Weigang"), a wholly-owned subsidiary of the Company. In addition, he is also a director of a certain subsidiaries of the Group.

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

Mr. DENG Zhaoshan, aged 53, is an executive Director since 27 April 2018. Mr. DENG is responsible for the project management, technical supervision and research and development for our Group's business.

蔡珠華先生，56歲，自2018年4月27日為執行董事兼董事長。蔡先生負責董事會管理以及本集團整體管理、戰略規劃及業務發展。蔡先生為高級管理層成員黃女士的配偶，亦為董事會提名委員會主席。

蔡先生於提供固體廢物處理解決方案(尤其是危險廢物焚燒)方面擁有逾20年經驗。

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

董紅暉先生，49歲，自2018年4月27日起出任執行董事。董先生負責本集團日常運營。

董先生於提供固體廢物處理解決方案方面擁有逾13年經驗。董先生於2009年加入本集團，此後，一直擔任本公司全資附屬公司廣州維港環保科技有限公司(「廣州維港」)的總經理。此外，彼亦為本集團若干附屬公司的董事。

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

鄧兆善先生，53歲，自2018年4月27日起出任執行董事。鄧先生負責本集團業務的項目管理、技術監督及研發。

DIRECTORS AND SENIOR MANAGEMENT

董事及高級管理層

Mr. DENG has over 12 years' experience in providing solid waste treatment solutions. He joined our Group in 2009 and has been the chief engineer and a deputy general manager of Guangzhou Weigang. In addition, he is also a director of a certain subsidiaries of the Group.

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

Mr. REN Jingfeng, aged 77, was appointed as the non-executive Director in April 2018. Mr. REN is responsible for supervising and providing engineering technology advice to the Board.

Mr. REN Jingfeng graduated from the PRC Military Institute of Engineering for People's Liberation Army* (中國人民解放軍軍事工程學院) in March 1966. He was awarded a certificate for completion of national technological contract law training course* (全國技術合同法專業訓練班結業證書) by the State Science and Technology Commission* (國家科學技術委員會) and the Legal Affairs Bureau of the State Council* (國務院法制局) in October 1987. Mr. REN Jingfeng also received a certificate of qualification for senior engineer* (高級工程師) by the Aviation Industry Department* (航空工業部) of Shaanxi Job Title Reform Leading Committee* (陝西省職稱改革領導小組) in June 1988.

Mr. REN Jingfeng is the father of Mr. REN Yunan, one of our substantial Shareholders until 27 September 2019.

Mr. YANG Zhiqiang, aged 59, was appointed as a non-executive Director in November 2018.

Mr. YANG served as the chief legal officer of China Everbright International Limited (中國光大國際有限公司) ("CEIL"), the shares of which are listed on the Stock Exchange (stock code: 257), from July 2012 to March 2016, and as a non-executive director of China Everbright Water Limited (中國光大水務有限公司), a subsidiary of CEIL and listed on the main board of the Singapore Exchange Securities Trading Limited (stock code: U9E.SG), from December 2014 to February 2017.

Mr. YANG has been serving as the executive director and vice president of China Everbright Greentech Limited, the shares of which are listed on the Stock Exchange (stock code: 1257), since May 2017.

鄧先生於提供固體廢物處理解決方案方面擁有逾12年經驗。其於2009年加入本集團，此後，一直擔任廣州維港總工程師及副總經理。此外，彼亦為本集團若干附屬公司的董事。

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

任景豐先生，77歲，於2018年4月獲委任為非執行董事。任先生負責監督董事會及向董事會提供工程技術建議。

任景豐先生於1966年3月畢業於中國人民解放軍軍事工程學院。其於1987年10月獲國家科學技術委員會及國務院法制局頒發全國技術合同法專業訓練班結業證書。任景豐先生亦於1988年6月獲陝西省職稱改革領導小組航空工業部頒發高級工程師任職資格證書。

任景豐先生是任煜男先生的父親，任煜男先生為本公司主要股東之一，直至2019年9月27日。

楊志強先生，59歲，於2018年11月獲委任為非執行董事。

自2012年7月至2016年3月，楊先生擔任中國光大國際有限公司(「光大國際」)(股份於聯交所上市的公司，股份代號：257)的法務總監，並自2014年12月至2017年2月擔任中國光大水務有限公司(光大國際的附屬公司，於新加坡證券交易所有限公司主板上市，股票代號：U9E.SG)的非執行董事。

楊先生自2017年5月起擔任中國光大綠色環保(股份於聯交所上市，股份代號：1257)的執行董事兼副總裁。

DIRECTORS AND SENIOR MANAGEMENT

董事及高級管理層

Mr. YANG obtained a bachelor's degree from the Medical Science Department of Beijing Medical University* (北京醫科大學) in the PRC and a postgraduate diploma in law from the College of Law of England and Wales. Mr. YANG has the qualification of an attending doctor and is a qualified lawyer in the PRC.

Mr. YANG Zhifeng, aged 56, has been appointed as an independent non-executive Director and a member of the audit committee of the Board on 3 January 2019.

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

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

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

Mr. FENG has over 14 years' experience in providing financial management services to listed companies. Mr. FENG served as the chief financial officer, from September 2013 to November 2017, and an executive director, from December 2013 to October 2017, of Peace Map Holding Limited (天下圖控股有限公司), the shares of which are listed on the Stock Exchange (stock code: 402).

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

楊先生持有中國北京醫科大學醫學學士學位和英格蘭及威爾士法學院的法律研究生文憑，並具有主治醫師及中國律師資格。

楊志峰先生，56歲，於2019年1月3日獲委任為獨立非執行董事及董事會審核委員會成員。

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

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

馮濤先生，45歲，於2019年1月3日獲委任為獨立非執行董事兼董事會審核委員會及薪酬委員會主席以及提名委員會成員。

馮先生於向上市公司提供財務管理服務方面擁有逾14年經驗。馮先生分別自2013年9月至2017年11月及自2013年12月至2017年10月擔任天下圖控股有限公司(其股份於聯交所上市，股份代號：402)的財務總監及執行董事。

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

DIRECTORS AND SENIOR MANAGEMENT

董事及高級管理層

Mr. JIANG Guoliang, aged 44, has been appointed as an independent non-executive Director and a member of the audit committee, the remuneration committee and the nomination committee of the Board on 3 January 2019.

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

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

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

蔣國良先生，44歲，於2019年1月3日獲委任為獨立非執行董事兼董事會審核委員會、薪酬委員會及提名委員會成員。

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

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

蔣先生於1997年7月獲得中國北京大學法學學士學位，且其為中國執業律師。

DIRECTORS AND SENIOR MANAGEMENT

董事及高級管理層

SENIOR MANAGEMENT

高級管理層

Name	Age	Date of joining the Group	Position	Responsibility
姓名	年齡	加入本集團的日期	職位	職責
Dr. WANG Zhicheng 王志成博士	55 55歲	1 May 2018 2018年5月1日	Chief scientist and a deputy general manager 首席科學家兼副總經理	Overseeing the research and development of our Group in relation to solid waste treatment solutions 監察本集團固體廢物處理解決方案相關研發
Ms. HUANG Ying 黃瑛女士	52 52歲	15 July 2009 2009年7月15日	Deputy general manager 副總經理	Overseeing the daily operations of our Group 監督本集團日常運營
Mr. CUI Jinhong 崔錦鴻先生	46 46歲	1 February 2017 2017年2月1日	Assistant to Cheif Executive Officer 總裁助理	Overseeing the daily operations of our Group 監督本集團日常運營
Mr. LI Zhouxin 李周欣先生	35 35歲	24 February 2017 2017年2月24日	Chief financial officer 首席財務官	Overseeing the financial and accounting affairs of our Group 監督本集團財務及會計事務
Mr. ZHENG Ziyuan 鄭梓元先生	35 35歲	2 March 2018 2018年3月2日	Financial Controller 財務總監	Responsible for the financial and accounting affairs of our Group 負責本集團財務及會計事務
Mr. GU Chunbin 辜淳彬先生	30 30歲	1 December 2016 2016年12月1日	Joint company secretary and head of corporate investment and financing 聯席公司秘書兼企業投融資部總經理	Handling handling corporate governance, corporate investment, corporate finance, investor relations and corporate administrative matters of our Group 處理企業管治、企業投融資、投資者關係及本集團公司行政事務

DIRECTORS AND SENIOR MANAGEMENT

董事及高級管理層

Dr. WANG Zhicheng, aged 55, joined our Group in May 2018 as the chief scientist and a deputy general manager of our Group. Dr. WANG is mainly responsible for overseeing the research and development of our Group in providing solutions for solid waste treatment. Prior to joining our Group, Dr. WANG had been providing technical support in relation to solid waste treatment to our Group since January 2017.

Dr. WANG has over 18 years of experience in the environmental protection industry. Dr. WANG is the inventor, or designer of, various patents registered, or pending registration, in the PRC in the field of pyrolysis technology.

Dr. WANG received a bachelor's degree in chemistry from Sichuan University (四川大學) in China in July 1986, and a master's degree in chemical engineering from Sinopec Research Institute of Petroleum Processing* (中國石化研究院) in China in January 1991, and the degree of doctor in philosophy in materials science from the Clark Atlanta University in the U.S. in May 1999.

Ms. HUANG Ying, aged 52, joined our Group in July 2009 as a deputy general manager of Guangzhou Weigang and is mainly responsible for overseeing our daily operations. She is a director of Guangzhou Weigang.

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

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

王志成博士，55歲，於2018年5月加入本集團，擔任本集團首席科學家及副總經理。王博士主要負責監察本集團提供固體廢物處理解決方案的研發。加入本集團前，自2017年1月起，王博士一直就固體廢物處理向本集團提供技術支持。

王博士於環保行業擁有逾18年經驗。王博士為中國無氧裂解技術領域多項已註冊或待註冊專利的發明人或設計者。

王博士於1986年7月自中國四川大學取得化學專業學士學位，於1991年1月自中國石化研究院取得化學工程碩士學位，並於1999年5月自美國克拉克亞特蘭大大學取得材料科學博士學位。

黃瑛女士，52歲，於2009年7月加入本集團，擔任廣州維港副總經理，主要負責監督日常運營。其為廣州維港一名董事。

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

黃女士為執行董事及控股股東蔡先生的配偶。

DIRECTORS AND SENIOR MANAGEMENT

董事及高級管理層

Mr. CUI Jinhong, aged 46, joined our Group in February 2017 as a deputy general manager of Guangzhou Weigang. Mr. CUI currently serves as the assistant to the Chief Executive Officer and is mainly responsible for overseeing the daily operations of our Group.

Mr. CUI has over 19 years of experience in the environmental protection industry.

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

Mr. LI Zhouxin, aged 35, joined our Group as a consultant in February 2017 to provide advice on financial matters and strategic development of our Group; and since February 2018, he has been the chief financial officer of our Group. Mr. LI is mainly responsible for overseeing the financial and accounting affairs of our Group.

Mr. LI has over 10 years of experience in corporate finance, investment management and strategic planning. From November 2015 to April 2017, Mr. LI served as the chief financial officer of Prosperous Future Holdings Limited (未來發展控股有限公司) (formerly known as Future Development Holdings Limited, China Child Care Corporation Limited and Prince Frog International Holdings Limited), a company whose shares are listed on the Stock Exchange (stock code: 1259). He has also been a non-executive director of China Child Care Corporation Limited since June 2017 and was one of its executive directors from January 2016 to June 2017. From November 2017, Mr. LI has been serving as an independent non-executive director of OKG Technology Holdings Limited (歐科雲鏈控股有限公司) (Formerly known as Leap Holdings Group Limited), a company whose shares are listed on the Stock Exchange (stock code: 1499). Mr. LI is currently the vice chairman of the 8th Executive Committee of the Youth Business Association of Fujian Province* (福建省青年商會).

崔錦鴻先生，46歲，於2017年2月加入本集團，擔任廣州維港副總經理。現任集團總裁助理，主要負責監管本集團的日常運營。

崔先生於環保行業擁有逾19年經驗。

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

李周欣先生，35歲，於2017年2月加入本集團擔任顧問，就本集團的財務事宜及戰略發展提供意見。自2018年2月起擔任本集團首席財務官。李先生主要負責監督本集團財務及會計事務。

李先生於企業融資、投資管理及戰略規劃方面擁有逾10年經驗。自2015年11月至2017年4月，李先生一直擔任未來發展控股有限公司(前稱中國兒童護理有限公司及青蛙王子國際控股有限公司，一家股份於聯交所上市的公司，股份代號：1259)的首席財務官。自2017年6月起，李先生亦一直擔任中國兒童護理有限公司的非執行董事，自2016年1月至2017年6月，其為該公司的執行董事之一。自2017年11月起，李先生一直擔任歐科雲鏈控股有限公司(前稱前進控股集團有限公司，一家股份於聯交所上市的公司，股份代號：1499)的獨立非執行董事。李先生目前擔任福建省青年商會第八屆執行委員會副會長。

DIRECTORS AND SENIOR MANAGEMENT

董事及高級管理層

Mr. LI received a bachelor's degree in finance from Fuzhou University in China in July 2007, and received an EMBA degree from the Hong Kong University of Science and Technology in June 2019. Mr. LI is a PRC certified public accountant (non-practising) and a certified management accountant recognised by the U.S. Institute of Management Accountants. Mr. LI was qualified as an intermediate economist* (中級經濟師) by Zhangzhou Profession Reform Office* (漳州市職改辦) in January 2016. Mr. LI also holds a Certification in Risk Management Assurance accredited by the Institute of Internal Auditors.

Mr. ZHENG Ziyuan, aged 35, joined our Group in March 2018 as the financial controller. He is responsible for the financial and accounting affairs of our Group.

Mr. ZHENG has over 10 years of experience in finance and auditing.

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

Mr. GU Chunbin, aged 30, joined our Group in December 2016 as a consultant to provide advice on financial matters and strategic development of our Group and currently is one of the joint company secretary of the Company as well as head of corporate investment and financing. Mr. GU is mainly responsible for handling corporate governance, corporate investment, corporate finance, investor relations and corporate administrative matters.

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

李先生於2007年7月獲發中國福州大學金融學學士學位，於2019年6月獲發香港科技大學高層管理人員工商管理碩士學位。李先生為中國註冊會計師(非執業)及美國管理會計師協會認可的註冊管理會計師。李先生於2016年1月獲漳州市職改辦授予中級經濟師資格。李先生亦持有國際內部審計師協會頒發的風險管理確認專業資格。

鄭梓元先生，35歲，於2018年3月加入本集團擔任財務總監，負責本集團的財務及會計事務。

鄭先生於財務及審計方面擁有逾10年經驗。

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

辜淳彬先生，30歲，於2016年12月加入本集團擔任顧問，就本集團的財務事宜及戰略發展提供意見。現為本公司聯席秘書之一兼企業投融資部總經理。辜先生主要負責企業管治、企業投融資、投資者關係及公司行政事務。

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

CORPORATE GOVERNANCE REPORT

企業管治報告

The Board is pleased to present the corporate governance report for the annual report of the Company for the year ended 31 December 2019.

CORPORATE GOVERNANCE PRACTICES

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

MODEL CODE FOR SECURITIES TRANSACTIONS

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

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

董事會欣然提呈截至2019年12月31日止年度本公司年報的企業管治報告。

企業管治常規

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

證券交易的《標準守則》

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

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

CORPORATE GOVERNANCE REPORT

企業管治報告

THE BOARD

Responsibilities

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

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

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

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

董事會

職責

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

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

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

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

CORPORATE GOVERNANCE REPORT

企業管治報告

Composition of the Board

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

董事會的組成

董事會現時由八名董事組成，包括三名執行董事、兩名非執行董事及三名獨立非執行董事。董事會成員名單如下：

Members of the Board 董事會成員	Position 職位	Date of appointment 委任日期
Executive Directors 執行董事		
Mr. CAI Zhuhua 蔡珠華先生	Chairman of the Board, Executive Director and Chief Executive Officer 董事長、執行董事兼行政總裁	18 May 2017 2017年5月18日
Mr. DONG Honghui 董紅暉先生	Executive Director 執行董事	27 April 2018 2018年4月27日
Mr. DENG Zhaoshan 鄧兆善先生	Executive Director 執行董事	27 April 2018 2018年4月27日
Non-executive Directors 非執行董事		
Mr. REN Jinfeng 任景豐先生	Non-executive Director 非執行董事	27 April 2018 2018年4月27日
Mr. YANG Zhiqiang 楊志強先生	Non-executive Director 非執行董事	8 November 2018 2018年11月8日
Independent Non-executive Directors 獨立非執行董事		
Mr. YANG Zhifeng 楊志峰先生	Independent Non-executive Directors 獨立非執行董事	3 January 2019 2019年1月3日
Mr. FENG Tao 馮濤先生	Independent Non-executive Directors 獨立非執行董事	3 January 2019 2019年1月3日
Mr. JIANG Guoliang 蔣國良先生	Independent Non-executive Directors 獨立非執行董事	3 January 2019 2019年1月3日

CORPORATE GOVERNANCE REPORT

企業管治報告

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

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

There is no relationship (including financial, business, family or other material/relevant relationship(s)) between the Directors.

Chairman and Chief Executive Officer

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

Independent Non-executive Directors

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

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

各董事的履歷載於「董事及高級管理層」一節。

董事之間概無任何關係(包括財務、業務、親屬或其他重大／相關關係)。

董事長兼行政總裁

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

獨立非執行董事

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

CORPORATE GOVERNANCE REPORT

企業管治報告

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

Appointment and Re-election of Directors

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

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

Each of the executive Directors have entered into a service contract with the Company pursuant to which they agreed to act as executive Directors for an initial term of three years with effect from the Listing Date or until the third annual general meeting of the Company since the Listing Date (whichever ends earlier). Either party has the right to give not less than three months' written notice to terminate the agreement.

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

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

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

委任及重選董事

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

有關委任、重選及罷免董事的手續及程序載於組織大綱及組織章程細則。

各執行董事均已與本公司訂立服務合約，據此，彼等同意擔任執行董事，初始任期自上市日期起為期三年或自上市日期起至本公司第三屆股東週年大會當日止(以較早者為準)。任何一方均有權提前不少於三個月發出書面通知終止協議。

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

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

CORPORATE GOVERNANCE REPORT

企業管治報告

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

Training and Continuous Professional Development

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

Each newly appointed Director has been provided with necessary induction and information to ensure that he has a proper understanding of the Company's operations and businesses as well as his responsibilities under relevant statutes, laws, rules and regulations. As at 31 December 2019, each of Executive Directors, Non-Executive Directors and Independent Non-Executive Directors has read the training materials provided by the company secretary of the Company or attended training courses and lectures. The content of such training related to risk management and internal control, the latest company regulations, public governance guidelines and corporate governance guidelines.

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

Directors' Responsibility on Financial Statements

The Directors acknowledge their responsibilities for preparing the financial statements of the Company for the financial year ended 31 December 2019.

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

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

培訓及持續專業發展

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

每名新委任董事均已獲提供必要的入職培訓及資料，確保其對本公司營運及業務以及其於相關條例、法律、規則及法規的責任具有適當程度的了解。截至2019年12月31日止年度，各執行董事、非執行董事及獨立非執行董事均已閱讀由本公司公司秘書提供的培訓材料或參與培訓課程及講座，而培訓內容有關風險管理及內部控制、最新公司條例、公共管治指引及企業管治指引。

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

董事對財務報表的責任

董事知悉彼等對編製本公司截至2019年12月31日止財政年度的財務報表的責任。

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

CORPORATE GOVERNANCE REPORT

企業管治報告

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

Board Meetings and General Meeting

Up to the year ended 31 December 2019, seven Board meetings and one General Meeting were held for reviewing and approving the financial statements for the year ended 31 December 2018 and other matters. The attendance records of Board Meetings and General Meeting for all Directors are set out in the table below. In addition to Board meetings, the Chairman held one meeting with independent non-executive directors annually without the presence of executive directors.

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

董事會會議及股東大會

截至2019年12月31日止年度七次董事會會議及一次股東大會已舉行，以審閱及批准截至2018年12月31日止年度財務報表及其他事宜。全體董事出席董事會會議及股東大會紀錄載於下表。除董事會會議外，主席與獨立非執行董事舉行了一次執行董事避席的會議。

Name of Directors	Meetings attended/ Number of general meetings held in 2019 於2019出席/ 舉行股東大會次數	Meetings attended/ Number of Board meetings held in 2019 於2019出席/ 舉行董事會次數
董事姓名		
Executive Directors		
執行董事		
Mr. CAI Zhuhua 蔡珠華先生	1/1	7/7
Mr. DONG Honghui 董紅暉先生	1/1	7/7
Mr. DENG Zhaoshan 鄧兆善先生	1/1	7/7
Non-Executive Directors		
非執行董事		
Mr. REN Jingfeng 任景豐先生	1/1	7/7
Mr. YANG Zhiqiang 楊志強先生	1/1	7/7

CORPORATE GOVERNANCE REPORT

企業管治報告

Name of Directors

董事姓名

Independent Non-Executive Directors

獨立非執行董事

Mr. YANG Zhifeng

楊志峰先生

Mr. FENG Tao

馮濤先生

Mr. JIANG Guoliang

蔣國良先生

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

BOARD COMMITTEES

Audit Committee

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

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

Meetings attended/ Number of general meetings held in 2019 於2019出席/ 舉行股東大會次數	Meetings attended/ Number of Board meetings held in 2019 於2019出席/ 舉行董事會次數
--	---

1/1

5/7

1/1

7/7

1/1

7/7

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

董事會委員會

審核委員會

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

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

CORPORATE GOVERNANCE REPORT

企業管治報告

Up to the year ended 31 December 2019, three meetings were held by the Audit Committee to review the annual/interim financial results and report and major internal audit issues, re-appointment of external auditors and relevant scope of works and continuing connected transactions.

截至2019年12月31日止年度，審核委員會已舉行三次會議，以審閱年度／中期財務業績及重大內部審核事宜、重新委任外聘核數師以及相關工作範疇及持續關連交易。

Name of committee member	委員會成員姓名	Attended/number of meeting(s) held 出席會議次數／舉行會議次數
Mr. FENG Tao (<i>chairman</i>)	馮濤先生(主席)	3/3
Mr. YANG Zhifeng	楊志峰先生	3/3
Mr. JIANG Guoliang	蔣國良先生	3/3

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

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

Remuneration Committee

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

薪酬委員會

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

CORPORATE GOVERNANCE REPORT

企業管治報告

Up to the year ended 31 December 2019, one meeting was held by the Remuneration Committee on 26 March 2019 for considering and recommending to the Board the remuneration and other benefits paid by the Company to the Directors and senior management and other related matters. The table below sets forth the details of the attendance at the meeting:

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

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

Remuneration of senior management

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

		2019 2019年
Nil to HK\$1,000,000	零至1,000,000港元	6

Nomination Committee

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

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

截至2019年12月31日止年度，薪酬委員會已於2019年3月26日舉行一次會議，以考慮及向董事會建議本公司向董事及高層管理層支付的薪酬及其他福利以及其他相關事宜。下表載列會議的出席詳情：

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

高級管理層的薪酬

應付予本公司高級管理層(並非董事)的薪酬按等級於下表列示：

提名委員會

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

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

CORPORATE GOVERNANCE REPORT

企業管治報告

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

Up to the year ended 31 December 2019, one meeting was held by the Nomination Committee on 26 March 2019 to review the structure, size and composition of the Board, assess the independence of independent non-executive Directors and make recommendation to the Board on the re-election of the retiring Directors. The table below sets forth the details of the attendance at the meeting:

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

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

NOMINATION POLICY

Board Diversity Policy

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

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

截至2019年12月31日止年度，提名委員會已於2019年3月26日舉行一次會議，以檢討董事會的架構、規模及組成、評估獨立非執行董事的獨立性以及就重選退任董事向董事會提供建議。下表載列會議的出席詳情：

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

提名政策

董事會成員多元化政策

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

CORPORATE GOVERNANCE REPORT

企業管治報告

CORPORATE GOVERNANCE FUNCTION

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

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

JOINT COMPANY SECRETARIES

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

AUDITOR

Financial statements contained in this report have been audited by Baker Tilly Hong Kong Limited. Service fees which shall be paid by the Company to Baker Tilly Hong Kong Limited for the year amounted to RMB1.7 million.

Service rendered

所提供的服務

Audit service
Non-audit services

審核服務
非審核服務

Total

總計

Fees Payable

應付費用

(RMB)

(人民幣)

1,600,000
104,000

1,704,000

企業管治職能

董事會認為企業管治乃董事的共同責任，包括：

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

聯席公司秘書

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

核數師

本報告所載財務報表已由天職香港會計師事務所有限公司審核。本年度應付天職香港會計師事務所有限公司的服務費為人民幣1.7百萬元。

CORPORATE GOVERNANCE REPORT

企業管治報告

The statement of the external auditor of the Company about its reporting responsibilities for the Consolidated Financial Statements is set out in the Auditor's Report on page 94 to 96.

RISK MANAGEMENT AND INTERNAL CONTROL

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

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

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

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

本公司外聘核數師對綜合財務報表報告責任的聲明載於第94頁至第96頁的核數師報告。

風險管理及內部控制

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

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

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

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

CORPORATE GOVERNANCE REPORT

企業管治報告

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

The Board is not aware of any significant internal control and risk management weaknesses nor significant breach of limits or risk management policies, and considers that the current monitoring systems of the Company are effective and that the qualifications and experience of the staff, performing accounting and financial reporting functions and the training programmes of the Company as well as the experiences and resources for setting the budget of the Company are adequate. The Company has complied with the requirements under C.2.1 to C.2.5 and C.3.3 of the CG Code relating to risk management and internal control.

SHAREHOLDERS' RIGHTS

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

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

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

股東權利

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

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Procedures for shareholders to convene an extraordinary general meeting

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

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

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

Shareholders' inquires

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

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

Tel: (852) 2980 1066

Fax: (852) 2262 7584

Website: www.tricorglobal.com

股東召開股東特別大會的程序

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

股東提名人選參選董事的程序

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

股東查詢

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

香港皇后大道東183號合和中心54樓

電話：(852) 2980 1066

傳真：(852) 2262 7584

網站：www.tricorglobal.com

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Investor relations and communications

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

CHANGE IN CONSTITUTIONAL DOCUMENTS

The memorandum and articles of association of the Company have been amended and restated with effect from the Listing Date.

投資者關係及通訊

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

憲章文件的變動

本公司的組織章程大綱及細則已予修訂及重列，自上市日期起生效。

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

環境、社會及管治報告

ABOUT THIS REPORT

Weigang Environmental Technology Holding Group Limited (“WG”) (Stock Code: 1845) and its subsidiaries (hereinafter referred to as the “Group” or “We”) are pleased to present the Environmental, Social and Governance (“ESG”) Report (the “Report”) for the year ended 31 December 2019 and express commitment of the Group to corporate social responsibility. The Group would like to take this opportunity to present the ESG performance to all stakeholders, and put forward the commitments and contributions on social responsibility.

The Report is prepared both in English and Chinese. In case of inconsistency, the English version shall prevail. Electronic version of this ESG Report is available for downloading from the website of HKEx at www.hkexnews.hk. If you have any enquiries or suggestions regarding this ESG Report, please feel free to contact us at gzwg@gzweigang.com.

Report Scope

The Report details the operations of the Group's core business for the financial year from January 1, 2019 to December 31, 2019 (this “Year” or the “Reporting Period”). The reporting scope of the Report covers the ESG performance of the comprehensive hazardous waste incineration turnkey solution segment in mainland China and Hong Kong.

Reporting Principles

The Report has been prepared according to the “Environmental, Social and Governance Reporting Guide” (“ESG Reporting Guide”) as set out in Appendix 27 of the Listing Rules on the Stock Exchange. The Report is based on the four report principles of materiality, quantitative, balance and consistency. To ensure the accuracy of key performance indicators (“KPIs”) at the environmental level, the Group commissioned independent professional consultants to conduct the carbon assessment to quantify the greenhouse gas emissions generated in the course of operations. The index is available in the last chapter of the Report for readers.

關於本報告

維港環保科技控股集团有限公司(「維港」，股份代號：1845)及其附屬公司(下文統稱為「本集團」或「我們」)欣然提呈截至2019年12月31日止年度的環境、社會及管治(「環境、社會及管治」)報告(「本報告」)，並展現本集團對企業社會責任的承擔。本集團謹藉此機會向所有持份者呈報環境、社會及管治表現，並就社會責任作出承諾及貢獻。

本報告以中英文兩種語言編製。如中英文版本有任何差異，概以英文版為準。本環境、社會及管治報告的電子版本可於香港交易所網站www.hkexnews.hk下載。如閣下對本環境、社會及管治報告有任何查詢或建議，歡迎與我們聯絡(gzwg@gzweigang.com)。

報告範圍

本報告詳細說明本集團自2019年1月1日起至2019年12月31日止財政年度(「本年度」或「報告期間」)的核心業務營運情況。本報告的報告範圍涵蓋中國內地及香港的綜合危險廢物焚燒處置整體解決方案分部的環境、社會及管治表現。

報告原則

本報告遵循《聯交所上市規則》附錄二十七所載的《環境、社會及管治報告指引》(「《環境、社會及管治報告指引》」)編製。本報告乃基於四個報告原則，包括重要性、量化、平衡及一致性。為確保環境層面的關鍵績效指標(「關鍵績效指標」)準確，本集團委聘獨立專業顧問進行碳評估，以量化營運過程中所產生的溫室氣體排放物。本報告的最後章節向讀者提供有關內容索引。

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

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Confirmation and approval

The Group has established internal controls and formal review procedures to ensure that all information presented in the Report is as accurate and reliable as possible. The Company's board of directors (the "Board") has overall responsibility for the measurement and KPI setting and disclosure. To ensure that the Report covers environmental and social issues that are important to the Group, this report has been reviewed by the Board and approved by the Board on 27 March 2020.

Source of Data

The data and case studies reported in the Report were prepared based on internal statistics, internal policy documents and other internal records. The Group hereby confirms that no false or misleading statements were made in the Report.

The Report contains forward-looking statements that are based on several assumptions and expectations at the time of its publication. Those assumptions and expectations are deemed to be reliable after internal reviewing process. The statements consist of known and unknown risks and uncertainties, which implies that actual results may differ from the expectations, forecasts and conclusions made herein. No guarantee is expressed as to the accuracy of the statements and the Group expressly disclaims any liability for and assume no responsibility to correct or update those forward-looking statements in the event that any of the statements does not materialize or turns out to be incorrect.

Contact Us

For more information on the Group's sustainable development, please refer to the Group's official website and the annual report. The Group values the stakeholders' views on the Report. Should you have any query or feedback on the Report, please contact us via the following channels:

Tel: 020-3221-1246

Email: gzwg@gzweigang.com

Official website: www.gzweigang.com

ESG governance

We believe that the excellent principles and practices of corporate can enhance the trust of stakeholders in the Group and the Group can fulfill its social responsibility and create long-term value. In order to enhance and protect the interests of stakeholders, the Group plans to gradually improve corporate governance standards and develop transparent, proactive and value-driven management practices in the future.

確認及批准

本集團已制訂內部控制及正式審閱程序，以盡可能確保本報告所呈列的所有資料均屬準確及可靠。本公司董事會（「董事會」）全面負責計量及關鍵績效指標制訂及披露。為確保本報告涵蓋對本集團重要的環境及社會議題，本報告已經由董事會審閱並於2020年3月27日獲董事會批准。

數據來源

本報告所呈報的數據及案例乃根據內部統計數據、內部政策文件及其他內部記錄編製。本集團謹此確認本報告並無作出任何錯誤或具誤導性的陳述。

本報告載有前瞻性陳述，有關陳述乃根據本報告發佈之時的若干假設及預期。該等假設及預期須待進行內部審閱程序後，方會被視為可靠。有關陳述包括已知及未知風險及不確定因素，意味著實際結果可能與本報告所作預期、預測及結論有所不同。本集團並不會就該等陳述的準確性作出任何保證，且明確表示，倘任何前瞻性陳述並無實現或變成不正確，本集團概不承擔就更正或更新該等前瞻性陳述承擔任何責任。

聯絡方式

有關本集團可持續發展的更多資料，請參閱本集團的官網及年報。本集團重視持份者對本報告的意見。如閣下對本報告有任何疑問或意見，請透過以下渠道與我們聯絡：

電話：020-3221-1246

電郵：gzwg@gzweigang.com

官網：www.gzweigang.com

環境、社會及管治治理

我們相信，優秀的企業原則及常規可增強持份者對本集團的信任，而本集團可履行其社會責任並創造長期價值。為提高及保障持份者的利益，本集團計劃在未來逐步改善企業管治標準，並制訂透明、主動及以價值為導向的管理常規。

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

環境、社會及管治報告

STAKEHOLDER ENGAGEMENT

The Group is committed to create sustainable growth and long-term value for its stakeholders. In order to establish a close relationship with stakeholders, the Group has established a transparent, honest and accurate communication mechanism, including the Company's website, Annual General Meeting and staff meetings, etc., to ensure timely response to stakeholders. In the future, the Group will continue to strengthen its interaction with stakeholders and establish a mutually beneficial and win-win relationship.

持份者的參與

本集團致力為持份者創造可持續增長及長期價值。為與持份者建立緊密的關係，本集團已建立透明、正當而準確的溝通途徑，包括本公司網站、股東週年大會及員工會議等，以確保及時回應持份者。未來，本集團將繼續加強與持份者的互動，建立互利雙贏的關係。

Stakeholder group 持份者類別	Concerns and expectations 關注及期望	Communication channel 溝通渠道
Shareholders and investors 股東與投資者	Return on investment; avoid operational risks; long-term development of the business 投資回報；防範營運風險；業務長遠發展	General meeting; corporate communication; visiting activities; announcements; regularly publish annual report and ESG report 股東大會；企業通訊；來訪；公告；定期刊發年報和環境、社會及管治報告
Employees 僱員	Work-life balance; clear and feasible system and process information; promotion and development 工作與生活平衡；系統及流程資料清晰明確；晉升與發展	Employee meetings; employee activities; Intranet; performance appraisal and interviews; conferences 僱員會議；僱員活動；內聯網；表現評估及面訪；會議
Suppliers and business partners 供應商與業務夥伴	Clear and comprehensive procurement information description; smooth communication channels 採購資料描述清晰完整；溝通渠道暢通	Conferences, supplier management system; site visits 會議、供應商管理系統；現場考察
Government departments and regulatory authorities 政府各部門與監管機關	Conform with the requirements of the environment and safety related laws and regulations; tax accordingly to law; timely update of policies and regulations 符合環境及安全相關法律及法規的要求；依法納稅；及時掌握最新政策及法規	Supervision and assessment; meeting in relation; information disclosure 監督及評估；相關會議；資料披露
Customers 客戶	Products and services conform with requirements of related laws and regulations to guarantee the qualities of products and services; smooth communication channels 產品及服務符合相關法律及法規的要求，保證產品及服務質量；溝通渠道暢通	Comprehensive feedback system; daily operations, communications 完善的反饋機制；日常營運及溝通
Community 社區	Protect the community's environment; support local economic development 保護社區環境；支持當地經濟發展	Community communication; charitable events 社區溝通；公益慈善活動

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

環境、社會及管治報告

Materiality Assessment

The Group commissioned independent third-party consultants to conduct management interviews to formulate the Group's sustainable strategy and direction, and to identify environmental and social issues that are important to the Group and the stakeholders. The Group selected the following three aspects from the eleven environmental and social aspects of the ESG reporting guidelines as the material aspects to be carefully discussed in the Report:

重要性評估

本集團委聘獨立第三方顧問與管理層進行面訪，以制訂本集團的可持續發展策略及方向，並識別對本集團及持份者重要的環境及社會議題。本集團從《環境、社會及管治報告指引》的十一個環境及社會層面中選擇以下三個層面作為本報告將認真討論的重大方面：



SOCIAL SUSTAINABILITY

PRODUCT RESPONSIBILITY

Health and safety

The Group focused on providing customers with healthy and safety products and services, and continuously to improve and perfectionate on this basis.

As a leading hazardous waste incineration turnkey solution provider in China, the Group places great emphasis on quality assurance and related internal control, we have obtained the ISO9001, ISO14001 and OHSAS18001 accreditations for the quality, environmental, and occupational health and safety management respectively. Furthermore, the Group has dedicated quality control staffs to carry out the quality control procedures based on the ISO9001 standards.

社會可持續發展

產品責任

健康與安全

本集團專注為客戶提供健康安全的產品和服務，並在此基礎上不斷改進及完善。

作為中國領先的危險廢物焚燒處置整體解決方案提供商，本集團非常注重質量保證及相關內部控制，我們已分別就質量、環境和職業健康及安全管理獲得ISO9001、ISO14001及OHSAS18001標準認證。此外，本集團亦僱有質量控制的專職員工，負責根據ISO9001標準執行質量控制程序。

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Advertising and label

The Group complies with the laws and regulations related to advertising in Mainland China and Hong Kong to ensure the compliance, accuracy and authenticity of all published materials (such as press releases, labels, articles and web content).

Privacy

In addition, we comply with privacy laws and regulations in Mainland China and Hong Kong, and attach great importance to the privacy protection of our customers. In the future, the Group will strengthen the follow-up improvement of customer complaint maintenance and privacy protection to ensure that customers have better privacy and security.

During the Reporting Period, the Group found no significant non-compliance with product liability.

SUPPLY CHAIN MANAGEMENT

The Group believes that good supply chain management will not only enhance the Group's risk management effectiveness, but also enable the Group to contribute to sustainable development during the life cycle of the project. Hence, the Group is actively working with its suppliers to develop a sustainable supply chain that meets the Group's business ethics, environmental, health and safety standards.

During the Reporting Period, our main suppliers are contract manufacturers and equipment and materials vendors. We have established on-going business relationships and co-operations with our largest suppliers during the Reporting Period for approximately five years on average.

The Group has formulated standard procedures for the selection of suppliers of raw materials in accordance with the ISO9001 standards. We also have a standard approval form for selection of suppliers and a list of approved suppliers were available from the internal records for reference. There is also an assessment for the management to review the supplier's standards. Moreover, the Group has engaged quality control personnel conducting standard quality control procedures and monitoring the production of the relevant application-specific equipment at the suppliers' production facilities.

廣告及標籤

本集團遵守中國內地和香港的廣告相關法律及法規，確保所有已發佈材料(例如新聞稿、標籤、文章及網絡內容)屬合規、準確及真實。

私隱

此外，我們遵守中國內地和香港的私隱法律及法規，並非常重視客戶的私隱保護。未來，本集團將加強客戶投訴維護及私隱保護的後續改進，以確保客戶的私隱及安全性得以提高。

於報告期間，本集團並無發現不遵守產品責任的重大情況。

供應鏈管理

本集團相信，良好的供應鏈管理不僅會提高本集團的風險管理效率，還能使本集團在項目的生命週期內為可持續發展作出貢獻。因此，本集團正積極與供應商合作，發展符合本集團的商業道德、環境、健康與安全標準的可持續供應鏈。

於報告期間，我們的主要供應商為合約製造商以及設備及材料供應商。我們於報告期間與最大供應商建立了平均約五年的持續業務關係及合作關係。

本集團已按照ISO9001標準制定一套甄選原材料供應商的標準程序。我們亦備有標準評估表格以助甄選供應商，另外亦有獲批供應商的內部記錄名單以供參考。管理層亦參與評估以審議供應商的標準。此外，本集團亦僱有質量控制人員於供應商的生產設施執行標準的質量控制程序，並監控有關專用設備的生產。

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

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ANTI-CORRUPTION

The Group does not tolerate any improper conduct to affect business activities, and is committed to upholding the core values of honesty, responsibility and fairness in the daily operation. We have formulated the Anti-fraud System which requires our directors and employees to avoid the conflict between personal and financial interest and their professional official duties in our Group. Communications were made to the employees, so they understand that using their positions in our Group or using our Group's resources, properties and information to pursue opportunities by exercising positioning power to influence decisions or gain access to valuable information when dealing with third parties with his profession to achieve financial and personal gain is strictly prohibited. In addition, our audit committees supervise, from time to time, the anti-fraud procedures to prevent frauds and corruptions from happening.

During the Reporting Period, the Group did not monitor any cases involving bribery, extortion, fraud and money laundering that did not comply with relevant laws and regulations.

EMPLOYMENT

The Group regards talents as one of the core competitiveness, and has formulated internal human resources management policies and procedures on the premise of complying with laws and regulations on employment in Mainland China and Hong Kong.

The Group has formulated the staff handbook which contains policies in regards to recruitment, promotion, discipline, working hours and leave. The human resources department has been responsible for ensuring all employees have fully understood the contents of the handbook.

The management regularly reviews the Group's remuneration and benefits policies in reference to the market standards and is committed to safeguarding the rights and interests of the staff. Remuneration and benefits have been adjusted on an annual basis in accordance with the employees' individual performance, contribution and market conditions.

反貪污

本集團絕不容許任何不當行為影響業務活動，並致力於日常營運中秉承誠信、責任及公平的核心價值。我們已制訂反舞弊程序，規定董事及僱員避免個人及財務利益與彼等在本集團的專業公務職責間的衝突。我們會與僱員溝通，讓彼等了解在通過專業與第三方交易時，嚴格禁止利用彼等在本集團的職位或本集團的資源、財產及資訊並通過行使職權來影響決策或取得有價值的資訊，以尋求機會實現財務及個人利益。此外，我們的審核委員會不時監督反舞弊程序，以防欺詐及貪污情況發生。

於報告期間，本集團並無監察任何涉及賄賂、勒索、欺詐及洗黑錢且不符合相關法律及法規的案件。

僱傭

本集團將人才視為核心競爭力的一部分，並已在遵守中國內地和香港僱傭法律及法規的前提下制訂內部人力資源管理政策及程序。

本集團已制訂員工手冊，當中載列有關招聘、晉升、紀律、工時及休假的政策。人力資源部負責確保全體僱員已充分了解手冊內容。

管理層參照市場標準定期檢討本集團的薪酬及福利政策，致力保障員工的權利及權益，並每年根據僱員的個人表現、貢獻及市況就薪酬及福利作出調整。

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The Group's remuneration to employees is largely based on common industrial practice, wages of our employees, in any circumstances, may not be lower than the local minimum wage. In addition to the statutory benefits such as five insurance and one Housing Fund and the national statutory holidays, the Group also provides additional paid holidays such as annual leave, bereavement leave, marriage leave, maternity and sick leave, as well as extra subsidies such as accident insurance for employees on a overseas business trip.

Our Group is committed to maintaining a diverse workforce that includes age, gender, family status, sexual orientation, disability, ethnicity, religion and equal opportunities.

In the Reporting Period, our Group employs a total of approximately 228 employees with the majority in the PRC. The amount of total workforce increased 15.7% in 2019. Across our diversified business portfolio, female employees accounted for approximately 22% of total labor force and this percentage increased 3% compare with that of 2018. As for employees' distribution by age for the Reporting Period, aged 31 to 40 accounted for approximately 41%. Based on the two-year age data comparison, the age distribution of employees in 2019 is more decentralized. For occupation side, the general percentage of employees increased to 76%.

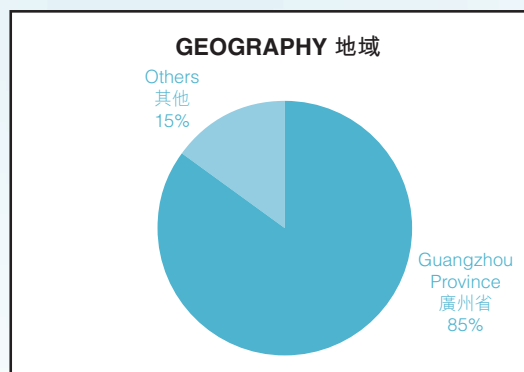
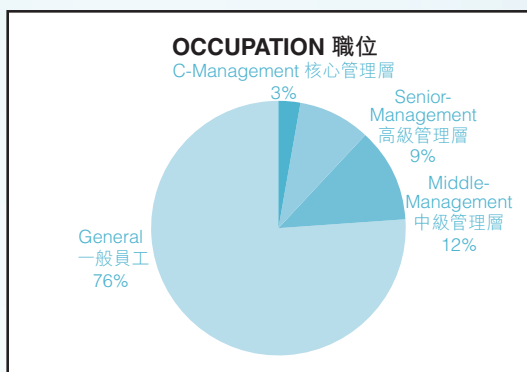
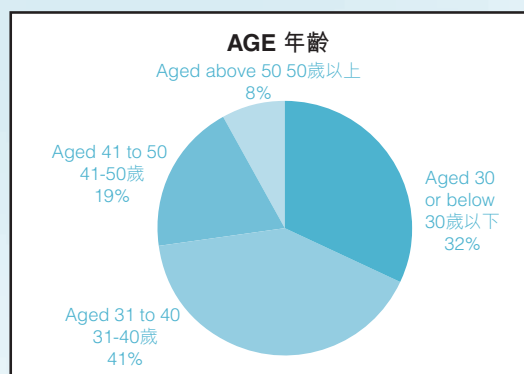
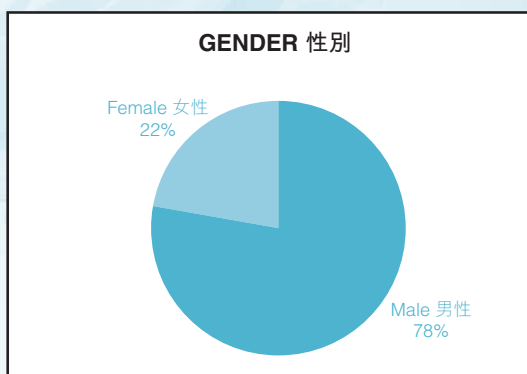
本集團提供予僱員的薪酬主要根據行業常見做法及僱員工資，而於任何情況下概不能低於本地最低工資水平。除五險一金及國家法定假期等法定福利外，本集團亦提供額外有薪假期，如年假、喪假、婚假、產假及病假，以及額外補助，包括為海外公幹的僱員提供意外保險。

本集團致力維持員工團隊多元化，包括年齡、性別、家庭狀況、性取向、殘疾、種族、宗教信仰及平等機會。

於報告期間，本集團合共聘用約228名僱員，大部分為中國員工。於2019年，員工總數增加15.7%。在我們多元化的業務組合中，女性僱員約佔員工總數22%，而此百分比比較2018年增加3%。於報告期間，僱員按年齡劃分方面，31至40歲約佔41%。根據兩年的年齡數據比較，2019年僱員的年齡分佈更為分散。在職位方面，一般員工的百分比增加至76%。

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During the Reporting Period, the Group did not find any significant non-compliance with laws and regulations on human resources.

於報告期間，本集團並無發現任何不遵守人力資源法律及法規的重大情況。

HEALTH AND SAFETY

The Group is devoted to providing a safe and healthy working environment to the employees. The Group has complied with the relevant laws and regulations on occupational health and safety of mainland China and Hong Kong, and formulated the internal system for labour safety and sanitation. To ensure the compliance with applicable regulatory requirements and to minimize the risk of injury of employees, the Group has implemented safety measures on both the in-house operation sites and project sites such as providing safety training courses to new employees. And we also conduct regular inspections to ensure that our operations are in compliance with existing laws and regulations.

During the Reporting Period, the Group did not find significant non-compliance with laws and regulations on health and safety.

健康與安全

本集團致力向僱員提供安全健康的工作環境。本集團已遵守中國內地和香港的職業健康與安全相關法律及法規，並已制訂內部勞動安全及衛生制度。為確保符合適用的監管規定及使僱員受傷風險降至最低，本集團已在我們的內部經營地點及項目地點實施安全措施，如向新入職僱員提供安全培訓課程。我們亦定期檢查以確保我們的營運符合現行法律法規。

於報告期間，本集團並無發現不遵守健康與安全法律及法規的重大情況。

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DEVELOPMENT AND TRAINING

The Group treasures talents and encourages the employees to enhance their personal growth both intellectually and professionally. The Group has formulated training plans and provides various training programmes to the employees. Training programmes are classified into two types according to the objective and purpose: internal training and external training. In addition, our Group organizes value-added activities regularly including seminar and workshop, and supports staff training programmes by granting time and reimbursement. During the Reporting Period, the Group has organized three core trainings listed as below:

發展及培訓

本集團重視人才並鼓勵僱員在智力及專業方面加強其個人發展。本集團已制訂培訓計劃，並向僱員提供不同培訓計劃。培訓計劃按目標及目的劃分為兩類：內部培訓及外部培訓。此外，本集團定期舉辦增值活動(包括研討會及工作坊)，並支持員工在工時內參與培訓計劃，並補貼培訓費用。於報告期間，本集團舉辦三項核心培訓，詳情列示如下：

Training subject 培訓主題	Hours 小時	Training purpose and content 培訓目的及內容
Waste Battery Disposal Technology Seminar 廢舊電池處置技術研討會	4	<ol style="list-style-type: none"> 1. Discussion and improvement of the used battery feeding plan; 討論及改善舊電池產電計劃； 2. Discussion and improvement suggestions on waste battery disposal technology; 討論廢舊電池處置技術及其改善建議； 3. Discussion and improvement of the discharge plan after the disposal of waste batteries. 討論及改善處置廢舊電池後的排放計劃。
Risk and Feasibility Analysis of Waste Battery Disposal Projects 廢舊電池處置項目的風險及可行性 分析	6	<ol style="list-style-type: none"> 1. Hazard analysis of waste battery disposal project; 廢舊電池處置項目的危害分析； 2. Important notes during the operation of the used battery disposal project. 舊電池處置項目營運期間的重要注意事項。
Operation Project Safety Training 營運項目安全培訓	4	<ol style="list-style-type: none"> 1. Standard procedures for project thermal load debugging and trial operation; 項目熱負荷調試及試運行的標準程序； 2. Emergency response measures for project system emergency situations; 項目系統緊急情況的應急措施； 3. Other project safety related issues. 其他與項目安全有關的議題。

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LABOUR STANDARDS

The Group is aware that child and forced labour violate fundamental human rights and international labour conventions and pose a threat to social development. The Group prohibits any form of mandatory labour to ensure that the voluntary employment relationship and the working hours and overtime of employees comply with legal standards and regulations.

The Group has formulated labour rights and working condition management rules, which lists out the following: checking candidates identification during interview process to prevent employing child labour; all labour must voluntarily complete job application form to prevent forced labour. The employees can early terminate employment contract in accordance with the service contract and can apply for sick leave with doctor's certificate. In case our Group discovers forced labour or child labour, our Group would terminate such practices and put forward the following remedies: report to local authorities and record the situation.

During the Reporting Period, the Group did not recognize any material irregularities in the laws and regulations relating to employees and labour standards.

COMMUNITY INVESTMENT

The Group is committed to building a harmonious, safe and prosperous relationship between enterprise and community. The Group regards giving back to the society as a responsibility, it is also the shaping of its values, and it is also the transmission of positive energy in society.

In the future, the Group plan to encourage employees to contribute their time and skills to community volunteer works to benefit local communities by giving them opportunities to learn more about social and environmental issues and enhance the corporate value of the Group.

勞工準則

本集團知悉，童工及強制勞工違反基本人權及國際勞工公約，對社會發展構成威脅。本集團禁止任何形式的強制勞工，以確保自願僱傭關係以及僱員的工作時間及加班情況符合法律標準及法規。

本集團已制定勞工權利與工作條件管理規則，當中列出以下各項：面試時核對清楚應徵者身分，避免誤聘童工；所有員工須親自填寫入職申請表，避免任何強迫勞動情況。僱員可依照服務合約提前終止僱傭合約，並可請假休息(需出示醫生證明文件)。倘若本集團發現強制勞工或僱用童工的情況，本集團將終止有關行為，並會提出下列補救措施：向當地機關報告並記錄情況。

於報告期間，本集團並無發現違反僱員及勞工準則相關法律及法規的任何重大情況。

社區投資

本集團致力在企業與社區之間建立和諧、安全及密切的關係。本集團將回饋社會視為責任，既能塑造其價值，也能為社會傳達積極正面的能量。

本集團日後計劃鼓勵僱員無償付出時間及技能作出社區義務工作，以惠及本地社區，借此給予僱員機會了解更多社會及環境議題，同時增強本集團的企業價值。

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

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ENVIRONMENTAL SUSTAINABILITY

The Group is well aware of the importance of sustainable development. In the daily operation process, it also actively fulfills the Group's management responsibilities in terms of emissions, resource use and environment and natural resources. The Group shall comply with the environmental laws and regulations at the place of operation and ensures the implementation of relevant measures to achieve the Group's commitment to sustainable development.

Emissions

The Group has always adhered to the principle of environmental friendliness and formulated a series of environmental protection measures, covering the entire process of business operations, implementing green development and promote ecological progress. Due to the nature of the business, the main emissions from the Group include air and greenhouse gases ("GHGs") emissions, non-hazardous solid waste, and non-hazardous wastewater.

Air and Greenhouse Gases Emission

Air emissions emitted by the Group mainly includes nitrogen oxides and sulphur oxides (sulfur dioxide) emitted during the consumption of oil sludge and vehicles. To ensure those air emissions do no harm to the environment, we use alkaline solution to absorb sulfur dioxide while we spray urea solution to absorb nitrogen oxides. To reduce the air emission, the Group continuously improves the process.

The following charts set out the categories and relevant statistics of air emissions in 2019:

Indicators 示值	Unit 單位	Total 合計
Nitrogen Oxides (NOx) 氮氧化物	kg 千克	Approximately 約 1,784.26
Sulphur Oxides (SOx) 硫氧化物	kg 千克	Approximately 約 144.97
Particulate Matter (PM) 懸浮粒子	kg 千克	Approximately 約 19.30

環境可持續發展

本集團深明可持續發展的重要性。於日常營運過程中，本集團亦積極履行其於排放物、資源使用以及環境及天然資源的管理責任。本集團於營運地點遵守環境法律及法規，並確保實施相關措施以達成本集團對可持續發展的承諾。

排放物

本集團始終堅持環保原則，制訂一系列環境保護措施，涵蓋業務營運的整個過程，實行綠色發展並促進生態文明建設。由於業務性質使然，本集團的主要排放物包括廢氣及溫室氣體（「溫室氣體」）排放、無害固體廢物及無害廢水。

廢氣及溫室氣體排放

本集團的廢氣排放主要包括耗用油泥及使用車輛時排放的氮氧化物及硫氧化物（二氧化硫）。為確保廢氣排放不會對環境造成傷害，我們使用鹼性溶液吸收二氧化硫，同時噴灑尿素溶液吸收氮氧化物。為減少廢氣排放，本集團不斷改善流程。

以下圖表載列2019年廢氣排放種類及相關統計數據：

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The Group is well aware of the impact of greenhouse gases (“GHG”) on the environment, and inspects our daily operation to further improve energy efficiency and reduce emissions from the source. The GHG generated by the Group mainly comes from the GHG produced by the combustion of natural gas in the stove and combustion of gasoline in vehicles (Scope 1), indirect GHG emissions from the generation of purchased electricity (Scope 2).

The calculation guidelines for GHG emissions are based on guidelines prepared by the Hong Kong Environmental Protection Department and the Electrical and Mechanical Services Department, guidelines issued by the National Development and Reform Commission of the PRC, ISO 14064-1 and the GHG Protocol and other international standards.

Indicators		Unit	Total
示值		單位	合計
Total GHG Emissions 溫室氣體排放總量		Tonnes of CO ₂ e 噸二氧化碳當量	Approximately 約 6,001.25
Scope 1 Direct Emissions 範圍1直接排放	GHG emissions from stationary combustion sources 固定源的燃料燃燒所致的溫室氣體排放	Tonnes of CO ₂ e 噸二氧化碳當量	Approximately 約 4,536.38
	GHG emissions from mobile combustion sources 流動源的燃料燃燒所致的溫室氣體排放	Tonnes of CO ₂ e 噸二氧化碳當量	Approximately 約 177.75
Scope 2 Indirect Emissions 範圍2間接排放		Tonnes of CO ₂ e 噸二氧化碳當量	Approximately 約 1,287.12

Solid Waste Emission

Due to our business nature, there is no hazardous solid waste emission from our daily operation. The main non-hazardous solid wastes generated by the Group include sludge residue (還原土) resulting from the treatment of oily sludge and domestic solid waste generated in the operation sites and offices.

During the Reporting Period, our Group produced 129,373 tonnes of sludge residue. To cycle the sludge residue and reduce resources waste, we cooperated with companies who use the sludge residue for road construction or landfill since that the sludge residue has satisfied the requirements on disposal of oily sludge of Xinjiang Autonomous Region. As for the domestic solid waste, there is an emission of around 30 tonnes during the Reporting Period. They are collected and handled by the local waste disposal company up to the Administration Measures for Urban Living Garbage (《城市生活垃圾管理辦法》). To reduce domestic solid waste emission, the Group has taken some measures which will be further explained in the “Use of Resources” section.

本集團深知溫室氣體(「溫室氣體」)對環境的影響，並對我們的日常營運進行檢查以進一步提高能源效益並從源頭減少排放。本集團產生的溫室氣體主要來自爐灶燃燒天然氣及車輛燃燒汽油產生的溫室氣體(範圍1)以及來自所購電力發電的間接溫室氣體排放(範圍2)。

溫室氣體排放的計算指引乃根據香港環境保護署及機電工程署編製的指引、中國國家發展和改革委員會發佈的指引、ISO 14064-1及《溫室氣體核算體系》以及其他國際標準。

固體廢物排放

由於我們的業務性質使然，我們的日常營運並無有害固體廢物排放。本集團產生的主要無害固體廢物包括處理油泥產生的還原土及於營運地點及辦公室產生的生活固體廢物。

於報告期間，本集團產生還原土129,373噸。為將還原土循環利用並減少資源浪費，我們與使用還原土進行道路建設或堆填的公司合作，乃因還原土符合新疆自治區對油泥處置的要求。至於生活固體廢物，於報告期間的排放量約為30噸，由本地廢物處置公司收集及處理，符合《城市生活垃圾管理辦法》。為減少生活固體廢物排放，本集團已採取若干措施，而詳情將在「資源使用」一節中進一步說明。

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Wastewater Emission

The wastewater discharged by the Group mainly includes non-hazardous wastewater generated from offices and operation sites. The amount is relatively small and around 5,900 tonnes during the Reporting Period. The Group strictly discharges the wastewater into municipal sewage pipelines for uniform treatment in accordance with the “Wastewater Quality Standards for Discharge to Municipal Sewers” (《污水排入城鎮下水道水質標準》). The Group also calls on employees to conserve water resources and take proactive measures to save water. The specific measures will be further explained in the “Use of Resources” section.

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

USE OF RESOURCES

The Group earnestly implements relevant laws and regulations such as “the Energy Conservation Law of the People’s Republic of China” (《中華人民共和國節約能源法》), reduces resource consumption and improves economic efficiency, and has formulated relevant management regulations and implementation measures, hoping to maximize resource conservation, protect the environment and reduce pollution. The resources consumed by the Group mainly include electricity, water resources, natural gas, gasoline and paper. Due to the nature of business, the Group’s daily operations do not involve the application of finished product packaging materials.

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

The Group 本集團	Unit 單位	Total 合計
Electricity consumption 用電量	kWh 千瓦時	Approximately 約 1,949,592.0
Water consumption 用水量	tonnes 噸	Approximately 約 102,266.3
Natural gas consumption 天然氣用量	Nm ³ 標準立方米	Approximately 約 2,167,961.0
Gasoline consumption 汽油耗用量	liter 公升	Approximately 約 65,669.00
Paper consumption 用紙量	kg 千克	Approximately 約 310.0

廢水排放

本集團排放的廢水主要包括辦公室及營運地點產生的無害廢水。於報告期間，廢水量相對較少，約為5,900噸。本集團嚴格按照《污水排入城鎮下水道水質標準》的規定將廢水排入城鎮污水管進行統一處理。本集團亦呼籲僱員節約水資源並採取積極措施節約用水。具體措施將在「資源使用」一節中進一步說明。

於報告期間，並無不符合對本集團有重大影響的相關環境法律及法規的排放情況。

資源使用

本集團切實執行《中華人民共和國節約能源法》等相關法律及法規，減少耗用資源並提高經濟效益，亦已制定相關管理規定及執行措施，務求盡可能節約資源、保護環境及減少污染。本集團消耗的資源主要包括電力、水資源、天然氣、汽油及紙張。由於業務性質使然，本集團的日常營運並不涉及使用製成品包裝材料。

下表顯示於我們的業務營運所耗用資源的數字：

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Electricity

The use of electricity by the Group is mainly derived from the daily operation of the office and operation site. The Group has adopted a series of energy saving measures, including:

- Adopt lighting system or electric appliances with high energy efficiency;
- Encourage staff to turn off electronic appliances when possible;
- Maintain the air-conditioned room temperature of offices at around 25°C.

Water

The water used by the Group is mainly derived from the daily operation of the office and the operation site. To save water, the Group has adopted the following water-saving measures:

- Check the water supply equipment frequently and replace broken faucets in time;
- Promote water reuse and post water conservation posters in office.

Fossil fuels

The main fossil fuels consumed by the Group includes natural gas used in the combustion of oily sludge and gasoline used in the vehicles. In order to reduce waste of resources, the Group requires relevant staff to take the following measures:

- Replace high fuel cost vehicle by hybrid vehicle;
- Reasonably allocate combustion according to temperature;
- Adjust process flow;
- Encourages employees to use public transportation as much as possible.

電力

本集團的用電主要來自辦公室及經營地點的日常營運。本集團已採取一系列節能措施，包括：

- 採用高能效的照明系統或電器；
- 鼓勵員工於可行情況下關掉電器；
- 將辦公室的空調溫度維持大概攝氏25度。

水

本集團的用水主要來自辦公室及營運地點的日常營運。為節約用水，本集團已採取以下節水措施：

- 經常檢查供水設備，及時更換破損的水龍頭；
- 提倡回收水再用，並在辦公室張貼節水海報。

化石燃料

本集團消耗的主要化石燃料包括用於燃燒油泥的天然氣及用於車輛的汽油。為減少資源浪費，本集團要求相關員工採取以下措施：

- 以混合動力汽車取代燃料成本高企的車輛；
- 根據溫度合理分配燃燒；
- 調整工序流程；
- 鼓勵僱員盡可能使用公共交通工具。

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Paper

To promote the effective use of paper, the Group has implemented the following suggestions to the employees:

- Receive incoming faxes through e-fax system, and make copies only when necessary;
- Promote use of electronic communications such as disseminating notices through the intranet;
- Equip printers with used paper to encourage employees to print on both sides;
- Installed video-conference system to reduce business travels and increase communication efficiency.

ENVIRONMENTAL AND NATURAL RESOURCES

The Group has always regarded environmental protection as one of its key tasks. We abide by relevant environmental protection laws and regulations and actively promote the use of sustainable material.

In our daily operation, the Group exerts limited bad influence on the environment. Besides, we have taken various of measures to save energy and reduce emission, including setting up solar energy system for heating purpose.

The Group has received ISO14001 environmental management system certification. And we will continue to communicate with the stakeholders and optimize its management on environmental protection in the future.

The Group plans to formulated written policies on environment and resources management procedures to list out the current environment protection measures.

紙張

為促進有效使用紙張，本集團已對僱員實施以下建議：

- 透過電子傳真系統接收傳真，僅在有需要時才列印文本；
- 提倡使用電子通訊，例如透過內聯網傳送通告；
- 為打印機配備單面再用紙張，鼓勵僱員使用雙面打印；
- 安裝視像會議系統，以減少商務出差及提高通訊效率。

環境及天然資源

本集團一直視環境保護為其主要工作之一。我們遵守相關環境保護法律及法規，並積極提倡使用可持續材料。

於日常營運中，本集團對環境造成的不良影響有限。此外，我們已採取不同措施節約能源及減少排放，包括設立太陽能系統供暖。

本集團已取得ISO14001環境管理系統證書。未來，我們亦將繼續與持份者溝通，並優化其對環境保護的管理。

本集團計劃制定環境及資源管理程序的書面政策，列出現時的環境保護措施。

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

環境、社會及管治報告

Environmental, Social and Governance Report Index

環境、社會及管治報告索引

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

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環境、社會及管治報告

Aspects 層面	Summary 內容	Page Index/Notes 頁碼索引／附註
A2 Use of Resources 資源使用		
General Disclosure 一般披露	Policies on the efficient use of resources, including energy, water and other raw materials. 有效使用資源(包括能源、水及其他原材料)的政策。	For more details, please refer to Page 64 有關更多詳情，請參閱第64頁
A2.1	Direct and/or indirect energy consumption by type (e.g. electricity, gas or oil) in total (kWh in '000s) and intensity (e.g. per unit of production volume, per facility). 按類型劃分的直接及／或間接能源(如電、氣或油)總耗量(以千個千瓦時計算)及密度(如以每產量單位、每項設施計算)。	For more details, please refer to Page 64 有關更多詳情，請參閱第64頁
A2.2	Water consumption in total and intensity (e.g. per unit of production volume, per facility). 總耗水量及密度(如以每產量單位、每項設施計算)。	For more details, please refer to Page 64 有關更多詳情，請參閱第64頁
A2.3	Description of energy use efficiency initiatives and results achieved. 描述能源使用效益計劃及所得成果。	For more details, please refer to Page 65 有關更多詳情，請參閱第65頁
A2.4	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency initiatives and results achieved. 描述求取適用水源上可有任何問題，以及提升用水效益計劃及所得成果。	For more details, please refer to Page 65 有關更多詳情，請參閱第65頁
A2.5	Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced. 製成品所用包裝材料的總量(以噸計算)及(如適用)每生產單位佔量。	For more details, please refer to Page 65 有關更多詳情，請參閱第65頁
A3 The Environment and Natural Resources 環境及天然資源		
General Disclosure 一般披露	Policies on minimizing the issuer's significant impact on the environment and natural resources. 減低發行人對環境及天然資源造成重大影響的政策。	For more details, please refer to Page 66 有關更多詳情，請參閱第66頁
A3.1	Description of the significant impacts of activities on the environment and natural resources and actions taken to manage them. 描述業務活動對環境及天然資源的重大影響及已採取管理有關影響的行動。	For more details, please refer to Page 66 有關更多詳情，請參閱第66頁

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

環境、社會及管治報告

Aspects 層面	Summary 內容	Page Index/Notes 頁碼索引／附註
Social 社會		
B1 Employment and Labour Practices 僱傭及勞工常規		
General Disclosure 一般披露	<p>Following information on: 以下有關薪酬及解僱、招聘及晉升、工作時數、假期、平等機會、多元化、反歧視以及其他待遇及福利的：</p> <p>(a) the policies; and 政策；及</p> <p>(b) compliance with relevant laws and regulations that have a significant impact on the issuer. 遵守對發行人有重大影響的相關法律及法規</p> <p>Relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits welfare. 的資料。</p>	For more details, please refer to Page 57 有關更多詳情，請參閱第 57 頁
B1.1	<p>Total workforce by gender, employment type, age group and geographical region. 按性別、僱傭類型、年齡組別及地區劃分的僱員總數。</p>	For more details, please refer to Page 59 有關更多詳情，請參閱第 59 頁
B2 Health and Safety 健康與安全		
General Disclosure 一般披露	<p>Information on: 有關提供安全工作環境及保障僱員避免職業性危害的：</p> <p>(a) the policies; and 政策；及</p> <p>(b) compliance with relevant laws and regulations that have a significant impact on the issuer. 遵守對發行人有重大影響的相關法律及法規</p> <p>relating to providing a safe working environment and protecting employees from occupational hazards. 的資料。</p>	For more details, please refer to Page 59 有關更多詳情，請參閱第 59 頁
B2.3	<p>Description of occupational health and safety measures adopted, how they are implemented and monitored. 描述所採納的職業健康與安全措施，以及相關執行及監察方法。</p>	For more details, please refer to Page 59 有關更多詳情，請參閱第 59 頁
B3 Development and Training 發展及培訓		
General Disclosure 一般披露	<p>Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities. 有關提升僱員履行工作職責的知識及技能的政策。描述培訓活動。</p>	For more details, please refer to Page 60 有關更多詳情，請參閱第 60 頁

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Aspects 層面	Summary 內容	Page Index/Notes 頁碼索引／附註
B4 Labour Standards 勞工準則		
General Disclosure 一般披露	Relating to preventing child and forced labour: 有關防止童工或強制勞工的： (a) the policies; and 政策；及 (b) compliance with relevant laws and regulations that have a significant impact on the issuer. 遵守對發行人有重大影響的相關法律及法規的資料。	For more details, please refer to Page 61 有關更多詳情，請參閱第61頁
B4.1	Description of measures to review employment practices to avoid child and forced labour. 描述檢討招聘慣例的措施以避免童工及強制勞工。	For more details, please refer to Page 61 有關更多詳情，請參閱第61頁
B5 Supply Chain Management 供應鏈管理		
General Disclosure 一般披露	Policies on managing environmental and social risks of the supply chain. 管理供應鏈的環境及社會風險政策。	For more details, please refer to Page 56 有關更多詳情，請參閱第56頁
B6 Product Responsibility 產品責任		
General Disclosure 一般披露	Relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress: 有關所提供產品和服務的健康與安全、廣告、標籤及私隱事宜以及補救方法的： (a) the policies; and 政策；及 (b) compliance with relevant laws and regulations that have a significant impact on the issuer. 遵守對發行人有重大影響的相關法律及法規的資料。	For more details, please refer to Page 55 有關更多詳情，請參閱第55頁
B6.5	Description of consumer data protection and privacy policies, how they are implemented and monitored. 描述消費者資料保障及私隱政策，以及相關執行及監察方法。	For more details, please refer to Page 56 有關更多詳情，請參閱第56頁

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Aspects 層面	Summary 內容	Page Index/Notes 頁碼索引／附註
B7 Anti-corruption 反貪污		
General Disclosure 一般披露	<p>Relating to bribery, extortion, fraud and money laundering: 有關防止賄賂、勒索、欺詐及洗黑錢的：</p> <p>(a) the policies; and 政策；及</p> <p>(b) compliance with relevant laws and regulations that have a significant impact on the issuer. 遵守對發行人有重大影響的相關法律及法規的資料。</p>	<p>For more details, please refer to Page 57 有關更多詳情，請參閱第 57 頁</p>
B7.2	<p>Description of preventive measures and whistle-blowing procedures, how they are implemented and monitored. 描述防範措施及舉報程序，以及相關執行及監察方法。</p>	<p>For more details, please refer to Page 57 有關更多詳情，請參閱第 57 頁</p>
B8 Community Investment 社區投資		
General Disclosure 一般披露	<p>Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities take into consideration the communities' interests. 有關以社區參與來了解發行人營運所在社區需要和確保其業務活動會考慮社區利益的政策。</p>	<p>For more details, please refer to Page 61 有關更多詳情，請參閱第 61 頁</p>

DIRECTORS' REPORT

董事會報告

The Board is pleased to present this annual report together with the audited financial statements of the Group for the year ended 31 December 2019.

GLOBAL OFFERING

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

PRINCIPAL BUSINESSES AND ACTIVITIES

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

A list of the Company's principal subsidiaries as of 31 December 2019 and their particulars are set out in note 40 of the consolidated financial statements.

BUSINESS REVIEW

A review of the business of the Group during the year and a discussion on the Group's future business development are provided on page 8 of this annual report. Particulars of important events affecting the Group that have occurred since the end of the financial year are provided in note 45 of the consolidated financial statements. An analysis of the Group's performance during the year using financial key performance indicators is provided on pages 13 to 22 of this annual report. Details of the capital structure of the Company is provided on page 22 of this annual report. Details of the significant capital investment of the Group is provided on page 21 of this annual report.

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

董事會欣然提呈本年報連同本集團截至2019年12月31日止年度的經審核財務報表。

全球發售

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

主要業務及活動

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

本公司於2019年12月31日的主要附屬公司列表及其詳情載於綜合財務報表附註40。

業務回顧

有關本集團年內業務的回顧及對本集團未來業務發展的論述載於本年報第8頁。自財政年度結算日起已發生對本集團造成影響的重要事件詳情載於綜合財務報表附註45。運用財務主要表現指標對本集團年內表現進行的分析載於本年報第13頁至第22頁。有關本公司資本架構的詳情載於本年報第22頁。有關本集團重大資本投資的詳情載於本年報第21頁。

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

DIRECTORS' REPORT

董事會報告

RESULTS

The consolidated results of the Group for the year ended 31 December 2019 are set out on pages 97 to 231 of this annual report.

DIVIDEND POLICY

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

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

FINAL DIVIDEND

The Board has resolved that no final dividend was declared for the year ended 31 December 2019.

業績

本集團截至2019年12月31日止年度的綜合業績載於本年報第97頁至第231頁。

股息政策

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

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

末期股息

董事會議決截至2019年12月31日止年度不會宣派末期股息。

DIRECTORS' REPORT

董事會報告

CLOSURE OF THE REGISTER OF MEMBERS

The register of members of the Company will be closed from Friday, 5 June 2020 to Wednesday, 10 June 2020, both days inclusive and during which period no transfer of share will be effected. In order to be eligible to attend and vote at the AGM, unregistered holders of shares of the Company shall ensure that all transfer documents accompanied by the relevant share certificates must be lodged with the Company's share registrar, Tricor Investor Services Limited, at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong for registration not later than 4:30 pm on Thursday, 4 June 2020.

SHARE CAPITAL

As at 31 December 2019, the authorised share capital of the Company was HK\$200,000,000, divided into 4,000,000,000 shares of HK\$0.05 each. Details of movements in the share capital of the Company during the year 2019 are set out in note 29 to the consolidated financial statements.

RESERVES

Details of movements in the reserves of the Company during the year 2019 are set out in note 46 to the consolidated financial statements on page 231 of this annual report.

DISTRIBUTABLE RESERVES

Details of movements in the reserves of the Company and the Group during the year ended 31 December 2019 are set out on page 231 and page 101 of this annual report.

DONATIONS

During the year ended 31 December 2019, the Company and its subsidiaries made no external donations.

BANK BORROWINGS AND OTHER BORROWINGS

Details of bank borrowings of the Company and its subsidiaries as at 31 December 2019 are set out in note 27 to the consolidated financial statements.

暫停辦理股份過戶登記

本公司的股份過戶登記將於2020年6月5日(星期五)至2020年6月10日(星期三)(包括首尾兩日)期間暫停,期間不會進行股份過戶登記。為符合資格出席股東週年大會並於會上投票,務請本公司的未登記股份持有人確保所有股份過戶文件連同相關股票須於2020年6月4日(星期四)下午四時三十分前送交本公司的股份過戶登記處卓佳證券登記有限公司,地址為香港皇后大道東183號合和中心54樓,以辦理過戶登記手續。

股本

於2019年12月31日,本公司的法定股本為200,000,000港元,分為4,000,000,000股每股面值0.05港元的股份。有關本公司股本於2019年內的變動詳情載於綜合財務報表附註29。

儲備

有關本公司儲備於2019年內的變動詳情載於本年報第231頁內的綜合財務報表附註46。

可供分派儲備

截至2019年12月31日止年度,本公司及本集團之儲備變動詳情載於本年報第231及101頁。

捐贈

截至2019年12月31日止年度,本公司及其附屬公司並無對外作出捐款。

銀行借款及其他借款

有關本公司及其附屬公司於2019年12月31日的銀行借款詳情載於綜合財務報表附註27。

DIRECTORS' REPORT

董事會報告

MAJOR CUSTOMERS AND SUPPLIERS

The largest customer and the five largest customers of the Group accounted for approximately 24.1% and 61.5% respectively of the Group's revenue for the year ended 31 December 2019.

For the year ended 31 December 2019, the total amount of purchases made by the Group from its five largest suppliers amounted to RMB101.6 million, and accounted for 23.8% of the total purchases for the year. The amount of the purchases from the largest supplier amounted to RMB33.8 million, and accounted for 7.9% of the total purchases for the year.

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

PROPERTY, PLANT AND EQUIPMENT

Details of changes in property, plant and equipment of the Company are set out in note 13 to the Financial Statements.

DIRECTORS

The Board currently consists of the following eight Directors:

Executive Directors

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

Mr. DONG Honghui

Mr. DENG Zhaoshan

Non-executive Directors

Mr. REN Jingfeng

Mr. YANG Zhiqiang

Independent Non-executive Directors

Mr. YANG Zhifeng

Mr. JIANG Guoliang

Mr. FENG Tao

主要客戶及供應商

本集團最大客戶及五大客戶分別佔本集團於截至2019年12月31日止年度收入約24.1%及61.5%。

截至2019年12月31日止年度，本集團向其五大供應商作出的採購總金額為人民幣101.6百萬元，佔年內採購總額23.8%。年內向最大供應商作出的採購總金額為人民幣33.8百萬元，佔採購總額7.9%。

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

物業、廠房及設備

有關本公司物業、廠房及設備的變動詳情載於財務報表附註13。

董事

董事會現時由以下八名董事組成：

執行董事

蔡珠華先生(董事長兼行政總裁)

董紅暉先生

鄧兆善先生

非執行董事

任景豐先生

楊志強先生

獨立非執行董事

楊志峰先生

蔣國良先生

馮濤先生

DIRECTORS' REPORT

董事會報告

BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT

The Board comprises of eight Directors in total. For details, please refer to the section headed "Directors" above. There are six senior management in total, including Dr. WANG Zhicheng, Ms. HUANG Ying, Mr. CUI Jinhong, Mr. LI Zhouxin, Mr. ZHENG Ziyuan and Mr. GU Chunbin.

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

CONFIRMATION OF INDEPENDENCE OF INDEPENDENT NON-EXECUTIVE DIRECTORS

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

SERVICE CONTRACTS OF DIRECTORS

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

None of the Directors has entered into any service contract with the Company or any of its subsidiaries which was not determinable by the Company within one year without payment of compensation (other than statutory compensation).

董事及高級管理層的履歷詳情

董事會合共由八名董事組成。有關詳情，請參閱上文「董事」一節。高級管理層總人數為六名，包括王志成博士、黃瑛女士、崔錦鴻先生、李周欣先生、鄭梓元先生及辜淳彬先生。

有關董事及本公司高級管理層詳情的資料載於「董事及高級管理層」一節。

獨立非執行董事的獨立性確認書

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

董事服務合約

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

概無董事已經與本公司或其任何附屬公司訂立任何服務合約(不包括於一年內屆滿或可由本公司釐定無需支付賠償(法定賠償除外)的合約)。

DIRECTORS' REPORT

董事會報告

DIRECTORS' MATERIAL INTERESTS IN TRANSACTIONS, ARRANGEMENTS AND CONTRACTS

Save for service contracts and the Contractual Arrangements, there were no other transactions, arrangements or contracts of significance in relation to the Group's business, to which the Company, its holding company, any of its subsidiaries or fellow subsidiaries was a party and in which none of the Directors of the Company or its connected entities had a material interest, whether directly or indirectly, as at the end of the year or at any time during the Reporting Period.

MANAGEMENT CONTRACTS

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

INTERESTS OF DIRECTORS IN BUSINESSES COMPETING WITH THE COMPANY

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

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

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

董事於交易、安排及合約的重大權益

於年末或報告期內任何時間，除服務合約及合約安排外，本公司、其控股公司、其任何附屬公司或同系附屬公司概無訂立與本公司或其關連實體董事直接或間接擁有重大權益而與本集團業務有重大聯繫的交易、安排或合約。

管理合約

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

董事於與本公司構成競爭的業務中的權益

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

董事及最高行政人員於本公司及其相關法團股份、相關股份及債權證中的權益及淡倉

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

DIRECTORS' REPORT

董事會報告

Long Position in Shares and Underlying Shares

於股份及相關股份中的好倉

Name of Director	Nature of interest	Note 附註	Number of ordinary shares held 所持普通股 數目	Number of underlying shares held 所持相關 股份數目	Approximately percentage of the Company's issued share capital 本公司 已發行股本的 概約百分比
董事姓名	權益性質				
Mr. CAI Zhuhua 蔡珠華先生	Interest in controlled corporation 於受控法團中的權益		677,420,000	—	50.81%
	Interest of spouse 配偶權益	1	—	3,933,338	0.295%
Mr. DONG Honghui 董紅暉先生	Beneficial owner 實益擁有人		—	3,933,338	0.295%
Mr. DENG Zhaoshan 鄧兆善先生	Beneficial owner 實益擁有人		—	3,933,338	0.295%

Note:

1. Mr. CAI is the spouse of Ms. HUANG Ying. By virtue of the SFO, Mr. CAI is deemed to be interested in all the Shares in which Ms. HUANG Ying is interested.

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

附註:

1. 蔡先生為黃瑛女士的配偶。根據《證券及期貨條例》，蔡先生被視為於黃瑛女士擁有權益的所有股份中擁有權益。

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

DIRECTORS' REPORT

董事會報告

INTERESTS OF SUBSTANTIAL SHAREHOLDERS

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

Long Position in Shares and Underlying Shares

Name of Director	Nature of interest	Notes	Number of ordinary shares held	Number of underlying shares held	Approximately percentage of the Company's issued share capital
董事姓名	權益性質	附註	所持普通股數目	所持相關股份數目	本公司已發行股本的概約百分比
WeiGang Technology 維港科技	Beneficial owner 實益擁有人	1	677,420,000	—	50.81%
Weigang Green 維港綠色	Interest in controlled corporation 於受控法團中的權益	1	677,420,000	—	50.81%
Mr. CAI 蔡先生	Interest in controlled corporation 於受控法團中的權益	1	677,420,000	—	50.81%
	Interest of spouse 配偶權益	2	—	3,933,338	0.295%
Ms. HUANG 黃女士	Interest of spouse 配偶權益	3	677,420,000	—	50.81%
	Beneficial owner 實益擁有人	3	—	3,933,338	0.295%
DHW Holdings 大河灣控股	Beneficial owner 實益擁有人	4	191,671,000	—	14.38%
Mr. ZHANG Weiyang 張維仰先生	Interest in controlled corporation 於受控法團中的權益	4	191,671,000	—	14.38%
	Beneficial owner 實益擁有人	4	46,710,000	—	3.5%
Ms. ZHOU Wenying 周文英女士	Interest of spouse 配偶權益	5	238,381,000	—	17.88%

主要股東權益

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

於股份及相關股份中的好倉

DIRECTORS' REPORT

董事會報告

Notes:

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

DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

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

PERMITTED INDEMNITY PROVISION

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

附註：

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

董事購買股份或債權證的權利

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

允許彌償條文

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

DIRECTORS' REPORT

董事會報告

PRE-IPO SHARE OPTION SCHEME

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

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

As at the 31 December 2019, the total number of outstanding share options was 44,453,389, representing approximately 3.3% of the issued share capital of the Company. No such provision regarding maximum entitlement of each participant under the Pre-IPO Share Option Scheme.

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

Grantee 承授人	Balance as at 01/01/2019 於2019年 1月1日的結餘	During the reporting period 於報告期間		Lapsed 已失效	Balance as at 31/12/2019 於2019年 12月31日的結餘	Exercise price per share 每股行使價 (HK\$) (港元)	Option period 購股權期限
		Exercised 已行使	Cancelled 已註銷				
Directors 董事							
DONG Honghui 董紅暉	3,933,338	—	—	—	3,933,338	0.23	03/01/2021- 29/04/2027
DENG Zhaoshan 鄧兆善	3,933,338	—	—	—	3,933,338	0.23	03/01/2021- 29/04/2027

首次公開發售前購股權計劃

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

根據首次公開發售前購股權計劃授出的購股權詳情

於2019年12月31日，尚未行使的購股權總數為44,453,389股，相當於本公司已發行股本約3.3%。首次公開發售前購股權計劃並無就每名參與人可獲授權益設定上限。

於期內，根據首次公開發售前購股權計劃授出的購股權之變動載列如下：

DIRECTORS' REPORT

董事會報告

Grantee 承授人	Balance as at 01/01/2019 於2019年 1月1日的結餘	During the reporting period 於報告期間		Lapsed 已失效	Balance as at 31/12/2019 於2019年 12月31日的結餘	Exercise price per share 每股行使價 (HK\$) (港元)	Option period 購股權期限
		Exercised 已行使	Cancelled 已註銷				
Employees 僱員							
HUANG Ying (wife of Mr. CAI Zhuhua) 黃瑛(蔡珠華先生的 妻子)	3,933,338	—	—	—	3,933,338	0.23	03/01/2021- 29/04/2027
30 other employees 30名其他僱員	32,653,375	—	—	—	32,653,375	0.23	03/01/2021- 29/04/2027
Total 總計	44,453,389	—	—	—	44,453,389		

SUFFICIENCY OF PUBLIC FLOAT

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

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

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

PRE-EMPTIVE RIGHTS

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

充足公眾持股量

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

購買、出售或贖回本公司的上市證券

於回顧期內，本公司或本集團任何成員公司並無購買、出售或贖回本公司任何股份。

優先購買權

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

DIRECTORS' REPORT

董事會報告

EMPLOYEES, REMUNERATION AND PENSION SCHEME

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

Remuneration of Directors is determined based on their roles and duties and with reference to the market conditions, the Company's remuneration policy and the prevailing market conditions, subject to the approval of the shareholders general meeting. Details of remuneration of Directors and the five highest paid individuals of the Company during the Reporting Period are set out in Note 10 to the Financial Statements.

REMUNERATION OF DIRECTORS AND FIVE INDIVIDUALS WITH HIGHEST EMOLUMENTS

Details of the emoluments of the Directors and five highest paid individuals are set out in note 10 to the consolidated financial statements.

CONTINGENT LIABILITIES

As at 31 December 2019, the Group had no material contingent liabilities.

僱員、薪酬及退休金計劃

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

董事的薪酬乃根據彼等的職責及職務並經參考市況、本公司的薪酬政策及現行市況後釐定，惟須待股東於股東大會上批准方可作實。有關董事及本公司五名最高薪酬人士於報告期內的薪酬載於財務報表附註10。

董事及五名最高薪人士的薪酬

有關董事及五名最高薪人士的酬金詳情載於綜合財務報表附註10。

或有負債

於2019年12月31日，本集團並無重大或有負債。

DIRECTORS' REPORT

董事會報告

NON-COMPETITION UNDERTAKING

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

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

COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

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

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

不競爭承諾

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

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

遵守《企業管治守則》

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

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

DIRECTORS' REPORT

董事會報告

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

COMPLIANCE WITH THE MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

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

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

AUDITORS

Upon the conclusion of the previous annual general meeting of the Company on 5 June 2019, Baker Tilly Hong Kong Limited has been appointed as the auditors of the Company to fill the vacancy from the retirement of Deloitte Touche Tohmatsu until the conclusion of the forthcoming AGM. Details of the change of auditors were set out in the Company's announcements dated 26 April 2019 and 9 May 2019. This financial statements have been audited by Baker Tilly Hong Kong Limited, who are proposed by the Board for reappointment at the forthcoming AGM.

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

遵守董事進行證券交易的《標準守則》

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

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

核數師

於本公司先前在2019年6月5日舉行之股東週年大會結束後，天職香港會計師事務所有限公司已獲委任為本公司核數師，以填補德勤•關黃陳方會計師行退任後的空缺，直至下屆股東週年大會結束為止。有關核數師變動之詳情載於本公司日期為2019年4月26日及2019年5月9日的公告。本財務報表已經天職香港會計師事務所有限公司審核，其經董事會推薦於下屆股東週年大會重新委任。

DIRECTORS' REPORT

董事會報告

CONTINUING CONNECTED TRANSACTIONS

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

For certain material related party transactions disclosed in note 37 to the Financial Statements which were also connected transactions under Chapter 14A of the Listing Rules of the Company, the Company had made disclosure as required under the Listing Rules.

SIGNIFICANT LEGAL PROCEEDINGS

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

COMPLIANCE WITH LAWS AND REGULATIONS

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

By order of the Board

Weigang Environmental Technology Holding Group Limited

CAI Zhuhua

Chairman

PRC

27 March 2020

持續關連交易

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

就財務報表附註37所披露的若干重大關聯方交易(同時為本公司於《上市規則》第十四A章項下的關連交易)而言，本公司已按照《上市規則》的規定作出披露。

重大法律程序

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

遵守法律及法規

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

承董事會命

维港环保科技控股集团有限公司

蔡珠華

董事長

中國

2020年3月27日

INDEPENDENT AUDITOR'S REPORT

獨立核數師報告



Independent auditor's report to the shareholders of Weigang Environmental Technology Holding Group Limited

(Incorporated in the Cayman Islands with limited liability)

OPINION

We have audited the consolidated financial statements of Weigang Environmental Technology Holding Group Limited and its subsidiaries (collectively referred to as "the Group") set out on pages 97 to 231, which comprise the consolidated statement of financial position as at 31 December 2019, 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 2019, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards ("IFRSs") issued by the International Accounting Standards Board ("IASB") and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

BASIS FOR OPINION

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

致

維港環保科技控股集团股東之獨立核數師報告

(於開曼群島註冊成立的有限公司)

意見

本核數師(以下簡稱「我們」)已審計載於第97至231頁維港環保科技控股集团及其附屬公司(統稱「貴集團」)之綜合財務報表，包括於2019年12月31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。

我們認為，該等綜合財務報表已根據國際會計準則理事會所頒佈的《國際財務報告準則》真實而公平地反映了 貴集團於2019年12月31日的綜合財務狀況及截至該日止年度的綜合財務表現及綜合現金流量，並已遵照香港《公司條例》的披露要求妥為擬備。

意見的基礎

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

INDEPENDENT AUDITOR'S REPORT

獨立核數師報告

OTHER MATTER

The consolidated financial statements of the Group for the year ended 31 December 2018 were audited by another independent auditor whose report dated 26 March 2019 expressed an unmodified opinion on those consolidated financial statements.

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.

其他事項

貴集團截至2018年12月31日止年度的綜合財務報表已經另一名獨立核數師審核，其日期為2019年3月26日的報告就該等綜合財務報表發表無保留意見。

關鍵審計事項

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

INDEPENDENT AUDITOR'S REPORT

獨立核數師報告

KEY AUDIT MATTERS (continued)

關鍵審計事項(續)

The Key Audit Matter

關鍵審計事項

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

確認與客戶就危險廢物焚燒處置解決方案服務所訂立合約的收入

We identified the recognition of revenue on contracts with customers for hazardous waste incineration solutions services as key audit matter due to its significance to the consolidated statement of profit or loss and other comprehensive income and the significant estimations made by the management in the determining the stage of completion of contracts.

我們將與客戶就危險廢物焚燒處置解決方案服務所訂立合約的收入識別為關鍵審計事項，原因為其對綜合損益及其他全面收益表具有重大影響，且釐定合約完成階段涉及管理層的重大估計。

As set out in Note 5 to the consolidated financial statements, the Group has recognised revenue from hazardous waste incineration solutions services amounting to approximately RMB452,990,000 for the year ended 31 December 2019.

誠如綜合財務報表附註5所載述，截至2019年12月31日止年度，貴集團已確認來自危險廢物焚燒處置解決方案服務的收入約人民幣452,990,000元。

How our audit addressed the key audit matter

我們的審計如何對關鍵審計事項進行處理

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

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

- Obtaining an understanding of the revenue business process and the key controls over revenue recognition performed by the management, including the estimation of the total contract costs and recording of cost in determining the stage of completion of contracts;

了解收入業務流程及管理層就收入確認所進行的關鍵控制，包括估計釐定完成合約階段的總合約成本及記錄成本；

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

按抽選樣本基準根據已簽訂合約核對合約金額；

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

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

INDEPENDENT AUDITOR'S REPORT

獨立核數師報告

KEY AUDIT MATTERS (continued)

關鍵審計事項(續)

The Key Audit Matter 關鍵審計事項	How our audit addressed the key audit matter 我們的審計如何對關鍵審計事項進行處理
<p>Recognition of revenue on contracts with customers for hazardous waste incineration solutions services (continued) 確認與客戶就危險廢物焚燒處置解決方案服務所訂立合約的收入(續)</p> <p>The accounting policies and estimation uncertainty in relation to revenue from hazardous waste incineration solutions services are set out in Notes 3 and 4 respectively to the consolidated financial statements. The Group recognised revenue from hazardous waste incineration solutions services over time by using the input method, which is measured by reference to the stage of completion of the contract activity at the end of the reporting period, as measured based on the proportion that contract costs incurred for work performed to date relative to the estimated total contract costs. The estimated contract revenue is determined in accordance with the terms set out in the relevant contract. The estimated total contract costs are based on contracted amount of suppliers' contracts, and in respect of amounts not contracted for, management estimates by taking into consideration of historical trends for the amounts incurred and adjusted for any price fluctuation during the year, where applicable.</p> <p>有關來自危險廢物焚燒處置解決方案服務的收入的會計政策及估計不確定性分別載於綜合財務報表附註3及4。貴集團使用投入法於一段時間內確認來自危險廢物焚燒處置解決方案服務的收入，此乃參照報告期末合約活動之完成階段予以計量，而完成進度按截至目前所開展工程產生的合約成本佔估計總合約成本的比例計量。估計合約收入乃根據相關合約所載條款釐訂。估計總合約成本乃基於供應商合約的訂約金額，對於未訂約的金額，管理層對所產生金額的估計考慮到該等金額的歷史趨勢，並對照年內價格波動進行調整(如適用)。</p>	<ul style="list-style-type: none">• Tracing, on a sample selection basis, the contract costs incurred for work performed during the year to supporting documents; 按抽選樣本基準追查年內所進行工程產生合約成本的證明文件；• Arranging confirmations to selected customers by agreeing the contract amount, the progress billings issued to customers, and relevant balance of trade and note receivables, and assessing the reasonableness of the percentage of completion of the corresponding contracts based on the confirmed information; 向經選定客戶安排確認書透過核對合約金額、向客戶發出的合約進度款項金額及貿易應收款項及應收票據相關結餘，以及根據已確認資料評估與相應合約的完成百分比的合理性予以評估；• Performing alternative procedures for the unreturned confirmation by tracing to the relevant supporting documents, and assessing the reasonableness of the percentage of completion of the corresponding contract based on the supporting documents; and 透過追查相關證明文件以對未有交還的確認書執行替代程序，並根據證明文件對相應合約的完工百分比的合理性予以評估；及• Recalculating the percentage of completion based on the proportion that contract costs incurred for work performed to date relative to the estimated total contract costs. 根據截至目前所開展工程產生的合約成本佔估計總合約成本的比例，重新計算完工百分比。

INDEPENDENT AUDITOR'S REPORT

獨立核數師報告

KEY AUDIT MATTERS (continued)

關鍵審計事項(續)

The Key Audit Matter

關鍵審計事項

Estimated impairment of trade receivables and contract assets

貿易應收款項及合約資產的預計減值

We identified the estimated impairment of trade receivables and contract assets as a key audit matter due to their significance to the consolidated statement of financial position and the involvement of management judgement in evaluating the expected credit losses ("ECL") of trade receivables and contract assets at the end of the reporting period. As at 31 December 2019, the Group had trade receivables and contract assets with carrying amount of approximately RMB119,210,000 and RMB274,408,000 in Notes 20 and 22 to the consolidated financial statements respectively, amounting to approximately RMB393,618,000 in aggregate.

我們將貿易應收款項及合約資產的預計減值識別為關鍵審計事項，原因為其對綜合財務狀況表具有重大影響及於評價報告期末的貿易應收款項及合約資產的預期信貸虧損時涉及管理層判斷。於2019年12月31日，貴集團賬面值分別約為人民幣119,210,000元及人民幣274,408,000元的貿易應收款項及合約資產(見綜合財務報表附註20及22)合共約為人民幣393,618,000元。

How our audit addressed the key audit matter

我們的審計如何對關鍵審計事項進行處理

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

我們有關貿易應收款項及合約資產的預計減值的審計程序包括：

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

了解管理層評估貿易應收款項及合約資產的預期信貸虧損的過程；

- Assessing management's basis and judgement, including their identification of any credit-impaired trade receivables and contract assets and the basis of expected loss rates applied individually (with reference to historical observed default rates and forward-looking information), in determining the ECL of trade receivables and contract assets as at 31 December 2019;

評估管理層於釐定貿易應收款項及合約資產於2019年12月31日的預期信貸虧損之基準及判斷，包括識別任何信貸減值貿易應收款項及合約資產以及單獨應用的預期虧損率的基準(已參考歷史觀察違約率及前瞻性資料)；

INDEPENDENT AUDITOR'S REPORT

獨立核數師報告

KEY AUDIT MATTERS (continued)

關鍵審計事項(續)

The Key Audit Matter 關鍵審計事項	How our audit addressed the key audit matter 我們的審計如何對關鍵審計事項進行處理
<p>Estimated impairment of trade receivables and contract assets (continued) 貿易應收款項及合約資產的預計減值(續)</p> <p>As disclosed in Note 4 to the consolidated financial statements, the management of the Group estimates the amount of lifetime ECL of trade receivables and contract assets based on credit risk of the respective counterparty. Expected loss rates are assessed individually based on each customer's credit risk characteristics and the historical observed default rates adjusted by forward-looking estimates.</p> <p>誠如綜合財務報表附註4所披露，貴集團管理層根據有關對手方的信貸風險估算貿易應收款項及合約資產的整個存續期預期信貸虧損金額。預期損失率根據客戶各自的信貸風險特徵及經前瞻性估計調整的歷史觀察違約率而作出個別評估。</p> <p>As disclosed in Notes 20 and 22 to the consolidated financial statements, the impairment loss of the Group on trade receivables and contract assets as at 31 December 2019 amounted to approximately RMB3,798,000 and RMB4,040,000 respectively.</p> <p>誠如綜合財務報表附註20及22所披露，貴集團於2019年12月31日的貿易應收款項及合約資產的減值虧損分別約為人民幣3,798,000元及人民幣4,040,000元。</p>	<ul style="list-style-type: none">• Checking the subsequent settlements of any credit-impaired trade receivables, by inspecting supporting documents in relation to cash receipt from trade debtors subsequent to the end of the current reporting period and challenging management regarding their reasons for not considering a provision against any unsettled past-due balances; and• Evaluating the appropriateness of the disclosures in respect of the credit risk and impairment assessment of trade receivables and contract assets in the consolidated financial statements. <p>檢查任何信貸減值貿易應收款項的期後結算情況，並在本報告期結束後查核有關貿易債務人現金收款的證明文件，並就其不考慮就任何未結算逾期結餘計提撥備的理由質詢管理層；及</p> <p>評價綜合財務報表中有關貿易應收款項及合約資產的信貸風險及減值評估的披露是否恰當。</p>

INDEPENDENT AUDITOR'S REPORT

獨立核數師報告

OTHER INFORMATION

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

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

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

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

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

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

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

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

其他信息

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

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

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

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

董事及治理層就綜合財務報表須承擔的責任

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

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

治理層須負責監督貴集團的財務報告過程。

INDEPENDENT AUDITOR'S REPORT

獨立核數師報告

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

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

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.

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

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

核數師就審計綜合財務報表承擔的責任

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

合理保證是高水平的保證，但不能保證按照《香港審計準則》進行的審計，在某一重大錯誤陳述存在時總能發現。錯誤陳述可以由欺詐或錯誤引起，如果合理預期它們單獨或匯總起來可能影響綜合財務報表使用者依賴綜合財務報表所作出的經濟決定，則有關的錯誤陳述被視作重大。

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

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

INDEPENDENT AUDITOR'S REPORT

獨立核數師報告

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

(continued)

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

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

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

核數師就審計綜合財務報表承擔的責任 (續)

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

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

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

INDEPENDENT AUDITOR'S REPORT

獨立核數師報告

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

(continued)

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

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

Baker Tilly Hong Kong Limited

Certified Public Accountants

Hong Kong, 27 March 2020

Lo Wing See

Practising certificate number P04607

核數師就審計綜合財務報表承擔的責任 (續)

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

出具本獨立核數師報告的審計項目總監是羅詠思。

天職香港會計師事務所有限公司

執業會計師

香港，2020年3月27日

羅詠思

執業證書編號 P04607

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

綜合損益及其他全面收益表

For the year ended 31 December 2019 截至2019年12月31日止年度

			2019 2019年	2018 2018年
		Note 附註	RMB'000 人民幣千元	RMB'000 人民幣千元
Revenue	收入	5	537,509	480,091
Cost of services	服務成本		(393,273)	(355,428)
Gross profit	毛利		144,236	124,663
Other income, gains and losses	其他收入、收益及虧損	6	11,862	8,110
Administrative expenses	行政開支		(39,764)	(27,854)
Distribution and selling expenses	分銷及銷售開支		(2,280)	(951)
Other expenses	其他開支		(21,825)	(29,967)
Share of results of associates	應佔聯營企業的業績		(13)	—
Finance costs	融資成本	7	(1,094)	(6,031)
Profit before tax	稅前利潤	9	91,122	67,970
Income tax expense	所得稅開支	8	(13,091)	(10,559)
Profit for the year	年內利潤		78,031	57,411
Other comprehensive income/ (expense)	其他全面收益/(開支)			
<i>Items that will not be reclassified to profit or loss:</i>	<i>不會重新分類至損益的項目：</i>			
Fair value gain/(loss) on equity instrument at fair value through other comprehensive income	按公允價值計量並計入其他全面收益的股本工具的公允價值收益/(虧損)		1,795	(604)
Income tax relating to items that will not be reclassified to profit or loss	與不會重新分類至損益的項目有關的所得稅		(449)	(370)
			1,346	(974)
Total comprehensive income for the year	年內全面收益總額		79,377	56,437

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

綜合損益及其他全面收益表

For the year ended 31 December 2019 截至2019年12月31日止年度

		2019 2019年	2018 2018年
		RMB'000 人民幣千元	RMB'000 人民幣千元
	Note 附註		
Profit for the year attributable to:	以下各方應佔年內利潤：		
— Owners of the Company	— 本公司擁有人	66,984	49,799
— Non-controlling interests	— 非控股權益	11,047	7,612
		78,031	57,411
Total comprehensive income for the year attributable to:	以下各方應佔年內全面收益總額：		
— Owners of the Company	— 本公司擁有人	67,753	48,825
— Non-controlling interests	— 非控股權益	11,624	7,612
		79,377	56,437
Earnings per share	每股盈利		
— Basic (RMB)	— 基本(人民幣元) 11	0.050	0.049
— Diluted (RMB)	— 攤薄(人民幣元) 11	0.049	0.048

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

隨附附註為該等綜合財務報表之組成部分。

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

綜合財務狀況表

As at 31 December 2019 於2019年12月31日

			2019 2019年	2018 2018年
		Note 附註	RMB'000 人民幣千元	RMB'000 人民幣千元
NON-CURRENT ASSETS				
非流動資產				
Property, plant and equipment	物業、廠房及設備	13	81,065	23,531
Intangible assets	無形資產	14	15,765	16,683
Right-of-use assets	使用權資產	16	6,310	—
Interests in associates	於聯營企業的權益	15	581	—
Equity instrument at fair value through other comprehensive income	按公允價值計量並計入 其他全面收益的股本工具	17	4,775	2,980
Deposits for acquisition of property, plant and equipment	購置物業、廠房及設備的按金		7,971	5,463
Pledged bank deposits	已抵押銀行存款	23	24,715	17,467
Deferred tax assets	遞延稅項資產	18	9,703	2,792
			150,885	68,916
CURRENT ASSETS				
流動資產				
Inventories	存貨	19	5,250	1,983
Trade and note receivables	貿易應收款項及應收票據	20	143,874	142,835
Deposits, prepayments and other receivables	按金、預付款項及 其他應收款項	21	57,120	29,146
Contract assets	合約資產	22	274,408	176,973
Pledged bank deposits	已抵押銀行存款	23	28,284	26,445
Bank balances and cash	銀行結餘及現金	23	142,206	23,437
			651,142	400,819
CURRENT LIABILITIES				
流動負債				
Trade payables	貿易應付款項	24	119,606	84,074
Other payables and accrued expenses	其他應付款項及應計開支 expenses	25	15,264	39,778
Contract liabilities	合約負債	22	44,179	72,885
Lease liabilities	租賃負債	26	2,802	—
Income tax payable	應納所得稅		15,478	3,807
Bank borrowings	銀行借款	27	26,598	10,000
			223,927	210,544

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

綜合財務狀況表

As at 31 December 2019 於 2019年 12月 31日

			2019 2019年	2018 2018年
		Note 附註	RMB'000 人民幣千元	RMB'000 人民幣千元
NET CURRENT ASSETS	流動資產淨值		427,215	190,275
TOTAL ASSETS LESS CURRENT LIABILITIES	資產總額減流動負債		578,100	259,191
NON-CURRENT LIABILITIES	非流動負債			
Lease liabilities	租賃負債	26	3,959	—
Obligation arising from a put option	認沽期權產生的責任	28	—	99,901
			3,959	99,901
NET ASSETS	資產淨值		574,141	159,290
CAPITAL AND RESERVES	資本及儲備			
Share capital	股本	29	55,100	41,413
Reserves	儲備		461,715	90,657
Equity attributable to owners of the Company	本公司擁有人應佔權益		516,815	132,070
Non-controlling interests	非控股權益		57,326	27,220
TOTAL EQUITY	權益總額		574,141	159,290

Approved and authorised for issue by the Board of Directors on 27 March 2020:

於 2020年 3月 27日 經董事會批准及授權發佈：

Mr. Cai Zhuhua

蔡珠華先生

Director

董事

Mr. Dong Honghui

董紅暉先生

Director

董事

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

隨附附註為該等綜合財務報表之組成部分。

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

綜合權益變動表

For the year ended 31 December 2019 截至2019年12月31日止年度

		Attributable to owners of the Company 本公司擁有人應佔							Non-controlling interests		Total
		Share capital	Share premium	Share-based payment reserve	Other reserve	Revaluation reserve	Statutory surplus reserve	Retained profits	Sub-total		
		股本	股份溢價	以股份為基礎的支付儲備	其他儲備	重估儲備	盈餘儲備	累計利潤	小計	非控股權益	合計
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
		(Note 29)					(Note (a))				
		(附註 29)					(附註 (a))				
At 1 January 2018	於2018年1月1日	—*	—	—	(39,545)	2,084	5,000	67,594	35,133	(436)	34,697
Profit for the year	年內利潤	—	—	—	—	—	—	49,799	49,799	7,612	57,411
Other comprehensive expense for the year, net of income tax	年內其他全面開支 (扣除所得稅)	—	—	—	—	(974)	—	—	(974)	—	(974)
Total comprehensive income for the year	年內全面收益總額	—	—	—	—	(974)	—	49,799	48,825	7,612	56,437
Transfer to statutory surplus	轉撥至法定盈餘	—	—	—	—	—	8,211	(8,211)	—	—	—
Issue of ordinary shares to pre-IPO investors, net of share issue cost (Note (b))	向首次公開發售前投資者發行普通股(扣除股份發行成本)(附註(b))	841	16,281	—	—	—	—	—	17,122	—	17,122
Issue of ordinary shares by loan capitalisation (Note (c))	透過貸款資本化發行普通股(附註(c))	40,572	7,302	—	—	—	—	—	47,874	—	47,874
Capital contribution from a non-controlling shareholder (Note (d))	非控股股東注資(附註(d))	—	—	—	84,000	—	(500)	(7,664)	75,836	18,608	94,444
Capital contribution from a non-controlling shareholder (Note (e))	非控股股東注資(附註(e))	—	—	—	—	—	—	—	—	1,000	1,000
Recognition of obligation arising from a put option (Note (d))	確認認沽期權產生的責任(附註(d))	—	—	—	(94,444)	—	—	—	(94,444)	—	(94,444)
Recognition of equity-settled share-based payment (Note (39))	確認股權結算以股份為基礎的支付(附註(39))	—	—	2,160	—	—	—	—	2,160	—	2,160
Acquisition of additional interest of a subsidiary (Note (f))	收購附屬公司的額外權益(附註(f))	—	—	—	(436)	—	—	—	(436)	436	—
At 31 December 2018	於2018年12月31日	41,413	23,583	2,160	(50,425)	1,110	12,711	101,518	132,070	27,220	159,290

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

綜合權益變動表

For the year ended 31 December 2019 截至2019年12月31日止年度

		Attributable to owners of the Company 本公司擁有人應佔									
		Share capital	Share premium	Share-based payment reserve	Other reserve	Revaluation reserve	Statutory surplus reserve	Retained profits	Sub-total	Non-controlling interests	Total
		股本	股份溢價	以股份為基礎的支付儲備	其他儲備	重估儲備	盈餘儲備	累計利潤	小計	非控股權益	合計
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
		(Note 29)					(Note (a))	(Note (a))			
		(附註 29)					(附註 (a))	(附註 (a))			
At 31 December 2018	於2018年12月31日	41,413	23,583	2,160	(50,425)	1,110	12,711	101,518	132,070	27,220	159,290
Impact on initial application of IFRS 16	首次應用《國際財務報告準則》第16號的影響	—	—	—	—	—	—	(362)	(362)	—	(362)
Adjusted balance at 1 January 2019	於2019年1月1日的經調整結餘	41,413	23,583	2,160	(50,425)	1,110	12,711	101,156	131,708	27,220	158,928
Profit for the year	年內利潤	—	—	—	—	—	—	66,984	66,984	11,047	78,031
Other comprehensive income for the year, net of income tax	年內其他全面收益(扣除所得稅)	—	—	—	—	769	—	—	769	577	1,346
Total comprehensive income for the year	年內全面收益總額	—	—	—	—	769	—	66,984	67,753	11,624	79,377
Issue of ordinary shares relating to IPO (Note (b))	就首次公開發售發行普通股(附註(b))	13,687	227,195	—	—	—	—	—	240,882	—	240,882
Transaction costs attributable to issue of new shares	發行新股份產生的交易成本	—	(13,648)	—	—	—	—	—	(13,648)	—	(13,648)
Derecognition of obligation arising from a put option (Note (d))	終止確認認沽期權產生的責任(附註(d))	—	—	—	99,901	—	—	—	99,901	—	99,901
Capital contribution from a non-controlling shareholder	非控股股東注資	—	—	—	—	—	—	—	—	2,500	2,500
Change in ownership interests in subsidiaries without change of control (Note (d))	附屬公司所有者權益變動(不改變控制權)(附註(d))	—	—	—	(13,693)	—	—	—	(13,693)	13,693	—
Partial disposal of interest in a subsidiary without losing control (Note 43)	部分出售於一間附屬公司的權益(不失去控制權)(附註43)	—	—	—	2,611	—	—	—	2,611	2,289	4,900
Recognition of equity-settled share-based payment (Note 39)	確認股權結算以股份為基礎的支付(附註39)	—	—	1,301	—	—	—	—	1,301	—	1,301
Transfer to statutory surplus	轉撥至法定盈餘	—	—	—	—	—	12,905	(12,905)	—	—	—
At 31 December 2019	於2019年12月31日	55,100	237,130	3,461	38,394	1,879	25,616	155,235	516,815	57,326	574,141

* Less than RMB1,000

* 少於人民幣1,000元

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

綜合權益變動表

For the year ended 31 December 2019 截至2019年12月31日止年度

Note:

(a) In accordance with the Articles of Association of all subsidiaries established in the People's Republic of China (the "PRC"), the PRC subsidiaries are required to set aside 10% of their profit after tax as per statutory financial statements determined under the PRC laws and regulations for the statutory surplus reserve fund until the reserve reach 50% of their registered capital. Transfer to this reserve must be made before distributing dividends to equity owners of the subsidiaries. The statutory surplus reserve can be used to make up previous years' losses, expand the existing operations or convert into additional capital of the respective subsidiaries.

(b) On 13 February 2018, the Company has allotted and issued 16,155,353 ordinary shares of HK\$0.05 each to two pre-IPO investors for a total consideration of HK\$16,991,957 (equivalent to approximately RMB13,706,000).

On 9 April 2018, the Company has allotted and issued 4,708,647 ordinary shares of HK\$0.05 each to another pre-IPO investor for a total consideration of HK\$5,000,000 (equivalent to approximately RMB4,016,000).

On 3 January 2019, 312,471,000 ordinary shares with a par value of HK\$0.05 each of the Company were issued at a price of HK\$0.88 per share by way of public offer. On the same date, the shares of the Company were listed on the Main Board of the Stock Exchange.

(c) On 26 January 2018, Jade Fly Investment Limited ("Jade Fly") has agreed to subscribe for 1,499,497,901 shares of HK\$0.01 each in the share capital of the Company at the subscription price in the sum equivalent to the amount of HK\$17,691,182 (equivalent to approximately RMB14,356,000) which are to be satisfied by capitalising the loan amount of HK\$17,691,182.

On 26 January 2018, WeiGang Technology Limited ("WeiGang Technology") has agreed to subscribe for 3,500,495,099 shares of HK\$0.01 each in the share capital of the Company at the subscription price in the sum equivalent to the amount of HK\$41,307,518 (equivalent to approximately RMB33,518,000) which are to be satisfied by capitalising the loan amount of HK\$41,307,518.

附註：

(a) 根據於中華人民共和國(「中國」)成立的所有附屬公司的組織章程細則，中國附屬公司須從其法定財務報表中所呈報的稅後利潤(根據中國法律法規釐定)中轉撥10%作為法定盈餘儲備，直至儲備達到其註冊資本的50%。向該儲備的轉入必須在向附屬公司權益擁有人分派股息前進行。法定盈餘儲備可用作彌補以前年度的虧損、擴展現有業務或轉換為相應附屬公司的額外資本。

(b) 於2018年2月13日，本公司向兩名首次公開發售前投資者配發及發行16,155,353股每股面值0.05港元的普通股，總對價為16,991,957港元(相當於約人民幣13,706,000元)。

於2018年4月9日，本公司向另一名首次公開發售前投資者配發及發行4,708,647股每股面值0.05港元的普通股，總對價為5,000,000港元(相當於約人民幣4,016,000元)。

於2019年1月3日，本公司已以公開發售方式按每股0.88港元的價格發行312,471,000股每股面值0.05港元的普通股。同日，本公司股份於聯交所主板上市。

(c) 於2018年1月26日，杰飛投資有限公司(「杰飛」)已同意認購本公司股本中1,499,497,901股每股面值0.01港元的股份，認購價總額為17,691,182港元(相當於約人民幣14,356,000元)，將以將17,691,182港元貸款資本化的方式支付。

於2018年1月26日，維港科技有限公司(「維港科技」)已同意認購本公司股本中3,500,495,099股每股面值0.01港元的股份，認購價總額為41,307,518港元(相當於約人民幣33,518,000元)，將以將41,307,518港元貸款資本化的方式支付。

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

綜合權益變動表

For the year ended 31 December 2019 截至2019年12月31日止年度

(d) On 4 April 2018, Guangzhou Weigang Environmental Protection Technology Limited (“Guangzhou Weigang”), WEIGANG HOLDINGS (HONG KONG) LIMITED (“Weigang Holdings (Hong Kong)”), Jade Road Investment Limited (“Jade Road”), Jade Fly, WeiGang Technology and Orient Landscape Group Environmental Protection Co., Ltd (“Orient Landscape”), an independent third party, entered into investment agreements whereby Orient Landscape agreed, among others, to subscribe for the registered capital of RMB40,000,000 in Guangzhou Weigang, for 10% of the equity interest in Guangzhou Weigang, at a consideration of RMB94,444,444. Upon completion of the subscription on 11 April 2018, an amount representing the proportionate share of the carrying amount of the net assets of Guangzhou Weigang at the date of the completion of the subscription is transferred to non-controlling interests. The difference between the capital contribution from the non-controlling interests, the proportionate share of the carrying amount of the net assets of Guangzhou Weigang and the re-attribution of its statutory surplus reserve and retained profits is recognised in other reserve.

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

Upon the successful listing of the Company on 3 January 2019, the put option has been lapsed and all the previously recognised interest expenses have been reversed through equity without any payment to Orient Landscape, as disclosed in Note 28.

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

(e) On 15 July 2018, Weierneng Environmental (Suzhou) Limited (“Weierneng Environmental”) was established by Shenzhen Xinnengji Technology Limited (“Shenzhen Xinnengji”) and an independent third party, Party D and a capital injection amounting to RMB1,000,000 and RMB1,000,000 has been paid by the Group and Party D, respectively.

(f) On 14 September 2018, Guangzhou Weigang acquired the remaining 27.14% equity interest in Shenzhen Xinnengji from Party A at consideration of RMB1 and Shenzhen Xinnengji became a wholly owned subsidiary of Guangzhou Weigang. The amount of non-controlling interest of approximately RMB436,000 was transferred to other reserve.

(d) 於2018年4月4日，廣州維港環保科技有限公司（「廣州維港」）、維港控股（香港）有限公司（「維港控股（香港）」）、杰路投資有限公司（「杰路」）、杰飛、維港科技及東方園林集團環保有限公司（「東方園林」，為獨立第三方）訂立投資協議，據此，東方園林同意（其中包括）認購廣州維港人民幣40,000,000元的註冊資本（廣州維港10%的股權），對價為人民幣94,444,444元。認購於2018年4月11日完成後，一筆相當於完成認購當日應佔的廣州維港資產淨值賬面值的金額轉撥至非控股權益。非控股權益注資、應佔廣州維港資產淨值的賬面值及重新分配其法定盈餘儲備及累計利潤之間的差額於其他儲備中確認。

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

本公司於2019年1月3日成功上市後，認沽期權已失效，而誠如附註28所披露，所有先前確認的利息開支已透過股本撥回，且並無向東方園林作出任何付款。

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

(e) 於2018年7月15日，威爾能環保科技（蘇州）有限公司（「威爾能環保」）由深圳新能極科技有限公司（「深圳新能極」）及一名獨立第三方丁方成立，本集團與丁方分別支付人民幣1,000,000元及人民幣1,000,000元作為注資。

(f) 於2018年9月14日，廣州維港以人民幣1元的對價自甲方收購了深圳新能極剩餘27.14%的股本權益，深圳新能極成為廣州維港的全資附屬公司。非控股權益約人民幣436,000元已轉移至其他儲備。

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

隨附附註為該等綜合財務報表之組成部分。

CONSOLIDATED STATEMENT OF CASH FLOWS

綜合現金流量表

For the year ended 31 December 2019 截至2019年12月31日止年度

		2019 2019年	2018 2018年
	Note 附註	RMB'000 人民幣千元	RMB'000 人民幣千元
Operating activities	經營活動		
Profit before tax	稅前利潤	91,122	67,970
Adjustments for:	調整項目：		
Share of results of associates	應佔聯營企業的業績	13	—
Loss on disposal of a subsidiary	出售一間附屬公司的虧損	9	6
Gain on deregistration of investment in an associate	註銷一間聯營企業投資之收益	6	—
Depreciation of property, plant and equipment	物業、廠房及設備折舊	9	—
Depreciation of right-of-use assets	使用權資產折舊	9	1,726
Amortisation of intangible assets	無形資產攤銷	9	—
Bank interest income	銀行利息收入	6	413
Finance costs	融資成本	7	(375)
Impairment loss, net of reversal	減值虧損(扣除撥回)	9	6,031
Net foreign exchange gains	外匯收益淨額	9	716
Share-based payment expenses	以股份為基礎的支付開支	9	(3,054)
Gain on disposal of property, plant and equipment	出售物業、廠房及設備的收益	9	2,160
		(3)	—
Operating cash flows before movements in working capital	營運資金變動前的經營現金流量	97,244	75,490
Increase in inventories	存貨增加	(3,267)	(1,961)
Increase in trade and note receivables	貿易應收款項及應收票據增加	(1,689)	(84,878)
Increase in deposits, prepayments and other receivables	按金、預付款項及其他應收款項增加	(33,375)	(1,497)
Increase in contract assets	合約資產增加	(97,552)	(109,679)
Increase in trade payables	貿易應付款項增加	27,561	51,204
(Decrease)/increase in other payables and accrued expenses	其他應付款項及應計開支(減少)/增加	(4,294)	5,906
(Decrease)/increase in contract liabilities	合約負債(減少)/增加	(28,706)	5,106
Cash used in operations	經營所用現金	(44,078)	(60,309)
Income tax paid	已付所得稅	(8,718)	(9,113)
Net cash used in operating activities	經營活動所用現金淨額	(52,796)	(69,422)

CONSOLIDATED STATEMENT OF CASH FLOWS

綜合現金流量表

For the year ended 31 December 2019 截至2019年12月31日止年度

		2019 2019年	2018 2018年
	Note 附註	RMB'000 人民幣千元	RMB'000 人民幣千元
Investing activities	投資活動		
Purchase of and deposits paid for property, plant and equipment	購置物業、廠房及設備 已付按金	(61,096)	(7,443)
Purchase of intangible assets	購置無形資產	(12,727)	(4,303)
Investment in associates	於聯營企業的投資	(590)	—
Interest received	已收利息	1,504	375
Proceeds from disposal of items of property, plants and equipment	出售物業、廠房及設備所得款項	6	—
Withdrawal of pledged bank deposits	提取已抵押銀行存款	27,936	500
Placement of pledged bank deposits	存入已抵押銀行存款	(37,023)	(35,524)
Return of investment upon deregistration of an associate	註銷聯營企業後的投資回報	—	5,636
Acquisition of a subsidiary, net of cash paid	收購一間附屬公司(扣除已付現金)	1,080	—
Proceeds from partial disposal of a subsidiary without losing control	部分出售一間附屬公司所得款項(不失去控制權)	4,900	—
Disposal of a subsidiary, net of cash disposed	出售一間附屬公司(扣除已出售現金)	(10)	—
Net cash used in investing activities	投資活動所用現金淨額	(76,020)	(40,759)
Financing activities	融資活動		
Repayment to shareholders	向股東還款	—	(43,152)
Repayment to related parties	向關聯方還款	—	(2,433)
Capital element of lease rental paid	已付租金的本金部分	(2,024)	—
Interest element of lease rental paid	已付租金的利息部分	(270)	—
Interest paid	已付利息	(824)	(574)
Issue costs paid	已付發行成本	(9,277)	(2,335)
Repayment of bank borrowings	償還銀行借款	(10,450)	—
Proceeds from bank borrowings	銀行借款所得款項	27,048	—
Proceeds from issuance of ordinary shares upon IPO	首次公開發售後發行普通股所得款項	240,882	—
Capital injection from pre-IPO investors	首次公開發售前投資者注資	—	17,722
Capital contribution from a non-controlling shareholder of Guangzhou Weigang	廣州維港非控股股東注資	—	94,444
Capital injection by a non-controlling shareholder	非控股股東注資	2,500	1,000
Net cash from financing activities	融資活動所得現金淨額	247,585	64,672
Net increase/(decrease) in cash and cash equivalents	現金及現金等價物增加/(減少)淨額	118,769	(45,509)
Cash and cash equivalents at beginning of the year	年初現金及現金等價物	23,437	68,946
Cash and cash equivalents at end of the year, represented by bank balances and cash	年末現金及現金等價物 銀行結餘及現金	142,206	23,437

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

隨附附註為該等綜合財務報表之組成部分。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

1 GENERAL

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

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

The Company is an investment holding company. The Company and its subsidiaries (collectively referred as a “Group”) are principally engaged in hazardous waste incineration turnkey solution provider in China focused on the research, design, integration and commissioning of solid waste treatment systems particularly for hazardous waste incineration. A list of the Company’s principal subsidiaries as of 31 December 2019 and their particulars are set out in Note 40.

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

1 一般資料

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

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

本公司為一間投資控股公司。本公司及其附屬公司(統稱為「本集團」)主要於中國從事危險廢物焚燒處置解決方案供應商，專注於固體廢物處理系統(尤其是危險廢物焚燒處置系統)的研究、設計、集成及調試。本公司於2019年12月31日的主要附屬公司名單及其詳情載於附註40。

綜合財務報表以人民幣(「人民幣」)列示，人民幣亦為本公司的功能貨幣。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

2 APPLICATION OF NEW AND AMENDMENTS TO INTERNATIONAL FINANCIAL REPORTING STANDARDS (“IFRSs”)

The Group has applied the following new and amendments to IFRSs issued by the International Accounting Standard Board (“IASB”) for the first time in the current year:

IFRS 16	Leases
IFRIC-Int 23	Uncertainty over Income Tax Treatments
Amendments to IFRS 9	Prepayment Features with Negative Compensation
Amendments to IAS 19	Plan Amendment, Curtailment or Settlement
Amendments to IAS 28	Long-term Interests in Associates and Joint Ventures
Amendments to IFRSs	Annual Improvements to IFRSs 2015–2017 Cycle

The Group has changed its accounting policies as a result of adoption “IFRS 16 Leases”. The impact of the adoption of the standard and the new accounting policies are disclosed below. The other interpretation and amendments had no material impact on the Group’s financial performance and financial positions for the current and prior period and/or on the disclosures set out in these consolidated financial statements.

2 應用新訂及經修訂《國際財務報告準則》(「《國際財務報告準則》」)

本集團已應用以下由國際會計準則理事會(「國際會計準則理事會」)於本年度首次頒佈的新訂及經修訂《國際財務報告準則》:

《國際財務報告準則》第16號	租賃
《國際財務報告詮釋委員會》第23號詮釋	所得稅處理的不確定性
《國際財務報告準則》第9號(修訂本)	具有負補償之提前還款特性
《國際會計準則》第19號(修訂本)	計劃修訂、縮減或結算
《國際會計準則》第28號(修訂本)	於聯營企業及合營企業中的長期權益
《國際財務報告準則》(修訂本)	《國際財務報告準則》2015年至2017年週期之年度改進

由於本集團採用「《國際財務報告準則》第16號「租賃」」，故已變更其會計政策。下文披露採用該等準則及新會計政策的影響。其他詮釋及修改對本集團本期間及過往期間的財務表現與財務狀況及／或於本綜合財務報表所載的披露並無重大影響。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

2 APPLICATION OF NEW AND AMENDMENTS TO INTERNATIONAL FINANCIAL REPORTING STANDARDS (“IFRSs”) (continued)

Impacts and changes in accounting policies of application on IFRS 16 Leases

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

(a) Definition of a lease

The Group has elected the practical expedient to apply IFRS 16 to contracts that were previously identified as leases applying IAS 17 and IFRIC 4 “Determining whether an Arrangement contains a Lease” and not apply these standards to contracts that were not previously identified as containing a lease. Therefore, the Group has not reassessed contracts which already existed prior to the date of initial application.

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

(b) As a lessee

The Group has applied IFRS 16 retrospectively with the cumulative effect recognised at the date of initial application, 1 January 2019. As at 1 January 2019, the Group recognised additional lease liabilities and measured right-of-use assets at the carrying amounts as if IFRS 16 had been applied since commencement date, but discounted using the incremental borrowing rates of the relevant group entities at the date of initial application by applying IFRS 16.C8(b)(i) transition. Any difference at the date of initial application is recognised in the opening retained profits and comparative information has not been restated.

2 應用新訂及經修訂《國際財務報告準則》(「《國際財務報告準則》」)(續)

應用《國際財務報告準則》第16號「租賃」對會計政策的影響及變動

本集團於本年度首次應用《國際財務報告準則》第16號。《國際財務報告準則》第16號取代《國際會計準則》第17號「租賃」(「《國際會計準則》第17號」)及相關詮釋。

(a) 租賃的定義

本集團已選用便於實務操作的方法，就先前應用《國際會計準則》第17號及《國際財務報告詮釋委員會》第4號詮釋「釐定安排是否包括租賃」識別為租賃之合約應用《國際財務報告準則》第16號，而並無對先前並未識別為包括租賃之合約應用該準則。因此，本集團並無重新評估於首次應用日期前已存在之合約。

就於2019年1月1日或之後訂立或修訂的合約而言，本集團於評估合約是否包含租賃時根據《國際財務報告準則》第16號所載的規定應用租賃的定義。

(b) 作為承租人

本集團已追溯應用《國際財務報告準則》第16號，累計影響於首次應用日期(2019年1月1日)確認。於2019年1月1日，本集團確認額外租賃負債，並按賬面值計量使用權資產，猶如已自開始日期起應用《國際財務報告準則》第16號，惟透過應用《國際財務報告準則》第16.C8(b)(i)號的過渡使用有關集團實體於首次應用日期的增量借款利率貼現。於首次應用日期的任何差額於期初累計利潤確認且比較資料不予重列。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

2 APPLICATION OF NEW AND AMENDMENTS TO INTERNATIONAL FINANCIAL REPORTING STANDARDS (“IFRSs”) (continued)

Impacts and changes in accounting policies of application on IFRS 16 Leases (continued)

(b) As a lessee (continued)

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

- (i) relied on the assessment of whether leases are onerous by applying IAS 37 “Provisions, Contingent Liabilities and Contingent Assets” as an alternative of impairment review;
- (ii) elected not to recognise right-of-use assets and lease liabilities for leases with lease term ends within 12 months of the date of initial application;
- (iii) excluded initial direct costs from measuring the right-of-use assets at the date of initial application;
- (iv) applied a single discount rate to a portfolio of leases with similar remaining terms for similar class of underlying assets in similar economic environment. Specifically, discount rate for certain leases of properties in the PRC and Hong Kong was determined on a portfolio basis; and
- (v) used hindsight based on facts and circumstances as at date of initial application in determining the lease term for the Group’s leases with extension and termination options.

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

The Group recognised lease liabilities of approximately RMB6,382,000, right-of-use assets of approximately RMB5,958,000 and deferred tax assets of approximately RMB62,000 as at 1 January 2019.

2 應用新訂及經修訂《國際財務報告準則》(「《國際財務報告準則》」)(續)

應用《國際財務報告準則》第16號「租賃」對會計政策的影響及變動(續)

(b) 作為承租人(續)

於過渡時應用《國際財務報告準則》第16號項下的經修訂追溯方法時，本集團按逐項租賃基準就先前根據《國際會計準則》第17號分類為經營租賃且與各租賃合約相關的租賃應用以下可行權宜方法：

- (i) 依賴透過應用《國際會計準則》第37號「撥備、或然負債及或然資產」作為減值審閱的替代方案評估租賃是否虧損性；
- (ii) 選擇不就租期於首次應用日期起計12個月內結束的租賃確認使用權資產及租賃負債；
- (iii) 於首次應用日期計量使用權資產時撇除初始直接成本；
- (iv) 就類似經濟環境內相似類別相關資產的類似剩餘租期的租賃組合應用單一貼現率。具體而言，中國及香港物業的若干租賃之貼現率乃按投資組合釐定；及
- (v) 根據於首次應用日期的事實及情況於事後釐定本集團帶有延長及終止選擇權的租賃的租期。

於過渡時，本集團已於應用《國際財務報告準則》第16號後作出以下調整：

本集團於2019年1月1日確認租賃負債約人民幣6,382,000元、使用權資產約人民幣5,958,000元及遞延稅項資產約人民幣62,000元。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

2 APPLICATION OF NEW AND AMENDMENTS TO INTERNATIONAL FINANCIAL REPORTING STANDARDS (“IFRSs”) (continued)

Impacts and changes in accounting policies of application on IFRS 16 Leases (continued)

(b) As a lessee (continued)

When recognising the lease liabilities for leases previously classified as operating leases, the Group has applied incremental borrowing rates of the relevant group entities at the date of initial application. The weighted average lessee’s incremental borrowing rate applied is 4.75%.

2 應用新訂及經修訂《國際財務報告準則》(「《國際財務報告準則》」)(續)

應用《國際財務報告準則》第16號「租賃」對會計政策的影響及變動(續)

(b) 作為承租人(續)

於確認先前分類為經營租賃之租賃之租賃負債時，本集團已應用於首次應用日期相關集團實體的增量借款利率。所應用的加權平均承租人增量借款利率為4.75%。

		RMB'000 人民幣千元
Operating lease commitments disclosed as at 31 December 2018	於2018年12月31日已披露之經營租賃承擔	7,435
Lease liabilities discounted at relevant incremental borrowing rates	租賃負債按有關增量借款利率進行貼現	(473)
Less: Recognition exemption — short-term leases	減：確認豁免 — 短期租賃	(486)
Lease of low-value assets	低價值資產租賃	(94)
<hr/>		
Lease liabilities as at 1 January 2019	於2019年1月1日之租賃負債	6,382
<hr/>		
Analysed as	分析如下	
Current	流動	1,939
Non-current	非流動	4,443
<hr/>		
		6,382
<hr/>		

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

2 APPLICATION OF NEW AND AMENDMENTS TO INTERNATIONAL FINANCIAL REPORTING STANDARDS (“IFRSs”) (continued)

Impacts and changes in accounting policies of application on IFRS 16 Leases (continued)

(b) As a lessee (continued)

The following adjustments were made to the amounts recognised in the consolidated statement of financial position as at 1 January 2019. Line items that were not affected by the changes have not been included.

2 應用新訂及經修訂《國際財務報告準則》(「《國際財務報告準則》」)(續)

應用《國際財務報告準則》第16號「租賃」對會計政策的影響及變動(續)

(b) 作為承租人(續)

於2019年1月1日的綜合財務狀況表中確認之金額已作出以下調整。未受有關更改影響之項目並無包括在內。

		Balance at 31 December 2018	Effect of adoption of IFRS 16	Balance under IFRS 16 at 1 January 2019
		於2018年 12月31日 之結餘 RMB'000 人民幣千元	採納 《國際財務 報告準則》 第16號 之影響 RMB'000 人民幣千元	於2019年 1月1日 《國際財務 報告準則》 第16號項下 之結餘 RMB'000 人民幣千元
Assets:	資產：			
Right-of-use assets	使用權資產	—	5,958	5,958
Deferred tax assets	遞延稅項資產	2,792	62	2,854
Liabilities:	負債：			
Current lease liabilities	流動租賃負債	—	1,939	1,939
Non-current lease liabilities	非流動租賃負債	—	4,443	4,443
Reserves:	儲備：			
Retained profits	累計利潤	101,518	(362)	101,156

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

2 APPLICATION OF NEW AND AMENDMENTS TO INTERNATIONAL FINANCIAL REPORTING STANDARDS (“IFRSs”) (continued)

New and amendments to IFRSs issued but not yet effective

The Group has not early applied the following new and amendments to IFRSs that have been issued but not yet effective.

IFRS 17
《國際財務報告準則》第 17 號

Insurance Contract²
保險合約²

Amendments to IFRS 3
《國際財務報告準則》第 3 號(修訂本)

Definition of Business¹
業務的定義¹

Amendments to IFRS 10 and IAS 28
《國際財務報告準則》第 10 號及
《國際會計準則》第 28 號(修訂本)

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

Amendments to IAS 1 and IAS 8
《國際會計準則》第 1 號及
《國際會計準則》第 8 號(修訂本)

Definition of Material¹
重大性的定義¹

Amendments to IFRS 9, IAS 39 and IFRS 7
《國際財務報告準則》第 9 號、
《國際會計準則》第 39 號及
《國際財務報告準則》第 7 號(修訂本)

Interest Rate Benchmark Reform¹
利率基準改革¹

Amendment to IAS 1
《國際會計準則》第 1 號(修訂本)

Classification of Liabilities as Current or Non-Current³
負債分類為即期或非即期³

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

¹ 於 2020 年 1 月 1 日或之後開始的年度期間生效

² Effective for annual periods beginning on or after 1 January 2021

² 於 2021 年 1 月 1 日或之後開始的年度期間生效

³ Effective for annual periods beginning on or after 1 January 2022

³ 於 2022 年 1 月 1 日或之後開始的年度期間生效

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

⁴ 於尚待釐定日期或之後開始的年度期間生效。

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

除上述新訂及經修訂《國際財務報告準則》外，經修訂財務報告概念框架於 2018 年已予頒佈。其所導致的修訂提述《國際財務報告準則》概念框架的修訂將於 2020 年 1 月 1 日或之後開始的年度期間生效。

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

本公司董事預計應用所有新訂及經修訂《國際財務報告準則》將於可見未來不會對綜合財務報表造成重大影響。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

3 SIGNIFICANT ACCOUNTING POLICIES

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

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

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

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

3 重要會計政策

綜合財務報表乃根據國際會計準則理事會頒佈的《國際財務報告準則》編製。此外，綜合財務報表包括《聯交所證券上市規則》所規定的適用披露事項，及香港《公司條例》的披露規定。

綜合財務報表已按歷史成本基準編製，惟若干金融工具於各報告期末如下文所載會計政策解釋按公允價值計量。

歷史成本一般根據交換貨品及服務所付對價之公允價值計算。

公允價值為於計量日期於市場參與者的有序交易中因出售資產而收取或因轉讓負債而支付的價格，不論該價格是否直接觀察可得或使用另一種估值技術估計。就估計資產或負債的公允價值而言，本集團經考慮市場參與者於計量日期為該資產或負債進行定價時所考慮有關資產或負債的特徵。用於在綜合財務報表中計量及／或披露的公允價值均在此基礎上予以釐定，惟屬於《國際財務報告準則》第2號「以股份為基礎的支付」範圍內的以股份為基礎的支付交易、根據《國際財務報告準則》第16號（自2019年1月1日起）或《國際會計準則》第17號（應用《國際財務報告準則》第16號前）入賬的租賃交易，以及與公允價值部分類似但並非公允價值的計量（例如《國際會計準則》第2號「存貨」內的可變現淨值或《國際會計準則》第36號「資產減值」內的使用價值）除外。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

3 SIGNIFICANT ACCOUNTING POLICIES

(continued)

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

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

The principal accounting policies are set out below.

Basis of consolidation

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

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

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

3 重要會計政策(續)

此外，就財務呈報而言，公允價值計量根據公允價值計量的輸入數據可觀察程度及公允價值計量的輸入數據對其整體的重要性分類為第一級、第二級或第三級，詳情如下：

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

主要會計政策載列如下。

綜合基準

綜合財務報表包括本公司及其受控實體和附屬公司的財務報表。倘屬以下情況，則本公司取得控制權：

- (i) 可對投資對象行使權力；
- (ii) 承擔或享有參與投資對象之可變回報之風險或權利；及
- (iii) 可對投資對象行使權力影響本公司之回報金額。

倘有事件及情況顯示上述三項控制權之一項或多項因素出現變動，本集團會重估是否控制投資對象。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

3 SIGNIFICANT ACCOUNTING POLICIES

(continued)

Basis of consolidation (continued)

When the Group has less than a majority of the voting rights of an investee, it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The Group considers all relevant facts and circumstances in assessing whether or not the Group's voting rights in an investee are sufficient to give it power, including:

- the size of the Group's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- potential voting rights held by the Group, other vote holders or other parties;
- rights arising from other contractual arrangements; and
- any additional facts and circumstances that indicate that the Group has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

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

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

3 重要會計政策(續)

綜合基準(續)

倘本集團於投資對象的投票權未能佔大多數，則當投票權足以賦予本公司實際能力以單方面指揮投資對象的相關活動時即對投資對象擁有權力。本集團於評估本集團於投資對象的投票權是否足以賦予其權力時考慮所有相關事實及情況，包括：

- 相較其他投票權持有人所持投票權的數量及分散情況，本集團持有投票權的數量；
- 本集團、其他投票權持有人或其他人士持有之潛在投票權；
- 其他合約安排產生的權利；及
- 需要作出決定時，本集團目前能夠或不能指揮相關活動的任何額外事實及情況(包括於過往股東會議上的投票模式)。

當本集團取得附屬公司的控制權，則該附屬公司綜合入賬，直至本集團失去對該附屬公司的控制權為止。具體而言，年內收購或出售附屬公司的收入及開支自本集團取得控制權當日起計入綜合損益及其他全面收益表，直至本集團不再控制該附屬公司為止。

損益及其他全面收入各項目歸屬於本公司擁有人及非控股權益。附屬公司的全面收益總額歸屬於本公司擁有人及非控股權益，即使這會導致非控股權益出現虧絀結餘。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

3 SIGNIFICANT ACCOUNTING POLICIES

(continued)

Basis of consolidation (continued)

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

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

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

Changes in the Group's ownership interests in existing subsidiaries

Changes in the Group's ownership interests in existing subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Group's relevant components of equity and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries, including re-attribution of relevant reserves between the Group and the non-controlling interests according to the Group's and the non-controlling interests' proportionate interests.

Any difference between the amount by which the non-controlling interests are adjusted, and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Company.

3 重要會計政策(續)

綜合基準(續)

必要時，須對附屬公司的財務報表作出調整，令其會計政策與本集團會計政策相符。

有關本集團成員公司間的交易的所有集團內公司間資產及負債、權益、收入、開支及現金流量均於合併賬目時悉數對銷。

於附屬公司的非控股權益與本集團於有關附屬公司的股權分開呈列，有關非控股權益指清盤時持有人有權按比例分佔相關附屬公司資產淨值之現有所有權權益。

本集團於現有附屬公司的所有權權益變動

並未導致本集團失去對附屬公司的控制權的本集團於現有附屬公司的所有權權益變動入賬列作權益交易。本集團相關權益及非控股權益組成部分的賬面值乃經調整以反映其於附屬公司中的相關利益變動，包括根據本集團及非控股權益的權益佔比重重新分配本集團與非控股權益之間的相關儲備。

經調整非控股權益的金額與已付或已收對價的公允價值之間的差額直接在權益中確認，歸屬於本公司擁有人。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

3 SIGNIFICANT ACCOUNTING POLICIES

(continued)

Changes in the Group's ownership interests in existing subsidiaries (continued)

When the Group loses control of a subsidiary, the assets and liabilities of that subsidiary and non-controlling interests (if any) are derecognised. A gain or loss is recognised in profit or loss and is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the carrying amount of the assets (including goodwill), and liabilities of the subsidiary attributable to the owners of the Company. All amounts previously recognised in other comprehensive income in relation to that subsidiary are accounted for as if the Group had directly disposed of the related assets or liabilities of the subsidiary (i.e. reclassified to profit or loss or transferred to another category of equity as specified/permitted by applicable IFRSs). The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under IFRS 9 or, when applicable, the cost on initial recognition of an investment in an associate or a joint venture.

Business combinations

Acquisitions of businesses are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of the assets transferred by the Group, liabilities incurred by the Group to the former owners of the acquiree and the equity interests issued by the Group in exchange for control of the acquiree. Acquisition-related costs are generally recognised in profit or loss as incurred.

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their fair value, except that:

- deferred tax assets or liabilities, and assets or liabilities related to employee benefit arrangements are recognised and measured in accordance with IAS 12 "Income Taxes" and IAS 19 "Employee Benefits" respectively;

3 重要會計政策(續)

本集團於現有附屬公司的所有權權益變動(續)

倘本集團失去附屬公司控制權，則終止確認該附屬公司的資產及負債以及非控股權益(如有)。收益或虧損於損益確認並按(i)已收代價的公允價值及任何保留權益的公允價值的總值與(ii)本公司擁有人應佔附屬公司的資產(包括商譽)及負債的賬面值之間的差額計算。先前於其他全面收益就該附屬公司確認的所有金額，會按猶如本集團已直接出售該附屬公司的相關資產或負債入賬(即按適用《國際財務報告準則》所訂明/允許而重新分類至損益或轉撥至另一權益類別)。於失去控制權當日在前附屬公司保留的任何投資的公允價值，會根據《國際財務報告準則》第9號或(如適用)首次確認於聯營企業或合營企業之投資的成本。

業務合併

收購業務以收購法入賬。業務合併所轉讓對價以公允價值計量，而公允價值按本集團所轉讓資產、本集團對被收購方前擁有人所產生負債以及本集團就交換被收購方控制權所發行股本權益於收購日期的公允價值總和計算。收購相關成本一般於產生時於損益內確認。

於收購日期，所購入可識別資產及所承擔負債按其公允價值確認，但以下各項除外：

- 遞延稅項資產或負債及有關僱員福利安排的資產或負債分別根據《國際會計準則》第12號「所得稅」及《國際會計準則》第19號「僱員福利」確認及計量；

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

3 SIGNIFICANT ACCOUNTING POLICIES

(continued)

Business combinations (continued)

- liabilities or equity instruments related to share-based payment arrangements of the acquiree or share-based payment arrangements of the Group entered into to replace share-based payment arrangements of the acquiree are measured in accordance with IFRS 2 “Share-based Payment” at the acquisition date; and
- assets (or disposal groups) that are classified as held for sale in accordance with IFRS 5 “Non-current Assets Held for Sale and Discontinued Operations” are measured in accordance with that standard.
- lease liabilities are recognised and measured at the present value of the remaining lease payments (as defined in IFRS 16) as if the acquired leases were new leases at the acquisition date, except for leases for which (a) the lease term ends within 12 months of the acquisition date; or (b) the underlying asset is of low value. Right-of-use assets are recognised and measured at the same amount as the relevant lease liabilities, adjusted to reflect favourable or unfavourable terms of the lease when compared with market terms.

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net amount of the identifiable assets acquired and the liabilities assumed as at acquisition date. If, after re-assessment, the net amount of the identifiable assets acquired and liabilities assumed exceeds the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree and the fair value of the acquirer's previously held interest in the acquiree (if any), the excess is recognised immediately in profit or loss as a bargain purchase gain.

3 重要會計政策(續)

業務合併(續)

- 與被收購方以股份為基礎的支付安排或本集團為替代被收購方以股份為基礎的支付安排而訂立之以股份為基礎的支付安排有關之負債或股本工具，於收購日期根據《國際財務報告準則》第2號「以股份為基礎的支付」計量；及
- 根據《國際財務報告準則》第5號「持作出售之非流動資產及已終止經營業務」分類為持作出售之資產(或出售組別)按該準則計量。
- 租賃負債乃按餘下租賃付款的現值(定義見《國際財務報告準則》第16號)確認及計量，猶如所收購資產於收購日期為新租賃，惟(a)租期於收購日期後12個月內完結；或(b)相關資產為低價值的租賃除外。使用權資產按與相關租賃負債相同的金額確認及計量，並為反映租賃較市場條款有利或不利的條款作出調整。

商譽按所轉讓對價、於被收購方之任何非控股權益金額及收購方過往所持被收購方股本權益(如有)公允價值之總和超出於收購日期所收購可識別資產與所承擔負債之淨額之差額計量。倘於重新評估後，所收購可識別資產及所承擔負債之淨額超出所轉讓對價、於被收購方之任何非控股權益金額及收購方過往所持被收購方權益(如有)公允價值之總和，差額即時於損益確認為按折價收購收益。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

3 SIGNIFICANT ACCOUNTING POLICIES

(continued)

Business combinations (continued)

Non-controlling interests that are present ownership interests and entitle their holders to a proportionate share of the relevant subsidiary's net assets in the event of liquidation are initially measured either at fair value or at the non-controlling interests' proportionate share of the recognised amounts of the acquiree's identifiable net assets. The choice of measurement basis is made on a transaction-by-transaction basis.

When a business combination is achieved in stages, the Group's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date (i.e. the date when the Group obtains control), and the resulting gain or loss, if any, is recognised in profit or loss or other comprehensive income, as appropriate. Amounts arising from interests in the acquiree prior to the acquisition date that have previously been recognised in other comprehensive income and measured under IFRS 9 would be accounted for on the same basis as would be required if the Group had disposed directly of the previously held equity interest.

Investments in subsidiaries

Investments in subsidiaries are stated in the statements of financial position of the Company at cost less any identified impairment loss.

3 重要會計政策(續)

業務合併(續)

屬現有所有權權益且清盤時持有人有權按比例分佔相關附屬公司資產淨值之非控股權益，可初步按公允價值或非控股權益按比例分佔被收購方可識別資產淨值之已確認數額計量。計量基準可按個別交易作出選擇。

於業務合併乃分階段完成時，本集團先前持有之被收購方股本權益乃按於收購日期（即本集團獲得控制權之日）之公允價值重新計量，而所產生之收益或虧損（如有）於損益或其他全面收益（倘適合）確認。於收購日期前已於其他全面收益確認來及根據《國際財務報告準則》第9號計量的自被收購方權益之金額，倘本集團已直接出售該等先前持有之股本權益，則有關金額按相同基準入賬。

於附屬公司的投資

於附屬公司的投資按成本減任何已識別減值虧損於本公司財務狀況表內列賬。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

3 SIGNIFICANT ACCOUNTING POLICIES

(continued)

Investments in associates

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over these policies.

The results and assets and liabilities of associates are incorporated in the consolidated financial statements using the equity method of accounting. The financial statements of associates used for equity accounting purpose is prepared using uniform accounting policies as those of the Group for like transactions and events in similar circumstances. Under the equity method, an investment in an associate is initially recognised in the consolidated statements of financial position at cost and adjusted thereafter to recognise the Group's share of the profit or loss and other comprehensive income of the associate. Changes in net assets of the associate other than profit or loss and other comprehensive income are not accounted for unless such changes result in changes in ownership interest held by the Group. When the Group's share of losses of an associate exceeds the Group's interest in that associate (which includes any long-term interests that, in substance, form part of the Group's net investment in the associate), the Group discontinues recognising its share of further losses. Additional losses are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate.

An investment in an associate is accounted for using the equity method from the date on which the investee becomes an associate. On acquisition of the investment in an associate, any excess of the cost of the investment over the Group's share of the net fair value of the identifiable assets and liabilities of the investee is recognised as goodwill, which is included within the carrying amount of the investment. Any excess of the Group's share of the net fair value of the identifiable assets and liabilities over the cost of the investment, after reassessment, is recognised immediately in profit or loss in the period in which the investment is acquired.

3 重要會計政策(續)

於聯營企業的投資

聯營企業為本集團對其具有重大影響力的實體。重大影響力指參與被投資方財務及經營政策決策之權力，惟並非控制或共同控制該等政策。

聯營企業的業績及資產與負債按權益會計法併入綜合財務報表。採用權益會計法時，聯營企業的財務報表採用與本集團就同類情況下的類似交易及事件相同的會計政策編製。按照權益法，於聯營企業的投資初始以成本於綜合財務狀況表中確認並於其後調整，以確認本集團在該聯營企業中的應佔損益及其他全面收益。聯營企業除損益及其他全面收益外的資產淨值變動不予入賬，除非該等變動會導致本集團所持所有權權益的變動。若本集團應佔聯營企業的虧損超出其於該聯營企業的利益(包括任何實質上屬於本集團於該聯營企業的投資淨額的長期利益)，則本集團終止確認其所佔的進一步虧損。僅在本集團已招致法律責任或推定責任或代表該聯營企業作出付款的情況下，方會確認額外虧損。

於投資對象成為聯營企業當日，對於聯營企業的投資採用權益法入賬。於收購於聯營企業的投資時，投資成本超過本集團所佔投資對象可識別資產及負債公允價值淨值之任何部分乃確認為商譽，並計入投資之賬面值。本集團所佔可識別資產及負債於重新評估後之公允價值淨值超過投資成本之任何部分，於收購投資期間立即在損益內確認。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

3 SIGNIFICANT ACCOUNTING POLICIES

(continued)

Investments in associates (continued)

The Group assesses whether there is an objective evidence that the interest in an associate may be impaired. When any objective evidence exists, the entire carrying amount of the investment (including goodwill) is tested for impairment in accordance with IAS 36 "Impairment of Assets" as a single asset by comparing its recoverable amount (higher of value in use and fair value less costs of disposal) with its carrying amount. Any impairment loss recognised forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognised in accordance with IAS 36 to the extent that the recoverable amount of the investment subsequently increases.

When the Group ceases to have significant influence over an associate, it is accounted for as a disposal of the entire interest in the investee with a resulting gain or loss being recognised in profit or loss. When the Group retains an interest in the former associate and the retained interest is a financial asset within the scope of IFRS 9, the Group measures the retained interest at fair value at that date and the fair value is regarded as its fair value on initial recognition. The difference between the carrying amount of the associate and the fair value of any retained interest and any proceeds from disposing the relevant interest in the associate is included in the determination of the gain or loss on disposal of the associate.

When a group entity transacts with an associate of the Group, profits and losses resulting from the transactions with the associate are recognised in the Group's consolidated financial statements only to the extent of interests in the associate that are not related to the Group.

3 重要會計政策(續)

於聯營企業的投資(續)

本集團評估是有於聯營公司的權益可能減值的客觀證據。若存在任何客觀證據，則將投資之全部賬面值(包括商譽)作為單一資產根據《國際會計準則》第36號「資產減值」，透過比較其可收回金額(使用價值與公允價值減處置成本之較高者)與賬面值而測試有否減值。任何已確認減值虧損均為投資賬面值之一部分。減值虧損的任何撥回乃按《國際會計準則》第36號確認，惟僅限於投資的可收回金額隨後增加。

在本集團失去對聯營企業重大影響力的情況下，有關交易將會當作處置該投資對象之全部權益入賬，而所得盈虧將於損益中確認。倘本集團保留於前聯營企業的權益且該保留權益屬《國際財務報告準則》第9號項下的金融資產，則本集團會於該日按公允價值計量保留權益，而該公允價值被視為初步確認時的公允價值。聯營企業的賬面值與任何保留權益及處置聯營企業相關權益的任何所得款項公允價值間的差額，會於釐定出售該聯營企業的收益或虧損時入賬。

當一集團實體與本集團的聯繫人進行交易時，所產生的溢利及虧損僅於有關聯繫人的權益與本集團無關的情況下，方會於本集團的綜合財務報表中確認。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

3 SIGNIFICANT ACCOUNTING POLICIES

(continued)

Revenue recognition

Revenue is recognised to depict the transfer of promised goods or services to customers in an amount reflects the consideration to which the Group expects to be entitled in exchange for those goods or services. Specifically, the Group uses a 5-step approach to revenue recognition:

- Step 1: Identify the contract(s) with a customer
- Step 2: Identify the performance obligations in the contract
- Step 3: Determine the transaction price
- Step 4: Allocate the transaction price to the performance obligations in the contract
- Step 5: Recognise revenue when (or as) the entity satisfied a performance obligation

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

Control of the goods or services may be transferred over time or at a point of time. Control of the goods or services is transferred over time if:

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

If control of the services transfer over time, revenue is recognised over the period of the contract by reference to the progress toward complete satisfaction of that performance obligation. Otherwise, revenue is recognised at a point in time when the customer obtains control of the distinct goods or services.

3 重要會計政策(續)

收入確認

收入按向客戶轉移所承諾商品或服務的金額確認，而該金額能反映本集團預期就交換該等商品或服務有權獲得的對價。具體而言，本集團引入確認收入的5個步驟：

- 第一步： 識別與客戶訂立的合約
- 第二步： 識別合約中的履約責任
- 第三步： 釐定交易價
- 第四步： 將交易價分配至合約中的履約責任
- 第五步： 於(或隨著)實體完成履約責任時確認收入

本集團於(或隨著)履約責任完成時(即於特定履約責任相關的商品或服務的「控制權」轉移予客戶時)確認收入。

商品或服務控制權可在一段時間或某一時點轉讓。倘為下列情況，則商品或服務的控制權在一段時間內轉讓：

- 客戶隨著本集團履約的同時獲得及消費本集團履約所提供的利益；
- 本集團履約會創造及加強客戶隨著本集團履約而控制的資產；或
- 本集團履約不會創造可由本集團另作他用的資產，且本集團對迄今完成的履約付款擁有可強制執行的權利。

如服務控制權在一段時間內轉移，收入乃於合約期參照履約責任圓滿完成的進度確認。否則，收入於客戶獲得不同的商品或服務控制權的時點確認。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

3 SIGNIFICANT ACCOUNTING POLICIES

(continued)

Revenue recognition (continued)

Revenue is measured based on the consideration specified in a contract with a customer. The Group recognises revenue when it transfers control of a product or service to a customer. The Group recognises revenue from the following major sources:

- i) provision of hazardous waste incineration solutions services,
- ii) provision of pyrolysis solid waste treatment solutions services,
- iii) provision of technical upgrading services,
- iv) provision of oil sludge thermal desorption treatment services, and
- v) provision of maintenance services.

Provision of i) hazardous waste incineration solutions services, ii) pyrolysis solid waste treatment solutions services and iii) technical upgrading services

Recognition

Provision of hazardous waste incineration solutions services and pyrolysis solid waste treatment solutions services represent the services on design, integration and commissioning of solid waste treatment systems which comprise a range of equipment and other components, on a made-to-order basis pursuant to the technical specification and requirement of the customers. Provision of technical upgrading services represent the upgrading services provided for existing hazardous waste incineration systems and certain cement production facilities. Since the Group's performance creates and enhances an asset that the customer controls as the Group performs, revenue from these services therefore are recognised over time using input methods, i.e. based on the stage of completion of the contract, and the stage of completion of the contract is measured based on the proportion that contract costs incurred for work performed to date relative to the estimated total contract costs.

3 重要會計政策(續)

收入確認(續)

收入按客戶合約中訂明的對價計量。本集團於其向客戶轉讓產品或服務的控制權時確認收入。本集團確認以下主要來源的收入：

- i) 提供危險廢物焚燒處置解決方案服務；
- ii) 提供固體廢物無氧裂解處理解決方案服務；
- iii) 提供技術升級服務；
- iv) 提供油泥熱脫附處理服務；及
- v) 提供維護服務。

**提供 i) 危險廢物焚燒處置解決方案服務；
ii) 固體廢物無氧裂解處理解決方案服務；
及 iii) 技術升級服務**

確認

提供危險廢物焚燒處置解決方案服務及固體廢物無氧裂解處理解決方案服務指根據客戶的技術規範和要求所提供有關固體廢物處理系統(包括一系列設備及其他部件)的設計、集成及調試的定制服務。提供技術升級服務指為現有危險廢物焚燒處置系統及若干水泥生產設施提供的升級服務。由於本集團履約會創造及加強客戶隨著本集團履約而控制的資產，故該等服務收入於一段時間內使用投入法(即按合約的完成進度)進行確認，而合約的完成進度按截至目前所開展工程產生的合約成本佔估計總合約成本的比例計量。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

3 SIGNIFICANT ACCOUNTING POLICIES

(continued)

Revenue recognition (continued)

Provision of i) hazardous waste incineration solutions services, ii) pyrolysis solid waste treatment solutions services and iii) technical upgrading services (continued)

Recognition (continued)

For warranty embedded to the contracts, the customer does not have the option to purchase a warranty separately, the Group accounts for the warranty in accordance with IAS 37 “Provisions, Contingent Liabilities and Contingent Assets” unless the warranty provides the customer with a service in addition to the assurance that the contracting work complies with the agreed-upon specifications.

Contract assets/liabilities

A contract asset represents the Group’s right to consideration in exchange for services that the Group has transferred to a customer that is not yet unconditional. It is assessed for impairment in accordance with IFRS 9. In contrast, a receivable represents the Group’s unconditional right to consideration, i.e. only the passage of time is required before payment of that consideration is due. Any amount previously recognised as a contract asset is reclassified to trade and note receivables at the point at which it is invoiced to the customer. If the progress payment exceeds the revenue recognised to date under the input method then the Group recognises a contract liability for the difference. A contract asset and a contract liability relating to a contract are accounted for and presented on a net basis.

Provision of oil sludge thermal desorption treatment services

Provision of oil sludge thermal desorption treatment services represents the services provided for an oil service provider which has the relevant operating licence, to lease and provide operation and maintenance services for, an oil sludge treatment facility designed and commissioned by the Group in Karamay, Xinjiang, by charging a leasing and operation fee based on the actual treatment volume of oil sludge for an initial term of three years.

3 重要會計政策(續)

收入確認(續)

提供 i) 危險廢物焚燒處置解決方案服務；
ii) 固體廢物無氧裂解處理解決方案服務；
及 iii) 技術升級服務(續)

確認(續)

就合約隨附的保修而言，客戶無權單獨購買保修，且除非該保修服務向客戶提供保證合約工程符合約定規範以外的服務，否則本集團根據《國際會計準則》第37號「撥備、或有負債及或有資產」將保修入賬。

合約資產／負債

合約資產指本集團就其轉讓服務予客戶而換取對價的權利，且並非無條件。其根據《國際財務報告準則》第9號評估減值。相反，應收款項指本集團獲得對價的無條件權利，即在該對價到期支付之前僅需要通過一段時間。先前確認為合約資產的任何金額於向客戶出具賬單時被重新歸類至貿易應收款項及應收票據。倘工程進度款超過到目前為止根據投入法確認的收入，則本集團就差額確認合約負債。有關合約的合約資產及合約負債按淨值入賬及呈列。

提供油泥熱脫附處理服務

提供油泥熱脫附處理服務指向石油服務提供商提供的服務，有關服務提供商擁有相關經營許可證，以租賃新疆克拉玛依的一處由本集團設計和調試的油泥處理設施，並提供運營及維護服務，根據實際油泥處置量收取租賃及運營費，初始期限為三年。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

3 SIGNIFICANT ACCOUNTING POLICIES

(continued)

Revenue recognition (continued)

Provision of maintenance services

The Group provides maintenance services, including repair and maintenance services to customers. Income is recognised over the contract period when the relevant services are provided by the Group and the customers simultaneously receive and consume the benefits provided by the Group's performance.

Lease

Definition of a lease (upon application of IFRS 16 in accordance with transition in Note 2)

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

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

The Group as a lessee (upon application of IFRS 16 in accordance with transition in Note 2)

Allocation of consideration to components of a contract

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

3 重要會計政策(續)

收入確認(續)

提供維護服務

本集團向客戶提供維護服務，包括維修及保養服務。收入於本集團提供相關服務，同時客戶收到並消費本集團履約的利益的合約期內確認。

租賃

租賃的定義(根據於附註2的過渡應用《國際財務報告準則》第16號)

倘合約賦予於一段時間內控制已識別資產用途以換取代價的權利，則該合約為租賃或包含租賃。

就於初次應用日期或之後訂立、修改或因業務合併而產生的合約而言，本集團會於合約開始時、修改日期或收購日期(如適用)根據《國際財務報告準則》第16號的定義評估合約是否為租賃或包含租賃。除非該合約的條款及條件隨後有更改，否則不會重新評估該合約。

本集團作為承租人(根據於附註2的過渡應用《國際財務報告準則》第16號)

將代價分配至合約的各部分

就包含租賃部分及一項或以上額外租賃或非租賃部分的合約而言，本集團按租賃部分的相關獨立價格及非租賃部分的總獨立價格將代價分配至合約各租賃部分。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

3 SIGNIFICANT ACCOUNTING POLICIES

(continued)

Lease (continued)

The Group as a lessee (upon application of IFRS 16 in accordance with transition in Note 2) (continued)

Short-term leases and leases of low-value assets

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

Right-of-use assets

The cost of right-of-use asset includes:

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

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

The Group presents right-of-use assets as a separate line item on the consolidated statement of financial position.

3 重要會計政策(續)

租賃(續)

本集團作為承租人(根據於附註2的過渡應用《國際財務報告準則》第16號)(續)

短期租賃及低價值資產租賃

本集團對租期自開始日期起計為12個月或以內且並不包含購買選擇權的辦公室及機器租賃應用短期租賃確認豁免。其亦就低價值資產租賃應用確認豁免。短期租賃的租賃付款於租期內按直線法或另一系統性基準確認為開支。

使用權資產

使用權資產成本包括：

- 租賃負債的初步計量金額；
- 於開始日期或之前作出的任何租賃付款，減任何已收租賃優惠；
- 本集團產生的任何初始直接成本；及
- 就本集團拆解及搬遷相關資產、復原相關資產所在場地或復原相關資產至租賃的條款及條件所規定狀況所產生成本作出的估計，惟該等成本為生產存貨而產生，則另當別論。

本集團合理確定將於租期結束時取得相關租賃資產所有權的使用權資產自開始日期起至使用年期結束期間計提折舊。在其他情況下，使用權資產以直線法於其估計使用年期及租期(以較短者為準)內計提折舊。

本集團於綜合財務狀況表內將使用權資產呈列為單獨項目。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

3 SIGNIFICANT ACCOUNTING POLICIES

(continued)

Lease (continued)

The Group as a lessee (upon application of IFRS 16 in accordance with transition in Note 2) (continued)

Lease liabilities

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

The lease payments include:

- fixed payments (including in-substance fixed payments) less any lease incentives receivable;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable by the Group under residual value guarantees;
- the exercise price of a purchase option if the Group is reasonably certain exercise the option; and
- payments of penalties for terminating a lease, if the lease term reflects the Group exercising an option to terminate the lease.

After the commencement date, lease liabilities are adjusted by interest accretion and lease payments.

3 重要會計政策(續)

租賃(續)

本集團作為承租人(根據於附註2的過渡應用《國際財務報告準則》第16號)(續)

租賃負債

於租賃開始日期，本集團按該日未付的租賃付款現值確認及計量租賃負債。倘租賃隱含的利率難以釐定，則本集團會使用租賃開始日期的增量借貸利率計算租賃付款的現值。

租賃付款包括：

- 固定付款(包括實質固定付款)減任何應收租賃優惠；
- 取決於某一指數或比率的可變租賃付款，於開始日期使用該指數或比率初步計量；
- 本集團根據餘下價值擔保預期應付的金額；
- 倘本集團合理行使購買選擇權，則為該選擇權的行使價；及
- 倘租期反映本集團行使終止租賃選擇權，則為終止租賃的罰款。

於開始日期後，租賃負債根據利息增長及租賃付款作出調整。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

3 SIGNIFICANT ACCOUNTING POLICIES

(continued)

Lease (continued)

The Group as a lessee (upon application of IFRS 16 in accordance with transition in Note 2) (continued)

Lease liabilities (continued)

The Group remeasures lease liabilities (and makes a corresponding adjustment to the related right-of-use assets) whenever:

- the lease term has changed or there is a change in the assessment of exercise of a purchase option, in which case the related lease liability is remeasured by discounting the revised lease payments using a revised discount rate at the date of reassessment.
- the lease payments change due to changes in expected payment under a guaranteed residual value, in which cases the related lease liability is remeasured by discounting the revised lease payments using the initial discount rate.

The Group presents lease liabilities as a separate line item on the consolidated statement of financial position.

Lease modifications

The Group accounts for a lease modification as a separate lease if:

- the modification increases the scope of the lease by adding the right to use one or more underlying assets; and
- the consideration for the leases increases by an amount commensurate with the stand-alone price for the increase in scope and any appropriate adjustments to that stand-alone price to reflect the circumstances of the particular contract.

3 重要會計政策(續)

租賃(續)

本集團作為承租人(根據於附註2的過渡應用《國際財務報告準則》第16號)(續)

租賃負債(續)

倘出現以下情況，本集團會重新計量租賃負債(並對相關使用權資產作出相應調整)：

- 租期有所變動或行使購買選擇權的評估發生變化，在此情況下，相關租賃負債透過使用重新評估日期的經修訂貼現率貼現經修訂租賃付款而重新計量。
- 租賃付款因進行市場租金調查後市場租金變動而出現變動，在此情況下，相關租賃負債透過使用初始折讓率折算經修訂租賃付款而重新計量。

本集團於綜合財務狀況表將租賃負債列作獨立項目。

租賃修改

倘出現以下情況，本集團會將租賃修改作為獨立租賃入賬：

- 該項修改通過增加一項或多項相關資產的使用權擴大租賃範圍；及
- 租賃代價增加，增加的金額相當於範圍擴大對應的獨立價格，加上為反映特定合約的實際情況而對獨立價格進行的任何適當調整。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

3 SIGNIFICANT ACCOUNTING POLICIES

(continued)

Lease (continued)

The Group as a lessee (upon application of IFRS 16 in accordance with transition in Note 2) (continued)

Lease modifications (continued)

For a lease modification that is not accounted for as a separate lease, the Group remeasures the lease liability based on the lease term of the modified lease by discounting the revised lease payments using a revised discount rate at the effective date of the modification.

The Group accounts for the remeasurement of lease liabilities by making corresponding adjustments to the relevant right-of-use asset. When the modified contract contains a lease component and one or more additional lease or non-lease components, the Group allocates the consideration in the modified contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components.

The Group as a lessee (prior to 1 January 2019)

Leases were classified as finance leases whenever the terms of the lease transferred substantially all the risks and rewards of ownership to the lessee. All other leases were classified as operating leases.

Operating lease payments were recognised as an expense on a straight-line basis over the lease term. Contingent rentals arising under operating leases were recognised as an expense in the period in which they were incurred.

3 重要會計政策(續)

租賃(續)

本集團作為承租人(根據於附註2的過渡應用《國際財務報告準則》第16號)(續)

租賃修改(續)

就並非作為獨立租賃入賬的租賃修改而言，本集團基於透過使用修改生效日期的經修訂貼現率貼現經修訂租賃付款的經修改租賃的租期，重新計量租賃負債。

本集團通過對相關使用權資產進行相應調整，以對租賃負債進行重新計量。當經修改合約包含租賃部分以及一個或多個額外租賃或非租賃部分時，本集團根據租賃部分的相對獨立價格及非租賃部分的總獨立價格，將經修改合約中的代價分配至各租賃部分。

本集團作為承租人(於2019年1月1日前)

當租賃條款將擁有權之絕大部分風險及回報轉移至承租人時，該租賃分類為融資租賃。其他所有租賃皆歸類為經營租賃。

經營租賃款按租期以直線法確認為支出。經營租賃產生的或然租金於產生期間確認為開支。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

3 SIGNIFICANT ACCOUNTING POLICIES

(continued)

Foreign currencies

In preparing the financial statements of each individual group entity, transactions in currencies other than the functional currency of that entity (foreign currencies) are recorded in the respective functional currency (i.e. the currency of the primary economic environment in which the entity operates) at the rates of exchanges prevailing on the dates of the transactions. At the end of the reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences arising on the settlement of monetary items, and on the retranslation of monetary items, are recognised in profit or loss in the period in which they arise, except for exchange differences on monetary items receivable from or payable to a foreign operation for which settlement is neither planned nor likely to occur (therefore forming part of the net investment in the foreign operation), which are recognised initially in other comprehensive income and reclassified from equity to profit or loss on disposal or partial disposal of the Group's interests in associates/joint ventures.

For the purpose of presenting consolidated financial statements, the assets and liabilities of the Group's operations are translated into the presentation currency of the Group (i.e. RMB) using exchange rates prevailing at the end of each reporting period. Income and expense items are translated at the average exchange rates for the period, unless exchange rates fluctuate significantly during that period, in which case, the exchange rates prevailing at the dates of transactions are used. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in equity under the heading of translation reserve (attributed to non-controlling interests as appropriate).

3 重要會計政策(續)

外幣

編製各個個別集團實體的財務報表時，以該實體功能貨幣以外之貨幣(外幣)進行之交易均按交易日期之適用匯率以相關功能貨幣(即實體營運所在主要經濟環境的貨幣)記賬。於報告期末，以外幣計值的貨幣項目按該日之適用匯率重新換算。以歷史成本計量並以外幣計價的非貨幣性項目並無予以重新換算。

因結算貨幣項目及重新換算貨幣項目而產生之匯兌差額乃於產生期間內於損益確認，惟應收或應付一項海外業務的貨幣項目匯兌差額除外，其並無計劃結算，發生結算的可能性亦不大，其為海外業務投資淨額之一部份，並初步於其他全面收益確認及於償還貨幣項目時由權益重新分類至出售或部分出售本集團於聯營企業／合營企業的權益的損益。

就呈列綜合財務報表而言，本集團業務的資產及負債於各報告期末使用現行匯率換算至本集團的呈列貨幣(即人民幣)。收入及開支項目按期內平均匯率換算，惟匯率於該期間出現大幅波動除外。於該情況下，則使用於交易日期的匯率。所產生的匯兌差額(如有)於其他全面收益確認，並於匯兌儲備項下權益累計(歸屬於非控股權益(如適用))。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

3 SIGNIFICANT ACCOUNTING POLICIES

(continued)

Foreign currencies (continued)

On the disposal of a foreign operation (i.e. a disposal of the Group's entire interest in a foreign operation, or a disposal involving loss of control over a subsidiary that includes a foreign operation, or a partial disposal of an interest in a joint arrangement or an associate that includes a foreign operation of which the retained interest becomes a financial asset), all of the exchange differences accumulated in equity in respect of that operation attributable to the owners of the Company are reclassified to profit or loss.

Research and development costs

Expenditure on research activities is recognised as an expense in the year in which it is incurred.

When no internally-generated intangible asset can be recognised, development expenditure is recognised in profit or loss in the year in which it is incurred.

Government grants

Government grants are not recognised until there is reasonable assurance that the Group will comply with the conditions attaching to them and that the grants will be received.

Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Group with no future related costs are recognised in profit or loss in the year in which they become receivable.

Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets until such time as the assets are substantially ready for their intended use or sale.

3 重要會計政策(續)

外幣(續)

出售海外業務(即出售本集團於海外業務的所有權益,或涉及失去一間附屬公司控制權(包括海外業務)的出售事項,或部分出售於合營安排或聯營企業(包括保留溢利成為金融資產的海外業務)的權益)時,本公司擁有人應佔有關該業務累計於權益的所有匯兌差額重新分類至損益。

研發成本

研究活動開支均於其產生年度確認為支出。

若未能確認內部產生之無形資產,則開發開支乃於產生年度內於損益確認。

政府補助

在合理保證本集團會遵守政府補助的附帶條件以及將會得到補助後,政府補助方予以確認。

政府補助是補償已產生的支出或虧損或旨在給予本集團實時財務支持(而無未來有關成本)的應收款項,於有關補助成為應收款項年度在損益中確認。

借貸成本

直接因收購、建造或生產合資格資產(即須耗用大量時間方可作其擬定用途或銷售的資產)產生的借貸成本計入該等資產的成本,直至該等資產大致可作其擬定用途或銷售時為止。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

3 SIGNIFICANT ACCOUNTING POLICIES

(continued)

Borrowing costs (continued)

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

Inventories

Inventories are stated at the lower of cost and net realisable value. Costs of inventories are determined on a first-in, first-out method. Net realisable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale.

Retirement benefit costs

Payments to state-managed retirement benefit schemes and the Mandatory Provident Fund Scheme are recognised as an expense when employees have rendered services entitling them to the contributions.

Short-term employee benefits

Short-term employee benefits are recognised at the undiscounted amount of the benefits expected to be paid as and when employees rendered the services. All short-term employee benefits are recognised as an expense unless another IFRS requires or permits the inclusion of the benefit in the cost of an asset.

A liability is recognised for benefits accruing to employees (such as wages and salaries) after deducting any amount already paid.

3 重要會計政策(續)

借貸成本(續)

擬投資於合資格資產之特定借貸在用於特定投資前所作暫時投資所賺取的投資收入從可撥充資本之借貸成本中扣除。

所有其他借貸成本於其產生期間在損益中確認。

存貨

存貨乃按成本及可變現淨值兩者中之較低者列賬。存貨成本乃按先進先出法計算。可變現淨值按存貨的估計售價減所有估計完工成本及銷售所需成本計算。

退休福利成本

由國家管理的退休福利計劃及強制性公積金計劃之供款於僱員提供服務並因而有權收取供款時確認為開支。

短期僱員福利

短期僱員福利乃按預期將於僱員提供服務時支付之福利之未貼現金額確認。所有短期僱員福利均確認為開支，惟倘另一項《國際財務報告準則》規定或允許將有關福利計入一項資產的成本中則作別論。

僱員之應計福利(如薪金及工資)乃於扣除已支付之任何金額後確認負債。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

3 SIGNIFICANT ACCOUNTING POLICIES

(continued)

Share-based payments

Equity-settled share-based payment transactions

Share options granted to directors and employees

Equity-settled share-based payments to employees and others providing similar services are measured at the fair value of the equity instruments at the grant date.

The fair value of the equity-settled share-based payments determined at the grant date without taking into consideration all non-market vesting conditions is expensed on a straight-line basis over the vesting period, based on the Group's estimate of equity instruments that will eventually vest, with a corresponding increase in equity (share-based payment reserve). At the end of each reporting period, the Group revises its estimate of the number of equity instruments expected to vest based on assessment of all relevant non-market vesting conditions. The impact of the revision of the original estimates, if any, is recognised in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to the share-based payment reserve. For share options that vest immediately at the date of grant, the fair value of the share options granted is expensed immediately to profit or loss.

When share options are exercised, the amount previously recognised in share-based payment reserve will be transferred to share capital and share premium. When the share options are forfeited after the vesting date or are still not exercised at the expiry date, the amount previously recognised in share-based payment reserve will be transferred to retained profits.

3 重要會計政策(續)

以股份為基礎的支付

股權結算以股份為基礎的支付交易

授予董事及僱員的購股權

向僱員及提供類似服務的其他方作出的股權結算以股份為基礎的支付按股本工具於授出日期的公允價值計量。

於授出日期釐定且並無考慮所有非市場歸屬條件的股權結算以股份為基礎的支付的公允價值，根據本集團估計最後將歸屬的股本工具數目，按直線法於歸屬期間支銷，並於股權(以股份為基礎的支付儲備)作出相應增幅。於各報告期末，本集團根據對所有相關非市場歸屬條件的評估修訂其估計最後將歸屬的股本工具數目。修訂原先估計數目的影響(如有)於損益中確認，令有關累計支出反映經修訂估計，並於以股份為基礎的支付儲備作出相關調整。就於授出日期即時歸屬的購股權而言，已授出購股權的公允價值即時於損益中支銷。

行使購股權時，先前於以股份為基礎的支付儲備確認的金額將轉撥至股本及股份溢價。當於歸屬日期後購股權被沒收，或於屆滿日期尚未獲行使，先前於以股份為基礎的支付儲備確認的金額將轉撥至累計利潤。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

3 SIGNIFICANT ACCOUNTING POLICIES

(continued)

Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit before tax because of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. In addition, deferred tax liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill.

Deferred tax liabilities are recognised for taxable temporary differences associated with investments in subsidiaries and associates, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

3 重要會計政策(續)

稅項

所得稅開支為即期應付稅項及遞延稅項之總和。

即期應付稅項乃按年內應課稅利潤計算。因於其他年度應課稅或可扣稅的收支及毋須課稅或不可扣稅的項目的緣故，應課稅利潤與稅前利潤不同。本集團的即期稅項負債乃按報告期末已頒佈或實質已頒佈的稅率計算。

遞延稅項按綜合財務報表中資產及負債的賬面值與計算應課稅利潤所採用的相應稅基的暫時差額確認。遞延稅項負債一般就所有應課稅暫時差額確認。倘於日後可能取得應課稅利潤以抵銷可動用的可扣減暫時差額，則遞延稅項資產一般按所有可扣減暫時差額確認。倘暫時差額產生自初始確認一項交易(業務合併除外)之資產及負債，而有關交易既不影響應課稅利潤亦不影響會計利潤，則不予確認有關遞延稅項資產及負債。此外，倘因商譽的初始確認產生暫時差額，則不會確認相關的遞延稅項負債。

遞延稅項負債乃按與於附屬公司及聯營公司投資相關的應課稅暫時差額而確認，惟若本集團可控制暫時差額的撥回，以及暫時差額可能不會於可見將來撥回則除外。與該等投資相關之可扣減暫時差額所產生之遞延稅項資產，僅在可能將出現足夠應課稅利潤而動用暫時差額利益且其預期於可見將來撥回時確認。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

3 SIGNIFICANT ACCOUNTING POLICIES

(continued)

Taxation (continued)

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the assets to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset is realised, based on tax rate (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

For leasing transactions in which the tax deductions are attributable to the lease liabilities, the Group applies IAS 12 “Income Taxes” requirements to the leasing transaction as a whole. Temporary differences relating to right-of-use assets and lease liabilities are accessed on a net basis. Excess of depreciation on right-of-use assets over the lease payments for the principal portion of lease liabilities resulting in net deductible temporary difference.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied to the same taxable entity by the same taxation authority.

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

3 重要會計政策(續)

稅項(續)

遞延稅項資產之賬面值於各個報告期末審閱並進行扣減，直至不再可能有足夠應課稅利潤將可收回全部或部分資產。

遞延稅項資產及負債乃根據於報告期末已頒佈或實質已頒佈之稅率(及稅法)，按清償負債或變現資產之期間預期適用之稅率計量。

遞延稅項負債及資產之計量反映本集團預期於報告期末收回或結算其資產及負債賬面值之方式將會產生之稅務結果。

就租賃負債應扣除稅項的租賃交易而言，本集團對租賃合約整體採納《國際會計準則》第12號「所得稅」規定。有關使用權資產及租賃負債的臨時差額按淨額基準估算。由於使用權資產折舊超過租賃負債本金部分的租金，而導致可扣除臨時淨差額。

倘有合法可強制執行權利將即期稅項資產與即期稅項負債抵銷，且該等資產及負債與相關稅務機關向相同應課稅實體徵收的所得稅有關。

即期及遞延稅項於損益確認，惟在其與其他全面收益或直接於權益內確認的項目有關的情況下，即期及遞延稅項亦會分別於其他全面收益或直接於權益內確認。對業務合併進行初步會計處理中產生即期稅項或遞延稅項時，稅務影響納入業務合併會計處理。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

3 SIGNIFICANT ACCOUNTING POLICIES

(continued)

Property, plant and equipment

Property, plant and equipment including facility held for use in the production or supply of goods or services or for administrative purposes other than properties under construction as described below are stated in the consolidated statements of financial position at cost less subsequent accumulated depreciation and subsequent accumulated impairment losses, if any.

Properties in the course of construction for production, supply or administrative purposes are carried at cost, less any recognised impairment loss. Such properties are classified to the appropriate categories of property, plant and equipment when completed and ready for intended use. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

Depreciation is recognised so as to write off the cost of assets less their residual values over their estimated useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

Intangible assets

Intangible assets with finite useful lives that are acquired separately are carried at costs less accumulated amortisation and any accumulated impairment losses. Amortisation for intangible assets with finite useful lives is recognised on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

3 重要會計政策(續)

物業、廠房及設備

包括持作生產或供應商品或服務或行政用途的設施之物業、廠房及設備(以下所述在建物業除外)乃按成本減其後累計折舊及其後累計減值虧損(如有)於綜合財務狀況表列賬。

以生產、供應或管理為目的處於建設中的物業按成本減任何已確認減值虧損列賬。該等物業於竣工或準備作擬定用途時，被分類至物業、廠房及設備的適當類別。與其他物業資產的折舊基準一樣，該等資產的折舊於彼等準備用作其擬定用途時開始確認。

折舊乃採用直線法按物業、廠房及設備之估計可使用年期以撇銷其資產成本減其剩餘價值予以確認。估計可使用年期、剩餘價值及折舊方法於各個報告期末檢討，而任何估計變動的影響按前瞻性基準入賬。

物業、廠房及設備項目於出售或預期繼續使用資產不會產生未來經濟利益時終止確認。出售或停止使用物業、廠房及設備項目所產生的任何收益或虧損釐定為出售所得款項與資產賬面值間的差額，並於損益中確認。

無形資產

獨立收購的具有有限可使用年期之無形資產按成本減累計攤銷及任何累計減值虧損列賬。具有有限可使用年期之無形資產於估計可使用年期以直線法確認攤銷。估計可使用年期以及攤銷方法於各個報告期末檢討，而任何估計變動的影響按前瞻性基準入賬。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

3 SIGNIFICANT ACCOUNTING POLICIES

(continued)

Impairment on tangible and intangible assets

At the end of the reporting period, the Group reviews the carrying amounts of its tangible and intangible assets with finite useful lives to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the relevant asset is estimated in order to determine the extent of the impairment loss (if any).

The recoverable amounts of tangible and intangible assets are estimated individually. When it is not possible to estimate the recoverable amount of individual, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

In addition, the Group assesses whether there is indication that corporate assets may be impaired. If such indication exists, corporate assets are also allocated to individual cash-generating units, when a reasonable and consistent basis of allocation can be identified, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset (or a cash-generating units) for which the estimates of future cash flows have not been adjusted.

3 重要會計政策(續)

有形及無形資產的減值

於報告期末，本集團對具有有限可使用年期的有形和無形資產賬面值進行審閱，以釐定有否任何跡象顯示該等資產出現減值虧損。如有任何有關跡象，則會估計相關資產之可收回金額，以釐定減值虧損(如有)之程度。

有形及無形資產的可收回金額個別估計。如果無法估計個別資產的可收回金額，本集團會估計該資產所屬的現金產生單位的可收回金額。

此外，本集團評估是否出現公司資產可能減值的跡象。如果該跡象出現，且可確認任何合理且一致的分配基準，公司資產也會分配至單個現金產生單位，若不能分配至單個現金產生單位，則會按可以確認的合理且一致的基準將公司資產分配至最小的現金產生單位組別。

可收回金額指資產公允價值減銷售成本與使用價值二者中的較高者。在評估使用價值時，估計未來現金流量會採用除稅前貼現率貼現為其現值，該除稅前貼現率反映對貨幣時間價值的當前市場評估及該資產(或現金產生單位)特有的風險(未針對該風險調整估計未來現金流量)。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

3 SIGNIFICANT ACCOUNTING POLICIES

(continued)

Impairment on tangible and intangible assets (continued)

If the recoverable amount of an asset (or a cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or a cash-generating unit) is reduced to its recoverable amount. For corporate assets or portion of corporate assets which cannot be allocated on a reasonable and consistent basis to a cash-generating unit, the Group compares the carrying amount of a group of cash-generating units, including the carrying amounts of the corporate assets or portion of corporate assets allocated to that group of cash-generating units, with the recoverable amount of the group of cash-generating units. In allocating the impairment loss, the impairment loss is allocated first to reduce the carrying amount of any goodwill (if applicable) and then to the other assets on a pro-rata basis based on the carrying amount of each asset in the unit. The carrying amount of an asset is not reduced below the highest of its fair value less costs of disposal (if measurable), its value in use (if determinable) and zero. The amount of the impairment loss that would otherwise have been allocated to the asset is allocated pro rata to the other assets of the unit or the group of cash-generating units. An impairment loss is recognised immediately in profit or loss.

3 重要會計政策(續)

有形及無形資產的減值(續)

倘估計資產(或現金產生單位)之可收回金額少於賬面值，則資產(或現金產生單位)之賬面值將調減至其可收回金額。就未能按合理一致基準分配至現金產生單位的企業資產或部分企業資產，本集團會比較一個組別的現金產生單位賬面值(包括已分配至該組現金產生單位的企業資產或部分企業資產的賬面值)與該組現金產生單位的可收回金額。在分配減值虧損時，首先分配減值虧損以減少任何商譽的賬面值(如適用)，然後按比例根據該單位各資產的賬面值分配至其他資產。資產賬面值不會扣減至低於其公允價值減出售成本(倘可計量)、使用價值(倘可釐定)及零當中之最高者。本應分配至該項資產的減值虧損數額，按比例分配至該單位或現金產生單位組合其他資產。減值虧損即時於損益中確認。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

3 SIGNIFICANT ACCOUNTING POLICIES

(continued)

Impairment on tangible and intangible assets (continued)

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit or the group of cash-generating units) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or a cash-generating unit or the group of cash-generating units) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group will be required to settle that obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (where the effect of the time value of money is material).

Financial instruments

Financial assets and financial liabilities are recognised when a group entity becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value except for trade receivables arising from contracts with customers which are initially measured in accordance with IFRS 15. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets or financial liabilities at fair value through profit or loss ("FVTPL")) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at FVTPL are recognised immediately in profit or loss.

3 重要會計政策(續)

有形及無形資產的減值(續)

倘減值虧損其後撥回，則資產(或現金產生單位或現金產生單位組合)的賬面值將調高至其可收回金額的經修訂估計，惟經調高的賬面值不得超出資產(或現金產生單位或現金產生單位組合)於過往年度未有確認減值虧損時原應有的賬面值。減值虧損撥回即時於損益中確認。

撥備

當本集團因過往事件而導致現時的責任(法律或推定)，而本集團可能須履行該責任，並可對該責任的金額作出可靠估計時，則確認撥備。

確認為撥備的金額按於各報告期末履行該現時責任所需對價的最佳估計，並考慮有關責任的風險及不確定性進行計量。倘撥備以估計履行現時責任之現金流量計量時，其賬面值為該等現金流量之現值(倘貨幣時間價值影響屬重大)。

金融工具

金融資產及金融負債於集團實體成為該工具合約條文的訂約方時確認。

金融資產及金融負債初始按公允價值計量，惟自客戶合約產生的貿易應收款項根據《國際財務報告準則》第15號初步計量。收購或發行金融資產及金融負債(按公允價值計量並計入損益(「按公允價值計量並計入損益」)之其他金融資產或金融負債除外)直接應佔之交易成本於初步確認時計入或扣除自金融資產或金融負債之公允價值(倘適合)。收購按公允價值計量並計入損益之金融資產或金融負債直接應佔交易成本即時於損益中確認。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

3 SIGNIFICANT ACCOUNTING POLICIES

(continued)

Financial instruments (continued)

The effective interest method is a method of calculating the amortised cost of a financial asset or financial liability and of allocating interest income and interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts and payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial asset or financial liability, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Financial assets

Classification and subsequent measurement of financial assets

Trade receivables arising from contracts with customers are initially measured in accordance with IFRS 15.

All recognised financial assets that are within the scope of IFRS 9 are subsequently measured at amortised cost or fair value.

Financial assets that meet the following conditions are subsequently measured at amortised cost:

- the financial asset is held within a business model whose objective is to collect contractual cash flows; and
- the contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

3 重要會計政策(續)

金融工具(續)

實際利率法乃計算金融資產或金融負債的攤銷成本及分配相關期間利息收入及利息開支的方法。實際利率乃於初始確認時按金融資產或金融負債的預計年期或(如適用)較短期間，準確折現估計未來現金收入(包括所有屬實際利率不可或缺部分的已付或已收費用及利率差價、交易成本及其他溢價或折讓)至賬面淨值的利率。

金融資產

金融資產的分類和其後計量

客戶合約產生的貿易應收款項初步根據《國際財務報告準則》第15號計量。

《國際財務報告準則》第9號範圍內的所有已確認的金融資產後續均按攤銷成本或公允價值計量。

符合以下條件的金融資產後續按攤銷成本計量：

- 持有金融資產的業務模式以收取合約現金流量為目的；及
- 合約條款規定於特定日期產生僅為支付未償還本金額的本金及利息的現金流量。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

3 SIGNIFICANT ACCOUNTING POLICIES

(continued)

Financial instruments (continued)

Financial assets (continued)

Classification and subsequent measurement of financial assets (continued)

Financial assets that meet the following conditions are subsequently measured at fair value through other comprehensive income ("FVTOCI"):

- the financial asset is held within a business model whose objective is achieved by both selling and collecting contractual cash flows; and
- the contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

All other financial assets are subsequently measured at FVTPL, except that at the date of initial application of IFRS 9/initial recognition of a financial asset the Group may irrevocably elect to present subsequent changes in fair value of an equity investment in other comprehensive income if that equity investment is neither held for trading nor contingent consideration recognised by an acquirer in a business combination to which IFRS 3 "Business Combinations" applies.

A financial asset is held for trading if:

- it has been acquired principally for the purpose of selling in the near term; or
- on initial recognition it is a part of a portfolio of identified financial instruments that the Group manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument.

In addition, the Group may irrevocably designate a financial asset that are required to be measured at the amortised cost or FVTOCI as measured at FVTPL if doing so eliminates or significantly reduces an accounting mismatch.

3 重要會計政策(續)

金融工具(續)

金融資產(續)

金融資產的分類和其後計量(續)

符合以下條件的金融資產後續按公允價值計量並計入其他全面收益(「按公允價值計量並計入其他全面收益」):

- 持有金融資產的業務模式以通過出售及收取合約現金流量為目的; 及
- 合約條款規定於特定日期產生僅為支付未償還本金的本金及利息的現金流量。

所有其他金融資產後續均按公允價值計量並計入損益, 惟於金融資產的首次應用《國際財務報告準則》第9號/初始確認日期, 倘股本投資並非持作交易亦非收購方於《國際財務報告準則》第3號「業務合併」所適用的業務合併中確認的或有對價, 則本集團可不可撤銷地選擇於其他全面收益內呈列股本投資的公允價值後續變動。

金融資產於下列情況為持作交易:

- 收購的主要目的為於短期作出售用途; 或
- 於初始確認時構成本集團合併管理的已識別金融工具組合的一部分, 並具有近期實際短期獲利模式; 或
- 並非作為指定及有效對沖工具的衍生工具。

此外, 本集團可不可撤銷地將須按攤銷成本計量或按公允價值計量並計入其他全面收益的金融資產指定為按公允價值計量並計入損益, 前提是該做法可消除或顯著減少會計錯配情況。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

3 SIGNIFICANT ACCOUNTING POLICIES

(continued)

Financial instruments (continued)

Financial assets (continued)

Amortised cost and interest income

Interest income is recognised using the effective interest method for financial assets measured subsequently at amortised cost and debt instruments/receivables subsequently measured at FVTOCI. Interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset, except for financial assets that have subsequently become credit-impaired (see below). For financial assets that have subsequently become credit-impaired, interest income is recognised by applying the effective interest rate to the amortised cost of the financial asset from the next reporting period. If the credit risk on the credit-impaired financial instrument improves so that the financial asset is no longer credit-impaired, interest income is recognised by applying the effective interest rate to the gross carrying amount of the financial asset from the beginning of the reporting period following the determination that the asset is no longer credit impaired.

Equity instruments designated as at FVTOCI

At the date of initial application/initial recognition, the Group may make an irrevocable election (on an instrument-by-instrument basis) to designate investments in equity instruments as at FVTOCI.

Investments in equity instruments at FVTOCI are subsequently measured at fair value with gains and losses arising from changes in fair value recognised in OCI and accumulated in the revaluation reserve; and are not subject to impairment assessment. The cumulative gain or loss will not be reclassified to profit or loss on disposal of the equity investments, and will be transferred to retained profits.

Dividends on these investments in equity instruments are recognised in profit or loss when the Group's right to receive the dividends is established, unless the dividends clearly represent a recovery of part of the cost of the investment. Dividends are included in the "other income, gains and losses" line item in profit or loss.

3 重要會計政策(續)

金融工具(續)

金融資產(續)

攤銷成本及利息收入

利息收入按其後按攤銷成本計量的金融資產及其後按公允價值計量並計入其他全面收益計量的債務工具／應收款項使用實際利率法確認。利息收入透過對金融資產賬面總值應用實際利率計算，惟其後出現信用減值的金融資產除外(見下文)。就其後出現信用減值的金融資產而言，利息收入乃透過對金融資產的攤銷成本按實際利率確認。倘出現信用減值的金融工具的信用風險好轉，使金融資產不再出現信用減值，則由釐定該資產不再出現信用減值後的報告期開始，利息收入透過對金融資產賬面總值按實際利率確認。

指定為按公允價值計量並計入其他全面收益的股本工具

於初次應用／初次確認日期，本集團可不可撤銷地(基於個別工具)選擇指定於按公允價值計量並計入其他全面收益的股本工具中投資。

於按公允價值計量並計入其他全面收益的股本工具之投資其後按公允價值計量，而公允價值變動產生的收益及虧損按於其他全面收益中確認按公允價值計量，並於重估儲備累計；但不受減值評估規限。累計收益或虧損將不予重新分類至出售股本投資之損益，而將被轉至累計利潤。

當本集團獲取股息的權利確立時，通過股本工具投資獲得的股息於損益中確認，除非有關股息明確指收回部分投資成本。股息計入損益中的「其他收入、收益及虧損」。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

3 SIGNIFICANT ACCOUNTING POLICIES

(continued)

Financial instruments (continued)

Financial assets (continued)

Impairment of financial assets

The Group performs impairment assessment under expected credit loss (“ECL”) model on financial assets which are subject to impairment under IFRS 9 (including trade and note receivables, other receivables, pledged bank deposits and bank balances) and contract assets which are subject to impairment under IFRS 9. The amount of ECL is updated at each reporting date to reflect changes in credit risk since initial recognition.

Lifetime ECL represents the ECL that will result from all possible default events over the expected life of the relevant instrument. In contrast, 12-month ECL represents the portion of lifetime ECL that is expected to result from default events that are possible within 12 months after the reporting date. Assessment are done based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current conditions at the reporting date as well as the forecast of future conditions.

The Group always recognises lifetime ECL for trade receivables and contract assets. The ECL on these assets are assessed individually.

For all other instruments, the Group measures the loss allowance equal to 12-month ECL, unless when there has been a significant increase in credit risk since initial recognition, the Group recognises lifetime ECL. The assessment of whether lifetime ECL should be recognised is based on significant increases in the likelihood or risk of a default occurring since initial recognition.

3 重要會計政策(續)

金融工具(續)

金融資產(續)

金融資產的減值

本集團就須根據《國際財務報告準則》第9號進行減值的金融資產(包括貿易應收款項及應收票據、其他應收款項、已抵押銀行存款和銀行結餘)及須根據《國際財務報告準則》第9號進行減值的合約資產的預期信貸虧損(「預期信貸虧損」)模式進行減值評估。預期信貸虧損金額應於各報告日期更新以反映自初始確認以來信貸風險的變化。

整個存續期預期信貸虧損指於相關工具預期存續期間由可能發生的所有違約事項引起的預期信貸虧損。相反，12個月預期信貸虧損指預期於報告日期後12個月內可能發生的違約事項所導致的部分整個存續期預期信貸虧損。相關評估會根據本集團歷史信貸虧損經驗展開，並根據一些因素進行調整，如債務人、整體經濟狀況、對報告日期當前狀況及預期未來狀況的評估。

本集團通常對貿易應收款項及合約資產確認整個存續期預期信貸虧損。該等資產的預期信貸虧損進行單項評估。

就所有其他工具而言，本集團計量的虧損撥備等於12個月預期信貸虧損，除非自初始確認以來信貸風險顯著增加，否則本集團確認整個存續期預期信貸虧損。評估整個存續期預期信貸虧損是否應予以確認乃基於從初始確認以來違約風險的可能性是否顯著增加。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

3 SIGNIFICANT ACCOUNTING POLICIES

(continued)

Financial instruments (continued)

Financial assets (continued)

Significant increase in credit risk

In assessing whether the credit risk has increased significantly since initial recognition, the Group compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition. In making this assessment, the Group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort.

In particular, the following information is taken into account when assessing whether credit risk has increased significantly:

- an actual or expected significant deterioration in the financial instrument's external (if available) or internal credit rating;
- significant deterioration in external market indicators of credit risk, e.g. a significant increase in the credit spread, the credit default swap prices for the debtor;
- existing or forecast adverse changes in business, financial or economic conditions that are expected to cause a significant decrease in the debtor's ability to meet its debt obligations;
- an actual or expected significant deterioration in the operating results of the debtor; or
- an actual or expected significant adverse change in the regulatory, economic, or technological environment of the debtor that results in a significant decrease in the debtor's ability to meet its debt obligations.

Irrespective of the outcome of the above assessment, the Group presumes that the credit risk has increased significantly since initial recognition when contractual payments are more than 90 days past due, unless the Group has reasonable and supportable information that demonstrates otherwise.

3 重要會計政策(續)

金融工具(續)

金融資產(續)

信貸風險的顯著增加

於評估自初始確認以來信貸風險是否顯著增加時，本集團會將金融工具於報告日期發生違約的風險與金融工具於初始確認之日發生違約的風險進行比較。在進行此項評估時，本集團會考慮合理且可佐證的定量和定性資料，包括歷史經驗和無需過度成本或投入即可獲得的前瞻性資料。

具體而言，在評估信用風險是否顯著增加時，會考慮以下資料：

- 金融工具外部(如有)或內部信用評級實際或預期顯著惡化；
- 外部市場信用風險指標顯著惡化，例如信貸利差大幅增加、債務人的信用違約掉期價格；
- 業務、財務或經濟狀況的現有或預測不利變化，預計會導致債務人償還債務能力大幅下降；
- 債務人經營業績的實際或預期顯著惡化；或
- 債務人的監管、經濟或技術環境的實際或預期重大不利變化，導致債務人償還債務能力的大幅下降。

無論上述評估的結果如何，本集團均假定合約付款到期日超過90日，自初始確認以來的信貸風險大幅增加，除非本集團有合理及可佐證的資料證明屬其他情況。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

3 SIGNIFICANT ACCOUNTING POLICIES

(continued)

Financial instruments (continued)

Financial assets (continued)

Significant increase in credit risk (continued)

Despite the foregoing, the Group assumes that the credit risk on a debt instrument has not increased significantly since initial recognition if the debt instrument is determined to have low credit risk at the reporting date. A debt instrument is determined to have low credit risk if i) it has a low risk of default, ii) the borrower has a strong capacity to meet its contractual cash flow obligations in the near term and iii) adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the borrower to fulfil its contractual cash flow obligations. The Group considers a debt instrument to have low credit risk when it has an internal or external credit rating of "investment grade" as per globally understood definitions.

The Group regularly monitors the effectiveness of the criteria used to identify whether there has been a significant increase in credit risk and revises them as appropriate to ensure that the criteria are capable of identifying significant increase in credit risk before the amount becomes past due.

Definition of default

The Group considers that default has occurred when a financial asset is more than 90 days past due unless the Group has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

Measurement and recognition of ECL

The measurement of ECL is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data adjusted by forward-looking information.

3 重要會計政策(續)

金融工具(續)

金融資產(續)

信貸風險的顯著增加(續)

儘管如此，本集團假設倘債務工具在報告日期被確定為具有較低信貸風險，則債務工具自初始確認以來的信貸風險並未顯著增加。債務工具被認為具有較低的信貸風險，倘i)其違約風險較低；ii)借款人有能力在短期內履行合約現金流量義務；及iii)長期經濟及業務形勢的不利變化可能，但不一定，會降低借款人履行其合約現金流量義務的能力。本集團認為，倘債務工具有全球認可的內部或外部「投資等級」信用評級，則其信貸風險較低。

本集團定期監察用以識別信貸風險曾否顯著增加的標準的成效，並於適當時候作出修訂，從而確保有關標準能夠於款項逾期前識別信貸風險顯著增加。

違約的定義

本集團認為，倘債務工具到期日超過90日，則發生違約，除非本集團有合理及可佐證的資料證明一個更加滯後的違約標準更為合理。

預期信貸虧損的計量和確認

預期信貸虧損的計量是違約概率、違約損失率(即損失程度，如果存在違約)及違約風險敞口的函數。違約概率和違約損失率的評估是基於經根據前瞻性資料調整的歷史數據。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

3 SIGNIFICANT ACCOUNTING POLICIES

(continued)

Financial instruments (continued)

Financial assets (continued)

Measurement and recognition of ECL (continued)

Generally, the ECL is estimated as the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the Group expects to receive, discounted at the effective interest rate determined at initial recognition.

Interest income is calculated based on the gross carrying amount of the financial asset unless the financial asset is credit impaired, in which case interest income is calculated based on amortised cost of the financial asset.

The Group recognises an impairment gain or loss in profit or loss for all financial instruments by adjusting their carrying amount, with the exception of trade and note receivables, and contract assets where the corresponding adjustment is recognised through a loss allowance account.

Credit-impaired financial assets

A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence of that a financial asset is credit-impaired includes observable data about the following events:

- significant financial difficulty of the issuer or the borrower;
- a breach of contract, such as a default or past due event;
- the lender(s) of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession(s) that the lender(s) would not otherwise consider; or
- it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation.

3 重要會計政策(續)

金融工具(續)

金融資產(續)

預期信貸虧損的計量和確認(續)

一般而言，預期信貸虧損估計為本集團根據合約應收的所有合約現金流量與本集團預期收取的所有現金流量之間的差額，按初始確認時釐定的實際利率進行折現。

利息收入按金融資產的賬面總值計算，除非該金融資產屬信貸減值，在此情況下，利息收入按金融資產的攤銷成本計算。

本集團通過調整賬面值於損益中確認所有金融工具的減值損益，不包括貿易應收款項及應收票據以及合約資產，相應調整通過虧損撥備賬戶確認。

信貸減值的金融資產

當發生一項或多項對該金融資產的預計未來現金流量產生不利影響的事件時，金融資產屬信貸減值。該金融資產獲信貸減值的證明包括有關以下事件的可觀察數據：

- 發行人或借款人的重大財務困難；
- 違反合約，例如違約或逾期事件；
- 借款人的貸款人，出於與借款人的財務困難有關的經濟或合同原因，已向借款人授予貸款人不會另行考慮的特許權；或
- 借款人很可能會進入破產或其他財務重組。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

3 SIGNIFICANT ACCOUNTING POLICIES

(continued)

Financial instruments (continued)

Financial liabilities and equity instruments

Classification as debt or equity

Debt and equity instruments issued by a group entity are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities. Equity instruments issued by the Group are recognised at the proceeds received, net of direct issue costs.

Financial liabilities

All financial liabilities are subsequently measured at amortised cost using the effective interest method.

Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant year. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Interest expense is recognised on an effective interest basis.

Financial liabilities at amortised cost

Financial liabilities (including trade payables, other payables and accrued expenses, amounts due to subsidiaries, lease liabilities, bank borrowings and obligation arising from a put option) are subsequently measured at amortised cost, using the effective interest method.

3 重要會計政策(續)

金融工具(續)

金融負債及股本工具

分類為債務或股本

集團實體已發行的債務及股本工具根據合約安排的實質以及金融負債及股本工具的定义分類為金融負債或權益。

股本工具

股本工具乃證明本集團資產於扣除其所有負債後的剩餘權益的任何合約。本集團發行之股本工具乃按已收所得款項(扣除直接發行成本)記賬。

金融負債

所有金融負債其後使用實際利率法按攤銷成本計量。

實際利率法

實際利率法為計算於有關年度金融負債之攤銷成本及分配利息開支的方法。實際利率乃於初始確認時按金融負債之估計年期或(如適用)較短期間，準確折現估計未來現金付款(包括所有屬實際利率不可或缺部分的已付或已收費用及利率差價、交易成本及其他溢價或折讓)至賬面淨值的利率。

利息開支按實際利率基準確認。

按攤銷成本計量的金融負債

金融負債(包括貿易應付款項、其他應付款項及應計開支、應付附屬公司款項、租賃負債、銀行借款及認沽期權產生的責任)其後採用實際利率法按攤銷成本計量。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

3 SIGNIFICANT ACCOUNTING POLICIES

(continued)

Financial instruments (continued)

Financial liabilities and equity instruments (continued)

Obligation arising from a put option on shares of a subsidiary written to investors

Put option written to investors, which will be settled other than by exchange of fixed amount of cash for a fixed number of shares in a subsidiary is treated as derivative and is recognised at fair value upon initial recognition. Any changes of fair value in subsequent reporting dates are recognised in profit or loss.

The gross financial liability arising from the put option is recognised when contractual obligation to repurchase the shares in a subsidiary is established even if the obligation is conditional on the counterparty exercising a right to sell back the shares to the subsidiary. The liability for the share redemption amount is initially recognised and measured at present value of the estimated repurchase price with the corresponding debit to the other reserve. In subsequent years, the remeasurement of the present value of the estimated gross obligation under the written put option to the investors is recognised in profit or loss.

Derecognition of financial assets

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

3 重要會計政策(續)

金融工具(續)

金融負債及股本工具(續)

授予投資者的附屬公司股份的認沽期權產生的責任

授予投資者的認沽期權，將以固定金額的現金以外的方式清償以換取固定數目的附屬公司股份，視為衍生工具，並於初步確認時按公允價值確認。於隨後報告日期，任何公允價值變動均於損益中確認。

認沽期權產生的總財務負債於重購附屬公司股份的合約責任確立時確認，即使有關責任須待對手方行使權利向附屬公司售回股份後方可作實。股份贖回金額所涉及的負債初步按估計回購價的現值確認及計量，相應款項則計入其他儲備。於隨後年度，授予投資者的認沽期權重新計量的估計總負債現值於損益中確認。

終止確認金融資產

僅在從資產收取現金流量的合約權利屆滿，或本集團已將金融資產及當中擁有權的絕大部分風險及回報轉讓予另一實體時，本集團方會終止確認金融資產。倘本集團並無轉移或保留於資產擁有權的絕大部份風險及回報並繼續控制所轉讓資產，本集團確認其在資產中的保留權益，並就可能須支付的金額確認相關負債。倘本集團保留已轉讓金融資產擁有權的絕大部分風險及回報，則本集團將繼續確認金融資產，並就已收款項確認已抵押借款。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

3 SIGNIFICANT ACCOUNTING POLICIES

(continued)

Financial instruments (continued)

Derecognition of financial assets (continued)

On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss.

On derecognition of an investment in equity instrument which the Group has elected on initial recognition to measure at FVTOCI upon application of IFRS 9, the cumulative gain or loss previously accumulated in the revaluation reserve is not reclassified to profit or loss, but is transferred to retained profits.

Derecognition of financial liabilities

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

Cash and cash equivalents

For the purpose of the consolidated statement of cash flows, cash and cash equivalents comprise cash on hand and demand deposits, and short-term highly liquid investments that are readily convertible into known amounts of cash, are subject to an insignificant risk of changes in value, and have a short maturity of generally within three months when acquired, less bank overdrafts which are repayable on demand and form an integral part of the Group's cash management.

For the purpose of the consolidated statement of financial position, cash and cash equivalents comprise cash on hand, at banks and securities brokers, including term deposits, and assets similar in nature to cash, which are not restricted as to use.

3 重要會計政策(續)

金融工具(續)

終止確認金融資產(續)

於終止確認按攤銷成本計量的金融資產時，該項資產賬面值與已收及應收對價的差額，於損益內確認。

於終止確認股本工具中的投資(本集團已選擇於採納《國際財務報告準則》第9號時按公允價值計量並計入其他全面收益初始確認計量)時，先前重估儲備中積累的累計收益或虧損不再重新分類至損益，而將被轉至累計利潤。

終止確認金融負債

本集團於且僅於本集團義務已履行、撤銷或已到期時終止確認金融負債。終止確認的金融負債賬面值與已付及應付對價之間的差額於損益中確認。

現金及現金等價物

就綜合現金流量表而言，現金及現金等價物包括手頭現金及活期存款以及可隨時轉換為已知數額現金、價值變動風險極微及一般自購入後三個月內到期的短期高流動性投資，扣除須按要求償還及構成本集團現金管理一部分的銀行透支。

就綜合財務狀況表而言，現金及現金等價物包括手頭現金、存放於銀行及證券經紀的現金，包括用途不受限制的定期存款及性質與現金類似的資產。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

3 SIGNIFICANT ACCOUNTING POLICIES

(continued)

Financial instruments (continued)

Related parties

- (a) A person, or a close member of that person's family, is related to the Group if that person:
- (i) has control or joint control of the Group;
 - (ii) has significant influence over the Group; or
 - (iii) is a member of the key management personnel of the Group or the Group's parent.
- (b) An entity is related to the Group if any of the following conditions applies:
- (i) The entity and the Group are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).
 - (ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).
 - (iii) Both entities are joint ventures of the same third party.
 - (iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity.
 - (v) The entity is a post-employment benefit plan for the benefit of employees of either the Group or an entity related to the Group.
 - (vi) The entity is controlled or jointly controlled by a person identified in (a).
 - (vii) A person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).
 - (viii) The entity, or any members of a group of which it is a part, provides key management personnel services to the Group or to the Group's parent.

Close members of the family of a person are those family members who may be expected to influence, or be influenced by, that person in their dealings with the entity.

3 重要會計政策(續)

金融工具(續)

關聯方

- (a) 關聯方為與本集團有關聯的人士或實體，定義如下：
- (i) 對本集團有控制權或共同控制權；
 - (ii) 對本集團有重大影響力；或
 - (iii) 為本集團或本集團母公司主要管理人員的成員。
- (b) 倘一間實體符合以下條件，其即為與本集團有關聯：
- (i) 該實體與本集團為同一集團的成員公司(即各母公司、附屬公司及同系附屬公司彼此互有關聯)。
 - (ii) 一間實體為另一間實體的聯營企業或合營企業(或為另一間實體所屬集團成員公司的聯營企業或合營企業)。
 - (iii) 兩間實體均為同一第三方的合營企業。
 - (iv) 一間實體為一名第三方的合營企業，而另一間實體為該第三方的聯營企業。
 - (v) 該實體為本集團或與本集團有關聯的實體的僱員福利而設的退休福利計劃。
 - (vi) 該實體為受第(a)項所識別人士控制或共同控制。
 - (vii) 第(a)(i)項所識別人士對該實體有重大影響力或為該實體(或該實體的母公司)主要管理人員的成員。
 - (viii) 向本集團或本集團母公司提供主要管理人員服務的實體或其所屬集團的任何成員公司。

一名人士的近親指於該人士與該實體進行買賣時，預期可能會影響該人士或受該人士影響的家庭成員。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

4 KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Group's accounting policies, which are described in Note 3, the directors of the Company are required to make judgments, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the year in which the estimate is revised if the revision affects only that year, or in the year of the revision and future years if the revision affects both current and future periods.

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period, that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

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

The Group recognised contract revenue using the input method and contract costs are recognised on actual incurred basis. The input method is measured by reference to the stage of completion of the contract activity at the end of the reporting period, as measured by the proportion that contract costs incurred for work performed to date relative to the estimated contract costs.

The estimated contract revenue is determined in accordance with the terms set out in the relevant contract.

The estimated total contract costs are based on contracted amount of suppliers' contracts, and in respect of amounts not contracted for, management's estimates for the amounts to be incurred taking into consideration historical trends for the amounts incurred and adjusted for any price fluctuation during the year, where applicable. Significant assumptions are required in estimating the total contract costs which affect the contract revenue recognised to date based on the input method.

4 估計不確定因素之主要來源

在應用本集團的會計政策(見附註3)時，本公司董事須就沒有其他明顯消息來源的資產及負債之賬面值作出判斷、估計及假設。該等估計及相關假設乃根據過往經驗及視為相關的其他因素而作出。實際結果或會與該等估計有所不同。

估計與相關假設按持續基準檢討。假如會計估計的修訂只會影響作出有關修訂的年度，則會在該年度內確認；但如對當期和未來的期間均有影響，則會在作出有關修訂的年度和未來年度確認。

下列乃報告期末涉及未來之主要假設及估計不確定因素之其他主要來源，該等估計及假設很可能導致須對下一個財政年度的資產及負債賬面值作出重大調整。

確認與客戶就危險廢物焚燒處置解決方案服務所訂立合約的收入

本集團使用投入法確認合約收入，並使用實際產生基準確認合約成本。投入法參照報告期末合約活動之完成階段予以計量，而該完成階段一般會按工程進行至該日所產生的合約成本佔估計總合約成本之比例計量。

預計合約收入乃根據相關合約所載條款確定。

估計總合約成本乃基於供應商合約的訂約金額，對於未訂約的金額，管理層對所產生金額的估計考慮到了該等金額的歷史趨勢，並對照年內價格波動進行調整(如適用)。在估計影響截至目前所確認之合約收益的總合約成本時，須根據投入法作出重大假設。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

4 KEY SOURCES OF ESTIMATION UNCERTAINTY

(continued)

Recognition of revenue on contracts with customers for hazardous waste incineration solution services (continued)

Management review the contract with customers for foreseeable losses whenever there is an indication that the estimated contract revenue is lower than the estimated contract costs. The actual outcome in terms of total cost or revenue may be higher or lower than estimated at the end of each of the reporting period, which would affect the revenue and profit recognised in future years as an adjustment to the amounts recorded to date.

Estimated impairment of trade receivables and contract assets

The management estimates the amount of loss allowance for ECL on trade receivables that are measured at amortised cost and contract assets based on the credit risk of the respective counterparty. The Group uses a lifetime ECL model and estimates the expected loss rate for the trade receivables and the contract assets individually based on each customer's credit risk characteristics and the historical observed default rates adjusted by forward-looking estimates. The assessment of the credit risk of the trade receivables and contract assets involves high degree of estimation and uncertainty as details in Notes 20, 22 and 32. When the actual future cash flows are less than expected or more than expected, a material impairment loss or a material reversal of impairment loss may arise, accordingly.

As at 31 December 2019, the total carrying amount of trade receivables and contract assets of the Group amounted to approximately RMB393,618,000 (2018: RMB304,077,000), net of allowance for impairment of approximately RMB7,838,000 (2018: RMB7,071,000).

4 估計不確定因素之主要來源(續)

確認與客戶就危險廢物焚燒處置解決方案服務所訂立合約的收入(續)

若有跡象表明估計合約收入低於估計合約成本，則管理層會審核與客戶合約有無可預見的損失。於各報告期末，有關總成本或收入之實際結果可能高於或低於估計，而該等差異將影響未來年度所確認之收入及利潤(作為對截至目前所記錄金額的調整)。

貿易應收款項及合約資產的預計減值

管理層根據有關對手方的信貸風險，估計按攤銷成本計量的貿易應收款項及合約資產預期信貸虧損的損失準備金額。本集團使用整個存續期預期信貸虧損模式，並根據客戶各自的信貸風險特徵及經前瞻性估計調整的歷史觀察違約率進行估算貿易應收款項的預期虧損率。評估貿易應收款項及合約資產的信貸風險涉及較大程度的估計及不確定因素(誠如附註20、22及32所詳述)。若實際未來現金流量少於預期或多於預期，可能會因此產生重大減值虧損或減值虧損重大撥回。

於2019年12月31日，本集團貿易應收款項及合約資產的總賬面值約為人民幣393,618,000元(2018年：人民幣304,077,000元)，已扣除減值撥備約人民幣7,838,000元(2018年：人民幣7,071,000元)。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

5 REVENUE AND SEGMENT INFORMATION

Revenue represents the fair value of amounts received and receivable from the provision of comprehensive solid waste incineration turnkey solutions focused on the research, design, integration and commissioning of solid waste systems by the Group to external customers in the PRC. The Group's revenue is derived from providing i) hazardous waste incineration solutions, ii) pyrolysis solid waste treatment solutions, iii) oil sludge thermal desorption treatment services, iv) technical upgrading services, and v) maintenance services in the PRC. For the purposes of resources allocation and performance assessment, the executive directors of the Company, being the chief operating decision maker, review the financial performance of the Group as a whole prepared based on the same accounting policies. Accordingly, the Group has only one single operating segment and no further discrete financial information nor analysis of this single segment is presented.

Revenue from major services

The following is an analysis of the Group's revenue from its major services:

<i>Recognised over time</i>	<i>隨時間確認</i>
Hazardous waste incineration solutions	危險廢物焚燒處置解決方案
Pyrolysis solid waste treatment solutions	無氧裂解固體廢物處置解決方案
Oil sludge thermal desorption treatment services	油泥熱脫附處理服務
Technical upgrading services	技術升級服務
Maintenance services	維護服務

5 收入及分部資料

收入指本集團向中國的外部客戶提供專注於固體廢物系統的研究、設計、集成及調試的綜合固體廢物焚燒處置整體解決方案，已收及應收款項的公允價值。本集團的收入來自於中國境內提供：i) 危險廢物焚燒處置解決方案；ii) 無氧裂解固體廢物處置解決方案；iii) 油泥熱脫附處理服務；iv) 技術升級服務；及v) 維護服務。就資源分配以及表現評估而言，本公司執行董事（即主要經營決策者）根據相同會計政策，以本集團作為整體審核財務表現。因此，本集團只有一個營運分部，以及概無就該單一分部呈報其他獨立財務資料或分析。

主要服務收入

下表載列本集團來自其主要服務的收入之分析：

2019 2019年	2018 2018年
<i>RMB'000</i> 人民幣千元	<i>RMB'000</i> 人民幣千元
452,990	444,771
22,773	4,064
45,436	10,745
4,119	11,092
12,191	9,419
537,509	480,091

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

5 REVENUE AND SEGMENT INFORMATION

(continued)

Transaction price allocated to the remaining performance obligations for contracts with customers

The following table shows the aggregate amount of the transaction price allocated to performance obligations that are unsatisfied (or partially unsatisfied) as at 31 December 2019 and 2018.

		2019 2019年	2018 2018年
		<i>RMB'000</i> 人民幣千元	<i>RMB'000</i> 人民幣千元
Provision of hazardous waste incineration solutions	提供危險廢物焚燒處置解決方案	432,008	410,874
Provision of pyrolysis solid waste treatment solutions	提供無氧裂解固體廢物處置解決方案	1,699	23,802
Provision of technical upgrading services	提供技術升級服務	5,672	991
Provision of maintenance services	提供維護服務	2,646	149
Total	合計	442,025	435,816

Based on the information available to the Group at the end of reporting period, the directors of the Company expect the transaction price allocated to the above unsatisfied (or partially unsatisfied) contracts as of 31 December 2018 and 2019 will be recognised as revenue during the years ended/ending 31 December 2019 to 31 December 2021 in respect of provision of hazardous waste incineration solutions, during the years ended/ending 31 December 2019 to 31 December 2020 in respect of provision of pyrolysis solid waste treatment solutions, during the years ended/ending 31 December 2019 to 31 December 2020 in respect of technical upgrading services and during the years ended/ending 31 December 2019 to 31 December 2020 in respect of provision of maintenance services.

5 收入及分部資料(續)

就客戶合約分撥至餘下履約責任的交易價格

下表列示於2019年及2018年12月31日分撥至未履約(或部分未履約)責任的交易價格總額。

		2019 2019年	2018 2018年
		<i>RMB'000</i> 人民幣千元	<i>RMB'000</i> 人民幣千元
Provision of hazardous waste incineration solutions	提供危險廢物焚燒處置解決方案	432,008	410,874
Provision of pyrolysis solid waste treatment solutions	提供無氧裂解固體廢物處置解決方案	1,699	23,802
Provision of technical upgrading services	提供技術升級服務	5,672	991
Provision of maintenance services	提供維護服務	2,646	149
Total	合計	442,025	435,816

基於本集團於報告期末獲得的資料，本公司董事預計截至2018年及2019年12月31日分撥至上述未履行(或部分未履行)合約的交易價格將分別於截至2019年12月31日止年度至截至2021年12月31日止年度期間(就提供危險廢物焚燒處置解決方案而言)、截至2019年12月31日止年度至截至2020年12月31日止年度期間(就提供無氧裂解固體廢物處置解決方案而言)、截至2019年12月31日止年度至截至2020年12月31日止年度期間(就技術升級服務而言)及截至2019年12月31日止年度至截至2020年12月31日止年度期間(就提供維護服務而言)確認為收入。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

5 REVENUE AND SEGMENT INFORMATION

(continued)

Transaction price allocated to the remaining performance obligations for contracts with customers (continued)

Provision of oil sludge thermal desorption treatment services typically have a 3-year non-cancellable term in which the Group charges fee based on the actual treatment volume of oil sludge. The Group elected to apply the practical expedient by recognising revenue in the amount to which the Group has provided the services. As permitted under IFRS 15, the transaction price allocated to these unsatisfied contracts is not disclosed.

Major customers

Revenue from customers of the corresponding years contributing over 10% of the total revenue of the Group are as follows:

Customer A	客戶 A
Customer B	客戶 B
Customer C	客戶 C

* Revenue did not account for 10% or more of the Group's revenue during the respective reporting period.

Geographical information

The Group primarily operates in the PRC. Substantially all of the Group's non-current assets, excluding financial instruments and deferred tax assets, are located in the PRC, and revenue of the Group is generated from customers located in the PRC.

5 收入及分部資料(續)

就客戶合約分撥至餘下履約責任的交易價格(續)

提供油泥熱脫附處理服務的不可撤銷年期一般為3年，期間本集團根據實際油泥處置量收費。本集團選擇可行權宜方法，確認本集團所提供服務的收益金額。誠如《國際財務報告準則》第15號所允許，並無披露分配至該等未履行合約的交易價。

主要客戶

於相應年度在本集團總收入中佔10%以上的客戶收入如下：

2019 2019年	2018 2018年
RMB'000 人民幣千元	RMB'000 人民幣千元
138,391	187,162
68,977	N/A 不適用*
N/A 不適用*	72,155

* 收入於相應報告期並無在本集團收入中佔10%或以上。

地區資料

本集團主要在中國境內營運。本集團幾乎全部的非流動資產(不含金融工具以及遞延稅項資產)均位於中國，且本集團的收入來源於中國的客戶。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

6 OTHER INCOME, GAINS AND LOSSES

6 其他收入、收益及虧損

		2019 2019年	2018 2018年
		<i>RMB'000</i> 人民幣千元	<i>RMB'000</i> 人民幣千元
Bank interest income	銀行利息收入	1,504	375
Government grants (Note a)	政府補助(附註a)	8,106	722
Indemnity compensation (Note b)	責任賠償(附註b)	—	3,758
Sundry income	雜項收入	148	—
Other income	其他收入	9,758	4,855
Net foreign exchange gains	外匯收益淨額	2,107	3,158
Gain on deregistration of investment in an associate	註銷一間聯營企業投資之收益	—	97
Loss on disposal of a subsidiary	出售一間附屬公司的虧損	(6)	—
Gain on disposal of property, plant and equipment, net	出售物業、廠房及設備之淨收益	3	—
Other gains and losses	其他收益及虧損	2,104	3,255
		11,862	8,110

Note:

- (a) Government grants represented immediate financial support granted by the local governments. There were no specific conditions attached to the grants and the amounts were recognised in profit or loss upon the receipt of relevant cash.
- (b) Indemnity compensation represented the compensation paid by a counterparty for its default of contract in relation to a hazardous waste incineration project in Suzhou which was terminated during the year ended 31 December 2016.

附註：

- (a) 政府補助為當地政府給予的實時財務支持。補助不附帶特定條件，且金額於收到相關現金時在損益中確認。
- (b) 責任賠償指對手方就其違反有關蘇州的危險廢物焚燒處置項目合約已支付的賠償，有關合約已於截至2016年12月31日止年度終止。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

7 FINANCE COSTS

		2019 2019年	2018 2018年
		RMB'000 人民幣千元	RMB'000 人民幣千元
Interest on bank borrowings	銀行借款利息	824	574
Interest on lease liabilities	租賃負債利息	270	—
Interest on obligation arising from a put option	認沽期權所產生責任的利息	—	5,457
Total	合計	1,094	6,031

7 融資成本

8 INCOME TAX EXPENSE

		2019 2019年	2018 2018年
		RMB'000 人民幣千元	RMB'000 人民幣千元
The income tax expense comprises:	所得稅開支包括：		
PRC Enterprise Income Tax ("EIT"):	中國企業所得稅 (「企業所得稅」)：		
— Current tax	— 即期稅項	20,389	12,737
— Over provision in prior year	— 過往年度超額撥備	—	(492)
		20,389	12,245
Deferred tax	遞延稅項	(7,298)	(1,686)
		13,091	10,559

8 所得稅開支

The Company and its subsidiaries, Weigang Environment Limited, Jade Far Investment Limited and Definite Thrive Limited, were incorporated in the Cayman Islands and BVI, respectively. All these entities did not have tax assessable profit in Cayman Islands, BVI or other jurisdiction in both years.

本公司及其附屬公司維港環境有限公司，杰發投資有限公司及興定有限公司分別於開曼群島及英屬維爾京群島註冊成立。於該等年度，所有該等實體在開曼群島、英屬維爾京群島或其他司法管轄區均無應課稅利潤。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

8 INCOME TAX EXPENSE (continued)

No provision for Hong Kong profits tax has been recognised in the consolidated financial statements in both years as the Group does not have income which arose in, or derived from Hong Kong.

Pursuant to the Enterprise Income Tax Law (the "EIT Law") effective on 1 January, 2008, Guangzhou Weigang Environment Protection Technology Limited ("Guangzhou Weigang") obtained a "High and New Technology Enterprise" (the "HNTE") since 2016 which Guangzhou Weigang was entitled to a preferential tax rate of 15% from 2019 to 2021 (2018: 2016 to 2018) and eligible for renewal every three years.

The applicable tax rate of other PRC subsidiaries of the Company was 25% (2018: 25%) during the year ended 31 December 2019.

Income tax expense can be reconciled to the profit before tax per the consolidated statement of profit or loss and other comprehensive income as follows:

		2019 2019年	2018 2018年
		RMB'000 人民幣千元	RMB'000 人民幣千元
Profit before tax	稅前利潤	91,122	67,970
Tax at applicable income tax rate of 25% (2018: 25%)	以25%(2018年: 25%)的適用所得稅稅率計算的稅項	22,781	16,992
Tax effect due to preferential tax rate	因優惠稅率而產生的稅務影響	(8,971)	(8,394)
Tax effect of expenses not deductible for tax purposes	不可扣稅開支的稅務影響	134	6,441
Tax effect of income not taxable for tax purpose	非應課稅收入的稅務影響	(69)	(789)
Tax effect of share of results of an associate	應佔聯營企業的業績的稅務影響	3	—
Tax effect of tax loss not recognised	未確認之稅項虧損的稅務影響	2,694	28
Utilisation of tax loss previously not recognised	動用過往未確認的稅項虧損	—	(148)
Tax effect of super-deduction on research and development expenses	加計扣除研發開支的稅務影響	(3,481)	(3,079)
Over-provision in prior year	過往年度超額撥備	—	(492)
Income tax expense	所得稅開支	13,091	10,559

8 所得稅開支(續)

由於本集團並無得自香港的收入，因此於該等年度，於綜合財務報表中並未確認香港利得稅撥備。

根據2008年1月1日生效的《企業所得稅法》(「《企業所得稅法》」)，廣州維港環保科技有限公司(「廣州維港」)自2016年起獲認定為「高新技術企業」(「高新技術企業」)，致使廣州維港在2019年至2021年(2018年: 2016年至2018年)間享有15%的優惠稅率，每三年可續期。

於截至2019年12月31日止年度，本公司其他中國附屬公司的適用稅率為25%(2018年: 25%)。

所得稅開支可按下列方式根據綜合損益及其他全面收益表調整到稅前利潤中：

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

9 PROFIT BEFORE TAX

9 稅前利潤

		2019 2019年 RMB'000 人民幣千元	2018 2018年 <i>RMB'000</i> 人民幣千元
Profit before tax has been arrived at after charging/(crediting):	扣除/(計入)下列費用後的稅前利潤：		
Staff costs (including directors' emoluments)	員工成本(包括董事酬金)		
Directors' remuneration	董事薪酬	3,272	1,527
Other staff:	其他員工：		
— Salaries and other benefits	— 薪金與其他福利	32,147	23,317
— Bonus	— 花紅	3,500	2,397
— Contributions to retirement benefits scheme	— 退休福利計劃供款	6,340	2,261
— Share-based payment expenses	— 以股份為基礎的支付開支	1,071	1,954
Total staff costs	總員工成本	46,330	31,456
Auditors' remuneration	核數師薪酬	1,746	1,810
Research and development costs (included in other expenses)*	研發成本(計入其他開支)*	21,058	16,799
Listing expenses (included in other expenses)	上市開支(計入其他開支)	—	12,270
Loss on disposal of a subsidiary	出售一間附屬公司的虧損	6	—
Depreciation of property, plant and equipment	物業、廠房及設備折舊	3,559	1,726
Depreciation of right-of-use assets	使用權資產折舊	2,051	—
Amortisation of intangible assets	無形資產攤銷	945	413
Allowance for impairment of/(reversal of allowance for) trade and note receivables (included in other expenses)	貿易應收款項及應收票據減值撥備/(撥備撥回)(計入其他開支)	650	(1,174)
Allowance for impairment of contract assets (included in other expenses)	合約資產減值撥備(計入其他開支)	117	2,073
Gain on disposal of property, plant and equipment	出售物業、廠房及設備的收益	(3)	—
Reversal of impairment loss on advance to a supplier	撥回與向供應商作出的墊款有關的減值虧損	—	(183)
Minimum operating lease payments	最低經營租賃付款	744	2,528

* Amount included staff costs of approximately RMB8,770,000 (2018: RMB7,238,000), and material and other related costs of approximately RMB12,288,000 (2018: RMB9,561,000) for the year ended 31 December 2019.

* 該款項包括截至2019年12月31日止年度的員工成本約人民幣8,770,000元(2018年：人民幣7,238,000元)以及材料及其他相關成本約人民幣12,288,000元(2018年：人民幣9,561,000元)。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

10 DIRECTORS' AND EMPLOYEES' EMOLUMENTS

Directors

Details of the emoluments paid or payable to the directors of the Company (including emoluments for services as employees/directors of the group entities prior to becoming the directors of the Company) by entities comprising the Group during the year ended 31 December 2019 and 2018 are as follows:

For the year ended 31 December 2019

		Fees	Salaries and other allowances	Bonus	Share-based payment expenses	Retirement benefits contributions	Total
		袍金	薪金與其他津貼	花紅	以股份為基礎的支付開支	退休福利計劃供款	合計
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
Executive directors	執行董事						
Mr. Cai	蔡先生	317	325	26	—	68	736
Mr. Dong Honghui ("Mr. Dong") (Note i)	董紅暉先生 ([董先生])(附註i)	211	325	20	115	68	739
Mr. Deng Zhaoshan ("Mr. Deng") (Note i)	鄧兆善先生 ([鄧先生])(附註i)	211	328	20	115	68	742
Non-executive directors	非執行董事						
Mr. Ren Jingfeng (Note ii)	任景豐先生 (附註ii)	211	—	—	—	—	211
Mr. Yang Zhiqiang (Note iii)	楊志強先生(附註iii)	211	—	—	—	—	211
Independent non-executive directors	獨立非執行董事						
Mr. Yang Zhifeng (Note iv)	楊志峰先生(附註iv)	211	—	—	—	—	211
Mr. Feng Tao (Note iv)	馮濤先生(附註iv)	211	—	—	—	—	211
Mr. Jiang Guoliang (Note iv)	蔣國良先生(附註iv)	211	—	—	—	—	211
		1,794	978	66	230	204	3,272

10 董事及僱員酬金

董事

於截至2019年及2018年12月31日止年度，按照本集團構成實體分類的已付或應付本公司董事之酬金(包括在成為本公司董事前作為集團實體的僱員/董事所提供服務而收取的酬金)的詳情列於下表：

截至2019年12月31日止年度

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

10 DIRECTORS' AND EMPLOYEES' EMOLUMENTS

(continued)

Directors (continued)

For the year ended 31 December 2018

		Fees	Salaries and other allowances	Bonus	Share-based payment expenses	Retirement benefits contributions	Total
		袍金	薪金與其他津貼	花紅	以股份為基礎的支付開支	退休福利計劃供款	合計
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
Executive directors	執行董事						
Mr. Cai	蔡先生	—	359	50	—	32	441
Mr. Dong (Note i)	董先生(附註i)	—	359	50	103	32	544
Mr. Deng (Note i)	鄧先生(附註i)	—	357	50	103	32	542
Non-executive directors	非執行董事						
Mr. Ren Jingfeng (Note ii)	任景豐先生(附註ii)	—	—	—	—	—	—
Mr. Yang Zhiqiang (Note iii)	楊志強先生(附註iii)	—	—	—	—	—	—
Independent non-executive directors	獨立非執行董事						
Mr. Yang Zhifeng (Note iv)	楊志峰先生(附註iv)	—	—	—	—	—	—
Mr. Feng Tao (Note iv)	馮濤先生(附註iv)	—	—	—	—	—	—
Mr. Jiang Guoliang (Note iv)	蔣國良先生(附註iv)	—	—	—	—	—	—
		—	1,075	150	206	96	1,527

Note:

- (i) Appointed as executive directors of the Company on 27 April 2018. Prior to being directors, they were employees of the Group.
- (ii) Appointed as a non-executive director of the Company on 27 April 2018.
- (iii) Appointed as a non-executive director of the Company on 8 November 2018.
- (iv) Appointed as an independent non-executive director and member of the audit committee of the Company on 3 January 2019.
- (v) As at 31 December 2018, there is no director fee paid since the Group has been listed on 3 January 2019.

附註：

- (i) 於2018年4月27日獲委任為本公司執行董事。此前彼等為本集團僱員。
- (ii) 於2018年4月27日獲委任為本公司非執行董事。
- (iii) 於2018年11月8日獲委任為本公司非執行董事。
- (iv) 於2019年1月3日獲委任為本公司獨立非執行董事及審核委員會成員。
- (v) 於2018年12月31日，由於本集團已於2019年1月3日上市，故並無支付董事袍金。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

10 DIRECTORS' AND EMPLOYEES' EMOLUMENTS

(continued)

Directors (continued)

The executive directors' emoluments shown above were for their services in connection with the management affairs of the Group.

The bonus payments are determined with reference to the operating results and individual performance during the years ended 31 December 2019 and 2018.

Details of share-based payment transaction are set out in Note 39.

Employees

The five highest paid individuals of the Group included three (2018: three) directors, whose emoluments are included in the disclosures above for the year ended 31 December 2019. The emoluments of the remaining two (2018: two) individuals for the year ended 31 December 2019, are as follows:

		2019 2019年	2018 2018年
		RMB'000 人民幣千元	RMB'000 人民幣千元
Salaries and other benefits	薪金與其他福利	1,297	1,289
Bonus	花紅	73	60
Retirement benefits scheme contributions	退休福利計劃供款	45	38
Share-based payment expenses	以股份為基礎的支付開支	61	190
		1,476	1,577

The number of the five highest paid employees who are not the directors of the Company whose remuneration fell within the following bands:

		2019 2019年	2018 2018年
		Number of employees 僱員數目	Number of employees 僱員數目
Nil to HK\$1,000,000	零至 1,000,000 港元	2	2

During the years ended 31 December 2019 and 2018, no remuneration was paid by the Group to the five highest paid individuals including directors of the Company as an inducement to join or upon joining the Group or as compensation for loss of office. Each of the directors of the Company did not waive or agreed to waive any remuneration during the years ended 31 December 2019 and 2018.

10 董事及僱員酬金(續)

董事(續)

上述執行董事酬金乃因彼等就本集團管理事務所提供服務而取得。

花紅支付乃經參考於截至2019年及2018年12月31日止年度的有關經營業績及個人表現而釐定。

以股份為基礎的支付交易的詳情載於附註39。

僱員

截至2019年12月31日止年度，本集團五名最高薪酬人士分別包括三名(2018年：三名)董事，彼等之酬金已載於上文披露資料中。截至2019年12月31日止年度其餘兩名(2018年：兩名)人士之酬金如下：

酬金介乎以下範圍並非本公司董事的五名最高薪酬僱員人數：

		2019 2019年	2018 2018年
		Number of employees 僱員數目	Number of employees 僱員數目
Nil to HK\$1,000,000	零至 1,000,000 港元	2	2

於截至2019年及2018年12月31日止年度，本集團並無向本公司五名最高薪酬人士(包括董事)支付任何薪酬，作為吸引董事加盟本集團或加盟後的獎勵或離職補償。於截至2019年及2018年12月31日止年度，本公司各董事均無放棄或同意放棄任何薪酬。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

11 EARNINGS PER SHARE

The calculation of the basic and diluted earnings per share attributable to the owners of the Company is based on the following data:

		2019 2019年 RMB'000 人民幣千元	2018 2018年 RMB'000 人民幣千元
Earnings	盈利		
Earnings for the purpose of calculating basic and diluted earnings per share (profit for the year attributable to the owners of the Company)	用以計算每股基本及攤薄盈利的盈利(本公司擁有人應佔年內利潤)	66,984	49,799
Number of shares	股份數量		
Number of shares for the purpose of calculating basic earnings per share	用以計算每股基本盈利的股份數量	1,331,622,830	1,013,854,480
Effect of dilutive potential ordinary shares:	攤薄潛在普通股的影響：		
Share options	購股權	31,830,822	29,274,881
Number of shares for the purpose of calculating diluted earnings per share	用以計算每股攤薄盈利的股份數量	1,363,453,652	1,043,129,361

The computation of diluted earnings per share during the year ended 31 December 2018 does not assume the exercise of put option by the non-controlling shareholder of a subsidiary as the exercise of the put option would result in an increase of earnings per share for the year ended 31 December 2018. The computation of diluted earnings per share during the year ended 31 December 2019 and 2018 has adjusted to reflect the effect of the exercise of all dilutive share options.

11 每股盈利

本公司擁有人應佔每股基本及攤薄盈利的計算乃基於下列數據：

		2019 2019年 RMB'000 人民幣千元	2018 2018年 RMB'000 人民幣千元
Earnings	盈利		
Earnings for the purpose of calculating basic and diluted earnings per share (profit for the year attributable to the owners of the Company)	用以計算每股基本及攤薄盈利的盈利(本公司擁有人應佔年內利潤)	66,984	49,799
Number of shares	股份數量		
Number of shares for the purpose of calculating basic earnings per share	用以計算每股基本盈利的股份數量	1,331,622,830	1,013,854,480
Effect of dilutive potential ordinary shares:	攤薄潛在普通股的影響：		
Share options	購股權	31,830,822	29,274,881
Number of shares for the purpose of calculating diluted earnings per share	用以計算每股攤薄盈利的股份數量	1,363,453,652	1,043,129,361

由於行使認沽期權會導致截至2018年12月31日止年度的每股盈利增加，故計算截至2018年12月31日止年度的每股攤薄盈利時假設附屬公司的非控股股東並未行使認沽期權。計算截至2019年及2018年12月31日止年度的每股攤薄盈利時，已作出調整以反映行使所有攤薄購股權的影響。

12 DIVIDENDS

No dividend has been paid or declared by the Company since its incorporation, nor has any dividend been proposed since the end of the years ended 31 December 2019 and 2018.

12 股息

本公司自註冊成立以來尚未支付或宣派股息，自截至2019年及2018年12月31日止年度末亦無建議宣派任何股息。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

13 PROPERTY, PLANT AND EQUIPMENT

13 物業、廠房及設備

		Leasehold improvements	Oil sludge treatment facility	Computers	Motor vehicles	Furniture and fixtures	Construction in progress	Total
		租賃裝修	油泥處理設施	電腦	車輛	傢俱與固定裝置	在建工程	合計
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
			(Note)				(Note)	
			(附註)				(附註)	
COST	成本							
At 1 January 2018	於2018年1月1日	1,152	—	614	1,088	661	6,812	10,327
Additions	添置	124	460	958	368	142	13,587	15,639
Transfer from construction in progress	來自在建工程的轉撥	—	20,399	—	—	—	(20,399)	—
At 31 December 2018 and 1 January 2019	於2018年12月31日及2019年1月1日	1,276	20,859	1,572	1,456	803	—	25,966
Additions	添置	974	—	539	357	150	59,076	61,096
Disposals	出售	—	—	(10)	(30)	—	—	(40)
Transfer from construction in progress	來自在建工程的轉撥	—	6,468	—	—	—	(6,468)	—
At 31 December 2019	於2019年12月31日	2,250	27,327	2,101	1,783	953	52,608	87,022
ACCUMULATED DEPRECIATION	累計折舊							
At 1 January 2018	於2018年1月1日	38	—	219	154	298	—	709
Provided for the year	年內撥備	283	656	352	238	197	—	1,726
At 31 December 2018 and 1 January 2019	於2018年12月31日及2019年1月1日	321	656	571	392	495	—	2,435
Provided for the year	年內撥備	249	2,247	714	158	191	—	3,559
Disposals	出售	—	—	(8)	(29)	—	—	(37)
At 31 December 2019	於2019年12月31日	570	2,903	1,277	521	686	—	5,957
CARRYING VALUES	賬面值							
At 31 December 2019	於2019年12月31日	1,680	24,424	824	1,262	267	52,608	81,065
At 31 December 2018	於2018年12月31日	955	20,203	1,001	1,064	308	—	23,531

Note: Amount represented the costs incurred for the construction of a thermal desorption of oil sludge treatment facility, which is to provide oil sludge thermal desorption treatment service to customers. The operating income is charged according to the tons of oil sludge being processed.

附註：有關數額指建造油泥熱脫附處理設施(將為客戶提供油泥熱脫附處理服務)所產生的成本。經營收入乃根據所處理的油泥噸數收取費用。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

13 PROPERTY, PLANT AND EQUIPMENT (continued)

The above items of property, plant and equipment, other than construction in progress, after taking into account their estimated residual value, are depreciated on a straight-line basis at the following useful life:

Leasehold improvements	5 years
Oil sludge treatment facility	10 years
Computers	3 years
Motor vehicles	3-5 years
Furniture and fixtures	3 years

13 物業、廠房及設備(續)

上述物業、廠房及設備項目(在建工程除外)在考慮到其估計剩餘價值後以下列使用年限按直線法折舊：

租賃裝修	5年
油泥處理設施	10年
電腦	3年
車輛	3至5年
傢俱與固定裝置	3年

14 INTANGIBLE ASSETS

14 無形資產

		Patents
		專利
		<i>RMB'000</i>
		<i>人民幣千元</i>
COST	成本	
At 1 January 2018	於2018年1月1日	150
Additions (Note i & ii)	添置(附註i及ii)	17,003
At 31 December 2018 and 1 January 2019	於2018年12月31日及2019年1月1日	17,153
Additions	添置	27
At 31 December 2019	於2019年12月31日	17,180
ACCUMULATED AMORTISATION	累計攤銷	
At 1 January 2018	於2018年1月1日	57
Provided for the year	年內撥備	413
At 31 December 2018 and 1 January 2019	於2018年12月31日及2019年1月1日	470
Provided for the year	年內撥備	945
At 31 December 2019	於2019年12月31日	1,415
CARRYING VALUES	賬面值	
At 31 December 2019	於2019年12月31日	15,765
At 31 December 2018	於2018年12月31日	16,683

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

14 INTANGIBLE ASSETS (continued)

Note:

- (i) On 20 July 2018, Guangzhou Weigang entered into an agreement with Dr. Wang Zhicheng ("Dr. Wang"), a senior management of the Company, for assigning to Guangzhou Weigang all its technology knowhow relating to pyrolysis treatment, a method of a solid waste anaerobic catalytic thermal cracking at a consideration of RMB1,000,000 with estimated useful lives of 10 years; and
- (ii) On 20 July 2018, Guangzhou Weigang entered into an agreement with a third party for assigning its technology knowhow to Guangzhou Weigang at a consideration of RMB16,000,000, including an organic carbon ecological slow release fertiliser and preparation method, a waste battery anaerobic catalytic thermal cracking system and method and a domestic waste fluidised bed anaerobic cracking device with estimated useful lives of 10 years.

The other intangible assets have finite useful lives and are amortised on a straight-line basis over the licence period.

14 無形資產(續)

附註：

- (i) 於2018年7月20日，廣州維港與本公司高級管理層王志成博士(「王博士」)訂立一份協議，以向廣州維港轉讓其所有有關無氧裂解處理(一種固體垃圾無氧催化熱裂解方法)的技術知識，代價為人民幣1,000,000元及估計可使用年期為10年；及
- (ii) 於2018年7月20日，廣州維港與一名獨立第三方訂立一份協議，以向廣州維港轉讓其技術知識(包括有機碳生態緩釋肥及其製備方法、一種廢舊電池無氧催化熱裂系統和方法以及一種生活垃圾流化床無氧裂解裝置)，代價為人民幣16,000,000元及估計可使用年期為10年。

其他無形資產具有有限可使用年期，並於授權期間以直線法攤銷。

15 INTERESTS IN ASSOCIATES

15 於聯營企業的投資

		2019 2019年	2018 2018年
		RMB'000 人民幣千元	RMB'000 人民幣千元
Cost of investment in associates	於聯營企業的投資成本	594	—
Share of post-acquisition losses	應佔收購後虧損	(13)	—
		581	—

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

15 INTERESTS IN ASSOCIATES (continued)

Details of the Group's associates at the end of the reporting period are as follows:

Name of associate	Principal activities	Place and date of establishment and operation
聯營企業名稱	主要活動	成立與營運的地點和日期
Jiangxi Ruicheng Environmental Technology Co., Ltd.* ("Jiangxi Ruicheng")	Provision of project management service for solid and hazardous waste	The PRC, 11 September 2019
江西瑞城環保科技有限責任公司(「江西瑞城」)	就固體及有害廢物提供項目管理服務	中國，2019年9月11日
Guangzhou Weigang Hongda Environmental Company Ltd.* ("Weigang Hongda")	Provision of project management service for solid and hazardous waste	The PRC, 21 May 2019
廣州維港泓達環境有限公司(「維港泓達」)	就固體及有害廢物提供項目管理服務	中國，2019年5月21日

* The English names are for identification purpose only.

The above associates are accounted for using equity method in the consolidated financial statements.

15 於聯營企業的投資(續)

於報告期末本集團聯營企業的詳情載於下表：

Proportion of ownership interest held by the Group at 31 December		Proportion of voting interest held by the Group at 31 December	
本集團持有所有權權益份額		本集團持有表決權份額	
於12月31日		於12月31日	
2019	2018	2019	2018
2019年	2018年	2019年	2018年
15%	—	15%	—
		(note (i))	
		(附註(i))	
37%	—	37%	—
		(note (ii))	
		(附註(ii))	

上述聯營企業使用權益法在綜合財務報表入賬。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

15 INTERESTS IN ASSOCIATES (continued)

Note:

- (i) The Group is able to exercise significant influence over Jiangxi Ruicheng since it has appointed 1 out of 5 directors of that company under the Articles of Association of Jiangxi Ruicheng.
- (ii) On 21 May 2019, Guangzhou Weigang have made a capital injection which represents 60% shareholding of Guangzhou Weigang. On 8 October 2019, the Group and the shareholder of Weigang Hongda entered into a share transfer agreement with an independent third party, pursuant to which, the Group and the shareholder of Weigang Hongda agreed to dispose of 19% and 13% equity interests of Weigang Hongda to an independent third party at consideration of RMB1. Upon the completion of the disposal, the equity interest held by Guangzhou Weigang is decreased from 60% to 41%. In result, the Group's effective interests in Weigang Hongda has changed from 54% to 37%, Weigang Hongda became an associate of the Group since then (see Note 42).

Aggregate information of associates that are not individually material

15 於聯營企業的投資(續)

附註：

- (i) 由於本集團已根據江西瑞城的組織章程細則於該公司5名董事中委任1名，故本集團能對江西瑞城發揮重大影響力。
- (ii) 於2019年5月21日，廣州維港已作出注資，佔廣州維港60%股權。於2019年10月8日，本集團及維港泓達的股東與一名獨立第三方訂立買賣協議，據此，本集團及維港泓達的股東同意向一名獨立第三方以對價人民幣1元出售維港泓達19%及13%股東權益。於出售事項完成後，廣州維港所持的股東權益由60%減少至41%。因此，本集團於維港泓達的實際利息已由54%改為37%，維港泓達自此成為本集團的聯營企業（見附註42）。

並非個別重大的聯營企業累計資料

		2019 2019年
The Group's share of profit	本集團應佔溢利	—
The Group's share of other comprehensive income	本集團應佔其他全面收益	—
The Group's share of total comprehensive income	本集團應佔全面收益總額	—
Aggregate earning of the Group's interests in associates	本集團於聯營企業的權益的總盈利	581

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

16 RIGHT-OF-USE ASSETS

16 使用權資產

		Leased properties
		租賃物業
		RMB'000
		人民幣千元
As at 1 January 2019 upon adoption of IFRS 16	於2019年1月1日採納《國際財務報告準則》第16號後	5,958
Additions	添置	2,403
Depreciation	折舊	(2,051)
31 December 2019	2019年12月31日	6,310
Expense relating to short-term leases and other leases with lease terms end within 12 months of the date of initial application of IFRS 16	有關短期租賃及租期於初次應用《國際財務報告準則》第16號日期後12個月內結束的其他租賃的開支	68
Expense relating to leases of low-value assets, excluding short-term leases and lease of low value assets	有關低價值資產租賃(不包括短期租賃及低價值資產租賃)的開支	676
Total cash outflow for lease	租賃現金流出總額	3,038

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

17 EQUITY INSTRUMENT AT FVTOCI

Equity instrument at FVTOCI as at 31 December 2019 and 2018 comprises:

Unlisted investment:	未上市投資：
— Equity securities	— 股本證券

Unlisted equity investment represents investment in 3% equity securities issued by a private entity established in the PRC, which is engaged in oil sludge treatment facility operator. The directors of the Company have elected to designate these investments in equity instruments as at FVTOCI as they believe that recognising short-term fluctuations in these investments' fair value in profit or loss would not be consistent with the Group's strategy of holding these investments for long-term purposes and realising their performance potential in the long run. The investment is measured at fair value at the end of each reporting period, details of fair value measurements are disclosed in Note 32(c).

Mr. Cai also holds 10% equity interest in the investee company as at 31 December 2019 and 2018.

17 按公允價值計量並計入其他全面收益的股本工具

在2019年及2018年12月31日的按公允價值計量並計入其他全面收益的股本工具包括：

2019 2019年	2018 2018年
RMB'000 人民幣千元	RMB'000 人民幣千元
4,775	2,980

未上市股本投資指於由在中國成立的私營實體(從事油泥處理設備)發行的3%股本證券的投資。本公司董事已選擇指定於按公允價值計量並計入其他全面收益的股本工具的該等投資，原因為彼等認為確認該等投資於損益中的公允價值的短期波動將與本集團長期持有該等投資及長期實現其表現潛力的策略不一致。於各報告期末，該投資以公允價值計量，公允價值計量詳情披露於附註32(c)。

於2019年及2018年12月31日，蔡先生亦於投資者公司中持有10%的股本權益。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

18 DEFERRED TAXATION

The following are the major deferred tax assets recognised and movements thereon during the years ended 31 December 2019 and 2018:

		Allowance for impairment of trade and note receivables and contract assets and impairment loss on advance to a supplier	Tax loss	Changes in fair value of equity instrument at FVTOCI	Unrealised profit of inter-company transaction	Lease liabilities	Total
		貿易應收款項及應收票據以及合約資產的減值撥備及與向供應商作出的墊款有關的減值虧損稅項虧損	稅項虧損	按公允價值計量並計入其他全面收益的股本工具之公允價值變動	公司間交易之未變現溢利	租賃負債	合計
		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
At 1 January 2018	於2018年1月1日	953	523	—	—	—	1,476
Credit to profit or loss	計入損益	77	1,175	—	434	—	1,686
Charge to other comprehensive income	於其他全面收益扣除	—	—	(370)	—	—	(370)
At 31 December 2018	於2018年12月31日	1,030	1,698	(370)	434	—	2,792
Impact of adoption of IFRS 16	採納《國際財務報告準則》第16號的影響	—	—	—	—	62	62
At 1 January 2019	於2019年1月1日	1,030	1,698	(370)	434	62	2,854
Credit to profit or loss	計入損益	114	206	—	6,976	2	7,298
Charge to other comprehensive income	於其他全面收益扣除	—	—	(449)	—	—	(449)
At 31 December 2019	於2019年12月31日	1,144	1,904	(819)	7,410	64	9,703

18 遞延稅項

下文載有於截至2019年及2018年12月31日止年度確認的主要遞延稅項資產及其變動情況：

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

18 DEFERRED TAXATION (continued)

For the purpose of presentation in the consolidated statement of financial position, certain deferred tax assets and liabilities have been offset. The following is the analysis of deferred tax balances for financial reporting purposes:

Deferred tax assets 遞延稅項資產

Under the EIT Law of the PRC, withholding tax is imposed on dividends declared in respect of profits earned by the PRC subsidiaries from 1 January 2008 onwards. Deferred taxation has not been provided for the consolidated financial statements in respect of temporary differences attributable to the profit earned by the PRC subsidiaries amounting to approximately RMB149,449,000 (2018: RMB135,504,000) as at 31 December 2019 as the Group is able to control the timing of reversal of temporary difference and it is probable that temporary difference will not reverse in the foreseeable future.

As at 31 December 2019, the Group has unused tax losses of approximately RMB11,601,000 (2018: RMB6,915,000) available for offset against future profits for the consecutive five years and will expire on 2022 and 2023. Deferred tax assets have been recognised in respect of approximately RMB7,616,000 (2018: RMB6,796,000) of such losses as at 31 December 2019. No deferred tax asset has been recognised in respect of the remaining tax losses of nil due to the unpredictability of future profit streams as at 31 December 2019 and 2018.

18 遞延稅項(續)

就呈列綜合財務狀況表而言，已抵銷若干遞延稅項資產及負債。就財務報告分析的遞延稅項結餘如下：

2019 2019年	2018 2018年
<i>RMB'000</i> 人民幣千元	<i>RMB'000</i> 人民幣千元
9,703	2,792

根據中國《企業所得稅法》，自2008年1月1日起，就中國附屬公司所得利潤而宣派的股息須繳納預扣稅。對於在2019年12月31日金額約為人民幣149,449,000元(2018年：人民幣135,504,000元)的中國附屬公司所得利潤之暫時差額，並無在綜合財務報表中作出遞延稅項的撥備，原因是本集團能夠控制暫時差額的撥回時機，而且在可預見的將來該暫時差額可能不會撥回。

於2019年12月31日，本集團尚未使用的稅項虧損約為人民幣11,601,000元(2018年：人民幣6,915,000元)，可連續五年抵銷未來利潤，將於2022年及2023年屆滿。於2019年12月31日，就該等約人民幣7,616,000元(2018年：人民幣6,796,000元)的損失確認遞延稅項資產。於2019年及2018年12月31日，由於未來利潤流的不可預測性，尚未就為零的剩餘稅項虧損確認遞延稅項資產。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

19 INVENTORIES

		2019 2019年	2018 2018年
		RMB'000 人民幣千元	<i>RMB'000</i> 人民幣千元
Spare parts and other materials	備件及其他材料	5,250	1,983

19 存貨

20 TRADE AND NOTE RECEIVABLES

		2019 2019年	2018 2018年
		RMB'000 人民幣千元	<i>RMB'000</i> 人民幣千元
Trade receivables	貿易應收款項	123,008	130,252
Less: allowance for impairment	減：減值撥備	(3,798)	(3,148)
		119,210	127,104
Note receivables	應收票據	24,664	15,731
Total trade and note receivables	貿易應收款項及應收票據總額	143,874	142,835

20 貿易應收款項及應收票據

The Group normally allows a credit period ranging from within 90 days (2018: within 90 days) to its trade customers.

The following is an aged analysis of trade receivables net of allowance for impairment at the end of the reporting period presented based on payment schedule or invoice date stated in the contracts.

本集團一般向貿易客戶授予90日內(2018年：90日內)的信貸期。

下文載有貿易應收款項(減去根據合約所述付款安排呈報的各報告期末或發票日期之減值撥備)的賬齡分析。

		2019 2019年	2018 2018年
		RMB'000 人民幣千元	<i>RMB'000</i> 人民幣千元
0 - 90 days	0至90日	75,109	96,892
91 - 180 days	91至180日	24,944	19,213
181 - 365 days	181至365日	16,413	6,759
Over 365 days	365日以上	2,744	4,240
		119,210	127,104

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

20 TRADE AND NOTE RECEIVABLES (continued)

Note receivables are bank acceptance notes and the average aging is within 90 days (2018: within 90 days) based on the issuance date, which management believes that no impairment allowance is necessary as there is no significant change in credit quality and the balances are considered fully recoverable. As at 31 December 2019 and 2018, all the amounts of note receivable were endorsed to settle trade payables and not derecognised until the maturity date of the notes.

The management of the Group considers the note receivables are issued by the banks with high credit rating and the probability of default is low.

Movement in the allowance for impairment for trade receivables:

Balance at the beginning of the year	年初結餘
Impairment losses recognised	已確認減值虧損
Impairment losses reversed	撥回減值虧損
Balance at the end of the year	年末結餘

The Group applies the IFRS 9 simplified approach to measure ECL which uses a lifetime ECL model. Trade receivables have been assessed individually based on each customer's credit risk characteristics and the historical observed default rates adjusted by forward-looking estimates. The contract assets relate to unbilled work in progress and have substantially the same risk characteristics as the trade receivables for the same types of contracts. The Group has therefore estimated the expected loss rates for the trade receivables and the contract assets on the same basis.

20 貿易應收款項及應收票據(續)

應收票據為銀行承兌票據，且基於發行日期的平均賬齡為90日內(2018年：90日內)，管理層認為，由於信用質量無重大變動及該等結餘被認為可悉數收回，故無必要作出減值撥備。於2019年及2018年12月31日，已背書所有應收票據的款項以結清貿易應付款項，直至票據到期日並未終止確認。

本集團管理層認為，該等應收票據由具有高信貸評級及違約可能性較低的銀行予以發行。

貿易應收款項減值撥備之變動：

2019	2018
2019年	2018年
RMB'000	RMB'000
人民幣千元	人民幣千元
3,148	4,322
2,171	2,506
(1,521)	(3,680)
3,798	3,148

本集團採用《國際財務報告準則》第9號簡化方式計量預期信貸虧損，該方式採用整個存續期預期信貸虧損模式。貿易應收款項已根據客戶各自的信貸風險特徵及經前瞻估計調整的歷史觀察違約率進行獨立評估。合約資產涉及未出賬單在建工程，且與合約類型相同的貿易應收款項具有大致相同的風險特徵。因此，本集團已按同一基準對貿易應收款項及合約資產估計預期虧損率。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

20 TRADE AND NOTE RECEIVABLES (continued)

The expected loss rates, which ranged from 0.1% to 21.0% (2018: 0.1% to 19.5%) for those not credit-impaired trade receivables and contract assets and was 100% for those credit-impaired trade receivables and contract assets, are estimated based on the exposure to default of each customer, payment history of the customer, the existing relationship with the customer and study on corporate default and recovery data from international credit-rating agencies including Moody's and Standard and Poor's, and are adjusted for forward-looking information (for example, the macroeconomic factors affecting the industry and the impact that may result in customer ability to make payments) that is available without undue cost or effort. Such forward-looking information is used by the management of the Group to assess both the current as well as the forecast direction of conditions at the reporting date. The Group rebutted the presumption of default under ECL mode for trade receivables over 90 days past due based on the good repayment records for those customers and continuous business with the Group.

21 DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES

20 貿易應收款項及應收票據(續)

預期虧損率(未出現信貸減值的貿易應收款項及合約資產的估計虧損率介乎0.1%至21.0%(2018年:0.1%至19.5%)，出現信貸減值的貿易應收款項及合約資產的估計虧損率為100%)乃基於各客戶違約風險、客戶歷史付款記錄、與客戶的現有關係及國際信貸評級機構(包括穆迪及標準普爾)對公司違約及回收數據的研究進行估計，並就無需付出不必要的成本或努力而可得的前瞻性資料(例如，影響行業及影響客戶付款能力的宏觀經濟因素)進行調整。本集團管理層利用該前瞻性資料來評估報告日期時的當前狀況及其預測方向。本集團基於該等客戶的良好還款記錄及與本集團的持續業務駁回預期信貸虧損模式下貿易應收款項逾期90日以上的違約推定。

21 按金、預付款項及其他應收款項

		2019 2019年	2018 2018年
		RMB'000 人民幣千元	<i>RMB'000</i> 人民幣千元
Advance to suppliers	向供應商作出的墊款	25,664	18,965
Deferred issue costs	遞延發行成本	—	6,321
Deposits for tender bidding	投標按金	11,319	1,000
Other deposits	其他按金	1,830	871
Value-added tax receivables	應收增值稅	10,563	504
Staff advances	員工墊款	1,034	715
Prepayment for acquisition of a subsidiary*	收購一間附屬公司的預付款項*	5,500	—
Others	其他	1,210	770
		57,120	29,146

* Represented the partial payment for the acquisition of 73% equity interest of a subsidiary the transaction was completed on 16 January 2020. (see Note 45)

* 指收購一間附屬公司73%股權，交易已於2020年1月16日完成。(見附註45)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

22 CONTRACT ASSETS/LIABILITIES

22 合約資產／負債

		2019 2019年 RMB'000 人民幣千元	2018 2018年 RMB'000 人民幣千元
Contract assets	合約資產	274,408	176,973
Contract liabilities	合約負債	44,179	72,885

As at 31 December 2019, contract assets included retention receivables of approximately RMB25,737,000 (2018: RMB9,209,000), set out below. The Group generally provides their customers with one to two years warranty period. Upon the expiration of retention period, if the relevant hazardous wastage processing plant has met the requirements in the contract, the customers provides a final inspection and acceptance certificate and pay the retention within the term specified in the contract.

As at 31 December 2019, the allowance for impairment of contract assets was approximately RMB4,040,000 (2018: RMB3,923,000).

The changes in contract assets and liabilities were due to i) adjustments arising from changes in the measure of progress of contracting work, or ii) reclassification to trade receivables when the Group has unconditional right to the consideration.

於2019年12月31日，客戶持有的合約資產(包括應收保留金約人民幣25,737,000元(2018年：人民幣9,209,000元))載列如下。本集團一般向其客戶提供一至兩年的保修期。於保留期屆滿之時，若相關危險廢物處理廠已滿足合約所列要求，客戶將進行最後檢驗並提供驗收合格證書，且於合約規定的期限內支付保留金。

於2019年12月31日，合約資產減值撥備約為人民幣4,040,000元(2018年：人民幣3,923,000元)。

合約資產及負債的變動乃由於i)因合約工程進度的衡量標準變動而產生的調整，或ii)本集團擁有無條件收款權時重新分類至貿易應收款項。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

22 CONTRACT ASSETS/LIABILITIES (continued)

All the contract liabilities are expected to be recognised as revenue in the following year.

The contract assets are subject to ECL assessment same as the trade and note receivables as detailed in Note 20.

Contract assets

Arising from performance under hazardous waste incineration solutions services, pyrolysis solid waste treatments solutions services and technical upgrading services	產生自有害廢物焚燒處理解決方案服務、無氧裂解固體廢物處理解決方案服務及技術升級服務的表現
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22 合約資產／負債(續)

預期所有合約負債將於下一年度確認為收入。

合約資產受預期信貸虧損評估所規限，與附註20所詳述的貿易應收款項及應收票據一致。

合約資產

2019 2019年	2018 2018年
RMB'000 人民幣千元	<i>RMB'000</i> 人民幣千元
274,408	176,973

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

22 CONTRACT ASSETS/LIABILITIES (continued)

Contract liabilities

	2019 2019年	2018 2018年
	RMB'000 人民幣千元	RMB'000 人民幣千元
Hazardous waste incineration solutions 有害廢物焚燒處理解決方案	43,881	72,645
Technical upgrading services 技術升級服務	298	240
	44,179	72,885

Contract liabilities represent the progress payment exceeds the revenue recognised to date under the input method and are recognised as revenue when the Group performs its obligations under the contracts.

All the contract liabilities are expected to be recognised as revenue in the following year.

The following table shows amount of the revenue recognised in the current year relates to carried-forward contract liabilities in prior periods.

	Hazardous waste incineration solutions 危險廢物焚燒處置解決方案		Technical upgrading services 技術升級服務		Maintenance services 維護服務	
	2019 2019年	2018 2018年	2019 2019年	2018 2018年	2019 2019年	2018 2018年
	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元
Revenue recognised that was included in the contract liability balance at the beginning of the year	59,441	49,383	240	509	—	39

The contract assets are subject to ECL assessment same as the trade and note receivables as detailed in Note 20.

During the year ended 31 December 2019, the lifetime ECL allowance for contract assets amounting to approximately RMB117,000 (2018: RMB2,073,000) was recognised in profit or loss.

22 合約資產／負債(續)

合約負債

	2019 2019年	2018 2018年
	RMB'000 人民幣千元	RMB'000 人民幣千元
Hazardous waste incineration solutions 有害廢物焚燒處理解決方案	43,881	72,645
Technical upgrading services 技術升級服務	298	240
	44,179	72,885

合約負債指進度付款超過至今按輸入法確認的收入，並於本集團履行其於合約項下的責任時確認為收入。

預期所有合約負債將於下一年度確認為收入。

下表列示於本年度確認的收入與過往期間履行的履約責任的相關程度。

合約資產受預期信貸虧損評估所規限，與附註20所詳述的貿易應收款項及應收票據一致。

截至2019年12月31日止年度，約人民幣117,000元(2018年：人民幣2,073,000元)的合約資產整個存續期預期信貸虧損撥備已於損益中確認。

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23 BANK BALANCES AND CASH AND PLEDGED BANK DEPOSITS

Bank balances and cash comprise cash and bank balances held by the Group with maturity of three months or less and carry interest at market rate of 0.01% to 1.35% (2018: 0.01% to 1.35%) per annum as at 31 December 2019.

Pledged bank deposits represents the bank guarantee with several customers for performance obligation fulfilment. The pledged bank deposits will be released when the performance obligation is met, the customer cancelled the requirement for the bank guarantee or the bank guarantee is due. Pledged bank deposits of the Group carrying interest at market rate of 0.35% to 2.415% (2018: 0.35% to 2.415%) per annum as at 31 December 2019.

24 TRADE PAYABLES

The table below sets forth, as at the end of reporting periods indicated, the aging analysis of the trade payables, based on the date of invoice:

0 - 90 days	0至90日
91 - 180 days	91至180日
181 - 365 days	181至365日
Over 365 days	365日以上

There is no specific credit period granted on purchase of goods and services. All of the trade payables are expected to be settled or recognised as income within one year or are repayable on demand.

23 銀行結餘及現金和已抵押銀行存款

於2019年12月31日，銀行結餘及現金包括本集團持有的期限不超過三個月並以每年0.01%至1.35%（2018年：0.01%至1.35%）的市場利率計息的現金和銀行結餘。

已抵押銀行存款代表銀行擔保，其中有若干客戶履行履約義務。已抵押銀行存款將在履行履約義務、客戶取消銀行擔保要求或銀行擔保到期時解除。於2019年12月31日，本集團的已抵押銀行存款按市場利率每年0.35%至2.415%（2018年：0.35%至2.415%）計息。

24 貿易應付款項

下表載列於所示報告期末按發票日期劃分的貿易應付款項賬齡分析：

		2019 2019年 <i>RMB'000</i> 人民幣千元	2018 2018年 <i>RMB'000</i> 人民幣千元
Trade payables	貿易應付款項	119,606	84,074
<p>下表載列於所示報告期末按發票日期劃分的貿易應付款項賬齡分析：</p>			
		2019 2019年 <i>RMB'000</i> 人民幣千元	2018 2018年 <i>RMB'000</i> 人民幣千元
0 - 90 days	0至90日	98,797	80,692
91 - 180 days	91至180日	15,707	952
181 - 365 days	181至365日	4,576	2,271
Over 365 days	365日以上	526	159
		119,606	84,074

本公司並無就購買商品及服務被授予特定的信貸期。預期所有貿易應付款項將於一年內結付或確認為收入或須按要求償還。

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25 OTHER PAYABLES AND ACCRUED EXPENSES

25 其他應付款項及應計開支

		2019 2019年	2018 2018年
		<i>RMB'000</i> 人民幣千元	<i>RMB'000</i> 人民幣千元
Other tax payables	其他應付稅項	5,126	3,127
Accrued staff costs	應計員工成本	5,625	4,250
Accrued listing expenses	應計上市開支	603	5,852
Accrued issue costs	應計發行成本	—	1,950
Accrued audit fees	應計審核費用	1,000	1,700
Payables for construction of oil sludge treatment facility	興建油泥處理設施的應付款項	406	9,108
Payables for acquiring of intangible assets	收購無形資產的應付款項	—	12,700
Provision for legal claims	法律申索撥備	1,250	—
Others	其他	1,254	1,091
		15,264	39,778

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

26 LEASE LIABILITIES

The following table shows the remaining contractual maturities of the Company's lease liabilities at the end of the current and previous reporting periods and at the date of transition to IFRS 16:

26 租賃負債

下表顯示本公司租賃負債於本報告期末及過往報告期末以及過渡至《國際財務報告準則》第16號的日期的餘下合約到期日：

		31 December 2019 2019年12月31日		1 January 2019 2019年1月1日		31 December 2018 2018年12月31日	
		Present value of the minimum lease payments 最低租賃付款現值	Total minimum lease payments 最低租賃付款總額	Present value of the minimum lease payments 最低租賃付款現值	Total minimum lease payments 最低租賃付款總額	Present value of the minimum lease payments 最低租賃付款現值	Total minimum lease payments 最低租賃付款總額
		<i>RMB'000</i> 人民幣千元	<i>RMB'000</i> 人民幣千元	<i>RMB'000</i> 人民幣千元	<i>RMB'000</i> 人民幣千元	<i>RMB'000</i> 人民幣千元	<i>RMB'000</i> 人民幣千元
Within 1 year	1年內	2,802	3,063	1,939	2,121	—	—
After 1 year but within 2 years	1年後但兩年內	2,684	2,811	2,026	2,199	—	—
After 2 years but within 5 years	兩年後但5年內	1,275	1,296	2,417	2,535	—	—
		6,761	7,170	6,382	6,855	—	—
Total future interest expenses	未來利息開支總額		(409)		(473)		—
Present value of lease liabilities	租賃負債現值		6,761		6,382		—

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

27 BANK BORROWINGS

Secured bank borrowings carried interest at variable rate	以浮動利率計息的已抵押銀行借款	12,550	—
Unsecured bank borrowing carried interest at fixed rate	以固定利率計息的無抵押銀行借款	14,048	10,000
Carrying amounts repayable within one year	應於一年內償還的賬面值	26,598	10,000

The effective interest rates of bank borrowings are ranging from 5.170% to 6.180% (2018: 6.175%) per annum as at 31 December 2019.

As at 31 December 2019, the bank borrowings of approximately RMB12,550,000 (2018: Nil) were secured by the pledged bank deposits and the personal guarantee provided by a Mr. Cai (2018: Mr. Cai and his spouse, Ms. Huang Ying).

All of the borrowings are denominated in RMB which is the same as the functional currency of the corresponding group entities.

28 OBLIGATION ARISING FROM A PUT OPTION

On 4 April 2018, Guangzhou Weigang increased its registered capital from RMB10,000,000 to RMB400,000,000.

On 4 April 2018, Guangzhou Weigang, Weigang Holdings (Hong Kong), Jade Road, Jade Fly, WeiGang Technology and Orient Landscape, an independent third party, entered into investment agreements whereby Orient Landscape agreed, among others, to subscribe for the registered capital of RMB40,000,000 in Guangzhou Weigang, representing 10% of the equity interest in Guangzhou Weigang, at a consideration of RMB94,444,444. On 11 April 2018, the consideration was fully settled.

27 銀行借款

2019 2019年	2018 2018年
RMB'000 人民幣千元	RMB'000 人民幣千元
12,550	—
14,048	10,000
26,598	10,000

於2019年12月31日，銀行借款的實際年利率介乎5.170%至6.180%（2018年：6.175%）。

於2019年12月31日，銀行借款約人民幣12,550,000元（2018年：無）以已抵押銀行存款及蔡先生（2018年：蔡先生及其配偶黃瑛女士）提供的個人擔保作抵押。

所有借款均以人民幣（即相應集團實體的功能貨幣）計值。

28 認沽期權產生的責任

於2018年4月4日，廣州維港將其註冊資本由人民幣10,000,000元增至人民幣400,000,000元。

於2018年4月4日，廣州維港、維港控股（香港）、杰路、杰飛、維港科技及獨立第三方東方園林訂立投資協議，據此東方園林同意（其中包括）以人民幣94,444,444元的對價認購廣州維港人民幣40,000,000元的註冊資本，相當於廣州維港10%的股權。於2018年4月11日，該對價已悉數結清。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

28 OBLIGATION ARISING FROM A PUT OPTION

(continued)

Pursuant to the terms of the investment agreement, the following special rights were granted to Orient Landscape, all of which have automatically terminated immediately upon the Listing of the Company on 3 January 2019 save for the Profit Compensation Right as mentioned below:

Information Right

Guangzhou Weigang shall provide Orient Landscape with audited annual reports and unaudited monthly financial statements of Guangzhou Weigang and the Company within 90 days (in the case of annual report) or 21 days (in the case of monthly financial statements) after the end of the relevant reporting period.

Tag-along Right

If Weigang Holdings (Hong Kong) and/or Jade Road intends sell their equity interests in Guangzhou Weigang to any third party, Orient Landscape is entitled to participate in such sale to such third party under the same terms and conditions.

Liquidation Right

Orient Landscape shall be entitled to receive not less than an amount equal to 120% of the Subscription Price plus any declared but unpaid dividends in preference to other shareholders of Guangzhou Weigang in the event of any liquidation, dissolution or winding-up of Guangzhou Weigang.

Put Option

If the Listing does not take place on or before 3 April 2020, Orient Landscape is entitled to require Weigang Holdings (Hong Kong) and Jade Road to purchase all of the equity interest in Guangzhou Weigang held by Orient Landscape at a price equal to the sum of (i) the Subscription Price plus an interest of 8% per annum and (ii) any declared but unpaid dividends.

28 認沽期權產生的責任(續)

根據投資協議條款，東方園林獲授以下特別權利，除下文提及的利潤補償權外，全部權利均已在緊隨本公司於2019年1月3日上市後自動終止：

知情權

廣州維港須在相關報告期結束後90日(就年度報告而言)或21日(就月度財務報表而言)內向東方園林提供廣州維港及本公司的經審核年度報告及未經審核月度財務報表。

隨售權

倘維港控股(香港)及/或杰路計劃將其廣州維港的股本權益售予任何第三方，則東方園林有權按相同條款及條件參與向第三方的出售。

清算權

倘廣州維港清算、解散或清盤，則東方園林有權優先於廣州維港其他股東獲得不少於認購價120%的款項，另加任何已宣派但未支付的股息。

認沽期權

倘上市未在2020年4月3日或之前進行，則東方園林有權要求維港控股(香港)及杰路購買東方園林所持廣州維港的全部股本權益，價格等於以下各項的總和：(i)認購價加8%的年息；及(ii)任何已宣派但未支付的股息。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

28 OBLIGATION ARISING FROM A PUT OPTION

(continued)

Director Nomination Right

Orient Landscape is entitled, within 28 days of the investment agreement, to nominate a director of Guangzhou Weigang as deputy chairman of the board of directors of Guangzhou Weigang for a term of three years or such shorter period ending on the date on which Orient Landscape ceases to be a shareholder of Guangzhou Weigang. After the initial term, WeiGang Technology shall use reasonable endeavours to procure an Orient Landscape's nominee to become a director of Guangzhou Weigang provided at any time, Orient Landscape shall only have one director nominated by it holding directorship at Guangzhou Weigang.

Profit Compensation Right

WeiGang Technology and Jade Fly undertake with Orient Landscape if the net profit of Guangzhou Weigang for the years ending 31 December 2018 and 2019 in aggregate ("Profit for 2018 & 2019") is less than RMB200 million ("Target Profit"), Orient Landscape is entitled to either (i) require WeiGang Technology and Jade Fly to transfer such number of shares of the Company calculated under the following formula at nil consideration:

$$\text{Number of shares} = \frac{10\% \times (\text{Target profit} - \text{Profit for 2018 \& 2019})}{\text{RMB0.85}}$$

$$\text{股份數目} = \frac{10\% \times (\text{目標利潤} - \text{2018年及2019年利潤})}{\text{人民幣0.85元}}$$

or (ii) require WeiGang Technology and Jade Fly to pay a sum calculated under the following formula:

$$\text{Sum} = 10\% \times (\text{Target Profit} - \text{Profit for 2018 \& 2019})$$
$$\text{金額} = 10\% \times (\text{目標利潤} - \text{2018年及2019年利潤})$$

Subject to compliance with any applicable Listing Rules and undertakings restricting share transfer which may be given to the Stock Exchange and any underwriters, the above compensation shall be completed within 30 days after the Listing or the date of issue of the audited annual report of Guangzhou Weigang for 2019, whichever is later.

28 認沽期權產生的責任(續)

董事提名權

東方園林有權於投資協議的28日內提名廣州維港的一名董事擔任廣州維港的副董事長，任期為三年或東方園林不再為廣州維港股東之日為止的較短期限。於初步任期後，維港科技須盡力促使東方園林的被提名者成為廣州維港董事，前提是東方園林於任何時候均僅有一名其提名的董事可擔任廣州維港的董事職務。

利潤補償權

維港科技及杰飛向東方園林承諾，倘廣州維港截至2018年及2019年12月31日止年度的純利合共(「2018年及2019年利潤」)少於人民幣200百萬元(「目標利潤」)，則東方園林有權(i)要求維港科技及杰飛以零對價轉讓根據以下公式計算的該等數目的本公司股份：

或(ii)要求維港科技及杰飛支付根據以下公式計算的金額：

在遵守任何適用《上市規則》及可能向聯交所及任何包銷商作出的限制股份轉讓承諾的情況下，上述補償須在上市後或廣州維港2019年度的經審核年度報告刊發日期(以較遲者為準)後30日內完成。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

28 OBLIGATION ARISING FROM A PUT OPTION

(continued)

Profit Compensation Right (continued)

Upon completion of the subscription on 11 April 2018, an amount representing the proportionate share of the carrying amount of the net assets of Guangzhou Weigang at the date of the completion of the subscription is transferred to non-controlling interests. The difference between the capital contribution from the non-controlling interests, the proportionate share of the carrying amount of the net assets of Guangzhou Weigang and the re-attribution of its statutory surplus reserve and retained profits is recognised in other reserve. On the same date, an amount representing the present value amounting to RMB94,444,444 of the amount that the Group could be required to pay to Orient Landscape pursuant to the put option over the 10% equity interest in Guangzhou Weigang held by Orient Landscape, with a corresponding debit in equity, is recognised as obligation arising from a put option under non-current liabilities, and the corresponding interest of 8% per annum during the year amounting to approximately RMB5,457,000 is recognised in obligation arising from a put option and profit or loss.

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

In addition, the directors of the Company are of the view that the target profit of Guangzhou Weigang can be achieved and the fair values of the profit compensation right at the date of completion of the subscription and as at 31 December 2019 and 2018 are considered as insignificant.

28 認沽期權產生的責任(續)

利潤補償權(續)

於2018年4月11日完成認購後，一筆相當於廣州維港於認購完成日期資產淨值的賬面值的適當比例的金額將轉撥非控股權益。非控股權益注資之間的差額、廣州維港資產淨值賬面值適當比例以及其法定盈餘儲備與保留利潤的重新歸屬將於其他儲備中確認。同日，一筆相當於本集團根據對東方園林所持廣州維港10%股本權益的認沽期權而可能須支付予東方園林的款項的現值的金額(人民幣94,444,444元)連同相應的權益借項被確認為非流動負債下的認沽期權產生的責任，以及相應的8%年內年息(約人民幣5,457,000元)於認沽期權產生的責任及損益中確認。

於本公司在2019年1月3日成功上市後，認沽期權已失效，而所有過往確認的利息費用已全部通過權益科目轉回而毋須向東方園林作任何付款。

此外，本公司董事認為，廣州維港的目標利潤能夠實現，且於認購完成日期及2019年及2018年12月31日的利潤補償權的公允價值並不重大。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

29 SHARE CAPITAL

Details of the movement of share capital of the Company are as follows:

		Number of shares 股份數目	Nominal value per share 每股面值 HK\$ 港元	Share capital 股本 HK\$ 港元	Share capital 股本 RMB'000 人民幣千元
Authorised	法定				
At 1 January 2018	於2018年1月1日	38,000,000	0.01	380,000	335
— Increase in authorised share capital (Note ii)	— 法定股本增加(附註ii)	19,962,000,000	0.01	199,620,000	168,285
— Share consolidation (Note ii)	— 股份合併(附註ii)	(16,000,000,000)	0.04	—	—
At 31 December 2018, 1 January 2019 and 31 December 2019	於2018年12月31日、 2019年1月1日及 2019年12月31日	4,000,000,000	0.05	200,000,000	168,620
Issued and fully paid	已發行及繳足				
At 1 January 2018	於2018年1月1日	7,000	0.01	70	—*
Issued during the year	年內發行				
— Capitalisation of loan (Note i)	— 貸款資本化(附註i)	4,999,993,000	0.01	49,999,930	40,572
— Share consolidation (Note ii)	— 股份合併(附註ii)	(4,000,000,000)	0.04	—	—
— Pre-IPO investors (Note iii)	— 首次公開發售前投資者 (附註iii)	20,864,000	0.05	1,043,200	841
At 31 December 2018 and 1 January 2019	於2018年12月31日及 2019年1月1日	1,020,864,000	0.05	51,043,200	41,413
— Issuance of new shares upon IPO (Note iv)	— 首次公開發售後發行 新股份(附註iv)	312,471,000	0.05	15,623,550	13,687
At 31 December 2019	於2019年12月31日	1,333,335,000	0.05	66,666,750	55,100

* Less than RMB1,000

* 不足人民幣1,000元

29 股本

本公司股本變動的詳情如下：

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

29 SHARE CAPITAL (continued)

Note:

- (i) On 26 January 2018, Jade Fly has agreed to subscribe for 1,499,497,901 shares of HK\$0.01 each in the share capital of the Company at the subscription price in the sum equivalent to the amount of HK\$17,691,182 (equivalent to approximately RMB14,356,000) which are to be satisfied by capitalising the loan amount of HK\$17,691,182.

On 26 January 2018, WeiGang Technology has agreed to subscribe for 3,500,495,099 shares of HK\$0.01 each in the share capital of the Company at the subscription price in the sum equivalent to the amount of HK\$41,307,518 (equivalent to approximately RMB33,518,000) which are to be satisfied by capitalising the loan amount of HK\$41,307,518.

- (ii) On 26 January 2018, the authorised share capital of the Company has been increased to HK\$200,000,000 divided into 20,000,000,000 shares of a par value of HK\$0.01 each, and on the same date, the Company consolidate every five shares of a par value of HK\$0.01 each in the authorised (whether issued or unissued) share capital of the Company into one share of a par value of HK\$0.05 each. Immediately after the share consolidation, (i) WeiGang Technology held 700,100,000 shares with a par value of HK\$0.05 each; (ii) Jade Fly held 299,900,000 Shares with a par value of HK\$0.05 each; and (iii) the number of authorised shares had been changed from 20,000,000,000 shares of a par value of HK\$0.01 each to 4,000,000,000 shares of a par value of HK\$0.05 each.
- (iii) On 13 February 2018, the Company has allotted and issued 16,155,353 ordinary shares of HK\$0.05 each to two pre-IPO investors for a total consideration of HK\$16,991,957 (equivalent to approximately RMB13,706,000).

On 9 April 2018, the Company has allotted and issued 4,708,647 ordinary shares of HK\$0.05 each to another pre-IPO investor for a total consideration of HK\$5,000,000 (equivalent to approximately RMB4,016,000).

- (iv) On 3 January 2019, 312,471,000 ordinary shares with a par value of HK\$0.05 each of the Company were issued at a price of HK\$0.88 per share by way of public offer. On the same date, the shares of the Company were listed on the Main Board of the Stock Exchange.

29 股本(續)

附註：

- (i) 於2018年1月26日，杰飛已同意以認購價認購本公司股本中1,499,497,901股每股面值0.01港元的股份，金額相當於17,691,182港元(相當於約人民幣14,356,000元)，將透過將貸款17,691,182港元資本化而進行償付。

於2018年1月26日，維港科技已同意以認購價認購本公司股本中3,500,495,099股每股面值0.01港元的股份，金額相當於41,307,518港元(相當於約人民幣33,518,000元)，將透過將貸款41,307,518港元資本化而進行償付。

- (ii) 於2018年1月26日，本公司的法定股本增加至200,000,000港元，分為20,000,000,000股每股面值0.01港元的股份，同日，本公司將本公司法定股本(無論已發行或未發行)中每五股每股面值0.01港元的股份合併為一股每股面值0.05港元的股份。緊隨股份合併後，(i)維港科技持有700,100,000股每股面值0.05港元的股份；(ii)杰飛持有299,900,000股每股面值0.05港元的股份；及(iii)法定股本數目已從20,000,000,000股每股面值0.01港元的股份變更為4,000,000,000股每股面值0.05港元的股份。

- (iii) 於2018年2月13日，本公司以總對價16,991,957港元(相當於約人民幣13,706,000元)向兩名首次公開發售前投資者配發及發行16,155,353股每股面值0.05港元的普通股。

於2018年4月9日，本公司以總對價5,000,000港元(相當於約人民幣4,016,000元)向另一名首次公開發售前投資者配發及發行4,708,647股每股面值0.05港元的普通股。

- (iv) 於2019年1月3日，本公司312,471,000股每股面值0.05港元的普通股已以公開發售的方式按每股0.88港元的價格發行。同日，本公司股份已於聯交所主板上市。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

30 RETIREMENT BENEFITS PLANS

The Group operates a Mandatory Provident Fund Scheme for all qualify employees in Hong Kong. The assets of the scheme are held separately from those of the Group, in funds under the control of trustees. The Group contributes 5% of relevant payroll costs to the Scheme, which contribution is matched by employees.

The employees of the Group's subsidiaries in the PRC are members of a state-managed retirement benefits scheme operated by the PRC government. The subsidiaries are required to contribute a specified percentage of payroll costs as determined by respective local government authority to the retirement benefits scheme to fund the benefits. The only obligation of the Group with respect to the retirement benefits scheme is to make the specified contributions under the scheme.

The amounts of contributions made by the Group in respect of the retirement benefits scheme for the years ended 31 December 2019 and 2018 are disclosed in Notes 9 and 10.

31 CAPITAL RISK MANAGEMENT

The Group's policy is to maintain a strong capital base so as to maintain creditor and market confidence and to sustain future development of business. The Group's overall strategy remains unchanged from prior years.

The capital structure of the Group consists of bank borrowings, obligation arising from a put option, net of bank balances and cash, and equity attributable to owners of the Company, comprising share capital and reserves.

The directors of the Company review the capital structure on a continuous basis taking into account the cost of capital and the risks associated with the capital. Based on recommendations of the directors of the Company, the Group will balance its overall capital structure through the issue of new shares and raising of new debts.

30 退休福利計劃

本集團於香港為所有合資格僱員推行強制性公積金計劃。該計劃的資產與本集團資產分隔開來，由受託人所控制基金持有。本集團按相關工資成本的5%向該計劃作出供款，而僱員亦須作出等額供款。

本集團附屬公司的中國僱員為中國政府主辦的國家管理退休福利計劃的成員。相關附屬公司需要向退休福利計劃作出一筆由各當地政府確定的薪酬成本之特定比例的供款，以向福利提供資金。本集團有關退休福利計劃的唯一義務是作出計劃下的特定供款。

本集團於截至2019年及2018年12月31日止年度就退休福利計劃作出的供款金額披露於附註9及10。

31 資本風險管理

本集團的政策規定保持穩固的資本基礎，以維持債權人和市場信心，並支持未來業務的可持續發展。本集團的整體戰略與過往年度相同。

本集團的資本架構包括銀行借款、認沽期權產生的責任(扣除銀行結餘及現金)以及本公司擁有人應佔權益(其中包括股本與儲備)。

本公司董事根據資本成本以及各類資本所涉及的風險，持續審核資本架構。根據本公司董事的建議，本集團將透過發行新股及新債來平衡其整體資本架構。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

32 FINANCIAL INSTRUMENTS

(a) Categorises of financial instruments

		2019 2019年	2018 2018年
		<i>RMB'000</i> 人民幣千元	<i>RMB'000</i> 人民幣千元
Financial assets	金融資產		
Financial assets at amortised cost	按攤銷成本計量的金融資產	340,289	211,207
Equity instrument at FVTOCI	按公允價值計量並計入其他全面收益的股本工具	4,775	2,980
		345,064	214,187
Financial liabilities	金融負債		
Liabilities measured at amortised cost	按攤銷成本計量的負債	157,478	226,376

Financial assets at amortised cost as at 31 December 2019 and 2018 respectively are as follows:

於2019年及2018年12月31日按攤銷成本計量之金融資產分別如下：

		2019 2019年	2018 2018年
		<i>RMB'000</i> 人民幣千元	<i>RMB'000</i> 人民幣千元
Bank balances and cash	銀行結餘及現金	142,206	23,437
Pledged bank deposits	已抵押銀行存款	52,999	43,912
Trade and note receivables	貿易應收款項及應收票據	143,874	142,835
Other receivables	其他應收款項	1,210	1,023
		340,289	211,207

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

32 FINANCIAL INSTRUMENTS (continued)

(b) Financial risk management objectives and policies

The Group's major financial instruments include trade and note receivables, other receivables, pledged bank deposits, bank balances and cash, equity instrument at FVTOCI, trade payables, other payables, bank borrowings and obligation arising from a put option. Details of these financial instruments are disclosed in the respective notes.

The risks associated with these financial instruments include interest rate risk, currency risk, credit risk and liquidity risk. The policies on how to mitigate these risks are set out below. The directors of the Company manage and monitor these exposures to ensure appropriate measures are implemented on a timely and effective manner.

Interest rate risk

The Group is exposed to fair value interest rate risk in relation to fixed-rate bank borrowings and obligation arising from a put option. The Group currently does not have any fair value interest rate hedging policy. However, the management will consider hedging significant interest rate exposure should the need arises.

The Group is also exposed to cash flow interest rate risk due to the fluctuation of market rate, the benchmark lending rate quoted by the People's Bank of China on variable-rate bank balances and pledged bank deposits in Note 23.

32 金融工具(續)

(b) 財務風險管理目標及政策

本集團主要金融工具包括貿易應收款項及應收票據、其他應收款項、已抵押銀行存款、銀行結餘及現金、按公允價值計量並計入其他全面收益的股本工具、貿易應付款項、其他應付款項、銀行借款及認沽期權產生的責任。該等金融工具之詳情於相應附註披露。

與該等金融工具有關的風險包括利率風險、貨幣風險、信貸風險及流動性風險。下文載列如何降低該等風險的政策。本公司董事管理及監控該等風險，以確保及時有效地採取適當措施。

利率風險

本集團面臨與定息銀行借款有關的公允價值利率風險及認沽期權產生的責任。本集團目前並無制定任何公允價值利率對沖政策。但管理層於有需要時考慮對沖重大利率風險。

本集團亦面臨附註23所述的浮息銀行結餘及已抵押銀行存款之市場利率中國人民銀行公佈的貸款基準利率波動導致的現金流量利率風險。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

32 FINANCIAL INSTRUMENTS (continued)

(b) Financial risk management objectives and policies (continued)

Interest rate risk (continued)

The following table details the Group's interest-bearing financial assets and liabilities at variable rates as at the reporting date:

		2019 2019年	2018 2018年
		RMB'000 人民幣千元	RMB'000 人民幣千元
Variable rate financial assets/ (liabilities)	浮動利率金融資產/(負債)		
Pledge bank deposits	已抵押銀行存款	52,999	43,912
Bank balances	銀行結餘	142,188	23,145
Bank borrowings	銀行借款	(12,550)	—
Net exposure	風險淨額	182,637	67,057

Sensitivity analysis

The sensitivity analysis below has been determined based on the exposure to interest rates for bank balances and cash, pledged bank deposits and variable rate bank borrowings at the end of each reporting period and assumed that the amount of liabilities outstanding at the end of each reporting period was outstanding for the whole year. 100 basis points increase or decrease is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates.

If interest rates had been 100 basis points higher/lower and all other variables were held constant, the Group's post-tax profit for the year ended 31 December 2019 would have increased/decreased by approximately RMB1,370,000 (2018: RMB503,000). This is mainly attributable to the Group's exposure to interest rates on its bank balances and pledged bank deposits and partially offset by the impact from bank borrowings.

32 金融工具(續)

(b) 財務風險管理目標及政策(續)

利率風險(續)

下表詳述本集團於報告期末按浮動利率計息的金融資產及負債的賬面值：

		2019 2019年	2018 2018年
		RMB'000 人民幣千元	RMB'000 人民幣千元
Variable rate financial assets/ (liabilities)	浮動利率金融資產/(負債)		
Pledge bank deposits	已抵押銀行存款	52,999	43,912
Bank balances	銀行結餘	142,188	23,145
Bank borrowings	銀行借款	(12,550)	—
Net exposure	風險淨額	182,637	67,057

敏感度分析

下文的敏感度分析乃基於銀行結餘及現金、已抵押銀行存款及可變利率銀行借款於各報告期末的利率風險釐定，並假設於各報告期末的未償還負債金額於整個年度尚未償還。向主要管理人員內部匯報利率風險時，採用100基點的增減，代表管理層對利率的合理可能變動作出的評估。

倘利率增加/減少100基點，而所有其他變數維持不變，則本集團截至2019年12月31日止年度的稅後利潤將增加/減少約人民幣1,370,000元(2018年：人民幣503,000元)。這主要是由於本集團的銀行結餘及已抵押銀行存款面臨利率風險，並部分被銀行借款的影響抵銷。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

32 FINANCIAL INSTRUMENTS (continued)

(b) Financial risk management objectives and policies (continued)

Currency risk

The Group's bank balances and cash, other receivables and other payables, are denominated in US\$ and HK\$, which exposed the Group to foreign currency risk.

The carrying amount of the Group's foreign currency denominated monetary assets and monetary liabilities at the end of the reporting date is as below:

		2019 2019年	2018 2018年
		RMB'000 人民幣千元	RMB'000 人民幣千元
Assets	資產		
US\$	美元	56,103	—*
HK\$	港元	2,021	2,453
Liabilities	負債		
US\$	美元	—	—
HK\$	港元	1,617	8,234

* Less than RMB1,000

Sensitivity analysis

The sensitivity analysis below has been determined based on the exposure to foreign currency rates and includes only outstanding foreign currency denominated monetary items and adjusted their transaction at year end for a 5% change in foreign currency rates. The sensitivity analysis includes bank balances and cash, other receivables and other payables. A 5% increase or decrease is used when reporting foreign currency rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign currency rates.

32 金融工具(續)

(b) 財務風險管理目標及政策(續)

貨幣風險

本集團的銀行結餘及現金、其他應收款項以及其他應付款項均以美元及港元計值，這使本集團面臨外匯風險。

於報告期末，本集團以外幣計值的貨幣資產及貨幣負債的賬面值載列如下：

		2019 2019年	2018 2018年
		RMB'000 人民幣千元	RMB'000 人民幣千元
Assets	資產		
US\$	美元	56,103	—*
HK\$	港元	2,021	2,453
Liabilities	負債		
US\$	美元	—	—
HK\$	港元	1,617	8,234

* 不足人民幣1,000元

敏感度分析

下文的敏感度分析乃基於外幣匯率風險釐定，且僅包括以外幣計值的尚未支付貨幣項目，並以5%的外幣匯率變動於年末作交易調整。敏感度分析包括銀行結餘及現金、其他應收款項以及其他應付款項。向主要管理人員內部匯報外幣匯率風險時，採用5%的增減，代表管理層對外幣匯率的合理可能變動作出的評估。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

32 FINANCIAL INSTRUMENTS (continued)

(b) Financial risk management objectives and policies (continued)

Currency risk (continued)

Sensitivity analysis (continued)

If 5% weakening/strengthening of US\$ and HK\$ against RMB, the Group's post tax profit for the year ended 31 December 2019 would decrease/increase by approximately RMB2,119,000 (2018: increase/decrease by approximately RMB216,000). This is mainly attributable to the Group's exposure to foreign currencies rates of US\$ and HK\$ on its bank balances and cash, other receivables and other payables as at 31 December 2019 and 2018.

Credit risk and impairment assessment

The Group's credit risk is primarily attributable to trade and note receivables, contract assets, bank balances and pledged bank deposits.

The carrying amounts of the respective recognised financial assets and contract assets as stated in the consolidated statements of financial position best represent the Group's maximum exposure to credit risk.

In order to minimise the credit risk, the directors of the Company have delegated a team responsible for determination of credit limits, credit approvals and other monitoring procedures to ensure that follow-up action is taken to recover overdue debts. In addition, the directors of the Company review the recoverable amount of each individual trade debt at the end of each reporting periods to ensure that adequate impairment losses are made for irrecoverable amounts. In this regard, the directors of the Company consider that the Group's credit risk is significantly reduced.

The credit risk on bank balances and pledged bank deposits are limited because the counterparties are reputable financial institutions in the PRC.

32 金融工具(續)

(b) 財務風險管理目標及政策(續)

貨幣風險(續)

敏感度分析(續)

倘美元及港元兌人民幣匯率下跌／上升5%，則截至2019年12月31日止年度，本集團稅後利潤將減少／增加約人民幣2,119,000元(2018年：增加／減少約人民幣216,000元)。這主要是由於本集團於2019年及2018年12月31日之銀行結餘及現金、其他應收款項以及其他應付款項面臨美元及港元外幣匯率風險。

信貸風險及減值評估

本集團的信貸風險主要來自貿易應收款項及應收票據、合約資產、銀行結餘及已抵押銀行存款。

綜合財務狀況表所示各項已確認金融資產及合約資產的相應賬面值最能反映本集團面臨的最大信貸風險。

為將信貸風險降至最低，本公司董事已委派團隊負責釐定信貸限額、信貸審批及其他監察程序，以確保採取跟進措施收回逾期債務。此外，本公司董事於各報告期末檢討各項個別貿易債務的可收回金額，確保就不可收回金額作出充分的減值虧損。故此，本公司董事認為本集團的信貸風險已大幅降低。

由於對手方均為信譽良好之中國境內金融機構，故銀行結餘及已抵押銀行存款的信貸風險有限。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

32 FINANCIAL INSTRUMENTS (continued)

(b) Financial risk management objectives and policies (continued)

Credit risk and impairment assessment (continued)

The Group's concentration by geographical locations is mainly in the PRC, which accounted for all of the trade and note receivables as at 31 December 2019 and 2018.

The Group has concentration of credit risk as 36% (2018: 54%) of the total trade and note receivables was due from the Group's largest customer as at 31 December 2019.

The Group has concentration of credit risk as 90% (2018: 67%) of the total trade and note receivables was due from the Group's five largest customers as at 31 December 2019.

The Group applies the simplified approach to providing for ECL prescribed by IFRS 9, which permits the use of the lifetime expected loss provision for trade and note receivables and contract assets, disclosed in Notes 20 and 22, respectively.

The management of the Group considers pledged bank deposits and bank balances that are deposited with state-owned banks or financial institutions with high credit rating to be low credit risk financial assets. The directors of the Company consider that the probability of default is negligible on the basis of high-credit rating issuers during the years ended 31 December 2019 and 2018.

32 金融工具(續)

(b) 財務風險管理目標及政策(續)

信貸風險及減值評估(續)

本集團按地區劃分之集中信貸風險主要位於中國境內，於2019年及2018年12月31日佔貿易應收款項及應收票據的全部。

於2019年12月31日，本集團因貿易應收款項及應收票據總額中有36%（2018年：54%）應由本集團最大客戶支付而面臨信貸集中風險。

於2019年12月31日，本集團因貿易應收款項及應收票據總額中有90%（2018年：67%）應由本集團五大客戶支付而面臨信貸集中風險。

本集團應用簡化方法來提供《國際財務報告準則》第9號所規定的預期信貸虧損，該準則允許使用貿易應收款項及應收票據以及合約資產的整個存續期預期虧損撥備，詳情分別於附註20及22披露。

本集團管理層認為，存放於國有銀行或信用評級較高的金融機構的已抵押銀行存款及銀行結餘為低信貸風險金融資產。基於截至2019年及2018年12月31日止年度高信貸評級發行人，本公司董事認為違約的可能性可忽略。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

32 FINANCIAL INSTRUMENTS (continued)

(b) Financial risk management objectives and policies (continued)

Credit risk and impairment assessment (continued)

The Group's internal credit risk grading assessment comprises the following categories:

Internal credit rating	Description
內部信用評級	內容
Group A	The counterparty has a low risk of default and does not have any past-due amounts
組合 A	對手方的違約風險屬低微，且並無任何逾期款項
Group B	Debtor frequently repays after due dates but usually settle in full
組合 B	債務人時常於逾期後悉數償付
Group C	There have been significant increases in credit risk since initial recognition through information developed internally or externally
組合 C	信貸風險自透過內部或外部資源建立的資料初始確認起大幅增加
Group D	There is evidence indicating the asset is credit-impaired
組合 D	顯示資產維持信貸減值的證據
Group E	There is evidence indicating that the debtor is in severe financial difficulty and the Group has no realistic prospect
組合 E	顯示債務人處於嚴峻財務困難的證據，且本集團並無實際收回的可能

32 金融工具(續)

(b) 財務風險管理目標及政策(續)

信貸風險及減值評估(續)

本集團的內部信貸風險評級的評估包括以下類別：

Trade receivables/ contract assets	Other financial assets/other items
貿易應收款項/ 合約資產	其他金融資產/ 其他項目
Lifetime ECL – not credit-impaired	12-month ECL
整個存續期預期信貸虧損 – 並無信貸減值	12 個月的預期信貸虧損
Lifetime ECL – not credit-impaired	12-month ECL
整個存續期預期信貸虧損 – 並無信貸減值	12 個月的預期信貸虧損
Lifetime ECL – not credit-impaired	Lifetime ECL – not credit-impaired
整個存續期預期信貸虧損 – 並無信貸減值	整個存續期預期信貸虧損 – 並無信貸減值
Lifetime ECL – not credit-impaired	Lifetime ECL – not credit-impaired
整個存續期預期信貸虧損 – 並無信貸減值	整個存續期預期信貸虧損 – 並無信貸減值
Amount is written off	Amount is written off
款項已撇銷	款項已撇銷

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

32 FINANCIAL INSTRUMENTS (continued)

(b) Financial risk management objectives and policies (continued)

Credit risk and impairment assessment (continued)

The tables below detail the credit risk exposures of the Group's trade and note receivables and contract assets, bank balances, pledged bank deposits and other receivables, which are subject to ECL assessment:

Financial assets at amortised costs

	Notes 附註	External credit rating 外部 信貸評級	Internal credit rating 內部 信貸評級	12-month or lifetime ECL 12個月或整個存續 期預期信貸虧損	Gross carrying amount 總賬面值	
					2019 2019年 RMB'000 人民幣千元	2018 2018年 RMB'000 人民幣千元
Trade receivables 貿易應收款項	20	N/A 不適用	(Note 2) (附註2)	Lifetime ECL 整個存續期預期信貸 虧損	123,008	130,252
Note receivables 應收票據	20	Low risk 低風險	N/A 不適用	12-month ECL 12個月的預期信貸 虧損	24,664	15,731
Contract assets 合約資產	22	N/A 不適用	(Note 2) (附註2)	Lifetime ECL 整個存續期預期信貸 虧損	278,448	180,896
Bank balances 銀行結餘	23	Low risk 低風險	N/A 不適用	12-month ECL 12個月的預期信貸 虧損	142,184	23,145
Pledged bank deposits 已抵押銀行存款	23	Low risk 低風險	N/A 不適用	12-month ECL 12個月的預期信貸 虧損	52,999	43,912
Other receivables 其他應收款項	21	N/A 不適用	(Note 1) (附註1)	12-month ECL 12個月的預期信貸 虧損	1,210	1,023

32 金融工具(續)

(b) 財務風險管理目標及政策(續)

信貸風險及減值評估(續)

下表詳列本集團貿易應收款項及應收票據以及合約資產、銀行結餘、已抵押銀行存款及其他應收款項面對的信貸風險，須受預期信貸虧損的評估：

按攤銷成本計量的金融工具

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

32 FINANCIAL INSTRUMENTS (continued)

(b) Financial risk management objectives and policies (continued)

Credit risk and impairment assessment (continued)

Financial assets at amortised costs (continued)

Note:

- For the purposes of internal credit risk management, the Group uses past due information to assess whether credit risk has increased significantly since initial recognition. As at 31 December 2019, the other receivables with no fixed payment terms amounting to approximately RMB1,210,000 (2018: RMB1,023,000).
- For trade receivables and contract assets, the Group has applied the simplified approach in IFRS 9 to measure the loss allowance at lifetime ECL. The Group determines the ECL on these items based on internal credit rating on individual assessment of each customer.

As part of the Group's credit risk management, the Group applies internal credit rating for its customers in relation to its operation. The following table provides information about the exposure to credit risk for trade receivables which are assessed based on provision matrix within lifetime ECL (not credit-impaired).

Internal credit rate	內部信貸評級	2019 2019年			
		Average loss rate 平均虧損率	Gross amount 總額	Net Amount 淨額	
		RMB'000 人民幣千元	ECL RMB'000 人民幣千元	RMB'000 人民幣千元	
Group A	組合A	0.11%	259,077	287	258,790
Group B	組合B	2.10%	115,417	2,423	112,994
Group C	組合C	6.23%	21,042	1,310	19,732
Group D	組合D	21.03%	2,662	560	2,102
Group E	組合E	100.00%	3,258	3,258	—
			401,456	7,838	393,618

32 金融工具(續)

(b) 財務風險管理目標及政策(續)

信貸風險及減值評估(續)

按攤銷成本計量的金融工具(續)

附註：

- 就內部信貸風險管理的目的而言，本集團使用逾期資料評估信貸風險是否自初始確認起一直大幅上升。於2019年12月31日，並無固定付款期的其他應收款項約為人民幣1,210,000元(2018年：人民幣1,023,000元)。
- 就貿易應收款項及合約資產而言，根據《國際財務報告準則》第9號，本集團應用簡化方法計量整個存續期預期信貸虧損的虧損撥備。本集團根據客戶各自獨立評估的內部信貸評級釐定該等項目的預期信貸虧損。

作為本集團信貸風險管理的一部分，本集團為其客戶就其營運應用內部信貸評級。下表提供有關根據整個存續期預期信貸虧損(無信貸減值)內的撥備矩陣評估貿易應收款項的信貸風險資料。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

32 FINANCIAL INSTRUMENTS (continued)

(b) Financial risk management objectives and policies (continued)

Credit risk and impairment assessment (continued)

Financial assets at amortised costs (continued)

Internal credit rate	內部信貸評級	Average loss rate 平均虧損率	2018 2018年		Net Amount 淨額
			Gross amount 總額	ECL 預期信貸虧損	
			RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元
Group A	組合A	0.11%	246,262	255	246,007
Group B	組合B	2.21%	40,794	902	39,892
Group C	組合C	6.51%	10,865	708	10,157
Group D	組合D	19.54%	9,969	1,948	8,021
Group E	組合E	100.00%	3,258	3,258	—
			311,148	7,071	304,077

The estimated loss rates are estimated based on historical observed default rates over the expected life of the debtors and are adjusted for forward-looking information that is available without undue cost or effort. The grouping is regularly reviewed by management to ensure relevant information about specific debtors is updated.

In the opinion of the directors of the Company, the trade receivables at the end of the reporting period which have been past due over 90 days are not considered as in default based on good repayment records for those customers and continuous business with the Group.

32 金融工具(續)

(b) 財務風險管理目標及政策(續)

信貸風險及減值評估(續)

按攤銷成本計量的金融工具(續)

估計虧損率乃根據債務人於預期存續期內的過往已觀察違約率估計，並就無需過度成本或投入即可獲得的前瞻性資料作出調整。管理層定期檢討有關分類，以確保已更新有關特定債務人的相關資料。

本公司董事認為，於報告期末已逾期超過90日之貿易應收款項根據該等客戶之良好還款記錄及持續與本集團進行之業務將不被視為違約。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

32 FINANCIAL INSTRUMENTS (continued)

(b) Financial risk management objectives and policies (continued)

Liquidity risk

In the management of the liquidity risk, the Group monitors and maintains a level of cash and cash equivalents deemed adequate by the management to finance the Group's operations and mitigate the effects of fluctuations in cash flows.

The following tables detail the Group's remaining contractual maturity for its financial liabilities based on the agreed repayment terms. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group can be required to pay. The tables include both interest and principal cash flows.

	Weighted average interest rate 加權 平均利率	On demand or less than 3 months 按要求或 3個月以內	4 – 6 months 4至6個月	6 months to 1 year 6個月 至1年	1 – 2 years 1至2年	More than 2 years 2年以上	Total undiscounted cash flows 未貼現現金 流量總額	Carrying amount 賬面值
		RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元
At 31 December 2019 於2019年12月31日								
Trade payables 貿易應付款項	—	119,606	—	—	—	—	119,606	119,606
Other payables 其他應付款項	—	4,513	—	—	—	—	4,513	4,513
Bank borrowings 銀行借款	5.49%	2,558	14,257	10,522	—	—	27,337	26,598
Lease liabilities 租賃負債	4.75%	753	766	1,545	2,811	1,296	7,171	6,761
		127,430	15,023	12,067	2,811	1,296	158,627	157,478
At 31 December 2018 於2018年12月31日								
Trade payables 貿易應付款項	—	84,074	—	—	—	—	84,074	84,074
Other payables 其他應付款項	—	32,401	—	—	—	—	32,401	32,401
Obligation arising from 認沽期權產生的責任								
a put option	8%	—	—	—	—	110,160	110,160	99,901
Bank borrowings 銀行借款	6.175%	10,113	—	—	—	—	10,113	10,000
		126,588	—	—	—	110,160	236,748	226,376

32 金融工具(續)

(b) 財務風險管理目標及政策(續)

流動性風險

在管理流動性風險時，本集團監控及維持管理層認為足以為本集團的經營提供資金的現金及現金等價物水平，並降低現金流量波動的影響。

下表詳述根據議定還款條款，本集團金融負債的餘下合約到期詳情。該等表格根據本集團可被要求支付金融負債未貼現現金流量的最早日期的有關現金流量繪製。下表載列利息及本金現金流量。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

32 FINANCIAL INSTRUMENTS (continued)

(c) Fair value measurements of financial instruments

This note provides information about how the Group determines fair value of its financial asset, which is measured at fair value for financial reporting purposes.

In estimating the fair value, the Group uses market-observable data to the extent it is available. Where Level 1 inputs are not available, the Group engages third party qualified valuers to perform the valuation. The management works closely with the qualified external valuers to establish the appropriate valuation techniques and inputs to the model.

Fair value of the Group's financial asset that is measured at fair value on a recurring basis

The Group owns 3% equity interest in a PRC private company that is classified as an equity investment at FVTOCI and is measured at fair value at the end of reporting period. The fair value of the investment as at 31 December 2019 amounts to approximately RMB4,775,000 (2018: RMB2,980,000), measured using a valuation technique with significant unobservable inputs and hence was classified as Level 3 of the fair value hierarchy under IFRS 13.

32 金融工具(續)

(c) 金融工具的公允價值計量

本附註提供有關本集團如何釐定其金融資產之公允價值的資料，乃以財務呈報目的按公允價值計量。

估計公允價值時，本集團使用可用市場可觀察數據。倘第一級輸入數據不可用，本集團會委聘第三方合資格估值師進行估值。管理層與合資格外聘估值師緊密合作，制訂合適估值技術及模式輸入數據。

按經常性基準以公允價值計量之本集團金融資產的公允價值

本集團於中國私營公司擁有的3%股本權益被分類為按公允價值計量並計入其他全面收益的股本工具，並於報告期末以公允價值計量。於2019年12月31日，投資的公允價值約為人民幣4,775,000元(2018年：人民幣2,980,000元)，採用估值技術計量，當中涉及重大無法觀察輸入數據，因此根據《國際財務報告準則》第13號分類為公允價值等級之第三級。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

32 FINANCIAL INSTRUMENTS (continued)

(c) Fair value measurements of financial instruments (continued)

Fair value of the Group's financial asset that is measured at fair value on a recurring basis
(continued)

The following table gives information about how the fair value of the Group's financial asset is determined.

Financial assets	Fair value as at 於下列日期的 公允價值	Fair value hierarchy 公允價值 層級	Valuation technique(s) and key inputs 估值技術及 關鍵輸入數據	Relationship of unobservable inputs to fair value 不可觀察輸入數據 與公允價值的關係
Private equity investment classified as equity instrument at FVTOCI -3% equity investment in a PRC private company engaged in hazardous waste incineration project	RMB4,775,000 (2018: RMB2,980,000)	Level 3	Market approach — The fair value is primarily affected by market multiples. Market multiples is determined based on the enterprise value to earnings before interest, tax, depreciation and amortisation of the comparable companies.	If the market multiples increased/decreased by 10% with all other variable held constant, other comprehensive income for the year ended 31 December 2019 would have been approximately RMB399,000 (2018: RMB257,000) higher and lower, respectively.
私募股權投資分類為按公允價值計量並計入其他全面收益的股本工具-3%的股權投資於從事危險廢物綜合處置中心的中國私營公司	人民幣4,775,000元 (2018年：人民幣 2,980,000元)	第三級	市場法 — 公允價值主要受市值倍數影響。市值倍數乃根據企業價值與多個可資比較公司未計利息稅、折舊及攤銷前的收益之比釐定。	在所有其他變量保持不變的情況下，市值倍數增加/減少10%，截至2019年12月31日止年度的其他全面收益將分別上升及下降約人民幣399,000元(2018年：人民幣257,000元)。

There were no transfers between Level 1, 2 and 3 during the years ended 31 December 2019 and 2018.

32 金融工具(續)

(c) 金融工具的公允價值計量(續)

按經常性基準以公允價值計量之本集團金融資產的公允價值(續)

下表提供有關如何釐定本集團金融資產之公允價值的資料。

於截至2019年及2018年12月31日止年度，第一級、第二級及第三級之間並無轉移。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

32 FINANCIAL INSTRUMENTS (continued)

(c) Fair value measurements of financial instruments (continued)

Fair value measurements and valuation processes

The management of the Company is responsible to determine the appropriate valuation techniques and inputs for fair value measurements.

In estimating the fair value of an asset, the Group uses market-observable data to the extent it is available. Where Level 1 inputs are not available, the Group engages third party qualified valuers to perform the valuation. The management works closely with the qualified external valuers to establish the appropriate valuation techniques and inputs to the model. The management reports the findings to the board of directors of the Company to explain the cause of fluctuations in the fair value of the assets.

Information about the valuation techniques and inputs used in determining the fair value of various assets are disclosed above.

32 金融工具(續)

(c) 金融工具的公允價值計量(續)

公允價值計量和估值過程

本公司的管理層負責確定合適的估值技術及公允價值計量的輸入數據。

在估計一項資產的公允價值時，本集團使用可用市場可觀察數據。倘第一級輸入數據不可用，本集團會委聘第三方合資格估值師進行估值。管理層與合資格外聘估值師緊密合作，制訂合適估值技術及模式輸入數據。管理層向本公司董事會報告有關發現，並解釋資產公允價值波動的原因。

有關用於釐定各資產公允價值的估值技術及輸入數據的資料如上文披露。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

32 FINANCIAL INSTRUMENTS (continued)

(c) Fair value measurements of financial instruments (continued)

Fair value measurements and valuation processes (continued)

Reconciliation of Level 3 fair value measurements

32 金融工具(續)

(c) 金融工具的公允價值計量(續)

公允價值計量和估值過程(續)

第三級公允價值計量對賬

		Equity investment at FVTOCI 按公允價值計量 並計入其他全面 收益的股本投資 RMB'000 人民幣千元
1 January 2018	2018年1月1日	3,584
Total losses	虧損總額	
— in other comprehensive expense (Note)	— 於其他全面開支(附註)	(604)
31 December 2018 and 1 January 2019	2018年12月31日及2019年1月1日	2,980
Total gains	收益總額	
— in other comprehensive income (Note)	— 於其他全面收益(附註)	1,795
31 December 2019	2019年12月31日	4,775

Note: Included in other comprehensive expense are the amounts of approximately RMB1,795,000 gain relating to unlisted equity securities classified as an equity instrument at FVTOCI held at 31 December 2019 (2018: RMB604,000 losses).

附註：計入其他全面開支之收益約人民幣1,795,000元，為於2019年12月31日持有之非上市股本證券被分類為按公允價值計量並計入其他全面收益的股本工具(2018年：人民幣604,000元虧損)。

Fair values of the Group's financial assets and financial liabilities that are not measured at fair value on a recurring basis

The management estimates the fair values of its financial assets and financial liabilities measured at amortised cost using discounted cash flows analysis. Management of the Group considers that the carrying amounts of financial assets and financial liabilities recorded at amortised cost in the consolidated financial statements approximate their respective fair value.

本集團根據經常性基準不以公允價值計量的金融資產及金融負債的公允價值

管理層採用貼現現金流量分析估計其按攤銷成本計量的金融資產及金融負債公允價值。本集團管理層認為，金融資產及金融負債於綜合財務報表以攤銷成本入賬的賬面值與其各自的公允價值相若。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

33 RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

The table below details changes in the Group' liabilities arising from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are those for which cash flows were, or future cash flows will be, classified in the Group's consolidated statement of cash flows as cash flows from financing activities.

		Bank borrowings	Amount due to a related party	Accrued issue costs	Amounts due to shareholders	Obligation arising from a put option	Lease liabilities	Total
		銀行借款	關聯方款項	應計發行成本	股東款項	認沽期權產生的責任	租賃負債	合計
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	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
		(Note 27)	(附註27)	(Note 25)	(附註25)	(Note 28)	(Note 26)	(附註26)
		(附註27)	(附註27)	(附註25)	(附註25)	(附註28)	(附註26)	(附註26)
At 1 January 2018	於2018年1月1日	11,000	2,524	—	93,994	—	—	107,518
Financing cash flows	融資現金流量	(574)	(2,433)	(2,335)	(43,152)	—	—	(48,494)
Interest expenses	利息開支	574	—	—	—	5,457	—	6,031
Non-cash transactions	非現金交易							
— Loans assignment, novation and capitalisation (Note 38)	— 貸款轉讓、更新及資本化(附註38)	—	—	—	(47,874)	—	—	(47,874)
— Initial recognition of obligation arising from a put option (Note 28)	— 初始確認認沽期權產生的責任(附註28)	—	—	—	—	94,444	—	94,444
— Set off with discounted note receivable	— 抵銷已折現應收票據	(1,000)	—	—	—	—	—	(1,000)
— Deferred issue costs	— 遞延發行成本	—	—	4,285	—	—	—	4,285
Net foreign exchange gains	外匯收益淨額	—	(91)	—	(2,968)	—	—	(3,059)
At 31 December 2018	於2018年12月31日	10,000	—	1,950	—	99,901	—	111,851
Impact on adoption of IFRS16 (Note 2)	採納《國際財務報告準則》第16號的影響(附註2)	—	—	—	—	—	6,382	6,382
At 1 January 2019	於2019年1月1日	10,000	—	1,950	—	99,901	6,382	118,233
Financing cash flows	融資現金流量	15,774	—	(9,277)	—	—	(2,294)	4,203
Interest expenses	利息開支	824	—	—	—	—	270	1,094
Non-cash transactions	非現金交易							
— Recognition of lease liabilities	— 確認租賃負債	—	—	—	—	—	2,403	2,403
— Deferred issue costs	— 遞延發行成本	—	—	7,327	—	—	—	7,327
— Derecognition of obligation arising from a put option (Note 28)	— 終止確認認沽期權產生的責任(附註28)	—	—	—	—	(99,901)	—	(99,901)
At 31 December 2019	於2019年12月31日	26,598	—	—	—	—	6,761	33,359

33 融資活動所產生負債之對賬

下表詳列融資活動產生的本集團負債變動，包括現金和非現金變動。融資活動產生的負債為相關現金流量已經或未來現金流量將會在本集團綜合現金流量表中被歸類為融資活動所產生之現金流量的負債。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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34 OPERATING LEASES

The Group as lessee

The Group has commitments for future minimum lease payments under non-cancellable operating leases fall due as follows:

		2019 2019年 <i>RMB'000</i> 人民幣千元	2018 2018年 <i>RMB'000</i> 人民幣千元
Within one year	一年內	79	2,576
In the second to fifth year inclusive	第二至第五年(包括首尾兩年)	31	4,859
		110	7,435

Operating leases payments represent rentals payables by the Group for certain of its office premises. As at 31 December 2018, leases are negotiated for terms of one to four years.

The Group is the lessee in respect of certain of its office premises held under leases which were previously classified as operating leases under IAS 17. On transition, the Group has initially applied IFRS 16 using the modified retrospective approach and adjusted the opening balance at 1 January 2019 to recognise lease liabilities relating to these leases (see Note 2). From 1 January 2019 onwards, future lease payments are recognised as lease liabilities, except for short-term leases or leases of low-value, in the consolidated statement of financial position in accordance with the accounting policies set out in Note 3, and the details regarding the Group's future lease payments are disclosed in Note 26.

34 經營租賃

本集團作為承租人

於各報告期末，本集團在不可撤銷經營租賃合約下的未來最低租賃款承擔到期情況如下：

		2019 2019年 <i>RMB'000</i> 人民幣千元	2018 2018年 <i>RMB'000</i> 人民幣千元
Within one year	一年內	79	2,576
In the second to fifth year inclusive	第二至第五年(包括首尾兩年)	31	4,859
		110	7,435

經營租賃付款指本集團就其若干辦公場所應付的租金。於2018年12月31日，議定的租賃協議期限為一至四年。

本集團為有關其於先前根據《國際會計準則》第17號分類為經營租賃項下所持的若干辦公場所的承租人。於過渡時，本集團已首次應用《國際財務報告準則》第16號，使用經修訂追溯法，並於2019年1月1日對期初結餘作出調整以確認有關該等租賃的租賃負債(見附註2)。自2019年1月1日起，未來租賃付款根據附註3所載的會計政策於綜合財務狀況表確認為租賃負債，有關本集團的未來租賃付款的詳情於附註26披露。

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35 CAPITAL COMMITMENTS

35 資本承擔

		2019 2019年	2018 2018年
		RMB'000 人民幣千元	RMB'000 人民幣千元
i) Commitments in respect of the acquisition of property, plant and equipment — contracted for but not provided in the consolidated financial statements	i) 就收購物業、廠房及設備的承擔 — 已訂約但未在綜合財務報表中作出撥備	12,950	4,557
ii) Commitments in respect of the acquisition of a subsidiary — contracted for but not provided in the consolidated financial statements	ii) 就收購一間附屬公司的承擔 — 已訂約但未在綜合財務報表中作出撥備	1,500	—
iii) Commitments in respect of the interests in associates — contracted for but not provided in the consolidated financial statements	iii) 就聯營企業權益的承擔 — 已訂約但未在綜合財務報表中作出撥備	11,900	—

36 PLEDGE OF ASSETS

The Group did not pledge any assets other than the pledged bank deposits disclosed in Note 23 as at 31 December 2019 and 2018.

36 資產抵押

除附註23披露的於2019年及2018年12月31日的已抵押銀行存款外，本集團並無抵押任何資產。

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綜合財務報表附註

37 RELATED PARTY TRANSACTIONS AND BALANCES

(i) Guarantees in support of the bank borrowing

Details of guarantees in support of the bank borrowing of the Group provided by a director (2018: a director and a related party) are set out in Note 27.

(ii) Compensation of key management personnel

The key management personnel of the Group comprises all executive directors of the Company, details of their emoluments are disclosed in Note 10. The emoluments of the directors of the Company are determined with regard to individual's performance, the Group's performance and profitability, remuneration benchmark in the industry and prevailing market condition.

(iii) Purchase of patents

Details of patents purchased from a related party, Dr. Wang during the year ended 31 December 2018 and set out in Note 14.

38 MAJOR NON-CASH TRANSACTIONS

On 26 January 2018, a deed of loan assignment and novation and loan capitalisation has been entered amongst Mr. Cai, WeiGang Technology, Weigang Holdings (Hong Kong), Mr. Ren Yunan ("Mr. Ren"), Jade Fly, Jade Road and the Company. The details are as follows:

- (a) Mr. Cai has assigned a loan amounting to approximately HK\$45,270,000 (equivalent to approximately RMB36,734,000) due from Weigang Holdings (Hong Kong) to his wholly owned entity, namely, WeiGang Technology.
- (b) The Company has agreed to undertake the loan amounting to approximately HK\$45,270,000 (equivalent to approximately RMB36,734,000) due to WeiGang Technology from Weigang Holdings (Hong Kong).

37 關聯方交易及結餘

(i) 銀行借款擔保

一名董事(2018年：一名董事及一名關聯方)就本集團銀行借款提供之擔保詳情載於附註27。

(ii) 主要管理人員薪酬

本集團主要管理人員包括本公司全體執行董事，彼等的酬金詳情載於附註10。本公司董事酬金乃參照個人表現、本集團表現及盈利能力、行業薪酬基準及現行市況釐定。

(iii) 購買專利

有關截至2018年12月31日止年度向關聯方王博士購買專利的詳情載於附註14。

38 重大非現金交易

於2018年1月26日，蔡先生、維港科技、維港控股(香港)、任煜男先生(「任先生」)、杰飛、杰路與本公司訂立貸款轉讓與更新及貸款資本化契諾。詳情如下：

- (a) 蔡先生已向其全資擁有實體維港科技轉讓應收維港控股(香港)貸款約45,270,000港元(相當於約人民幣36,734,000元)。
- (b) 本公司已同意承擔維港控股(香港)應付維港科技的貸款約45,270,000港元(相當於約人民幣36,734,000元)。

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38 MAJOR NON-CASH TRANSACTIONS (continued)

- (c) WeiGang Technology has assigned part of the loan due from the Company amounting to HK\$3,962,482 to Jade Fly. After such assignment, the loan owed by the Company to WeiGang Technology was HK\$41,307,518 (equivalent to approximately RMB33,518,000).
- (d) WeiGang Technology has agreed to subscribe for 3,500,495,099 shares of HK\$0.01 each in the share capital of the Company at the subscription price in the sum equivalent to the amount of HK\$41,307,518 (equivalent to approximately RMB33,518,000) which was satisfied by capitalising the loan amount of HK\$41,307,518 (equivalent to approximately RMB33,518,000).
- (e) Mr. Ren has assigned a loan amounting to HK\$13,728,700 (equivalent to approximately RMB11,140,000) due from Jade Road to his wholly owned entity, namely, Jade Fly.
- (f) The Company has agreed to undertake the loan amounting to HK\$13,728,700 (equivalent to approximately RMB11,140,000) due to Jade Fly from Jade Road. Following the assignment of the loan to Jade Fly in (c) above, the total amount owed by the Company to Jade Fly is HK\$17,691,182 (equivalent to approximately RMB14,356,000).
- (g) Jade Fly has agreed to subscribe for 1,499,497,901 shares of HK\$0.01 each in the share capital of the Company at the subscription price in the sum equivalent to the amount of HK\$17,691,182 (equivalent to approximately RMB14,356,000) which was satisfied by capitalising the loan amount of HK\$17,691,182 (equivalent to approximately RMB14,356,000).

38 重大非現金交易(續)

- (c) 維港科技已將部分應收本公司貸款3,962,482港元轉讓予杰飛。轉讓完成後，本公司所欠維港科技的貸款為41,307,518港元(相當於約人民幣33,518,000元)。
- (d) 維港科技已同意按認購價(總額為41,307,518港元(相當於約人民幣33,518,000元))認購本公司股本中3,500,495,099股每股面值0.01港元的股份，該認購價已通過資本化貸款41,307,518港元(相當於約人民幣33,518,000元)取得。
- (e) 任先生已向其全資擁有實體杰飛轉讓應收杰路貸款13,728,700港元(相當於約人民幣11,140,000元)。
- (f) 本公司已同意承擔杰路應付杰飛的貸款13,728,700港元(相當於約人民幣11,140,000元)。繼上文(c)段所述向杰飛轉讓貸款後，本公司所欠杰飛的總款項為17,691,182港元(相當於約人民幣14,356,000元)。
- (g) 杰飛已同意按認購價(總額為17,691,182港元(相當於約人民幣14,356,000元))認購本公司股本中1,499,497,901股每股面值0.01港元的股份，該認購價已通過資本化貸款17,691,182港元(相當於約人民幣14,356,000元)取得。

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綜合財務報表附註

39 SHARE-BASED PAYMENT TRANSACTION

On 30 April 2017, the shareholders of Guangzhou Weigang have passed the shareholders resolution to implement an employee incentive scheme to grant share options to the employees of Guangzhou Weigang. On the same date, share options are granted to 35 employees of Guangzhou Weigang. The number of shares awarded shall equal to 3.5% of the total number of shares of the Company upon the Listing. If the Listing does not complete by 31 December 2018, Guangzhou Weigang or the Company is entitled to amend, terminate or cancel the employee incentive scheme. The total exercise price of the share options was fixed at approximately RMB8,750,000.

On 10 December 2018, the principal terms of the pre initial public offering share option scheme (the "Pre-IPO Share Option Scheme") were adopted by the Company, and the share options granted to 35 employees of Guangzhou Weigang on 30 April 2017 had been approved by the board of directors of the Company as the Pre-IPO Share Option Scheme. Upon the adoption of the Pre-IPO Share Option Scheme, a total of 46,666,725 share options were offered for acceptance by the Company to the 35 employees.

Details of share options granted during the years ended 31 December 2019 and 2018 are as follows:

Date of grant 授出日期	Number of options 購股權數目	Adoption date 採納日期	Vesting date 歸屬日期	Exercisable period 行使期間	Exercise price 行使價
30.4.2017 2017年4月30日	46,666,725	10.12.2018 2018年12月10日	30.4.2017 2017年4月30日	3.1.2021 to 29.4.2027 2021年1月3日至 2027年4月29日	HK\$0.23 0.23港元

The share options granted on 30 April 2017 shall be exercisable unless and until the Listing and be exercisable in the following three batches:

- (i) the first batch being exercisable after the second anniversary of the date of the Listing;
- (ii) the second batch being exercisable after the third anniversary of the date of the Listing; and
- (iii) the last batch is being exercisable after the fourth anniversary of the date of the Listing.

39 以股份為基礎的支付交易

於2017年4月30日，廣州維港的股東通過了實行僱員激勵計劃向廣州維港僱員授出購股權的股東決議案。同日，向廣州維港35名僱員授出購股權。獎勵股份的數目應為本公司上市後股份總數的3.5%。倘上市並無於2018年12月31日前完成，則廣州維港或本公司有權修改、終止或取消僱員激勵計劃。購股權的總行使價固定約為人民幣8,750,000元。

於2018年12月10日，本公司已採納首次公開發售前購股權計劃（「首次公開發售前購股權計劃」）的主要條款，而本公司董事會已批准於2017年4月30日向廣州維港35名僱員授出的購股權作為首次公開發售前購股權計劃。於採納首次公開發售前購股權計劃後，本公司已向該35名僱員提呈合共46,666,725份購股權以供接納。

截至2019年及2018年12月31日止年度已授出的購股權詳情如下：

於2017年4月30日授出的購股權除非及直至上市前均可獲行使，並可分為如下三份行使：

- (i) 第一份於上市日期第二週年後可行使；
- (ii) 第二份於上市日期第三週年後可行使；及
- (iii) 最後一份於上市日期第四週年後可行使。

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綜合財務報表附註

39 SHARE-BASED PAYMENT TRANSACTION

(continued)

The following table discloses movements of the Company's share options held by directors of the Company and employees of the Group:

39 以股份為基礎的支付交易(續)

下表披露本公司董事及本集團僱員持有本公司購股權的變動：

	Exercise price 行使價	Date of grant 授出日期	Outstanding at 1/1/2019 於2019年 1月1日 尚未行使 '000 千份	Granted during the year 年內已授出 '000 千份	Lapsed during the year 年內已失效 '000 千份	Exercised during the year 年內已行使 '000 千份	Outstanding at 31/12/2019 於2019年 12月31日 尚未行使 '000 千份
Directors							
董事							
Mr. Deng 鄧先生	HK\$0.23 0.23 港元	30.4.2017 2017年4月30日	3,933	—	—	—	3,933
Mr. Dong 董先生	HK\$0.23 0.23 港元	30.4.2017 2017年4月30日	3,933	—	—	—	3,933
Employees							
僱員							
	HK\$0.23 0.23 港元	30.4.2017 2017年4月30日	36,587	—	—	—	36,587
Total 總計			44,453	—	—	—	44,453
Exercisable at the end of the year 年末可行使							Nil 無
Weighted average exercise price 加權平均行使價			Nil 無	Nil 無	Nil 無	Nil 無	Nil 無

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綜合財務報表附註

39 SHARE-BASED PAYMENT TRANSACTION

(continued)

39 以股份為基礎的支付交易(續)

	Exercise price	Date of grant	Outstanding at 1/1/2018 於2018年 1月1日 尚未行使 '000 千份	Granted during the year 年內已授出 '000 千份 (Note a) (附註a)	Lapsed during the year 年內已失效 '000 千份	Exercised during the year 年內已行使 '000 千份	Outstanding at 31/12/2018 於2018年 12月31日 尚未行使 '000 千份
Directors							
董事							
Mr. Deng 鄧先生	HK\$0.23 0.23港元	30.4.2017 2017年4月30日	3,933	—	—	—	3,933
Mr. Dong 董先生	HK\$0.23 0.23港元	30.4.2017 2017年4月30日	3,933	—	—	—	3,933
Employees (Note a) 僱員(附註 a)	HK\$0.23 0.23港元	30.4.2017 2017年4月30日	38,800	—	(2,213)	—	36,587
Total 總計			46,666	—	(2,213)	—	44,453
Exercisable at the end of the year 年末可行使							Nil 無
Weighted average exercise price 加權平均行使價			Nil 無	Nil 無	Nil 無	Nil 無	Nil 無

Note:

(a) During the year ended 31 December 2018, two employees of the Group left and the corresponding share options granted were lapsed accordingly.

附註：

(a) 於截至2018年12月31日止年度，本集團有兩名僱員離職，已授出的有關購股權已相應失效。

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39 SHARE-BASED PAYMENT TRANSACTION

(continued)

The estimated fair values of the Pre-IPO Share Option Scheme granted on 30 April 2017 were approximately RMB6,305,000.

The fair values were calculated using the Binomial Option Pricing Model. The major inputs into the model were as follows:

Granted date	30 April 2017
授出日期	2017年4月30日
Exercise price*	0.23
行使價*	
Expected volatility	60.4%
預期波幅	
Expected life	10 years
預期年期	10年
Risk-free rate	3.5%
無風險利率	
Expected dividend yield	0.0%
預期股息率	

* The exercise price was fixed at approximately RMB8,750,000 for 3.5% of the total number of shares of the Company upon the Listing.

Expected volatility was determined by using the historical volatility of the comparable companies' share price over the previous 10 years. The expected life used in the model has been stated in the option scheme. The risk-free rate was referred to the China sovereign bond yield with the term close to the option life as at the grant date.

The Group recognised a total expense of approximately RMB1,301,000 (2018: RMB2,160,000) in relation to share options granted under Pre-IPO Share Option Scheme by the Company during the year ended 31 December 2019.

The total number of shares in respect of which options may be granted under the Pre-IPO Share Option Scheme is not permitted to exceed 30% of the enlarged issued share capital of the Company as at the Listing date.

39 以股份為基礎的支付交易(續)

於2017年4月30日，首次公開發售前購股權計劃已授出的估計公允價值約為人民幣6,305,000元。

公允價值使用二項式期權定價模式而計算得出。該模式的主要輸入數據如下：

授出日期	2017年4月30日
行使價*	0.23
預期波幅	60.4%
預期年期	10年
無風險利率	3.5%
預期股息率	0.0%

* 行使價就本公司上市後股份總數3.5%而言，行使價固定約為人民幣8,750,000元。

預期波幅乃根據可資比較公司股價於過去10年的歷史波幅釐定。該模式所使用的預期年期載列於購股權計劃。無風險利率參考中國主權債券收益率，有關期限接近於授予日期的購股權年期。

截至2019年12月31日止年度，本集團就本公司根據首次公開發售前購股權計劃授出購股權確認開支總額約人民幣1,301,000元(2018年：人民幣2,160,000元)。

有關可能根據首次公開發售前購股權計劃授出購股權的股份總數不得超過本公司於上市日期經擴大的已發行股本30%。

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綜合財務報表附註

40 PARTICULARS OF SUBSIDIARIES OF THE COMPANY

Details of the subsidiaries directly and indirectly held by the Company at the end of the reporting period are set out below.

40 本公司的附屬公司詳情

於報告期末，本公司直接或間接持有之附屬公司詳情載於下文。

Name of subsidiaries	Date of incorporation/ establishment	Place of incorporation/ establishment and legal form	Issued and fully paid share capital/registered capital	Proportion of ownership interest		Principal activities
				所有權權益之百分比		
附屬公司名稱	註冊成立/成立日期	註冊成立/成立地點及法律形式	已發行及繳足股本/註冊資本	Group's effective interest as at 31 December		主要活動
				本集團於12月31日之實際權益	2018	
				2019年%	2018年%	
<i>Directly held:</i>						
<i>直接持有：</i>						
WeiGang Environment Limited	11 May 2017	British Virgin Islands, limited liability company	1 ordinary share of US\$1 each	100.00	100.00	Investment holding
維港環境有限公司	2017年5月11日	英屬維爾京群島，有限公司	1股每股面值1美元的普通股			投資控股
Jade Far Investment Limited	16 May 2017	British Virgin Islands, limited liability company	US\$1,001	100.00	100.00	Investment holding
杰發投資有限公司	2017年5月16日	英屬維爾京群島，有限公司	1,001美元			投資控股
Definite Thrive Limited	19 March 2019*	British Virgin Islands, limited liability company	US\$50,000	100.00	N/A	Investment holding
興定有限公司	2019年3月19日*	英屬維爾京群島，有限公司	50,000美元		不適用	投資控股
<i>Indirectly held:</i>						
<i>間接持有：</i>						
Weigang Holdings (Hong Kong)	19 September 2016	Hong Kong, limited liability company	10,000 ordinary shares of HK\$10,000	100.00	100.00	Investment holding
維港控股(香港)	2016年9月19日	香港，有限公司	10,000股10,000港元的普通股			投資控股
Jade Road	28 October 2015	Hong Kong, limited liability company	10,000 ordinary shares of HK\$10,000	100.00	100.00	Investment holding
杰路	2015年10月28日	香港，有限公司	10,000股10,000港元的普通股			投資控股
Weigang Development (Hong Kong) Limited	24 April 2019*	Hong Kong, limited liability company	10,000 ordinary shares of HK\$10,000	100.00	N/A	Investment holding
維港發展(香港)有限公司	2019年4月24日*	香港，有限公司	10,000股10,000港元的普通股		不適用	投資控股

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綜合財務報表附註

40 PARTICULARS OF SUBSIDIARIES OF THE COMPANY (continued)

40 本公司的附屬公司詳情(續)

Name of subsidiaries	Date of incorporation/ establishment	Place of incorporation/ establishment and legal form	Issued and fully paid share capital/registered capital	Proportion of ownership interest		Principal activities
				所有權益之百分比		
附屬公司名稱	註冊成立/成立日期	註冊成立/成立地點及法律形式	已發行及繳足股本/註冊資本	Group's effective interest as at 31 December		主要活動
				本集團於12月31日之實際權益		
				2019	2018	
				2019年%	2018年%	
Guangzhou Weigang	15 July 2009	PRC, sino-foreign equity joint venture	Issued and fully paid up capital as at 31 December 2019: RMB186,930,920 (2018: RMB50,000,000)	90.00	90.00	Providing solutions for solid waste treatment
廣州維港	2009年7月15日	中國·中外合資企業	於2019年12月31日已發行及繳足股本：人民幣186,930,920元(2018年：人民幣50,000,000元)			提供固體廢物處理解決方案
			Registered capital as at 31 December 2019: RMB400,000,000 (2018: RMB400,000,000)			
			於2019年12月31日的註冊資本：人民幣400,000,000元(2018年：人民幣400,000,000元)			

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

40 PARTICULARS OF SUBSIDIARIES OF THE COMPANY (continued)

40 本公司的附屬公司詳情(續)

Name of subsidiaries	Date of incorporation/ establishment	Place of incorporation/ establishment and legal form	Issued and fully paid share capital/registered capital	Proportion of ownership interest		Principal activities
				所有權權益之百分比		
附屬公司名稱	註冊成立/成立日期	註冊成立/成立地點及法律形式	已發行及繳足股本/註冊資本	Group's effective interest as at 31 December		主要活動
				本集團於12月31日之實際權益		
				2019	2018	
				2019年%	2018年%	
Xinjiang Wosen Environmental Protection Technology Limited ("Xinjiang Wosen") (Notes d & e)	17 November 2011	PRC, sino-foreign equity joint venture	Issued and fully paid up capital as at 31 December 2019: RMB10,000,000 (2018: RMB5,000,000)	45.90	90.00	Providing research and development of environmental protection technologies and facilities
新疆沃森環保科技有限責任公司(「新疆沃森」)(附註d及e)	2011年11月17日	中國·中外合資企業	於2019年12月31日已發行及繳足股本：人民幣10,000,000元(2018年：人民幣5,000,000元)			提供環保技術及設施的研發
			Registered capital as at 31 December 2019: RMB10,000,000 (2018: RMB5,000,000)			
			於2019年12月31日的註冊資本：人民幣10,000,000元(2018年：人民幣5,000,000元)			

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

40 PARTICULARS OF SUBSIDIARIES OF THE COMPANY (continued)

40 本公司的附屬公司詳情(續)

Name of subsidiaries	Date of incorporation/ establishment	Place of incorporation/ establishment and legal form	Issued and fully paid share capital/registered capital	Proportion of ownership interest		Principal activities
				所有權益之百分比		
附屬公司名稱	註冊成立/成立日期	註冊成立/成立地點及法律形式	已發行及繳足股本/註冊資本	Group's effective interest as at 31 December		主要活動
				本集團於12月31日之實際權益		
				2019	2018	
				2019年%	2018年%	
Shenzhen Xinnengji (Note a)	24 November 2016	PRC, Corporate-owned limited liability company	Issued and fully paid up capital as at 31 December 2019: RMB20,980,000 (2018: RMB14,400,000)	90.00	90.00	Providing research and development of environmental protection technologies and facilities
深圳新能極(附註a)	2016年11月24日	中國·企業擁有有限公司	於2019年12月31日已發行及繳足股本：人民幣20,980,000元(2018年：人民幣14,400,000元)			提供環保技術及設施的研發
			Registered capital as at 31 December 2019: RMB28,000,000 (2018: RMB28,000,000)			
			於2019年12月31日的註冊資本：人民幣28,000,000元(2018年：人民幣28,000,000元)			

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

40 PARTICULARS OF SUBSIDIARIES OF THE COMPANY (continued)

40 本公司的附屬公司詳情(續)

Name of subsidiaries	Date of incorporation/ establishment	Place of incorporation/ establishment and legal form	Issued and fully paid share capital/registered capital	Proportion of ownership interest		Principal activities
				所有權權益之百分比		
附屬公司名稱	註冊成立/成立日期	註冊成立/成立地點及法律形式	已發行及繳足股本/註冊資本	Group's effective interest as at 31 December		主要活動
				本集團於12月31日之實際權益		
				2019	2018	
				2019年%	2018年%	
Guangdong Lvhuan Taian Environmental Protection Limited ("Guangdong Lvhuan") (Note e)	28 August 2017	PRC, sino-foreign equity joint venture	Issued and fully paid up capital as at 31 December 2019: RMB60,000 (2018: RMB60,000)	45.90	45.90	Inactive
廣東綠環泰安環保有限公司(「廣東綠環」)(附註e)	2017年8月28日	中國·中外合資企業	於2019年12月31日已發行及繳足股本：人民幣60,000元(2018年：人民幣60,000元)			未營業
			Registered capital as at 31 December 2019: RMB10,000,000 (2018: RMB10,000,000)			
			於2019年12月31日的註冊資本：人民幣10,000,000元(2018年：人民幣10,000,000元)			

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

40 PARTICULARS OF SUBSIDIARIES OF THE COMPANY (continued)

40 本公司的附屬公司詳情(續)

Name of subsidiaries	Date of incorporation/ establishment	Place of incorporation/ establishment and legal form	Issued and fully paid share capital/registered capital	Proportion of ownership interest		Principal activities
				所有權益之百分比		
附屬公司名稱	註冊成立/成立日期	註冊成立/成立地點及法律形式	已發行及繳足股本/註冊資本	Group's effective interest as at 31 December		主要活動
				本集團於12月31日之實際權益		
				2019	2018	
				2019年%	2018年%	
Weierneng Environmental (Notes b & e)	25 July 2018	PRC, Natural person investment or holding limited liability company	Issued and fully paid up capital as at 31 December 2019: RMB7,376,000 (2018: RMB2,000,000)	45.90	45.90	Providing research and development of environmental protection technologies and facilities
威爾能環保(附註b及e)	2018年7月25日	中國·自然人投資或控股有限公司	於2019年12月31日已發行及繳足股本: 人民幣7,376,000元(2018年: 人民幣2,000,000元)			提供環保技術及設施的研發
			Registered capital as at 31 December 2019: RMB20,000,000 (2018: RMB20,000,000)			
			於2019年12月31日的註冊資本: 人民幣20,000,000元(2018年: 人民幣20,000,000元)			
Shenzhen Kaipu Lansheng Energy Environmental Protection Co., Ltd ("Shenzhen Kaipu") (Note c)	29 May 2007	PRC, limited liability company	Issued and fully paid up capital as at 31 December 2019: RMB8,987,070	90.00	N/A 不適用	Providing research and development of environmental protection technologies and facilities
深圳開普藍生能源環保有限公司(「深圳開普」)(附註c)	2007年5月29日	中國·有限公司	於2019年12月31日已發行及繳足股本: 人民幣8,987,070元			提供環保技術及設施的研發
			Registered capital as at 31 December 2019: RMB8,987,070			
			於2019年12月31日的註冊資本: 人民幣8,987,070元			

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

40 PARTICULARS OF SUBSIDIARIES OF THE COMPANY (continued)

40 本公司的附屬公司詳情(續)

Name of subsidiaries	Date of incorporation/ establishment	Place of incorporation/ establishment and legal form	Issued and fully paid share capital/registered capital	Proportion of ownership interest		Principal activities
				所有權權益之百分比		
附屬公司名稱	註冊成立/成立日期	註冊成立/成立地點及法律形式	已發行及繳足股本/註冊資本	Group's effective interest as at 31 December		主要活動
				本集團於12月31日之實際權益		
				2019	2018	
				2019年%	2018年%	
Qingchuan Kaipu Environmental Construction Co., Ltd (Note c)	23 March 2018	PRC, limited liability company	Issued and fully paid up capital as at 31 December 2019: RMB600,000	81.00	N/A 不適用	Providing research and development of environmental protection technologies and facilities
青川開普環境工程有限公司(附註c)	2018年3月23日	中國·有限公司	於2019年12月31日已發行及繳足股本：人民幣600,000元 Registered capital as at 31 December 2019: RMB10,000,000 於2019年12月31日的註冊資本：人民幣10,000,000元			提供環保技術及設施的研發
Debo Environmental (Guangzhou) Co., Ltd	22 May 2019*	PRC, wholly foreign-owned enterprise	Issued and fully paid up capital as at 31 December 2019: RMB30,174,787	100.00	N/A 不適用	Providing research and development of environmental protection technologies and facilities
德博環境(廣州)有限公司	2019年5月22日*	中國·外商獨資企業	於2019年12月31日已發行及繳足股本：人民幣30,174,787元 Registered capital as at 31 December 2019: RMB50,000,000 於2019年12月31日的註冊資本：人民幣50,000,000元			提供環保技術及設施的研發

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

40 PARTICULARS OF SUBSIDIARIES OF THE COMPANY (continued)

40 本公司的附屬公司詳情(續)

Name of subsidiaries	Date of incorporation/ establishment	Place of incorporation/ establishment and legal form	Issued and fully paid share capital/registered capital	Proportion of ownership interest		Principal activities
				所有權權益之百分比		
附屬公司名稱	註冊成立/成立日期	註冊成立/成立地點及法律形式	已發行及繳足股本/註冊資本	Group's effective interest as at 31 December		主要活動
				2019	2018	
				本集團於12月31日之實際權益	2019年%	2018年%
Akesu Debo Environmental Co., Ltd	27 June 2019*	PRC, limited liability company	Issued and fully paid up capital as at 31 December 2019: RMB10,000,000	70.00	N/A	Inactive
阿克蘇德博環境有限公司	2019年6月27日*	中國·有限公司	於2019年12月31日已發行及繳足股本：人民幣10,000,000元			未營業
			Registered capital as at 31 December 2019: RMB10,000,000			
			於2019年12月31日的註冊資本：人民幣10,000,000元			
Guangdong Qizhou Weigang Co., Ltd	8 July 2019*	PRC, wholly foreign-owned enterprise	Issued and fully paid up capital as at 31 December 2019: RMB30,000,000	100%	N/A	Providing research and development of environmental protection technologies and facilities
廣東青洲維港環保有限公司	2019年7月8日*	中國·外商獨資企業	於2019年12月31日已發行及繳足股本：人民幣30,000,000元			提供環保技術及設施的研發
			Registered capital as at 31 December 2019: RMB50,000,000			
			於2019年12月31日的註冊資本：人民幣50,000,000元			

* These subsidiaries were incorporated during the year.

* 該等附屬公司於年內註冊成立。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

40 PARTICULARS OF SUBSIDIARIES OF THE COMPANY (continued)

Notes:

- (a) On 14 September 2018, Guangzhou Weigang acquired the remaining 27.14% equity interest in Shenzhen Xinnengji from Party A at consideration of RMB1.

During the year ended 31 December 2019, an amount of RMB6,580,300 (2018: RMB14,400,000) had been paid to Shenzhen Xinnengji as capital injection by the Group. As at 31 December 2019, the outstanding amount of RMB7,019,700 (2018: RMB13,600,000) has not yet been paid by the Group.

- (b) Weierneng Environmental was established as a limited liability company under the laws of the PRC on 25 July 2018 and an indirectly non-wholly owned subsidiary of the Company, which is owned as to 51% by Shenzhen Xinnengji and 49% by an independent third party, Party D. According to the articles of association of Weierneng Environmental, the capital injection of the shareholders should be paid to Weierneng Environmental no later than 31 August 2037.

During the year ended 31 December 2019, the Group has paid for RMB2,876,000 (2018: RMB1,000,000) and Party D has paid for RMB2,500,000 (2018: RMB1,000,000) respectively. As at 31 December 2019, the outstanding amount of RMB6,324,000 (2018: RMB9,200,000) and RMB6,300,000 (2018: RMB8,800,000) has not been paid by the Group and Party D, respectively. In 2019, it commenced the operation as providing research development of environmental protection technologies and facilities.

- (c) On 9 May 2019, a subsidiary of the Group, Guangzhou Weigang, has acquired 100% equity interest in Shenzhen Kaipu from an independent third party at consideration of RMB1 as disclosed in Note 41.
- (d) On 5 August 2019, the Group has partial disposed of 49% equity interests of Xinjiang Wosen to an independent third party as disclosed in Note 43.
- (e) The Group has 45.90% effective equity interests in Xinjiang Wosen, Guangdong Lvhuan and Weierneng Environmental. The Group controls the composition of the Board of directors of these subsidiaries and has control over them. Therefore, they are considered as the subsidiaries of the Group.

None of the subsidiaries had issued any debt securities at the end of the year.

40 本公司的附屬公司詳情(續)

附註：

- (a) 於2018年9月14日，廣州維港以人民幣1元的對價自甲方收購了深圳新能極剩餘27.14%的股本權益。

截至2019年12月31日止年度，本集團已向深圳新能極支付人民幣6,580,300元(2018年：人民幣14,400,000元)作為注資。於2019年12月31日，本集團尚有未清償款項為人民幣7,019,700元(2018年：人民幣13,600,000元)。

- (b) 威爾能環保於2018年7月25日根據中國法律成立為一家有限公司，為本公司的間接非全資附屬公司，由深圳新能極和獨立第三方丁方分別擁有51%及49%的權益。根據威爾能環保的組織章程細則，股東注資應於2037年8月31日前支付予威爾能環保。

截至2019年12月31日止年度，本集團及丁方已分別支付人民幣2,876,000元(2018年：人民幣1,000,000元)及人民幣2,500,000元(2018年：人民幣1,000,000元)。於2019年12月31日，本集團及丁方分別尚未支付未償還金額人民幣6,324,000元(2018年：人民幣9,200,000元)及人民幣6,300,000元(2018年：人民幣8,800,000元)。於2019年，其開始透過提供環保技術及設施的研發營業。

- (c) 誠如附註41所披露，於2019年5月9日，本集團附屬公司廣州維港已自一名獨立第三方以對價人民幣1元收購深圳開普100%股權。
- (d) 誠如附註43所披露，於2019年8月5日，本集團已向一名獨立第三方部分出售新疆沃森49%股權。
- (e) 本集團已持有新疆沃森、廣東綠環及威爾能環保45.90%實際股權。本集團控制該等附屬公司董事會組成，並擁有其控制權。因此，彼等獲分類為本集團附屬公司。

概無附屬公司於年末發行任何債務證券。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

40 PARTICULARS OF SUBSIDIARIES OF THE COMPANY (continued)

Details of non-wholly owned subsidiaries that have material non-controlling interests

The table below shows details of non-wholly-owned subsidiary of the Group that have material non-controlling interests as at 31 December 2019 and 2018:

Name of subsidiary 附屬公司名稱	Place of incorporation and principal place of business 註冊成立地點及主要營業地點	Proportion of ownership interests and voting rights held by non-controlling interests 非控股權益所持所有權權益份額及投票權		Profit allocated to non-controlling interests 分配予非控股權益的利潤		Accumulated non-controlling interests 累計非控股權益	
		31/12/2019 2019年 12月31日	31/12/2018 2018年 12月31日	31/12/2019 2019年 12月31日	31/12/2018 2018年 12月31日	31/12/2019 2019年 12月31日	31/12/2018 2018年 12月31日
Guangzhou Weigang 廣州維港	The PRC 中國	10%	10%	12,904 RMB'000 人民幣千元	8,490 RMB'000 人民幣千元	53,730 RMB'000 人民幣千元	27,037 RMB'000 人民幣千元

Summarised financial information in respect of the Group's subsidiary that has material non-controlling interests as at 31 December 2019 and 2018 is set out below. The summarised financial information below represents amounts before intragroup eliminations.

40 本公司的附屬公司詳情(續)

擁有重大非控股權益的非全資附屬公司詳情

下表載列於2019年及2018年12月31日本集團擁有重大非控股權益的非全資附屬公司之詳情：

以下所載為於2019年及2018年12月31日本集團擁有重大非控股權益的附屬公司之概述財務資料。下列概述財務資料呈列集團內對銷前之金額。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

40 PARTICULARS OF SUBSIDIARIES OF THE COMPANY (continued)

Guangzhou Weigang

		2019 2019年	2018 2018年
		RMB'000 人民幣千元	RMB'000 人民幣千元
Current assets	流動資產	631,098	392,878
Non-current assets	非流動資產	134,286	97,644
Current liabilities	流動負債	225,864	200,663
Non-current liabilities	非流動負債	2,221	19,485
Equity attributable to owners of the Company	本公司擁有人應佔權益	483,569	243,337
Non-controlling interests of Guangzhou Weigang	廣州維港非控股權益	53,730	27,037
		2019 2019年	2018 2018年
		RMB'000 人民幣千元	RMB'000 人民幣千元
Revenue	收入	606,594	475,632
Expenses	開支	(477,550)	(393,518)
Profit and total comprehensive income for the year	年內利潤及全面收益總額	129,044	82,114

40 本公司的附屬公司詳情(續)

廣州維港

		2019 2019年	2018 2018年
		RMB'000 人民幣千元	RMB'000 人民幣千元
Current assets	流動資產	631,098	392,878
Non-current assets	非流動資產	134,286	97,644
Current liabilities	流動負債	225,864	200,663
Non-current liabilities	非流動負債	2,221	19,485
Equity attributable to owners of the Company	本公司擁有人應佔權益	483,569	243,337
Non-controlling interests of Guangzhou Weigang	廣州維港非控股權益	53,730	27,037
		2019 2019年	2018 2018年
		RMB'000 人民幣千元	RMB'000 人民幣千元
Revenue	收入	606,594	475,632
Expenses	開支	(477,550)	(393,518)
Profit and total comprehensive income for the year	年內利潤及全面收益總額	129,044	82,114

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

40 PARTICULARS OF SUBSIDIARIES OF THE COMPANY (continued)

Guangzhou Weigang (continued)

		2019 2019年	2018 2018年
		RMB'000 人民幣千元	RMB'000 人民幣千元
Dividends paid to non-controlling interests of Guangzhou Weigang	已付廣州維港非控股權益股息	—	—
Net cash outflow from operating activities	經營活動產生的現金流出淨額	(50,251)	(50,843)
Net cash outflow from investing activities	投資活動產生的現金流出淨額	(39,373)	(45,092)
Net cash inflow financing activities	融資活動產生的現金流入淨額	151,649	92,870
Net cash inflow/(outflow)	現金流入／(流出)淨額	62,025	(3,065)

40 本公司的附屬公司詳情(續)

廣州維港(續)

		2019 2019年	2018 2018年
		RMB'000 人民幣千元	RMB'000 人民幣千元
Dividends paid to non-controlling interests of Guangzhou Weigang	已付廣州維港非控股權益股息	—	—
Net cash outflow from operating activities	經營活動產生的現金流出淨額	(50,251)	(50,843)
Net cash outflow from investing activities	投資活動產生的現金流出淨額	(39,373)	(45,092)
Net cash inflow financing activities	融資活動產生的現金流入淨額	151,649	92,870
Net cash inflow/(outflow)	現金流入／(流出)淨額	62,025	(3,065)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

41 ACQUISITION OF A SUBSIDIARY

On 9 May 2019, the Group entered into a sales and purchase agreement with Ms Zhang LiQin, an independent third party, pursuant to which a subsidiary of the Group, Guangzhou Weigang, has acquired 100% equity interest in Shenzhen Kaipu at a consideration of RMB1. The acquisition has been completed during the year. Shenzhen Kaipu is engaged in the provision of solid waste treatment in the PRC.

The fair value of identifiable assets and liabilities at the date of acquisition is as follows:

		<i>RMB'000</i> 人民幣千元
Cash and bank balances	現金及銀行結餘	1,080
Other receivables	其他應收款項	920
Other payables	其他應付款項	(2,000)
Net identifiable assets acquired	已收購可識別資產淨值	—*
Net cash inflow on acquisition of Shenzhen Kaipu	收購深圳開普的現金流入淨額	
		<i>RMB'000</i> 人民幣千元
Consideration satisfied by:	以下列方式支付代價：	
Cash paid	已付現金	—*
Less: Cash and cash equivalents acquired	減：已收購現金及現金等價物	1,080
Net cash inflows included in investing activities	計入投資活動的現金流入淨額	1,080

* less than RMB1,000

* 少於人民幣 1,000 元

41 收購一關附屬公司

於2019年5月9日，本集團與一名獨立第三方張莉琴女士訂立買賣協議，據此，本集團附屬公司廣州維港已按對價人民幣1元收購於深圳開普的100%股權。收購事項已於年內完成。深圳開普於中國從事提供固體廢物處理。

可識別資產及負債於收購日期的公允價值如下：

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

42 DISPOSAL OF A SUBSIDIARY

On 21 May 2019, Guangzhou Weigang have made a capital injection which represents 60% shareholding of Guangzhou Weigang.

On 8 October 2019, the Group and the shareholder of Weigang Hongda entered into a share transfer agreement with an independent third party, pursuant to which, the Group and the shareholder of Weigang Hongda agreed to sell 19% and 13% equity interests of Weigang Hongda to an independent third party at a consideration of RMB1. Upon the completion of disposal, the equity interest held by Guangzhou Weigang is decreased from 60% to 41%. In result, the Group's effective interests in shareholding of Weigang Hongda has changed from 54% to 37%, Weigang Hongda became the associate of the Group since then.

The net assets of Weigang Hongda at the date of disposal were as follows:

		<i>RMB'000</i> 人民幣千元
Net assets disposal of:	已出售資產淨值：	
Cash and bank balances	現金及銀行結餘	10
Net assets disposed of	已出售資產淨值	10

		<i>RMB'000</i> 人民幣千元
Loss on disposal of a subsidiary:	出售一間附屬公司的虧損：	
Consideration received	已收代價	— *
Net assets disposed of	已出售資產淨值	(10)
Investment in associates retained	保留於聯營企業的投資	4
Loss on disposal	出售事項的虧損	(6)

42 出售一間附屬公司

於2019年5月21日，廣州維港已注資相當於廣州維港60%股權的金額。

於2019年10月8日，本集團及維港泓達的股東與一名獨立第三方訂立股份轉讓協議，據此，本集團及維港泓達的股東同意向一名獨立第三方以對價人民幣1元出售維港泓達19%及13%的股東權益。於出售事項完成後，廣州維港所持的股東權益由60%減少至41%。因此，本集團於維港泓達的股權實際權益已由54%改為37%，維港泓達自此成為本集團的聯營企業。

維港泓達於出售日期的資產淨值如下：

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

42 DISPOSAL OF A SUBSIDIARY (continued)

42 出售一間附屬公司(續)

RMB'000
人民幣千元

Net cash outflow arising on disposal:	出售事項產生的現金流出淨額：	
Cash consideration	現金代價	— *
Less: bank balances and cash disposed of	減：已出售銀行結餘及現金	(10)
		(10)

* Less than RMB1,000

* 少於人民幣1,000元

43 TRANSACTION WITH NON-CONTROLLING INTERESTS — PARTIAL DISPOSAL OF A SUBSIDIARY WITHOUT LOSING CONTROL

43 與非控股權益的交易—部分出售一間附屬公司(不失去控制權)

On 5 August 2019, Guangzhou Weigang and Mr. Zhu Xin Wei ("Mr. Zhu"), an independent third party entered into capital injection for the increase of Xinjiang Wosen registered capital from RMB5,000,000 to RMB10,000,000 in which, Guangzhou Weigang and Mr. Zhu injected RMB100,000 and RMB4,900,000 into Xinjiang Wosen, respectively. After the above capital injection, Guangzhou Weigang and Mr. Zhu own 51% and 49% equity interest in Xinjiang Wosen respectively, and Xinjiang Wosen is still the subsidiary of the Group.

於2019年8月5日，廣州維港與一名獨立第三方朱新位先生(「朱先生」)訂立增資，將新疆沃森的註冊資本由人民幣5,000,000元增加至人民幣10,000,000元，其中，廣州維港及朱先生分別對新疆沃森注資人民幣100,000元及人民幣4,900,000元。在上述增資完成後，廣州維港及朱先生分別擁有新疆沃森51%及49%的股權，且新疆沃森仍然是本集團的附屬公司。

RMB'000
人民幣千元

Carrying amount of net assets transferred to non-controlling interests	轉撥至非控股權益的資產淨值的賬面值	(2,289)
Consideration received from non-controlling interests	自非控股權益收取的代價	4,900
Gains on partial disposal of equity interest recognised within equity	部分出售實體內確認的股權收益	2,611

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

44 COMPARATIVE FIGURES

The Group have initially applied IFRS 16 at 1 January 2019 using the modified retrospective approach. Under the transition methods chosen, comparative information is not restated. Further details of the changes in accounting policies are disclosed in Note 2.

In addition, certain comparative figures have been reclassified to conform to the current year's presentation.

45 EVENT AFTER THE REPORTING PERIOD

On 9 September 2019, Debo Environment (Guangzhou) Co., Ltd. ("Debo Environment", an indirect wholly-owned subsidiary of the Company) entered into a sales and purchase agreement with an independent third party Mr. Jin Tao, pursuant to which, both parties agreed to transfer 73% of equity interest of Qingyang Qingyi Petroleum Engineering Company Limited* ("Qingyi") at a consideration of RMB7,000,000. The consideration was determined after arm's length negotiations between the parties with reference to the prospects of the business of Qingyi, and will be paid in cash by Debo Environment. On 16 January 2020, the transaction has been completed.

At 27 December 2019, Debo Environment has entered into a capital increase and subscription agreement with Xinjiang Tiansheng Xinhong Environmental Protection Technology Co., Ltd* ("Tiansheng") and two independent third parties, Xinjiang Hongtong Industry and Trade Co., Ltd.* ("Hongtong") and Mr. Tian Yixin. Pursuant to the agreement, the Debo Environment shall subscribe for the increased registered capital of Tiansheng of RMB30,000,000 in cash. Upon the completion of the transaction, Tiansheng will be held as to 60% by the Group and 40% by Hongtong, and Tiansheng will become a non-wholly owned subsidiary of the Group. The completion is expected to take place by the end of April 2020 because of the COVID-19 outbreak. For the details, please refer to the Company's announcement dated 27 December 2019.

* The English names are for identification purpose only.

44 比較數字

本集團於2019年1月1日首次應用《國際財務報告準則》第16號時採用修改追溯法。按所選擇的過渡方法，比較資料未獲重報。有關會計政策變動之詳情披露於附註2。

此外，若干比較數字已獲重新分類，以符合本年度之呈列方式。

45 報告期後事件

於2019年9月9日，德博環境(廣州)有限公司(「德博環境」，本公司的間接全資附屬公司)與一名獨立第三方金韜先生訂立買賣協議，據此，雙方均同意以人民幣7,000,000元的對價轉讓慶陽慶義石油工程有限公司(「慶義」)73%股本權益。對價乃經訂約方經考慮慶義的業務前景後進行公平協商釐定，且對價將由德博環境以現金支付。交易已於2020年1月16日完成。

於2019年12月27日，德博環境與新疆天聖新宏環保科技有限公司(「天聖」)及兩名獨立第三方新疆宏通工貿有限公司(「宏通」)及田宜新先生訂立增資認購協議。根據該協議，德博環境將以現金認購天聖的新增註冊資本人民幣30,000,000元。於完成後，天聖將分別由本集團與宏通持有60%及40%，而天聖將成為本集團的非全資附屬公司。由於新型冠狀病毒疫情的爆發，交易完成預期將於2020年4月末前落實。有關詳細請參閱本公司於2019年12月27日發出的公告。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

46 STATEMENTS OF FINANCIAL POSITION AND RESERVES OF THE COMPANY

46 本公司財務狀況表及儲備

		2019 2019年	2018 2018年
		<i>RMB'000</i> 人民幣千元	<i>RMB'000</i> 人民幣千元
Non-current assets	非流動資產		
Investment in subsidiaries	於附屬公司的投資	3,813	2,168
Property, plant and equipment	物業、廠房及設備	—	56
Right-of-use assets	使用權資產	756	—
		4,569	2,224
Current assets	流動資產		
Deposits, prepayments and other receivables	按金、預付款項及其他應收款項	243	6,580
Amounts due from subsidiaries	應收附屬公司款項	226,699	54,205
Bank balances and cash	銀行結餘及現金	56,783	1,275
		283,725	62,060
Current liabilities	流動負債		
Other payables and accrued expenses	其他應付款項及應計開支	8,362	8,028
Amounts due to subsidiaries	應付附屬公司款項	352	5,386
Lease liabilities	租賃負債	546	—
		9,260	13,414
Net current assets	流動資產淨值	274,465	48,646
Total assets less current liabilities	資產總額減流動負債	279,034	50,870
Non-current liabilities	非流動負債		
Lease liabilities	租賃負債	235	—
NET ASSETS	資產淨值	278,799	50,870
Capital and reserves	資本及儲備		
Share capital	股本	55,100	41,413
Reserves	儲備	223,699	9,457
TOTAL EQUITY	權益總額	278,799	50,870

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

46 STATEMENTS OF FINANCIAL POSITION AND RESERVES OF THE COMPANY (continued)

46 本公司財務狀況表及儲備(續)

Movement in the Company's reserves

本公司儲備變動

		Share premium	Share- based payment reserve	Other reserve	Accumulated losses	Total
		股份溢價	以股份為基礎 的支付儲備	其他儲備	累計虧損	合計
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
At 1 January 2018	於2018年1月1日	—	—	8	(6,144)	(6,136)
Loss and total comprehensive expense for the year	年內虧損及 全面開支總額	—	—	—	(10,150)	(10,150)
Issue of ordinary shares to pre-IPO investors, net of share issue cost	向首次公開發售前投資者 發行普通股 (扣除股份發行成本)	16,281	—	—	—	16,281
Issue of ordinary shares by loan capitalisation	透過貸款資本化發行普通股	7,302	—	—	—	7,302
Recognition of equity- settled share based payment	確認股權結算以股份 為基礎的支付	—	2,160	—	—	2,160
At 31 December 2018	於2018年12月31日	23,583	2,160	8	(16,294)	9,457
Impact of adoption IFRS16	採納《國際財務報告準則》 第16號的影響	—	—	—	(12)	(12)
At 1 January 2019	於2019年1月1日	23,583	2,160	8	(16,306)	9,445
Loss and total comprehensive expense for the year	年內虧損及全面開支總額	—	—	—	(594)	(594)
Issue of ordinary shares relating to IPO	就首次公開發售發行普通股	227,195	—	—	—	227,195
Transaction costs attributable to issue of new share	發行新股份產生的交易成本	(13,648)	—	—	—	(13,648)
Recognition of equity- settled share based payment	確認股權結算以股份為基礎 的支付	—	1,301	—	—	1,301
At 31 December 2019	於2019年12月31日	237,130	3,461	8	(16,900)	223,699

FINANCIAL SUMMARY

財務摘要

Extracts from the consolidated statement of profit or loss and other comprehensive income

摘錄自綜合損益及其他全面收益表

		2019 2019年	2018 2018年	2017 2017年	2016 2016年	2015 2015年
		RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元
Revenue	收入	537,509	480,091	189,407	88,971	74,883
Cost of services	服務成本	(393,273)	(355,428)	(127,303)	(60,131)	(48,170)
Gross profit	毛利	144,236	124,663	62,104	28,840	26,713
Other income, gains and losses	其他收入、收益及虧損	11,862	8,110	2,372	786	113
Administrative expense	行政開支	(39,764)	(27,854)	(11,743)	(3,713)	(2,342)
Distribution and selling expenses	分銷及銷售開支	(2,280)	(951)	—	—	—
Other expenses	其他開支	(21,825)	(29,967)	(15,241)	(5,700)	(4,207)
Share of results of associates	應佔聯營企業的業績	(13)	—	(675)	2,667	443
Finance costs	融資成本	(1,094)	(6,031)	(438)	—	—
Profit before tax	稅前利潤	91,122	67,970	36,379	22,880	20,720
Income tax expense	所得稅開支	(13,091)	(10,559)	(6,620)	(3,357)	(5,105)
Profit for the year	年內利潤	78,031	57,411	29,759	19,523	15,615
Profit attributable to:	以下各方應佔利潤：					
Owners of the Company	本公司擁有人	66,984	49,799	30,195	19,523	15,615
Non-controlling interests	非控股權益	11,047	7,612	(436)	—	—
		78,031	57,411	29,759	19,523	15,615

Extracts from the consolidated statement of financial position

摘錄自綜合財務狀況表

		2019 2019年	2018 2018年	2017 2017年	2016 2016年	2015 2015年
		RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元
Total assets	資產總額	802,027	469,735	253,053	90,842	63,904
Total liabilities	負債總額	227,886	310,445	218,356	38,443	31,028
Non-controlling interests	非控股權益	57,326	27,220	(436)	—	—
Equity attributable to the owners of the Company	本公司擁有人應佔權益	516,815	132,070	35,133	52,399	32,876

GLOSSARY 釋義

"AGM"	the forthcoming annual general meeting for the year 2019 of the Company	「股東週年大會」	指 本公司即將舉行的2019年股東週年大會
"Audit Committee"	the audit committee under the Board	「審核委員會」	指 董事會屬下審核委員會
"Board"	board of directors of the Company	「董事會」	指 本公司董事會
"CG Code"	the Corporate Governance Code as set out in Appendix 14 of the Listing Rules	「《企業管治守則》」	指 《上市規則》附錄十四所載《企業管治守則》
"China" or "PRC"	the People's Republic of China, but for the purposes of this annual report and for geographical reference only (unless otherwise indicated), excluding Taiwan, Macau and Hong Kong	「中國」	指 中華人民共和國，僅就本年報及地理參考目的而言（除另有註明外），不包括台灣、澳門及香港
"Company" or "we"	an exempted company incorporated in the Cayman Islands with limited liability on 18 May 2017 under the names of "Weigang Environmental Technology Holding Group Limited" and "维港环保科技控股集团有限公司", and registered as a non-Hong Kong company under Part 16 of the Companies Ordinance	「本公司」或「我們」	指 以「Weigang Environmental Technology Holding Group Limited」及「维港环保科技控股集团有限公司」的名稱於2017年5月18日在開曼群島註冊成立的獲豁免有限公司，並根據《公司條例》第16部註冊為一家非香港公司
"DHW Holdings"	DHW Holdings Limited, a company incorporated in the BVI with limited liability on 30 January 2018, which is wholly owned by Mr. ZHANG	「大河灣控股」	指 大河灣控股有限公司，一家於2018年1月30日在英屬維爾京群島註冊成立的有限公司，由張維仰先生全資擁有
"Director(s)"	director(s) of the Company	「董事」	指 本公司董事
"Global Offering"	the offer of the Company's Shares for subscription as described in the section headed "Structure of the Global Offering" in the Prospectus	「全球發售」	指 誠如招股章程「全球發售的架構」一節所述，發售本公司股份以供認購
"Group"	the Company and its subsidiaries and operating entities	「本集團」	指 本公司以及其附屬公司及經營實體

GLOSSARY

釋義

“HKSCC”	Hong Kong Securities Clearing Company Limited	「香港結算」	指 香港中央結算有限公司
“HK\$” or “HKD”	Hong Kong dollars, the lawful currency for the time being of Hong Kong	「港元」	指 香港當時的法定貨幣港元
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC	「香港」	指 中國香港特別行政區
“IFRS”	the International Financial Reporting Standards, which include standards and interpretations promulgated by the International Accounting Standards Board (IASB), and the International Accounting Standards (IAS) and interpretation issued by the International Accounting Standards Committee (IASC)	「《國際財務報告準則》」	指 《國際財務報告準則》，包括國際會計準則理事會頒佈的準則及詮釋，以及國際會計準則委員會頒佈的國際會計準則及詮釋
“Independent Third Party(ies)”	any entity or person who is not a connected person of the Company within the meaning ascribed thereto under the Listing Rules	「獨立第三方」	指 並非本公司關連人士(定義見《上市規則》)的實體或個人
“Latest Practicable Date”	23 April 2020, being the latest practicable date for the purpose of ascertaining certain information contained in this annual report prior to its publication	「最後實際可行日期」	指 2020年4月23日，即於本年報發佈前為確定當中所載若干資料的最後實際可行日期
“Listing Date”	3 January 2019 on which the Shares were listed on the Stock Exchange	「上市日期」	指 2019年1月3日，即股份於聯交所上市當日
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, as amended from time to time	「《上市規則》」	指 《香港聯合交易所有限公司證券上市規則》，經不時修訂
“Memorandum and Articles of Association”	the amended and restated memorandum of articles of association and articles of association of our Company, conditionally adopted on 20 May 2018 with effect from the Listing Date, and as amended from time to time	「組織章程大綱及細則」	指 本公司於2018年5月20日有條件採納並自上市日期起生效的經修訂及重述組織章程大綱及章程細則，經不時修訂

GLOSSARY

釋義

"Model Code"	Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 of the Listing Rules	「《標準守則》」	指 《上市規則》附錄十所載《上市發行人董事進行證券交易的標準守則》
"Nomination Committee"	the nomination committee under the Board	「提名委員會」	指 董事會屬下提名委員會
"Period"	the year ended 31 December 2019	「期內」	指 截至2019年12月31日止年度
"PBOC"	People's Bank of China	「中國人民銀行」	指 中國人民銀行
"Pre-IPO Share Option Scheme"	the pre-IPO share option scheme of our Company as approved by the Board on 10 December 2018 with effective immediately prior to the completion of the Global Offering	「首次公開發售前購股權計劃」	指 董事會於2018年12月10日通過的本公司首次公開發售前購股權計劃，於緊接全球發售完成前生效
"Prospectus"	the prospectus of the Company dated 19 December 2018 in connection with the Hong Kong public offering of the Company	「招股章程」	指 本公司日期為2018年12月19日有關本公司香港公開發售的招股章程
"Remuneration Committee"	the remuneration committee under the Board	「薪酬委員會」	指 董事會屬下薪酬委員會
"RMB" or "Renminbi"	the lawful currency of the PRC	「人民幣」	指 中國的法定貨幣
"Reorganisation"	the reorganisation of the Group in preparation for Listing as set out in the subsection headed "History and Reorganisation and Group Structure – Reorganisation" in the Prospectus	「重組」	指 誠如招股章程「歷史、重組及集團架構 – 重組」分節所載述，本集團為籌備上市而進行的重組
"SFO"	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) as amended, supplemented or otherwise modified from time to time	「《證券及期貨條例》」	指 香港法例第571章《證券及期貨條例》，經不時修訂、補充或以其他方式修改
"SFC"	the Securities and Futures Commission of Hong Kong	「證監會」	指 香港證券及期貨事務監察委員會

GLOSSARY

釋義

“Shareholder(s)”	holder(s) of the Shares	「股東」	指 股份持有人
“Shares”	shares in the share capital of the Company, with a nominal value of HK\$0.05 each	「股份」	指 本公司股本中每股面值0.05港元的股份
“Stock Exchange”	The Stock Exchange of Hong Kong Limited	「聯交所」	指 香港聯合交易所有限公司
“Weigang Green”	Weigang Green Technology Limited, a company incorporated in the BVI with limited liability on 8 June 2017, which is wholly owned by Mr. Cai and is a Controlling Shareholder	「維港綠色」	指 維港綠色科技有限公司，一家於2017年6月8日在英屬維爾京群島註冊成立的有限公司，由蔡先生全資擁有，為控股股東
“WeiGang Technology”	WeiGang Technology Limited, a company incorporated in the BVI with limited liability on 3 January 2017, formerly known as “First Jump Inc.”, which is indirectly wholly owned by Mr. Cai through Weigang Green and is a Controlling Shareholder	「維港科技」	指 維港科技有限公司，一家於2017年1月3日在英屬維爾京群島註冊成立的有限公司（前稱「先越有限公司」），由蔡先生（通過維港綠色）間接全資擁有，為控股股東
“%”	per cent.	「%」	指 百分比

