



中國疏浚環保控股有限公司

China Dredging Environment Protection Holdings Limited

(Incorporated in the Cayman Islands with limited liability)

(於開曼群島註冊成立的有限公司)

Stock Code 股份代號: 871



2020

Annual Report 年報

Contents 目錄

- 2 Corporate Information
公司資料
- 5 Definitions
釋義
- 8 Financial Summary
財務概要
- 10 Group Chart
集團架構
- 11 Chairman's Statement
主席報告
- 14 Management Discussion and Analysis
管理層討論及分析
- 25 Directors' and Senior Management's Profile
董事及高級管理層簡介
- 31 Corporate Governance Report
企業管治報告
- 48 Environmental, Social and Governance Report
環境、社會及管治報告
- 57 Directors' Report
董事會報告
- 79 Independent Auditor's Report
獨立核數師報告
- 89 Consolidated Statement of Profit or Loss and
Other Comprehensive Income
綜合損益及其他全面收益表
- 90 Consolidated Statement of Financial Position
綜合財務狀況表
- 92 Consolidated Statement of Changes in Equity
綜合權益變動表
- 93 Consolidated Statement of Cash Flows
綜合現金流量表
- 95 Notes to the Consolidated Financial Statements
綜合財務報表附註



Corporate Information 公司資料

BOARD OF DIRECTORS

Executive Directors:

Mr. Liu Kaijin (*Chairman*)
Mr. Wu Bin (*Vice Chairman*) (resigned on 31 March 2020)
Mr. Wu Xuze (*Chief Executive Officer*)
Ms. Zhou Shuhua

Independent Non-Executive Directors:

Mr. Huan Xuedong
Mr. Chan Ming Sun Jonathan
Mr. Liang Zequan

AUDIT COMMITTEE

Mr. Chan Ming Sun Jonathan (*Chairman*)
Mr. Huan Xuedong
Mr. Liang Zequan

REMUNERATION COMMITTEE

Mr. Liang Zequan (*Chairman*)
Mr. Huan Xuedong
Mr. Chan Ming Sun Jonathan

NOMINATION COMMITTEE

Mr. Liu Kaijin (*Chairman*)
Mr. Chan Ming Sun Jonathan
Mr. Liang Zequan

AUTHORISED REPRESENTATIVES

Mr. Liu Kaijin
Ms. Wong Kwan Lai

董事會

執行董事：

劉開進先生 (*主席*)
伍斌先生 (*副主席*) (於二零二零年三月三十一日辭任)
吳旭澤先生 (*行政總裁*)
周淑華女士

獨立非執行董事：

還學東先生
陳銘樂先生
梁澤泉先生

審核委員會

陳銘樂先生 (*主席*)
還學東先生
梁澤泉先生

薪酬委員會

梁澤泉先生 (*主席*)
還學東先生
陳銘樂先生

提名委員會

劉開進先生 (*主席*)
陳銘樂先生
梁澤泉先生

授權代表

劉開進先生
黃君麗女士

COMPANY SECRETARY

Ms. Wong Kwan Lai

公司秘書

黃君麗女士

LEGAL ADVISORSChungs Lawyers (as to Hong Kong Law)
Zhong Lun Law Firm (as to PRC law)**法律顧問**鍾氏律師事務所(香港法律顧問)
中倫律師事務所(中國法律顧問)**AUDITOR**Moore Stephens CPA Limited
Certified Public Accountants
Registered Public Interest Entity Auditors**核數師**大華馬施雲會計師事務所有限公司
註冊會計師
註冊公眾利益實體核數師**PRINCIPAL BANKERS**Bank of Jiangsu Co. Ltd, Yancheng Branch
Agricultural Bank of China Limited, Yancheng Branch
China Construction Bank (Asia) Corporation Limited**主要往來銀行**江蘇銀行股份有限公司鹽城分行
中國農業銀行股份有限公司鹽城分行
中國建設銀行(亞洲)股份有限公司**REGISTERED ADDRESS**Cricket Square, Hutchins Drive,
P.O. Box 2681, Grand Cayman KY1-1111,
Cayman Islands**註冊地址**Cricket Square, Hutchins Drive,
P.O. Box 2681, Grand Cayman KY1-1111,
Cayman Islands**HEADQUARTERS AND PRINCIPAL PLACE OF BUSINESS***The People's Republic of China:*
7/F, Shengzhou Tower, 39 Xindu West Road,
Yandu District, Yancheng City,
Jiangsu Province, the PRC**總部及主要營業地點**中華人民共和國：
中國江蘇省
鹽城市鹽都區
新都西路39號盛州大廈七樓*Hong Kong:*
Rooms 1501-2, 15/F,
Siu On Plaza,
482 Jaffe Road,
Causeway Bay, Hong Kong香港：
香港銅鑼灣
謝斐道482號
兆安廣場
15樓1501-2室

Corporate Information (Continued)

公司資料(續)

PRINCIPAL SHARE REGISTRAR

Conyers Trust Company (Cayman) Limited

BRANCH SHARE REGISTRAR

Tricor Investor Services Limited

STOCK CODE

871

WEBSITE

www.cdep.com.hk

主要股份登記處

Conyers Trust Company (Cayman) Limited

股份登記分處

卓佳證券登記有限公司

股份代號

871

網站

www.cdep.com.hk

“Articles” 「細則」	the articles of association of the Company 本公司組織章程細則
“Audit Committee” 「審核委員會」	the audit committee of the Board 董事會審核委員會
“Board” 「董事會」	the board of Directors 董事會
“Bonds” 「債券」	the three per cent convertible bonds in the aggregate principal amounts of HK\$243 million due 2016 issued by the Company under the subscription agreement dated 28 October 2013 entered into between the Company and the Bondholder 本公司根據與債券持有人於二零一三年十月二十八日訂立的認購協議發行本金總額為243,000,000港元於二零一六年到期的三厘可換股債券
“Bondholder”/“CITIC” 「債券持有人」/「CITIC」	CITIC Capital China Access Fund Limited
“CG Code” 「企業管治守則」	the code provisions as contained in “Corporate Governance Code and Corporate Governance Report” set out in Appendix 14 to the Listing Rules (as amended from time to time), which are adopted (with modification) by the Board as its corporate governance code 上市規則附錄十四所載的「企業管治守則及企業管治報告」中所列的守則條文(經不時修訂)，董事會已附加修訂採用作為其企業管治守則
“Company”/“China Dredging ENV” 「本公司」/「中國疏浚環保」	China Dredging Environment Protection Holdings Limited 中國疏浚環保控股有限公司
“Contractual Arrangements” 「合約安排」	a series of contracts, brief details of which are set out in note 42 to the consolidated financial statements in this annual report, pursuant to which all economic benefits and risks arising from the business of Jiangsu Xingyu are transferred to Xiangyu PRC 一系列合約，簡介載於本年報綜合財務報表附註42，據此江蘇興宇的業務中產生的一切經濟利益及風險均轉撥至翔宇中國
“Director(s)” 「董事」	director(s) of the Company 本公司董事
“Group” 「集團」/「本集團」	the Company and its subsidiaries 本公司及其附屬公司
“HK\$” 「港元」	Hong Kong dollars, the lawful currency of Hong Kong 港元，香港法定貨幣

Definitions (Continued)**釋義 (續)**

“Jiangsu Jiaolong” 「江蘇蛟龍」	Jiangsu Jiaolong Salvage Harbour Engineering Co. Ltd.*, a non-wholly owned subsidiary of the Company 江蘇蛟龍打撈航務工程有限公司，本公司一間非全資附屬公司
“Jiangsu Xingyu” / “PRC Operational Entity” 「江蘇興宇」/ 「中國經營實體」	Jiangsu Xingyu Holdings Group Limited* (formerly known as Jiangsu Xingyu Port Construction Company Limited*), a wholly-owned subsidiary of the Company 江蘇興宇控股集團有限公司(前稱江蘇興宇港建有限公司)，本公司一間全資附屬公司
“Listing Rules” 「上市規則」	Rules Governing the Listing of Securities on the Stock Exchange (as amended from time to time) 聯交所證券上市規則(經不時修訂)
“Model Code” 「標準守則」	Model Code for Securities Transactions by Directors of Listed Issuers set out in Appendix 10 to the Listing Rules (as amended from time to time) 上市規則附錄十所載的上市發行人董事進行證券交易的標準守則(經不時修訂)
“Mr. Liu” 「劉先生」	Mr. Liu Kaijin, chairman and an executive Director (who is the spouse of Ms. Zhou) 主席兼執行董事劉開進先生(為周女士之配偶)
“Ms. Zhou” 「周女士」	Ms. Zhou Shuhua, an executive Director (who is the spouse of Mr. Liu) 執行董事周淑華女士(為劉先生之配偶)
“Nomination Committee” 「提名委員會」	the nomination committee of the Board 董事會提名委員會
“PRC” 「中國」	the People’s Republic of China 中華人民共和國
“Remuneration Committee” 「薪酬委員會」	the remuneration committee of the Board 董事會薪酬委員會
“RMB” 「人民幣」	Renminbi, the lawful currency of the PRC 人民幣，中國法定貨幣
“Reporting Period” / “Review Period” 「報告期間」/「回顧期間」	for the year ended 31 December 2020 截至二零二零年十二月三十一日止年度
“SFO” 「證券及期貨條例」	the Securities and Futures Ordinance (Cap 571 of the Laws of Hong Kong) (as amended from time to time) 香港法例第571章證券及期貨條例(經不時修訂)

Definitions (Continued)

釋義 (續)

“Shareholder(s)” 「股東」	shareholder(s) of the Company 本公司股東
“Share(s)” 「股份」	ordinary share(s) of HK\$0.10 each in the share capital of the Company 本公司股本中每股面值0.10港元之普通股
“Share Option Scheme” 「購股權計劃」	the share option scheme of the Company approved by Shareholders on 24 May 2011 股東於二零一一年五月二十四日批准之本公司購股權計劃
“Stock Exchange” 「聯交所」	The Stock Exchange of Hong Kong Limited 香港聯合交易所有限公司
“Xiangyu Environment Protection” 「翔宇環保」	Jiangsu Xiangyu Environment Protection Equipment Company Limited*, a wholly-owned subsidiary of the Company 江蘇翔宇環保設備有限公司，本公司一間全資附屬公司
“Xiangyu PRC” 「翔宇中國」	Jiangsu Xiangyu Port Constructing Project Administration Co. Ltd. *, a wholly-owned subsidiary of the Company 江蘇翔宇港建工程管理有限公司，本公司一間全資附屬公司

* For identification purpose only

* 僅供識別

Financial Summary

財務概要

The following is a summary of the published results and assets and liabilities of the Group for the past five financial years.

以下為本集團於過往五個財政年度的已公佈業績以及資產及負債概要。

RESULTS

業績

		Year ended 31 December 截至十二月三十一日止年度				
		2020 二零二零年 RMB'000 人民幣千元 (audited) (經審核)	2019 二零一九年 RMB'000 人民幣千元 (audited) (經審核)	2018 二零一八年 RMB'000 人民幣千元 (audited) (經審核)	2017 二零一七年 RMB'000 人民幣千元 (audited) (經審核)	2016 二零一六年 RMB'000 人民幣千元 (audited) (經審核)
Revenue	收益	286,341	442,368	618,833	650,924	667,154
(Loss)/profit before tax	除稅前(虧損)/溢利	(525,335)	(411,355)	(232,345)	111,234	122,220
Income tax (expense) credit	所得稅(開支)抵免	(12,029)	(110,673)	(22,150)	(39,030)	(46,970)
Net (loss)/profit	(虧損)/溢利淨額	(537,364)	(522,028)	(254,495)	72,204	75,250
Net (loss)/profit attributable to:	以下人士應佔(虧損)/溢利淨額:					
Owners of the company	本公司擁有人	(526,583)	(517,586)	(258,647)	71,040	68,794
Non-controlling interests	非控股權益	(10,781)	(4,442)	4,152	1,164	6,456
		(537,364)	(522,028)	(254,495)	72,204	75,250

ASSETS AND LIABILITIES

資產及負債

		31 December 於十二月三十一日				
		2020 二零二零年 RMB'000 人民幣千元 (audited) (經審核)	2019 二零一九年 RMB'000 人民幣千元 (audited) (經審核)	2018 二零一八年 RMB'000 人民幣千元 (audited) (經審核)	2017 二零一七年 RMB'000 人民幣千元 (audited) (經審核)	2016 二零一六年 RMB'000 人民幣千元 (audited) (經審核)
Non-current assets	非流動資產	1,796,319	1,970,896	2,172,683	2,275,052	2,441,565
Current assets	流動資產	612,046	876,272	1,176,404	1,312,737	1,389,083
Current liabilities	流動負債	(1,169,495)	(1,159,452)	(1,145,461)	(1,134,800)	(1,445,784)
Non-current liabilities	非流動負債	(201,012)	(124,542)	(115,000)	(115,739)	(115,362)
Net assets	資產淨值	1,037,858	1,563,174	2,088,626	2,337,250	2,269,502

Financial Summary (Continued)

財務概要(續)

STATEMENT OF FINANCIAL POSITION OF THE COMPANY

本公司的財務狀況表

The statement of financial position of the Company as at the end of the Reporting Period is as follows:

本公司於報告期末的財務狀況表如下：

		2020 二零二零年 RMB'000 人民幣千元	2019 二零一九年 RMB'000 人民幣千元
ASSETS	資產		
Unlisted investments in subsidiaries	於附屬公司之非上市投資	258,375	259,214
Amounts due from subsidiaries	應收附屬公司的款項	4,486	436,964
Bank balances and cash	銀行結餘及現金	119	128
		262,980	696,306
LIABILITIES	負債		
Other payables	其他應付款項	7,964	3,709
Amounts due to subsidiaries	應收附屬公司款項	17,860	—
Amounts due to Directors	應付董事款項	5,903	5,450
Bonds payable	應付債券	287,482	286,804
		319,209	295,963
TOTAL ASSETS LESS TOTAL LIABILITIES	總資產減總負債	(56,229)	400,343
CAPITAL AND RESERVES	資本及儲備		
Share capital	股本	167,914	150,365
Deficient/reserves (note)	虧絀/儲備(附註)	(224,143)	249,978
TOTAL EQUITY	權益總額	(56,229)	400,343

Note:

Reserves of the Company

附註：

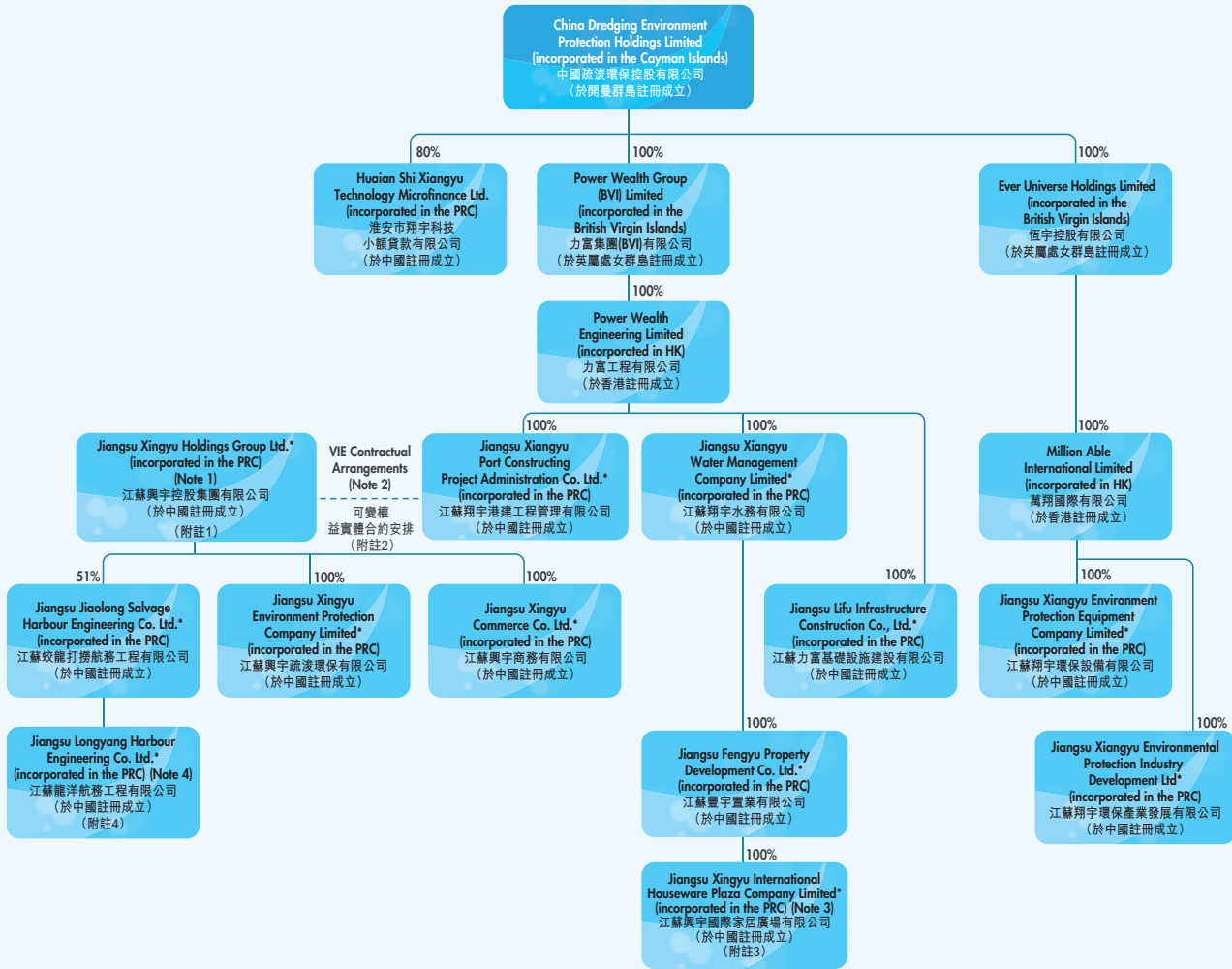
本公司的儲備

		Share premium 股份溢價 RMB'000 人民幣千元	Share option reserve 購股權儲備 RMB'000 人民幣千元	Other reserve 其他儲備 RMB'000 人民幣千元	Accumulated losses 累計虧損 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
At 1 January 2019	於二零一九年一月一日	928,198	2,752	165,238	(308,574)	787,614
Exercise of share options	行使購股權	523	(279)	—	—	244
Share option lapsed	購股權失效	—	(2,473)	—	2,473	—
Loss for the year	年內虧損	—	—	—	(537,880)	(537,880)
At 31 December 2019	於二零一九年十二月三十一日	928,721	—	165,238	(843,981)	249,978
Equity-settled share-based payments	以權益結算的股份付款	—	292	—	—	292
Loss for the year	年內虧損	—	—	—	(474,413)	(474,413)
At 31 December 2020	於二零二零年十二月三十一日	928,721	292	165,238	(1,318,394)	(224,143)

Group Chart 集團架構

The following sets out the corporate structure of the Group as at 31 December 2020:

下圖列示本集團於二零二零年十二月三十一日的企業架構：



Notes:

- Mr. Liu and Ms. Zhou are the registered holders of the registered capital in Jiangsu Xingyu, and Ms. Zhou holds all her equity interest in Jiangsu Xingyu as trustee for Mr. Liu.
- On 19 April 2011, Jiangsu Xingyu, Xiangyu PRC, Mr. Liu and Ms. Zhou entered into the Contractual Arrangements, pursuant to which all economic benefits and risks arising from the business of Jiangsu Xingyu are transferred to Xiangyu PRC.
- On 3 April 2020, the company name of Yancheng Juranzhijia Home Building Material Commercial Management Limited* was changed to Jiangsu Xingyu International Houseware Plaza Company Limited*.
- Jiangsu Longyang Harbour Engineering Co. Ltd.* was incorporated in the PRC on 18 May 2020.
- Xiangyu Dredging Company Limited was disposed on 17 December 2020.

* For identification purpose only

附註：

- 劉先生及周女士為江蘇興宇註冊資本的登記持有人，及周女士作為劉先生的信託人持有其於江蘇興宇的所有股權。
- 於二零一一年四月十九日，江蘇興宇、翔宇中國、劉先生及周女士訂立合約安排，據此，江蘇興宇業務產生的所有經濟利益及風險均轉讓予翔宇中國。
- 於二零二零年四月三日，鹽城居然之家家居建材商業管理有限公司的名稱變更為江蘇興宇國際家居廣場有限公司。
- 江蘇龍洋航務工程有限公司於二零二零年五月十八日在中國註冊成立。
- 於二零二零年十二月十七日出售翔宇疏浚有限公司。

* 僅供識別



Chairman's Statement 主席報告



Chairman's Statement (Continued)

主席報告 (續)

To Shareholders:

2020 was the most challenging year in the business history of the Group. Since early last year, the Group has been hit by the outbreak of the novel coronavirus disease ("COVID-19") pandemic inside and outside of China, resulting in delays in the work schedule of 2020 for both domestic and overseas projects under construction or works ready to start, and also a significant increase in the construction costs and a decrease in the construction efficiency of various projects, which has caused unprecedented risks and pressures to the Group's operation.

For the financial year 2020, the Group recorded a total revenue of approximately RMB286.3 million, representing a decrease of 35.3% as compared with the financial year 2019 of approximately RMB442.4 million. While the revenue decreased significantly, our substantial fixed costs, such as depreciation of assets and repair and maintenance of equipment, didn't decrease accordingly, therefore, the Group recorded a gross loss and had to provide an impairment for property, plant and equipment of RMB248.1 million. Coupled with the recognition of the allowance for expected credit losses of RMB150.0 million, the Group recorded another net loss of approximately RMB537.4 million for the year.

Despite the severe impact of the sudden outbreak of the COVID-19 pandemic inside and outside of China successively on the Group's operation in 2020, the Group responded to the crisis with the following: on one hand, the Group adopted various measures to ensure stability, including the stability of construction team and management team, the stability of work on hand and projects followed up, the stability of existing equipment upgrading and new equipment investment, etc. to preserve the Group's living space by every means; on the other hand, the Group seized all possible opportunities to reduce debts and optimise capital structure of the Group. Recently, the Group has successfully settled CITIC Capital's debt, the Group's largest and most urgent debt pressure. We will continue to maintain a robust business approach, select and capture various opportunities in a prudent manner and further expand our existing businesses.

致各股東：

二零二零年是本集團有史以來經營歷程中最艱難的一年。自去年年初起，本集團受到國內和國外新型冠狀病毒病疫情的雙重衝擊，致使國內和國外在建項目和將要開工的工程均於二零二零年度的工作時間表出現延誤，且大幅增加了各工程項目的施工成本，以及施工效率降低等，令營運面臨的風險和壓力前所未有。

於二零二零年財政年度，本集團錄得總收益約人民幣286,300,000元，較二零一九年財政年度錄得約人民幣442,400,000元的總收益下降35.3%。由於收益大幅減少的同時，資產折舊、設備維護保養等大額固定成本卻不會因而下降，導致本集團錄得毛利虧損，繼而需對物業、廠房及設備作出減值人民幣248,100,000元，再加上確認預期信貸虧損撥備人民幣150,000,000元，令本集團於本年度再次錄得淨虧損約人民幣537,400,000元。

儘管本集團二零二零年經營意外地遭受新型冠狀病毒病疫情在國內和國外相繼暴發的巨大衝擊，為應對危機，本集團一方面採取多種措施保穩定，包括施工和經營隊伍的穩定，在手工程和跟蹤項目的穩定，現有設備改造和新設備投資推進進度的穩定等等，全力維護企業生存空間，另一方面，搶抓機遇，努力改善集團的債務負擔，優化資本結構，最終將集團目前面臨的最龐大也是最迫切的債務包袱——中信資本債務，成功卸載。我們會繼續貫徹穩健經營的作風，審慎選擇和把握各種機遇，冀能繼續擴展目前的業務。

Chairman's Statement (Continued) 主席報告(續)

Looking forward, while we are seeing rollouts of COVID-19 vaccination programs, it remains uncertain as to the state of pandemic control inside and outside of China, and in particular, the time of the pandemic in foreign countries is hard to predict. Given the large fleets of the Group's operating vessels are mainly in foreign countries, the Group must be well prepared for the difficulties it will face for a long period, continue to stabilise project, team and management system as the top priority of this year's work, and make full use of the opportunities arising from the rapid development of China's offshore wind power industry in recent years and seek to participate in more wind power construction projects to lay a solid foundation for the future development of the Group.

As a professional dredging service provider with years of experience, no matter how daunting the challenge may be, the Group will adhere to the dredging business and other marine business as our two principal businesses, stay loyal to our clients to provide them with quality service, and generate returns for our Shareholders.

Liu Kaijin

Chairman and Executive Director

16 April 2021

放眼未來，儘管疫苗計劃的推出，但國內外新型冠狀病毒疫情的控制程度仍存在相當的不確定性，尤其是國外疫情時間難以預測，而本集團的大型施工船舶和隊伍則主要集中在國外。為此，本集團須對一段時間內將面臨的困難有充分準備，仍需將穩定項目、穩定隊伍、穩定管理體系作為今年工作的重中之重，同時，充分利用近年國內海上風能發電產業快速發展的際遇，積極爭取參與更多風能發電的建設工程，為集團的後續發展奠定堅實的基礎。

本集團作為一個具有多年經驗的專業疏浚服務提供者，無論挑戰如何艱巨，我們會始終堅守疏浚和其他海事這兩大的主營業務，忠於我們的客戶和為客戶提供有品質的服務，以為股東創造回報。

主席兼執行董事

劉開進

二零二一年四月十六日



Management Discussion and Analysis

管理層討論 及分析

Management Discussion and Analysis (Continued)

管理層討論及分析(續)

OVERVIEW

The Group is primarily engaged in dredging business, which can be divided into three main operating and reportable segments, namely, (i) capital and reclamation dredging business (the “CRD Business”); (ii) environmental protection dredging and water management business (the “EPD and Water Management Business”); and (iii) other works operated in marine sites such as hoisting wind power equipment, installing major parts of docks and bridges, as well as laying underwater pipelines and salvaging (the “Other Marine Business”). In addition, the Group has managed property management business in respect of the management of Xingyu International Houseware Plaza* (興宇國際家居廣場) (formerly known as Easyhome Yancheng Shopping Mall* 居然之家鹽城店) (the “Property Management Business”).

FINANCIAL REVIEW

Revenue

During the Reporting Period, the Group recorded a substantial decrease by about 35.3% in total revenue from approximately RMB442.4 million for the year ended 31 December 2019 to approximately RMB286.3 million.

As regards the CRD Business segment, revenue of approximately RMB71.4 million was recorded for the Reporting Period, which decreased by about 50.8% when compared to that for the year ended 31 December 2019. The decrease in revenue was primarily due to the outbreak of COVID-19 in mainland China during the first half of the year. When the pandemic came under control and construction environment became better within mainland China during the second half year, the pandemic became out of control in the overseas. As the production capacity of the large-scale dredgers of the Group is mainly from the overseas countries, yet the equipment replacement, the supply of repair materials and the rotation and support of the key personnel of the operation and project teams are all from mainland China, the pandemic has caused serious impact on the operation of the Group, regardless of whether the outbreak occurred in the first half or the second half of the year and regardless of whether it occurred within or outside of mainland China. Hence, the progress of the construction projects seriously lagged behind their schedules or was even halted, resulting in the decrease in the revenue.

概覽

本集團主要致力於疏浚業務，相關的業務可分為三個主要營運及呈報分部，即(i)基建及填海疏浚業務(「基建及填海疏浚業務」)；(ii)環保疏浚及水務管理業務(「環保疏浚及水務管理業務」)；(iii)海上操作的其他工程，如風力發電設備吊裝、碼頭和橋樑建設大件安裝、水下管線鋪設及打撈工程(「其他海事業務」)。此外，本集團就管理興宇國際家居廣場(前稱居然之家鹽城店)而設立的物業管理業務(「物業管理業務」)。

財務回顧

收益

於報告期間，本集團錄得之總收益大幅下跌，由截至二零一九年十二月三十一日止年度的約人民幣442,400,000元減少約35.3%至約人民幣286,300,000元。

於報告期間，基建及填海疏浚業務分部錄得收益約人民幣71,400,000元，較截至二零一九年十二月三十一日止年度的收益減少約50.8%，收益減少主要是由於新型冠狀病毒病疫情於上半年在國內爆發，當國內疫情於下半年受控，施工環境轉好時，疫情在國外大規模爆發以致失控。由於本集團大型船舶產能以國外為主，而設備更新、維修所需物資供應，以及經營骨幹和施工團隊的輪崗和支援，均來自國內，因此無論於上半年還是下半年，無論疫情肆虐地區是國內還是國外，均對本集團經營帶來很大衝擊，令相關工程項目進度驟減甚或停頓，因而導致收入減少。

Management Discussion and Analysis (Continued)

管理層討論及分析(續)

FINANCIAL REVIEW (CONTINUED)

Revenue (Continued)

Revenue of approximately RMB49.1 million was recorded for the EPD and Water Management Business segment, representing a slight increase of about 2.4% from its corresponding segment revenue for the year ended 31 December 2019. The increase was caused by the desirable works progress of certain environmental protection dredging projects as COVID-19 was under control in the second half of the year in mainland China.

Revenue for the Other Marine Business was approximately RMB158.9 million, representing a decrease of 34.2% as compared with the corresponding period of 2019. The decrease in revenue was mainly due to the influence of the pandemic.

Revenue for the Property Management Business segment for the Reporting Period was approximately RMB6.9 million, which decreased by about 11.0% from RMB7.7 million for the year ended 31 December 2019.

Operating Cost and Gross Profit

The Group's operating cost decreased from approximately RMB391.0 million for the year ended 31 December 2019 to approximately RMB330.0 million during the Reporting Period, representing a decrease of about 15.6%. The decrease was primarily due to the drop of the business volume along with the decrease in overall revenue.

The Group recorded a gross loss of approximately RMB43.6 million for the Reporting Period as compared with a gross profit of approximately RMB51.4 million for the year ended 31 December 2019. Gross loss margin of 15.2% was recorded for the Reporting Period as compared with a gross profit margin of 11.6% for the year ended 31 December 2019. The significant drop in the revenue brought by the successive outbreak of COVID-19 in mainland China and overseas, while substantial costs such as depreciation of assets and maintenance of equipment did not decrease. Meanwhile, the outbreak of the pandemic escalated the transportation costs of supplies and personnel, resulting in reduced efficiency.

Net Other Gain

The Group recorded a net other gains of RMB25.6 million during the Reporting Period as compared with a net other losses of RMB5.6 million for year ended 31 December 2019, which was primarily caused by the recognition of the exchange gain of RMB22.2 million for the Reporting Period

財務回顧(續)

收益(續)

環保疏浚及水務管理業務分部錄得收益約人民幣49,100,000元，較截至二零一九年十二月三十一日止年度相應分部收益輕微增加約2.4%，收益增加是由於國內下半年疫情受控，相關工程於下半年順利開展所致。

其他海事業務錄得收益約人民幣158,900,000元，較二零一九年同期減少34.2%，此乃主要由於受疫情影響，導致營業收入減少所致。

於報告期間的物業管理業務分部收益約人民幣6,900,000元，較截至二零一九年十二月三十一日止年度的人民幣7,700,000元減少約11.0%。

營運成本及毛利

本集團的營運成本由截至二零一九年十二月三十一日止年度的約人民幣391,000,000元下降約15.6%至報告期間的約人民幣330,000,000元，主要由於業務量減少所致。

本集團於報告期間錄得毛損約人民幣43,600,000元，而截至二零一九年十二月三十一日止年度則錄得毛利約人民幣51,400,000元。由截至二零一九年十二月三十一日止的毛利率11.6%下跌至報告期間的毛損率15.2%。新型冠狀病毒病疫情在國內和國外相繼爆發帶來的連續影響導致營業收入較大幅度下降，而資產折舊、設備維護保養等大額固定成本卻沒有減少，同時疫情爆發直接帶來物資運輸、人員流動等效率下降和成本上升。

其他收益淨額

於報告期間，本集團的其他收益淨額為人民幣25,600,000元，而截至二零一九年十二月三十一日止年度則為其他虧損淨額為人民幣5,600,000元，主要是由於報告期間確認匯兌收益人民幣22,200,000元。

Management Discussion and Analysis (Continued)

管理層討論及分析(續)

FINANCIAL REVIEW (CONTINUED)

Expected Credit Loss Allowance

As a further prudent measure in managing the trade receivables and the contract assets, the Company appointed an independent external professional valuer to make an independent valuation and based on its suggestion to recognise the allowance for expected credit losses on trade receivables, prepayment and the contract assets of about RMB150.0 million in total for the Reporting Period (2019: about RMB333.7 million).

Impairment loss

During the Reporting Period, a non-cash impairment loss of RMB254.0 million was recognised on the property, plant and equipment and the right-of-use assets, mainly attributable to the continuing challenging market condition as an impairment indicator to the Group's businesses. No such impairment loss was recorded for the year ended 31 December 2019.

Marketing and Promotion Expenses

Marketing and promotion expenses for the Reporting Period was approximately RMB6.0 million, representing a decrease of about 21.3% as compared with approximately RMB7.7 million for the year ended 31 December 2019, which was mainly attributable to the decrease in marketing and promotion activities resulting from the outbreak of COVID-19.

Administrative Expenses

Administrative expenses for the Reporting Period amounted to approximately RMB75.6 million, representing an increase of about 15.0% from RMB65.7 million for the year ended 31 December 2019. This was mainly due to the change of allocation of depreciation charge of certain dredgers as administrative expenses instead of operating costs resulting from such dredgers lying idle during the year.

Finance Costs

Finance costs for the Reporting Period amounted to approximately RMB43.4 million, which decreased by about 3.7% when compared to that for the corresponding period last year.

Income Tax Expense

Income tax expense decreased from approximately RMB110.7 million for the year ended 31 December 2019 to approximately RMB12.0 million for the Reporting Period.

財務回顧(續)

預期信貸虧損撥備

作為管理應收賬款及合約資產之進一步審慎措施，本公司聘請獨立專業估值師就應收賬款及合約資產的公平值進行估值，並按其建議確認預期信貸虧損。本公司就報告期應收賬款、預付款及合約資產合共作出約人民幣150,000,000元的預期信貸虧損撥備(二零一九：約333,700,000元)。

減值虧損

於報告期間，本集團確認一項非現金的物業、廠房及設備和使用權資產的減值虧損約人民幣254,000,000元，主要是由於持續充滿挑戰的市場環境引致本集團業務有減值的跡象。截至二零一九年十二月三十一日止年度並無錄得該項減值。

市場推廣及宣傳開支

於報告期間的市場推廣及宣傳開支約為人民幣6,000,000元，較於截至二零一九年十二月三十一日止年度的約人民幣7,700,000元減少約21.3%，此乃主要由於國內外疫情導致市場開拓活動減少所致。

行政開支

於報告期間，本集團的行政開支約為人民幣75,600,000元，較截至二零一九年十二月三十一日止年度的人民幣65,700,000元增加15.0%。此乃主要由於部分船舶年內沒有施工，其折舊費由營運成本改為行政開支所致。

融資成本

報告期間的融資成本約人民幣43,400,000元，較去年同期減少約3.7%。

所得稅開支

由截至二零一九年十二月三十一日止年度所得稅開支約人民幣110,700,000元減少至報告期間的約人民幣12,000,000元。

Management Discussion and Analysis (Continued)

管理層討論及分析(續)

FINANCIAL REVIEW (CONTINUED)

Loss for the Year

Influenced by the above factors as a whole, the net loss for the Reporting Period was approximately RMB537.4 million, representing an increase of approximately 3.0% as compared to a net loss of approximately RMB522.0 million for the year ended 31 December 2019.

Loss Per Share

Loss per share for the Reporting Period was approximately RMB0.550 per share (2019: approximately RMB0.583).

Financial Management Policies

The Group in its ordinary course of business is exposed to market risks such as currency risk and interest rate risk. The Group's risk management strategy aims to mitigate the adverse effects of these risks on its financial performance in full measure.

As most of the Group's trading transactions, monetary assets and liabilities are denominated mainly in Renminbi, which is the Group's functional and reporting currency, and save for the Bonds and certain bank borrowings and deposits denominated in United States dollars and Hong Kong dollars, the foreign exchange gain recognised for the Reporting Period was approximately RMB22.2 million (31 December 2019: exchange loss of approximately RMB5.8 million). The Group is giving full attention to respond to the related foreign exchange rate risks.

As current interest rates stay at relatively low levels, the Group has not entered into any interest rate hedging contracts or any other interest rate related derivative financial instruments. Nonetheless, the Group will continue to closely monitor its related interest rate exposure.

Financial Position

As at 31 December 2020, the total equity of the Group amounted to approximately RMB1,037.9 million (31 December 2019: approximately RMB1,563.2 million). The decrease in total equity was mainly attributable to the operating loss, the recognition of the expected credit loss allowance and the impairment of the assets for the Reporting Period.

The Group's net current liabilities as at 31 December 2020 amounted to approximately RMB557.4 million (31 December 2019: approximately RMB283.2 million). The current ratio, which is calculated by dividing current assets by current liabilities, was 0.52 as at 31 December 2020 (31 December 2019: 0.76).

財務回顧(續)

年內虧損

由於以上因素的綜合影響，報告期間錄得淨虧損約人民幣537,400,000元，較截至二零一九年十二月三十一日止年度的約人民幣522,000,000元增加約3.0%。

每股虧損

報告期間每股基本虧損為每股人民幣約0.550元(二零一九年：約人民幣0.583元)。

財務管理政策

本集團於其一般業務過程中面臨市場風險(包括貨幣風險及利率風險)。本集團的風險管理策略旨在將該等風險對其財務表現的不利影響降至最低。

由於本集團的大部分買賣交易、貨幣資產及負債主要以人民幣(本集團的功能及呈報貨幣)計值，惟債券及若干銀行貸款及結餘以美元及港元計值，於報告期間確認匯兌收益約人民幣22,200,000元(二零一九年十二月三十一日：匯兌損失約人民幣5,800,000元)，本集團正密切應對相關匯率風險。

由於現行利率處於相對較低水準，故本集團並無訂立任何利率對沖合約或任何其他利率相關衍生金融工具。然而，本集團將繼續密切監察其所面對的相關利率風險。

財務狀況

於二零二零年十二月三十一日，本集團的權益總額約為人民幣1,037,900,000元(二零一九年十二月三十一日：約人民幣1,563,200,000元)。權益總額減少主要是由於報告期間經營虧損、確認預期信貸虧損撥備及資產減值等因素所致。

本集團於二零二零年十二月三十一日的流動負債淨值約為人民幣557,400,000元(二零一九年十二月三十一日：約人民幣283,200,000元)。於二零二零年十二月三十一日的流動比率(按流動資產除以流動負債計算)為0.52(二零一九年十二月三十一日：0.76)。

Management Discussion and Analysis (Continued) 管理層討論及分析(續)

FINANCIAL REVIEW (CONTINUED)

Liquidity and Financial Resources

The Group adopts prudent cash and financial management policies. In order to achieve better cost control and reduce capital cost, the Group's treasury activities are centralised and cash is generally deposited with banks and denominated mostly in Renminbi and Hong Kong dollars.

Included in current assets were cash and various bank deposits which was about RMB29.3 million in total as at 31 December 2020, representing an increase by about 132.4% as compared with that of approximately RMB12.6 million as at 31 December 2019.

The Group's trade receivables as at 31 December 2020 amounted to approximately RMB497.2 million (2019: approximately RMB777.6 million), representing a decrease by 36.1% when compared with that of the corresponding period of the preceding year.

As at 31 December 2020, total liabilities of the Group amounted to approximately RMB1,370.5 million (31 December 2019: approximately RMB1,284.0 million). The Group's gearing ratio (calculated by interest bearing instruments (including bank borrowings, other borrowings and bonds payable) divided by total equity) increased to 70.6% (2019: 41.3%).

Charge over Assets of the Group

As at 31 December 2020, the Group's bank borrowings were secured by charges over certain dredgers and land owned by the Group, a property owned by a company in which Mr. Liu has beneficial interest and personal guarantees by Mr. Liu and Ms. Zhou. There were also intragroup charges between two of the Company's wholly-owned subsidiaries as a result of the contractual arrangements, pursuant to which all economic benefits and risks arising from the business of Jiangsu Xingyu have been transferred to Xiangyu PRC.

The Group pledged over a dredger, an industrial premise located in Jiangsu Province, the PRC and a residential property located in Shandong Province, the PRC in favour of the Bondholder and/or its affiliates.

Material Acquisitions and Disposals

The Group had no material investments in or material acquisitions or disposals of subsidiaries during the current year.

Capital Commitments and Contingent Liabilities

As at 31 December 2020, the Group had capital commitments of approximately RMB91.0 million (31 December 2019: approximately RMB66.2 million), which mainly included the construction costs of a hotel and a vessel.

財務回顧(續)

流動資金及財務資源

本集團採取審慎的現金及財務管理政策。為求能夠更好控制成本及盡量降低資金成本，本集團的財資活動均為集中管理，而現金一般會存放於銀行，大部分以人民幣及港元計值。

於二零二零年十二月三十一日，流動資產中包括現金及多項銀行存款共約人民幣29,300,000元，較於二零一九年十二月三十一日的約人民幣12,600,000元增加約132.4%。

本集團於二零二零年十二月三十一日的應收賬款約人民幣497,200,000元(二零一九年：約人民幣777,600,000元)，較去年同期減少約36.1%。

於二零二零年十二月三十一日，本集團的總負債約為人民幣1,370,500,000元(二零一九年十二月三十一日：人民幣1,284,000,000元)。本集團的資產負債比率(以計息工具(即包括銀行借貸、其他借貸及應付債券)除以權益總額計算)上升至70.6%(二零一九年：41.3%)。

本集團資產抵押

於二零二零年十二月三十一日，本集團的銀行借貸乃以本集團所持有的若干挖泥船及土地、劉先生擁有實益權益的一家公司所持有的一處物業以及劉先生及周女士的個人擔保作抵押。本公司兩間全資附屬公司之間因合約安排(據此由江蘇興宇的業務中產生的一切經濟利益及風險均轉撥至翔宇中國)而產生集團內抵押。

本集團向債券持有人及/或其聯屬人士抵押一艘挖泥船、位於中國江蘇省的一所工業物業及位於中國山東省的一處住宅物業作為擔保。

重大收購事項及出售事項

於本年度內，本集團並無附屬公司的重大投資、重大收購或出售。

資本承擔及或然負債

於二零二零年十二月三十一日，本集團的資本承擔約為人民幣91,000,000元(二零一九年十二月三十一日：約人民幣66,200,000元)，主要包括一家酒店和一艘船舶的建設成本。

Management Discussion and Analysis (Continued)

管理層討論及分析(續)

FINANCIAL REVIEW (CONTINUED)

Capital Commitments and Contingent Liabilities (Continued)

As at 31 December 2020, the Group did not have any material contingent liabilities (31 December 2019: nil).

BUSINESS REVIEW

The outbreak of COVID-19 worldwide and the various public health measures put in place in many countries to prevent the spread of COVID-19 have disrupted the overall business of the Group at different levels of time and regions in 2020. After the Chinese new year in February 2020, the Group's domestic businesses were affected by the lock-down of various cities implemented in mainland China, resulting in the forced suspension of all local operations until the gradual resumption of work beginning from late March to early April. Owing to the reorientation of the pandemic, when the operation of the China domestic projects resumed in the second half of the year, the overseas projects in the Southeast Asia were affected by the worsening epidemic in the local regions, and the operation of such projects had almost ceased since the mid-2020. Due to the shortage of material supply, the out-of-line replacement of personnel and the frequent requests for work suspension by the local governments from time to time, the construction schedules and the output of the Group's overseas projects were seriously affected in the second half of the year.

The CRD Business is the Group's core business. The Group proactively explored overseas markets in recent years and has actively undertaken several dredging projects in Bangladesh, Myanmar and Thailand in the Reporting Period. The decrease in revenue generated by such business segment was due to: (1) for the domestic construction projects, the outbreak of COVID-19 in mainland China in the beginning of 2020, which directly led to the complete halting of the operation of construction projects; and (2) for the overseas construction projects, although the construction sites are situated overseas, the replacement of equipment, supply of materials for maintenance and the rotation and support of the key business and operation personnel for the overseas projects were sent from mainland China. These overseas projects were affected both (i) by the pandemic within mainland China, causing multiple interruptions and long-term suspension of construction due to personnel and supplies movement restrictions, and (ii) by the pandemic overseas after the outbreak in mainland China came under control, which resulted in the restriction on the personnel from mainland China to come to the overseas construction sites and the restriction on supplies, as well as the various control and restrictions imposed by the governments of the countries and districts in which the projects are situated, which led to the long-term suspension of the business and a sharp drop in production capacity.

財務回顧(續)

資本承擔及或然負債(續)

於二零二零年十二月三十一日，本集團並無任何重大或然負債(二零一九年十二月三十一日：無)。

業務回顧

鑒於新型冠狀病毒病於世界各地爆發以及眾多國家實施各種公眾衛生措施以防止新型冠狀病毒病擴散，從而在不同的時間及區域層面影響本集團在二零二零年的整體業務。於二零二零年二月農曆年後，本集團於國內業務受各地封城所影響，導致當地所有項目被迫停工，直到三月下旬至四月初才開始陸續緩慢地復工。由於疫情逆轉，當國內項目於二零二零年下半年回復工常之際，於東南亞的海外工程卻受當地的疫情惡化衝擊，自二零二零年年中開始幾乎停滯。由於物資供應短缺、人員補充脫節，或者不時被當地政府要求停工，導致本集團的海外工程於下半年的施工進度及施工產量嚴重受到影響。

基建及填海疏浚業務為本集團的核心業務。本集團近年積極拓展海外市場，於孟加拉、緬甸及泰國開展多個疏浚項目。該業務分部所產生之收益下降，乃由於：(一)就國內工程，直接受制於國內自二零二零年初新型冠狀病毒病爆發影響，令工程項目全面停頓；(二)就海外工程，雖然施工地點在國外，但設備更新、維修所需物資供應，以及經營骨幹和施工團隊的輪崗和支援，均由國內派遣，(i)既受制於國內疫情爆發時，該等人員流動和物資運輸受限，導致該等海外工程多次中斷和長期停工；(ii)又受制於國內疫情控制後的海外疫情爆發導致的諸多管控和限制，包括國內人員進入海外工地的限制和物資流通的限制，以及項目所在國家和地區政府諸多全面或局部停工限制，以至長期停工，產量銳減。

Management Discussion and Analysis (Continued) 管理層討論及分析(續)

BUSINESS REVIEW (CONTINUED)

The Group develops and expands the EPD and Water Management Business segment proactively. The Group recorded a slight increase in revenue during the Reporting Period, which was attributable to the desirable works progress of certain environmental protection dredging projects as COVID-19 was under control in the second half of the year in mainland China.

Other Marine Business includes installing marine wind power equipment, hoisting major parts of docks and bridges, laying underwater pipelines and other works services. Due to the rapid development of the marine wind power constructions in mainland China, the Group will build a 2,300-tonned self-propelled fixed-crane vessel through financing solution with a total investment cost of about RMB226.7 million, which is expected to be delivered by the end of June 2021, in order to grasp more such business opportunities.

The name of Easyhome Yancheng Shopping Mall was changed to Xingyu International Houseware Plaza in April 2020. The shopping mall is located at the administrative centre of Yandu District, Yancheng City, Jiangsu Province, the PRC and the core area of Yancheng National High-tech Industrial Development Zone with a gross floor area of 75,600 square metres, is mainly used for leasing under the Property Management Business. The shopping mall was positioned as a largescale shopping center with domestic construction materials as its theme, offering one-stop services from furniture, housewares to decoration materials to customers. Currently, Xingyu International Houseware Plaza has more than 40 tenants, including renowned home furnishing brands M&Z Furniture (掌上明珠), Landbond Minim (聯邦米尼), Arrow Dingzhi (箭牌定制), Huashifu (華師傅) and Telonang (泰隆祥). Although the revenue of dredging businesses was seriously affected by the COVID-19 pandemic, it did not have much impact on the service industry including the property rental of the plaza.

In addition to the operation and lease of shopping malls, the Group also commenced to construct a hotel located at the west of Caihong Road, Yancheng City, Jiangsu Province, the PRC, with a gross floor area of 20,000 square metres. Currently, the related construction works of the hotel has not been completed because of the funding issue of the Group.

業務回顧(續)

環保疏浚及水務管理分部為本集團積極開拓發展的業務，由於國內下半年疫情受控，相關工程於下半年順利開展，以致本集團於報告期間收益輕微增加。

其他海事業務，即包括海上風電設備的安裝、港口碼頭和橋樑建設大件吊裝，水下管線鋪設及其他工程服務。由於目前國內海上風電建設發展迅速，為了在風電建設市場抓住更多商機，本集團透過融資方案打造一艘2,300噸固定臂式自航起重船，總投資人民幣約226,700,000元，預期於二零二一年六月底交付。

居然之家鹽城店於二零二零年四月份改名為興宇國際家居廣場，該廣場位於中國江蘇省鹽城市鹽都區行政中心和鹽城國家高新技術產業開發區核心地段，總建築面積達7.56萬平方米，用於物業管理業務之商業租賃，主要為顧客提供傢俱、家居用品及裝潢裝飾材料等「一站式」服務的大型家居建材主題購物中心。目前，興宇國際家居廣場有40多個租戶，其中包括著名家居品牌商戶掌上明珠、聯邦米尼、箭牌定制、華師傅及泰隆祥等。於二零二零年新型冠狀病毒疾病疫情對家居廣場的租務等服務行業影響不大。

除經營商場租務外，本集團於江蘇省鹽城市彩虹路西側區建設一家總建築面積約2萬平方米的酒店，因本集團資金原因相關建造目前仍未完成。

Management Discussion and Analysis (Continued)

管理層討論及分析(續)

PROSPECTS

Notwithstanding the adverse impacts on the Group due to the COVID-19 outbreak, the Group will continue to consistently and actively monitor market conditions, take appropriate actions to alleviate the negative impact of the pandemic on the Group's business and performance, strengthen project cost control, and continue to stabilise construction projects, operation team and management system. Meanwhile, the Group continuously adopts a robust and prudent operating strategy to ensure an effective control of various possible operational risks as well as to speed up the collection of receivables.

For capital operation, based on the progress of its substantial construction projects including the operating progress of the overseas projects, the Group will actively identify and materialise healthy and feasible financial plans, such as strengthening the collection of the receivables and enhancing the capital structure of the Group, so as to satisfy, support and meet the Group's business development.

EMPLOYEES AND REMUNERATION POLICY

The sustained development of our business leverages on the ongoing contributions by our employees. The Board considers employees the Group's most valuable wealth and is committed to improving their growth environment, providing them competitive remuneration packages and safeguarding their health and safety. As at 31 December 2020, the Group had 454 (2019: 519) employees. The total staff cost for the Reporting Period was about RMB51.2 million (2019: RMB45.8 million). The Group's remuneration policy is basically determined by the Directors based on the performance of individual employees and market conditions. In addition to salaries and discretionary bonuses, employee benefits include pension contributions and options which may be granted under share option scheme.

展望

儘管受到新型冠狀病毒病疫情的不利影響，本集團將一如既往積極監察市場狀況，採取適當措施減少疫情對本集團業務及表現的負面影響，加強集團各項目成本控制，努力維護集團的施工項目穩定、經營隊伍穩定和管理體系穩定。同時，本集團將繼續對新工程項目的承接採取比較審慎的經營策略，以確保對可能出現的各種風險進行有效控制，以及加速資金回籠。

至於資本運營方面，本集團將按重大工程項目運營的進度，包括海外項目的運營進度，積極尋找落實穩健及可行的融資方案，進一步加大應收賬款催收力度，優化的資本結構，以滿足、支援及配合本集團業務發展。

僱員及薪酬政策

我們的業務能夠持續發展，有賴本集團員工的持續奉獻。董事會認為員工為本集團最重要的財富，一直致力於改善員工的成長環境、提供具有競爭力的薪酬方案及確保員工的健康和安全。於二零二零年十二月三十一日，本集團擁有454名(二零一九年：519名)員工。於報告期間之總員工成本約為人民幣51,200,000元(二零一九年：人民幣45,800,000元)。本集團之薪酬政策乃基本上由董事基於個別僱員表現及市場狀況而釐訂。除薪金及酌情花紅外，員工福利包括退休金供款及根據購股權計劃可能授出之購股權。

Management Discussion and Analysis (Continued) 管理層討論及分析(續)

EVENT AFTER END OF REPORTING PERIOD

Share Consolidation and Change in Board Lot Size

On 14 January 2021, the Board proposed to implement the share consolidation on the basis that every two (2) issued and unissued shares of HK\$0.10 each be consolidated into one (1) consolidated share of HK\$0.20, which was conditional upon, among other things, the approval of the shareholders of the Company. The Board also proposed to change the board lot size for trading on the Stock Exchange from 1,000 shares of HK\$0.10 each to 20,000 consolidated shares of HK\$0.20 each conditional upon the share consolidation becoming effective. On 5 March 2021, the shareholders of the Company at an extraordinary general meeting approved the share consolidation. Accordingly, the share consolidation and the change of the board lot size took effect on 9 March 2021. As at 9 March 2021, the authorised share capital of the Company became HK\$1,000,000,000 divided into 5,000,000,000 shares of HK\$0.20 each, of which 995,641,500 consolidated shares was in issue.

Issue of New Consolidated Shares

Pursuant to a subscription agreement dated 14 January 2021 entered into between the Company and Mr. Liu Kaijin, the substantial shareholder of the Company, the Company issued and allotted 508,240,000 new consolidated shares, representing approximately 33.80% of the issued share capital of the Company as at the date of this annual report, at a price of HK\$0.20 per consolidated share on 30 March 2021. The gross proceeds and net proceeds of the subscription were approximately HK\$101.6 million and approximately HK\$99.6 million respectively. The net proceeds of approximately HK\$98.4 million from the subscription was used to fully redeem the Bonds and the remaining balance of approximately HK\$1.2 million was used as general working capital of the Company.

For details of the share consolidation, the change in board lot size and the issue of the new consolidated shares, please refer to the announcements of the Company dated 14 January 2021, 3 February 2021, 5 March 2021 and 30 March 2021.

報告期末後事件

股份合併及更改每手買賣單位

於二零二一年一月十四日，董事會建議進行股份合併，基準為將每兩(2)股每股面值0.10港元的已發行及未發行股份合併為面值0.20港元的一(1)股合併股份。該股份合併須待(其中包括)本公司股東批准後，方可作實。董事會亦建議在股份合併生效後，將在聯交所買賣的每手買賣單位由1,000股每股面值0.10港元的股份更改為20,000股每股面值0.20港元的合併股份。本公司股東於二零二一年三月五日的股東特別大會上批准通過股份合併。因此，股份合併及更改每手買賣單位於二零二一年三月九日生效。於二零二一年三月九日，本公司的法定股本改為1,000,000,000港元，分為5,000,000,000股每股面值0.20港元的股份，其中995,641,500股為已發行合併股份。

發行新合併股份

根據本公司與劉開進先生(即本公司主要股東)於二零二一年一月十四日訂立之認購協議，本公司於二零二一年三月三十日以每股合併股份0.20港元之價格發行及配發508,240,000股新合併股份，佔本公司於本年報日期已發行股本約33.80%。認購事項的所得款項總額及淨額分別為約101,600,000港元及約99,600,000港元。認購事項所得款項淨額約98,400,000港元用於悉數贖回債券，餘下約1,200,000港元用作本公司一般營運資金。

有關股份合併、更改每手買賣單位及發行新合併股份之詳情，請參閱本公司日期分別為二零二一年一月十四日、二零二一年二月三日、二零二一年三月五日及二零二一年三月三十日的公告。

Management Discussion and Analysis (Continued)

管理層討論及分析(續)

EVENT AFTER END OF REPORTING PERIOD (CONTINUED)

Redemption of the Bonds

On 3 December 2020, the Company and the Bondholder entered into the seventh amendment agreement to further amend the original convertible bonds instrument and the original bond conditions. Under the seventh amendment agreement, it has been agreed that, among other matters, subject to the fulfillment of the conditions precedent, (a) the principal amount of the Bonds shall be amended to be HK\$319,482,769.63; (b) the redemption amount of the Bonds shall be amended to be HK\$352,446,870.29 and (c) the maturity date of the Bonds shall be amended to be 31 March 2021. It has also been agreed that the Company shall be deemed to have paid the redemption amount of the Bonds in full if the Company pays or procures the payment to the Bondholder or its affiliate a sum of RMB equivalent of HK\$98,359,241 on or before the maturity date of the Bonds. On 30 March 2021, the Company repaid HK\$98,359,241 to the Bondholder to redeem the Bond. The Company has been treated as the full and final settlement of the Bonds. For details, please refer to the announcements of the Company dated 3 December 2020 and 30 March 2021.

報告期末後事件(續)

贖回債券

於二零二零年十二月三日，本公司與債券持有人訂立第七份修訂協議，以進一步修訂原可換股債券文據及原債券條件。根據第七份修訂協議，經協定(其中包括)，受達成先決條件所規限，(a)債券的本金額修訂為319,482,769.63港元；(b)債券的贖回金額修訂為352,446,870.29港元；及(c)債券的到期日延後至二零二一年三月三十一日。雙方亦協定，倘本公司於債券到期日或之前向債券持有人或其聯屬人士支付或促使支付98,359,241港元之人民幣等值金額，本公司被視為已悉數支付債券的贖回金額。於二零二一年三月三十日，本公司向債券持有人償還98,359,241港元以贖回債券。本公司被視作已悉數及最終結清債券。有關詳情，請參閱本公司日期分別為二零二零年十二月三日及二零二一年三月三十日的公告。

Directors' and Senior Management's Profile

董事及高級管理層簡介

BOARD OF DIRECTORS

Executive Directors

Mr. Liu Kaijin, aged 60, the founder of the Group, was appointed as a Director on 31 May 2010, was re-designed from a Director to an executive Director on 24 May 2011, was re-designed from a joint chairman to the chairman of the Board on 23 September 2016 and was appointed as the chairman of the Nomination Committee on 8 March 2019. He was the chief executive officer of the Company for the period from 24 May 2011 to 5 January 2017. Mr. Liu is the spouse of Ms. Zhou, an executive Director.

Mr. Liu completed his secondary education in 1977. In 2003, Mr. Liu obtained a certificate as a senior construction engineer from the Human Resources Bureau of Yancheng City* (鹽城市人事局). As his experience and knowledge in the PRC dredging business grew, Mr. Liu established Jiangsu Xingyu in 2007. Mr. Liu has been working in the dredging industry of the PRC for over 20 years.

Mr. Liu is the chairman of Jiangsu Xingyu and Huaian Shi Xiangyu Technology Microfinance Ltd.* (淮安市翔宇科技小額貸款有限公司) and the chairman and general manager of Xiangyu PRC, Jiangsu Xiangyu Water Management Company Limited* (江蘇翔宇水務有限公司), Xiangyu Environment Protection, Jiangsu Fengyu Property Development Co., Ltd.* (江蘇豐宇置業有限公司), Jiangsu Xingyu Commerce Co. Ltd.* (江蘇興宇商務有限公司), Jiangsu Lifu Infrastructure Construction Co., Ltd.* (江蘇力富基礎設施建設有限公司), Jiangsu Xiangyu Environmental Protection Industry Development Ltd.* (江蘇翔宇環保產業發展有限公司) ("Xiangyu Environmental Protection Industry") and Jiangsu Xingyu Environment Protection Company Limited* (江蘇興宇疏浚環保有限公司); and has been responsible for overseeing their daily operations and planning their business strategies. Other than the above mentioned companies, Mr. Liu is the director of Power Wealth Group (BVI) Limited, Ever Universe Holdings Limited, Power Wealth Engineering Limited and Million Able International Limited. He is also a director of Wangji Limited, being a substantial Shareholder.

Please refer to the "Directors' Report" for details of his discloseable interests in the Company under the provisions of the SFO.

董事會

執行董事

劉開進先生，60歲，本集團的創辦人，於二零一零年五月三十一日獲委任為董事，於二零一一年五月二十四日由董事調任為執行董事，於二零一六年九月二十三日由董事會聯席主席調任為主席，並於二零一九年三月八日獲委任為提名委員會主席。彼自二零一一年五月二十四日至二零一七年一月五日期間擔任本公司行政總裁。劉先生為執行董事周女士的配偶。

劉先生於一九七七年完成中學課程。於二零零三年，劉先生獲鹽城市人事局頒發高級建築工程師證書。隨著劉先生於中國疏浚業的經驗及知識日深，劉先生於二零零七年成立江蘇興宇。劉先生於中國從事疏浚業逾二十年。

劉先生現擔任江蘇興宇及淮安市翔宇科技小額貸款有限公司的董事長以及翔宇中國、江蘇翔宇水務有限公司、翔宇環保、江蘇豐宇置業有限公司、江蘇興宇商務有限公司、江蘇力富基礎設施建設有限公司、江蘇翔宇環保產業發展有限公司(「翔宇環保產業」)及江蘇興宇疏浚環保有限公司的董事長兼總經理，負責監督其日常營運及策劃其業務策略。除上述公司外，劉先生亦為力富集團(BVI)有限公司、恒宇控股有限公司、力富工程有限公司及萬翔國際有限公司的董事。彼亦作為主要股東擔任旺基有限公司的董事。

彼於本公司擁有根據證券及期貨條例規定須予披露之權益，請參閱本年報「董事會報告」部份。

Directors' and Senior Management's Profile (Continued)

董事及高級管理層簡介(續)

BOARD OF DIRECTORS (CONTINUED)

Executive Directors (Continued)

Mr. Wu Xuze, aged 54, has been appointed as an executive Director and the chief executive officer of the Company on 5 January 2017.

Mr. Wu graduated from the Party School of Jiangsu Committee of the Communist Party of China* (中共江蘇省委黨校) and obtained tertiary education qualification in economic management. Mr. Wu has invested in and managed various companies in the PRC and has acted as chairman, general manager and director of those companies. He has over 10 years of experience in investment management.

Ms. Zhou Shuhua, aged 58, was appointed as a Director on 18 August 2010, and was re-designed as an executive Director on 24 May 2011. Ms. Zhou is mainly responsible for general administrative work of our Group. She is the spouse of Mr. Liu, the chairman of the Board and an executive Director.

Ms. Zhou graduated from The Correspondence Institute of the Party School of the Central Committee of the Communist Party of China* (中共中央黨校函授學院), the PRC in December 1999 and obtained a graduation certificate for undergraduate courses in administrative management. She also obtained a graduation certificate for undergraduate courses in broadcasting in May 2001 from Nanjing Normal University* (南京師範大學), the PRC.

Ms. Zhou acts as a Director for Jiangsu Xingyu, Xiangyu Environment Protection, Xiangyu Environmental Protection Industry and Jiangsu Jiaolong.

Please refer to the "Directors' Report" for details of her discloseable interests in the Company under the provisions of the SFO.

董事會(續)

執行董事(續)

吳旭澤先生，54歲，於二零一七年一月五日獲委任為本公司執行董事及行政總裁。

吳先生畢業於中共江蘇省委黨校，取得經濟管理專業大專學歷。吳先生投資並管理多家中國公司，並擔任該等公司董事長、總經理及董事職務，擁有逾十年的投資管理經驗。

周淑華女士，58歲，於二零一零年八月十八日獲委任為董事，並於二零一一年五月二十四日調任為執行董事。周女士主要負責本集團的一般行政工作。彼為本集團董事會主席及執行董事劉先生的配偶。

周女士於一九九九年十二月畢業於中國中共中央黨校函授學院，取得行政管理本科學歷。彼亦於二零零一年五月於中國南京師範大學取得播音主持人文學本科學歷。

周女士出任江蘇興宇、翔宇環保、翔宇環保產業及江蘇蛟龍董事職務。

彼於本公司擁有根據證券及期貨條例規定須予披露之權益，請參閱本年報「董事會報告」部份。

Directors' and Senior Management's Profile (Continued) 董事及高級管理層簡介(續)

BOARD OF DIRECTORS (CONTINUED)

Independent Non-executive Directors

Mr. Huan Xuedong, aged 70, was appointed as an independent non-executive Director on 25 April 2012. He is also the member of the Audit Committee and the Remuneration Committee.

Mr. Huan graduated from the Correspondence Institute of the Party School of the Central Committee of the Communist Party of China (中共中央黨校函授學院), the PRC with a graduation certificate for undergraduate courses in party administration. He also completed his postgraduate studies in Applied Sociology in Nanjing University (南京大學).

Mr. Huan served as the Head of Bureau of Township Enterprises of Yan Cheng City* (鹽城市鄉鎮企業局), the Head of Bureau of Water Management of Yan Cheng City* (鹽城市水利局) and the chairman of the Agricultural and Water Enterprises Association of Yan Cheng City* (鹽城市農水企業協會).

Mr. Chan Ming Sun Jonathan, aged 48, was appointed as an independent non-executive Director in 30 November 2012. He is a member of the Remuneration Committee and the Nomination Committee and the chairman of Audit committee.

Mr. Chan graduated from the University of New South Wales, Australia with a Bachelor of Commerce degree in Accounting and Computer Information Systems. Mr. Chan is both a member of the Hong Kong Institute of Certified Public Accountants and Certified Public Accountants, Australia. He has extensive working experience in accounting, investment and corporate finance. Mr. Chan worked in an international accounting firm for about five years and currently, he is an investment manager of Sprint Asset Management Limited.

董事會(續)

獨立非執行董事

還學東先生，70歲，於二零一二年四月二十五日獲委任為獨立非執行董事。彼亦為審核委員會及薪酬委員會成員。

還先生畢業於中國中共中央黨校函授學院，取得黨政本科學歷。彼亦獲得南京大學應用社會學修畢研究生。

還先生歷任鹽城市鄉鎮企業局局長、鹽城市水利局局長及鹽城市農水企業協會會長。

陳銘燊先生，48歲，於二零一二年十一月三十日獲委任為獨立非執行董事。彼為薪酬委員會及提名委員會成員以及審核委員會主席。

陳先生畢業於澳洲新南威爾斯大學，持有會計及電腦資訊系統學系商學士學位。陳先生現為香港會計師公會及澳洲會計師公會之會員。彼於會計、投資及企業財務方面擁有豐富的工作經驗。陳先生曾於一間國際會計師事務所任職近五年，現時為新銳資產管理有限公司的投資經理。

Directors' and Senior Management's Profile (Continued)

董事及高級管理層簡介(續)

BOARD OF DIRECTORS (CONTINUED)

Independent Non-executive Directors (Continued)

Mr. Chan is currently an independent non-executive director of Aceso Life Science Group Limited (previously known as Hao Tian Development Group Limited) (stock code: 474), Up Energy Development Group Limited (stock code: 307) (note), Fujian Nuoqi Co., Ltd (stock code: 1353) and Changhong Jiahua Holdings Limited (stock code: 3991) whose securities are listed on the main board of the Stock Exchange. Mr. Chan acted as an independent non-executive director of Shenyang Public Utility Holdings Company Limited (stock code: 747) for the period from 12 February 2015 to 8 September 2020, whose securities are listed on the main board of the Stock Exchange, and of Dining Concepts Holdings Limited (currently known as Life Concepts Holdings Limited, stock code: 8056) for the period from 14 July 2016 to 12 December 2018, whose securities are listed on the GEM of the Stock Exchange.

Note: The appointment of Mr. Chan Ming Sun Jonathan as an independent non-executive director of Up Energy Development Group Limited (stock code: 307) is under dispute. For details, please refer to such company's relevant announcements.

Mr. Liang Zequan, aged 52, has been appointed as an independent non-executive Director, a member of the Audit Committee, the chairman of Remuneration Committee and a member of the Nomination Committee on 23 September 2016.

Mr. Liang has been the chairman and secretary of the Communist Party's committee of Jiangsu Renhe Zhongheng Consulting Group* (江蘇仁禾中衡諮詢集團). He is also an independent non-executive director of Jiangsu Gaohe Intelligent Equipment Co., Ltd. (stock code: 831787), a company listed on the Shenzhen Stock Exchange. He held various positions including the chairman, secretary of the Communist Party's general subdivision committee and general manager of Chengnan Branch of Jiangsu Renhe Zhongheng Engineering Consulting Real Estate Valuation Co., Ltd* (江蘇仁禾中衡工程諮詢房地產估價有限公司), the chairman of Jiangsu Renhe Zhongheng CPA Limited* (江蘇仁禾中衡會計師事務所有限公司), the chairman of Yancheng Renhe Capital Construction Investment Valuation Co., Ltd* (鹽城仁禾基本建設投資估價事務所有限公司) and the vice chairman of Yancheng Zhengdao CPA Limited* (鹽城正道會計師事務所有限公司). Mr. Liang graduated from Yancheng Institute of Technology and obtained the Industrial and Civil Building Engineering professional qualification. He is a PRC principal senior economist with the qualifications of PRC certified engineer, asset appraiser and real estate appraiser.

董事會(續)

獨立非執行董事(續)

陳先生現為信銘生命科技集團有限公司(前稱為昊天發展集團有限公司)(股份代號:474)、優派能源發展集團有限公司(股份代號:307)(附註)、福建諾奇股份有限公司(股份代號:1353)及長虹佳華控股有限公司(股份代號:3991)之獨立非執行董事,其證券於聯交所主板上市。陳先生自二零一五年二月十二日至二零二零年九月八日為審陽公用發展股份有限公司(股份代號:747)之獨立非執行董事,其證券於聯交所主板上市,並自二零一六年七月十四日至二零一八年十二月十二日於飲食概念控股有限公司(現稱生活概念控股有限公司,股份代號:8056)出任獨立非執行董事,其證券於聯交所GEM上市。

附註: 有關陳銘樂先生擔任優派能源發展集團有限公司(股份代號:307)之獨立非執行董事之委任存在爭議。有關詳情請參閱該公司之相關公告。

梁澤泉先生, 52歲,於二零一六年九月二十三日獲委任為獨立非執行董事、審核委員會成員、薪酬委員會主席及提名委員會成員。

梁先生現任職江蘇仁禾中衡諮詢集團董事長兼黨委書記。彼亦為一家於深圳證券交易所上市之公司江蘇高和智能裝備股份有限公司(股份代號:831787)之獨立非執行董事。梁先生曾擔任多個職位,包括江蘇仁禾中衡工程諮詢房地產估價有限公司董事長、黨總支書記兼城南分公司總經理,江蘇仁禾中衡會計師事務所有限公司董事長,鹽城仁禾基本建設投資估價事務所有限公司董事長,以及鹽城正道會計師事務所有限公司副所長等職位。梁先生畢業於鹽城工學院,並獲工業與民用建築專業學歷。梁先生乃中國正高級經濟師,並具有中國註冊造價工程師、資產評估師及房地產估價師資格。

Directors' and Senior Management's Profile (Continued) 董事及高級管理層簡介(續)

BOARD OF DIRECTORS (CONTINUED)

Independent Non-executive Directors (Continued)

Mr. Liang currently serves as a member of the 12th session of the committee of the Chinese People's Political Consultative Conference of Yancheng City, Jiangsu Province* (中國人民政治協商會議江蘇省鹽城市第十二屆委員會委員), the vice chairman of Jiangsu Province Real Estate Appraisers and Agents Association* (江蘇省房地產估價與經紀協會), an expert of Jiangsu Cost Advisory Expert Committee* (江蘇省造價諮詢專家委員會), an executive director of Registered Accountants Association of Yancheng City, Jiangsu Province* (江蘇省鹽城市註冊會計師協會), a special auditor of Audit Bureau of Yancheng City, Jiangsu Province* (江蘇省鹽城市審計局), the vice chairman of Junior Chamber of Commerce of Tingfu District, Yancheng City, Jiangsu Province* (江蘇省鹽城市亭湖區青年商會), the vice chairman of Association of Forensic Sciences of Yancheng City, Jiangsu Province* (江蘇省鹽城市司法鑒定協會) and the vice chairman of Federation of Industry and Commerce of Yancheng City, Jiangsu Province* (江蘇省鹽城市工商業聯合會).

SENIOR MANAGEMENT

Mr. Xu Wenyue, aged 49, joined the Group in October 2011 and is the chief financial officer of the Company. He is the head of accounting department of the Group and is responsible for overseeing the daily accounting and financial matters of the Group, both in the PRC and Hong Kong.

Mr. Xu graduated from the profession of accounting of Nanjing Economic Institute* (南京經濟學院) in 1999. Mr. Xu is a senior accountant in the PRC (中國高級會計師) and both a member of the Chinese Institute of Certified Public Accountants (中國註冊會計師協會) and the China Certified Tax Agents Association (中國註冊稅務師協會). Prior to joining the Group, Mr. Xu worked in a listed group in Hong Kong as a financial controller.

Ms. Ding Jiying (丁繼穎女士), aged 46, joined the Group in December 2011 as the internal control officer. She is responsible for overseeing the internal control matters of the Group.

Ms. Ding passed the examinations of the PRC Accountant Examination (Intermediate level)* (全國中級會計師考試) and Nanjing University of Finance and Economics* (南京財經大學) in 2000 and 2007, respectively, and awarded with the Bachelor of Management. She is qualified as a PRC Certified Accountant* (全國註冊會計師) and China Real Estate Appraisers* (全國註冊房地產估價師).

董事會(續)

獨立非執行董事(續)

梁先生現擔任中華人民政治協商會議江蘇省鹽城市第十二屆委員會委員、江蘇省房地產估價與經紀協會副會長、江蘇省造價諮詢專家委員會專家、江蘇省鹽城市註冊會計師協會常務理事、江蘇省鹽城市審計局特約審計員、江蘇省鹽城市亭湖區青年商會副會長、江蘇省鹽城市司法鑒定協會副會長及江蘇省鹽城市工商業聯合會副主席。

高級管理層

徐文躍先生，49歲，於二零一一年十月加盟本集團。現為本公司財務總監。彼為本集團會計部主管並負責監督本集團於中國及香港的日常會計及財務事宜。

徐先生於一九九九年畢業於南京經濟學院會計學專業。徐先生先為中國高級會計師、中國註冊會計師協會會員及中國註冊稅務師協會會員。加盟本集團前，徐先生在香港一間上市集團擔任財務總監。

丁繼穎女士，46歲，於二零一一年十二月加盟本集團為內部監控專員。彼負責監督本集團的內部監控事宜。

丁女士分別於二零零零年及二零零七年通過全國中級會計師考試及南京財經大學考試，獲得管理學學士學位。彼亦擁有全國註冊會計師及全國註冊房地產估價師資格。

Directors' and Senior Management's Profile (Continued)

董事及高級管理層簡介(續)

SENIOR MANAGEMENT (CONTINUED)

Ms. Ding has about 17 years' experience in accounting, financial and internal control aspects. Prior to joining the Group, she has worked in certain sizeable enterprises as financial manager and also worked in the auditing and business consulting division of a PRC accounting firm, mainly responsible for internal control review engagements.

Mr. Yang Xianbo (楊先波先生), aged 56, joined the Group as general manager of Jiangsu Xingyu in November 2012 and is responsible for overseeing the Group's dredging operations.

Mr. Yang has more than 20 years of experience in the dredging industry. Mr. Yang has been responsible for the development, implementation and management of a number of national key dredging projects and he is highly renowned in the dredging industry. Prior to joining Jiangsu Xingyu, Mr. Yang was appointed as the deputy director of Changjiang Wuhan Waterway Engineering Company* (長江武漢航道工程局副局長), a sizeable state-owned dredging enterprise under the Ministry of Transport (交通運輸部). He was awarded with the Certificate of Senior Engineer in waterways engineering* (航道工程高級工程師) by the Ministry of Communication (交通部) (now known as the Ministry of Transport (交通運輸部)) in 2006 and the Certificate of Registration of Constructor of First Class* (一級建造師) by the Ministry of Construction (建設部) in 2008.

Mr. Wang Julin (王菊林先生), aged 69, joined the Group as the chief engineer in August 2010, and is responsible for the management of the engineering department of Jiangsu Xingyu. Mr. Wang studied the profession of ports and waterways at Hohai University (河海大學) of the PRC (formerly known as East China Technical University of Water Resources (華東水利學院)) from 1974 to 1978. He was awarded the Certificate of Senior Engineer in waterways engineering by the Ministry of Communications (交通部) (now known as the Ministry of Transport (交通運輸部)) in 1998 and was awarded the Certificate of Registration of Constructor of First Class by the Ministry of Construction (建設部) in 2008.

Mr. Wang has over 30 years of experience in the implementation, management and administration of waterways engineering. Before joining the Group, he worked for the engineering department of Changjiang Wuhan Waterway Engineering Company* (長江武漢航道工程局) for about 15 years and has held the positions of officer and project manager. He has been responsible for sizeable dredging projects in the PRC. Thereafter, Mr. Wang worked in a subsidiary under Changjiang Wuhan Waterway Engineering Company* (長江武漢航道工程局) as a manager for about three years. In 1996, Mr. Wang re-joined Changjiang Wuhan Waterway Engineering Company for about eight years and has held the positions of deputy chief and chief of the engineering and business department and deputy chief engineer (constructor of first class). He has been responsible for the inspection, negotiation and overseeing of various projects and entering into of relevant contracts.

高級管理層(續)

丁女士擁有約17年的會計、財務及內部監控經驗。加盟本集團前，丁女士在若干大型企業擔任財務經理，亦於中國一所會計師事務所的審計、企業管理諮詢部工作，主理審查內部監控的工作。

楊先波先生，56歲，於二零一二年十一月加盟本集團為江蘇興宇總經理，並負責監督本集團的疏浚業務。

楊先生擁有超過二十年疏浚行業的經驗。楊先生曾負責過多個國家重點疏浚項目的發展、實施及管理，並獲得疏浚業內好評。加入江蘇興宇前，楊先生獲委任為交通運輸部轄下的大型國有疏浚企業長江武漢航道工程局副局長。彼於二零零六年獲交通部(現稱交通運輸部)頒發航道工程高級工程師證書及於二零零八年獲建設部頒發一級建造師註冊證書。

王菊林先生，69歲，於二零一零年八月加盟本集團為首席工程師及負責管理江蘇興宇的工程部。王先生於一九七四年至一九七八年於中國河海大學(前稱華東水利學院)修讀港口及航道專業。彼於一九九八年獲交通部(現稱交通運輸部)頒授航道工程高級工程師證書，並於二零零八年獲建設部頒發一級建造師註冊證書。

王先生擁有超過30年航道工程施工、管理及行政經驗。在加盟本集團之前，彼在長江武漢航道工程局工作約15年，曾出任科員及項目經理，負責處理中國大型的疏浚項目。其後，王先生於長江武漢航道工程局的一家附屬公司擔任經理約3年。於一九九六年，王先生重返長江武漢航道工程局工作約8年，曾擔任工程、經營科副科長、科長及副總工程師(一級建造師)。彼曾負責多個項目的勘察、洽談及監察並訂立相關合約。

Corporate Governance Report

企業管治報告

The Board is pleased to present the corporate governance report for the Review Period. This report describes how the Group has applied its corporate governance practices to its daily activities.

CORPORATE GOVERNANCE CODE

The Group's corporate governance framework bases on two main beliefs:

- We are well-committed to maintaining good corporate governance practices and procedures; and
- We recognise the need to adopt practices that improve ourselves continuously for a quality management.

The Group has applied these principles and adopted all code provisions, where applicable, of the CG Code contained in Appendix 14 to the Listing Rules as our own code of corporate governance. The Directors consider that the Company has complied with all applicable code provisions under the CG Code.

MODEL CODE FOR DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted the Model Code as the Company's code of conduct for dealings in securities of the Company by the Directors. In response to specific enquiry made by the Company, each of the Directors confirmed that he/she had complied with the required standard of dealings and the code of conduct regarding securities transactions by the Directors throughout the Review Period.

CONSTITUTIONAL DOCUMENTS

No amendment to the memorandum and articles of association of the Company was made during the Review Period.

董事會欣然呈報回顧期間之企業管治報告。本報告描述本集團如何在日常業務中應用其企業管治常規。

企業管治守則

本集團的企業管治框架乃基於兩條主要信念：

- 我們致力於維持良好的企業管治常規及程序；及
- 我們認識到需要採納不斷改善我們自身發展的常規，以確保管理層具備資格。

本集團一直應用上市規則附錄十四所載的企業管治守則的有關原則，並已採納所有守則條文(倘適用)，作為我們自身的企業管治守則。董事認為，本公司已遵守企業管治守則之所有適用守則條文。

董事進行證券交易的標準守則

本公司已採納標準守則，作為董事進行本公司證券交易的本公司操守守則。經本公司作出特定查詢後，各董事已確認其於整個回顧期間遵守交易的規定標準及董事進行證券交易的操守準則。

公司組織章程文件

於回顧期間，概無對本公司的組織章程大綱及細則作出任何修訂。

Corporate Governance Report (Continued)

企業管治報告(續)

BOARD OF DIRECTORS

Board Composition

As at the date of this annual report, the Board comprises three executive Directors and three independent non-executive Directors.

Composition of the Board and its changes during the Review Period and up to date of this annual report are as follows:

Executive Directors:

Mr. Liu Kaijin
Mr. Wu Bin (resigned on 31 March 2020)
Mr. Wu Xuze
Ms. Zhou Shuhua

Independent non-executive Directors:

Mr. Huan Xuedong
Mr. Chan Ming Sun Jonathan
Mr. Liang Zequan

The biographical details of the incumbent Directors and the relationships among them are set out in the section headed "Directors' and Senior Management's Profile" of this annual report.

The Board believes that it has a balanced composition of executive Directors and independent non-executive Directors and there is an independent element on the Board, which can effectively exercise independent judgement. As at 31 December 2020, the Company has three independent non-executive Directors who provide the Group with adequate check and balance. Each of them is considered to be independent and has complied with the provisions set out in rule 3.13 of the Listing Rules. All of them are identified as such in all corporate communications that disclose the names of the Directors. Their functions are not only limited to a restricted scope and they have contributed to the Group with diversified industry expertise, and advised on the Group's management and proceedings.

One of the three independent non-executive Directors, namely Mr. Chan Ming Sun Jonathan, has professional qualifications in accounting or related financial management expertise.

董事會

董事會的組成

於本年報日期，董事會由三名執行董事及三名獨立非執行董事組成。

回顧期間及直至本年報日期，董事會的組成如下：

執行董事：

劉開進先生
伍斌先生(於二零二零年三月三十一日辭任)
吳旭澤先生
周淑華女士

獨立非執行董事：

還學東先生
陳銘樂先生
梁澤泉先生

現任董事的履歷詳情及彼等之間的關係載列於本年報「董事及高級管理層簡介」一節。

董事會相信，其執行董事及獨立非執行董事的組成比例均衡，董事會具備獨立性，能夠有效行使獨立判斷。於二零二零年十二月三十一日，本公司擁有三名獨立非執行董事，以令本集團具備適當的制衡。彼等各自均被視為具有獨立性，並一直遵守上市規則第3.13條所載條文。於所有載有董事姓名的公司通訊中，均註明彼等的身份。彼等的職能不只是局限於受限範圍內，彼等還以其多元化的行業知識為本集團作出貢獻，並為本集團的管理及議事程序提出建議。

在三名獨立非執行董事中，其中一名(即陳銘樂先生)具備會計專業資格或相關財務管理知識。

Corporate Governance Report (Continued) 企業管治報告 (續)

BOARD OF DIRECTORS (CONTINUED)

Responsibilities of the Board and Delegation

The Board is responsible for the approval and monitoring of the Group's overall strategies and policies, approval of business plans, evaluation of its performance, overseeing the management and in charge of corporate governance function. It is also responsible for promoting the success of the Group and its businesses by directing and supervising the Group's affairs.

The Board delegates day-to-day operations of the Group to executive Directors and senior management while reserving certain key matters for its approval. Board committees for specific functions are also set up to ensure efficient Board operations. The respective functions and responsibilities reserved to the Board and those delegated to Board committees have been clearly set out in their respective terms of reference.

Decisions of the Board are communicated to the management through executive Directors who have attended the Board meetings.

Corporate Governance Functions

The Board is responsible for performing the corporate governance duties of the Company including:

- (a) to develop and review the Company's policies and practices on corporate governance;
- (b) to review and monitor the training and continuous professional development of the Directors and senior management;
- (c) to review and monitor the Company's policies and practices in compliance with legal and regulatory requirements;
- (d) to develop, review and monitor the code of conduct and compliance manual (if any) applicable to employees and the Directors; and
- (e) to review the Company's compliance with the CG Code and disclosure in the corporate governance report.

During the Review Period, the Board reviewed the compliance with the CG Code and the disclosure in this corporate governance report and the training and continuous professional development of the Directors.

董事會 (續)

董事會責任及授權

董事會負責批准及監察本集團的整體策略及政策、審批商業計劃、評核其的表現、監督管理層的工作及負責企業管治職務。此外，董事會負責指導及監督本集團的事務，以推進本集團及其業務的成功運作。

董事會將本集團的日常運作交由執行董事及高級管理層處理，但保留對若干重大事宜作出審批的權利。本公司亦設立具特定職能的董事委員會，以確保董事會的高效運作。董事會保留及授予董事委員會的各職能及職責已分別明確載列於各職權範圍內。

董事會之決定將由出席董事會會議之執行董事轉達管理層。

企業管治職能

董事會負責履行本公司之企業管治職能，包括：

- (a) 制定及檢討本公司之企業管治政策及常規；
- (b) 檢討及監察董事及高級管理人員之培訓及持續專業發展；
- (c) 檢討及監察本公司在遵守法律及監管規定方面之政策及常規；
- (d) 制定、檢討及監察僱員及董事的行為守則及合規手冊(如有)；及
- (e) 檢討本公司遵守企業管治守則之情況及在企業管治報告內之披露。

於檢討期間，董事會檢討企業管治守則的遵守情況、於本企業管治報告的披露及董事的培訓及持續專業發展。

Corporate Governance Report (Continued)

企業管治報告(續)

BOARD OF DIRECTORS (CONTINUED)

Chairman and Chief Executive Officer

The roles of the chairman and the chief executive officer are segregated and are held by Mr. Liu Kaijin and Mr. Wu Xuze respectively. Mr. Liu Kaijin, being the chairman, is responsible for the management of the Board and Mr. Wu Xuze, being the chief executive officer of the Company, is responsible for the day-to-day management of the Group's businesses.

Appointments, Re-election and Removal of Directors

Each of the executive Directors is engaged on a Director's service contract with the Company. The letters of appointment of independent non-executive Directors also set out the specific terms and conditions relative to their respective appointment. All remuneration paid to executive Directors are covered by respective service contracts, and all remuneration paid to independent non-executive Directors are covered by respective letters of appointment. Details of the terms of appointment of the Directors are disclosed in the section "Director's Service Contracts" of the Directors' Report in this annual report.

Pursuant to the Articles, any Director appointed by the Board shall hold office until the next following general meeting of the Company and shall then be eligible for re-election. Also, pursuant to the Articles, at each annual general meeting, one-third of the Directors for the time being (or, if their number is not three or a multiple of three, then the number nearest to but not less than one-third) shall retire from office by rotation, provided that every Director (including the independent non-executive Directors) shall be subject to retirement by rotation at least once every three years.

董事會(續)

主席及行政總裁

主席及行政總裁之職務已分開，並分別由劉開進先生及吳旭澤先生擔任。主席劉開進先生負責董事會管理，而本公司行政總裁吳旭澤先生負責本集團業務日常管理。

委任、重選及罷免董事

獲委聘的各執行董事與本公司訂立董事服務合約。獨立非執行董事的委任書亦載有與彼等的委任相關的具體條款及條件。所有向執行董事支付的酬薪均根據各自訂立的服務合約作出，以及所有向獨立非執行董事支付的酬薪均根據各自訂立的委任書作出。委任董事條款詳情於本年報董事會報告「董事的服務合約」一節披露。

根據細則，任何獲董事會委任的董事須任職至本公司舉行下屆股東大會為止，屆時將符合資格膺選連任。此外，根據細則，在每屆股東週年大會上，當時三分之一董事(或倘人數並非三或三的倍數，則以最接近但不少於三分之一的人數為準)將輪值退任，惟每名董事(包括獨立非執行董事)須至少每三年輪值退任一次。

BOARD OF DIRECTORS (CONTINUED)

Board Meetings

The Group adopted the practice of holding Board meetings for executive Directors regularly and holding Board meetings that included both executive Directors and non-executive Directors at least four times every year. The Board will also meet on other occasions when a board-level decision on a particular matter is required.

Generally, at least 14-days' notice for the Company's regular Board meeting, and reasonable time for all other meetings, would be given prior to such meetings. Agenda for a meeting are sent to all Directors prior to the meeting. The Directors will receive details of agenda items for decision at least three days before regular Board meetings.

The Directors consider and approve the Company's matters by way of written resolutions circulated to them as and when necessary. If a Director has a material interest in a matter to be considered by the Board, a physical meeting will be held to discuss the matter instead of seeking Directors' written consent by way of circulation of written resolution.

In order to ensure that Board procedures, and all applicable rules and regulations are followed, all Directors are able to access the Company's company secretary for advice from time to time. Moreover, upon reasonable request, the Directors will be able to seek independent professional advice in appropriate circumstances at the Company's expense. All Directors were given an opportunity to include matters in the agenda of meetings for discussion.

董事會(續)

董事會會議

本集團採納的常規是定期為執行董事舉行董事會會議及每年至少舉行四次有執行董事及非執行董事出席的董事會會議。董事會亦將於其他須董事會就特定事宜作出決定的情況下召開會議。

一般而言，於舉行本公司定期董事會會議前，至少須發出14日的通知，至於所有其他會議，則須於會議舉行前發出合理的時間通知。會議議程將於舉行會議前發送至全體董事。董事將於舉行定期董事會會議前至少三日收到詳細議程，以便作出決定。

各董事於必要時傳閱書面決議案，以考慮及批准本公司事宜。倘若某董事於董事會將予考慮的事項中存有重大的利益，本公司將會召開討論有關事項之會議而不會以傳閱董事決議案之方式尋求董事認可。

為確保遵守董事會程序以及所有適用的規則及規例，所有董事均可不時自本公司的公司秘書獲取意見。此外，於提出合理要求後，董事將可在合適的情況下尋求獨立專業意見，費用由本公司承擔。所有董事均有機會將有關事宜納入會議議程內，以進行討論。

Corporate Governance Report (Continued)

企業管治報告(續)

BOARD OF DIRECTORS (CONTINUED)

Board Meetings (Continued)

To ensure a competent Board operation, all Directors gave sufficient time and attention to the affairs of the Group during the Review Period. During the Review Period, eight Board meetings (excluding delegated committees' meetings) were held and attendance of each Director is set out as follows:

Name of Director		Number of attendance	Number of meetings held during term of office
董事姓名		出席次數	任職期內舉行的會議次數
<i>Executive Directors</i>			
Mr. Liu Kaijin	執行董事 劉開進先生	8	8
Mr. Wu Bin (resigned on 31 March 2020)	伍斌先生(於二零二零年三月三十一日辭任)	1	1
Mr. Wu Xuze	吳旭澤先生	5	8
Ms. Zhou Shuhua	周淑華女士	7	8
<i>Independent non-executive Directors</i>			
Mr. Huan Xuedong	獨立非執行董事 還學東先生	8	8
Mr. Chan Ming Sun Jonathan	陳銘樂先生	8	8
Mr. Liang Zequan	梁澤泉先生	8	8

Minutes of Board meetings and meetings of Board committees are kept by the company secretary or other duly authorised person. All minutes are open for inspection by any Director on reasonable notice. Such minutes are recorded in sufficient detail of the matters considered and decisions reached. Draft and final versions of minutes of Board meetings are sent to all Directors for their comments and records.

董事會(續)

董事會會議(續)

為確保董事會的有效運作，於回顧期間，所有董事已為本集團的事宜投入充分的時間及精力。於回顧期間，已舉行八次董事會會議(不包括授權委員會會議)，各董事的出席情況載列如下：

董事會會議及董事委員會會議的會議記錄乃由公司秘書或獲正式授權的其他人士保存。所有會議記錄在合理通知下可供任何董事查閱。該等會議記錄足夠詳細地記錄已考慮的事宜及作出的決定。董事會會議記錄的初稿及最終定稿會發送至所有董事，以供彼等作出意見及保存。

Corporate Governance Report (Continued) 企業管治報告(續)

BOARD OF DIRECTORS (CONTINUED)

Directors' Training

As part of an ongoing process of directors' training, the Company updates Directors on the latest development regarding the Listing Rules and other applicable regulatory requirements from time to time, to ensure compliance and enhance their awareness of good corporate governance practices.

According to the Directors' training records provided to the Company, the training undertaken by all Directors during the Review Period is summarised as below:

董事會(續)

董事培訓

作為董事持續培訓之一部分，本公司不時向董事提供有關上市規則及其他適用監管規定之最新發展資料，以確保董事遵守該等規則及提高其對良好企業管治常規之認知。

根據本公司獲提供之董事培訓記錄，所有董事於回顧期間接受的培訓概述如下：

Reading materials and/or attending training courses relevant to the Company's business, to their duties and responsibilities and/or to corporate governance or regulation

閱讀材料及／或

出席培訓課程內容有關

本公司業務、彼等的職務或

職責及／或企業管治或規定

Name of Director

董事姓名

Executive Directors:

Mr. Liu Kaijin

Mr. Wu Bin (resigned on 31 March 2020)

Mr. Wu Xuze

Ms. Zhou Shuhua

執行董事：

劉開進先生

伍斌先生(於二零二零年三月三十一日辭任)

吳旭澤先生

周淑華女士

Independent non-executive Directors:

Mr. Huan Xuedong

Mr. Chan Ming Sun Jonathan

Mr. Liang Zequan

獨立非執行董事：

還學東先生

陳銘樂先生

梁澤泉先生

Orientation is provided to newly appointed Directors (if any) upon their appointments. Each of them will receive a director's manual from the Company which contains a package of orientation materials on the operations and businesses of the Group, together with information relating to the duties and responsibilities of directors under the Listing Rules and statutory regulations.

本公司於新上任董事(如有)獲委任後立刻向其提供迎新介紹。彼等將各獲發一份本公司的董事手冊，當中載有一套有關本集團營運及業務的迎新資料，以及與上市規則及監管規定下的董事職責及責任有關的資料。

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Corporate Governance Report (Continued)

企業管治報告(續)

BOARD COMMITTEES

Remuneration Committee

The Company has set up a remuneration committee with specific terms of reference with appropriate modification when necessary, which state clearly its authority and duties. To make consistency of the Remuneration Committee's terms of reference with such terms of reference of other Board committees, the Board adopted the current terms of reference of the Remuneration Committee in January 2019.

The principal responsibilities of the Remuneration Committee include making recommendations to the Board on the Group's policy and structure for all remuneration of Directors and senior management and reviewing the specific remuneration packages of all executive Directors and senior management by reference to corporate goals and objectives resolved by the Board from time to time.

During the Review Period, the Remuneration Committee conducted review of the remuneration policy and structure of the Directors and senior management which took into account the prevailing market condition and the responsibilities and performance of individual members. No change to the terms was proposed to the Board by the Remuneration Committee. Further, the Remuneration Committee made recommendations to the Board on the remuneration packages for the executive Directors and the independent non-executive Directors during the Review Period.

Pursuant to code provision B.1.5 of the CG Code, the remuneration of the members of the senior management by band for the Review Period is set out below:

In the band of 範圍

Nil to HK\$1,000,000

董事委員會

薪酬委員會

本公司已成立薪酬委員會，並制定特定的職權範圍（必要時作出適當修改），清楚列明其職權及職責。為使薪酬委員會的職權範圍與其他董事會委員會的職權範圍的一致性，董事會於二零一九年一月採納現時的薪酬委員會職權範圍。

薪酬委員會的主要職責包括就本集團董事及高級管理層的全體薪酬政策及架構向董事會提出建議，及因應董事會不時所訂的企業方針及目標而審核全體執行董事及高級管理層的特定薪酬待遇。

回顧期間，薪酬委員會對董事及高級管理層的薪酬政策及架構作出檢討，並計及現行市況及個別成員的職責及表現。薪酬委員會並無向董事會建議修改有關條款。此外，薪酬委員會於回顧期間就執行董事及獨立非執行董事之薪酬待遇向董事會作出推薦建議。

根據企業管治守則的守則條文B.1.5，高級管理層人員於回顧期間之薪酬範圍載列如下：

Number of individuals 僱員人數

零至1,000,000港元

4

Corporate Governance Report (Continued) 企業管治報告(續)

BOARD COMMITTEES (CONTINUED)

Remuneration Committee (Continued)

During the Review Period, one committee meeting was held and the attendance of each member as to the said meetings is set out as follows:

Name of Director		Number of attendance	Number of meetings held during term of office
董事姓名		出席次數	任職期內舉行的會議次數
<i>Independent Non-executive Directors:</i>	<i>獨立非執行董事：</i>		
Mr. Huan Xuedong	還學東先生	1	1
Mr. Chan Ming Sun Jonathan	陳銘樂先生	1	1
Mr. Liang Zequan [#]	梁澤泉先生 [#]	1	1

[#] Mr. Liang Zequan acted as the chairman of the Remuneration Committee.

董事委員會(續)

薪酬委員會(續)

於回顧期間，已舉行一次委員會會議，各成員出席上述會議的情況載列如下：

Name of Director		Number of attendance	Number of meetings held during term of office
董事姓名		出席次數	任職期內舉行的會議次數
<i>Independent Non-executive Directors:</i>	<i>獨立非執行董事：</i>		
Mr. Huan Xuedong	還學東先生	1	1
Mr. Chan Ming Sun Jonathan	陳銘樂先生	1	1
Mr. Liang Zequan [#]	梁澤泉先生 [#]	1	1

[#] 梁澤泉先生擔任薪酬委員會主席。

Nomination Committee

The Company has set up a nomination committee with specific terms of reference with appropriate modification when necessary, which state clearly its authority and duties. To keep the Nomination Committee's terms of reference in line with the Listing Rules amendments relating to director nomination policy, the Board adopted the current terms of reference of the Nomination Committee in January 2019.

The principal duties of the Nomination Committee include reviewing the size, structure and composition of the Board, identifying individuals qualified to become Board members, making recommendations to the Board on the appointment or re-appointment and succession planning of Directors, and assessing the independence of the independent non-executive Directors.

提名委員會

本公司已成立提名委員會，並制定特定的職權範圍（必要時作出適當修改），清楚列明其職權及職責。為使提名委員會的職權範圍符合上市規則有關董事提名政策之修訂，董事會已於二零一九年一月採納現時的提名委員會職權範圍。

提名委員會的主要職責包括檢討董事會的規模、架構及組成、物色合資格可擔任董事的人士、就董事的委任或重新委任及繼任計劃向董事會作出推薦建議，以及評估獨立非執行董事的獨立性。

Corporate Governance Report (Continued)

企業管治報告(續)

BOARD COMMITTEES (CONTINUED)

Nomination Committee (Continued)

The Company recognises and embraces the benefits of diversity of the Board members. The following measurable objectives for the purpose of implementation of the board diversity policy are adopted:

- (a) at least 40% of the members of the Board shall be non-executive directors or independent non-executive directors;
- (b) at least 65% of the members of the Board shall have attained bachelor's degree or above;
- (c) at least 30% of the members of the Board shall have obtained accounting or other professional qualifications;
- (d) at least 75% of the members of the Board shall have more than seven years of experience in the industry he is specialised in; and
- (e) at least 50% of the members of the Board shall have China-related work experience.

Under the director nomination policy of the Company, when making recommendations to the Board relating to the appointment or re-appointment of proposed Directors, the Nomination Committee shall take into the following factors:

- (a) character and integrity of the proposed Directors;
- (b) qualifications including skills, knowledge, experience, and professional expertise possessed by the proposed Directors that are relevant to the operations of the Group;
- (c) the proposed Directors' willingness to devote adequate time to discharge duties as a member of the Board and the Board committees;
- (d) diversity in all aspects, including but not limited to gender, age, cultural and educational background, professional qualification, skills, knowledge and experience;
- (e) requirements of the proposed Directors' independence set out in rule 3.13 of the Listing Rules for nominating an independent non-executive Director; and
- (f) any other relevant factors as may be determined by the Nomination Committee or the Board from time to time.

董事委員會(續)

提名委員會(續)

本公司明白並深信董事會成員多元化裨益良多。就實施董事會多元化政策而言，乃採納以下可計量目標：

- (a) 至少40%董事會成員須為非執行董事或獨立非執行董事；
- (b) 至少65%董事會成員須獲得學士或以上學位；
- (c) 至少30%董事會成員須獲得會計或其他專業資格；
- (d) 至少75%董事會成員須於其專攻行業內擁有七年以上經驗；及
- (e) 至少50%董事會成員須擁有中國相關工作經驗。

根據本公司董事提名政策，提名委員會就委任或重新委任候任董事向董事會作出推薦建議時，應考慮以下因素：

- (a) 候任董事的品格與誠實；
- (b) 候任董事所擁有的資格包括與本集團業務相關的技能、知識、經驗及專業資格；
- (c) 候任董事能夠投放足夠的時間履行身為董事會及董事會委員會成員的職責；
- (d) 董事會各方面的多元化，包括但不限於性別、年齡、文化和教育背景、專業資格、技能、知識和經驗；
- (e) 被提名為獨立非執行董事的候任董事必須符合上市規則第3.13條所載的獨立性規定；及
- (f) 委員會或董事會不時決定的任何其他相關因素。

Corporate Governance Report (Continued)

企業管治報告(續)

BOARD COMMITTEES (CONTINUED)

Nomination Committee (Continued)

The Nomination Committee has reviewed the size and composition of the Board and the independence of independent non-executive Directors and also made recommendations to the Board in relation to the re-appointment of the retiring Directors for the Review Period. The measurable objectives set out above for the purpose of implementation of the board diversity policy are achieved.

During the Review Period, one committee meeting was held and the attendance of each member as to the said meetings is set out as follows:

Name of Director		Number of attendance	Number of meetings held during term of office
董事姓名		出席次數	任職期內舉行的會議次數
<i>Executive Director:</i>	<i>執行董事：</i>		
Mr. Liu Kaijin [#]	劉開進先生 [#]	1	1
<i>Independent Non-executive Directors:</i>	<i>獨立非執行董事：</i>		
Mr. Chan Ming Sun Jonathan	陳銘樂先生	1	1
Mr. Liang Zequan	梁澤泉先生	1	1

[#] Mr. Liu Kaijin acted as the chairman of the Nomination Committee.

Audit Committee

The Company has established an audit committee with specific written terms of reference with appropriate modification when necessary. To keep the Audit Committee's terms of reference in line with the Listing Rules amendments, the Board adopted the current terms of reference of the Audit Committee in January 2019.

董事委員會(續)

提名委員會(續)

回顧期間，提名委員會已檢討董事會的規模及組成以及獨立非執行董事的獨立性，並就重新委任退任董事向董事會作出推薦建議。本公司已達致為落實董事會多元化政策的上述可計量目標。

於回顧期間，已舉行一次委員會會議，各成員出席上述會議的情況載列如下：

Name of Director		Number of attendance	Number of meetings held during term of office
董事姓名		出席次數	任職期內舉行的會議次數
<i>Executive Director:</i>	<i>執行董事：</i>		
Mr. Liu Kaijin [#]	劉開進先生 [#]	1	1
<i>Independent Non-executive Directors:</i>	<i>獨立非執行董事：</i>		
Mr. Chan Ming Sun Jonathan	陳銘樂先生	1	1
Mr. Liang Zequan	梁澤泉先生	1	1

[#] 劉開進先生擔任提名委員會主席。

審核委員會

本公司已成立審核委員會，並制定特定的書面職權範圍(於必要時作出適當修訂)。為使審核委員會的職權範圍符合上市規則之修訂，董事會已於二零一九年一月採納現時的審核委員會職權範圍。

Corporate Governance Report (Continued)

企業管治報告(續)

BOARD COMMITTEES (CONTINUED)

Audit Committee (Continued)

The major role and function of the Audit Committee are to ensure the maintenance of proper relationship with the Company's auditor, the establishment of proper review and control arrangements relating to internal control and risk management systems, financial reporting and the compliance to applicable reporting requirements.

The Audit Committee reviewed the consolidated financial statements for the six months ended 30 June 2020 and consolidated financial statements for the Review Period of the Group, including the Group's adopted accounting principles and practices, the continuing connected transactions of the Company, internal control systems and financial reporting matters (in conjunction with the external auditor for the annual results). The Audit Committee also monitored the effectiveness of the external audit and oversaw the appointment, remuneration and terms of engagement of the Company's external auditor, as well as its independence. The Audit Committee endorsed the accounting treatments adopted by the Company and, to the best of its ability assured itself that the disclosures of the financial information in this annual report comply with the applicable accounting standards and Appendix 16 to the Listing Rules.

As at 31 December 2020, the Audit Committee comprised three independent non-executive Directors and regular Audit Committee meetings were held pursuant to its terms of reference. During the Review Period, three committee meetings were held in the attendance of the external auditor, and the attendance of each member as to the said meetings is set out as follows:

Name of Director		Number of attendance	Number of meetings held during term of office
董事姓名		出席次數	任職期內舉行的會議次數
<i>Independent Non-executive Directors:</i>			
Mr. Huan Xuedong	獨立非執行董事： 還學東先生	3	3
Mr. Chan Ming Sun Jonathan [#]	陳銘燊先生 [#]	3	3
Mr. Liang Zequan	梁澤泉先生	3	3

[#] Mr. Chan Ming Sun, Jonathan acted as the chairman of the Audit Committee.

董事委員會(續)

審核委員會(續)

審核委員會的主要職責及職務是確保與本公司核數師維持良好關係，及就內部監控及風險管理制度、財務報告及遵守適用報告規定作出適當檢討及監控安排。

審核委員會已檢討本集團截至二零二零年六月三十日止六個月的綜合財務報表及回顧期間的綜合財務報表，包括本集團採納的會計原則及慣例、本公司持續關聯交易、內部監控制度及財務報告事宜(就年度業績與外聘核數師一同檢討)。審核委員會亦監察外部審核的成效及對本公司外聘核數師的委任、薪酬、聘任條款及其獨立性進行監督。審核委員會贊同本公司採納的會計處理方法，並已盡力確保本年報披露的財務資料符合適用的會計準則及上市規則附錄十六。

於二零二零年十二月三十一日，審核委員會包括三名獨立非執行董事，並根據職權範圍定期舉行審核委員會會議。於回顧期間，已在外聘核數師出席的情況下舉行三次委員會會議，各成員出席上述會議的情況載列如下：

[#] 陳銘燊先生擔任審核委員會主席。

DIRECTORS' INTERESTS IN COMPETING BUSINESSES

None of the Directors or the management of the Company or their respective close associates (as defined under the Listing Rules) had any interests in a business which competes or may compete with the business of the Group, or had any other conflict of interest with the Group during the year.

The Company has received from each of the Directors an annual confirmation of his/her undertaking as to non-competition.

NON-COMPETITION UNDERTAKINGS

The controlling Shareholders (namely Mr. Liu and Wangji Limited ("Wangji")), through a deed of non-competition dated 24 May 2011 (as amended by a supplemental deed of non-competition dated 2 April 2015 ("Supplemental Deed")), have given undertakings ("Undertakings") to the Company not to directly or indirectly engage in the business which competes or may compete with the Group, on terms and conditions as disclosed in the prospectus of the Company dated 8 June 2011 ("Prospectus"). For details of the Undertakings, please refer to pages 162 to 165 of the Prospectus. For details of the Supplemental Deed, please refer to the Company's announcement dated 2 April 2015.

The status of compliance with the Undertakings by the controlling Shareholders during the Review Period is as follows:

- (1) the Board received from each of Mr. Liu and Wangji a confirmation (i) of compliance with the Undertakings for the Review Period, and (ii) that during the Review Period, neither they nor their close associates (as defined in the Listing Rules) had any interest in any project or business opportunity (otherwise than through their interests held through the Group) which relate to the business activities by the Group;
- (2) none of the Director are aware of any circumstances which indicate that the controlling Shareholders or their close associates are in breach of the Undertakings during the Review Period; and
- (3) save for the terms as amended by the Supplemental Deed, the terms of the Undertakings have remained unchanged since the Company's listing on the Stock Exchange in June 2011.

董事於競爭業務的權益

年內，本公司董事或管理層或彼等各自的緊密聯繫人（定義見上市規則）概無於與本集團業務構成競爭或可能構成競爭的業務中擁有任何權益，或與本集團存在任何其他利益衝突。

本公司已收到各董事有關不競爭承諾的年度確認書。

不競爭承諾

控股股東（即劉先生及旺基有限公司（「旺基」））已透過日期為二零一一年五月二十四日的不競爭契據（經日期為二零一五年四月二日的不競爭補充契據（「補充契據」）修訂）根據披露於本公司日期為二零一一年六月八日之招股章程（「招股章程」）內的相關條款及條件向本公司承諾，概不直接或間接從事對本集團構成或可能構成競爭的業務（「該等承諾」）。有關該等承諾的詳情，請參閱招股章程第162頁至165頁。有關補充契據的詳情，請參閱本公司於二零一五年四月二日之公告。

有關回顧期間之控股股東遵守該等承諾的情況如下：

- (1) 董事會已分別收到來自劉先生及旺基的確認函，函件確認(i)於回顧期間遵守該等承諾；及(ii)於回顧期間，彼等或彼等的緊密聯繫人（定義見上市規則）概無於任何與本集團業務活動有關的項目或商機內持有任何權益，惟透過彼等於本集團持有的權益者除外；
- (2) 概無董事知悉任何情況，顯示控股股東或彼等的緊密聯繫人於回顧期間違反該等承諾；及
- (3) 除補充契據修訂的條款外，該等承諾的條款自本公司於二零一一年六月於聯交所上市以來維持不變。

Corporate Governance Report (Continued)

企業管治報告(續)

FINANCIAL REPORTING AND AUDIT

The Directors acknowledged their responsibility for preparing the financial statements that give a true and fair view in accordance with applicable statutory requirements and accounting standards and the requirements of the Listing Rules.

The Group adopted the going concern basis in preparing its financial statements. Except from the issue discussed under note 2 to the consolidated financial statements on page 95 in relation to the loss and the net current liabilities of the Group, the Directors were not aware of any other material uncertainties relating to events or conditions which may cast significant doubt upon the Group's ability to continue as a going concern.

A statement by the external auditor of the Company about its reporting responsibilities is set out in the section headed "Independent Auditor's Report" in this annual report.

During the Review Period, remuneration in respect of non-audit services, namely, the review of the interim report and the statement of indebtedness provided by the Company's external auditor amounted to about RMB412,000. The remuneration in respect of audit service was amounted to about RMB1,648,000.

INTERNAL CONTROL AND RISK MANAGEMENT

The Board acknowledges its responsibility for overseeing the Group's risk management and internal control systems and reviewing their effectiveness at least annually. The Audit Committee assists the Board in fulfilling its oversight role in the Group's risk management and internal controls.

The risk management and internal control systems are to ensure that the Group's assets are safeguarded, relevant rules and regulations are complied with, reliable financial and accounting records are maintained in accordance with relevant accounting standards and regulatory reporting requirements, and key risks that may impact on the Group's performance are appropriately identified and managed. However, the systems are designed to manage rather than eliminate the risk of failures to achieve business objectives and can only provide reasonable and not absolute assurance against material misstatement or loss.

財務申報及核數

董事確認彼等按照適用法定要求及會計準則及上市規則規定編製真實與公平之財務報表之責任。

本集團已採納持續經營基準編製其財務報表。除第95頁綜合財務報表附註2所討論有關本集團錄得虧損及流動負債淨值的問題外，董事並不知悉任何其他事件或狀況存在重大不確定性可能對本集團的持續經營能力造成重大疑問。

本公司外聘核數師就其申報責任所作出的聲明載於本年報「獨立核數師報告」一節。

回顧期間，由本公司外聘核數師提供的非核數服務（即審閱中期報告及債務聲明）的酬金約為人民幣412,000元。有關核數服務之酬金約為人民幣1,648,000元。

內部監控及風險管理

董事會確認其責任為至少每年監管本集團的風險管理及內部控制系統及審核其有效性。審核委員會協助董事會履行其監管本集團風險管理及內部控制系統的職責。

風險管理及內部控制系統乃為確保保障本集團的資產，遵守相關規則及規範，並根據相關會計準則及規範報告規定存置可靠的財務及會計報告，以及妥為識別並管理影響本集團業績的主要風險。然而，該等系統旨在管理而非消除未能達致業務目標的風險，且僅能提供合理保證，無法完全保證不出現任何重大錯誤陳述或損失。

Corporate Governance Report (Continued) 企業管治報告(續)

INTERNAL CONTROL AND RISK MANAGEMENT (CONTINUED)

The Group has an internal audit function reporting directly to the Audit Committee. The role of internal audit is to evaluate and improve the effectiveness of internal control, risk management and business governance processes. The regular work of the internal audit covers the major activities of the Group's operations.

An information disclosure policy is in place to ensure potential inside information being captured and confidentiality of such information being maintained until consistent and timely disclosure is made.

During the Review Period, the Audit Committee not only reviewed the internal audit's report but also the certain key risk management and internal control issues identified by the external auditor. The Board has reviewed the effectiveness of the internal control and risk management systems of the Group, covering all material financial, operational and compliance controls and concluded that the key areas of the Groups' internal control and risk management systems are reasonably and adequately implemented to their satisfaction, with room of improvement.

COMPANY SECRETARY

Ms. Wong Kwan Lai has been the company secretary of the Company since 20 June 2016 and is a full-time employee of the Company. The company secretary is responsible for ensuring good information flow within the Board and that Board's policy and procedures are followed as well as for providing advice on governance matters. For the year ended 31 December 2020, Ms. Wong confirmed that she had taken no less than 15 hours of relevant professional training to update her skills and knowledge.

COMMUNICATION WITH SHAREHOLDERS AND INVESTORS

General Meetings with Shareholders

The Company communicates with its Shareholders through its annual report, interim report and statutory and voluntary announcements. The Directors, company secretary or appropriate members of senior management, where appropriate, also respond to inquiries from Shareholders and investors on a timely basis.

內部監控及風險管理(續)

本集團的內部審核職能為直接向審核委員會報告。內部審核的作用為評估及提高內部控制、風險管理及業務管治流程的有效性。內部審核的常規工作為審核本集團主要業務活動。

資料披露政策已經實施，以確保獲得潛在內部資料及對該資料保密，直至作出一致及及時的披露。

於回顧期間，審核委員會不僅審閱內部審核報告，亦審核外部核數師發現的若干風險管理及內部控制問題。董事會已審視本集團內部控制及風險管理系統的有效性，涵蓋重大財務、營運及合規控制方面，並認為本集團內部控制及風險管理系統的主要方面已獲合理及妥善實施，令人滿意，但尚有提升空間。

公司秘書

黃君麗女士自二零一六年六月二十日以來擔任本公司公司秘書，為本公司全職員工。公司秘書負責確保董事會成員之間資訊交流良好，及遵循董事會政策及程序以及就管治事項提供意見。截至二零二零年十二月三十一日止年度，黃女士確認彼已參與不少於15個小時的相關專業培訓，以提升技能及知識。

與股東及投資者進行溝通

與股東舉行股東大會

本公司通過年報、中期報告及法定及自願公告向其股東傳達訊息。董事、公司秘書或合適的高級管理層成員(倘適用)亦會及時回應股東及投資者的提問。

Corporate Governance Report (Continued) 企業管治報告 (續)

COMMUNICATION WITH SHAREHOLDERS AND INVESTORS (CONTINUED)

General Meetings with Shareholders (Continued)

The Company's annual general meeting provides a useful platform for direct communication between the Board and the Shareholders. Separate resolutions are proposed on each substantially separate issue at the general meetings. The annual general meeting for the year ended 31 December 2019 ("2019 AGM") was held on 17 June 2020.

Resolutions put to vote at the general meetings of the Company are taken by poll. Procedures regarding the conduct of the poll are explained to the Shareholders at the commencement of each general meeting. The poll results are posted on the websites of the Stock Exchange and the Company respectively on the same day as the poll.

Pursuant to code provision A.6.7 of the CG code, independent non-executive Directors should attend general meetings. All Directors (including independent non-executive Directors) who held office at time of the 2019 AGM attended such general meeting. Representative of the Company's external auditor also attended the 2019 AGM.

Shareholders' Rights to Convene Extraordinary General Meeting and Put Forward Proposals at General Meetings

In accordance with article 64 of the Articles, extraordinary general meetings shall be convened on the requisition of one or more Shareholder(s) holding, at the date of deposit of the requisition, not less than one-tenth of the paid up capital of the Company having the right of voting at general meetings. Such requisition shall be made in writing to the Directors or the Company's company secretary for the purpose of requiring an extraordinary general meeting to be called by the Directors for the transaction of any business specified in such requisition. Such meeting shall be held within two months after the deposit of such requisition. If within 21 days of such deposit the Directors fail to proceed to convene such meeting, the requisitionist(s) himself (themselves) may do so in the same manner, and all reasonable expenses incurred by the requisitionist(s) as a result of the failure of the Directors shall be reimbursed to the requisitionist(s) by the Company.

與股東及投資者進行溝通 (續)

與股東舉行股東大會 (續)

本公司的股東週年大會為董事會直接與股東溝通提供了一個實用的平台。本公司將於股東大會上就每項實質上不同的議題提呈獨立決議案。截至二零一九年十二月三十一日止年度的股東週年大會(「二零一九年度股東週年大會」)已於二零二零年六月十七日舉行。

在本公司股東大會上提呈表決的決議案將會按股數投票的方式進行。於每次股東大會開始時，將會向股東說明按股數投票的程序。而按股數投票方式表決的結果會於同日分別登載於聯交所及本公司的網頁。

根據企業管治守則的守則條文A.6.7，獨立非執行董事須出席股東大會。於二零一九年度股東週年大會召開日期所有在任董事(包括獨立非執行董事)均有出席該股東週年大會。本公司外聘核數師代表亦有出席二零一九年度股東週年大會。

股東召開股東特別大會及向股東大會提出提案的權力

根據細則第64條，股東特別大會須於一名或多名於要求遞交當日持有不少於本公司有權於股東大會上投票之實繳股本十分之一的股東要求時召開。該項要求須以書面向董事會或本公司公司秘書提呈，以要求董事會就處理該要求下任何指定業務召開股東特別大會。該大會須於該項要求遞交後兩個月內舉行。倘董事會於遞交該項要求後21日內未能召開該大會，提出要求者本人(彼等)可以相同方式召開大會，而本公司須向提出要求人士償付所有由提出要求人士因董事會未能召開大會而產生之合理開支。

COMMUNICATION WITH SHAREHOLDERS AND INVESTORS (CONTINUED)

Shareholders' Rights to Convene Extraordinary General Meeting and Put Forward Proposals at General Meetings (Continued)

There is no provision in the Articles setting out procedures for Shareholders to put forward a resolution at general meetings. Shareholders who wish to move a resolution may request the Company to convene a general meeting following the procedures set out in the preceding paragraph.

In accordance with article 110 of the Articles, if a Shareholder intends to propose a person other than a Director for election as a Director at any general meeting, the Shareholder concerned shall lodge with Hong Kong head office or Hong Kong share registrar of the Company for the attention of the Board and the company secretary of the Company (i) a written notice of his/her intention to propose that person for election as a Director; and (ii) a written notice by that person of his/her willingness to be elected as a Director together with the necessary information within the period commencing no earlier than the day after the dispatch of the notice of the general meeting and ending no later than seven clear days prior to the date of such general meeting.

Investor Relations

The Company endeavours to disclose all material information about the Group to all interested parties as widely and timely as possible. It has disclosed all necessary information to the Shareholders in compliance with the Listing Rules. When announcements are made through the Stock Exchange, the same information will be made available on the Company's website. During the year ended 31 December 2020, the Company has issued announcements which can be viewed on the Company's website.

Shareholders and investors may at any time send their enquiries and concerns to the Board in writing to the company secretary at the Company's office in Hong Kong or through the e-mail address: info@cdep.com.hk. Shareholders may also raise their enquiries in general meetings.

與股東及投資者進行溝通 (續)

股東召開股東特別大會及向股東大會提出提案的權力 (續)

細則並無載有就股東向股東大會提出決議案之程序規定。有意動議決議案之股東可依循上一段所載程序要求本公司召開股東大會。

根據細則第110條，如股東擬於任何股東大會提名董事以外之人士備選董事，有關股東須將以下文件呈交本公司香港總辦事處或香港股份登記處，抬頭註明由董事會及本公司公司秘書收：(i)其有意提名有關人士備選為董事的書面通知；及(ii)該名人士表明備選意願的書面通知，連同所需資料，而呈交文件限期應不早於寄發召開股東大會通告翌日開始，並不得遲於該股東大會日期前七個完整日為止。

投資者關係

本公司致力以最全面及適時的方式向所有感興趣人士披露與本集團有關的所有重要資料。本公司已根據上市規則向股東披露所有必需資料。在透過聯交所作出公佈時，相同資料將於本公司網頁登載。截至二零二零年十二月三十一日止年度，本公司已刊發多份公告，可於本公司網頁查閱。

股東及投資者可隨時透過公司秘書以書面形式將向董事會提出的查詢及關注郵寄至本公司於香港辦事處或透過電郵地址：info@cdep.com.hk寄發。股東亦可在股東大會上提問。

Environmental, Social and Governance Report

環境、社會及管治報告

The Group is committed to fulfilling its corporate social responsibility through working with the key stakeholders including the employees, customers, suppliers and Shareholders.

We have given full consideration to issues that are of concern to major stakeholders and have adhered to the principles of materiality, completeness, comparability and stakeholder involvement, all of which form the contents of this report. This report spans over one financial year from 1 January 2020 to 31 December 2020 and covers information of the Group — our Hong Kong and Yancheng, PRC headquarters as well as dredging and property management businesses in the PRC.

This report highlights the Group's sustainability efforts in environmental and social aspects as stipulated in the Environmental, Social and Governance Reporting Guide under Appendix 27 to the Listing Rules. We shall explain this in terms of four areas namely, environment protection, employment and labour practices, operating practices and community investment.

For details of our corporate governance, please refer to the corporate governance report included in this annual report.

ENVIRONMENTAL PROTECTION

Emissions

The Group recognises the importance of good environmental management and is committed to protecting the environment. We factor our environmental concerns into our business processes and strive to continuing to improve our environmental performance in compliance with the applicable regulations and industry-specific guidelines.

Owing to its business nature, the Group's air emissions are mainly generated from the dredging business by the consumption of fuels. The Group's greenhouse gas ("GHG") emissions consist of the direct emissions from the consumption of fuels by our dredging fleet and vehicles, and the indirect emission from the consumption of electricity and water at Xingyu International Houseware Plaza (formerly known as Easyhome Yancheng Shopping Mall) and the Group's offices and the refuse produced from the shopping mall, construction project sites and offices.

本集團致力與主要持份者(包括僱員、客戶、供應商和股東)合作，承擔企業社會責任。

我們充分考慮了主要持份者所關心的議題，同時遵循重要性、完整性、可比性以及持份者的參與等原則，確定了本報告中的內容。本報告涵蓋二零二零年一月一日至二零二零年十二月三十一日的財政年度，並覆蓋本集團有關香港及中國鹽城總部，以及於中國的疏浚業務和物業管理業務的資料。

本報告重點列出本集團於上市規則附錄二十七項下的《環境、社會及管治報告指引》所規定之環境及社會層面可持續發展的努力，並就環境保護、僱傭及勞工常規、營運慣例及社區投資四個範疇加以說明。

有關我們企業管治的詳情，請參閱本年報內的企業管治報告。

環境保護

排放物

本集團重視良好的環境管理，並致力保護環境。我們在業務過程中融入環保理念，遵守相關的法規及業界特定的指引，致力持續改善環保表現。

基於業務性質，本集團的廢氣排放主要來自疏浚業務耗用燃料。本集團的溫室氣體排放包括疏浚船隊及汽車耗用燃料直接產生的排放物，以及興宇國際家居廣場(前稱居然之家鹽城店)及本集團各辦公室的用水用電及商場、工程項目施工場地及辦公室產生的廢物所間接產生的排放物。

Environmental, Social and Governance Report (Continued)

環境、社會及管治報告(續)

ENVIRONMENTAL PROTECTION (CONTINUED)

環境保護(續)

Emissions (Continued)

The Group has calculated the air and GHG emissions during the Reporting Period as follows:

排放物(續)

本集團於報告期內的廢氣排放及溫室氣體排放計算如下：

Types of emissions	排放類別	2020 二零二零年 (Kg 千克)	2019 二零一九年 (Kg 千克)
Air emission	廢氣排放		
Nitrogen Oxides (NOx)	氮氧化物	4,738,537	5,273,706
Sulphur Oxides (SOx)	硫氧化物	23,534	26,174
Particulate Matter (PM)	顆粒物	57	66
Direct GHG emission	直接溫室氣體排放		
Carbon Dioxide (CO ₂) (scope 1)	二氧化碳(範圍1)	9,613,628	14,885,782
Methane (CH ₄)	甲烷	113	161
Nitrous Oxide (N ₂ O)	氧化亞氮	141	154
Indirect GHG emission	間接溫室氣體排放		
Carbon Dioxide (CO ₂) (scope 2)	二氧化碳(範圍2)	306,662	381,406

During the Reporting Period, the Group's major GHG emission was carbon dioxide and its intensity was 34,787 Kg CO₂e per million of revenue.

於報告期內，本集團的主要溫室氣體排放為二氧化碳，密度為每百萬收益有34,787千克二氧化碳當量。

The Group always encourages its employees to save resources in its daily operation to reduce GHG emissions. We conduct regular maintenance and inspection of vessels and vehicles not only to maintain their performance but also to improve fuel efficiency. We remind our employees to make good use of electronic systems for message distribution and archiving and use double-sided printing and photocopying to reduce paper consumption. Further, we encourage them to reduce carbon emissions from their daily lives, such as using public transport and walking or riding a bicycle for short journeys.

本集團一向鼓勵僱員在日常業務中節約資源，以減低溫室氣體排放。我們定期保養和檢查船隊及汽車，不僅為保持性能，亦為改善燃料效益。我們提示僱員善用電子系統發佈信息及儲存檔案，並以雙面印刷和複印，減低耗紙量。另外，我們鼓勵僱員減低日常生活碳排放，例如使用公共交通，如行程較短，則步行或以自行車代步。

Environmental, Social and Governance Report (Continued)

環境、社會及管治報告(續)

ENVIRONMENTAL PROTECTION (CONTINUED)

Emissions (Continued)

The Group strictly complies with the relevant national maritime regulations to identify and manage the released substances during dredging to ensure their safe treatment, transportation, storage, recycling and disposal. We strive for high accuracy in both positioning and excavation during the dredging process to ensure proper removal of excavated materials (including mud and solid matter) and pollutants and to minimise over-excavation and soil agitation. We also take anti-diffusion and leakage measures to ensure high concentrations of inhalation in order to avoid pollution by the contaminants in their suspended state in the surrounding water. Besides, in the dredging process the excavated materials and contaminated sediments are stored on the dredgers in accordance with the relevant national regulations. We transport them to the shore through barges or pipeline to avoid their leakage which may cause secondary pollution to water. Finally, we arrange qualified recyclers for their disposal.

In the horizons of waste management and recycling, the Group requires our employees to keep contaminated substances in separation and treat wastes in classification. Excavated materials and contaminated sediments in the dredging process are stored on the dredgers and transported to the shore according to the relevant national laws and regulations. Other wastes are stored in specialised storage areas and handled in accordance with the Standard for Pollution Control on Hazardous Waste Storage. The Group has commissioned qualified companies to recycle and declare under the registration system pursuant to the relevant laws and regulations.

During the Reporting Period, the Group recorded the following waste:

Types of wastes	廢物類別	2020 二零二零年 (ton 噸)	2019 二零一九年 (ton 噸)
General Waste	一般廢物	174	201
Diesel dregs	柴油渣	24	25

Notes:

- The general waste included kitchen waste as the Group offered free meals to crews of dredging vessels in the PRC.
- The waste produced from the Group's Hong Kong office was not counted as it was immaterial in view of the whole Group's waste production.

環境保護(續)

排放物(續)

本集團嚴格按照國家海事法規執行識別和控制，以確保在疏浚過程中釋出的排放物質得到安全的處理、運輸、存儲、回收和處置。在疏浚挖掘過程中會採取高定位精度及高開挖精度，在徹底清除挖掘出的物料（包括泥漿和固體物）及污染物外，盡量減少超挖量及泥沙攪動，並採取防擴散和洩漏措施，保證高濃度吸入，以避免處於懸浮狀態的污染物對周圍水體造成污染。此外，各船舶在疏浚過程中挖掘的物料及污染底泥會按照國家相關法規先儲存在挖泥船上，透過駁船或管道的輸送過程中避免洩漏對水體造成二次污染，運至岸邊後安排合資格回收公司運送。

在廢物管理回收利用方面，本集團要求員工隔離放置此等污染物，並將垃圾分類處理。在疏浚工程中挖掘出的物料及污染底泥會按照國家相關法規在挖泥船安全傳輸至岸邊，而其他廢棄物會存放在專門區域，按《危險廢物貯存污染控制標準》的要求執行，本集團委託有資質單位後繼處理，按法規執行回收及申報登記制度。

於報告期內，本集團記錄了下列廢物類別：

附註：

- 一般廢物包括廚房垃圾，因本集團在中國向挖泥船船員提供免費膳食。
- 從本集團香港辦公室排放出的廢物不計在內，因以本集團整體廢物量而言並不重大。

Environmental, Social and Governance Report (Continued) 環境、社會及管治報告(續)

ENVIRONMENTAL PROTECTION (CONTINUED)

Emissions (Continued)

In addition, due to the nature of businesses, the Group does not have physical products for sale and thus the disclosure on the use of packaging material is inapplicable to the Group.

During the Reporting Period, the Group is not aware of any non-compliance of laws and regulations that have a significant impact on the Group relating to air and GHG emissions, discharges into water and land, and generation of hazardous and non-hazardous waste.

Use of resources

The resources used by our Group are principally attributed to fuels consumed by dredging fleet at construction project sites, and also electricity and water consumed at its offices and the shopping mall.

With the aim to better manage the use of resources, the Group performs assessment annually. The Group has adopted green office practices to reduce natural resource and energy consumption, e.g., installing LED lamp to save energy, and employees are encouraged to develop the habit of energy conservation, e.g., switching off lights, computers and other electronic appliances before leaving the offices. The Group strives to utilise telephone conferences to minimise face-to-face meetings in order to reduce petrol consumption in travelling and avoid unnecessary business trips. During the Reporting Period, the Group had an electricity consumption of approximately 388,400 kilowatt-hours (2019: 483,500 kilowatt-hours).

From the perspective of water management, the Group has provided signs to remind its staff to reduce water consumption. We also regularly check meter readings and conduct the detection of hidden leaks in water pipes. If hidden water leakage or tap dripping is found, we will arrange for repair promptly to avoid wasting water resources. During the Reporting Period, the Group's water consumption was about 1,600 tons, representing a decrease of 3.4% as compared with that of last year.

Environment and Natural Resources

Dredging construction projects affect the environment and natural resources. The Group is committed to managing the impact of its operations related to the environment and natural resources and preventing significant adverse impacts on the environment.

環境保護(續)

排放物(續)

此外，基於業務性質關係，本集團並無實體產品供銷售，故此有關使用包裝材料的披露並不適用於本集團。

於報告期間，本集團並不知悉有任何因不遵守有關氣體及溫室氣體排放、排放至水源及土地，以及產生有毒及無毒廢料之法例及規例而令其受到重大影響之情況。

資源使用

本集團利用的資源主要為疏浚船隊於施工項目場所消耗的能源，以及於其辦公室及商場消耗的水電。

為更好管理資源利用，本集團進行年度評估。本集團已採納綠色辦公室慣例(例如安裝LED燈以節約能源)以減少天然資源及能源消耗，亦鼓勵僱員培養節能習慣(例如於離開辦公室前關燈、電腦及其他電子用品)。本集團致力運用電話會議以減少面對面會議，從而降低往返交通的汽油消耗並避免不必要的出差。於報告期間，本集團用電量約388,400千瓦時(二零一九年：483,500千瓦時)。

至於水資源管理方面，本集團透過張貼標識以提醒員工節約用水。我們亦定期檢查水錶讀數及檢測水管的任何滲漏水情況。倘有滲漏水情況或水龍頭有滴水情況，我們會安排從速維修以免浪費水資源。於報告期間，本集團用水量約1,600噸，較去年同期減少3.4%。報告期內耗用量較去年減少，原因是居然之家的使用水做消防測試的數目較前幾年初開業時減少。

環境及天然資源

疏浚工程項目對環境及天然資源有一定影響。本集團承諾負責任地管理業務對環境和天然資源的影響，防止對環境造成損害。

Environmental, Social and Governance Report (Continued)

環境、社會及管治報告(續)

ENVIRONMENTAL PROTECTION (CONTINUED)

Environment and Natural Resources (Continued)

We care the natural environment. Thus, the Group deploys measures to protect the environment in its dredging business, by which we hope to contribute to the protection of the environment. Our environmental protection dredging technology outperforms the traditional technology as it does not cause secondary pollution and conforms with the keynote of China's environmental protection policies. Our sludge dewatering equipment is capable of continuous operation and meeting the requirements and standards of dewatering volume without adding solidification materials such as lime or concrete during operation. It does not change the acidity and alkaline property of the mud plate after dewatering and can be used in sludge soil resource recovery and reuse or otherwise can be turned into harmless environmental protection bury. The remaining water after processing is clear and up to the standard, which can be directly re-discharged into the lake.

Environmental impact is also fully taken into consideration when the Group makes investment decisions.

EMPLOYMENT AND LABOUR PRACTICES

Employment

The policy of maintaining a good working condition is a people-oriented principle. In relation to personnel management affairs on staff hiring, promotion, performance evaluation and compensation, the Group establishes an employer-employee relationship based on legitimacy and equality, which enables us to avoid any discrimination resulting from different genders, ages, languages, nationalities and religions of employees.

The Group recruits employees via various recruitment channels. The recruitment of our employees embodies the principles of social responsibilities such as the equality of employment, the respect for human rights, the diversity of employees, the prohibition of use of child labour and the prohibition of forced labour. The Group provides its new employees with clear codes of practice, rules and regulations, as well as information relating to salary and welfare system.

環境保護(續)

環境及天然資源(續)

我們關顧自然環境，因此本集團的疏浚業務設有環保措施，我們希望藉此為環保出一分力。我們的環保疏浚技術的環保效能較傳統環保疏浚技術為高，沒有二次污染問題，且符合國家環保政策主調。脫水設備可連續式作業，在過程不添加石灰或水泥等固化材料下，已可達到脫水量要求標準。同時，不會改變脫水後泥餅的酸鹼性質，可作污泥土壤資源回收及再利用，或成無害化環保掩埋，處理後的餘水清澈達標，可以直接回排入湖。

在投資決策時，本集團亦充分考慮項目對環境的影響。

僱傭及勞工常規

僱傭

本集團的工作環境政策是以人為本。藉此在員工聘用、晉升、績效評估、薪酬之人員管理事務上發展人力資源合法平等的政策，不因員工性別、年齡、語言、國籍和宗教信仰等之不同而有任何歧視行為。

本集團通過不同渠道招募甄選人才，著重就業平等、尊重人權和員工多樣性。同時，禁止使用童工及禁止強迫勞工等社會責任理念融入到招募工作中。本集團均向新員工提供清晰的職工守則、規章制度、薪資及福利制度的資料。

Environmental, Social and Governance Report (Continued)

環境、社會及管治報告(續)

EMPLOYMENT AND LABOUR PRACTICES (CONTINUED)

Employment (Continued)

As of 31 December 2020, the Group had a total of 454 employees, of which over 90% were employed for our operations in the PRC.

Because of the industry nature of the Group's dredging businesses, most of the employees are male. In respect of the age, we have an even age distribution among our staff. The staff composition as of 31 December 2020 is as shown below:

By Gender 按性別		By Position 職位		By Age 按年齡		
Female 女性	Male 男性	Managerial and technical staff 管理技術人員	General staff 基層員工	30 or below 30歲或以下	31 to 50 31至50歲	Over 50 50歲以上
5.2%	94.8%	20.5%	79.5%	7.9%	62.4%	29.6%

In respect of salaries and benefits, the Group provides a comprehensive remuneration package of compensation and benefits for its employees. The remuneration package is mainly determined according to the individual employee's development and performance as well as the Group's performance. The Group provides work lunch to those staff in the PRC and also sets aside reserved funds for activities, which help our employees to relieve stress and serve to exemplify the Group's corporate culture of the spirit of solidarity and cohesion among its employees. In accordance with the applicable Chinese labour laws, the Group contributes to various national social security insurances and one housing fund for our mainland employees.

Recognising the importance of communication with its employees, the Group encourages its employees to share their ideas with the Group and raise questions or make suggestions to the Group. With the availability of a wide array of communication channels, the Group offers its employees access to the latest information of the Group through the Group's website. Employees can also maintain timely and smooth communication with the management of the companies within the Group through the representatives of the employees.

僱傭及勞工常規(續)

僱傭(續)

截至二零二零年十二月三十一日，本集團僱員總數為454人，其中超過90%員工任職於中國業務。

由於本集團從事疏浚行業，故絕大部份員工為男性。至於年齡方面，員工在各年齡分佈則平均。截至二零二零年十二月三十一日的員工構成如下所示：

薪酬福利方面，本集團為員工提供完善的薪酬福利，薪酬主要與員工發展、個人績效、集團表現密切相關。本集團於國內員工提供工作午餐，亦有預留經費以支持各項團體活動，為員工舒緩工作壓力之餘，亦充分體現了本集團的團結精神的企業文化及員工凝聚力。本集團根據中國勞動法的相關規定為國內員工繳納各項社會保險及住房公積金。

本集團重視與員工的溝通，鼓勵他們分享自己的想法，向本集團提出問題或建議。本集團亦為員工創立多樣的溝通管道，員工可以通過本集團網站得到最新資訊，員工亦能透過員工代表與本集團各公司管理層保持及時和順暢的溝通。

Environmental, Social and Governance Report (Continued)

環境、社會及管治報告(續)

EMPLOYMENT AND LABOUR PRACTICES (CONTINUED)

Health and safety

The Group trains its employees to prevent occupational hazards from time to time and distributes labour protection supplies and first aid supplies to employees as needed. We also post up hazard warning signs and labour protection supplies reminders in the relevant work places. We provide to the relevant staff annual occupational health examinations. Meanwhile, we also implement the labor protection supplies regulatory mechanism. With regular inspections by dedicated persons, we remind and request employees to wear labour protection supplies to maintain their health and safety.

At the production safety level, each of the dredgers and the key safety equipment must carry a valid ship inspection certificate issued by the ship inspection agency. All the ships and offices are also equipped with first aid and medicine boxes, and we also arrange staff representatives to participate in first aid training. At the individual's level, the Group provides targeted safety trainings to newly recruited employees and then strengthens their safety awareness through the implementation of the mentoring system in daily work. The Group has reinforced on-the-job safety trainings by requiring all department heads responsible for work injury to carry out safety trainings for their department staff and through a series of measures to enhance the safety awareness of employees in order to avoid the recurrence of similar incidents.

Moreover, the Group has assigned dedicated people to conduct regular inspections of the fire equipment on the ships and in offices. We perform full fire drills twice per year to increase their awareness of fire safety and fire prevention for all employees. As a result, no work accident was recorded by the Group in the Reporting Period.

Development and training

The Group highly emphasises on the internal and external learning and training to enhance the educational standards and working abilities of employees.

New employees are provided with on-board training to help them familiarise themselves with the culture, business and operation of the Group. In addition, employees are also entitled to various subsidies and sponsorships for job-related training courses to encourage lifelong learning.

僱傭及勞工常規(續)

健康與安全

本集團會不定期培訓員工預防職業病危害的知識，按需要向員工免費發放勞保用品及急救箱用品等。我們亦會在相關崗位張貼危害警示牌、勞保用品防護提醒等標示，給相關崗位員工每年進行相關職業病體檢，同時執行勞動防護用品佩戴監管機制，定期派專人巡查，提醒並要求員工按照要求佩戴防護用品，維護員工身體健康。

在生產安全方面，所有的船舶和船上有關航行安全的重要設備必須具有船舶檢驗機構簽發的有效船舶檢驗證書，所有的船舶及辦公場所亦設立了急救醫藥箱，同時安排各員工代表參加公司內部的急救知識培訓。在個人層面，本集團會為新入職員工提供針對性的個人安全教育培訓，再通過實行師徒制度在日常工作上加強新入職員工的安全意識。為加強在職安全培訓，集團要求所有發生工傷的部門負責人對本部門員工進行了安全培訓，通過一系列措施再增強員工的安全意識，以避免以後同類事故的再次發生。

另外，本集團安排專人定期對船舶上及辦公室內的消防器材進行狀態檢查；每年進行兩次消防演習，增加所有員工安全防火意識。因此，於報告期間，本集團沒有發生任何工傷意外。

發展與培訓

本集團高度重視內部和外部的學習和培訓，以提升員工的教育水準和工作能力。

本集團為所有新員工安排入職培訓，以幫助他們熟悉本集團的文化、業務和營運情況。此外，員工亦享有各種與其工作相關的培訓課程之補貼和贊助，以鼓勵終身學習。

Environmental, Social and Governance Report (Continued)

環境、社會及管治報告(續)

EMPLOYMENT AND LABOUR PRACTICES (CONTINUED)

Labour standards

All work should be voluntarily performed and shall not involve forced labour, debt repayment or contractually binded labour. The Group prohibits child labour in any workplace. The Group also prohibits discrimination based on race, colour, age, gender, sexual orientation, ethnicity, disability, pregnancy, religion, political affiliation, union membership or marital status in recruitment, treatment, promotion, etc.

The Group also strictly complies with the relevant PRC labour regulations relating to working hours, rest and holidays to ensure the physical and mental of all employees. Employees are not to be forced to work beyond working hours and are entitled to overtime pay in accordance with the local regulations. All employees perform works voluntarily and are not subject to discrimination.

OPERATING PRACTICES

Supply chain management

Our suppliers are our business partners and we aim to maintain a long-term partnership with them to continuously improve the quality of our products and services.

Based on supply chain social and environmental responsibilities management, the principal raw material currently required by the Group's operation is diesel, and other resources involve owned and leased dredgers, crews and subcontractors' participation. There are over hundred of dredger leasing companies, subcontractors and fuel suppliers on our list.

In addition to factors such as pricing, quality, facilities and experience, and past performance evaluation, the Group also takes into account the suppliers' performance in fulfilling their social responsibilities and commitment to environmental protection in our selection of suppliers. We require our suppliers to comply with the laws and regulations in countries and regions where their operations are located and to operate in good faith by adhering to their business ethics. The Group prohibits discrimination arising from regional, racial, cultural and political factors in the course of its supplier evaluation.

僱傭及勞工常規(續)

勞工準則

所有工作應當是自願而不是使用強迫、抵債或用契約束縛的勞工。本集團不容許有童工在任何工作場所工作。本集團亦禁止因種族、膚色、年齡、性別、性傾向、種族、殘疾、懷孕、信仰、政治派別、工會成員或婚姻狀況而影響其錄用、待遇、晉升等。

本集團還嚴格遵守與工作時間、休息與假期相關的中國勞動法規，以保證所有員工的身心健康。員工不會被強迫加班，並有權按當地法規獲得加班費。所有員工在沒有強迫下工作和非法歧視。

營運慣例

供應鏈管理

供應商是集團的業務夥伴，且我們計劃與彼等保持長期合作，以提高產品及服務質量。

基於供應鏈的社會與環境責任管理，本集團目前主要的營運原材料為柴油，而所需投入的資源包括自有及包租挖泥船、船員及分包商參與等。集團有逾百間國內的出租挖泥船供應商、分包商及燃料供應商。

在選擇此等供應商時，除供應商價格、品質、設備和經驗、以往表現評估等因素外，本集團亦會考慮各供應商於履行社會責任及環境保護的投入、要求供應商遵守國家和地區的法律法規，嚴守商業道德準則，誠信經營。本集團在供應商評估過程中禁止區域、種族、文化和政治等因素的歧視行為。

Environmental, Social and Governance Report (Continued)

環境、社會及管治報告(續)

OPERATING PRACTICES (CONTINUED)

Product responsibility

The Group attaches great importance to the quality of dredging projects and establishes comprehensive quality control procedures. The project management team is responsible for testing the quality of the dredging projects. The project manager conducts daily on-site inspections and supervise works to ensure that the quality standards and regulations of the dredging and related projects are carried out in accordance with the customers' requirements. After the completion of the works but before handing over of the projects, customers will check whether the quality of the projects meets their requirements.

During the Reporting Period, the Group did not have to rework for completed project due to the project quality issue.

Anti-corruption

The Group is committed to maintaining high ethical standards in all of our operations and business activities. With this in mind, the Group is dedicated to a zero-tolerance policy with regard to any involvement in corruption or bribery activities of any type.

We include anti-corruption code in our internal operational manual to ensure that employees understand the Group's expectations. The code sets out the legal responsibilities and ethical standards for the expected behaviour of all employees. It explicitly prohibits employees from soliciting, accepting, or offering bribes or any other form of advantage. The code also provides guidance for daily interactions with customers, suppliers, government officials and other business partners and outlines the Group's expectations on employees with regard to conflicts of interests and encourages employees to report any malpractice and misconduct. The Group has set up hotline and email to receive reports from all employees.

COMMUNITY INVESTMENT

The Group emphasises the support of the community and actively participates in charitable activities for the relief of poverty in the communities in which we operate our businesses. We encourage our employees to participate in volunteering activities organised by local charities.

營運慣例(續)

產品責任

本集團高度重視疏浚工程的品質，並制定了一套完善的品質控制程序。項目管理團隊負責檢測疏浚工程的品質，項目經理會每日實地檢測及監督工程，以確保嚴格按照客戶要求執行疏浚及相關工程項目的品質標準及規定。於項目完工後及交收項目前，客戶會檢測工程品質是否到位。

於報告期間，本集團未發生已竣工項目因工程品質問題被要求修補的現象。

反貪污

本集團致力在營運及業務活動中恪守高道德標準，因此，集團對參與任何類型的貪污或賄賂活動的行為奉行零容忍政策。

我們在《內部管理制度》內加入反貪污守則有助於確保僱員理解本公司的期望。該守則闡述所有僱員預期行為的法律責任及道德基準，明確禁止僱員索取、收受或提供賄賂或任何其他形式的利益，同時為客戶、供應商、政府官員及其他業務夥伴的日常交往提供指引，概述本集團對僱員在處理利益衝突方面的期望，以及鼓勵僱員舉報任何違規和不當行為。本集團設立舉報熱線及電子郵箱，接收所有僱員就相關的提出舉報。

社區投資

本集團重視回饋社區的支持，一向積極參與業務所在地的城市社區扶貧慈善活動。我們鼓勵僱員參與由本地慈善團體舉辦的慈善活動。

Directors' Report

董事會報告

The Directors are pleased to present their report and the audited financial statements of the Company and of the Group for the year ended 31 December 2020.

PRINCIPAL ACTIVITIES

The principal activity of the Company is investment holding. Details of the principal activities of its principal subsidiaries are set out in note 42 to the consolidated financial statements. There were no significant changes in the nature of the Group's principal activities during the year.

BUSINESS REVIEW

A fair review of the business of the Group during the year and particulars of important events affecting the Group that have occurred since the end of the financial year 2020, as well as a discussion on the Group's future business development are set out in the sections headed "Chairman's Statement" and "Management Discussion and Analysis" of this annual report. In addition, details of the Group's relationship with its employees, customers and suppliers are disclosed in the section headed "Environmental, Social and Governance Report" of this annual report. The above discussions form part of this directors' report.

Discussions on the compliance with applicable laws and regulations which have a significant impact on the Group, the Group's major risks and risk management and the Group's environmental policies and performance can be found in the paragraphs below.

Compliance with the Applicable Laws and Regulations which have a Significant Impact on the Group

The Group and its activities are subject to requirements under an array of laws, including the Tendering and Bidding Law of the People's Republic of China, the Implementation Rules of Tendering and Bidding Law of the People's Republic of China, the Contract Law of the People's Republic of China and the Production Safety Law of the People's Republic of China, as well as other applicable regulations, guidelines, policies and terms issued or promulgated pursuant to or in respect of these formal laws. In addition, the Listing Rules are also applicable to the Group. The Group is committed to ensuring compliance with such requirements by taking various measures using specific resources at all levels, including internal monitoring and approval procedures, training and supervision over different segments. The Group always attaches paramount importance to compliance with the requirements under applicable laws and regulations, despite the fact that such measures involve a lot of internal resources and incur additional operating costs.

董事會欣然提呈彼等的報告及本公司及本集團截至二零二零年十二月三十一日止年度的經審核財務報表。

主要業務

本公司的主要業務為投資控股。主要附屬公司的主要業務詳情載於綜合財務報表附註42。年內，本集團主要業務的性質並無重大變動。

業務回顧

年內對本集團業務的中肯審視及自二零二零年財政年度結束後發生的而對本集團有影響的重大事件的詳情以及對本集團未來業務發展的討論，分別載於本年報「主席報告書」及「管理層討論及分析」章節。此外，有關本集團與僱員、客戶及供應商的關係於本年報「環境、社會及管治報告」一節中披露。上述討論構成董事會報告一部分。

就遵守對本集團有重大影響的適用法律及法規、本集團的主要風險及風險管理及本集團的環境政策及表現之討論載於以下段落。

遵守對本集團有重大影響的適用法律及法規

本集團及其活動須遵守多項法律規定，包括《中華人民共和國招標投標法》、《中華人民共和國招標投標法實施細則》、《中華人民共和國合同法》、《中華人民共和國安全生產法》以及根據或有關這些成文法所發出或頒佈的其他適用法規、指引、政策及條款。此外，上市規則亦適用於本集團。本集團致力於各個層面的特定資源透過內部監控及審批程序、培訓及監督不同分部等多項措施，確保遵守該等規定。儘管這些措施需動用大量內部資源，產生額外營運成本，但本集團非常重視要確保符合適用法律及法規要求。

Directors' Report (Continued)

董事會報告(續)

BUSINESS REVIEW (CONTINUED)

Compliance with the Applicable Laws and Regulations which have a Significant Impact on the Group (Continued)

Tendering and Bidding Law of the People's Republic of China

According to the Tendering and Bidding Law of the People's Republic of China and the Implementation Rules of Tendering and Bidding Law of the People's Republic of China, when bidding for a new project, the Group must, in accordance with the laws and regulations, have the capacity, qualifications and conditions to undertake the project and respond in details to substantive requirements and conditions under the bidding document, and must not, among others, collude with others to make a tender offer, undermine fair competition by squeezing out other bidders, bribe tenderer or any member of the bid evaluation committee, make a bid at a price lower than costs, and participate in the bidding in the event that the tenderer is interested in the Group and thus may compromise bidding fairness. In the case of any violation of relevant regulations by the Group as a bidder, its bid shall be invalid and it may be punished by the tenderer or relevant authorities.

Contract Law of the People's Republic of China

The Contract Law of the People's Republic of China ("Contract Law") clearly stipulates, among others, qualifications of the contract parties, contract forms, principal terms, cancellation conditions, contract validity, constituent elements of invalid and cancelable contracts, fulfillment of obligations, conditions for contract alteration and transfer, termination of rights and obligations under a contract and liability for breach of contract.

For construction contracts, the Contract Law sets out specific requirements, including: contracts for major national construction projects shall be entered into in accordance with state-stipulated procedures and state-approved documents such as investment plans and feasibility study reports; with the consent of the contractee, the contractor can sublet part of its contracted works to a third party, provided that construction of the main structure of the construction project must be completed by the contractor who is forbidden to sublet its works to an unqualified entity. After the completion of the construction project, the contractee shall timely conduct acceptance inspection of the project pursuant to construction acceptance rules and quality inspection standards issued by the state. If the project passes the acceptance inspection, the contractee shall accept it and make the agreed payment. In the case of the Group's failure to fulfill its contractual obligations (either non-fulfillment or non-agreed

業務回顧(續)

遵守對本集團有重大影響的適用法律及法規(續)

《中華人民共和國招標投標法》

根據《中華人民共和國招標投標法》和《中華人民共和國招標投標法實施細則》，本集團參加新工程投標，必須按照法律法規實施，包括應當具備承擔招標項目的能力、資格、條件，對招標文件提出的實質性要求和條件作出具體響應，其中包括，不得與他人串通投標報價，不得排擠其他投標人的公平競爭，不得向招標人或者評標委員會成員行賄，不得以低於成本的報價競標，招標人存在利害關係可能影響招標公正性時不得參加投標等等。如果本集團作為投標人違反相關規定，其投標無效，並可被招標人或相關部門處罰。

《中華人民共和國合同法》

《中華人民共和國合同法》(《合同法》)(其中包括)對合同訂立的主體資格、訂立形式、主要條款、撤銷條件、合同效力、無效合同 and 可撤銷合同的構成要件、履行責任、合同的變更和轉讓條件、合同的權利義務終止、違約責任等均有明確規定。

對於施工合同，《合同法》列示具體要求，包括：國家重大建設工程合同，應當按照國家規定的程序和國家批准的投資計劃、可行性研究報告等文件訂立；經發包人同意，承包人可以將自己承包的部分工作交由第三方完成，但建設工程主體結構的施工必須由承包人自行完成，禁止承包人將工程分包給不具備相應資質條件的單位；建設工程竣工後，發包人應當根據國家頒發的施工驗收規範和質量檢驗標準及時進行驗收，驗收合格的，發包人應當按照約定支付價款，並接收該建設工程。本集團作為履約人及(或)施工人，如果不能履行合同義務(包括不履行合同義務或者履行合同義務不符合約定)，必須承擔違約責任，包括應當承擔繼續履行、採取補救措施或者賠償損失等違約責任；因施工人的原因致使建設工程質量不符合約定

BUSINESS REVIEW (CONTINUED)

Compliance with the Applicable Laws and Regulations which have a Significant Impact on the Group (Continued)

Contract Law of the People's Republic of China (Continued)

fulfillment) as the performing party and/or constructor, it must assume the liability for breach of contract, including continuing to fulfill the contract, taking remedial measures or compensating for any resulting losses. In the case of the construction project quality falling below the agreed level due to the constructor's fault, the contractee has the right to require the constructor to repair, revamp or rebuild it within a reasonable period, without any extra charge, and to bear the liability for breach of contract for the resulting delayed delivery (if any).

Production Safety Law of the People's Republic of China

According to the Production Safety Law of the People's Republic of China, for the production and operating unit held responsible, a major accident may incur a fine of up to RMB20 million in addition to typical liabilities including the required legal compensation. To ensure compliance with the Production Safety Law of the People's Republic of China, the Group avoids production safety incidents by providing training courses from time to time on production safety and emergency rescue drills to staff engaged in project design, construction, equipment repair and maintenance, safety supervision, etc. to ensure production safety.

Compliance with Laws and Regulations

During the year ended 31 December 2020 and up to the date of this report, the Group has complied with relevant laws and regulations that have a significant impact on the Group.

業務回顧 (續)

遵守對本集團有重大影響的適用法律及法規 (續)

《中華人民共和國合同法》(續)

的，發包人有權要求施工人在合理期限內無償修理或者返工、改建，經過修理或者返工、改建後，造成逾期交付的，施工人應當承擔違約責任(如有)。

《中華人民共和國安全生產法》

根據《中華人民共和國安全生產法》，發生生產安全事故，對負有責任的生產經營單位除要求其依法承擔相應的賠償等責任外，最高可被安全生產監督管理部門處以人民幣二千萬元的罰款。為遵守《中華人民共和國安全生產法》，避免生產安全事故，本集團為從事工程設計、施工、設備檢修和維護、安全督查等業務的員工不時提供安全生產課程培訓和應急救援預案演練，以保障生產安全。

遵守法律及法規

於截至二零二零年十二月三十一日止年度及直至本報告日期，本集團已遵守對本集團有重大影響的相關法律及法規。

Directors' Report (Continued)

董事會報告(續)

BUSINESS REVIEW (CONTINUED)

Major Risks and Risk Management

The Board is well aware of its responsibility to maintain the effectiveness of the Group's internal control and risk management systems. Such systems are designed to manage risks of failed business objectives and provide reasonable guarantee against material misrepresentation or losses.

Business Risks

The Group's business risk factors include changes in the overall market conditions, downward pressure on China's economy and the number and progress of domestic projects in the entire industry, which may affect the construction environment, settlement prices and capital turnover rates of its construction projects. The Board is responsible for overall business management and review of major business decisions involving disclosure of significant risks from time to time.

Financial Risks

The Group has adopted a series of financial risk management policies to manage its liquidity risk, credit term allocation risk, financing structure risk, interest rate risk and exchange rate risk. The Board also periodically reviews the Group's management accounts, capital structure and key operational data.

Compliance Risks

The Board takes effective measures to ensure compliance of the Company with the laws, regulations and rules. The Company has engaged professional consultants and advisors to keep the Company updated on the latest changes in the regulatory environment, including legal, financial, environmental and operational development. The Company also imposes strict policies to prohibit any unauthorised use or publication of confidential information or insider information.

Operational Risks

The Company has adopted effective measures to manage its operational risks such as low equipment utilisation efficiency, high consumption of consumables and frequent production failures.

The Board has reviewed the effectiveness of the Group's internal control and risk management systems covering its business, financial, operational and compliance risks, and is of the view that such systems are effective.

業務回顧(續)

主要風險及風險管理

董事會知悉其維持本集團內部控制及風險管理系統有效性的責任。該等系統旨在管理未能達成業務目標的風險及就重大失實陳述或損失提供合理的保證。

業務風險

本集團的業務風險包括整體市場狀況的變化、中國整體經濟的衰退壓力，以及國內整個行業開工數量和推進進度，進而影響工程項目的施工環境、結算價格和資金回籠速度。董事會負責業務的整體管理及檢討涉及不時的重大風險披露的重大業務決策。

財務風險

本集團採納財務風險管理政策管理其流動性風險、信貸期限配置風險、融資結構風險、利率風險、匯率風險。董事會亦定期檢討本集團的管理賬目、資本構架及主要營運數據。

合規風險

董事會採取程序確保本公司遵守法律、規則及法規。本公司委聘專業諮詢人及顧問以讓本公司緊跟監管環境的最新變化，包括法律、財務、環境及營運發展。本公司亦採取嚴格政策，禁止任何未經授權使用或發布機密資料或內幕消息。

營運風險

本公司採取程序管理其營運風險，如設備使用效率不足、易損件耗用過高及生產故障過頻等。

董事會已就本集團內部控制及風險管理系統的有效性進行檢討，涵蓋本集團的業務、財務、合規及營運風險，且認為該等系統屬有效。

BUSINESS REVIEW (CONTINUED)

Environmental Policies and Performance

We commit ourselves to environmental protection in all aspects of operations. Over the years, the Group has been doing its utmost to protect the environment. The management of the Group has implemented various measures and regulations to make sure that we honor our responsibilities for the environment. We regularly hold special internal meetings with professional teams to review environmental issues at the construction sites and office areas and exchange ideas on environmental improvement. The management of the Group will continue its efforts in securing ongoing high environmental standards in major areas and key links.

RESULTS AND DIVIDENDS

The Group's loss for the year ended 31 December 2020 and the financial position of the Company and of the Group at that date are set out in the accompanying financial statements.

The Directors do not recommend the payment of a final dividend for the year ended 31 December 2020.

DIVIDEND POLICY

The Company's dividend policy sets out the guidelines for the Board to determine whether dividends are to be declared and paid and the level of dividends to be paid to the Shareholders. The Board has the discretion to declare and distribute dividends to the Shareholders, subject to the Articles and all applicable laws and regulations and having regard to the following factors:

- (a) the actual and expected financial performance of the Group;
- (b) retained earnings and distributable reserves of the Group;
- (c) the current and future operations, liquidity position and capital requirements of the Group;
- (d) any restrictions on payment of dividends that may be imposed by the financiers and other third parties of the Group;
- (e) economic condition and other internal or external factors that may have an impact on the business or financial performance and position of the Group; and

業務回顧(續)

環保政策及表現

我們致力在營運的各個環節保護環境。多年來，本集團竭盡所能保護環境。本集團管理層已實施多項措施及管制，以確保我們能履行對環境的責任。我們定期舉行內部專門會議，與專業人士組成的團隊檢討施工場所及辦公區域的環保事宜，交流有助改進環境的意見。本集團管理層將繼續努力，確保在重點領域和關鍵環節上均能持續符合環保的高標準。

業績及股息

本集團截至二零二零年十二月三十一日止年度的虧損及本公司及本集團於該日的財務狀況載於隨附的財務報表。

董事並無建議就截至二零二零年十二月三十一日止年度派付末期股息。

股息政策

本公司股息政策為董事會就決定是否宣派及派發股息以及就派發給股東之股息幅度提供指引。董事會有權宣派及派發股息予股東，惟須遵守細則、所有適用法例及法規以及考慮下列因素：

- (a) 本集團實際和預期的財務表現；
- (b) 本集團的保留盈利及可供分派儲備；
- (c) 本集團的目前和未來業務，流動資金狀況和資本要求；
- (d) 本集團的融資方或其他第三方可能施加之任何派息限制；
- (e) 影響本集團業務或財務表現及財務狀況之經濟狀況及其他內在或外在因素；及

Directors' Report (Continued)

董事會報告(續)

DIVIDEND POLICY (CONTINUED)

(f) any other factors that the Board deems appropriate.

The Board will review this policy as appropriate from time to time.

PROPERTY, PLANT AND EQUIPMENT

Details of movements in the property, plant and equipment of the Group during the year are set out in note 17 to the consolidated financial statements.

SHARE CAPITAL

Details of movements in the Company's share capital during the year are set out in note 33 to the consolidated financial statements.

PRE-EMPTIVE RIGHTS

There are no provisions for pre-emptive rights under the Articles or the laws of the Cayman Islands, being the jurisdiction in which the Company was incorporated, which would oblige the Company to offer new Shares on a pro rata basis to existing Shareholders.

EQUITY-LINKED AGREEMENTS

Details of the equity-linked agreements entered into during the year or subsisting at the end of the year are set out below:

Pursuant to a subscription agreement dated 7 April 2020 (as supplemented by a supplemental agreement dated 23 November 2020) entered into between the Company and a subscriber, the Company issued and allotted 191,917,000 new Shares at a price of HK\$0.10 per Share on 24 April 2020. The gross proceeds of the subscription would be HK\$19,191,700 (equivalent to approximately RMB 16,770,000). Net proceeds amounting to approximately HK\$18,876,000 (equivalent to approximately RMB16,495,000) received from the subscriber were used for the general working capital of the Group. For details, please refer to the announcements of the Company dated 7 April 2020, 24 April 2020 and 23 November 2020.

As for the Share Option Scheme, please refer to the section headed "Share Option Scheme".

股息政策(續)

(f) 董事會認為適當的任何其他因素。

董事會將在有需要時檢討該政策。

物業、廠房及設備

年內，本集團的物業、廠房及設備的變動詳情載於綜合財務報表附註17。

股本

年內，本公司股本的變動詳情載於綜合財務報表附註33。

優先購買權

細則或開曼群島(即本公司註冊成立所在的司法權區)法律概無規定本公司須按比例向現有股東發售新股份的優先購買權的條文。

股票掛鈎協議

於年內訂立或於今年年底存續的股票掛鈎協議的詳情載列如下：

按本公司與認購人於二零二零年四月七日訂立之認購協議(經日期為二零二零年十一月二十三日之補充協議補充)，本公司於二零二零年四月二十四日以每股0.10港元發行及配發191,917,000股新股份，所得款項總額為19,191,700為港元(相當於約人民幣16,770,000元)。認購事項的所得款項淨額約18,876,000港元(相當於約人民幣16,495,000元)，用作本集團的一般營運資金。有關詳情請參閱本公司日期分別為二零二零年四月七日、二零二零年四月二十四日及二零二零年十一月二十三日的公告。

有關購股權計劃，請參閱「購股權計劃」一節。

EQUITY-LINKED AGREEMENTS (CONTINUED)

Other than the above subscription agreement (as supplemented by a supplemental agreement) and the Share Option Scheme, no equity-linked agreements were entered into by the Company during the year or subsisting at the end of the year ended 31 December 2020.

PERMITTED INDEMNITY PROVISION

The Company has taken out and maintained directors' and officers' liability insurance throughout the year, which provides appropriate cover for the Directors and officers of Group.

TAX RELIEF

For the year ended 31 December 2020, Shareholders were not entitled to any tax relief by virtue of their holding of the Shares.

PURCHASE, REDEMPTION OR SALE OF LISTED SECURITIES OF THE COMPANY

For the year ended 31 December 2020, neither the Company nor any of its subsidiaries purchased, redeemed or sold any listed securities of the Company.

RESERVES

Details of movements in the reserves of the Company and of the Group during the year are set out in the statement of financial position of the Company on page 9 of this annual report and in the consolidated statement of changes in equity, respectively.

DISTRIBUTABLE RESERVES

As at 31 December 2020, the Company has no reserve available for distribution as calculated in accordance with the Companies Law (2018 Revision) of the Cayman Islands. Under the laws of the Cayman Islands, the share premium account is distributable to the Shareholders provided that immediately following the date on which the dividend is proposed to be distributed, the Company will be in a position to pay off its debts as and when they fall due in the ordinary course of business. The share premium account may also be distributed in the form of fully paid bonus shares.

股票掛鈎協議(續)

除上述認購協議(經補充協議補充)及購股權計劃外,本公司並無於年內訂立或於截至二零二零年十二月三十一日止年度年底存續的股票掛鈎協議。

獲准許的彌補條文

本公司於年內已購買及維持董事及行政人員責任保險,為本集團董事及行政人員提供適當的保障。

稅務減免

截至二零二零年十二月三十一日止年度,股東無權就其持有股份而享有任何稅務減免。

購買、贖回或出售本公司上市證券

於截至二零二零年十二月三十一日止年度,本公司或其任何附屬公司概無購買、贖回或出售本公司任何上市證券。

儲備

年內,本公司及本集團的儲備變動詳情分別載於本年報第9頁本公司的財務狀況表及綜合權益變動表。

可供分派儲備

於二零二零年十二月三十一日,本公司根據開曼群島公司法(二零一八年修訂版)計算概無可供分派的儲備。根據開曼群島法,股份溢價賬可派發予股東,惟緊隨建議分派股息日期後,本公司可在日常業務過程中,在債務到期之時予以清償。股份溢價賬亦可以繳足紅股的方式分派。

Directors' Report (Continued)

董事會報告(續)

MAJOR CUSTOMERS AND SUPPLIERS

In the year under review, revenue to the Group's five largest customers accounted for about 47.2% (2019: 37.1%) of the Group's total revenue for the year and the revenue from the largest customer included therein accounted for about 11.9% (2019: 15.7%) of the Group's total revenue.

The Group's five largest customers comprise PRC state-owned companies and private enterprises and overseas enterprises which have business relationships with the Group for a period ranging from two to nine years. Services provided to them by the Group include CRD Business, and EPD and Water Management Business. Their contracts with the Group were project-based, which provided for either monthly progress payments with reference to the value of work completed each month or annual payments with a fixed percentage for each year throughout the contract period. Such credit terms were in line with those granted to other customers of the Group. No long-term agreements had been entered into between the Group's five largest customers and the Group.

During the year ended 31 December 2020, the Board resolved to make a expected credit loss allowance of approximately RMB146.9 million for trade receivables (2019: RMB308.2 million). The allowance for expected credit loss was based on the assessment in recoverability and the judgement by the management after considering the estimated future cash flows discounted at the present value of the original effective interest rate. For details please refer to note 11 to the financial statement in this annual report.

Since the Group's major customers accounted for a significant portion of the Group's total revenue for the year, if in the future the Group loses one of its major customers or if any of the Group's major customers significantly reduces its volume of business with the Group while the Group is unable to get new projects from other existing and/or potential customers, revenues and profitability of the Group would be heavily reduced. Nonetheless, the Group believes that it has developed close relationships with its major customers that they cannot easily replace the Group with other suppliers. The Group has also entered into contracts with and will continue to seek business from other customers.

主要客戶及供應商

於回顧年內，來自本集團五大客戶的收益佔本集團年內總收益約47.2%(二零一九年：37.1%)，而來自其中最大客戶的收益則佔本集團總收益約11.9%(二零一九年：15.7%)。

本集團五大客戶包括中國國有企業及私有企業以及中國境外的企業，該等企業已與本集團維持介乎二至九年的業務關係。本集團向該等企業提供的服務包括基建及填海疏浚業務以及環保疏浚及水務管理業務。彼等以工程項目為基礎與本集團簽訂合同，合同訂明根據每個月完工工程的價值按月支付工程進度款項，或者在合同期內每年按固定比例支付年度款項。上述信用期與授予本集團其他客戶者一致。本集團五大客戶與本集團並無簽訂任何長期協議。

截至二零二零年十二月三十一日止年度，董事會議決就應收賬款作出預期信貸虧損撥備約人民幣146,900,000元(二零一九年：人民幣308,200,000元)。預期信貸虧損撥備乃根據應收款項可收回情況的評估及管理層經參考原實際利率貼現現值的估計未來現金流量後所作判斷而作出。有關詳情請參閱本年報財務報表附註11。

由於本集團的主要客戶佔本集團年內總收益的很大一部分，倘本集團日後失去其任何一個主要客戶，或本集團任何主要客戶大幅減少與本集團的業務量，而本集團無法從其他現有及/或潛在客戶獲得新項目，則本集團的收益及盈利將會大幅下降。然而，本集團認為，本集團與其主要客戶已建立緊密的合作關係，彼等不會輕易以其他供應商取代本集團。本集團已與其他客戶簽訂合同，並且將繼續向其他客戶尋求業務。

Directors' Report (Continued) 董事會報告(續)

MAJOR CUSTOMERS AND SUPPLIERS (CONTINUED)

In the year under review, supplies from the Group's five largest suppliers accounted for about 34.7% (2019: 34.4%) of the Group's total operating cost for the year and supplies from the largest supplier included therein accounted for about 13.0% (2019: 23.0%) of the Group's total operating cost.

None of the Directors or any of their close associates or any Shareholders (which, to the best knowledge of the Directors, own more than 5% of the Company's issued share capital) had any beneficial interest in the Group's five largest customers and/or five largest suppliers for the year ended 31 December 2020.

DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

Save for those disclosed in the paragraphs headed "Share Option Scheme" and "Directors' and Chief Executive's Interests and Short Positions in Shares and Underlying Shares" in this Directors' report in this annual report, at no time during the year were rights to acquire benefits by means of the acquisition of shares in or debentures of the Company granted to any of the Directors or their respective spouses or minor children, or were any such rights exercised by them; or was the Company or any of its subsidiaries a party to any arrangement to enable the Directors to acquire such rights in any other body corporate.

DIRECTORS

The Directors who held office during the year and up to the date of this report were:

Executive Directors:

Mr. Liu Kaijin
Mr. Wu Bin (resigned on 31 March 2020)
Mr. Wu Xuze
Ms. Zhou Shuhua

主要客戶及供應商(續)

於回顧年內，向本集團五大供應商購買供應品佔年內本集團總營運成本約34.7%(二零一九年：34.4%)，而向其中最大供應商購買供應品則佔本集團總營運成本約13.0%(二零一九年：23.0%)。

截至二零二零年十二月三十一日止年度，概無董事或彼等的緊密聯繫人或任何股東(就董事所深知，該等人士擁有本公司已發行股本的逾5%)於本集團五大客戶及/或五大供應商中擁有任何實益權益。

董事購入股份或債券的權利

除於本年報中本董事會報告「購股權計劃」及「董事及主要行政人員於股份及相關股份的權益及淡倉」各段所披露者外，年內任何時候概無授予任何董事或彼等各自的配偶或未成年子女以購入本公司股份或債券的方式而獲益的權利；或由彼等行使任何該等權利；或由本公司或其任何附屬公司為任何安排訂約方致令董事可於任何其他法人團體獲得該等權利。

董事

年內及直至本報告日期在任的董事如下：

執行董事：

劉開進先生
伍斌先生(於二零二零年三月三十一日辭任)
吳旭澤先生
周淑華女士

Directors' Report (Continued)**董事會報告(續)****DIRECTORS (CONTINUED)****Independent Non-executive Directors:**

Mr. Huan Xuedong
Mr. Chan Ming Sun Jonathan
Mr. Liang Zequan

In accordance with article 105(A) of the Articles, Mr. Chan Ming Sun Jonathan and Mr. Liang Zequan will retire by rotation and, being eligible, will offer themselves for re-election at the forthcoming annual general meeting.

INDEPENDENCE CONFIRMATIONS FROM INDEPENDENT NON-EXECUTIVE DIRECTORS

The Company has received, from each of the independent non-executive Directors a confirmation of his independence pursuant to rule 3.13 of the Listing Rules. The Company considers all of its independent non-executive Directors to be independent.

DIRECTORS' SERVICE CONTRACTS

Each of the executive Directors has entered into a Director's service contract and each of the independent non-executive Directors signed a letter of appointment with the Company commencing from their respective date of appointment. All of them are subject to retirement by rotation and re-election in accordance with the Articles.

Mr. Liu Kaijin and Ms. Zhou Shuhua, both being executive Directors, have entered into service contracts with the Company for a term of three years commencing from 1 June 2020.

Mr. Wu Xuze, being executive Director, has entered into a service contract with the Company for a term of one year commencing from 5 January 2021.

董事(續)**獨立非執行董事：**

還學東先生
陳銘樂先生
梁澤泉先生

根據細則第105(A)條，陳銘樂先生及梁澤泉先生將輪值退任，並合資格於應屆股東週年大會上膺選連任。

獨立非執行董事的獨立身份確認書

本公司已接獲各獨立非執行董事根據上市規則第3.13條發出的獨立身份確認書。本公司認為，所有獨立非執行董事均屬獨立人士。

董事的服務合約

各執行董事已與本公司訂立董事服務合約，以及各獨立非執行董事已與本公司簽訂委任書，自彼等各自委任日期起計。根據細則，所有該等人士須輪值退任，並膺選連任。

執行董事劉開進先生及周淑華女士已與本公司簽訂服務合約，自二零二零年六月一日起計為期三年。

執行董事吳旭澤先生已與本公司簽訂服務合約，自二零二一年一月五日起計為期一年。

Directors' Report (Continued)

董事會報告(續)

DIRECTORS' SERVICE CONTRACTS (CONTINUED)

Each of Mr. Huan Xuedong, Mr. Chan Ming Sun Jonathan and Mr. Liang Zequan, being independent non-executive Directors, has entered into an appointment letter with the Company for a term of one year commencing from 25 April 2021, 30 November 2020 and 23 September 2020 respectively.

No Director proposed for re-election at the forthcoming annual general meeting has a service contract with the Company which is not determinable by the Company within one year without payment of compensation, other than statutory compensation.

DIRECTORS' REMUNERATION

The Directors' fees are subject to Shareholders' approval at general meetings. Other emoluments are determined by the Board with reference to Directors' duties, responsibilities and performance and the results of the Group.

DIRECTORS' INTERESTS IN CONTRACTS

During the year ended 31 December 2020, save for those disclosed in the financial statements, no Director or any entity connected with the Directors had a material interest, either directly or indirectly, in any transaction, arrangement or contract of significance to the business of the Group to which the Company or any of its subsidiaries was a party during the year.

MANAGEMENT CONTRACTS

Save for the Contractual Arrangements between subsidiaries of the Group, no contracts concerning the management and administration of the whole or any substantial part of the business of the Group were entered into or existed during the year.

董事的服務合約(續)

獨立非執行董事還學東先生、陳銘樂先生及梁澤泉先生各與本公司簽訂委任書，分別自二零二一年四月二十五日、二零二零年十一月三十日及二零二零年九月二十三日起計為期一年。

概無建議於應屆股東週年大會上膺選連任的董事與本公司訂立不可於一年內毋須作出賠償(法定賠償除外)而由本公司終止的服務合約。

董事的薪酬

董事袍金須由股東在股東大會上批准。其他酬金則由董事會經參考董事職責、責任及表現以及本集團業績而釐定。

董事於合約的權益

於截至二零二零年十二月三十一日止年度，除財務報表所披露者外，董事或與董事相關的任何實體於年內概無於對本集團的業務有重大影響的任何交易、安排或合約(而本公司或其任何附屬公司為該合約的訂約方)中直接或間接擁有重大實益權益。

管理合約

除本集團附屬公司之間的合約安排外，年內概無訂立或存在任何有關本集團全部或任何主要部分業務的管理及行政合約。

Directors' Report (Continued)

董事會報告(續)

CONTINUING CONNECTED TRANSACTIONS

According to relevant PRC laws, foreign investors are prohibited from owning more than a 50% equity interest in any enterprise which owns vessels for conducting dredging business. Otherwise the Maritime Safety Administration of the PRC will not register the ownership of a vessel to an enterprise. Our Group has decided that Xiangyu PRC owns 50% of interest in the relevant vessels, being the maximum percentage that a foreign investor may own under PRC laws to register the ownership of the relevant vessels for certain commercial reasons. In addition, our Group intends to participate in some dredging projects which forbid any involvement of foreign-invested companies under PRC laws. Even in certain dredging projects which foreign-invested companies are technically allowed to engage under PRC laws, the foreign-invested companies find it difficult, in common practice, to secure dredging business opportunities. Based on the above reasons, the PRC Operational Entity has not become equity-owned by our Company, but will be controlled by our Company through the Contractual Arrangements.

The Group carried out the following continuing connected transactions (other than continuing connected transactions that are exempted under rule 14A of the Listing Rules) during the year ended 31 December 2020:

On 19 April 2011, the following entities entered into the Contractual Arrangements pursuant to which all economic benefits and risks arising from the business of Jiangsu Xingyu are transferred to Xiangyu PRC:

- (i) Xiangyu PRC, a wholly foreign-owned enterprise and a wholly-owned subsidiary of the Company,
- (ii) Jiangsu Xingyu, a limited liability company established in the PRC and deemed to be a wholly-owned subsidiary of the Company under the Contractual Arrangements, and mainly engages in the capital and reclamation dredging and the environmental protection dredging segments and is the largest subsidiary of the Group in terms of operating assets owned and construction scale, and
- (iii) equity interests holders of Jiangsu Xingyu, namely Mr. Liu and Ms. Zhou (both of them are executive Directors and controlling shareholders of the Company).

持續關連交易

根據中國有關法律，海外投資者不得於擁有船舶以進行疏浚業務的任何企業中擁有超過50%的股本權益，否則中國海事局將不會登記其船舶的擁有權。本集團已決定讓翔宇中國擁有有關船舶的50%權益(即外國投資者根據中國法律可擁有的最高百分比)，以就若干商業原因登記有關船舶的擁有權。此外，本集團擬參與中國法律禁止或限制外國投資公司參與的若干疏浚項目。儘管中國法律在技術上而言乃允許外國投資公司參與若干疏浚項目，但在一般慣例下，外國投資公司仍難以把握該等疏浚商機。基於上述原因，中國經營實體的股權並非由本公司擁有，而將由本公司透過合約安排控制。

於截至二零二零年十二月三十一日止年度，本集團進行以下持續關連交易(根據上市規則第14A條獲豁免的持續關連交易除外)：

於二零一一年四月十九日，以下實體訂立合約安排，據此，江蘇興宇業務產生的一切經濟利益及風險均轉撥至翔宇中國：

- (i) 翔宇中國，一間外商全資企業及本公司的全資附屬公司，
- (ii) 江蘇興宇，一間於中國成立的有限責任公司及根據合約安排被視為本公司一間全資附屬公司，主要從事基建及填海疏浚業務以及環保疏浚業務，為本集團擁有經營資產最多、施工規模最大的附屬公司，及
- (iii) 江蘇興宇的股權持有人劉先生及周女士(彼等均為本公司的執行董事及控股股東)。

CONTINUING CONNECTED TRANSACTIONS (CONTINUED)

Jiangsu Jiaolong, a limited liability company established in the PRC, mainly engages in the provision of marine hoisting, installation and other engineering services. It is the provider of the Group's other marine business. Jiangsu Xingyu owns a 51% equity interest in it and is its controlling shareholder.

Further details of the Contractual Arrangements are described in note 42 to the financial statements of this annual report.

The Stock Exchange has granted a waiver pursuant to rule 14A.105 of the Listing Rules to the Company for all transactions under the Contractual Arrangements from strict compliance with the applicable announcement and independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

The amount of revenue and assets subject to the Contractual Arrangements accounted for 97.0% and 66.1% of the Group's total revenue and assets respectively for the year ended 31 December 2020 (2019: 98.0% and 63.2%).

The followings are the major risks relating to the Contractual Arrangements:

- The Group conducts its business operation in the PRC through the PRC Operational Entity by way of the Contractual Arrangements, but certain of the terms of the Contractual Arrangements may not be enforceable under PRC laws. Therefore, in the event of breach of any agreements constituting the Contractual Arrangements by Mr. Liu, Ms. Zhou and/or the PRC Operational Entity, and if the Group is unable to enforce the Contractual Arrangements, the Group may not be able to exert effective control over the PRC Operational Entity, and the Group's ability to conduct its business may be negatively affected.
- If the PRC government finds that the Contractual Arrangements or the ownership structures or business operations of the Company or the PRC Operational Entity do not comply with any of the PRC laws and regulations, the Group's business, financial condition or results of operations could be materially and adversely affected, as revenue in relation to the Contractual Arrangements accounted for 97.0% of the Group's total revenue for the year ended 31 December 2020.

持續關連交易(續)

江蘇蛟龍，一間於中國成立的有限責任公司，主要從事海上吊裝、安裝、打撈、船舶包租等工程服務，本集團的其他海事業務均由其提供。江蘇興宇擁有其51%股權，為其控股股東。

有關合約安排的進一步詳情載於本年報財務報表附註42。

聯交所已根據上市規則第14A.105條向本公司授出豁免，令合約安排項下的所有交易豁免嚴格遵守上市規則第14A章項下的適用公告及獨立股東批准規定。

合約安排的收益及資產分別佔本集團截至二零二零年十二月三十一日止年度總收益及資產的97.0%及66.1%(二零一九年：98.0%及63.2%)。

下列為有關合約安排的主要風險：

- 本集團以合約安排方式透過中國經營實體於中國經營其業務，但根據中國法律，合約安排中的若干條款或未能強制執行。因此，倘劉先生、周女士及／或中國經營實體違反構成合約安排的任何協議及倘本集團無法強制執行合約安排，本集團可能無法對中國經營實體行使控制權，且本集團開展其業務的能力可能會受到負面影響。
- 由於有關合約安排的收益佔本集團截至二零二零年十二月三十一日止年度總收益的97.0%，如中國政府認為合約安排或本公司或中國經營實體的擁有權架構或業務營運不符合中國任何法例及規例，本集團的業務、財務狀況或經營業績可能會受到重大不利影響。

Directors' Report (Continued)**董事會報告(續)****CONTINUING CONNECTED TRANSACTIONS
(CONTINUED)**

- The Contractual Arrangements related to critical aspects of the Group's operations with the PRC Operational Entity and its shareholders which may not be as effective as direct ownership in providing operational control. In the event that the Group is unable to enforce these Contractual Arrangements, the Group may be unable to exert effective control over the PRC Operational Entity, and the Group's ability to conduct its business may be materially and adversely affected.
- Shareholders of the PRC Operational Entity, Mr. Liu and Ms. Zhou, may potentially have a conflict of interest with the Group, and they may breach their contracts with the Group. Such disputes and proceedings may significantly disrupt the Group's business operations, adversely affect its ability to control the PRC Operational Entity and/or otherwise result in negative publicity.

The Group has adopted the following measures to ensure the sound and effective operation of the Group following the implementation of the Contractual Arrangements:

- as part of the internal control measures, major issues arising from implementation of the Contractual Arrangements had been and will be reviewed by the Board on a regular basis;
- matters relating to compliance and regulatory enquiries from governmental authorities had been and will be discussed at such regular meetings or extraordinary meetings of the Board;
- the relevant business units and operation divisions of the Group reported regularly to the senior management of the Company on the compliance and performance conditions under the Contractual Arrangements and other related matters;
- legal advisors and/or other professionals had been and will continue to be retained to assist the Group to deal with specific issues arising from the Contractual Arrangements; and
- the independent non-executive Directors had and will continue to conduct annual reviews on the Contractual Arrangements to ensure that it is fair and reasonable and in the best interests of the Group and its Shareholders as a whole.

The Directors confirm that during the Review Period, the Company has complied with the disclosure requirements in accordance with Chapter 14A of the Listing Rules (save for the exemptions granted under the above-mentioned waiver).

持續關連交易(續)

- 有關本集團與中國經營實體及其股東的經營的重要範疇的合約安排於經營監控上或不及直接擁有有效。如本集團未能執行合約安排，本集團可能無法有效控制中國經營實體，而本集團進行其業務的能力亦可能受到重大不利影響。
- 中國經營實體股東劉先生及周女士或與本集團有潛在利益衝突，及彼等或違反與本集團訂立的合約。有關糾紛及訴訟可能會嚴重中斷本集團的業務營運、對其控制中國經營實體的能力造成不利影響及／或以其他方式使公眾形象受損。

本集團已採取以下措施，以確保本集團在實施合約安排後穩健有效地營運：

- 作為內部監控措施的一部分，實施合約安排所產生的主要問題已經及將由董事會定期進行審議；
- 有關遵守規定及來自政府機構的監管查詢的事宜，已經及將於該等例會或董事會特別會議上討論；
- 本集團的相關業務單位及營運部門已定期向本公司高級管理層匯報有關遵守及履行合約安排的條件及其他有關事宜；
- 已經及將持續委聘法律顧問及／或其他專業人士以協助本集團處理合約安排所產生的特定問題；及
- 獨立非執行董事已經及將會繼續就合約安排進行年度審閱，確保其公平合理，並符合本集團及其股東的整體最佳利益。

董事確認於回顧期間本公司一直遵守上市規則第14A章項下的披露規定(根據上述豁免授予的豁免除外)。

CONTINUING CONNECTED TRANSACTIONS (CONTINUED)

The independent non-executive Directors have confirmed that the above-mentioned continuing connected transactions were entered into:

- (i) in the ordinary and usual course of the Group's business;
- (ii) in accordance with the terms of the respective agreements governing such transactions on terms that were fair and reasonable and in the interests of the Shareholders of the Company as a whole; and
- (iii) either on normal commercial terms or on terms no less favorable to the Group than those available to or from independent third parties.

Besides, the independent non-executive Directors have conducted an annual review on the Contractual Arrangements and have confirmed that:

- (i) the transactions carried out during the year ended 31 December 2020 have been entered into in accordance with the relevant provisions of the Contractual Arrangements and have been operated so that all revenue generated by Jiangsu Xingyu has been retained by Xiangyu PRC;
- (ii) no dividends or other distributions have been made by Jiangsu Xingyu to its equity interest holders; and
- (iii) any new contracts or renewed contracts have been entered into on the same terms as the existing Contractual Arrangements and are fair and reasonable so far as the Group is concerned and in the interests of the Shareholders as a whole.

In accordance with rule 14A.56 of the Listing Rules, the Board engaged the auditor of the Company to perform procedures on the above continuing connected transactions in accordance with Hong Kong Standard on Assurance Engagements 3000 (Revised) "Assurance Engagements Other Than Audits or Reviews of Historical Financial Information" and with reference to Practice Note 740 "Auditor's Letter on Continuing Connected Transactions under the Hong Kong Listing Rules" issued by the Hong Kong Institute of Certified Public Accountants.

持續關連交易 (續)

獨立非執行董事確認上述持續關連交易乃於下列情況下訂立：

- (i) 在本集團的日常及一般業務過程中；
- (ii) 根據規管該等交易的相關協議條款，而有關條款乃屬公平合理並符合本公司股東的整體利益；及
- (iii) 按照正常商業條款或就本集團而言，該等條款不遜於獨立第三方可取得或提供的條款。

此外，獨立非執行董事已對合約安排進行年度檢討，並確認：

- (i) 截至二零二零年十二月三十一日止年度進行的該等交易乃根據合約安排的有關條文而訂立，並一直在進行中，以便江蘇興宇產生的所有收益歸翔宇中國所有；
- (ii) 江蘇興宇概無向其股權持有人作出股息或其他分派；及
- (iii) 任何新合約或續期合約已根據與現有合約安排相同的條款而訂立，且就本集團而言，該等合約屬公平合理，並符合股東的整體利益。

根據上市規則第14A.56條，董事會已根據香港審核保證委聘準則第3000號(經修訂)「審核或審閱過去財務資料以外的核證委聘」及參照香港會計師公會發出的實務說明第740號「關於香港上市規則所述持續關連交易的核數師函件」委聘本公司核數師，對上述持續關連交易進行審核程序。

Directors' Report (Continued)

董事會報告(續)

CONTINUING CONNECTED TRANSACTIONS (CONTINUED)

The auditor of the Company has confirmed that nothing has come to the auditor's attention that causes them to believe that :

- the disclosed continuing connected transactions have not been approved by the Board;
- the said transactions were not entered into in accordance with the relevant agreements governing such transactions; and
- dividends or other distributions have been made by Jiangsu Xingyu to the holders of its equity interests.

RELATED PARTY TRANSACTIONS

Details of the related party transactions are set out in note 38 to the consolidated financial statements. None of these related party transactions constitutes a discloseable connected transaction as defined under the Listing Rules, except for those described in the paragraph headed "Continuing Connected Transactions" above, in respect of which the disclosure requirements in accordance with Chapter 14A of the Listing Rules have been complied with.

SHARE OPTION SCHEME

The Company has adopted the Share Option Scheme for the purpose of providing incentives and rewards to eligible participants who contribute to the success of the Group's operations. Under the Share Option Scheme, the Directors may at their discretion grant options to (i) any Director and employees of the Company, any of its subsidiaries or any entity in which the Group holds an equity interest; or (ii) any suppliers, customers, consultants who provided services to the Group, shareholders of the subsidiaries of the Group and joint venture partners to subscribe for the Shares.

持續關連交易(續)

本公司核數師已確認，概無發現任何事項致使核數師相信：

- 已披露的持續關連交易並無獲得董事會的批准；
- 上述交易並未根據規管該等交易的有關協議而訂立；及
- 江蘇興宇已向其股權持有人作出股息或其他分派。

關連方交易

關連方交易詳情載於綜合財務報表附註38。除上文「持續關連交易」(已遵守上市規則第14A章項下的披露規定)一段所述者外，概無該等關連方交易構成上市規則所界定的須予披露關連交易。

購股權計劃

本公司已採納購股權計劃，以嘉許及獎勵為本集團成功營運作出貢獻的合資格參與者。根據購股權計劃，董事可酌情向(i)本公司、其任何附屬公司或本集團持有股本權益的任何實體的任何董事及僱員；或(ii)任何供應商、客戶、為本集團提供服務的顧問、本集團附屬公司股東及合營公司合夥人授出購股權以認購股份。

SHARE OPTION SCHEME (CONTINUED)

The maximum number of shares in respect of which options may be granted under the Share Option Scheme shall not exceed 30% of the issued share capital of the Company at any point in time. The total number of shares in respect of which options may be granted under the Share Option Scheme must not in aggregate exceed 10% of the shares in issue at the time dealings in the shares first commence on the Stock Exchange. This limit was last refreshed by the Shareholders in the annual general meeting of the Company held on 29 May 2019 so that the maximum number of Shares which may be issued upon the exercise of all options to be granted under the Share Option Scheme shall not exceed 177,366,400 Shares, being 10% of the Shares in issue as at the date of passing the relevant resolution on 29 May 2019.

The maximum number of shares in respect of which options may be granted to any individual in any 12-month period shall not exceed 1% of the shares in issue on the last date of such 12-month period unless approval of the shareholders of the Company has been obtained in accordance with the Listing Rules.

Options may be exercised during such period (including the minimum period, if any, for which an option must be held before it can be exercised) as may be determined by the Directors and commences after a certain vesting period and ends in any event not later than 10 years from the date of grant of the relevant share options, subject to the provisions for early termination thereof. The offer of a grant of options must be taken up within 21 days of the date of offer, upon payment of HK\$1 as consideration by the grantee. The exercise price is equal to the highest of (i) the closing price of the shares as stated in the daily quotations sheet issued by the Stock Exchange on the date of the offer of grant; (ii) the average closing price of the shares as stated in the daily quotations sheets issued by the Stock Exchange for the five business days immediately preceding the date of the offer of grant; and (iii) nominal value of the shares. The Directors consider the Share Option Scheme, with its broadened basis of participation, will enable the Group to reward the employees, the Directors and other selected participants for their contributions to the Group. The Share Option Scheme will remain in force for a period of 10 years from the date of adoption and will expire on 23 May 2021.

購股權計劃(續)

根據購股權計劃可授出的購股權所涉及的股份數目，在任何時候最高不得超過本公司已發行股本的30%。根據購股權計劃可授出的購股權所涉及的股份總數，合共不得超過股份首次開始於聯交所交易時已發行股份的10%。本公司股東最近於二零一九年五月二十九日舉行之本公司股東週年大會上更新該上限，以使根據購股權計劃將授出之全部購股權獲行使後可發行之最高股份數目不超過177,366,400股股份，即於二零一九年五月二十九日通過相關決議案當日已發行股份的10%。

除非根據上市規則獲得本公司股東批准，否則於任何十二個月期間授予任何個別人士的購股權涉及的最高股份數目，不得超過於該十二個月期間的最後一日已發行股份的1%。

承授人可於董事可能決定的期間(包括購股權行使前必須持有的最短期限(「如有」)行使購股權，並於若干歸屬期後開始且無論如何須於有關購股權授出日期起計不得超逾十年屆滿，惟受有關提早終止之條文規限。授出購股權要約必須於要約日期起計21天內獲承授人接納，並支付1港元作為代價。行使價相等於下列價格的最高者：(i)股份於要約授出日期在聯交所每日報價表所報的收市價；(ii)股份在緊接要約授出日期前五個營業日在聯交所每日報價表所報的平均收市價；及(iii)股份面值。董事認為，購股權計劃(參與基準有所放寬)使得本集團能夠就僱員、董事及其他選定參與者為本集團所作貢獻對彼等作出獎勵。購股權計劃將自採納日期起計十年內有效，並將於二零二一年五月二十三日屆滿。

Directors' Report (Continued)

董事會報告(續)

SHARE OPTION SCHEME (CONTINUED)

The movements of the share options granted under the Share Option Scheme during the year ended 31 December 2020 are as follows:

Name or category of participant	Number of share options 購股權數目				Outstanding as at 31 December 2020 於二零二零年十二月三十一日尚未行使	Date of grant ⁽¹⁾ 購股權授出日期 ⁽¹⁾	Exercise price ⁽²⁾ (HK\$ per Share) (每股港元)	Closing price immediately before the date of the grant 緊接授出日期前的收市價 (HK\$ per Share) (每股港元)	Exercise period ⁽³⁾ 行使期 ⁽³⁾
	Outstanding at 1 January 2020 於二零二零年一月一日尚未行使	Granted during the year 於年內授出	Exercised during the year 於年內行使	Lapsed/cancelled during the year 於年內度失效/註銷					
Employees in aggregate 僱員合計	—	17,000,000	—	—	—	20/01/2020	0.1	0.071	20/01/2020– 19/01/2021
Total 總計	—	17,000,000	—	—	17,000,000				

Notes:

- (1) Each of the option is granted for consideration of HK\$1.
- (2) The exercise price of the share options is subject to adjustment in case of rights or bonus issues, or other similar changes in the Company's share capital.
- (3) Immediately vested.

An employee as grantee exercised 17,000,000 share options and was allotted 17,000,000 Shares at the exercise price of HK\$0.10 per Share on 11 January 2021. As such, there was no outstanding share options granted under the Share Option Scheme at the date of this annual report.

After taking into account the effect of the share consolidation, the total number of shares in respect of which share options available for grant under the Share Option Scheme was 80,183,200, representing approximately 5.3% of the issued shares as at the date of this annual report.

購股權計劃(續)

於截至二零二零年十二月三十一日止年度內，根據購股權計劃授出之購股權變動如下：

附註：

- (1) 每份購股權授出代價為1港元。
- (2) 倘進行供股或紅利發行或本公司股本有其他類似變動，則購股權之行使價可予以調整。
- (3) 即時歸屬。

於二零二一年一月十一日，該僱員作為承授人已行使其17,000,000份購股，並按行使價每股股份0.10港元獲配發17,000,000股股份。於本年報日期，購股權計劃項下並無尚未行使的購股權。

經計及股份合併的影響，按購股權計劃可予授出的購股權所涉及的股份總數為80,183,200股，佔於本年報日期已發行股份約5.3%。

DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES

As at 31 December 2020, the Directors and the Company's chief executive, and their respective associates had the following interests in the shares in the Company and 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 interests and short positions which they are taken or deemed to have been taken under such provisions of the SFO) or pursuant to the Model Code, or were required to be entered in the register kept by the Company pursuant to section 352 of the SFO:

Interests in the Shares

董事及主要行政人員於股份及相關股份的權益及淡倉

於二零二零年十二月三十一日，董事及本公司主要行政人員及彼等各自的聯繫人於本公司及其相聯法團（定義見證券及期貨條例第XV部）的股份中，擁有根據證券及期貨條例第XV部第7及8分部（包括彼等根據證券及期貨條例的該等條文被當作或視為擁有的權益及淡倉）或根據標準守則須知會本公司及聯交所，或根據證券及期貨條例第352條須記錄於本公司所存置的登記冊的權益如下：

於股份的權益

Name of Director	Capacity	Notes	Long position	
			Number of Shares	Approximate percentage of shareholding
董事姓名	身份	附註	股份數目	佔股權的概約百分比
Mr. Liu Kaijin 劉開進先生	Interest in controlled corporation	1	351,600,000	17.81%
	Beneficial owner		35,559,000	1.80%
Ms. Zhou Shuhua 周淑華女士	Interest in spouse	2	387,159,000	19.61%

* These percentages are computed based on the total number of Shares in issue (i.e. 1,974,283,000 Shares) as at 31 December 2020.

* 該等百分比乃根據本公司於二零二零年十二月三十一日已發行股份總數（即1,974,283,000股股份）計算。

Directors' Report (Continued)

董事會報告(續)

DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES (CONTINUED)

Notes:

- Mr. Liu is the sole beneficial owner of Wangji Limited ("Wangji"), a company incorporated in the British Virgin Islands with limited liability, which is the direct owner of 351,600,000 Shares. Further, Mr. Liu is the beneficial owner of 35,559,000 Shares.
- Ms. Zhou is the spouse of Mr. Liu who is also a Director. By virtue of the SFO, Ms. Zhou is deemed to be interested in all interests of Mr. Liu in the Company including long position and short position.

董事及主要行政人員於股份及相關股份的權益及淡倉(續)

附註:

- 劉先生為旺基有限公司(「旺基」,一間於英屬處女群島註冊成立的有限公司)的唯一實益擁有人,而旺基為351,600,000股股份的直接擁有人。此外,劉先生為35,559,000股股份的實益擁有人。
- 周女士為劉先生的配偶,彼亦為一名董事。根據證券及期貨條例,周女士被視為於劉先生持有的所有本公司權益(包括好倉及淡倉)中擁有權益。

Interests in associated corporations

於相聯法團的權益

Name of Director 董事姓名	Name of associated corporation 相聯法團名稱	Capacity 身份	Notes 附註	Long position 好倉	
				Share capital 股本	Approximate percentage of total number of shareholding 佔股權總數的概約百分比
Mr. Liu Kaijin 劉開進先生	Wangji 旺基	Beneficial owner 實益擁有人	1	200 ordinary shares 200股普通股	100%
	Jiangsu Xingyu 江蘇興宇	Beneficial owner 實益擁有人	1	Register capital of RMB39,315,800 註冊資本人民幣39,315,800元	100%
Ms. Zhou Shuhua 周淑華女士	Wangji 旺基	Interest in spouse 配偶權益	2	200 ordinary shares 200股普通股	100%
	Jiangsu Xingyu 江蘇興宇	Interest in spouse 配偶權益	2	Register capital of RMB39,315,800 註冊資本人民幣39,315,800元	100%

Notes:

- Mr. Liu is the sole beneficial owner of the entire registered capital of Jiangsu Xingyu. Mr. Liu and Ms. Zhou are registered holders of 98.47% and 1.53% in the registered capital in Jiangsu Xingyu respectively. The 1.53% interest in the registered capital of Jiangsu Xingyu were held on trust by Ms. Zhou for Mr. Liu pursuant to a shareholding confirmation dated 12 July 2010.
- Ms. Zhou is the spouse of Mr. Liu who is also a Director. By virtue of the SFO, Ms. Zhou is deemed to be interested in all interests of Mr. Liu in the associated corporations including long positions and short position.

附註:

- 劉先生亦為江蘇興宇的全部註冊資本的唯一實益擁有人。劉先生及周女士分別為江蘇興宇98.47%及1.53%註冊資本的登記持有人。根據二零一零年七月十二日訂立的一項股權確認,周女士以信託方式代劉先生持有江蘇興宇註冊資本的1.53%權益。
- 周女士為劉先生的配偶,彼亦為一名董事。根據證券及期貨條例,周女士被視為於劉先生持有的所有相聯法團權益(包括好倉及淡倉)中擁有權益。

Directors' Report (Continued) 董事會報告(續)

DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES (CONTINUED)

Saved as disclosed above, none of the Directors and chief executive of the Company or any of their associates had any interests or short positions in the Shares, underlying shares or debentures of the Company or any associated corporation as at 31 December 2020 (within the meaning of Part XV of the SFO), which had been notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which the Directors or chief executive of the Company were deemed or taken to have under such provisions of the SFO) or as recorded in the register required to be kept by the Company under section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

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

As at 31 December 2020, to the best of the knowledge and belief of the Directors, other than those set out in the section headed "Directors' and Chief Executive's Interests and Short Positions in Shares and Underlying Shares" in this annual report, persons had interests or short positions in the Shares or underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO as recorded in the register required to be kept under section 336 of the SFO were as follows:

Long positions in Shares

Name of Shareholder	Capacity	Note	Number of Shares	Approximate percentage of shareholding
股東名稱	身份	附註	股份數目	佔股權的概約百分比
Wangji 旺基	Beneficial owner 實益擁有人		351,600,000	17.81%
Yuan Xiangbing 袁響兵	Beneficial Owner 實益擁有人		191,917,000	9.72%
Jiangsu Baisite Environment Engineering Co., Ltd 江蘇百斯特環境工程有限公司	Beneficial Owner 實益擁有人	1	148,180,000	7.51%

* These percentages are computed based on the total number of Shares in issue (i.e. 1,974,283,000 Shares) as at 31 December 2020.

Note:

1. Luck Morgan Investment Limited acts as nominee for Jiangsu Baisite Environment Engineering Co., Ltd* to hold 148,180,000 Shares.

董事及主要行政人員於股份及相關股份的權益及淡倉(續)

除上文所披露者外，於二零二零年十二月三十一日，本公司董事及主要行政人員或彼等的任何聯繫人概無於本公司或任何相聯法團(定義見證券及期貨條例第XV部)的股份、相關股份或債券中，擁有根據證券及期貨條例第XV部第7及8分部須知會本公司及聯交所的任何權益或淡倉(包括本公司董事或主要行政人員根據證券及期貨條例的該等條文被當作或視為擁有的權益及淡倉)或根據證券及期貨條例第352條須記錄於本公司所存置的登記冊的任何權益或淡倉，或根據標準守則須知會本公司及聯交所的任何權益或淡倉。

主要股東於本公司股份及相關股份中的權益及淡倉

於二零二零年十二月三十一日，就董事深知及確信，除本年報「董事及主要行政人員於股份及相關股份的權益及淡倉」一節所述者外，根據證券及期貨條例第336條須存置的登記冊中所記錄的於本公司股份或相關股份中擁有根據證券及期貨條例第XV部第2及3分部須向本公司披露的權益或淡倉之人士如下：

股份好倉

* 該等百分比乃根據本公司於二零二零年十二月三十一日已發行股份總數(即1,974,283,000股股份)計算。

附註：

1. Luck Morgan Investment Limited以江蘇百斯特環境工程有限公司的提名人身份持有148,180,000股股份。

Directors' Report (Continued)

董事會報告(續)

AUDIT COMMITTEE, REMUNERATION COMMITTEE AND NOMINATION COMMITTEE

Details of the Audit Committee, Remuneration Committee and Nomination Committee are set out in section headed "Corporate Governance Report" of this annual report.

SUFFICIENCY OF PUBLIC FLOAT

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

EVENT AFTER END OF REPORTING PERIOD

For details, please refer to the section headed "Management Discussion and Analysis" in this annual report.

AUDITOR

Moore Stephens CPA Limited was appointed as auditor of the Company with effect from 31 October 2018.

Moore Stephens CPA Limited will retire and a resolution for their re-appointment as auditor of the Company will be submitted at the forthcoming annual general meeting.

On behalf of the Board

Liu Kaijin
Chairman

Hong Kong, 16 April 2021

審核委員會、薪酬委員會及提名委員會

審核委員會、薪酬委員會及提名委員會的詳情載於本年報「企業管治報告」一節。

足夠公眾持股量

根據本公司所得公開資料及就本公司董事所知，於本年報日期，本公司已根據上市規則的規定維持指定的公眾持股量。

報告期後事項

有關詳情請參閱本年報「管理層討論及分析」一節。

核數師

大華馬施雲會計師事務所有限公司獲委任為本公司核數師，自二零一八年十月三十一日起生效。

大華馬施雲會計師事務所有限公司將於應屆股東週年大會上退任本公司核數師，而該大會將提呈重新聘任彼為本公司核數師之決議案。

代表董事會

主席
劉開進

香港，二零二一年四月十六日

Independent Auditor's Report

獨立核數師報告



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To the Shareholders of China Dredging Environment Protection Holdings Limited

(Incorporated in the Cayman Islands with limited liability)

致中國疏浚環保控股有限公司股東

(於開曼群島註冊成立的有限公司)

OPINION

We have audited the consolidated financial statements of China Dredging Environment Protection Holdings Limited (the "Company") and its subsidiaries (collectively referred to as the "Group") set out on pages 89 to 224, which comprise the consolidated statement of financial position as at 31 December 2020, and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

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

意見

本行已審核載列於第89至224頁中國疏浚環保控股有限公司(「貴公司」)及其附屬公司(統稱「貴集團」)的綜合財務報表，其包括於二零二零年十二月三十一日的綜合財務狀況表與截至該日止年度的綜合損益及其他全面收益表、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(包括重大會計政策概要)。

本行認為，該等綜合財務報表已根據香港會計師公會(「香港會計師公會」)發佈的香港財務報告準則(「香港財務報告準則」)真實而公平地反映貴集團於二零二零年十二月三十一日的綜合財務狀況以及其截至該日止年度的綜合財務表現及綜合現金流量，並已按照香港公司條例的披露規定妥為編製。

Independent Auditor's Report (Continued)**獨立核數師報告(續)****BASIS FOR OPINION**

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

MATERIAL UNCERTAINTY RELATED TO GOING CONCERN

We draw attention to Note 2 to the consolidated financial statements, which highlight that the Group experienced a gross loss and loss of approximately RMB44 million and RMB537 million respectively for the year ended 31 December 2020 and had net current liabilities of approximately RMB557 million as at that date. As at 31 December 2020, the bank borrowings and other borrowings classified as current liabilities amounted to approximately RMB293 million and RMB79 million respectively are scheduled with repayment terms to be settled within one year.

The Group's ability to generate funds to satisfy its financial obligations in the next twelve months is reliant on the group's ability to renew the bank borrowings of approximately RMB293 million and other borrowings of approximately RMB79 million under current liabilities as at 31 December 2020 when they come up for repayment, or to obtain alternative financing.

These conditions, along with other matters as set forth in Note 2 to the consolidated financial statements, indicate the existence of material uncertainties which may cast significant doubt over the Group's ability to continue as a going concern. Our opinion is not modified in respect of these matters.

KEY AUDIT MATTER

Key audit matter is the matter that, in our professional judgment, was of most significance in our audit of the consolidated financial statements of the current period. This matter was 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 this matter. In addition to the matter described in the Material Uncertainty Related to Going Concern section, we have determined the matter described below to be the key audit matter to be communicated in our report.

意見基準

本行已根據香港會計師公會頒佈的香港審計準則(「香港審計準則」)進行審計。本行在該等準則下的責任已於本報告「核數師就審計綜合財務報表須承擔的責任」一節中作進一步闡述。根據香港會計師公會頒佈的專業會計師道德守則(「守則」)，本行獨立於貴集團，並已履行守則中的其他道德責任。本行相信，本行所獲得的審計憑證能充足及適當地為本行的審計意見提供基礎。

與持續經營相關的重大不確定性

本行提呈閣下垂注綜合財務報表附註2，尤其是貴集團於截至二零二零年十二月三十一日止年度錄得毛損及虧損分別約為人民幣44,000,000元及人民幣537,000,000元，及於該日擁有流動負債淨值約人民幣557,000,000元。於二零二零年十二月三十一日，銀行借貸及分類為流動負債的其他借貸分別約為人民幣293,000,000元及人民幣79,000,000元，計劃償還期限為於一年內償還。

貴集團於未來十二個月產生資金以應付其財務責任的能力取決於貴集團於二零二零年十二月三十一日流動負債項下約人民幣293,000,000元的銀行借貸及約人民幣79,000,000元的其他借貸於到期償還時續借的能力或取得其他融資的能力。

該等狀況，連同綜合財務報表附註2所載其他事項，顯示存在重大不確定性或會對貴集團的持續經營能力造成重大疑問。本行的意見並無就該事項作出修訂。

關鍵審計事項

關鍵審計事項為根據本行的專業判斷，認為對本期間綜合財務報表的審計最為重要的事項。該等事項於本行審計整體綜合財務報表及出具意見時處理，而本行不會對該等事項提供獨立的意見。除與持續經營相關的重大不確定性一節所述事宜外，本行已釐定下文所述事宜為本行報告將予討論的關鍵審核事宜。

Independent Auditor's Report (Continued) 獨立核數師報告(續)

Key audit matter

關鍵審計事項

How our audit addressed the key audit matter

本行審計如何處理關鍵審計事項

Assessment of loss allowance for expected credit losses ("ECL") on trade receivables and contract assets 應收賬款及合約資產預期信貸虧損(「預期信貸虧損」)的虧損撥備評估

We identified the assessment of loss allowance for expected credit losses on trade receivables and contract assets as a key audit matter. The Group's trade receivables and contract assets mainly arise from dredging, water management and marine related businesses. The estimation of expected credit losses of these trade receivables and contract assets involved exercise of significant judgement by management and high degree of estimation uncertainty.

本行將應收賬款及合約資產預期信貸虧損的虧損撥備評估視為關鍵審計事項。貴集團的應收賬款及合約資產主要源自疏浚、水務管理及相關海事業務。該等應收賬款及合約資產預期信貸虧損估計涉及管理層行使重大判斷以及深層次的估計不確定性。

As at 31 December 2020, the Group had trade receivables and contract assets, net of allowance for credit losses of RMB497,151,000 and RMB25,047,000 as disclosed in Notes 22 and 24 respectively, and provision of expected credit losses of RMB146,947,000 and RMB241,000 were recognised for trade receivables and contract assets respectively during the year as disclosed in Note 11.

於二零二零年十二月三十一日，貴集團擁有應收賬款及合約資產(扣除信貸虧損撥備)人民幣497,151,000元及人民幣25,047,000元(分別披露於附註22及24)。如附註11所披露，年內亦分別就應收賬款及合約資產確認預期信貸虧損撥備人民幣146,947,000元及人民幣241,000元。

Our procedures in relation to the evaluation of the assessment of loss allowance for expected credit losses on trade receivables and contract assets included:

本行有關應收賬款及合約資產預期信貸虧損的虧損撥備評估的估計程序包括：

- We obtained an understanding of the management's process for credit risk assessment and impairment assessment of allowance for expected credit losses on trade receivables and contract assets.
- 本行取得對管理層有關應收賬款及合約資產預期信貸虧損撥備進行信貸風險評估及減值評估流程的瞭解。
- We tested, on a sample basis, the accuracy of aging of trade receivables balances based on invoice date and due date as at the end of the reporting period to the underlying invoices.
- 本行基於報告期末相關發票發票日期及到期日抽樣測試應收賬款結餘賬齡準確性。
- For the collectively assessed ECL, we assessed the reasonableness of the Group's ECL models, including the model inputs, model design, model performance for significant portfolios.
- 就統一評估預期信貸虧損，本行評估貴集團預期信貸虧損模式的合理性，包括重要投資組合的模式輸入、模式設計、模式表現。

Independent Auditor's Report (Continued)

獨立核數師報告(續)

Key audit matter

關鍵審計事項

How our audit addressed the key audit matter

本行審計如何處理關鍵審計事項

Assessment of loss allowance for expected credit losses ("ECL") on trade receivables and contract assets**應收賬款及合約資產預期信貸虧損(「預期信貸虧損」)的虧損撥備評估**

The Group has applied a lifetime expected credit loss model in determining the expected credit losses to be recognised in respect of the trade receivables and contract assets during and as at the end of the year. When determining the amount of expected credit losses to be recognised as at the end of the reporting period, the management considered the risk of a default occurring on the trade receivables and contract assets as at the reporting date, taking into account both quantitative and qualitative information that is reasonable and supportable, including historical experience (including credit history and current credit worthiness of the customers) and forward-looking information (including current market conditions) that is available without undue cost or effort.

貴集團已應用全期預期信貸虧損模式，釐定年度期間及年末就應收賬款及合約資產確認的預期信貸虧損。釐定報告期末預期信貸虧損金額時，管理層考慮到報告日期應收賬款及合約資產發生違約的風險，並慮及合理、佐證性定量及定性資料，包括無需過度成本或精力即可獲得之歷史性經驗(包括客戶信貸記錄及即期信貸可靠性)及展望資料(包括當前市場狀況)。

- We challenged whether historical experience is representative of current circumstances and of the recent losses incurred in the portfolios and assessed the reasonableness of forward-looking adjustments, including the economic variables and assumptions used in each of the economic scenarios and their probability weightings. Where changes had been made in model parameters and assumptions, we evaluated the reasonableness of such changes.
- 本行質疑歷史性經驗是否代表目前具體情況及投資組合近期虧損，並評估展望調整的合理性，包括各經濟情形所用經濟變量及假設及其可能性權重。若模式參數及假設變更，本行則評估有關變更的合理性。
- We also assessed the disclosures to the financial statement relating to the Group's exposure to credit risks.
- 本行亦評估與貴集團面臨信貸風險相關的財務報表披露。

Independent Auditor's Report (Continued)

獨立核數師報告(續)

Key audit matter

關鍵審計事項

How our audit addressed the key audit matter

本行審計如何處理關鍵審計事項

Impairment of property, plant and equipment and right-of-use assets

物業、廠房及設備以及使用權資產減值

We identified the impairment of property, plant and equipment and right-of-use assets as a key audit matter.

本行將物業、廠房及設備以及使用權資產減值視為關鍵審計事項。

The continuing challenging market condition has led to segment losses in the Group's capital and reclamation dredging business and environmental protection dredging water management business, which is considered as an indicator of possible impairment and impairment assessment has been performed as at 31 December 2020.

市場環境持續充滿挑戰導致 貴集團的基建及填海疏浚業務及環保疏浚水務管理業務產生分部虧損，這被視作潛在減值跡象，並已於二零二零年十二月三十一日進行減值評估。

As at 31 December 2020, an impairment provision of RMB248,130,000 and RMB5,855,000 respectively have been recorded to reduce the carrying values of property, plant and equipment and right-of-use assets to their estimated recoverable values, which is the higher of fair value less costs of disposal and value in use. The Group's property, plant and equipment and right-of-use assets are amounted to RMB1,039,088,000 and RMB86,276,000 respectively after impairment as at 31 December 2020.

於二零二零年十二月三十一日，已計提減值撥備分別為人民幣248,130,000元及人民幣5,855,000元，以將物業、廠房及設備以及使用權資產的賬面值減至其估計可收回價值，即公平值減出售成本與使用價值兩者中的較高者。於二零二零年十二月三十一日，貴集團的物業、廠房及設備以及使用權資產於減值後分別為人民幣1,039,088,000元及人民幣86,276,000元。

Our procedures in relation to management's impairment assessment of property, plant and equipment and right-of-use assets included:

本行有關物業、廠房及設備以及使用權資產的管理層減值評估程序包括：

- Assessing the methodologies used by the external independent valuer to estimate resale values and by management to estimate values in use;
- 評估外聘獨立估值師估計轉售價值及管理層估計使用價值所用的方法；
- Evaluating the independent external independent valuer's competence, capabilities and objectivity;
- 評估獨立外聘估值師的資格、能力及客觀性；
- Checking, on a sample basis, the accuracy and relevance of the input data provided by management to the external independent valuer;
- 抽樣檢查管理層向外聘獨立估值師提供的輸入數據的準確性及相關性；

Independent Auditor's Report (Continued)

獨立核數師報告(續)

Key audit matter

關鍵審計事項

Impairment of property, plant and equipment and right-of-use assets

物業、廠房及設備以及使用權資產減值

These conclusions are dependent upon significant management judgement, including estimated resale values, provided by an independent external valuer; and estimated utilisation, disposal values, and discount rates applied to future cash flows.

該等結論視乎重大管理層判斷，包括獨立外聘估值師提供之估計轉售價值；以及估計動用情況、出售價值及未來現金流量所採納的貼現率。

How our audit addressed the key audit matter

本行審計如何處理關鍵審計事項

- Checking, on a sample basis, the accuracy and relevance of the input data used by management to estimate values in use;
- 抽樣檢查管理層估計使用價值所用輸入數據的準確性及相關性；
- Assessing management's key assumptions used to estimate values in use based on our knowledge of the dredging industry; and
- 基於本行對疏浚行業的瞭解，評估管理層用於估計使用價值的關鍵假設；及
- Considering the appropriateness of the resale values estimated by external valuer based on our knowledge of the industry and value obtained by the Group in respect of vessels that had been disposed in the market during the year.
- 基於本行對本行業的瞭解及貴集團就於年內在市場上出售船舶所獲得的價值，考慮外聘估值師估計轉售價值的適當性。

Independent Auditor's Report (Continued) 獨立核數師報告(續)

OTHER INFORMATION

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

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

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

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

The directors of the Company are responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with HKFRSs 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.

其他資料

貴公司董事須對其他資料負責。其他資料包括年報內所載的資料，但不包括綜合財務報表及本行載於其中的核數師報告。

本行對綜合財務報表的意見並不涵蓋其他資料，本行亦不對該等其他資料發表任何形式的保證結論。

就本行對綜合財務報表的審計，本行的責任乃細閱其他資料，在此過程中，考慮其他資料與綜合財務報表或本行在審計過程中所知悉的情況是否存在重大抵觸或看似存在重大錯誤陳述。基於本行已執行的工作，倘本行認為其他資料存在重大錯誤陳述，本行需要報告該事實。本行就此並無任何事項須報告。

董事及治理層就綜合財務報表須承擔的責任

貴公司董事負責根據香港財務報告準則及香港公司條例的披露規定編製真實而公平的綜合財務報表，並對董事認為為使綜合財務報表的編製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。

在編製綜合財務報表時，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 (Continued)**獨立核數師報告(續)****AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS**

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion solely to you, as a body, in accordance with our agreed terms of engagement and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with HKSA's will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with HKSA's, we exercise professional judgment 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須承擔的責任

本行的目標乃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，並出具包括本行意見的核數師報告，並按照協定的委聘條款僅向閣下(作為整體)報告，除此之外本報告別無其他目的。本行概不就本報告的內容對任何其他人士負責或承擔責任。合理保證為高水平的保證，但不能保證按照香港審計準則進行的審計總能發現重大錯誤陳述。錯誤陳述可以由欺詐或錯誤引起，如果合理預期其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，則有關的錯誤陳述可被視作重大。

作為根據香港審計準則進行審計其中一環，本行運用專業判斷，保持專業懷疑態度。本行亦：

- 識別及評估由於欺詐或錯誤而導致綜合財務報表存在重大錯誤陳述的風險，設計及執行審計程序以應對該等風險，以及獲取充足及適當的審計憑證，作為本行意見的基礎。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出現重大錯誤陳述的風險高於未能發現因錯誤而導致出現重大錯誤陳述的風險。
- 瞭解與審計相關的內部控制，以設計在有關情況下屬適當的審計程序，但目的並非對貴集團內部控制的有效性發表意見。
- 評估董事所採用會計政策的適當性以及作出會計估計及相關披露的合理性。

Independent Auditor's Report (Continued) 獨立核數師報告(續)

- 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.
- 對董事採用持續經營會計基礎的適當性作出結論，並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。倘本行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，則修訂本行的意見。本行的結論乃基於直至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業務。
- 評估綜合財務報表的整體列報方式、結構及內容(包括披露)事項以及綜合財務報表是否公平反映相關交易及事項。
- 就貴集團內實體或業務活動的財務資料獲取充足適當的審計憑證，以便對綜合財務報表發表意見。本行負責貴集團審計的方向、監督及執行。本行為審計意見承擔全部責任。

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.

本行與治理層溝通審計的計劃範圍及時間以及重大審計發現等，其中包括本行在審計中識別出內部控制的任何重大不足之處。

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.

本行亦向治理層提交聲明，表明本行已符合有關獨立性的相關專業道德要求，並與彼等溝通可能合理被認為會影響本行獨立性的所有關係及其他事項以及在適用的情況下相關的防範措施。

Independent Auditor's Report (Continued)

獨立核數師報告(續)

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.

從與治理層溝通的事項中，本行確定該等對本期間綜合財務報表的審計最為重要的事項，因而構成關鍵審計事項。本行在核數師報告中闡釋該等事項，除非法律或規例不允許公開披露該等事項，或在極端罕見的情況下，合理預期倘於本行的報告中註明某事項造成的負面後果超過產生的公眾利益，則本行決定不應在報告中註明該事項。

Moore Stephens CPA Limited

Certified Public Accountants

Chan King Keung

Practising Certificate Number: P06057

Hong Kong,
16 April 2021

大華馬施雲會計師事務所有限公司

註冊會計師

陳敬強

執業證書編號：P06057

香港
二零二一年四月十六日

Consolidated Statement of Profit or Loss and Other Comprehensive Income

綜合損益及其他全面收益表

For the year ended 31 December 2020 截至二零二零年十二月三十一日止年度

		Notes 附註	2020 二零二零年 RMB'000 人民幣千元	2019 二零一九年 RMB'000 人民幣千元
Revenue	收益	6	286,341	442,368
Operating cost	營運成本		(329,895)	(391,004)
Gross (loss)/profit	毛(損)/利		(43,554)	51,364
Other income	其他收入	8	2,176	1,295
Allowance for expected credit losses, net of reversal	預期信貸虧損撥備撥回淨額	11	(149,956)	(333,685)
Impairment loss on property, plant and equipment and right-of-use assets	物業、廠房及設備以及使用權資產減值虧損	17	(253,985)	—
Other gains and losses, net	其他收益及虧損淨額	9	25,610	(5,590)
Marketing and promotion expenses	市場推廣及宣傳開支		(6,047)	(7,681)
Administrative expenses	行政開支		(75,590)	(65,722)
Changes in fair value of investment properties	投資物業公平值變動	19	19,400	(6,286)
Finance costs	融資成本	10	(43,389)	(45,050)
Loss before tax	除稅前虧損		(525,335)	(411,355)
Income tax expense	所得稅開支	12	(12,029)	(110,673)
Loss and comprehensive expense for the year	年內虧損及全面開支	13	(537,364)	(522,028)
Loss for the year attributable to:	下列人士應佔年內虧損：			
Owners of the Company	本公司擁有人		(526,583)	(517,586)
Non-controlling interests	非控股權益		(10,781)	(4,442)
			(537,364)	(522,028)
Total comprehensive expense attributable to:	下列人士應佔全面開支總額：			
Owners of the Company	本公司擁有人		(526,583)	(517,586)
Non-controlling interests	非控股權益		(10,781)	(4,442)
			(537,364)	(522,028)
Loss per share	每股虧損	15		
— basic and diluted (RMB cents)	— 基本及攤薄(人民幣分)		(55.01)	(58.30)

Consolidated Statement of Financial Position

綜合財務狀況表

At 31 December 2020 於二零二零年十二月三十一日

		Notes 附註	2020 二零二零年 RMB'000 人民幣千元	2019 二零一九年 RMB'000 人民幣千元
Non-current assets	非流動資產			
Property, plant and equipment	物業、廠房及設備	17	1,039,088	1,385,482
Right-of-use assets	使用權資產	18	86,276	94,591
Investment properties	投資物業	19	483,900	464,500
Goodwill	商譽		201	201
Interest in an associate	於一間聯營公司的權益	20	150	—
Deposit paid for acquisition of property, plant and equipment	已付收購物業、廠房及設備的按金	23	18,752	8,421
Other intangible assets	其他無形資產		3,417	3,750
Trade and other receivables and prepayments	應收賬款及其他應收款以及預付款	22	145,471	2,338
Contract assets	合約資產	24	19,064	11,613
			1,796,319	1,970,896
Current assets	流動資產			
Trade and other receivables and prepayments	應收賬款及其他應收款以及預付款	22	576,754	863,660
Contract assets	合約資產	24	5,983	—
Bank balances and cash	銀行結餘及現金	25	29,309	12,612
			612,046	876,272
Current liabilities	流動負債			
Trade and other payables	應付賬款及其他應付款	26	359,371	377,939
Amounts due to directors of the Company	應付本公司董事款項	27	44,855	11,334
Amounts due to non-controlling shareholders of a subsidiary	應付一間附屬公司非控股股東款項	28	2,257	3,060
Tax payable	應付稅項		60,218	105,952
Bank borrowings	銀行借貸	29	293,400	297,000
Other borrowings	其他借貸	30	78,943	54,090
Bonds payable	應付債券	31	287,482	286,804
Contract liabilities	合約負債	24	42,364	22,010
Lease liabilities	租賃負債	32	605	1,263
			1,169,495	1,159,452
Net current liabilities	流動負債淨值		(557,449)	(283,180)

Consolidated Statement of Financial Position (Continued)

綜合財務狀況表(續)

At 31 December 2020 於二零二零年十二月三十一日

		Notes 附註	2020 二零二零年 RMB'000 人民幣千元	2019 二零一九年 RMB'000 人民幣千元
Total assets less current liabilities	總資產減流動負債		1,238,870	1,687,716
Capital and reserves	資本及儲備			
Share capital	股本	33	167,914	150,365
Reserves	儲備		740,213	1,266,504
Equity attributable to owners of the Company	本公司擁有人應佔權益		908,127	1,416,869
Non-controlling interests	非控股權益		129,731	146,305
Total equity	權益總額		1,037,858	1,563,174
Non-current liabilities	非流動負債			
Amounts due to non-controlling shareholders of a subsidiary	應付一間附屬公司非控股股東款項	28	61,387	68,502
Deferred tax liabilities	遞延稅項負債	21	27,260	17,256
Other borrowings	其他借貸	30	110,510	37,915
Lease liabilities	租賃負債	32	1,855	869
			201,012	124,542
			1,238,870	1,687,716

The consolidated financial statements on pages 89 to 224 were approved and authorised for issue by the board of directors on 16 April 2021 and are signed on its behalf by:

載於第89至224頁的綜合財務報表已於二零二一年四月十六日獲董事會批准及授權刊發，並由下列人士代表簽署：

Liu Kaijin
劉開進
Director
董事

Zhou Shuhua
周淑華
Director
董事

Consolidated Statement of Changes in Equity

綜合權益變動表

For the year ended 31 December 2020 截至二零二零年十二月三十一日止年度

Attributable to owners of the Company

本公司擁有人應佔

		Share capital	Share premium	PRC statutory reserve	Other reserve	Share options reserve	Retained profits	Total	Non-controlling interests	Total
		股本	股份溢價	法定儲備	其他儲備	購股權儲備	留存溢利	總計	非控股權益	總計
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
				(note i) (附註i)	(note ii) (附註ii)					
At 1 January 2019	於二零一九年一月一日	149,577	928,198	19,658	204,554	2,752	628,684	1,933,423	155,203	2,088,626
Loss and total comprehensive income expenses for the year	年內虧損及全面收益開支總額	—	—	—	—	—	(517,586)	(517,586)	(4,442)	(522,028)
Dividend paid to non-controlling interests	支付予非控股權益的股息	—	—	—	—	—	—	—	(4,456)	(4,456)
Issue of shares upon exercise of share options (Note 44)	行使購股權後發行股份(附註44)	788	523	—	—	(279)	—	1,032	—	1,032
Share option lapsed	已失效的購股權	—	—	—	—	(2,473)	2,473	—	—	—
At 31 December 2019 and 1 January 2020	於二零一九年十二月三十一日及二零二零年一月一日	150,365	928,721	19,658	204,554	—	113,571	1,416,869	146,305	1,563,174
Loss and total comprehensive income expenses for the year	年內虧損及全面收益開支總額	—	—	—	—	—	(526,583)	(526,583)	(10,781)	(537,364)
Dividend paid to non-controlling interests	支付予非控股權益的股息	—	—	—	—	—	—	—	(5,793)	(5,793)
Equity-settled share-based payments (Note 44)	以權益結算的股份支付(附註44)	—	—	—	—	292	—	292	—	292
Placing of new shares (Note 33)	新股份配售(附註33)	17,549	—	—	—	—	—	17,549	—	17,549
At 31 December 2020	於二零二零年十二月三十一日	167,914	928,721	19,658	204,554	292	(413,012)	908,127	129,731	1,037,858

Notes:

附註:

- (i) According to the Articles of Association of subsidiaries established in the People's Republic of China ("PRC"), a portion of the profit after taxation of the Company's PRC subsidiaries is required to be transferred to a PRC statutory reserve before distribution of a dividend to their equity owners. The transfer can cease when the balance of the reserve reaches 50% of the registered capital of the respective subsidiaries. The statutory reserve can be applied either to set off accumulated losses or to increase capital of the respective subsidiaries.
- (ii) The other reserve of the Group represents the difference between the nominal amount of the share capital issued by the Company in exchange for the nominal amount of the share capital and share premium of its subsidiaries and the paid-in capital of RMB39,316,000 of the PRC Operational Entity (as defined in Note 42) pursuant to the group reorganisation in 2011.
- (i) 根據中華人民共和國(「中國」)成立的附屬公司的組織章程細則，本公司的中國附屬公司須將部分除稅後溢利在向權益擁有人分派股息之前轉撥至中國法定儲備。當儲備結餘達至相關附屬公司註冊資本的50%時可終止轉撥。該法定儲備可用於抵銷累計虧損或相關附屬公司增加資本。
- (ii) 本集團的其他儲備指本公司用作交換股本面值而發行的股本面值與因二零一一年集團重組而產生的其附屬公司股份溢價(包括中國經營實體(定義見附註42)的實繳資本人民幣39,316,000元)兩者的差額。

Consolidated Statement of Cash Flows

綜合現金流量表

For the year ended 31 December 2020 截至二零二零年十二月三十一日止年度

	Notes 附註	2020 二零二零年 RMB'000 人民幣千元	2019 二零一九年 RMB'000 人民幣千元
Operating activities	經營活動		
Loss before tax	除稅前虧損	(525,335)	(411,355)
Adjustments for:	經下列各項調整：		
Depreciation of property, plant and equipment	物業、廠房及設備折舊	17 104,407	105,974
Allowance for expected credit losses, net of reversal	預期信貸虧損撥備撥回淨額	11 149,956	333,685
Impairment loss on property, plant and equipment and right-of-use assets	物業、廠房及設備以及使用權 資產減值虧損	17 253,985	—
Amortisation of intangible assets	無形資產攤銷	333	333
Depreciation of right-of-use assets	使用權資產折舊	18 3,942	4,024
Gain on disposal of property, plant and equipment, net	出售物業、廠房及設備收益 淨額	9 (2,988)	(177)
Gain on modification of bonds payable	修訂應付債券的收益	9 (325)	—
Gain on termination of a lease	終止租賃的收益	9 (54)	—
Changes in fair value of investment properties	投資物業公平值變動	19 (19,400)	6,286
Finance costs	融資成本	10 43,389	45,050
Interest income	利息收入	(51)	(133)
Unrealised exchange (gain)/loss	未變現匯兌(收益)/虧損	9 (22,243)	5,767
Equity-settled share-based payments	以權益結算的股份支付	44 292	—
Operating cash flows before movements in working capital	營運資金變動前營運現金流量	(14,092)	89,454
Decrease/(increase) in trade and other receivables	應收賬款及其他應收款減少/ (增加)	110,170	(73,317)
(Increase)/decrease in contract assets	合約資產(增加)/減少	(13,675)	23,049
Decrease in trade and other payables	應付賬款及其他應付款減少	(18,568)	(494)
Increase/(decrease) in contract liabilities	合約負債增加/(減少)	20,354	(126)
Cash generated from operations	營運所得的現金	84,189	38,566
PRC income tax paid	已付中國所得稅	(47,759)	(2,250)
Net cash from operating activities	經營活動所得現金淨額	36,430	36,316
Investing activities	投資活動		
Purchase of property, plant and equipment	購買物業、廠房及設備	(10,405)	(14,941)
Capital injection of investment in an associate	於聯營公司的投資注資	(150)	—
Deposit (paid)/refunded for acquisition of property, plant and equipment	就收購物業、廠房及設備 (支付)/退回的按金	(10,331)	786
Proceeds from disposals of property, plant and equipment	出售物業、廠房及設備所得款項	11,042	269
Interest received	已收利息	51	133
Net cash used in investing activities	投資活動所用現金淨額	(9,793)	(13,753)

Consolidated Statement of Cash Flows (Continued)

綜合現金流量表(續)

For the year ended 31 December 2020 截至二零二零年十二月三十一日止年度

	Notes 附註	2020 二零二零年 RMB'000 人民幣千元	2019 二零一九年 RMB'000 人民幣千元
Financing activities			
New bank borrowings raised		288,400	418,000
Advance from directors of the Company		157,486	85,438
New other borrowings raised		189,082	350,368
Advance from non-controlling shareholders of a subsidiary		1,216	5,000
Proceeds received from share placements	33	17,549	—
Proceeds from issue of shares upon exercise of share options	33	—	1,032
Repayment of lease liabilities	18	(1,203)	(1,330)
Repayment of bank borrowings		(292,000)	(445,670)
Repayment to directors of the Company		(123,965)	(81,037)
Interest paid		(25,337)	(26,348)
Repayment of bonds	31	(3,000)	(6,030)
Repayment of other borrowings		(204,160)	(347,144)
Repayment to non-controlling shareholders of a subsidiary		(8,215)	(6,209)
Dividend payment to non-controlling shareholders of a subsidiary		(5,793)	(4,456)
Net cash used in financing activities		(9,940)	(58,386)
Net increase/(decrease) in cash and cash equivalents		16,697	(35,823)
Cash and cash equivalents at beginning of the year		12,612	48,435
Cash and cash equivalents at end of the year, represented by bank balances and cash		29,309	12,612

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2020 截至二零二零年十二月三十一日止年度

1. GENERAL

The Company was incorporated as an exempted company with limited liability in the Cayman Islands and its shares are listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "Stock Exchange"). The Company's immediate and ultimate holding company is Wangji Limited, a limited company incorporated in the British Virgin Islands, which is ultimately and wholly owned by Mr. Liu Kaijin ("Mr. Liu"), who is the Executive Director and chairman of the board of directors of the Company (the "Board"). The Company's registered office is located at Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman, KY1-1111, Cayman Islands and its principal place of business in Hong Kong is located at Rooms 1501-2, 15/F., Siu On Plaza, 482 Jaffe Road, Causeway Bay, Hong Kong.

The Company acts as an investment holding company and the particulars of its subsidiaries are set out in Note 42 to the consolidated financial statements.

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

2. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS

The Group has incurred loss for the year ended 31 December 2020 amounting to RMB537,364,000 and net current liabilities of RMB557,449,000 as at 31 December 2020. As at 31 December 2020, the Group had not settled the Bonds as defined in Note 31 which had become due, with the outstanding principal amount and interest amounting to RMB265,045,000 and RMB22,437,000 respectively.

Pursuant to the Seventh Amendment Agreement as defined in Note 31, the Company shall be deemed to have repaid the Bonds in full if the Company repays the Bondholder an amount of HK\$98,359,000 on or before 31 March 2021. On 30 March 2021, the Company repaid HK\$98,359,000 to the Bondholder in pursuant with term c) set out in the Seventh Amendment Agreement as define in Note 31 and the management of the Company considers that the Company is deemed to have repaid and settled the Bonds in full.

In preparing the consolidated financial statements, the directors of the Group (the "Directors") have given careful consideration to the future liquidity of the Group.

1. 一般資料

本公司根據開曼群島公司法註冊成立為獲豁免有限公司，其股份於香港聯合交易所有限公司（「聯交所」）主板上市。本公司的直接及最終控股公司為旺基有限公司，一間於英屬處女群島註冊成立的有限公司，其由本公司執行董事兼董事會（「董事會」）主席劉開進先生（「劉先生」）最終及全資擁有。本公司的註冊辦事處位於 Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman, KY1-1111, Cayman Islands，及其香港主要營業地點位於香港銅鑼灣謝斐道482號兆安廣場15樓1501-2室。

本公司為一間投資控股公司，其附屬公司的詳情載於綜合財務報表附註42。

綜合財務報表以人民幣（「人民幣」）（亦為本公司的功能貨幣）呈列。

2. 綜合財務報表的編製基準

本集團於截至二零二零年十二月三十一日止年度的應計虧損為人民幣537,364,000元及於二零二零年十二月三十一日擁有流動負債淨值人民幣557,449,000元。於二零二零年十二月三十一日，本集團尚未結算到期債券（定義見附註31），其中未償付本金額及利息分別為人民幣265,045,000元及人民幣22,437,000元。

根據第七份修訂協議（定義見附註31），倘本公司於二零二一年三月三十一日或之前向債券持有人償還98,359,000港元，本公司應視作已悉數償還債券。於二零二一年三月三十日，本公司已根據第七份修訂協議（定義見附註31）所載條款c)向債券持有人償還98,359,000港元，本公司管理層認為，本公司被視作已悉數償還及結付債券。

在編製綜合財務報表時，本集團董事（「董事」）審慎考慮本集團的未來流動資金。

Notes to the Consolidated Financial Statements (Continued) 綜合財務報表附註(續)

For the year ended 31 December 2020 截至二零二零年十二月三十一日止年度

2. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

The conditions described above indicate the existence of a material uncertainty which may cast significant doubt on the Group's ability to continue as a going concern and hence, its ability to realise its assets and discharge its liabilities in the normal course of business. The Directors have reviewed the Group's cash flow projections prepared by management. The cash flow projections cover a period of not less than twelve months from the end of the reporting period. They are of the opinion that, taking into account the above-mentioned plans and measures, the Group would have sufficient working capital to finance its operations and to meet its financial obligations as and when they fall due within the next twelve months from the end of the reporting period. Nevertheless, the consolidated financial statements were prepared based on the assumption that the Group can be operated as a going concern, after taking into consideration of the following:

- (1) The Group continues to generate cash inflows from its operating activities by implementing measures to tighten cost controls over various operating expenses in order to improve its cash flows position and to generate greater positive cash inflows from its operations in the future;
- (2) Since most of the bank borrowings as at 31 December 2020 of RMB293,400,000 were secured by the Group's assets, the Directors believe that it is highly probable that they can be renewed in the next twelve months;
- (3) The Directors also believe that it is highly probable that other borrowings as at 31 December 2020 of RMB78,943,000 can be renewed in the next twelve months; and
- (4) The Directors do not intend to demand repayment of amounts due to directors amounted to RMB44,855,000 as at 31 December 2020 until the Group has sufficient cash to make repayment.

On the basis of the above considerations, the Directors believe that the Group can satisfy its financial obligations in the foreseeable future and accordingly, the consolidated financial statements have been prepared on a going concern basis.

2. 綜合財務報表的編製基準(續)

上文所述狀況顯示存在重大不明朗因素，可能對本集團繼續按持續經營基準的能力及其後對其於一般業務過程中變現其資產及償還負債的能力產生重大疑問。董事已審閱管理層編製的本集團現金流量預測。現金流量預測涵蓋自報告期末起計不少於十二個月期間。彼等認為，計及上述計劃及措施，本集團將擁有充足營運資金為其於自報告期末起計未來十二個月內的營運撥資及履行其到期財務責任。然而，於考慮下列各項後，綜合財務報表乃按本集團可以持續經營的假設而編製：

- (1) 本集團繼續通過實施收緊對各項經營開支的成本控制措施，產生來自其經營業務的現金流量，從而改善其日後現金流量狀況及產生更大的經營現金流入；
- (2) 由於於二零二零年十二月三十一日的人民幣293,400,000元銀行借貸大部分為由本集團資產作抵押，董事相信，未來十二個月被續貸的可能性較大；
- (3) 董事亦認為於二零二零年十二月三十一日的其他借貸人民幣78,943,000元極有可能於未來十二個月內重續；及
- (4) 除非本集團有充裕現金還款，董事不擬要求償還於二零二零年十二月三十一日的應付董事款項人民幣44,855,000元。

根據上述因素，董事相信本集團於可預見未來可應付其財務責任，因此綜合財務報表乃以持續經營基準編製。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

For the year ended 31 December 2020 截至二零二零年十二月三十一日止年度

3. APPLICATION OF AMENDMENTS TO HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”)

Amendments to HKFRSs that are mandatorily effective for the current year

In the current year, the Group has applied the *Amendments to References to the Conceptual Framework in HKFRS Standards* and the following amendments to HKFRSs issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”) for the first time, which are mandatorily effective for the annual period beginning on or after 1 January 2020 for the preparation of the consolidated financial statements:

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

Except as described below, the application of the *Amendments to References to the Conceptual Framework in HKFRS Standards* and the amendments to HKFRSs in the current year had no material impact on the Group’s financial positions and performance for the current and prior years and/or on the disclosures set out in these consolidated financial statements.

3.1 Impacts on application of Amendments to HKAS 1 and HKAS 8 Definition of Material

The Group has applied the Amendments to HKAS 1 and HKAS 8 for the first time in the current year. The amendments provide a new definition of material that states “information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements, which provide financial information about a specific reporting entity.” The amendments also clarify that materiality depends on the nature or magnitude of information, either individually or in combination with other information, in the context of the financial statements taken as a whole.

The application of the amendments in the current year had no impact on the consolidated financial statements.

3. 應用經修訂香港財務報告準則 (「香港財務報告準則」)

於本年度強制生效的經修訂香港財務報告準則

於本年度，本集團首次應用對香港財務報告準則標準中對概念框架的引用的修訂及下列由香港會計師公會(「香港會計師公會」)頒佈之經修訂香港財務報告準則。就編製綜合財務報表而言，該等準則乃於二零二零年一月一日或之後開始之年度期間強制生效：

香港會計準則第1號及香港會計準則第8號(修訂本)	重大的定義
香港財務報告準則第3號(修訂本)	業務的定義
香港財務報告準則第9號、香港會計準則第39號及香港財務報告準則第7號(修訂本)	利率基準改革

除下文所述者外，於本年度應用對香港財務報告準則標準中對概念框架的引用的修訂及經修訂香港財務報告準則對本集團於本年度及過往年度的財務狀況及表現及/或對該等綜合財務報表所載的披露並無重大影響。

3.1 應用香港會計準則第1號及香港會計準則第8號(修訂本)重大的定義的影響

本集團已於本年度首次應用香港會計準則第1號及香港會計準則第8號(修訂本)。該等修訂本訂明重大之新定義，即「倘可合理預期資料遺漏、錯誤陳述或不明陳述會影響一般用途財務報表之主要使用者基於提供特定報告實體財務資料的該等財務報表作出之決策，則有關資料屬重大」。該等修訂本亦釐清，重大性取決於資料(單獨或連同其他資料)對財務報表整體而言的性質或大小。

於本年度應用該等修訂本並無對綜合財務報表造成任何影響。

Notes to the Consolidated Financial Statements (Continued) 綜合財務報表附註(續)

For the year ended 31 December 2020 截至二零二零年十二月三十一日止年度

3. APPLICATION OF AMENDMENTS TO HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”) (CONTINUED)

Amendments to HKFRSs that are mandatorily effective for the current year (Continued)

3.2 Impacts on application of Amendments to HKFRS 3 Definition of a Business

The Group has applied the amendments for the first time in the current year. The amendments clarify that while businesses usually have outputs, outputs are not required for an integrated set of activities and assets to qualify as a business. To be considered a business, an acquired set of activities and assets must include, at a minimum, an input and a substantive process that together significantly contribute to the ability to create outputs.

The amendments remove the assessment of whether market participants are capable of replacing any missing inputs or processes and continuing to produce outputs. The amendments also introduce additional guidance that helps to determine whether a substantive process has been acquired.

In addition, the amendments introduce an optional concentration test that permits a simplified assessment of whether an acquired set of activities and assets is not a business. Under the optional concentration test, the acquired set of activities and assets is not a business if substantially all of the fair value of the gross assets acquired is concentrated in a single identifiable asset or group of similar assets. The gross assets under assessment exclude cash and cash equivalents, deferred tax assets, and goodwill resulting from the effects of deferred tax liabilities. The election on whether to apply the optional concentration test is available on transaction-by-transaction basis.

The amendments had no impact on the consolidated financial statements of the Group but may impact future periods should the Group make any acquisition.

3. 應用經修訂香港財務報告準則（「香港財務報告準則」）(續)

於本年度強制生效的經修訂香港財務報告準則(續)

3.2 應用香港財務報告準則第3號(修訂本)業務的定義的影響

本集團已於本年度首次應用該修訂本。該修訂本澄清，儘管業務通常有產出，但對於一組整合的活動及資產而言，毋須產出即可成為業務。若要被視為業務，所收購的一組活動及資產必須最少包括共同對創造產出能力有莫大貢獻的投入及實質性流程。

該修訂本取消市場參與者是否有能力取代任何缺失的投入或過程及持續產出的評估。該修訂本亦引入有助於釐定是否已獲得實質性流程的額外指引。

此外，該修訂本引入了選擇性集中度測試，簡化所收購的一組活動及資產是否屬於業務的評估。根據可選的集中度測試，如所收購總資產之公平值基本上都集中於單一可識別資產或一組相似的資產中，所收購的該組活動及資產並非屬於業務。評估總資產不包括現金及現金等值物、遞延稅項資產以及由遞延稅項負債的影響所產生的商譽。是否選擇應用選擇性集中度測試按逐筆交易計。

該修訂本對本集團的綜合財務報表並無影響，惟倘本集團作出任何收購，則可能影響未來期間。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

For the year ended 31 December 2020 截至二零二零年十二月三十一日止年度

3. APPLICATION OF AMENDMENTS TO HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRSs") (CONTINUED)

New and amendments to HKFRSs in issue but not yet effective

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

HKFRS 17	Insurance Contracts and the related Amendments ¹
Amendment to HKFRS 16	Covid-19-Related Rent Concessions ⁴
Amendments to HKFRS 3	Reference to the Conceptual Framework ²
Amendments to HKFRS 9, HKAS 39 and HKFRS 7, HKFRS 4 and HKFRS 16	Interest Rate Benchmark Reform – Phase 2 ⁵
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture ³
Amendments to HKAS 1	Classification of Liabilities as Current or Non-current and Related amendments to Hong Kong Interpretation 5 (2020) ¹
Amendments to HKAS 16	Property, Plant and Equipment – Proceeds before Intended Use ²
Amendments to HKAS 37	Onerous Contracts – Cost of Fulfilling a Contract ²
Amendments to HKFRSs	Annual Improvements to HKFRSs 2018–2020 ²

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

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

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

⁴ Effective for annual periods beginning on or after 1 June 2020.

⁵ Effective for annual periods beginning on or after 1 January 2021.

Except for the new and amendments to HKFRSs mentioned below, the Directors anticipate that the application of all other new and amendments to HKFRSs will have no material impact on the consolidated financial statements in the foreseeable future.

3. 應用經修訂香港財務報告準則 (「香港財務報告準則」) (續)

已頒佈但尚未生效的新訂及經修訂香港財務報告準則

本集團並無提早應用以下已頒佈但尚未生效的新訂及經修訂香港財務報告準則：

香港財務報告準則第17號	保險合約及相關修訂本 ¹
香港財務報告準則第16號 (修訂本)	Covid-19相關租金寬免 ⁴
香港財務報告準則第3號 (修訂本)	概念框架之提述 ²
香港財務報告準則第9號、香港會計準則第39號、香港財務報告準則第7號、香港財務報告準則第4號及香港財務報告準則第16號 (修訂本)	利率基準改革 – 第二階段 ⁵
香港財務報告準則第10號及香港會計準則第28號 (修訂本)	投資者與其聯營公司或合營企業之間的資產出售或注資 ³
香港會計準則第1號 (修訂本)	將負債分類為流動或非流動以及香港詮釋第5號(二零二零年)之相關修訂 ¹
香港會計準則第16號 (修訂本)	物業、廠房及設備 – 擬定用途前之所得款項 ²
香港會計準則第37號 (修訂本)	虧損合約 – 履行合約的成本 ²
香港財務報告準則 (修訂本)	香港財務報告準則二零一八年至二零二零年的年度改進 ²

¹ 於二零二三年一月一日或之後開始的年度期間生效。

² 於二零二二年一月一日或之後開始的年度期間生效。

³ 於待確定日期或之後開始的年度期間生效。

⁴ 於二零二零年六月一日或之後開始的年度期間生效。

⁵ 於二零二一年一月一日或之後開始的年度期間生效。

除下文所述新訂及經修訂香港財務報告準則外，董事預計應用所有其他新訂及經修訂香港財務報告準則於可見未來對綜合財務報表將無重大影響。

Notes to the Consolidated Financial Statements (Continued) 綜合財務報表附註(續)

For the year ended 31 December 2020 截至二零二零年十二月三十一日止年度

3. APPLICATION OF AMENDMENTS TO HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSS”) (CONTINUED)

New and amendments to HKFRSs in issue but not yet effective (Continued)

Amendments to HKFRSs Annual Improvements to HKFRSs 2018–2020

The annual improvements make amendments to the following standards.

HKFRS 9 *Financial Instruments*

The amendment clarifies that for the purpose of assessing whether modification of terms of original financial liability constitutes substantial modification under the “10 per cent” test, a borrower includes only fees paid or received between the borrower and the lender, including fees paid or received by either the borrower or the lender on the other’s behalf.

HKFRS 16 *Leases*

The amendment to Illustrative Example 13 accompanying HKFRS 16 removes from the example the illustration of reimbursement relating to leasehold improvements by the lessor in order to remove any potential confusion.

HKAS 41 *Agriculture*

The amendment ensures consistency with the requirements in HKFRS 13 Fair Value Measurement by removing the requirement in paragraph 22 of HKAS 41 to exclude taxation cash flows when measuring the fair value of a biological asset using a present value technique.

The application of the amendments is not expected to have significant impact on the financial position and performance of the Group.

3. 應用經修訂香港財務報告準則（「香港財務報告準則」）(續)

已頒佈但尚未生效的新訂及經修訂香港財務報告準則(續)

香港財務報告準則(修訂本)香港財務報告準則二零一八年至二零二零年的年度改進

年度改進對以下準則進行了修訂。

香港財務報告準則第9號金融工具

該修訂本澄清，為評估在「10%」標準下對原始金融負債條款的修改是否構成實質性修改，借款人僅包括在借款人與貸款人之間已支付或收取的費用，包括由借款人或貸款人代表對方支付或接收的費用。

香港財務報告準則第16號租賃

附隨香港財務報告準則第16號對示例第13號的修訂從示例中刪除了出租人為租賃物業裝修而作出補償說明，以消除任何潛在之混淆。

香港會計準則第41號農業

該修訂本刪除了香港會計準則第41號第22段中關於使用現值技術計量生物資產的公平值時不包括稅收現金流量之要求，從而確保與香港財務報告準則第13號公平值計量之要求相一致。

預期應用該等修訂本不會對本集團的財務狀況及表現造成重大影響。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

For the year ended 31 December 2020 截至二零二零年十二月三十一日止年度

4. SIGNIFICANT ACCOUNTING POLICIES

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

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

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

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

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

4. 主要會計政策

綜合財務報表乃根據香港會計師公會頒佈的香港財務報告準則編製。此外，綜合財務報表包括香港聯合交易所有限公司證券上市規則(「上市規則」)及香港公司條例規定的適用披露。

綜合財務報表乃按歷史成本基準編製，惟投資物業乃按各報告期末的公平值計量(如下述會計政策所闡述)。

歷史成本一般根據交換貨品及服務時所付出代價的公平值計算。

公平值是於計量日期市場參與者於有秩序交易中出售資產所收取或轉讓負債須支付的價格，而不論該價格是否直接可觀察或可使用其他估值技術估計。若市場參與者於計量日期對資產或負債定價時會考慮資產或負債的特點，則本集團於估計資產或負債的公平值時會考慮該等特點。此等綜合財務報表中作計量及/或披露用途的公平值乃按此基準釐定，惟屬於香港財務報告準則第2號股份支付範圍內的股份支付交易、根據香港財務報告準則第16號(自二零一九年一月一日開始)或香港會計準則第17號(於應用香港財務報告準則第16號之前)入賬的租賃交易，以及與公平值存在若干類似特點但並非公平值的計量(如香港會計準則第2號存貨中的可變現淨值或香港會計準則第36號資產減值中使用的數值)除外。

非金融資產公平值計量考慮市場參與者最大限度使用資產，或將其出售予另一名將最大限度使用資產的市場參與者，從而產生經濟效益的能力。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

For the year ended 31 December 2020 截至二零二零年十二月三十一日止年度

4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

For investment properties which are transacted at fair value and a valuation technique that unobservable inputs is to be used to measure fair value in subsequent periods, the valuation technique is calibrated so that at initial recognition the results of the valuation technique equals the transaction price.

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 (including structured entities) controlled by the Company and its subsidiaries. Control is achieved where the Company:

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

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

4. 主要會計政策(續)

就按公平值交易的投資物業及使用不可觀察輸入數據計量隨後期間公平值的估值技術，估值技術將進行調校，以使初始確認時估值技術結果等於交易價。

此外，就財務報告而言，公平值計量根據公平值計量的輸入數據可觀察程度及公平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。

主要會計政策於下文載列。

綜合基準

綜合財務報表包括本公司及本公司及其附屬公司控制的實體(包括結構性實體)的財務報表。當本公司符合以下要素時，則本公司取得控制權：

- 對被投資方擁有權力；
- 因其參與被投資方業務而獲得或有權獲得可變回報；及
- 有能力以其權力影響其回報。

倘有事實及情況顯示上述三項控制權要素有一項或以上出現變動，本集團會重新評估其是否控制被投資方。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

For the year ended 31 December 2020 截至二零二零年十二月三十一日止年度

4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basis of consolidation (Continued)

Consolidation of a subsidiary begins when the Group obtains control over 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 when the Group gains control until the date when the Group ceases to have control over 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.

Where 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.

Business combinations or asset acquisitions

Optional concentration test

Effective from 1 January 2020, the Group can elect to apply an optional concentration test, on a transaction-by-transaction basis, that permits a simplified assessment of whether an acquired set of activities and assets is not a business. The concentration test is met if substantially all of the fair value of the gross assets acquired is concentrated in a single identifiable asset or group of similar identifiable assets. The gross assets under assessment exclude cash and cash equivalents, deferred tax assets, and goodwill resulting from the effects of deferred tax liabilities. If the concentration test is met, the set of activities and assets is determined not to be a business and no further assessment is needed.

4. 主要會計政策(續)

綜合基準(續)

附屬公司的綜合入賬於本集團取得有關附屬公司的控制權起開始。具體而言，年內所收購或出售附屬公司的收入及開支乃自本集團取得控制權的日期起計入綜合損益及其他全面收益表，直至本集團不再控制有關附屬公司的日期為止。

損益及其他全面收益的每個項目乃歸屬於本公司所有人及非控股權益。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，即使此舉會導致非控股權益產生虧絀結餘。

於必要時，將對附屬公司的財務報表作出調整，以令彼等的會計政策與本集團的會計政策一致。

有關本集團成員之間交易的所有集團內公司間的資產及負債、權益、收入、支出及現金流量於綜合時悉數對銷。

於附屬公司的非控股權益獨立於本集團於附屬公司股權呈列，意味著呈列所有權權益，賦予持有人於清盤後享有相關附屬公司淨資產比例份額的權利。

業務合併或資產收購

可選集中度測試

自二零二零年一月一日起生效，本集團可選擇以逐項交易基準應用可選集中度測試，可對所收購之一組活動及資產是否並非一項業務作簡化評估。倘所收購總資產的公平值幾乎全部都集中在單一可識別資產或一組類似可識別資產中，則符合集中度測試。評估之總資產不包括現金及現金等值物、遞延稅項資產及由遞延稅項負債影響產生之商譽。倘符合集中度測試，該組活動及資產被釐定為並非業務及毋須作進一步評估。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

For the year ended 31 December 2020 截至二零二零年十二月三十一日止年度

4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Business combinations or asset acquisitions (Continued)

Asset acquisitions

When the Group acquires a group of assets and liabilities that do not constitute a business, the Group identifies and recognises the individual identifiable assets acquired and liabilities assumed by allocating the purchase price first to investment properties which are subsequently measured under fair value model and financial assets/financial liabilities at the respective fair values, the remaining balance of the purchase price is then allocated to the other identifiable assets and liabilities on the basis of their relative fair values at the date of purchase. Such a transaction does not give rise to goodwill or bargain purchase gain.

Business combinations

Acquisitions of businesses, other than business combination under common control 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.

Except for certain recognition exemptions, the identifiable assets acquired and liabilities assumed must meet the definitions of an asset and a liability in the International Accounting Standards Committee's Framework for the Preparation and Presentation of Financial Statements (replaced by the Conceptual Framework for Financial Reporting issued in September 2010).

4. 主要會計政策(續)

業務合併或資產收購(續)

資產收購

當本集團收購並不構成業務的資產及負債組別，則本集團識別及確認所收購個別可識別資產及所承擔負債，方式為首先將購買價按各自的公平值分配至投資物業(其後根據公平值模式計量)以及金融資產/金融負債，購買價餘額繼而分配至其他可識別資產及負債，基準為按其於購買日期的相對公平值。該交易不會產生商譽或議價收購收益。

業務合併

收購業務(共同控制下的業務合併除外)乃採用收購法入賬。於業務合併中轉讓的代價按公平值計量，而計算方法為本集團所轉讓的資產、本集團對被收購方原擁有人產生的負債及本集團為交換被收購方的控制權所發行的股權於收購日期的公平值的總和。與收購有關的成本一般於產生時在損益中確認。

除若干確認豁免外，已收購的可識別資產及已承擔負債必須符合「編製及呈列財務報表的國際會計準則委員會框架」(被於二零一零年九月頒佈的「財務報告概念框架」所取代)中資產及負債的定義。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

For the year ended 31 December 2020 截至二零二零年十二月三十一日止年度

4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Business combinations or asset acquisitions (Continued)

Business combinations (Continued)

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 HKAS 12 Income Taxes and HKAS 19 Employee Benefits respectively;
- 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 HKFRS 2 Share-based Payment at the acquisition date (see the accounting policy below);
- assets (or disposal groups) that are classified as held for sale in accordance with HKFRS 5 Non-current Assets Held for Sale and Discontinued Operations are measured in accordance with that standard; and
- lease liabilities are recognised and measured at the present value of the remaining lease payments (as defined in HKFRS 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.

4. 主要會計政策(續)

業務合併或資產收購(續)

業務合併(續)

於收購日期，已收購可識別資產及已承擔負債按其公平值確認，惟下文所述者除外：

- 遞延稅項資產或負債及與僱員福利安排有關的資產或負債，乃分別根據香港會計準則第12號所得稅及香港會計準則第19號僱員福利確認及計量；
- 與被收購方的以股份支付安排或與本集團的以股份支付安排取代被收購方的以股份支付安排相關的負債或權益工具乃於收購日期根據香港財務報告準則第2號以股份為基礎的付款計量(請參閱下文的會計政策)；
- 根據香港財務報告準則第5號持作出售非流動資產及已終止業務被分類為持作出售的資產(或出售組別)乃根據該準則計量；及
- 租賃負債按剩餘租賃付款(定義見香港財務報告準則第16號)的現值確認及計量，猶如所收購的租賃於收購日期為新租賃，惟(a)租賃期限於收購日期12個月內結束的租賃；或(b)相關資產屬低價值的租賃除外。使用權資產按與相關租賃負債相同的金額確認及計量，並經調整以反映與市場條款相比租賃的有利或不利條款。

Notes to the Consolidated Financial Statements (Continued) 綜合財務報表附註(續)

For the year ended 31 December 2020 截至二零二零年十二月三十一日止年度

4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Business combinations or asset acquisitions (Continued)

Business combinations (Continued)

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.

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 at the non-controlling interests' proportionate share of the recognised amounts of the acquiree's identifiable net assets or at fair value. The choice of measurement basis is made on a transaction-by-transaction basis.

When the consideration transferred by the Group in a business combination includes a contingent consideration arrangement, the contingent consideration is measured at its acquisition-date fair value and included as part of the consideration transferred in a business combination. Changes in the fair value of the contingent consideration that qualify as measurement period adjustments are adjusted retrospectively. Measurement period adjustments are adjustments that arise from additional information obtained during the "measurement period" (which cannot exceed one year from the acquisition date) about facts and circumstances that existed at the acquisition date.

4. 主要會計政策(續)

業務合併或資產收購(續)

業務合併(續)

商譽確認為所轉讓的代價、於被收購方的任何非控股權益金額及收購方先前持有被收購方股權(如有)的公平值的總和超出所收購可識別資產及所承擔負債於收購日期的淨額的部分。倘(在重新評估過後)所收購可識別資產及所承擔負債的淨額超出所轉讓的代價、於被收購方的任何非控股權益金額及收購方先前持有被收購方權益(如有)的公平值的總和,則超出部分即時於損益內確認為議價購買收益。

屬現時擁有權權益及賦予其持有人權利於清盤時按比例分佔相關附屬公司淨資產的非控股權益可初步按非控股權益分佔被收購方可識別淨資產已確認金額的比例或按公平值計量。計量基準乃按個別交易基準選擇。

倘本集團於業務合併中轉讓的代價包括或然代價安排,或然代價按其收購日期公平值計量並視為於業務合併中所轉讓代價的一部分。或然代價的公平值變動(如符合計量期間調整資格)可追溯調整。計量期間調整為於「計量期間」(計量期間自收購日期起計不得超過一年)就於收購日期存在的事實及情況獲得額外資料而引致的調整。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

For the year ended 31 December 2020 截至二零二零年十二月三十一日止年度

4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Business combinations or asset acquisitions (Continued)

Business combinations (Continued)

The subsequent accounting for the contingent consideration that do not qualify as measurement period adjustments depends on how the contingent consideration is classified. Contingent consideration that is classified as equity is not remeasured at subsequent reporting dates and its subsequent settlement is accounted for within equity. Contingent consideration that is classified as an asset or a liability is remeasured to fair value at subsequent reporting dates, with the corresponding gain or loss being recognised in profit or loss.

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 HKFRS 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.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted retrospectively during the measurement period (see above), and additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed at the acquisition date that, if known, would have affected the amounts recognised at that date.

4. 主要會計政策(續)

業務合併或資產收購(續)

業務合併(續)

不符合計量期間調整資格的或然代價的隨後入賬，取決於或然代價的分類結果。劃分為權益的或然代價不會於後續報告日期重新計量，而其後續結算於權益內入賬。劃分為資產或負債的或然代價於後續報告日期重新計量為公平值，而相應的收益或虧損於損益內確認。

倘業務合併分階段達成，本集團以往所持的被收購方股權於收購日期(即本集團取得控制權當日)按公平值重新計量，所產生的收益或虧損(如有)在損益或其他全面收益(倘適用)中確認。倘本集團已直接出售先前持有的股權，先前已於其他全面收益確認及根據香港財務報告準則第9號計量且於收購日期前於被收購方的權益所產生的金額，則按相同基準入賬。

倘業務合併的初步會計處理於合併產生的報告期末前仍未完成，則本集團會就仍未完成會計處理的項目呈報暫定金額。該等暫定金額於計量期間(見上文)內作出追溯調整，並確認額外資產或負債，以反映獲得有關於收購日期已存在事實及情況的新資料，而倘知悉該等資料，將會影響於當日確認的金額。

Notes to the Consolidated Financial Statements (Continued) 綜合財務報表附註(續)

For the year ended 31 December 2020 截至二零二零年十二月三十一日止年度

4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Goodwill

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

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

A cash-generating unit to which goodwill has been allocated is tested for impairment annually or more frequently when there is indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit on a pro rata basis based on the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognised directly in profit or loss. An impairment loss recognised for goodwill is not reversed in subsequent periods.

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

4. 主要會計政策(續)

商譽

收購業務產生的商譽按收購業務日期產生的成本減任何累計減值虧損(如有)列賬。

就減值測試而言，商譽會分配至預期可從合併的協同效益中獲益的本集團各現金產生單位，這是商譽內部管理目的的最低水平而不大於經營分部。

獲分配商譽的現金產生單位會每年進行減值測試，或於有跡象顯示該單位可能出現減值時經常進行減值測試。倘現金產生單位的可回收金額少於其賬面值，則減值虧損會先用作減低任何分配至該單位的商譽的賬面值，其後則按該單位內各項資產賬面值的比例分配至該單位的其他資產。任何商譽減值虧損直接於損益中確認。就商譽確認的減值虧損不會於其後期間撥回。

於出售相關現金產生單位或現金產生單位組別中任何現金產生單位時，應佔商譽金額納入出售損益金額釐定。當本集團出售現金產生單位中的業務，出售商譽金額基於出售業務(或現金產生單位)及留存現金產生單位部分的相對價值計量。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

For the year ended 31 December 2020 截至二零二零年十二月三十一日止年度

4. 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 those policies.

The results and assets and liabilities of associates are incorporated in these consolidated financial statements using the equity method of accounting. The financial statements of associates used for equity accounting purposes are 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 statement 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. 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.

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 HKAS 36 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 is not allocated to any asset, including goodwill, that forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognised in accordance with HKAS 36 to the extent that the recoverable amount of the investment subsequently increases.

4. 主要會計政策(續)

於聯營公司的投資

聯營公司為本集團對其擁有重大影響力的實體。重大影響力為參與被投資方的財務及營運政策的決策的權力，惟並不能夠控制或共同控制有關政策。

聯營公司的業績與資產及負債使用權益會計法綜合計入該等綜合財務報表。適用於權益會計法之聯營公司之財務報表乃採用與本集團在相若情況下就類似交易及事項所採用的統一會計政策編製。根據權益法，於聯營公司的投資初步於綜合財務狀況表按成本確認，並於其後作出調整以確認本集團分佔該聯營公司的損益及其他全面收益。當本集團分佔聯營公司的虧損超出本集團於該聯營公司的權益(包括實際上構成本集團於該聯營公司的投資淨額一部分的任何長期權益)時，本集團終止確認其分佔的進一步虧損。僅於本集團已產生法定或推定義務或須代該聯營公司支付款項時，方會確認額外虧損。

於聯營公司的投資由被投資方成為聯營公司當日起使用權益法入賬。於收購於聯營公司的投資時，投資成本超出本集團分佔被投資方的可識別資產及負債的公平淨值的任何部分確認為商譽，計入該投資的賬面值。本集團分佔可識別資產及負債的公平淨值超出投資成本的任何部分，經重新評估後即時於收購投資期間在損益確認。

本集團評估有否客觀證據表明於聯營公司的權益可能出現減值。當存在任何客觀證據時，該投資的全部賬面值(包括商譽)按照香港會計準則第36號作為單一資產測試減值，方法為比較其可收回金額(使用價值與公平值減出售成本的較高者)與賬面值。所確認的任何減值虧損不會被分配到構成該投資賬面值的一部分的任何資產(包括商譽)。倘其後該投資的可收回金額增加，則按照香港會計準則第36號確認撥回該減值虧損。

Notes to the Consolidated Financial Statements (Continued) 綜合財務報表附註(續)

For the year ended 31 December 2020 截至二零二零年十二月三十一日止年度

4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Investments in associates (Continued)

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 HKFRS 9, the Group measures the retained interest at fair value at that date and the fair value is regarded as its fair value on initial recognition. The difference between the carrying amount of the associate and the fair value of any retained interest and any proceeds from disposing of the relevant interest in the associate is included in the determination of the gain or loss on disposal of the associate. In addition, the Group accounts for all amounts previously recognised in other comprehensive income in relation to that associate on the same basis as would be required if that associate had directly disposed of the related assets or liabilities. Therefore, if a gain or loss previously recognised in other comprehensive income by that associate would be reclassified to profit or loss on the disposal of the related assets or liabilities, the Group reclassifies the gain or loss from equity to profit or loss (as a reclassification adjustment) upon disposal/partial disposal of the relevant associate.

When the Group reduces its ownership interest in an associate but the Group continues to use the equity method, the Group reclassifies to profit or loss the proportion of the gain or loss that had previously been recognised in other comprehensive income relating to that reduction in ownership interest if that gain or loss would be reclassified to profit or loss on the disposal of the related assets or liabilities.

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 consolidated financial statements only to the extent of interests in the associate that are not related to the Group.

4. 主要會計政策(續)

於聯營公司的投資(續)

倘本集團對聯營公司失去重大影響力，其入賬列作出售被投資方的全部權益，所產生的收益或虧損於損益確認。倘本集團保留於前聯營公司的權益，且該保留權益為香港財務報告準則第9號範圍內的金融資產，則本集團於該日按公平值計量保留權益，而該公平值被視為於初步確認時的公平值。聯營公司的賬面值與任何保留權益的公平值及出售聯營公司相關權益的任何所得款項之間的差額計入釐定出售該聯營公司的收益或虧損。此外，本集團會將先前在其他全面收益就該聯營公司確認的所有金額入賬，基準與倘該聯營公司已直接出售相關資產或負債所需基準相同。因此，倘該聯營公司先前已於其他全面收益確認收益或虧損，其將於出售相關資產或負債時重新分類至損益，本集團於出售/部分出售有關聯營公司時將收益或虧損由權益重新分類至損益(作為重新分類調整)。

當本集團減少其於聯營公司的擁有人權益但本集團繼續使用權益法時，倘有關收益或虧損將於出售相關資產或負債時重新分類至損益，則本集團將先前已於其他全面收益確認的與該擁有人權益減少有關的收益或虧損部分重新分類至損益。

倘集團實體與本集團聯營公司進行交易，與聯營公司進行交易所產生的溢利及虧損於本集團的綜合財務報表內確認，惟僅以與本集團無關的聯營公司權益為限。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

For the year ended 31 December 2020 截至二零二零年十二月三十一日止年度

4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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 are recognised in profit or loss on a systematic basis over the periods in which the Group recognises as expenses the related costs for which the grants are intended to compensate.

Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Group with no future related costs are recognised in profit or loss in the period in which they become receivable. Such grants are presented under “other income”.

Revenue from contracts with customers

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

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

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

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

4. 主要會計政策(續)

政府補助

當可合理保證本集團將會符合政府補助的附帶條件且會收到補助時，方確認政府補助。

政府補助乃於本集團將擬用作補償的補助相關成本確認為開支的期間按系統化基準於損益中確認。

倘應收政府補助乃用作補償已發生的支出或虧損或為本集團提供即時財務支援，且無未來相關成本，則在應收期間於損益中確認。此類補助金列在「其他收入」下。

與客戶的合約產生的收益

本集團當(或於)完成履約責任時確認收益，即於特定履約責任相關的商品或服務的「控制權」轉讓予客戶時。

履約責任指明確商品及服務(或一組商品或服務)或一系列實質上相同的明確商品或服務。

倘符合下列其中一項標準，控制權在一段時間內轉移，而收益確認會按一段時間內完全滿足相關履約責任的進度進行：

- 客戶同時收取及耗用由本集團履約所帶來的利益；
- 本集團履約導致產生及提升於本集團履約時由客戶控制的資產；或
- 本集團履約並無產生對本集團有替代用途的資產，且本集團可享有強制執行權，以收回迄今已履約部分的款項。

Notes to the Consolidated Financial Statements (Continued) 綜合財務報表附註(續)

For the year ended 31 December 2020 截至二零二零年十二月三十一日止年度

4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Revenue from contracts with customers (Continued)

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

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

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

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

Over time revenue recognition: measurement of progress towards complete satisfaction of a performance obligation

Output method

Where revenue is recognised over time, the progress towards complete satisfaction of a performance obligation is measured based on output method, which is to recognise revenue on the basis of direct measurements of the value of the goods or services transferred to the customer to date relative to the remaining goods or services promised under the contract, that best depict the Group's performance in transferring control of goods or services.

4. 主要會計政策(續)

與客戶的合約產生的收益(續)

否則，收益於客戶獲得明確商品或服務的控制權時確認。

合約資產指本集團就向客戶換取本集團已轉讓的貨品或服務收取代價的權利(尚未成為無條件)。其根據香港財務報告準則第9號評估減值。相反，應收款項指本集團收取代價的無條件權利，即代價付款到期前僅需時間推移。

合約負債指本集團向已支付代價(或到期代價金額)的客戶轉讓商品或服務的責任。

合約相關的合約資產及合約負債均按淨額基準列賬及呈列。

隨時間確認收益：計量完全覆行履約責任的進度

輸出法

若收益隨時間確認，完全覆行履約責任的進度乃根據輸出法計量，即以直接計量迄今已轉讓予客戶的商品或服務相對合約項下承諾的剩餘商品或服務的價值為基礎確認收益，此舉最能反映本集團轉讓商品或服務控制權的履約情況。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

For the year ended 31 December 2020 截至二零二零年十二月三十一日止年度

4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Revenue from contracts with customers (Continued)

Over time revenue recognition: measurement of progress towards complete satisfaction of a performance obligation (Continued)

Variable consideration

For contracts that contain variable consideration, the Group estimates the amount of consideration to which it will be entitled using either (a) the expected value method or (b) the most likely amount, depending on which method better predicts the amount of consideration to which the Group will be entitled.

The estimated amount of variable consideration is included in the transaction price only to the extent that it is highly probable that such an inclusion will not result in a significant revenue reversal in the future when the uncertainty associated with the variable consideration is subsequently resolved.

At the end of each reporting period, the Group updates the estimated transaction price (including updating its assessment of whether an estimate of variable consideration is constrained) to represent faithfully the circumstances present at the end of the reporting period and the changes in circumstances during the reporting period.

Contract modifications are changes in the scope or price (or both) of a contract that are approved by the parties to the contract. The Group recognises a contract modification when the parties to a contract approve a modification that either creates new, or changes existing, enforceable rights and obligations of the parties to the contract. Contract modifications are included in the transaction price only if it is probable that the modification estimate will not result in a significant reversal of revenue. The nature of the Group's contracts seldom give rise to contract modifications based on historical information and thus contract modifications are not routine in the performance of the Company's contracts.

4. 主要會計政策(續)

與客戶的合約產生的收益(續)

隨時間確認收益：計量完全覆行履約責任的進度(續)

可變代價

就包含可變代價的合約而言，本集團使用(a)預期價值法或(b)最可能金額(視乎何種方法可令本集團更好預測其有權獲得的代價金額而定)估計其有權獲得的代價金額。

估計可變代價金額僅在可變代價相關不明朗因素其後得以解決時，有關計入幾乎不會導致日後出現重大收益撥回的情況下計入交易價格。

本集團於各報告期末更新估計交易價格(包括更新其對可變代價估計是否受限的評估)，以忠實呈列本報告期間末存在的情況以及於本報告期間的情況變化。

合約修訂是經合約訂約方批准的合約範圍或價格(或兩者)的變更。本集團於合約訂約方批准新設或變更合約訂約方的現有可執行權利與義務等修訂時確認合約修訂。僅在修訂估計不可能導致收益重大逆轉的情況下，合約修訂方可計入交易價內。根據過往資料，本集團的合約性質極少發生合約修訂的情況，因此，合約修訂並非本公司履行合約的慣例。

Notes to the Consolidated Financial Statements (Continued) 綜合財務報表附註(續)

For the year ended 31 December 2020 截至二零二零年十二月三十一日止年度

4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Property, plant and equipment

Property, plant and equipment including buildings and leasehold land (classified as finance leases) held for use in the production or supply of services or administrative purposes (other than construction in progress as described below) are stated in the consolidated statement of financial position at cost, less subsequent accumulated depreciation and subsequent accumulated impairment losses, if any.

Properties in the course of construction for production, supply or administrative purposes are carried at cost, less any recognised impairment loss. Costs include any cost directly attributable to bringing the asset to location and condition necessary for it to be capable of operating in the manner intended by management and, for qualifying assets, borrowing costs capitalised in accordance with the Group's accounting policy. Such properties are classified to the appropriate categories of property, plant and equipment when completed and ready for intended use. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

If an item of property, plant and equipment becomes an investment property because its use has changed as evidenced by end of owner-occupation, any difference between the carrying amount and the fair value of that item (including the relevant prepaid lease payments) at the date of transfer is recognised in other comprehensive income and accumulated in property revaluation reserve. On the subsequent sale or retirement of the asset, the relevant revaluation reserve will be transferred directly to retained profits.

Depreciation is recognised so as to write off the cost of assets (other than properties under construction) less their residual values over their 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.

Assets held under finance leases are depreciated over their expected useful lives on the same basis as owned assets.

4. 主要會計政策(續)

物業、廠房及設備

物業、廠房及設備(包括作生產、供應服務或行政用途的樓宇及租賃土地(分類為融資租賃)(下文所述的在建工程除外))按成本減其後累計折舊及其後累計減值虧損(如有)於綜合財務狀況表中列賬。

為生產、供應或行政用途而仍在建設中的物業按成本減任何已確認的減值虧損列賬。成本包括使資產達致按管理層擬定方式運作所需的地點及狀況直接應佔的任何成本及(就合資格資產而言)根據本集團的會計政策資本化的借貸成本。該等物業在完工及準備作擬定用途時分類至物業、廠房及設備的適當類別。該等資產在其準備作擬定用途時按與其他物業資產相同的基準開始折舊。

若一個物業、廠房及設備項目因所有人佔用結束證實用途變更而成為投資資產，該項目於轉讓日賬面值與公平值之間的任何差額(包括相關預付租賃款)確認於其他綜合收益及於物業重新估值儲備累計。資產後續出售或退役時，相關重新估值儲備將直接轉至留存溢利。

資產(在建物業除外)的折舊乃按其可使用年期以直線法撇銷成本減剩餘價值確認。於各報告期末檢討估計可使用年期、剩餘價值及折舊方法，而任何估計變動的影響按預期基準入賬。

根據融資租賃持有的資產乃按自置資產的相同基準於其估計可使用年期中折舊。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

For the year ended 31 December 2020 截至二零二零年十二月三十一日止年度

4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Property, plant and equipment (Continued)

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.

Investment properties

Investment properties are properties or right-of-use assets by the lessee held to earn rentals and/or for capital appreciation (including properties under construction for such purposes).

Investment properties are measured using their fair value model. Gains or losses arising from changes in the fair value of investment properties are included in profit or loss for the period in which they arise.

An investment property is derecognised upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from its disposals. Any gain or loss arising on derecognition of the property (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the profit or loss in the period in which the property is derecognised.

Impairment losses on property, plant and equipment and right-of-use assets

At the end of each reporting period, the Group reviews the carrying amounts of its property, plant and equipment and right-of-use assets 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.

4. 主要會計政策(續)

物業、廠房及設備(續)

物業、廠房及設備項目於出售時或當繼續使用該資產預期不會產生任何日後經濟利益時取消確認。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金額間的差額，並於損益確認。

投資物業

投資物業乃指承租人持有作為賺取租金及／或作資本增值的物業或使用權資產(包括作為該用途的在建物業)。

投資物業乃利用公平值模型予以計量。因投資物業公平值變動產生的收益或虧損於其產生期間內計入損益。

投資物業被處置後終止確認或永久退回使用，並且未來預計經濟利益不予處置。任何物業終止確認產生的收益或虧損(按淨資產處置收益與資產的賬面值計算)計入當期損益。

物業、廠房及設備以及使用權資產減值虧損

於各報告期末，本集團會審閱其物業、廠房及設備以及使用權資產的賬面值，以判斷是否有任何跡象顯示該等資產已出現減值虧損。倘存在任何該等跡象，會對有關資產的可回收金額進行估計，以釐定減值虧損(如有)的程度。

Notes to the Consolidated Financial Statements (Continued) 綜合財務報表附註(續)

For the year ended 31 December 2020 截至二零二零年十二月三十一日止年度

4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Impairment losses on property, plant and equipment and right-of-use assets (Continued)

The recoverable amount of property, plant and equipment and right-of-use assets are estimated individually, when it is not possible to estimate the recoverable amount of an asset individually, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

In testing a cash-generating unit for impairment, corporate assets are allocated to the relevant cash-generating unit when a reasonable and consistent basis of allocation can be established, or otherwise they are allocated to the smallest group of cash generating units for which a reasonable and consistent allocation basis can be established. The recoverable amount is determined for the cash-generating unit or group of cash-generating units to which the corporate asset belongs, and is compared with the carrying amount of the relevant cash-generating unit or group of cash-generating units.

Recoverable amount of property, plant and equipment and right-of-use assets 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 (as a cash-generating unit) for which the estimates of future cash flows have not been adjusted.

4. 主要會計政策(續)

物業、廠房及設備以及使用權資產減值虧損(續)

物業、廠房及設備以及使用權資產可收回金額獨立估算，倘未能估算個別資產的可收回金額，本集團將估算資產所屬現金產生單位的可收回金額。

在測試一個現金產生單位是否發生減值時，倘合理及一貫分配基準能夠成立，企業資產會被分配到相關的現金產生單位，或分配至具有合理及一貫分配基準的最小現金產生單位組別。可收回金額透過企業資產所屬的現金產生單位或現金產生單位組別來釐定，並與相關現金產生單位或現金產生單位組別的賬面值比較。

物業、廠房及設備以及使用權資產可收回金額為公平值減銷售成本與使用價值兩者中的較高值。於評估使用價值時，乃以反映目前市場對金錢時間價值及資產作為現金產生單位於估計未來現金流量調整前的獨有風險的稅前貼現率折算估計未來現金流量至其現值。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

For the year ended 31 December 2020 截至二零二零年十二月三十一日止年度

4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Impairment losses on property, plant and equipment and right-of-use assets (Continued)

If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset (or a cash-generating unit) is reduced to its recoverable amount. For corporate assets or portion of corporate assets which cannot be allocated on a reasonable and consistent basis to a cash-generating unit, the Group compares the carrying amount of a group of cash-generating units, including the carrying amounts of the corporate assets or portion of corporate assets allocated to that group of cash-generating units, with the recoverable amount of the group of cash-generating units. In allocating the impairment loss, the impairment loss is allocated first to reduce the carrying amount of any goodwill (if applicable) and then to the other assets on a pro-rata basis based on the carrying amount of each asset in the unit or the group of cash-generating units. The carrying amount of an asset is not reduced below the highest of its fair value less costs of disposal (if measurable), its value in use (if determinable) and zero. The amount of the impairment loss that would otherwise have been allocated to the asset is allocated pro rata to the other assets of the unit or the group of cash-generating units. An impairment loss is recognised immediately in profit or loss.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) 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) in prior years. A reversal of an impairment loss is recognised as income immediately.

4. 主要會計政策(續)

物業、廠房及設備以及使用權資產減值虧損(續)

倘估計資產的可收回金額低於其賬面值，該項資產(或現金產生單位)的賬面值則會調減至其可收回金額。就未能按合理及一貫基準分配至現金產生單位的企業資產或部分企業資產而言，本集團會比較一個現金產生單位組別的賬面值(包括已分配至該現金產生單位組別的企業資產或部分企業資產的賬面值)與該現金產生單位組別的可收回金額。於分配減值虧損時，減值虧損首先分配至減計任何商譽(如適用)的賬面值，然後根據該單位或現金產生單位組別各項資產的賬面值按比例減計其他資產。經減計的資產賬面值不低於下列最高者：其公平值減出售成本(如可計量)、其使用價值(如可釐定)及零。本應分配至該資產的減值虧損金額會按比例分配至該單位或現金產生單位組別的其他資產。減值虧損即時於損益中確認。

倘減值虧損隨後被撥回，則該資產(或現金產生單位)的賬面值會增加至其重新估計的可收回金額，但增加後的賬面值不得超過該資產(或現金產生單位)於以往年度未確認減值虧損時釐定的賬面值。減值虧損的撥回立即確認為收入。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

For the year ended 31 December 2020 截至二零二零年十二月三十一日止年度

4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Leases

Definition of a lease

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

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

The Group as a lessee

Allocation of consideration to components of a contract

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

Non-lease components are separated from lease component on the basis of their relative stand-alone prices.

Short-term leases and leases of low-value assets

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

4. 主要會計政策(續)

租賃

租賃的定義

倘合約為換取代價而給予在一段時間內控制可識別資產使用的權利，則該合約為租賃或包含租賃。

就於初始應用日期或之後訂立或修訂或自業務合併產生的合約而言，本集團於開始或修訂日期或收購日期(如適用)根據香港財務報告準則第16號之定義評估合約是否為租賃或包含租賃。除非合約的條款及條件其後變動，否則有關合約將不會重新評估。

本集團作為承租人

分配代價至合約組成部分

對於包含一項租賃組成部分及一項或多項額外的租賃或非租賃組成部分的合約，本集團根據租賃組成部分的相對單獨價格及非租賃組成部分的單獨價格總額將合約代價分配至各個租賃組成部分。

非租賃組成部分根據其相對單獨價格與租賃組成部分分開。

短期租賃及低價值資產租賃

本集團對租賃期為開始日期起計十二個月或以下且不包括購買選擇權的物業、廠房及設備租賃應用短期租賃確認豁免。其亦對低價值資產租賃應用確認豁免。短期租賃及低價值資產租賃的租賃付款在租賃期內按直線法或另一系統性基準確認為開支。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

For the year ended 31 December 2020 截至二零二零年十二月三十一日止年度

4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Leases (Continued)

The Group as a lessee (Continued)

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.

Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities.

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.

Refundable rental deposits

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

4. 主要會計政策(續)

租賃(續)

本集團作為承租人(續)

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步直接成本；及
- 本集團拆除及移除相關資產、恢復相關資產所在場地或將相關資產恢復至租賃條款及條件所規定狀態產生的估計成本。

使用權資產按成本減任何累計折舊及減值虧損計量，並就任何重新計量租賃負債作出調整。

本集團合理確定於租賃期結束時取得相關租賃資產擁有權的使用權資產由開始日期至可使用年期結束折舊。否則，使用權資產於其估計可使用年期及租賃期的較短者按直線法折舊。

本集團於綜合財務狀況表將使用權資產呈列為獨立項目。

可退還租賃按金

已付可退還租賃按金根據香港財務報告準則第9號金融工具(「香港財務報告準則第9號」)入賬，並初步按公平值計量。於初始確認時對公平值的調整被視為額外租賃付款，並計入使用權資產成本。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

For the year ended 31 December 2020 截至二零二零年十二月三十一日止年度

4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Leases (Continued)

The Group as lessee (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 to exercise the option; and
- payments of penalties for terminating a lease, if the lease term reflects the Group exercising an option to terminate the lease.

After the commencement date, lease liabilities are adjusted by interest accretion and lease payments.

4. 主要會計政策(續)

租賃(續)

本集團作為承租人(續)

租賃負債

於租賃開始日期，本集團按於該日未支付之租賃付款現值確認及計量租賃負債。於計算租賃付款現值時，倘租賃利率影響並不易於釐定，則本集團使用於租賃開始日期的增量借款利率。

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；
- 可變租賃付款，其取決於一項指數或費率，使用開始日期的指數或費率進行初始計量；
- 根據剩餘價值擔保預期本集團將予支付的金額；
- 合理確定將由本集團行使的購買選擇權的行使價；及
- 倘租賃條款反映本集團行使終止選擇權，則包括終止租賃的罰款付款。

於開始日期後，租賃負債按利息增加及租賃付款而調整。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

For the year ended 31 December 2020 截至二零二零年十二月三十一日止年度

4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Leases (Continued)

The Group as lessee (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 market rental rates following a market rent review/expected payment under a guaranteed residual value, in which cases the related lease liability is remeasured by discounting the revised lease payments using the initial discount rate.

The Group presents lease liabilities as a separate line item on the consolidated statement of financial position.

The Group as lessor

Classification and measurement of leases

Leases for which the Group is a lessor are classified as finance or operating leases. Whenever the terms of the lease transfer substantially all the risks and rewards incidental to ownership of an underlying asset to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

Amounts due from lessees under finance leases are recognised as receivables at commencement date at amounts equal to net investments in the leases, measured using the interest rate implicit in the respective leases. Initial direct costs (other than those incurred by manufacturer or dealer lessors) are included in the initial measurement of the net investments in the leases. Interest income is allocated to accounting periods so as to reflect a constant periodic rate of return on the Group's net investment outstanding in respect of the leases.

4. 主要會計政策(續)

租賃(續)

本集團作為承租人(續)

租賃負債(續)

當發生以下情況，本集團會重新計量租賃負債（及對相關的使用權資產作出相應調整）：

- 租賃期已經變更或對行使購買選擇權之評估有變，在此情況下，相關的租賃負債透過採用於重新評估日期的經修訂貼現率將經修訂租賃付款貼現的方式進行重新計量。
- 租賃付款因進行市場租金調查後市場租金率／有擔保剩餘價值下預期付款變動而出現變動，在此情況下，相關租賃負債使用初始貼現率貼現經修訂租賃付款而重新計量。

本集團將租賃負債於綜合財務狀況表中單獨呈列為租賃負債。

本集團作為出租人

租賃分類及計量

本集團為出租人之租賃會分類為融資或經營租賃。凡租賃之條款將相關資產擁有權附帶之絕大部分風險及回報轉移至承租人者，該租賃即分類為融資租賃。所有其他租賃均分類為經營租賃。

根據融資租賃應收承租人的款項於開始日期按等於租賃淨投資的金額確認為應收款項，有關金額使用相關租賃隱含的利率計算得出。租賃淨投資的初始計量須計入初始直接成本（不包括製造商或交易商出租人產生的成本）。利息收入分配至會計期間，以反映該等租賃下本集團尚未償還淨投資的穩定定期回報率。

Notes to the Consolidated Financial Statements (Continued) 綜合財務報表附註(續)

For the year ended 31 December 2020 截至二零二零年十二月三十一日止年度

4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Leases (Continued)

The Group as lessor (Continued)

Classification and measurement of leases (Continued)

Rental income from operating leases is recognised in profit or loss on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset, and such costs are recognised as an expense on a straight-line basis over the lease term except for investment properties measured under fair value model. Variable lease payments for operating leases that depend on an index or a rate are estimated and included in the total lease payments to be recognised on a straight-line basis over the lease term. Variable lease payments that do not depend on an index or a rate are recognised as income when they arise. When a lease contract contains a specific clause that provides for rent reduction or suspension of rent in the event that the underlying assets (or any part thereof) are affected by adverse events beyond the control of the Group and the lessee so as to render the underlying assets unfit or not available for use, the relevant rent reduction or suspension of rent resulting from the specific clause is accounted for as part of the original lease and not as a lease modification. Such rent reduction or suspension of rent is recognised in profit or loss in the period in which the event or condition that triggers those payments to occur.

Interest and rental income which are derived from the Group's ordinary course of business are presented as revenue.

Allocation of consideration to components of a contract

When a contract includes both leases and non-lease components, the Group applies HKFRS 15 Revenue from Contracts with Customers ("HKFRS 15") to allocate consideration in a contract to lease and non-lease components. Non-lease components are separated from lease component on the basis of their relative stand-alone selling prices.

Refundable rental deposits

Refundable rental deposits received are accounted for under HKFRS 9 and initially measured at fair value. Adjustments to fair value at initial recognition are considered as additional lease payments from lessees.

4. 主要會計政策(續)

租賃(續)

本集團作為出租人(續)

租賃分類及計量(續)

經營租賃之租金收入乃按相關租賃年期以直線法於損益內確認。在磋商及安排經營租賃時產生之初步直接成本乃加入租賃資產之賬面值，而該等成本於租賃期間按直線法確認為開支，惟根據公平值模型計量之投資物業則除外。取決於指數或利率之經營租賃之浮動租賃付款將予估算並計入租賃付款總額，於租期內以直線法確認。並非取決於指數或利率之可變租賃付款則於產生時確認為收入。倘租賃合約載有特定條款規定，一旦相關資產(或其任何部分)受本集團控制以外之不利事件影響，致令相關資產不適合或無法使用，則可削減或暫停繳付租金，由該特定條款產生之相關租金削減或暫停繳付會入賬作為原有租賃之一部分，而非入賬作為租賃修訂。該項租金削減或暫停繳付會在觸發該等付款發生之期間內，於損益確認。

在本集團日常營運過程中產生之利息及租金收入乃呈列作為收入。

分配代價予合約之組成部分

當合約包含租賃及非租賃部分時，本集團應用香港財務報告準則第15號來自客戶合約之收益(「香港財務報告準則第15號」)分配合約代價予租賃及非租賃部分。非租賃部分按其相關獨自銷售價格從租賃部分區分出來。

可退還租金按金

已收可退還租金按金乃根據香港財務報告準則第9號入賬，且初始按公平值計量。初始確認時作出之公平值調整，乃視為來自承租人之額外租賃付款。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

For the year ended 31 December 2020 截至二零二零年十二月三十一日止年度

4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Foreign currencies

In preparing the financial statements of each individual group entity, transactions in currencies other than the entity's functional currency (foreign currencies) are recognised at the rates of exchange prevailing at 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.

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.

Any specific borrowing that remain outstanding after the related asset is ready for its intended use or sale is included in the general borrowing pool for calculation of capitalisation rate on general borrowings. 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.

Retirement benefit costs

Payments to defined contribution schemes are recognised as an expense when employees have rendered service entitling them to the contributions. For forfeited contributions that are not vest fully, if any, may be used to reduce the existing level of contributions.

Payments made to state-managed retirement benefit schemes are dealt with as payments to defined contribution plans where the Group's obligations under the schemes are equivalent to those arising in a defined contribution retirement benefit plan.

4. 主要會計政策(續)

外幣

於編製各個別集團實體的財務報表時，以該實體功能貨幣以外的貨幣(外幣)進行的交易按交易當日適用的匯率確認。於報告期末，以外幣列值的貨幣項目按該日適用的匯率重新換算。以外幣列值並按歷史成本計量的非貨幣項目則不會重新換算。

結算貨幣項目及重新換算貨幣項目時產生的匯兌差額會於產生期間在損益賬確認。

借貸成本

購置、建築或生產合資格資產(即須長時間準備方可用作其擬定用途或可供出售的資產)直接產生的借貸成本乃計入該等資產的成本中，直至有關資產實質可用作擬定用途或可供出售為止。

在相關資產可供擬定用途或銷售後仍未償還之任何特定借貸，乃計入匯總一般借貸，用以計算一般借貸之資本化比率。就有待於合資格資產支銷之特定借貸之暫時性投資所賺取之投資收入乃自符合資格作資本化之借貸成本扣除。

所有其他借貸成本於產生期間在損益確認。

退休福利成本

定額供款計劃的供款，乃於僱員提供服務後而享有供款時確認為開支。並未悉數歸屬的被沒收供款(如有)，或會用於扣減當期供款水平。

國家退休福利計劃所付款項，乃作為定額供款計劃的供款處理，而本集團根據該計劃承擔的義務與定額供款退休福利計劃產生的義務相等。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

For the year ended 31 December 2020 截至二零二零年十二月三十一日止年度

4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Short-term and other long-term employee benefits

Short-term employee benefits are recognised at the undiscounted amount of the benefits expected to be paid as and when employees rendered the services. All short-term employee benefits are recognised as an expense unless another HKFRS requires or permits the inclusion of the benefit in the cost of an asset.

A liability is recognised for benefits accruing to employees (such as wages and salaries, annual leave and sick leave) after deducting any amount already paid.

Liabilities recognised in respect of other long-term employee benefits are measured at the present value of the estimated future cash outflows expected to be made by the Group in respect of services provided by employees up to the reporting date. Any changes in the liabilities' carrying amounts resulting from service cost, interest and remeasurements are recognised in profit or loss except to the extent that another HKFRS requires or permits their inclusion in the cost of an asset.

Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

Current Tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from "(loss) profit before tax" as reported in the consolidated statement of profit or loss and other comprehensive income because of items 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 each reporting period.

4. 主要會計政策(續)

短期與其他長期員工福利

短期僱員福利按僱員提供服務時預計將予支付的未貼現福利金額予以確認。所有短期僱員福利將確認為開支，惟其他香港財務報告準則另有規定或允許將福利計入資產成本則除外。

負債乃按應給予僱員的福利(如工資及薪金、年假及病假)扣除任何已支付的金額後進行確認。

就其他長期僱員福利所確認的負債按本集團所預測的僱員截至報告日期所提供服務相關的估計未來現金流出的現值計量。因服務成本、利息及重新計量而產生的負債賬面值的任何變化均在損益中確認，惟其他香港財務報告準則另有規定或允許將其計入資產成本則除外。

稅項

所得稅開支指現時應付稅項及遞延稅項的總額。

即期稅項

現時應付稅項乃按年內應課稅溢利計算。應課稅溢利與綜合損益及其他全面收益表中所呈報的「除稅前(虧損)溢利」不同，乃由於在其他年度應課稅或可扣稅收入或開支項目及不能課稅及扣稅的項目所致。本集團的即期稅項負債乃按各報告期末已實行或實際上已實行的稅率計算。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

For the year ended 31 December 2020 截至二零二零年十二月三十一日止年度

4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Taxation (Continued)

Deferred Tax

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, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of 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 asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled, or the asset is realised based on tax rate (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

4. 主要會計政策(續)

稅項(續)

遞延稅項

遞延稅項乃就綜合財務報表中資產及負債賬面金額與計算應課稅溢利所用相應稅基間的臨時差額而確認。遞延稅項負債通常會就所有應課稅臨時差額確認。遞延稅項資產通常就所有可扣稅臨時差額於可能出現應課稅溢利以抵銷該等可扣稅的臨時差額時確認。若於一項交易中，因於初步確認(非業務合併)資產與負債而引致的臨時差額既不影響應課稅溢利亦不影響會計溢利，則不會確認該等遞延稅項資產與負債。此外，倘初步確認商譽而引致臨時差額，則不會確認遞延稅項負債。

與附屬公司的投資有關的應課稅臨時差額會確認遞延稅項負債，惟倘本集團可控制臨時差額撥回及臨時差額可能不會於可見將來撥回則除外。與該等投資相關的可扣減臨時差額產生的遞延稅項資產僅於可能將有足夠應課稅溢利以應用臨時差額的利益且預期將於可見將來撥回時確認。

遞延稅項資產的賬面金額於各報告期末予以檢討，並於不再可能有足夠應課稅溢利讓全部或部分資產得以收回時作出調減。

遞延稅項資產及負債按預期清付負債或變現資產期間適用的稅率，根據於報告期末已實施或實際上實施的稅率(及税法)計量。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

For the year ended 31 December 2020 截至二零二零年十二月三十一日止年度

4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Taxation (Continued)

Deferred Tax (Continued)

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 the purposes of measuring deferred tax for investment properties that are measured using the fair value model, the carrying amounts of such properties are presumed to be recovered entirely through sale, unless the presumption is rebutted. The presumption is rebutted when the investment property is depreciable and is held within a business model whose objective is to consume substantially of the economic benefits embodied in the investment property over time, rather than through sale.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority.

Current and deferred tax for the year

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.

Share-based payments

Equity-settled share-based payment transactions

Share options granted to employees

Equity-settled share-based payments to employees and others providing similar services are measured at the fair value of the equity instruments at the grant date.

4. 主要會計政策(續)

稅項(續)

遞延稅項(續)

遞延稅項負債及資產的計量反映因於報告期末本集團預計收回或清付其資產及負債賬面金額所使用的方式而引致的稅務後果。

就計量使用公平值模式計量的投資物業的遞延稅項，該等物業賬面值假設將透過出售全部收回，除非假設不成立。當投資物業貶值，及於以逐漸消耗投資物業中經濟效益而非銷售為目標的業務模式中持有，則假設不成立。

倘享有合法可行使權力以即期稅項資產沖銷即期稅項負債，及倘稅項資產及負債涉及由同一稅務機構徵收的所得稅，則遞延稅項資產及負債抵銷。

年內的即期及遞延稅項

即期及遞延稅項於損益賬確認，惟倘其與其他全面收益或直接於權益確認的項目相關，則即期及遞延稅項亦會分別於其他全面收益或直接於權益確認。倘因業務合併的初步會計方法而產生即期稅項或遞延稅項，有關稅務影響會計入業務合併的會計方法內。

股份支付

以權益結算股份支付交易

授予員工的購股權

向員工及提供類似服務的其他人士作出的以權益結算的股份支付，按授予日權益工具公平值計量。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

For the year ended 31 December 2020 截至二零二零年十二月三十一日止年度

4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Share-based payments (Continued)

Equity-settled share-based payment transactions (Continued)

Share options granted to employees (Continued)

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 options 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 options reserve.

When share options are exercised, the amount previously recognised in share options 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 options reserve will be transferred to retained profits.

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).

4. 主要會計政策(續)

股份支付(續)

以權益結算股份支付交易(續)

授予員工的購股權(續)

以權益結算的股份支付的公平值於授予日釐定，未考慮所有非市場歸屬條件，按直線法基於本集團對最終歸屬的權益工具的估計計入歸屬期開支，股本(購股權儲備)則相應增加。於各報告期末，本集團會基於所有相關非市場歸屬條件評估，更改預期歸屬的權益工具數目估計。初步估計更改的影響(如有)確認於損益，以使累積開支反映修改估計，並相應調整購股權儲備。

於行使購股權時，先前於購股權儲備中確認的金額將轉撥至股本及股份溢價。當購股權在歸屬日後沒收或在到期日仍未獲行使時，先前於購股權儲備中確認的金額將轉撥至留存溢利。

撥備

當本集團因過往事件而導致本集團承擔現時義務(法律或推定)，本集團將很可能需清償該義務並可以對該義務的金額進行可靠估計時，則確認撥備。

計及該義務的風險及不確定性，確認為撥備的金額為於報告期末清償現時義務所需對價的最佳估計。當利用估計現金流量來清償現時債務來計量撥備金時，其賬面值為該等現金流量的現值(惟貨幣時間價值影響重大)。

Notes to the Consolidated Financial Statements (Continued) 綜合財務報表附註(續)

For the year ended 31 December 2020 截至二零二零年十二月三十一日止年度

4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Financial instruments

Financial assets and financial liabilities are recognised when a group entity becomes a party to the contractual provisions of the instrument. All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the market place.

Financial assets and financial liabilities are initially measured at fair value except for trade receivables arising from contracts with customers which are initially measured in accordance with HKFRS 15. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets or financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

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.

Interest income which are derived from the Group's ordinary course of business are presented as revenue.

4. 主要會計政策(續)

金融工具

金融資產及金融負債在集團實體成為契據合約條文的訂約方時確認。所有金融資產常規購買或出售方式於交易日確認及終止確認。購買或出售金融資產的常規購買或出售方式要求於市場法規或約定規定的時間範圍內交付資產。

金融資產及金融負債初步按公平值計量，按香港財務報告準則第15號初步計量的客戶合約應收賬款除外。收購或發行金融資產及金融負債直接產生的交易成本於初步確認時計入金融資產或金融負債(於損益賬按公平值列賬的金融資產或金融負債除外)的公平值或自公平值扣除(如適用)。因收購於損益賬按公平值列賬的金融資產或金融負債直接產生的交易成本即時於損益賬確認。

實際利息法乃計算有關期間金融資產或金融負債攤銷成本及分配利息收入及利息開支的方法。實際利率乃於初步確認時按金融資產或金融負債的預計年期或(如適用)較短期間將估計未來現金收支(包括構成實際利率不可或缺部分而支付或收取的所有手續費及貼息、交易成本及其他溢價或折讓)準確貼現至賬面淨額的利率。

本集團一般業務過程中產生的利息收入呈列為收益。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

For the year ended 31 December 2020 截至二零二零年十二月三十一日止年度

4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Financial instruments (Continued)

Financial assets

Classification and subsequent measurement of financial assets

Financial assets that meet the following conditions are subsequently measured at amortised cost:

- the financial asset is held within a business model whose objective is to collect contractual cash flows; and
- the contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets that meet the following conditions are subsequently measured at fair value through other comprehensive income ("FVTOCI"):

- the financial asset is held within a business model whose objective is achieved by both selling and collecting contractual cash flows; and
- the contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

All other financial assets are subsequently measured at fair value through profit or loss ("FVTPL"), except that at the date of initial application of HKFRS 9/initial recognition of a financial asset the Group may irrevocably elect to present subsequent changes in fair value of an equity investment in OCI if that equity investment is neither held for trading nor contingent consideration recognised by an acquirer in a business combination to which HKFRS 3 Business Combinations applies.

4. 主要會計政策(續)

金融工具(續)

金融資產

金融資產分類及其後計量

符合以下條件的金融資產隨後按攤銷成本計量：

- 金融資產於以收取合約現金流為目標的業務模式中持有；及
- 合約於指定日期招致現金流，全部為未償還本金款項本金及利息付款。

符合下列條件的金融資產其後均按公平值計入其他全面收益(「按公平值計入其他全面收益」)計量：

- 金融資產由以出售及收取合約現金流量金融資產達致目標的業務模式持有；及
- 金融資產的合約性條款於指定日期產生僅為支付本金及未償還本金的利息的現金流量。

所有其他金融資產其後均按公平值計入損益(「按公平值計入損益」)計量，惟於初始應用香港財務報告準則第9號/初始確認金融資產當日除外。倘股權投資並非作買賣或收購方並未於香港財務報告準則第3號業務合併適用的業務合併中確認為或然代價，本集團可不可撤回地選擇於其他全面收益中呈列股權投資公平值的其後變動。

Notes to the Consolidated Financial Statements (Continued) 綜合財務報表附註(續)

For the year ended 31 December 2020 截至二零二零年十二月三十一日止年度

4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Financial instruments (Continued)

Financial assets (Continued)

Classification and subsequent measurement of financial assets (Continued)

A financial asset is held for trading if:

- it has been acquired principally for the purpose of selling in the near term; or
- on initial recognition it is a part of a portfolio of identified financial instruments that the Group manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument.

In addition, the Group may irrevocably designate a financial asset that are required to be measured at the amortised cost or FVTOCI as measured at FVTPL if doing so eliminates or significantly reduces an accounting mismatch.

- (i) Amortised cost and interest income
- Interest income is recognised using the effective interest method for financial assets measured subsequently at amortised cost and debt instruments/receivables subsequently measured at FVTOCI. For financial instruments other than purchased or originated credit-impaired financial assets, 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. 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.

4. 主要會計政策(續)

金融工具(續)

金融資產(續)

金融資產分類及其後計量(續)

滿足以下條件的金融資產為持做買賣：

- 主要為於近期出售之目的收購；或
- 於初始確認時，屬於由本集團一併管理及近期實際採用短期盈利模式確定金融工具投資組合的一部分；或
- 屬未指定及成為對沖工具的衍生工具。

此外，倘可消除或大幅減少會計錯配，本集團可不可撤回地指定符合攤銷成本或按公平值計入其他全面收益標準的金融資產按公平值計入損益計量。

- (i) 攤銷成本及利息收入
- 就之後按攤銷成本計量的金融資產及之後以按公平值計入其他全面收益計量的債務工具/應收款項，以實際利息法確認利息收入。除購買或產生的信貸減值金融資產外，金融工具的利息收入透過將實際利率應用於金融資產總賬面值計算，之後發生信貸減值的金融資產除外。就隨後發生信貸減值的金融資產，利息收入透過將實際利率應用於下一報告期金融資產攤銷成本確認。若信貸減值金融工具的信貸風險緩解，而金融資產不再發生信貸減值，則透過將實際利率應用於確定資產不再發生信貸減值下一報告期初的金融資產總賬面值確認利息收入。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

For the year ended 31 December 2020 截至二零二零年十二月三十一日止年度

4. 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 (including trade and other receivables and bank balances), and other items (including contract assets) which are subject to impairment under HKFRS 9 (including trade receivables and contract assets). 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 ("12m ECL") represents the portion of lifetime ECL that is expected to result from default events that are possible within 12 months after the reporting date. 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 without significant financing component. The ECL on these assets are assessed individually for debtors with significant balances and/or collectively using a provision matrix with appropriate groupings.

For all other instruments, the Group measures the loss allowance equal to 12m ECL, unless when there has been a significant increase in credit risk since initial recognition, the Group recognises lifetime ECL. The assessment of whether lifetime ECL should be recognised is based on significant increases in the likelihood or risk of a default occurring since initial recognition.

4. 主要會計政策(續)

金融工具(續)

金融資產(續)

金融資產減值

本集團根據金融資產(包括應收賬款及其他應收款以及銀行結餘)及根據香港財務報告準則第9號減值(包括應收賬款及合約資產)的其他項目(包括合約資產),按照預期信貸虧損(「預期信貸虧損」)模型進行減值評估。預期信貸虧損的金額會於各報告日期予以更新以反映自初始確認起的信貸風險變動。

全期預期信貸虧損指於有關工具預期年期內所有可能的違約事件將產生的預期信貸虧損。相反,十二個月預期信貸虧損(「十二個月預期信貸虧損」)指於報告日期後十二個月內可能發生的違約事件預期產生的該部分全期預期信貸虧損。本集團已根據其歷史信貸虧損經驗完成評估,並就債務人特定因素、整體經濟環境以及於報告日期當前狀況及日後狀況預測的評估作出調整。

本集團一直就無重大融資成分的應收款項及合約資產確認全期預期信貸虧損。該等資產的預期信貸虧損乃就具重大結餘的債務人進行個別評估及/或採用具合適組別的撥備矩陣進行整體評估。

就所有其他工具而言,本集團計量虧損撥備等於十二個月預期信貸虧損,除非當信貸風險自初始確認以來顯著上升,則本集團確認全期預期信貸虧損。是否應確認全期預期信貸虧損乃根據自初始確認以來出現違約的可能性或風險顯著上升而評估。

Notes to the Consolidated Financial Statements (Continued) 綜合財務報表附註(續)

For the year ended 31 December 2020 截至二零二零年十二月三十一日止年度

4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Financial instruments (Continued)

Financial assets (Continued)

Impairment of financial assets (Continued)

(i) Significant increase in credit risk

In assessing whether the credit risk has increased significantly since initial recognition, the Group compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition. In making this assessment, the Group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort.

In particular, the following information is taken into account when assessing whether credit risk has increased significantly:

- an actual or expected significant deterioration in the financial instrument's external (if available) or internal credit rating;
- significant deterioration in external market indicators of credit risk, e.g. a significant increase in the credit spread, the credit default swap prices for the debtor;
- existing or forecast adverse changes in business, financial or economic conditions that are expected to cause a significant decrease in the debtor's ability to meet its debt obligations;
- an actual or expected significant deterioration in the operating results of the debtor;
- an actual or expected significant adverse change in the regulatory, economic, or technological environment of the debtor that results in a significant decrease in the debtor's ability to meet its debt obligations.

4. 主要會計政策(續)

金融工具(續)

金融資產(續)

金融資產減值(續)

(i) 信貸風險顯著上升

評估信貸風險自初始確認以來是否顯著上升時，本集團會比較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日期發生違約的風險。作出本評估時，本集團會考慮合理及具支持性的定量及定性資料，包括過往經驗及可以合理成本及精力獲取的前瞻性資料。

具體而言，評估信貸風險是否顯著上升時會考慮以下資料：

- 金融工具外部(如有)或內部信用評級的實際或預期顯著惡化；
- 信貸風險的外部市場指標顯著惡化，例如債務人的信貸息差、信用違約掉期價格顯著上升；
- 商業、金融或經濟情況目前或預期有不利變動，預計將導致債務人償還債項的能力顯著下降；
- 債務人經營業績實際或預期顯著惡化；
- 債務人的監管、經濟或技術環境有實際或預期的重大不利變動，導致債務人償還債項的能力顯著下降。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

For the year ended 31 December 2020 截至二零二零年十二月三十一日止年度

4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Financial instruments (Continued)

Financial assets (Continued)

Impairment of financial assets (Continued)

(i) Significant increase in credit risk (Continued)

Irrespective of the outcome of the above assessment, the Group presumes that the credit risk has increased significantly since initial recognition when contractual payments are more than 30 days past due, unless the Group has reasonable and supportable information that demonstrates otherwise.

Despite the foregoing, the Group assumes that the credit risk on a debt instrument has not increased significantly since initial recognition if the debt instrument is determined to have low credit risk at the reporting date. A debt instrument is determined to have low credit risk if i) it has a low risk of default, ii) the borrower has a strong capacity to meet its contractual cash flow obligations in the near term and iii) adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the borrower to fulfil its contractual cash flow obligations. The Group considers a debt instrument to have low credit risk when it has an internal or external credit rating of 'investment grade' as per globally understood definitions.

The Group regularly monitors the effectiveness of the criteria used to identify whether there has been a significant increase in credit risk and revises them as appropriate to ensure that the criteria are capable of identifying significant increase in credit risk before the amount becomes past due.

4. 主要會計政策(續)

金融工具(續)

金融資產(續)

金融資產減值(續)

(i) 信貸風險顯著上升(續)

不論上述評估結果如何，本集團均假設合約付款逾期超過30日的信貸風險自初始確認以來顯著上升，除非本集團有合理及具支持性的資料證明存在其他情況。

儘管有上述情況，本集團認為，若報告日確定債務工具信貸風險較低，則債務工具的信貸風險並未因初始確認顯著上升。倘債務工具i)違約風險較低，ii)借款人於近期履行合約現金流義務的能力較強及iii)經濟及業務狀況中的不利變更於較長期限內可能但不一定會減損借款人履行其合約現金流義務的能力，則確定債務工具信貸風險較低。當債務工具獲得全球公認的內部或外部「投資等級」信貸評級，則本集團認為債務工具信貸風險較低。

本集團定期監控確定信貸風險是否顯著上升的標準有效性，並在適當時作出修改，以確保標準能在款項逾期前確定信貸風險是否顯著上升。

Notes to the Consolidated Financial Statements (Continued) 綜合財務報表附註(續)

For the year ended 31 December 2020 截至二零二零年十二月三十一日止年度

4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Financial instruments (Continued)

Financial assets (Continued)

Impairment of financial assets (Continued)

(ii) Definition of default

For internal credit risk management, the Group considers an event of default occurs when information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including the Group, in full (without taking into account any collaterals held by the Group).

Irrespective of the above, 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. For contracts with large state-owned enterprise or local government, the Group would assess the exposure individually taking into consideration specific facts and circumstances in considering when an event of default has occurred.

(iii) Credit-impaired financial assets

A financial asset is credit-impaired when one or more events of default that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit impaired includes observable data about the following events:

- (a) significant financial difficulty of the issuer or the borrower;
- (b) a breach of contract, such as a default or past due event;
- (c) the lender(s) of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession(s) that the lender(s) would not otherwise consider;
- (d) it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation; or
- (e) the disappearance of an active market for that financial asset because of financial difficulties.

4. 主要會計政策(續)

金融工具(續)

金融資產(續)

金融資產減值(續)

(ii) 違約定義

就內部信貸風險管理而言，當內部編製或從外部來源獲取的資料顯示債務人無法向其債權人(包括本集團)清償債務(不考慮本集團持有的任何抵押品)，則本集團認為發生違約事件。

不論是否發生上述情況，本集團認為，倘金融資產逾期超過90天時則發生違約，除非本集團有合理及具支持性的資料顯示較長的違約期限更為適用。就與大型國有企業或地方政府訂立的合約，本集團將於考量何時發生違約時考慮具體事實及情況，以單獨評估風險敞口。

(iii) 信貸減值金融資產

當一起或多起違約事件對金融資產估計未來現金流產生不利影響，則金融資產發生信貸減值。證明金融資產發生信貸減值的證據包括有關以下時間的可觀察資料：

- (a) 發行人或借款人出現嚴重財務困難；
- (b) 違反合約，例如違約或逾期事件；
- (c) 借款人的貸款人因借款人財務困難有關的經濟或合約原因，向借款人授予貸款人在其他情況下不予考慮的讓步；
- (d) 借款人可能進入破產或其他財務重組；或
- (e) 該金融資產活躍市場因財務困難消失。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

For the year ended 31 December 2020 截至二零二零年十二月三十一日止年度

4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Financial instruments (Continued)

Financial assets (Continued)

Impairment of financial assets (Continued)

(iv) Write-off policy

The Group writes off a financial asset when there is information indicating that the counterparty is in severe financial difficulty and there is no realistic prospect of recovery, for example, when the counterparty has been placed under liquidation or has entered into bankruptcy proceedings, or in the case of trade receivables, when the amounts are over five years past due, whichever occurs sooner. Financial assets written off may still be subject to enforcement activities under the Group's recovery procedures. A write-off constitutes a derecognition event. Any subsequent recoveries are recognised in profit or loss.

(v) Measurement and recognition of ECL

The measurement of ECL is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data adjusted by forward-looking information. Estimation of ECL reflects an unbiased and probability-weighted amount that is determined with the respective risks of default occurring as the weights.

Generally, the ECL is the difference between all contractual cash flows that are due to the Group in accordance with the contract and the cash flows that the Group expects to receive, discounted at the effective interest rate determined at initial recognition.

4. 主要會計政策(續)

金融工具(續)

金融資產(續)

金融資產減值(續)

(iv) 撇銷政策

當有資料顯示對手方陷入嚴重財務困難並且無現實恢復可能性，例如當對手方進入清盤或破產程序，或就應收賬款而言，款項逾期超過五年(以較早出現為準)，則本集團將撇銷金融資產。遭撇銷的金融資產可能仍須按本集團收回程序進行強制執行活動。撇銷構成終止確認事件。任何隨後收回款項將於損益確認。

(v) 預期信貸虧損的計量及確認

預期信貸虧損的計量為違約概率、違約損失率(即違約時的損失程度)及違約風險暴露的函數。評估違約概率及違約損失率的依據是經前瞻性資料調整的過往數據。預期信貸虧損估計反映各項加權違約風險釐定的無偏差及概率加權金額。

預期信貸虧損通常根據合約應付本集團的所有合約現金流量與本集團預計收取的所有現金流量(按初始確認時釐定的實際利率折現)之間的差額估算。

Notes to the Consolidated Financial Statements (Continued) 綜合財務報表附註(續)

For the year ended 31 December 2020 截至二零二零年十二月三十一日止年度

4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Financial instruments (Continued)

Financial assets (Continued)

Impairment of financial assets (Continued)

(v) Measurement and recognition of ECL (Continued)

Where ECL is measured on a collective basis or cater for cases where evidence at the individual instrument level may not yet be available, the financial instruments are grouped on the customer basis:

- Nature of financial instruments (i.e. the Group's trade and other receivables are each assessed as a separate group);
- Past-due status;
- Nature, size and industry of debtors; and
- External credit ratings where available.

The grouping is regularly reviewed by management to ensure the constituents of each group continue to share similar credit risk characteristics.

Interest income is calculated based on the gross carrying amount of the financial asset unless the financial asset is credit impaired, in which case interest income is calculated based on amortised cost of the financial asset.

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 receivables and contract assets where the corresponding adjustment is recognised through a loss allowance account.

4. 主要會計政策(續)

金融工具(續)

金融資產(續)

金融資產減值(續)

(v) 預期信貸虧損的計量及確認(續)

倘預期信貸虧損按集體基準計量或於未必能獲得個別工具的證據的情況下，金融工具按以下客戶基準歸類：

- 金融工具性質(即本集團應收賬款及其他應收款分別評估為一個單獨組別)；
- 逾期狀況；
- 債務人的性質、規模及行業；及
- 外部信貸評級(如有)。

歸類工作經管理層定期檢討，以確保各組別成份繼續分擔類似信貸風險特性。

利息收入乃根據金融資產的總賬面值計算，除非金融資產發生信貸減值，在此情況下，利息收入根據金融資產的攤銷成本計算。

本集團透過調整金融工具的賬面值於損益中確認所有金融工具的減值收益或虧損，惟應收賬款及合約資產則除外，其相應調整於虧損撥備賬中確認。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

For the year ended 31 December 2020 截至二零二零年十二月三十一日止年度

4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Financial instruments (Continued)

Financial assets (Continued)

Derecognition of financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e., removed from the Company's statement of financial position) when:

- the rights to receive cash flows from the asset have expired; or
- the Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a "pass-through" arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risk and rewards of ownership of the asset. When it has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

4. 主要會計政策(續)

金融工具(續)

金融資產(續)

金融資產終止確認

在以下情況下，金融資產(或(如果適用)，金融資產的一部分或一組類似金融資產的一部分)主要終止確認(從公司的財務狀況表中刪除)：

- 自資產收取現金流量的權利屆滿；或
- 本公司已將其從資產中收取現金流量的權利轉讓或已承擔根據「直通」安排將所收取的現金流量全額支付予第三方而沒有重大延遲的責任；及(a)本公司已轉移資產的絕大部分風險及回報，或者(b)本公司既未轉移亦未保留資產的絕大部分風險及回報，但已轉移對資產的控制權。

當本公司轉移其從資產中收取現金流量的權利或已達成直通安排時，將評估是否保留資產所有權的風險及回報，以及在何種程度上保留資產所有權的風險及回報。當既未轉移亦未保留資產的絕大部分風險及回報，亦未轉移對資產的控制權時，本公司會在本公司持續參與的範圍內繼續確認轉移的資產。在此種情況下，本公司亦確認相關負債。所轉移的資產及相關負債按應反映本公司保留的權利及義務基準計量。

Notes to the Consolidated Financial Statements (Continued) 綜合財務報表附註(續)

For the year ended 31 December 2020 截至二零二零年十二月三十一日止年度

4. 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 entered into and the definitions of a financial liability and an equity instrument.

Equity instrument

An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities. Equity instruments issued by the Company are recognised at the proceeds received, net of direct issue costs.

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 period. 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

Other financial liabilities (including trade and other payables, amounts due to directors of the Company, amounts due to non-controlling shareholders of a subsidiary, bank borrowings, other borrowings and bonds payable) are subsequently measured at amortised cost, using the effective interest method.

Derecognition

Derecognition/modification of financial liabilities

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

4. 主要會計政策(續)

金融工具(續)

金融負債及權益工具

分類為債務或股本

集團實體發行的債務及權益工具乃根據所簽訂合約安排的內容及金融負債與權益工具的定義分類為金融負債或股本。

權益工具

權益工具為可證明於本集團資產經扣除其所有負債後的剩餘權益的任何合約。本集團所發行的權益工具確認為所收取的所得款項(扣除直接發行成本)。

實際利息法

實際利息法乃計算有關期間金融負債攤銷成本及分配利息開支的方法。實際利率乃於初步確認時按金融負債的預計年期或(如適用)較短期間將估計未來現金支付(包括構成實際利率不可或缺部分而支付或收取的所有手續費及貼息、交易成本及其他溢價或折讓)準確貼現至賬面淨額的利率。利息開支按實際利率基準確認。

以攤銷成本計量的金融負債

其他金融負債(包括應付賬款及其他應付款、應付本公司董事款項、應付一間附屬公司非控股股東款項、銀行借貸及其他借貸及應付債券)隨後攤銷成本採用實際利率法計量。

終止確認

金融負債終止確認/改動

當且僅當本集團的責任獲解除、取消或屆滿時，本集團方會終止確認金融負債。已終止確認的金融負債賬面值與已付及應付代價之間的差額會於損益中確認。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

For the year ended 31 December 2020 截至二零二零年十二月三十一日止年度

4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Financial instruments (Continued)

Derecognition (Continued)

Derecognition/modification of financial liabilities (Continued)

When the contractual terms of a financial liability are modified, the Group assess whether the revised terms result in a substantial modification from original terms taking into account all relevant facts and circumstances including qualitative factors. If qualitative assessment is not conclusive, the Group considers that the terms are substantially different if the discounted present value of the cash flows under the new terms, including any fees paid net of any fees received, and discounted using the original effective interest rate, is at least 10 per cent different from the discounted present value of the remaining cash flows of the original financial liability. Accordingly, such modification of terms is accounted for as an extinguishment, any costs or fees incurred are recognised as part of the gain or loss on the extinguishment. The exchange or modification is considered as non-substantial modification when such difference is less than 10 per cent.

Non-substantial modifications of financial liabilities

For non-substantial modifications of financial liabilities that do not result in derecognition, the carrying amount of the relevant financial liabilities will be calculated at the present value of the modified contractual cash flows discounted at the financial liabilities' original effective interest rate. Any adjustment to the carrying amount of the financial liability is recognised in profit or loss at the date of modification. Transaction costs or fees incurred are adjusted to the carrying amount of the modified financial liabilities and are amortised over the remaining term.

In the application of the Group's accounting policies, which are described in Note 4 to the consolidated financial statements, the Directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

4. 主要會計政策(續)

金融工具(續)

終止確認(續)

金融負債終止確認/改動(續)

當金融負債的合約條款被修訂時，本集團會考慮所有相關事實及情況(包括定性因素)，評估經修訂的條款是否導致對原有條款有重大修訂。倘定性評估並無定論，則倘若按新條款以原有實際利率按現金流(包括扣除任何已收取費用的任何已付費用)貼現的現值與原有金融負債的剩餘現金流的貼現現值最少有10%的差額，則本集團認為條款有重大差異。因此，條款的修訂按抵銷方式處理，任何已產生的成本或費用將確認為抵銷的部分收益或虧損。倘有關差額少於10%，則有關交換或修訂視作非重大改動。

金融負債的非重大改動

有關不造成終止確認的金融負債的非重大改動，相關金融負債的賬面金額將以經修訂合約現金流量的現值計算，按該金融負債的原始實際利率貼現。金融負債賬面金額的任何調整於改動日期於損益中確認。產生的交易成本或費用按經改動金融負債的賬面金額調整並於餘下期間攤銷。

於應用本集團的會計政策(載述於綜合財務報表附註4)時，董事須作出有關未能從其他來源直接獲得的資產及負債賬面金額的判斷、估計及假設。估計及相關假設乃基於過往經驗及被認為有關的其他因素作出。實際結果可能有別於該等估計。

估計及相關假設乃按持續經營基準予以檢討。倘會計估計的修訂僅影響估計獲修訂的期間，則會計估計的修訂於該期間予以確認，倘若修訂影響現時及未來期間，則會計估計的修訂於修訂及未來期間內予以確認。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

For the year ended 31 December 2020 截至二零二零年十二月三十一日止年度

5. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

Critical judgements in applying accounting policies

The following are the critical judgements, apart from those involving estimations (see below), that the Directors have made in the process of applying the Group's accounting policies and that have the most significant effect on the amounts recognised in the consolidated financial statements and the results, assets and liabilities of the PRC Operational Entity and its subsidiaries are consolidated with other group entities.

Consolidation of a structured entity

PRC laws and regulations prohibit or restrict foreign investors from owning more than 50% equity interest in any enterprise which owns vessels for conducting dredging business in the PRC.

On 19 April 2011, Xiangyu PRC (as defined in Note 42), the PRC Operational Entity (as defined in Note 42) and its respective equity participants, being Mr. Liu and Ms. Zhou Shuhua ("Ms. Zhou"), the spouse of Mr. Liu, entered into the Contractual Arrangements (as defined in Note 42). The PRC Operational Entity and its subsidiaries are engaged in the provision of dredging services of the Group. Details of the Contractual Arrangements are set out in Note 42.

The Directors, after obtained legal opinion (the "Legal Opinion"), are of the view that the terms of the Contractual Arrangements have in substance enabled Xiangyu PRC to have the ability and right to direct the relevant activities to obtain variable returns from its involvement with the PRC Operational Entity and its subsidiaries, and to have free ability to use its power to affect its returns, despite the absence of formal legal equity interest held by the Group therein. Accordingly, the PRC Operational Entity is treated as a subsidiary of the Company, and the results, assets and liabilities of the PRC Operational Entity and its subsidiaries are consolidated together with other group entities as if they were wholly owned by the Company.

5. 關鍵會計判斷及估計不明朗因素的主要來源

應用會計政策時的關鍵判斷

除涉及估計(見下文)的判斷外,以下為董事在採用本集團會計政策過程中所作出、對在綜合財務報表中確認的金額具最重大影響的關鍵判斷,及中國經營實體及其附屬公司的業績、資產及負債與其他集團實體合併入賬。

結構性實體合併

中國法律及規定禁止或限制外國投資者於任何擁有可進行疏浚業務的船舶的中國企業中持有超過50%的股權。

於二零一一年四月十九日,翔宇中國(定義見附註42)、中國經營實體(定義見附註42)及其各參股方(即劉先生及劉先生配偶周淑華女士(「周女士」))訂立合約安排(定義見附註42)。中國經營實體及其附屬公司從事提供本集團的疏浚業務。有關合約安排的詳情載於附註42。

董事經獲得法律意見(「法律意見」)後認為,儘管本集團於合約安排中並無持有正式的法定股權,惟合約安排的條款已實質上賦予翔宇中國具有能力及權利指導相關活動及取得來自其參與中國經營實體及其附屬公司的可變回報,有權利用其權利影響回報。因此,中國經營實體作為本公司的附屬公司,因此,中國經營實體及其附屬公司的業績、資產及負債與其他集團實體合併入賬,猶如彼等由本公司全資擁有。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

For the year ended 31 December 2020 截至二零二零年十二月三十一日止年度

5. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (CONTINUED)

Critical judgements in applying accounting policies (Continued)

Consolidation of a structured entity (Continued)

In the opinion of the Directors, with reference to the Legal Opinion, the Contractual Arrangements are in compliance with the existing PRC laws and regulations are valid, binding and legally enforceable, and do not result in any violation of PRC laws or regulations currently in effect in all material respects. However, uncertainties in the PRC legal system could cause the Group's current Contractual Arrangements Structure to be found in violation of any existing and/or future PRC laws or regulations and could limit the Company's ability, through Xiangyu PRC, to enforce its rights and power over the PRC Operational Entity under the Contractual Arrangements.

The operation of the Group was substantially derived from the PRC Operational Entity and its subsidiaries. If the current structure or any of the Contractual Arrangements were found to be in violation of PRC Laws and regulations, the Group may be subject to penalties, which in the future may include but not be limited to, the cancellation or revocation of the Group's business and operating licenses, being required to restructure the Group's operations or discontinue the Group's operating activities. The imposition of any of these or other penalties may result in a material and adverse effect on the Group's ability to conduct its operations. In such case, the Group may not be able to operate or control the PRC Operational Entity and its subsidiaries, which may result in deconsolidation of it.

5. 關鍵會計判斷及估計不明朗因素的主要來源(續)

應用會計政策時的關鍵判斷(續)

結構性實體合併(續)

董事認為，經考慮法律意見，合約安排已遵守現有中國法律及規定，為有效、具約束力及法律依從性，並將於各重大方面不會導致違反中國現行法律及規定。然而，中國法律體系存有不確定性，可能會引致本集團現時的合約安排架構違反任何現有及／或未來中國法律或規定，並會限制本公司透過翔宇中國強制行使其對合約安排項下中國經營實體的權利及權力的能力。

本集團的業務主要來自中國經營實體及其附屬公司。倘現有架構或任何合約安排違反任何中國法律法規，本集團可能會受到處罰(日後可能包括但不限於取消或撤銷本集團的業務及營業執照)，需要重組本集團的業務或終止本集團的經營活動。判以任何該等或其他處罰可能會對本集團經營其業務的能力造成重大不利影響。在此情況下，本集團或許無法營運或控制中國經營實體及其附屬公司，或會導致其取消綜合入賬。

Notes to the Consolidated Financial Statements (Continued) 綜合財務報表附註(續)

For the year ended 31 December 2020 截至二零二零年十二月三十一日止年度

5. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (CONTINUED)

Critical judgements in applying accounting policies (Continued)

Deferred taxation on investment properties

For the purposes of measuring deferred taxation arising from investment properties that are measured using the fair value model, the Directors of the Company have reviewed the Group's investment property and concluded that the Group's investment properties are held under a business model whose objective is to consume substantially all of the economic benefits embodied in the investment properties over time, rather than through sale. Therefore, in measuring the Group's deferred taxation on investment properties, the Directors have determined that the presumption that the carrying amounts of investment properties measured using the fair value model are recovered entirely through sale is rebutted. Accordingly, deferred taxation in relation to the Group's investment properties has been measured based on the tax consequences of recovering the carrying amounts entirely through use.

Key sources of estimation uncertainty

The 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 within the next financial year are disclosed below.

Estimates of fair values of investment properties

As described in Note 19, investment properties are measured at fair value at the end of reporting period using income capitalised approach by independent professional valuers. Such valuations are based on certain assumptions, which are subject to uncertainty and might materially differ from the actual results. In relying on the valuation report, the directors of the Company have exercised their judgment and are satisfied that the assumptions used in the valuation reflect market condition. Whilst the Group considers valuations of the Group's investment properties are the best estimates, the ongoing Covid-19 pandemic has resulted in greater market volatility depending on how the Covid-19 pandemic may progress and evolve, which have led to higher degree of uncertainties in respect of the valuations in the current year. Where there are any changes in the assumptions due to the market conditions in the PRC, the estimate of fair value of investment properties may be significantly affected. As at 31 December 2020, investment properties of approximately RMB483,900,000 (2019: RMB464,500,000) are measured using income capitalised approach.

5. 關鍵會計判斷及估計不明朗因 素的主要來源(續)

應用會計政策時的關鍵判斷(續)

投資物業遞延稅項

為了衡量使用公平值模型計量投資物業產生的遞延稅項，本公司董事對本集團的投資物業進行了審查，並得出結論認為本集團的投資物業按照目前消費標準的經營模式進行，基本上所有的經濟利益都體現在投資物業中而不是出售。因此，在計量本集團投資物業的遞延稅項時，董事已確定推定使用公平值模型計量的投資物業的賬面值是通過出售完全收回的。因此，本集團投資物業的遞延稅項是根據完全通過使用追回賬面值的稅後影響進行衡量的。

估計不明朗因素的主要來源

於報告期末，有重大風險或會導致下個財政年度資產的賬面金額出現重大調整的估計不明朗因素的主要來源的披露如下。

投資物業的公平值估計

如附註19所述，投資物業於報告期末乃由獨立專業估值師採用收益資本化法按公平值計量。該等估值乃基於若干假設，或會受不確定性因素影響且可能與實際結果有重大出入。在依賴估值報告時，本公司董事已行使判斷且信納估值中所用假設反映了市場狀況。儘管本集團認為本集團投資物業的估值為最佳估計，但持續的Covid-19疫情導致市場波動更大，具體取決於Covid-19疫情的發展及演變，導致本年度的估值的更大程度不確定性。倘因中國市況導致假設出現任何變動時，投資物業的公平值估計或會受到重大影響。於二零二零年十二月三十一日，約人民幣483,900,000元(二零一九年：人民幣464,500,000元)的投資物業乃使用收益資本化法計量。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

For the year ended 31 December 2020 截至二零二零年十二月三十一日止年度

5. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (CONTINUED)

Key sources of estimation uncertainty (Continued)

ECL allowances for trade receivable and contract assets

Management regularly assesses the loss allowances for expected credit losses on trade receivables and contract assets and recognises lifetime ECL for trade receivables and contract assets. Allowances for these receivables and contract assets are made based on evaluation of ECL for trade receivables and contract assets and involve exercise of management's judgments, which are made by reference to the estimation of the future cash flows discounted at the original effective interest rate to calculate the present value. A considerable amount of judgment is required in assessing the ultimate realisation of these debtors, including their current creditworthiness and the risk of default occurring on debtors with significant balances and/or collectively using a provision matrix with appropriate groupings. The assessment on the probability of default and loss given default is based on historical data adjusted by forward-looking information. As at 31 December 2020, the carrying amount of trade receivables and contract assets are approximately RMB497,151,000 and RMB25,047,000 respectively, and provision of expected credit losses, net of reversal of RMB146,947,000 and RMB241,000 respectively.

Estimated useful life and residual values of property, plant and equipment

Dredgers and plant and machinery included in property, plant and equipment are depreciated over their useful lives. The assessment of estimated useful lives and residual values are matters of judgement based on the experience of the Group, taking into account factors such as technological progress, conditions of the dredgers and plant and machinery and changes in market demand. Useful lives and residual values are periodically reviewed for continued appropriateness. Due to the long useful lives of the dredgers and plant and machinery, changes to the estimates used can affect the amount of depreciation to be charged to profit or loss in each reporting period and consequently affect their carrying value at the end of the reporting period. There was no change in the estimated useful lives or residual values of property, plant and equipment for both years.

5. 關鍵會計判斷及估計不明朗因素的主要來源(續)

估計不明朗因素的主要來源(續)

應收賬款及合約資產預期信貸虧損撥備

管理層定期評估應收賬款及合約資產預期信貸虧損的虧損撥備，及確認應收賬款及合約資產全期預期信貸虧損。應收賬款及合約資產撥備基於應收賬款及合約資產預期信貸虧損評估作出，由管理層參考按計算當前價值的初始實際利率貼現的未來現金流估計作出判斷。大量判斷需要評估該等債務人最終變現，包括其目前信譽及約較高值債務人的違約風險及／或對適當組別統一運用撥備模型。違約可能性及違約虧損評估基於經前瞻性資料調整的歷史資料作出。於二零二零年十二月三十一日，應收賬款及合約資產賬面值分別約為人民幣497,151,000元及人民幣25,047,000元，預期信貸虧損撥備撥回淨額分別為人民幣146,947,000元及人民幣241,000元。

物業、廠房及設備的估計可使用年期及剩餘價值

物業、廠房及設備所包括的挖泥船、廠房及機器於其可使用年期內折舊。評估估計可使用年期及剩餘價值乃根據本集團的經驗作出判斷，並考慮如技術進步、挖泥船、廠房及機器狀況以及市場需求變動等因素。本集團會定期檢討可使用年期及剩餘價值的持續適用性。由於挖泥船、廠房及機器使用年期較長，估計變動會影響於各報告期間在損益賬予以扣除的折舊金額，從而影響報告期末的賬面值。於兩個年度，物業、廠房及設備的估計可使用年期或剩餘價值並無變動。

Notes to the Consolidated Financial Statements (Continued) 綜合財務報表附註(續)

For the year ended 31 December 2020 截至二零二零年十二月三十一日止年度

5. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (CONTINUED)

Key sources of estimation uncertainty (Continued)

Impairment of property, plant and equipment and right-of-use assets

Property, plant and equipment and right-of-use assets are stated at costs less accumulated depreciation and impairment, if any. In determining whether an asset is impaired, the Group has to exercise judgement and make estimation, particularly in assessing: (1) whether an event has occurred or any indicators that may affect the asset value; (2) whether the carrying value of an asset can be supported by the recoverable amount, in the case of value in use, the net present value of future cash flows which are estimated based upon the continued use of the asset; and (3) the appropriate key assumptions to be applied in estimating the recoverable amounts including cash flow projections and an appropriate discount rate.

Changing the assumptions and estimates, including the discount rates or the growth rate in the cash flow projections, could materially affect the recoverable amount of the assets.

As at 31 December 2020, the carrying amounts of property, plant and equipment and right-of use assets that are subject to impairment assessment after recognising impairment losses of RMB248,130,000 and RMB5,855,000 respectively (2019: RMBnil) were RMB613,120,000 and RMBnil (2019: RMB967,724,000 and RMB6,207,000) respectively. Details of the impairment of property, plant and equipment and right-of use assets are disclosed in Note 17 and Note 18 respectively.

Deferred tax asset

No deferred tax asset has been recognised in relation to the unused tax losses of RMB146,722,000 (2019: RMB108,554,000) and unrecognised deductible temporary differences of RMB1,109,347,000 (2019: RMB705,406,000) in the consolidated statement of financial position due to unpredictability of future profit streams (see Note 21). The realisability of the deferred tax asset mainly depends on whether sufficient future profits or taxable temporary differences will be available in the future. In cases where the actual future taxable profits generated are less or more than expected, or change in facts and circumstances which result in revision of future taxable profits estimation, a material reversal or further recognition of deferred tax asset may arise, which would be recognised in profit or loss for the period in which such a reversal or further recognition takes place.

5. 關鍵會計判斷及估計不明朗因 素的主要來源(續)

估計不明朗因素的主要來源(續)

物業、廠房及設備以及使用權資產減 值

物業、廠房及設備以及使用權資產按成本減累計折舊及減值(如有)列賬。於釐定資產是否減值時，本集團須運用判斷及作出估計，尤其是評估：(1)是否有事件已發生或有任何跡象可能影響資產價值；(2)資產賬面值是否能夠以可收回金額支持，如為使用價值，則以按照持續使用資產估計的未來現金流量的淨現值支持；及(3)將適當關鍵假設應用於估計可收回金額(包括現金流量預測及適當貼現率)。

更改有關假設及估計(包括現金流預測中的貼現率或增長率)，可顯著影響資產的可收回金額。

於二零二零年十二月三十一日，經分別確認減值虧損人民幣248,130,000元及人民幣5,855,000元(二零一九年：人民幣零元)後的須進行減值評估的物業、廠房及設備以及使用權資產的賬面值分別為人民幣613,120,000元及人民幣零元(二零一九年：人民幣967,724,000元及人民幣6,207,000元)。物業、廠房及設備以及使用權資產減值詳情分別於附註17及附註18披露。

遞延稅項資產

由於無法預測未來溢利來源(見附註21)，故並無於綜合財務狀況表內就未動用稅項虧損人民幣146,722,000元(二零一九年：人民幣108,554,000元)及未確認可扣減臨時差額人民幣1,109,347,000元(二零一九年：人民幣705,406,000元)確認遞延稅項資產。遞延稅項資產能否變現主要取決於日後是否有足夠應課稅溢利或應課稅臨時差額可供動用。倘日後實際產生之應課稅溢利少於或多於預期或事實及情況發生變動導致對未來應課稅利益估計作出修訂，則或會重大撥回或於日後確認遞延稅項資產，所撥回或於日後確認的遞延稅項資產將於撥回或日後確認發生期間於損益確認。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

For the year ended 31 December 2020 截至二零二零年十二月三十一日止年度

6. REVENUE

Disaggregation of revenue from contracts with customers

6. 收益

來自客戶合約的收益細分

		2020 二零二零年 RMB'000 人民幣千元	2019 二零一九年 RMB'000 人民幣千元
Segments	分部		
Capital and Reclamation Dredging Business	基建及填海疏浚業務	71,421	145,031
Environment Protection Dredging and Water Management Business	環保疏浚及水務管理業務	49,080	47,910
Other Marine Business	其他海事業務	158,940	241,678
Property Management Business	物業管理業務	6,900	7,749
		286,341	442,368
Timing of revenue recognition	收益確認的時間		
At point in time	於某一時間點	—	—
Over time	隨時間	286,341	442,368
Total	總計	286,341	442,368

For Capital and Reclamation Dredging Business and Environment Protection Dredging and Water Management Business, the Group has a right to consideration from its customers in an amount that corresponds directly with the value to the customers of the Group's performance completed to date. As the Group bills its customers based on each portion of dredging works provided, the Group recognises revenue based on the amount it has a right to invoice.

The Group recognises revenue on the basis of the volume of dredging works performed and delivered to customers. The measurements of value of the dredging works transferred to customers are directly invoiced based on a quantitative measure of dredging, that is, a unit price for the material dredged per cubic meter is set forth in the contracts with customers and therefore the revenue is recognised based on the amount invoiced. As the Group's performance creates an asset that customer simultaneously receives and consumes, this method provides a faithful depiction of the transfer of an asset to the customer.

就基建及填海疏浚業務以及環保疏浚及水務管理業務而言，本集團有權自客戶收取金額直接與本集團迄今已完成履約的應付客戶價值對應的代價。由於本集團基於所提供疏浚工程的各個部分為客戶開具票據，故本集團基於其有權取得的發票金額確認收益。

本集團根據已進行及交付予客戶的疏浚工程量確認收益。計量轉讓予客戶的疏浚工程價值直接根據疏浚的定量測算(即客戶合約中所載每立方米疏浚材料的單價)出具的發票計算，因此，收益按發票金額確認。由於本集團的履約產生客戶同時取得及耗用的資產，故此方法為轉讓予客戶的資產提供最真實的描述。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

For the year ended 31 December 2020 截至二零二零年十二月三十一日止年度

6. REVENUE (CONTINUED)

The transaction price of the Group is determined upon establishment of the contract that contains the unit price for the quantity dredged for dredging projects.

For Other Marine Business, the Group provides marine hoisting, installation, salvaging, vessel chartering and other engineering services to clients and recognises revenue over time based on the progress of the services provided.

For Property Management Business, the Group provides property management services to its tenants in a shopping mall and factories and recognises monthly property management fee over time.

The majority of the Company's contracts are short-term contracts and have a duration of less than one year, the practical expedient for contracts with durations of one year or less is applied and therefore the effect of the time value of money is not considered.

An analysis of revenue from customers contributing over 10% of the Group's total revenue for the year is as follows:

6. 收益(續)

本集團的交易價於訂立包含疏浚項目疏浚量的單價的合約後釐定。

就其他海事業務而言，本集團為客戶提供海上吊裝、安裝、打撈、船舶包租及其他工程服務，並根據所提供服務的進度隨時間確認收益。

就物業管理業務而言，本集團向其商場及工廠的租戶提供物業管理服務，並隨時間確認每月物業管理費。

本公司大部分合約為短期合約且期限為一年以內，並對期限為一年或以下的合約採用可行權宜方法，因此不考慮貨幣時間價值的影響。

來自貢獻超過本集團年內總收益10%的客戶的收益分析如下：

		2020 二零二零年 RMB'000 人民幣千元	2019 二零一九年 RMB'000 人民幣千元
Customer A	客戶A		
— Environmental Protection Dredging and Water Management Business	— 環保疏浚及水務管理業務	45,786	N/A不適用
Customer B	客戶B		
— Capital and Reclamation Dredging Business	— 基建及填海疏浚業務	N/A 不適用	69,371
Customer C	客戶C		
— Other Marine Business	— 其他海事業務	31,193	N/A不適用

Note: Customer B did not contribute over 10% of the Group's total revenue for the year ended 31 December 2020. Other than customers A and C, no other customers contributed over 10% of the Group's total revenue for the year ended 31 December 2020.

附註：客戶B貢獻並無超過本集團於截至二零二零年十二月三十一日止年度總收益10%。除客戶A及C外，並無其他客戶貢獻超過本集團於截至二零二零年十二月三十一日止年度總收益10%。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

For the year ended 31 December 2020 截至二零二零年十二月三十一日止年度

7. OPERATING SEGMENTS

The Group determines its operating segments based on the reports reviewed by the Executive Directors of the Company who are also the chief operating decision makers ("CODM"), that are used to make strategic decisions. Information reported to the CODM is based on the different nature of projects carried out by the Group.

Details of the Group's four reportable and operating segments are as follows:

- (i) Capital and Reclamation Dredging Business refers to the capital and reclamation dredging services and related consultation services provided by the Group;
- (ii) Environmental Protection Dredging and Water Management Business refers to dredging or water management services or constructions for promoting environmental interests and water quality mainly for inland rivers provided by the Group;
- (iii) Other Marine Business mainly comprises marine hoisting, installation, salvaging, vessel chartering and other engineering services provided by the Group; and
- (iv) Property Management Business refers to the management and leasing of a shopping mall and factories and the construction of a hotel by the Group.

7. 營運分部

本集團基於本公司執行董事(亦為制定戰略決定的主要運營決策者(「主要運營決策者」))審閱的報告釐定其營運分部。向主要運營決策者呈報的資料乃基於本集團運營項目的不同性質而編製。

本集團四個可呈報及營運分部的詳情載列如下：

- (i) 基建及填海疏浚業務指本集團提供的基建及填海疏浚服務及相關顧問服務；
- (ii) 環保疏浚及水務管理業務指本集團主要就提升內河的環保效益及水質而提供的疏浚或水務管理服務或工程；
- (iii) 其他海事業務主要包括本集團提供的海上吊裝、安裝、打撈、船舶包租及其他工程服務；及
- (iv) 物業管理業務指本集團商場及工廠的租賃管理及酒店建設。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

For the year ended 31 December 2020 截至二零二零年十二月三十一日止年度

7. OPERATING SEGMENTS (CONTINUED)

Segment results

An analysis of the Group's reportable segment revenue and segment results is as below.

7. 營運分部(續)

分部業績

本集團之可呈報分部收益及分部業績分析如下。

		Capital and Reclamation Dredging Business 基建及 填海疏浚業務 RMB'000 人民幣千元	Environmental Protection Dredging and Water Management Business 環保疏浚及 水務管理業務 RMB'000 人民幣千元	Other Marine Business 其他 海事業務 RMB'000 人民幣千元	Property Management Business 物業 管理業務 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
For the year ended 31 December 2020	截至二零二零年 十二月三十一日 止年度					
Segment revenue	分部收益	71,421	49,080	158,940	6,900	286,341
Segment results	分部業績	(408,850)	(82,538)	7,305	272	(483,811)
Changes in fair value of investment properties	投資物業公平值變動					19,400
Allowance for expected credit losses	預期信貸虧損撥備					(167)
Other gains and losses, net	其他收益及虧損淨額					25,263
Unallocated other income	未分配其他收入					1,465
Unallocated corporate expenses	未分配企業開支					(51,068)
Unallocated finance costs	未分配融資成本					(36,417)
Loss before tax	除稅前虧損					(525,335)

**Notes to the Consolidated
Financial Statements (Continued)**
綜合財務報表附註(續)

For the year ended 31 December 2020 截至二零二零年十二月三十一日止年度

7. OPERATING SEGMENTS (CONTINUED)

7. 營運分部(續)

Segment results (Continued)

分部業績(續)

		Capital and Reclamation Dredging Business 基建及 填海疏浚業務 RMB'000 人民幣千元	Environmental Protection Dredging and Water Management Business 環保疏浚及 水務管理業務 RMB'000 人民幣千元	Other Marine Business 其他 海事業務 RMB'000 人民幣千元	Property Management Business 物業 管理業務 RMB'000 人民幣千元	Total RMB'000 人民幣千元
For the year ended 31 December 2019	截至二零一九年 十二月三十一日 止年度					
Segment revenue	分部收益	145,031	47,910	241,678	7,749	442,368
Segment results	分部業績	(219,513)	(72,630)	2,270	1,931	(287,942)
Changes in fair value of investment properties	投資物業公平值變動					(6,286)
Allowance for expected credit losses	預期信貸虧損撥備					(28,186)
Other gains and losses, net	其他收益及虧損淨額					(5,767)
Unallocated other income	未分配其他收入					77
Unallocated corporate expenses	未分配企業開支					(48,197)
Unallocated finance costs	未分配融資成本					(35,054)
Loss before tax	除稅前虧損					(411,355)

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

For the year ended 31 December 2020 截至二零二零年十二月三十一日止年度

7. OPERATING SEGMENTS (CONTINUED)

7. 營運分部(續)

Segment assets

分部資產

		Capital and Reclamation Dredging Business 基建及填海疏浚業務 RMB'000 人民幣千元	Environmental Protection and Water Management Business 環保疏浚及水務管理業務 RMB'000 人民幣千元	Other Marine Business 其他海事業務 RMB'000 人民幣千元	Property Management Business 物業管理業務 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
At 31 December 2020	於二零二零年十二月三十一日					
Segment assets	分部資產	809,198	237,818	622,441	651,271	2,320,728
Unallocated assets:	未分配資產：					
Right-of-use assets	使用權資產					9,845
Bank balances and cash	銀行結餘及現金					29,309
Others	其他					48,483
Consolidated assets	綜合資產					2,408,365

		Capital and Reclamation Dredging Business 基建及填海疏浚業務 RMB'000 人民幣千元	Environmental Protection and Water Management Business 環保疏浚及水務管理業務 RMB'000 人民幣千元	Other Marine Business 其他海事業務 RMB'000 人民幣千元	Property Management Business 物業管理業務 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
At 31 December 2019	於二零一九年十二月三十一日					
Segment assets	分部資產	1,247,701	350,876	520,469	625,535	2,744,581
Unallocated assets:	未分配資產：					
Right-of-use assets	使用權資產					14,230
Bank balances and cash	銀行結餘及現金					12,612
Others	其他					75,745
Consolidated assets	綜合資產					2,847,168

For the purposes of monitoring segment performances and allocating resources between segments, assets are allocated to reportable and operating segments other than the unallocated items listed above.

為監控分部表現及於各分部間分配資源，資產均分配至各呈報及營運分部，惟上文所列的未分配項目除外。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

For the year ended 31 December 2020 截至二零二零年十二月三十一日止年度

7. OPERATING SEGMENTS (CONTINUED)

Segment liabilities

As the liabilities are regularly reviewed by the CODM in total for the Group as a whole, the measure of total liabilities by reportable segments is therefore not presented.

Other segment information

		Environmental Protection				Segment total	Unallocated	Consolidated
		Capital and Reclamation Dredging Business	Dredging and Water Management Business	Other Marine Business	Property Management Business			
		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	
For the year ended 31 December 2020	截至二零二零年十二月三十一日止年度							
Amounts included in the measure of segment profit or loss or segment assets	計入分部損益或分部資產計量的金額							
Additions to non-current assets	添置非流動資產	1,098	1,417	7,470	4,212	14,197	—	14,197
Depreciation of property, plant and equipment	物業、廠房及設備折舊	66,102	9,712	27,786	65	103,665	742	104,407
Depreciation of right-of-use assets	使用權資產的折舊	983	—	47	2,792	3,822	120	3,942
Amortisation of other intangible assets	其他無形資產攤銷	—	—	—	333	333	—	333
Expected credit losses allowance	預期信貸虧損撥備	77,745	65,918	3,217	2,909	149,789	167	149,956
Impairment loss on property, plant and equipment and right-of-use assets	物業、廠房及設備以及使用權資產減值虧損	241,304	12,681	—	—	253,985	—	253,985

7. 營運分部(續)

分部負債

由於主要運營決策者定期為本集團對負債進行整體審閱，因此並無呈列可呈報分部的總負債計量。

其他分部資料

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

For the year ended 31 December 2020 截至二零二零年十二月三十一日止年度

7. OPERATING SEGMENTS (CONTINUED)

Other segment information (Continued)

	Capital and Reclamation Dredging Business 基建及填海疏浚業務 RMB'000 人民幣千元	Environmental Protection and Water Dredging Management Business 環保疏浚及水務管理業務 RMB'000 人民幣千元	Other Marine Business 其他海事業務 RMB'000 人民幣千元	Property Management Business 物業管理業務 RMB'000 人民幣千元	Segment total 分部總計 RMB'000 人民幣千元	Unallocated 未分配 RMB'000 人民幣千元	Consolidated 綜合 RMB'000 人民幣千元	
For the year ended 31 December 2019	截至二零一九年十二月三十一日止年度							
<i>Amounts included in the measure of segment profit or loss or segment assets</i>	<i>計入分部損益或分部資產計量的金額</i>							
Additions to non-current assets	添置非流動資產	109	10,146	11,933	12,200	34,388	—	34,388
Depreciation of property, plant and equipment	物業、廠房及設備折舊	66,375	9,514	25,639	65	101,593	4,381	105,974
Depreciation of right-of-use assets	使用權資產的折舊	1,205	—	27	2,792	4,024	—	4,024
Amortisation of other intangible assets	其他無形資產攤銷	—	—	—	333	333	—	333
Expected credit losses allowance	預期信貸虧損撥備	203,982	88,906	12,357	254	305,499	28,186	333,685

The accounting policies of the reportable segments are the same as the Group's accounting policies described in Note 4 to the consolidated financial statements.

Segment results represent profit earned or loss incurred by each segment, without allocation of central administrative expenses, other gains and losses, certain other income and certain finance costs. This is the measure reported to the CODM for the purposes of resource allocation and performance assessment.

Geographical information

As all the Group's revenue is derived from its operations in the PRC and substantially all its non-current assets (excluding the other financial assets) are located in the PRC, no geographical information is presented.

7. 營運分部(續)

其他分部資料(續)

	Capital and Reclamation Dredging Business 基建及填海疏浚業務 RMB'000 人民幣千元	Environmental Protection and Water Dredging Management Business 環保疏浚及水務管理業務 RMB'000 人民幣千元	Other Marine Business 其他海事業務 RMB'000 人民幣千元	Property Management Business 物業管理業務 RMB'000 人民幣千元	Segment total 分部總計 RMB'000 人民幣千元	Unallocated 未分配 RMB'000 人民幣千元	Consolidated 綜合 RMB'000 人民幣千元	
For the year ended 31 December 2019	截至二零一九年十二月三十一日止年度							
<i>Amounts included in the measure of segment profit or loss or segment assets</i>	<i>計入分部損益或分部資產計量的金額</i>							
Additions to non-current assets	添置非流動資產	109	10,146	11,933	12,200	34,388	—	34,388
Depreciation of property, plant and equipment	物業、廠房及設備折舊	66,375	9,514	25,639	65	101,593	4,381	105,974
Depreciation of right-of-use assets	使用權資產的折舊	1,205	—	27	2,792	4,024	—	4,024
Amortisation of other intangible assets	其他無形資產攤銷	—	—	—	333	333	—	333
Expected credit losses allowance	預期信貸虧損撥備	203,982	88,906	12,357	254	305,499	28,186	333,685

可呈報分部的會計政策與綜合財務報表附註4所載本集團的會計政策相同。

分部業績為各分部所賺取的溢利或發生的虧損(未分配中央行政開支、其他收益及虧損、若干其他收入及若干融資成本)。此乃向主要運營決策者報告資源分配及業績評估的工具。

地區資料

由於本集團的所有收益均來自其於中國的營運且其絕大部分非流動資產(不包括其他金融資產)位於中國,故並無呈列地區資料。

**Notes to the Consolidated
Financial Statements (Continued)**
綜合財務報表附註(續)

For the year ended 31 December 2020 截至二零二零年十二月三十一日止年度

8. OTHER INCOME

8. 其他收入

		2020 二零二零年 RMB'000 人民幣千元	2019 二零一九年 RMB'000 人民幣千元
Bank interest income	銀行利息收入	51	133
Sundry income	雜項收入	2,125	1,162
		2,176	1,295

9. OTHER GAINS AND LOSSES, NET

9. 其他收益及虧損淨額

		2020 二零二零年 RMB'000 人民幣千元	2019 二零一九年 RMB'000 人民幣千元
Gain on disposal of property, plant and equipment, net	出售物業、廠房及設備收益淨額	2,988	177
Gain on written off of a lease	撇銷租賃收益	54	—
Gain on modification of bonds payable (Note 31)	修訂應付債券的收益(附註31)	325	—
Exchange gain/(loss), net	匯兌收益/(虧損)淨額	22,243	(5,767)
		25,610	(5,590)

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

For the year ended 31 December 2020 截至二零二零年十二月三十一日止年度

10. FINANCE COSTS

10. 融資成本

		2020 二零二零年 RMB'000 人民幣千元	2019 二零一九年 RMB'000 人民幣千元
	Notes 附註		
Interest expenses on:	下列各項利息開支：		
Bank borrowings wholly repayable within five years	於五年內全數償還的 銀行借貸	18,431	18,986
Discounted bills receivable	應收已貼現票據	512	40
Other borrowings	其他借貸	2,882	4,794
The Bonds	債券	22,857	32,714
Amounts due to non-controlling shareholders of a subsidiary	應付一間附屬公司 非控股股東款項	2,396	3,864
Lease liabilities	租賃負債	103	153
Payable for construction cost of the Vessel and Equipment	應付船舶及設備建設 成本	2,263	—
	22(v)		
Total borrowing costs	總借貸成本	49,444	60,551
Less: amounts capitalised in the cost of qualifying assets	減：合資格資產成本 資本化金額	(6,055)	(15,501)
		43,389	45,050

Borrowing cost capitalised during the year ended 31 December 2020 of approximately RMB6,055,000 (2019: RMB15,501,000) arose on the general borrowing pool calculated by applying a weighted average capitalisation rate of 7.11% (2019: 8.99%) per annum. During the year ended 31 December 2020, borrowing cost was capitalised as part of the construction in progress in respect of the hotel under construction included in property, plant and equipment.

截至二零二零年十二月三十一日止年度，資本化的借貸成本約人民幣6,055,000元(二零一九年：人民幣15,501,000元)乃由一般借貸組合按加權平均資本化比率每年7.11%(二零一九年：8.99%)產生。截至二零二零年十二月三十一日止年度，借貸成本資本化為物業、廠房及設備所包含的有關在建酒店的在建工程的一部分。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

For the year ended 31 December 2020 截至二零二零年十二月三十一日止年度

11. ALLOWANCE FOR EXPECTED CREDIT LOSSES, NET OF REVERSAL

11. 預期信貸虧損撥備撥回淨額

		2020 二零二零年 RMB'000 人民幣千元	2019 二零一九年 RMB'000 人民幣千元
Expected credit losses recognised/(reversed) on:	以下項目確認/(撥回)的預期信貸虧損：		
— Trade receivables	— 應收賬款	146,947	308,194
— Contract assets	— 合約資產	241	(2,695)
— Other receivables and prepayments	— 其他應收款及預付款	2,768	28,186
		149,956	333,685

Details of impairment assessment for the year ended 31 December 2020 are set out in Note 40(b).

截至二零二零年十二月三十一日止年度減值評估詳情列載於附註40(b)。

12. INCOME TAX EXPENSE

12. 所得稅開支

		2020 二零二零年 RMB'000 人民幣千元	2019 二零一九年 RMB'000 人民幣千元
The charge comprises:	支出包括：		
Current tax	即期稅項		
PRC Enterprise Income Tax ("EIT")	中國企業所得稅 (「企業所得稅」)	2,025	6,119
Deferred taxation (Note 21)	遞延稅項(附註21)	10,004	104,554
		12,029	110,673

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

For the year ended 31 December 2020 截至二零二零年十二月三十一日止年度

12. INCOME TAX EXPENSE (CONTINUED)

12. 所得稅開支(續)

The tax charge for the year can be reconciled to the loss before tax as follows:

年內稅務支出與除稅前虧損對賬如下：

		2020 二零二零年 RMB'000 人民幣千元	2019 二零一九年 RMB'000 人民幣千元
Loss before tax	除稅前虧損	(525,335)	(411,355)
Tax at the PRC EIT rate of 25% (2019: 25%)	按中國企業所得稅稅率25%計算的稅項(二零一九年：25%)	(131,334)	(102,839)
Tax effect of expenses not deductible for tax purpose	不可扣稅開支的稅務影響	6,224	8,020
Tax effect of deductible temporary differences not recognised	未確認的可扣稅臨時差額的稅務影響	100,985	88,019
Land appreciation tax	土地增值稅	9,830	6,648
Tax effect of land appreciation tax	土地增值稅的稅務影響	(2,710)	(1,833)
Tax effect of tax losses not recognised	未確認稅項虧損的稅務影響	29,034	14,326
Tax effect of reversal of deductible temporary differences previously recognised	先前確認的可扣減臨時差額撥回的稅務影響	—	98,332
Tax charge for the year	年內稅務開支	12,029	110,673

(i) PRC EIT

PRC EIT is calculated at 25% of the assessable profits for both years.

(ii) Hong Kong Profits Tax

Hong Kong Profits Tax is calculated at 16.5% of the estimated assessable profits for both years, if any.

No provision for Hong Kong Profits Tax has been made in the consolidated financial statements as the Company and its subsidiaries had no assessable profits arising in or derived from Hong Kong for both years.

(i) 中國企業所得稅

於兩個年度，中國企業所得稅乃按應課稅溢利以稅率25%計算。

(ii) 香港利得稅

於兩個年度，香港利得稅乃按估計應課稅溢利(如有)以稅率16.5%計算。

由於本公司及其附屬公司於兩個年度內並無於香港產生或源自香港的應課稅溢利，故綜合財務報表內並無就香港利得稅作出撥備。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

For the year ended 31 December 2020 截至二零二零年十二月三十一日止年度

13. LOSS FOR THE YEAR

13. 年內虧損

		2020 二零二零年 RMB'000 人民幣千元	2019 二零一九年 RMB'000 人民幣千元
Loss for the year has been arrived at after charging (crediting):	年內虧損已經扣除(計入)下列各項:		
Auditor's remuneration	核數師薪酬	1,648	1,852
Amortisation of other intangible assets	其他無形資產攤銷	333	333
Depreciation of property, plant and equipment	物業、廠房及設備折舊	104,407	105,974
Depreciation of right-of-use assets	使用權資產攤銷	3,942	4,024
Directors' emoluments (Note 14)	董事酬金(附註14)	1,900	1,900
Other staff costs	其他員工成本	40,980	37,919
Retirement benefit scheme contributions, excluding those of Directors	退休福利計劃供款, 不包括董事部分	8,357	5,939
Total staff costs (including equity-settled share-based payment)	員工成本總額(包括權益結算股份支付)	51,237	45,758
Impairment loss on	減值虧損		
— property, plant and equipment	— 物業、廠房及設備	248,130	—
— right-of-use assets	— 使用權資產	5,855	—
		253,985	—
Gain on disposal of property, plant and equipment, net	出售物業、廠房及設備收益淨額	(2,988)	(177)
Sub-contracting charges included in operating cost	計入運營成本的分包費用	113,015	192,894
Gross rental income from investment properties	投資物業租金收入總額	(6,900)	(7,749)
Less: direct operating expenses incurred for investment properties that generated rental income during the year	減: 年內投資物業錄得租金收入產生的直接營運開支	331	488
direct operating expenses incurred for investment properties that did not generate rental income during the year	年內投資物業未錄得租金收入產生的直接營運開支	77	155
		(6,492)	(7,106)

Notes to the Consolidated Financial Statements (Continued) 綜合財務報表附註(續)

For the year ended 31 December 2020 截至二零二零年十二月三十一日止年度

14. DIRECTORS', CHIEF EXECUTIVE OFFICER'S AND EMPLOYEES' EMOLUMENTS

Directors and Chief Executive Officer

Details of the emoluments paid or payable to the Directors and the Chief Executive Officer during the year are as follows:

For the year ended 31 December 2020

		Fees	Salaries and other allowances	Retirement benefit scheme contribution	Sub-total	Share- based payment	Total
		袍金	薪金及 其他津貼	退休福利 計劃供款	小計	股份支付	總計
		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. Liu	劉先生	—	1,200	—	1,200	—	1,200
Mr. Wu Bin (note (i))	伍斌先生(附註(i))	—	—	—	—	—	—
Mr. Wu Xuze	吳旭澤先生	—	—	—	—	—	—
Ms. Zhou	周女士	—	600	—	600	—	600
		—	1,800	—	1,800	—	1,800
Independent Non-Executive Directors:	獨立非執行董事：						
Mr. Chan Ming Sun Jonathan	陳銘樂先生	100	—	—	100	—	100
Mr. Huan Xuedong	還學東先生	—	—	—	—	—	—
Mr. Liang Zequen	梁澤泉先生	—	—	—	—	—	—
		100	—	—	100	—	100
		100	1,800	—	1,900	—	1,900

14. 董事、主要行政人員及僱員酬 金

董事及主要行政人員

年內，已付或應付董事及主要行政人員的酬金詳情如下：

截至二零二零年十二月三十一日止年度

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

For the year ended 31 December 2020 截至二零二零年十二月三十一日止年度

14. DIRECTORS', CHIEF EXECUTIVE OFFICER'S AND EMPLOYEES' EMOLUMENTS (CONTINUED)

Directors and Chief Executive Officer (Continued)

For the year ended 31 December 2019

		Fees	Salaries and other allowances	Retirement benefit scheme contribution	Sub-total	Share-based payment	Total
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
Executive Directors:	執行董事：						
Mr. Liu	劉先生	—	1,200	—	1,200	—	1,200
Mr. Wu Bin (note (i))	伍斌先生(附註(i))	—	—	—	—	—	—
Mr. Wu Xuze	吳旭澤先生	—	—	—	—	—	—
Ms. Zhou	周女士	—	600	—	600	—	600
		—	1,800	—	1,800	—	1,800
Non-Executive Directors:	非執行董事：						
Mr. Liu Longhua (note (iii))	劉龍華先生(附註(iii))	—	—	—	—	—	—
Independent Non-Executive Directors:	獨立非執行董事：						
Mr. Chan Ming Sun Jonathan	陳銘樂先生	100	—	—	100	—	100
Mr. Huan Xuedong	還學東先生	—	—	—	—	—	—
Mr. Liang Zequen	梁澤泉先生	—	—	—	—	—	—
		100	—	—	100	—	100
		100	1,800	—	1,900	—	1,900

Notes:

- (i) Mr. Wu Bin has resigned as the Vice Chairman and an Executive Director on 31 March 2020.
- (ii) Mr. Liu Longhua has resigned as a Non-Executive Director on 8 March 2019.

During the year, there was no arrangement under which a Director waived or agreed to waive any remuneration.

Salaries and other allowance paid to or for the Executive Directors are generally emoluments paid in respect of those persons' other services in connection with the management of the affairs of the Company and its subsidiaries.

14. 董事、主要行政人員及僱員酬金(續)

董事及主要行政人員(續)

截至二零一九年十二月三十一日止年度

		Fees	Salaries and other allowances	Retirement benefit scheme contribution	Sub-total	Share-based payment	Total
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
Executive Directors:	執行董事：						
Mr. Liu	劉先生	—	1,200	—	1,200	—	1,200
Mr. Wu Bin (note (i))	伍斌先生(附註(i))	—	—	—	—	—	—
Mr. Wu Xuze	吳旭澤先生	—	—	—	—	—	—
Ms. Zhou	周女士	—	600	—	600	—	600
		—	1,800	—	1,800	—	1,800
Non-Executive Directors:	非執行董事：						
Mr. Liu Longhua (note (iii))	劉龍華先生(附註(iii))	—	—	—	—	—	—
Independent Non-Executive Directors:	獨立非執行董事：						
Mr. Chan Ming Sun Jonathan	陳銘樂先生	100	—	—	100	—	100
Mr. Huan Xuedong	還學東先生	—	—	—	—	—	—
Mr. Liang Zequen	梁澤泉先生	—	—	—	—	—	—
		100	—	—	100	—	100
		100	1,800	—	1,900	—	1,900

附註：

- (i) 伍斌先生已於二零二零年三月十一日辭去副主席及執行董事職務。
- (ii) 劉龍華先生已於二零一九年三月八日辭去非執行董事職務。

年內，並無董事藉以豁免或同意豁免任何酬金的安排。

支付予執行董事的薪金及其他津貼屬就該等人士為管理本公司及其附屬公司的事務提供的其他服務而支付的一般薪酬。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

For the year ended 31 December 2020 截至二零二零年十二月三十一日止年度

14. DIRECTORS', CHIEF EXECUTIVE OFFICER'S AND EMPLOYEES' EMOLUMENTS (CONTINUED)

Employees

Of the Group's five highest paid individuals during the year, two (2019: two) of them were Directors whose emoluments are presented above. The emoluments of the remaining three (2019: three) highest paid individuals, were as follows:

		2020 二零二零年 RMB'000 人民幣千元	2019 二零一九年 RMB'000 人民幣千元
Salaries and other allowances	薪金及其他津貼	1,218	1,255
Retirement benefit scheme contributions	退休福利計劃供款	80	22
		1,298	1,277

Their emoluments were within the following bands:

		2020 二零二零年 No. of employees 僱員人數	2019 二零一九年 No. of employees 僱員人數
Nil to HK\$1,000,000	零至1,000,000港元	3	3

During both years, no emoluments were paid by the Group to any of the Directors, Chief Executive Officer or the five highest paid individuals (including Directors, Chief Executive Officer and employees) as an inducement to join or upon joining the Group or as compensation for loss of office.

14. 董事、主要行政人員及僱員酬 金(續)

僱員

年內本集團五名最高薪酬僱員中，其中兩名(二零一九年：兩名)為董事，其酬金已於上文呈列。餘下三名(二零一九年：三名)最高薪酬個人的酬金如下：

其酬金在下列組別人數如下：

於兩個年度內，本集團並無向任何董事、主要行政人員或五名最高薪酬個人(包括董事、主要行政人員及僱員)支付任何酬金，以作為其加入或於加入本集團後的獎勵或離職補償。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

For the year ended 31 December 2020 截至二零二零年十二月三十一日止年度

15. LOSS PER SHARE

The calculation of the basic and diluted loss per share attributable to the owners of the Company is based on the following data:

	2020 二零二零年 RMB'000 人民幣千元	2019 二零一九年 RMB'000 人民幣千元
Loss for the year attributable to owners of the Company for the purposes of basic and diluted loss per share	(526,583)	(517,586)

	2020 二零二零年	2019 二零一九年 (Restated) (重列)
Number of shares		
Weighted average number of ordinary shares for the purposes of basic and diluted loss per share (adjusted to reflect share consolidation effective on 9 March 2021 (see Note 33(iii)))	957,170,900	887,737,962

The weighted average number of ordinary shares for the purpose of basic loss per share has been adjusted to reflect the effect of the Share Consolidation as defined in Note 46.

The computation of diluted loss per share for the year ended 31 December 2020 and 31 December 2019 does not assume the exercise of the Company's share options because the exercise price of those share options was higher than the average market price for shares for the period from 20 January 2020 to 31 December 2020 (2019: 1 January 2019 to 10 October 2019). As at 31 December 2020 and 31 December 2019, the Group did not have other potential ordinary shares.

本公司擁有人應佔每股基本及攤薄虧損乃按下列數據計算：

	2020 二零二零年 RMB'000 人民幣千元	2019 二零一九年 RMB'000 人民幣千元
就計算每股基本及攤薄虧損而言的本公司擁有人應佔年內虧損	(526,583)	(517,586)

	2020 二零二零年	2019 二零一九年 (Restated) (重列)
股份數目		
就計算每股基本及攤薄虧損而言的普通股加權平均數(經調整以反映於二零二一年三月九日生效之股份合併(見附註33(iii)))	957,170,900	887,737,962

用作計算每股基本虧損的普通股加權平均數已作出調整，以反映附註46所界定的股份合併的影響。

計算截至二零二零年十二月三十一日及二零一九年十二月三十一日止年度每股攤薄虧損時假設本公司購股權未獲行使，原因是購股權行使價高於二零二零年一月二十日至二零二零年十二月三十一日(二零一九年：二零一九年一月一日至二零一九年十月十日)期間的股份平均市價。於二零二零年十二月三十一日及二零一九年十二月三十一日，本集團並無其他潛在普通股。

16. DIVIDENDS

No dividend was paid or proposed during the year ended 31 December 2020 and 31 December 2019, nor has any dividend been proposed since the end of the reporting period.

16. 股息

於截至二零二零年十二月三十一日及二零一九年十二月三十一日止年度概無派付或建議股息，而自報告期末起亦無建議任何股息。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

For the year ended 31 December 2020 截至二零二零年十二月三十一日止年度

17. PROPERTY, PLANT AND EQUIPMENT

17. 物業、廠房及設備

		Building	Leasehold improvements	Dredgers and vessels	Plant and machinery	Furniture, fittings and office equipment	Motor vehicles	Construction in progress	Total
		樓宇	租賃裝修	挖泥船及船舶	廠房及機器	傢俬、裝置及辦公設備	汽車	在建工程	總計
		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
								(note (ii)) (附註(iii))	
Cost	成本								
At 1 January 2019	於二零一九年一月一日	54,401	244	1,764,767	135,661	2,025	17,472	158,315	2,132,885
Additions	添置	—	—	11,545	1,058	49	296	21,440	34,388
Disposals	出售	—	—	(1,401)	—	—	(352)	—	(1,753)
At 31 December 2019	於二零一九年十二月三十一日	54,401	244	1,774,911	136,719	2,074	17,416	179,755	2,165,520
Additions	添置	—	—	1,314	8,503	—	168	4,212	14,197
Disposals	出售	(8,268)	—	(2,214)	(3,204)	—	(3,844)	—	(17,530)
At 31 December 2020	於二零二零年十二月三十一日	46,133	244	1,774,011	142,018	2,074	13,740	183,967	2,162,187
Accumulated depreciation and impairment	累計折舊及減值								
At 1 January 2019	於二零一九年一月一日	11,084	244	590,873	59,954	1,752	11,818	—	675,725
Provided for the year	年內撥備	2,599	—	87,196	14,017	41	2,121	—	105,974
Eliminated on disposals	出售時對銷	—	—	(1,332)	—	—	(329)	—	(1,661)
At 31 December 2019	於二零一九年十二月三十一日	13,683	244	676,737	73,971	1,793	13,610	—	780,038
Provided for the year	年內撥備	2,206	—	86,570	14,140	49	1,442	—	104,407
Eliminated on disposals	出售時對銷	(2,062)	—	(2,104)	(1,962)	—	(3,348)	—	(9,476)
Impairment loss for the year	年內減值虧損	—	—	221,301	1,551	—	—	25,278	248,130
At 31 December 2020	於二零二零年十二月三十一日	13,827	244	982,504	87,700	1,842	11,704	25,278	1,123,099
Carrying value	賬面值								
At 31 December 2020	於二零二零年十二月三十一日	32,306	—	791,507	54,318	232	2,036	158,689	1,039,088
At 31 December 2019	於二零一九年十二月三十一日	40,718	—	1,098,174	62,748	281	3,806	179,755	1,385,482

The Group's buildings are located in the PRC.

本集團的樓宇均位於中國。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

For the year ended 31 December 2020 截至二零二零年十二月三十一日止年度

17. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

Depreciation is charged so as to write off the cost of assets (other than construction in progress), over their estimated useful lives and after taking into account their estimated residual values, using the straight-line method, on the following bases:

Building	2–4% or over the term of the lease, whichever is shorter
Leasehold improvements	20% or over the term of the lease, whichever is shorter
Dredgers and vessels	5%–6.7%
Plant and machinery	5%–20%
Furniture, fittings and office equipment	10%–33.3%
Motor vehicles	16.7%–20%

Details of property, plant and equipment that are pledged as collateral are set out in Note 36.

Notes:

(i) Impairment assessment

During the year, the continuing challenging market condition has led to segment losses in the Group's capital and reclamation dredging business and environmental protection dredging water management business, the management of the Group reviewed the outlook of the businesses and concluded there was indication for impairment and conducted impairment assessment on recoverable amounts of certain property, plant and equipment and right-of-use assets with carrying amounts before impairment of RMB861,250,000 and RMB5,855,000 respectively, including allocation of corporate assets when reasonable and consistent basis can be established. Impairment losses of RMB253,985,000, representing impairment loss on property, plant and equipment amounting to RMB248,130,000 and impairment loss of right-of-use assets amounting to RMB5,855,000 (see Note 18), were recorded during the year to reduce the carrying value of these property, plant and equipment and right-of-use assets (see Note 18) to their recoverable amounts assuming there is no change of useful life of the property, plant and equipment.

Management regards each dredger and vessel as a separately identifiable cash-generating unit and monitors their financial performance for the existence of impairment indicators, such as idle dredger and vessel and the operating loss generated from the dredger and vessel. The recoverable amount of each vessel and dredger are estimated individually.

17. 物業、廠房及設備(續)

計提折舊以便撇銷按估計可使用年期及經計及按如下基準用直線法估計其剩餘價值後資產(在建工程除外)的成本：

樓宇	2–4%或租賃年期 (以較短者為準)
租賃裝修	20%或租賃年期 (以較短者為準)
挖泥船及船舶	5%–6.7%
廠房及機器	5%–20%
傢俬、裝置及辦公設備	10%–33.3%
汽車	16.7%–20%

抵押為擔保物品的物業、廠房及設備詳情載於附註36。

附註：

(i) 減值評估

年內，持續嚴峻的市場形勢導致本集團的基建及填海疏浚業務以及環保疏浚及水務管理業務出現分部虧損，本集團管理層檢討了該等業務的前景，認為存在減值跡象，並對若干物業、廠房及設備以及使用權資產的可收回金額進行了減值評估，減值前賬面值分別為人民幣861,250,000元及人民幣5,855,000元，包括可確定合理及持續基準時分配企業資產。年內錄得減值虧損人民幣253,985,000元，指物業、廠房及設備減值虧損人民幣248,130,000元及使用權資產減值虧損人民幣5,855,000元(見附註18)，以將該等物業、廠房及設備以及使用權資產(見附註18)的賬面值減至其可收回金額(假設物業、廠房及設備的可使用年期不變)。

管理層將每艘挖泥船及船舶視為一個獨立的可識別的現金產生單位，並監控其財務表現是否存在減值指標，如閒置挖泥船及船舶以及挖泥船及船舶產生的經營損失。每艘船舶及挖泥船的可收回金額均單獨估算。

Notes to the Consolidated Financial Statements (Continued) 綜合財務報表附註(續)

For the year ended 31 December 2020 截至二零二零年十二月三十一日止年度

17. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

Notes: (Continued)

(i) Impairment assessment (Continued)

The recoverable amount of each of the cash-generating unit ("CGU") has been determined based on the higher of value in use and fair value less costs of disposal. During the year, the dredgers and vessels and their related plant and machinery were impaired down to their fair value less costs of disposal.

The Group engages a third party qualified valuer to perform the valuations in arriving the fair value less costs of disposal.

In determining the fair value less costs of disposal of the relevant properties, the Chief Financial Officer of the Company is responsible to determine the appropriateness of valuation techniques and inputs for fair value measurements. The Chief Financial Officer works closely with the qualified external valuer to establish the appropriate valuation techniques and inputs to the model. This valuation requires the use of unobservable inputs and is within Level 3 of the fair value hierarchy. The valuation is based on a market approach under which each vessel is valued with reference to recent sales of comparable dredgers and vessels adjusted for differences in the nature, location, age and condition of the dredgers and vessels.

(ii) Construction in progress

During the year ended 31 December 2020, the hotel under construction with carrying value of construction in progress and right-of-use assets amounted to RMB123,900,000 and RMB75,811,000 as at 31 December 2020 respectively has been suspended for 4 months during the first half of the year due to the impact of COVID-19 and further suspended for 5 months afterwards. The construction of hotel has resumed in October 2020.

17. 物業、廠房及設備(續)

附註：(續)

(i) 減值評估(續)

各現金產生單位(「現金產生單位」)之可收回金額乃根據使用價值與公平值減出售成本之較高者釐定。年內，挖泥船及船舶及其相關廠房及機器已減值至低於其公平值減出售成本。

本集團委聘第三方合資格估值師進行估值，以計算公平值減出售成本。

在釐定相關物業的公平值減出售成本時，本公司財務總監負責確定公平值計量的估值技術及輸入數據是否恰當。財務總監與合資格的外部估值師緊密合作，以確定適當的估值技術及模型的輸入數據。此項估值須使用不可觀察輸入數據，屬於公平值層級的第三級。估值以市場方法為基礎，即參考近期可比較挖泥船及船舶的銷售情況，按挖泥船及船舶的性質、位置、使用年限及狀況的差異作出調整，對每艘船舶進行估值。

(ii) 在建工程

截至二零二零年十二月三十一日止年度，受COVID-19的影響，於二零二零年十二月三十一日在建工程及使用權資產賬面值分別為人民幣123,900,000元及人民幣75,811,000元的在建酒店已於上半年停工四個月，其後繼續停工五個月。酒店建設已於二零二零年十月復工。

**Notes to the Consolidated
Financial Statements (Continued)**
綜合財務報表附註(續)

For the year ended 31 December 2020 截至二零二零年十二月三十一日止年度

18. RIGHT-OF-USE ASSETS

18. 使用權資產

		Leasehold lands	Dredger	Leased property	Total
		租賃土地	挖泥船	已租賃物業	總計
		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
As at 31 December 2020	於二零二零年 十二月三十一日				
Carrying amount	賬面值	89,723	—	2,408	92,131
Impairment loss (Note 17)	減值虧損(附註17)	(5,855)	—	—	(5,855)
		83,868	—	2,408	86,276
As at 31 December 2019	於二零一九年 十二月三十一日				
Carrying amount	賬面值	92,514	2,010	67	94,591
For the year ended 31 December 2020	截至二零二零年 十二月三十一日止年度				
Depreciation charge	折舊費	2,792	79	1,071	3,942
For the year ended 31 December 2019	截至二零一九年 十二月三十一日止年度				
Depreciation charge	折舊費	2,792	1,205	27	4,024
				2020	2019
				二零二零年	二零一九年
				RMB'000	RMB'000
				人民幣千元	人民幣千元
Total cash outflow for leases	租賃現金流出總額			1,203	1,330
Additions to right-of-use assets	添置使用權資產			2,587	94

Notes to the Consolidated Financial Statements (Continued) 綜合財務報表附註(續)

For the year ended 31 December 2020 截至二零二零年十二月三十一日止年度

18. RIGHT-OF-USE ASSETS (CONTINUED)

For both years, the Group leases dredger and property for its operations. Lease contracts are entered into for fixed terms of 2 to 3 years. Lease terms are negotiated on an individual basis and contained a wide range of different terms and conditions. In determining the lease terms and assessing the length of the non-cancellable period, the Group applies the definition of a contract and determines the period for which the contract is enforceable.

During the year ended 31 December 2020, the Group has terminated a lease contract for a dredger as at 30 September 2020, its right-of-use asset amounting to RMB1,159,000 and lease liability amounting to RMB1,105,000 have accordingly written off.

The Group entered into short-term leases for office premises and transportation vessels. As at 31 December 2020 and 31 December 2019, the portfolio of short-term leases is similar to the portfolio of short-term leases to which the short-term lease expense disclosed in Note 34.

The leasehold lands are located in Yancheng Jiangsu, PRC, and the land use rights are held for a term expiring on 2052 and 2064.

18. 使用權資產(續)

兩個年度內，本集團租賃挖泥船及物業進行其營運。簽訂租賃合約的固定期限為2至3年。租賃條款乃根據個別情況協商確定，其中包含各種不同的條款和條件。本集團在確定租賃條款及評估不可撤銷期限時，採用合約的定義並確定合約可強制執行的期限。

截至二零二零年十二月三十一日止年度，本集團於二零二零年九月三十日終止了一艘挖泥船的租賃合約，其使用權資產為人民幣1,159,000元，租賃負債為人民幣1,105,000元，已相應註銷。

本集團就辦公室物業及運輸船舶訂立短期租賃。於二零二零年十二月三十一日及二零一九年十二月三十一日，短期租賃組合類似於在附註34中披露的短期租賃費用的短期租賃組合。

租賃土地位於中國江蘇鹽城，土地使用權的持有期限於二零五二年及二零六四年屆滿。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

For the year ended 31 December 2020 截至二零二零年十二月三十一日止年度

19. INVESTMENT PROPERTIES

19. 投資物業

		RMB'000 人民幣千元
At 1 January 2019, at fair value	於二零一九年一月一日，按公平值	470,786
Changes in fair value recognised in the consolidated statement of profit and loss	於綜合損益表內確認的公平值變動	(6,286)
At 31 December 2019 and 1 January 2020, at fair value	於二零一九年十二月三十一日及二零二零年一月一日，按公平值	464,500
Changes in fair value recognised in the consolidated statement of profit and loss	於綜合損益表內確認的公平值變動	19,400
At 31 December 2020, at fair value	於二零二零年十二月三十一日，按公平值	483,900

The Group's property interests are held to earn rentals which are measured using the fair value model and are classified and accounted for as investment properties.

本集團持有的物業權益乃為賺取租金，並以公平值模式計量，並歸類及入賬為投資物業。

In determining the fair value of the relevant properties, the Chief Financial Officer of the Company is responsible to determine the appropriateness of valuation techniques and inputs for fair value measurements.

於釐定相關物業的公平值時，本公司財務總監負責就公平值計量釐定適合的估值技術及輸入數據。

The Group engages a third party qualified valuer to perform the valuation. The Chief Financial Officer works closely with the qualified external valuer to establish the appropriate valuation techniques and inputs to the model. The Chief Financial Officer reports the findings to the directors of the Company to explain the cause of fluctuations in the fair value of the assets. The fair value of the Group's investment properties as at 31 December 2020 and 31 December 2019 has been arrived at on the basis of a valuation carried out on the respective dates, an independent qualified professional valuer not connected to the Group.

本集團已委聘第三方合資格估值師進行估值。財務總監與合資格外部估值師緊密共事，以就模型設立適合的估值技術及輸入數據。財務總監向本公司董事匯報調查結果，以解釋資產公平值波動的原因。於二零二零年十二月三十一日及二零一九年十二月三十一日，本集團投資物業的公平值乃基於在有關日期通過一間與本集團並無關連的獨立合資格專業估值公司進行的估值而達致。

The fair value of the Group's investment properties is categorised as level 3 of the fair value hierarchy. There were no transfer into or out of level 3 during the year. In estimating the fair value of the properties, the highest and best use of the properties is the current use.

本集團的投資物業公平值分類為公平值層級的第三層。年內第三層間並無轉入或轉出。在估計物業的公平值時，物業的最高及最佳用途為其當前用途。

Notes to the Consolidated Financial Statements (Continued) 綜合財務報表附註(續)

For the year ended 31 December 2020 截至二零二零年十二月三十一日止年度

19. INVESTMENT PROPERTIES (CONTINUED)

19. 投資物業(續)

	Valuation technique(s)	Significant unobservable input(s)	Relationship of unobservable inputs to fair value
	估值技術	重大不可觀察輸入數據	不可觀察數據與公平值的關係
Shopping mall located in Yancheng, the PRC	Income capitalised approach The key inputs are (i) Estimated unit price (ii) Capitalisation rate	Price per square meter, using market direct comparable and taking into account of location and other individual factors, which is RMB7,150 (2019: RMB7,000) per square meter. Capitalisation rate, taking into account of rate generated by market, of 5.0% (2019: 5.0%)	The higher the unit price, the higher the market value The lower the capitalisation rate, the higher the market value
位於中國鹽城市的商場	收益資本化法 主要輸入數據為 (i) 估計單位價格 (ii) 資本化率	每平方米價格，採用市場直接比較並計及位置及其他個別因素，為每平方米人民幣7,150元(二零一九年：人民幣7,000元)。 資本化率，經計及市場產生的比率，為5.0%(二零一九年：5.0%)	單位價格越高，市場價值越高 資本化率越低，市場價值越高
Factories located in Yancheng, the PRC	Income capitalised approach The key inputs are (i) Estimated unit rental (ii) Capitalisation rate	Rental per square meter per month, using market direct comparable and taking into account of location and other individual factors, which is RMB10.7 (2019: RMB10.5) per square meter per month Capitalisation rate, taking into account of rate generate by market, of 5.5% (2019: 5.5%)	The higher the unit rental, the higher the market value The lower the capitalisation rate, the higher the market value
位於中國鹽城市的工廠	收益資本化法 主要輸入數據為 (i) 估計單位租金 (ii) 資本化率	每月每平方米租金，採用市場直接比較並計及位置及其他個別因素，為每月每平方米人民幣10.7元(二零一九年：人民幣10.5元) 資本化率，經計及市場產生的比率，為5.5%(二零一九年：5.5%)	單位租金越高，市場價值越高 資本化率越低，市場價值越高

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

For the year ended 31 December 2020 截至二零二零年十二月三十一日止年度

20. INTEREST IN AN ASSOCIATE

20. 於一間聯營公司的權益

		2020 二零二零年 RMB'000 人民幣千元	2019 二零一九年 RMB'000 人民幣千元
Cost of investment in an associate	於一間聯營公司的投資成本	150	—
Share of post-acquisition loss and other comprehensive expenses	分佔收購後虧損及其他全面支出	—	—
		150	—

Details of the Group's associate at 31 December 2020 and 2019 are as follows:

本集團於二零二零年及二零一九年十二月三十一日之聯營公司之詳情如下：

Name of entity 實體名稱	Country of incorporation/ registration 成立/註冊國家	Principal place of business 主要營業地點	Proportion of ownership interest 所有者權益佔比		Proportion of voting rights held by the Group 本集團持有之投票權比率		Principal activity 主要業務
			2020 二零二零年	2019 二零一九年	2020 二零二零年	2019 二零一九年	
Jiangsu Longxiang Harbour Engineering Company Limited*	PRC	PRC	30%	—	30%	—	Provision of marine hoisting and installation
江蘇龍祥航務工程有限公司	中國	中國	30%	—	30%	—	提供海上起重及安裝

* for identification only

* 僅供識別

The associate is unlisted and accounted for using the equity method in the consolidated financial statements and the proportion of ownership interest is the same as the proportion of voting rights held. The associate was incorporated on 30 November 2020 and has yet to start its operation as at year ended 31 December 2020.

聯營公司為非上市公司，在綜合財務報表中採用權益法入賬，所有者權益佔比與所持表決權佔比相同。聯營公司於二零二零年十一月三十日註冊成立，截至二零二零年十二月三十一日止年度尚未開始運營。

Notes to the Consolidated Financial Statements (Continued) 綜合財務報表附註(續)

For the year ended 31 December 2020 截至二零二零年十二月三十一日止年度

21. DEFERRED TAX ASSETS/DEFERRED TAX LIABILITIES

The following are the major deferred tax assets and (deferred tax liabilities) recognised and movements thereon during the current and prior year:

		Allowance for doubtful debts/ECL provisions	Fair value adjustment of property, plant and equipment on acquisition of subsidiaries 收購附屬 公司時物業、 廠房及設備 公平值調整	Fair value adjustment of investment properties 投資物業 公平值調整	Total
		呆賬撥備/ 預期信貸 虧損準備 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 1 January 2019 (Charged)/credited to profit or loss (Note 12)	於二零一九年一月一日 (扣除)/計入自損益 (附註 12)	98,332	(11,034)	—	87,298
		(98,332)	1,620	(7,842)	(104,554)
At 31 December 2019	於二零一九年十二月 三十一日	—	(9,414)	(7,842)	(17,256)
Credited/(charged) to profit or loss (Note 12)	(扣除)/計入自損益 (附註 12)	—	1,590	(11,594)	(10,004)
At 31 December 2020	於二零二零年十二月 三十一日	—	(7,824)	(19,436)	(27,260)

At the end of the reporting period, the aggregate amount of temporary differences associated with undistributed earnings of subsidiaries for which deferred tax liabilities have not been recognised was RMB235,237,000 (2019: RMB311,655,000). No liability has been recognised in respect of these differences because the Group is in a position to control the timing of the reversal of the temporary differences and it is probable that such differences will not be reversed in the foreseeable future.

At the end of the reporting period, the Group has unused tax loss of RMB146,722,000 (2019: RMB108,554,000), no deferred tax asset has been recognised for the unused tax loss due to unpredictability of future profit streams for both years.

21. 遞延稅項資產/遞延稅項負債

以下為本年度及過往年度的主要已確認遞延稅項資產及(遞延稅項負債)，以及其變動：

		Allowance for doubtful debts/ECL provisions	Fair value adjustment of property, plant and equipment on acquisition of subsidiaries 收購附屬 公司時物業、 廠房及設備 公平值調整	Fair value adjustment of investment properties 投資物業 公平值調整	Total
		呆賬撥備/ 預期信貸 虧損準備 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 1 January 2019 (Charged)/credited to profit or loss (Note 12)	於二零一九年一月一日 (扣除)/計入自損益 (附註 12)	98,332	(11,034)	—	87,298
		(98,332)	1,620	(7,842)	(104,554)
At 31 December 2019	於二零一九年十二月 三十一日	—	(9,414)	(7,842)	(17,256)
Credited/(charged) to profit or loss (Note 12)	(扣除)/計入自損益 (附註 12)	—	1,590	(11,594)	(10,004)
At 31 December 2020	於二零二零年十二月 三十一日	—	(7,824)	(19,436)	(27,260)

於報告期末，與該等並無確認遞延稅項負債的附屬公司的未分配盈利有關的臨時差額總額為人民幣235,237,000元(二零一九年：人民幣311,655,000元)。由於本集團可控制臨時差額的撥回時間，而該等差額預期於可見將來不會撥回，因此並無就該等差額確認負債。

於報告期末，本集團的未動用稅項虧損為人民幣146,722,000元(二零一九年：人民幣108,554,000元)，由於無法預測兩個年度的未來溢利來源，故並無就未動用稅項虧損確認遞延稅項資產。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

For the year ended 31 December 2020 截至二零二零年十二月三十一日止年度

21. DEFERRED TAX ASSETS/DEFERRED TAX LIABILITIES (CONTINUED)

At the end of the reporting period, the Group has deductible temporary differences of RMB1,109,347,000 (2019: RMB705,406,000) not recognised. As at 31 December 2019, the Group had reversed deferred tax assets of RMB98,332,000 in respect of other deductible temporary differences of RMB393,329,000 recognised in previous years, which in the opinion of the Directors, are not probable to be utilised in the foreseeable future taking into account the fact that no sufficient taxable profits will be available. Accordingly, no deferred tax asset has been recognised in relation to such deductible temporary difference as at 31 December 2020 and 2019.

An analysis of the expiry dates of the unused tax losses is as follows:

21. 遞延稅項資產／遞延稅項負債 (續)

於報告期末，本集團有可扣稅臨時差額人民幣1,109,347,000元(二零一九年：人民幣705,406,000元)未確認。於二零一九年十二月三十一日，本集團就以往年度確認的其他可扣稅臨時差額人民幣393,329,000元撥回遞延稅項資產人民幣98,332,000元，考慮到並無足夠應課稅溢利，董事認為於可見將來不大可能被動用。因此，於二零二零年及二零一九年十二月三十一日，並無就有關可扣稅臨時差額確認遞延稅項資產。

未使用稅項虧損到期日分析如下：

		2020 二零二零年 RMB'000 人民幣千元	2019 二零一九年 RMB'000 人民幣千元
Within 1 to 4 years	一至四年內	81,022	51,253
Within the 5th year	五年內	65,700	57,301
		146,722	108,554

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

For the year ended 31 December 2020 截至二零二零年十二月三十一日止年度

22. TRADE AND OTHER RECEIVABLES AND PREPAYMENTS

22. 應收賬款及其他應收款以及預 付款

		2020 二零二零年 RMB'000 人民幣千元	2019 二零一九年 RMB'000 人民幣千元
Non-current:	非即期：		
Value-added tax recoverable (note (iii))	可收回增值稅(附註(iii))	2,582	2,338
Prepayment for construction of the Vessel and the Equipment (note (v))	建造船舶及設備的預付款(附註(v))	129,071	—
Prepayment (note (vi))	預付款項(附註(vi))	13,818	—
		145,471	2,338
Current:	即期：		
Trade receivables	應收賬款	1,633,251	1,766,712
Less: Allowance for credit losses	減：信貸虧損撥備	(1,136,100)	(989,153)
Trade receivable, net of expected credit losses (note (i))	應收賬款·扣除預期信貸虧損(附註(i))	497,151	777,559
Bills receivable (note (ii))	應收票據(附註(ii))	21,516	7,472
Government financial incentive receivables, net (note (iv))	應收政府財政獎勵淨額(附註(iv))	6,017	14,636
Prepayments, net (note (vi))	預付款項淨額(附註(vi))	30,177	42,156
Deposits, net (note (iv))	按金淨額(附註(iv))	17,030	13,187
Others, net (note (iv))	其他淨額(附註(iv))	4,863	8,650
		576,754	863,660
		722,225	865,998

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

For the year ended 31 December 2020 截至二零二零年十二月三十一日止年度

22. TRADE AND OTHER RECEIVABLES AND PREPAYMENTS (CONTINUED)

Notes:

- (i) Before accepting any new customer, the Group assesses the potential customer's credit quality and defines its credit limits based on reputation of the customers within the industry.

The Group prepares an aged analysis for its trade receivable based on the dates when the Group and the customers agreed on the quantum of the services rendered, as evidenced by progress certificates. Periodic statements are issued and agreed by the customers for the services rendered for the customers. Most of the contracts require the customers to make monthly progress payments with reference to the quantum of the services completed (typically 95% of the quantum of the services completed in the previous month) within 30 days to 90 days after the issuance of the progress certificate. According to these contracts, the remaining balance (typically 5% of the quantum of the services completed) is kept as retention money and is to be paid by the customers within thirty to sixty days after (a) the project is completed and (b) accepted by the customers.

A contract asset, is recognised over the period in which the construction services are performed representing the Group's right to consideration for the services performed because the rights are conditioned on (a), (b) and expiration of defect liability period. The contract assets are transferred to trade receivables when the rights become unconditional.

Retention receivables, prior to expiration of defect liability period, are classified as contract assets, which range from 30 to 365 days after (a) and (b) are fulfilled. The relevant amount of contract asset is reclassified to trade receivables when the defect liability period expires. The defect liability period serves as an assurance that the construction services performed comply with agreed-upon specifications and such assurance cannot be purchased separately. The timing of payment patterns give rise to retention receivables which are subject to performance risks but not only the passage of time before the retention receivables are due. The Group's right on the retention receivables is conditional and thus the entire amount of retention receivables amounted to RMB25,047,000 after allowance of credit losses of RMB419,000 as at 31 December 2020 (2019: RMB11,613,000 after allowance of credit losses of RMB178,000) are classified as contract assets, details of contract assets are stated in Note 24.

22. 應收賬款及其他應收款以及預付款(續)

附註：

- (i) 於接納任何新客戶前，本集團基於客戶於行業內的聲譽評估該潛在客戶的信貸質素及設定其信貸限額。

本集團基於本集團與客戶協定就所提供服務量的日期(由進度證書證明)編製其應收賬款的賬齡分析。期間報表經客戶同意就向客戶提供的服務而由客戶發出。大部分合同需客戶於發出進度證書後三十日至九十日內參考完成服務量(通常為上月完成服務量的95%)支付月度進度付款。根據該等合同，餘額(通常為完成服務量的5%)作為留存款項保留，由客戶於(a)項目完成及(b)客戶接納後三十至六十日內支付。

合約資產於履行本集團收取服務代價的建築服務期間確認，因為權利以(a)、(b)及缺陷責任期滿為前提條件。合約資產於無條件享有權利時轉為應收賬款。

應收保固金於缺陷責任期屆滿前分類為合約資產，自(a)及(b)獲滿足日期起介乎30至365日。當缺陷責任期屆滿時，合約資產的有關金額重新分類為應收賬款。缺陷責任期用於保證所執行的施工服務符合協定的規格，且該保險不能單獨購買。付款時間安排方式可能產生應收保固金，而可能存在行使風險，但不僅限於應收保固金到期前的過期風險。於二零二零年十二月三十一日，本集團獲得應收保固金全部金額人民幣25,047,000元(已扣除信貸虧損撥備人民幣419,000元)(二零一九年：人民幣11,613,000元(已扣除信貸虧損撥備人民幣178,000元))的權利設有前提條件，因此應收保固金分類為合約資產，合約資產詳情載於附註24。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

For the year ended 31 December 2020 截至二零二零年十二月三十一日止年度

22. TRADE AND OTHER RECEIVABLES AND PREPAYMENTS (CONTINUED)

Notes: (Continued)

(i) (Continued)

The aged analysis of the Group's trade receivable, prepared based on the dates of certification of work done, which approximate the respective revenue recognition dates (net of credit losses for trade receivable), at the end of each reporting period is as follows:

Aged analysis of the Group's trade receivable, net of ECL

		2020 二零二零年 RMB'000 人民幣千元	2019 二零一九年 RMB'000 人民幣千元
0-30 days	0至30天	68,224	62,555
31-60 days	31至60天	9,690	45,113
61-90 days	61至90天	3,094	4,110
91-180 days	91至180天	9,413	23,492
181-365 days	181至365天	42,336	123,490
1 year-2 years	1年至2年	74,573	224,859
Over 2 years	超過2年	289,821	293,940
		497,151	777,559

Up to the date of approval of the consolidated financial statements, there were subsequent settlement of trade receivables amounting to RMB83,348,000 (2019: RMB120,522,000) being received by the Group.

The estimated loss rates for ECL calculations 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 the management to ensure relevant information about specific debtors is updated.

Included in trade receivables as at 31 December 2020 was a gross carrying amount of approximately RMB42,803,000 (31 December 2019: RMB48,803,000) due from a customer of which the related dredging project has been suspended since January 2014 due to change in use of relevant reclaimed areas by the Government. The customer has signed an agreement with the Group to repay RMB40,000,000 before 31 December 2016 but failed to fulfil the payment. During the year ended 31 December 2020, an amount of RMB6,000,000 (2019: nil) was received. Accordingly, the accumulative allowance of credit losses as at 31 December 2020 amounted to RMB42,803,000 (2019: RMB48,803,000) and reversal of expected credit losses of RMB6,000,000 were recognised for the year ended 31 December 2020.

22. 應收賬款及其他應收款以及預付款(續)

附註：(續)

(i) (續)

於各報告期末，根據工程完成後通過核證的日期(接近於相關收益的確認日期)而編製的本集團應收賬款(扣除應收賬款信貸虧損)的賬齡分析如下：

本集團應收賬款賬齡分析(扣除預期信貸虧損)

		2020 二零二零年 RMB'000 人民幣千元	2019 二零一九年 RMB'000 人民幣千元
0-30 days	0至30天	68,224	62,555
31-60 days	31至60天	9,690	45,113
61-90 days	61至90天	3,094	4,110
91-180 days	91至180天	9,413	23,492
181-365 days	181至365天	42,336	123,490
1 year-2 years	1年至2年	74,573	224,859
Over 2 years	超過2年	289,821	293,940
		497,151	777,559

截至綜合財務報表獲批准日期止，本集團已收取結算日後結付的應收賬款為人民幣83,348,000元(二零一九年：人民幣120,522,000元)。

預期信貸虧損計算估計虧損率乃基於債務人於預期年期的過往觀察所得違約率估計，並按毋需不必要成本或努力可取得的前瞻性資料作調整。分組由管理層定期審核，以確保特定債務人相關資料已更新。

於二零二零年十二月三十一日的應收賬款包括應收一名客戶(其相關疏浚項目自二零一四年一月起因政府更改相關填海區的用途而暫停)的款項總賬面值約人民幣42,803,000元(二零一九年十二月三十一日：人民幣48,803,000元)。該客戶與本集團已簽訂協議，以於二零一六年十二月三十一日前償還人民幣40,000,000元，但並未實現付款。於截至二零二零年十二月三十一日止年度，已收取人民幣6,000,000元(二零一九年：零)的款項。因此，於二零二零年十二月三十一日，累計信貸虧損撥備為人民幣42,803,000元(二零一九年：人民幣48,803,000元)，截至二零二零年十二月三十一日止年度，確認預期信貸虧損撥回人民幣6,000,000元。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

For the year ended 31 December 2020 截至二零二零年十二月三十一日止年度

22. TRADE AND OTHER RECEIVABLES AND PREPAYMENTS (CONTINUED)

Notes: (Continued)

(i) (Continued)

Included in trade receivables as at 31 December 2020 was a gross carrying amount of approximately RMB353,191,000 (31 December 2019: RMB362,079,000) due from customers who are large state-owned enterprise or local governments which the respective projects were already completed. During the year ended 31 December 2020, an amount of RMB11,626,000 (2019: RMB19,275,000) was received. Considering the repayment pattern and the credibility of respective customers, the accumulative allowance of credit losses as at 31 December 2020 amounted to RMB295,418,000 (2019: RMB259,666,000) was recognised at end of reporting period, representing an addition of RMB35,752,000 being recognised for the year ended 31 December 2020.

(ii) The aged analysis of the Group's bills receivable, presented based on the relevant dates of certification of work done, is as follows:

Aged analysis of the Group's bills receivable

		2020 二零二零年 RMB'000 人民幣千元	2019 二零一九年 RMB'000 人民幣千元
0-30 days	0至30天	—	590
31-60 days	31至60天	38	2,150
61-90 days	61至90天	3,500	—
91-180 days	91至180天	11,000	4,030
Over 180 days	超過180天	6,978	702
		21,516	7,472

(iii) VAT paid of approximately RMB2,582,000 (2019: RMB2,338,000) by the Group in connection with its construction-in-progress could be setoff against future value added tax payable generated from the Group. The amount is not expected to be recovered within one year from the end of reporting, and is accordingly classified as non-current.

22. 應收賬款及其他應收款以及預付款(續)

附註：(續)

(i) (續)

於二零二零年十二月三十一日，應收賬款賬面總額約為人民幣353,191,000元(二零一九年十二月三十一日：人民幣362,079,000元)的應收客戶款項，該等客戶為大型國有企業或地方政府且有相關項目已完成。截至二零二零年十二月三十一日止年度，已收到金額人民幣11,626,000元(二零一九年：人民幣19,275,000元)。經計及各客戶的還款模式及信譽度，於二零二零年十二月三十一日的累計信貸虧損撥備人民幣295,418,000元(二零一九年：人民幣259,666,000元)於報告期末確認，較截至二零二零年十二月三十一日止年度確認金額增加人民幣35,752,000元。

(ii) 基於竣工證書之相關日期所呈列之本集團應收票據的賬齡分析如下：

本集團應收票據賬齡分析

(iii) 本集團就其在建工程所支付的增值稅約人民幣2,582,000元(二零一九年：人民幣2,338,000元)可用於抵銷本集團將來產生的應付增值稅。由於預期該筆款項不可於報告期末起計一年內收回，故分類為非流動。

Notes to the Consolidated Financial Statements (Continued) 綜合財務報表附註(續)

For the year ended 31 December 2020 截至二零二零年十二月三十一日止年度

22. TRADE AND OTHER RECEIVABLES AND PREPAYMENTS (CONTINUED)

Notes: (Continued)

- (iv) The aggregate carrying amount of government financial incentive receivable, deposits and other receivables were RMB27,910,000 (2019: RMB36,473,000). During the year ended 31 December 2020, an allowance of expected credit loss of RMB827,000 (2019: RMB786,000) was recognised.

Details of impairment assessment of other receivables for the year ended 31 December 2020 are set out in Note 40 (b).

- (v) RMB129,071,000 (2019: nil) is a prepayment to a Constructor (defined as below). On 1 June 2020, a wholly owned subsidiary of the Company (the "Subsidiary"), entered into a hoisting service contract with a customer who is an independent third party of the Group (the "Customer") which the Group agreed to provide the Customer with hoisting services for 4 years from the completion of construction of the Vessel and the Equipment (defined as below) at a monthly service income of RMB6,800,000 (the "Monthly Service Income"), with the total service contract sum of RMB326,400,000 (the "Hoisting Service Agreement").

On 11 June 2020, the Subsidiary entered into 2 agreements with a constructor, who is an independent third party of the Group (the "Constructor") to construct a vessel (the "Vessel") and to install equipment on the Vessel (the "Equipment") (the "Construction Agreements"). The total construction cost for the Vessel and the Equipment is approximately RMB226,748,000 in which the 1st instalment of the Construction Agreements is RMB28,836,000, and the Subsidiary already paid the Constructor RMB15,836,000 on 23 July 2020. It is expected by the management of the Group that the construction of the Vessel and the Equipment will be completed in June 2021 and the Subsidiary is obligated to pay a further RMB13,000,000 upon its completion in accordance with the Construction Agreements.

On 23 July 2020, the Subsidiary and the Constructor entered into 2 agreements with a financing company, who is an independent third party of the Group (the "Financing Company"), all parties agreed the Subsidiary would transfer its right and obligation on the Construction Agreements to the Financing Company, the unpaid contract sum of Construction Agreements, i.e. 2nd to 4th instalments amounting to RMB197,912,000 ("Unpaid Cost"), shall be borne by the Financing Company.

22. 應收賬款及其他應收款以及預付款(續)

附註：(續)

- (iv) 應收政府財政獎勵、按金及其他應收款項總賬面值為人民幣27,910,000元(二零一九年：人民幣36,473,000元)。截至二零二零年十二月三十一日止年度，確認預期信貸虧損撥備人民幣827,000元(二零一九年：人民幣786,000元)。

有關截至二零二零年十二月三十一日止年度的其他應收款及預付款項的減值評估詳情載於附註40(b)。

- (v) 人民幣129,071,000元(二零一九年：零)為付予一名建造商(定義見下文)的預付款。於二零二零年六月一日，本公司的一間全資附屬公司(「附屬公司」)與身為本集團獨立第三方的一位客戶(「客戶」)訂立起重服務合約，據此，本集團同意，自完成建造船舶及設備(定義見下文)起四年內向該客戶提供起重服務，每月服務收入為人民幣6,800,000元(「每月服務收入」)，服務合約總金額為人民幣326,400,000元(「起重服務合約」)。

於二零二零年六月十一日，該附屬公司與一名建造商(其為本集團的一名獨立第三方)(「建造商」)訂立2份協議，以建造一隻船舶(「船舶」)並於船舶上安裝設備(「設備」)(「建造協議」)。船舶及設備的建造總成本為約人民幣226,748,000元，其中建造協議第1期分期付款為人民幣28,836,000元，且該附屬公司於二零二零年七月二十三日向該建造商支付人民幣15,836,000元。本集團管理層預期建造船舶及設備將於二零二一年六月竣工，且該附屬公司須根據建造協議於竣工後進一步支付人民幣13,000,000元。

於二零二零年七月二十三日，該附屬公司及該建造商與一間融資公司(其為本集團的一名獨立第三方)(「融資公司」)訂立2份協議，三方均同意該附屬公司向該融資公司轉讓建造協議的權利及責任，建造協議的未付合約總額(即第2期至第4期分期付款)人民幣197,912,000元(「未付成本」)由該融資公司承擔。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

For the year ended 31 December 2020 截至二零二零年十二月三十一日止年度

22. TRADE AND OTHER RECEIVABLES AND PREPAYMENTS (CONTINUED)

Notes: (Continued)

(v) (Continued)

On 23 July 2020, the Subsidiary entered into 2 finance lease agreements with the Financing Company pursuant to which the Financing Company would finance the Unpaid Cost to the Constructor during the construction period for the construction of Vessel and the Equipment by the Subsidiary. As at 31 December 2020, the Financing Company has paid RMB50,526,000 and RMB60,446,000 on 10 August 2020 and 30 October 2020 respectively on behalf of the Subsidiary. Interest on these amounts are accrued at 8% in arrears and amounting to RMB2,263,000 for the year ended 31 December 2020.

In order to fulfil the payment obligations for the financing service, the Subsidiary and the Financing Company have entered into the following arrangement such that (a) the Subsidiary would rent the Vessel and the Equipment from the Financing Company at a monthly rental of RMB4,785,000 for 4 years (the "Monthly Rental") from the completion of the construction of the Vessel and the Equipment, so that the Group can provide the hoisting service to the Customer in accordance with the Hoisting Service Agreement, inducing the total future undiscounted cash outflows over the 4-year non-cancellable lease period amounted to RMB229,680,000; (b) A deposit amounting to RMB3,958,000 (see Note 23) was paid by the Subsidiary to the Financing Company on 1 August 2020 for the rental arrangement mentioned above. From the completion of construction of the Vessel and Equipment and during the 4-year lease term, the ownership of the Vessel and Equipment belongs to the Financing Company and at the end of the 4-year lease term, the Subsidiary has an option to purchase the Vessel and the Equipment from the Financing Company at RMB200.

Another vessel of the Group with carrying value amounted to RMB21,677,000 as at 31 December 2020, has been pledged to the Financing Company to secure the arrangement (see Note 36). Mr. Liu and Ms. Zhou have also provided personal guarantees to secure the arrangement (see Note 38 (ii)).

22. 應收賬款及其他應收款以及預付款(續)

附註：(續)

(v) (續)

於二零二零年七月二十三日，該附屬公司與該融資公司訂立2份融資租賃協議，據此，該融資公司會於該附屬公司建造船舶及設備的建造期間向該建造商支付未付成本。於二零二零年十二月三十一日，該融資公司已分別於二零二零年八月十日及二零二零年十月三十日代表該附屬公司支付人民幣50,526,000元及人民幣60,446,000元。截至二零二零年十二月三十一日止年度，該等金額的利息乃按拖欠款項的8%累計，達人民幣2,263,000元。

為履行融資服務的付款責任，該附屬公司及該融資公司已訂立下列安排：(a)該附屬公司將自完成建造船舶及設備4年內以每月人民幣4,785,000元的租金（「每月租金」）自該融資公司租賃船舶及設備，使本集團可根據起重服務合約向該客戶提供起重服務，包括於4年不可撤銷租賃期內未來未貼現現金流出總額達人民幣229,680,000元；(b)就上述租賃安排而言，按金人民幣3,958,000元（見附註23）已由該附屬公司於二零二零年八月一日向該融資公司支付。自完成建造船舶及設備至4年租賃內，船舶及設備的所有權歸融資公司所有，於4年租期末，該附屬公司可選擇以人民幣200元自融資公司購買船舶及設備。

於二零二零年十二月三十一日，本集團賬面值人民幣21,677,000元的另一船舶已抵押予融資公司以擔保該安排（見附註36）。劉先生及周女士亦已提供個人擔保以擔保該安排（見附註38(ii)）。

Notes to the Consolidated Financial Statements (Continued) 綜合財務報表附註(續)

For the year ended 31 December 2020 截至二零二零年十二月三十一日止年度

22. TRADE AND OTHER RECEIVABLES AND PREPAYMENTS (CONTINUED)

Notes: (Continued)

(v) (Continued)

On 23 July 2020, the Subsidiary and the Financing Company also entered into an entrusted payment contract that the Subsidiary entrusts the Customer to pay the Financing Company the Monthly Rental directly. However, if the Customer fails to repay the Monthly Rental, the Subsidiary has the obligation to repay the Financing Company the amount in full. On the same date, the Subsidiary and the Financing Company entered into an agreement to set up a restricted bank account (the "Account") for the Customer to deposit the excess of Monthly Service Income net with the Monthly Rental in the Account, i.e. RMB2,015,000 per month, and the Financing Company has the right to withdraw the excess directly from the Account, in order to fulfil the Monthly Rental obligation. The Account is pledged to the Financing Company to secure the repayment of the Monthly Rental.

In the opinion of the Directors of the Company, the above arrangement with the Financing Company was just a financial arrangement for the Group to obtain the Vessel and the Equipment. As at 31 December 2020, the Financing Company and the Subsidiary paid a total of RMB110,972,000 and RMB15,836,000 respectively, amounting to RMB126,808,000 in aggregate to the Constructor over the construction period in accordance with specified milestones, representing a prepayment of the Group whilst its financial arrangement with the Financing Company represents an other borrowing of the Group as set out in Note 30.

Details of impairment assessment of prepayments for the year ended 31 December 2020 are set out in Note 40 (b).

(vi) Prepayments of the Group comprise of RMB30,177,000 the Group paid for the chartering cost, docking costs and fuel cost for both PRC and overseas projects; and RMB13,818,000 for prepayment of purchase of raw materials for the construction of hotel.

23. DEPOSIT PAID FOR ACQUISITION OF PROPERTY, PLANT AND EQUIPMENT

Included in deposit paid for acquisition of property, plant and equipment was mainly represented by the construction of Vessel and Equipment amounting to RMB3,958,000 as detailed in Note 22(v) and deposit paid for the acquisition of dredgers amounting to RMB8,435,000 during the year, and the remaining capital commitment amounted to RMB9,390,000 is disclosed per Note 35. The remaining portion is represented by deposit paid for the purchase of vessels components.

22. 應收賬款及其他應收款以及預 付款(續)

附註：(續)

(v) (續)

於二零二零年七月二十三日，該附屬公司及該融資公司亦訂立一份委託付款合約，該附屬公司委託該客戶直接向該融資公司支付每月租金。然而，倘該客戶未能償還每月租金，則該附屬公司有責任向該融資公司悉數償還款項。於同日，該附屬公司及該融資公司訂立一份協議設立受限制銀行賬戶（「賬戶」），以便該客戶將超出的每月服務收入淨額及每月租金存入該賬戶，即人民幣2,015,000元，且該融資公司有權直接從該賬戶提取多餘的款項，以履行每月租金責任。該賬戶已抵押予該融資公司以擔保償還每月租金。

本公司董事認為，上述與該融資公司的安排僅為本集團獲得船舶及設備的一項融資安排。於二零二零年十二月三十一日，根據指定里程碑，該融資公司及該附屬公司於建造期分別向該建造商支付人民幣110,972,000元及人民幣15,836,000元，總計人民幣126,808,000元，作為本集團的預付款，同時，其與該融資公司的融資安排為本集團的另一借貸，載於附註30。

截至二零二零年十二月三十一日止年度的預付款減值評估詳情載於附註40(b)。

(vi) 本集團的預付款包括本集團支付的租船合約成本、中國及海外項目的泊船成本及燃料成本人民幣30,177,000元；以及建造酒店購買原材料的預付款人民幣13,818,000元。

23. 已付收購物業、廠房及設備的 按金

收購物業、廠房及設備支付的按金主要指建造船舶及設備的人民幣3,958,000元（其詳情載於附註22(v)）及年內已付購買挖泥船的按金人民幣8,435,000元，以及根據附註35披露的剩餘資本承擔為人民幣9,390,000元。剩餘部分按已付購買船舶部件的按金呈列。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

For the year ended 31 December 2020 截至二零二零年十二月三十一日止年度

24. CONTRACT ASSETS/CONTRACT LIABILITIES

The Group's dredging contracts usually include a retention period ranging from 30 days to 365 days for 5% to 30% of the contract value. This amount is included in contract assets until the end of the retention period as the Group's entitlement to this final payment is conditional on the satisfaction of the service quality by the customers over the retention period as stipulated in the contracts. The contract assets are transferred to the trade receivables when the rights become unconditional, which is typically at the expiry date of the period for the provision of assurance by the Group on the service quality of the construction work performed by the Group.

Retention receivables included in contract assets amounting to RMB19,064,000 after allowance for credit losses (2019: RMB11,613,000) as at 31 December 2020 are resulted from current projects which are expected to be realised more than 12 months. The remaining portion of contract assets amounting to RMB5,983,000 after allowance for credit losses (2019: nil) are expected to be realised within 12 months.

During the year ended 31 December 2020, there is an addition of RMB19,967,000 (2019: RMB9,743,000) and a transfer of RMB6,292,000 (2019: RMB32,614,000) from contract assets to trade receivables. The Group's rights to considerations on these contracts assets have become unconditional i.e. only the passage of the time is required before payment of that consideration is due.

As part of the internal credit risk management, the Group applies internal credit rating for its customers in relation to contract assets.

Details of impairment assessment of contract assets for the year ended 31 December 2020 are set out in Note 40 (b).

Contract liabilities represent service income received in advance of RMB42,364,000 (2019: RMB22,010,000) as at 31 December 2020 and recognised as revenue when the services are rendered.

During the year ended 31 December 2020, there is an addition of RMB32,194,000 (2019: RMB5,604,000) and a transfer of RMB11,840,000 (2019: RMB5,730,000) from contract liabilities to revenue.

24. 合約資產／合約負債

本集團的疏浚合約通常均存在30天至365天的保固期，且保固金額為合約價值的5%至30%。這一金額列入合約資產，直至保固期結束，因為本集團只有於合約規定的保固期後在客戶對服務質量表示滿意的條件下方有權獲得此筆最終付款。當相關權利不受條件限制(通常在保固期屆滿當日本集團就其所完成建築工程服務質量提供保證)時，合約資產會轉移至應收賬款。

於二零二零年十二月三十一日，計入合約資產並預期將於十二月以後變現的應收保固金人民幣19,064,000元(扣除信貸虧損撥備後)(二零一九年：人民幣11,613,000元)來自當前項目。合約資產剩餘部分之人民幣5,983,000元(扣除信貸虧損撥備後)(二零一九年：零)預期將於十二月內變現。

截至二零二零年十二月三十一日止年度，新增人民幣19,967,000元(二零一九年：人民幣9,743,000元)以及人民幣6,292,000元(二零一九年：人民幣32,614,000元)自合約資產轉移至應收賬款中。本集團就此等合約資產代價的權利已成為無條件，即僅於該代價到期前任何時間支付。

作為內部信貸風險管理的一部分，本集團對與合約資產相關的客戶進行內部信貸評級。

於截至二零二零年十二月三十一日止年度合約資產減值評估詳情列載於附註40(b)。

合約負債指於二零二零年十二月三十一日預先獲得的服務收入，金額為人民幣42,364,000元(二零一九年：人民幣22,010,000元)，當服務提供時確認為收入。

於截至二零二零年十二月三十一日止年度，新增人民幣32,194,000元(二零一九年：人民幣5,604,000元)及人民幣11,840,000元(二零一九年：人民幣5,730,000元)由合約負債轉撥至收益。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

For the year ended 31 December 2020 截至二零二零年十二月三十一日止年度

25. BANK BALANCES AND CASH

Bank balances that are denominated in a currency other than the functional currency of the relevant group companies are set out below:

		2020 二零二零年 RMB'000 人民幣千元	2019 二零一九年 RMB'000 人民幣千元
United States Dollar ("US\$")	美元(「美元」)	15	15
Hong Kong Dollar ("HK\$")	港元(「港元」)	784	383

25. 銀行結餘及現金

以有關集團公司的功能貨幣以外的貨幣計值的銀行結餘載列如下：

26. TRADE AND OTHER PAYABLES

		2020 二零二零年 RMB'000 人民幣千元	2019 二零一九年 RMB'000 人民幣千元
Trade payables	應付賬款		
Sub-contracting charge	分包費用	101,315	124,581
Fuel cost	燃料成本	2,030	2,757
Repair and maintenance	維修及保養	14,888	16,869
Others	其他	18,922	7,933
		137,155	152,140
Other payables	其他應付款		
Payable for construction cost of investment properties (note)	投資物業建設成本應付款項(附註)	73,945	82,640
Accrual for other taxes	應計其他稅項	53,362	60,339
Accrual for staff salaries and welfare	應計員工薪金及福利	35,018	40,807
Others	其他	59,891	42,013
		222,216	225,799
		359,371	377,939

26. 應付賬款及其他應付款

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

For the year ended 31 December 2020 截至二零二零年十二月三十一日止年度

26. TRADE AND OTHER PAYABLES (CONTINUED)

The aged analysis of the Group's trade payables presented based on the invoice date, except for sub-contracting charge which is presented based on dates of the progress certificates, as at the end of each reporting period is as follows:

		2020	2019
		二零二零年	二零一九年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
0-30 days	0至30天	15,798	6,100
31-60 days	31至60天	19,563	4,528
61-90 days	61至90天	983	586
91-180 days	91至180天	3,014	8,993
Over 180 days	超過180天	97,797	131,933
		137,155	152,140

Note: As at 31 December 2020, based on invoice date, RMB73,873,000 (2019: RMB81,867,000) of the other payables for construction cost for investment properties has been due for over 1 year.

26. 應付賬款及其他應付款(續)

本集團於各報告期間末按發票日期呈列的應付賬款(按進度證書日期呈列的分包費用除外)的賬齡分析如下:

附註:於二零二零年十二月三十一日,根據發票日期,投資物業建設成本其他應付款人民幣73,873,000元(二零一九年:人民幣81,867,000元)已逾期超過1年。

27. AMOUNTS DUE TO DIRECTORS OF THE COMPANY

As at 31 December 2020, the balance represented advance from and emolument payable to certain Directors of RMB3,955,000 (2019: RMB3,900,000) and an amount due to Mr. Liu of RMB40,900,000 (2019: RMB7,434,000). All amounts are unsecured, interest-free, repayable on demand and non-trade in nature.

27. 應付本公司董事款項

於二零二零年十二月三十一日,結餘指來自及應付若干董事的墊款及酬金人民幣3,955,000元(二零一九年:人民幣3,900,000元)及應付劉先生的款項人民幣40,900,000元(二零一九年:人民幣7,434,000元)。所有該等款項均為無抵押、免息、須應要求償還及非貿易性質。

Notes to the Consolidated Financial Statements (Continued) 綜合財務報表附註(續)

For the year ended 31 December 2020 截至二零二零年十二月三十一日止年度

28. AMOUNTS DUE TO NON-CONTROLLING SHAREHOLDERS OF A SUBSIDIARY

All balances are non-interest bearing except for an amount of RMB19,360,000 as at 31 December 2020 (2019: RMB26,474,000) which is interest bearing at 12% (2019: 12%) per annum ("p.a."). On 31 December 2020, the non-controlling shareholders agreed not to demand repayment of RMB61,387,000 of the amounts due to them before January 2022 (2019: RMB68,502,000 of the amounts due to them before January 2021). All amounts are unsecured and non-trade in nature.

28. 應付一間附屬公司非控股股東款項

所有結餘為不計息款項，除截至二零二零年十二月三十一日的款項人民幣19,360,000元(二零一九年：人民幣26,474,000元)按每年(「每年」)12%(二零一九年：12%)計息以外。於二零二零年十二月三十一日，非控股股東同意於二零二二年一月之前不會要求償還應付彼等款項人民幣61,387,000元(二零一九年：於二零二一年一月之前應付彼等款項人民幣68,502,000元)。所有該等款項均為無抵押及非貿易性質。

29. BANK BORROWINGS

29. 銀行借貸

		2020 二零二零年 RMB'000 人民幣千元	2019 二零一九年 RMB'000 人民幣千元
Secured bank borrowings Payment schedule according to contractual repayment terms (note) Amount due for settlement within one year	有擔保銀行借貸 按合約還款期之付款時間表 (附註) 一年內到期結清的款項	293,400	297,000

Note:

The effective interest rates of the secured bank borrowings are set out in the following table:

附註：

下表載列有擔保銀行借貸的實際利率：

		2020 二零二零年 RMB'000 人民幣千元	2019 二零一九年 RMB'000 人民幣千元
Fixed interest at 5.44% p.a. to 8.05% p.a. (2019: 4.57% p.a. to 7.61% p.a.)	每年5.44%至8.05%固定利息 (二零一九年：每年4.57%至7.61%)	217,400	288,000
Floating interest at LPR plus 1.13% p.a. to 1.61% p.a. (2019: LPR plus 0.92% p.a. to 1.36% p.a.)	浮息(按最優惠貸款利率加每年1.13% 至1.61%)(二零一九年：最優惠貸款 利率加每年0.92%至1.36%)	76,000	9,000
		293,400	297,000

As at 31 December 2020 and 2019, the Group's bank borrowings were supported by the corporate guarantees given by Xiangyu PRC (defined in Note 42) and the Company. The Group's bank borrowings to the extent of RMB192,500,000 (2019: RMB195,000,000) were secured by certain assets of the Group (see Note 36), a property owned by a company in which Mr. Liu has beneficial interest and personal guarantees provided by Mr. Liu and Ms. Zhou respectively (see Note 38(ii)).

於二零二零年及二零一九年十二月三十一日，本集團銀行借貸以翔宇中國(定義見附註42)及本公司作出的公司擔保作支持。本集團銀行借貸人民幣192,500,000元(二零一九年：人民幣195,000,000元)以本集團若干資產(見附註36)及由劉先生於當中擁有實益權益的一間公司所擁有的一項物業以及由劉先生及周女士分別提供的個人擔保(見附註38(ii))作抵押。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

For the year ended 31 December 2020 截至二零二零年十二月三十一日止年度

30. OTHER BORROWINGS

30. 其他借貸

		Notes	2020 二零二零年 RMB'000 人民幣千元	2019 二零一九年 RMB'000 人民幣千元
		附註		
Unsecured other borrowings	無擔保其他借貸			
Without fixed repayment term and classified as current liabilities	無固定償還期限及分類為流動負債	(i)	52,650	54,090
Classified as non-current liabilities	分類為非流動負債	(i)	24,277	37,915
Secured other borrowings	有擔保其他借貸			
With fixed repayment term and classified as current liabilities	有固定償還期限及分類為流動負債	(ii)	26,293	—
Classified as non-current liabilities	分類為非流動負債	(ii)	86,233	—
			189,453	92,005

Notes:

- (i) RMB21,742,000 (2019: RMB35,380,000) included in the Group's other borrowings carried fixed interest rates ranged from 10% to 12% per annum (2019: 11% to 12%) and the effective interest rate was 10.09% (2019: 11.58%). Other than that, the remaining other borrowings of the Group are interest-free. All of the Group's other borrowings are unsecured, without fixed repayment term and were borrowed from independent third parties. On 31 December 2020, certain counterparties agreed not to demand repayment before January 2022 (2019: January 2021) and accordingly, RMB24,277,000 (2019: RMB37,915,000) due to these parties are classified as non-current.
- (ii) It represents payable and interest payable to the Financing Company for construction of the Vessel and the Equipment amounting to RMB110,972,000 and RMB1,554,000 respectively. Please refer to Note 22(v) for details.

附註:

- (i) 計入本集團其他借貸人民幣21,742,000元(二零一九年: 人民幣35,380,000元)按固定年利率10%至12%(二零一九年: 11%至12%)計息, 實際利率為10.09%(二零一九年: 11.58%)。除此之外, 本集團剩餘的其他借貸不計利息。所有本集團其他借貸均為無抵押, 並無固定還款期及自獨立第三方借取。於二零二零年十二月三十一日, 若干對手方同意不會於二零二二年一月(二零一九年: 二零二一年一月)之前要求償還借貸, 因此, 應付該等訂約方的人民幣24,277,000元(二零一九年: 人民幣37,915,000元)被歸類為非流動借貸。
- (ii) 指分別就建造船舶及設備應付融資公司的款項及利息人民幣110,972,000元及人民幣1,554,000元。有關詳情, 請參閱附註22(v)。

Notes to the Consolidated Financial Statements (Continued) 綜合財務報表附註(續)

For the year ended 31 December 2020 截至二零二零年十二月三十一日止年度

31. BONDS PAYABLE

The Company issued unsecured convertible bonds (the "Bonds") to CITIC at a total nominal value of HK\$243,000,000 (equivalent to RMB191,970,000) on 8 November 2013, carrying an interest rate of 3% per annum with the maturity date of 7 November 2016 (the "Original Maturity Date"). The Bondholder, being CITIC, had an option to either convert the Bonds into the Company's ordinary shares at a conversion price of HK\$2.7 per share, subject to anti-dilutive adjustments, at any time after six months from the date of issue and up to the Original Maturity Date, or to require the Company to redeem them at 133.792% of the nominal value of the Bonds, which amounted to HK\$325,115,000 (equivalent to RMB290,818,000 based on spot exchange rate on 7 November 2016) (the "Original Redemption Amount"), upon maturity. The Company had no right to early redeem the Bonds.

At the time when the Bonds were issued, the Bonds were analysed by the management of the Group to contain two components, the host debt component and the conversion option. The Bonds are denominated in HK\$, which is a currency other than the Company's functional currency. Therefore, the conversion option in the Bonds does not result in an exchange of a fixed number of the Company's own equity instruments for a fixed amount of cash, denominated in HK\$. Accordingly, the conversion option was accounted for separately as a derivative liability, which was not closely related to the host debt component. The fair values of the debt component and the derivative component were determined at the date of issue. Subsequent to initial recognition, the debt component was carried at amortised cost while the derivative component was measured at fair value, with changes in fair value recognised in profit or loss. The effective interest rate of the debt component was 16.9%.

The Group had not paid the Original Redemption Amount and the last interest payment on the Original Maturity Date to CITIC. During the year ended 31 December 2016, the Group and CITIC entered into a framework agreement on 14 November 2016 (as amended by supplemental framework agreements, collectively the "Framework Agreement") and a standstill and amended agreement and supplemental deed to the original deed poll regarding the Bonds (the "Amendment Agreement") on 15 December 2016, pursuant to which CITIC agreed to a) extend the maturity from the Original Maturity Date to 14 March 2017 and b) reduce the principal amount of Original Redemption Amount to HK\$275,415,000 (equivalent to RMB246,381,000) based on spot exchange rate on 31 December 2016, subject to certain conditions as stated in the Amendment Agreement.

31. 應付債券

本公司於二零一三年十一月八日向CITIC發行總面值243,000,000港元(等於人民幣191,970,000元)的無抵押可換股債券(「債券」)，利息為每年3%，於二零一六年十一月七日(「原到期日」)到期。債券持有人(即CITIC)可於發行日期後六個月至原到期日的任何時間選擇以兌換價每股2.7港元(可就反攤薄事件作出調整)將債券兌換成本公司的普通股，或於到期後要求本公司按債券的面值的133.792%贖回，等於325,115,000港元(根據二零一六年十一月七日的即期匯率相當於人民幣290,818,000元)(「原贖金」)。本公司無權提早贖回該等債券。

在發行債券時，本集團管理層分析債券以包含兩個部分，即主債務部分及換股權。債券乃以港元計值，而港元為本公司功能貨幣以外的貨幣。因此，債券的換股權不能導致以固定數量的本公司自身權益工具交換固定金額現金(以港元計值)。因此，換股權分開入賬列為衍生負債，這與主債務部分並非密切相關。債務部分及衍生工具部分的公平值於發行日期釐定。初步確認後，債務部分按攤薄成本計算，衍生工具部分則按公平值計算，公平值的變動於損益內確認。債務部分的實際利率為16.9%。

於原到期日，本集團尚未向CITIC支付原贖金及最後一筆利息。截至二零一六年十二月三十一日止年度，本集團於二零一六年十一月十四日與CITIC訂立框架協議(經補充框架協議修訂，統稱「框架協議」)，並於二零一六年十二月十五日與CITIC訂立有關債券的暫緩還款及修訂協議，以及平邊契據補充契據(「修訂協議」)。據此，CITIC同意a)將屆滿時間自原到期日延長至二零一七年三月十四日；及b)減少原贖金本金額至275,415,000港元(根據二零一六年十二月三十一日的即期匯率相當於人民幣246,381,000元)，惟受限於修訂協議所述若干條件。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

For the year ended 31 December 2020 截至二零二零年十二月三十一日止年度

31. BONDS PAYABLE (CONTINUED)

Furthermore, the conversion option under the Bonds was removed under the Amendment Agreement. Accordingly, no embedded derivative was recognised at 31 December 2016 and at the end of subsequent accounting periods.

On 21 March 2017, 5 June 2017, 21 September 2017, 23 January 2018 and 15 March 2019, the Company and CITIC had entered into the second amendment agreement, the third amendment agreement, the fourth amendment agreement, the fifth amendment agreement and the sixth amendment agreement. During 2019, the sixth amendment agreement was in effective pursuant to which the maturity date of the Bonds was extended to 20 December 2019 such that based on the latest amendment agreement in effect, the Company needed to repay the Bonds of HK\$319,483,000 (equivalent to RMB268,045,000) together with the interest due by 20 December 2019 with interest rate at an amended rate of 13% per annum.

The Company had not repaid the abovementioned amounts in full on 20 December 2019, at which date the total amount outstanding, including the accrued interest amounted to HK\$319,483,000 (equivalent to RMB285,890,000). As at 31 December 2019, the total amount outstanding, including the accrued interest rate at 13% per annum amounted to HK\$320,503,000 (equivalent to RMB286,804,000).

During the year ended 31 December 2020, the Group has settled approximately HK\$3,560,000 (equivalent to RMB3,000,000) (2019: HK\$6,838,000, equivalent to RMB6,030,000) to CITIC. On 3 December 2020, the Company and CITIC had entered into the seventh amendment agreement (the "Seventh Amendment Agreement") to extend the Original Maturity Date to 31 March 2021. Pursuant to the Seventh Amendment Agreement, it has been agreed that, a) the principal amount of the Bonds shall be amended to HK\$319,483,000 (equivalent to RMB268,045,000); b) the redemption amount of the Bonds shall be amended to HK\$352,447,000 (equivalent to RMB295,702,000) including the interest accrued at 8% per annum; and c) if the Company repays CITIC an amount of HK\$98,359,000 on or before 31 March 2021, the Company shall be deemed to have repaid the Bonds in full. The Company has repaid HK\$98,359,000 to CITIC on 30 March 2021 in pursuant with the above terms set out in the Seventh Amendment Agreement, such bonds payable have been fully settled.

31. 應付債券(續)

此外，債券的轉換權根據修訂協議移除。因此，於二零一六年十二月三十一日及隨後的會計期間末，並無嵌入式衍生工具獲確認。

於二零一七年三月二十一日、二零一七年六月五日、二零一七年九月二十一日、二零一八年一月二十三日及二零一九年三月十五日，本公司與CITIC訂立第二份修訂協議、第三份修訂協議、第四份修訂協議、第五份修訂協議及第六份修訂協議。於二零一九年，第六份修訂協議已生效，據此，債券之到期日期已延長至二零一九年十二月二十日，故根據生效的最新修訂協議，本公司最遲須於二零一九年十二月二十日償付債券319,483,000港元(相當於人民幣268,045,000元)連同到期的利息，利率按經修訂年利率13%計。

本公司未能於二零一九年十二月二十日悉數償還上述金額，於該日尚未償還的總金額(包括應計利息)為319,483,000港元(相當於人民幣285,890,000元)。於二零一九年十二月三十一日，未償還總金額(包括應計年利率13%)為320,503,000港元(相當於人民幣286,804,000元)。

於截至二零二零年十二月三十一日止年度，本集團已向CITIC償還約3,560,000港元(相當於人民幣3,000,000元)(二零一九年：6,838,000港元，相當於人民幣6,030,000元)。於二零二零年十二月三日，本公司與CITIC訂立第七份修訂協議(「第七份修訂協議」)，將原到期日延長至二零二一年三月三十一日。根據第七份修訂協議，本公司已同意a)修訂債券的本金為319,483,000港元(相當於人民幣268,045,000元)；b)修訂債券贖金為352,447,000港元(相當於人民幣295,702,000元)(包括8%的應計年利息)；及c)倘本公司於二零二一年三月三十一日或之前向CITIC償還98,359,000港元，本公司須被視為已全數償還該債券。本公司已於二零二一年三月三十日向CITIC償還98,359,000港元。本公司已根據第七份修訂協議所載上述條款於二零二一年三月三十日向CITIC償還98,359,000港元，有關應付債券已悉數結算。

Notes to the Consolidated Financial Statements (Continued) 綜合財務報表附註(續)

For the year ended 31 December 2020 截至二零二零年十二月三十一日止年度

31. BONDS PAYABLE (CONTINUED)

The arrangement in relation to (a) and (b) under the Seventh Amendment Agreement as mentioned above resulted in a substantial modification of terms of the Bonds, resulting in an extinguishment of the original Bonds and the recognition of new Bonds, a modification gain of RMB325,000 is recognised in profit or loss.

Under the abovementioned agreements entered into by the Company and CITIC, the Bonds are personally guaranteed by Mr. Liu and his spouse Ms. Zhou Shuhua ("Ms. Zhou") who are also the Directors of the Company, and equity interests in certain subsidiaries of the Company are pledged in favour of CITIC, a dredger and an industrial premise and a residential property owned by the Group included in property, plant and equipment and investment properties with carrying value of RMB205,005,000 as at 31 December 2020 (2019: RMB245,157,000).

Details of each of the agreements are set out in the announcements of the Company dated 7 November 2016, 15 November 2016, 16 November 2016, 16 December 2016, 22 March 2017, 5 June 2017, 22 September 2017, 1 December 2017, 23 January 2018, 15 March 2019 and 3 December 2020.

Based on the revised agreements, interest rate are as follows:

Period	期間	Interest rate per annum 年利率
From 22 June 2018 and up to 20 December 2019	二零一八年六月二十二日至 二零一九年十二月二十日	13%
From 21 December 2019 and up to 31 March 2021	二零一九年十二月二十一日至 二零二一年三月三十一日	8%

Note: The above interest shall accrue on a day to day basis and be calculated on the basis of a 365-day calendar year on the Reduced Redemption Amount/ revised principal amount.

31. 應付債券(續)

上述第七份修訂協議項下有關(a)及(b)的安排導致債券條款出現重大修訂，進而導致清償原債券及確認新債券，並於損益中確認人民幣325,000元的修訂收益。

根據上述本公司與CITIC訂立之協議，該債券由劉先生及其配偶周淑華女士(「周女士」)(彼等亦為本公司董事)個人擔保，及本公司若干附屬公司股權以CITIC為受益人，抵押由本集團擁有一艘挖泥船，及一處工業樓宇及一處住宅物業，並以於二零二零年十二月三十一日之賬面值人民幣205,005,000元(二零一九年：人民幣245,157,000元)列入物業、廠房及設備以及投資物業。

各項協議的詳情載於本公司日期為二零一六年十一月七日、二零一六年十一月十五日、二零一六年十一月十六日、二零一六年十二月十六日、二零一七年三月二十二日、二零一七年六月五日、二零一七年九月二十二日、二零一七年十二月一日、二零一八年一月二十三日及二零一九年三月十五日及二零二零年十二月三日之公告。

根據經修訂的各份協議，利率如下：

附註：上述減少贖金/修訂本金額的利息將按每曆年365日為基準每日累計且按月計算複利。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

For the year ended 31 December 2020 截至二零二零年十二月三十一日止年度

31. BONDS PAYABLE (CONTINUED)

The Bonds recognised in the consolidated statement of financial position are calculated as follows:

31. 應付債券(續)

於綜合財務狀況表確認之債券計算如下：

		<i>Note</i>	Bonds payable
		<i>附註</i>	RMB'000 人民幣千元
At 1 January 2019	於二零一九年一月一日		254,916
Interest	利息		32,714
Settlement	償付		(6,030)
Exchange realignment	匯兌調整		5,204
At 31 December 2019	於二零一九年十二月三十一日		286,804
Gain on modification of bonds payable	修訂應付債券的收益	9	(325)
Interest	利息		22,857
Settlement	償付		(3,000)
Exchange realignment	匯兌調整		(18,854)
At 31 December 2020	於二零二零年十二月三十一日		287,482

The bonds as the end of the reporting periods are represented by:

於報告期間末債券呈列如下：

		At 31 December 2020	At 31 December 2019
		於二零二零年 十二月三十一日 RMB'000 人民幣千元	於二零一九年 十二月三十一日 RMB'000 人民幣千元
Bonds payable on demand	按要求應付債券	—	286,804
Bonds payable within one year	一年內應付債券	287,482	—

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

For the year ended 31 December 2020 截至二零二零年十二月三十一日止年度

32. LEASE LIABILITIES

32. 租賃負債

		At 31 December 2020 於二零二零年 十二月三十一日 RMB'000 人民幣千元	At 31 December 2019 於二零一九年 十二月三十一日 RMB'000 人民幣千元
Lease liabilities payable:	應付租賃負債：		
Within one year	一年內	605	1,263
Within a period of more than one year but not more than two years	一年以上但不超過兩年的期間內	1,332	869
Within a period of more than two years but not more than five years	兩年以上但不超過五年的期間內	523	—
		2,460	2,132
Less: Amount due for settlement with 12 months shown under current liabilities	減：流動負債項下顯示於12個月 內應付款項	(605)	(1,263)
Amount due for settlement after 12 months shown under non-current liabilities	非流動負債項下顯示12個月後 應付款項	1,855	869

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

For the year ended 31 December 2020 截至二零二零年十二月三十一日止年度

33. SHARE CAPITAL

33. 股本

		Number of shares	Amount	RMB equivalent amount
		股份數目	金額	人民幣 等同金額
		'000 千股	HK\$'000 千港元	RMB'000 人民幣千元
Ordinary Shares of HK\$0.10 each	每股面值0.10港元的 普通股			
Authorised	法定			
Balance at 1 January 2019, 31 December 2019 and 2020	於二零一九年一月一日、 二零一九年及 二零二零年十二月 三十一日的結餘	10,000,000	1,000,000	N/A 不適用
Issued and fully paid	已發行及繳足			
Balance at 1 January 2019	於二零一九年一月一日的 結餘	1,773,664	177,366	149,577
Exercise of share options (note (i))	行使購股權(附註(i))	8,702	870	788
Balance at 31 December 2019 and 1 January 2020	於二零一九年十二月 三十一日及 二零二零年一月一日 的結餘	1,782,366	178,236	150,365
Placing of shares (note (iii))	配售股份(附註(iii))	191,917	19,192	17,549
Balance at 31 December 2020	於二零二零年十二月 三十一日的結餘	1,974,283	197,428	167,914

Notes:

- (i) On 10 October 2019, the subscription rights attaching to 8,702,000 share options were exercised at the subscription price of HK\$0.131 per share (Note 44), resulting in the issue of 8,702,000 shares for a total cash consideration, before expenses, of approximately HK\$1,140,000 (equivalent to approximately RMB1,032,000).
- (ii) On 24 April 2020, the share placings of 191,917,000 shares of the Company at a placing price of HK\$0.10 were completed. The net proceeds from the placing was approximately HK\$19,200,000 (equivalent to approximately RMB17,500,000), part of which was used to repay the Bonds as set out in Note 31. These new shares rank pari passu in all respect with the existing shares.
- (iii) On 5 March 2021, the shareholders of the Company have approved a share consolidation on the basis of every 2 shares into one consolidated share and become effective on 9 March 2021.

附註:

- (i) 於二零一九年十月十日，附帶8,702,000份購股權的認購權按每股0.131港元的認購價行使(附註44)，導致發行8,702,000股股份，現金代價(扣除開支前)總額約為1,140,000港元(相當於約人民幣1,032,000元)。
- (ii) 於二零二零年四月二十四日，本公司完成按配售價每股股份0.10港元配售191,917,000股股份。配售的所得款項淨額約為19,200,000港元(相當於約人民幣17,500,000元)，其中部分用於償還附註31中所列債券。此等新股在各方面與現有股份享有同等權益。
- (iii) 於二零二一年三月五日，本公司股東已批准一項股份合併，基準為每2股股份合併為一股股份，並於二零二一年三月九日生效。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

For the year ended 31 December 2020 截至二零二零年十二月三十一日止年度

34. LEASES

The Group as lessee

Minimum lease payments paid

		2020 二零二零年 RMB'000 人民幣千元	2019 二零一九年 RMB'000 人民幣千元
Minimum lease payments paid under short-term leases during the year:	年內根據短期租賃支付的最低租賃款項：		
Office premises	辦公室物業	—	40
Transportation vessels	運輸船舶	470	271
Machinery	機器	115	—
Others	其他	14	—
		599	311

The minimum lease payments represented short-term leases entered into by the Group.

The Group as lessor

Rental income from shopping mall and factories earned during the year were RMB2,417,000 and RMB4,483,000 respectively (2019: RMB3,097,000 and RMB4,652,000). The chartered vessels have committed tenants for the next one to two years.

34. 租賃

本集團作為承租人

已付最低租賃款項

		2020 二零二零年 RMB'000 人民幣千元	2019 二零一九年 RMB'000 人民幣千元
Minimum lease payments paid under short-term leases during the year:	年內根據短期租賃支付的最低租賃款項：		
Office premises	辦公室物業	—	40
Transportation vessels	運輸船舶	470	271
Machinery	機器	115	—
Others	其他	14	—
		599	311

最低租賃款項指本集團訂立的短期租賃。

本集團作為出租人

年內自商場及工廠賺取的租金收入分別為人民幣2,417,000元及人民幣4,483,000元(二零一九年：人民幣3,097,000元及人民幣4,652,000元)。所包租船舶具有承租往後一至二年的租戶。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

For the year ended 31 December 2020 截至二零二零年十二月三十一日止年度

35. CAPITAL COMMITMENTS

35. 資本承擔

		2020 二零二零年 RMB'000 人民幣千元	2019 二零一九年 RMB'000 人民幣千元
Capital commitments contracted but not provided for relating to the following:	已訂約但並未就有關以下各項計提撥備的資本承擔：		
Acquisition of property, plant and equipment (note (ii))	收購物業、廠房及設備(附註(ii))	81,012	59,122
Investment in conducting capital financing business (note (i))	投資進行資本金融業務(附註(i))	7,122	7,122
Investment in an associate	於一間聯營公司之投資	2,874	—

Notes:

- (i) Pursuant to the investment agreement to set up a subsidiary which principally conducts capital finance business, the proposed registered capital of US\$20 million will be contributed in proportion to the respective equity holdings of the Company and two other investors of US\$16 million, US\$2 million and US\$2 million respectively. As at 31 December 2020 and 2019, capital of US\$14.9 million was injected by the Group whilst the other two investors are still in progress in obtaining approval from regulators for capital injection.
- (ii) The capital commitments represented the construction of a hotel in Yancheng, the PRC and construction of Vessel and the Equipment.

附註：

- (i) 根據設立主要進行資本金融業務附屬公司的投資協議，建議註冊資本20,000,000美元將由本公司及另外兩名投資者按各自的股權分別出資16,000,000美元、2,000,000美元及2,000,000美元。於二零二零年及二零一九年十二月三十一日，本公司已注入14,900,000美元，而另外兩名投資者仍在就注資取得監管部門的批准。
- (ii) 資本承擔指在中國鹽城興建一家酒店及建造船舶及設備。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

For the year ended 31 December 2020 截至二零二零年十二月三十一日止年度

36. PLEDGE OF ASSETS

At the end of the reporting period, the following assets of the Group were pledged to secure bank borrowings, bonds payable and credit facilities granted to the Group during the year:

		2020 二零二零年 RMB'000 人民幣千元	2019 二零一九年 RMB'000 人民幣千元
Dredgers included in property, plant and equipment	挖泥船(列入物業、廠房及設備)	481,111	613,390
Properties included in property, plant and equipment	物業(列入物業、廠房及設備)	32,306	34,513
Investment properties	投資物業	17,207	16,573
		530,624	664,476

36. 資產抵押

於報告期末，本集團已將以下資產作為年內授予本集團的銀行借貸、應付債券及信貸額的抵押：

37. RETIREMENT BENEFIT PLANS

The employees of the Group's subsidiaries in the PRC are members of a state-managed retirement benefit scheme operated by the local government in the PRC. The Group is required to contribute a specified percentage of payroll cost to the retirement benefit scheme to fund the benefits. The only obligation of the Group with respect to the scheme is to make the specified contributions according to the state rules.

The Group operates a Mandatory Provident Fund Scheme (the "MPF Scheme") under the Mandatory Provident Fund Schemes Ordinance (Chapter 485 of the Laws of Hong Kong) for employees employed under the jurisdiction of the Hong Kong Employment Ordinance. The MPF Scheme is a defined contribution retirement scheme administered by independent trustees. Under the MPF Scheme, the employer and its employees are each required to make contributions to the scheme at 5% of the employees' relevant income, subject to a cap of monthly relevant income of HK\$30,000 (2019: HK\$30,000). Contributions to the scheme vest immediately.

37. 退休福利計劃

本集團中國附屬公司的僱員，是由中國地方政府經營的國家管理退休福利計劃的成員。本集團須按薪金開支的特定比例向退休福利計劃供款，為福利提供資金。本集團對該計劃的唯一責任是根據國家法規作出有關特定供款。

根據強制性公積金計劃條例(香港法例第485章)，本集團為香港僱傭條例轄下的僱員營運強制性公積金計劃(「強積金計劃」)。強積金計劃為一項由獨立信託人管理的界定供款退休計劃。根據強積金計劃，僱主及其僱員須各自按僱員相關收入的5%向強積金計劃供款，惟每月的相關收入上限為30,000港元(二零一九年：30,000港元)。計劃供款為即時歸屬。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

For the year ended 31 December 2020 截至二零二零年十二月三十一日止年度

38. RELATED PARTY DISCLOSURES

(i) Related party transactions

During the year, the Group paid nil rental (2019: RMB40,000) to certain companies controlled by Mr. Liu in respect of office premises.

In addition, the Group received other advances from, and made repayments to Mr. Liu during the years ended 31 December 2020 and 2019. As at 31 December 2020, the amount due to Mr. Liu was RMB40,900,000 (2019: RMB7,434,000) as disclosed in Note 27.

(ii) Pledge of assets and guarantees in support of the Group's borrowings

As at 31 December 2020 and 2019, other than pledge of assets of the Group, the Group's bank borrowings and bonds payable were also supported by:

- (a) corporate guarantee given by Xiangyu PRC;
- (b) personal guarantees provided by Mr. Liu and Ms. Zhou; and
- (c) two properties owned by certain non-controlling shareholders of the Company's subsidiary.

Bank borrowing of the Group of RMB81 million (2019: RMB82 million) was supported by a property owned by a company in which Mr. Liu has beneficial interest.

(iii) Pledge of assets and guarantees in support of the Group's construction of Vessel and Equipment (defined in Note 22(v))

As at 31 December 2020, other than pledge a vessel of the Group, the Group's construction of Vessel and Equipment was also supported by personal guarantees provided by Mr. Liu and Ms. Zhou.

38. 關連方披露

(i) 關連方交易

年內，本集團就辦公室物業向由劉先生控制之若干公司支付租金零(二零一九年：人民幣40,000元)。

此外，截至二零二零年及二零一九年十二月三十一日止年度，本集團接獲來自劉先生之其他墊款且已向劉先生作出償還。於二零二零年十二月三十一日，如附註27所披露，應付劉先生款項為人民幣40,900,000元(二零一九年：人民幣7,434,000元)。

(ii) 為支持本集團借貸作出的資產抵押及擔保

於二零二零年及二零一九年十二月三十一日，除本集團已抵押資產以外，本集團銀行借貸及應付債券亦由下列各項支持：

- (a) 翔宇中國作出的公司擔保；
- (b) 劉先生及周女士提供的個人擔保；及
- (c) 本公司附屬公司若干非控股股東擁有的兩項物業。

本集團人民幣81,000,000元的銀行借貸(二零一九年：人民幣82,000,000元)由劉先生擁有實質權益的公司所擁有的物業支持。

(iii) 為支持本集團建造船舶及設備作出的資產抵押及擔保(定義見附註22(v))

於二零二零年十二月三十一日，除本集團已抵押船舶以外，本集團建造船舶及設備亦由劉先生及周女士提供的個人擔保支持。

Notes to the Consolidated Financial Statements (Continued) 綜合財務報表附註(續)

For the year ended 31 December 2020 截至二零二零年十二月三十一日止年度

38. RELATED PARTY DISCLOSURES (CONTINUED)

(iv) Related party balances

Details of the balances due to Directors are set out in Note 27 to the consolidated financial statements.

(v) Compensation of key management personnel

The emoluments of Directors who are also identified as members of key management of the Group during the reporting period are set out in Note 14 to the consolidated financial statements.

39. CAPITAL RISK MANAGEMENT

The Group manages its capital to ensure that the group companies will be able to continue as a going concern while maximising the return to shareholders through the optimisation of the debt and equity balances. Having considered the factors and circumstance set out in Note 2 to the consolidated financial statements, the Directors are satisfied that the Group will have sufficient liquidity to meet its cash flows requirements for next twelve months from the end of reporting period.

The capital structure of the Group consists of amounts due to directors of the Company, amounts due to non-controlling shareholders of a subsidiary, bank borrowings, other borrowings and bonds payable as disclosed in Notes 27, 28, 29, 30 and 31 to the consolidated financial statements respectively and equity attributable to shareholders of the Company, comprising paid up capital/share capital and reserves.

The Directors review the capital structure regularly. As part of this review, the Directors consider the cost and the risks associated with each class of the capital. Based on the recommendations of the Directors, the Group will balance its overall capital structure through the payment of dividends, new share issues as well as the issue of new debt or the redemption of existing debt.

38. 關連方披露(續)

(iv) 關連方結餘

應付董事結餘詳情載於綜合財務報表附註 27。

(v) 主要管理層成員薪酬

於報告期間，同時身為本集團主要管理層成員的董事酬金載於綜合財務報表附註 14。

39. 資本風險管理

本集團管理其資本使集團下的公司得以持續經營，同時通過優化債務與股本平衡為股東帶來最大回報。經考慮載列於綜合財務報表附註2的因素及情況，董事信納本集團將擁有充足的流動資金以應付其自報告期末起計未來十二個月的現金流量需要。

本集團的資本結構包括分別於綜合財務報表附註27、28、29、30及31披露的應付本公司董事款項、應付一間附屬公司非控股股東款項、銀行借貸、其他借貸及應付債券，以及本公司股東應佔權益，包括實繳資本/股本及儲備。

董事定期檢討資本結構。作為檢討的一部分，董事考慮資本的成本及每一類資本附帶的風險。根據董事的建議，本集團將透過支付股息、發行新股及發行新債或贖回現行債務平衡本集團的整體資本結構。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

For the year ended 31 December 2020 截至二零二零年十二月三十一日止年度

40. FINANCIAL INSTRUMENTS

40. 金融工具

(a) Categories of financial instruments

(a) 金融工具類別

		2020 二零二零年 RMB'000 人民幣千元	2019 二零一九年 RMB'000 人民幣千元
Financial assets	金融資產		
Financial assets at amortised cost	按攤銷成本計量的金融資產	600,215	845,804
Financial liabilities	金融負債		
Amortised cost	攤銷成本	1,184,843	1,076,305
Lease liabilities	租賃負債	2,460	2,132

(b) Financial risk management objectives and policies

The Group's major financial instruments include trade and other receivables, contract assets, bank balances and cash, trade and other payables, amounts due to directors of the Company, amounts due to non-controlling shareholders of a subsidiary, bank borrowings, other borrowings, bonds payable and lease liabilities. Details of these financial instruments are disclosed in the respective notes. The risks associated with these financial instruments include market, credit and liquidity risks. The policy on how to mitigate these risks is set out below. The management manages and monitors these exposures to ensure appropriate measures are implemented on a timely and effective manner.

(b) 財務風險管理目標及政策

本集團的主要金融工具包括應收賬款及其他應收款、合約資產、銀行結餘及現金、應付賬款及其他應付款、應付本公司董事款項、應付一間附屬公司非控股股東款項、銀行借貸、其他借貸、應付債券及租賃負債。該等金融工具的詳情於各項相關附註中披露。與該等金融工具相關的風險包括市場、信貸及流動資金風險。有關如何減低該等風險的政策載於下文。管理層管理及監察該等風險，以確保及時及有效地採取適當措施。

Notes to the Consolidated Financial Statements (Continued) 綜合財務報表附註(續)

For the year ended 31 December 2020 截至二零二零年十二月三十一日止年度

40. FINANCIAL INSTRUMENTS (CONTINUED)

40. 金融工具(續)

(b) Financial risk management objectives and policies (Continued)

(b) 財務風險管理目標及政策(續)

Market risk

市場風險

(i) Currency risk

(i) 貨幣風險

The Group has foreign currency transactions, which expose the Group to foreign currency risk. The Company will consider the use of foreign currency forward contracts to mitigate the risk when the need arise.

本集團存在外幣交易，導致本集團須承受外幣風險。本公司將於有需要時考慮動用外幣遠期合約來降低風險。

At the end of the reporting period, the carrying amounts of foreign currency denominated monetary assets and liabilities that are considered significant by the management are as follows:

於報告期末，管理層認為屬重大的以外幣計值的貨幣資產及負債賬面金額如下：

		Assets 資產		Liabilities 負債	
		2020 二零二零年 RMB'000 人民幣千元	2019 二零一九年 RMB'000 人民幣千元	2020 二零二零年 RMB'000 人民幣千元	2019 二零一九年 RMB'000 人民幣千元
US\$	美元	13	15	—	—
HK\$	港元	785	579	294,073	293,581

The following table details the Group's sensitivity to a 5% (2019: 5%) increase and decrease in the functional currency of the relevant group entities against the relevant foreign currencies and all other variable were held constant 5% (2019: 5%) represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the end of the year for a 5% change in foreign currency rates. On this basis, there will be a decrease in post-tax loss or an increase in post-tax profit where the functional currency of the relevant group entities weaken against US\$ by 5% or strengthen against HK\$ by 5%, and vice versa.

下表詳述所有其他可變數據維持不變的情況下，本集團對有關集團實體的功能貨幣兌相關外幣上升及下降5% (二零一九年：5%) 的敏感度。5% (二零一九年：5%) 為管理層就外幣匯率的合理可能變動作出的評估。敏感度分析只包括以外幣計值的未償付貨幣項目，並於年末就外幣匯率變動5%調整其換算。在上述基準下，當有關集團實體的功能貨幣兌美元貶值5%或兌港元上升5%，稅後虧損將減少或稅後溢利將增加，反之亦然。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

For the year ended 31 December 2020 截至二零二零年十二月三十一日止年度

40. FINANCIAL INSTRUMENTS (CONTINUED)

(b) Financial risk management objectives and policies (Continued)

Market risk (Continued)

(i) Currency risk (Continued)

		Decrease in post-tax profit 稅後溢利減少	
		2020 二零二零年 RMB'000 人民幣千元	2019 二零一九年 RMB'000 人民幣千元
US\$	美元	—	—
HK\$	港元	(14,664)	(14,650)

In the opinion of the Directors, the sensitivity analysis above is unrepresentative of the inherent currency risk as the year end exposure does not reflect the exposure during the year.

(ii) Interest rate risk

The Group is mainly exposed to cash flow interest rate risk in relation to variable-rate bank balances for the year ended 31 December 2020 and 2019 and a variable-rate bank borrowing carrying prevailing interest rates at LPR (see Note 29) for the year ended 31 December 2020 and 2019. In addition, the Group was also exposed to fair value interest rate risk in relation to fixed-rate bank borrowings, other borrowings, bonds payable, lease liabilities, amounts due to non-controlling shareholders of a subsidiary, certain trade receivables and pledged bank deposits as at 31 December 2020 and 2019.

The Group currently does not have an interest rate hedging policy. However, the management monitors interest rate exposure and will consider hedging significant interest rate exposure should the need arise.

40. 金融工具(續)

(b) 財務風險管理目標及政策(續)

市場風險(續)

(i) 貨幣風險(續)

		Decrease in post-tax profit 稅後溢利減少	
		2020 二零二零年 RMB'000 人民幣千元	2019 二零一九年 RMB'000 人民幣千元
US\$	美元	—	—
HK\$	港元	(14,664)	(14,650)

董事認為上述敏感度分析並不能代表固有貨幣風險，原因是年末風險並不能反映全年風險。

(ii) 利率風險

截至二零二零年及二零一九年十二月三十一日止年度，本集團主要承受有關浮動利率銀行結餘的現金流量利率風險及截至二零二零年及二零一九年十二月三十一日止年度附帶現行最優惠貸款利率的浮動利率銀行借貸(見附註29)。此外，於二零二零年及二零一九年十二月三十一日，本集團亦承受有關固定利率銀行借貸、其他借貸、應付債券、租賃負債、應付一間附屬公司非控股股東款項、若干應收賬款及已抵押銀行存款的公平值利率風險。

本集團現時並無利率對沖政策。然而，管理層監察利率風險，並將於需要時考慮對沖重大利率風險。

Notes to the Consolidated Financial Statements (Continued) 綜合財務報表附註(續)

For the year ended 31 December 2020 截至二零二零年十二月三十一日止年度

40. FINANCIAL INSTRUMENTS (CONTINUED)

(b) Financial risk management objectives and policies (Continued)

Market risk (Continued)

(ii) Interest rate risk (Continued)

In the opinion of the Directors, the reasonably possible change in interest rates for bank balances and the variable-rate bank borrowing is insignificant. No sensitivity analysis is presented.

Credit risk and impairment assessment

Credit risk refers to the risk that the Group's counterparties default on their contractual obligations resulting in financial losses to the Group. The Group's credit risk is primarily attributable to trade receivables and contract assets. Management has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis. Credit evaluations are performed on all customers requiring credit over a certain amount. In view of the history of business dealings with the customers and the collection history of the receivables due from them, management believes that there is no material credit risk inherent in the Group's outstanding receivable balance due from these customers. Management makes periodic assessment on the recoverability of the trade receivables and contract assets based on historical payment records, the length of the overdue period, the financial strength of the debtors and whether there is any dispute with the debtors. In addition, the Group performs impairment assessment under ECL model upon application of IFRS 9 (2019: incurred loss model) on trade receivables and contract assets individually or based on provision matrix. In this regard, the management considers that the Group's credit risk is significantly reduced.

The Group's concentration of credit risk by geographical locations is mainly in PRC, which accounted for 100% (31 December 2019: 100%) of the total trade receivables and contract assets as at 31 December 2020.

The Group has concentration of credit risk as 11% (31 December 2019: 11%) and 38% (31 December 2019: 37%) of the total trade receivables was due from the Group's largest customer and the five largest customers respectively.

40. 金融工具(續)

(b) 財務風險管理目標及政策(續)

市場風險(續)

(ii) 利率風險(續)

董事認為，銀行結餘及浮動利率銀行借貸利率可能出現的合理變動不大。並無編製敏感度分析。

信貸風險及減值評估

信貸風險指本集團的對手方違約其合約責任而導致本集團面臨財務虧損的風險。本集團的信貸風險主要來自應收賬款及合約資產。管理層訂有信貸政策，并持續監控信貸風險。所有申請信貸的金額超出特定額度的客戶均須接受信貸評估。鑒於過往與該等客戶的業務往來及應收該等客戶款項的收款記錄，管理層認為本集團尚未收回的應收該等客戶款項結餘本質上並無重大信貸風險。管理層根據債務人的過往付款記錄、逾期時長、財務實力及是否與債務人存有任何糾紛，定期評估應收賬款及合約資產的可收回性。此外，本集團在採用國際財務報告準則第9號後根據預期信貸虧損模型(二零一九年：已發生虧損模型)，按個別基準或基於撥備矩陣對應收賬款及合約資產執行減值評估。就此而言，管理層認為本集團的信貸風險已大幅降低。

於二零二零年十二月三十一日，本集團按地區劃分的信貸風險主要集中於中國，佔應收賬款及合約資產總額的100%(二零一九年十二月三十一日：100%)。

由於應收賬款總額的11%(二零一九年十二月三十一日：11%)及38%(二零一九年十二月三十一日：37%)分別為來自本集團最大的客戶及五大客戶，故本集團面對集中信貸風險。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

For the year ended 31 December 2020 截至二零二零年十二月三十一日止年度

40. FINANCIAL INSTRUMENTS (CONTINUED)

(b) Financial risk management objectives and policies (Continued)

Credit risk and impairment assessment (Continued)

The largest customer is categorised as a credit-impaired customer, and the remaining four customers of the five largest customers are categorised as doubtful customers.

The Group's internal credit risk grading assessment comprises the following categories:

Internal

credit rating

內部信貸評級

Description

說明

Low risk

低風險

Watch list

關注

Doubtful

可疑

Loss

虧損

Write-off

撇銷

The counterparty has a low risk of default and does not have any past-due amounts

對手方違約的風險較低，且並無任何逾期款項

Debtor frequently repays after due dates but usually settle after due date

債務人頻繁在到期日後還款，但通常會在到期日後還款

There have been significant increases in credit risk since initial recognition through information developed internally or external resources

根據內部資料或外部資源認定信貸風險自初始確認以來大幅增加

There is evidence indicating the asset is credit-impaired

有證據顯示資產已發生信貸減值

There is evidence indicating that the debtor is in severe financial difficulty and the Group has no realistic prospect of recovery

有證據顯示債務人出現重大財務困難，且本集團切實認為無法收回款項

Trade receivables/contract assets

應收賬款／合約資產

Lifetime ECL – not credit-impaired

全期預期信貸虧損 – 未發生信貸減值

Lifetime ECL – not credit-impaired

全期預期信貸虧損 – 未發生信貸減值

Lifetime ECL – not credit-impaired

全期預期信貸虧損 – 未發生信貸減值

Lifetime ECL – credit-impaired

全期預期信貸虧損 – 發生信貸減值

Amount is written off

撇銷款項

40. 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)

最大客戶可歸類為信貸減值客戶，而五大客戶中其餘四個客戶則可歸類為可疑客戶。

本集團的內部信貸風險評級包括以下類別：

Notes to the Consolidated Financial Statements (Continued) 綜合財務報表附註(續)

For the year ended 31 December 2020 截至二零二零年十二月三十一日止年度

40. FINANCIAL INSTRUMENTS (CONTINUED)

40. 金融工具(續)

(b) Financial risk management objectives and policies (Continued)

(b) 財務風險管理目標及政策(續)

Credit risk and impairment assessment (Continued)

信貸風險及減值評估(續)

The following table provides information about the Group's exposure to credit risk and ECLs for trade receivables:

下表載列本集團面臨應收賬款信貸風險及預期信貸虧損的相關資料：

		Expected loss rate 預期虧損率 %	Gross carrying amount 賬面金額總值 RMB'000 人民幣千元	Loss allowance 虧損撥備 RMB'000 人民幣千元	Net carrying amount 賬面金額淨值 RMB'000 人民幣千元
2020	二零二零年				
Types of customers	客戶類型				
Credit impaired customers	信貸減值客戶				
Past due for more than 180 days but less than 365 days	逾期超過180天但不到365天	24.79%	5,598	1,387	4,211
Past due for more than 1 year	逾期超過1年	66.94%	32,923	22,039	10,884
Past due for more than 2 years	逾期超過2年	71.15%	93,187	66,304	26,883
Past due for more than 3 years	逾期超過3年	93.24%	720,765	672,066	48,699
			852,473	761,796	90,677
Watch list customers	關注客戶				
Neither past due nor impaired	既未逾期亦未減值	0.20%	47,308	94	47,214
Past due for less than 30 days	逾期不到30天	0.20%	19,961	40	19,921
Past due for more than 30 days but less than 90 days	逾期超過30天但不到90天	0.29%	8,705	25	8,680
Past due for more than 90 days but less than 180 days	逾期超過90天但不到180天	0.42%	7,158	30	7,128
Past due for more than 180 days but less than 365 days	逾期超過180天但不到365天	0.70%	33,839	237	33,602
Past due for more than 1 year	逾期超過1年	24.76%	74,834	18,528	56,306
			191,805	18,954	172,851
Doubtful customers	可疑客戶				
Neither past due nor impaired	既未逾期亦未減值	0.37%	6,034	22	6,012
Past due for less than 30 days	逾期不到30天	N/A 不適用	—	—	—
Past due for more than 30 days but less than 90 days	逾期超過30天但不到90天	0.79%	210	2	208
Past due for more than 90 days but less than 180 days	逾期超過90天但不到180天	1.43%	3,566	51	3,515
Past due for more than 180 days but less than 365 days	逾期超過180天但不到365天	2.73%	18,975	519	18,456
Past due for more than 1 year	逾期超過1年	8.64%	40,839	3,527	37,312
Past due for more than 2 years	逾期超過2年	23.87%	137,441	32,812	104,629
Past due for more than 3 years	逾期超過3年	83.38%	381,908	318,417	63,491
			588,973	355,350	233,623

**Notes to the Consolidated
Financial Statements (Continued)**
綜合財務報表附註(續)

For the year ended 31 December 2020 截至二零二零年十二月三十一日止年度

40. FINANCIAL INSTRUMENTS (CONTINUED)

**(b) Financial risk management objectives
and policies (Continued)**

**Credit risk and impairment assessment
(Continued)**

The following table provides information about the Group's exposure to credit risk and ECLs for contract assets as at 31 December 2020:

40. 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)

下表載列於二零二零年十二月三十一日本集團面臨合約資產信貸風險及預期信貸虧損的相關資料：

		Expected loss rate 預期虧損率 %	Gross	Loss allowance 虧損撥備 RMB'000	Net
			carrying amount 賬面金額總值 RMB'000		carrying amount 賬面金額淨值 RMB'000
2020	二零二零年	%	人民幣千元	人民幣千元	人民幣千元
Doubtful customers	可疑客戶				
Neither past due nor impaired	既未逾期亦未減值	1.65%	25,466	419	25,047

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

For the year ended 31 December 2020 截至二零二零年十二月三十一日止年度

40. FINANCIAL INSTRUMENTS (CONTINUED)

40. 金融工具(續)

(b) Financial risk management objectives and policies (Continued)

(b) 財務風險管理目標及政策(續)

Credit risk and impairment assessment (Continued)

信貸風險及減值評估(續)

The following table provides information about the Group's exposure to credit risk and ECLs for trade receivables:

下表載列本集團面臨應收賬款信貸風險及預期信貸虧損的相關資料：

		Expected loss rate 預期虧損率 %	Gross carrying amount 賬面金額總值 RMB'000 人民幣千元	Loss allowance 虧損撥備 RMB'000 人民幣千元	Net carrying amount 賬面金額淨值 RMB'000 人民幣千元
2019	二零一九年	%			
Types of customers	客戶類型				
Credit impaired customers	信貸減值客戶				
Past due for more than 180 days but less than 365 days	逾期超過180天 但不到365天	15.20%	18,679	2,838	15,841
Past due for more than 1 year	逾期超過1年	54.27%	93,187	50,576	42,611
Past due for more than 2 years	逾期超過2年	59.56%	99,918	59,515	40,403
Past due for more than 3 years	逾期超過3年	81.02%	676,241	547,874	128,367
			888,025	660,803	227,222
Watch list customers	關注客戶				
Neither past due nor impaired	既未逾期亦未減值	0.10%	41,070	42	41,028
Past due for less than 30 days	逾期不到30天	0.13%	46,078	58	46,020
Past due for more than 30 days but less than 90 days	逾期超過30天 但不到90天	0.27%	11,040	30	11,010
Past due for more than 90 days but less than 180 days	逾期超過90天 但不到180天	0.52%	84,716	445	84,271
Past due for more than 180 days but less than 365 days	逾期超過180天 但不到365天	0.85%	8,295	71	8,224
Past due for more than 1 year	逾期超過1年	23.18%	57,619	13,340	44,279
			248,818	13,986	234,832
Doubtful customers	可疑客戶				
Neither past due nor impaired	既未逾期亦未減值	1.73%	19,888	343	19,545
Past due for less than 30 days	逾期不到30天	2.49%	4,778	119	4,659
Past due for more than 30 days but less than 90 days	逾期超過30天 但不到90天	4.94%	5,225	258	4,967
Past due for more than 90 days but less than 180 days	逾期超過90天 但不到180天	6.20%	33,430	2,075	31,355
Past due for more than 180 days but less than 365 days	逾期超過180天 但不到365天	9.30%	29,700	2,761	26,939
Past due for more than 1 year	逾期超過1年	11.66%	145,152	16,927	128,225
Past due for more than 2 years	逾期超過2年	42.54%	55,728	23,704	32,024
Past due for more than 3 years	逾期超過3年	79.82%	335,968	268,177	67,791
			629,869	314,364	315,505

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

For the year ended 31 December 2020 截至二零二零年十二月三十一日止年度

40. FINANCIAL INSTRUMENTS (CONTINUED)

(b) Financial risk management objectives and policies (Continued)

Credit risk and impairment assessment (Continued)

The following table provides information about the Group's exposure to credit risk and ECLs for contract assets as at 31 December 2019:

2019	二零一九年	Expected	Gross	Loss	Net
		loss rate	carrying amount	allowance	carrying amount
		預期虧損率	賬面金額總值	虧損撥備	賬面金額淨值
		%	RMB'000	RMB'000	RMB'000
		%	人民幣千元	人民幣千元	人民幣千元
Doubtful customers	可疑客戶				
Neither past due nor impaired	既未逾期亦未減值	1.51%	11,791	178	11,613

For trade receivables and contract assets, the Group has applied the simplified approach in HKFRS 9 to measure the loss allowance at lifetime ECL. Except for debtors with significant outstanding balances or credit-impaired, the Group determines the expected credit losses on these items by using a provision matrix.

In making the assessment on expected loss rates, 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. Forward-looking information considered includes the future prospects of the industries in which the Group's debtors operate, obtained from economic expert reports, financial analysts, governmental bodies, relevant think-tanks and other similar organisations, as well as consideration of various external sources of actual and forecast economic information that relate to the Group's core operations. The grouping is regularly reviewed by management to ensure relevant information about specific debtors is updated.

40. 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)

下表載列於二零一九年十二月三十一日本集團面臨合約資產信貸風險及預期信貸虧損的相關資料：

針對應收賬款及合約資產，本集團已應用香港財務報告準則第9號內的簡化方法以全期預期信貸虧損計量虧損撥備。除未償還結餘較大或已發生信貸減值的債務人外，本集團會使用撥備矩陣釐定該等項目的預期信貸虧損。

在進行預期虧損率評估時，本集團會考慮合理且可支持的定量及定性資料，包括無需付出不必要的成本或努力而可得的歷史經驗及前瞻性資料。所慮及的前瞻性資料包括從經濟專家報告、財務分析師、政府機構、相關智囊團及其他類似組織處獲知的本集團債務人所經營行業的未來前景，以及與本集團核心業務相關的實際或預測經濟資料的各種外部來源。歸類工作經管理層定期檢討，以確保指定債務人相關資料乃屬最新資料。

Notes to the Consolidated Financial Statements (Continued) 綜合財務報表附註(續)

For the year ended 31 December 2020 截至二零二零年十二月三十一日止年度

40. FINANCIAL INSTRUMENTS (CONTINUED)

(b) Financial risk management objectives and policies (Continued)

Credit risk and impairment assessment (Continued)

Other receivables and prepayments

The Group measures the loss allowance equal to 12m ECL for other receivables. For those balances expected to have significant increase in credit risk since initial recognition, the Group apply lifetime ECL based on aging for classes with difference credit risk characteristics and exposures. As at 31 December 2020, included in other receivables and prepayments included counter parties who were in financial difficulties and the management of the Group considers the probability of default is significant for those balances. For the remaining non trade nature balances, management of the Group considers the probability of default by assessing the counterparties' financial background and creditability and accordingly a total of RMB30,955,000 (2019: RMB28,186,000) impairment was provided as at 31 December 2020.

Bank balances and cash

Credit risk on bank balances is limited because the counterparties are reputable banks with high credit ratings assigned by international credit agencies. The Group has no other significant concentration of credit risk.

40. 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)

其他應收款項及預付款

本集團計量虧損撥備等於其他應收款十二個月預期信貸虧損。自初始確認以來預計信用風險將顯著上升的該等餘額，本集團根據賬齡對具有不同信用風險特徵及敞口的類別應用全期預期信貸虧損。於二零二零年十二月三十一日，其他應收款及預付款中包括存在財務困難的交易對手，本集團管理層認為該等餘額的違約概率重大。就餘下非貿易性質餘額而言，本集團管理層透過評估交易對手的財務背景及信譽來考慮違約的可能性，因此於二零二零年十二月三十一日作出撥備減值總額人民幣30,955,000元(二零一九年：人民幣28,186,000元)。

銀行結餘及現金

由於對手方為獲國際信貸評級機構高信貸評級的銀行，故銀行結餘的信貸風險有限。本集團並未面對其他重大集中信貸風險。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

For the year ended 31 December 2020 截至二零二零年十二月三十一日止年度

40. FINANCIAL INSTRUMENTS (CONTINUED)

40. 金融工具(續)

(b) Financial risk management objectives and policies (Continued)

(b) 財務風險管理目標及政策(續)

Credit risk and impairment assessment (Continued)

信貸風險及減值評估(續)

Summary

概況

Movement in the loss allowance account in respect of trade receivables, contract assets and other receivables in lifetime ECL during the year is as follows:

本年度，發生全期預期信貸虧損的應收賬款、合約資產及其他應收款的虧損撥備賬的變動如下：

		2020 二零二零年 RMB'000 人民幣千元	2019 二零一九年 RMB'000 人民幣千元
Balance at 1 January	於一月一日結餘	1,017,517	683,832
Impairment loss recognised during the year	年內確認的減值虧損		
— Trade receivables	— 應收賬款	163,577	308,306
— Contract assets	— 合約資產	241	178
— Other receivables and prepayments	— 其他應收款及預付款	6,636	28,186
Reversal of provision during the year	年內準備撥回		
— Trade receivables	— 應收賬款	(16,630)	(112)
— Contract assets	— 合約資產	—	(2,873)
— Other receivables and prepayments	— 其他應收款及預付款	(3,868)	—
Balance at 31 December	於十二月三十一日的結餘	1,167,473	1,017,517

Liquidity risk

The Group's policy is to regularly monitor current and expected liquidity requirements to ensure that it maintains sufficient cash reserves to meet its liquidity requirements in the short and longer term. Having considered the factors and circumstances set out in Note 2 to the consolidated financial statements, the Directors are satisfied that the Group will have sufficient liquidity to meet its cash flows requirements for the next twelve months from the end of the reporting period.

The following tables detail the Group's contractual maturity for its financial liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest dates on which the Group can be required to pay.

流動資金風險

本集團的政策為定期監察目前及預期的流動資金需求，確保本集團維持足夠現金儲備以應付其短期及較長的流動資金需求。經考慮綜合財務報表附註2所載因素及情況後，董事信納本集團將擁有足夠流動資金以滿足自報告期末起計未來十二個月的現金流量需求。

下表詳列本集團金融負債的合約到期日。該表乃根據本集團須付款的最早日期按照金融負債的未貼現現金流量編製。

Notes to the Consolidated Financial Statements (Continued) 綜合財務報表附註(續)

For the year ended 31 December 2020 截至二零二零年十二月三十一日止年度

40. FINANCIAL INSTRUMENTS (CONTINUED)

40. 金融工具(續)

(b) Financial risk management objectives and policies (Continued)

Liquidity risk (Continued)

The tables include both interest and principal cash flows. To the extent that interest flows are floating rate, the undiscounted amount is derived from prevailing interest rate at the end of the reporting date.

Liquidity and interest risk tables

(b) 財務風險管理目標及政策(續)

流動資金風險(續)

該表包括利息及本金現金流量。在利息流量為浮動利率的前提下，未貼現數額乃由報告期末的現行利率得出。

流動資金及利率風險表

		Weighted average effective interest rate	On demand/ less than 3 months	3 months to 1 year	1 year to 5 years	Total undiscounted cash flows	Carrying amount
		加權平均 實際利率 %	按要求/ 少於三個月 %	三個月 至一年 RMB'000	一年 至五年 RMB'000	未貼現現金 流量總額 RMB'000	賬面金額 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 31 December 2020	於二零二零年 十二月三十一日						
<i>Non-derivative financial liabilities</i>	<i>非衍生金融負債</i>						
Trade payables	應付賬款	—	137,155	—	—	137,155	137,155
Other payables	其他應付款	—	168,854	—	—	168,854	168,854
Amounts due to directors	應付董事款項	—	44,855	—	—	44,855	44,855
Amounts due to non-controlling interests of a subsidiary	應付一間附屬公司 非控股權益款項						
— non-interest bearing	— 不計息	—	2,257	—	42,028	44,285	44,285
— interest bearing at fixed rates	— 按固定利率計息	12.00	—	—	21,683	21,683	19,359
Bank borrowings	銀行借貸						
— interests bearing at fixed rates	— 按固定利率計息	6.20	126,440	173,184	—	299,624	293,400
Other borrowings	其他借貸						
— non-interest bearing	— 不計息	—	54,205	—	2,534	56,739	56,739
— interest bearing at fixed rates	— 按固定利率計息	4.01-10.09	—	25,236	116,530	141,766	132,714
Bonds payable (Note 31)	應付債券(附註31)	7.72	295,702	—	—	295,702	287,482
Lease liabilities	租賃負債	2.25-6.33	173	505	1,987	2,665	2,460
			829,641	198,925	184,762	1,213,328	1,187,303

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

For the year ended 31 December 2020 截至二零二零年十二月三十一日止年度

40. FINANCIAL INSTRUMENTS (CONTINUED)

(b) Financial risk management objectives and policies (Continued)

Liquidity risk (Continued)

Liquidity and interest risk tables (Continued)

	Weighted average effective interest rate	On demand/ less than 3 months	3 months to 1 year	1 year to 2 years	Total undiscounted cash flows	Carrying amount
	加權平均實際利率	按要求/少於三個月	三個月至一年	一年至兩年	未貼現現金流量總額	賬面金額
	%	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 31 December 2019						
		於二零一九年十二月三十一日				
<i>Non-derivative financial liabilities</i>		<i>非衍生金融負債</i>				
Trade payables	—	應付賬款	152,140	—	152,140	152,140
Other payables	—	其他應付款	165,460	—	165,460	165,460
Amounts due to directors	—	應付董事款項	11,334	—	11,334	11,334
Amounts due to non-controlling interests of a subsidiary		應付一間附屬公司非控股權益款項				
— non-interest bearing	—	— 不計息	3,060	42,028	45,088	45,088
— interest bearing at fixed rates	12	— 按固定利率計息	—	29,652	29,652	26,474
Bank borrowings		銀行借貸				
— interests bearing at fixed rates	6.03	— 按固定利率計息	88,917	205,653	294,570	288,000
— interests bearing at floating rate	7.14	— 按浮動利率計息	—	9,465	9,465	9,000
Other borrowings		其他借貸				
— non-interest bearing	—	— 不計息	54,090	2,535	56,625	56,625
— interest bearing at fixed rates	11.58	— 按固定利率計息	—	39,626	39,626	35,380
Bonds payable (Note 31)	12.30	應付債券(附註31)	286,804	—	286,804	286,804
Lease liabilities	5.56	租賃負債	338	1,014	2,239	2,132
			762,143	206,667	1,093,003	1,078,437

(c) Fair value

The fair values of financial assets and financial liabilities are determined in accordance with generally accepted pricing models based on discounted cash flow analysis using prices or rates from observable current market transactions as input.

The Directors consider that the carrying amounts of financial assets and financial liabilities measured at amortised costs in the consolidated financial statements approximate their fair values.

40. 金融工具(續)

(b) 財務風險管理目標及政策(續)

流動資金風險(續)

流動資金及利率風險表(續)

(c) 公平值

金融資產及金融負債的公平值乃根據公認定價模式按照已貼現現金流量分析，使用現時可觀察市場交易價格或利率作為輸入數據而釐定。

董事認為按攤銷成本計量於綜合財務報表計量的金融資產及金融負債的賬面金額與其公平值相若。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

For the year ended 31 December 2020 截至二零二零年十二月三十一日止年度

41. RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

The table below details changes in the Group's liabilities arising from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are those for which cash flows were, or future cash flows will be, classified in the Group's consolidated statement of cash flows as cash flows from financing activities.

41. 因融資活動而產生負債的對賬

下表詳列本集團因融資活動而產生的負債變動，包括現金及非現金變動。因融資活動所產生負債為現金流量曾(或日後現金流量將)於本集團綜合現金流量表分類為融資活動所得現金流量的該等負債。

		Bank borrowings	Other borrowings	Bonds payable	Lease liabilities	Amounts due to directors	Amounts due to non-controlling interest of a subsidiary	Total
		銀行借貸	其他借貸	應付債券	租賃負債	董事款項	應付一間附屬公司非控股權益款項	總計
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
At 1 January 2019 (restated)	於二零一九年一月一日(經重列)	324,670	88,781	254,916	3,215	6,933	71,475	749,990
Financing cash flows	融資現金流量	(27,670)	3,224	(6,030)	(1,330)	4,401	(1,209)	(28,614)
Interest paid	已付利息	(18,986)	(4,794)	—	—	—	(2,568)	(26,348)
Interest expenses	利息開支	18,986	4,794	32,714	153	—	3,864	60,511
New Lease entered (non-cash)	已訂立新租賃(非現金)	—	—	—	94	—	—	94
Foreign exchange translation (non-cash)	匯兌換算(非現金)	—	—	5,204	—	—	—	5,204
As at 1 January 2020	於二零二零年一月一日	297,000	92,005	286,804	2,132	11,334	71,562	760,837
Financing cash flows	融資現金流量	(3,600)	(15,078)	(3,000)	(1,203)	33,521	(6,999)	3,641
Interest paid	已付利息	(18,431)	(3,591)	—	—	—	(3,315)	(25,337)
Interest expenses	利息開支	18,431	5,145	22,857	103	—	2,396	48,932
New Lease entered (non-cash)	已訂立新租賃(非現金)	—	—	—	2,587	—	—	2,587
Termination of a lease (non-cash)	終止租賃(非現金)	—	—	—	(1,159)	—	—	(1,159)
Payable for construction cost of the Vessel and the Equipment (non-cash)	船舶及設備的建造成本應付款項(非現金)	—	110,972	—	—	—	—	110,972
Gain on modification of bonds payable (non-cash)	修訂應付債券的收益(非現金)	—	—	(325)	—	—	—	(325)
Foreign exchange translation (non-cash)	匯兌換算(非現金)	—	—	(18,854)	—	—	—	(18,854)
At 31 December 2020	於二零二零年十二月三十一日	293,400	189,453	287,482	2,460	44,855	63,644	881,294

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

For the year ended 31 December 2020 截至二零二零年十二月三十一日止年度

42. PARTICULARS OF PRINCIPAL SUBSIDIARIES

Particulars of the Company's principal subsidiaries at the end of the reporting period are as follows:

42. 主要附屬公司詳情

本公司於報告期末的主要附屬公司詳情如下：

Name of subsidiary 附屬公司名稱	Country of operation and date of incorporation/ establishment 營運國家及 註冊成立/ 成立的日期	Issued and fully paid ordinary share capital/registered capital 已發行及 繳足普通股股本/ 註冊資本	Attributable equity interest indirectly held by the Company		Principal activities 主要業務	Form of company 公司形式
			2020 二零二零年	2019 二零一九年		
Jiangsu Jiaolong Salvage Harbour Engineering Company Limited* ("Jiangsu Jiaolong") 江蘇蛟龍打撈航務工程有限公司(「江蘇蛟龍」)	PRC 22 July 1977 中國 一九七七年七月二十二日	RMB72,754,776 人民幣72,754,776元	51%	51%	Provision of marine hoisting, installation and other engineering services 提供海上吊裝、安裝及其他工程服務	Limited liability 有限責任
Jiangsu Xingyu Environment Protection Company Limited* 江蘇興宇疏浚環保有限公司	PRC 30 June 2015 中國 二零一五年六月三十日	RMB514,200,000 人民幣514,200,000元	100%	100%	Provision of dredging services 提供疏浚服務	Limited liability 有限責任
Jiangsu Xiangyu Environment Protection Equipment Company Limited* 江蘇翔宇環保設備有限公司	PRC 19 August 2013 中國 二零一三年八月十九日	US\$75,000,000 75,000,000美元	100%	100%	Manufacturing of dredging machines 製造挖泥機	Wholly-owned Foreign enterprise 外商獨資企業
Jiangsu Xingyu Holdings Group Limited* ("PRC Operational Entity") (notes ii) 江蘇興宇控股集團有限公司(「中國經營實體」) (附註ii)	PRC 13 July 2007 中國 二零零七年七月十三日	RMB39,315,800 人民幣39,315,800元	notes ii 附註ii	notes ii 附註ii	Provision of dredging services 提供疏浚服務	Limited liability 有限責任
Jiangsu Xiangyu Port Constructing Project Administration Company Limited* ("Xiangyu PRC") 江蘇翔宇港建工程管理有限公司(「翔宇中國」)	PRC 11 June 2010 中國 二零一零年六月十一日	US\$80,000,000 80,000,000美元	100%	100%	Provision of management services 提供管理服務	Wholly-owned foreign enterprise 外商獨資企業
Jiangsu Xiangyu Water Management Company Limited* 江蘇翔宇水務有限公司	PRC 3 August 2011 中國 二零一一年八月三日	US\$73,000,000 73,000,000美元	100%	100%	Provision of dredging and water management services 提供疏浚及水務管理服務	Wholly-owned foreign enterprise 外商獨資企業
Power Wealth Engineering Limited 力富工程有限公司	Hong Kong 3 July 2002 香港 二零零二年七月三日	HK\$100,000 100,000港元	100%	100%	Investment holding and provision of dredging consultation services 投資控股及提供疏浚諮詢服務	Limited liability 有限責任

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

For the year ended 31 December 2020 截至二零二零年十二月三十一日止年度

42. PARTICULARS OF PRINCIPAL SUBSIDIARIES (CONTINUED)

42. 主要附屬公司詳情(續)

Name of subsidiary 附屬公司名稱	Country of operation and date of incorporation/establishment 營運國家及註冊成立/成立的日期	Issued and fully paid ordinary share capital/registered capital 已發行及繳足普通股股本/註冊資本	Attributable equity interest indirectly held by the Company 本公司間接持有的應佔股權		Principal activities 主要業務	Form of company 公司形式
			2020 二零二零年	2019 二零一九年		
Jiangsu Fengyu Property Development Company Limited* 江蘇豐宇置業有限公司	PRC 4 December 2013 中國 二零一三年十二月四日	RMB66,000,000 人民幣66,000,000元	100%	100%	Property development and investment 物業發展及投資	Limited liability 有限責任
Yancheng Juranzhijia Home Building Material Commercial Management Limited* 鹽城居然之家家居建材商業管理有限公司	PRC 15 June 2016 中國 二零一六年六月十五日	RMB1,000,000 人民幣1,000,000元	100%	100%	Property management 物業管理	Limited liability 有限責任
Jiangsu Xingyu Commerce Company Limited* 江蘇興宇商務有限公司	PRC 16 April 2014 中國 二零一四年四月十六日	RMB10,000,000 人民幣10,000,000元	100%	100%	Inactive 不活躍	Limited liability 有限責任
Huaian Shi Xiangyu Technology Microfinance Limited* 淮安市翔宇科技小額貸款有限公司	PRC 11 September 2015 中國 二零一五年九月十一日	US\$20,000,000 20,000,000美元	80%	80%	Lending and venture capital financing business in the technology sector 科技行業借貸及風險資本融資業務	Limited liability 有限責任
Jiangsu Xiangyu Environmental Protection Industry Development Limited* 江蘇翔宇環保產業發展有限公司	PRC 27 August 2015 中國 二零一五年八月二十七日	US\$50,000,000 50,000,000美元	100%	100%	Inactive 不活躍	Limited liability 有限責任
Jiangsu Lifu Infrastructure Construction Company Limited* 江蘇力富基礎建設有限公司	PRC 25 June 2012 中國 二零一二年六月二十五日	US\$49,980,000 49,980,000美元	100%	100%	Inactive 不活躍	Limited liability 有限責任
Jiangsu Longyang Harbour Engineering Company Limited* 江蘇龍洋航務工程有限公司	PRC 18 May 2020 中國 二零二零年五月十八日	RMB10,000,000 人民幣10,000,000元	51%	N/A	Provision of marine hoisting and installation 提供海上吊裝及安裝	Limited liability 有限責任

The above table lists the subsidiaries of the Group which, in the opinion of the Directors, principally affected the results or assets of the Group. To give details of other subsidiaries would, in the opinion of the Directors, result in particulars of excessive length.

* for identification only

上表載列董事認為對本集團業績或資產有重要影響的本集團附屬公司。董事認為，如載列其他附屬公司的詳情將令篇幅過於冗長。

* 僅供識別

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

For the year ended 31 December 2020 截至二零二零年十二月三十一日止年度

42. PARTICULARS OF PRINCIPAL SUBSIDIARIES (CONTINUED)

Notes:

(i) None of the subsidiaries had any debt securities outstanding at the end of the reporting period, or at any time during the year.

(ii) Consolidated structured entity

PRC laws and regulations prohibit or restrict foreign investors from owning more than 50% equity interest in any enterprise which owns vessels for conducting dredging business.

On 19 April 2011, Xiangyu PRC, the PRC Operational Entity and its respective equity participants, being Mr. Liu and Ms. Zhou entered into a series of agreements (the "Contractual Arrangements"). The PRC Operational Entity is engaged in the provision of dredging services of the Group.

Key provisions of the Contractual Arrangements are as follows:

Option Agreement

Xiangyu PRC, PRC Operational Entity, Mr. Liu and Ms. Zhou entered into an exclusive option agreement ("Option Agreement") whereby Mr. Liu and Ms. Zhou have irrevocably granted Xiangyu PRC an option to acquire, directly or through one or more nominees, the entire equity interest held by Mr. Liu and Ms. Zhou in PRC Operational Entity at a price ("Acquisition Cost") equivalent to the fair market value of such equity interest or, where applicable, the amount as permitted by the applicable PRC laws. The Acquisition Cost, when received, will be contributed by Mr. Liu and Ms. Zhou to Xiangyu PRC as capital surplus. Subject to the compliance with the PRC laws, Xiangyu PRC may exercise the option at any time, in respect of all or part of the equity interest of PRC Operational Entity and in any manner at its sole discretion.

Pursuant to the Option Agreement, each of PRC Operational Entity, Mr. Liu and/or Ms. Zhou has given undertakings that it shall perform certain acts, or refrain from performing certain other acts unless with the prior written consent of Xiangyu PRC, including but not limited to the below matters:

- (a) that PRC Operational Entity shall not alter its constitutional documents or its registered capital;
- (b) that any of PRC Operational Entity, Mr. Liu and/or Ms. Zhou shall not incur any indebtedness or guarantee (other than those incurred in the ordinary course of business and disclosed to and approved by Xiangyu PRC in advance);

附註：

(i) 於報告期末，或於年內任何時間，概無附屬公司有任何發行在外的債務證券。

(ii) 合併結構性實體

中國法律及規定禁止或限制外國投資者於任何擁有可進行疏浚業務的船舶的企業中持有超過50%的股權。

於二零一一年四月十九日，翔宇中國、中國經營實體及其各參股方(即劉先生及周女士)訂立一系列協議(「合約安排」)。中國經營實體從事提供本集團的疏浚業務。

該等合約安排的主要條款如下：

購股權協議

翔宇中國、中國經營實體、劉先生及周女士訂立一項獨家購股權協議(「購股權協議」)，據此劉先生及周女士不可撤回地向翔宇中國授予一項購股權以直接或透過一名或多名提名人按相等於該股權的公平市值或適用中國法律批准的數額(如適用)的價格(「收購成本」)收購劉先生及周女士於中國經營實體持有的全部股權。收購成本於收到時將由劉先生及周女士向翔宇中國支付作為資本盈餘。翔宇中國可全權酌情於任何時間就中國經營實體的全部或部分股權以任何方式行使購股權，惟須遵守中國法律的規定。

根據購股權協議，中國經營實體、劉先生及/或周女士已各自承諾，除非獲得翔宇中國的事先書面同意，其將進行若干行為或放棄進行若干其他行為，包括但不限於下列事項：

- (a) 中國經營實體將不會改變其章程文件或其註冊資本；
- (b) 中國經營實體、劉先生及/或周女士任何一方將不會產生任何債務或擔保(於一般業務過程中產生及已提前向翔宇中國披露且經其批准者除外)；

Notes to the Consolidated Financial Statements (Continued) 綜合財務報表附註(續)

For the year ended 31 December 2020 截至二零二零年十二月三十一日止年度

42. PARTICULARS OF PRINCIPAL SUBSIDIARIES (CONTINUED)

Notes: (Continued)

(ii) Consolidated structured entity (Continued)

Option Agreement (Continued)

- (c) that PRC Operational Entity shall not provide any loan or guarantee to any third parties;
- (d) that PRC Operational Entity shall not dispose of or create encumbrances over any part of its assets, business or revenue and that Mr. Liu and Ms. Zhou shall not dispose of or create encumbrances over the equity interest held by them in PRC Operational Entity, except the security created under the Equity Pledge Agreement (as defined in (ii) below);
- (e) that PRC Operational Entity shall not enter into any material contracts over certain amount other than those in its ordinary course of business and disclosed to and approved by Xiangyu PRC in advance;
- (f) that PRC Operational Entity shall not distribute any dividend (including any undistributed attributable profit payable to the entity's shareholders prior to the Option Agreement becoming effective) to its shareholders and that Mr. Liu and Ms. Zhou undertake that such undistributed profit shall be retained in PRC Operational Entity as its capital and/or reserved fund and shall give up and assign or transfer to Xiangyu PRC any dividend declared and distributed thereafter and payable to them by virtue of their holding of the equity interest in PRC Operational Entity;
- (g) that PRC Operational Entity shall not make investment or engage in any merger or acquisition transactions; and
- (h) that at the request of Xiangyu PRC, Mr. Liu and Ms. Zhou shall appoint such persons nominated by Xiangyu PRC to act as the Directors, supervisors and senior management members of PRC Operational Entity.

The Option Agreement became effective on 19 April 2011 and will expire on the date on which all the equity interests held by Mr. Liu and Ms. Zhou, being directors of the Company, in PRC Operational Entity are transferred to Xiangyu PRC and/or its nominee(s).

42. 主要附屬公司詳情(續)

附註：(續)

(ii) 合併結構性實體(續)

購股權協議(續)

- (c) 中國經營實體將不會向任何第三方提供任何貸款或擔保；
- (d) 中國經營實體將不會處置其資產、業務或收益的任何部分或就此建立產權負擔，且劉先生及周女士不會處置彼等於中國經營實體持有的股權或就此建立產權負擔，惟根據權益抵押協議(定義見下文(ii))設置的抵押除外；
- (e) 中國經營實體將不會訂立超過若干金額的任何重大合約，但於其日常業務過程中訂立及提前向翔宇中國披露並獲批准的合約除外；
- (f) 中國經營實體將不會向其股東分派任何股息(包括於購股權協議生效前任何未分派的應付權益股東應佔溢利)，及劉先生及周女士承諾該等未分派溢利將由中國經營實體保留作其資本及/或儲備基金，及將放棄並向翔宇中國分派或轉讓任何其後宣派及分派的及按照其於中國經營實體持有的股權而應付彼等的股息；
- (g) 中國經營實體不應作出投資或進行任何合併或收購交易；及
- (h) 應翔宇中國的要求，劉先生及周女士將委任翔宇中國提名的該等人士作為中國經營實體的董事、監事及高級管理層成員。

購股權協議於二零一一年四月十九日開始生效，並將在劉先生及周女士(作為本公司董事)於中國經營實體持有的所有股權轉讓至翔宇中國及/或其提名人當日屆滿。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

For the year ended 31 December 2020 截至二零二零年十二月三十一日止年度

42. PARTICULARS OF PRINCIPAL SUBSIDIARIES (CONTINUED)

Notes: (Continued)

(ii) Consolidated structured entity (Continued)

Proxy Agreement

Xiangyu PRC, PRC Operational Entity, Mr. Liu and Ms. Zhou entered into a proxy agreement ("Proxy Agreement") pursuant to which Mr. Liu and Ms. Zhou have unconditionally and irrevocably undertaken to authorise such person(s) as designated by Xiangyu PRC (being PRC citizens) to exercise the shareholders' rights in relation to appointment of proxy and exercise of voting rights in PRC Operational Entity under the articles of association of PRC Operational Entity and the applicable PRC laws. Such shareholders' rights include but not limited to (i) calling and attending the shareholders' meetings of PRC Operational Entity; (ii) exercising the voting rights on all matters requiring the consideration and approval of shareholders and those pursuant to articles of association of PRC Operational Entity.

Before Xiangyu PRC acquires the entire equity interests in PRC Operational Entity contemplated under the Option Agreement, Xiangyu PRC can exercise the voting rights of shareholders of PRC Operational Entity.

The term of the Proxy Agreement commenced on 19 April 2011 and will expire on 18 April 2026, and will be renewable at the election of Xiangyu PRC for successive terms of 10 years each until termination by Xiangyu PRC with a 30-day prior notice to PRC Operational Entity.

Composite Services Agreement

Xiangyu PRC and PRC Operational Entity entered into an exclusive composite services agreement ("Composite Services Agreement") pursuant to which PRC Operational Entity will exclusively engage Xiangyu PRC to provide consultation and other ancillary services in enterprise management and consultancy services, dredging project management and consultancy services.

In consideration of the provision of the aforementioned services by Xiangyu PRC, PRC Operational Entity agrees to pay to Xiangyu PRC fees on an annual basis in arrears. Fees payable to Xiangyu PRC by PRC Operational Entity will be equivalent to the total audited revenue less all the related costs, expenses, taxes and statutory reserve of PRC Operational Entity. Xiangyu PRC reserves the right to identify the items of expenses to be included as related expenses when calculating the fees payable by PRC Operational Entity and is entitled to adjust the fee payable by PRC Operational Entity anytime based on the volume of service provided.

42. 主要附屬公司詳情(續)

附註：(續)

(ii) 合併結構性實體(續)

代表委任協議

翔宇中國、中國經營實體、劉先生及周女士訂立一項代表委任協議(「代表委任協議」)，據此劉先生及周女士已無條件並不可撤回地承諾授權翔宇中國指定的該等人士(為中國居民)根據中國經營實體組織章程細則及適用中國法律下，於中國經營實體行使有關委派委任代表及投票權的股東權利。該等股東權利包括但不限於(i)召開及參加中國經營實體的股東大會；(ii)就所有須股東考慮及批准的事項及中國經營實體組織章程細則所規定的事項行使投票權。

在翔宇中國根據購股權協議擬定收購於中國經營實體的全部股權之前，翔宇中國可行使中國經營實體的股東投票權。

代表委任協議的年期由二零一一年四月十九日開始，及將於二零二六年四月十八日屆滿，並可應翔宇中國的要求，每次續展十年，直至翔宇中國向中國經營實體發出三十天的事先通知終止為止。

綜合服務協議

翔宇中國及中國經營實體訂立一份獨家綜合服務協議(「綜合服務協議」)，據此中國經營實體將獨家委任翔宇中國於企業管理及諮詢服務、疏浚項目管理及諮詢服務提供諮詢及其他配套服務。

考慮到翔宇中國提供的上述服務，中國經營實體同意每年向翔宇中國支付到期的費用。中國經營實體應付翔宇中國的費用將等於經審核收益總額減所有中國經營實體有關成本、開支、稅項及法定儲備。當計算中國經營實體應付的費用時，翔宇中國保留權利確認將列作有關開支的開支項目，並有權根據所提供的服務量隨時調整中國經營實體應付的費用。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

For the year ended 31 December 2020 截至二零二零年十二月三十一日止年度

42. PARTICULARS OF PRINCIPAL SUBSIDIARIES (CONTINUED)

Notes: (Continued)

(ii) Consolidated structured entity (Continued)

Composite Services Agreement (Continued)

Pursuant to the Composite Services Agreement, PRC Operational Entity shall not without the prior written consent of Xiangyu PRC to dispose of or pledge its material assets, operation rights and/or business; alter its registered capital; alter its scope of business; declare dividends; and/or remove any of its Directors and senior management members. Pursuant to the Composite Services Agreement, Xiangyu PRC is required to pay to PRC Operational Entity a surety amount of not less than HK\$22,276,000 for the performance of its services provided to PRC Operational Entity under the Composite Services Agreement. As a security for the due payment of the consultation service fees and repayment of the surety money by PRC Operational Entity to Xiangyu PRC under the Composite Services Agreement, PRC Operational Entity has agreed to pledge its interest in the three vessels owned or (as the case may be) jointly-owned by it to Xiangyu PRC.

The term of the Composite Services Agreement commenced from 19 April 2011, and will expire on 18 April 2026, which will be renewable at the request of Xiangyu PRC for successive terms of 10 years each until termination by Xiangyu PRC with a 30-day prior written notice to PRC Operational Entity.

Equity Pledge Agreement

Xiangyu PRC, PRC Operational Entity, Mr. Liu and Ms. Zhou entered into an equity pledge agreement ("Equity Pledge Agreement"), pursuant to which Mr. Liu and Ms. Zhou granted a continuing first priority security interests over their respective equity interests in PRC Operational Entity to Xiangyu PRC for guaranteeing the performance of the Composite Services Agreement, the Option Agreement and the Proxy Agreement. Mr. Liu and Ms. Zhou are responsible to record the pledge of equity into the shareholders' register on the effective date of the Equity Pledge Agreement. PRC Operational Entity, Mr. Liu and Ms. Zhou are also responsible to register the pledge of equity in the State Administration for Industry and Commerce 10 days after the effective date of the Equity Pledge Agreement.

42. 主要附屬公司詳情(續)

附註：(續)

(ii) 合併結構性實體(續)

綜合服務協議(續)

根據綜合服務協議，中國經營實體不可於未取得翔宇中國事先的書面同意前，出售或抵押其重大的資產、經營權及/或業務；更改其註冊資本；更改其業務範圍；宣派股息；及/或罷免其任何董事及高級管理層成員。根據綜合服務協議，翔宇中國須向中國經營實體支付不低於22,276,000港元作為其根據綜合服務協議向中國經營實體履行服務的保證金。作為中國經營實體根據綜合服務協議準時向翔宇中國支付諮詢服務費用及償還保證金的抵押，中國經營實體已同意向翔宇中國抵押其所擁有或(視情況而定)共同擁有的三艘船舶中的權益。

綜合服務協議的年期由二零一一年四月十九日開始，並將於二零二六年四月十八日屆滿，並可應翔宇中國的要求，每次續展十年，直至翔宇中國向中國經營實體發出三十天的事先書面通知終止為止。

權益抵押協議

翔宇中國、中國經營實體、劉先生及周女士訂立一項權益抵押協議(「權益抵押協議」)，據此劉先生及周女士向翔宇中國授予各自所持中國經營實體股權的持續優先抵押權益，以擔保履行綜合服務協議、購股權協議及代表委任協議。劉先生與周女士負責於權益抵押協議生效日將抵押權益在股東登記冊登記。中國經營實體、劉先生及周女士亦負責於權益抵押協議生效日期後十天將抵押權益在國家工商行政管理總局登記。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

For the year ended 31 December 2020 截至二零二零年十二月三十一日止年度

42. PARTICULARS OF PRINCIPAL SUBSIDIARIES (CONTINUED)

Notes: (Continued)

(ii) Consolidated structured entity (Continued)

Equity Pledge Agreement (Continued)

Pursuant to the Equity Pledge Agreement, without the prior written consent of Xiangyu PRC, PRC Operational Entity shall not alter its current shareholding structure and/or its nature or scope of business, Mr. Liu and Ms. Zhou shall not allow PRC Operational Entity to transfer or dispose of its assets or pledge or transfer their respective equity interests in PRC Operational Entity in favor of or to other third parties. Xiangyu PRC is entitled to receive all dividends derived from the pledged equity interests. Xiangyu PRC is entitled to demand repayment of the secured indebtedness and/or to exercise its rights to sell the pledged equity interests on occurrence of certain events of default including but not limited to non-performance or breach of any of the Composite Services Agreement, the Option Agreement and the Proxy Agreement; or failure to repay other debts when due by PRC Operational Entity, Mr. Liu or Ms. Zhou (as the case may be).

The Equity Pledge Agreement became effective from the date of its execution and shall terminate upon performance of all obligations under the Composite Services Agreement, the Option Agreement and the Proxy Agreement in full.

Vessel Pledge Agreements

PRC Operational Entity and Xiangyu PRC have entered into three vessel pledge agreements ("Vessel Pledge Agreements") dated 19 April 2011, pursuant to which PRC Operational Entity has pledged in favor of Xiangyu PRC (i) its entire interest in the dredger "Zhuayang No. 101"; (ii) its 50% interest in the dredger "Kaijin No. 1" and (iii) its 50% interest in the dredger "Kaijin No. 3" to Xiangyu PRC, as security for the due payment of the consultation service fees and repayment of the surety money (as well as related interest and expenses, etc.) then owing by PRC Operational Entity to Xiangyu PRC under the Composite Services Agreement.

Pursuant to the Vessel Pledge Agreements, without the prior written consent of Xiangyu PRC, PRC Operational Entity shall not pledge or dispose of its interests in the pledged vessels or any part thereof. Xiangyu PRC is entitled to exercise its rights to sell the pledged vessels on occurrence of certain events of default, including but not limited to the non-payment of the secured indebtedness or non-performance of the Composite Services Agreement.

42. 主要附屬公司詳情(續)

附註：(續)

(ii) 合併結構性實體(續)

權益抵押協議(續)

根據權益抵押協議，在未取得翔宇中國事先書面同意的情况下，中國經營實體不得更改其現時持股架構及／或其業務性質或範圍，而劉先生及周女士不得容許中國經營實體轉讓或出售其資產或以其他第三方為受益人或向其抵押或轉讓彼等各自於中國經營實體的股權。翔宇中國有權收取來自已抵押股權的所有股息。翔宇中國有權於發生下列若干違約事件時要求償還有關擔保債務及／或行使其權利以出售已抵押股權，包括但不限於未有履行或違反綜合服務協議、購股權協議及代表委任協議任一項；或中國經營實體、劉先生或周女士（視情況而定）未能償還其他到期債項。

權益抵押協議自其簽訂日期起生效及於全面履行綜合服務協議、購股權協議及代表委任協議項下的所有責任時終止。

船舶抵押協議

中國經營實體及翔宇中國於二零一一年四月十九日訂立三份船舶抵押協議（「船舶抵押協議」），據此中國經營實體以翔宇中國為受益人，向翔宇中國抵押(i)其於「抓揚101號」挖泥船的全部權益；(ii)其於「開進1號」挖泥船的50%權益及(iii)其於「開進3號」挖泥船的50%權益，以作為中國經營實體準時支付根據綜合服務協議當時結欠翔宇中國的到期諮詢服務費用及償還保證金（以及相關利息及開支等）的抵押。

根據船舶抵押協議，在未取得翔宇中國事先書面同意的情况下，中國經營實體不得抵押或出售其於已抵押船舶或其中任何部分的權益。翔宇中國有權在發生若干違約事件的情况下行使其出售已抵押船舶的權利，包括但不限於不支付有關擔保債務或不履行綜合服務協議。

Notes to the Consolidated Financial Statements (Continued) 綜合財務報表附註(續)

For the year ended 31 December 2020 截至二零二零年十二月三十一日止年度

42. PARTICULARS OF PRINCIPAL SUBSIDIARIES (CONTINUED)

Notes: (Continued)

(ii) Consolidated structured entity (Continued)

Vessel Pledge Agreements (Continued)

The Vessel Pledge Agreements became effective from the date of its execution and shall terminate upon payment or repayment of the consultation service fees, surety money and all other related expenses under the Composite Services Agreement.

The Group has a contractual commitment to provide financial assistance to the PRC Operational Entity. However, due to the strategic importance of it to the Group, the Directors intended to provide financing to the PRC Operational Entity to support the working capital requirements. As at 31 December 2020, the bank borrowings of the PRC Operational Entity of RMB192,400,000 (2019: RMB195,000,000) are secured by pledge of assets jointly owned by the PRC Operational Entity and the Group, corporate guarantee by the Company and personal guarantees provided by Mr. Liu and Ms. Zhou, the Directors of the Company. Unutilised secured bank facilities amounted to approximately RMB6,000,000 (2019: RMB18,000,000).

For the year ended 31 December 2020, the amount of revenue and assets subject to the Contractual Arrangements accounted for 97% (2019: 98%) and 66.1% (2019: 63.2%) of the Group's total revenue and assets respectively.

The Directors, are of the view that the terms of the Contractual Arrangements have in substance enabled Xiangyu PRC to have power over the PRC Operational Entity, rights to variable returns from its involvement with the PRC Operational Entity, and has the ability to use its power to affect its returns, despite the absence of formal legal equity interest held by the Group therein. Accordingly, PRC Operational Entity is accounted for as a consolidated structured entity as a subsidiary of the Company.

42. 主要附屬公司詳情(續)

附註：(續)

(ii) 合併結構性實體(續)

船舶抵押協議(續)

船舶抵押協議自其簽訂日期起生效，並將於支付或償還綜合服務協議項下的諮詢服務費用、保證金及所有其他有關開支後終止。

本集團擁有向中國經營實體提供財務資助的合約承擔。然而，由於其對本集團而言具有戰略重要性，故此董事計劃向中國經營實體提供融資以支持彼等的營運資金要求。於二零二零年十二月三十一日，中國經營實體的銀行借貸為人民幣192,400,000元(二零一九年：人民幣195,000,000元)，由中國經營實體與本集團共同擁有的資產、本公司提供的公司擔保以及本公司董事劉先生及周女士提供的個人擔保作抵押。未動用有擔保銀行融資額度約為人民幣6,000,000元(二零一九年：人民幣18,000,000元)。

截至二零二零年十二月三十一日止年度，受合約安排規限的收入及資產金額分別佔本集團總收益及資產的97%(二零一九年：98%)及66.1%(二零一九年：63.2%)。

董事認為，儘管本集團於合約安排中並無持有正式的法定股權，惟合約安排的條款已實質上賦予翔宇中國控制中國經營實體的權利，享有來自中國經營實體的可變回報的權利及行使其權力影響其回報的能力。因此，中國經營實體作為本公司的附屬公司入賬為合併結構性實體。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

For the year ended 31 December 2020 截至二零二零年十二月三十一日止年度

42. PARTICULARS OF PRINCIPAL SUBSIDIARIES (CONTINUED)

Notes: (Continued)

(ii) Consolidated structured entity (Continued)

Vessel Pledge Agreements (Continued)

The following summarised financial information in respect of PRC Operational Entity represents amounts before intragroup eliminations. PRC Operational Entity has a material subsidiary — Jiangsu Jiaolong and the summarised financial information of Jiangsu Jiaolong is set out in Note 43 and is not included in the financial information below.

		2020 二零二零年 RMB'000 人民幣千元	2019 二零一九年 RMB'000 人民幣千元
Current assets	流動資產	230,484	30,879
Non-current assets	非流動資產	1,168,665	1,447,727
Current liabilities	流動負債	(853,299)	(565,340)
Equity attributable to owners of the Company	本公司擁有人應佔權益	545,850	913,266
Revenue	收益	58,773	195,157
Expense	開支	(422,798)	(462,817)
Loss for the year and total expense for the year	年內虧損及年內開支總額	(364,025)	(267,660)

42. 主要附屬公司詳情(續)

附註：(續)

(ii) 合併結構性實體(續)

船舶抵押協議(續)

下文概述的中國經營實體財務資料為集團內部抵銷前數額。中國經營實體擁有一間重要附屬公司 — 江蘇蛟龍，而概述的江蘇蛟龍財務資料載列於附註43中，且並未納入至下列財務資料中。

43. SUBSIDIARY WITH MATERIAL NON-CONTROLLING INTERESTS

The Group held 51% equity interest in Jiangsu Jiaolong at 31 December 2020 and 2019.

43. 擁有重大非控股權益的附屬公司

本集團於二零二零年及二零一九年十二月三十一日持有江蘇蛟龍51%的股權。

Name of subsidiary 附屬公司名稱	Place of establishment 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 interest 非控股權益持有的擁有權權益及投票權比例		(Loss)/profit allocated to non-controlling interest 分配至非控股權益的(虧損)/溢利		Accumulated non-controlling interest 累計非控股權益	
		31.12.2020 二零二零年 十二月三十一日	31.12.2019 二零一九年 十二月三十一日	31.12.2020 二零二零年 十二月三十一日	31.12.2019 二零一九年 十二月三十一日	31.12.2020 二零二零年 十二月三十一日	31.12.2019 二零一九年 十二月三十一日
Jiangsu Jiaolong 江蘇蛟龍	PRC 中國	49%	49%	(10,781)	(4,442)	129,731	146,305

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

For the year ended 31 December 2020 截至二零二零年十二月三十一日止年度

43. SUBSIDIARY WITH MATERIAL NON-CONTROLLING INTERESTS (CONTINUED)

Summarised financial information in respect of Jiangsu Jiaolong which has material non-controlling interest is set out below. The summarised financial information below represents amounts before intragroup eliminations:

43. 擁有重大非控股權益的附屬公司(續)

擁有重大非控股權益的江蘇蛟龍的財務資料概述如下。下文概述的財務資料為集團內部抵銷前數額：

		2020 二零二零年 RMB'000 人民幣千元	2019 二零一九年 RMB'000 人民幣千元
Current assets	流動資產	262,875	297,784
Non-current assets	非流動資產	270,312	274,621
Current liabilities	流動負債	(166,094)	(149,124)
Non-current liabilities	非流動負債	(93,488)	(115,852)
Equity attributable to owners of the Company	本公司擁有人應佔權益	143,874	161,124
Non-controlling interests	非控股權益	129,731	146,305
Revenue	收益	254,242	296,848
Expense	開支	(288,066)	(315,008)
Loss for the year and total comprehensive expense for the year	年內虧損及年內全面開支總額	(33,824)	(18,160)
Loss and total comprehensive expense attributable to the owners of the Company	本公司擁有人應佔虧損及全面開支總額	(17,250)	(9,262)
Loss and total comprehensive expense attributable to the non-controlling interests	非控股權益應佔虧損及全面開支總額	(16,574)	(8,898)
Loss and total comprehensive expense for the year	年內虧損及全面開支總額	(33,824)	(18,160)
Dividend paid to non-controlling interests	支付予非控股權益的股息	(5,793)	(4,456)
Net cash inflow from operating activities	經營活動產生的現金流入淨額	48,480	1,717
Net cash outflow from investing activities	投資活動產生的現金流出淨額	(21,673)	(18,367)
Net cash outflow from financing activities	融資活動產生的現金流出淨額	(26,715)	(10,056)
Net cash outflow	現金流出淨額	(5,701)	(31,162)

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

For the year ended 31 December 2020 截至二零二零年十二月三十一日止年度

44. SHARE-BASED PAYMENT TRANSACTION

Pursuant to the written resolution of the shareholders of the Company dated 24 May 2011, the share option scheme (the "Scheme") was approved and adopted. The Scheme was established for the purpose of providing incentives or rewards for the contribution of Directors and eligible persons. The Scheme will remain in force for a period of ten years from adoption of the Scheme. The Scheme will expire on 23 May 2021.

Movements of share options outstanding and their weighted average exercise prices are as follows:

		2020 二零二零年		2019 二零一九年	
		Weighted average exercise price per share 每股加權 平均行使價 HK\$ 港元	Number of share options 購股權數目	Weighted average exercise price per share 每股加權 平均行使價 HK\$ 港元	Number of share options 購股權數目
Exercisable at beginning of the year	年初可行使	N/A 不適用	—	0.131	85,560,000
Granted	已授出	0.1	17,000,000	N/A 不適用	—
Exercised	已行使	N/A 不適用	—	0.131	(8,702,000)
Lapsed	已失效	N/A 不適用	—	0.131	(76,858,000)
		0.1	17,000,000	N/A 不適用	—

During the year ended 31 December 2020, 17,000,000 share options were granted to employees of the Group on 20 January 2020, nil share option was granted to the Directors. The fair value of the options determined at the date of grant using the Binominal Valuation Model was HK\$331,000 (equivalent to RMB292,000). During the year ended 31 December 2019, share options were exercised to subscribe for 8,702,000 shares at an option price of HK\$0.131, receiving net proceeds of HK\$1,140,000 (equivalent to RMB1,032,000).

The Group has no legal or constructive obligation to repurchase or settle the options in cash.

44. 股份支付交易

根據日期為二零一一年五月二十四日的本公司股東書面決議案，購股權計劃(「計劃」)獲批准及採納。設立計劃旨在就董事及合資格人士的貢獻給予鼓勵或獎勵。計劃自其獲採納起計十年內持續有效。計劃將於二零二一年五月二十三日屆滿。

未行使的購股權及其加權平均行使價的變動如下：

於截至二零二零年十二月三十一日止年度，17,000,000份購股權乃於二零二零年一月二十日授予本集團僱員，惟並無授出任何購股權予董事。購股權公平值於授出日期採用二項式估值模式釐定為331,000港元(相當於人民幣292,000元)。截至二零一九年十二月三十一日止年度，購股權獲行使以0.131港元的購股權價格認購8,702,000股股份，獲得所得款項淨額1,140,000港元(相當於人民幣1,032,000元)。

本集團並無法律或推定責任以現金購回或結算購股權。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

For the year ended 31 December 2020 截至二零二零年十二月三十一日止年度

44. SHARE-BASED PAYMENT TRANSACTION (CONTINUED)

44. 股份支付交易(續)

The fair values of options granted determined were as follow:

按有關方式計算的已授出購股權的公平值如下：

20 January 2020
二零二零年
一月二十日

Option value (at grant date)	購股權價值(於授出日期)	HK\$331,000港元
Fair value per option (at grant date)	每份購股權公平值(於授出日期)	HK\$0.0195港元
Significant inputs into the valuation model:	估值模式的主要輸入項目：	
Exercise price at grant date	授出日期的行使價	HK\$0.1港元
Share price at grant date	授出日期的股價	HK\$0.072港元
Expected volatility (note)	預期波幅(附註)	108.690%
Risk-free interest rate	無風險利率	1.8%
Life of options	購股權年期	1 year年
Expected dividend yield	預期股息率	0%
Valuation model applied	所用估值模式	Binomial二項式

Note: The expected volatility is measured at the standard deviation of the expected share price return and is based on statistical analysis of daily share prices over 2 years before the respective dates of grant.

附註：預期波幅乃按預期股價回報的標準差計算，並按各個授出日期前兩年的每日股價的統計分析計算。

Options may be exercised at any time from 20 January 2020 to 19 January 2021. The Group recognised a total expense of HK\$331,000 (equivalent to RMB292,000) for the year ended 31 December 2020 (2019: nil) in relation to share options granted by the Company.

購股權可在自二零二零年一月二十日至二零二一年一月十九日任何時間獲行使。截至二零二零年十二月三十一日止年度，本集團就本公司授出的購股權確認總開支331,000港元(相當於人民幣292,000元)(二零一九年：零)。

**Notes to the Consolidated
Financial Statements (Continued)**
綜合財務報表附註(續)

For the year ended 31 December 2020 截至二零二零年十二月三十一日止年度

**45. STATEMENT OF FINANCIAL POSITION
AND RESERVES OF THE COMPANY**

45. 本公司的財務狀況表及儲備

		2020 二零二零年 RMB'000 人民幣千元	2019 二零一九年 RMB'000 人民幣千元
Non-Current Asset	非流動資產		
Investments in subsidiaries	於附屬公司的投資	258,375	259,214
Current Assets	流動資產		
Amounts due from subsidiaries	應收附屬公司的款項	4,486	436,964
Bank balances and cash	銀行結餘及現金	119	128
		4,605	437,092
Current Liabilities	流動負債		
Other payables	其他應付款項	7,964	3,709
Amounts due to subsidiaries	應付附屬公司款項	17,860	—
Amounts due to directors	應付董事款項	5,903	5,450
Bonds payable	應付債券	287,482	286,804
		319,209	295,963
Net Current (Liabilities)/Assets	流動(負債)/資產淨值	(314,604)	141,129
Total Assets Less Current Liabilities	總資產減流動負債	(56,229)	400,343
Capital And Reserves	資本及儲備		
Share capital	股本	167,914	150,365
(Deficient)/reserves	(虧絀)/儲備	(224,143)	249,978
Total Equity	權益總額	(56,229)	400,343

The Company's statement of financial position was approved and authorised for issue by the board of directors on 16 April 2021 and are signed on its behalf by:

本公司的財務狀況表已於二零二一年四月十六日獲董事會批准及授權刊發，並由以下人士代表簽署：

Liu Kaijin
劉開進
Director
董事

Zhou Shuhua
周淑華
Director
董事

Notes to the Consolidated Financial Statements (Continued) 綜合財務報表附註(續)

For the year ended 31 December 2020 截至二零二零年十二月三十一日止年度

45. STATEMENT OF FINANCIAL POSITION AND RESERVES OF THE COMPANY (CONTINUED)

45. 本公司的財務狀況表及儲備(續)

Movement in the Company's reserves:

公司儲備的變動：

		Share premium	Share options reserve	Other reserves	Accumulated losses	Total
		股份溢價	購股權儲備	其他儲備	累計虧損	總計
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
At 1 January 2019	於二零一九年一月一日	928,198	2,752	165,238	(308,574)	787,614
Loss for the year	年內虧損	—	—	—	(537,880)	(537,880)
Issue of shares upon exercise of share options	行使購股權後 發行股份	523	(279)	—	—	244
Share option lapsed	已失效購股權	—	(2,473)	—	2,473	—
At 31 December 2019 and 1 January 2020	於二零一九年 十二月三十一日及 二零二零年一月一日	928,721	—	165,238	(843,981)	249,978
Loss for the year	年內虧損	—	—	—	(474,413)	(474,413)
Equity-settled share-based payments	以權益結算的 股份付款	—	292	—	—	292
At 31 December 2020	於二零二零年 十二月三十一日	928,721	292	165,238	(1,318,394)	(224,143)

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

For the year ended 31 December 2020 截至二零二零年十二月三十一日止年度

46. EVENT AFTER THE REPORTING PERIOD

Share placings

On 14 January 2021, the Management has proposed to implement share consolidation (the "Share Consolidation") on the basis that every 2 shares of HK\$0.1 each be consolidated into 1 consolidated share of HK\$0.2 each. Up to 8 March 2021, the authorised share capital of the Company is HK\$1,000,000,000 divided into 10,000,000,000 shares of HK\$0.10 each, of which 1,991,283,000 shares have been allotted and issued, and are fully paid or credited as fully paid. Upon the Share Consolidation becoming effective on 9 March 2021, the authorised share capital of the Company became HK\$1,000,000,000 divided into 5,000,000,000 shares of HK\$0.20 each, of which 995,641,500 consolidated shares was in issue.

On 14 January 2021, Mr. Liu has conditionally agreed to subscribe for and the Company has conditionally agreed to allot and issue 508,240,000 new consolidated shares (see Note 15) at the subscription price of HK\$0.20 per subscription share to Mr. Liu, with an aggregate consideration of HK\$101,648,000 (the "Subscription"). After deducting related professional fees and all related expenses which will be borne by the Company in relation to the Subscription, the net proceeds of the Subscription will amount to approximately HK\$99,600,000. The net proceeds of approximately HK\$98,400,000 from the Subscription was used to fully redeem the Bonds (see Note 31) and the remaining balance of approximately HK\$1,200,000 was used as general working capital of the Company. Before the Share Consolidation and Subscription, Mr. Liu is deemed to hold 387,159,000 shares, representing 19.44% shareholding of the Company, which was consolidated into 193,579,500 shares after the Share Consolidation. After the Subscription and Share Consolidation, Mr. Liu is deemed to hold 701,819,500 shares, representing 46.67% shareholding of the Company. The Subscription has constituted a connected transaction of the Company. On 30 March 2021, the Subscription has been completed.

Further details of this transaction are set out in the Company's announcements dated 14 January 2021, 3 February 2021, 5 March 2021 and 30 March 2021.

46. 報告期後事項

股份配售

於二零二一年一月十四日，管理層已建議進行股份合併(「股份合併」)，基準為每2股每股面值0.1港元的股份合併為1股每股面值0.2港元的合併股份。截至二零二一年三月八日，本公司的法定股本為1,000,000,000港元，分為10,000,000,000股每股面值0.10港元的股份，其中已配發及發行1,991,283,000股股份，並已繳足或入賬列作繳足。於股份合併於二零二一年三月九日生效後，本公司的法定股本為1,000,000,000港元，分為5,000,000,000股每股面值0.20港元的股份，其中995,641,500股為已發行合併股份。

於二零二一年一月十四日，劉先生有條件同意認購而本公司有條件同意向劉先生配發及發行508,240,000股新合併股份(見附註15)，認購價為每股認購股份0.20港元，總代價為101,648,000港元(「認購事項」)。經扣除本公司就認購事項將承擔之相關專業費用及所有相關開支後，認購事項之所得款項淨額將約為99,600,000港元。認購事項之所得款項淨額約98,400,000港元已用於悉數贖回債券(見附註31)，餘下結餘約1,200,000港元已用作本公司一般營運資金。於股份合併及認購事項前，劉先生被視為持有387,159,000股股份，佔本公司19.44%之股權，有關股份已於股份合併後合併為193,579,500股股份。於認購事項及合併股份後，劉先生被視為持有701,819,500股股份，佔本公司46.67%之股權。認購事項已構成本公司之關連交易。於二零二一年三月三十日，認購事項已經完成。

有關該項交易之進一步詳情載於本公司日期為二零二一年一月十四日、二零二一年二月三日、二零二一年三月五日及二零二一年三月三十日之公告。

Notes to the Consolidated Financial Statements (Continued) 綜合財務報表附註(續)

For the year ended 31 December 2020 截至二零二零年十二月三十一日止年度

46. EVENT AFTER THE REPORTING PERIOD (CONTINUED)

Outbreak of Coronavirus Disease 2019

After the outbreak of Coronavirus Disease 2019 ("COVID-19 outbreak") in early 2020, a series of precautionary and control measures have been and continued to be implemented across China. The continuous outbreak of COVID-19 is expected to have a negative impact on the global economic environment, which in turn, is likely to affect the Group's revenue and profit. How effective government measures are, in the countries that the Group operates, and how quickly global economics recover from the negative impact of this pandemic, may have an effect on the Group's financial results for the year ending 2021. The Group will pay close attention on the change of the situation and make timely response and adjustments in the future.

46. 報告期後事項(續)

爆發二零一九年冠狀病毒疾病

於二零二零年初爆發二零一九年冠狀病毒疾病(「COVID-19疫情」)，中國採取並持續執行一系列防控措施。COVID-19疫情持續爆發預期將對全球經濟環境造成負面影響，進而有可能會影響本集團的收益及溢利。本集團營運所在國家的政府措施成效如何，全球經濟從此次疫情的負面影響中恢復速度如何，均可能對本集團截至二零二一年止年度之財務業績造成影響。本集團將密切關注形勢變化，日後及時作出應對及調整。



中國疏浚環保控股有限公司

China Dredging Environment Protection Holdings Limited

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

Stock Code 股份代號: 871



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