



理文化工有限公司

*Lee & Man Chemical Company Limited*

*(Incorporated in the Cayman Islands and its members' liability is limited)*

(於開曼群島註冊成立及其成員責任為有限)

Stock Code 股份代號 : 746

**Together We Grow**



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# Corporate Information

## 公司資料

### BOARD OF DIRECTORS

#### Executive Directors

Ms. Wai Siu Kee (*Chairman*)  
Mr. Lee Man Yan (*Chief Executive Officer*)  
Professor Chan Albert Sun Chi  
Mr. Yang Zuo Ning

#### Independent non-executive Directors

Mr. Wong Kai Tung, Tony  
Mr. Wan Chi Keung, Aaron *BBS JP*  
Mr. Heng Victor Ja Wei

### AUDIT COMMITTEE

Mr. Heng Victor Ja Wei (*Chairman*)  
Mr. Wong Kai Tung, Tony  
Mr. Wan Chi Keung, Aaron *BBS JP*

### REMUNERATION COMMITTEE

Mr. Heng Victor Ja Wei (*Chairman*)  
Mr. Wong Kai Tung, Tony  
Mr. Wan Chi Keung, Aaron *BBS JP*

### NOMINATION COMMITTEE

Ms. Wai Siu Kee (*Chairman*)  
Mr. Heng Victor Ja Wei  
Mr. Wong Kai Tung, Tony  
Mr. Wan Chi Keung, Aaron *BBS JP*

### COMPANY SECRETARY

Mr. Ho Chun Ho Jason

### AUTHORISED REPRESENTATIVES

Ms. Wai Siu Kee  
Mr. Ho Chun Ho Jason

### REGISTERED OFFICE

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

### 董事會

#### 執行董事

衛少琦女士(*主席*)  
李文恩先生(*首席執行官*)  
陳新滋教授  
楊作寧先生

#### 獨立非執行董事

王啟東先生  
尹志強先生*BBS太平紳士*  
邢家維先生

### 審核委員會

邢家維先生(*主席*)  
王啟東先生  
尹志強先生*BBS太平紳士*

### 薪酬委員會

邢家維先生(*主席*)  
王啟東先生  
尹志強先生*BBS太平紳士*

### 提名委員會

衛少琦女士(*主席*)  
邢家維先生  
王啟東先生  
尹志強先生*BBS太平紳士*

### 公司秘書

何圳浩先生

### 授權代表

衛少琦女士  
何圳浩先生

### 註冊辦事處

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

**HEADQUARTERS AND PRINCIPAL PLACE OF BUSINESS IN HONG KONG**

8th Floor, Liven House  
61–63 King Yip Street  
Kwun Tong  
Kowloon  
Hong Kong

**PRINCIPAL BANKERS****In Hong Kong:**

Hang Seng Bank Limited  
Mizuho Bank Ltd., Hong Kong Branch  
Bank of Communications Co., Ltd, Hong Kong Branch  
United Overseas Bank Limited, Hong Kong Branch  
Bank of China (Hong Kong) Limited

**In the PRC:**

Bank of China Limited  
China Construction Bank Corporation

**AUDITORS**

Deloitte Touche Tohmatsu  
*Certified Public Accountants*  
*Registered Public Interest Entity Auditor*

**PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE**

Suntera (Cayman) Limited  
Suite 3204, Unit 2A  
Block 3, Building D  
P.O. Box 1586  
Gardenia Court  
Camana Bay  
Grand Cayman, KY1-1110  
Cayman Islands

**HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE**

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

**WEBSITE**

[www.leemanchemical.com](http://www.leemanchemical.com)

**總部及香港主要營業地點**

香港  
九龍  
觀塘  
敬業街61–63號  
利維大廈8樓

**主要往來銀行****香港：**

恒生銀行有限公司  
瑞穗銀行，香港分行  
交通銀行，香港分行  
大華銀行，香港分行  
中國銀行(香港)有限公司

**中國：**

中國銀行股份有限公司  
中國建設銀行股份有限公司

**核數師**

德勤•關黃陳方會計師行  
*執業會計師*  
*註冊公共利益實體核數師*

**主要股份過戶登記處**

Suntera (Cayman) Limited  
Suite 3204, Unit 2A  
Block 3, Building D  
P.O. Box 1586  
Gardenia Court  
Camana Bay  
Grand Cayman, KY1-1110  
Cayman Islands

**香港股份過戶登記分處**

卓佳秘書商務有限公司  
香港  
皇后大道東183號  
合和中心54樓

**網址**

[www.leemanchemical.com](http://www.leemanchemical.com)

# Chairman's Statement

## 主席報告

### BUSINESS REVIEW

For the year ended 31 December 2021, the Group recorded total revenue of HK\$5,186 million, an increase of 67.3% year-on-year. Profit for the year was HK\$1,288 million, an increase of 156.2% year-on-year.

The Group's gross profit margin rose by 8.6 percentage points year-on-year to 45.1%; the net profit margin also climbed by 8.6 percentage points year-on-year to 24.8%.

During the year under review, the Group's **Chemical operations** benefited from the rapid industrial recovery in the PRC in the second half of 2021. The fluctuation in the prices of raw materials did not significantly affect the Group's profitability, and on the contrary, stimulated the market prices of chemical products, resulting in a significant improvement in the Group's gross profit margin. For **Property operations**, the residential portion of its commercial and residential complex RIVERDALE in Changshu, Jiangsu, delivered 155 units, and revenue from sale of properties was approximately HK\$195 million during the year.

### PROSPECTS

Although the COVID-19 pandemic situation remains volatile, the supply chain imbalance is gradually easing as many countries around the world relax or even lift their pandemic prevention measures. Demand in the downstream industries is expected to increase, supporting stable demand for various basic chemical products, and the Group therefore remains cautiously optimistic about its operating prospects in 2022. The Group will maintain the strategy of selling property units at opportune times heeding market conditions, and actively complete the internal works of its commercial spaces.

The Group has been stepping up its efforts to expand the product range of specialty polymers to meet the unique needs of its customers. In the fourth quarter of 2021, the Group launched the second phase of fluoropolymer production, which will significantly increase the production capacity of highly effective specialty polymers such as polytetrafluoroethylene (PTFE), enabling the Group to meet the strong demand for fluoropolymer products from downstream industries. In December 2021, the Group's chlorinated polyvinyl chloride (CPVC) resin obtained the "Green Design Product" certification from the Ministry of Industry and Information Technology. Together with the existing UL and NSF certifications, the Group can continue to expand the application industries and scope of its CPVC products in China and overseas.

### 業務回顧

截至2021年12月31日止年度，本集團錄得總營業額51.86億港元，按年上升67.3%，而年內溢利為12.88億港元，按年上升156.2%。

本集團毛利率按年上升8.6個百分點至45.1%；淨利潤率亦按年上升8.6個百分點至24.8%。

回顧年內，**化工業務**方面，本集團尤其受惠於2021下半年中國工業快速復甦，原材料的價格波動亦未有大幅影響本集團的盈利能力，反而帶動化工產品的市場價格走勢回升，令本集團的毛利率得到顯著改善。**物業業務**方面，本集團位處江蘇常熟的商住項目「昕悅溪」住宅部份已交付155個單位，年內來自物業銷售收入約1.95億港元。

### 展望

雖然COVID-19疫情仍然反覆，但隨著全球多國陸續放寬甚至全面取消防疫措施，供應鏈失衡狀況逐漸舒緩，下游產業需求相信只會有增無減，支持各類基礎化工產品的穩定需求，對於2022年經營前景本集團維持審慎樂觀。集團會對住宅物業維持惜售策略，並會積極完成商業樓面部份的內部工程。

本集團一直加強拓展特種聚合物的產品種類，以滿足客戶的各種獨特需求。2021年第四季，本集團啟動氟聚合物二期生產，將會大幅增加高效特種聚合物如聚四氟乙烯(PTFE)的產能，令本集團更有效滿足下游產業對氟聚合物產品的殷切需求。2021年12月，本集團的氯化聚氯乙烯(CPVC)樹脂亦獲得工業和信息化部的《綠色設計產品》認證，加上現有的UL及NSF等認證，亦能繼續擴大CPVC產品於國內外應用行業及範圍。



As countries around the world begin plans to phase out fossil-fuel vehicles, the supply chain of the automobile industry will undergo a major shift. The Group's Zhuhai plant has been gradually put into operation since mid-2021, and its lithium-ion battery electrolyte additives have received a positive response from downstream enterprises. The R&D team will work closely with downstream customers to actively increase production capacity according to customer needs. In the future, the Group will actively prepare to strengthen its investment in high-end fluoropolymer and new lithium battery materials, so as to increase industry recognition and market share, and continue to expand the Group's presence in the lithium battery-related product market.

The Group is also committed to promoting green production and practicing clean, highly efficient and low-carbon development and management, with the long-term goal of obtaining "Grade-A Safe Production Standardization Enterprise Certification" and bringing continuous and satisfactory returns to shareholders.

### APPRECIATION

On behalf of the Board, I would like to extend our sincere gratitude to the Company's shareholders, customers and business partners for their strong support throughout the year. I would also like to take this opportunity to thank all colleagues and staff for their persistent efforts and contribution to the Group.

On behalf of the Board  
**Wai Siu Kee**  
Chairman

Hong Kong, 7 March 2022

世界各國已陸續開展逐步淘汰化石燃料汽車的計劃，汽車產業的供應鏈將迎來重大轉變。本集團的珠海廠自去年年中起逐步投入運作，鋰電池電解液添加劑產品亦獲得下游企業的良好反應。研發團隊會與下游客戶緊密合作，按照客戶需要積極提升產能。於未來本集團會積極準備加強投資於高端氟聚合物和鋰電池新材料，提升行業認受性和市場份額，持續拓展本集團於鋰電池相關製品的版圖。

本集團並同時致力推行綠色生產，踐行清潔、高效、低碳的發展管理，以全線獲取安全生產標準化一級企業認證為長遠目標，並為股東帶來持續而理想的回報。

### 鳴謝

本人謹代表董事會，向本公司股東、客戶及業務夥伴於本年度給予的鼎力支持，致以由衷謝意。此外，本人亦藉此機會感謝各位員工一直努力不懈，持續為本集團作出貢獻。

代表董事會  
**衛少琦**  
主席

香港，2022年3月7日

# Management Discussion and Analysis

## 管理層討論及分析

### RESULTS OF OPERATION

Revenue and net profit attributable to equity holders of the Group for the year ended 31 December 2021 was HK\$5,186 million and HK\$1,288 million respectively, representing an increase of 67.3% and an increase of 156.2%, as compared to HK\$3,100 million and HK\$503 million respectively for the last year.

The basic earnings per share was HK156.1 cents for the year ended 31 December 2021 (2020: HK60.9 cents).

#### Revenue

During the year under review, the Group recorded an increase of approximately HK\$2,086 million in revenue compared to the last year. During the year under review, gross profit margin of the Group increased by 8.6 percentage points, from 36.5% of the last year to 45.1% of the current year, and net profit margin increased by 8.6 percentage points, from 16.2% of the last year to 24.8% of the current year.

#### Chemical operations

During the year under review, the Group recorded a revenue from Chemical operations of approximately HK\$4,991 million, representing an increase of HK\$1,892 million or 61.0% as compared to last year. The increase in revenue was mainly attributable to the increase in unit selling price across most of our main products driven by their keen demand during the year under review.

As compared to the last year, the average selling price per ton (including value-added tax, similarly hereinafter) of caustic soda was approximately RMB820, increased by 30%; the average selling price per ton of methylene chloride and chloroform was approximately RMB4,500 and RMB4,000, increased by 67% and 90% respectively; the average selling price per ton of polytetrafluoroethylene was approximately RMB56,000, increased by 28%; the average selling price per ton of hydrogen peroxide was approximately RMB1,120, increased by 8%.

The actual production volume of our primary products for the year (including self-consumption) was approximately 360,000 tons for CMS products, 570,000 tons for 100% dry basis caustic soda, 12,000 tons for polytetrafluoroethylene and 390,000 tons for hydrogen peroxide.

In 2021, the Group is benefited from the rapid recovery of the industrial market in China, particularly in the second half of the year, which maintain an upward trend on prices of major chemical products. The vigorous price fluctuations of raw materials such as coal and methanol undoubtedly pose challenges to the Group in controlling the timing of purchases and its resilience in inventory management. Our factory in Zhuhai also commenced its operations in mid-2021, gradually bringing revenue from lithium battery-related products to the Group. The Group will maintain a stable full-load production of the existing product lineups and focus on improving the production process and capacity of lithium battery-related products. This enables the Group in maintaining strong profit margins and competing for market share in market of lithium battery-related products at the same time.

### 經營業績

截至2021年12月31日止年度，本集團之收入及股東應佔溢利分別為51.86億港元及12.88億港元，較去年31.00億港元及5.03億港元，分別上升67.3%及上升156.2%。

截至2021年12月31日止年度，每股基本盈利為156.1港仙(2020年：60.9港仙)。

#### 收入

於回顧年內，集團收入較去年上升約20.86億港元。本集團毛利率由去年的36.5%上升8.6個百分點至今年的45.1%；純利率則由去年的16.2%上升8.6個百分點至今年的24.8%。

#### 化工業務

於回顧年內，本集團從化工業務錄得營業額約49.91億港元，較去年上升18.92億港元或61.0%。收入上升主要來自於回顧年內大部份主產品的需求非常殷切，帶動銷售單價上升所貢獻。

與去年比較，集團產品燒鹼每噸的平均銷售價(含增值稅，下同)約人民幣820元，上升30%；二氯甲烷和三氯甲烷每噸的平均銷售價分別約人民幣4,500元及人民幣4,000元，分別上升67%及90%；聚四氟乙烯每噸的平均銷售價約人民幣56,000元，上升28%；過氧化氫每噸的平均銷售價約人民幣1,120元，上升8%。

主要產品的實際生產量(包含自用)為：甲烷氯化物約36萬噸，折百燒鹼約57萬噸，聚四氟乙烯約12,000噸及過氧化氫約39萬噸。

於2021年，本集團尤其受惠於下半年中國工業快速復甦，化工產品的市場價格走勢整體向上。原材料(如燃煤和甲醇)價格劇烈波動，無疑考驗本集團於控制採購的時點及管理庫存的韌力。珠海廠址亦正式於2021年中投產，逐步為本集團帶來鋰電池相關產品的收入。本集團會繼續保持現有產品線的穩定及滿荷生產，並着力提升鋰電池相關產品的技術和產能，以保持集團整體利潤的同時，爭取鋰電池相關產品的市場份額。

**Property operations**

During the year under review, the Group recorded a revenue from Property operations of approximately HK\$195 million, arising from the sale and delivery a total of 155 residential units of RIVERDALE, being 52% of the total sellable units. The unsold residential units of RIVERDALE was 141 at the year end.

**Selling and distribution costs**

During the year under review, selling and distribution costs amounted to approximately HK\$233 million, increased by approximately HK\$32 million as compared to HK\$201 million of the last year. The increase in expenses for the year was mainly attributable to the expenses for exhibitions and promotions as well as commissions payable of the Property operations. The selling and distribution costs represented approximately 4.5% of total revenue for the year, as compared to 6.5% for the last year.

**Administrative expenses**

During the year under review, administrative expenses amounted to approximately HK\$299 million, increased by approximately HK\$76 million as compared to HK\$223 million of the last year. The increase in administrative expenses during the year under review was mainly due to the salary increments to general staff, the non-recurring impact from pandemic-related concessions and waivers last year and the resulting depreciation charges from additions of office equipment. The administrative expenses represented approximately 5.8% of total revenue for the year, as compared to 7.2% for the last year.

**Research and development cost**

During the year under review, research and development costs amounted to approximately HK\$231 million and representing 4.5% of total revenue for the year. During the year under review, continuous spending are made to research and development of new products and optimization of technical processes, maintaining a strong team of senior scientists and chemical professionals, procurement of equipment and testing materials, so as to maintain the sustainable development of the Group.

**Finance costs**

During the year under review, the net interest expenses incurred was approximately HK\$48 million, decreased by approximately HK\$8 million as compared to HK\$56 million of the last year. The decrease in expenses was mainly due to the overall market interest rates remains at an extremely low level.

**Net exchange gain**

During the year under review, the net exchange gain was approximately HK\$23 million. The net exchange gain of the Group is mainly driven by the appreciation of Renminbi in 2021.

**物業業務**

於回顧年內，本集團從物業業務錄得營業額約1.95億港元，來自出售並交付155個「昕悅溪」之住宅單位，佔可售單位總數之52%。「昕悅溪」於年末之未出售住宅單位為141個。

**銷售及分銷成本**

於回顧年內，銷售及分銷成本約為2.33億港元，與去年約2.01億港元比較，上升約3,200萬港元。年內費用上升主要是物業業務的展銷推廣費用及應付佣金所致。銷售及分銷成本相對年內總收入的佔比約為4.5%，而去年則約為6.5%。

**行政費用**

於回顧年內，行政費用為約2.99億港元，與去年約2.23億港元比較，增加約7,600萬港元。回顧年內行政費用增加，主要是由於員工工資普調，去年同期因應疫情的若干寬免之一次性影響及新增辦公設備和折舊所致。行政費用相對年內總收入的佔比約為5.8%，而去年則約為7.2%。

**研發成本**

於回顧年內，研發成本為約2.31億港元，佔年內總收入約4.5%。於回顧年內集團持續投放資源在新產品研發和優化工藝技術，留聘高級及化工專業人員強大團隊，購置設備和測試物料，保持集團的可持續發展。

**融資成本**

於回顧年內，淨利息支出為約4,800萬港元，與去年約5,600萬港元比較，減少約800萬港元。年內費用減少主要由於整體市場息口維持極低水平所致。

**匯兌淨收益**

於回顧年內，匯兌淨收益為約2,300萬港元。主要由於2021年人民幣的匯價升值所致。



# Management Discussion and Analysis

## 管理層討論及分析

### INVENTORIES, DEBTORS' AND CREDITORS' TURNOVER

The inventory turnover of the Group for the year ended 31 December 2021 was 88 days, decreased by 4 days as compared to 92 days of the last year.

The Group's debtors' turnover days was controlled at 21 days for the year ended 31 December 2021 as compared to 30 days for the last year, which is in line with the normal credit period of 7 days to 60 days granted to customers of the Group.

The Group's creditors' turnover days was 30 days for the year ended 31 December 2021 as compared to 43 days for the last year, which is in line with the normal credit terms of 7 days to 45 days granted by the suppliers to the Group.

### LIQUIDITY, FINANCIAL RESOURCES AND CAPITAL STRUCTURE

The total shareholders' equity of the Group as at 31 December 2021 was HK\$5,575 million (2020: HK\$4,444 million). As at 31 December 2021, the Group had current assets of HK\$2,146 million (2020: HK\$1,780 million) and current liabilities of HK\$1,339 million (2020: HK\$1,174 million). The current ratio was 1.60 as at 31 December 2021 as compared to 1.52 at 31 December 2020.

The financial resources of the Group remain strong. As at 31 December 2021, the Group's bank balances and cash (including bank balances with restricted use) was HK\$325 million (2020: HK\$423 million) and the net debt amounted to HK\$708 million (2020: HK\$1,109 million). The net debt to equity ratio of the Group as at 31 December 2021 was 12.70% (2020: 24.97%).

During the year under review, the Group made use of the increase in cash generated from operating activities and actively lowered bank borrowings. The Group would continue to maintain sufficient cash and available banking facilities to meet its capital commitments, working capital requirements and future investments for expansion.

### CAPITAL AND OTHER COMMITMENTS

As at 31 December 2021, the Group had capital expenditure contracted for but not provided in the consolidated financial statements in respect of the acquisition of property, plant and equipment and land use rights in amount of approximately HK\$149 million.

### 存貨、應收賬款及應付賬款周轉期

截至2021年12月31日止年度，本集團之存貨周轉期天數為88天，較去年的92天下降了4天。

截至2021年12月31日止年度本集團之應收賬款周轉天數控制於21天，而去年則為30天，與本集團給予客戶的正常除賬期7天至60天一致。

截至2021年12月31日止年度，本集團之應付賬款周轉天數為30天，而去年則為43天，與供應商給予本集團的正常除賬期7天至45天一致。

### 流動資金、財務資源及資本結構

於2021年12月31日，本集團的股東權益總額約為55.75億港元(2020年：44.44億港元)。於2021年12月31日，本集團的流動資產約為21.46億港元(2020年：17.80億港元)，而流動負債則約為13.39億港元(2020年：11.74億港元)。於2021年12月31日的流動比率為1.60，而於2020年12月31日則為1.52。

集團的財務資源保持強勁。於2021年12月31日，本集團之銀行結餘及現金(包括受限制銀行結餘)為3.25億港元(2020年：4.23億港元)，而債務淨額為7.08億港元(2020年：11.09億港元)。本集團的債務淨額對權益比率於2021年12月31日為12.70%(2020年：24.97%)。

於回顧年內，本集團把握經營活動產生的現金增加，積極償還銀行借款。本集團會繼續保持充裕的手頭現金及可供動用的銀行備用額，以應付集團的資本承擔，營運資金需要及未來的投資發展。

### 資本及其他承擔

於2021年12月31日，本集團已訂約而未計入綜合財務報表內的資本性支出，用作購置物業、廠房及設備及土地使用權之數額約1.49億港元。

## HUMAN RESOURCES

At 31 December 2021, the Group had a workforce of around 2,100 people. The Group maintains a good relationship with its employees, and provides them with proper training and competitive compensation and incentives. The staffs are remunerated based on their work performance, professional experience and prevailing market situation. Remuneration packages comprise salary and bonuses based on individual merits.

## KEY RISKS AND UNCERTAINTIES

Apart from those stated in the Chairman's Statement and Management Discussion and Analysis sections, the Company is exposed to the following key risks and uncertainties which are required to be disclosed pursuant to the Companies Ordinance (Chapter 622 of the Laws of Hong Kong).

### 1. Risks Relating to Our Industry

Some of our raw materials and products fall within the category of hazardous chemicals. Any leakage of such chemicals, due to equipment malfunction or wrongful operations, may result in personal injury. The Company regards safety as the top priority. To minimize risks, regular maintenance of our production equipment is conducted. Important equipment is inspected by "Special Equipment Safety Supervision Inspection Institute", to ensure proper management of our equipment and devices. In addition, the Company strictly executes safety management standardization. The Company regularly conducts safety classes and shares safety management experience to our production teams. Emergency drills are organized twice a year to ensure that our staff members have thorough knowledge in safe production and avoid the occurrence of wrongful operations.

### 2. Credit Risks Relating to Customers

Exposure to bad debts attributable to customers usually intensifies in a time of weak economic performance. To minimize credit risks, the management of the Group has appointed dedicated staff members to handle procedures for determining credit limits, credit approval and other monitoring procedures, to ensure follow-up with all receivables in a timely manner. In addition, the Group reviews the collectability of receivables at the end of a reporting period, to ensure that sufficient impairment losses are provided for in respect of uncollectible amount.

## 人力資源

於2021年12月31日，本集團員工約2,100名。本集團與員工關係一向良好，並為員工提供足夠培訓、優厚福利及獎勵計劃。員工酬金乃按彼等之工作表現、專業經驗及當時之市場狀況而釐定，除基本薪金外並按員工表現發放花紅。

## 主要風險及不明朗因素

除主席報告書及管理層討論及分析提述事宜以外，本公司根據公司條例(香港法例第622章)須予披露所面對的主要風險及不明朗因素如下。

### 1. 行業風險

公司部分原材料和產品屬危險化學品，如有設備損壞或操作失誤會產生洩漏，對人員造成傷害。公司視安全生產為企業首要目標，為減低風險，公司在生產裝置上定期做好保養維護，重要設備由「特種設備安全監督檢驗研究院」負責檢查，保證設備裝置的完整性管理。此外，公司實行安全管理標準化，一直推行班組會宣傳安全教育，定期分享其他公司的安全管理，並每年安排兩次應急演練，使員工對安全生產有深刻的認識，避免誤操作現象的發生。

### 2. 客戶的信貸風險

隨著經濟疲弱，客戶壞帳風險相對增加。為減低信貸風險，本集團管理層已委派特定人員負責釐定信貸限額、信貸審批及其他監控程序，以確保及時跟進所有應收帳款。此外，本集團會於報告期末已檢討債項之可收回款額，以確保就不可收回款額作出足夠之減值虧損。

# Management Discussion and Analysis

## 管理層討論及分析

### 3. Liquidity Risks

In managing liquidity risks, the Group monitors and maintains bank balances and cash at a level which is considered by the management as sufficient, to satisfy the needs arising from the Group's operations and to mitigate the effect of fluctuations of cash flow. The management closely monitors the use of borrowings to ensure that relevant covenants relating to loans are complied with.

### 4. Currency Risks

Debts denominated in foreign currencies expose the Group to foreign exchange risks. The Group closely manages and monitors foreign exchange risks to ensure that appropriate measures are taken in a timely manner. The Group will consider entering into forward contracts in respect of foreign currencies to mitigate relevant risks as and when appropriate. As of 31 December 2021, the Group did not have any outstanding forward contracts in respect of foreign currencies.

### 5. Interest Rate Risks

The Group's interest rate risks are primarily related to its bank balances and bank borrowings carried at floating interest rates. The management will closely monitor interest rate risks and consider hedging material interest rate fluctuations when necessary.

### 3. 流動資金風險

管理流動資金風險時，本集團會監察及保持管理層視為足夠水平之銀行結餘及現金，以撥付本集團營運所需及減低現金流量波動之影響。管理層會密切監察借貸之使用情況，確保遵守相關借款契約。

### 4. 貨幣風險

因有外幣負債，以致本集團承受外幣滙兌風險。本集團會密切管理及監察外匯風險，以確保及時地採取適當措施。本集團會在適當時候考慮訂立外幣遠期合約以降低有關風險。截至2021年12月31日，本集團並沒有已訂立而未到期的外幣遠期合約。

### 5. 利率風險

本集團之利率風險主要與浮息銀行結存及銀行借貸有關。管理層會密切監控利率風險，並將在有需要時考慮對沖重大利率波動。

# Corporate Governance Report

## 企業管治報告

### CORPORATE GOVERNANCE PRACTICES

The Company is committed to maintaining high standards of corporate governance. The Board of the Company believes that sound and reasonable corporate governance practices are essential for the growth of the Group and for safeguarding and maximising shareholders' interests. During the year, the Company has complied with The Corporate Governance Code and Corporate Governance Report (the "Code") as set out in Appendix 14 of the Rules Governing the Listing of Securities ("Listing Rules") on The Stock Exchange of Hong Kong Limited (the "Stock Exchange"). The Board is committed to complying with the code provisions as stated in the Code to the extent that the directors of the Company ("Directors") consider it is applicable and practical to the Company.

The objectives of the management structures within the Group, headed by the Board and led by the Chairman, are to deliver sustainable value to Shareholders.

The Chairman provides leadership to and oversees the effective functioning of the Board. With support of the Chief Executive Officer and the Company Secretary, the Chairman approves Board meeting agenda, and ensures Directors have proper briefing, and timely receive adequate and reliable information, on all Board matters.

The role of the Chairman is separate from that of the Chief Executive Officer, and different persons hold the separate offices. The Chief Executive Officer heads the management and focuses on the day-to-day operations of the Group.

### DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers ("Model Code") as set out in Appendix 10 of the Listing Rules as a code of conduct regarding Directors' securities transactions in 2005. All the members of the Board have confirmed, following specific enquiry by the Company that they have complied with the required standard as set out in the Model Code throughout the year ended 31 December 2021. The Model Code also applies to other specified senior management of the Group.

### 企業管治常規

本公司致力保持高水準之企業管治。本公司董事會相信，對本集團增長及對保障及提高股東權益而言，完善及合理的企業管治常規實在不可或缺。本公司於年內一直遵守香港聯合交易所有限公司（「聯交所」）證券上市規則（「上市規則」）附錄14所載之企業管治守則及企業管治報告（「守則」）。董事局承諾，在本公司董事（「董事」）認為適用於本公司及切實可行的前提下，遵守守則所載的守則條文行事。

本集團內管理架構以主席領導的董事會為首，其目標是持續不斷為股東創造價值。

主席負責領導並監督董事會，使其得以有效發揮功能。在首席執行官及公司秘書的支援下，主席批准董事會會議議程，並確保董事獲給予恰當簡報，且及時就一切有關董事會的事宜發放充足可靠的資料。

主席與首席執行官的職務明確劃分，職務由不同人士擔任。首席執行官負責領導管理層，專門負責本集團的日常營運。

### 董事之證券交易

本公司已於2005年採納上市規則附錄10所載之上市發行人董事進行證券交易的標準守則（「標準守則」）作為董事進行證券交易之行為守則。本公司經向所有董事作出具體查詢後，全體董事皆確認於截至2021年12月31日止年度內均遵守標準守則所載之規定守則。標準守則亦適用於本集團之特定高級管理層。

# Corporate Governance Report

## 企業管治報告

### BOARD OF DIRECTORS

#### Composition and role

The Board comprises:

#### *Executive Directors*

Ms. Wai Siu Kee (*Chairman*)  
Mr. Lee Man Yan (*Chief Executive Officer*)  
Professor Chan Albert Sun Chi  
Mr. Yang Zuo Ning

#### *Independent non-executive Directors*

Mr. Wong Kai Tung, Tony  
Mr. Wan Chi Keung, Aaron *BBS JP*  
Mr. Heng Victor Ja Wei

The Board comprises four executive Directors (one of whom is the Chairman and one of whom is the Chief Executive Officer) and three independent non-executive Directors. The three independent non-executive Directors represent more than one-third of the Board. In addition, three of the independent non-executive Directors possess appropriate legal, professional accounting qualifications and financial management expertise.

The principal focus of the Board is on the overall strategic development of the Group. The Board also monitors the financial performance and the internal controls of the Group's business operations.

The independent non-executive Directors also serve the important function of ensuring and monitoring the basis for an effective corporate governance framework. The Board considers that each independent non-executive Director is independent in character and judgment and that they all meet the specific independence criteria as required by the Listing Rules. The Company has received from each independent non-executive Director an annual confirmation or confirmation of his independence pursuant to Rule 3.13 of the Listing Rules. The independent non-executive Directors are explicitly identified in all of the Company's corporate communications.

### 董事會

#### 架構及角色

董事會包括：

#### *執行董事*

衛少琦女士(*主席*)  
李文恩先生(*首席執行官*)  
陳新滋教授  
楊作寧先生

#### *獨立非執行董事*

王啟東先生  
尹志強先生*BBS太平紳士*  
邢家維先生

董事會包括4位執行董事(其中1位為主席及1位為首席執行官)及3位獨立非執行董事。3位獨立非執行董事佔董事會成員三分之一以上。此外，3位獨立非執行董事分別具適當之法律、專業會計師資格及財務管理經驗。

董事會主要著眼於本集團之整體策略及發展。董事會亦監察本集團之財務表現及經營業務之內部監控。

獨立非執行董事亦在確保及監察有效企業管治之架構中擔當非常重要的角色。董事會相信每一位獨立非執行董事均有其獨立性及判斷力，彼等均符合上市規則規定之特定獨立準則。本公司已接獲各獨立非執行董事根據上市規則第3.13條規定所作出之年度獨立性確認函。而獨立非執行董事均可在本公司所有企業通訊內明確識別。

The Chairman is primarily responsible for drawing up and approving the agenda for each board meeting in consultation with all Directors. Notice of at least 14 days have been given to all Directors for all regular board meetings and the Directors can include matters for discussion in the agenda if necessary. Agenda and accompanying board papers in respect of regular board meetings are sent out in full to all Directors within reasonable time before the meeting. Draft minutes of all board meetings are circulated to Directors for comment within a reasonable time prior to confirmation.

Minutes of board meetings and meetings of board committees are kept by duly appointed secretaries of the respective meetings and all Directors have access to board papers and related materials, and are provided with adequate information in a timely manner, which enable the Board to make an informed decision on matters placed before it.

During the year, 5 full board meetings were held. All Directors attended the annual general meeting of the Company held on 30 April 2021 ("2021 AGM"). The individual attendance of each Director is set out below:

Name of Director	董事姓名	Number of board meetings attended 出席會議次數	Attendance at 2021 AGM 出席2021年股東週年大會
Ms. Wai Siu Kee	衛少琦女士	5	✓
Mr. Lee Man Yan	李文恩先生	5	✓
Professor Chan Albert Sun Chi	陳新滋教授	5	✓
Mr. Yang Zuo Ning	楊作寧先生	5	✓
Mr. Wong Kai Tung, Tony	王啟東先生	5	✓
Mr. Wan Chi Keung, Aaron <i>BBS JP</i>	尹志強先生 <i>BBS太平紳士</i>	5	✓
Mr. Heng Victor Ja Wei	邢家維先生	5	✓

Each newly appointed Director receives comprehensive, formal and tailored induction on his appointment, so as to ensure that he has appropriate understanding of the business and operations of the Group and that he is fully aware of his responsibilities and obligations under the Listing Rules and relevant regulatory requirements. There are also arrangements in place for providing continuing briefing and professional development to Directors at the Company's expenses whenever necessary.

The Company provides regular updates and presentations on changes and developments relating to the Group's business and the legislative and regulatory environments to the Directors at Board meetings or through emails.

主席經徵詢全體董事，首要負責草擬及審批每次董事會會議之議程。開會通知最少於常務會議14天前發送予各董事，如需要，董事可要求在議程內加插討論事項。召開常務會議時，一套完整議程連同開會文件會在開會前之合理時間內發送予各董事。草擬的會議紀錄亦會於合理時間內送交各董事省閱，方予確認。

董事會及董事委員會之會議紀錄由相關會議所委任之秘書保存，所有董事均有權查閱董事會文件及相關資料及適時地獲提供足夠資料，使董事會可於決策事項前作出有根據的判斷。

於年內，已召開5次全體董事會。全體董事均有出席於2021年4月30日舉行之本公司股東週年大會（「2021年股東週年大會」）。各董事出席情況詳列如下：

各新委任董事獲委任時均會獲得一項全面、正規及切合個人需要的入職指引，以確保彼對本集團業務及運作有恰當的了解，並全面知悉其根據上市規則及有關法例規定下之職責及責任。在有需要時，本公司亦會安排向董事提供持續簡介及專業發展，費用由本公司承擔。

本公司就本集團業務發展及立法及監管環境之變動，於董事局會議內或通過發送電子郵件向董事提供定期更新及呈列。

# Corporate Governance Report

## 企業管治報告

The Directors are committed to complying with Code Provision A.6.5 of the Code on directors' training. All Directors have participated in continuous professional development to develop and refresh their knowledge and skills and provided a record of training they received for the year ended 31 December 2021 to the Company. The type of training received is summarized below:

董事承諾遵守守則有關董事培訓之守則條文第A.6.5條，截至2021年12月31日止年度，全體董事均有參與發展及更新彼等知識及技能之持續專業發展，並已向本公司提供彼等所接受培訓的類型如下：

Name of Director	董事姓名	Reading regulatory updates 閱讀監管規定更新資料	Attending external seminars/ programmes 參與外界機構舉辦研討會／活動
<b>Executive Directors</b>			
Ms. Wai Siu Kee	衛少琦女士	✓	✓
Mr. Lee Man Yan	李文恩先生	✓	✓
Professor Chan Albert Sun Chi	陳新滋教授	✓	✓
Mr. Yang Zuo Ning	楊作寧先生	✓	✓
<b>Independent non-executive Directors</b>			
Mr. Wong Kai Tung, Tony	王啟東先生	✓	✓
Mr. Wan Chi Keung, Aaron <i>BBS JP</i>	尹志強先生 <i>BBS太平紳士</i>	✓	✓
Mr. Heng Victor Ja Wai	邢家維先生	✓	✓

All Independent non-executive Directors entered into service contracts with the Company, for a term of approximately one year, commencing upon conclusion of the AGM of the year of signing and ending at the next annual general meeting of the Company but, in any event, no later than 30 June to the following year of signing.

所有獨立非執行董事均與本公司簽訂服務合約，彼等之任期約一年，由簽訂當年之股東週年大會結束開始直至下一次股東週年大會日期止，惟無論如何將不會遲於簽訂次年之6月30日。

### AUDIT COMMITTEE

Members of the Audit Committee include:

Mr. Heng Victor Ja Wei (*Chairman*)  
Mr. Wong Kai Tung, Tony  
Mr. Wan Chi Keung, Aaron *BBS JP*

The Board considers that each Audit Committee member has broad commercial experience and there is a suitable mix of expertise in accounting, business and legal on the Audit Committee. The composition and members of the Audit Committee complies with the requirements under Rule 3.21 of the Listing Rules. The written terms of reference which describe the authority and duties of the Audit Committee were adopted in March 2012 to conform to the provisions of the Code, and revised in January 2019 to reflect the relevant amendments of the Corporate Governance Code. A copy of which is posted on the Company's website.

### 審核委員會

審核委員會成員包括：

邢家維先生(主席)  
王啟東先生  
尹志強先生 *BBS太平紳士*

董事會認為各審核委員會成員均具備廣泛營商經驗，審核委員會當中兼備合適之會計、商業及法律專業。審核委員會之架構及成員符合上市規則第3.21條之規定。為符合守則條文，載列審核委員會權限及職責的書面職權範圍已於2012年3月被採納，並已於2019年1月經修訂，以反映企業管治守則之相關修訂。職權範圍全文已刊載於本公司網頁內。

The Audit Committee meets regularly to review the Group's financial reporting and other information to shareholders, the system of internal controls, risk management and the effectiveness and objectiveness of the audit process. The Audit Committee also provides an important link between the Board and the Company's auditors in matters coming within the scope of its terms of reference and keeps under review the independence and objectivity of the auditors.

The Audit Committee has reviewed with the management the accounting principles and practices adopted by the Group and discussed internal controls and financial reporting matters including a review of the financial statements for the year ended 31 December 2021.

During the year, 3 Audit Committee meetings were held and the individual attendance of each member is set out below:

Name of Director	董事姓名	Number of attendance
		出席會議次數
Mr. Heng Victor Ja Wei	邢家維先生	3
Mr. Wong Kai Tung, Tony	王啟東先生	3
Mr. Wan Chi Keung, Aaron <i>BBS JP</i>	尹志強先生 <i>BBS太平紳士</i>	3

## REMUNERATION COMMITTEE

Members of the Remuneration Committee include:

Mr. Heng Victor Ja Wei (*Chairman*)  
Mr. Wong Kai Tung, Tony  
Mr. Wan Chi Keung, Aaron *BBS JP*

All members of the Remuneration Committee are independent non-executive Directors. The Remuneration Committee makes recommendations to the Board on the Group's overall policy and structure for the remuneration of Directors and senior management. The Remuneration Committee ensures that no Director or any of his associate is involved in deciding his own remuneration. The terms of reference of the Remuneration Committee were adopted in March 2012 to conform to the provisions of the Code, a copy of which is posted on the Company's website.

In determining the emolument payable to Directors, the Remuneration Committee takes into consideration factors such as salaries paid by comparable companies, time commitment and responsibilities of the Directors, employment conditions elsewhere in the Group and the desirability of performance-based remuneration.

The Remuneration Committee has met during the year to determine the policy for the remuneration of Directors and assess performance of executive Directors and certain senior management and all members have attended in the meeting.

審核委員會定期開會以檢討本集團之財務匯報及給予股東之其他資料、內部監控系統、風險管理及審核過程之有效性及客觀性。審核委員會並為董事會及公司核數師之間之重要橋樑，在其職權範圍內持續檢討核數師之獨立性及客觀性。

審核委員會已與管理層檢討本集團所採納之會計原則及慣例，並已就內部監控及財務匯報等事項進行討論，其中包括審閱截至2021年12月31日止年度之財務報表。

年內，共召開3次審核委員會會議，個別成員的出席情況詳列如下：

## 薪酬委員會

薪酬委員會成員包括：

邢家維先生 (*主席*)  
王啟東先生  
尹志強先生 *BBS太平紳士*

所有薪酬委員會成員均為獨立非執行董事。薪酬委員會為董事及高級管理層之薪酬之整體政策及架構向董事會作出建議。薪酬委員會確保概無董事或其任何聯繫人參與釐定其本身之薪酬。為符合守則條文，薪酬委員會的職權範圍已於2012年3月被採納，並已刊載於本公司網頁內。

在釐定應付予董事之酬金時，薪酬委員會乃考慮各項因素，包括同業薪金水平，董事所奉獻之時間及其職責，集團內部的僱傭情況及與表現掛鈎之酬金。

薪酬委員會已於本年度開會以釐定董事之酬金政策及評估執行董事及若干高級管理層之表現，所有成員均有出席會議。



# Corporate Governance Report

## 企業管治報告

### NOMINATION COMMITTEE

Members of the Nomination Committee include:

Ms. Wai Siu Kee (*Chairman*)  
 Mr. Heng Victor Ja Wei  
 Mr. Wong Kai Tung, Tony  
 Mr. Wan Chi Keung, Aaron *BBS JP*

The majority members are independent non-executive Directors. The principal duties of the Nomination Committee include reviewing the Board composition, developing and formulating relevant procedures for nomination and appointment of Directors, making recommendations to the Board on the appointment and succession planning of Directors, and assessing the independence of the independent non-executive Directors. The terms of reference of the Nomination Committee were adopted in March 2012 to conform to the provisions of the Code, and revised in August 2013 and January 2019 to reflect the relevant amendments of the Corporate Governance Code. A copy of which is posted on the Company's website.

The Nomination Committee reviewed the structure, size and composition of the Board to ensure that it has a balance of expertise, skills and experience appropriate for the requirements of the business of the Company. One Nomination Committee meeting was held during the year and all members have attended in the meeting.

### Nomination Policy

#### Objectives

The key objectives of the Nomination Policy (the "Nomination Policy") shall *inter-alia* include the following:

- to set out the criteria and process for the nomination and appointment of Directors of the Company;
- to ensure that the Board has a balance of skills, experience and diversity of perspectives appropriate to the requirements of the Company's business; and
- to ensure the Board's continuity and appropriate leadership at the Board level.

### 提名委員會

提名委員會成員包括：

衛少琦女士(*主席*)  
 邢家維先生  
 王啟東先生  
 尹志強先生*BBS太平紳士*

其大部份成員均為獨立非執行董事。提名委員會主要負責考慮及提名合適人選成為董事會成員，並負責定期檢討董事會構成，及制訂提名及委任董事之有關程序，就董事之委任及繼任計劃向董事會提供推薦意見，以及評估獨立非執行董事之獨立性。為符合守則條文，提名委員會的職權範圍已於2012年3月被採納並已於2013年8月及2019年1月經修訂，以反映企業管治守則之相關修訂。職權範圍全文已刊載於本公司網頁內。

提名委員會已檢討董事會目前之架構、規模及構成，以保證各董事具有適合本公司業務要求的均衡知識、技能及經驗。年內召開會議一次，所有成員均有出席會議。

### 提名政策

#### 目標

提名政策(「提名政策」)的主要目標應包括(其中包括)以下內容：

- 就提名及委任本公司董事事宜，制定標準及程序；
- 確保董事會具有適用公司業務需要之相應技能、經驗及觀點多樣化的平衡；及
- 確保董事會的連續性及董事會層面的領導質素。

## Appointment and Re-appointment of Director

Nomination Committee shall identify and ascertain the integrity, qualification, expertise and experience of the candidate who is considered for being appointed/re-appointed as Director and apply due diligence in compliance with all applicable provisions of the laws of the Cayman Islands and the Listing Rules including any amendments thereto from time to time. Also, the Nomination Committee shall consider recommendations for candidates to the Board from shareholders of the Company.

The Nomination Committee shall obtain all applicable declarations and undertaking as provided under the laws of the Cayman Islands and the Listing Rules. In case of independent non-executive Directors, the Nomination Committee shall ensure that the independent non-executive Directors meet the criteria of independence as laid down in the Listing Rules.

While recommending any potential new Board member(s)/ re-appointment of existing member(s) to the Board, the Nomination Committee shall consider the following:

- candidate's character, integrity, qualifications including professional qualifications, skills, knowledge and experience and diversity criteria under the Board Diversity Policy of the Company which are relevant to the Company's business and corporate strategy, other commitments and the like;
- any measurable objectives adopted for achieving diversity on the Board;
- requirement for the Board to have independent Directors in accordance with the Main Board Listing Rules and whether the candidate would be considered independent with reference to the independence guidelines set out in the Listing Rules;
- the potential contributions the candidate can bring to the Board in terms of qualifications, skills, experience, independence, gender diversity and diversity of perspectives;
- willingness and ability to devote sufficient time to discharge duties as a member of the Board and/or Board committee(s);
- such other criteria which are appropriate to the Company's business and corporate strategy and the Board's succession plan and, where applicable, which may be adopted and/or amended by the Board and/or the Nomination Committee from time to time for nomination of Directors and succession planning; and
- any other factors as the Nomination Committee may deem fit to consider in the best interests of the Company and shareholders of the Company.

## 委任及續聘董事

提名委員會應辨識並確定被委任或續聘為董事候選人的誠信、資格、專業知識和經驗，並根據所有適用的開曼群島法例及上市規則及其不時作出的任何修訂來進行盡職調查。此外，提名委員會應考慮本公司股東向董事會提出的候選人建議。

提名委員會應根據開曼群島法例和上市規則的規定獲得所有適用的聲明和承諾。就獨立非執行董事而言，提名委員會應確保獨立非執行董事符合上市規則所載的獨立性之標準。

在向董事會推薦任何合適的新董事會成員／續聘現有董事會成員時，提名委員會應考慮以下事項：

- 候選人的性格、誠信、資歷包括專業資格、技能、知識、企業經驗、根據公司多元化政策制定的與公司戰略及業務相關的多元化標準及其他承諾等；
- 任何為實現董事會多元化而採取的任何可計量的目標；
- 董事會按上市規則要求設立獨立董事及該候選人是否根據上市規則所載之獨立準則被視為獨立人士；
- 候選人在資歷、技能、經驗、獨立性、多元化性別及多元化觀點方面能為董事會帶來的潛在貢獻；
- 願意並有能力投入足夠的時間履行董事會和／或董事會委員會成員的職責；
- 其他適用於公司業務及公司策略及董事會繼任計劃的準則，以及在適當情況下，董事會及／或提名委員會可不時採納及／或修訂的準則，以提名董事及／或進行繼任計劃；及
- 提名委員會認為對本公司及本公司股東最佳利益的任何其他因素。

# Corporate Governance Report

## 企業管治報告

Once the Nomination Committee determines that an additional or replacement Director is required, the Nomination Committee may take such measures that it considers appropriate in connection with its evaluation of a candidate, including inquiry of the person or persons making the recommendation or nomination, engagement of an outside search firm to gather additional information, or reliance on the knowledge of the members of the Nomination Committee, the Board or management.

The Nomination Committee may retain the services of other professional third parties to assist in identifying and evaluating potential candidates.

The Nomination Committee and the Board shall ensure that the composition of the Board is in conformity with the laws of the Cayman Islands, the Listing Rules and all other applicable laws and regulations.

In accordance with the Articles of Association and applicable laws and regulations, Mr. Lee Man Yan and Mr. Wong Kai Tung, Tony, shall retire by rotation and being eligible, offer themselves for re-election at the next forthcoming annual general meeting.

The Nomination Committee recommended the re-appointment of the Directors standing for re-election at the forthcoming annual general meeting of the Company.

### BOARD DIVERSITY

The Company has devised a policy on Board diversity to ensure adequate diversity in its Board, with effect from 1 January 2019.

#### Vision

The Company believes diversity is important to enhance the Board's effectiveness by encouraging a diversity of perspectives and to maintain high standards of corporate governance. The Company will continue to monitor and develop new objectives for implementing and achieving improved diversity on the Board as and when it considers appropriate with regard to the specific needs of the Company and the market from time to time.

#### Policy Statement

The Company recognizes and embraces the benefits of having a diverse Board and sees increasing diversity at the Board level as an essential element in maintaining the Company's competitive advantage.

當提名委員會確定需要增加或替換董事時，提名委員會可以採取其認為合適及相關的措施評估候選人包括對提出推薦或提名的人員進行查詢、聘用外間調查公司收集其他資訊、或依賴提名委員會、董事會或管理層成員的知識。

提名委員會可以聘用其他專業第三方提供服務以協助辨識和評估合適的候選人。

提名委員會和董事會應確保董事會的組成符合開曼群島法例、上市規則和所有其他適用法律法規。

根據組織章程細則及適用法律法規，李文恩先生及王啟東先生將於應屆股東週年大會上輪值告退，惟符合資格並願意膺選連任。

提名委員會建議重新委任願意於本公司應屆股東週年大會上膺選連任之董事。

### 董事會多元化

本公司已訂定董事會成員多元化政策以確保董事會充分多元化，自2019年1月1日生效。

#### 願景

本公司深信，多元化政策能夠鼓勵不同觀點百花齊放，對提升董事會效能及維持高水平企業管治至關重要。本公司將繼續因應本公司和市場不時的具體需求，在其認為有需要時監察及訂立新目標，藉以提升董事會的多元性。

#### 政策聲明

公司認可到並接納董事會多元化的成效，並將董事會層面的多元化視為保持本公司競爭優勢的一個重要因素。

## Measurable Objectives

Selection of candidates will be based on a range of diversity perspectives, which will include but not limited to gender, age, cultural and educational background, professional experience, skills, knowledge and the like. The ultimate decision will be based on overall contribution that the selected candidates will bring to the Board and the Company.

## Review of the Policy

The Nomination Committee will monitor the implementation of the Policy and will from time to time review the Policy, as appropriate, to ensure the effectiveness of the Policy. The Nomination Committee will discuss any revisions that may be required, and recommend any such revisions to the Board for consideration and approval.

During the year, the Company continued to monitor the board composition with regard to its diversity policy which requires board appointments to be made based on merit and candidates to be considered against an objective criteria, including diversity. In order to maintain an appropriate mix and balance of talent, skills, experience and background on the Board, the Nomination Committee developed measurable objectives to implement this policy and monitored progress towards achieving these objectives during the year ended 31 December 2021.

The current board composition was also evaluated by reference to, among other things, the age, gender, cultural and educational background and professional experience of each director, against the Company's business model and specific needs.

## EXTERNAL AUDITOR

For the year ended 31 December 2021, the fee payable to the Company's external auditor in respect of audit and non-audit services provided to the Company and its subsidiaries is set out below:

		HK\$'000 千港元
Audit services	審計服務	2,041
Non-audit services (including review of continued connected transactions and other services)	非審計服務(包括持續關連交易之審閱及其他服務)	465
		<u>2,506</u>

## 可計量目標

甄選人選將按一系列多元化範疇為基準，當中將包括但不限於性別、年齡、文化及教育背景、專業經驗、技能、知識等。最終將按入選候選人可為本公司及董事會帶來的整體貢獻而定。

## 政策檢討

提名委員會將監察該政策的執行，並將不時在適當時候檢討該政策，以確保該政策行之有效。提名委員會將會討論任何或需作出的修訂，供董事會考慮及審批。

年內，本公司繼續監察董事會組成的多元化政策，該政策要求董事會委任以用人唯才為原則，並以多元化等客觀條件考慮董事人選。提名委員會為令董事會保持適當的才能、技能、經驗及背景組合及平衡，已訂立可計量目標以實施上述政策，並於截至2021年12月31日止年度監察達成有關目標的進度。

公司亦參照每名董事的年齡、性別、文化及教育背景以及專業經驗等方面，因應本公司的業務模式及具體需求評核現任董事會的組成。

## 外聘核數師

於截至2021年12月31日止年度，就本公司及其附屬公司獲提供的審計及非審計服務向本公司外聘核數師應付的費用載列如下：

# Corporate Governance Report

## 企業管治報告

### RISK MANAGEMENT AND INTERNAL CONTROL

The Group's risk management and internal control systems provide a clear governance structure, policies and procedures, as well as reporting mechanism to facilitate the Group to manage its risks across business operations effectively.

The Group has established a risk management framework, which consists of the Board of Directors, the Audit Committee and the Risk Management Taskforce (i.e. Senior Management). The Board of Directors determines the nature and extent of risks that shall be taken in achieving the Group's strategic objectives, and has the overall responsibility for monitoring the design, implementation and the overall effectiveness of risk management and internal control systems.

The Group has formulated and adopted Risk Management Policy in providing direction in identifying, evaluating and managing significant risks. At least on an annual basis, the Risk Management Taskforce identifies risks that would adversely affect the achievement of the Group's objectives, and assesses and prioritises the identified risks according to a set of standard criteria. Risk mitigation plans and risk owners are then established and assigned for those risks considered to be significant.

In addition, the Group has engaged an independent professional advisor to provide internal audit services, which assist the Board and the Audit Committee in ongoing monitoring of the risk management and internal control systems of the Group. Deficiencies in the design and implementation of internal controls are identified and recommendations are proposed for improvement. Significant internal control deficiencies are reported to the Audit Committee and the Board on a timely basis to ensure prompt remediation actions are taken.

Risk management report and internal control report are submitted to the Audit Committee and the Board of Directors at least once a year. The Board had performed annual review on the effectiveness of the Group's risk management and internal control systems, including but not limited to the Group's ability to cope with its business transformation and changing external environment; the scope and quality of management's review on risk management and internal control systems; result of internal audit work; the extent and frequency of communication with the Board in relation to result of risk and internal control review; significant failures or weaknesses identified and their related implications; and status of compliance with the Listing Rules. The Board considers the Group's risk management and internal control systems are effective.

The risk management and internal control systems are designed to manage rather than eliminate the risk of failure to achieve business objectives, and can only provide reasonable and not absolute assurance against material misstatement or loss.

### 風險管理及內部監控

本集團的風險管理及內部監控系統透過清晰的管治架構、政策及程序及彙報機制，有效地管理本集團各業務範疇的風險。

本集團已成立風險管理組織架構，由董事會、審核委員會及風險管理小組（集團管理層）組成。董事會負責評估及釐定本集團達成策略目標時所願意接納的風險性質及程度，並確保本集團設立及維持合適及有效的風險管理及內部監控系統。董事會亦全權負責監督風險管理及內部監控系統的設計、實施及監察其整體有效性。

本集團亦已訂定及採納企業風險管理制度，提供有效的辨認、評估及管理重大風險的政策。風險管理小組至少每年一次對影響集團實現業務目標的風險事項進行識別，並通過規範的機制進行評估及排序，對主要風險制定風險緩解計劃及指定風險負責人。

此外，本集團外聘獨立專業機構提供內部審計服務，以協助董事會及審核委員會持續監督本集團的風險管理及內部監控系統，識別內部控制設計及運行中的缺陷並提出適當的改進意見。如發現嚴重的內部監控缺失，會及時向審核委員會及董事會彙報確保採取及時補救措施。

風險管理報告和內部審計報告均至少每年提交審核委員會及董事會。董事會已就本集團的風險管理及內部監控系統是否有效進行年度檢討，包括但不限於集團應付其業務轉變及外在環境轉變的能力、管理層持續監察風險管理及內部監控系統的工作範疇及素質、內部審計工作結果、向董事會傳達風險及內部監控結果的詳盡程度及次數、期內發生的重大監控失誤或發現的重大監控弱項以及有關影響、集團就上市規則的遵守情況等，並確認現有的風險管理及內部監控系統的有效性。

上述風險管理及內部監控系統旨在管理而非消除未能達成業務目標的風險。因此，該等系統只能就不會有重大的失實陳述或損失作出合理而非絕對的保證。

## PROCEDURES AND INTERNAL CONTROLS FOR THE HANDLING AND DISSEMINATION OF INSIDE INFORMATION

The Group complies with requirements of Securities & Futures Ordinance (“SFO”) and the Listing Rules. The Group discloses inside information to the public as soon as reasonably practicable unless the information falls within any of the Safe Harbours as provided in the SFO. Before the information is fully disclosed to the public, the Group ensures the information is kept strictly confidential. If the Group believes that the necessary degree of confidentiality cannot be maintained or that confidentiality may have been breached, the Group would immediately disclose the information to the public. The Group is committed to ensure that information contained in announcements are not false or misleading as to a material fact, or false or misleading through the omission of a material fact in view of presenting information in a clear and balanced way, which requires equal disclosure of both positive and negative facts.

## DIRECTORS’ RESPONSIBILITY STATEMENT

The directors are responsible for the preparation of accounts for each financial period which give a true and fair view of the state of affairs of the Group and of the results and cash flows for that period. In preparing the financial statements for the year ended 31 December 2021, the directors have selected suitable accounting policies and applied them consistently adopted appropriate Hong Kong Financial Reporting Standards and Hong Kong Accounting Standards made adjustments and estimates that are prudent and reasonable and have prepared the accounts on the going concern basis. The directors are also responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Group.

## SHAREHOLDERS’ RIGHTS

The Company has only one class of shares. All shares have the same voting rights and are entitled to the dividend declared. The rights of the shareholders of the Company (“Shareholders”) are set out in Company’s Articles or Association.

Shareholders can: (i) convene an extraordinary general meeting (ii) forward enquiries to the board of directors (iii) forward proposals at shareholders’ meetings and (iv) nominate Directors for election. Details of relevant procedures are available on the Company’s website.

## 處理及發放內幕消息的程式和內部監控措施

本集團遵循證券及期貨條例和上市規則的規定，於知悉任何內幕消息後，在合理切實可行的範圍內，會盡快向公眾披露該消息，除非有關消息屬於證券及期貨條例下任何安全港條文的範圍。本集團在向公眾全面披露有關消息前，會確保該消息絕對保密。若本集團認為無法保持所需的機密性，或該消息可能已外洩，會即時向公眾披露該消息。本集團亦致力確保公告中所載的資料不得在某事關重要的事實方面屬虛假或具誤導性，或因遺漏某事關重要的事實而屬虛假或具誤導性，以清晰及均衡方式對正面及反面事實作出披露。

## 董事的職責

董事須負責編製各財政期間能真實與公正地反映本集團之財政狀況及該期間之業績及現金流量之賬目。在編製截至2021年12月31日止年度之財務報表時，董事已貫徹採用合適之會計政策，採納合適的香港財務報告準則及香港會計準則，作出審慎及合理的調整及評估，及在持續進行有關業務之基準而編製。董事亦須負責保存適當之會計紀錄，以能合理準確地披露本集團在任何時候之財務狀況。

## 股東權利

本公司僅有一類股份，所有股份均擁有相同的投票權並可獲派已宣派之股息。本公司股東（「股東」）的權利載於本公司公司細則。

股東可以(i)召開股東特別大會；(ii)向董事會提出查詢；及(iii)在股東大會上提出建議；及(iv)提名候選董事；相關程序詳情可於本公司網站查閱。

# Corporate Governance Report

## 企業管治報告

### INVESTOR RELATIONS AND COMMUNICATION

The Board is committed to providing clear and full information about the Group's performance to shareholders through the publication of interim results and annual results in a timely manner. In addition to dispatching circulars, notices and financial reports to shareholders, additional information is also available to shareholders on the website of the Company.

The annual general meeting provides a useful platform for shareholders to raise comments and exchange views with the Board. Shareholders are encouraged to attend annual general meetings for which the Company gives at least 21 days' notice. The Chairman and Directors and external auditors are available to answer questions on the Company's businesses at the meeting.

Separate resolutions are proposed at the general meetings on each substantially separate issue, including the election of individual directors. In addition, poll voting procedure is included in the circular to shareholders dispatched together with the annual report.

#### Dividend Policy

The Board considers sustainable returns to shareholders to be one of the main objectives of the Company. Stable dividend payment to shareholders is the primary objective of the Company.

Under the applicable laws of the Cayman Islands and the Articles of Association of the Company, all of the shareholders have equal rights to dividends and distributions. The Board determines the interim dividend and recommends the final dividend which requires the approval of shareholders. In addition to cash, dividends may be distributed in the form of shares. Any distribution of shares also requires the approval of shareholders.

### 與投資者交流及溝通

董事會致力透過刊發中期業績及年度業績，適時地將本集團之表現清晰及全面地提供予股東。除發送通函、通告及財務報告予股東外，股東亦可透過本公司網頁獲取額外資訊。

股東週年大會提供一個良好的平台讓股東向董事會發表及交流意見。本公司發出不少於21天之通告以鼓勵股東出席股東週年大會。主席、董事及外聘核數師均會列席會議以便回答本公司業務上之提問。

各重大獨立事項(包括個別董事之選任)均會於股東週年大會上單獨提呈決議案。此外，載有投票表決程序之通函會與年報一併寄發予股東。

#### 股息政策

董事會認為可持續的股東回報是主要目標之一。向股東支付穩定的股息是公司的主要方針。

根據開曼群島的適用法律及本公司的組織章程細則，所有股東享有股息及分派的平等權利。董事會釐定中期股息及建議需要股東批准之末期股息。除現金外，股息可以股份形式分派，任何股份分派亦需要股東批准。

Retained surplus can be used to achieve growth in corporate value. The Board has been making effective use of retained surplus to strengthen the operating base and the development of businesses. According to the dividend policy adopted by the Company on 1 January 2019, the Board takes into account the following factors when considering the declaration/recommendation of dividends:

- financial results;
- cash flow situation;
- availability of distributable profits;
- business conditions and strategies;
- future operations and earnings;
- development plans;
- cash requirements;
- capital requirements and expenditure plans;
- interests of shareholders as a whole;
- any restrictions on declaration and/or payment of dividends; and
- any other factors the Board may deem relevant.

In practice, the Company will not declare/recommend any dividend(s) where:

- there are reasonable grounds for believing that the Company is or would be, after a dividend payment, unable to pay its liabilities or discharge its obligations as and when they become due;
- pursuant to dividend decision date, the Company is insolvent or bankrupt or where, as a result of paying dividends, the Company would be rendered insolvent or bankrupt; or
- there is any other case set forth by any law.

### CONSTITUTIONAL DOCUMENTS

There was no significant change in the Company's constitutional documents for the year ended 31 December 2021.

保留溢利能用於實現企業價值增長。董事會一直有效地運用保留溢利以鞏固業務基礎和發展業務。根據公司於2019年1月1日所採納的股息政策，董事會在考慮宣派／建議股息時，會考慮以下因素：

- 財務業績；
- 現金流量情況；
- 可分配利潤的可用情況；
- 經營環境和策略；
- 未來經營和收益；
- 發展計劃；
- 現金需求；
- 資本需求及支出計劃；
- 股東的整體利益；
- 任何就股息宣派和／或支付的限制；及
- 董事會可能認為相關的任何其他因素。

在實踐過程中，本公司在以下情況下將不會宣派／建議任何股息：

- 有合理理由相信本公司在支付股息後出現或將會出現無法償還其債務或無法履行其責任；
- 根據股息釐定日期，本公司無力償債或破產、或因支付股息而導致本公司無力償債或破產；或
- 任何法律規定之任何其他情況。

### 組織章程文件

本公司之組織章程文件於截至2021年12月31日止年度並無重大變動。



# Environmental, Social and Governance Report

## 環境、社會及管治報告

### STATEMENT OF THE BOARD OF DIRECTORS

We are pleased to announce the 2021 Environmental, Social and Governance Report (hereinafter referred to as the “Report”) of Lee & Man Chemical Company Limited, which has been prepared in accordance with the requirements of Appendix 27 *Environmental, Social and Governance Reporting Guide* to the Main Board Listing Rules of the Hong Kong Stock Exchange, showcasing the performance, results and the future course of the sustainable development of the Group.

The Group has always been committed to promoting sustainable development through communication with stakeholders and materiality assessment conducted to identify environmental, social and governance (“ESG”) topics that are important to the Group. The Board of Directors (“the Board”) is fully aware of the importance of controlling and managing ESG-related risks. The strategy and policy direction of the Group in relation to its ESG areas are reviewed continuously, and the Management will work actively to implement the relevant measures to ensure the effectiveness of the risk management, compliance, and corresponding internal control system within the aspects of ESG.

In 2021, the Group formulated clear and quantitative sustainable development goals for both environmental protection and occupational safety, which indicates that we have effectively reviewed the current policy and facilitated the sustainable development of the Group. We have established clear pollutant discharge standards, which include strict compliance with laws and regulations and normative documents, such as the *Law of the People’s Republic of China on Environmental Protection*, the *Law of the People’s Republic of China on the Prevention and Control of Water Pollution*, the *Law of the People’s Republic of China on the Prevention and Control of Atmospheric Pollution*, the *Law of the People’s Republic of China on the Prevention and Control of Solid Waste Pollution* and the *Law of the People’s Republic of China on the Prevention and Control of Soil Pollution*. During the year, the Group has not found any violation of laws or regulations related to environmental protection.

“Safety first” has always been a principle advocated by the Group. We have adopted standardized work procedures for safe production, and implemented safety and occupational health management in every detail of daily operation. The Group has integrated green technology into R & D and production, strengthened research in new fields, and always strived to innovate and make progress. With the implementation of the standardized management system, we always strictly control and continuously improve the quality of our products.

In the fight against COVID-19, the Group, as a chemical company, has manufactured and donated disinfectants and other anti-epidemic materials to surrounding communities to protect people’s health and support business partners, and make some contribution to the society.

### 董事會聲明

我們欣然發表理文化工有限公司2021年度的環境、社會及管治報告(下稱「本報告」)，並按照香港交易所主版上市規則附錄二十七《環境、社會及管治報告指引》的要求編製，展示集團可持續發展之表現與成果，以及未來發展方向。

集團一向致力促進可持續發展，透過與持份者溝通，並進行重要性評估分辨出對集團重要的環境、社會及管治(下稱「ESG」)議題。董事會深知管控ESG相關風險的重要性，持續監督集團於ESG範疇中的策略和政策方向，由高級管理層積極配合以執行相關措施，確保集團在ESG方面的風險管理、合規及相應的內部監控系統之有效性。

於2021年度，集團分別針對環境保護和職業安全制定明確及可量化的可持續發展目標，說明我們有效地檢討現行措施和推動集團的可持續發展。我們訂立明確的污染物排放標準，包括嚴格遵守國家訂立的《中華人民共和國環境保護法》、《中華人民共和國水污染防治法》、《中華人民共和國大氣污染防治法》、《中華人民共和國固體廢物污染防治法》和《中華人民共和國土壤污染防治法》等法律法規和規範性文件。於本年度內，集團並沒有發現任何違反與環境保護相關的法例法規。

「安全至上」是集團一貫堅持的宗旨，我們採取了安全生產標準化建設，將安全與職業健康管理，執行在日常運營中每個細節。本集團把綠色科技融入研發及生產中，以及加強在新領域的鑽研，堅持創新和進步，透過執行標準管理系統，嚴格控制和持續改進產品品質。

在抗擊新型冠狀病毒疫情工作上，作為化工生產企業，集團持續製造和捐贈消毒抗疫物資給周邊社區，保障民眾健康和支援業務夥伴，共同給社會貢獻每一份力量。

We are grateful to our employees, partners, and various stakeholders for their participation, cooperation and support in achieving sustainable development. In 2021, Zhuhai Lee & Man Materials Science Company Limited was successfully put into operation, and Jiangxi Lee & Man Chemical Limited celebrated its 10th anniversary, marking the continuous growth and expansion of the Group. Through effective use of resources, we will improve our overall performance of environmental and social management, which also needs tremendous support and contribution from each and every one. We look forward to moving ahead together with everyone in the coming year.

## REPORTING SCOPE

This report covers the environmental and social performance of the Group during the period from 1 January 2021 to 31 December 2021 (hereinafter referred to as the "Reporting Period"). This report covers the major operations of the Group in relation to the production of chemicals in China, including Jiangsu L&M Chemical (hereinafter referred to as "Jiangsu Chemical") and Jiangxi Lee & Man Chemical Limited (hereinafter referred to as "Jiangxi Chemical"), and Zhuhai Lee & Man Materials Science Company Limited (hereinafter referred to as "Zhuhai Chemical") starting production in the second quarter of 2021.

In defining the reporting scope, the Group has taken into consideration factors such as the risks of facilities in relation to ESG topics, the Group's investment of resources to control the ESG risks of facilities and the materiality of facilities on the Group's businesses. The reporting scope has been defined by the Management and submitted to the Board for review.

## ESG MANAGEMENT FRAMEWORK

Due to the higher risks of environmental pollution and work safety in the chemical industry, occupational health and safety, exhaust gas and sewage emissions, and operational waste have been the ESG topics to which the Group pays the greatest attention. Therefore, a safety and environmental protection department (hereinafter referred to as the "SEPD") with qualified professionals familiar with relevant environmental protection laws has been set up by the Group to manage compliance and monitoring affairs.

To address various challenges in sustainable development, the Board spearheaded and led the formulation of the sustainable development governance guidelines and policies for the Group. The development plan of the Group is under the Board's regular supervision; they are issued to relevant departments for implementation by the SEPD and relevant business departments. Every factory will set annual environmental protection targets and emission assessment indicators based on the sustainable development governance guidelines established by the Board and their actual production situation. These policies are sent by the directors to every department with reviews conducted regularly to follow up on the progress of goal attainment.

我們衷心感謝集團員工、合作夥伴和不同持份者的參與及配合，協助我們實現可持續發展。2021年有珠海理文新材料有限公司順利投產，另亦適逢江西理文化工有限公司，踏入十周年誌慶，集團不斷成長及壯大，我們將透過有效運用資源和提升我們的環社管整體表現，有賴每一位的鼎力支持及貢獻，盼望來年能與大家繼續邁步向前。

## 報告範圍

本報告覆蓋集團於2021年1月1日至2021年12月31日期間(下稱「報告期間」)的環境及社會績效。本報告涵蓋集團在中國與生產化工產品有關的主營業務，包括江蘇理文化工有限公司(下稱「江蘇化工」)、江西理文化工有限公司(下稱「江西化工」)和2021年第二季度開始投產的珠海理文新材料有限公司(下稱「珠海化工」)。

在擬定報告範圍時，本集團考慮設施在ESG議題上的風險、本集團在控制設施的ESG風險所投入的資源、設施對本集團業務的重要性等因素。報告範圍由管理層擬定，並交由董事會審閱。

## ESG管治架構

由於化工行業的環境污染及工作安全風險較高，職業健康與安全、廢氣污水排放和生產廢棄物皆是本集團關注的ESG議題。因此集團已設立安環部，由合資格、熟悉相關環保法律的專業人員管理合規及監測事項。

為了應對各種可持續發展挑戰，董事會作為牽頭及領導角色，訂立集團的可持續發展管治方針及政策，定期審視及監督集團的發展計劃並下達至各相關部門，由安環部和相關業務部門實行。每間工廠會根據董事會訂立的可持續發展管治方針及自身實際生產狀況，設立年度環境保護目標和排放考核指標，由董事代表簽發下轉各部門，並定期檢視目標進度。

# Environmental, Social and Governance Report

## 環境、社會及管治報告

The risk management team set up by the Group will monitor the risks, including ESG-related risks, which affect the Group on a yearly basis. Based on the result of the risk assessment, the Group will plan internal audit work for the risk issues and evaluate the performance and deficiencies of the relevant internal control processes. Risk management reports and internal audit reports will be submitted to the audit committee and the Board.

Further to the top-down governance work, the Group also promotes the bottom-up cooperation concept of “cooperative governance” in a proactive manner. The senior management members of the General Manager’s Office, the SEPD, and the internal audit department will conduct featured work dispatch meetings every week. Each department reports and discusses the production, and follows up on the production status and the risk trends each week. The result of the meetings is emailed to the representatives of the Board to keep them updated of the relevant information. Based on the discussion, each department needs to formulate relevant policies and implementation measures and review the effectiveness of rectification and maintenance work regularly, so as to ensure the effective implementation of the improvement measures.

Furthermore, the SEPD and the representatives of the Board hold quarterly meetings, where the SEPD reports the environmental protection and occupational safety issues and challenges faced by the Group, reviews the implementation of measures, and intensifies the cooperation among various departments in driving the sustainable development of the Group. The meetings keep the Board abreast of the latest performance and progress on goal attainment within the aspects of ESG, and in turn, the Board sets the Group’s future direction of ESG development and makes continuous improvements to the sustainability performance.

### REPORTING PRINCIPLES

This report was prepared following the four principles suggested in the *Environmental, Social and Governance Reporting Guide*, namely, “Quantitative”, “Consistency”, “Materiality” and “Balance”.

**“Quantitative”**: with reference to industry practices, guidelines of the Stock Exchange or relevant government authority as well as laws and regulations, the Group formulates internal guidelines and procedures, collects environmental performance data from various business departments, keeps record of relevant monitoring instruments or supporting documents, and submits them to the Board for review upon verification by the Management. Please refer to the relevant sections in the Report for the criteria, methodologies and assumptions (if applicable) for the calculation of performance data.

本集團建立的風險管理小組會每年監察影響集團的風險事項，ESG相關風險已被納入在監察範圍內。根據風險評估結果，本集團會為風險事項計劃內部審計工作，評估相關的內部控制的運行表現及缺陷。風險管理報告和內部審計報告會提交至審核委員會及董事會。

除了由上而下的治理工作，集團同時積極推行由下而上的「協力治理」合作理念。總經理辦、安環部和內審部等部門的高級管理層每星期會進行工作專題調度會議，由各部門單位匯報及討論每星期的生產情況，跟進生產狀況及風險趨勢。會議討論結果會以郵件方式抄送至董事會代表，以便他們掌握相關資訊。根據討論內容，各部門需制定相關政策及實施措施，定期考查整改成效和檢修工作進度，以確保改善措施切實執行。

另外，安環部及董事會代表會舉行季度性會議，由安環部匯報集團環境保護和職業安全的問題和挑戰，檢討措施落實情況，深化各部門合作驅動集團的可持續發展。董事會從中掌握ESG範疇最新表現及目標達成狀況，為集團訂立未來的ESG發展方向，持續改進可持續表現。

### 匯報原則

本報告遵循《環境、社會及管治報告指引》中的四大匯報原則包括「量化」、「一致性」、「重要性」及「平衡」編寫。

**「量化」**：本集團參考行業慣例、交易所或相關政府部門之指引及法律法規，建立內部指引及程式，從各業務部門收集有關環境之績效資料，並保留相關之監控儀器記錄或支持文件，經管理層核實後提交予董事會審閱。績效資料計算之標準、方法及假設(如適用)，請參閱報告內相關章節。

**“Consistency”**: the disclosure and statistical methods adopted by this Report are consistent with those adopted last year in which data are summarized and converted in the same manner. Relevant historical data have been disclosed in the report, allowing stakeholders to better understand and benchmark the sustainable development performance of the Group.

**“Materiality”**: when defining material ESG topics related to the Group’s business and stakeholders, we communicate internally with Group members and externally with stakeholders to understand everyone’s expectations and recommendations. This includes stakeholders who are impacted by or have a material impact on our operations, such as the Management, trade union representatives, employees, customers, suppliers, local government bodies and relevant local organizations.

**“Balance”**: the Group discloses its major ESG related performance objectively to reflect the true picture of its achievements and challenges, thus enhance operational transparency and build stakeholder trust.

To identify and update material ESG risks and opportunities faced by Lee & Man Chemical, we carry out a materiality assessment of ESG topics every year. Environmental and social ESG topics are identified based on the day-to-day operations of the Group, social trends, and industrial landscape, upon discussions with stakeholders. To understand stakeholders’ level of concern towards each topic, the SEPD and the General Manager’s Office will work together to distribute an ESG Assessment Form to major stakeholders for them to rank the importance of relevant topics. Subsequently, we will create a materiality matrix based on the summarized survey results to prioritize the topics. With reference to topics deemed material by industry peers, we seek to better understand our business performance and prospect through discussions with the Management. We will then classify ESG topics based on their materiality and submit the matrix chart to the Board for review. With the materiality assessment, we expect to develop a long-term development plan that incorporates the suggestions of our stakeholders, so that we can establish a long-term and mutually beneficial business relationship.

In the matrix chart, the X and Y axes represent the materiality of ESG topics to the Group’s business and stakeholders, respectively. Topics with the highest materiality are shown on the top-right corner of the matrix chart. Conversely, topics with lower materiality are shown on the bottom-left corner of the chart. In this Report, key topics will be disclosed in detail in accordance with the “materiality” principle stipulated under the ESG Reporting Guide of the HKEX.

Relatively material topics this year include compliance with laws and regulations, operational risk management, air pollutant emission and management, occupational health and safety, product quality, water resources and wastewater management, R & D innovation and intellectual property protection.

**「一致性」**：報告的披露統計方法與去年一致，沿用相同的資料統計及換算方式。我們也在本報告內披露相關的歷史資料，讓持份者更清楚了解及直接比較集團的可持續發展表現。

**「重要性」**：在界定對集團業務及對持份者相關的重要ESG議題時，我們與集團內部和外界保持溝通以了解他們的期望和建議。當中包括受我們的營運業務影響，或對我們的營運業務有重大影響的持份者，例如管理層、工會代表、員工、客戶、供應商、當地政府機構和地方關係組織。

**「平衡」**：本集團客觀披露重大環境、社會及管治相關績效，務求真實地呈現本集團在有關範疇的成就和挑戰，增強營運透明度，建立持份者信任。

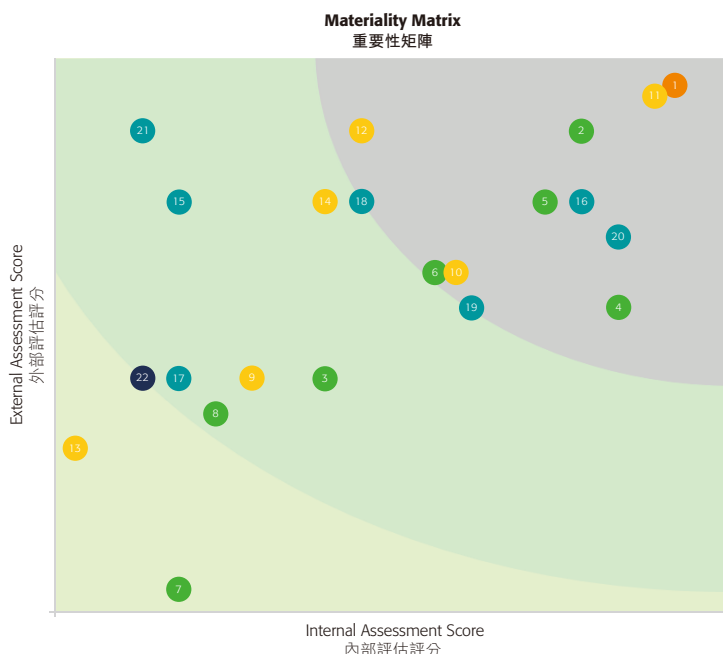
為辨別和更新理文化工的重大ESG風險及機遇，我們會每年進行ESG議題的重要性評估。根據集團日常營運業務、社會趨勢以及產業狀況，我們與有關持份者討論後識別出環境及社會相關的ESG議題。為了解持份者對各個議題的關注程度，經安環部和總經辦協調後，會向主要的持份者發放ESG議題評估表，讓持份者對相關議題作出評分，隨後根據評估表總結評分結果建立重要性矩陣。為這些議題進行優先排序，理文化工參考同行企業的重要議題、與管理層進行溝通對業務營運狀況、遠景有更深入的了解，然後對ESG議題重要性程度進行劃分，交由董事會作審閱。期望藉著重要性評估，協助我司在建立長期發展方向時，更能採納持份者的意見，以達到互惠互利的長期合作關係。

矩陣圖的X軸及Y軸分別為ESG議題對集團業務的重要性及對持份者的重要性。最高的議題會在矩陣圖的右上方顯示，而重要性程度較低的則會在左下方。本報告中會依據港交所指引中的「重要性」匯報原則，於報告中較詳細披露重點議題。

本年較重要議題包括：合規性和營運風險管理、空氣污染物排放和管理、職業健康與安全、產品質量、水資源及廢水管理、研發創新和知識產權保障等。

# Environmental, Social and Governance Report

## 環境、社會及管治報告



Area 範圍	No. 編號	ESG Topics ESG議題
General 一般	1	Compliance operation (including environment, operation and employment) and operational risk management 合規運營(包括環境、營運、僱傭)和營運風險管理
	2	Air pollutant emissions and management 空氣污染物排放和管理
Environmental 環境	3	Greenhouse gas emissions and management 溫室氣體排放和管理
	4	Waste and hazardous substance management 廢棄物及有害物質管理
	5	Water resources and wastewater management 水資源及廢水管理
	6	Environment-friendly products 環保產品
	7	Biodiversity 生物多樣性
	8	Energy management and climate change 能源管理與氣候變化
Employment 僱傭	9	Employee benefits and remuneration 員工福利與薪資
	10	Protection of human rights of employees (including equal opportunity and anti-discrimination) 員工人權保障(包括平等機會及反歧視)

Area 範圍	No. 編號	ESG Topics ESG議題
Employment 僱傭	11	Occupational health and safety 職業健康與安全
	12	Employee training and development 員工培養和發展
	13	Child and forced labor 童工及強迫勞工
	14	Procurement and supplier management 採購與供應商管理
Operational 營運	15	Green supply chain 綠色供應鏈
	16	Product quality 產品質量
	17	Reasonable marketing and promotion 合理的營銷及宣傳
	18	Customer relationship maintenance 客戶關係維護
	19	Information security and digital transformation 資訊安全與數位轉型
	20	R & D innovation and intellectual property protection 研發創新和知識財產權保障
	21	Anti-corruption 反貪污
Social 社會	22	Community co-construction 社區共建

The Group's production, factory operation and sales are located in the PRC and therefore governed by the following laws and regulations:

本集團的生產、工廠營運和銷售業務位於中國國內，因此，涉及到的相關法律法規包括有以下：

### Laws and Regulations

#### 法律法規

		法律法規	
Environmental	環境	<ul style="list-style-type: none"> <li>• Law of the People's Republic of China on Environmental Protection</li> <li>• Law of the People's Republic of China on the Prevention and Control of Water Pollution</li> <li>• Law of the People's Republic of China on the Prevention and Control of Atmospheric Pollution</li> <li>• Law of the People's Republic of China on the Prevention and Control of Solid Waste Pollution</li> <li>• Law of the People's Republic of China on the Prevention and Control of Soil Pollution</li> <li>• Emission Standards of Air Pollutants for Thermal Power Plants</li> <li>• The "13th Five-Year Plan" for Greenhouse Gas Emission Control</li> <li>• Regulations on the Administration of Ozone Depleting Substances</li> <li>• Environmental Noise Emission Standard for Industrial Enterprises and Factories</li> <li>• Emission Standards for Volatile Organic Compounds in the Chemical Industry</li> <li>• Emission Standards for Volatile Organic Compounds Part II: Organic Chemical Industry</li> <li>• Emission Standards for Pollutants from the Petrochemical Industry</li> </ul>	<ul style="list-style-type: none"> <li>• 《中華人民共和國環境保護法》</li> <li>• 《中華人民共和國水污染防治法》</li> <li>• 《中華人民共和國大氣污染防治法》</li> <li>• 《中華人民共和國固體廢物污染環境防治法》</li> <li>• 《中華人民共和國土壤污染環境防治法》</li> <li>• 《火電廠大氣污染物排放標準》</li> <li>• 《「十三五」控制溫室氣體排放工作方案》</li> <li>• 《消耗臭氧層物質管理條例》</li> <li>• 《工業企業廠界環境雜訊排放標準》</li> <li>• 《化學工業揮發性有機物排放標準》</li> <li>• 《揮發性有機物排放標準第2部分：有機化工行業》</li> <li>• 《石油化學工業污染物排放標準》</li> </ul>
Remuneration and benefits & Equal opportunity and anti-discrimination	薪酬福利、平等機會和反歧視	<ul style="list-style-type: none"> <li>• Labor Law of the People's Republic of China</li> <li>• Labor Contract Law of the People's Republic of China</li> </ul>	<ul style="list-style-type: none"> <li>• 《中華人民共和國勞動法》</li> <li>• 《中華人民共和國勞動合同法》</li> </ul>
Occupational health and safety	職業健康與安全	<ul style="list-style-type: none"> <li>• Work Safety Law of the People's Republic of China</li> <li>• Law of the People's Republic of China on the Prevention and Control of Occupational Diseases</li> <li>• Regulations on Work Safety Permits of the People's Republic of China</li> </ul>	<ul style="list-style-type: none"> <li>• 《中華人民共和國安全生產法》</li> <li>• 《中華人民共和國職業病防治法》</li> <li>• 《中華人民共和國安全生產許可證條例》</li> </ul>

# Environmental, Social and Governance Report

## 環境、社會及管治報告

### Laws and Regulations

#### 法律法規

Child and forced labor	童工和強制勞工	<ul style="list-style-type: none"> <li>• Provisions on the Prohibition of Using Child Labor</li> <li>• Labor Law of the People's Republic of China</li> <li>• Standardization Law of the People's Republic of China</li> </ul>	<ul style="list-style-type: none"> <li>• 《禁止使用童工規定》</li> <li>• 《中華人民共和國勞動法》</li> <li>• 《中華人民共和國標準化法》</li> </ul>
Product quality & Reasonable sales and promotion	產品質量和合理銷售與推廣	<ul style="list-style-type: none"> <li>• Company Law of the People's Republic of China</li> <li>• Food Safety Law of the People's Republic of China</li> <li>• Regulations of the People's Republic of China on the Administration of Production License for Industrial Products</li> <li>• Advertising Law of the People's Republic of China</li> </ul>	<ul style="list-style-type: none"> <li>• 《中華人民共和國公司法》</li> <li>• 《中華人民共和國食品安全法》</li> <li>• 《中華人民共和國工業產品生產授權管理條例》</li> <li>• 《中華人民共和國廣告法》</li> </ul>
Anti-corruption	反貪污	<ul style="list-style-type: none"> <li>• Anti-unfair Competition Law of the People's Republic of China</li> <li>• Notice of the Supreme People's Court and the Supreme People's Procuratorate on Issuing the Opinions on Issues Concerning the Application of Law in the Handling of Criminal Cases of Commercial Briberies</li> </ul>	<ul style="list-style-type: none"> <li>• 《中華人民共和國反不正當競爭法》</li> <li>• 最高人民法院及最高人民檢察院關於印發《關於辦理商業賄賂刑事案件適用法律若干問題的意見》的通知</li> </ul>

The Group's norms are significantly affected by the above major laws and regulations. There is no incident of non-compliance which shall be reported in 2021, and the Group affirms the compliance with such laws and regulations.

以上主要的法律法規對本集團規範有比較大的影響，我們在2021年度並沒有發現有違規情況報告，本集團亦申明依法執行和遵守。

## CARING FOR EMPLOYEES

### Occupational Health and Safety

The *Safety Production Commitment* of Lee & Man Chemical stipulates that we shall seek to achieve the best business performance with zero occurrence of major incidents and no damage to employees' health or to the environment, and shall actively promote a culture of safety in the workplace and create a safe production environment.

Based on relevant legal regulations and the organizational structure of the Company, we amend the *Safety Production Responsibility System* and strictly require managerial positions to both undertake responsibilities in relation to their job duties, and responsibilities in relation to anti-corruption work. The Company formulates annual safety targets at the beginning of each year, requiring each subsidiary to develop corresponding implementation plans in accordance with the overall goal of safe production. Goal evaluation is regularly carried out by the SEPD to regulate work procedures. The Company's leaders and production management team signed the *2021 Safety and Environment Target Responsibility Letter* to strictly define the safety production responsibilities of all employees.

#### Safety Performance of Lee & Man Chemical in 2021

##### Name of issue

指標名稱	2021	2020	2019
Mortality 死亡	0	0	0
Mortality rate 死亡率	0	0	0
Number of traffic accidents 交通事故數量	0	0	0
Number of work-related injury accidents 工傷事故數量	2	2	1
Working days lost due to work-related injury* 因工傷損失工作日數*	0	0	0
Injury rate per million working hours 百萬工時傷害率	0.45	0.48	0.36
Incidence of occupational diseases 職業病發病率	0	0	0
Percentage of employees undergoing health checks 接受健康檢查的僱員比例	100%	100%	100%

\* Lost working days after the shutdown of the whole plant due to work-related injury accidents.

## 關愛員工

### 職業健康與安全

理文化工《安全生產承諾書》指出，要求實現不發生重大事故、不損壞員工健康、不破壞環境的企業為最佳業績，積極弘揚公司安全文化，營造安全生產氛圍。

根據法規要求及公司最新人事架構對《安全生產責任制》進行修訂，嚴格落實「一崗雙責」，公司在每年年初制定了年度安全指標，要求各子公司按照安全生產的總目標制定相應的落實方案，並由安環部定期對安全目標完成情況進行考核，規範作業行為。公司領導和生產幹部都簽訂了《2021年度安環目標責任書》，嚴格落實全員的安全生產責任。

#### 2021年理文化工安全表現

\* 因工傷事件後而影響全廠停工的損失工作日。



# Environmental, Social and Governance Report

## 環境、社會及管治報告

The factory has conducted real-time investigation and review on every work-related injury accident. Most of the accidents were caused by misconduct. The Company focuses on strengthening the observation and assessment management of personal safety behavior; strengthens the supervision and management of team leaders and increases the safety psychology training of front-line operators.

The Company has compiled a *Chemical Risk Identification and Control Manual* with dynamically updated safety warning indicators. The intelligent management and control system formulates comprehensive, special and on-site emergency response plans for the Group's production sectors involving hazardous chemicals. Once the emergency response system is activated, the interlinked fire protection, video management and control, and production command systems will be automatically switched on.

Furthermore, according to the national codes of practice for fire safety design and installation and other relevant laws and regulations, we have installed fire detection and alarm systems as well as other fire extinguishing systems on our production equipment and in our workplace. The Company's existing fire safety design ensures personal and property safety of all staff members. Our work procedures, selection of equipment and material, office layout and fire engine access are all designed with various fire protection measures in mind, such as a lightning protection grounding network, an emergency lighting system, an emergency communication system, a fire alarm system, and a surveillance camera network.

In terms of employee health, we strictly comply with national occupational health regulations and policies:

1. Provide pre-employment and post-employment health checks for all new employees and resigned employees of the Company.
2. Provide an annual free health check at local hospitals qualified to examine occupational diseases for current employees.
3. Carry out an annual inspection of occupational hazards to ensure that occupational hazards inside the production equipment meet the indicator requirement.
4. Establish an occupational hazard prevention plan and ensure timely execution of tasks to safeguard the occupational health and safety of employees in the factories.

工廠對發生的每一項工傷事件，都會進行即時調查和檢討，大部份發生都是由於自身行為不當引致，公司重點強化個人安全行為觀察與考核管理；強化班組長的監督管理，增加前線操作工的安全心理的培訓。

公司編製了《化學品風險識別管控手冊》，動態更新安全警示標識。智慧化管控系統對本集團涉及危險化學品的生產板塊，制定綜合、專項和現場處置應急預案，應急啟動時消防、視頻管控、生產指揮系統聯動。

此外，生產裝置及辦公區均根據國家建設設計防火規範及其他相關法規設有消防檢測、警報系統及其他滅火系統。公司現有消防安全設計能夠確保所有員工的人身及財產安全。公司流程設計、設備及材料選擇、佈局及消防通道設有多種消防防護措施，包括防雷接地、應急照明、應急通訊、火災警報、視頻監控等。

在員工健康方面，我們嚴格按照國家職業衛生的相關法規政策：

1. 公司所有新入職員工、離職員工均進行崗前、離崗體檢。
2. 在職員工，每年在當地擁有職業病體檢資質的醫院，提供一次免費體檢。
3. 每年開展年度職業危害因素檢測，確保各生產裝置內的職業危害因素均符合指標要求。
4. 建立職業危害防治計劃，並按計劃按時執行，保障廠區從業人員的職業健康安全。

In order to encourage all employees to participate in daily safety improvement, Jiangsu Chemical has conducted a monthly "Safety Star" selection activity, and provided awards to the winners. Through the selection of "Safety Star", the factory aims to strengthen the construction of safety culture and create an atmosphere for all employees to participate in safety management. By selecting safety model, commending the advanced individuals and promoting positive energy, it intends to let advanced models of safety management play a leading and exemplary role, and further improve the safety and responsibility awareness of all employees.

江蘇化工為激勵全員參與日常安全改善工作，建立了月度「安全之星」評比活動，並對「安全之星」獲獎人員提供獎勵。工廠通過開展「安全之星」評選活動，旨在加強安全文化建設，營造全員參與安全管理的氛圍。通過選樹安全標杆、表彰先進、弘揚正能量，發揮安全管理先進典型的引領示範作用，進一步提高全員安全意識和責任意識。



Since the outbreak of COVID-19, epidemic prevention and control groups have been set up by the SEPD and the General Manager's Office in all factories of the Group. Throughout 2021, the factories continued their anti-epidemic measures, including recording employees' health and travel information, monitoring whether they have been to the epidemic area, purchasing and distributing anti-epidemic supplies, strengthening partitions in canteens, requiring employees to keep a safe distance when eating, and publicizing personal hygiene concepts to employees. All employees shall wear masks, measure body temperature and be subject to disinfection before entering the factories. The Company would arrange leave for employees who have been to high-risk places and come into contact with patients, and also pay testing fees for employees in need. Through the above measures, the risk of workplace infection has been effectively reduced.

### Employee Training and Development

The Group attaches great importance to employee safety training, job skills training and career development education, etc. A comprehensive training system is in place and improvement measures are formulated according to previous training results so as to continually enhance training effectiveness. In addition, in terms of technical positions, all new hires will receive pre-employment technical training to improve professional skills applicable to their job duties.

自新冠疫情爆發以來，本集團各工廠由安環部和總經辦成立了疫情防控小組。在2021年全年，各廠延續的防疫措施，包括記錄員工健康和外遊資訊，監察是否到過疫情發生地區，採購及派發抗疫用品、餐廳加強隔板，要求進食員工保持安全隔離、向員工宣傳個人衛生觀念等。所有工作人員進入廠區前都需要佩戴口罩、測體溫和消毒。公司為曾到高危地方、接觸病患的員工安排休假，亦會為有需要員工支付檢疫測試費用、通過以上措施有效降低發生工作場所傳染的風險。

### 員工培養和發展

集團非常重視員工的安全培訓、崗位技能培訓、職業發展教育等，建立了完善的培訓體系，並根據培訓效果制定改進措施，以不斷提高培訓成效。此外，就技術職位而言，每位新聘僱員均會接受職前技術培訓，以提高工作所需的專業技能。

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Free staff training provided by the factories of the Group in 2021 includes:

1. Participate in training to obtain special operation work permits in 34 areas, including pressure pipeline inspection and maintenance, chlorination, safety production courses for management staff, and pressure vessel operation, etc.
2. Each factory organized personnel above the supervisor level to learn the newly revised *Production Safety Law* in batches, and further strengthened the active safety awareness of learning, understanding and abiding by the law.
3. Two factories including Jiangsu Chemical and Jiangxi Chemical conducted specialized technical training in production skills in the form of "team gathering" for all production staff every month. Zhuhai Chemical organized team safety meeting training twice a month.
4. The factories conducted departmental skills training in at least 2 areas.

To improve the professionalism of employees and their ability to perform their duties, the Company has fully implemented an employee evaluation system, which enhances the learning abilities of employees and allows them to fully understand and master work-relevant skills.

In 2021, the Group arranged for 2,116 employees to receive vocational training and relevant procedural skills training (total attendees in 2020: 1,889).

2021年本集團旗下工廠免費為員工提供的培訓包括：

1. 參與了壓力管道巡檢維護、氯化工藝、安全生產管理人員、壓力容器等34項外部特種作業證培訓。
2. 各家工廠都有分批組織主管級以上人員學習了新修正的《安全生產法》，進一步強化全員學法、懂法、守法的主動安全意識。
3. 江蘇化工、江西化工兩廠每月以副班會的形式組織全體生產員工進行生產技能等專項培訓。珠海化工每月兩次組織班組安全會議培訓。
4. 工廠內部提供部門技能教育訓練達2項以上。

為提高員工的職業素養及履職能力，公司全面推行員工考核制度，通過對員工考核，提升了學習能力，並使員工充分了解和掌握工作技能。

本集團在2021年年度安排僱員參加職能培訓和相關的流程培訓共2,116人參加(2020年年度共1,889人參加)。

Classification 分類		Number of people 人數	Percentage of the total number of staff 佔總人數比例	Average training hours per person 人均培訓課時
Position 職級	Above supervisor level 主管以上	355 (212)	16.78% (10.15%)	74 (74)
	Below supervisor level 主管以下	1,761 (1,677)	83.22% (80.32%)	74 (74)
Classification 分類	Male 男	1,577 (1,470)	74.53% (70.4%)	74 (74)
	Female 女	539 (419)	25.47% (20.07%)	74 (74)

Note: 2020 data for comparison in parentheses.

備註：括弧內為2020年的對比資料。

## Part of training contents in 2021

## 2021年度部分培訓內容

Department 部門	Training aspects 培訓需求	Target 培訓對象
Production workshop 生產車間	1. Process specification 工藝規程	Workshop staff & workers 車間職員工
	2. Specialized knowledge about equipment 設備專業知識	Workshop staff & workers 車間職員工
	3. Personal protective equipment wearing standards 勞動防護用品規範穿戴	All factory staff & workers 工廠內全員
	4. Legal knowledge 法律法規知識	Staff at director level or above 主任級別或以上員工
	5. Special operation: electrolysis and chlorination 特種作業：電解工藝、氯化工藝	Workshop staff & workers 車間職員工
	6. Operations involving special equipment: pressure vessels, pressure pipelines 特種設備作業：壓力容器、壓力管道	Workshop staff & workers 車間職員工
	7. Special operation: high voltage engineering and low voltage engineering 特種作業：高壓電工、低壓電工	Workshop staff & workers 車間職員工
	8. "6S" management "6S"管理	All factory staff & workers 工廠內全員

Department 部門	Training aspects 培訓需求	Target 培訓對象
Office 辦公室	1. Corporate culture, work etiquette 企業文化、工作禮儀	All staff 全體員工
	2. ERP computer system operation ERP電腦系統操作	Responsible operators 負責操作人員
	3. ISO Training ISO培訓	All staff 全體員工
	4. Financial system and tax regulations 財務制度和稅務的法規	Finance department and related departments 財務部及相關部門
	5. Procurement process and system 採購流程及制度	Procurement department and related departments 採購部及相關部門
	6. Safety standardization specification 安全標準化規範	All staff 全體員工

# Environmental, Social and Governance Report

## 環境、社會及管治報告

The following are photos of current employees attending training courses organized by professional third party organizations:

以下為在職員工參加由外間專業單位舉辦的培訓課程圖片：



### **Employee Human Rights Protection (Including Equal Opportunity and Anti-discrimination)**

### **員工人權保障 (包括平等機會及反歧視)**

The Group has formulated an appropriate *Staff Manual* and other policies to clearly put forward Lee & Man Chemical's 7 corporate spirits: integrity, fairness, attitude, efficiency, perseverance, innovation and team spirit, creating sound and harmonious labor relations for our staff.

集團制定合適的《員工手冊》和政策，明確提出理文化工的七點企業精神：誠信、公平、態度、效率、毅力、創新、團隊，為僱員創建一個融洽的良好勞資關係。

Advocating the principles of equal opportunity and fairness, we recruit candidates based on their ability, literacy, and competence, and oppose any form of discrimination based on race, gender, age, and marital status. Moreover, we act in accordance with international human rights standards as stipulated in the *Convention on the Rights of the Child and the Universal Declaration of Human Rights* promulgated by United Nations, including standards in relation to the prohibition of employing child labor to protect minors, prohibition of forced labor, safety and health, freedom of forming trade unions, prohibition of discrimination, prohibition of unfair punishment, working hours and wage standards, etc.

我們提倡機會平等、公正的原則，主要以應聘者的能力、素養及是否能勝任工作崗位為錄用標準，反對種族、性別、年齡、婚姻狀況等任何形式的歧視，並且按照聯合國《兒童權利公約》及《世界人權宣言》中所述之國際人權標準原則為基準，包括禁止使用童工並保護未成年人、禁止強迫性勞工、健康與安全、組織工會的自由、禁止歧視，禁止不公平懲戒、工作時間及工資標準等。

The Group has established a comprehensive system regarding staff complaints. Our staff can provide feedback through the General Manager's mailbox, e-mail, and an instant messaging application for internal communication named "DingTalk". Such feedback is to be dealt with and resolved in a timely manner.

集團針對員工的投訴，制定了一個完善的體系，員工可以通過總經理信箱、郵件、內部即時通訊軟體(釘釘)等多種途徑進行反饋，並及時跟進和解決。

## Employee's Remuneration and Benefits

Talent is the key to corporate development, especially for a chemical enterprise. In accordance with the national labor law, work-related injury protection regulations and other laws, the Group has established a comprehensive remuneration system, recruitment procedures, career progression plans for employees etc., and provided employee benefits such as endowment insurance, medical insurance, unemployment insurance, work-related injury insurance, childbirth insurance and housing accumulation funds, annual leave, holiday allowance, and free meals.

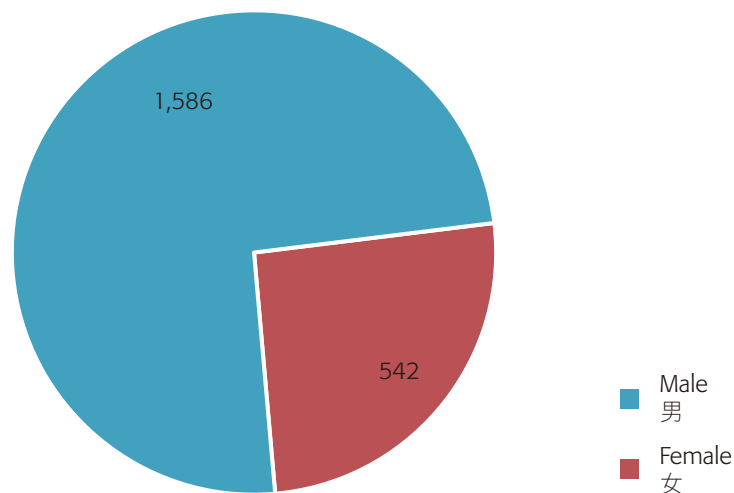
As of 31 December 2021, the Group had approximately 2,128 full-time employees.

## 員工福利與薪資

人才是企業發展的關鍵，在化工企業中更尤為關鍵。集團依照國家勞動法、工傷保護條例等法則，建立完善的薪酬制度、招聘流程、員工職業晉升規劃等，提供五險一金、年假、節日津貼、免費工作餐等員工福利。

截至2021年12月31日，本集團約有2,128名全職員工。

**Total Workforce by Gender**  
公司人數性別分佈



Both factories in the PRC provide accommodation and transportation pick-up service for their staff. Keeping track of the conditions in the labor market and trends of economic development, the Group makes reasonable employee pay adjustments every year to maintain competitive salaries. Year-end bonuses are distributed based on the performance of individual employees and of the Group's profits. Factory areas are equipped with modern equipment and hardware to create a comfortable and clean environment for employees. The Group has established a research institute that is comprised of a research and development team led by academicians of the Chinese Academy of Sciences and a number of professors, in support of maintaining our status as a high-tech enterprise and of our future development.

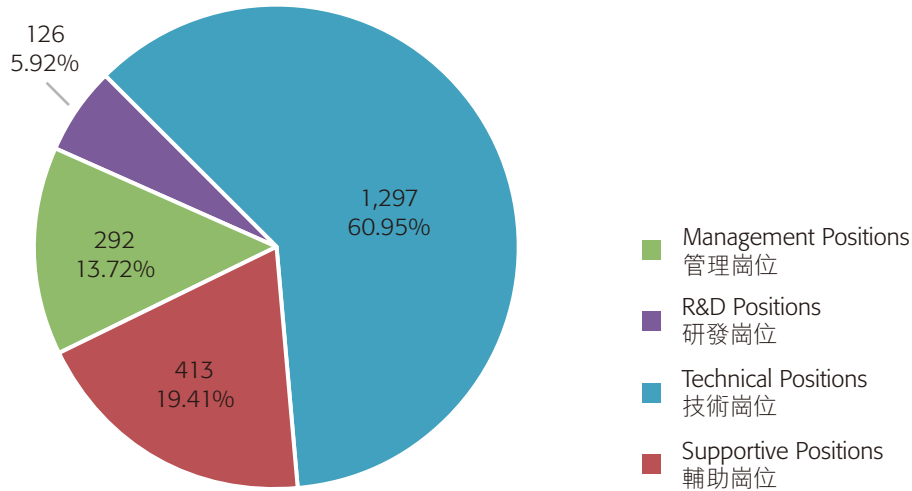
國內兩廠皆提供員工宿舍，交通接送，每年集團留意有關勞工市場及經濟市況趨勢，合理調整僱員薪酬於具競爭力水平，並按員工表現及本集團盈利發放年終花紅。廠區擁有現代化的設備及硬體，為員工營造了一個舒適、整潔的環境。集團成立研究院，以中科院院士、多名教授帶領為首的研發團隊，對維持高新科技企業和未來發展提供支援。

# Environmental, Social and Governance Report

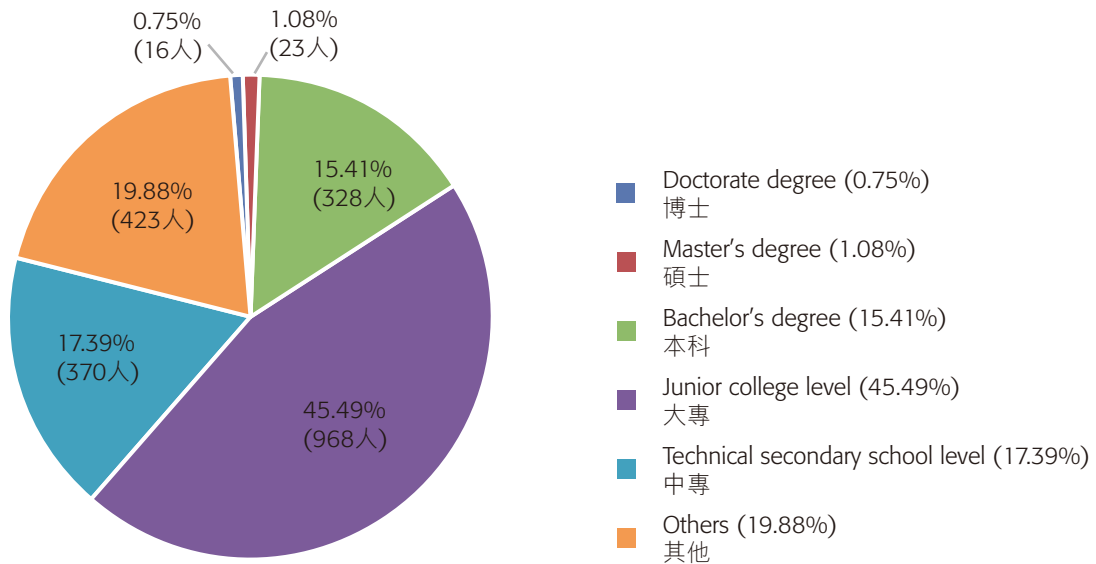
## 環境、社會及管治報告

The following charts illustrate the distribution of our employees by position and education level: 下面列出按崗位和學歷的僱員比例：

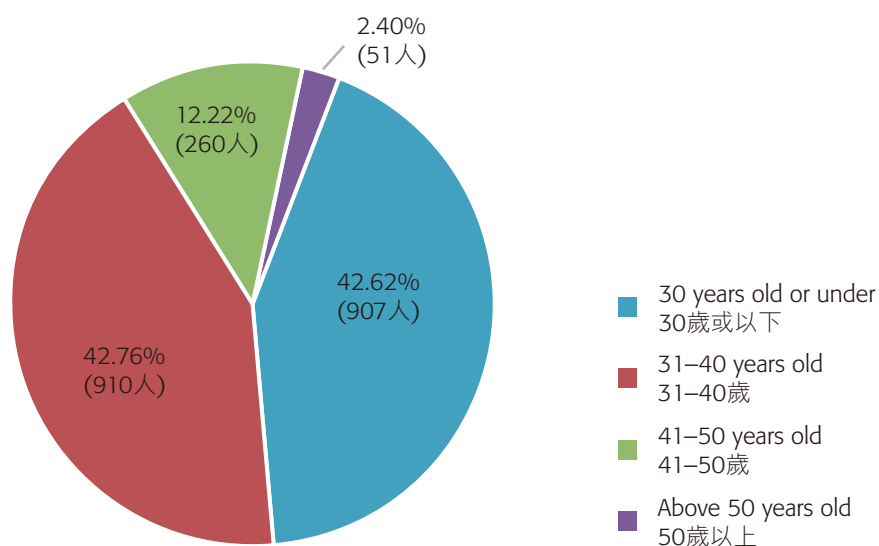
**Total Workforce by Position**  
崗位人數分佈



**Distribution of Workforce by Academic Qualifications**  
學歷水準分佈圖



**Distribution of Workforce by Age Group**  
年齡層次分佈圖



	2021		2020	
	Number of people 人數	Percentage 佔比	Number of people 人數	Percentage 佔比
Employee turnover rate 人員流動率	<b>380</b>	<b>17.90%</b>	320	15.33%
Male employee 男職工	<b>267</b>	<b>12.50%</b>	227	10.87%
Female employee 女職工	<b>113</b>	<b>5.30%</b>	93	4.45%
<b>Employee turnover rate</b> 人員流動率				
Under 30 years old 30歲以下	<b>239</b>	<b>11.20%</b>	259	12.40%
30-50 years old 30-50歲	<b>136</b>	<b>6.40%</b>	60	2.87%
Above 50 years old 50歲以上	<b>5</b>	<b>0.20%</b>	1	0.05%



# Environmental, Social and Governance Report

## 環境、社會及管治報告

In order to foster a sense of belonging of employees to the Company, Jiangxi Chemical has set up a staff residence hall. The dormitory area is furnished with recreational amenities such as a basketball court, an indoor badminton court, a table tennis court, billiards, and a yoga studio. There is also a library equipped with board games to enable staff to enrich their knowledge and broaden their horizons after work.

The photo below left shows the “Ten Years of Hard Work and Shining Lee & Man” Cup Men’s Basketball Competition held by Jiangxi Chemical in the autumn of 2021. All athletes have adhered to the principle of “friendship first and competition second”, which strengthens the cohesion among colleagues in the departments.



公司為提升員工歸屬感，江西化工自建《職工之家》，宿舍區設有籃球場、室內羽毛球場、乒乓球場、檯球、瑜珈室等康樂休閒設施；並設有圖書館，配備棋類益智思維，使員工在業餘時間豐富自己的知識文化開闊視野。

左下圖為江西化工於2021年秋季召開的「十年拼搏、閃耀理文」杯男子籃球賽。全體運動員秉承「友誼第一、比賽第二」的原則，增強了部門同事之間的凝聚力。



The photo above right shows the participation of Jiangsu Chemical in “Begonia Cup” Five-a-side Football Competition held by Changshu Economic & Technological Development Zone in 2021. The Lee & Man Football Team composed of colleagues from sales department, equipment maintenance department, quality control department, chlor-alkali plant and other departments played on the field with passion and sweat, showing the spirits of fearlessness, brave fighting, unity and cooperation.

右上圖為江蘇化工應邀參加2021年由常熟經濟技術開發區舉辦的「海棠常開杯」五人制足球比賽。由銷售部、設備維保部、品管部、氯城廠等各部門同事組成的理文足球隊，在賽場上揮灑激情和汗水，顯現出不畏強敵，奮勇拼搏，團結協作的精神。

In September 2021, the Company presented service awards to employees who have worked for more than ten years in Jiangsu Chemical and Jiangxi Chemical respectively. Mr. Norman Lee, the CEO, presented commemorative coins to the recipients of the Service Award, and thanked and congratulated those who have made efforts and contributions to the development and progress of Lee & Man Chemical in their respective positions.

2021年9月，公司分別在江蘇化工和江西化工向工作滿十年員工頒發服務獎，由首席執行官李文恩先生給服務獎獲得者授與紀念幣，並對在各自崗位為理文化工發展進步做出努力和貢獻的表示感謝和祝賀。

Below is the award ceremony to employees who have worked for ten years.

下圖為頒贈工作滿十年員工服務獎儀式。



### Child and Forced Labor

When hiring employees, the Company strictly monitors the age of job applicants. Candidates must be over 18 years old and have to present their ID cards, the authenticity of which will be verified by the human resources department upon hire. In the daily operation of the Group, employees can report if they find that someone uses another person's identity document, so as to achieve the control objectives from many aspects.

In addition to monitoring the recruitment process of the Group, we also regularly investigate the recruitment process of agencies. Besides establishing management system to address potential breaches of conduct, we also require suppliers to formulate measures on the prevention of child and forced labor. The Company shall cease to work with any violating parties.

Based on the above internal control measures, the Group did not find any major violation of child labor or illegal labor standards and other relevant laws and regulations during the year.

### 童工及強迫勞工

在聘請員工時，公司嚴格管控，應聘者必須年滿18週歲以上並出示本人身份證，由人力資源部核查資訊真實性後，方可錄用。本集團亦於日常營運上，員工如發現有他人使用身份證明文件任職的情況可以作出舉報，從多方面達成管控目標。

除了監控本集團的招聘流程，我們亦定期調查代理機構的招聘流程，訂立管理制度應對可能出現的違反操守的行為，我們也要求供應商必須制定措施避免童工及強制勞工。如發現該單位有違規情況，公司將停止與其合作。

基於上述內部控制措施，本年度內，本集團並沒有發現任何違反童工或不法勞工準則及其他相關的法例法規的重大情況。

# Environmental, Social and Governance Report

## 環境、社會及管治報告

### Celebration of the 10th Anniversary of Jiangxi Chemical

On 10 December 2021, the celebration meeting for the 10th anniversary of the establishment of Jiangxi Chemical was held in the front area of the factory. Leaders, cadres, employees and contractor representatives of the Company attended the celebration.

At the celebration meeting, the Company's propaganda films and videos of major materials related to the ten years' development were broadcasted. Then the host read out the foreword personally written by the Chairman Ms. Wai Siu Kee of the Group for the *Special Issues of the Decade*. Mr. Yang Zuoning, General manager of Jiangxi Chemical, led attendees to review the years when the projects were successfully put into operation after hard work. The factory was prepared in Ruichang City, Jiangxi Province in 2011. Now it becomes a beautiful and green factory which has tempered a large number of excellent cadres and workers, achieved good economic benefits locally, solved the employment of thousands of local people and increased local taxes, fulfilling its initial commitments for the society, shareholders and employees.

Mr. Norman Lee, the CEO, delivered a speech at the meeting, encouraging everyone to continue to do a good job in factory safety production and environmental protection, protect the blue sky, clear water and pure land, and strive to build a green manufacturing enterprise that reassures employees and the people, and a chemical enterprise that makes greater contributions to the society. He also hoped that all colleagues could work with the Company, forge ahead with determination, pursue excellence and perfection, and strive to become a "model in the industry" untiringly.

After ten year's development as expected, Lee & Man Chemical has risen abruptly based on its accumulated strength and become thriving and prospering.

### 江西化工十周年誌慶

2021年12月10日，江西化工建廠十周年慶祝大會在廠前區隆重舉行，有公司領導、幹部和職工、承包商代表出席。

慶祝大會上，播放了公司宣傳片及十年發展大資料視頻，隨後，主持人宣讀了集團衛少琦主席為《十年專刊》親自題寫的發刊詞。江西化工總經理楊作寧先生帶領大家重溫項目順利投產，成功投產拼搏奮鬥的歲月，工廠從2011年在江西省瑞昌市開始籌建，如何成為現在的美麗工廠、綠色工廠、錘煉了一大批優秀的幹部職工，地方上亦取得了良好的經濟效益，解決本土上千人的就業，增加地方稅收，為社會、股東、員工兌現了初始的承諾！

首席執行官李文恩先生在會上致辭，勉勵大家要繼續抓好工廠安全生產、環境保護工作，守護好藍天碧水淨土，努力成為一家讓員工安心、讓民眾放心的綠色製造企業，一家為社會做出更大貢獻的化工企業。也希望全體同事能夠與公司同心同德，銳意進取，追求卓越、力臻至善，向成為「同行業典範」不懈奮鬥。

韶華流轉九派十年如約，厚積薄發理文化工昌盛。



## PRODUCT MANAGEMENT

### Product Quality

The domestic factories of the Group have passed the ISO9001 Quality Management System Certification. Jiangsu Chemical and Jiangxi Chemical have passed the audit and certification of ISO14001 Environmental Management System, ISO45001 Occupational Health and Safety Management System, and ISO50001 Energy Management System.

#### Certification attained 已取得的認證

ISO9001: 2015 Certificate  
ISO9001: 2015證書  
ISO45001: 2018 Certificate  
ISO45001: 2018證書  
ISO14001: 2015 Certificate  
ISO14001: 2015證書  
ISO50001: 2018 Certificate  
ISO50001: 2018證書

We pay attention to standardized management. Product quality standardization is implemented during quality management, and the implementation rate of product standards (including national standards, industrial standards and enterprise standards) is 100%. The factory has formulated a complete quality management manual and control procedures, and established a comprehensive goods receipt & delivery and quality control module with ERP system, DingTalk OA Approval Platform and other tools, so as to effectively realize the whole process management functions from factory entry of raw materials to production program control, warehouse transfer of semi-finished products, product storage and delivery, vehicle and customer terminal tracing and so on.

Both Jiangsu Chemical and Jiangxi Chemical have obtained the *Food Production License* for the production of sodium hydroxide as a food additive; Jiangxi Chemical has obtained the *Sanitation Permit for Disinfection Product Production Enterprises* for the production of "84" disinfectant, and the CPVC blend compound products produced by Jiangsu Chemical have obtained the UL and NSF product certification in the United States, and been successfully recognized by the Certification Department after the unannounced inspections of UL laboratory and NSF engineers every year. In addition, the hydrogen peroxide, hexafluoropropylene and aluminum trichloride produced by Jiangxi Chemical were awarded the title of "Famous Products in Jiangxi".

## 產品管理

### 產品質量

本集團旗下國內工廠均通過了ISO9001質量管理體系認證，其中江蘇化工和江西化工都取得ISO14001環境管理體系、ISO45001職業健康安全管理體系和ISO50001能源管理體系的審核認證。

	Jiangsu Chemical 江蘇化工	Jiangxi Chemical 江西化工	Zhuhai Chemical 珠海化工
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ISO9001: 2015 Certificate ISO9001: 2015證書	✓	✓	✓
ISO45001: 2018 Certificate ISO45001: 2018證書	✓	✓	
ISO14001: 2015 Certificate ISO14001: 2015證書	✓	✓	
ISO50001: 2018 Certificate ISO50001: 2018證書	✓	✓	

我們注重標準化的管理，品質管制實施了產品品質標準化，產品標準(包括國標、行標、企標)執行率實現了100%全覆蓋。工廠制定了完善的品質管制手冊和各流程文件，結合ERP系統、釘釘OA審批平臺等工具，建立全面的收發貨、品質管控模組，這樣有效實現從原材料進廠到生產程式控制，半成品繳庫，產品倉儲發貨，車輛及客戶終端追溯等全流程管理功能。

江蘇化工和江西化工兩廠均取得用於食品生產的食品添加劑氫氧化鈉《食品生產許可證》，江西化工取得用於生產「84」消毒液的《消毒產品生產企業衛生許可證》，江蘇化工生產的CPVC混料製品取得美國UL、NSF產品認證，每年接受UL實驗室、NSF工程師飛行檢查，都順利得到認證部門認可。此外，江西化工生產的雙氧水、六氟丙烯和三氯化鋁等產品，榮獲「江西名牌」產品稱號。

# Environmental, Social and Governance Report

## 環境、社會及管治報告

Jiangsu Chemical has actively helped introduce the *GB/T19580-2012 Evaluation Criteria for Excellent Performance*. It once won Suzhou Quality Control Award, and was evaluated to be a grade AA Jiangsu enterprise in terms of quality and credit ranking with leading quality control level. Jiangsu Chemical was also the only manufacturer of water-related products in Changshu City to receive a grade A sanitation rating in the *Sanitation Monitoring and Credit Rating of Manufacturers of Water-related Products* published by Suzhou Municipal Health Commission in March 2021. The Company's products involving 10% sodium hypochlorite in drinking water have been highly praised by the health supervision department.

The Group has provided a number of advanced equipment for the production of two products with high polymer materials to help improve product quality. For example, the analysis laboratory is equipped with a total organic carbon (TOC) analyzer, which is used for the detection of ultrapure water during the production of polytetrafluoroethylene by Jiangxi Chemical to ensure that the water quality meets the requirements. The laboratory of Jiangsu Chemical is equipped with advanced testing instruments, including total chlorine analyzer, inductively coupled plasma emission spectrometer, Shimadzu gas chromatography-mass spectrometer (GC-MS), liquid chromatograph (LC), Metrohm 870 and 702 potentiometric titrator, etc., to meet the testing requirements of physical and chemical properties of various chemicals and new materials.

Customers are welcome to inquire about our production quality and safety through various communication channels, such as contacting our responsible salesperson or reaching us via email. We will earnestly and promptly follow up on the relevant issues and provide appropriate feedback. Follow-up review, assessment and investigation by the competent authority to identify any potential risks, the Group undertakes to adopt corrective, recovery or prevention measures in time. In 2021, the Group did not recall any sold products for safety and health reasons.

### R & D Innovation and Intellectual Property Protection

For the purpose of sustainable innovation and breakthrough, the Group has a research and development (R & D) team that determines the development direction according to the Company's development strategies and technical difficulties, provides human and financial support, continues to innovate and make breakthroughs, and creates new products and new technology applications.

江蘇化工積極推進《GB/T19580-2012卓越績效評價準則》的導入，得到過蘇州市品質獎和江蘇省品質信用AA級企業，品質管制水準領先。在2021年3月蘇州市衛健委公佈的《涉水產品生產企業衛生監督信用評價》中，取得衛生信用A級，成為常熟市唯一一家涉水產品生產企業入選，公司涉及飲用水10%次氯酸鈉產品得到了衛生監督部門的高度評價。

集團在對於生產高分子材料的兩款產品配備了很多先進的設備，以助提升產品品質。例如江西化工生產的聚四氟乙烯，分析室配備了有機碳測定儀(TOC)，用於超純水檢測，確保水質符合要求。江蘇化工實驗室配備了先進的檢測儀器，包括有總氮分析儀、電感耦合等離子發射光譜儀、日本島津氣相色譜一質譜儀(GC-MS)、液相色譜儀(LC)、瑞士萬通870、702電位滴定儀等，滿足各類化學品、新材料的理化性能檢測。

客戶可通過多樣的溝通管道，例如負責的銷售人員或透過電郵，提出任何品質及安全相關問題。我們會認真和迅速地跟進相關問題，並作出合適的反饋。在相關部門檢討、評估和調查後，查找任何潛在風險，集團承諾及時採取糾正、回收或預防措施。在2021年度，集團未有由於安全及健康的原因而需召回出售的產品。

### 研發創新和知識產權保障

為持續創新突破，本集團擁有自己的研發隊伍，根據公司的發展戰略和技術瓶頸確立開發方向，給予人力財物支援，持續創新突破，創造出的新產品、新技術應用。

### Advanced R & D advantages 先進的研發優勢

- Integrate resources in Jiangsu, Jiangxi, Guangzhou and Zhuhai  
整合在江蘇、江西、廣州、珠海各地資源
- Fully explore the advantages of existing processes and products  
充分發掘現有工藝產品優勢
- Make breakthroughs in the traditional basic chemical system  
突破傳統基礎化工體系
- Develop new fields of polymer materials and electrolyte additives  
開拓高分子材料、電解液添加劑新領域



### Rich R & D resources 豐富的研發資源

- R & D team led by academicians of the Chinese Academy of Sciences and famous organic chemistry experts  
以中科院院士、著名有機化學專家帶領的研發團隊
- There are 21 laboratories in Changshu Research Institute, a R & D laboratory is built in Guangzhou Nansha, and a pilot plant is prepared in Zhuhai  
常熟研究院設有21間實驗室、廣州南沙建有研發實驗室、和在珠海擬建中試車間
- Advanced instruments and equipment, including nuclear magnetic resonance spectrometer, GC-MS, LC-MS, near infrared detector, DSC, scanning electron microscope, etc.  
配備了核磁共振儀、GC-MS、LC-MS、近紅外檢測儀、DSC、掃描電鏡等先進儀器設備
- Form long-term cooperation relationships with Hong Kong Baptist University, Sun Yat-sen University, Tianjin University and other universities and scientific research institutes  
與香港浸會大學、中山大學、天津大學等高校及科研院所形成長期合作



### Perfect R & D management 完善的研發管理

- Establish closed-loop management from six aspects: investigation and approval, appraisal and evaluation, formulation of plans, implementation of tasks, achievement transformation, and improvement and optimization  
建立從調研立項、鑒定評估、制定計劃、落實任務、成果轉化及改進優化的六方面閉環管理
- Formulate a systematic and feasible document management system  
制定了系統可行的文件管理制度
- Effectively control the R & D progress and direction through monthly, quarterly and annual indicator node reports  
通過月度、季度、年度指標性節點報告，有效管控研發進度及方向
- Use third-party software system for the layout, maintenance and management of patent intellectual property rights to ensure the safety of the Company's core technology  
利用第三方軟件系統，用於專利知識產權的布局、維護和管理，保障公司的核心技術安全



### Effective R & D results 成效的研發成果

- Both Jiangsu Chemical and Jiangxi Chemical are rated as high-tech enterprises  
江蘇化工和江西化工兩廠皆評為高新科技企業
- By the end of 2021, 151 authorized patents have been obtained, including 26 invention patents and 125 utility model patents  
截止2021年底，已取得授權專利151項，其中發明專利26項目，實用新型專利125項
- Participate in the formulation of 2 national and industrial standards and obtain 4 high-tech products in Jiangsu Province  
參與2項國家和行業標準的制定，獲得江蘇省高新技術產品4項



# Environmental, Social and Governance Report

## 環境、社會及管治報告

In 2021, the Group invested more than RMB190 million in R & D projects. It has made many achievements in R & D and technical transformation, including the technology of lithium battery electrolyte additives, the process of hydrogen peroxide oxidation tail gas, new CPVC fire service pipe products, resource utilization of hydrochloric acid, etc. The R & D achievements not only enrich the Company's product resources, but also contribute to environmental protection and emission reduction.

So far, Lee & Man Chemical has obtained 151 authorized patents, including 26 invention patents and 125 utility model patents.

The Group attaches great importance to the establishment of intellectual property rights. In order to safeguard the Group's interests and its development, we require employees to remain cautious when using the Company's resources. Sharing with third parties should be avoided, and private and personal use in the form of replication, imitation, reproduction, excerption and distribution is also prohibited. In terms of accessing to and transmitting core information, only specific senior managers have relevant authority. In addition, when developing a technical transformation with a third party, a contract will be clearly signed to protect the interests of scientific and technological achievements of both parties.

As an intellectual property owner, the Group will report to the local judicial authority and resolutely crack down on infringement and illegal acts when any product or technology is found to be used without the Group's authorization, and upon internal review, it is confirmed that our intellectual property rights have been infringed.

### Procurement and Supplier Management

The Group works with more than 1,100 compliant suppliers. Strict entry approval, process supervision, regular assessment and exit procedures have been carried out for suppliers. In strict accordance with the supplier management system, the admittance of suppliers with a purchase amount of more than RMB50,000 and more than two transactions in these years has been approved. In 2021, there were 557 suppliers in this category, and an annual review has been conducted.

在2021年度，本集團共投入超過人民幣1.9億元在研發項目上。在研發和技改取得多項成果，包括鋰電池電解液添加劑的技術、過氧化氫氧化尾氣的工藝、CPVC消防管新產品、鹽酸資源化利用等等的項目，研發成果不但豐富了公司的產品資源，也有利環保減排做出貢獻。

截至目前，理文化工共已取得授權專利151項，其中發明專利26項，實用新型專利125項。

集團重視構建智慧財產權，為保障集團的利益和發展，我們要求員工在使用公司資源時提高警覺，避免對外分享，亦不得以複製、仿造、轉載、摘編、散佈等形式私自利用。在查閱和傳遞核心的資訊上，僅供特定的高級管理人員有相關權限，此外與協力廠商合作開發某項技術改造時，會明確簽訂合同保障雙方科技成果的利益。

作為知識產權擁有人，當發現該產品和技術未經集團授權使用，在內部審查後確實其知識產權已受侵犯，集團會向當地司法部門作出檢舉，堅決打擊侵權違法行為。

### 採購與供貨商管理

本集團合規供應商超過1,100家，對於供應商都進行了嚴格的新增審批、過程監督、定期考核及退出程式。嚴格按照供應商管理制度，對該些年採購額大於人民幣5萬元及超過兩次交易發生的供應商准入進行審批，在2021年有557家屬於此類別，已進行了年度評審。

The suppliers are mainly divided into raw material suppliers, production equipment manufacturers and suppliers for packaging auxiliary materials, etc., most of which are located in different regions of China. They are close to the factory location, which shortens the transportation radius, reduces carbon emissions, and is more conducive to ensuring the timeliness of the supply chain. Details are shown in the figure below.

供應商主要分為原料供應商、生產設備商和包裝輔材等，大部份分佈在中國國內不同的區域，靠近工廠所在地，縮短了運輸半徑，減少了碳排放，也更利於保證供應鏈的時效性，見下圖。



At present, the Company has worked with suppliers of major raw materials such as raw salt, methanol, and fluorite for many years. These suppliers provide us with great advantages in terms of pricing and assurance of supply. Due to the solid strategic cooperative relationships established between these suppliers and the Company, we will implement sustainable procurement policies with them to ensure a stable supply of raw materials.

目前原鹽、甲醇、螢石等主要原料供應商，都與公司合作多年，無論從價格和供應保證上均有很大優勢。主要原料供應商均建立了穩固的戰略合作關係，公司會與其落實可持續性發展採購政策，保障穩定供應。

In terms of product logistics and transportation, the Group only hires qualified transportation companies to transport hazardous chemicals. All transportation companies, drivers, loading and unloading technicians and supercargoes have received safety training, and their performance is strictly reviewed and evaluated by the sales department. Vehicles are required to undergo inspection and maintenance regularly to ensure that they are leak-proof during delivery.

在產品物流運輸方面，本集團只聘用合資格的運輸公司運送有害化學品。運輸公司、駕駛員、裝卸技術人員和押運員有接受過安全教育，銷售部物流會對其進行嚴格審查和評估。車輛必須定期檢修，確保運送途中不會出現跑冒滴漏。



# Environmental, Social and Governance Report

## 環境、社會及管治報告

### Customer Relationship Maintenance

In terms of after-sales services and complaint handling, the sales department communicates with customers regularly and distributes satisfaction survey reports every year to understand their general and special needs for products. The Company ensures that the feedback from customers is true, timely and sufficient through face-to-face interviews, telephone calls, the internet, conferences, and exhibitions, etc. The marketing team classifies and summarizes the various needs of customers and transmits the relevant information to the relevant departments respectively, so that the market response speed and service quality of the Company's products can be improved.

When receiving customer complaints about product quality and service, the Company's sales department and quality control department will organize relevant meetings to discuss and determine the underlying reasons, propose corrections, and take preventive measures. In 2021, the Group received a total of three customer complaints<sup>Note</sup>. Regarding the requirements for goods quantity measurement and chemical solutions of products, the Company has adjusted and replaced each item in order to meet the requirements of each customer for high-quality chemical products.

*Note:* In 2020, the Group received a total of two customer complaints. Regarding the requirements for packaging and chemical solutions of products, the Company has replaced each item.

### 客戶關係維護

在售後服務及投訴的處理方面，銷售部定時跟客戶溝通，並於每年分發滿意度調查報告，了解其對產品的一般需求及特殊需求。公司通過會面拜訪、電話、網絡、會議、展會組織等途徑，確保與客戶的回饋意見真實、及時和充分。營銷團隊把顧客的各種需求資訊，進行分類匯總，分別傳遞到相關部門，使公司產品的市場回應速度提升，服務品質提高。

在收到顧客提出對產品品質和服務方面的投訴時，公司的銷售和品管部門將針對組織相關開會討論、查明原因，提出糾正、和作出預防措施。在2021年，集團曾經共收到三宗客戶投訴<sup>註</sup>，針對收貨數量的計量和產品溶液的要求，公司已為每項做了調解和置換，務求維護好每位客戶對優質化工產品的要求。

*註：* 於2020年，集團共收到兩宗客戶投訴，針對包裝和產品溶液的要求，當時公司已為每項進行置換。

## Information Security and Digital Transformation

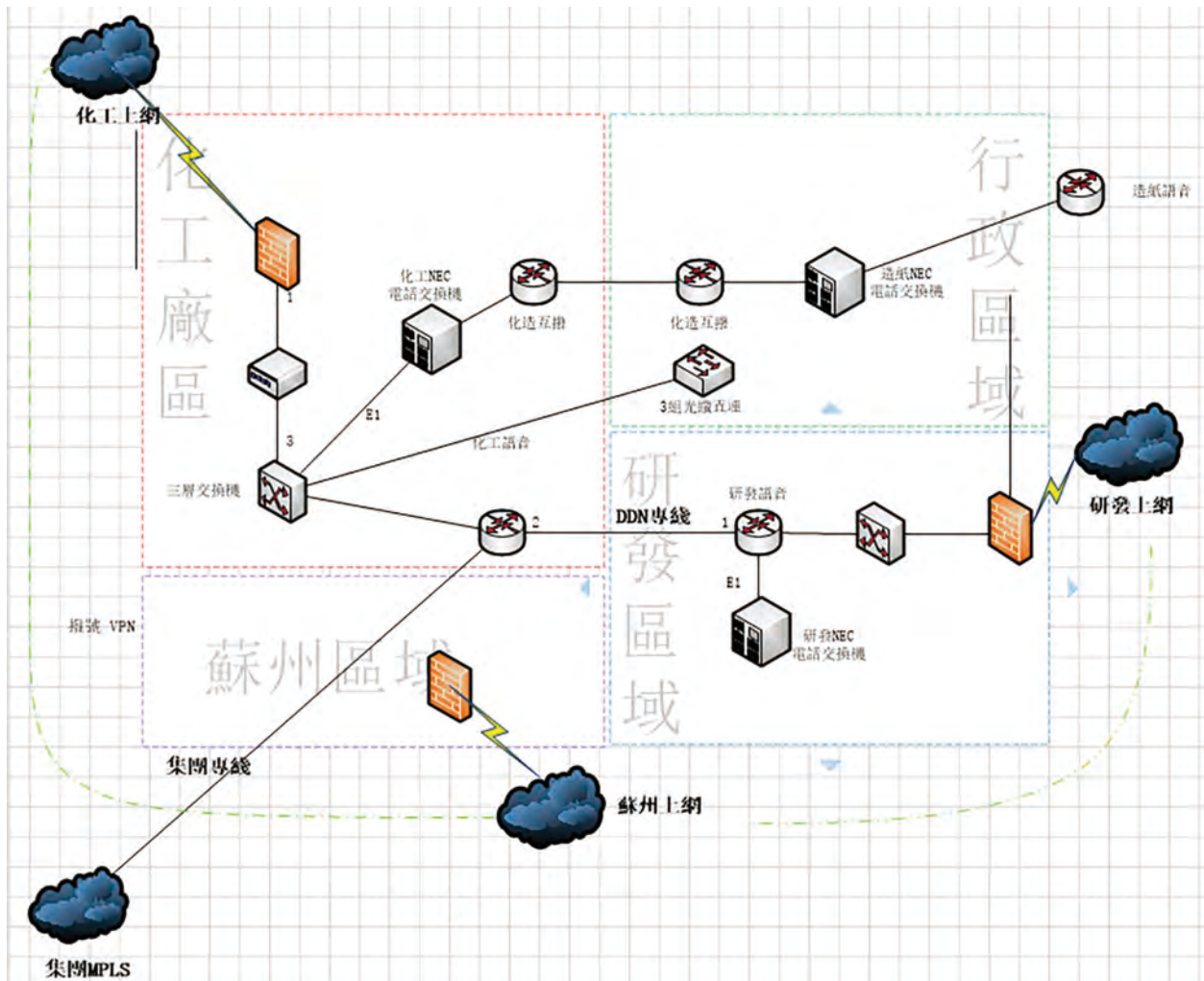
Lee & Man Chemical has built multi-level network security and convenient applications in information technology. The ERP enterprise information management platform of domestic factories covers the Company's process, production, sales, procurement, finance, quality and other operation and management processes, and is constantly improved in the operation process. ERP system and DCS technology are integrated to realize an automatic receipt and delivery system.

In terms of information security and digital conversion, we do a good job in guarantee through software and hardware environment and technical reserves. Most of the Company's operation businesses or data have been covered in ERP. The Company will focus on the "intelligent" development of the whole factory in the next step, and use its self-developed data exchange system to integrate the safety and environmental protection data and operation status data of the DCS system, PLC system, electrical system, etc. of each device into the central database to further improve the operation efficiency and safety production.

## 資訊安全與數位轉型

理文化工在資訊科技上構建了多層次的網路安全和便捷化各種應用，國內工廠的ERP企業資訊化管理平台，涵蓋了公司工藝、生產、銷售、採購、財務、品質等各個經營管理過程，並在運行過程中不斷完善。ERP系統和DCS技術整合，實現自動化收發貨系統。

在資訊安全和數位轉換方面，我們通過以軟硬體環境和技術儲備來做好保障，公司大部份運營業務或資料都已涵蓋在ERP內，下一步重點將向整個工廠的「智能化」發展，利用自行開發的資料交換系統，將各裝置的DCS系統、PLC系統、電氣系統等的安全環保資料、運行狀態資料等融合到中央資料庫中，進一步提升運營效率及安全生產。



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The Group also attaches importance to consumer information security, takes certain security protection measures in accordance with the requirements of laws and regulations, and strengthens employees' understanding of the importance of protecting information through employee education, so as to protect consumers' information and privacy.

### Green Supply Chain

The Group has established a comprehensive supply chain management procedure, and classified suppliers according to the types of materials they provide, and their geographical locations based on the catalog of qualified suppliers. When new suppliers are introduced, they in particular have to undergo an additional assessment in relation to environmental and social risks. Every year, the Group assesses the backgrounds, qualifications, quality control track records for similar types of service, contract performance, professionalism of project teams, corporate integrity as well as environmental and social risks and responsibilities of its suppliers, and grades them according to the assessment results. Priority will be given to well-performing suppliers when placing orders.

Key qualifications of each supplier are recorded in the supplier management system. When a qualification is about to expire, an automatic reminder will be sent to the relevant supplier to avoid overdue and not up-to-date information. Suppliers with no activity for a prolonged period of time are set to be automatically removed from the list of qualified suppliers. In order to further improve the supplier management system, the Group sorts materials provided by each single supplier and materials with stable prices, and rechecks the prices according to actual conditions so that our factories can obtain the best materials and services.

The Group has adopted an open and transparent procurement system to help to provide a fair and transparent platform for relevant suppliers and reduce the impact of the "human factor". For our major raw materials, we compare historical procurement costs with formula prices of framework contracts, and introduce new suppliers according to the actual situation, improve the competitiveness, and strive to select the best suppliers and obtain the best prices, thereby obtaining reduced costs and enhanced supplier stability. At the same time, according to the national energy conservation and carbon reduction policy, the procurement department and professional departments give priority to energy-saving products, look for products and raw materials with lower energy consumption in the production and operation process, and continue to pay attention to the new trends of relevant industries and technologies. Where feasible, the Group will give priority to purchasing sustainable products and services.

本集團同樣重視消費者資訊安全，按照法律法規要求，採取一定的安全保護措施，通過對員工的教育，加強員工對於保護資訊重要性的認識。盡力保護消費者的資訊和私隱。

### 綠色供應鏈

集團建立了完整的供應鏈管理程式，在合格供應商目錄上，按物料類別、地區進行分類，新供應商引入時特別增加了關於環境及社會風險的評估，每年都對合作供應商進行的考核，主要包括評估供應商的背景、資歷、過去相近類型服務質素控制、合約履約、項目團隊的專業性、企業誠信、環境、社會風險及責任等。並按考核結果進行評級，對優秀的供應商會考慮優先給予訂單。

供應商管理系統錄入各供應商的主要資質，到期會自動提醒，避免資質過期未更新的情況。對於長期未合作單位，設置固定期限從合格供應商清單中自動去除。為了進一步完善供應商的體系，重點對單一供應物資、價格平穩的物資進行梳理，並根據實際情況重新核價，使工廠取得最優質的物料及服務。

本集團採用陽光採購系統，為相關供應商提供一個公平透明的平台，減少人為因素影響。對於主要原材料，通過歷史採購成本及框架合同公式價的對比，並根據實際情況引入新的供應商，提升競爭性，努力做到選用最佳供應商並取得最優價格，成本下降的同時也提升了供應穩定性。同時針對國家提出的節能減碳政策，採購部連同專業部門優先選擇節能型產品，尋找生產、運行過程耗能更低的產品、原料，並持續關注相關產業、技術的新動態。在可行的情況下，優先採購具環境元素的產品和服務。

Key suppliers have to undergo an on-site inspection every year that is conducted by the General Manager's Office and departments in charge of quality control, procurement and production, on a sample basis. The suppliers' environmental performance is also assessed. Suppliers are required to rectify the problems identified on site within a fixed period of time. Those who fail the assessment shall have their contracts terminated. All incoming raw materials are tested and stored in specific areas according to prescribed standards, guaranteeing that every batch of raw materials used for production is controllable and traceable.

In case of abnormal quality of raw materials, our procurement department, quality control department and production workshop will assign staff members to communicate with suppliers to identify and solve problems promptly, and ensure that production is carried out under the prescribed process parameters and is not affected.

### Anti-corruption

The Group adheres to business integrity, abides by business ethics, resolutely resists corruption and bribery, and will continue to improve its anti-corruption supervision system.

Lee & Man Chemical has formulated a *Staff Manual*. New employees will receive training before admission, learn the contents of the *Staff Manual* and understand the Company's requirements for anti-corruption. The Group also regularly provides bribery prevention training for senior executives. In August 2021, Jiangsu Chemical and Jiangxi Chemical successively organized staff and cadres to participate in the special training of "bribery prevention and privacy protection". The executives were deeply educated and warned after hearing typical cases explained by law firm professionals and the Company, learning relevant laws and regulations, and watching short anti-corruption education films. The Group also provided anti-corruption training to the Board to create a clean working environment in all aspects.

對於重點供應商每年安排總經辦、品管、採購、生產等多部門進行現場抽查，評估包含其對環境的友好性，如現場發現的問題要求供應商限期整改，於考核不通過的供應商進行淘汰。所有進廠的原材料都按照規定的標準進行檢測，合格後存放於指定位置，保證生產使用的每一批次原料可控、可追溯。

一旦發生原料品質異常，採購部、品管部、生產車間會派員與供應商進行協商，確認問題根源，及時解決，保障生產能按規定的工藝流程參數進行，不受影響。

### 反貪污

集團始終堅守誠信經營，恪守商業道德，堅決抵制貪污受賄行為，不斷完善反貪污監管制度。

理文化工制定了《員工手冊》，新員工入職前都會接受培訓，學習《員工手冊》內容，了解公司對反貪污的廉潔要求。本集團也定期為高層管理職員提供防止賄賂的培訓。在2021年8月份，江蘇化工和江西化工先後組織職員幹部參加「防止賄賂、隱私保護」的專題培訓，通過律師事務所專業人員和公司內部講解典型案例，學習相關法律法規、觀看反腐教育短片等形式，使管理人員深受教育和警示。本集團亦提供指引給董事會閱讀反貪污培訓，以全方位營造廉潔的工作環境。



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The Company has formulated a *Management System for Conflicts of Interest Arising During An Employee's Service*, which stipulates that all relevant personnel related to new recruits, promotions and transfers must truthfully fill out the *Employee Interest Statement* which will be verified by the human resources department, so as to eliminate all risks of conflicts of interest. The General Manager's mailbox has been made available and it is opened at least once a week by specific personnel. All employees can report corruption, bribery, acceptance of improper gifts or remuneration and other violations or personnel through the General Manager's mailbox. Once the violations are verified, the relevant parties will be punished in the form of labor contract cancellation. Such arrangement is considered an effective tool for preventing acts of corruption and bribery.

For the year ended 31 December 2021, the Group had no corruption complaint cases.

### Reasonable Sales and Promotion

Strictly complying with the *Advertising Law of the People's Republic of China* and other laws, regulations and industrial norms, the Group has formulated and strictly implemented a marketing management system. Before delivery, every batch of products will undergo testing in accordance with the items and indicators stipulated by corporate standards and national standards; qualified products are stored separately. Every batch of products for sale is accompanied by a product testing and analysis report as well as a safety data sheet (SDS) for hazardous chemicals, safety notice card, emergency contact telephone numbers and other information. Such information is kept on delivery vehicles to ensure product traceability by customers with respect to its safe use, and to ensure timely support from our sales department and easy access to enquiry in case of after-sales problems.

Information and content displayed on the Group's advertisements, labels, and marketing materials for all business segments are subject to review and approval before public use. The Group strictly controls the legality and truthfulness of the content of its promotional materials, and strictly prohibits deceptive and misleading information.

公司制定的《員工服務利益衝突管理制度》中，明確規定所有新入職、晉升和調動等涉及的相關人員需如實填寫《員工利益聲明》，人力資源部核實，堅持源頭防範。集團建立了總經理信箱，指定人員每週至少開啟一次。全體員工均可通過總經理信箱舉報揭發貪污、賄賂、收受不正當的禮物或報酬等違紀行為或人員，違紀行為一經核實後，相關當事人將受到解除勞動合同的處罰，此舉有力地杜絕了貪污受賄行為的發生。

截至2021年12月31日止年度，集團並無發生貪污投訴案件。

### 合理的行銷及宣傳

集團嚴格遵守《中華人民共和國廣告法》等法律法規與行業規範，制定並嚴格落實營銷管理制度。產品出貨前每一批次都按照企標、國標規定的項目、指標進行檢測，合格後區分存儲。每批次銷售出去的產品隨運輸車輛附帶產品檢驗分析報告單以及危化品SDS、安全周知卡、緊急聯繫電話等信息，保證客戶對於各批次的產品安全使用具備可追溯性及遇到售後問題有銷售部負責同事協助及時解決，便於諮詢。

集團對各業務的廣告、標籤、產品宣傳推廣的資訊內容，都需經過審核批准後方可對外使用。集團嚴格把控宣傳物料內容的合法性、真實性，嚴禁欺騙及誤導性的資訊。

## GREEN DEVELOPMENT

The Group is committed to environmental protection and has adopted various measures and monitoring methods to fulfil its environmental protection obligations. A safety and environmental protection department (the "SEPD") has been setup, with dedicated management personnel for handling issues in relation to safety and environmental protection. They continually follow up with relevant environmental laws and regulations and keep themselves abreast of relevant updates, ensuring that various departments of the Company also perform according to the requirements of the government on environmental protection and eliminating any behaviour which is in violation of environmental laws and regulations.

Green development has become a global consensus. We pooled the wisdom and efforts of everyone to establish a green factory characterized by its economical and intensive use of land, harmless raw materials, clean production, recycling of wastes and low-carbonation of energy sources. In the hope of minimizing the environmental impact of the whole production process, we are committed to applying the green development to optimize the industrial structure, properly reduce the pollution and emission, and increase the resource utilization in daily production.

Jiangsu Chemical passed the certification procedures to be recognized as a "Grade-A Safe Production Enterprise with Standardized Work Procedures", recognition by experts of the Group's commitment to its "Safety First" principle, and a sign that it has become an exemplary enterprise in the industry. Meanwhile, Jiangsu Chemical built itself a whole-process environmental management standardised enterprise in response to local policy requirements and was awarded the title of "Outstanding Environmental Management Enterprise" in May 2021 after passed the panel review with excellent achievements.

## 綠色發展

本集團一直致力環境保護，並採取多項措施及監控方法履行對環境保護的責任。公司成立安環部，配備專職安全、環保管理人員，持續跟進相關環保法律，了解相關法律條文的更新，並確保公司各部門執行政府對環保保護提出的所有要求，杜絕任何違反環保法律及規定的行為。

綠色發展已經成為全球共識，我們提出「群策群力，建設綠色工廠」，遵循以用地集約化、原料無害化、生產潔淨化、廢物資源化、能源低碳化為目標的綠色工廠，公司致力將綠色發展運用在日常生產過程中，優化產業結構、在減污、減排和增加資源利用率等方面做好管控，期望在整個生產過程中對環境影響降至最小。

江蘇化工已通過安全生產標準化一級企業(化工)達標審核，標誌著本集團堅持的安全至上得到專家的認證，並成為同行業的模範。同時江蘇化工積極回應地方政策要求，創建全過程環境管理規範化企業，以優異的成績通過專家組評審，於2021年5月榮獲「環境管理優秀企業」的稱號。



# Environmental, Social and Governance Report

## 環境、社會及管治報告

In addition to building a green factory, Jiangxi Chemical is also making great efforts to maintain workplace safety at its factory. Hence, it strengthened the implementation of its safety production responsibility system, thoroughly resolved issues, increased investment into upholding safety, and established a dual prevention mechanism consisting of "risk control" and "hazard investigation and management". With the courage to reform and innovate, Jiangxi Chemical actively promoted safety procedures for chemical production, and achieved remarkable results in this area.

江西化工在建設綠色工廠的同時大力建設「平安工廠」，強化安全生產責任制落實，全面梳理問題，加大安全投入，建立「風險管控和隱患排查治理」雙重預防機制。以改革創新的勇氣，積極推進化工過程安全管理，安全生產工作取得顯著成效。

Zhuhai Chemical was put into operation in 2021. In the early stage, effective plans were made for it in terms of pollution prevention and environmental protection to ensure that the discharge of waste gas, water and residues was in compliance with the applicable laws and regulations and guidelines of the state and Guangdong Province.

珠海化工是在2021年度開始投入生產，在廠區建設初期，已遵守國家及廣東省政府相關法規和指引，在污染防範、環境保護方面都作出了有效的規劃，確保三廢排放依法合規。



To achieve sustainable development, Lee & Man Chemical set up targets in relation to emissions, waste reduction, energy efficiency and water efficiency. Details are set out in the following table:

為實現可持續發展，理文化工分別就排放量、減廢、能源使用效益和用水效益四方面訂立目標。詳情見下表：

	<b>Target Details</b> 目標詳情	<b>Relevant companies</b> 有關公司
Emission targets 排放量目標	Fully achieving the goal of having “zero” carbon tetrachloride emission. Air pollutant emissions are up to standard. 完全實現四氯化碳「零」排放大氣污染物排放達標。	Jiangsu Chemical and Jiangxi Chemical 江蘇化工和江西化工
	Emissions of hydrogen chloride and other air pollutants are up to standard. 實現氯化氫等大氣污染物排放達標。	Zhuhai Chemical 珠海化工
	(Above two points are long-term goal) (以上兩項皆為長期目標)	
Waste reduction targets 減廢目標	Through incineration pre-treatment, the waste alumina oxide was reduced by 110 tons in half a year, with a comprehensive reduction rate of 26%. (Short-term goal, achieved in 2021) 通過焚燒預處理，半年實現廢氧化鋁減量110噸，綜合削減率達到26%。 (短期目標，在2021年達成)	Jiangsu Chemical 江蘇化工
	The raffinate of carbon tetrachloride is delivered to the incinerator for harmless treatment. (Long-term goal) 四氯化碳殘液輸送至焚燒爐進行無害化處理。 (長期目標)	Jiangsu Chemical 江蘇化工
	The comprehensive energy consumption per RMB10,000 output value continued to decrease, with a decrease of >1% in 2021 compared to 2020. (Short-term goal, achieved in 2021) 萬元產值綜合能耗持續下降，2021年萬元產值綜合能耗相對2020年下降>1%。 (短期目標，在2021年達成)	Jiangxi Chemical 江西化工
Energy efficiency targets 能源使用效益目標	The energy consumption levels of our major products are better than the national average. (Long term goal) 主要產品的能耗優於全國平均值。 (長期目標)	Jiangsu Chemical and Jiangxi Chemical 江蘇化工和江西化工



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	<b>Target Details</b> 目標詳情	<b>Relevant companies</b> 有關公司
Water efficiency targets 用水效益目標	Achieving the goal of having “zero” recirculated water discharge. 實現了循環水的「零」排放。	Jiangsu Chemical 江蘇化工
	Achieving the goal of over 50% recycling rate for recirculated water. 實現了循環水排水回收利用率50%以上。	Jiangxi Chemical 江西化工
	Recirculated water collection take up total waste water 40% volume. 循環回收用水量佔廢水總量的40%。	Zhuhai Chemical 珠海化工
	(Above three points are short-term goal, achieved in 2021) (以上三項皆為短期目標，在2021年達成)	
	Set up assessment indicators for water consumption for the three factories. 三廠都制定了用水考核指標。 (Long-term goal) (長期目標)	Jiangsu Chemical, Jiangxi Chemical and Zhuhai Chemical 江蘇化工、江西化工和珠海化工

## Air Pollutant Emission and Management

All factories in the PRC set their environmental protection targets on a yearly basis. Their workshops derive the target values of relative segments based on their respective annual environmental protection targets, and implement concrete work plans; the SEPD monitors and inspects the goal attainment process of each department and conducts relevant assessments on a monthly basis; while the safety and environment protection committees of all factories will summarize their goal attainment process on a quarterly basis, and continuously provide suggestions for improvement. Based on the above measures, the factories ensure that their environmental protection efforts meet or outperform government requirements. Some key performance indicators of 2021 are set out in the table below:

Name 名稱	Unit 單位	2021	2020
Nitrogen oxides (NO <sub>x</sub> ) emissions 氮氧化物排放量(NO <sub>x</sub> )	Ton 噸	<b>296.2</b>	259.5
Sulphur dioxide (SO <sub>2</sub> ) emissions <sup>①</sup> 二氧化硫排放量(SO <sub>2</sub> ) <sup>①</sup>	Ton 噸	<b>77.9</b>	84.1
Particulates emissions (from chemical production) 粒狀物總量排放量(來自化工廠生產過程)	Ton 噸	<b>30.7</b>	23.4
Particulates emissions (from thermal power plants, in terms of smoke and dust) <sup>②</sup> 粒狀物總量排放量(來自熱電站，以煙塵計) <sup>②</sup>	Ton 噸	<b>31.0</b>	39.6

<sup>①</sup> The total amount of sulphur dioxide (SO<sub>2</sub>) emissions is calculated based on: the average concentration × hourly emission rate × operating time.

<sup>②</sup> The particulates were divided into those from chemical production and those from thermal power stations for this year. Meanwhile, the data for 2020 was updated to facilitate comparison. The increase was due to higher production volume in 2021 than in 2020.

Lee & Man Chemical actively implemented the *Air Pollution Prevention and Control Action Plan* through exhaust gas reduction, practice of green and sustainable development concept to achieve emission targets.

Strictly abiding by the "Montreal Protocol" and the "Vienna Convention for the Protection of the Ozone Layer", Jiangsu Chemical and Jiangxi Chemical installed devices for converting carbon tetrachloride into chloroform during the production of chloromethane, thus transforming all ozone-depleting substances into products of the Companies and effectively achieving zero carbon tetrachloride emission.

## 空氣污染物排放和管理

國內各廠每年都會訂下環境保護目標，車間根據公司的年度環境保護目標分解本分部的目標值，落實具體工作；安環部每月對各部門環境保護目標完成情況進行監督檢查，並予以考核；各廠的安全環保委員會每季度總結各部門的目標完成情況，持續給予並提出改進建議，確保工廠環保事務符合併滿足或高於政府的要求，其中2021年度的一些主要關鍵績效指標見下表：

<sup>①</sup> 二氧化硫(SO<sub>2</sub>)總量排放計算依據為：平均濃度×小時流量×執行時間

<sup>②</sup> 本年度把粒狀物的排放分為：來自化工廠生產過程及來自熱電站的排放量。同時把2020年度數據更新，以方便對比。數據增加是由於2021年度生產量比2020年度提升所致。

理文化工積極落實《大氣污染防治行動計劃》，開展廢氣減排工作，踐行綠色可持續發展理念，實現達標排放。

江蘇化工和江西化工嚴格按照《蒙特利爾議定書》和維也納保護臭氧層公約，在甲烷氯化物生產中同時配置有四氯化碳轉氯仿裝置，把消耗臭氧層物質全部轉生產為公司產品，有效完全實現四氯化碳零排放。

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Jiangsu Chemical and Jiangxi Chemical comprehensively reviewed the links involving volatile organic compounds (VOCs) in the whole production process in accordance with the *Comprehensive Treatment Plan for Volatile Organic Compounds in Key Industries* (H. D. Q. [2019] No. 53), the *Standards for Fugitive Emission of Volatile Organic Compounds* (GB37822-2019) and other applicable specifications. The review process includes the VOCs emission, the VOCs monitoring system and total quantity estimation, the preparation of the whole-process VOCs treatment plan (one plan for one factory), production process source control measures, customized end VOCs treatment technical solutions, and assessments of treatment effect and emission reduction. The total annual emissions were reduced from 60,917 kg to 53,448 kg after the investment in environmental protection was increased and the environmental protection technical was improved.

Zhuhai Chemical simultaneously designed, constructed and put into operation the environmental protection facilities with the main facilities to ensure effective control of pollution emissions in strict accordance with the *Environmental Impact Assessment Law of the People's Republic of China and the Administration Regulations on Environmental Protection for Construction Projects*, and carried out regular self-monitoring of pollutants to achieve effective monitoring of pollution sources in accordance with the *Self-monitoring Technology Guidelines for Pollution Sources – General Rules* and other requirements. It also regularly published environmental monitoring information for the reviews and supervisions of the regulatory departments and the public. In terms with the fugitive exhaust gas emission, the VOCs material storage tanks in the storage tank area were all sealed with nitrogen, and the waste gas after the breathing valves was collected with pipelines for adsorption and treatment with the exhaust gas treatment device. Only after the emission requirements have been met shall the exhaust gas be discharged through the exhaust funnel. All operations such as operational evacuation of all kinds of storage tanks installed in the production facilities, routine sampling emission, opening of storage tanks and pipelines were carried out only after the exhaust gas was suctioned and treated as qualified.

All the Company's self-monitoring and government-entrusted monitoring summary in 2021 did not exceed the standard, with the main pollutants emitted under the regulatory indicators.

In 2021, the Company performed the VOCs leak detection and repair (LDAR) and detected the devices involving VOCs in accordance with the specifications. The Company detected and fixed leaks in the airtight production equipment with the help of LDAR detection devices to control the leakage loss of VOCs and reduce environmental pollution.

江蘇化工和江西化工根據《重點行業揮發性有機物綜合治理方案》(環大氣[2019] 53號)、《揮發性有機物無組織控制排放標準》(GB37822-2019)等相關規範要求，對公司生產全過程中涉及VOCs環節進行了全面核查，核查過程包含揮發性有機物(「VOCs」)排放環節、VOCs監測體系及總量估算、全過程VOCs治理方案編製(一廠一策方案)、生產工藝源頭控制措施、定制化末端VOCs治理技術方案、治理效果評估及減排量評估，公司年度原排放量為60,917千克，通過加強環保投入及環保技術改造方案的實施，年度減排後排放總量為53,448千克。

珠海化工嚴格按照《中華人民共和國環境影響評價法》及《建設專案環境保護管理條例》，執行環保「三同時」制度(環境保護設施與主體設施同時設計、同時施工、同時投產使用)，確保污染排放得到有效控制，並依據公司按照《排污單位自行監測技術指南總則》等要求定期開展污染物自行監測，實現對污染源的有效監控，定期公示環境監測資訊，接受監管部門審查及公眾監督。在應對無組織廢氣的排放方面，儲罐區的VOCs物料儲罐全部使用氮封密閉，呼吸閥後採用管線收集，通過廢氣處理裝置吸附處理，達到排放要求後，通過排氣筒排放。生產裝置內的各類儲罐的操作排空、日常取樣排放、儲罐、管線打開等操作均使用負壓抽取廢氣，處理合格後方打開。

公司在2021年度的各類自行監測和政府委託監測匯總均無超標情況，排放的主要污染物均在法規的指標下。

2021年，公司按照規範要求開展VOCs洩漏檢測與修復工作，對涉及揮發性有機物的裝置進行檢測，其中有包括通過LDAR檢測儀，查出生產裝置的密封洩漏點並及時修復處理，控制VOCs物料洩漏損失，減少對環境造成污染。

A negative suction system is installed in the tank storage area of our factories and areas where equipment involving VOCs are placed. Under the system, fugitive exhaust gas containing VOCs produced during the operation of our production plants, tank breathing, and the loading and unloading of materials is collected and delivered to the incinerator for effective treatment.

公司在全廠涉及VOCs物料的裝置及儲罐區佈設負壓吸收系統，通過負壓系統將生產裝置運行過程、儲罐呼吸及物料裝載等產生的含VOCs的無組織廢氣集中收集至焚燒裝置內進行高效處理。



### Greenhouse Gas Emissions and Management

The data of greenhouse gas emission from the thermal power station of Jiangxi Chemical was collected and calculated in strict accordance with the applicable national standards and specifications, and the relevant energy data was uploaded to the provincial energy management system platform.

### 溫室氣體排放和管理

江西化工熱電站溫室氣體排放嚴格按照國家相關標準及規範進行資料獲取、核算，相關能來源資料已上傳省能源管理系統平台。

Name 名稱	Unit 單位	2021	2020
Carbon dioxide equivalent (CO <sub>2</sub> e) emissions from power plants <sup>③</sup> 來自發電廠的二氧化碳當量(CO <sub>2</sub> e)排放 <sup>③</sup>	kTon 千噸	<b>2,323.9</b>	2,058.4
Greenhouse gas emissions directly attributable to chemical production 直接屬於化工生產的溫室氣體排放	kTon 千噸	<b>18.7</b>	15.2
Greenhouse gas emissions indirectly attributable to chemical production 間接屬於化工生產的溫室氣體排放	kTon 千噸	<b>1,924.4</b>	1,704.5
Intensity of carbon dioxide emissions from power generators (electricity supply) <sup>④</sup> 發電組合(供電)的二氧化碳排放強度 <sup>④</sup>	kg/kwh 千克/千瓦時	<b>1.0</b>	0.9
Purchased electricity <sup>⑤</sup> 外購電 <sup>⑤</sup>	kwh 千瓦時	<b>6,976,620.0</b>	0

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Note: Carbon dioxide equivalent (CO<sub>2</sub>e) emissions from power plants are calculated according to the carbon dioxide produced by Jiangxi Chemical from coal and diesel used in power plants.

Greenhouse gas emissions directly attributable to chemical production include carbon dioxide emissions from direct use of fuels (including natural gas, diesel, etc.) in chemical production process.

Greenhouse gas emissions indirectly attributable to chemical production include carbon dioxide emissions of the power plant shared by the company due to the use of electricity and steam supplied by the power plant for chemical production.

- ③ The amount of carbon dioxide equivalent (CO<sub>2</sub>e) emissions is calculated based on: (the calorific value × CO<sub>2</sub> emission factor value of raw coal × oxidation rate × relative molecular mass of carbon dioxide)/molecular mass of carbon
- ④ Carbon dioxide emission intensity is calculated based on: (the consumption of ton of standard coal equivalent (tce) × CO<sub>2</sub> emission of per unit ton of standard coal (t/tce))/(power generated (in ten thousand kwh) × 10,000)
- ⑤ Zhuhai Chemical was put into operation in the second quarter of 2021 with its production powered by dedicated municipal electricity. Therefore, the statistics of purchased electricity were added in the table above. (There was no purchased electricity in 2020.)

### Energy management and climate change

With regard to energy consumption in production and manufacturing, we adhere to high standards of regulated energy-saving management, the *Law of the People's Republic of China on Conserving Energy and the Circular Economy Promotion Law of the People's Republic of China*. We have formulated the *Energy Management Program* and the *Resource Management Program*, established an energy management system, and implemented standardized and systematic energy supervision and management to support the promotion of energy conservation and efficiency improvement. In addition, we have set the annual goals for energy conservation and regularly reviewed the achievement of goals. The clean production has been vigorously promoted through management proposals and technological innovations to comprehensively improve the efficiency of energy and resources use.

Jiangsu Chemical passed the GB/T36132 green factory accreditation and the ISO50001 Energy Management System Certification and was verified and recognized by the Changshu Municipal Commission of Economic and Information Technology and Environmental Protection Bureau as a leading energy-efficient enterprise in Jiangsu Province.

備註：來自發電廠的二氧化碳當量(CO<sub>2</sub>e)排放是統計了江西理文化工自發電廠用煤和柴油所產生的二氧化碳。

直接屬於化工生產的溫室氣體排放包含化工生產過程直接使用燃料(包括天然氣、柴油等)所產生的二氧化碳排放。

間接屬於化工生產的溫室氣體排放包含化工生產使用發電廠供應的電和蒸汽從該發電廠分攤的二氧化碳排放。

- ③ 二氧化碳當量(CO<sub>2</sub>e)排放數量計算依據：(熱值量×原煤CO<sub>2</sub>排放因子值×氧化率×二氧化碳相對分子質量)/碳分子質量
- ④ 二氧化碳排放強度計算依據：供電標準煤消耗量(tce)×單位標煤CO<sub>2</sub>排放量(t/tce)/(供電量(萬千瓦時)×10,000)
- ⑤ 珠海理文在2021年第二季度開始投產，生產使用市政供電，因此上表增加外購電量的統計。(2020年度沒有外購電。)

### 能源管理與氣候變化

在生產製造能耗方面，公司堅持規範節能高標準的管理，嚴格依照《中華人民共和國節約能源法》及《中華人民共和國循環經濟促進法》，制定了《能源管理程式》及《資源管理程式》並建立能源管理體系，實施規範化及系統化能源監督管理，支援推動節約能源及提高能源利用效率。同時，制訂了年度節能目標，定期審核目標達成情況，通過管理提出和技術革新，大力推行清潔生產，全面提升能源和資源的使用效益。

江蘇化工通過了GB/T36132綠色工廠評價及ISO50001能源管理體系認證，通過常熟市經信委及環保局的清潔生產驗收獲得江蘇省能效領跑者企業。

Jiangxi Chemical passed the ISO50001 certification and was verified as a clean production enterprise by the Environmental Protection Department of Jiujiang. All factories in the PRC assessed the per-unit energy consumption of their products regularly, and revised the assessment indicators at the beginning of each year. In 2021, the per-unit energy consumption values of all products met the relevant standards. The Energy Metrology Office of the technology department is responsible for standardizing and supervising the Company's energy consumption levels, metering work, audit reports and assessments. The Office conducts investigations and provides feedback, wherever unusual energy consumption patterns are identified. It also conducts monthly evaluation on the energy consumption levels of workshops. The control room is responsible for coordinating and balancing the energy consumption levels of each production workshops, while the workshop themselves are responsible for their energy-saving management work, to increase energy efficiency.

In 2021, the per-unit energy consumption of one of our main products, chloromethane, was 217 kgce/t (national advanced value: 235 kgce/t; national average: 255 kgce/t), and that of our caustic soda products was 301 kgce/t (national advanced value: 315 kgce/t; national average: 325 kgce/t), outperforming the industry standard. The 2021 data of other primary indicators are as follows:

江西化工通過了ISO50001認證，工廠的清潔生產通過九江市生態環境局的驗收，國內各工廠對產品能源單耗進行考核，會在每年年初修訂產品能源單耗考核指標。2021年各產品能源單耗均達到考核指標。技術部能源計量辦負責統一監督用能的消耗、計量、核算報告和考核工作，對發現能源消耗異常必須進行調查和回饋處理，每月對車間能源單耗進行考核。調度室負責對各生產車間用能的協調和平衡，各車間負責自己份內節約管理，提升能效水平。

2021年主產品甲烷氯化物的單位能耗在217 kgce/t(國家先進值235 kgce/t，全國平均值255 kgce/t)，燒鹼產品的單位能耗在301 kgce/t，國家先進值315 kgce/t，全國平均值325 kgce/t)，均優於同業標準。其中2021年度的一些主要指標見下表：

Name 名稱	Unit 單位	2021	2020
Total coal consumption 煤消耗總量	TJ 兆兆焦耳	<b>23,860.1</b>	21,498.6
Coal consumption intensity <sup>®</sup> 耗煤密度 <sup>®</sup>	TJ/ton 兆兆焦耳/噸	<b>0.023</b>	0.023
Coal consumption (for electricity supply) 煤消耗量(用於供電)	TJ 兆兆焦耳	<b>16,231.7</b>	14,051.7
Total coal consumption amount attributable to chemical production 屬於化工煤消耗總量	TJ 兆兆焦耳	<b>13,088.8</b>	11,559.7
Total coal consumption amount attributable to chemical production (for electricity supply) 屬於化工煤消耗量(用於供電)	TJ 兆兆焦耳	<b>10,261.4</b>	9,312.5
Fuel consumption (for fire ignition in electrical boilers and power generation in diesel engines) 燃油消耗量(用於熱電鍋爐點火與柴油機發電)	TJ 兆兆焦耳	<b>15.1</b>	9.2

<sup>®</sup> Coal consumption intensity is calculated based on: the total consumption amount/the annual production volume of the Company's major products

<sup>®</sup> 耗煤密度的計算為：來自該總量/全年主產品產量

(Note: The production volume of major products refers to the annual production volume (in tons) of chloromethane, caustic soda, hydrogen peroxide, polytetrafluoroethylene and fluorinated industrial products.)

(備註：主產品生產量是指包括甲烷氯化物、燒鹼、過氧化氫、聚四氟乙烯和氟化工產品的年生產噸數。)

# Environmental, Social and Governance Report

## 環境、社會及管治報告

At Jiangxi Chemical, we made great efforts to implement energy-saving technology modification and strengthen energy management to actively fulfil the responsibilities of energy saving and emission reduction. Since it was put into operation, nearly 40 clean production programs have been implemented, saving 71,546 tons of standard coal and reducing 186,000 tons of carbon dioxide emissions.

In addition, residual heat dissipated from certain production facilities at our factories are recycled and reused to optimize our production efficiency, so as to save energy and ultimately reduce emissions per unit output. The heating system of our industrial park makes use of the residual heat generated from the power station of Jiangxi Chemical. This helps to optimize our energy structure and improve our energy utilization rate. Boilers powered by residual heat or heat exchangers for recycling steam or hot water are installed in places with high temperature reactive gas (e.g., chlorinated reactive gas from our chlorinated methane device) and burning tail gas (e.g., high temperature pyrolysis gas from our tetrafluoroethylene device, incinerator tail gas, tail gas from our anhydrous hydrogen fluoride device and hot blast stove), so as to increase our energy efficiency and reduce the need for steam procurement. Heat generated from our hydrogen peroxide products is also collected and reused in the extraction columns for extracting pure water, hence reducing steam consumption. Besides, water discharged from the fixed-rows and joint-rows of the boilers are collected, cooled down, and recycled to the circulating water system; this increases our water utilization rate.

In terms of energy efficiency management, the two factories in the PRC prepared the "Energy Management Manual", which was signed and issued by the General Manager and implemented by the factories. Every year, the factories set aside a specific fund for the modification of energy-saving technologies. Specific measures of energy efficiency management include: formulating indicators used in performance reviews, opting for efficient equipment, upgrading and modifying existing equipment that are low in efficiency, clarifying responsibilities in relation to energy-saving management, and soliciting employee's suggestions on energy conservation via reasonable channels.

Jiangsu Chemical and Jiangxi Chemical have achieved the following results in terms of energy efficiency:

- Residual heat dissipated from the finished goods in caustic soda workshop was utilized to reduce the heat energy consumption and improve the energy utilization rate.
- Residual heat dissipated from hydrogen chlorination reaction in chloromethane plant was utilized to reduce the heat energy consumption and improve the energy utilization rate.
- Hydrogen purification device was provided in caustic soda workshop to resolves hydrogen for recycling.
- The tail gas from the CTC plant in the polyaluminium chloride workshop was recycled.

江西化工大力實施節能技術改造以及加強能源管理，積極履行企業節能減排職責。自投產以來實施了近四十項清潔生產方案，累計節約71,546噸標煤，減排二氧化碳18.6萬噸。

此外，工廠對部分生產設施的餘熱進行回收利用，優化生產效率，以節省能源並最終減少單位產值的排放量。江西化工電站餘熱對工業園區供熱，優化能源結構，提高能源利用率。在有高溫反應氣(如甲烷氯化物裝置氯化反應氣)及燃燒尾氣(四氟乙烯裝置高溫裂解氣、焚燒爐尾氣、無水氯化氫裝置熱風爐尾氣等)的地方安裝餘熱鍋爐或換熱器回收蒸汽或熱水，提高能源利用效率，減少外購蒸汽。雙氧水產品熱量回收，供萃取塔純水使用，減少了蒸汽的消耗。此外，鍋爐定排、聯排水經過收集冷卻之後回收至循環水系統，提高水重複利用率。

國內兩廠在能源效益管理上，編製了《能源管理手冊》，並由總經理簽發手冊頒佈給工廠實行。工廠每年投入專項資金進行節能技術改造，能源效益管理具體措施包括有：制定績效考核指標、優先選用高能效設備、對現有低效能設備進行升級改造、明確節能管理責任、通過合理化建議等管道收集員工節能建議等等。

江蘇化工和江西化工在能源效益上有以下成果：

- 燒鹼車間成品鹼餘熱利用，降低熱能消耗，提高能源利用率。
- 甲烷氯化物裝置氫氯化反應餘熱利用，降低熱能消耗，提高能源利用率。
- 燒鹼車間氫氣提純裝置解析氫氣回收循環利用。
- 甲烷氯化物車間CTC轉化裝置尾氫回收循環利用。



- Electric wind turbines in recirculating water stations were replaced with water turbines to lower electricity consumption.
- The Energy-saving modification was performed for motors to save energy.
- 循環水站電風機改造為水輪機，節約用電。
- 電機節能改造，節約能源。

In response to the impact of climate change and to minimize the impact of extreme weather on the manufacturing and procuring processes of our supply chain, we have implemented certain risk assessment and control plans.

In response to extreme heat:

Goods receipt and delivery are scheduled in non-peak hours and are avoided in hot temperatures during daytime, to ensure the safety of our workers and to minimize the risk of volatilization of relevant chemicals.

Our tank storage area is spray-cooled to avoid the risk of volatilization of relevant chemicals present in stored goods, to safeguard our product quality.

In response to extreme cold:

We issued and implemented the *Management Requirements on Cold Prevention for Production Positions*, which stipulates the specific cold prevention measures to be adopted by each workshop.

We adopted measures such as electric tracing, steam tracing and heat preservation to reduce impacts of low temperatures on our equipment and pipes.

In response to typhoon:

We developed the *Safety Prediction and Early Warning Management System*. According to the system, relevant departments paid close attention to the weather forecast to timely grasp the information about bad weather such as strong winds and heavy rains and make the emergency plans for the accidents may arise therefrom.

在面對氣候變化影響的方面，廠區於極端天氣情況都採取了一些風險評估和管控計劃，減少對廠區生產和採購銷售的供應鏈造成影響。

極端高溫天氣下：

採取錯峰收發貨，避開日間高溫時間段收發貨，加強保護員工操作安全和降低物料的揮發。

對儲罐區採取噴淋降溫措施，保證物料貯存的品質監控和避免揮發。

嚴寒低溫天氣下：

公司發佈並執行《關於生產崗位防寒防凍的管理工作要求》，明確各車間防寒防凍的具體措施。

採取電伴熱、蒸汽伴熱及保溫等措施降低低溫環境對裝置和管道的影響。

颱風吹襲天氣下：

公司制定了《安全預判預警管理制度》，有關部門會關注氣象預報，及時掌握大風、暴雨等惡劣天氣的動向，做好緊急情況下的事故預想並制定事故應急預案。



# Environmental, Social and Governance Report

## 環境、社會及管治報告

### Water Resources and Wastewater Management

At Jiangsu Chemical, we have formulated a stringent management system as well as assessment indicators for water consumption and water conservation. Per-unit water consumption of our products is assessed daily. We continue to explore aspects where water consumption can be potentially reduced, and have adopted numerous water-saving measures. We also have made continuous efforts to increase the recycling efficiency of our wastewater. By reusing the inorganic wastewater produced by our caustic soda workshop and our pure water extraction columns in the salt treatment process, we have significantly reduced the amount of wastewater discharged. According to the balanced water tests that we regularly conduct on the whole factory, our water reuse rate reaches 98.62%, and our indirect chilled water recycling rate reaches 99.30%; proving us to be an energy-saving enterprise in Jiangsu.



The operation of the water reuse equipment at Jiangsu Chemical remains stable (above picture). By purifying recirculated water and forced flow water, the equipment enabled us to collect 57,000 tons of purified water in 2021, achieving "zero" discharge of recirculated water. This was a goal set up in 2021 and completed within the deadline. We have also made continuous efforts to recycle and reuse our water resources. By treating recycled wastewater produced by the caustic soda workshop, the pure water extraction columns, and during the regeneration of resins, and reusing the treated water for the salt production and water refilling procedures during primary brine production, we reduced our annual discharge of wastewater by 16,890,000 tons.

### 水資源及廢水管理

江蘇化工制定了嚴格的用水、節水管理制度及考核指標，將產品用水單耗考核落實到每一天，持續挖掘節水潛力，實施了多項節水措施。廠區持續加強廢水的循環利用，將燒鹼車間和純水站產生的無機廢水回收用於化鹽工序，大幅度降低廢水的外排量，定期進行全廠水平衡測試，全廠用水重複利用率達到98.62%，間接冷卻水循環率達到99.30%，為江蘇省節水型企業。

江蘇化工中水回用裝置穩定運行(見上圖)，2021年通過對循環水強排水的淨化，回收清下水5.7萬噸，實現了循環水的「零」排放，此屬於2021年設立的目標，並於期限內達成。工廠持續開展水資源的循環利用，燒鹼車間和純水站樹脂再生廢水經調節後回用於一次鹽水工序的化鹽補水，年降低廢水排放量1,689萬噸。

Jiangxi Chemical developed assessment indicators for water consumption and included the assessment on per-unit water consumption of its products as one of the areas to be covered in performance reviews. Numerous water-saving measures and continuous efforts were made to increase the recycling rate of wastewater. Salty wastewater and chilled water from pumps produced by the caustic soda workshop, the pure water extraction columns, and during the regeneration of resins, are reused in salt production, to reduce the discharge of wastewater, and achieve "zero" discharge of wastewater from the caustic soda workshop. The cleaning water from the polymerization workshop is also reused for refilling recirculated water, to reduce sewage discharge; while the purified water from the recirculated water station is reused for the desulphurisation process at power plants, to reduce the water consumption and discharge of wastewater incurred by such process. Meanwhile, a "Rainwater Harvesting: System Improvement and Action Plan" was developed to strengthen control over the rainwater harvesting system of its factory and to improve its resilience to environmental risks.

At Jiangxi Chemical, we also strive to optimize our production technology. In 2021, recirculated water usage was 99.08% and repeated water usage was 98.25%. We were also able to reduce electricity consumption by recycling residual recirculated water and replacing electric wind turbines with water turbines. This earned us the title of "water-saving enterprise in Jiujiang".

江西化工制定了用水考核指標，將產品用水單耗考核落實績效考核中，實施了多項節水措施，廠區持續加強廢水的回收利用，將燒鹼車間和純水站樹脂再生產生的含鹽廢水、泵冷卻水等回收用於化鹽工序，減少廢水排放，實現燒鹼車間廢水零排放；聚合車間清洗水回收用於循環水補水，減少污水排放量；循環水站清淨下水回收用於電站脫硫，減少電站脫硫水耗和廢水排放。另外，同時也制定了「雨水系統整改實施方案」，加強了對廠區雨水系統的管理，提升了環境風險防範能力。

江西化工同樣積極優化工藝，2021年水循環利用率為99.08%，水重複利用率98.25%。循環水餘能利用，電風機改水輪機，降低電耗。榮獲九江市節水型企業稱號。

Name 名稱	Unit 單位	2021	2020
Water discharge 水排放量	m <sup>3</sup> 立方米	<b>269,613.0</b>	269,827.0
Discharge intensity <sup>⑦</sup> 排放密度 <sup>⑦</sup>	m <sup>3</sup> /ton 立方米／噸	<b>0.1735</b>	0.181

<sup>⑦</sup> Water discharge intensity is calculated based on: the total discharge amount/the annual production volume of the Company's major products

(Note: The production volume of major products refers to the annual production volume (in tons) of chloromethane, caustic soda, hydrogen peroxide, polytetrafluoroethylene and fluorinated industrial products.)

<sup>⑦</sup> 水排放密度的計算為：來自該總量／全年主產品產量

(備註：主產品生產量是指包括甲烷氯化物、燒鹼、過氧化氫、聚四氟乙烯和氟化工產品的年生產噸數。)

Strictly abiding by the *Law of the People's Republic of China on the Prevention and Control of Water Pollution*, the Company enacted the *Wastewater Control Protocol* to continuously increase the proportion of sewage reuse and reduce the consumption of new water. Besides, as a key pollutant-discharging enterprise, the Company installed online monitoring instruments at the sewage outlet, which was connected with the local environmental protection department through the on-line system to monitor the indicators of pollutants such as chemical oxygen demand (COD), ammonia nitrogen, pH and flow rate of the treated waste water in a timely manner, so as to ensure that the discharge meets the standards.

公司嚴格遵守《中華人民共和國水污染防治法》，制訂《廢水控制程序》，不斷提高污水回用比例，減少新水用量。另外，公司作為重點排污企業，污水排放口均安裝線上監測儀器，並通過線上系統與當地環保部門聯網，即時監測處理後廢水的化學需氧量(COD)、氨氮、酸鹼值(pH)、流量等污染物指標，確保達標排放。

# Environmental, Social and Governance Report

## 環境、社會及管治報告

Flash evaporators for wastewater are built in the chloromethane workshops of Jiangsu Chemical and Jiangxi Chemical. Making use of the relatively lower boiling points of organic compounds (namely methylene chloride, chloroform and carbon tetrachloride) as compared to that of water, we are able to filter out and recycle organic compounds from wastewater by means of evaporation. Hence, in addition to enjoying increased economic benefits, we can also ensure that the discharge of organic compounds arising from wastewater is up to standard. Triple effect evaporators were also built at the sewage treatment stations in both factories to comprehensively recycle and reuse wastewater coming from the hydrogen peroxide workshops. Floodgates are installed in our rainwater system to prevent wastewater from flowing out of the factory and affecting the nearby ecology in cases of emergency.

Newly built and put into operation in 2021, Zhuhai Chemical is equipped with independent facilities for the primary treatment of sewage from production and life. With the help of the facilities, some important pollution factors, such as fluoride and COD, are reduced below the indicators set by the water treatment company we cooperate with before they are discharged to the designated site. In order to protect the ecological environment around the factory and reduce the pollutants discharged, individual sewage collection tanks are provided for each single building to collect waste water from production or life in a systematic manner. The rainwater drainage system in the factory is built with steel reinforced concrete to avoid cracking and leakage caused by ground subsidence. Rainwater monitoring pools are set up in front of the rainwater discharge outlet to collect and detect the rainwater at the early stage.

The Group can get suitable water supply without any difficulties. In the current year, all waste gas and sewage were discharged in accordance with the provisions of government departments and laws and regulations to ensure their compliance. The equipment and facilities operated normally, meeting the requirements for up-to-standard emission.

### Waste and Hazardous Substances Management

Strictly abiding by the *Law of the People's Republic of China on the Prevention and Control of Environment Pollution caused by Solid Wastes*, the *Technical Specifications for Collection, Storage, Transportation of Hazardous Waste* and other applicable laws and regulations, the Company has developed the *Solid Waste Control Protocol* to properly manage the solid waste and try to minimize it from sources. We made efforts to dispose of the wastes in-situ to minimize and prevent environmental pollution, improve the comprehensive utilization level, thereby reducing the quantity of waste and making it recyclable and harmless.

江蘇化工和江西化工在甲烷氯化物車間建設廢水閃蒸裝置通過有機物(二氯甲烷、氯仿、四氯化碳)與水的沸點不同(有機物沸點低)，將廢水中有機物蒸出回用。提升了經濟效益的同時確保了外排廢水中有機物的達標排放。同時兩廠在污水處理站建設三效蒸發裝置，對雙氧水車間廢水進行回收綜合利用，雨水系統建設了應急閘口，實現了突發情況下將廢水截斷於廠區內，杜絕流入外環境，不影響周邊生態。

珠海化工自2021年新建成投產，有獨立的污水處理裝置處理主要對生產及生活中產生的污水進行初步處理，將部分重要的污染因數如氟化物、COD等降至與我司污水合作的水務處理公司指標以下後，才排放至指定地點。同時廠區以保障周邊生態環境，減少各類污染物的排放，廠區各單體建築設立單獨的污水收集池，將生產或生活產生的廢水進行統計收集，廠區雨水排放系統均採用鋼筋混凝土建構，以應對本地區地面沉降造成的開裂等滲漏情況。雨水排放口前設置雨水監測池，對初期雨水進行收集及檢測。

本集團於求取適用水源上沒有任何問題。本年度的各類廢氣污水排放以政府部門及法律法規的規範進行排放，做到本年度各類排污不超標，設備設施運轉正常，能具備處理達標排放的目的。

### 廢棄物及有害物質管理

公司嚴格遵守《中華人民共和國固體廢物污染環境防治法》、《危險廢物收集、貯存、運輸技術規範》等法律法規要求，已制定《固體廢物控制程序》，妥善管理固體廢物，儘量做到源頭削減，就近處置減少和預防對周圍環境的污染，提高綜合利用水準，實現廢物減量化、資源化和無害化。

Salt mud dryers are installed in Jiangsu Chemical and Jiangxi Chemical, which help to reduce the amount of salt mud, a type of solid waste. Jiangsu Chemical newly formulated the Sustainable Modification Plan for Solid Waste Pre-treatment Technology, which was piloted from the beginning of 2021. This was a short-term goal set up in 2021, and was achieved within the deadline. Subsequent to the implementation of the Modification Plan, the amount of aluminium oxide waste produced decreased by approximately 26%. Pursuant to the Plan, aromatic hydrocarbon, acetic acid ester and other substances attached to the activated alumina waste are filtered out by steam using a high temperature dryer, and are then delivered to a tail gas incinerator to undergo incineration. The treated aluminium oxide waste thus decreases in quantity and become more secure.

The aluminium oxide waste from the hydrogen peroxide plant of Jiangxi Chemical was identified as general solid waste free of harmful components and disposed of according to the established process.

江蘇化工和江西化工使用鹽泥烘乾裝置，減少了鹽泥固廢的處置量。江蘇化工新建固體廢棄物環保預處理技改項目，從2021年年初起試行，屬於2021年設立的短期目標，在期限內達成。在項目實施後廢氧化鋁產生量少了大約26%，該項目是通過高溫烘乾將廢活性氧化鋁中夾帶的芳烴、醋酸酯等蒸出並送至尾氣焚燒系統進行焚燒處置，實現廢氧化鋁的安全化和減量化。

江西化工雙氧水裝置生產過程中產生的廢氧化鋁經鑒定，不含有害成分，並非屬於危險廢物，按一般固廢既定流程處置。



At Jiangsu Chemical, raffinate and organic tail gas of carbon tetrachloride undergo non-hazardous incineration, and the ultimate emissions are in compliance with the GB31571-2015 and DB32/3151-2016 standards. According to the commissioned test report, major emissions during normal operation include nitrogen oxides, hydrogen chloride, smoke and dust, carbon monoxide, non-methane hydrocarbon etc.; the amount thereof all comply with emission standards. Our emission data for the whole process is transmitted to the website of the Ecology and Environment Bureau of Changshu, Suzhou, and the Self-monitoring and Information Release Platform of the Sewage Disposal Unit of Jiangsu in real time around the clock.

江蘇化工在四氯化碳殘液及有機尾氣進行無害化焚燒，最終排放符合GB31571-2015和DB32/3151-2016標準，根據委託檢測報告正常運行時，主要排放物包括氮氧化物、氯化氫、煙塵、一氧化碳、非甲烷總烴等均達標排放。工廠亦做到24小時線上，全過程管控即時傳送至蘇州市常熟生態環境局網站及江蘇省排污單位自行監測資訊發佈平台。

# Environmental, Social and Governance Report

## 環境、社會及管治報告

At Zhuhai Chemical, most of the solid and liquid hazardous wastes were treated by a self-built hazardous waste incinerator. Part of the distillate residues and raffinates were burnt at high temperature through the incinerator, which could effectively reduce the quantity of hazardous waste to be transferred for disposal and reduce environmental pollution.

珠海化工採用自建的危險廢物焚燒爐處理大部分固體及液體危廢。公司部分精餾殘渣及精餾殘液通過焚燒爐進行高溫灼燒後，可有效減少危廢轉移處置的數量，降低對環境污染。

Name 名稱	Unit 單位	2021	2020
Production volume of hazardous waste <sup>⑧</sup> 有害廢棄物產量 <sup>⑧</sup>	Ton 噸	<b>3,060.3</b>	2,608.5
Emission intensity <sup>⑨</sup> 排放密度 <sup>⑨</sup>	Kg/Ton 千克／噸	<b>1.9</b>	1.8
Production volume of general waste <sup>⑩</sup> 一般廢棄物產量 <sup>⑩</sup>	Ton 噸	<b>268,455.5</b>	211,784.9
Emission intensity 排放密度	Kg/Ton 千克／噸	<b>170.20</b>	142.3

<sup>⑧</sup> The increase in production volume of hazardous waste was mainly caused by the increased raffinate from the by-products of Jiangxi Chemical following the increase in main products. A qualified company was hired for proper disposal.

<sup>⑧</sup> 有害廢棄物產量增加主要是由於江西化工副產的殘液量跟隨主產品增產而出現。工廠已委託有資質的單位妥善處理。

<sup>⑨</sup> The emission intensity is calculated based on: the emission amount/the annual production volume of the Company's major products

<sup>⑨</sup> 排放密度的計算為：該排放量／全年主產品生產量

(Note: The production volume of major products refers to the annual production volume (in tons) of chloromethane, caustic soda, hydrogen peroxide, polytetrafluoroethylene and fluorinated industrial products.)

(註：主產品生產量是指包括甲烷氯化物、燒鹼、過氧化氫、聚四氟乙烯和氟化工產品的年生產噸數。)

<sup>⑩</sup> The increase in general waste mainly came from coal ash, coal cinder and gypsum as a by-product. A qualified company was hired for recycle and disposal.

<sup>⑩</sup> 一般廢棄物產量增加主要來自增產後出現的煤灰、煤渣和相對應的副產石膏。工廠已委託有資質的單位做回收及處理。

Office waste produced in the Company mainly refers to wastepaper produced by the administrative office. Employees are encouraged to adopt reasonable printing practices such as double-sided printing, and are required to separate paper from other waste for recycling. To create a paperless office, documents are distributed to employees via email and DingTalk, which efficiently reduces the use of printing paper.

公司產生的辦公廢棄物主要為行政辦公產生的廢紙，公司會要求員工在複印時採取合理措施，鼓勵員工使用紙張的兩面，將紙張與其他廢棄物分開以進行回收；公司提倡使用無紙化辦公，文件下發通過郵件、釘釘等方式，有效減少印刷紙張的使用。

Packaging materials used for the Group's products include CMS packaging buckets, hydrogen peroxide buckets, bags for liquid sizing agent etc., which will count towards tare weight. The two factories in the PRC emphasize and encourage their employees to reduce waste during the production and packaging process. Recycling practices are imposed to avoid wastage of resources.

用於本集團產品的包裝材料有CMS包裝桶、雙氧水噸桶、施膠劑液袋等皮重包裝材料。國內兩廠在生產包裝過程中，重視並鼓勵節約，並加強回收循環利用，防止資源浪費。

Name 名稱	Unit 單位	2021	2020
Total amount of packaging material used for finished goods <sup>①</sup> 成品用包裝材料總量 <sup>①</sup>	Ton 噸	<b>21,976.80</b>	15,678.4
Annual packaging consumption per production unit <sup>②</sup> 每年生產單位佔量 <sup>②</sup>	Kg/Ton 千克/噸	<b>27.2</b>	20.7

<sup>①</sup> The increase in packaging material used for finished goods was mainly caused by the increased CPVC products, which were packaged in 25KG packaging bags.

<sup>①</sup> 成品用包裝材料增加主要來自生產的氯化聚氯乙烯(CPVC)產品增多，其包裝採用25KG的包裝袋。

<sup>②</sup> Note: The annual packaging consumption per production unit is calculated based on: the total amount of packaging material for the year/the production volume of packaging material required by finished goods for the year.

<sup>②</sup> 備註：每年生產單位佔量，計算來自該年度包裝材料總量/該年需要做包裝成品的生產量。

## Environment-Friendly Products

Caustic soda is present in our products; hence we make use of advanced energy-saving industrial equipment and modified technology such as the membrane polar distance electrolytic cell, the deployment of residual heat dissipated from our finished goods, and the optimization of our cold-water system, to reduce our energy consumption per product unit. We also conduct energy audits, clean production audits and carbon emission tests etc. on a regular basis, and develop, improve, and implement energy-saving plans. As a result, our carbon footprint is approximately 6% lower than that of our industry peers.

Jiangsu Chemical standardized its environmental management according to the *Notice on the Pilot of Specifications for Whole-process Environmental Management of Enterprises (Sources of Pollution) (Trial) in Key Pollutant-discharging Companies* (C. H. F. [2020] No. 115). In the second quarter of 2021, it was included in the first Excellent Environmental Management Enterprises in Changshu after its environmental management was rated and reviewed by an acceptance group which was established by the Ecology and Environment Bureau of Changshu, Suzhou according to the *Implementation Plan for Environmental Construction Evaluation and Assessment of Key Enterprises in Changshu*.

## 環保產品

本集團產品其中有燒鹼，選用節能環保先進工藝、設備，通過膜極距電解槽，成品餘熱利用，冷水系統優化等節能技術改造，降低單位產品能源消耗，定期開展能源審計、清潔生產審核、碳排放量核查等，制定改善計劃並實施，約比同行業碳足印降低6%。

江蘇化工依據《關於在重點排污單位開展《企業(污染源)全過程環境管理規範(試行)》建設試點工作的通知》(常環發[2020] 115號)開展環境管理規範化建設工作，於2021年第二務季度，由蘇州市常熟生態環境局依據《常熟市重點企業環境規範化建設評審考核實施方案》成立驗收工作小組，通過查閱文件資料和現場查勘的方式，對公司環境管理情況進行了評級審核，江蘇化工被評為常熟市首批《優秀環境管理企業》。

# Environmental, Social and Governance Report

## 環境、社會及管治報告

The caustic soda, methylene chloride, hydrogen peroxide, polyaluminium chloride, hexafluoropropylene and polytetrafluoroethylene produced by Jiangxi Chemical were successively acclaimed as "famous products of Jiangxi". Committed to technical innovation, the Company has successfully developed a type of weight suspension resin with ultra-high molecular weight, used for LED screens and 5G communication, and material specialized for extrusion pipes, used for vehicles and aircraft fuel pipes. This series of product innovations has enabled the Company to achieve good economic and environmental benefits.

江西化工生產的氫氧化鈉、甲烷氯化物、過氧化氫、聚氯化鋁、六氟丙烯、聚四氟乙烯六個產品相繼被評為「江西名牌產品」稱號，公司堅持技術創新，已成功研發出用於液晶面屏、5G通信的超高分子量懸浮樹脂，用於汽車、飛機燃油管路的擠出管專用料等。這一系列產品創新使公司取得良好的經濟和環境效益。



Jiangsu Chemical has made continuous technological innovation in the recycling of by-product hydrochloric acid. After years of research, the key technology for production of high purity methyl chloride from the by-product hydrochloric acid had been successfully developed. In the fourth quarter of 2021, Jiangsu Chemical built the first set of production facilities with a capacity of recycling by-product hydrochloric acid and producing high-purity chloromethane in the PRC, realizing 100% recycling of by-product hydrochloric acid. The technology allows us to avoid the environmental risks that may be caused by improper disposal of by-product hydrochloric acid, provides a solution for the use of by-product hydrochloric acid in the industry, and fills the gap in the chloromethane market after the withdrawal of glyphosate, which is of great significance to the sustainable development and environmental protection of the by-product hydrochloric acid and organosilicon industry in the PRC.

江蘇化工一直在副產鹽酸的循環利用領域開展持續技術創新。經過近年來的研究，已成功開發出副產鹽酸轉化生產高純氯甲烷的關鍵技術，並於2021年第四季度率先建成了國內首套「回收副產鹽酸生產高純氯甲烷」的生產裝置，實現了副產鹽酸的100%回收再利用。規避了副產鹽酸處置不當可能導致的環境風險，為行業內高價值利用副產鹽酸提供了解決方向，同時也填補了草甘膦退出後的氯甲烷市場空白，對國內副產鹽酸和有機矽產業可持續發展和環境保護具有重大意義。

Zhuhai Chemical is committed to a low-pollution plant to control the quantity of waste while improving the quality of products. In the production process, part of the waste liquid is recycled to reduce the quantity of waste. The impurities in sylvite produced by the fluoridation reaction were removed by using an optimized process to make the sylvite product marketable.

珠海化工致力於打造低污染工廠，在提高產品的品質的同時，將產廢的數量進行控制。在生產過程中，對部分的廢液進行再次回收處理，減少廢物的產生量。對於氟化反應產生的鉀鹽，使用優化的工藝，將鉀鹽的雜質進行清除，以達到符合鉀鹽產品銷售的目的。

Our specialized polymer products provide effective thermal insulation and meet the unique needs of different customers. Meanwhile, the materials produced by Zhuhai Chemical are conducive to promoting the use of high-performance batteries and the transformation of new energy sources in the PRC.

本集團製造的特種聚合物產品，能有效隔熱絕緣，滿足不同客戶的獨特需求。同時，珠海化工生產的材料，有助國家推動高性能電池使用，助力新能源的轉型。

## Biodiversity

The Group attaches great importance to and has taken effective measures to control the discharge of exhaust gas and sewage water, in order to maintain biodiversity. With advanced green production technology, we continue to reduce the emission of pollutants. We also carried out an in-depth removal of VOC in the factory in 2021. Systematic arrangements were made by our factories to meet emission targets; through recycling, we prevented the waste of resources. Meanwhile, by establishing an energy management system and adopting the ISO14001 environmental management system, the Company incorporated environmental protection and energy-saving practices into our daily production, operation, and management, in advocacy of green office and production environment.

Noise from our large compressors is inevitable during the chemical production process, which may bring harm to the environment and surrounding areas. Therefore, we have in place a reasonable noise management design, where we set up green noise barriers surrounding noise sources and our factories, and install sound absorption materials indoors, as well as having soundproof doors and windows. We opt for sound friendly equipment and seek to reduce noise at its sources, with anti-vibration pads and other noise reducing furniture. Employees exposed to noise are provided with noise-cancelling ear plugs and ear protectors. All personnel in the workplace are also required to wear disposable earplugs supplied by the Company. Moreover, to minimize workers' continuous exposure to loud noise, we organize their job duties in alternating shifts in accordance with the inspection schedule, to safeguard their physical and mental health. Monthly acoustic noise testing is conducted by the SEPDs of the factories, and results are displayed on-site, to ensure that our factories comply with the requirements stipulated under the *Environmental Noise Emission Standard for Industrial Enterprises and Factories*.

## 生物多樣性

本集團重視及已採取有效措施控制廢氣污水排放，以維持生物多樣化。通過對生產環保工藝的改進，持續降低污染物的排放，2021年對全廠VOC進行了深度治理，廠區有組織廢氣達標排放，通過循環回收利用，防止資源浪費。同時公司通過建立能源管理體系和ISO14001環境管理體系，將環境保護和節約能源資源的意識融入日常生產運營管理中，推廣綠色辦公及生產環境。

在化工生產過程中，無可避免會產生一些噪音，有來自於裝置的壓縮機大型設備，可能會對環境以及周邊造成影響。因此，廠區通過合理的噪音源佈局，在噪音源和廠界周邊設置綠化隔離帶，對於噪音源採取室內安裝、做隔聲門窗。公司選用低雜訊設備，並通過安裝防震墊等措施，從源頭降低雜訊。公司為噪音崗位員工配發防噪耳塞和護耳器等防護裝備，房內設置一次性耳塞，所有人員進入必須佩戴。人員按照巡檢週期非連續接觸，減少員工在高噪音源區域的作業時間，以保障員工的身心健康。各廠安環部定期檢測噪音度並現場一年一次公示，以確保廠界噪音達到《工業企業廠界環境雜訊排放標準》要求。



# Environmental, Social and Governance Report

## 環境、社會及管治報告

### SOCIAL CO-CONSTRUCTION

Lee & Man Chemical attaches importance to social responsibility and supports care and feedback to all fields of society, including environmental protection advocacy, health, education, and sports development.

In order to practice the Company's safety values, carry forward the enterprise spirit and enhance the communication between employees' families and the enterprise, Lee & Man Chemical's factories have invited all sectors of society to participate in the exchange and communication activities for many years, so as to enhance the public's understanding of chemical enterprises.

### Environmental Protection Advocacy

The factory open day of Jiangsu Chemical was in April 2021. It invited representatives of the government development zone, representatives of employees' families, the principal and teachers of Changshu Hupu High School, community representatives of Wanfu Village and Zhoujiaqiao Village, etc. Based on the theme of "green enterprise and garden factory", colleagues from the SEPD introduced Lee & Man Chemical's management and control effect of environmental protection concept and intelligent management in detail during the field visit to the factory, presenting the image of a "green, safe, energy-saving and intelligent chemical plant".

### 社區共建

理文化工重視社會責任，支持對社會各領域的關愛和回饋，包括在環保宣導、衛生、教育、和體育發展等各方面。

為踐行公司安全價值觀，弘揚企業精神，增進員工家屬與企業的交流，理文化工旗下工廠連續多年均有邀請社會各界參加交流和溝通，增進公眾對化工企業的了解。

### 環保宣導

江蘇化工於2021年4月迎來工廠開放日，是次活動邀請了政府開發區代表、員工家屬代表、常熟澱浦高中校長及老師、萬福村及周家橋村社區代表等，活動圍繞著「綠色企業，花園工廠」這一主題，對工廠實地參觀，安環部同事給詳細介紹理文化工在環保理念，智慧化管理的管控成效，呈現出「綠色、安全、節能、智慧化工廠」形象。



Jiangxi Chemical also invited teachers and students majoring in chemical engineering of Jiujiang University to visit the Company in May 2021. As a part of the safety culture of Lee & Man Chemical, it provided explanations for employees' children, senior high school students and residents of surrounding communities. Through the visit, more representatives of teachers and students have come into Lee & Man and learned about the chemical industry. It also makes the students think about their major and have clearer goals and plans for their future career path, so as to lay a solid foundation for them to work in enterprises in the future.

江西化工也於2021年5月舉辦九江學院化工專業師生來公司參觀，作為理文化工安全文化一部分，覆蓋面向員工子女、高中學生、周邊社區居民講解。通過參觀，更多的師生代表走進理文、了解化工產業，更讓同學們把所學專業思考未來職業道路有更清晰的目標和規劃，為他們將來進入企業工作，打下堅實基礎。

Group photo taken by the delegation in front of the factory and visited production workshop.

代表團在廠區前合影及參觀生產車間。



The Group's factories use national energy conservation publicity week, national low-carbon day and other activities every year to create an energy-saving and low-carbon atmosphere and advocate the green and low-carbon concept to the public by arranging energy-saving and low-carbon banners, posters and electronic screens. The Company regularly uses DingTalk, e-mail and other platforms to share and publicize the latest energy-saving and low-carbon laws and regulations, new energy-saving and low-carbon products and technologies to all employees in real time.

本集團工廠每年利用全國節能宣傳周、全國低碳日等活動，通過佈置節能低碳橫幅、海報、電子屏方式，營造節能低碳活動氛圍，向公眾宣導綠色、低碳的理念。公司定期利用釘釘、郵件等平台即時向全體員工分享、宣傳最新的節能低碳相關法律法規、節能低碳新產品、新技術等等。



# Environmental, Social and Governance Report

## 環境、社會及管治報告

### Hygiene

In response to the COVID-19 pandemic, the Group has produced some disinfection products as a chemical production enterprise. Jiangsu Chemical has donated free disinfectant to the surrounding communities and units in Bixi Town, Changshu City. Jiangxi Chemical has supplied disinfection materials and products to the surrounding areas of Ruichang City to jointly contribute to the epidemic prevention and public health.

In July 2021, the trade union of Jiangsu Chemical organized employees to participate in the free blood donation activity of Changshu Economic Development Zone. The Company encouraged this activity to perform social functions. The active participation of employees showed their selfless dedication, willingness to help, reverence for life, unlimited love and warm heart.

### Education

In order to support charity education and local construction, all factories of the Group have made donations to relevant local units.

- In September 2021, Jiangsu Chemical donated RMB500,000 as scholarship to Changshu Hupu High School for the reward of excellent students and the subsidy of poor students.
- In the second half of 2021, Jiangxi Chemical donated more than RMB100,000 in the form of cash and materials to Xianfeng Village, Henggang Town, Guilin Sub-district, Panjiabao and other communities in Ruichang City for hilly pond reconstruction project and assistance.
- In November 2021, Zhuhai Chemical donated RMB100,000 in cash to Xiyuan Village, Zhaiba Town, Xishui County, Zunyi City, Guizhou Province for industrial development and people's livelihood projects.

Through such support and sponsorship, we hope to show the social responsibility spirit of Lee & Man for cultivating talents and building communities.

### 衛生

面對新冠病毒疫情的抗擊，本集團作為化工生產企業，製造了部份消毒產品，江蘇化工免費向常熟市碧溪鎮各周邊社區區和單位捐贈了消毒液。江西化工將消毒物資產品供應給瑞昌市周邊地區，共同為疫情阻擊和公共衛生獻一份力。

江蘇化工在2021年7月份，工會組織員工參加常熟經開區無償獻血活動。公司鼓勵是次活動，履行社會職能，每位職工的自發皆是無私奉獻，以助人為樂開懷，對生命敬畏，關愛無限心暖心。

### 教育

為支持慈善教育和地方建設，本集團各工廠皆有向相關當地單位作出捐贈。

- 2021年9月，江蘇化工向常熟潯浦高級中學捐款人民幣50萬獎學金，用於對優秀學生的獎勵和貧困學生的資助。
- 2021年下半年度，江西化工分別向瑞昌市橫崗鎮先鋒村、桂林街道和潘家堡等社區，捐贈合計人民幣10萬多元現款和物資，用於山塘改造工程和幫扶工作。
- 2021年11月，珠海化工捐贈10萬元現款給貴州省遵義市習水縣寨壩鎮習源村，用於發展產業及民生專案。

通過這些支援贊助，我們冀望為培育人材、建設社區彰顯理文對社會責任擔當的精神。

## Sports Development

In 2021, the Group continued to sponsor Lee & Man Football Team, a participant of the Hong Kong Premier League, with a total sponsorship amount or award of more than HK\$10 million. In addition to winning the third place in the league in 2020–21, Lee & Man Football Team participated in the AFC Cup on behalf of Hong Kong and ranked the top four in Asia unprecedentedly.

In addition, the club trains Hong Kong players and contributes to local football. A number of players in the team have been selected by Hong Kong representative team to participate in international competitions and win glory for Hong Kong. The club has also set up Lee & Man Teenager Training Camp to absorb a number of young people aged 8 to 18, so that they can receive systematic training and be selected by Hong Kong youth team. In addition to the players, the club also continues to train youth coaches to make the club more professional and contribute to the development of football in Hong Kong.

## 體育發展

本集團於2021年度繼續冠名贊助香港超級聯賽球隊理文足球隊，贊助金額或獎勵共超過港元1,000多萬。理文足球隊除了於2020–21年度取得聯賽第三名，更代表香港參加亞洲足協杯，並歷史性晉身亞洲四強。

除此以外，球會貫徹培養香港球員，貢獻本地足球。球隊內多名球員被香港代表隊挑選參與國際賽事，為港爭光。球會亦設立理文青訓學院，吸納大量由8歲至18歲的青少年，讓其得到有系統的訓練，並入選香港青年代表隊。除球員外，球會亦持續培訓各青訓教練，讓球會更專業化並為香港足球發展出力。



# Profile of Directors and Senior Management

## 董事及高級管理層簡介

### EXECUTIVE DIRECTOR

**Ms. WAI Siu Kee**, aged 77, Chairman of the Group who joined the Group since its establishment in 1976. Ms. Wai has more than 56 years of experience in the manufacturing industry. She is responsible for the development of corporate strategies, corporate planning and overall management of the Group and in particular the marketing and development of the business of the Group. Ms. Wai is the honorary permanent president of the Hong Kong Baptist University Foundation. Ms. Wai is the mother of Mr. Lee Man Yan, an Executive Director and the Chief Executive Officer of the Group.

**Mr. LEE Man Yan**, aged 44, the member of Chinese People's Political Consultative Committee of Jiangxi and Chief Executive Officer of the Group. He joined the Group in 2000. Mr. Lee is in charge of the corporate and strategic planning of the Group, and is responsible for the management operations, procurement of mechanical materials, staff management and public relations in the PRC of the business. He graduated from the University of British Columbia, Canada with a Bachelor's Degree in Commerce. Mr. Lee was awarded Young Industrialist Award of Hong Kong 2013 and Young Entrepreneur Award 2013. He is appointed as member of the Departmental Advisory Committee for the Department of Chemistry of City University of Hong Kong and Committee Member of Hong Kong Young Industrialists Council. Mr. Lee is a son of Ms. Wai Siu Kee, an Executive Director and the Chairman of the Group.

**Professor CHAN Albert Sun Chi**, aged 71, CPPCC National Committee, JP, an Executive Director and Chief Strategist of the Group. He joined the Group in 2016. He is a world-renowned organic chemist, Member of the Chinese Academy of Sciences and President Emeritus of Hong Kong Baptist University. He is responsible for the planning of the Group's overall business and long term strategies, formulating new product development directions, leading the Group's research and development team for enhancement of scientific research technology, commercializing its research results and introducing new products into the market. Professor Chan received his bachelor degree from International Christian University in Japan in 1975 and his MSc and PhD degrees from the University of Chicago respectively in 1976 and 1979. Upon graduation from the University of Chicago, he started an industrial career at the Monsanto Corporate Research Laboratories where he had worked for 13 years, rising through the ranks of Senior Research Chemist, Research Specialist, Senior Research Specialist and finally Monsanto Fellow. Since joining the Hong Kong Polytechnic University in 1994, Professor Chan had served as Chair Professor and Head of the Department of Applied Biology and Chemical Technology, Dean of the Faculty of Applied Science and Textiles, and Vice President (Research Development). He was the 4th President and Vice-Chancellor of Hong Kong Baptist University in 2010–2015. Professor Chan's research areas include the application of chiral catalysts in asymmetric syntheses and their industrial applications, development of pharmaceutical products and related processes, pharmaceutical and nutritional products based on Chinese medicines, new organic chemical processes and their industrial applications, research and industrial applications of green sciences, novel material discovery and development, etc. Elected as Member of the Chinese Academy of Sciences in 2001, Professor Chan has received numerous prestigious awards including State Natural Science Award of China (second class), Lectureship Award by The Society of Synthetic Organic Chemistry, Japan and Invitation Fellowship of Japan Society for the Promotion of Science.

### 執行董事

**衛少琦女士**，77歲，本集團主席，於本集團在1976年成立時加入。衛女士於製造業積逾56年經驗。彼負責本集團的企業策略、企業策劃及集團整體管理的發展，尤其是本集團業務的市場推廣及發展。衛女士現擔任香港浸會大學基金永遠榮譽主席。衛女士為本集團執行董事及首席執行官李文恩先生之母親。

**李文恩先生**，44歲，江西省政協委員會委員及本集團首席執行官。彼於2000年加入本集團。李先生負責本集團之整體策略規劃，並負責日常營運管理，機械物料採購，人事管理及維繫與國內政府機構關係工作。彼畢業於加拿大英屬哥倫比亞大學，持有商學士學位。李先生獲頒為2013年香港青年工業家及2013年青年企業家。彼現獲委任為城市大學化學系諮詢委員會委員及香港青年工業家協會執委會成員。李先生為本集團執行董事及主席衛少琦女士之兒子。

**陳新滋教授**，71歲，全國政協委員，*太平紳士*，本集團執行董事及總參謀。彼於2016年加入本集團。陳教授是世界著名的有機化學家、中國科學院院士及香港浸會大學榮休校長。彼之主要職務涉及本集團整體業務及長遠策略規劃、制定新產品研發方向、帶領本集團研發團隊，增強科研技術、將其研究成果商品化及將新產品推出市場。陳教授於1975年在日本國際基督教大學取得學士學位，並於1976年及1979年先後獲美國芝加哥大學頒授碩士和博士學位，畢業後在美國孟山都公司任職了13年，從高級化學研究師逐步晉升至孟山都院士。自1994年起受聘於香港理工大學，陳教授先後擔任應用生物及化學科技學系講座教授兼系主任、應用科學及紡織學院院長和副校長(科研發展)職位。他曾於2010至2015年間擔任香港浸會大學第四任校長。陳教授的研究範疇包括不對稱合成催化劑及其工業應用、醫藥產品及其相關程式的開發、以中藥為基礎的醫藥及營養產品、新有機化學程式及其工業應用、綠色科學的研究及其工業應用、新型材料的發現和開發等。陳教授於2001年榮膺中國科學院院士，並曾獲得多項獎項包括中國國家自然科學獎(二等)、日本有機合成化學會Lectureship Award和日本科學振興會邀請學人獎。

**Mr. YANG Zuo Ning**, aged 60, an Executive Director of the Group and General Manager of Jiangxi Lee & Man Chemical Limited. He joined the Group in 2006. He is a national acclaimed senior engineer and has 39 years of production experience in chlor-alkali industries. He is responsible for the strategic planning, general management and advisory of production engineering to the Group.

#### INDEPENDENT NON-EXECUTIVE DIRECTOR

**Mr. WONG Kai Tung**, Tony, aged 79, an Independent Non-Executive Director of the Group. He has been a practicing lawyer in Hong Kong since 1968 and has also been admitted as a solicitor in England and Wales. He is currently a consultant at Messrs. Hastings & Co., Solicitors and Notaries. He is also an independent non-executive director of Melbourne Enterprises Limited (Stock Code: 158) and Lee & Man Paper Manufacturing Limited (Stock Code: 2314).

**Mr. WAN Chi Keung, Aaron** *BBS JP*, aged 72, an Independent Non-Executive Director of the Group. He holds a Master's Degree in Business Administration of the Chinese University of Hong Kong and a Master's Degree in Buddhist Studies of the University of Hong Kong. He is also an associate of the Institution of Business Agents, a member of the Land Institute (London), an associate of the Chartered Institute of Arbitrators, a fellow of The Institute of Administrative Accounting and a fellow of The Royal Institution of Chartered Surveyors. He is engaged in the business of property and chattel valuation and auction and has over 37 years of related experience. Mr. Wan serves as an independent non-executive director in CNC Holdings Limited (Stock Code: 8356) and Universe Printshop Holdings Limited (Stock Code: 8448).

**Mr. HENG Victor Ja Wei**, aged 44, an Independent Non-Executive Director of the Group. He is a partner of Morison Heng, Certified Public Accountants. He holds a Master of Science Degree of the Imperial College of Science, Technology and Medicine, the University of London. He is a fellow member of The Association of Chartered Certified Accountants and member of The Hong Kong Institute of Certified Public Accountants. Mr. Heng serves as an independent non-executive director in Matrix Holdings Limited (Stock Code: 1005), Veson Holdings Limited (Stock Code: 1399) and Best Food Holding Company Limited (Stock Code: 1488). He also serves as the company secretary and authorized representative of China Life Insurance Company Limited (Stock Code: 2628).

**楊作寧先生**，60歲，本集團執行董事及江西理文化工有限公司總經理。彼於2006年加入本集團。彼持有國家高級工程師職稱，擁有39年氯鹼化工生產技術之經驗。彼負責本集團、策略策劃，日常管理工作及提供生產技術建議。

#### 獨立非執行董事

**王啟東先生**，79歲，本集團獨立非執行董事。彼自1968年以來為香港之執業律師，亦為英格蘭及威爾斯執業事務律師。彼現任希仕廷律師行之顧問。彼亦為萬邦投資有限公司(股份代號：158)及理文造紙有限公司(股份代號：2314)之獨立非執行董事。

**尹志強先生***BBS太平紳士*，72歲，本集團獨立非執行董事。彼持有香港中文大學工商管理碩士學位及香港大學佛學碩士學位。彼亦為英國商業經紀學會會員、英國倫敦土地學會會員、英國皇家仲裁學會會員、英國管理會計師學會之資深會員及英國皇家特許測量師院士。彼從事物業及動產估值及拍賣業務，並具有超過37年相關經驗。尹先生於中國新華電視控股有限公司(股份代號：8356)及環球印館控股有限公司(股份代號：8448)出任獨立非執行董事。

**邢家維先生**，44歲，本集團獨立非執行董事。彼為華利信會計師事務所的合夥人。彼擁有英國倫敦大學帝國理工學院理學碩士學位。彼為英國特許公認會計師公會資深會員及香港會計師公會會員。邢先生於美力時集團有限公司(股份代號：1005)、銳信控股有限公司(股份代號：1399)及百福控股有限公司(股份代號：1488)出任獨立非執行董事。彼並於中國人壽保險股份有限公司(股份代號：2628)擔任公司秘書及授權代表。

# Profile of Directors and Senior Management

## 董事及高級管理層簡介

### SENIOR MANAGEMENT

**Mr. LAM Hiu Fung**, aged 51, Financial Controller of the Group. He joined the Group in 2005 and has 28 years of experience in financial management. He holds a Bachelor's Degree in Accountancy from City University of Hong Kong and a Master's Degree in International Business from the Chinese University of Hong Kong. He is a fellow member of the Association of Chartered Certified Accountants and an associate member of the Hong Kong Institute of Certified Public Accountants. He is responsible for the supervision on the financial matters, tax issues and general management.

**Mr. XIA Xu Dong**, aged 47, Deputy General Manager of Jiangsu Lee & Man Chemical Limited. He joined the Group in 2006 and has 25 years of production experience in chlor-alkali industries. He is responsible for the supervision and general management of production of Jiangsu Lee & Man Chemical Limited.

**Dr. TSE Man Kin**, aged 50, Executive Dean of Research & Development of the Group and General Manager of Zhuhai Lee & Man Materials Science Company Limited. He joined the Group in 2008 and has 27 years of experience in chemical research and research management. He holds a PhD in Chemistry from the Chinese University of Hong Kong and is a member of the American Chemical Society. He is responsible for the research and development of the Group and general management of Zhuhai Lee & Man Materials Science Company Limited.

**Mr. WU Zeng Long**, aged 52, Deputy General Manager of Jiangsu Lee & Man Chemical Limited. He joined the Group in 2007 and has 29 years of experience in sales, marketing and business development. He holds a Bachelor's Degree in Applied Chemistry. He is responsible for sales and logistics activities of Jiangsu Lee & Man Chemical Limited.

**Mr. WAI Hiu Yu**, aged 36, Deputy General Manager of Jiangxi Lee & Man Chemical Limited. He joined the Group in 2008 and has 13 years of management experience in manufacturing industry. He holds a Bachelor's Degree in Engineering from The University of British Columbia, Canada. He is responsible for developing of Jiangxi Lee & Man Chemical Limited sales strategies, exploring potential markets and logistics management.

**Mr. CHEAH Ming Huat**, aged 49, Deputy General Manager of Jiangxi Lee & Man Chemical Limited. He joined the Group in 2011 and has 24 years of experience in financial management. He is a fellow member of the Association of Chartered Certified Accountants and chartered accountant of Malaysian Institute of Accountants. He is responsible for the supervision on the financial matters, treasury management, internal control, tax issues and general management.

### 高級管理層

**林曉峰先生**，51歲，本集團之財務總監。彼於2005年加入本集團，擁有28年財務管理經驗。彼持有香港城市大學會計學學士及香港中文大學國際商業碩士學位。彼為英國特許公認會計師公會之資深會員，亦為香港會計師公會會員。彼負責財務監督，稅務及日常管理工作。

**夏旭東先生**，47歲，江蘇理文化工有限公司副總經理。彼於2006年加入本集團，擁有25年氯鹼行業生產技術之經驗。彼負責江蘇理文化工有限公司生產之監督及日常管理工作。

**謝文健博士**，50歲，本集團研發部執行院長，並擔任珠海理文新材料有限公司總經理。彼於2008年加入本集團，擁有27年化學研究及研發管理經驗。彼持有香港中文大學化學博士學位及為美國化學學會成員。彼負責本集團之研發工作及珠海理文新材料有限公司之日常管理工作。

**吳增龍先生**，52歲，江蘇理文化工有限公司副總經理。彼於2007年加入本集團，擁有29年銷售管理、市場推廣、業務發展工作經驗。彼持有應用化學學士學位。彼負責江蘇理文化工有限公司之銷售及物流工作。

**衛曉宇先生**，36歲，江西理文化工有限公司副總經理。彼於2008年加入本集團，擁有13年製造業的管理經驗。彼持有加拿大英屬哥倫比亞大學工程學學士學位。彼負責江西理文化工有限公司之銷售策略，業務拓展及物流管理工作。

**謝銘軒先生**，49歲，江西理文化工有限公司副總經理。彼於2011年加入本集團，擁有24年財務管理經驗。彼為英國特許會計師公會之資深會員及馬來西亞會計師公會之註冊會計師資格。彼負責財務監督，資金管理，內部監控，稅務及日常管理工作。

**Mr. DING Yao**, aged 37, Deputy General Manager of Jiangxi Lee & Man Chemical Limited. He joined the Group in 2008 and has 14 years of production engineering experience in refined chemicals and chlor-alkali industries. He is responsible for the production of fluorochemical and chlor-alkali chemical and general management of Jiangxi Lee & Man Chemical Limited.

**Mr. QIU Yi Lin**, aged 49, Deputy General Manager of Jiangxi Lee & Man Chemical Limited. He joined the Group in 2006. He acquired qualification of mechanical engineer in 2003 and has 25 years of management experience in power station and electrical and mechanical equipment. He is responsible for the operation and general management of power station as well as facility maintenance of Jiangxi Lee & Man Chemical Limited.

**Mr. WONG Hon Ho**, aged 47, Director of Information Technology of the Group. He joined the Group in 2008 and has 25 years of experience in strategic planning of information technology. He holds a Bachelor's Degree in Engineering and a Master's Degree in Philosophy from The University of Hong Kong. He is responsible for the strategic planning and execution of information technology related matters of the Group.

**Mr. SHU Dong**, aged 39, Director of Procurement of the Group. He joined the Group in 2006 and has 16 years of experience in chemical production and supply chain management. He has a bachelor's degree in chemical engineering from Anhui University. He is responsible for the management of the Procurement Department of the Group.

#### COMPANY SECRETARY

**Mr. HO Chun Ho Jason**, aged 34, Company Secretary of the Group. He joined the Group as the assistant financial controller in 2018 and is appointed as the company secretary of the Group in 2020. He is a fellow member of the Hong Kong Institute of Certified Public Accountants, with over 10 years of experience in auditing, accounting and financial management. He has a bachelor's degree of business administration in professional accounting from the Hong Kong University of Science and Technology. He is responsible for the treasury management, accounting and company secretarial matters of the Group.

**丁堯先生**，37歲，江西理文化工有限公司副總經理。彼於2008年加入本集團，擁有14年的精細化工及氯鹼行業生產技術經驗。彼負責江西理文化工有限公司之氟化工及氯鹼化工的生產及日常管理工作。

**邱奕淋先生**，49歲，江西理文化工有限公司副總經理。彼於2006年加入本集團。彼於2003年取得機械工程師資格，擁有25年的發電站及機電設備管理經驗。彼負責江西理文化工有限公司之發電站運作及日常管理和設備保養工作。

**黃漢浩先生**，47歲，本集團之資訊科技部總監。彼於2008年加入本集團，擁有25年資訊科技策劃管理經驗。彼持有香港大學工學士學位及哲學碩士學位。彼負責整個集團資訊科技策略規劃及執行的相關事宜。

**舒東先生**，39歲，本集團之採購部總監。彼於2006年加入本集團，擁有16年化工生產及供應鏈管理經驗，彼持有安徽大學化學工程學士學位，彼負責集團採購部管理業務工作。

#### 公司秘書

**何圳浩先生**，34歲，本集團之公司秘書。彼於2018年加入本集團擔任副財務總監，並於2020年起獲委任為本集團之公司秘書。彼為香港會計師公會資深會員，在審計、會計及財務管理領域擁有逾十年經驗。何先生持有香港科技大學專業會計工商管理學士學位。彼負責本集團庫務管理、會計及公司秘書事宜。



# Directors' Report

## 董事會報告

The directors have pleasure in submitting their annual report and the audited consolidated financial statements of the Company for the year ended 31 December 2021.

### PRINCIPAL ACTIVITIES

The Company is an investment holding company and the Group is principally engaged in the manufacture and sale of chemical products.

The principal activities of its principal subsidiaries are set out in Note 40 to the consolidated financial statements.

### BUSINESS REVIEW

Further discussion and analysis of these activities as required by Schedule 5 to the Hong Kong Companies Ordinance, including a fair review of the business and a discussion of the principal risks and uncertainties facing the Group, particulars of important events affecting the Group that have occurred since the end of the financial year 2021, an indication of likely future development in the Group's business, a discussion of the Group's environmental policies and performance, and its compliance with the relevant laws and regulations that have a significant impact on the Group and an account of the Group's key relationships with its employees, customers and suppliers that have a significant impact on the Group can be found in the sections 'Chairman's Statement', 'Management Discussion and Analysis', 'Corporate Governance Report' and 'Environmental, Social and Governance Report' of this Annual Report. The aforesaid form part of this report.

### RESULTS AND APPROPRIATIONS

The results of the Group for the year ended 31 December 2021 are set out in the consolidated statement of profit or loss and other comprehensive income on page 97.

An interim dividend of HK26 cents per share amounting to HK\$214,500,000 in aggregate was paid to the shareholders during the year.

The directors now recommend the payment of a final dividend of HK32 cents per share to the shareholders whose names appear on the register of members on 23 May 2022, amounting to HK\$264,000,000 in total, subject to the approval of the shareholders at the forthcoming annual general meeting.

### SHARE CAPITAL

There was no movement in the share capital of the Company during the year. There was no purchase, sale or redemption by the Company, or any of its subsidiaries, of the Company's listed shares during the year.

董事會欣然提呈本公司截至2021年12月31日止之年度報告及經審核綜合財務報表。

### 主要業務

本公司為一間投資控股公司，而本集團主要從事生產及銷售化工產品。

其主要附屬公司之主要業務載於綜合財務報表附註40。

### 業務審視

就香港《公司條例》附表5指定活動而進行之討論和分析，包括對本集團業務之中肯審視、對本集團面對之主要風險及不明朗因素的討論、在2021年財政年度結束後發生並對本集團有影響的重大事件之詳情、本集團業務相當可能進行之未來發展的揭示、本集團的環境政策和表現及遵守對本集團有重大影響的有關法律及規例的討論，以及本集團與其僱員、顧客及供應商的重要關係(該等關係對本集團有重大影響)的說明，已載於本年報「主席報告」、「管理層討論及分析」、「企業管治報告」，以及「環境、社會及管治報告」幾節內。上述幾節乃本報告之一部分。

### 業績及分派

本集團截至2021年12月31日止年度之業績載於第97頁之綜合損益及其他全面收益表。

年內已向股東支付中期股息每股26港仙總額為214,500,000港元。

董事現建議派發末期股息每股32港仙予於2022年5月23日名列股東名冊之股東，總額為264,000,000港元，惟須待股東於應屆股東週年大會上批准。

### 股本

年內，公司股本並無變動，本公司或其附屬公司並無購買、出售或贖回公司的上市股份。

**DISTRIBUTABLE RESERVES**

As at 31 December 2021, the Company's reserves available for distribution to shareholders represented the aggregation of the share premium and retained profits of HK\$1,229,522,000 (2020: HK\$1,630,914,000).

**DONATIONS**

Charitable and other donations by the Group during the year amounted to HK\$16,193,000 (2020: HK\$10,855,000).

**FIVE YEAR FINANCIAL SUMMARY**

A summary of the results and of the assets and liabilities of the Group for the last five financial years is set out on page 203.

**DIRECTORS**

The directors of the Company during the year and up to the date of this report were:

**Executive directors**

Ms. Wai Siu Kee (*Chairman*)  
Mr. Lee Man Yan (*Chief Executive Officer*)  
Professor Chan Albert Sun Chi  
Mr. Yang Zuo Ning

**Independent non-executive directors**

Mr. Wong Kai Tung, Tony  
Mr. Wan Chi Keung, Aaron *BBS JP*  
Mr. Heng Victor Ja Wei

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

In accordance with the provisions of the Company's Articles of Association, Mr. Lee Man Yan and Mr. Wong Kai Tung, Tony will retire at the forthcoming annual general meeting and being eligible, will offer themselves for re-election.

**可供分派儲備**

於2021年12月31日，本公司可供分派給股東之儲備代表股份溢價及保留溢利合共1,229,522,000港元(2020年：1,630,914,000港元)。

**捐款**

年內，本集團之慈善及其他捐款約為16,193,000港元(2020年：10,855,000港元)。

**五年財務概要**

本集團近五個財政年度之業績及資產負債概要載於第203頁。

**董事**

於本年度及截至本報告日止，本公司之董事為：

**執行董事**

衛少琦女士(*主席*)  
李文恩先生(*首席執行官*)  
陳新滋教授  
楊作寧先生

**獨立非執行董事**

王啟東先生  
尹志強先生*BBS太平紳士*  
邢家維先生

根據上市規則第3.13條，每名獨立非執行董事已向本公司確認其年度之獨立性。本公司認為所有獨立非執行董事確屬獨立人士。

根據本公司組織章程細則，李文恩先生及王啟東先生須於應屆股東週年大會告退，惟彼等均有資格並願意膺選連任。

# Directors' Report

## 董事會報告

### DIRECTORS' SERVICE CONTRACTS

All Independent non-executive Directors entered into service contracts with the Company, for a term of approximately one year, commencing upon conclusion of the AGM of the year of signing and ending at the next annual general meeting of the Company but, in any event, no later than 30 June to the following year of signing.

None of the Directors of the Company who are proposed for re-election at the forthcoming annual general meeting has a service contract with the Company not terminable by the Company within one year without payment of compensation (other than statutory compensation).

### DIRECTORS' INTERESTS IN SHARES AND UNDERLYING SHARES

At 31 December 2021, the interests and short positions of directors and chief executives of the Company and their associates in the shares and underlying shares of the Company and its associated corporations (within the meaning of Part XV of the Securities and Future Ordinance (the "SFO")) which have been notified of the Company and The Stock Exchange of Hong Kong Limited (the "Stock Exchange") pursuant to Divisions 7 and 8 of Part XV of the SFO, or which were recorded in the register required to be kept pursuant to section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") of the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules") were as follows:

#### (a) Long positions in shares of the Company

*Ordinary shares of HK\$0.10 each of the Company*

Name of director	Capacity	Number of issued ordinary shares held	Percentage of the issued share capital of the Company
董事姓名	身份	所持已發行普通股數目	佔本公司已發行股本百分比
Mr. Lee Man Yan 李文恩先生	Beneficial owner 實益擁有人	536,250,000	65%
Ms. Wai Siu Kee 衛少琦女士	Beneficial owner 實益擁有人	82,500,000	10%

### 董事之服務合約

所有獨立非執行董事均與本公司簽訂服務合約，彼等之任期約一年，由簽訂當年之股東週年大會結束開始直至下一次股東週年大會日期止，惟無論如何將不會遲於簽訂次年之6月30日。

擬於即將召開之股東週年大會上膺選連任之本公司董事，概無與本公司訂立不可於一年內在不予賠償(法定賠償除外)之情況下終止之服務合約。

### 董事於股份及相關股份中之權益

於2021年12月31日，本公司各董事及最高行政人員及彼等之聯繫人於本公司及其相聯法團(定義見證券及期貨條例(「證券及期貨條例」)第XV部)的股份及相關股份中，擁有並須根據證券及期貨條例第XV部第7及8分部已知會本公司及香港聯合交易所有限公司(「聯交所」)的有關權益或淡倉，或已記錄乃根據證券及期貨條例第352條須存置之登記冊，或已根據聯交所證券上市規則(「上市規則」)之上市公司董事進行證券交易之標準守則(「標準守則」)知會本公司及聯交所之權益及淡倉如下：

#### (a) 於本公司股份之好倉

*本公司每股0.10港元之普通股*

**(b) Share options**

<b>Name of director</b>	<b>Capacity</b>	<b>Number of ordinary shares subject to options granted</b> 授出的購股權所涉及的普通股數目	<b>Percentage of the issued share capital of the Company</b> 佔本公司已發行股本百分比
<b>董事姓名</b>	<b>身份</b>		
Mr. Lee Man Yan 李文恩先生	Beneficial owner 實益擁有人	82,500,000	10%

Other than disclosed above, none of the directors or the chief executive, or any of their associates, had any interests or short positions in any shares and underlying shares of the Company or any of its associated corporations, which had to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO, or which were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein or which were required, pursuant to the Model Code, to be notified to the Company and the Stock Exchange.

**SHARE OPTIONS**

A share option scheme was adopted by the Company on 14 July 2017, under which the directors or the chief executive of the Company or their associates may be granted options to subscribe for shares in the Company.

Unless approved by the shareholders, the total number of shares issued and to be issued upon exercise of all outstanding options granted under the share option scheme of the Company (including both exercised and outstanding options) to each participant in any twelve months period must not exceed 1% of the shares in issue for the time being.

In addition, any share options to a substantial shareholder and/or an independent non-executive Director of the Company or any of their respective associates, and where the total number of shares issued and to be issued upon exercise of all options granted or to be granted to such person in any 12-month period exceed 0.1% of the Company's shares in issue and with an aggregate value (based on the closing price of the shares on the date of grant) in excess of HK\$5 million, are subject to the Company's shareholders' approval in general meeting.

As at the date of this report, the Company has 82,500,000 share options outstanding under the Share Option Scheme, representing approximately 10% of the shares of the Company in issue.

Details of the share option scheme and movement of the share options during the year are set out in Note 34 to the consolidated financial statements.

**(b) 購股權**

<b>Number of ordinary shares subject to options granted</b> 授出的購股權所涉及的普通股數目	<b>Percentage of the issued share capital of the Company</b> 佔本公司已發行股本百分比
82,500,000	10%

除上文所披露外，概無董事或最高行政人員或彼等之聯繫人於本公司或其任何相聯法團之股份及相關股份中，擁有根據證券及期貨條例第XV部第7及8分部已知會本公司及聯交所、或根據證券及期貨條例第352條須記錄於該條例所指之登記冊、或根據標準守則須知會本公司及聯交所之任何權益或淡倉。

**購股權**

本公司於2017年7月14日採納一項購股權計劃，據此本公司之董事或最高行政人員或彼等之聯繫人可獲授予購股權以認購本公司股份。

除非股東批准，各參與者於任何十二個月期間根據本公司購股權計劃獲授之所有未行使購股權獲行使時已發行及將予發行之股份總數，不得超過當時已發行股份1%。

此外，授予本公司主要股東及／或獨立非執行董事或彼等各自之任何聯繫人士以及倘導致在任何十二個月期間內因行使已授予或將授予有關人士之所有購股權而發行或將予發行的股份總數超過本公司已發行股份之0.1%且總值(按授出日期之股份收市價計算)超過5百萬港元之任何購股權，須待本公司股東於股東大會上批准後，方可作實。

於本報告日期，根據購股權計劃，本公司共有82,500,000份購股權尚未行使，佔當日本公司已發行股份約10%。

於年內購股權計劃及購股權變動之詳情載於綜合財務報表附註34。

# Directors' Report

## 董事會報告

### ARRANGEMENTS TO PURCHASE SHARES OR DEBENTURES

Other than the share option scheme disclosed above, at no time during the year was the Company or any of its subsidiaries, a party to any arrangements to enable the directors of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

### SUBSTANTIAL SHAREHOLDERS

At 31 December 2021, shareholders (other than directors and chief executive of the Company) who had interests and short positions in the shares and underlying shares of the Company which have been disclosed to the Company under the provisions of Division 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept by the Company under section 336 of the SFO were as follows:

#### Long positions

##### Ordinary shares of HK\$0.10 each of the Company

Name of shareholder	Capacity	Number of issued ordinary shares held	Percentage of the issued share capital of the Company 佔本公司已發行股本百分比
股東姓名	身份	普通股數目	
Ms. Kwok Ching Yee Lorinda (Note) 郭靜怡女士(附註)	Interest of Spouse 配偶權益	536,250,000	65%

Note: Ms. Kwok Ching Yee Lorinda is the spouse of Mr. Lee Man Yan. She is deemed to be interested in the Shares held by Mr. Lee Man Yan under the SFO.

Other than disclosed above, as at 31 December 2021, the Company has not been notified by any persons (other than directors and chief executives of the Company) who 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 provision of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept by the Company under section 336 of the SFO.

### 購買股份或債券之安排

本公司或其任何附屬公司於本年度任何時間內，概無參與任何安排，使本公司董事藉購入本公司或任何其他法人團體之股份或債券而獲得利益。

### 主要股東

於2021年12月31日，股東(本公司董事及最高行政人員除外)於本公司之股份及相關股份中，擁有根據證券及期貨條例第XV部第2及3分部已向本公司披露、或已記錄乃根據證券及期貨條例第336條須由本公司存置之登記冊之權益及淡倉如下：

#### 好倉

##### 本公司每股0.10港元之普通股

Number of issued ordinary shares held	Percentage of the issued share capital of the Company 佔本公司已發行股本百分比
普通股數目	
536,250,000	65%

附註：郭靜怡女士乃李文恩先生的配偶。根據證券及期貨條例，彼被視為擁有李文恩先生所持有之股份的權益。

除上文所披露外，於2021年12月31日，概無任何人士(本公司董事及最高行政人員除外)通知本公司，指其在本公司之股份或相關股份中，擁有任何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、或已記錄乃根據證券及期貨條例第336條須由本公司存置之登記冊之權益及淡倉。

## RELATED PARTY TRANSACTIONS

Significant related party transactions entered into by the Group during the year ended 31 December 2021 are disclosed in Note 38 to the consolidated financial statements. Some of these transactions also constituted continuing connected transactions under the Listing Rules, as identified below.

### Continuing Connected Transactions

Lee & Man Paper Manufacturing Limited (“LMP”) and its subsidiaries (“LMP Group”) is a group beneficially owned and controlled by the family members of Mr. Lee Man Yan, the ultimate controlling shareholder of the Company. The below transactions constitute continuing connected transactions of the Company accordingly.

On 31 December 2020, the Company and members of the Group renewed and entered into certain agreements governing the continuing connected transactions with LMP and members of the LMP Group (as the case may be), each for a term of three years commencing from 1 January 2021 and ending on 31 December 2023.

Details of the transactions and the counterparties are defined and as more particularly described in the announcements of the Company dated 31 December 2020, 4 January 2021 and 5 January 2021.

#### 2021 Chemicals Purchase Agreement

The Company or members of the Group sells various industrial chemical products to LMP or members of the LMP Group. There is no minimum amount of industrial chemical products required to be purchased by the LMP Group.

The annual caps for chemicals purchase transactions for the three financial years ended/ending 31 December 2021, 2022 and 2023 are RMB175,000,000, RMB175,000,000 and RMB175,000,000 respectively.

During the year ended 31 December 2021, the aggregate transaction amount of chemicals purchase received/receivable by the Group from the LMP Group was RMB153,434,000.

## 關連人士交易

本集團於截至2021年12月31日止年度內所訂立之重大關連人士之交易於綜合財務報表附註38內披露。根據上市規則，部分該等交易亦構成持續關連交易，茲識別如下。

### 持續關連交易

理文造紙有限公司(「理文造紙」)及其附屬公司(「理文造紙集團」)是一個由李文恩先生，即本公司的最終控股股東，之家族成員實益擁有及控制的集團。因此以下交易均構成本公司的持續關連交易。

於2020年12月31日，本公司及本集團成員公司與理文造紙及理文造紙集團成員公司(視乎情況而定)重訂及新訂若干持續關連交易之協議，各為期三年，均由2021年1月1日起至2023年12月31日結束。

有關交易及對手方之定義及詳情已載於本公司日期為2020年12月31日、2021年1月4日及2021年1月5日之公告內。

#### 2021年化工採購協議

本公司或本集團成員公司向理文造紙或理文造紙集團成員公司銷售多種工業化工產品。理文造紙集團並無購買工業化工產品最低金額之要求。

截至2021年、2022年及2023年12月31日止三個財政年度，本集團就化工採購交易之年度上限分別為人民幣175,000,000元、人民幣175,000,000元及人民幣175,000,000元。

截至2021年12月31日止年度內，本集團就化工採購交易向理文造紙集團已收／應收之總額為人民幣153,434,000元。

# Directors' Report

## 董事會報告

### *2021 Jiangsu Steam and Electricity Agreement*

Jiangsu Paper supplies steam and electricity to Jiangsu Chemical. Jiangsu Chemical provides the steam pipelines, electrical cables and relevant facilities to transfer steam and electricity to its production facilities. Jiangsu Chemical is also responsible for the maintenance and repairs of such steam pipelines, electrical cables and relevant facilities.

The annual caps for Jiangsu steam and electricity supply transactions for the three financial years ended/ending 31 December 2021, 2022 and 2023 are RMB80,000,000, RMB80,000,000 and RMB80,000,000 respectively.

During the year ended 31 December 2021, the aggregate transaction amount of Jiangsu steam and electricity supply paid/payable by the Group to the LMP Group was RMB69,161,000.

### *2021 Jiangxi Steam and Electricity Agreement*

Jiangxi Chemical supplies steam and electricity to LMP (or members of the LMP Group). The LMP Group provides the steam pipelines, electrical cables and relevant facilities to transfer steam and electricity to its production facilities. Jiangsu Chemical is also responsible for the maintenance and repairs of such steam pipelines, electrical cables and relevant facilities.

The annual caps for Jiangxi steam and electricity supply transactions for the three financial years ended/ending 31 December 2021, 2022 and 2023 are RMB100,000,000, RMB105,000,000 and RMB110,000,000 respectively.

During the year ended 31 December 2021, the aggregate transaction amount of Jiangxi steam and electricity supply received/receivable by the Group from the LMP Group was RMB71,747,000.

### *2021年江蘇蒸氣及發電協議*

江蘇造紙向江蘇化工供應蒸氣及電力。江蘇化工提供傳送蒸氣及電力至其生產設施之蒸氣管道、電纜及相關設施，亦負責有關蒸氣管道、電纜及相關設施之保養及維修。

截至2021年、2022年及2023年12月31日止三個財政年度，本集團就江蘇蒸氣及發電供應交易之年度上限分別為人民幣80,000,000元、人民幣80,000,000元及人民幣80,000,000元。

截至2021年12月31日止年度內，本集團就江蘇蒸氣及發電供應交易向理文造紙集團已付／應付之總額為人民幣69,161,000元。

### *2021年江西蒸氣及發電協議*

江西化工向理文造紙(或理文造紙集團成員公司)供應蒸氣及電力。理文造紙集團提供傳送蒸氣及電力至其生產設施之蒸氣管道、電纜及相關設施，亦負責有關蒸氣管道、電纜及相關設施之保養及維修。

截至2021年、2022年及2023年12月31日止三個財政年度，本集團就江西蒸氣及發電供應交易之年度上限分別為人民幣100,000,000元、人民幣105,000,000元及人民幣110,000,000元。

截至2021年12月31日止年度內，本集團就江西蒸氣及發電供應交易向理文造紙集團已收／應收之總額為人民幣71,747,000元。

**2021 Jiangsu Rental Agreement**

Jiangsu Paper leases to Jiangsu Chemical certain office space and staff quarters as well as guestrooms (per actual use basis) in properties located in Jiangsu. In accordance with HKFRS 16, the Group has recognized right-of-use asset for the fixed portion under the 2021 Jiangsu Lease Agreement.

The annual caps for Jiangsu rental transactions (variable lease payments) for the three financial years ended/ending 31 December 2021, 2022 and 2023 are RMB300,000, RMB300,000 and RMB300,000 respectively.

During the year ended 31 December 2021, the aggregate transaction amount (variable lease payments) of Jiangsu rental paid/payable by the Group to the LMP Group was RMB0.

**2021 Jiangxi Rental Agreement**

Jiangxi Chemical leases to Jiangxi Paper and Jiangxi Tissue certain staff quarters as well as guestrooms (per actual use basis) in properties located in Jiangxi.

The annual caps for Jiangxi rental transactions for the three financial years ended/ending 31 December 2021, 2022 and 2023 are RMB5,000,000, RMB5,000,000 and RMB5,000,000 respectively.

During the year ended 31 December 2021, the aggregate transaction amount of Jiangxi rental received/receivable by the Group from the LMP Group was RMB2,190,000.

**2021 Jiangxi Industrial Salt Loading Agreement**

Jiangxi Paper provides loading and unloading services to Jiangxi Chemical for its bulk carrier, which carries industrial salt.

The annual caps for Jiangxi industrial salt loading transactions for the three financial years ended/ending 31 December 2021, 2022 and 2023 are RMB3,000,000, RMB3,000,000 and RMB3,000,000 respectively.

During the year ended 31 December 2021, the aggregate transaction amount of Jiangxi industrial salt loading paid/payable by the Group to the LMP Group was RMB2,995,000.

**2021年江蘇租賃協議**

江蘇造紙向江蘇化工出租位於江蘇物業內之若干辦公室、員工宿舍及客房(按實際使用基準)。根據香港財務報告準則第16號,本集團已為二零二一年江蘇租賃協議之固定部份確認使用權資產。

截至2021年、2022年及2023年12月31日止三個財政年度,本集團就江蘇租賃交易(可變租賃付款)之年度上限分別為人民幣300,000元、人民幣300,000元及人民幣300,000元。

截至2021年12月31日止年度內,本集團就江蘇租賃交易向理文造紙集團已付/應付之總額(可變租賃付款)為人民幣0元。

**2021年江西租賃協議**

江西化工向江西造紙和江西衛生用紙出租位於江西物業內之若干員工宿舍及客房(按實際使用基準)。

截至2021年、2022年及2023年12月31日止三個財政年度,本集團就江西租賃交易之年度上限分別為人民幣5,000,000元、人民幣5,000,000元及人民幣5,000,000元。

截至2021年12月31日止年度內,本集團就江西租賃交易向理文造紙集團已收/應收之總額為人民幣2,190,000元。

**2021年江西工業鹽裝載協議**

江西造紙向江西化工用於運送工業鹽的散貨船提供裝載及卸載服務。

截至2021年、2022年及2023年12月31日止三個財政年度,本集團就江西工業鹽裝載交易之年度上限分別為人民幣3,000,000元、人民幣3,000,000元及人民幣3,000,000元。

截至2021年12月31日止年度內,本集團就江西工業鹽裝載交易向理文造紙集團已付/應付之總額為人民幣2,995,000元。



# Directors' Report

## 董事會報告

### 2021 Jiangxi PAC Loading Agreement

Jiangxi Paper provides loading and unloading services to Jiangxi Chemical for its containers, which carries industrial chemical products.

The annual caps for Jiangxi PAC loading transactions for the three financial years ended/ending 31 December 2021, 2022 and 2023 are RMB200,000, RMB200,000 and RMB200,000 respectively.

During the year ended 31 December 2021, the aggregate transaction amount of Jiangxi PAC loading paid/payable by the Group to the LMP Group was RMB16,000.

### 2021 Jiangsu Industrial Salt Loading Agreement

Jiangsu Paper provides loading and unloading services to Jiangsu Chemical for its bulk carrier, which carries industrial salt.

The annual caps for Jiangsu industrial salt loading transactions for the three financial years ended/ending 31 December 2021, 2022 and 2023 are RMB1,800,000, RMB1,800,000 and RMB1,800,000 respectively.

During the year ended 31 December 2021, the aggregate transaction amount of Jiangsu industrial salt loading paid/payable by the Group to the LMP Group was RMB1,510,000.

In accordance with Rule 14A.55 of the Listing Rules, the independent non-executive directors of the Company reviewed the continuing connected transactions disclosed in this report and confirmed that the transactions were entered into:

- (i) in the ordinary and usual course of business of the Group;
- (ii) on normal commercial terms or better; and
- (iii) according to the relevant agreement governing them on terms that are fair and reasonable and in the interests of the shareholders of the Company as a whole.

### 2021年江西PAC裝載協議

江西造紙向江西化工用於運送工業化工產品的貨櫃提供裝載及卸載服務。

截至2021年、2022年及2023年12月31日止三個財政年度，本集團就江西PAC裝載交易之年度上限分別為人民幣200,000元、人民幣200,000元及人民幣200,000元。

截至2021年12月31日止年度內，本集團就江西PAC裝載交易向理文造紙集團已付／應付之總額為人民幣16,000元。

### 2021年江蘇工業鹽裝載協議

江蘇造紙向江蘇化工用於運送工業鹽的散貨船提供裝載及卸載服務。

截至2021年、2022年及2023年12月31日止三個財政年度，本集團就江蘇工業鹽裝載交易之年度上限分別為人民幣1,800,000元、人民幣1,800,000元及人民幣1,800,000元。

截至2021年12月31日止年度內，本集團就江蘇工業鹽裝載交易向理文造紙集團已付／應付之總額為人民幣1,510,000元。

根據上市規則第14A.55條，本公司獨立非執行董事檢討本報告所披露的持續關連交易，並確認有關交易：

- (i) 乃於本集團一般及日常業務過程中訂立；
- (ii) 按一般或更優惠的商業條款訂立；及
- (iii) 根據規管有關交易之相關協議及按公平合理且符合本公司及股東整體利益之條款訂立。

Pursuant to Rule 14A.56 of the Listing Rules, the Company's auditor was engaged to report on the Group's continuing connected transactions in accordance with Hong Kong Standard on Assurance Engagements 3000 (Revised) "Assurance Engagements Other Than Audits or Reviews of Historical Financial Information" and with reference to Practice Note 740 "Auditor's Letter on Continuing Connected Transactions under the Hong Kong Listing Rules" issued by the Hong Kong Institute of Certified Public Accountants. The auditor has issued a letter to the Company's directors confirming nothing has come to the auditor's attention that causes the auditor to believe that the continuing connected transactions disclosed in this report:

- (i) have not been approved by the Company's board of directors;
- (ii) for transactions involving the provision of goods or services by the Group, the transactions were not, in all material respects, in accordance with the pricing policies of the Company;
- (iii) were not entered into, in all material respects, in accordance with the relevant agreements governing such transactions; or
- (iv) have exceeded the annual cap as set by the Company.

Save as disclosed above, there were no other transactions which need to be disclosed as connected transactions in accordance with the requirements of the Listing Rules.

#### **DIRECTORS' INTERESTS IN TRANSACTIONS, ARRANGEMENTS AND CONTRACTS OF SIGNIFICANCE**

Other than as disclosed under the heading "Related Party Transactions", no transactions, arrangements and contracts of significance to which the Company or subsidiaries was a party and in which a director or a connected entity of a director of the Company had a material interest, whether directly and indirectly, subsisted at the end of the year or at any time during the year.

#### **MAJOR CUSTOMERS AND SUPPLIERS**

During the year, the aggregate sales attributable to the Group's five largest customers were less than 30% of total turnover.

During the year, the aggregate purchases attributable to the Group's five largest suppliers were approximately 39% of the Group's total purchases and the purchases attributable to the Group's largest supplier were approximately 23% of the Group's total purchases.

None of the directors, their associates or any shareholders which, to the knowledge of the directors, owned more than 5% of the Company's issued share capital had any interest in the share capital of any of the five largest customers of the Group.

根據上市規則第14A.56條，本公司核數師獲委聘根據香港會計師公會發佈的香港鑒證業務準則3000號(經修訂)「歷史財務資料審核或審閱以外的鑒證工作」並參考實務說明第740號「香港上市規則規定的持續關連交易的核數師函件」就本集團之持續關連交易進行報告。該核數師已向本公司董事發出一份函件，確認概無任何事宜使彼等注意而導致彼等認為本報告所披露的持續關連交易：

- (i) 未獲本公司董事會批准；
- (ii) 就涉及由本公司提供貨品或服務的交易，概無於所有重大方面按照本集團的定價政策進行；
- (iii) 概無於所有重大方面根據相關協議訂立；或
- (iv) 超過本公司設定的年度上限。

除上文所披露外，並無任何其他交易須按上市規則之要求須予披露為關連交易。

#### **董事於重要交易、安排及合約中之權益**

除「關連人士交易」一段所披露外，本公司及附屬公司於年終或年內任何時間概無參與訂立與本公司董事有直接或間接重大權益之重要交易、安排及合約。

#### **主要客戶及供應商**

年內，本集團五大客戶之累計銷售少於總營業額之30%。

年內，本集團之五大供應商之累計採購約佔本集團總採購39%，而本集團最大供應商之採購佔本集團總採購約23%。

概無董事、彼等之聯繫人或董事所知擁有本公司已發行股本5%或以上之任何股東，擁有本集團五大客戶任何股本權益。

# Directors' Report

## 董事會報告

### PRE-EMPTIVE RIGHTS

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

### EMOLUMENT POLICY

The emolument policy of the employees of the Group is set up by the Remuneration Committee on the basis of their merit, qualifications and competence.

The emoluments of the directors of the Company are decided by the Remuneration Committee, having regard to the Company's operating results, individual performance and comparable market statistics.

The Company has adopted a share option scheme as an incentive to directors and eligible employees. Details of the scheme are set out in Note 34 to the consolidated financial statements.

### DISCLOSURE PURSUANT TO RULE 13.21 OF THE LISTING RULES

A loan facility of a subsidiary of the Company ("Loan Facility") includes the following conditions that impose specific performance obligations on Mr. Lee Man Yan ("Mr. Lee"), the controlling shareholder of the Company, that Mr. Lee and his family shall hold (directly or indirectly) not less than 51% of the issued share capital and maintain control over management and business of the Company.

As at 31 December 2021, the aggregate balance of the loans provided was HK\$300,000,000. The Loan Facility will expire on 28 November 2024.

A breach of the above undertaking will constitute an event of default, which will lead to the relevant banks being entitled not to make any further advances under the Loan Facility (if applicable) and to declare that all amounts outstanding under the Loan Facility (including interests accrued) shall immediately become due and payable.

### PUBLIC FLOAT

According to the information that is publicly available to the Company and within the knowledge of the Directors, the Company has maintained a sufficient public float throughout the year ended 31 December 2021 and as at the date of this report.

### 優先購股權

本公司之組織章程細則或開曼群島法例均無有關優先購股權之條文，規定本公司須按持股比例向現有股東發售新股份。

### 薪酬政策

本集團僱員之薪酬政策由薪酬委員會設立，乃按僱員之功績、專業資格及才能而釐定。

本公司董事之酬金由薪酬委員會按本公司之經營業績、其個人之工作表現及相對之市場狀況而釐定。

本公司已採納一項購股權計劃，作為董事及合資格僱員之獎勵，計劃詳情載於綜合財務報表附註34。

### 根據上市規則第13.21條之披露

本公司之附屬公司有一貸款融資（「貸款融資」）包括下列條件，對本公司的控股股東李文恩先生（「李先生」）施加特定履行的責任，即李先生及其家庭成員擁有（直接或間接）不少於51%本公司的已發行股本並維持對管理及業務之控制。

於2021年12月31日，貸款餘額總值為300,000,000港元。該等貸款融資將於2024年11月28日屆滿。

違反上述承諾將構成違約事件，相關銀行可根據貸款融資停止提供進一步貸款（如適用），並宣佈貸款融資項下的所有尚未償還金額（包括累計利息）即時到期及須予償還。

### 公眾持股量

按本公司可以得悉之公開資料所示及就董事所知悉，本公司於截至2021年12月31日止整個年度內及於本報告日期皆保持足夠公眾持股量。

**PERMITTED INDEMNITY PROVISION**

The Company has arranged for appropriate insurance cover for Directors' and officers' liabilities in respect of legal actions against its Directors and senior management arising out of corporate activities. The permitted indemnity provision is in force for the benefit of the Directors as required by the provisions of the Companies Ordinance (Chapter 622 of the Laws of Hong Kong).

**AUDITOR**

The financial statements for the year ended 31 December 2021 of the Company have been audited by Messrs. Deloitte Touché Tohmatsu ("Deloitte") who will retire and, being eligible, offer themselves for re-appointment. A resolution for the re-appointment of Deloitte as auditor of the Company will be proposed at the forthcoming annual general meeting.

On behalf of the Board

**Wai Siu Kee**

*Chairman*

Hong Kong, 7 March 2022

**獲准許彌償條文**

本公司就其董事及高級管理人員可能面對因企業活動產生之法律訴訟已作適當之投保安排。基於董事利益的獲准許彌償條文根據公司條例(香港法例第622章)的規定生效。

**核數師**

本公司截至2021年12月31日止年度之財務報表由德勤•關黃陳方會計師行(「德勤」)審核。德勤為本公司核數師之任期將屆滿並告退，符合資格並表示願意留任。在本公司下次股東週年大會上將提呈議案，批准續聘德勤為本行之核數師。

承董事會命

**衛少琦**

*主席*

香港，2022年3月7日

# Independent Auditor's Report

## 獨立核數師報告

# Deloitte.

# 德勤

### TO THE SHAREHOLDERS OF LEE & MAN CHEMICAL COMPANY LIMITED

(incorporated in the Cayman Islands with limited liability)

致理文化工有限公司股東

(於開曼群島註冊成立之有限公司)

### OPINION

### 意見

We have audited the consolidated financial statements of Lee & Man Chemical Company Limited (the "Company") and its subsidiaries (collectively referred to as "the Group") set out on pages 97 to 202, which comprise the consolidated statement of financial position as at 31 December 2021, and the consolidated statement of profit or loss and other comprehensive income, 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.

本行已審核列載於第97至第202頁內之理文化工有限公司(「貴公司」)及其附屬公司(以下合稱為「貴集團」)之綜合財務報表，此綜合財務報表包括於2021年12月31日之綜合財務狀況表，載至該日止年度之綜合損益及其他全面收益表、綜合權益變動表及綜合現金流量表以及綜合財務報表附註，包括主要會計政策概要。

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

本行認為，綜合財務報表已根據香港會計師公會(「香港會計師公會」)頒布之香港財務報告準則(「香港財務報告準則」)真實而公平地反映 貴集團於2021年12月31日的綜合財務狀況及 貴集團於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善編製。

### BASIS FOR OPINION

### 意見的基礎

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

本行已根據香港會計師公會頒布的香港審計準則(「香港審計準則」)進行審核。本行在該等準則下承擔的責任已在本報告核數師就審核綜合財務報表承擔的責任部分中作進一步闡述。根據香港會計師公會頒布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專業道德責任。本行相信，本行所獲得的審核憑證能充足及適當地為本行的審計意見提供基礎。

### KEY AUDIT MATTER

### 關鍵審核事項

Key audit matter is those matters 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.

關鍵審核事項是指根據本行的專業判斷，認為對本期綜合財務報表的審核最為重要的事項。這些事項是在本行審核整體綜合財務報表及出具意見時進行處理的。本行不會對這些事項提供單獨的意見。

**KEY AUDIT MATTER (CONTINUED)****關鍵審核事項(續)****Key audit matter****關鍵審核事項****How our audit addressed the key audit matter****本審計如何處理關鍵審核事項****Valuation of the intangible assets for technical knowhow and property, plant and equipment for manufacturing a chemical product (the "Project")****就製造新化工產品(「項目」)相關的物業、廠房及設備及技術知識的估值**

We identified the valuation of the intangible assets and property, plant and equipment for the Project as a key audit matter due to significant estimation uncertainty involved in the determination of the recoverable amount of the cash generating unit ("CGU") of the Project.

本行將對屬於 貴集團項目的無形資產及物業、廠房及設備之減值評估確認為關鍵審核事項，原因為於確定項目現金產生單位(「現金產生單位」)的可收回金額時存在重大估計不確定性。

As detailed in Notes 4 and 18 to the consolidated financial statements, for the purpose of the impairment assessment, the carrying amounts of intangible assets and property, plant and equipment amounted to HK\$98,749,000 and HK\$92,569,000, respectively, as at 31 December 2021.

如綜合財務報表附註4及18所披露，就減值評估而言，於2021年12月31日，無形資產及物業、廠房及設備的賬面值分別為98,749,000港元及92,569,000港元。

The management of the Group performed impairment assessment and concluded that no impairment loss was recognised for the CGU. This impairment assessment was based on a value in use calculation that required significant estimation with respect to the underlying discounted cash flow model.

貴集團之管理層就該現金產生單位進行減值評估，並總結無須確認減值虧損。該減值評估基於使用價值計算，需要對相關現金流量和貼現率進行重大估計。

Our procedures in relation to the impairment assessment on the intangible assets and property, plant and equipment relating to the Project included:

本行就項目之無形資產及物業、廠房及設備作出減值評估之程序包括：

- Evaluating the appropriateness of the model used to calculate the value in use;  
評估用於計算使用價值之模式之合適性；
- Evaluating the reasonableness of the key assumptions including discount rate and budgeted sales of the CGU in the discounted cash flow model prepared and endorsed by the board of directors by considering the historical results of the CGU, the approved financial budgets and the available industry and market data;  
透過考慮該現金產生單位之過往業績、經批准之財務預算以及可用行業及市場數據，評估於經董事會準備及認可的該現金產生單位之現金流估算模型所採用之折現率及預算銷售額在內的關鍵假設之合理性；
- Evaluating the historical accuracy of the financial budgets prepared by management by comparing the historical financial budgets with the actual performance and understanding the causes for any significant variances;  
透過比較過往財務預算與實際表現，並瞭解任何重大差異產生之原因，評估由管理層所編製之財務預算之歷史準確性；
- Evaluating the reasonableness of, and recalculating, the sensitivity analysis prepared by the management and assessing the impact on value in use of the CGU;  
對管理層所編製之敏感性分析的合理性進行評估並重算，並評估對該現金產生單位使用價值的影響；
- Checking the mathematical accuracy of the value in use calculation; and  
檢查使用價值計算的準確性；及
- Understanding the Group's impairment assessment process, including the valuation model adopted and key assumptions made by the management;  
瞭解 貴集團之減值評估程序，包括管理層所採用之估值模式及所使用之關鍵假設；
- Evaluating the competence and objectivity of the independent qualified professional valuer and obtaining an understanding of the valuer's scope of work and the terms of engagement and engaging our internal valuation specialists to assess the appropriateness of the valuation methodology and discount rate adopted.  
評估獨立的合資格專業估值師的能力和客觀性，並了解估值師的工作範圍及其聘用條款，並聘請我們的內部估值專家評估採用的估值方法和折現率的合適性。

# Independent Auditor's Report

## 獨立核數師報告

### OTHER INFORMATION

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

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

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information 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 issued by the HKICPA and the disclosure requirements of the Hong Kong Companies Ordinance, and for such internal control as the directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the directors 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。其他資料包括刊載於年報內的全部資料，但不包括綜合財務報表及本行的核數師報告。

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鑒證結論。

結合本行對綜合財務報表的審計，本行的責任是閱讀其他資料，在此過程中，考慮其他資料是否與綜合財務報表或本行在審計過程中所了解的情況存在重大抵觸，或者似乎存在重大錯誤陳述的情況。基於本行已執行的工作，如果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。在這方面，本行沒有任何報告。

### 董事及負責管治人員就綜合財務報表須承擔的責任

貴公司董事須負責根據香港會計師公會頒布的香港財務報告準則及香港公司條例之披露規定編製真實而公平的綜合財務報表，以及董事釐為必須的內部監控，以使編製的綜合財務報表不存在由於欺詐或錯誤而導致的重大錯誤陳述。

在編製綜合財務報表時，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。

負責管治人員須履行監督貴集團的財務報告過程的責任。

## 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.
- 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.

## 核數師就審核綜合財務報表承擔的責任

本行的目標，是對綜合財務報表整體是否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，根據協定的聘用條款僅向整體股東報告而非用作其他用途。本行概不就本報告的內容，對任何其他人士承擔任何責任及債務。合理保證是高水平的保證，但不能保證按照香港審計準則進行的審計，在某一重大錯誤陳述存在時總能發現。錯誤陳述可以由欺詐或錯誤引起，如果合理預期它們單獨或匯總起來可能影響綜合財務報表使用者依據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。

在根據香港審計準則進行審核的過程中，本行運用了專業判斷並保持了專業懷疑態度。本行亦：

- 識別和評估由於欺詐或錯誤而導致綜合財務報表存在重大錯誤陳述的風險，設計及執行審計程序以應對這些風險，以及獲取充足和適當的審核憑證，作為我們意見的基礎。由於欺詐可能涉及串謀、偽造、蓄意遺漏、虛假陳述，或凌駕於內部監控之上，因此未能發現因欺詐而導致的重大錯誤陳述的風險高於未能發現因錯誤而導致的重大錯誤陳述的風險。
- 了解與審核相關的內部監控，以設計適當的審計程序，但目的並非對貴集團內部監控的有效性發表意見。
- 評估董事所採用會計政策的恰當性及作出會計估計和相關披露的合理性。
- 對董事採用持續經營會計基礎的恰當性作出結論。根據所獲取的審核憑證，確定是否存在與事項或情況有關的重大不確定性，從而可能導致對貴集團的持續經營能力產生重大疑慮。如果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。倘有關披露不足，則本行應當發表非無保留意見。本行的結論是基於核數師報告日止所取得的審核憑證。然而，未來事項或情況可能導致貴集團不能持續經營。



# Independent Auditor's Report

## 獨立核數師報告

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

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

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

The engagement partner on the audit resulting in the independent auditor's report is Fung Suet Ngan.

### 核數師就審核綜合財務報表承擔的責任 (續)

- 評估綜合財務報表的整體列報方式、結構和內容，包括披露，以及綜合財務報表是否公平反映交易和事項。
- 就 貴集團內實體或業務活動的財務信息獲取充足、適當的審核憑證，以便對綜合財務報表發表意見。本行負責指導、監督和執行集團審核。本行為審核意見承擔全部責任。

本行與 貴公司負責管治人員溝通，當中包括計劃的審核範圍、時間安排、重大審核發現等，包括本行在審核中識別出內部監控的任何重大缺陷。

本行亦向 貴公司負責管治人員提交聲明，說明本行已符合有關獨立性的相關專業道德要求，並與他們溝通有可能合理地被認為會影響本行獨立性的所有關係和其他事項，以及在適用的情況下，為消除威脅而採取之行動或防範措施。

從與 貴公司負責管治人員溝通的事項中，本行確定哪些事項對本期綜合財務報表的審核最為重要，因而構成關鍵審核事項。本行在核數師報告中描述這些事項，除非法律法規不允許公開披露這些事項，或在極端罕見的情況下，如果合理預期在本行報告中溝通某事項造成的負面後果超過產生的公眾利益，本行決定不應在報告中溝通該事項。

出具本獨立核數師報告的審核項目合夥人是馮雪顏。

**Deloitte Touche Tohmatsu**  
Certified Public Accountants  
Hong Kong  
7 March 2022

**德勤•關黃陳方會計師行**  
執業會計師  
香港  
2022年3月7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 2021 截至2021年12月31日止年度

		Notes 附註	2021 HK\$'000 千港元	2020 HK\$'000 千港元
<b>Revenue</b>	收入	5, 6	<b>5,185,942</b>	3,099,685
Cost of sales	銷售成本		<b>(2,847,018)</b>	(1,968,153)
Gross profit	毛利		<b>2,338,924</b>	1,131,532
Other income	其他收入	7	<b>65,936</b>	96,983
Other gains and losses	其他收益及虧損	8	<b>(4,792)</b>	237
Selling and distribution costs	銷售及分銷成本		<b>(233,117)</b>	(201,218)
General and administrative expenses	行政費用		<b>(299,365)</b>	(223,316)
Research and development cost	研發成本		<b>(230,888)</b>	(153,789)
Finance costs	融資成本	10	<b>(47,623)</b>	(55,851)
Net exchange gain	匯兌淨收益		<b>23,251</b>	42,218
Share of loss of joint ventures	應佔合營企業虧損		<b>(583)</b>	(8,505)
Share of loss of associates	應佔聯營企業虧損		<b>(662)</b>	(189)
Profit before taxation	除稅前溢利		<b>1,611,081</b>	628,102
Income tax expense	所得稅支出	9	<b>(323,072)</b>	(125,474)
<b>Profit for the year</b>	年內溢利	10	<b>1,288,009</b>	502,628
<b>Other comprehensive income</b>	其他全面收益			
<i>Items that will not be reclassified to profit or loss:</i>	<i>其後不會重新分類至損益之項目：</i>			
Exchange differences arising on translation	因換算而產生的匯兌差額		<b>155,568</b>	240,836
Share of other comprehensive income of joint ventures and associates	應佔合營及聯營企業其他全面收益		<b>5,729</b>	2,427
<b>Other comprehensive income for the year</b>	年內其他全面收益		<b>161,297</b>	243,263
<b>Total comprehensive income for the year</b>	年內全面收益總額		<b>1,449,306</b>	745,891
Earnings per share	每股盈利	11		
– Basic (HK cents)	– 基本(港仙)		<b>156.1</b>	60.9
– Diluted (HK cents)	– 攤薄(港仙)		<b>150.9</b>	60.9

## Consolidated Statement of Financial Position

## 綜合財務狀況表

At 31 December 2021 於2021年12月31日

		Notes 附註	2021 HK\$'000 千港元	2020 HK\$'000 千港元
<b>NON-CURRENT ASSETS</b>	<b>非流動資產</b>			
Property, plant and equipment	物業、廠房及設備	15	<b>5,041,104</b>	4,537,826
Right-of-use assets	使用權資產	16	<b>153,052</b>	153,547
Intangible assets	無形資產	17	<b>99,299</b>	98,661
Deposits paid for the acquisition of property, plant and equipment	購置物業、廠房及設備之已付訂金		<b>20,363</b>	55,053
Interests in joint ventures	合營企業之權益	19	<b>109,955</b>	105,602
Interests in associates	聯營企業之權益	20	<b>21,980</b>	21,849
Deferred tax assets	遞延稅項資產	9	<b>23,372</b>	23,093
Goodwill	商譽	22	<b>2,896</b>	2,793
			<b>5,472,021</b>	4,998,424
<b>CURRENT ASSETS</b>	<b>流動資產</b>			
Inventories	存貨	23	<b>762,475</b>	504,455
Properties held for sale	待售物業	24	<b>126,792</b>	–
Properties under development	發展中物業	24	<b>374,001</b>	390,804
Trade and other receivables	應收貿易及其他款項	25	<b>324,048</b>	296,074
Bills receivable	應收票據		<b>204,899</b>	134,289
Tax recoverable	可收回稅項		<b>196</b>	–
Amounts due from joint ventures	應收合營企業款項	21	<b>15,607</b>	14,966
Amount due from an associate	應收聯營企業款項	21	<b>2,133</b>	620
Amounts due from related companies	應收關連公司款項	26	<b>10,978</b>	16,492
Bank balances with restricted use	受限制銀行結餘	27	–	36,038
Bank balances and cash	銀行結餘及現金	27	<b>324,882</b>	386,645
			<b>2,146,011</b>	1,780,383
<b>CURRENT LIABILITIES</b>	<b>流動負債</b>			
Trade and other payables	應付貿易及其他款項	28	<b>613,221</b>	398,727
Bills payable	應付票據		–	116,577
Contract liabilities	合約負債	29	<b>120,772</b>	135,171
Amount due to a related company	應付關連公司款項	26	<b>10,004</b>	13,227
Taxation payable	應付稅項		<b>159,892</b>	49,423
Lease liabilities	租賃負債	30	<b>2,178</b>	2,384
Bank borrowings	銀行借款	31	<b>432,699</b>	458,663
			<b>1,338,766</b>	1,174,172
<b>NET CURRENT ASSETS</b>	<b>流動資產淨值</b>		<b>807,245</b>	606,211
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>	<b>總資產減流動負債</b>		<b>6,279,266</b>	5,604,635

		Notes 附註	2021 HK\$'000 千港元	2020 HK\$'000 千港元
<b>NON-CURRENT LIABILITIES</b>	<b>非流動負債</b>			
Other payables	應付其他款項	28	<b>36,065</b>	33,344
Lease liabilities	租賃負債	30	<b>2,190</b>	4,213
Deferred tax liabilities	遞延稅項負債	9	<b>65,876</b>	50,021
Bank borrowings	銀行借款	31	<b>600,205</b>	1,073,493
			<b>704,336</b>	1,161,071
<b>NET ASSETS</b>	<b>資產淨值</b>		<b>5,574,930</b>	4,443,564
<b>CAPITAL AND RESERVES</b>	<b>資本及儲備</b>			
Share capital	股本	32	<b>82,500</b>	82,500
Reserves	儲備		<b>5,492,430</b>	4,361,064
<b>TOTAL EQUITY</b>	<b>權益總額</b>		<b>5,574,930</b>	4,443,564

The consolidated financial statements on pages 97 to 202 were approved and authorised for issue by the Board of Directors on 7 March 2022 and are signed on its behalf by:

第97頁至第202頁所載之綜合財務報表已於2022年3月7日經董事會通過及授權刊發並由下列董事代表簽署：

**Wai Siu Kee**  
衛少琦  
CHAIRMAN  
主席

**Lee Man Yan**  
李文恩  
CHIEF EXECUTIVE OFFICER  
首席執行官

# Consolidated Statement of Changes in Equity

## 綜合權益變動表

For the year ended 31 December 2021 截至2021年12月31日止年度

		Equity attributable to owners of the Company 本公司擁有人應佔權益									
		Share capital	Share premium	Non-distributable reserve	Safety fund reserve	Translation reserve	Share options reserve	Special reserve	Other reserve	Accumulated profits	Total
Notes		股本	股份溢價	不可分派儲備	安全基金儲備	匯兌儲備	購股權儲備	特別儲備	其他儲備	累計溢利	總額
附註		HK\$'000 港幣千元	HK\$'000 港幣千元	HK\$'000 港幣千元 (Note i) (附註i)	HK\$'000 港幣千元 (Note iii) (附註iii)	HK\$'000 港幣千元	HK\$'000 港幣千元	HK\$'000 港幣千元 (Note ii) (附註ii)	HK\$'000 港幣千元	HK\$'000 港幣千元	HK\$'000 港幣千元
At 1 January 2020	於2020年1月1日	82,500	20,307	614,212	-	(210,973)	80,681	(97,362)	(686)	3,361,844	3,850,523
Other comprehensive income for the year	年內其他全面收益	-	-	-	-	243,263	-	-	-	-	243,263
Profit for the year	年內溢利	-	-	-	-	-	-	-	-	502,628	502,628
Total comprehensive income for the year	年內全面收益總額	-	-	-	-	243,263	-	-	-	502,628	745,891
Cash dividends recognised as distribution	已確認之現金股息分派	12	-	-	-	-	-	-	-	(185,625)	(185,625)
Transfer to non-distributable reserve	轉入不可分派儲備	-	-	63,806	-	-	-	-	-	(63,806)	-
Appropriation of safety fund reserve	撥入安全基金儲備	-	-	-	17,550	-	-	-	-	(17,550)	-
Utilisation of safety fund reserve	釋出安全基金儲備	-	-	-	(17,550)	-	-	-	-	17,550	-
Recognition of equity-settled share based payments	確認以股份結算之付款	34	-	-	-	-	32,775	-	-	-	32,775
At 31 December 2020	於2020年12月31日	82,500	20,307	678,018	-	32,290	113,456	(97,362)	(686)	3,615,041	4,443,564
Other comprehensive income for the year	年內其他全面收益	-	-	-	-	161,297	-	-	-	-	161,297
Profit for the year	年內溢利	-	-	-	-	-	-	-	-	1,288,009	1,288,009
Total comprehensive income for the year	年內全面收益總額	-	-	-	-	161,297	-	-	-	1,288,009	1,449,306
Cash dividends recognised as distribution	已確認之現金股息分派	12	-	-	-	-	-	-	-	(350,625)	(350,625)
Transfer to non-distributable reserve	轉入不可分派儲備	-	-	144,447	-	-	-	-	-	(144,447)	-
Appropriation of safety fund reserve	撥入安全基金儲備	-	-	-	20,321	-	-	-	-	(20,321)	-
Utilisation of safety fund reserve	釋出安全基金儲備	-	-	-	(20,321)	-	-	-	-	20,321	-
Recognition of equity-settled share based payments	確認以股份結算之付款	34	-	-	-	-	32,685	-	-	-	32,685
At 31 December 2021	於2021年12月31日	82,500	20,307	822,465	-	193,587	146,141	(97,362)	(686)	4,407,978	5,574,930

## Notes:

## 附註:

- According to the relevant laws in the People's Republic of China ("PRC"), wholly foreign-owned enterprises in the PRC are required to transfer at least 10% of their net profits after taxation, as determined under the PRC accounting regulations, to a non-distributable reserve until the reserve balance reaches 50% of their registered capital. The transfer to this reserve must be made before the distribution of a dividend to equity owners. The non-distributable reserve can be used to offset the previous years' losses, if any. The non-distributable reserve is non-distributable other than upon liquidation.
  - The special reserve of the Group represents the difference between the nominal value of the share capital issued by the Company and the nominal value of the share capital of the subsidiaries acquired pursuant to a group reorganisation in December 2001.
  - Pursuant to the relevant regulation in the PRC, certain subsidiaries of the Company are required to provide for safety reserve based on revenue. During the years ended 31 December 2020 and 31 December 2021, the safety fund reserve provided has been fully utilised.
- 根據中華人民共和國(「中國」)相關法律，在中國的外資企業須結轉最少10%除稅後溢利(根據中國會計規定釐定)至不可分派儲備，直至儲備結餘達到註冊資本50%。必須在分派股息給股東前結轉該儲備。不可分派儲備可用作抵銷過往年度虧損(如有)。除清盤外，不可分派儲備是不得分派。
  - 本集團之特別儲備乃本公司透過2001年12月之集團重組所收購之附屬公司之股本面值與本公司已發行股本面值之差額。
  - 根據中國相關政策，部份本公司之子公司需根據收入計提安全基金儲備。於2020年12月31日及2021年12月31日止年度，安全基金儲備撥備經已全數應用。

# Consolidated Statement of Cash Flows

## 綜合現金流量表

For the year ended 31 December 2021 截至2021年12月31日止年度

		<b>2021</b>	2020
		<b>HK\$'000</b>	HK\$'000
		千港元	千港元
<b>OPERATING ACTIVITIES</b>	<b>經營業務</b>		
Profit before taxation	除稅前溢利	<b>1,611,081</b>	628,102
Adjustments for:	調整：		
Depreciation of property, plant and equipment	物業、廠房及設備之折舊	<b>49,203</b>	44,178
Depreciation of right-of-use assets	使用權資產折舊	<b>4,999</b>	4,379
Finance costs	融資成本	<b>47,623</b>	55,851
Amortisation of intangible assets	無形資產之攤銷	<b>2,819</b>	2,618
Loss on disposal of property, plant and equipment	處置物業、廠房及設備損失	<b>1,701</b>	789
Net loss (gain) from fair value changes of financial assets at fair value through profit or loss	按公平值計入損益之金融資產公平值變動之淨虧損(收益)	<b>3,091</b>	(1,026)
Interest income	利息收入	<b>(4,789)</b>	(5,981)
Share-based payment expense	股權支付款項開支	<b>32,685</b>	32,775
Share of loss of joint ventures	應佔合營企業虧損	<b>583</b>	8,505
Share of loss of associates	應佔聯營企業虧損	<b>662</b>	189
Operating cash flows before movements in working capital	營運資金變動前之經營業務現金流量	<b>1,749,658</b>	770,379
Decrease in inventories	存貨減少	<b>43,337</b>	321,899
Decrease in properties held for sale	待售物業減少	<b>114,069</b>	-
Increase in properties under development	發展中物業增加	<b>(236,317)</b>	(141,406)
Increase in trade and other receivables	應收貿易及其他款項增加	<b>(36,501)</b>	(17,894)
(Increase) decrease in bills receivable	應收票據(增加)減少	<b>(75,274)</b>	15,704
Decrease (increase) in amounts due from related companies	應收關連公司款項減少(增加)	<b>5,136</b>	(1,041)
Increase in trade and other payables	應付貿易及其他款項增加	<b>244,466</b>	21,903
Decrease in bills payable	應付票據減少	<b>(114,974)</b>	(9,959)
(Decrease) increase in contract liabilities	合約負債(減少)增加	<b>(10,880)</b>	74,351
Decrease in amounts due to related companies	應付關連公司款項減少	<b>(2,904)</b>	(1,479)
Cash generated from operations	經營業務所得現金	<b>1,679,816</b>	1,032,457
Income tax paid	已付所得稅金	<b>(200,130)</b>	(152,934)
<b>NET CASH FROM OPERATING ACTIVITIES</b>	<b>經營業務所得現金淨額</b>	<b>1,479,686</b>	879,523

# Consolidated Statement of Cash Flows

## 綜合現金流量表

For the year ended 31 December 2021 截至2021年12月31日止年度

		<b>2021</b> <b>HK\$'000</b> 千港元	2020 HK\$'000 千港元
<b>INVESTING ACTIVITIES</b>	<b>投資業務</b>		
Purchase of property, plant and equipment	購置物業、廠房及設備	<b>(483,158)</b>	(297,179)
Deposits paid for acquisition of property, plant and equipment	購置物業、廠房及設備之已付訂金	<b>(189,620)</b>	(181,329)
Release (placement) of bank balances with restricted use	釋出(新做)受限制銀行結餘	<b>35,543</b>	(7,180)
Capital injection into an associate	向一間聯營企業增資	-	(1,095)
(Advance to) repayment from an associate	聯營企業之(借款)還款	<b>(1,558)</b>	611
Net (payments) proceeds from disposal of financial assets at fair value through profit or loss	出售按公平值計入損益之金融資產(所付)所得款項淨額	<b>(3,091)</b>	1,026
Proceeds from disposal of property, plant and equipment	處置物業、廠房及設備所得款項	<b>914</b>	1,769
Interest received	已收利息	<b>4,789</b>	5,981
<b>NET CASH USED IN INVESTING ACTIVITIES</b>	<b>投資業務所用現金淨額</b>	<b>(636,181)</b>	(477,396)
<b>FINANCING ACTIVITIES</b>	<b>融資業務</b>		
Repayment of bank borrowings	償還銀行借款	<b>(1,645,493)</b>	(702,001)
Dividends paid	已付股息	<b>(350,625)</b>	(185,625)
Interest paid	已付利息	<b>(49,581)</b>	(58,442)
Repayment of lease liabilities	償還租賃負債	<b>(2,427)</b>	(2,203)
Bank borrowings raised	籌集銀行借款	<b>1,128,255</b>	694,328
<b>NET CASH USED IN FINANCING ACTIVITIES</b>	<b>融資業務所用現金淨額</b>	<b>(919,871)</b>	(253,943)
<b>NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS</b>	<b>現金及現金等價物(減少)增加</b>	<b>(76,366)</b>	148,184
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR</b>	<b>年初之現金及現金等價物</b>	<b>386,645</b>	216,151
<b>EFFECT OF CHANGES IN FOREIGN EXCHANGE RATE</b>	<b>匯率變動之影響</b>	<b>14,603</b>	22,310
<b>CASH AND CASH EQUIVALENTS AT END OF THE YEAR, represented by bank balances and cash</b>	<b>年末之現金及現金等價物，即銀行結餘及現金</b>	<b>324,882</b>	386,645

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2021 截至2021年12月31日止年度

### 1. GENERAL

The Company is a limited liability company incorporated in the Cayman Islands and its shares are listed on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”). The address of the registered office and principal place of business of the Company are disclosed in the section “Corporate Information” to the annual report.

The functional currency of the Company is Renminbi (“RMB”), while the consolidated financial statements are presented in Hong Kong dollars (“HK\$”) as the Company is listed in Hong Kong.

The Company acts as an investment holding company and the principal activities of its principal subsidiaries are set out in Note 40.

### 2. 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 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 periods beginning on or after 1 January 2021 for the preparation of the consolidated financial statements:

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

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

### 1. 一般資料

本公司為一家於開曼群島註冊成立之有限責任公司，其股份於香港聯合交易所有限公司（「聯交所」）上市。本公司註冊辦事處及主要營業地點已於年報內之「公司資料」中披露。

本公司的功能貨幣為人民幣。由於本公司股份在聯交所上市，故綜合財務報表乃以港元呈列。

本公司為一間投資控股公司。其主要附屬公司之主要業務載於附註40。

### 2. 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，本集團編製綜合財務報表時首次應用自2021年1月1日或之後開始之年度期間強制生效的下列香港會計師公會（「香港會計師公會」）頒布的經修訂之香港財務報告準則：

香港財務報告準則第16號（修訂本）	<i>COVID-19相關的租金優惠</i>
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）	<i>利率基準改革 – 第二階段</i>

在本年度應用經修訂之香港財務報告準則，對本集團本年度及過往年度的綜合財務狀況及表現及／或對該等綜合財務報表所載的披露並無重大影響。



# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2021 截至2021年12月31日止年度

### 2. 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	<i>Insurance Contracts and the related Amendments</i> <sup>1</sup>
Amendments to HKFRS 3	<i>Reference to the Conceptual Framework</i> <sup>2</sup>
Amendments to HKFRS 10 and HKAS 28	<i>Sale or Contribution of Assets between an Investor and its Associate or Joint Venture</i> <sup>4</sup>
Amendments to HKFRS 16	<i>COVID-19-Related Rent Concessions beyond 30 June 2021</i> <sup>3</sup>
Amendments to HKAS 1	<i>Classification of Liabilities as Current or Non-current and related amendments to Hong Kong Interpretation 5 (2020)</i> <sup>1</sup>
Amendments to HKAS 1 and HKFRS Practice Statement 2	<i>Disclosure of Accounting Policies</i> <sup>1</sup>
Amendments to HKAS 8	<i>Definition of Accounting Estimates</i> <sup>1</sup>
Amendments to HKAS 12	<i>Deferred Tax related to Assets and Liabilities arising from a Single Transaction</i> <sup>1</sup>
Amendments to HKAS 16	<i>Property, Plant and Equipment – Proceeds before Intended Use</i> <sup>2</sup>
Amendments to HKAS 37	<i>Onerous Contracts – Cost of Fulfilling a Contract</i> <sup>2</sup>
Amendments to HKFRSs	<i>Annual Improvements to HKFRSs 2018–2020</i> <sup>2</sup>

<sup>1</sup> Effective for annual periods beginning on or after 1 January 2023

<sup>2</sup> Effective for annual periods beginning on or after 1 January 2022

<sup>3</sup> Effective for annual periods beginning on or after 1 April 2021

<sup>4</sup> Effective for annual periods beginning on or after a date to be determined

Except for below mentioned, the directors of the Company 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.

### 2. 應用經修訂香港財務報告準則(「香港財務報告準則」)(續)

#### 已頒布但尚未生效的新訂及經修訂之香港財務報告準則

本集團並無提早採納以下已頒布但尚未生效的新訂及經修訂之香港財務報告準則：

香港財務報告準則第17號	<i>保險合同及相關修訂</i> <sup>1</sup>
香港財務報告準則第3號(修訂本)	<i>對概念框架之提述</i> <sup>2</sup>
香港財務報告準則第10號及香港會計準則第28號(修訂本)	<i>投資者與其聯營公司或合營公司之間之資產出售或投入</i> <sup>4</sup>
香港財務報告準則第16號(修訂本)	<i>2021年6月30日後之COVID-19相關的租金優惠</i> <sup>3</sup>
香港會計準則第1號(修訂本)	<i>負債分類為流動或非流動及相關香港詮釋第5號的修訂(2020年)</i> <sup>1</sup>
香港會計準則第1號及香港財務報告準則實務聲明第2號(修訂本)	<i>會計政策之披露</i> <sup>1</sup>
香港會計準則第8號(修訂本)	<i>會計估計之定義</i> <sup>1</sup>
香港會計準則第12號(修訂本)	<i>單一交易中產生的資產及負債相關的遞延稅項</i> <sup>1</sup>
香港會計準則第16號(修訂本)	<i>物業、廠房及設備—擬定用途前之所得款項</i> <sup>2</sup>
香港會計準則第37號(修訂本)	<i>虧損性合約—履行合約之成本</i> <sup>2</sup>
香港財務報告準則(修訂本)	<i>對2018年至2020年週期之香港財務報告準則的年度改進</i> <sup>2</sup>

<sup>1</sup> 於2023年1月1日或之後開始的年度期間生效

<sup>2</sup> 於2022年1月1日或之後開始的年度期間生效

<sup>3</sup> 於2021年4月1日或之後開始的年度期間生效

<sup>4</sup> 於待定期日或之後開始的年度期間生效

除以下所述外，本公司董事預期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將不會對本集團綜合財務報表產生重大影響。

## 2. 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 HKAS 1 and HKFRS Practice Statement 2 Disclosure of Accounting Policies

HKAS 1 is amended to replace all instances of the term “significant accounting policies” with “material accounting policy information”. Accounting policy information is material if, when considered together with other information included in an entity’s financial statements, it can reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements.

The amendments also clarify that accounting policy information may be material because of the nature of the related transactions, other events or conditions, even if the amounts are immaterial. However, not all accounting policy information relating to material transactions, other events or conditions is itself material. If an entity chooses to disclose immaterial accounting policy information, such information must not obscure material accounting policy information.

HKFRS Practice Statement 2 *Making Materiality Judgements* (the “Practice Statement”) is also amended to illustrate how an entity applies the “four-step materiality process” to accounting policy disclosures and to judge whether information about an accounting policy is material to its financial statements. Guidance and examples are added to the Practice Statement.

The application of the amendments is not expected to have significant impact on the financial position or performance of the Group but may affect the disclosures of the Group’s significant accounting policies. The impacts of application, if any, will be disclosed in the Group’s future consolidated financial statements.

## 2. 應用經修訂香港財務報告準則(「香港財務報告準則」)(續)

已頒布但尚未生效的新訂及經修訂之香港財務報告準則(續)

#### 香港會計準則第1號及香港財務報告準則實務報告第2號(修訂本)會計政策的披露

香港會計準則第1號修訂為「重大會計政策資料」以取代「主要會計政策」條款下的所有情況。倘會計政策資料與實體財務報表所載其他資料一併考慮時，可能合理預期影響一般用途財務報表的主要使用者基於該等財務報表作出的決定，則該等資料屬重大。

該修訂本亦闡明，儘管有關款項並不重大，但由於相關交易、其他事項或狀況的性質，故會計政策資料或屬重大。然而，並非所有與重大交易、其他事項或狀況有關的會計政策資料本身屬重大。倘一間實體選擇披露非重大會計政策，則有關資料不得掩蓋重大會計政策資料。

香港財務報告準則實務報告第2號作出重要性判斷(「實務報告」)亦經修訂，以說明實體如何將「四步法評估重大性流程」應用於會計政策披露以及可判斷有關會計政策的資料對其財務報表而言是否屬重大。實務報告已附加指引及實例為實體提供協助。

預期應用該等修訂本不會對本集團財務狀況或表現造成重大影響，但可能影響本集團主要會計政策的披露。應用的影響(如有)將於本集團日後的綜合財務報表披露。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2021 截至2021年12月31日止年度

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

#### 3.1 Basis of preparation of consolidated financial statements

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

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

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

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* ("HKFRS 2"), leasing transactions that are within the scope of HKFRS 16 *Leases* ("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.

For financial instruments and 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 the results of the valuation technique equals the transaction price.

### 3. 編製綜合財務報表的基準及主要會計政策

#### 3.1 編製綜合財務報表的基準

綜合財務報表乃根據會計師公會頒布之香港財務報告準則編製。就編製綜合財務報表的目的而言，當可合理預期該等資料會影響主要使用者的決策，該等資料會被認為重大。此外，綜合財務報表載有聯交所證券上市規則（「上市規則」）及香港公司條例規定之適用披露事項。

綜合財務報表乃按歷史成本基準編製，惟若干按各報告期末之公平值計算之金融工具則除外，其會計政策於下文解釋。

歷史成本一般基於交換商品及服務時之代價之公平值。

公平值是市場參與者於計量日於有序交易中出售資產可收取或轉讓負債須支付之價格，而不論該價格是否可予直接觀察或使用其他估值方法估計。於估計資產或負債之公平值時，本集團會計及市場參與者於計量日對資產或負債定價時所考慮之資產或負債特徵。此等綜合財務報表中用作計量及／或披露用途之公平值乃按此基準釐定，惟於香港財務報告準則第2號以股份為基礎之付款（「香港財務報告準則第2號」）範圍內之以股份為基礎付款交易、於香港財務報告準則第16號租賃（「香港財務報告準則第16號」）範圍內之租賃交易及與公平值類似但並非公平值之計量（如香港會計準則第2號存貨中之可變現淨值或香港會計準則第36號資產減值之使用價值）除外。

非金融資產公平值之計量計及市場參與者可透過按該資產之最高及最佳用途使用該資產，或將該資產售予另一可按該資產之最高及最佳用途使用該資產之市場參與者，從而產生經濟利益之能力。

就按公平值交易的金融工具及投資物業以及於其後期間計量公平值時使用不可觀察輸入數據之估值方法而言，估值方法會予以校準以使初步確認時估值方法結果與交易價格相等。

### 3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### 3.1 Basis of preparation of consolidated financial statements (Continued)

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

#### 3.2 Significant accounting policies

The principal accounting policies are set out below.

##### *Basis of consolidation*

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company and its subsidiaries. Control is achieved when the Company:

- 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.

Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Specifically, income and expenses of subsidiaries acquired or disposed of during the year are included in the consolidated statement of profit or loss and other comprehensive income from the date the Group gains control until the date when the Group ceases to control the subsidiary.

### 3. 編製綜合財務報表的基準及主要會計政策(續)

#### 3.1 編製綜合財務報表的基準(續)

此外，就財務報告而言，公平值計量根據公平值計量輸入數據之可觀察程度及輸入數據對公平值整體計量之重要性被分類為第1、第2或第3級，載述如下：

- 第1級輸入數據為實體於計量日期可取得之相同資產或負債於活躍市場之報價(未經調整)；
- 第2級輸入數據為就資產或負債直接或間接可觀察之輸入數據，包括於第一級內之報價除外；及
- 第3級輸入數據為資產或負債之不可觀察輸入數據。

#### 3.2 主要會計政策

主要會計政策載列於下文。

##### *綜合基準*

本綜合財務報表包含本公司以及由本公司及其附屬公司控制之實體之財務報表。取得控制權指本公司：

- 對投資對象行使權力；
- 因參與投資對象之業務而獲得或有權獲得可變回報；及
- 有能力行使其權力以影響該等回報。

倘事實及情況反映上文所列三項控制因素其中一項或多項改變，則本公司將重估是否仍然控制投資對象。

當本集團取得附屬公司之控制權，便開始將該附屬公司綜合入賬；當本集團失去附屬公司之控制權，便停止將該附屬公司綜合入賬。具體而言，年內收購或出售之附屬公司之收入及支出會於本集團取得控制權當日起計入綜合損益及其他全面收益表，直至本集團對該附屬公司之控制權終止當日為止。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2021 截至2021年12月31日止年度

### 3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### 3.2 Significant accounting policies (Continued)

##### *Basis of consolidation (Continued)*

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies.

All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

##### *Changes in the Group's interests in existing subsidiaries*

Changes in the Group's interests in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Group's relevant components of equity and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries, including re-attribution of relevant reserves between the Group and the non-controlling interests according to the Group's and the non-controlling interests' proportionate interests.

Any difference between the amount by which the non-controlling interests are adjusted, and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Company.

### 3. 編製綜合財務報表的基準及主要會計政策(續)

#### 3.2 主要會計政策(續)

##### *綜合基準(續)*

如有需要，附屬公司之財務報表將作出調整，以使其會計政策與本集團之會計政策一致。

所有集團內成員間之交易有關的資產及負債、權益、收入、支出及現金流均於綜合入賬時全數對銷。

##### *本集團於現有附屬公司之權益之變動*

本集團於現有附屬公司之權益之變動(而並無導致本集團失去對附屬公司之控制權)當作股本交易入賬。本集團權益之相關部份及非控股權益之賬面值均予以調整，以反映於附屬公司之相對權益之變動，包括按照本集團與非控股權益之權益比例，將本集團與非控股權益之間之相關儲備重新歸屬。

非控股權益之調整額與所支付或收取代價公平值之間之任何差額，均直接於權益中確認，並歸屬於本公司擁有人。

### 3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### 3.2 Significant accounting policies (Continued)

##### *Business combinations*

Acquisitions of businesses are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of the assets transferred by the Group, liabilities incurred by the Group to the former owners of the acquiree and the equity interests issued by the Group in exchange for control of the acquiree. Acquisition-related costs are generally recognised in profit or loss as incurred.

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their fair value, except that:

- deferred tax assets or liabilities, and assets or liabilities related to employee benefit arrangements are recognised and measured in accordance with 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 sharebased payment arrangements of the acquiree are measured in accordance with HKFRS 2 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 the lease term ends within 12 months of the acquisition date. 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.

### 3. 編製綜合財務報表的基準及主要會計政策(續)

#### 3.2 主要會計政策(續)

##### *業務合併*

收購業務採用收購法入賬。於業務合併中所轉讓之代價按公平值計量，乃按本集團所轉讓資產，本集團向收購對象前擁有人產生之負債及本集團為換取收購對象控制權發行之股本權益於收購日期之公平期總和而計算。收購相關成本一般於產生時在損益中確認。

於收購日期，所收購之可識別資產及負債乃按公平值確認，除了以下：

- 遞延稅項資產或負債，以及與僱員福利安排有關的資產或負債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*的確認及計量；
- 負債或收購對象以股份支付相關的負債或權益工具或以本集團訂立股份支付的安排取代收購對象以股份為基礎之付款安排需於購買日期根據香港財務報告準則第2號計量(見下面的會計政策)；
- 根據香港財務報告準則第5號*持有待售的非流動資產及終止經營*分類為持作出售的資產(或出售組別)按該準則計量；及
- 租賃負債按租賃付款餘額的現值(定義見香港財務報告準則第16號)確認和計量，猶如購入租賃於收購日期為新租賃，惟租賃期在收購日期後12個月內終止的租賃除外。使用權資產的確認和計量與相關租賃負債的金額相同，並進行調整以反映租賃條款與市場條款相比的有利或不利條件。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2021 截至2021年12月31日止年度

### 3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### 3.2 Significant accounting policies (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.

##### *Goodwill*

Goodwill arising on an acquisition of a business is carried at cost as established at the date of acquisition of the business (see the accounting policy above) less accumulated impairment losses, if any.

For the purposes of impairment testing, goodwill is allocated to each of the Group's cash-generating unit ("CGU") (or groups of CGUs) 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 CGU (or group of CGUs) to which goodwill has been allocated is tested for impairment annually or more frequently when there is indication that the unit may be impaired. For goodwill arising on an acquisition in a reporting period, the CGU (or group of CGUs) to which goodwill has been allocated is tested for impairment before the end of that reporting period. If recoverable amount of the unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill and then to the other assets on a pro-rata basis based on the carrying amount of each asset in the CGU (or group of CGUs).

### 3. 編製綜合財務報表的基準及主要會計政策(續)

#### 3.2 主要會計政策(續)

##### *業務合併(續)*

商譽乃以所轉讓代價、收購對象所佔之任何非控股權益金額及收購者以往持有之收購對象股權公平值(如有)之總和超出所收購可識別資產及所承擔負債於收購日期之淨值之部份計量。倘經過重新評估後，所收購可識別資產及所承擔負債之淨值超出所轉讓代價、收購對象所佔之任何非控股權益金額以及收購方以往持有之收購對象權益公平值(如有)之總和，則超出部份即時於損益確認為議價收購收益。

##### *商譽*

因收購業務而產生的商譽，按於收購業務當日之成本(見上述會計政策)減累計減值虧損(如有)計值。

就減值測試而言，商譽會分配至預期可從該組合的協同效應中獲益的本集團各現金產生單位(「現金產生單位」)(或現金產生單位組別)，而該組合的協同效益代表商譽受內部管理監控的最低級別，且不大於經營分部。

已分配商譽的現金產生單位(或現金產生單位組別)每年會進行減值測試，或在有跡象顯示該單位可能出現減值時更頻密地進行減值測試。就於報告期內收購產生的商譽而言，已分配商譽的現金產生單位(或現金產生單位組別)於該報告期末前會進行減值測試。倘該單位之可收回金額低於其賬面值，則減值虧損首先被分配以減少任何商譽的賬面值，然後根據該現金產生單位(或現金產生單位組別)各項資產的賬面值按比例減值至其他資產。

### 3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### 3.2 Significant accounting policies (Continued)

##### *Goodwill (Continued)*

On disposal of the relevant CGU, the attributable amount of goodwill is included in the determination of the amount of profit or loss on disposal (or any of the CGU within group of CGUs in which the Group monitors goodwill).

The Group's policy for goodwill arising on the acquisition of associates and joint ventures is described below.

##### *Investments in associates and joint ventures*

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.

A joint venture is a joint arrangement whereby the parties that have joint control of the joint arrangement have rights to the net assets of the joint arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

The results and assets and liabilities of associates and joint ventures are incorporated in these consolidated financial statements using the equity method of accounting. The financial statements of associates and joint ventures used for equity method purposes are prepared using uniform accounting policies as those of the Group for like transactions and events in similar circumstances. Under the equity method, investments in associates or joint ventures are 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 associates or joint ventures. Changes in net assets of the associates/joint ventures other than profit or loss and other comprehensive income are not accounted for unless such changes resulted in changes in ownership interest held by the Group. When the Group's share of losses of associates or joint ventures exceeds the Group's interests in that associates or joint ventures (which includes any long-term interests that, in substance, form part of the Group's net investments in associates or joint ventures), the Group discontinues from 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 associates or joint ventures.

### 3. 編製綜合財務報表的基準及主要會計政策(續)

#### 3.2 主要會計政策(續)

##### *商譽(續)*

於出售有關現金產生單位時，會包括商譽應佔金額以確定出售事項之損益金額(或本集團監控商譽之現金產生單位組別內之任何現金產生單位)。

下文描述本集團收購聯營企業及合營企業產生的商譽政策。

##### *於聯營企業及合營企業之投資*

聯營企業乃指本集團對其具有重大影響力之一個實體。重大影響力乃指有權力參與投資對象財務及營運政策決定，但不能控制或共同控制該等政策。

合營企業乃指一項聯合安排，而對該聯合安排擁有聯合控制之各方擁有該項聯合安排的淨資產的權利。聯合控制是指按照合同約定分享對安排的控制權，只有在相關活動的決定需要共享控制權的各方一致同意時才存在。

聯營企業及合營企業之業績及資產及負債乃以權益法計入綜合財務報表。以權益法處理之聯營企業及合營企業財務報表乃按本集團就於類似情況下之交易及事件所採用者相同之會計政策編製。根據權益法，於聯營企業或合營企業的投資最初按成本於綜合財務狀況表確認，並於其後作出調整，以確認本集團應佔聯營企業或合營企業的損益及其他全面收益。聯營企業或合營企業淨資產變動(損益及其他全面收益除外)不會入賬，除非該等變動導致本集團持有的所有權權益出現變動。倘本集團分佔聯營企業或合營企業之虧損超過本集團於該聯營企業及合營企業之權益(包括實質上構成本集團於聯營企業或合營企業投資淨額一部分之任何長期權益)，本集團不再確認其分佔進一步虧損。額外虧損僅在本集團產生法定或推定責任或代表聯營企業或合營企業付款的情況下確認。



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### 3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### 3.2 Significant accounting policies (Continued)

##### Goodwill (Continued)

##### Investments in associates and joint ventures (Continued)

Investments in associates or joint ventures are accounted for using the equity method from the date on which the investee becomes an associate or a joint venture. On acquisition of the investment in an associate or a joint venture, 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 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 interests in associates or joint ventures 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 assets, 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.

When the Group reduces its ownership interests in associates or joint ventures 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 interests 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 or a joint venture of the Group, profits and losses resulting from the transactions with the associate or joint venture are recognised in the Group's consolidated financial statements only to the extent of interests in the associate or joint venture that are not related to the Group.

### 3. 編製綜合財務報表的基準及主要會計政策(續)

#### 3.2 主要會計政策(續)

##### 商譽(續)

##### 於聯營企業及合營企業之投資(續)

於投資對象成為一家聯營企業或合營企業當日，對聯營企業或合營企業之投資採用權益法入賬。於收購一間聯營企業或合營企業之投資時，投資成本超過本集團分佔該投資對象可識別資產及負債公平值淨額之任何部分乃確認為商譽，並計入投資之賬面值。倘本集團所佔可識別資產及負債於重新評估後之公平值淨額高於投資成本，則會於收購投資之期間即時在損益確認。

本集團評估是否有客觀證據證明聯營企業或合營企業的權益可能出現減值。當存在任何客觀證據時，該投資的整個賬面值(包括商譽)將根據香港會計準則第36號作為單項資產進行減值測試，方法是比較其可收回金額(使用價值與公平值減去出售成本之較高者)及其賬面金額。確認的任何減值虧損不會分配到任何資產，包括商譽，其構成投資賬面金額的一部分。而該減值虧損的任何撥回乃根據香港會計準則第36號確認，惟按投資的可收回金額隨後增加幅度為限。

當本集團降低其於聯營企業或合營企業的所有權權益，但本集團繼續使用權益法時，本集團將先前於其他全面收益中確認的收益或虧損的比例重新分類至損益，如果該收益或虧損將在出售相關資產或負債時重新分類至損益，所有權權益將會被減少。

當集團實體與本集團的聯營企業或合營企業進行交易時，與聯營企業或合營企業進行交易所產生的利潤及虧損於本集團的綜合財務報表中確認，但僅限於與本集團無關的聯營企業或合營企業的權益。

### 3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### 3.2 Significant accounting policies (Continued)

##### *Interest in a joint operation*

A joint operation is a joint arrangement whereby the parties that have joint control of the arrangement (i.e. joint operators) have rights to the assets, and obligations for the liabilities, relating to the joint arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

The Group accounts for the assets, liabilities, revenues and expenses relating to its interest in a joint operation in accordance with the HKFRSs applicable to the particular assets, liabilities, revenues and expenses.

When a group entity transacts with a joint operation in which a group entity is a joint operator (such as a sale or contribution of assets), the Group is considered to be conducting the transaction with the other parties to the joint operation, and gains and losses resulting from the transactions are recognised in the Group's consolidated financial statements only to the extent of other parties' interests in the joint operation.

When a group entity transacts with a joint operation in which a group entity is a joint operator (such as a purchase of assets), the Group does not recognise its share of the gains and losses until it resells those assets to a third party.

##### *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 or service (or a bundle of goods or services) that is distinct or a series of distinct goods or services that are substantially the same.

### 3. 編製綜合財務報表的基準及主要會計政策(續)

#### 3.2 主要會計政策(續)

##### *於合營業務之權益*

合營業務乃指一項聯合安排，而對該安排擁有聯合控制之各方(即共同經營者)擁有該項聯合安排的資產權利和負債義務。聯合控制是指按照合同約定分享對安排的控制權，只有在相關活動的決定需要共享控制權的各方一致同意時才存在。

本集團根據適用於特定資產、負債、收入及開支的香港財務報告準則，計入與其合營業務權益有關的資產、負債、收入及開支。

當集團實體與集團實體作為共同經營者的合營業務進行交易時(如銷售或注入資產)，本集團被視作與合營業務的其他各方進行交易，交易所產生的收益或虧損於本集團的綜合財務報表中確認，但僅限於與合營業務的其他各方的權益。

當集團實體與集團實體作為共同經營者的合營業務進行交易時(如購入資產)，本集團並不確認其損益份額，直至其將該等資產轉售予第三方為止。

##### *客戶合約收入*

當(或於)履約責任獲履行時，即當特定履約責任相關之商品或服務之「控制權」轉移予客戶時，本集團確認收入。

履約責任是指一項不同的商品或服務(或一籃子商品或服務)，或一系列基本相同的不同商品或服務。

# Notes to the Consolidated Financial Statements

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### 3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### 3.2 Significant accounting policies (Continued)

##### Revenue from contracts with customers (Continued)

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.

Otherwise, revenue is recognised at a point in time when the customer obtains control of the distinct good or service.

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.

### 3. 編製綜合財務報表的基準及主要會計政策(續)

#### 3.2 主要會計政策(續)

##### 客戶合約收入(續)

倘滿足以下任何一個準則，控制權是為隨著時間轉移，參照滿足相關履約責任的進度而於一段時間內確認收入：

- 客戶同時收取及耗用本集團履約時所提供的利益；
- 本集團履約時創造並增強客戶控制的資產；或
- 本集團履約時不會產生對本集團有替代用途的資產，而本集團對於已完成之履約具有可執行的付款權利。

否則，於客戶取得不同商品或服務之控制權時之時間點確認收入。

合約負債指就本集團已自客戶收取代價(或代價已到期)時本集團須向客戶轉讓商品或服務之責任。

### 3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### 3.2 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 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 or modification date. 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.

The Group applies practical expedient not to separate non-lease components from lease component, and instead account for the lease component and any associated non-lease components as a single lease component.

###### Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to leases of office premises that have a lease term of 12 months or less from the commencement date and do not contain a purchase option. The Group 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.

### 3. 編製綜合財務報表的基準及主要會計政策(續)

#### 3.2 主要會計政策(續)

##### 租賃

###### 租賃的定義

倘合約賦予權利可於一段時間內控制可識別資產的用途以換取代價，則該合約為租賃或包含租賃。

就於在首次應用日期或之後訂立或修訂的合約而言，本集團會於開始或修訂日期根據香港財務報告準則第16號項下的定義評估合約是否為租賃或包含租賃。有關合約將不會被重新評估，除非合約中的條款與條件隨後被改動。

###### 本集團作為承租人

###### 將代價分配至合約組成部分

就包含租賃組成部分以及一項或多項額外租賃或非租賃組成部分的合約而言，本集團按租賃組成部分的相對獨立價格及非租賃組成部分的合計獨立價格基準將合約代價分配至各項租賃組成部分。

作為一項可行權宜方法，本集團不將非租賃組成部分與租賃組成部分拆開，反而將租賃組成部分及任何有關的非租賃組成部分作為一項單獨租賃組成部分入賬。

###### 短期租賃及低價值資產租賃

對於租期為自開始日期起計12個月或以內且並無包含購買選擇權的辦公室物業租賃，本集團應用短期租賃應用豁免確認條款。本集團亦對低價值資產租賃應用豁免確認條款。短期租賃及低價值資產租賃的租賃付款按直線基準或其他有序基準於租期內確認為開支。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2021 截至2021年12月31日止年度

### 3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### 3.2 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 is 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. Right-of-use assets that meet the definition of inventory is presented within "properties under development" or "properties held for sale".

### 3. 編製綜合財務報表的基準及主要會計政策(續)

#### 3.2 主要會計政策(續)

##### 租賃(續)

##### 本集團作為承租人(續)

##### 使用權資產

使用權資產的成本包括：

- 租賃負債的初始計量金額；
- 於開始日期或之前作出的任何租賃付款，減任何已收租賃優惠；
- 本集團產生的任何初始直接成本；及
- 本集團在拆除及移除相關資產、復原其所在地或將相關資產復原至租賃的條款及條件所要求的狀況而產生的估計成本。

使用權資產乃按成本計量，減去任何累計折舊及減值虧損，並就租賃負債的任何重新計量作出調整。

如本集團合理確定在租賃期結束時將可獲得相關租賃資產的擁有權，則該使用權資產自開始日期起至使用年期結束時計提折舊。否則，使用權資產按直線基準於其估計可使用年期及租期(以較短者為準)內計提折舊。

本集團於綜合財務狀況表中將使用權資產呈列為獨立項目。符合存貨定義的使用權資產呈列為「發展中物業」或「待售物業」。

### 3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### 3.2 Significant accounting policies (Continued)

##### Leases (Continued)

##### The Group as a lessee (Continued)

##### Refundable rental deposits

Refundable rental deposits paid are accounted under HKFRS 9 *Financial Instruments* ("HKFRS 9") and initially measured at fair value and subsequently at amortised cost. Adjustments to fair value at initial recognition are considered as additional lease payments and included in the cost of right-of-use assets.

##### 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 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.

### 3. 編製綜合財務報表的基準及主要會計政策(續)

#### 3.2 主要會計政策(續)

##### 租賃(續)

##### 本集團作為承租人(續)

##### 可退還租賃按金

已付的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」)入賬及並初始按公平值而隨後按攤銷成本計量。對初始確認的公平值作出的調整被視為額外租賃付款，並計入使用權資產的成本。

##### 租賃負債

於租賃開始日期，本集團按當日尚未支付的租賃付款的現值確認及計量租賃負債。於計算租賃付款的現值時，倘租賃隱含的利率難以釐定，則本集團應用租賃開始日期的增量借款利率計算。

租賃付款包括：

- 固定付款(包括實質上的固定付款)減任何應收租賃優惠；
- 取決於指數或利率的可變租賃付款，其以在開始日期使用該指數或利率進行初始計量；
- 本集團預計根據餘值保證應支付的金額；
- 倘本集團合理確定會行使購買選擇權，行使購買選擇權的行使價；及
- 如果租賃期限反映本集團行使選擇權終止租賃，終止租賃的罰款。

於開始日期後，租賃負債根據利息增量及租賃付款進行調整。

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## 綜合財務報表附註

For the year ended 31 December 2021 截至2021年12月31日止年度

### 3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### 3.2 Significant accounting policies (Continued)

##### Leases (Continued)

##### The Group as a 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, in which cases the related lease liability is remeasured by discounting the revised lease payments using the initial discount rate.

The Group presents lease liabilities as a separate line item on the consolidated statement of financial position.

##### Lease modifications

The Group accounts for a lease modification as a separate lease if:

- the modification increases the scope of the lease by adding the right to use one or more underlying assets; and
- the consideration for the leases increases by an amount commensurate with the stand-alone price for the increase in scope and any appropriate adjustments to that stand-alone price to reflect the circumstances of the particular contract.

For a lease modification that is not accounted for as a separate lease, the Group remeasures the lease liability based on the lease term of the modified lease by discounting the revised lease payments using a revised discount rate at the effective date of the modification.

The Group accounts for the remeasurement of lease liabilities by making corresponding adjustments to the relevant right-of-use assets. When the modified contract contains one or more additional lease components, the Group allocates the consideration in the modified contract to each lease component on the basis of the relative stand-alone price of the lease component. The associated non-lease components are included in the respective lease components.

### 3. 編製綜合財務報表的基準及主要會計政策(續)

#### 3.2 主要會計政策(續)

##### 租賃(續)

##### 本集團作為承租人(續)

##### 租賃負債(續)

倘出現以下情況，本集團會重新計量租賃負債(並對有關使用權資產作出相應調整)：

- 倘租期有變動或行使購買選擇權的評估發生變化，則相關租賃負債透過使用重新評估日期的經修訂折現率對經修訂租賃付款折現並重新計量。
- 倘租賃付款因市場租金檢討後市場租金出現變化而有所變化，則相關租賃負債透過使用初始折現率對經修訂租賃付款折現並重新計量。

本集團於綜合財務狀況表中將使用權負債呈列為獨立項目。

##### 租賃修訂

倘存在下列情況，則本集團將租賃修訂獨立入賬：

- 該項修訂透過增加使用一項或多項相關資產的權利擴大租賃範圍；及
- 增加租賃的代價，增加的金額相當於範圍擴大對應的獨立價格，並按照特定合約的實際情況對獨立價格進行的任何適當調整。

對於不入賬為獨立租賃的租賃修訂，本集團使用修訂生效日期的經修訂折現率對經修訂租賃付款折現，以根據經修訂租賃的租期重新計量租賃負債。

本集團通過對相關使用權資產進行相應調整，計入重新計量租賃負債。就包含一項或多項額外租賃組成部分的合約而言，本集團按租賃組成部分的相對獨立價格基準將合約代價分配至各項租賃組成部分。相關非租賃部分已包括在各對應租賃部分內。

### 3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### 3.2 Significant accounting policies (Continued)

##### Leases (Continued)

##### The Group as a 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.

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.

##### 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.

##### Lease modification

Changes in considerations of lease contracts that were not part of the original terms and conditions are accounted for as lease modifications, including lease incentives provided through forgiveness or reduction of rentals.

The Group accounts for a modification to an operating lease as a new lease from the effective date of the modification, considering any prepaid or accrued lease payments relating to the original lease as part of the lease payments for the new lease.

### 3. 編製綜合財務報表的基準及主要會計政策(續)

#### 3.2 主要會計政策(續)

##### 租賃(續)

##### 本集團作為出租人

##### 租賃的分類及計量

本集團作為出租人的租賃分類為融資或經營租賃。實質上轉移了與資產所有權有關的全部風險及報酬的租賃為融資租賃。所有其他租賃為經營租賃。

來自經營租賃的租金收入以直線法於有關租期內於損益確認。磋商安排經營租賃的初期直接成本計入租賃資產賬面值，以直線法於租期內確認為開支。

##### 將代價分配至合約組成部分

當合約包括租賃及非租賃組成部分，本集團應用香港財務報告準則第15號客戶合同收入（「香港財務報告準則第15號」），將合約的代價分配至租賃及非租賃組成部分。非租賃組成部分根據其相對獨立售價與租賃組成部分分開。

##### 可退還租賃按金

已收的可退還租賃按金根據香港財務報告準則第9號入賬及按公平值初始計量。對初始確認的公平值作出的調整被視為來自承租人的額外租賃付款。

##### 租賃修訂

不屬於原始條款及條件的租賃合約的代價變動作為租賃修改入賬，其包括以租金寬免或減免形式提供的租賃優惠措施。

本集團於修訂生效日期起將經營租賃的修訂列為新租賃，並將任何與原租賃有關的預付或累計租賃付款視作新租賃的租賃付款。



# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2021 截至2021年12月31日止年度

### 3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### 3.2 Significant accounting policies (Continued)

##### Foreign currencies

In preparing the financial statements of each individual group entity, transactions in currencies other than the functional currency of that entity (foreign currencies) are recognised at the rates of exchanges prevailing on the dates of the transactions. At the end of the reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences arising on settlement of the monetary items, and on the retranslation of monetary items, are recognised in profit or loss in the period in which they arise, except for exchange differences on monetary items receivable from or payable to a foreign operation for which settlement is neither planned nor likely to occur (therefore forming part of the net investment in the foreign operation), which are recognised initially in other comprehensive income and reclassified from equity to profit or loss on disposal or partial disposal of the Group's interests in associates/joint ventures.

For the purposes of presenting the consolidated financial statements, the assets and liabilities of the Group's operation are translated into the presentation currency of the Group (i.e. HK dollars) using exchange rates prevailing at the end of each reporting period. Income and expenses items are translated at the average exchange rates for the year, unless exchange rates fluctuate significantly during the period, in which case, the exchange rates prevailing at the dates of transactions are used. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in equity under the heading of "translation reserve".

### 3. 編製綜合財務報表的基準及主要會計政策(續)

#### 3.2 主要會計政策(續)

##### 外幣

編製各個別集團實體之財務報表時，以該實體功能貨幣以外之貨幣(外幣)進行之交易按其各自之功能貨幣於交易日期之適用匯率入賬。於報告期末，以外幣計值之貨幣項目按當日匯率重新換算。以外幣計值並按公平值列賬之非貨幣項目乃按釐定公平值當日匯率重新換算。以外幣歷史成本計量之非貨幣項目不會重新換算。

結算及重新換算貨幣項目所產生之匯兌差額於其產生期間於損益內確認，惟源自其結算並無計劃及不大可能出現的應收或應付境外業務之貨幣項目的匯兌差額(因此組成境外業務淨投資之一部分)除外，該差額初步於其他全面收益表確認及當出售或部分出售本集團之聯營／合營企業權益時重新由權益分類至損益。

就呈列綜合財務報表而言，本集團海外經營業務之資產及負債乃按於報告期末當日匯率換算為本公司之列賬貨幣(即港元)，而收入及支出乃按該年度之平均匯率進行換算，除非匯率於該期間內出現大幅波動則作別論。於此情況下，則採用於換算當日匯率。所產生之匯兌差額(如有)於「匯兌儲備」項下為其他全面收益及累計於權益中確認。

### 3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### 3.2 Significant accounting policies (Continued)

##### Foreign currencies (Continued)

On the disposal of a foreign operation (i.e. a disposal of the Group's entire interest in a foreign operation, or a disposal involving loss of control over a subsidiary that includes a foreign operation, or a partial disposal of an interest in a joint arrangement that includes a foreign operation of which the retained interest becomes a financial asset), all of the exchange differences accumulated in equity in respect of that operation attributable to the owners of the Company are reclassified to profit or loss.

In addition, in relation to a partial disposal of a subsidiary that does not result in the Group losing control over the subsidiary, the proportionate share of accumulated exchange differences are re-attributed to non-controlling interests and are not recognised in profit or loss. For all other partial disposals (i.e. partial disposals of associates or joint arrangements that do not result in the Group losing significant influence or joint control), the proportionate share of the accumulated exchange differences is reclassified to profit or loss.

Exchange differences relating to the retranslation of the Group's net assets in RMB to the Group's presentation currency (i.e. HK dollars) are recognised directly in other comprehensive income and accumulated in translation reserve. Such exchange differences accumulated in the translation reserve are not reclassified to profit or loss subsequently.

##### 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 borrowings 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.

### 3. 編製綜合財務報表的基準及主要會計政策(續)

#### 3.2 主要會計政策(續)

##### 外幣(續)

由出售海外業務時(出售本集團海外業務所有權益或出售附屬公司而失去控制權，並包括海外業務，出售共同合作公司之部分權益且保留權益為財務資產並包括海外業務)，所有累計於權益之匯兌差額且與本公司擁有人應佔權益乃重新分類至損益。

此外，有關出售部份附屬公司且不會引致本集團失去附屬公司控制權，按比例份額之累計匯兌差額會再分配到非控股權益及不會於損益中確認。所有其他部份出售(聯營企業或合營企業之部份出售且不引致本集團失去聯營企業重大影響或合營企業控制)，按比例份額之累計匯兌差額會重新分類至損益。

與將本集團的人民幣淨資產重新換算為本集團的列賬貨幣(即港元)相關的匯兌差額會直接於其他全面收益中確認，並累計在匯兌儲備中。匯兌儲備中累計的匯兌差額隨後不會重新分類至損益。

##### 借貸成本

直接源自收購、建造或生產的合資格資產，而有關資產需要一段長時間方可供作擬定用途或出售之借貸成本會計入該等資產成本部分，直至該資產大致上可供作擬定用途或出售為止。

在相關資產達至其擬定用途或出售後仍未償還的任何特定借貸，會計入一般借款池以計算一般借貸的資本化率。尚未用於合資格資產之特定借貸作短期投資賺取之投資收入，於合資格資本化之借貸成本中扣除。

所有其他借貸成本均於產生期間在損益內確認。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2021 截至2021年12月31日止年度

### 3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### 3.2 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. Specifically, government grants whose primary condition is that the Group should purchase, construct or otherwise acquire non-current assets are recognised as deferred income/a deduction from the carrying amount of the relevant asset in the consolidated statement of financial position and transferred to profit or loss on a systematic and rational basis over the useful lives of the related assets.

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 are reasonably certain to become receivable. Government grants relating to compensation of expenses are deducted from the related expenses, other government grants are presented under "other income".

##### Employee benefits

###### Retirement benefit costs

Payments to the Mandatory Provident Fund Scheme and national statutory social security insurance scheme are recognised as an expense when employees have rendered service entitling them to the contributions.

###### Termination benefits

A liability for a termination benefit is recognised at the earlier of when the Group entity can no longer withdraw the offer of the termination benefit and when it recognises any related restructuring costs.

### 3. 編製綜合財務報表的基準及主要會計政策(續)

#### 3.2 主要會計政策(續)

##### 政府補貼

在合理地保證本集團會遵守政府補助的附帶條件以及收到補助後，政府補助方會予以確認。

政府補貼於本集團確認有關成本為開支期間有系統地於損益內確認，該補貼擬用於補償相關成本。尤其是政府補貼之主要條件是指本集團購買、建設或收購非流動資產並確認於綜合財務狀況表中的相關資產之賬面值中延遲收入扣除及按有關資產之使用期限有系統及理性地轉移至損益內。

作為補償已產生開支或虧損或旨在為本集團提供實時財務資助(而無未來相關成本)之應收政府補貼，乃於應收期間確認為損益。與費用補償有關的政府補助從相關費用中扣除，其他政府補助則在「其他收益」中列示。

##### 員工福利

###### 退休福利成本

向強制性公積金計劃和國家法定社會保障保險計劃支付的費用在員工提供服務使其有權獲得供款時確認為費用。

###### 終止合約福利

當本集團不能再提取離職福利及已確認為相關重組成本，離職福利的負債需及早確認。

### 3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### 3.2 Significant accounting policies (Continued)

##### *Employee benefits (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.

##### *Share-based payment arrangements*

##### *Equity-settled share-based payment transactions*

##### *Share options granted to a director*

Equity-settled share-based payments to a director are measured at the fair value of the equity instruments at the grant date.

The fair value of the equity-settled share-based payments determined at the grant date without taking into consideration all non-market vesting conditions is expensed on a straight-line basis over the vesting period, based on the Group's estimate of equity instruments that will eventually vest, with a corresponding increase in equity under the heading of "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 share options reserve. For share options that vest immediately at the date of grant, the fair value of the share options granted is expensed immediately to profit or loss.

### 3. 編製綜合財務報表的基準及主要會計政策(續)

#### 3.2 主要會計政策(續)

##### *員工福利(續)*

##### *短期及其他長期員工福利*

短期員工福利於預期支付福利和僱員提供服務時以未折現金額確認。除非其他香港財務報告準則要求或准許福利包括在資產的成本內之外，所有短期員工福利會確認為支出。

提供給員工的福利(如工資及薪金、年假及病假)扣除已付的金額後會確認為負債。

就其他長期僱員福利確認的負債乃按本集團預期將就僱員直至報告日期提供的服務作出的估計未來現金流出現值予以計量。服務成本、利息及重新計量所導致的任何負債賬面值變動乃在損益內確認，惟以其他香港財務報告準則規定或允許其納入資產成本為限除外。

##### *以股份為基礎的付款安排*

##### *以權益結算以股份為基礎的付款交易*

##### *授予一位董事之購股權*

向本公司董事作出的以權益結算以股份為基礎的付款交易乃按權益工具於授出日期之公平值計量。

以授出當日(並無考慮非市場性質的歸屬條件)之公平值來釐定的以權益結算股份支付款項，按集團估計權益工具將會最終歸屬的期間以直線法支銷，並於權益中(以股份支付款項儲備內)作相應增加。於報告期末，就附帶非市場表現歸屬條件之購股期權，集團會根據所有相關非市場性質的歸屬條件的評估，修正其預計歸屬購股期權數量之估算。從修改原有估算產生在歸屬期內之影響(如有)於損益內確認，其累計開支反映已修正之估算，而以股份支付款項儲備亦作相應調整。就可於授權當日即時行使的購股權，該購股權需以公平值以費用形式在損益反映。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2021 截至2021年12月31日止年度

### 3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### 3.2 Significant accounting policies (Continued)

##### Share-based payment arrangements (Continued)

##### Equity-settled share-based payment transactions (Continued)

##### Share options granted to a director (Continued)

When share options are exercised, the amount previously recognised in share options reserve will be transferred to 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 accumulated profits.

##### Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit before taxation as reported in the consolidated statement of profit or loss and other comprehensive income because of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the consolidated statement of financial position and the corresponding tax base 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 defined assets and liabilities are not recognised if the temporary difference arises from the initial recognition of other 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.

### 3. 編製綜合財務報表的基準及主要會計政策(續)

#### 3.2 主要會計政策(續)

##### 以股份為基礎的付款安排(續)

##### 以權益結算以股份為基礎的付款交易(續)

##### 授予一位董事之購股權(續)

當購股權獲行使時，先前於購股權儲備確認的款額將轉撥至股份溢價。當購股權於歸屬日期後被沒收或於到期日仍未獲行使，先前於購股權儲備確認的款額將轉撥至累計溢利。

##### 稅項

所得稅開支指即期應付稅項及遞延稅項的總和。

即期應付稅項根據該年度的應課稅溢利計算。應課稅溢利有別於綜合損益及全面收益表內所呈報的除稅前溢利，其因並無計入其他年度的應課稅或可扣稅收支項目，亦無計入日後的永不課稅及永不扣稅的項目。本集團的即期稅項負債乃按已於各報告期末頒布或實質頒布的稅率計算。

遞延稅項乃就綜合財務報表內的資產與負債賬面值與計算應課稅溢利所採用的相應稅基間的暫時性差額確認。遞延稅項負債一般就所有應課稅暫時性差額予以確認，而遞延稅項資產則於可能動用應課稅溢利以抵銷可扣稅的暫時性差額才予以確認。倘因初步確認一項既不影響應課稅溢利亦不影響會計溢利的交易的商譽或其他資產與負債而產生暫時性差額，則有關資產與負債不予確認。此外，因初步確認商譽衍生之暫時性差額，其遞延稅項負債則不予確認。

### 3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### 3.2 Significant accounting policies (Continued)

##### Taxation (Continued)

Deferred tax liabilities are recognised for taxable temporary differences associated with investments in subsidiaries, and interests in joint ventures and associates, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests 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.

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.

### 3. 編製綜合財務報表的基準及主要會計政策(續)

#### 3.2 主要會計政策(續)

##### 稅項(續)

遞延稅項負債乃就附屬公司投資及合營企業和聯營企業之權益所產生的應課稅暫時性差額確認，惟倘本集團能控制暫時性差額的撥回以及暫時性差額有機會不會於可見將來撥回除外。與該等投資及權益相關之可扣稅暫時差額所產生之遞延稅項資產僅於可能有足夠應課稅溢利可以使用暫時差額之益處且預計於可見將來可以撥回時確認。

遞延稅項資產的賬面值乃於各報告期末進行檢討，並於不大可能動用足夠應課稅溢利以收回全部或部分資產時予以扣減。

遞延稅項按預期於清償負債或變現資產的期間內應用的稅率，以報告期末已生效或實質上已生效之稅率(及稅法)為基準計算。

遞延稅項負債及資產的計算，反映了本集團於報告期末所預期對收回或償還其資產及負債之賬面值的方式所產生的稅務結果。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2021 截至2021年12月31日止年度

### 3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### 3.2 Significant accounting policies (Continued)

##### Taxation (Continued)

For the purposes of measuring deferred taxes for investment properties that are measured using the fair value model, the carrying amounts of investment 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 all of the economic benefits embodied in the investment property over time, rather than through sale, except for freehold land, which is always presumed to be recovered entirely 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 to the same taxable entity by the same taxation authority.

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

### 3. 編製綜合財務報表的基準及主要會計政策(續)

#### 3.2 主要會計政策(續)

##### 稅項(續)

為了測量使用公平值模式計量的投資物業的遞延稅項，該投資物業的賬面金額假設通過銷售完全收回，除非該假設被推翻。當投資物業可折舊時，該推定被推翻，並在商業模式中持有，其目的是隨著時間的推移而不是通過銷售消耗投資物業的所有經濟利益，永久業權之土地其永遠預計透過出售全數收回除外。

當有法定行使權可將當期稅項資產與當期稅項負債抵銷，並涉及與同一稅務機關向同一應課稅實體徵收的所得稅，則遞延稅項資產與負債互相抵銷。

即期及遞延稅項於損益內確認，惟倘遞延稅項涉及於其他全面收益或直接於權益確認項目，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內確認。

### 3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### 3.2 Significant accounting policies (Continued)

##### Property, plant and equipment

Property, plant and equipment including buildings held for use in the production of goods or for administrative purposes (other than construction in progress) are stated in the consolidated statement of financial position at cost less subsequent accumulated depreciation and subsequent accumulated impairment losses, if any.

Properties, plant and machinery in the course of construction for production or administrative purposes are carried at cost, less any recognised impairment loss. Costs include any costs directly attributable to bringing the asset to the 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. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

When the Group makes payments for ownership interests of properties which includes both leasehold land and building elements, the entire consideration is allocated between the leasehold land and the building elements in proportion to the relative fair values at initial recognition. To the extent the allocation of the relevant payments can be made reliably, interest in leasehold land that is accounted for as an operating lease is presented as "right-of-use assets" in the consolidated statement of financial position. When the consideration cannot be allocated reliably between non-lease building element and undivided interest in the underlying leasehold land, the entire properties are classified as property, plant and equipment.

Depreciation is recognised so as to write off the cost of assets other than construction in progress less their residual values over their estimated useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the net disposal proceeds and the carrying amount of the asset and is recognised in profit or loss.

### 3. 編製綜合財務報表的基準及主要會計政策(續)

#### 3.2 主要會計政策(續)

##### 物業、廠房及設備

物業、廠房及設備，包括持作生產或作行政用途之建築物及租賃土地（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）於綜合財務狀況表呈列。

為生產或行政用途而建的在建物業、廠房及設備按成本減任何已確認減值虧損列值。成本包括使資產達到能夠按照管理層擬定的方式開展經營所必要的位置及條件而直接產生的任何成本及就合資格資產而言根據本集團會計政策資本化的借款成本。該等資產於資產可投入擬定用途時開始按與其他物業資產相同的基準計算折舊。

本集團就同時包括租賃土地及樓宇成分的物業之所有權權益作出付款時，全部代價於租賃土地及樓宇組成之間按初始確認的相對公平價值比例進行分配。在相關付款可作可靠分配的情況下，租賃土地權益於綜合財務狀況表中呈列為使用權資產。當代價無法在相關租賃土地的非租賃樓宇組成及未分割權益之間可靠分配時，整項物業分類為物業、廠房及設備。

折舊乃利用直線法確認以撇銷資產（在建工程除外）成本，減去資產於其估計可使用年期的剩餘價值。估計可使用年期、剩餘價值及折舊方法於各報告期末作檢討，相關估計之任何變動影響於日後反映。

物業、廠房及設備項目於出售時或當預期繼續使用該資產不會產生任何日後經濟利益時解除確認。出售或報廢物業、廠房及設備項目產生的收益或虧損乃按出售該資產所得款項與賬面值間的差額釐定並於損益中確認。



# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

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### 3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### 3.2 Significant accounting policies (Continued)

##### *Intangible assets*

##### *Intangible assets acquired separately*

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and any accumulated impairment loss. Amortisation for intangible assets with finite useful lives is recognised on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains and losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognised in profit or loss when the asset is derecognised.

##### *Impairment losses on property, plant and equipment, right-of-use assets and intangible assets*

At the end of the reporting period, the Group reviews the carrying amounts of its property, plant and equipment, right-of-use assets and intangible assets with finite useful lives to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the relevant asset is estimated in order to determine the extent of the impairment loss, if any.

The recoverable amount of property, plant and equipment, right-of-use assets and intangible assets are estimated individually. When it is not possible to estimate the recoverable amount individually, the Group estimates the recoverable amount of the CGU to which the asset belongs.

In testing a CGU for impairment, corporate assets are allocated to the relevant CGU when a reasonable and consistent basis of allocation can be established, or otherwise they are allocated to the smallest group of CGU for which a reasonable and consistent allocation basis can be established. The recoverable amount is determined for the CGU or group of CGUs to which the corporate asset belongs, and is compared with the carrying amount of the relevant CGU or group of CGUs.

### 3. 編製綜合財務報表的基準及主要會計政策(續)

#### 3.2 主要會計政策(續)

##### *無形資產*

##### *單獨收購的無形資產*

單獨收購且具有限可使用年期的無形資產按成本減累計攤銷及任何累計減值虧損入賬。具有限可使用年期的無形資產的攤銷於其估計可使用年期內按直線基準確認。估計可使用年期及攤銷法於各報告期末檢討，而相關估計之任何變動影響於日後反映。

無形資產於出售時或預期使用或出售不會產生未來經濟利益時解除確認。解除確認無形資產所產生的收益及虧損，其按出售所得款項淨額與資產賬面值之間的差額計量，於解除確認資產時於損益中確認。

##### *物業、廠房及設備，使用權資產及無形資產的減值*

於報告期末，本集團審閱其物業、廠房及設備，使用權資產以及無形資產的賬面值，以確定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，則估計該資產的可收回金額以釐定減值虧損的程度(如有)。

物業、廠房及設備，使用權資產以及無形資產的可收回金額乃獨立估算。如不可能估計個別資產的可收回金額，則本集團會估計資產所屬現金產生單位的可收回金額。

為一個現金產生單位進行減值測試時，當可以建立合理而一致的分配基礎時，企業資產將分配至相關現金產生單位，否則將其分配至可以建立合理而一致的分配基礎的最小現金產生單位組合。可收回金額將按企業資產所屬的現金產生單位或現金產生單位組合釐定，並與相關現金產生單位或現金產生單位組合的賬面值進行比較。

### 3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### 3.2 Significant accounting policies (Continued)

##### *Impairment losses on property, plant and equipment, right-of-use assets and intangible assets (Continued)*

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or a CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (or a CGU) 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 CGU, the Group compares the carrying amount of a group of CGUs, including the carrying amounts of the corporate assets or portion of corporate assets allocated to that group of CGUs, with the recoverable amount of the group of CGUs. 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 CGU or the group of CGUs. 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 CGU or the group of CGUs. An impairment loss is recognised immediately in profit or loss.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or a CGU or a group of CGUs) 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 CGU or a group of CGUs) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

##### *Inventories*

Inventories are stated at the lower of cost and net realisable value. Costs of inventories are determined on a first-in, first-out method. Net realisable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale. Costs necessary to make the sale include incremental costs directly attributable to the sale and non-incremental costs which the Group must incur to make the sale.

### 3. 編製綜合財務報表的基準及主要會計政策(續)

#### 3.2 主要會計政策(續)

##### *物業、廠房及設備，使用權資產及無形資產的減值(續)*

可收回金額為公平值減出售成本與使用價值兩者的較高者。於評估使用價值時，估計未來現金流量按稅前折現率折現至其現值，稅前折現率反映貨幣時間價值的現時市場評估及資產或現金產生單位的特定風險(未來現金流量估計並無就此類風險作出調整)。

倘資產(或現金產生單位)的估計可收回金額低於其賬面值，則資產(或現金產生單位)的賬面值會被調低至其可收回金額。就未能按合理一致基準分配至現金產生單位的企業資產或一部分企業資產而言，本集團會將一組現金產生單位的賬面值(包括分配至該現金產生單位組別的企業資產或一部分企業資產的賬面值)與該組現金產生單位的可收回款項作比較。於分配減值虧損時，首先分配減值虧損以減少任何商譽(如適用)的賬面值，隨後按比例根據該現金產生單位或該組現金產生單位各資產的賬面值分配至其他資產。資產賬面值不得減少至低於其公平值減出售成本(如可計量)、其使用價值(如可釐定)及零之最高者。本應另行分配至該資產之減值虧損金額按比例分配至該現金產生單位或該組現金產生單位的其他資產。減值虧損乃即時於損益確認。

倘減值虧損其後撥回，則資產(或現金產生單位或一組現金產生單位)的賬面值會上調至其經修訂估計可收回金額，但經上調的賬面值不得超出倘資產(或現金產生單位或一組現金產生單位)於過往年度並無確認減值虧損時原應確定的賬面值。減值虧損撥回即時確認為損益。

##### *存貨*

存貨乃按成本及可變現淨值之較低者列賬。存貨成本按先入先出法釐定。可變現淨值指存貨估計售價減估計完成所需之全部成本以及銷售所需成本。銷售所需成本包括銷售直接應佔增量成本及本集團銷售時必須產生的非增量成本。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2021 截至2021年12月31日止年度

### 3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### 3.2 Significant accounting policies (Continued)

##### *Properties under development/properties held for sale*

Properties under development which are intended to be sold upon completion of development and properties for sale are classified as current assets. Except for the leasehold land element which is measured at cost model in accordance with the accounting policies of right-of-use assets upon the application of HKFRS 16, properties under development for sale are carried at the lower of cost and net realisable value. Cost is determined on a specific identification basis including allocation of the related development expenditure incurred and where appropriate, borrowing costs capitalised. Net realisable value represents the estimated selling price for the properties less estimated cost to completion and costs necessary to make the sale. Cost necessary to make the sale include incremental costs directly attributable to the sale and non-incremental costs which the Group must incur to make the sale.

Properties under development are transferred to properties held for sale upon completion.

##### *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/settlement 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.

### 3. 編製綜合財務報表的基準及主要會計政策(續)

#### 3.2 主要會計政策(續)

##### *發展中物業／待售物業*

擬於竣工後時出售的發展中物業及待售物業被分類為流動資產。除租賃土地部分外，其自應用香港財務報告準則第16號後根據使用權資產的會計政策以成本模型計量，待出售的發展中物業乃以成本及可變現淨值兩者之較低值入賬。成本乃按特定辨識基準釐定並包括分攤於發展相關之支出及在適當的情況下資本化之借貸成本。可變現淨值指於一般業務過程中物業之估計售價減估計完成成本及行銷必須之估計成本。銷售所須成本包括銷售直接應佔增量成本及本集團銷售時必須產生的非增量成本。

發展中物業會於竣工後轉出至待售物業。

##### *金融工具*

當集團實體成為工具合約條文之訂約方，則確認金融資產及金融負債。所有日常購買或出售之財務資產均按交易日／結算日基準確認及解除確認。日常購買或出售指按於市場規則或慣例確立之時限內交付資產之財務資產購買或出售。

金融資產及金融負債初步按公平值計量，惟按照香港財務報告準則第15號初步計量之客戶合約產生之貿易應收賬款除外。因收購或發行金融資產及金融負債(不包括按公平值透過損益列賬之金融資產及金融負債)而直接產生之交易成本，於初次確認時加入金融資產或金融負債(如適用)之公平值，或自金融資產或金融負債(如適用)之公平值扣除。收購按公平值透過損益列賬之金融資產或金融負債時，直接產生之交易成本即時於損益確認。

### 3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### 3.2 Significant accounting policies (Continued)

##### Financial instruments (Continued)

The effective interest method is a method of calculating the amortised cost of a financial asset or a 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 and dividend income are presented as other income.

##### 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 collecting contractual cash flows and selling; and
- the contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

### 3. 編製綜合財務報表的基準及主要會計政策(續)

#### 3.2 主要會計政策(續)

##### 金融工具(續)

實際利率法為計算金融資產或金融負債的攤銷成本以及在有關期間內分配利息收入及利息開支的方法。實際利率是將估計未來現金收支(包括已支付或收取並構成實際利率組成部分之所有費用和貼息、交易費以及其他溢價或折讓)透過金融資產或金融負債的預計年期或(倘適用)更短期間準確折現至初步確認時的賬面淨值的利率。

利息及股息收入列報為其他收入。

##### 金融資產

金融資產之分類及其後計量

符合下列條件之金融資產其後按攤銷成本計量：

- 在其目標為收回合約現金流之業務模式內持有之金融資產；及
- 合約條款為僅於特定日期產生支付本金及未償付本金之利息之現金流。

符合下列條件之金融資產其後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：

- 在其目標為收回合約現金流及出售之業務模式內持有之金融資產；及
- 合約條款為僅於特定日期產生支付本金及未償付本金之利息之現金流。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

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### 3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### 3.2 Significant accounting policies (Continued)

##### Financial instruments (Continued)

##### Financial assets (Continued)

Classification and subsequent measurement of financial assets (Continued)

All other financial assets are subsequently measured at fair value through profit and 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 other comprehensive income ("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.

A financial asset is held for trading if:

- it has been acquired principally for the purpose of selling in the near term;
- on initial recognition it is a part of a portfolio of identified financial instruments that the Group manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument.

In addition, the Group may irrevocably designate a financial asset that are required to be measured at the amortised cost or FVTOCI as measured at FVTPL if doing so eliminates or significantly reduces an accounting mismatch.

### 3. 編製綜合財務報表的基準及主要會計政策(續)

#### 3.2 主要會計政策(續)

##### 金融工具(續)

##### 金融資產(續)

金融資產之分類及其後計量(續)

所有其他金融資產其後按公平值計入損益(「按公平值計入損益」)，惟於初始應用香港財務報告準則第9號/初始確認金融資產日期，倘該股本投資既非持作買賣亦非由收購方按香港財務報告準則第3號業務合併適用之業務合併內確認之或然代價，本集團則可不可撤銷地選擇將股本投資公平值之其後變動呈列在其他全面收益(「其他全面收益」)內。

若符合下列情況之一，金融資產為持作買賣：

- 收購金融資產之目的主要為於近期內出售；
- 於初步確認時，該金融資產為由本集團共同管理之已識別金融工具組合之一部份，並且最近有可短期獲利之實際模式；或
- 其為一種未被指定而又不足有效為對沖工具之衍生工具。

此外，倘如此可消除或大幅減少會計錯配，本集團可以不可撤銷地將須按攤銷成本或須按公平值計入其他全面收益之金融資產指定為按公平值計入損益之金融資產。

### 3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### 3.2 Significant accounting policies (Continued)

##### Financial instruments (Continued)

##### Financial assets (Continued)

Classification and subsequent measurement of financial assets (Continued)

##### (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. Interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset, except for financial assets that have subsequently become credit-impaired (see below). For financial assets that have subsequently become credit impaired, interest income is recognised by applying the effective interest rate to the amortised cost of the financial asset from the next reporting period. If the credit risk on the credit impaired financial instrument improves so that the financial asset is no longer credit-impaired, interest income is recognised by applying the effective interest rate to the gross carrying amount of the financial asset from the beginning of the reporting period following the determination that the asset is no longer credit-impaired.

##### (ii) Receivables measured as at FVTOCI

Subsequent changes in the carrying amounts for receivables measured as at FVTOCI as a result of interest income calculated using the effective interest method are recognised in profit or loss. Impairment allowances are recognised in profit or loss with corresponding adjustment to OCI without reducing the carrying amounts of these receivables. The amounts that are recognised in profit or loss are the same as the amounts that would have been recognised in profit or loss if these receivables had been measured at amortised cost. When these receivables are derecognised, the cumulative gains or losses previously recognised in other comprehensive income are reclassified to profit or loss.

### 3. 編製綜合財務報表的基準及主要會計政策(續)

#### 3.2 主要會計政策(續)

##### 金融工具(續)

##### 金融資產(續)

金融資產之分類及其後計量(續)

##### (i) 攤銷成本及利息收入

就其後按攤銷成本計量之金融資產及其後按公平值計入其他全面收益之債務工具／應收賬款使用實際利息法確認利息收入。就購買或原始之信貸減值金融資產以外的金融工具而言，利息收入透過對金融資產總賬面值應用實際利率而計算，惟其後成為信貸減值之金融資產除外(參見下文)。就其後成為信貸減值之金融資產而言，利息收入透過對金融資產自下一報告期起計之攤銷成本應用實際利率予以確認。倘信貸減值金融工具之信貸風險改善以致金融資產不再信貸減值，利息收入將於對金融資產在釐定資產不再信貸減值後之報告期開始起按總賬面值應用實際利率予以確認。

##### (ii) 按公平值計入其他全面收益之應收賬款

因使用實際利息法計算利息收入而產生之按公平值計入其他全面收益之應收賬款賬面值之其後變動於損益內確認。減值撥備於損益內確認，並相應調整其他全面收益，而毋須減少該等應收賬款之賬面值。於損益內確認之金額與倘該等應收賬款按攤銷成本計量原本於損益內確認之金額相同。當該等應收賬款解除確認時，先前於其他全面收益內確認之累計收益或虧損重新分類至損益。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

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### 3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### 3.2 Significant accounting policies (Continued)

##### Financial instruments (Continued)

##### Financial assets (Continued)

Classification and subsequent measurement of financial assets (Continued)

##### (iii) Financial assets measured at FVTPL

Financial assets that do not meet the criteria for being measured at amortised cost or FVTOCI or designated as FVTOCI are measured at FVTPL.

Financial assets measured at FVTPL are measured at fair value at the end of each reporting period, with any fair value gains or losses recognised in profit or loss. The net gain or loss recognised in profit or loss includes any dividend or interest earned on the financial asset and is included in the heading of "other gains and losses".

Impairment of financial assets and other items subject to impairment assessment under HKFRS 9

The Group performs impairment assessment under expected credit loss ("ECL") model on lease receivables and financial assets (including trade and other receivables, bills receivable, amounts due from joint ventures/an associate/related companies, bank balances with restricted use and bank balances) which are subject to impairment under HKFRS 9. The amount of ECL is updated at the end of each reporting period 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, 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.

### 3. 編製綜合財務報表的基準及主要會計政策(續)

#### 3.2 主要會計政策(續)

##### 金融工具(續)

##### 金融資產(續)

金融資產之分類及其後計量(續)

##### (iii) 按公平值計入損益之金融資產

對並不符合按攤銷成本列賬或按公平值計入其他全面收益或指定按公平值計入其他全面收益之金融資產按公平值計入損益。

按公平值計入損益之金融資產按每個報告期末之公平值計量，並在損益內確認任何公平值收益或虧損。在損益內確認之收益或虧損淨額不包括任何股息或金融資產賺取之利息及計入單列項目「其他收益及虧損」內。

根據香港財務報告準則第9號進行之金融資產及其他項目之減值

本集團就根據香港財務報告準則第9號須減值之應收租賃款及金融資產(包括貿易應收賬款，其他應收賬款，應收票據，應收合營企業／聯營企業／關連公司款項，受限制銀行結餘及銀行結餘)按預期信貸虧損(「預期信貸虧損」)模型進行減值評估。預期信貸虧損金額於每個報告期末予以更新，以反映自初步確認後信貸風險之變動。

終身預期信貸虧損指因有關工具預期年期內所有可能違約事件造成的預期信貸虧損。相比之下，12個月預期信貸虧損指預期可能於報告日期後12個月內可能發生之違約事件而產生的終身預期信貸虧損部分。根據本集團之過往信貸虧損經驗並調整應收賬款特有的因素，一般經濟條件及評估報告日期之現時條件以及預測未來條件進行評估。

### 3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### 3.2 Significant accounting policies (Continued)

##### Financial instruments (Continued)

##### Financial assets (Continued)

Impairment of financial assets and other items subject to impairment assessment under HKFRS 9 (Continued)

The Group always recognises lifetime ECL for trade receivables and bills receivable. 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.

##### (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;

### 3. 編製綜合財務報表的基準及主要會計政策(續)

#### 3.2 主要會計政策(續)

##### 金融工具(續)

##### 金融資產(續)

根據香港財務報告準則第9號進行之金融資產及其他項目之減值(續)

本集團就貿易應收賬款及應收票據總是確認終身預期信貸虧損。該等資產之預期信貸虧損乃為重大應收賬款結餘單獨評估或使用具有適當組別的一個撥備矩陣集體評估。

就所有其他工具而言，本集團計量相等於12個月之預期信貸虧損之虧損撥備，除非自初步確認起信貸風險出現顯著增加，則本集團確認終身預期信貸虧損。評估是否確認終身預期信貸虧損乃基於自初步確認以來發生違約風險可能性之大幅增加。

##### (i) 信貸風險之顯著增加

在評估自初步確認以來信貸風險是否顯著增加時，本集團將報告日期金融工具發生之違約風險與初步確認日期之金融工具發生之違約風險進行比較。在作出此項評估時，本集團考慮合理及可支持之定量及定性資料，包括過往經驗及無需過度成本或精力之前瞻性資料。

尤其在評估信貸風險是否顯著增加時會考慮下列資料：

- 金融工具之外部(如有)或內部信貸評級之實際或預期顯著惡化；
- 信貸風險外部市場指標之顯著惡化，如信貸利差，應收賬款之信貸違約掉期價格之大幅上升；
- 預期造成債務人清償債務能力大幅下跌之業務、財務或經濟條件之現有或預期不利變動；



# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2021 截至2021年12月31日止年度

### 3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### 3.2 Significant accounting policies (Continued)

##### Financial instruments (Continued)

##### Financial assets (Continued)

Impairment of financial assets and other items subject to impairment assessment under HKFRS 9 (Continued)

##### (i) Significant increase in credit risk (Continued)

- 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.

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.

### 3. 編製綜合財務報表的基準及主要會計政策(續)

#### 3.2 主要會計政策(續)

##### 金融工具(續)

##### 金融資產(續)

根據香港財務報告準則第9號進行之金融資產及其他項目之減值(續)

##### (i) 信貸風險之顯著增加(續)

- 債務人經營業績之實際或預期顯著惡化；
- 造成債務人清償債務能力大幅下降之債務人之政策、經濟或技術環境之實際或預期重大不利變動。

不論上述評估之結果，本集團假定當約定付款逾期30日以上時，則為自初步確認以來信貸風險顯著增加，除非本集團另有其他合理及可支持資料。

儘管有以上所述，如債務工具於報告日期的信貸風險釐定為偏低，則本集團假定債務工具之信貸風險自初步確認以來尚未顯著增加。倘i)其違約之風險偏低，ii)借款人擁有於近期清償其合約現金流承擔之雄厚能力及iii)長期經濟及商業條件之不利變動或會但不一定降低借款人履行合約現金流義務的能力，則債務工具被釐定為於報告日期信貸風險較低。當其擁有全球理解之定義為「投資等級」之內部或外部信貸評級時，本集團將債務工具視為擁有偏低之信貸風險。

本集團定期監察用作識別是否信貸風險存在大幅增加標準之有效性及將其修訂(如適用)以確保該標準能夠在款項逾期之前識別信貸風險之大幅增加。

### 3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### 3.2 Significant accounting policies (Continued)

##### Financial instruments (Continued)

##### Financial assets (Continued)

Impairment of financial assets and other items subject to impairment assessment under HKFRS 9 (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.

##### (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 re-organisation; or
- (e) the disappearance of an active market for that financial asset because of financial difficulties.

### 3. 編製綜合財務報表的基準及主要會計政策(續)

#### 3.2 主要會計政策(續)

##### 金融工具(續)

##### 金融資產(續)

根據香港財務報告準則第9號進行之金融資產及其他項目之減值(續)

##### (ii) 違約之定義

就內部信貸風險管理而言，當內部制訂或自外部來源取得之資料顯示債務人不大可能悉數償付其債權人(包括本集團)時(本集團並無持有任何抵押品)，本集團視為違約事件發生。

不計以上所述，當金融資產逾期90日以上時，本集團視為違約發生，除非本集團有合理及可支持資料顯示更滯後的違約標準乃屬適當。

##### (iii) 信貸減值金融資產

當對金融資產之估計未來現金流量產生損害影響之一個或多個違約事件發生時，該金融資產為信貸減值，證明金融資產信貸減值的證據包括有關下列事件之可觀察數據：

- (a) 發行人或借款人遇到嚴重財務困難；
- (b) 違反合約，例如拖欠或逾期事件；
- (c) 借款人之貸款人因借款人財務困難相關之經濟或合約理由，已向借款人授出貸款人原本不會另外考慮之優惠；
- (d) 借款人有可能破產或進行其他財務重組；或
- (e) 由於財務困難而導致該金融資產之活躍市場消失。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2021 截至2021年12月31日止年度

### 3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### 3.2 Significant accounting policies (Continued)

##### Financial instruments (Continued)

##### Financial assets (Continued)

Impairment of financial assets and other items subject to impairment assessment under HKFRS 9 (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. Financial assets written off may still be subject to enforcement activities under the Group's recovery procedures, taking into account legal advice where appropriate. A write-off constitutes a derecognition event. Any subsequent recoveries are recognised directly in profit or loss.

##### (v) Measurement and recognition of ECL

The measurement of ECL is a function of the probability of default, the loss given default (i.e. the magnitude of 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. The Group uses a practical expedient in estimating ECL on trade receivables using a provision matrix taking into consideration historical credit loss experience, adjusted for forward looking information that is available without undue cost or effort.

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. For lease receivables, the cash flows used for determining the ECL are consistent with the cash flows used in measuring the lease receivables in accordance with HKFRS 16.

### 3. 編製綜合財務報表的基準及主要會計政策(續)

#### 3.2 主要會計政策(續)

##### 金融工具(續)

##### 金融資產(續)

根據香港財務報告準則第9號進行之金融資產及其他項目之減值(續)

##### (iv) 撇銷政策

當有資料顯示交易對手處於嚴重財務困難及概無復蘇的現實前景，例如，當交易對手已處於清盤當中或進入破產程序，則本集團撇銷金融資產。經考慮法律意見後，如適用，已撇銷之金融資產可能根據本集團之收款程序而繼續法律行動。撇銷構成一項解除確認事件。任何其後之收回在損益內確認。

##### (v) 預期信貸虧損之計量及確認

預期信貸虧損的計量為違約可能性、違約虧損率(即出現違約時的損失幅度)及違約風險的函數。違約可能性及違約虧損率的評估乃按照歷史數據進行，並就前瞻性資料作出調整。預期信貸虧損的估計反映無偏頗並已計及按各個違約風險的或然加權金額。本集團在估算應收賬款的預期信貸虧損時，已應用可行權宜方法而使用撥備矩陣，並顧及過往信貸虧損經驗及無需過多成本或精力之前瞻性資料。

一般而言，預期信貸虧損乃根據合約應付本集團之所有合約現金流量與本集團預期收取之現金流之間之差額，於初步確認時釐定之實際利率進行折現。就租賃應收款而言，用於釐定預期信貸虧損之現金流量與根據香港財務報告準則第16號計量租賃應收款所用之現金流量貫徹一致。

### 3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### 3.2 Significant accounting policies (Continued)

##### Financial instruments (Continued)

##### Financial assets (Continued)

Impairment of financial assets and other items subject to impairment assessment under HKFRS 9 (Continued)

##### (v) Measurement and recognition of ECL (Continued)

Lifetime ECL for certain trade receivables are considered on a collective basis taking into consideration past due information and relevant credit information such as forward looking macroeconomic information.

For collective assessment, the Group takes into consideration the following characteristics when formulating the grouping:

- 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.

Except for bills receivable measured at FVTOCI, 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, where the corresponding adjustment is recognised through a loss allowance account. For bills receivable measured at FVTOCI, the loss allowance is recognised in OCI and accumulated in the FVTOCI reserve without reducing the carrying amount of these receivables. Such amount represents the changes in the FVTOCI reserve in relation to accumulated loss allowance.

### 3. 編製綜合財務報表的基準及主要會計政策(續)

#### 3.2 主要會計政策(續)

##### 金融工具(續)

##### 金融資產(續)

根據香港財務報告準則第9號進行之金融資產及其他項目之減值(續)

##### (v) 預期信貸虧損之計量及確認(續)

若干貿易應收款項之終身預期信用虧損是經考慮逾期資訊及相關信貸資訊(如前瞻性宏觀經濟資訊)的基礎上作出集體考慮。

以集體基準計量時，本集團會考慮以下特徵並作出歸類：

- 逾期狀態；
- 債務人之性質，規模及行業；及
- 外部信貸評級(如適用)。

管理層定期審閱分組，以確保每個組別之組成繼續享有相若之信貸風險特徵。

利息收入乃按金融資產之總賬面值計算，除非金融資產已信貸減值，在該情況下，利息收入按該金融資產之攤銷成本計算。

除按公平值計入其他全面收益之應收票據外，本集團就所有金融工具於損益內確認減值收益或虧損，並調整其賬面值，惟貿易應收賬款除外，其會透過確認虧損撥備賬戶作出相應調整。就按公平值計入其他全面收益之應收票據而言，虧損撥備乃於其他全面收益內確認及內累計，毋須減低該等應收賬款之賬面值。該等金額為與虧損撥備相關的公平值透過其他全面收益儲備的變動額。

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## 綜合財務報表附註

For the year ended 31 December 2021 截至2021年12月31日止年度

### 3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### 3.2 Significant accounting policies (Continued)

##### Financial instruments (Continued)

##### Financial assets (Continued)

##### Derecognition of financial assets

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss.

On derecognition of bills receivable measured at FVTOCI, the cumulative gain or loss previously accumulated in the FVTOCI reserve is reclassified to profit or loss.

### 3. 編製綜合財務報表的基準及主要會計政策(續)

#### 3.2 主要會計政策(續)

##### 金融工具(續)

##### 金融資產(續)

##### 解除確認金融資產

只有當從財務資產收取現金流之合約權利到期，或本集團轉讓財務資產，而資產所有權之絕大部份風險及回報已轉移至另一實體時，本集團才會解除確認財務資產。倘本集團並無轉移或保留所有權之絕大部份風險及回報並繼續控制所轉讓資產，則本集團確認其於資產之保留權益及就其可能須支付金額確認相關負債。倘本集團保留所轉讓財務資產所有權之絕大部份風險及回報，則本集團繼續確認該財務資產，亦就已收取之款項確認有抵押借貸。

當解除確認按攤銷成本列賬之財務資產時，資產賬面值與已收及應收代價之差額須於損益中確認。

當解除確認按公平值計入其他全面收益之應收票據時，先前於按公平值計入損益儲備中積累的累計收益或虧損將重新分類至損益。

### 3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### 3.2 Significant accounting policies (Continued)

##### Financial instruments (Continued)

##### Financial liabilities and equity

##### Classification as debt or equity

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

##### Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recognised at the proceeds received, net of direct issue costs.

Repurchase of the Company's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

##### Financial liabilities

All financial liabilities are subsequently measured at amortised cost using the effective interest method or at FVTPL.

##### Financial liabilities at FVTPL

Financial liabilities are classified as at FVTPL when the financial liability is (i) contingent consideration of an acquirer in a business combination to which HKFRS 3 applies, (ii) held for trading or (iii) it is designated as at FVTPL.

### 3. 編製綜合財務報表的基準及主要會計政策(續)

#### 3.2 主要會計政策(續)

##### 金融工具(續)

##### 金融負債及權益

##### 分類為負債或權益

由集團實體發行的債務及權益工具乃按所訂立的合約安排性質，以及金融負債及權益工具的定義而分類為金融負債或權益。

##### 權益工具

權益工具為證明本集團經扣除所有負債之後資產的剩餘權益的任何合約。本集團所發行的權益工具乃按已收款項(扣除直接發行成本)確認。

本公司購回本身股本工具予以確認並直接於權益內扣除。購買、出售、發行或註本公司本身股本工具概無於損益內確認收益或虧損。

##### 金融負債

本集團的所有金融負債均以實際利率法按攤銷成本或按公平值透過損益列賬計量。

##### 按公平值計入損益之財務負債

倘財務負債為(i)持作買賣；(ii)指定為按公平值透過損益列賬；或(iii)收購方可能支付之或然代價(作為香港財務報告準則第3號適用之業務合併之一部份)之財務負債，則有關財務負債分類為按公平值透過損益列賬。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2021 截至2021年12月31日止年度

### 3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### 3.2 Significant accounting policies (Continued)

##### Financial instruments (Continued)

##### Financial liabilities and equity (Continued)

##### Financial liabilities at FVTPL (Continued)

A financial liability is classified as held for trading if:

- it has been acquired principally for the purpose of repurchasing it in the near term; or
- on initial recognition it is 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, except for a derivative that is a financial guarantee contract or a designated and effective hedging instrument.

A financial liability other than a financial liability held for trading or contingent consideration of an acquirer in a business combination may be designated as at FVTPL upon initial recognition if:

- such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise; or
- the financial liability forms part of a group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the Group's documented risk management or investment strategy, and information about the grouping is provided internally on that basis; or
- it forms part of a contract containing one or more embedded derivatives, and HKFRS 9 permits the entire combined contract to be designated as at FVTPL.

### 3. 編製綜合財務報表的基準及主要會計政策(續)

#### 3.2 主要會計政策(續)

##### 金融工具(續)

##### 金融負債及權益(續)

##### 按公平值計入損益之財務負債(續)

若符合下列情況之一，財務負債將歸類為持作買賣：

- 取得負債之目的主要為於近期內購回；或
- 於最初確認時，該財務負債為由本集團共同管理之可識別金融工具組合之一部份，並且最近有可短期獲利之實際趨勢；或
- 該財務負債為金融擔保合約或被指定為有效對沖工具之衍生工具以外之衍生工具。

若符合下列情況之一，持作買賣財務負債以外之財務負債或收購方可能支付之或然代價(作為業務合併之一部份)可於首次確認時指定為按公平值透過損益列賬之財務負債：

- 該指定抵銷或大幅減低可能出現之計量或確認不一致之情況；或
- 財務負債組成一組財務資產或財務負債各部份或兩者，並根據本集團既定風險管理或投資策略，按公平值基準管理及評估其表現，而經營分類則按該基準由內部提供；或
- 財務負債組成包含一種或以上隱含衍生工具之合約部份，而香港財務報告準則第9號允許整份合併合約(資產或負債)指定為按公平值透過損益列賬。

### 3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### 3.2 Significant accounting policies (Continued)

##### *Financial instruments (Continued)*

##### *Financial liabilities and equity (Continued)*

##### *Financial liabilities at FVTPL (Continued)*

For financial liabilities that are designated as at FVTPL, the amount of change in the fair value of the financial liability that is attributable to changes in the credit risk of that liability is recognised in OCI, unless the recognition of the effects of changes in the liability's credit risk in OCI would create or enlarge an accounting mismatch in profit or loss. Changes in fair value attributable to a financial liability's credit risk that are recognised in OCI are not subsequently reclassified to profit or loss; instead, they are transferred to retained profits upon derecognition of the financial liability.

##### *Financial liabilities at amortised cost*

Financial liabilities including trade and other payables, bills payable, amounts due to a related company and bank borrowings are subsequently measured at amortised cost, using the effective interest method.

##### *Derecognition of financial liabilities*

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

##### *Derivative financial instruments*

Derivatives are initially recognised at fair value at the date when derivative contracts are entered into and are subsequently remeasured to their fair value at the end of the reporting period. The resulting gain or loss is recognised in profit or loss immediately unless the derivative is designated and effective as a hedging instrument, in which case the timing of the recognition in profit or loss depends on the nature of the hedge relationship.

### 3. 編製綜合財務報表的基準及主要會計政策(續)

#### 3.2 主要會計政策(續)

##### *金融工具(續)*

##### *金融負債及權益(續)*

##### *按公平值計入損益之財務負債(續)*

就指定按公平值透過損益列賬之金融負債而言，歸屬於金融負債信貸風險變動之該項負債公平值變動金額於其他全面收益內確認。除非確認該負債於其他全面收益內之信貸風險變動之影響將會產生或加大於損益內之會計錯配。已於其他全面收益內確認之歸屬於金融負債信貸風險變動之公平值變動其他並不重新分類至損益；相反，彼等於金融負債解除確認後轉撥至保留溢利。

##### *按攤銷成本列賬之財務負債*

財務負債(包括貿易及其他應付賬款、應付票據、應付關連公司款項及銀行借款)乃隨後採用實際利率法按攤銷成本計量。

##### *解除確認金融負債*

當及只當金融負債獲解除、取消或已屆滿時，本集團將其解除確認。解除確認之金融負債賬面值與已付及應付代價之差額，將於損益中確認。

##### *衍生金融工具*

衍生工具初步按訂立衍生工具合約日期的公平值確認及其後於各報告期末重新計量至公平值。由此產生的收益或虧損即時於損益內確認，除非衍生工具被指定為有效對沖工具，在此情況下，於損益內確認的時間取決於對沖關係的性質。



# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2021 截至2021年12月31日止年度

### 4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Group's accounting policies, which are described in Note 3.2, the directors of the Company are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

#### Key sources of estimation uncertainty

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period, that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

#### *Estimated impairment of intangible asset and property, plant and equipment for manufacturing a chemical product (the "Project")*

Intangible asset and property, plant and equipment 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. When it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the CGU to which the assets belongs, including allocation of corporate assets when a reasonable and consistent basis of allocation can be established, otherwise recoverable amount is determined at the smallest group of CGUs, for which the relevant corporate assets have been allocated. Changing the assumptions and estimates, including the discount rates or the budgeted sales in the cash flow projections, could materially affect the recoverable amounts. The key assumptions used for the discounted cash flow projections include discount rate and budgeted sales of the CGU. The discount rate applied was determined by using the weighted average cost of capital plus specific risk premium.

### 4. 重要會計判斷和估計不確定性的主要來源

在應用本集團於附註3.2所述的會計政策時，本公司董事須就其他來源不明顯的資產及負債賬面值作出判斷，估計及假設。估計和相關假設是基於歷史經驗和其他被認為相關的因素。實際結果可能與這些估計有所不同。

估計和相關假設會持續檢討的。如果修訂僅影響該期間，則會計估計的修訂在修訂估計的期間內確認，如果修訂同時影響當期和未來期間，則在修訂期間和未來期間確認。

#### 估計不確定性的關鍵來源

以下是關於未來的主要假設，以及報告期末估計不確定性的其他主要來源，可能在下個財政年度內有重大風險導致資產和負債賬面金額發生重大調整。

#### *用於製造化工產品的無形資產和物業，廠房和設備(「項目」)的可收回金額*

無形資產和物業，廠房和設備乃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，本集團須作出判斷及估計，尤其評估：(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所支持，其如為使用價值，即按照持續使用資產估計的未來現金流量的淨現值；及(3)將應用於估計可收回金額的適當關鍵假設(包括現金流量預測及適當的貼現率)。當估計個別資產之可收回金額並不可行時，本集團會估計資產所屬現金產生單位的可收回金額，其包括當可以建立合理而一致的分攤基礎時所分攤的企業資產。否則可收回金額會在已分攤相關企業資產的最小現金產生單位組別中確定。更改假設和估計，包括於現金流量預測內的貼現率或預算銷售額假設，可能會對可收回金額造成重大影響。用於該現金產生單位的折現現金流量預測的主要假設包括折現率及預算銷售額。所採用的折現率乃使用加權平均資金成本加特定風險溢價釐定。

#### 4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (CONTINUED)

##### Key sources of estimation uncertainty (Continued)

##### Estimated impairment of intangible asset and property, plant and equipment for manufacturing a chemical product (the "Project") (Continued)

As at 31 December 2021, the carrying amounts of intangible assets and property, plant and equipment subject to impairment assessment were HK\$98,749,000 and HK\$92,569,000 (2020: HK\$97,964,000 and HK\$107,166,000), respectively. Details of the impairment assessment of intangible assets and property, plant and equipment are set out in Note 18.

#### 5. REVENUE

##### (i) Disaggregation of revenue from contracts with customers

		2021 HK\$'000 千港元	2020 HK\$'000 千港元
Caustic soda	燒鹼	1,532,655	1,075,848
Chloromethane products	甲烷氯化物	1,456,661	716,931
Fluorochemical products	氟化工產品	195,935	40,760
Hydrogen peroxide	過氧化氫	451,399	394,436
Liquified chlorine	液化氯	122,908	111,477
Polymers	高分子材料	731,885	460,350
Styrene acrylic latex surface sizing agent	苯丙施膠劑	77,482	70,207
Lithium-ion battery additives	鋰電池添加劑	20,306	-
Others	其他	402,194	229,676
Manufacture and sale of chemical products	製造和銷售化工產品	4,991,425	3,099,685
Sale of properties	物業銷售	194,517	-
		<b>5,185,942</b>	<b>3,099,685</b>

All of the Group's revenue is recognised at a point in time and derived from the PRC.

##### (ii) Performance obligations for contracts with customers

##### Manufacture and sale of chemical products with product delivery services

The Group manufactures and sells chemical products directly to customers. Revenue is recognised when control of the goods has been transferred, being when the goods have been shipped to the customer's specified location (delivery). The normal credit term is 7 to 60 days upon delivery.

#### 4. 重要會計判斷和估計不確定性的主要來源(續)

##### 估計不確定性的關鍵來源(續)

##### 用於製造化工產品的無形資產和物業，廠房和設備(「項目」)的可收回金額(續)

於2021年12月31日，與項目有關的技術知識的無形資產及物業，廠房及設備賬面值分別約為98,749,000港元及92,569,000港元(2020年：97,964,000港元及107,166,000港元)。有關無形資產及物業，廠房及設備減值評估之進一步詳情載於附註18。

#### 5. 收入

##### (i) 客戶合約收入分類

本集團所有收入均於某一時點確認並源自中國。

##### (ii) 與客戶合約之履約義務

##### 製造和銷售化工產品附帶產品交付服務

本集團製造及直接銷售化工產品予客戶。當產品運抵客戶指定地點(交付)，產品的控制權即獲轉移而收入即被確認。正常除賬期為自交付後7至60天。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2021 截至2021年12月31日止年度

### 5. REVENUE (CONTINUED)

#### (ii) Performance obligations for contracts with customers (Continued)

##### Sale of properties

For contracts entered into with customers for sale of properties, the Group's performance does not create an asset with alternative use to the Group. Taking into consideration of the relevant contract terms, the legal environment and relevant legal precedent, the management has concluded that the Group does not have an enforceable right to payment prior to transfer of the relevant properties to the customers. Revenue from sale of properties is therefore recognised at a point in time when the customer obtained control of the completed property, being at the point that the completed properties are transferred to the customer and the Group has present right to payment and collection of the consideration is probable or at the point the Group received full payment under bill-and-hold arrangements.

The Group receives certain percentage of the contract value as deposits from customers when they sign the sale and purchase agreements and receives the remainder within 120 days from the date of agreements. Depending on market conditions, the Group may offer customers a discount compared to the listed sales price, provided that the customers agree to pay the balance of the consideration early while construction is still ongoing. The deposits and advance payment schemes result in contract liabilities being recognised throughout the property construction period until the customer obtains control of the completed property.

#### (iii) Transaction price allocated to the remaining performance obligation for contracts with customers

For both the manufacture and sale of chemical products with product delivery services and the sale of properties, the performance obligation is expected to be completed within one year. As permitted under HKFRS 15, the transaction price allocated to these unsatisfied contracts as at 31 December 2021 is not disclosed.

For sale of properties, the transaction price allocated to the remaining performance obligations as at 31 December 2020 was HK\$122,836,000 and has been recognised as revenue in 2021.

### 5. 收入(續)

#### (ii) 與客戶合約之履約義務(續)

##### 物業銷售

對於與客戶訂立的物業銷售合同，本集團的履約行為不會產生具有替代用途的資產。經考慮相關合同條款，法律環境和相關法律先例後，管理層總結本集團在將相關物業轉讓給客戶之前，沒有可強制執行的付款權。因此，物業銷售收入乃於客戶取得已竣工物業的控制權之時點確認，亦即已之竣工物業轉讓予客戶且本集團已有收取對價之現時權利並很有可能收回對價或在本集團收到全額付款並根據買方要求延遲轉讓安排之時。

本集團與客戶在簽訂買賣協議時，一般收取客戶若干百分比合同金額作為訂金，餘款則於合同日期後120天內收取。根據市場情況，如客戶同意在施工進行期間儘早支付購價之餘額，與銷售價單比較下，本集團可能向客戶提供折扣。由訂金和預付款計劃產生之合約負債於整個物業工程期間確認，並於客戶取得已竣工物業之控制權時轉出。

#### (iii) 分配到與客戶合約的剩餘履約義務的交易價格

就製造和銷售化工產品附帶產品交付服務及物業銷售兩者而言，其履約義務預期將在一年內完成。誠如香港財務報告準則第15號所容許，於2021年12月31日分配至該等未償付履約責任的交易價格並無披露。

就銷售物業而言，分配至餘下履約責任的交易價格於2020年12月31日為122,836,000港元，並已於2021年確認為收入。

## 6. OPERATING SEGMENTS

The Group manages its different businesses by their unique attributes. At 31 December 2020, the Group had only one reportable segment, which is the Group's strategic business unit and principally engaged in manufacture and sale of chemical products.

During the year ended 31 December 2021, the Group established a new business unit in response to the completion and delivery of the residential units in the property development project in Changshu City. In a manner consistent with the way in which information is reported internally to the Group's most senior executive management for the purposes of resource allocation and performance assessment, below describes the operations in each of the Group's identified reportable operating segments as at 31 December 2021:

- Chemical: manufacture and sale of chemical products
- Property: development and sale of properties and rental income from leasing of properties

For the purposes of assessing segment performance and allocating resources between segments, the Group's most senior executive management monitors the results attributable to each reportable operating segment on the following bases.

Revenue and expenses are allocated to the reportable operating segments with reference to revenue directly generated by those segments and the expenses directly incurred by those segments. Segment results form the basis of measurement used for assessing segment performance and represent profit or loss before other income, other gains or losses, finance cost, net exchange gain (loss), share of results of joint ventures and associates, income tax and items not specifically attributed to individual reportable segments, such as unallocated head office and corporate expenses.

Assets and liabilities are centrally-managed and assessed by the Group's most senior executive management. No segment information on assets and liabilities is therefore presented.

Segment information below is presented in a manner consistent with the way in which information is reported internally to the Group's most senior executive management for the purposes of resource allocation and performance assessment.

## 6. 經營分部

本集團乃按各業務獨特性質管理不同業務。於2020年12月31日，本集團只有一個可報告分部，其為本集團的策略業務單位並主要製造及銷售化工產品。

於截至2021年12月31日止年度，本集團因應位於常熟市的物業發展項目陸續竣工並開始交付住宅單位，為其成立一個新業務單位。下列描述本集團於2021年12月31日，按照與向本集團最高層行政管理人員就資源配置及表現評估之內部匯報資料方式，確立的每個可報告經營分部的運作情況：

- 化工：製造及銷售化工產品
- 物業：物業發展和銷售及出租物業之租金收入

就評估分部表現及各分部間之資源配置而言，本集團最高行政管理層根據下列基準監控每一個可報告經營分部之業績。

收入與支出乃參考來自各個可報告經營分部所產生之直接收入及所涉及之直接支出而分配到該等分部。評估分部表現之計算基準為分部業績，此乃指未計及其他收入、其他收益或虧損、融資成本、匯兌淨收益(虧損)、應佔合營企業及聯營企業業績、所得稅及並無明確歸類於個別分部之項目(如未分配之總公司及企業費用淨額)前之盈利或虧損。

資產和負債均由本集團最高行政管理層集中管理和評估。因此有關資產及負債的分部資料並無呈列。

以下分部資料與就資源分配及表現評估而向本集團最高級執行管理層作出內部報告的呈列方式一致。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2021 截至2021年12月31日止年度

### 6. OPERATING SEGMENTS (CONTINUED)

#### (a) Segment revenues and results

For the year ended 31 December 2021

Revenue from external customers	來自外間客戶之收入
Segment results	分部業績
Unallocated head office and corporate expenses	未分配之總公司及企業費用淨額
Other income	其他收入
Other gains and losses	其他收益及虧損
Finance costs	融資成本
Net exchange gain	匯兌淨收益
Share of results of joint ventures and associates	應佔合營企業及聯營企業業績
Profit before tax	除稅前溢利

No segmental information for the year ended 31 December 2020 was presented as the Group's revenue and trading results for that period were generated solely from its Chemical operations.

#### (b) Geographical information

The Group's operations of the two segments are both located in the PRC. Most of the Group's revenue from external customers is derived from the PRC and most of the Group's non-current assets are located in the PRC for both years.

#### (c) Revenue from major customers

None of the corresponding revenue from customers contribute over 10% of the total revenue of the Group for the years ended 31 December 2021 and 2020.

### 6. 經營分部(續)

#### (a) 分部收入及業績

截至2021年12月31日止年度

Chemical 化工 HK\$'000 千港元	Property 物業 HK\$'000 千港元	Consolidated 綜合 HK\$'000 千港元
<b>4,991,425</b>	<b>194,517</b>	<b>5,185,942</b>
<b>1,620,657</b>	<b>47,358</b>	<b>1,668,015</b>
		<b>(92,461)</b>
		<b>65,936</b>
		<b>(4,792)</b>
		<b>(47,623)</b>
		<b>23,251</b>
		<b>(1,245)</b>
		<b>1,611,081</b>

由於截至2020年12月31日止年度內，本集團之收入及經營業績全部來自化工業務，因此並無呈列於上述期間之分部資料。

#### (b) 地區資料

本集團的兩個分部的業務均位於中國。在這兩個年度，絕大部份來自外部客戶之收入均源自中國及絕大部份之非流動資產均位於中國。

#### (c) 來自主要客戶的收益

截至2021年12月31日止及2020年12月31日止年度，概無客戶的相應收益為本集團總收益貢獻超過10%。

**6. OPERATING SEGMENTS (CONTINUED)****(d) Other segment information**

For the year ended 31 December 2021

	非流動資產增加(附註)
Additions to non-current assets (Note)	非流動資產增加(附註)
Depreciation	折舊
Amortisation	攤銷

Note: Non-current assets excluded goodwill, financial instruments and deferred tax assets.

**6. 經營分部(續)****(d) 其他分部資料**

截至2021年12月31日止年度

Chemical 化工 HK\$'000 千港元	Property 物業 HK\$'000 千港元
<b>669,892</b>	<b>4,844</b>
<b>368,474</b>	<b>4,384</b>
<b>2,940</b>	<b>-</b>

附註：非流動資產不包括商譽、金融工具和遞延所得稅資產。

**7. OTHER INCOME**

	2021 HK\$'000 千港元	2020 HK\$'000 千港元
Bank interest income	4,133	5,354
Interest income from a joint venture	656	627
Government grants	19,393	55,540
Scrap sales	11,584	11,846
Electricity and steam income	16,890	20,852
Rental income	2,770	2,169
Others	10,510	595
	<b>65,936</b>	<b>96,983</b>

**8. OTHER GAINS AND LOSSES**

	2021 HK\$'000 千港元	2020 HK\$'000 千港元
Net (loss) gain from changes in fair value of financial assets at fair value through profit or loss	(3,091)	1,026
Loss on disposal of property, plant and equipment	(1,701)	(789)
	<b>(4,792)</b>	<b>237</b>

**7. 其他收入****8. 其他收益及虧損**

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## 綜合財務報表附註

For the year ended 31 December 2021 截至2021年12月31日止年度

## 9. INCOME TAX EXPENSE

## 9. 所得稅支出

		2021 HK\$'000 千港元	2020 HK\$'000 千港元
The charge comprises:	支出包括：		
Current tax	本期稅項		
PRC Enterprise Income Tax ("EIT")	中國企業所得稅	255,716	108,561
PRC Land Appreciation Tax ("LAT")	中國土地增值稅	26,181	-
PRC withholding tax on dividend income	中國股息收入預扣稅	38,386	14,581
Hong Kong Profits Tax	香港利得稅	874	-
Other jurisdictions	其他司法權區	741	588
Overprovision in prior years – EIT	以前年度多提－中國企業所得稅	(13,689)	(7,718)
Deferred tax – current year	遞延稅項－本年度遞延稅項	14,863	9,462
		<b>323,072</b>	<b>125,474</b>

The Group's major business is in the PRC. Under the Law of the PRC on EIT and its Implementation Regulation, the tax rate of the PRC subsidiaries is 25%.

For the years ended 31 December 2020 and 2021, Jiangsu Lee & Man Chemical Limited ("Jiangsu L&M") and Jiangxi Lee & Man Chemical Limited ("Jiangxi L&M") are entitled to a favourable EIT rate of 15% to 2024 and 2023 respectively, as they have been qualified as High and New Technology Enterprise, which is subject to renewal for every three years.

The provision of LAT is estimated according to the requirements set forth in the relevant PRC tax laws and regulations. LAT has been levied at progressive rates ranging from 30% to 60% on the appreciation of land value, represented by the excess of sale proceeds of properties over prescribed direct costs. Prescribed direct costs are defined to include costs of land use rights, development and construction costs, as well as certain costs relating to the property development. According to the State Administration of Taxation's official circulars, LAT shall be payable provisionally upon sale of the properties, followed by final ascertainment of the gain at the completion of the properties development.

Taxation arising in other jurisdictions is calculated at the rate prevailing in the relevant jurisdictions.

No provision for Hong Kong Profits Tax is made for the year ended 31 December 2020 since there were no assessable profits. Hong Kong Profits Tax is calculated at 16.5% of the estimated assessable profits for the year ended 31 December 2021.

本集團的主要業務位於中國。根據中國企業所得稅法及企業所得稅法實施條例，中國附屬公司之稅率為25%。

於截至2020年12月31日止及2021年12月31日止年度，因江蘇理文化工有限公司（「江蘇理文」）及江西理文化工有限公司（「江西理文」）取得高新科技企業資格，所以享有15%優惠企業所得稅率至分別2024年及2023年止，其有關資格需要每三年續新。

計提土地增值稅撥備是按有關中國稅法及規則要求估算。土地增值稅乃按土地增值金額（即物業銷售收入扣減指定直接成本後之餘額）以累進稅率30%至60%計收。指定直接成本包括土地使用權成本，發展及建築成本，以及其他關於物業發展的成本。按照國家稅務總局之官方公告，銷售物業時應暫繳土地增值稅，並於物業發展完成後確定最終收益。

其他司法權區之稅項乃按有關司法權區之課稅率而計算。

由於無應評稅利潤，故於截至2020年12月31日止年度並無提撥香港利得稅。香港利得稅於截至2021年12月31日止年度乃按估計應課稅盈利以16.5%計算。

## 9. INCOME TAX EXPENSE (CONTINUED)

According to Cai Shui 2008 No.1 published by the State Administration of Taxation ("SAT"), dividend distributed out of the profits generated since 1 January 2008 by a PRC entity to a non-PRC resident shall be subject to the PRC EIT pursuant to Articles 3 and 27 of the Income Tax Law Concerning Foreign Investment Enterprises and Foreign Enterprises and Article 91 of the Detailed Rules for Implementation of the Income Tax Law for Enterprises with Foreign Investment and Foreign Enterprises. Under the Double Taxation Arrangement between Hong Kong and the Mainland China, the withholding tax rate applicable to the Group is 5%.

The tax charge for the year can be reconciled to the profit before taxation per the consolidated statement of profit or loss and other comprehensive income as follows:

		<b>2021</b>	2020
		<b>HK\$'000</b>	HK\$'000
		千港元	千港元
Profit before taxation	除稅前溢利	<b>1,611,081</b>	628,102
Tax at the domestic income tax rate of 25% (2020: 25%)	按當地所得稅率25%之稅項 (2020年：25%)	<b>402,770</b>	157,026
Tax effect of share of profit/loss of joint ventures and associates	應佔合營企業和聯營企業溢利/虧損之稅務影響	<b>311</b>	2,173
Tax effect of expenses not deductible in determining taxable profit	釐定應課稅溢利時不可扣稅支出之稅務影響	<b>20,008</b>	24,620
Tax effect of income not taxable in determining taxable profit	釐定應課稅溢利時毋須應課稅收入之稅務影響	<b>(6,830)</b>	(6,747)
Effect of concessionary rate granted to subsidiaries	附屬公司獲優惠稅率之影響	<b>(168,116)</b>	(72,214)
Effect of differential tax rates	稅率差異之影響	<b>7,535</b>	4,948
Overprovision in respect of prior year	以前年度多提	<b>(13,689)</b>	(7,718)
Withholding tax on dividend income	股息收入預扣稅	<b>54,902</b>	23,386
Land Appreciation Tax	土地增值稅	<b>26,181</b>	-
Income tax expense for the year	年內所得稅支出	<b>323,072</b>	125,474

At the end of the reporting period, the Group has retained profits of certain PRC subsidiaries amounting to HK\$1,722,192,000 (2020: HK\$1,178,258,000). Deferred tax liabilities have been recognised in respect of HK\$1,120,626,000 (2020: HK\$767,820,000) of such accumulated profits. No deferred tax liabilities has been recognised in respect of the remaining HK\$601,566,000 (2020: HK\$410,438,000) of such retained profits as it is the intention of the Directors of the Group to retain certain earnings within these subsidiaries.

## 9. 所得稅支出(續)

根據國家稅務總局(「國家稅務總局」)刊發之財稅字2008第1號文件，自2008年1月1日起，中國實體從其所產生的溢利中向非中國稅務居民分配股息，須根據外商投資企業和外國企業所得稅法第3及27章以及外商投資企業和外國企業所得稅法實施細則第91章之規定繳納中國企業所得稅。根據香港和中國內地的避免雙重課稅的協定，本集團適用的預扣稅率為5%。

年內稅項開支與綜合損益及其他全面收益表所列除稅前利潤對賬如下：

於報告期末，本集團之若干中國附屬公司的留存溢利計有1,722,192,000港元(2020年：1,178,258,000港元)。其已就該等累計溢利中的1,120,626,000港元(2020年：767,820,000港元)確認遞延稅項負債。由於本集團董事有意留存若干盈餘於該等附屬公司，故並無就該等留存溢利中之剩餘部份601,566,000港元(2020年：410,438,000港元)確認遞延稅項負債。



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## 9. INCOME TAX EXPENSE (CONTINUED)

The following is the analysis of the deferred tax balances for financial reporting purposes:

		2021 HK\$'000 千港元	2020 HK\$'000 千港元
Deferred tax assets	遞延稅項資產	23,372	23,093
Deferred tax liabilities	遞延稅項負債	<b>(65,876)</b>	<b>(50,021)</b>
		<b>(42,504)</b>	<b>(26,928)</b>

The following are the major deferred tax (liabilities) assets recognised and movement thereon during the current and prior reporting period:

		Revaluation of investment property 投資物業 之重估 HK\$'000 千港元 (Note) (附註)	Deferred income in respect of subsidy received for acquisition of assets 關於已收有關 資產收購之補貼 之遞延收益 HK\$'000 千港元	Undistributable profits of the PRC subsidiaries 中國子公司之 未分配利潤 HK\$'000 千港元	Total 合計 HK\$'000 千港元
At 1 January 2020	於2020年1月1日	(10,919)	22,335	(27,778)	(16,362)
Charged to profit or loss	扣除至損益	-	(657)	(8,805)	(9,462)
Exchange realignment	匯兌調整	(711)	1,415	(1,808)	(1,104)
At 31 December 2020	於2020年12月31日	(11,630)	23,093	(38,391)	(26,928)
Credited (charged) to profit or loss	計入(扣除)至損益	2,214	(561)	(16,516)	(14,863)
Exchange realignment	匯兌調整	(428)	840	(1,125)	(713)
<b>At 31 December 2021</b>	<b>於2021年12月31日</b>	<b>(9,844)</b>	<b>23,372</b>	<b>(56,032)</b>	<b>(42,504)</b>

Note: The investment property with carrying amount of HK\$72,619,000 was transferred to properties under development in prior years. During the year ended 31 December 2021, the deferred tax was released to profit or loss upon the completed properties were transferred to customers.

## 9. 所得稅支出(續)

以下為遞延稅項餘額分析：

以下為主要遞延稅項(負債)資產於年內及去年期間確認及變動：

附註：賬面值72,619,000港元之投資物業已於以前年度調撥至發展中物業。於截至2021年12月31日止年度，遞延稅項於已竣工物業轉讓予客戶時已釋出至損益。



## 10. PROFIT FOR THE YEAR

## 10. 年內溢利

		<b>2021</b>	2020
		<b>HK\$'000</b>	HK\$'000
		千港元	千港元
Profit for the year has been arrived at after charging (crediting):	年內溢利已扣除(計入)：		
Directors' emoluments (Note 13)	董事薪酬(附註13)	<b>59,358</b>	50,744
Other staff costs (excluding directors):	其他員工成本(董事除外)：		
Salaries and other benefits	薪金及其他福利	<b>332,742</b>	261,165
Retirement benefit schemes contributions	退休福利計劃供款	<b>14,643</b>	7,608
Total staff costs	員工成本總額	<b>406,743</b>	319,517
Capitalised in inventories	已計入存貨之金額	<b>(178,709)</b>	(143,991)
		<b>228,034</b>	175,526
Finance costs:	融資成本：		
Interest on bank borrowings	銀行借款之利息支出	<b>49,346</b>	58,371
Lease liabilities	租賃負債	<b>235</b>	71
Less: amounts capitalised to property, plant and equipment	減：於物業、廠房及設備資本化之金額	<b>(1,958)</b>	(2,591)
		<b>47,623</b>	55,851
Auditors' remuneration	核數師酬金		
– Audit services	– 審計服務	<b>2,041</b>	1,800
– Non-audit services	– 非審計服務	<b>465</b>	355
Cost of inventories recognised as expenses	已確認為支出的存貨成本	<b>2,847,018</b>	1,968,153
Depreciation of property, plant and equipment	物業、廠房及設備之折舊	<b>366,822</b>	341,133
Depreciation of right-of-use assets	使用權資產折舊	<b>6,036</b>	5,414
Amortisation of intangible assets	無形資產攤銷	<b>2,940</b>	2,801
Total depreciation and amortisation	折舊及攤銷合計	<b>375,798</b>	349,348
Capitalised in inventories	已計入存貨之金額	<b>(318,777)</b>	(298,173)
		<b>57,021</b>	51,175

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### 11. EARNINGS PER SHARE

The calculation of the basic earnings per share is based on the profit for the year attributable to owners of the Company of HK\$1,288,009,000 (2020: HK\$502,628,000) and 825,000,000 (2020: 825,000,000) shares in issue during the year.

The calculation of diluted earnings per share is based on the profit attributable to equity shareholders of the Company and the weighted average number of ordinary shares in issue after adjusting for the potential dilutive effect caused by the share options granted under the share option scheme.

Weighted average number of ordinary shares for the purpose of basic earnings per share	就計算每股基本盈利而言之 普通股加權平均數	<b>825,000</b>	825,000
Effect of deemed issue of shares under the Company's share option scheme	根據本公司的購股權計劃 被視作為已發行股份之影響	<b>28,607</b>	N/A
Weighted average number of ordinary shares for the purpose of diluted earnings per share	就計算每股攤薄盈利而言之 普通股加權平均數	<b>853,607</b>	825,000

The computation of diluted earnings per share for 2020 did not assume the exercise of the Company's share options because the adjusted exercise price of those share options was higher than the average market price for shares in that year.

### 11. 每股盈利

每股基本盈利乃按本公司擁有人之年內溢利 1,288,009,000 港元 (2020年: 502,628,000 港元) 及已發行股數 825,000,000 股 (2020年: 825,000,000 股) 作計算。

每股攤薄盈利計算乃根據本公司股東應佔溢利及已發行加權平均普通股股數，再就根據購股權計劃授出的購股權所造成的潛在攤薄影響作出調整。

2021 '000 千股	2020 '000 千股
<b>825,000</b>	825,000
<b>28,607</b>	N/A
<b>853,607</b>	825,000

2020年每股攤薄盈利的計算並不假設行使本公司的購股權，因為該等購股權的行使價高於當年股份的平均市價。

## 12. DIVIDENDS

## 12. 股息

		<b>2021</b> <b>HK\$'000</b> 千港元	2020 HK\$'000 千港元
Dividends recognised as distributions during the year:	年內已確認分派之股息：		
Final dividend of HK15 cents per share for the year ended 31 December 2019	截至2019年12月31日止年度末期股息每股15港仙	-	123,750
Interim dividend of HK7.5 cents per share for the year ended 31 December 2020	截至2020年12月31日止年度中期股息每股7.5港仙	-	61,875
Final dividend of HK16.5 cents per share for the year ended 31 December 2020	截至2020年12月31日止年度末期股息每股16.5港仙	<b>136,125</b>	-
Interim dividend of HK26 cents per share for the year ended 31 December 2021	截至2021年12月31日止年度中期股息每股26港仙	<b>214,500</b>	-
		<b>350,625</b>	185,625

A final dividend of HK32 cents (2020: HK16.5 cents) per share amounting to HK\$264,000,000 (2020: HK\$136,125,000) in respect of the year ended 31 December 2021 has been proposed by the directors and is subject to approval by the shareholders in the forthcoming annual general meeting.

董事會已建議派發截至2021年12月31日止年度之末期股息每股32港仙(2020年：16.5港仙)共264,000,000港元(2020年：136,125,000港元)，惟須待股東於即將舉行之週年大會上批准。

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## 13. DIRECTORS' AND CHIEF EXECUTIVES' EMOLUMENTS

Directors' and chief executives' emoluments for the year, disclosed pursuant to the applicable Listing Rules and the Hong Kong Companies Ordinance, is as follows:

## 13. 董事及主要行政人員薪酬

董事及主要行政人員於本年度之薪酬根據適用上市規則及香港公司條例披露如下：

		Contributions Salaries and other benefits	to retirement benefit schemes	Discretionary bonus payments	Share-based performance related incentive	Total
Fees	薪金及 袍金	退休福利 計劃供款	酌情 獎金支付	基於股份的 績效相關獎勵	Total	
HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	
千港元	千港元	千港元	千港元	千港元	千港元	
			(Note) (附註)	(Note 34) (附註34)		
<b>Year ended 31 December 2021</b>	<b>截至2021年12月31日止年度</b>					
<i>Executive directors</i>	<i>執行董事</i>					
Ms. Wai Siu Kee	衛少琦女士	960	1,200	-	12,880	15,040
Mr. Lee Man Yan ("Mr. Lee")*	李文恩先生(「李先生」)*	3,000	1,295	-	32,685	36,980
Mr. Yang Zuo Ning	楊作寧先生	600	1,143	14	-	1,757
Professor Chan Albert Sun Chi	陳新滋教授	-	5,041	-	-	5,041
<i>Independent non-executive directors</i>	<i>獨立非執行董事</i>					
Mr. Wan Chi Keung, Aaron BBS JP	尹志強先生BBS太平紳士	180	-	-	-	180
Mr. Wong Kai Tung, Tony	王啟東先生	180	-	-	-	180
Mr. Heng Victor Ja Wei	邢家維先生	180	-	-	-	180
		<b>5,100</b>	<b>8,679</b>	<b>14</b>	<b>12,880</b>	<b>59,358</b>

### 13. DIRECTORS' AND CHIEF EXECUTIVES' EMOLUMENTS (CONTINUED)

### 13. 董事及主要行政人員薪酬(續)

	Fees	Salaries and other benefits	Contributions to retirement benefit schemes	Discretionary bonus payments	Share-based performance related incentive	Total
	袍金	薪金及其他福利	退休福利計劃供款	酌情獎金支付	基於股份的績效相關獎勵	合計
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
	千港元	千港元	千港元	千港元	千港元	千港元
				(Note) (附註)	(Note 34) (附註34)	
<b>Year ended 31 December 2020 截至2020年12月31日止年度</b>						
<i>Executive directors 執行董事</i>						
Ms. Wai Siu Kee 衛少琦女士	960	1,200	–	5,026	–	7,186
Mr. Lee Man Yan ("Mr. Lee")* 李文恩先生(「李先生」)*	3,000	1,200	–	–	32,775	36,975
Mr. Yang Zuo Ning 楊作寧先生	–	1,050	2	–	–	1,052
Professor Chan Albert Sun Chi 陳新滋教授	–	4,991	–	–	–	4,991
<i>Independent non-executive directors 獨立非執行董事</i>						
Mr. Wan Chi Keung, Aaron BBS JP 尹志強先生BBS太平紳士	180	–	–	–	–	180
Mr. Wong Kai Tung, Tony 王啟東先生	180	–	–	–	–	180
Mr. Heng Victor Ja Wei 邢家維先生	180	–	–	–	–	180
	4,500	8,441	2	5,026	32,775	50,744

\* Mr. Lee is also the chief executive officer of the Company

\* 李先生同時亦為本公司之首席執行官

The executive directors' and non-executive directors' emoluments shown above were mainly for their services in connection with the management of the affairs of the Company and the Group and for their services as directors of the Company, respectively.

上述執行董事及獨立非執行董事之酬金主要就他們分別為本公司及本集團管理事務及作為本公司董事的服務酬金。

Note: Other performance related incentive payments were determined with regards to individual performance. None of the directors waived any emoluments in both years.

附註：根據個人績效確定其他與績效相關的獎勵支付。所有董事均沒有在該兩年內放棄任何薪酬。

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### 14. FIVE HIGHEST PAID INDIVIDUALS

Of the five highest paid individuals of the Group during the year, four (2020: three) were directors of the Company, details of whose remuneration are set out in Note 13. Details of the remuneration for the year of the remaining one (2020: two) highest paid employee who is neither a director nor chief executive of the Company are as follows:

### 14. 首五名最高薪酬人士

年內，本集團五名最高薪酬人士中，4名（2020年：3名）為本公司董事，其酬金詳情載於附註13。餘下1名最高薪酬僱員（2020年：2名）為非本公司董事或行政總裁。其年薪詳情如下：

		<b>2021</b>	2020
		<b>HK\$'000</b>	HK\$'000
		千港元	千港元
Salaries and other benefits	薪金及其他福利	<b>1,378</b>	2,637
Their remuneration fell within the following bands:	其薪酬於以下範圍：		
		<b>2021</b>	2020
		<b>Number of</b>	Number of
		<b>individuals</b>	individuals
		人數	人數
HK\$1,000,001 to HK\$1,500,000	HK\$1,000,001至HK\$1,500,000	<b>1</b>	2

## 15. PROPERTY, PLANT AND EQUIPMENT

## 15. 物業、廠房及設備

		Leasehold land and buildings and leasehold improvements 租賃土地及 樓宇和 租賃物業裝修 HK\$'000 千港元	Furniture fixtures and equipment 傢俬、裝置 及設備 HK\$'000 千港元	Motor vehicles 汽車 HK\$'000 千港元	Plant and machinery 廠房及機器 HK\$'000 千港元	Construction in progress 在建工程 HK\$'000 千港元	Total 合計 HK\$'000 千港元
<b>COST</b>	<b>成本</b>						
At 1 January 2020	於2020年1月1日	553,830	46,804	18,573	5,063,969	224,679	5,907,855
Additions	添置	4,941	2,617	449	34,549	482,820	525,376
Disposals	出售	–	(478)	(929)	(5,741)	–	(7,148)
Transfer	轉撥	9,808	–	–	27,415	(37,223)	–
Exchange realignment	匯兌調整	36,794	3,166	1,469	332,660	36,614	410,703
At 31 December 2020	於2020年12月31日	605,373	52,109	19,562	5,452,852	706,890	6,836,786
Additions	添置	7,489	4,245	1,225	48,470	639,474	700,903
Disposals	出售	–	(217)	(656)	(12,190)	–	(13,063)
Transfer	轉撥	112,054	1,764	–	704,993	(818,811)	–
Exchange realignment	匯兌調整	23,026	1,999	738	206,128	31,093	262,984
At 31 December 2021	於2021年12月31日	747,942	59,900	20,869	6,400,253	558,646	7,787,610
<b>DEPRECIATION</b>	<b>折舊</b>						
At 1 January 2020	於2020年1月1日	115,785	24,305	11,942	1,672,755	–	1,824,787
Provided for the year	當年折舊	26,221	6,178	1,729	307,005	–	341,133
Elimination on disposal	出售時對銷	–	(377)	(773)	(3,440)	–	(4,590)
Exchange realignment	匯兌調整	9,083	1,909	829	125,809	–	137,630
At 31 December 2020	於2020年12月31日	151,089	32,015	13,727	2,102,129	–	2,298,960
Provided for the year	當年折舊	32,442	6,354	1,698	326,328	–	366,822
Elimination on disposal	出售時對銷	–	(189)	(591)	(9,668)	–	(10,448)
Exchange realignment	匯兌調整	6,154	1,293	526	83,199	–	91,172
At 31 December 2021	於2021年12月31日	189,685	39,473	15,360	2,501,988	–	2,746,506
<b>CARRYING VALUE</b>	<b>賬面值</b>						
At 31 December 2021	於2021年12月31日	<b>558,257</b>	<b>20,427</b>	<b>5,509</b>	<b>3,898,265</b>	<b>558,646</b>	<b>5,041,104</b>
At 31 December 2020	於2020年12月31日	454,284	20,094	5,835	3,350,723	706,890	4,537,826



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## 15. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

The above items of property, plant and equipment are depreciated on a straight-line basis at the following rates per annum:

Leasehold land and buildings and leasehold improvements	5%–7.5%
Furniture, fixtures and equipment	20%
Motor vehicles	25%
Plant and machinery	5%–20%

As at 31 December 2021, the Group's leasehold land and buildings represent buildings in the PRC and leasehold land and building located in Hong Kong amounted to HK\$550,212,000 and HK\$5,400,000 (2020: HK\$448,763,000 and HK\$5,521,000) respectively.

As at 31 December 2021, the buildings include an amount of HK\$13,537,000 (2020: HK\$14,060,000) shared from a joint operation as set out in Note 33.

As at 31 December 2021, none of the Group's construction in progress have been pledged to secure banking facilities to the Group (2020: HK\$141,007,000).

## 16. RIGHT-OF-USE ASSETS

## 15. 物業、廠房及設備(續)

上述物業、廠房及設備項目乃以直線法按下列年率折舊：

租賃土地及樓宇及租賃物業裝修	5%–7.5%
傢俬、裝置及設備	20%
汽車	25%
廠房及機器	5%–20%

於2021年12月31日，本集團的租賃土地及樓宇代表位於中國的樓宇，位於香港的租賃土地及樓宇分別為550,212,000港元及5,400,000港元(2020年：448,763,000港元及5,521,000港元)。

於2021年12月31日，樓宇之賬面金額包括了合營業務中應佔之13,537,000港元(2020年：14,060,000港元)，詳情載於附註33。

於2021年12月31日，概無在建工程已抵押以為本集團獲取銀行融資(2020年：141,007,000港元)。

## 16. 使用權資產

		Leasehold land 租賃土地 HK\$'000 千港元	Office properties and dormitory 辦公室物業及宿舍 HK\$'000 千港元	Total 合計 HK\$'000 千港元
<b>At 1 January 2020</b>	於 <b>2020年1月1日</b>	141,232	1,766	142,998
Depreciation	折舊	(3,287)	(2,127)	(5,414)
Additions (Note)	添置(附註)	–	6,904	6,904
Exchange realignment	匯兌調整	9,012	47	9,059
<b>At 31 December 2020</b>	於 <b>2020年12月31日</b>	146,957	6,590	153,547
Depreciation	折舊	(3,529)	(2,507)	(6,036)
Exchange realignment	匯兌調整	5,344	197	5,541
<b>At 31 December 2021</b>	於 <b>2021年12月31日</b>	<b>148,772</b>	<b>4,280</b>	<b>153,052</b>

**16. RIGHT-OF-USE ASSETS (CONTINUED)**

		<b>2021</b>	2020
		<b>HK\$'000</b>	HK\$'000
		千港元	千港元
Expense relating to short-term leases	短期租賃費用	<b>315</b>	—
Total cash outflow for leases	租賃現金流出總額	<b>2,977</b>	2,274

Note: During the year ended 31 December 2020, the Group entered into two lease agreements for the use of office and dormitory with LMP Group for three years. The Group has recognised an addition of right-of-use assets and lease liabilities of approximately HK\$6,081,000.

For both years, the Group leases office properties and dormitory for its operations. Lease contracts are entered into for fixed term of three years. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. In determining the lease term 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.

The Group has obtained the land use right certificates for all leasehold lands.

As at 31 December 2021, the right-of-use assets include an amount of HK\$2,320,000 (2020: HK\$2,294,000) shared from a joint operation as set out in Note 33.

**Restrictions or covenants on leases**

In addition, lease liabilities of HK\$4,368,000 are recognised with related right-of-use assets of HK\$4,279,000 as at 31 December 2021 (2020: lease liabilities of HK\$6,597,000 and related right-of-use assets of HK\$6,590,000). The lease agreements do not impose any covenants other than the security interests in the leased assets that are held by the lessor. Leased assets may not be used as security for borrowing purposes.

**16. 使用權資產(續)**

附註：截至2020年12月31日止年度，本集團與理文造紙集團簽訂了兩項租賃協議，以使用辦公室和宿舍，為期三年。本集團已確認增加使用權資產及租賃負債約6,081,000港元。

於兩個年度，本集團均租賃辦公室物業及宿舍以經營其業務。租賃合同的固定期限為3年。租賃條款是根據個別情況協商確定的，其中包含各種不同的條款和條件。本集團在確定租賃期限和評估不可撤銷的期限時，採用合同的定義並確定合同可強制執行的期限。

本集團已取得所有租賃土地的土地使用權證。

於2021年12月31日，使用權資產之賬面金額包括了合營業務中應佔之2,320,000港元(2020年：2,294,000港元)，詳情載於附註33。

**租賃的限制和契諾**

此外，於2021年12月31日，租賃負債4,368,000港元和其相關使用權資產4,279,000港元(2020年：租賃負債6,597,000港元和其相關使用權資產6,590,000港元)經已確認。租賃協議除出租人持有的租賃資產中的抵押權益外不施加任何契諾。租賃資產不得用作借貸擔保。

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## 17. INTANGIBLE ASSETS

## 17. 無形資產

		Technical knowhow 技術知識 HK\$'000 千港元	Software 軟件 HK\$'000 千港元	Total 合計 HK\$'000 千港元
<b>COST</b>	<b>成本</b>			
At 1 January 2020	於2020年1月1日	111,739	188	111,927
Exchange realignment	匯兌調整	7,273	12	7,285
At 31 December 2020	於2020年12月31日	119,012	200	119,212
Exchange realignment	匯兌調整	4,382	7	4,389
At 31 December 2021	於2021年12月31日	123,394	207	123,601
<b>AMORTISATION</b>	<b>攤銷</b>			
At 1 January 2020	於2020年1月1日	16,454	68	16,522
Provided for the year	當年攤銷	2,763	38	2,801
Exchange realignment	匯兌調整	1,222	6	1,228
At 31 December 2020	於2020年12月31日	20,439	112	20,551
Provided for the year	當年攤銷	2,899	41	2,940
Exchange realignment	匯兌調整	806	5	811
At 31 December 2021	於2021年12月31日	24,144	158	24,302
<b>CARRYING VALUE</b>	<b>賬面值</b>			
<b>At 31 December 2021</b>	<b>於2021年12月31日</b>	<b>99,250</b>	<b>49</b>	<b>99,299</b>
At 31 December 2020	於2020年12月31日	98,573	88	98,661

The above intangible assets have finite useful lives. Such intangible assets are amortised on a straight-line basis over the following periods:

Technical knowhow  
Software

10 to 39 years  
5 years

上述無形資產有既定使用年限。該等無形資產乃按直線法於以下年期內予以攤銷：

技術知識  
軟件

10至39年  
5年

## 18. IMPAIRMENT TESTING ON INTANGIBLE ASSETS AND PROPERTY, PLANT AND EQUIPMENT

For the purposes of impairment testing, certain intangible assets set out in Note 17 and property, plant and equipment in Note 15 have been allocated to the Project, which is an individual CGU. As at 31 December 2021, the carrying amounts of intangible assets for technical knowhow and property, plant and equipment relating to the Project were approximately HK\$98,749,000 and HK\$92,569,000, respectively (2020: HK\$97,964,000 and HK\$107,166,000, respectively).

The basis of the recoverable amount of the above CGU and the major underlying assumptions are summarised below.

The recoverable amount of this CGU has been determined based on its value in use. The calculation uses discounted cash flow model based on the financial budgets approved by the directors of the Company covering a five-year period (2020: five-year), and a pre-tax discount rate of 13.43% (2020: 13.10%). The cash flows beyond the five-year period (2020: five-year) are extrapolated using a steady growth rate of 3% (2020: 3%) per annum. This growth rate is determined based on the expected long-term inflation in the PRC. Other key assumptions relate to the estimation of cash inflows/outflows which include budgeted sales generated from the CGU, such estimation is based on the past performance of the CGU and management's expectations on the market development.

During the years ended 31 December 2020 and 31 December 2021, the management of the Group determines that there is no impairment on this CGU as the recoverable amount of this CGU exceeds its carrying amount.

## 18. 無形資產及物業、廠房及設備之減值測試

就減值測試而言，附註17所載列之若干無形資產以及附註15所載列之若干物業、廠房及設備已被分配至該項目，其為個別現金產生單位。於2021年12月31日，與該項目有關的技術知識的無形資產及物業、廠房及設備賬面值分別約為98,749,000港元及92,569,000港元（2020年：分別約為97,964,000港元及107,166,000港元）。

上述現金產生單位可收回金額之基準及主要相關假設概述如下：

該現金產生單位之可收回金額乃按照使用價值計算釐定。計算採用以董事所批准五年財務預算（2020年：五年）為依據之現金流量預測並屬於公平值架構第三級範圍內之稅前折現率13.43%（2020年：13.10%）。五年（2020年：五年）期間外之現金流量乃採用永續年增長率3%（2020年：3%）進行推算。此增長率根據中國之預期長期通脹而釐定。其他主要假設與現金流入／流出（包括現金產生單位產生之預算銷售額）估計有關，該估計乃基於現金產生單位之過往表現及管理層對市場發展之預期而釐定。

截至2020年12月31日及2021年12月31日止年度，本集團管理層認為該現金產生單位概無減值，其因該現金產生單位的可收回金額高於其賬面值。

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## 19. INTERESTS IN JOINT VENTURES

## 19. 合營企業之權益

		2021 HK\$'000 千港元	2020 HK\$'000 千港元
Cost of unlisted investments in joint ventures	非上市合營企業之投資成本	125,166	125,166
Exchange realignment	匯兌調整	(513)	(5,449)
Share of loss and other comprehensive expense	應佔虧損及其他全面支出	(14,698)	(14,115)
		<b>109,955</b>	<b>105,602</b>

Details of each of the Group's joint ventures at the end of the reporting period are as follows:

截至報告期末，本集團於每間合營企業的詳情載列如下：

Name of entity 實體名稱	Form of entity 實體形式	Place of establishment/ incorporation 成立地點	Class of shares held 所持股票 類型	Proportion of ownership interest held by the Group 本集團間接持有的已發行及繳足資本比例		Principal activity 主要業務
				2021	2020	
常熟東港置業有限公司	Limited incorporated 有限公司	PRC 中國	Registered capital 註冊資本	40%	40%	Provision of port facilities 提供港口設施
Southern Hill Company Limited 南峰有限公司	Limited incorporated 有限公司	Hong Kong 香港	Ordinary 普通股	50%	50%	Investment holding 投資控股
<i>Wholly owned subsidiary of Southern Hill Company Limited:</i> 其全資附屬公司：						
Ruichang Lee & Man Logistics Company Limited ("Ruichang L&M") 瑞昌理文物流有限公司	Limited incorporated 有限公司	PRC 中國	Registered capital 註冊資本	50%	50%	Provision of port facilities 提供港口設施

**19. INTERESTS IN JOINT VENTURES (CONTINUED)**

The joint ventures are accounted for using the equity method in the consolidated financial statements.

Summarised financial information in respect of each of the Group's joint ventures are set out below. The summarised financial information below represents amounts shown in the joint ventures' financial statements prepared in accordance with HKFRSs.

**常熟東港置業有限公司**

		<b>2021</b>	2020
		<b>HK\$'000</b>	HK\$'000
		千港元	千港元
Current assets	流動資產	<b>22,919</b>	16,984
Non-current assets	非流動資產	<b>57,820</b>	59,690
Current liabilities	流動負債	<b>(32,997)</b>	(32,093)

The above amounts of assets and liabilities include the following:

		<b>2021</b>	2020
		<b>HK\$'000</b>	HK\$'000
		千港元	千港元
Cash and cash equivalents	現金及現金等價物	<b>22,546</b>	16,150
Current financial liabilities (excluding trade and other payables and provisions)	流動財務負債(不包括應付貿易及其他款項及撥備)	<b>(30,677)</b>	(29,592)

		<b>2021</b>	2020
		<b>HK\$'000</b>	HK\$'000
		千港元	千港元
Revenue	收入	<b>12,831</b>	11,228
Profit for the year	年內溢利	<b>1,494</b>	670
Other comprehensive income for the year	年內其他全面收益	<b>1,669</b>	2,757
Total comprehensive income for the year	年內全面收益	<b>3,163</b>	3,427

**19. 合營企業之權益(續)**

合營企業乃以權益法計入綜合財務報表。

有關本集團每個投資合營企業之財務資料，概述如下。以下財務資料代表合營企業財務報表之金額其乃按香港財務準則編製。

**常熟東港置業有限公司**

		<b>2021</b>	2020
		<b>HK\$'000</b>	HK\$'000
		千港元	千港元
Current assets	流動資產	<b>22,919</b>	16,984
Non-current assets	非流動資產	<b>57,820</b>	59,690
Current liabilities	流動負債	<b>(32,997)</b>	(32,093)

以上資產及負債金額包括以下：

		<b>2021</b>	2020
		<b>HK\$'000</b>	HK\$'000
		千港元	千港元
Cash and cash equivalents	現金及現金等價物	<b>22,546</b>	16,150
Current financial liabilities (excluding trade and other payables and provisions)	流動財務負債(不包括應付貿易及其他款項及撥備)	<b>(30,677)</b>	(29,592)

		<b>2021</b>	2020
		<b>HK\$'000</b>	HK\$'000
		千港元	千港元
Revenue	收入	<b>12,831</b>	11,228
Profit for the year	年內溢利	<b>1,494</b>	670
Other comprehensive income for the year	年內其他全面收益	<b>1,669</b>	2,757
Total comprehensive income for the year	年內全面收益	<b>3,163</b>	3,427

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## 19. INTERESTS IN JOINT VENTURES (CONTINUED)

常熟東港置業有限公司 (Continued)

The above profit for the year includes the following:

		2021 HK\$'000 千港元	2020 HK\$'000 千港元
Depreciation	折舊	(4,272)	(3,949)
Interest income	利息收入	369	240
Interest expense	利息支出	(1,374)	(1,329)

Reconciliation of the above summarised financial information to the carrying amount of the interest in 常熟東港置業有限公司 recognised in the consolidated financial statements:

		2021 HK\$'000 千港元	2020 HK\$'000 千港元
Net assets of 常熟東港置業有限公司	常熟東港置業有限公司之淨資產	47,742	44,581
Proportion of the Group's ownership interest in 常熟東港置業有限公司	本集團持有常熟東港置業有限公司擁有權之部份	40%	40%
Carrying amount of the Group's interest in 常熟東港置業有限公司	本集團投資於常熟東港置業有限公司之賬面金額	19,097	17,832

## Southern Hill Company Limited and its subsidiary

## 19. 合營企業之權益(續)

常熟東港置業有限公司(續)

上述年內溢利包括以下：

		2021 HK\$'000 千港元	2020 HK\$'000 千港元
Depreciation	折舊	(4,272)	(3,949)
Interest income	利息收入	369	240
Interest expense	利息支出	(1,374)	(1,329)

以上有關常熟東港置業有限公司之權益賬面金額的財務資料計入綜合財務報表之對賬：

		2021 HK\$'000 千港元	2020 HK\$'000 千港元
Net assets of 常熟東港置業有限公司	常熟東港置業有限公司之淨資產	47,742	44,581
Proportion of the Group's ownership interest in 常熟東港置業有限公司	本集團持有常熟東港置業有限公司擁有權之部份	40%	40%
Carrying amount of the Group's interest in 常熟東港置業有限公司	本集團投資於常熟東港置業有限公司之賬面金額	19,097	17,832

## 南峰有限公司及其附屬公司

		2021 HK\$'000 千港元	2020 HK\$'000 千港元
Current assets	流動資產	15,537	10,252
Non-current assets	非流動資產	250,496	236,883
Current liabilities	流動負債	(84,318)	(219)
Non-current liabilities	非流動負債	-	(71,376)

**19. INTERESTS IN JOINT VENTURES (CONTINUED)****Southern Hill Company Limited and its subsidiary (Continued)**

The above amounts of assets and liabilities include the following:

		<b>2021</b> <b>HK\$'000</b> 千港元	2020 HK\$'000 千港元
Cash and cash equivalents	現金及現金等價物	<b>9,769</b>	5,021
Non-current financial liabilities (excluding trade and other payables and provisions)	非流動財務負債(不包括應付貿易及其他款項及撥備)	<b>-</b>	(71,376)

		<b>2021</b> <b>HK\$'000</b> 千港元	2020 HK\$'000 千港元
Revenue	收入	<b>5,717</b>	5,388
Loss for the year	年內虧損	<b>(2,351)</b>	(2,392)
Other comprehensive income for the year	年內其他全面收益	<b>8,526</b>	7,827
Total comprehensive income for the year	年內全面收益	<b>6,175</b>	5,435

The above loss for the year include the following:

		<b>2021</b> <b>HK\$'000</b> 千港元	2020 HK\$'000 千港元
Depreciation and amortisation	折舊及攤銷	<b>(4,262)</b>	(4,017)
Interest income	利息收入	<b>174</b>	15
Interest expense	利息支出	<b>(2,323)</b>	(2,352)

**19. 合營企業之權益(續)****南峰有限公司及其附屬公司(續)**

以上資產及負債金額包括以下：

		<b>2021</b> <b>HK\$'000</b> 千港元	2020 HK\$'000 千港元
Cash and cash equivalents	現金及現金等價物	<b>9,769</b>	5,021
Non-current financial liabilities (excluding trade and other payables and provisions)	非流動財務負債(不包括應付貿易及其他款項及撥備)	<b>-</b>	(71,376)

		<b>2021</b> <b>HK\$'000</b> 千港元	2020 HK\$'000 千港元
Revenue	收入	<b>5,717</b>	5,388
Loss for the year	年內虧損	<b>(2,351)</b>	(2,392)
Other comprehensive income for the year	年內其他全面收益	<b>8,526</b>	7,827
Total comprehensive income for the year	年內全面收益	<b>6,175</b>	5,435

上述年內虧損包括以下：

		<b>2021</b> <b>HK\$'000</b> 千港元	2020 HK\$'000 千港元
Depreciation and amortisation	折舊及攤銷	<b>(4,262)</b>	(4,017)
Interest income	利息收入	<b>174</b>	15
Interest expense	利息支出	<b>(2,323)</b>	(2,352)



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**19. INTERESTS IN JOINT VENTURES (CONTINUED)****Southern Hill Company Limited and its subsidiary (Continued)**

Reconciliation of the above summarised financial information to the carrying amount of the interest in Southern Hill Company Limited and its subsidiary recognised in the consolidated financial statements:

		<b>2021</b>	2020
		<b>HK\$'000</b>	HK\$'000
		千港元	千港元
Net assets of Southern Hill Company Limited	南峰有限公司之淨資產	<b>181,715</b>	175,540
Proportion of the Group's ownership interest in Southern Hill Company Limited	本集團持有南峰有限公司擁有權之部份	<b>50%</b>	50%
Carrying amount of the Group's interest in Southern Hill Company Limited	本集團投資於南峰有限公司之賬面金額	<b>90,858</b>	87,770

**19. 合營企業之權益(續)****南峰有限公司及其附屬公司(續)**

以上有關的財務資料計入於南峰有限公司及其附屬公司之權益賬面金額確認於綜合財務報表之對賬：

**20. INTERESTS IN ASSOCIATES**

		<b>2021</b>	2020
		<b>HK\$'000</b>	HK\$'000
		千港元	千港元
Cost of unlisted investment in associates	非上市合營企業之投資成本	<b>21,127</b>	21,127
Exchange realignment	匯兌調整	<b>1,671</b>	878
Share of loss and other comprehensive expense	應佔虧損及其他全面支出	<b>(818)</b>	(156)
		<b>21,980</b>	21,849

**20. 聯營企業之權益**

**20. INTERESTS IN ASSOCIATES (CONTINUED)**

Details of the Group's associates at the end of the reporting period are as follows:

Name of entity 實體名稱	Form of entity 實體形式	Place of establishment 成立地點	Class of shares held 所持股票 類型	Proportion of ownership interest held by the Group 本集團所佔的 權益比例		Principal activity 主要業務
				2021	2020	
瑞昌市碼頭熱力有限公司	Limited incorporated 有限公司	PRC 中國	Registered capital 註冊資本	<b>49%</b>	49%	Sale of steam, construction and maintenance of steam pipelines, sale of heat-supply equipment and appliance 銷售蒸氣，建造及維護蒸氣管道，銷售提供熱力之設備及器具
江蘇新效材料科技 有限公司	Limited incorporated 有限公司	PRC 中國	Registered capital 註冊資本	<b>28%</b>	28%	Research and product development 研發及產品開發

The associates are accounted for using the equity method in these consolidated financial statements.

Summarised financial information in respect of each of the Group's associates are set out below. The summarised financial information below represents amounts shown in the associates' financial statements prepared in accordance with HKFRSs.

**瑞昌市碼頭熱力有限公司**

		<b>2021</b> <b>HK\$'000</b> 千港元	2020 HK\$'000 千港元
Current assets	流動資產	<b>12,146</b>	10,370
Non-current assets	非流動資產	<b>34,224</b>	35,550
Current liabilities	流動負債	<b>(2,409)</b>	(1,859)

**20. 聯營企業之權益(續)**

截至本報告期間，本集團之聯營企業之詳細資料如下：

聯營企業乃以權益法計入綜合財務報表。

有關本集團每個聯營企業之財務資料、概述如下。以下財務資料代表聯營企業財務報表之金額是按香港財務準則編製。

**瑞昌市碼頭熱力有限公司**

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## 20. INTERESTS IN ASSOCIATES (CONTINUED)

## 20. 聯營企業之權益(續)

The above amounts of assets and liabilities included the followings:

以上資產及負債金額包括以下：

		2021 HK\$'000 千港元	2020 HK\$'000 千港元
Cash and cash equivalents	現金及現金等價物	5,764	5,740
Revenue	收入	10,235	10,294
Loss for the year	年度虧損	(1,690)	(80)
Other comprehensive income for the year	年度其他全面收益	1,591	2,597
Total comprehensive (expense) income for the year	年度全面(支出)收益	(99)	2,517

Reconciliation of the above summarised financial information to the carrying amount of the interest in 瑞昌市碼頭熱力有限公司 recognised in the consolidated financial statements:

以上有關瑞昌市碼頭熱力有限公司之權益賬面金額的財務資料計入綜合財務報表之對賬：

		2021 HK\$'000 千港元	2020 HK\$'000 千港元
Net assets of 瑞昌市碼頭熱力有限公司	瑞昌市碼頭熱力有限公司之淨資產	43,961	44,061
Proportion of the Group's ownership interest in 瑞昌市碼頭熱力有限公司	本集團持有瑞昌市碼頭熱力有限公司擁有權之部份	49%	49%
Carrying amount of the Group's interest in 瑞昌市碼頭熱力有限公司	本集團投資於瑞昌市碼頭熱力有限公司之帳面金額	21,541	21,590

## 20. INTERESTS IN ASSOCIATES (CONTINUED)

江蘇新效材料科技有限公司

		2021 HK\$'000 千港元	2020 HK\$'000 千港元
Current assets	流動資產	<b>2,871</b>	1,625
Non-current assets	非流動資產	<b>9</b>	–
Current liabilities	流動負債	<b>(1,838)</b>	(1,205)

The above amounts of assets and liabilities included the followings:

		2021 HK\$'000 千港元	2020 HK\$'000 千港元
Cash and cash equivalents	現金及現金等價物	<b>1,080</b>	1,143
Revenue	收入	<b>1,748</b>	–
Profit (loss) for the year	年內溢利(虧損)	<b>594</b>	(544)
Other comprehensive income for the year	年內其他全面收益	<b>28</b>	51
Total comprehensive income (expense) for the year	年內全面收益(支出)	<b>622</b>	(493)

Reconciliation of the above summarised financial information to the carrying amount of the interest in 江蘇新效材料科技有限公司 recognised in the consolidated financial statements:

		2021 HK\$'000 千港元	2020 HK\$'000 千港元
Net assets of 江蘇新效材料科技有限公司	江蘇新效材料科技有限公司之淨資產	<b>1,042</b>	420
Proportion of the Group's ownership interest in 江蘇新效材料科技有限公司	江蘇新效材料科技有限公司擁有權之部份	<b>28%</b>	28%
The Group's share of net assets of 江蘇新效材料科技有限公司	江蘇新效材料科技有限公司之應佔淨資產	<b>292</b>	118
Other adjustments	其他調整	<b>147</b>	141
Carrying amount of the Group's interest in 江蘇新效材料科技有限公司	江蘇新效材料科技有限公司之賬面金額	<b>439</b>	259

## 20. 聯營企業之權益(續)

江蘇新效材料科技有限公司

以上資產及負債金額包括以下：

以上有關江蘇新效材料科技有限公司之權益賬面金額的財務資料計入綜合財務報表之對賬：

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### 21. AMOUNTS DUE FROM A JOINT VENTURE/AN ASSOCIATE

As at 31 December 2021, the amount due from a joint venture amounting to HK\$15,516,000 (2020: HK\$14,966,000) represented the loan to 常熟東港置業有限公司. As at 31 December 2021, the amount was unsecured, interest-bearing and repayable in October 2022. The loan agreement was renewed in 2021. As at 31 December 2020 the loan was unsecured, interest-bearing and repayable in October 2021.

The remaining amount due from a joint venture and the amount due from an associate is unsecured, interest-free and repayable on demand.

Details of impairment assessment are set out in Note 42.

### 21. 應收合營企業／聯營企業款項

於2021年12月31日，計有15,516,000港元(2020年：14,966,000港元)之應收合營企業款項為常熟東港置業有限公司的借款。於2021年12月31日，該金額為無抵押，計息及須於2022年10月償還。貸款協議於2021年續期。截至2020年12月31日，該貸款無抵押，計息及須於2021年10月償還。

其餘應收合營企業款項及應收聯營企業款項為無抵押，免息及按要求償還。

減值評估詳情載於附註42。

### 22. GOODWILL

### 22. 商譽

		HK\$'000 千港元
<b>COST AND CARRYING VALUES</b>	<b>成本及賬面值</b>	
At 1 January 2020	在2020年1月1日	2,622
Exchange realignment	匯兌調整	171
At 31 December 2020	在2020年12月31日	2,793
Exchange realignment	匯兌調整	103
<b>At 31 December 2021</b>	<b>於2021年12月31日</b>	<b>2,896</b>

### 23. INVENTORIES

### 23. 存貨

		2021 HK\$'000 千港元	2020 HK\$'000 千港元
Raw materials and consumables	原材料及耗用品	502,407	374,140
Work in progress	在製品	53,236	31,943
Finished goods	製成品	206,832	98,372
		<b>762,475</b>	<b>504,455</b>

**24. PROPERTIES HELD FOR SALE/PROPERTIES UNDER DEVELOPMENT****24. 待售物業／發展中物業****Properties under development****發展中物業**

		HK\$'000 千港元
At 1 January 2020	於2020年1月1日	266,879
Additions	添置	99,132
Exchange relignment	匯兌調整	24,793
At 31 December 2020	於2020年12月31日	390,804
Additions	添置	211,545
Transferred to properties held for sale	轉撥至待售物業	(242,604)
Exchange relignment	匯兌調整	14,256
<b>At 31 December 2021</b>	<b>於2021年12月31日</b>	<b>374,001</b>

The properties under development are located in the PRC, and expected to be completed within one year from the end of the reporting period.

發展中物業位於中國及預期在報告期末的一年之內完成。

As at 31 December 2021, the carrying amount of leasehold land included in properties held for sale/properties under development was HK\$61,107,000 (2020: HK\$72,190,000). The carrying amount of leasehold land is measured at cost less any accumulated depreciation and any impairment losses. The residual values are determined as the estimated disposal values of the leasehold land component. No depreciation charge is made on the leasehold lands taking into account the estimated residual values as at 31 December 2021.

於2021年12月31日，待售物業及發展中物業所包括的租賃土地的賬面值為61,107,000港元（2020年：72,190,000港元）。租賃土地的賬面值以成本減去任何累計折舊和任何減值損失計量。剩餘價值確定為租賃土地部分的估計處置價值。考慮到截至2021年12月31日的估計殘值，未對租賃土地計提折舊費用。

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### 25. TRADE AND OTHER RECEIVABLES

The Group generally allows its trade customers a credit period ranged from 7 to 60 days.

Included in the balance are trade receivables of HK\$156,907,000 (2020: HK\$105,170,000), and the ageing analysis of trade receivables based on invoice date at the end of the reporting period is as follows:

		2021 HK\$'000 千港元	2020 HK\$'000 千港元
Not exceeding 30 days	不超過30天	<b>137,225</b>	95,533
31–60 days	31至60天	<b>15,609</b>	9,342
61–90 days	61至90天	<b>3,098</b>	178
91–120 days	91至120天	<b>920</b>	60
Over 120 days	超過120天	<b>55</b>	57
Trade receivables	貿易應收款	<b>156,907</b>	105,170
Prepayments	預付款	<b>87,138</b>	103,366
Deposits to suppliers	付供應商訂金	<b>33,148</b>	50,359
Value-added tax receivables	應收增值稅項	<b>37,859</b>	34,081
Other receivables	其他應收款	<b>8,996</b>	3,098
Total trade and other receivables	應收貿易及其他款項合計	<b>324,048</b>	296,074

Before accepting any new customer, the Group assesses the potential customer's credit quality by investigating its historical credit record and then defines its credit limit. Trade receivables that are neither past due nor impaired are considered to be recovered based on historical experience.

At 31 December 2021, trade receivables of HK\$10,399,000 (2020: HK\$3,343,000) was past due. The Group does not hold any collateral over the overdue balance.

Details of impairment assessment are set out in Note 42.

### 25. 應收貿易及其他款項

本集團一般給予貿易客戶之賒賬期為7至60天。

應收貿易及其他款項包括應收貿易賬款為156,907,000港元(2020年:105,170,000港元)，應收貿易賬款於報告期末按發票日期之賬齡分析如下：

於接納任何新客戶前，本集團透過調查客戶之過往信貸記錄評估其潛在信貸質量並隨後界定其信貸額度。按過往經驗，既無過期亦無減值之應收貿易賬款會被視作可收回。

於2021年12月31日，計有10,399,000港元(2020年:3,343,000港元)應收貿易賬款逾期。本集團並無就逾期結餘持有任何抵押品。

減值評估詳情載於附註42。

**26. AMOUNTS DUE FROM (TO) RELATED COMPANIES**

		<b>2021</b>	2020
		<b>HK\$'000</b>	HK\$'000
		千港元	千港元
Amounts due from Lee & Man Paper Manufacturing Limited and its subsidiaries ("LMP Group")	應收理文造紙有限公司及其附屬公司(「理文造紙」)	<b>10,978</b>	16,492
Amount due to LMP Group	應付理文造紙	<b>(10,004)</b>	(13,227)

*Note:* LMP Group is beneficially owned and controlled by Mr. Lee's family member. The amount represents a trade balance which is unsecured, interest-free bearing and aged within 90 days.

Details of impairment assessment are set out in Note 42.

**27. BANK BALANCES AND CASH AND BANK BALANCES WITH RESTRICTED USE**

Bank balances and cash comprise cash held by the Group and short term bank deposits with an original maturity of three months or less. The deposits carry prevailing market interest rates which range up to 3.15% (2020: 3.50%) per annum.

As at 31 December 2021, none of the Group's bank balances are subject with restricted use. As at 31 December 2020, the bank balances with restricted use included (i) bank deposits amounting to HK\$24,380,000 as guarantee deposits and for the use of construction of properties under development for sale under pre-sale in the PRC and (ii) bank deposits amounting to HK\$11,658,000 pledged to banks to secure certain bills payable granted to the Group.

Details of impairment assessment on bank balances and bank balances with restricted use are set out in Note 42.

**26. 應收(應付)關連公司款項**

*附註:* 理文造紙由李先生家族成員實益擁有和控制。款項為貿易餘額，無抵押，免息並於90天內到期。

減值評估詳情載於附註42。

**27. 銀行結餘及現金及受限制銀行結餘**

銀行結餘及現金包括本集團持有之現金及原本為3個月或少於3個月到期之短期銀行存款。該等存款按市場年息率至最高3.15%(2020年: 3.50%)計息。

於2021年12月31日，本集團概無需受限制之銀行結餘。於2020年12月31日，受限制銀行結餘包括(i)總額為24,380,000港元的銀行存款作為擔保存款，並用於在中國以預售方式出售待售發展中物業的建設和(ii)已抵押予銀行的銀行存款為11,658,000港元，以作抵押予本集團的若干應付票據。

有關銀行結餘及受限制銀行結餘減值測試之進一步詳情載於附註42。



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## 綜合財務報表附註

For the year ended 31 December 2021 截至2021年12月31日止年度

### 28. TRADE AND OTHER PAYABLES

Trade and other payables principally comprise amounts outstanding for trade purchases and ongoing costs. The credit period obtained for trade purchases is 7 to 45 days.

Included in trade and other payables is trade payables of HK\$187,762,000 (2020: HK\$107,256,000). The ageing analysis of trade payables based on the invoice date at the end of the reporting period is as follows:

### 28. 應付貿易及其他款項

應付貿易及其他款項主要包括貿易購貨及持續開支成本之未付款項。貿易購貨之賒賬期為7至45天。

應付貿易及其他款項包括應付貿易賬款為187,762,000港元(2020年: 107,256,000港元)，應付貿易賬款於報告期末按發票日之賬齡分析如下：

		2021 HK\$'000 千港元	2020 HK\$'000 千港元
Not exceeding 30 days	不超過30天	<b>137,019</b>	66,847
31–60 days	31至60天	<b>27,138</b>	13,823
61–90 days	61至90天	<b>5,430</b>	6,338
Over 90 days	90天以上	<b>18,175</b>	20,248
Trade payables	貿易應付款	<b>187,762</b>	107,256
Construction costs payable and accruals	應付工程款及預提費用	<b>251,113</b>	164,345
Other payables	其他應付款	<b>140,742</b>	101,028
Value-added tax accruals	預提增值稅項	<b>22,355</b>	14,538
Other accruals	其他預提費用	<b>47,314</b>	44,904
Total trade and other payables	應付貿易及其他款項合計	<b>649,286</b>	432,071
Analysed for reporting purposes as:	作報告分析用途：		
Non-current liabilities	非流動負債	<b>36,065</b>	33,344
Current liabilities	流動負債	<b>613,221</b>	398,727
		<b>649,286</b>	432,071

**28. TRADE AND OTHER PAYABLES (CONTINUED)**

As at 31 December 2021, the balance of other payables included a non-current deferred income, amounting to HK\$29,561,000 (2020: HK\$23,877,000), received from the PRC government for an innovative technology project. The amounts will be utilised to the relevant research and development expenses.

As at 31 December 2021, the balance of other payable included an amount of approximately RMB5,300,000 (equivalent to HK\$6,503,000) (2020: approximately RMB8,000,000 (equivalent to HK\$9,467,000)) of remaining consideration payable for the acquisition of the non-controlling interests of a subsidiary in prior years and the amount was expected to be repayable after one year after the reporting period.

**29. CONTRACT LIABILITIES**

Manufacture and sale of chemical products	製造和銷售化工產品
Sale of properties	物業銷售
Analysed for reporting purposes as:	作報告分析用途：
Current liabilities	流動負債

Contract liabilities, that are not expected to be settled within the Group's normal operating cycle, are classified as current and non-current based on the Group's earliest obligation to transfer goods or services to the customers.

The following table shows how much of the revenue recognised in the current year relates to carried-forward contract liabilities.

Manufacture and sale of chemical products	製造和銷售化工產品
Sale of properties	物業銷售

**28. 應付貿易及其他款項(續)**

於2021年12月31日，收取了中國政府給予之創新科技項目金額為29,561,000港元(2020年：23,877,000港元)之非流動遞延收入已包含在其他應付款中。這筆款項將用於相應的研發費用。

於2021年12月31日，其他應付款包含過去年度收購一間附屬公司非控股權益之餘下應付對價其為約人民幣5,300,000元(約等於6,503,000港元)(2020年：約人民幣8,000,000元(約等於9,467,000港元))，該款項預期會於在報告期後一年後償還。

**29. 合約負債**

	2021 HK\$'000 千港元	2020 HK\$'000 千港元
	<b>118,576</b>	67,665
	<b>2,196</b>	67,506
	<b>120,772</b>	135,171
	<b>120,772</b>	135,171

合約負債，其預期不會在本集團正常經營週期內結清，則根據本集團最早向客戶轉移商品或服務的義務，分為流動負債和非流動負債。

下表列示於本年度之收入確認中，有多少屬合約負債結轉。

	2021 HK\$'000 千港元	2020 HK\$'000 千港元
	<b>62,551</b>	49,967
	<b>67,506</b>	-
	<b>130,057</b>	49,967

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### 29. CONTRACT LIABILITIES (CONTINUED)

Typical payment terms which impact on the amount of contract liabilities recognised are as follows:

#### Manufacture and sale of chemical products

Contract liabilities represent receipts in advance from customers for incompleting performance obligations on sale of chemical products and are recognised as revenue when the Group performs its obligations under the contracts. Performance obligation is expected to be satisfied within one year from the inception of contracts.

#### Sale of properties

The Group receives the consideration in advance from sale of properties to customers. The advanced receipts result in contract liabilities being recognised until the customer obtains control of the completed property.

### 30. LEASE LIABILITIES

#### Lease liabilities payable:

Within one year	應付租賃負債： 一年內
Within a period of more than one year but not exceeding two years	逾一年但不逾兩年
Within a period of more than two years but not exceeding five years	逾兩年但不逾五年

The weighted average incremental borrowing rate applied to lease liabilities is 4.19% (2020: 4.19%).

Lease obligations are denominated in RMB.

### 29. 合約負債(續)

對已確認合約負債之數額造成影響之一般付款條款如下：

#### 製造和銷售化工產品

合約負債是指客戶因銷售化工產品而未履行的履約義務的預收款項，其於本集團履行合約義務時確認為收入。預期自合約訂立之日起一年內履行履約義務。

#### 物業銷售

本集團自客戶收取物業銷售預收款項。由預收款項產生之合約負債會於客戶取得已竣工物業之控制權前確認。

### 30. 租賃負債

	2021 HK\$'000 千港元	2020 HK\$'000 千港元
	<b>2,178</b>	2,384
	<b>2,190</b>	2,101
	-	2,112
	<b>2,190</b>	4,213
	<b>4,368</b>	6,597

應用於租賃負債的加權平均增量借款利率為4.19%(2020年：4.19%)。

租賃負債乃以人民幣計值。



## 31. BANK BORROWINGS

## 31. 銀行借款

		<b>2021</b>	2020
		<b>HK\$'000</b>	HK\$'000
		千港元	千港元
Unsecured bank loans	無抵押銀行借款	<b>1,032,904</b>	1,437,481
Secured bank loans	有抵押銀行借款	<b>-</b>	94,675
		<b>1,032,904</b>	1,532,156
Carrying amount of bank borrowings based on scheduled repayment dates set out in the loan agreements:	按借款協議所列預計還款日期之銀行借款的賬面值：		
Within one year	一年內	<b>432,699</b>	458,663
More than one year, but not exceeding two years	逾一年但不逾兩年	<b>371,678</b>	802,136
More than two years but not more than five years	逾兩年但不逾五年	<b>228,527</b>	271,357
		<b>1,032,904</b>	1,532,156
Less: Amounts due within one year shown under current liabilities	減：一年內到期的金額於流動負債下列示	<b>(432,699)</b>	(458,663)
Amounts shown under non-current liabilities	於非流動負債下列示	<b>600,205</b>	1,073,493

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### 31. BANK BORROWINGS (CONTINUED)

The exposure of the Group's borrowings are as follows:

		<b>2021</b>	2020
		<b>HK\$'000</b>	HK\$'000
		千港元	千港元
Fixed-rate borrowings	定息借款	<b>140,085</b>	291,225
Variable-rate borrowings	浮息借款	<b>892,819</b>	1,240,931
		<b>1,032,904</b>	1,532,156

As at 31 December 2021, the Group's variable-rate borrowings carry interests at 1.3% over Hong Kong Interbank Offered Rate ("HIBOR") or at 1.0% under to 0.9% over Loan Prime Rate ("LPR") (2020: 0.7% to 1.3% over HIBOR or at 1.0% under to 0.9% over LPR).

The ranges of effective interest rates per annum on the Group's borrowings are as follows:

		<b>2021</b>	2020
Effective interest rates:	實際利率：		
Fixed-rate borrowings	定息借款	<b>3.70% to 4.18%</b>	3.70% to 4.48%
Variable-rate borrowings	浮息借款	<b>1.50% to 4.10%</b>	0.93% to 4.99%

The following amounts of bank borrowings are denominated in currency other than the functional currency of the relevant group entities.

		<b>2021</b>	2020
		<b>HK\$'000</b>	HK\$'000
		千港元	千港元
HK dollars	港元	<b>599,000</b>	922,414

### 31. 銀行借款(續)

本集團之借款風險如下：

於2021年12月31日，本集團的浮息借款按香港銀行同業拆息上浮1.3%或按借貸基準利率下浮1.0%至上浮0.9%計息（2020年：香港銀行同業拆息上浮0.7%至1.3%或按借貸基準利率下浮1.0%至上浮0.9%計息）。

本集團借款之實際年利率範圍如下：

以下金額的銀行借款以相關集團實體的功能貨幣以外的貨幣計值。

**32. SHARE CAPITAL**

		<b>Number of ordinary shares</b> 普通股份數目	<b>Amount</b> 金額 HK\$'000 千港元
Ordinary shares of HK\$0.10 each:	每股面值0.10港元之普通股：		
Authorised:	法定：		
At 1 January 2020, 31 December 2020 and 31 December 2021	於2020年1月1日、2020年12月31日及 2021年12月31日	5,000,000,000	500,000
Issued and fully paid:	發行及繳足：		
At 1 January 2020, 31 December 2020 and 31 December 2021	於2020年1月1日、2020年12月31日及 2021年12月31日	825,000,000	82,500

There was no movement in the Company's share capital for both years.

本公司之股本於該兩個年度內並無變動。

**33. INVESTMENT IN A JOINT OPERATION**

The joint operation was constituted from 50% shareholding of Hong Kong Baptist University Investment Limited operating a research center located in Changshu City, Jiangsu Province, the PRC.

At 31 December 2020 and 2021, the aggregate amounts of assets and expenses recognised in the consolidated financial statements relating to the Group's investment in this joint operation are as follows:

**33. 合營業務投資**

本合營業務由香港浸大投資有限公司之50%股權組成，於中國江蘇省常熟市營運一個研究中心。

於2020年及2021年12月31日，本集團就有關合營業務之投資在綜合財務報表確認的資產及費用總金額如下：

		<b>2021</b> <b>HK\$'000</b> 千港元	2020 HK\$'000 千港元
Property	物業	<b>13,537</b>	14,060
Right-of-use assets	使用權資產	<b>2,320</b>	2,294
		<b>15,857</b>	16,354
Expenses	費用	<b>1,079</b>	1,014

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## 綜合財務報表附註

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### 34. SHARE OPTION SCHEME

The Company's share option scheme (the "Scheme") was adopted pursuant to a resolution passed on 14 July 2017 for the purpose of providing incentives to directors and eligible persons (the "Participants"). The Scheme has a term of 10 years from the date which the Board of Directors resolved to offer the options to the Participants, i.e. 13 June 2017, and therefore it expires on 12 June 2026. On 14 July 2017, 82,500,000 share options with an aggregate market value of HK\$154,200,000 were granted and the provision of the Scheme shall remain in full force and the holder of all options granted under the Scheme prior to such termination shall be entitled to exercise the outstanding options pursuant to the terms of the Scheme until expiry of the said options.

The purpose of the Scheme is to reward the Participants who has contributed or will contribute to the Group and to encourage the Participants to work towards enhancing the value of the Company and its shares for the benefit of the Company and its shareholders as a whole. The Scheme expressly provides that the Board of Directors may, with respect to each grant of options, determine the subscription price, the minimum period (if any) for which an option must be held before it can be exercised, performance targets (if any) and other conditions that apply to the options.

The options granted on 14 July 2017 will vest on 1 April 2022. They will be exercisable by Mr. Lee during the period from 1 April 2022 to 31 March 2027 if the Group achieves the following performance targets:

- (i) all the 82,500,000 options will be exercisable from 1 April 2022 to 31 March 2027 (both dates inclusive) if the net profit for the Group's financial year ending 31 December 2021 equals or exceeds 150% of the net profit for the Group's financial year ended 31 December 2016 of HK\$216,195,000; or
- (ii) if the net profit for the Group's financial year ending 31 December 2021 cannot be achieved as per (i) above, the 82,500,000 options will be exercisable from 1 April 2023 to 31 March 2027 (both dates inclusive) if the net profit for the Group's financial year ending 31 December 2022 equals or exceeds 160% of the net profit for the Group's financial year ended 31 December 2016 of HK\$216,195,000.

### 34. 購股權計劃

本公司之購股權計劃(「計劃」)乃根據於2017年7月14日通過之決議案採納，旨在為董事及合資格人士(「參與者」)提供獎勵。該計劃自董事會決議向參與者提供期權(即2017年6月13日)起計10年，因此於2026年6月12日屆滿。於2017年7月14日，82,500,000購股權以市值154,200,000港元已獲授出，而該計劃的條款將繼續全面生效，而於終止前根據該計劃授出的所有購股權持有人有權根據計劃條款行使尚未行使購股權，直至該等計劃屆滿為止。

該計劃旨在獎勵曾經或將為本集團作出貢獻之參與者，並鼓勵參與者為本公司及其股東之整體利益，致力於提升本公司及其股份之價值。該計劃明確訂明，就每次授出購股權而言，董事會可釐定認購價(遵照上市規則第17.03(9)條)，於購股權可予行使前必須持有購股權之最短期限(如有)，表現目標(如有)及適用於購股權之其他條件。

於2017年7月14日授出的購股權將於2022年4月1日歸屬。倘本集團達致以下表現目標，該等購股權將可由李先生於2022年4月1日至2027年3月31日期間內予以行使：

- (i) 倘本集團截至2021年12月31日止財政年度之淨利潤等於或超過本集團截至2016年12月31日止財政年度淨利潤216,195,000港元之150%，則82,500,000份購股權將可由2022年4月1日至2027年3月31日(首尾兩天包括在內)獲悉數行使；或
- (ii) 倘本集團截至2021年12月31日止財政年度之淨利潤無法按上文(i)所述達致，則若本集團截至2022年12月31日止財政年度之淨利潤等於或超過本集團截至2016年12月31日止財政年度淨利潤216,195,000港元之160%，則82,500,000份購股權將可由2023年4月1日至2027年3月31日(首尾兩天包括在內)獲行使。

**34. SHARE OPTION SCHEME (CONTINUED)**

The exercise price of the options granted to Mr. Lee is HK\$3.72, which was determined at the Board meeting on 13 June 2017 by reference to the highest of (i) HK\$0.10, being the par value of a share in the Company, (ii) HK\$3.72, being the closing price of the shares as stated in the daily quotations sheets issued by the Stock Exchange on the date of the above Board meeting approving the exercise price and the grant, and (iii) the average closing price of the shares in the Company as stated in the daily quotations sheets issued by the Stock Exchange for the five trading days immediately preceding the date of the above Board meeting approving the exercise price and the grant.

The following table discloses movements of the Company's share options during the years ended 31 December 2020 and 2021:

<b>Director</b> 董事	<b>Date of grant</b> 授出日期	<b>Exercise price</b> 行使價 HK\$ 港元	<b>Exercisable period</b> 行使期	<b>Number of share options</b> 購股權數目
Mr. Lee 李先生	14 July 2017	3.72	1 April 2022–31 March 2027	82,500
Exercisable at the end of the year 於年末可予行使				—

The estimated fair value of the share options granted under the Scheme on 14 July 2017 was approximately HK\$154,200,000, calculated using the Binomial Model (the "Model"). The inputs into the Model at the date of grant were as follows:

<b>Share options with an exercisable period from 1 April 2022 to 31 March 2027</b> 購股權之行使期由 2022年4月1日至 2027年3月31日		
Share price at date of grant	於授出日期股價	HK\$4.44
Exercise price	行使價	HK\$3.72
Expected volatility (per annum)	預期波幅(每年)	44.29%
Expected life of share options	購股權預期年期	9.7 years
Expected dividend yield	預期股息率	3.24%
Risk-free rate	無風險利率	1.52%
Fair value of share option	購股權之公平值	HK\$1.87

**34. 購股權計劃(續)**

有條件授予李先生之購股權之行使價為3.72港元，已於2017年6月13日的董事會會議上參考下列三者之價格(以最高者為準)釐定：(i)0.10港元，即股份面值，(ii)於批准行使價及有關授出之上述董事會會議當日在聯交所發出之每日報價表所列之股份收市價3.72港元，及(iii)於緊接就批准行使價及有關授出而召開上述董事會會議當日前五個交易日在聯交所發出之每日報價表所列之股份平均收市價。

截至2020年及2021年12月31日止年度內，本公司購股權變動呈列如下：

於2017年7月14日所授出購股權之估算公平價值為154,200,000港元，乃採用二項式模型(「模型」)釐定。模型的輸入數據如下：



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### 34. SHARE OPTION SCHEME (CONTINUED)

Fair values of the share options were with reference to the valuation carried out by an independent firm of professional valuers.

Expected volatility was determined by using the historical volatility of the Company's share price. The expected life used in the model has been adjusted, based on management's best estimate, for the effects of non-transferability, exercise restrictions and behavioural considerations.

The risk free interest rate was estimated based on the yield of 5-year exchange fund note issued by the Hong Kong Monetary Authority as of the grant date.

The variables and assumptions used in computing the fair value of the share options are based on the directors' best estimate. The value of an option varies with different variables of certain subjective assumptions.

The Group recognises the total expense of HK\$32,685,000 for the year ended 31 December 2021 (2020: HK\$32,775,000) in relation to share options granted by the Company.

### 34. 購股權計劃(續)

購股權之公平價值乃參考由專業獨立估值師之評估。

預期波幅按過去公司股價之歷史波幅釐定。模式所採用預期年期已就不可轉讓、行使限制及行為考慮之影響按管理層最佳估計調整。

無風險利率按香港金融管理局之五年期外匯基金債券率於授出日期估計。

變數及假設用作計算購股權之公平價值乃按董事最佳估計。購股權價值由若干主觀假設之不同變數而變更。

就本公司授出之購股權，於截至2021年12月31日止年度本集團已確認32,685,000港元之費用(2020年：32,775,000港元)。

### 35. CAPITAL COMMITMENTS

### 35. 資本承擔

		2021 HK\$'000 千港元	2020 HK\$'000 千港元
Acquisition of property, plant and equipment	購置物業廠房及設備	125,225	287,864
Acquisition of right-of-use assets	購置使用權資產	23,919	23,069
		<b>149,144</b>	<b>310,933</b>

**36. OTHER COMMITMENT**

At the end of the reporting period, the Group had commitments for granting shareholder's loan of HK\$25,658,000 (2020: HK\$25,658,000) to Southern Hill Company Limited to cover the initial costs and expenses of undertaking the pier construction in Jiangxi Province, the PRC.

**37. RETIREMENT BENEFIT SCHEMES****Defined contribution scheme**

The Group operates the Mandatory Provided Fund Scheme ("MPF Scheme") for all qualifying employees in Hong Kong. The assets of the MPF Scheme are held separately from those of the Group, in funds under the control of trustees. The Group contributes monthly the lower of HK\$1,500 or 5% of the relevant monthly payroll costs to the MPF Scheme, which contribution is matched by employees.

The employees of the Group's subsidiaries in the PRC are members of state-managed retirement benefit schemes operated by the government of the PRC. The PRC subsidiaries are required to contribute certain percentage of payroll costs to the retirement benefit scheme to fund the benefits. The only obligation of the Group with respect to the retirement benefit schemes is to make the specified contributions.

The Group's contributions under the above-mentioned defined contribution schemes are expensed as incurred and not reduced by contributions forfeited by those employees who leave the defined contribution schemes prior to vesting fully in the contributions.

The total cost charged to profit or loss of HK\$14,642,000 (2020: HK\$7,610,000) represents contributions payable to these schemes by the Group in respect of the current reporting period.

**36. 其他承擔**

於報告期末，本集團承諾給予25,658,000港元(2020年：25,658,000港元)的股東貸款予南峰有限公司用作承擔興建位於中國江西省之碼頭至今之初期成本及支出。

**37. 退休福利計劃****界定供款計劃**

本集團為所有合資格的僱員設立一項強積金計劃(「強積金計劃」)。強積金計劃之資產與本集團之資產分開持有，並由受託人控制。本集團向強積金計劃供款1,500港元或有關每月薪酬成本之5%(以較低者為準)，而僱員之供款比率相同。

本集團之中國附屬公司之僱員均為中國政府管理之國營退休福利計劃之成員，該等中國附屬公司須按薪酬開支之若干百分比向退休福利計劃供款，本集團對有關退休福利計劃之責任是作出指定之供款。

本集團向上述之界定供款計劃之供款在其產生時支銷，倘任何僱員於全數歸屬該等供款前退出界定供款計劃，則該等僱員被沒收之供款亦不會沖減上述支銷。

於報告年度內，本集團在這些計劃中的應付供款額為14,642,000港元(2020年：7,610,000港元)，總費用已在損益中列賬。

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## 綜合財務報表附註

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## 38. RELATED PARTY TRANSACTIONS AND BALANCES

## 38. 關連交易及結餘

Apart from the transaction and balances with related parties as set out in Notes 16, 21 and 26, the Group had significant transactions with related parties during the year as follows:

除附註16、21及26所列表載之關連人士交易之結餘外，本集團與關連人士於年內所進行之重大交易如下：

Name of related party 關連方名稱	Relationship 關係	Nature of transactions 交易性質	2021 HK\$'000 千港元	2020 HK\$'000 千港元
LMP Group 理文造紙	A Group beneficially owned and controlled by Mr. Lee's family members 由李先生家族成員實益擁有及控制之公司	Electricity and steam fee paid 已付發電及蒸氣費	83,335	72,651
		Rental expense paid (Note) 已付租金費用 (附註)	-	1,830
		Sale of chemical products 銷售化工產品	185,226	126,331
		Electricity and steam fee received 已收發電及蒸氣費	86,419	76,804
		Rental income received 已收租金收入	2,639	2,107
		Loading fees paid 已付裝卸費用	5,442	-
常熟東港置業有限公司	A joint venture 合營企業	Management fee paid 已付管理費	4,499	3,560
		Interest received 已收利息	657	627
瑞昌理文物流有限公司	A joint venture 合營企業	Management fee paid 已付管理費	2,874	2,714
瑞昌市碼頭熱力有限公司	An associate 聯營企業	Steam fee received 已收蒸氣費	9,000	7,186

Note: As disclosed in Note 16, during the year ended 31 December 2020, the Group entered into two lease agreements with LMP Group and the Group has recognised an addition of right-of-use assets and lease liabilities. Therefore, no rental expense was incurred during the year ended 31 December 2021.

附註：誠如附註16所披露，截至2020年12月31日止年度，本集團與理文造紙集團簽訂了兩項租賃協議，本集團已確認增加的使用權資產和租賃負債。因此，截至2021年12月31日止年度並無產生租金開支。

### 38. RELATED PARTY TRANSACTIONS AND BALANCES (CONTINUED)

Except for the related party transactions and balances described above, the Group has entered into a joint venture arrangement with LMP Group. Details of the joint venture and the commitment to the joint venture are set out in Notes 19, 21 and 36, respectively.

The remuneration of directors and other members of key management during the year was as follows:

Short-term employee benefits	短期員工福利
Post-employment benefits	退休福利

### 38. 關連交易及結餘(續)

除上文所述關連人士交易及結餘外，本集團與理文造紙訂立合營企業安排。合營企業及對合營企業之其他資本承擔詳情分別載於附註19、21及36。

董事及其他主要管理層成員於年內之酬金如下：

<b>2021</b>	2020
<b>HK\$'000</b>	HK\$'000
千港元	千港元
<b>67,434</b>	58,340
<b>135</b>	74
<b>67,569</b>	58,414

### 39. MAJOR NON-CASH TRANSACTIONS

During the year ended 31 December 2021, the Group's acquisition of property, plant and equipment of HK\$215,787,000 (2020: HK\$198,599,000) was settled through transfer of deposits paid in the prior years.

### 39. 主要非現金交易

截至2021年12月31日止年度，本集團通過轉讓過往年度已付按金而收購物業，廠房及設備215,787,000港元(2020年：198,599,000港元)。

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## 40. PARTICULARS OF PRINCIPAL SUBSIDIARIES OF THE COMPANY

## 40. 本公司主要附屬公司

Particulars of the Company's principal subsidiaries at 31 December 2020 and 2021 are as follows:

於2020年及2021年12月31日本公司之主要附屬公司詳情如下：

Name of subsidiary 附屬公司名稱	Place of incorporation 註冊成立地點	Nominal value of issued and fully paid share capital/paid-in capital 已發行及繳足股本 面值/實繳股本	Attributable equity interest 所佔權益		Principal activities* 主要業務*
			2021	2020	
Jiangsu L&M (Note) 江蘇理文化工有限公司 (附註)	PRC 中國	Paid-in capital – US\$78,750,000 實繳股本 – 78,750,000美元	100%	100%	Manufacture and sale of industrial chemical products 生產及銷售工業化工產品
Jiangxi L&M (Note) 江西理文化工有限公司 (附註)	PRC 中國	Paid-in capital – US\$335,190,000 實繳股本 – 335,190,000美元	100%	100%	Manufacture and sale of industrial chemical products 生產及銷售工業化工產品
Lee & Man (International) Investment Limited 理文(國際)投資有限公司	Hong Kong 香港	Ordinary shares – HK\$100 普通股 – 100港元	100%	100%	Investment holding 投資控股
Lee & Man Chemical Investment Limited 理文化工投資有限公司	British Virgin Islands 英屬處女群島	Share – US\$1 股份 – 1美元	100%	100%	Investment holding 投資控股
Changshu Yunhong Realty Limited 常熟運鴻置業有限公司	PRC 中國	Paid-in capital – RMB120,000,000 實繳股本 – 人民幣120,000,000元	100%	100%	Property development 物業發展
Guangzhou Lee & Man Technology Company Limited 廣州理文科技有限公司	PRC 中國	Paid-in capital – RMB11,000,000 實繳股本 – 人民幣11,000,000元	100%	100%	Research and product development 科研及產品開發
Zhuhai Lee & Man Materials Science Company Limited 珠海理文新材料有限公司	PRC 中國	Paid-in capital – US\$19,000,000 (2020: US\$18,000,000) 實繳股本 – 19,000,000美元 (2020年: 18,000,000美元)	100%	100%	Manufacture and sale of industrial chemical products 生產及銷售工業化工產品

\* The principal place of operation of each company is the same as its place of incorporation unless otherwise stated.

\* 除非另有說明，否則每家公司的主要營業地點與其註冊地點相同。

Note: These companies are registered in the form of wholly-owned foreign investment enterprise.

附註：該等公司均以外商獨資企業形式註冊。

#### 40. PARTICULARS OF PRINCIPAL SUBSIDIARIES OF THE COMPANY (CONTINUED)

Only Lee & Man Chemical Investment Limited is directly held by the Company.

The above table lists the subsidiaries of the Company which, in the opinion of the directors, principally affected the results and/or net assets of the Group. To give details of other subsidiaries would, in the opinion of the directors, result in particulars of excessive length.

None of the subsidiaries had any debt securities outstanding at the end of the year.

#### 41. CAPITAL RISK MANAGEMENT

The Group manages its capital to ensure the entities in the Group will be able to continue as a going concern while maximising the return to shareholders through the optimisation of the debt and equity balance. The Group's overall strategy remains unchanged from prior year.

The capital structure of the Group consists of net debt, which includes the bank borrowings disclosed in Note 31, net of bank balances and cash, and equity attributable to owners of the Company, comprising issued share capital and various reserves.

The directors of the Company review the capital structure periodically. As part of this review, the directors consider the cost of capital and the risks associated with each class of capital. Based on recommendations of the directors, the Group will balance its overall capital structure through the payment of dividends, new share issues as well as issue of new debts.

#### 42. FINANCIAL INSTRUMENTS

##### 42a. Categories of financial instruments

<i>Financial assets</i>	金融資產
Financial assets at amortised cost	按攤銷成本之金融資產
Financial assets at FVTOCI	按公平值計入其他全面收益之金融資產
<i>Financial liabilities</i>	金融負債
Financial liabilities at amortised cost	按攤銷成本之金融負債

#### 40. 本公司主要附屬公司(續)

只有理文化工投資有限公司是由本公司直接持有。

董事認為上表載列之本公司附屬公司，乃主要影響本集團之業績或資產之公司。董事認為若提供其他附屬公司之詳情將導致篇幅冗長。

概無附屬公司於年終或年內任何時間持有任何未贖回之債務證券。

#### 41. 資本風險管理

本集團進行資本管理，以確保本集團旗下各實體能夠持續經營業務，同時透過優化債務及股本結餘爭取股東最大回報。本集團的整體策略自上年度保持不變。

本集團的資本結構包括淨負債(其中包括附註31所披露的銀行借款並扣除銀行結餘及現金)及本公司權益持有人應佔權益(包含已發行股本及各項儲備)。

本公司董事定時檢討資本架構。作為該項檢討的一部分，董事會考慮資本成本及各類資本的相關風險。根據董事的建議，本集團將透過派付股息、發行新股以及發行新債以平衡其整體資本架構。

#### 42. 金融工具

##### 42a. 金融工具之類別

		2021 HK\$'000 千港元	2020 HK\$'000 千港元
<i>Financial assets</i>	金融資產		
Financial assets at amortised cost	按攤銷成本之金融資產	519,503	563,089
Financial assets at FVTOCI	按公平值計入其他全面收益之金融資產	204,899	134,289
<i>Financial liabilities</i>	金融負債		
Financial liabilities at amortised cost	按攤銷成本之金融負債	1,615,319	2,025,250

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### 42. FINANCIAL INSTRUMENTS (CONTINUED)

#### 42b. Financial risk management objectives and policies

The Group's major financial instruments include trade and other receivables, bills receivable, amounts due from (to) joint ventures, an associate, related companies, bank balances with restricted use, bank balances and cash, trade and other payables, bills payable and bank borrowings. Details of these financial instruments are disclosed in respective notes. The risks associated with these financial instruments include market risk (currency risk and interest rate risk), credit risk and liquidity risk. The policies on how to mitigate these risks are set out below. The management manages and monitors these exposures to ensure appropriate measures are implemented on a timely and effective manner.

##### Market risk

##### (i) Currency risk

The Group mainly operates in the PRC and the exposure in exchange rate risks mainly arises from fluctuations of foreign currencies, including HK dollars and US dollars against the functional currency of the relevant group entities. Material transactions and balances that are not denominated in the functional currency of the relevant entities give rise to foreign currency exposure as follows:

- (i) US dollars – in terms of bank balances and cash.
- (ii) HK dollars – in terms of bank balances and cash and bank borrowings.

Exchange rate fluctuations and market trend have always been the concern of the Group. Management will monitor the foreign currency exposure closely and consider the use of hedging instruments when the need arises.

### 42. 金融工具(續)

#### 42b. 財務風險管理目標及政策

本集團之主要金融工具包括應收貿易及其他款項、應收票據、合營企業、聯營企業及關連公司之應收(應付)款項、受限制銀行結餘、銀行結餘及現金、應付貿易及其他款項、應付票據及銀行借款。該等金融工具詳情於相關附註披露。該等金融工具的相關風險包括市場風險(貨幣風險及利率風險)、信貸風險及流動資金風險。下文載列如何降低該等風險之政策。管理層管理及監控該等風險，以確保及時及有效地採取適當之措施。

##### 市場風險

##### (i) 貨幣風險

本集團主要於中國經營業務，匯率風險主要由外幣(包括美元及港元)兌換相關集團實體功能貨幣波動時所產生。並非以相關實體功能貨幣列值之重大交易及結餘產生之外幣風險如下：

- (i) 美元－銀行結餘及現金。
- (ii) 港元－於銀行結餘及現金及銀行借款。

本集團一向關注匯率波動及市場趨勢。管理層會密切監控外匯風險並適時採用對沖工具。

**42. FINANCIAL INSTRUMENTS (CONTINUED)****42b. Financial risk management objectives and policies**  
(Continued)*Market risk (Continued)**(i) Currency risk (Continued)*

Non-derivative foreign currency financial assets and financial liabilities

At the end of the reporting period, the carrying amount of the Group's financial monetary assets and financial monetary liabilities denominated in currencies other than the functional currency of the relevant group entities are as follows:

		<b>2021</b>	2020
		<b>HK\$'000</b>	HK\$'000
		千港元	千港元
<b>Assets</b>	<b>資產</b>		
HK dollars	港元	<b>4,136</b>	19,296
US dollars	美元	<b>27,685</b>	4,845
<b>Liabilities</b>	<b>負債</b>		
HK dollars	港元	<b>599,000</b>	922,414

**42. 金融工具(續)****42b. 財務風險管理目標及政策(續)***市場風險(續)**(i) 貨幣風險(續)*

非衍生外幣金融資產及金融負債

於報告期末，本集團除以相關實體功能貨幣以外之貨幣記賬的金融貨幣資產及金融貨幣負債，其賬面值如下：



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### 42. FINANCIAL INSTRUMENTS (CONTINUED)

#### 42b. Financial risk management objectives and policies (Continued)

##### Market risk (Continued)

##### (i) Currency risk (Continued)

Non-derivative foreign currency financial assets and financial liabilities (Continued)

##### Sensitivity analysis

The following table details the Group's sensitivity to a 5% appreciation and depreciation in the functional currency of the relevant group entities (i.e. RMB and HK dollars) against the above foreign currencies. 5% is the sensitivity rate and represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis adjusts their translation at the period end for a 5% change in foreign currency rates. A strengthening of the functional currency of the relevant group entities against the above foreign currencies would give rise to the following impact to post-tax profit for the year and vice versa.

	2021 HK\$'000 千港元	2020 HK\$'000 千港元
Financial assets and liabilities:		
Increase (decrease) on post-tax profit for the year		
– HK dollars	29,743	45,156
– US dollars	<b>(1,384)</b>	<b>(242)</b>
貨幣性資產及負債：		
年度除稅後溢利增加(減少)		
– 港元	29,743	45,156
– 美元	<b>(1,384)</b>	<b>(242)</b>

### 42. 金融工具(續)

#### 42b. 財務風險管理目標及政策(續)

##### 市場風險(續)

##### (i) 貨幣風險(續)

非衍生外幣金融資產及金融負債(續)

##### 敏感性分析

下表詳細載列就本集團內相關集團實體功能貨幣(即人民幣及港元)兌換上述外幣時上升及下降5%之敏感度。5%的敏感度亦代表管理層評估外幣匯率的合理可能變化。在期末時5%的外幣匯率轉變，有關的匯兌差額將在敏感性分析中作出調整。當相關集團實體之功能貨幣兌換上述外幣處強勢時，將令年度除稅後溢利有所影響，反之亦然。

**42. FINANCIAL INSTRUMENTS (CONTINUED)****42b. Financial risk management objectives and policies**  
(Continued)*Market risk (Continued)**(ii) Interest rate risk*

## Non-derivative financial assets and liabilities

The Group's cash flow interest rate risks mainly relate to its variable rate borrowings (see Note 31 for details of these borrowings). It is the Group's policy to keep its borrowings at floating rate so as to minimise the cash flow interest rate risk. The Group's bank balances also have exposure to cash flow interest rate risk due to the fluctuation of the prevailing market interest rate on bank balances.

The Group is exposed to fair value interest rate risk in relation to fixed rate bank borrowings (see Note 31 for detail of these borrowings). The Group aims at keeping borrowings at variable rates.

The Group's exposures to interest rates on financial liabilities are detailed in the liquidity risk management section of this note. The Group's cash flow interest rate risk is mainly concentrated on the fluctuation of HIBOR arising from the Group's HK dollars denominated borrowings and LPR arising from the Group's RMB denominated borrowings.

**42. 金融工具(續)****42b. 財務風險管理目標及政策(續)***市場風險(續)**(ii) 利率風險管理*

## 非衍生金融資產及負債

本集團之現金流利率風險主要與其浮息借款有關(該等借款詳情見附註31)。本集團之政策是維持借款的固定利率，以將現金流利率風險減至最少。本集團的銀行結餘亦因應市場銀行結餘利率波動，而須面對現金流利率風險。

本集團面對利率風險之公允值乃由於固定利率之銀行借貸(該等借款詳情見附註31)本集團期望銀行借貸維持不同利率。

本集團對金融負債利率的風險詳見本附註的流動性風險管理部分。本集團現金流量利率風險主要集中於本集團港元計值借款所面對之香港銀行同業拆息利率波動及本集團人民幣計值借款所面對之借貸基準利率波動。

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### 42. FINANCIAL INSTRUMENTS (CONTINUED)

#### 42b. Financial risk management objectives and policies (Continued)

##### Market risk (Continued)

##### (ii) Interest rate risk (Continued)

Non-derivative financial assets and liabilities (Continued)

##### Sensitivity analysis

The sensitivity analysis below has been determined based on the exposure to interest rates for non-derivative financial instruments at the end of the reporting period. For variable rate bank borrowings, to the extent that they are not hedged by effective instruments, and bank balances, the analysis is prepared assuming the stipulated change taking place at the beginning of the financial year and held constant throughout both years in the case of instruments that have floating rates. 10 (2020: 10) basis point and 50 (2020: 50) basis point increase or decrease are used by the management for the assessment of the possible change in interest rates of variable rate bank balances and variable rate borrowings, respectively.

If interest rates had been 10 basis point higher or lower and all other variables were held constant, the Group's post-tax profit for the year ended 31 December 2021 would increase or decrease by HK\$276,000 (2020: HK\$348,000). This is mainly attributable to the Group's exposure to interest rates on its variable rate bank balances.

If interest rates had been 50 basis point higher or lower and all other variables were held constant, the Group's post-tax profit for the year ended 31 December 2021 would decrease or increase by HK\$4,418,000 (2020: HK\$6,205,000). This is mainly attributable to the Group's exposure to interest rates on its bank borrowings.

### 42. 金融工具(續)

#### 42b. 財務風險管理目標及政策(續)

##### 市場風險(續)

##### (ii) 利率風險管理(續)

非衍生金融資產及負債(續)

##### 敏感性分析

以下敏感性分析是根據非衍生金融工具於本報告期末之利率風險釐定。就浮息銀行借款而言，倘並無透過有效工具及銀行結餘進行對沖，分析將按假設於財務年度開始時已出現所訂明之變動並於兩年內維持不變(如屬以浮動利率計息之工具)而編製。10(2020年：10)基點及50(2020年：50)基點的增減是管理層作分別對浮動利率的銀行存款及借款有關利率變動可能性的評估時使用。

倘利率增加或減少10個基點且所有其他可變因素維持不變，則本集團截至2021年12月31日止年度之除稅後溢利將增加或減少276,000港元(2020年：348,000港元)，此乃由於附帶浮動利息銀行結餘而令本集團面對利率風險。

倘利率增加或減少50個基點且所有其他可變因素維持不變，則本集團截至2021年12月31日止年度之除稅後溢利將減少或增加4,418,000港元(2020年：6,205,000港元)。此乃由於銀行借款附帶浮動利息而令本集團面對利率風險。

**42. FINANCIAL INSTRUMENTS (CONTINUED)****42b. Financial risk management objectives and policies**  
(Continued)*Credit risk and impairment assessment*

As at 31 December 2020 and 2021, the Group's maximum exposure to credit risk which will cause a financial loss to the Group due to failure to discharge an obligation by the counterparties arises from the carrying amount of the respective recognised financial assets as stated in the consolidated statement of financial position.

*Trade receivables arising from contracts with customers and bills receivable*

In order to minimise the credit risk, the directors of the Company have delegated a team responsible for determination of credit limits, credit approvals and other monitoring procedures to ensure that follow-up action is taken to recover overdue debts. In addition, the Group performs impairment assessment under ECL model on trade balances and bills receivables based on provision matrix. In this regard, the directors of the Company consider that the Group's credit risk is significantly reduced. Credit risk on bills receivable is limited because the counterparties are mainly from the banks with high credit ratings assigned by international credit-rating agencies. For the years ended 31 December 2020 and 2021, the Group assessed the ECL for trade receivables and bills receivable were insignificant and thus no loss allowance was recognised.

The Group has concentration of credit risk as 17% (2020: 15%) and 38% (2020: 43%) of the total trade receivables was due from the Group's largest customer and the five largest customers, respectively.

*Other receivables and amounts due from joint ventures/an associate/related companies*

The Group assessed the impairment for its other receivables and amounts due from joint ventures/an associate/related companies individually based on internal credit rating and ageing of these debtors which, in the opinion of the directors of the Company, have no significant increase in credit risk since initial recognition. ECL is estimated based on historical observed default rates over the expected life of debtors and is adjusted for forward-looking information that is available without undue cost or effort. For the years ended 31 December 2020 and 2021, the Group assessed the 12m ECL for other receivables and amounts due from joint ventures/an associate/related companies were insignificant and thus no loss allowance was recognised.

**42. 金融工具(續)****42b. 金融風險管理目標及政策(續)***信貸風險及減值評估*

於2020年及2021年12月31日，本集團所面對的可導致本集團綜合財務狀況表的每類金融資產賬面值產生財務虧損之最大信貸風險乃是交易對手或債務人未能履行責任。

*客戶合約產生之貿易應收賬款及應收票據*

為了最大程度地降低信貸風險，本公司董事會已經委派一個團隊負責釐定信貸限額、信貸批准及其他監控規程，以確保後續措施可以收回逾期債務。此外，本集團根據預期信貸虧損模式對貿易結餘及應收票據基於撥備矩陣進行減值評估。在此方面，本公司董事會認為，本集團的信貸風險已經明顯地減低。應收票據的信貸風險有限是因為交易對手主要來自國際信用評級機構指定的信用評級較高的銀行。截至2020年12月31日及2021年12月31日止年度，本集團經評估後認為貿易應收賬款和應收票據的預期信貸虧損並不重大，故無提撥任何虧損準備。

本集團的信貸集中風險分別為貿易應收賬款總額的17%(2020年：15%)和38%(2020年：43%)，分別來自本集團的最大客戶和五個最大客戶。

*其他應收款項及應收合營企業/聯營企業/關連公司款項*

本集團根據個別內部信用評級和債務人之賬齡，分別對其他應收款項及應收合營企業/聯營企業/關連公司款項進行減值評估。本公司董事認為，自初始確認以來，信貸風險並無顯著增加。預期信貸虧損乃按債務人於預計年內觀察所得之過往違約率進行估算，並就毋須付出不必要成本或努力即可獲得之前瞻性資料作出調整。截至2020年12月31日和2021年12月31日止年度，本集團經評估後認為其他應收款項及應收合營企業/聯營企業/關連公司款項的十二個月預期信貸虧損並不重大，故無提撥任何虧損準備。

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### 42. FINANCIAL INSTRUMENTS (CONTINUED)

### 42. 金融工具(續)

#### 42b. Financial risk management objectives and policies (Continued)

#### 42b. 金融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)

##### Bank balances and bank balances with restricted use

##### 銀行結餘及受限制銀行結餘

Credit risk on bank balances and bank balances with restricted use is limited because the counterparties are reputable banks with high credit ratings assigned by international credit agencies. The Group assessed 12m ECL for bank balances by reference to information relating to probability of default and loss given default of the respective credit rating grades published by external credit rating agencies. Based on the average loss rates, the 12m ECL on bank balances and bank balances with restricted use is considered to be insignificant.

由於往來銀行均為國際信用評級機構指定的信用評級較高的銀行，故銀行結餘及受限制銀行結餘之信貸風險有限。本集團評估銀行結餘之十二個月預期信貸虧損時參考與外部信用評級機構發佈的相應信用評級等級的違約概率和違約虧損。根據平均虧損率，銀行結餘及受限制銀行結餘之十二個月預期信貸虧損被認為並不重大。

The Group's internal credit risk grading assessment comprises the following categories:

本集團內部信貸風險評級等級評估包括以下各個類別：

Category 類別	Description 概述	Trade receivables 貿易應收賬款	Other financial assets 其他金融資產
Performing 履約	The counterparty has a low risk of default 交易對手擁有偏低違約風險	Lifetime ECL – not credit-impaired 終身預期信貸虧損 – 非信貸減值	12m ECL 12個月預期信貸虧損
Doubtful 可疑	There has been a significant increase in credit risk since initial recognition 信貸風險自初始確認以來大幅增加	Lifetime ECL – not credit-impaired 終身預期信貸虧損 – 非信貸減值	Lifetime ECL – not credit-impaired 終身預期信貸虧損 – 非信貸減值
In default 違約	There is evidence indicating that the asset is credit-impaired 有證據指出該資產出現信貸減值	Lifetime ECL – not credit-impaired 終身預期信貸虧損 – 非信貸減值	Lifetime ECL – not credit-impaired 終身預期信貸虧損 – 非信貸減值
Write-off 撇銷	There is evidence indicating that the debtor is in severe financial difficulty and the Group has no realistic prospect of recovery 有證據指出債務人正面對嚴重財政困難且本集團並無實際把握收回款項	Amounts are written off 撇賬金額	Amounts are written off 撇賬金額

**42. FINANCIAL INSTRUMENTS (CONTINUED)****42. 金融工具(續)****42b. Financial risk management objectives and policies**  
(Continued)**42b. 金融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 tables below detail the credit risk exposures of the Group's financial assets, which are subject to ECL assessment:

下表詳列本集團對於需受預期信貸風險評估的金融資產的信貸風險：

	Notes 附註	External credit rating 外部信貸 評估	Internal credit rating 內部信貸 評估	12-month or lifetime ECL 12個月或終身 預期信貸虧損	Gross carrying amount 總賬面值	
					2021 HK\$'000 千港元	2020 HK\$'000 千港元
<b>Bills receivable at FVTOCI</b>	N/A	N/A	Performing	Lifetime ECL – not credit-impaired	<b>204,899</b>	134,289
按公平值計入其他全面 收益之應收票據	不適用	不適用	履約	終身預期信貸虧損 – 非信貸減值		
<b>Financial assets at amortised costs</b>						
按攤銷成本之金融資產						
Trade receivables	25	N/A	Performing	Lifetime ECL – not credit-impaired	<b>156,907</b>	105,170
應收貿易款項		不適用	履約	終身預期信貸虧損 – 非信貸減值		
Other receivables	25	N/A	Performing	12-month ECL	<b>8,996</b>	3,098
其他應收款項		不適用	履約	12個月預期信貸虧損		
Amounts due from joint ventures	21	N/A	Performing	12-month ECL	<b>15,607</b>	14,966
應收合營企業款項		不適用	履約	12個月預期信貸虧損		
Amount due from an associate	21	N/A	Performing	12-month ECL	<b>2,133</b>	620
應收聯營企業款項		不適用	履約	12個月預期信貸虧損		
Amounts due from related companies	26	N/A	Performing	12-month ECL	<b>10,978</b>	16,492
應收關連公司款項		不適用	履約	12個月預期信貸虧損		
Bank balances with restricted use	27	Aaa	Performing	12-month ECL	<b>–</b>	36,038
受限制銀行結餘		Aaa	履約	12個月預期信貸虧損		
Bank balances	27	A2–Aaa	Performing	12-month ECL	<b>324,758</b>	386,444
銀行結餘		A2–Aaa	履約	12個月預期信貸虧損		

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### 42. FINANCIAL INSTRUMENTS (CONTINUED)

#### 42b. Financial risk management objectives and policies (Continued)

##### *Credit risk and impairment assessment (Continued)*

The estimated loss rates are estimated based on historical observed defaulted rates over the expected life of the debtors and are adjusted for forward-looking information that is available without undue cost or effort the grouping is regularly reviewed by management to ensure relevant information about specific debtors is updated.

The Group writes off a trade receivable when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the debtor has been placed under liquidation or has entered into bankruptcy proceedings, or when the trade receivables are over two years past due, whichever occurs earlier.

##### *Liquidity risk*

In the management of the Group's liquidity risk, the Group monitors and maintains a level of cash and cash equivalents deemed adequate by the management to finance the Group's operations and mitigate the effects of fluctuation in cash flows. The management of the Group monitors the utilisation of bank borrowings and ensures compliance with loan covenants.

The following table details the Group's remaining contractual maturity for its non-derivative financial liabilities and lease liabilities. The table has been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group can be required to pay. The maturity dates for other non-derivative financial liabilities are based on the agreed repayment dates. The table includes both interest and principal cash flows. To the extent the interest flows are floating rate, the undiscounted amount is derived from interest rate at the end of the reporting period.

The table includes both interest and principal cash outflows. To the extent that interest flows are at floating rate, the discounting rate and the undiscounted amount is derived from interest rates at the end of the reporting period.

### 42. 金融工具(續)

#### 42b. 財務風險管理目標及政策(續)

##### *信貸風險及減值評估(續)*

估計虧損率乃基於應收賬款於預期年期的過往觀察所得的違約率估計，並按毋需花費過多成本或精力可取得的前瞻性資料調整，管理層定期審閱組別，以確保特定債務人之有關資料獲得更新。

當有資料顯示交易對手處於嚴重財務困難及金額無可收回的現實前景，例如，當交易對手已處於清盤當中或進入破產程序，或貿易應收賬款逾期兩年以上(無論遲早發生)時，則本集團撤銷項貿易應收賬款。

##### *流動資金風險*

在管理本集團流動資金風險時，本集團監控及維持管理層認為足夠的現金及現金等價物水平，為本集團的業務營運提供資金並減輕現金流量波動的影響。本集團之管理層監控銀行借款的使用狀況及確保遵守貸款契約。

下表詳列本集團非衍生金融負債和租賃負債的餘下合約到期日，乃根據本集團可能被要求還款的最早日期金融負債的未折現現金流量編製。其他非衍生金融負債之到期日根據議定的還款日期計算。該表皆包括利息及本金之現金流量。於報告期末，某程度上其利息流為浮動利率，而其未折現金額則根據利率計算。

該表包括利息和本金兩者的現金流出。就浮息利息流出而言，折現率及未折現金額是根據報告期末的利率得出的。

## 42. FINANCIAL INSTRUMENTS (CONTINUED)

## 42. 金融工具(續)

## 42b. Financial risk management objectives and policies

## 42b. 財務風險管理目標及政策(續)

(Continued)

## Liquidity risk (Continued)

## 流動資金風險(續)

	Weighted average effective interest rate 實際加權 平均利率	0-30 days 0-30天 HK\$'000 千港元	31-60 days 31-60天 HK\$'000 千港元	61-90 days 61-90天 HK\$'000 千港元	91-365 days 91-365天 HK\$'000 千港元	1-2 years 1-2年 HK\$'000 千港元	2-5 years 2-5年 HK\$'000 千港元	Total undiscounted cash flows 未折現 現金流量總計 HK\$'000 千港元	Carrying amount 賬面值 HK\$'000 千港元
<b>As at 31 December 2021</b> 於2021年12月31日									
Trade and other payables 應付貿易及其他款項	-	565,908	-	-	-	-	6,503	572,411	572,411
Amount due to a related company 應付關連公司款項	-	10,004	-	-	-	-	-	10,004	10,004
Lease liabilities 租賃負債	4.19%	226	226	187	1,680	2,240	-	4,559	4,368
Fixed-rate borrowings 定息借款	4.04%	-	-	-	52,981	10,438	85,230	148,649	140,085
Variable-rate borrowings 浮息借款	2.28%	2,381	2,421	95,517	286,637	372,360	156,269	915,585	892,819
		<u>578,519</u>	<u>2,647</u>	<u>95,704</u>	<u>341,298</u>	<u>385,038</u>	<u>248,002</u>	<u>1,651,208</u>	<u>1,619,687</u>
	Weighted average effective interest rate 實際加權 平均利率	0-30 days 0-30天 HK\$'000 千港元	31-60 days 31-60天 HK\$'000 千港元	61-90 days 61-90天 HK\$'000 千港元	91-365 days 91-365天 HK\$'000 千港元	1-2 years 1-2年 HK\$'000 千港元	2-5 years 2-5年 HK\$'000 千港元	Total undiscounted cash flows 未折現 現金流量總計 HK\$'000 千港元	Carrying amount 賬面值 HK\$'000 千港元
<b>As at 31 December 2020</b> 於2020年12月31日									
Trade and other payables 應付貿易及其他款項	-	353,823	-	-	-	-	9,467	363,290	363,290
Bills payable 應付票據	-	23,896	28,631	-	64,050	-	-	116,577	116,577
Amount due to a related company 應付關連公司款項	-	13,227	-	-	-	-	-	13,227	13,227
Lease liabilities 租賃負債	4.19%	218	218	218	1,961	2,237	2,161	7,013	6,597
Fixed-rate borrowings 定息借款	4.23%	-	18,453	24,850	149,486	109,326	-	302,115	291,225
Variable-rate borrowings 浮息借款	1.98%	37,847	73,630	2,671	158,493	716,820	289,787	1,279,248	1,240,931
		<u>429,011</u>	<u>120,932</u>	<u>27,739</u>	<u>373,990</u>	<u>828,383</u>	<u>301,415</u>	<u>2,081,470</u>	<u>2,031,847</u>



# Notes to the Consolidated Financial Statements

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### 42. FINANCIAL INSTRUMENTS (CONTINUED)

#### 42c. Fair value measurements of financial instruments

##### *Fair value of financial instruments that are recorded at amortized cost*

The directors of the Company consider that the carrying amounts of financial assets and financial liabilities recorded at amortized cost in the consolidated financial statements approximate their fair values at the end of the reporting period, except for the derivative financial instrument measured at fair value through profit or loss, of which the directors of the Company are of the opinion that the fair value cannot be measured reliably because the range of reasonable fair value estimates is so significant.

### 43. 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.

		<b>Bank borrowings</b>	<b>Lease liabilities</b>	<b>Dividend payables</b>	<b>Total</b>
		銀行借貸 HK\$'000 千港元	租賃負債 HK\$'000 千港元	應付股息 HK\$'000 千港元	合計 HK\$'000 千港元
At 1 January 2020	於2020年1月1日	1,498,452	1,850	–	1,500,302
Financing cash flows	融資現金流量	(66,044)	(2,274)	(185,625)	(253,943)
Dividends recognised as distribution	已確認之股息分派	–	–	185,625	185,625
New leases entered	新訂租賃	–	6,904	–	6,904
Finance costs recognised	已確認之財務費用	58,371	71	–	58,442
Exchange realignment	匯兌調整	41,377	46	–	41,423
		<b>1,532,156</b>	<b>6,597</b>	<b>–</b>	<b>1,538,753</b>
At 31 December 2020	於2020年12月31日	<b>(565,817)</b>	<b>(2,662)</b>	<b>(350,625)</b>	<b>(919,104)</b>
Financing cash flows	融資現金流量	–	–	350,625	350,625
Dividends recognised as distribution	已確認之股息分派	–	–	–	–
Finance costs recognised	已確認之財務費用	49,346	235	–	49,581
Exchange realignment	匯兌調整	17,219	198	–	17,417
		<b>1,032,904</b>	<b>4,368</b>	<b>–</b>	<b>1,037,272</b>
<b>At 31 December 2021</b>	<b>於2021年12月31日</b>	<b>1,032,904</b>	<b>4,368</b>	<b>–</b>	<b>1,037,272</b>

### 42. 金融工具(續)

#### 42c. 金融工具的公平值計量

##### *以成本攤銷入賬的金融工具的公平值*

本公司董事認為，於綜合財務報表中按攤銷成本列賬的金融資產及金融負債的賬面值與報告期末的公平值相若，惟按公平值計入損益的衍生金融工具除外，本公司董事認為其公平值不能可靠地計量，因為合理公平值估計的範圍如此重大。

### 43. 由融資活動所產生負債之對賬

下表詳述本集團來自融資活動的負債變動，包括現金及非現金變動。融資活動產生的負債是現金流量或未來現金流量將在本集團綜合現金流量表中分類為融資活動現金流量的負債。



#### 44. STATEMENT OF FINANCIAL POSITION OF THE COMPANY

A summarised information statement of financial position of the Company as at 31 December 2020 and 31 December 2021 is as follows:

#### 44. 本公司財務狀況表

本公司於2020年12月31日及2021年12月31日之財務狀況表概述如下：

		<b>2021</b>	2020
		<b>HK\$'000</b>	HK\$'000
		千港元	千港元
<b>ASSETS</b>	<b>資產</b>		
Investments in a subsidiary	附屬公司投資	<b>59,410</b>	57,301
Prepayments	預付款項	<b>308</b>	300
Bank balances	銀行結餘	<b>1,330</b>	2,659
Amounts due from subsidiaries	應收附屬公司款項	<b>1,312,532</b>	1,689,973
		<b>1,373,580</b>	1,750,233
<b>LIABILITIES</b>	<b>負債</b>		
Other payables	其他應付款	<b>14,941</b>	6,583
Amount due to a subsidiary	應付附屬公司款項	<b>-</b>	14,561
		<b>14,941</b>	21,144
		<b>1,358,639</b>	1,729,089
<b>Capital and reserves</b>	<b>資本及儲備</b>		
Share capital	股本	<b>82,500</b>	82,500
Reserves	儲備	<b>1,276,139</b>	1,646,589
		<b>1,358,639</b>	1,729,089

## Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2021 截至2021年12月31日止年度

44. STATEMENT OF FINANCIAL POSITION OF THE COMPANY 44. 本公司財務狀況表(續)  
(CONTINUED)

## Movement of the reserves

## 儲備變動

		Share premium	Contributed surplus	Translation reserve	Share options reserve	Retained profits	Total
		股份溢價	實繳盈餘	匯兌儲備	購股權儲備	累計溢利	合計
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元	千港元
At 1 January 2020	於2020年1月1日	20,307	(102,808)	7,447	80,681	935,158	940,785
Profit for the year	年內溢利	-	-	-	-	861,074	861,074
Exchange differences arising from translation	因換算而產生之匯兌差額	-	-	(2,420)	-	-	(2,420)
Total comprehensive (expense) income for the year	年內全面(支出)收益總額	-	-	(2,420)	-	861,074	858,654
Dividends	股息	-	-	-	-	(185,625)	(185,625)
Recognition of equity-settled share based payments	確認以股份結算之付款	-	-	-	32,775	-	32,775
At 31 December 2020	於2020年12月31日	20,307	(102,808)	5,027	113,456	1,610,607	1,646,589
At 1 January 2021	於2021年1月1日	<b>20,307</b>	<b>(102,808)</b>	<b>5,027</b>	<b>113,456</b>	<b>1,610,607</b>	<b>1,646,589</b>
Loss for the year	年內虧損	-	-	-	-	(50,765)	(50,765)
Exchange differences arising from translation	因換算而產生之匯兌差額	-	-	(1,745)	-	-	(1,745)
Total comprehensive expense for the year	年內全面支出總額	-	-	(1,745)	-	(50,765)	(52,510)
Dividends	股息	-	-	-	-	(350,625)	(350,625)
Recognition of equity-settled share based payments	確認以股份結算之付款	-	-	-	32,685	-	32,685
At 31 December 2021	於2021年12月31日	<b>20,307</b>	<b>(102,808)</b>	<b>3,282</b>	<b>146,141</b>	<b>1,209,217</b>	<b>1,276,139</b>

The contributed surplus of the Company represents the difference between the aggregate net tangible assets of the subsidiaries acquired by the Company pursuant to a group reorganisation in December 2001 and the nominal value of the Company's shares issued for the acquisition.

本公司之實繳盈餘乃本公司於2001年12月之集團重組所收購之附屬公司之有形資產淨值總和與本公司因該收購而發行股本面值之差額。

# Financial Summary

## 財務概要

		Year ended 31 December 截至12月31日止年度				2021
		2017	2018	2019	2020	HK\$'000
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	千港元
		千港元	千港元	千港元	千港元	千港元
<b>RESULTS</b>	<b>業績</b>					
Revenue	收入	2,973,747	3,876,777	3,476,571	3,099,685	<b>5,185,942</b>
Profit before taxation	除稅前溢利	930,961	1,156,933	850,915	628,102	<b>1,611,081</b>
Income tax expenses	所得稅支出	(227,940)	(284,558)	(150,144)	(125,474)	<b>(323,072)</b>
Profit for the year	年內溢利	703,021	872,375	700,771	502,628	<b>1,288,009</b>
		At 31 December 於12月31日				2021
		2017	2018	2019	2020	HK\$'000
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	千港元
		千港元	千港元	千港元	千港元	千港元
<b>ASSETS AND LIABILITIES</b>	<b>資產及負債</b>					
Total assets	資產總額	5,855,475	6,054,580	6,094,948	6,778,807	<b>7,618,032</b>
Total liabilities	負債總額	(2,761,041)	(2,575,915)	(2,244,425)	(2,335,243)	<b>(2,043,102)</b>
		3,094,434	3,478,665	3,850,523	4,443,564	<b>5,574,930</b>
Equity attributable to owners of the Company	本公司擁有人應佔權益	3,082,373	3,478,665	3,850,523	4,443,564	<b>5,574,930</b>
Non-controlling interests	非控股權益	12,061	–	–	–	<b>–</b>
		3,094,434	3,478,665	3,850,523	4,443,564	<b>5,574,930</b>

# Schedule of Property

## 物業資料

### PROPERTIES UNDER DEVELOPMENT

### 發展中物業

Name of Project 項目名稱	Location 地點	Area (m <sup>2</sup> ) 面積(平方米)	Stage of Completion 施工階段	Anticipated completion 預期完成日
RIVERDALE (commercial portion)	No. 156 Jiangan Avenue, No. 9 Jingang Road, Changshu Economic Development Zone, Jiangsu, PRC	4,237	Internal works in progress	Third Quarter of 2023
昕悅溪 (商業樓面部分)	中國江蘇省常熟經濟技術 開發區江南156號， 金港路9號	4,237	內部工程 現正施工	2023年第3季

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