



HONGCHENG ENVIRONMENTAL
TECHNOLOGY COMPANY LIMITED
鴻承環保科技有限公司

(Incorporated in the Cayman Islands with limited liability)

(於開曼群島註冊成立的有限公司)

Stock code 股份代號 : 2265

2021

Annual Report 年報



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CORPORATE INFORMATION

公司資料

BOARD OF DIRECTORS

Mr. Liu Zeming (*Executive Director and Chairman*)
Mr. Zhan Yirong (*Executive Director and Chief Executive Officer*)
Mr. Sheng Haiyan (*Executive Director and Chief Technical Officer*)
Mr. Zhang Shijun (*Independent non-executive Director*)
Ms. Liu Ye (*Independent non-executive Director*)
Mr. Lau Chung Wai (*Independent non-executive Director*)

COMPANY SECRETARY

Mr. Wong Yun Fai

AUTHORISED REPRESENTATIVES

Mr. Wong Yun Fai
Mr. Zhan Yirong

AUDIT COMMITTEE

Mr. Lau Chung Wai (*Chairman*)
Mr. Zhang Shijun
Ms. Liu Ye

REMUNERATION COMMITTEE

Ms. Liu Ye (*Chairlady*)
Mr. Lau Chung Wai
Mr. Liu Zeming

NOMINATION COMMITTEE

Mr. Liu Zeming (*Chairman*)
Ms. Liu Ye
Mr. Zhang Shijun

EXTERNAL AUDITOR

PricewaterhouseCoopers
Certified Public Accountants
Registered Public Interest Entity Auditor
22/F, Prince's Building
Central
Hong Kong

COMPLIANCE ADVISER

First Shanghai Capital Limited
19/F., Wing On House
71 Des Voeux Road Central
Central
Hong Kong

董事會

劉澤銘先生 (*執行董事兼主席*)
戰乙榮先生 (*執行董事兼行政總裁*)
盛海燕先生 (*執行董事兼技術總監*)
張式軍先生 (*獨立非執行董事*)
劉曄女士 (*獨立非執行董事*)
劉仲緯先生 (*獨立非執行董事*)

公司秘書

王潤輝先生

授權代表

王潤輝先生
戰乙榮先生

審核委員會

劉仲緯先生 (*主席*)
張式軍先生
劉曄女士

薪酬委員會

劉曄女士 (*主席*)
劉仲緯先生
劉澤銘先生

提名委員會

劉澤銘先生 (*主席*)
劉曄女士
張式軍先生

外聘核數師

羅兵咸永道會計師事務所
執業會計師
註冊公眾利益實體核數師
香港
中環
太子大廈22樓

合規顧問

第一上海融資有限公司
香港
中環
德輔道中71號
永安集團大廈19樓

HONG KONG LEGAL ADVISER

Fangda Partners
26/F, One Exchange Square
8 Connaught Place
Central
Hong Kong

PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

Conyers Trust Company (Cayman) Limited
Cricket Square, Hutchins Drive
PO Box 2681, Grand Cayman
KY1-1111, Cayman Islands

HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

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

REGISTERED OFFICE IN THE CAYMAN ISLANDS

Cricket Square, Hutchins Drive
PO Box 2681, Grand Cayman
KY1-1111, Cayman Islands

PRINCIPAL PLACE OF BUSINESS IN THE PRC

Yeyan Road North
Dadongzhuang Village North
Shahe Town, Laizhou City
Shandong Province
PRC

PRINCIPAL PLACE OF BUSINESS IN HONG KONG

Unit 1304, 13/F
OfficePlus@Wan Chai
303 Hennessy Road
Wan Chai
Hong Kong

香港法律顧問

方達律師事務所
香港
中環
康樂廣場8號
交易廣場一座26樓

股份過戶登記總處

Conyers Trust Company (Cayman) Limited
Cricket Square, Hutchins Drive
PO Box 2681, Grand Cayman
KY1-1111, Cayman Islands

香港股份過戶登記分處

卓佳證券登記有限公司
香港
皇后大道東183號
合和中心54樓

開曼群島註冊辦事處

Cricket Square, Hutchins Drive
PO Box 2681, Grand Cayman
KY1-1111, Cayman Islands

中國主要營業地點

中國
山東省
萊州市沙河鎮
大東莊村北
葉延路北段

香港主要營業地點

香港
灣仔
軒尼詩道303號
協成行灣仔中心
13樓1304室



PRINCIPAL BANK

China Construction Bank (Laizhou Branch)
No. 566 Guangzhou East Road
Laizhou City
Shandong Province
PRC

Shandong Laizhou Rural Commercial Bank (Jincheng Branch)
No. 9 Fuqian Street
Jincheng Town
Laizhou City
Shandong Province
PRC

Bank of China (Hong Kong) Limited
1 Garden Road
Hong Kong

STOCK CODE

2265

COMPANY WEBSITE

www.sdhcgroup.cn

DATE OF LISTING

12 November 2021

主要往來銀行

中國建設銀行(萊州分行)
中國
山東省
萊州市
光州東路566號

山東萊州農村商業銀行(金城分行)
中國
山東省
萊州市
金城鎮
府前街9號

中國銀行(香港)有限公司
香港
花園道1號

股份代號

2265

公司網站

www.sdhcgroup.cn

上市日期

二零二一年十一月十二日



FOUR-YEAR FINANCIAL SUMMARY

四年財務概要

A summary of the results and assets and liabilities of the Group for the last four financial years, as extracted from the audited consolidated financial statements and the Prospectus, is set out below.

本集團於過去四個財政年度的業績與資產及負債概要載列如下，乃摘錄自經審核綜合財務報表及招股章程。

RESULTS

業績

		Year ended 31 December 截至十二月三十一日止年度			
		2021 二零二一年 (RMB'000) (人民幣千元)	2020 二零二零年 (RMB'000) (人民幣千元)	2019 二零一九年 (RMB'000) (人民幣千元)	2018 二零一八年 (RMB'000) (人民幣千元)
Revenue	收益	257,043	205,392	133,664	102,281
Gross profit	毛利	166,614	123,894	82,185	57,719
Profit before income tax	除所得稅前溢利	117,144	96,489	63,413	40,236
Profit and total comprehensive income for the year, attributable to owners of the Company	本公司擁有人應佔年內溢利及全面收益總額	85,613	72,865	48,477	30,696

ASSETS AND LIABILITIES

資產及負債

		As at 31 December 於十二月三十一日			
		2021 二零二一年 (RMB'000) (人民幣千元)	2020 二零二零年 (RMB'000) (人民幣千元)	2019 二零一九年 (RMB'000) (人民幣千元)	2018 二零一八年 (RMB'000) (人民幣千元)
Total assets	資產總額	622,664	434,506	481,715	311,750
Total liabilities	負債總額	234,480	328,382	415,345	293,857
Total equity	權益總額	388,184	106,124	66,370	17,893



CHAIRMAN'S STATEMENT

主席報告

Dear Shareholders:

On behalf of the Board of Directors, I am pleased to present the first annual report of the Group as a publicly listed company for the year ended 31 December 2021.

各位股東：

本人謹代表董事會欣然提呈截至二零二一年十二月三十一日止年度本集團作為公開上市公司的首份年度報告。



Liu Zeming 劉澤銘
Chairman and Executive Director
主席兼執行董事



REVIEW

2021, the first year since the Group's Listing on the Main Board of the Stock Exchange, was a significant milestone in the Group's development history and a challenging year of significance. Due to the sporadic regional recurrence of COVID-19 pandemic and the gradual emergence of inflationary pressures arising from monetary easing, the global economic outlook remained relatively uncertain; which coupled with the temporary shutdown of some of the upstream gold mining companies in the industry during safety inspections, has led to adverse impact on gold production. Despite the uncertainties brought about by these factors, the Group continued to achieve remarkable results, with revenue and net profit for the year ended 31 December 2021 amounting to approximately RMB257.0 million and RMB85.6 million respectively, representing a year-on-year growth of 25.1% and 17.4% respectively.

We insisted on technological innovation to enhance our competitiveness in the market and we were committed to collaborating with relevant industry units, research and development institutions and universities to promote the Group's technological development in solid waste recycling and facilitate the development of the circular economy industry.

We attached great importance to the investment return of our shareholders. The Group has established a comprehensive dividend distribution policy. To reward our shareholders, the Board of Directors of the Company has proposed a final dividend of HK\$0.0189 per share in cash, subject to the approval of the shareholders of the Company at the AGM.

OUTLOOK

Entering 2022, we will remain steadfast to our commission of "Environment First, Integrity-based, Practice-driven and People-oriented" as usual by always adhering to the principle of green development and striving to optimise the research in solid waste treatment and development of the industry chain, so as to become a leader in the circular economy field and guide the industry's long-term quality development.

回顧

二零二一年，是本集團於聯交所主板交易的伊始之年，是本集團發展歷程中的一個重要里程碑，又是充滿考驗且別具標誌性意義的一年。由於新冠疫情局部反復延宕，貨幣寬鬆帶來的通脹壓力逐步顯現，全球經濟前景仍然存在較大不確定性；疊加行業中部份上游金礦公司因安全檢查期間的階段性停產，導致黃金產量受到影響。儘管各種因素帶來的經濟不確定性陰影還未散去，但本集團表現持續亮眼，本集團截至二零二一年十二月三十一日止年度收入和純利分別為約人民幣257.0百萬元和人民幣85.6百萬元，同比分別增長25.1%和17.4%。

我們堅持以技術創新來加強市場競爭力。我們致力與相關產業單位、研發機構和大學合作，以促進本集團在固廢資源化利用技術發展和推動循環經濟產業的發展。

我們重視廣大股東的投資回報。本集團已制定健全的股息分配政策。為回饋股東，公司董事會建議派發期末股息每股派發現金股息港幣0.0189元，惟須於獲本公司股東週年大會批准，方可作實。

展望

進入二零二二年，我們始終踐行「環保為先，誠信為本，實幹為基，發展為民」的使命，始終堅持綠色發展理念，致力於固體廢物處理的研究和產業鏈的開發完善，使我們在循環經濟領域成為其中的領頭企業，力爭在長期發展中引領行業高品質發展。

Leveraging on our advantageous development environment, abundant resources, leading technologies and experienced management team, we will focus on optimising the development of solid waste processing and the deep processing of gold tailings, in an effort to facilitate quality development of the industry chain and maintain a leading position in the industry. Meanwhile, we will step up the ongoing development and innovative upgrade of our products, continuously diversify and expand our product mix and portfolio, so as to capture market opportunities and make the Group a quality enterprise with strong growing potential.

Setting sail under the flag of the "14th Five-Year Plan", we will fully engage in the practice of eco-civilisation thought by promoting a safe, green and quality development. We will also adhere to the corporate mission of "lucid waters and lush mountains are invaluable assets" and strive to become a pioneer and model among China's gold mine hazardous waste treatment services companies, actively seize opportunities in the industry with an emphasis to enhance, optimise and expand our core business.

APPRECIATION

The Group's continued success depends on all its staff's commitment, dedication and professionalism. The Board would like to thank every member of staff for their diligence and dedication and to express its sincere appreciation to the Group's shareholders, clients and suppliers for their continuous and valuable support.

HONGCHENG ENVIRONMENTAL TECHNOLOGY COMPANY LIMITED

Liu Zeming

Chairman and Executive Director

31 March 2022

我們將憑藉優越的發展環境、豐富的資源、領先的技術以及經驗豐富的管理團隊，專注於固廢處理和黃金尾礦深加工產業鏈的完善開發，助力產業鏈高品質發展，繼續保持在業內的領先地位。同時，我們將加強產品的持續開發和創新升級，不斷豐富延伸產品種類以及產品組合，把握市場機會，將本集團打造成為具有強勁增長力的優質企業。

我們將堅持深入踐行生態文明思想，在「十四五」規劃揚帆起航下，推動安全、綠色、高品質發展，堅持「綠水青山就是金山銀山理念」企業使命，勇當中國金礦有害廢物處理服務企業先行示範者，積極搶佔行業機遇，堅持以做強做優做大主業為目標。

致謝

本集團的持續成功有賴全體員工的投入、奉獻及專業精神。董事會要感謝每位員工的勤奮及奉獻，並對本集團的股東、客戶及供應商的持續寶貴支持表示衷心感謝。

鴻承環保科技有限公司

主席兼執行董事

劉澤銘

二零二二年三月三十一日



MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論與分析

BUSINESS REVIEW

Achieving Business Growth and Consolidating our Position in the Industry

As the largest province in the PRC in terms of gold production, Shandong province, China, is rich in gold mineral resources and has a long history of mining and the highest geological reserves in the PRC. It has been ranked first for the 46th consecutive year for its gold production in the PRC since 1975 according to the Department of Industry and Information Technology of Shandong Province (山東省工業和信息化廳).

The Group, based in Shandong province, China, has been focusing on gold mine hazardous waste treatment and resource recovery, and comprehensive utilisation of gold mine hazardous wastes. We collect cyanide tailings, which is a kind of gold mine hazardous waste resulting from smelting of gold, from the Group's upstream customers, mainly comprised gold smelting companies under gold mining companies with mining operations in Shandong province and in particular, in Yantai city. Leveraging on our experience and expertise, we detoxify the cyanide tailings and recover therefrom resources with economic value such as pyrite concentrate and gold-bearing pyrite concentrate. We then sell the recycled products to our downstream customers, mainly comprised chemical manufacturing companies and trading companies of chemicals in the PRC to attain comprehensive utilisation of gold mine hazardous wastes. The Group is the only company in Laizhou city, Shandong province that has obtained the Hazardous Waste Business Licence issued by Yantai Municipal Ecology and Environment Bureau.

Currently, the Group has two production facilities strategically located in Laizhou city, Shandong province, where the quantity of gold reserves is ranked first among the county-level cities in the PRC.

業務回顧

取得業務增長並鞏固行業地位

中國山東省作為中國黃金產量第一大省，黃金礦產資源豐富，開採歷史悠久，地質儲量居全國之首。根據山東省工業和信息化廳，中國山東省黃金產量自一九七五年起已連續46年位居全國第一位。

本集團紮根於中國山東省，專注於金礦有害廢物處理及金礦有害廢物的資源回收及綜合利用。我們從上游客戶收集氰化尾渣，它是在黃金冶煉過程中產生的一種金礦有害廢物，上游客戶主要包括在山東省（尤其是煙臺市）經營採礦業務的採金公司旗下的黃金冶煉公司，我們利用自身的經驗和專業知識，為氰化尾渣分解毒素，並從中回收硫精礦及含金硫精礦等具有經濟價值的資源。之後，我們將再生產品銷售予下游客戶，實現金礦有害廢物的綜合利用，下游客戶主要包括中國的化工製造公司及化工貿易公司。本集團是山東省萊州市唯一一間獲煙臺市生態環境局發出危險廢物經營許可證的公司。

目前本集團有兩間生產設施策略性選址於山東省萊州市，當地的黃金儲量位居全國縣級城市之首。



Revenue and net profit of the Group for the year ended 31 December 2021 amounted to approximately RMB257.0 million and RMB85.6 million, respectively, representing an increase of 25.1% and 17.4% as compared to the same during the year ended 31 December 2020, respectively. The adjusted net profit (which is calculated by adding back the Listing expenses to the net profit for the year) for the year ended 31 December 2021 amounted to approximately RMB99.8 million, representing an increase of approximately 29.0% as compared to that of for the year ended 31 December 2020. The increase in revenue was attributable to the development of industry, active business expansion and continuous improvement of the relationships with customers and potential customers by the Group while keeping abreast of relevant development trend of the industry.

In addition, gross profit and gross profit margin of the Group for the year ended 31 December 2020 amounted to approximately RMB123.9 million and 60.3%, respectively, increased to approximately RMB166.6 million and 64.8%, respectively for the year ended 31 December 2021. The increase in gross profit during the year ended 31 December 2021 was mainly attributable to the increase in revenue, which was in turn due to the continual provision of high quality products and services, the stickiness of customers, and the strong market demand for downstream products of pyrite concentrate, mainly sulphuric acid. The increase in gross profit margin during the year ended 31 December 2021 was mainly attributable to the increase in selling price of the Group's recycled products, which was in turn driven by the increasing trend of market price of sulphuric acid.

During the year ended 31 December 2021, with satisfactory operation result and solid management team, the Group won recognition from various sectors. The Group was jointly recognised as Shandong Province Gazelle Enterprise (山東省瞪羚企業) by the Department of Industry and Information Technology of Shandong Province (山東省工業和信息化廳), Local Financial Supervision and Administration of Shandong Province (山東省地方金融監督管理局) and the People's Bank of China, Jinan Branch while the Group was also awarded 2021 Shandong Province "Specialised and Innovative" Small and Medium-sized Enterprises (2021年度山東省「專精特新」中小企業) by the Department of Industry and Information Technology of Shandong Province (山東省工業和信息化廳).

本集團截至二零二一年十二月三十一日止年度收入和純利分別為約人民幣257.0百萬元和人民幣85.6百萬元，較截至二零二零年十二月三十一日止年度分別增長25.1%和17.4%。截至二零二一年十二月三十一日止年度經調整純利(計算方法是將上市費用加回年內純利)為約人民幣99.8百萬元，較截至二零二零年十二月三十一日止年度增長約29.0%。收入的上升有賴行業的發展以及集團業務的積極拓展，不斷增進與客戶及潛在客戶的關係，同時緊貼行業的相關發展趨勢。

與此同時，本集團的毛利和毛利率由截至二零二零年十二月三十一日止年度的約人民幣123.9百萬元和60.3%分別增長到截至二零二一年十二月三十一日止年度的約人民幣166.6百萬元和64.8%。截至二零二一年十二月三十一日止年度的毛利增長主要是由於收入的上升，這有賴於持續提供優質的產品和服務，客戶的黏性以及市場對硫精礦下游產品(主要是硫酸)的強勁市場需求。截至二零二一年十二月三十一日止年度的毛利率增長主要是由於本集團再生產品售價上升，而售價上升又是由硫酸市場價格上漲趨勢所帶動。

截至二零二一年十二月三十一日止年度，本集團以良好的經營業績和紮實的管理團隊贏得了各界的認可，被山東省工業和信息化廳，山東省地方金融監督管理局和中國人民銀行濟南分行聯合認定為「山東省瞪羚企業」；同時，本集團獲得由山東省工業和信息化廳頒授「2021年度山東省『專精特新』中小企業」獎項。



Strengthening the Company's Development Foundation

In accordance with the “Reply on the Transfer and Disposal of Hazardous Wastes” (「關於危險廢物轉移和處置問題的覆函」) issued by the State Environmental Protection Agency (國家環境保護總局), the principle of “close-by disposal” (「就近處置」原則), that is, the principle of gold mines which produce hazardous waste being close to the hazardous waste treatment plants, is adopted. As a result, we have been identifying suitable land in the proximity for the Group's expansion. On 6 January 2022, the Group successfully won the bid for the land use rights of three parcels of industrial land in the Yin Hai Chemical Industrial Park (銀海化工產業園) in Laizhou city, Shandong province, the PRC with a total site area of approximately 533,300 sq.m., the premises (including properties and warehouses) built thereon with a gross floor area of approximately 89,300 sq.m. and other infrastructure and machinery. The Yin Hai Chemical Industrial Park is strategically located in Laizhou city of Shandong province, China and hence, being in close proximity to the Group's headquarter and the largest gold producing region in China, it enjoys a rich geographical advantage. This acquisition provides room for the Group to enhance its production capacity, strengthen its research and development capabilities and expand its product and service portfolio in the future.

Up to the date of this annual report, total cost of the Transaction amounted to approximately RMB86.5 million, including consideration of the bid, related tax and administration costs, funded by the net proceeds from the global offering earmarked for establishment of the New Production Facility and the internal resource of the Group, has been fully settled. Transfer of legal title including obtaining the land use right certificates and real estate title certificates has been completed in February 2022. For details of the Transaction, please refer to the announcement of the Company dated 6 January 2022.

夯實公司發展基礎

根據國家環境保護總局發出的《關於危險廢物轉移和處置問題的覆函》，我們採納「就近處置」原則，即產生有害廢物的金礦應毗鄰有害廢物處理廠的原則。故此，我們一直為集團的擴充發展物色毗鄰合適土地。集團於二零二二年一月六日成功競投取得位於中國山東省萊州市銀海化工產業園，總佔地面積約53.33萬平方米的三幅工業用地的土地使用權，建築面積約8.93萬平方米的房產(包括物業及倉庫)，以及其他基建及機器。中國山東省萊州市銀海化工產業園位處山東省萊州市(為地級市煙臺轄下的一個縣級市)的戰略性地點，享有豐富的地理優勢，鄰近集團總部和中國黃金產量最多的地區。該收購為集團在未來大力提升產能，提高研發能力以及增加產品和服務組合的多元化提供空間。

截至本年報日，該交易的總成本為約人民幣86.5百萬元，包括投標代價、相關稅費及行政管理費用，以全球發售所得款項淨額(撥作設立新生產設施)；及本集團內部資源提供資金情，已悉數結清。相關土地使用權證、房地產權證等法定產權過戶已經於二零二二年二月辦理完成。有關該交易的更多詳情，請參閱本公司在二零二二年一月六日的公告。

Technological Innovation Achievements

In terms of technological research and development, the Group's research project "Gold Tailings Sulfur and Iron Resources Recycling Project" ("黃金尾渣硫鐵資源回收利用項目") was recognised as a scientific and technological achievement by the China High-tech Industrialisation Research Association (中國高科技產業化研究會) during the Reporting Period, and was further awarded Second Prize of Science and Technology Progress Award (科技進步獎二等獎) by the All-China Environmental Protection Federation (中華環保聯合會) up to the date of this annual report. Such honour represents the high recognition of the Company's exploration of development of circular economy and realisation of economic, environmental and social benefits, and also reflects the result of unity and concerted efforts of the Company as well as our diligent and hard work.

In terms of tailings treatment technology, we have made a breakthrough in disposal technology by carrying out deep processing of sulphur and iron resources. During the Reporting Period, with a view to accelerate the technology development in solid waste resource utilisation and promote the development of circular economy, the Group signed the collaboration agreement with Shandong Association of Solid Waste Industry (山東省固廢產業協會) and Yantai University (煙臺大學) for the establishment of the "Solid Waste Resource Utilisation Engineering Research Centre (固廢資源化工程研究中心)". Meanwhile, we also carried out numerous in-house technical research on hazardous waste and solid waste disposal and resource utilisation.

During the Reporting Period, we successfully obtained five additional patents, including invention model, for the technologies or devices for expanding our product offerings, upgrading our technologies on comprehensive utilisation and harmless treatment of gold mine hazardous wastes and developing new processing methods, thereby enhancing technical support for our operation and expansion.

科技創新成果

在技術研發方面，在報告期內，本集團研究項目「黃金尾渣硫鐵資源回收利用項目」被中國高科技產業化研究會確認為科學技術成果，直至本年報日期，該項目進一步獲中華環保聯合會頒授的中華環保聯合會科技進步獎二等獎。該榮譽是對公司探索循環經濟發展之路，實現經濟效益、環境效益和社會效益的高度肯定，更是公司上下團結協作、實幹苦幹的成果。

在尾渣處理技術方面，我們開展硫鐵資源深加工，處置技術取得突破。在報告期內，為了促進在固廢資源化利用技術發展和推動循環經濟產業的發展，本集團與山東省固廢產業協會及煙臺大學為成立「固廢資源化工程研究中心」簽訂合作協議。同時我們積極開展大量危險廢物及固體廢物的處置和資源化利用的內部技術攻關研究。

在報告期內，我們成功取得了五項新增專利，包括發明新型，用於豐富我們的產品種類，提升對金礦有害廢物的綜合利用和無害化處理技術或設備，以及開發新的加工方法，為我們經營和拓展提供了技術保障。



INDUSTRY TREND

The Fourteenth Five-Year Plan and the Outline of the Vision 2035 (第十四個五年規劃和2035年遠景目標綱要) continues to, and places emphasis on promoting green development, to adhere to the concept of “clean water and green mountain equal to wealth”, to implement the sustainable development strategy, through continuous improvement of environmental quality to enhance the quality and stability of the ecosystem, and to promote the comprehensive green transformation of economic and social development, and hence continue to build and transform China to become a more beautiful place. They also provide for strict prevention and control of environmental risks, and comprehensive rectification of illegal storage of solid wastes, with a view to enhancing the supervision of hazardous waste and risk prevention capabilities. Therefore, it is apparent that hazardous waste disposal is a key part of the future development of China.

FUTURE PROSPECTS

The Group will firmly practice the concept of eco-civilisation, and continue to promote safe, green and quality development under the new era of “14th Five-Year Plan”. Taking the initiative to shoulder the mission and responsibility as a gold mine hazardous wastes treatment service provider in this new era, we will strive for breakthrough and development in the evolving industry, and establish a clear path to our development target, while following the “lucid waters and lush mountains are invaluable assets” philosophy. We will also take on the pioneering role of a benchmark gold mine hazardous wastes treatment service provider in China, and actively seize the industry potential, with the aim of strengthening, improving and expanding our core business.

Driven by the national support for circular economy and green mining, the value of utilising hazardous wastes generated during the mining process has also been promoted. Therefore, we have developed the following strategies to seize market opportunities and maintain our leading position in the gold mine hazardous wastes treatment service industry.

行業趨勢

《第十四個五年規劃和2035年遠景目標綱要》明確提出要推動綠色發展，堅持綠水青山就是金山銀山理念，實施可持續發展戰略，通過持續改善環境質量以提升生態系統質量和穩定性，推動經濟社會發展全面綠色轉型，建設美麗中國。其中更指出嚴密防控環境風險，全面整治固體廢物非法堆存，提升危險廢物監管和風險防範能力。可見危險廢物處理是其中一個未來重點發展的一環。

前景

本集團將堅持深入踐行生態文明思想，在「十四五」新的時代風口下，推動安全、綠色、高質量發展，自覺擔負新時代金礦有害廢物處理服務企業的使命與擔當，力爭在行業變革中尋求新的突破與發展，明確發展目標路徑，堅持「綠水青山就是金山銀山理念」企業使命，勇當中國金礦有害廢物處理服務企業先行示範者，積極搶佔行業機遇，堅持以做強做優做大主業為目標。

在國家循環經濟和綠色礦業的鼓勵下，採礦過程中產生的有害廢物的利用價值受到重視，故此我們制定了以下措施策略，抓住市場機遇，以保持在金礦有害廢物處理服務行業的領先地位。



Increasing production capacity and capabilities, continuing to enhance our core hazardous wastes business

According to the development plan issued by the Department of Industry and Information Technology of Shandong Province (山東省工業和信息化廳), Shandong province will build a new industry landscape focusing on gold and incorporating multi-metal, diversified and upstream-to-downstream integrated development, with the industrial layout and product structure optimised, further highlighting brand effects and significantly raising the safety and environmental protection standards. Remarkable results are recorded in aspects of high-end, intelligent and green development, while the annual output of gold is more concentrated in large and medium-sized gold enterprise groups. We expect that this plan will lead to the consolidation of gold resources and drive the consolidation of gold mine hazardous wastes production, leading to a centralised hazardous waste treatment demand, which is expected to increase reliance on sizable hazardous waste treatment companies. Therefore, the leading hazardous waste treatment companies with strong treatment capacity are expected to capture more market shares. The Group will spare no effort in planning the construction of new plants to meet the future growth of the market by increasing the treatment capacity of gold mine hazardous wastes.

Diversifying product portfolio and exploring new products, markets and businesses

By deepening the efficient utilisation of resources from the wastes, the Group is seeking new breakthrough and development in the evolving industry. We plan to establish a waste resource utilisation production area. Based on our expertise and experience in the comprehensive utilisation of gold mine hazardous wastes and recovery of recycled products, we will further enrich the product range of our recycled products sales business, while continuously enhancing our research and development capabilities and technical skills to achieve high utilisation of gold mine hazardous wastes so as to extract more economically valuable resources. This optimisation and diversification will further enhance the Group's advantage in the industry by continuously expanding our product range and product portfolio.

提高產能和實力，繼續做強危廢主業

根據山東省工業和信息化廳公開出台的發展規劃，山東將構建以黃金為主，多金屬、多元化、上下游一體化發展的產業新格局，產業佈局和產品結構更加優化，品牌效應進一步凸顯，安全環保水平明顯提升，高端化、智慧化、綠色化發展成果顯著，黃金年產量更集中於大、中型黃金企業集團。我們預計此規劃將促使由金礦資源的整合推動金礦有害廢物生產的整合，以此帶動有害廢物處理需求的集中化，預期其將增加對具規模有害廢物處理公司的依賴。因此，處理能力強的有害廢物處理龍頭公司有望佔領更多市場份額。本集團將全力規劃新廠房的建設，透過增加金礦有害廢物處理產能以滿足市場未來持續增長的需要。

提升產品組合的多元性，拓展新產品、新市場、新業務

通過深化廢物資源的高效利用，集團在行業變革中尋求新的突破與發展。我們計劃推進成立廢物資源化利用產區。基於我們在金礦有害廢物綜合利用及回收再生產品的專業知識和經驗，我們將進一步豐富再生產品銷售業務的產品種類，並不斷提升研發能力和技術技能以實現金礦有害廢物的高利用率，從而提取更多具有經濟價值的資源。不斷豐富延伸產品種類以及產品組合，該優化及多元性將進一步增加本集團的行業優勢。



Strengthening research and development capability with constant technical innovation

With improving industry standards and the increasingly fierce competition in the industry, we will continue to focus on technological innovation for the purpose of strengthening competitiveness in the market, and plan to build an integrated resources research laboratory in the future. We believe that, with the integrated resources research laboratory as the main carrier, we can optimise our production process, improve product quality and enhance the application of resource utilisation and non-hazardous treatment by actively promoting technological research and development, increasing exchanges with industry peers, enhancing collaboration with research institutes and strengthening our research and development team. We believe that, driven by technological innovation, we can effectively promote the expansion of our product portfolio, enhance the quality of our products and services, and research and development of high-value resource products, so that the Group is able to grow bigger, better and stronger.

Maintaining safe production, improving management standards and promoting green development

Safe production has always been our primary objective. We place safety production as our priority through staff training in relation to compliance operation awareness, optimisation of production process, and strengthening of pollutant control facilities management, so as to comprehensively improve the safety protection ability and maximise the development of safe production. Meanwhile, we will continue to implement standardised production processes and standardised production cost control to improve production cost efficiency through refined management. We will continuously place emphasis on the concept of energy saving and emission reduction on the production, improving resource utilisation rate, reducing waste emission, and promoting green development.

加強研發能力，堅持技術創新

隨著行業標準的提升，行業競爭格局日益激烈，我們堅持以技術創新來加強市場競爭力，未來將規劃興建資源綜合研究實驗室。我們相信，以資源綜合研究實驗室為主要載體，通過積極推進技術研發工作，加強與同業交流，強化與科研院所協作和壯大研發團隊，以此優化生產工藝，提升產品質量和加強資源化利用和無害化處理的應用。我們認為，在技術創新驅動下，有效推進產品組合延伸拓展，提升產品和服務質量、高價值資源化產品的研發，助力集團做大做優做強。

維持安全生產，提高管理水平和推動綠色發展

安全生產始終是我們的首要宗旨。我們以安全生產為前題，通過員工合規操作意識的培訓，生產流程的優化，污染物治理設施管理的加強，全面提升安全保障能力，以最大化推進安全環保生產的發展。同時，我們將持續全力推行生產流程標準化運作及生產成本標準化管控，通過精細化管理以提升生產成本效益。我們繼續堅持深化節能減排的生產理念，提高資源利用率，減少廢棄物排放量，推動企業綠色發展。

FINANCIAL REVIEW

Revenue

財務回顧

收益

		For the year ended 31 December 截至十二月三十一日止年度			
		2021 二零二一年		2020 二零二零年	
		RMB'000 人民幣千元	%	RMB'000 人民幣千元	%
Gold mine hazardous waste treatment services	金礦有害廢物處理服務	96,581	37.6	107,958	52.6
Sale of recycled products	銷售再生產品	145,955	56.8	82,514	40.2
Hazardous waste storage rental services	有害廢物倉儲租賃服務	14,507	5.6	14,507	7.1
Others	其他	—	—	413	0.1
		257,043	100.0	205,392	100.0

The Group principally collects cyanide tailings, which is a kind of gold mine hazardous waste, from the Group's upstream customers and applies our technical know-how to (i) detoxify those wastes to meet the required safety standards; and (ii) recover and recycle therefrom resources with economic value for sale, such as pyrite concentrate and gold-bearing pyrite concentrate. Therefore, revenue of the Group is mainly derived from (i) gold mine hazardous waste treatment services; and (ii) sale of recycled products.

For the year ended 31 December 2021, revenue from our gold mine hazardous waste treatment services and sale of recycled products accounted for approximately 94.4% (31 December 2020: 92.8%) of our total revenue. The Group also derived revenue from the hazardous waste storage rental services, which accounted for approximately 5.6% (31 December 2020: 7.1%) of our total revenue.

本集團主要從上游客戶收集氰化尾渣(為金礦有害廢物的一種)，並應用我們的技術知識，(i) 對該等廢物進行解毒，以符合安全標準；及(ii) 從中回收及再利用具有經濟價值的資源(如硫精礦及含金硫精礦)以供銷售。因此，本集團的收益主要來自(i)金礦有害廢物處理服務；及(ii) 銷售再生產品。

截至二零二一年十二月三十一日止年度，金礦有害廢物處理服務及銷售再生產品的收益佔我們總收益約94.4%(二零二零年十二月三十一日：92.8%)。本集團亦從有害廢物倉儲租賃服務獲得收益，佔我們總收益約5.6%(二零二零年十二月三十一日：7.1%)。



For the year ended 31 December 2021, the Group's total revenue was approximately RMB257.0 million, representing an increase by approximately 25.1% as compared to that of approximately RMB205.4 million for the year ended 31 December 2020. The year on year increase was mainly attributable to the increased sale of recycled products which was in turn due to the increase in number of downstream customers, and also increased sale volume and average selling price per tonne for the year ended 31 December 2021 as compared to the corresponding period last year of 2020. As pyrite concentrate is the raw material for the production of sulphuric acid, the increase in average selling price of recycled products was in line with the increase in market price of sulphuric acid in the PRC which was influenced by various factors, mainly including the price of raw material, demand from downstream industries and the imported from oversea market. Such increase was partially offset by approximately 10.5% year-on-year decline in revenue from our gold mine hazardous waste treatment services, from approximately RMB108.0 million for the year ended 31 December 2020 to approximately RMB96.6 million for the year ended 31 December 2021. Such decrease was due to the less cyanide tailings provided by upstream customers with the stable average treatment fee per tonne for the year ended 31 December 2021.

Gross profit and gross profit margin

For the year ended 31 December 2021, the Group's gross profit was approximately RMB166.6 million, representing an increase by approximately 34.5% as compared to gross profit of approximately RMB123.9 million for the year ended 31 December 2020. Such increase was generally in line with the increase in revenue of the Group.

The overall gross profit margin increased from approximately 60.3% for the year ended 31 December 2020 to approximately 64.8% for the year ended 31 December 2021. Such fluctuation was mainly attributable to the increase in selling price of the Group's recycled products, which was in turn driven by the increasing trend of market price of sulphuric acid.

截至二零二一年十二月三十一日止年度，本集團總收益約為人民幣257.0百萬元，較截至二零二零年十二月三十一日止年度的約人民幣205.4百萬元增長約25.1%。該按年同比增幅主要是由於再生產品銷售增多，因為下游客戶數目增加，而且，截至二零二一年十二月三十一日止年度的銷量及平均每噸售價相比二零二零年同期增加。由於硫精礦是生產硫酸的原料。再生產品平均售價的上漲與中國硫酸市場價格的上漲一致，後者受多種因素影響，主要包括原材料價格、來自下游行業需求和海外市場進口情況。該增幅部份受金礦有害廢物處理服務的收益同比下降約10.5%（由截至二零二零年十二月三十一日止年度的約人民幣108.0百萬元至截至二零二一年十二月三十一日止年度的約人民幣96.6百萬元）所抵銷。該降幅乃由於上游客戶提供的氰化尾渣較少，且截至二零二一年十二月三十一日止年度的平均每噸處理費穩定。

毛利及毛利率

截至二零二一年十二月三十一日止年度，本集團毛利約人民幣166.6百萬元，較截至二零二零年十二月三十一日止年度的約人民幣123.9百萬元增長約34.5%。該增長大致上與我們的總收益增加一致。

整體毛利率由截至二零二零年十二月三十一日止年度的約60.3%上升至截至二零二一年十二月三十一日止年度的約64.8%。該波動乃由於本集團再生產品售價上升，而售價上升又是由硫酸市場價格上漲趨勢所帶動。

Other income

Other income decreased from approximately RMB5.2 million for the year ended 31 December 2020 to approximately RMB78,000 for the year ended 31 December 2021, which was mainly attributable to the decrease in interest income from our loan offered to Zhonglian Cement. Our loan to Zhonglian Cement was unsecured and non-interest bearing from 1 January 2021 and during the year ended 31 December 2021 while such loan was bearing interest of 6.86% per annum from 1 January 2020 and during the year ended 31 December 2020. The balance of loan to Zhonglian Cement was fully settled in July 2021.

Selling expenses

Selling expenses mainly consist of (i) entertainment; (ii) promotion expenses; and (iii) employee salary and benefit expenses for our sales team. For the year ended 31 December 2021, the Group's selling expenses was approximately RMB2.4 million, representing a decrease by approximately 17.2% as compared to that of selling expenses of approximately RMB2.9 million for the year ended 31 December 2020. The decrease in selling expenses for the year was mainly due to the decrease in our entertainment expenses for the year.

Administrative expenses

The Group's administrative expenses mainly represent (i) employee benefit expenses, including salaries and wages and staff welfare for administrative and management staff; (ii) Listing expenses incurred in connection with the proposed Listing; (iii) taxes and levies which primarily represented various kinds of government levies or taxes such as real estate tax, urban construction tax, tenure tax and stamp duty; (iv) depreciation and amortisation for administrative facilities; (v) office expenses; (vi) entertainment; (vii) professional and consultation fee; (viii) transportation and related expenses, including those incurred in business travels of administrative and management staff and business use of vehicles expenses; and (ix) other expenses of similar nature. For the year ended 31 December 2021, the Group's administrative expenses was approximately RMB39.8 million, representing an increase by approximately 65.8% as compared to administrative expenses of approximately RMB24.0 million for the year ended 31 December 2020. Such increase was mainly attributable to (i) the increase of Listing expenses in connection with the Listing of approximately RMB9.7 million; and (ii) increase of professional and consultation fee by approximately RMB2.8 million as we have engaged consultation companies for conducting feasibility studies with respect to the design and proposed construction of the New

其他收入

其他收入由截至二零二零年十二月三十一日止年度的約人民幣5.2百萬元減少至截至二零二一年十二月三十一日止年度的約人民幣78,000元，乃主要由於我們給予中聯水泥的貸款的利息收入減少。給予中聯水泥的貸款為無抵押，以及自二零二一年一月一日及於截至二零二一年十二月三十一日止年度內不計息，然而該貸款自二零二零年一月一日及於截至二零二零年十二月三十一日止年度內按年利率6.86%計息。給予中聯水泥的貸款結餘已於截至二零二一年七月悉數結付。

銷售開支

銷售開支主要包括(i)酬酢；(ii)宣傳開支；及(iii)銷售團隊的員工薪金及福利開支。截至二零二一年十二月三十一日止年度，本集團銷售開支約人民幣2.4百萬元，較截至二零二零年十二月三十一日止年度的銷售開支約人民幣2.9百萬元下降約17.2%。於本年度的銷售開支下降的主要原因是我們本年的酬酢開支減少。

行政開支

本集團的行政開支主要指(i)僱員福利開支，包括行政及管理人員的薪金及工資以及員工福利；(ii)就建議上市產生的上市開支；(iii)稅項及徵費，主要指各種政府徵費或稅項，例如房產稅、城市建設維護稅、土地使用稅及印花稅；(iv)行政設施的折舊及攤銷；(v)辦公室開支；(vi)酬酢；(vii)專業及諮詢費；(viii)運輸及相關開支，包括行政及管理人員在差旅中產生的開支以及業務用途的汽車開支；及(ix)其他類似性質的開支。截至二零二一年十二月三十一日止年度，本集團行政開支約人民幣39.8百萬元，較截至二零二零年十二月三十一日止年度的行政開支約人民幣24.0百萬元上升約65.8%。該增加主要是由於(i)有關上市的上市開支增加約人民幣9.7百萬元；及(ii)專業及諮詢費增加約人民幣2.8百萬元，因為我們就新生產設施的設計和建

Production Facility and technological studies for the recovery of recycled products, mainly construction aggregate, from high silicon tailings; and (iii) the increase in other administrative expenses as a result of our expanded scale and operations.

Net finance costs

Net finance costs reflected the sum of interest expenses on bank borrowings, lease liabilities and other liabilities after offsetting interest income we received from bank balances. For the year ended 31 December 2021, the Group's net finance costs was approximately RMB6.0 million which was comparable to the amount of a net finance costs of approximately RMB6.0 million for the year ended 31 December 2020.

Income tax expense

The Company was incorporated in the Cayman Islands as an exempted company with limited liability under the Companies Act and accordingly is exempted from Cayman Islands income tax. The Company's direct wholly owned subsidiary was incorporated in the BVI as a business company with limited liability under the BVI Companies Act 2004 and accordingly is exempted from BVI income tax.

Hong Kong profits tax

No Hong Kong profits tax has been provided for as the Group did not generate any assessable profit in Hong Kong for the two years ended 31 December 2021.

PRC corporate income tax ("CIT")

The tax rate of our subsidiaries established in the PRC is 25%. HC Environmental and HC Mining, engaging in comprehensive utilisation of resources are also entitled to a reduction of 10% revenue from sales of recycled products from the taxable income of the companies in the calculation of CIT.

For the year ended 31 December 2021, the Group's income tax expense was approximately RMB31.5 million, representing an increase by approximately 33.5% as compared to income tax expenses of approximately RMB23.6 million for the year ended 31 December 2020, reflecting effective tax rate (equivalent to income tax expense divided by profit before income tax) of approximately 26.9% and 24.5% for the year ended 31 December 2021 and the year ended 31 December 2020, respectively.

議建設以及就從高硅尾渣回收再生產品(主要為建築骨料)的技術研究委聘諮詢公司以進行可行性研究;及(iii)我們擴大規模及營運令其他行政開支增加。

融資成本淨額

融資成本淨額反映銀行借款、租賃負債及其他負債利息開支之和(抵銷我們自銀行結餘收取的利息收入後)。截至二零二一年十二月三十一日止年度,本集團融資成本淨額約人民幣6.0百萬元,與截至二零二零年十二月三十一日止年度的融資成本淨額約人民幣6.0百萬元相若。

所得稅開支

本公司根據公司法在開曼群島註冊成立為獲豁免有限公司,因而獲豁免繳納開曼群島所得稅。本公司直接全資持有的附屬公司根據二零零四年英屬維爾京群島公司法在英屬維爾京群島註冊成立為商業有限公司,因而獲豁免繳納英屬維爾京群島所得稅。

香港利得稅

截至二零二一年十二月三十一日止兩年,由於本集團於香港並無產生任何應課稅溢利,故概無就香港利得稅計提撥備。

中國企業所得稅(「企業所得稅」)

我們在中國成立的附屬公司的適用稅率為25%。就計算企業所得稅,從事資源綜合利用的鴻誠環保及鴻承礦業亦可以就銷售再生產品的收益享有應課稅收入10%寬減。

截至二零二一年十二月三十一日止年度,本集團所得稅開支約人民幣31.5百萬元,較截至二零二零年十二月三十一日止年度的所得稅開支約人民幣23.6百萬元上升約33.5%。反映截至二零二一年十二月三十一日止年度及截至二零二零年十二月三十一日止年度,實際稅率(等於所得稅開支除以除所得稅前溢利)分別為約26.9%及24.5%。

The effective tax rate increased from approximately 24.5% for the year ended 31 December 2020 to approximately 26.9% for the year ended 31 December 2021, mainly due to (i) certain tax losses for which no deferred income tax assets were recognised; and (ii) the recognition of PRC withholding tax of RMB1.8 million that would be payable on remitted earnings of PRC subsidiaries of the Group. For the year ended 31 December 2021, our certain group companies in Hong Kong and the PRC had incurred tax losses which is not likely to generate taxable income in the foreseeable future and therefore no deferred income tax assets were recognised.

PRC withholding income tax

According to the CIT Law, a 10% withholding tax on dividends received/receivable will be levied on the PRC companies' immediate holding companies established out of the PRC. A lower withholding tax rate may be applied if there is a tax treaty arrangement between the PRC and the jurisdiction of the foreign immediate holding companies and simultaneously certain conditions are satisfied.

PRC withholding income tax has been provided for based on the amounts the Group expect Mainland China subsidiaries to distribute these profits in the foreseeable future. As at 31 December 2021, deferred income tax liabilities of RMB1,800,000 (2020: nil) have been recognised for the withholding tax that would be payable on remitted earnings of PRC subsidiaries of the Group amounting to RMB18,000,000 (2020: nil).

No PRC withholding income tax has been provided for the remaining earnings which will be retained in Mainland China for expansion of the Group's operation. As at 31 December 2021, deferred income tax liabilities of RMB14,732,000 (2020: RMB6,320,000) have not been recognised for the withholding tax that would be payable on unremitted earnings of PRC subsidiaries of the Group amounting to RMB147,320,000 (2020: RMB63,204,000).

實際稅率由截至二零二零年十二月三十一日止年度約24.5%上升至截至二零二一年十二月三十一日止年度的約26.9%，主要是由於(i)並無就若干稅項虧損確認遞延所得稅資產；及(ii)確認本集團中國附屬公司匯出的收益所應繳納的中國預扣稅人民幣1.8百萬元。截至二零二一年十二月三十一日止年度，我們於香港及中國的若干集團公司產生了稅項虧損，該公司不大可能在可預見未來產生應課稅收入，因此並無確認遞延所得稅資產。

中國預扣所得稅

根據企業所得稅法，在中國境外成立的中國公司的直接控股公司將被徵收已收/應收股息的10%預扣稅。倘中國與外國直接控股公司的司法管轄區之間有稅務條約安排，並同時滿足若干條件，則可適用較低的預扣稅率。

已就本集團預期於可預見未來中國內地附屬公司將會分派該等溢利的金額計提中國預扣所得稅撥備。於二零二一年十二月三十一日，本集團的中國附屬公司匯出盈利的預扣稅為人民幣18,000,000元(二零二零年：零)，已確認相關遞延所得稅負債人民幣1,800,000元(二零二零年：零)。

概無就餘下盈利計提中國預扣所得稅撥備，該等盈利將保留在中國內地以供本集團擴充營運。於二零二一年十二月三十一日，本集團的中國附屬公司未匯出盈利的預扣稅為人民幣147,320,000元(二零二零年：人民幣63,204,000元)，並未確認相關遞延所得稅負債人民幣14,732,000元(二零二零年：人民幣6,320,000元)。



Adjusted Net Profit and Adjusted Net Profit Margin

To supplement the Group's consolidated financial statements which are presented in accordance with IFRSs, we also presented adjusted net profit and adjusted net profit margin as non-IFRSs financial measures which are not required by, or presented in accordance with, IFRSs. We believe that the presentation of non-IFRSs financial measures when shown in conjunction with the corresponding IFRSs financial measures provides useful information to potential investors and management in understanding and evaluating our operating performance from period to period by eliminating potential impact of non-recurring item that does not affect our ongoing operating performance.

However, these non-IFRSs measures should not be considered individually nor construed as an alternative for net income or operating income, or as indicators of the Group's operating performance or other consolidated operating information prepared in accordance with IFRSs. The use of non-IFRSs measures as an analytical tool has significant limitations as it does not include all items that affect the underlying net profit for the year.

The following table sets forth the adjusted net profit and adjusted net profit margin for the two years ended 31 December 2021:

經調整純利及經調整純利率

為補充本集團按照國際財務報告準則編制的綜合財務報表，我們亦呈列經調整純利及經調整純利率為非國際財務報告準則的財務計量，該等計量並非國際財務報告準則所要求，亦非按照國際財務報告準則呈列。我們相信，當非國際財務報告準則財務計量與相應的國際財務報告準則財務計量一同呈列時，通過消除不影響我們持續經營業績的非經常性項目的潛在影響，可為潛在投資者及管理層提供實用數據，以了解及評估我們各期間的經營表現。

然而，該等非國際財務報告準則計量不應單獨考慮，亦不應理解為淨收益或經營收益的代替，或本集團根據國際財務報告準則編制的經營表現或其他合並經營數據的指針。使用非國際財務報告準則計量作為分析工具有重大限制，因為其並不包括所有影響相關年度純利的項目。

下表列載於截至二零二一年十二月三十一日止兩個年度的經調整純利及經調整純利率：

		For the year ended 31 December 截至十二月三十一日止年度	
		2021 二零二一年 RMB'000 人民幣千元	2020 二零二零年 RMB'000 人民幣千元
Profit for the year	年內溢利	85,613	72,865
Add: Listing expenses	加：上市開支	14,206	4,539
Adjusted net profit for the year (unaudited) ⁽¹⁾	年內經調整純利 (未經審核) ⁽¹⁾	99,819	77,404
Adjusted net profit margin (unaudited) ⁽²⁾	經調整純利率 (未經審核) ⁽²⁾	38.8%	37.7%

Notes:

- (1) We calculated the adjusted net profit for the year by adding back the Listing expenses to the profit for the year as presented in accordance with IFRSs.
- (2) We calculated the adjusted net profit margin by dividing adjusted net profit for the year by revenue for the year and multiplied by 100%.

附註：

- (1) 我們透過將上市開支加回根據國際財務報告準則呈報的年內溢利計算經調整年內純利。
- (2) 我們透過將年內經調整純利除以年內收益再乘以100%計算經調整純利率。

Capital Expenditures

Our capital expenditure mainly comprised of the acquisition of items of property, plant and equipment and right-of-use assets. We incurred capital expenditure of approximately RMB18.5 million during the year ended 31 December 2021.

Capital Commitments

As at 31 December 2021, the Group had no capital commitments (31 December 2020: approximately RMB3.4 million).

Pledge of Assets

As at 31 December 2021, the total net book value of assets pledged to secure the Group's bank borrowings amounted to approximately RMB5.9 million (31 December 2020: approximately RMB6.0 million) for land use rights, approximately RMB68.7 million (31 December 2020: approximately RMB71.4 million) for buildings and approximately RMB67.8 million (31 December 2020: approximately RMB70.3 million) for investment properties.

Contingent Liabilities

As at 31 December 2021, we did not have any material contingent liabilities. We are not currently involved in any material legal proceedings, nor are we aware of any pending or potential material legal proceedings, to the knowledge of the Board, threatened against the Group and could have a material adverse effect on our business or operations.

Treasury Policy

The Group adopts a prudent approach towards its treasury policies. To manage the liquidity risk, the Group closely monitors its liquidity position to ensure the liquidity structure of the Group's assets, liabilities and commitments and to ensure the fulfillment of its funding requirements for business development.

資本開支

我們的資本開支主要包括購置物業、廠房及設備項目及使用權資產。我們於截至二零二一年十二月三十一日止年度產生的資本開支為約人民幣18.5百萬元。

資本承擔

於二零二一年十二月三十一日，本集團沒有資本承擔(二零二零年十二月三十一日：約人民幣3.4百萬元)。

資產質押

於二零二一年十二月三十一日，已作抵押以擔保本集團的銀行借款的資產的賬面淨值總額分別為約人民幣5.9百萬元(二零二零年十二月三十一日：約人民幣6.0百萬元)的土地使用權，約人民幣68.7百萬元(二零二零年十二月三十一日：約人民幣71.4百萬元)的樓宇及約人民幣67.8百萬元(二零二零年十二月三十一日：約人民幣70.3百萬元)的投資物業。

或然負債

於二零二一年十二月三十一日，我們並無任何重大或然負債。據董事會所知，我們現時未牽涉任何重大法律訴訟，亦不知悉我們涉及任何對本集團構成威脅，並可能對我們的業務或營運產生重大不利影響的待決或潛在的重大法律訴訟。

庫務政策

本集團對其庫務政策採取審慎態度。為管理流動性風險，本集團密切監控流動性狀況，以確保本集團資產、負債及承諾的流動性結構，確保滿足業務發展的資金需求。



Foreign Exchange Risk Management

The Group carries out its business operations in the PRC with most of the transactions denominated and settled in RMB save for certain fees payable to professional parties and miscellaneous administrative expenses that are denominated in Hong Kong dollars. Hence the Group does not currently have a hedging policy on foreign exchange risk as the Board does not consider the Group's exposure to foreign exchange fluctuations (primarily in the HKD) to be significant, and that any fluctuation thereof will not have any material impact on the Group's business operations or its financial results. The management will, however, closely monitor its foreign currency exposure and will consider hedging significant foreign currency exposure should the need arise.

LIQUIDITY, FINANCE RESOURCES AND CAPITAL STRUCTURE

As at 31 December 2021, the Group had net current assets of approximately RMB242.7 million (31 December 2020: approximately RMB9.8 million). As at 31 December 2021, the gearing ratio was approximately 35.4% (31 December 2020: approximately 136.0%). The gearing ratio is calculated by dividing total debt by total equity at the end of the relevant year and multiplying by 100%. Debt is defined as amounts payable that are not incurred in the ordinary course of business and includes bank borrowings, lease liabilities, amounts due to controlling shareholders and other liabilities relating to warehouse lease arrangements.

The Group maintained a strong financial position with cash and cash equivalents of approximately RMB235.6 million as at 31 December 2021. The Group met and expects to continue meeting its operating capital, capital expenditure and other capital needs with cash general from operations and proceeds from the Listing.

There is no material change in the capital structure of the Company since the date of the Listing. The capital of the Company comprises only ordinary shares.

外匯風險管理

本集團於中國經營業務，除了應付專業人士的若干費用及雜項行政開支以港元計值外，大部分交易均以人民幣計值及結算。故此，本集團目前並無就外匯風險設立對沖政策，乃因董事會認為本集團所面對的外匯波動（主要以港元計值）並不重大，其任何波動不會對本集團之業務營運或財務業績造成重大影響。然而，管理層將密切監察其外匯風險，並於必要時考慮對沖重大外幣風險。

流動資金、財務資源及資本結構

於二零二一年十二月三十一日，本集團流動資產淨值約為人民幣242.7百萬元（二零二零年十二月三十一日：約人民幣9.8百萬元）。於二零二一年十二月三十一日，資產負債比率約為35.4%（二零二零年十二月三十一日：約136.0%）。資產負債比率乃按相關年末的債務總額除以權益總額，再乘以100%計算。債務的定義是並非在一般業務過程中產生的應付款項，包括銀行借款、租賃負債、應付控股股東款項及與倉庫租賃安排有關的其他負債。

本集團維持穩健的財務狀況，於二零二一年十二月三十一日的現金及現金等價物為約人民幣235.6百萬元。本集團以營運所得現金及上市所得款項滿足並預期將繼續滿足其營運資金、資本開支及其他資金需求。

上市日期以來，本公司的資本結構概無重大變化。本公司資本僅包括普通股。

DIRECTORS AND SENIOR MANAGEMENT

董事及高級管理層

EXECUTIVE DIRECTORS

Mr. Liu Zeming (劉澤銘) (formerly known as Liu Zeming (劉澤明)), aged 45

Mr. Liu is an executive Director and chairman of the Board who is responsible for the overall management of the business operations and strategic and corporate development of the Group. He is also a member of the Remuneration Committee and chairman of the Nomination Committee. He was appointed as Director on 12 January 2021 and re-designated as executive Director on 8 April 2021. Mr. Liu is a founder of the Group and our Controlling Shareholder. Mr. Liu has over 10 years of experience in operation and management business of metal ore waste processing. Mr. Liu has been an executive director and general manager of HC Mining since April 2011. He has obtained the qualification of PRC Intermediate Assistant Economist (中級助理經濟師) from Yantai Engineering & Technical Position Intermediate Evaluation Committee (煙臺市工程技術職務中級評審委員會) in February 2003. He was appointed as a member of the standing committee of Shandong People's Political Consultative Conference (中國人民政治協商會議山東省委員會) in January 2013 and January 2018, respectively.

Prior to joining the Group, Mr. Liu worked for Laizhou Jinshan Stone Raw Materials Trading Co., Ltd. (萊州市金山石材銷售有限公司), which principally engaged in the trading of stone raw materials, from September 2003 to April 2011 holding his last position as sales manager. He worked as a manager at Laizhou Property Development Company Limited (萊州房地產開發有限公司) from July 1997 to August 2003. He also worked at the former People's Government of Xiyou Town, Laizhou City (萊州市西由鎮人民政府), and was primarily responsible for clerical works from September 1995 to July 1997.

執行董事

劉澤銘(前稱為劉澤明)先生，45歲

劉先生為執行董事兼董事會主席，彼負責本集團整體業務營運管理及策略和企業發展。彼亦為薪酬委員會成員及提名委員會主席。彼於二零二一年一月十二日獲委任為董事，並於二零二一年四月八日調任為執行董事。劉先生為本集團創辦人及控股股東。劉先生擁有超過10年營運及管理金屬礦石廢料加工業務的經驗。劉先生自二零一一年四月起為鴻承礦業的執行董事及總經理。彼於二零零三年二月取得煙臺市工程技術職務中級評審委員會評定的中國中級助理經濟師資格。彼分別於二零一三年一月及二零一八年一月獲委任為中國人民政治協商會議山東省委員會常委。

加入本集團前，於二零零三年九月至二零一一年四月，劉先生在萊州市金山石材銷售有限公司(主要從事石材貿易)任職，最後職位為銷售經理。彼於一九九七年七月至二零零三年八月在萊州房地產開發有限公司擔任科長。彼於一九九五年九月至一九九七年七月亦在前萊州市西由鎮人民政府任職，主要負責文職工作。



Mr. Liu has received various awards with social impact throughout the years. He was awarded a certificate of honour for his personal contribution in fighting the COVID-19 in Shandong Province (「山東省抗擊新冠病毒肺炎疫情先進個人」榮譽證書) issued by the Shandong Provincial Committee of the China Peasants' and Workers' Democratic Party (中國農工民主黨山東省委員會) in December 2020; the title of "Model Worker of Yantai" ("煙臺市勞動模範") jointly issued by the Yantai Municipal Committee of the Communist Party of China and the Yantai Municipal People's Government (中共煙臺市委和煙臺市人民政府) in April 2019; the "Economic Development Progress Award" for the year 2018 (2018年度「經濟發展進步獎」) jointly issued by the Laizhou Municipal Committee of the Communist Party of China and the Laizhou Municipal People's Government (中共萊州市委員會及萊州市人民政府) in February 2019; the 13th "Ten Outstanding Youth Nomination Award of Yantai City ("煙臺十大傑出青年")" jointly issued by the Yantai Municipal Committee of the Communist Youth League and the Yantai Youth Federation (共青團煙臺市委及煙臺市青年聯合會) in October 2015; and the honorary title of "Model Youth of Laizhou" ("萊州市模範青年") jointly issued by the Organisation Department of the Laizhou Municipal Committee of the Communist Party of China (中共萊州市委組織部) and other four departments in December 2012.

Mr. Liu completed the tertiary education program in business administration from Shandong Agricultural Management College (山東省農業管理幹部學院) (currently known as 山東農業工程學院) in July 1999. He further completed a post-graduate education program in modern Chinese history from Shandong Normal University (山東師範大學) in July 2000. Mr. Liu is currently pursuing a doctorate's degree in Business Administration at North Borneo University College in Malaysia by way of distance learning.

Mr. Zhan Yirong (戰乙榮) (formerly known as Zhan Dongtang (戰冬棠)) ("Mr. Zhan"), aged 32

Mr. Zhan is an executive Director and the chief executive officer of our Company who is responsible for the overall administrative and operational management of our Group. He was appointed as an executive Director on 8 April 2021. Mr. Zhan has more than ten years of experience in corporate management in the gold mine hazardous waste treatment industry. He joined the Group in March 2012 and worked as purchasing manager of HC Mining. During the years, he worked as deputy manager and manager of business administration department, general manager assistant and deputy general manager of HC Mining and acquired experiences in sales and business administration. Mr. Zhan has been the general manager of HC Mining and HC Environmental concurrently since January 2017.

多年來，劉先生曾數度獲得具有社會影響力的獎項。彼於二零二零年十二月獲得由中國農工民主黨山東省委員會頒發的「山東省抗擊新冠病毒肺炎疫情先進個人」榮譽證書；於二零一九年四月獲得中共煙臺市委及煙臺市人民政府聯合頒發的「煙臺市勞動模範」稱號；於二零一九年二月獲得中共萊州市委員會及萊州市人民政府聯合頒發的2018年度「經濟發展進步獎」；於二零一五年十月獲得由共青團煙臺市委及煙臺市青年聯合會聯合頒發的第十三屆「煙臺十大傑出青年」提名獎；以及於二零一二年十二月獲得由中共萊州市委組織部及另外四個部門聯合頒發的「萊州市模範青年」榮譽稱號。

劉先生於一九九九年七月於山東省農業管理幹部學院(現名為山東農業工程學院)完成工商管理大學本科課程，並於二零零零年七月於山東師範大學完成中國近代史研究生課程。劉先生目前在馬來西亞北婆羅洲大學以遙距教育方式攻讀工商管理博士學位。

戰乙榮(前稱為戰冬棠)(「戰先生」)，32歲

戰先生為執行董事兼本公司行政總裁，負責本集團的整體行政及營運管理。彼於二零二一年四月八日獲委任為執行董事。戰先生在金礦有害廢物處理行業的企業管理方面擁有逾十年經驗。彼於二零一二年三月加入本集團，擔任鴻承礦業的採購經理。多年來，他曾擔任鴻承礦業商業管理部門的副經理及經理、總經理助理及副總經理，累積了銷售及商業管理經驗。戰先生自二零一七年一月起同時擔任鴻承礦業及鴻鉞環保的總經理。

Mr. Zhan obtained a bachelor's degree in mechanical design, manufacturing and automation from Qingdao Binhai University (青島濱海學院) in July 2012. He obtained the PRC Cartographer at Senior Skill Level qualification from Shandong Vocational Skills Identification and Guidance Center (山東省職業技能鑒定中心) in February 2011.

Mr. Sheng Haiyan (盛海燕) ("Mr. Sheng"), aged 55

Mr. Sheng is an executive Director and chief technical officer of our Company who is responsible for the overall research and development and technical management of the Group. He was appointed as an executive Director on 8 April 2021. He has more than 29 years of experience in chemical related industry. He joined the Group in December 2012. Mr. Sheng was the technical research and development engineer of HC Environmental from December 2012 to December 2017. He has been the technical research and development engineer of HC Mining since January 2018. Prior to joining our Group, Mr. Sheng worked at Laizhou Jinxing Chemicals Co., Ltd. (萊州金興化工有限責任公司), which principally engaged in, among other things chemicals manufacturing and processing from August 1991 to November 2012 holding his last position as chief engineer.

Mr. Sheng obtained a bachelor's degree in organic chemistry from Jiangxi University (江西大學) (currently known as Nanchang University (南昌大學)) in July 1991. He obtained the qualification of intermediate engineer from Yantai Chemical Engineering and Technical Evaluation Committee (煙臺市化工工程技術職務中級評審委員會) in October 1998.

戰先生於二零一二年七月取得青島濱海學院機械設計、製造及自動化學士學位。彼於二零一一年二月在山東省職業技能鑒定中心取得中國制圖員高級技能資格。

盛海燕先生(「盛先生」)，55歲

盛先生為執行董事兼本公司技術總監，負責本集團整體研發及技術管理。彼於二零二一年四月八日獲委任為執行董事。彼擁有超過29年的化工相關行業經驗。彼於二零一二年十二月加入本集團。盛先生於二零一二年十二月至二零一七年十二月擔任鴻誠環保技術研發工程師。彼自二零一八年一月起擔任鴻承礦業技術研發工程師。加入本集團前，盛先生曾於一九九一年八月至二零一二年十一月在萊州金興化工有限責任公司工作，該公司主要從事(其中包括)化學品製造及加工，最後擔任總工程師一職。

盛先生於一九九一年七月獲江西大學(現名南昌大學)有機化學專業學士學位。彼於一九九八年十月獲煙臺市化工工程技術職務中級評審委員會評定為中級工程師資格。



INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. Zhang Shijun (張式軍) (“Mr. Zhang”), aged 56

Mr. Zhang is an independent non-executive Director who is responsible for supervising and providing independent judgement to the Board of the Group. He is also a member of the Audit Committee and the Nomination Committee. He was appointed as an independent non-executive Director on 23 October 2021. Mr. Zhang has over 36 years of experience in education and environmental management. He has been teaching at Shandong University (山東大學) since July 2005 and has been working as a professor of law since October 2020. Mr. Zhang served at Qingdao Municipal Bureau of Ecology and Environment (青島市生態環境局), a government bureau located in Qingdao, Shandong province, which principally engaged in the environmental management and supervision of Qingdao city from July 1996 to August 2002, holding his last position as engineer of environmental management. Mr. Zhang served as a lecturer at Normal College of Qingdao University (青島大學師範學院) from April 1996 to June 1996. He also worked as a teacher at No. 3 Middle School of Laoshan Qingdao (青島市嶗山區第三中學) from July 1984 to August 1993. Mr. Zhang also worked as an independent non-executive director in Shandong Sunway Chemical Group CO., Ltd. (山東三維化學集團股份有限公司), a company listed on Shenzhen Stock Exchange (stock code: 002469), since April 2017.

Mr. Zhang obtained a bachelor's degree in geography from Shandong Normal University (山東師範大學) in June 1990. He then obtained a master's degree in environmental chemistry from Zhejiang University (浙江大學) in March 1996. Mr. Zhang further obtained a doctorate's degree in science of environment and natural resources protection law from Wuhan University (武漢大學) in June 2005.

獨立非執行董事

張式軍先生(「張先生」)，56歲

張先生為獨立非執行董事，負責監督本集團董事會的工作並向董事會提供獨立判斷。彼亦為審核委員會及提名委員會成員。彼於二零二一年十月二十三日獲委任為獨立非執行董事。張先生在教育及環境管理方面擁有超過36年的經驗。彼自二零零五年七月起在山東大學任教，並自二零二零年十月起擔任法學教授。張先生於一九九六年七月至二零零二年八月任職於青島市生態環境局(位於山東省青島市的政府部門)，主要從事青島市的環境管理和監督，其最終職位為環境管理工程師。張先生於一九九六年四月至一九九六年六月擔任青島大學師範學院講師。彼亦於一九八四年七月至一九九三年八月在青島市嶗山區第三中學任教。張先生自二零一七年四月起亦於山東三維化學集團股份有限公司任職獨立非執行董事，該公司於深圳證券交易所上市(股份代號：002469)。

張先生於一九九零年六月獲得山東師範大學地理學學士學位。彼隨後於一九九六年三月在浙江大學取得環境化學學碩士學位。張先生於二零零五年六月在武漢大學再取得環境與自然資源保護法學博士學位。

Ms. Liu Ye (劉曄) (“Ms. Liu”), aged 46

Ms. Liu is an independent non-executive Director who is responsible for supervising and providing independent judgement to the Board of the Group. She is also the chairlady of the Remuneration Committee and a member of the Audit Committee and the Nomination Committee. She was appointed as an independent non-executive Director of our Group on 23 October 2021. Ms. Liu has approximately 24 years of teaching experience and approximately nine years of part-time working experience in the legal industry. She has worked as a part-time lawyer at Shandong Zhongcheng Renhe Law Firm (山東眾成仁和律師事務所) from March 2012 to May 2015 and Grandall Law Firm (Ji Nan Office) (國浩律師(濟南)事務所) from May 2015 to June 2016 respectively. She has been working as a senior partner at Shandong Ray & Young Law Firm (山東睿揚律師事務所) since June 2016. Ms. Liu taught at Shandong Police Officer Training Institute (山東省警官培訓學院) as a teacher from December 1997 to December 2013. She has been teaching at Shandong University of Political Science and Law (山東政法學院) since May 2014 and has been working as an associate professor since November 2017.

Ms. Liu obtained a bachelor's degree in international trading from Yantai University (煙臺大學) in July 1997. She further obtained a master's degree in political economies from Shandong University (山東大學) in December 2003. Ms. Liu obtained the qualification of PRC Legal Professional Qualification Certificate in February 2009. She also obtained the qualification of PRC Securities Practice Certificate in April 2017.

Mr. Lau Chung Wai (劉仲緯), aged 39

Mr. Lau is an independent non-executive Director who is responsible for supervising and providing independent judgement to the Board. He is also the chairman of the Audit Committee and a member of the Remuneration Committee. He was appointed as an independent non-executive Director on 23 October 2021. He is the independent non-executive Director who has the qualifications and experience to meet the requirements under Rule 3.10(2) of the Listing Rules.

劉曄女士(「劉女士」), 46歲

劉女士為獨立非執行董事，負責監督本集團董事會的工作並向董事會提供獨立判斷。彼亦為薪酬委員會主席以及審核委員會及提名委員會成員。彼於二零二一年十月二十三日獲委任為本集團獨立非執行董事。劉女士擁有約24年教學經驗，以及約9年在法律行業兼職工作的經驗。彼先後於二零一二年三月至二零一五年五月在山東眾成仁和律師事務所，以及於二零一五年五月至二零一六年六月在國浩律師(濟南)事務所出任兼職律師。彼自二零一六年六月起擔任山東睿揚律師事務所的高級合夥人。劉女士於一九九七年十二月至二零一三年十二月在山東省警官培訓學院任教。彼自二零一四年五月起在山東政法學院任教，並自二零一七年十一月起出任副教授。

劉女士於一九九七年七月自煙臺大學取得國際貿易學士學位。彼於二零零三年十二月再自山東大學取得政治經濟學碩士學位。劉女士於二零零九年二月取得中國法律職業資格證書。彼亦於二零一七年四月取得中國證券從業資格證書。

劉仲緯先生，39歲

劉先生為獨立非執行董事，負責監督董事會的工作並向董事會提供獨立判斷。彼亦為審核委員會主席及薪酬委員會成員。彼於二零二一年十月二十三日獲委任為獨立非執行董事。彼為具備符合上市規則第3.10(2)條規定的資格及經驗的獨立非執行董事。



Mr. Lau has over 16 years of experience in accounting and finance. He has been serving as chief financial officer and company secretary of Kwung's Holdings Limited, a company listed on the Main Board (stock code: 1925), since March 2019. Mr. Lau has also been working as an independent non-executive director of Fufeng Group Limited, a company listed on the Main Board (stock code: 546), and Metropolis Capital Holdings Limited, a company listed on the GEM of the Stock Exchange (stock code: 8621), since June 2019 and November 2018 respectively. He has been working as a company secretary of Hygieia Group Limited, a company listed on the Main Board (stock code: 1650) and IAG Holdings Limited, a company listed on the GEM of the Stock Exchange (stock code: 8513), since December 2019 and August 2017, respectively. Mr. Lau worked as company secretary and chief financial officer of Da Sen Holdings Group Limited, a company listed on the Main Board (stock code: 1580), from August 2015 to March 2019. He worked as group financial controller of Passion Art International Holdings Limited, a company primarily engaged in manufacture and sale of furniture and home decoration products, from May 2013 to July 2015. Mr. Lau worked as financial manager of Starcom Worldwide, a media agency company which is a subsidiary of Publicis Groupe SA, a company listed on the Euronext Paris (stock code: PUB), from September 2011 to April 2013. He worked at the Hong Kong office of Ernst & Young from September 2004 to September 2011, holding his last position as manager in the assurance department.

Mr. Lau graduated from the Hong Kong University of Science and Technology with a degree of bachelor of business administration in accounting in November 2004. He was admitted as a certified public accountant of HKICPA in January 2008 and a fellow member of HKICPA in May 2015.

劉先生在會計及財務方面擁有超過16年經驗。彼自二零一九年三月起擔任主板上市公司曠世控股有限公司(股份代號:1925)的首席財務官及公司秘書。劉先生亦自二零一九年六月及二零一八年十一月起分別擔任主板上市公司阜豐集團有限公司(股份代號:546)及聯交所GEM上市公司Metropolis Capital Holdings Limited(股份代號:8621)的獨立非執行董事。彼自二零一九年十二月及二零一七年八月起分別擔任主板上市公司Hygieia Group Limited(股份代號:1650)及聯交所GEM上市公司官醜控股有限公司(股份代號:8513)的公司秘書。劉先生於二零一五年八月至二零一九年三月擔任主板上市公司大森控股集團有限公司(股份代號:1580)的公司秘書及首席財務官。彼於二零一三年五月至二零一五年七月擔任Passion Art International Holdings Limited的集團財務總監,該公司主要從事製造及銷售傢俱及家居裝飾產品。劉先生於二零一一年九月至二零一三年四月擔任媒體代理公司Starcom Worldwide的財務經理,該公司為Publicis Groupe SA(一間於巴黎泛歐交易所上市的公司,股份代號:PUB)的附屬公司。彼於二零零四年九月至二零一一年九月在安永會計師事務所香港辦事處工作,最後職位為審計服務部經理。

劉先生於二零零四年十一月畢業於香港科技大學,獲頒會計學工商管理學士學位。彼於二零零八年一月獲准成為香港會計師公會的執業會計師,並於二零一五年五月成為香港會計師公會的資深會員。

SENIOR MANAGEMENT

Mr. Zhang Weiping (張衛平) (“Mr. Zhang”), aged 51

Mr. Zhang is the deputy general manager of HC Environmental who is responsible for the overall daily operation of HC Environmental and overall production safety of HC Environmental. Mr. Zhang has over 30 years of experience in production safety and operation. He joined our Group in May 2017 working as the supervisor of production safety and environmental protection at HC Environmental from May 2017 to September 2018. He then worked at HC Mining as deputy general manager for production safety and operation from September 2018 to February 2020. Mr. Zhang has been serving as the deputy general manager of HC Environmental since February 2020. Prior to joining our Group, Mr. Zhang worked at Shandong Tiancheng Biological Golden Industry Co., Ltd. (山東天承生物金業有限公司) (“**Shandong Tiancheng**”) which principally engages in metal processing from February 1990 to May 2017 holding his last position as supervisor of environmental protection safety.

Mr. Zhang obtained a diploma in mechatronics engineering from Qingdao University of Technology (青島理工大學) in July 2018 by way of distance learning. He obtained the certificate of PRC senior environmental protection safety engineer from AXKG Appraisal Organization (AXKG 全國職業技能考試鑒定中心) in October 2020.

Mr. Zhu Guangping (朱廣平) (“Mr. Zhu”), aged 49

Mr. Zhu is the deputy general manager of HC Mining who is responsible for the overall daily operation of HC Mining and overall environmental and safety operation of HC Mining. Mr. Zhu has over 34 years of experience in production and manufacturing industry. He joined our Group in November 2017 working as the deputy general manager for production safety and environmental protection of HC Environmental from November 2017 to March 2020. He has been serving as the deputy general manager of HC Mining since March 2020. Prior to joining our Group, Mr. Zhu worked at Shandong Tiancheng from December 1987 to July 2017 holding his last position as workshop supervisor.

Mr. Zhu obtained a diploma in metallurgical technology from Northeastern University (東北大學) in July 2015 by way of distance learning. He obtained the certificate of PRC senior solid waste processing engineer from China Association of Machinery Equipment Maintenance and Renovation (中國機電裝備維修與改造技術協會) in September 2020.

高級管理層

張衛平先生(「張先生」)，51歲

張先生為鴻鉞環保的副總經理，負責鴻鉞環保的整體日常營運及鴻鉞環保的整體生產安全。張先生於生產安全及營運方面擁有超過30年經驗。彼於二零一七年五月加入本集團，在二零一七年五月至二零一八年九月期間擔任鴻鉞環保的生產安全及環境保護監督。其後，彼於二零一八年九月至二零二零年二月在鴻承礦業擔任生產安全及營運副總經理。自二零二零年二月起，張先生為鴻鉞環保的副總經理。加入本集團前，於一九九零年二月至二零一七年五月，張先生在山東天承生物金業有限公司(「**山東天承**」)任職，該公司主要從事金屬加工，其最終職位為環保安全監理。

張先生於二零一八年七月通過遙距學習取得青島理工大學機械電子工程學文憑。彼於二零二零年十月自AXKG全國職業技能考試鑒定中心取得中國高級環保安全工程師證書。

朱廣平先生(「朱先生」)，49歲

朱先生為鴻承礦業副總經理，負責鴻承礦業的整體日常營運及鴻承礦業的整體環境及安全營運。朱先生在生產製造行業擁有超過34年的經驗。彼於二零一七年十一月加入本集團，自二零一七年十一月至二零二零年三月擔任鴻鉞環保的安全生產及環保副總經理。彼自二零二零年三月起擔任鴻承礦業副總經理。於加入本集團之前，朱先生於一九八七年十二月至二零一七年七月在山東天承工作，所擔任最終職位為車間主管。

朱先生於二零一五年七月以遠程學習方式取得東北大學冶金技術文憑。彼於二零二零年九月自中國機電裝備維修與改造技術協會取得中國高級固體廢物處理工程師證書。



Mr. Wong Yun Fai (王潤輝) (“Mr. Wong”), aged 34

Mr. Wong is the company secretary and chief financial officer of the Group who is responsible for the overall financial management of the Group. He joined the Group on 21 December 2020 and was subsequently appointed as the chief financial officer of our Group on 23 April 2021. Mr. Wong has over 10 years of experience in audit and accounting. Prior to joining our Group, Mr. Wong worked at certain PRC subsidiaries of Shenzhen Huaruixin Asset Management Co., Ltd. (深圳市華睿信資產管理有限公司) (“HRX”), a company which principally engaged in asset management from January 2018 to December 2020, holding his last position as chief financial officer of both HRX and EMP Capital Limited, a Hong Kong subsidiary of HRX. He worked at the Xiamen office of Deloitte Touche Tohmatsu and the Hong Kong office of Deloitte Touche Tohmatsu from January 2016 to December 2017 and from February 2015 to January 2016, respectively, holding his last position as a manager of the audit and assurance department. Mr. Wong worked as senior operations planning executive at Neo Derm (HK) Limited, a company which principally engaged in providing medical aesthetics services, from April 2014 to January 2015. He worked at Moore Stephens Associates Limited (currently know as Moore Stephens CPA Limited) from October 2010 to April 2014, holding his last position as audit senior.

Mr. Wong obtained a bachelor’s degree in accountancy from the Hong Kong Polytechnic University in November 2010. He was admitted as a certified public accountant of HKICPA in July 2014. Mr. Wong was further admitted as a certified public accountant by the Washington State Board of Accountancy in January 2020.

王潤輝先生(「王先生」)，34歲

王先生為本集團的公司秘書及財務總監，負責本集團的整體財務管理。彼於二零二零年十二月二十一日加入本集團，其後於二零二一年四月二十三日獲委任為本集團的財務總監。王先生在審計及會計方面擁有超過10年經驗。在加入本集團之前，王先生於二零一八年一月至二零二零年十二月在深圳市華睿信資產管理有限公司(「華睿信」)(一間主要從事資產管理的公司)的若干中國附屬公司工作，所擔任最終職位為華睿信及華睿信的香港附屬公司盈創資本有限公司的財務總監。彼於二零一六年一月至二零一七年十二月及二零一五年二月至二零一六年一月分別於德勤華永會計師事務所廈門分所及德勤•關黃陳方會計師行香港辦事處任職，所擔任最終職位為審計及鑒證部門經理。王先生於二零一四年四月至二零一五年一月在Neo Derm (HK) Limited(一間主要從事提供醫學美容服務的公司)擔任高級運營策劃主管。彼於二零一零年十月至二零一四年四月任職於馬施雲聯繫有限公司(現稱大華馬施雲會計師事務所有限公司)，所擔任最終職位為高級審計師。

王先生於二零一零年十一月獲得香港理工大學會計學學士學位。彼於二零一四年七月獲得香港會計師公會的執業會計師資格。王先生於二零二零年一月進一步獲得華盛頓州會計理事會(Washington State Board of Accountancy)的執業會計師資格。

CORPORATE GOVERNANCE REPORT

企業管治報告

The Company recognises the importance of incorporating elements of good corporate governance in the management structures and internal control procedures of the Group so as to achieve effective accountability.

CORPORATE GOVERNANCE PRACTICES

The Company has adopted the principles and complied with the applicable code provisions in the Corporate Governance Code contained in Appendix 14 to the Listing Rules for the period from the Listing Date to the date of this annual report. The Group is committed to maintaining a high standard of corporate governance to safeguard the interests of Shareholders and to enhance corporate value and accountability.

THE BOARD OF DIRECTORS

The Board is responsible for the overall leadership of the Group, oversees the Group's strategic decisions and monitors business and performance. The management is delegated with authorities and responsibilities by the Board for the Company's daily operations and businesses management according to the Board's instructions. The Board has established various Board committees and has delegated various duties to the Board committees, including the Audit Committee, the Remuneration Committee, and the Nomination Committee (collectively, the **"Board Committees"**). All the Board Committees perform their distinct roles in accordance with their respective terms of reference.

All Directors have carried out duties in good faith and in compliance with applicable laws and regulations, and have acted in the interests of the Company and the Shareholders at all times.

The Company has arranged appropriate liability insurance in respect of legal action against the Directors. The insurance coverage will be reviewed on an annual basis.

Chairman and Chief Executive Officer

Under code provision A.2.1 of the Corporate Governance Code contained in Appendix 14 to the Listing Rules, the roles of chairman and chief executive officer should be separated, and should not be performed by the same individual.

From the Listing Date to the date of this annual report, Mr. Liu, an executive Director, was the chairman of the Board while Mr. Zhan, an executive Director, was the chief executive officer of the Company.

本公司深知在本集團的管理架構及內部監控程序引入良好企業管治的元素至為重要，藉以達致有效的問責。

企業管治常規

由上市日期起至本年報日期止期間，本公司已採納上市規則附錄十四所載企業管治守則中的原則並已遵守其中的適用守則條文。本集團致力維持高水準的企業管治，以保障股東的利益並提升企業價值及問責。

董事會

董事會負責本集團的整體領導，監督本集團的戰略決策及監察業務與表現。董事會已向管理層授予有關按照董事會的指示為本公司進行日常運作及業務管理的權力及職責。董事會已成立各個董事委員會，並向董事委員會授予各項職務，包括審核委員會、薪酬委員會及提名委員會（統稱**"董事委員會"**）。所有董事委員會均會根據各自的職權範圍擔當其特定角色。

全體董事均以竭誠態度執行職務，並遵守適用法律法規，且始終本着本公司及股東的利益行事。

本公司已就董事面臨的法律訴訟安排適當的責任保險。承保範圍將每年進行檢討。

主席及行政總裁

根據上市規則附錄十四所載企業管治守則的守則條文第A.2.1條，主席與行政總裁的角色應有區分，並不應由一人同時兼任。

自上市日期起至本年報日期，執行董事劉先生為董事會主席，執行董事戰先生為本公司行政總裁。



The roles of the chairman and the chief executive officer remains separated with a clear division of responsibilities performed by different individuals to maintain their independence, accountability, well-balanced power and authority.

Board Composition

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

Executive Directors:

Mr. Liu Zeming (*Chairman*)
Mr. Zhan Yirong (*Chief Executive Officer*)
Mr. Sheng Haiyan (*Chief Technical Officer*)

Independent Non-executive Directors:

Mr. Zhang Shijun
Ms. Liu Ye
Mr. Lau Chung Wai

The Company has entered into service agreement with each of the executive Directors, and letter of appointment with each of the independent non-executive Directors. Further details of the term of appointment of the Directors are set out in the section headed "Directors' Service Contracts" in Report of the Directors on page 61 of this annual report.

The Directors' respective biographical information is set out in the section headed "Directors and Senior Management" on pages 24 to 31 of this annual report.

There is no personal relationship (including financial, business, family or other material relationship) between members of the Board.

From the Listing Date to the date of this annual report, the Board at all times met the requirements of Rules 3.10(1) and 3.10(2) of the Listing Rules relating to the appointment of at least three independent non-executive directors with at least one independent non-executive director possessing appropriate professional qualifications or accounting or related financial management expertise.

主席與行政總裁的角色仍有區分，職責的分工清晰，由不同人士擔任以維持各自的獨立性、問責和權力及授權的分佈平衡。

董事會組成

於本年報日期，董事會由六名董事組成，包括三名執行董事及三名獨立非執行董事。

執行董事：

劉澤銘先生(主席)
戰乙榮先生(行政總裁)
盛海燕先生(技術總監)

獨立非執行董事：

張式軍先生
劉擘女士
劉仲緯先生

本公司已與各執行董事訂立服務協議，並與各獨立非執行董事訂立委任函。董事任期的進一步詳情載於本年報第61頁董事會報告中的「董事服務合約」一節。

董事各自的履歷資料載於本年報第24至31頁的「董事及高級管理層」一節。

董事會成員之間概無個人關係(包括財務、業務、家族或其他重大關係)。

自上市日期起至本年報日期，無論何時，董事會均符合上市規則第3.10(1)及3.10(2)條的規定，即委任至少三名獨立非執行董事，而其中至少一名獨立非執行董事必須具備適當的專業資格或會計或相關的財務管理專長。

The Company also complied with Rule 3.10A of the Listing Rules relating to the appointment of independent non-executive director representing at least one-third of the Board. Each of the independent non-executive Directors has confirmed his independence pursuant to Rule 3.13 of the Listing Rules and the Company considers each of them has satisfied his independence to the Group.

ANALYSIS OF THE DIVERSITY OF THE BOARD

The Company believes that the diversity of Board members will be immensely beneficial for the enhancement of the Company's performance.

We have adopted a board diversity policy (the “**Board Diversity Policy**”) which sets out the approach to achieve and maintain an appropriate balance of diversity perspectives of our Board that are relevant to our Company's development. Our Board and senior management team, have a balanced mix of experiences and background, including but not limited to, experiences in metal ore waste processing, business administration, corporate management, manufacturing and processing, environmental management, legal, education, and audit and accounting industries. Our Board and senior management team obtained degrees in various majors including business administration, mechanical design, manufacturing and automation, chemistry, geography, environmental chemistry, international trading, political economy, accounting, metallurgical technology, and mechatronics. We have three independent non-executive Directors with different industry backgrounds and of both genders. Moreover, our Board members has a wide range of age, ranging from 32 years old to 56 years old.

The Company will take into account factors relating to the Company's own business model and specific needs from time to time. The ultimate decision is based on merit and contribution that the selected candidates will bring to the Board.

The Nomination Committee has been delegated with the overall responsibility for implementation, monitoring and periodic review of our Board Diversity Policy. Any revisions to the policy as recommended by the Nomination Committee will be submitted to the Board for consideration and approval.

本公司亦已遵守上市規則第3.10A條的規定，即所委任的獨立非執行董事必須佔董事會成員人數至少三分之一。各獨立非執行董事均已根據上市規則第3.13條就其獨立性作出確認，而本公司認為彼等各自確為獨立於本集團的人士。

董事會多元化的分析

本公司相信，董事會成員多元化對本公司提升業績表現大有裨益。

我們已採納董事會多元化政策（「**董事會多元化政策**」），該政策載列使董事會多元化觀點達致及維持適當平衡的方針，與本公司的發展相關。董事會及高級管理層團隊具有均衡的經驗和背景，包括但不限於金屬礦石廢物處理、工商管理、企業管理、生產加工、環境管理、法律、教育和審計及會計行業的經驗。董事會及高級管理層團隊已獲得工商管理、機械設計、製造與自動化、化學、地理學、環境化學、國際貿易、政治經濟、會計、冶金技術及機電一體化等不同專業的學位。我們擁有三名具有不同行業背景及性別的獨立非執行董事。此外，董事會成員年齡跨度很大，由32歲至56歲不等。

本公司將不時考慮與本公司自身業務模式及特定需求有關的因素。最終決定以選定候選人的才幹及將會為董事會帶來的貢獻為依據。

提名委員會已獲授權全面負責實施、監察及定期檢討我們的董事會多元化政策。提名委員會建議的任何政策修訂均會提交董事會審議及批准。



MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted a code of conduct regarding transactions of securities of the Company by Directors on terms no less exacting than the required standard set out in the Model Code.

Having made specific enquiry with each of the Directors, and they confirmed that they have complied with the required standards as set out in the Model Code and its code of conduct from the Listing Date to the date of this annual report.

INDUCTION AND CONTINUOUS PROFESSIONAL DEVELOPMENT OF THE DIRECTORS

Each newly appointed Director is provided with necessary induction and information to ensure that he/she has a proper understanding of the Company's operations and businesses as well as his/her responsibilities and obligations under the Listing Rules and relevant regulatory requirements upon commencement of their directorship in the Company.

To ensure that each Director's better understanding in respect of the Company's conduct and business activities to perform their responsibilities as a Director, the Company will arrange appropriate training, including arranging and funding suitable training and professional development programme for the Directors.

According to the records kept by the Company, all the Directors (a) attended seminars and/or trainings that are relevant to the Directors' professional knowledge and skills and in performing their duties and responsibilities as Directors; and (b) read materials that are relevant to the Directors' professional knowledge and skills and in performing their duties and responsibilities as Directors.

Directors are encouraged to participate in continuous professional development to develop and refresh their knowledge and skills. The company secretary of the Company has from time to time updated and provided written training materials relating to the roles, functions and duties of a director.

董事進行證券交易的標準守則

本公司已採納一套比標準守則所訂的標準更高的董事進行本公司證券交易的行為守則。

在向各董事作出特定查詢後，彼等確認自上市日期至本年報日期一直遵守標準守則所訂有關董事進行證券交易的標準及其本身所訂有關的行為守則。

董事的入職培訓及持續專業發展

每位新委任的董事均獲提供必要的入職培訓及資料，以確保其在上任本公司董事時對本集團的營運及業務以及其於相關監管規定下的責任及義務有適當的了解。

為確保各董事更為了解本公司的事務及業務活動，以履行其作為董事的職責，本公司將安排適當的培訓，包括為董事安排及資助合適的培訓及專業發展計劃。

根據本公司保存的記錄，所有董事均有(a)參與有關董事的專業知識和技能以及履行董事職務和職責的研討會及／或培訓；及(b)閱讀有關董事的專業知識和技能以及履行董事職務和職責的資料。

本公司鼓勵董事參與持續專業發展，以發展及更新其知識和技能。本公司的公司秘書不時更新及提供與董事的角色、職能及職務有關的書面培訓資料。



The training received by the Directors during the year ended 31 December 2021 is summarised below:

董事於截至二零二一年十二月三十一日止年度接受的培訓概述如下：

Name of Director	董事姓名	Training Areas 培訓範疇		
		Corporate Governance 企業管治	Legal and Regulatory 法律及監管	Businesses/ Directors' Duties 商業／董事職責
Executive Directors 執行董事				
Mr. Liu Zeming	劉澤銘先生	✓	✓	✓
Mr. Zhan Yirong	戰乙榮先生	✓	✓	✓
Mr. Sheng Haiyan	盛海燕先生	✓	✓	✓
Independent Non-executive Directors 獨立非執行董事				
Mr. Zhang Shijun	張式軍先生	✓	✓	✓
Ms. Liu Ye	劉擘女士	✓	✓	✓
Mr. Lau Chung Wai	劉仲緯先生	✓	✓	✓

APPOINTMENT AND RE-ELECTION OF DIRECTORS

Each of our executive Directors has entered into a service contract with our Company pursuant to which they agreed to act as executive Directors for an initial term of three years with effect from the Listing Date which may be terminated by either party by giving not less than three months' written notice. The term of service contract shall be renewed and extended automatically for successive terms of one year upon expiry of the then current term until terminated by either party by giving not less than three months' written notice to the other.

Each of the independent non-executive Directors has been appointed for an initial term of three years commencing from 23 October 2021 which may be terminated by either party by giving not less than three months' written notice. The term of appointment shall be renewed and extended automatically for successive terms of two years upon expiry of the then current term until terminated by either party giving not less than three months' written notice to the other.

All the Directors are appointed for a specific term and subject to retirement by rotation and re-election at the annual general meeting of the Company in accordance with the Articles of Association.

董事的委任及重選

各執行董事已與本公司訂立服務合約，據此，彼等同意出任執行董事，初步任期為三年，自上市日期起生效，惟任何一方可發出不少於三個月的書面通知將其終止。服務合約期限在當時的現有任期屆滿時自動更新及延長一年任期，直至任何一方向另一方發出不少於三個月的書面通知將其終止為止。

各獨立非執行董事的初步任期自二零二一年十月二十三日起計為期三年，惟任何一方可發出不少於三個月的書面通知將其終止。委任期限在當時的現有任期屆滿時自動更新及延長兩年任期，直至任何一方向另一方發出不少於三個月的書面通知將其終止為止。

所有董事均有特定任期，並且根據組織章程細則須在本公司的股東週年大會上輪流退任及重選連任。



None of the Directors has a service contract which is not determinable by the Company within one year without payment of compensation (other than statutory compensation).

The procedures and process of appointment, re-election and removal of Directors are set out in the Articles of Association. The Nomination Committee is responsible for reviewing the Board composition and making recommendations to the Board on the appointment or re-election of Directors and succession planning for Directors.

In accordance with article 83(2) of the Articles of Association, subject to the articles and the law, the Company may by ordinary resolution elect any person to be a Director either to fill a casual vacancy on the Board, or as an addition to the existing Board.

In accordance with article 83(3) of the Articles of Association, the Directors shall have the power from time to time and at any time to appoint any person as a Director either to fill a casual vacancy on the Board or as an addition to the existing Board. Any Director appointed by the Board to fill a casual vacancy shall hold office until the first general meeting of members after his appointment and be subject to re-election at such meeting and any Director appointed by the Board as an addition to the existing Board shall hold office only until the next following annual general meeting of the Company and shall then be eligible for re-election.

In accordance with article 83(7) of the Articles of Association, the Company may from time to time in general meeting by ordinary resolution increase or reduce the number of Directors but so that the number of Directors shall never be less than two.

概無董事訂有本公司在一年內可在不予賠償(法定賠償除外)的情況下終止的服務合約。

委任、重選及罷免董事的程序及流程載於組織章程細則。提名委員會負責檢討董事會組成，並就董事的委任或重選以及董事的繼任計劃向董事會提出建議。

根據組織章程細則第83(2)條，在細則及法律規限下，本公司可通過普通決議案選舉任何人士擔任董事，以填補董事會的臨時空缺或作為現有董事會的新增成員。

根據組織章程細則第83(3)條，董事有權不時及隨時委任任何人士為董事，以填補董事會的臨時空缺或作為現有董事會的新增成員。任何由董事會委任以填補臨時空缺的董事應任職至其委任後的首次股東大會，並須在該大會上重選連任，任何由董事會委任作為現有董事會的新增成員的董事應僅任職至本公司下次股東週年大會，屆時符合資格重選連任。

根據組織章程細則第83(7)條，本公司可不時在股東大會上通過普通決議案增加或減少董事人數，但有關董事人數不得少於兩人。



BOARD MEETINGS

The Company has adopted the practice of holding Board meetings regularly, at least four times a year, and at approximately quarterly intervals. Notices of not less than 14 days will be given for all regular Board meetings to provide all Directors with an opportunity to attend and include matters in the agenda for a regular meeting.

For other Board and Board Committee meetings, reasonable notice will generally be given. The agenda and accompanying Board papers are dispatched to the Directors or committee members seven days (and in any event not less than three days) before the meetings to ensure that they have sufficient time to review the papers and be adequately prepared for the meetings. When Directors or committee members are unable to attend a meeting, they will be advised on the matters to be discussed and given an opportunity to make their views known to the chairman prior to the meeting.

Minutes of the Board meetings and committee meetings will be recorded in sufficient detail the matters considered by the Board and the committees and the decisions reached, including any concerns raised by the Directors. Draft minutes of each Board meeting and committee meeting are/will be sent to the Directors for comments within a reasonable time after the date on which the meeting is held.

From the Listing Date to 31 December 2021, one Board meeting was held and the attendance of each Director at the meeting is set out in the table below:

Name of Director	董事姓名	Attended/ Eligible to attend Board meeting 出席/符合資格 出席董事會會議
Mr. Liu Zeming	劉澤銘先生	1/1
Mr. Zhan Yirong	戰乙榮先生	1/1
Mr. Sheng Haiyan	盛海燕先生	1/1
Mr. Zhang Shijun	張式軍先生	1/1
Ms. Liu Ye	劉擘女士	1/1
Mr. Lau Chung Wai	劉仲緯先生	1/1

No general meeting was held during the period from the Listing Date to 31 December 2021.

董事會會議

本公司採用定期舉行董事會會議的做法，每年召開至少四次，大約每季一次。所有董事會定期會議均會發出不少於十四天的通知，以使所有董事均有機會出席並將事項列入定期會議的議程。

對於其他董事會及董事委員會會議，一般會給予合理通知。議程及相關會議文件會在會議前七天(及無論如何不少於三天)送交董事或委員會成員，以確保彼等有足夠時間審閱文件並為會議作好充分準備。若董事或委員會成員未能出席會議，彼等會獲告知討論事項，並有機會在會議召開前向主席表達其意見。

董事會會議及委員會會議記錄將詳盡記錄董事會及委員會審議的事項和達成的決定，包括董事提出的任何關注事項。每次董事會會議及委員會會議的記錄草稿均會在舉行會議當日期後的合理時間內發送予董事以供評論。

由上市日期起至二零二一年十二月三十一日舉行了一次董事會會議，各董事出席會議的情況載於下表：

自上市日期起至二零二一年十二月三十一日期間，概無舉行股東大會。

DELEGATION BY THE BOARD

The Board reserves for its decision all major matters of the Company, including approval and monitoring of all policy matters, overall strategies and budgets, internal control and risk management systems, material transactions (in particular those that may involve conflict of interests), financial information, appointment of Directors and other significant financial and operational matters. Directors could have resource to seek independent professional advice in performing their duties at the Company's expense and are encouraged to consult with the Company's senior management independently.

The daily management, administration and operation of the Group are delegated to the senior management of the Group. The delegated functions and responsibilities are periodically reviewed by the Board. Approval has to be obtained from the Board prior to any significant transactions entered into by the senior management.

BOARD COMMITTEES

The Board has established the Audit Committee, the Remuneration Committee and the Nomination Committee and delegated various responsibilities to these committees, which assist the Board in overseeing particular aspects of the Group's activities. Each of the Board Committees has specific written terms of reference which clearly specify their authority and duties.

Audit Committee

We established the Audit Committee with written terms of reference in compliance with Rule 3.21 and the Corporate Governance Code as set out in Appendix 14 to the Listing Rules on 23 October 2021. The primary duties of the Audit Committee include ensuring that an effective financial reporting, internal control and risk management systems are in place and compliance of the Listing Rules, controlling the completeness of our Company's financial statements, selecting external auditors and assessing their independence and qualifications, and ensuring the effective communication between our internal and external auditors.

董事會的授權

董事會保留本公司所有重大事項的決定權，包括批准及監察所有政策事項、整體策略及預算、內部監控及風險管理系統、重大交易（尤其是可能涉及利益衝突的交易）、財務資料、委任董事及其他重大財務及營運事項。董事在履行職務時可運用資源尋求獨立專業意見，費用由本公司支付，並可個別諮詢本公司的高級管理層。

本集團的日常管理、行政及運作均授權予本集團的高級管理層。董事會定期審核所授予的職能及職責。在高級管理層進行任何重大交易之前，均須獲得董事會的批准。

董事委員會

董事會已成立審核委員會、薪酬委員會及提名委員會，並授予該等委員會各項職責，協助董事會督導本集團業務的特定範疇。每個董事委員會均有具體的書面職權範圍，明確規定其權力及職務。

審核委員會

我們於二零二一年十月二十三日按照上市規則第3.21條及附錄十四所載企業管治守則的規定成立審核委員會，並制定書面職權範圍。審核委員會的主要職責包括確保設立有效的財務申報、內部監控及風險管理系統並遵守上市規則，管控本公司財務報表的完整性，挑選外聘核數師並評估其獨立性及資格，以及確保內部與外聘核數師的有效溝通。



The Audit Committee comprises three members, namely Mr. Lau Chung Wai, Mr. Zhang Shijun and Ms. Liu Ye, all of them are independent non-executive Directors. Mr. Lau Chung Wai is the chairman of the Audit Committee who holds the appropriate professional qualifications as required under Rule 3.10(2) of the Listing Rules.

As the Company was listed on the Main Board of the Stock Exchange on 12 November 2021, no meeting of the Audit Committee was held during the period from the Listing Date to 31 December 2021.

The written terms of reference of the Audit Committee are available on the websites of the Stock Exchange and the Company.

During the period from the Listing Date to the date of this annual report, the Audit Committee held two meetings to (i) review the annual consolidated financial statements and annual results announcement of the Group for the year ended 31 December 2021 as well as the audit report prepared by the Company's auditor relating to accounting issues and major findings in course of audit; (ii) review the Company's relationship with the external auditor, discussed with the Company's external auditor on the tasks performed by them including the nature and scope of their audit and reporting obligations, and reviewed the terms of engagement and their remuneration; (iii) review the appropriateness and effectiveness of the risk management and internal control systems of the Group and make relevant recommendations to the Board; (iv) review the effectiveness of the internal audit function of the Group; (v) review the adoption of the relevant accounting principles generally accepted and made recommendations to the Board on the adoption of accounting policies; and (vi) discuss the re-appointment arrangement of the Company's auditor and the Board had not deviated from any recommendation given by the Audit Committee on the selection, appointment, resignation or dismissal of the Company's auditor.

審核委員會由三名成員，即劉仲緯先生、張式軍先生及劉擘女士組成，彼等均為獨立非執行董事。劉仲緯先生為審核委員會主席，彼持有上市規則第3.10(2)條所規定適當的專業資格。

由於本公司於二零二一年十一月十二日在聯交所主板上市，審核委員會於上市日期至二零二一年十二月三十一日期間並無舉行會議。

審核委員會的書面職權範圍可在聯交所及本公司的網站上查閱。

由上市日期起至本年報日期止期間，審核委員會舉行了兩次會議，以(i)審閱本集團截至二零二一年十二月三十一日止年度的全年綜合財務報表及全年業績公告，以及本公司核數師就審核過程中的會計問題及主要發現所編製的審核報告；(ii)審視本公司與外聘核數師的關係，與本公司外聘核數師討論其執行的工作，包括其審核及申報責任的性質及範圍，並審視聘用條款及其薪酬；(iii)檢討本集團的風險管理及內部監控系統是否適當及有效，並向董事會提出相關建議；(iv)檢討本集團內部審核職能是否有效；(v)審視相關公認會計原則的採納情況，並就採納會計政策向董事會提出建議；及(vi)討論本公司核數師的續聘安排，而董事會概無背離審核委員會就本公司核數師的遴選、委任、辭任或解僱提出的任何建議。



Remuneration Committee

We established the Remuneration Committee with written terms of reference in compliance with Rule 3.25 and the Corporate Governance Code as set out in Appendix 14 to the Listing Rules on 23 October 2021. The primary duties of the Remuneration Committee include assisting our Board in determining the remuneration policy for and structure of our Directors and senior management of our Group, reviewing incentive schemes and service contracts of our Directors, and ensuring the execution of the remuneration packages of the executive Directors and senior management of our Group.

The Remuneration Committee comprises three members, including two independent non-executive directors, namely Ms. Liu Ye, Mr. Lau Chung Wai and one executive Director, namely Mr. Liu Zeming. Ms. Liu Ye is the chairlady of the Remuneration Committee.

As the Company was listed on the Main Board of the Stock Exchange on 12 November 2021, no meeting of the Remuneration Committee was held during the period from the Listing Date to 31 December 2021.

The written terms of reference of the Remuneration Committee are available on the websites of the Stock Exchange and the Company.

During the period from the Listing Date to the date of this annual report, the Remuneration Committee held one meeting to (i) discuss and make recommendations to the Board on the Company's policy and structure for all Directors' and senior management's remuneration; (ii) review the remuneration packages of individual Directors and senior management of the Company; and (iii) assess the performance of Directors and review the terms of service agreements for the Directors and senior management.

薪酬委員會

我們於二零二一年十月二十三日按照上市規則第3.25條及附錄十四所載企業管治守則的規定成立薪酬委員會，並制定書面職權範圍。薪酬委員會的主要職責包括協助董事會釐定本集團董事及高級管理層的薪酬政策及架構，審閱本集團董事的獎勵計劃及服務合約，並確保執行本集團執行董事及高級管理層的薪酬方案。

薪酬委員會由三名成員(包括兩名獨立非執行董事，即劉曄女士、劉仲緯先生以及一名執行董事，即劉澤銘先生)組成。劉曄女士為薪酬委員會主席。

由於本公司於二零二一年十一月十二日在聯交所主板上市，薪酬委員會於上市日期至二零二一年十二月三十一日期間並無舉行會議。

薪酬委員會的書面職權範圍可在聯交所及本公司的網站上查閱。

由上市日期起至本年報日期止期間，薪酬委員會舉行了一次會議，以(i)討論本公司所有董事及高級管理人員的薪酬政策及架構並就此向董事會提出建議；(ii)檢討本公司個別董事及高級管理人員的薪酬方案；及(iii)評估董事的表現並審視董事及高級管理人員的服務協議條款。

Nomination Committee

We established a Nomination Committee with written terms of reference in compliance with the Corporate Governance Code in Appendix 14 to the Listing Rules on 23 October 2021. The primary duties of the Nomination Committee include assisting our Board in identifying suitable candidates for our Directors and making recommendations to our Board, assessing the structure and composition of our Board at least annually and making recommendations on any proposed changes to the Board to complement the Group's corporate strategy, preparing, making recommendations to and supervising the execution of the nomination policy of the Company, making recommendations to the Board on the appointment or re-appointment of Directors and succession planning for Directors, and assessing the independence of the independent non-executive Directors of the Company.

The Nomination Committee comprises three members, including one executive Director, namely Mr. Liu Zeming, and two independent non-executive Directors, namely Ms. Liu Ye and Mr. Zhang Shijun. Mr. Liu Zeming is the chairman of the Nomination Committee.

As the Company was listed on the Main Board of the Stock Exchange on 12 November 2021, no meeting of the Nomination Committee was held during the period from the Listing Date to 31 December 2021.

The written terms of reference of the Nomination Committee are available on the websites of the Stock Exchange and the Company.

During the period from the Listing Date to the date of this annual report, the Nomination Committee held one meeting to (i) review the structure, size and composition (including the skills, knowledge, experience and diversity of perspectives) of the Board; (ii) assess the independence of independent non-executive Directors; (iii) review the policy on Board diversity and measurable objectives for implementing the Board Diversity Policy; (iv) review the policy on nomination of Directors; and (v) review the re-appointment of Directors who are subject to retire by rotation at the forthcoming AGM.

提名委員會

我們於二零二一年十月二十三日按照上市規則附錄十四所載企業管治守則的規定成立薪酬委員會，並制定書面職權範圍。提名委員會的主要職責包括協助本公司董事會物色合適的董事人選並向本公司董事會提出建議；至少每年評核本公司董事會的架構及組成，並就任何為配合本集團企業策略而擬對董事會作出的變動提出建議；編製本公司的提名政策並就其提出建議及監督其執行；就董事的委任或重新委任以及董事的繼任計劃向董事會提出建議；以及評估本公司獨立非執行董事的獨立性。

提名委員會由三名成員（包括一名執行董事，即劉澤銘先生，以及兩名獨立非執行董事，即劉擘女士及張式軍先生）組成。劉澤銘先生為提名委員會主席。

由於本公司於二零二一年十一月十二日在聯交所主板上市，提名委員會於上市日期至二零二一年十二月三十一日期間並無舉行會議。

提名委員會的書面職權範圍可在聯交所及本公司的網站上查閱。

由上市日期起至本年報日期止期間，提名委員會舉行了一次會議，以(i)審視董事會的架構、規模及組成（包括技能、知識、經驗及多元化觀點）；(ii)評估獨立非執行董事的獨立性；(iii)檢討董事會多元化政策及實施董事會多元化政策的可衡量目標；(iv)檢討董事提名政策；及(v)審視在即將舉行的股東週年大會上輪流退任的董事的重新委任。



NOMINATION POLICY

The Company has adopted the nomination policy (the “**Nomination Policy**”) which sets out the selection criteria and procedures to nominate Board candidates. When making recommendations to the Board on the appointment or re-appointment of Directors and succession planning for Directors, the Nomination Committee would consider a number of factors in assessing the suitability of the proposed candidate, including but not limited to:

- (i) reputation for integrity;
- (ii) accomplishment, experience and reputation in the recycling, environmental and other related industries;
- (iii) commitment in respect of sufficient time and attention to the Group’s business;
- (iv) diversity in all aspects, including but not limited to gender, age, cultural and educational background, experience (professional or otherwise), skills and knowledge;
- (v) the qualification and ability to assist and support management and make significant contributions to the Group;
- (vi) the number of existing directorships and other commitments that may demand the attention of the candidate;
- (vii) compliance with the criteria of independence as prescribed under Rule 3.13 of the Listing Rules for the appointment or re-appointment of an independent non-executive Directors; and
- (viii) any other relevant factors as may be determined by the Nomination Committee or the Board from time to time.

Appointment of any proposed candidates to the Board or re-appointment of any existing members of the Board shall be made in accordance with the Articles of Association and other applicable rules and regulations. The Board shall have the final decision on all matters relating to its recommendation of candidates to stand for election at a general meeting.

提名政策

本公司已採納提名政策(「**提名政策**」)，其列明提名董事會候選人的甄選標準及程序。就董事委任或重新委任及董事繼任計劃向董事會作出推薦建議時，提名委員會要考慮包括但不限於以下各項因素以評估建議候選人是否合適：

- (i) 誠信；
- (ii) 於回收與環境及其他相關行業的成就、經驗及聲譽；
- (iii) 承諾就本集團的業務投入足夠時間及關注；
- (iv) 董事會各方面的多元化，包括但不限於性別、年齡、文化及教育背景、經驗(專業或其他方面)、技能及知識；
- (v) 具資格及能力協助及支持管理層，並對本集團作出重大貢獻；
- (vi) 現有董事職位數量及可能需要候選人關注的其他職務；
- (vii) 符合上市規則第3.13條項下對委任或重新委任獨立非執行董事所規定的獨立性準則；及
- (viii) 提名委員會或董事會不時決定的任何其他相關因素。

無論是委任任何董事會建議候選人或重新委任董事會任何現有成員，均須按照組織章程細則及其他適用規則和規例進行。對推薦候選人於股東大會上參選的所有事宜，董事會擁有最終決定權。

BOARD DIVERSITY POLICY

We have adopted the Board Diversity Policy which sets out the approach to achieve and maintain an appropriate balance of diversity perspectives of our Board that are relevant to our Company's development. Pursuant to the Board Diversity Policy, selection of our Board candidates will be based on a range of diversity perspectives, including but not limited to gender, age, cultural and educational background, professional qualifications, skills, knowledge and industry experience. The ultimate decision will be based on merit and contribution that the selected candidates will bring to our Board.

Based on the Nomination Committee's review for the year ended 31 December 2021, the Nomination Committee considered that these measurable objectives have been satisfactorily implemented and that there was sufficient diversity in the Board for the Company's corporate governance and business development needs. The Nomination Committee will review the Nomination Policy and the Board Diversity Policy from time to time to ensure its continued effectiveness.

REMUNERATION OF DIRECTORS AND SENIOR MANAGEMENT

The Company has established a formal and transparent procedure for formulating policies on remuneration of Directors and senior management of the Group. Details of the remuneration of each of the Directors for the year ended 31 December 2021 are set out in Note 37 to the consolidated financial statements in this annual report.

董事會多元化政策

我們已採納董事會多元化政策，其載列方針以達至及維持與本公司發展相關的適當的董事會多元化平衡觀點。根據董事會多元化政策，甄選董事會候選人時將以一系列的多元化觀點為基準，包括但不限於性別、年齡、文化及教育背景、專業資格、技能、知識及行業經驗。最終的決定將基於所選候選人的優點及將為董事會帶來的貢獻。

根據提名委員會對截至二零二一年十二月三十一日止年度的審核，提名委員會認為，這些可衡量的目標已經圓滿實施，董事會對本公司的公司治理和業務發展需求有足夠的多元化。提名委員會將不時檢討提名政策及董事會多元化政策，以確保其持續有效。

董事及高級管理層薪酬

本公司已設立正式且透明的程序，以就本集團董事及高級管理的薪酬制訂政策。有關各董事於截至二零二一年十二月三十一日止年度的薪酬，詳情載於綜合財務報表附註37。



The biographies of the senior management are disclosed in the section headed "Directors and Senior Management" in this annual report. Remuneration paid to the top senior management (excluding the Directors) for the year ended 31 December 2021 fell within the following bands are as follows:

高級管理層的履歷於本年報「董事及高級管理層」一節披露。於截至二零二一年十二月三十一日止年度，已付最高級管理層(不包括董事)的酬金介乎以下範圍：

Emolument bands	酬金範圍	No. of employees 僱員人數
Nil to HKD1,000,000	零至1,000,000港元	3

DIRECTORS' RESPONSIBILITIES FOR FINANCIAL REPORTING IN RESPECT OF FINANCIAL STATEMENTS

The Directors acknowledge their responsibilities for the preparation of consolidated financial statements of the Group for the year ended 31 December 2021 which give a true and fair view of operating results and cash flow for the year. The Directors consider that the financial statements have been prepared in accordance with statutory requirements and applicable accounting standards.

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

The statements of the auditor of the Group about its reporting responsibility on the consolidated financial statements of the Group are set out in the section headed "Independent Auditor's Report" on pages 73 to 80 of this annual report.

董事就財務報表的財務報告責任

董事知悉彼等有責任編製本集團截至二零二一年十二月三十一日止年度的綜合財務報表，以真實公平地反映年內的經營業績及現金流量情況。董事認為財務報表已遵照法律規定及適用會計準則編製。

就董事所知，並無有關任何事件或情況的重大不明朗因素可能對本集團持續經營的能力產生重大質疑。

本集團核數師就其對本集團綜合財務報表的呈報責任的聲明載於本年報第73至80頁的「獨立核數師報告」一節。

CORPORATE GOVERNANCE FUNCTIONS

The Board is responsible for performing the corporate governance functions set out in code provision D.3.1 of the Corporate Governance Code. The Board has reviewed and monitored: (i) the Company's corporate governance policies and practices, (ii) training and continuous professional development of directors and senior management, (iii) the Company's policies and practices on compliance with legal and regulatory requirements, (iv) the Company's code of conduct manual applicable to employee and Directors and (v) the Company's compliance with the Code disclosures requirements. The Company's corporate governance practices have complied with the Corporate Governance Code for the year ended 31 December 2021.

企業管治職能

董事會負責履行企業管治守則的守則條文第D.3.1條所列的企業管治職能。董事會已審視並監督：(i)本公司的企業管治政策及慣例；(ii)董事及高級管理層的培訓及持續專業發展；(iii)本公司有關法律及監管合規的政策及慣例；(iv)本公司適用於僱員及董事的操守手冊；及(v)本公司就披露規定的合規情況。截至二零二一年十二月三十一日止年度，本公司的企業管治慣例符合企業管治守則的規定。

The Board reviewed the terms of reference of the Nomination Committee, the Audit Committee and the Remuneration Committee, the Board Diversity Policy, the dividend policy, the Nomination Policy and the shareholders communication policy of the Company.

DEED OF NON-COMPETITION

The details and compliance of the are set out in the section headed "Compliance With Non-competition Undertakings By Controlling Shareholders" in Report of the Directors on page 69 of this annual report.

RISK MANAGEMENT AND INTERNAL CONTROL

The Board, as the main body responsible for risk management and internal control of the Company, have adopted a series of internal control policies, procedures and programmes designed to provide reasonable assurance for achieving objectives including effective and efficient operations, reliable financial reporting and compliance with applicable laws and regulations. The Audit Committee reviews the effectiveness of the Group's risk management and internal control systems on an on-going basis and reports to the Board on, at least, an annual basis.

Our code of conduct explicitly communicates to each employee our values, acceptable criteria for decision-making and our ground rules for behaviour. Our anti-corruption and anti-bribery policies provide the tools and resources necessary to enable, monitor and enforce full compliance with the anti-bribery and anti-corruption laws of the PRC and other countries where we conduct our business operations. In order to comply with the applicable laws and regulations in relation to anti-corruption and anti-bribery, we have established and implemented anti-corruption and anti-bribery policies and measures to prohibit all forms of bribery and corruption acts or intention of such acts. The policy also sets out the requirements of a company-wide anti-bribery and corruption training and disciplinary actions to be taken in situation of violation of the policy and/or relevant laws and regulations, including termination of employment and bringing forward to legal proceedings. We have also put in place a whistle-blowing system which is overseen by the Audit Committee.

董事會已審視提名委員會、審核委員會及薪酬委員會的職權範圍、董事會多元化政策、股息政策、提名政策及本公司的股東交流政策。

不競爭契據

有關詳情及遵守情況載於本年報第69頁「董事會報告」內「控股股東對不競爭承諾的遵守情況」一節。

風險管理及內部監控

董事會作為本公司風險管理及內部監控的責任主體，已採取取一系列內部監控政策、程序及計劃，旨在為達成切實有效的營運、可靠的財務申報及遵守適用法律法規等目標提供合理保證。審核委員會持續審視本集團風險管理及內部監控制度的有效性，每年至少向董事會匯報一次。

我們的行為守則向各僱員明確傳達我們的價值、決策的可接受標準及行為基本規則。我們的反貪污及反賄賂政策提供必要的工具及資源，以幫助、監控及執行全面遵守中國及我們開展業務的其他國家的反賄賂及反貪污法律。為遵守與反貪污及反賄賂有關的適用法律及法規，我們已建立及實施反貪污及反賄賂政策和措施，以禁止一切形式的賄賂及貪污行為或此類行為的意圖。該政策亦規定全公司反賄賂及反貪污培訓的要求，以及在違反政策及／或相關法律及法規的情況下應採取的紀律行動，包括終止僱用及提出法律訴訟。我們亦已設立舉報系統，由審核委員會監督。



The Group regularly provides training to our Directors, senior management and employees with respect to our internal control policies and the duties and responsibilities of directors and management of listed companies under the Listing Rules and other applicable laws and regulations.

In addition, the Company has appointed First Shanghai Capital Limited as our compliance adviser to advise on ongoing compliance with the Listing Rules and other applicable securities laws and regulations in Hong Kong.

The Group established the internal audit team which regularly monitors key controls and procedures in order to assure our management that the internal control system is functioning as intended. The Audit Committee is responsible for supervising our internal audit function.

The Board confirms that it has conducted a review of the risk management and internal control systems of the Group for the year ended 31 December 2021. The Board concludes, based on the result of the review, that the risk management and internal control systems currently in place are adequate and effective, in particular, for financial reporting and Listing Rules compliance as well as for resolving internal control defects (if any). In particular, the Board considered the resources, staff qualifications and experience, training programs and budget of the Group's accounting, internal audit and financial reporting functions are adequate. The review was conducted through discussions with the management of the Group, its external and internal auditors and the assessment performed by the Audit Committee. The Board expects that a review of the risk management and internal control systems will be performed annually.

本集團定期向董事、高級管理層及僱員提供有關我們的內部監控政策及上市規則及其他適用法律法規下上市公司董事及管理層職責及責任的培訓。

此外，本公司已委聘第一上海融資有限公司為我們的合規顧問，就持續遵守上市規則及香港其他適用證券法律法規提供意見。

本集團已成立內部審核團隊，以定期監察主要控制措施及程序，以向管理層確保內部監控系統按預期運作。審核委員會負責監督我們的內部審核職能。

董事會確認，彼等已審視本集團截至二零二一年十二月三十一日止年度的風險管理及內部監控系統。根據審視結果，董事會判斷既有風險管理及內部監控系統充分和有效，特別是在財務報告與上市規則合規以及填補內部監控漏洞(如有)方面。具體而言，董事會認為本集團會計、內部審核及財務報告部門的資源、員工資歷與經驗、培訓計劃及預算均屬充分。審視過程包括與本集團管理層、外聘及內部核數師進行討論，以及由審核委員會作出評估。董事會預期會每年審視風險管理及內部監控系統一次。



AUDITOR'S REMUNERATION

The Company has appointed PricewaterhouseCoopers ("PwC") as its external auditor for the year ended 31 December 2021.

During the year ended 31 December 2021, the remunerations paid or payable to PwC in respect of its statutory audit services and non-audit services are RMB1,570,000 and RMB30,000, respectively.

DISSEMINATION OF INSIDE INFORMATION

The Company has adopted an inside information policy in accordance with the SFO and the Listing Rules, and made corresponding information disclosures in a timely manner. Before the information is fully disclosed to the public, any persons who possess the knowledge of such information must ensure strict confidentiality, so as to ensure effective protection of the rights and interests of investors and stakeholders. Unauthorised access and use of inside information are strictly prohibited. Any potential inside information identified by senior management will be assessed, and where appropriate, will be escalated for the attention of the Board to resolve on further actions.

INFORMATION DISCLOSURE

The Company discloses information in compliance with the Listing Rules and other applicable laws, and publishes periodic reports and announcements to the public in accordance with relevant laws and regulations. The primary focus is to ensure that information disclosure is timely, fair, accurate, truthful and complete, thereby enabling Shareholders, investors as well as the public to make informed decisions.

核數師酬金

截至二零二一年十二月三十一日止年度，本公司已委聘羅兵咸永道會計師事務所(「羅兵咸永道」)為外聘核數師。

於截至二零二一年十二月三十一日止年度，就法定審核服務及非審核服務已付或應付羅兵咸永道的酬金分別為人民幣1,570,000元及人民幣30,000元。

發佈內幕消息

本公司已根據《證券及期貨條例》及上市規則採納內幕消息政策，及時進行相應的信息披露。於向公眾全面披露有關消息前，知悉有關消息的任何人士須確保嚴格保密，從而確保有效保護投資者和利益相關方的權益。嚴禁未經授權取得及利用內幕消息。高級管理層會評估發現的任何潛在內幕消息，並在適當情況下上報董事會作進一步行動解決。

資料披露

本公司根據上市規則及其他適用法例披露資料，及根據有關法律法規向公眾刊發定期報告及公告。本公司的首要任務是確保資料披露的及時、公平、準確、真實及完整，務求使股東、投資者及公眾能作出知情決定。



COMPANY SECRETARY

The company secretary supports the chairman, Board and Board committees by ensuring good information flow and Board policy and procedures are followed. The company secretary is responsible for ensuring the proper convening and conducting of the Board and Board Committees meetings, with the relevant notices, agenda, and the Board and Board Committees papers being provided to the Directors and the relevant Board Committees members respectively in a time manner before the meetings. The company secretary is responsible for keeping minutes of all the Board and Board Committees meetings. The Board and the Board Committees minutes are available for inspection by the Directors and the relevant Board Committees members.

Mr. WONG Yun Fai (“**Mr. Wong**”) has been appointed as the company secretary of the Company since 8 March 2021. Mr. Wong, who possesses the requisite qualification and experience of a company secretary as required under Rule 3.28 of the Listing Rules, has assisted on the company secretarial matters of the Company since the Listing, and has duly complied with relevant training requirement under Rule 3.29 of the Listing Rules.

DIVIDEND POLICY

The Company adopted a dividend policy (the “**Dividend Policy**”) on 31 March 2022. Pursuant to the Dividend Policy, the dividend payout ratio shall be determined by the Board from time to time. The remaining net profit will be used for the Group’s operations and development. In deciding whether to propose a dividend and in determining the dividend amount, the Board shall take into account, among other things, the following factors:

1. Financial results of the Company;
2. Shareholders’ interests;
3. General business conditions, strategies and future expansion needs of the Company;
4. The Company’s capital requirements;
5. Possible effects on liquidity and financial position of the Company; and
6. The amount of profit that can be distributed under applicable accounting standards and other factors that the Board may deem relevant and appropriate.

公司秘書

公司秘書支援主席、董事會及董事會轄下委員會，確保資訊無阻以及董事會政策及程序得到遵循。公司秘書負責確保董事會及董事委員會會議妥善召開及進行，並於會議前及時將相關通知、議程及董事會及董事委員會文件分別提供予董事及相關董事委員會成員。公司秘書負責保存所有董事會及董事委員會會議的會議記錄。董事會及董事委員會會議的會議記錄可供董事及相關董事委員會成員查閱。

王潤輝先生(「**王先生**」)自二零二一年三月八日起獲委任為本公司的公司秘書。王先生具備上市規則第3.28條規定公司秘書所須的資歷及經驗，自上市起即協助本公司處理公司秘書事務，彼已妥為遵守上市規則第3.29條的相關培訓規定。

股息政策

本公司已於二零二二年三月三十一日採納一項股息政策(「**股息政策**」)。根據股息政策，股息支付比例由董事會不時釐定。餘下淨溢利將用於本集團經營發展。在決定是否建議派發股息及釐定股息金額時，董事會將考慮(其中包括)以下因素：

1. 本公司財務業績；
2. 股東利益；
3. 本公司的整體業務狀況、策略及未來擴張需求；
4. 本公司所需資金；
5. 對本公司流動資金及財務狀況的可能影響；及
6. 根據適用會計準則可作分派的溢利金額，以及董事會可能認為相關及恰當的其他因素。

Any final dividends declared by the Company must be approved by an ordinary resolution of the Shareholders at an annual general meeting and must not exceed the amount recommended by the Board. The Board may from time to time pay to the Shareholders such interim and/or special dividends as it considers to be justified by the profits of the Group.

Any dividend shall be declared by the Company in accordance with the Companies Act, the Memorandum of Association and Articles of Association of the Company and other applicable laws and regulations, and shall not affect the normal operation of the Company and its subsidiaries. The Board will review the Dividend Policy, as appropriate, which will include an assessment of the effectiveness of the Dividend Policy and approve any amendments thereto if necessary.

COMMUNICATION WITH SHAREHOLDERS AND INVESTOR RELATIONS

The Group recognises the importance of transparent and timely disclosure of corporate information, which enables the Shareholders and investors to make the best investment decision. The Company believes the effective communication with the Shareholders is essential for enhancing investor relations and investors' understanding of the Group's business performance and strategies.

The Company maintains a website at www.sdhcgroup.cn as a communication platform with Shareholders and investors, where information on the Company's announcements, financial information and other up-to-date information are available for public access.

Besides, shareholders' meetings provide an opportunity for communication between the Board and the Shareholders, Board members, in particular, either the chairmen of Board Committees or their delegates, appropriate management executives will be available at the meeting to answer any questions raised by the Shareholders. The Company's auditor will also attend the AGM to answer questions about the conduct of the audit, the preparation and content of the auditor's report, the accounting policies and auditor independence.

The Company has also established a shareholders communication policy to ensure the shareholders are provided with timely information about the Company. The policy is regularly reviewed to ensure its effectiveness.

本公司宣派任何末期股息前，必須經股東於股東週年大會上以普通決議案批准，且金額不得超過董事會的建議。董事會可參照本集團溢利，不時向股東派付其認為恰當的中期及／或特別股息。

本公司將根據公司法、本公司組織章程大綱及細則以及其他適用法律法規宣派所有股息，而宣派股息不得影響本公司及其附屬公司的正常運作。董事會將按情況審視股息政策，包括評估股息政策的有效性，並在必要時批准對其進行任何修訂。

股東通訊投資者關係

本集團認為，透明和及時披露公司資訊十分重要，這可使股東及投資者作出最佳投資決定。本公司相信，有效的股東通訊，對增進投資者關係及投資者對本集團的業務表現及策略的了解至關重要。

本公司已於www.sdhcgroup.cn架設網站，作為與股東及投資者溝通的平台，公眾可於該網站查閱本公司的公告、財務資料及其他最新資訊。

此外，股東大會亦提供董事會與股東溝通的機會。董事會成員(尤其是董事委員會主席或其指定人員)、適當的管理行政人員將出席大會，回應股東提出的任何問題。本公司核數師亦會出席股東週年大會，回應有關審核過程、核數師報告編製過程及內容、會計政策及核數師獨立性的問題。

本公司亦已制定股東通訊政策，確保及時向股東提供本公司資訊。政策將定期予以審視以確保其成效。



SHAREHOLDERS' RIGHTS

To safeguard Shareholders' interests and rights, a separate resolution will be proposed for each substantially separate issue at general meetings, including the election of individual Directors.

All resolutions put forward at general meetings will be voted by poll pursuant to the Listing Rules and poll results will be posted on the websites of the Company and the Stock Exchange in a timely manner after each general meeting.

Procedures for the convening of an extraordinary general meeting by shareholders and putting forward proposals

Under the Articles of Association, an extraordinary general meeting ("EGM") may be convened by the Board upon requisition of one or more shareholders as at the date of deposit of the requisition holding not less than one tenth of the paid up capital of the Company having the right of voting at general meetings of the Company. The shareholder(s) shall make a written requisition to the Board or the secretary of the Company at the Company's principal place of business in Hong Kong, specifying the shareholding information of the shareholder(s), his/her/their contact details and the proposal regarding any specifying transaction/business and its supporting documents, to require an extraordinary general meeting of the Company to be called by the Board for the transaction of any business specified in such requisition; and such meeting shall be held within two months after the deposit of such requisition.

If within 21 days of such deposit, the Board fails to proceed to convene such EGM, the requisitionist(s) himself (themselves) may do so in the same manner, and all reasonable expenses incurred by the requisitionist(s) as a result of the failure of the Board shall be reimbursed to the requisitionist(s) by the Company.

股東權利

為保障股東利益及權利，每一重大事項(包括選舉個別董事)均會於股東大會上以單獨決議案提出。

所有提呈股東大會的決議案，均會根據上市規則以投票方式表決，投票結果會儘快於每屆股東大會後在本公司及聯交所網站公佈。

股東召開股東特別大會及提呈建議的程序

根據組織章程細則，董事會可應一位或以上股東要求召開股東特別大會(「股東特別大會」)，惟於提出請求當日，有關股東須持有不少於十分之一的本公司繳足股本，且有權在本公司股東大會投票。股東須向本公司的香港主要營業地點提出書面請求，交董事會或本公司秘書處理，當中須註明股東的股權資料、聯絡資料及有關任何特定交易／業務的建議及其證明文件，以要求董事會就請求中列明的任何業務交易召開本公司股東特別大會，而有關大會須於提出有關請求後兩個月內舉行。

倘董事會未有於提出請求後21日內召開有關股東特別大會，請求人本身可以同樣方式召開股東特別大會，請求人因董事會未有召開大會而承擔的合理費用，由本公司全數償付請求人。



Making enquiries to the Board

Shareholders can at any time raise enquiries about the Company to the Board. The enquiries must be in writing with contact information of the Shareholder(s) and deposited at the principal place of business of Company in Hong Kong at Unit 1304, 13/F, OfficePlus@Wan Chai, 303 Hennessy Road, Wan Chai, Hong Kong for the attention of the company secretary of the Company or at admin@sdhcgroun.cn.

CONSTITUTIONAL DOCUMENTS

The Company adopted the Articles of Association on 23 October 2021, which has been effective from the Listing Date. For the year ended 31 December 2021, the Articles of Association did not have any change.

向董事會提出查詢

股東可隨時就本公司事宜向董事會提出查詢。查詢必須以書面形式提出，並須附上股東聯絡資料，查詢可投遞至本公司的香港主要營業地點，地址為香港灣仔軒尼詩道303號協成行灣仔中心13樓1304室，交本公司的公司秘書處理，亦可電郵至admin@sdhcgroun.cn。

憲章文件

本公司於二零二一年十月二十三日採納組織章程細則，自上市日期起生效。截至二零二一年十二月三十一日止年度，組織章程細則概無變動。



REPORT OF THE DIRECTORS 董事會報告

The Directors present their report together with the audited consolidated financial statements of the Group for the year ended 31 December 2021.

CORPORATE INFORMATION AND LISTING

The Company was incorporated in the Cayman Islands on 12 January 2021 as an exempted company with limited liability under the Companies Act of the Cayman Islands.

The Company's Shares were listed on the Main Board of the Stock Exchange on 12 November 2021.

PRINCIPAL ACTIVITIES

The Company is an investment holding company. The Group is principally engaged in the provision of gold mine hazardous waste treatment services and recycling and extracting therefrom resources with economic value for sale in the PRC. Details of the principal activities of the Company's subsidiaries are set out in Note 35 to the consolidated financial statements of this annual report.

BUSINESS REVIEW

A fair review of the business of the Group, the outlook of future development of the business of the Group as well as a discussion and analysis of the Group's performance during the year ended 31 December 2021 and the material factors underlying its financial performance and financial position as required by section 388(2) and Schedule 5 to the Companies Ordinance (Chapter 622 of the Laws of Hong Kong) can be found in the section headed "Management Discussion and Analysis" set out on pages 9 to 23 of this annual report. The financial risk management of the Group are set out in Note 3 to the consolidated financial statements of this annual report.

Annual General Meeting

The AGM for the Reporting Period is scheduled to be held on 24 June 2022. A notice convening the AGM will be issued and dispatched to the Shareholders in due course according to the applicable laws, the Articles of Association and the Listing Rules.

董事欣然提呈本集團截至二零二一年十二月三十一日止年度的董事會報告，連同經審核綜合財務報表。

公司資料及上市

本公司於二零二一年一月十二日根據開曼群島公司法在開曼群島註冊成立為獲豁免有限公司。

本公司股份已於二零二一年十一月十二日在聯交所主板上市。

主要業務

本公司為投資控股公司。本集團主要於中國從事提供金礦有害廢物處理服務及從中回收及提取具有經濟價值的資源以供銷售。本公司附屬公司的主要業務詳情載於本年報綜合財務報表附註35。

業務回顧

有關本集團業務的合理回顧、本集團業務的未來發展展望以及本集團截至二零二一年十二月三十一日止年度表現的討論與分析，以及香港法例第622章公司條例第388(2)條及附表5所規定有關其財務表現及財務狀況的重要因素，載於本年報第9至23頁「管理層討論與分析」一節。本集團金融風險管理載於本年報綜合財務報表附註3。

股東週年大會

就報告期間的股東週年大會謹訂於二零二二年六月二十四日舉行。召開股東週年大會的通告將於適當時候根據適用法律、組織章程細則及上市規則刊發及寄發予股東。

RESULTS

The Group's profit for the year ended 31 December 2021 and the Group's financial position at that date are set out in the Group's audited financial statements on pages 81 to 83 of this annual report.

FINAL DIVIDEND

The Board recommended a final dividend of HKD0.0189 per ordinary share totalling approximately HKD18.9 million for the year ended 31 December 2021 out of the Company's share premium account. The proposed final dividend will be payable to shareholders whose names appear on the register of members of the Company on Friday, 8 July 2022. The proposed final dividend is subject to the approval of the Shareholders at the AGM, and is expected to be paid by cash on or around Friday, 22 July 2022. Further details of the dividend payment will be announced after conclusion of the AGM.

As at the date of this annual report, there was no arrangement under which a Shareholder had waived or agreed to waive any dividends.

CLOSURE OF REGISTER OF MEMBERS

(a) For determining the entitlement to attend and vote in the AGM

The AGM is expected to be held on Friday, 24 June 2022. For determining the entitlement to attend and vote at the AGM, the register of members of the Company will be closed from Tuesday, 21 June 2022 to Friday, 24 June 2022, both days inclusive, during which period no transfer of shares of the Company will be registered. In order to be eligible to attend and vote at the AGM, all share transfer documents accompanied by the relevant share certificates must be lodged with the Company's Hong Kong Branch Share Registrar, Tricor Investor Services Limited, at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong, for registration not later than 4:30 p.m. on Monday, 20 June 2022.

業績

本集團截至二零二一年十二月三十一日止年度的溢利及本集團於該日的財務狀況載於本年報第81至83頁的本集團經審核財務報表。

末期股息

董事會建議就截至二零二一年十二月三十一日止年度派付末期股息每股普通股0.0189港元，合共約18.9百萬港元，其來自公司股份溢價賬。建議末期股息將支付予在二零二二年七月八日(星期五)名列本公司股東名冊上的股東。建議末期股息須經股東於股東週年大會上批准，預期將於二零二二年七月二十二日(星期五)或前後以現金支付。有關股息付款的更多詳情將於股東週年大會結束後公佈。

於本年報日期，並無股東據此已放棄或同意放棄任何股息的安排。

暫停辦理股份過戶登記

(a) 釐定出席股東週年大會並於會上投票的資格

預期股東週年大會將於二零二二年六月二十四日(星期五)舉行。為釐定出席股東週年大會並於會上投票的資格，本公司將於二零二二年六月二十一日(星期二)至二零二二年六月二十四日(星期五)(包括首尾兩天)暫停辦理本公司的股份過戶登記手續。為符合資格出席股東週年大會並於會上投票，所有股份過戶文件連同有關股票必須於二零二二年六月二十日(星期一)下午四時三十分前送達本公司的香港股份過戶登記分處卓佳證券登記有限公司，地址為香港皇后大道東183號合和中心54樓，以供登記。



(b) For determining the entitlement to the proposed final dividend

Upon obtaining approval of the Shareholders at the forthcoming AGM, for the purpose of determining the Shareholders' entitlement to the final dividend for the year ended 31 December 2021, the register of members of the Company will be closed from Wednesday, 6 July 2022 to Friday, 8 July 2022 (both days inclusive), during which period no transfer of shares of the Company will be registered. For the purpose of determining the entitlement to the final dividend for the year ended 31 December 2021, all transfer documents accompanied by the relevant share certificates must be lodged with the Company's Hong Kong Branch Share Registrar, Tricor Investor Services Limited, at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong, for registration not later than 4:30 p.m. on Tuesday, 5 July 2022.

ENVIRONMENTAL POLICIES AND PERFORMANCE

The Group is principally engaged in the provision of gold mine hazardous waste treatment services and recycling and extracting therefrom resources with economic value for sale. The Group is committed to the long-term sustainability of the environment and communities in which it operates. The Group complies with applicable environmental protection laws and regulations for its business operations, and has implemented relevant environmental protection measures in compliance with applicable laws and regulations of PRC. The Company's 2021 environmental, social and governance report will be available on our website no later 31 May 2022.

FUTURE PLANS FOR MATERIAL INVESTMENTS OR CAPITAL ASSETS

Save as disclosed under the section headed "Future plans and use of proceeds" in the Prospectus and the Transaction disclosed in the announcement of the Company dated 6 January 2022, the Group does not have any other plans for material investments or capital assets.

(b) 釐定收取建議末期股息的資格

待於應屆股東週年大會上獲得股東批准後，為釐定股東收取截至二零二一年十二月三十一日止年度末期股息的資格，本公司將於二零二二年七月六日(星期三)至二零二二年七月八日(星期五)(包括首尾兩天)暫停辦理本公司的股份過戶登記手續，期間將不會進行本公司股份過戶登記。為釐定收取截至二零二一年十二月三十一日止年度末期股息的資格，所有過戶文件連同有關股票必須於二零二二年七月五日(星期二)下午四時三十分前送達本公司的香港股份過戶登記分處卓佳證券登記有限公司，地址為香港皇后大道東183號合和中心54樓，以供登記。

環境政策及表現

集團主要從事提供金礦有害廢物處理服務及從中回收及提取具有經濟價值的資源以供銷售。本集團致力於其經營所在環境和社區的長期可持續發展。本集團在業務營運中遵守適用環保法律及法規，並按照中國適用法律及法規實施相關環保措施。本公司二零二一年的環境、社會及管治報告將不遲於二零二二年五月三十一日在網站發佈。

重大投資或資本資產的未來計劃

除招股章程「未來計劃及所得款項用途」一節所披露者及本公司日期為二零二二年一月六日的公告所披露的交易外，本集團並無任何其他重大投資或資本資產計劃。



USE OF NET PROCEEDS FROM THE LISTING

The shares of the Company were listed on the Main Board of the Stock Exchange on the Listing Date by way of global offering, 250,000,000 shares were issued, raising the total net proceeds (after deducting underwriting commissions and other related listing expenses) of approximately RMB177.3 million (equivalent to approximately HKD217.3 million).

上市所得款項用途

本公司股份於上市日期以全球發售方式在聯交所主板上市，發行250,000,000股股份，合共籌集所得款項淨額(扣除包銷佣金及其他相關上市開支後)約人民幣177.3百萬元(相當於約217.3百萬元)。

	Percentage to total amount	Planned use of net proceeds	Planned use of net proceeds	Net proceeds utilised during the year ended 31 December 2021 截至二零二一年十二月三十一日止年度	Net proceeds unutilised as at 31 December 2021 於二零二一年十二月三十一日	Expected timeline for full utilisation of the unutilised proceeds
	佔總金額之百分比	所得款項淨額之計劃用途 HKD' million 百萬港元	所得款項淨額之計劃用途 RMB' million 人民幣百萬元	已動用之所得款項淨額 RMB' million 人民幣百萬元	未動用之所得款項淨額 RMB' million 人民幣百萬元	預期悉數動用未動用之所得款項之時間表
Establish the New Production Facility, comprising two production compartments, with a permitted annual treatment capacity of 600,000 tonnes, and diversification of our product offerings 設立新生產設施，包括兩個許可年處理能力600,000噸的生產區及拓展產品種類	86.7%	188.4	153.7	—	153.7	Will be fully utilised by 2024 將於二零二四年悉數動用
Strengthen our research and development capabilities to enhance existing products and diversify our product offering 加強研發能力以優化現有產品及拓展產品種類	3.9%	8.5	6.9	—	6.9	Will be fully utilised by 2022 將於二零二二年悉數動用
General working capital purpose 一般營運資金用途	9.4%	20.4	16.7	—	16.7	N/A 不適用
	100%	217.3	177.3	—	177.3	177.3

As at 31 December 2021, none of the net proceeds from the Listing had been utilised by the Company.

Further details of the breakdown and description of the proceeds are set out in the section headed "Future Plans and Use of Proceeds" in the Prospectus. As at the date of this annual report, the Directors were not aware of any material change to the planned use of proceeds. It is currently expected that the unutilised net proceeds will be applied according to the purposes, allocations and timetable mentioned in the Prospectus.

於二零二一年十二月三十一日，本公司未有動用上市所得款項淨額。

所得款項明細及描述的更多詳情載於招股章程「未來計劃及所得款項用途」一節。於本年報日期，董事並不知悉所得款項之計劃用途有任何重大變動。目前預期未動用之所得款項淨額將按照招股章程所述的用途、分配及時間表使用。



SIGNIFICANT INVESTMENTS HELD, MATERIAL ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES

During the year ended 31 December 2021, the Group did not hold any significant investments, nor did it have any material acquisitions or disposals of any subsidiaries, associates or joint ventures.

COMPLIANCE WITH THE RELEVANT LAWS AND REGULATIONS

Save as disclosed above, as far as the Board and management are aware, the Group has complied in all material aspects with the relevant laws and regulations that have a significant impact on the business and operations of the Group. During the year ended 31 December 2021, there was no material breach of, or non-compliance with, applicable laws and regulations by the Group.

RELATIONSHIP WITH MAJOR STAKEHOLDERS

The Group's primary stakeholder groups include its customers, suppliers, and employees.

Customers

The Group maintains active relationship with its customers to explore new business opportunities and is highly committed to delivering superior quality of services and products to its customers on time.

Suppliers

The Group maintains a list of approved and qualified suppliers (based on their prices, quality, past performance and capacity) and strives to establish long term business relationship with them.

Employees

Employees are regarded as valuable assets of the Group. The objective of the Group's human resource management is to reward and recognise well-performed staff by providing a competitive remuneration package and implementing a sound performance appraisal system with appropriate incentives. In particular, the Group promotes career development and advancement by providing appropriate training and opportunities in order to enhance the employees' work performance.

所持重大投資、重大收購及出售附屬公司、聯營公司及合營企業

於截至二零二一年十二月三十一日止年度，本集團並無持有任何重大投資，並無任何重大收購或出售任何附屬公司、聯營公司或合營企業。

遵守相關法律及法規

除上文所披露者外，據董事會及管理層所知，本集團已於所有重大方面遵守對本集團業務及營運有重大影響之相關法律及法規。截至二零二一年十二月三十一日止年度，本集團概無重大違反或不遵守適用法律及及法規的情況。

與主要持份者的關係

本集團的主要持份者包括其客戶、供應商及僱員。

客戶

本集團與客戶保持積極的關係，以探索新商機，並高度致力及時向客戶提供優質服務及產品。

供應商

本集團存有一份認可合格供應商名單(根據其價格、品質、以往表現及能力)，並努力與彼等建立長期業務關係。

僱員

僱員被視為本集團的寶貴資產。本集團人力資源管理的目標是通過提供有競爭力的薪酬待遇和實施健全的績效評估制度，連同給予適當的激勵，來獎勵和表彰表現出色的僱員。特別是，本集團通過提供適當的培訓和機會，促進職業發展和晉升，以提高僱員的工作表現。

MAJOR CUSTOMERS AND SUPPLIERS

For the years ended 31 December 2021, our five largest customers accounted for approximately 49.8% of our total revenue and our largest customer accounted for approximately 15.7% of our total revenue.

For the years ended 31 December 2021, our five largest suppliers accounted for approximately 40.6% of our total cost of sales and our largest supplier accounted for approximately 15.4% of our total cost of sales.

None of the Directors or any of their associates or any shareholders (whom, to the best knowledge of the Directors, own more than 5% of the Company's total issued share capital), had any beneficial interest in the Group's five largest customers or suppliers during the year ended 31 December 2021.

CHARITABLE DONATION

Charitable donation made by the Group during the Reporting Period amounted to approximately RMB310,000 (2020: approximately RMB781,000).

PROPERTY, PLANT AND EQUIPMENT

Details of movements of the property, plant and equipment of the Group during the year are set out in Note 15 to the consolidated financial statements.

SHARE CAPITAL

Details of movements in the share capital of the Company for the Reporting Period are set out in Note 25 to the consolidated financial statements.

DEBENTURE

The Group did not issue any debenture during the Reporting Period (2020: Nil).

EQUITY-LINKED AGREEMENTS

There are no equity-linked agreements which were entered into or remained subsisting during the Reporting Period or as of the end of the year ended 31 December 2021 (2020: Nil).

主要客戶及供應商

截至二零二一年十二月三十一日止年度，五大客戶佔我們總收益約49.8%，以及最大客戶佔我們總收益約15.7%。

截至二零二一年十二月三十一日止年度，五大供應商佔我們總銷售成本約40.6%，以及最大供應商佔我們總銷售成本約15.4%。

截至二零二一年十二月三十一日止年度，概無任何董事或其任何聯繫人或任何股東(據董事所深知，彼等擁有本公司全部已發行股本5%以上)於本集團五大客戶或供應商中擁有任何實益權益。

慈善捐款

本集團於報告期間的慈善捐款約為人民幣310,000元(二零二零年：約人民幣781,000元)。

物業、廠房及設備

本集團年內物業、廠房及設備的變動詳情載於綜合財務報表附註15。

股本

本公司於報告期間的股本變動詳情載於綜合財務報表附註25。

債券

本集團於報告期間並無發行任何債券(二零二零年：無)。

股權掛鈎協議

於報告期間或截至二零二一年十二月三十一日止年度結束時概無訂立或仍然有效的股權掛鈎協議(二零二零年：無)。



PRE-EMPTIVE RIGHTS

There are no provisions for pre-emptive rights under the Articles of Association or the Companies Act which would oblige the Company to offer new shares on a pro-rata basis to the existing Shareholders.

TAX RELIEF AND EXEMPTION

The Directors are not aware of any tax relief and exemption available to the shareholders by reason of their holding of the Company's securities.

SUBSIDIARIES

Particulars of the Company's subsidiaries are set out in Note 35 to the consolidated financial statements in this annual report.

RESERVES

Movements during the year in the reserves of the Group and the Company are set out in the consolidated statement of changes in equity, Notes 25 and 26 to the consolidated financial statements.

DISTRIBUTABLE RESERVES

As at 31 December 2021, the Company's reserves available for distribution as dividends, calculated in accordance with the relevant rules and regulations, amounted to approximately RMB188.2 million.

FINANCIAL SUMMARY

A summary of the results, assets and liabilities of the Group for the past 4 years is set out on page 5 of this annual report.

SHARE CAPITAL

Details of movements in the share capital of the Company during the year ended 31 December 2021 are set out in Note 25 to the consolidated financial statements.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

Neither the Company nor its subsidiaries had purchased, sold or redeemed any of the Company's listed securities throughout the period from the Listing Date up to the date of this annual report.

優先購買權

本公司的組織章程細則或公司法並無有關優先購買權的規定，要求本公司按比例向現有股東提呈發售新股份。

稅項減免

董事並不知悉股東因持有本公司證券而享有任何稅務減免。

附屬公司

本公司附屬公司的詳情載於本年報綜合財務報表附註35。

儲備

本集團及本公司於本年度內儲備之變動詳情載於綜合權益變動表、綜合財務報表附註25及26。

可供分派儲備

於二零二一年十二月三十一日，本公司根據相關規則及法規計算可供分派作股息的儲備約為人民幣188.2百萬元。

財務概要

本集團過去四年之業績、資產及負債概要載於本年報第5頁。

股本

截至二零二一年十二月三十一日止年度，本公司股本變動詳情載於綜合財務報表附註25。

購買、出售或贖回上市證券

自上市日期起直至本報告日期，本公司或其附屬公司均未有購買、出售或贖回本公司的任何上市證券。



BORROWINGS

The Group had interest-bearing bank borrowings of approximately RMB39.9 million as at 31 December 2021 (2020: RMB42.0 million). Borrowings were denominated in RMB and interests on borrowings were mainly charged at fixed rate.

Particulars of borrowings of the Group as at 31 December 2021 are set out in Note 29 to the consolidated financial statements in this annual report.

DIRECTORS

The Directors during the year ended 31 December 2021 and up to the date of this annual report were:

Executive Directors:

- Mr. Liu Zeming (劉澤銘) Chairman
(appointed on 12 January 2021)
Mr. Zhan Yirong (戰乙榮) Chief Executive Officer
(appointed on 8 April 2021)
Mr. Sheng Haiyan (盛海燕) Chief Technical Officer
(appointed on 8 April 2021)

Independent Non-executive Directors:

- Mr. Zhang Shijun (張式軍)
(appointed on 23 October 2021)*
Ms. Liu Ye (劉擘)
(appointed on 23 October 2021)*
Mr. Lau Chung Wai (劉仲緯)
(appointed on 23 October 2021)*

* effective on Listing Date

In accordance with the provisions of the Articles of Association, at each annual general meeting, one third of the Directors for the time being (or if their number is not a multiple of three, then the number nearest to but not less than one third) shall retire from office by rotation provided that every Director shall be subject to retirement at an annual general meeting at least once every three years. The Directors to retire by rotation shall include any Director who wishes to retire and not offer himself for re-election. Any further Directors so to retire shall be those who have been longest in office since their last re-election or appointment but as between persons who became or were last re-elected Directors on the same day those to retire will (unless they otherwise agree among themselves) be determined by lot.

借款

本集團於二零二一年十二月三十一日有計息銀行借款約人民幣39.9百萬元(二零二零年：人民幣42.0百萬元)。借款乃以人民幣計值，而借款的利息主要按固定利率收取。

本集團於二零二一年十二月三十一日的借款詳情載於本年報綜合財務報表附註29。

董事

截至二零二一年十二月三十一日止年度及截至本年報日期的董事如下：

執行董事：

- 劉澤銘先生主席
(於二零二一年一月十二日獲委任)
戰乙榮先生行政總裁
(於二零二一年四月八日獲委任)
盛海燕先生技術總監
(於二零二一年四月八日獲委任)

獨立非執行董事：

- 張式軍先生
(於二零二一年十月二十三日獲委任)*
劉擘女士
(於二零二一年十月二十三日獲委任)*
劉仲緯先生
(於二零二一年十月二十三日獲委任)*

* 於上市日期生效

根據組織章程細則，在每屆股東週年大會上，當時三分之一的董事(若人數並非三的倍數，則以最接近但不少於三分之一的人數)須輪流退任，惟每位董事必須最少每三年於股東週年大會上退任一次。輪流退任的董事包括任何有意退任且無意膺選連任的董事。其餘退任董事乃自上次膺選連任或獲委任以來任期最長的董事，但若多位董事於同一日履任或膺選連任，則以抽籤方式決定須退任的董事(除非彼等另有協定)。

In accordance with articles 84.(1) and 84.(2) of the Articles of Association, Mr. Liu Zeming and Mr. Zhan Yirong will retire by rotation and being eligible, will offer themselves for re-election at the AGM.

Details of the Directors to be re-elected at the AGM are set out in the circular to the Shareholders.

ANNUAL CONFIRMATION OF INDEPENDENCE FROM INDEPENDENT NON-EXECUTIVE DIRECTORS

The Company has received annual confirmations of independence from all independent non-executive Directors regarding each of the factors referred to in rule 3.13 of the Listing Rules. As at the date of this report, the Company still considers all of the independent non-executive Directors to be independent.

DIRECTORS' SERVICE CONTRACTS

Each of our executive Directors has entered into a service contract with our Company pursuant to which they agreed to act as executive Directors for an initial term of three years with effect from the Listing Date which may be terminated by either party by giving not less than three months' written notice. The term of service contract shall be renewed and extended automatically for successive terms of one year upon expiry of the then current term until terminated by either party by giving not less than three months' written notice to the other.

Each of the independent non-executive Directors has been appointed for an initial term of three years commencing from 23 October 2021 which may be terminated by either party by giving not less than three months' written notice. The term of appointment shall be renewed and extended automatically for successive terms of two years upon expiry of the then current term until terminated by either party giving not less than three months' written notice to the other.

Save as disclosed above, none of our Directors has or is proposed to have a service contract with our Company or any of our subsidiaries other than contracts expiring or determinable by the employer within one year without the payment of compensation (other than statutory compensation).

根據組織章程細則第84.(1)條及第84.(2)條，劉澤銘先生及戰乙榮先生將輪席退任，並符合資格且彼等願意於股東週年大會上膺選連任。

將於股東週年大會上膺選連任的董事詳情載於致股東的通函內。

獨立非執行董事的年度獨立性確認

本公司已收到全體獨立非執行董事就上市規則第3.13條所述各項因素的年度獨立性確認。截至本報告日期，本公司仍然認為全體獨立非執行董事均為獨立。

董事的服務合約

各執行董事已與本公司訂立服務合約，據此，彼等同意出任執行董事，初步任期為三年，自上市日期起生效，可透過由任何一方向另一方發出不少於三個月的書面通知終止。服務合約期限在當時的現有任期屆滿時自動更新及延長一年任期，直至任何一方向另一方發出不少於三個月的書面通知終止為止。

各獨立非執行董事初步任期自二零二一年十月二十三日起計為期三年，可透過由任何一方發出不少於三個月的書面通知終止。委任期限在當時的現有任期屆滿時自動更新及延長兩年任期，直至任何一方向另一方發出不少於三個月的書面通知終止為止。

除上文所披露者外，董事並無與本公司或其任何附屬公司訂立或擬訂立任何服務合約，惟於一年內屆滿或於一年內由僱主終止而毋須補償者(法定補償除外)除外。

DIRECTORS' MATERIAL INTEREST IN TRANSACTIONS, ARRANGEMENTS AND CONTRACTS OF SIGNIFICANCE

Save as disclosed in this annual report, there were no significant transactions, arrangements and contracts of significance in relation to the Group's business to which the Company was a party and in which a director of the Company had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year.

CONTRACTS OF SIGNIFICANCE WITH CONTROLLING SHAREHOLDER

Save as disclosed in this annual report, none of the Company or any of its subsidiaries entered into any contracts of significance with the Controlling Shareholder(s) or any of its subsidiaries, nor was there any contracts of significance between the Company or any of its subsidiaries and the Controlling Shareholder or any of its subsidiaries in relation to provision of services for the Reporting Period.

REMUNERATION OF DIRECTORS AND FIVE HIGHEST PAID INDIVIDUALS

Details of the remuneration of the Directors and the five highest paid individuals of the Group for the Reporting Period are set out in Notes 37 and 9 to the consolidated financial statements.

EMPLOYEE AND REMUNERATION POLICY

As at 31 December 2021, the Group had 184 employees. For the year ended 31 December 2021, the staff cost of the Group was approximately RMB16.7 million.

The remuneration packages for our employees include salary, bonuses and allowances. The Group participate in social insurance schemes operated by the relevant local government authorities and maintain mandatory pension contribution plans, medical insurance, work-related injury insurance, unemployment insurance, housing accumulation funds and maternity insurance for some of our employees. The Group has also participated in the mandatory provident fund retirement benefit scheme in Hong Kong.

董事於重大交易、安排或合約中的重大權益

除本年報所披露者外，於年末或年內任何時間，本公司並無訂立與本集團業務有關且本公司董事於當中直接或間接擁有重大權益的重大交易、安排及合約。

與控股股東之間的重要合約

除本年報所披露者外，概無本公司或其任何附屬公司與控股股東或其任何附屬公司訂立任何重大合約，且本公司或其任何附屬公司與控股股東或其任何附屬公司之間在報告期間亦並無任何有關提供服務的重大合約。

董事及五位最高薪酬人士的薪酬

於報告期間，本集團董事及五位最高薪酬人士的薪酬詳情載於綜合財務報表附註37及9。

僱員及薪酬政策

於二零二一年十二月三十一日，本集團聘有184僱員。截至二零二一年十二月三十一日止年度，本集團的員工成本約為人民幣16.7百萬元。

僱員薪酬待遇包括薪金、獎金及津貼。本集團參加由相關地方政府機構運作的社會保險計劃，並為部分僱員設立強制性養老金供款計劃並投購醫療保險、工傷保險、失業保險、住房公積金及生育保險。本集團亦參與香港的強積金退休福利計劃。



The Group's employee remuneration policy is determined by reference to factors such as remuneration standard of the local market, the overall remuneration standard in the industry, market condition, operating efficiency and employee performance. The Group provides sufficient training to our employees depending on their roles.

The emoluments of the Directors are first reviewed by the Remuneration Committee and then approved by the Board, with regard to the Directors' skill, knowledge, involvement in the Group's affairs and the performance of each Director, together with reference to the profitability of the Group, remuneration benchmarks in the industry, and prevailing market conditions.

The Company has adopted a share option scheme (the "Share Option Scheme") as an incentive to the Directors and eligible employees, details of the Share Option Scheme are set out in the Prospectus. No share option has been granted, exercised, cancelled or lapsed under the Share Option Scheme since its adoption and up to the date of this annual report.

During the Reporting Period, the Group has not experienced any significant problems with its employees due to labour disputes nor has it experienced any difficulty in the recruitment and retention of experienced staff.

RETIREMENT BENEFITS PLAN

Details of retirement benefits plan of the Group for the year ended 31 December 2021 are set out in Note 2.22 to the consolidated financial statements.

PERMITTED INDEMNITY PROVISION

Pursuant to the Articles of Association, every Director shall be indemnified and secured harmless out of the assets of the Company against all actions, costs, charges, losses, damages and expenses which they or any of them may incur or sustain by or by reason of any act done, concurred in or omitted in or about the execution of their duty in their offices. Such permitted indemnity provision has been in force for the year ended 31 December 2021. The Company has arranged appropriate directors' and officers' liability insurance coverage for the Directors and officers of the Group and it remains in force at the date of this annual report.

本集團的僱員薪酬政策乃參照當地市場的薪酬標準、行業的整體薪酬標準、市場狀況、經營效益和僱員表現等因素釐定。本集團視乎僱員的崗位，為彼等提供足夠的培訓。

董事的薪酬先由薪酬委員會審視，然後再經董事會批准，當中會考慮董事的技能、知識、對本集團事務的參與以及各董事的表現，同時亦參考本集團的盈利能力、行業的薪酬基準以及當時的市場情況。

本公司已採納購股權計劃(「購股權計劃」)作為對董事和合資格僱員的激勵，購股權計劃的詳情載於招股章程。自採納購股權計劃起至本年報日期，概無購股權根據購股權計劃獲授出、行使、註銷或失效。

於報告期間，本集團並無因勞資糾紛而與僱員發生任何重大問題，且在招聘及挽留有經驗僱員時亦沒有遇到任何困難。

退休福利計劃

本集團截至二零二一年十二月三十一日止年度的退休福利計劃詳情載於綜合財務報表附註2.22。

獲準許的彌償條文

根據組織章程細則，每名董事就彼等或彼等任何一人在其職位履行其職務時所做、同意或不做的任何行為而可能招致或蒙受的所有訴訟、費用、收費、損失、損害及開支，均可自本公司的資產獲得彌償，確保免就此受損。該等獲準許的彌償條文於截至二零二一年十二月三十一日止年度一直有效。本公司已就本集團之董事及高級職員購買適當的董事及高級職員責任保險，且該保險於本年報日期仍然有效。

CHANGES TO INFORMATION OF DIRECTORS

There was no change in the Directors' information required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules for the Reporting Period and up to the date of this annual report.

BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT

The biographical details of the Directors and senior management are set out in the section headed "Directors and Senior Management" on pages 24 to 31 of this annual report.

SHARE OPTION SCHEME

The Share Option Scheme was conditionally adopted by the Company on 23 October 2021 and shall be valid until 23 October 2031. On and subject to the terms of the Share Option Scheme and the requirements of the Listing Rules, the Board shall be entitled to, at its absolute discretion and on such terms as it deems fit, grant any employee (full-time or part-time), director, supplier, customer, consultant, adviser, shareholder, service provider of the Group or other group or classes of participants who have contributed or may contribute by way of joint venture, business alliance or other business arrangement to the development and growth of us, options to subscribe for such number of Shares as the Board may determine in accordance with the terms of the Share Option Scheme. The purpose of the Share Option Scheme is to enable us to grant options to selected participants as incentives or rewards for their contribution to us. Our Directors consider the Share Option Scheme, with its broadened basis of participation, will enable us to reward the employees, our Directors and other selected participants for their contributions to us. A Summary of principal terms of the Share Option Scheme is set out in the paragraph headed "14. Share Option Scheme" in Appendix V to the Prospectus.

Pursuant to the terms of the Share Option Scheme and in compliance with the provisions in Chapter 17 of the Listing Rules, the total number of the Shares which may be allotted and issued upon the exercise of all options (excluding, for this purpose, options which have lapsed in accordance with the terms of the Share Option Scheme and any other share option scheme of us) to be granted under the Share Option Scheme and any other share option scheme of us must not in aggregate exceed 10% of the number of Shares in issue as at the date of this annual report, being 100,000,000 Shares.

董事資料變動

於報告期間及直至本年報日期，概無董事資料變動須根據上市規則第13.51B(1)條予以披露。

董事及高級管理層履歷

董事及高級管理層的履歷詳情載於本年報第24至31頁之「董事及高級管理層」一節。

購股權計劃

購股權計劃由本公司於二零二一年十月二十三日有條件採納，有效期直至二零三一年十月二十三日。按照並遵循購股權計劃的條款和上市規則的規定，董事會有權全權酌情決定按其認為合適的條款，向本集團的任何僱員（全職或兼職）、董事、供應商、客戶、諮詢人、顧問、股東、服務供應商或其他通過合資、業務聯盟或其他商業安排，對我們的發展和增長作出貢獻或可能作出貢獻的參與者群組或類別授予購股權，以認購董事會根據購股權計劃的條款而釐定的股份數量。購股權計劃旨在使我們可向經挑選的參與者授出購股權，以推動或獎勵彼等對我們所作貢獻。董事認為，由於參與者基礎廣闊，購股權計劃將有助我們獎勵僱員、董事及其他經挑選的參與者對我們所作的貢獻。購股權計劃的主要條款概要載於招股章程附錄五「14.購股權計劃」一段。

根據購股權計劃的條款及遵照上市規則第17章的條文，因行使根據購股權計劃及我們任何其他購股權計劃所授出所有購股權（就此而言，並不包括根據購股權計劃及我們任何其他購股權計劃的條款而失效者）而可予配發及發行的股份總數不得超過本年報日期已發行股份數目的10%，即100,000,000股股份。



The maximum number of Shares which may be issued upon the exercise of all outstanding options granted and yet to be exercised under the Share Option Scheme and any other share option scheme adopted by us must not in aggregate exceed 30% of the share capital of our Company in issue from time to time.

The total number of Shares issued and which may fall to be issued upon the exercise of the options granted under the Share Option Scheme and any other share option scheme of us (including both exercised or outstanding options) to each grantee in any 12-month period shall not exceed 1% of the number of Shares in issue for the time being (“**Individual Limit**”). Any further grant of options in excess of the Individual Limit in any 12-month period up to and including the date of such further grant must be separately approved by our Shareholders in general meeting of our Company with such grantee and his close associates (or his associates if the grantee is a connected person) abstaining from voting.

An option may be accepted by a participant within 21 days from the date of the offer of grant of the option.

An option may be exercised in accordance with the terms of the Share Option Scheme at any time during a period to be determined and notified by our Directors to each grantee, which period may commence from the date of the offer for the grant of options is made, but shall end in any event not later than 10 years from the date of grant of the option subject to the provisions for early termination thereof. Unless otherwise determined by our Directors and stated in the offer for the grant of options to a grantee, there is no minimum period required under the Share Option Scheme for the holding of an option before it can be exercised.

Any grant of options under the Share Option Scheme to a Director, chief executive or substantial shareholder of our Company or any of their respective associates must be approved by independent non-executive Directors (excluding independent non-executive Director who or whose associates is the proposed grantee of the options).

因行使根據購股權計劃及我們採納的任何其他購股權計劃所授出但尚未行使的所有購股權而可予發行的股份總數合共不得超過本公司不時已發行股本的30%。

於任何12個月期間，因行使根據購股權計劃及我們任何其他購股權計劃所授出的購股權(包括已行使或尚未行使購股權兩者)已向各參與者發行及將予發行的股份總數，不得超過當時已發行股份數目的1% (「**個別上限**」)。如進一步授出購股權，使數目超出進一步授出當日止任何12個月期間(包括該日)的個別上限，必須經股東於本公司的股東大會上批准，而有關承授人及其緊密聯繫人(或倘承授人為關連人士，則其聯繫人)須放棄投票。

參與者可於要約授出購股權日期起計21日內接納購股權。

購股權可於董事釐定並通知各承授人的期間內隨時根據購股權計劃的條款行使(該期間須由要約授出購股權日期起計，但無論如何須於購股權授出日期起計十年內屆滿，並可根據有關條文提早終止)。除非本公司董事另行決定及在向承授人授出購股權的要約中列明，購股權計劃並無規定在行使購股權前所需持有的最短期限。

根據購股權計劃向本公司董事、主要行政人員或主要股東或任何彼等各自的聯繫人授出任何購股權，必須經獨立非執行董事(不包括身為或其聯繫人為建議購股權承授人的獨立非執行董事)批准。



Where any grant of options to a substantial shareholder or an independent non-executive director or any of their respective associates would result in the Shares issued and to be issued upon exercise of all options already granted and to be granted (including options exercised, cancelled and outstanding) to such person in the 12-month period up to and including the date of such grant: (i) representing in aggregate over 0.1% of the Shares in issue; and; (ii) having an aggregate value, based on the closing price of the Shares at the date of each offer for the grant, in excess of HK\$5 million; such further grant of options must be approved by Shareholders in general meeting. Our Company must send a circular to our Shareholders, within such time as may be specified in the Listing Rules.

The subscription price for the Shares under the Share Option Scheme shall be a price determined by our Directors, but shall not be less than the highest of (i) the closing price of the Shares as stated in the Stock Exchange's daily quotations sheet for trade in one or more board lots of the Shares on the date of the offer for the grant, which must be a business day; (ii) the average closing price of Shares as stated in the Stock Exchange's daily quotations for the five business days immediately preceding the date of the offer for the grant; and (iii) the nominal value of a Share.

A nominal consideration of HK\$1 is payable on acceptance of the grant of an option.

Since the adoption of the Share Option Scheme, no option has been granted. Therefore, no option was exercised, cancelled or lapsed since its adoption and up to the date of this annual report and there was no option outstanding as at 31 December 2021.

倘向主要股東或獨立非執行董事或任何彼等各自的聯繫人授出任何購股權，可能導致於有關授出當日止12個月期間(包括該日)，因行使已向有關人士授出或將予授出的所有購股權(包括已行使、已註銷及尚未行使的購股權)而予以發行及將予發行的本公司股份：(i)合共佔已發行股份的0.1%以上；及(ii)按各授出的要約日期的股份收市價計算，總值超過5百萬港元；則進一步授出購股權須於股東大會上取得股東的批准。本公司必須於上市規則規定的有關限期內向股東寄發通函。

購股權計劃項下股份的認購價將由董事釐定，但不得低於(i)要約授出購股權日期(必須為營業日)在聯交所的每日報價表以一手或以上股份買賣單位列示的股份收市價；(ii)緊接要約授出購股權日期前五個營業日在聯交所的每日報價表所示股份平均收市價；及(iii)股份面值三者中的最高者。

承授購股權之人士須在接納時支付名義代價1港元。

自採納購股權計劃以來，概無購股權獲授出。因此自其採納以來直至本年報日期概無購股權獲行使、註銷或失效，且於二零二一年十二月三十一日概無未行使購股權。



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

As at 31 December 2021, the interests and short positions of the Directors and the chief executives of the Company in the shares, underlying shares and debentures of the Company or its associated corporations (within the meaning of Part XV of the SFO) which were required to be entered in the register kept by the Company pursuant to section 352 of the SFO, or which were required to be notified to the Company and the Stock Exchange pursuant to the Model Code contained in Appendix 10 to the Listing Rules, are set out below:

(i) Interest in the Company

Name of Director 董事名稱	Capacity/Nature of interest 身份/權益性質	Number of Shares 股份數目	Approximate shareholding percentage (%) 概約持股百分比(%)
Mr. Liu 劉先生	Interest of a controlled corporation ⁽²⁾ 受控法團權益 ⁽²⁾	589,500,000	58.95%
Ms. Li Liyan (李麗豔) 李麗豔女士	Interest of spouse ⁽³⁾ 配偶權益 ⁽³⁾	589,500,000	58.95%

- All interests stated are long position.
- 589,500,000 Shares are registered in the name of Zeming International Investment Co., Ltd., the entire issued capital of which is legally and beneficially owned by Mr. Liu. By virtue of the SFO, Mr. Liu is taken to be interested in the Shares held by Zeming International Investment Co., Ltd.
- Ms. Li Liyan is the spouse of Mr. Liu. Under the SFO, Ms. Li Liyan is taken to be interested in the same number of Shares in which Mr. Liu is interested.

(ii) Interest in associated corporation

Name of Director 董事名稱	Name of associated corporation 相聯法團名稱	Capacity/Nature 身份/性質	Approximate shareholding percentage (%) 概約持股百分比(%)
Mr. Liu 劉先生	Zeming International Investment Co., Ltd	Beneficial owner	100%
	Zeming International Investment Co., Ltd	實益擁有人	

董事及最高行政人員於本公司或其任何相聯法團的股份、相關股份及債權證中擁有的權益及淡倉

於二零二一年十二月三十一日，本公司董事及最高行政人員於本公司或其相聯法團(定義見證券及期貨條例第XV部)的股份、相關股份及債權證中擁有須記入本公司根據證券及期貨條例第352條存置的登記冊或須根據上市規則附錄10所載標準守則通知本公司及聯交所的權益及淡倉如下：

(i) 於本公司的權益

- 所述所有權益均為好倉。
- 589,500,000股股份以Zeming International Investment Co., Ltd的名義登記，該公司的全部已發行股本由劉先生合法實益擁有。根據證券及期貨條例，劉先生被視為於Zeming International Investment Co., Ltd.持有的股份中擁有權益。
- 李麗豔女士為劉先生的配偶。根據證券及期貨條例，李麗豔女士被視為於劉先生擁有權益的相同數目股份中擁有權益。

(ii) 於相聯法團的權益

DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

Save as disclosed above, as at 31 December 2021, none of the Directors and chief executives of the Company had interests or short positions in the shares, underlying shares and debentures of the Company or its associated corporations (within the meaning of Part XV of the SFO) which were required to be entered in the register kept by the Company pursuant to section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

SUBSTANTIAL SHAREHOLDERS' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES

As at 31 December 2021, according to the register kept by the Company under Section 336 of SFO and so far as was known to the Directors or the chief executives of the Company, the following persons (other than the Directors or chief executives of the Company) who had interests or short positions in the Shares or the underlying Shares of the Company which would fall to be disclosed under the provisions of Division 2 and 3 of Part XV of the SFO were as follows:

Name of Shareholder 股東名稱	Capacity/Nature of interest 身份/權益性質	Number of Shares 股份數目	Approximate shareholding percentage (%) 概約持股百分比(%)
Zeming International Investment Co., Ltd	Beneficial owner ⁽²⁾ 實益擁有人 ⁽²⁾	589,500,000	58.95%
Ms. Li Liyan (李麗豔) 李麗豔女士	Interest of spouse ⁽³⁾ 配偶權益 ⁽³⁾	589,500,000	58.95%

- All interests stated are long position.
- By virtue of the SFO, Mr. Liu is taken to be interested in the Shares held by Zeming International Investment Co., Ltd.
- Ms. Li Liyan is the spouse of Mr. Liu. Under the SFO, Ms. Li Liyan is taken to be interested in the same number of Shares in which Mr. Liu is interested.

董事認購股份或債權證的權利

除上文所披露者外，於二零二一年十二月三十一日，概無本公司董事及最高行政人員於本公司或其相聯法團(定義見證券及期貨條例第XV部)的股份、相關股份及債權證中擁有須記入本公司根據證券及期貨條例第352條存置的登記冊或須根據標準守則通知本公司及聯交所的權益或淡倉。

主要股東於股份及相關股份的權益及淡倉

於二零二一年十二月三十一日，根據本公司按證券及期貨條例第336條備存的登記冊及據董事或本公司最高行政人員所知，以下人士(本公司董事或最高行政人員除外)在本公司股份或相關股份中擁有根據證券及期貨條例第XV部第2及3分部的條文須予披露的權益或淡倉如下：

- 所述所有權益均為好倉。
- 根據證券及期貨條例，劉先生被視為於Zeming International Investment Co., Ltd.持有的股份中擁有權益。
- 李麗豔女士為劉先生的配偶。根據證券及期貨條例，李麗豔女士被視為於劉先生擁有權益的相同數目股份中擁有權益。



Save as disclosed above, as at 31 December 2021, according to the register kept by the Company under Section 336 of the SFO and so far as were known to the Directors or the chief executives of the Company, there was no other person (other than the Directors or chief executives of the Company) who had an interest or short position in the Shares or the underlying Shares of the Company which would fall to be disclosed under the provisions of Division 2 and 3 of Part XV of the SFO.

COMPETING BUSINESS

During the year ended 31 December 2021 and up to the date of this annual report, none of the Directors is considered to have interests in businesses which compete or are likely to compete, either directly or indirectly, with the businesses of the Group pursuant to the Listing Rules.

COMPLIANCE WITH NON-COMPETITION UNDERTAKINGS BY CONTROLLING SHAREHOLDERS

On 23 October 2021, Zeming International Investment Co., Ltd and Mr. Liu, each being a controlling shareholder of the Company, entered into a deed of non-competition (the “**Deed of Non-competition**”) in favour of the Company, details of which are set out in the section headed “Relationship with our Controlling Shareholders — Deed of Non-Competition” in the Prospectus.

Each of Zeming International Investment Co., Ltd and Mr. Liu has confirmed to the Company that, since the Listing Date and up to 31 December 2021, it/he has complied with the Deed of Non-competition as disclosed in the Prospectus.

The independent non-executive Directors have reviewed the compliance with the Deed of Non-competition by each of Zeming International Investment Co., Ltd and Mr. Liu, and confirmed that Zeming International Investment Co., Ltd and Mr. Liu have complied with and implemented the Deed of Non-competition.

除上文所披露者外，於二零二一年十二月三十一日，根據本公司按證券及期貨條例第336條規定備存的登記冊及據董事或本公司最高行政人員所知，並無任何其他人士(本公司董事或最高行政人員除外)在本公司股份或相關股份中擁有根據證券及期貨條例第XV部第2及3分部的條文須予披露的權益或淡倉。

競爭業務

截至二零二一年十二月三十一日止年度及直至本年報日期，根據上市規則，概無董事被視為於與本集團業務直接或間接構成或可能構成競爭的任何業務中擁有權益。

控股股東遵守不競爭承諾的情況

二零二一年十月二十三日，Zeming International Investment Co., Ltd與劉先生(各為本公司控股股東)訂立以本公司為受益人的不競爭契據(「**不競爭契據**」)，詳情載於招股章程「與控股股東的關係 — 不競爭契據」一節。

Zeming International Investment Co., Ltd及劉先生各自已向本公司確認，彼等自上市日期起直至二零二一年十二月三十一日，已遵守招股章程所披露的不競爭契據。

獨立非執行董事已檢視Zeming International Investment Co., Ltd及劉先生各自對不競爭契據的遵守情況，並確認Zeming International Investment Co., Ltd及劉先生已遵守及執行不競爭契據。

CONNECTED TRANSACTIONS

The Group has not conducted any non-exempt continuing connected transaction for the year ended 31 December 2021. There were no connected transaction or continuing connected transaction that is subject to, among other things, the reporting, announcement or independent shareholders' approval requirements under Chapter 14A of the Listing Rules, and the Company has complied with the requirements under Chapter 14A of the Listing Rules.

Details of the related party transactions carried out in the normal course of business are set out in Note 34 to the financial statements of this annual report. None of these related party transactions constitutes a connected transaction or continuing connected transaction as defined under the Listing Rules, and the Company has complied with the disclosure requirements under Chapter 14A of the Listing Rules.

MANAGEMENT CONTRACTS

For the year ended 31 December 2021, no management or administration contract concerning the management of the whole or substantial part of any business of the Company was entered into, or subsisted at the end of the year.

SUFFICIENCY OF PUBLIC FLOAT

Based on the information that is publicly available to the Company and to the knowledge of the Directors as at the date of this annual report, there was at least 25% of the Company's total issued shares, being a minimum percentage of sufficient prescribed public float of the issued shares of the Company under the Listing Rules.

CORPORATE GOVERNANCE

The Company is committed to maintaining the highest standard of corporate governance practices. Information on the corporate governance practices adopted by the Company is set out in the Corporate Governance Report on pages 32 to 52 of this annual report.

關連交易

本集團截至二零二一年十二月三十一日止年度並無進行任何非豁免持續關連交易。概無關連交易或持續關連交易須(其中包括)根據上市規則第14A章遵守申報、公告或獨立股東批准規定,且本公司已遵守上市規則第14A章下的規定。

於日常業務過程中進行的關聯方交易的詳情載於本年報財務報表附註34。概無該等關聯方交易構成上市規則下界定的關連交易或持續關連交易,且本公司已遵守上市規則第14A章的披露規定。

管理合約

截至二零二一年十二月三十一日止年度,概無訂立有關管理本公司全部或重大部分業務的管理或行政合約或於年末仍然存續。

足夠公眾持股量

基於本公司公開可得的資料及就董事所知,於本年報日期,本公司的全部已發行股份中,至少有25%(即上市規則所訂明本公司已發行股份的充足公眾持股量最低百分比)由公眾人士持有。

企業管治

本公司致力於保持最高標準的企業管治常規。本公司所採納企業管治常規的資料載於本年報第32至52頁的企業管治報告內。



EVENTS AFTER THE REPORTING PERIOD

On 6 January 2022, the Group acquired the land use rights of three parcels of industrial land with a gross site area of approximately 533,300 sq.m., premises (including properties and warehouses) with a gross floor area of approximately 89,300 sq.m. and other infrastructure and machinery in Yin Hai Chemical Industrial Park in Laizhou City, Shandong province, the PRC through successful bidding. The Yin Hai Chemical Industrial Park in Laizhou City, Shandong province, the PRC, is strategically located in Laizhou City, a county-level city in Yantai prefecture-level city in Shandong province, and enjoys an advantageous geographical location, being in close proximity to the Group's headquarters and the largest gold production area in the PRC. This acquisition provides room for the Group to enhance its production capacity, strengthen its research and development capabilities and expand its product and service portfolio in the future.

Up to the date of this annual report, total cost of the Transaction amounted to approximately RMB86.5 million, including consideration of the bid, related tax and administration costs, funded by the net proceeds from the global offering earmarked for establishment of the New Production Facility, and the internal resource of the Group has been fully settled. The procedures of transfer of legal title including obtaining the land use right certificates and real estate title certificates were completed.

For details of the Transaction, please refer to the announcement of the Company dated 6 January 2022 and refer to "Business — Business Strategies" in the Prospectus for a detailed discussion of the Group's future plans.

報告期後事項

本集團於二零二二年一月六日成功競投取得位於中國山東省萊州市銀海化工產業園，總佔地面積約53.33萬平方米的三幅工業用地的土地使用權，建築面積約8.93萬平方米的房產(包括物業及倉庫)，以及其他基建及機器。中國山東省萊州市銀海化工產業園位元處山東省萊州市(為地級市煙臺轄下的一個縣級市)的戰略性地點，享有豐富的地理優勢，鄰近集團總部和中國黃金產量最多的地區。該收購為集團在日後提升產能，加強研發能力和擴大產品和服務組合提供空間。

直至本年報日期，該交易的總成本約為人民幣86.5百萬元，包括投標代價、相關稅項及行政成本，以全球發售所得款項淨額(撥作設立新生產設施)及本集團內部資源提供資金，已悉數結算。相關土地使用權證、房地產權證等法定產權過戶手續已經辦理完成。

有關該交易的更多詳情，請參閱本公司在二零二二年一月六日的公告，而有關本集團未來計劃的詳細討論，請參閱招股章程「業務 — 業務策略」。



AUDITOR

The consolidated financial statements of the Group for the year ended 31 December 2021 have been audited by PricewaterhouseCoopers, the auditor of the Company. A resolution for the re-appointment of PricewaterhouseCoopers as the Company's auditor will be proposed at the forthcoming AGM of the Company.

On behalf of the Board

HONGCHENG ENVIRONMENTAL TECHNOLOGY COMPANY LIMITED

LIU Zeming

Chairman and Executive Director

Shandong, PRC, 31 March 2022

核數師

本集團截至二零二一年十二月三十一日止年度的綜合財務報表已由本公司核數師羅兵咸永道會計師事務所審核。續聘羅兵咸永道會計師事務所為本公司核數師的決議案將於應屆股東週年大會上提呈。

承董事會命

鴻承環保科技有限公司

主席兼執行董事

劉澤銘

中國山東，二零二二年三月三十一日



INDEPENDENT AUDITOR'S REPORT

獨立核數師報告

To the Shareholders of HONGCHENG ENVIRONMENTAL TECHNOLOGY COMPANY LIMITED

(incorporated in the Cayman Islands with limited liability)

OPINION

What we have audited

The consolidated financial statements of HONGCHENG ENVIRONMENTAL TECHNOLOGY COMPANY LIMITED (the "Company") and its subsidiaries (the "Group"), which are set out on pages 81 to 187, comprise:

- the consolidated statement of financial position as at 31 December 2021;
- the consolidated statement of comprehensive income for the year then ended;
- the consolidated statement of changes in equity for the year then ended;
- the consolidated statement of cash flows for the year then ended; and
- the notes to the consolidated financial statements, which include significant accounting policies and other explanatory information.

Our opinion

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 International Financial Reporting Standards ("IFRSs") and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

BASIS FOR OPINION

We conducted our audit in accordance with International Standards on Auditing ("ISAs"). 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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

致鴻承環保科技有限公司列位股東

(於開曼群島註冊成立的有限公司)

意見

吾等已審核的內容

鴻承環保科技有限公司(「貴公司」)及其附屬公司(「貴集團」)列載於第81至187頁的綜合財務報表，包括：

- 於二零二一年十二月三十一日的綜合財務狀況表；
- 截至該日止年度的綜合綜合收益表；
- 截至該日止年度的綜合權益變動表；
- 截至該日止年度的綜合現金流量表；及
- 綜合財務報表附註，包括主要會計政策及其他解釋資料。

吾等的意見

吾等認為，該等綜合財務報表已根據國際財務報告準則(「國際財務報告準則」)真實而中肯地反映了貴集團於二零二一年十二月三十一日的綜合財務狀況及其截至該日止年度的綜合財務表現及綜合現金流量，並已遵照香港公司條例的披露規定妥為擬備。

意見的基礎

吾等已根據香港會計師公會頒佈的國際審核準則(「國際審核準則」)進行審核。吾等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」一節作進一步闡述。

吾等相信，吾等所獲得的審核憑證能充足及適當地為吾等的意見提供基礎。

Independence

We are independent of the Group in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants (“IESBA Code”), and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code.

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter identified in our audit is related to revenue from provision of gold mine hazardous waste treatment services.

獨立性

根據國際會計師專業操守理事會頒佈的國際專業會計師道德守則(包含國際獨立性標準)(「道德守則」)，吾等獨立於貴集團，並已履行道德守則中的其他專業道德責任。

關鍵審核事項

關鍵審核事項是根據吾等的專業判斷，認為對本期綜合財務報表的審核最為重要的事項。該等事項是在吾等審核整體綜合財務報表及出具意見時進行處理的。吾等不會對該等事項提供單獨的意見。

吾等在審核中所識別的關鍵審核事項與提供金礦有害廢物處理服務之收益有關。



Key Audit Matter
關鍵審核事項

How our audit addressed the Key Audit Matter
吾等的審核如何處理關鍵審核事項

Revenue from provision of gold mine hazardous waste treatment services
提供金礦有害廢物處理服務之收益

Refer to note 2.23 "Revenue recognition" in Summary of significant accounting policies and note 5 "Revenue and segment information" to the consolidated financial statements.

請參閱綜合財務報表主要會計政策概要中的附註2.23「收益確認」及附註5「收益及分部資料」。

The Group recognised revenue from provision of gold mine hazardous waste treatment services amounting to RMB96.6 million for the year ended 31 December 2021. The Group's gold mine hazardous waste treatment services are conducted in various detoxing processes and integrated with the production processes of recycled products such as pyritic concentrate which can be sold for revenue. The Group recognises revenue of treatment services on over time basis based on the completion percentage of the treatment services performance obligation which is in turn determined with reference to the percentage of cost incurred up to date to the total estimated cost of completion that are attributable to the treatment services.

貴集團於截至二零二一年十二月三十一日止年度確認提供金礦有害廢物處理服務之收益，金額為人民幣96.6百萬元。貴集團的金礦有害廢物處理服務是在多個毒素分解過程中進行，並與再生產品（如可出售以賺取收益的硫精礦）的生產過程相結合。貴集團根據處理服務履約責任的完成百分比隨著時間確認處理服務之收益，而完成百分比則是參照處理服務迄今產生的成本佔完成總估計成本的百分比釐定。

Our audit procedures in relation to revenue from provision of gold mine hazardous waste treatment services included the following:

吾等就提供金礦有害廢物處理服務之收益採取的審核程序包括下列各項：

- Understood, evaluated and tested the Group's key controls over revenue recognition of the provision of gold mine hazardous waste treatment services and assessed the inherent risk of material misstatement by considering the level of complexity and other inherent risk factors;
- 了解、評估及測試 貴集團對提供金礦有害廢物處理服務之收益確認的關鍵控制及通過考慮複雜程度及其他內在風險因素評估重大錯報的內在風險；
- Checked, on a sample basis, the contracts signed with customers for provision of gold mine hazardous waste treatment services, inter alia, unit price of treatment fee, performance obligations of the Group;
- 抽查與客戶簽訂的提供金礦危險廢物處理服務的合同，特別是處理費的單價、集團的履約義務；
- Discussed with management and with reference to market available information, assessed the reasonableness of management's judgement on the processes of fulfilling the performance obligations related to treatment services;
- 與管理層討論並參考市場現有信息，評估管理層對履行與處理服務有關的履約義務過程的判斷的合理性；
- Assessed management's determination of costs attributable to the processes for treatment services and the processes for production of recycled products, and also assessed the reasonableness of the basis for the cost allocation of common costs by considering the nature of cost incurred;
- 評估管理層對歸屬於處理服務過程及再生產品生產過程的成本的釐定，亦通過考慮所產生的成本的性質評估共同成本分配基礎的合理性；



Key Audit Matter
關鍵審核事項

Revenue from provision of gold mine hazardous waste treatment services
提供金礦有害廢物處理服務之收益

We focused on this area due to the significant management judgements and estimation involved in determination of performance obligations, the determination of costs attributable to different processes, the allocation of common costs and also determination of the completion percentage of performance obligation attributable to treatment services.

吾等專注於此領域，因為在釐定履約責任、釐定不同流程應佔的成本、分配共同成本以及釐定處理服務應佔的履約義務的完成百分比方面涉及重大的管理判斷及估計。

How our audit addressed the Key Audit Matter
吾等的審核如何處理關鍵審核事項

- Tested, on a sample basis, the cost incurred during the year to supporting documents, such as invoices, payment slip, etc;
- 抽查年內產生的費用與證明文件，如發票、付款單等；
- Tested, on a sample basis, the cost allocation between the treatment services and the production of recycled products by tracing to the supporting documents of costs incurred and checking the accuracy of calculation of allocations;
- 通過追蹤所產生費用的證明文件及檢查分配計算的準確性，抽查處理服務及再生產品生產之間的費用分配；
- Arranged stock take of the hazardous waste under treatment processes at the end of the year;
- 在年底安排對處理過程中的有害廢物進行盤點；
- Performed recalculation of the percentage of cost for treatment services incurred up to date to the total estimated cost of waste treatment, and then the recalculation of the revenue amount; and
- 重新計算截至目前產生的處理服務費用佔廢物處理總估計費用的百分比，然後重新計算收入數額。
- Arranged, on a sample basis, confirmations to customers to confirm the quantity of the gold mine hazardous waste collected from customers, the unit price of treatment fees and treatment service fees during the year.
- 用抽樣的方法對客戶進行函證，以確認年內從客戶收集的金礦有害廢物的數量、處理費的單價及處理服務費。

Based on the procedures performed, we found the significant management judgement and estimation involved in the determination of the Group's revenue from provision of gold mine hazardous waste treatment services was supported by available evidences.

根據所執行的程序，吾等發現在確定 貴集團提供金礦有害廢物處理服務的收入時所涉及的重大管理判斷及估計有可用的證據支持。



OTHER INFORMATION

The directors of the Company are responsible for the other information. The other information comprises all of the information included in the Company's 2021 annual report (the "annual report") other than the consolidated financial statements and our auditor's report thereon. We have obtained some of the other information including the management discussion and analysis prior to the date of this auditor's report. The remaining other information, including corporate profile, chairman's statement, environmental, social and governance report, director's report, profiles of directors and senior management and the other sections to be included in the annual report, is expected to be made available to us after that date.

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

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

If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, 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.

When we read the remaining other information to be included in the annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to the Audit Committee and take appropriate action considering our legal rights and obligations.

其他資料

貴公司董事對其他資料負責。其他資料包括 貴公司二零二一年報(「年報」)包含的所有資料，但綜合財務報表及核數師報告除外。吾等已於本核數師報告日期前獲得若干其他資料，包括管理討論及分析。餘下的其他資料(包括公司概覽、主席報告、環境、社會及管治報告、董事會報告、董事及高級管理層簡介以及將列入年報的其他部分)預期將於該日後提供予吾等。

吾等對綜合財務報表的意見並不涵蓋其他資料，吾等亦無且將不會對其他資料發表任何形式的核證結論。

就吾等審核綜合財務報表而言，吾等的責任為閱讀上述識別之其他資料，從而考慮其他資料是否與綜合財務報表或吾等在審核過程中獲悉的資料存在重大不符，或可能存在重大錯誤陳述。

基於吾等已就於本核數師報告日期前取得的其他資料執行的工作，倘吾等認為其他資料有重大錯誤陳述，吾等須報告該事實。就此，本核數師毋須作出報告。

於吾等閱讀餘下待載入年報的其他資料時，倘得出當中存在重大錯誤陳述的結論，吾等須與審核委員會討論該事項，且於考慮到吾等的法定權力及責任後採取適當行動。



RESPONSIBILITIES OF DIRECTORS AND THE AUDIT COMMITTEE FOR THE CONSOLIDATED FINANCIAL STATEMENTS

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

The Audit Committee is responsible for overseeing the Group's financial reporting process.

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

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

董事及審核委員會就綜合財務報表須承擔之責任

貴公司董事須負責根據國際財務報告準則及香港公司條例之披露規定，編製真實且公平之綜合財務報表，並落實其認為編製綜合財務報表所必要之內部監控，以使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。

於編製綜合財務報表時，董事須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相關的事項，並運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。

審核委員會負責監管貴集團之財務申報程序。

核數師就審核綜合財務報表須承擔之責任

吾等的目標為就綜合財務報表整體是否不存在因欺詐或錯誤而導致之重大錯誤陳述取得合理核證，並出具包含吾等意見在內之核數師報告。吾等之報告僅為閣下(作為一個整體)而編製，並不可用作其他用途。吾等不會就本報告之內容向任何其他人士負上或承擔任何責任。合理核證是高水平的核證，但不能保證按國際審核準則進行的審核在某一重大錯誤陳述存在時總能發現。錯誤陳述可因欺詐或錯誤產生，倘個別或整體在合理預期情況下可影響使用者根據該等綜合財務報表作出的經濟決策時，則被視為重大錯誤陳述。



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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
 - Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
 - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
 - Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
 - Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- 吾等根據國際審核準則執行審核的工作之一，是在審核的過程中運用職業判斷及保持職業懷疑。吾等亦：
 - 識別及評估由於欺詐或錯誤而導致綜合財務報表報表存在重大錯誤陳述的風險，設計及執行審核程序以應對該等風險，以及獲取充足及適當的審核憑證，為吾等意見提供基礎。由於欺詐可能涉及串謀、偽造、蓄意遺漏、虛假陳述或凌駕內部監控的情況，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，以設計適當的審核程序，惟並非旨在對 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及相關披露的合理性。
 - 對董事採用持續經營會計基準的恰當性作出結論，並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。倘吾等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，則修訂吾等意見。吾等的結論乃基於截至吾等的核數師報告日期止所得的審核憑證。然而，未來事項或情況可能導致 貴集團不能持續經營。
 - 評估綜合財務報表的整體呈報方式、結構及內容，包括披露資料，以及綜合財務報表是否能公平反映相關交易和事項。



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

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

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

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

The engagement partner on the audit resulting in this independent auditor's report is Dou Wang, Angel.

PricewaterhouseCoopers
Certified Public Accountants
Hong Kong, 31 March 2022

- 就 貴集團內實體或業務活動的財務資料獲取充足及適當的審核憑證，以便對綜合財務報發表意見。本核數師負責集團審核的方向、監督及執行。吾等為審核意見承擔全部責任。

吾等與審核委員會就(其中包括)審核的計劃範圍、時間安排及重大審核發現進行溝通，該等發現包括本核數師在審核過程中識別的內部監控的任何重大缺陷。

吾等亦向審核委員會作出聲明，表明吾等已符合有關獨立性的相關道德規定，並與其溝通可能被合理認為會影響吾等獨立性的所有關係及其他事宜，以及就消除威脅而採取的行動或相關防範措施(倘適用)。

從與審核委員會溝通的事項中，吾等釐定對本期間綜合財務報表審核至關重要的事項，因而構成關鍵審核事項。吾等在核數師報告中描述該等事項，除非法律或法規不允許公開披露該等事項，或在極少數情況下，倘合理預期在吾等的報告中溝通某事項造成的負面後果超出產生的公眾利益，則吾等決定不應在報告中溝通該事項。

出具本獨立核數師報告之審核項目合夥人為陶宏。

羅兵咸永道會計師事務所
執業會計師
香港，二零二二年三月三十一日



CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

綜合全面收益表

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

		Year ended 31 December 截至十二月三十一日止年度	
		2021 二零二一年	2020 二零二零年
		RMB'000 人民幣千元	RMB'000 人民幣千元
		Note 附註	
Revenue	收益	5	257,043
Cost of sales	銷售成本	8	(90,429)
Gross profit	毛利		166,614
Other income	其他收入	6	78
Other (losses)/gains — net	其他(虧損)/收益淨額	7	(156)
Provision of impairment on financial assets	金融資產減值撥備		(1,219)
Selling expenses	銷售開支	8	(2,369)
Administrative expenses	行政開支	8	(39,783)
Operating profit	經營溢利		123,165
Finance income	融資收入	10	412
Finance costs	融資成本	10	(6,433)
Finance costs — net	融資成本淨額	10	(6,021)
Profit before income tax	除所得稅前溢利		117,144
Income tax expenses	所得稅開支	11	(31,531)
Profit and total comprehensive income for the year, all attributable to owners of the Company	本公司擁有人應佔年內溢利及全面收益總額		85,613
Earnings per share for the year attributable to owners of the Company	本公司擁有人應佔年內每股盈利		
Basic and diluted (expressed in RMB per share)	基本及攤薄(以每股人民幣元列示)	12	0.11
			0.10

The notes on pages 87 to 187 are an integral part of the consolidated financial statements.

第87至187頁的附註為綜合財務報表的組成部分。



CONSOLIDATED STATEMENT OF FINANCIAL POSITION

綜合財務狀況表

As at 31 December 2021 於二零二一年十二月三十一日

		As at 31 December 於十二月三十一日	
		2021 二零二一年	2020 二零二零年
		RMB'000 人民幣千元	RMB'000 人民幣千元
	Note 附註		
ASSETS	資產		
Non-current assets	非流動資產		
Right-of-use assets	使用權資產 14	25,569	28,299
Property, plant and equipment	物業、廠房及設備 15	138,619	130,434
Investment properties	投資物業 16	129,591	133,977
Intangible assets	無形資產 17	14	21
Prepayment for non-current assets	非流動資產預付款項 18	1,167	2,996
Deferred income tax assets	遞延所得稅資產 30	99	743
		295,059	296,470
Current assets	流動資產		
Inventories	存貨 19	22,611	23,996
Trade receivables	貿易應收款項 21	55,110	22,833
Other receivables and prepayments	其他應收款項及預付款項 22	7,161	9,997
Amounts due from related parties	應收關聯方款項 34(b)	—	33,887
Financial assets measured at fair value through other comprehensive income	按公平值計入其他全面收益的金融資產 23	7,130	1,960
Cash and cash equivalents	現金及現金等價物 24	235,593	45,363
		327,605	138,036
Total assets	資產總值	622,664	434,506
EQUITY	權益		
Equity attributable to owners of the Company	本公司擁有人應佔權益		
Share capital	股本 25	8,208	—
Share premium	股份溢價 25	534,097	—
Other reserves	其他儲備 26	(300,552)	42,920
Retained earnings	保留盈利	146,431	63,204
Total equity	權益總額	388,184	106,124



As at 31 December 2021 於二零二一年十二月三十一日

		As at 31 December 於十二月三十一日	
		2021 二零二一年 RMB'000 人民幣千元	2020 二零二零年 RMB'000 人民幣千元
	Note 附註		
LIABILITIES	負債		
Non-current liabilities	非流動負債		
Borrowings	借款 29	37,780	39,880
Dividend payable	應付股息 34(b)	—	40,600
Deferred income tax liabilities	遞延所得稅負債 30	2,966	104
Lease liabilities	租賃負債 14	320	823
Other liabilities	其他負債 31	108,509	118,714
		149,575	200,121
Current liabilities	流動負債		
Trade payables	貿易應付款項 27	11,689	20,147
Other payables and accruals	其他應付款項及應計費用 28	25,030	23,726
Dividend payable	應付股息 34(b)	—	11,600
Amount due to the Controlling Shareholder	應付控股股東款項 34(b)	—	8,217
Borrowings	借款 29	2,120	2,120
Current income tax liabilities	即期所得稅負債	22,088	17,803
Contract liabilities	合約負債 5	8,265	10,827
Lease liabilities	租賃負債 14	546	762
Other liabilities	其他負債 31	15,167	33,059
		84,905	128,261
Total liabilities	負債總額	234,480	328,382
Total equity and liabilities	權益及負債總額	622,664	434,506

The notes on pages 87 to 187 are an integral part of the consolidated financial statements.

第87至187頁的附註為綜合財務報表的組成部分。

The consolidated financial statements on pages 81 to 187 were approved by the board of directors of the Company on 31 March 2022 and were signed on its behalf.

第81至187頁的綜合財務報表已於二零二二年三月三十一日由本公司董事會批准，並由其代表簽署。

Mr. Liu Zeming
劉澤銘先生
Chairman
主席

Mr. Zhan Yirong
戰乙榮先生
Director
董事

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

綜合權益變動表

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

		Equity attributable to owners of the Company 本公司擁有人應佔權益				
		Share capital 股本	Share premium 股份溢價	Other reserves 其他儲備	Retained earnings 保留盈利	Total 總計
		RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元
	Note 附註					
Balance at January 2020	於二零二零年 一月一日的結餘	—	—	12,217	54,153	66,370
Comprehensive income	全面收益					
Profit for the year	年內溢利	—	—	—	72,865	72,865
Transactions with owners	與擁有人的交易					
Profit appropriation to statutory reserves	溢利轉撥至法定儲備	26	—	5,814	(5,814)	—
Dividend distribution	股息分派	13	—	—	(58,000)	(58,000)
Deemed contribution from shareholders	視作股東出資	26(a)	—	24,670	—	24,670
Contribution from shareholders	股東出資	26(a)	—	29,619	—	29,619
Deemed distribution to shareholders	視作向股東分派	26(a)	—	(29,400)	—	(29,400)
Total transactions with owners	與擁有人的交易總額	—	—	30,703	(63,814)	(33,111)
Balance at 31 December 2020	於二零二零年 十二月三十一日的 結餘	—	—	42,920	63,204	106,124
Comprehensive income	全面收益					
Profit for the year	年內溢利	—	—	—	85,613	85,613
Transactions with owners	與擁有人的交易					
Profit appropriation to statutory reserves	溢利轉撥至法定儲備	26	—	2,386	(2,386)	—
Shares issued pursuant to capitalisation shares	根據資本化發行股份	25	6,159	(6,159)	—	—
Issuance of shares during the Reorganization	重組時發行股份	25, 26	—	345,858	(345,858)	—
New shares issued pursuant to the global offering	根據全球發售發行新股份	25	2,049	194,398	—	196,447
Total transactions with owners	與擁有人的交易總額	8,208	534,097	(343,472)	(2,386)	196,447
Balance at 31 December 2021	於二零二一年 十二月三十一日的 結餘	8,208	534,097	(300,552)	146,431	388,184

The notes on pages 87 to 187 are an integral part of the consolidated financial statements.

第87至187頁的附註為綜合財務報表的組成部分。



CONSOLIDATED STATEMENT OF CASH FLOWS

綜合現金流量表

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

		Year ended 31 December 截至十二月三十一日止年度	
		2021 二零二一年 RMB'000 人民幣千元	2020 二零二零年 RMB'000 人民幣千元
	Note 附註		
Cash flows from operating activities	經營活動現金流量		
Cash generated from operations	營運所得現金	32(a) 83,175	80,129
Interest received	已收利息	412	40
Interest paid	已付利息	(1,680)	(1,846)
Income tax paid	已付所得稅	(23,741)	(10,784)
Net cash generated from operating activities	經營活動所得現金淨額	58,166	67,539
Cash flows from investing activities	投資活動現金流量		
Advance to third parties	墊款予第三方	—	(6)
Repayments from third parties	第三方還款	491	8,724
Loans and advance to related parties	貸款及墊款予關聯方	34(a) (13,550)	(30,103)
Repayments from related parties	關聯方還款	33,579	111,827
Proceeds from disposal of property, plant and equipment and other assets	出售物業、廠房及設備及其他資產所得款項	32(b) 1,718	240
Purchases of property, plant and equipment and investment properties	購買物業、廠房及設備及投資物業	(37,501)	(149,830)
Net cash used in investing activities	投資活動所用現金淨額	(15,263)	(59,148)
Cash flows from financing activities	融資活動現金流量		
Proceeds from bank borrowings	銀行借款所得款項	32(c) 10,000	84,000
Repayment of bank borrowings	償還銀行借款	32(c) (12,100)	(74,000)
Increase in amounts due to the Controlling Shareholder	應付控股股東款項增加	34(a) 9,527	87,255
Repayments of amounts due to the Controlling Shareholder	償還應付控股股東款項	(10,994)	(67,640)
Contributions from shareholders	股東出資	—	29,619
Deemed distributions to shareholders in relation to Reorganization	重組相關的視作向股東分派	(6,750)	(22,651)
Listing expenses paid	已付上市開支	(11,442)	(1,084)
Principal and interest elements of lease payments	租賃付款的本金及利息部分	(661)	(526)
Dividends paid	已付股息	(38,800)	—
Net proceeds of new shares issued pursuant to the global offering	根據全球發售發行新股份所得款項淨額	208,973	—

CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)
綜合現金流量表(續)

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

		Year ended 31 December 截至十二月三十一日止年度	
		2021 二零二一年	2020 二零二零年
		RMB'000 人民幣千元	RMB'000 人民幣千元
	Note 附註		
Net cash generated from financing activities	融資活動所得現金淨額	147,753	34,973
Net increase in cash and cash equivalents	現金及現金等價物增加淨額	190,656	43,364
Cash and cash equivalents at beginning of year	年初的現金及現金等價物	45,363	2,056
Effect of exchange rate changes on cash and cash equivalents	現金及現金等價物匯率變動的影響	(426)	(57)
Cash and cash equivalents at end of year	年末的現金及現金等價物	235,593	45,363

The notes on pages 87 to 187 are an integral part of the consolidated financial statements.

第87至187頁的附註為綜合財務報表的組成部分。



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

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

1 GENERAL INFORMATION

The Company was incorporated in the Cayman Islands on 12 January 2021 as an exempted company with limited liability under the Companies Act, Cap. 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands. The address of its registered office is Cricket Square, Hutchins Drive, PO Box 2681, Grand Cayman, KY1-1111, Cayman Islands.

The Company is an investment holding company. The Company's subsidiaries (together "the Group") are engaged in the provision of gold mine hazardous waste treatment services and recycling and extracting therefrom resources with economic value for sale, such as pyrite concentrate in Shandong province of the People's Republic of China (the "PRC"). The Group's headquarter is in Laizhou, Shandong province of the PRC.

The ultimate controlling party of the Company is Mr. Liu Zeming (the "Controlling Shareholder" or "Mr. Liu").

To prepare for the initial listing of the Company's shares on the Main Board of The Stock Exchange of Hong Kong Limited (the "Listing"), the Group has undertaken a reorganisation (the "Reorganisation") pursuant to which the Company became the holdings company of the subsidiaries comprising the Group. Details of the Reorganisation are set out in the prospectus of the Company dated 29 October 2021.

The shares of the Company have been listed on The Stock Exchange of Hong Kong Limited since 12 November 2021 by way of its initial public offering.

The consolidated financial statements are presented in Renminbi ("RMB") and rounded to the nearest thousand yuan ("RMB'000"), unless otherwise stated.

1 一般資料

本公司於二零二一年一月十二日根據開曼群島法例第22章公司法(一九六一年第3號法律,經綜合及修訂)在開曼群島註冊成立為獲豁免有限公司。其註冊辦事處地址為Cricket Square, Hutchins Drive, PO Box 2681, Grand Cayman, KY1-1111, Cayman Islands。

本公司為投資控股公司。本公司的附屬公司(統稱「本集團」)於中華人民共和國(「中國」)山東省從事提供金礦有害廢物處理服務及從中回收及提取具有經濟價值的資源(例如硫精礦)以供銷售。本集團的總部位於中國山東省萊州市。

本公司的最終控制方為劉澤銘先生(「控股股東」或「劉先生」)。

為籌備本公司股份於香港聯合交易所有限公司主板上市(「上市」),本集團進行了重組(「重組」),據此本公司成為本集團旗下附屬公司的控股公司。有關重組的詳情載於本公司日期為二零二一年十月二十九日的招股章程。

本公司的股份已於二零二一年十一月十二日以首次公開發售方式在香港聯合交易所有限公司上市。

除另外指明外,綜合財務報表以人民幣(「人民幣」)呈列,並已約至最接近的千元(「人民幣千元」)。



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

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of the consolidated financial statements are set out below. These policies have been consistently applied to the year ended 31 December 2021, unless otherwise stated. The consolidated financial statements have been prepared on a historical cost basis.

2.1 Basis of preparation

The consolidated financial statements of the Group have been prepared in accordance with all applicable International Financial Reporting Standards (“IFRSs”) issued by International Accounting Standards Board (“IASB”).

The consolidated financial statements have been prepared under the historical cost convention, as modified by the revaluation of financial assets at fair value through profit or loss, which are carried at fair value.

The preparation of the consolidated financial statements in conformity with IFRSs requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group’s accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in Note 4.

2 重大會計政策概要

以下載列編製綜合財務報表所應用的主要會計政策。除另外指明外，該等政策已貫徹應用於截至二零二一年十二月三十一日止年度。綜合財務報表乃按歷史成本基準編製。

2.1 編製基準

本集團的綜合財務報表乃根據國際會計準則委員會(「國際會計準則委員會」)頒佈的所有適用國際財務報告準則(「國際財務報告準則」)編製。

綜合財務報表以歷史成本慣例編製，並以按公平值計入損益的金融資產(按公平值列賬)的重估作出修訂。

編製符合國際財務報告準則的綜合財務報表需要運用若干關鍵會計估計。管理層在應用本集團的會計政策過程中亦需要作出判斷。涉及更高層次的判斷或複雜性的範疇，或其假設及估計對綜合財務報表而言屬重要的範疇披露於附註4。



2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.1 Basis of preparation (Continued)

2.1.1 New standards and interpretations adopted by the group

A number of new or amended standards became applicable for the current reporting period commencing 1 January 2021. The Group did not change its accounting policies or make retrospective adjustments as a result of adopting these standards.

2 重大會計政策概要(續)

2.1 編製基準(續)

2.1.1 尚未採納的新準則及詮釋

若干新訂或經修訂準則於二零二一年一月一日開始的本報告期間適用。本集團並無因採納該等準則而改變其會計政策或作出追溯調整。

New standards and amendments	新訂準則及修訂本	Effective for annual financial periods beginning on or after 於下列日期或之後開始的年度財政期間生效
IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 國際財務報告準則第9號、國際會計準則第39號、國際財務報告準則第7號、國際財務報告準則第4號及國際財務報告準則第16號	Interest Rate Benchmark Reform 利率基準改革	1 January 2021 二零二一年一月一日



2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.1 Basis of preparation (Continued)

2.1.2 New standards and interpretations not yet adopted

Certain new accounting standards and interpretations have been published that are not mandatory for the year ended 31 December 2021 and have not been early adopted by the Group. These new standards and interpretations are:

2 重大會計政策概要(續)

2.1 編製基準(續)

2.1.2 尚未採納的新準則及詮釋

若干新會計準則及詮釋已頒佈但於截至二零二一年十二月三十一日止年度並未強制生效，且本集團並無提早採用。該等新準則及詮釋列載如下：

Standards and amendments 準則及修訂	Effective for annual periods beginning on or after 於以下日期或之後開始 的年度期間生效
Property, Plant and Equipment: Proceeds before intended use — Amendments to IAS 16 物業、廠房及設備：作擬定用途前的所得款項 — 國際會計準則第16號(修訂本)	1 January 2022 二零二二年一月一日
Onerous Contracts — Cost of Fulfilling a Contract Amendments to IAS 37 虧損性合約 — 履行合約的成本 — 國際會計準則第37號(修訂本)	1 January 2022 二零二二年一月一日
Reference to the Conceptual Framework — Amendments to IFRS 3 概念框架的提述 — 國際財務報告準則第3號(修訂本)	1 January 2022 二零二二年一月一日
Annual Improvements to IFRS Standards 2018-2020 國際財務報告準則二零一八年至二零二零年的年度改進	1 January 2022 二零二二年一月一日
Classification of Liabilities as Current or Non-current — Amendments to IAS 1 負債分類為流動或非流動 — 國際會計準則第1號(修訂本)	1 January 2023 二零二三年一月一日
IFRS 17 Insurance Contracts 國際財務報告準則第17號保險合約	1 January 2023 二零二三年一月一日
Disclosure of Accounting Policies — Amendments to IAS 1 and IFRS Practice Statement 2 會計政策披露 — 國際會計準則第1號(修訂本)及國際財務報告準則實務報告第2號(修訂本)	1 January 2023 二零二三年一月一日



2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.1 Basis of preparation (Continued)

2.1.2 New standards and interpretations not yet adopted (Continued)

2 重大會計政策概要(續)

2.1 編製基準(續)

2.1.2 尚未採納的新準則及詮釋(續)

Standards and amendments 準則及修訂	Effective for annual periods beginning on or after 於以下日期或之後開始 的年度期間生效
Definition of Accounting Estimates — Amendments to IAS 8 會計估計的定義 — 國際會計準則第8號(修訂本)	1 January 2023 二零二三年一月一日
Deferred Tax related to Assets and Liabilities arising from a Single Transaction — Amendments to IAS 12 與單一交易產生的資產及負債有關的遞延稅項 — 國際會計準則 第12號(修訂本)	1 January 2023 二零二三年一月一日
Sale or contribution of assets between an investor and its associate or joint venture — Amendments to IFRS 10 and IAS 28 投資人及其聯營公司或合營企業之間之資產出售或注資 — 國際財務 報告準則第10號(修訂本)及國際會計準則第28號(修訂本)	To be determined 待定
Revised Accounting Guideline 5 Merger Accounting for Common Control Combinations (AG 5) 經修訂會計指引第5號就共同控制合併的合併會計(會計指引第5號)	1 January 2022 二零二二年一月一日
Management is currently assessing the effects of applying these new standards and amendments on the Group's consolidated financial statements. None of these is expected to have a significant effect on the consolidated financial statements of the Group. The Group does not expect to adopt these new standards and amendments until their effective dates.	管理層現正評估應用該等新 準則及修訂對本集團綜合財 務報表的影響。預期該等準 則及修訂不會對本集團的綜 合財務報表造成重大影響。 本集團預期不會在該等新準 則及修訂生效日期前予以採 用。



2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.2 Principles of consolidation

(a) Subsidiaries

Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

When the Group ceases to have control, any retained interest in the entity is re-measured to its fair value at the date when control is lost, with the change in carrying amount recognized in profit or loss. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognized in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities. It means the amounts previously recognized in other comprehensive income are reclassified to profit or loss or transferred to another category of equity as specified/ permitted by applicable IFRSs.

Intercompany transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries are consistent with the policies adopted by the Group.

2 重大會計政策概要(續)

2.2 綜合入賬原則

(a) 附屬公司

附屬公司為本集團擁有控制權的所有實體(包括結構性實體)。當本集團從參與實體業務而承擔取得其可變回報的風險或享有可變回報的權利，並有能力透過其對實體的權力影響該等回報時，則表示本集團控制該實體。附屬公司於控制權轉移至本集團當日起全面綜合入賬，並於控制權終止當日不再合併。

倘本集團不再擁有控制權，其於該實體的任何保留權益按其於失去控制權當日的公平值重新計算，而賬面值變動則於損益中確認。就其後入賬列作聯營公司、合營公司或金融資產的保留權益而言，公平值指初始賬面值。此外，先前於其他全面收益內確認與該實體有關的任何金額按猶如本集團已直接出售有關資產或負債的方式入賬。這可能意味著先前在其他全面收益內確認的金額重新分類至損益或轉撥至適用國際財務報告準則指明/允許的另一項權益類別。

本集團內公司間的交易、結餘和未變現的交易收益予以對銷。未變現虧損亦予以對銷，除非該交易提供所轉讓資產減值的證據，則作別論。附屬公司的會計政策與本集團採納的政策一致。



2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.3 Separate financial statements

Investments in subsidiaries are accounted for at cost less impairment. Cost includes direct attributable costs of investment. The results of subsidiaries are accounted for by the Company on the basis of dividend received and receivable.

Impairment testing of the investments in subsidiaries is required upon receiving a dividend from these investments if the dividend exceeds the total comprehensive income of the subsidiary in the period the dividend is declared or if the carrying amount of the investment in the separate financial statements exceeds the carrying amount in the consolidated financial statements of the investee's net assets including goodwill. Investments in subsidiaries are also assessed for impairment and written down to their recoverable amounts in accordance with note 2.10.

2.4 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker of the Company assesses the financial performance and position of the Group, and makes strategic decisions. The chief operating decision maker of the Group consists of the executive directors and the chief financial officer.

2.5 Foreign currency translation

(i) Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The consolidated financial statements are presented in Renminbi ('RMB'), which is the Company's functional and the Group's presentation currency.

2 重大會計政策概要(續)

2.3 獨立財務報表

於附屬公司的投資按成本減減值列賬。成本包括直接應佔投資成本。附屬公司的業績由本公司按已收及應收股息入賬。

倘股息超出附屬公司宣派股息期間的全面收益總額，或倘獨立財務報表中投資的賬面值超出綜合財務報表所示投資對象資產淨值(包括商譽)的賬面值，則須於自該等投資收取股息時對該等附屬公司的投資進行減值測試。於附屬公司的投資亦根據附註2.10進行減值評估及撇減至其可收回金額。

2.4 分部報告

經營分部的報告方式與向主要經營決策者提供的內部報告方式一致。本公司主要經營決策者評估本集團的財務表現及狀況並作出策略決定。本集團主要經營決策者包括執行董事及首席財務官。

2.5 外幣換算

(i) 功能及呈列貨幣

計入本集團各實體財務報表的項目按實體經營所在主要經濟環境的貨幣(「功能貨幣」)計量。綜合財務報表以人民幣(「人民幣」)呈列，其為本公司的功能貨幣及本集團的呈列貨幣。



2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.5 Foreign currency translation (Continued)

(ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions or valuation where items are re-measured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end/period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in the consolidated statement of comprehensive income.

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss. For example, translation differences on non-monetary assets and liabilities such as equities held at fair value through profit or loss are recognised in profit or loss as part of the fair value gain or loss and translation differences on non-monetary assets such as equity instrument measured at fair value through other comprehensive income (FVOCI) are recognised in other comprehensive income. The Group does not have non-monetary items measured at fair value in a foreign currency during the Track Record Period.

2 重大會計政策概要(續)

2.5 外幣換算(續)

(ii) 交易及結餘

外幣交易按交易或估值(倘重新計量項目)日期的匯率換算為功能貨幣。因結算該等交易及因按年/期結匯率換算以外幣計值的貨幣資產及負債而產生的外匯收益及虧損於綜合全面收益表中確認。

按公平值計量並以外幣計值的非貨幣性項目使用釐定公平值當日的匯率換算。按公平值列賬的資產及負債換算差額呈報為公平值收益或虧損的一部分。例如，非貨幣性資產及負債(如按公平值計入損益的權益)的換算差額於損益內確認為公平值收益或虧損的一部分，而非貨幣性資產(如按公平值計入其他全面收益(「按公平值計入其他全面收益」)計量的股本工具)的換算差額於其他全面收益內確認。本集團於往績期間並無按公平值計量並以外幣計值的非貨幣性項目。



2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.6 Leases

Lease of properties and equipment

The Group leases properties and equipment as a lessee. Rental contracts for properties and equipment are typically made for fixed periods of 2 to 3 years. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions.

Leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Group. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The right-of-use asset is depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable
- variable lease payments that are based on an index or a rate are initially measured using the index or rate as at the commencement date
- amounts expected to be payable by the Group under residual value guarantees
- the exercise price of a purchase option if the Group is reasonably certain to exercise that option, and
- payments of penalties for terminating the lease, if the lease term reflects the Group exercising that option

2 重大會計政策概要(續)

2.6 租賃

物業及設備租賃

本集團以承租人身份租賃物業及設備。物業及設備租賃合約通常簽訂2至3年的固定期限。租賃條款按個別基礎磋商，並包含各種不同的條款及條件。

租賃在租賃資產可供本集團使用之日確認為使用權資產及相應負債。每筆租賃付款在負債及財務成本之間分配。財務成本在租賃期內自損益扣除，以便對各期間的負債餘額產生固定的定期利率。使用權資產按資產使用年期與租期兩者中較短者以直線法計提折舊。

租賃所產生的資產及負債初步按現值基準計量。租賃負債包括以下租賃付款的淨現值：

- 固定付款(包括實質性固定付款)減去任何應收的租賃激勵
- 基於指數或比率並於開始日期按指數或比率初步計量的可變租賃付款
- 剩餘價值擔保下的本集團預期應付款項
- 購買選擇權的行使價(倘本集團合理確定行使該選擇權)；及
- 於租賃期反映本集團會行使選擇權終止租賃時，終止租賃的相關罰款



2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.6 Leases (Continued)

Lease of properties and equipment (Continued)

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability.

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the Group, the lessee's incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

The Group's right-of-use assets consist of up-front the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day, less any lease incentives received and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Land use rights

For land use rights, the cost comprise the payments to acquire long-term interest in the usage of land, which are stated at cost less accumulated amortisation and accumulated impairment losses. Cost represents consideration paid for the rights to use the land and other direct related costs from the date when the respective rights were granted.

Amortisation of prepaid land lease payments is calculated on a straight-line basis over the lease terms of 50 years as stated in the relevant land use right certificates granted for usage by the Group in the PRC or the best estimate based on the normal terms in the PRC and is charged to profit or loss in the consolidated statement of comprehensive income.

2 重大會計政策概要(續)

2.6 租賃(續)

物業及設備租賃(續)

根據合理確定擴大選擇權作出的租賃付款亦計入負債的計量。

租賃付款採用租賃所隱含之利率貼現。倘無法釐定該利率(本集團中的租賃一般屬此類情況)，則使用承租人的增量借款利率，即個別承租人為在類似經濟環境下獲得與使用權資產類似價值的資產，以類似期限按類似抵押及條件借入資金而必須支付的利率。

本集團的使用權資產包括相應租賃負債的前期初步計量、在開始日或之前支付的租賃款項，減去所收到的任何租賃獎勵及任何初始直接成本。其後按成本減累計折舊及減值虧損計量。

土地使用權

就土地使用權而言，成本包括收購土地使用權的長期權益的付款，按成本減累計攤銷及累計減值虧損列賬。成本指自獲授有關權利之日起就土地使用權支付的代價及其他直接相關成本。

預付土地租賃款項攤銷乃以直線法按本集團於中國獲授使用的相關土地使用權證書所載的50年租期或根據中國一般條款作出的最佳估計計算，並於綜合全面收益表的損益中扣除。



2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.6 Leases (Continued)

Leases where the Group is a lessor

Lease income from operating leases where the Group is a lessor is recognised in income on a straight-line basis over the lease term. Initial direct costs incurred in obtaining an operating lease are added to the carrying amount of the underlying asset and recognised as expense over the lease term on the same basis as lease income. The respective leased assets are included in the consolidated balance sheets based on their nature.

2.7 Property, plant and equipment

Property, plant and equipment (other than construction in progress) are stated at historical cost less depreciation and accumulated impairment losses, if any. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to profit or loss during the reporting year/period in which they are incurred.

Depreciation is calculated using the straight-line method to allocate their cost, net of their residual values, over their estimated useful lives as follows:

Buildings including structures for storage of cyanide tailings and pyritic concentrate	3–30 years
Machinery	5–10 years
Furniture fixtures and equipment	5 years
Vehicle	10 years

2 重大會計政策概要(續)

2.6 租賃(續)

本集團為出租人的租賃

當本集團為出租人時，經營租賃所得租賃收入會在租賃期按直線法確認為收入。獲得一項經營租賃的初步直接成本加至相關資產的賬面值且在租賃期內按與租賃收入相同的基準確認為開支。相關的租賃資產會按其性質計入綜合資產負債表內。

2.7 物業、廠房及設備

物業、廠房及設備(在建工程除外)按歷史成本減折舊及累計減值虧損(如有)列賬。歷史成本包括收購該等項目直接應佔的開支。

其後成本僅在與該項目相關的未來經濟利益可能流入本集團及該項目的成本能可靠地計量的情況下，方會計入資產賬面值或確認為獨立資產(如適用)。列作獨立資產的任何部分的賬面值於重置時終止確認。所有其他維修及保養於其產生的報告年度/期間自損益扣除。

折舊使用直線法計算，於以下估計可使用年期內分配成本(扣除剩餘價值)：

樓宇(包括儲存氰化尾渣及硫精礦的構築物)	3至30年
機器	5至10年
傢俬、固定裝置及設備	5年
汽車	10年

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.7 Property, plant and equipment (Continued)

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount (Note 2.10).

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in profit or loss.

Construction in progress represents properties under construction and is stated at cost less accumulated impairment losses. This includes cost of construction and other direct costs. Construction in progress is not depreciated until such time as the assets are completed and are ready for operational use.

2.8 Investment properties

Investment properties, principally comprising buildings, are held for long-term rental yields or for capital appreciation or both, and that are not occupied by the Group. Investment properties are initially recognised at cost and subsequently carried at cost less accumulated depreciation and accumulated impairment losses. Depreciation is calculated using a straight-line method to allocate the depreciable amounts over the estimated useful lives. The residual values and useful lives of investment properties are reviewed, and adjusted as appropriate, at each balance sheet date. The effects of any revision are included in the income statement when the changes arise. The gain or loss on disposal of investment property is calculated as the difference between the net disposal proceeds and the carrying amount at the date of disposal.

Investment properties are depreciated over the estimated useful lives of 30 years.

2 重大會計政策概要(續)

2.7 物業、廠房及設備(續)

資產的剩餘價值及可使用年期於各報告期末審閱並作出適當調整。

倘資產賬面值高於其估計可收回金額，則即時將資產賬面值撇減至其可收回金額(附註2.10)。

出售收益及虧損按所得款項與賬面值的差額釐定，並計入損益。

在建工程指建造中的物業，按成本減累計減值虧損列賬，包括建造成本及其他直接成本。在建工程於資產完成及可供營運使用前不予折舊。

2.8 投資物業

投資物業主要由樓宇組成，持有為獲得長期租金收益或作為資本增值或兩者兼備，同時並非由本集團佔用。投資物業初始按成本確認，其後以成本減去累計折舊及累計減值虧損列示。折舊採用直線法，將可折舊成本分攤至預計可使用年限計算。投資物業的剩餘價值及可使用年期應於每個資產負債表日進行覆核，並於必要時進行調整。由修正引起的任何影響應於修正的當期計入收益表。出售投資物業所產生的損益為出售所得款項淨額與出售日該等物業賬面值兩者間的差額。

投資物業於估計可使用年期30年內折舊。



2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.9 Intangible assets

Software

Acquired computer software licences are capitalised on the basis of the costs incurred to acquire and bring the specific software into usage. These costs are amortised using the straight-line method over their estimated useful lives of 6 years, which is estimated by the Group based on the expected technical obsolescence and innovations and the useful life of similar computer software estimated by comparable companies in the market. Costs associated with maintaining computer software programmes are recognised as expense as incurred.

2.10 Impairment of non-financial assets

Assets that have an indefinite useful life for example, goodwill or other non-amortising intangible assets are not subject to depreciation and are tested annually for impairment. Assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

2 重大會計政策概要(續)

2.9 無形資產

軟件

購入的電腦軟件版權按購入及達至指定軟件用途所產生的成本撥充資本。該等成本採用直線法在其6年的估計可使用年期內攤銷，該年期乃由本集團根據預期技術陳舊和創新以及市場上可比較公司所估計的類似電腦軟件的可使用年期估計。與維護電腦軟件程式有關的成本於產生時確認為開支。

2.10 非金融資產減值

具無限可使用年期的資產(如商譽或其他非攤銷無形資產)毋須折舊，並每年進行減值測試。當發生事件或情況轉變，顯示賬面值可能無法收回時，則對資產進行減值測試。當資產賬面值超逾其可收回金額，則超出的金額將確認為減值虧損。可收回金額為資產公平值減出售成本與使用價值兩者中的較高者。就評估減值而言，資產按可獨立識別現金流入的最低層次分類，有關現金流入大致上獨立於其他資產或資產組別(現金產生單位)的現金流入。出現減值的非金融資產(商譽除外)將於各報告期末檢討是否有可能作出減值撥回。



2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.11 Financial assets

(i) Classification

The Group classifies its financial assets in the following categories:

- those to be measured subsequently at fair value (either through other comprehensive income, or through profit or loss), and
- those to be measured at amortised cost.

The classification depends on the Group's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or other comprehensive income. For investments in equity instruments that are not held for trading, this will depend on whether the Group has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income (FVOCI).

The Group reclassifies debt investments when and only when its business model for managing those assets changes.

(ii) Recognition and derecognition

Regular way purchases and sales of financial assets are recognised on trade-date, the date on which the Group commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all the risks and rewards of ownership.

2 重大會計政策概要(續)

2.11 金融資產

(i) 分類

本集團按以下類別對金融資產進行分類：

- 其後按公平值(計入其他全面收益或計入損益)計量的金融資產；及
- 按攤銷成本計量的金融資產。

該分類取決於本集團管理金融資產的業務模式及現金流量的合約條款。

就按公平值計量的資產而言，其收益及虧損於損益或其他全面收益列賬。至於並非持作買賣的權益工具投資，則取決於本集團有否於初步確認時不可撤銷地選擇將股本投資按公平值計入其他全面收益(「按公平值計入其他全面收益」)入賬。

當且僅當管理該等資產的業務模式有變時，本集團方重新分類債務投資。

(ii) 確認及終止確認

以常規方式購入及出售的金融資產在交易日(即本集團承諾購入或出售該資產之日)確認。當從金融資產收取現金流量的權利已屆滿或已轉讓，且本集團已將擁有權的絕大部分風險及回報轉讓時，即終止確認金融資產。



2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.11 Financial assets (Continued)

(iii) Measurement

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss (FVPL), transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

Debt instruments

Subsequent measurement of debt instruments depends on the Group's business model for managing the asset and the cash flow characteristics of the asset. The Group classifies its debt instruments as:

- Amortised cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets is included in finance income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in profit or loss and presented in other gains/(losses), together with foreign exchange gains and losses. Impairment losses are presented as separate line item in profit or loss of the consolidated statement of comprehensive income.

2 重大會計政策概要(續)

2.11 金融資產(續)

(iii) 計量

初始計量時，本集團按金融資產的公平值加(倘並非按公平值計入損益(「按公平值計入損益」)的金融資產)直接歸屬於金融資產收購的交易成本計量。按公平值計入損益的金融資產的交易成本於損益支銷。

釐定現金流量是否純粹為支付本金及利息時，附帶嵌入衍生工具的金融資產作為整體考慮。

債務工具

債務工具其後計量取決於本集團管理該資產的業務模式及該資產的現金流量特徵。本集團將債務工具分為以下類別：

- 以攤銷成本計量：對於持有以收取合約現金流量的資產，如果合約現金流量僅代表對本金和利息的支付，則該資產以攤銷成本計量。該等金融資產的利息收入以實際利率法計算，計入財務收入。終止確認時產生的收益或虧損直接計入損益，並與匯兌收益和虧損一同列示在其他收益／(虧損)中。減值虧損作為單獨的項目在綜合全面收益表的損益中列報。



2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.11 Financial assets (Continued)

(iii) Measurement (Continued)

Debt instruments (Continued)

- FVOCI: Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI. Movements in the carrying amount are taken through other comprehensive income, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognised in profit or loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to profit or loss and recognised in "other gains/(losses)- net". Interest income from these financial assets is included in finance income using the effective interest rate method. Foreign exchange gains and losses are presented in "other gains/(losses) — net" and impairment losses are presented as a separate line item in profit or loss of the consolidated statement of comprehensive income.
- FVPL: Assets that do not meet the criteria for amortised cost or FVOCI are measured at FVPL. A gain or loss on a debt investment that is subsequently measured at FVPL is exchanged in profit or loss and presented net within "other gains/(losses) — net" in the period in which it arises.

2 重大會計政策概要(續)

2.11 金融資產(續)

(iii) 計量(續)

債務工具(續)

- 按公平值計入其他全面收益：對於業務模式為持有以收取合約現金流量及出售的金融資產，如果該資產的現金流量僅代表對本金和利息的支付，則該資產被分類為按公平值計入其他全面收益。除減值收益或虧損、利息收益以及匯兌收益和虧損計入損益外，賬面值的變動計入其他全面收益。當金融資產終止確認時，之前計入其他全面收益的累計收益或虧損從權益重分類至損益中，並於「其他收益／(虧損)淨額」內確認。該等金融資產的利息收入用實際利率法計算，計入財務收入。匯兌收益和虧損在「其他收益／(虧損)淨額」中列示，減值虧損作為單獨的項目在綜合全面收益表的損益中列報。
- 按公平值計入損益：不符合以攤銷成本計量或按公平值計入其他全面收益標準的金融資產，被分類為按公平值計入損益。對於其後按公平值計入損益計量的債務投資，其收益或虧損匯兌入損益，並於產生期間以淨值在「其他收益／(虧損)淨額」中列示。



2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.11 Financial assets (Continued)

(iv) Impairment

The Group assesses on a forward looking basis the expected credit losses associated with its debt instruments carried at a amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk. Note 3.1(b) details how the Group determines whether there has been a significant increase in credit risk.

Expected credit losses are a probability-weighted estimation of credit losses (i.e. the present value of all cash shortfalls) over the expected life of the financial assets.

The Group has the following types of assets that are subject to IFRS 9's expected credit loss model:

- trade receivables
- other receivables
- cash and bank balances
- restricted bank balances

While cash and bank balances, restricted bank balances and other receivables are also subject to the impairment requirements of IFRS 9, the identified impairment loss was immaterial.

2 重大會計政策概要(續)

2.11 金融資產(續)

(iv) 減值

本集團按前瞻性基準評估與按攤銷成本列賬的債務工具相關的預期信貸虧損。所採用減值方法視乎信貸風險是否大幅增加而定。附註3.1(b)詳述本集團如何釐定信貸風險是否大幅增加。

預期信貸虧損乃對金融資產預期年期內信貸虧損的可能性加權估計(即所有現金差額的現值)。

本集團有以下類別的資產須遵守國際財務報告準則第9號的預期信貸虧損模式。

- 貿易應收款項
- 其他應收款項
- 現金及銀行結餘
- 受限制銀行結餘

雖然現金及銀行結餘、受限制銀行結餘及其他應收款項亦須遵守國際財務報告準則第9號的減值規定，但已確定的減值虧損並不重大。



2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.11 Financial assets (Continued)

(iv) Impairment (Continued)

For trade receivables, the Group applies the simplified approach permitted by IFRS 9, which requires expected lifetime losses to be recognised from initial recognition of the assets. The provision matrix is determined based on historical observed default rates over the expected life of the trade receivables with similar risk characteristics and is adjusted for forward-looking estimates. At every reporting date the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

Impairment on other receivables, cash and bank balances and restricted bank balances are measured as lifetime expected credit losses if a significant increase in credit risk of a receivable has occurred since initial recognition.

Impairment on other receivables and amounts due from related parties is measured as either 12-month expected credit losses or lifetime expected credit loss, depending on whether there has been a significant increase in credit risk since initial recognition. If a significant increase in credit risk of a receivable has occurred since initial recognition, then impairment is measured as lifetime expected credit losses.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the reversal of the previously recognised impairment loss is recognised in the consolidated statement of comprehensive income.

2 重大會計政策概要(續)

2.11 金融資產(續)

(iv) 減值(續)

對於貿易應收款項，本集團使用國際財務報告準則第9號所允許的簡化法，其要求自資產初次確認起確認預期全期虧損。撥備矩陣基於具有類似風險特點的貿易應收款項預期年內過往觀察所得違約率釐定並就前瞻性估計作出調整。於各報告日期，過往觀察所得違約率會予以更新，並會分析前瞻性估計的變動。

如果應收款項的信貸風險自初始確認以來顯著增加，則其他應收款項、現金及銀行結餘和受限制銀行結餘的減值按全期預期信貸虧損計量。

其他應收款項及應收關聯方款項的減值以12個月的預期信貸虧損或全期預期信貸虧損計量，取決於自初次確認以來的信貸風險是否已顯著增加。倘應收款項的信貸風險自初次確認以來已顯著增加，則減值以全期預期信貸虧損計量。

倘後續期間減值虧損金額減少及該減少在客觀上與減值確認後發生的事件相關，則於綜合全面收益表內確認先前已確認的減值虧損撥回。



2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.12 Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the consolidated balance sheets where the Group currently has a legally enforceable right to offset the recognized amounts, and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the relevant company or the counterparty.

2.13 Trade and other receivables and amounts due from related parties

Trade receivables are amounts due from customers for the provision of gold mine hazardous waste treatment services and sales of recycled products. Amounts due from related parties are loans provided to related parties with interest, and they are unsecured and repayable on demand. If collection of trade and other receivables and amounts due from related parties is expected in one year or less (or in the normal operating cycle of the business if longer), they are classified as current assets. If not, they are presented as non-current assets.

Trade and other receivables and amounts due from related parties are recognized initially at fair value and subsequently measured at amortized cost using the effective interest method, less allowance for impairment.

2 重大會計政策概要(續)

2.12 抵銷金融工具

當本集團目前有可合法強制執行權抵銷已確認金額及擬按淨額基準結算或同時變現資產及結算負債時，金融資產及負債相互抵銷，以淨額於綜合資產負債表內呈報。合法強制執行權不能取決於未來事件，且必須於一般業務過程以及相關公司或對方公司處於違約、資不抵債、破產的情形中執行。

2.13 貿易及其他應收款項以及應收關聯方款項

貿易應收款項為就提供金礦有害廢物處理服務及銷售再生產品應收客戶的款項。應收關聯方款項為提供予關聯方的貸款連同利息，其為無抵押及須按要求償還。倘貿易及其他應收款項以及應收關聯方款項預期將於一年或以內(或更長時間之業務正常營運週期內)收回，其被分類為流動資產。否則其被呈列為非流動資產。

貿易及其他應收款項以及應收關聯方款項初步按公平值確認，其後使用實際利率法按攤銷成本減去減值撥備計量。



2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.14 Contract assets and liabilities

Upon entering into a contract with a customer, the Group obtains rights to receive consideration from the customer and assumes performance obligations to transfer goods or services to the customer. The combination of those rights and performance obligations gives rise to a net asset or a net liability depending on the relationship between the remaining rights and the performance obligations. The contract is an asset and recognized as contract assets if the measure of the remaining conditional rights to consideration exceeds the satisfied performance obligations. Conversely, the contract is a liability and recognized as contract liabilities if the measure of the remaining performance obligations exceeds the measure of the remaining rights.

2.15 Inventories

Inventories are stated at the lower of cost and net realizable value. Cost is determined on the weighted average basis and, in the case of work in progress and finished goods, comprises direct materials, direct labor and an appropriate proportion of overheads. Net realizable value is based on estimated selling prices less any estimated costs to be incurred to completion and disposal.

2.16 Cash and cash equivalents

Cash is cash on hand and demand deposits. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to insignificant risk of changes in value. In the consolidated statement of cash flows, cash and cash equivalents includes cash at bank and on hand and short-term bank deposits with original maturities of three months or less.

2 重大會計政策概要(續)

2.14 合約資產及負債

本集團於與客戶訂立合約後有權向客戶收取代價並承擔履約義務向客戶轉交貨品或服務。該等權利及履約義務匯總產生淨資產或淨負債，視乎餘下權利與履約義務之間的關係。當收取代價的剩餘有條件權利的計量超過已履行的履約義務時，則合約為一項資產及確認為合約資產。反之，當剩餘履約義務的計量超過剩餘權利的計量時，則合約為一項負債及確認為合約負債。

2.15 存貨

存貨按成本與可變現淨值兩者中較低者列賬。成本按加權平均基準釐定，對於在製品及製成品，成本包括直接材料、直接勞工及適當比例的間接費用。可變現淨值按估計售價減去完工及出售前產生的任何估計成本計算。

2.16 現金及現金等價物

現金為手頭現金及活期存款。現金等價物為短期、高流通性的投資，其可隨時轉換成已知數額的現金，且價值變動的風險不大。在綜合現金流量表中，現金及現金等價物包括銀行及手頭現金以及原到期日為三個月或以下的短期銀行存款。



2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.17 Share capital

Ordinary shares are classified as equity (Note 25).

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

Where the Company issued shares at a premium, whether for cash or otherwise, a sum equal to the aggregate amount of the value of the premiums over share capital shall be classified as share premium.

2.18 Trade and other payables and amounts due to related parties

Trade payables represent liabilities for products and services provided to the Group prior to the end of the reporting year which are unpaid. Trade and other payables and amounts due to related parties are classified as current liabilities if payment is due within one year or less (or within the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities.

Trade and other payables and amounts due to related parties are recognized initially at fair value and subsequently measured at amortized cost using the effective interest method.

2 重大會計政策概要(續)

2.17 股本

普通股分類為權益(附註25)。

發行新股或購股權直接應佔的增量成本，於權益中列作所得款項的減項(扣除稅項)。

倘本公司以溢價發行股份，無論為換取現金或其他，相當於溢價超出股本價值總額的款項應分類為股份溢價。

2.18 貿易及其他應付款項及應付關聯方款項

貿易應付款項指於報告年度結束前向本集團提供的產品及服務而尚未支付的負債。貿易及其他應付款項及應付關聯方之款項如於一年或以內(或更長時間之業務正常營運週期內)到期，則分類為流動負債。否則，則列為非流動負債。

貿易及其他應付款項及應付關聯方款項初步按公平值確認，其後使用實際利率法按攤銷成本計量。



2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.19 Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates.

Borrowings are removed from the balance sheet when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss as other income or finance costs.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting year/period.

2.20 Borrowing costs

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale.

2 重大會計政策概要(續)

2.19 借款

借款初步按公平值扣除所產生交易成本後確認。借款其後按攤銷成本計量。所得款項(扣除交易成本)與贖回金額的差額於借款期間以實際利率法在損益中確認。設立貸款融資已付的費用，於可能提取若干或所有融資時確認為貸款的交易成本。於此情況下，該費用會遞延至提取融資為止。倘並無證據顯示可能提取若干或所有融資，則該費用會撥充資本，列作流動資金服務的預付款項，並於其融資相關期間攤銷。

當合約中規定的責任解除、取消或屆滿時，借款自資產負債表中剔除。已消除或轉讓予另一方的金融負債的賬面值與已付代價(包括已轉讓的非現金資產或所承擔的負債)之間的差額，在損益中確認為其他收入或融資成本。

借款分類為流動負債，惟本集團擁有無條件權利將償還負債的日期遞延至報告年度/期間後最少12個月者則除外。

2.20 借款成本

收購、建設或生產合資格資產直接應佔的一般及特定借款成本，於完成收購、建設或生產及將資產達致擬定用途或銷售所需時間期限內撥充資本。合資格資產為需要較長時間達到擬定用途或銷售狀況的資產。



2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.20 Borrowing costs (Continued)

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognized in profit or loss in the year/period in which they are incurred.

2.21 Current and deferred income tax

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

(i) Current income tax

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the countries where the Company's subsidiaries operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

2 重大會計政策概要(續)

2.20 借款成本(續)

就有待用於合資格資產開支的特定借款作出暫時投資賺取的投資收入，自合資格撥充資本的借款成本中扣除。

所有其他借款成本均在其產生的年度／期間的損益中確認。

2.21 當期及遞延所得稅

期內所得稅開支或抵免指根據各司法權區的適用所得稅率按即期應課稅收入支付的稅項，並根據由於暫時性差異及未使用稅務虧損而導致的遞延稅項資產和負債變動作出調整。

(i) 當期所得稅

當期所得稅支出根據本公司附屬公司營運及產生應課稅收入所在國家於報告期末已頒佈或實質頒佈的稅務法例計算。管理層就適用稅務法例以詮釋為準的情況定期評估稅項收益狀況，並在適用情況下根據預期須向稅務機關支付的稅款設定撥備。



2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.21 Current and deferred income tax (Continued)

(ii) *Deferred income tax*

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill. Deferred income tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax liabilities and assets are not recognised for temporary differences between the carrying amount and tax bases of investments in foreign operations where the Company is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

2 重大會計政策概要(續)

2.21 當期及遞延所得稅(續)

(ii) *遞延所得稅*

遞延所得稅使用負債法就資產與負債的稅基與其於綜合財務報表的賬面值兩者產生的暫時差額悉數計提。然而，倘遞延稅項負債因初始確認商譽產生，則不予確認。倘遞延所得稅乃因資產或負債在一宗交易(業務合併除外)中獲初始確認而產生，並且於交易時對會計或應課稅溢利或虧損均無影響，則遞延所得稅亦不計算入賬。遞延所得稅採用在報告期末已頒佈或實質頒佈，並在變現有關遞延所得稅資產或償付遞延所得稅負債時預期將會適用的稅率(及法例)釐定。

遞延稅項資產僅在未來應課稅金額將可用於利用該等暫時差異及虧損時予以確認。

倘本公司能控制撥回暫時差額的時間及該等差異很可能不會於可見將來撥回，則不會就外國業務投資賬面值與稅基之間的暫時差額確認遞延稅項負債及資產。



2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.21 Current and deferred income tax (Continued)

(ii) *Deferred income tax (Continued)*

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Current and deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

2.22 Employee benefits

(i) *Short-term obligations*

Liabilities for wages and salaries, including non-monetary benefits and accumulating sick leave that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet.

2 重大會計政策概要(續)

2.21 當期及遞延所得稅(續)

(ii) *遞延所得稅(續)*

倘存在可依法強制執行的權利將即期稅項資產與負債抵銷，及倘遞延稅項結餘與同一稅務機構相關，則可將遞延稅項資產與負債抵銷。倘實體有可依法強制執行抵銷權利且有意按淨值基準清償或同時變現資產及清償負債時，則即期稅項資產與稅項負債抵銷。

即期及遞延稅項於損益中確認，惟有關於其他綜合收益或直接於權益確認的項目除外。在此情況下，稅項亦分別於其他綜合收益或直接於權益中確認。

2.22 僱員福利

(i) *短期義務*

工資及薪金的負債(包括預期將在僱員提供相關服務的期間結束後的12個月內完全結算的非貨幣性福利及累計病假)就僱員服務確認直至報告期末及按負債結算時預期支付的金額計量。負債於資產負債表內列為當前僱員福利義務。

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.22 Employee benefits (Continued)

(ii) Pension obligations

In accordance with the rules and regulations in the PRC, the PRC based employees of the Group participate in various defined contribution retirement benefit plans organized by the relevant municipal and provincial governments in the PRC under which the Group and the employees are required to make monthly contributions to these plans calculated as a percentage of the employees' salaries, subject to certain ceiling. The municipal and provincial governments undertake to assume the retirement benefit obligations of all existing and future retired PRC based employees payable under the plans described above. Other than the monthly contributions, the Group has no further obligation for the payment of retirement and other post-retirement benefits of its employees. The assets of these plans are held separately from those of the Group in an independent fund managed by the PRC government. The Group's contributions to these plans are expensed as incurred.

(iii) Housing funds, medical insurances and other social insurances

The PRC employees of the Group are entitled to participate in various government-supervised housing funds, medical insurance and other employee social insurance plan. The Group contributes on a monthly basis to these funds based on certain percentages of the salaries of the employees, subject to certain ceiling. The Group's liability in respect of these funds is limited to the contributions payable in each period.

2 重大會計政策概要(續)

2.22 僱員福利(續)

(ii) 養老金義務

根據中國的規則及法規，本集團的中國僱員參與由中國相關市政府及省政府組織的各種界定供款退休福利計劃。根據該等計劃，本集團及僱員須每月供款，每月供款按僱員工資的百分比計算，但須符合特定上限。市政府及省政府承諾承擔根據上述計劃應付的所有現有及未來退休中國僱員的退休福利義務。除每月供款外，本集團並無支付其僱員退休及其他退休後福利的進一步責任。該等計劃的資產與本集團的資產分開，由中國政府管理的獨立基金持有。本集團對該等計劃的供款於產生時列為開支。

(iii) 住房公積金、醫療保險及其他社會保險

本集團的中國僱員有權參與各種政府監管的住房公積金、醫療保險及其他員工社會保險計劃。本集團根據員工工資的若干百分比按月向該等基金供款，但須符合特定上限。本集團對該等資金的責任僅限於每期應付的供款。



2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.23 Revenue recognition

Revenue from contracts with customers

Revenue from contracts with customers is recognized when control of goods or services is transferred to the customers at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services.

When the consideration in a contract includes a variable amount, the amount of consideration is estimated to which the Group will be entitled in exchange for transferring the goods or services to the customer. The variable consideration is estimated at contract inception and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognized will not occur when the associated uncertainty with the variable consideration is subsequently resolved.

(i) *Revenue from provision of gold mine hazardous waste treatment services*

Revenue from the provision of gold mine hazardous waste treatment services is recognised over the relevant period in which the services are rendered based on the completion percentage of the treatment services performance obligation which is in turn determined with reference to the percentage of cost incurred up to date to the total cost. Further analysis of the estimates and judgements applied in the recognition of revenue from provision of gold mine hazardous waste treatment services is set out in Note 4(a).

The portion of service revenue received from customers but not earned is recorded as contract liabilities on the consolidated statement of financial position as at the balance sheet date. Amounts which will be earned within one year is reflected as a current liability, and which will be earned beyond one year is reflected as a non-current liability.

2 重大會計政策概要(續)

2.23 收益確認

與客戶簽訂合約的收益

與客戶簽訂合約的收益於貨物或服務的控制權轉移予客戶時予以確認，而該金額反映本集團預期就提供該等貨物或服務有權獲得的代價。

當合約中的代價包括可變金額時，估計代價為本集團將貨物或服務轉移予客戶而有權獲得的金額。可變代價在合約開始時作出估計並受其約束，直至與可變代價相關的不確定性其後消除時累計已確認收益金額極有可能不會發生重大收益撥回。

(i) *提供金礦有害廢物處理服務的收益*

提供金礦有害廢物處理服務所得收益於提供服務的相關期間根據處理服務履約責任的完成進度確認，而有關進度乃參考迄今已產生成本佔成本總額的百分比釐定。有關確認提供金礦有害廢物處理服務的收益所用估計及判斷的更多分析載於附註4(a)。

自客戶收到但未賺取的服務收益部分於結算日在綜合財務狀況表中記錄作合約負債。將於一年內賺取的金額呈列作流動負債，而將於一年後賺取的金額則呈列作非流動負債。



2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.23 Revenue recognition (Continued)

Revenue from contracts with customers (Continued)

(ii) *Sales of recycled products*

Revenue from sales of recycled products, namely the pyritic concentrate, is recognized at the point in time when control of the product is transferred to customers, generally on delivery of the products.

Other revenue — rental income

The Group derives rental income from investment properties. Rental income is recognised on a straight-line basis over the lease term. Initial direct costs incurred in obtaining an operating lease (if any) are added to the carrying amount of the underlying asset and recognised as expense over the lease term on the same basis as lease income.

2.24 Interest income

Interest income on financial assets at amortised cost and financial assets at FVOCI calculated using the effective interest method is recognised in profit or loss as part of other income and finance income.

Interest income is presented as other income and finance income and where it is earned from financial assets that are held for cash management purposes.

Interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset except for financial assets that subsequently become credit-impaired. For credit-impaired financial assets the effective interest rate is applied to the net carrying amount of the financial asset (after deduction of the loss allowance).

2 重大會計政策概要(續)

2.23 收益確認(續)

與客戶簽訂合約的收益(續)

(ii) *銷售再生產品*

再生產品(即硫精礦)的銷售收益在產品控制權轉移至客戶時(一般在產品交付時)確認。

其他收益 — 租金收入

本集團自投資物業產生租金收入。租金收入於租期內按直線法確認。為取得經營租賃而產生的初始直接成本(如有)計入相關資產賬面值及於租期內按與租賃收入相同的基準確認為開支。

2.24 利息收入

按攤銷成本列賬的金融資產及按實際利率法計算的按公平值計入其他全面收益的金融資產的利息收入於損益中確認為其他收入及財務收入的一部分。

倘利息收入來自為現金管理目的而持有的金融資產，則利息收入作為其他收入及財務收入列報。

利息收入透過將實際利率應用於金融資產的賬面總值(惟其後出現信貸減值的金融資產除外)而實際利率計算。就信貸減值的金融資產而言，實際利率應用於金融資產的賬面淨值(已扣除虧損撥備)。



2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.25 Government grants

Grants from the government are recognised at their fair value where there is a reasonable assurance that the grant will be received and the Group will comply with all attached conditions.

Government grants relating to costs are deferred and recognised in the profit or loss over the period necessary to match them with the costs that they are intended to compensate.

Government grants relating to the purchase of property, plant and equipment are included in non-current liabilities as deferred revenue and are credited to profit or loss on a straight-line basis over the expected lives of the related assets.

2.26 Dividend distribution

Dividend distribution to the Company's shareholders is recognised as a liability in the Group's financial statements in the period in which the dividends are approved by the Company's shareholders or directors, where appropriate.

3 FINANCIAL RISK MANAGEMENT

3.1 Financial risk factors

The Group's activities expose it to a variety of financial risks: market risk (including fair value interest rate risk and cash flow interest rate risk, and foreign exchange risk), credit risk and liquidity risk. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance.

2 重大會計政策概要(續)

2.25 政府補助

政府補助於有合理保證本集團將收到補助，且能符合補助的所有附帶條件時按公平值確認。

有關成本的政府補助將被遞延，並於其擬補償成本配對所需期間在損益中確認。

與購買物業、廠房及設備相關的政府補助作為遞延收益計入非流動負債，並按直線法於相關資產的預期年期計入損益。

2.26 股息分派

向本公司股東作出的股息分派於本公司股東或董事(如適用)批准股息的期間在本集團的財務報表中確認為負債。

3 財務風險管理

3.1 財務風險因素

本集團的活動面對各種財務風險：市場風險(包括公平值利率風險及現金流量利率風險及外匯風險)、信貸風險及流動資金風險。本集團的整體風險管理計劃集中於金融市場的不可預測性，並尋求盡量減低對本集團財務表現的潛在不利影響。



3 FINANCIAL RISK MANAGEMENT (Continued)

3.1 Financial risk factors (Continued)

(a) Market risk

(i) Interest rate risk

The Group's interest rate risk arises from bank deposits and borrowings. Borrowings obtained at variable rates expose the Group to cash flow interest rate risk which is partially offset by cash at bank with variable interest rates. Borrowings obtained at fixed rates expose the Group to fair value interest rate risk. During the Track Record Period, the Group's borrowings bore interest both at variable rates and fixed rates.

Bank deposits carried at prevailing market interest rate expose the Group to cash flow interest rate risk. The Group closely monitors trend of interest rate and its impact on the Group's interest rate risk exposure to ensure it is within an acceptable level. The Group currently has not used any interest rate swap arrangements but will consider hedging interest rate risk should the need arise.

During the years ended 31 December 2021 and 2020, if interest rate on borrowings had been higher/lower by 50 basis points of current interest rate, with other variables held constant, the Group's post-tax profit would have been approximately RMB154,000 lower/higher and RMB139,000 lower/higher, respectively.

3 財務風險管理(續)

3.1 財務風險因素(續)

(a) 市場風險

(i) 利率風險

本集團的利率風險來自銀行存款及借款。按浮動利率取得的借款令本集團承受現金流量利率風險，惟部分被按浮動利率計息的銀行現金所抵銷。按固定利率取得的借款令本集團承受公平值利率風險。於往績期間，本集團的借款按浮動利率及固定利率計息。

按現行市場利率計息的銀行存款令本集團承受現金流量利率風險。本集團密切監察利率走勢及其對本集團利率風險的影響，以確保風險在可接受水平。本集團目前並無使用任何利率掉期安排，但於有需要時會考慮對沖利率風險。

截至二零二一年及二零二零年十二月三十一日止年度，倘若借款利率較現時利率上升/下跌50個基點，而其他變量維持不變，則本集團的除稅後溢利將分別下跌/上升約人民幣154,000元及下跌/上升人民幣139,000元。



3 FINANCIAL RISK MANAGEMENT (Continued)

3.1 Financial risk factors (Continued)

(a) Market risk (Continued)

(ii) Foreign exchange risk

Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities denominated in a currency that is not the functional currency of the relevant group entity. The Group operates mainly in the PRC so it is not exposed to significant foreign exchange risk arising from foreign currency transactions.

(b) Credit risk

Credit risk refers to the risk that the counterparty to a financial instrument would fail to discharge its obligation under the terms of the financial instrument and cause a financial loss to the Group. The Group's exposure to credit risk mainly arises from granting credit to customers in the ordinary course of its operations.

The credit risk of the Group's financial assets, which mainly comprise cash and cash equivalents, trade and other receivables and amounts due from related parties, arises from potential default of the counterparty, with a maximum exposure equal to the carrying amounts of these instruments.

All of the Group's trade receivables, other receivables and amounts due from related parties have no collateral. The Group assessed the credit quality of the counterparties by taking into account their financial position, credit history, forward looking information and other factors. Management also regularly reviews the recoverability of these receivables and follow up the disputes or amounts overdue, if any.

3 財務風險管理(續)

3.1 財務風險因素(續)

(a) 市場風險(續)

(ii) 外匯風險

外匯風險來自未來商業交易及已確認的資產及負債，而該等交易及負債的計值貨幣並非相關集團實體的功能貨幣。本集團主要在中國經營，故並無承受外幣交易產生的重大外匯風險。

(b) 信貸風險

信貸風險指金融工具對手方未能履行金融工具條款下的責任並對本集團造成財務損失的風險。本集團承受的信貸風險主要源於在一般業務過程中向客戶授出信貸。

本集團金融資產的信貸風險(主要包括現金及現金等價物、貿易及其他應收款項及應收關聯方款項)源於對手方的潛在違約，最大風險相等於該等工具的賬面值。

本集團的所有貿易應收款項、其他應收款項及應收關聯方款項概無抵押品。本集團計及財務狀況、信貸記錄、前瞻性資料及其他因素，以評估對方手的信貸質素。管理層亦定期檢討該等應收款項的收回機會，並跟進糾紛或逾期款項(如有)。



3 FINANCIAL RISK MANAGEMENT (Continued)

3.1 Financial risk factors (Continued)

(b) Credit risk (Continued)

- (i) *Credit risks of cash and bank balances, including restricted bank balances*

As at 31 December 2021 and 2020, substantially all of the Group's bank deposits were deposited with major financial institutions incorporated in the PRC, which management believes are of high-credit-quality without significant credit risk.

- (ii) *Credit risks of trade receivables*

The Group is engaged in the provision of gold mine hazardous waste treatment services and sales of recycled products. The Group's customers for the provision of gold mine hazardous waste treatment services are mainly gold smelting companies while customers for the sale of recycled products are mainly companies primarily engaged in the business of production or trading of chemical products. The credit terms grant to customers are generally ranged from 30 to 60 days from the invoice date.

The Group applies the IFRS 9 simplified approach to provide for expected credit losses, which permits the use of the lifetime expected loss provision for all trade receivables. To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the aging of trade receivables. The expected credit losses also incorporate forward looking information affecting the ability of the customers to settle the receivables.

3 財務風險管理(續)

3.1 財務風險因素(續)

(b) 信貸風險(續)

- (i) *現金及銀行結餘(包括受限制銀行結餘)的信貸風險*

於二零二一年及二零二零年十二月三十一日，本集團絕大部分的銀行存款均存放於在中國註冊成立的大型金融機構，而管理層認為其屬於高信貸評級及沒有重大信貸風險。

- (ii) *貿易應收款項的信貸風險*

本集團主要從事提供金礦有害廢物處理服務及銷售再生產品。提供金礦有害廢物處理服務的客戶主要為煉金公司，而銷售再生產品的客戶主要為從事化學產品製造或貿易業務的公司。授予客戶的信貸期由發票日期起計，介乎30至60日。

本集團採用國際財務報告準則第9號簡明方法就預期信貸虧損作出撥備，允許對所有貿易應收款項使用全期預期虧損撥備。為計量預期信貸虧損，貿易應收款項已根據共同信貸風險特徵及貿易應收款項的賬齡分類。預期信貸虧損亦包括影響客戶結算應收賬款能力之前瞻性資料。



3 FINANCIAL RISK MANAGEMENT (Continued)

3.1 Financial risk factors (Continued)

(b) Credit risk (Continued)

(ii) Credit risks of trade receivables (Continued)

The Group considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period. To assess whether there is a significant increase in credit risk, the Group compares the risk of default occurring on the asset as at the reporting date with the risk of default as at the date of initial recognition. It considers available reasonable and supportive forwarding-looking information. Especially the following indicators are incorporated:

- actual or expected significant adverse changes in business, financial or economic conditions that are expected to cause a significant change to the customers' ability to meet its obligations;
- actual or expected significant changes in the operating results of customers;
- significant changes in the expected performance and behaviour of customers, including changes in the payment status.

3 財務風險管理(續)

3.1 財務風險因素(續)

(b) 信貸風險(續)

(ii) 貿易應收款項的信貸風險(續)

本集團於初步確認資產時考慮違約的可能性，以及信貸風險在各報告期間是否持續大幅增加。為評估信貸風險是否大幅增加，本集團將資產於報告日期發生的違約風險與初步確認日期的違約風險進行比較，並考慮了現有的合理和支持性的前瞻性信息。特別是納入了以下指標：

- 業務、財務或經濟狀況發生實際或預期的重大不利變化，預計將導致客戶履行義務的能力發生重大變化；
- 客戶的經營業績發生實際或預期的重大變化；
- 客戶的預期業績和行為發生重大變化，包括付款狀況的變化。



3 FINANCIAL RISK MANAGEMENT (Continued)

3.1 Financial risk factors (Continued)

(b) Credit risk (Continued)

(ii) Credit risks of trade receivables (Continued)

Individually impaired trade receivable is related to customer who is experiencing unexpected economic difficulties. The Group expects that part of long aged trade receivables related to provision of gold mine hazardous waste treatment services will have difficulty to be recovered and has recognised impairment losses. Starting from the second half year of 2021, the collection of trade receivables from those gold smelting companies slowed down gradually because Shandong province had further strengthened the safety production requirements for all gold smelting companies. And the Group's major customers were subject to inspection of production safety and improvement of production safety. As at 31 December 2021, trade receivable of approximately RMB1,057,000 (2020: RMB0) has been provided for loss allowance for these individually assessed receivables.

3 財務風險管理(續)

3.1 財務風險因素(續)

(b) 信貸風險(續)

(ii) 貿易應收款項的信貸風險(續)

個別減值的貿易應收款項與突如其來遇到經濟困難的客戶有關。本集團預計部分與提供金礦有害廢物處理服務有關的長期貿易應收款項將難以收回，故已確認減值虧損。從二零二一年下半年開始，由於山東省進一步加強對所有黃金冶煉公司的安全生產要求，對該等黃金冶煉公司的貿易應收款項回收逐漸放緩。而且本集團的主要客戶均須接受安全生產的檢查和安全生產的改進。於二零二一年十二月三十一日，已就該等單獨評估的應收款項計提貿易應收款項虧損撥備約人民幣1,057,000元(二零二零年：人民幣0元)。



3 FINANCIAL RISK MANAGEMENT (Continued)

3.1 Financial risk factors (Continued)

(b) Credit risk (Continued)

(ii) Credit risks of trade receivables (Continued)

In determining the expected credit loss (“ECL”) of the remaining trade receivables, the management of the Group considered that:

1. For trade receivables relating to provision of gold mine hazardous waste treatment services, major customers are state-owned gold smelting companies of prominent gold mining groups in Shandong province. Majority of the customers have good credit rating, and there were no bad debt history. The inspection of production safety conducted by Shandong province was completed and those gold smelting companies have resumed normal production and also resumed payment of trade receivables to the Group. The Group expect the individual impairment losses was sufficient. Therefore an expected credit loss rate of 0.5% is applied to the remaining trade receivables related to provision of gold mine hazardous waste treatment services across different time bands.

3 財務風險管理(續)

3.1 財務風險因素(續)

(b) 信貸風險(續)

(ii) 貿易應收款項的信貸風險(續)

釐定餘下貿易應收款項的預期信貸虧損(「預期信貸虧損」)時，本集團管理層認為：

1. 對於與提供金礦有害廢物處理服務有關的貿易應收款項，主要客戶為山東省著名金礦集團的國有黃金冶煉公司。大部分客戶的信貸等級良好，且並無壞賬記錄。山東省已完成對生產安全的檢查，且該等黃金冶煉公司已恢復正常生產，亦已恢復向本集團支付貿易應收款項。本集團預計個別減值虧損已經足夠。因此對不同時段與提供金礦有害廢物處理服務有關的其餘貿易應收款項採用0.5%的預期信貸虧損率。



3 FINANCIAL RISK MANAGEMENT (Continued)

3.1 Financial risk factors (Continued)

(b) Credit risk (Continued)

(ii) Credit risks of trade receivables (Continued)

2. For trade receivables relating to sales of recycled products, major customers are chemical manufacturing companies and trading with low receivable balances and no bad debt history. The Group considered that there would be no significant change in the risk profile of its customers as the Group continues to serve its long-standing customers and the historical cash flow recovery is good. As there is no significant change in the business, actual loss rates for trade receivables related to sales of recycled products, customer profile and the adjustments for forward looking information during the year, the change in the expected credit loss rates for the provision matrix is insignificant throughout the year. Therefore an expected credit loss rate of 0.5% is applied to trade receivables related to sales of recycled products across different time bands.

3 財務風險管理(續)

3.1 財務風險因素(續)

(b) 信貸風險(續)

(ii) 貿易應收款項的信貸風險(續)

2. 對於與銷售再生產品有關的貿易應收款項，主要客戶為化工製造公司及貿易公司，應收款項餘額較低，並無壞賬記錄。本集團認為，由於本集團繼續為其長期客戶提供服務，加上過往的現金流回收情況良好，所以客戶的風險狀況不會有重大變化。由於在年內，業務、與再生產品銷售有關的貿易應收款項的實際損失率、客戶情況以及前瞻性信息的調整均無重大變化，因此在整個年內，撥備矩陣的預期信貸虧損率變化不大。因此，對不同時間段與再生產品銷售有關的整體貿易應收款項採用0.5%的預期信貸虧損率。



3 FINANCIAL RISK MANAGEMENT (Continued)

3.1 Financial risk factors (Continued)

(b) Credit risk (Continued)

(ii) Credit risks of trade receivables (Continued)

In determining the expected loss rate, the Group calculated the probability of default (“PD”) and potential loss given default (“LGD”) for each class of trade receivables by incorporating forward-looking adjustments, taking into accounts the effect of macroeconomic variables such as the gross domestic product index (“GDP”) of the PRC in which the Group provide its services.

The Group considers that the expected credit loss provided was sufficient for the year.

The following table shows the loss allowance provision for the Group’s trade receivables as at 31 December 2021 and 2020.

Track Record Period	往績期間	1-30	31-60	61-90	91-180	Over	Total
		days	days	days	days	180 days	
		1至30日	31至60日	61至90日	91至180日	180日以上	總計
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
As at 31 December 2021	於二零二一年 十二月三十一日						
Gross carrying amount	賬面總值	13,953	8,057	11,846	17,641	3,890	55,387
Expected loss rate	預期虧損率	0.5%	0.5%	0.5%	0.5%	0.5%	
Loss allowance	虧損撥備	70	40	59	88	20	277
Individually impaired receivables	個別減值應收款項	—	—	—	—	1,057	1,057
Total loss allowance	虧損撥備總額	70	40	59	88	1,077	1,334
As at 31 December 2020	於二零二零年 十二月三十一日						
Gross carrying amount	賬面總值	9,243	10,673	1,890	1,142	—	22,948
Expected loss rate	預期虧損率	0.5%	0.5%	0.5%	0.5%	—	
Total loss allowance	虧損撥備總額	46	53	10	6	—	115

3 財務風險管理(續)

3.1 財務風險因素(續)

(b) 信貸風險(續)

(ii) 貿易應收款項的信貸風險(續)

釐定預期虧損率時，本集團透過納入前瞻性調整，計算了各類貿易應收款項的違約概率(「違約概率」)及潛在違約虧損率(「違約虧損率」)，當中已考慮宏觀經濟變量的影響，例如本集團提供服務的中國國內生產總值(「國內生產總值」)指數。

本集團認為，於年內提供的預期信貸虧損誠屬足夠。

下表顯示了本集團於二零二一年及二零二零年十二月三十一日就貿易應收款項計提的虧損撥備。

3 FINANCIAL RISK MANAGEMENT (Continued)

3.1 Financial risk factors (Continued)

(b) Credit risk (Continued)

(ii) Credit risks of trade receivables (Continued)

As at 31 December 2021 and 2020, balances of trade receivables aged within 30 days were generally current and not past due.

The Group assesses the credit quality of its customers by taking into account various factors such as their financial position, past experience and other factors including but not limited to the economic impact of the unprecedented COVID-19 pandemic on the customers' and the region in which they operate. Individual risk limits are set based on internal or external ratings in accordance with limits set by the management. The compliance with credit limits by customers is regularly monitored by the management.

(iii) Credit risks of other receivables and amounts due from related parties

For other receivables and amounts due from related parties, management makes periodic collective assessments as well as individual assessment on the recoverability of such receivables based on historical settlement records and past experience. The directors believe that there is no material credit risk inherent in the Group's outstanding balance of other receivables and amounts due from related parties as the Group closely monitors their repayment.

3 財務風險管理(續)

3.1 財務風險因素(續)

(b) 信貸風險(續)

(ii) 貿易應收款項的信貸風險(續)

於二零二一年及二零二零年十二月三十一日，賬齡為30日以內的貿易應收款項結餘通常為即期且未逾期。

本集團透過考慮客戶的財務狀況、過往經驗及其他因素(包括但不限於前所未見的COVID-19疫情對客戶及彼等經營所在地區造成的經濟影響)評估其信貸質素。個別風險限額乃根據管理層所設定限額按內部或外部評級釐定。管理層定期監控客戶對信貸額度的遵守情況。

(iii) 其他應收款項及應收關聯方的款項的信貸風險

就其他應收款項及應收關聯方款項而言，管理層根據歷史結算記錄及過往經驗對有關應收款項的可收回性定期進行集體評估以及個別評估。董事認為，由於本集團密切監督還款，本集團的其他應收款項及應收關聯方款項未清償結餘並無內在重大信貸風險。



3 FINANCIAL RISK MANAGEMENT (Continued)

3.1 Financial risk factors (Continued)

(b) Credit risk (Continued)

- (iii) *Credit risks of other receivables and amounts due from related parties (Continued)*

As at 31 December 2021 and 2020, management consider the credit risks of other receivables and amounts due from related parties as low since the counterparties have a strong capacity to meet the contractual cash flow obligations in the near term. The Group has assessed that the expected credit losses for these receivables as immaterial under the 12 months expected losses method. Thus, the loss allowance provision recognized during the Track Record Period for these balances is close to zero.

(c) Liquidity risk

To manage the liquidity risk, the Group monitors and maintains a level of cash and cash equivalents deemed adequate by the management to finance the Group's operations and mitigate the effects of fluctuations in cash flows. The Group expects to fund its future cash flow needs through internally generated cash flows from operations and borrowings from financial institutions. Management believes that there is no significant liquidity risk in view of the expected cash flow from operations and continuous support from banks in the coming twelve months.

3 財務風險管理(續)

3.1 財務風險因素(續)

(b) 信貸風險(續)

- (iii) *其他應收款項及應收關聯方的款項的信貸風險(續)*

於二零二一年及二零二零年十二月三十一日，管理層認為其他應收款項及應收關聯方賬款的信貸風險較低，因為交易方有較強的能力在短期內履行合同規定的現金流義務。本集團已評估該等應收款項的預期信貸虧損按12個月預期虧損法計算為不重大。因此，於往績記錄期間就該等結餘確認的虧損撥備近年為零。

(c) 流動資金風險

為管理流動資金風險，本集團監察現金及現金等價物水平，並將其維持於管理層視為足夠的水平，以提供資金予本集團的營運及減低現金流量波動影響。本集團預期透過經營所得內部產生的現金流量及向金融機構借款為未來現金流量需求提供資金。管理層認為概無重大流動資金風險，當中已計及未來十二個月的營運預期現金流量及銀行的持續支援。



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

3 FINANCIAL RISK MANAGEMENT (Continued)

3.1 Financial risk factors (Continued)

(c) Liquidity risk (Continued)

The tables below analyse the Group's non-derivative financial liabilities into relevant maturity groupings based on the remaining period at the end of each reporting period to the contractual maturity date. The amounts disclosed in the tables are the contractual undiscounted cash flows.

		Less than 1 year 少於1年 RMB'000 人民幣千元	Between 1 and 2 years 1至2年 RMB'000 人民幣千元	Between 2 and 5 years 2至5年 RMB'000 人民幣千元	Over 5 years 5年以上 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
As at 31 December 2021	於二零二一年 十二月三十一日					
Trade payables	貿易應付款項	11,689	—	—	—	11,689
Other payables (excluding non-financial liabilities)	其他應付款項(不包括非金融負債)	5,769	—	—	—	5,769
Borrowings, including interest payables	借款(包括應付利息)	3,712	29,371	9,938	—	43,021
Lease liabilities	租賃負債	595	329	—	—	924
Other liabilities — payable to LZ Assets	其他負債 — 應付萊州資產	—	50,400	61,600	—	112,000
		21,765	80,100	71,538	—	173,403
As at 31 December 2020	於二零二零年 十二月三十一日					
Trade payables	貿易應付款項	20,147	—	—	—	20,147
Other payables (excluding non-financial liabilities)	其他應付款項(不包括非金融負債)	9,212	—	—	—	9,212
Dividend Payable	應付股息	11,600	40,600	—	—	52,200
Amounts due to the Controlling Shareholder	應付控股股東款項	8,217	—	—	—	8,217
Borrowings, including interest payables	借款(包括應付利息)	3,800	3,714	39,268	—	46,782
Lease liabilities	租賃負債	589	334	162	702	1,787
Other liabilities — retention payable	其他負債 — 應付保留金	17,892	—	—	—	17,892
Other liabilities — payable to LZ Assets	其他負債 — 應付萊州資產	—	—	112,000	—	112,000
		71,457	44,648	151,430	702	268,237

3 財務風險管理(續)

3.1 財務風險因素(續)

(c) 流動資金風險(續)

下表根據各報告期末至合約到期日餘下期間將本集團的非衍生金融負債按相關到期組別作出分析。下表披露的金額為合約未貼現現金流量。



3 FINANCIAL RISK MANAGEMENT (Continued)

3.2 Capital management

The Group's objectives when managing capital are to:

- safeguard the ability to continue as a going concern, so that the Group can continue to provide returns for shareholders and benefits for other stakeholders, and
- maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

The Group monitors capital on the basis of the gearing ratio, being total net debt divided by total capital. Total capital is the total of net debts and total equity as shown on the consolidated statement of financial position.

3 財務風險管理(續)

3.2 資本管理

本集團管理資本的目標為

- 保障其持續經營能力，以讓本集團可以繼續為股東帶來回報及為其他持份者帶來利益；及
- 維持最佳資本架構以減低資本成本。

為維持或調整資本結構，本集團可能會調整支付予股東的股息金額，向股東發還資金，或發行新股或出售資產以減少債務。

本集團基於資本負債比率(即淨債務總額除以總資本)監控資本。總資本為淨債務及總權益的總和(見綜合財務狀況表所示)。



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

3 FINANCIAL RISK MANAGEMENT (Continued)

3.2 Capital management (Continued)

The gearing ratios during the years ended 31 December 2021 and 2020 were as follow:

		As at 31 December 於十二月三十一日	
		2021 二零二一年 RMB'000 人民幣千元	2020 二零二零年 RMB'000 人民幣千元
Borrowings (Note 29)	借款(附註29)	39,900	42,000
Lease liabilities (Note 14)	租賃負債(附註14)	866	1,585
Amount due to the Controlling Shareholder (Note 34(b))	應付控股股東款項(附註34(b))	—	8,217
Other liabilities — payable to LZ Assets (Note 31)	其他負債 — 應付萊州資產(附註31)	96,790	92,489
Total debt	總債務	137,556	144,291
Less: Cash and bank balances (Note 24)	減：現金及銀行結餘(附註24)	(235,593)	(45,363)
Net (asset)/debt (a)	淨(資產)/債務(a)	(98,037)	98,928
Total equity	總權益	388,184	106,124
Total capital (b)	總資本(b)	290,147	205,052
Gearing ratio (a/b)	資本負債比率(a/b)	N/A	48%

The decrease in gearing ratio from 31 December 2020 to 2021 was mainly resulted from proceeds of issue new shares in 2021.

3.3 Fair value estimation

The carrying values less impairment provision of trade receivables, deposits, financial assets at fair value through other comprehensive income and other receivables and payables are a reasonable approximation of their fair values. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the Group for similar financial instruments.

3 財務風險管理(續)

3.2 資本管理(續)

於截至二零二一年及二零二零年十二月三十一日止年度的負債經營率列載如下：

		As at 31 December 於十二月三十一日	
		2021 二零二一年 RMB'000 人民幣千元	2020 二零二零年 RMB'000 人民幣千元
Borrowings (Note 29)	借款(附註29)	39,900	42,000
Lease liabilities (Note 14)	租賃負債(附註14)	866	1,585
Amount due to the Controlling Shareholder (Note 34(b))	應付控股股東款項(附註34(b))	—	8,217
Other liabilities — payable to LZ Assets (Note 31)	其他負債 — 應付萊州資產(附註31)	96,790	92,489
Total debt	總債務	137,556	144,291
Less: Cash and bank balances (Note 24)	減：現金及銀行結餘(附註24)	(235,593)	(45,363)
Net (asset)/debt (a)	淨(資產)/債務(a)	(98,037)	98,928
Total equity	總權益	388,184	106,124
Total capital (b)	總資本(b)	290,147	205,052
Gearing ratio (a/b)	資本負債比率(a/b)	N/A	48%

由二零二零年至二零二一年十二月三十一日，資本負債比率減少，主要是由於在二零二一年發行新股份的所得款項。

3.3 公平值估計

貿易應收款項、按金、按公平值計入其他全面收益的金融資產以及其他應收款項及應付款項的賬面值減去減值撥備後，為其公平值的合理近似值。就披露而言，金融負債的公平值乃透過將未來合約現金流量按本集團類似金融工具可得的現有市場利率貼現估計。



4 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of consolidated financial statements requires the use of accounting estimates which, by definition, will seldom equal the actual results. Management also needs to exercise judgement in applying the Group's accounting policies.

Estimates and judgements are continually evaluated. They are based on historical experience and other factors, including expectations of future events that may have a financial impact on the entity and that are believed to be reasonable under the circumstances. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

(a) Revenue recognition from provision of gold mine hazardous waste treatment services

The Group's gold mine hazardous waste treatment services are conducted in various detoxing processes and integrated with the production process of recycled products such as pyrite concentrate and high-gold pyrite concentrate which can be sold for sales revenue. The Group recognises revenue based on the completion percentage of the treatment services performance obligation which is in turn determined with reference to the percentage of cost incurred up to date to the total cost. The determination of performance obligation and the completion percentage of performance obligation involves judgement, and the total cost of services involves estimation.

4 關鍵會計估計及判斷

編製綜合財務報表須使用會計估計，根據定義，該等會計估計甚少會與實際結果相等。管理層亦須於應用本集團會計政策時作出判斷。

持續評估估計及判斷。估計及判斷乃基於過往經驗及其他因素，包括可能對實體產生財務影響並於此等情況下被視為合理之未來事件之預期。具有對未來財政年度的資產及負債的賬面值造成重大調整的重大風險的估計及假設載於下文。

(a) 提供金礦有害廢物處理服務的收益確認

本集團的金礦有害廢物處理服務通過多個排毒工序進行並與硫精礦及高含金量硫精礦等能出售以賺取銷售收益的再生產品的生產過程相結合。本集團根據處理服務履約責任的完成進度確認收益，而有關進度乃參考迄今已產生成本佔成本總額的百分比釐定。釐定履約責任及履約責任的完成進度涉及判斷，且服務總成本涉及估計。



4 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (Continued)

(b) Estimated lease term of warehouses

The Group leased two warehouses to LZ Assets (as defined in Note 31). The lease term in the lease contracts is 20 years with a committed minimum lease period of 5 years and with an option to both the Group and the lessee to terminate the lease arrangement upon the expiry of the committed 5 years lease period subject to a compensation of one year rental. The Group considers that there is a likelihood that the lessee will exercise the right to terminate the lease arrangement upon the expiry of the committed 5 years lease period and accordingly the Group accounted for the leases as a five year lease contract, with the remaining rental payment refundable to LZ Assets being accounted for as Other liabilities — payable to LZ Assets. The estimation of period involves judgement.

(c) Estimated useful lives and residual values of property, plant and equipment

The Group's management determines the estimated useful lives and residual values and consequently the related depreciation charges for its property, plant and equipment, and reviews the useful lives and residual values periodically to ensure that the method and rates of depreciation are consistent with the expected pattern of realization of economic benefits from property, plant and equipment. This estimate is based on the historical experience of the actual useful lives of property, plant and equipment of similar nature and functions. If there are significant changes from previously estimated useful lives and residual values, the amount of depreciation expenses may change.

4 關鍵會計估計及判斷(續)

(b) 估計倉庫租期

本集團向萊州資產租賃兩間倉庫(定義見附註31)。租賃合約內的租期為20年，承諾最短租期為五年，本集團及承租人可選擇於承諾五年租期屆滿後終止租賃安排，惟須支付一年租金作為補償。本集團認為承租人有可能會於承諾五年租期屆滿後行使權利終止租賃安排，因此本集團將該等租賃作為五年租賃合約列賬，而其餘可退回萊州資產的租金付款則入賬作為其他負債——應付萊州資產款項。期內估計涉及判斷。

(c) 物業、廠房及設備的估計可用年期及餘值

本集團管理層為其物業、廠房及設備釐定估計可用年期及餘值，以至相關折舊開支，並定期檢討可用年期及餘值，確保折舊方法及比率與物業、廠房及設備經濟利益變現的預期模式一致。此估計乃根據對類似性質及功能的物業、廠房及設備的實際可用年期的過往經驗。倘比起先前估計可用年期及餘值有重大變化，則折舊開支金額可能會改變。



4 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (Continued)

(d) Impairment of property, plant and equipment

The carrying amounts of items of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate the carrying amounts may not be recoverable in accordance with the accounting policy as disclosed in note 2.7 to the consolidated financial statements. The recoverable amount is the higher of its fair value less costs of disposal and value in use, and calculations of which involve the use of estimates. In estimating the recoverable amounts of assets, various assumptions, including future cash flows and discount rates, are made. If future events do not correspond to such assumptions, the recoverable amounts will need to be revised, and this may have an impact on the Group's results of operations or financial position. The carrying amounts of property, plant and equipment in the consolidated statement of financial positions are set out in Note 15 to the consolidated financial statements.

(e) Impairment of financial assets

The loss allowances for financial assets are based on assumptions about risk of default and expected loss rates. The Group uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the Group's past history, existing market conditions as well as forward looking estimates at the end of each reporting period. Details of the key assumptions and inputs used are disclosed in the note 3.1(b).

4 關鍵會計估計及判斷(續)

(d) 物業、廠房及設備減值

根據綜合財務報表附註2.7所披露的會計政策，當事件或情況變動顯示賬面值可能無法收回時，會檢討物業、廠房及設備項目的賬面值是否出現減值。可收回金額為其公平值減出售成本及使用價值兩者間的較高者，其計算涉及使用估計。在估計資產的可收回金額時，會作出各種假設，包括未來現金流量及貼現率。倘未來事件與該等假設不符，則需修訂可收回金額，而這可能對本集團的經營業績或財務狀況造成影響。綜合財務狀況表中物業、廠房及設備的賬面值載於綜合財務報表附註15。

(e) 金融資產減值

金融資產的虧損撥備乃基於對違約風險及預期虧損率之假設而作出。基於本集團之過往記錄、現有市場狀況以及前瞻性估計，本集團於各報告期末作出該等假設及選擇計算減值之輸入數據時會採用判斷。所用的主要假設及輸入數據詳情於附註3.1(b)披露。



4 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (Continued)

(f) Current and deferred income taxes

The Group is subject to income taxes in a few jurisdictions. Judgement is required in determining the provision for income taxes. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the current income tax and deferred income tax provisions in the periods in which such determinations are made.

Deferred income tax assets and liabilities relating to certain temporary differences are recognised as management considers that it is probable that future taxable profits will be available against which the temporary differences can be utilised. Where the expectation is different from the original estimate, such differences will impact the recognition of deferred income tax assets and liabilities and taxation in the periods in which such estimate is changed.

5 SEGMENT INFORMATION

(a) Description of segments and principal activities

The Group's CODM has been identified as the executive directors of the board and the chief financial controller.

The Group is principally engaged in the provision of gold mine hazardous waste treatment services and sales of recycled products such as pyrite concentrate in the PRC. The process of the treatment services and production of the resultant recycled products are in one integral process. Also, for the purpose of resource allocation and performance assessment, the CODM reviews and assesses the overall results and financial position of the Group as a whole. Accordingly, the CODM determines that the Group has only one single reportable segment. Management of the Group assesses the performance of the reportable segment based on the revenue and gross profit for the years of the Group as presented in the consolidated statement of comprehensive income.

4 關鍵會計估計及判斷(續)

(f) 即期及遞延所得稅

本集團須於若干司法權區繳納所得稅。在釐定所得稅撥備時需要作出判斷。倘該等事項的最終稅務後果與最初記錄的金額不同，此等差額將影響作出定稅期間的即期所得稅及遞延所得稅撥備。

於管理層認為很可能有未來應課稅溢利可用作抵銷暫時性差異時，本集團確認與若干暫時性差異有關的遞延所得稅資產及負債。倘預期與原來的估計不同，該等差異將會影響有關估計變更期間遞延所得稅資產及負債及稅項的確認。

5 分部資料

(a) 分部說明及主要活動

本集團的主要經營決策者識別為董事會執行董事及財務總監。

本集團主要於中國從事提供金礦有害廢物處理服務及銷售再生產品(如硫精礦)。處理服務過程及其後生產再生產品是一個整體過程。此外，就資源分配及表現評估而言，主要經營決策人整體審閱及評估本集團整體業績及財務狀況。因此，主要經營決策人認為本集團僅有一個單一可報告分部。本集團管理層根據綜合全面收益表所呈列的本集團年內收益及毛利評估可報告分部的表現。



5 SEGMENT INFORMATION (Continued)

(a) Description of segments and principal activities (Continued)

The Group's principal market, majority of revenue and operating profit and all operations and non-current assets are in Shandong province of the PRC. Accordingly, no geographical segment information is presented.

(b) Revenue during the years ended 31 December 2021 and 2020

5 分部資料(續)

(a) 分部說明及主要活動(續)

本集團的主要市場、大部分收益及經營溢利及所有業務和非流動資產均位於中國山東省。因此，並無呈列地域分部資料。

(b) 於截至二零二一年及二零二零年十二月三十一日止年度的收益

		Year ended 31 December 截至十二月三十一日止年度	
		2021 二零二一年 RMB'000 人民幣千元	2020 二零二零年 RMB'000 人民幣千元
Revenue from contract with customers within the scope of IFRS 15	國際財務報告準則第15號範圍內的客戶合約收益		
Revenue from provision of gold mine hazardous waste treatment services	提供金礦有害廢物處理服務的收益	96,581	107,958
Revenue from sales of recycled products	銷售再生產品的收益	145,955	82,514
Others	其他	—	413
		242,536	190,885
Other Revenue	其他收益		
Rental income	租金收入	14,507	14,507
		257,043	205,392
Rental Income	租金收入		
Warehouse leasing rental (Note 31)	倉庫租賃租金(附註31)	14,507	14,507

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5 SEGMENT INFORMATION (Continued)

(b) Revenue during the years ended 31 December 2021 and 2020 (Continued)

The analysis of revenue from contract with customers within the Scope of IFRS15 recognised over time and at a point in time as required by IFRS15 is set out below:

		Year ended 31 December 截至十二月三十一日止年度	
		2021 二零二一年 RMB'000 人民幣千元	2020 二零二零年 RMB'000 人民幣千元
Recognized over time	隨時間確認		
Revenue from provision of gold mine hazardous waste treatment services	提供金礦有害廢物處理服務的收益	96,581	107,958
Recognized at a point in time	於某時間點確認		
Revenue from sales of recycled products	銷售再生產品的收益	145,955	82,514
Others	其他	—	413
		242,536	190,885

(c) Contract liabilities

The Group recognized the following contract liabilities:

5 分部資料(續)

(b) 於截至二零二一年及二零二零年十二月三十一日止年度的收益(續)

國際財務報告準則第15號規定，國際財務報告準則第15號範圍內隨時間及於某時間點確認的客戶合約收益分析載於下文：

(c) 合約負債

本集團確認以下合約負債：

		As at 31 December 於十二月三十一日	
		2021 二零二一年 RMB'000 人民幣千元	2020 二零二零年 RMB'000 人民幣千元
Contract liabilities related to provision of gold mine hazardous waste treatment services	與提供金礦有害廢物處理服務有關的合約負債	3,370	8,676
Contract liabilities related to sales of recycled products	與銷售再生產品有關的合約負債	4,895	2,151
		8,265	10,827



5 SEGMENT INFORMATION (Continued)

(c) Contract liabilities (Continued)

The following table shows how much of the revenue recognized during the years ended 31 December 2021 and 2020 relates to carried-forward contract liabilities:

		Year ended 31 December 截至十二月三十一日止年度	
		2021 二零二一年 RMB'000 人民幣千元	2020 二零二零年 RMB'000 人民幣千元
Revenue recognized that was included in the balance of contract liabilities at the beginning of the year	計入年初合約負債結餘的已確認收益		
Provision of gold mine hazardous waste treatment services	提供金礦有害廢物處理服務	8,676	11,279
Sales of recycled products	銷售再生產品	2,151	3,962
		10,827	15,241

(d) Unsatisfied contracts

The following table shows unsatisfied performance obligations resulting from contracts with customers:

		As at 31 December 於十二月三十一日	
		2021 二零二一年 RMB'000 人民幣千元	2020 二零二零年 RMB'000 人民幣千元
Expected to be recognized within one year	預期將於一年內確認		
Provision of gold mine hazardous waste treatment services	提供金礦有害廢物處理服務	3,370	8,676
Sales of recycled products	銷售再生產品	4,895	2,151
		8,265	10,827

5 分部資料(續)

(c) 合約負債(續)

下表列示於截至二零二一年及二零二零年十二月三十一日止年度確認並與結轉合約負債有關的收益金額：

(d) 未履行合約

下表列示與客戶訂立的合約所產生的未履行履約義務：



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

5 SEGMENT INFORMATION (Continued)

(e) Information about major customers

Revenue from individual customers which individually accounted for 10% or more of the Group's total revenue during the years ended 31 December 2021 and 2020 is set out below:

		Year ended 31 December 截至十二月三十一日止年度	
		2021 二零二一年 RMB'000 人民幣千元	2020 二零二零年 RMB'000 人民幣千元
Customer A	客戶A	40,301	56,074
Customer B	客戶B	37,615	34,822
Customer C	客戶C	不適用(i)	20,852

(i) Contributed less than 10% of the Group's total revenue for the relevant year.

5 分部資料(續)

(e) 有關主要客戶的資料

來自個別客戶單獨佔本集團於截至二零二一年及二零二零年十二月三十一日止年度總收益10%或以上的收益載列如下：

(i) 於相關年度為本集團總收益貢獻少於10%。

6 OTHER INCOME

		Year ended 31 December 截至十二月三十一日止年度	
		2021 二零二一年 RMB'000 人民幣千元	2020 二零二零年 RMB'000 人民幣千元
Interest income from a related party	來自一名關聯方的 利息收入	—	5,144
Others	其他	78	43
		78	5,187

During the year ended 31 December 2020, the Group's subsidiary, HC Environmental, provided short-term loans to its related party, Zhonglian Cement (Note 34(a)), and recognized interest income. The loan had been fully settled during the year ended 31 December 2021.

6 其他收入

於截至二零二零年十二月三十一日止年度，本集團附屬公司鴻鉞環保向其關聯方中聯水泥提供短期貸款(附註34(a))，並確認利息收入。該貸款已於截至二零二一年十二月三十一日止年度悉數結算。



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7 OTHER (LOSSES)/GAINS — NET

7 其他(虧損)/收益淨額

		Year ended 31 December 截至十二月三十一日止年度	
		2021 二零二一年 RMB'000 人民幣千元	2020 二零二零年 RMB'000 人民幣千元
Foreign exchange gains	外匯收益	249	154
Insurance claim	保險索償	91	175
Net (losses)/gains on disposal of property, plant and equipment and other assets (Note 32)	出售物業、廠房及設備及其他資產的(虧損)/收益淨額(附註32)	(500)	50
Others	其他	4	33
		(156)	412



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8 EXPENSES BY NATURE

The analysis of cost of sales, selling expenses and administrative expenses is as follow:

8 按性質劃分的開支

銷售成本、銷售開支及行政開支的分析如下：

		Year ended 31 December 截至十二月三十一日止年度	
		2021 二零二一年 RMB'000 人民幣千元	2020 二零二零年 RMB'000 人民幣千元
Raw materials and consumables used	已使用原材料及耗材	41,772	41,328
Changes in inventories of finished goods and work-in-progress	製成品及在製品存貨變動	(263)	(6,141)
Employee benefit expenses (Note 9)	僱員福利開支(附註9)	16,658	12,615
Transportation expenses	運輸開支	11,947	12,451
Electricity and water expenses	水電開支	11,754	13,015
Amortisation of right-of-use assets (Note 14)	使用權資產攤銷(附註14)	833	1,129
Depreciation of property, plant and equipment (Note 15)	物業、廠房及設備折舊(附註15)	9,299	8,035
Depreciation of investment properties (Note 16)	投資物業折舊(附註16)	4,386	4,386
Amortisation of intangible assets (Note 17)	無形資產攤銷(附註17)	7	7
Taxes and levies	稅項及徵費	4,250	3,717
Consultation and professional fees	諮詢及專業費用	3,796	1,018
Repair and maintenance fee	維修及保養費用	3,482	3,127
Entertainment expenses	酬酢開支	3,090	3,563
Auditor's remuneration — audit services	核數師薪酬 — 審核服務	1,627	20
Production safety cost	生產安全成本	1,560	1,621
Listing expenses	上市開支	14,206	4,539
Donations	捐獻	310	781
Others	其他	3,867	3,135
Total	總計	132,581	108,346



9 EMPLOYEE BENEFIT EXPENSES

9 僱員福利開支

		Year ended 31 December 截至十二月三十一日止年度	
		2021 二零二一年 RMB'000 人民幣千元	2020 二零二零年 RMB'000 人民幣千元
Salaries, wages and bonuses	薪金、工資及花紅	13,740	11,590
Contributions to pension plan, medical insurance and other social insurance (a)	退休金計劃、醫療保險及其他社會保險供款(a)	2,532	664
Housing fund	住房公積金	386	361
		16,658	12,615

(a) Contributions to pension plan

The PRC based employees of the Group participate in various defined contribution retirement and social benefit plans organized by the relevant municipal and provincial governments in the PRC. The Group and the employees are required to make monthly contributions to these plans calculated as a percentage of employees' salaries, subject to certain ceiling. The municipal and provincial governments undertake to assume the retirement benefit obligations of all existing and future retired PRC based employees payable under the plans described above. The assets of these plans are held separately from those of the Group in an independent fund managed by the PRC government. Other than the monthly contributions, the Group has no further obligation for the payment of retirement and other post-retirement benefits of its employees. The Group's contributions to these plans are expensed as incurred.

During the year ended 31 December 2020, due to COVID-19, part of the contributions to retirement and social benefit plans, including pension insurance, unemployment insurance and employee injury insurance were exempted by the local government.

There were no forfeited contributions (by employers on behalf of employees who leave the scheme prior to vesting fully in such contributions) to offset existing contributions under the defined contribution schemes.

(a) 退休金計劃供款

本集團的中國僱員參與由中國相關市政府及省政府組織的各種界定供款退休及社會福利計劃。本集團及僱員須每月向該等計劃供款，金額按僱員工資的百分比計算，設有特定上限。市政府及省政府承諾承擔根據上述計劃應付的所有現有及未來退休中國僱員的退休福利義務。該等計劃的資產與本集團的資產分開，由中國政府管理的獨立基金持有。除每月供款外，本集團並無支付其僱員退休及其他退休後福利的進一步責任。本集團對該等計劃的供款於產生時列為開支。

於截至二零二零年十二月三十一日止年度，由於COVID-19，地方政府豁免部分退休及社會福利計劃供款，包括退休金保險、失業保險及僱員工傷保險。

概無任何遭沒收的供款(由僱主代表在悉數歸屬此類繳款前離開計畫的僱員)以抵消固定供款計畫下的現有供款。

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9 EMPLOYEE BENEFIT EXPENSES (Continued)

(b) Five highest paid individuals

The five individuals whose emoluments were the highest in the Group include three (2020: three) directors for the years ended 31 December 2021. Their emoluments are reflected in the analysis presented in Note 37. Details of the remunerations of the remaining two (2020: two) highest paid individuals during the years ended 31 December 2021 and 2020 are as follows:

		Year ended 31 December 截至十二月三十一日止年度	
		2021 二零二一年 RMB'000 人民幣千元	2020 二零二零年 RMB'000 人民幣千元
Salaries, wages and bonuses	薪金、工資及花紅	1,198	427
Contributions to pension plan, housing fund, medical insurance and other social benefits	退休金計劃、住房 公積金、醫療保險及 其他社會福利供款	71	19
		1,269	446

The number of highest paid non-director individuals whose remuneration for the years ended 31 December 2021 and 2020 fell within the following bands are as follows:

		Year ended 31 December 截至十二月三十一日止年度	
		2021 二零二一年	2020 二零二零年
Emolument bands (Nil to HK\$1,000,000)	酬金組別(零至 1,000,000港元)	2	2

During the years ended 31 December 2021 and 2020, none of the five highest paid individuals waived or has agreed to waive any emoluments, and none of the five highest paid individuals received emoluments from the Group as inducement to join or upon joining the Group, or as compensation for loss of office.

9 僱員福利開支(續)

(b) 五位最高薪酬人士

截至二零二一年十二月三十一日止年度，本集團五位最高薪酬人士分別包括三名(二零二零年：三名)董事，彼等的酬金反映於附註37所載的分析。於截至二零二一年及二零二零年十二月三十一日止年度最高薪酬的餘下兩名(二零二零年：兩名)個人的薪酬詳情列載如下：

於截至二零二一年及二零二零年十二月三十一日止年度最高薪酬的非董事個人(酬金屬於以下組別)人數如下：

於截至二零二一年及二零二零年十二月三十一日止年度，五位最高薪酬人士概無放棄或同意放棄任何酬金，五位最高薪酬人士亦無向本集團收取酬金作為加入本集團或加入本集團時的獎勵或離職補償。



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10 FINANCE COSTS — NET

10 財務成本淨額

		Year ended 31 December 截至十二月三十一日止年度	
		2021 二零二一年 RMB'000 人民幣千元	2020 二零二零年 RMB'000 人民幣千元
Finance income	財務收入		
— Interest income derived from bank balances	— 來自銀行結餘的利息收入	(412)	(40)
Finance costs	財務成本		
— Interest expenses on bank borrowings	— 銀行借款利息開支	1,680	1,846
— Interest expenses relating to warehouse lease arrangements (Note 31)	— 與倉庫租賃安排有關的利息開支(附註31)	4,301	4,109
— Interest expenses on lease liabilities (Note 14)	— 租賃負債利息開支(附註14)	26	70
— Other losses	— 其他虧損	426	58
		6,433	6,083
Less: borrowing costs capitalised in property, plant and equipment	減：於物業、廠房及設備資本化的借貸成本	—	—
		6,433	6,083
Finance costs — net	財務成本淨額	6,021	6,043



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11 INCOME TAX EXPENSE

11 所得稅開支

		Year ended 31 December 截至十二月三十一日止年度	
		2021 二零二一年 RMB'000 人民幣千元	2020 二零二零年 RMB'000 人民幣千元
PRC income tax	中國所得稅		
— Current income tax expense	— 即期所得稅開支	28,025	23,464
— Deferred income tax expense (Note 30)	— 遞延所得稅開支 (附註30)	3,506	160
		31,531	23,624

The Group's principal applicable taxes and tax rates are as follows:

本集團的主要適用稅項及稅率如下：

(a) Cayman Islands, British Virgin Islands ("BVI") and Hong Kong

The Company is an exempted company incorporated in the Cayman Islands and is not liable for taxation in the Cayman Islands.

The Group's subsidiary incorporated in the BVI is exempted company and is not liable for taxation in the BVI.

Hong Kong profits tax was considered at the rate of 16.5% on the estimated assessable profits for the years. The Group did not have assessable profits in Hong Kong for the years.

(a) 開曼群島及英屬維爾京群島(「英屬維爾京群島」)及香港

本公司為於開曼群島註冊成立的獲豁免公司，毋須在開曼群島繳稅。

本集團為於英屬維爾京群島註冊成立的獲豁免公司，毋須在英屬維爾京群島繳稅。

於年內，香港利得稅按估計應課稅溢利的16.5%計算。本集團於年內在香並無應課稅溢利。

(b) PRC corporate income tax ("CIT")

Taxation on PRC income has been calculated on the estimated assessable profit for the year at the rates of taxation prevailing in the PRC in which the Group's subsidiaries operate. The Company's subsidiaries incorporated in PRC are subject to CIT at the rate of 25% (2020: 25%) for the year ended 31 December 2021.

(b) 中國企業所得稅(「企業所得稅」)

中國收入的稅項按年內估計應課稅溢利根據本集團附屬公司經營所在的中國的現行稅率計算。於截至二零二一年十二月三十一日止年度，本公司在中國註冊成立的附屬公司須按25%(二零二零年：25%)的稅率繳納企業所得稅。



11 INCOME TAX EXPENSE (Continued)

(c) PRC withholding income tax

According to the CIT Law, a 10% withholding tax on dividends received/receivable will be levied on the PRC companies' immediate holding companies established out of the PRC. A lower withholding tax rate may be applied if there is a tax treaty arrangement between the PRC and the jurisdiction of the foreign immediate holding companies and simultaneously certain conditions are satisfied.

PRC withholding income tax has been provided for the amounts the Group expect Mainland China subsidiaries to distribute these profits in the foreseeable future. As at 31 December 2021, deferred income tax liabilities of RMB1,800,000 (2020: nil) have been recognised for the withholding tax that would be payable on remitted earnings of PRC subsidiaries of the Group amounting to RMB18,000,000 (2020: nil).

No PRC withholding income tax has been provided for the remaining earnings which will be retained in Mainland China for expansion of the Group's operation. As at 31 December 2021, deferred income tax liabilities of RMB14,732,000 (2020: RMB6,320,000) have not been recognised for the withholding tax that would be payable on unremitted earnings of PRC subsidiaries of the Group amounting to RMB147,320,000 (2020: RMB63,204,000).

11 所得稅開支(續)

(c) 中國預扣所得稅

根據企業所得稅法，在中國境外成立的中國公司的直接控股公司將被徵收已收／應收股息的10%預扣稅。倘中國與外國直接控股公司的司法管轄區之間有稅務條約安排，並同時滿足若干條件，則可適用較低的預扣稅率。

已就本集團預期於可預見未來中國內地附屬公司將會分派該等溢利的金額計提中國預扣所得稅撥備。於二零二一年十二月三十一日，本集團的中國附屬公司匯出盈利的預扣稅為人民幣18,000,000元(二零二零年：零)，已確認相關遞延所得稅負債人民幣1,800,000元(二零二零年：零)。

概無就餘下盈利計提中國預扣所得稅撥備，該等盈利將保留在中國內地以供本集團擴充營運。於二零二一年十二月三十一日，本集團的中國附屬公司未匯出盈利的預扣稅為人民幣147,320,000元(二零二零年：人民幣63,204,000元)，並未確認相關遞延所得稅負債人民幣14,732,000元(二零二零年：人民幣6,320,000元)。

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11 INCOME TAX EXPENSE (Continued)

(c) PRC withholding income tax (Continued)

The tax on the Group's profit before income tax differs from the theoretical amount that would arise using the statutory tax rate applicable to profit of the consolidated entities as follows:

11 所得稅開支(續)

(c) 中國預扣所得稅(續)

對本集團除所得稅前溢利徵收的稅項與應用綜合實體溢利適用的法定稅率得出的理論金額有以下差異：

		Year ended 31 December 截至十二月三十一日止年度	
		2021 二零二一年 RMB'000 人民幣千元	2020 二零二零年 RMB'000 人民幣千元
Profit before income tax	除所得稅前溢利	117,144	96,489
Tax calculated at the PRC statutory tax rate of 25% (2020: 25%)	按中國企業所得稅率25%計算的稅項 (二零二零年：25%)	29,286	24,122
Tax effects of:	以下各項的稅務影響：		
— Impact of different tax rates at a different tax regime	— 不同稅制下不同稅率的影響	2,223	216
— Expenses not deductible for income tax purpose	— 不可扣所得稅開支	465	1,227
— Income not subject to income tax	— 毋須繳納所得稅收入	(3,649)	(2,063)
— Tax losses for which no deferred income tax asset was recognised	— 並無就此確認遞延所得稅資產的稅項虧損	1,406	428
— Additional deduction on research and development expenses	— 就研發開支的額外扣減	—	(306)
— Withholding tax	— 預扣稅	1,800	—
Tax charge	稅項支出	31,531	23,624



11 INCOME TAX EXPENSE (Continued)

(c) PRC withholding income tax (Continued)

- (i) In accordance with the Circular of the Ministry of Finance and the State Administration of Taxation on Issues concerning Implementing the Enterprise Income Tax Incentive Catalogue for Comprehensive Utilization of Resources Cai Shui [2008] No. 47 (《財政部、國家稅務總局關於執行資源綜合利用企業所得稅優惠目錄有關問題的通知》財稅[2008]47號), an enterprise, which uses the raw materials under the catalogue to produce recycled resource products under the catalogue and the products meet the national or industrial standards, is entitled to incentive tax arrangement such that 90% of the sales revenue of the products is subject to the calculation of the taxable income. The Group's sales of recycled products qualify for the incentive tax arrangement and therefore 10% of the Group's revenue from sales of recycled products was deducted from the taxable income of the Group in the calculation of CIT during the years.

12 EARNINGS PER SHARE

(a) Basic

The basic earnings per share is calculated by dividing the profit attributable to owners of the Company by the weighted average number of ordinary shares in issue during the years.

11 所得稅開支(續)

(c) 中國預扣所得稅(續)

- (i) 根據《財政部、國家稅務總局關於執行資源綜合利用企業所得稅優惠目錄有關問題的通知》財稅[2008]47號，企業利用目錄內的原材料生產目錄內的再生資源產品，且產品符合國家標準或行業標準，可享受稅務寬減安排，即產品銷售收益的90%計入應課稅收入。本集團銷售的再生產品符合稅務寬減安排，因此，在計算企業所得稅時，本集團於年內銷售再生產品的收益的10%從應課稅收入中扣除。

12 每股盈利

(a) 基本

每股基本盈利乃透過將本公司擁有人應佔溢利除以年內的已發行普通股加權平均數計算。

		Year ended 31 December 截至十二月三十一日止年度	
		2021 二零二一年	2020 二零二零年
Profit attributable to owners of the Company (RMB'000)	本公司擁有人應佔溢利 (人民幣千元)	85,613	72,865
Weighted average number of ordinary shares in issue	已發行普通股加權 平均數	784,246,575	750,000,000
Basic earnings per share (RMB)	每股基本盈利 (人民幣元)	0.11	0.10



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12 EARNINGS PER SHARE (Continued)

(b) Diluted

During the years ended 31 December 2021 and 2020, the diluted earnings per share presented is the same as the basic earnings per share as there were no instruments outstanding that could have a dilutive effect on the Company's ordinary shares.

13 DIVIDEND

		Year ended 31 December 截至十二月三十一日止年度	
		2021 二零二一年 RMB'000 人民幣千元	2020 二零二零年 RMB'000 人民幣千元
Proposed final dividend of HKD0.0189 (equivalent to approximately RMB0.0154) per ordinary share	建議末期股息每股普通股0.0189港元(相當於約人民幣0.0154元)	15,400	—

A final dividend in respect of the year ended 31 December 2021 of HKD0.0189 (equivalent to approximately RMB0.0154) (2020: nil) per ordinary share of the Company, amounting to a total of HKD18.9 million (equivalent to approximately RMB15.4 million) (2020: nil), was proposed by the board of directors of the Company on 31 March 2022, and is subject to approval by the Company's shareholders in the forthcoming annual general meeting of the Company where the number of shares used for dividend calculation is the balance of the issued ordinary shares as at 31 December 2021. The proposed dividend will be distributed out of the share premium account of the Company. These financial statements do not reflect this as dividend payable.

No dividends has been paid or declared by the Company since its incorporation and during the year ended 31 December 2021. During the year ended 31 December 2020, HC Environmental, a subsidiary of the Group, declared dividends of RMB58 million to its then shareholders prior to Listing.

12 每股盈利(續)

(b) 攤薄

截至二零二一年及二零二零年十二月三十一日止年度，呈列的每股攤薄盈利與每股基本盈利相同，因為並無發行在外的工具可對本公司的普通股造成攤薄影響。

13 股息

董事會於二零二二年三月三十一日建議就截至二零二一年十二月三十一日止年度派付末期股息每股本公司普通股0.0189港元(相當於約人民幣0.0154元)(二零二零年：無)，合共18.9百萬港元(相當於約人民幣15.4百萬元)(二零二零年：無)，惟須待本公司股東於本公司應屆股東週年大會上批准方告作實，其中用作計算股息的股份數目為截至二零二一年十二月三十一日的已發行普通股結餘。建議股息將透過本公司的股份溢價賬分派。此等財務報表並無反映該應付股息。

本公司自註冊成立以來及於截至二零二一年十二月三十一日止年度並無支付或宣派股息。於截至二零二零年十二月三十一日止年度，本集團的附屬公司鴻鉞環保在上市前向其當時的股東宣派股息人民幣58百萬元。



14 LEASES

(i) Amounts recognised in the consolidated statement of financial position

		As at 31 December 於十二月三十一日	
		2021 二零二一年 RMB'000 人民幣千元	2020 二零二零年 RMB'000 人民幣千元
Right-of-use assets	使用權資產		
Land use rights	土地使用權	24,742	25,336
Leased properties	租賃物業	827	1,096
Leased equipment	租賃設備	—	1,867
		25,569	28,299
Lease liabilities	租賃負債		
Leased properties and equipment	租賃物業及設備		
— Non-current	— 非流動	(320)	(823)
— Current	— 流動	(546)	(762)
		(866)	(1,585)

14 租賃

(i) 於綜合財務狀況表確認的金額



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

14 LEASES (Continued)

(i) Amounts recognised in the consolidated statement of financial position (Continued)

Movements in right-of-use assets in 2021 and 2020 are analysed as follows:

		Land use rights 土地使用權 RMB'000 人民幣千元	Leased equipment 租賃設備 RMB'000 人民幣千元	Leased properties 租賃物業 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
At 1 January 2020	於二零二零年 一月一日	25,930	2,126	645	28,701
Additions	添置	—	—	727	727
Depreciation (Note 8)	折舊(附註8)	(594)	(259)	(276)	(1,129)
As at 31 December 2020	於二零二零年 十二月三十一日	25,336	1,867	1,096	28,299
At 1 January 2021	於二零二一年 一月一日	25,336	1,867	1,096	28,299
Additions	添置	—	—	639	639
Disposals	出售	—	(432)	—	(432)
Transfer to fixed assets (Note 15)	轉撥至固定資產 (附註15)	—	(1,380)	—	(1,380)
Termination of lease contracts	終止租賃合約	—	—	(724)	(724)
Depreciation (Note 8)	折舊(附註8)	(594)	(55)	(184)	(833)
As at 31 December 2021	於二零二一年 十二月三十一日	24,742	—	827	25,569

The Group's land use rights comprise leases of the factory sites of HC Mining and HC Environmental located at Laizhou city of Shandong Province, the PRC.

The estimated useful life of the Group's land use rights is determined to be 50 years which is the best estimate of the useful life based on the normal terms of land use right leases in the PRC.

14 租賃(續)

(i) 於綜合財務狀況表確認的金額(續)

於二零二一年及二零二零年的使用權資產變動分析如下：

本集團的土地使用權包括鴻承礦業及鴻鉞環保位於中國山東省萊州市的廠房地盤的租賃。

本集團土地使用權的估計可使用年期乃釐定為50年，其為根據中國土地使用權租賃一般條款對可使用年期的最佳估計。



14 LEASES (Continued)

(i) Amounts recognised in the consolidated statement of financial position (Continued)

As at 31 December 2021, land use rights of the Group with a total net book value of RMB5,850,000 (2020: RMB6,004,000) were pledged as security for long-term bank borrowings of the Group as disclosed in Note 29.

The Group also leases office premises, warehouses and equipment under operating leases for periods ranging from 2 to 3 years.

(ii) Amounts recognised in the consolidated statement of comprehensive income

		Year ended 31 December 截至十二月三十一日止年度	
		2021 二零二一年 RMB'000 人民幣千元	2020 二零二零年 RMB'000 人民幣千元
Cost of sales	銷售成本	566	809
Administrative expenses	行政開支	267	320
		833	1,129
Interest expense (included in finance cost) (Note 10)	利息開支(計入財務成本)(附註10)	26	70

The total cash outflow for leases during the years ended 31 December 2021 was RMB661,000 (2020: RMB526,000).

14 租賃(續)

(i) 於綜合財務狀況表確認的金額(續)

於二零二一年十二月三十一日，本集團賬面淨值總額為人民幣5,850,000元(二零二零年：人民幣6,004,000元)的土地使用權已作抵押以擔保本集團的長期銀行借款(如附註29披露)。

本集團亦根據經營租賃租用辦公室物業、倉庫及設備，為期介乎2至3年。

(ii) 於綜合全面收益表確認的金額

於截至二零二一年年十二月三十一日止年度的租賃現金流出總額為人民幣661,000元(二零二零年：人民幣526,000元)。

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15 PROPERTY, PLANT AND EQUIPMENT

15 物業、廠房及設備

		Buildings	Machineries	Furniture fixtures and equipment 傢俬、固定 裝置及設備	Vehicles	Construction in progress	Total
		樓宇	機器	傢俬、固定 裝置及設備	汽車	在建工程	總計
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
At January 2020	於二零二零年一月一日						
Cost	成本	104,315	24,358	2,766	5,163	4,228	140,830
Accumulated depreciation	累計折舊	(5,022)	(4,622)	(1,154)	(636)	—	(11,434)
Net book amount	賬面淨值	99,293	19,736	1,612	4,527	4,228	129,396
Year ended 31 December 2020	截至二零二零年 十二月三十一日 止年度						
Opening net book amount	年初賬面淨值	99,293	19,736	1,612	4,527	4,228	129,396
Additions	添置	—	4,800	954	506	3,003	9,263
Transfer upon completion	完成後轉撥	7,231	—	—	—	(7,231)	—
Disposals	出售	—	(190)	—	—	—	(190)
Depreciation (Note 8)	折舊(附註8)	(4,465)	(2,554)	(478)	(538)	—	(8,035)
Closing net book amount	年末賬面淨值	102,059	21,792	2,088	4,495	—	130,434
At 31 December 2020	於二零二零年 十二月三十一日						
Cost	成本	111,546	28,790	3,720	5,669	—	149,725
Accumulated depreciation	累計折舊	(9,487)	(6,998)	(1,632)	(1,174)	—	(19,291)
Net book amount	賬面淨值	102,059	21,792	2,088	4,495	—	130,434
Year ended 31 December 2021	截至二零二一年 十二月三十一日 止年度						
Opening net book amount	年初賬面淨值	102,059	21,792	2,088	4,495	—	130,434
Additions	添置	1,242	1,440	494	3,690	11,026	17,892
Transfer upon completion	完成後轉撥	—	11,026	—	—	(11,026)	—
Transfer from right-of-use assets (Note 14)	轉撥自使用權資產 (附註14)	—	1,380	—	—	—	1,380
Disposals	出售	—	(574)	—	(1,214)	—	(1,788)
Depreciation (Note 8)	折舊(附註8)	(4,468)	(3,386)	(611)	(834)	—	(9,299)
Closing net book amount	年末賬面淨值	98,833	31,678	1,971	6,137	—	138,619
As at 31 December 2021	於二零二一年 十二月三十一日						
Cost	成本	112,788	42,398	4,214	8,104	—	167,504
Accumulated depreciation	累計折舊	(13,955)	(10,720)	(2,243)	(1,967)	—	(28,885)
Net book amount	賬面淨值	98,833	31,678	1,971	6,137	—	138,619



15 PROPERTY, PLANT AND EQUIPMENT (Continued)

Depreciation of property, plant and equipment is included in the following categories in the consolidated statement of comprehensive income:

		Year ended 31 December 截至十二月三十一日止年度	
		2021 二零二一年 RMB'000 人民幣千元	2020 二零二零年 RMB'000 人民幣千元
Cost of sales	銷售成本	6,648	6,270
Administrative expenses	行政開支	2,651	1,765
Total	總計	9,299	8,035

As at 31 December 2021, buildings of the Group with a total net book value of RMB68,724,000 (2020: RMB71,380,000) were pledged to secure borrowings of the Group as disclosed in Note 29.

15 物業、廠房及設備(續)

物業、廠房及設備折舊於綜合全面收益表計入以下類別：

於二零二一年十二月三十一日，本集團賬面淨值總額為人民幣68,724,000元(二零二零年：人民幣71,380,000元)的樓宇已作抵押以擔保本集團的借款(如附註29披露)。



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16 INVESTMENT PROPERTIES

16 投資物業

		Buildings 樓宇 RMB'000 人民幣千元
As at 31 December 2019	於二零一九年十二月三十一日	
Cost	成本	142,565
Accumulated depreciation	累計折舊	(4,202)
Net book amount	賬面淨值	138,363
Year ended 31 December 2020	截至二零二零年十二月三十一日 止年度	
Opening net book amount	年初賬面淨值	138,363
Depreciation (Note 8)	折舊(附註8)	(4,386)
Closing net book amount	年末賬面淨值	133,977
As at 31 December 2020	於二零二零年十二月三十一日	
Cost	成本	142,565
Accumulated depreciation	累計折舊	(8,588)
Net book amount	賬面淨值	133,977
Year ended 31 December 2021	截至二零二一年十二月三十一日 止年度	
Opening net book amount	年初賬面淨值	133,977
Depreciation (Note 8)	折舊(附註8)	(4,386)
Closing net book amount	年末賬面淨值	129,591
As at 31 December 2021	於二零二一年十二月三十一日	
Cost	成本	142,565
Accumulated depreciation	累計折舊	(12,974)
Net book amount	賬面淨值	129,591



16 INVESTMENT PROPERTIES

(a) As at 31 December 2021, the fair value of the Group's investment properties were approximately RMB153,273,000 (2020: RMB160,600,000). The fair value as at 31 December 2021 was estimated by the management of the Group. The fair value as at 31 December 2020 was determined with reference to a professional valuation by Cushman & Wakefield Limited, a professional valuer. The Group's investment properties were in industrial use and located at north of Yeyan Road, north of Dadongzhuang Village, Shahe Town, Laizhou City, Yantai, Shandong Province, the PRC.

(b) Investment properties of the Group as at 31 December 2021 with a total net book value of RMB67,847,000 (2020: RMB70,315,000) were pledged to secure bank borrowings of the Group as disclosed in Note 29.

(c) Valuation techniques

Income approach is adopted and takes into account the current rents of the property interests and the reversionary potentials of the tenancies, term yield and reversionary yield are then applied respectively to derive the market value of the property, there were no changes to the valuation techniques for each of the two investment properties during the years.

Information about fair value measurements of investment properties using significant unobservable inputs (level 3) is as follows:

16 投資物業

(a) 於二零二一年十二月三十一日，本集團投資物業的公平值約為人民幣153,273,000元(二零二零年：人民幣160,600,000元)。於二零二一年十二月三十一日的公平值乃由本集團管理層估計。於二零二零年十二月三十一日的公平值則參考專業估值師戴德梁行有限公司進行的專業估值釐定。本集團的投資物業為工業用途。位於中國山東省煙臺市萊州市沙河鎮大東莊村村北掖鹽路北。

(b) 於二零二一年十二月三十一日，本集團賬面淨值總額為人民幣67,847,000元(二零二零年：人民幣70,315,000元)的投資物業已作抵押，以擔保本集團的銀行借款(如附註29披露)。

(c) 估值技術

已採用收入法，並計及物業權益現有租金，而其後分別應用租約的復歸潛力、租期回報率及復歸收益率以得出物業的市值；年內，兩項投資物業各自的估值技術均無變動。

有關使用重大不可觀察輸入數據計算的投資物業公平值計量的資料(第三級)如下：

		As at 31 December 於十二月三十一日	
		2021 二零二一年 RMB'000 人民幣千元	2020 二零二零年 RMB'000 人民幣千元
Fair value (RMB'000)	公平值(人民幣千元)	153,273	160,600
Unobservable inputs	不可觀察輸入數據		
— Term yield	— 租期回報率	5.0% per annum	5.0% per annum
— Reversion yield	— 復歸收益率	5.5% per annum	5.5% per annum
— Annually market rent (RMB/square meter/annum)	— 年度市場租金 (人民幣/平方米/年)	11-22	11-22

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16 INVESTMENT PROPERTIES (Continued)

- (d) Rental income relating to the lease of investment properties was included in the consolidated statement of comprehensive income as follows:

		Year ended 31 December 截至十二月三十一日止年度	
		2021 二零二一年 RMB'000 人民幣千元	2020 二零二零年 RMB'000 人民幣千元
Revenue	收益		
— rental income	— 租金收入	14,507	14,507

The Group leases investment properties under operating leases. The operating leases are estimated to have a lease period of 5 years. Details of the lease arrangement are set out in Note 31.

16 投資物業(續)

- (d) 與投資物業租賃有關的租金收入計入以下綜合全面收益表：

本集團根據經營租賃出租投資物業。經營租賃的估計租期為五年。租賃安排詳情載於附註31。

17 INTANGIBLE ASSETS

17 無形資產

		As at 31 December 於十二月三十一日	
		2021 二零二一年 RMB'000 人民幣千元	2020 二零二零年 RMB'000 人民幣千元
Software:	軟件：		
As at the beginning of the year	於年初		
Cost	成本	34	34
Accumulated amortisation	累計攤銷	(13)	(6)
Net book amount	賬面淨值	21	28
Opening net book amount	年初賬面淨值	21	28
Amortisation (Note 8)	攤銷(附註8)	(7)	(7)
Closing net book amount	年末賬面淨值	14	21
As at the end of the year	於年末		
Cost	成本	34	34
Accumulated amortisation	累計攤銷	(20)	(13)
Net book amount	賬面淨值	14	21



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17 INTANGIBLE ASSETS (Continued)

Amortisation of the intangible assets was included in administrative expenses in the consolidated statement of comprehensive income.

17 無形資產(續)

無形資產攤銷於綜合全面收益表計入行政開支。

18 PREPAYMENT FOR NON-CURRENT ASSETS

18 非流動資產的預付款項

		As at 31 December 於十二月三十一日	
		2021 二零二一年 RMB'000 人民幣千元	2020 二零二零年 RMB'000 人民幣千元
Prepayment for purchase of equipment and vehicle	購買設備及汽車的預付款項	722	2,500
Prepayment for construction in progress	在建工程的預付款項	445	496
		1,167	2,996

19 INVENTORIES

19 存貨

		As at 31 December 於十二月三十一日	
		2021 二零二一年 RMB'000 人民幣千元	2020 二零二零年 RMB'000 人民幣千元
Raw materials	原材料	938	2,586
Work-in-progress	在建工程	2,444	1,304
Finished goods, recycled products	製成品、再生產品	19,229	20,106
Total	總計	22,611	23,996

During the years ended 31 December 2021 and 2020, the cost of inventories recognised in "cost of sales" amounted to RMB41,509,000 and RMB35,187,000, respectively.

於截至二零二一年及二零二零年十二月三十一日止年度，已於「銷售成本」確認的存貨成本分別為人民幣41,509,000元及人民幣35,187,000元。

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20 FINANCIAL INSTRUMENTS BY CATEGORY

The Group has the following financial instruments:

20 按類別劃分的金融工具

本集團持有以下金融工具：

		As at 31 December 於十二月三十一日	
		2021 二零二一年	2020 二零二零年
		RMB'000 人民幣千元	RMB'000 人民幣千元
Assets at amortized cost	按攤銷成本列賬的資產		
Trade and other receivables excluding prepayments (Notes 21 and 22)	貿易及其他應收款項 (不包括預付款項) (附註21及22)	56,910	24,690
Amounts due from related parties (Note 34(b))	應收關聯方款項 (附註34(b))	—	33,887
Cash and cash equivalents (Note 24)	現金及現金等價物 (附註24)	235,593	45,363
		292,503	103,940
Liabilities at amortized cost	按攤銷成本列賬的負債		
Trade payable (Note 27)	貿易應付款項(附註27)	11,689	20,147
Other payables excluding non-financial liabilities (Note 28)	其他應付款項 (不包括非金融負債) (附註28)	5,769	9,172
Dividend payable	應付股息	—	52,200
Amounts due to the Controlling Shareholder (Note 34(b))	應付控股股東款項 (附註34(b))	—	8,217
Borrowings (Note 29)	借貸(附註29)	39,900	42,000
Lease liabilities (Note 14)	租賃負債(附註14)	866	1,585
Other liabilities (Note 31)	其他負債(附註31)	96,790	110,381
		155,014	243,702



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21 TRADE RECEIVABLES

21 貿易應收款項

		As at 31 December 於十二月三十一日	
		2021 二零二一年 RMB'000 人民幣千元	2020 二零二零年 RMB'000 人民幣千元
Trade receivables	貿易應收款項		
— related to provision of gold mine hazardous waste treatment services	— 與提供金礦有害廢物處理服務相關	40,140	1,781
— related to sales of recycled products	— 與銷售再生產品相關	16,304	21,167
		56,444	22,948
Less: provision for impairment	減：減值撥備	(1,334)	(115)
		55,110	22,833

(i) Ageing analysis of the trade receivables

The trade receivables represent receivable relating to provision of gold mine hazardous waste treatment services and receivable relating to sales of recycled products. The credit terms grant to customers are generally from 30 to 60 days.

As at 31 December 2021 and 2020, the ageing analysis of the trade receivables based on the invoice date is as follows:

(i) 貿易應收款項賬齡分析

貿易應收款項指與提供金礦有害廢物處理服務相關的應收款項及與銷售再生產品相關的應收款項。授予客戶的信貸期通常為30至60日。

於二零二一年及二零二零年十二月三十一日，按發票日期列示的貿易應收款項賬齡分析如下：

		As at 31 December 於十二月三十一日	
		2021 二零二一年 RMB'000 人民幣千元	2020 二零二零年 RMB'000 人民幣千元
1–30 days	1–30日	13,953	9,243
31–60 days	31–60日	8,057	10,673
61–90 days	61–90日	11,846	1,890
91–180 days	91–180日	17,641	1,142
Over 180 days	超過180日	4,947	—
		56,444	22,948

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21 TRADE RECEIVABLES (Continued)

(ii) Impairment of the trade receivables

The Group applies the simplified approach to provide for expected credit loss which was a lifetime expected loss allowance for all trade receivables and retention receivables as prescribed by IFRS 9. Details of the expected loss rates based on the payment profile of sales are set out in Note 3.1b(ii).

The movements in provision for impairment of trade receivables were as follows:

		As at 31 December 於十二月三十一日	
		2021 二零二一年 RMB'000 人民幣千元	2020 二零二零年 RMB'000 人民幣千元
As at 1 January	於一月一日	115	2
Loss allowance recognised in profit or loss during the year	年內於損益確認的虧損撥備	1,219	113
As at year end	於年末	1,334	115

The carrying amounts of trade receivables approximated their fair values as at the balance sheet dates and were dominated in RMB.

21 貿易應收款項(續)

(ii) 貿易應收款項減值

本集團採用簡化法計提預期信貸虧損，根據國際財務報告準則第9號規定，就所有貿易應收款項及應收保留金而言為全期預期信貸虧損撥備。有關根據銷售的付款情況得出的預期虧損比率，詳情載於附註3.1 b (ii)。

貿易應收款項減值撥備變動如下：

貿易應收款項的賬面值與其於資產負債表日期的公平值相若，並以人民幣計值。

22 OTHER RECEIVABLES AND PREPAYMENTS

22 其他應收款項及預付款項

		As at 31 December 於十二月三十一日	
		2021 二零二一年 RMB'000 人民幣千元	2020 二零二零年 RMB'000 人民幣千元
Amounts due from third parties	第三方結欠的款項	—	491
Prepayments for raw materials purchases and expenses	採購原材料預付款項及開支	4,960	5,424
Prepayment for listing expenses	上市開支預付款項	—	1,552
Value-added tax receivables	增值稅應收款項	196	1,164
Others	其他	2,005	1,366
		7,161	9,997



22 OTHER RECEIVABLES AND PREPAYMENTS (Continued)

The amounts due from third parties represented advances to third parties during the year ended 31 December 2020, and had been fully settled during the year ended 31 December 2021.

The carrying amounts of trade receivables approximated their fair values as at the balance sheet dates and were dominated in RMB.

23 FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

		As at 31 December 於十二月三十一日	
		2021 二零二一年 RMB'000 人民幣千元	2020 二零二零年 RMB'000 人民幣千元
Debt investments at FVOCI	按公平值計入其他全面 收益的債務投資		
Current assets — bank acceptance notes	流動資產 — 銀行承兌票據		
At 1 January	於一月一日	1,960	2,890
Additions	添置	5,170	—
Disposals	出售	—	(930)
As at year end	於年末	7,130	1,960

The Group's financial assets at FVOCI comprised bank acceptance notes, where the contractual cash flows are solely principal and the objective of the Group's business model is achieved both by collecting contractual cash flows and selling financial assets. Bank acceptance notes are classified as current assets due to short maturity.

On disposal of financial assets at FVOCI, any related balance within the FVOCI reserve is reclassified to profit or loss.

22 其他應收款項及預付款項(續)

截至二零二零年十二月三十一日止年度應收第三方款項指給予第三方的墊款，已於截至二零二一年十二月三十一日止年度悉數結算。

其他應收款項及預付款項的賬面值與其於資產負債表日期的公平值相若，並以人民幣計值。

23 按公平值計入其他全面收益的金 融資產

本集團按公平值計入其他全面收益的金融資產包括銀行承兌票據，其合約現金流完全為本金額且本集團通過收取合約現金流和出售金融資產兩種方式達到業務模式的目標。因銀行承兌票據的到期日較短，故分類為流動資產。

出售該等按公平值計入其他全面收益的金融資產後，按公平值計入其他全面收益儲備內的任何相關結餘重新分類至損益。

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24 CASH AND CASH EQUIVALENTS

24 現金及現金等價物

		As at 31 December 於十二月三十一日	
		2021 二零二一年 RMB'000 人民幣千元	2020 二零二零年 RMB'000 人民幣千元
Cash in hand and at bank	手頭及銀行現金	235,593	45,363

As at 31 December 2021 and 2020, the cash and bank balances were denominated in the following currencies:

於二零二一年及二零二零年十二月三十一日，現金及銀行結餘以下列貨幣計值：

		As at 31 December 於十二月三十一日	
		2021 二零二一年 RMB'000 人民幣千元	2020 二零二零年 RMB'000 人民幣千元
HKD	港元	191,424	268
RMB	人民幣	43,996	38,157
USD	美元	173	6,938
		235,593	45,363

25 SHARE CAPITAL AND SHARE PREMIUM

25 股本及股份溢價

		Number of shares 股份數目	Nominal value 面值 HK\$ 港元
Authorised:	法定：		
As at 12 January 2021 (date of incorporation)	於二零二一年 一月十二日 (註冊成立日期)	38,000,000	380,000
Increase in share capital (c)	股本增加(c)	199,962,000,000	1,999,620,000
As at 31 December 2021	於二零二一年 十二月三十一日	200,000,000,000	2,000,000,000



25 SHARE CAPITAL AND SHARE PREMIUM (Continued)

25 股本及股份溢價(續)

		Number of shares 股份數目	Share capital 股本 RMB'000 人民幣千元	Share premium 股份溢價 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
Issued:	已發行:				
Ordinary shares issued upon incorporation on 12 January 2021 (date of incorporation) (a)	於二零二一年一月十二日 (註冊成立日期)註冊 成立時發行的普通股(a)	1	—#1	—	—
Issuance of shares during the Reorganization (b)	重組時發行股份(b)	999	—#2	345,858	345,858
New shares issued pursuant to the global offering, net of attributable transaction costs (d)	根據全球發售發行的 新股份，扣除應佔交易 成本(d)	250,000,000	2,049	194,398	196,447
Shares issued pursuant to capitalisation issuance (e)	根據資本化發行發行的 股份(e)	749,999,000	6,159	(6,159)	—
As at 31 December 2021	於二零二一年 十二月三十一日	1,000,000,000	8,208	534,097	542,305

#1 Being share capital issued of HK\$1, equivalent to RMB0.8.

#1 為已發行股份1港元，相當於人民幣0.8元。

#2 Being share capital issued of HK\$1,000, equivalent to RMB810.

#2 為已發行股份1,000港元，相當於人民幣810元。

The movements in share capital are set out below:

股本變動列載如下：

(a) The Company was incorporated on 12 January 2021 with an authorised share capital of HK\$380,000 divided into 38,000,000 shares with a par value of HK\$0.01 each. Upon incorporation, one nil-paid share was allotted and issued to the initial subscriber of the Company which was transferred on the same date to a company wholly-owned by Mr. Liu, the Controlling Shareholder of the Group.

(a) 本公司於二零二一年一月十二日註冊成立，法定股本為380,000港元，分為38,000,000股每股面值0.01港元的股份。註冊成立時，向本公司的初始認購人配發及發行一股未繳股款股份，該股份已於同日轉讓予由本集團控股股東劉先生全資擁有的一間公司。

25 SHARE CAPITAL AND SHARE PREMIUM (Continued)

- (b) On 15 April 2021, the then shareholders of HC International, including Mr. Liu, the Controlling Shareholder of the Group, and other shareholders, transferred their entire 100% equity interests in HC International to the Company, in exchange for the Company issuing 999 shares of the Company to Mr. Liu and other shareholders. The Company's cost of investment in the subsidiaries was recorded based on the fair values of the subsidiaries as at the date of the transfer which was estimated to be RMB345,858,000, and the corresponding credit was recorded in share capital of HK\$10 (equivalent to approximately RMB9) and the remaining balance in share premium account. Upon completion of the transfers, the Company became beneficially and indirectly owned as to 78.6% by Mr. Liu and 21.4% by other shareholders.
- (c) On 23 October 2021, the authorised share capital of the Company was increased from HK\$380,000 (divided into 38,000,000 shares of par value HK\$0.01 each) to HK\$2,000,000,000 (divided into 200,000,000,000 shares of par value HK\$0.01 each) by the creation of an additional 199,962,000,000 shares of par value HK\$0.01 each.
- (d) Upon listing on the Main Board of the Stock Exchange on 12 November 2021, the Company issued 250,000,000 shares of HK\$0.01 each at the offer price of HK\$1.02 per share and raised gross proceeds of HK\$255,000,000 (equivalent to approximately RMB208,973,000). The face value of the share capital was approximately HK\$2,500,000 (equivalent to approximately RMB2,049,000), and the share premium arising from the issuance was approximately RMB206,924,000. Meanwhile approximately RMB12,526,000 of share premium was offset by the capitalisation of listing expenses.
- (e) Concurrent with the completion of the initial public offering on 12 November 2021, the Group issued a total of 749,999,000 shares with a par value of HK\$0.01 each for allotment and issuance to the then shareholders of the Company, credited as fully paid by utilisation of the Company's share premium account an amount of approximately HK\$7,500,000 (equivalent to approximately RMB6,159,000).

25 股本及股份溢價(續)

- (b) 於二零二一年四月十五日，鴻承國際的當時股東(包括本集團的控股股東劉先生及其他股東)將鴻承國際的全部100%股權轉讓予本公司，以換取本公司向劉先生及其他股東發行999股本公司股份。本公司於附屬公司的投資成本根據附屬公司於轉讓日期的公平值記錄，估計為人民幣345,858,000元，相應進賬額10港元(相當約人民幣9元)計入股本，而餘額則計入股份溢價賬。轉讓完成後，本公司變成由劉先生及其他股東分別實益及間接擁有78.6%及21.4%。
- (c) 二零二一年十月二十三日，本公司透過增設199,962,000,000股每股面值0.01港元的股份，將法定股本由380,000港元(分為38,000,000股每股面值0.01港元的股份)增加至2,000,000,000港元(分為200,000,000,000股每股面值0.01港元的股份)。
- (d) 二零二一年十一月十二日在聯交所主板上市後，本公司以每股1.02港元的發售價發行250,000,000股每股面值0.01港元的股份，並籌集所得款項總額255,000,000港元(相當於約人民幣208,973,000元)。股本面值約為2,500,000港元(相當於約人民幣2,049,000元)，而發行產生的股份溢價約為人民幣206,924,000元。另外，約人民幣12,526,000元的股份溢價已由上市開支資本化抵銷。
- (e) 於二零二一年十一月十二日完成首次公開發售的同時，本集團透過動用約7,500,000港元(相當於約人民幣6,159,000元)的本公司股份溢價賬，合共發行749,999,000股每股面值0.01港元的股份，以供配發及發行予當時的本公司股東，並記入作繳足。



26 OTHER RESERVES

26 其他儲備

		Capital reserve 資本儲備 RMB'000 人民幣千元	Statutory surplus reserve 法定盈餘儲備 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
As at 1 January 2020	於二零二零年 一月一日	5,330	6,887	12,217
Profit appropriation to statutory surplus reserves	溢利轉撥至法定盈 餘儲備	—	5,814	5,814
Deemed contribution from shareholders	視作股東出資	24,670	—	24,670
Contribution from shareholders	股東出資	29,619	—	29,619
Deemed distribution to shareholders	視作向股東分派	(29,400)	—	(29,400)
As at 31 December 2020	於二零二零年 十二月三十一日	30,219	12,701	42,920
As at 1 January 2021	於二零二一年 一月一日	30,219	12,701	42,920
Issuance of shares during the Reorganization (Note 25(b))	重組時發行股份 (附註25(b))	(345,858)	—	(345,858)
Profit appropriation to statutory reserves	溢利轉撥至法定 儲備	—	2,386	2,386
As at 31 December 2021	於二零二一年 十二月三十一日	(315,639)	15,087	(300,552)

(a) Capital reserve

Capital reserve represents the aggregate paid-in capital of the subsidiaries acquired, offset by investment costs in subsidiaries of the Company during the Reorganization.

The contributions and distributions to shareholders during the year ended 31 December 2020 represented funds from and to shareholders in respect of various transfers of equity interests in companies controlled by the Controlling Shareholder, Mr. Liu, pursuant to the Reorganisation for the Listing.

(a) 資本儲備

資本儲備指已收購附屬公司的實繳資本總額，被重組時於本公司附屬公司的投資成本抵銷。

於截至二零二零年十二月三十一日止年度的股東注資及分派指來自及給予股東的資金，涉及就上市而言根據重組多次轉讓控股股東劉先生控制的公司的股權。

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26 OTHER RESERVES (Continued)

(b) Statutory surplus reserves

Pursuant to the relevant laws and regulations in the PRC, the Company's subsidiaries in the PRC shall make appropriations from after-tax profit to non-distributable reserve funds as determined by the boards of directors of the relevant PRC subsidiaries.

In accordance with the relevant laws and regulations in the PRC and Articles of Association of the PRC subsidiaries of the Group, they are required to appropriate 10% of the annual statutory net profits of the PRC subsidiaries, after offsetting any prior years' losses as determined under the PRC accounting standards, to the statutory reserves fund before distributing the net profit. When the balance of the statutory reserves fund reaches 50% of the registered capital of the PRC subsidiaries, any further appropriation is at the discretion of shareholders. The statutory reserves fund can be used to offset prior years' losses, if any, and may be converted into share capital by issuing new shares to shareholders in proportion to their existing shareholding, provided that the remaining balance of the statutory reserves fund after such issue is not less than 25% of registered capital.

27 TRADE PAYABLES

26 其他儲備(續)

(b) 法定盈餘儲備

根據中國相關法律及法規，本公司於中國境內的附屬公司須按中國相關附屬公司董事會釐定的金額將除稅後溢利分撥至不可分派儲備基金。

根據中國相關法律及法規，以及本集團中國附屬公司之組織章程細則，中國附屬公司抵銷過往年度按中國會計準則釐定的任何虧損後，必須在分派純利之前，將其年度法定純利的10%分撥至法定儲備基金。當法定儲備基金的結餘達致中國附屬公司註冊資本的50%時，任何進一步的撥款由股東酌情決定。法定儲備基金可用於抵銷過往年度的虧損(如有)，及可轉換為股本，方法為按股東現有的股權比例向股東發行新股，惟法定儲備基金於有關發行後的餘額不得少於註冊資本的25%。

27 貿易應付款項

		As at 31 December 於十二月三十一日	
		2021 二零二一年	2020 二零二零年
		RMB'000 人民幣千元	RMB'000 人民幣千元
Trade & bill payables	貿易應付款項及應付票據		
— related to transportation costs	— 與運輸成本相關	6,602	17,308
— related to raw materials	— 與原材料相關	5,087	2,839
		11,689	20,147



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27 TRADE PAYABLES (Continued)

The ageing analysis of trade payables based on the invoice date is as follows:

		As at 31 December 於十二月三十一日	
		2021 二零二一年 RMB'000 人民幣千元	2020 二零二零年 RMB'000 人民幣千元
1-30 days	1-30日	2,804	5,898
31-60 days	31-60日	1,711	8,908
61-90 days	61-90日	1,524	2,337
91-180 days	91-180日	4,069	2,611
Over 180 days	超過180日	1,581	393
		11,689	20,147

The carrying amounts of trade payables approximated their fair values as at the balance sheet dates and were dominated in RMB.

根據發票日期的貿易應付款項賬齡分析如下：

貿易應付款項的賬面值與其於資產負債表日期的公平值相若，並以人民幣計值。

28 OTHER PAYABLES AND ACCRUALS

		As at 31 December 於十二月三十一日	
		2021 二零二一年 RMB'000 人民幣千元	2020 二零二零年 RMB'000 人民幣千元
Other taxes payable	其他應付稅項	15,627	11,506
Employee benefits payables	僱員福利應付款項	3,634	3,048
Payables for property, plant and equipment	物業、廠房及設備的應付款項	2,800	6,347
Payables for listing expenses	上市開支應付款項	—	1,547
Others	其他	2,969	1,278
Total	總計	25,030	23,726

The carrying amounts of other payables and accruals approximated their fair values as at the balance sheet dates and were denominated in RMB.

其他應付款項及應計費用的賬面值與資產負債表日期的公平值相若，以人民幣計值。

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29 BORROWINGS

29 借貸

		As at 31 December 於十二月三十一日	
		2021 二零二一年 RMB'000 人民幣千元	2020 二零二零年 RMB'000 人民幣千元
Non-current:	非流動：		
Long term bank borrowings, secured and guaranteed	長期銀行借款，有抵押及有擔保	37,780	39,880
Current:	流動：		
Current portion of long-term bank borrowings, secured and guaranteed	長期銀行借款即期部分，有抵押及有擔保	2,120	2,120
Total borrowings	總借款	39,900	42,000

(a) The Group's long-term bank borrowings as at 31 December 2021 were secured by the Group's land use rights with net book value of RMB5,850,000 (2020: RMB6,004,000), property, plant and equipment with net book value of RMB68,724,000 (2020: RMB71,380,000), and investment properties with net book value of RMB67,847,000 (2020: RMB70,315,000). As at 31 December 2020, the Group's long-term borrowings of RMB10,000,000 were guaranteed by a related party to Mr. Liu and was released in February 2021 and replaced by guarantees provided by subsidiaries within the Group. For the years ended 31 December 2021 and 2020, the long term borrowings are for a term of 3 years and interest bearing at 4.05% per annum.

(b) For the years ended 31 December 2021, the weighted average effective interest rates of the bank borrowings were 4.05% (2020: 4.83%).

(a) 本集團於二零二一年十二月三十一日的長期銀行借款以本集團賬面淨值人民幣5,850,000元(二零二零年：人民幣6,004,000元)的土地使用權及賬面淨值人民幣68,724,000元(二零二零年：人民幣71,380,000元)的物業、廠房及設備及賬面淨值人民幣67,847,000元(二零二零年：人民幣70,315,000元)的投資物業作抵押。於二零二零年十二月三十一日，本集團的長期借款人民幣10,000,000元乃由劉先生一名關聯方提供擔保，並已於二零二一年二月解除及由本集團附屬公司提供的擔保取代。截至二零二一年及二零二零年十二月三十一日止年度，長期借款為期三年及按年利率4.05%計息。

(b) 截至二零二一年十二月三十一日止年度，銀行借款的加權平均實際利率為4.05%(二零二零年：4.83%)。



29 BORROWINGS (Continued)

- (c) The carrying amounts of the Group's current bank borrowings approximated their fair values as at the balance sheet date due to their short term maturity.

The carrying amounts of the Group's non-current bank borrowings approximated their fair values as at the balance sheet date as they were carried at fixed interest rates and the discounting impact was not material.

- (d) The Group's borrowings as at 31 December 2021 were repayable as follows:

29 借貸(續)

- (c) 由於本集團即期銀行借款的到期日較短，故其賬面值與資產負債表日期的公平值相若。

由於本集團非即期銀行借款以固定利率計息，且折現影響並不重大，故其賬面值與資產負債表日期的公平值相若。

- (d) 於二零二一年十二月三十一日，本集團於資產負債表日期的借款須按以下方式償還：

		As at 31 December 於十二月三十一日	
		2021 二零二一年	2020 二零二零年
		RMB'000 人民幣千元	RMB'000 人民幣千元
Within 1 year	1年內	2,120	2,120
1-2 years	1-2年	27,880	2,120
2-3 years	2-3年	9,900	37,760
Total	總計	39,900	42,000

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30 DEFERRED INCOME TAX

The analysis of deferred income tax assets and liabilities is as follows:

		As at 31 December 於十二月三十一日	
		2021 二零二一年 RMB'000 人民幣千元	2020 二零二零年 RMB'000 人民幣千元
Deferred income tax assets: (a)	遞延所得稅資產：(a)		
— to be recovered within 12 months	— 將於12個月內收回	99	208
— to be recovered after 12 months	— 將於12個月後收回	—	535
		99	743
Deferred income tax liabilities: (b)	遞延所得稅負債：(b)		
— to be recovered within 12 months	— 將於12個月內收回	(1,800)	—
— to be recovered after 12 months	— 將於12個月後收回	(1,166)	(104)
		(2,966)	(104)
Deferred income tax (liabilities)/assets — net	遞延所得稅(負債)/資 產淨值	(2,867)	639

The gross movement of deferred income tax (liabilities)/assets — net is as follows:

30 遞延所得稅

遞延所得稅資產及負債的分析如下：

遞延所得稅(負債)/資產淨額的總額變動如下：

		Year ended 31 December 截至十二月三十一日止年度	
		2021 二零二一年 RMB'000 人民幣千元	2020 二零二零年 RMB'000 人民幣千元
At the beginning of year	年初	639	799
(Charged)/credit to consolidated statement of comprehensive income (Note 11)	於綜合全面收益表 (扣除)/計入 (附註11)	(3,506)	(160)
At the end of year	年末	(2,867)	639



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30 DEFERRED INCOME TAX (Continued)

(a) Deferred income tax assets

		As at 31 December 於十二月三十一日	
		2021 二零二一年 RMB'000 人民幣千元	2020 二零二零年 RMB'000 人民幣千元
The balance comprises temporary differences attributable to:	結餘包括以下各項應估的暫時性差異：		
Depreciation difference of property, plant and equipment	物業、廠房及設備折舊差異	(176)	521
Impairment of trade receivables	貿易應收款項減值	44	13
Accrued payroll	應計薪酬	231	209
Total	總計	99	743

The movements in deferred income tax assets were as follows:

遞延所得稅資產變動如下：

		Depreciation difference of property, plant and equipment 物業、廠房及設備折舊差異 RMB'000 人民幣千元	Impairment of trade receivables 貿易應收款項減值 RMB'000 人民幣千元	Accrued payroll 應計薪酬 RMB'000 人民幣千元	Expenses accrual 應計開支 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
At 1 January 2020	於二零二零年一月一日	396	—	207	196	799
Credited/(charged) the consolidated statement of comprehensive income	於綜合全面收益表計入/(扣除)	125	13	2	(196)	(56)
At 31 December 2020	於二零二零年十二月三十一日	521	13	209	—	743
Credited/(charged) the consolidated statement of comprehensive income	於綜合全面收益表計入/(扣除)	(697)	31	22	—	(644)
As at 31 December 2021	於二零二一年十二月三十一日	(176)	44	231	—	99

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30 DEFERRED INCOME TAX (Continued)

(a) Deferred income tax assets (Continued)

Deferred income tax assets are recognised for tax losses carried forward to the extent that the realisation of the related tax benefit through the future taxable profits is possible.

The cumulative losses of the Group with and without expiry dates are as follow:

		As at 31 December 於十二月三十一日	
		2021 二零二一年 RMB'000 人民幣千元	2020 二零二零年 RMB'000 人民幣千元
Year of expiration	屆滿年度		
— 2025	— 二零二五年	36	36
— 2026	— 二零二六年	2,411	—
No expiry date	無屆滿日期	7,410	2,539
Total	總計	9,857	2,575

The tax losses incurred by subsidiaries in Hong Kong that are not likely to generate taxable income in the foreseeable future, which can be carried forward perpetually.

30 遞延所得稅(續)

(a) 遞延所得稅資產(續)

遞延所得稅資產乃就可通過未來應課稅溢利變現相關稅項優惠情況下結轉的稅項虧損確認。

本集團並無屆滿日期的累計虧損如下：

附屬公司(在可預見未來不大可能產生應課稅收入)在香港招致可永久結轉的稅項虧損。

(b) Deferred income tax liabilities

(b) 遞延所得稅負債

		As at 31 December 於十二月三十一日	
		2021 二零二一年 RMB'000 人民幣千元	2020 二零二零年 RMB'000 人民幣千元
The balance comprises temporary differences attributable to:	結餘包括以下各項應估的暫時性差異：		
Accelerated depreciation of property, plant and equipment	物業、廠房及設備遞增折舊	(1,166)	(104)
Accrued withholding tax	應計預扣稅	(1,800)	—
Total	總計	(2,966)	(104)



30 DEFERRED INCOME TAX (Continued)

(b) Deferred income tax liabilities (Continued)

The movements in deferred income tax liabilities were as follows:

30 遞延所得稅(續)

(b) 遞延所得稅負債(續)

遞延所得稅負債變動如下：

		Accelerated depreciation of property, plant and equipment 物業、廠房及設備遞增折舊 RMB'000 人民幣千元	Accrued withholding tax 應計預扣稅 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
At 1 January 2020	於二零二零年一月一日	—	—	—
Charged to the consolidated statement of comprehensive income	於綜合全面收益表扣除	(104)	—	(104)
At 31 December 2020	於二零二零年十二月三十一日	(104)	—	(104)
Charged to the consolidated statement of comprehensive income	於綜合全面收益表扣除	(1,062)	(1,800)	(2,862)
As at 31 December 2021	於二零二一年十二月三十一日	(1,166)	(1,800)	(2,966)

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31 OTHER LIABILITIES

31 其他負債

		As at 31 December 於十二月三十一日	
		2021 二零二一年 RMB'000 人民幣千元	2020 二零二零年 RMB'000 人民幣千元
Retention payable for construction projects (a) Current	建築項目的應付保留金(a) 即期	—	17,892
Warehouse lease arrangements (b) Advance from lessee	倉庫租賃安排(b) 承租人墊款		
— Current portion	— 即期	15,167	15,167
— Non-current portion	— 非即期	11,719	26,225
Sub-total	小計	26,886	41,392
Payable to LZ Assets Non-current	應付予萊洲資產 — 非即期		
— First warehouse	— 第一間倉庫	43,737	41,794
— Second warehouse	— 第二間倉庫	53,053	50,695
Sub-total	小計	96,790	92,489
Total	總計	123,676	133,881
Grand total	累計	123,676	151,773
Presented on the balance sheet as:	於資產負債表呈列為：		
Other liabilities — current portion	其他負債 — 即期部分	15,167	33,059
Other liabilities — non-current portion	其他負債 — 非即期部分	108,509	118,714
		123,676	151,773



31 OTHER LIABILITIES (Continued)

(a) Retention payable for construction projects

According to the construction contracts with the contractors of the Group's buildings under property, plant and equipment and investment properties, 10% of the total payables for construction cost was set aside as retention fund with a warranty period of 2 years from the date of inspection for certification of completion of the buildings. The amounts had been fully settled in 2021.

(b) Warehouse lease arrangements

In October 2018 and December 2018, HC Environmental entered into two gold mine hazardous waste storage warehouse lease agreements with Laizhou City State-owned Assets Management Company Limited (萊州市國有資產經營有限公司, "LZ Assets"), a state-owned enterprise, for the storage of cyanide tailings hazardous waste from a State-owned enterprise. Pursuant to the lease agreements, LZ Assets advanced RMB72 million in the fourth quarter of 2018 and RMB88 million in the first half year of 2019, totalling RMB160 million, to HC Environmental for leases of two warehouses at an annual rental of RMB3.6 million from 1 November 2018 for the first warehouse, and RMB4.4 million from 1 January 2019 for the second warehouse, totalling RMB8 million per annum (inclusive of value added tax on rental income), for a twenty years term.

31 其他負債(續)

(a) 建築項目應付保留金

根據本集團與承包商簽訂的物業、廠房和設備及投資物業項下房屋建設合同，按應付建築成本總額的10%作為保留金，保修期為房屋竣工驗收日期起計為期2年。該款項已於二零二一年悉數結算。

(b) 倉庫租賃安排

於二零一八年十月及二零一八年十二月，鴻誠環保與國有企業萊州市國有資產經營有限公司(「萊州資產」)訂立兩份金礦有害廢物倉庫租賃協議，以儲存國有企業的氰化尾渣有害廢物。根據租賃協議，萊州資產於二零一八年第四季度及二零一九年上半年分別向鴻誠環保墊付人民幣72百萬元及人民幣88百萬元，合計人民幣160百萬元，用於租賃兩間倉庫，第一間倉庫的租金由二零一八年十一月一日起計，年租人民幣3.6百萬元；及第二間倉庫的租金由二零一九年一月一日起計，年租人民幣4.4百萬元，合計每年人民幣8百萬元(包括租金收入的增值稅)，為期二十年。



31 OTHER LIABILITIES (Continued)

(b) Warehouse lease arrangements (Continued)

Pursuant to the lease agreements, (i) the minimum term of the lease period shall be five years from the respective lease commencement dates, unless the cyanide tailings hazardous waste in the warehouses is put for tender for detoxing treatment through public bidding during the five year term, and in the event that HC Environment won the tender, the lease term would terminate and the future treatment fee would then be deducted from the remaining amount of the advanced payments made by LZ Assets, after deduction of rental income up to the date of termination; (ii) from the sixth year, either LZ Assets or HC Environmental has the right to terminate the lease arrangement by paying an amount equivalent to one year rental, being RMB8 million, as compensation to the other party, and HC Environmental will be required to repay the remaining balance of the advances to LZ Assets within three years, being 20% for the first year, 30% for the second year and full repayment in the third year, from the receipt of the notice of termination of the lease agreements.

The Group considers that there is a likelihood that LZ Assets will exercise the right to terminate the lease agreements upon the expiry of the 5 years committed lease term, by then the Group would have an obligation to pay back LZ Assets the remaining balances of the advanced payments from LZ Assets, being RMB50.4 million and RMB61.6 million, totalling RMB112 million, representing the total advances of RMB160 million less 5 years' rental income of RMB40 million and compensation of RMB8 million upon the expiry of the 5 years lease terms in October and December 2023 for the two warehouses, respectively. Accordingly, on initial recognition of the two warehouse lease arrangements, the Group recorded "Other liabilities — payables to LZ Assets" of RMB37.9 million and RMB46.3 million, respectively, totalling RMB84.2 million, being the present value by discounting the obligations to pay back LZ Assets of RMB50.4 million and RMB61.6 million, totalling RMB112 million, by October and December 2023, respectively. The discount rate applied in deriving the present value of the amounts payable to LZ Assets was the current market rate available to the Group for similar financial instruments.

31 其他負債(續)

(b) 倉庫租賃安排(續)

根據租賃協議，(i)租期至少應為期五年，由各自的租約開始日期起計，除非在五年期內，倉庫內的氰化尾渣有害廢物被安排通過公開招標進行除毒處理投標，且如果鴻鉞環保中標，租期將告終止，而未來處理費其後將從萊州資產作出的墊款餘額(扣除直至終止日期的租金收入後)中扣減；(ii)自第六年起，萊州資產或鴻鉞環保有權終止租賃協議，惟須向對方支付相等於一年的租金，即人民幣8百萬元，作為補償，而鴻鉞環保將須於收到終止租賃協議通知後三年內，償還墊款餘額予萊州資產，即首年為20%、第二年為30%及第三年全部償還。

本集團認為萊州資產於五年承諾租期屆滿後，有可能行使終止租賃協議的權利，而於兩個倉庫的五年租期分別於二零二三年十月及十二月屆滿後，本集團有責任向萊州資產償還萊州資產的墊款餘額(即人民幣50.4百萬元及人民幣61.6百萬元)合計人民幣112百萬元，即墊款總額人民幣160百萬元減去五年租金收入人民幣40百萬元及補償金人民幣8百萬元。因此，在初步確認兩項倉庫租賃安排時，本集團記錄「其他負債—應付萊州資產款項」人民幣37.9百萬元及人民幣46.3百萬元，合共人民幣84.2百萬元，即折現於二零二三年十月及十二月前應向萊州資產償還人民幣50.4百萬元及人民幣61.6百萬元(合共人民幣112百萬元)的責任的現值。計算應付萊州資產款項的現值時所採用的貼現率為本集團就類似金融工具可獲得的當前市場利率。



31 OTHER LIABILITIES (Continued)

(b) Warehouse lease arrangements (Continued)

The difference between the received advances of RMB72 million for the first warehouse and RMB88 million for the second warehouse, totalling RMB160 million, and the recorded other liabilities — payables to LZ Assets of RMB37.9 million and RMB46.3 million, totalling RMB84.2 million, amounted to RMB34.1 million and RMB41.7 million, totalling RMB75.8 million, were recognized as “Advances from lessee” at initial recognition of the two warehouse lease arrangements, respectively. The advances from lessee of RMB75.8 million comprised i) five years rental income of RMB40 million, ii) one year compensation rental income of RMB8 million, and iii) discounting impact of RMB112 million obligation to pay back LZ Assets upon expiry of the five years rental period of RMB27.8 million. The discounting impact of RMB27.8 million is regarded as part of the lease payments in accordance with IFRS 16 Appendix A, and is accounted for as part of the lease payments to be amortized as revenue together with the one year compensation rental income of RMB8 million over the five year committed lease period in accordance with IFRS 16 paragraph 81. The advances from lessee of RMB75.8 million is amortized and credited to rental income evenly over 5 years since the respective lease commencement date of the two warehouses. Accordingly, rental income recognized for the years ended 31 December 2021 and 2020 was RMB14,507,000 and RMB14,507,000, respectively (Note 5(b)).

Interest expenses are recognised on other liabilities — payables to LZ Assets using the aforementioned discount rate. The amount of interest expenses relating to the two warehouse lease arrangements during the years ended 31 December 2021 and 2020 were RMB4,301,000 and RMB4,109,000, respectively (Note 10).

31 其他負債(續)

(b) 倉庫租賃安排(續)

第一間倉庫的已收墊款人民幣72百萬元及第二間倉庫的已收墊款人民幣88百萬元(合計人民幣160百萬元)與已記錄的其他負債 — 應付萊州資產款項人民幣37.9百萬元及人民幣46.3百萬元(合計人民幣84.2百萬元)之間的差異分別為人民幣34.1百萬元及人民幣41.7百萬元，合計人民幣75.8百萬元，已於初始確認兩項倉庫租賃安排時確認作「來自承租人的墊款」。承租人墊款人民幣75.8百萬元包括i)五年租金收入人民幣40百萬元；ii)一年補償租金收入人民幣8百萬元；及iii)五年租期屆滿後向萊州資產償還人民幣112百萬元的責任的貼現影響人民幣27.8百萬元。根據國際財務報告準則第16號附錄A，貼現影響人民幣27.8百萬元被視為租賃付款的一部分，並根據國際財務報告準則第16號第81段，入賬作租賃付款的一部分，於五年承諾租期內連同一年補償租金收入人民幣8百萬元攤銷作收益。由兩間倉庫的相關租約開始日期起，來自承租人的墊款人民幣75.8百萬元於五年內平均攤銷並計入租金收入。因此，截至二零二一年及二零二零年十二月三十一日止年度確認的租金收入分別為人民幣14,507,000元及人民幣14,507,000元(附註5(b))。

利息開支使用上述貼現率確認為其他負債 — 應付萊州資產款項。截至二零二一年及二零二零年十二月三十一日止年度，與兩項倉庫租賃安排有關的利息開支金額分別為人民幣4,301,000元及人民幣4,109,000元(附註10)。



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32 CASH FLOW INFORMATION

(a) Cash generated from operations

32 現金流量資料

(a) 營運所得現金

		As at 31 December 於十二月三十一日	
		2021 二零二一年 RMB'000 人民幣千元	2020 二零二零年 RMB'000 人民幣千元
Profit before income tax	除所得稅前溢利	117,144	96,489
Adjustments for	就以下各項作出調整		
— Depreciation of right-of-use assets (Note 14)	— 使用權資產折舊(附註14)	833	1,129
— Depreciation of property, plant and equipment (Note 15)	— 物業、廠房及設備折舊(附註15)	9,299	8,035
— Depreciation of investment properties (Note 16)	— 投資物業折舊(附註16)	4,386	4,386
— Amortisation of intangible assets (Note 17)	— 無形資產攤銷(附註17)	7	7
— Loss/(gains) on disposal of property, plant and equipment and others (Note 7)	— 出售物業、廠房及設備及其他虧損/(收益)(附註7)	500	(50)
— Reversal of impairment on financial assets	— 金融資產減值撥回	1,219	113
— Finance costs — net (Note 10)	— 融資成本淨額(附註10)	6,021	6,043
Changes in working capital:	營運資金變動：		
— Inventories	— 存貨	1,385	(6,720)
— Contract liabilities	— 合約負債	(2,562)	(4,414)
— Advances from lessee	— 承租人墊款	(14,507)	(14,507)
— Trade and other payables	— 貿易及其他應付款項	(2,100)	11,716
— Trade and other receivables and prepayments	— 貿易及其他應收款項以及預付款項	(38,450)	(22,098)
Cash generated from operating activities	經營活動所得現金	83,175	80,129



32 CASH FLOW INFORMATION (Continued)

(b) Proceeds from disposal of properties, plant and equipment and other assets

32 現金流量資料(續)

(b) 出售物業、廠房及設備及其他資產所得款項

		As at 31 December 於十二月三十一日	
		2021 二零二一年 RMB'000 人民幣千元	2020 二零二零年 RMB'000 人民幣千元
Net book value of property, plant and equipment (Note 15)	物業、廠房及設備賬面淨值(附註15)	1,788	190
Net book value of right-of-use assets (Note 14)	使用權資產賬面淨值(附註14)	432	—
(Losses)/gains on disposal of property, plant and equipment and others (Note 7)	出售物業、廠房及設備及其他(虧損)/收益(附註7)	(500)	50
Non-cash transaction	非現金交易	(2)	—
Proceeds from the disposal	出售所得款項	1,718	240

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32 CASH FLOW INFORMATION (Continued)

(c) Reconciliation of liabilities arising from financing activities

32 現金流量資料(續)

(c) 融資活動所產生負債對賬

		Bank borrowings and interest payable 銀行借款及應付利息 RMB'000 人民幣千元	Lease liabilities and bills payables related to purchase of land use rights 有關購買土地使用權的租賃負債及應付票據 RMB'000 人民幣千元	Amount due to the Controlling Shareholder 應收控股股東款項 RMB'000 人民幣千元	Payable to LZ Assets 應付萊州資產款項 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
Total debt as at 1 January 2020	於二零二零年一月一日的總債務	32,000	1,221	23,572	88,380	145,173
Cash flows arising from financing activities	融資活動產生的現金流量	10,000	(526)	19,615	—	29,089
Cash flows arising from operating activities	經營活動產生的現金流量	(1,846)	—	—	—	(1,846)
Non-cash transaction	非現金交易	—	—	(41,720)	—	(41,720)
New leases	新租賃	—	820	—	—	820
Amortization of borrowing costs	借貸成本攤銷	1,846	70	—	4,109	6,025
Total debt as at 31 December 2020	於二零二零年十二月三十一日的總債務	42,000	1,585	1,467	92,489	137,541
Cash flows arising from financing activities	融資活動產生的現金流量	(2,100)	(661)	(1,467)	—	(4,228)
Cash flows arising from operating activities	經營活動產生的現金流量	(1,680)	—	—	—	(1,680)
Termination of leasing contract	終止租賃合約	—	(726)	—	—	(726)
New leases	新租賃	—	642	—	—	642
Amortization of borrowing costs	借貸成本攤銷	1,680	26	—	4,301	6,007
Total debt as at 31 December 2021	於二零二一年十二月三十一日的總債務	39,900	866	—	96,790	137,556



33 CAPITAL COMMITMENTS

33 資本承擔

		As at 31 December 於十二月三十一日	
		2021 二零二一年	2020 二零二零年
		RMB'000 人民幣千元	RMB'000 人民幣千元
Contracted but not recognised as liabilities	已訂約但未確認為負債		
— Commitments for construction and acquisition of property, plant and equipment	— 建築及收購物業、廠房及設備的承擔	—	3,408

34 RELATED PARTY TRANSACTIONS

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Parties are also considered to be related if they are subject to common control, common significant influence or joint control.

The Controlling Shareholder, members of key management and their close family members of the Group are also considered as related parties. In the opinion of the Directors, the related party transactions were carried out in normal course of business and at terms negotiated between the Group and the respective related parties.

Save as disclosed elsewhere in these consolidated financial statements, the Group had the following transactions and balances with its related parties during the years ended 31 December 2021.

34 關聯方交易

若一方有能力直接或間接控制另一方，或在作出財務及經營決策時對另一方發揮重大影響，即視為有關聯。倘受到共同控制、共同重大影響力或聯合控制，則該方亦視為有關聯。

本集團控股股東、主要管理人員及其緊密家庭成員亦視為關聯方。董事認為，關聯方交易乃於一般業務過程中及按本集團與有關關聯方磋商的條款進行。

除此等綜合財務報表其他部分所披露者外，本集團於截至二零二一年十二月三十一日止年度與關聯方有以下交易及結餘。



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34 RELATED PARTY TRANSACTIONS (Continued)

(a) Transactions with related parties

		Year ended 31 December 截至十二月三十一日止年度	
		2021 二零二一年 RMB'000 人民幣千元	2020 二零二零年 RMB'000 人民幣千元
Increase in amounts due from related parties	應收關聯方款項增加		
Loans to a company controlled by Mr. Liu	應付劉先生控制的公司貸款	—	30,103
Increase in amount due to the Controlling Shareholder	應付控股股東款項增加	9,527	87,255
Interest charged to a related party A company controlled by Mr. Liu	收取關聯方利息 劉先生控制的公司	—	5,144
Purchases of goods and services Companies controlled by Mr. Liu	購買商品及服務 劉先生控制的公司	—	2,764
Sale of goods to related parties Company controlled by Mr. Liu	向關聯方銷售商品 劉先生控制的公司	—	413
Increase in amounts due from the Controlling Shareholder	應收控股股東款項增加	13,550	—

34 關聯方交易(續)

(a) 關聯方交易



34 RELATED PARTY TRANSACTIONS (Continued)

(b) Balances with related parties

		As at 31 December 於十二月三十一日	
		2021 二零二一年	2020 二零二零年
		RMB'000 人民幣千元	RMB'000 人民幣千元
(i) Amounts due from:	(i) 應收以下各方款項：		
Amounts due from related parties	應收關聯方款項		
Companies controlled by Mr. Liu	劉先生控制的公司	—	33,887
(ii) Amounts due to:	(ii) 應付以下各方款項：		
Dividends payable	應付股息		
The Controlling Shareholder, Mr. Liu	控股股東·劉先生	—	46,980
Ms. Lv Huamin	呂花敏女士	—	5,220
		—	52,200
Amount due to the Controlling Shareholder Mr. Liu	應付控股股東款項 劉先生	—	8,217

RMB33,579,000 of the amounts due from related parties as at 31 December 2020 unsecured, bearing an interest at 6.86% per annum and repayable on demand. The other amounts due from related parties were unsecured, non-interest bearing and repayable on demand. The amounts had been fully settled during the year ended 31 December 2021.

於二零二零年十二月三十一日的應收關聯方款項人民幣33,579,000元為無抵押、按年利率6.86%計息及須按要求償還。其他應收關聯方款項為無抵押、免息及須按要求償還。該款項已於截至二零二一年十二月三十一日止年度悉數結付。

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34 RELATED PARTY TRANSACTIONS (Continued)

(b) Balances with related parties (Continued)

As at 20 January 2020, HC Environmental declared to distribute dividends amounting to RMB58,000,000 to the then shareholders in proportion to their shareholding. The dividends would be settled by batches, being 10% in 2020 and 90% in 2021, being RMB5,800,000, and RMB52,200,000 respectively. In December 2020, the first batch of dividend payment of RMB5,800,000 was offset with the amount due from a related party according to an offsetting agreement between the parties. During the year ended 31 December 2021, the balance of dividends payable of RMB52,200,000 were fully paid, of which RMB38,800,000 was paid in cash and RMB13,400,000 was offset with the amount due from the Controlling Shareholder, according to an offsetting agreement between the parties.

The amount due to the Controlling Shareholder as at 31 December 2020 was unsecured, non-interest bearing and repayable on demand. The amounts had been fully settled as at 31 December 2021.

(c) Key management compensation

Key management includes directors (executive and non-executive), executive officers, and the Company Secretary. The compensation paid or payable to key management for employee services is as follows:

		Year ended 31 December 截至十二月三十一日止年度	
		2021 二零二一年 RMB'000 人民幣千元	2020 二零二零年 RMB'000 人民幣千元
Salaries and bonus	薪金及花紅	2,484	1,357
Other benefits	其他福利	422	58
		2,906	1,415

34 關聯方交易(續)

(b) 關聯方結餘(續)

於二零二零年一月二十日，鴻誠環保向其時股東按彼等的持股比例宣派股息，金額為人民幣58,000,000元。股息將分批次支付，即二零二零年支付10%及二零二一年支付90%，分別為數人民幣5,800,000元及人民幣52,200,000元。於二零二零年十二月，根據雙方的抵銷協議，第一批股息付款人民幣5,800,000元與應收關聯方款項抵銷。於截至二零二一年十二月三十一日止年度，應付股息結餘人民幣52,200,000元已悉數結付，其中人民幣38,800,000元以現金支付，而人民幣13,400,000元則根據雙方協議與應收控股股東款項相抵銷。

於二零二零年十二月三十一日應付控股股東的款項為無抵押、免息及須按要求償還。該款項已於二零二一年十二月三十一日悉數結付。

(c) 主要管理層薪酬

主要管理層包括董事(執行及非執行)、管理人員及公司秘書。已付或應付主要管理層的僱員服務相關薪酬如下：



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35 SUBSIDIARIES

35 附屬公司

Company name 公司名稱	Date of incorporation 註冊成立日期	Country/Place of incorporation, legal status 註冊成立國家/地點, 法律狀態	Paid in capital as at 31 December 2021 於二零二一年十二月三十一日的繳足股本	Effective interest held as at 31 December 於十二月三十一日所持的實際權益	Principal activities 主要活動	Note 附註
Directly hold: 直接持有:						
Hongcheng International Investment Limited ("HC International") 鴻承國際投資有限公司(「鴻承國際」)	30 March 2020 二零二零年三月三十日	BVI 英屬維爾京群島	USD1 1美元	100%	100%	Investment holding 投資控股
Indirectly hold: 間接持有:						
Hongkong Hongcheng Environmental Protection Development Group Co., Ltd. ("HC Hong Kong") 香港鴻承環保開發集團有限公司(「鴻承香港」)	16 April 2020 二零二零年四月十六日	Hong Kong, limited liability company 香港, 有限公司	USD6,000,000 6,000,000美元	100%	100%	Investment holding 投資控股
Shandong Jinjia Environmental Co., Ltd. ("Shandong Jinjia") 山東金嘉環保有限公司(「山東金嘉」)	8 June 2020 二零二零年六月八日	PRC, limited liability company 中國, 有限公司	USD13,973,524 13,973,524美元	100%	100%	Investment holding (i)
Shandong Hongcheng Mining (Group) Co., Ltd. ("HC Mining") 山東鴻承礦業(集團)有限公司(「鴻承礦業」)	28 April 2011 二零一一年四月二十八日	PRC, limited liability company 中國, 有限公司	RMB10,000,000 人民幣10,000,000元	100%	100%	Provision of gold mine hazardous waste treatment services and recycling gold mine hazardous waste into resources with economic value for sale. 提供金礦有害廢物處理服務及回收金礦有害廢物為具經濟價值的資源以供銷售。
Laizhou Hongcheng Mining Environmental Protection Development Co., Ltd. ("HC Environmental") 萊州市鴻承礦業環保開發有限公司(「鴻承環保」)	12 February 2014 二零一四年二月十二日	PRC, limited liability company 中國, 有限公司	RMB20,000,000 人民幣20,000,000元	100%	100%	Provision of gold mine hazardous waste treatment services and recycling gold mine hazardous waste into resources with economic value for sale. 提供金礦有害廢物處理服務及回收金礦有害廢物為具經濟價值的資源以供銷售。
Shandong Hongcheng Resources Comprehensive Utilization Co., Ltd. ("HC Resources") 山東鴻承資源綜合利用有限公司(「鴻承資源」)	1 January 2019 二零一九年一月一日	PRC, limited liability company 中國, 有限公司	RMB4,000,000 人民幣4,000,000元	100%	100%	Provision of metal waste processing services, processing and sales of iron powder, building materials, metal products, etc. 提供金屬廢物加工服務、加工及銷售鐵粉、建材、五金產品等。
Laizhou Hongcheng Gold Tailings and Cyanidation Comprehensive Utilization Research and Development Center 萊州鴻承黃金尾礦及氰化渣綜合利用技術研究中心	11 June 2020 二零二零年六月十一日	PRC, private non-enterprise institution 中國, 民辦非企業單位	RMB200,000 人民幣200,000元	100%	100%	Research and development 研發

(i) In 2021, the paid in capital of Shandong Jinjia was increased from USD4,470,000 to USD13,973,524.

(i) 二零二一年, 山東金嘉的繳足股本由4,470,000美元增加至13,973,524美元。

(ii) In 2021, the paid in capital of HC Resources was increased from RMB1,000,000 to RMB4,000,000.

(ii) 二零二一年, 鴻承資源的繳足股本由人民幣1,000,000元增加至人民幣4,000,000元。

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36 BALANCE SHEET AND RESERVE MOVEMENTS OF THE COMPANY 36 本公司資產負債表及儲備變動

(a) Balance sheet of the Company

(a) 本公司資產負債表

	Note 附註	As at 31 December 2021 於二零二一年 十二月三十一日 RMB'000 人民幣千元
ASSETS	資產	
Non-current assets	非流動資產	
Right-of-use assets	使用權資產	628
Investment in subsidiaries (Note 25(b))	於附屬公司之投資 (附註25(b))	345,858
		346,486
Current assets	流動資產	
Other receivables and prepayments	其他應收款項及預付款項	372
Amounts due from subsidiaries	應收附屬公司款項	90,712
Cash and cash equivalents	現金及現金等價物	93,674
		184,758
Total assets	資產總值	531,244
EQUITY	權益	
Share capital	股本	8,208
Share premium	股份溢價	534,097
Accumulated losses	累計虧損	(19,462)
		522,843
Total equity	權益總額	522,843
LIABILITIES	負債	
Non-current liabilities	非流動負債	
Lease liabilities	租賃負債	320
Current liabilities	流動負債	
Accruals	應計費用	145
Amounts due to subsidiaries	應付附屬公司款項	7,644
Lease liabilities	租賃負債	292
		8,081
Total liabilities	負債總額	8,401
Total equity and liabilities	總權益及負債	531,244

The balance sheet of the Company was approved by the board of directors of the Company on 31 March 2022 and was signed on its behalf.

本公司資產負債表已於二零二二年三月三十一日獲本公司董事會批准並由以下代表簽署。

Mr. Liu Zeming
劉澤銘先生
Chairman
主席

Mr. Zhan Yirong
戰乙榮先生
Director
董事



36 BALANCE SHEET AND RESERVE MOVEMENTS OF THE COMPANY (Continued) **36 本公司資產負債表及儲備變動(續)**

(b) Reserve movements of the Company

(b) 本公司儲備變動

		Share premium 股份溢價 RMB'000 人民幣千元
At 12 January 2021 (date of incorporation)	於二零二一年一月十二日 (註冊成立日期)	—
Issuance of shares during the Reorganization (Note 25(b))	於重組時發行股份 (附註25(b))	345,858
New shares issued pursuant to the global offering, net of attributable transaction costs (Note 25(d))	根據全球發售發行新股份， 扣除應佔交易成本 (附註25(d))	194,398
Shares issued pursuant to capitalisation issuance (Note 25(e))	根據資本化發行發行股份 (附註25(e))	(6,159)
At 31 December 2021	於二零二一年 十二月三十一日	534,097



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37 BENEFITS AND INTERESTS OF DIRECTORS

(a) Remuneration of directors

The remuneration of each director of the Company paid/payable by the Group for the years ended 31 December 2021 are set out as follows

Name of Directors	董事姓名	Basic salaries	Welfare, medical and other expenses	Total
		基本薪金 RMB'000 人民幣千元	福利、醫療及其他開支 RMB'000 人民幣千元	總計 RMB'000 人民幣千元
Year ended 31 December 2021	截至二零二一年十二月三十一日止年度			
Executive directors	執行董事			
Mr. Liu	劉先生	241	109	350
Mr. Zhan Yirong	戰乙榮先生	266	60	326
Mr. Sheng Haiyan	盛海燕先生	339	71	410
Independent non-executive directors	獨立非執行董事			
Mr. Liu Zhongwei	劉仲緯先生	22	—	22
Mr. Zhang Shijun	張式軍先生	19	—	19
Mrs. Liu Ye	劉曄女士	19	—	19
		906	240	1,146
Year ended 31 December 2020	截至二零二零年十二月三十一日止年度			
Executive directors	執行董事			
Mr. Liu	劉先生	241	11	252
Mr. Zhan Yirong	戰乙榮先生	183	8	191
Mr. Sheng Haiyan	盛海燕先生	339	11	350
		763	30	793

There was no arrangement under which a director or the chief executive waived or agreed to waive any remuneration during the year.

37 董事福利及權益

(a) 董事薪酬

本集團於截至二零二一年十二月三十一日止年度已付／應付本公司各董事的薪酬列載如下：

年內，並無董事或最高行政人員據此已放棄或同意放棄任何薪酬的安排。



37 BENEFITS AND INTERESTS OF DIRECTORS (Continued)

(b) Directors' other benefits

There were no retirement benefits paid to or receivable by any Directors in respect of their other services in connection with the management of the affairs of the Company or its subsidiaries undertakings during the years ended 31 December 2021 and 2020.

There were no termination benefits paid to or receivable by any Director during the years ended 31 December 2021 and 2020.

No payment was made to the former employer of Directors for making available the services of them as a Director of the Company during the years ended 31 December 2021 and 2020.

Other than those disclosed in Note 34(a), there were no loans, quasi-loans and other dealings entered into between the Group and the directors and in favour of the directors during the years ended 31 December 2021 and 2020.

Other than those as disclosed in Note 34, there were no significant transactions, arrangements and contracts in relation to the Group's business to which the Company was a party and in which a director of the Company had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the years ended 31 December 2021 and 2020.

38 CONTINGENCIES

As at 31 December 2021, the Group had no material contingencies (2020: nil).

37 董事福利及權益(續)

(b) 董事的其他福利

於截至二零二一年及二零二零年十二月三十一日止年度，概無任何董事就本公司或其附屬公司事務的管理提供其他服務而獲支付或應收退休福利。

於截至二零二一年及二零二零年十二月三十一日止年度，概無向任何董事支付或其應收的離職福利。

於截至二零二一年及二零二零年十二月三十一日止年度，概無就以本公司董事身份提供服務而已付董事前僱主的款項。

除附註34(a)所披露者外，於截至二零二一年及二零二零年十二月三十一日止年度，本集團與董事之間概無訂立以董事為受益人的貸款、準貸款及其他交易。

除附註34所披露者外，於年末或於截至二零二一年及二零二零年十二月三十一日止年度任何時間，概無任何與本集團業務有關的、本公司參與及本公司董事直接或間接擁有重大權益的重大交易、安排及合約。

38 或然事項

於二零二一年十二月三十一日，本集團並無重大或然事項(二零二零年：無)。



DEFINITIONS

釋義

In this annual report, unless the context requires otherwise, the following terms have the meanings set out below, and words in plural shall include the singular and vice versa, as applicable:

於本年報中，除非文義另有所指，以下詞彙具有下文所載涵義，而複數形式的詞彙應包含單數，反之亦然（如適用）：

<p>“AGM” 「股東週年大會」</p>	<p>the forthcoming annual general meeting of the Company 指 本公司應屆股東週年大會</p>
<p>“Articles of Association” or “Articles” 「章程細則」或「細則」</p>	<p>the amended and restated articles of association of our Company, conditionally adopted by the then Shareholders on 23 October 2021 which will become effective on the Listing Date 指 本公司經修訂及重列的組織章程細則，由其時股東於二零二一年十月二十三日有條件採納，將於上市日期生效</p>
<p>“Audit Committee” 「審核委員會」</p>	<p>the audit committee of the Board 指 董事會審核委員會</p>
<p>“Board” 「董事會」</p>	<p>the board of Directors 指 董事會</p>
<p>“BVI” 「英屬維爾京群島」</p>	<p>the British Virgin Islands 指 英屬維爾京群島</p>
<p>“CIT Law” 「企業所得稅法」</p>	<p>PRC Corporate Income Tax Law (《中華人民共和國企業所得稅法》) issued by the NPC on 16 March 2007, and subsequently amended on 24 February 2017 and 29 December 2018 指 全國人大於二零零七年三月十六日頒佈，其後於二零一七年二月二十四日及二零一八年十二月二十九日修訂的《中華人民共和國企業所得稅法》</p>
<p>“Companies Act” 「公司法」</p>	<p>the Companies Act (As Revised) of the Cayman Islands 指 開曼群島公司法(經修訂)</p>
<p>“Company” or “our Company” 「本公司」</p>	<p>HONGCHENG ENVIRONMENTAL TECHNOLOGY COMPANY LIMITED (鴻承環保科技有限公司), a company incorporated in the Cayman Islands with limited liability, the issued shares of which are listed on the Main Board of the Stock Exchange (stock code: 2265) 指 鴻承環保科技有限公司，一間於開曼群島註冊成立的有限公司，其已發行股份於聯交所主板上市(股份代號：2265)</p>
<p>“Controlling Shareholder(s)” 「控股股東」</p>	<p>has the meaning ascribed thereto under the Listing Rules and unless the context requires otherwise, refers to Mr. Liu and Zeming International Investment Co., Ltd 指 具有上市規則賦予該詞的涵義，除非文義另有所指，指劉先生及Zeming International Investment Co., Ltd</p>
<p>“Corporate Governance Code” 「企業管治守則」</p>	<p>the Corporate Governance Code and Corporate Governance Report as set out in Appendix 14 to the Listing Rules 指 上市規則附錄14所載企業管治守則及企業管治報告</p>



<p>“Director(s)” 「董事」</p>	<p>the director(s) of the Company 指 本公司董事</p>
<p>“Hazardous Waste Business License” 「危險廢物經營許可證」</p>	<p>the permit for operation of hazardous wastes within the territory of the PRC under the Measures for the Administration of Permit for Operation of Hazardous Wastes 《危險廢物經營許可證管理辦法》 指 根據《危險廢物經營許可證管理辦法》，在中國境內經營危險廢物的許可證</p>
<p>“HC Environmental” 「鴻鉞環保」</p>	<p>Laizhou Hongcheng Mining Environmental Protection Development Co., Ltd. (萊州市鴻鉞礦業環保開發有限公司), a limited liability company established under the laws of the PRC on 12 February 2014 and an indirect wholly owned subsidiary of our Company 指 萊州市鴻鉞礦業環保開發有限公司，一間於二零一四年二月十二日根據中國法律成立的有限公司，為本公司的間接全資附屬公司</p>
<p>“HC Mining” 「鴻承礦業」</p>	<p>Shandong Hongcheng Mining (Group) Co., Ltd. (山東鴻承礦業(集團)有限公司) (formerly known as Shandong Hongcheng Mining Co., Ltd. (山東鴻鉞礦業有限公司) and Shandong Hongcheng Mining Co., Ltd. (山東鴻承礦業有限公司)), a limited liability company established under the laws of the PRC on 28 April 2011 and an indirect wholly owned subsidiary of our Company 指 山東鴻承礦業(集團)有限公司(前稱山東鴻鉞礦業有限公司及山東鴻承礦業有限公司)，一間於二零一一年四月二十八日根據中國法律成立的有限公司，為本公司的間接全資附屬公司</p>
<p>“HKD” 「港元」</p>	<p>Hong Kong dollars and cents respectively, the lawful currency of Hong Kong 指 港元及港仙，香港的法定貨幣</p>
<p>“HKICPA” 「香港會計師公會」</p>	<p>the Hong Kong Institute of Certified Public Accountants 指 香港會計師公會</p>
<p>“Hong Kong” 「香港」</p>	<p>the Hong Kong Special Administrative Region of the People’s Republic of China 指 中華人民共和國香港特別行政區</p>
<p>“Hong Kong Branch Share Registrar” 「香港股份過戶登記分處」</p>	<p>Tricor Investor Services Limited, the Hong Kong branch share registrar and transfer office of our Company 指 卓佳證券登記有限公司，本公司的香港股份過戶登記分處</p>
<p>“IFRSs” 「國際財務報告準則」</p>	<p>International Financial Reporting Standards 指 國際財務報告準則</p>
<p>“Listing” 「上市」</p>	<p>the listing of the Shares on the Main Board 指 股份於主板上市</p>
<p>“Listing Date” 「上市日期」</p>	<p>12 November 2021, on which the Shares are listed and from which dealings therein are permitted to take place on the Main Board 指 二零二一年十一月十二日，股份上市的日期及自該日起可於主板買賣股份</p>

“Listing Rules” 「上市規則」	Rules Governing the Listing of Securities on the Stock Exchange 指 聯交所證券上市規則
“LZ Assets” 「萊州資產」	Laizhou City State-owned Assets Management Company Limited (萊州市國有資產經營有限公司) 指 萊州市國有資產經營有限公司
“Main Board” 「主板」	the stock market (excluding the option market) operated by the Stock Exchange which is independent from and operated in parallel with GEM of the Stock Exchange 指 聯交所營運的股票市場(不包括期權市場), 獨立於聯交所GEM並與其並列營運
“Memorandum of Association” 「章程大綱」	the amended and restated memorandum of association of our Company adopted on 23 October 2021, as amended, supplemented or otherwise modified from time to time 指 本公司的經修訂及重列組織章程大綱, 於二零二一年十月二十三日採納, 經不時修訂、補充或以其他方式修改
“Model Code” 「標準守則」	the Model Code of Securities Transactions by Directors of the Listed Issuers as set out in Appendix 10 to the Listing Rules 指 上市規則附錄10所載上市發行人董事進行證券交易的標準守則
“Mr. Liu” 「劉先生」	Mr. Liu Zeming (劉澤銘), chairman of our Board, an executive Director and a Controlling Shareholder 指 劉澤銘先生, 董事會主席、執行董事及控股股東
“New Production Facility” 「新生產設施」	has the meaning ascribed to it in the Prospectus 指 具有招股章程所賦予之涵義
“Nomination Committee” 「提名委員會」	the nomination committee of the Board 指 董事會提名委員會
“PRC” and “China” 「中國」	the People’s Republic of China 指 中華人民共和國
“Prospectus” 「招股章程」	the prospectus of the Company dated 29 October 2021 指 本公司日期為二零二一年十月二十九日的招股章程
“Remuneration Committee” 「薪酬委員會」	the remuneration committee of the Board 指 董事會薪酬委員會



<p>“Reporting Period” 「報告期」</p>	<p>the year ended 31 December 2021 指 截至二零二一年十二月三十一日止年度</p>
<p>“RMB” 「人民幣」</p>	<p>Renminbi, the lawful currency of the PRC 指 人民幣，中國的法定貨幣</p>
<p>“SFO” 「證券及期貨條例」</p>	<p>the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended, supplemented and modified from time to time 指 香港法例第571章《證券及期貨條例》，經不時修訂、補充及修改</p>
<p>“Share(s)” 「股份」</p>	<p>ordinary share(s) in the share capital of our Company with a nominal value of HK\$0.01 each 指 本公司股本中每股面值0.01港元的普通股</p>
<p>“Shareholder(s)” 「股東」</p>	<p>holder(s) of the Share(s) 指 股份持有人</p>
<p>“Stock Exchange” 「聯交所」</p>	<p>The Stock Exchange of Hong Kong Limited 指 香港聯合交易所有限公司</p>
<p>“Transaction” 「交易」</p>	<p>the acquisition of the land use rights of three parcels of lands located in Yin Hai Chemical Industrial Park with an aggregate gross site area of approximately 533,300 sq.m, properties including premises and warehouses with building area of approximately 89,273 sq.m, and other infrastructures and machines through an auction 指 通過拍賣會收購位於銀海化工產業園總佔地面積合共約533,300平方米的三幅土地的土地使用權、總建築面積合共約89,273平方米的房產(包括物業及倉庫)以及其他基建及機器</p>
<p>“VAT” 「增值稅」</p>	<p>value-added tax 指 增值稅</p>
<p>“we”, “us”, “our”, “Group” and “our Group” 「我們」及「本集團」</p>	<p>the Company and its subsidiaries 指 本公司及其附屬公司</p>
<p>“Yin Hai Chemical Industrial Park” 「銀海化工產業園」</p>	<p>an industrial park of the Yin Hai Chemical Industrial Park (銀海化工產業園) project, a property development project in Laizhou City, Shandong province, the PRC, which was the Laizhou government’s plan in integrating various companies engaging in chemical manufacturing, new energy and other related industrial businesses 指 萊州政府計劃整合多間從事化學品生產、新能源及其他相關工業業務的公司，而於中國山東省萊州市設立的物業發展項目銀海化工產業園項目內的一個產業園</p>

“Zhonglian Cement” 「中聯水泥」	Yantai Zhonghong Cement Co., Ltd (煙臺中鴻水泥有限公司) (formerly known as Yantai Zhonglian Cement Co., Ltd (煙臺中聯水泥有限公司)), a limited liability company established under the laws of the PRC on 17 May 2012 indirectly controlled by Mr. Liu, our Controlling Shareholder 指 煙臺中鴻水泥有限公司(前稱煙臺中聯水泥有限公司)，一間於二零一二年五月十七日根據中國法律成立的有限公司，由控股股東劉先生間接控制
“sq.m” 「平方米」	square metre(s) 指 平方米
“%” 「%」	per cent 指 百分比





HONGCHENG ENVIRONMENTAL
TECHNOLOGY COMPANY LIMITED

鴻承環保科技有限公司

