

# NEW UNIVERSE ENVIRONMENTAL GROUP LIMITED 新宇環保集團有限公司

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

Stock Code 股份代號：436



**2020**  
**ANNUAL REPORT 年報**





# CONTENTS

## 目錄

2	<b>Corporate Information</b> 公司資料
5	<b>Chairman's Statement</b> 主席報告
8	<b>Management Discussion and Analysis</b> 管理層討論及分析
8	<b>Financial Highlights</b> 財務摘要
10	<b>Business Review</b> 業務回顧
17	<b>Financial Review</b> 財務回顧
33	<b>5-Year Financial Summary</b> 五年財務概要
36	<b>Profile of Directors and Senior Management</b> 董事及高級管理層簡介
45	<b>Corporate Governance Report</b> 企業管治報告
82	<b>Report of the Directors</b> 董事會報告
105	<b>Independent Auditor's Report</b> 獨立核數師報告
112	<b>Audited Financial Statements</b> 經審核財務報表
112	<b>Consolidated Statement of Profit or Loss</b> 綜合損益表
113	<b>Consolidated Statement of Profit or Loss and Other Comprehensive Income</b> 綜合損益及其他全面收益表
114	<b>Consolidated Statement of Financial Position</b> 綜合財務狀況表
116	<b>Consolidated Statement of Changes in Equity</b> 綜合權益變動表
117	<b>Consolidated Statement of Cash Flows</b> 綜合現金流量表
119	<b>Notes to the Financial Statements</b> 財務報表附註

# CORPORATE INFORMATION

## 公司資料

### PLACE OF INCORPORATION

Cayman Islands

### BOARD OF DIRECTORS

#### Executive Directors

Mr. XI Yu (Chairman and CEO)<sup>1</sup>  
Ms. CHEUNG Siu Ling<sup>1</sup>  
Ms. XI Man Shan Erica<sup>1#</sup>  
Ms. ZHANG Shuo<sup>1</sup>  
Ms. LIU Yu Jie<sup>1</sup>  
Mr. HON Wa Fai<sup>1</sup>

#### Independent Non-Executive Directors

Dr. CHAN Yan Cheong<sup>2, 3, 4, 5</sup>  
Mr. YUEN Kim Hung, Michael<sup>2, 3, 4, 6</sup>  
Mr. HO Yau Hong, Alfred<sup>2, 3, 4, 7</sup>

- <sup>1</sup> Member of Executive Committee
- <sup>2</sup> Member of Audit Committee
- <sup>3</sup> Member of Nomination Committee
- <sup>4</sup> Member of Remuneration Committee
- <sup>5</sup> Chairman of Audit Committee
- <sup>6</sup> Chairman of Nomination Committee
- <sup>7</sup> Chairman of Remuneration Committee

Note:

# Ms. XI Man Shan Erica was appointed as executive director of the Company with effect from 1 October 2020.

### AUTHORISED REPRESENTATIVES

Ms. CHEUNG Siu Ling  
Mr. HON Wa Fai

### COMPLIANCE OFFICER

Ms. CHEUNG Siu Ling

### COMPANY SECRETARY

Mr. HON Wa Fai

### REGISTERED OFFICE

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

### 註冊成立地點

開曼群島

### 董事會

#### 執行董事

奚玉先生(主席兼行政總裁)<sup>1</sup>  
張小玲女士<sup>1</sup>  
奚文珊女士<sup>1#</sup>  
張碩女士<sup>1</sup>  
劉玉杰女士<sup>1</sup>  
韓華輝先生<sup>1</sup>

#### 獨立非執行董事

陳忍昌博士<sup>2, 3, 4, 5</sup>  
阮劍虹先生<sup>2, 3, 4, 6</sup>  
何祐康先生<sup>2, 3, 4, 7</sup>

- <sup>1</sup> 執行委員會成員
- <sup>2</sup> 審核委員會成員
- <sup>3</sup> 提名委員會成員
- <sup>4</sup> 薪酬委員會成員
- <sup>5</sup> 審核委員會主席
- <sup>6</sup> 提名委員會主席
- <sup>7</sup> 薪酬委員會主席

附註：

# 奚文珊女士獲聘任為本公司執行董事，自二零二零年十月一日起生效。

### 授權代表

張小玲女士  
韓華輝先生

### 監察主任

張小玲女士

### 公司秘書

韓華輝先生

### 註冊辦事處

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

## HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS

Rooms 2110-2112  
Telford House  
16 Wang Hoi Road  
Kowloon Bay  
Kowloon  
Hong Kong

## SHARE REGISTRAR AND TRANSFER OFFICES

### Principal

Conyers Trust Company (Cayman) Limited  
Cricket Square  
Hutchins Drive  
P.O. Box 2681  
Grand Cayman KY1-1111  
Cayman Islands

### Hong Kong Branch

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

## LEGAL ADVISERS

### As to Hong Kong Law

Lau, Horton & Wise LLP

### As to PRC Law

Beijing Yongrui Law Firm

## FINANCIAL ADVISER

OCTAL Capital Limited

## INDEPENDENT AUDITOR

Crowe (HK) CPA Limited

## 總辦事處及主要營業地點

香港  
九龍  
九龍灣  
宏開道16號  
德福大廈2110-2112室

## 股份登記過戶處

### 總處

Conyers Trust Company (Cayman) Limited  
Cricket Square  
Hutchins Drive  
P.O. Box 2681  
Grand Cayman KY1-1111  
Cayman Islands

### 香港分處

卓佳登捷時有限公司  
香港  
皇后大道東183號  
合和中心  
54樓

## 法律顧問

### 有關香港法律

劉賀韋律師事務所有限法律責任合夥

### 有關中國法律

北京永瑞律師事務所

## 財務顧問

八方金融有限公司

## 獨立核數師

國富浩華(香港)會計師事務所有限公司

## CORPORATE INFORMATION

### 公司資料

#### PRINCIPAL BANKERS

Bank of China Limited  
Bank of China (Hong Kong) Limited  
Bank of Communications (Hong Kong) Limited  
Bank of East Asia Limited  
Bank of Jiangsu Co., Ltd.  
Cathay Bank, Hong Kong Branch  
Hongkong and Shanghai Banking Corporation Limited  
Standard Chartered Bank (Hong Kong) Limited

#### LISTING INFORMATION

##### Shares

The issued shares of the Company are listed and traded on the Main Board of The Stock Exchange of Hong Kong Limited

##### Stock Code

00436

##### Board Lot

20,000 shares

#### CORPORATE WEBSITE

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

#### 主要往來銀行

中國銀行股份有限公司  
中國銀行(香港)有限公司  
交通銀行(香港)有限公司  
東亞銀行有限公司  
江蘇銀行股份有限公司  
國泰銀行香港分行  
香港上海滙豐銀行有限公司  
渣打銀行(香港)有限公司

#### 上市資料

##### 股份

本公司已發行股份於香港聯合交易所有限公司主板上市及買賣

##### 股份代號

00436

##### 每手買賣單位

20,000股

#### 公司網址

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



# CHAIRMAN'S STATEMENT 主席報告

*I present herewith the annual report of  
New Universe Environmental Group Limited (the  
“Company”) and its subsidiaries (collectively referred  
to as the “Group”) for the year ended 31 December 2020.*

本人謹此呈報新宇環保集團有限公司（「本公司」）及其附屬公司（統稱「本集團」）截至二零二零年十二月三十一日止年度之年報。

In 2020, all colleagues of Group have made a concerted effort to ensure all operations kept running in a stable manner and showed their courage and resilience to cope with the coronavirus epidemic adversity. In the first quarter of 2020, all operating activities of the Group in Mainland China have generally been impacted by the local epidemic prevention and control measures, though the environmental business of disposal services for industrial waste and medical waste resisted well in the epidemic crisis and all operations of the Group have successfully resumed quickly to normal after entering into the second quarter of the year. In the second half of 2020, the impact of COVID-19 pandemic to the Group was moderate, and the average level of the Group's operations in 2020 were well-recovered to overtake the performance in 2019.

For the year ended 31 December 2020, the Group's revenue increased by 32.5% to HK\$789,341,000, and the net profit increased by 43.5% to HK\$102,046,000 as compared to the previous year. Consolidated EBITDA in 2020 increased by 21.3% as compared to 2019.

二零二零年，本集團全人同心協力確保所有業務穩定運行，並展現出勇氣及堅韌應對冠狀病毒疫情逆境。於本年度第一季，本集團於中國內地的所有營運活動整體上受到當地疫情防控措施影響，儘管有關工業及醫療廢物處置服務之環保業務在疫情危機中的抗逆境能力良好，而本集團所有業務在踏入年內第二季後亦成功地迅速回復正常。於二零二零年下半年，COVID-19疫情對本集團的影響屬平和，而二零二零年本集團業務平均水平恢復良好，並超過二零一九年的表現。

截至二零二零年十二月三十一日止年度，本集團的收益增長32.5%至789,341,000港元，純利與去年相比增加43.5%至102,046,000港元。二零二零年的綜合EBITDA與二零一九年相比增加21.3%。

# CHAIRMAN'S STATEMENT

## 主席報告

For the year ended 31 December 2020, the profit attributable to owners of the Company was HK\$74,576,000 (2019: HK\$40,625,000), an increase of 83.6% from 2019. Total earnings per share attributable to the owners of the Company was HK\$0.0246 for the year ended 31 December 2020 (2019: HK\$0.0134), an increase of 83.6% from 2019.

Equity attributable to owners of the Company as at 31 December 2020 was HK\$1,034,427,000 (2019: HK\$911,528,000). Total bank borrowings of the Group as at 31 December 2020 was HK\$189,035,000 (2019: HK\$240,409,000). Cash and cash equivalents of the Group as at 31 December 2020 was HK\$257,523,000 (2019: HK\$267,393,000).

### Final Dividend

On 23 March 2021, the board (the "Board") of directors (the "Directors") recommended the payment of a final dividend of HK\$0.0072 per share at a payout ratio of approximately 29.3% of the profit attributable to the owners of the Company for the year ended 31 December 2020, which is subject to the approval of the shareholders at the forthcoming annual general meeting (the "AGM"). Upon shareholders' approval at the AGM, the final dividend is expected to be payable on or about 30 July 2021 to shareholders whose names appear on the register of members on 9 July 2021.

### Business Prospects

The business activities and operations of the Group might encounter unforeseeable challenge surrounded by the continuous impact of the COVID-19 in Mainland China and from the world. Under the impact of COVID-19, the market of the industrial waste disposal services is prone to be under more keen competition and stricter national enforcement control on standard compliance. The Group commits to harmonize the performance targets with the environmental and social responsibilities and to uphold the practices of corporate governance and environmental governance. Although, the construction of the new hazardous waste disposal facilities situated at Liuzhou, Guangxi, has been slightly deferred owing to the epidemic control measures in force during the year, it is expected that the plant will be put into operation in 2021. During the year 2020, the Group has actioned to dispose of certain defunct facilities to curb any unexpected risks might arise in the future. Going forward, the Group will further leverage on the experience and network in the industry of hazardous waste treatment and disposal services in Jiangsu Province, and explore prudently for new opportunities in the environmental industry. The Group will stay healthy on indebtedness and liquidity and will ensure

截至二零二零年十二月三十一日止年度，本公司擁有人應佔溢利為74,576,000港元（二零一九年：40,625,000港元），較二零一九年增加83.6%。截至二零二零年十二月三十一日止年度之本公司擁有人應佔每股盈利總額為0.0246港元（二零一九年：0.0134港元），較二零一九年增加83.6%。

於二零二零年十二月三十一日，本公司擁有人應佔股本為1,034,427,000港元（二零一九年：911,528,000港元）。本集團於二零二零年十二月三十一日之銀行借貸總額為189,035,000港元（二零一九年：240,409,000港元）。本集團於二零二零年十二月三十一日之現金及等同現金項目為257,523,000港元（二零一九年：267,393,000港元）。

### 末期股息

於二零二一年三月二十三日，董事（「董事」）會（「董事會」）建議按截至二零二零年十二月三十一日止年度本公司擁有人應佔溢利約29.3%之派息比率派發每股0.0072港元之末期股息，惟須待股東於應屆股東週年大會（「股東週年大會」）上批准後方可作實。待股東於股東週年大會上批准後，預期將於二零二一年七月三十日或前後向於二零二一年七月九日名列股東名冊之股東支付末期股息。

### 業務前景

本集團的業務活動及營運在中國內地以及世界各地COVID-19的持續影響籠罩下可能面對不可預見的挑戰。在COVID-19的影響下，工業廢物處置服務市場將面對更激烈競爭及更嚴格全國性標準合規的執法管制。本集團致力在表現目標與環境及社會責任之間取得平衡，以及堅守企業管治及環境治理的常規。儘管廣西省柳州市新危險廢物處置設施的建設由於年內實施的疫情防控措施而稍為押後，預計該廠房將於二零二一年投入運作。於二零二零年內，本集團採取行動處置若干已廢止設施，以壓制任何日後可能出現預料之外的風險。展望未來，本集團將進一步發揮在江蘇省之危險廢物處理及處置服務行業的經驗及網絡，並審慎探索環保行業的新機遇。本集團將維持債務及流動資金穩健，及確保嚴格現金管理及成本控制作為危機後措施。我們已快速掌握如何控制冠狀病毒疫情傳播並提高本集團照顧持份者（包括




## CHAIRMAN'S STATEMENT 主席報告

strict cash management and cost control as a post-crisis exercise. We have learnt rapidly to contain the spread of coronavirus epidemic and broadened the awareness of the Group to take care of the interests of our stakeholders, including our employees, customers, supply chains and our wider community. On the other hand, the Company would still commit to act in the interests of the shareholders. Barring any uncertain economic factors and the uncertainties of the coronavirus epidemic, we expect the operations of the Group's environmental related business would be sustainable in long run.

### Acknowledgment

I would like to express my gratitude to customers, suppliers, business partners, financiers and our shareholders for the continuous support to the Group. I would also like to extend my thanks to our employees, all my colleagues, my management team for their dedication to encounter all difficulties under the epidemic adversity and the uncertainties of the market, and for their united efforts to the final results 2020. We wish the coronavirus epidemic would be over very soon. We shall strive for continuous improvement and we look forward to presenting a reasonable and consistent results in the forthcoming year.



**XI Yu**

奚玉

*Chairman and Chief Executive Officer*

主席兼行政總裁

Hong Kong, 23 March 2021

香港，二零二一年三月二十三日

我們的僱員、客戶、供應鏈及更廣泛社區) 利益的意識。另一方面，本公司將繼續致力為股東利益行事。撇除任何無法確定的經濟因素以及冠狀病毒疫情帶來的不明朗因素，我們預期本集團的環保相關業務運營將會實現長期可持續發展。

### 鳴謝

本人謹對我們的客戶、供應商、業務夥伴、投資者及股東對本集團的不斷支持表示衷心感謝，並感激我們的僱員、全體同仁及管理團隊致力應對疫情困境及市場不明朗因素下的所有困難，並齊心努力交出二零二零年的最終業績。我們希望冠狀病毒疫情在不久後將會過去。我們將盡全力作出持續改善，並期待未來一年呈報合理及一致的業績。

# MANAGEMENT DISCUSSION AND ANALYSIS

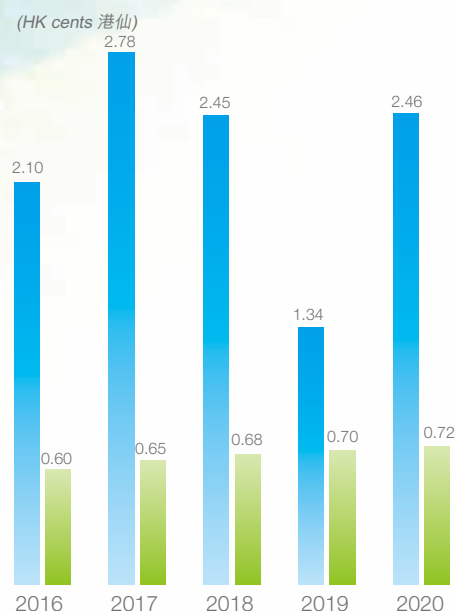
## 管理層討論及分析

### FINANCIAL HIGHLIGHTS 財務摘要

- **Group revenue up 32.5% to HK\$789,341,000.**  
本集團收益增加 32.5% 至 789,341,000 港元。
- **Profit attributable to owners of the Company up 83.6% to HK\$74,576,000.**  
本公司擁有人應佔溢利增加 83.6% 至 74,576,000 港元。
- **EBITDA of the Company up 21.3% to HK\$209,958,000.**  
本公司的 EBITDA 上升 21.3% 至 209,958,000 港元。
- **Equity attributable to owners of the Company was HK\$1,034,427,000 at 31 December 2020.**  
於二零二零年十二月三十一日，本公司擁有人應佔股本為 1,034,427,000 港元。
- **Cash and cash equivalents of the Group amounted to HK\$257,523,000 at 31 December 2020.**  
於二零二零年十二月三十一日，本集團的現金及等同現金項目為 257,523,000 港元。
- **Total earnings per share attributable to owners of the Company up 83.6% to HK cents 2.46.**  
本公司擁有人應佔每股盈利總額增加 83.6% 至 2.46 港仙。
- **The Board resolved to declare a final dividend of HK cents 0.72 per share for the year ended 31 December 2020.**  
董事會決議宣派截至二零二零年十二月三十一日止年度之末期股息每股 0.72 港仙。

### BASIC EARNINGS PER SHARE AND DIVIDENDS PER SHARE (HK CENTS)

每股基本盈利及每股股息 (港仙)



Basic Earnings per Share  
每股基本盈利

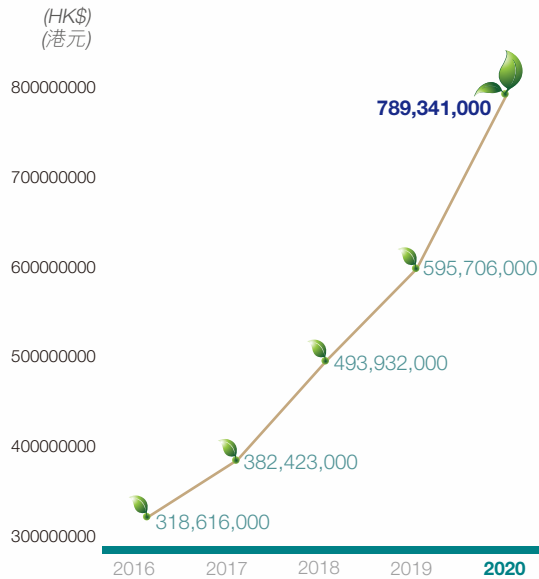
Dividends per Share  
每股股息

# MANAGEMENT DISCUSSION AND ANALYSIS

## 管理層討論及分析

### 5-YEAR GROUP REVENUE\*

#### 五年本集團收益\*

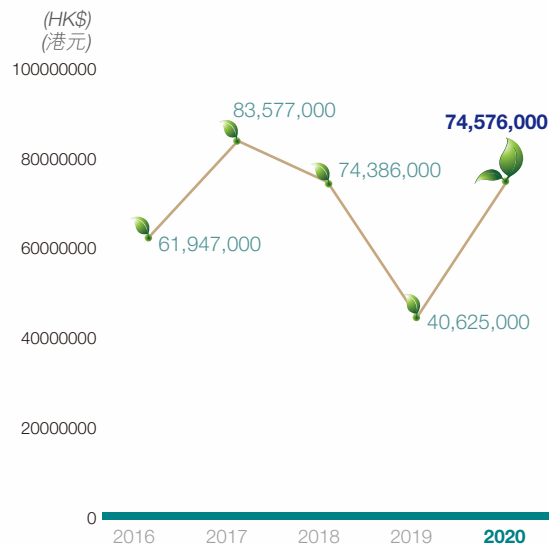


\* Group revenue represents the consolidated revenue from all environmental related operations of the Group but excludes the other revenue and other net income that being included in the segment revenue.

\* 本集團收益指來自本集團所有環保相關業務之綜合收益，而未包括計入分部收益的其他收益及其他淨收入。

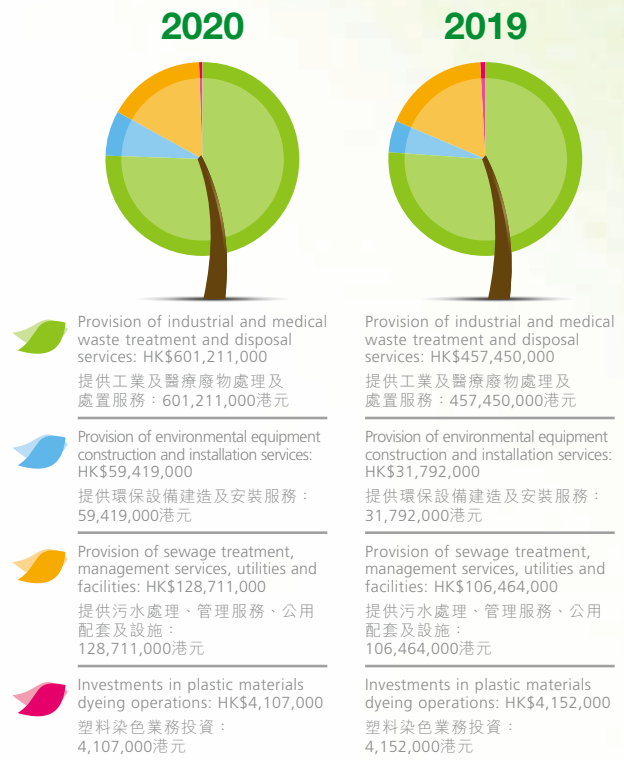
### 5-YEAR NET PROFIT ATTRIBUTABLE TO OWNERS OF COMPANY

#### 五年本公司擁有人應佔純利



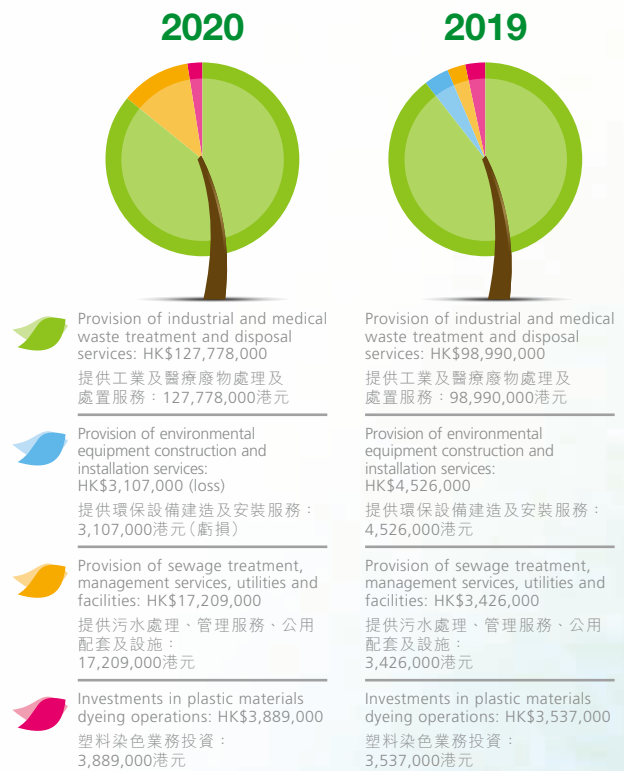
### SEGMENT REVENUE

#### 分部收益



### SEGMENT RESULTS (PRE-TAX)

#### 分部業績(稅前)



# MANAGEMENT DISCUSSION AND ANALYSIS

## 管理層討論及分析



### BUSINESS REVIEW

#### Environmental Treatment and Disposal Services for Industrial and Medical Wastes

For the year ended 31 December 2020, the Group had collected from external customers for treatment and disposal in aggregate of approximately 100,335 metric tons (2019: 73,518 metric tons) of hazardous industrial waste, 6,264 metric tons (2019: 6,726 metric tons) of regulated medical waste, and 3,443 metric tons (2019: 3,929 metric tons) of general industrial waste from various cities in Jiangsu Province, the PRC. For the year ended 31 December 2020, the total segment revenue from the provision of environmental treatment and disposal services for industrial and medical wastes was approximately HK\$601,211,000 (2019: HK\$457,450,000) of which the revenue from treatment of hazardous industrial waste, medical waste and general industrial waste were HK\$555,701,000, HK\$42,170,000 and HK\$3,340,000 (2019: HK\$418,664,000, HK\$31,118,000 and HK\$7,668,000) respectively.

The Group holds interests in two associates, with 30% equity interest in Zhenjiang Xin Qu Solid Waste Disposal Limited ("Zhenjiang Xin Qu") and 30% equity interest in Nanjing Chemical Industry Park Tianyu Solid Waste Disposal Co., Limited ("NCIP"), that principally engaged in the operations of providing environmental treatment and disposal of hazardous industrial waste services in Mainland China. The attributable results of Zhenjiang Xin Qu and NCIP are accounted for using equity method and classified

### 業務回顧

#### 工業及醫療廢物環保處理及處置服務

截至二零二零年十二月三十一日止年度，本集團於中國江蘇省多個城市從外部客戶收集處理及處置合共約100,335公噸（二零一九年：73,518公噸）危險工業廢物、6,264公噸（二零一九年：6,726公噸）受管制醫療廢物及3,443公噸（二零一九年：3,929公噸）一般工業廢物。截至二零二零年十二月三十一日止年度，提供工業及醫療廢物環保處理及處置服務之分部收益總額約為601,211,000港元（二零一九年：457,450,000港元），其中，處理危險工業廢物、醫療廢物及一般工業廢物之收益分別為555,701,000港元、42,170,000港元及3,340,000港元（二零一九年：418,664,000港元、31,118,000港元及7,668,000港元）。

本集團於兩間聯營公司持有權益，於鎮江新區固廢處置股份有限公司（「鎮江新區」）持有30%權益，及於南京化學工業園天宇固體廢物處置有限公司（「南京天宇」）持有30%權益，其主要於中國內地從事提供危險工業廢物環保處理及處置服務的業務。鎮江新區及南京天宇的應佔業績採用權益法入賬以及分類在工業及醫療

## MANAGEMENT DISCUSSION AND ANALYSIS 管理層討論及分析

under the operating segment of industrial and medical waste integrated treatment and disposal services. For the year ended 31 December 2020, the Group shared a net profit of HK\$10,924,000 from Zhenjiang Xin Qu (2019: net profit of HK\$8,754,000) and shared a net loss of HK\$622,000 (2019: net loss of HK\$1,928,000) from NCIP respectively.

The Group also holds 65% equity interest in a sino-foreign joint venture, Liuzhou Xinyu Rongkai Solid Waste Disposal Company Limited (“Xinyu Rongkai”), which is under construction to build incineration and landfill facilities to engage in providing environmental treatment and disposal services for hazardous industrial waste in Liuzhou, Guangxi Province, the PRC. The attributable results of Xinyu Rongkai is accounted for using equity method and classified under the operating segment of industrial and medical waste integrated treatment and disposal services. For the year ended 31 December 2020, the Group shared a net loss of HK\$1,835,000 (2019: net loss of HK\$1,545,000).

For the year ended 31 December 2020, the segment profit margin (pre-tax) of the Group’s environmental treatment of industrial and medical waste services was approximately 21.3% (2019:21.6%).

廢物綜合處理及處置服務的經營分部之下。截至二零二零年十二月三十一日止年度，本集團分別應佔鎮江新區的純利10,924,000港元（二零一九年：純利8,754,000港元）及應佔南京天宇的淨虧損622,000港元（二零一九年：淨虧損1,928,000港元）。

本集團亦持有中外合營企業柳州新宇榮凱固體廢物處置有限公司（「新宇榮凱」）的65%股權，該公司正在於中國廣西省柳州建造焚燒及填埋設施以從事提供危險工業廢物環保處理及處置服務。新宇榮凱的應佔業績採用權益法入賬以及分類在工業及醫療廢物綜合處理及處置服務的經營分部之下。截至二零二零年十二月三十一日止年度，本集團分佔淨虧損1,835,000港元（二零一九年：淨虧損1,545,000港元）。

截至二零二零年十二月三十一日止年度，本集團提供工業及醫療廢物環保處理及處置服務的分部利潤率（稅前）約為21.3%（二零一九年：21.6%）。



# MANAGEMENT DISCUSSION AND ANALYSIS

## 管理層討論及分析



At the end of the reporting period, the Group's facilities for the provision of environmental treatment and disposal services for industrial and medical wastes were summarised as follows:

於報告期末，本集團提供工業及醫療廢物環保處理及處置服務之設施概述如下：

		2020 二零二零年 Annual capacity metric tons 年處置能力 公噸	2019 二零一九年 Annual capacity metric tons 年處置能力 公噸
	Note 附註		
Licensed hazardous waste incineration facilities	獲許可危險廢物焚燒設施	<b>138,400</b>	138,400
Licensed epidemic medical waste incineration facilities	獲許可傳染性醫療廢物焚燒設施	<b>6,080</b>	6,080
Licensed epidemic medical waste detoxification treatment facilities	獲許可傳染性醫療廢物無害化處置設施	<b>3,300</b>	3,300
Total licensed treatment and disposal facilities	獲許可處理及處置設施總計 (i)	<b>147,780</b>	147,780
Constructed hazardous waste landfill facilities pending issue of operating permission licence	待發經營許可證的已建成危險廢物填埋設施 (ii)	<b>18,000</b>	18,000
Total constructed treatment and disposal facilities pending licences	待發許可證的已建成處理及處置設施總計	<b>18,000</b>	18,000

# MANAGEMENT DISCUSSION AND ANALYSIS

## 管理層討論及分析

### Notes:

- (i) The total capacity of the licensed waste treatment and disposal facilities represents the total effective treatment and disposal quantity of hazardous waste allowable to handle under the valid operating permission licences owned by the Group as at the end of the reporting period calculated on annualised basis.
- (ii) The hazardous waste operating permission licence for the hazardous waste landfill facilities with an annual capacity of 18,000 metric tons situated at Yancheng, Jiangsu Province, the PRC, has expired in November 2017, and the application of renewal of the operating permission licence is subject to further governmental approval of enhancement construction works basically completed in 2020.

### 附註：

- (i) 獲許可廢物處理及處置設施之總處理能力指按年度化基準計算於報告期末根據本集團所擁有有效危險廢物經營許可證可容許處理危險廢物之有效處理及處置總數量。
- (ii) 位於中國江蘇省鹽城、年處理量達18,000公噸之危險廢物填埋設施的危險廢物經營許可證已於二零一七年十一月到期，而有關經營許可證須待已於二零二零年基本建成的提升建設工程獲得進一步政府批文後，方可申請續期。

### Environmental Equipment Construction and Installation Services

In the current year, the Company decided to disclose separately the performance of its wholly-owned engineering subsidiary which principally provides environmental equipment construction and installation services in the PRC. The engineering subsidiary has mainly provided environmental equipment installation and maintenance services to the fellow subsidiaries of the Group in previous years. For the year ended 31 December 2020, the Group recorded a revenue from hazardous waste incineration facility engineering contract works provided to external customers and a joint venture in a total amount of HK\$59,419,000 (2019: HK\$31,792,000) and a pre-tax segment loss of 5.23% (2019: profit margin of 14.2%) which was mainly due to certain engineering contract works have been deferred owing to the impact of COVID-19 pandemic in 2020.

### 環保設備建造及安裝服務

於本年度，本公司決定單獨披露主要提供環保設備建造及安裝服務的工程附屬公司的業績。該工程附屬公司過去幾年主要向本集團的同系附屬公司提供環保設備安裝及維護服務。截至二零二零年十二月三十一日止年度，本集團向外部客戶及一間合營企業提供的危險廢物焚燒設施工程合約錄得收益合共59,419,000港元（二零一九年：31,792,000港元），以及主要因為於二零二零年受到COVID-19疫情的影響導致若干工程合約作業被延期，從而錄得稅前分部虧損率5.23%（二零一九年：利潤率為14.2%）。

## MANAGEMENT DISCUSSION AND ANALYSIS

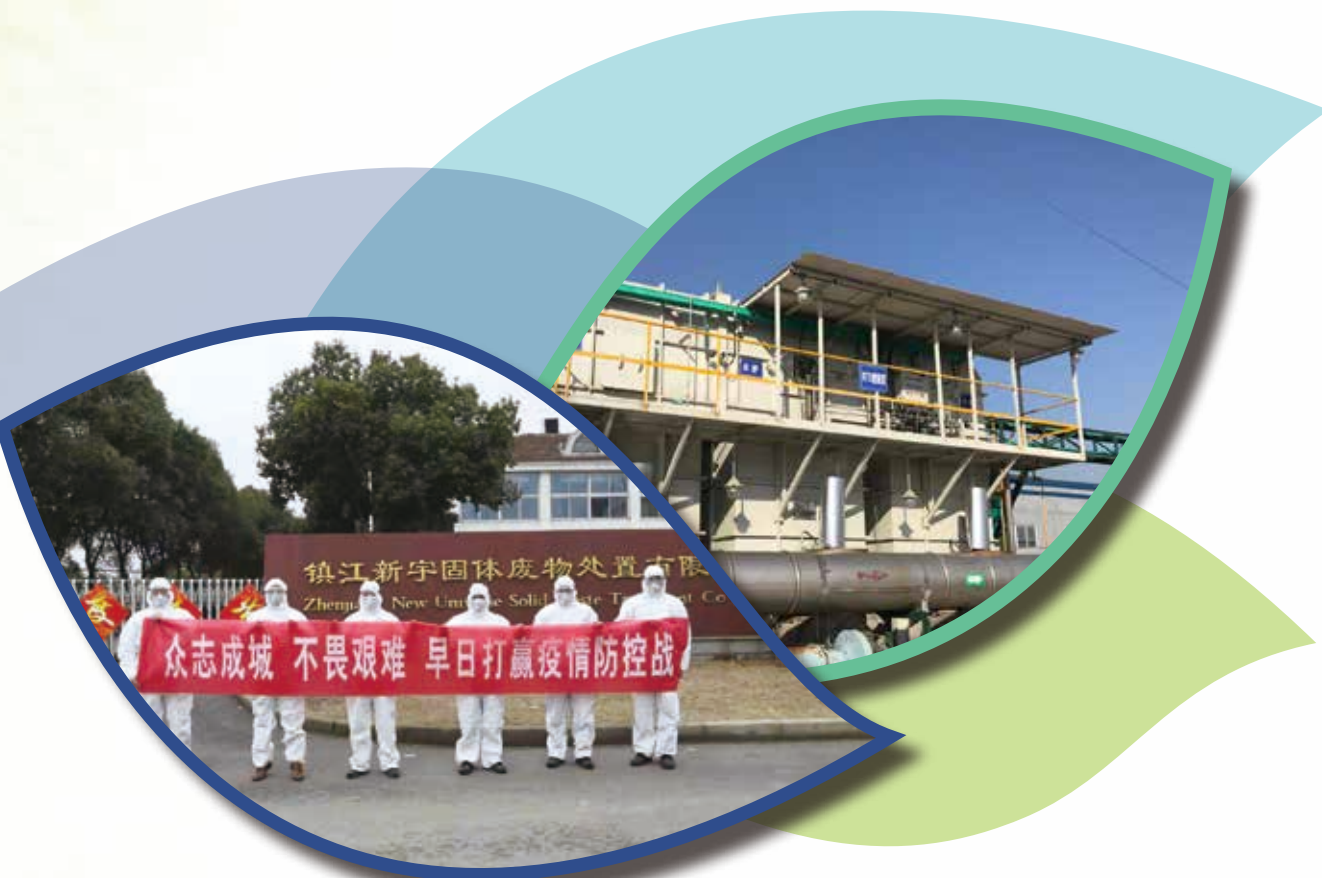
### 管理層討論及分析

#### Environmental Plating Sewage Treatment Services in Eco-plating Specialised Zone

For the year ended 31 December 2020, total revenue from the segment of provision of environmental plating sewage treatment services and provision of related facilities and utilities in the eco-plating specialised zone situated at Zhenjiang, Jiangsu Province, the PRC (the "Eco-plating Specialised Zone") was approximately HK\$128,711,000 (2019: HK\$106,464,000) and the segment profit margin (pre-tax) was approximately 13.4% (2019: 3.2%).

#### 環保電鍍專業區的環保電鍍污水處置服務

截至二零二零年十二月三十一日止年度，在位於中國江蘇省鎮江市之環保電鍍專業區（「環保電鍍專業區」）內提供環保電鍍污水處置服務及提供相關設施與配套服務的分部收益總額約為128,711,000港元（二零一九年：106,464,000港元），而分部利潤率（稅前）約為13.4%（二零一九年：3.2%）。





# MANAGEMENT DISCUSSION AND ANALYSIS

## 管理層討論及分析

The Eco-plating Specialised Zone has a total land area of 181,757 square metres, on which, office building, factory buildings, and centralised filtering plants were built. The office building and centralised sewage filtering and sludge treatment plants were built with a total gross floor area of 19,560 square metres, and factory buildings and facilities with a total gross area of 106,807 square metres available for leasing to manufacturing clients which undertake their plating-related operations inside the Eco-plating Specialised Zone. The Group owns 22 factory buildings in the zone which are occupied by 42 manufacturing clients as at 31 December 2020. The Group operates a centralised plating sewage treatment plant, a centralised industrial sludge treatment plant and customised facilities equipped for all clients in the zone. The phase II of hazardous sewage filtering plant was completed in 2020 which has enhanced the centralised sewage and sludge treatment system in zone.

As at 31 December 2020, the Group's operations in the Eco-plating Specialised Zone were summarised as follows:

環保電鍍專業區之總佔地面積為181,757平方米，區內建有綜合辦公樓及集中式污水過濾廠及污泥處理廠總建築面積合計19,560平方米。已建成工廠樓房及設施之總建築面積為106,807平方米可供租賃予在環保電鍍專業區內經營電鍍相關業務之製造業客戶。本集團在專業區內擁有22幢工廠樓房，於二零二零年十二月三十一日，該等工廈由42家製造業客戶佔用。本集團經營專為專業區內所有客戶而設的集中式電鍍污水處置廠、集中式工業污泥處置廠及定制設施。危險污水過濾廠二期已於二零二零年完工，其提升了園區的集中或污水及污泥處理系統。

於二零二零年十二月三十一日，本集團於環保電鍍專業區的業務概述如下：

		2020 二零二零年	2019 二零一九年
Total gross floor area of factory buildings and facilities available for leasing (square metres)	可供租賃工廠樓房及設施之總建築面積 (平方米)	<b>106,807</b>	106,807
Average utilisation rate of buildings and facilities	工廈及設施之平均利用率	<b>89.3%</b>	84.5%
Plating sewage handled by the centralised sewage treatment plant (metric tons)	集中式污水處置廠所處置電鍍污水 (公噸)	<b>450,295</b>	478,396
Average utilisation rate of sewage treatment capacity	污水處置能力之平均利用率	<b>27.3%</b>	29.0%

### Investments in Plastic Materials Dyeing Business

The Group holds the equity interests in three manufacturing entities, which principally engaged in plastic materials dyeing in Mainland China, as equity investments. For the year ended 31 December 2020, the segment profit margin (pre-tax) of Suzhou New Huamei Plastics Company Limited ("Suzhou New Huamei"), Danyang New Huamei Plastics Company Limited ("Danyang New Huamei") and Qingdao Zhongxin Huamei Plastics Company Limited ("Qingdao Huamei") were 4.1%, 1.5% and 5.8% (2019: 3.8%, 1.5% and 3.6%) respectively.

For the year ended 31 December 2020, total dividend received by the Group (before PRC dividend withholding tax) in relation to the results of Suzhou New Huamei, Danyang New Huamei and Qingdao Huamei in previous year was approximately HK\$4,107,000 (2019: HK\$4,152,000).

### 塑料染色業務投資

本集團持有三間主要在中國內地從事塑料染色業務之製造企業的股權作為股本投資。截至二零二零年十二月三十一日止年度，蘇州新華美塑料有限公司（「蘇州新華美」）、丹陽新華美塑料有限公司（「丹陽新華美」）及青島中新華美塑料有限公司（「青島華美」）的分部利潤率（稅前）分別為4.1%、1.5%及5.8%（二零一九年：3.8%、1.5%及3.6%）。

截至二零二零年十二月三十一日止年度，本集團收到有關蘇州新華美、丹陽新華美及青島華美往年業績之股息總額（未扣除中國股息預扣稅）約為4,107,000港元（二零一九年：4,152,000港元）。

# MANAGEMENT DISCUSSION AND ANALYSIS

## 管理層討論及分析

### Business Outlook

During the year ended 31 December 2020, the operations of the Group have stayed resilient to the impact caused by the COVID-19 pandemic. The coronavirus epidemic did not affect much on the demand of hazardous waste disposal services when the operational activities of various industries have been slowing down, but it resulted in increased awareness of proper handling of hazardous waste in the local community. The Group has prepared to meet the challenge of possible interruption caused by the looming coronavirus epidemic. The Group has kept up the waste processing facilities and standards, and entering into 2021, the Group has well-prepared for ensuring licence renewal for certain subsidiaries would be granted on time with minimal downtime for necessary fine-tuning of the incineration facilities and hazardous waste management system to be required under the stricter compliance standards in recent years.

As at 31 December 2020, there was no significant change to the combined licensed capacity of the existing four key plants of Group for the collection, storage, detoxification treatment, incineration and disposal of hazardous industrial and medical waste in Mainland China with a maximum capacity of 147,780 metric tons per annum as compared to 2019. The existing capacity is expected to be more effectively utilised to cope with the changing demand of the hazardous waste collection market if all operation permit licences of the Group would be renewed on time. The centralised sewage filtering system in the Eco-plating Specialised Industrial Zone has been enhanced and worked well with the phase II sewage filtering plant completed in 2020, it is expected that the improved filtering facilities would benefit the existing clients in the zone and also motivate increase in utilisation with new clients entering the zone in foreseeable future.

In June 2020, the Group has provided a joint liability guarantee in favour of a joint venture for a bank loan facility up to RMB120,000,000 (approximately HK\$141,600,000) to finance the phase I construction of the integrated hazardous waste treatment facilities. The Company owns 65% indirectly equity interest in the joint venture which is located in Liuzhou, Guangxi Province, the PRC and it is expected that the hazardous waste treatment centre established by the joint venture would be put into operation in 2021.

The Group commits to uphold practices of corporate governance and especially environmental governance after experiencing the impact of coronavirus epidemic to the community and the economy of a country. The Group continues to focus on environmental related business and will explore opportunities prudently in a timely manner for business restructuring and industrial upgrade and to improve sustainable performance of its operations. Barring any unforeseeable risks from the global and local economies and uncertainties arising from coronavirus epidemic, the Group expects to continue to sustain its performance and deliver a reasonable results in the forthcoming year.

### 業務展望

截至二零二零年十二月三十一日止年度，本集團的業務對COVID-19疫情產生的影響具有彈性適應力。冠狀病毒疫情在各行業經營活動放緩的情況下並未對危險廢物處置服務需求產生較大影響，但令當地社區內增強正確處理危險廢物的意識。本集團準備好面對迫在眉睫的冠狀病毒疫情可能引致的業務中斷的任何挑戰。本集團繼續提升廢物處理設施及標準，踏入二零二一年，本集團已做好準備，確保及時獲得若干附屬公司的許可證續期，以及最短的停工期，以根據近年來日益嚴格的合規標準規定，對其焚燒設備及危險廢物管理系統進行有需要的微調。

於二零二零年十二月三十一日，與二零一九年相比，本集團四大現有廠房合計獲許可在中國內地收集、貯存、無害化處理、焚燒及處置危險工業及醫療廢物的能力並無重大變動，最高產能為每年147,780公噸。預計倘本集團所有經營許可證均獲及時重續，現有處置能力將可能更有效使用，以應對危險廢物收集市場不斷變動的需求。本集團於環保電鍍專業工業區的集中式污水過濾系統已獲提升，並與二零二零年完工的污水過濾廠二期良好配合。預計經提升的過濾設備將可令園區內的現有客戶受益，且在可見未來隨着新客戶入駐園區將可促進使用率上升。

於二零二零年六月，本集團就一項最高達人民幣120,000,000元（約141,600,000港元）以為綜合危險廢物處理設施之一期建設提供資金的銀行貸款授信為一間合營企業提供連帶責任擔保。本公司間接擁有該合營企業（位於中國廣西省柳州市）65%股權。預計該合營企業設立的危險廢物處理中心將於二零二一年投入運作。

在經歷過冠狀病毒疫情對社區及國家經濟的影響後，本集團致力堅守企業管治及（尤其是）環境治理的常規。本集團繼續專注於環保相關業務，並審時度勢，物色機會進行業務重組及產業升級，務求改善業務的可持續表現。撇除全球及本地經濟體系發生不可預見的風險及冠狀病毒疫情存在的不明朗因素，本集團預期繼續維持表現並於未來一年交出合理的業績。

# MANAGEMENT DISCUSSION AND ANALYSIS

## 管理層討論及分析

### FINANCIAL REVIEW

The summary of annual results for the year ended 31 December 2020 together with corresponding figures for 2019 is presented as follows:

#### Summary of annual results

(Expressed in HK\$'000 unless indicated otherwise)

### 財務回顧

截至二零二零年十二月三十一日止年度之全年業績概要(連同二零一九年之相應數字)呈列如下:

#### 全年業績概要

(除非另有所示，否則均以千港元列示)

		Year ended 31 December 截至十二月三十一日止年度			Change 變動 %	
Note 附註		2020 二零二零年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元			
	Revenue from environmental treatment, and disposal services for industrial and medical wastes	工業及醫療廢物的環保處理及處置服務之收益	1(a)	<b>601,211</b>	457,450	+31.4
	Revenue from environmental equipment construction and installation services	環保設備建造及安裝服務之收益	1(b)	<b>59,419</b>	31,792	+86.9
	Revenue from environmental industrial sewage treatment, utilities, management services, and factory facilities	工業污水環保處置、配套、管理服務及工廠設施之收益	1(c)	<b>128,711</b>	106,464	+20.9
	<b>Total Revenue</b>	<b>收益總額</b>	<b>1</b>	<b>789,341</b>	595,706	+32.5
	Average gross profit margin (in percentage)	平均毛利率(百分比)	2	<b>27.8</b>	33.9	-18.0
	Other revenue	其他收益	3	<b>4,107</b>	4,152	-1.1
	Other net income	其他淨收入	4	<b>13,443</b>	11,198	+20.0
	Distribution costs	分銷成本	5	<b>6,971</b>	9,554	-27.0
	Administrative expenses	行政開支	6	<b>56,433</b>	54,172	+4.2
	Other operating expenses	其他經營開支	7	<b>24,525</b>	53,663	-54.3
	Impairment loss on assets classified as held for sale	分類為持作出售資產之減值虧損	8	<b>12,636</b>	-	N/A
	Impairment loss on trade receivables	應收賬款之減值虧損	9(a)	<b>9,526</b>	4,469	+113.2
	Impairment loss on other receivables	其他應收款項之減值虧損	9(b)	-	235	-100.0
	Finance income	融資收入	10	<b>402</b>	2,517	-84.0
	Finance costs	融資成本	11	<b>9,564</b>	13,909	-31.2
	Share of results of associates	分佔聯營公司之業績	12	<b>10,302</b>	6,826	+50.9
	Share of results of a joint venture	應佔一間合營企業之業績	13	<b>(1,835)</b>	(1,545)	+18.8
	Income tax	所得稅	14	<b>24,501</b>	17,744	+38.1
	Net profit for the year	本年度純利	15	<b>102,046</b>	71,129	+43.5
	Profit attributable to owners of the Company	本公司擁有人應佔溢利	15	<b>74,576</b>	40,625	+83.6
	Basic and diluted EPS attributable to owners of the Company (in HK cents)	本公司擁有人應佔每股基本及攤薄盈利(港仙)	16	<b>2.46</b>	1.34	+83.6
	EBITDA	EBITDA	17	<b>209,958</b>	173,057	+21.3

# MANAGEMENT DISCUSSION AND ANALYSIS

## 管理層討論及分析

### Summary of annual results by semi-annual cycle

(Expressed in HK\$'000 unless indicated otherwise)

### 按半年週期劃分的全年業績概要

(除非另有所示，否則均以千港元列示)

			1H 2020 二零二零年 上半年	2H 2020 二零二零年 下半年	Total 2020 二零二零年 總計
		Note 附註	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元
Revenue from environmental treatment and disposal services for industrial and medical wastes	工業及醫療廢物的環保處理及處置服務之收益	1(a)	305,862	295,349	601,211
Revenue from environmental equipment construction and installation services	環保設備建造及安裝服務之收益	1(b)	–	59,419	59,419
Revenue from environmental industrial sewage treatment, utilities, management services, and factory facilities	工業污水環保處置、配套、管理服務及工廠設施之收益	1(c)	57,527	71,184	128,711
<b>Total Revenue</b>	<b>收益總額</b>	<b>1</b>	<b>363,389</b>	<b>425,952</b>	<b>789,341</b>
Average gross profit margin (in percentage)	平均毛利率（百分比）	2	29.6	26.4	27.8
Other revenue	其他收益	3	1,882	2,225	4,107
Other net income	其他淨收入	4	5,835	7,608	13,443
Distribution costs	分銷成本	5	6,167	804	6,971
Administrative expenses	行政開支	6	24,158	32,275	56,433
Other operating expenses	其他經營開支	7	8,249	16,276	24,525
Impairment loss on assets classified as held for sale	分類為持作出售資產之減值虧損	8	12,242	394	12,636
Impairment loss on trade receivables	應收賬款之減值虧損	9(a)	1,826	7,700	9,526
Finance income	融資收入	10	1,047	(645)	402
Finance costs	融資成本	11	5,363	4,201	9,564
Share of results of associates	分佔聯營公司之業績	12	5,973	4,329	10,302
Share of results of a joint venture	分佔一間合營企業之業績	13	(653)	(1,182)	(1,835)
Income tax	所得稅	14	8,813	15,688	24,501
Net profit for the period	期內純利	15	54,762	47,284	102,046
Profit attributable to owners of the Company	本公司擁有人應佔溢利	15	38,360	36,216	74,576
Basic and diluted EPS attributable to owners of the Company (in HK cents)	本公司擁有人應佔每股基本及攤薄盈利（港仙）	16	1.26	1.20	2.46
EBITDA	EBITDA	17	104,382	105,576	209,958

# MANAGEMENT DISCUSSION AND ANALYSIS

## 管理層討論及分析

			1H 2019 二零一九年 上半年	2H 2019 二零一九年 下半年	Total 2019 二零一九年 總計
		Note 附註	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元
Revenue from environmental treatment and disposal services for industrial and medical wastes	工業及醫療廢物的環保處理及處置服務之收益	1(a)	207,208	250,242	457,450
Revenue from environmental equipment construction and installation services	環保設備建造及安裝服務之收益	1(b)	–	31,792	31,792
Revenue from environmental industrial sewage treatment, utilities, management services, and factory facilities	工業污水環保處置、配套、管理服務及工廠設施之收益	1(c)	50,833	55,631	106,464
<b>Total Revenue</b>	<b>收益總額</b>	<b>1</b>	<b>258,041</b>	<b>337,665</b>	<b>595,706</b>
Average gross profit margin (in percentage)	平均毛利率(百分比)	2	34.1	33.7	33.9
Other revenue	其他收益	3	4,152	–	4,152
Other net income	其他淨收入	4	6,546	4,652	11,198
Distribution costs	分銷成本	5	8,619	935	9,554
Administrative expenses	行政開支	6	23,884	30,288	54,172
Other operating expenses	其他經營開支	7	40,158	13,505	53,663
Impairment loss on trade receivables	應收賬款之減值虧損	9(a)	2,347	2,122	4,469
Impairment loss on other receivables	其他應收款項之減值虧損	9(b)	–	235	235
Finance income	融資收入	10	1,346	1,171	2,517
Finance costs	融資成本	11	7,146	6,763	13,909
Share of results of associates	分佔聯營公司之業績	12	4,288	2,538	6,826
Share of results of a joint venture	應佔一間合營企業之業績	13	(839)	(706)	(1,545)
Income tax	所得稅	14	6,850	10,894	17,744
Net profit for the period	期內純利	15	14,399	56,730	71,129
Profit attributable to owners of the Company	本公司擁有人應佔溢利	15	1,445	39,180	40,625
Basic and diluted EPS attributable to owners of the Company (in HK cents)	本公司擁有人應佔每股基本及攤薄盈利(港仙)	16	0.05	1.29	1.34
EBITDA	EBITDA	17	64,390	108,667	173,057

**Notes:**

1. Net increase in total revenue for the year ended 31 December 2020 was mainly attributable to:
  - (a) all incineration facilities of the Group operated in a resilient manner to cope with the increasing market demand on hazardous waste collection during the current year;
  - (b) the business activities of providing of environmental equipment construction and installation services has been disclosed separately from other environmental related operations of the Group in the current year, and figures in last year have been reclassified accordingly. Net increase in revenue from environmental equipment construction was mainly attributable to increase in revenue recognised from contract works completed in the current year; and
  - (c) the leasing and management fees for the Eco-plating Specialised Zone were reviewed and adjusted upward pursuant to the terms stipulated in the master agreements entered into with the customers of the zone.

**附註:**

1. 截至二零二零年十二月三十一日止年度的收益總額淨增加，主要由於：
  - (a) 本集團所有焚燒設施以具彈性方式運營，以應付本年度危險廢物收集之市場需求上升；
  - (b) 提供環保設備建造及安裝服務的經營活動於本年度與本集團其他與環保相關的業務分開披露，並已將去年數字重新分類。本年度環保設備建造收入淨增加主要由於年內根據合約工程完成而獲確認的收入增加；及
  - (c) 生態電鍍專業區的租金及管理費已根據與園區的客戶訂立的主協議的條款進行審閱並上調。

# MANAGEMENT DISCUSSION AND ANALYSIS

## 管理層討論及分析

2. Decrease in gross profit margin of the Group for the year ended 31 December 2020 was mainly attributable to increase in outsourcing landfill costs for disposal of secondary hazardous waste composed of post-incinerated residues and ashes produced during the incineration process.
  3. Net decrease in other revenue for the year ended 31 December 2020 was mainly attributable to slightly decrease in net dividend received from the equity investments in the current year.
  4. Net increase in other net income for the year ended 31 December 2020 was mainly attributable to the gain recognised on disposal of a subsidiary in the current year.
  5. Net decrease in distribution costs for the year ended 31 December 2020 was mainly attributable to decrease in market development expenses caused by reduced market activities in the current year.
  6. Net increase in administrative expenses for the year ended 31 December 2020 was mainly attributable to increase in equity-settled share-base payment costs recognised upon the grant of share options in the first half of the year and slight increase in year-end bonus.
  7. Net decrease in other operating expenses for the year ended 31 December 2020 was mainly attributable to:
    - (a) the one-off costs on litigation settlements in relation to various non-compliance incidents in 2019 did not recur in the current year; and
    - (b) the repairs and maintenance costs incurred for the temporary suspension of a subsidiary and certain other specialised repairing costs in 2019 did not recur in the current year.
  8. The impairment loss on assets classified as held for sale of approximately HK\$12,636,000 recognised for the year ended 31 December 2020 was attributable to the expected loss on disposal of an obsolete plant with vacant land and buildings located at Yancheng, Jiangsu Province, the PRC after taking into account of the compensation receivable and costs on land restoration and soil remediation for the site to comply with the national standards before vacant delivery of the land back to the local authorities for land expropriation under the urban development plan.
2. 截至二零二零年十二月三十一日止年度本集團的毛利率下降，主要由於處置次級危險廢物（由焚燒後的廢渣及焚燒過程中產生的灰渣組成）而令外判填埋成本增加。
  3. 截至二零二零年十二月三十一日止年度的其他收益淨減少，主要由於本年度從股本投資收取之股息淨額輕微減少。
  4. 截至二零二零年十二月三十一日止年度的其他淨收入淨增加，主要由於本年度確認出售一間附屬公司之收益。
  5. 截至二零二零年十二月三十一日止年度的分銷成本淨減少，主要由於本年度之市場開發開支由於市場推廣活動減少而減少。
  6. 截至二零二零年十二月三十一日止年度的行政開支淨增加，主要由於本年上半年在授出購股權後確認以股本權益計算按股份作基礎支付成本增加及年終獎金稍增。
  7. 截至二零二零年十二月三十一日止年度的其他經營開支淨減少，主要乃由於：
    - (a) 於二零一九年確認的各項違規事件訴訟和解的一次過費用於本年度不會再次產生；及
    - (b) 二零一九年一間附屬公司的業務暫停產生的維修保養費用及若干專項修理成本於本年度不會再次產生。
  8. 截至二零二零年十二月三十一日止年度確認的分類為持作出售資產之減值虧損約12,636,000港元乃由於出售位於中國江蘇省鹽城的廢舊廠房（包括空置土地及建築物）在經考慮應收補償及該地塊在騰空交回地方政府根據城市發展規劃徵用土地之前為符合國家標準而進行的土地修復及土壤整治的費用後引致預期虧損。

# MANAGEMENT DISCUSSION AND ANALYSIS

## 管理層討論及分析

9. (a) Increase in impairment loss on trade receivables for the year ended 31 December 2020 was mainly attributable to the increase in lifetime expected credit loss on accounts receivable of the Group, taking into account of the past payment history, current conditions and other forward looking information, such as, forecast of future economic conditions.
- (b) There was no impairment to other receivables in the current year.
10. Net decrease in finance income for the year ended 31 December 2020 was mainly attributable to the net loss on foreign exchange on financing activities has offset the increase in interest income from cash deposits of the Group in the current year.
11. Net decrease in finance costs for the year ended 31 December 2020 was mainly attributable to decrease in interest-bearing borrowings in the current year.
12. Net increase in profit shared from the associates for the year ended 31 December 2020 was mainly attributable to improvement of operational performance of two associated companies in the current year.
13. Net results of loss shared from the joint venture was attributable to the share of the preliminary expenses before the joint venture being put into operations after completion of its integrated hazardous waste treatment centre located at Liuzhou, Guangxi Province, the PRC.
14. Net increase in income tax for the year ended 31 December 2020 was mainly attributable to increase in taxable profits generated from the key operations of the Group in Mainland China in the current year.
15. For the year ended 31 December 2020, net increase in net profit and increase in profit attributable to owners of the Company were mainly attributable to:
- (a) increase in revenue of the Group in the current year;
- (b) the one-off costs on litigation settlements in relation to various non-compliance incidents in 2019 did not recur in the current year; and
- (c) the repairs and maintenance costs incurred for the temporary suspension of a subsidiary and certain other specialised repairing costs in 2019 did not recur in the current year.
16. Increase in earnings per shares ("EPS") was directly attributable to the increase in net profit in 2020.
17. The Company uses the earnings for the reporting period before deduction of gross interest, taxation, depreciation and amortisation ("EBITDA") to measure the operating results of the Group. Increase in EBITDA for the year ended 31 December 2020 was mainly attributable to the increase in net profit of the Group in the current year.
9. (a) 於截至二零二零年十二月三十一日止年度，應收賬款減值虧損之增加，主要由於本年度本集團經進行評估的應收款項的全期預期信貸虧損增加，並經計及過往付款歷史、現況及其他前瞻性資料（例如未來經濟狀況預測）。
- (b) 本年度並無其他應收款項之減值。
10. 截至二零二零年十二月三十一日止年度的融資收入淨減少，主要由於本年度本集團融資活動錄得匯兌淨虧損，其已抵銷現金存款之利息收入增加。
11. 截至二零二零年十二月三十一日止年度的融資成本淨減少，主要由於本年度的計息借貸減少。
12. 截至二零二零年十二月三十一日止年度的分佔聯營公司溢利淨增加，主要由於兩間聯營公司於本年度之營運表現有所改善。
13. 分佔合營企業的淨業績虧損乃因在該合營企業位於中國廣西省柳州市的綜合危險廢物處理中心完工後分佔該合營企業投入運作前的開辦費用。
14. 截至二零二零年十二月三十一日止年度的所得稅淨增加，主要由於本集團於本年度在中國內地的主要業務產生之應課稅溢利增加。
15. 截至二零二零年十二月三十一日止年度，純利淨增加及本公司擁有人應佔溢利增加，主要由於：
- (a) 本集團於本年度之收益增加；
- (b) 於二零一九年確認的各項違規事件訴訟和解的一次過費用於本年度不會再次產生；及
- (c) 二零一九年一間附屬公司的業務暫停產生的維修保養費用及若干專項修理成本於本年度不會再次產生。
16. 每股盈利（「每股盈利」）增加，乃直接由於二零二零年純利增加所致。
17. 本公司採用「扣除總利息、稅項、折舊及攤銷前報告期盈利」（「EBITDA」）計量本集團營運業績。截至二零二零年十二月三十一日止年度的EBITDA增加，主要由於本集團於本年度之純利增加。

# MANAGEMENT DISCUSSION AND ANALYSIS

## 管理層討論及分析

### Seasonality of operations

For the year ended 31 December 2020, the operations of providing environmental treatment and disposal services for hazardous waste has encountered a relatively higher demand in the first half of the year.

For the year ended 31 December 2020, the environmental treatment and disposal services for hazardous waste recorded a revenue of HK\$601,211,000 (2019: HK\$457,450,000) and pre-tax profit of HK\$127,778,000 (2019: HK\$98,990,000) with revenue of approximately 50.9% (2019: 45.3%) being accumulated in the first half of the year and approximately 49.1% (2019: 54.7%) being accumulated in the second half of the year. In the first half of 2020, certain hazardous waste treatment facilities of the Group have experienced temporary down-time under the control measure to contain the spread of coronavirus epidemic. In the second half of 2020, the demand for hazardous waste disposal services has resumed normal.

### Capital expenditure

For the year ended 31 December 2020, the Group incurred capital expenditure to increase property, plant and equipment and to acquire land use rights for the operating segment of (i) environmental treatment and disposal services for hazardous waste amounted to approximately HK\$44,731,000 (2019: HK\$85,692,000), (ii) environmental equipment construction and installation services amounted to Nil (2019: HK\$139,000); (iii) industrial sewage and sludge treatment and facility provision services in the Eco-plating Specialised Zone amounted to approximately HK\$27,172,000 (2019: HK\$13,693,000); and (iv) for corporate use at the head office in Hong Kong being HK\$6,000 (2019: Nil).

### Commitments

At the end of the reporting period, the Group had the following commitments for capital assets:

### 經營季節性

截至二零二零年十二月三十一日止年度，本集團提供危險廢物環保處理及處置服務之業務於上半年迎來相對較高的需求。

截至二零二零年十二月三十一日止年度，危險廢物環保處理及處置服務錄得收益601,211,000港元(二零一九年：457,450,000港元)及稅前溢利127,778,000港元(二零一九年：98,990,000港元)，當中約50.9%(二零一九年：45.3%)之收益累計於上半年，約49.1%(二零一九年：54.7%)累計於下半年。於二零二零年上半年，本集團若干危險廢物處置設施由於控制冠狀病毒疫情傳播之控制措施而遭受暫時停機。於二零二零年下半年，危險廢物處置服務的需求已回復正常。

### 資本開支

截至二零二零年十二月三十一日止年度，本集團產生資本開支以增加物業、廠房及設備及收購土地使用權(i)用於危險廢物環保處理及處置服務經營分部，金額約為44,731,000港元(二零一九年：85,692,000港元)；(ii)用於環保設備建造及安裝服務之營運分部之金額為零(二零一九年：139,000港元)；(iii)用於環保電鍍專業區內提供工業污水及污泥處置及設施服務經營分部，金額約為27,172,000港元(二零一九年：13,693,000港元)；及(iv)用於香港總部作企業用途，金額為6,000港元(二零一九年：零)。

### 承擔

於報告期末，本集團就資本資產作出以下承擔：

		2020 二零二零年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元
Contracted but not provided for:	已訂約但未撥備：		
– Capital expenditure in respect of property, plant and equipment	– 有關物業、廠房及設備之資本開支	15,359	57,188
– Capital contribution to a joint venture	– 向一間合營企業出資	–	25,434
– Capital contribution to an equity investment	– 向一項股本投資出資	15,771	15,976



# MANAGEMENT DISCUSSION AND ANALYSIS

## 管理層討論及分析

### Liquidity, financial resources and gearing

- (a) For the year ended 31 December 2020, the Group financed its operations and made payment of debts and liabilities due timely with internally generated cash flows, banking facilities and other borrowings.
- (b) The Group remained stable in its financial position with equity attributable to owners of the Company amounted to approximately to HK\$1,034,427,000 as at 31 December 2020 (2019: HK\$911,528,000) and consolidated total assets amounted to approximately HK\$1,745,603,000 as at 31 December 2020 (2019: HK\$1,618,570,000).
- (c) The Company did not have any equity fund raising activity within the past twelve months immediately prior to the date of this report (2019: Nil).
- (d) At the end of the reporting period, the Group had:

### 流動資金、財務資源及資產負債比率

- (a) 截至二零二零年十二月三十一日止年度，本集團動用其內部產生的現金流量、銀行融資及其他借貸，以撥付其營運並及時支付其到期債務及負債。
- (b) 本集團保持穩健的財務狀況，於二零二零年十二月三十一日之本公司擁有人應佔股本約為1,034,427,000港元（二零一九年：911,528,000港元），且於二零二零年十二月三十一日之綜合總資產約為1,745,603,000港元（二零一九年：1,618,570,000港元）。
- (c) 本公司於緊接本報告日期前過去十二個月內並無任何股本集資活動（二零一九年：無）。
- (d) 於報告期末，本集團有：

		2020 二零二零年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元
(i) Cash and bank balances	(i) 現金及銀行結餘	257,523	267,393
(ii) Available unused unsecured banking facilities	(ii) 可供使用而未動用的無抵押銀行信貸	55,960	45,000

# MANAGEMENT DISCUSSION AND ANALYSIS

## 管理層討論及分析

### Key Performance indicators

(a) The Group monitors its financial and earnings performance through EBITDA. EBITDA of the Group was HK\$209,958,000 for the year ended 31 December 2020 (2019: HK\$173,057,000).

Reconciliation of consolidated net profit for the year to EBITDA is set out as follows:

		2020 二零二零年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元
Profit for the year	年度溢利	102,046	71,129
Add:	加：		
Depreciation on property, plant and equipment	物業、廠房及設備折舊	69,915	66,370
Depreciation on right-of-use assets	使用權資產折舊	3,932	3,905
Gross interest expenses	總利息開支	9,564	13,909
Income tax	所得稅	24,501	17,744
EBITDA for the year	本年度EBITDA	<b>209,958</b>	173,057

(b) The Company monitors its financial and earnings performance of the associates through EBITDA by cancelling the effects of the associates' capital, financing and tax entity structure. Set out below is the EBITDA of the associates of the Company for the two years ended 31 December 2020:

		2020 二零二零年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元
EBITDA of associates:	聯營公司EBITDA：		
Zhenjiang Xin Qu	鎮江新區	45,702	38,153
NCIP	南京天宇	21,433	17,469

(c) The Group monitors the proportion of its profits that being converted to cash flows through cash conversion rate. The cash conversion rate of the Group (being the net cash generated from operating activities as a percentage of the consolidated operating profit) was approximately 156% for the year ended 31 December 2020 (2019: 165%).

### 關鍵績效指標

(a) 本集團藉EBITDA監察其財務及盈利表現。本集團於截至二零二零年十二月三十一日止年度的EBITDA為209,958,000港元(二零一九年：173,057,000港元)。

本年度綜合純利與EBITDA之對賬如下：

(b) 本公司透過EBITDA消除聯營公司資本、融資及稅務實體架構的影響，以監控聯營公司的財務及盈利表現。以下載列本公司聯營公司於截至二零二零年十二月三十一日止兩個年度的EBITDA：

(c) 本集團以現金週轉率監控溢利轉換為現金流的比例。本集團於截至二零二零年十二月三十一日止年度的現金週轉率(為經營活動產生的現金淨額佔綜合經營溢利的百分比)約為156%(二零一九年：165%)。

# MANAGEMENT DISCUSSION AND ANALYSIS

## 管理層討論及分析

- (d) The Group monitors its liquidity through current ratio. The current ratio of the Group representing the ratio of the consolidated current assets to the consolidated current liabilities was 0.8 times as at 31 December 2020 (2019: 0.8 times). The current ratio being less than 1 as at 31 December 2020 was mainly attributable to the bank loans payable in or after 2022 amounted to approximately HK\$57,700,000 (2019: bank loans payable in or after 2021 amounted to approximately HK\$75,325,000) have been classified as current liabilities because those banking facilities bore standard terms and conditions that the banker reserves its overriding right at any time to cancel or vary the facilities and demand immediate repayment of all outstanding amounts.
- (d) 本集團以流動比率監控其流動資金。於二零二零年十二月三十一日，本集團的流動比率（為綜合流動資產對綜合流動負債之比率）為0.8倍（二零一九年：0.8倍）。於二零二零年十二月三十一日之流動比率低於1，主要由於二零二二年或之後應付銀行貸款約57,700,000港元（二零一九年：於二零二一年或之後應付銀行貸款約75,325,000港元）已分類為流動負債，此乃由於該等銀行信貸附有標準條款及條件，據此，銀行保留其優先權利，可隨時撤銷或更改信貸並要求立即償還所有尚未償還的款項。
- (e) The Group monitors its capital by reference to the gearing ratio. This ratio is calculated as total interest-bearing borrowings (including lease liabilities) divided by total equity. The gearing ratio at the end of the reporting period was as follows:
- (e) 本集團以資產負債比率監控其資本。此比率乃按計息借貸總額（包括租賃負債）除以股本總額計算。於報告期末的資產負債比率如下：

		2020 二零二零年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元
Bank borrowings	銀行借貸	189,035	240,409
Other borrowing	其他借貸	25,000	25,000
Considerations payable for acquisition of subsidiaries	收購附屬公司之應付代價	-	24,800
Lease liabilities	租賃負債	147	590
<b>Total interest-bearing borrowings</b>	<b>計息借貸總額</b>	<b>214,182</b>	290,799
<b>Total equity (inclusive of non-controlling interests)</b>	<b>股本總額（包括非控股權益）</b>	<b>1,163,337</b>	1,028,316
<b>Gearing ratio</b>	<b>資產負債比率</b>	<b>18.4%</b>	28.3%

Neither the Company nor any of its subsidiaries are subject to any externally imposed capital requirements.

本公司或其任何附屬公司概無受制於任何外部施加之資本規定。

# MANAGEMENT DISCUSSION AND ANALYSIS

## 管理層討論及分析

### Capital structure

There was no significant change to the capital structure of the Company as at 31 December 2020 comparing to that as at 31 December 2019.

### Material acquisitions and disposals of subsidiaries and affiliated companies

On 12 October 2020, the Group as the vendor entered into a sale and purchase agreement with an independent third party as the purchaser in relation to the disposal of the entire equity interests owned by the Group in Taizhou New Universe Solid Waste Disposal Company Limited at a consideration of US\$10 (approximately HK\$78) (the "Disposal"). The Group recognised a net disposal gain of approximately HK\$3,755,000 for the year ended 31 December 2020 and there was no adverse financial and operational impact to the Group for the Disposal. Completion of the Disposal took place on 29 October 2020.

Save as disclosed therein, there were no significant investments nor material acquisition and disposal of subsidiaries and affiliated companies of the Company for the year ended 31 December 2020.

### Significant investments held and their performance

According to the valuation report dated 23 March 2021 issued by an independent professional valuer, CBRE Limited ("CBRE") (2019: CBRE), the fair value attributable to the Group's interests in the equity investments in Suzhou New Huamei, Danyang New Huamei and Qingdao Huamei as at 31 December 2020 were HK\$33,700,000, HK\$10,900,000 and HK\$73,500,000 (31 December 2019: HK\$36,100,000, HK\$16,300,000 and HK\$44,900,000) respectively. The changes in fair value of the equity investments for the year end 31 December 2020 were recognised as other comprehensive income and accounted for in the investment revaluation reserve of the Group.

### 資本架構

本公司於二零二零年十二月三十一日之資本架構比較二零一九年十二月三十一日並無任何重大變動。

### 附屬公司及聯屬公司的重大收購及出售

於二零二零年十月十二日，本集團（作為賣方）與一名獨立第三方（作為買方）就出售本集團於泰州宇新固體廢物處置有限公司擁有的全部股權訂立買賣協議，代價為10美元（約78港元）（「出售事項」）。截至二零二零年十二月三十一日止年度，本集團確認出售收益淨額約3,755,000港元。出售事項在財務及營運上並無對本集團構成不利影響。出售事項已於二零二零年十月二十九日完成。

除本報告所披露者外，本公司於截至二零二零年十二月三十一日止年度並無任何重大投資或附屬公司及聯屬公司之重大收購及出售。

### 所持重大投資及其表現

根據獨立專業估值師世邦魏理仕有限公司（「世邦魏理仕」）（二零一九年：世邦魏理仕）所出具日期為二零二一年三月二十三日的估值報告，於二零二零年十二月三十一日，本集團分佔蘇州新華美、丹陽新華美及青島華美的股本投資權益的公平值分別為33,700,000港元、10,900,000港元及73,500,000港元（二零一九年十二月三十一日：36,100,000港元、16,300,000港元及44,900,000港元）。截至二零二零年十二月三十一日止年度，股本投資之公平值變動確認為其他全面收益，並於本集團的投資重估儲備入賬。

# MANAGEMENT DISCUSSION AND ANALYSIS

## 管理層討論及分析

### Impairment testing on goodwill

Goodwill was recognised in a business combination completed in 2007 that composed of Zhenjiang New Universe Solid Waste Disposal Company Limited, Yancheng New Universe Solid Waste Disposal Company Limited, and Taizhou New Universe Solid Waste Disposal Company Limited being identified as a cash-generating unit. As at 31 December 2020, the assessment on the recoverable amount of this cash-generating unit after the disposal of the entity, Taizhou New Universe Solid Waste Disposal Company Limited, which is principally engaged in environmental waste treatment and disposal services in Zhenjiang, Jiangsu Province, the PRC, was determined with reference to the valuation report dated 23 March 2021 issued by CBRE (2019: CBRE), based on reasonable assumptions, including but not limited to the cash flows projection with a growth rate at 2% (2019: 2%) of that cash-generating unit operating at the licensed capacity, and the pre-tax discount rate of 17.85% (2019: 16.21%) which reflects the risks for the industries. No impairment loss to the goodwill was considered necessary for the two years ended 31 December 2020.

### Impairment testing on interest in an associate, NCIP

As at 31 December 2020, the assessment on the recoverable amount of the Group's interest in NCIP, which is principally engaged in environmental waste treatment and disposal services in Nanjing, Jiangsu Province, the PRC, was conducted with reference to the valuation report dated 23 March 2021 issued by CBRE (2019: CBRE), based on reasonable assumptions, including but not limited to the cash flows projection of NCIP with a growth rate at 2% (2019: 2%) of NCIP as cash-generating unit with its phase I and phase II incineration facilities both operating at the licensed capacity, and the pre-tax discount rate of 16.04% (2019: 14.89%) which reflects the risks for the business of NCIP. No impairment loss to the Group's interest in NCIP was considered necessary for the two years ended 31 December 2020.

### 商譽的減值測試

商譽乃於二零零七年完成納入鎮江新宇固體廢物處置有限公司、鹽城宇新固體廢物處置有限公司及泰州宇新固體廢物處置有限公司(識別為一個現金產生單位)之業務合併而確認。於二零二零年十二月三十一日，於出售實體泰州宇新固體廢物處置有限公司(主要在中國江蘇省鎮江市從事環保廢物處理及處置服務)後對此現金產生單位的可收回金額進行之評估，乃參考世邦魏理仕(二零一九年：世邦魏理仕)所出具日期為二零二一年三月二十三日的估值報告而釐定，其估值報告乃基於多項合理的假設，包括但不限於以該現金產生單位按獲許可能力運行得出2%(二零一九年：2%)增長率的現金流預測及反映業內風險的稅前折讓率17.85%(二零一九年：16.21%)。截至二零二零年十二月三十一日止兩個年度，本集團認為無必要對商譽計提減值虧損。

### 於聯營公司(南京天宇)權益的減值測試

於二零二零年十二月三十一日，對本集團於南京天宇(主要於中國江蘇省南京從事環保廢物處理及處置服務)權益的可收回金額的評估乃參考世邦魏理仕(二零一九年：世邦魏理仕)所出具日期為二零二一年三月二十三日的估值報告進行，其估值報告乃基於多項合理的假設，包括但不限於以南京天宇(作為現金產生單位)按獲許可能力運行其第一期及第二期焚燒設施得出2%(二零一九年：2%)增長率的現金流預測及反映南京天宇業務風險的稅前折讓率16.04%(二零一九年：14.89%)。截至二零二零年十二月三十一日止兩個年度，本集團認為無必要就其於南京天宇的權益計提減值虧損。

# MANAGEMENT DISCUSSION AND ANALYSIS

## 管理層討論及分析

### Charges on assets

As at 31 December 2020, the following assets of the Group were pledged as collaterals for banking facilities granted by the current bankers and for other suppliers and clients of the Group:

		2020 二零二零年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元
Carrying amount of collaterals:	抵押品之賬面值：		
Property, plant and equipment	物業、廠房及設備	114,782	121,121
Land use rights	土地使用權	28,523	27,630
Pledged bank deposits	有抵押銀行存款	12,511	154
		<b>155,816</b>	148,905

		2020 二零二零年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元
Secured liabilities and guarantee issued:	有抵押負債及已發出擔保：		
Secured borrowings outstanding under the bank facilities	銀行信貸項下之未償還有抵押借貸	64,310	63,726
Bills payable to suppliers	應付予供應商之票據	12	11
Bank guarantees issued in favour of independent third parties for undertaking contract works	為承包工程向獨立第三方提供銀行擔保	12,499	143
		<b>76,821</b>	63,880

### Contingent liabilities

There were no significant contingent liabilities of the Group as at 31 December 2020 (2019: Nil).

### Employee information

As at 31 December 2020, the Group had 632 (2019: 624) full-time employees, of which 17 (2019: 18) were based in Hong Kong, and 615 (2019: 606) were based in Mainland China. For the year ended 31 December 2020, staff costs, including Directors' remuneration and amount capitalised as inventories was HK\$93,515,000 (2019: HK\$87,448,000). Employees and the Directors were paid in commensurate with the prevailing market standards, with other fringe benefits such as share option scheme, bonus, medical insurance, mandatory provident fund, and continuous development and training.

### 資產抵押

於二零二零年十二月三十一日，本集團以下資產予以質押，作為往來銀行所授予銀行信貸以及本集團其他供應商及客戶之抵押品：

### 或然負債

本集團於二零二零年十二月三十一日並無任何重大或然負債(二零一九年：無)。

### 僱員資料

於二零二零年十二月三十一日，本集團僱有632名(二零一九年：624名)全職僱員，其中17名(二零一九年：18名)乃於香港僱用，而615名(二零一九年：606名)乃於中國內地僱用。截至二零二零年十二月三十一日止年度，員工成本(包括董事酬金及資本化為存貨之金額)為93,515,000港元(二零一九年：87,448,000港元)。僱員及董事酬金乃符合目前的市場水平，另有其他附帶福利，包括購股權計劃、獎金、醫療保險、強制性公積金、持續發展及培訓。

# MANAGEMENT DISCUSSION AND ANALYSIS

## 管理層討論及分析

### Exposure to fluctuations in exchange rates

The Group mainly operates in Mainland China and most of the Group's transactions, assets and liabilities are denominated in RMB. The Group is exposed to foreign currency risk due to the exchange rate fluctuation of RMB against HK\$. Fluctuation of RMB against HK\$ is expected to be moderate to the Group, and the Group considers the foreign currency risk exposure is acceptable. The Group will review and monitor its currency exposure from time to time, and when appropriate hedge its currency risk.

The results of the Group's subsidiaries in Mainland China are translated from RMB into HK\$ at the exchange rates approximating the rates ruling at the dates of the transactions. Statement of financial position items of the Group's subsidiaries in Mainland China are translated from RMB into HK\$ at the closing rate ruling at the end of the reporting period. For the year ended 31 December 2020, RMB appreciated on average relatively to the HK\$ resulted in an overall upside exchange difference on translation from RMB to HK\$ for the financial statements of the subsidiaries in Mainland China amounted approximately to HK\$46,765,000 (2019: downside exchange difference of HK\$17,654,000) that were recognised as other comprehensive income and accumulated separately in equity in the translation reserve of the Company, and a downside exchange difference of HK\$982,000 arisen on disposal of a subsidiary in PRC (2019: downside exchange difference of HK\$16,000 arisen on de-registration of a subsidiary in Mainland China) that was recognised to the profit or loss of the Company in current year. The accumulated exchange differences in the translation reserve will be reclassified to profit or loss as when the interests in the relevant subsidiaries in Mainland China being entirely or partially disposed of by the Group.

### Principal risks and uncertainties

The following are the principal risks and uncertainties related to the Company's business:

1. The outbreak of COVID-19 pandemic has started from early 2020 that has led to a series of precautionary and control measures implemented across Mainland China, and the operations of the Group located mainly in Jiangsu Province have not been significantly impacted. All operations of the Group have resumed normal since March 2020. As of the date of approval of this consolidated financial statements, the Directors consider that there is no material uncertainty as result of COVID-19 pandemic that casts a doubt on the Group's ability to carry on its business as a going concern in the next twelve months.

### 承受匯率波動風險

本集團主要在中國內地經營業務，而本集團大部份交易、資產及負債以人民幣定值。本集團因人民幣兌港元匯率波動而承受外幣風險。預期人民幣兌港元匯率波動對本集團而言屬適中，而本集團認為承受的外幣風險屬可以接受。本集團將不時檢討及監察其貨幣風險，並於合適時對沖其貨幣風險。

本集團於中國內地之附屬公司的業績乃按相若於交易日適用匯率之匯率由人民幣換算為港元。本集團中國內地附屬公司之財務狀況表項目則按報告期末適用之收市匯率由人民幣換算為港元。截至二零二零年十二月三十一日止年度，人民幣兌港元相對平均升值引致中國內地附屬公司之財務報表由人民幣換算為港元出現的整體正面匯兌差額約46,765,000港元（二零一九年：負面匯兌差額17,654,000港元），並確認為其他全面收益及分開累計於本公司股本中之匯率儲備，以及於出售中國一間附屬公司時產生負面匯兌差額982,000港元（二零一九年：於取消註冊一間中國附屬公司時產生負面匯兌差額16,000港元）於本年度的本公司損益中確認。於匯兌儲備中之累計匯兌差額將於本集團將有關中國內地附屬公司之權益全部或部份出售時重新分類至損益中。

### 主要風險及不明朗因素

以下為與本公司業務有關之主要風險及不明朗因素：

1. COVID-19疫情的爆發自二零二零年初開始，導致中國內地全境實施一系列預防及控制措施，而本集團主要位於江蘇省的業務營運並未受到重大影響。本集團所有業務營運自二零二零年三月起恢復正常。於本綜合財務報表批准日期，董事認為，概不存在因COVID-19疫情而對本集團未來十二個月持續經營業務能力存疑的重大不確定因素。

## MANAGEMENT DISCUSSION AND ANALYSIS

### 管理層討論及分析

2. The Group is dependent of the continuous renewal of hazardous waste operating permission licences to be granted by the PRC Government. The environmental business of the Group involving in collection, storage, incineration, landfill, treatment and final disposal of hazardous waste in Mainland China requires operating permission licences for handling hazardous waste and the operating permission licences for handling epidemic medical waste issued by the Environmental Protection Bureau of Jiangsu Province and local environmental authorities. There is a risk that the hazardous waste operating permission licence(s) of the Group may be suspended temporarily or withdrawn or the renewal of which may be delayed and subject to the compliance with the PRC Governmental directions for renovation and reconstruction.

The Group has to ensure the continuous renewal of all necessary licences for its operations and to ensure all subsidiary entities engaging in environmental operations maintain and continuously uphold their operating standards and waste management standards and technically renovate the facilities in order to comply with the environmental policies, standards, and legislations as promulgated by the PRC Government from time to time.

3. The Group faces competition in the market of hazardous waste collection for treatment and disposal services from other operators in the environmental hazardous waste treatment industry.

The Group has to continuously upkeep its facilities and provide continuous staff development, and to strengthen its waste management standard and financial stability in order to compete with the increasing number of competitors in treatment of hazardous waste sector with more financial resources to develop larger scaled waste disposal and recycling facilities, better standards to the compliance with all national and international environmental regulations, and better technical know-how than we have.

2. 本集團須依靠中國政府持續重續危險廢物經營許可證。本集團環保業務涉及在中國內地收集、貯存、焚燒、填埋、處理及最終處置危險廢物，而處理危險廢物及處理傳染性醫療廢物須向江蘇省環保局及地方環保機關取得經營許可證。本集團的危險廢物經營許可證可能會被暫時吊銷或撤銷，或其續期可能會被延遲，並須遵守中國政府的改造及重建指示。

本集團需確保持續續領其營運所需的所有許可證並確保所有從事環保業務的附屬公司實體維持及持續堅守經營標準及廢物管理標準以及對設施進行技術改造，以符合中國政府不時頒佈的環保政策、標準及法例。

3. 本集團面對來自危險廢物環保處置行業其他經營者的危險廢物收集處理及處置服務的市場競爭。

本集團需持續保修其設施及提供持續員工培訓發展，並提高其廢物管理水平及財政穩定性，以面對危險廢物處置行業越來越多比我們具備更雄厚財政資源以發展更大規模廢物處置及回收設施、更高水平以符合所有國家及國際環保法規以及具備更先進技術訣竅的競爭對手。



# MANAGEMENT DISCUSSION AND ANALYSIS

## 管理層討論及分析

4. The Group engages in hazardous waste incineration to reduce quantity of hazardous waste and to decompose hazardous waste through high temperature incineration process, to landfill the hazardous waste and post incineration residue, and handling industrial sewage discharging by clients in an industrial zone that faces environmental and social responsibility risks, which might be caused by incidental breach of environmental emission limits, incidental safety issues, contamination to land, and incidental adverse waste discharging conditions caused by clients, and which could have negatively impact to the environmental waste treatment operations of the Group.

The Group has sought for high quality plant construction design, and implemented stringent controls over the construction of new projects. The Group has to continuously upgrade the efficiency of the existing plant and equipment and to enhance the project management standards from time to time. The Group has its own project management team and will appoint independent professionals to report on environmental emissions periodically and to monitor all possible environmental impact to the society.

5. The scale of the Group's operations has increased moderately which, at the same time, increases the significance of internal control risks arising from the uncertainties of effectiveness and achievement of the objective of risk management and internal control systems, or ineffectiveness of the internal control due to any defective critical point subsisted in the risk management and internal control systems or any improper internal control measure.

The Group has to continuously monitor the effectiveness of the risk management and internal control systems of the Group by appointing independent professional consultants to carrying out internal control review on all key operations of the Group periodically. The Group has assigned designated staffs to monitor each key operation of the Group who would strengthen the liaison between the Group's headquarter and the project companies, and from time to time, keep the headquarter informed of the status of the projects and ensure the management's policies are being implemented in a timely and effective manner.

6. The impact of economic conditions on local industries in Mainland China would affect the quantities of hazardous waste discharged and the treatment service pricing for the specific market offered by specific client base of the Group for environmental waste treatment and disposal services.

The Group has to continue its business strategy to strengthen penetration of different geographical markets and thereby to reduce its dependency on the specific markets.

4. 本集團進行危險廢物焚燒以減少危險廢物數量，並通過高溫焚燒過程分解危險廢物，填埋危險廢物及焚燒後殘渣，以及處理工業區客戶排放的工業污水，以致面臨環保及社會責任風險，而這些風險可能由於客戶不經意違反環保排放上限、偶爾發生的安全事宜、土地污染及偶發有害廢物排放情況所導致，並且對本集團的環保廢物處置業務可能有負面影響。

本集團尋求高質量廠房建設設計，並且對新項目建設執行嚴格監控。本集團需持續升級現有廠房及設備的效率及不時提升項目管理水平。本集團自設一支項目管理團隊，並將委任獨立專業人士定期就環保排放進行報告以及監控對社會的一切可能環境影響。

5. 本集團經營的範圍適度增加，同時增加了風險管理及內部監控系統目標有效程度及實行的不確定性或風險管理及內部監控系統一直存在的任何關鍵缺陷點或任何不當內部監控措施導致的內部監控無效所帶來的內部監控風險程度。

本集團需不斷監控本集團風險管理及內部監控系統的有效性，委任獨立專業顧問定期開展本集團所有主要經營的內部監控檢討。本集團已委派指定人員監控本集團的各項主要業務經營，加強本集團總部與項目公司之間的溝通，以及不時向總部報告項目進度及確保管理層的政策及時有效地施行。

6. 中國內地之本地工業的經濟狀況可能影響危險廢物的排放量及本集團特定的廢物環保處理及處置服務客戶群對特定市場處置服務所提供的定價。

本集團需繼續其業務策略，強化對不同地域市場的滲透，從而減少對特定市場的依賴。

## MANAGEMENT DISCUSSION AND ANALYSIS

### 管理層討論及分析

7. Loss of key personnel and lack of appropriately experienced human resources would result in a delay in achieving the Group's strategic goals and development of new projects.

The Company has to review the organisational structure of the Group and responsibilities and duties of all key staff members regularly and to mitigate any possible loss on human capital by regular reviews of recruitment and retention practices, remuneration packages and succession planning within the management team and to motivate the staff by implementation of the share option scheme of the Company.

8. The Group faces various financial risks that have been disclosed in note 45 to the financial statements on pages 244 to 256 of this report.

7. 主要人員流失及缺乏適當經驗的人力資源將引致本集團達致策略目標及發展新項目的延誤。

本公司需定期檢討本集團的組織架構及所有主要人員的職責及職務，以及透過定期檢討招聘及挽留人才措施、薪酬待遇及管理團隊接班計劃來緩和任何可能的人力資本流失，並推行本公司的購股權計劃以激勵員工。

8. 本集團所面對的多項財務風險已於本年報第244頁至第256頁之財務報表附註45內披露。

# 5-YEAR FINANCIAL SUMMARY

## 五年財務概要

### CONSOLIDATED RESULTS

### 綜合業績

		Year ended 31 December 截至十二月三十一日止年度				
		2020 二零二零年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
<b>Revenue</b>	<b>收益</b>	<b>789,341</b>	595,706	493,932	382,423	318,616
Cost of sales	銷售成本	<b>(569,558)</b>	(393,979)	(311,859)	(214,778)	(173,683)
<b>Gross profit</b>	<b>毛利</b>	<b>219,783</b>	201,727	182,073	167,645	144,933
Other revenue	其他收益	<b>4,107</b>	4,152	4,266	3,520	4,621
Gain on bargain purchase	收購議價收益	–	–	–	7,200	–
Other net income	其他淨收入	<b>13,443</b>	11,198	18,512	28,539	13,254
Distribution costs	分銷成本	<b>(6,971)</b>	(9,554)	(9,987)	(4,682)	(5,745)
Administrative expenses	行政開支	<b>(56,433)</b>	(54,172)	(55,624)	(50,553)	(46,684)
Impairment loss on assets classified as held for sale	分類為持作出售資產之減值虧損	<b>(12,636)</b>	–	–	–	–
Impairment loss on trade receivables	應收賬款之減值虧損	<b>(9,526)</b>	(4,469)	–	–	–
Impairment loss on other receivables	其他應收款項之減值虧損	–	(235)	–	–	–
Other operating expenses	其他經營開支	<b>(24,525)</b>	(53,663)	(21,752)	(20,622)	(21,335)
<b>Operating profit</b>	<b>經營溢利</b>	<b>127,242</b>	94,984	117,488	131,047	89,044
Finance income	融資收入	<b>402</b>	2,517	5,152	(184)	3,036
Finance costs	融資成本	<b>(9,564)</b>	(13,909)	(14,302)	(9,129)	(3,962)
Finance costs, net	融資成本，淨額	<b>(9,162)</b>	(11,392)	(9,150)	(9,313)	(926)
Share of results of associates	分佔聯營公司之業績	<b>10,302</b>	6,826	2,510	11,716	3,985
Share of results of a joint venture	分佔一間合營企業之業績	<b>(1,835)</b>	(1,545)	(820)	–	–
<b>Profit before taxation</b>	<b>除稅前溢利</b>	<b>126,547</b>	88,873	110,028	133,450	92,103
Income tax	所得稅	<b>(24,501)</b>	(17,744)	(23,602)	(20,916)	(5,985)
<b>Profit for the year</b>	<b>年度溢利</b>	<b>102,046</b>	71,129	86,426	112,534	86,118
<b>Profit for the year attributable to:</b>	<b>以下人士應佔年度溢利：</b>					
Owners of the Company	本公司擁有人	<b>74,576</b>	40,625	74,386	83,577	61,947
Non-controlling interests	非控股權益	<b>27,470</b>	30,504	12,040	28,957	24,171
		<b>102,046</b>	71,129	86,426	112,534	86,118
Dividend declared for the results of the year	就年度業績所宣派股息	<b>21,857</b>	21,250	20,643	19,732	18,214

# 5-YEAR FINANCIAL SUMMARY

## 五年財務概要

### CONSOLIDATED ASSETS AND LIABILITIES 綜合資產及負債

		As at 31 December 於十二月三十一日				
		2020	2019	2018	2017	2016
		二零二零年	二零一九年	二零一八年	二零一七年	二零一六年
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元
<b>Non-current assets</b>	<b>非流動資產</b>					
Property, plant and equipment	物業、廠房及設備	789,633	776,848	762,574	754,897	531,379
Prepaid lease payments for land use rights	土地使用權之預付租賃款項	–	–	132,402	139,670	118,447
Right-of-use assets	使用權資產	129,640	131,559	–	–	–
Goodwill	商譽	33,000	33,000	33,000	33,000	33,000
Interests in associates	於聯營公司之權益	180,175	169,137	170,802	183,520	18,236
Interest in a joint venture	於一間合營企業之權益	47,400	23,123	25,181	–	–
Equity investments at fair value through other comprehensive income (non-recycling)	透過其他全面收益按公平值入賬之股本投資 (不可劃轉)	118,100	97,300	92,200	–	–
Equity investments at fair value through other comprehensive income (recycling)	透過其他全面收益按公平值入賬之股本投資 (可劃轉)	–	–	–	80,000	63,600
		<b>1,297,948</b>	1,230,967	1,216,159	1,191,087	764,662
<b>Current assets</b>	<b>流動資產</b>					
Inventories	存貨	6,062	4,283	3,573	2,460	1,476
Trade and bills receivables	應收賬款及票據	129,438	89,021	37,726	69,175	58,507
Prepayments, deposits and other receivables	預付款項、按金及其他應收款項	25,176	25,858	16,942	34,500	26,782
Contract assets	合約資產	1,534	894	1,469	–	–
Prepaid lease payments for land use rights	土地使用權之預付租賃款項	–	–	3,657	3,811	3,084
Financial asset at fair value through profit or loss	透過損益按公平值入賬之金融資產	–	–	6,210	–	–
Pledged bank deposits	有抵押銀行存款	12,511	154	–	–	9,606
Cash and cash equivalents	現金及等同現金項目	257,523	267,393	282,239	237,884	171,589
		<b>432,244</b>	387,603	351,816	347,830	271,044
Assets classified as held for sale	分類為持作出售的資產	15,411	–	–	–	–
		<b>447,655</b>	387,603	351,816	347,830	271,044
<b>Total assets</b>	<b>總資產</b>	<b>1,745,603</b>	1,618,570	1,567,975	1,538,917	1,035,706

# 5-YEAR FINANCIAL SUMMARY

## 五年財務概要

### CONSOLIDATED ASSETS AND LIABILITIES 綜合資產及負債(續)

(continued)

		As at 31 December 於十二月三十一日				
		2020 二零二零年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
<b>Current liabilities</b>	<b>流動負債</b>					
Bank borrowings	銀行借貸	178,905	174,782	168,809	137,677	75,549
Other borrowing	其他借貸	25,000	–	25,000	–	–
Trade and bills payables	應付賬款及票據	66,315	32,732	10,254	6,226	13,686
Accrued liabilities and other payables	應計負債及其他應付款項	226,539	196,733	159,391	196,967	107,687
Deposits received from customers	已收客戶按金	–	–	–	5,117	9,060
Lease liabilities	租賃負債	117	451	–	–	–
Contract liabilities	合約負債	25,011	25,103	14,033	–	–
Considerations payable for acquisition of subsidiaries	收購附屬公司之應付代價	–	24,800	49,600	35,200	–
Deferred government grants	遞延政府補貼	1,106	1,048	949	504	452
Income tax payable	應付所得稅	6,251	4,112	3,428	6,074	2,463
		<b>529,244</b>	459,761	431,464	387,765	208,897
<b>Non-current liabilities</b>	<b>非流動負債</b>					
Bank borrowings	銀行借貸	10,130	65,627	85,680	45,000	2,793
Other borrowing	其他借貸	–	25,000	–	25,000	25,000
Lease liabilities	租賃負債	30	139	–	–	–
Considerations payable for acquisition of subsidiaries	收購附屬公司之應付代價	–	–	–	49,600	–
Deferred government grants	遞延政府補貼	5,327	6,095	6,592	3,637	3,454
Deferred tax liabilities	遞延稅項負債	37,535	33,632	33,710	30,348	26,073
		<b>53,022</b>	130,493	125,982	153,585	57,320
<b>Total liabilities</b>	<b>總負債</b>	<b>582,266</b>	590,254	557,446	541,350	266,217
<b>Net current (liabilities)/ assets</b>	<b>流動(負債)/資產淨值</b>	<b>(81,589)</b>	(72,158)	(79,648)	(39,935)	62,147
<b>Net assets</b>	<b>資產淨值</b>	<b>1,163,337</b>	1,028,316	1,010,529	997,567	769,489
Share capital	股本	30,357	30,357	30,357	30,357	29,557
Reserves	儲備	1,004,070	881,171	876,020	857,081	657,728
<b>Equity attributable to owners of the Company</b>	<b>本公司擁有人應佔股本</b>	<b>1,034,427</b>	911,528	906,377	887,438	687,285
Non-controlling interests	非控股權益	128,910	116,788	104,152	110,129	82,204
<b>Total equity</b>	<b>股本總額</b>	<b>1,163,337</b>	1,028,316	1,010,529	997,567	769,489

# PROFILE OF DIRECTORS AND SENIOR MANAGEMENT

## 董事及高級管理層簡介

### DIRECTORS

**XI Yu (“Mr. XI”, aged 63)**

*Chairman, Chief Executive Officer and Executive Director*

Mr. XI was appointed as executive Director and nominated as the Chairman of the Board on 11 April 2016. He was appointed as the Chief Executive Officer of the Company on 16 October 2018. He is the chairman of the executive committee of the Board. Mr. XI is the director and legal representative of various major subsidiaries of the Group in Mainland China.

Mr. XI was an executive Director from 7 June 2002 to 18 August 2014, and was the Chairman of the Board, compliance officer and authorised representative of the Company from 9 December 2004 to 18 August 2014. He has been a consultant to the Group from 22 August 2014 to 31 March 2016.

Mr. XI graduated from the Chemistry Department of the University of Beijing in July 1980. Mr. XI is the father of Ms. Erica XI. Mr. XI is a director and shareholder personally holding 83.66% equity interests in New Universe Enterprises Limited (“NUEL”) which in turn currently owns beneficial interests in 36.54% of the issued shares of the Company. Mr. XI is also the director of New Universe Holdings Limited (“NUHL”) and the director of its subsidiaries, China (HK) Chemical & Plastics Company Limited (“China (HK) Chemical”), which is principally engaged in trading of plastic resins, and Sun Ngai International Investment Limited (“Sun Ngai”), which is principally engaged in property investment.

**CHEUNG Siu Ling (“Ms. CHEUNG”, aged 59)**

*Executive Director, Compliance Officer and Authorised Representative*

Ms. CHEUNG was appointed as executive Director on 1 April 2005. On 18 August 2014, Ms. CHEUNG was appointed as the authorised representative, the compliance officer and the process agent of the Company. She is a member of the executive committee of the Board. Ms. CHEUNG is the director of various major subsidiaries of the Group.

Ms. CHEUNG obtained a Master of Business Administration degree from the University of South Australia in September 2005. Ms. CHEUNG is a director and shareholder personally holding 6.07% equity interests in NUEL. She is also the director of NUHL and the director of its subsidiaries, China (HK) Chemical and Sun Ngai.

### 董事

**奚玉（「奚先生」，63歲）**

*主席、行政總裁兼執行董事*

奚先生於二零一六年四月十一日獲委任為執行董事，並獲提名為董事會主席。彼於二零一八年十月十六日獲委任為本公司的行政總裁。奚先生亦為董事會轄下執行委員會主席。奚先生為本集團於中國內地多家主要附屬公司的董事及法人代表。

奚先生於二零零二年六月七日至二零一四年八月十八日期間曾為執行董事，於二零零四年十二月九日至二零一四年八月十八日期間為本公司董事會主席、監察主任兼授權代表。彼於二零一四年八月二十二日至二零一六年三月三十一日期間曾為本集團顧問。

奚先生於一九八零年七月畢業於北京大學化學系。奚先生是奚女士之父親。奚先生為New Universe Enterprises Limited（「NUEL」）的董事及個人持有其83.66%股權的股東，而NUEL目前於本公司已發行股份中擁有36.54%實益權益。奚先生亦為新宇控股有限公司（「新宇控股」）及其附屬公司中港化工塑料有限公司（「中港化工」），主要從事買賣塑料樹脂）及新藝國際投資有限公司（「新藝」，主要從事物業投資）的董事。

**張小玲（「張女士」，59歲）**

*執行董事、監察主任兼授權代表*

張女士於二零零五年四月一日獲委任為執行董事。於二零一四年八月十八日，張女士獲委任為本公司之授權代表、監察主任及法律程序文件代理人。彼為董事會轄下執行委員會成員。張女士為本集團多家主要附屬公司的董事。

張女士於二零零五年九月自澳洲南澳大學獲得工商管理碩士學位。張女士亦為NUEL的董事及個人持有其6.07%股權的股東。彼亦為新宇控股之董事，以及其附屬公司中港化工及新藝之董事。

# PROFILE OF DIRECTORS AND SENIOR MANAGEMENT

## 董事及高級管理層簡介

### Xi Man Shan Erica (“Ms. Erica XI”, aged 25)

#### Executive Director

Ms. Erica XI was appointed as executive Director and a member of the executive committee with effect from 1 October 2020.

Ms. Erica XI is the daughter of Mr. XI. Ms. Erica XI holds a Bachelor of Laws from the University of Bristol and a Graduate Diploma in Law from University of Law in United Kingdom.

### ZHANG Shuo (“Ms. ZHANG”, aged 34)

#### Executive Director

Ms. ZHANG was appointed as executive Director on 26 February 2019. She is a member of the executive committee of the Board.

Ms. ZHANG obtained a Bachelor of Laws degree from the East China Normal University in China in 2009 and a Master of Laws degree from the University of Xiamen in China in 2012. Ms. ZHANG is currently a senior legal counsel of CMIG Asia Asset Management Co. Ltd. since September 2017. Ms. ZHANG worked as a legal officer in SWS MU Fund Management Co. Ltd. from September 2015 to September 2017, and practiced as a lawyer at Junhe Law Offices in China from July 2012 to September 2015. She is currently a non-executive director of Link Holdings Limited (stock code: 8237, a company whose shares are listed on GEM of the Stock Exchange).

### LIU Yu Jie (“Ms. LIU”, aged 56)

#### Executive Director

Ms. LIU was appointed as executive Director on 9 June 2015. She is a member of the executive committee of the Board.

Ms. LIU obtained a Bachelor of Economics degree in Foreign Trade from the Dongbei University of Finance and Economics, China in July 1987 and a Postgraduate Diploma in International Trade from the University of International Business and Economics, China in June 1990. Ms. LIU served as executive director of SIIC Environment Holdings Limited (stock code: BHK, a company whose shares are listed on the Singapore Exchange) from November 2009 to August 2014. Ms. LIU is currently an executive director of China Water Affairs Group Limited (stock code: 855, a company whose shares are listed on the Stock Exchange), an executive director of Kangda International Environmental Company Limited (stock code: 6136, a company whose shares are listed on the Stock Exchange), and an independent non-executive director of Zhongyu Gas Holdings Limited (stock code: 3633, a company whose shares are listed on the Stock Exchange).

### 奚文珊(「奚女士」, 25歲)

#### 執行董事

奚女士已獲委任為執行董事及執行委員會成員，自二零二零年十月一日起生效。

奚女士是奚先生之女兒。奚女士持有英國布里斯托大學法律學士學位以及法律大學法律學士後文憑。

### 張碩(「張碩女士」, 34歲)

#### 執行董事

張碩女士於二零一九年二月二十六日獲委任為執行董事。彼為董事會轄下執行委員會成員。

張碩女士於二零零九年獲得中國華東師範大學法學學士學位及於二零一二年獲得中國廈門大學法學碩士學位。張碩女士自二零一七年九月至今任中民投亞洲資產管理有限公司之高級法律顧問。張碩女士於二零一五年九月至二零一七年九月曾任申萬菱信基金管理有限公司之法務工作，及於二零一二年七月至二零一五年九月曾於君合律師事務所任中國律師工作。彼現為華星控股有限公司(股份於聯交所GEM上市之公司，股份代號：8237)之非執行董事。

### 劉玉杰(「劉女士」, 56歲)

#### 執行董事

劉女士於二零一五年六月九日獲委任為執行董事。彼為董事會轄下執行委員會成員。

劉女士於一九八七年七月自中國東北財經大學獲得外貿經濟學學士學位以及於一九九零年六月自中國北京對外經濟貿易大學獲得國際貿易研究生文憑。劉女士於二零零九年十一月至二零一四年八月期間曾出任上海實業環境控股有限公司(股份代號：BHK，其股份於新加坡證券交易所上市之公司)之執行董事。劉女士現時為中國水務集團有限公司(股份代號：855，其股份於聯交所上市之公司)之執行董事，康達國際環保有限公司(股份代號：6136，其股份於聯交所上市之公司)之執行董事，以及中裕燃氣控股有限公司(股份代號：3633，其股份於聯交所上市之公司)之獨立非執行董事。

# PROFILE OF DIRECTORS AND SENIOR MANAGEMENT

## 董事及高級管理層簡介

### HON Wa Fai (“Mr. HON”, aged 60)

*Executive Director, Company Secretary, Financial Controller and Authorised Representative*

Mr. HON was appointed to the Group as financial controller on 6 September 2004. He was appointed as the qualified accountant, company secretary and authorised representative of the Company on 6 October 2004, and appointed as executive Director on 28 September 2006. He is a member of the executive committee of the Board.

Mr. HON obtained a Master of Business Administration degree from the University of Strathclyde, United Kingdom in November 2002, a Master of Professional Accounting degree from the Hong Kong Polytechnic University in November 2001, and a Master of Applied Finance degree from the University of Western Sydney, Australia in August 1999. He was registered as a Certified Public Accountant of the Hong Kong Institute of Certified Public Accountants (formerly named as Hong Kong Society of Accountants) in April 1994 and admitted as a Fellow in December 2002, and he is a registered practising Certified Public Accountant in Hong Kong since November 1996. He was admitted as an Associate of the Association of Chartered Certified Accountants in May 1994 and admitted as a Fellow in May 1999. He was admitted as a Senior Associate of the Financial Services Institute of Australasia in June 1999, an Associate of the Hong Kong Institute of Chartered Secretaries (formerly named as Hong Kong Institute of Company Secretaries) and an Associate with the designations of Chartered Secretary and Chartered Governance Professional of the Chartered Governance Institute (formerly named as the Institute of Chartered Secretaries and Administrators), United Kingdom in September 2000.

### CHAN Yan Cheong (“Dr. CHAN”, aged 67)

*Independent Non-Executive Director*

Dr. CHAN was appointed as independent non-executive Director on 1 February 2000 and he was appointed as the chairman of audit committee of the Board. He is a member of the remuneration committee and nomination committee of the Board.

Dr. CHAN obtained a Bachelor of Science degree in Electrical Engineering in August 1977, a Master of Science degree in Materials Science in December 1978, and a Doctor of Philosophy degree in Electrical Engineering in July 1983, all from the Imperial College of Science and Technology, University of London, United Kingdom. He obtained a Master of Business Administration degree from the University of Hong Kong in December 1989. He was admitted as a Chartered Electrical Engineer of the Institution of Engineering & Technology (United Kingdom) in February 1988. Dr. CHAN was admitted as a Fellow of the Institute of Electrical and Electronic Engineers, INC (USA) in January 2004 and conferred the status of Life Fellow on 1 January 2020. Dr. CHAN joined City University of Hong Kong in February 1991 and was awarded Chair Professorship on July 2001. On 20 January 2020, he retired from the City University of Hong Kong as the Chair Professor of the Department of Electronic Engineering. In October 2019, he was conferred the title of Guest Professor of Huazhong University of Science and Technology in Wuhan, China.

### 韓華輝(「韓先生」, 60歲)

*執行董事、公司秘書、財務總監兼授權代表*

韓先生於二零零四年九月六日獲委任為本集團之財務總監。彼於二零零四年十月六日獲任命為本公司的合資格會計師、公司秘書兼授權代表，並於二零零六年九月二十八日獲委任為執行董事。彼為董事會轄下執行委員會成員。

韓先生於二零零二年十一月自英國思克萊德大學獲得工商管理碩士、於二零零一年十一月自香港理工大學獲得專業會計碩士及於一九九九年八月自澳洲西悉尼大學獲得應用財務碩士學位。彼於一九九四年四月註冊為香港會計師公會之會計師，並於二零零二年十二月獲接納為資深會員，而彼自一九九六年十一月起為香港的註冊執業會計師。彼於一九九四年五月獲接納為英國特許公認會計師公會會員，並於一九九九年五月獲接納為資深會員。彼於一九九九年六月獲接納為澳紐金融服務業協會高級會員；於二零零零年九月獲接納為香港特許秘書公會(前稱香港公司秘書公會)會員及英國特許公司治理公會(前稱特許秘書及行政人員公會)會員(擁有特許秘書及特許企業管治專業人員職稱)。

### 陳忍昌(「陳博士」, 67歲)

*獨立非執行董事*

陳博士於二零零零年二月一日獲委任為獨立非執行董事，並獲委任為董事會轄下審核委員會主席。彼為董事會轄下薪酬委員會及提名委員會成員。

陳博士於一九七七年八月自英國倫敦大學帝國理工學院獲得電機工程理學士學位、於一九七八年十二月獲得物料科學理學碩士學位及於一九八三年七月獲得電機工程哲學博士學位。彼於一九八九年十二月自香港大學獲得工商管理碩士學位。彼於一九八八年二月獲接納為英國工程及科技學會之特許電氣工程師。陳博士於二零零四年一月獲接納為美國電氣與電子工程師協會之院士，並於二零零零年一月一日獲授予終身院士地位。陳博士於一九九一年二月加入香港城市大學，並於二零零一年七月獲授予講座教授銜。於二零零零年一月二十日，彼退任香港城市大學電機工程學系講座教授。於二零一九年十月，彼獲授中國武漢華中科技大學授予客座教授的稱號。



# PROFILE OF DIRECTORS AND SENIOR MANAGEMENT

## 董事及高級管理層簡介

### YUEN Kim Hung, Michael (“Mr. YUEN”, aged 59)

#### *Independent Non-Executive Director*

Mr. YUEN was appointed as independent non-executive Director on 24 April 2002 and was appointed as the chairman of nomination committee of the Board on 19 March 2012. He is a member of the remuneration committee and audit committee of the Board.

Mr. YUEN obtained a Professional Diploma in Accountancy from the Hong Kong Polytechnic University in November 1983. He was admitted as an Associate Certified Public Accountant of the Hong Kong Institute of Certified Public Accountants in September 1988, a Fellow of the Chartered Association of Certified Accountants in October 1991, and a chartered professional accountant member of the Chartered Professional Accountants of British Columbia, Canada in June 2015. Mr. YUEN is currently providing accounting, secretarial and taxation services in Hong Kong. He was formerly an independent non-executive director of Prosperity Minerals Holdings Limited (a company whose shares had previously been listed in the London Stock Exchange) from May 2006 to September 2014, an independent non-executive director of Steed Oriental (Holdings) Company Limited (stock code: 8277, a company whose shares are listed on the GEM of the Stock Exchange) from September 2013 to August 2016, and an independent non-executive director of Prosperity International Holdings (H.K.) Ltd (stock code: 803, a company whose shares are listed on the Stock Exchange) from January 2002 to May 2019.

### HO Yau Hong, Alfred (“Mr. HO”, aged 63)

#### *Independent Non-Executive Director*

Mr. HO was appointed as independent non-executive Director on 30 September 2004 and was appointed as the chairman of the remuneration committee of the Board on 19 March 2012. He is a member of the audit committee and nomination committee of the Board.

Mr. HO obtained a Bachelor of Commerce (Honours) degree from University of Windsor, Windsor, Canada in September 1984. Mr. HO was admitted as a Canadian Chartered Accountant in December 1988, a Fellow Certified Public Accountant of the Hong Kong Institute of Certified Public Accountants in September 1997, and a Fellow of the Taxation Institute of Hong Kong in April 2001. Mr. HO was a part-time professor in accounting and auditing at Algonquin College, Ottawa, Canada from September 1990 to April 1995. He was a facilitator for the Qualification Program of the Hong Kong Institute of Certified Public Accountants in taxation from 2001 to 2015. He was a part-time tutor in taxation at the Open University of Hong Kong from March 2006 to September 2007, and was a part-time lecturer/senior lecturer in taxation and accounting at the Hong Kong Shue Yan University from September 2014 to May 2018. Mr. HO was a finance director of Sinosoft Technology PLC (a company whose shares had previously been listed on the London Stock Exchange) from October 2007 to April 2009. Mr. HO is currently practising in Hong Kong with his own accounting firm and as a director in corporate practice with Christian Alliance CPA Limited.

### 阮劍虹(「阮先生」, 59歲)

#### *獨立非執行董事*

阮先生於二零零二年四月二十四日獲委任為獨立非執行董事，並於二零一二年三月十九日獲委任為董事會轄下提名委員會主席。彼為董事會轄下薪酬委員會及審核委員會成員。

阮先生於一九八三年十一月自香港理工大學獲得會計專業文憑。彼於一九八八年九月獲接納為香港會計師公會之會計師，於一九九一年十月獲接納為英國特許公認會計師公會資深會員及於二零一五年六月獲接納為香港加拿大註冊會計師協會之註冊會計師。阮先生現於香港從事提供會計、秘書及稅務服務。彼過往於二零零六年五月至二零一四年九月期間曾為昌興礦業控股有限公司(其股份之前於倫敦交易所上市)之獨立非執行董事，於二零一三年九月至二零一六年八月期間擔任駿東(控股)有限公司(股份代號：8277，股份於聯交所GEM上市之公司)之獨立非執行董事，以及於二零零二年一月至二零一九年五月期間擔任昌興國際控股(香港)有限公司(股份代號：803，股份於聯交所上市之公司)之獨立非執行董事。

### 何祐康(「何先生」, 63歲)

#### *獨立非執行董事*

何先生於二零零四年九月三十日獲委任為獨立非執行董事，並於二零一二年三月十九日獲委任為董事會轄下薪酬委員會之主席。彼為董事會轄下審核委員會及提名委員會成員。

何先生於一九八四年九月自加拿大安大略省溫莎市溫莎大學獲得商業學學士榮譽學位。何先生於一九八八年十二月獲接納為加拿大特許會計師，於一九九七年九月獲接納為香港會計師公會執業資深會計師及於二零零一年四月獲接納為香港稅務學會資深會員。何先生曾於一九九零年九月至一九九五年四月期間擔任加拿大渥太華亞崗昆學院會計及審計學兼任教授。彼於二零零一年至二零一五年擔任香港會計師公會賦予資格計劃中稅務學科目之導師。彼於二零零六年三月至二零零七年九月期間曾為香港公開大學稅務學科之兼任導師，以及於二零一四年九月至二零一八年五月為香港樹仁大學稅務及會計科目之兼職講師／高級講師。何先生曾於二零零七年十月至二零零九年四月出任 Sinosoft Technology PLC (此公司的股份曾於倫敦證券交易所上市)之財務董事。何先生現時在其於香港擁有之會計師行從事執業會計師，以及崇真會計師事務所有限公司之企業常規董事。

# PROFILE OF DIRECTORS AND SENIOR MANAGEMENT

## 董事及高級管理層簡介

### Notes:

- (a) Mr. XI, Ms. CHEUNG, and Ms. ZHANG shall retire from the office as Directors by rotation and Ms. Erica XI shall be re-elected at the forthcoming annual general meeting in accordance with the Articles of Association of the Company, and being eligible, they offer themselves for re-election thereat.
- (b) Details of Directors' emoluments are set out in note 9 to the financial statements on page 177 of this annual report.
- (c) Save as disclosed therein, there are no other information relating to the Directors is to be disclosed pursuant to the Rules 13.51(2) of the Rules Governing the Listing of Securities on the Stock Exchange.

### 附註：

- (a) 根據本公司之組織章程細則，奚先生、張女士及張碩女士將於應屆股東週年大會上輪流退任董事職務，而奚女士將於會上膺選連任，上述人士均合資格及願意於該大會上膺選連任。
- (b) 董事酬金詳情載於本年報第177頁的財務報表附註9。
- (c) 除本年報所披露者外，並無其他有關董事的資料須根據聯交所證券上市規則第13.51(2)條作出披露。

## SENIOR MANAGEMENT

WONG Lai Wa ("Ms. WONG", aged 50)

*Deputy General Manager of the Company*

*Supervisor of Zhenjiang Sinotech Eco-electroplating Development Limited*

*Supervisor of Zhenjiang New Universe Solid Waste Disposal Company Limited*

*Supervisor of Jiangsu New Universe Environmental Engineering Management Limited*

*Supervisor of Jiangsu Xin Yu Environmental Technologies Company Limited*

Ms. WONG was appointed as deputy general manager of the Company in June 2007. She is currently the supervisor of various major subsidiaries of the Group in China. Ms. WONG obtained a Diploma in Business Management from the Chinese University of Hong Kong in October 2005. She was formerly an accountant of NUHL from April 2003 to September 2008.

## 高級管理層

黃麗樺（「黃女士」，50歲）

*本公司副總經理*

*鎮江華科生態電鍍科技發展有限公司監事*

*鎮江新宇固體廢物處置有限公司監事*

*江蘇宇新環保工程管理有限公司監事*

*江蘇新宇環保科技有限公司監事*

黃女士於二零零七年六月獲委任為本公司副總經理。彼現為本集團中國多家主要附屬公司的監事。黃女士於二零零五年十月自香港中文大學獲得商業管理文憑。彼先前於二零零三年四月至二零零八年九月期間曾任新宇控股之會計。

# PROFILE OF DIRECTORS AND SENIOR MANAGEMENT

## 董事及高級管理層簡介

LIU Yuan (“Ms. LIU Yuan”, aged 50)

*Vice President of the Company*

*Director & General Manager of Zhenjiang New Universe Solid Waste Disposal Company Limited*

*Director of Jiangsu New Universe Environmental Engineering Management Limited*

*Director of Yancheng NUHF Environmental Technology Limited*

*Director of Xiangshui New Universe Environmental Technology Limited*

*General Manager of Jiangsu Xin Yu Environmental Technologies Company Limited*

*Chairman & Director of Liuzhou Xinyu Rongkai Solid Waste Disposal Company Limited*

Ms. LIU Yuan was appointed as vice president of the Company in August 2018. She is currently the director and/or the general manager of various major subsidiaries of the Group in China. Ms. LIU Yuan was appointed finance manager of Zhenjiang New Universe Solid Waste Disposal Company Limited in April 2003 and then promoted to deputy general manager in September 2005. She was appointed as director and general manager of Zhenjiang New Universe Solid Waste Disposal Company Limited in January 2009. Ms. LIU Yuan graduated from Nanjing College of Economics (now renamed as Nanjing University of Finance and Economics) with a Professional Certificate in Accounting and Statistics in June 1998, and she was conferred the title of intermediate accountant in China in May 2001.

GU Lin (“Mr. GU”, aged 51)

*Chief Engineer of the Company*

*Deputy General Manager of Zhenjiang New Universe Solid Waste Disposal Company Limited*

*Deputy General Manager of Jiangsu Xin Yu Environmental Technologies Company Limited*

*Chief Engineer of Jiangsu New Universe Environmental Engineering Management Limited*

Mr. GU was appointed as chief engineer of the Company and deputy general manager of the Group’s subsidiary, Jiangsu Xin Yu Environmental Technologies Company Limited\* in December 2018. Mr. GU is the deputy general manager of Zhenjiang New Universe Solid Waste Disposal Company Limited since October 2007. Mr. GU obtained a Bachelor of Science degree from the Jilin University, China, in chemical engineering in 1991. He was conferred the professional qualification of senior engineer (specialised in petrochemical engineering) in China in October 2012.

劉媛(「劉媛女士」, 50歲)

本公司副總裁

鎮江新宇固體廢物處置有限公司董事  
兼總經理

江蘇新宇環保工程管理有限公司董事

鹽城新宇輝豐環保科技有限公司董事

響水新宇環保科技有限公司董事

江蘇新宇環保科技有限公司總經理

柳州新宇榮凱固體廢物處置有限公司主席  
兼董事

劉媛女士於二零一八年八月獲委任為本公司副總裁。彼現為本集團中國多家主要附屬公司的董事及／或總經理。劉媛女士於二零零三年四月獲委任為鎮江新宇固體廢物處置有限公司之財務經理及於二零零五年九月晉升為副總經理。彼於二零零九年一月獲委任為鎮江新宇固體廢物處置有限公司的董事兼總經理。劉媛女士於一九九八年六月畢業於南京經濟學院(已更名為南京財政大學)，獲得會計及統計學專業證書，彼於二零零一年五月持有中國中級會計師職銜。

顧林(「顧先生」, 51歲)

本公司總工程師

鎮江新宇固體廢物處置有限公司副總經理

江蘇新宇環保科技有限公司副總經理

江蘇新宇環保工程管理有限公司總工程師

顧先生於二零一八年十二月獲委任為本公司總工程師及本集團附屬公司江蘇新宇環保科技有限公司副總經理。顧先生自二零零七年十月起為鎮江新宇固體廢物處置有限公司副總經理。顧先生於一九九一年獲得中國吉林大學化學工程學學士學位。彼於二零一二年十月獲得中國高級工程師(石化工程)專業資格。

## PROFILE OF DIRECTORS AND SENIOR MANAGEMENT 董事及高級管理層簡介

HE Ling Yun (“Mr. HE”, aged 49)

*General Manager of Jiangsu New Universe Environmental Engineering Management Limited*

*Director & General Manager of Liuzhou Xinyu Rongkai Solid Waste Disposal Company Limited*

Mr. HE was appointed as general manager of the Group’s subsidiary, Jiangsu New Universe Environmental Engineering Management Limited\* in September 2015. Mr. HE was a manager in the R&D department of Zhenjiang New Universe Solid Waste Disposal Company Limited from February 2012 to September 2015. Mr. HE graduated from the Sichuan Joint University, China (now renamed as Sichuan University) in the professional study of chemical equipment and machinery in July 1996. He was conferred the professional qualification of associate constructor (specialised in electrical and mechanical engineering) in February 2010 and senior engineer (specialised in petrochemical engineering) in China in November 2016.

Mr. YANG Jun Rong (“Mr. YANG”, aged 53)

*Deputy General Manager of Zhenjiang New Universe Solid Waste Disposal Company Limited*

*Deputy General Manager of Jiangsu Xin Yu Environmental Technologies Company Limited*

Mr. YANG was appointed in September 2019 as deputy general manager of the Group’s subsidiary, Jiangsu Xin Yu Environmental Technologies Company Limited\*. Mr. YANG is the deputy general manager of Zhenjiang New Universe Solid Waste Disposal Company Limited since January 2009. Mr. YANG obtained a Bachelor of Science degree from the Nanjing Institute of Aeronautics (now renamed Nanjing University of Aeronautics and Astronautics) in materials science of corrosion and protection. He was conferred the professional qualification of senior environment engineering project manager (specialised in waste treatment) in China in March 2015.

何凌雲(「何凌雲先生」, 49歲)

江蘇宇新環保工程管理有限公司總經理

柳州新宇榮凱固體廢物處置有限公司董事  
兼總經理

何凌雲先生於二零一五年九月獲委任為本集團附屬公司江蘇宇新環保工程管理有限公司的總經理。何凌雲先生自二零一二年二月至二零一五年九月任職鎮江新宇固體廢物處置有限公司研發部經理。何凌雲先生於一九九六年七月從中國四川聯合大學(現更名為四川大學)化工設備與機械專科專業畢業。彼分別於二零一零年二月及二零一六年十一月獲中國建造師(機電工程)及高級工程師(石化工程)專業資格。

楊俊榮先生(「楊先生」, 53歲)

鎮江新宇固體廢物處置有限公司副總經理

江蘇新宇環保科技有限公司副總經理

楊先生於二零一九年九月獲委任為本集團附屬公司江蘇新宇環保科技有限公司副總經理。自二零零九年一月起, 楊先生擔任鎮江新宇固體廢物處置有限公司副總經理。楊先生獲得南京航空學院(現已改名為南京航空航天大學)材料科學腐蝕與防護專業工學理學士學位, 彼於二零一五年三月獲授中國高級環保工程項目管理師(專門處理廢物)專業資格。

# PROFILE OF DIRECTORS AND SENIOR MANAGEMENT

## 董事及高級管理層簡介

### Mr. DAO Lu (“Mr. DAO”, aged 55)

General Manager of Zhenjiang Sinotech Eco-electroplating Development Limited

Mr. DAO was appointed as the general manager of Zhenjiang Sinotech Eco-Electroplating Development Limited, a subsidiary of the Group, in August 2018. Prior to being appointed as the general manager of Zhenjiang Sinotech Eco-Electroplating Development Limited, Mr. DAO has served as the deputy general manager of Jiangsu New Universe Environmental Engineering Management Limited\*, a subsidiary of the Group, from September 2015. In July 1987, Mr. DAO graduated from Jiangsu Radio and Television University with major in chemical engineering and paper pulp manufacturing. In November 1996, he was granted the occupational qualification of an engineer in industry engineering in 1996. In December 1996 he also completed the undergraduate courses with professional major in foreign economics. In November 1999, he completed the professional training with major in environmental management organized by the Zhenjiang Environmental Protection Bureau. In July 2006, he obtained the postgraduate qualification conferred by the Jiangsu Provincial Party School of the Communist Party of China with major in market economy and governmental administration.

\* For identification purpose only  
僅供識別之用

#### Notes:

(a) The emoluments of the above-mentioned members of senior management, other than Directors, fell within the following bands:

		2020 二零二零年 Number of individuals 人數	2019 二零一九年 Number of individuals 人數
Emolument bands (in HK dollar)	酬金組別 (以港元計)		
Nil to HK\$500,000	零港元至500,000港元	–	–
HK\$500,001 to HK\$1,000,000	500,001港元至1,000,000港元	3	2
HK\$1,000,001 to HK\$1,500,000	1,000,001港元至1,500,000港元	1	3
HK\$1,500,001 to HK\$2,000,000	1,500,001港元至2,000,000港元	1	–
HK\$2,000,001 to HK\$2,500,000	2,000,001港元至2,500,000港元	–	–
HK\$2,500,001 to HK\$3,000,000	2,500,001港元至3,000,000港元	–	1
HK\$3,000,001 to HK\$3,500,000	3,000,001港元至3,500,000港元	1	–
		<b>6</b>	<b>6</b>

(b) All positions of Mr. DAI Bing Fu (“Mr. DAI”) in the Group have been terminated with effect from 31 December 2020. The emoluments of Mr. DAI were within the band of HK\$1,500,001 to HK\$2,000,000 in the current year (2019: within the band of HK\$1,000,001 to HK\$1,500,000).

### 道路先生(「道先生」, 55歲)

鎮江華科生態電鍍科技發展有限公司總經理

道先生於二零一八年八月獲委任為本集團附屬公司鎮江華科生態電鍍科技發展有限公司總經理。在獲委任為鎮江華科生態電鍍科技發展有限公司總經理之前，道先生自二零一五年九月在本集團附屬公司江蘇宇新環保工程管理有限公司任職副總經理。於一九八七年七月，道先生畢業於江蘇廣播電視大學化學工程兼制漿造紙專業。於一九九六年十一月，彼獲核准在工程專業上具有工程師任職資格。於一九九六年十二月，彼亦修畢本科班涉外經濟專業。於一九九九年十一月，彼修畢由鎮江市環保局承辦的專業培訓並取得環境管理專業。於二零零六年七月，彼獲中共江蘇省委黨校授予市場經濟與黨政管理研究生學歷。

#### 附註：

(a) 上述高級管理層成員(董事除外)之酬金屬下列組別：

(b) 戴兵富先生(「戴先生」)在本集團之所有職位均被終止，自二零二零年十二月三十一日起生效。戴先生於本年度的酬金屬於1,500,001港元至2,000,000港元組別範圍內(二零一九年：於1,000,001港元至1,500,000港元範圍內)。

# PROFILE OF DIRECTORS AND SENIOR MANAGEMENT

## 董事及高級管理層簡介

(c) The equity-settled share-based compensations of the above-mentioned 6 members (excluding Mr. DAI whose employment has been terminated with effect from 31 December 2020) of senior management, other than Directors, were set out as follows:

(c) 上述6位(不包括戴先生,其已於二零二零年十二月三十一日起終止僱用)高級管理層成員(董事除外)以股本權益計算按股份作基礎支付之酬金載列如下:

		Granted on 15 Jan 2021 於二零二一年 一月十五日授予	Granted on 15 Jan 2020 於二零二零年 一月十五日授予
The share options (the "Options") granted to and accepted by the above-mentioned 6 members (excluding Mr. DAI) of senior management	上述6位(不包括戴先生)高級管理已獲授及接納之購股權已獲授及接納之購股權	<b>10,760,000</b>	9,640,000

(i) The Options granted on 15 January 2020 represent the number of shares to be issued upon exercise in full of the Options granted which is subject to adjustment according to the vesting conditions specified in each particular offer letter. The Options granted on 15 January 2020 are exercisable at an exercise price of HK\$0.25 per share from the date of vesting to the earlier of (i) the date on which the Options lapse in accordance with the terms of the share option scheme; or (ii) the 30th business day after the date of publication of the annual results of the Company for the year ending 31 December 2022.

(i) 於二零二零年一月十五日已授予的購股權指於已授予購股權獲全面行使時將發行該數目的股份,可根據各特定要約函列明之歸屬條件予以調整。於二零二零年一月十五日已授予的購股權從歸屬日期起可按行使價每股0.25港元予以行使,直至以下日期(以較早發生者為準)為止:(i)購股權根據購股權計劃的條款失效的日期;或(ii)本公司截至二零二二年十二月三十一日止年度的全年業績刊發日期後第30個營業日。

(ii) The Options granted on 15 January 2021 represent the number of shares to be issued upon exercise in full of the Options granted which is subject to adjustment according to the vesting conditions specified in each particular offer letter. The Options granted on 15 January 2021 are exercisable at an exercise price of HK\$0.272 per share. Subject to the Options having been vested, the Options granted are exercisable from the date of publication of the annual results of the Company for the year ending 31 December 2023 (the "2023 Results Date") to the earlier of (i) the date on which such Options lapses in accordance with the terms of the share option scheme; or (ii) the 90th business day after the 2023 Results Date.

(ii) 於二零二一年一月十五日已授予的購股權指於已授予購股權獲全面行使時將發行該數目的股份,可根據各特定要約函列明之歸屬條件予以調整。於二零二一年一月十五日已授予的購股權從本公司截至二零二三年十二月三十一日止年度的全年業績刊發日期(「二零二三年業績日期」)起可按行使價每股0.272港元予以行使,直至以下日期(以較早發生者為準)為止:(i)該等購股權根據購股權計劃的條款失效的日期;或(ii)二零二三年業績日期後第90個營業日。

(iii) Outstanding Options for 1,360,000 shares granted on 15 January 2020 have lapsed upon termination of the employment of a grantee with effect from 31 December 2020.

(iii) 於二零二零年十二月三十一日起終止僱用一承授人後,其於二零二零年一月十五日獲授予而未行使之1,360,000股購股權即告失效。

# CORPORATE GOVERNANCE REPORT

## 企業管治報告

### CORPORATE GOVERNANCE PRACTICES

- (a) The board (the “Board”) of directors (the “Director(s)”) of the New Universe Environmental Group Limited (the “Company” together with its subsidiaries collectively referred to as the “Group”) and the management are committed to upholding good corporate governance practices and business ethics. The Company believes that maintenance of high standard of business ethics and good corporate governance is essential for effective management, healthy business growth and fostering a contemporary corporate culture, which drives the Group to growing sustainably and safeguarding the interests of the shareholders of the Company (the “Shareholder(s)”).
- (b) During the year ended 31 December 2020, the Company has applied the principles of and complied with the code provisions of the Corporate Governance Code and Corporate Governance Report set out in Appendix 14 (“CG Code”) to the Rules Governing the Listing of Securities on the Stock Exchange (“Listing Rules”), but save for the code provision A.2.1, the Directors confirmed that they were not aware of any other deviation from the CG Code for the year then ended.
- (c) Code provision A.2.1 of the CG Code stipulates that the roles of chairman and chief executive officer should be separate and should not be performed by the same individual. With effect 16 October 2018, Mr. Xi Yu (“Mr. Xi”, chairman of the Board (“Chairman”)) has assumed the role of both Chairman and chief executive officer of the Company (“CEO”). As such, starting from 16 October 2018, the assumption of the dual role of both Chairman and CEO by Mr. Xi constitutes a deviation from code provision A.2.1 of the CG Code.

### DIRECTORS’ SECURITIES TRANSACTIONS

- (a) The Company has adopted a code of conduct regarding Directors’ securities transactions on terms no less exacting than the required standard set out in The Model Code for Securities Transactions by Directors of Listed Issuer (the “Model Code”) as set out in Appendix 10 to the Listing Rules.
- (b) With specific enquiries having been made of all the Directors, all Directors have confirmed that they have fully complied with the required standard of dealings as set out in the Model Code during the year ended 31 December 2020.

### 企業管治常規

- (a) 新宇環保集團有限公司(「本公司」，連同其附屬公司，統稱「本集團」)的董事(「董事」)會(「董事會」)及其管理層承諾秉承良好之企業管治常規及商業道德。本公司相信，維持高標準的商業道德及良好的企業管治對有效管理、穩健業務增長及培養契合當前的公司文化屬必要，此舉推動本集團持續成長及保障本公司股東(「股東」)利益。
- (b) 截至二零二零年十二月三十一日止年度，本公司已應用聯交所證券上市規則(「上市規則」)附錄十四所載的企業管治守則及企業管治報告(「企業管治守則」)的原則及遵守有關守則條文，惟除守則條文第A.2.1條外，董事確認彼等並不知悉截至該日止年度任何其他偏離企業管治守則的情況。
- (c) 企業管治守則的守則條文第A.2.1條規定，主席及行政總裁之角色應有所區分，並不應由一人同時兼任。奚玉先生(「奚先生」，董事會主席(「主席」))同時兼任本公司主席及行政總裁(「行政總裁」)，自二零一八年十月十六日起生效。因此，自二零一八年十月十六日起，奚先生同時兼任主席及行政總裁構成偏離企業管治守則的守則條文第A.2.1條。

### 董事的證券交易

- (a) 本公司已就董事進行證券交易採納一項條款不低於上市規則附錄十所載上市發行人董事進行證券交易的標準守則(「標準守則」)所載規定準則之行事守則。
- (b) 經向全體董事作出特定查詢後，全體董事已確認，彼等於截至二零二零年十二月三十一日止年度已全面遵守標準守則所載規定買賣準則。

# CORPORATE GOVERNANCE REPORT

## 企業管治報告

### BOARD OF DIRECTORS

#### (a) Composition of the Board

As at the date of this report, the Board comprises nine members, consisting of six executive Directors and three independent non-executive Directors as follows:

##### *Executive Directors*

Mr. XI Yu (*Chairman and CEO*)  
Ms. CHEUNG Siu Ling (*Compliance Officer*)  
Ms. XI Man Shan Erica (*Note*)  
Ms. ZHANG Shuo  
Ms. LIU Yu Jie  
Mr. HON Wa Fai (*Financial Controller and Company Secretary*)

##### *Independent non-executive Directors*

Dr. CHAN Yan Cheong  
Mr. YUEN Kim Hung, Michael  
Mr. HO Yau Hong, Alfred

##### *Note:*

Ms. XI Man Shan Erica was appointed as executive Director on 1 October 2020 and the resignation of Mr. SONG Yu Qing as executive Director was effective on 30 September 2020.

#### (b) Operation of the Board

The Board is responsible for the overall leadership of the Group, oversees the Group's strategic decisions and monitors business and performance. The Board has delegated the authority and responsibility for the day-to-day management and operations of the Group to the senior management of the Group. To oversee particular aspects of the Company's affairs, the Board has established four Board committees including the audit committee (the "Audit Committee"), the remuneration committee (the "Remuneration Committee"), the nomination committee (the "Nomination Committee") and the executive committee (the "Executive Committee") (collectively referred to as the "Board Committees"). The Board has delegated to the Board Committees responsibilities as set out in their respective terms of reference.

### 董事會

#### (a) 董事會的組成

於本報告日期，董事會由九名成員組成，其中包括六名執行董事及三名獨立非執行董事如下：

##### *執行董事*

奚玉先生 (*主席兼行政總裁*)  
張小玲女士 (*監察主任*)  
奚文珊女士 (*附註*)  
張碩女士  
劉玉杰女士  
韓華輝先生 (*財務總監兼公司秘書*)

##### *獨立非執行董事*

陳忍昌博士  
阮劍虹先生  
何祐康先生

##### *附註：*

奚文珊女士已於二零二零年十月一日獲委任為執行董事，而宋玉清先生辭任執行董事已於二零二零年九月三十日生效。

#### (b) 董事會的運作

董事會負責本集團的整體領導，並監察本集團的策略性決定以及監察業務及表現。董事會已向本集團的高級管理層委派本集團日常管理及營運的權力及責任。為監察本公司事務的特定範疇，董事會已成立四個董事委員會，包括審核委員會（「審核委員會」）、薪酬委員會（「薪酬委員會」）、提名委員會（「提名委員會」）及執行委員會（「執行委員會」）（統稱「董事委員會」）。董事會已向該等董事委員會委派其各自職權範圍所載的責任。



# CORPORATE GOVERNANCE REPORT

## 企業管治報告

### (c) Composition of the Board Committees

The Company established four Board Committees. The table below provides membership information of these committees on which each Board member served for the year ended 31 December 2020 as follows:

		Audit Committee 審核委員會	Nomination Committee 提名委員會	Remuneration Committee 薪酬委員會	Executive Committee 執行委員會
Mr. XI Yu	奚玉先生				C
Ms. CHEUNG Siu Ling	張小玲女士				M
Ms. XI Man Shan Erica	奚文珊女士				M
Ms. ZHANG Shuo	張碩女士				M
Ms. LIU Yu Jie	劉玉杰女士				M
Mr. HON Wa Fai	韓華輝先生				M
Dr. CHAN Yan Cheong	陳忍昌博士	C	M	M	
Mr. YUEN Kim Hung, Michael	阮劍虹先生	M	C	M	
Mr. HO Yau Hong, Alfred	何祐康先生	M	M	C	

Notes:

C: Chairman of the relevant Board committee  
M: Member of the relevant Board committee

### (c) 董事委員會的組成

本公司設有四個董事委員會。下表提供截至二零二零年十二月三十一日止年度各董事會成員所服務的此等委員會的會員資料如下：

附註：

C：有關董事委員會的主席  
M：有關董事委員會的成員

# CORPORATE GOVERNANCE REPORT

## 企業管治報告

### (d) Directors' attendance to board meetings and shareholders' meeting(s)

The following table shows the attendance record of each Board member for the board meetings and Shareholders' meetings of the Company held during the year ended 31 December 2020:

### (d) 董事於董事會會議及股東大會的出席情況

下表顯示各董事會成員於本公司截至二零二零年十二月三十一日止年度內舉行之董事會會議及股東大會之出席記錄：

Board member	董事會成員	Number of meetings attended/held 出席／舉行之會議次數			
		Regular Board meeting 定期董事會會議	Non-regular Board meeting 非定期董事會會議	Directors' meeting pursuant to CG Code A.2.7 根據企業管治守則第A.2.7條舉行之董事會會議	Annual general meeting 股東週年大會
<b>Executive Director 執行董事</b>					
Mr. XI Yu	奚玉先生	4/4	3/3	1/1	1/1
Ms. CHEUNG Siu Ling	張小玲女士	4/4	3/3	-	1/1
Ms. XI Man Shan Erica (Note 1)	奚文珊女士 (附註1)	1/1	-	-	-
Ms. LIU Yu Jie	劉玉杰女士	3/4	1/3	-	0/1
Mr. HON Wa Fai	韓華輝先生	4/4	3/3	-	1/1
Ms. ZHANG Shuo	張碩女士	3/4	2/3	-	0/1
Mr. SONG Yu Qing (Note 2)	宋玉清先生 (附註2)	3/3	3/3	-	0/1
<b>Independent non-executive director 獨立非執行董事</b>					
Dr. CHAN Yan Cheong	陳忍昌博士	4/4	3/3	1/1	0/1
Mr. YUEN Kim Hung, Michael	阮劍虹先生	4/4	3/3	1/1	1/1
Mr. HO Yau Hong, Alfred	何祐康先生	4/4	3/3	1/1	1/1

#### Notes:

- Ms. XI Man Shan Erica was appointed as executive Director on 1 October 2020.
- Mr. SONG Yu Qing resigned as executive Director on 30 September 2020.

#### 附註：

- 奚文珊女士已於二零二零年十月一日獲委任為執行董事。
- 宋玉清先生已於二零二零年九月三十日辭任執行董事。

# CORPORATE GOVERNANCE REPORT

## 企業管治報告

### (e) Directors' attendance to the meetings of Board Committees

#### (i) Meetings of Audit Committee

The following was an attendance record of the Audit Committee meetings held during the year ended 31 December 2020:

Committee member 委員會成員		Number of meetings attended/held 出席／舉行之會議次數
Dr. CHAN Yan Cheong ( <i>chairman of committee</i> )	陳忍昌博士 (委員會主席)	4/4
Mr. YUEN Kim Hung, Michael	阮劍虹先生	4/4
Mr. HO Yau Hong, Alfred	何祐康先生	4/4

#### (ii) Meetings of Nomination Committee

The following was an attendance record of the Nomination Committee meetings held during the year ended 31 December 2020:

Committee member 委員會成員		Number of meetings attended/held 出席／舉行之會議次數
Mr. YUEN Kim Hung, Michael ( <i>chairman of committee</i> )	阮劍虹先生 (委員會主席)	2/2
Dr. CHAN Yan Cheong	陳忍昌博士	2/2
Mr. HO Yau Hong, Alfred	何祐康先生	2/2

#### (iii) Meetings of Remuneration Committee

The following was an attendance record of the Remuneration Committee meetings held during the year ended 31 December 2020:

Committee member 委員會成員		Number of meetings attended/held 出席／舉行之會議次數
Mr. HO Yau Hong, Alfred ( <i>chairman of committee</i> )	何祐康先生 (委員會主席)	3/3
Dr. CHAN Yan Cheong	陳忍昌博士	3/3
Mr. YUEN Kim Hung, Michael	阮劍虹先生	3/3

### (e) 董事於董事委員會會議的出席情況

#### (i) 審核委員會會議

以下為截至二零二零年十二月三十一日止年度舉行的審核委員會會議的出席記錄：

#### (ii) 提名委員會會議

以下為截至二零二零年十二月三十一日止年度舉行的提名委員會會議的出席記錄：

#### (iii) 薪酬委員會會議

以下為截至二零二零年十二月三十一日止年度舉行的薪酬委員會會議的出席記錄：

# CORPORATE GOVERNANCE REPORT

## 企業管治報告

### (iv) Meetings of Executive Committee

The following was an attendance record of the Executive Committee meetings held during the year ended 31 December 2020:

#### Committee member

#### 委員會成員

Mr. XI Yu ( <i>chairman of committee</i> )	奚玉先生 ( <i>委員會主席</i> )
Ms. CHEUNG Siu Ling	張小玲女士
Ms. XI Man Shan Erica ( <i>note 1</i> )	奚文珊女士 ( <i>附註1</i> )
Ms. LIU Yu Jie	劉玉杰女士
Mr. HON Wa Fai	韓華輝先生
Ms. ZHANG Shuo	張碩女士
Mr. SONG Yu Qing ( <i>note 2</i> )	宋玉清先生 ( <i>附註2</i> )

#### Notes:

- Ms. XI Man Shan Erica was appointed as member of the Executive Committee on 1 October 2020.
- Mr. SONG Yu Qing resigned as member of the Executive Committee on 30 September 2020.

### (iv) 執行委員會會議

以下為截至二零二零年十二月三十一日止年度舉行的執行委員會會議的出席記錄：

#### Number of meetings

#### attended/held

#### 出席／舉行之會議次數

Mr. XI Yu ( <i>chairman of committee</i> )	奚玉先生 ( <i>委員會主席</i> )	4/4
Ms. CHEUNG Siu Ling	張小玲女士	4/4
Ms. XI Man Shan Erica ( <i>note 1</i> )	奚文珊女士 ( <i>附註1</i> )	-
Ms. LIU Yu Jie	劉玉杰女士	0/4
Mr. HON Wa Fai	韓華輝先生	4/4
Ms. ZHANG Shuo	張碩女士	0/4
Mr. SONG Yu Qing ( <i>note 2</i> )	宋玉清先生 ( <i>附註2</i> )	0/4

#### 附註：

- 奚文珊女士已於二零二零年十月一日獲委任為執行委員會成員。
- 宋玉清先生已於二零二零年九月三十日辭任執行委員會成員。

# CORPORATE GOVERNANCE REPORT

## 企業管治報告

### (f) Responsibilities, accountabilities and contributions of Board and management

Every Director on Board knows his/her responsibilities as a Director and its conduct, business activities and development. Independent non-executive Directors have the same duties of care and skill and fiduciary duties as executive Directors.

The Directors, collectively and individually, are aware of their responsibilities to shareholders of the Company, for the manner in which the affairs of the Company and the Group are managed and operated. In the appropriate circumstances and as and when necessary, Directors will seek independent professional advice at the Company's expense, ensuring the board procedures, all applicable rules and regulations, are followed.

The Board has overall responsibility for the stewardship of the Group and gives clear directions as to the power delegated to the management of the Company and its subsidiaries for the management and administration functions of the Group, in particular, with respect to the circumstances where management of the Company and its subsidiaries should report back in a timely manner to the Board and obtain prior approval from the Board before making decisions or entering into any commitments on behalf of the Group or in the name of any member of the Group. The Board will review those arrangements on a periodic basis to ensure that they remain appropriate to the needs of the Group.

Matters requiring the Board's approval include, among others, (i) review of overall policies and objectives for corporate capital contributions, (ii) corporate budgets, (iii) corporate plans of the Company and its subsidiaries, and any significant changes thereto, (iv) investment plans involving significant commitments of financial, technological and human resources, or involving significant risks for the Company, (v) major sales, transfers, or other dispositions of properties or assets of the Group, (vi) significant changes in the Board's policies, (vii) major organisational changes, (viii) financial statements of the Group, including annual report, semi-annual and quarterly financial reports and monthly operating results, and (ix) other matters relating to the Group's business which in the judgement of the Chairman and/or the CEO of the Company are of such significance to merit the Board's consideration, and adoption of such policies or such actions taken as the Board considers to be in the best interests of the Company.

### (f) 董事會及管理層的職責、問責及貢獻

董事會內每名董事均知悉其作為董事的職責及本公司的經營方式、業務活動及發展。獨立非執行董事負有與執行董事相同的受信責任及以應有謹慎態度和技能行事的責任。

董事共同及個別知悉彼等就管理及營運本公司及本集團事務的方式對本公司股東承擔的責任。於適當情況下及於必要時候，董事將同意尋求獨立專業意見，而費用由本公司承擔，確保董事會程序、所有適用規則及規例獲遵守。

董事會對本集團的管理全面負責，並就委派予本公司及其附屬公司管理層的權力給出本集團管理及行政職能的清晰指示，尤其是，有關本公司及其附屬公司管理層應適時向董事會匯報及於作出決定或代表本集團或以本集團任何成員公司的名義訂立任何承擔前自董事會取得事先批准的情況。董事會將定期檢討該等安排，以確保彼等仍適用於本集團的需要。

要求董事會批准的事項包括(其中包括)(i)審閱企業資本投入的整體政策及目標；(ii)企業預算；(iii)本公司及其附屬公司的企業規劃及其任何重大變動；(iv)涉及重大財務、技術或人力資源承擔或就本公司而言涉及重大風險的投資計劃；(v)本集團物業或資產的主要銷售、轉讓或其他處置；(vi)董事會政策的重大變動；(vii)主要組織變動；(viii)本集團之財務報表(包括年報、半年度及季度財務報告及每月營運業績)；及(ix)有關本集團業務的其他事項，而本公司主席及／或行政總裁的判斷如此重大以致值得董事會作出考慮，及採納或採取董事會認為符合本公司最佳利益的有關政策或行動。

# CORPORATE GOVERNANCE REPORT

## 企業管治報告

All executive Directors and independent non-executive Directors bring in a variety of experience and expertise to the Company with their respective responsibilities, accountabilities and contributions set out as follows:

所有執行董事及獨立非執行董事為本公司帶來廣泛經驗及專長，彼等各自之職責、問責及貢獻載列如下：

(i) *Function of Executive Directors*

(i) 執行董事的職能

Name 姓名	Position 職位	Current Function 現時的職能
Mr. XI Yu 奚玉先生	Chairman, CEO and executive Director 主席、行政總裁及執行董事	<ul style="list-style-type: none"> <li>- Leading the Board</li> <li>- Developing vision and strategies of the Group</li> <li>- Developing long term mission of the Group</li> <li>- Ensuring good corporate governance functions and practices</li> <li>- Formulating strategic planning and direction</li> <li>- Developing corporate goals, targets and objectives of the Group</li> <li>- Investors relations</li> <li>- 領導董事會</li> <li>- 制訂本集團的遠景及策略</li> <li>- 制訂本集團的長期使命</li> <li>- 確保良好企業管治職能及常規</li> <li>- 構思策略規劃及方向</li> <li>- 制訂本集團企業目標、目的及宗旨</li> <li>- 投資者關係</li> </ul>
Ms. CHEUNG Siu Ling 張小玲女士	Executive Director and compliance officer 執行董事及監察主任	<ul style="list-style-type: none"> <li>- Implementing corporate governance practices</li> <li>- Implementing procedures to ensure compliance with applicable laws, rules and regulations</li> <li>- Administration of head office</li> <li>- Human resources management of the Group</li> <li>- Overseeing daily operations of the Group through delegations</li> <li>- 執行企業管治常規</li> <li>- 執行程序以確保符合適用法律、規定及規例</li> <li>- 總辦事處的行政管理</li> <li>- 本集團的人力資源管理</li> <li>- 透過委派監察本集團日常營運</li> </ul>
Ms. XI Man Shan Erica 奚文珊女士	Executive Director 執行董事	<ul style="list-style-type: none"> <li>- Implementing corporate governance practices</li> <li>- Implementing procedures to ensure compliance with applicable laws, rules and regulations</li> <li>- 執行企業管治常規</li> <li>- 執行程序以確保符合適用法律、規定及規例</li> </ul>
Ms. ZHANG Shuo 張碩女士	Executive Director 執行董事	<ul style="list-style-type: none"> <li>- Advising on PRC legal compliance and corporate finance of the Company</li> <li>- Advising on merger and acquisition and investment opportunities for the Group</li> <li>- 就本公司遵守中國法律的情況企業融資提供意見</li> <li>- 就本集團的併購及投資機會提供意見</li> </ul>
Ms. LIU Yu Jie 劉玉杰女士	Executive Director 執行董事	<ul style="list-style-type: none"> <li>- Advising on corporate finance of the Company</li> <li>- Advising on merger and acquisition and investment opportunities for the Group</li> <li>- 就本公司的企業融資提供意見</li> <li>- 就本集團的併購及投資機會提供意見</li> </ul>
Mr. HON Wa Fai 韓華輝先生	Executive Director, financial controller, and company secretary 執行董事、財務總監及公司秘書	<ul style="list-style-type: none"> <li>- Overseeing financial reporting, accounting, treasury, financial control, and compliance functions of the Company</li> <li>- Formulating merger and acquisition exercises</li> <li>- Investors relations</li> <li>- 監察本公司的財務報告、會計、庫務、財務監控及合規功能</li> <li>- 規劃併購活動</li> <li>- 投資者關係</li> </ul>

# CORPORATE GOVERNANCE REPORT

## 企業管治報告

### (ii) Function of Independent non-executive Directors

### (ii) 獨立非執行董事的職能

Name 姓名	Independence 獨立性	Current Function 現時的職能
Dr. CHAN Yan Cheong	✓	<ul style="list-style-type: none"> <li>- Relationship with academic and industrial expertise</li> <li>- Monitoring risk management functions of the Group</li> <li>- Bringing in independent judgement on issues of corporate strategies, policy, performances, accountancy, key appointments, standards of conduct and environmental protection</li> <li>- Scrutinising the Company's performance in achieving corporate goals and objectives</li> <li>- Serving on audit, remuneration and nomination committees</li> </ul>
陳忍昌博士	✓	<ul style="list-style-type: none"> <li>- 與學術界及工業界專家之關係</li> <li>- 監察本集團的風險管理功能</li> <li>- 就公司策略、政策、表現、會計、主要委任、行為準則及環保事宜作出獨立判斷</li> <li>- 審查本公司實現公司目標及宗旨的表現</li> <li>- 任職於審核、薪酬及提名委員會</li> </ul>
Mr. YUEN Kim Hung, Michael	✓	<ul style="list-style-type: none"> <li>- Advising on auditing, taxation, compliance and financial matters</li> <li>- Monitoring risk management functions of the Group</li> <li>- Bringing in independent judgement on issues of policy, performances, accountancy, taxation, key appointments and standards of conduct</li> <li>- Serving on audit, remuneration and nomination committees</li> <li>- Scrutinising the Company's performance in achieving corporate goals and objectives</li> <li>- Possessing with professional accounting qualification and financial experience</li> </ul>
阮劍虹先生	✓	<ul style="list-style-type: none"> <li>- 就審核、稅項、合規及財務事項提供意見</li> <li>- 監察本集團的風險管理功能</li> <li>- 就政策、表現、會計、稅項、主要委任及行為準則事宜作出獨立判斷</li> <li>- 任職於審核、薪酬及提名委員會</li> <li>- 審查本公司實現公司目標及宗旨的表現</li> <li>- 擁有專業會計資格及財務經驗</li> </ul>
Mr. HO Yau Hong, Alfred	✓	<ul style="list-style-type: none"> <li>- Advising on auditing, taxation, compliance and financial matters</li> <li>- Monitoring risk management functions of the Group</li> <li>- Bringing in independent judgement on issues of policy, performances, accountancy, taxation, key appointments and standards of conduct</li> <li>- Serving on audit, remuneration and nomination committees</li> <li>- Scrutinising the Company's performance in achieving corporate goals and objectives</li> <li>- Possessing with professional accounting qualification and financial experience</li> </ul>
何祐康先生	✓	<ul style="list-style-type: none"> <li>- 就審核、稅項、合規及財務事項提供意見</li> <li>- 監察本集團的風險管理功能</li> <li>- 就政策、表現、會計、稅項、主要委任及行為準則事宜作出獨立判斷</li> <li>- 任職於審核、薪酬及提名委員會</li> <li>- 審查本公司實現公司目標及宗旨的表現</li> <li>- 擁有專業會計資格及財務經驗</li> </ul>

# CORPORATE GOVERNANCE REPORT

## 企業管治報告

### (g) Board meetings and procedures

The Board conducts regular board meetings at least four times a year at approximately quarterly intervals. Regular board meetings of the Company shall involve active participation and presence of a majority of Directors entitled to be present, in person or through interactive telephone conference. Ad-hoc Board meetings are convened when a board-level decision on a particular matter is required which include obtaining Board consent through circulating written resolutions or interactive telephone conference. Board meetings are structured to allow open discussion. All Directors have participated in discussing the strategy, operational and financial performance, and risk management and internal control of the Group.

The Chairman of the Board is primarily responsible for drawing up and approving the agenda for each Board meeting. He takes into account, where appropriate, any matter proposed by the other Directors for inclusion in the agenda for regular Board meetings. The Chairman delegates this responsibility to the company secretary of the Company appointed under Rule 3.28 of the Listing Rules (the "Company Secretary").

Notice of at least 14 days has been given for all regular Board meetings of the Company. For all other Board meetings, reasonable notices have been given.

The Company Secretary shall be the secretary to all Board meetings who is responsible for keeping minutes of all Board meetings and meetings of Board Committees. Minutes of all meetings are open for inspection at reasonable time on reasonable notice by any Director.

Minutes of all Board meetings and meetings of Board Committees have recorded in sufficient details the matters considered and decisions reached, including any concerns raised by Directors or dissenting views expressed. Draft and final versions of the Board minutes have been sent to all Directors for their comments and records respectively, within a reasonable time after the board meeting is held.

Any Director may request the Board in writing to seek for independent professional advice in appropriate circumstances at the expense of the Company. The Board shall resolve to provide separate independent professional advice to the Directors to assist them to discharge their duties to the Company.

If a substantial shareholder or a Director has a conflict of interests in a matter to be considered by the Board which the Board has determined to be material, the matter shall be dealt with by a Board meeting with all Directors be present in person rather than a written resolution. The independent non-executive Directors, who and whose associates have no material interest in the transaction shall be present at the Board meeting to deal with the matter. Other than the exceptional situation under the Listing Rules, any Director who or whose associates have any material interest in any proposed Board resolutions shall not be counted as a quorum in the relevant Board meeting or shall be abstained from voting for the Board resolutions. All Board Committees adopted the same principles and procedures used in the Board meetings.

### (g) 董事會會議及議程

董事會大概按季至少每年舉行四次定期董事會會議。本公司的定期董事會會議要求大部份有權出席的董事積極參與及親自出席或透過互動電話進行會議。董事會亦於特別事項須董事會作出決定時舉行特別董事會會議，其包括透過傳閱書面決議案或進行互動電話會議以獲得董事會同意。董事會允許公開討論。所有董事均有參與討論本集團之策略、營運及財務表現，以及風險管理及內部監控。

董事會主席主要負責制定及批准各董事會會議的議程。彼考慮(倘適當)其他董事所建議的任何事項以載入定期董事會會議的議程。主席將此責任委派予根據上市規則第3.28條獲委任的本公司之公司秘書(「公司秘書」)。

本公司須就所有定期董事會會議發出至少14日通知。就所有其他董事會會議而言，須發出合理通告。

公司秘書須為所有董事會會議的秘書，彼負責保存所有董事會會議及董事委員會會議的會議記錄。任何董事可於合理時間及發出合理通知後查閱所有會議的會議記錄。

所有董事會會議及董事委員會會議的會議記錄已足夠詳細記錄所考慮的事項及所達成的決定，包括董事提出的任何關注或所表達的反對意見。董事會會議記錄的草案及最終定案已於董事會會議舉行後的合理時間內發送予所有董事以分別供彼等批註及記錄。

任何董事可以書面形式向董事會提出要求，以於適當情況下尋求要求提供獨立專業意見，而費用由本公司承擔。董事會須議決另外向董事提供獨立專業意見，以協助彼等履行對本公司所承擔的職責。

倘若主要股東或董事於董事會將考慮並已釐定屬重大之某一事項中有利益衝突，該事項須以全體董事親自出席之董事會會議處理，而並非以書面決議案方式。本人及其聯繫人士於該交易中並無重大權益之獨立非執行董事將會出席會議以處理該事項。除上市規則項下之例外情況外，於任何建議董事會決議案中有任何重大利益之任何董事或其聯繫人不得計入有關董事會會議之法定人數，或須就董事會決議案放棄表決權。所有董事委員會採納董事會會議所使用之相同原則及程序。



# CORPORATE GOVERNANCE REPORT

## 企業管治報告

### (h) Supply of and access to information

For regular board meetings, and as far as practicable in all other cases, an agenda and accompanying board papers will be sent, in full, to all Directors in a timely manner and at least 3 days before the intended date of a Board or Board committee meeting, and for other ad hoc or urgency meetings at other agreed period.

The senior management of the Group is obliged to supply the Board and its committees of the Company with appropriate and adequate information through financial reports, business and operational reports and budget statements in a timely manner to keep the Board members informed of the latest development of the Group. The Board members have the right to access to the Group's information, board papers and related materials from either the Chairman or the Company Secretary. Where any Director requires more information than is volunteered by the senior management, he/she makes further enquiries where necessary and shall separate and independent access to the senior management of the Company.

### (i) Independence of independent non-executive Directors

The Listing Rules stipulates that every listed issuer to have at least three independent non-executive directors representing at least one-third of the Board, and at least one of whom must have the appropriate professional qualifications, or accounting or related financial management expertise. For the year ended 31 December 2020, two of the independent non-executive Directors have the appropriate professional qualifications of accounting or related financial management expertise.

The independent non-executive Directors have been expressly identified as such in all corporate communications that disclose the names of the Directors.

Each of the three independent non-executive Directors has given an annual confirmation of his independence to the Company, and the Company considers them to be independent under Rule 3.13 of the Listing Rules.

Based on the annual written confirmation given by each of Dr. CHAN Yan Cheong, Mr. YUEN Kim Hung, Michael and Mr. HO Yau Hong, Alfred in accordance with Rule 3.13 of the Listing Rules and the undertaking in writing given by each of them as to their continuing independence, the Board believes that each of Dr. CHAN Yan Cheong, Mr. YUEN Kim Hung, Michael and Mr. HO Yau Hong, Alfred is independent.

### (h) 資料的提供及使用

就定期董事會會議而言，及只要在所有其他情況下切實可行，議程及隨附的董事會文件將及時及至少於董事會會議或董事委員會會議擬定舉行日期前3日全部發送予所有董事，而就其他臨時或緊急會議而言，按其他議定期間送達。

本集團的高級管理人員有責任透過財務報告、業務或營運報告及預算報表，及時向本公司董事會及其委員會提供適當及足夠資料，以讓董事會成員知悉本集團之最新發展。董事會成員有權使用本集團的資料、董事會文件及來自主席或公司秘書的有關材料。倘任何董事要求較高級管理人員自願提供者更多的資料，則彼作出進一步查詢（倘必要），並將單獨及獨立接觸本公司的高級管理人員。

### (i) 獨立非執行董事之獨立性

上市規則規定每名上市發行人必須至少有三名（佔董事會成員人數至少三分之一）獨立非執行董事，以及至少其中一人具備適當專業資格、或具備會計或有關財務管理專長。截至二零二零年十二月三十一日止年度，本公司其中兩名獨立非執行董事具備適當的會計專業資格或有關財務管理專長。

於披露董事名稱之所有公司通訊內已明確說明獨立非執行董事之身份。

本公司三名獨立非執行董事各自向本公司發出其獨立性的年度確認，而本公司認為彼等為上市規則第3.13條所指的獨立人士。

根據陳忍昌博士、阮劍虹先生及何祐康先生各自根據上市規則第3.13條所提供之年度書面確認及彼等各自書面作出之持續獨立承諾，董事會相信陳忍昌博士、阮劍虹先生及何祐康先生各自為獨立人士。

# CORPORATE GOVERNANCE REPORT

## 企業管治報告

In order to achieve a diversity of perspectives among members of the Board, it is the policy of the Company to consider a wide range of criteria when deciding on appointments to the Board and the continuation of those appointments. The Board considers gender, age, cultural and educational background, ethnicity, professional experience, skills, knowledge and length of service to be relevant to the Company's business. Dr. Chan Yan Cheong is a chartered electrical engineer. Both Mr. YUEN Kim Hung, Michael and Mr. HO Yau Hong, Alfred are certified public accountants in Hong Kong. Mr. HO Yau Hong, Alfred is also a fellow of the Taxation Institution of Hong Kong. Each of Dr. CHAN Yan Cheong, Mr. YUEN Kim Hung, Michael and Mr. HO Yau Hong, Alfred brings to the Board via their professional qualifications, experience and expertise in financial matters, management vision and other technical skill set. The professional qualification, skills, knowledge, experience as well as length of service of each of Dr. CHAN Yan Cheong, Mr. YUEN Kim Hung, Michael and Mr. HO Yau Hong, Alfred provides the Board with a range of perspectives, insights and challenge that enable the Board to discharge its duties and responsibilities effectively, support good decision making in view of the core businesses and strategy of the Group, and support succession planning and development of the Board.

### (j) Relationship between Board members

Each of Mr. XI Yu and Ms. CHEUNG Siu Ling, being executive Directors, is also a director and shareholder of the Company's substantial shareholder, New Universe Enterprises Limited ("NUEL"), which holds approximately 36.54% (2019: 36.54%) of the issued share capital of the Company as at 31 December 2020.

Both Mr. XI Yu and Ms. CHEUNG Siu Ling are directors of Sun Ngai International Investment Limited ("Sun Ngai"), which is the landlord of the office premises leased by the Group as head office in Hong Kong for the year ended 31 December 2020.

Both Mr. XI Yu and Ms. CHEUNG Siu Ling are directors of China (HK) Chemical and Plastics Company Limited ("China (HK) Chemical") which is principally engaged in trading of plastic resins in Hong Kong and China.

Both Mr. XI Yu and Ms. CHEUNG Siu Ling are directors of New Universe Holdings Limited ("NUHL"). NUHL is an investment holding company that interested in 97% of the issued share capital of China (HK) Chemical and 100% of the issued share capital of Sun Ngai.

Ms. XI Man Shan Erica is the daughter of Mr. XI Yu.

To the best knowledge of the Company, save as disclosed herein, there is no other financial, business and family relationship among members of the Board and/or between the Chairman and the CEO of the Company. All of the Board members are free to exercise their independent judgment.

為了在董事會成員之間達成多元化的觀點，本公司的政策是在決定董事會的委任及續聘時考慮廣泛的標準。董事會考慮性別、年齡、文化及教育背景、種族、與本公司業務相關的專業經驗、技能、知識及服務年資。陳忍昌博士乃特許電氣工程師。阮劍虹先生及何祐康先生為香港註冊會計師。何祐康先生亦為香港稅務學會資深會員。陳忍昌博士、阮劍虹先生及何祐康先生各自以其在財務事宜、管理視野及其他技術方面的專業資格、經驗及專長進入董事會。陳忍昌博士、阮劍虹先生及何祐康先生各自的專業資格、技能、知識、經驗及服務年資為董事會提供豐富的觀點、見解及挑戰，令董事會能夠有效履行其職責及責任，支持著眼本集團的核心業務及策略而作出良好決策，並支持董事會的繼任規劃及發展。

### (j) 董事會成員之間的關係

奚玉先生及張小玲女士（均為執行董事）各自亦為本公司主要股東New Universe Enterprises Limited（「NUEL」），於二零二零年十二月三十一日持有本公司約36.54%（二零一九年：36.54%）之已發行股本）之董事及股東。

奚玉先生及張小玲女士均為新藝國際投資有限公司（「新藝」）的董事，而新藝為本集團於截至二零二零年十二月三十一日止年度所租賃作為總部之辦公室物業之業主。

奚玉先生及張小玲女士均為主要在香港及中國從事塑料樹脂貿易的中港化工塑料有限公司（「中港化工」）之董事。

奚玉先生及張小玲女士均為新宇控股有限公司（「新宇控股」）之董事。新宇控股為擁有中港化工已發行股本97%及新藝已發行股本100%的投資控股公司。

奚文珊女士為奚玉先生的女兒。

就本公司所知，除本報告所披露者外，本公司董事會成員之間及／或主席及行政總裁之間並無其他財務、業務及家族關係。所有董事會成員可自由行使彼等的獨立判斷。

# CORPORATE GOVERNANCE REPORT

## 企業管治報告

### (k) Continuous professional development of Directors

Code provision A.6.5 stipulates that all Directors should participate in continuous professional development to develop and refresh their knowledge and skills. This is to ensure that their contribution to the Board remains informed and relevant. The Company should be responsible for arranging and funding suitable training, placing an appropriate emphasis on the roles, functions and duties of a listed company director.

All Directors are aware of their responsibilities to the shareholders and have exercised their duties with care, skill and diligence, in pursuit of the development of the Group. Every newly appointed Director shall receive a formal, comprehensive and tailored induction to ensure that he or she has a proper understanding of the business and operations of the Group and that he or she is fully aware of his or her duties and responsibilities as a director under applicable statutory and regulatory rules and requirements.

The Chairman encourages all Directors and senior executives to enroll professional development courses and seminars relating to the Listing Rules, companies ordinance/company laws, corporate governance practices and other laws and regulations organised by professional bodies or in-house trainings provided by the Company so that they can continuously update and further improve their relevant knowledge and skills.

### (k) 董事之持續專業發展

守則條文第A.6.5條訂明，所有董事應參與持續專業發展，發展並更新其知識及技能，以確保其繼續在具備全面資訊及切合所需的情況下對董事會作出貢獻。本公司應負責安排合適的培訓並提供有關經費，以及適切着重上市公司董事的角色、職能及責任。

全體董事知悉彼等對股東的責任，履行彼等的職責時已傾注其關注、技能及勤勉，致力發展本集團。每位新獲委任之董事均獲提供正式、全面及量身定制的就職資料，以確保其對本集團的業務及營運有適當的認識，並充分理解其作為董事於適用法定及監管規則及規定下的職責及責任。

主席鼓勵全體董事及高級行政人員報讀專業機構所舉辦有關上市規則、公司條例／公司法例、企業管治常規及其他法律及規例之專業發展課程及研討會或本公司提供的內部培訓，以致彼等可持續更新及進一步提高彼等的相關知識及技能。

Board member	董事會成員	Corporate governance/ updates on laws, rules and regulations 企業管治／法律、規則及 規例的更新		Accounting/finance/ management or other professional knowledge 會計／財務／管理或 其他專業知識	
		Reading materials 閱讀材料	Attend seminar or briefing 參加研討會 或簡報	Reading materials 閱讀材料	Attend seminar or briefing 參加研討會 或簡報
<b>Executive Director</b>	<b>執行董事</b>				
Mr. XI Yu	奚玉先生	✓	✓	✓	-
Ms. CHEUNG Siu Ling	張小玲女士	✓	✓	✓	✓
Ms. XI Man Shan Erica	奚文珊女士	✓	✓	✓	-
Ms. ZHANG Shuo	張碩女士	✓	✓	✓	-
Ms. LIU Yu Jie	劉玉杰女士	✓	✓	✓	-
Mr. HON Wa Fai	韓華輝先生	✓	✓	✓	✓
<b>Independent non-executive Director</b>	<b>獨立非執行董事</b>				
Dr. CHAN Yan Cheong	陳忍昌博士	✓	✓	✓	✓
Mr. YUEN Kim Hung, Michael	阮劍虹先生	✓	✓	✓	✓
Mr. HO Yau Hong, Alfred	何祐康先生	✓	✓	✓	✓

# CORPORATE GOVERNANCE REPORT

## 企業管治報告

### CHAIRMAN AND CHIEF EXECUTIVE

#### (a) The identity of the Chairman and chief executive

Mr. XI Yu was appointed as the Chairman of the Board since 11 April 2016 and he was appointed as the CEO of the Company since 16 October 2018.

#### (b) Deviation from the code provision A.2.1

The roles and duties of the Chairman and the CEO of the Company should be carried out by different individuals which have been clearly defined.

Since 16 October 2018, Mr. XI Yu has performed both of the roles as the Chairman and the CEO of the Company. This deviates from code provision A.2.1 of the Corporate Governance Code set out in Appendix 14 of the Listing Rules, which requires that the roles of Chairman and the CEO of the Company should be separated and should not be performed by the same individual.

After evaluation of the current situation of the Group and taking into account of the experience and past performance of Mr. XI Yu, the Board is of the opinion that it is appropriate and in the best interest of the Company at the present stage to vest the roles of the Chairman and the CEO of the Company on the same person as it helps to facilitate the execution of the Group's business strategies and maximises the effectiveness of its operation.

In addition, the Board also considers that: (i) the Company has sufficient internal controls to provide checks and balances on the functions of the Chairman and the CEO of the Company; (ii) Mr. XI as the Chairman and CEO is fully accountable to the shareholders of the Company and contributes to the Board and the Group on all top level and strategic decisions and is responsible for ensuring that all Directors act in the best interests of the Shareholders; and (iii) this structure will not impair the balance of power and authority between the Board and the management of the Company. The Board believes that vesting of the roles of the Chairman and the CEO of the Company on the same person has the benefit of ensuring consistent leadership within the Group and will enable the Company to make and implement decisions in a timely and efficient manner. However, the Board will continue to review and consider splitting the role of chairman of the Board and the chief executive officer of the Company at a time when it is appropriate.

### 主席及行政總裁

#### (a) 主席及行政總裁的身份

奚玉先生自二零一六年四月十一日起獲委任為董事會主席，彼亦自二零一八年十月十六日起獲委任為本公司行政總裁。

#### (b) 偏離守則條文第A.2.1條

本公司主席及行政總裁的角色及職責應由不同人士擔任，並已清晰界定。

自二零一八年十月十六日起，奚玉先生一直履行本公司主席及行政總裁的角色。此偏離上市規則附錄十四所載的企業管治守則的守則條文第A.2.1條，該條文規定本公司主席及行政總裁之角色應有所區分，並不應由一人同時兼任。

於評估本集團的現時情況及經考慮奚玉先生的經驗及過往表現後，董事會認為由一人同時兼任本公司主席及行政總裁有助於執行本集團的業務策略，並使其營運效益得到最大的提升，於目前階段乃適當，並符合本公司的最佳利益。

此外，董事會亦認為：(i)本公司有足夠內部監控以監察並平衡主席與行政總裁之職能；(ii)奚先生出任本公司主席兼行政總裁對本公司股東承擔全責，並對所有高層決定和策略性決定向董事會及本集團獻策，且有責任確保所有董事以股東之最佳利益而行事；及(iii)此架構並不會使董事會與本公司管理層之權限及監督失衡。董事會相信，由同一人士擔任本公司主席及行政總裁職務有利於確保本集團上下之貫徹領導，並使本公司適時及有效率地作出決策且加以實施。然而，董事會將繼續檢討及考慮在適當時機劃分本公司董事會主席及行政總裁之職務。

# CORPORATE GOVERNANCE REPORT

## 企業管治報告

Mr. Xi Yu, as the Chairman of the Company, provides leadership and strategic direction for the Board. The Chairman ensures that the Board works effectively and performs its responsibilities, and that all key and appropriate issues are discussed by the Board in a timely manner.

The Chairman takes primary responsibility for ensuring that good corporate governance practices and procedures are established. He encourages all Directors to make a full and active contribution to the Board's affairs and take the lead to ensure that it acts in the best interests of the Company. The Chairman encourages any Director with different views to voice their concerns, allow sufficient time for discussion of issues and ensure that Board decisions fairly reflect Board consensus.

For the year ended 31 December 2020, the Chairman has held a meeting once with the independent non-executive Directors without presence of all executive Directors to discuss on risk management and corporate governance functions of the Company.

The Chairman ensures appropriate steps are taken to provide effective communication with the shareholders of the Company that their views are communicated to the Board as a whole. The Chairman promotes a culture of openness and debate by facilitating the effective contribution of non-executive Directors in particular and ensuring constructive relations between executive and non-executive Directors.

Mr. Xi Yu, as the CEO of the Company, is responsible for strategic planning and implementation, sourcing, meeting with potential business partners, exploring for business opportunities for the Group, client development, recruiting senior management, staff development, collaboration across the affiliated company network, enhancing best practices, and timely reporting to the Board regarding the Group's overall progress.

奚玉先生作為本公司主席，帶領董事會並為其提供策略指示。主席確保董事會有效運作及履行其責任，及所有主要及適當事宜獲其及時討論。

主席承擔首要責任，以確保建立良好企業管治常規及程序。彼鼓勵所有董事對董事會的事務作出全面及積極貢獻，並帶頭確保以本公司之最佳利益為依歸行事。主席鼓勵具有不同觀點的任何董事發表彼等的關注，准許給予更多時間討論事宜及確保董事會決定公平反映董事會共識。

截至二零二零年十二月三十一日止年度，主席曾舉行一次有獨立非執行董事出席，但所有執行董事並無出席的會議，以討論本公司風險管理及企業管治職能。

主席確保採取適當步驟以向本公司股東提供有效溝通及彼等的觀點傳達至整個董事會。主席宣傳開放及辯論文化，尤其是促使非執行董事作出有效貢獻，並確保執行董事與非執行董事間的建設性關係。

奚玉先生作為本公司之行政總裁，負責策略規劃及實施，物色潛在業務夥伴及與彼等洽談，尋找本集團的商機、客戶開發、招聘高級管理人員、員工發展、聯屬公司網絡間的合作、提高最佳做法及將本集團之整體進度及時報告予董事會。

# CORPORATE GOVERNANCE REPORT

## 企業管治報告

### NON-EXECUTIVE DIRECTORS

#### (a) The terms of appointment of independent non-executive Directors

Each of the two independent non-executive Directors, Mr. YUEN Kim Hung, Michael and Mr. HO Yau Hong, Alfred, has signed a renewed letter of appointment with the Company for a tenure of two years commenced on 1 February 2021. Dr. CHAN Yan Cheong has signed the renewed letter of appointment for a tenure of two years commencing on 1 April 2021.

The letter of appointment signed by each of the independent non-executive Directors with the Company is subject to the termination by either party giving not less than three months prior written notice and subject to retirement by rotation and re-election in accordance with the Company's constitutional documents.

#### (b) Further appointment of independent non-executive Directors

Code provision A.4.3 requires that serving more than 9 years could be relevant to the determination of a non-executive director's independence. Dr. CHAN Yan Cheong, Mr. YUEN Kim Hung, Michael and Mr. HO Yau Hong, Alfred have been independent non-executive Directors since 1 February 2000, 24 April 2002, and 30 September 2004 respectively. Each of Dr. CHAN Yan Cheong, Mr. YUEN Kim Hung, Michael and Mr. HO Yau Hong, Alfred has served as the Company's independent non-executive Director for more than 9 years, further appointment for each of them shall be subject to a separate resolution to be approved by the shareholders of the Company at the annual general meeting of the Company. The papers to shareholders accompanying that resolution would include the reasons why the Board believes each of them is still independent and should be re-elected.

### 非執行董事

#### (a) 獨立非執行董事之委任年期

兩位獨立非執行董事阮劍虹先生及何祐康先生各自已與本公司簽訂一份續新委任書任期自二零二一年二月一日起為期兩年。陳忍昌博士已簽訂續聘書，任期自二零二一年四月一日開始為期兩年。

獨立非執行董事各自與本公司簽訂的委任書可由其中一方發出不少於三個月的事先書面通知予以終止，亦須根據本公司的章程文件輪值退任及可膺選連任。

#### (b) 獨立非執行董事之續任

守則條文第A.4.3條規定在釐定非執行董事的獨立性時，「擔任董事超過9年」足以作為一個考慮界線。陳忍昌博士、阮劍虹先生及何祐康先生分別自二零零零年二月一日、二零零二年四月二十四日及二零零四年九月三十日起擔任獨立非執行董事。陳忍昌博士、阮劍虹先生及何祐康先生各自擔任本公司獨立非執行董事逾九年，進一步委任彼等各自須待本公司股東於本公司股東週年大會上批准後，方可作實。隨附該決議案一同發給股東的文件中，將載有董事會為何認為彼等各人士仍屬獨立人士及應獲重選的原因。

## BOARD COMMITTEES

### (a) The Executive Committee

#### (i) *The Role and function*

The Company has established Executive Committee with written terms of reference, pursuant to which the Board delegates its powers and authorities to the Board Committee(s) and management to manage the business of the Group, and to make investment and business decisions for the Group within its authority and to take all actions to give effect to such decisions.

#### (ii) *The composition*

The Executive Committee comprises of all executive Directors:

Mr. XI Yu (*chairman of the committee*)  
Ms. CHEUNG Siu Ling  
Ms. XI Man Shan Erica (*appointed on 1 October 2020*)  
  
Ms. ZHANG Shuo  
Ms. LIU Yu Jie  
Mr. HON Wa Fai

#### (iii) *Summary of works during the year*

- (1) For the year ended 31 December 2020, the principal works performed by the Executive Committee were mainly for the consideration and approval of authorised transactions within the terms of reference of the committee, and the execution of resolutions and directions of the Board. All decisions made by the Executive Committee during the year have been reviewed, confirmed and adopted by the Board.
- (2) Provided with regular updates on the Company's performance and financial position to enable the Board as a whole and each Director to discharge their duties.
- (3) Reported to the Board at the next scheduled regular meeting of the Board in which discussion would be carried out for any decision or commitment (made within its authority for ordinary course of business of the Group) approved by the Executive Committee and entered into on behalf of the Group.
- (4) Ensured all the relevant management personnel of the Group and the Company Secretary would be provided with all deeds, documents or contracts entered into on behalf of the Group pursuant to the approval of the Executive Committee (within its authority) for record keeping.

## 董事委員會

### (a) 執行委員會

#### (i) *角色及職能*

本公司已成立執行委員會，並制定書面職權範圍，據此，董事會委派其權力及授權予該董事會委員會及管理層，以管理本集團的業務，及於其授權範圍內為本集團作出投資及業務決定，並採取所有行動以令有關決定生效。

#### (ii) *組成*

執行委員會包括全體執行董事：

奚玉先生(*委員會主席*)  
張小玲女士  
奚文珊女士(於二零二零年十月一日獲委任)  
張碩女士  
劉玉杰女士  
韓華輝先生

#### (iii) *年內工作概要*

- (1) 截至二零二零年十二月三十一日止年度，執行委員會履行的主要工作主要為了在該委員會之職權範圍內考慮及批准授權交易以及執行董事會的決議和指示。執行委員會年內作出之所有決定均已由董事會審閱、確認及採納。
- (2) 定期提供有關本公司表現及財務狀況的最新資料，以便董事會整體及各董事履行其職責。
- (3) 於董事會計劃下次召開以討論執行委員會批准及代表本集團訂立之任何決定或承擔(於本集團日常業務過程中的授權內)的定期會議上，向董事會作出報告。
- (4) 確保本集團所有有關管理人員及公司秘書將獲提供根據執行委員會(於其授權內)的批准代表本集團所訂立的所有契據、文件或合約，以作記錄保存。

# CORPORATE GOVERNANCE REPORT

## 企業管治報告

### (b) The Nomination Committee

#### (i) *The Role and function*

The Company has established Nomination Committee with written terms of reference adopted in compliance with paragraph A.5 of the CG Code.

The Nomination Committee assists the Board in making recommendations to the Board on the appointment of directors and succession planning for directors under the Nomination Policy adopted which provides the key selection criteria and principles of the Nomination Committee in making any such recommendations.

#### (1) Selection Criteria:

When making recommendations regarding the appointment of any proposed candidate to the Board or re-appointment of any existing member(s) of the Board, the Nomination Committee shall consider a variety of factors including without limitation to the following in assessing the suitability of the proposed candidate:

- Reputation for integrity;
- Relevant skills and experience in the environmental protection industry and other relevant sectors;
- Commitment in respect of sufficient time, interest and attention to the Company's business;
- Diversity in all aspects, including but not limited to gender, age, cultural and educational background, professional experience, skills and knowledge;
- Compliance with the criteria of independence as prescribed under Rule 3.13 of the Listing Rules for the appointment of an independent non-executive Director; and
- Any other relevant factors as may be determined by the Nomination Committee or the Board from time to time.

(2) The appointment of any proposed candidate to the Board or re-appointment of any existing member(s) of the Board shall be made in accordance with the Company's Articles of Association and other applicable rules and regulations.

### (b) 提名委員會

#### (i) *角色及職能*

本公司已根據企業管治守則第A.5段成立提名委員會，並採納書面職權範圍。

提名委員會為董事會提供協助，就根據所採納之提名政策（其規定提名委員會於作出任何有關建議時所採用的主要甄選標準及原則）委任董事及董事繼任計劃向董事會提供建議。

#### (1) 甄選標準：

在提供有關委任任何建議候選人加入董事會或重新委任董事會任何現有成員的建議時，提名委員會在評估建議候選人是否適合時將考慮（包括但不限於）下列各項因素：

- 誠信的聲譽；
- 在環境保護行業及其他相關領域中的相關技能及經驗；
- 對本公司業務給予足夠的時間、興趣及關注的承諾；
- 所有方面的多樣性，包括但不限於性別、年齡、文化及教育背景、專業經驗、技能及知識；
- 符合上市規則第3.13條對委任獨立非執行董事所規定的獨立性準則；及
- 提名委員會或董事會不時可能決定的任何其他相關因素。

(2) 委任任何董事候選人加入董事會或重新委任董事會任何現有成員須根據本公司的組織章程細則及其他適用規則及規例進行。



# CORPORATE GOVERNANCE REPORT

## 企業管治報告

### (3) Nomination Procedures:

- The Secretary of the Nomination Committee shall convene a meeting, and invite nominations of candidates from Board members (if any), for consideration by the Nomination Committee. The Nomination Committee may also nominate candidates for its consideration.
- In the context of appointment of any proposed candidate to the Board, the Nomination Committee shall undertake adequate due diligence in respect of such individual and make recommendations for the Board's consideration and approval.
- In the context of re-appointment of any existing member(s) of the Board, the Nomination Committee shall make recommendations to the Board for its consideration and recommendation, for the proposed candidates to stand for re-election at a general meeting.

(4) The Nomination Committee shall refer to the "Procedures for shareholders to propose candidates for election as Directors" of the Company in relation to the nomination of any shareholder of any proposed candidate for election as a Director.

(5) The Nomination Committee shall review and monitor the structure, size and composition (including the skills, knowledge, experience and diversity of perspectives) of the Board on an annual basis and make recommendations on any proposed changes to the Board to complement the Company's corporate strategy.

(6) The Board shall have the final decision on all matters relating to recommendation of candidates to stand for election at a general meeting.

### (7) Review of the Nomination Policy

The Nomination Committee will review the Nomination Policy periodically in line with the Company's strategy and recommend any proposed changes to the Board for approval.

### (3) 提名程序：

- 提名委員會的秘書須召開會議，並邀請董事會成員提名的候選人（如有）供提名委員會考慮。提名委員會亦可提名候選人供其考慮。
- 就委任任何建議候選人加入董事會而言，提名委員會將對有關人士進行充分的盡職審查，並提出建議，供董事會考慮及批准。
- 就重新委任董事會任何現有成員而言，提名委員會將提供建議予董事會供其考慮及作出推薦，讓建議候選人可於股東大會上膺選連任。

(4) 對於任何股東提名任何建議候選人膺選董事，提名委員會將參考本公司「股東提名候選人膺選董事的程序」。

(5) 提名委員會將每年檢討及監察董事會的架構、規模及組成（包括技能、知識、經驗及觀點的多樣性），並就董事會任何建議變動提供建議，以補充本公司的公司策略。

(6) 董事會將就有關其推薦候選人在股東大會上膺選董事的所有事項作出最終決定。

### (7) 檢討提名政策

提名委員會將定期檢討提名政策是否符合本公司的策略，並向董事會建議任何建議變動以供批准。

# CORPORATE GOVERNANCE REPORT

## 企業管治報告

### (8) Board Diversity Policy

Pursuant to the code provision A.5.6 of the CG Code, the Company adopted a written board diversity policy and has made necessary revision according to the CG Code with aims to endorse the principle that the Board should have a balance of skills, experience and diversity of perspectives appropriate to the Company's business.

- Pursuant to the policy, the Board will consider gender, age, cultural and educational background, ethnicity, professional experience, skills, knowledge, length of service and the legitimate interests of the Company's principal Shareholders.
- During the year ended 31 December 2020 and up to the date of this report, the Nomination Committee has kept reviewing and assessing the composition of the Board and made recommendations to the Board on appointment of new Director and change of board member, and re-election of Directors having regard to the merit of candidates in accordance with the board diversity policy.
- In reviewing Board composition, the Nomination Committee considered that the diversity of the existing Board members is able to maintain an appropriate balance of age and professional experience and diversity of cultural and educational background on the Board.

### (8) 董事會多元化政策

根據企業管治守則之守則條文第A.5.6條，本公司已採納書面董事會多元政策，並已根據企業管治守則作出所需修訂，同意一項原則，認為其董事會應具備適切於本公司業務所需均衡之技能、經驗及多元化觀點與角度。

- 根據有關政策，董事會考慮的因素為性別、年齡、文化及教育背景、種族、專業經驗、技能、知識、服務年資，以及本公司主要股東的合法利益。
- 截至二零二零年十二月三十一日止年度及直至本報告日期為止，提名委員會根據董事會多元化政策持續審視及評核董事會的組成，並就委任新董事及董事會成員的變動以及重選董事，向董事會作出建議，按候選人的優點作為考慮。
- 於審視董事會組成時，提名委員會認為，現有董事會成員的多元化將能使董事會內的年齡及專業經驗、文化及教育背景多元化保持適當的平衡。

# CORPORATE GOVERNANCE REPORT

## 企業管治報告

- The composition of the Board as at 31 December 2020 has been reviewed by the Nomination Committee. The Board is currently composed of 4 females and 5 males (2019: 3 females and 6 males) having an average age of 54.0 (2019: 58.2), 8 out of 9 members possess post-graduate academic background, 5 out of 9 members possess professional qualification(s) recognised in different countries. The composition is considered able to meet the objective of the Board Diversity Policy to enable the effective management of the Board on the key operations of Group currently mainly located in Mainland China.

### (ii) *The composition*

The Nomination Committee comprises of three independent non-executive Directors:

Mr. YUEN Kim Hung, Michael (*chairman of the committee*)  
Dr. CHAN Yan Cheong  
Mr. HO Yau Hong, Alfred

### (iii) *Summary of works during the year*

- (1) Reviewed the composition of the Board;
- (2) Reviewed and advised on the appointment of a new executive Director to the Board in accordance with the Nomination Policy of the Company;
- (3) Discussed, reviewed and made recommendations pursuant to the Board Diversity Policy of the Company; and
- (4) Assessed the independence of independent non-executive Directors proposed for re-election at the annual general meeting.

- 提名委員會已檢討於二零二零年十二月三十一日的董事會組成。董事會現時由4位女性和5位男性(二零一九年: 3位女性和6位男性)組成, 平均年齡為54.0歲(二零一九年: 58.2歲), 9位成員中有8位具有研究生學歷背景, 9位成員中有5位擁有在不同國家獲認可的專業資格。該組成被認為能夠滿足董事會多元化政策的目標, 從而使董事會能夠有效管理本集團目前主要位於中國內地之主要業務。

### (ii) *組成*

提名委員會由三位獨立非執行董事組成:

阮劍虹先生(*委員會主席*)  
陳忍昌博士  
何祐康先生

### (iii) *年內工作概要*

- (1) 檢討董事會之組成;
- (2) 根據本公司之提名政策檢討新執行董事之任命, 並就此提供意見;
- (3) 根據本公司之董事會多元化政策進行討論、檢討及提供建議; 及
- (4) 評估擬於股東週年大會上膺選連任的獨立非執行董事的獨立性。

# CORPORATE GOVERNANCE REPORT

## 企業管治報告

### (c) The Remuneration Committee

#### (i) *The Role and function*

The Company has established the Remuneration Committee with written terms of reference in compliance with paragraph B.1 of the CG Code.

The Remuneration Committee assists the Board in making recommendations to the Board on the determination of policy for the remuneration of the Directors and senior management of the Company as follows:

- (1) approval of the remuneration and compensation of the Directors and key senior management of the Group and assessment of their performance;
- (2) making recommendations to the Board on the Company's policy and structure for all remuneration of Directors and senior management and on the implementation of a formal and transparent procedure for developing policy on such remuneration;
- (3) having the delegated responsibility to determine the specific remuneration packages of all executive Directors and senior management;
- (4) ensuring no director or any of his associates is involved in deciding his/her own remuneration;
- (5) advising Shareholders on how to vote with respect to any service contracts of directors that requires shareholders' approval;
- (6) making such alterations or additions to option scheme rules, as do not require Shareholders' consent, as the remuneration committee considers necessary or desirable subject to the limits set out in such rules; and
- (7) consideration and resolving upon all grants of options under the Company's share option schemes.

### (c) 薪酬委員會

#### (i) 角色及職能

本公司已根據企業管治守則第B.1段成立薪酬委員會，並制定其書面職權範圍。

薪酬委員會向董事會提供協助，就釐定董事及本公司高級管理層薪酬政策向董事會提供建議如下：

- (1) 批准董事及本集團主要高級管理層的薪酬及補償，並評估彼等的表現；
- (2) 就本公司全體董事及高級管理層之薪酬政策及架構，以及就執行正規而具透明度的程序制訂有關薪酬政策，向董事會提出建議；
- (3) 具有轉授責任，以釐定所有執行董事及高級管理層之特定薪酬待遇；
- (4) 確保任何董事或其任何聯繫人不得參與釐定其本人之薪酬；
- (5) 就須取得股東批准之任何董事服務合約，向股東提供投票建議；
- (6) 在購股權計劃規劃所載限制下，對該等規則作出薪酬委員會認為所需或適當而毋須取得股東同意之修訂或增補；及
- (7) 考慮及議決根據本公司購股權計劃作出之所有購股權授予。

# CORPORATE GOVERNANCE REPORT

## 企業管治報告

### (ii) *The composition*

The Remuneration Committee comprises of three independent non-executive Directors:

Mr. HO Yau Hong, Alfred (*chairman of the committee*)  
Dr. CHAN Yan Cheong  
Mr. YUEN Kim Hung, Michael

### (iii) *Summary of works during the year*

- (1) Approved and made recommendation to the Board on the remuneration of newly appointed executive Director;
- (2) Reviewed and approved the remunerations of the Directors and key senior management for the year ended 31 December 2019, the 6 months ended 30 June 2020, and for the year ended 31 December 2020; and
- (3) Approved and assessed on the compensation to all Board members in commensurate with their responsibility and performance.

### (ii) *組成*

薪酬委員會由三位獨立非執行董事組成：

何祐康先生(*委員會主席*)  
陳忍昌博士  
阮劍虹先生

### (iii) *年內工作概要*

- (1) 批准新獲委任之執行董事之薪酬，並向董事會提供建議；
- (2) 檢討及批准截至二零一九年十二月三十一日止年度、截至二零二零年六月三十日止六個月及截至二零二零年十二月三十一日止年度之董事及高級管理層薪酬；及
- (3) 批准及評估向所有董事會成員作出與彼等職責及表現相稱的補償。

# CORPORATE GOVERNANCE REPORT

## 企業管治報告

### (d) The Audit Committee

#### (i) *The Role and function*

- (1) The Company has established the Audit Committee with written terms of reference adopted in alignment with the Rule 3.21 of Listing Rules and the code provision C.3 of CG Code.
- (2) The Audit Committee is to serve as a focal point for communication among other Directors, the external auditor, and the management in relation to functions of financial and other reporting, statutory audits, risk management and internal control systems; and to assist the Board in fulfilling its responsibilities by providing an independent review of financial reporting, by satisfying themselves as to the effectiveness of the risk management and internal control systems and as to the efficiency of independent audits of the Company.
- (3) The Audit Committee has a monitoring function to work with the executive Board members and to ensure the whole Board is able to determine the appropriate corporate governance practices applicable to the Company's operations and to ensure processes and procedures are in place to achieve the Company's corporate governance objectives and to discharge the duties of the Board in performing its corporate governance functions under the CG Code include:
  - to develop and review the Company's policies and practices on corporate governance and make recommendations;
  - to review and monitor the training and continuous professional development of Directors and senior management of the Company;
  - to review and monitor the Company's policies and practices on compliance with legal and regulatory requirements;
  - to develop, review and monitor the code of conduct and compliance policies applicable to employees and Directors of the Company;

### (d) 審核委員會

#### (i) *角色及職能*

- (1) 本公司已根據上市規則第3.21條及企業管治守則之守則條文第C.3段成立審核委員會，並採納書面職權範圍。
- (2) 審核委員會乃就財務及其他申報、法定審核、風險管理及內部監控系統職能，擔任其他董事、外聘核數師及管理層溝通之重要渠道；並透過提供對財務申報的獨立審閱及信納本公司風險管理及內部監控系統的有效性以及獨立審核的效率協助董事會履行其責任。
- (3) 審核委員會具有監察職能，與執行董事會成員合作，確保整個董事會能釐定適用於本公司營運之適當企業管治常規，以及確保定有流程及程序，以實現本公司之企業管治目標及履行董事會根據企業管治守則發揮其企業管治職能之職務，包括：
  - 制訂及檢討本公司的企業管治政策及常規，並提出建議；
  - 檢討及監察本公司董事及高級管理層之培訓及持續專業發展；
  - 檢討及監察本公司遵守法律及監管要求的政策及常規；
  - 制訂、檢討及監察適用於本公司僱員及董事的行事守則及合規政策；

# CORPORATE GOVERNANCE REPORT

## 企業管治報告

- to monitor and mitigate any adverse impact arisen from any deviation from the CG Code to the Company's policies and practices on corporate governance; and
  - to review the Company's compliance with the CG Code and disclosure in the Corporate Governance Report.
- (4) The Audit Committee takes the advisory role to ensure the Board to continuously review and enhance its corporate governance practices to ensure compliance with the CG Code.
- (5) The Audit Committee takes the monitoring role to ensure the Company complies with the Disclosure Policy:
- The Company adopted a written Disclosure Policy with aims to provide a general guide to the Directors, officers<sup>#</sup>, senior management and relevant employees\* of the Company in the handling of confidential information and/or monitoring of information disclosure pursuant to the applicable laws and regulations whereas:
- <sup>#</sup> "Officer" as defined in the Securities and Futures Ordinance ("SFO") includes a director, manager or secretary of, any person involved in the management of the Company.
  - \* "Relevant employees" includes employees of the Company and directors/employees of the Company's subsidiary or holding company who, because of their office or employment, are likely to possess Inside Information (as referred to in Part XIVA of the SFO).
- (6) The Audit Committee takes the monitoring role to ensure the Company to purchase adequate insurance cover in respect of legal action against the Directors pursuant to code provision A.1.8 of the CG Code.
- 監察及減輕任何偏離企業管治守則對本公司的企業管治政策及常規產生的任何不利影響；及
  - 檢討本公司有否遵守企業管治守則及企業管治報告之披露要求。
- (4) 審核委員會擔當顧問角色，以確保董事會持續檢討及提升其企業管治常規，從而確保符合企業管治守則。
- (5) 審核委員會擔當監察角色，以確保本公司符合披露政策：
- 本公司已採納書面披露政策，旨在向本公司的董事、高級人員<sup>#</sup>、高級管理層及有關僱員\*提供一般指引，以按適用法律及規則處理機密資料及／或監察訊息披露等事宜，而：
- <sup>#</sup> 證券及期貨條例（「證券及期貨條例」）下，「高級人員」的定義包括本公司董事、經理或秘書或其他參與本公司管理的人士。
  - \* 「有關僱員」包括因其職務或受聘僱員關係而可能會管有內幕消息（定義見證券及期貨條例第XIVA部）的本公司僱員，又或本公司的附屬公司或控股公司的此等董事／僱員。
- (6) 審核委員會擔當監察角色，以確保本公司根據企業管治守則之守則條文第A.1.8條就針對董事之法律行動投購足夠的保險保障。

# CORPORATE GOVERNANCE REPORT

## 企業管治報告

### (ii) The composition

The Audit Committee comprises of three independent non-executive Directors:

Dr. CHAN Yan Cheong (*chairman of the committee*)  
Mr. YUEN Kim Hung, Michael  
Mr. HO Yau Hong, Alfred

### (iii) Summary of works during the year

- (1) Reviewed the annual report for the year ended 31 December 2019;
- (2) Discussed and reviewed with the independent auditor, Crowe (HK) CPA Limited on the interim results of the Company for the 6 months ended 30 June 2020, of which Crowe (HK) CPA Limited has carried out independent review;
- (3) Discussed and reviewed with the Board on the quarterly unaudited results for 3 months ended 31 March and 9 months ended 30 September 2020 respectively;
- (4) Reviewed semi-annually on the independent valuation reports prepared by the independent professional valuer engaged by the Company in relation to the fair value of the equity investments, impairment testing on the goodwill arisen on the business combination of environmental waste treatment operation acquired in 2007, and the fair value of the 30% equity investment in of an associate acquired through a business combination in 2017;
- (5) Reviewed the risk management and internal control systems by referring to the reports prepared by independent professional advisers engaged by the Company to review and report on the risk management and internal control systems of the Group;
- (6) Reviewed the renewal of the directors and officers liability insurance cover with appropriate indemnity limits in respect of legal action against the Directors; and
- (7) Discussed with the independent auditor the nature and scope of the audit, reporting obligations, and the potential impact to audit works in relation to the annual audit for the years ended 31 December 2020 and 2019.

### (ii) 組成

審核委員會由三位獨立非執行董事組成：

陳忍昌博士(委員會主席)  
阮劍虹先生  
何祐康先生

### (iii) 年內工作概要

- (1) 審閱截至二零一九年十二月三十一日止年度的年報；
- (2) 與獨立核數師國富浩華(香港)會計師事務所有限公司討論及審閱由國富浩華(香港)會計師事務所有限公司獨立審閱的本公司截至二零二零年六月三十日止六個月的中期業績；
- (3) 與董事會討論及審閱截至二零二零年三月三十一日止三個月及九月三十日止九個月分別的未經審核季度業績；
- (4) 每半年審閱本公司委聘的獨立專業估值師就股本投資的公平值、於二零零七年收購的環保廢物處理業務之企業合併所產生商譽之減值測試及於二零一七年透過企業合併收購的一間聯營公司30%股本投資之公平值而編製之獨立估值報告；
- (5) 參照本公司就審閱本集團的風險管理及內部監控系統並作出報告而委聘的獨立專業顧問編製的報告，審閱風險管理及內部監控系統；
- (6) 檢討續新有關董事所面臨的法律訴訟具有適當彌償限額之董事及高級人員責任保障；及
- (7) 與獨立核數師討論審計及申報責任之性質及範圍以及對有關截至二零二零年及二零一九年十二月三十一日止年度之年度審計的審計工作的潛在影響。



# CORPORATE GOVERNANCE REPORT

## 企業管治報告

### AUDITOR'S REMUNERATION

#### (a) Analysis of remuneration in respect of audit and non-audit services provided by the auditor

For the years ended 31 December 2020 and 2019, the remuneration paid/payable to the independent auditor of the Company in respect of their audit and non-audit services was as follows:

		2020 二零二零年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元
Audit services	審核服務	1,230	1,230
Non-audit review services	非審核之審閱服務	170	170

#### (b) Accountability and audit

- (1) Crowe (HK) CPA Limited (formerly known as Crowe Horwath (HK) CPA Limited) acknowledge their reporting responsibilities in the independent auditor's report to the consolidated financial statements of the Company for the year ended 31 December 2020.
- (2) It is the responsibility of the external auditor to form an independent opinion, based on their audit, on those financial statements of the Company and to report their opinion solely to the Company, as a body, and for no other purpose. The independent auditor does not assume responsibility towards or accept liability to any other person for the contents of the independent auditor's report to the shareholders of the Company.
- (3) The Directors acknowledge their responsibility of preparing the accounts and presenting a balanced, clear and comprehensive assessment for the Company's performance, position and prospects. The Directors are not aware of any material uncertainties relating to events or conditions that may cast significant doubt upon the Company's ability to continue as a going concern.
- (4) The Audit Committee has reviewed with the Board on the Company's financial statements for the year ended 31 December 2020.
- (5) Management of the Company has provided all members of the Board with monthly updates giving a balanced and understandable assessment of the performance, position and prospects of the Company and the Group in sufficient detail to enable the board as a whole and each director to discharge their duties under Rule 3.08 and Chapter 13 of the Listing Rules.

### 核數師之酬金

#### (a) 核數師所提供審核及非審核服務之酬金分析

截至二零二零年及二零一九年十二月三十一日止年度，已付／應付獨立核數師有關彼等之審核及非審核服務之酬金如下：

		2020 二零二零年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元
Audit services	審核服務	1,230	1,230
Non-audit review services	非審核之審閱服務	170	170

#### (b) 問責及審核

- (1) 國富浩華(香港)會計師事務所有限公司知悉彼等對本公司截至二零二零年十二月三十一日止年度綜合財務報表承擔獨立核數師報告內之匯報責任。
- (2) 外聘核數師負責根據彼等的審核工作就本公司的該等財務報表達致獨立意見，並僅向本公司整體報告彼等的意見，而並無其他目的。獨立核數師就致本公司股東的獨立核數師報告的內容無需對任何其他人士承擔責任或義務。
- (3) 董事確認彼等負責編製賬目及呈列本公司表現、狀況及前景的平衡、清晰及全面評估。董事會並不知悉有關可能導致本公司繼續按持續經營基準經營受到重大質疑的事件或狀況的任何重大不明朗因素。
- (4) 審核委員會已與董事會審閱本公司截至二零二零年十二月三十一日止年度的財務報表。
- (5) 本公司管理層應每月向董事會成員提供更新資料，載列有關本公司及本集團之表現、財務狀況及前景的公正及易於理解的評估，內容足以讓董事履行上市規則第3.08條及第十三章所規定的職責。

# CORPORATE GOVERNANCE REPORT

## 企業管治報告

- (6) The Company deviates from the Recommended Best Practices under code provision C.1.6 of the CG Code not to announce and publish quarterly financial results within 45 days after the end of the relevant quarter, because the Board considers the current half-yearly financial reporting mode would be more appropriate and relevant to reflect the results performance of the business model and existing operations of the Group.

- (6) 本公司偏離企業管治守則之守則條文第C.1.6條項下之建議最佳常規，未有於有關季度結束後45天內公佈及刊發季度財務業績，原因是董事會認為目前半年度財務報告模式就反映本集團業務模式及現有業務之業績表現而言更為適當及相關。

## RISK MANAGEMENT AND INTERNAL CONTROL

- (a) For the year ended 31 December 2020, based on the review of the effectiveness of the risk management and internal control systems being conducted, the Board considered the risk management and internal control systems of the Company were effective and adequate. No significant areas of concern that might affect the financial, operational, compliance controls, and risk management functions of the Group were identified. The scope of review covered the adequacy of resources, qualification/experience of staff of the Group's accounting and financial reporting function, and their training and budget.
- (b) It is the responsibility of the Board for the risk management and internal control systems and reviewing their effectiveness. The Board undertakes for evaluating and determining the nature and extent of the risks it is willing to take in achieving the Company's strategic objectives, and ensuring that the Company establishes and maintains appropriate and effective risk management and internal control systems. Since January 2019, the Company has established a project management team in Mainland China headed by experienced staff of the Group to closely monitoring the environmental compliance and daily operations of the key operations of the Group in Mainland China, and report periodically to the Board. The Board oversees management in the design, implementation and monitoring of the risk management and internal control systems, and the management would provide confirmation to the Board on the effectiveness of these systems.
- (c) The senior management of the Group, including but not limited to, the Directors and executive officers of the Company, the directors of the subsidiaries, and the general managers and deputy general managers of the Company and of the Group, maintains, monitors and implements the risk management and internal control systems on an ongoing basis.

## 風險管理及內部監控

- (a) 截至二零二零年十二月三十一日止年度，根據就風險管理及內部監控系統效益進行的檢討，董事會認為，本公司的風險管理及內部監控系統有效及足夠，亦無發現任何可能對集團財務監控、運作監控、合規監控以及風險管理功能可能構成影響的重要事項。檢討範圍涵蓋本集團會計及財務報告職能員工的資源、資歷／經驗，以及他們的培訓及預算。
- (b) 董事會承認其須對風險管理及內部監控系統負責，並有責任檢討其有效性。董事會承擔評估及釐定本公司達成策略目標時所願意接納的風險性質及程度，並確保本公司設立及維持合適及有效的風險管理及內部監控系統。自二零一九年一月起，本公司在中國內地設立項目管理團隊，由本集團之資深人員帶領密切監察本集團主要業務在中國內地之環保合規及日常運作情況，以及定期向董事會提交報告。董事會監督管理層對風險管理及內部監控系統的設計、實施及監察，而管理層將向董事會提供有系統是否有效的確認。
- (c) 本集團之高級管理層（包括但不限於董事及本公司行政人員、附屬公司董事及本公司及本集團之總經理與副總經理）負責無間斷地維持、監察及實施風險管理及內部監控系統。

# CORPORATE GOVERNANCE REPORT

## 企業管治報告

- (d) The risk management and internal control systems of the Group are designed to meet the Group's particular needs and risks to be exposed, and only to provide reasonable, but not absolute, assurance against material misstatement or loss, and to manage rather than eliminate risks of failure to achieve the Group's business objectives.
- (d) 本集團之風險管理及內部監控系統旨在滿足本集團之特別需求及將面臨之風險，以及僅提供合理（而非絕對）之保證，以防出現嚴重誤報或損失之情況，並管理（而非完全杜絕）無法達致本集團經營目標之風險。
- (e) The Group adopts a risk management system to identify, evaluate and manage significant risks associated with its business and operations comprised of the following phases:
- Identification: Identify ownership of risks, business objectives and risks that could affect the achievement of objectives.
  - Evaluation: Analyse the likelihood and impact of risks and evaluate the risk portfolio accordingly.
  - Management: Consider the risk responses, ensure effective communication to the Board and on-going monitor the residual risks.
- (e) 本集團採納風險管理系統，以識別、評估及管理與其業務及營運相關的重大風險，包括以下階段：
- 識別：識別風險歸屬、業務目標及可能影響目標實現的風險。
  - 評估：分析風險的可能性及影響，並據此評估風險組合。
  - 管理：考慮風險回應措施，確保與董事會有效溝通並持續監控剩餘風險。
- (f) The Company adopts an internal control system with a framework enabling the Group to achieve objectives regarding effectiveness and efficiency of operations, reliability of financial reporting and compliance with applicable laws and regulations comprised of the following components:
- Control Environment: A set of standards, processes and structures that provide the basis for carrying out internal control across the Group.
  - Risk Assessment: A dynamic and iterative process for identifying and analysing risks to achieve the Group's objectives, forming a basis for determining how risks should be managed.
  - Control Activities: Action established by policies and procedures to help ensure that management directives to mitigate risks to the achievement of objectives are carried out.
  - Information and Communication: Internal and external communication to provide the Group with the information needed to carry out day-to-day controls.
  - Monitoring: Ongoing and separate evaluations to ascertain whether each components of internal control is present and functioning.
- (f) 本公司採納一套內部監控系統，內有框架可使本集團能夠實現有關營運有效性及效率、財務報告可靠性以及遵守適用法律及規例的目標，包括以下部份：
- 監控環境：為於本集團進行內部監控提供基礎的一套準則、程序及架構。
  - 風險評估：識別及分析風險以實現本集團目標，以及為釐定如何管理風險提供基礎的不斷轉變而反復的過程。
  - 監控活動：根據政策及程序確立的行動，有助確保執行管理層為減低風險以達成目標所作出的指示。
  - 資訊及溝通：為本集團提供進行日常監控所需資訊的內部及外部溝通。
  - 監控：持續及獨立評估以確定內部監控的各組成部分是否存在及運作正常。

# CORPORATE GOVERNANCE REPORT

## 企業管治報告

- (g) The Company adopts and implements an inside information policy and procedures in order to enhance the Group's system of handling inside information, and to ensure the truthfulness, accuracy, completeness and timeliness of its public disclosure. Certain reasonable measures have been taken from time to time to ensure that proper safeguards exist to prevent a breach of a disclosure requirement in relation to the Group, which include:
- The access of information is restricted to a limited number of employees on a need-to-know basis. Employees who are in possession of inside information are fully conversant with their obligations to preserve confidentiality.
  - Confidentiality agreements are in place when the Group enters into significant negotiations.
  - The executive Directors are designated persons who speak on behalf of the Company when communicating with external parties such as the media, analysts or investors.
- (g) 本公司採納及執行內幕消息政策及程序，以加強本集團處理內幕消息的制度，並確保公開披露資料的真實性、準確性、完整性與及時性。本集團已不時採取若干合理措施，確保設有妥善的保障措施防止違反與本集團有關的披露規定，該等措施包括：
- 只有需要了解的有限數目僱員可獲取消息。擁有內幕消息的僱員完全了解其保守機密的責任。
  - 本集團訂立重大協商時簽訂保密協議。
  - 與外界（如媒體、分析師或投資者）溝通時，執行董事為代表本公司發言的指定人士。
- (h) The Company has not established its own internal audit function pursuant to the code provision C.2.5 of the CG Code, though the Board has reviewed the need for one on an annual basis. The Directors consider that it would be more appropriate to set up a multifunctional project management team delegated with responsibilities of internal audit on environmental governance, cash management and financial reporting functions for the existing operations of the Group.
- (h) 本公司並無遵守企業管治守則之守則條文第C.2.5條設立其自身之內部審核職能，但董事會已每年檢討有關需要。董事認為設立一支多功能項目管理團隊，並向其轉授對本集團現有業務進行環境管治、現金管理及財務報告職能之內部審核責任更為適當。
- (i) In order to ensure the existing risk management and internal control systems work effectively, the Company has engaged with independent professional party to review on the Group's compliance with the CG Code, and review on the risk management and internal control systems of the Group on an ongoing basis. For the years ended 31 December 2019 and 2020, the Company has continued to engage with SHINEWING Risk Services Limited, adopting the internal control model set down by the Committee of Sponsoring Organisations of the U.S. Treadway Commission for internal controls, to carry out independent review on the risk management and internal control systems of the key operations of the Group and the corporate governance functions of the Company on revolving basis. Based on the independent review reports, the Board has impartial reference on the assessment, the implementation and the continuous improvement toward more effective risk management function and internal control system for the key operations of the Company.
- (i) 為確保現有風險管理及內部監控系統行之有效，本公司已委聘獨立專業人士檢討本集團遵守企業管治守則的情況，以及按持續基準檢討本集團的風險管理及內部監控系統。截至二零一九年及二零二零年十二月三十一日止年度，本公司繼續委聘信永方略風險管理有限公司，採納美國反舞弊性財務報告委員會發起組織制定的內部監控模式，對本集團主要業務運作的風險管理及內部監控系統以及本公司的企業管治功能進行反覆的獨立審查。根據獨立審查報告，在評估、實施及持續改善本公司主要業務以達致更有效的風險管理功能及內部監控系統方面，董事會能有獨立持平的參考。

# CORPORATE GOVERNANCE REPORT

## 企業管治報告

(j) the Company has established a project controlling team nominated by the Board comprising the deputy general manager and vice-presidents of the Company, the project assistants, and the supervisors nominated by the Company to take up the responsibilities of monitoring the day-to-day operational management, risk management function, and internal control systems of all operating units of Group, especially for the subsidiaries in the Mainland China, integrating with the systems of monthly and annual planning and budgeting process, counter-approval and implementation and control process, identifying any risk or possible failure of the operating units, and reporting and making suggestions on how each operating unit to achieve the objectives and goals set. The project controlling team meets regularly with the executive Directors and report on matters to be updated to the Board timely.

(k) Procedures and internal controls for the handling and dissemination of inside information

The Group complies with requirements of and the Listing Rules and discloses inside information to the public as soon as reasonably practicable unless the information falls within any of the Safe Harbours as provided in the Securities and Futures Ordinance (Cap. 571, Laws of Hong Kong). Before the information is fully disclosed to the public, the Group ensures the information is kept strictly confidential. If the Group believes that the necessary degree of confidentiality cannot be maintained or that confidentiality may have been breached, the Group would immediately disclose the information to the public. The Group is committed to ensuring that information contained in announcements is not false or misleading as to a material fact, nor false or misleading through the omission of a material fact in view of presenting information in a clear and balanced way, which requires equal disclosure of both positive and negative facts.

(j) 本公司已成立由董事會提名的項目監控團隊(由本公司副總經理及副總裁、項目助理及本公司提名的監事組成)承擔監察本集團(尤其是於中國內地之附屬公司)所有營運單位之日常營運管理、風險管理功能及內部監控系統,整合按月及年度規劃系統與預算程序、反向批准以及貫徹及控制程序,識別營運單位之任何風險或可能存在之缺陷,並報告及就每個營運單位如何取得設定宗旨及目標提供推薦意見。項目監控團隊定期與執行董事舉行會議,並及時就將更新事項向董事會報告。

(k) 處理及散佈內幕消息的程序及內部監控

本集團遵守上市規則之規定,並在合理切實可行情況下盡快向公眾披露內幕消息,除非有關消息屬於香港法例第571章證券及期貨條例下任何「安全港」條文範圍內則作別論。在向公眾充分披露信息之前,本集團將確保信息嚴格保密。倘本集團認為不能保持必要的保密程度或可能已違反機密性,則本集團將立即向公眾披露有關信息。本集團通過以明確及平衡的方式呈列信息(其要求平等地披露正面及負面的事實),致力於確保公告中所載的資料對於重大事實不構成虛假或誤導,或並無因遺漏重大事實而產生虛假或誤導內容。

# CORPORATE GOVERNANCE REPORT

## 企業管治報告

### COMPANY SECRETARY

- (a) The Company has its current Company Secretary appointed since 6 October 2004. The Company Secretary, Mr. HON Wa Fai is an executive Director and employed as the financial controller of the Company, who is a member of The Hong Kong Institute of Chartered Secretaries and a certified public accountant (as defined in the Professional Accountants Ordinance, Cap. 50, Laws of Hong Kong).
- (b) Pursuant to Rule 3.29 of the Listing Rules, Mr. HON Wa Fai has taken no less than 15 hours of relevant professional training for the year ended 31 December 2020.

### SHAREHOLDERS' RIGHTS

#### (a) Communication with Shareholders

The Company has adopted its Shareholders Communication Policy to promote and facilitate effective communication with shareholders of the Company (the "Shareholders"). The Board encourages the participation of the Shareholders to the general meetings of the Company, and the Chairman of the Board shall attend the annual general meeting of the Company.

The Chairman invites the chairmen of the audit, remuneration, nomination and any other committees (as appropriate) to attend, or failing their presence, their duly appointed delegate to attend and be available to answer questions at annual general meeting. The chairman of the independent board committee (if any) is available to answer questions at the general meeting to approve a connected transaction or any other transaction that requires independent shareholders' approval.

The Board ensures the external auditor attend the annual general meeting to answer questions about the conduct of the audit, the preparation and content of the auditor's report, the accounting policies and auditor independence.

For each substantially separate issue at the general meetings, a separate resolution is to be proposed by the chairman of that meeting. The Company shall avoid "bundling" resolutions unless they are interdependent and linked forming one significant proposal. Where the resolutions are "bundled", the Company shall explain the reasons and material implications in the notice of the general meetings. The chairman of the general meetings shall ensure that an explanation is provided of the detailed procedures for conducting a poll and answer any questions from Shareholders on voting by poll.

### 公司秘書

- (a) 本公司現任公司秘書自二零零四年十月六日起獲委任。公司秘書韓華輝先生為執行董事，並受僱為本公司財務總監，彼為香港特許秘書公會會員及會計師（定義見香港法例第50章專業會計師條例）。
- (b) 根據上市規則第3.29條，韓華輝先生於截至二零二零年十二月三十一日止年度已接受不少於15小時的相關專業培訓。

### 股東的權利

#### (a) 與股東溝通

本公司採納一項股東溝通政策以提升及促進與本公司股東（「股東」）之有效溝通。董事會鼓勵股東參與本公司的股東大會，而董事會主席須出席本公司的股東週年大會。

主席邀請審核、薪酬、提名及任何其他委員會（視何者適用）的主席出席或（倘未能出席）委聘彼等正式授權代表出席股東週年大會，並於大會上回答提問。獨立董事委員會（如有）的主席可於股東大會上回答問題，以批准關連交易或要求獨立股東批准的任何其他交易。

董事會確保外聘核數師出席股東週年大會，以回答有關審核、編製行為及核數師報告內容、會計政策及核數師獨立性的問題。

就股東大會上每個主要獨立問題而言，該大會的主席將提呈一項獨立決議案。本公司將避免「捆綁」決議案，除非彼等相互依存及聯繫而構成一項重大建議。倘各項決議案獲「捆綁」，則本公司將於大會通告內解釋原因及重大含義。股東大會主席將確保，就進行投票的詳細程序作出解釋，並回答股東有關投票表的任何提問。

# CORPORATE GOVERNANCE REPORT

## 企業管治報告

The Company shall arrange for the notice to the Shareholders to be sent in the case of for annual general meeting at least 20 clear business days before the meeting and to be sent at least 10 clear business days in the case for all other general meetings. Any notice to be given by the Company shall be in writing. The Company shall send notices to all Shareholders whether or not their registered address is in Hong Kong. The Company shall ensure that notice of the general meetings is published on the websites of the Company at [www.nuigl.com](http://www.nuigl.com) and the Stock Exchange.

Shareholders who are unable to attend a general meeting may complete and return to the branch share registrar and transfer office of the Company (the "Share Registrar") in Hong Kong the proxy form enclosed with the notice of meeting to give proxy to their representatives, another shareholder or chairman of the meetings.

The poll voting procedures are included in the Company's circular convening a general meeting. The results of the voting by poll are declared at the meeting and published on the websites of the Stock Exchange and the Company respectively thereafter the meeting.

### (b) Procedures for Shareholders to convene a general meeting

According to the Memorandum and Articles of Association of the Company, the Board may whenever it thinks fit call extraordinary general meetings. Any one or more Shareholders holding at the date of deposit of the requisition not less than one-tenth of the paid up capital of the Company carrying the right of voting at general meetings of the Company shall at all times have the right, by written requisition to the Board or the Company Secretary of the Company, to require an extraordinary general meeting to be called by the Board for the transaction of any business specified in such requisition; and such meeting shall be held within 2 months after the deposit of such requisition.

Upon receipt of the requisition, the Company shall request the Share Registrar to verify and confirm on the particular of the requisitionist(s), and arrange the Board to consider the proposal and convene a general meeting by serving sufficient notice to all the registered Shareholders. If any particular of the requisitionist(s) is verified as not in order, the requisitionist(s) will be advised accordingly, and a general meeting may not be convened as requested.

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

本公司將安排，於舉行股東週年大會的情況下，致股東的通告於大會前至少20個足營業日送達，及於舉行其他股東大會的情況下，大會通告於大會前至少10個足營業日送達。本公司將發出的任何通告須以書面形式。本公司將向所有股東發出通告，無論彼等的登記地址是否位於香港。本公司將確保股東大會的通告刊登於本公司網站[www.nuigl.com](http://www.nuigl.com)及聯交所網站。

無法出席股東大會的股東可填妥大會通告所隨附的代表委任表格，並將其交回本公司於香港的股份過戶登記分處（「股份過戶處」），以委任彼等的代表、其他股東或大會主席作出受委代表。

投票表決程序載於本公司召開股東大會的通函內。以投票方式進行表決的結果將於大會上宣佈，並於會後刊登於聯交所網站及本公司網站。

### (b) 股東召開股東大會的程序

根據本公司的組織章程大綱及細則，董事會可於認為合適的任何時間召開股東特別大會。於遞交請求日期持有不少於附帶本公司股東大會的投票權的本公司繳足股本十分之一的任何一名或多名股東將於所有時間有權透過向董事會或本公司的公司秘書遞交書面請求，以要求董事會就處理有關請求所訂明的任何事務而召開股東特別大會；而有關大會應於遞交有關請求後2個月內舉行。

於收到請求後，本公司將要求股份過戶登記處核實及確認請求人的詳情，並安排董事會考慮建議，並透過向所有註冊股東發出足夠時間的事先通告召開股東大會。倘請求人的詳情被核實並非合乎規程，則該請求人將相應獲告知，而股東大會可能不會應要求而召開。

倘於遞交有關請求的21日內，董事會未能召開有關大會，則請求人本身（彼等本身）可以相同方式召開股東大會，而請求人因董事會未能召開股東大會而產生的所有合理費用將由本公司償付予請求人。

# CORPORATE GOVERNANCE REPORT

## 企業管治報告

An annual general meeting shall be called by notice of not less than 21 clear days and not less than 20 clear business days and any extraordinary general meeting at which the passing of a special resolution is to be considered shall be called by notice of not less than 21 clear days and not less than 10 clear business days. All other extraordinary general meetings may be called by notice of not less than 14 clear days and not less than 10 clear business days but if permitted by the rules of the Stock Exchange, a general meeting may be called by shorter notice, subject to the Companies Law of the Cayman Islands, if it is so agreed.

### (c) Procedures for nominating a person for election as a director in general meeting

The Company has adopted the Procedures for Shareholders to Propose a Person for Election as a Director. Save for the procedures adopted, no person, other than a retiring Director shall, unless recommended by the Board for election, be eligible for election to the office of Director at any general meeting according to the Memorandum and Articles of Association of the Company, and relevant laws and regulations applicable to the Company. Pursuant to the procedure adopted, only Shareholder(s) duly qualified to attend and vote at the general meeting shall propose a person for election as a director in general meeting.

If a Shareholder who is duly qualified to attend and vote at the general meeting wishes to propose a person other than a Director for election as a director, the following documents shall be lodged at the principal place of business of the Company in Hong Kong at Rooms 2110-2112, Telford House, 16 Wang Hoi Road, Kowloon Bay, Kowloon, Hong Kong for the Board to recommend that person for election to the office of Director at any general meeting:

- (1) a notice signed by the Shareholder of the intention to propose that person for election as a Director and the notice shall set out the contact details of the proposing shareholder, including correspondence address, contact phone number; and
- (2) a notice signed by that person to be proposed of his willingness to be elected as a Director; and the duly completed checklist attach to these procedures.

The minimum length of the period during which the above-mentioned notices are given shall be at least 10 business days and that the period for lodgment of such notices shall commence no earlier than the day after the despatch of the notice of the general meeting appointed for such election and end not later than 14 business days prior to the date of such general meeting.

股東週年大會將透過發出不少於21個足日及不少於20個足營業日的通告而召開，而於會上考慮通過一項特別決議案的任任何股東特別大會，將透過發出不少於21個足日及不少於10個足營業日的通告而召開。所有其他股東特別大會可透過發出不少於14個足日及不少於10個足營業日的通告而召開，但倘聯交所規則允許，股東大會可在開曼群島公司法的規限下透過發出時間更短的提前通告而召開（倘開曼群島公司法同意如此行事）。

### (c) 於股東大會提名人士膺選董事的程序

本公司採納股東提名人士膺選董事的程序。除已採納的程序外，除非獲董事會推薦膺選，除即將退任董事外，根據本公司的組織章程大綱及細則及本公司的有關適用法例及規例，並無人士合資格於任何股東大會上膺選董事職位。根據已採納的程序，僅正式合資格出席股東大會並於會上投票的股東可於會上提名人士膺選董事。

倘正式合資格出席並於會上投票的股東欲提名董事以外的人士膺選董事職位，則以下文件須遞交至本公司的主要營業地點，地址為香港九龍九龍灣宏開道16號德福大廈2110-2112室，以供董事會建議該人士於任何股東大會上膺選董事職位：

- (1) 該股東簽署通告表示擬提名該人士膺選董事職位，而該通告須載列提出該建議的股東的聯繫方式詳情，包括通訊地址、聯絡電話號碼；及
- (2) 該人士簽署通告表示有意願膺選董事職位；及正式填妥的檢查表隨附於此等程序。

發出上述通告的期間須至少為期10個營業日，而遞交有關通告的期間將不早於寄發就有關選舉而指定召開的股東大會通告後翌日開始，並不遲於有關股東大會日期前14個營業日結束。



# CORPORATE GOVERNANCE REPORT

## 企業管治報告

If the Company receives the notice as required after publication of the notice of meeting, the Company shall publish an announcement or issue a supplementary circular upon receipt of such a notice. Full particulars of the proposed director as required under Rule 13.51(2) of the Listing Rules must be included in the announcement or supplementary circular. However, if the Company receives insufficient information for the purposes of publishing an announcement or issuing a supplementary circular, the Company shall contact the proposing shareholder and/or the proposed director for further information.

In the event that the Company is not able to publish an announcement or issue a supplementary circular on a day, which is at least 10 business days prior to the general meeting of the Company, the said nomination of shareholder will be presented at the next following general meeting.

### (d) Dividend policy

For the year ended 31 December 2020, the Board recommended the payment of final dividend on 23 March 2021, and the recommendation of dividend is subject to the approval of the Shareholders.

In accordance with the requirement of code provision E.1.5 of the CG Code, the Company adopted a policy on payment of dividends (the "Dividend Policy") which is to allow Shareholders to participate in the Company's profits and performance results whilst retaining adequate reserves for the Company's future growth. The Board shall consider the following factors before declaring or recommending dividends:

- the Company's actual and expected financial performance;
- the Group's working capital requirements, capital expenditure requirements and future expansion plans;
- the Group's liquidity and debt gearing position, and the relevant financial covenants;
- the retained earnings and distributable reserves of the Company and each of the member companies of the Group;
- general economic conditions, business cycle of the Group's operation and other internal or external factors that may have an impact on the business, financial performance and position of the Company; and
- other factors that the Board deems relevant and appropriate.

倘本公司於股東大會通告刊發後接獲所要求的通告，則本公司將於接獲有關通告後刊發公佈或發出補充通函。上市規則第13.51(2)條所規定的建議董事的全部詳情，必須載入該公佈或補充通函。然而，倘本公司接獲的資料就刊發公佈或發出補充通函而言不足，則本公司將聯絡提出建議的股東及／或建議的董事，以獲得進一步資料。

倘本公司無法於本公司股東大會前至少10個營業日刊發公佈或發出補充通函，則上述股東提名將於下一次股東大會上提呈。

### (d) 股息政策

就截至二零二零年十二月三十一日止年度，董事會於二零二一年三月二十三日建議派發末期股息，派息建議須待股東批准後方可作實。

根據企業管治守則的守則條文第E.1.5條之規定，本公司已採納一項派付股息的政策（「股息政策」），旨在讓股東分享本公司溢利及表現成果，同時保留足夠儲備以滿足本公司的未來增長。董事會於宣派或建議派付股息前將考慮以下因素：

- 本公司的實際及預期財務表現；
- 本集團的營運資金需求、資本開支需求及未來擴展計劃；
- 本集團的流動資金及債務槓桿狀況，以及有關財務契諾；
- 本公司及本集團各成員公司的保留盈利及可分派儲備；
- 一般經濟狀況、本集團營運的業務週期以及可能對本公司的業務、財務表現及狀況產生影響的其他內部或外部因素；及
- 董事會認為有關及適當的其他因素。

# CORPORATE GOVERNANCE REPORT

## 企業管治報告

Any distribution of dividends shall be in accordance with the Articles of Association of the Company and the distribution shall achieve continuity, stability and sustainability. The recommendation of the payment of any dividend is subject to the absolute discretion of the Board, and any declaration of final dividend will be subject to the approval of the Shareholders. The Dividend Policy will be reviewed from time to time and there is no assurance that a dividend will be proposed or declared in any specific periods.

### (e) Procedures for directing Shareholders' enquiries to the Board

Shareholders shall direct their questions about their shareholdings to the Share Registrar. Shareholders and the investment community may at any time make a request for the Company's information to the extent such information is publicly available.

Shareholders or investors could enquire by putting their proposals with the Company through the following means:

Telephone number : (852) 2435 6811  
Facsimile number : (852) 2435 3220  
E-mail : comsec@nuegl.com  
Correspondence address : Rooms 2110-2112, 21/F.,  
Telford House, 16 Wang Hoi Road,  
Kowloon Bay, Kowloon, Hong Kong  
For the attention of : The Chairman

## INVESTOR RELATIONS

- (a) There is no significant change in the Company's constitutional documents during the year ended 31 December 2020.
- (b) The Company is committed to maintaining high degree of transparency to ensure the investors and the Shareholders are receiving accurate, clear, comprehensive and timely information of the Group via the publication of annual reports, interim reports, public announcements and releases, and update on key information of the Group are available on the Company's website at [www.nuigl.com](http://www.nuigl.com).

任何股息分派均應符合本公司組織章程細則的規定，而分派應實現連續性、穩定性及可持續性。董事會可全權酌情建議派付任何股息，而任何宣派末期股息將須經股東批准。股息政策將不時予以檢討，並不保證於任何特定期間將擬派或宣派股息。

### (e) 指示股東向董事會作出查詢的程序

股東可向股份過戶處直接作出有關彼等股權的查詢。股東及投資界可於任何時間提出要求索取本公司的資料，惟以可公開獲得的有關資料為限。

股東或投資者可透過以下方式向本公司查詢及提出建議：

電話號碼 : (852) 2435 6811  
傳真號碼 : (852) 2435 3220  
電郵 : comsec@nuegl.com  
郵寄地址 : 香港九龍九龍灣宏開道  
16號德福大廈21樓  
2110-2112室  
收件人 : 主席

## 投資者關係

- (a) 本公司之章程文件於截至二零二零年十二月三十一日止年度內並無重大變動。
- (b) 本公司承諾維持高度透明，以透過刊發年報、中期報告、公告及新聞稿，確保投資者及股東收到準確、清晰、全面及及時的本集團資料，而有關本集團主要資料的更新可於本公司網站[www.nuigl.com](http://www.nuigl.com)上查閱。

# CORPORATE GOVERNANCE REPORT

## 企業管治報告

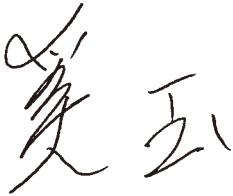
(c) The Company has engaged with PRChina Limited as its public relation consultant to enhance media and investor relations of the Group. The Board continues to maintain regular dialogue with institutional investors and analysts to keep them informed the Group's strategy, operations, management and plans. Media or potential investors could make necessary enquiry with the public relation consultant through the following means:

Telephone number : (852) 2522 1838  
Facsimile number : (852) 2521 9955  
E-mail : newuniverse@prchina.com.hk  
  
Public relation consultant : PRChina Limited

(c) 本公司已委聘中國公關顧問有限公司作為其公關顧問，以提高本集團之媒體及投資者關係。董事會繼續維持與機構投資者及分析師定期對話，以讓彼等知悉本集團之策略、營運、管理及規劃。媒體或有意投資者可透過以下途徑向公關顧問作出必要查詢：

電話號碼 : (852) 2522 1838  
傳真號碼 : (852) 2521 9955  
電郵 : newuniverse@prchina.com.hk  
  
公關顧問 : 中國公關顧問有限公司

On behalf of the Board  
代表董事會



**Xi Yu**  
奚玉  
Chairman  
主席

Hong Kong, 23 March 2021  
香港，二零二一年三月二十三日

# REPORT OF THE DIRECTORS

## 董事會報告

The directors (the “Directors”) of New Universe Environmental Group Limited (the “Company”) are pleased to present their report together with the audited consolidated financial statements for the year ended 31 December 2020.

### PRINCIPAL PLACE OF BUSINESS

The Company is incorporated in Cayman Islands as an exempted company with limited liability and has its principal place of business at Rooms 2110-2112, Telford House, 16 Wang Hoi Road, Kowloon Bay, Kowloon, Hong Kong.

### PRINCIPAL ACTIVITIES

The Company acts as an investment holding company and provides corporate management services to the group members.

The activities of the principal subsidiaries are summarised as follows:

- (a) provision of environmental treatment and disposal services for industrial and medical wastes;
- (b) provision of environmental equipment construction and installation services;
- (c) provision of environmental plating sewage treatment and provision of related facilities, utilities and management services in an eco-plating specialised zone; and
- (d) investments in plastic materials dyeing business.

### BUSINESS REVIEW

A business and financial review of the Company and its subsidiaries (collectively referred to as the “Group”) for the year ended 31 December 2020 and the material factors underlying its results and financial position together with the risk and outlook of the Company’s business as required by Schedule 5 to the Hong Kong Companies Ordinance are set out in the section headed “Management Discussion and Analysis” on pages 8 to 32 of this annual report.

新宇環保集團有限公司(「本公司」)董事(「董事」)欣然提呈截至二零二零年十二月三十一日止年度之董事會報告及經審核綜合財務報表。

### 主要營業地點

本公司為於開曼群島註冊成立之獲豁免有限公司，其主要營業地點位於香港九龍九龍灣宏開道16號德福大廈2110-2112室。

### 主要業務

本公司為一間投資控股公司，並為本集團之成員公司提供企業管理服務。

主要附屬公司之業務概述如下：

- (a) 提供環保工業及醫療廢物處理及處置服務；
- (b) 提供環保設備建造及安裝服務；
- (c) 於環保電鍍專業區提供環保電鍍污水處置以及提供相關設施與配套及管理服務；及
- (d) 塑料染色業務的投資。

### 業務回顧

香港公司條例附表5所規定之本公司及其附屬公司(統稱「本集團」)截至二零二零年十二月三十一日止年度之業務及財務回顧，以及影響其業績及財務狀況的主要因素，連同本公司的業務風險及前景載於本年報第8頁至第32頁之「管理層討論及分析」一節。

### ENVIRONMENTAL POLICIES AND PERFORMANCE

The “Environmental, Social and Governance Report 2020” of the Company for the year ended 31 December 2020 would be available on the Company’s website at [www.nuigl.com](http://www.nuigl.com).

For the year ended 31 December 2020, the Group’s key business operations has made continuous effort and investment in managing and monitoring environmental parameters, upgraded existing facilities to meet regulatory environmental requirements and national standards, and provided training relevant to the industry that is necessary for the sustained development of the Group. Save for the disclosure made in the Environmental, Social and Governance Report 2020 and certain environmental non-compliance incidents disclosed in this annual report, there was no other significant environmental exceedances recorded nor any material non-compliance in relation to environmental, social or governance aspects. Engagement with stakeholders has resulted in raised concerns on key material issues, which include: air emission, effluent and waste discharge, occupational health and safety, anti-corruption and use of energy. The Group will continue to identify areas of improvement for the concerned aspects and keep close communication with its stakeholders for advancing management on environmental, social and governance.

The Company has engaged with an independent consultant firm, Ascent Partners Advisory Service Limited, to review the Company’s overall environmental, social and governance performance of the key business operations of the Group for the preparation of the Environmental, Social and Governance Report of the Company for the year ended 31 December 2020 with reference to the Environmental, Social and Governance Reporting Guide set out in Appendix 27 to the Listing Rules.

### CORPORATE GOVERNANCE

Information on the principal corporate practices of the Company for the year ended 31 December 2020 and significant subsequent events, if any, up to the date of this report is set out in the section headed “Corporate Governance Report” on pages 45 to 81 of this annual report.

### RESULTS AND FINANCIAL STATEMENTS

The profit of the Group for the year ended 31 December 2020 and the state of the Group’s affairs as at that date are set out in the financial statements on pages 112 to 260 of this annual report.

### 環境政策及表現

本公司截至二零二零年十二月三十一日止年度的「二零二零年環境、社會及管治報告」將可於本公司網站[www.nuigl.com](http://www.nuigl.com)閱覽。

截至二零二零年十二月三十一日止年度，本集團的主要業務運作在管理及監控環保範疇持續努力及投放，進行現有設施升級以符合環保監管規定及國家標準，並提供達致本集團持續發展所需之行業相關培訓，除就於二零二零年環境、社會及管治報告中作出的披露資料及於本年報中披露的若干環境違規事件而言，並無錄得其他重大的環保超標情況，亦無發生任何與環境、社會或管治方面有關的重大違規情況。利益相關人士的參與已引起對關鍵重要事宜的關注，有關事宜包括：廢氣排放、污水及廢棄物的排放、職業健康與安全、反貪污及能源使用。本集團將繼續識別有關方面的改善空間及就提升環境、社會及管治的管理與其利益相關人士保持密切溝通。

本公司已委聘獨立顧問公司艾升評值諮詢有限公司檢討本集團主要業務運作在環境、社會及管治方面的整體表現，以參照上市規則附錄二十七所載「環境、社會及管治報告指引」編撰本公司截至二零二零年十二月三十一日止年度之「環境、社會及管治報告」。

### 企業管治

有關本公司截至二零二零年十二月三十一日止年度之主要企業管治常規的資料及截至本報告日期止之重大報告期後事項(如有)載於本年報第45頁至第81頁的「企業管治報告」一節。

### 業績及財務報表

本集團截至二零二零年十二月三十一日止年度之溢利及本集團於該日之事務狀況載於本年報財務報表第112頁至第260頁。

# REPORT OF THE DIRECTORS

## 董事會報告

### DIVIDENDS AND APPROPRIATIONS

The dividend of HK\$0.0070 per share totally amounted to approximately HK\$21,250,000 paid on 31 July 2020 was made for the year ended 31 December 2019.

On 23 March 2021, the Directors recommended the payment of a final dividend of HK\$0.0072 per share for the year ended 31 December 2020 amounting to approximately HK\$21,857,000 which is subject to approval of the shareholders at the forthcoming annual general meeting:

Annual general meeting date	:	Friday, 18 June 2021
Book close date for final dividend	:	Tuesday, 6 July 2021 to Friday, 9 July 2021
Record date for final dividend	:	Friday, 9 July 2021
Final dividend payment date	:	Friday, 30 July 2021

### SUMMARY OF FINANCIAL INFORMATION

A summary of the results and assets, liabilities and non-controlling interests of the Group for the last five financial years ended 31 December 2020, as extracted from the audited financial statements and restated/reclassified as appropriate, is set out on pages 33 to 35 of this annual report.

### SEGMENT INFORMATION

An analysis of the group's performance for the year by operating segments of the Group is set out in note 4 to the financial statements.

### PROPERTY, PLANT AND EQUIPMENT

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

### SHARE CAPITAL

Details of the movements in share capital of the Company during the year are set out in note 36 to the financial statements.

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

Neither the Company, nor any of its subsidiaries has purchased, sold, or redeemed any of the Company's listed securities during the year ended 31 December 2020.

### 股息及分派

於二零二零年七月三十一日就截至二零一九年十二月三十一日止年度派付股息每股0.0070港元，合計約21,250,000港元。

於二零二一年三月二十三日，董事建議派發截至二零二零年十二月三十一日止年度的末期股息每股0.0072港元，合共約21,857,000港元，惟須待股東在應屆股東週年大會上批准後，方可作實：

股東週年大會日期	:	二零二一年六月十八日 (星期五)
末期股息之截止過戶日期	:	二零二一年七月六日 (星期二)至 二零二一年七月九日 (星期五)
末期股息之記錄日期	:	二零二一年七月九日 (星期五)
末期股息派付日期	:	二零二一年七月三十日 (星期五)

### 財務資料概要

本集團截至二零二零年十二月三十一日止最近五個財政年度之業績以及資產、負債及非控股權益之概要(摘錄自經審核財務報表，並於適當情況下經重列/重新分類)載於本年報第33頁至第35頁。

### 分部資料

按本集團經營分部劃分的集團年內業績表現之分析載於財務報表附註4。

### 物業、廠房及設備

本集團之物業、廠房及設備於度內之變動詳情載於財務報表附註14。

### 股本

本公司之股本於年內之變動詳情載於財務報表附註36。

### 購買、出售或贖回本公司之上市證券

於截至二零二零年十二月三十一日止年度內，本公司或其任何附屬公司概無購買、出售或贖回本公司之任何上市證券。

# REPORT OF THE DIRECTORS

## 董事會報告

### PRE-EMPTIVE RIGHTS

There is no provision for pre-emptive rights under the Company's Articles of Association and there was no restriction against such rights under the laws of the Cayman Islands, being the jurisdiction in which the Company was incorporated, which would oblige the Company to offer new shares on a pro-rata basis to existing shareholders.

### RESERVES

Details of movements in the reserves of the Group during the year are set out in the consolidated statement of changes in equity on page 116 of this annual report.

Details of the movement in the reserves of the Company during the year are set out in note 37 to the financial statements.

As at 31 December 2020, the distributable reserves of the Company amounted to HK\$627,111,000 (2019: HK\$611,462,000) which was calculated according to Article 134 of the Articles of Association of the Company that dividends may be declared and paid out of the profits of the Company, realised or unrealised, or from any reserve set aside from profits which the Directors determine is no longer needed. With the sanction of an ordinary resolution, dividends may also be declared and paid out of share premium account or any other fund or account which can be authorised for this purpose in accordance with the Companies Law (Chapter 22, Law 3 of 1961, as consolidated and revised) of the Cayman Islands.

### BORROWINGS

Particulars of bank and other borrowings of the Group and the Company as at 31 December 2020 are set out in notes 27 and 28 to the financial statements.

### INTEREST CAPITALISED

For the year ended 31 December 2020, the Group has borrowing costs in the amount of HK\$255,000 capitalised at a rate of 5.225% per annum for the bank borrowings specifically financing the construction of the hazardous waste landfill in Mainland China (2019: in the amount of HK\$554,000 capitalised at a rate of 5.225%).

### 優先購買權

本公司之組織章程細則並無有關優先購買權之條文，且開曼群島（本公司註冊成立之司法權區）之法例概無對該等權利之限制，而其規定本公司須按比例向現有股東發售新股。

### 儲備

本集團之儲備於年內之變動詳情載於本年報第116頁之綜合權益變動表。

本公司之儲備於年內之變動詳情載於財務報表附註37。

於二零二零年十二月三十一日，本公司之可供分派儲備為627,111,000港元（二零一九年：611,462,000港元），乃根據本公司之組織章程細則第134條計算，即可於本公司已實現或未實現利潤，或自董事決定不再需要的利潤撥存的任何儲備中，宣派和支付股息。經普通決議案批准後，可自股份溢價賬或任何其他根據開曼群島公司法（一九六一年第3號法例第22章，經綜合及修訂）可作此用途的基金或賬目中宣派和支付股息。

### 借貸

有關本集團及本公司於二零二零年十二月三十一日之銀行及其他借貸之詳情載於財務報表附註27及28。

### 資本化利息

截至二零二零年十二月三十一日止年度，本集團專為於中國內地建設危險廢物填埋場提供融資之銀行借貸之借貸成本255,000港元，已按每年5.225%之比率資本化（二零一九年：554,000港元已按5.225%之比率資本化）。

# REPORT OF THE DIRECTORS

## 董事會報告

### MAJOR CUSTOMERS AND SUPPLIERS

Information on the Group's sales and purchases attributable to the major customers and suppliers during the year is set out as follows:

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

At no time during the two years ended 31 December 2020 did a Director, a close associate of a Director or a shareholder of the Company (which to the knowledge of the Directors owns more than 5% of the Company's issued share capital) have an interest in any of the Group's five largest customers or suppliers.

The percentage of revenue from the five largest customers in aggregate was less than 30% of the Group's total revenue respectively for the two years ended 31 December 2020.

At no time during the two years ended 31 December 2020 have the Directors, their respective close associates or any shareholder of the Company (which to the knowledge of the Directors owns more than 5% of the Company's share capital) had any interest in these major customers and suppliers of the Group.

### DIRECTORS OF THE COMPANY

The Directors during the year and up to the date of this report were as follows:

#### Executive Directors:

Mr. XI Yu  
Ms. CHEUNG Siu Ling  
Ms. XI Man Shan Erica (appointed on 1 October 2020)  
Ms. ZHANG Shuo  
Ms. LIU Yu Jie  
Mr. HON Wa Fai  
Mr. SONG Yu Qing (resigned on 30 September 2020)

#### Independent Non-Executive Directors:

Dr. CHAN Yan Cheong  
Mr. YUEN Kim Hung, Michael  
Mr. HO Yau Hong, Alfred

In accordance with Article 83(3) of the Company's Articles of Association, Ms. XI Man Shan Erica retires at the forthcoming annual general meeting and, being eligible, offers herself for re-election.

In accordance with Article 84 of the Company's Articles of Association, Mr. XI Yu, Ms. CHEUNG Siu Ling, and Ms. ZHANG Shuo retire by rotation at the forthcoming annual general meeting and, being eligible, offer themselves for re-election.

### 主要客戶及供應商

本集團於本年度內與其主要客戶及供應商之交易詳情載列如下：

#### Percentage of the Group's total 佔本集團總額之百分比

Sales 銷售額		Purchases 採購額	
2020 二零二零年	2019 二零一九年	2020 二零二零年	2019 二零一九年
11.6%	8.3%	8.6%	12.4%
23.3%	25.7%	34.6%	40.0%

董事、董事之緊密聯繫人或本公司股東（就董事所知擁有本公司之已發行股本超過5%）於截至二零二零年十二月三十一日止兩個年度內任何時間概無於本集團五大客戶或供應商中擁有任何權益。

五大客戶收益總額百分比分別少於本集團截至二零二零年十二月三十一日止兩個年度之總收益30%。

董事、彼等各自之緊密聯繫人或任何本公司股東（就董事所知擁有本公司之股本超過5%）於截至二零二零年十二月三十一日止兩個年度內任何時間概無於本集團此等主要客戶及供應商中擁有任何權益。

### 本公司董事

於年內及截至本報告日期之董事如下：

#### 執行董事：

奚玉先生  
張小玲女士  
奚文珊女士（於二零二零年十月一日獲委任）  
張碩女士  
劉玉杰女士  
韓華輝先生  
宋玉清先生（已於二零二零年九月三十日辭任）

#### 獨立非執行董事：

陳忍昌博士  
阮劍虹先生  
何祐康先生

根據本公司之組織章程細則第83(3)條，奚文珊女士於應屆股東週年大會上退任，惟符合資格並願意膺選連任。

根據本公司之組織章程細則第84條，奚玉先生、張小玲女士及張碩女士於應屆股東週年大會上輪席退任，惟符合資格並願意膺選連任。



# REPORT OF THE DIRECTORS

## 董事會報告

### DIRECTORS OF THE SUBSIDIARIES

The directors of the Company's subsidiary undertakings during the year and up to the date of this report were as follows:

### 附屬公司之董事

於本年度內及截至本報告日期止本公司附屬公司之董事如下：

Name of subsidiary	附屬公司名稱	Director(s) of the subsidiary				
		附屬公司之董事				
Ever Champ (China) Limited	恒明(中國)有限公司	A	B			
Fair International Investment Enterprise Limited	信榮國際投資企業有限公司	A	B			
Fair Industry Waste Recyclables Limited	信榮工業廢物再生利用有限公司	A	B			
Fair Time International Limited	信時國際有限公司	A	B			
Jiangsu New Universe Environmental Engineering Management Limited*	江蘇宇新環保工程管理有限公司	C				
Jiangsu Xin Yu Environmental Technologies Limited*	江蘇新宇環保科技有限公司	A				
New Sinotech Investments Limited	新華科投資有限公司*	B				
New Universe (China) Investment Limited	新宇(中國)投資有限公司	B				
New Universe (China) Limited	新宇(中國)有限公司	A	B			
New Universe Environmental Protection Investment Limited	新宇環保投資有限公司*	B				
New Universe Environmental Technologies (Jiang Su) Limited	新宇環保科技(江蘇)有限公司	A	B			
New Universe International Ecology Limited	新宇國際生態有限公司	B				
New Universe International Group Limited	新宇國際實業(集團)有限公司	A	B			
New Universe International Holdings Limited	新宇國際控股有限公司	B				
New Universe Recyclable Investments Limited	新宇資源再生投資有限公司	B				
New Universe Recyclables Limited	新宇資源再生利用有限公司	A	B			
Smartech International Group Limited	滙科國際集團有限公司*	B				
Smartech Manufacturing Limited	滙科製品有限公司	A	B			
Smartech Plastic Moulding Limited	滙科塑膠製品有限公司	A	B			
Smartech Services Limited	滙科資源有限公司	A	B			
Suqian New Universe Solid Waste Disposal Company Limited*	宿遷宇新固體廢物處置有限公司	A				
Taixing Xin Xin Resources Recycling Company Limited*	泰興新新資源再生利用有限公司	A				
Xiangshui New Universe Environmental Technology Limited	響水新宇環保科技有限公司	A	B	C	G	H
Yancheng New Universe Solid Waste Disposal Company Limited	鹽城宇新固體廢物處置有限公司	A				
Yancheng NUHF Environmental Technology Limited*	鹽城新宇輝豐環保科技有限公司	A	B	C	G	H
Zhenjiang New Universe Solid Waste Disposal Company Limited	鎮江新宇固體廢物處置有限公司	A	C	D	E	F
Zhenjiang Sinotech Eco-Electroplating Development Limited	鎮江華科生態電鍍科技發展有限公司	A				

\* For identification purpose only

\* 僅供識別之用

# REPORT OF THE DIRECTORS

## 董事會報告

Name of the directors of the Company's subsidiary undertakings:

- A: Mr. XI Yu
- B: Ms. CHEUNG Siu Ling
- C: Ms. LIU Yuan
- D: Mr. YIN Yong Xiang
- E: Mr. SUN Jia Qing
- F: Mr. LIU Lai Gen
- G: Mr. ZHONG Han Gen
- H: Mr. JI Zi Hua

### DIRECTORS' SERVICE CONTRACTS

None of the Directors who are proposed for re-election at the forthcoming annual general meeting has service contract with the Company that is not determinable within one year without payment of compensation, other than statutory compensation.

### INDEPENDENCE OF INDEPENDENT NON-EXECUTIVE DIRECTORS

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

Each of Dr. CHAN Yan Cheong, Mr. YUEN Kim Hung, Michael and Mr. HO Yau Hong, Alfred has served as the Company's independent non-executive Director for more than 9 years. Pursuant to the code provision A.4.3 set out in Appendix 14 of the Listing Rules, the further appointment of each of them should be subject to a separate resolution to be approved by the shareholders at the annual general meeting. The Board considers each of Dr. CHAN Yan Cheong, Mr. YUEN Kim Hung, Michael and Mr. HO Yau Hong, Alfred to be independent.

### BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT

The biographical details of the Directors and senior management are set out on pages 36 to 44 of this annual report.

本公司附屬公司董事之姓名：

- A： 奚玉先生
- B： 張小玲女士
- C： 劉媛女士
- D： 殷永祥先生
- E： 孫家慶先生
- F： 劉來根先生
- G： 仲漢根先生
- H： 季自華先生

### 董事之服務合約

擬於應屆股東週年大會上膺選連任之董事概無與本公司訂立不可於一年內終止而毋須作出賠償（法定賠償除外）之服務合約。

### 獨立非執行董事之獨立性

本公司已接獲獨立非執行董事各自根據上市規則第3.13條發出其獨立性之年度書面確認函。本公司認為所有獨立非執行董事均屬獨立。

陳忍昌博士、阮劍虹先生及何祐康先生已擔任本公司之獨立非執行董事逾9年。根據上市規則附錄十四所載守則條文第A.4.3條，彼等各自進一步被委任須由股東於本公司股東週年大會上以獨立決議案的方式批准。董事會認為，陳忍昌博士、阮劍虹先生及何祐康先生各自為獨立人士。

### 董事及高級管理層之履歷詳情

董事及高級管理層之履歷詳情載於本年報第36頁至第44頁。

# REPORT OF THE DIRECTORS

## 董事會報告

### CHANGE IN DIRECTORS' INFORMATION

For the year ended 31 December 2020 and up to the date of this report, there were changes in Directors' information as follows:

- (a) Mr. SONG Yu Qing resigned as the executive Director and a member of the executive committee with effect from 30 September 2020;
- (b) Ms. XI Man Shan Erica was appointed as an executive Director and a member of the executive committee of the Company with effect from 1 October 2020; and
- (c) Dr. CHAN Yan Cheong has retired from the City University of Hong Kong as chair professor with effect from 20 January 2020.

Save as disclosed therein, there is no other significant change in details of the Directors' information since the date of the last annual report of the Company for the year ended 31 December 2019.

Save as disclosed therein, there is no other information to be disclosed pursuant to the requirements of Rule 13.51(2) of Listing Rules.

### CHANGE IN INFORMATION OF MANAGEMENT

For the year ended 31 December 2020 and up to the date of this report, there was change in the information of the key management team members of the Company as follows:

The employment of Mr. DAI Bing Fu as the general manager of Xiangshui New Universe Environmental Technology Limited and Yancheng NUHF Environmental Technology Limited\* have been terminated with effect from 31 December 2020.

Save as disclosed therein, there is no other significant change in details of the key management team members' information since the date of the last annual report of the Company for the year ended 31 December 2019.

### EMOLUMENTS OF DIRECTORS AND CHIEF EXECUTIVES AND THE FIVE HIGHEST PAID INDIVIDUALS

Details of the emoluments of the Directors and the chief executives and of the five highest paid individuals in the Group are set out respectively in notes 9 and 10 to the financial statements.

\* For identification purpose only  
僅供識別之用

### 董事資料變更

截至二零二零年十二月三十一日止年度及直至本報告日期，董事資料有下列變動：

- (a) 宋玉清先生自二零二零年九月三十日起辭任執行董事及執行委員會成員；
- (b) 奚文珊女士自二零二零年十月一日起獲委任為執行董事及本公司執行委員會成員；及
- (c) 陳忍昌博士自二零二零年一月二十日起退任香港城市大學講座教授。

除本報告所披露者外，董事資料之詳情自本公司截至二零一九年十二月三十一日止年度之最近期年報日期以來概無任何其他重大變動。

除本報告所披露者外，概無其他資料需根據上市規則第13.51(2)條的規定予以披露。

### 管理層資料變更

截至二零二零年十二月三十一日止年度及直至本報告日期，本公司主要管理團隊成員之資料有如下變動：

戴兵富先生受僱於響水新宇環保科技有限公司總經理及鹽城新宇輝豐環保科技有限公司總經理之職，自二零二零年十二月三十一日起正式終止。

除本報告所披露者外，主要管理團隊成員資料之詳情自本公司截至二零一九年十二月三十一日止年度之最近期年報日期以來概無任何其他重大變動。

### 董事及主要行政人員以及五名最高薪人士之薪酬

本集團董事及主要行政人員以及五名最高薪人士之薪酬詳情分別載於財務報表附註9及10。

# REPORT OF THE DIRECTORS

## 董事會報告

### EMOLUMENT POLICY

The Board has adopted an emolument policy for the employees of the Company which is governed by the remuneration committee of the Company on the basis the relevant skills, experience, merit, qualifications and competence of the employees.

The emoluments of the Directors are decided by the remuneration committee of the Company, having regard to the Company's operating results, individual performance and comparable market statistics.

### RETIREMENT BENEFIT PLANS

The Group operates a Mandatory Provident Fund scheme for all employees in Hong Kong. Particulars of the retirement benefit plans of the Group are set out in note 41(b) to the financial statements.

### SHARE OPTION SCHEME

The Company adopted the share option scheme on 5 May 2015 (the "Share Option Scheme"). The terms of the Share Option Scheme are in accordance with the provisions set out in Chapter 17 of the Listing Rules. The Share Option Scheme shall be valid and effective for a period of ten years ending on 4 May 2025, after which no further options will be granted.

The purpose of the Share Option Scheme is to provide participants ("Participant", and each a "Participant") with the opportunity to acquire proprietary interests in the Company and to encourage Participants to work towards enhancing the value of the Company and its shares (the "Shares") for the benefit of the Company and its shareholders (the "Shareholders") as a whole.

A Participant is any person belonging to any of the following classes:

- (a) any eligible employee of or any person who has accepted an offer of employment from (whether full time or part time employee, including any executive Directors but not any non-executive Director) the Company, its subsidiaries and any entity in which the Group holds any equity interest ("Invested Entity");
- (b) any non-executive Director (including independent non-executive Directors), any of its subsidiaries or any Invested Entity;
- (c) any supplier of goods or services to any member of the Group or any Invested Entity;
- (d) any customer of the Group or any Invested Entity;

### 薪酬政策

董事會已採納一項有關本公司僱員之薪酬政策，該政策由本公司薪酬委員會基於僱員之技能、經驗、長處、資格及能力規管。

董事之薪酬乃由本公司薪酬委員會參考本公司之經營業績、個人表現及可比較市場統計數字而決定。

### 退休福利計劃

本集團為所有香港僱員設有一項強制性公積金計劃。本集團之退休福利計劃詳情載於財務報表附註41(b)。

### 購股權計劃

本公司於二零一五年五月五日採納購股權計劃（「購股權計劃」）。購股權計劃之條款乃根據上市規則第十七章所載條文制訂。購股權計劃於十年期內有效及生效，直至二零二五年五月四日結束，其後將不再授出購股權。

購股權計劃旨在為參與者（「參與者」，及各為一名「參與者」）提供機會獲得本公司之所有權權益，並鼓勵參與者致力於為本公司及其股東（「股東」）之整體利益而提升本公司及其股份（「股份」）之價值。

參與者為屬於以下任何類別參與者之任何人士：

- (a) 本公司、其附屬公司及本集團持有任何股本權益的任何實體（「被投資實體」）之任何合資格僱員或已接受聘約之人士（不論全職或兼職僱員，包括任何執行董事但不包括任何非執行董事）；
- (b) 本公司、其任何附屬公司或任何被投資實體之任何非執行董事（包括獨立非執行董事）；
- (c) 本集團任何成員公司或任何被投資實體之任何貨品或服務供應商；
- (d) 本集團或任何被投資實體之任何客戶；

# REPORT OF THE DIRECTORS

## 董事會報告

- (e) any person or entity acting in their capacities as advisers or consultants to the Group or any Invested Entity; and
- (f) any shareholder of any member of the Group or any Invested Entity or any holder of any securities issued by any member of the Group or any Invested Entity from time to time determined by the Directors having contributed or may contribute to the development and growth of the Group or any Invested Entity.
- (e) 擔任本集團或任何被投資實體之顧問或諮詢人之任何人士或實體；及
- (f) 董事不時決定已經或可能會對本集團或任何被投資實體之發展及增長作出貢獻之任何本集團成員公司或任何被投資實體之任何股東或任何本集團成員公司或任何被投資實體所發行任何證券之任何持有人。

The total number of Shares which might be issued upon exercise of all options to be granted under the Share Option Scheme and any other share option schemes of the Company must not in aggregate exceed 10% of the total number of the Company's Shares in issue as at the date of approval of the Share Option Scheme by the Shareholders at the annual general meeting on 5 May 2015 (the "Scheme Mandate Limit") unless the Company obtains an approval by its Shareholders at its general meeting to refresh the Scheme Mandate Limit. Further, the maximum number of Shares which might be issued upon exercise of all outstanding options granted and yet to be exercised under the Share Option Scheme and options which may be granted and yet to be exercised under any other share option schemes of the Company shall not exceed 30% of the total number of the Company's Shares in issue from time to time. Based on the issued share capital of 2,955,697,018 Shares as at 5 May 2015, the Scheme Mandate Limit was 295,569,701 Shares, representing approximately 9.74% of the total issued Shares as at the date of this report.

The maximum number of Shares issuable under the share options to each Participant in the Share Option Scheme within any 12-month period up to and including the date of grant is limited to 1% of the Shares in issue at any time. Any further grant of share options in excess of this limit is subject to shareholders' approval in a general meeting.

Share options granted to a director, chief executive or substantial shareholder of the Company, or to any of their respective associates under the Share Option Scheme are subject to prior approval of the independent non-executive Directors. In addition, any share options granted to a substantial shareholder or an independent non-executive Director, or to any of their respective associates, in excess of 0.1% of the Shares in issue at any time and having an aggregate value (based on the closing price of the Shares at the date of grant) in excess of HK\$5 million, within any 12-month period up to and including the date of such grant, are subject to shareholders' approval in a general meeting.

The offer of a grant of share options may be accepted within 28 days from the date of offer, upon payment of a remittance of HK\$10 in favour of the Company by the grantee. The exercise period of share options granted is determinable by the Board, save that such exercise period shall not be more than 10 years from the date of grant of such share options.

因根據購股權計劃及本公司任何其他購股權計劃所授出之全部購股權獲行使而可予發行之股份總數，合共不得超過於二零一五年五月五日舉行之股東週年大會上股東批准購股權計劃之日本公司已發行股份總數之10%（「計劃授權限額」），除非本公司於其股東大會上獲得其股東批准更新計劃授權限額。此外，因根據購股權計劃已授出且尚待行使之所有未行使購股權及根據本公司任何其他購股權計劃可能已授出且尚待行使之購股權獲行使而可予發行之股份最高數目，不得超過本公司不時已發行股份總數之30%。基於本公司於二零一五年五月五日已發行股本2,955,697,018股股份計算，計劃授權限額為295,569,701股股份，佔於本報告日期已發行股份總數約9.74%。

於直至授予日期（包括該日）止之任何12個月期間內，根據購股權可向購股權計劃參與者發行之股份最高數目，於任何時候均以已發行股份之1%為限。超出此限額之任何進一步購股權授予均須待股東於股東大會上批准後，方可作實。

根據購股權計劃向本公司董事、行政總裁或主要股東或彼等各自任何聯繫人授予購股權均須待獨立非執行董事事先批准後，方可作實。此外，於直至有關授予日期（包括該日）止任何12個月期間內，向主要股東或獨立非執行董事或彼等各自任何聯繫人授予超出於任何時候已發行股份之0.1%或總值（按於授予日期股份之收市價計算）超逾5,000,000港元之任何購股權，均須待股東於股東大會上批准後，方可作實。

購股權授予要約可於要約日期起計28日內接納，屆時承授人須向本公司支付10港元之款項。已授予購股權之行使期由董事會釐定，惟該行使期不得超過有關購股權授予日期起計10年。

# REPORT OF THE DIRECTORS

## 董事會報告

The exercise price of share options is determinable by the Board, but may not be less than the highest of (i) the closing price of the Shares as stated in the daily quotations sheets issued by The Stock Exchange of Hong Kong Limited (the "Stock Exchange") on the date of grant which must be a day ("Trading Day") on which the Stock Exchange is open for the business of dealing in securities; (ii) the average closing price of the Shares as stated in the daily quotations sheets issued by the Stock Exchange for the five Trading Days immediately preceding the date of the grant; or (iii) the nominal value of a Share.

Details of share options (the "Options") granted by the Company under the Share Option Scheme are set out as follows:

購股權之行使價可由董事會決定，但不得低於以下各項之最高者：(i)於授予日期（必須為聯交所公開進行證券交易之日（「交易日」））香港聯合交易所有限公司（「聯交所」）發出之日報表所報之股份收市價；(ii)緊接授予日期前五個交易日聯交所發出之日報表所報之股份平均收市價；或(iii)股份之面值。

本公司根據購股權計劃授出之購股權（「購股權」）之詳情載列如下：

Date of grant: 授出日期：	15 January 2021 二零二一年一月十五日	15 January 2020 二零二零年一月十五日
Date of acceptance: 接納日期：	12 February 2021 二零二一年二月十二日	12 February 2020 二零二零年二月十二日
Grantees: 承授人：	6 employees of the Group, and none of the grantees is a Director, chief executive or substantial shareholder of the Company or any of their respective associate(s) (as defined in the Listing Rules). 本集團6名僱員，概無承授人為本公司董事、行政總裁或主要股東或彼等各自之任何聯繫人（定義見上市規則）。	5 employees of the Group, and none of the grantees is a Director, chief executive or substantial shareholder of the Company or any of their respective associate(s) (as defined in the Listing Rules). 本集團5名僱員，概無承授人為本公司董事、行政總裁或主要股東或彼等各自之任何聯繫人（定義見上市規則）。
Closing price of the Shares immediately before the date of grant 緊接授出日期前的股份收市價	HK\$0.27 per Share 每股0.27港元	HK\$0.25 per Share 每股0.25港元
Exercise price of the Options granted: 所授出購股權的行使價：	HK\$0.272 per Share 每股股份0.272港元	HK\$0.25 per Share 每股股份0.25港元
Total number of Shares to be issued upon exercise in full of the Options granted: 於悉數行使所授出購股權時將予發行股份之總數：	11,380,000 Shares 11,380,000股	11,000,000 Shares 11,000,000股
Options lapsed as at 31 December 2020: 於二零二零年十二月三十一日已失效的購股權：	Not applicable 不適用	1,360,000 Shares (upon termination of the employment of a grantee with effect from 31 December 2020) 1,360,000股（於二零二零年十二月三十一日起終止一承授人的僱用）

# REPORT OF THE DIRECTORS

## 董事會報告

Vesting period of the Options:

The Options granted shall be vested upon achievement of certain vesting conditions (the “2021 Vesting Conditions”) as specified in the offer letter (the “Offer Letter”) of each respective Grantee. If the 2021 Vesting Conditions applicable to the relevant Grantee are not achieved, the unvested Options granted to such Grantee shall be cancelled as specified in the Offer Letter.

The Options shall vest in the proportions to be determined according to each particular Offer letter on the date the 2021 Vesting Conditions applicable to the relevant Grantee are achieved.

The Options granted shall be vested upon achievement of certain performance targets (the “2020 Vesting Conditions”) as specified in each particular Offer Letter of each respective Grantee. If the 2020 Vesting Conditions applicable to the relevant Grantee are not achieved, the unvested Options granted to such Grantee shall be cancelled as specified in the Offer Letter. Subject to the 2020 Vesting Conditions applicable to the relevant Grantee having been achieved, the Options shall vest in the proportions to be determined according to each particular Offer Letter on the 30th business day after the date of publication of the annual results of the Company for the year ended 31 December 2020.

購股權之歸屬期：

所授出購股權將於各相關承授人的要約函(「要約函」)內訂明的若干歸屬條件(「2021歸屬條件」)達成時歸屬。倘適用於相關承授人的2021歸屬條件未能達成，授予有關承授人的未歸屬購股權將按要約函內的規定予以註銷。

購股權將於適用於相關承授人的2021歸屬條件達成當日按各特定要約函釐定的比例歸屬。

所授出購股權將於各相關承授人的各特定要約函內訂明的若干表現目標(「2020歸屬條件」)達成時歸屬。倘適用於相關承授人的2020歸屬條件未能達成，授予有關承授人的未歸屬購股權將按要約函內的規定予以註銷。待適用於相關承授人的2020歸屬條件達成後，購股權將於刊發本公司截至二零二零年十二月三十一日止年度的年度業績日期後第30個營業日按各特定要約函釐定的比例歸屬。

Validity period of the Options:

Subject to the Options having been vested, the Options granted are exercisable from the date of publication of the annual results of the Company for the year ending 31 December 2023 (the “2023 Results Date”) to the earlier of (i) the date on which such Options lapses in accordance with the terms of the Share Option Scheme; or (ii) the 90th business day after the 2023 Results Date.

待購股權歸屬後，所授出購股權可從刊發本公司截至二零二三年十二月三十一日止年度的全年業績日期(「二零二三年業績日期」)起行使，直至以下日期(以較早者為準)：(i)有關購股權根據購股權計劃的條款失效的日期；或(ii)二零二三年業績日期後第90個營業日。

The Options granted are exercisable from the date of vesting to the earlier of (i) the date on which such Options lapses in accordance with the terms of the Share Option Scheme; or (ii) the 30th business day after the date of publication of the annual results of the Company for the year ending 31 December 2022.

所授出購股權可從歸屬日期起行使，直至以下日期(以較早者為準)：(i)有關購股權根據購股權計劃的條款失效的日期；或(ii)於刊發本公司截至二零二二年十二月三十一日止年度的全年業績日期後第30個營業日。

購股權的有效期：

# REPORT OF THE DIRECTORS 董事會報告

## DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS AND/OR SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURE OF THE COMPANY OR ANY SPECIFIED UNDERTAKING OF THE COMPANY OR ANY OTHER ASSOCIATED CORPORATION

As at 31 December 2020, the interests and short positions of the Directors and chief executive of the Company in the shares, underlying shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance ("SFO")) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO), or which are required, pursuant to section 352 of the SFO, to be entered in the register referred to therein, or which are required, pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers set out in Appendix 10 ("Model Code") of the Listing Rules, to be notified to the Company and the Stock Exchange, were as follows:

### The Company

*Long positions in shares and underlying shares of the Company*

董事及主要行政人員於本公司或本公司任何指明企業或任何聯繫法團之股份、相關股份及債權證中之權益及／或淡倉

於二零二零年十二月三十一日，董事及本公司之主要行政人員於本公司及其聯繫法團（定義見證券及期貨條例（「證券及期貨條例」）第XV部）之股份、相關股份及債權證中擁有根據證券及期貨條例第XV部第7及第8分部須知會本公司及聯交所之權益及淡倉（包括彼等根據證券及期貨條例有關規定被計作或被視作擁有之權益或淡倉），或根據證券及期貨條例第352條須記入該條提述之登記冊之權益及淡倉，或根據上市規則附錄十上市發行人董事進行證券交易的標準守則（「標準守則」）而須知會本公司及聯交所之權益及淡倉如下：

### 本公司

*於本公司股份及相關股份之好倉*

#### Number of Shares

股份數目

Name of Director 董事姓名	Capacity in which Shares were held 持有股份的身份	Number of Shares held 所持股份數目	Approximate percentage of total Shares in issue
			佔已發行股份總數之概約百分比
Mr. Xi Yu (note) 奚玉先生(附註)	Interests of a controlled corporation 受控制公司權益	1,109,303,201	36.54
Ms. Liu Yu Jie 劉玉杰女士	Beneficial owner 實益擁有人	202,400,000	6.67



# REPORT OF THE DIRECTORS

## 董事會報告

### Associated corporation

Long positions in ordinary shares of NUEL

### 聯繫法團

於NUEL普通股之好倉

#### Number of ordinary shares of US\$1.00 each of NUEL

每股面值1.00美元之NUEL普通股數目

Name of Director 董事姓名	Capacity in which ordinary shares were held 持有普通股的身份	Number of ordinary shares held 所持普通股數目	Approximate percentage of total shares in issue 佔已發行 股份總數之 概約百分比
Mr. XI Yu (note) 奚玉先生(附註)	Beneficial owner 實益擁有人	16,732	83.66
Ms. CHEUNG Siu Ling (note) 張小玲女士(附註)	Beneficial owner and Interests of spouse 實益擁有人及配偶權益	2,428	12.14

Note: New Universe Enterprises Limited ("NUEL") is beneficially interested in 1,109,303,201 Shares, representing approximately 36.54% of the issued share capital of the Company. NUEL is directly owned as to 83.66% by Mr. XI Yu. Mr. XI Yu and Ms. CHEUNG Siu Ling are also directors of NUEL.

附註：New Universe Enterprises Limited (「NUEL」) 實益擁有1,109,303,201股股份，相當於本公司之已發行股本約36.54%。NUEL由奚玉先生直接擁有83.66%。奚玉先生及張小玲女士亦均為NUEL之董事。

Save as disclosed above, as at 31 December 2020, none of the Directors or chief executive of the Company had any interests or short positions in any shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which were entered in the register referred to therein as required pursuant to section 352 of the SFO or required, to be notified to the Company and the Stock Exchange pursuant to the Model Code.

除上文所披露者外，於二零二零年十二月三十一日，概無董事或本公司之主要行政人員於本公司或其任何聯繫法團（定義見證券及期貨條例第XV部）之股份、相關股份或債權證中擁有根據證券及期貨條例第352條須記入該條提述之登記冊之權益或淡倉，或根據標準守則而須知會本公司及聯交所之權益或淡倉。

# REPORT OF THE DIRECTORS

## 董事會報告

### INTERESTS AND/OR SHORT POSITIONS OF SUBSTANTIAL SHAREHOLDERS AND OTHER PERSONS IN SHARES AND UNDERLYING SHARES OF THE COMPANY

As at 31 December 2020, the interests or short positions of those persons, other than the Directors or the chief executives of the Company whose interests has been disclosed therein above, in the Shares which has to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO and or underlying shares as recorded in the register required to be kept by the Company pursuant to section 336 of the SFO are as follows:

### 主要股東及其他人士於本公司股份及相關股份中之權益及／或淡倉

於二零二零年十二月三十一日，除本公司董事或主要行政人員（彼等之權益於上文披露）外之該等人士於股份中擁有根據證券及期貨條例第XV部第2及3分部須向本公司披露的權益或淡倉及／或於相關股份中擁有記錄於本公司根據證券及期貨條例第336條須存置之登記冊之權益或淡倉如下：

#### Long Positions in shares and underlying shares of the Company 於本公司股份及相關股份的好倉

Name of shareholder 股東名稱	Capacity in which ordinary shares were held 持有普通股的身份	Number of shares held 所持股份數目	Approximate percentage of total shares in issue 佔已發行股份總數之概約百分比
Mr. XI Yu <sup>(i)</sup> 奚玉先生 <sup>(i)</sup>	Interests of a controlled corporation 受控制公司權益	1,109,303,201	36.54
NUEL <sup>(i)</sup>	Beneficial owner 實益擁有人	1,109,303,201	36.54
China Minsheng Investment Group Corporation Ltd (中國民生投資股份有限公司) ("中民投") <sup>(ii)</sup>	Interests of a controlled corporation	800,000,000	26.35
中國民生投資股份有限公司 ("中民投") <sup>(ii)</sup>	受控制公司權益		
中民投亞洲資產管理有限公司 ("CMIG-Asia") <sup>(ii)</sup>	Interests of a controlled corporation	800,000,000	26.35
中民投亞洲資產管理有限公司 ("中民投亞洲") <sup>(ii)</sup>	受控制公司權益		
CMI Financial Holding Corporation ("CMIF-BVI") <sup>(ii)</sup>	Interests of a controlled corporation	800,000,000	26.35
CMI Financial Holding Corporation ("英屬處女群島CMIF") <sup>(ii)</sup>	受控制公司權益		
CMIG International Capital Limited ("CMIG-Hong Kong") <sup>(ii)</sup>	Interests of a controlled corporation	800,000,000	26.35
中民投國際資本有限公司 ("香港中民投") <sup>(ii)</sup>	受控制公司權益		
CM International Capital Limited ("CMIC-Cayman") <sup>(ii)</sup>	Beneficial owner	800,000,000	26.35
CM International Capital Limited ("開曼CMIC") <sup>(ii)</sup>	實益擁有人		
Ms. LIU Yu Jie <sup>(iii)</sup> 劉玉杰女士 <sup>(iii)</sup>	Beneficial owner 實益擁有人	202,400,000	6.67

# REPORT OF THE DIRECTORS

## 董事會報告

### Notes:

- (i) NUEL is directly owned as to 83.66% by Mr. XI Yu. The interest disclosed by Mr. XI as a Shareholder deemed interested in the 1,109,303,201 Shares is the same interest as disclosed by him being a Director.
- (ii) CMIC-Cayman is 100% directly owned by CMIG-Hong Kong. CMIG-Hong Kong is 31.5% directly owned by 中民投 and 68.5% directly owned by CMIF-BVI. CMIF-BVI is 100% directly owned by CMIG-Asia. CMIG-Asia is 100% directly owned by 中民投. CMIG-Hong Kong, CMIF-BVI, CMIG-Asia and 中民投 are all deemed interested in the 800,000,000 Shares beneficially owned by CMIC-Cayman.
- (iii) The interest disclosed by Ms. LIU Yu Jie as a Shareholder is the same interest as disclosed by her being a Director.

Save as disclosed above, as at 31 December 2020, so far as is known to the Directors, the Company has not been notified of any other interests or short positions in the shares and underlying shares which had been recorded in the register required to be kept by the Company under section 336 of the SFO.

## MANAGEMENT CONTRACTS

No contracts concerning for the management and administration of the whole or any substantial part of the business of the Company were entered into or subsisted during the year.

## DIRECTORS' RIGHT TO ACQUIRE SHARES

Save as disclosed under "Directors' and Chief Executive's Interests and/or Short Positions in Shares and Underlying Shares, and Debenture of the Company or Any Specified Undertaking of the Company or Any Other Associated Corporation", at no time during the year were rights to acquire benefits by means of the acquisition of Shares granted to any Director or their respective spouse or children under 18 years of age, or were any such rights exercised by them; or was the Company, or the Company's subsidiary or holding company of a subsidiary of the Company's holding company a party to any arrangement to enable the Directors to acquire such rights in any other body corporate.

### 附註：

- (i) NUEL由奚玉先生直接擁有83.66%。奚先生作為股東所披露之視為於1,109,303,201股股份中的權益為彼作為董事所披露之相同權益。
- (ii) 開曼CMIC乃由香港中民投100%直接擁有。香港中民投則由中民投及英屬處女群島CMIF分別擁有31.5%及68.5%。英屬處女群島CMIF由中民投亞洲100%直接擁有。中民投亞洲由中民投100%直接擁有。香港中民投、英屬處女群島CMIF、中民投亞洲及中民投均被視為於開曼CMIC實益擁有的800,000,000股股份中擁有權益。
- (iii) 劉玉杰女士作為股東所披露之權益為彼作為董事所披露之相同權益。

除上文所披露者外，於二零二零年十二月三十一日，據董事所知，本公司概無獲告知於股份及相關股份中擁有記錄於本公司根據證券及期貨條例第336條須存置之登記冊之任何其他權益或淡倉。

## 管理合約

本年度內，本公司並無就本公司業務整體或任何重要部份之管理或行政工作訂立或存有任何合約。

## 董事購買股份的權利

除「董事及主要行政人員於本公司或本公司任何指明企業或任何聯繫法團之股份、相關股份及債權證中之權益及／或淡倉」一節所披露者外，年內，本公司並無授予權利給任何董事或彼等各自之配偶及18歲以下的子女透過購買股份而獲取利益，任何該等權利亦無獲彼等行使；本公司或其附屬公司或本公司控股公司的一間附屬公司的控股公司亦無訂立任何安排以讓董事能夠購入任何其他法人團體之該等權利。

# REPORT OF THE DIRECTORS

## 董事會報告

### CONNECTED TRANSACTIONS

There was no connected transactions (defined under the Listing Rules) which were discloseable in the reporting period or any time during the year.

### PROVISION OF GUARANTEES TO A AFFILIATED COMPANY

On 25 September 2020, the Company and the joint venturer, as the joint guarantors, entered into the guarantee agreement with a bank in the PRC to jointly guarantee the repayment obligations of Liuzhou Xinyu Rongkai Solid Waste Disposal Company Limited\* ("Xinyu Rongkai") (a 65% indirectly owned joint venture of the Company) in relation to the bank loan facilities in a total amount of RMB120,000,000 (approximately HK\$141,600,000) and the guarantee will be effective until 31 December 2027, for the purpose of financing the construction of the integrated hazardous waste treatment project undertaken by Xinyu Rongkai at Liuzhou, Guangxi Province, the PRC.

As at 31 December 2020, such banking facilities guaranteed by the Company was utilised to the extent of RMB35,040,000 (approximately HK\$41,347,000) which is repayable on 31 December 2025 and bearing interest at 4.75% per annum.

### 關連交易

概無任何須於報告期內或年內任何時間披露的關連交易（定義見上市規則）。

### 向一間聯屬公司提供擔保

於二零二零年九月二十五日，本公司與合營方（作為共同擔保人）與中國一間銀行訂立擔保協議，以共同擔保柳州新宇榮凱固體廢物處置有限公司（「新宇榮凱」）（本公司間接擁有65%之合營企業）就總金額為人民幣120,000,000元（約141,600,000港元）之銀行貸款融資，該擔保有效至二零二七年十二月三十一日，目的為向由新宇榮凱於建設位於中國廣西省柳州市之危險廢物綜合處理設施提供資金。

於二零二零年十二月三十一日，本公司所擔保的銀行融資已動用人民幣35,040,000元（約41,347,000港元），其須於二零二五年十二月三十一日清還，並按年利率4.75%計息。

\* For identification purpose only  
僅供識別之用

# REPORT OF THE DIRECTORS

## 董事會報告

The following table summarised the financial information relating to the Group's joint venture at the end of the reporting period:

下表載列有關本集團合營企業於報告期末之財務資料概要：

		For the years ended 31 December 截至十二月三十一日止年度	
		2020 二零二零年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元
<b>Gross amounts of the joint venture's</b>	<b>合營企業之總金額</b>		
Non-current assets	非流動資產	110,156	23,548
Current assets	流動資產	10,046	17,554
Current liabilities	流動負債	(2,987)	(5,528)
Non-current liabilities	非流動負債	(41,347)	-
Equity	股本	75,868	35,574
<b>The Group's attributable interest in the joint venture</b>	<b>歸屬本集團於合營企業之權益之對賬</b>		
Gross amount of net assets of the joint venture	合營企業資產淨值之總金額	75,868	35,574
The Group's share of net assets of the joint venture	本集團分佔合營企業之資產淨值	49,314	23,123
Unrealised profit on inter-company transaction eliminated on consolidation	於綜合併表時抵銷公司間交易的未實現溢利	(1,914)	-
Carrying amount of net assets of the joint venture	合營企業淨資產賬面值	47,400	23,123

# REPORT OF THE DIRECTORS

## 董事會報告

### LOAN AGREEMENT WITH SPECIFIC PERFORMANCE COVENANT

On 17 August 2018, the Company accepted a banking facility letter dated 28 June 2018 (the "Facility Letter A") issued by a bank ("Bank A") in Hong Kong. Pursuant to the Facility Letter A, Bank A granted an unsecured term loan facility of up to HK\$30,000,000 (the "Facility A") to the Company. The final maturity date of the Facility A will be in July 2023. In accordance with the Facility Letter A, the proceeds of the Facility A shall be used directly for payment of the capital contribution in respect of the Group's interest in Xinyu Rongkai. As at 31 December 2020, the outstanding unsecured bank loan under the Facility A was HK\$21,000,000 (2019: HK\$27,000,000).

On 17 August 2018, the Company accepted a banking facility letter dated 8 August 2018 (the "Facility Letter B") issued by a bank ("Bank B") in Hong Kong. Pursuant to the Facility Letter B, Bank B granted an unsecured term loan facility of up to HK\$15,000,000 (the "Facility B") to the Company. The final maturity date of the Facility B will be in January 2022. The Facility B shall be used to finance the capital expenditure in relation to the environmental operations of the Group. As at 31 December 2020, the outstanding unsecured bank loan under the Facility B was HK\$15,000,000 (2019: HK\$15,000,000).

On 12 December 2017, the Company accepted a banking facility letter (the "Facility Letter C") issued by a bank ("Bank C") in Hong Kong. Pursuant to the Facility Letter C, Bank C granted an unsecured term loan facility of up to HK\$50,000,000 (the "Facility C") to the Company. The final maturity date of the Facility C will be in December 2022. In accordance with the Facility Letter C, the proceeds of the Facility C shall be used to finance the capital expenditure of the Group in relation to environmental industrial treatment, medical waste treatment and/or environmental sewage treatment project. As at 31 December 2020, the outstanding unsecured bank loan under the Facility C was HK\$35,000,000 (2019: HK\$40,000,000).

Pursuant to each of the facility letters A, B, and C, if Mr. Xi Yu (being defined as the "Controlling Shareholder" in the facility letters) (i) ceases to be directly or indirectly the single largest Shareholder; (ii) ceases to own directly or indirectly at least 30% of the issued Shares with voting rights of the Company; or (iii) ceases to have the management control over the Company, the banks reserve their respective overriding rights at any time with immediate effect to cancel or vary the terms of the facility letters, demand immediate repayment of all outstanding amounts and require provision of immediate cash cover (in the amount notified by the banks) for any future or contingent liabilities upon the occurrence of any events of default.

### 附有特定履行契諾的借貸協議

於二零一八年八月十七日，本公司接納香港一間銀行（「銀行A」）發出日期為二零一八年六月二十八日的銀行授信函（「授信函A」）。根據授信函A，銀行A向本公司授出最多達30,000,000港元之無抵押定期貸款授信（「授信A」）。授信A之最後到期日將為二零二三年七月。根據授信函A，授信A之所得款項將直接用於支付本集團於新宇榮凱之權益的相關出資。於二零二零年十二月三十一日，授信A項下之未償還無抵押銀行貸款為21,000,000港元（二零一九年：27,000,000港元）。

於二零一八年八月十七日，本公司接納香港一間銀行（「銀行B」）發出日期為二零一八年八月八日的銀行授信函（「授信函B」）。根據授信函B，銀行B向本公司授出最多達15,000,000港元之無抵押定期貸款授信（「授信B」）。授信B之最後到期日將為二零二二年一月。授信B須用以撥付本集團有關環保業務的資本開支。於二零二零年十二月三十一日，授信B項下之未償還無抵押銀行貸款為15,000,000港元（二零一九年：15,000,000港元）。

於二零一七年十二月十二日，本公司接納香港一間銀行（「銀行C」）發出之銀行授信函（「授信函C」）。根據授信函C，銀行C向本公司授出最多達50,000,000港元之無抵押定期貸款授信（「授信C」）。授信C之最後到期日將為二零二二年十二月。根據授信函C，授信C之所得款項須用作撥付本集團有關環保工業處置、醫療廢物處置及／或環保污水處置項目的資本開支。於二零二零年十二月三十一日，授信C項下之未償還無抵押銀行貸款為35,000,000港元（二零一九年：40,000,000港元）。

根據授信函A、B及C各函件，倘奚玉先生（於授信函中定義為「控股股東」）(i)不再直接或間接為單一最大股東；(ii)不再直接或間接擁有本公司至少30%附表決權之已發行股份；或(iii)不再對本公司擁有管理控制權，則該等銀行保留彼等各自之凌駕權利，在發生任何違約事件之情況下，可於任何時間即時取消或更改該等授信函的條款、要求立即償還所有未付金額以及要求就任何未來或或然負債即時提供現金保障（按該等銀行所知會的金額）。

# REPORT OF THE DIRECTORS

## 董事會報告

As for the Facility A, unless there is a default under the terms and conditions for the Facility A, Bank A will not demand repayment of any amounts due under the Facility A within 2 years from the date of the Facility Letter A. As for the Facility C, unless there is a default under the terms and conditions for the Facility C, Bank C committed not to demand repayment of any amounts due under the Facility C for the first 2 years from the date of the first drawdown on 15 December 2017.

As at 31 December 2020, Mr. XI Yu, through his beneficial interest in 83.66% of the issued share capital of NUEL, is deemed interested in 1,109,303,201 Shares (2019: 1,109,303,201 Shares), representing 36.54% (2019: 36.54%) of the total issued share capital of the Company beneficially owned by NUEL.

In accordance with the requirements under Rule 13.21 of the Listing Rules, disclosure of an obligation arises under Rule 13.18 will be included in the annual and interim reports of the Company for so long as circumstances giving rise to the obligation continue to exist.

## DIRECTORS' INTERESTS IN SIGNIFICANT CONTRACTS

As at 31 December 2020 and any time during the year, transactions, arrangements, or contracts subsisted, of which certain Directors had interests that were deemed significant to the business of the Group are set out as follows:

- (a) Mr. XI Yu and Ms. CHEUNG Siu Ling, the executive Directors, are also the directors of the landlord, Sun Ngai International Investment Limited ("Sun Ngai") to the tenancy agreement dated 17 July 2019 that was entered into by Smartech Services Limited ("Smartech Services", an indirectly 100% owned subsidiary of the Company) as tenant to lease three office units at Rooms 2109 to 2111, Telford House, 16 Wang Hoi Road, Kowloon Bay, Hong Kong (the "Office Premises") for the period from 1 August 2019 to 31 July 2020 at a monthly rental of HK\$80,000.
- (b) A renewed tenancy agreement dated 20 July 2020 was entered into between Sun Ngai as landlord and Smartech Services as tenant for leasing the Office Premises for the period from 1 August 2020 to 31 July 2021 at a monthly rental of HK\$80,000.
- (c) For the year ended 31 December 2020, total rentals paid by Smartech Services to Sun Ngai were HK\$960,000 (2019: HK\$960,000).

就授信A而言，除非根據授信A的條款及條件出現違約，否則銀行A將不會在授信函A之日期起計兩年內要求償還授信A下之任何到期金額。就授信C而言，除非根據授信C的條款及條件出現違約，否則銀行C承諾不會在二零一七年十二月十五日首次提款日期起計首兩年內要求償還授信C下之任何到期金額。

於二零二零年十二月三十一日，奚玉先生透過其於NUEL已發行股本83.66%的實益權益，被視為擁有1,109,303,201股（二零一九年：1,109,303,201股）股份之權益，相當於NUEL實益擁有之本公司已發行股本總額的36.54%（二零一九年：36.54%）。

根據上市規則第13.21條之規定，只要導致有關責任產生的情況繼續存在，本公司的年報及中期報告亦將載有上市規則第13.18條項下相關責任披露資料。

## 董事於重大合約之權益

於二零二零年十二月三十一日及年內任何時間，董事於當中擁有權益且被視為對本集團業務有重大關係之存續交易、安排或合約載列如下：

- (a) 奚玉先生及張小玲女士（均為執行董事）亦為新藝國際投資有限公司（「新藝」）之董事，新藝為日期為二零一九年七月十七日之租賃協議的業主，該協議乃由滙科資源有限公司（「滙科資源」，本公司擁有100%權益之間接全資附屬公司）（作為租戶）訂立，以租用位於香港九龍灣宏開道16號德福大廈2109至2111室的三個辦公室單位（「該等辦公室物業」），租期自二零一九年八月一日起至二零二零年七月三十一日止，月租80,000港元。
- (b) 新藝（作為業主）與滙科資源（作為租戶）所訂立日期為二零二零年七月二十日之續訂租賃協議，以租賃該等辦公室物業，租期自二零二零年八月一日起至二零二一年七月三十一日止，月租80,000港元。
- (c) 截至二零二零年十二月三十一日止年度，滙科資源支付予新藝的租金總額為960,000港元（二零一九年：960,000港元）。

# REPORT OF THE DIRECTORS

## 董事會報告

The above transactions were conducted on terms no less favourable than terms available from independent third parties which were in the ordinary course of business of the Group. The afore-mentioned tenancy agreements entered into between the wholly owned subsidiary of the Group, Smartech Services and Sun Ngai were de minimus transactions exempted under rule 14A.76(1)(a) of the Listing Rules.

Save as disclosed therein, no transaction, arrangement or contract of significance to which the Company, any of its holding company, subsidiaries, or fellow subsidiaries was a party and in which a Director had a material interest, whether directly or indirectly, subsisted at the end of the reporting period or any time during the year.

### DIRECTORS' INTERESTS IN COMPETING BUSINESS

Ms. LIU Yu Jie was appointed executive Director with effect from 9 June 2015, who has investments in four companies engaging in the operation of hazardous waste projects in four cities in Mainland China, of which she has a controlling stake in one of the four said companies. As the permission licence to operate hazardous wastes in each of the four said cities is exclusive, and the Group does not have any such operations in those cities, the Board considers that the said investments of Ms. LIU Yu Jie do not compete with the interests of the Group.

Save as disclosed therein, during the year and up to the date of this report, the Directors were not aware of any business or interest of the Directors or any substantial Shareholder (as defined under the Listing Rules) and their respective associates that had competed or might compete, either directly or indirectly, with the business of the Group and any other conflicts of interests which any such person had or might have with the Group.

### PERMITTED INDEMNITY PROVISION

A permitted indemnity provision (as defined in section 469 of the Companies Ordinance (Chapter 622 of the Laws of Hong Kong)) for the benefit of the Directors of the Company is currently in force and has been in force throughout this year in accordance with Article 164 of the Company's Articles of Association.

Directors shall be indemnified and secured harmless out of the assets of the Company from and against all actions, costs, losses, damages and expenses which any of them shall or may incur or sustain by reason of any act done, concurred in or omitted in or about the execution of their duty or supposed duty in their respective offices. The Company has taken out insurance against the liability and costs associated with defending any proceedings which may be brought against Directors.

上述交易乃按不遜於自獨立第三方可獲得之條款於本集團之日常業務過程中進行。本集團全資附屬公司滙科資源與新藝之間訂立的上述租賃協議屬上市規則第14A.76(1)(a)條項下豁免的符合最低豁免水平的交易。

除本報告所披露者外，本公司、其任何控股公司、附屬公司或同系附屬公司概無訂立董事直接或間接擁有重大利益且於報告期末或年內任何時間存續之交易、安排或合約。

### 董事於競爭業務之權益

劉玉杰女士獲委任為執行董事，自二零一五年六月九日起生效，彼於四間在中國內地四個城市從事危險廢物項目營運之公司擁有投資，並擁有上述四間公司其中一間之控股權益。由於在上述四個城市各自經營危險廢物之許可證具有獨家性，而本集團於該等城市並無任何有關營運，故董事會認為劉玉杰女士之上述投資並無與本集團之權益競爭。

除本報告所披露者外，於年內及直至本報告日期為止，董事概不知悉董事或任何主要股東（定義見上市規則）及彼等各自聯繫人的任何業務或權益與本集團的業務直接或間接構成競爭或可能構成競爭，或任何有關人士與本集團存在或可能存在任何其他利益衝突。

### 獲准許的彌償條文

根據本公司之組織章程細則第164條，保障本公司董事利益的獲准許的彌償條文（定義見公司條例（香港法例第622章）第469條）現時已生效，並已於本年度一直有效。

董事可從本公司的資產獲得彌償保證，就彼等的職務執行其職責或假定職責時因所作出、發生的任何作為或不作為而招致或蒙受的所有訴訟、費用、收費、損失及開支，獲確保免受任何損害。本公司已就董事在任何訴訟中進行辯護而可能招致的相關責任及費用投購保險。



# REPORT OF THE DIRECTORS

## 董事會報告

### PUBLIC FLOAT

Based on the information that is publicly available to the Company and to the best knowledge of the Directors during the year and up to the date of this annual report, there is sufficient public float of not less than 25% of the Company's issued shares as required under the Listing Rules.

### SUBSEQUENT EVENTS

Significant subsequent events occurred after the reporting period are set out in note 48 to the financial statements.

### COMPLIANCE WITH RELEVANT LAWS AND REGULATIONS

The Group pays high regards to legal and regulatory requirements in formulating its policies and practices. The Company has engaged with financial advisers to advice on the compliance with the Listing Rules. Legal advisers have also been engaged to ensure the Group operates in accordance with applicable laws and regulations for major corporate events of the Company.

During the year ended 31 December 2020, the Group was not aware of material non-compliance with the relevant laws and regulations that have a significant impact on the business and operations of the Group.

### REVIEW BY AUDIT COMMITTEE

The Audit Committee comprises three independent non-executive Directors, Dr. CHAN Yan Cheong, Mr. YUEN Kim Hung, Michael and Mr. HO Yau Hong, Alfred, has reviewed with the management the consolidated financial statements of the Company for the year ended 31 December 2020.

### 公眾持股量

根據本公司可獲得之公眾資料及就董事所知，於年內及直至本年報日期，本公司擁有上市規則所規定之不少於本公司已發行股份25%之充足公眾持股量。

### 報告期後事項

於報告期後發生之重大報告期後事項載於財務報表附註48。

### 遵守相關法律及規例

本集團於制定其政策及常規時重視法律及監管規定。本公司已委聘財務顧問，就遵守上市規則提供意見。本公司亦已委聘法律顧問，以確保本集團根據適用於本公司重大公司事件的法律及規例運營。

於截至二零二零年十二月三十一日止年度，本集團並不知悉，其存在任何重大違反相關法律及規例的情況，而對本集團的業務及營運造成重大影響。

### 審核委員會審閱

審核委員會包括三位獨立非執行董事：陳忍昌博士、阮劍虹先生及何祐康先生，彼等已連同管理層審閱本公司截至二零二零年十二月三十一日止年度的綜合財務報表。

# REPORT OF THE DIRECTORS

## 董事會報告

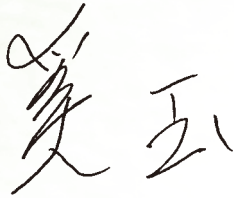
### INDEPENDENT AUDITOR

The financial statements of the Company and the Group for the three years ended 31 December 2020 were audited by Crowe (HK) CPA Limited ("Crowe (HK)", formerly known as Crowe Horwath (HK) CPA Limited). Crowe (HK) retires and, being eligible, offers itself for re-appointment and a resolution for the re-appointment of Crowe (HK) as auditor of the Company will be proposed at the forthcoming annual general meeting.

### 獨立核數師

本公司及本集團截至二零二零年十二月三十一日止三個年度之財務報表乃由國富浩華(香港)會計師事務所有限公司(「國富浩華(香港)」)審核。其任滿告退並合資格及願意接受續聘。本公司將於應屆股東週年大會上提呈一項決議案續聘國富浩華(香港)為本公司之核數師。

On behalf of the Board  
代表董事會



**Xi Yu**  
奚玉  
Chairman  
主席

Hong Kong, 23 March 2021  
香港，二零二一年三月二十三日

# INDEPENDENT AUDITOR'S REPORT 獨立核數師報告



國富浩華（香港）會計師事務所有限公司  
**Crowe (HK) CPA Limited**  
香港 銅鑼灣 禮頓道77號 禮頓中心9樓  
9/F Leighton Centre,  
77 Leighton Road,  
Causeway Bay, Hong Kong

To the shareholders of  
**New Universe Environmental Group Limited**  
(Incorporated in the Cayman Islands with limited liability)

致：新宇環保集團有限公司  
(於開曼群島註冊成立之有限公司)  
列位股東

## OPINION

We have audited the consolidated financial statements of New Universe Environmental Group Limited (the "Company") and its subsidiaries (the "Group") set out on pages 112 to 260, which comprise the consolidated statement of financial position as at 31 December 2020, and the consolidated statement of profit or loss, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

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

## BASIS OF OPINION

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

## 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.

## 意見

本核數師已完成審核新宇環保集團有限公司（「貴公司」）及其附屬公司（統稱為「貴集團」）載於第112頁至第260頁之綜合財務報表，當中載有 貴公司於二零二零年十二月三十一日之綜合財務狀況報表、及截至該日止年度之綜合損益表、綜合損益及其他全面收益表、綜合權益變動表及綜合現金流量表以及綜合財務報表之附註，包括主要會計政策概要。

本核數師認為，該等綜合財務報表已根據香港會計師公會（「香港會計師公會」）頒佈之香港財務報告準則（「香港財務報告準則」）真實而公平地反映 貴集團在二零二零年十二月三十一日的綜合財務狀況以及截至該日止年度的綜合財務表現及綜合現金流量，並已遵照香港公司條例的披露規定妥為編製。

## 意見基礎

本核數師已根據香港會計師公會頒佈的香港審計準則（「香港審計準則」）進行審核。根據該等準則，本核數師的責任於本報告「核數師就審計綜合財務報表的責任」一節中詳述。根據香港會計師公會「專業會計師道德守則」（「守則」），本核數師獨立於 貴集團，並已遵循守則履行其他道德責任。本核數師相信，本核數師所獲得的審核憑證足夠及能適當地為本核數師的意見提供基礎。

## 關鍵審核事項

關鍵審核事項為本核數師的專業判斷中，審核本期綜合財務報表中最重要的事項。本核數師於審核綜合財務報表時整體處理此等事項及就此編成意見，而不會就此等事項單獨發表意見。

# INDEPENDENT AUDITOR'S REPORT 獨立核數師報告

## KEY AUDIT MATTERS (continued)

### The Key Audit Matter

#### 關鍵審核事項

#### (a) Impairment of trade and bills receivables (including lease receivables)

(refer to notes 22 and 45(d) to the consolidated Financial statements)

#### 應收賬款及票據(包括應收租賃)之減值

(請參閱綜合財務報表附註22及45(d))

As at 31 December 2020, trade and bills receivables (including lease receivables) of the Group amounted to HK\$129,438,000 (net of provision for lifetime expected credit losses). Lifetime expected credit losses of trade and bills receivables (including lease receivables) are based on management's estimate of the lifetime expected credit losses to be incurred, which is estimated by taking into account the credit loss experience, ageing of overdue trade receivables, customers' repayment history and customers' financial position and an assessment of both the current and forecast of future economic conditions, all of which involve a significant degree of management judgement.

於二零二零年十二月三十一日，貴集團之應收賬款及票據(包括應收租賃)為129,438,000港元(已扣除全期預期信貸虧損撥備)。應收賬款及票據(包括應收租賃)之全期預期信貸虧損撥備以管理層對將產生之全期預期信貸虧損估計為基礎，作出估計時考慮信貸虧損經驗、逾期應收賬款之賬齡、客戶還款紀錄及客戶財務狀況，並對目前及預測未來經濟狀況作出評估，以上各項均涉及管理層作出重大程度的判斷。

## 關鍵審核事項(續)

### How the matter was addressed in our audit

#### 審核時處理方法

Our audit procedures included assessing and testing the Group's processes and key controls relating to the monitoring of trade and bills receivables (including lease receivables) and the granting of credit terms and contract terms relating to billing milestones. We also tested the accuracy of ageing analyses and obtained direct confirmations for samples of debtor balances. We then evaluated the adequacy of the Group's provision for lifetime expected credit losses of trade and bills receivables (including lease receivables) by reference to the Group's historical default data, the historical bad debt loss rates as adjusted based on the current economic condition during the year ended and as at 31 December 2020 and forward-looking information such as the published forecast of GDP in the PRC. We also reviewed the settlements of the Group's customers during the year and up to the date of approval of the consolidated financial statements. We also considered the adequacy of the disclosures, in particular those included in notes 22 and 45(d) to the consolidated financial statements.

我們的審核程序包括評估及測試貴集團監察應收賬款及票據(包括應收租賃)以及授予信貸期及與賬單進程有關之合約條款方面之流程及主要監控。我們亦已測試賬齡分析的準確性，並取得抽樣客戶直接確認應收款項結餘。我們隨後評價了貴集團應收賬款及票據(包括應收租賃)的全期預期信貸虧損撥備是否充份，當中參考貴集團過往被違約數據、按截至二零二零年十二月三十一日止年度及於當天當前的經濟狀況以及前瞻性資料(如已公佈的中國GDP預測)作出調整後之歷史壞賬虧損率。我們亦檢閱貴集團客戶年內及直至本綜合財務報表獲批准日期之還款情況。我們亦已考慮披露資料是否充份，尤其是綜合財務報表附註22及45(d)所載之內容。

KEY AUDIT MATTERS (continued)

關鍵審核事項(續)

The Key Audit Matter

關鍵審核事項

(b) Impairment assessment of interest in an associate (refer to notes 3(a)(vi) and 18(c) to the consolidated financial statements)

At 31 December 2020, the carrying amount of the Group's 30% equity interest in 南京化學工業園天宇固體廢物處置有限公司 "Nanjing Chemical Industry Park Tianyu Solid Waste Disposal Co., Ltd" ("NCIP") was approximately HK\$152,924,000 and the Group's share of loss of NCIP for the year then ended was approximately HK\$622,000.

The recoverable amount of the Group's 30% equity interest in NCIP is the higher of value-in-use and fair value less costs of disposal. At 31 December 2020, impairment assessment on the carrying amount of the Group's 30% equity interests in NCIP was performed by management by reference to the valuation of NCIP, as an identified cash-generating unit, conducted by an independent professional valuer with experiences and qualifications in valuing similar assets.

The impairment assessment on the carrying value of the Group's equity interest in NCIP at the reporting period end involves significant judgements made by management of the Group and estimation uncertainty.

(b) 一間聯營公司權益的減值評估

(請參閱綜合財務報表附註3(a)(vi)及18(c))

於二零二零年十二月三十一日，貴集團於南京化學工業園天宇固體廢物處置有限公司(「南京天宇」)30%股本權益的賬面值約為152,924,000港元，而貴集團於本年度應佔南京天宇虧損約為622,000港元。

貴集團於南京天宇30%股本權益的可收回金額是使用價值與公平值減出售成本兩者的較高者。於二零二零年十二月三十一日，管理層參考具有類似資產估值經驗及資格的獨立估值師對南京天宇(作為已識別現金產生單位)進行的估值對貴集團於南京天宇30%股本權益的賬面值進行減值評估。

於報告期末對貴集團於南京天宇股本權益賬面值的減值評估涉及貴集團管理層的重大判斷及估計不確定因素。

How the matter was addressed in our audit

審核時處理方法

Our audit procedures on this area included:

- Performing a review on the financial statements of NCIP for the two years ended 31 December 2019 and 2020;
- Assessing the independent professional valuer's independence, competence, capabilities and objectivity;
- Evaluating the appropriateness for the valuation methodologies used at the acquisition date and at reporting period end;
- Checking the projection of cash flows of NCIP in the valuation models to the detailed forecasts prepared by management of NCIP and evaluating the reasonableness of key assumptions underlying the cash flow projection;
- Assessing the reasonableness of the discount rate and long-term growth rate in the valuation models not exceeding the industry data at public domains;
- Challenging the key assumptions in the valuation model made by management of NCIP and the independent valuer;
- Evaluating management's sensitivity analysis on the key assumptions used, including assessment of effect of a reasonably possible change in growth rate, cash flow projections and discount rate.

We also considered the adequacy of disclosures made in the consolidated financial statements.

本核數師在此方面的審核程序包括：

- 審閱南京天宇截至二零一九年及二零二零年十二月三十一日止兩個年度的財務報表；
- 評估獨立專業估值師的獨立性、才幹、能力及客觀性；
- 評估於收購日期及報告期末使用的估值方法是否適當；
- 對照南京天宇管理層編製的詳細預測檢查估值模式中南京天宇的現金流預測以及評估有關現金流預測主要假設的合理性；
- 評估估值模式中的折現率及長期增長率不超過公有領域的行業數據是否合理；
- 質詢南京天宇管理層及獨立估值師於估值模式中的主要假設；
- 評估管理層對所用的主要假設之敏感度分析，包括評估增長率、現金流預測及折現率的合理可能變化的影響。

我們亦考慮綜合財務報表所作出的資料披露是否充足。

## INDEPENDENT AUDITOR'S REPORT 獨立核數師報告

### INFORMATION OTHER THAN THE CONSOLIDATED FINANCIAL STATEMENTS AND AUDITOR'S REPORT THEREON

The directors are responsible for the other information. The other information comprises all the information included in the annual report, other than the consolidated financial statements and our auditor's report thereon.

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

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

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

### RESPONSIBILITIES OF THE DIRECTORS FOR THE CONSOLIDATED FINANCIAL STATEMENTS

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

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

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

### 除綜合財務報表及相關核數 師報告以外的資料

董事負責其他資料。其他資料包括 貴公司年報所載資料，但不包括綜合財務報表及相關核數師報告。

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

審核綜合財務報表時，本核數師的責任為閱讀其他資料，於此過程中，考慮其他資料是否與綜合財務報表或本核數師於審計過程中所瞭解的情況有重大抵觸，或者似乎有重大錯誤陳述。

基於本核數師已執行的工作，倘本核數師認為其他資料有重大錯誤陳述，本核數師須報告該事實。於此方面，本核數師沒有任何報告。

### 董事對綜合財務報表的責任

董事須負責根據香港會計師公會頒佈的香港財務報告準則及香港公司條例的披露規定編製並真實兼公允地呈列的綜合財務報表，並為其認為必須為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的內部監控負責。

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

審核委員會協助 貴公司董事履行監督 貴集團財務報告過程的責任。

## AUDITOR'S RESPONSIBILITY FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

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

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with HKSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

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

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

## 核數師就審計綜合財務報表的責任

本核數師的目標為合理確定整體綜合財務報表是否不存在由於欺詐或錯誤而導致的任何重大錯誤陳述，並發出載有本核數師意見的核數師報告。本核數師僅向閣下（作為整體）按照委任條款報告，除此之外本報告別無其他目的。本核數師不會就本報告內容向任何其他人士負上或承擔任何責任。

合理確定屬高層次核證，但不能擔保根據香港審計準則進行的審核工作總能發現所有存在的重大錯誤陳述。錯誤陳述可源於欺詐或錯誤，倘個別或整體於合理預期情況下可影響使用者根據綜合財務報表作出的經濟決定時，則被視為重大錯誤陳述。

根據香港審計準則進行審核時，本核數師運用專業判斷，於整個審核過程中抱持專業懷疑態度。本核數師亦：

- 識別及評估綜合財務報表由於欺詐或錯誤而導致的重大錯誤陳述風險，因應此等風險設計及執行審核程序，獲得充足及適當審核憑證為本核數師的意見提供基礎。由於欺詐涉及合謀串通、偽造、故意遺漏、誤導性陳述或凌駕內部監控，因此未能發現由此造成的重大錯誤陳述風險較未能發現由於錯誤而導致的重大錯誤陳述的風險更高。
- 瞭解與審核有關的內部監控，以設計恰當的審核程序，但並非旨在對貴集團內部監控的有效程度發表意見。
- 評估所用會計政策是否恰當，以及董事所作會計估算及相關披露是否合理。

# INDEPENDENT AUDITOR'S REPORT 獨立核數師報告

## AUDITOR'S RESPONSIBILITY FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

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

We communicate with 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 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.

## 核數師就審計綜合財務報表的責任(續)

- 總結董事採用以持續經營為基礎的會計法是否恰當，並根據已獲取的審核憑證，總結是否有對貴集團持續經營的能力構成重大疑問的事件或情況等重大不確定因素。倘本核數師總結認為存在重大不確定因素，本核數師需於核數師報告中提請注意綜合財務報表內的相關資料披露，或如果相關披露不足，則修訂本核數師的意見。本核數師的結論以截至核數師報告日期所獲得的審核憑證為基礎，惟未來事件或情況可能導致貴集團不再具有持續經營的能力。
- 評估綜合財務報表(包括資料披露)的整體列報、架構及內容，以及綜合財務報表是否已公允反映及列報相關交易及事項。
- 就貴集團內各實體或業務活動的財務資料獲得充足的審核憑證，以就綜合財務報表發表意見。本核數師須負責指導、監督及執行集團的審核工作。本核數師須為本核數師的審核意見承擔全部責任。

本核數師與審核委員會就(其中包括)審核工作的計劃範圍及時間安排及重大審核發現進行溝通，包括本核數師於審核期間識別出內部監控的任何重大缺陷。

本核數師亦向審核委員會提交聲明，說明本核數師已遵守有關獨立性的道德要求，並就所有被合理認為可能影響本核數師的獨立性的關係及其他事宜以及採取消除威脅的行動或應用防範措施(如適用)與審核委員會溝通。



## AUDITOR'S RESPONSIBILITY FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

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.

## 核數師就審計綜合財務報表的 責任(續)

本核數師從與審核委員會溝通的事項中，決定哪些事項對本期綜合財務報表的審核工作最為重要，因而構成關鍵審核事項。除非法律或法規不容許公開披露此等事項，或於極罕有的情況下，本核數師認為披露此等事項可合理預期的不良後果將超越公眾知悉此等事項的利益而不應於報告中披露，否則本核數師會於核數師報告中描述此等事項。

### **Crowe (HK) CPA Limited**

國富浩華(香港)會計師事務所有限公司

*Certified Public Accountants*

執業會計師

### **Liu Mok Lan, Cliny**

廖木蘭

Practising Certificate Number: P07270

執業牌照號碼：P07270

Hong Kong, 23 March 2021

香港，二零二一年三月二十三日

# CONSOLIDATED STATEMENT OF PROFIT OR LOSS

## 綜合損益表

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

		Note 附註	2020 二零二零年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元
<b>Revenue</b>	<b>收益</b>	4(a)	<b>789,341</b>	595,706
Cost of sales	銷售成本		<b>(569,558)</b>	(393,979)
<b>Gross profit</b>	<b>毛利</b>		<b>219,783</b>	201,727
Other revenue	其他收益	5	<b>4,107</b>	4,152
Other net income	其他淨收入	6	<b>13,443</b>	11,198
Distribution costs	分銷成本		<b>(6,971)</b>	(9,554)
Administrative expenses	行政開支		<b>(56,433)</b>	(54,172)
Impairment loss on assets classified as held for sale	分類為持作出售資產 之減值虧損	26	<b>(12,636)</b>	–
Impairment loss on trade receivables	應收賬款之減值虧損	22	<b>(9,526)</b>	(4,469)
Impairment loss on other receivables	其他應收款項之減值虧損	23	–	(235)
Other operating expenses	其他經營開支	8	<b>(24,525)</b>	(53,663)
<b>Operating profit</b>	<b>經營溢利</b>		<b>127,242</b>	94,984
Finance income	融資收入	7	<b>402</b>	2,517
Finance costs	融資成本	7	<b>(9,564)</b>	(13,909)
Finance costs – net	融資成本 – 淨額	7	<b>(9,162)</b>	(11,392)
Share of results of associates	分佔聯營公司之業績	18	<b>10,302</b>	6,826
Share of results of a joint venture	分佔一間合營企業之業績	19	<b>(1,835)</b>	(1,545)
<b>Profit before taxation</b>	<b>除稅前溢利</b>	8	<b>126,547</b>	88,873
Income tax	所得稅	11	<b>(24,501)</b>	(17,744)
<b>Profit for the year</b>	<b>年度溢利</b>		<b>102,046</b>	71,129
<b>Attributable to:</b>	<b>以下人士應佔：</b>			
Owners of the Company	本公司擁有人		<b>74,576</b>	40,625
Non-controlling interests	非控股權益	17(b)	<b>27,470</b>	30,504
			<b>102,046</b>	71,129
<b>Earnings per share</b>	<b>每股盈利</b>		<b>HK cents 港仙</b>	HK cents 港仙
Basic and diluted earnings per share	每股基本及攤薄盈利	13	<b>2.46</b>	1.34

The notes on pages 119 to 260 are an integral part of these financial statements.

第119頁至第260頁之附註乃構成本財務報表不可或缺之部份。

# CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

## 綜合損益及其他全面收益表

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

	Note 附註	2020 二零二零年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元
<b>Profit for the year</b>		<b>102,046</b>	71,129
<b>Other comprehensive income:</b>			
<i>Items that may be subsequently reclassified to profit or loss:</i>			
Exchange differences			
– on translation of financial statements of overseas subsidiaries		<b>46,765</b>	(17,654)
– on translation of financial statements of overseas associates	18	<b>9,423</b>	(3,610)
– on translation of financial statements of an overseas joint venture	19	<b>2,592</b>	(513)
– release of translation reserve upon disposal of an overseas subsidiary		<b>(982)</b>	–
– release of translation reserve upon de-registration of an overseas subsidiary		–	(16)
<i>Items that will not be reclassified to profit or loss:</i>			
Fair value changes on equity investments at fair value through other comprehensive income (non-recycling)	20	<b>20,800</b>	5,100
Deferred tax effect relating to changes in fair value of equity investments	35(b)	<b>(2,860)</b>	(620)
Other comprehensive income for the year, net of income tax		<b>75,738</b>	(17,313)
<b>Total comprehensive income for the year</b>		<b>177,784</b>	53,816
<b>Attributable to:</b>			
Owners of the Company		<b>143,548</b>	25,794
Non-controlling interests		<b>34,236</b>	28,022
		<b>177,784</b>	53,816

The notes on pages 119 to 260 are an integral part of these financial statements.

第119頁至第260頁之附註乃構成本財務報表不可或缺之部份。

# CONSOLIDATED STATEMENT OF FINANCIAL POSITION

## 綜合財務狀況表

As at 31 December 2020 於二零二零年十二月三十一日

		Note 附註	2020 二零二零年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元
<b>Non-current assets</b>	<b>非流動資產</b>			
Property, plant and equipment	物業、廠房及設備	14	789,633	776,848
Right-of-use assets	使用權資產	15	129,640	131,559
Goodwill	商譽	16	33,000	33,000
Interests in associates	於聯營公司之權益	18	180,175	169,137
Interest in a joint venture	於一間合營企業之權益	19	47,400	23,123
Equity investments at fair value through other comprehensive income	透過其他全面收益按公平值 入賬之股本投資	20	118,100	97,300
			<b>1,297,948</b>	1,230,967
<b>Current assets</b>	<b>流動資產</b>			
Inventories	存貨	21	6,062	4,283
Trade and bills receivables	應收賬款及票據	22	129,438	89,021
Prepayments, deposits and other receivables	預付款項、按金及其他 應收款項	23	25,176	25,858
Contract assets	合約資產	24	1,534	894
Pledged bank deposits	有抵押銀行存款	25	12,511	154
Cash and cash equivalents	現金及等同現金項目	25	257,523	267,393
			<b>432,244</b>	387,603
Assets classified as held for sale	分類為持作出售之資產	26	15,411	–
			<b>447,655</b>	387,603
<b>Current liabilities</b>	<b>流動負債</b>			
Bank borrowings	銀行借貸	27	178,905	174,782
Other borrowing	其他借貸	28	25,000	–
Trade and bills payables	應付賬款及票據	29	66,315	32,732
Accrued liabilities and other payables	應計負債及其他應付款項	30	226,539	196,733
Lease liabilities	租賃負債	31	117	451
Contract liabilities	合約負債	32	25,011	25,103
Considerations payable for acquisition of subsidiaries	收購附屬公司之應付 代價	33	–	24,800
Deferred government grants	遞延政府補貼	34	1,106	1,048
Income tax payable	應付所得稅	35(a)	6,251	4,112
			<b>529,244</b>	459,761
<b>Net current liabilities</b>	<b>流動負債淨額</b>		<b>(81,589)</b>	(72,158)
<b>Total assets</b>	<b>總資產</b>		<b>1,745,603</b>	1,618,570
<b>Total assets less current liabilities</b>	<b>總資產減流動負債</b>		<b>1,216,359</b>	1,158,809

The notes on pages 119 to 260 are an integral part of these financial statements.

第119頁至第260頁之附註乃構成本財務報表不可或缺之部份。

# CONSOLIDATED STATEMENT OF FINANCIAL POSITION

## 綜合財務狀況表

As at 31 December 2020 於二零二零年十二月三十一日

			2020 二零二零年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元
<b>Non-current liabilities</b>				
Bank borrowings	非流動負債			
	銀行借貸	27	10,130	65,627
Other borrowing	其他借貸	28	-	25,000
Lease liabilities	租賃負債	31	30	139
Deferred government grants	遞延政府補貼	34	5,327	6,095
Deferred tax liabilities	遞延稅項負債	35(b)	37,535	33,632
			<b>53,022</b>	130,493
<b>Total liabilities</b>	<b>總負債</b>		<b>582,266</b>	590,254
<b>Net assets</b>	<b>資產淨值</b>		<b>1,163,337</b>	1,028,316
<b>Capital and reserves</b>	<b>資本及儲備</b>			
Share capital	股本	36	30,357	30,357
Reserves	儲備	37	1,004,070	881,171
Equity attributable to owners of the Company	本公司擁有人應佔股本		<b>1,034,427</b>	911,528
Non-controlling interests	非控股權益	17(b)	<b>128,910</b>	116,788
<b>Total equity</b>	<b>股本總額</b>		<b>1,163,337</b>	1,028,316

The notes on pages 119 to 260 are an integral part of these financial statements.

第119頁至第260頁之附註乃構成本財務報表不可或缺之部份。



**XI Yu**  
奚玉  
Chairman  
主席



**CHEUNG Siu Ling**  
張小玲  
Executive Director  
執行董事

# CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

## 綜合權益變動表

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

		Attributable to owners of the Company 本公司擁有人應佔部份										
		Share capital	Share premium	Translation reserve	Investment revaluation reserve	Capital reserve	Share option reserve	Statutory reserve	Retained profits	Total	Non-controlling interests	Total equity
		股本	股份溢價	匯兌儲備	儲備	資本儲備	購股權儲備	法定儲備	保留溢利	總計	非控股權益	股本總額
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元
		(note 36)	37(c)(ii)	37(c)(iii)	37(c)(iii)	37(c)(iv)	37(c)(vi)	37(c)(vii)	37(c)(viii)	906,377	104,152	1,010,529
		(附註36)	(附註37(c)(ii))	(附註37(c)(iii))	(附註37(c)(iii))	(附註37(c)(iv))	(附註37(c)(vi))	(附註37(c)(vii))	(附註37(c)(viii))			
At 1 January 2019	於二零一九年一月一日	30,357	456,465	(18,673)	26,699	5,172	-	66,197	340,160	906,377	104,152	1,010,529
Profit for the year	年度溢利	-	-	-	-	-	-	-	40,625	40,625	30,504	71,129
Other comprehensive income	其他全面收益											
Exchange differences	匯兌差額											
- on translation of financial statements of overseas subsidiaries	- 換算海外附屬公司之財務報表	-	-	(15,172)	-	-	-	-	-	(15,172)	(2,482)	(17,654)
- on translation of financial statements of overseas associates	- 換算海外聯營公司之財務報表	-	-	(3,610)	-	-	-	-	-	(3,610)	-	(3,610)
- on translation of financial statements of an overseas joint venture	- 換算一間海外合營企業之財務報表	-	-	(513)	-	-	-	-	-	(513)	-	(513)
- release of translation reserve upon de-registration of an overseas subsidiary	- 因取消註冊一間海外附屬公司而解除換算儲備	-	-	(16)	-	-	-	-	-	(16)	-	(16)
Fair value changes on equity investments, net of deferred tax	股本投資之公平值變動 (扣除遞延稅項後淨額)	-	-	-	4,480	-	-	-	-	4,480	-	4,480
Total comprehensive income for the year	年度全面收益總額	-	-	(19,311)	4,480	-	-	-	40,625	25,794	28,022	53,816
Transfer to statutory reserve	轉撥至法定儲備	-	-	-	-	-	-	11,596	(11,596)	-	-	-
Dividend relating to 2018	二零一八年股息	-	-	-	-	-	-	-	(20,643)	(20,643)	-	(20,643)
Dividend paid to non-controlling interests of subsidiaries	向附屬公司之非控股權益支付股息	-	-	-	-	-	-	-	-	-	(15,386)	(15,386)
At 31 December 2019 and 1 January 2020	於二零一九年十二月三十一日及二零二零年一月一日	30,357	456,465	(37,984)	31,179	5,172	-	77,793	348,546	911,528	116,788	1,028,316
Profit for the year	年度溢利	-	-	-	-	-	-	-	74,576	74,576	27,470	102,046
Other comprehensive income	其他全面收益											
Exchange differences	匯兌差額											
- on translation of financial statements of overseas subsidiaries	- 換算海外附屬公司之財務報表	-	-	39,999	-	-	-	-	-	39,999	6,766	46,765
- on translation of financial statements of overseas associates	- 換算海外聯營公司之財務報表	-	-	9,423	-	-	-	-	-	9,423	-	9,423
- on translation of financial statements of an overseas joint venture	- 換算一間海外合營企業之財務報表	-	-	2,592	-	-	-	-	-	2,592	-	2,592
- release of translation reserve upon disposal of an overseas subsidiary (note 17 (c))	- 因出售一間海外附屬公司而解除換算儲備 (附註17(c))	-	-	(982)	-	-	-	-	-	(982)	-	(982)
Fair value changes on equity investments, net of deferred tax	股本投資之公平值變動 (扣除遞延稅項後淨額)	-	-	-	17,940	-	-	-	-	17,940	-	17,940
Total comprehensive income for the year	年度全面收益總額	-	-	51,032	17,940	-	-	-	74,576	143,548	34,236	177,784
Transfer to statutory reserve	轉撥至法定儲備	-	-	-	-	-	-	14,659	(14,659)	-	-	-
Equity-settled share-based transactions (note 41 (a))	以股本權益計算股份作基礎之交易 (附註41 (a))	-	-	-	-	-	601	-	-	601	-	601
Dividend relating to 2019	二零一九年股息	-	-	-	-	-	-	-	(21,250)	(21,250)	-	(21,250)
Dividend paid to non-controlling interests of subsidiaries	向附屬公司之非控股權益支付股息	-	-	-	-	-	-	-	-	-	(22,114)	(22,114)
At 31 December 2020	於二零二零年十二月三十一日	30,357	456,465	13,048	49,119	5,172	601	92,452	387,213	1,034,427	128,910	1,163,337

The notes on pages 119 to 260 are an integral part of these financial statements.

第119頁至第260頁之附註乃構成本財務報表不可或缺之部份。

# CONSOLIDATED STATEMENT OF CASH FLOWS

## 綜合現金流量表

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

			2020 二零二零年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元
<b>OPERATING ACTIVITIES</b>	<b>經營業務</b>			
Profit before taxation	除稅前溢利		126,547	88,873
Adjustments for:	就以下各項作出調整：			
Interest income	利息收入	7	(3,177)	(3,683)
Interest on bank and other borrowings	銀行及其他借貸之利息	7	9,543	13,869
Interest on lease liabilities	租賃負債之利息	7	21	40
Dividends from equity investments	來自股本投資之股息	20	(4,107)	(4,152)
Share of results of associates	分佔聯營公司之業績	18	(10,302)	(6,826)
Share of results of a joint venture	分佔一間合營企業之業績	19	1,835	1,545
Unrealised profit on transaction with a joint venture eliminated on consolidation	於綜合併表時抵銷與一間合營公司交易的未變現溢利	19	1,914	-
Depreciation of property, plant and equipment	物業、廠房及設備折舊	14	69,915	66,370
Depreciation of right-of-use assets	使用權資產折舊	15	3,932	3,905
Equity-settled share-based compensation expenses	以股本權益計算按股份作基礎酬金開支		601	-
Net loss on disposal of property, plant and equipment	出售物業、廠房及設備之虧損淨額	8	4,789	1,433
Impairment loss on trade receivables	應收賬款之減值虧損	22	9,526	4,469
Impairment loss on other receivables	其他應收款項之減值虧損	23	-	235
Impairment loss on assets classified as held for sale	分類為持作出售資產之減值虧損	26	12,636	-
Write down of inventories	存貨之撇減		-	18
Gain on disposal of a subsidiary	出售一間附屬公司之收益	17(c)	(3,755)	-
Loss on de-registration of a subsidiary	取消一間附屬公司註冊之虧損		-	236
Release of deferred government grants	遞延政府補貼釋出	34	(1,077)	(1,019)
<b>Operating cash flows before movements in working capital</b>	<b>營運資金變動前之經營現金流量</b>		<b>218,841</b>	<b>165,313</b>
Increase in inventories	存貨增加		(1,779)	(728)
Increase in trade and bills receivables	應收賬款及票據增加		(49,943)	(55,764)
Increase in prepayments, deposits and other receivables	預付款項、按金及其他應收款項增加		(8,554)	(9,151)
(Increase)/decrease in contract assets	合約資產(增加)/減少		(640)	575
Increase in trade and bills payables	應付賬款及票據增加		33,583	22,478
Increase in accrued liabilities and other payables	應計負債及其他應付款項增加		26,046	37,059
(Decrease)/increase in contract liabilities	合約負債(減少)/增加		(92)	11,070
<b>Cash generated from operations</b>	<b>經營產生之現金</b>		<b>217,462</b>	<b>170,852</b>
Income tax paid	已付所得稅	35(a)	(17,769)	(12,442)
Dividend withholding tax paid, net of refunds	已付股息預扣稅，扣除退款	35(b)	(3,828)	(5,237)
Interest received	已收利息	7	3,177	3,683

The notes on pages 119 to 260 are an integral part of these financial statements.

第119頁至第260頁之附註乃構成本財務報表不可或缺之部份。

# CONSOLIDATED STATEMENT OF CASH FLOWS

## 綜合現金流量表

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

			2020 二零二零年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元
<b>Net cash generated from operating activities</b>	<b>經營業務產生之現金淨額</b>		<b>199,042</b>	156,856
<b>INVESTING ACTIVITIES</b>	<b>投資業務</b>			
Dividends received from an associate	已收一間聯營公司之股息	18	<b>8,687</b>	4,881
Dividends received from equity investments	已收股本投資之股息	20	<b>4,107</b>	4,152
Cash outflow arising from acquisition of subsidiaries	收購附屬公司所產生的現金流出	33	<b>(24,800)</b>	(18,590)
Cash outflow arising on disposal of a subsidiary	出售一間附屬公司所產生的現金流出	17(c)	<b>(101)</b>	-
Proceeds from disposal of property, plant and equipment	出售物業、廠房及設備之所得款項		<b>363</b>	365
Payment for purchase of property, plant and equipment	支付購買物業、廠房及設備		<b>(55,502)</b>	(97,995)
Capital contribution to a joint venture	向一間合營企業注資	19	<b>(25,434)</b>	-
Receipt of government grants	收取政府補貼	34	<b>-</b>	777
<b>Net cash used in investing activities</b>	<b>投資業務所用之現金淨額</b>		<b>(92,680)</b>	(106,410)
<b>FINANCING ACTIVITIES</b>	<b>融資活動</b>			
Dividends paid to shareholders of the Company	向本公司股東派付股息	12(b)	<b>(21,250)</b>	(20,643)
Dividends paid to non-controlling interests of subsidiaries	向附屬公司非控股權益派付股息	17(b)	<b>(22,114)</b>	(15,386)
Proceeds from bank borrowings	銀行借貸所得款項	25(b)	<b>97,023</b>	88,200
Repayment of bank borrowings	償還銀行借貸	25(b)	<b>(152,562)</b>	(100,188)
Interest paid	已付利息	25(b)	<b>(10,080)</b>	(14,139)
Interest element of lease payments	租賃付款之利息部份	25(b)	<b>(21)</b>	(40)
Capital element of lease payments	租賃付款之資本部份	25(b)	<b>(464)</b>	(379)
Placement of pledged bank deposits	存入有抵押銀行存款		<b>(12,357)</b>	(154)
<b>Net cash used in financing activities</b>	<b>融資活動所用之現金淨額</b>		<b>(121,825)</b>	(62,729)
<b>NET DECREASE IN CASH AND CASH EQUIVALENTS</b>	<b>現金及等同現金項目之減少淨額</b>		<b>(15,463)</b>	(12,283)
<b>CASH AND CASH EQUIVALENTS AT 1 JANUARY</b>	<b>於一月一日之現金及等同現金項目</b>		<b>267,393</b>	282,239
Effect of foreign exchange rate changes	匯率變動之影響		<b>5,593</b>	(2,563)
<b>CASH AND CASH EQUIVALENTS AT 31 DECEMBER</b>	<b>於十二月三十一日之現金及等同現金項目</b>		<b>257,523</b>	267,393

The notes on pages 119 to 260 are an integral part of these financial statements.

第119頁至第260頁之附註乃構成本財務報表不可或缺之部份。



# NOTES TO THE FINANCIAL STATEMENTS

## 財務報表附註

31 December 2020 二零二零年十二月三十一日

### 1. GENERAL INFORMATION

- (a) New Universe Environmental Group Limited was incorporated on 12 November 1999 in the Cayman Islands under the Companies Law, Cap. 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands as an exempted company with limited liability.
- (b) The registered office of the Company is at Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman, KY1-1111, Cayman Islands. The principal place of business of the Company is located at Rooms 2110-2112, 21/F, Telford House, 16 Wang Hoi Road, Kowloon Bay, Kowloon, Hong Kong. The Company's issued shares have been initially listed on the GEM of The Stock Exchange of Hong Kong Limited (the "Stock Exchange") since 18 May 2000. With effect from 1 August 2016, the listing of the shares of the Company was transferred from the GEM to the Main Board of the Stock Exchange.
- (c) The consolidated financial statements are presented in Hong Kong dollars ("HK\$") that is also the functional currency of the Company while the functional currency of the subsidiaries in the mainland of The People's Republic of China ("Mainland China" or the "PRC") is Renminbi ("RMB"). As the Company's shares are listed in Hong Kong where most of its investors are located, the directors of the Company (the "Directors") consider that it is more appropriate to present the consolidated financial statements in HK\$.
- (d) The principal activity of the Company is investment holding and provides corporate management services to the Group members. The principal activities of its subsidiaries are as follows:
- (i) provision of environmental treatment and disposal services for industrial and medical wastes;
  - (ii) provision of environmental equipment construction and installation services;
  - (iii) provision of environmental plating sewage treatment and provision of management services, utilities and leasing of facilities in an eco-plating specialised zone; and
  - (iv) investments in plastic materials dyeing business.

### 1. 一般資料

- (a) 新宇環保集團有限公司於一九九九年十一月十二日在開曼群島根據開曼群島公司法(第22章)(一九六一年第3號法例,經綜合及修訂)註冊成立為獲豁免有限公司。
- (b) 本公司註冊辦事處之地址為Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands。本公司之主要營業地點位於香港九龍九龍灣宏開道16號德福大廈21樓2110-2112室。本公司已發行股份自二零零零年五月十八日起在香港聯合交易所有限公司(「聯交所」)GEM初步上市。自二零一六年八月一日起,本公司股份由聯交所GEM轉往主板上市。
- (c) 綜合財務報表以港元(「港元」)呈列,港元亦為本公司之功能貨幣,而中華人民共和國內地(「中國內地」或「中國」)之附屬公司之功能貨幣為人民幣(「人民幣」)。由於本公司之股份於香港上市,其大部份投資者位於香港,故本公司董事(「董事」)認為以港元呈列綜合財務報表更為合適。
- (d) 本公司之主要業務為投資控股及向本集團成員公司提供企業管理服務。其附屬公司之主要業務如下:
- (i) 提供工業及醫療廢物環保處理及處置服務;
  - (ii) 提供環保設備建造及安裝服務;
  - (iii) 於環保電鍍專業區提供環保電鍍污水處置及提供管理服務、公用配套及設施租賃;及
  - (iv) 投資於塑料染色業務。

# NOTES TO THE FINANCIAL STATEMENTS

## 財務報表附註

31 December 2020 二零二零年十二月三十一日

## 2. SIGNIFICANT ACCOUNTING POLICIES

### (a) Statement of compliance

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

The HKICPA has issued certain amendments to HKFRSs that are first effective or available for early adoption for the current accounting period of the Group. Note 2(c) provides information on any changes in accounting policies resulting from initial application of these developments to the extent that they are relevant to the Group for the current accounting period reflected in these financial statements.

### (b) Basis of preparation of the financial statements

At 31 December 2020, the Group’s current liabilities exceeded current assets by approximately HK\$81,589,000 (2019: HK\$72,158,000) which was mainly attributable to the non-current portions of long-term bank borrowings of approximately HK\$57,700,000 (2019: HK\$75,325,000) being included in the current liabilities. As disclosed in note 27, the loan agreements contained a standard clause enabling the financial institutions to demand for immediate repayment at their discretion. During the year ended 31 December 2020 and up to the date of approval for the consolidated financial statements, there had not been any breach of covenants of the relevant loan agreements. Notwithstanding the clause for demanding for immediate repayment in the loan agreements, the Company considered that the financial institutions will not exercise their discretionary rights to demand immediate repayment of these non-current portions of these long-term bank borrowings in the next twelve months from the date of approval of the consolidated financial statements.

## 2. 主要會計政策

### (a) 遵例聲明

此等財務報表乃根據所有適用之香港財務報告準則（「香港財務報告準則」）（該統稱包括香港會計師公會（「香港會計師公會」）頒佈之所有適用之個別香港財務報告準則、香港會計準則（「香港會計準則」）及詮釋）、香港公認會計原則及香港公司條例之披露規定而編製。此等財務報表亦符合聯交所證券上市規則（「上市規則」）之適用披露規定。本集團採用之主要會計政策於下文披露。

香港會計師公會已頒佈多項於本集團之本會計期間首次生效或可供提早採納之香港財務報告準則之修訂本。有關首次應用於此等財務報表所反映之本會計期間與本集團有關之此等發展而導致會計政策出現任何變動之資料，於附註2(c)提供。

### (b) 財務報表之編製基準

於二零二零年十二月三十一日，本集團之流動負債超出流動資產約81,589,000港元（二零一九年：72,158,000港元），主要由於長期銀行借貸之非即期部份達到約57,700,000港元（二零一九年：75,325,000港元）被錄入流動負債所致。如附註27所披露，貸款協議載有一項標準條款，使金融機構可酌情要求即時還款。截至二零二零年十二月三十一日止年度及直至綜合財務報表批准日期為止，並無出現任何違反相關貸款協議契諾之情況。儘管貸款協議載有按要求即時還款條款，但本公司認為，於綜合財務報表批准日期起計未來十二個月內，金融機構將不會行使其酌情權要求即時償還此等長期銀行借貸之非即期部份。

## 2. SIGNIFICANT ACCOUNTING POLICIES (continued)

### (b) Basis of preparation of the financial statements (continued)

Notwithstanding the aforesaid conditions, the consolidated financial statements have been prepared on the assumption that the Group will be able to operate as a going concern in the foreseeable future, after taking into consideration of (a) cash and bank balances of approximately HK\$257,523,000 as at 31 December 2020, (b) unused and available banking facilities of HK\$55,960,000 at 31 December 2020, and (c) potential new credit facilities which are currently in advanced stage of discussions between the Company and certain existing bankers of the Group.

Management of the Company has prepared a cash flow forecast of the Group for a period covering not less than twelve months from date of approval for the consolidated financial statements. Based on the cash flow forecast and after having taken into account of the Group's available credit facilities and the above measures taken to date, management of the Group is of the view that the Group will have sufficient working capital to meet its financial obligations as and when they fall due in the next twelve months from the date of approval for the consolidated financial statements after having taken into account of the Group's projected cash flows, current financial resources, existing and new credit facilities and the future capital expenditure requirements. Accordingly, the Company has prepared the consolidated financial statements for the year ended 31 December 2020 on a going concern basis.

The consolidated financial statements for the year ended 31 December 2020 comprise the Company, its subsidiaries and the Group's interests in associates and a joint venture.

The measurement basis used in the preparation of the financial statements is the historical cost basis except that the following:

- Equity investments – measured at fair value
- Assets classified as held for sale – measured at the lower of carrying amount and fair value less costs to sell

## 2. 主要會計政策 (續)

### (b) 財務報表之編製基準 (續)

儘管出現上述情況，編製綜合財務報表時仍假設本集團將能於可預見未來持續經營運作，並計及(a)於二零二零年十二月三十一日之現金及銀行結餘約257,523,000港元；(b)於二零二零年十二月三十一日之可用銀行信貸額度55,960,000港元；及(c)目前由本公司與本集團現時若干銀行進行最後階段磋商之潛在新增信貸融資。

本公司管理層已編製本集團涵蓋由綜合財務報表批准日期起計不少於十二個月期間之現金流量預測。根據現金流量預測並經計及本集團可用之信貸融資及迄今所採取之上述措施後，本集團管理層認為，計及本集團之預測現金流量、流動財務資源、現有及新增信貸融資以及未來資本開支所需後，本集團將擁有充足的營運資金以履行其自綜合財務報表批准日期起計未來十二個月之到期財務責任。因此，本公司已按持續經營基準編製截至二零二零年十二月三十一日止年度之綜合財務報表。

截至二零二零年十二月三十一日止年度之綜合財務報表包括本公司、其附屬公司以及本集團於聯營公司及一間合營企業之權益。

編製財務報表所採用之計量基準為歷史成本基準，惟下列各項除外：

- 股本投資—按金平值計量
- 分類為持作出售的資產—按賬面值及公平值減銷售成本之較低者計量

# NOTES TO THE FINANCIAL STATEMENTS

## 財務報表附註

31 December 2020 二零二零年十二月三十一日

## 2. SIGNIFICANT ACCOUNTING POLICIES (continued)

### (b) Basis of preparation of the financial statements (continued)

The preparation of financial statements in conformity with HKFRSs requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Judgements made by management in the application of HKFRSs that have significant effect on the financial statements and major sources of estimation uncertainty are discussed in note 3.

### (c) Changes in accounting policies

In 2020, the Group has applied the Amendments to References to the Conceptual Framework in HKFRS Standards and the following amendments to HKFRSs issued by the HKICPA for the first time, which are mandatory effective for annual period beginning on after 1 January 2020 for the preparation of the consolidated financial statements.

The Group has applied the following amendments to HKFRSs issued by the HKICPA to these financial statements for the current accounting year:

- Amendments to HKFRS 3, Definition of a Business
- Amendment to HKFRS 16, Covid-19-Related Rent Concessions

Except for the amendment to HKFRS 16, the Group has not applied any new standard or interpretation that is not yet effective for the current accounting period. Impacts of the adoption of the amended HKFRSs are discussed below:

## 2. 主要會計政策(續)

### (b) 財務報表之編製基準(續)

編製符合香港財務報告準則之財務報表時，管理層須作出影響到政策應用及所呈報資產、負債、收入及支出數額之判斷、估計及假設。該等估計及相關假設乃根據過往經驗及於有關情況下認為屬合理之各種其他因素而作出，其結果構成在無法依循其他途徑即時得知資產及負債之賬面值時所作出判斷之基礎。實際結果可能與該等估計有別。

各項估計及相關假設會持續接受檢討。倘會計估計之修訂僅影響修訂估計之期間，則修訂於該期間確認；倘修訂對本期間及未來期間均有影響，則於作出修訂之期間及未來期間確認。

管理層於應用香港財務報告準則時所作出可能對財務報表產生重大影響之判斷及估計不確定性之主要來源於附註3內討論。

### (c) 會計政策變動

二零二零年，本集團首次應用由香港會計師公會頒佈且已於二零二零年一月一日或之後開始之年度期間強制生效之香港財務報告準則概念框架的參考之修訂及以下經修訂香港財務報告準則，以編製綜合財務報表。

本集團已於本會計年度於該等財務報表應用以下香港會計師公會頒佈的香港財務報告準則之修訂：

- 香港財務報告準則第3號之修訂，業務的定義
- 香港財務報告準則第16號之修訂，COVID-19相關租金減免

除香港財務報告準則第16號之修訂外，本集團並未應用任何於本會計期間尚未生效之新訂準則或詮釋。採納經修訂香港財務報告準則之影響於下文討論：

## 2. SIGNIFICANT ACCOUNTING POLICIES (continued)

### (c) Changes in accounting policies (continued)

#### *Amendments to HKFRS 3, Definition of a Business*

The amendments clarify the definition of a business and provide further guidance on how to determine whether a transaction represents a business combination. In addition, the amendments introduce an optional "concentration test" that permits a simplified assessment of whether an acquired set of activities and assets is an asset rather than business acquisition, when substantially all of the fair value of the gross assets acquired is concentrated in a single identifiable asset or Group of similar identifiable assets.

#### *Amendment to HKFRS 16, Covid-19-Related Rent Concessions*

The amendment provides a practical expedient that allows a lessee to by-pass the need to evaluate whether certain qualifying rent concessions occurring as a direct consequence of the COVID-19 pandemic ("COVID-19-related rent concessions") are lease modifications and, instead, account for those rent concessions as if they were not lease modifications. The Group has elected to early adopt the amendments and applies the practical expedient to all qualifying COVID-19-related rent concessions granted to the Group during the year. Consequently, rent concessions received have been accounted for as negative variable lease payments recognised in profit or loss in the period in which the event or condition that triggers those payments occurred. There is no impact on the opening balance of equity at 1 January 2020.

### (d) Subsidiaries and non-controlling interests

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

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

## 2. 主要會計政策 (續)

### (c) 會計政策變動 (續)

#### *香港財務報告準則第3號之修訂， 業務的定義*

該等修訂釐清業務之定義，並就如何確定一項交易是否業務合併提供進一步指引。此外，該等修訂引入可選之「集中度測試」，當所收購總資產之公平值絕大部分集中於某一項單一可識別資產或一組類似可識別資產時，允許簡化評估所收購之一組活動及資產是否構成資產而非業務收購。

#### *香港財務報告準則第16號之修訂， COVID-19相關租金減免*

該項修訂提供一項實際權宜方法，讓承租人毋須評估COVID-19疫情直接導致的若干合資格租金減免（「COVID-19相關租金減免」）是否屬租賃修改，而按非租賃修改的方式將該等租金減免入賬。本集團已選擇提早採納該等修訂並於本年度對授予本集團的所有合資格COVID-19相關租金減免應用實際權宜方法。因此，已收租金減免已在觸發該等付款的事件或情況發生期間於損益內入賬及確認為負可變租賃付款。於二零二零年一月一日的期初權益結餘不受影響。

### (d) 附屬公司及非控股權益

附屬公司為本集團控制的實體。倘本集團從參與某一實體的業務而可以或有權分享其非固定回報，且有能力行使對該實體的權力而影響該等回報時，本集團控制該實體。於評估本集團是否有權力時，僅考慮本集團及其他訂約方所持有的實質權力。

於附屬公司之投資已於控制開始當日至該控制停止當日止期間之綜合財務報表中綜合入賬。集團內公司間之結餘、交易及任何現金流量及集團內公司間交易產生之任何未變現溢利均在編製綜合財務報表時全數對銷。集團內公司間交易產生之未變現虧損之對銷方法與未變現溢利相同，但僅以沒有減值證據為限。

# NOTES TO THE FINANCIAL STATEMENTS

## 財務報表附註

31 December 2020 二零二零年十二月三十一日

## 2. SIGNIFICANT ACCOUNTING POLICIES (continued)

### (d) Subsidiaries and non-controlling interests (continued)

Non-controlling interests represent the equity in a subsidiary not attributable directly or indirectly to the Company, and in respect of which the Group has not agreed any additional terms with the holders of those interests which would result in the Group as a whole having a contractual obligation in respect of those interests that meets the definition of a financial liability. For each business combination, the Group can elect to measure any non-controlling interests either at fair value or at the non-controlling interests' proportionate share of the subsidiary's net identifiable assets.

Non-controlling interests are presented in the consolidated statement of financial position within equity, separately from equity attributable to the owners of the Company. Non-controlling interests in the results of the Group are presented on the face of the consolidated statement of profit or loss and the consolidated statement of profit or loss and other comprehensive income as an allocation of the total profit or loss and total comprehensive income for the year between non-controlling interests and the owners of the Company. Loans from holders of non-controlling interests and other contractual obligations towards these holders are presented as financial liabilities in the consolidated statement of financial position.

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

When the Group loses control of a subsidiary, it is accounted for as a disposal of the entire interest in that subsidiary, with a resulting gain or loss being recognised in profit or loss. Any interest retained in that former subsidiary at the date when control is lost is recognised at fair value and this amount is regarded as the fair value on initial recognition of a financial asset (see note 2(h)) or, when appropriate, the cost on initial recognition of an investment in an associate or joint venture (see note 2(e)).

## 2. 主要會計政策(續)

### (d) 附屬公司及非控股權益(續)

非控股權益指並非直接或間接歸屬於本公司之附屬公司之權益，而本集團並沒有同意與該等權益之持有人訂立任何可導致本集團整體就該等權益而承擔符合金融負債定義之合約責任之額外條款。就每項業務合併，本集團可選擇以公平值或附屬公司之可識別資產淨值之非控股權益份額進行計量。

非控股權益與本公司擁有人應佔權益在綜合財務狀況表之權益項目中分別列示。本集團業績內之非控股權益乃於綜合損益表及綜合損益及其他全面收益表內列為本年度溢利或虧損總額及全面收益總額於本公司非控股權益與本公司擁有人間之分配。來自非控股權益持有人之貸款及該等持有人之其他合約責任於綜合財務狀況表呈列為金融負債。

本集團於一間附屬公司的權益並無引致失去控制權的變動乃入賬為股本交易，據此，於綜合權益內對控股及非控股權益之數額作出調整，以反映相關權益的變動，但不對商譽作出任何調整，且不確認任何盈虧。

當本集團失去一間附屬公司之控制權時，其乃入賬為出售於該附屬公司之全部權益，而就此產生之盈虧於損益中確認。於失去控制權日期在該前附屬公司保留的任何權益按公平值予以確認，而此金額被視為於初步確認一項金融資產時的公平值(見附註2(h))或(於適當時)於初步確認於一間聯營公司或合營企業的投資時的成本(見附註2(e))。

## 2. SIGNIFICANT ACCOUNTING POLICIES (continued)

### (d) Subsidiaries and non-controlling interests (continued)

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

### (e) Associates and joint ventures

An associate is an entity in which the Group or Company has significant influence, but not control or joint control, over its management, including participation in the financial and operating policy decisions.

A joint venture is an arrangement whereby the Group or Company and other parties contractually agree to share control of the arrangement, and have rights to the net assets of the arrangement.

An investment in an associate or joint venture is accounted for in the consolidated financial statements under the equity method, unless it is classified as held for sale (or included in a disposal group that is classified as held for sale). Under the equity method, the investment is initially recorded at cost, adjusted for any excess of the Group's share of the acquisition-date fair values of the investee's identifiable net assets over the cost of the investment (if any). The cost of the investment includes purchase price, other cost directly attributable to the acquisition of the investment, and any direct investment into the associate or joint venture that forms part of the Group's equity investment. Thereafter, the investment is adjusted for the post acquisition change in the Group's share of the investee's net assets and any impairment loss relating to the investment (see notes 2(g) and 2(l)). At each reporting date, the Group assesses whether there is any objective evidence that the investment is impaired. Any acquisition-date excess over cost, the Group's share of the post-acquisition, post-tax results of the investees and any impairment losses for the year are recognised in the consolidated statement of profit or loss, whereas the Group's share of the post-acquisition post-tax items of the investees' other comprehensive income is recognised in the consolidated statement of profit or loss and other comprehensive income.

## 2. 主要會計政策(續)

### (d) 附屬公司及非控股權益(續)

於本公司財務狀況表內，於附屬公司之投資乃按成本扣除減損(見附註2(l))列賬，除非投資乃被分類為持有作出售(或包含於被分類為持有作出售之出售組合內)則另當別論。

### (e) 聯營公司及合營企業

聯營公司指本集團或本公司對其管理有重大影響力而無控制權或共同控制權的實體，包括參與財務及營運決策。

合營企業為本集團或本公司及其他人士按合約同意下分配控制權及資產淨值擁有權之安排。

於聯營公司或合營企業之投資以權益法於綜合財務報表入賬，除非其被分類為持作出售(或納入被分類為持作出售之出售組合內)。根據權益法，投資最初按成本記錄，並按收購日期本集團分佔被投資公司之可識別資產淨值超過投資成本之任何部份(如有)作出調整。投資之成本包括購買價、收購該投資直接應佔之其他成本及構成本集團股本投資一部分的於聯營公司或合營企業的任何直接投資。其後，就收購後本集團分佔該被投資公司之資產淨值及任何有關投資之減值虧損之變動作出調整(見附註2(g)及2(l))。於各個報告期，本集團評估是否有任何客觀證據顯示投資出現減值。任何收購日期之超出成本額、本集團分佔收購後被投資公司之稅後業績及年度減值虧損於綜合損益表確認，而本集團應佔該被投資公司其他全面收益之收購後稅後項目則於綜合損益及其他全面收益表確認。

# NOTES TO THE FINANCIAL STATEMENTS

## 財務報表附註

31 December 2020 二零二零年十二月三十一日

## 2. SIGNIFICANT ACCOUNTING POLICIES (continued)

### (e) Associates and joint ventures (continued)

When the Group's share of losses exceeds its interest in the associate or the joint venture, the Group's interest is reduced to nil and recognition of further losses is discontinued except to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the investee. For this purpose, the Group's interest is the carrying amount of the investment under the equity method together with any other long-term interests that in substance form part of the Group's net investment in the associate or the joint venture (after applying the ECL model to such long-term interests where applicable).

Unrealised profits and losses resulting from transactions between the Group and its associates and joint ventures are eliminated to the extent of the Group's interest in the investee, except where unrealised losses provide evidence of an impairment of the asset transferred, in which case they are recognised immediately in profit or loss.

If an investment in an associate becomes an investment in a joint venture or vice versa, the retained interest is not re-measured. Instead, the investment continues to be accounted for under the equity method.

In all other cases, when the Group ceases to have significant influence over an associate or joint venture, it is accounted for as a disposal of the entire interest in that investee, with a resulting gain or loss being recognised in profit or loss. Any interest retained in that former investee at the date when significant influence or joint control is lost is recognised at fair value and this amount is regarded as the fair value on initial recognition of a financial asset (see note 2(h)).

In the Company's statement of financial position, investments in associates and joint ventures are stated at cost less impairment losses (see note 2(l)), unless classified as held for sale (or included in a disposal group that is classified as held for sale).

## 2. 主要會計政策(續)

### (e) 聯營公司及合營企業(續)

倘本集團分佔聯營公司或合營企業之虧損超過其權益，則本集團權益將減至零，且不會確認進一步虧損，除非本集團已代該聯營公司產生法定或推定責任或作出付款。就此而言，本集團之權益為按權益法計算之投資賬面值，連同本集團實際上構成本集團於聯營公司或合營企業投資淨額一部份之任何其他長期權益(於適用情況下，已對該等長期權益應用預期信貸虧損模式)。

本集團與其聯營公司及合營企業之間交易產生之未變現溢利及虧損，以本集團在被投資公司之權益為限對銷，除非未變現虧損提供所轉讓資產減值之證據，於此情況下，則彼等即時於損益中確認。

倘於一間聯營公司之一項投資變為於一間合營企業之一項投資或反之亦然，則保留權益不予重新計量。相反，該投資繼續以權益法予以入賬。

於所有其他情況下，當本集團不再對一間聯營公司或合營企業產生重大影響力時，其作為出售於該被投資公司之全部權益入賬，而就產生之收益或虧損於損益中確認。於失去重大影響力或共同控制當日仍留在該前被投資公司之任何權益按公平值確認，而此金額被當作初步確認一項金融資產時之公平值(見附註2(h))。

於本公司財務狀況表內，於聯營公司及合營企業之投資乃按成本減減值虧損(見附註2(l))列賬，除非被分類為持有作出售(或包含於被分類為持有作出售之出售組合內)則另當別論。



## 2. SIGNIFICANT ACCOUNTING POLICIES (continued)

### (f) Business combinations or asset acquisitions

#### *Optional concentration test*

Effective from 1 January 2020, the Group can elect to apply an optional concentration test, on a transaction-by-transaction basis, that permits a simplified assessment of whether an acquired set of activities and assets is not a business. The concentration test is met if substantially all of the fair value of the gross assets acquired is concentrated in a single identifiable asset or group of similar identifiable assets.

#### *Asset acquisitions*

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

#### *Business combinations*

Acquisitions of businesses are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of the assets transferred by the Group, liabilities incurred by the Group to the former owners of the acquiree and the equity interests issued by the Group in exchange for control of the acquiree. Acquisition-related costs are generally recognised in profit or loss as incurred.

Except for certain recognition exemptions, the identifiable assets acquired and liabilities assumed must meet the definition of an asset and a liability in the *Framework for the Preparation and Presentation of Financial Statements* (replaced by the *Conceptual Framework for Financial Reporting* issued in October 2010).

## 2. 主要會計政策 (續)

### (f) 業務合併或收購

#### *選擇性集中性測試*

由二零二零年一月一日生效起，本集團可選擇按個別交易基準應用選擇性集中性測試，該測試允許簡化評估所收購的活動及資產組別是否屬業務。倘所收購總資產之公平值之絕大部分集中在單一可識別資產或一組類似可識別資產，則符合集中性測試。

#### *資產收購*

當本集團收購一組資產及負債不構成一項業務時，本集團首先透過按金融資產／金融負債各自之公平值分配購買價格，以識別及確認取得之個別可識別資產及承擔之負債，餘下購買價結餘其後按各自於購買日期之相對公平值分配予其他可識別資產及負債。該等交易並不會產生商譽或議價購買收益。

#### *業務合併*

業務收購乃採用收購法入賬。於業務合併中轉撥之代價按公平值計量，該代價按本集團為換取被收購實體之控制權而轉撥之資產、本集團為被收購實體之前擁有人承擔之負債及本集團發行之股本權益於收購日期之公平值總和。與收購事項有關之成本於產生時一般在損益中確認。

除若干確認豁免外，可識別的所收購資產及所承擔負債必須符合「財務報表編制及呈列報框架」(被二零一零年十月發佈的「財務報告概念框架」取代)中的資產及負債定義。

# NOTES TO THE FINANCIAL STATEMENTS

## 財務報表附註

31 December 2020 二零二零年十二月三十一日

## 2. SIGNIFICANT ACCOUNTING POLICIES (continued)

### (f) Business combinations or asset acquisitions (continued)

#### *Business combinations (continued)*

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their fair values, except that:

- deferred tax assets or liabilities, and assets and liabilities related to employee benefit arrangements are recognised and measured in accordance with HKAS 12 Income Taxes and HKAS 19 Employees Benefits respectively;
- liabilities or equity instruments related to the share-based payment arrangements of the acquiree or share-based payment arrangements of the Group entered into to replace share-based payment arrangements of the acquiree are measured in accordance with HKFRS 2 Share-based Payment at the acquisition date;
- assets (or disposal groups) that are classified as held for sale in accordance with HKFRS 5 Non-current Assets Held for Sale and Discontinued Operations are measured in accordance with that standard; and
- lease liabilities are recognised and measured at the present value of the remaining lease payments (as defined in HKFRS 16) as if the acquired leases were new leases at the acquisition date, except for leases for which (a) the lease term ends within 12 months of the acquisition date; or (b) the underlying asset is of low value. Right-of-use assets are recognised and measured at the same amount as the relevant lease liabilities, adjusted to reflect favourable or unfavourable terms of the lease when compared with market terms.

## 2. 主要會計政策(續)

### (f) 業務合併或收購(續)

#### *業務合併(續)*

於收購日期，所收購之可識別資產及所承擔之負債按其公平值確認，惟下列項目除外：

- 與僱員福利安排有關之遞延稅項資產或負債以及資產及負債乃根據香港會計準則第12號所得稅及香港會計準則第19號僱員福利確認及計量；
- 與被收購實體之以股份形式付款之支出安排或本集團已訂立以取代被收購實體之以股份形式付款之支出安排有關之負債或股本工具乃於收購日期根據香港財務報告準則第2號以股份形式付款之支出計量；
- 根據香港財務報告準則第5號持作出售之非流動資產及已終止經營業務劃分為持作出售之資產(或出售組合)根據該準則計量；及
- 租賃負債按餘下租賃付款(定義見香港財務報告準則第16號)之現值確認及計量，猶如被收購租賃為於收購日期之新租賃一樣，惟(a)租賃期於收購日期起計12個月內結束；或(b)相關資產屬低價值之租賃除外。使用權資產按與有關租賃負債相同之金額確認及計量，並作出調整以反映租賃優於或遜於市場條款之條款。

## 2. SIGNIFICANT ACCOUNTING POLICIES (continued)

### (f) Business combinations or asset acquisitions (continued)

#### *Business combinations (continued)*

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net amount of the identifiable assets acquired and the liabilities assumed as at acquisition date. If, after re-assessment, the net of the acquisition-date amounts of the identifiable assets acquired and liabilities assumed exceeds the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree and the fair value of the acquirer's previously held interest in the acquiree (if any), the excess is recognised immediately in profit or loss as a bargain purchase gain.

Non-controlling interests that are present ownership interests and entitle their holders to a proportionate share of the relevant subsidiary's net assets in the event of liquidation are initially measured at the non-controlling interests' proportionate share of the recognised amounts of the acquiree's identifiable net assets or at fair value. The choice of measurement basis is made on a transaction-by-transaction basis. Other types of non-controlling interests are measured at their fair value.

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

## 2. 主要會計政策 (續)

### (f) 業務合併或收購 (續)

#### *業務合併 (續)*

商譽確認為所轉撥之代價、於被收購實體之任何非控制性權益及收購方之前持有被收購實體股本權益(如有)之公平值之總和超出所收購之可識別資產及承擔之負債於收購日期之淨額之部分。倘於重估後,所收購之可識別資產淨值及所承擔之負債於收購日期之金額之淨額超出所轉撥之代價、於被收購實體之任何非控制性權益之金額及收購方先前持有被收購實體權益(如有)之公平值總和,則超出部分即時於損益中確認為議價購買收益。

非控股權益(其為現時所有權權益及賦予其持有人在清盤情況下按比例分享相關附屬公司之資產淨值)按非控股權益按比例分享已確認之被收購實體之可識別資產淨值或按公平值初步計量。計量選擇基準乃按逐項交易基準作出。其他類型之非控股權益乃按彼等之公平值計量。

當本集團於業務合併中轉撥之代價包括或然代價安排產生之資產或負債,該或然代價按其收購日期公平值計量,並計為於業務合併中所轉撥之部分代價。或然代價之公平值變動(合資格作為計量期間調整)會進行追溯調整,並對商譽作出相應調整。計量期間調整為於「計量期間」(其不可超過收購日期起計一年)獲得之額外資料(與收購日期存在之事實及情況有關)所導致的調整。

# NOTES TO THE FINANCIAL STATEMENTS

## 財務報表附註

31 December 2020 二零二零年十二月三十一日

## 2. SIGNIFICANT ACCOUNTING POLICIES (continued)

### (f) Business combinations or asset acquisitions (continued)

#### *Business combinations (continued)*

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

Where a business combination is achieved in stages, the Group's previously held equity interest in the acquiree is re-measured to fair value at the acquisition date (i.e. the date when the Group obtains control), and the resulting gain or loss, if any, is recognised in profit or loss. Amounts arising from interests in the acquiree prior to the acquisition date that have previously been recognised in other comprehensive income and measured under HKFRS 9 would be accounted for on the same basis as would be required if the Group had disposed directly of the previously held equity interest.

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

## 2. 主要會計政策 (續)

### (f) 業務合併或收購 (續)

#### *業務合併 (續)*

或然代價 (不合資格作為計量期間調整) 之其後會計處理取決於或然代價之分類而定。分類為權益之或然代價並無於其後之報告日期重新計量，而其隨後結算於權益內入賬。分類為資產或負債之或然代價於其後之報告日期重新按公平值計量，而相應之損益則於損益計算中確認。

倘業務合併分階段完成，本集團先前於被收購實體持有之股本權益將重新計量至收購日期 (即本集團獲得控制權當日) 之公平值，所產生之損益 (如有) 則於損益計算中確認。如本集團直接出售先前持有之股權，先前根據香港財務報告準則第9號於其他全面收益確認及計量之於收購日期前於被收購方之權益所產生金額將須按同一基準入賬。

倘若業務合併之初步會計於合併發生之報告期不完整，則本集團就該等項目報告暫時款項，就該等項目而言，會計處理不完整。於計量期間內獲調整之該等暫時款項 (見上文) 及額外資產或負債予以確認，以反映所載之有關於收購日期存在之事實及情況之新資料，該等事實及情況 (倘若獲悉) 應會影響已於該日確認之金額。

## 2. SIGNIFICANT ACCOUNTING POLICIES (continued)

### (g) Goodwill

Goodwill arising on an acquisition of a business is carried at cost as established at the date of acquisition of the business less accumulated impairment losses, if any. For the purposes of impairment testing, goodwill is allocated to each of the Group's cash-generating units (or groups of cash-generating units) that is expected to benefit from the synergies of the combination, which represent the lowest level at which the goodwill is monitored of internal management purposes and not larger than an operating segment.

A cash-generating unit (or group of cash-generating units) to which goodwill has been allocated is tested for impairment annually, or more frequently whenever there is an indication that the unit may be impaired. For goodwill arising on an acquisition in a reporting period, the cash-generating unit (or groups of cash-generating units) to which goodwill has been allocated is tested for impairment before the end of that reporting period. If the recoverable amount is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill and then to the other assets on a pro-rata basis based on the carrying amount of each asset in the unit (or group of cash-generating units).

On disposal of the relevant cash-generating unit or any of the cash-generating unit within the Group of cash-generating units, the attributable amount of goodwill is included in the determination of the amount of profit or loss on disposal. When the Group disposes of an operation within the cash-generating unit (or a cash-generating units within a group of cash-generating units), the amount of goodwill disposed of is measured on the basis of the relative values of the operation (or the cash-generating unit) disposed of and the portion of the cash-generating unit (or the group of cash-generating units) retained.

### (h) Other investments in equity securities

The Group's policies for investments in debt and equity securities, other than investments in subsidiaries, associates and joint ventures, are as follows.

Investments in equity securities are recognised/derecognised on the date the Group commits to purchase/sell the investment. The investments are initially stated at fair value plus directly attributable transaction costs, except for those investments measured at fair value through profit or loss (FVPL) for which transaction costs are recognised directly in profit or loss. For an explanation of how the Group determines fair value of financial instruments, see note 44. These investments are subsequently accounted as follows, depending on their classification.

## 2. 主要會計政策 (續)

### (g) 商譽

收購一項業務所產生之商譽乃按於收購該項業務日期所確定之成本減累積減值虧損(如有)列賬。就減值測試而言，商譽乃分配至預期自合併協同效應中受益之本集團各現金產生單位(或現金產生單位組合)，其指就內部管理目的監察商譽的最低層面及不大於一個經營分部。

已獲分配商譽之現金產生單位(或現金產生單位組合)乃每年進行減值測試，或倘若有該單位可能減值之跡象時更頻繁地進行減值測試。就於報告期進行收購所產生的商譽而言，獲分配商譽之現金產生單位(或現金產生單位組合)於報告期末之前進行減值測試。倘若可收回金額少於其賬面值，則減值虧損首先被分配用於減少任何商譽之賬面值，然後按比例基準根據該單位(或現金產生單位組合)內各項資產之賬面值分配至其他資產。

於出售有關現金產生單位或現金產生單位組別在內的任何現金產生單位時，須計入商譽應佔金額以釐定出售的損益金額。當本集團出售現金產生單位(或現金產生單位組別在內的現金產生單位)內的業務時，所出售的商譽金額按所出售業務(或現金產生單位)與所保留的現金產生單位(或現金產生單位組別)部分的相對價值計量。

### (h) 於股本證券之其他投資

本集團於債務及股本證券之投資(於附屬公司、聯營公司及合營企業之投資除外)政策如下。

股本證券投資乃於本集團承諾購入/出售該項投資當日確認/終止確認。投資初步按公平值加直接應佔交易成本列賬，惟透過損益按公平值(透過損益按公平值)計量之該等投資除外，該等投資之交易成本直接於損益內確認。有關本集團如何釐定金融工具公平值的說明，見附註44。該等投資隨後根據其分類按以下方法入賬。

# NOTES TO THE FINANCIAL STATEMENTS

## 財務報表附註

31 December 2020 二零二零年十二月三十一日

## 2. SIGNIFICANT ACCOUNTING POLICIES (continued)

### (h) Other investments in equity securities (continued)

#### (i) *Investments other than equity investments*

Non-equity investments held by the Group are classified into one of the following measurement categories:

- amortised cost, if the investment is held for the collection of contractual cash flows which represent solely payments of principle and interest. Interest income from the investment is calculated using the effective interest method.
- fair value through other comprehensive income (FVOCI) – recycling, if the contractual cash flows of the investment comprise solely payments of principal and interest and the investment is held within a business model whose objective is achieved by both the collection of contractual cash flows and sale. Changes in fair value are recognised in other comprehensive income, except for the recognition in profit or loss of expected credit losses, interest income (calculated using the effective interest method) and foreign exchange gains and losses. When the investment is derecognised, the amount accumulated in other comprehensive income is recycled from equity to profit or loss.
- fair value at profit or loss (FVPL) if the investment does not meet the criteria for being measured at amortised cost or FVOCI (recycling). Changes in the fair value of the investment (including interest) are recognised in profit or loss.

## 2. 主要會計政策 (續)

### (h) 於股本證券之其他投資 (續)

#### (i) 股本投資以外之投資

本集團持有之非股本投資分類為下列計量類別之一：

- 按攤餘成本，倘所持投資用作收回合約現金流量（僅代表本金及利息付款）。投資的利息收入採用實際利率法計算。
- 透過其他全面收益按公平值（透過其他全面收益按公平值）— 可劃轉，倘投資之合約現金流量僅包括本金及利息付款，且持有投資的目的為同時收回合約現金流量及出售的業務模式。公平值的變動於其他全面收益內確認，惟預期信貸虧損、利息收入（按實際利率法計算）及匯兌收益及虧損於損益內確認。於終止確認該投資時，於其他全面收益內累計的金額由權益轉入損益。
- 透過損益按公平值（透過損益按公平值），倘該投資不符合按攤餘成本或透過其他全面收益按公平值（可劃轉）計量之標準。該投資的公平值變動（包括利息）於損益內確認。

## 2. SIGNIFICANT ACCOUNTING POLICIES (continued)

### (h) Other investments in equity securities (continued)

#### (ii) Equity investments

An investment in equity securities is classified as FVPL unless the equity investment is not held for trading purposes and on initial recognition of the investment the Group makes an election to designate the investment at FVOCI (non-recycling) such that subsequent changes in fair value are recognised in other comprehensive income. Such elections are made on an instrument-by-instrument basis, but may only be made if the investment meets the definition of equity from the issuer's perspective. Where such an election is made, the amount accumulated in other comprehensive income remains in the fair value reserve (non-recycling) until the investment is disposed of. At the time of disposal, the amount accumulated in the fair value reserve (non-recycling) is transferred to retained earnings. It is not recycled through profit or loss. Dividends from an investment in equity securities, irrespective of whether classified as at FVPL or FVOCI, are recognised in profit or loss as other income in accordance with the policy set out in note 2(v)(iii).

### (i) Property, plant and equipment

The following items of property, plant and equipment other than construction in progress, are stated at cost less accumulated depreciation and impairment losses.

- interests in leasehold land and buildings where the Group is the registered owner of the property interest;
- right-of-use assets arising from leases over leasehold properties where the Group is not the registered owner of the property interest; and
- items of plant and equipment, including right-of-use assets arising from leases of underlying plant and equipment.

## 2. 主要會計政策 (續)

### (h) 於股本證券之其他投資 (續)

#### (ii) 股本投資

於股本證券之投資被分類為透過損益按公平值入賬，除非該股本投資並非以交易為目的持有且於初步確認投資時，本集團選擇指定投資為透過其他全面收益按公平值入賬（不可劃轉），由此，隨後公平值變動於其他全面收益內確認。該等選擇以個別工具為基礎作出，但僅會在發行人認為投資滿足股本之定義之情況下作出。作出該選擇後，於其他全面收益內累計之金額仍將保留在公平值儲備（不可劃轉）內直至將該投資出售。於出售時，於公平值儲備（不可劃轉）內累計之金額轉撥至保留盈利，且不會轉入損益。來自股本證券投資之股息無論分類為透過損益按公平值入賬或透過其他全面收益按公平值入賬，均根據附註2(v)(iii)所載之政策在損益表中確認為其他收入。

### (i) 物業、廠房及設備

以下之物業、廠房及設備項目（在建工程除外）乃按成本減累計折舊及減值虧損列賬。

- 於租賃土地及樓宇之權益（倘本集團為該物業權益之登記擁有人）；
- 由租賃產生對租賃物業之使用權資產（倘本集團並非該物業權益之登記擁有人）；及
- 廠房及設備項目，包括由相關廠房及設備之租賃產生之使用權資產。

# NOTES TO THE FINANCIAL STATEMENTS

## 財務報表附註

31 December 2020 二零二零年十二月三十一日

## 2. SIGNIFICANT ACCOUNTING POLICIES (continued)

### (i) Property, plant and equipment (continued)

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

Buildings	20 years
Plant and machinery	3 – 10 years
Computers and equipment	3 – 5 years
Furniture and fixtures	5 years
Motor vehicles	5 years

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

Historical cost includes expenditure that is directly attributable to the acquisition of the items. Cost may also include transfers from equity of any gains/losses on qualifying cash flow hedges of foreign currency purchases of property, plant and equipment.

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 recognised in profit or loss during the reporting period in which they are incurred.

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.

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

## 2. 主要會計政策(續)

### (i) 物業、廠房及設備(續)

折舊予以計算，以撇銷物業、廠房及設備項目之成本值，並使用直線法按其如下之估計可使用年期減其估計剩餘價值(如有)：

樓宇	20年
廠房及機器	3至10年
電腦及設備	3至5年
傢俬及裝置	5年
汽車	5年

當一項物業、廠房及設備項目之各部份具有不同之可使用年期，此項目之成本將按合理基準在各部份中分配，而各部份將作個別折舊。資產之可使用年期及其剩餘價值(如有)會每年進行檢討。

過往成本包括收購各項目直接應佔之開支。成本亦可包括由權益轉撥的外幣購買物業、廠房及設備符合作現金流量對沖的任何收益/虧損。

期後成本僅在與該項目相關的未來經濟效益很可能歸於本集團，而且能可靠地計量該項目成本的情況下，始計入有關資產的賬面值，或確認為獨立的資產(如適用)。當作獨立資產的任何組成部分之賬面值於取代時終止確認。所有其他修理及維修成本則在其產生的報告期間在損益中確認。

倘若某項資產之賬面值高於其估計可收回金額，則該項資產之賬面值即時撇減至其可收回金額。

報廢或出售物業、廠房及設備項目產生之盈虧釐定為出售所得款項淨額與項目賬面值間之差額，並於報廢及出售當日於損益中確認。



## 2. SIGNIFICANT ACCOUNTING POLICIES (continued)

### (j) Construction in progress

Construction in progress represents buildings and structures under construction, which is stated at cost less impairment losses (see note 2(l) (ii)). Cost comprises direct costs of construction and capitalised borrowing costs (see note 2(w)) during the periods of construction. Capitalisation of these costs ceases and the construction in progress is transferred to property, plant and equipment when substantially all the activities necessary to prepare the assets for their intended use are complete.

No depreciation is provided in respect of construction in progress until it is substantially completed and ready for its intended use.

### (k) Leased assets

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

#### (i) As a lessee

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

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

## 2. 主要會計政策 (續)

### (j) 在建工程

在建工程乃指在建樓宇及建築物，按成本值減任何減損列賬（見附註2(l) (ii)）。成本包括興建期內之直接興建費用及資本化借貸成本（見附註2(w)）。當準備資產以作擬定用途所需的絕大部份活動完成時，此等成本的資本化停止及在建工程被轉撥至物業、廠房及設備。

無須就在建工程之折舊作出撥備，直至其大體完成以及可作擬定用途時為止。

### (k) 租賃資產

於合約開始時，本集團評估該合約是否為或是否包含租賃。倘合約讓渡於一段時間內控制使用特定資產以換取代價之權利，即表示該合約為或包含租賃。在客戶同時有權指示特定資產之用途及獲取使用該資產帶來之絕大部份經濟利益時，即表示控制權已經讓渡。

#### (i) 作為承租人

在合約包含租賃部份及非租賃部份之情況下，本集團已選擇不區分非租賃部份，並就所有租賃將各租賃部份及任何相關的非租賃部份入賬列為單一租賃部份。

於租賃開始日期，本集團確認使用權資產及租賃負債，惟具有12個月或以下租賃期之短期租賃及低價值資產租賃除外。當本集團就低價值資產訂立租賃時，本集團按逐項租賃基準決定是否將租賃資本化。與此等租賃有關之租賃付款不作資本化，並於租賃期內有系統地確認為開支。

# NOTES TO THE FINANCIAL STATEMENTS

## 財務報表附註

31 December 2020 二零二零年十二月三十一日

## 2. SIGNIFICANT ACCOUNTING POLICIES (continued)

### (k) Leased assets (continued)

#### (i) As a lessee (continued)

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

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

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

## 2. 主要會計政策(續)

### (k) 租賃資產(續)

#### (i) 作為承租人(續)

在租賃作資本化之情況下，租賃負債首次按租賃期內之租賃付款現值(採用租賃內含之利率或(如該利率無法輕易釐定)採用有關增量借貸利率)確認。於首次確認後，租賃負債按攤餘成本計量，而利息開支採用實際利率法計算。並非與指數或利率掛鈎之可變租賃付款並不納入租賃負債之計量內，因此於產生之會計期間自損益表扣除。

於租賃作資本化時確認之使用權資產初始按成本計量，成本包括租賃負債之初始金額，另加於開始日期或之前所支付之任何租賃付款，以及任何已產生之初始直接成本。於適用時，使用權資產之成本亦包括拆卸及移除相關資產或修復相關資產或其所在場地之估計成本(已折現至其現值)，減去任何已收取之租賃激勵金額。使用權資產其後按成本減累計折舊及減值虧損列賬。

當指數或利率變動導致未來租賃付租出現變動，或本集團根據剩餘價值擔保預期應付之估計金額出現變動，或由於重新評估本集團會否可合理確定行使購買、延期或終止選擇權而導致出現變動時，租賃負債需重新計量。當租賃負債以此方式重新計量時，對使用權資產之賬面值作出相應調整，或倘使用權資產之賬面值已經降至零，則於損益表中記賬。

## 2. SIGNIFICANT ACCOUNTING POLICIES (continued)

### (k) Leased assets (continued)

#### (i) As a lessee (continued)

The lease liability is also remeasured when there is a change in the scope of a lease or the consideration for a lease that is not originally provided for in the lease contract ("lease modification") that is not accounted for as a separate lease. In this case the lease liability is remeasured based on the revised lease payments and lease term using a revised discount rate at the effect date of the modification. The only exceptions are any rent concessions which arose as a direct consequence of the COVID-19 pandemic and which satisfied the conditions set out in paragraph 46B of HKFRS 16 Leases. In such cases, the Group took advantage of the practical expedient set out in paragraph 46A of HKFRS 16 and recognised the change in consideration as if it were a lease modification.

In the consolidated statement of financial position, the current portion of long-term lease liabilities is determined as the present value of contractual payments that are due to be settled within twelve months after the reporting period.

#### (ii) As a lessor

When the Group acts as a lessor, it determines at lease inception whether each lease is a finance lease or an operating lease. A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to the ownership of an underlying assets to the lessee. If this is not the case, the lease is classified as an operating lease.

When a contract contains lease and non-lease components, the Group allocates the consideration in the contract to each component on a relative stand-alone selling price basis. The rental income from operating leases is recognised in accordance with note 2(v)(ii).

When the Group is an intermediate lessor, the sub-leases are classified as a finance lease or as an operating lease with reference to the right-of-use asset arising from the head lease. If the head lease is a short-term lease to which the Group applies the exemption described in note 2(k)(i), then the Group classifies the sub-lease as an operating lease.

## 2. 主要會計政策(續)

### (k) 租賃資產(續)

#### (i) 作為承租人(續)

當租賃範疇發生變化或租賃合約原先並無規定的租賃代價發生變化(「租賃修訂」),且未作為單獨的租賃入賬時,則亦要對租賃負債進行重新計量。在此情況,租賃負債根據經修訂的租賃付款及租賃期限,使用經修訂的貼現率在修訂生效日重新計量。唯一例外為因COVID-19疫情而直接產生的任何租金減免,且其符合香港財務報告準則第16號租賃第46B段所載的條件。在該等情況,本集團利用香港財務報告準則第16號第46A段所載的可行權宜方法確認代價變動,猶如其已為租賃修訂。

在綜合財務狀況表中,長期租賃負債的即期部分釐定為須於報告期後十二個月內清償之合約付款現值。

#### (ii) 作為出租人

倘本集團作為出租人時,其於租賃開始時釐定各項租賃乃屬於融資租賃或經營租賃。倘租賃將相關資產之擁有權所附帶之絕大部份風險及回報轉移至承租人,則其被分類為融資租賃。否則,租賃被分類為經營租賃。

當合約包含租賃及非租賃部份時,本集團按相對單獨售價基準,將合約中之代價分配至各部份。來自經營租賃之租金收入根據附註2(v)(ii)確認。

倘本集團為中間出租人,經參考總租約產生的使用權資產,分租被分類為融資租賃或經營租賃。倘總租賃為短期租賃,本集團豁免遵守附註第2(k)(i)項所載規定,則本集團將分租分類為經營租賃。

# NOTES TO THE FINANCIAL STATEMENTS

## 財務報表附註

31 December 2020 二零二零年十二月三十一日

## 2. SIGNIFICANT ACCOUNTING POLICIES (continued)

### (l) Credit losses and impairment of assets

#### (i) Credit losses from financial instruments, contract assets and lease receivables

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

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

#### Measurement of ECLs

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

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

- fixed-rate financial assets, trade and other receivables and contract assets: effective interest rate determined at initial recognition or an approximation thereof;
- variable-rate financial assets: current effective interest rate; and
- lease receivables: discount rate used in the measurement of the lease receivable.

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

## 2. 主要會計政策(續)

### (l) 信貸虧損及資產減值

#### (i) 金融工具、合約資產及應收租賃之信貸虧損

本集團就下列各項的預期信貸虧損(「預期信貸虧損」)確認虧損撥備：

- 按攤餘成本計量之金融資產(包括現金及等同現金項目以及應收賬款及其他應收款項)；
- 香港財務報告準則第15號所界定之合約資產；及
- 應收租賃。

#### 預期信貸虧損的計量

預期信貸虧損乃以概率加權估計的信貸虧損。信貸虧損以所有預期現金短缺(即根據合約應付予本集團的現金流量與本集團預期收取的現金流量之間的差額)的現值計量。

倘折現影響屬重大，則預期現金短缺採用以下折現率折現：

- 固定利率金融資產、應收賬款及其他應收款項及合約資產：初始確認時釐定的實際利率或其近似值；
- 浮動利率金融資產：當前實際利率；及
- 應收租賃：用於計量應收租賃的折現率。

於估計預期信貸虧損時考慮的最長期間為本集團承受信貸風險的最長合約期間。

## 2. SIGNIFICANT ACCOUNTING POLICIES (continued)

### (l) Credit losses and impairment of assets (continued)

#### (i) Credit losses from financial instruments, contract assets and lease receivables (continued)

##### Measurement of ECLs (continued)

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

ECLs are measured on either of the following bases:

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

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

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

## 2. 主要會計政策(續)

### (l) 信貸虧損及資產減值(續)

#### (i) 金融工具、合約資產及應收租賃之信貸虧損(續)

##### 預期信貸虧損的計量(續)

在計量預期信貸虧損時，本集團考慮合理及有據且無需付出過多成本或努力獲得的資料。這包括有關過去事件、當前狀況及未來經濟狀況預測的資料。

預期信貸虧損基於下列其中一項基準計量：

- 12個月預期信貸虧損：此為預期於報告日後12個月內可能發生的違約事件而導致的虧損；及
- 全期預期信貸虧損：此為預期於採用預期信貸虧損模式的項目在預期年限內所有可能發生的違約事件而導致的虧損。

應收賬款及票據、應收租賃及合約資產的虧損撥備一般乃按等同於全期預期信貸虧損的金額計量。該等金融資產的預期信貸虧損乃利用基於本集團過往信貸虧損經驗的撥備矩陣進行估算，並按於報告日期債務人的個別因素及對當前及預測整體經濟狀況的評估進行調整。

對於所有其他金融工具，本集團的虧損撥備以相等於十二個月的預期信貸虧損的金額確認。除非自初始確認後該金融工具的信用風險大幅增加，在這種情況下，虧損撥備則以整個存續期的預期信貸虧損的等值金額計量。

# NOTES TO THE FINANCIAL STATEMENTS

## 財務報表附註

31 December 2020 二零二零年十二月三十一日

## 2. SIGNIFICANT ACCOUNTING POLICIES (continued)

### (l) Credit losses and impairment of assets (continued)

#### (i) Credit losses from financial instruments, contract assets and lease receivables (continued)

Measurement of ECLs (continued)

*Significant increases in credit risk*

In assessing whether the credit risk of a financial instrument has increased significantly since initial recognition. The Group compares the risk of default occurring on the financial instrument assessed at the reporting date with that assessed at the date of initial recognition. In making this reassessment, the Group considers that a default event occurs when (i) the borrower is unlikely to pay its credit obligations to the Group in full, without recourse by the Group to actions such as realising security (if any is held); or (ii) the financial asset is 90 days past due. The Group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort.

In particular, the following information is taken into account when assessing whether credit risk has increased significantly since initial recognition:

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

## 2. 主要會計政策(續)

### (l) 信貸虧損及資產減值(續)

#### (i) 金融工具、合約資產及應收租賃之信貸虧損(續)

預期信貸虧損的計量(續)

*信貸風險大幅上升*

於評估金融工具的信貸風險自初始確認以來有否大幅上升時，本集團會比較於報告日期及於初始確認日期評估的金融工具發生違約的風險。作出該重新評估時，本集團認為，倘(i)借款人不大可能在本集團無追索權採取變現抵押(如持有)等行動的情況下向本集團悉數支付其信貸承擔；或(ii)金融資產已逾期90日，則發生違約事件。本集團會考慮合理可靠的定量及定性資料，包括過往經驗及在無需付出過多成本或努力下即可獲得的前瞻性資料。

具體而言，評估信貸風險自初始確認以來有否大幅上升時會考慮以下資料：

- 未能按合約到期日期支付本金或利息；
- 金融工具外部或內部信貸測評的實際或預期顯著惡化(如有)；
- 債務人之經營業績實際上或預期會顯著轉差；及
- 科技、市場、經濟或法律環境的目前或預期變動對債務人履行其對本集團責任的能力有重大不利影響。

## 2. SIGNIFICANT ACCOUNTING POLICIES (continued)

### (l) Credit losses and impairment of assets (continued)

#### (i) Credit losses from financial instruments, contract assets and lease receivables (continued)

Measurement of ECLs (continued)

Significant increases in credit risk (continued)

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

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

Basis of calculation of interest income

Interest income recognised in accordance with note 2(v)(iv) is calculated based on the gross carrying amount of the financial asset unless the financial asset is credit-impaired, in which case interest income is calculated based on the amortised cost (i.e. the gross carrying amount less loss allowance) of the financial asset.

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

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

- significant financial difficulties of the debtor;
- a breach of contract, such as a default or past due event;

## 2. 主要會計政策 (續)

### (l) 信貸虧損及資產減值 (續)

#### (i) 金融工具、合約資產及應收租賃之信貸虧損 (續)

預期信貸虧損的計量 (續)

信貸風險大幅上升 (續)

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

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

計算利息收益的基準

根據附註2(v)(iv)確認的利息收入乃根據金融資產之總賬面值計算，除非該金融資產出現信貸減值，在此情況下，利息收入乃根據金融資產之攤餘成本（即總賬面值減虧損撥備）計算。

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

金融資產出現信貸減值的證據包括以下可觀察事件：

- 債務人有重大財務困難；
- 違約，例如拖欠或逾期事件；

# NOTES TO THE FINANCIAL STATEMENTS

## 財務報表附註

31 December 2020 二零二零年十二月三十一日

## 2. SIGNIFICANT ACCOUNTING POLICIES (continued)

### (l) Credit losses and impairment of assets (continued)

#### (i) Credit losses from financial instruments, contract assets and lease receivables (continued)

Measurement of ECLs (continued)

Significant increases in credit risk (continued)

Basis of calculation of interest income (continued)

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

Write off policy

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

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

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

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

- property, plant and equipment, including right-of-use assets;
- construction in progress;

## 2. 主要會計政策 (續)

### (l) 信貸虧損及資產減值 (續)

#### (i) 金融工具、合約資產及應收租賃之信貸虧損 (續)

預期信貸虧損的計量 (續)

信貸風險大幅上升 (續)

計算利息收益的基準 (續)

- 借款人可能破產或進行其他財務重組；
- 技術、市場、經濟或法律環境出現重大變動而對債務人造成不利影響；或
- 由於發行人出現財務困難，證券活躍市場消失。

撇銷政策

若日後實際上不可收回款項，則會撇銷（部份或全部）金融資產、應收租賃或合約資產的總賬面值。該情況通常出現在本集團確定債務人沒有資產或可產生足夠現金流量的收入來源來償還應撇銷的金額。

隨後收回先前撇銷之資產於收回期間在損益內確認為減值撥回。

#### (ii) 其他非流動資產減值

本集團於各報告期結束時檢討內部及外部資料來源，以確定以下資產是否減值（商譽除外），或過往確認的減值虧損是否不再存在或已經減少：

- 物業、廠房及設備（包括使用權資產）；
- 在建工程；



## 2. SIGNIFICANT ACCOUNTING POLICIES (continued)

### (l) Credit losses and impairment of assets (continued)

#### (ii) Impairment of other non-current assets (continued)

- goodwill; and
- investments in subsidiaries in the Company's statement of financial position.

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

- Calculation of recoverable amount

The recoverable amount of an asset is the greater of its fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Where an asset does not generate cash inflows largely independent of those from other assets, the recoverable amount is determined for the smallest group of assets that generates cash inflows independently (i.e. a cash-generating unit).

- Recognition of impairment losses

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

## 2. 主要會計政策 (續)

### (l) 信貸虧損及資產減值 (續)

#### (ii) 其他非流動資產減值 (續)

- 商譽；及
- 本公司財務狀況表內於附屬公司之投資。

倘存在任何有關跡象，則會估計資產的可收回金額。

- 計算可收回金額

資產的可收回金額為其公平值減出售成本與使用價值之間的較高者。於評估使用價值時，估計未來現金流量乃按能反映現時市場對貨幣時間價值及資產特定風險的評估的稅前折現率折現至其現值。倘資產所產生現金流入大致上不能獨立於其他資產所產生的現金流入，則就能獨立產生現金流入的最小資產組別（即現金產生單位）釐定可收回金額。

- 確認減值虧損

倘資產或其所屬現金產生單位的賬面值超過可收回金額，則於損益中確認減值虧損。分配就現金產生單位確認的減值虧損時，首先削減該現金產生單位（或一組單位）所獲分配之任何商譽的賬面值，其後按比例削減該單位（或該組單位）內其他資產的賬面值，惟資產的賬面值不會減至低於其公平值扣減出售成本（如能計量）或使用價值（如能釐定）。

# NOTES TO THE FINANCIAL STATEMENTS

## 財務報表附註

31 December 2020 二零二零年十二月三十一日

## 2. SIGNIFICANT ACCOUNTING POLICIES (continued)

### (l) Credit losses and impairment of assets (continued)

#### (ii) Impairment of other non-current assets (continued)

##### – Reversals of impairment losses

In respect of assets other than goodwill, an impairment loss is reversed if there has been a favourable change in the estimates used to determine the recoverable amount. An impairment loss in respect of goodwill is not reversed.

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

#### (iii) Interim financial reporting and impairment

Under the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited, the Group is required to prepare an interim financial report in compliance with HKAS 34, Interim financial reporting, in respect of the first six months of the financial year. At the end of the interim period, the Group applies the same impairment testing, recognition, and reversal criteria as it would at the end of the financial year (notes 2(l)(i) and (ii)).

Impairment losses recognised in an interim period in respect of goodwill are not reversed in a subsequent period. This is the case even if no loss, or a smaller loss, would have been recognised had the impairment been assessed only at the end of the financial year to which the interim period relates.

### (m) Inventories

Inventories are assets in the form of materials or supplies which are held for consumption in the rendering of services in the ordinary course of business.

Inventories are carried at the lower of cost and net realisable value.

Cost is calculated using the weighted average cost formula and comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

## 2. 主要會計政策(續)

### (l) 信貸虧損及資產減值(續)

#### (ii) 其他非流動資產減值(續)

##### – 減值虧損撥回

就商譽以外的資產而言，倘被用於釐定可收回金額的估計出現有利變動，則有關減值虧損將予撥回。有關商譽的減值虧損不予撥回。

減值虧損的撥回以在過往年度並無確認減值虧損的情況下原應釐定的資產賬面值為限。撥回的減值虧損乃於確認撥回的年度內計入損益。

#### (iii) 中期財務報告及減值

根據香港聯合交易所有限公司證券上市規則，本集團須根據香港會計準則第34號「中期財務報告」就財政年度首六個月編製中期財務報告。於中期末，本集團應用於財政年度末應採用的相同減值測試、確認及撥回條件(見附註2(l)(i)及(ii))。

就商譽於中期期間確認之減值虧損不會於其後期間撥回。即使僅在該中期期間所屬的財政年度末才評估減值並確認並無虧損或所確認之虧損較少，亦不會撥回減值虧損。

### (m) 存貨

存貨是指在日常業務提供服務過程中所耗用材料或物料形式持有之資產。

存貨乃按成本值與可變現淨值之較低者列賬。

成本乃使用加權平均成本公式計算，並包括所有購買成本、轉換成本及將存貨付運至其現在位置及令存貨達致現在狀況所產生之其他成本。

## 2. SIGNIFICANT ACCOUNTING POLICIES (continued)

### (m) Inventories (continued)

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

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

### (n) Contract assets and contract liabilities

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

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

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

When the contract includes a significant component, the contract balance includes interest accrued under the effective interest method.

### (o) Trade and other receivables

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

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

## 2. 主要會計政策 (續)

### (m) 存貨 (續)

可變現淨值為於日常業務過程中之估計售價減完成之估計成本及銷售所需之估計成本。

當存貨售出時，該等存貨之賬面值於確認有關收入期間內作為一項開支予以確認。將存貨撇減至可變現淨值之金額及存貨之所有虧損於撇減或虧損發生期間內作為一項開支予以確認。任何存貨撇減之任何撥回於撥回產生期間內作為一項開支確認之存貨之金額內作為一項扣減予以確認。

### (n) 合約資產及合約負債

當本集團有權無條件獲取合約所載付款條款所指代價前確認收益時，便會確認合約資產。合約資產根據附註2(l)(i)所載政策就預期信貸虧損（「預期信貸虧損」）而作出評估，並於收取代價之權利已成為無條件時重新分類至應收款項（見附註2(o)）。

當客戶於本集團確認相關收益前支付不可退回代價時，便會確認合約負債。倘本集團具有無條件權利於其確認相關收益前收取不可退回代價，亦會確認合約負債。在此情況下，亦會確認相應的應收款項。

就與客戶的單一合約而言，將呈列合約資產淨值或合約負債淨值。就多份合約而言，不相關合約的合約資產及合約負債不按淨值基準呈列。

倘合約包括重大部分，合約餘額包括根據實際利息法計算的應計利息。

### (o) 應收賬款及其他應收款項

本集團具有無條件權利收取代價時確認應收款項。在該代價到期支付前，收取代價的權利僅需經過一段時間方為無條件。如收益在本集團有無條件權利收取代價前經已確認，則金額呈列為合約資產。

應收款項乃採用實際利率法按攤餘成本減信貸虧損撥備列賬（見附註2(l)(i)）。

# NOTES TO THE FINANCIAL STATEMENTS

## 財務報表附註

31 December 2020 二零二零年十二月三十一日

## 2. SIGNIFICANT ACCOUNTING POLICIES (continued)

### (p) Cash and cash equivalents

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

### (q) Trade and other payables

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

### (r) Interest-bearing borrowings

Interest-bearing borrowings are recognised initially at fair value less attributable transaction costs. Subsequent to initial recognition, interest-bearing borrowings are stated at amortised cost using the effective interest method. Interest expense is recognised in accordance with the Group's accounting policy for borrowing costs.

### (s) Employee benefits

#### (i) *Short-term employee benefits and contributions to defined contribution retirement plans*

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

Contributions to Mandatory Provident Funds (the "MPF") as required under the Hong Kong Mandatory Provident Fund Schemes Ordinance and other retirement benefit schemes, are recognised as an expense in profit or loss and when incurred.

Annual contributions to pension schemes operated by the government in the PRC are recognised as an expense in profit or loss as and when incurred.

## 2. 主要會計政策 (續)

### (p) 現金及等同現金項目

現金及等同現金項目包括銀行及手頭現金、活期銀行存款及其他金融工具，以及可隨時兌換為已知金額之現金及毋須承受價值變動重大風險且於購入後三個月內到期之短期高流動投資。就綜合現金流量表而言，須按要求償還及構成本集團現金管理之組成部份之銀行透支亦作為現金及等同現金項目之一部份計入。現金及等同現金項目根據附註(2)(l)所載政策就預期信貸虧損（「預期信貸虧損」）作出評估。

### (q) 應付賬款及其他應付款項

應付賬款及其他應付款項乃按公平值初步確認。應付賬款及其他應付款項其後按攤餘成本列賬，惟折現之影響將微小則除外，於此情況下，彼等乃按成本值列賬。

### (r) 帶息借貸

帶息借貸乃按公平值減應佔交易成本初步確認。於初步確認後，帶息借貸乃使用實際利率法按攤餘成本列賬。利息開支乃根據本集團有關借貸成本的會計政策確認。

### (s) 僱員福利

#### (i) *短期僱員福利及向定額供款退休計劃供款*

薪金、年度花紅、有薪年假、向定額供款退休計劃作出供款及非貨幣利益之成本乃於僱員提供有關服務年度內應計。倘付款或結算遞延及影響將微小，則該等金額按其現值列賬。

根據香港《強制性公積金計劃條例》所規定之強制性公積金（「強積金」）及其他退休福利計劃之供款於產生時在損益表內確認為開支。

由中國政府運作的退休金計劃的年度供款於產生時在損益表內確認為開支。

## 2. SIGNIFICANT ACCOUNTING POLICIES (continued)

### (s) Employee benefits (continued)

#### (ii) Share-based payments

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

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

#### (iii) Termination benefits

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

## 2. 主要會計政策(續)

### (s) 僱員福利(續)

#### (ii) 以股份形式付款

授予僱員之購股權之公平值乃作為僱員成本予以確認，而相應增加於權益內之購股權儲備內入賬。公平值乃於授出日期經計及購股權授出之條款及條件使用二項式期權定價模式計量。倘僱員於成為無條件享有購股權前須符合歸屬條件，則購股權之估計公平值總額經計及購股權將歸屬之可能性後按歸屬期攤開。

於歸屬期內，預期歸屬之購股權數目予以檢討。除非原來僱員費用合資格確認為一項資產，而相應調整計入購股權儲備，否則於過往年度內確認之累計公平值之任何調整於回顧年度之損益內扣除／計入。於歸屬日期，確認為一項開支之金額予以調整，以反映歸屬購股權之實際數目（於購股權儲備內作出相應調整），惟倘沒收僅由於未能取得與本公司股份市價有關之歸屬條件則除外。權益數額於資本儲備內確認，直至購股權獲行使（當其轉撥至股份溢價賬時）或購股權屆滿（當其直接撥回保留溢利時）為止。

#### (iii) 終止福利

終止福利乃當及僅當本集團明確地承諾自身終止僱傭或透過撤回實際上不可能之詳細正式計劃而向自願辭職之僱員提供福利時予以確認。

# NOTES TO THE FINANCIAL STATEMENTS

## 財務報表附註

31 December 2020 二零二零年十二月三十一日

## 2. SIGNIFICANT ACCOUNTING POLICIES (continued)

### (t) Income tax

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

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

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

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

## 2. 主要會計政策(續)

### (t) 所得稅

年度所得稅包括本期稅項及遞延稅項資產與負債之變動。本期稅項及遞延稅項資產與負債之變動均在損益確認，惟在其他全面收益或直接在權益中確認之相關項目，其相關稅項金額分別在其他全面收入或直接在權益中確認。

本期稅項是按年度應課稅所得，根據於報告期末已生效或實質上已生效之稅率計算之預期應付稅項，加上以往年度應付稅項之任何調整。

遞延稅項資產與負債分別由可扣減及應課稅暫時差異產生。暫時差異是指資產與負債就財務報告而言之賬面值與其稅基之差異。遞延稅項資產亦可以由未動用稅項虧損及未動用稅項抵免產生。

除若干有限之例外情況外，所有遞延稅項負債及所有遞延稅項資產（只限於有可能獲得可動用該遞延稅項資產來抵扣之未來應課稅溢利）均會確認。支持確認由可抵扣暫時差異所產生遞延稅項資產的未來應課稅溢利包括因撥回目前存在的應課稅暫時差異而產生的數額；但有關撥回的差異必須與同一稅務機關和同一應課稅實體有關，並預期在可抵扣暫時差異預計撥回的同一年間或遞延稅項資產所產生可抵扣虧損可向後期或向前期結轉的期間內撥回。在決定目前存在的應課稅暫時差異是否足以支持確認由未利用可抵扣虧損和稅款抵減所產生的遞延稅項資產時，亦會採用同一準則，即差異是否與同一稅務機關和同一應課稅實體有關，以及是否預期在能夠使用未利用可抵扣虧損和稅款抵減撥回的同一年間內撥回。

## 2. SIGNIFICANT ACCOUNTING POLICIES (continued)

### (t) Income tax (continued)

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

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

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

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

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

## 2. 主要會計政策 (續)

### (t) 所得稅 (續)

確認遞延稅項資產及負債之有限例外情況包括：產生自不可在稅務方面獲得扣減的商譽產生之暫時差額；不影響會計或應課稅溢利的資產或負債的初次確認（如屬業務合併一部分則除外）；以及投資附屬公司有關的暫時差異（如屬應課稅差異，只限於本集團可以控制撥回的時間，且在可預見的將來不大可能撥回的暫時差異；或如屬可抵扣差異，則只限於很可能在將來撥回的差異）。

於每個報告期末評估遞延稅項資產的賬面值，如預期不再可能獲得足夠的應課稅溢利以利用相關的稅務利益，該遞延稅項資產的賬面值即予以撇減。倘日後可能獲得足夠的應課稅溢利，有關撇減款額即予以撥回。

來自分派股息之額外所得稅在支付有關股息時確認為負債。

本期稅項結餘及遞延稅項結餘以及其變動會分開列示，且不予抵銷。本期稅項資產及遞延稅項資產只會在本集團或本公司擁有法定行使權力以便將本期稅項資產抵銷本期稅項負債，且符合以下附帶條件的情況下，才可以分別抵銷本期稅項負債及遞延稅項負債：

- 就本期稅項資產及負債而言，本公司或本集團計劃按淨額基準結算，或同時變現該資產及清償該負債；或
- 就遞延稅項資產及負債而言，該等資產及負債必須與同一稅務機關就以下其中一項徵收的所得稅有關：
  - 同一應課稅實體；或
  - 不同應課稅實體，而該等實體在預期有大額遞延稅項負債需要清償或遞延稅項資產可以收回的每個未來期間，計劃按淨額基準變現本期稅項資產及清償本期稅項負債，或同時變現該資產及清償該負債。

# NOTES TO THE FINANCIAL STATEMENTS

## 財務報表附註

31 December 2020 二零二零年十二月三十一日

## 2. SIGNIFICANT ACCOUNTING POLICIES (continued)

### (u) Provisions, contingent liabilities and onerous contracts

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

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

An onerous contract exists when the Group has a contract under which the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received from the contract. Provisions for onerous contracts are measured at the present value of the lower of the expected cost of terminating the contract and the net cost of continuing with the contract.

### (v) Revenue and other revenue

Income is classified by the Group as revenue when it arises from sale of goods, the provision of services or the use by the lessees of the Group's assets under operating leases in the ordinary course of the Group's business.

Revenue is recognised when control of a service or good is transferred to the customer or when the lessee has obtained the right to use the asset subject to an operating lease, at the amount of promised consideration to which the Group is expected to be entitled, excluding those amounts collected on behalf of third parties. Revenue excludes value-added tax ("VAT") or other sales taxes and after deduction of any trade discounts.

## 2. 主要會計政策(續)

### (u) 撥備、或然負債及虧損合同

倘若本集團或本公司須就過往事件承擔法律或推定責任，因而預期會導致經濟利益流出，在可以作出可靠的估計時，本集團或本公司便會就該時間或數額不定的其他負債計提撥備。倘若貨幣時間值重大，則撥備按結清該責任預計所需支出的現值列賬。

倘若經濟利益流出的可能性較低，或無法對有關數額作出可靠的估計，便會將該責任披露為或然負債，但經濟利益流出的可能性極低則除外。倘若本集團的責任須視乎某宗或多宗未來事件是否發生才能確定是否存在，亦會披露為或然負債，但經濟利益流出的可能性極低則除外。

當本集團為達成合約責任所產生的不可避免成本超逾預期自該合約收取的經濟利益，即視為存在虧損合約。虧損合約撥備按終止合約的預期成本及繼續合約的成本淨額兩者之較低者之現值計量。

### (v) 收益及其他收益

當收入因於本集團日常業務過程中銷售商品、提供服務或承租人根據租賃使用本集團的營運資產而產生時，收入由本集團分類為收益。

於服務或貨品之控制權轉移至客戶或當承租人按照經營租賃取得使用資產的權力時，按本集團預期有權獲取之承諾代價數額(不包括代表第三方收取的金額)確認收益。收益不包括增值稅(「增值稅」)或其他銷售稅，並經扣除任何貿易折扣。



## 2. SIGNIFICANT ACCOUNTING POLICIES (continued)

### (v) Revenue and other revenue (continued)

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

#### (i) Revenue from provision of services or goods

Revenue from provision of waste and sewage treatment and related services or goods are recognised when control of the services or goods are passed to the customers.

Revenue is recognised when or as the control of the services or goods is transferred to the customer. Depending on the terms of the contract, control of the services or goods may be transferred over time or a point in time. Control of the services or goods is transferred over time if the Group's performance:

- provides the benefits received and consumed simultaneously by the customer;
- creates or enhances an asset that the customer controls as the Group performs; or

## 2. 主要會計政策(續)

### (v) 收益及其他收益(續)

如果合約中包含之融資成分為客戶提供超過十二個月之重大融資利益，則收入按應收金額之現值計量，並使用與客戶單獨融資交易中反映之貼現率貼現，而利息收入則按實際利率法單獨計提。倘合約包含為本集團提供重大融資利益之融資成分，則根據該合約確認之收益包括按實際利率法計算之合約負債所產生之利息開支。本集團利用香港財務報告準則第15號第63段所述之實際權宜方法，倘融資期為十二個月或以下，則不會就重大融資成分之任何影響調整代價。

#### (i) 來自提供服務或貨品之收益

來自提供廢物及污水處置及相關服務或貨品之收益於該等服務或貨品的控制已經轉移至客戶時確認。

收益乃於服務或貨品之控制權轉移至客戶時確認。視乎合約之條款，服務或貨品之控制權可於一段時間內或於某一時間點轉移。倘本集團在履約過程中滿足下列條件，服務或貨品之控制權將於一段時間內轉移：

- 提供利益，而客戶亦同步收到並耗用有關利益；
- 本集團履約時創建或提升客戶所控制之資產；或

# NOTES TO THE FINANCIAL STATEMENTS

## 財務報表附註

31 December 2020 二零二零年十二月三十一日

## 2. SIGNIFICANT ACCOUNTING POLICIES (continued)

### (v) Revenue and other revenue (continued)

#### (i) Revenue from provision of services or goods (continued)

- does not create an asset with an alternative use to the Group and the Group has an enforceable right to payment for performance completed to date.

If control of the services or goods transfers over time, revenue is recognised over the period of the contract by reference to the progress towards complete satisfaction of that performance obligation, which is measured based on direct measurements of the value of individual services or goods transferred by the Group to the customer. Otherwise, revenue is recognised at a point in time when the customer obtains control of the services or goods.

- (a) Revenue from provision of hazardous waste treatment and landfill services are recognised at point in time when the services are rendered to the customers from whom the Group have collected and disposed the wastes.
- (b) Revenue from provision of industrial sewage treatment services are recognised over time when the services are rendered to the customers and measured by using the meters for recording the sewage flowing into the central sewage treatment plant which is operated by the Group inside its eco-plating industrial zone.
- (c) Revenue from provision of utilities (electricity, gas and water) are recognised over time when the utilities (electricity, gas and water) are supplied to the customers inside the Group's eco-plating industrial zone and measured by the respective meter recording devices.

## 2. 主要會計政策(續)

### (v) 收益及其他收益(續)

#### (i) 來自提供服務或貨品之收益(續)

- 並未創建對本集團而言有其他用途之資產，而本集團具有就迄今已完成履約部份獲得付款的可強制執行權利。

倘服務或貨品之控制權經過一段時間轉移，收益確認將按整個合約期間已完成履約責任之進度進行，而有關進度計量乃基於本集團向客戶轉讓之個別服務或貨品之價值直接計量。否則，收益於客戶獲得服務或貨品控制權之時間點確認。

- (a) 提供危險廢物處理及堆填服務之收益乃於本集團已向客戶收集及處置廢物以提供服務時確認。
- (b) 提供工業污水處置服務之收益於向客戶提供服務時隨時間確認，並以記錄流入本集團環保電鍍工業區內由本集團營運的集中式污水處理廠的污水儀錶計量。
- (c) 提供公用配套(電、氣及水)之收益於向本集團環保電鍍工業區內的客戶提供公用配套(電、氣、水)時隨時間確認，並以相關的儀錶記錄裝置計量。

## 2. SIGNIFICANT ACCOUNTING POLICIES (continued)

### (v) Revenue and other revenue (continued)

#### (i) Revenue from provision of services or goods (continued)

- (d) Revenue from provision of management services is recognised over time and on a straight-line basis over the period of the relevant contract when the management services are rendered to the customer inside the eco-plating industrial zone of the Group.
- (e) Equipment construction and installation services: Revenue from the provision of equipment construction and installation services is recognised over time, by reference to the progress towards complete satisfaction of performance obligation.

The progress towards complete transaction of the performance obligation in respect of equipment construction and installation services is measured based on the Group's efforts or inputs to the satisfaction of the performance obligation, by reference to the contract costs incurred up to the end of the reporting period as a percentage of total estimated costs for each contract. The likelihood of the Group earning contractual bonuses for early completion or suffering contractual penalties for late completion are taken into account in making these estimates, such that revenue is only recognised to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur. When the outcome of the contract cannot be reasonably measured, revenue is recognised only to the extent of contract costs incurred that are expected to be recovered. If at any time the costs to complete the contract are estimated to exceed the remaining amount of the consideration under the contract, then a provision is recognised in accordance with the policy set out in note 2(u).

## 2. 主要會計政策(續)

### (v) 收益及其他收益(續)

#### (i) 來自提供服務或貨品之收益(續)

- (d) 提供管理服務之收益乃隨時間並使用直線法基準於管理服務提供予本集團環保電鍍工業區內客戶時按相關合約期間確認。
- (e) 設備建造及安裝服務提供裝備建造及安裝服務之收益會經參考完全履行履約責任之進度按時間確認。

就裝備建造及安裝服務而言，完全履行交易之進度乃根據本集團為完成履約責任而產生的開支或投入而計量，並經參考截至報告期末已產生之合約成本佔各合約之估計總成本之百分比。本集團就提早完成而賺取的合約獎勵或因延遲完工而遭受合約罰款的可能性於作出該等估計時考慮，因此，僅在已確認累計收益金額大幅撥回很可能不會發生時方會確認收益。當合約的結果不能可靠計量時，僅在所產生的合約成本預期將會收回時方會確認收益。倘於任何時間估計完成合約成本超過合約代價其餘金額，則根據附註2(u)所載政策確認撥備。

# NOTES TO THE FINANCIAL STATEMENTS

## 財務報表附註

31 December 2020 二零二零年十二月三十一日

## 2. SIGNIFICANT ACCOUNTING POLICIES (continued)

### (v) Revenue and other revenue (continued)

#### (ii) *Lease income from operating leases*

Lease income receivable under operating lease is recognised in profit or loss in equal instalments over the period covered by the lease term, except where an alternative basis is more representative of the pattern of benefits to be derived from the use of the leased asset. Lease incentives granted are recognised in profit or loss as an integral part of the aggregate net lease payments receivable. Variable lease payments that do not depend on an index or a rate are recognised as income in the accounting period in which they are earned.

#### (iii) *Dividend income*

Dividend income from unlisted equity investments is recognised when the shareholder's right to receive payment is established.

#### (iv) *Interest income*

Interest income is recognised as it accrues under the effective interest method using the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying amount of the financial asset or a shorter period, when appropriate, to the net carrying amount of the financial asset.

## 2. 主要會計政策(續)

### (v) 收益及其他收益(續)

#### (ii) *經營租賃所得租賃收入*

經營租賃的應收租賃收入於租賃期所涵蓋期間，按等額於損益中確認，惟如有其他基準能更清楚地反映租賃資產所產生的收益模式則除外。獲授的租賃獎勵確認為應收租賃淨付款總額的組成部分。不取決於指數或利率的可變租賃付款於其賺取的會計期間內確認為收入。

#### (iii) *股息收入*

來自非上市股本投資之股息收入當收取付款之股東權利已確立時，方可確認。

#### (iv) *利息收入*

利息收入於產生時以實際利率法確認，並使用將金融資產之預計使用年限內之估計未來現金收入準確貼現為金融資產總賬面金額或金融資產賬面淨值(以較短期為準，如適用)之利率。

## 2. SIGNIFICANT ACCOUNTING POLICIES (continued)

### (v) Revenue and other revenue (continued)

#### (v) Government grants

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

### (w) Borrowing costs

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

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

### (x) Translation of foreign currencies

#### (i) Functional and presentation currency

Items included in the financial statements of each entity in the Group are measured using the currency that best reflects the economic substance of the underlying events and circumstances relevant to that entity (“functional currency”). The functional currency of the Company and its subsidiaries outside Mainland China is Hong Kong dollar and the functional currency of the subsidiaries in Mainland China is Renminbi. The financial statements are presented in Hong Kong dollar (“presentation currency”).

## 2. 主要會計政策 (續)

### (v) 收益及其他收益 (續)

#### (v) 政府補貼

當本集團可以合理確定將會收到政府補貼並符合相關附帶條件時，政府補貼初始會在綜合財務狀況表內確認。用作補償本集團開支的政府補貼於開支產生的同一期間以有系統的基準在損益內確認為收入。用作補償本集團資產成本的政府補貼自相關資產的賬面價值中扣除，其後於該項資產的可使用年期以減少折舊開支方式於損益內實際確認。

### (w) 借貸成本

直接歸屬於收購、興建或生產而需要相當時間才可達到預定使用或出售狀態的資產之借貸成本將予以資本化，使之成為該資產之部分成本。其他借貸成本在產生期間支銷。

倘若就資產產生開支、招致借貸成本以及就使有關資產達到預定使用或出售狀態而進行必要的活動，代表開始將借貸資本化為合資格資產的成本部分。借貸成本之資本化隨將合資格資產準備作預定使用或出售狀態所需的所有活動大部分終止或完成而終止或停止。

### (x) 外幣換算

#### (i) 功能及呈列貨幣

本集團各實體之財務報表所列項目乃按最能反映與該實體相關事件及情況之經濟實質之貨幣（「功能貨幣」）計量。本公司及其於中國內地以外之附屬公司之功能貨幣為港元，而於中國內地之附屬公司之功能貨幣為人民幣。財務報表以港元呈列（「呈列貨幣」）。

# NOTES TO THE FINANCIAL STATEMENTS 財務報表附註

31 December 2020 二零二零年十二月三十一日

## 2. SIGNIFICANT ACCOUNTING POLICIES (continued)

### (x) Translation of foreign currencies (continued)

#### (ii) Translation and balances

Foreign currency transactions during the year are translated at the foreign exchange rates ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies are translated at the foreign exchange rates ruling at the end of the reporting period. Exchange gains and losses are recognised in profit or loss.

Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the foreign exchange rates ruling at the transaction dates. The transaction date is the date on which the entity initially recognised such non-monetary assets and liabilities.

The results of foreign operations are translated into Hong Kong dollars at the exchange rates approximating the foreign exchange rates ruling at the dates of the transactions. Statement of financial position items are translated into Hong Kong dollars at the closing foreign exchange rates ruling at the end of the reporting period. The resulting exchange differences are recognised in other comprehensive income and accumulated separately in equity in the translation reserve.

On disposal of an operation outside Hong Kong, the cumulative amount of the exchange differences relating to that operation is reclassified from equity to profit or loss when the profit or loss on disposal is recognised.

### (y) Research and development costs

Expenditure on research activities is recognised as an expense in the year in which it is incurred. Expenditure on development activities is capitalised if the product or process is technically and commercially feasible and the Group has sufficient resources and the intention to complete development. The expenditure capitalised includes the cost of materials, direct labour and an appropriate proportion of overheads. Other development expenditure is recognised as an expense in the year in which it is incurred.

## 2. 主要會計政策(續)

### (x) 外幣換算(續)

#### (ii) 交易及結餘

年內之外幣交易按交易當日之現行匯率換算。以外幣計值之貨幣資產與負債按報告期末之現行匯率換算。匯兌盈虧在損益計算中確認。

以外幣按歷史成本計量之非貨幣資產與負債採用交易當日之現行匯率換算。交易日期為實體初步確認有關非貨幣資產及負債之日期。

海外業務之業績乃按交易日之概約匯率換算為港元。財務狀況報表項目乃按報告期末之收市外匯匯率換算為港元。就此產生之匯兌差額於其他全面收益內確認，並於權益之匯兌儲備單獨累計。

出售香港以外之業務並於確認出售損益時，與該業務有關之累計匯兌差額，將從權益重新分類至損益。

### (y) 研究與開發成本

研究活動產生的開支在其產生年度確認為支出。如果該項產品或程序在技術及商業上可行，而且本集團有充足的資源及有意完成開發工作，開發活動的開支便會予以資本化。資本化開支包括物料成本、直接勞工成本及適當比例的經常費用。其他開發開支則在其產生年度確認為支出。

## 2. SIGNIFICANT ACCOUNTING POLICIES (continued)

### (z) Non-current assets held for sale

A non-current asset (or disposal group) is classified as held for sale if it is highly probable that its carrying amount will be recovered through a sale transaction rather than through continuing use and the asset (or disposal group) is available for sale in its present condition. A disposal group is a group of assets to be disposed of together as a group in a single transaction, and liabilities directly associated with those assets that will be transferred in the transaction.

When the Group is committed to a sale plan involving loss of control of a subsidiary, all the assets and liabilities of that subsidiary are classified as held for sale when the above criteria of classification as held for sale are met, regardless of whether the Group will retain a non-controlling interest in the subsidiary after the sale.

Immediately before classification as held for sale, the measurement of non-current assets (and all individual assets and liabilities in a disposal group) is brought up-to-date in accordance with the accounting policies before the classification. Then, on initial classification as held for sale and until disposal, the non-current assets (except for certain assets as explained below), or disposal groups, are recognised at the lower of their carrying amount and fair value less costs to sell. The principal exceptions to this measurement policy so far as the financial statements of the Group and the Company are concerned are deferred tax assets, assets arising from employee benefits, financial assets (other than investments in subsidiaries, associates and joint ventures) and investment properties. These assets, even if held for sale, would continue to be measured in accordance with the policies set out elsewhere in note 2.

Impairment losses on initial classification as held for sale, and on subsequent remeasurement while held for sale, are recognised in profit or loss. As long as a non-current asset is classified as held for sale, or is included in a disposal group that is classified as held for sale, the non-current asset is not depreciated or amortised.

## 2. 主要會計政策(續)

### (z) 持作出售之非流動資產

倘非流動資產(或出售組別)之賬面值極可能是通過銷售交易而非通過持續使用收回且該資產(或出售組別)可以現狀立即出售時,則會分類為持作出售。出售組別為於單項交易中共同出售的一組資產,以及與該等資產直接相關並於交易中轉讓的負債。

當本集團致力於涉及失去一間附屬公司控制權之出售計劃時,不論本集團是否將於出售后保留該附屬公司之非控股權益,該附屬公司的所有資產及負債於符合上述有關分類為持作出售之條件時分類為持作出售。

緊接分類為持作出售之前,非流動資產(及出售組別中所有的個別資產及負債)之計量均已根據被分類前所採用之會計政策更新。此後,初步分類為持作出售後及直至出售前,非流動資產(下文所闡述的若干資產除外)或出售組別按其賬面值及公平值減銷售成本中的較低者確認。就本集團及本公司的財務資料而言,該計量政策的主要例外情況為遞延稅項資產、因僱員福利產生之資產、金融資產(不包括於附屬公司、聯營公司及合營公司的投資)和投資物業。該等資產即使持作出售,亦會繼續依照附註2中所述之政策計量。

初次分類為持作出售及其後持作出售之重新計量而產生之減值虧損均於損益確認。一旦一項非流動資產被分類為持作出售或包含在分類為持作出售之出售組別中,該項非流動資產將不再計提折舊或攤銷。

# NOTES TO THE FINANCIAL STATEMENTS

## 財務報表附註

31 December 2020 二零二零年十二月三十一日

## 2. SIGNIFICANT ACCOUNTING POLICIES (continued)

### (aa) Related parties

(i) A person, or a close member of that person's family, is related to the Group if that person:

- (1) has control or joint control over the Group;
- (2) has significant influence over the Group; or
- (3) is a member of the key management personnel of the Group or the Group's parent.

(ii) An entity is related to the Group if any of the following conditions applies:

- (1) The entity and the Group are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).
- (2) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).
- (3) Both entities are joint ventures of the same third party.
- (4) One entity is a joint venture of a third entity and the other entity is an associate of the third entity.

## 2. 主要會計政策(續)

### (aa) 有關連人士

(i) 倘若某名人士屬以下情況，則該人士或該人士之家族之親密成員乃與本集團有關連：

- (1) 對本集團擁有控制權或共同控制權；
- (2) 對本集團擁有重大影響力；或
- (3) 為本集團或本集團之母公司之主要管理人員之成員。

(ii) 倘若以下任何條件適用，則某實體乃與本集團有關連：

- (1) 該實體與本集團均為相同集團之成員（其意味著各母公司、附屬公司及同系附屬公司與其他者有關連）。
- (2) 某一實體為該實體之聯營公司或其他合營企業（或其他實體為其成員之集團之成員公司之聯營公司或合營企業）。
- (3) 兩實體均為相同第三方之合營企業。
- (4) 某實體為某一第三方實體之合營企業，而其他實體為該第三方實體之聯營公司。



## 2. SIGNIFICANT ACCOUNTING POLICIES (continued)

### (aa) Related parties (continued)

- (ii) An entity is related to the Group if any of the following conditions applies: (continued)
- (5) The entity is a post-employment benefit plan for the benefit of employees of either the Group or an entity related to the Group.
  - (6) The entity is controlled or jointly controlled by a person identified in note 2(aa)(i).
  - (7) A person identified in note 2(aa)(i)(1) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).
  - (8) The entity, or any member of a group of which it is a part, provides key management personnel services to the Group or the Group's parent.

Close members of the family of a person are those family members who may be expected to influence, or be influenced by, that person in their dealings with the entity.

### (bb) Segment reporting

Operating segments, and the amounts of each segment item reported in the financial statements, are identified from the financial information provided regularly to the Group's most senior executive management for the purposes of allocating resources to, and assessing the performance of, the Group's various lines of business and geographical locations.

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

## 2. 主要會計政策 (續)

### (aa) 有關連人士 (續)

- (ii) 倘若以下任何條件適用，則某實體乃與本集團有關連：(續)
- (5) 某實體乃為本集團或與本集團有關連之實體之僱員之利益而設立之退休後福利計劃。
  - (6) 該實體被附註2(aa)(i)所識別之某名人士所控制或共同控制。
  - (7) 附註2(aa)(i)(1)所識別之某名人士對該實體擁有重大影響力或為該實體(或該實體之母公司)之主要管理人員之成員。
  - (8) 向本集團或向本集團母公司提供主要管理人員服務之實體或其所屬集團的任何成員公司。

某名人士之親密家族成員為於與該實體進行交易時可能預期影響該名人士或可能被該名人士影響之該等家族成員。

### (bb) 分部報告

於財務報表內所列出之營運分部及各分部項目之金額，乃按照定期提供予本集團主要營運決策人士以對本集團不同業務及地理位置作出資源分配及表現評估之財務資料而識別。

就財務報告而言，個別重大之營運分部不會合併計算，除非該等分部有類似之經濟特徵及類似之產品及服務性質、生產工序性質、客戶類別、分銷產品或提供服務所採用之方法、以及規管環境。倘若非個別重大之營運分部具有該等標準中的大部份，則該等非個別重大之營運分部可合併計算。

# NOTES TO THE FINANCIAL STATEMENTS

## 財務報表附註

31 December 2020 二零二零年十二月三十一日

### 3. ACCOUNTING ESTIMATES AND JUDGEMENTS

In the process of applying the Group's accounting policies, management has made the following accounting judgements:

#### (a) Critical accounting judgements in applying the Group's accounting policies

In the process of applying the Group's accounting policies, management has made the following accounting judgements:

##### (i) Fair value of equity investments

The Company has engaged an independent professional valuer to assess the fair market value of those equity investments as disclosed in note 20 to the financial statements. The Directors of the Company made a review on the judgement of the independent professional valuer in selecting an appropriate valuation technique for the financial instruments not quoted in an active market. Valuation techniques applied by the independent professional valuer are commonly used by other market practitioners. The estimation of fair value of the equity investments which are unlisted equity instruments includes the adoption of a market approach with some assumptions supported by observable market data or parameters deemed compatible to the operations of those investments.

##### (ii) Classification of Qingdao Huamei and Danyang New Huamei as equity investments

Note 20 to the financial statements described that Qingdao Zhongxin Huamei Plastics Co., Limited ("Qingdao Huamei") and Danyang New Huamei Plastics Co., Limited ("Danyang New Huamei") are categorised as equity investments at fair value through other comprehensive income of the Group although the Group owns 28.67% and 24.5% equity interest in Qingdao Huamei and Danyang New Huamei, respectively. The Group has no significant influence over Qingdao Huamei and Danyang New Huamei by virtue of the contractual rights to appoint only one out of the six directors and one of the seven directors to the board of directors of Qingdao Huamei and Danyang New Huamei, respectively.

### 3. 會計估算及判斷

在應用本集團的會計政策的過程中，管理層已作出下列會計判斷：

#### (a) 應用本集團會計政策的關鍵會計判斷

在應用本集團會計政策的過程中，管理層已作出下列會計判斷：

##### (i) 股本投資之公平值

本公司已委任獨立專業估值師評估該等股本投資之公平值（誠如財務報表附註20所披露）。本公司董事審閱獨立專業估值師就於活躍市場並無報價之金融工具選擇適當之估值技術而作出之判斷。獨立專業估值師所採納之估值技術乃其他市場從業者普遍採用者。股本投資（均為非上市股本工具）之公平值之估計包括採納市場法，包括由可觀測市場行情或被視為與該等投資之業務可資比較之參數支持之假設。

##### (ii) 青島華美及丹陽新華美分類為股本投資

財務報表附註20描述，儘管本集團分別擁有青島中新華美塑料有限公司（「青島華美」）及丹陽新華美塑料有限公司（「丹陽新華美」）的28.67%及24.5%股本權益，惟青島華美及丹陽新華美均被分類為本集團之透過其他全面收益按公平值入賬的股本投資。鑒於僅可分別委任青島華美六名董事中的一名及丹陽新華美七名董事中的一名加入其各自董事會的合約權利，本集團對青島華美及丹陽新華美並無重大影響力。

### 3. ACCOUNTING ESTIMATES AND JUDGEMENTS (continued)

#### (a) Critical accounting judgements in applying the Group's accounting policies (continued)

##### (iii) *Functional currency of the Company*

The Company is carrying out its operating activities and making management decisions in Hong Kong dollar, amongst others, on raising finance in Hong Kong dollars and has a significant degree of autonomy from its subsidiaries in the Mainland China in the way its business is managed. Hong Kong dollar is the currency of the transactions and events of the Company for which the Company primarily receives and expends. In the opinion of the Directors of the Company, its functional currency is Hong Kong dollar.

##### (iv) *Leased assets under operating leases*

As at 31 December 2020, included in the Group's property, plant and equipment were certain buildings ancillary to sewage treatment and the leasehold land of the eco-plating specialised zone with an aggregate carrying amount of approximately HK\$139,229,000 (2019: HK\$133,005,000) that are leased to the customers under operating leases for use in accordance with the arrangement of the master agreements made between the Group and these customers. As the industrial sewage services provided to these customers are significant to the arrangement as a whole inside the eco-plating specialised zone which is owned, operated and managed by the Group, these relevant buildings and equipment facilities are accounted for and classified under property, plant and equipment, respectively, instead of investment property, in the consolidated financial statements.

##### (v) *Impairment of goodwill*

The Group determines whether goodwill is impaired at least on an annual basis. This requires an estimation of the value-in-use of the cash-generating unit to which the goodwill is allocated. Estimating the value-in-use requires the Group to make an estimate of the expected future cash flows from the cash-generating unit and also to choose a suitable discount rate in order to calculate the present value of those cash flows. The carrying amount of goodwill at 31 December 2020 and 2019 was HK\$33,000,000. Further details are set out in note 16 to the financial statements.

### 3. 會計估算及判斷(續)

#### (a) 應用本集團會計政策的關鍵會計判斷(續)

##### (iii) 本公司之功能貨幣

本公司以港元從事其經營活動並作出管理決定，(其中包括)以港元籌資，而其於業務管理方式與其中國內地附屬公司具有顯著自主權。港元為本公司主要收支的交易及活動的貨幣。本公司董事認為，其功能貨幣為港元。

##### (iv) 經營租賃的租賃資產

於二零二零年十二月三十一日，計入本集團物業、廠房及設備當中乃環保電鍍專業區輔設於工業污水處置的若干大廈以及租賃土地，其賬面值約為139,229,000港元(二零一九年：133,005,000港元)，此乃根據本集團與該等客戶所訂立主協議之安排以經營租賃出租予客戶使用。由於該等客戶獲提供之工業污水處置服務對本集團所擁有、營運及管理的環保電鍍專業區內的整體安排屬重大，故有關大廈及設施乃於綜合財務報表中分別計入及分類於物業、廠房及設備項下，而並非列作投資物業。

##### (v) 商譽之減值

本集團至少按年度基準釐定商譽是否出現減值。此要求估算該商譽獲分配至的現金產生單位的使用價值。估算使用價值要求本集團估算現金產生單位產生之預期未來現金流量，亦須選擇合適折現率，以計算該等現金流量的現值。於二零二零年及二零一九年十二月三十一日，商譽之賬面值為33,000,000港元。進一步詳情載於財務報表附註16。

### 3. ACCOUNTING ESTIMATES AND JUDGEMENTS (continued)

#### (a) Critical accounting judgements in applying the Group's accounting policies (continued)

##### (vi) Impairment assessment on interest in an associate

The Group assesses whether or not there are any indicators of impairment for interest in an associate at the end of each reporting period. Interest in an associate is tested for impairment when there are indicators that the carrying amount may not be recoverable. An impairment exists when the carrying value of interest in an associate exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. When value in use calculations are undertaken, the Group estimates the present values of cash flows expected to arise from continuing to hold the investment and choose suitable discount rates in order to calculate the present values of those cash flows. The most significant judgements shall refer to the impairment assessment of the Group's 30% equity interest in Nanjing Chemical Industry Park Tianyu Solid Waste Disposal Co., Ltd. ("NCIP"). As disclosed in note 18(c), during the year ended 31 December 2020, NCIP experienced certain down time for undertaking repairs and maintenance of its incineration facilities, and unexpected time spent and costs incurred for carrying out repairs and maintenance to comply with the stricter environmental rules and regulations in the PRC, and as a result, incurred a loss of approximately HK\$2,075,000 (2019: loss of approximately HK\$6,425,000) of which the Group shared its loss of approximately HK\$622,000 (2019: loss of approximately HK\$1,928,000). As at 31 December 2020, the Group's interest in NCIP in the carrying amount was approximately HK\$152,924,000 (2019: HK\$145,495,000). The value in use of the Group's 30% equity interest in NCIP being determined and based on the discounted cash flow projections of NCIP has been prepared by the management of the Group. The key assumptions used include the discounted rate, growth rate, budget sales and gross margin of NCIP. The discounted rate applied is determined by using the Capital Assets Pricing Model which reflects specific risk of the business of NCIP, taking into account the applicable borrowing interest rates immediately before the projection period and the growth rate applied is determined based on the expected long-term inflation in the PRC, while other key assumptions relating to the estimation of cash inflows/outflows are determined by taking into account the financial budgets approved by NCIP's directors, past performance of NCIP and expectations of NCIP's management on the market development.

### 3. 會計估算及判斷(續)

#### (a) 應用本集團會計政策的關鍵會計判斷(續)

##### (vi) 於聯營公司權益之減值測試

本集團於各報告期末評估於聯營公司的權益是否存在減值跡象。當有跡象顯示賬面值可能無法收回時，對於聯營公司的權益進行減值測試。當於聯營公司的權益的賬面值超過其可收回金額(即其公平值減出售成本與其使用價值兩者中的較高者)時，即存在減值。當進行使用價值計算時，本集團估計預期因持續持有投資而產生的現金流量的現值，並選擇合適的折現率以計算該等現金流量的現值。最重大的判斷乃指本集團於南京化學工業園天宇固體廢物處置有限公司(「南京天宇」)30%股權的減值評估。如附註18(c)所披露，於截至二零二零年十二月三十一日止年度內，南京天宇為維修及保養其焚燒設施而停機一段時間，並為符合中國更嚴格的環境規則及規例進行維修及保養而意外消耗時間及招致成本，因此產生虧損約2,075,000港元(二零一九年：虧損約6,425,000港元)，本集團分佔其虧損約622,000港元(二零一九年：虧損約1,928,000港元)。於二零二零年十二月三十一日，本集團於南京天宇之權益賬面值約為152,924,000港元(二零一九年：145,495,000港元)。本集團於南京天宇30%股權之使用價值現正基於本集團管理層編製之南京天宇之折現現金流量預測釐定。所採用的主要假設包括折現率、增長率、預算銷售額及南京天宇的毛利率。所採用的折現率乃採用反映南京天宇業務的特定風險的資本資產定價模型，並經考慮緊接預測期前的適用借貸利率而釐定，所採用的增長率乃根據中國的預期長期通脹釐定，而與估計現金流入／流出相關的其他主要假設則經考慮南京天宇董事批准的財務預算、南京天宇的過往表現以及南京天宇管理層對市場發展的預期而釐定。

### 3. ACCOUNTING ESTIMATES AND JUDGEMENTS (continued)

#### (a) Critical accounting judgements in applying the Group's accounting policies (continued)

##### (vi) *Impairment assessment on interest in an associate (continued)*

Determining whether the interest in NCIP is impaired requires an estimation of the value in use on the basis of data available to the Group.

Based on the impairment assessment, the value in use of the Group's 30% equity interest in NCIP exceeds its carrying amount at 31 December 2020 and accordingly, the Directors of the Company considered that there was no impairment on the Group's 30% equity interests in NCIP.

Should the parameters adopted in the calculations of the value in use of the interest in NCIP differ materially, impairment loss may be required to be recognised.

#### (b) Sources of estimation uncertainty

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

##### (i) *Impairment assessment of property, plant and equipment and right-of-use assets*

The Group's major operating assets represent property, plant and equipment. Management performs review for impairment of the property, plant and equipment whenever events or changes in circumstances indicate that the carrying amounts of these assets may not be recoverable. Management considered there was no impairment indicator of property, plant and equipment for the year ended 31 December 2020.

### 3. 會計估算及判斷(續)

#### (a) 應用本集團會計政策的關鍵會計判斷(續)

##### (vi) *於聯營公司權益之減值測試(續)*

釐定於南京天宇的權益是否減值需根據本集團可獲得的數據估算使用價值。

根據減值評估，本集團於南京天宇30%股權之使用價值超過其於二零二零年十二月三十一日之賬面值，因此，本公司董事認為本集團於南京天宇的30%股權並無減值。

倘若在計算於南京天宇的權益的使用價值時所採用的參數存在重大差異，則可能需確認減值虧損。

#### (b) 估計不確定性的來源

以下為於涉及日後之主要假設及於報告期末估計不明朗因素之其他主要來源(其均可能擁有導致下個財政年度內之資產及負債之賬面值出現大幅調整之重大風險)。

##### (i) *物業、廠房及設備以及使用權資產之減值評估*

本集團營運資產主要為物業、廠房及設備。倘若有事件或情況轉變而導致有跡像顯示物業、廠房及設備的賬面值可能出現無法收回時，管理層即會對該等資產進行減值檢討。管理層認為，物業、廠房及設備於截至二零二零年十二月三十一日止年度並未出現減值跡象。

# NOTES TO THE FINANCIAL STATEMENTS

## 財務報表附註

31 December 2020 二零二零年十二月三十一日

### 3. ACCOUNTING ESTIMATES AND JUDGEMENTS (continued)

#### (b) Sources of estimation uncertainty (continued)

##### (i) *Impairment assessment of property, plant and equipment and right-of-use assets (continued)*

Management determines the estimated useful lives of and related depreciation charges for its property, plant and equipment. This estimate is based on the actual useful lives of assets of similar nature and functions. It could change significantly as a result of significant technical innovations and competitor actions in response to industry cycles. Management will increase the depreciation charges where useful lives are less than previously estimated lives, or will write-off or write-down technically obsolete or non-strategic assets that have been abandoned or sold.

##### (ii) *Impairment of trade and other receivables*

The Group determines the provision for impairment of trade and other receivables on a forward looking basis. Lifetime ECLs on contract assets, and trade and bills receivables (including lease receivables) are recognised from initial recognition of the assets. The provision matrix is determined based on the Group's historical observed bad debt loss rates of the contract assets, and trade and bills receivables (including lease receivables), at the reporting period end, with similar credit risk characteristics and is adjusted for forward looking estimates. Other receivables are considered for 12-month expected credit losses unless there has been a significant increase in credit risk of the financial instruments, in which case the loss allowance is measured at an amount equal to lifetime ECLs. In making the judgement, management considers available reasonable and supportive forward-looking information, at the reporting period, such as actual or expected significant changes in operating results and financial positions of the customers, past payment history of the customers, and actual or expected adverse changes in business, financial or economic conditions that are expected to cause a significant change in the customers' ability to settle their trade debts. At the end of each reporting period, the historical observed bad debt loss rates are updated and changes in the forward-looking economic conditions and estimates are analysed by the Group's management.

### 3. 會計估算及判斷(續)

#### (b) 估計不確定性的來源(續)

##### (i) *物業、廠房及設備以及使用權資產之減值評估(續)*

管理層釐定物業、廠房及設備之估計可使用年期及相關折舊費用。此估計乃基於類似性質及功能之資產之實際可使用年期。其可能因重大技術創新及因應行業週期之競爭者行動而可能出現重大變動。倘若可使用年期少於先前估計可使用年期，則管理層將增加折舊費用，或將撇銷或撇減已被拋棄或出售之在技術上陳舊之資產或非策略資產。

##### (ii) *應收賬款及其他應收款項之減值*

本集團按前瞻性基準釐定應收賬款及其他應收款項之減值撥備。合約資產及應收賬款及票據(包括應收租賃)的全期預期信貸虧損於資產初始確認時確認。撥備矩備乃根據本集團在具有類似信貸風險特徵的合約資產及應收賬款及票據(包括應收租賃)於報告期末的過往已觀察之壞賬率釐定，並按前瞻性估計作出調整。其他應收款項按12個月的預期信貸虧損考慮，除非金融工具的信貸風險顯著增加，在此情況下，虧損撥備按相當於全期預期信貸虧損的金額計量。在作出判斷時，管理層考慮報告期內可獲得的合理與支持性的前瞻性資料，如客戶的經營業績及財務狀況的實際或預期重大變化、客戶的過往付款記錄，以及預計將導致客戶清償其貿易債務的能力發生重大變化的業務、財務或經濟狀況的實際或預期不利變化。於各報告期末，本集團管理層會更新過往已觀察之壞賬率，並分析前瞻性經濟狀況及估計的變動。

# NOTES TO THE FINANCIAL STATEMENTS

## 財務報表附註

31 December 2020 二零二零年十二月三十一日

### 3. ACCOUNTING ESTIMATES AND JUDGEMENTS (continued)

#### (b) Sources of estimation uncertainty (continued)

##### (ii) Impairment of trade and other receivables (continued)

As at 31 December 2020, the carrying amounts of trade and bills receivables (including lease receivables) and other receivables were HK\$129,438,000 and HK\$25,176,000 (2019: HK\$89,021,000 and HK\$25,858,000) respectively, which approximated to the present value of their respective estimated future cash flows.

The appraisals on allowance for expected credit loss which resulted in an impairment of trade and bills receivables (including lease receivables) and other receivables of HK\$9,526,000 and HK\$Nil respectively was recognised in the consolidated financial statements for the year ended 31 December 2020 (2019: HK\$4,469,000 and HK\$235,000).

##### (iii) Income taxes and deferred taxation

The Group is subject to income taxes in several jurisdictions. Significant judgement is required in determining the provision for income taxes. There are transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group recognises liabilities for potential tax exposures based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will affect the current and deferred taxation provisions in the financial period in which such determination is made. Deferred tax assets relating to certain temporary differences and certain tax losses are recognised as management considers it is probable that future taxable profit will be available against which the temporary differences will affect the recognition of deferred tax and tax in the periods in which such estimate is changed.

As at 31 December 2020, the undistributed profits of the profitable PRC subsidiaries of the Group amounted to RMB175,106,000 (equivalent to approximately HK\$206,625,000) (2019: RMB154,922,000 (equivalent to approximately HK\$173,203,000)), which the Group can control the dividend policies in respect of the amount and timing of future distributions by the PRC subsidiaries and accordingly, at 31 December 2020, the Group has made a provision of approximately HK\$12,957,000 (2019: HK\$10,928,000) for deferred tax liabilities in respect of the expected withholding tax on distributions out of the distributable profits of the PRC subsidiaries.

### 3. 會計估算及判斷(續)

#### (b) 估計不確定性的來源(續)

##### (ii) 應收賬款及其他應收款項之減值(續)

於二零二零年十二月三十一日，應收賬款及票據(包括應收租賃)以及其他應收款項之賬面值分別為129,438,000港元及25,176,000港元(二零一九年：89,021,000港元及25,858,000港元)，與其各自之估計未來現金流量之現值相若。

預期信貸虧損撥備之評值導致應收賬款及票據(包括應收租賃)以及其他應收款項分別減值9,526,000港元及零港元，並已於截至二零二零年十二月三十一日止年度之綜合財務報表內確認(二零一九年：4,469,000港元及235,000港元)。

##### (iii) 所得稅及遞延稅項

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須作出重大判斷。在日常業務過程中，交易及計算之最終稅項釐定具有不確定性。本集團根據是否須繳納額外稅項之估計將潛在稅項開支確認為負債。當最終稅項結果有別於初步確認之金額時，該等差額將影響釐定該等差額之財務期間之即期及遞延稅項撥備。有關若干暫時差異及若干稅項虧損之遞延稅項資產，乃於管理層認為日後可能會出現應課稅溢利以抵銷將影響更改有關估計期間所確認之遞延稅項資產及稅項之該等差異時方始確認。

於二零二零年十二月三十一日，本集團有盈利之中國附屬公司之未分派溢利為人民幣175,106,000元(相當於約206,625,000港元)(二零一九年：人民幣154,922,000元(相當於約173,203,000港元))，而本集團可控制該等中國附屬公司有關未來分派之金額及時間之股息政策，因此，於二零二零年十二月三十一日，本集團已就從中國附屬公司可分派溢利當中作出分派之預期預扣稅作出遞延稅項負債撥備約12,957,000港元(二零一九年：10,928,000港元)。

# NOTES TO THE FINANCIAL STATEMENTS

## 財務報表附註

31 December 2020 二零二零年十二月三十一日

### 4. REVENUE AND SEGMENT REPORTING

#### (a) Revenue

##### (i) Disaggregation of revenue

Revenue represents the revenue from hazardous waste incineration and landfill services, environmental equipment construction and installation services, industrial sewage treatment services and providing related utilities and management services, and from providing factory facilities.

Disaggregation of revenue from contracts with customers by service lines is as follows:

### 4. 收益及分部報告

#### (a) 收益

##### (i) 收益之細分

收益指來自危險廢物焚燒及填埋服務、環保設備建造及安裝服務、工業污水處置服務及提供相關配套及管理服務，以及來自提供工廠設施之收益。

客戶合約收益按服務類型細分如下：

	2020 二零二零年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元
<b>Revenue from contracts with customers</b>		
Disaggregation by services lines		
– Revenue from hazardous waste incineration and landfill services	601,211	457,450
– Revenue from environmental equipment construction and installation services	59,419	31,792
– Revenue from industrial sewage treatment services and providing related utilities and management services	101,095	85,708
	<b>761,725</b>	574,950
<b>Revenue from other sources</b>		
– Leasing income from providing factory facilities	27,616	20,756
	<b>789,341</b>	595,706
<b>Timing of revenue recognition in respect of contracts with customers</b>		
– At a point in time	601,211	457,450
– Over time	160,514	117,500
	<b>761,725</b>	574,950



# NOTES TO THE FINANCIAL STATEMENTS 財務報表附註

31 December 2020 二零二零年十二月三十一日

## 4. REVENUE AND SEGMENT REPORTING (continued)

### (a) Revenue (continued)

#### (ii) Performance obligations

The amounts of transaction prices allocation to the remaining performance obligations as at 31 December 2020 are as follows:

		2020 二零二零年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元
Amounts expected to be recognised as revenue	預期將確認為收益的金額		
Within one year	一年內	81,762	75,080
After one year	一年後	-	-
		<b>81,672</b>	<b>75,080</b>

The amounts of transactions prices allocated to the remaining performance obligations which are expected to be recognised as revenue after one year relate to equipment construction and installation services, of which the performance obligations are to be satisfied within 2 years.

### (a) 收益(續)

#### (ii) 履約責任

截至二零二零年十二月三十一日，剩餘履約義務的交易價格分配金額如下：

預期於一年後確認為收入的剩餘履約責任所分配的交易價格金額與設備建造及安裝服務有關，其中履約責任須於兩年內履行。

# NOTES TO THE FINANCIAL STATEMENTS

## 財務報表附註

31 December 2020 二零二零年十二月三十一日

### 4. REVENUE AND SEGMENT REPORTING (continued)

#### (b) Segment reporting

The Group manages its business by segments, which are organised by business lines. In a manner consistent with the way in which information is reported internally to the Company's executive Directors, being the Group's most senior executive management for the purposes of resource allocation and performance assessment, the Group has presented the following four reportable segments. No operating segments have been aggregated to form the following reportable segments.

In 2020, the Group has re-organised its internal reporting structure that resulted in change of the reportable segments. Although the new segment recognised for the provision of environmental equipment construction and installation services does not fall within the quantitative thresholds required by HKFRS 8 to be recognised as a separate reportable segment, management has considered that the resources allocation to and the revenue and results contributed by that new segment are expected to significantly affect the performance of the Group in the future. Prior year segment disclosures have been re-presented to conform to the current year's presentation.

- (i) provision of environmental treatment and disposal services for industrial and medical wastes;
- (ii) provision of environmental equipment construction and installation services;
- (iii) provision of environmental plating sewage treatment and provision of management services, utilities and leasing out certain of factory buildings under operating leases in an eco-plating specialised zone; and
- (iv) investments in plastic materials dyeing business.

### 4. 收益及分部報告 (續)

#### (b) 分部報告

本集團按分部管理其業務，而各分部則以業務類型劃分。按照內部向本公司執行董事（為本集團之最高級行政管理層）匯報資料作資源分配及表現評估之方式，本集團已呈列下列四個可報告分部。在組成下列可報告分部時，並無合併經營分部。

於二零二零年，本集團已重組其內部報告架構，導致報告分類出現變動。雖然就提供環保設備建造及安裝服務而確認的新分類並未達到香港財務報告準則第8號所規定須確認為獨立報告分類的數量門檻，但管理層認為該新分類的資源分配及所貢獻的收益及業績預期會對本集團未來的營運有重大影響。過往年度之分部披露已重新表述，以符合本年度之呈列方式。

- (i) 提供工業及醫療廢物環保處理及處置服務；
- (ii) 提供環保設備建造及安裝服務；
- (iii) 於環保電鍍專業區提供環保電鍍污水處置及提供管理服務、公用配套及按經營租賃出租若干工廠大廈；及
- (iv) 投資塑料染色業務。

## 4. REVENUE AND SEGMENT REPORTING (continued)

### (c) Segment results, assets and liabilities

For the purpose of assessing segment performance and allocating resources between segments, the Group's most senior executive management monitors the results, assets and liabilities attributable to each reportable segment on the following bases:

- (i) Segment assets include all tangible assets, goodwill, interests in associates and a joint venture, and current assets with the exception of intercompany receivables and other corporate assets. Segment liabilities include current taxation, deferred tax liabilities, creditors, lease liabilities, other payables and accrued expenses attributable to the activities of the individual segments and borrowings managed directly by the segments, with the exception of intercompany payables and other corporate liabilities.
- (ii) Revenue and expenses are allocated to the reportable segments with reference to revenue generated by those segments and the expenses incurred by those segments or which otherwise arise from the depreciation or amortisation of assets attributable to those segments.
- (iii) The measure used for reporting segment profit is "reportable segment results". To arrive at "reportable segment results", the Group's earnings are further adjusted for items not specifically attributed to individual segments, such as head office or corporate administration costs. Taxation charge is not allocated to reportable segments.
- (iv) In addition to receiving segment information concerning "reportable segment results", management is provided with segment information including revenue, interest income and expense from cash balances and borrowings managed directly by the segments, depreciation, amortisation and impairment losses and additions to non-current segment assets used by the segments in their operations.

## 4. 收益及分部報告 (續)

### (c) 分部業績、資產及負債

為評估分部表現及在分部間分配資源，本集團的最高級行政管理層在以下基礎上監察歸屬於各可報告分部之業績、資產及負債：

- (i) 分部資產包括所有有形資產、商譽、於聯營公司及一間合營企業之權益及流動資產，惟不包括公司間應收款項及其他企業資產。分部負債包括即期稅項、遞延稅項負債、應付賬款、租賃負債、個別分部業務之其他應付款項及應計開支，以及由分部直接管理之借貸，惟不包括公司間應付款項及其他企業負債。
- (ii) 收益及開支乃按照可報告分部所產生之收益及該等分部所招致或由於該等分部應佔資產折舊或攤銷而引起之開支而分配至該等分部。
- (iii) 用於報告分部溢利的方法為「可報告分部業績」。為釐定「可報告分部業績」，本集團之盈利就並未指定屬於個別分部之項目（例如總部或企業行政開支）作出進一步調整。稅項支出不分配至可報告分部。
- (iv) 除收到有關「可報告分部業績」之分類資料外，管理層亦獲提供包括收益、來自分部直接管理之現金結餘及借貸之利息收入及開支、分部於其營運中使用之非流動分部資產的折舊、攤銷及減值虧損以及添置非流動分部資產的分部資料。

# NOTES TO THE FINANCIAL STATEMENTS

## 財務報表附註

31 December 2020 二零二零年十二月三十一日

### 4. REVENUE AND SEGMENT REPORTING (continued)

#### (c) Segment results, assets and liabilities (continued)

Revenue and information regarding the Group's reportable segments as provided to the Group's most senior executive management for the purposes of resource allocation and assessment of segment performance for the years ended 31 December 2020 and 2019 is set out below:

#### For the year ended 31 December 2020

		Operating segments 經營分部				Segment sub-total	Unallocated head office and corporate	Total
		Environmental waste treatment and disposal	Environmental equipment construction and installation	Environmental sewage treatment, management services, utilities and facilities	Plastic dyeing investments			
		廢物環保處理 及處置	環保設備建造及 安裝	公用配套 及設施	塑料染色投資	分部小計	未分配總部 及企業	總計
		HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元
Revenue from external customers	外部客戶收益	601,211	59,419	128,711	-	789,341	-	789,341
Other revenue	其他收益	-	-	-	4,107	4,107	-	4,107
<b>Reportable segment revenue</b>	<b>可報告分部收益</b>	<b>601,211</b>	<b>59,419</b>	<b>128,711</b>	<b>4,107</b>	<b>793,448</b>	<b>-</b>	<b>793,448</b>
<b>Reportable segment results</b>	<b>可報告分部業績</b>	<b>127,778</b>	<b>(3,107)</b>	<b>17,209</b>	<b>3,889</b>	<b>145,769</b>	<b>-</b>	<b>145,769</b>
Other net income	其他淨收入	12,082	59	712	-	12,853	590	13,443
Finance income	融資收入	354	34	(282)	210	316	86	402
Finance costs	融資成本	(4,098)	(11)	(1,125)	-	(5,234)	(4,330)	(9,564)
Depreciation and amortisation	折舊及攤銷	(55,497)	(560)	(17,626)	-	(73,683)	(164)	(73,847)
Impairment loss on assets classified as held for sale	分類為持作出售 資產之減值虧損	(12,636)	-	-	-	(12,636)	-	(12,636)
Impairment loss on trade receivables	應收賬款之減值虧損	(10,330)	-	804	-	(9,526)	-	(9,526)
<b>Reportable segment assets</b>	<b>可報告分部資產</b>	<b>1,220,941</b>	<b>43,221</b>	<b>320,688</b>	<b>118,757</b>	<b>1,703,607</b>	<b>41,996</b>	<b>1,745,603</b>
Additions to non-current segment assets	添置非流動分部資產	44,731	-	27,172	-	71,903	6	71,909
<b>Reportable segment liabilities</b>	<b>可報告分部負債</b>	<b>430,780</b>	<b>38,895</b>	<b>88,142</b>	<b>6,981</b>	<b>564,798</b>	<b>17,468</b>	<b>582,266</b>

### 4. 收益及分部報告 (續)

#### (c) 分部業績、資產及負債 (續)

截至二零二零年及二零一九年十二月三十一日止年度之收益以及向本集團最高級行政管理層提供用作資源分配及評估分部表現有關本集團可報告分部之資料載列如下：

#### 截至二零二零年十二月三十一日止年度

# NOTES TO THE FINANCIAL STATEMENTS

## 財務報表附註

31 December 2020 二零二零年十二月三十一日

### 4. REVENUE AND SEGMENT REPORTING (continued)

#### (c) Segment results, assets and liabilities (continued)

For the year ended 31 December 2019

#### (c) 分部業績、資產及負債(續)

截至二零一九年十二月三十一日止年度

		Operating segments 經營分部							
		Environmental waste treatment and disposal	Environmental equipment construction and installation	Environmental sewage treatment, management services, utilities and facilities	Plastic dyeing investments	Segment sub-total	Unallocated head office and corporate	Total	
		廢物環保處理 及處置	環保設備建造及 安裝	公用配套 及設施	塑料染色投資	分部小計	未分配總部 及企業	總計	
		HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	
Revenue from external customers	外部客戶收益	457,450	31,792	106,464	-	595,706	-	595,706	
Other revenue	其他收益	-	-	-	4,152	4,152	-	4,152	
<b>Reportable segment revenue</b>	<b>可報告分部收益</b>	<b>457,450</b>	<b>31,792</b>	<b>106,464</b>	<b>4,152</b>	<b>599,858</b>	<b>-</b>	<b>599,858</b>	
<b>Reportable segment results</b>	<b>可報告分部業績</b>	<b>98,990</b>	<b>4,526</b>	<b>3,426</b>	<b>3,537</b>	<b>110,479</b>	<b>-</b>	<b>110,479</b>	
Other net income	其他淨收入	10,302	308	588	-	11,198	-	11,198	
Finance income	融資收入	1,490	113	528	(244)	1,887	630	2,517	
Finance costs	融資成本	(6,730)	(29)	(1,076)	-	(7,835)	(6,074)	(13,909)	
Depreciation and amortisation	折舊及攤銷	(51,939)	(594)	(17,229)	-	(69,762)	(513)	(70,275)	
Impairment loss on trade receivables	應收賬款之減值虧損	(735)	-	(3,734)	-	(4,469)	-	(4,469)	
Impairment loss on other receivables	其他應收款項之 減值虧損	(235)	-	-	-	(235)	-	(235)	
<b>Reportable segment assets</b>	<b>可報告分部資產</b>	<b>1,117,646</b>	<b>13,723</b>	<b>293,839</b>	<b>97,834</b>	<b>1,523,042</b>	<b>95,528</b>	<b>1,618,570</b>	
Additions to non-current segment assets	添置非流動分部資產	85,692	139	13,693	-	99,524	-	99,524	
<b>Reportable segment liabilities</b>	<b>可報告分部負債</b>	<b>462,211</b>	<b>31,137</b>	<b>69,780</b>	<b>4,121</b>	<b>567,249</b>	<b>23,005</b>	<b>590,254</b>	

# NOTES TO THE FINANCIAL STATEMENTS

## 財務報表附註

31 December 2020 二零二零年十二月三十一日

### 4. REVENUE AND SEGMENT REPORTING (continued)

(d) Reconciliation of reportable segment revenue, profit or loss, assets and liabilities

### 4. 收益及分部報告 (續)

(d) 可報告分部收益、損益、資產及負債之對賬

		2020 二零二零年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元
<b>Revenue</b>	<b>收益</b>		
Consolidated revenue	綜合收益	789,341	595,706
Elimination of inter-segment revenue	分部間收益對銷	-	-
Other revenue	其他收益	4,107	4,152
Reportable segment revenue	可報告分部收益	793,448	599,858
<b>Profit or loss</b>	<b>損益</b>		
Reportable segment profit	可報告分部溢利	145,769	110,479
Unallocated head office and corporate expenses, net	未分配總部及企業開支，淨額	(19,222)	(21,606)
Consolidated profit before taxation	綜合除稅前溢利	126,547	88,873
<b>Assets</b>	<b>資產</b>		
Reportable segment assets	可報告分部資產	1,703,607	1,523,042
Unallocated head office and corporate assets	未分配總部及企業資產	41,996	95,528
Consolidated total assets	綜合總資產	1,745,603	1,618,570
<b>Liabilities</b>	<b>負債</b>		
Reportable segment liabilities	可報告分部負債	564,798	567,249
Unallocated head office and corporate liabilities	未分配總部及企業負債	17,468	23,005
Consolidated total liabilities	綜合總負債	582,266	590,254

#### (e) Geographic information

All revenue and non-current assets of the Group are generated from and located in the PRC, respectively. Accordingly, no analysis by geographical basis is presented.

#### (f) Major customers

Revenue of approximately HK\$91,689,000 (2019: HK\$49,703,000) representing 11.6% (2019: 8.3%) of the total revenue of the Group was derived from a single external customer for the year ended 31 December 2020, which was attributed to the segment of environmental waste treatment and disposal services.

Save as disclosed herein, there was no other major customer accounted for more than 10% of the total revenue of the Group for the years ended 31 December 2020 and 2019.

#### (e) 地區資料

本集團所有收益及非流動資產乃分別產生自及位於中國。因此，並無呈列按地區劃分之分析。

#### (f) 主要客戶

截至二零二零年十二月三十一日止年度，本集團總收益當中11.6%（二零一九年：8.3%）即約91,689,000港元（二零一九年：49,703,000港元）的收益來自單一外部客戶，歸屬於廢物環保處理及處置服務分部。

除本文披露外，截至二零二零年及二零一九年十二月三十一日止年度，並無其他主要客戶佔本集團總收益10%以上。

# NOTES TO THE FINANCIAL STATEMENTS

## 財務報表附註

31 December 2020 二零二零年十二月三十一日

### 5. OTHER REVENUE

### 5. 其他收益

		2020 二零二零年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元
Dividend income from equity investments at fair value through other comprehensive income	來自透過其他全面收益按公平值入賬之股本投資之股息收入	4,107	4,152

### 6. OTHER NET INCOME

### 6. 其他淨收入

		2020 二零二零年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元
Value-added tax refund (note (i))	增值稅退稅(附註(i))	5,013	8,299
Government grants (note (ii))	政府補貼(附註(ii))	1,641	1,257
Release of deferred government grants	遞延政府補貼釋出	1,077	1,019
Gain on disposal of a subsidiary (note 17(c))	出售一間附屬公司之收益(附註17(c))	3,755	-
Sundry income	雜項收入	1,957	623
		<b>13,443</b>	<b>11,198</b>

Notes:

- (i) Value-added tax refund of HK\$5,013,000 (2019: HK\$8,299,000) was received/receivable during the year ended 31 December 2020 in relation to certain environmental operations of the Group in the PRC. There were no unfulfilled conditions and other contingencies attached to such tax refunds. There is no assurance that the Group will continue to receive such tax refunds in the future.
- (ii) Government grants were to subsidise certain hazardous and solid waste treatment projects of the Group in the PRC. There were no unfulfilled conditions and other contingencies attached to the receipts of those grants. There is no assurance that the Group will continue to receive such grants in the future.

附註：

- (i) 根據增值稅退稅5,013,000港元(二零一九年：8,299,000港元)乃於截至二零二零年十二月三十一日止年度已收/應收，並於本集團若干中國環保業務有關。該等退稅並無附帶未履行之條件及其他或然事項。無法保證本集團日後將繼續獲得有關退稅。
- (ii) 政府補貼乃旨在補貼本集團若干位於中國之危廢及固體廢物處理項目。收取該等補貼並無附帶未履行之條件或其他或然事項。無法保證本集團日後將繼續獲得有關補貼。

# NOTES TO THE FINANCIAL STATEMENTS

## 財務報表附註

31 December 2020 二零二零年十二月三十一日

### 7. FINANCE INCOME AND COSTS

### 7. 融資收入及成本

		2020 二零二零年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元
Finance income from:	來自下列之融資收入：		
Interest income on short-term bank deposits	短期銀行存款之利息收入	3,177	3,683
Net foreign exchange loss	外匯虧損淨額	(2,775)	(1,166)
<b>Total finance income</b>	<b>融資收入總額</b>	<b>402</b>	2,517
Interest expenses on:	有關下列之利息開支：		
Bank borrowings	銀行借貸	7,841	11,531
Other borrowings	其他借貸	1,957	2,892
Lease liabilities	租賃負債	21	40
Less: interest expense capitalised into construction in progress (note)	減：資本化為在建工程之利息開支(附註)	(255)	(554)
<b>Total finance costs</b>	<b>融資成本總額</b>	<b>9,564</b>	13,909
<b>Net finance costs</b>	<b>融資成本淨額</b>	<b>9,162</b>	11,392

Note:

The borrowing costs have been capitalised at a rate of 5.225% per annum (2019: 5.225%) for the bank borrowings specifically financing the construction of a hazardous waste landfill in the PRC.

附註：

專為於中國建設危險廢物填埋場提供融資之銀行借貸之借貸成本已按每年5.225%之比率(二零一九年：5.225%)資本化。



# NOTES TO THE FINANCIAL STATEMENTS

## 財務報表附註

31 December 2020 二零二零年十二月三十一日

### 8. PROFIT BEFORE TAXATION

Profit before taxation was arrived at after charging:

### 8. 除稅前溢利

除稅前溢利乃經扣除下列各項：

		2020 二零二零年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元
Auditor's remuneration:	核數師酬金：		
– audit service	– 審核服務	1,230	1,230
– non-audit services	– 非審核服務	170	170
		<b>1,400</b>	1,400
Depreciation of property, plant and equipment	物業、廠房及設備折舊	<b>69,915</b>	66,370
Depreciation of right-of-use assets	使用權資產折舊	<b>3,932</b>	3,905
Operating lease charges: minimum lease payments	經營租賃開支：最低租賃付款		
– land and buildings in Hong Kong	– 香港之土地及樓宇	1,080	1,080
– landfill in PRC	– 中國之填埋場	115	113
		<b>1,195</b>	1,193
Other operating expenses:	其他經營開支：		
– loss on disposal of property, plant and equipment, net	– 出售物業、廠房及設備之虧損，淨額	4,789	1,433
– costs on non-recurring litigation settlements (note (a))	– 訴訟調解成本(附註(a))	2,298	11,643
– costs on non-compliance incidents (note (b))	– 違規事故費用(附註(b))	429	2,335
– costs on land restoration and soil remediation of obsolete plant (note (c))	– 廢棄廠房之土地修復及土壤整治成本(附註(c))	–	3,249
– costs arising from temporary suspension of plants for repairs and maintenance (note (d))	– 暫停設備廠區運作進行維修及保養所產生之費用(附註(d))	–	16,835
– loss on de-registration of a subsidiary	– 撤銷註冊一間附屬公司之虧損	–	236
– legal and professional expenses	– 法律及專業開支	5,132	3,824
– research and development expenses	– 研發開支	7,389	7,310
– other expenses	– 其他開支	4,488	6,798
		<b>24,525</b>	53,663
Staff costs:	員工成本：		
– Directors' emoluments (note 9)	– 董事酬金(附註9)	4,114	4,085
– salaries, wages and other benefits of employees other than Directors	– 僱員(董事除外)之薪金、工資及其他福利	84,110	72,989
– contributions to retirement benefits schemes	– 退休福利計劃供款及繳款	4,690	10,374
– equity-settled share-based payment expenses (note 41(a))	– 以股本權益計算按股份作基礎支付開支(附註41(a))	601	–
Total staff costs	總員工成本	<b>93,515</b>	87,448
Cost of sales (note (e))	銷售成本(附註(e))	<b>569,558</b>	393,979

# NOTES TO THE FINANCIAL STATEMENTS

## 財務報表附註

31 December 2020 二零二零年十二月三十一日

### 8. PROFIT BEFORE TAXATION (continued)

Notes:

- (a) Costs on non-recurring litigation incurred for the year ended 31 December 2020 were attributable to civil cases settled with contractors for equipment construction and installation of the Group (2019: attributable to the legal case in relation to the liabilities and clean-up costs for the wrongful disposal of waste in Wuhu City, Anhui Province, PRC by the then former subsidiary, Taizhou New Universe Solid Waste Disposal Company Limited).
- (b) Costs on non-compliance incurred for the two years ended 31 December 2020 and 2019 were attributable to incidental cases on non-compliance of environmental standards or industrial safety regulations.
- (c) During the year ended 31 December 2019, costs on land restoration and soil remediation were incurred to clean off the hazardous substance found on a piece of land owned by the Group.
- (d) During the year ended 31 December 2019, local government authorities imposed stringent requirements that both domestic and foreign enterprises should undergo an environmental impact assessment approval process before renewal of business license in Jiangsu, aiming at strengthening supervision and inspection of environmental protection since the major explosion occurred at a chemical plant in Jiangsu, on 21 March 2019.

For the year ended 31 December 2019, included in the costs incurred during the temporary suspension of Suqian NU, prior to the renewed hazardous waste operating permit licence of 3 years being granted in August 2019, were repairs and maintenance costs of HK\$3,222,000, direct labour costs of HK\$3,376,000, depreciation of HK\$6,982,000, of which labours costs and depreciation have already been included in the respective total amounts for 2019 disclosed above, and other factory overheads of HK\$3,255,000. There was no such suspension costs incurred for the year ended 31 December 2020.

- (e) Included in cost of sales were raw materials in the amount of HK\$72,609,000 (2019: HK\$62,369,000), water and electricity in the amount of HK\$39,771,000 (2019: HK\$33,393,000), staff costs of HK\$41,711,000 (2019: HK\$35,074,000), and depreciation of HK\$67,687,000 (2019: HK\$57,346,000), and of which staff costs and depreciation have already been included in the respective total amounts disclosed above.

### 8. 除稅前溢利(續)

附註:

- (a) 截至二零二零年十二月三十一日止年度發生的非經常性訴訟費用歸因於與承包商解決本集團設備建設及安裝的民事案件(二零一九年:歸因於當時前附屬公司泰州宇新固體廢物處置有限公司在中國安徽省蕪湖市不當處置廢物引致清理成本及負債有關的法律案件)。
- (b) 截至二零一九年及二零二零年十二月三十一日止兩年中發生的不合規成本是由於不遵守環境標準或工業安全法規的偶然事件造成。
- (c) 截至二零一九年十二月三十一日止年度,土地修復和土壤修復成本乃因清理本集團擁有的一塊土地發現有害物質所致。
- (d) 截至二零一九年十二月三十一日止年度,自從二零一九年三月二十一日江蘇一間化工廠發生重大爆炸事故後,當地政府主管部門嚴格要求境內外企業在江蘇辦理營業執照續簽前必須辦理環境影響評價審批手續,旨在加強環境保護的監督檢查。

截至二零一九年十二月三十一日止年度,成本當中包括宿遷宇新於二零一九年八月獲得新的維期3年危險廢物經營許可證前在臨時停工期間產生的成本,包括維修和維護成本3,222,000港元,直接人工成本3,376,000港元,折舊費6,982,000港元(其中工人成本及折舊已包括在上述所披露於二零一九年的總額中)以及其他工廠經常費用3,255,000港元。於截至二零二零年十二月三十一日止年度並無產生有關臨時停工成本。

- (e) 銷售成本包括原材料72,609,000港元(二零一九年:62,369,000港元)、水電39,771,000港元(二零一九年:33,393,000港元)、員工成本41,711,000港元(二零一九年:35,074,000港元)及折舊67,687,000港元(二零一九年:57,346,000港元),其中,員工成本及折舊已計入上文披露之相關總金額內。

# NOTES TO THE FINANCIAL STATEMENTS

## 財務報表附註

31 December 2020 二零二零年十二月三十一日

### 9. DIRECTORS' EMOLUMENTS

Directors' emoluments disclosed pursuant to section 383(1) of the Hong Kong Companies Ordinance (Cap. 622, Laws of Hong Kong) and Part 2 of the Companies (Disclosure of Information about Benefits of Directors) Regulation are as follows:

### 9. 董事酬金

根據香港法例第622章香港公司條例第383(1)條及公司(披露董事利益資料)規例第2部規定所披露之董事酬金如下:

		Director fee	Salaries and allowance	Benefits in kind	Retirement scheme contributions	Total
		董事袍金	薪金及補貼	實物利益	退休計劃供款	總額
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元
<b>Year ended 31 December 2020</b>	<b>截至二零二零年十二月三十一日止年度</b>					
<i>Executive Directors</i>	<i>執行董事</i>					
Mr. Xi Yu	奚玉先生	34	1,655	-	18	1,707
Mr. SONG Yu Qing <sup>(i)</sup>	宋玉清先生 <sup>(i)</sup>	135	-	-	-	135
Ms. CHEUNG Siu Ling	張小玲女士	194	-	-	-	194
Ms. XI Man Shan Erica <sup>(i)</sup>	奚文珊女士 <sup>(i)</sup>	45	-	-	-	45
Ms. ZHANG Shuo	張碩女士	180	-	-	-	180
Ms. LIU Yu Jie	劉玉杰女士	180	-	-	-	180
Mr. HON Wa Fai	韓華輝先生	-	1,115	-	18	1,133
<i>Independent non-executive Directors</i>	<i>獨立非執行董事</i>					
Dr. CHAN Yan Cheong	陳忍昌博士	180	-	-	-	180
Mr. YUEN Kim Hung, Michael	阮劍虹先生	180	-	-	-	180
Mr. HO Yau Hong, Alfred	何祐康先生	180	-	-	-	180
		<b>1,308</b>	<b>2,770</b>	<b>-</b>	<b>36</b>	<b>4,114</b>
<b>Year ended 31 December 2019</b>	<b>截至二零一九年十二月三十一日止年度</b>					
<i>Executive Directors</i>	<i>執行董事</i>					
Mr. Xi Yu	奚玉先生	34	1,653	-	18	1,705
Mr. SONG Yu Qing	宋玉清先生	180	-	-	-	180
Ms. CHEUNG Siu Ling	張小玲女士	194	-	-	-	194
Ms. ZHANG Shuo <sup>(ii)</sup>	張碩女士 <sup>(ii)</sup>	152	-	-	-	152
Ms. ZHANG Ying <sup>(iii)</sup>	張英女士 <sup>(iii)</sup>	29	-	-	-	29
Ms. LIU Yu Jie	劉玉杰女士	180	-	-	-	180
Mr. HON Wa Fai	韓華輝先生	-	1,087	-	18	1,105
<i>Independent non-executive Directors</i>	<i>獨立非執行董事</i>					
Dr. CHAN Yan Cheong	陳忍昌博士	180	-	-	-	180
Mr. YUEN Kim Hung, Michael	阮劍虹先生	180	-	-	-	180
Mr. HO Yau Hong, Alfred	何祐康先生	180	-	-	-	180
		<b>1,309</b>	<b>2,740</b>	<b>-</b>	<b>36</b>	<b>4,085</b>

#### Notes:

- Ms. XI Man Shan Erica was appointed as executive Director with effect from 1 October 2020.
- Mr. SONG Yu Qing resigned as executive Director with effect from 30 September 2020.
- Ms. ZHANG Shuo was appointed as executive Director with effect from 26 February 2019.
- Ms. ZHANG Ying resigned as executive Director with effect from 26 February 2019.

#### 附註:

- 奚文珊女士自二零二零年十月一日起獲委任為執行董事。
- 宋玉清先生自二零二零年九月三十日起辭任執行董事。
- 張碩女士自二零一九年二月二十六日起獲委任為執行董事。
- 張英女士自二零一九年二月二十六日起辭任執行董事。

# NOTES TO THE FINANCIAL STATEMENTS

## 財務報表附註

31 December 2020 二零二零年十二月三十一日

### 9. DIRECTORS' EMOLUMENTS (continued)

During the year, no emoluments were paid by the Group to the Directors as an inducement to join, or upon joining the Group, or as compensation for loss of office. None of the Directors has waived any emoluments for the years ended 31 December 2020 and 2019.

No payment or benefit was paid in respect of the termination of the services of Directors during the year (2019: Nil).

### 10. INDIVIDUALS WITH HIGHEST EMOLUMENTS

Of the five individuals with the highest emoluments, one (2019: one) are Directors whose emoluments are disclosed in note 9. The aggregate of the emoluments in respect of the other four (2019: four) individuals during the year are as follows:

		2020 二零二零年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元
Salaries and other benefits	薪金及其他福利	2,194	1,794
Discretionary bonuses	酌情花紅	4,852	4,610
Contributions to retirement schemes	退休福利計劃供款及繳款	173	293
Equity-settled share-based payment expenses	以股本權益計算按股份作基礎支付開支	527	-
		<b>7,746</b>	<b>6,697</b>

The emoluments of the four (2019: four) individuals with the highest emoluments fell within the following bands:

		2020 二零二零年 Number of individuals 人數	2019 二零一九年 Number of individuals 人數
Emolument bands (in HK dollar)	酬金組別(港元)		
Nil to HK\$1,000,000	零港元至1,000,000港元	-	-
HK\$1,000,001 to HK\$1,500,000	1,000,001港元至1,500,000港元	1	3
HK\$1,500,001 to HK\$2,000,000	1,500,001港元至2,000,000港元	2	-
HK\$2,000,001 to HK\$2,500,000	2,000,001港元至2,500,000港元	-	-
HK\$2,500,001 to HK\$3,000,000	2,500,001港元至3,000,000港元	-	1
HK\$3,000,001 to HK\$3,500,000	3,000,001港元至3,500,000港元	1	-
		<b>4</b>	<b>4</b>

During the year, no emoluments were paid by the Group to the above four (2019: four) individuals as an inducement to join, or upon joining the Group, or as compensation for loss of office.

### 9. 董事酬金(續)

於本年度內，本集團並無向董事支付酬金作為招攬其加盟本集團或加盟時之獎勵，或作為離職補償。截至二零二零年及二零一九年十二月三十一日止年度，並無董事豁免任何酬金。

本年度並無就有關終止董事服務支付付款或利益。(二零一九年：無)

### 10. 最高薪人士

五名最高薪人士當中，一名(二零一九年：一名)為董事，其酬金已於附註9披露。其他四名(二零一九年：四名)人士年內之酬金總額如下：

四名(二零一九年：四名)最高薪人士之酬金屬下列組別：

於本年度內，本集團並無向上述四名(二零一九年：四名)人士支付酬金作為招攬其加盟本集團或加盟時之獎勵，或作為離職補償。

# NOTES TO THE FINANCIAL STATEMENTS

## 財務報表附註

31 December 2020 二零二零年十二月三十一日

### 11. INCOME TAX

(a) Taxation in the consolidated statement of profit or loss represents:

### 11. 所得稅

(a) 綜合損益表內之稅項指：

		2020 二零二零年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元
<b>Current tax</b>	<b>即期稅項</b>		
Hong Kong Profits Tax	香港利得稅	-	-
PRC Corporate Income Tax	中國企業所得稅	19,756	12,835
(Over)/under-provision in respect of prior years	過往年度(超額撥備)/撥備不足	(126)	370
PRC Dividend Withholding Tax	中國股息預扣稅	3,828	5,237
		<b>23,458</b>	18,442
<b>Deferred tax</b>	<b>遞延稅項</b>		
PRC Dividend Withholding Tax	中國股息預扣稅	(3,828)	(5,237)
Origination and reversal of temporary differences (note 35(b))	源於及回撥自其他暫時差額(附註35(b))	4,871	4,539
		<b>24,501</b>	17,744

Notes:

- (i) Pursuant to the rules and regulations of the Cayman Islands and the British Virgins Islands, the Group is not subject to any income tax in the Cayman Islands and the British Virgins Islands.
- (ii) Hong Kong Profits Tax is calculated at 16.5% (2019: 16.5%) of the estimated assessable profits for the years. No provision for Hong Kong Profits Tax has been made as the Group had no assessable profits arising in Hong Kong during the years ended 31 December 2020 and 2019.
- (iii) The Company's subsidiaries in PRC are subject to a statutory Corporate Income Tax ("CIT") at the rate of 25% (2019: 25%), except for the subsidiaries which are qualified as the High and New Technology Enterprise in PRC that would be entitled to enjoy a preferential CIT at the rate of 15% (2019: 15%). Dividend distribution from subsidiaries in PRC to the holding companies in Hong Kong is subject to a reduced withholding tax rate of 5% (2019: 5%),

附註：

- (i) 根據開曼群島及英屬處女群島之規則及法例，本集團不須在開曼群島及英屬處女群島繳納任何所得稅。
- (ii) 香港利得稅按本年度估計應課稅溢利之16.5%（二零一九年：16.5%）計算。由於本集團於截至二零二零年及二零一九年十二月三十一日止年度並無在香港產生應評稅溢利，因此並無計提香港利得稅撥備。
- (iii) 本公司之中國附屬公司須按25%（二零一九年：25%）之稅率繳納法定企業所得稅（「企業所得稅」），惟符合中國高新技術企業資格之附屬公司除外，該等附屬公司有權享有15%（二零一九年：15%）之優惠企業所得稅稅率。中國附屬公司向香港控股公司分派之股息須按5%（二零一九年：5%）之已調減預扣稅稅率納稅。

# NOTES TO THE FINANCIAL STATEMENTS

## 財務報表附註

31 December 2020 二零二零年十二月三十一日

### 11. INCOME TAX (continued)

(b) Reconciliation between tax expense and accounting profit at the applicable rates:

		2020 二零二零年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元
<b>Profit before taxation</b>	<b>除稅前溢利</b>	<b>126,547</b>	88,873
Notional tax on profit before taxation, calculated at the rates applicable in the tax jurisdiction concerned	按相關稅務司法權區之適用稅率計算之除稅前溢利之名義稅項	<b>34,551</b>	24,944
Tax effect of non-deductible expenses	不可扣稅開支之稅務影響	<b>9,678</b>	12,353
Tax effect of non-taxable income	非課稅收入之稅務影響	<b>(6,306)</b>	(6,555)
(Over)/under-provision in respect of prior years	過往年度(超額撥備)/撥備不足	<b>(126)</b>	370
Tax effect of temporary differences recognised	已確認暫時差額之稅務影響	<b>4,871</b>	4,539
Effect of income tax preferential policy in PRC	中國所得稅優惠政策之影響	<b>(18,167)</b>	(17,907)
<b>Tax expense for the year</b>	<b>本年度稅項開支</b>	<b>24,501</b>	17,744

### 12. DIVIDENDS

(a) Dividends payable to equity shareholders of the Company attributable to the year

		2020 二零二零年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元
Final dividend proposed after the end of the reporting period of HK\$0.0072 (2019: HK\$0.0070) per share	於報告期末後建議末期股息每股0.0072港元(二零一九年: 0.0070港元)	<b>21,857</b>	21,250

The final dividend proposed after the end of the reporting period has not been recognised as a liability at the end of the reporting period and is subject to the approval of the shareholders of the Company at the forthcoming annual general meeting.

### 11. 所得稅(續)

(b) 按適用稅率計算之稅項開支與會計溢利對賬如下:

### 12. 股息

(a) 本年度應付本公司權益股東股息

於報告期末後建議派付之末期股息並無於報告期末確認為負債，且須待本公司股東於應屆股東週年大會上批准後，方可作實。

# NOTES TO THE FINANCIAL STATEMENTS

## 財務報表附註

31 December 2020 二零二零年十二月三十一日

### 12. DIVIDENDS (continued)

- (b) Dividends payable to equity shareholders of the Company attributable to the previous financial year, approved and paid during the year

		2020 二零二零年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元
Final dividend in respect of the previous financial year, approved and paid during the year of HK\$0.0070 (2019: HK\$0.0068) per share	有關年內批准及派付上一財政年度應付之末期股息每股0.0070港元(二零一九年: 0.0068港元)	21,250	20,643

### 13. EARNINGS PER SHARE

The calculation of basic and diluted earnings per share attributable to the owners of the Company is based on the profit attributable to owners of the Company of HK\$74,576,000 (2019: HK\$40,625,000) and the weighted average number of 3,035,697,018 (2019: 3,035,697,018) ordinary shares of the Company in issue during the year.

- (a) Profit attributable to owners of the Company

		2020 二零二零年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元
Earnings for the purpose of basic and diluted earnings per share	用於計算每股基本及攤薄盈利之盈利	74,576	40,625

- (b) Weighted average number of ordinary shares

		2020 二零二零年	2019 二零一九年
Ordinary shares in issue at 1 January and 31 December	於一月一日及十二月三十一日之已發行普通股	3,035,697,018	3,035,697,018
Weighted average number of ordinary shares at 31 December	於十二月三十一日之普通股加權平均數	3,035,697,018	3,035,697,018

For the year ended 31 December 2020, no assumption is made for the exercise of share options because the exercise price of share options exceeded the average market prices of the Company's shares. For the year ended 31 December 2020, there was no dilutive ordinary shares in existence. Accordingly, diluted earnings per share is the same as basic earnings per share for both years.

### 12. 股息(續)

- (b) 年內批准及派付上一財政年度應付本公司權益股東之股息

### 13. 每股盈利

本公司擁有人應佔每股基本及攤薄盈利乃基於本公司擁有人應佔溢利74,576,000港元(二零一九年: 40,625,000港元)及本公司年內已發行普通股之加權平均數3,035,697,018股(二零一九年: 3,035,697,018股)計算。

- (a) 本公司擁有人應佔溢利

		2020 二零二零年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元
Earnings for the purpose of basic and diluted earnings per share	用於計算每股基本及攤薄盈利之盈利	74,576	40,625

- (b) 普通股加權平均數

		2020 二零二零年	2019 二零一九年
Ordinary shares in issue at 1 January and 31 December	於一月一日及十二月三十一日之已發行普通股	3,035,697,018	3,035,697,018
Weighted average number of ordinary shares at 31 December	於十二月三十一日之普通股加權平均數	3,035,697,018	3,035,697,018

截至二零二零年十二月三十一日止年度，由於購股權的行使價超過了本公司股份的平均市場價格，因此不作出認股權行使的假設。截至二零二零年十二月三十一日止年度，並無攤薄普通股存在。據此，於兩個年度的每股攤薄盈利與每股基本盈利相同。

# NOTES TO THE FINANCIAL STATEMENTS

## 財務報表附註

31 December 2020 二零二零年十二月三十一日

### 14. PROPERTY, PLANT AND EQUIPMENT

### 14. 物業、廠房及設備

		Buildings 樓宇	Construction in progress 在建工程	Plant and machinery 廠房及設備	Computers and equipment 電腦及設備	Furniture and fixtures 傢俬及裝置	Motor vehicles 汽車	Total 總計
		HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元
<b>Cost</b>	<b>成本</b>							
At 1 January 2019	於二零一九年一月一日	511,219	37,136	411,022	9,378	3,922	9,264	981,941
Exchange adjustments	匯兌調整	(10,859)	(1,212)	(8,897)	(232)	(88)	(163)	(21,451)
Additions	添置	2,431	87,843	3,009	3,771	787	708	98,549
Disposals	出售	(681)	-	(6,643)	(302)	(18)	(507)	(8,151)
Transfer	轉撥	6,453	(28,154)	20,834	867	-	-	-
At 31 December 2019 and 1 January 2020	於二零一九年十二月三十一日 及二零二零年一月一日	508,563	95,613	419,325	13,482	4,603	9,302	1,050,888
Exchange adjustments	匯兌調整	30,428	2,525	23,744	881	290	479	58,347
Additions	添置	950	59,156	4,228	2,201	1,542	3,832	71,909
Disposals	出售	(57)	-	(11,221)	(2,056)	(42)	(1,367)	(14,743)
Transfer	轉撥	82,378	(116,556)	27,235	6,943	-	-	-
Reclassified as assets held for sale	重新分類為持作出售之資產	(3,074)	(25,697)	(4,684)	(220)	-	(161)	(33,836)
<b>At 31 December 2020</b>	<b>於二零二零年十二月三十一日</b>	<b>619,188</b>	<b>15,041</b>	<b>458,627</b>	<b>21,231</b>	<b>6,393</b>	<b>12,085</b>	<b>1,132,565</b>
<b>Depreciation and impairment</b>	<b>折舊及減值</b>							
At 1 January 2019	於二零一九年一月一日	101,253	-	105,296	5,269	1,010	6,539	219,367
Exchange adjustments	匯兌調整	(2,410)	-	(2,665)	(125)	(25)	(119)	(5,344)
Charge for the year	年內扣除	21,287	-	40,688	2,500	707	1,188	66,370
Eliminated on disposals	於出售時對銷	(319)	-	(5,302)	(268)	(9)	(455)	(6,353)
At 31 December 2019 and 1 January 2020	於二零一九年十二月三十一日 及二零二零年一月一日	119,811	-	138,017	7,376	1,683	7,153	274,040
Exchange adjustments	匯兌調整	7,327	-	8,602	378	110	290	16,707
Charge for the year	年內扣除	23,376	-	41,671	2,784	933	1,151	69,915
Eliminated on disposals	於出售時對銷	(12)	-	(6,282)	(1,898)	(37)	(1,362)	(9,591)
Reclassified as assets held for sale	重新分類為持作出售之資產	(3,074)	-	(4,684)	(220)	-	(161)	(8,139)
<b>At 31 December 2020</b>	<b>於二零二零年十二月三十一日</b>	<b>147,428</b>	<b>-</b>	<b>177,324</b>	<b>8,420</b>	<b>2,689</b>	<b>7,071</b>	<b>342,932</b>
<b>Carrying amount</b>	<b>賬面值</b>							
At 31 December 2020	於二零二零年十二月三十一日	471,760	15,041	281,303	12,811	3,704	5,014	789,633
At 31 December 2019	於二零一九年十二月三十一日	388,752	95,613	281,308	6,106	2,920	2,149	776,848



# NOTES TO THE FINANCIAL STATEMENTS

## 財務報表附註

31 December 2020 二零二零年十二月三十一日

### 14. PROPERTY, PLANT AND EQUIPMENT (continued)

The buildings are situated in the PRC with leases held within 50 years.

As at 31 December 2020, certain property, plant and equipment with an aggregate carrying amount of approximately HK\$114,782,000 (2019: HK\$121,121,000) had been pledged to secure banking facilities granted to the Group (note 40).

At 31 December 2020, included in the Group's property, plant and equipment there were certain factory buildings ancillary to industrial sewage treatment erected on the leasehold land in the eco-plating specialised zone with an aggregate carrying amount of approximately HK\$139,229,000 (2019: HK\$133,005,000) that were leased to customers for use in accordance with the contractual arrangement thereunder the master agreements entered into between the Group and the customers entering the eco-plating specialised zone which is owned, operated and managed by the Group. As the centralised industrial sewage treatment services provided by the Group to the customers are significant to the arrangement as a whole inside the eco-plating specialised zone, these relevant buildings and equipment facilities being leased to the customers are accounted for and classified under property, plant and equipment in the consolidated financial statements. At the end of both reporting periods, no impairment was recognised on the property, plant and equipment at 31 December 2020 and 2019.

Movements of carrying amount of the assets, primarily the buildings, leased out to customers under operating leases are as follows:

		2020 二零二零年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元
<b>At 1 January</b>	於一月一日	<b>133,005</b>	142,957
Transfer from construction in progress	由在建工程轉入	<b>8,717</b>	2,057
Depreciation	折舊	<b>(9,715)</b>	(9,130)
Exchange adjustments	匯兌調整	<b>7,222</b>	(2,879)
<b>At 31 December</b>	於十二月三十一日	<b>139,229</b>	133,005

Leasing income recognised by the Group during the year was HK\$27,616,000 (2019: HK\$20,756,000), details of which are included in note 4 to the financial statements.

### 14. 物業、廠房及設備 (續)

該等樓宇位於中國，並於50年內租賃持有。

於二零二零年十二月三十一日，賬面值合共約114,782,000港元（二零一九年：121,121,000港元）之若干物業、廠房及設備已予抵押，作為本集團所獲授銀行信貸之擔保（附註40）。

於二零二零年十二月三十一日，計入本集團物業、廠房及設備當中乃環保電鍍專業區租賃土地上所建輔設於工業污水處理的若干工廠大廈，其賬面值合共約為139,229,000港元（二零一九年：133,005,000港元），已根據本集團與進入由本集團所擁有、營運及管理之環保電鍍專業區之客戶訂立之主協議項下合約安排出租予該等客戶使用。由於本集團向客戶提供之集中式工業污水處理服務對環保電鍍專業區內之整體安排而言屬重大，故此等出租予客戶之相關樓宇及儀器設施乃於綜合財務報表入賬處理並分類於物業、廠房及設備項下。於兩個報告期末，並無對於二零二零年及二零一九年十二月三十一日之物業、廠房及設備確認減值。

根據經營租賃出租予客戶的資產（主要為樓宇）之賬面值變動如下：

		2020 二零二零年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元
<b>At 1 January</b>	於一月一日	<b>133,005</b>	142,957
Transfer from construction in progress	由在建工程轉入	<b>8,717</b>	2,057
Depreciation	折舊	<b>(9,715)</b>	(9,130)
Exchange adjustments	匯兌調整	<b>7,222</b>	(2,879)
<b>At 31 December</b>	於十二月三十一日	<b>139,229</b>	133,005

本集團年內確認之租賃收入為27,616,000港元（二零一九年：20,756,000港元），詳情載於財務報告附註4。

# NOTES TO THE FINANCIAL STATEMENTS

## 財務報表附註

31 December 2020 二零二零年十二月三十一日

### 15. RIGHT-OF-USE ASSETS

### 15. 使用權資產

		HK\$'000 千港元
<b>Cost</b>	<b>成本</b>	
At 1 January 2019	於二零一九年一月一日	158,648
Exchange adjustments	匯兌調整	(1,791)
Additions arising from new leases	由新增租賃引起之添置	975
At 31 December 2019 and 1 January 2020	於二零一九年十二月三十一日及 二零二零年一月一日	157,832
Exchange adjustments	匯兌調整	4,624
Release on lease termination	租賃終止解除	(693)
Reclassified as assets held for sale	重新分類為持作出售之資產	(2,729)
<b>At 31 December 2020</b>	<b>於二零二零年十二月三十一日</b>	<b>159,034</b>
<b>Depreciation</b>	<b>折舊</b>	
At 1 January 2019	於二零一九年一月一日	22,589
Exchange adjustments	匯兌調整	(221)
Charge for the year	年內扣除	
– land use rights	– 土地使用權	3,491
– office premises	– 辦公室物業	414
At 31 December 2019 and 1 January 2020	於二零一九年十二月三十一日及 二零二零年一月一日	26,273
Exchange adjustments	匯兌調整	666
Charge for the year	年內扣除	
– land use rights	– 土地使用權	3,486
– office premises	– 辦公室物業	446
– Release on lease termination	– 租賃終止解除	(693)
Reclassified as assets held for sale	重新分類為持作出售之資產	(784)
<b>At 31 December 2020</b>	<b>於二零二零年十二月三十一日</b>	<b>29,394</b>
<b>Carrying amount</b>	<b>賬面值</b>	
<b>At 31 December 2020</b>	<b>於二零二零年十二月三十一日</b>	<b>129,640</b>
At 31 December 2019	於二零一九年十二月三十一日	131,559

As at 31 December 2020, certain land use rights with an aggregate carrying amount of approximately HK\$28,523,000 (2019: HK\$27,630,000) had been pledged to secure banking facilities granted to the Group (note 40).

於二零二零年十二月三十一日，賬面值合共約28,523,000港元（二零一九年：27,630,000港元）之若干土地使用權已予抵押，作為本集團所獲授銀行融資之擔保（附註40）。

# NOTES TO THE FINANCIAL STATEMENTS

## 財務報表附註

31 December 2020 二零二零年十二月三十一日

### 15. RIGHT-OF-USE ASSETS (continued)

The analysis of the carrying amount of right-of-use assets by class of underlying asset is as follows:

### 15. 使用權資產(續)

按有關資產類別分類的使用權資產賬面值分析如下：

		2020 二零二零年 HK\$'000 千港元	2019 二零一九年 HK'000 千港元
Ownership interests in land use rights held for own use, carried at depreciated cost in PRC with remaining lease terms between 30 and 50 years	持作自用的土地使用權的所有權權益，在中國按折舊成本入賬，餘下租期介乎30至50年	55,911	56,668
Ownership interests in land use rights held for leasing to customers, carried at depreciated cost in PRC with remaining lease terms between 30 and 50 years	持有供出租予客戶的土地使用權的所有權權益，在中國按折舊成本入賬，餘下租期介乎30至50年	64,598	65,616
Ownership interests in land use rights held for own use, carried at depreciated cost in PRC with terms to be renewed by government (note)	持作自用的土地使用權的所有權權益，在中國按折舊成本入賬，其期限須由政府續期(附註)	9,003	8,721
Office premises leased for own use, carried at depreciated cost in PRC, with remaining lease terms of more than 1 year and less than 5 years	自用租賃辦公場所，在中國按折舊成本入賬，餘下租期超過1年及少於5年	128	554
		<b>129,640</b>	<b>131,559</b>

Note:

As at 31 December 2020, certain land use rights with carrying amount of approximately HK\$9,003,000 (2019: HK\$8,721,000) together with property, plant and equipment with total carrying amount of approximately HK\$124,375,000 (2019: HK\$128,697,000) located at Xiangshui, Yancheng City, Jiangsu Province, PRC is subject to the requirement of new incineration facility to be further constructed thereon in order to comply with the stipulated minimum floor-area ratio by 23 November 2020. The Group has submitted a development plan for constructing new incineration facility on the land, which is still pending governmental approval up to the date of approval of these consolidated financial statements. In the opinion of the Directors of the Company, once the government approval for the construction of new additional incineration facility is obtained, the construction work will be commenced accordingly and there would be no material impact to the Group's operation and financial position.

At the end of both reporting periods, there were no impairment recognised on the Group's land use rights.

附註：

於二零二零年十二月三十一日，位於中國江蘇省鹽城市響水縣賬面值約為9,003,000港元(二零一九年：8,721,000港元)之若干土地使用權連同賬面總值約為124,375,000港元(二零一九年：128,697,000港元)之物業、廠房及設備，須遵守在其上進一步建設新焚燒設施之要求，以便於二零二零年十一月二十三日前符合所規定之最小容積率。本集團已提交於該土地建設新焚燒設施的發展計劃，直至該等綜合財務報表批准日期仍有待政府批准。本公司董事認為，一旦獲得政府批准建造新的額外焚燒設施，建築工程將會相應展開，且不會對本集團的營運及財務狀況造成重大影響。

於兩個報告期末，並無就本集團之土地使用權確認減值。

# NOTES TO THE FINANCIAL STATEMENTS

## 財務報表附註

31 December 2020 二零二零年十二月三十一日

### 16. GOODWILL

		2020 二零二零年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元
Carrying amount at 1 January	於一月一日之賬面值	33,000	33,000
Impairment loss recognised in consolidated statement of profit or loss	於綜合損益表確認之減值虧損	-	-
Carrying amount at 31 December	於十二月三十一日之賬面值	33,000	33,000

Goodwill is attributable to the business segment of environmental integrated waste treatment services that arose from the acquisition of 82% equity interest of NUET(JS) (as referred to in note 17(a)) in 2007. NUET(JS), through its subsidiaries, is engaged in the provision of environmental waste integrated treatment and disposal services in the Jiangsu Province, PRC.

#### Impairment test assessment

The goodwill, together with related property, plant and equipment with carrying amount of HK\$81,311,000 (2019: HK\$109,536,000), and land use rights with carrying amount of HK\$8,683,000 (2019: HK\$10,864,000), are allocated to NUET(JS) Group as an identified CGU under the operating segment of environmental waste treatment services.

### 16. 商譽

環保綜合廢物處置服務業務分部應佔商譽乃於二零零七年收購新宇(江蘇)(見附註17(a)提述)82%股權時產生。新宇(江蘇)透過其附屬公司於中國江蘇省從事提供環保廢物處置及處理服務。

#### 減值測試評估

商譽連同賬面值為81,311,000港元(二零一九年: 109,536,000港元)之相關物業、廠房及設備以及賬面值為8,683,000港元(二零一九年: 10,864,000港元)之土地使用權乃分配至新宇(江蘇)集團,作為環保廢物處置服務經營分部項下之一項已識別現金產生單位。

## 16. GOODWILL (continued)

### Impairment test assessment (continued)

As at 31 December 2020, the assessment on the recoverable amount of this CGU was determined by CBRE Limited ("CBRE") (2019: CBRE), an independent firm of professional valuers, on the basis of value-in-use calculations which use cash flow projections based on financial budgets approved by management covering a five-year period, that are discounted to their present values at a pre-tax discount rate of 17.85% (2019: 16.21%). Cash flows beyond the five-year period are extrapolated using an annual growth rate of approximately 2.0% (2019: 2.0%) which does not exceed the long-term growth rate for the waste treatment industries. Other key assumptions for the value-in-use calculation relates to the estimated cash inflows/outflows which include budgeted sales and gross margin. Such estimation is based the CGU's past performance, future business plan and management's expectations for the future market development.

The key assumptions used for value-in-use calculations are as follows:

		2020 二零二零年	2019 二零一九年
Gross profit margin	毛利率	57.8%	59.8%
Compound annual growth rate in the initial five-year period	首五年期間之複合年增長率	2.2%	1.9%
Growth rate used to extrapolate cash flows beyond the budget period	用以推斷預算期後現金流量之增長率	2.0%	2.0%
Pre-tax discount rate applied to the cash flow projections	應用於現金流量預測之稅前折現率	17.85%	16.21%

Since the recoverable amount of the NUET(JS) Group as an identified CGU, to which goodwill and related property, plant and equipment are allocated, exceeded the aggregate carrying amount of these assets of the NUET(JS) Group as an identified CGU, no impairment loss on goodwill and the relevant assets was considered necessary at 31 December 2020 and 2019.

Sensitivity analysis of unforeseen downsize effect to the recoverable amount of the CGU had been performed on each of the following scenarios with the assumptions of (i) gross profit margin down by 5%, (ii) compound annual growth rate in the initial five-year period down by 2%, or (iii) pre-tax discount rate applied to the cash flow projections up by 2%, respectively. There was no impairment loss on goodwill and the relevant assets of the CGU was considered necessary at 31 December 2020 in each of these scenarios.

## 16. 商譽 (續)

### 減值測試評估 (續)

於二零二零年十二月三十一日，對此現金產生單位之可收回金額進行之評估由獨立專業估值師行世邦魏理仕有限公司（「世邦魏理仕」）（二零一九年：世邦魏理仕）基於使用價值計算釐定。使用價值計算乃使用根據管理層批准涵蓋五年期間之財政預算計算之現金流量預測，並以稅前折現率17.85%（二零一九年：16.21%）折現至其現值。五年期後之現金流量使用約2.0%（二零一九年：2.0%）之年增長率推算，其並無超過廢物處置行業之長期增長率。與估計現金流入／流出有關之使用價值計算之其他主要假設包括所預算之銷售及毛利率，該估計乃根據現金產生單位過往表現、未來業務計劃及管理層對未來市場發展之預期而作出。

使用價值計算所採用之主要假設如下：

由於已獲分配商譽及有關物業、廠房及設備之新宇（江蘇）集團（識別為一個現金產生單位）之可收回金額超過新宇（江蘇）集團（識別為一個現金產生單位）的該等資產之總賬面值，故此，於二零二零年及二零一九年十二月三十一日，商譽及相關資產被視為無須作出減值虧損。

對現金產生單位可收回金額的不可預見縮減影響已就下列各情況進行敏感性分析，當中假設(i)毛利率減少5%；(ii)首五年期間的年複合增長率減少2%；或(iii)應用到現金流量預測的除稅前折現率增加2%。現金產生單位之商譽及相關資產於二零二零年十二月三十一日被視為無須作出減值虧損。

# NOTES TO THE FINANCIAL STATEMENTS

## 財務報表附註

31 December 2020 二零二零年十二月三十一日

### 17. INVESTMENTS IN SUBSIDIARIES

- (a) The following list contains the particulars of the principal subsidiaries, which affected the results, assets, or liabilities of the Group as at 31 December 2020:

### 17. 於附屬公司之投資

- (a) 顯著影響本集團於二零二零年十二月三十一日業績、資產或負債之主要附屬公司之詳情如下：

Name of subsidiary 附屬公司名稱	Place of incorporation and operations 註冊成立及營運地點	Form of legal entity 法律實體之形式	Particulars of issued and paid-up capital 已發行及繳足資本詳情	Proportion of ownership interest 擁有權權益比例			Principal activity 主要業務
				Group's effective interest 本集團之實際權益	Held by the Company 由本公司持有	Held by a subsidiary 由一間附屬公司持有	
Ever Champ (China) Limited 恒明(中國)有限公司	Hong Kong 香港	Limited liability company 有限公司	10,000 ordinary shares 10,000股普通股	100%	-	100%	Investment holding 投資控股
Fair International Investment Enterprise Limited 信榮國際投資企業有限公司	Hong Kong 香港	Limited liability company 有限公司	10,000 ordinary shares 10,000股普通股	100%	-	100%	Investment holding 投資控股
Fair Industry Waste Recyclables Limited 信榮工業廢物再生利用有限公司	Hong Kong 香港	Limited liability company 有限公司	10,000 ordinary shares 10,000股普通股	100%	-	100%	Investment holding 投資控股
Fair Time International Limited ("Fair Time") 信時國際有限公司(「信時」)	Hong Kong 香港	Limited liability company 有限公司	99,327,000 ordinary shares 99,327,000股普通股	100%	-	100%	Investment holding 投資控股
Jiangsu New Universe Environmental Engineering Management Limited* ("Jiangsu New Universe Engineering") 江蘇宇新環保工程管理有限公司(「江蘇宇新工程」)	PRC 中國	Wholly owned domestic enterprise 內資獨資企業	Registered RMB50,000,000 and paid-up RMB12,000,000 註冊人民幣50,000,000元及繳足人民幣12,000,000元	100%	-	100%	Environmental technical consultancy and engineering services 環保技術諮詢及工程服務
Jiangsu Xin Yu Environmental Technologies Limited* 江蘇新宇環保科技有限公司	PRC 中國	Wholly foreign owned enterprise 外商獨資企業	Registered and paid-up HK\$48,500,000 註冊及繳足48,500,000港元	100%	-	100%	Environmental technical consultancy 環保技術諮詢
New Sinotech Investments Limited ("NSIL") 新華科投資有限公司*(「NSIL」)	British Virgin Islands/ Hong Kong 英屬處女群島/香港	Limited liability company 有限公司	5,000,000 ordinary shares of US\$1 each 5,000,000股每股面值1美元之普通股	100%	-	100%	Investment holding 投資控股
New Universe (China) Investment Limited 新宇(中國)投資有限公司	British Virgin Islands/ Hong Kong 英屬處女群島/香港	Limited liability company 有限公司	1,800,000 ordinary shares of US\$1 each 1,800,000股每股面值1美元之普通股	100%	-	100%	Investment holding 投資控股

# NOTES TO THE FINANCIAL STATEMENTS

## 財務報表附註

31 December 2020 二零二零年十二月三十一日

### 17. INVESTMENTS IN SUBSIDIARIES (continued)

### 17. 於附屬公司之投資(續)

(a) The following list contains the particulars of the principal subsidiaries, which affected the results, assets, or liabilities of the Group as at 31 December 2020: (continued)

(a) 顯著影響本集團於二零二零年十二月三十一日業績、資產或負債之主要附屬公司之詳情如下：(續)

Name of subsidiary 附屬公司名稱	Place of incorporation and operations 註冊成立及營運地點	Form of legal entity 法律實體之形式	Particulars of issued and paid-up capital 已發行及繳足資本詳情	Proportion of ownership interest 擁有權權益比例			Principal activity 主要業務
				Group's effective interest 本集團之實際權益	Held by the Company 由本公司持有	Held by a subsidiary 由一間附屬公司持有	
New Universe (China) Limited 新宇(中國)有限公司	Hong Kong 香港	Limited liability company 有限公司	1,000,000 ordinary shares 1,000,000股普通股	100%	-	100%	Investment holding 投資控股
New Universe Environmental Protection Investment Limited 新宇環保投資有限公司*	British Virgin Islands/ Hong Kong 英屬處女群島/香港	Limited liability company 有限公司	4,000,000 ordinary shares of US\$1 each 4,000,000股每股面值1美元之普通股	100%	-	100%	Investment holding 投資控股
New Universe Environmental Technologies (Jiang Su) Limited ("NUET(JS)") 新宇環保科技(江蘇)有限公司 ([新宇(江蘇)])	Hong Kong 香港	Limited liability company 有限公司	21,640,000 ordinary shares 21,640,000股普通股	82%	-	82%	Investment holding 投資控股
New Universe International Ecology Limited 新宇國際生態有限公司	British Virgin Islands/ Hong Kong 英屬處女群島/香港	Limited liability company 有限公司	10,000 ordinary shares of US\$1 each 10,000股每股面值1美元之普通股	100%	-	100%	Investment holding 投資控股
New Universe International Group Limited 新宇國際實業(集團)有限公司	Hong Kong 香港	Limited liability company 有限公司	10,000 ordinary shares 10,000股普通股	100%	-	100%	Investment holding 投資控股
New Universe International Holdings Limited 新宇國際控股有限公司	British Virgin Islands/ Hong Kong 英屬處女群島/香港	Limited liability company 有限公司	10,000 ordinary shares of US\$1 each 10,000股每股面值1美元之普通股	100%	100%	-	Investment holding 投資控股
New Universe Recyclable Investments Limited 新宇資源再生投資有限公司	British Virgin Islands/ Hong Kong 英屬處女群島/香港	Limited liability company 有限公司	10,000 ordinary shares of US\$1 each 10,000股每股面值1美元之普通股	100%	-	100%	Investment holding 投資控股
New Universe Recyclables Limited 新宇資源再生利用有限公司	Hong Kong 香港	Limited liability company 有限公司	10,000 ordinary shares 10,000股普通股	100%	-	100%	Investment holding 投資控股

# NOTES TO THE FINANCIAL STATEMENTS

## 財務報表附註

31 December 2020 二零二零年十二月三十一日

### 17. INVESTMENTS IN SUBSIDIARIES (continued)

(a) The following list contains the particulars of the principal subsidiaries, which affected the results, assets, or liabilities of the Group as at 31 December 2020: (continued)

### 17. 於附屬公司之投資(續)

(a) 顯著影響本集團於二零二零年十二月三十一日業績、資產或負債之主要附屬公司之詳情如下：(續)

Name of subsidiary 附屬公司名稱	Place of incorporation and operations 註冊成立及營運地點	Form of legal entity 法律實體之形式	Particulars of issued and paid-up capital 已發行及繳足資本詳情	Proportion of ownership interest 擁有權權益比例			Principal activity 主要業務
				Group's effective interest 本集團之實際權益	Held by the Company 由本公司持有	Held by a subsidiary 由一間附屬公司持有	
Smartech International Group Limited 滙科國際集團有限公司*	British Virgin Islands/ Hong Kong 英屬處女群島/香港	Limited liability company 有限公司	1,000,000 ordinary shares of US\$1 each 1,000,000股每股面值1美元之普通股	100%	100%	-	Investment holding 投資控股
Smartech Manufacturing Limited 滙科製品有限公司	Hong Kong 香港	Limited liability company 有限公司	70,380,000 ordinary shares 70,380,000股普通股	100%	-	100%	Asset holding 資產持有
Smartech Plastic Moulding Limited 滙科塑膠製品有限公司	Hong Kong 香港	Limited liability company 有限公司	100 ordinary shares 100股普通股	100%	-	100%	Dormant 暫無營業
Smartech Services Limited ("Smartech Services") 滙科資源有限公司(「滙科資源」)	Hong Kong 香港	Limited liability company 有限公司	2 ordinary shares 2股普通股	100%	-	100%	Provision of management services 提供管理服務
Suqian New Universe Environmental Solid Waste Disposal Limited* 宿遷宇新固體廢物處置有限公司	PRC 中國	Wholly foreign owned enterprise 外商獨資企業	Registered and paid-up HK\$97,000,000 註冊及繳足97,000,000港元	100%	-	100%	Environmental hazardous waste treatment and disposal services 環保危險廢物處理及處置服務
Taixing Xin Xin Resources Recycling Company Limited* 泰興新新資源再生利用有限公司	PRC 中國	Wholly foreign owned enterprise 外商獨資企業	Registered and paid-up HK\$30,000,000 註冊及繳足30,000,000港元	100%	-	100%	Holding land and buildings 持有土地及樓宇
Xiangshui New Universe Environmental Technology Limited ("Xiangshui New Universe") 響水新宇環保科技有限公司 (「響水新宇」)	PRC 中國	Sino foreign joint equity enterprise 中外合資企業	Registered and paid-up HK\$50,750,000 註冊及繳足50,750,000港元	65%	-	65%	Environmental hazardous waste treatment and disposal services 環保危險廢物處理及處置服務



# NOTES TO THE FINANCIAL STATEMENTS

## 財務報表附註

31 December 2020 二零二零年十二月三十一日

### 17. INVESTMENTS IN SUBSIDIARIES (continued)

(a) The following list contains the particulars of the principal subsidiaries, which affected the results, assets, or liabilities of the Group as at 31 December 2020: (continued)

### 17. 於附屬公司之投資 (續)

(a) 影響本集團於二零二零年十二月三十一日業績、資產或負債之主要附屬公司之詳情如下：(續)

Name of subsidiary 附屬公司名稱	Place of incorporation and operations 註冊成立及營運地點	Form of legal entity 法律實體之形式	Particulars of issued and paid-up capital 已發行及繳足資本詳情	Proportion of ownership interest 擁有權權益比例			Principal activity 主要業務
				Group's effective interest 本集團之實際權益	Held by the Company 由本公司持有	Held by a subsidiary 由一間附屬公司持有	
Yancheng New Universe Solid Waste Disposal Company Limited ("Yancheng New Universe") 鹽城新宇新固體廢物處置有限公司 (「鹽城新宇新」)	PRC 中國	Wholly foreign owned enterprise 外商獨資企業	Registered and paid-up US\$700,000 註冊及繳足700,000美元	82%	-	100%	Business operation ceased 已終止經營業務
Yancheng NUHF Environmental Technology Limited* ("Yancheng NUHF") 鹽城新宇輝豐環保科技有限公司 (「鹽城新宇輝豐」)	PRC 中國	Sino foreign joint equity enterprise 中外合資企業	Registered and paid-up HK\$83,000,000 註冊及繳足83,000,000港元	65%	-	65%	Environmental hazardous waste treatment and disposal services 環保危險廢物處理及處置服務
Zhenjiang New Universe Solid Waste Disposal Company Limited ("Zhenjiang New Universe") 鎮江新宇新固體廢物處置有限公司 (「鎮江新宇新」)	PRC 中國	Wholly foreign owned enterprise 外商獨資企業	Registered and paid-up US\$10,850,000 註冊及繳足10,850,000美元	82%	-	100%	Environmental hazardous waste treatment and disposal services 環保危險廢物處理及處置服務
Zhenjiang Sinotech Eco- Electroplating Development Limited ("Zhenjiang Sinotech") 鎮江華科生態電鍍科技發展有限公司 (「鎮江華科」)	PRC 中國	Wholly foreign owned enterprise 外商獨資企業	Registered and paid-up US\$34,260,000 註冊及繳足34,260,000美元	100%	-	100%	Environmental industrial sewage and sludge treatment and facility provision services in an eco-plating zone 環保工業污水及污泥處置及於環保電鍍區提供設施服務

\* For identification purpose only  
僅供識別之用

# NOTES TO THE FINANCIAL STATEMENTS

## 財務報表附註

31 December 2020 二零二零年十二月三十一日

### 17. INVESTMENTS IN SUBSIDIARIES (continued)

- (b) The following tables summarised the financial information relating to each of the Group's subsidiaries that has material non-controlling interests ("NCI") at the end of the reporting period. The summarised financial information presented below represents the amounts before any inter-company elimination.

For the year ended 31 December 2020

### 17. 於附屬公司之投資(續)

- (b) 下表載列於報告期間結束時有關本集團下列擁有重大非控股權益(「非控股權益」)之附屬公司各自之財務資料概要。下列財務資料概要乃為扣除任何集團內公司間對賬前之金額。

截至二零二零年十二月三十一日止年度

		NUET(JS) Group 新宇(江蘇) 集團 (note) (附註) HK\$'000 千港元	Xiangshui NU 響水新宇 HK\$'000 千港元	Yancheng NUHF 鹽城新宇輝豐 HK\$'000 千港元
NCI percentage	非控股權益百分比	18%	35%	35%
Non-current assets	非流動資產	117,245	143,160	270,682
Current assets	流動資產	151,752	55,398	41,920
Current liabilities	流動負債	(110,637)	(74,666)	(139,983)
Non-current liabilities	非流動負債	(5,664)	-	(6,726)
Net assets	資產淨值	152,696	123,892	165,893
Carrying amount of NCI	非控股權益之賬面值	27,485	43,362	58,063
Revenue	收益	143,073	151,370	199,874
Profit for the year	年度溢利	51,659	13,087	38,830
Total comprehensive income	全面收益總額	60,559	19,554	47,083
Profit allocated to NCI	分配至非控股權益之溢利	9,299	4,581	13,590
Dividend paid to NCI	支付予非控股權益之股息	10,050	4,021	8,043
Cash flows generated from operating activities	經營活動產生之現金流量	48,239	28,342	53,417
Cash flows generated from/ (used in) investing activities	投資活動產生/(所用)之現金流量	2,070	(821)	(31,308)
Cash flows used in financing activities	融資活動所用之現金流量	(43,345)	(31,313)	(21,630)

# NOTES TO THE FINANCIAL STATEMENTS

## 財務報表附註

31 December 2020 二零二零年十二月三十一日

### 17. INVESTMENTS IN SUBSIDIARIES (continued)

- (b) The following tables summarised the financial information relating to each of the Group's subsidiaries that has material non-controlling interests ("NCI") at the end of the reporting period. The summarised financial information presented below represents the amounts before any inter-company elimination. (continued)

For the year ended 31 December 2019

### 17. 於附屬公司之投資(續)

- (b) 下表載列於報告期間結束時有關本集團下列擁有重大非控股權益(「非控股權益」)之附屬公司各自之財務資料概要。下列財務資料概要乃為扣除任何集團內公司間對賬前之金額。(續)

截至二零一九年十二月三十一日止年度

		NUET(JS) Group 新宇(江蘇) 集團 (note) (附註) HK\$'000 千港元	Xiangshui NU 響水新宇 HK\$'000 千港元	Yancheng NUHF 鹽城新宇 輝豐 HK\$'000 千港元
NCI percentage	非控股權益百分比	18%	35%	35%
Non-current assets	非流動資產	144,042	146,682	244,085
Current assets	流動資產	116,113	45,827	33,107
Current liabilities	流動負債	(106,086)	(76,680)	(109,612)
Non-current liabilities	非流動負債	(6,101)	-	(25,826)
Net assets	資產淨值	147,968	115,829	141,754
Carrying amount of NCI	非控股權益之賬面值	26,634	40,540	49,614
Revenue	收益	144,850	144,573	135,078
Profit for the year	年度溢利	55,872	52,150	6,270
Total comprehensive income	全面收益總額	51,935	50,139	3,235
Profit allocated to NCI	分配至非控股權益之溢利	10,057	18,252	2,195
Dividend paid to NCI	支付予非控股權益之股息	10,244	2,571	2,571
Cash flows generated from operating activities	經營活動產生之現金流量	16,609	17,147	40,216
Cash flows used in investing activities	投資活動所用之現金流量	(39,082)	(1,392)	(36,755)
Cash flows used in financing activities	融資活動所用之現金流量	(50,385)	(28,190)	(6,183)

Note:

NUET(JS) Group comprises NUET(JS) as the holding company and its subsidiaries, Zhenjiang New Universe, Yancheng New Universe, and the associate, Zhenjiang Xin Qu Solid Waste Disposal Limited\*.

\* For identification purpose only  
僅供識別之用

附註：

新宇(江蘇)集團由新宇(江蘇)(作為控股公司)及其附屬公司鎮江新宇、鹽城新宇及聯營公司鎮江新區固廢處置股份有限公司組成。

# NOTES TO THE FINANCIAL STATEMENTS

## 財務報表附註

31 December 2020 二零二零年十二月三十一日

### 17. INVESTMENTS IN SUBSIDIARIES (continued)

#### (c) Disposal of a subsidiary

During the year ended 31 December 2020, the Group disposed of 82% equity interest in Taizhou New Universe Solid Waste Disposal Company Limited ("Taizhou New Universe") to an independent third party at a cash consideration of USD10. Pursuant to the agreement between the parties, legal and professional cost of HK\$100,000 would be borne by the Group. All the assets and liabilities of Taizhou New Universe have been derecognised upon disposal.

The effect of such disposal on the Group's assets and liabilities is set out below:

### 17. 於附屬公司之投資(續)

#### (c) 出售一間附屬公司

截至二零二零年十二月三十一日止年度，本集團以現金代價10美元向獨立第三方出售泰州宇新固體廢物處置有限公司(「泰州宇新」)82%股權。根據雙方的協議，本集團將承擔100,000港元的法律及專業費用。泰州宇新的所有資產及負債已於出售時取消確認。

有關出售對本集團資產及負債的影響載列如下：

		2020 二零二零年 HK\$'000 千港元
Amount due from a fellow subsidiary	應收一間同系附屬公司款項	4,361
Other payables	其他應付款項	(7,235)
Cash and cash equivalents	現金及等同現金項目	2
<b>Net liabilities disposed of</b>	<b>所出售之負債淨額</b>	<b>(2,872)</b>
Consideration	代價	1
Net liabilities disposed of	所出售之負債淨額	2,872
Release of translation reserve upon disposal	於出售時解除匯兌儲備	982
Legal and professional costs borne by and payable to the third party	第三方承擔及應付之法律及專業費用	(100)
<b>Gain on disposal</b>	<b>出售之收益</b>	<b>3,755</b>
Analysis of the net cash outflows in respect of the disposal:	有關出售之現金流出淨額分析：	
Cash received	已收現金	1
Legal and professional fees paid	已付法律及專業費用	(100)
Cash and cash equivalents disposed of	所出售之現金及等同現金項目	(2)
<b>Net cash outflow</b>	<b>現金流出淨額</b>	<b>(101)</b>

# NOTES TO THE FINANCIAL STATEMENTS

## 財務報表附註

31 December 2020 二零二零年十二月三十一日

### 18. INTERESTS IN ASSOCIATES

### 18. 於聯營公司之權益

		2020 二零二零年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元
<b>Share of net assets</b>	<b>分佔資產淨值</b>		
<b>At 1 January</b>	<b>於一月一日</b>	<b>169,137</b>	170,802
Share of results	分佔業績	10,302	6,826
Share of other comprehensive income	分佔其他全面收益	9,423	(3,610)
Dividends received	已收股息	(8,687)	(4,881)
<b>At 31 December</b>	<b>於十二月三十一日</b>	<b>180,175</b>	169,137

The following list contains the particulars of the associates at 31 December 2020:

以下載列聯營公司於二零二零年十二月三十一日之詳情：

Name of associate	Place of incorporation and business	Form of business structure	Particulars of issued and paid-up capital	Proportion of ownership interest 擁有權益比例			Principal activity
				Group's effective interest	Held by the Company	Held by a subsidiary	
聯營公司名稱	註冊成立及營運地點	業務架構之形式	已發行及繳足資本詳情	本集團之實際權益	由本公司持有	由一間附屬公司持有	主要業務
Zhenjiang Xin Qu Solid Waste Disposal Limited* ("Zhenjiang Xin Qu")	PRC	Joint equity enterprise	Registered and paid-up RMB36,000,000	24.60%	-	30%	Environmental hazardous waste landfill disposal services
鎮江新區固廢處置股份有限公司 ("鎮江新區")	中國	合資企業	註冊及繳足人民幣36,000,000元				環保危險廢物填埋處置服務
Nanjing Chemical Industry Park Tianyu Solid Waste Disposal Co., Ltd. ("NCIP")	PRC	Sino foreign joint equity enterprise	Registered and paid-up HK\$93,600,000	30%	-	30%	Environmental hazardous waste treatment and disposal services
南京化學工業園天宇固體廢物處置有限公司 ("南京天宇")	中國	中外合資企業	註冊及繳足93,600,000港元				環保危險廢物處理及處置服務

\* For identification purpose only  
僅供識別之用

The above associates are accounted for using the equity method in the consolidated financial statements.

上述聯營公司於綜合財務報表內均採用權益法入賬。

(a) The shares of Zhenjiang Xin Qu are traded on the platform of New Over-The-Counter Market ("New OTC Market") in Mainland China, which is considered as a closed market by the Directors of Company and the quoted price of Zhenjiang Xin Qu on the New OTC Market does not reflect the open market price of its shares.

(a) 鎮江新區的股份於中國內地新三板("新三板")平台買賣。本公司董事視新三板為封閉市場以及鎮江新區於新三板的報價並不能反映股份的公開市場價格。

# NOTES TO THE FINANCIAL STATEMENTS

## 財務報表附註

31 December 2020 二零二零年十二月三十一日

### 18. INTERESTS IN ASSOCIATES (continued)

- (b) NCIP is an unlisted entity without quoted market price.
- (c) Impairment testing of the Group's interest in NCIP

During the year ended 31 December 2020, NCIP still incurred temporary downtime for repairs and maintenance for both phase I and phase II incineration facilities.

As disclosed in (d) below, NCIP incurred a loss of approximately HK\$2,075,000 (2019: HK\$6,425,000) for the year ended 31 December 2020.

At 31 December 2020, the recoverable amount of the Group's interests in NCIP as a cash-generating-unit has been determined based on value-in-use calculations. The Group has appointed CBRE (2019: CBRE), an independent firm of professional qualified valuers, to perform such valuation. The calculations use cash flow projections of NCIP covering a five-year period according to the forecast of its management. The pre-tax discount rate applied to the cash flow projections is 16.04% (2019: 14.89%). The growth rate used to extrapolate the cash flows of this cash-generating unit is 2% (2019: 2%) per annum. Other key assumptions for the value-in-use calculations relate to estimation of the performance which is based on Phase I and Phase II incineration facilities with a licensed capacity of 38,000 (2019: 38,000) tons for the hazardous waste treatment of NCIP, and management's expectation for market demand in Nanjing, the capital city of Jiangsu Province, PRC.

The following describes each key assumption on which management has based their cash flow projections to undertake an impairment test of the recoverable amount of the Group's interest in NCIP:

Projected cash flow – The projected cash flow from NCIP is based on the performance of the Phase I and Phase II incineration facilities with capacity of 38,000 (2019: Phase I and Phase II in total 38,000) tons for the hazardous waste treatment of NCIP, and the management's expectation of the market demand in Nanjing.

### 18. 於聯營公司之權益(續)

- (b) 南京天宇是無市場報價之非上市實體。
- (c) 本集團於南京天宇權益之減值測試

截至二零二零年十二月三十一日止年度，南京天宇仍然暫時停機以對第一期及第二期焚燒設施進行維修及維護。

如下文(d)所披露，截至二零二零年十二月三十一日止年度，南京天宇錄得虧損約2,075,000港元(二零一九年：6,425,000港元)。

於二零二零年十二月三十一日，本集團於南京天宇(作為一個現金產生單位)權益的可收回金額乃根據使用價值計算釐定。本集團已委任獨立專業合資格估值師行世邦魏理仕(二零一九年：世邦魏理仕)進行有關估值。該等計算使用南京天宇根據其管理層之預測涵蓋五年期間之現金流量預測。應用於現金流量預測之稅前折現率為16.04%(二零一九年：14.89%)。用於推算此現金產出單位現金流量之增長率為每年2%(二零一九年：2%)。計算使用價值之其他主要假設涉及估計表現，其基於南京天宇危險廢物處置處理能力為38,000噸(二零一九年：38,000噸)之第一期及第二期焚燒設施，以及管理層對南京(中國江蘇省省會城市)市場需求之預期。

管理層根據其現金流量預測對本集團於南京天宇權益的可收回金額進行減值測試的各主要假設如下：

預計現金流量—來自南京天宇之預計現金流量乃基於南京天宇第一期及第二期焚燒設施危險廢物處置之處理能力為38,000噸(二零一九年：第一期及第二期合計為38,000噸)之表現，以及管理層對南京市場需求之預期。

## 18. INTERESTS IN ASSOCIATES (continued)

### (c) Impairment testing of the Group's interest in NCIP (continued)

Discount rate – The pre-tax discount rate 16.04% (2019: 14.89%) was determined using the Capital Assets Pricing Model on the cash flows projection before tax and under specific risks relating to the business of NCIP. In determining an appropriate discount rate, consideration has been given to the applicable borrowing interest rates in the year immediately before the projection period. The decrease in the discount rate for this year's assessment is mainly attributable to the fact that NCIP has obtained the necessary operating permission licence for its processing facilities for hazardous waste treatment and there is less company specific risk for the assessment in the current year.

Growth rate – the growth rate used beyond the five-year period is determined based on the expected long-term inflation in the PRC and does not exceed the long-term average growth rate of the hazardous waste treatment business in which NCIP operates in Nanjing, the capital city of Jiangsu Province, PRC.

The values assigned to the key assumptions on the discount rate and growth rate are consistent with information from external sources.

Management determined that the recoverable amount of the Group's interest in NCIP exceed the carrying amount of the interests in NCIP. Accordingly, no impairment is considered necessary at the end of the reporting period.

## 18. 於聯營公司之權益(續)

### (c) 本集團於南京天宇權益之減值測試(續)

折現率—稅前折現率16.04% (二零一九年：14.89%) 乃採用資本資產定價模型基於除稅前現金流量預測及在與南京天宇業務有關之特定風險項下釐定。在釐定適當的折現率時，已考慮緊接預測期前一年的適用借款利率。本年度評估之折現率下降主要由於南京天宇已就其危險廢物處置之處理設施獲得必要的經營許可證，故本年度評估之公司特定風險下降。

增長率—超過五年期所使用的增長率乃根據中國的預期長期通脹釐定，且不超過南京天宇在南京(中國江蘇省省會城市)經營之危險廢物處置業務之長期平均增長率。

有關折現率及增長率的主要假設的賦值與來自外部來源的資料一致。

管理層釐定本集團於南京天宇權益的可收回金額超過於南京天宇權益的賬面值。因此，於報告期末認為無必要計提減值。

# NOTES TO THE FINANCIAL STATEMENTS

## 財務報表附註

31 December 2020 二零二零年十二月三十一日

### 18. INTERESTS IN ASSOCIATES (continued)

- (d) The following tables summarised the financial information relating to each of the Group's associates, at the end of the reporting period, as adjusted for the differences in accounting policies and financial reporting standards, if any, and as reconciled to the carrying amounts in the consolidated financial statements.

For the year ended 31 December 2020

### 18. 於聯營公司之權益(續)

- (d) 下表載列本集團各聯營公司於報告期末之財務資料概要經任何會計政策及財務報告準則差異(如有)調整及與綜合財務報表內賬面值對賬。

截至二零二零年十二月三十一日止年度

		Zhenjiang Xin Qu 鎮江新區 HK\$'000 千港元	NCIP 南京天宇 HK\$'000 千港元
<b>Gross amounts of the associate's</b>	<b>聯營公司之總金額</b>		
Non-current assets	非流動資產	31,711	595,476
Current assets	流動資產	85,706	75,418
Current liabilities	流動負債	(9,633)	(71,841)
Non-current liabilities	非流動負債	(16,948)	(89,305)
Net assets	資產淨值	90,836	509,748
Revenue	收益	55,027	109,586
Profit/(loss) for the year	年度溢利/(虧損)	36,415	(2,075)
Other comprehensive income	其他全面收益		
– Exchange difference on translation of financial statements	– 換算財務報表所產生匯兌差額	4,571	26,839
Total comprehensive income	全面收益總額	40,986	24,764
Dividend received from the associate	已收聯營公司之股息	8,687	–
<b>Reconciliation to the Group's interest in the associate</b>	<b>與本集團於聯營公司之權益之對賬</b>		
Gross amount of net assets of the associate	聯營公司資產淨值之總金額	90,836	509,748
Group's share of net assets of the associate	本集團分佔聯營公司之資產淨值	27,251	152,924
Carrying amount in the consolidated financial statements	於綜合財務報表之賬面值	27,251	152,924
Aggregate amounts of the Group's share of the associate's	本集團分佔聯營公司之總金額		
Profit/(loss) for the year	年度溢利/(虧損)	10,924	(622)
Other comprehensive income	其他全面收益		
– Exchange difference on translation of financial statements	– 換算財務報表所產生匯兌差額	1,371	8,052
Total comprehensive income	全面收益總額	12,295	7,430



# NOTES TO THE FINANCIAL STATEMENTS

## 財務報表附註

31 December 2020 二零二零年十二月三十一日

### 18. INTERESTS IN ASSOCIATES (continued)

(d) (continued)  
For the year ended 31 December 2019

### 18. 於聯營公司之權益(續)

(d) (續)  
截至二零一九年十二月三十一日止  
年度

		Zhenjiang Xin Qu 鎮江新區 HK\$'000 千港元	NCIP 南京天宇 HK\$'000 千港元
<b>Gross amounts of the associate's</b>	<b>聯營公司之總金額</b>		
Non-current assets	非流動資產	32,703	598,419
Current assets	流動資產	70,719	29,063
Current liabilities	流動負債	(8,173)	(45,010)
Non-current liabilities	非流動負債	(16,444)	(97,488)
Net assets	資產淨值	78,805	484,984
Revenue	收益	45,576	92,882
Profit/(loss) for the year	年度溢利/(虧損)	29,180	(6,425)
Other comprehensive income	其他全面收益		
– Exchange difference on translation of financial statements	– 換算財務報表所產生匯兌差額	(1,555)	(10,479)
Total comprehensive income	全面收益總額	27,625	(16,904)
Dividend received from the associate	已收聯營公司之股息	4,881	–
<b>Reconciliation to the Group's interest in the associate</b>	<b>與本集團於聯營公司之權益之對賬</b>		
Gross amount of net assets of the associate	聯營公司資產淨值之總金額	78,805	484,984
Group's share of net assets of the associate	本集團分佔聯營公司之資產淨值	23,642	145,495
Carrying amount in the consolidated financial statements	於綜合財務報表之賬面值	23,642	145,495
<b>Aggregate amounts of the Group's share of the associate's</b>	<b>本集團分佔聯營公司之總金額</b>		
Profit/(loss) for the year	年度溢利/(虧損)	8,754	(1,928)
Other comprehensive income	其他全面收益		
– Exchange difference on translation of financial statements	– 換算財務報表所產生匯兌差額	(466)	(3,144)
Total comprehensive income	全面收益總額	8,288	(5,072)

# NOTES TO THE FINANCIAL STATEMENTS

## 財務報表附註

31 December 2020 二零二零年十二月三十一日

### 19. INTEREST IN A JOINT VENTURE

### 19. 於一間合營企業之權益

		2020 二零二零年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元
<b>Share of net assets</b>	<b>分佔資產淨值</b>		
<b>At 1 January</b>	<b>於一月一日</b>		
Capital contribution	出資	23,123	25,181
Share of results	分佔業績	25,434	-
Share of other comprehensive income	分佔其他全面收益	(1,835)	(1,545)
Unrealised profit on inter-company transaction eliminated on consolidation (note)	於綜合併表時抵銷公司間交易的未變現溢利(附註)	2,592	(513)
		<b>(1,914)</b>	<b>-</b>
<b>At 31 December</b>	<b>於十二月三十一日</b>	<b>47,400</b>	<b>23,123</b>

Note:

The elimination of unrealised profit on consolidation of approximately HK\$1,914,000 (2019: Nil) represented 65% share of unrealised profit on the inter-company transaction regarding the revenue arising from provision of environmental equipment construction and installation services rendered by the Group to the joint venture as disclosed in note 42(b) below.

The following list contains the particulars of the joint venture at 31 December 2020:

附註：

綜合賬中所抵銷的未實現溢利約1,914,000港元(二零一九年：無)佔本集團向合營企業提供環境設備建設及安裝服務所產生的收入的公司間交易未實現溢利的65%(如下文附註42(b)所披露)。

以下載列合營企業於二零一九年十二月三十一日之詳情：

Name of joint venture	Place of incorporation and operations	Form of legal entity	Particulars of issued and paid-up capital	Proportion of ownership interest 擁有權益比例			Principal activity
				Group's effective interest	Held by the Company	Held by a subsidiary 由一間附屬公司持有	
合營企業名稱	註冊成立及營運地點	法律實體之形式	已發行及繳足資本詳情	本集團之實際權益	由本公司持有	附屬公司持有	主要業務
Liuzhou Xinyu Rongkai Solid Waste Disposal Company Limited* ("Xinyu Rongkai")	PRC	Sino foreign joint equity enterprise	Registered and paid-up RMB70,000,000	65%	-	65%	Construction in progress
柳州新宇榮凱固體廢物處置有限公司(「新宇榮凱」)	中國	中外合營企業	註冊及繳足人民幣70,000,000元				籌建當中

The joint venture is accounted for using the equity method in the consolidated financial statements. Xinyu Rongkai is an unlisted entity without quoted market price.

Xinyu Rongkai is operated under joint venture agreement, pursuant to which the Group would share control over Xinyu Rongkai with the joint venture partner, and accordingly, the investment in Xinyu Rongkai is accounted for as joint venture.

\* For identification purpose only  
僅供識別之用

該合營企業於綜合財務報表內均採用權益法入賬。新宇榮凱為一間無市場報價之非上市實體。

新宇榮凱乃根據合營協議經營，據此，本集團會與合營方共同控制新宇榮凱，因此，於新宇榮凱之投資按照合營企業入賬處理。

# NOTES TO THE FINANCIAL STATEMENTS

## 財務報表附註

31 December 2020 二零二零年十二月三十一日

### 19. INTEREST IN A JOINT VENTURE (continued)

#### Xinyu Rongkai

The following tables summarised the financial information relating to the Group's joint venture at the end of the reporting period, as adjusted for the differences in accounting policies and financial reporting standards, if any, and as reconciled to the carrying amounts in the consolidated financial statements.

For the years ended 31 December 2020 and 2019

### 19. 於一間合營企業之權益 (續)

#### 新宇榮凱

下表載列有關本集團合營企業於報告期末之財務資料概要，經任何會計政策及財務報告準則差異（如有）調整及與綜合財務報表內賬面值對賬。

截至二零二零年及二零一九年十二月三十一日止年度

		2020 二零二零年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元
<b>Gross amounts of the joint venture's</b>	<b>合營企業之總金額</b>		
Non-current assets	非流動資產	110,156	23,548
Current assets	流動資產	10,046	17,554
Current liabilities	流動負債	(2,987)	(5,528)
Non-current liabilities	非流動負債	(41,347)	-
Equity	股本	75,868	35,574
<b>Included in the above assets:</b>	<b>以上資產包括：</b>		
Cash and cash equivalents	現金及等同現金項目	5,373	5,091
Revenue	收益	-	-
Loss for the year	年度虧損	(2,823)	(2,377)
Other comprehensive income	其他全面收益		
- Exchange difference on translation of financial statements	- 換算財務報表所產生匯兌差額	3,987	(789)
Total comprehensive income	全面收益總額	(1,164)	(3,166)
Dividend received from the joint venture	已收合營企業之股息	-	-
<b>Included in the above loss:</b>	<b>以上虧損包括：</b>		
Depreciation and amortisation	折舊及攤銷	(396)	(351)
Interest income	利息收入	137	87
<b>Reconciliation to the Group's interest in the joint venture</b>	<b>與本集團於合營企業之權益之對賬</b>		
Gross amount of net assets of the joint venture	合營企業資產淨值之總金額	75,868	35,574
Group's share of net assets of the joint venture	本集團分佔合營企業之資產淨值	49,314	23,123
Unrealised profit on inter-company transaction eliminated on consolidation	於綜合併表時抵銷公司間交易的未實現溢利	(1,914)	-
Carrying amount of net assets of the joint venture	合營企業淨資產賬面值	47,400	23,123
Carrying amount in the consolidated financial statements	於綜合財務報表之賬面值	47,400	23,123
<b>Aggregate amounts of the Group's share of the joint venture's</b>	<b>本集團分佔合營企業之總金額</b>		
Loss for the year	年度虧損	(1,835)	(1,545)
Other comprehensive income	其他全面收益		
- Exchange difference on translation of financial statements	- 換算財務報表所產生匯兌差額	2,592	(513)
Total comprehensive income	全面收益總額	757	(2,058)

# NOTES TO THE FINANCIAL STATEMENTS

## 財務報表附註

31 December 2020 二零二零年十二月三十一日

### 20. EQUITY INVESTMENTS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

### 20. 透過其他全面收益按公平值入賬之股本投資

		2020 二零二零年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元
Equity instrument designated as measured at fair value through other comprehensive income (non-recycling)	指定為透過其他全面收益按公平值計量之股本工具(不可劃轉)	118,100	97,300
		2020 二零二零年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元
<b>At 1 January</b>	於一月一日	97,300	92,200
Net fair value change transfer to equity through statement of other comprehensive income	透過其他全面收益表轉撥至股本之公平值變動淨額	20,800	5,100
<b>At 31 December</b>	於十二月三十一日	118,100	97,300

Starting from 1 January 2018, the Group designated the unlisted equity investments as measured at fair value through other comprehensive income on non-recycling basis ("FVOCI (non-recycling)"), as the investments are held for strategic purposes. Dividends with amount of HK\$4,107,000 (2019: HK\$4,152,000) were received on the unlisted equity investments for the year ended 31 December 2020.

自二零一八年一月一日起，本集團將該等非上市股本投資指定為不可劃轉之透過其他全面收益按公平值計量（「透過其他全面收益按公平值（不可劃轉）」），原因是該等投資乃就策略目的而持有。截至二零二零年十二月三十一日止年度，因該等非上市股本投資而收取之股息為4,107,000港元（二零一九年：4,152,000港元）。

# NOTES TO THE FINANCIAL STATEMENTS

## 財務報表附註

31 December 2020 二零二零年十二月三十一日

### 20. EQUITY INVESTMENTS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME (continued)

As at 31 December 2020, the Group has interests in the following unlisted equity investments:

### 20. 透過其他全面收益按公平值入賬之股本投資(續)

於二零二零年十二月三十一日，本集團於下列非上市股本投資擁有權益：

Name of investee 被投資公司名稱	Place of incorporation and operations 註冊成立及營運地點	Form of legal entity 法律實體之形式	Particulars of issued and paid-up capital 已發行及繳足資本詳情	Proportion of ownership interest 擁有權益比例			Principal activity 主要業務
				Group's effective interest 本集團之實際權益	Held by the Company 由本公司持有	Held by a subsidiary 由一間附屬公司持有	
Suzhou New Huamei Plastics Co., Limited ("Suzhou New Huamei") (note (a)) 蘇州新華美塑料有限公司 (「蘇州新華美」)(附註(a))	PRC 中國	Sino foreign joint equity enterprise 中外合資企業	Registered and paid-up US\$16,000,000 and US\$5,000,000 註冊16,000,000美元及繳足5,000,000美元	18.62%	–	18.62%	Plastic materials dyeing 塑料染色
Danyang New Huamei Plastics Co., Limited ("Danyang New Huamei") (notes (a), (b)) 丹陽新華美塑料有限公司 (「丹陽新華美」) (附註(a)、(b))	PRC 中國	Sino foreign joint equity enterprise 中外合資企業	Registered and paid-up US\$1,600,000 註冊及繳足1,600,000美元	24.50%	–	24.50%	Plastic materials dyeing 塑料染色
Qingdao Zhongxin Huamei Plastics Co., Limited ("Qingdao Huamei") (notes (a), (b)) 青島中新華美塑料有限公司 (「青島華美」) (附註(a)、(b))	PRC 中國	Sino foreign joint equity enterprise 中外合資企業	Registered and paid-up US\$1,650,000 註冊及繳足1,650,000美元	28.67%	–	28.67%	Plastic materials dyeing 塑料染色

# NOTES TO THE FINANCIAL STATEMENTS

## 財務報表附註

31 December 2020 二零二零年十二月三十一日

### 20. EQUITY INVESTMENTS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME (continued)

Notes:

- (a) The unlisted equity investments carried at fair value represent investments in Suzhou New Huamei, Danyang New Huamei and Qingdao Huamei, which are principally engaged in plastic materials dyeing manufacturing business in Mainland China. As at 31 December 2020, the fair value of these unlisted equity investments was determined by reference to the valuation carried out by CBRE (2019: CBRE), an independent firm of professional valuers, using a market approach model based on the EBIT multiple of enterprise value to earnings before interest and tax ("EV/EBIT") of comparable listed companies in the same industry, after having taken into account of the discount for lack of marketability of 17.56% (2019: 15.41%) for these unlisted investments. Details of fair value hierarchy for these investments are disclosed in note 44 below.

### 20. 透過其他全面收益按公平值入賬之股本投資(續)

附註：

- (a) 非上市股本投資(按公平值入賬)乃指於蘇州新華美、丹陽新華美及青島華美(該等公司主要於中國內地從事塑料染色製造業務)之投資。於二零二零年十二月三十一日,經考慮該等非上市投資缺乏市場流動性折讓17.56%(二零一九年:15.41%)後,該等非上市股本投資之公平值乃參考由獨立專業估值師世邦魏理仕(二零一九年:世邦魏理仕)採用市場法模式之估值釐定,該模式乃以相同行業可資比較上市公司之企業價值比息稅前溢利之EBIT倍數(「EV/EBIT」)為基準,進一步詳情已於附註44披露。

		EBIT		Dividend yield		Fair value		Fair value relative to the Group's total assets	
		EBIT		股息率		公平值		相對本集團總資產	
		2020	2019	2020	2019	2020	2019	2020	2019
		二零二零年	二零一九年	二零二零年	二零一九年	二零二零年	二零一九年	二零二零年	二零一九年
		HK\$'000	HK\$'000	(note (i))		(note (ii))		之公平值	
		千港元	千港元	(附註(i))		(附註(ii))			
Suzhou New Huamei	蘇州新華美	12,161	11,649	4.6%	4.8%	33,700	36,100	1.9%	2.2%
Danyang New Huamei	丹陽新華美	4,538	6,301	5.2%	3.5%	10,900	16,300	0.6%	1.0%
Qingdao Huamei	青島華美	20,597	12,220	2.6%	3.5%	73,500	44,900	4.2%	2.8%

- (i) Dividend yield represents the net dividend received (net of PRC dividend withholding tax paid) from the respective unlisted equity investment during the reporting period in a ratio to the fair value of the respective unlisted equity investment of the Company at the end of that reporting period.
- (ii) The fair value of each of the unlisted equity investments at the end of the reporting period was determined by reference to the respective independent and professional valuation performed by CBRE (2019: CBRE).
- (iii) In the opinion of the Directors of the Company, there was no impairment on each of the above unlisted investments at the end of both reporting periods, and there was no impairment charge to the consolidated statement of profit or loss for both years.

- (i) 股息率指報告期內來自本公司各非上市股本投資所收取股息淨額(已扣除已繳納之中國股息預扣稅)與各非上市股本投資於報告期末之公平值之比率。
- (ii) 各項非上市股本投資於報告期末之公平值乃參考世邦魏理仕(二零一九年:世邦魏理仕)所進行之獨立專業估值而釐定。
- (iii) 本公司董事認為,上述非上市投資各自於兩個報告期末均無減值,且並無於兩個年度之綜合損益表內扣除任何減值。

# NOTES TO THE FINANCIAL STATEMENTS

## 財務報表附註

31 December 2020 二零二零年十二月三十一日

### 20. EQUITY INVESTMENTS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME (continued)

Notes: (continued)

- (b) Qingdao Huamei and Danyang New Huamei were not regarded as associates of the Group, because the Group could not exercise significant influence over their financial and operating policies under the constitutional frameworks that the Group has less than 20% voting power of the board directors of these investees. Accordingly, the investments in Qingdao Huamei and Danyang New Huamei are accounted for as unlisted equity investments.

### 20. 透過其他全面收益按公平值入賬之股本投資(續)

附註：(續)

- (b) 青島華美及丹陽新華美不被視為本集團之聯營公司，原因是本集團於此等被投資方董事會擁有不足20%投票權之章程框架下，本集團不能對該等公司之財務及經營政策行使重大影響力。因此，於青島華美及丹陽新華美之投資以非上市股本投資入賬。

### 21. INVENTORIES

		2020 二零二零年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元
Raw materials	原料	6,062	4,283

The analysis of the amount of inventories recognised as an expense and included in profit or loss is presented as follows:

### 21. 存貨

確認為開支並計入損益之存貨金額分析呈列如下：

		2020 二零二零年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元
Carrying amount of inventories consumed	所消耗存貨之賬面值	72,609	62,369

### 22. TRADE AND BILLS RECEIVABLES

		2020 二零二零年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元
Trade receivables	應收賬款	127,302	83,306
Lease receivables	應收租賃	2,201	1,850
Bills receivable	應收票據	14,364	8,334
		143,867	93,490
Less: allowance for lifetime ECLs (note 45(d))	減：全期預期信貸虧損之撥備 (附註45(d))	(14,429)	(4,469)
		129,438	89,021

### 22. 應收賬款及票據

# NOTES TO THE FINANCIAL STATEMENTS

## 財務報表附註

31 December 2020 二零二零年十二月三十一日

### 22. TRADE AND BILLS RECEIVABLES (continued)

#### (a) Ageing analysis

The ageing analysis of trade and bills receivables (including lease receivables) at the end of the reporting period, based on the invoice date and net of allowance of ECLs, is presented as follows:

		2020 二零二零年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元
0 to 30 days	0日至30日	60,502	56,049
31 days to 60 days	31日至60日	13,407	22,719
61 days to 90 days	61日至90日	11,092	5,079
91 days to 180 days	91日至180日	12,775	4,205
181 days to 360 days	181日至360日	31,662	969
		<b>129,438</b>	89,021

The Group's trading terms with its customers are mainly on credit. The Group allows an average credit period of 60 days to its customers of the environmental industrial waste, sewage and sludge treatment services and its lessees, and an extended average credit period of 180 days to the customers of regulated medical waste treatment which are hospitals and medical clinics. Further details on the Group's credit policy and credit risk arising from trade receivables are set out in note 45(d) below.

#### (b) Impairment losses of trade and bills receivables (including lease receivables)

Most of the debtors are local hospitals and reputable companies in the PRC. Based on past payment history, historic and observed bad debt loss rate, economic conditions during the year ended and at 31 December 2020 and other forward looking information available, the management determined the lifetime ECLs as at 31 December 2020.

### 22. 應收賬款及票據 (續)

#### (a) 賬齡分析

於報告期末應收賬款及票據 (包括應收租賃) 按發票日期及扣除預期信貸虧損撥備後之賬齡分析呈列如下:

	2020 二零二零年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元
0 to 30 days	60,502	56,049
31 days to 60 days	13,407	22,719
61 days to 90 days	11,092	5,079
91 days to 180 days	12,775	4,205
181 days to 360 days	31,662	969
	<b>129,438</b>	89,021

本集團主要以信貸方式給予其客戶貿易條款。本集團允許其環保工業廢物、污水及污泥處置服務客戶及其承租人之平均信貸期一般為期60日，而受管制醫療廢物處置客戶 (為醫院及醫療診所) 之平均信貸期延長至180日。有關本集團信貸政策及因應收賬款導致的信貸風險的進一步詳情載於下文附註45(d)。

#### (b) 應收賬款及票據 (包括應收租賃) 之減值虧損

大多數債務人為中國之當地醫院及有名氣公司。根據過往付款紀錄、過往及可觀測壞賬虧損率、於截至二零二零年十二月三十一日止年度的經濟狀況及可得之其他前瞻性資料，管理層釐定了於二零二零年十二月三十一日之全期預期信貸虧損。



# NOTES TO THE FINANCIAL STATEMENTS

## 財務報表附註

31 December 2020 二零二零年十二月三十一日

## 22. TRADE AND BILLS RECEIVABLES (continued)

### (b) Impairment losses of trade and bills receivables (including lease receivables) (continued)

Impairment losses in respect of customer account and lease receivables are recorded using an allowance account unless the Group is satisfied that recovery amount is remote, in which case the impairment loss is written off against trade receivables directly. The movement in the allowance for lifetime ECL during the reporting period is as follows:

		2020 二零二零年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元
<b>At 1 January</b>	於一月一日	<b>4,469</b>	–
Impairment loss recognised	已確認減值虧損	<b>10,752</b>	4,469
Reversal	撥回	<b>(1,226)</b>	–
Written off	撇銷	<b>(21)</b>	–
Exchange adjustments	匯兌調整	<b>455</b>	–
<b>At 31 December</b>	於十二月三十一日	<b>14,429</b>	4,469

Receivables that were neither past due nor impaired relate to a wide range of independent customers and lessees for whom there was no recent history of default. Receivables that were past due but not impaired are related to a number of independent customers that have a good track record with the Group. The Group does not hold any collateral over these balances.

## 22. 應收賬款及票據 (續)

### (b) 應收賬款及票據 (包括應收 租賃) 之減值虧損 (續)

有關應收客戶賬款及應收租賃之減值虧損乃使用撥備賬記賬，除非本集團信納收回有關款項渺茫，則在此情況下，減值虧損直接從應收賬款項中撇銷。全期預期信貸虧損撥備於報告期內之變動如下：

既未逾期亦未作減值之應收款項乃有關多名並無近期違約記錄之獨立客戶及承租人。已逾期但未作減值之應收款項乃來自多名與本集團有良好還款記錄之獨立客戶。本集團並無就此等結欠持有任何抵押品。

# NOTES TO THE FINANCIAL STATEMENTS

## 財務報表附註

31 December 2020 二零二零年十二月三十一日

### 22. TRADE AND BILLS RECEIVABLES (continued)

#### (b) Impairment losses of trade and bills receivables (including lease receivables) (continued)

The Group uses a provision matrix to calculate lifetime ECLs for trade receivables (including lease receivables) and contract assets (note 24). The provision rates are based on days past due for groupings of the customers. The provision matrix is initially based on the Group's historical observed bad debt rates. The Group will calibrate the matrix to adjust the historical credit loss experience with forward-looking information. For instance, if forecasted economic conditions are expected to deteriorate over the next year which can lead to an increased number of defaults in the manufacturing sector, the historical bad debt rates are adjusted. At each reporting date, the historical observed bad debt rates are updated and changes in the forward-looking estimates are analysed. The assessment of the correlation among historical observed bad debt rates, forecast economic conditions and lifetime ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and forecast economic conditions. The Group's historical credit loss experience and forecast of economic conditions may also not be representative of a customer's actual credit loss in the future. The information about the ECLs on the Group's trade receivables and contract assets is disclosed in note 45(d) to the financial statements.

### 22. 應收賬款及票據 (續)

#### (b) 應收賬款及票據 (包括應收租賃) 之減值虧損 (續)

本集團使用撥備矩陣計算應收賬款 (包括應收租賃) 及合約資產 (附註 24) 之全期預期信貸虧損。撥備率按照客戶組合之逾期日數計算。撥備矩陣初始以本集團過往已觀察之壞賬率為基礎。本集團將憑前瞻性資料校準撥備，以調整過往的虧損經驗。例如，倘預期未來一年之預測經濟狀況將會轉差，可能導致製造業之違約宗數增加，便對過往壞賬率作出調整。於各報告日期，本集團更新過往已觀察之壞賬率，並對前瞻性估計之變動作出分析。有關過往已觀察之壞賬率、預測經濟狀況及全期預期信貸虧損之間的相互關係之評估是一項重大估計。預期信貸虧損之金額易受情況及預測經濟狀況之變化所影響。本集團過往在信貸虧損方面之經驗及對經濟狀況之預測亦未必反映客戶將來之實際信貸虧損情況。有關本集團應收賬款及合約資產之預期信貸虧損之資料於財務報表附註45(d)內披露。

### 23. PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

### 23. 預付款項、按金及其他 應收款項

		2020 二零二零年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元
Prepayments	預付款項	19,099	10,114
Refundable deposits paid for acquisition of property, plant and equipment	為購買物業、廠房及設備支付之可退還訂金	-	4,875
Other receivables	其他應收款項	6,077	7,122
Deposits placed with courts for pending litigation settlement	待決訴訟和解由法院扣押之訂金	-	3,747
		<b>25,176</b>	<b>25,858</b>

# NOTES TO THE FINANCIAL STATEMENTS

## 財務報表附註

31 December 2020 二零二零年十二月三十一日

### 23. PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES (continued)

The loss allowance for other receivables recognised during the year is as follows:

		2020 二零二零年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元
<b>At 1 January</b>	於一月一日	<b>235</b>	–
Provision for loss allowance	計提虧損撥備	–	235
Written off as uncollectible	因不可收回而撇銷	<b>(235)</b>	–
<b>At 31 December</b>	於十二月三十一日	–	235

The remaining balance of the other receivables that were neither past due nor impaired relate to a large number of independent parties for whom there were no recent history of default. As at 31 December 2020 and 2019, the loss allowance was assessed to be minimal.

The Group has applied the general approach to provide for 12 month-expected credit losses on other receivables. The Group considers the historical loss rate and adjusts for forward looking macroeconomic data in calculating the expected credit losses rate. As at 31 December 2020 and 2019, the Group estimated that the expected credit loss rate for other receivables was insignificant and there was no significant increase in credit risk for the other receivables at reporting period end.

### 23. 預付款項、按金及其他應收款項(續)

年內確認的其他應收款項的虧損撥備如下：

		2020 二零二零年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元
<b>At 1 January</b>	於一月一日	<b>235</b>	–
Provision for loss allowance	計提虧損撥備	–	235
Written off as uncollectible	因不可收回而撇銷	<b>(235)</b>	–
<b>At 31 December</b>	於十二月三十一日	–	235

既未逾期也未減值的其他應收款餘額與大量過往並無違約記錄的獨立第三方有關。於截至二零二零年及二零一九年十二月三十一日，虧損撥備被評估為甚微。

本集團已採用一般方法為其他應收款項作出12個月預期信貸虧損撥備。本集團在計算預期信貸虧損率時考慮歷史損失率，並根據前瞻性宏觀經濟數據進行調整。於二零二零年及二零一九年十二月三十一日，本集團估計其他應收款項的預期信貸虧損率並不重大，而其他應付款項於報告期末的信貸風險並無重大增加。

# NOTES TO THE FINANCIAL STATEMENTS

## 財務報表附註

31 December 2020 二零二零年十二月三十一日

### 24. CONTRACT ASSETS

The Group's contract assets are analysed as follows:

		2020 二零二零年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元
Contract assets	合約資產		
– arising from equipment construction and installation services	– 來自設備建設及安裝服務	1,534	894

Contract assets consist of the Group's rights to consideration for works completed but unbilled amounts resulting from equipment construction and installation services are transferred to trade receivables when the rights to payments become unconditional which was generally within one to three months. The increase in contract assets was the results of the increase in the provision of equipment construction and installation services during the year.

The expected timing of recovery or settlement for contract assets is as follows:

		2020 二零二零年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元
Within one year	一年內	1,534	894

An impairment assessment is performed at each reporting period end using a probability of default model to measure the expected lifetime credit losses of contract assets. The provision rates for the measurement of the lifetime expected credit losses of the contract assets are based on those of the trade receivables, in respect of the environmental equipment construction and installation segment, as the contract assets and the trade receivables, in respect of the environmental equipment construction and installation segment, are from the same customer bases. The provision rates of contract assets are based on historical data as adjusted by the current conditions during the year ended and at 31 December 2020 and forward looking information. As at 31 December 2020 and 2019, the lifetime expected credit loss rate for the Group's contract assets was considered as minimal.

Included in contract assets as at 31 December 2020 no amount (2019: HK\$112,000) was related to the environmental equipment construction and installation services rendered by the Group to a joint venture.

### 24. 合約資產

本集團之合約資產分析如下：

合約資產包括本集團對已完成工程的代價的權利，但設備建造及安裝服務產生的未發單款項於付款權利成為無條件時（一般為一至三個月）轉撥至應收賬款。合約資產增加是由於年內提供的設備建造及安裝服務增加所致。

合約資產的收回或清償之預期時間：

於各報告日期均採用違約概率模式進行減值評估，以計量合約資產的全期預期信貸虧損。計量合約資產之全期預期信貸虧損撥備率乃基於有關設備建設及安裝分部之應收賬款預期信貸虧損之撥備率，因合約資產及有關設備建設及安裝分部之應收賬款均來自相同客戶群。合約資產之撥備率乃基於過往數據並就二零二零年十二月三十一日當日及年內當時情況及前瞻性資料作調整。於二零二零年及二零一九年十二月三十一日，本集團合約資產的全期預期信貸虧損率被視為最低。

於二零二零年十二月三十一日，合約資產的金額內概沒有與本集團向合營企業提供的環保設備建造及安裝服務有關（二零一九年：112,000港元）。

# NOTES TO THE FINANCIAL STATEMENTS

## 財務報表附註

31 December 2020 二零二零年十二月三十一日

### 25. CASH AND CASH EQUIVALENTS AND OTHER CASH FLOW INFORMATION

(a) Cash and cash equivalents comprise:

		2020 二零二零年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元
Cash and bank balances	現金及銀行結餘	68,539	75,813
Time deposits	定期存款	201,495	191,734
		<b>270,034</b>	267,547
Less: Pledged bank deposits (note)	減：有抵押銀行存款(附註)	12,511	154
Cash and cash equivalents in the consolidated statement of cash flow	於綜合現金流量表內之現金及等同現金項目	<b>257,523</b>	267,393

Note:

As at 31 December 2020, bank deposits of HK\$12,511,000 (2019: HK\$154,000) were pledged to a bank for the issuance of guarantees by the bank to the customers of the Group in respect of the specific performance under certain service arrangements.

The bank balances and time deposits carried interest at market rates within the range from 0.01% to 2.83% (2019: 0.01% to 3.00%) per annum for the year ended 31 December 2020. Cash at banks earns interest at floating rates on daily deposit rates. Short-term time deposits are placed for varying periods within a tenure of 3 months depending on the immediate cash requirements of the Group, and earn interest at the respective short term time deposit rates. The bank balances and time deposits are placed with creditworthy banks with no recent history of default.

There was no significant change in the credit risks on the bank balances and time deposits and no provision for the 12 month-ECL was required at the reporting period end.

### 25. 現金及等同現金項目及其他現金流資料

(a) 現金及等同現金項目的組成：

附註：

於二零二零年十二月三十一日，銀行存款12,511,000港元(二零一九年：154,000港元)已抵押予一間家銀行，以便由該銀行就若干服務安排的特定表現向本集團客戶發出擔保。

於截至二零二零年十二月三十一日止年度，銀行結餘及定期存款按市場利率介乎每年0.01%至2.83%(二零一九年：0.01%至3.00%)計息。存放於銀行之現金按每日存款利率計算之浮動利率計息。短期定期存款之存款期為三個月以內任何期間，視乎本集團之即時現金需要而定，且按相關短期存款利率計息。銀行結餘及定期存款存放於信譽良好近期並無違約記錄之銀行。

銀行結餘及定期存款之信貸風險並無重變動，而毋須於報告期末就12個月預期信貸虧損作撥備。

# NOTES TO THE FINANCIAL STATEMENTS

## 財務報表附註

31 December 2020 二零二零年十二月三十一日

### 25. CASH AND CASH EQUIVALENTS AND OTHER CASH FLOW INFORMATION (continued)

(b) Reconciliation of liabilities arising from financing activities:

### 25. 現金及等同現金項目及其他現金流資料(續)

(b) 融資活動產生之負債的對賬：

		Lease liabilities 租賃負債 (note 31) (附註31) HK\$'000 千港元	Accrued interests 應計利息 (note 30) (附註30) HK\$'000 千港元	Bank borrowings 銀行借貸 (note 27) (附註27) HK\$'000 千港元	Total 總計 HK\$'000 千港元
At 1 January 2020	於二零二零年 一月一日	590	536	240,409	241,535
Changes from financing cash flows:	融資現金流變動：				
Proceeds from bank borrowings	銀行借貸所得款項	-	-	97,023	97,023
Repayment of bank borrowings	償還銀行借貸	-	-	(152,562)	(152,562)
Finance costs paid	已付融資成本	-	(10,080)	-	(10,080)
Capital element of lease payments	租賃付款之資本部份	(464)	-	-	(464)
Interest element of lease payments	租賃付款之利息部份	(21)	-	-	(21)
Total changes from financing cash flows	融資現金流變動總額	(485)	(10,080)	(55,539)	(66,104)
Exchange adjustments	匯兌調整	21	-	4,165	4,186
Other non-cash changes:	其他非現金變動：				
Interest expense capitalised into construction in progress	資本化為在建工程之利息開支	-	255	-	255
Interest expenses recognised in profit or loss	於損益確認之利息開支	21	9,543	-	9,564
<b>At 31 December 2020</b>	於二零二零年 十二月三十一日	<b>147</b>	<b>254</b>	<b>189,035</b>	<b>189,436</b>

# NOTES TO THE FINANCIAL STATEMENTS

## 財務報表附註

31 December 2020 二零二零年十二月三十一日

### 25. CASH AND CASH EQUIVALENTS AND OTHER CASH FLOW INFORMATION (continued)

(b) Reconciliation of liabilities arising from financing activities: (continued)

### 25. 現金及等同現金項目及其他現金流資料(續)

(b) 融資活動產生之負債的對賬：(續)

		Lease liabilities 租賃負債 (note 31) (附註31) HK\$'000 千港元	Accrued interests 應計利息 (note 30) (附註30) HK\$'000 千港元	Bank borrowings 銀行借貸 (note 27) (附註27) HK\$'000 千港元	Total 總計 HK\$'000 千港元
At 1 January 2019	於二零一九年 一月一日	-	253	254,489	254,742
Changes from financing cash flows:	融資現金流變動：				
Proceeds from bank borrowings	銀行借貸所得款項	-	-	88,200	88,200
Repayment of bank borrowings	償還銀行借貸	-	-	(100,188)	(100,188)
Finance costs paid	已付融資成本	-	(14,139)	-	(14,139)
Capital element of lease payments	租賃付款之資本部份	(379)	-	-	(379)
Interest element of lease payments	租賃付款之利息部份	(40)	-	-	(40)
Total changes from financing cash flows	融資現金流變動總額	(419)	(14,139)	(11,988)	(26,546)
Exchange adjustments	匯兌調整	(6)	(1)	(2,092)	(2,099)
Other non-cash changes:	其他非現金變動：				
Interest expense capitalised into construction in progress	資本化為在建工程之利息開支	-	554	-	554
Interest expenses recognised in profit or loss	於損益確認之利息開支	40	13,869	-	13,909
New lease	新增租賃	975	-	-	975
At 31 December 2019	於二零一九年 十二月三十一日	590	536	240,409	241,535

# NOTES TO THE FINANCIAL STATEMENTS

## 財務報表附註

31 December 2020 二零二零年十二月三十一日

### 26. ASSETS CLASSIFIED AS HELD FOR SALE

The major classes of assets classified as held for sale:

### 26. 分類為持作出售之資產

分類為持作出售之資產之主要類別：

		HK\$'000 千港元
At 1 January 2020	於二零二零年一月一日	-
Reclassification from:	自下列項目重新分類：	
– Property, plant and equipment (note 14)	– 物業、廠房及設備(附註14)	25,697
– Right-of-use assets (note 15)	– 使用權資產(附註15)	1,945
Impairment loss on assets classified as held for sale (see below)	分類為持作出售資產之減值虧損(見下文)	(12,636)
Exchange adjustments	匯兌調整	405
At 31 December 2020	於二零二零年十二月三十一日	15,411

On 16 June 2020, the Company's subsidiary, Yancheng New Universe Solid Waste Disposal Company Limited has entered into a demolition and relocation compensation agreement with the local authorities to dispose of the land and buildings situated at Yancheng, Jiangsu Province, the PRC at a total compensation of approximately RMB13,061,000 (or equivalent to HK\$15,411,000) under an urban development plan promulgated by the local government. The disposal was not yet completed at the end of the reporting period.

Assets classified as held for sale with a carrying amount of HK\$27,642,000, were written down to the consideration receivable on disposal of approximately RMB13,061,000 (equivalent to HK\$15,411,000), resulting in a loss of HK\$12,636,000 which has been recognised in profit or loss for the year ended 31 December 2020 (2019: Nil).

於二零二零年六月十六日，根據地方政府頒佈的城市發展規劃，本公司附屬公司鹽城宇新固體廢物處置有限公司已與地方當局訂立拆遷補償協議，以總補償金約人民幣13,061,000元（或相當於15,411,000港元）處置位於中國江蘇省鹽城市的土地及建築物。於報告期末，出售尚未完成。

賬面金額為27,642,000港元的分類為持作出售資產已撇減至出售應收代價約人民幣13,061,000元（相當於15,411,000港元），導致12,636,000港元的虧損，並已於截至二零二零年十二月三十一日止年度的損益中確認。



# NOTES TO THE FINANCIAL STATEMENTS

## 財務報表附註

31 December 2020 二零二零年十二月三十一日

### 27. BANK BORROWINGS

At the end of the reporting period, interest-bearing bank borrowings of the Group were repayable as follows:

### 27. 銀行借貸

於報告期末，本集團之計息銀行借貸須於以下期間償還：

		2020 二零二零年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元
Current liabilities	流動負債		
Current portion of bank borrowings due for repayment within one year	於一年內到期償還之銀行借貸之即期部份	121,205	99,457
Non-current portion of bank borrowings subject to standard clause to demand for immediate repayment	須遵守標準條款按要求即時還款之銀行借貸之非即期部份	57,700	75,325
		<b>178,905</b>	174,782
Non-current liabilities	非流動負債		
Between 1 year and 2 years	一年至兩年	10,130	40,714
Between 2 years and 5 years	兩年至五年	-	24,913
		<b>10,130</b>	65,627
Total interest-bearing bank borrowings	計息銀行借貸總額	<b>189,035</b>	240,409
		2020 二零二零年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元
- Unsecured	- 無抵押	124,725	176,683
- Secured	- 有抵押	64,310	63,726
		<b>189,035</b>	240,409

# NOTES TO THE FINANCIAL STATEMENTS

## 財務報表附註

31 December 2020 二零二零年十二月三十一日

### 27. BANK BORROWINGS (continued)

At the end of the reporting period, the maturity dates of the bank borrowings of the Group were as follows:

		2020 二零二零年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元
Within one year	一年內	121,205	99,457
After one but within two years	一年後但兩年內	58,830	73,339
After two but within five years	兩年後但五年內	9,000	67,613
		<b>189,035</b>	240,409

At the end of the reporting period, the carrying amounts of the Group's bank borrowings were denominated in the following currencies:

		2020 二零二零年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元
Hong Kong Dollar	港元	118,825	156,725
Renminbi	人民幣	70,210	83,684
		<b>189,035</b>	240,409

Notes:

- (a) Certain banking facilities are subject to the fulfillment of covenants. If the Group were in breach of the covenants, the drawn down facilities would become repayable on demand. In addition, certain of the Group's banking facility agreements contain clauses which give the lender the right at its sole discretion to demand immediate repayment at any time irrespective of whether the Group has complied with the covenants and met the scheduled repayment obligations. The Group regularly monitors its compliance with these covenants, and is up to date with the scheduled repayments of the term loans and does not consider it probable that the bank will exercise its discretion to demand repayment so long as the Group continues to meet these requirements.

As at 31 December 2020, none of covenants relating to the drawn down facilities had been breached (2019: Nil). All of the bank borrowings, including amounts repayable on demand, are carried at amortised cost. None of the portion of bank borrowings due for repayment after one year which contains a repayment on demand clause and that is classified as a current liability is expected to be settled within one year.

### 27. 銀行借貸(續)

於報告期末，本集團銀行借貸之到期日如下：

		2020 二零二零年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元
Within one year	一年內	121,205	99,457
After one but within two years	一年後但兩年內	58,830	73,339
After two but within five years	兩年後但五年內	9,000	67,613
		<b>189,035</b>	240,409

於報告期末，本集團以下列貨幣計值之銀行借貸之賬面值如下：

		2020 二零二零年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元
Hong Kong Dollar	港元	118,825	156,725
Renminbi	人民幣	70,210	83,684
		<b>189,035</b>	240,409

附註：

- (a) 若干銀行融資須遵守履行契諾之規定。倘本集團違反契諾，已提取的融資將須按要求償還。此外，本集團若干銀行融資協議包含之條款給予貸方權利，可全權決定於任何時候要求即時還款，而不論本集團是否已遵守契諾及履行預定的還款責任。本集團定期監察其遵守該等契諾之情況，迄今一直按照定期貸款之預定日期還款，並認為只要本集團繼續符合該等規定，銀行不大可能行使其酌情權要求還款。

於二零二零年十二月三十一日，並無已提取融資的相關契諾遭違反(二零一九年：無)。所有銀行借貸(包括須按要求償還之款額)乃按攤餘成本入賬。預期於一年後到期償還且包含按要求償還條款而分類為流動負債之銀行借貸部份概不會於一年內結付。

# NOTES TO THE FINANCIAL STATEMENTS

## 財務報表附註

31 December 2020 二零二零年十二月三十一日

### 27. BANK BORROWINGS (continued)

Notes: (continued)

- (b) As at 31 December 2020, total unsecured bank loans of approximately HK\$118,825,000 (2019: HK\$156,725,000) payable by the Company in Hong Kong bore interest at variable rates ranging from 1.62% to 5.41% per annum in current year (2019: 2.52% to 5.41% per annum).
- (c) As at 31 December 2020, total unsecured bank loans of approximately HK\$5,900,000 (2019: HK\$19,958,000) payable by the subsidiaries in the PRC bore interests at different fixed rates ranging from 3.8% to 5.9% per annum in current year (2019: 5.4% to 5.9% per annum).
- (d) As at 31 December 2020, total secured bank loans of approximately HK\$64,310,000 (2019: HK\$63,726,000) owed by certain subsidiaries in the PRC were secured by pledge of land use rights and certain property, plant and equipment with an aggregate carrying amount of approximately HK\$28,523,000 (2019: HK\$27,630,000) and HK\$114,782,000 (2019: HK\$121,121,000) respectively. These bank loans bore interest at different fixed rates ranging from 4.4% to 5.2% per annum in current year (2019: 5.2% per annum).
- (e) As at 31 December 2020, unsecured bank loans of HK\$71,000,000 (2019: HK\$82,000,000) owed by the Company under banking facility letters granted by different banks contained specific performance covenants. Pursuant to which, if Mr. XI Yu as the controlling shareholder of Company (i) ceases to be directly or indirectly the single largest shareholder of the Company; (ii) ceases to own directly or indirectly at least 30% of the issued shares with voting rights of the Company; or (iii) ceases to have the management control over the Company, the Bank may cancel all or any part of the facility and declare all or any part of the outstanding facility, together with accrued interest, and all other amounts accrued under the banking facility letter immediately due and payable, whereupon all or part of the facility shall be immediately cancelled and all such outstanding amounts shall become immediately due and payable.
- (f) As at 31 December 2020, Mr. XI Yu, through his direct beneficial interests in 83.66% of the issued share capital of New Universe Enterprises Limited ("NUEL"), indirectly owns approximately 36.54% (2019: 36.54%) of the total issued share capital of the Company.

Mr. XI Yu confirmed that he owns the direct beneficial interests in 83.66% of the issued share capital of NUEL, as such, he is deemed indirectly interested in the 1,109,303,201 shares (2019: 1,109,303,201 shares) of the Company beneficially held by NUEL, representing approximately 36.54% (2019: 36.54%) of the total issued share capital of the Company as at 31 December 2020 which remains unchanged up to the date of this report.

### 27. 銀行借貸(續)

附註：(續)

- (b) 於二零二零年十二月三十一日，本公司於香港應付約118,825,000港元(二零一九年：156,725,000港元)之無抵押銀行貸款總額於本年度乃按浮息介乎年利率1.62%至5.41%(二零一九年：年利率2.52%至5.41%)計息。
- (c) 於二零二零年十二月三十一日，中國附屬公司欠負約5,900,000港元(二零一九年：19,958,000港元)之無抵押銀行貸款總額於本年度乃按不同定息介乎年利率3.8%至5.9%(二零一九年：年利率5.4%至5.9%)計息。
- (d) 於二零二零年十二月三十一日，中國若干附屬公司欠負約64,310,000港元(二零一九年：63,726,000港元)之有抵押銀行貸款總額乃以土地使用權及若干物業、廠房及設備(賬面總值分別約為28,523,000港元(二零一九年：27,630,000港元)及114,782,000港元(二零一九年：121,121,000港元))之押記作抵押。該等銀行貸款於本年度乃按不同定息為年利率4.4%至5.2%(二零一九年：年利率5.2%)計息。
- (e) 於二零二零年十二月三十一日，本公司根據不同銀行授予訂有特定履約契諾之銀行授信函欠負71,000,000港元(二零一九年：82,000,000港元)之無抵押銀行貸款。根據該等授信函，倘奚玉先生(作為本公司控股股東)(i)不再直接或間接為本公司之單一最大股東；(ii)不再直接或間接擁有本公司至少30%附表決權之已發行股份；或(iii)不再對本公司擁有管理控制權，則該銀行可取消該授信之全部或任何部份，並宣佈全部或任何部份之未償還授信連同應計利息及根據該授信函應計之所有其他款項即時到期應付，屆時全部或部份之授信將即時被取消，而所有該等未償還款項將即時到期應付。
- (f) 於二零二零年十二月三十一日，奚玉先生透過其於New Universe Enterprises Limited(「NUEL」)已發行股本83.66%之直接實益權益，間接擁有本公司已發行股本總額約36.54%(二零一九年：36.54%)。

奚玉先生確認彼直接擁有NUEL已發行股本83.66%之實益權益，因此，彼被視為於NUEL實益持有本公司的1,109,303,201股(二零一九年：1,109,303,201股)股份中間接擁有權益，於二零二零年十二月三十一日佔本公司已發行股本總額約36.54%(二零一九年：36.54%)，直至本報告日期維持不變。

# NOTES TO THE FINANCIAL STATEMENTS

## 財務報表附註

31 December 2020 二零二零年十二月三十一日

### 28. OTHER BORROWING

As at 31 December 2020, other borrowing outstanding to an independent third party was HK\$25,000,000 (2019: HK\$25,000,000), which is unsecured and bearing interest at HSBC Prime Rate minus 0.5% per annum (2019: minus 0.5%) per annum.

On 25 June 2019, the Company entered into the fourth supplemental deed with the lender in relation to the unsecured other borrowing in the amount of HK\$25,000,000, pursuant to which, the final maturity date was extended from 31 December 2019 to 31 December 2021 and the interest rate was changed to the HSBC Prime Rate minus 0.5% per annum to be quoted from time to time in Hong Kong (formerly fixed at 4% per annum).

### 28. 其他借貸

於二零二零年十二月三十一日，未向一名獨立第三方償還之其他借貸為25,000,000港元（二零一九年：25,000,000港元），該借貸為無抵押，並按滙豐銀行最優惠利率減年利率0.5%（二零一九年：減年利率0.5%）計息。

於二零一九年六月二十五日，本公司與貸方就金額為25,000,000港元之無抵押其他借貸訂立第四份補充契據，據此，最後到期日由二零一九年十二月三十一日延長至二零二一年十二月三十一日以及利率改為在香港不時公佈之滙豐銀行最優惠利率減年利率0.5%（先前為固定年利率4%）。

### 29. TRADE AND BILLS PAYABLES

		2020 二零二零年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元
Trade payables	應付賬款	66,303	32,721
Bills payable	應付票據	12	11
		<b>66,315</b>	32,732

The following is an aged analysis of trade payables based on the invoice date at the end of the reporting period:

		2020 二零二零年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元
0 to 30 days	0日至30日	26,408	21,965
31 days to 60 days	31日至60日	18,510	3,350
61 days to 90 days	61日至90日	9,117	3,082
Over 91 days	超過91日	12,268	4,324
		<b>66,303</b>	32,721

Trade payables are non-interest bearing and normally settled within 90 days to 180 days.

### 29. 應付賬款及票據

於報告期末，應付賬款按發票日期之賬齡分析如下：

應付賬款乃免息，且一般在90日至180日內結付。

# NOTES TO THE FINANCIAL STATEMENTS

## 財務報表附註

31 December 2020 二零二零年十二月三十一日

### 30. ACCRUED LIABILITIES AND OTHER PAYABLES

### 30. 應計負債及其他應付款項

		2020 二零二零年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元
Salaries and bonuses payable	應付工資及花紅	16,925	17,477
Accounts payable for acquisition of property, plant and equipment	收購物業、廠房及設備之應付賬款	52,620	41,343
Accrued interest payable	應付應計利息	254	536
Costs accrued for litigation settlements	訴訟調解之應計成本	2,360	10,360
Costs accrued for land restoration and soil remediation of obsolete plants	有關廢棄廠房之土地修復及土壤整治之應計成本	26,627	25,228
Other payables and accruals	其他應付款項及應計費用	127,753	101,789
		<b>226,539</b>	196,733

### 31. LEASE LIABILITIES

As at 31 December 2020, the lease liabilities were payable as follows;

### 31. 租賃負債

於二零二零年十二月三十一日，應付租賃負債如下：

		2020 二零二零年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元
Within 1 year	一年內	117	451
After 1 year but within 2 years	一年後但兩年內	30	110
After 2 years but within 5 years	兩年後但五年內	-	29
		<b>30</b>	139
		<b>147</b>	590

# NOTES TO THE FINANCIAL STATEMENTS

## 財務報表附註

31 December 2020 二零二零年十二月三十一日

### 32. CONTRACT LIABILITIES

		2020 二零二零年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元
Deposits received from customers	已收客戶按金	25,011	25,103

### 33. CONSIDERATIONS PAYABLE FOR ACQUISITION OF SUBSIDIARIES

At the end of the reporting period, considerations payable for acquisition of subsidiaries of the Group were repayable as follows:

		2020 二零二零年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元
Considerations payable within one year	於一年內應付代價	-	24,800

### 32. 合約負債

### 33. 收購附屬公司之應付代價

於報告期末，本集團收購附屬公司之應付代價須於以下期間償還：

# NOTES TO THE FINANCIAL STATEMENTS

## 財務報表附註

31 December 2020 二零二零年十二月三十一日

### 34. DEFERRED GOVERNMENT GRANTS

Government grants were obtained by the subsidiaries, Yancheng NUHF, Zhenjiang New Universe and Zhenjiang Sinotech to subsidise the construction of their respective environmental energy saving facility and controlling facility of sewage discharge in the eco-plating specialised zone. The grants are recognised as other revenue over the estimated useful lives of the plant facilities.

### 34. 遞延政府補貼

附屬公司鹽城新宇輝豐、鎮江新宇及鎮江華科獲得之政府補貼乃作為於環保電鍍專業區興建彼等各自之環保節能設施及污水排放監控設施之補貼。補貼乃按指定廠房設施之估計使用期間確認為其他收入。

		HK\$'000 千港元
<b>Receipt of grants</b>	<b>收取補貼</b>	
At 1 January 2019	於二零一九年一月一日	13,999
Exchange adjustments	匯兌調整	(276)
Receipt for the year	年內收取	777
Recognised in previous year	去年確認	(2,418)
At 31 December 2019 and at 1 January 2020	於二零一九年十二月三十一日及 二零二零年一月一日	12,082
Exchange adjustments	匯兌調整	670
Receipt for the year	年內收取	-
Recognised in previous year	去年確認	-
<b>At 31 December 2020</b>	<b>於二零二零年十二月三十一日</b>	<b>12,752</b>
<b>Release of grants</b>	<b>補貼釋出</b>	
At 1 January 2019	於二零一九年一月一日	6,458
Exchange adjustments	匯兌調整	(120)
Release for the year	年內釋出	1,019
Recognised in previous year	去年確認	(2,418)
At 31 December 2019 and at 1 January 2020	於二零一九年十二月三十一日及 二零二零年一月一日	4,939
Exchange adjustments	匯兌調整	303
Release for the year	年內釋出	1,077
Recognised in previous year	去年確認	-
<b>At 31 December 2020</b>	<b>於二零二零年十二月三十一日</b>	<b>6,319</b>
<b>Carrying amount</b>	<b>賬面值</b>	
<b>At 31 December 2020</b>	<b>於二零二零年十二月三十一日</b>	<b>6,433</b>
At 31 December 2019	於二零一九年十二月三十一日	7,143

# NOTES TO THE FINANCIAL STATEMENTS

## 財務報表附註

31 December 2020 二零二零年十二月三十一日

### 34. DEFERRED GOVERNMENT GRANTS (continued)

The government grants were analysed for reporting purpose as:

		2020 二零二零年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元
Current liabilities	流動負債	1,106	1,048
Non-current liabilities	非流動負債	5,327	6,095
		<b>6,433</b>	7,143

### 34. 遞延政府補貼(續)

政府補貼就呈報而言分析為：

### 35. INCOME TAX IN THE CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(a) Current taxation in the consolidated statement of financial position:

		2020 二零二零年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元
Provision of PRC Corporate Income Tax for current year	本年度中國企業所得稅撥備	19,756	12,835
Provision of PRC Corporate Income Tax for prior years	過往年度中國企業所得稅撥備	3,986	3,799
Exchange adjustments	匯兌調整	278	(80)
Income tax paid	已付所得稅	(17,769)	(12,442)
		<b>6,251</b>	4,112

### 35. 於綜合財務狀況報表內 之所得稅

(a) 於綜合財務狀況報表內之  
即期稅項：



# NOTES TO THE FINANCIAL STATEMENTS

## 財務報表附註

31 December 2020 二零二零年十二月三十一日

### 35. INCOME TAX IN THE CONSOLIDATED STATEMENT OF FINANCIAL POSITION (continued)

(b) The components of deferred tax (assets)/ liabilities recognised in the consolidated statement of financial position and the movements during the year are as follows:

### 35. 於綜合財務狀況報表內之所得稅(續)

(b) 於綜合財務狀況報表內確認之遞延稅項(資產)/負債之成份及年內變動載列如下:

		Fair value adjustment on equity investments	Fair value adjustment of assets on business combination	Effect of withholding tax on distributable profits of the Group's PRC subsidiaries	Total
		股本投資之公平值調整	因業務合併對資產作出之公平值調整	中國附屬公司可分派溢利之影響	總計
		HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元
At 1 January 2019	於二零一九年一月一日	3,501	19,113	11,096	33,710
Charge to other comprehensive income	計入其他全面收益	620	-	-	620
Released upon distribution of dividends	於分派股息時釋出	-	-	(5,237)	(5,237)
Charge to profit or loss	計入損益	-	(530)	5,069	4,539
At 31 December 2019 and 1 January 2020	於二零一九年十二月三十一日 及二零二零年一月一日	4,121	18,583	10,928	33,632
Charge to other comprehensive income	計入其他全面收益	2,860	-	-	2,860
Released upon distribution of dividends	於分派股息時釋出	-	-	(3,828)	(3,828)
Charge to profit or loss	計入損益	-	(986)	5,857	4,871
<b>At 31 December 2020</b>	<b>於二零二零年十二月三十一日</b>	<b>6,981</b>	<b>17,597</b>	<b>12,957</b>	<b>37,535</b>

# NOTES TO THE FINANCIAL STATEMENTS 財務報表附註

31 December 2020 二零二零年十二月三十一日

## 35. INCOME TAX IN THE CONSOLIDATED STATEMENT OF FINANCIAL POSITION (continued)

### (c) Deferred tax assets not recognised:

At the end of the reporting period, certain entities of the Group have unused tax losses amounted to approximately HK\$50,036,000 (2019: HK\$69,614,000) available for offset against future profits. No deferred tax asset has been recognised in respect of unused tax losses due to the unpredictability of future profit streams of the relevant group entities. The unused tax losses do not expire under current tax legislation.

### (d) Deferred tax liabilities not recognised:

At 31 December 2020 and 2019 there was no significant unrecognised deferred tax liability.

## 35. 於綜合財務狀況報表內之所得稅(續)

### (c) 未確認之遞延稅項資產：

於報告期末，本集團若干實體有未使用稅項虧損約50,036,000港元(二零一九年：69,614,000港元)可用於抵消未來溢利。由於相關集團實體之未來溢利流不可預知，因此並未就未使用稅項虧損確認遞延稅項資產。根據當前稅法，未使用稅項虧損並未過期。

### (d) 未確認之遞延稅項負債：

於二零二零年及二零一九年十二月三十一日，並無重大未確認遞延稅項負債。

## 36. SHARE CAPITAL

## 36. 股本

		Number of shares		Share capital	
		二零二零年	二零一九年	二零二零年	二零一九年
		'000	'000	HK\$'000	HK\$'000
		千股	千股	千港元	千港元
<b>Ordinary shares of HK\$0.01 each</b>	<b>每股面值0.01港元之普通股</b>				
<b>Authorised</b>	<b>法定</b>				
At 1 January and 31 December	於一月一日及十二月三十一日	100,000,000	100,000,000	1,000,000	1,000,000
<b>Issued and fully paid</b>	<b>已發行及繳足</b>				
At 1 January and 31 December	於一月一日及十二月三十一日	3,035,697	3,035,697	30,357	30,357

As at 31 December 2020 the holders of ordinary shares are entitled to receive dividend to be declared from time to time and are entitled to one vote per share at general meetings of the Company. All ordinary shares rank equally with regard to the Company's residual assets.

於二零二零年十二月三十一日，普通股持有人有權收取將不時宣派之股息，並可於本公司股東大會上就每股股份投一票。就本公司餘下資產而言，所有普通股均享有同等權利。

# NOTES TO THE FINANCIAL STATEMENTS

## 財務報表附註

31 December 2020 二零二零年十二月三十一日

### 37. RESERVES

#### (a) The Group

Details of the movements on the Group's reserves are set out in the consolidated statement of changes in equity.

#### (b) The Company

### 37. 儲備

#### (a) 本集團

本集團儲備之變動詳情載於綜合權益變動表。

#### (b) 本公司

		Share premium	Share option reserve	Retained profits	Total
		股份溢價	購股權儲備	保留溢利	總計
		HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元
		(note (c)(i))		(note (c)(vii))	
		(附註(c)(i))		(附註(c)(vii))	
At 1 January 2019	於二零一九年一月一日	456,465	-	137,633	594,098
Profit for the year	年度溢利	-	-	38,007	38,007
Dividend relating to 2018	二零一八年股息	-	-	(20,643)	(20,643)
At 31 December 2019 and at 1 January 2020	於二零一九年十二月三十一日及於二零二零年一月一日	456,465	-	154,997	611,462
Profit for the year	年度溢利	-	-	36,298	36,298
Dividend relating to 2019	二零一九年股息	-	-	(21,250)	(21,250)
Equity settled share-based transactions (note 41(a))	以股本權益計算按股份作基礎之交易(附註41(a))	-	601	-	601
<b>At 31 December 2020</b>	<b>於二零二零年十二月三十一日</b>	<b>456,465</b>	<b>601</b>	<b>170,045</b>	<b>627,111</b>

#### (c) Nature and purpose of reserves and their movements

##### (i) Share premium

The application of the share premium account is governed by Section 34 of the Companies Law (Chapter 22, Law 3 of 1961, as consolidated and revised) of the Cayman Islands. The balance of share premium is distributable and for such use as permissible under the laws of Cayman Islands and the Articles of Association of the Company.

#### (c) 儲備之性質及用途及其變動

##### (i) 股份溢價

股份溢價賬之應用受到開曼群島公司法(一九六一年第3號法例第22章,經綜合及修訂)第34條之規管。股份溢價之結餘可供分派及用作開曼群島法律及本公司組織章程細則允許之用途。

# NOTES TO THE FINANCIAL STATEMENTS

## 財務報表附註

31 December 2020 二零二零年十二月三十一日

### 37. RESERVES (continued)

#### (c) Nature and purpose of reserves and their movements (continued)

##### (ii) Translation reserve

The translation reserve comprises all foreign exchange differences arising from the translation of the financial statements of overseas operations. The reserve is dealt with in accordance with the accounting policies of translation of foreign currencies. The balance of this general reserve is distributable and available for such use as permissible under the laws of Cayman Islands and the Articles of Association of the Company. The reserve is dealt with in accordance with the accounting policies set in note 2(x) to the financial statements.

##### (iii) Investment revaluation reserve

The investment revaluation reserve comprises the cumulative net change in the fair value of equity investments at the end of the reporting period and is dealt with in accordance with the accounting policies in note 2(h) to the financial statements.

##### (iv) Capital reserve

On 17 February 2011, the Group's effective interest in NSIL was increased from 38% to 98%, and NSIL Group became 98% indirectly owned subsidiaries of the Company, and the excess of fair value of net assets acquired over cost of acquisition of 98% equity interests in NSIL Group of HK\$4,185,000 (after deduction of acquisition related costs) was recognised as deemed contribution from the transferors, New Universe Enterprises Limited and another party, in their capacity as shareholders of the Company and fully credited as capital reserve in the equity of the Group.

On 7 October 2015, the Group's effective interest in NSIL was increased from 98% to 100%, and the excess of carrying value of net assets acquired over cost of acquisition of the remaining 2% equity interests in NSIL Group of HK\$378,000 (after deduction of acquisition related costs) was recognised as deemed contribution from the transferor in his capacity as shareholder of the Company and fully credited as capital reserve in the equity of the Group.

### 37. 儲備(續)

#### (c) 儲備之性質及用途及其變動(續)

##### (ii) 匯兌儲備

匯兌儲備包括換算海外業務之財務報表所產生之所有外匯差異。儲備乃根據有關換算外幣之會計政策處理。該一般儲備之結餘可供分派及用作開曼群島法律及本公司組織章程細則允許之用途。該儲備乃根據財務報表附註2(x)所載之會計政策處理。

##### (iii) 投資重估儲備

投資重估儲備包括於報告期末所持股本投資公平值之累計變動淨額，其根據載於財務報表附註2(h)之會計政策予以處理。

##### (iv) 資本儲備

於二零一一年二月十七日，本集團於NSIL之實際權益由38%增加至98%，NSIL集團成為本公司間接擁有98%權益之附屬公司，所收購資產淨值之公平值超出NSIL集團98%股權之收購成本之4,185,000港元(扣除收購事項相關成本後)已確認為轉讓人New Universe Enterprises Limited及另一方(以本公司股東之身份)之推定出資，並悉數記入本集團股本內之資本儲備。

於二零一五年十月七日，本集團於NSIL之實際權益從98%增至100%，所收購的淨資產之賬面值超出NSIL集團餘下2%股權之收購成本之378,000港元(扣除收購事項相關成本後)已確認為轉讓人(以本公司股東之身份)之推定出資，並悉數記入本集團股本內之資本儲備。

# NOTES TO THE FINANCIAL STATEMENTS

## 財務報表附註

31 December 2020 二零二零年十二月三十一日

### 37. RESERVES (continued)

#### (c) Nature and purpose of reserves and their movements (continued)

##### (v) Share option reserve

Share option reserve comprises the value of the unexercised share options granted by the Company recognised in accordance with the accounting policy adopted for share-based payments in note 2(s)(ii) to the financial statements.

##### (vi) Statutory reserve

In accordance with the relevant regulations in the PRC, the Company's subsidiaries established in the PRC are required to transfer a certain percentage of its profits after tax to reserve funds. Subject to certain restrictions set out in the relevant PRC regulations and in the subsidiary's articles of association, the reserve funds may be used either to offset losses, or for capitalisation by way of paid-up capital.

##### (vii) Distributability of reserves

At 31 December 2020, the Company had reserves in the amount of HK\$627,111,000 (2019: HK\$611,462,000) available for distribution to its owners.

### 38. OPERATING LEASE COMMITMENTS

#### The Group as lessee

As at 31 December 2020, the Group had commitments for future minimum lease payments under non-cancellable operating leases in respect of office premises which fall due as follows:

	2020 二零二零年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元
Within 1 year	560	560

#### The Group as lessor

The Group leases out certain of its factory buildings under operating lease arrangements. The terms of the leases generally provides for periodic rent adjustments according to the then prevailing market conditions.

### 37. 儲備 (續)

#### (c) 儲備之性質及用途及其變動 (續)

##### (v) 購股權儲備

購股權儲備包括根據財務報表附註2(s)(ii)所採納的以股份形式付款的會計政策確認的本公司已授出未獲行使購股權的價值。

##### (vi) 法定儲備

根據中國相關法規，本公司於中國成立之附屬公司須轉撥其若干比例之除稅後溢利至儲備公積金。在中國相關法規及附屬公司之組織章程細則之規限下，儲備公積金可用作抵銷虧損或以繳足股本之方式撥作資本。

##### (vii) 儲備之可分派性

於二零二零年十二月三十一日，本公司有可供分派予其擁有人之儲備627,111,000港元（二零一九年：611,462,000港元）。

### 38. 經營租賃承擔

#### 本集團作為承租人

於二零二零年十二月三十一日，本集團就辦公室物業有下列日期屆滿之不可撤銷經營租賃之未來最低租賃承擔如下：

	2020 二零二零年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元
Within 1 year	560	560

#### 本集團作為出租人

本集團根據經營租賃安排出租其若干工廠大廈。租賃條款一般規定根據當時市況定期調整租金。

# NOTES TO THE FINANCIAL STATEMENTS

## 財務報表附註

31 December 2020 二零二零年十二月三十一日

### 38. OPERATING LEASE COMMITMENTS (continued)

The Group as lessor (continued)

At 31 December 2020, the undiscounted lease payments receivable under the non-cancellable operating leases are as follows:

		2020 二零二零年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元
Within 1 year	一年內	28,771	21,126
After 1 year but within 2 years	一年後但兩年內	27,442	20,437
After 2 years but within 3 years	兩年後但三年內	21,135	19,272
After 3 years but within 4 years	三年後但四年內	11,531	15,260
After 4 years but within 5 years	四年後但五年內	6,254	7,162
After 5 years	五年後	21,077	23,002
		<b>116,210</b>	106,259

### 39. CAPITAL COMMITMENTS

At the end of the reporting period, the Group had the following capital commitments:

		2020 二零二零年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元
Contracted but not provided for:	已訂約但未撥備：		
– Capital expenditure in respect of property, plant and equipment	– 有關物業、廠房及設備之資本承擔	15,359	57,188
– Capital contribution payable to a joint venture	– 應付予一間合營企業的出資	–	25,434
– Capital contribution payable to the equity investment	– 應付予股本投資的出資	15,771	15,976

### 38. 經營租賃承擔(續)

本集團作為出租人(續)

於二零二零年十二月三十一日，本集團不可取消經營租賃項下的未貼現應收租賃付款如下：

### 39. 資本承擔

於報告期末，本集團之資本承擔如下：

# NOTES TO THE FINANCIAL STATEMENTS

## 財務報表附註

31 December 2020 二零二零年十二月三十一日

### 40. PLEDGE OF ASSETS AND AVAILABLE CREDIT FACILITIES

#### (a) Pledge of assets

At 31 December 2020, the carrying amounts of assets pledged as collaterals for banking facilities granted to the Group by certain banks and for trading purpose in favour of clients and suppliers are set out as follows:

		2020 二零二零年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元
Property, plant and equipment	物業、廠房及設備	114,782	121,121
Land use rights	土地使用權	28,523	27,630
Pledged bank deposits	有抵押銀行存款	12,511	154
		<b>155,816</b>	<b>148,905</b>

#### (b) Available credit facilities

At 31 December 2020, the total banking facilities of the Group amounted to HK\$244,995,000 (2019: HK\$285,409,000) which were utilised to the extent of unsecured bank loans of HK\$124,725,000 (2019: HK\$176,683,000) and secured bank loans of HK\$64,310,000 (2019: HK\$63,726,000) and the available unutilised banking facilities amounted to HK\$55,960,000 (2019: HK\$45,000,000).

### 40. 資產抵押及備用信貸融資

#### (a) 資產抵押

於二零二零年十二月三十一日，就若干銀行授予本集團之銀行融資及就交易目的以客戶及供應商為受益人而質押作為抵押品之資產之賬面值載列如下：

		2020 二零二零年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元
Property, plant and equipment	物業、廠房及設備	114,782	121,121
Land use rights	土地使用權	28,523	27,630
Pledged bank deposits	有抵押銀行存款	12,511	154
		<b>155,816</b>	<b>148,905</b>

#### (b) 備用信貸融資

於二零二零年十二月三十一日，本集團之銀行融資總額為244,995,000港元（二零一九年：285,409,000港元），其中已動用之無抵押銀行貸款為124,725,000港元（二零一九年：176,683,000港元）及有抵押銀行貸款為64,310,000港元（二零一九年：63,726,000港元）及未動用之備用銀行融資為55,960,000港元（二零一九年：45,000,000港元）。

## 41. SHARE OPTION SCHEME AND EMPLOYEE RETIREMENT BENEFITS

### (a) Share option scheme

The Company operates a share option scheme (the "Scheme") for the purpose of providing incentives and rewards to eligible participants who contribute to the success of the Group's operations. Eligible participants of the Scheme include the Company's non-executive directors, including independent non-executive directors, employees of the Group, consultants of the Group, suppliers of goods or services to the Group, customers of the Group, the Company's shareholders and any non-controlling shareholders of the Company's subsidiaries. The Scheme became effective on 5 May 2015 and, unless otherwise cancelled or amended, will remain in force for 10 years from that date.

The maximum number of unexercised share options currently permitted to be granted under the Scheme is an amount equivalent, upon their exercise, to 10% of the shares of the Company in issue on the adoption date. The maximum number of shares issuable under the Scheme to each eligible participant in the Scheme within any 12-month period is limited to 1% of the shares of the Company in issue at any time. Any further grant of share options in excess of this limit is subject to shareholders' approval in a general meeting.

Share options granted to a director, chief executive or substantial shareholder of the Company, or any of their associates, are subject to approval in advance by the independent non-executive directors. In addition, any share options granted to a substantial shareholder or an independent non-executive director of the Company, or to any of their associates, in excess of 0.1% of the shares of the Company in issue at any time or with an aggregate value, based on the closing price of the shares at the date of each grant, in excess of HK\$5 million, within 12-month period, are subject to shareholders' approval in advance in a general meeting.

The offer of a grant of share options may be accepted within 28 days from the date of grant, upon payment of a nominal consideration of HK\$10 in total by the grantee. The exercise period of the share options granted is determinable by the directors, commence after a vesting period and ends on a date which is not later than 10 years from the date of offer of the share options.

## 41. 購股權計劃及僱員退休福利

### (a) 購股權計劃

本公司正營運一個購股權計劃（「該計劃」），旨在向對本集團業務作出貢獻之合資格參與者作出獎勵及回報。該計劃之合資格參與者包括本公司之非執行董事（包括獨立非執行董事）、本集團僱員、本集團顧問、本集團之貨品及服務供應商、本集團之顧客、本公司股東及本公司附屬公司之任何非控股股東。該計劃由二零一五年五月五日起生效，除非被另行撤銷或修訂，否則計劃將自該日起計十年內有效。

根據該計劃，現時獲准授出而尚未行使之購股權於行使時所涉及之股份上限相等於本公司在採納日期已發行股份之10%。在任何十二個月期間，該計劃各合資格參與者根據該計劃之可發行股份上限為本公司在任何時間已發行股份之1%。額外授出超出此限額之購股權必須在股東大會上獲股東批准。

授予董事、行政總裁或本公司主要股東，或彼等之任何聯繫人士之購股權，必須事先獲獨立非執行董事批准。此外，倘於任何十二個月期間授予本公司主要股東或獨立非執行董事或彼等之任何聯繫人士之購股權之總值超過本公司在任何時間已發行股份之0.1%或總值（根據本公司授出購股權當日本公司股份之官方收市價計算）超過5,000,000港元，須事前在股東大會上獲股東批准。

承授人可自購股權之授出日期起計28日內支付總額為10港元之名義代價，接納有關購股權。購股權之行使期由董事釐定，由歸屬期後開始，並於授出購股權日期起計十年內終止。



# NOTES TO THE FINANCIAL STATEMENTS

## 財務報表附註

31 December 2020 二零二零年十二月三十一日

### 41. SHARE OPTION SCHEME AND EMPLOYEE RETIREMENT BENEFITS (continued)

#### (a) Share option scheme (continued)

The exercise price of share option is determinable by the directors, but may not be less than the highest of (i) the closing price of the Company's shares as stated in the Stock Exchange's daily quotation sheets on the date of the offer of the share options; (ii) the average of the closing prices of the Company's shares as stated in the Stock exchange's daily quotation sheets for the five trading days immediately preceding the date of offer; and (iii) the nominal value of the Company's shares on the date of offer. Share options do not confer rights on the holders to dividends or to vote at the shareholders' meetings.

On 15 January 2020, the Board of Directors approved the granting of options to eligible employees to subscribe for a total of 11,000,000 shares of the Company at an exercise price of HK\$0.25 per share with vesting period of 1.21 years. These share options are exercisable at any time during the period from 7 May 2021 to 7 May 2023.

The following share options were outstanding under the Scheme during the year:

		2020 二零二零年		2019 二零一九年	
		Exercise price 行使價 HK\$ 港元	Number of options 購股權數目 '000 千份	Exercise price 行使價 HK\$ 港元	Number of options 購股權數目 '000 千份
Outstanding at 1 January	於一月一日尚未獲行使	-	-	-	-
Granted during the year	年內授出	0.25	11,000	-	-
Forfeited during the year	年內被沒收	0.25	(1,360)	-	-
Outstanding at 31 December	於十二月三十一日尚未獲行使	-	9,640	-	-
Exercisable at the end of the period	可在期末行使	-	-	-	-

No share options were exercised during the year. The options outstanding at 31 December 2020 had an exercise price of HK\$0.25 and a contractual life of 3.325 years.

### 41. 購股權計劃及僱員退休福利(續)

#### (a) 購股權計劃(續)

購股權之行使價格由董事釐定，但不得低於下列較高者：(i)授出購股權日期本公司股份於聯交所每日報價單上所示之收市價；(ii)本公司股份於緊接授出購股權日期前五個交易日在聯交所日報價單上所示之平均收市價；及(iii)本公司股份該購出日期之面值。購股權並無賦予持有人享有股息或於股東大會上投票之權利。

於二零二零年一月十五日，董事會批准向合資格僱員授出購股權，以行使價每股0.25港元認購本公司合共11,000,000股股份，歸屬期為1.21年。該等購股權可於二零二一年五月七日至二零二三年五月七日期間隨時行使。

年內，根據該計劃尚未行使之購股權如下：

概無購股權於年內獲行使。於二零二零年十二月三十一日尚未行使購股權之行使價為0.25港元，剩餘合約年期為3.325年。

# NOTES TO THE FINANCIAL STATEMENTS

## 財務報表附註

31 December 2020 二零二零年十二月三十一日

### 41. SHARE OPTION SCHEME AND EMPLOYEE RETIREMENT BENEFITS (continued)

#### (a) Share option scheme (continued)

The fair value of the share options granted on 15 January 2020 was HK\$836,000, of which the Group recognised share option expense of HK\$601,000 charged to profit or loss, in respect of the vested options during the year ended 31 December 2020 (2019: Nil).

The fair value of services received in return for share options granted is measured with reference to the fair value of share options granted. The estimate of the fair value of share options is measured based on binomial option pricing model by the independent firm of professional valuer, CBRE Limited, taking into account the terms and condition upon which the options were granted. The following table lists the inputs to the model used:

		2020 二零二零年	2019 二零一九年
Fair value at measurement date	計量日的公平值	HK\$0.076港元	-
Share price at grant date	授出日期股份價格	HK\$0.250港元	-
Exercise price	行使價	HK\$0.250港元	-
Expected volatility (expressed as weighted average volatility used in the modelling under binomial option pricing model)	預期波動率(以二項式期權定價模型下的加權平均波動率表示)	48.925%	-
Expected life of options	預計期權年期	3.33 years年	-
Expected dividend yield	預期股息率	2.67%	-
Risk-free interest rate (based on yield of Hong Kong Zero Coupon bonds)	無風險利率(以香港零息債券收益率為基礎)	1.52%	-

The expected volatility is based on the historic volatility (calculated based on the weighted average remaining life of the share options), adjusted by any expected changes to future volatility based on publicly available information. Expected dividends are based on historical dividends. Changes in the subjective input assumptions could materially affect the fair value estimate.

Share options were granted under a service condition. This condition has not been taken into account in the grant date fair value measurement of the services received. There were no market conditions associated with the share option grants.

### 41. 購股權計劃及僱員退休福利(續)

#### (a) 購股權計劃(續)

於二零二零年一月十五日授出的購股權的公平值為836,000港元，其中本集團已就截至二零二零年十二月三十一日止年度歸屬的購股權確認購股權開支601,000港元，並已在損益中扣除(二零一九年：無)。

就換取授出購股權以提供服務之公平值乃參考已授出購股權之公平值計量。購股權之公平值之估計乃由獨立專業估值師世邦魏理仕有限公司根據二項式期權定價模式計量，並考慮到授予期權之條款及條件。下表列出了所使用的模式的輸入值：

預期波幅以歷史波幅為基準(根據購股權之加權平均剩餘年期計算)，並根據因可公開獲得之資料產導致未來波幅之任何預期變化予以調整。預期股息以歷史股息為基準。所採用主觀假設之變動可對公平值之估計產生重大影響。

本公司曾根據服務條件授出購股權。於計算已獲取之服務於授出日期之公平值時，該條件並無計算在內。概無與授出購股權有關之市場條件。

# NOTES TO THE FINANCIAL STATEMENTS

## 財務報表附註

31 December 2020 二零二零年十二月三十一日

### 41. SHARE OPTION SCHEME AND EMPLOYEE RETIREMENT BENEFITS (continued)

#### (a) Share option scheme (continued)

The terms and conditions of the option granted during the year ended 31 December 2020 are as follows:

	Number of shares to be issued upon exercise in full of the options granted 授出購股權獲全面行使時須予發行股份數目	Vesting conditions 歸屬條件	Contractual life of options 購股權的合約年期
Options granted to employees: – on 15/01/2020	11,000,000 shares	Subject to the performance targets specified in the offer letter of each respective grantee having been achieved by the respective grantee, the Options shall vest in the proportions to be determined according to each particular offer letter on the 30th business day after the date of publication of the annual results of the Company for the year ending 31 December 2020.	The Options granted are exercisable from the date of vesting to the earlier of (i) the date on which such Options lapses in accordance with the terms of the Share Option Scheme; or (ii) the 30th business day after the date of publication of the annual results of the Company for the year ending 31 December 2022.
授予僱員之購股權： 於二零二零年一月十五日	11,000,000股	待各承授人達致收購建議函件所指定之表現目標後，購股權將於本公司刊發截至二零二零年十二月三十一日止年度之年度業績後第三十個營業日按照各個特別收購建議函件所釐定之比例歸屬。	授出之購股權可由歸屬日期起至(i)根據購股權計劃之條款，該等購股權失效之日；或(ii)本公司截至二零二零年十二月三十一日止年度業績公佈日期後第三十個營業日（以較早者為準）行使。

Subsequent to the end of the reporting period, on 15 January 2021, a total of 11,380,000 share options were granted to certain employees of the Group in respect of their services to the Group in the forthcoming year. These share options vest on 31 March 2024 and have an exercise price of HK\$0.272 per share and are exercisable at any time during the period from 31 March 2024 to 4 May 2025. The price of the Company's shares at the date of grant was HK\$0.270 per share.

於報告期間結束後，於二零二一年一月十五日，本集團若干僱員獲授予合共11,380,000份購股權，以供彼等於來年為本集團提供服務。該等購股權於二零二四年三月三十一日歸屬，行使價為每股0.272港元，可於二零二四年三月三十一日至二零二五年五月四日期間隨時行使。本公司股份於授出日期之價格為每股0.270港元。

### 41. 購股權計劃及僱員退休福利(續)

#### (a) 購股權計劃(續)

於截至二零二零年十二月三十一日止年度授出購股權的條款及條件如下：

# NOTES TO THE FINANCIAL STATEMENTS

## 財務報表附註

31 December 2020 二零二零年十二月三十一日

### 41. SHARE OPTION SCHEME AND EMPLOYEE RETIREMENT BENEFITS (continued)

#### (b) Employee retirement benefits

Pursuant to the relevant labour rules and regulations in the PRC, the Group participates in defined contribution benefit schemes (the "Schemes") organised by the relevant local government authorities in Jiangsu Province, whereby the Group is required to make contributions to the Schemes at certain percentage of the eligible employee's salaries. The local government authorities are responsible for the entire pension obligation payable to the retired employees.

The Group operates a Mandatory Provident Fund Scheme (the "MPF Scheme") under the Hong Kong Employment Ordinance. The MPF Scheme is a defined contribution retirement plan administered by independent trustees. Under the MPF Scheme, the employer and its employees are each required to make contributions to the plan at 5% of the employees' relevant income, subject to a cap of monthly relevant income of HK\$30,000 (2019: HK\$30,000). Contributions to the plan vest immediately. No contribution(s) shall be forfeited and used by the employer to reduce the existing level of contributions of the Group. The Group has no other material obligation for the payment of pension benefits associated with the MPF Scheme beyond the annual contributions described above.

### 41. 購股權計劃及僱員退休 福利(續)

#### (b) 僱員退休福利

根據相關中國勞動法律及法規，本集團參加由江蘇省當地政府機構經營之定額供款退休計劃(「計劃」)，其中，本集團須按合資格僱員薪金之若干百分比向該計劃作出供款。當地政府機構須負責向退休僱員全額支付退休金。

本集團根據香港僱傭條例經營一項強制性公積金計劃(「強積金計劃」)。強積金計劃乃為由獨立信託人管理之定額退休供款計劃。根據強積金計劃，僱主及僱員須分別按僱員有關收入之5%向該計劃作出供款，而相關收入最多為每月30,000港元(二零一九年：30,000港元)。向該計劃作出之供款乃即使歸屬。並無供款遭沒收及供僱主使用以減少本集團現有供款水平。除上述年度供款外，本集團並無支付與強積金計劃有關之退休福利之其他重大責任。

## 42. RELATED PARTY TRANSACTIONS

### (a) List of related parties

For the years ended 31 December 2020 and 2019, the Directors are of the view that the following entities and persons are related parties to the Group:

Name of the related party 關聯方名稱	Relationship 關係
New Universe Enterprises Limited ("NUEL")	A shareholder beneficially interested in 36.54% (2019: 36.54%) of the issued share capital of the Company. The Company's Directors, Mr. XI Yu and Ms. CHEUNG Siu Ling are also directors of NUEL.
New Universe Enterprises Limited ("NUEL")	於本公司36.54%(二零一九年: 36.54%)已發行股本中擁有實益權益之股東。本公司董事奚玉先生及張小玲女士亦為NUEL之董事。
Sun Ngai International Investment Limited ("Sun Ngai")	A company being 100% owned by New Universe Holdings Limited ("NUHL"). The Company's Director, Mr. XI Yu and Ms. CHEUNG Siu Ling are also directors of Sun Ngai and NUHL.
新藝國際投資有限公司(「新藝」)	由新宇控股有限公司(「新宇控股」)擁有100%權益之公司。本公司董事奚玉先生及張小玲女士亦為新藝及新宇控股之董事。
Mr. XI Yu	A shareholder of NUEL beneficially interested in 83.66% of the issued share capital of NUEL. Mr. XI Yu is also the director of NUEL, NUHL and Sun Ngai.
奚玉先生	NUEL之股東，於NUEL之83.66%已發行股本中擁有實益權益。奚玉先生亦為NUEL、新宇控股及新藝之董事。
Ms. CHEUNG Siu Ling	A shareholder of NUEL beneficially interested in 6.07% of the issued share capital of NUEL. Ms. CHEUNG Siu Ling is also the director of NUEL, NUHL and Sun Ngai.
張小玲女士	NUEL之股東，於NUEL之6.07%已發行股本中擁有實益權益。張小玲女士亦為NUEL、新宇控股及新藝之董事。
Zhenjiang Xin Qu (note 18)	An associate of the Group, of which the Company holds an effective equity interest of 24.6%.
鎮江新區(附註18)	本集團之聯營公司，本公司於當中持有24.6%之實際股本權益。
Xinyu Rongkai (note 19)	A joint venture of the Group, of which the Company, being one of the two joint venturers, holds an indirectly owned equity interest of 65% and shares joint control of the joint venture.
新宇榮凱(附註19)	本集團之合營企業，本公司作為兩名合營方之一，間接擁有其65%股權並共同享有該合營企業之共同控制權。

## 42. 有關聯人士交易

### (a) 有關聯人士之名單

於截至二零二零年及二零一九年十二月三十一日止年度，董事認為下列公司為本集團之有關聯人士：

# NOTES TO THE FINANCIAL STATEMENTS

## 財務報表附註

31 December 2020 二零二零年十二月三十一日

### 42. RELATED PARTY TRANSACTIONS (continued)

#### (b) Transactions with related parties

		Note 附註	2020 二零二零年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元
Revenue from environmental equipment construction and installation services	來自環保設備建造及安裝服務之收益			
– Xinyu Rongkai	– 新宇榮凱	(i)	37,342	–
Interest income	利息收入			
– Xinyu Rongkai	– 新宇榮凱	(ii)	34	–
Rental expenses (included in the administrative expenses of the Group)	租金開支(列入本集團行政開支)			
– Sun Ngai	– 新藝	(iii)	960	960
Charges on hazardous waste landfill disposal (included in the cost of sales of the Group)	危險廢物填埋處置徵費(列入本集團銷售成本)			
– Zhenjiang Xin Qu	– 鎮江新區	(iv)	19,042	17,944

Notes:

- (i) Under the joint venture agreement in relation to the establishment of Xinyu Rongkai for the purpose of setting up an integrated hazardous waste treatment centre, which includes an integrated hazardous waste treatment plant and a hazardous waste landfill site located at Liuzhou in Guangxi, PRC, the Group is entitled to designate contractor to be selected at prevailing market price for constructing the facilities of the joint venture and a wholly owned subsidiary of the Group was selected under a general contract bidding to become the contractor at the total contract sum of RMB48,980,000 (approximately HK\$57,796,000) for the construction of the entire phase I incineration facilities. The total contract sum for construction of the phase I incinerator of the joint venture was determined and transacted on arm's length basis. The construction contract does not constitute connected transactions or continuing connected transactions under Chapter 14A of the Listing Rules.

### 42. 有關聯人士交易(續)

#### (b) 與有關聯人士之交易

附註：

- (i) 根據有關為於中國廣西柳州市設立一個綜合廢物處理中心(其包括一間綜合危險廢物處理廠及一個危險廢物填堆點)而成立新宇榮凱之合營企業協議,本集團有權指定按現行市價甄選的分包商建設該合營企業之有關設施,而本集團之全資附屬公司根據一項普通合約競標獲甄選成為分包商建設全部一期焚燒設備,總合約金額為人民幣48,980,000元(約57,796,000港元)。建設該合營企業之一期焚燒設備之總合約金額乃按公平基準釐定及交易。有關建設合約並不構成上市規則第14A章項下之關連交易或持續關連交易。

# NOTES TO THE FINANCIAL STATEMENTS 財務報表附註

31 December 2020 二零二零年十二月三十一日

## 42. RELATED PARTY TRANSACTIONS (continued)

### (b) Transactions with related parties (continued)

Notes: (continued)

- (ii) Interest income was arisen on a short-term advance of RMB3,000,000 (approximately HK\$3,447,000) from a subsidiary of the Group to Xinyu Rongkai bearing interest rate at 4.35% p.a. for the period from 10 September 2020 to 30 November 2020. This transaction does not constitute connected transactions or continuing connected transactions under Chapter 14A of the Listing Rules.
- (iii) Rental expenses were charged by Sun Ngai for leasing office premises of the Group in Hong Kong. The leases run for a period of one year and the monthly rent was determined in commensurate with the market rate. The tenancy agreements in respect of the rental expenses entered into between the wholly owned subsidiary of the Group, Smartech Services and Sun Ngai were de minimus transactions exempted under rule 14A.76(1)(a) of the Listing Rules.
- (iv) For the year ended 31 December 2020, the charges on hazardous waste landfill disposal paid by 5 (2019: 4) subsidiaries in PRC of the Group to Zhenjiang Xin Qu were made according to the contracted prices and conditions and subject to the compliance with the relevant administrative requirements promulgated by the National Pricing Bureau in PRC. These transactions do not constitute connected transactions or continuing connected transactions under Chapter 14A of the Listing Rules.

The Directors of the Company are of the opinion that the above related parties transactions were conducted on normal commercial terms and were priced with reference to prevailing market prices, and in the ordinary course of business of the Group.

### (c) Balances with related parties

## 42. 有關聯人士交易 (續)

### (b) 與有關聯人士之交易 (續)

附註：(續)

- (ii) 利息收入乃產生自本集團一間附屬公司向新宇榮凱作出之短期借款人民幣3,000,000元(約3,447,000港元)，年利率為4.35%，期限由二零二零年九月十日至二零二零年十一月三十日。根據上市規則第十四A章，該等交易並不構成關連交易或持續關連交易。
- (iii) 向新藝支付之租金開支與租賃本集團於香港之辦公室物業有關。租期為期一年，月租金乃為與市場相稱之租金率。本集團的全資附屬公司滙科資源與新藝之間訂立有關租金開支的租賃協議屬上市規則第14A.76(1)(a)條豁免的符合最低豁免水平的交易。
- (iv) 截至二零二零年十二月三十一日止年度，本集團5間(二零一九年：4間)中國附屬公司向鎮江新區支付之危險廢物填埋處置費乃根據合約價格及條件並在符合中國國家物價局公佈之有關行政要求之規限下作出。根據上市規則第十四A章，該等交易並不構成關連交易或持續關連交易。

本公司董事認為，上述交易乃按本公司與有關聯人士訂立之相關協議按普通商業條款進行，參考現行市價定價，且在本集團之日常業務過程中進行。

### (c) 與有關聯人士之結餘

		Maximum outstanding balance during the year ended 截至以下年度最高未償還結餘			
		2020 二零二零年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元	2020 二零二零年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元
Amounts due from/(to) customers for contract works in relation to a joint venture	就一間合營企業之合約工程應收/(應付)客戶之款項				
- Xinyu Rongkai	- 新宇榮凱	4,048	(5,476)	9,168	-
Accounts payable for charges on hazardous waste landfill disposal in relation to an associate	與一間聯營公司有關可供危險廢物填埋處置扣除之應付賬款				
- Zhenjiang Xin Qu	- 鎮江新區	3,724	-	-	-

# NOTES TO THE FINANCIAL STATEMENTS

## 財務報表附註

31 December 2020 二零二零年十二月三十一日

### 42. RELATED PARTY TRANSACTIONS (continued)

#### (d) Provision of guarantee to a related party

On 25 September 2020, the Company and the joint venturer, as the joint guarantors, entered into the guarantee agreement with a bank in PRC to jointly guarantee the repayment obligations of Xinyu Rongkai (a 65% indirectly owned joint venture of the Company) in relation to the bank loan facilities in a total amount of RMB120,000,000 (approximately HK\$141,600,000) and the guarantee is effective until 31 December 2027, for the purpose of financing the construction of the integrated hazardous waste treatment project undertaken by Xinyu Rongkai in Liuzhou, PRC.

The guarantee disclosed above was not recorded at fair value, as in the opinion of the management, the difference in the interest rates, by comparing the actual rate charged by the bank with this guarantee made available, with the estimated rate that the bank would have charged had the guarantee not been available, is not material.

As at 31 December 2020, such banking facilities guaranteed by the Company was utilised to the extent of RMB35,040,000 (approximately HK\$41,347,000) which is repayable on 31 December 2025 and bearing interest at 4.75% per annum.

#### (e) Key management personnel remuneration

Remuneration for key management personnel of the Group and the Company, including amounts paid to the Directors of the Company as disclosed in note 9 and certain of the highest paid individual as disclosed in note 10 to the financial statements, is presented as follows:

		2020 二零二零年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元
Salaries and other benefits	薪金及其他福利	10,534	10,240
Discretionary bonuses	酌情花紅	6,233	6,118
Contributions to retirement schemes	退休福利計劃供款	478	805
Equity compensation benefits	權益補償福利	601	-
		<b>17,846</b>	17,163

### 42. 有關聯人士交易 (續)

#### (d) 向有關聯人士提供擔保

於二零二零年九月二十五日，本公司與合營方（作為共同擔保人）與中國一間銀行訂立擔保協議，以共同擔保新宇榮凱（本公司間接擁有65%之合營企業）就總金額為人民幣120,000,000元（約141,600,000港元）之銀行貸款融資，該擔保有效至二零二七年十二月三十一日，目的為向由新宇榮凱於建設位於中國柳州之危險廢物綜合處理設施提供資金。

上述披露的擔保沒有按公平值入賬，因管理層認為，通過比較銀行在提供該擔保的情況下實際收取的利率與銀行在並無提供擔保的情況下估計收取的利率之間的差異不大。

於二零二零年十二月三十一日，本公司所擔保的銀行融資已動用人民幣35,040,000元（約41,347,000港元），其須於二零二五年十二月三十一日清還，並按年利率4.75%計息。

#### (e) 主要管理層人士之酬金

本集團及本公司主要管理層人士之酬金（包括附註9披露之應付予本公司董事款項及財務報表附註10披露之已付予若干最高薪僱員款項）載列如下：



# NOTES TO THE FINANCIAL STATEMENTS

## 財務報表附註

31 December 2020 二零二零年十二月三十一日

### 43. FINANCIAL INSTRUMENTS BY CATEGORY

The carrying amount of the financial assets and liabilities for each category of the Group's financial instruments as at the end of the reporting period are as follows:

### 43. 按分類劃分之金融工具

本集團於報告期末各類金融工具之金融資產及負債賬面值如下：

		2020 二零二零年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元
<b>(i) Financial assets</b>	<b>(i) 金融資產</b>		
<b>Financial assets at amortised cost</b>	<b>以攤餘成本計算之金融資產</b>		
Trade and bills receivables	應收賬款及票據	129,438	89,021
Refundable deposits and other receivables	可退還訂金及其他應收款項	5,841	11,997
Pledged bank deposits	有抵押銀行存款	12,511	154
Cash and cash equivalents	現金及等同現金項目	257,523	267,393
<b>Financial assets at fair value through other comprehensive income</b>	<b>透過其他全面收益按公平值入賬之金融資產</b>		
Equity investments at fair value through other comprehensive income (no recycling adjustment to profit or loss)	透過其他全面收益按公平值計算之股本投資(不可劃轉調整損益)	118,100	97,300
<b>Total financial assets</b>	<b>金融資產總額</b>	<b>523,413</b>	<b>465,865</b>
<b>(ii) Financial liabilities</b>	<b>(ii) 金融負債</b>		
<b>Financial liabilities at amortised cost</b>	<b>按攤餘成本計算之金融負債</b>		
Bank borrowings	銀行借貸	189,035	240,409
Other borrowing	其他借貸	25,000	25,000
Trade and bills payables	應付賬款及票據	66,315	32,732
Accrued liabilities and other payables	應計負債及其他應付款項	226,539	196,733
Lease liabilities	租賃負債	147	590
Considerations payables for acquisition of subsidiaries	收購附屬公司之應付代價	-	24,800
<b>Total financial liabilities</b>	<b>金融負債總額</b>	<b>507,036</b>	<b>520,264</b>

Details of the financial instruments are disclosed in the respective notes to the financial statements.

金融工具的詳情披露於綜合財務報表各附註。

# NOTES TO THE FINANCIAL STATEMENTS

## 財務報表附註

31 December 2020 二零二零年十二月三十一日

### 44. FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS

The carrying amounts and fair values of the Group's financial instruments, other than those with carrying amounts that reasonable approximate to fair values, are as follows:

### 44. 金融工具之公平值計量

除有關賬面值合理地與彼等之公平值相若者外，本集團之金融工具之賬面值及公平值如下：

	Carrying amount		Fair value	
	賬面值		公平值	
	2020	2019	2020	2019
	二零二零年	二零一九年	二零二零年	二零一九年
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
	千港元	千港元	千港元	千港元
<b>Financial assets at fair value through other comprehensive income</b>				
Equity investments at fair value through other comprehensive income (non-recycling) (note 20)	118,100	97,300	118,100	97,300

Management has assessed that the fair values of cash and cash equivalents, trade and bills receivables, financial assets included in refundable deposits and other receivables, contract assets, trade payables, financial liabilities included in accrued liabilities and other payables, deposits received from customers, contract liabilities, amounts due from/to subsidiaries approximately to their carrying amounts largely due to the short term maturity of these instruments. The Directors consider the carrying amounts of the financial assets and financial liabilities recorded at amortised cost in the consolidated financial statements approximate their fair values.

The carrying amount of financial assets and financial liabilities at amortised cost of the Group is determined in accordance with generally accepted pricing models based on discounted cash flow analysis using prices from observable markets transactions.

The fair values of non-current portion of interest-bearing bank loans and other borrowings have been calculated by discounting the expected future cash flows using rates currently available for the instruments with similar terms, credit risk and remaining maturities. The Group's own non-performance risk for interest-bearing bank borrowings and other borrowings as at 31 December 2020 was assessed to be insignificant.

管理層已評估現金及等同現金項目、應收賬款及票據、計入可退還按金及其他應收款項的金融資產、合約資產、應付賬款、計入金融負債之應計負債及其他應付款項、已收客戶按金、合約負債、應收／應付附屬公司款項之公平值，其與彼等之賬面值相若，主要由於該等工具乃於短期內到期。董事認為於綜合財務報表內按攤餘成本計量之金融資產及金融負債之賬面值與彼等之公平值相若。

本集團以攤餘成本計量之金融資產及金融負債之賬面值乃根據基於使用可觀測市場交易之價格進行折現現金流分析的普遍獲接納的定價模式予以釐定。

計息銀行貸款及其他借貸之非流動部分之公平值乃按條款、信貸風險及餘下年期相若之工具之目前適用利率折現預期未來現金流量計算。於二零二零年十二月三十一日，本集團本身就計息銀行貸款及其他借貸之不履行風險乃評估為輕微。

### 44. FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS (continued)

The fair values of unlisted equity investments in plastic materials dyeing have been estimated based on assumption that are not supported by observable market prices or rates. The valuation requires the Directors of the Company to make estimates using the enterprise value to earnings before interest and tax ratio of comparable listed companies adjusted for discount on lack of marketability. The Directors believe that the estimated fair value resulting from the valuation methodology, which are recorded in the consolidated statement of financial position, and the related changes in fair values, which are recorded in other comprehensive income, are reasonable and they were appropriate values at the end of the reporting period.

#### Fair value hierarchy

The following table presents the fair value of the Group's other financial instruments that are measured at fair value at the end of the reporting period on recurring basis, which categorised into the three-level fair value hierarchy as defined in HKFRS 13 Fair Value Measurement. The level into which a fair value measurement is classified is determined with reference to the observability and significance of the inputs used in the valuation technique as follows:

- Level 1 valuations: Fair value measured using only Level 1 inputs i.e. unadjusted quoted prices in active markets for identical assets and liabilities at the measurement date.
- Level 2 valuations: Fair value measured using Level 2 inputs i.e. observable inputs which fail to meet Level 1, and not using significant unobservable inputs. Unobservable inputs are inputs for which market data are available.

### 44. 金融工具之公平值計量 (續)

從事塑料染色的非上市股本投資之公平值乃基於並無觀察可得市場價格或利率支持之假設估計。進行估值時，本公司董事需要採用可資比較上市公司之企業價值比除息稅前盈利比率而作出估計，並經作出缺乏市場流動性之折讓調整。董事相信估值方法所達致之估計公平值（其列入綜合財務狀況表）及公平值之相關變動（其列入其他全面收益表）實屬合理，並為於報告期末最適當之價值。

#### 公平值層級

下表列示本集團於報告期末按經常性基準計量之其他金融工具之公平值，有關金融工具歸類為香港財務報告準則第13號公平值計量所界定之三個公平值層級。公平值計量所歸類之層級乃參照以下估值技術所用數據之可觀察程度及重要程度而釐定：

- 第一層估算：僅用第一層數據計量公平值，即於計量日期相同金融資產及負債在活躍市場之未經調整報價。
- 第二層估算：使用第二層數據計量公平值，即未能符合第一層之可以觀察得到之數據，以及不使用不可觀察得到之重要數據。不可觀察得到之數據指未有相關的市場數據。

# NOTES TO THE FINANCIAL STATEMENTS 財務報表附註

31 December 2020 二零二零年十二月三十一日

## 44. FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS (continued)

### Fair value hierarchy (continued)

- Level 3 valuations: Fair value measured using significant unobservable inputs.

	2020 二零二零年				2019 二零一九年			
	Fair value at 31 December 2020 於 二零二零年 十二月 三十一日之 公平值 HK\$'000 千港元	Level 1 第一層 HK\$'000 千港元	Level 2 第二層 HK\$'000 千港元	Level 3 第三層 HK\$'000 千港元	Fair value at 31 December 2019 於 二零一九年 十二月 三十一日之 公平值 HK\$'000 千港元	Level 1 第一層 HK\$'000 千港元	Level 2 第二層 HK\$'000 千港元	Level 3 第三層 HK\$'000 千港元
Equity investments at fair value through other comprehensive income (no recycling adjustment to profit or loss) (note 20)	118,100	-	-	118,100	97,300	-	-	97,300

During the year ended 31 December 2020, there were no transfers between level 1 and Level 2, or transfer into or out of Level 3 (2019: Nil). The Group's policy is to recognise transfers between levels of fair value hierarchy as at the end of the reporting period in which they occur.

Information about Level 3 fair value measurements:

	Valuation techniques 估值方法	Significant unobservable inputs 重大不可觀測輸入變量	Key data applied 主要應用數據	
			2020 二零二零年	2019 二零一九年
Unlisted equity investments in plastic materials dyeing 塑料染色之 非上市股本投資	Market comparable companies 市場可資比較公司	Discount for lack of marketability 缺乏市場流動性 之折讓 EV/EBIT ratio EV/EBIT比率	17.56%	15.41%
			16.14	16.00

## 44. 金融工具之公平值計量 (續)

### 公平值層級(續)

- 第三層估算：使用不可觀察得到之重要數據計量公平值。

於截至二零二零年十二月三十一日止年度，並無於第一層及第二層之間轉撥，或轉入或轉出第三層(二零一九年：無)。本集團之政策為於轉移發生的報告期末確認公平值層級間的轉移。

第三層公平值計量之資料：

# NOTES TO THE FINANCIAL STATEMENTS

## 財務報表附註

31 December 2020 二零二零年十二月三十一日

### 44. FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS (continued)

#### Fair value hierarchy (continued)

The fair value measurement is negatively correlated to the discount for lack of marketability. As at 31 December 2020, it was estimated that with all other variables held constant, a decrease/increase in discount for lack of marketability by 5% would have increased/decreased the Group's other comprehensive income by HK\$7,300,000 (2019: HK\$5,800,000).

The movements during the year in the balance of Level 3 fair value measurements are follows:

### 44. 金融工具之公平值計量 (續)

#### 公平值層級 (續)

公平值計量與缺乏市場流動性折扣負相關。於二零二零年十二月三十一日，估計所有其他變量保持不變，缺乏市場流動性折扣減少／增加5%將令本集團之其他全面收益增加／減少7,300,000港元（二零一九年：5,800,000港元）。

年內第三層公平值計量之結餘變動如下：

		2020 二零二零年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元
<b>Unlisted equity investments:</b>	<b>非上市股本投資：</b>		
At 1 January	於一月一日	97,300	92,200
Net unrealised income in fair value recognised in other comprehensive income	於其他全面收益確認公平值之未變現收益淨額	20,800	5,100
At 31 December	於十二月三十一日	118,100	97,300

# NOTES TO THE FINANCIAL STATEMENTS

## 財務報表附註

31 December 2020 二零二零年十二月三十一日

### 45. FINANCIAL RISK MANAGEMENT OBJECTIVE AND POLICIES

The Group's principal financial instruments comprise bank loans and other interest-bearing loans, cash and short term deposits. The main purpose of these financial instruments is to raise finance for the Group's operations. The Group has various other financial assets and liabilities such as trade receivables and trade payables, which arise directly from the Group's operations.

The Group's activities expose it to risks associated with the financial instruments include market risk (including foreign currency risk, interest rate risk and other price risk), credit risk and liquidity risk. The Group's overall risk management focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance. Management of the Company and its subsidiaries coordinates with the board of Directors at its headquarter in Hong Kong that monitors and manages the risk exposures and provides written policies to ensure appropriate measures are implemented on a timely and effective manner.

The Group does not actively engage in the trading of financial instruments for speculative purposes nor does it write options. The most significant financial risks to which the Group is exposed to are summarised below.

#### (a) Foreign currency risk

The Group adopted Hong Kong dollars (HK\$) as the currency for presentation purposes. The functional currencies of the Company and its PRC subsidiaries are HK\$ and RMB respectively.

Some of the trading transactions of the Group were denominated in United States dollar (US\$). The Group's exposure to currency risk arises from financial instruments that are monetary items or from financial instruments denominated not in the functional currencies of the respective entities within the Group, which are HK\$ and RMB. For the years ended 31 December 2020 and 2019, no sales of the Group were denominated in foreign currencies other than the functional currencies of the Group.

### 45. 財務風險管理目標及政策

本集團之主要金融工具包括銀行貸款及其他計息借貸、現金及短期存款。該等金融工具之主要目的乃為本集團業務籌集資金。本集團亦有多項直接於業務產生之其他金融資產及負債，例如應收賬款及應付賬款。

本集團就金融工具面臨的風險包括市場風險（包括外幣風險、利率風險及其他價格風險）、信貸風險及流動性風險，本集團之整體風險管理專注於金融市場之不可預測性，並尋求對本集團財務表現之潛在不利影響降至最低水平。本公司及其附屬公司之管理層與其香港總部之董事會合作，監控及管理風險並提供書面政策，以確保及時有效採取適當之措施。

本集團並不活躍於投機性的金融資產的交易活動，亦不發行衍生金融工具。本集團主要面對的重大金融風險概述如下。

#### (a) 外幣風險

本集團採納港元（「港元」）作為其呈列貨幣。本公司及其中國附屬公司之功能貨幣分別為港元及人民幣。

本集團的若干交易以美元（「美元」）計值。本集團面臨的外匯風險來自屬貨幣項目的金融工具或來自並非以本集團內各實體之功能貨幣（即港元及人民幣）計值的金融工具。於截至二零二零年及二零一九年十二月三十一日止年度，本集團銷售額概無以本集團之功能貨幣以外的外幣計值。

# NOTES TO THE FINANCIAL STATEMENTS

## 財務報表附註

31 December 2020 二零二零年十二月三十一日

### 45. FINANCIAL RISK MANAGEMENT OBJECTIVE AND POLICIES (continued)

#### (a) Foreign currency risk (continued)

At the end of the reporting period, the carrying amounts of the Group's foreign currency denominated monetary assets and liabilities translated into Hong Kong dollars at the closing rate are as follows:

		2020 二零二零年 US\$'000 千美元	2019 二零一九年 US\$'000 千美元
<b>Monetary financial assets</b>	<b>貨幣金融資產</b>		
Other receivables	其他應收款項	10	10
Cash and cash equivalents	現金及等同現金項目	1,360	1,162
		<b>1,370</b>	1,172
<b>Monetary financial liabilities</b>	<b>貨幣金融負債</b>	-	-
<b>Current net exposure</b>	<b>流動風險淨額</b>	<b>1,370</b>	1,172

#### *Sensitivity analysis of currency risk*

The management considered that the currency risk to be low as the exchange rates of US\$ relative to HK\$ or RMB were not significant for both 2020 and 2019. Therefore, no hedging or similar measures have been implemented by the Group. At 31 December 2020 and 2019, the impact of the Group's exposure to currency risk was minimal. Accordingly, no sensitivity analysis was presented.

### 45. 財務風險管理目標及政策 (續)

#### (a) 外幣風險 (續)

於報告期末，本集團以外匯計值的下列貨幣資產及負債按結算日的收市匯率換算為港元：

#### *貨幣風險敏感度分析*

由於二零二零年及二零一九年美元相對港元或人民幣之匯率波動並不顯著，管理層認為外幣風險較低。因此，本集團並未採取對沖及類似措施。於二零二零年及二零一九年十二月三十一日，本集團外幣風險之影響甚微。因此，並無呈列敏感度分析。

## 45. FINANCIAL RISK MANAGEMENT OBJECTIVE AND POLICIES (continued)

### (b) Interest rate risk

The Group is exposed to the risk of changes in market interest rate in relation to bank borrowings at fixed and variable interest rates (note 27) and considerations payable at variable rate (note 33) and bank balances (note 25 to the financial statements for details of these deposits) and fair value interest rate risk in relation to the other borrowing at variable rate (note 28). It is the Group's policy to manage its interest costs using a mix of fixed and variable rate debts, and to minimise fair value interest rate risk in relation to borrowings. At 31 December 2020, approximately 32.8% (2019: 31.5%) of the Group's bank borrowings and other borrowing, bore interest at fixed rates. The Group has no significant interest-bearing assets apart from bank balances with their interest rate profile disclosed in note 25 to the financial statements. The interest rate profiles of the bank borrowings and other borrowings are disclosed in notes 27, 28 and 33 to the financial statements respectively.

#### *Sensitivity analysis of interest rate risk*

The following table details the Group's sensitivity to a reasonably possible change of interest rates, with all other variables held constant, for 100 basis points ("bp", whereas 1 bp is equivalent to 0.01%) increase and decrease in interest rate as the sensitivity rate, assuming that the financial instruments outstanding at the end of the reporting period had been outstanding for the whole year. A positive number below indicates an increase in post-tax profit and total equity where interest rates generally decreased by 100 bp. For an increase in 100 bp, there would be an equal and opposite impact on the profit and total equity and the balances below would be negative.

## 45. 財務風險管理目標及政策 (續)

### (b) 利率風險

本集團就固定及浮動利率的銀行借貸(附註27)及按可變利率計息的應付代價(附註33)及銀行結餘(該等存款之詳情見財務報表附註25)面臨市場利率變動風險,並就浮動利率的其他借貸(附註28)面臨公平值利率風險。本集團的政策為混合使用固定及浮動利率負債之方式管理其利息成本,以及將有關借貸的公平值利率風險降至最低。於二零二零年十二月三十一日,本集團有約32.8%(二零一九年:31.5%)銀行借貸及其他借貸乃按固定利率計息。除銀行結餘(其利率概況披露於財務報表附註25)外,本集團並無重大帶息資產。銀行借貸及其他借貸之利率概況分別披露於財務報表附註27、28及33。

#### *利率風險敏感度分析*

下表詳細載列在所有其他變量保持不變之情況下本集團就利率上升及下降100個基點(「基點」,一個基點等同0.01%)對利率可能合理變動的敏感度,假設於報告期末的未償還金融工具於全年內仍未償還。下表的正數即表示當利率普遍下降100個基點時的除稅後溢利及股本總額的增加。倘上升100個基點,則會對溢利及股本總額構成同等幅度的相反效果,而下表的結餘將為負數。



# NOTES TO THE FINANCIAL STATEMENTS 財務報表附註

31 December 2020 二零二零年十二月三十一日

## 45. FINANCIAL RISK MANAGEMENT OBJECTIVE AND POLICIES (continued)

### (b) Interest rate risk (continued)

*Sensitivity analysis of interest rate risk (continued)*

	+ 100 bp impact 上升100個基點之影響		- 100 bp impact 下降100個基點之影響	
	2020 二零二零年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元	2020 二零二零年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元
(Decrease)/increase in profit after tax 除稅後溢利 (減少)/增加	(2,142)	(2,908)	2,142	2,908
(Decrease)/increase in total equity 總股本(減少)/增加	(2,142)	(2,908)	2,142	2,908

The sensitivity to interest rates of the Group has increased during the current year mainly due to the increase in variable rate borrowings. The analysis has been presented on the same basis for both years.

### (c) Equity price risk

The Group is exposed to equity price risk on its unlisted equity investments designated at fair value through other comprehensive income, which are determined by reference to the EBIT multiple of comparable listed companies in the same industry as set out in note 20 to the financial statements.

The Group's unlisted equity investments are held for long-term strategic purpose, which are confined to equity investments with key operations in plastic materials dyeing industry in Mainland China, and have risk and return profiles different from the core operations of the Group. The performance of the respective investees has been monitored by the Group's delegates appointed to the respective board of directors of the respective investees, and is assessed by independent professional valuer at least semi-annually by referring to the performance of other listed entities with similar business operations, comparing with the financial data of those investments available to the Group, and adjusted for the marketability of these investments relative to the benchmark data available in the market.

## 45. 財務風險管理目標及政策 (續)

### (b) 利率風險 (續)

*利率風險敏感度分析 (續)*

於本年度本集團對利率的敏感度已增加，乃主要浮動利率的借貸金額增加所致。於兩個年度均按相同基準呈列有關分析。

### (c) 股本價格風險

如財務報表附註20所載，本集團面臨其指定為透過其他全面收益按公平值入賬的非上市股本投資之股本價格風險，其乃參考相同行業可資比較上市公司的EBIT倍數釐定。

本集團持作長期策略目的之非上市股本投資，乃限於在中國內地經營塑料染色業的主要業務運作股本投資，且與本集團其他業務的風險及回報特點不同。各被投資者的表現由各被投資者的各自董事會委任的本集團代表監控，並由獨立專業估值師每半年參考具有類似業務的其他上市實體的表現進行評估，比較本集團可獲得的該等投資的財務數據，並就該等投資的可售性相對於從市場可獲得的基準數據予以調整。

## 45. FINANCIAL RISK MANAGEMENT OBJECTIVE AND POLICIES (continued)

### (c) Equity price risk (continued)

#### Sensitivity analysis of other price risk

The sensitivity analysis below has been determined based on the exposure to equity price risk at the reporting date. The following table illustrates the sensitivity if the prices of the respective equity investments had been 5% (2019: 5%) higher/lower, as a result of the changes in the multiple of enterprise value to earnings before interest and tax of comparable listed companies in the same industry, at the reporting date. A positive number below indicates an increase in post-tax profit and/or total equity, if any, where price of the equity investments increased by 5%. For a decrease in 5%, there would be an opposite impact on the profit and/or total equity and the balances below would be negative.

	+ 5% impact 上升5%之影響		- 5% impact 下降5%之影響	
	2020 二零二零年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元	2020 二零二零年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元
Increase/(decrease) in profit after tax 除稅後溢利增加／(減少)	-	-	-	-
Increase/(decrease) in total equity 總股本增加／(減少)	5,315	4,379	(5,315)	(4,379)

The Group's sensitivity to unlisted equity investments has applied the same basis for both years.

### (d) Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in a financial loss to the Group. The Group's credit risk is primarily attributable to trade receivables (note 22), other receivables (note 23) and contract assets (note 24). The Group's exposure to credit risk arising from cash and cash equivalents and bills receivables is limited because the counterparties are banks and financial institutions for which the Group considers to have low credit risk.

## 45. 財務風險管理目標及政策 (續)

### (c) 股本價格風險 (續)

#### 其他價格風險敏感度分析

下列敏感度分析已根據於報告日期的股本價格風險而釐定。下表列示倘若由於相同行業可資比較上市公司之企業價值比息稅前盈利之乘數變動引起各股本投資的價格於報告日期上升／下降5% (二零一九年：5%) 的敏感度。下表的正數即表示當股本投資之價格增加5%時的除稅後溢利及／或總股本 (如有) 增加。倘下降5%，則會對溢利及／或總股本構成同等幅度的相反效果，而下表的結餘將為負數。

本集團對非上市股本投資的敏感度於兩個年度乃應用相同基準。

### (d) 信貸風險

信貸風險指對手方將違反合約責任而導致本集團產生財務虧損。本集團信貸風險主要歸因於應收賬款 (附註22)、其他應收款項 (附註23) 及合約資產 (附註24)。因對手方為銀行及金融機構，本集團認為其信貸風險較低，故本集團現金及及等同現金項目及應收票據產生之信貸風險有限。

## 45. FINANCIAL RISK MANAGEMENT OBJECTIVE AND POLICIES (continued)

### (d) Credit risk (continued)

The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the consolidated statement of financial position. As at 31 December 2020, the Group does not provide any guarantees which would expose the Group to credit risk.

The Group has no significant concentration of credit risk in industries or countries in which the customers operate. Significant concentrations of credit risk primarily arise when the Group has significant exposure to individual customers. At the end of the reporting period 26.1% (2019: 40.3%) and 39.5% (2019: 43.2%) of the total trade receivables was due from the Group's largest customers and the five largest customers respectively.

The Group measures loss allowances for trade and bills receivables (including lease receivables) at an amount equal to lifetime ECLs, which is calculated using a provision matrix. As the Group's historical credit loss experience does not indicate significantly different loss patterns for different customer segments, the loss allowance based on past due status is not further distinguished between the Group's different customer bases.

An impairment analysis is performed at each reporting date using a provision matrix to measure expected credit losses. The provision rates are based on days past due for groupings of various customer segments with similar loss patterns (i.e., by services line). The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions. Generally, trade and bills receivables (including lease receivables) are written-off if past due for more than one year and are not subject to enforcement activity. The Group does not hold collateral as security over these balances.

## 45. 財務風險管理目標及政策 (續)

### (d) 信貸風險 (續)

最大之信貸風險為綜合財務狀況表所列每項金融資產之賬面值。於二零二零年十二月三十一日，本集團並無提供任何擔保而令本集團面對信貸風險。

本集團在客戶所經營行業或國家內並無重大集中的信貸風險。重大信貸集中風險主要為當本集團與個別客戶有重大貿易往來時產生。於報告期末，應收賬款總額之26.1%（二零一九年：40.3%）及39.5%（二零一九年：43.2%）分別為本集團之最大客戶及五大客戶之結欠款項。

本集團按相等於全期預期信貸虧損之金額計量應收賬款及票據（包括應收租賃）虧損撥備，有關金額乃使用撥備矩陣計算得出。由於本集團過往信貸虧損經驗並無顯示不同細分客戶群發生虧損的情況有顯著差異，因此在根據逾期狀況計算虧損撥備時未進一步區分本集團不同的客戶群。

本集團於各報告日期採用一個撥備矩陣進行減值分析，以計量預期信貸虧損。撥備率基於具有類似虧損模式之不同客戶群分組（即按服務類型）之逾期日數計算。有關計算反映概率加權結果、貨幣之時間價值，以及於報告日期可得有關過往事件、當前狀況及未來經濟狀況預測之合理及有根據資料。一般而言，倘逾期超過一年，則不論是否受執行活動影響，應收賬款及票據（包括應收租賃）予以撇銷。本集團並無持有抵押品作為此等結餘之擔保物。

# NOTES TO THE FINANCIAL STATEMENTS

## 財務報表附註

31 December 2020 二零二零年十二月三十一日

### 45. FINANCIAL RISK MANAGEMENT OBJECTIVE AND POLICIES (continued)

#### (d) Credit risk (continued)

ECLs rates are based on actual loss experience over the past 3 years, adjusted for factors that are specific to the debtors, and an assessment of both the current and forecast of general economic conditions at the end of the reporting period over the expected lives of the receivables. At 31 December 2020, lifetime ECLs of trade and bills receivables (including lease receivables) in the amount of HK\$14,429,000 (2019: HK\$4,469,000) was provided as amount of impairment measured under the ECLs model.

Set out below is the information about the credit risk exposure on the Group's trade and bills receivables (including lease receivables) using a provision matrix:

As at 31 December 2020

		Trade and bills receivables (including lease receivables) 應收賬款及票據(包括應收租賃)					
		Days past due 逾期日數					
		Not yet due or current	Less than 30 days	More than 30 but less than 120 days 多於30日 但少於120日	More than 120 but less than 360 days 多於120日 但少於360日	More than 360 days 多於360日	Total
		HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元
Expected credit loss rate	預期信貸虧損率	0.62%	0.99%	2.24%	23.20%	100.00%	10.03%
Gross carrying amount	賬面總值	74,373	11,203	13,068	41,227	3,996	143,867
Expected credit loss	預期信貸虧損	464	111	293	9,565	3,996	14,429

### 45. 財務風險管理目標及政策(續)

#### (d) 信貸風險(續)

預期信貸虧損率乃基於過去三年的實際虧損經驗(對債務人特定因素進行調整)及於應收款項預期年期之報告期末對目前及未來整體經濟情況之評估。二零二零年十二月三十一日,本集團已計提應收賬款及票據(包括應收租賃)之全期預期信貸虧損撥備14,429,000港元(二零一九年:4,469,000港元),作為根據預期信貸模式計量之減值金額。

以下載列有關採用撥備矩陣計算本集團應收賬款及票據(包括應收租賃)信貸風險承擔之資料:

於二零二零年十二月三十一日

# NOTES TO THE FINANCIAL STATEMENTS 財務報表附註

31 December 2020 二零二零年十二月三十一日

## 45. FINANCIAL RISK MANAGEMENT OBJECTIVE AND POLICIES (continued)

(d) Credit risk (continued)

As at 31 December 2019

## 45. 財務風險管理目標及政策 (續)

(d) 信貸風險 (續)

於二零一九年十二月三十一日

		Trade and bills receivables (including lease receivables) 應收賬款及票據 (包括應收租賃)					
		Days past due 逾期日數					
			More than 30 but less than 120 days 多於30日 但少於120日	More than 120 but less than 360 days 多於120日 但少於360日	More than 360 days 多於360日	Total 總計	
		Not yet due or current 未到期或即期	Less than 30 days 少於30日	More than 30 but less than 120 days 多於30日 但少於120日	More than 120 but less than 360 days 多於120日 但少於360日	More than 360 days 多於360日	Total 總計
		HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元
Expected credit loss rate	預期信貸虧損率	0.10%	0.22%	1.48%	8.41%	100.00%	4.78%
Gross carrying amount	賬面總值	78,845	5,090	4,268	1,058	4,229	93,490
Expected credit loss	預期信貸虧損	77	11	63	89	4,229	4,469

# NOTES TO THE FINANCIAL STATEMENTS

## 財務報表附註

31 December 2020 二零二零年十二月三十一日

### 45. FINANCIAL RISK MANAGEMENT

#### OBJECTIVE AND POLICIES (continued)

##### (e) Liquidity risk

The Group manages its liquidity through maintaining a balance between continuity of funding and flexibility through the use of bank borrowings, banking facilities, and other interest-bearing borrowings. In management of the liquidity risk, the Group maintains a level of cash and cash equivalents considered adequate by the management to finance the Group's operations and mitigate the effects of fluctuation in cash flows. The Group regularly monitors its liquidity requirements and its compliance of financial covenants, and ensures sufficient reserves of cash and adequate committed lines of funding from major financial institutions to meet its liquidity requirements in the short and longer terms. As at 31 December 2020, the Group did not have any available secured banking facilities not yet drawn down and the unsecured banking facilities not yet drawn down by the Group were approximately HK\$55,960,000 (2019: HK\$45,000,000).

Liquidity needs are monitored on a day-to-day basis. Long-term liquidity needs for a 360-day lookout period are identified monthly. Funding for long-term liquidity needs will be considered when there is any potential investment identified. For term loans subject to repayment on demand clauses which can be exercised at the bank's sole discretion, the following table shows the cash outflow based on the contractual repayment schedule and, separately, the impact of the timing of the cash outflows if the lenders were to invoke their unconditional rights to call the loans with immediate effect.

### 45. 財務風險管理目標及政策 (續)

##### (e) 流動性風險

本集團透過利用銀行借貸、銀行融資及其他計息借貸，在資金持續供應與靈活性之間維持平衡，並以此管理其現金流動性。在管理其流動性風險時，本集團保持管理層認為適當水平的現金及等同現金項目以撥付本集團之運營所需及減輕現金流動波動的影響。本集團定期監察其流動性要求及遵守金融契約情況，並確保有充足現金儲備及自主要融資機構獲得適當資金來源，滿足短期及長期流動性要求。於二零二零年十二月三十一日，本集團並無任何尚未提取之備用有抵押銀行融資及本集團尚未提取之無抵押銀行融資約55,960,000港元（二零一九年：45,000,000港元）。

流動性乃每日監控，並須每月鑒別360日展望期間所需之長期流動性。當鑒別到任何潛在投資時，將考慮為長期流動性需求撥資。關於本集團的定期貸款，如包括銀行能按其意願要求償還貸款的條款，下表顯列了根據合約還款計劃的現金流以及如貸方（使用無條件的權利）要求立即還款，其分別對現金流時間性的影響。

# NOTES TO THE FINANCIAL STATEMENTS

## 財務報表附註

31 December 2020 二零二零年十二月三十一日

### 45. FINANCIAL RISK MANAGEMENT OBJECTIVE AND POLICIES (continued)

#### (e) Liquidity risk (continued)

The following table details the remaining contractual maturities at the end of the reporting period for the Group's financial liabilities, which are based on contractual undiscounted cash flows and the earliest date the Group can be required to pay:

### 45. 財務風險管理目標及政策 (續)

#### (e) 流動性風險 (續)

下表詳述於報告期末本集團金融負債餘下合約到期日之詳情，乃根據合約未折現現金流及本集團可能被要求還款之最早日期為基準：

		As at 31 December 2020 於二零二零年十二月三十一日						
		Carrying amount	Total undiscounted cash flows 未折現現金 賬面值	Less than 1 month 少於1個月	1 to 3 months 1至3個月	3 months to 1 year 3個月至1年	1 to 5 years 1至5年	More than 5 years 超過5年
		HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元
<b>Financial liabilities</b>	<b>金融負債</b>							
Bank borrowings	銀行借貸							
– at variable rates	– 按浮動利率	118,825	119,065	6,025	8,750	98,050	6,240	–
– at fixed rates	– 按固定利率	70,210	70,480	3,540	6,490	56,050	4,400	–
Other borrowing	其他借貸							
– at variable rate	– 按浮動利率	25,000	25,000	–	–	25,000	–	–
Trade and bills payables	應付賬款及票據	66,315	66,315	12,268	27,627	26,420	–	–
Accrued liabilities and other payables	應計負債及其他應付款項	226,539	226,539	11,335	3,015	212,189	–	–
Lease liabilities	租賃負債	147	152	10	20	92	30	–
		507,036	507,551	33,178	45,902	417,801	10,670	–

# NOTES TO THE FINANCIAL STATEMENTS

## 財務報表附註

31 December 2020 二零二零年十二月三十一日

### 45. FINANCIAL RISK MANAGEMENT OBJECTIVE AND POLICIES (continued)

(e) Liquidity risk (continued)

### 45. 財務風險管理目標及政策 (續)

(e) 流動性風險 (續)

As at 31 December 2019

於二零一九年十二月三十一日

	Carrying amount	Total undiscounted cash flows 未折現現金	Less than 1 month	1 to 3 months	3 months to 1 year	1 to 5 years	More than 5 years		
								賬面值	流量總額
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元
<b>Financial liabilities</b>									
<b>Bank borrowings</b>									
- at variable rates	156,725	161,475	6,525	12,800	101,400	40,750	-		
- at fixed rates	83,684	85,901	4,306	15,652	34,099	31,844	-		
<b>Other borrowing</b>									
- at variable rate	25,000	26,969	-	-	-	26,969	-		
<b>Considerations payable for acquisition of subsidiaries</b>									
	24,800	24,800	-	-	24,800	-	-		
<b>Trade and bills payables</b>									
	32,732	32,732	4,325	6,443	21,964	-	-		
<b>Accrued liabilities and other payables</b>									
	196,733	196,733	28,595	3,073	165,065	-	-		
<b>Lease liabilities</b>									
	590	616	39	79	354	144	-		
	520,264	529,226	43,790	38,047	347,682	99,707	-		

The undiscounted cash flows of the other borrowings and the current portions of bank borrowings, trade payables, accruals, other payables, and deposits received are approximate to their carrying amount, as the impact of discounting is not significant.

其他借貸以及銀行借貸、應付賬款、應計負債、其他應付款項及已收按金之流動部份之未折現現金流與其賬面值相等，乃因折現之影響甚微。



## 45. FINANCIAL RISK MANAGEMENT OBJECTIVE AND POLICIES (continued)

### (f) Capital management

The Group's capital management objectives are:

- (i) to safeguard the Group's ability to continue as a going concern;
- (ii) to provide returns for shareholders and benefits for other stakeholders;
- (iii) to maintain an optimal capital structure to reduce the cost of capital;
- (iv) to support the Group's sustainable growth; and
- (v) to provide capital for the purpose of potential mergers and acquisitions.

The Group manages its capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain and adjust the capital structure, the Group will adjust the dividend payment to shareholders, issue new shares, buy back its shares, issue new debts or redeem existing debts.

Neither the Company nor any of its subsidiaries are subject to any externally imposed capital requirements.

There was no change in the objectives, policies or process for managing the capital during the years ended 31 December 2020 and 2019.

## 45. 財務風險管理目標及政策 (續)

### (f) 資本管理

本集團之資本管理目標如下：

- (i) 保障本集團有能力可以持續經營；
- (ii) 為股東帶來回報及為其他利益相關人帶來利益；
- (iii) 保持最優資本架構以削減資本成本；
- (iv) 支持本集團之可持續發展；及
- (v) 為潛在合併及收購提供資本。

本集團管理其資本架構並根據經濟環境及相關資產之風險性質調整其資本架構。為了維持及調整資本架構，本集團將調整支付予股東之股息、發行新股、購回股份、發行新債務或贖回現有債務。

本公司或其任何附屬公司概無任何外部資本承擔。

於截至二零二零年及二零一九年十二月三十一日止年度內，概無更改資本管理之目標、政策或程序。

# NOTES TO THE FINANCIAL STATEMENTS

## 財務報表附註

31 December 2020 二零二零年十二月三十一日

### 45. FINANCIAL RISK MANAGEMENT OBJECTIVE AND POLICIES (continued)

#### (f) Capital management (continued)

The Group monitors its capital using gearing ratio. The Group expects to maintain its gearing ratio at less than 50%. The gearing ratios as at 31 December 2020 and 2019 were as follows:

		2020 二零二零年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元
<b>Current liabilities</b>	<b>流動負債</b>		
Bank borrowings	銀行借貸	178,905	174,782
Other borrowing	其他借貸	25,000	-
Lease liabilities	租賃負債	117	451
Considerations payable for acquisition of subsidiaries	收購附屬公司之應付代價	-	24,800
		<b>204,022</b>	200,033
<b>Non-current liabilities</b>	<b>非流動負債</b>		
Bank borrowings	銀行借貸	10,130	65,627
Other borrowing	其他借貸	-	25,000
Lease liabilities	租賃負債	30	139
		<b>10,160</b>	90,766
<b>Total interest-bearing debts</b>	<b>計息債務總額</b>	<b>214,182</b>	290,799
<b>Total equity</b>	<b>總股本</b>	<b>1,163,337</b>	1,028,316
<b>Gearing ratio</b>	<b>資產負債比率</b>	<b>18.4%</b>	28.3%

### 45. 財務風險管理目標及政策 (續)

#### (f) 資本管理 (續)

本集團透過資本負債比率監管其資本。本集團預期維持其資本負債比率在50%以內。於二零二零年及二零一九年十二月三十一日之資產負債比率如下：

# NOTES TO THE FINANCIAL STATEMENTS

## 財務報表附註

31 December 2020 二零二零年十二月三十一日

### 46. STATEMENT OF FINANCIAL POSITION OF THE COMPANY 46. 本公司財務狀況報表

		Note 附註	2020 二零二零年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元
<b>Non-current assets</b>	<b>非流動資產</b>			
Interests in subsidiaries	於附屬公司之權益		<b>638,897</b>	624,893
<b>Current assets</b>	<b>流動資產</b>			
Amount due from subsidiaries	應收附屬公司款項		<b>123,621</b>	107,569
Prepayments	預付款項		<b>437</b>	622
Cash and cash equivalents	現金及等同現金項目		<b>39,252</b>	91,500
			<b>163,310</b>	199,691
<b>Current liabilities</b>	<b>流動負債</b>			
Bank borrowings	銀行借貸		<b>112,825</b>	120,725
Other borrowing	其他借貸		<b>25,000</b>	–
Accrued liabilities and other payables	應計負債及其他應付款項		<b>914</b>	1,040
			<b>138,739</b>	121,765
<b>Net current assets</b>	<b>流動資產淨值</b>		<b>24,571</b>	77,926
<b>Total assets</b>	<b>總資產</b>		<b>802,207</b>	824,584
<b>Total assets less current liabilities</b>	<b>總資產減流動負債</b>		<b>663,468</b>	702,819
<b>Non-current liabilities</b>	<b>非流動負債</b>			
Bank borrowings	銀行借貸		<b>6,000</b>	36,000
Other borrowing	其他借貸		–	25,000
			<b>6,000</b>	61,000
<b>Total liabilities</b>	<b>總負債</b>		<b>144,739</b>	182,765
<b>Net assets</b>	<b>資產淨值</b>		<b>657,468</b>	641,819
<b>Capital and reserves</b>	<b>資本及儲備</b>			
Share capital	股本	36	<b>30,357</b>	30,357
Reserves	儲備	37	<b>627,111</b>	611,462
<b>Total equity</b>	<b>股本總額</b>		<b>657,468</b>	641,819

# NOTES TO THE FINANCIAL STATEMENTS

## 財務報表附註

31 December 2020 二零二零年十二月三十一日

### 47. ENVIRONMENTAL CONTINGENCIES

For the year ended 31 December 2020, the Group's subsidiaries have provided regulated medical waste treatment and disposal services to hospitals and medical clinics, and provided hazardous industrial waste treatment services and industrial sewage treatment and disposal services in Jiangsu Province, PRC. The related operations require valid operating permission licences for processing specific categories of hazardous waste and/or regulated medical waste and industrial sewage treatment services issued by the Environmental Protection Department of the Jiangsu Province, PRC. To the best knowledge of the Company's Directors, each of the Group's subsidiaries which carries out treatment operations for hazardous industrial waste treatment and/or regulated medical waste and industrial sewage treatment services has complied with the relevant regulations to ensure continuous renewal of the licences concerned with best efforts, or otherwise, the subsidiary would cease its operations temporarily until the relevant licence(s) is being issued.

Save as disclosed therein, for the year ended 31 December 2020 and up to the date of this report, the Group's subsidiaries in the PRC have not incurred significant expenditures for environmental remediation and have not currently involved in any significant environmental remediation. In addition, the Company and the Group's subsidiaries in the PRC have not accrued any amounts for environmental remediation relating to its operations. Under existing legislations and regulations, the management believes that there are no probable liabilities that will have a material adverse effect to the financial position or operating results of the Group.

### 48. EVENTS AFTER THE REPORTING PERIOD

- (a) On 15 January 2021, 11,380,000 share options were granted to certain employees of the Group, as further detailed in note 41(a) to the financial statements.
- (b) After the end of the reporting period, the Directors of the Company recommended a final dividend. Further details are disclosed in note 12(a) to financial statements.

### 47. 環保業務或然事項

截至二零二零年十二月三十一日止年度，本集團之附屬公司向醫院及醫療診所提供受管制醫療廢物處理及處置服務，以及於中國江蘇省提供危險工業廢物處置服務及工業污水處理及處置服務。相關業務須獲中國江蘇省環保廳頒發特定類別之危險廢物及／或受管制醫療廢物及工業污水處置服務之有效經營許可證。就本公司董事所知，從事危險工業廢物處置及／或受管制醫療廢物及工業污水處置服務之本集團附屬公司各自已遵守相關規例，以盡最大努力確保可繼續續領有關許可證，否則附屬公司將暫時停止營運，直至獲發相關許可證為止。

除所披露者外，截至二零二零年十二月三十一日止年度及直至本報告日期為止，本集團之中國附屬公司並無產生重大的環保整治開支，目前亦無涉及任何其他重大的環保整治工作。此外，本公司及本集團之中國附屬公司並無在營運中並無就環境整治產生任何金額。根據現行法例及規例，管理層相信，並無可能負債將會對本集團之財務狀況或經營業績構成重大不利影響。

### 48. 報告期後事項

- (a) 於二零二一年一月十五日，本集團若干僱員獲授予11,380,000份購股權，詳情載於財務報表附註41(a)。
- (b) 於報告期結束後，本公司董事建議派發末期股息。進一步詳情於財務報表附註12(a)內披露。

# NOTES TO THE FINANCIAL STATEMENTS

## 財務報表附註

31 December 2020 二零二零年十二月三十一日

### 49. POSSIBLE IMPACT OF AMENDMENTS, NEW STANDARDS AND INTERPRETATIONS ISSUED BUT NOT YET EFFECTIVE FOR THE YEAR ENDED 31 DECEMBER 2020

Up to the date of issue of these financial statements, the HKICPA has issued a number of amendments, and a new standard, HKFRS 17, Insurance contracts, which are not yet effective for the year ended 31 December 2020 and which have not been adopted in these financial statements. These developments include the following which may be relevant to the Group.

Amendments to HKFRS 3	Reference to the Conceptual Framework <sup>2</sup>
Amendments to HKFRS 9, HKAS 39, HKFRS 7, HKFRS 4 and HKFRS 16	Interest Rate Benchmark Reform-Phase 2 <sup>1</sup>
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture <sup>4</sup>
HKFRS 17	Insurance Contracts and Related Amendments <sup>3</sup>
Amendments to HKAS 1	Classification of Liabilities as Current or Non-current <sup>3</sup>
Amendments to HKAS 16	Property, Plant and Equipment: Proceeds before Intended Use <sup>2</sup>
Amendments to HKAS 37	Onerous Contracts – Cost of Fulfilling a Contract <sup>2</sup>
Amendments to HKFRSs	Annual Improvements to IFRSs 2018-2020 <sup>2</sup>

- <sup>1</sup> Effective for annual periods beginning on or after 1 January 2021
- <sup>2</sup> Effective for annual periods beginning on or after 1 January 2022
- <sup>3</sup> Effective for annual periods beginning on or after 1 January 2023
- <sup>4</sup> No mandatory effective date yet determined but available for adoption

The Group is in the process of making an assessment of what the impact of these developments is expected to be in the period of initial application. So far it has concluded that the adoption of them is unlikely to have a significant impact on the consolidated financial statements.

### 49. 截至二零二零年十二月三十一日止年度已頒佈但仍未生效之修訂及新訂準則及詮釋之可能影響

直至本財務報表刊發日期，香港會計師公會已頒佈多項修訂及新增準則，香港財務報告準則第17號「保險合約」，該等修訂及新準則尚未於截至二零二零年十二月三十一日止年度生效，亦未於本財務報表採納。該等發展包括以下可能與本集團有關的內容。

香港財務報告準則第3號之修訂	概念框架的參考 <sup>2</sup>
香港財務報告準則第9號、香港會計準則第39號及香港財務報告準則第7號、香港財務報告準則第4號及香港財務報告準則第16號之修訂	利率基準改革 – 第2階段 <sup>1</sup>
香港報告準則第10號及香港準則第28號之修訂	投資者與其聯營公司或合營企業之間的資產出售或注資 <sup>4</sup>
香港財務報告準則第17號	保險合約及有關修訂 <sup>3</sup>
香港會計準則第1號之修訂	負債分類為流動或非流動 <sup>3</sup>
香港會計準則第16號之修訂	物業、廠房及設備：擬定用途前的所得款項 <sup>2</sup>
香港會計準則第37號之修訂	虧損合約 – 履行合約的成本 <sup>2</sup>
香港財務報告準則之修訂	香港財務報告準則二零一八年至二零二零年週期的年度改進 <sup>2</sup>

- <sup>1</sup> 於二零二一年一月一日或之後開始的年度期間生效
- <sup>2</sup> 於二零二二年一月一日或之後開始的年度期間生效
- <sup>3</sup> 於二零二三年一月一日或之後開始的年度期間生效
- <sup>4</sup> 尚未釐定強制生效日期，惟可供採納

本集團正評估該等修訂、新訂準則及詮釋於首次應用期間所產生之影響。現階段本集團並未發現其可能對綜合財務報表構成重大影響。

# NOTES TO THE FINANCIAL STATEMENTS

## 財務報表附註

31 December 2020 二零二零年十二月三十一日

### 50. COMPARATIVE FIGURES

Certain comparative figures have been reclassified to conform to the current year's presentation.

### 51. APPROVAL OF THE FINANCIAL STATEMENTS

The financial statements were approved and authorised for issue by the Board of Directors of the Company on 23 March 2021.

### 50. 比較數字

若干比較數經已作出重新分類以符合本年度的列方式。

### 51. 批准財務報表

財務報表於二零二一年三月二十三日獲本公司董事會批准及授權刊發。

**NEW UNIVERSE**  
ENVIRONMENTAL GROUP LIMITED  
新宇環保集團有限公司

