

# 中国博奇环保(控股)有限公司

## China Boqi Environmental (Holding) Co., Ltd.

(Incorporated in the Cayman Islands with limited liability)  
(於開曼群島註冊成立的有限公司)

Stock Code 股份代號 : 2377



# 2020

Annual Report

年報

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# Corporate Information

## 公司資料

### BOARD OF DIRECTORS

#### Executive Directors

Zeng Zhijun (*Chairman*)  
Cheng Liquan Richard

#### Non-Executive Directors

Zheng Tony Tuo  
Zhu Weihang  
Chen Xue

#### Independent Non-Executive Directors

Liu Genyu  
Xie Guozhong  
Lu Zhifang

### AUDIT COMMITTEE

Xie Guozhong (*Chairman*)  
Zheng Tony Tuo  
Liu Genyu

### REMUNERATION COMMITTEE

Lu Zhifang (*Chairman*)  
Zeng Zhijun  
Liu Genyu

### NOMINATION COMMITTEE

Zeng Zhijun (*Chairman*)  
Xie Guozhong  
Lu Zhifang

### JOINT COMPANY SECRETARIES

Qian Xiaoning  
Wong Wai Ling

### AUTHORIZED REPRESENTATIVES

Zeng Zhijun  
Wong Wai Ling

### AUDITOR

Ernst & Young  
*Registered Public Interest Entity Auditor*  
22/F, CITIC Tower  
1 Tim Mei Avenue, Central  
Hong Kong

### 董事會

#### 執行董事

曾之俊 (*主席*)  
程里全

#### 非執行董事

鄭拓  
朱偉航  
陳學

#### 獨立非執行董事

劉根鈺  
謝國忠  
陸志芳

### 審核委員會

謝國忠 (*主席*)  
鄭拓  
劉根鈺

### 薪酬委員會

陸志芳 (*主席*)  
曾之俊  
劉根鈺

### 提名委員會

曾之俊 (*主席*)  
謝國忠  
陸志芳

### 聯席公司秘書

錢曉寧  
黃慧玲

### 授權代表

曾之俊  
黃慧玲

### 核數師

安永會計師事務所  
*註冊公眾利益實體核數師*  
香港  
中環添美道1號  
中信大廈22樓

**REGISTERED OFFICE**

PO Box 309, Ugland House  
Grand Cayman KY1-1104  
Cayman Islands

**PLACE OF BUSINESS IN HONG KONG**

40/F, Dah Sing Financial Centre  
248 Queen's Road East  
Wanchai, Hong Kong

**HEADQUARTERS IN THE PRC**

Floor 2, Guoben Culture Building  
No. Jia 8, Xinglongzhuang  
Chaoyang District  
Beijing, the PRC

**LEGAL ADVISERS**

*As to Hong Kong law*  
William Ji & Co. LLP  
In association with  
Tian Yuan Law Firm Hong Kong Office  
Suites 3304-3309  
33/F, Jardine House  
One Connaught Place  
Central, Hong Kong

*As to PRC law*  
Commerce & Finance Law Offices  
6/F, NCI Tower  
A12 Jianguomenwai Avenue  
Beijing 100022  
the PRC

*As to Cayman Islands Law*  
Maples and Calder (Hong Kong) LLP  
53rd Floor, The Center  
99 Queen's Road Central  
Hong Kong

**註冊辦事處**

PO Box 309, Ugland House  
Grand Cayman KY1-1104  
Cayman Islands

**香港營業地點**

香港灣仔  
皇后大道東248號  
大新金融中心40樓

**中國主要辦事處**

中國北京市  
朝陽區  
興隆莊甲8號  
國本文化大廈2層

**法律顧問**

*有關香港法律*  
紀曉東律師行(有限法律責任合夥)  
與  
北京市天元律師事務所香港分所聯營  
香港中環  
康樂廣場1號  
怡和大廈33樓3304-3309室

*有關中國法律*  
通商律師事務所  
中國北京市建國門外  
大街甲12號  
新華保險大廈6層  
郵編100022

*有關開曼群島法律*  
邁普達律師事務所(香港)有限法律責任合夥  
香港  
皇后大道中99號  
中環中心53樓

## Corporate Information (Continued)

### 公司資料(續)

#### PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

Maples Fund Services (Cayman) Limited  
PO Box 1093  
Boundary Hall  
Cricket Square, Grand Cayman  
KY1-1102, Cayman Islands

#### HONG KONG BRANCH SHARE REGISTRAR

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

#### PRINCIPAL BANKERS

China Construction Bank, Chaoyang Branch  
China Minsheng Bank, Aoyuncun Branch  
China CITIC Bank, Beichen Branch  
Jiangsu Bank, Xuanwumen Branch  
China Merchants Bank, Jianguo Road Branch  
Bank of China (Hong Kong) Limited

#### STOCK CODE AND BOARD LOT

##### Stock Code:

2377

##### Board Lot:

1,000 shares

#### INVESTOR RELATIONS AND COMMUNICATIONS

Tel: +86 10 5957 9665  
+86 10 5957 9509  
Fax: +86 10 5957 9900 – 001  
Website: [www.chinaboqi.com](http://www.chinaboqi.com)  
Email: [irhk@chinaboqi.com](mailto:irhk@chinaboqi.com)

#### 主要股份過戶登記處

Maples Fund Services (Cayman) Limited  
PO Box 1093  
Boundary Hall  
Cricket Square, Grand Cayman  
KY1-1102, Cayman Islands

#### 香港股份過戶登記處分處

卓佳證券登記有限公司  
香港  
皇后大道東183號  
合和中心54樓

#### 主要往來銀行

中國建設銀行朝陽支行  
中國民生銀行奧運村支行  
中信銀行北辰支行  
江蘇銀行宣武門支行  
招商銀行建國路支行  
中國銀行(香港)有限公司

#### 股份代號及買賣單位

##### 股份代號：

2377

##### 買賣單位：

1,000股

#### 投資者關係與聯絡

電話：+86 10 5957 9665  
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傳真：+86 10 5957 9900—001  
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電郵：[irhk@chinaboqi.com](mailto:irhk@chinaboqi.com)

### ANNUAL RESULTS HIGHLIGHTS

For the year ended 31 December 2020 (the “**Reporting Period**”), the revenue of the Company and its subsidiaries (the “**Group**”) amounted to RMB1,646 million, representing a decrease of 10.3% as compared with last year.

For the year ended 31 December 2020, the gross profit of the Group amounted to RMB340 million and the gross profit margin of the Group was 20.7%, representing an increase of 10.7% and 4.0 percentage points as compared with last year, respectively.

For the year ended 31 December 2020, the net profit of the Group amounted to RMB207 million with a net profit margin of 12.6%, representing an increase of 13.1% and 2.6 percentage points as compared with the same period of last year, respectively.

During the year ended 31 December 2020, the newly signed contracts of the Group for flue gas treatment business amounted to RMB964 million, of which 18 O&M projects are in operation, covering thermal electricity, steel and coking sectors, and 9 concession projects are in progress. All projects are operated steadily in an orderly manner.

During the year ended 31 December 2020, the Group intended to invest in the construction of the Concentrated Water Advanced Treatment System Project of Lubao Sewage Treatment Center, with an estimated investment amount of approximately RMB100 million, which will provide wastewater treatment and flue gas treatment services for various chemical companies in the park.

### 年度業績摘要

截至2020年12月31日止年度（「**報告期**」），本公司及其附屬公司（「**本集團**」）的收益為人民幣1,646百萬元，較去年減少10.3%。

截至2020年12月31日止年度，本集團的毛利為人民幣340百萬元及本集團的毛利率為20.7%，較去年分別增長10.7%及4.0個百分點。

截至2020年12月31日止年度，本集團的純利為人民幣207百萬元及本集團的純利率為12.6%，較去年同期分別增長13.1%及2.6個百分點。

截至2020年12月31日止年度，本集團煙氣治理業務新訂約人民幣964百萬元；累計在投運的運行維護項目十八個，涵蓋火電、鋼鐵及焦化領域；在執行九個特許經營項目，所有項目有序穩定運行。

截至2020年12月31日止年度，本集團擬建設潞寶污水處理中心濃水深度處理系統項目，預計投資額人民幣100百萬元，為園區內各化工企業提供廢水處理和煙氣治理服務。

## FINANCIAL AND OPERATION HIGHLIGHTS (Continued)

### 財務及營運摘要 (續)

During the year ended 31 December 2020, the Group entered into the Energy Management Contract for the Sintering Waste Heat Power Generation Project with Tianjin Iron Works Co., Ltd. (“Tianjin Iron”) to provide Tianjin Iron with energy saving and environmental protection services. The total investment of the project was approximately RMB278 million, which has opened up a new market in the field of energy saving and environmental protection.

The board (the “**Board**”) of directors (the “**Directors**”) of the Company recommend the payment of HK\$7.40 cents per ordinary share as final dividend for the year ended 31 December 2020 (31 December 2019: HK\$3.15 cents).

截至2020年12月31日止年度，本集團與天津鐵廠簽署干熄焦餘熱發電工程項目合同能源管理協議，向天津鐵廠提供節能環保服務，項目總投資額約人民幣278百萬元，開拓節能環保領域新市場。

本公司董事（「**董事**」）會（「**董事會**」）已建議宣派截至2020年12月31日止年度之末期股息每股普通股7.40港仙（2019年12月31日：3.15港仙）。

## FINANCIAL AND OPERATION HIGHLIGHTS (Continued)

### 財務及營運摘要 (續)

The following table sets forth the Company's consolidated statements of profit or loss and other comprehensive income for the periods indicated:

下表載列所示期間本公司的綜合損益及其他全面收益表：

		Year ended 31 December 截至12月31日止年度				
		2020 2020年 RMB' 000 人民幣千元	2019 2019年 RMB' 000 人民幣千元	2018 2018年 RMB' 000 人民幣千元	2017 2017年 RMB' 000 人民幣千元	2016 2016年 RMB' 000 人民幣千元
Revenue	收益	1,646,131	1,836,496	1,744,998	1,329,078	1,352,955
Cost of sales and services	銷售及服務成本	(1,306,053)	(1,529,974)	(1,427,140)	(1,031,836)	(1,099,309)
Gross profit	毛利	340,078	306,522	317,858	297,242	253,646
Other income and gains and other expense and losses	其他收入及收益以及 其他開支及虧損	33,532	25,436	117,456	26,017	28,397
Selling and distribution expenses	銷售及分銷開支	(22,352)	(29,295)	(26,170)	(18,318)	(15,859)
Administrative expenses	行政開支	(79,540)	(88,776)	(98,485)	(80,688)	(68,449)
Research and development expenses	研發開支	(33,810)	(24,256)	(10,618)	(8,204)	(3,927)
Impairment losses on financial and contract assets	金融及合約資產的 減值虧損	(11,633)	(10,928)	(3,816)	10,158	-
Share of profits of associates	分佔聯營公司溢利	19,337	34,541	27,963	31,694	14,833
Finance costs	財務成本	(9,910)	(4,177)	(5,900)	(5,333)	(6,043)
Change in fair value of convertible ordinary shares	可轉換普通股之 公允價值變動	-	-	133,541	(233,228)	-
Listing expenses	上市開支	-	-	(3,319)	(14,114)	(9,141)
Profit before tax	除稅前溢利	235,702	209,067	448,510	5,226	193,457
Income tax expense	所得稅開支	(28,309)	(26,453)	(55,691)	(42,255)	(41,416)
Profit for the year	年內溢利	207,393	182,614	392,819	(37,029)	152,041
Other comprehensive loss	其他全面虧損					
<i>Other comprehensive loss that will not be reclassified to profit or loss in subsequent periods</i>	<i>往後期間不會重新分類至損益的其他全面虧損</i>					
Equity investments at fair value through other comprehensive income:	按公允價值計入其他全面 收益的股權投資					
Changes in fair value	公允價值變動	-	(2,374)	(5,460)	-	-
Income tax effect	所得稅影響	-	171	819	-	-
Net other comprehensive loss that will not be reclassified to profit or loss in subsequent periods	於往後期間不會重新分類至 損益的其他全面虧損淨額	-	(2,203)	(4,641)	-	-



## FINANCIAL AND OPERATION HIGHLIGHTS (Continued)

### 財務及營運摘要 (續)

		Year ended 31 December 截至12月31日止年度				
		2020 2020年 RMB' 000 人民幣千元	2019 2019年 RMB' 000 人民幣千元	2018 2018年 RMB' 000 人民幣千元	2017 2017年 RMB' 000 人民幣千元	2016 2016年 RMB' 000 人民幣千元
Total comprehensive income/(loss) for the year	年內全面收入/ (虧損)總額	207,393	180,411	388,178	(31,080)	148,981
Profit/(loss) attributable to:	以下應佔溢利/(虧損):					
Owners of the parent	母公司擁有人	207,608	182,537	394,359	(36,418)	152,041
Non-controlling interests	非控股權益	(215)	77	(1,540)	(611)	-
		207,393	182,614	392,819	(37,029)	152,041
Total comprehensive income/(loss) for the year attributable to:	以下應佔年內 全面收入/ (虧損)總額:					
Owners of the parent	母公司擁有人	207,608	180,334	389,718	(30,469)	148,981
Non-controlling interests	非控股權益	(215)	77	(1,540)	(611)	-
		207,393	180,411	388,178	(31,080)	148,981
Earnings/(loss) per share attributable to ordinary equity holders of the parent	母公司普通股權益持有人 應佔每股盈利/(虧損)					
- Basic (RMB)	- 基本 (人民幣)	0.21	0.18	0.44	(0.08)	0.25
- Diluted (RMB)	- 攤薄 (人民幣)	0.21	0.18	0.27	(0.08)	0.25

## FINANCIAL AND OPERATION HIGHLIGHTS (Continued)

財務及營運摘要 (續)

The following table sets forth selected items from the Company's consolidated statements of financial position as at the dates indicated:

下表載列於所示日期本公司綜合財務狀況表的選定項目：

		As at 31 December 於12月31日				
		2020 2020年 RMB' 000 人民幣千元	2019 2019年 RMB' 000 人民幣千元	2018 2018年 RMB' 000 人民幣千元	2017 2017年 RMB' 000 人民幣千元	2016 2016年 RMB' 000 人民幣千元
<b>ASSETS</b>	<b>資產</b>					
Total non-current assets	非流動資產總額	<b>1,800,781</b>	1,774,408	1,253,016	1,148,815	706,450
Total current assets	流動資產總額	<b>2,064,331</b>	2,222,644	2,277,234	1,695,867	1,635,406
Total assets	資產總額	<b>3,865,112</b>	3,997,052	3,530,250	2,844,682	2,341,856
<b>LIABILITIES AND EQUITY</b>	<b>負債及權益</b>					
Total current liabilities	流動負債總額	<b>1,299,353</b>	1,711,841	1,337,058	1,309,524	1,277,711
Total non-current liabilities	非流動負債總額	<b>114,941</b>	11,053	20,018	782,129	47,000
Total equity	權益總額	<b>2,450,818</b>	2,274,158	2,173,174	753,029	1,017,145
Total liabilities and equity	負債及權益總額	<b>3,865,112</b>	3,997,052	3,530,250	2,844,682	2,341,856

Note: There is no restatement of prior years financial information upon application of IFRS 9 and IFRS 15 as at 1 January 2018 and IFRS 16 as at 1 January 2019.

附註：於2019年1月1日應用國際財務報告準則第16號及於2018年1月1日應用國際財務報告準則第9號及國際財務報告準則第15號時，無重述過往年度財務資料。

## FINANCIAL AND OPERATION HIGHLIGHTS (Continued)

### 財務及營運摘要 (續)

The following table sets forth a summary of the consolidated statements of cash flows for the periods indicated: 下表載列所示期間綜合現金流量表概要：

		Year ended 31 December 截至12月31日止年度				
		2020 2020年 RMB million 人民幣百萬元	2019 2019年 RMB million 人民幣百萬元	2018 2018年 RMB million 人民幣百萬元	2017 2017年 RMB million 人民幣百萬元	2016 2016年 RMB million 人民幣百萬元
Net cash flows from operating activities	經營活動所得現金淨額	230	123	85	265	110
Net cash flows (used in)/from investing activities	投資活動(所用)/所得現金淨額	(130)	(439)	(376)	38	(318)
Net cash flows (used in)/from financing activities	融資活動(所用)/所得現金淨額	(32)	(15)	369	58	28

Dear Shareholders,

In 2020, the global economy was hit hard by the sudden outbreak of COVID-19, while the economies both at home and abroad were also negatively affected by the continuous trade disputes between China and the United States. Under the situation of floundering economic development and erratic recovery, China has become the only major economy in the world to achieve positive economic growth, demonstrating its strong resilience and vigorous development vitality.

In 2020, domestic environmental protection policies were further deepened, financial support was stepped up continuously and the financing environment was improved, providing strong support and driving force for industrial development. COVID-19 has also brought certain risks and impacts to environmental protection companies, but in the long run, governments and communities will place greater emphasis on environmental hygiene and health. As a result, the depth and breadth of environmental protection will be further enhanced and the environmental protection industry will also usher in new opportunities. With the forthcoming rolling out of the 14th Five-Year Plan, achieving new progress in the construction of ecological civilization has been set as one of the new goals of the plan. Against this backdrop, the environmental protection industry will continue to grow and develop flourishingly in the future.

尊敬的各位股東：

2020年，突如其來的新冠肺炎疫情讓全世界經濟遭遇重創，中美之間持續不斷的貿易糾紛給國內外經濟帶來負面影響。在發展之路曲折、經濟復蘇無常的局勢下，中國成為全球唯一實現經濟正增長的主要經濟體，彰顯了強大的抗挫能力和旺盛的發展活力。

2020年國內環保政策進一步深化，財政支持有增無減，融資環境獲得改善，為產業發展提供了有力支持和強勁動力。新冠疫情同樣給環保企業帶來一定風險和衝擊，但長期來看，政府和社會將更加重視環境衛生與健康，環境保護的深度、廣度將進一步加強，環保行業也將迎來新的機遇。「十四五」規劃即將起航，「生態文明建設實現新進步」被設定為新目標之一，未來環保產業將持續向上、蓬勃發展。

## Chairman's Statement (Continued)

### 主席報告書(續)

In 2020, the Group has made every effort to overcome the stiff headwind to make progress, realized comprehensive transformation through reforms and innovations and achieved remarkable results. The flue gas treatment business has developed steadily as a whole and has secured a number of new projects in non-electrical fields. The water treatment business has been further expanded and has brought satisfactory returns to the Group. Meanwhile, the Group has made deployments in hazardous and solid waste treatment/disposal business and energy saving and environmental protection business to open up new market space. Besides, a substantial breakthrough has been made in the diversified business development integrating flue gas, liquid, solid waste and energy saving and environmental protection, bringing a promising prospect for the Company as it is developing into a comprehensive enterprise providing all-round intelligent environmental protection services.

Looking forward to the future, when the 14th Five-Year Plan is fully launched, China will embark on a new journey of building socialist modernization in an all-round way. Taking advantage of the favorable policies in the environmental protection industry, the Group will continue to expand its business layout, further consolidate its position in the industry and continue to enhance its profitability, striving to establish a comprehensive environmental protection platform enterprise.

On behalf of the Board, I would like to sincerely thank our shareholders, customers and business partners for their continuous strong support to the Group, and also express my sincere gratitude to all the management and employees for their dedicated hard work.

**Zeng Zhijun**

*Chairman*

29 March 2021

本集團於2020年勵精圖治，逆勢進取，歷經改革與創新，實現全面轉型，成績斐然。煙氣治理業務整體穩健發展，獲得多個非電領域新項目，水處理業務進一步拓展，並為集團帶來良好收益，同時，佈局危固廢處理處置業務和節能環保業務，開拓新的市場空間。在構建氣+液+固+節能環保業務多元化發展方向上取得實質性突破，公司迎來新局面，向多領域全方位智能型環保管家服務方向邁進。

展望未來，在十四五規劃全面起航之際，中國將開啟全面建設社會主義現代化新徵程，本集團將藉助環保行業政策紅利，持續拓寬業務版圖，進一步鞏固行業地位，持續提升盈利能力，努力打造成為平台型綜合性環保企業。

本人謹代表董事會對一貫給予本集團大力支持的股東、客戶及合作夥伴；對一直為集團付出辛勤工作和努力的全體管理層及員工致以衷心感謝。

**曾之俊**

*主席*

2021年3月29日

# Chief Executive Officer's Statement

## 行政總裁報告書

Dear Shareholders,

The environmental protection industry has undergone adjustments and transitions in recent years, incubating a new pattern of structural reform and industry reshuffle. Since 2020, benefited from such positive changes, the industry generally has been in a growth trend and its overall operating income has continued to grow. With the gradual improvement in the financing environment, market competition tends to be healthy and high-quality environmental protection enterprises have enhanced their competitiveness after industry reshuffle. However, due to the impact of COVID-19, the growth of the overall revenue and profit in the environmental protection sector was subdued in 2020.

The Group adhered to the policy of steady development in 2020 and accelerated its strategic transformation, and insisted on its market positioning of providing comprehensive one-stop environmental governance services for the industrial sectors. On the basis of its flue gas treatment business and capitalizing on its customer base and the advantages of existing projects, the Group has promoted the further development of water treatment projects. Meanwhile, the Group has explored into the new business sectors of hazardous and solid waste treatment, disposal and energy saving and environmental protection, thus establishing a new business model of the Group with the diversified development of the businesses of flue gas, liquid, solid waste and energy saving and environmental protection. The Group has developed steadily under a volatile environment, seized opportunities amidst changes, and strived to forge ahead against the headwind and achieved remarkable results during the year.

尊敬的各位股東：

環保行業歷經近幾年的調整和過渡，孕育著結構重整、行業洗牌的新格局。2020年以來迎來積極的變化，行業趨勢整體向上，產業營業收入持續增長，融資環境逐步改善，市場競爭趨於良性格局，優質的環保公司經歷行業洗禮競爭力增強。但由於受新冠疫情影响，2020年環保板塊整體收入及利潤受到一定衝擊，增幅不明顯。

本集團於2020年度內堅持穩健發展的方針，加速推進戰略轉型，堅持工業環境綜合治理一站式服務的市場定位。在煙氣治理業務的基礎上，借助已有客戶和項目優勢，推進水處理項目進一步發展，同時打開危固廢處理處置和節能環保新業務板塊，構建了集團氣+液+固+節能環保多元化業務發展的產業格局。於動盪中穩健發展，於變化中把握機遇，逆勢而上，努力進取，年度內取得屢屢佳績。

## Chief Executive Officer's Statement (Continued)

### 行政總裁報告書(續)

With respect to business expansion, the continuous development of each business segment has laid a solid foundation for the long-term sustainable development of the Group. Numerous projects of flue gas treatment in non-electricity fields have been implemented one after another, covering various sectors such as steel, chemical, coke dry quenching and industrial kilns, while the water treatment business has operated successfully and further expanded. The Sewage Treatment Center of Shanxi Lubao Industrial Park operated stably during the year, bringing in good returns for the Group. Capitalizing on the advantage of this project, the Group planned to invest RMB100 million in the construction of the Concentrated Water Advanced Treatment System Project of Lubao Sewage Treatment Center in 2020, which will become another growth driver for the water treatment business of the Group.

In 2020, the Group actively developed its hazardous and solid waste treatment business, successfully expanding into the new market of energy saving and environmental protection. By undertaking the Coke Dry Quenching Waste Heat Power Generation Project of Tianjin Iron Works Co., Ltd., the Group has made further step to becoming a large-scale comprehensive group providing environmental treatment services. In the future, the Group will strive to promote the coordinated development of various business segments to enable the rapid and robust growth of emerging businesses.

In terms of finance, a stable working capital has supported the vigorous expansion of the Group's business. In order to minimize the risk of COVID-19 to the Group, the Group has rationally adjusted its budget management, stepped up its efforts on receivables recovery and improved its internal financial management system. During the year, the Group recorded an operating income of RMB1,646 million and net profit of RMB207 million. The Group has continued to maintain a healthy asset structure, sufficient working capital and a relative low gearing ratio. At the same time, efforts have been made to broaden financing channels to provide financial guarantee for future business development. In the face of the rapidly changing market environment, a sound capital structure has ensured the steady development of the Group.

業務拓展方面，各業務板塊持續發展，為集團長期可持續發展鋪墊堅實基礎。多個非電領域煙氣治理項目頻頻落地，涵蓋鋼鐵、化工、乾熄焦、工業窑爐等領域；水處理業務成功運營並進一步擴大，年度內山西潞寶工業園污水處理中心運行穩定，為集團帶來良好收益，並借助此項目優勢，2020年計劃投資人民幣100百萬元建設潞寶污水處理中心濃水深度處理系統項目，將成為集團水處理板塊的又一靚麗業績。

2020年本集團積極佈局危固廢處理業務，成功開拓節能環保新市場，承接天津鐵廠乾熄焦餘熱發電工程項目，向大型綜合環境治理服務集團方向更進一步。未來，本集團將努力推進各業務板塊協同發展，使新興業務快速成長發展壯大。

財政方面，穩定的運營資金為集團開拓進取保駕護航。為了最大程度降低疫情對集團的風險，本集團合理調整預算管理，加強資金收款力度，完善內部財務管理體系。於年度內錄得營業收入人民幣1,646百萬元，淨利潤人民幣207百萬元。繼續保持優良的資產結構，充裕的運營資金，較低的資產負債比率。同時努力拓寬融資渠道，為未來業務發展提供資金保障。面對風浪突變的市場環境，穩健的資金保障集團安穩前行。

On the other hand, the Group exercises a high efficient and rigorous corporate governance practice, which has provided a strong driving force for the Group to move forward. In 2020, the Group continued to enhance the level of corporate governance, improve the corporate management system and strengthen cost and expense control, ensuring an efficient and standardized operation of the Group. At the same time, the Group reformed its performance appraisal system during the year, paid attention to the introduction and training of talents and stimulated the potential of employees and improved their work efficiency, thus making concerted efforts to commit to the development of the Group.

In 2021, the 14th Five-Year Plan will open a new chapter in the environment protection industry, in which the battle for pollution prevention and control will continue. The state policy of peaking carbon dioxide emissions and carbon neutrality implies huge industry opportunities, and green and low-carbon development will become a new engine for the high-quality development of the country's economy. In the future, environmental protection will still be the focus of national attention. Both policy and economy of the country will continue to support the vigorous development of the environmental protection industry, and while the industry becomes mature, its role in the development of the national economy will become more and more prominent. All members of the Group will work together to tackle tough issues, move forward courageously to grasp the new trend of environmental protection policies and actively respond to the opportunities and challenges of market changes, striving to open up a new chapter in the development of the Group.

**Zeng Zhijun**

*Chief Executive Officer*

29 March 2021

公司治理方面，高效嚴謹的企業管治為集團前進提供強大的驅動力。2020年本集團繼續提高企業治理水平：完善企業管理制度，加強成本費用管控，使集團運轉高效且規範。同時本集團於年度內改革績效考核體系，重視人才引進及培養，激發員工潛質並提高工作效率，齊心協力共同致力於集團發展。

2021年，「十四五」規劃打開新篇章，污染防治攻堅戰將繼續戰鬥，碳達峰與碳中和蘊含著巨大的行業機遇，綠色低碳發展將成為我國經濟高質量發展的新引擎。未來，環保仍是國家關注的重點方向，政策和經濟兩方面將繼續支持環保產業蓬勃發展，趨於成熟，在國民經濟發展中的作用越來越凸顯。本集團將同心攻堅，勇往直前，把握環保政策新趨勢，積極應對市場變化的機遇與挑戰，開創集團發展新局面。

**曾之俊**

*行政總裁*

2021年3月29日



## Company Profile

### 公司簡介

The Group is committed to becoming a world-class comprehensive group in the environmental protection industry and a service provider of intelligent green housekeeping. The Company was successfully listed on the Main Board of the Stock Exchange of Hong Kong Limited on 16 March 2018 (stock code: 2377). The Group provides comprehensive one-stop environmental protection and energy saving services to large-scale industrial customers in energy, chemical and manufacturing industries, by mainly engaging in the businesses of flue gas treatment, water treatment, hazardous and solid waste treatment/disposal and energy saving and environmental protection. Leveraging on its solid experience and professional capabilities in R&D and design, construction and implementation, operation and management of environment pollution prevention and control, the Group has helped its clients to greatly reduce pollutant emissions and effectively improve their production efficiencies, making remarkable contributions to the improvement of air quality and environment quality, the development of green economy and sustainability.

During the Reporting Period, the Group steadily promoted the continuous development of various business segments and achieved substantial breakthroughs in business diversification, resulting in new contracts with an accumulated value of approximately RMB1,465 million. Numerous projects of flue gas treatment in non-electricity fields have been implemented frequently, while the water treatment business market has been further expanded and began to contribute profits to the Group. The Group has expanded into the hazardous and solid waste treatment/disposal business, and also successfully made deployments in the energy saving and environmental protection market by undertaking the Sintering Waste Heat Power Generation Project of Tianjin Iron Works Co., Ltd.. The Group has established an industrial layout based on the flue gas treatment business to jointly develop water treatment, hazardous and solid waste treatment/disposal and energy saving and environmental protection business, fostering a new business model with the diversified development of the businesses of flue gas, liquid, solid waste and energy saving and environmental protection and ushering in a new dimension for the Group. In the future, taking advantage of the favorable policies in the industry, the Group will continue to promote the expansion of various business segments in an orderly manner and take initiatives to carry out strategic cooperation and investment, merger and acquisition in various fields in a timely manner to further the development of the Group.

本集團致力於打造成為國際一流的綜合性環保產業集團及智能型環保管家服務提供商。本公司於2018年3月16日成功在香港聯合交易所有限公司主板上市（股票代碼：2377）。本集團向大型能源、化工及製造業等工業客戶提供環保及節能綜合性一站式服務，主要從事煙氣治理、水處理、危固廢處理處置及節能環保業務。本集團憑藉其在環境污染治理上研發與設計、建設與運行、經營與管理的豐富經驗及專業能力，大大降低污染物的排放量並有效提高客戶生產效率，為改善空氣質量、環境質量、發展綠色經濟和可持續發展做出了傑出貢獻。

於報告期內，本集團穩步推進各業務板塊持續發展，業務多元化取得實質性突破，累計新訂約合同額約人民幣1,465百萬元。煙氣治理非電領域多個項目頻頻落地；進一步擴大水處理業務市場，開始為集團業績貢獻收益；積極佈局危固廢處理處置業務；並成功開拓節能環保市場，承接天津鐵廠乾熄焦及燒結餘熱發電項目。本集團構建了以煙氣治理業務為基礎，共同發展水處理、危固廢處理處置及節能環保業務的產業格局，形成氣+液+固+節能環保業務多元化發展新局面。未來，本集團將繼續有序推進各業務板塊拓展，適時開展各領域的戰略合作與投資併購業務，藉助行業政策紅利，使集團發展更進一步。

# Directors and Senior Management

## 董事及高級管理層

### DIRECTORS

The Board currently consists of eight Directors, comprising two executive Directors, three non-executive Directors and three independent non-executive Directors. The following table sets forth information regarding the Directors.

### 董事

董事會現有八位董事，包括兩位執行董事、三位非執行董事及三位獨立非執行董事。下表載列有關董事的資料。

Name 姓名	Age 年齡	Position 職位	Date of Appointment as Director 獲委任為董事日期
<b>Executive Directors</b> 執行董事			
Mr. Zeng Zhijun 曾之俊先生	50	Chairman of the Board, executive Director and chief executive officer 董事會主席、執行董事及行政總裁	30 January 2015 2015年1月30日
Mr. Cheng Liquan Richard 程里全先生	55	Executive Director 執行董事	30 January 2015 2015年1月30日
<b>Non-executive Directors</b> 非執行董事			
Mr. Zheng Tony Tuo 鄭拓先生	52	Non-executive Director 非執行董事	30 January 2015 2015年1月30日
Mr. Zhu Weihang 朱偉航先生	34	Non-executive Director 非執行董事	9 January 2017 2017年1月9日
Mr. Chen Xue 陳學先生	54	Non-executive Director 非執行董事	9 January 2017 2017年1月9日
<b>Independent non-executive Directors</b> 獨立非執行董事			
Mr. Liu Genyu 劉根鈺先生	57	Independent non-executive Director 獨立非執行董事	28 February 2018 2018年2月28日
Dr. Xie Guozhong 謝國忠博士	60	Independent non-executive Director 獨立非執行董事	28 February 2018 2018年2月28日
Mr. Lu Zhifang 陸志芳先生	67	Independent non-executive Director 獨立非執行董事	28 February 2018 2018年2月28日

## Directors and Senior Management (Continued)

### 董事及高級管理層 (續)

#### EXECUTIVE DIRECTORS

**Mr. Zeng Zhijun (曾之俊) (“Mr. Zeng”)**, aged 50, is the chairman of the Board, an executive Director, the chief executive officer, the chairman of the Nomination Committee and a member of the Remuneration Committee of the Company. Mr. Zeng is responsible for the overall management and operation of the Group. Mr. Zeng was appointed to the Board on 30 January 2015. Mr. Zeng joined the Group in June 2004 serving as a director of Beijing Boqi Electric Power SCI-TECH Co., Ltd.\* (北京博奇電力科技有限公司) (“**Beijing Boqi**”, the major operating subsidiary of the Group, and became the vice chairman of Beijing Boqi in June 2007. Mr. Zeng currently serves as the chairman and general manager of Beijing Boqi. Mr. Zeng served as the chairman of Beijing Horizon Media Group Inc.\* (北京華亞和訊科技有限公司) from December 2002 to October 2004.

Mr. Zeng graduated from Beijing Institute of Technology (北京理工大學) with a bachelor’s degree in computer science and engineering in July 1992. Mr. Zeng received a master’s degree in business administration from Massachusetts Institute of Technology in June 2001. Mr. Zeng was awarded the degree of Doctor of Management from The Hong Kong Polytechnic University on 3 November 2010.

Since February 2005, Mr. Zeng has served as a director of Richinfo Technology Co., Ltd.\* (彩訊科技股份有限公司) (formerly known as Shenzhen Richinfo Technology Co., Ltd.\* (深圳市彩訊科技有限公司)) (a listed company on the Shenzhen Stock Exchange since 23 March 2018, stock code: 300634.SZ), a company that provides mobile Internet technology services in the PRC. Save as disclosed above, Mr. Zeng did not hold directorships in any public listed companies in the last three years.

#### 執行董事

曾之俊先生(「曾先生」)，50歲，本公司董事會主席、執行董事、行政總裁、提名委員會主席及薪酬委員會成員。曾先生負責本集團整體管理及運營。曾先生於2015年1月30日獲委任加入董事會。曾先生於2004年6月加入本集團，擔任本集團主要營運附屬公司北京博奇電力科技有限公司(「北京博奇」)的董事，並於2007年6月成為北京博奇的副董事長。曾先生目前擔任北京博奇的董事長兼總經理。於2002年12月至2004年10月，曾先生擔任北京華亞和訊科技有限公司董事長。

曾先生於1992年7月獲得北京理工大學計算機科學及工程學士學位。曾先生於2001年6月獲得麻省理工學院工商管理碩士學位。曾先生於2010年11月3日獲授香港理工大學管理學博士學位。

自2005年2月起，曾先生擔任彩訊科技股份有限公司(前稱深圳市彩訊科技有限公司，一間自2018年3月23日起於深圳證券交易所上市的公司(股票代碼：300634.SZ)董事，該公司於中國提供移動互聯網技術服務。除上文所披露者外，曾先生在過去三年並無於任何上市公司擔任董事職務。

**Mr. Cheng Liquan Richard (程里全) (“Mr. Cheng”)**, aged 55, is an executive Director. Mr. Cheng is primarily responsible for the overall strategic planning and direction of the Group. Mr. Cheng was appointed to the Board on 30 January 2015.

Mr. Cheng joined the Group serving as a director of Beijing Boqi on 15 June 2005. Mr. Cheng served as the chairman of the board of Beijing Boqi from December 2007 to December 2020 and served as its chief executive officer from December 2009 to February 2017. Mr. Cheng currently serves as the general manager of Zhejiang Boqi Electric Power SCI-TECH Co., Ltd.\* (浙江博奇電力科技有限公司) (“Zhejiang Boqi”) and Anhui Nengda Fuel Co., Ltd.\* (安徽能達燃料有限公司) (“Anhui Nengda”). Prior to joining the Group, Mr. Cheng held various positions at Bit Technology Holding Co., Ltd.\* (比特科技控股股份有限公司), a company that was principally engaged in the wholesale of spare parts for power plants, from April 2000 to March 2003, including deputy manager, general manager, the chairman of the board and a director. Mr. Cheng has been a director of Ningbo Bonded Area Jiujiu Leasing Co. Ltd.\* (寧波保稅區久久租賃有限公司) (previously known as Ningbo Huaneng Leasing Co. Ltd.\* (寧波華能租賃有限公司)) (“Ningbo Leasing”) from 2004 to 2007.

Mr. Cheng graduated from Fudan University with a bachelor’s degree in political economy in July 1987.

From June 2010 to September 2014, Mr. Cheng served as a director of Wuhan Boch Jaco Environmental Co., Ltd.\* (武漢博奇玉宇環保股份有限公司) (National Equities Exchange and Quotations Stock Code: 831100). From August 2011 to March 2017, Mr. Cheng was a director of Shanghai ZJ Bio-Tech Co., Ltd.\* (上海之江生物科技股份有限公司) (National Equities Exchange and Quotations Stock Code: 834839). Since 28 November 2019, Mr. Cheng has served as the chairman of the board of directors and an executive director of China Nature Energy Technology Holdings Limited (listed on the main board of the Stock Exchange of Hong Kong Limited, stock code: 1597). Save as disclosed above, Mr. Cheng did not hold directorships in any listed public companies in the last three years.

程里全先生(「程先生」)，55歲，為本公司執行董事。程先生主要負責本集團整體策略規劃及引導。程先生於2015年1月30日獲委任加入董事會。

程先生於2005年6月15日加入本集團，擔任北京博奇的董事。程先生於2007年12月至2020年12月擔任北京博奇的董事會主席，於2009年12月至2017年2月間亦擔任北京博奇的行政總裁。程先生目前亦擔任浙江博奇電力科技有限公司(「浙江博奇」)及安徽能達燃料有限公司(「安徽能達」)的董事。加入本集團前，程先生自2000年4月至2003年3月於主要從事批發發電廠備件的公司比特科技控股股份有限公司擔任多個職務，包括副經理、總經理、董事會主席及董事。程先生自2004年至2007年為寧波保稅區久久租賃有限公司(「寧波租賃」，前稱寧波華能租賃有限公司)的董事。

程先生於1987年7月獲得復旦大學政治經濟學士學位。

於2010年6月至2014年9月，程先生於武漢博奇玉宇環保股份有限公司(全國中小企業股份轉讓系統股份號碼：831100)擔任董事。自2011年8月起至2017年3月，程先生為上海之江生物科技股份有限公司(全國中小企業股份轉讓系統股份號碼：834839)的董事。自2019年11月28日起，程先生於中國納泉能源科技控股有限公司(香港聯合交易所有限公司主板股票代碼：1597)擔任董事會主席兼執行董事。除上文所披露者外，程先生在過去三年並無於任何上市公司擔任董事職務。

## Directors and Senior Management (Continued)

### 董事及高級管理層 (續)

#### NON-EXECUTIVE DIRECTORS

**Mr. Zheng Tony Tuo (鄭拓) (“Mr. Zheng”)**, aged 52, is a non-executive Director and a member of the Audit Committee of the Company. Mr. Zheng also served as a director of Beijing Boqi. Mr. Zheng was appointed to the Board on 30 January 2015.

From May 2011 to August 2016, Mr. Zheng served as a director of CITIC Securities International Asset Management Limited (中信證券國際資產管理有限公司), a private company incorporated in Hong Kong. In 2008, Mr. Zheng established MTP Capital Limited, a company that provides investment related consulting services, where he is mainly responsible for the overall management and operation of the company. From September 2000 to March 2010, Mr. Zheng was a director of Compass Venture (China) Limited, a private company incorporated in Hong Kong.

Mr. Zheng received a bachelor’s degree in science from McMaster University in Canada in June 1992.

Mr. Zheng did not hold directorships in any public listed companies in the last three years.

**Mr. Zhu Weihang (朱偉航) (“Mr. Zhu”)**, aged 34, is a non-executive Director of the Company. Mr. Zhu was appointed to the Board on 9 January 2017. Mr. Zhu also served as a director of Beijing Boqi.

#### 非執行董事

鄭拓先生(「鄭先生」)，52歲，為本公司非執行董事及審核委員會成員。鄭先生亦擔任北京博奇的董事。鄭先生於2015年1月30日獲委任加入董事會。

於2011年5月至2016年8月期間，鄭先生擔任中信證券國際資產管理有限公司(一間於香港註冊成立的私人公司)之董事。鄭先生於2008年創辦MTP Capital Limited，該公司提供投資相關諮詢服務，彼主要負責該公司整體管理及營運。於2000年9月至2010年3月期間，鄭先生擔任Compass Venture (China) Limited(一間於香港註冊成立的私人公司)之董事。

鄭先生於1992年6月獲得加拿大麥克馬斯特大學理學學士學位。

鄭先生在過去三年並無於任何上市公司擔任董事職務。

朱偉航先生(「朱先生」)，34歲，為本公司非執行董事。朱先生於2017年1月9日獲委任加入董事會。朱先生亦擔任北京博奇的董事。

Mr. Zhu is currently the chairman of Guangdong Pearl River Investment Co., Ltd.\* (廣東珠江投資股份有限公司), where he is fully responsible for the company's strategic planning, major investment and production management. Mr. Zhu has been working at Guangdong Pearl River Investment Co., Ltd.\* (廣東珠江投資股份有限公司) since September 2008, where he has held various positions in its different branch companies. From September 2008 to September 2011, Mr. Zhu worked at the Guangdong Pearl River Investment Co., Ltd. Finance Management Center\* (廣東珠江投資股份有限公司融資管理中心) where he held positions as a financing chief executive, assistant to the director, deputy director and director. From October 2011 to September 2012, Mr. Zhu worked at the North China branch office of Guangdong Pearl River Investment Co., Ltd. (廣東珠江投資股份有限公司) as the deputy general manager and the standing deputy general manager.

Mr. Zhu graduated from Sun Yat-sen University (中山大學) with a bachelor's degree in finance in June 2012.

Mr. Zhu did not hold directorships in any public listed companies in the last three years.

**Mr. Chen Xue (陳學) ("Mr. Chen")**, aged 54, is a non-executive Director of the Company. Mr. Chen was appointed to the Board on 9 January 2017. Mr. Chen also served as a director of Beijing Boqi.

朱先生現任廣東珠江投資股份有限公司董事長，全面負責公司戰略規劃、重大投資和生產經營管理等工作。朱先生自2008年9月起於廣東珠江投資股份有限公司任職並於不同的分公司擔任多個職位。於2008年9月至2011年9月，朱先生於廣東珠江投資股份有限公司融資管理中心任職，擔任融資事務主管、總監助理、副總監及總監。於2011年10月至2012年9月，朱先生於廣東珠江投資股份有限公司華北地區公司任職，擔任副總經理及常務副總經理。

朱先生於2012年6月自中山大學畢業，獲金融學學士學位。

朱先生在過去三年並無於任何上市公司擔任董事職務。

**陳學先生(「陳先生」)**，54歲，為本公司非執行董事。陳先生於2017年1月9日獲委任加入董事會。陳先生亦擔任北京博奇的董事。

## Directors and Senior Management (Continued)

### 董事及高級管理層 (續)

Mr. Chen has served as deputy general manager of the finance department of Sinopec Group (中國石油化工集團公司) since December 2019. From January 2018 to December 2019, Mr. Chen was the deputy head of the capital operation department of Sinopec Group (中國石油化工集團公司) and deputy general manager of Asset Operation and Management Company Limited (資產經營管理有限公司) under Sinopec Group. From March 2001 to January 2018, Mr. Chen was the deputy division chief and division chief of various departments and divisions of Sinopec Group (中國石油化工集團公司) including the restructuring department, department of enterprise reform, operation management department of refining and chemical enterprises, capital operation department and the asset management company. Mr. Chen worked at China Sinopec Great Wall Lubricating Oil Limited (中國石化長城潤滑油公司) (an integrated lubricating oil service provider in the PRC) from July 1989 to March 2001. In 2013, Mr. Chen was recognized as professor-level senior economist by the Senior Professional Technical Qualification Appraisal Committee of Sinopec Group (中國石油化工集團公司). In January 2018, Mr. Chen was the deputy head of the capital operation department of Sinopec Group (中國石油化工集團公司) and deputy general manager of Asset Operation and Management Company Limited (資產經營管理有限公司). He was mainly responsible for the capital operation, safety and environmental protection management.

Mr. Chen received his bachelor's degree in petroleum processing from East China College of Chemistry and Technology (華東化工學院) (now known as East China University of Science and Technology (華東理工大學)) in July 1989. Mr. Chen received his master's degree in management from Renmin University of China (中國人民大學) in June 2001.

Mr. Chen did not hold directorships in any listed public companies in the last three years.

自2019年12月，陳先生擔任中國石油化工集團公司財務部副總經理。自2018年1月至2019年12月，陳先生擔任中國石化集團公司資本運營部副主任、中國石化集團資產經營管理有限公司副總經理。自2001年3月至2018年1月，陳先生為中國石油化工集團公司多個部門及分部的副處長及處長，包括重組辦、企業改革部、煉化企業經營部、資本運營部及資產管理公司。陳先生於1989年7月至2001年3月於中國石化長城潤滑油公司(中國綜合潤滑油服務提供商)任職。於2013年，陳先生獲中國石油化工集團公司高級專業技術職務任職資格評審委員會評選為教授級高級經濟師。於2018年1月，任中國石油化工集團公司資本運營部副主任、資產經營管理有限公司副總經理，主要負責資本運作、安全環保管理工作。

陳先生於1989年7月獲華東化工學院(現稱華東理工大學)石油加工學士學位。於2001年6月，陳先生獲中國人民大學企業管理學碩士學位。

陳先生在過去三年並無於任何上市公司擔任董事職務。

**INDEPENDENT NON-EXECUTIVE DIRECTORS**

**Mr. Liu Genyu (劉根鈺) (“Mr. Liu”)**, aged 57, is an independent non-executive Director and a member of the Remuneration Committee and Audit Committee of the Company. He was appointed to the Board on 28 February 2018. Mr. Liu does not hold any other position with the members of the Group.

Mr. Liu currently serves as an executive director and vice chairman of China Nuclear Energy Technology Corporation Limited (中國核能科技集團有限公司), a listed company on the Stock Exchange (stock code: 611) engages in EPC operations and consulting services, solar power generation operations and financing operations. Mr. Liu was appointed as an executive director and the vice chairman of GCL New Energy Holdings Limited on 7 December 2020, which is a company listed on the Stock Exchange (stock code: 451) mainly engaging in the sales of electric power and the development, construction, operation and management of photovoltaic power stations.

Mr. Liu has extensive experience in project development, commercial negotiation and operational management in the electric power industry. During the period from May 2007 to December 2012, Mr. Liu was the chief executive officer as well as an executive director, a member of the executive committee and the authorized representative of China Power New Energy Development Company Limited (中國電力新能源發展有限公司), a Stock Exchange listed company (stock code: 735) that engages in developing, constructing, owning, operating and managing clean energy power plants. Prior to that, Mr. Liu served as the vice president of Chongqing Jiulong Electric Power Co., Ltd\* (重慶九龍電力股份有限公司) (principally engaged in electric power production), a company listed on the Shanghai Stock Exchange (stock code: 600292), and he was mainly responsible for construction projects and market management.

**獨立非執行董事**

劉根鈺先生(「劉先生」)，57歲，為本公司獨立非執行董事及薪酬委員會及審核委員會成員。彼於2018年2月28日獲委任加入董事會。劉先生並無於本集團成員公司擔任任何其他職務。

劉先生現為中國核能科技集團有限公司的執行董事及副董事長。該公司為一間聯交所上市公司(股份代號：611)，從事EPC業務及諮詢服務、太陽能發電業務及融資業務。劉先生於2020年12月7日獲委任協鑫新能源控股有限公司的執行董事及副董事長。該公司為一間聯交所上市公司(股份代號：451)，主要業務為電力銷售、光伏發電站之開發、建設、經營及管理。

劉先生於電力行業的項目開發、商務談判及營運管理擁有豐富的經驗。劉先生於2007年5月至2012年12月期間在中國電力新能源發展有限公司(一間從事開發、建造、擁有、營運和管理潔淨能源發電廠業務的聯交所上市公司，股份代號：735)工作，擔任行政總裁、執行董事、執行委員會成員和授權代表。在此之前，劉先生出任重慶九龍電力股份有限公司(一間於上海證券交易所上市並主要從事發電業務的公司，股票代碼：600292)的副總裁，主要負責建造項目及市場管理。



## Directors and Senior Management (Continued)

### 董事及高級管理層 (續)

Mr. Liu received his bachelor's degree in industrial electric automation from Harbin Institute of Technology in June 1991. Mr. Liu was awarded an executive master's degree in business administration (EMBA) from Tsinghua University in July 2005.

Save as disclosed above, Mr. Liu did not hold directorships in any listed public companies in the last three years.

**Dr. Xie Guozhong (謝國忠) (“Dr. Xie”)**, aged 60, is an independent non-executive Director, the chairman of the Audit Committee and a member of the Nomination Committee of the Company. He was appointed to the Board on 28 February 2018. Dr. Xie does not hold any other position with the members of the Group.

Dr. Xie is an independent economist based in the PRC and is a columnist for publications including South China Morning Post, The New Century Weekly (renamed as Caixin) and Bloomberg where he published his articles analyzing and consulting on global economics and financial markets. Dr. Xie was named as one of the “50 most influential persons in finance” by Bloomberg in 2013. Dr. Xie has 20 years expertise in financial services and has extensive financial management experience in the fields of corporate finance. From December 2007 to December 2010, Dr. Xie served as an independent non-executive director of Shenzhen Development Bank Co., Ltd\* (深圳發展銀行股份有限公司), which was listed on the Shenzhen Stock Exchange (stock code: 000001). Dr. Xie worked for Morgan Stanley from July 1997 to September 2006 and held the role of managing director. He was working in the capacity of a managing director in the research division of Morgan Stanley in Hong Kong before his departure. Prior to joining Morgan Stanley, Dr. Xie worked for Macquarie Bank in Singapore as an associate director from 1995 to 1997.

劉先生於1991年6月獲得哈爾濱工業大學工業電氣自動化學士學位，並於2005年7月獲得清華大學高級管理人員工商管理碩士學位(EMBA)。

除上文所披露者外，劉先生在過去三年內並無於任何上市公司擔任董事職務。

**謝國忠博士 (「謝博士」)**，60歲，為本公司獨立非執行董事、審核委員會主席及提名委員會成員。彼於2018年2月28日獲委任加入董事會。謝博士並無於本集團的成員公司擔任任何其他職務。

謝博士為中國獨立經濟學家，且為《南華早報》、《新世紀》周刊(更名《財新》)及彭博新聞社的專欄作家。彼於彭博新聞社刊載分析及討論全球經濟及金融市場的文章。謝博士於2013年獲得彭博新聞社提名為財經界「50位最具影響力人物」之一。謝博士於金融服務方面擁有20年的專業知識並於企業融資領域亦有豐富的財務管理經驗。於2007年12月至2010年12月，謝博士擔任深圳發展銀行股份有限公司(於深圳證券交易所上市，股票代碼：000001)的獨立非執行董事。謝博士於1997年7月至2006年9月任職摩根士丹利，擔任董事總經理。彼於離任前擔任摩根士丹利香港研究部董事總經理。於加入摩根士丹利前，謝博士自1995年至1997年於新加坡麥格理銀行擔任聯席董事。

Dr. Xie received his master's degree of science in transportation and a PhD in Philosophy (in the field of economics) from Massachusetts Institute of Technology in September 1987 and June 1990, respectively.

於1987年9月及1990年6月，謝博士分別取得麻省理工學院的交通運輸學碩士學位及哲學(經濟學領域)博士學位。

Dr. Xie did not hold directorships in any listed public companies in the last three years.

謝博士在過去三年並無於任何上市公司擔任董事職務。

**Mr. Lu Zhifang (陸志芳) (“Mr. Lu”)**, aged 67, is an independent non-executive Director, the chairman of the Remuneration Committee and a member of the Nomination Committee of the Company. He was appointed to the Board on 28 February 2018. Mr. Lu does not hold any other position with the members of the Group.

陸志芳先生(「陸先生」)，67歲，為本公司獨立非執行董事、薪酬委員會主席及提名委員會成員。彼於2018年2月28日獲委任加入董事會。陸先生並無於本集團的成員公司擔任任何其他職務。

Mr. Lu is a registered lawyer in China, and is currently a senior partner of East & Concord Partners (北京天達共和律師事務所). Mr. Lu was a senior partner of Haiwen Law Firm (海問律師事務所) from 1994 to 2008 and a partner of Beijing Hylands Law Firm (北京浩天信和律師事務所) from 2009 to 2014. Mr. Lu also has more than 20 years experience in international commercial arbitration, which, among others, he served as an arbitrator of China International Economic and Trade Arbitration Commission. From 1991 to 1994, Mr. Lu worked at the law school of University of International Business and Economics as an associate professor, and served as deputy director of the International Economic Law Department of University of International Business and Economics from 1986 to 1994.

陸先生為中國註冊律師，現為北京天達共和律師事務所資深合夥人。陸先生於1994到2008年為海問律師事務所資深合夥人，2009年到2014年為北京浩天信和律師事務所合夥人。陸先生於國際商事仲裁擁有逾20年經驗，曾擔任過中國國際經濟貿易仲裁委員會的仲裁員。陸先生於1991年至1994年期間在對外經濟貿易大學法學院擔任副教授，並曾於1986年至1994年任對外經貿大學國際經濟法系副主任。

Mr. Lu graduated from Beijing University of International Business and Economics (北京對外貿易學院) with a diploma in English in January 1978, and received his master's degree in laws from the University of California in December 1983.

陸先生於1978年1月獲得北京對外貿易學院英文文憑，及於1983年12月獲得加利福尼亞大學法律碩士學位。

Mr. Lu did not hold directorships in any listed public companies in the last three years.

陸先生在過去三年並無於任何上市公司擔任董事職務。

## Directors and Senior Management (Continued)

### 董事及高級管理層 (續)

#### SENIOR MANAGEMENT

#### 高級管理層

The following table presents certain information concerning the senior management of our Group.

下表呈列有關本集團高級管理層人員的若干資料。

Name 姓名	Age 年齡	Year Joined 加入年份	Position 職位
Ms. Cao Xiaoping (曹曉萍) 曹曉萍女士	67	2008 2008年	Vice president and chief financial officer 副總裁兼財務總監
Mr. Yan Bingli (顏炳利) 顏炳利先生	57	2004 2004年	Vice president 副總裁
Ms. Qian Xiaoning (錢曉寧) 錢曉寧女士	47	2007 2007年	Vice president, Board secretary and joint company secretary 副總裁、董事會秘書兼聯席公司秘書
Mr. Liu Qingbo (劉青波) 劉青波先生	47	2004 2004年	Vice president 副總裁
Mr. Lu Jing (陸景) 陸景先生	59	2011 2011年	Vice president 副總裁
Ms. Ma Zhuo (馬卓) 馬卓女士	46	2006 2006年	Vice president 副總裁
Ms. Yan Zhilian (閻芝蓮) 閻芝蓮女士	62	2004 2004年	Vice president 副總裁
Mr. Tu Yazhou 屠亞洲先生	49	2019 2019年	Vice president 副總裁
Mr. Wang Sheng 王聖先生	44	2018 2018年	Vice president, technical director and president of design institute 副總裁、技術總監兼設計院院長

**Ms. Cao Xiaoping (曹曉萍) (“Ms. Cao”)**, aged 67, is the vice president and chief financial officer of the Company. Ms. Cao joined the Group in June 2008. Ms. Cao was appointed as the chief financial officer of the Group in March 2010.

**曹曉萍女士 (「曹女士」)**，67歲，為本公司副總裁兼財務總監。曹女士於2008年6月加入本集團。於2010年3月，曹女士獲委任為本集團財務總監。

Ms. Cao is primarily responsible for finance and accounting, budget and investment related matters of the Group. Ms. Cao also serves as the chairman of Jiangxi Jinggangshan Boqi Environmental Technology Co., Ltd.\* (江西井岡山博奇環保科技有限公司) (“Jinggangshan Boqi”), and a director of Shanxi Bo Yuan Qi Cheng Environmental Equipment Service Co., Ltd.\* (山西博源奇晟環保設備服務有限公司) (“Shanxi Bo Yuan”).

曹女士主要負責本集團財務及會計、預算制定及投資相關事宜。曹女士亦擔任江西井岡山博奇環保科技有限公司 (「井岡山博奇」) 之主席及山西博源奇晟環保設備服務有限公司 (「山西博源」) 之董事。

Ms. Cao has over 30 years of experience in accounting and financial management. Prior to joining the Group, Ms. Cao served as the chief accountant of Angang Construction Consortium Co., Ltd (鞍鋼建設集團有限公司) from November 2000 to June 2008. Ms. Cao was the deputy section chief (副科長) of the finance department of Ansteel Group Corporation (鞍鋼集團) and later served as the deputy director and director from February 1985 to November 2000.

Ms. Cao graduated from Dongbei University of Finance and Economics (東北財經大學) with a master's degree in accounting in March 1999. She became a qualified senior accountant in the PRC in December 1997.

Ms. Cao did not hold directorship in any listed public company in the last three years.

**Mr. Yan Bingli (顏炳利) (“Mr. Yan”)**, aged 57, is the vice president of the Company and joined the Group in October 2004. Since joining the Group, Mr. Yan has held various positions including the engineer of department of engineering and the general manager of Yangcheng project, a project director, the general manager of department of operation and maintenance, the general manager of department of sales and marketing and the general manager of department of operational planning and information management of Beijing Boqi. Mr. Yan is primarily responsible for operational planning, information management and internal control of the Company. Mr. Yan also serves as the chairman of Beijing Boqi Environmental Remediation Tech Co. Ltd. (北京博奇環境修復科技有限公司).

Mr. Yan obtained the diploma in power engineering management in Northeast Dianli University (東北電力學院) in April 1998.

Mr. Yan did not hold directorships in any listed public companies in the last three years.

曹女士於會計及財務管理方面有逾30年經驗。於加入本集團之前，曹女士於2000年11月至2008年6月期間擔任鞍鋼建設集團有限公司之總會計師。曹女士於1985年2月至2000年11月期間擔任鞍鋼集團之財務部副科長，其後擔任副處長及處長。

曹女士於1999年3月獲得東北財經大學會計碩士學位。曹女士於1997年12月成為中國高級會計師。

曹女士在過去三年並無於任何上市公司擔任董事職務。

**顏炳利先生(「顏先生」)**，57歲，為本公司副總裁並於2004年10月加入本集團。自加入本集團以來，顏先生歷任北京博奇的多個職位，包括工程部工程師及陽城項目總經理、項目總監、運營和維護部總經理、市場營銷部總經理和經營計劃部和信息管理部總經理。顏先生主要負責本公司經營計劃、信息管理及內部監控。顏先生亦擔任北京博奇環境修復科技有限公司之主席。

顏先生於1998年4月取得了東北電力學院電力管理工程文憑。

顏先生在過去三年並無於任何上市公司擔任董事職務。

## Directors and Senior Management (Continued)

### 董事及高級管理層 (續)

**Ms. Qian Xiaoning (錢曉寧) (“Ms. Qian”)**, aged 47, is the vice president, Board secretary and joint company secretary of the Company and joined the Group in February 2007. Ms. Qian is primarily responsible for managing human resources, legal compliance issues, administration and Board matters. Since joined the Group, Ms. Qian has held various positions including general manager of legal department, general manager of business department of the Board, general manager of human resource department, Board secretary and vice president of Beijing Boqi. Ms. Qian is also a director of Beijing Bosheng Environmental SCI-TECH Co., Ltd.\* (北京博聖環保科技有限公司), the supervisor of Shanxi Puzhou Boqi Environmental Technology Co., Ltd.\* (山西蒲州博奇環保科技有限公司) (“Puzhou Boqi”), Shanxi Hejin Boqi Environmental Technology Co., Ltd.\* (山西河津博奇環保科技有限公司) (“Hejin Boqi”), Anhui Nengda and Jinggangshan Boqi and the general manager of Shanxi Bo Yuan.

Prior to joining the Group, Ms. Qian was a securities transaction representative (證券事務代表) of Yongyou Network Technology Co., Ltd. (用友網絡科技股份有限公司) (previously known as 用友軟件股份有限公司, a listed company on the Shanghai Stock Exchange, stock code: 600588), an enterprise management software and cloud service provider in the PRC, from 2001 to February 2007. During the time from July 1996 to August 1997, Ms. Qian worked at the legal department of CITIC Group (previously known as China International Trust Investment Corporation).

Ms. Qian graduated from China University of Political Science and Law in July 1996 with a bachelor's degree in economic law. Ms. Qian obtained a master's degree in economic law from China University of Political Science and Law in June 2006 and a master's degree in business administration from Chinese University of Hong Kong in December 2010.

Ms. Qian did not hold directorships in any listed public companies in the last three years.

錢曉寧女士(「錢女士」)，47歲，為本公司副總裁、董事會秘書兼聯席公司秘書並於2007年2月加入本集團。錢女士主要負責人力資源管理、法律合規事宜、行政管理及董事會事宜。錢女士自加入本集團以來歷任北京博奇的多個職位，包括法律部總經理、董事會業務部總經理、人力資源部部長、董事會秘書及副總裁。錢女士亦為北京博聖環保科技有限公司之董事、山西蒲州博奇環保科技有限公司(「蒲州博奇」)、山西河津博奇環保科技有限公司(「河津博奇」)、安徽能達及井岡山博奇之監事及山西博源之總經理。

於加入本集團之前，錢女士於2001年至2007年2月期間擔任意友網絡科技股份有限公司(前稱用友軟件股份有限公司，一家於上海證券交易所上市的公司，股份代碼：600588)的證券事務代表。該公司是中國企業管理軟件和雲端服務提供商。錢女士於1996年7月至1997年8月期間於中國中信集團(前稱國際信託投資公司)的法律部任職。

錢女士於1996年7月畢業於中國政法大學，持有經濟法學士學位。錢女士於2006年6月獲得中國政法大學經濟法碩士學位，並於2010年12月獲得香港中文大學工商管理碩士學位。

錢女士在過去三年並無於任何上市公司擔任董事職務。

**Mr. Liu Qingbo (劉青波) (“Mr. Liu”)**, aged 47, is the vice president of the Company and joined the Group in April 2004. Since joining the Group, Mr. Liu has held various positions including the engineer of Environmental Technology Development Center, the debugging manager, a manager of customer training, the minister of department of operation and maintenance project management, the deputy general manager of operation and maintenance center, the general manager of operation and maintenance center and an assistant of president of Beijing Boqi. Mr. Liu is mainly responsible for overseeing the operation and maintenance of projects of the Company. Mr. Liu also serves as a director of Hejin Boqi, Puzhou Boqi and Changjizhou Boqi Environmental Technology Co., Ltd.\* (昌吉州博奇環保科技有限公司)(ceased to be the director of this company effective from 19 October 2020).

Prior to joining the Group, Mr. Liu was the design engineer of electric control department of Tongfang Shareholding Co., Ltd.\* (同方股份有限公司), a provider of environmental consulting solutions in the areas of fuel gas desulfurization, denitrification and dedusting, from July 2001 to April 2004, where Mr. Liu was responsible for designing solutions in relation to fuel gas treatment by way of desulfurization and denitrification.

Mr. Liu graduated from Tsinghua University with a bachelor's degree in thermal energy and power engineering in June 1998, and obtained a master's degree in thermal engineering from Tsinghua University in June 2001.

Mr. Liu did not hold directorships in any listed public companies in the last three years.

劉青波先生(「劉先生」)，47歲，為本公司副總裁並於2004年4月加入本集團。加入本集團以來，劉先生歷任北京博奇的多個職位，包括環保技術開發中心工程師、調試經理、客戶培訓專業經理、運維項目管理部部長、運維業務中心、副總經理、運維業務中心總經理及總裁助理。劉先生主要負責監督本公司項目的運營與維護。劉先生亦擔任河津博奇、蒲洲博奇及昌吉州博奇環保科技有限公司(於2020年10月19日不再擔任該公司董事)的董事。

劉先生於加入本集團之前，於2001年7月至2004年4月期間於同方股份有限公司擔任電力控制部設計工程師，主要負責設計脫硫脫硝燃氣處理方案。該公司主要提供燃氣脫硫脫硝除塵環境諮詢解決方案。

劉先生於1998年6月獲得清華大學熱能及電力工程學士學位，亦於2001年6月獲得清華大學熱能工程碩士學位。

劉先生在過去三年並無於任何上市公司擔任董事職務。

## Directors and Senior Management (Continued)

### 董事及高級管理層 (續)

**Mr. Lu Jing (陸景) (“Mr. Lu”)**, aged 59, is the vice president of the Company and joined the Group in March 2011. Since joining the Group, Mr. Lu has held various positions including an assistant for the president and the general manager of department of information, the general manager of Jianan subcontracting department (建安分包部), the vice president and the general manager of marketing and sales center of Beijing Boqi. Mr. Lu is primarily responsible for marketing development and sales. Mr. Lu does not hold any other position with the members of the Group.

Prior to joining the Group, for the period from November 2004 to June 2010, Mr. Lu served as an assistant manager of Great Wall Computer Software & Systems Inc\* (長城計算機軟件與系統有限公司), a company mainly engaged in information safety business. Mr. Lu also served at the computer room of 57th Institute of the General Staff Council of People’s Liberation Army (總參第五十七研究所電腦室) from July 1983.

Mr. Lu obtained a bachelor’s degree in applied computer science from PLA Engineering Technology College (人民解放軍工程技術學院) in July 1983.

Mr. Lu did not hold directorships in any listed public companies in the last three years.

**Ms. Ma Zhuo (馬卓) (“Ms. Ma”)**, aged 46, vice president of the Company, joined the Group in March 2006. Since she joined the Group, Ms. Ma served several positions in the Company, such as the general manager of the Operating Planning Department, general manager of the Financial Management Center, deputy director of the tender and supervision committee, general manager of the internal control department, general manager of the President’s Office, general manager of the Information Management Department, assistant to the president and vice president. Ms. Ma is primarily responsible for marketing strategy and promotion, brand management and client servicing of the Company. Ms. Ma does not hold any other positions in other members of the Group.

陸景先生(「陸先生」)，59歲，為本公司副總裁並於2011年3月加入本集團。自加入本集團以來，陸先生歷任北京博奇的多個職位，包括總裁助理及信息部總經理、建安分包部總經理、副總裁兼市場營銷中心總經理。陸先生主要負責市場開發及銷售。陸先生並無於本集團其他成員公司擔任任何其他職務。

於加入本集團之前，陸先生於2004年11月至2010年6月期間擔任長城計算機軟件與系統有限公司的副經理。該公司從事信息安全業務。陸先生亦於1983年7月起於總參第五十七研究所電腦室工作。

陸先生於1983年7月獲得人民解放軍工程技術學院應用計算機科學專業學士學位。

陸先生在過去三年並無於任何上市公司擔任董事職務。

馬卓女士(「馬女士」)，46歲，為本公司副總裁並於2006年3月加入本集團。自加入本集團以來，馬女士歷任本公司多個職位，包括經營企劃部總經理、財務管理中心總經理、招標監管委員會副主任、內控部總經理、總裁辦公室總經理、信息管理部總經理、總裁助理及副總裁。馬女士主要負責本公司營銷策略及推廣、品牌管理及客戶服務。馬女士並無於本集團其他成員公司擔任任何其他職務。

Prior to joining the Group, Ms. Ma worked at the Electricity Business Quality Management Center under the State Electricity Regulatory Commission (國家電力監管委員會電力業務資質管理中心) responsible for the financial auditing of power plants from October 2005 to March 2006. During the period from August 2004 to September 2005, Ms. Ma served as the chief financial officer of Xuji Lianhua International Environmental Engineering Co., Ltd. (許繼聯華國際環境工程有限公司), being responsible for finance, taxation, investment and financing analysis and application for recognition as a High and New Technology Enterprise of the Company. During the period from July 1998 to July 2004, Ms. Ma worked at Beijing Sifang Automation Co., Ltd. (北京四方繼保自動化股份有限公司), a company listed on the Shanghai Stock Exchange (stock code: 601126) mainly engaging in development and research, production, sales and technical service of products for automation of power station, relaying protection, automation of power plants. Ms. Ma served as the senior manager of the finance department, business manager of the market department and general manager of the credit control department respectively, in charge of finance accounting and taxation, regional agents and large customers and contract risks control.

Ms. Ma graduated from North China Electric Power University (華北電力大學) with a bachelor's degree in accounting in July 1998. Ms. Ma obtained a Master Degree of Executive Master of Business Management of Cheung Kong Graduate School of Business in September 2010.

Ms. Ma did not hold any other directorships in any listed public companies in the last three years.

**Ms. Yan Zhilian (閻芝蓮) (“Ms. Yan”)**, aged 62, vice president of the Company, joined the Group in 2004. Since she joined the Group, Ms. Yan served several positions in Beijing Boqi Electric Power SCITECH Co., Ltd. (北京博奇電力科技有限公司), such as the technical director, business manager, general manager of the cost actuary department, general manager of the technical department and assistant to the president. Ms. Yan is primarily responsible for estimation and control of project costs and matters related to project settlement of the Company.

馬女士加入本集團之前，於2005年10月至2006年3月期間於國家電力監管委員會電力業務資質管理中心負責發電廠財務審核工作。馬女士於2004年8月至2005年9月期間於許繼聯華國際環境工程有限公司擔任財務總監，負責該公司財務、稅務、投融資分析和高新技術企業申報等全面工作。馬女士於1998年7月至2004年7月期間於北京四方繼保自動化股份有限公司工作，該公司於上海證券交易所(股票代碼：601126)上市，主要從事電站自動化、繼電保護、發電廠自動化產品的研發、生產、銷售和技術服務。馬女士分別在財務部擔任高級經理分管財務核算及稅務工作，在市場部擔任商務經理分管區域代理商，在信用控制部擔任部門總經理負責大客戶及合同風險管控工作。

馬女士於1998年7月畢業於華北電力大學，持有會計學學士學位。馬女士於2010年9月獲得長江商學院高級管理人員工商管理碩士學位。

馬女士在過去三年並無於任何上市公司擔任任何其他董事職務。

**閻芝蓮女士(「閻女士」)**，62歲，為本公司副總裁並於2004年加入本集團。自加入本集團以來，閻女士歷任北京博奇電力科技有限公司多個職位，包括技經主管、商務經理、成本精算部總經理、技經部總經理及總裁助理。閻女士主要負責本公司項目成本的測算及控制，並負責專案結算相關事宜。



## Directors and Senior Management (Continued)

### 董事及高級管理層 (續)

Prior to joining the Group, Ms. Yan was the department head of the construction cost department in Liaoning Tianyi Accounting Firm\* (遼寧天億會計師事務所) from October 1999 to October 2004, the department head of civil engineering projects of Liaoyang Petrochemical Fiber Company\* (遼陽石化纖維公司) from December 1985 to October 1999, and a technician of the Third Construction Company of Liaoning Province\* (遼寧省第三建築公司) from December 1977 to December 1985.

Ms. Yan obtained a bachelor's degree in industrial engineering from Fushun Petroleum Institute\* (撫順石油學院) in July 1983.

Ms. Yan did not hold any other directorships in any listed companies the last three years.

**Mr. Tu Yazhou (屠亞洲) (“Mr. Tu”)**, aged 49, vice president of the Company, joined the Group in January 2019. Mr. Tu is mainly responsible for the safety and quality management, engineering construction project tendering and bulk materials and equipment procurement management of the Company. Mr. Tu does not hold any other positions in other members of the Group.

Prior to joining the Group, Mr. Tu served as the deputy general manager of Tongxing Environmental Protection Technology Co., Ltd. from February to December 2018. Mr. Tu was the deputy general manager of Jiangsu Heyichang Environmental Protection Company from May 2011 to January 2018. Mr. Tu was the manager of the engineering department of Xutang Power Generation Co., Ltd.\* (徐塘發電有限責任公司) from October 1990 to February 2009.

Mr. Tu graduated from Nanjing School of Power Engineering\* (南京電力學校) in 1990 and obtained a bachelor's degree in civil engineering from Southwest University\* (西南大學) in 2016.

Mr. Tu did not hold any other directorships in any listed companies in the last three years.

於加入本集團之前，閻女士於1999年10月至2004年10月期間擔任遼寧天億會計師事務所工程造價部負責人。閻女士於1985年12月至1999年10月期間擔任遼陽石化纖維公司土建項目負責人。閻女士自1977年12月至1985年12月期間擔任遼寧省第三建築公司技術員。

閻女士於1983年7月獲得撫順石油學院工業工程專業學士學位。

閻女士在過去三年並無於任何上市公司擔任董事職務。

**屠亞洲先生(「屠先生」)**，49歲，為本公司副總裁並於2019年1月加入本集團。屠先生主要負責本公司安全質量管理、工程建設項目招標以及大宗物資設備採購管理工作。屠先生並無於本集團其他成員公司擔任任何其他職務。

於加入本集團之前，屠先生於2018年2月至12月擔任同興環保科技有限公司副總經理。屠先生於2011年5月至2018年1月期間擔任江蘇和億昌環保公司的副總經理。屠先生於1990年10月至2009年2月期間擔任徐塘發電有限責任公司的工程部經理。

屠先生於1990年畢業於南京電力學校，並於2016年取得西南大學土木工程學士學位。

屠先生在過去三年並無於任何上市公司擔任董事職務。

**Mr. Wang Sheng (王聖) (“Mr. Wang”)**, aged 44, vice president, technical director and president of design institute of the Company, joined the Group in October 2018. Mr. Wang is mainly responsible for technology development, cooperation and management for the Company. Mr. Wang does not hold any other positions in other members of the Group.

Prior to joining the Group, Mr. Wang served as the head of the technical department, the deputy general manager of the business department, and the chief engineer of Tongfang Environment Co., Ltd. from October 2004 to October 2018, mainly engaging in the technology and management of environmental protection projects. From July 1999 to October 2004, he served as a process design engineer of Donghua Engineering Technology Co., Ltd., engaging in the design of chemical projects.

Mr. Wang obtained a bachelor's degree in mechanical engineering and automation from East China University of Science and Technology in July 1999, and a master's degree in power engineering from Tsinghua University in January 2018.

Mr. Wang did not hold any other directorships in any listed companies in the last three years.

王聖先生(「王先生」)，44歲，為本公司副總裁、技術總監兼設計院院長並於2018年10月加入本集團。王先生主要負責本公司技術開發、合作及管理工作。王先生並無於本集團其他成員公司擔任任何其他職務。

於加入本集團之前，王先生於2004年10月至2018年10月期間先後擔任同方環境股份有限公司技術部主管、事業部副總經理、公司總工程師等職務，主要從事環保項目的技術及管理工作。於1999年7月至2004年10月期間擔任東華工程科技股份有限公司工藝設計工程師，從事化工項目的設計工作。

王先生於1999年7月獲得華東理工大學機械工程及自動化專業學士學位，並於2018年1月獲得清華大學動力工程碩士學位。

王先生在過去三年並無於任何上市公司擔任董事職務。

## Directors and Senior Management (Continued)

### 董事及高級管理層 (續)

#### JOINT COMPANY SECRETARIES

**Ms. Qian Xiaoning (錢曉寧)**, aged 47, is a joint company secretary of our Company. She was appointed as the joint company secretary of the Company on 13 February 2017. Ms. Qian's biographical details are set forth in the paragraph headed "Senior Management" above.

**Ms. Wong Wai Ling (黃慧玲) ("Ms. Wong")**, is a joint company secretary of our Company. She was appointed as the joint company secretary of the Company on 13 February 2017.

Ms. Wong has over 13 years of experience in providing company secretarial services in Hong Kong. Ms. Wong currently is a vice president of SWCS Corporate Services Group (Hong Kong) Limited and is responsible for assisting listed companies in professional company secretarial work. Ms. Wong was admitted as associate of The Hong Kong Institute of Chartered Secretaries and was elected as association of The Chartered Governance Institute (formerly known as The Institute of Chartered Secretaries and Administrators) in the United Kingdom in July 2013.

Ms. Wong was awarded a bachelor's degree of Arts in Marketing and Public Relations from The Hong Kong Polytechnic University (香港理工大學) in October 2007, and obtained a master degree of Corporate Governance degree from The Open University of Hong Kong (香港公開大學) in December 2011.

#### 聯席公司秘書

**錢曉寧女士**，47歲，為本公司聯席公司秘書，於2017年2月13日獲委任為本公司聯席公司秘書。錢女士的簡歷詳情已載於上文「高級管理層」一段。

**黃慧玲女士 (「黃女士」)**，為本公司聯席公司秘書，於2017年2月13日獲委任為本公司聯席公司秘書。

黃女士於香港提供公司秘書服務方面擁有逾13年經驗。黃女士現為方圓企業服務集團(香港)有限公司的總監，負責協助上市公司專業的公司秘書工作。於2013年7月，黃女士獲准加入香港特許秘書公會及英國特許公司治理公會(前稱特許秘書及行政人員公會)。

黃女士於2007年10月獲得香港理工大學市場營銷及公共關係文學士學位及於2011年12月獲得香港公開大學企業管治學碩士學位。

The Group has been committed to the development of the environmental protection industry. As an independent comprehensive treatment service provider for the industrial environment, the Group has kept abreast of the national policies of the environmental protection industry, striving to seize industry development opportunities and leveraging its own technology and capital advantages to provide customers with high-quality, integrated and comprehensive environmental protection, energy saving and emission reduction solutions.

### 1. INDUSTRY OVERVIEW

In 2020, the environmental protection industry has been affected to a certain extent under the impact of COVID-19. Enterprises faced an intensified market competition and the difficulty of operation was mounting, resulting in an austere overall situation. Nevertheless, with the resumption of production accelerated in light of the pandemic becoming controlled gradually and the continuous support of new policies, the rigid demand of the environmental industry will continuously be released. Therefore, the Board believe that it would bring about new opportunities to the industry.

In 2020, the state has promulgated a number of environmental protection policies and regulations to provide institutional safeguard for the development of the industry.

On 3 March 2020, the General Office of the Communist Party of China and the General Office of the State Council jointly issued the “Guiding Opinions on Building a Modern Environmental Governance System”, which covered nine major issues including, among others, the overall requirements and the demands for the improvement of leadership and corporate responsibility systems in environmental governance, and put forward 28 specific requirements. The guidance clearly stated that we must adhere to the principle of joint governance efforts by multiple parties, thus forming a favorable landscape for the whole society to jointly promote environmental governance.

本集團一直致力於環境保護事業的發展，作為獨立的工業環境綜合治理服務提供商，本集團一直緊隨環保行業國家政策的步伐，努力把握行業發展機遇，借助已有的自身技術及資金優勢，為客戶提供高質量、一體化的綜合環保及節能減排解決方案。

### 1. 行業概覽

2020年，突如其來的新冠肺炎疫情，使環保行業受到一定衝擊，企業市場競爭加劇、經營難度加大，整體形勢嚴峻。然而疫情形勢逐漸趨緩之後，隨着復產復工加速，新政策不斷加持，環境產業的剛性需求繼續釋放，董事會認為能為產業帶來新的機遇。

2020年，國家推出多項環保政策法規，為行業發展提供了制度保障。

2020年3月3日，中國中共中央辦公廳、國務院辦公廳印發了《關於構建現代環境治理體系的指導意見》，從總體要求、健全環境治理領導責任體系、健全環境治理企業責任體系等九大方面提出28條細化要求，明確提出要堅持多方共治，形成全社會共同推進環境治理的良好格局。

## MANAGEMENT DISCUSSION AND ANALYSIS (Continued)

### 管理層討論與分析(續)

On 29 April 2020, the 17th meeting of the Standing Committee of the 13th National People's Congress of China reviewed and passed the amended "Law on the Prevention and Control of Environment Pollution Caused by Solid Wastes", which will be implemented on 1 September 2020, outlining the principles of quantity reduction, resource utilization and harmlessness in relation to the prevention and treatment of solid waste pollutions. This policy improves the prevention and control system of industrial solid waste pollution, perfects the long-term mechanism for the prevention and control of environmental pollution by solid waste, and protects the ecological environment under the stringent system and the strictest rule of law.

On 22 May 2020, the State Council of China issued the "Report on the Work of the Government" and established the following goals and arrangements in relation to environmental protection: (i) striving to defend the blue sky, clear water and pure land and achieving the phased goals of pollution prevention and control; (ii) improving the effectiveness of ecological environment governance, while emphasizing on pollution control according to law, science and precision; (iii) deepening the air pollution control works in key areas; (iv) strengthening the construction of sewage and garbage disposal facilities; (v) speeding up the relocation and transformation of hazardous chemicals production enterprises; (vi) further developing the energy conservation and environmental protection industry; and (vii) implementing major projects to protect and restore important ecosystems and promoting the construction of ecological civilization.

2020年4月29日，中國十三屆全國人大常委會第十七次會議審議通過了修訂後的《固體廢物污染環境防治法》，自2020年9月1日起施行，明確固體廢物污染環境防治堅持減量化、資源化和無害化的原則。該政策完善了工業固體廢物污染環境防治制度，健全固體廢物污染環境防治長效機制，用嚴格的制度及最嚴密的法治保護生態環境。

2020年5月22日，中國國務院發佈《政府工作報告》，並就環保工作作出以下目標及部署：(i)要打好藍天、碧水、淨土保衛戰，實現污染防治攻堅戰階段性目標；(ii)提高生態環境治理成效，突出依法、科學、精準治污；(iii)深化重點地區大氣污染治理攻堅；(iv)加強污水、垃圾處置設施建設；(v)加快危化品生產企業搬遷改造；(vi)壯大節能環保產業；及(vii)實施重要生態系統保護和修復重大工程，促進生態文明建設。

On 7 July 2020, the General Office of the National Development and Reform Commission issued the “Notice on Organizing the Construction of Model Bases for the Green Industry” (Fagaiban Huanzi [2020] No. 519), thereby a clear goal was put forward for the industry: By 2025, the construction of model bases for the green industry will achieve phased progress, thus fostering a number of green industry leading enterprises.

On 29 October 2020, the 5th Plenary Session of the 19th Central Committee of the Communist Party of China passed the “Proposal of the CPC Central Committee for Formulating the Fourteenth Five-Year Plan for National Economic and Social Development and Vision 2035”. It is proposed that one of the main goals of the economic and social development during the “14th Five-Year Plan” period is to achieve new progress in the construction of ecological civilization, including achieving remarkable results in the green transformation of production and lifestyle, more reasonable allocation of energy resources, great enhancement of utilization efficiency, continuous reduction in the total discharge of major pollutants, continuous improvement of the ecological environment and significant improvement of the living environment of urban and rural people. The industry is required to continuously improve environmental governance and continue to carry out pollution control actions.

2020年7月7日，國家發展改革委辦公廳發佈《關於組織開展綠色產業示範基地建設的通知》(發改辦環資[2020]519號)。提出明確的工作目標：到2025年，綠色產業示範基地建設取得階段性進展，培育一批綠色產業龍頭企業。

2020年10月29日，中國共產黨第十九屆中央委員會第五次全體會議通過《中共中央制定國民經濟和社會發展第十四個五年規劃和二〇三五年遠景目標的建議》。提出「十四五」時期經濟社會發展主要目標之一為生態文明建設實現新進步，包括生產生活方式綠色轉型成效顯著，能源資源配置更加合理、利用效率大幅提高，主要污染物排放總量持續減少，生態環境持續改善，城鄉人居環境明顯改善。要求持續改善環境治理，繼續開展污染防治行動。

## MANAGEMENT DISCUSSION AND ANALYSIS (Continued)

### 管理層討論與分析(續)

The Central Economic Work Conference was held from 16 to 18 December 2020, at which the task regarding peaking carbon dioxide emissions and carbon neutrality was set as one of the eight key missions in 2021. Specifically, the industry has to promptly formulate an action plan for peaking carbon dioxide emissions by 2030 and support the areas with favorable conditions to take the lead in the peaking. It is necessary to accelerate the adjustment and optimization of the industrial structure and energy structure, promote coal consumption to peak as soon as possible, vigorously develop new energy, accelerate the establishment of a national transaction market for the energy use right and carbon dioxide emission right and improve the dual control system of energy consumption. As such, the industry will continue to endeavor in the battle of pollution prevention and control and realize the synergistic effect of pollution abatement and carbon reduction.

The support of the new policy has effectively stimulated the market demand of environmental protection-related industries and promoted the rapid development of the environmental protection industry.

2020年12月16日至18日舉行中央經濟工作會議，會議確定了做好碳達峰、碳中和工作是2021年8項重點任務之一。並提出具體要求：要抓緊制定2030年前碳排放達峰行動方案，支持有條件的地方率先達峰。要加快調整優化產業結構、能源結構，推動煤炭消費盡早達峰，大力發展新能源，加快建設全國用能權、碳排放權交易市場，完善能源消費雙控制度。要繼續打好污染防治攻堅戰，實現減污降碳協同效應。

新政策的加持有有力拉動了環保相關產業的市場需求，推動環保產業的快速發展。

## 2. BUSINESS OVERVIEW

The business areas of the Group mainly cover flue gas treatment, water treatment, hazardous and solid waste treatment/disposal, energy saving and environmental protection. During the Reporting Period, the Group's flue gas treatment business maintained a sustained and stable growth and business orders in the non-electrical field further increased, thereby effectively promoted the development of the water treatment business and began to bring handsome profits to the Group. Meanwhile, the Group has made deployments in hazardous and solid waste treatment/disposal and the energy saving and environmental protection sectors and made new breakthroughs. The Group is developing into a comprehensive enterprise providing all-round intelligent environmental protection services.

During the Reporting Period, the Group reorganized its marketing team, rationally deployed various resources and explored different market areas. It also strengthened cooperation with major customers and established a long-term mutual trust cooperation mechanism, and established a strict capital management and control system to ensure the safety of the Group's operating funds. Besides, the Group has reduced engineering costs, operating costs and management expenses by adopting a series of reasonable measures. Through sophisticated management in various aspects, the Group's business continued to grow and develop and progress steadily under the crisis of the pandemic.

## 2. 業務回顧

本集團業務領域主要涵蓋煙氣治理、水處理、危固廢處理處置及節能環保等業務。本報告期內，集團煙氣治理業務保持持續穩定增長，非電領域的業務訂單進一步增加，水處理業務得到有效推進，並開始為集團帶來良好收益，同時佈局危固廢處理處置領域及節能環保領域，取得新突破。本集團正向多領域全方位智能型環保管家服務方向發展。

於報告期內，本集團重組市場團隊，合理調配各方面資源，開拓不同市場領域；加強與大客戶合作，建立長效互信的合作機制；建立嚴格的資金管控體系，確保集團運營資金安全；採取系列措施合理降低工程成本、運行成本及管理費用；通過多方面精細管理，集團業務持續發展壯大，在疫情危機之下平穩前進。



## MANAGEMENT DISCUSSION AND ANALYSIS (Continued)

### 管理層討論與分析 (續)

Besides, the Group's business has a broad geographic coverage, reaching nearly 30 provinces, municipalities and autonomous regions in China as of 31 December 2020. In the meantime, the Group has been striving to expand its business overseas, including in Europe, South Asia, Latin America, Africa and Southeast Asia.

此外，本集團的項目在中國的覆蓋範圍廣泛，於2020年12月31日遍及中國近30個省、市及自治區。同時，我們一直努力擴展海外業務，包括歐洲、南亞、拉丁美洲、非洲及東南亞地區。

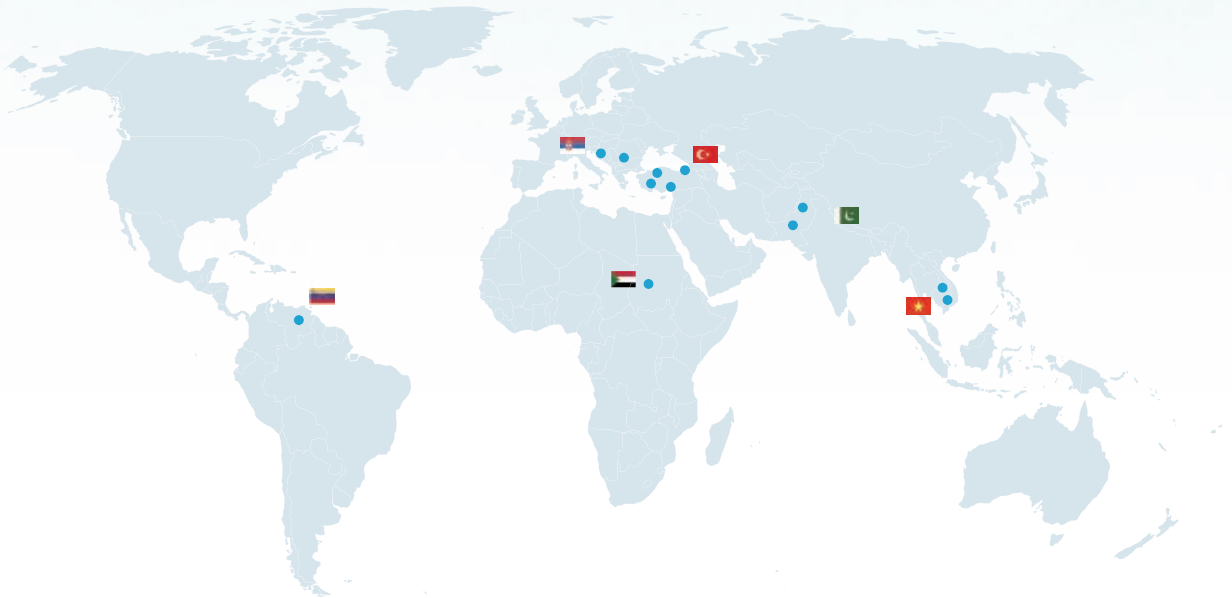
The following map shows the distribution of the projects of the Group within the PRC as of 31 December 2020:

下圖列示於2020年12月31日，本集團在中國境內的項目分佈：



As of 31 December 2020, the Group had also executed, or had been implementing, over ten projects in regions outside the PRC, such as Europe, South Asia, Latin America, Africa and Southeast Asia. As of 31 December 2020, the Group's overseas desulfurization units have accumulated a capacity of 5,710MW.

The following map shows the distribution of the projects of the Group outside the PRC as of 31 December 2020:



於2020年12月31日，本集團於中國境外地區（例如歐洲、南亞、拉丁美洲、非洲及東南亞）亦已進行或正進行十逾個項目。於2020年12月31日，本集團海外脫硫機組容量累計達到5,710MW。

下圖列示於2020年12月31日，本集團在中國境外的項目分佈：

## 2.1 Flue Gas Treatment Business

As a comprehensive treatment service provider for the industrial environment, the Group also provides its flue gas treatment services through various business models including EPC, O&M and concession operations (including “Build-Operate-Transfer” or “BOT”, and “Build-Own-Operate” or “BOO”).

## 2.1 煙氣治理業務

作為工業環境綜合治理服務提供商，本集團煙氣治理業務通過EPC、運維及特許經營（包括「建設－運營－轉讓」或「BOT」，以及「建設－擁有－運營」或「BOO」）等多種業務模式提供服務。

## MANAGEMENT DISCUSSION AND ANALYSIS (Continued)

### 管理層討論與分析(續)

#### EPC

A typical EPC business model involves project design, procurement of equipment and materials, project construction and equipment installment services in relation to SO<sub>2</sub> or NO<sub>x</sub> emission control and dust removal primarily for industrial customers such as power plants, aluminum factories, steel factories and chemical plants.

In recent years, the Group has gradually expanded the scope of EPC business from the traditional coal-fired power plant flue gas treatment industry to petrochemical, steel, fuel gas, electrolytic aluminum and coking industries. As of 31 December 2020, the Group added eight new EPC projects, with a total contract value amounting to approximately RMB434 million.

#### EPC

EPC業務主要涉及為發電廠、鋁廠、鋼鐵廠、化工廠等工業客戶二氧化硫或氮氧化物排放控制及除塵項目提供設計、設備與材料採購、項目建設及設備安裝服務。

近年來，本集團逐步擴大EPC業務範圍，從傳統的燃煤電廠煙氣治理行業拓展至石化、鋼鐵、燃氣、電解鋁及焦化行業，連續在非電領域取得佳績。於2020年12月31日，本集團新增八個EPC項目，總計合同金額約人民幣434百萬元。

The following table sets forth the status of the EPC projects under construction as of 31 December 2020:

下表列示於2020年12月31日在建EPC項目情況如下：

No. 序號	Environmental protection facility engineering projects under construction 在建環保設施工程項目	Type of project 項目類型	Newly built/ upgraded 新建/改造	Date of contract 合同簽訂時間 (Month/Year) (年/月)	Aggregate contract value 合同額 (RMB million) (人民幣百萬元)
1.	Shentou Electric Power Phase II Desulfurization System and WESP Project 神頭發電二期脫硫系統及濕式電除塵項目	Desulfurization and dust removal 脫硫及除塵	Newly built 新建	December 2014 2014年12月	354
2.	Shouyang Green Island Project 壽陽環保島項目	Green Island 環保島	Newly built 新建	December 2015 2015年12月	288
3.	Phase II Desulfurization EP Project in Serbia 塞爾維亞二期脫硫EP項目	Desulfurization 脫硫	Newly built 新建	September 2016 2016年9月	90
4.	Nanyang Desulfurization Project 南陽脫硫項目	Desulfurization 脫硫	Newly built 新建	March 2017 2017年3月	168
5.	Chuanwei Denitrification, Desulfurization and Dust Removal Ultra Low Emissions Upgrade Project 川維脫硝、脫硫及除塵超低排放改造項目	Green Island 環保島	Upgraded 改造	September 2018 2018年9月	206
6.	POWER CHINA Lucky 660MW Coal-fired Power Plant Desulfurization Equipment Procurement Project in Pakistan 中國電建巴基斯坦Lucky 660MW 燃煤電站脫硫設備採購項目	Desulfurization 脫硫	Newly built 新建	April 2019 2019年4月	132
7.	4X600 t/d lime double-hearth kiln flue gas SCR denitrification project of Hebei Jinxi Africa Metal Mine Industry Co., Ltd. 河北津西非金屬礦工業有限公司4X600 t/d 石灰雙膛窯煙氣SCR脫硝工程項目	Denitrification 脫硝	Newly built 新建	December 2019 2019年12月	27
8.	4X330MW Unit Flue Gas Desulfurization Transformation Project of Beihai Power Plant II Utilizing Magnesium and Calcium Adjustment Method 北海二電4X330MW機組煙氣脫硫鎂法改鈣法改造項目	Desulfurization 脫硫	Upgraded 改造	January 2020 2020年1月	137

## MANAGEMENT DISCUSSION AND ANALYSIS (Continued)

### 管理層討論與分析 (續)

No. 序號	Environmental protection facility engineering projects under construction 在建環保設施工程項目	Type of project 項目類型	Newly built/ upgraded 新建/改造	Date of contract 合同簽訂時間 (Month/Year) (年/月)	Aggregate contract value 合同額 (RMB million) (人民幣百萬元)
9.	215 Flat Sintering Machine Flue Gas Desulfurization and Denitrification Project of Chengde Jianlong 承德建龍215平燒結機煙氣脫硫脫硝項目	Desulfurization, denitrification and dust removal 脫硫脫硝除塵	Upgraded 改造	April 2020 2020年4月	85
10.	2 million tons Aluminum Oxide Project of Guangxi Huasheng New Material Co., Ltd. 3500t/d Aluminum Hydroxide Gas Suspension Roaster Denitrification System General Contracting Project 廣西華升新材料有限公司200萬噸氧化鋁項目 3500t/d氫氧化鋁氣態懸浮焙燒爐脫硝系統總 承包項目	Denitrification 脫硝	Newly built 新建	May 2020 2020年5月	10
11.	Shentou Phase II Urea Catalytic Hydrolysis Auxiliary System 神頭二期尿素催化水解輔助系統	Denitrification 脫硝	Newly built 新建	May 2020 2020年5月	7
12.	4 Ferronickel Kiln Flue Gas Desulfurization and Denitrification Ultra-low Emission EPC + O&M General Contracting Project of Guangdong Century Qingshan Nickel Industry Co., Ltd. 廣東世紀青山鎳業有限公司4條鎳鐵坩爐煙氣脫硫 脫硝超低排放EPC+運維總包項目	Desulfurization and denitrification 脫硫脫硝	Newly built 新建	August 2020 2020年8月	67
13.	Xutong Urea Hydrolysis Project 徐塘尿素水解項目	Denitrification 脫硝	Newly built 新建	August 2020 2020年8月	21
14.	Regional Heating Project and 1×410t/h Circulating Fluidized Bed Boiler Flue Gas-Ammonia Desulfurization EPC General Contracting Project of Cangzhou Xuyang Chemical Co., Ltd. 滄州旭陽化工有限公司區域供熱項目1×410t/h 循環流化床鍋爐煙氣-氨法脫硫EPC總承包項目	Desulfurization 脫硫	Newly built 新建	November 2020 2020年11月	25
15.	230m <sup>2</sup> Sintering Flue Gas Desulfurization and Denitrification Ultra-low Emission Project of Tianjin Tiangang United Special Steel Co., Ltd. 天津天鋼聯合特鋼有限公司230m <sup>2</sup> 燒結煙氣脫硫 脫硝超低排放項目	Desulfurization and denitrification 脫硫脫硝	Newly built 新建	December 2020 2020年12月	82

**O&M**

The provision of O&M services mainly includes operation services and regular maintenance services for desulfurization and denitrification facilities owned by the customers. Under the O&M projects, our customers are either charged (i) service fees for the O&M services based on the total amount of on-grid electricity generated during the service period, or (ii) a fixed price predetermined at the commencement of the project based on the pre-agreed scope of work. Revenues from the O&M business can be a sustainable one, generating stable cash flow for the Group.

As of 31 December 2020, the Group had a total of 18 O&M projects under operation, covering industrial sectors such as thermal power, steel and coking, which have operated consistently with their emissions in compliance with required standards and shall provide a stable source of business growth of the Group.

**運維**

運維服務的提供主要包括對客戶擁有的脫硫及脫硝設施提供運營服務及常規維護服務。就運維項目，我們向客戶收取(i)就運維服務基於服務期間總上網電量計算的服務費，或(ii)在項目開始預先根據預先協議的開展工作範圍釐定的價格。運營與維護業務收入可為本集團提供持續性收入來源和穩定的現金流量。

於2020年12月31日，本集團累計共有18個在執行的運維合同，覆蓋火電、鋼鐵及焦化等工業領域，各項目穩定運行，達標排放，能夠為本集團提供穩健的業績增長來源。

## MANAGEMENT DISCUSSION AND ANALYSIS (Continued)

### 管理層討論與分析 (續)

The following table sets forth the installed capacities and status of the O&M projects of the Group under operation as of 31 December 2020:

於2020年12月31日，本集團的投運運維項目的裝機容量及項目情況如下：

No. 序號	Project name 項目名稱	Type of project 項目類型	Starting date of service 服務起始日期 (Month/Year) (年/月)	Expiring date of service contract 服務合約屆滿日期 (Month/Year) (年/月)	Installed capacity 裝機容量
1.	Yangcheng #1-6 Unit Flue Gas Desulfurization O&M Project 陽城1-6號機組煙氣脫硫運維項目	Desulfurization 脫硫	July 2018 2018年7月	August 2021 2021年8月	6×350MW
2.	Yangcheng #7-8 Unit Flue Gas Desulfurization O&M Project 陽城7-8號機組煙氣脫硫運維項目	Desulfurization 脫硫	June 2018 2018年6月	August 2021 2021年8月	2×600MW
3.	Yangcheng #7-8 Unit Slag Removal O&M Project 陽城7-8號機組除渣運維項目	Slag removal 除渣	June 2018 2018年6月	August 2021 2021年8月	2×600MW
4.	Qinzhou Desulfurization O&M Project 欽州脫硫運維項目	Desulfurization 脫硫	July 2015 2015年7月	June 2021 2021年6月	2×630MW+ 2×1,000MW
5.	Jingjiang Flue Gas Desulfurization and Dust Removal O&M Project 靖江煙氣脫硫及除塵運維項目	Desulfurization and dust removal 脫硫及除塵	March 2016 2016年3月	December 2021 2021年12月	2×660MW
6.	Tianjin SDIC Jinneng Power Plant Desulfurization, WESP and Water Intake System Operation and Cleaning Project 天津國投津能脫硫濕電取水運行及保潔項目	Desulfurization 脫硫	August 2016 2016年8月	December 2020 2020年12月	4×1,000MW
7.	Yangxi Flue Gas Desulfurization and Denitrification O&M Project 陽西煙氣脫硫脫硝運維項目	Desulfurization and denitrification 脫硫及脫硝	January 2017 2017年1月	December 2025 2025年12月	2×660MW+2×600MW
8.	Shouguang Auxiliary Ashing and Sulfurization Control System Entrusted Operation Project 壽光灰硫化輔控系統委託運行項目	Desulfurization 脫硫	May 2018 2018年5月	May 2021 2021年5月	2×1,000MW
9.	Shanyin Phase II Environmental Protection O&M 山陰二期環保運維項目	Denitrification, desulfurization and slag removal 脫硝脫硫及除塵	June 2018 2018年6月	May 2021 2021年5月	2×350MW
10.	Xilinhaote Desulfurization and Denitrification O&M Project 錫林浩特脫硫脫硝運維項目	Desulfurization and denitrification 脫硫脫硝	December 2019 2019年12月	December 2020 2020年12月	2×660MW

## MANAGEMENT DISCUSSION AND ANALYSIS (Continued)

### 管理層討論與分析(續)

No. 序號	Project name 項目名稱	Type of project 項目類型	Starting date of service 服務起始日期 (Month/Year) (年/月)	Expiring date of service contract 服務合約屆滿日期 (Month/Year) (年/月)	Installed capacity 裝機容量
11.	Jinxi Iron and Steel O&M Project 津西鋼鐵運維項目	Denitrification, desulfurization and dust removal 脫硝脫硫及除塵	March 2019 2019年3月	February 2022 2022年2月	265m <sup>2</sup> sintering machines 265m <sup>2</sup> 燒結機
12.	Jinxi Special Steel O&M Project 津西特鋼運維項目	Denitrification, desulfurization and dust removal 脫硝脫硫及除塵	March 2019 2019年3月	February 2022 2022年2月	2×210m <sup>2</sup> +1×265m <sup>2</sup> sintering machines 2×210m <sup>2</sup> +1×265m <sup>2</sup> 燒結機
13.	Denitrification, Desulfurization and Dust Removal O&M Project on 350m <sup>2</sup> Sintering Machines of Tianjin Iron Plant 天津鐵廠350平方米燒結機脫硫 脫硝除塵運維項目	Denitrification, desulfurization and dust removal 脫硫脫硝除塵	November 2019 2019年11月	November 2022 2022年11月	350m <sup>2</sup> sintering machines 350m <sup>2</sup> 燒結機
14.	Denitrification O&M Project on 360m <sup>2</sup> Sintering Machines of Tianjin Iron Plant 天津鐵廠360平方米燒結機 脫硝運維項目	Denitrification 脫硝	December 2019 2019年12月	November 2022 2022年11月	360m <sup>2</sup> sintering machines 360m <sup>2</sup> 燒結機
15.	Flue Gas Denitrification, Desulfurization and Dust Removal O&M Project on 4×65 Hole 6.05m Stamp Charging Coke Oven of Shanxi Lubao Group's Jingang Zhaofeng Coal Chemical Company 山西潞寶集團晉鋼兆豐煤化工4×65孔6.05米 搗固焦爐煙氣脫硫脫硝除塵運維項目	Denitrification, desulfurization and dust removal 脫硫脫硝除塵	December 2019 2019年12月	November 2024 2024年11月	4×65 hole 6-05m stamp charging coke oven 4×65孔6-05米 搗固焦爐
16.	Flue Gas Denitrification, Desulfurization and Dust Removal O&M Project on 4×75 t/h Facilities of Shanxi Lubao Group's Shanxi Jintao Lubao Chemical Co., Ltd. 山西潞寶集團山西建滔潞寶化工有限責任公司 4×75 t/h鍋爐煙氣脫硫、脫硝、除塵設施運維項目	Denitrification, desulfurization and dust removal 脫硫脫硝除塵	December 2019 2019年12月	November 2024 2024年11月	4×75 t/h
17.	Coke Oven Flue Gas Desulfurization, Denitrification and Dust Removal Facility O&M Project of Shanxi Lubao Group Coking Co., Ltd. 山西潞寶集團焦化有限公司焦爐煙氣脫硫、 脫硝、除塵設施運維項目	Desulfurization, denitrification and dust removal 脫硫脫硝除塵	November 2020 2020年11月	October 2025 2025年10月	7.65m 7.65米
18.	2×350 MW Desulfurization System O&M Project of Chengde Construction Investment Company 承德建投2×350MW脫硫系統運行維護項目	Desulfurization 脫硫	September 2020 2020年9月	September 2021 2021年9月	2×350MW



#### Concession Operation Business

Under the concession operation business model, the Group is responsible for the financing, investment, construction and upgrading of a project according to its concession contracts with its customers.

In 2020, the Group continued to carry out its concession operation business, including desulfurization, denitrification and green island (which is an integrated flue gas treatment system to treat synergistically the flue gas pollutants produced by the boilers of coal-fired power plants, including denitrification, desulfurization, dust removal, induced drafted fan system, reheating system). As of 31 December 2020, the Group has accumulated nine concession operation projects and all of which have been under operation smoothly, laying a strong foundation for us to operate continuously and develop steadily.

#### 特許經營業務

在特許經營業務模式下，本集團負責根據與其客戶訂立的特許經營合同為項目籌措資金、投資、建設及改造。

於2020年，本集團繼續實施其特許經營業務，包括脫硫、脫硝及環保島（其為燃煤電廠鍋爐燃燒後的煙氣污染物協同處理的集成煙氣處理系統，包括脫硝、脫硫、除塵、引風機系統、再加熱器等各種裝置）。於2020年12月31日，本集團累計執行九個特許經營項目，所有項目均已順利投運，為本集團持續經營和穩定發展奠定重要基礎。

The following table sets forth details of the concession operation projects of the Group under operation as of at 31 December 2020:

於2020年12月31日，本集團投運的特許經營項目詳情如下：

No. 序號	Project name 項目名稱	Installed capacity 裝機容量	Type of project 項目類型	Newly built/ upgraded 新建/改造	Total investment 投資總額 RMB million 人民幣百萬元	Date of signing contract 合同簽訂日期 (Year/Month) (年/月)	Ending date of concession period 特許經營期限屆滿日期 (Year/Month) (年/月)
1.	Jiangxi Jinggangshan BOT Project 江西井岡山BOT項目	2×300MW +2×660MW	Desulfurization 脫硫	Newly built 新建	224	January 2008 (for Phase I) August 2008 (for Phase II) 2008年1月(一期) 2008年8月(二期)	July 2030 (for Phase I) December 2030 (for Phase II) 2030年7月(一期) 2030年12月(二期)
2.	Shanxi Hejin BOT Project 山西河津BOT項目	2×350MW	Denitrification 脫硝	Newly built 新建	90	June 2012 2012年6月	September 2033 (for Unit #1) May 2033 (for Unit #2) 2033年9月(1號機組) 2033年5月(2號機組)
3.	Shanxi Puzhou Phase I BOT Project 山西蒲洲一期BOT項目	2×300MW	Denitrification 脫硝	Newly built 新建	84	June 2012 2012年6月	January 2034 (for Unit #1) May 2033 (for Unit #2) 2034年1月(1號機組) 2033年5月(2號機組)
4.	Shanxi Puzhou Phase II BOT Project 山西蒲洲二期BOT項目	2×350MW	Denitrification 脫硝	Newly built 新建	112	May 2014 2014年5月	End of 2037 2037年底
5.	Shanxi Yuguang BOT Project 山西昱光BOT項目	2×300MW	Green Island 環保島	Upgraded 改造	82	May 2015 2015年5月	February 2036 (for Unit #1) May 2035 (for Unit #2) 2036年2月(1號機組) 2035年5月(2號機組)
6.	Xinjiang Shenhua BOT Project 新疆神火BOT項目	4×350MW	Green Island 環保島	Upgraded 改造	490	June 2017 2017年6月	End of 2032 2032年底
7.	Huainan Guqiao BOT Project 淮南顧橋BOT項目	2×330MW	Green Island 環保島	Upgraded 改造	173	May 2018 2018年5月	End of 2033 2033年底
8.	Xinjiang Guotai Xinhua BOT Project 新疆國泰新華BOT項目	2×350MW	Green Island 環保島	Upgraded 改造	150	July 2018 2018年7月	June 2028 2028年6月
9.	Guangxi Laibin BOO Project 廣西來賓脫硫脫硝除塵 BOO項目	2×300MW	Green Island 環保島	Upgraded 改造	281	December 2018 2018年12月	End of 2033 2033年底

## MANAGEMENT DISCUSSION AND ANALYSIS (Continued)

### 管理層討論與分析(續)

#### 2.2 Water Treatment Business

During the Reporting Period, the Sewage Treatment Center of Shanxi Lubao Industrial Park in China (“**Lubao Sewage Treatment Center**”), the Group’s industrial sewage treatment project, was operating smoothly and started to contribute income to the Group. The Group regards Lubao Sewage Treatment Center as a demonstration project for such industry, and has swiftly trained a team of technology and operating professionals in industrial sewage treatment, thus further enhancing the Group’s comprehensive market competitiveness.

Taking advantage of the development opportunities of Lubao Sewage Treatment Center, the Group has acted as an environmental protection manager in Shanxi Lubao Industrial Park and planned to invest approximately RMB100 million in the Reporting Period to construct the concentrated water advanced treatment system project of Lubao Sewage Treatment Center, which will provide wastewater treatment and flue gas treatment services for various chemical companies in the park to promote the realization of zero discharge of wastewater. This project is conducive to the long-term development of the Group’s business in Shanxi Lubao Industrial Park and will bring stable income to the Group.

#### 2.2 水處理業務

本報告期內，本集團工業污水處理項目中國山西潞寶工業園污水處理中心(「**潞寶污水處理中心**」)運行穩定，開始為集團貢獻收益。本集團以潞寶污水處理中心作為該領域的示範項目，已迅速培養出了工業污水處理領域的技術和運行專業人員，進一步提升了本集團的市場綜合競爭力。

借助潞寶污水處理中心發展機遇，作為山西潞寶工業園區內的環保管家，本集團於報告期內計劃新投資約人民幣100百萬元，建設潞寶污水處理中心濃水深度處理系統項目，為園區內各化工企業提供廢水處理和煙氣治理服務，推進園區實現廢水零排放。該項目有利於本集團業務於山西潞寶工業園區內長期發展，將為集團帶來穩定收益。

### 2.3 Hazardous and Solid Waste Treatment/Disposal Business

During the Reporting Period, the Group entered into a contract for the Cooperative Hazardous and Solid Waste Disposal Project of Tangshan Yandong Cement Kiln. The project is planned to be invested and constructed in two phases. After it is put into operation, the annual hazardous and solid waste treatment capacity is expected to reach approximately 100,000 tons, thus achieving a leading position in the local market and having much room for future development. The project is another breakthrough of the Group in the environmental governance industry following flue gas treatment and water treatment and will become a new driving force for the Group's performance. By leveraging on this opportunity and combining with the advantages of a new round of policies of the industry, the Group will continue to promote its hazardous and solid waste treatment and disposal business in order to achieve a leapfrog development.

### 2.4 Energy Saving and Environmental Protection Business

During the Reporting Period, the Group entered into the Coke Dry Quenching Waste Heat Power Generation Project EMC Agreement with Tianjin Iron Plant. The Group will provide energy saving and environmental protection services to Tianjin Iron Plant through the undertaking of waste heat power generation project. The project will have a total investment of approximately RMB278 million and will bring long-term benefits to the Group after being put into operation. The EMC project is another strategic deployment of the Company in the field of energy saving and environmental protection, which will further consolidate the Company's leading position as a comprehensive environmental protection service provider.

### 2.3 危固廢處理處置業務

本報告期內，本集團簽署唐山燕東水泥窯協同處置危固廢處理項目，項目計劃分兩期投資建設，投運後的危固廢年度處理量有望達約10萬噸，項目領先佔有當地市場，未來發展空間廣闊。這是本集團繼煙氣治理、水處理之後，在環境治理行業的又一突破，並將成為集團新的業績增長點。本集團將以此為契機，結合行業新一輪政策紅利，持續推進危固廢處理處置業務，取得跨越式發展。

### 2.4 節能環保業務

本報告期內，本集團與天津鐵廠簽署干熄焦餘熱發電工程項目合同能源管理(EMC)協議，通過承接餘熱發電項目，向天津鐵廠提供節能環保服務，項目總投資額約人民幣278百萬元，投運後將為本集團帶來長期受益。EMC項目是公司於節能環保領域的又一戰略性佈局，將進一步鞏固公司作為綜合環保服務提供商的領先地位。

### 3. FINANCIAL POSITION AND OPERATING RESULTS

In 2020, the sudden outbreak of COVID-19 brought a major test to the economic and social development of the world. The austere economic situation has led to intensified market competition among enterprises and greater uncertainty in production and operation. In this unprecedented historical period full of difficulties, we still achieved relatively good results in our production and operation throughout the year through refined operation, improved management and the pursuit of efficiency. Net profit has increased over the same period of last year and the receivables recovered has reached the historical highest level, thus still maintaining the asset structure in a sound condition.

#### Revenue

For the 2020 Financial Year, the Group's total revenue decreased by 10.3% to RMB1,646 million as compared with RMB1,836 million for the 2019 Financial Year, mainly attributable to the decrease in the revenue of the Group's EPC projects in the flue gas treatment business, as well as the decrease in the revenue from concession operation and construction business.

### 3. 財務狀況及經營業績

2020年，突如其來的新冠疫情給世界經濟和社會發展帶來重大考驗，嚴峻的經濟形勢導致企業市場競爭加劇，生產經營存在較大的不確定性。在這個諸多困難的特殊歷史時期，我們通過精細經營、提升管理，追求效益，全年公司的生產經營取得了較好的成績。淨利潤比上年同期有所增長，資金收款達到歷史最好水平，資產結構依然保持良好狀況。

#### 收入

本集團於2020年財政年度的收入總額為人民幣1,646百萬元，較2019財政年度的人民幣1,836百萬元減少10.3%，主要由於本集團煙氣治理業務EPC板塊及特許經營建造收入減少所致。

The Group generates revenue primarily from three operating segments: (i) flue gas treatment business, (ii) water treatment business and (iii) energy saving and environmental protection business. The following table sets forth a breakdown of the revenue of the Group by segment for the periods stated.

本集團主要從三個經營分部賺取收入：(i) 煙氣治理業務；(ii) 水處理業務；及(iii) 節能環保業務。下表載列本集團於所示期間按分部劃分的收入明細。

		<b>Segment revenue</b>	
		分部收益	
		<b>Year ended 31 December 2020 截至2020年 12月31日 止年度 RMB'000 人民幣千元</b>	Year ended 31 December 2019 截至2019年 12月31日 止年度 RMB'000 人民幣千元
Flue gas treatment business	煙氣治理業務		
EPC	EPC	<b>530,214</b>	730,628
O&M	運維	<b>384,210</b>	380,317
Concession operation	特許經營	<b>587,975</b>	700,489
Of which: Construction	其中：建造	<b>24,025</b>	176,421
Operation	運營	<b>563,950</b>	524,068
Others	其他	<b>28,055</b>	25,062
Water treatment business	水處理業務	<b>90,695</b>	-
Energy saving and environmental protection business	節能環保業務	<b>24,982</b>	-
<b>Total</b>	<b>總計</b>	<b>1,646,131</b>	1,836,496

For the 2020 Financial Year, revenue generated from the Group's flue gas treatment business was as follows:

於2020財政年度，本集團煙氣治理業務分部的收入如下：

The revenue from EPC sector was RMB530 million, representing a decrease of 27.5% as compared with RMB731 million for the 2019 Financial Year, which was mainly attributable to the postponement in construction of certain projects under the impact of COVID-19;

EPC的收入為人民幣530百萬元，較2019財政年度的人民幣731百萬元減少27.5%，主要受新冠疫情影響，部份項目延期開工所致；

The revenue from O&M business was RMB384 million, representing an increase of 1.1% as compared with RMB380 million for the 2019 Financial Year;

運維的收入為人民幣384百萬元，較2019財政年度的人民幣380百萬元增加1.1%；

## MANAGEMENT DISCUSSION AND ANALYSIS (Continued)

### 管理層討論與分析(續)

The revenue from concession operation business decreased by 16.0% from RMB700 million for the 2019 Financial Year to RMB588 million, mainly attributable to the decrease in the revenue generated from the construction of concession operation projects of the Group during the Reporting Period.

The revenue from the Group's water treatment business for the 2020 Financial Year was RMB91 million. Water treatment business has become the Group's new growth driver during the Reporting Period.

The revenue from the Group's energy saving and environmental protection business for the 2020 Financial Year was RMB25 million. Energy saving and environmental protection business has become a new contributor to the business growth of the Group during the Reporting Period.

#### Cost of Sales and Services

The Group's cost of sales and services for the 2020 Financial Year was RMB1,306 million, representing a decrease of 14.6% as compared with RMB1,530 million for the 2019 Financial Year, mainly attributable to the postponement of the construction of certain EPC projects in the flue gas treatment business, the decrease in the cost of construction of concession operation projects and the strengthening of the cost control and management of the Company.

For the 2020 Financial Year, the cost of sales and services of the Group's flue gas treatment business sector was as follows:

The cost of sales and services for the EPC business consists primarily of design cost, procurement cost and construction and installation cost. The cost of sales and services of the EPC business amounted to RMB525 million, representing a decrease of 25.1% as compared with RMB701 million for the 2019 Financial Year, mainly attributable to the postponement of the construction of certain projects under the impact of COVID-19;

特許經營的收入為人民幣588百萬元，較2019財政年度的人民幣700百萬元減少16.0%，主要由於本集團報告期內特許經營項目建造收入減少所致。

於2020財政年度，本集團水處理業務的收入為人民幣91百萬元，水處理業務已成為本集團報告期內新的業績增長點。

於2020財政年度，本集團節能環保業務收入為人民幣25百萬元，節能環保業務已成為本集團報告期內業績增長的新亮點。

#### 銷售及服務成本

於2020財政年度，本集團的銷售及服務成本為人民幣1,306百萬元，較2019年財政年度的人民幣1,530百萬元減少14.6%，主要受新冠疫情影響，煙氣治理業務部份EPC項目延期開工、特許經營項目建造成本減少及公司強化成本控制管理所致。

於2020財政年度，本集團煙氣治理業務分部的銷售及服務成本如下：

EPC的銷售及服務成本主要包括設計成本、採購成本、建築及安裝成本。EPC的銷售及服務成本為人民幣525百萬元，較2019財政年度的人民幣701百萬元減少25.1%，主要受新冠疫情影響，部份項目延期開工所致；

The cost of sales and services for the O&M business consists of raw material costs, labor costs and repair and maintenance costs. The cost of sales and services for the O&M business amounted to RMB306 million, representing an increase of 2.3% as compared with RMB299 million for the 2019 Financial Year, mainly attributable to the increase of cost resulting from the operation of new projects during the Reporting Period;

The cost of sales and services for the concession operation business consists primarily of raw material costs, labor costs, construction costs and amortization and depreciation. The cost of sales and services for the concession operation business amounted to RMB404 million, representing a decrease of 23.5% as compared with RMB528 million for the 2019 Financial Year, mainly attributable to the decrease of construction cost resulting from the concession operation projects under construction put into operation during the Reporting Period.

The cost of sales and services for the Group's water treatment business consists primarily of raw material costs, labor costs and amortization and depreciation. The cost of sales and services for the water treatment business for the 2020 Financial Year was RMB47 million.

The cost of sales and services for the Group's energy saving and environmental protection business consists primarily of raw material costs, labor costs, construction costs and amortization and depreciation. The cost of sales and services for the energy saving and environmental protection business for the 2020 Financial Year was RMB24 million.

#### Gross Profit and Gross Profit Margin

The overall gross profit of the Group for the 2020 Financial Year increased by 10.7% to RMB340 million from RMB307 million for the 2019 Financial Year. The increase was mainly attributable to (i) the higher gross profit contribution from newly implemented projects; and (ii) the better efficiency achieved from cost control.

運維的銷售及服務成本包括原材料成本、人工成本及維修維護成本。運維業務的銷售及服務成本為人民幣306百萬元，較2019財政年度的人民幣299百萬元增加2.3%，主要由於報告期內新投運項目增加成本所致；

特許經營的銷售及服務成本主要包括原材料成本、人工成本、建造成本及攤銷折舊。特許經營的銷售及服務成本為人民幣404百萬元，較2019財政年度的人民幣528百萬元減少23.5%，主要由於報告期內在建特許經營項目投入運營，建造成本減少所致。

本集團水處理業務的銷售及服務成本主要包括材料成本、人工成本及攤銷折舊。於2020財政年度，水處理業務的銷售及服務成本為人民幣47百萬元。

本集團節能環保業務的銷售及服務成本主要包括原材料成本、人工成本、建造成本及攤銷折舊。於2020財政年度，節能環保業務的銷售及服務成本為人民幣24百萬元。

#### 毛利及毛利率

於2020財政年度，本集團綜合毛利有所增加，由2019財政年度的人民幣307百萬元增加至人民幣340百萬元，增加10.7%，主要由於(i)新執行項目的毛利貢獻較大；(ii)成本控制取得較好效果。



## MANAGEMENT DISCUSSION AND ANALYSIS (Continued)

### 管理層討論與分析(續)

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

下表載列本集團於所列期間各業務分部的毛利及毛利率：

		Year ended 31 December 2020 截至2020年 12月31日止年度		Year ended 31 December 2019 截至2019年 12月31日止年度	
		Gross Profit 毛利 RMB'000 人民幣千元	Gross Profit Margin 毛利率 %	Gross Profit 毛利 RMB'000 人民幣千元	Gross Profit Margin 毛利率 %
Flue Gas treatment business	煙氣治理業務				
EPC	EPC	5,227	1.0	29,344	4.0
O&M	運維	78,652	20.5	81,659	21.5
Concession operation	特許經營	183,816	31.3	172,257	24.6
Of which: Construction	其中：建造	648	2.7	4,439	2.5
Operation	運營	183,168	32.5	167,818	32.0
Others	其他	27,834	99.2	23,262	92.8
Water treatment business	水處理業務	43,940	48.4	–	–
Energy saving and environmental protection business	節能環保業務	609	2.4	–	–
<b>Total</b>	<b>總計</b>	<b>340,078</b>	<b>20.7</b>	<b>306,522</b>	<b>16.7</b>

The gross profit of the Group's flue gas treatment business sector for the 2020 Financial Year was as follows:

The gross profit of EPC business was RMB5 million, representing a decrease of 82.8% as compared with RMB29 million for the 2019 Financial Year, mainly attributable to the decrease of gross profit contribution resulting from the postponement of the construction of existing projects and newly signed projects, coupling with the increase in the costs caused by the postponement;

The gross profit of the O&M business was RMB79 million, representing a decrease of 3.7% as compared with RMB82 million for the 2019 Financial Year, mainly attributable to the increase in the costs resulting from the operation of new projects during the Reporting Period;

The gross profit of the concession operation business increased by 7.0% to RMB184 million from RMB172 million for the 2019 Financial Year, mainly attributable to the increase in operating revenue resulting from the completion of the transformation of concession operation projects of the Group.

The gross profit of the Group's water treatment business for the 2020 Financial Year amounted to RMB44 million.

The gross profit of the Group's energy saving and environmental protection business for the 2020 Financial Year amounted to RMB0.61 million.

#### **Other Income and Gains and Other Expense and Losses**

Other income and gains and other expense and losses consist primarily of interest income, government grants and rental income etc.

於2020財政年度，本集團煙氣治理業務分部的毛利如下：

EPC的毛利為人民幣5百萬元，較2019財政年度的人民幣29百萬元減少82.8%，主要由於新冠疫情影響，在執行項目及新簽項目延期開工導致毛利貢獻減少，同時延期成本增加；

運維業務的毛利為人民幣79百萬元，較2019財政年度的人民幣82百萬元減少3.7%，主要由於報告期內新投運項目增加成本所致；

特許經營業務的毛利為人民幣184百萬元，較2019財政年度的人民幣172百萬元增加7.0%，主要由於本集團特許經營項目改造完成運營收益增加所致。

於2020財政年度，本集團水處理業務的毛利為人民幣44百萬元。

於2020財政年度，本集團節能環保業務的毛利為人民幣0.61百萬元。

#### **其他收入及收益以及其他開支及虧損**

其他收入及收益以及其他開支及虧損主要包括利息收入、政府補助及租金收入等。

## MANAGEMENT DISCUSSION AND ANALYSIS (Continued)

### 管理層討論與分析(續)

The Group's other income and gains and other expense and losses for the 2020 Financial Year increased by RMB9 million to RMB34 million, as compared with RMB25 million for the 2019 Financial Year. The increase was mainly attributable to the decrease in losses on fair value changes and the increase in interest income during the Reporting Period.

#### Selling and Distribution Expenses

The Group's selling and distribution expenses amounted to RMB22 million for the 2020 Financial Year, as compared to RMB29 million for the 2019 Financial Year. The percentage of selling and distribution expenses to revenue dropped to 1.3% from 1.6% for the same period of last year, mainly due to the decrease of travelling and activity expenses under the impact of COVID-19.

#### Administrative Expenses

The Group's administrative expenses for the 2020 Financial Year amounted to RMB80 million, representing a decrease of RMB9 million as compared with RMB89 million for the 2019 Financial Year. The percentage of administrative expenses to revenue increased to 4.9% from 4.8% for the same period of last year, mainly due to the strengthening of cost control and the curtailing on expenditures internally.

#### Research and Development Expenses

The Group's R&D expenses for the 2020 Financial Year amounted to RMB34 million, representing an increase of RMB10 million as compared with RMB24 million for the 2019 Financial Year. The percentage of R&D expenses to revenue increased to 2.1% from 1.3% for the same period of last year, mainly due to (i) the increase of investment in R&D to order to save energy, reduce consumption and enhance competitiveness; and (ii) the increase of R&D expenses resulting from the enhancement of technology and talent reserves for the expansion of new business.

於2020財政年度，本集團其他收入及其他收益淨額為人民幣34百萬元，較2019財政年度的人民幣25百萬元增加9百萬元，主要由於報告期內公允價值變動損失減少和利息收入增加所致。

#### 銷售及分銷開支

於2020財政年度，本集團銷售及分銷開支為人民幣22百萬元，而2019財政年度為人民幣29百萬元。銷售及分銷開支佔收入比率由上年同期1.6%降至1.3%，主要受新冠疫情影响，差旅和業務活動費用減少。

#### 行政開支

於2020財政年度，本集團的行政開支為人民幣80百萬元，較2019財政年度人民幣89百萬元減少人民幣9百萬元。行政開支佔收入比率由上年同期的4.8%增至4.9%。主要由於集團內部加強費用管控，節約開支。

#### 研發開支

於2020財政年度，本集團的研發開支為人民幣34百萬元，較2019財政年度人民幣24百萬元增加人民幣10百萬元。研發開支佔收入比率由上年同期的1.3%增至2.1%。主要由於：(i)為節能降耗、提高競爭力，加大研發投入；及(ii)為拓展新業務增加技術及人才儲備，加大了研發支出。

### Finance Costs

Finance costs consist of interest expense on bank borrowings.

The Group's finance costs for the 2020 Financial Year amounted to RMB10 million, representing an increase of 150% as compared with RMB4 million for the 2019 Financial Year, mainly attributable to the increase of financing amount resulting from the increase of the Group's newly invested projects during the Reporting Period.

### Gearing Ratio

The gearing ratio is calculated as the percentage of Group's total liabilities to its total assets. The Group's gearing ratio dropped to 36.6% as at 31 December 2020 from 43.1% as at 31 December 2019, mainly attributable to the decrease in other short-term liabilities during the Reporting Period.

### Income Tax Expenses

The income tax expenses of the Group for the 2020 Financial Year amounted to RMB28 million, representing an increase of 7.7% as compared with RMB26 million for the 2019 Financial Year, mainly attributable to the increase in profit before tax of the Group during the Reporting Period.

### Profit for the Year

The Group's profit for the 2020 Financial Year was RMB207 million, representing an increase of RMB24 million as compared with RMB183 million for the 2019 Financial Year. The increase was mainly attributable to: (i) the higher gross profit contribution from newly implemented projects; (ii) the better efficiency achieved from cost control; and (iii) the strengthening of expense management of the Group and the decrease in administrative expenditure.

### 財務費用

財務費用包括銀行借款的利息開支。

於2020財政年度，本集團的財務費用為人民幣10百萬元，較2019財政年度的人民幣4百萬元增加150%，主要由於本集團報告期內新投資項目增加，使得融資金額增加所致。

### 資產負債比率

資產負債比率乃根據本集團的負債總額佔本集團的總資產的百分比釐定。本集團的資產負債比率由2019年12月31日43.1%下降至2020年12月31日36.6%。主要由於本集團報告期內其他短期負債降低所致。

### 所得稅開支

於2020財政年度，本集團的所得稅開支為人民幣28百萬元。較2019年同期的人民幣26百萬元增加7.7%，主要由於本集團報告期內除稅前溢利增加所致。

### 年內溢利

於2020財政年度，本集團年內溢利為人民幣207百萬元，較2019財政年度的人民幣183百萬元增加了人民幣24百萬元。主要由於：(i)新執行項目的毛利貢獻較大；(ii)成本控制取得較好效果；及(iii)集團強化費用管理和行政開支減少。

## MANAGEMENT DISCUSSION AND ANALYSIS (Continued)

### 管理層討論與分析(續)

#### Profit Attributable to Owners of the Company

Profit attributable to the owners of the Group for the 2020 Financial Year was RMB208 million, representing an increase of RMB25 million as compared with RMB183 million for the same period of 2019.

#### Liquidity and Capital Resources

Taking into account the financial resources available to the Group, including cash and cash equivalents on hand, cash generated from operations and available facilities of the Company and after diligent and careful analysis, the Directors are of the view that the Group has sufficient working capital required for the Group's operations at present and for the year ending 31 December 2021.

#### Cash Flows

The Group's cash and cash equivalents for the 2020 Financial Year increased by RMB68 million to RMB519 million from RMB451 million for the 2019 Financial Year. The increase was mainly attributable to the increase of project payments as a result of the greater efforts on receivables recovery.

#### Capital Expenditure

The capital expenditure of the Group comprises primarily expenditures on the acquisition and construction of investment projects and equity investments. The total capital expenditure of the Group for the 2020 Financial Year was RMB233 million, representing a decrease of 26.5% as compared with RMB317 million for 2019 Financial Year.

#### 本公司擁有人應佔溢利

於2020財政年度，本集團擁有人應佔溢利為人民幣208百萬元，較2019年同期的人民幣183百萬元增加了人民幣25百萬元。

#### 流動資金及資本來源

考慮到本集團可動用的財務資源(包括本公司手頭的現金及現金等價物、經營所得現金及可動用融資，並經審慎及仔細查詢後，董事認為本集團擁有充足營運資金，滿足本集團目前及截至2021年12月31日止年度的經營需求。

#### 現金流量

於2020財政年度，本集團的銀行結餘及現金為人民幣519百萬元，較截至2019財政年度的人民幣451百萬元增加人民幣68百萬元，主要由於本集團加大資金收款力度，項目回款增加。

#### 資本開支

本集團的資本開支主要包括購置和建設投資項目及股權投資。於2020財政年度，本集團的資本開支總額為人民幣233百萬元。較2019財政年度的人民幣317百萬元，減少26.5%。

### Contingent Liabilities

As at 31 December 2020, the Group did not have any material contingent liabilities.

### Pledge of the Group's Assets

As at 31 December 2020, the bank deposits amounting to RMB93 millions were pledged for issuance of bills to the Group's suppliers, letters of crediting relating to the EPC contracts and the O&M contracts signed with the customers.

As at 31 December 2020, Jiangxi Jianggangshan Boqi Environmental Technology Co., Ltd. ("Jianggangshan Boqi"), a subsidiary of the Group, as the lessee, entered into a finance lease arrangement (the "Finance Lease Agreement") with CITIC Financial Leasing Co., Ltd. ("CITIC Leasing"). Beijing Boqi pledged all its equity interests in Jianggangshan Boqi and the service fee receivables under the Jianggangshan Boqi service concession agreement to CITIC Leasing to guarantee its liabilities under the Finance Lease Agreement.

### 或然負債

於2020年12月31日，本集團並無重大或然負債。

### 本集團資產抵押

於2020年12月31日，為數人民幣93百萬元的銀行存款已作為向本集團供應商發出票據、有關EPC合約的信用狀以及與客戶簽訂運維合約的信用狀所作擔保之金額。

於2020年12月31日，本集團的附屬公司江西井崗山博奇環保科技有限公司(「井崗山博奇」)作為承租人，與中信金融租賃有限公司(「中信租賃」)訂立融資租賃安排(「融資租賃協議」)。北京博奇將其持有的井崗山博奇的全部股權及井崗山博奇服務特許經營協議項下的服務費應收款項質押予中信租賃，以擔保融資租賃協議項下的責任。

#### 4. RISK FACTORS AND RISK MANAGEMENT

##### Risks on environmental protection and pollution control policies

The Group provides substantially all of its environmental protection services to customers in the PRC, and the development of its businesses is greatly dependent on the pollution preventive policies of the PRC. Environmental protection industry is one of the major industries that benefit from the constant support of the PRC governments. The demand for the Group's environmental protection services and the revenue generated therefrom are directly linked with the environmental protection requirements imposed on the current and potential customers of the Group. However, there can be no assurance that the specific favourable policies which are currently available will continue to exist. In addition, these policies and incentives may attract additional new market entrants that can provide other products or services with greater pollution control effects than the products and services of the Group. Therefore, there is no assurance that the Group will directly benefit from the changed industry policies. However, as a comprehensive treatment service provider for the industrial environment, the Group will seize market opportunities, continue to expand the flue gas treatment market and further develop environmental protection businesses such as water treatment, hazardous and solid waste treatment/disposal and energy saving and conservation, with a view to achieving the sustainable development of the Group's business.

#### 4. 風險因素及風險管理

##### 環保及污染防治政策的風險

本集團向中國客戶提供絕大部分環保服務，且其業務發展在很大程度上取決於中國的污染防治政策。環保行業是受惠於中國政府持續支持的主要行業之一。對本集團環保服務的需求以及於該服務產生的收益與施加於本集團現有及潛在客戶的環保規定直接相關。然而，本集團無法保證目前享有的特定優惠政策將繼續存在。此外，該等政策及激勵措施或會吸引其他新商家進入市場，並可能提供防治污染效果較本集團更好的其他產品及服務。因此，無法保證本集團直接受惠於已變更的行業政策。然而，本集團作為工業環境綜合治理服務提供商將把握市場機遇，繼續擴大煙氣治理市場，進一步發展水處理、危固廢處理處置及節能環保等環保業務，以期實現本集團業務的可持續發展。

### Liquidity Risks

Although the Group recorded a positive operating cash flow in the 2020 Financial Year, there is no guarantee that the Group will have positive operating cash flows in any future period. The Group's ability to generate adequate cash inflows from operating activities in the future will depend on its overall annual fund arrangement, its ability to recover receivables and the credit terms it can obtain. If the Group is not able to generate sufficient cash flows from its operations, the Group's operating position may be materially and adversely affected. Ultimate responsibility for liquidity risk management rests with the Directors, who have established a rigid liquidity risk management regime for the management of the Group's liquidity management requirements. The Group manages liquidity risk by various measures, such as maintaining adequate reserves, banking facilities and bank credit lines and continuously monitoring forecast and actual cash flows.

### Credit Risks

The credit risk primarily arises from trade and notes receivables, receivables under concession arrangement, bank balance and cash, pledged bank deposit, contract assets, debt instrument at FVTOCI, other receivables and amounts due from related parties. Due to the nature of business of the Group, the Group has significant concentration of credit risk on a small number of customers and the financial guarantee provided by the Group. As of 31 December 2020, the aggregated amount of the Group's trade receivables of the top five customers was RMB301 million, representing 42.3% of the total trade receivables as of 31 December 2020. The Group's concentration of credit risk by geographical locations is solely in the PRC, and the Group has a credit policy in place and the exposure to these credit risks are monitored on an ongoing basis.

### 流動資金風險

儘管本集團於2020財政年度錄得正經營現金流量，但無法保證本集團於任何未來期間的經營現金流量將為正數。本集團未來自經營活動產生充足現金流入的能力將取決於年度資金總體安排、應收款項的回收能力及本集團能取得的信用期。倘本集團未能從營運中產生充足的現金流量，本集團的經營狀況可能受到重大不利影響。董事須為流動資金風險管理負有最終責任，彼等已建立嚴格的流動資金風險管理體系，以滿足本集團流動資金管理需要。本集團透過維持足夠備用現金、銀行融資及銀行授信額度、持續監察預測實際現金流量等措施管理流動資金風險。

### 信貸風險

信貸風險主要來自貿易應收款項及應收票據、特許經營安排項下的應收款項、銀行結餘及現金、已抵押銀行存款、合約資產、按公允價值計入其他全面收益的債務工具、其他應收款項以及應收關連方款項。由於本集團的業務性質，信貸風險主要集中於少數客戶以及本集團提供的財務擔保。於2020年12月31日，本集團五大客戶的貿易應收款項總額為人民幣301百萬元，佔2020年12月31日貿易應收款項總額的42.3%。本集團的信貸風險地域上僅集中於中國，本集團已落實信貸政策，持續監察所面對的該等信貸風險。



#### Foreign Exchange and Conversion Risks

Almost all of the Group's operating activities are carried out in the PRC with most of the transactions denominated in RMB. The Group is exposed to foreign exchange and conversion risks primarily through sales and procurement that are denominated in currencies other than RMB. In addition, RMB is not freely convertible into foreign currencies and the conversion of RMB into foreign currencies is subject to rules and regulations of the foreign exchange control promulgated by the PRC Government. The Group does not have a foreign currency hedging policy. However, the Directors will monitor the Group's foreign exchange exposure closely and may, depending on the circumstances and trend of foreign currency, consider adopting significant foreign currency hedging policy in the future.

#### 外匯與貨幣兌換風險

本集團幾乎所有經營業務均在中國進行，且大部分交易以人民幣計值。本集團所面對的外匯及兌換風險主要來自以人民幣以外的其他貨幣所進行的銷售及採購業務。此外，人民幣不可自由兌換為外幣，而且將人民幣兌換為外幣須受中國政府頒佈的外匯管制規則及條例規限。本集團並無外幣對沖政策。然而，董事將密切監察本集團的外匯風險，並可能於日後視乎外幣的情況及走勢考慮採納重大外幣對沖政策。

## 5. OUTLOOK ON THE GROUP'S FUTURE DEVELOPMENT

In the future, the environmental protection industry will embark on a new journey. The "14th Five-Year Plan" puts forward new long-term goals in respect of environmental protection: extensively developing green production and lifestyles, fundamentally improving the ecological environment and basically achieving the goal of building a beautiful China. The introduction of the goals of the peaking of carbon dioxide emission and carbon neutrality is the inherent requirement and inevitable trend for our country's economy to enter high-quality development. It will bring pressure to the adjustment and transformation of industrial structure but will also contain huge opportunities. Taking advantage of the favorable policies in the industry, the Group will continue to move forward with unswerving determination and adhere to the path of high-quality development, thus ushering in a new development stage for the Group, thereby the Group will focus on the following tasks:

## 5. 本集團未來發展的展望

未來，環保行業將開啟新的征程。「十四五規劃」在環保方面提出新的遠景目標：廣泛形成綠色生產生活方式，生態環境根本好轉，美麗中國建設目標基本實現。碳達峰、碳中和目標的提出是我國經濟進入高質量發展的內在要求和必然趨勢，將對產業結構調整與轉型帶來壓力，但同時蘊含的巨大機遇。本集團將繼續借助政策的紅利，砥礪奮進，揚帆起航，繼續堅持高質量發展道路，跨入集團發展新階段。重點做好以下工作：

The Group will promote the sustainable development of the four major business sectors in an orderly manner. Adhering to flue gas treatment as the core business, the Group will develop water treatment, hazardous and solid waste treatment/disposal and energy saving and environmental protection businesses synergically. Relying on the technology and experience of existing projects, the Group will further expand its scope of business and promote all-round one-stop services. Fully catering for the needs of existing customers, the Group can establish itself as a large-scale environmental protection service provider, providing intelligent environmental protection management services in multiple fields intensively. Meanwhile, the Group will promote the diversified development of its business through various strategies such as technical cooperation, strategic collaboration and investment, merger and acquisition.

The Group will continue to optimize management and improve operating efficiency. With the growth of the Group's performance and the expansion of its business scope, the Group will continue to maintain its development policies of seeking progress while maintaining stability, avoiding risks and strengthening management and control. On the one hand, the Group will optimize the management process, improve the operating efficiency of existing businesses and promote the sustainable and stable development of various businesses. On the other hand, the Group will enhance team capability, recruit high-caliber talents and strengthen the cohesion of employees, so as to build a professional, efficient, stable, high-quality and competent working team.

有序推進四大板塊業務持續發展。堅持以煙氣治理業務為核心，協同發展水處理、危固廢處理處置和節能環保業務。憑藉現有項目的技術和經驗，進一步擴大業務範圍，推進全方位一站式服務。深挖現有客戶需求，打造集團成為多領域、深層次的大型綜合智慧型環保管家。通過技術合作、戰略合作、投資併購等多種形式，推動集團業務多元化發展。

繼續優化管理，提高經營效率。隨著集團業績增長及業務範圍的擴大，本集團將繼續保持穩中求進的發展方針，規避風險，加強管控。一方面優化管理流程，提高現有業務的經營效率，推動集團各項業務持續穩定發展；另一方面提升團隊能力，吸收高素質人才，加強員工凝聚力，打造專業、高效、穩定且優質的精干團隊。

## MANAGEMENT DISCUSSION AND ANALYSIS (Continued)

### 管理層討論與分析(續)

The Group will insist on technological innovation and enhancing core competitiveness. Through the combination of technical cooperation and independent research and development, the Group will enhance its own technological innovation capabilities and continuously achieve technological upgrades and breakthroughs. By integrating resources such as technology, talents and markets, combining with focusing on specific business difficulties and needs, the Group will accelerate the transformation and application of technology and research and development results, thus injecting new impetus into the development of the Group.

堅持技術創新，增強核心競爭力。通過技術合作和自主研發相結合的方式，提升自身技術創新能力，不斷實現技術升級和突破。通過整合技術、人才、市場等資源，結合同業業務難點和需求，加快技術和研發成果的轉化和應用，為集團發展注入新動力。

### SIGNIFICANT INVESTMENTS HELD, MATERIAL ACQUISITIONS AND DISPOSALS

During the 2020 Financial Year, the Group planned to invest in the Concentrated Water Advanced Treatment System Project of Lubao Sewage Treatment Center and the Coke Dry Quenching Waste Heat Power Generation EMC Project of Tianjin Iron Plant. Please refer to the sections headed “Business review — Water treatment business and energy saving and environmental protection business” on page 50 to 51 for related details. Save as disclosed above, the Group had no significant investments held or material acquisitions and disposals of subsidiaries and associated companies during the Reporting Period.

### 持有的重大投資、重大收購事項及出售事項

於2020財政年度，本集團計劃投資瀋陽污水處理中心濃水深度處理系統項目和天津鐵廠乾熄焦同能源管理項目。有關詳情，請參閱本報告第50至51頁「業務回顧—水處理業務及節能環保業務」章節。除上述披露外，本集團於報告期概無持有重大投資，亦無重大附屬公司及關聯公司收購或處置事項。

### FUTURE PLANS FOR MATERIAL INVESTMENTS AND CAPITAL ASSETS

Save as disclosed in this annual report, as of 31 December 2020, the Group did not have other plans for material investments and capital assets.

### 有關重大投資及資本資產的未來計劃

除本年報披露者外，於2020年12月31日，本集團並無其他有關重大投資及資本資產的計劃。

### EMPLOYEE AND REMUNERATION POLICIES

As at 31 December 2020, the Group had 1,890 employees in total (2019: 1,950 employees), substantially all of whom were based in the PRC. The Group has established labor union branches. Currently, the Group has entered into employment contracts with all employees, in which the position, duties, remuneration, employment benefits, training, confidentiality obligations relating to trade secrets and grounds for termination, among other things are specified pursuant to PRC Labor Law and other relevant regulations.

### 僱員及薪酬政策

於2020年12月31日，我們共聘用1,890名僱員（2019年：1,950名僱員），其中絕大多數僱員常駐中國。本集團均設有獨立工會分支。目前，本集團已與全部員工訂立了勞動合同，按照中國勞動法和其他相關法規的規定，明確約定了僱員的職位、職責、薪酬、員工福利、培訓、有關商業秘密的保密責任及終止理由等事項。

The remuneration package of the employees includes salaries, bonuses and allowances. Our employees also receive supplemental medical provision, transportation allowances, meal allowances and other benefits. The Company carries out employee performance appraisals and establishes diversified and dynamic appraisal mechanisms. The department heads' salaries and remunerations will be adjusted corresponding to the results of their performance appraisals. In compliance with applicable PRC regulations, the Company has contributed to social insurance funds, including pension plans, medical insurance, work-related injury insurance, unemployment insurance and maternity insurance, and housing funds for all its employees.

### **MAJOR SUBSEQUENT EVENTS**

Save as disclosed in this report, there are no major subsequent events to 31 December 2020 which would materially affect the Group's operating and financial performance as of the date of this report.

### **THE IMPACT OF COVID-19 PANDEMIC**

Since the outbreak of COVID-19, some of the Group's EPC projects have been delayed and difficult to start construction, resulting in a decrease in the Group's EPC revenue. However, in 2020, the Group minimized the risk of the pandemic faced by the Group by adopting a series of measures such as refined management, cost control, strict capital management and efforts to expand the market. Under the severe circumstances, the Group's profit has increased over the same period of last year, the receivables recovered have even reached the historical highest level and the asset structure has remained in sound condition, thus continuously maintaining an overall stable operation. Even though the pandemic may continue, the Group will leverage existing experience to avoid risks, forge ahead and maintain a favorable development trend.

我們的員工的薪酬組合包括薪金、獎金、津貼。我們的員工亦享有補充醫療、交通補貼、午餐津貼及其他福利費。我們推行員工業績考核及建立了不同形式、靈活的考評機制，同時在管理層及項目經理崗位建立了崗位績效與相關負責人的工資薪酬相匹配的機制。我們已按國家要求為員工繳納社保基金(包括養老保險、基本醫療保險、工傷保險、失業保險及生育保險)及住房公積金。

### **主要期後事項**

除本報告所披露者外，本公司於2020年12月31日後概無任何主要期後事項對本集團於本報告日期的經營及財務表現造成重大影響。

### **關於新冠肺炎疫情影響**

新冠疫情開始以來，本集團部份EPC項目工程延期，難以開工，使集團EPC收入減少。但於2020年，本集團通過採取精細管理、控制成本、嚴格管控資金、努力開拓市場等一系列措施，將疫情對集團的風險降至最低。本集團在嚴峻形勢下，利潤較上年同期有所增長，資金收款甚至達到歷史最好水平，資產結構保持良好狀況，整體繼續保持穩健運營。疫情形勢或將持續，但本集團將借助已有經驗，規避風險，開拓進取，保持良好發展態勢。

# Major Events for Boqi in 2020

## 2020年博奇公司大事記

### January 一月

2020年1月6日，唐山博奇環保科技有限公司註冊成立，以開拓當地環保市場。

On 6 January 2020, Tangshan Boqi Environmental Protection Technology Co. Ltd. was incorporated, with an aim to explore the local environmental protection market.



2020年1月11日，本集團中標其第一個危廢處置項目－唐山燕東水泥窯協同處置危廢項目，開啟集團危廢處置業務新篇章。

On 11 January 2020, the Group won the bid for the Cooperative Hazardous and Solid Waste Disposal Project of Tangshan Yandong Cement Kiln, the Group's first hazardous waste disposal project, opening a new chapter in the Group's hazardous waste disposal business.



2020年1月15日，本集團中標其第一個鎂法改鈣法脫硫改造項目－北海二電4x330MW機組煙氣脫硫鎂法改鈣法改造項目。

On 15 January 2020, the Group won the bid for 4x330MW Unit Flue Gas Desulfurization Transformation Project of Beihai Power Plant II Utilizing Magnesium and Calcium Adjustment Method, the Group's first desulfurization transformation project utilizing the magnesium and calcium adjustment method.



## February 二月

2020年2月19日，本集團中標其第一個氫氧化鋁氣態懸浮焙燒爐脫硝系統項目－廣西華昇氫氧化鋁氣態懸浮焙燒爐脫硝系統項目。

On 19 February 2020, the Group won the bid for Guangxi Huasheng Aluminum Hydroxide Gaseous Suspension Roaster Denitrification System Project, the Group's first aluminum hydroxide gaseous suspension roaster denitrification system project.



2020年6月12日，本公司召開其股東大會。

On 12 June 2020, the Company held its annual general meeting.



## Major Events for Boqi in 2020 (Continued)

### 2020年博奇公司大事記(續)

#### ○ July 七月

2020年7月20日，本集團中標其第一個燒結餘熱發電項目－天津鐵廠有限公司350m<sup>2</sup>燒結餘熱發電項目。

On 20 July 2020, the Group won a bid for its first sintering waste heat power generation project-350 m<sup>2</sup> Sintering Waste Heat Power Generation Project of Tianjin Iron Works Co., Ltd.



#### ○ August 八月

2020年8月5日，本集團中標其第一個合同能源管理EMC項目－天津鐵廠乾熄焦及燒結餘熱發電工程項目。

On 5 August 2020, the Group won a bid for its first energy management contract (EMC) project-the Sintering Waste Heat Power Generation Project of Tianjin Iron Works Co., Ltd.



## November 十一月

2020年11月19日，邯鄲博奇環保科技  
有限公司註冊成立。

On 19 November 2020, Handan  
Boqi Environmental Protection  
Technology Co. Ltd. was  
incorporated.



2020年11月25日，本集團中標其第一個  
廢水零排放BOO項目－潞寶工業園區污  
水處理中心濃水深度處理系統項目。

On 25 November 2020, the Group  
won a bid for its first zero wastewater  
discharge BOO project-the Project  
of Intensified Treatment System for  
Concentrated Water of Lubao Industrial  
Park Wastewater Treatment Center.



## December 十二月

2020年12月26日，公司獲得「北極星  
杯鋼鐵煙氣治理影響力企業獎」，總  
裁曾之俊先生獲得「煙氣治理行業影  
響力人物獎」。

On 26 December 2020, the Company  
won the “Influential Enterprise of  
Iron and Steel Flue Gas Treatment  
Award” and Mr. Zeng Zhijun, our chief  
executive, won the “Influential Person  
in Flue Gas Treatment Industry Award”  
in the “Polaris Cup” award ceremony.





# CORPORATE GOVERNANCE REPORT

## 企業管治報告

The Board is pleased to present this corporate governance report in the annual report of the Company for the year ended 31 December 2020.

### Corporate Governance Code

The Company's Shares have been listed on The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") since 16 March 2018 (the "**Listing Date**"). The Company is committed to maintaining high standards of corporate governance to safeguard the interests of the Shareholders and to enhance corporate values and accountability. The Company has adopted the Corporate Governance Code (the "**CG Code**") as set out in Appendix 14 to the Listing Rules (the "**Listing Rules**"). In addition, the Board unanimously approved on 20 December 2018 to adopt the Stock Exchange's amendments to the CG Code and the Listing Rules with effect from 1 January 2019 and implement its application.

董事會欣然呈列本公司截至2020年12月31日止年度之年報所載企業管治報告。

### 企業管治守則

本公司股份已自2018年3月16日(「上市日期」)起於香港聯合交易所有限公司(「聯交所」)上市。本公司致力於維持高水平的企業管治，以保障股東權益以及提升企業價值及問責性。本公司已採納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(「企業管治守則」)。此外，董事會於2018年12月20日一致審核，採納聯交所於2019年1月1日生效對《企業管治守則》及《上市規則》的修訂內容且實施其應用。

Save as disclosed herein, the Company complied with the code provisions as set out in the CG Code during the period from the Listing Date to the date of this annual report. The Company will continue to review and enhance its corporate governance practices to ensure compliance with the CG Code.

#### Model Code for Securities Transactions

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 to the Listing Rules (the “**Model Code**”) as its code of conduct regarding dealings in the securities of the Company. Having made specific enquiry to all the Directors, save as disclosed below, all Directors confirmed that they had strictly complied with the required standards set out in the Model Code during the Reporting Period.

除本文披露者外，本公司自上市日期起直至本年報日期止期間一直遵守企業管治守則所載的守則條文。本公司將繼續檢討並提升其企業管治常規，以確保遵守企業管治守則。

#### 證券交易的標準守則

本公司已採納上市規則附錄10所載的上市發行人董事進行證券交易的標準守則(「**標準守則**」)作為買賣本公司證券的操守守則。經向本公司全體董事作出特定查詢後，除下文披露者外，全體董事確認彼等於期間已嚴格遵守標準守則所載的規定標準。

According to code provision A.3(a)(ii) of the Model Code, a director must not deal in any securities of the Company on any day on which its financial results are published and during the period of 30 days immediately preceding the publication date of the half-year results or, if shorter, the period from the end of the relevant half-year period up to the publication date of the results, which was from 29 July 2020 and ending on 28 August 2020 (both dates inclusive) (“**Blackout Period**”). Besides, pursuant to code provision B.8 of the Model Code, a director must not deal in any securities of the Company without first notifying in writing the chairman or a director (otherwise than himself) designated by the Board for the specific purpose and receiving a dated written acknowledgement.

Due to inadvertent oversight, Mr. Zhu Weihang, a non-executive director of the Company, made the following transactions of the Shares on 24 August 2020 (which was within the Blackout Period) through New Asia Limited, a company indirectly wholly owned by him and of which he is the sole director without notifying the chairman of the Board: (i) sale of an aggregate of 415,000 Shares at the average price of HK\$2.05 per Share on the market; and (ii) purchased of 12,000 Shares at the price of HK\$2.07 per Share on the market. Therefore, he has violated code provisions A.3(a)(ii) and B.8 of the Model Code.

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

根據標準守則的守則條文A.3(a)(ii)條，董事不得在刊發財務業績當天，以及刊發中期業績日期之前30日內或有關半年度期間結束之日起至業績刊發之日止期間(以較短者為準)買賣本公司的任何證券，而該期間為2020年7月29日起至2020年8月28日止期間(包括首尾兩日)(「**禁售期**」)。此外，根據標準守則的守則條文B.8條，除非事先以書面通知主席或董事會就此指定的董事(除本身以外的董事)並收到有確實日期的書面確認，否則董事不得買賣本公司任何證券。

由於無意的疏忽，本公司非執行董事朱偉航先生在未有通知董事會的情況下，於2020年8月24日(處於禁售期內)透過New Asia Limited(由其間接全資擁有的公司，而其為該公司唯一董事)作出以下股份交易：(i)在市場上按每股2.05港元之平均價出售合共415,000股股份；及(ii)在市場上按每股2.07港元之價格買入12,000股股份。因此，彼違反標準守則的守則條文A.3(a)(ii)及B.8條。

董事會亦已採納標準守則以規管可能獲知本公司非公開內幕消息之相關僱員進行有關本公司證券交易的所有行為(見企業管治守則守則條文第A.6.4條)。經作出合理查詢後，於期間內並未發現本公司之有關僱員未有遵守標準守則之情況。

## THE BOARD

### Responsibilities

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

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

### Directors' and Senior Management's Liability Insurance and Indemnity

The Company has arranged appropriate liability insurance to indemnify the Group's Directors and senior management for their liabilities arising out of corporate activities. The insurance coverage will be reviewed on an annual basis.

### Board Composition

The Board currently comprises two executive Directors, namely Mr. Zeng Zhijun and Mr. Cheng Liquan Richard, three non-executive Directors, namely Mr. Zheng Tony Tuo, Mr. Zhu Weihang and Mr. Chen Xue and three independent non-executive Directors, namely Mr. Liu Genyu, Dr. Xie Guozhong and Mr. Lu Zhifang.

## 董事會

### 職責

董事會負責本集團的整體領導、監督本集團的戰略決定以及監察業務及表現。董事會向本公司高級管理層授出本公司日常管理及營運的權力及職責。為監察本公司事務特定範疇，董事會已設立三個董事委員會，包括審核委員會（「**審核委員會**」）、薪酬委員會（「**薪酬委員會**」）及提名委員會（「**提名委員會**」）（統稱「**董事委員會**」）。董事會已授予董事委員會載於其各自職權範圍的職責。

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

### 董事及高級管理層的責任保險及彌償

本公司已為本公司董事及高級管理層安排適當的責任保險，以彌償其因從事企業活動而產生的責任，保險的保障範圍將於每年予以檢討。

### 董事會的組成

董事會目前由兩名執行董事（即曾之俊先生及程里全先生）、三名非執行董事（即鄭拓先生、朱偉航先生及陳學先生）及三名獨立非執行董事（即劉根鈺先生、謝國忠博士及陸志芳先生）組成。

Since the Listing Date and up to the date of this annual report, the Board at all times met the requirements of the Rules 3.10(1) and 3.10(2) of the Listing Rules relating to the appointment of at least three independent non-executive Directors with at least one independent non-executive Director possessing appropriate professional qualifications or accounting or related financial management expertise. Among the three independent non-executive Directors, Dr. Xie Guozhong has appropriate professional qualifications or accounting or related financial management expertise as required by Rule 3.10(2) of the Listing Rules.

#### Board Diversity Policy

Pursuant to the code provision A.5.6 of the CG Code, listed issuers are required to adopt a board diversity policy. The policy specifies that in designing the composition the Board, board diversity shall be considered from a number of aspects, including but not limited to gender, age, cultural and educational background, professional experience, skills and knowledge. The appointment of Directors will be based on meritocracy, and candidates will be evaluated against objective criteria, having due regard for the benefits of diversity of the Board. Selection of candidates will be based on a range of diversity perspectives, including but not limited to gender, age, culture, educational background, professional experience, knowledge and skills.

The composition of the Board will be disclosed in the Corporate Governance Report every year and the Nomination Committee will supervise the implementation of this policy. The Nomination Committee will review the effectiveness of this policy, as appropriate discuss any revisions that may be required, and recommend any such revisions to the Board for consideration and approval.

As at the date of this annual report, the diversity of the Board is illustrated as below. Further details on the biographies and experience of the Directors are set out in the section headed "Directors and Senior Management" in this annual report.

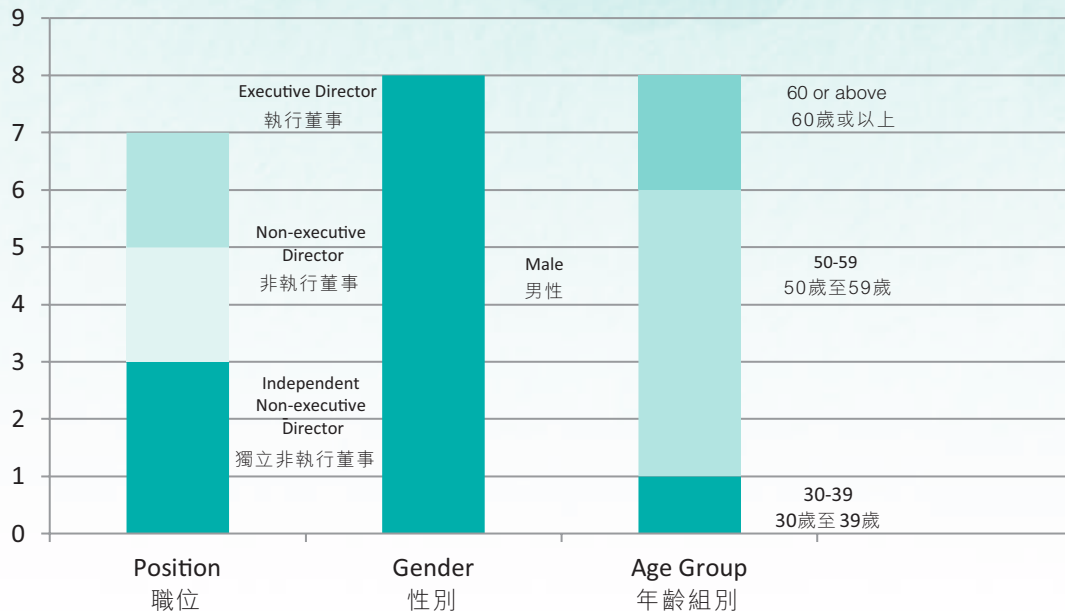
自上市日期起直至本年報日期止，董事會一直符合上市規則第3.10(1)及3.10(2)條，有關委任至少三名獨立非執行董事而當中至少一名獨立非執行董事須具備合適專業資歷或會計或相關財務管理專業知識的規定。於三名獨立非執行董事中，謝國忠博士具備上市規則第3.10(2)條所規定的合適專業資歷或會計或相關財務管理的專業知識。

#### 董事會成員多元化政策

根據企業管治守則的守則條文A.5.6條，上市發行人須採納董事會成員多元化政策。該政策訂明董事會於設定董事會成員組合時會從多個方面考慮董事會成員多元化，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。董事的委任均以用人唯才為原則，並在評估人選時考慮客觀條件妥善顧及董事會成員多元化的裨益。甄選董事會人選將按一系列多元化範疇為基準，包括但不限於性別、年齡、文化、教育背景、專業經驗、知識及技能。

本公司將每年在企業管治報告中披露董事會的組成。提名委員會將監察本政策的實施。提名委員會將在適當時候檢討本政策的成效，並討論任何或需作出的修訂，且就任何該等修訂向董事會提出建議，以供審議及批准。

於本年報日期，董事會成員多元化列示如下。有關董事履歷及經驗的進一步詳情載於本年報「董事及高級管理層」一節。



The Nomination Committee has reviewed the membership, structure and composition of the Board, and is of the opinion that the structure of the Board is reasonable, and the experiences and skills of the Directors in various aspects and fields can enable the Company to maintain high standard of operation.

#### Independence of the Independent Non-executive Directors

The Company has received written annual confirmation from each independent non-executive Director of his independence pursuant to the requirements of the Listing Rules. After the Board reviews the written annual confirmation from of all the non-executive Director of his independence, the Board considers them to be independent in accordance with the independence guidelines as set out in the Listing Rules. The Board is not aware of the occurrence of any events which would cause it to believe that the independence of any of the independent non-Executive Directors has been impaired up to the date of this annual report.

None of the Directors has any personal relationship (including financial, business, family or other material/relevant relationship), with any other Director.

提名委員會已檢討董事會成員、架構及組成，認為董事會的架構合理，而董事亦具備多方面及多領域的經驗及技能，致使本公司維持高營運水平。

#### 獨立非執行董事之獨立性

本公司已接獲各獨立非執行董事根據上市規則規定作出有關其獨立性的年度確認書。董事會已審閱全體獨立非董事的獨立性確認書，並認為，根據上市規則所載的獨立指引，彼等均為獨立人士。截至本年報日期，董事會並不知悉已發生任何事項，致使其相信任何獨立非執行董事之獨立性受損。

概無董事與任何其他董事有任何個人關係(包括財務、業務、家庭或其他重大／相關關係)。

All Directors, including independent non-executive Directors, have brought a wide spectrum of valuable business experience, knowledge and professionalism to the Board for its efficient and effective functioning. Independent non-executive directors are invited to serve on the Audit Committee, the Remuneration Committee and the Nomination Committee.

In regard to the CG Code provision requiring directors to disclose the number and nature of offices held in public companies or organizations and other significant commitments as well as their identity and the time involved to the issuer, Directors have agreed to disclose their commitments to the Company in a timely manner.

#### Induction and Continuous Professional Development

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

Each newly appointed Director has been provided with necessary induction and information to ensure that he has a proper understanding of the Company's operations and businesses as well as his responsibilities under relevant statutes, laws, rules and regulations.

In this Reporting Period, all the Directors (namely Mr. Zeng Zhijun, Mr. Cheng Liquan Richard, Mr. Zheng Tony Tuo, Mr. Zhu Weihang, Mr. Chen Xue, Mr. Liu Genyu, Mr. Xie Guozhong and Mr. Lu Zhifang) have attended the training courses conducted by the legal adviser of the Company, William Ji & Co. LLP (in Association with Tian Yuan Law Firm Hong Kong Office). The content of such training related to the recent regulatory policies for listed companies. According to it, all the Directors have been updated with the latest developments regarding the Listing Rules and other applicable regulatory requirement to ensure compliance and enhance their awareness of good corporate governance practices. In addition, continuing briefing and professional development to Directors will be arranged whenever necessary.

全體董事(包括獨立非執行董事)均為董事會帶來多種領域的寶貴業務經驗、知識及專業技能,使其高效及有效地運作。獨立非執行董事獲邀成為審核委員會、薪酬委員會及提名委員會的一員。

就企業管治守則條文而言,董事須披露於公眾上市公司或機構所擔任職務的數目及性質以及其他重大職務承擔,以及彼等於發行人公司任職的身份及時間,而董事已同意適時向本公司披露其職務承擔。

#### 入職培訓及持續專業發展

根據企業管治守則的守則條文A.6.5條,全體董事須參與持續專業發展,以發展及更新彼等的知識及技能,藉此確保彼等對董事會所作貢獻為知情及相關。

每名新委任董事均已獲提供必要的入職培訓及數據,確保其對本公司營運及業務以及其於相關條例、法律、規則及法規的責任有適當程度的了解。

於本報告期內,全體董事(曾之俊先生、程里全先生、鄭拓先生、朱偉航先生、陳學先生、劉根鈺先生、謝國忠先生及陸志芳先生)均已參與由本公司法律顧問紀曉東律師行(天元律師事務所香港分所聯營所)提供的培訓課程,而培訓內容有關近期上市公司的監管政策。據此,全體董事已獲悉有關上市規則及其他適用監管規定的最新發展,確保遵守有關規定及提高彼等對良好企業管治常規的意識。此外,本公司將於有需要時為董事安排持續簡報及專業發展。

### Chairman and Chief Executive Officer

Mr. Zeng Zhijun assumed the dual roles of the chairman and the chief executive officer, which constitutes a deviation from code provision A.2.1 of the CG Code. With extensive experience in the environmental protection industry, Mr. Zeng is responsible for the overall management, decision-making and strategy planning of our Company and has been instrumental to our Group's growth and business expansion. Since Mr. Zeng is one of the key persons of for our Group's management, our Board considers that vesting the roles of the chairman and the chief executive officer in the same person, Mr. Zeng, would not create any potential harm to the interest of our Group and it is, on the contrary, beneficial to the management of our Group. In addition, the operation of the senior management of our Group and our Board, which are comprised of experienced individuals, effectively checks and balances the power and authority of Mr. Zeng. Our Board currently comprises two executive Directors (including Mr. Zeng), three non-executive Directors and three independent non-executive Directors and therefore has a fairly strong independence element in its composition. Therefore, the Board considers that the deviation from the CG Code is appropriate and justified.

In order to maintain good corporate governance and to ensure Company's compliance with code provisions of the CG Code, the Board will regularly review the need to appoint different individuals to perform the roles of the chairman and the chief executive officer separately.

### Appointment and re-election of Directors

Each of the executive Directors has entered into a service contract with the Company for an initial term of three years commencing from 28 February 2018. Such service contracts were renewed on similar terms and effective from 28 February 2021 for another term of three years.

Each of the non-executive Directors and the independent non-executive Directors has signed an appointment letter with the Company for an initial term of three years commencing from 28 February 2018. Such appointment letters were renewed on similar terms and effective from 28 February 2021 for another term of three years.

### 主席及行政總裁

曾之俊先生擔任主席與行政總裁的雙重角色，偏離企業管治守則的守則條文A.2.1條的規定。憑藉在環保行業的豐富經驗，曾先生負責本公司的整體管理、決策及戰略規劃，對本集團的增長及業務擴展起重要作用。由於曾先生是本集團管理層主要成員之一，董事會認為由曾先生一人肩負主席與行政總裁的角色，不會對本集團的利益造成任何潛在損害，相反有利於本集團的管理。此外，本集團的高級管理層及董事會由富經驗的人員組成，其運作可有效地制衡曾先生的權力及職權。董事會現時由兩名執行董事（包括曾先生）、三名非執行董事及三名獨立非執行董事組成，其成員具有頗強的獨立元素。因此，董事會認為偏離企業管治守則屬適當並有理據。

為了維持良好企業管治，並確保本公司遵守企業管治守則的守則條文，董事會將定期檢討是否有需要委任不同人士，以獨立履行主席及行政總裁的角色。

### 董事委任及重選

各執行董事已與本公司訂立服務合約，初步任期自2018年2月28日起計為期三年。該等服務合約已按相若條款續期，自2021年2月28日起生效，而重續之年期為三年。

各非執行董事及獨立非執行董事已與本公司簽訂委聘書，初步任期自2018年2月28日起計為期三年。該等委聘書已按相若條款續期，自2021年2月28日起生效，而重續之年期為三年。



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

In accordance with the Company's amended and restated memorandum and articles of association, at each annual general meeting, one-third of the Directors for the time being shall retire from office by rotation provided that every Director shall be subject to retirement at least once every three years. Shareholders of the Company entitled to vote at the annual general meeting for the election of Directors will elect a Board consisting of at least the minimum number of Directors set under the articles of association of the Company and all the Directors shall cease to hold office immediately before such election, but are eligible for re-election at such meeting.

The procedures and process of appointment, re-election and removal of directors are set out in the Company's amended and restate memorandum and articles of association. The Nomination Committee is responsible for reviewing the Board composition, monitoring and make recommendations to the Board on the appointment, re-election and succession planning of Directors, in particular the chairman and the chief executive officer.

#### Board Meetings

The Company adopts the practice of holding board meetings regularly, at least four times a year, and at approximately quarterly intervals. Notices of not less than fourteen days are given for all regular board meetings to provide all Directors with an opportunity to attend and include matters in the agenda for a regular meeting. For other Board and committee meetings, reasonable notice is generally given. The agenda and accompanying board papers are dispatched to the Directors or committee members at least three days before the meetings to ensure that they have sufficient time to review the papers and be adequately prepared for the meetings. When directors or committee members are unable to attend a meeting, they will be advised of the matters to be discussed and given an opportunity to make their views known to the Chairman prior to the meeting. Minutes of meetings are kept by the joint company secretaries of the Company with copies circulated to all Directors for information and records.

概無董事訂立本公司不可於一年內在毋須支付賠償(法定賠償除外)的情況下終止的服務合約。

根據本公司的經修訂及經重列的組織章程大綱及細則，於每屆股東週年大會上，當時三分之一之董事須輪值退任，惟各董事須最少每三年於股東週年大會上輪值退任一次。有權於股東週年大會上投票選出董事的本公司股東將選出董事會，董事會須至少由本公司組織章程細則所定最少數目的董事組成，而全體董事將於緊接有關選舉前離任，惟有資格於該大會上獲重選連任。

委任、重選及罷免董事的程序及過程載於本公司的經修訂及重列組織章程大綱及細則。提名委員會負責檢討董事會的組成、監察並就董事(尤其是主席及行政總裁)的委任、重選及繼任計劃向董事會提供推薦意見。

#### 董事會會議

本公司採納定期舉行董事會會議的慣例，即每年至少舉行四次會議及大致按季度舉行會議。所有董事會例行會議通知會於至少14日前送呈全體有機會出席會議的董事，並使其可於是次例行會議議程內加載有關事宜。就其他董事會及委員會會議而言，本公司一般會發出合理通知。議程及相關董事會附件將於會議舉行前至少3日寄發予董事或委員會成員，以確保彼等有充足時間審閱有關文件及為會議作充分準備。倘董事或委員會成員未能出席會議，則彼等會獲告知將予討論的事宜及於會議舉行前有機會讓主席獲悉彼等之意見。會議記錄會由本公司的聯席公司秘書保存，而副本將於全體董事間傳閱，以供參考及記錄。

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

董事會會議及委員會會議的記錄會充分詳盡記錄董事會及委員會所審議的事宜及所達致的決定，包括董事提出的任何疑慮。各董事會會議及委員會會議的記錄草擬本將於會議舉行當日後合理時間內寄送至各董事，以供彼等發表意見。董事會會議的記錄可供董事公開查閱。

For the year ended 31 December 2020, four board meetings were held and the details are set out in the table below:

截至2020年12月31日止年度，董事會曾舉行四次董事會會議，具體情況如下：

<b>Directors</b>	<b>Attendance/number of meetings held</b>
<b>董事</b>	<b>已出席次數/ 舉行會議次數</b>
Mr. Zeng Zhijun 曾之俊先生	4/4
Mr. Cheng Liquan Richard 程里全先生	4/4
Mr. Zheng Tony Tuo 鄭拓先生	4/4
Mr. Zhu Weihang 朱偉航先生	4/4
Mr. Chen Xue 陳學先生	4/4
Mr. Liu Genyu 劉根鈺先生	4/4
Dr. Xie Guozhong 謝國忠博士	4/4
Mr. Lu Zhifang 陸志芳先生	4/4

Apart from formal meetings, other matters subject to the approval of the Board were handled in the form of written resolutions.

除正式會議外，其他須董事會批准的事宜以傳閱書面決議案方式處理。

#### Delegation by the Board

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

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

#### CORPORATE GOVERNANCE FUNCTION

The Board is responsible for performing the functions set out in the code provision D.3.1 of the CG code. The Board recognizes that corporate governance should be the collective responsibility of the Directors which includes:

- (a) to develop and review the Company's policies and practices on corporate governance and make recommendations to the Board;
- (b) to review and monitor the training and continuous professional development of Directors and senior management;

#### 董事會的授權

董事會對本公司所有重大事宜保留決策權，包括：批准及監督一切政策事宜、整體策略及預算、內部監控及風險管理制度、重大交易（特別是可能牽涉利益衝突的交易）、財務數據、委任董事及其他主要財務及營運事宜。董事於履行彼等職責時可尋求獨立專業意見，費用由本公司承擔，且本公司亦鼓勵董事向本公司高級管理層進行獨立諮詢。

本集團的日常管理、行政及營運授權予高級管理層負責。授權職能及職責由董事會定期檢討。管理層訂立任何重大交易前須取得董事會批准。

#### 企業管治職能

董事會負責履行企業管治守則的守則條文第D.3.1條所載的職能。董事會承認企業管治乃全體董事的責任，其中包括：

- (a) 制定及檢討本公司的企業管治政策及常規，並向董事會提出建議；
- (b) 檢討及監察董事及高級管理人員之培訓及持續專業發展；

- |  |                                   |
|--|-----------------------------------|
| (c) to review and monitor the Company's policies and practices on compliance with legal and regulatory requirements;             | (c) 檢討及監察發行人在遵守法律及監管規定方面的政策及常規；   |
| (d) to develop, review and monitor the code of conduct and compliance manual (if any) applicable to employees and Directors; and | (d) 制定、檢討及監察僱員及董事的操守準則及合規手冊(如有)；及 |
| (e) to review the Company's compliance with the code and disclosure in the Corporate Governance Report.                          | (e) 檢討發行人遵守企業管治守則的情況及在企業管治報告內的披露。 |

The Company complied with the functions set out in the code provision of D.3.1 of the CG code for the year ended 31 December 2020.

本公司於截至2020年12月31日止年度已遵守企業管治守則的守則條文第D.3.1條所載的職能。

## BOARD COMMITTEES

The Board has established three Board committees to strengthen its functions and corporate governance practices, namely, the Audit Committee, the Nomination Committee and the Remuneration Committee. The Audit Committee, the Nomination Committee and the Remuneration Committee perform their specific roles in accordance with their respective written terms of reference.

The Board committees are provided with sufficient resources to discharge their duties and, upon reasonable request, are able to seek independent professional advice in appropriate circumstances, at the Company's expense.

## 董事委員會

董事會已成立三個董事會委員會，以加強其職能及企業管治常規，分別為審核委員會、提名委員會及薪酬委員會。審核委員會、提名委員會及薪酬委員會均按照其各自之書面職權範圍履行彼等之特定角色。

董事委員會獲提供充足資源以履行其職責，並可在適當情況時提出合理要求下能夠尋求獨立專業意見，有關費用由本公司承擔。

## CORPORATE GOVERNANCE REPORT (Continued)

### 企業管治報告(續)

#### Audit Committee

The Audit Committee comprises three members, namely Dr. Xie Guozhong (chairman), Mr. Liu Genyu and Mr. Zheng Tony Tuo, all of them are non-executive Directors and the majority are independent non-executive Directors. The primary duties of the Audit Committee include examining independently the financial positions of the Company, overseeing the Company's financial reporting system, risk management and internal control system, the audit process and proposals of internal management, communicating independently with, monitoring and verifying the work of internal audit and external auditors.

For the year ended 31 December 2020, two meetings of the Audit Committee was held and the details are as follows:

#### 審核委員會

審核委員由三名成員組成，即謝國忠博士(主席)、劉根鈺先生及鄭拓先生，全部成員均為非執行董事及大部分成員為獨立非執行董事。審核委員會的主要職責包括獨立審查本公司的財務狀況、監察本公司的財務報告系統、風險管理及內部監控系統、審計過程及內部管理建議、與內部審計核數師及外聘核數師獨立溝通，並監督及核實彼等的工作。

截至2020年12月31日止年度，審核委員會曾舉行兩次會議，具體情況如下：

<b>Directors</b>	<b>Attendance/number of meetings held</b>
<b>董事</b>	<b>已出席次數/ 舉行會議次數</b>
Dr. Xie Guozhong (Chairman) 謝國忠博士(主席)	2/2
Mr. Liu Genyu 劉根鈺先生	2/2
Mr. Zheng Tony Tuo 鄭拓先生	2/2

The Audit Committee reviewed the financial reporting system, compliance procedures, internal control (including the adequacy of resources, staff qualifications and experience, training programmes and budget of the Company's accounting and financial reporting function), risk management systems and processes and the re-appointment of the external auditor and fulfilled the aforementioned duties as required. The Board had not deviated from any recommendation given by the Audit Committee on the selection, appointment, resignation or dismissal of external auditor.

They also reviewed annual results of the Company and its subsidiaries for the fiscal year as well as the audit report prepared by the external auditor relating to accounting issues and major findings in course of audit. There are proper arrangements for employees, in confidence, to raise concerns about possible improprieties in financial reporting, internal control and other matters. The written terms of reference of the Audit Committee are available on the websites of the Company and the Stock Exchange.

### Nomination Committee

The Nomination Committee currently comprises three members, namely Mr. Zeng Zhijun (chairman), Dr. Xie Guozhong and Mr. Lu Zhifang, the majority of them are independent non-executive Directors.

The primary duties of the Nomination Committee are to review the structure, size and composition of the Board at least annually and make recommendations on any proposed changes to the Board to complement the Company's corporate strategy, to identify individuals suitably qualified to become Board members and select or make recommendations to the Board on the selection of, individuals nominated for directorships, to make recommendation to the Board regarding candidates to fill vacancies on the Board and/or in the management (in particular the chairman and the chief executive), and to assess the independence of the independent non-executive Directors.

審核委員會檢討財務申報制度、合規程序、內部監控(包括本公司在會計及財務申報職能方面的資源、員工資歷及經驗是否足夠,以及培訓課程及預算是否充足)、風險管理制度及程序以及外聘核數師的續聘及履行上述規定的職責。董事會並無偏離審核委員會就挑選、委任、辭退或罷免外聘核數師所提供的任何建議。

彼等亦審閱本公司及其附屬公司於財政年度的年度業績以及由外聘核數師所編製有關審計過程中的會計事項及重大發現的審計報告。該委員會為僱員作出適當安排,讓彼等可以保密方式就財務申報、內部監控及其他事宜可能出現的不當行為提出疑問。審核委員會的書面職權範圍可於本公司及聯交所網站查閱。

### 提名委員會

提名委員會目前由三名成員組成,即曾之俊先生(主席)、謝國忠博士及陸志芳先生,大部份成員均為獨立非執行董事。

提名委員會的主要職責為至少每年檢討董事會的架構、規模及組成,並就董事會為配合本公司的企業策略所作出的任何建議變動提供建議、物色具適當資歷的人選擔任董事會成員和向董事會作出有關甄選可提名為董事的個別人士向董事會作出建議、就填補董事會及/或管理層(尤其主席及行政總裁)空缺的人選向董事會提供建議,並評估獨立非執行董事的獨立性。

## CORPORATE GOVERNANCE REPORT (Continued)

### 企業管治報告(續)

The Nomination Committee will assess the candidate or incumbent on criteria such as integrity, experience, skill and ability to commit time and effort to carry out the duties and responsibilities. The recommendations of the Nomination Committee will then be put to the Board for decision. Their written terms of reference are available on the websites of the Stock Exchange and the Company.

For the year ended 31 December 2020, the meeting of the Nomination Committee was held on 27 April 2020 to review and approve the Group's Board diversity policy; review and evaluate the independence of the Group's independent non-executive Directors; review and approve the re-election of relevant Directors at the annual general meeting. The details of their attendance are as follows:

提名委員會將按標準評估候選人或現任人，如誠信、經驗、技能及投入時間和精力以履行職責及責任的能力。提名委員會的推薦建議隨後將提呈予董事會作出決定。書面職權範圍可於聯交所及本公司網站查閱。

截至2020年12月31日止，提名委員會於2020年4月27日舉行會議，審議並批准有關本集團董事會多元化政策；審核並評估本集團獨立非執行董事的獨立性；審議並批准相關董事在股東週年大會上重選連任。其出席詳情如下：

<b>Directors</b>	<b>Attendance/number of meetings held</b>
<b>董事</b>	<b>已出席次數/ 舉行會議次數</b>
Mr. Cheng Liquan Richard (Chairman) (ceased from 29 March 2021) 程里全先生(主席)(自2021年3月29日起不再擔任)	1/1
Dr. Xie Guozhong 謝國忠博士	1/1
Mr. Lu Zhifang 陸志芳先生	1/1

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

提名董事會評估獨立非執行董事的獨立性、審議退任董事的重選事宜，以及檢討擔任非執行董事所需投入的時間並履行上述規定的職責。

The Board has adopted a Board diversity policy (the “Policy”) in accordance with the requirements of the Listing Rules with effect from 29 March 2018 which sets out the approach to achieve diversity on the Board. All Board appointments shall be based on meritocracy, and candidates will be considered against selection criteria, having regard for the benefits of diversity on the Board. Selection of candidates will be based on range of diversity perspectives, which would include but not limited to gender, age, cultural and educational background, ethnicity, professional experience, skills, knowledge and length of service. The ultimate decision will be based on merit and contribution that the selected candidates will bring to the Board. The Nomination Committee will monitor the implementation of the Policy and will from time to time review the Policy, as appropriate, to ensure the effectiveness of the Policy.

#### Remuneration Committee

The Remuneration Committee comprises three members, namely Mr. Lu Zhifang (chairman), Mr. Liu Genyu and Mr. Zeng Zhijun, the majority of them are independent non-executive Directors.

The primary duties of the Remuneration Committee are to recommend the Board on the Group’s remuneration policy and structure for the Directors and senior management remuneration and on the establishment of a formal and transparent procedure for developing remuneration policy, to review and approve the management’s remuneration proposals with reference to the Board’s corporate goals and objectives, and to make recommendations to the Board on the remuneration packages of the executive Directors and senior management.

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

董事會已按照上市規則之規定於2018年3月29日採納董事會成員多元化政策(「該政策」)，當中載列董事會為達致其成員多元化而採取之方針。董事會成員之委任均以用人唯才為原則，並在考慮人選時以充分顧及董事會成員多元化之裨益為甄選準則。甄選人選將按一系列多元化範疇為基準，包括但不限於性別、年齡、文化及教育背景、種族、專業經驗、技能、知識及服務任期。最終將按人選的長處及可為董事會提供之貢獻而作決定。提名委員會將監察該政策的執行，並將不時在適當時候檢討該政策，以確保該政策行之有效。

#### 薪酬委員會

薪酬委員會由三名成員組成，即陸志芳先生(主席)、劉根鈺先生及曾之俊先生，大部份成員為獨立非執行董事。

薪酬委員會的主要職責為就本集團董事及高級管理層薪酬的薪酬政策及架構向董事會提供建議，並就制定薪酬政策設立正式及透明的程序，且參照董事會的企業目標及宗旨檢討及批准管理層薪酬建議，以及就執行董事及高級管理層的薪酬待遇向董事會提供建議。

薪酬委員會的書面職權範圍可於聯交所及本公司網站查閱。



## CORPORATE GOVERNANCE REPORT (Continued)

### 企業管治報告(續)

For the year ended 31 December 2020, the meeting of the Remuneration Committee was held on 27 April 2020 to review and approve the remuneration of the Directors and senior management of the Group, and the details are as follows:

截至2020年12月31日止年度，薪酬委員會於2020年4月27日舉行會議，審議並批准有關本集團董事及高級管理層的薪酬。其出席詳情如下：

<b>Directors</b>	<b>Attendance/number of meetings held</b>
<b>董事</b>	<b>已出席次數/ 舉行會議次數</b>
Mr. Zeng Zhijun 曾之俊先生	1/1
Mr. Lu Zhifang (Chairman) 陸志芳先生(主席)	1/1
Mr. Liu Genyu 劉根鈺先生	1/1

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

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

Details of the remuneration by band of the members of senior management of the Company, whose biographies are set out in the section headed “Directors and Senior Management” in this annual report, for the year ended 31 December 2020 are set out in note 9 to the Consolidated Financial statements.

截至2020年12月31日止年度，本公司高級管理層成員(其履歷載於本年報「董事及高級管理層」一節)按組別劃分的薪酬詳情載列於綜合財務報表附註9。

## DIRECTORS' RESPONSIBILITIES FOR FINANCIAL REPORTING IN RESPECT OF FINANCIAL STATEMENTS

### 董事有關財務報表的財務申報責任

The Directors acknowledge their responsibility for preparing the financial statements for the 2020 Financial Year which give a true and fair view of the affairs of the Company and the Group and of the Group's results and cash flows.

董事已知悉，彼等有責任編製2020財政年度的財務報表，以真實公平地反映本公司及本集團的事務狀況以及本集團的業績及現金流量。

The management has provided to the Board such explanation and information as are necessary to enable the Board to carry out an informed assessment of the Company's financial statements, which are put to the Board for approval. The Company provides all members of the Board with monthly updates on Company's performance, positions and prospects.

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

The statement by the auditors of the Company regarding their reporting responsibilities on the financial statements of the Company is set out in the Independent Auditor's Report on page 210 to page 218 of this annual report.

## INTERNAL CONTROL AND RISK MANAGEMENT

The Board is responsible for maintaining an adequate risk management and internal control systems to safeguard Shareholders' investments and Company's assets and with the support of the Audit Committee, reviewing the effectiveness of such systems on an annual basis. The Company has implemented various internal control and risk management policies, including Asset Depreciation Provision Management Policy, Inventory Management Policy and Financing and Guarantee Management Policy. Furthermore, we also sponsor our internal control staff to attend risk management and internal control related trainings every year. The risk management and internal control policies are designed to help achieve business objectives, safeguarding assets against unauthorised use, and maintaining proper accounting records for the provision of reliable financial information for internal use and for publication. The establishment of risk management and internal control systems is to provide reasonable, but not absolute, assurance against material misstatement of financial statements or loss of assets and to manage rather than eliminate risks of failure in operational systems and achievement of the Group's objectives.

管理層向董事會提供必要的闡釋及數據，致使董事會能對提呈予董事會批准的本公司財務報表進行知情的評估。本公司每月向董事會全體成員提供有關本公司表現、狀況及前景的最新資料。

董事並不知悉，任何有關可能對本公司持續經營能力嚴重存疑的事件或情況的重大不確定因素。

本公司核數師就彼等對本公司財務報表申報責任的聲明載於本年報第210至218頁的獨立核數師報告內。

## 內部監控及風險管理

董事會負責維持充分的風險管理及內部監控系統，以保障股東投資及本公司的資產，並在審核委員會的支持下，每年檢討有關系統的效能。本公司已落實多項內部控制及風險管理政策，其中包括資產折舊撥備管理政策、存貨管理政策及融資擔保管理政策。此外，我們每年亦組織內部控制員工參加風險管理和內部控制相關培訓。風險管理及內部監控系統已予制訂，以助達成業務目標、保障資產免受到未經授權的使用及存置恰當會計紀錄，以提供可靠的財務數據作內部及刊發之用。設立內部控制及風險管理政策防止財務報表之重大失實聲明或資產損失，及管理（而非消除）營運系統失效及未能達成本集團業務目標的風險。

The Company's operation planning department is responsible for the internal control and risk management of the Company's business operations. The internal audit department is responsible for the internal audit of the Company. The Company has also engaged external consultants to perform a review of the internal control and risk management systems of the Group. With the assistance of the external consultants, the operation planning department, the internal control department and the internal audit department of the Company, the Company is able to take mitigating and remedial measures to address the identified risks and such actions and measures are integrated in the day-to-day activities of the Group and their effectiveness is closely monitored. The internal audit, internal control and risk management systems and policies are reviewed by the Board on an ongoing basis in order to make it practical and effective in providing reasonable assurance in relation to the identification of business risks.

The Company has put in place a policy on handling and dissemination of inside information which sets out the procedures and internal controls for handling and dissemination of inside information in a timely manner in such a way to avoid placing any person in a privileged dealing position. The inside information policy also provides guidelines to employees of the Group to ensure proper safeguards exist to prevent the Company from breaching the statutory and listing rule disclosure requirements. The Company has appropriate internal control and reporting systems to identify and assess potential inside information. Dissemination of inside information of the Company shall be conducted by publishing the relevant information on the websites of the Stock Exchange and the Company, according to the requirements of the Listing Rules.

本公司的經營計劃部負責本公司業務營運中的內部控制及風險管理。內部審計部負責本公司的內部審計。本公司亦已聘請外部顧問對本集團的內部監控及風險管理系統進行檢討。在外部顧問、本公司經營計劃部、內部監控部及內部審計部的協助下，本公司能夠採取緩解及補救措施處理已識別的風險。該等行動及措施乃整合於本集團的日常活動中，而其效用受密切監察。董事會持續檢討內部審計、內部監控及風險管理系統，使其有效可行並對識別業務風險提供合理保證。

本公司已訂立一項處理及發佈內幕消息的政策，列出處理及發佈內幕消息的程序及內部監控，使內幕消息得以適時處理及發佈，而不會導致任何人士在證券交易上處於佔優的地位。內幕消息政策亦為本集團僱員提供指引，確保設有適當的措施，以預防本公司違反法定及上市規則的披露規定。本公司設有適當的內部監控及彙報制度，識別及評估潛在的內幕消息。根據上市規則的規定，本公司發佈內幕消息，會透過聯交所及本公司網站刊登相關消息。

The Audit Committee assists the Board in the review, which covers operational, financial and compliance controls, internal audit and risk management functions, to maintain an adequate and effective internal control system to safeguard the interests of the shareholders and the assets of the Group. For the 2020 Financial Year, the Board conducted an annual review of the effectiveness of the internal control system of the Group by, including but not limited to, considering a written report prepared by the external consultants to the Audit Committee covering the above aspects. The Board has also considered the adequacy of resources, qualifications and experience of staff of the Company's accounting and financial reporting function, and their training programme and budget during the year under review. The Board is not aware of any significant internal control and risk management weaknesses nor significant breach of limits or risk management policies, and considers that the current monitoring systems of the Company are effective and that the qualifications and experience of the staff, performing accounting and financial reporting functions and the training programmes of the Company as well as the experiences and resources for setting the budget of the Company are adequate. The Company has complied with the requirements under C.2.1 to C.2.5 and C.3.3 of the CG Code relating to risk management and internal control since the Listing Date.

### AUDITOR'S REMUNERATION

Ernst & Young were appointed as the Company's auditors to audit the financial statements of the Company for the year ended 31 December 2020 prepared in accordance with IFRSs. During the year under review, the fees paid to Ernst & Young for audit services amounted to RMB2,528,000.

審核委員會亦協助董事會進行有關維持足夠及有效之內部監控系統的審閱，當中涵蓋營運、財務及合規監控內部審計、以及風險管理功能，以保障股東及本集團資產之利益。於2020年財政年度，董事會已透過（其中包括但不限於）考慮外部顧問向審核委員會編製之書面報告對本集團內部監控系統之成效進行年度檢討，範圍涵蓋上述各方面。於回顧年度，董事會亦已考慮本公司在會計及財務報告職能方面之資源、員工資歷及經驗是否足夠，以及員工所接受之培訓課程及有關預算是否充足。董事會並未發現任何重大內部監控及風險管理缺陷，亦未發現重大違反限制或風險管理政策之情況，並認為本公司目前的監控系統有效，且本公司員工的資歷和經驗、會計及財務呈報職能的履行，以及本公司的培訓課程及本公司有關預算方面的經驗和資源足夠。本公司自上市日期起已遵守企業管治守則第C.2.1條至C.2.5條及第C.3.3條有關風險管理及內部監控之規定。

### 核數師酬金

安永會計師事務所獲委任為本公司核數師，審計本公司截至2020年12月31日止年度按照國際財務報告準則編製的財務報表。於回顧年度內，就審計服務向安永會計師事務所支付的費用為人民幣2,528,000元。

#### JOINT COMPANY SECRETARIES AND PRIMARY CONTACT

Ms. Qian Xiaoning was appointed as the joint company secretary of the Company on 13 February 2017. Ms. Qian's biographical details are set out in the section headed "Directors and Senior Management" in this annual report. As Ms. Qian Xiaoning did not possess the qualifications as stipulated under Rules 3.28 and 8.17 of the Listing Rules upon the listing of the Company, the Company has applied for and has been granted a waiver by the Stock Exchange from strict compliance with those Listing Rules.

As confirmed by the Stock Exchange in March 2021, Ms. Qian Xiaoning is qualified to act as the company secretary of the Company under Rule 3.28 of the Listing Rules after the expiry of the waiver period on 15 March 2021. According to the arrangement, Ms. Qian Xiaoning continues to be the joint company secretary of the Company, together with Ms. Wong Wai Ling, who is the vice president of SWCS Corporate Services Group (Hong Kong) Limited (a company secretarial service provider). Ms. Wong Wai Ling's primary contact person in the Company is Ms. Qian Xiaoning.

Ms. Qian Xiaoning and Ms. Wong Wai Ling have undertaken not less than 15 hours of relevant professional training in compliance with Rule 3.29 of the Listing Rules for the year ending 31 December 2020.

#### GENERAL MEETING

The annual general meeting ("AGM") of the Company will be held on 3 June 2021.

#### 聯席公司秘書及主要聯絡人

於2017年2月13日，錢曉寧女士獲委任為本公司的聯席公司秘書。錢女士的履歷詳情載於本年報「董事及高級管理層」一節。由於錢曉寧女士在本公司上市時並不具備上市規則第3.28條及第8.17條規定的資格，本公司已向聯交所申請並獲聯交所豁免嚴格遵守該等上市規則。

按聯交所於2021年3月確認，在豁免期於2021年3月15日屆滿後，錢曉寧女士符合上市規則第3.2條所規定擔任本公司的公司秘書之資格。根據有關安排，錢曉寧女士繼續連同黃慧玲女士擔任本公司的聯席公司秘書，而黃慧玲女士現為方圓企業服務集團(香港)有限公司(一間公司秘書服務供應商)的總監。黃慧玲女士於本公司的主要聯絡人為錢曉寧女士。

截至2020年12月31日止年度，錢曉寧女士及黃慧玲女士已參與不少於15小時的相關專業培訓，以遵守上市規則第3.29條的規定。

#### 股東大會

本集團股東週年大會(「股東週年大會」)將於2021年6月3日舉行。

During the Reporting Period, the Group has held 3 general meetings on 9 April 2020, 12 June 2020 and 29 December 2020, respectively. The details of the Directors' attendance are as follows:

本報告期內，本集團共舉行3次股東大會，分別於2020年4月9日、2020年6月12日及2020年12月29日舉行，董事出席股東大會情況如下：

<b>Directors</b>	<b>Attendance/number of meetings held</b>
<b>董事</b>	<b>已出席次數/ 舉行會議次數</b>
Mr. Zeng Zhijun 曾之俊先生	3/3
Mr. Cheng Liquan Richard 程里全先生	3/3
Mr. Zheng Tony Tuo 鄭拓先生	0/3
Mr. Zhu Weihang 朱偉航先生	0/3
Mr. Chen Xue 陳學先生	0/3
Mr. Liu Genyu 劉根鈺先生	0/3
Dr. Xie Guozhong 謝國忠博士	3/3
Mr. Lu Zhifang 陸志芳先生	3/3

## COMMUNICATION WITH SHAREHOLDERS AND INVESTOR RELATIONS

The Company considers that effective communication with shareholders is essential for enhancing investor relations and understanding of the Group's business, performance and strategies. The Company also recognizes the importance of timely and non-selective disclosure of information, which will enable shareholders and investors to make the informed investment decisions.

The AGM of the Company provides opportunity for shareholders to communicate directly with the Directors. The Chairman of the Company and the chairmen of the Board Committees of the Company will attend the AGM to answer shareholders' questions. The chairman of a meeting will provide the detailed procedures for conducting a poll and answer any questions from the Shareholders on voting by poll. The external auditors of the Company will also attend the AGM to answer questions about the conduct of the audit, the preparation and content of the auditor's report, the accounting policies and auditor independence.

To promote effective communication, the Company adopts a shareholders' communication policy which aims at establishing a two-way relationship and communication between the Company and its shareholders and maintains a website at <http://www.chinaboqi.com>, where up-to-date information on the Company's business operations and developments, financial information, corporate governance practices and other information are available for public access. In 2021, the Company will focus more on the demands of investors and analysts, pay close attention to important policies of the environmental protection and energy conservation industry and allow timely access by the public to sufficient business information and recent developments of the Company.

## SHAREHOLDERS' RIGHTS

To safeguard shareholders' interests and rights, a separate resolution will be proposed for each issue at shareholder meetings, including the election of individual directors.

## 與股東的溝通及投資者關係

本公司認為，與股東的有效溝通對加強投資者關係及瞭解本集團的業務、表現及策略攸關重要。本公司亦深知及時與非選擇性地披露資料以供股東及投資者作出知情投資決策的重要性。

本公司股東週年大會為股東提供與董事直接溝通的機會。本公司主席及本公司各董事委員會主席將出席股東週年大會解答股東提問。大會主席將提供進行投票的詳細程序，並解答股東有關投票表決的任何問題。本公司的外聘核數師亦將出席股東週年大會，以解答有關審計操守、核數師報告的編製及內容、會計政策及核數師獨立性的問題。

為促進有效的溝通，本公司採納股東通訊政策，旨在建立本公司與其股東的相互關係及溝通，並設有網站(<http://www.chinaboqi.com>)，刊登有關其業務營運及發展的最新數據、財務數據、企業管治常規及其他數據，以供公眾人士查閱。於2021年，本公司將更集中於投資者及分析師需求，密切關注環保及節能產業的重要政策，及時作出公開披露數據，讓公眾能夠及時取得完整的業務資料並瞭解公司近期發展狀況。

## 股東權利

為保障股東的利益及權利，本公司會於股東大會上就各項議題(包括選舉個別董事)提呈獨立決議案。

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

#### Procedures for shareholders to convene an extraordinary general meeting

According to Article 12.3 of the Articles of Association, general meetings can be convened on the written requisition of any two or more shareholders holding at the date of deposit of the requisition not less than one-tenth of the paid up capital of the Company which carries the right of voting at general meetings of the Company deposited at the principal office of the Company in Hong Kong. If the Board does not within 21 days from the date of deposit of the requisition proceed duly to convene the meeting to be held within a further 21 days, the requisitionist(s) themselves or any of them representing more than one-half of the total voting rights of all of them, may convene the general meeting in the same manner, as nearly as possible, as that in which meetings may be convened by the Board provided that any meeting so convened shall not be held after the expiration of three months from the date of deposit of the requisition, and all reasonable expenses incurred by the requisitionist(s) as a result of the failure of the Board shall be reimbursed to them by the Company.

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

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

於股東大會上提呈的所有決議案將根據上市規則以投票方式進行表決，投票結果將於各股東大會舉行後及時於本公司及聯交所網站刊登。

#### 股東召開股東特別大會的程序

根據組織章程細則第12.3條，股東大會須於任何兩名或以上於存放請求書於本公司香港主要辦事處當日持有不少於有權於本公司股東大會上投票的本公司繳足股本十分之一的股東要求時召開。倘董事會並未於提交要求當日起計21日內正式召開將於額外21日內舉行之會議，要求者本身或當中代表彼等所享有全部投票權過半數之任何人士，可按相同方式(盡可能接近董事會可召開會議之方式)召開股東大會，前提為如此召開之任何會議不得在提交要求當日起計三個月屆滿後舉行，而所有因董事會未能履行要求而令要求者產生之合理費用須由本公司向要求者作出補償。

#### 股東提名人選參選董事的程序

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



## CORPORATE GOVERNANCE REPORT (Continued)

### 企業管治報告(續)

#### Shareholders' inquiries

If you have any query in connection with your shareholdings, please write to or contact the Company's Hong Kong share registrar, Tricor Investor Services Limited, at: Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong Tel: (852) 2980 1066 Fax: (852) 2262 7584 Website: www.tricorglobal.com.

#### Investor relations and communications

The Company has set up a website at www.chinaboqi.com as a channel to promote communication, publishing announcements, financial information and other relevant information of the Company. Shareholders are welcome to make enquiries directly to the Company at its principal place of business in Hong Kong. The Company will deal with all enquiries in a timely and appropriate manner. The primary contacts of the Company are Ms. Zhu Beibei and Ms. Xu Na at (email: irhk@chinaboqi.com or tel: +86 10 59579665/+86 10 59579509).

#### CHANGE IN CONSTITUTIONAL DOCUMENTS

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

For the year ended 31 December 2020, no change had been made to the memorandum and articles of association of the Company.

#### 股東查詢

如閣下對所持股份有任何查詢事項，請致函或聯絡本公司香港股份登記處卓佳證券登記有限公司，地址為：香港皇后大道東183號合和中心54樓，電話：(852) 2980 1066，傳真：(852) 2262 7584，網站：www.tricorglobal.com。

#### 投資者關係及通訊

作為促進有效溝通的溝通，本公司設立網站www.chinaboqi.com刊發本公司的公告、財務數據及其他相關數據。股東如有任何查詢，可直接致函至本公司於香港的主要營業地點。本公司將及時以適當方式處理所有查詢。本公司的主要聯絡人為朱蓓蓓女士及徐娜女士(電郵：irhk@chinaboqi.com或電話：+86 10 59579665/+86 10 59579509)。

#### 更改憲章文件

本公司的組織章程大綱及細則已予修訂並重列，有關修訂及重述自上市日期起生效。

截至2020年12月31日止年度，本公司的組織章程大綱及細則並無變動。

The Board is pleased to present its report together with the audited consolidated financial statements of the Group for the year ended 31 December 2020.

### CORPORATE INFORMATION

Basic information about the Company is set out in the sections headed “Corporate Information” and “Company Profile” in this annual report.

### GLOBAL OFFERING

The Company was incorporated in the Cayman Islands as an exempted company with limited liability on 30 January 2015. The Company's shares were listed on the Stock Exchange on 16 March 2018.

### PRINCIPAL ACTIVITIES

The Company is an investment holding company. The principal activities of the Group are providing independent flue gas treatment service and environmental protection solution service by various business models, including environmental protection facility engineering, operation and maintenance and concession operation.

The activities and particulars of the Company's subsidiaries are shown under note 1 to the consolidated financial statements. An analysis of the Group's revenue and operating profit for the year by principal activities is set out in the section headed “Management Discussion and Analysis” in this annual report and note 5 to the consolidated financial statements.

董事會欣然提呈截至2020年12月31日止年度之董事會報告及本集團經審核綜合財務報表。

### 公司資料

本公司的基本資料載列於本年報「公司資料」及「公司簡介」章節中。

### 全球發售

本公司於2015年1月30日於開曼群島註冊成立為獲豁免有限公司。本公司股份於2018年3月16日在聯交所上市。

### 主要業務

本公司為一家投資控股公司。本集團的主要業務為通過各種不同業務模式提供獨立的煙氣處理服務和環保解決方案，包括環保設施工程、運營與維護以及特許經營。

本公司附屬公司的活動及詳情載於綜合財務報表附註1。本集團年內營業額及經營利潤按主要業務劃分之分析載於本年報「管理層討論與分析」一節及綜合財務報表附註5。

## DIRECTORS' REPORT (Continued)

### 董事會報告(續)

#### BUSINESS REVIEW

A review of the Group's business during the year, which includes a discussion of the principal risks and uncertainties facing by the Group, an analysis of the Group's performance using financial key performance indicators, particulars of important events affecting the Group during the year, and an indication of likely future developments in the Group's business, could be found in the sections headed "Chairman's Statement" and "Management Discussion and Analysis" in this annual report. The financial risk management objectives and policies of the Group can also be found in note 41 to the consolidated financial statements. In addition, a discussion on relationships with its key stakeholders is included in the section headed "Management Discussion and Analysis" in this annual report. The review forms part of this directors' report.

#### RESULTS

The consolidated results of the Group for the year ended 31 December 2020 are set out on page 219 to page 226 of this annual report.

#### DIVIDEND POLICY

According to the dividend policy that resolved to adopt by the Board (the "Dividend Policy") on 18 May 2018, the Company may declare and distribute dividends to the shareholders of the Company, provided that the Group records a profit and that the declaration and distribution of dividends does not affect the Group's normal operations.

According to the Dividend Policy, the Company takes priority to distributing dividends in cash and shares its profits with the Shareholders. It is expected that the amount of dividends distributed will be in the range of 30% to 50% of the Group's net profit for the current year, subject to the following requirements. The remaining profit will be used for the development and operation of the Group.

The Company's ability to distribute dividends will depend on, among others, the operating results, cash flow, financial condition and capital requirements of the Group and the interests of the Shareholders of the Company. The Company's distribution of dividends shall also comply with any restrictions under the Companies Law of the Cayman Islands and the Articles of Association of the Company.

#### 業務回顧

本集團年內業務回顧包括討論本集團面對的主要風險及不明朗因素、採用財務關鍵表現指標分析本集團之表現、年內影響本集團之重大事件詳情以及本集團業務未來發展的揭示，載於本年報「主席報告書」及「管理層討論與分析」章節。本集團的財務風險管理目標及政策亦載於綜合財務報表附註41。此外，就與主要利益相關者之關係之討論載於本年報「管理層討論與分析」章節。該回顧構成本董事會報告之一部分。

#### 業績

本集團截至2020年12月31日止年度的綜合業績載於本年報第219至226頁。

#### 股息政策

根據本公司董事會於2018年5月18日決議及採納的股息政策（「股息政策」），倘本集團錄得盈利並宣派及派發股息而不影響本集團的正常營運，則本公司可向本公司股東宣派及派發股息。

根據股息政策，本公司優先考慮以現金方式分派股息，與股東共享其溢利，金額預計達到本集團當年度淨利潤的30%至50%，惟須受下列標準所規限，餘下溢利將供本集團作發展及營運之用。

本公司派發股息的能力將取決於（其中包括）本集團的經營業績、現金流量、財務狀況、資本需求以及本公司的股東權益。本公司派發股息亦受限於開曼群島公司法及本公司章程細則項下的任何限制。

## FINAL DIVIDENDS

Taking into consideration various factors such as the new business development needs of the Group and its future capital expenditure plans, the Board recommend the payment of HK\$7.40 cents per ordinary share as final dividend for the year ended 31 December 2020 (2019: HK\$3.15 cents). No interim dividend was declared for the financial year of 2020. Subject to the shareholder's approval at the AGM (as defined below), the proposed final dividend will be paid to the shareholders of the Company on 16 July 2021.

## FINANCIAL SUMMARY

A summary of the Group's results, assets, liabilities for the last five financial years are set out on page 7 to page 10 of this annual report. This summary does not form part of the audited consolidated financial statements.

## USE OF NET PROCEEDS FROM THE COMPANY'S INITIAL PUBLIC OFFERING

On the Listing Date, the Shares of the Company were listed on the Main Board of the Stock Exchange by way of global offering, pursuant to which 216,105,000 new shares were issued by the Company to the public at the offer price of HK\$2.40 per share, with net proceeds of approximately RMB391 million, after deduction of underwriting commission and estimated expenses payable in connection with the global offering.

Since 1 January 2020 and up to 31 December 2020, the Company has utilized the proceeds in the following manner:

- (i) approximately RMB4 million of the proceeds for research and development expenses; and
- (ii) approximately RMB83 million of the proceeds for strategic acquisition and merger.

## 末期股息

本公司董事會結合集團新業務發展所需及未來資本開支計劃等多重因素，建議宣派截至2020年12月31日止年度之末期股息每股普通股7.40港仙(2019年：3.15港仙)。2020財政年度並無宣派中期股息。待股東在股東週年大會(定義見下文)批准後，擬派末期股息將於2021年7月16日派付予本公司股東。

## 財務概要

本集團於過去五個財政年度的業績、資產、負債之概要載於本年報第7至10頁。此概要並不構成經審核綜合財務報表的一部分。

## 本公司首次公開發售所得款項淨額用途

於上市日期，本公司股份以全球發售方式在聯交所主板上市，據此，本公司按發售價每股2.40港元向公眾人士發行216,105,000股新股份，經扣除、全球發售應付的包銷佣金及估計開支後的所得款項淨額約為人民幣391百萬元。

自2020年1月1日至2020年12月31日，本公司已按照以下方式動用所得款項：

- (i) 約人民幣4百萬元以供研發開支；及
- (ii) 約人民幣83百萬元以供戰略收購併購。

## DIRECTORS' REPORT (Continued)

### 董事會報告(續)

The following table sets out the use of proceeds during the Reporting Period: 報告期間所得款用途如下表：

Use of proceeds 所得款項用途	Unutilized amount as at 1 January 2020 (in RMB million) 於2020年 1月1日 未動用金額 (人民幣百萬元)	Utilized amount for the Reporting Period (in RMB million) 報告期內 已動用金額 (人民幣百萬元)	Unutilized amount as at 31 December 2020 (in RMB million) 於2020年 12月31日 未動用金額 (人民幣百萬元)	Expected time of use 預計使用 時間段	Detailed description 詳細描述
Research and development expenditures 研發開支	4	4	–	N/A 不適用	Research and development expense on the fields of flue gas, water and solid waste treatment and other environment protection solutions 煙氣處理、水處理、固廢處理及其 他環境保護解決方案領域的研發 支出
Strategic mergers and acquisitions 戰略收併購	83	83	–	N/A 不適用	Investment in water treatment business 水處理業務的投資

As at 31 December 2020, the Company has used up all the proceeds according to the uses as disclosed in prospectus of the Company.

於2020年12月31日，本公司已按照本公司招股章程中所披露的用途全部使用該等款項。

## MAJOR CUSTOMERS AND SUPPLIERS

For the year ended 31 December 2020, the Group's largest customers accounted for 9.4% of the Group's total revenue. The Group's five largest customers accounted for 36.6% (2019: 36.3%) of the Group's total revenue.

For the year ended 31 December 2020, the Group's largest suppliers accounted for 2.5% of the Group's total cost of procurement. The Group's five largest suppliers accounted for 11.0% (2019: 22.3%) of the Group's total cost of procurement.

Save as disclosed in the prospectus of the Company dated 28 February 2018 (the "Prospectus"), none of the Directors or any of their associates (as defined under Listing Rules) or any Shareholders (which, to the best knowledge of the Directors, owns more than 5% of the Company's issued share capital) has any beneficial interest in the Group's five largest suppliers or the Group's five largest customers.

## PROPERTY, PLANT AND EQUIPMENT

Details of movements in the property, plant and equipment of the Company and the Group during the year ended 31 December 2020 are set out in note 13 to the consolidated financial statements.

## SHARE CAPITAL

Details of movements in the share capital of the Company during the year ended 31 December 2020 are set out in note 31 to the consolidated financial statements.

## TAX RELIEF

The Company is not aware of any tax relief available to the Shareholders by reason of their holding in the Company's securities.

## 主要客戶及供應商

截至2020年12月31日止年度，本集團最大客戶佔本集團總收益9.4%。本集團五大客戶佔本集團總收益36.6%。(2019年：36.3%)

截至2020年12月31日止年度，本集團最大供應商佔本集團總採購成本2.5%。本集團五大供應商佔本集團總採購成本11.0%(2019年：22.3%)。

除本公司日期為2018年2月28日的招股章程(「招股章程」)所披露者外，概無董事或彼等的任何聯繫人(定義見上市規則)或任何股東(其就董事所深知擁有本公司超過5%已發行股本)於本集團五大供應商或本集團五大客戶擁有任何實益權益。

## 物業、廠房及設備

本公司及本集團於截至2020年12月31日止年度的物業、廠房及設備變動詳情載於綜合財務報表附註13。

## 股本

本公司於截至2020年12月31日止年度的股本變動詳情載於綜合財務報表附註31。

## 稅務寬免

本公司並不知悉股東因持有本公司證券而享有任何稅務寬免。

## DIRECTORS' REPORT (Continued)

### 董事會報告(續)

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

For the year ended 31 December 2020 (the "Period"), neither the Company nor any member of the Group has purchased, sold or redeemed any of the Company's shares during the Period.

#### PRE-EMPTIVE RIGHTS

As at 31 December 2020, there were no provisions for pre-emptive rights under the Articles of Association, which require the Company to offer new Shares to existing Shareholders in proportion to their shareholdings.

#### RESERVES

Details of movements in the reserves of the Company and the Group during the year ended 31 December 2020 are set out in the summary of the Company's reserves and the consolidated statement of changes in equity on page 392 and page 223 to page 224 respectively.

#### 購買、出售或贖回本公司上市證券

截至2020年12月31日止年度(「期間」)，本公司或本集團成員公司並無購買、出售或贖回任何本公司股份。

#### 優先購買權

於2020年12月31日，組織章程細則並無就優先購買權作出規定，並無要求本公司按股東的持股比例向現有股東提呈發售新股。

#### 儲備

截至2020年12月31日止年度，本公司及本集團之儲備變動詳情分別載於第392頁的本公司儲備之概要及第223至224頁的綜合權益變動表。

## DISTRIBUTABLE RESERVES

As at 31 December 2020, the Group's distributable reserves were RMB1,080,776,086 (as at 31 December 2019: RMB924,506,446).

## BANK LOANS AND OTHER BORROWINGS

Particulars of bank loans and other borrowings of the Group as at 31 December 2020 are set out in note 29 to the consolidated financial statements.

## LOAN AND GUARANTEE

During the year ended 31 December 2020, the Group had not made any loan or provided any guarantee for loan, directly or indirectly, to the Directors, senior management, its controlling shareholders being Mr. Cheng, Mr. Zeng, World Hero International Limited ("World Hero") and Best Dawn Limited ("Best Dawn") (collectively referred to as the "Controlling Shareholders") or his/her respective connected persons.

## DIRECTORS

The Directors during the year ended 31 December 2020 and up to the date of this annual report were:

### Executive Directors

Mr. Zeng Zhijun (*Chairman*)  
Mr. Cheng Liquan Richard

### Non-executive Directors

Mr. Zheng Tony Tuo  
Mr. Zhu Weihang  
Mr. Chen Xue

### Independent Non-executive Directors

Mr. Liu Genyu  
Dr. Xie Guozhong  
Mr. Lu Zhifang

## 可供分配儲備

於2020年12月31日，本集團之可供分配儲備為人民幣1,080,776,086元(於2019年12月31日：人民幣924,506,446元)。

## 銀行貸款及其他借款

本集團於2020年12月31日的銀行貸款及其他借款的詳情載於綜合財務報表附註29。

## 貸款及擔保

截至2020年12月31日止年度，本集團概無任何貸款或就貸款(直接或間接)向董事、高級管理層、其控股股東(即程先生、曾先生、World Hero International Limited(「World Hero」)及 Best Dawn Limited(「Best Dawn」)，統稱為「控股股東」)或其各自關連人士提供任何擔保。

## 董事

截至2020年12月31日止年度及直至本年報日期的董事如下：

### 執行董事

曾之俊先生(主席)  
程里全先生

### 非執行董事

鄭拓先生  
朱偉航先生  
陳學先生

### 獨立非執行董事

劉根鈺先生  
謝國忠博士  
陸志芳先生



## DIRECTORS' REPORT (Continued)

### 董事會報告(續)

#### BIOGRAPHICAL DETAILS OF THE DIRECTORS AND THE SENIOR MANAGEMENT

Biographical details of the Directors and the senior management of the Group as at the date of this annual report are set out in the section headed "Directors and Senior Management" to this annual report.

#### CHANGES TO INFORMATION ON DIRECTORS

According to Rule 13.51B(1) of the Listing Rules, changes in information about Directors are as follows:

Mr. Liu Genyu was appointed as an executive director and the vice chairman of GCL New Energy Holdings Limited on 7 December 2020, which is a company listed on the Stock Exchange (stock code: 451) mainly engaging in the sales of electric power and the development, construction, operation and management of photovoltaic power stations.

After making specific enquiries by the Company and confirmed by the Directors, save as disclosed as above, no other changes in the information of any Directors that are required to be disclosed pursuant to paragraphs (a) to (e) and paragraph (g) of Rule 13.51(2) of the Listing Rules have to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules.

#### CONFIRMATION OF INDEPENDENCE OF INDEPENDENT NON-EXECUTIVE DIRECTORS

The Company has received a confirmation of independence pursuant to Rule 3.13 of the Listing Rules from each of the independent non-executive Directors and the Company considers such Directors to be independent during the period from their respective appointments and up to the date of this annual report.

#### 董事及高級管理層的履歷詳情

本集團於本年報日期的董事及高級管理層履歷詳情載列於本年報「董事及高級管理層」一節。

#### 董事資料變更

根據上市規則第13.51B(1)條，董事資料變動如下：

劉根鈺先生於2020年12月7日獲委任協鑫新能源控股有限公司的執行董事及副董事長。該公司為一間聯交所上市公司(股份代號：451)，主要業務為電力銷售、光伏發電站之開發、建設、經營及管理。

經本公司作出具體查詢以及獲董事確認後，本報告期內概無須根據上市規則第13.51(2)條第(a)至(e)段以及第(g)段披露的有關任何董事資料的其他變動須根據上市規則第13.51B(1)條予以披露。

#### 獨立非執行董事的獨立性確認書

本公司已接獲各獨立非執行董事根據上市規則第3.13條所作獨立性確認書，且本公司認為該等董事自彼等各自獲委任日期起及直至本年報日期止期間為獨立人士。

### EQUITY-LINKED AGREEMENTS

Save for the Pre-IPO Share Award Scheme of the Company as set out in note 32 to the consolidated financial statements and the Scheme as disclosed in the section headed "Share Option Scheme" below, no equity-linked agreements were entered into by the Group, or existed during the year ended 31 December 2020.

### DIRECTORS' SERVICE CONTRACT AND LETTER OF APPOINTMENTS

Each of the executive Directors has entered into a service contract with the Company for an initial term of three years commencing from 28 February 2018. On 27 February 2021, the Board approved the renewal of the executive Director's service contracts of all executive Directors for a term of three years commencing from 28 February 2021.

Each of the non-executive Directors and the independent non-executive Directors has signed an appointment letter with the Company for an initial term of three years commencing from 28 February 2018. On 27 February 2021, the Board approved the renewal of the letters of appointment of all non-executive Directors and independent non-executive Directors for a term of three years commencing from 28 February 2021.

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

### 股本掛鈎協議

除載於綜合財務報表附註32的本公司首次公開發售前股份獎勵計劃及下文「購股權計劃」一節所披露的計劃外，截至2020年12月31日止年度，本集團概無訂立任何股本掛鈎協議，或概無過往訂立的股本掛鈎協議。

### 董事的服務合約及委任函

各執行董事已與本公司訂立服務合約，自2018年2月28日起計初步為期三年。於2021年2月27日，董事會批准重續所有執行董事的服務合約，自2021年2月28日起計為期三年。

各非執行董事及獨立非執行董事已與本公司簽署委任函，自2018年2月28日起計初步為期三年。於2021年2月27日，董事會批准重續所有非執行董事及獨立非執行董事的委任函，自2021年2月28日起計為期三年。

概無董事訂立本集團不可於一年內終止而毋須支付賠償(法定賠償除外)的服務合約。

#### DIRECTORS' INTERESTS IN TRANSACTIONS, ARRANGEMENTS OR CONTRACTS OF SIGNIFICANCE

Save as disclosed in the section headed “Connected Transactions” below, neither the Director nor any entity connected with the Director had a material interest in, either directly or indirectly, in any contract of significance to the business of the Group to which the Company or any of its subsidiaries was a party during the year ended 31 December 2020.

#### SHARE OPTION SCHEME

The Company adopted a share option scheme (the “**Scheme**”) on 29 December 2020, i.e. the date on which the Scheme was adopted by resolution of the Shareholders at general meeting (the “**Adoption Date**”). The purpose of the Scheme is to enable the Group to grant Options to the eligible participants as incentives or rewards for their contribution to the Group. Eligible participants of the Scheme include any eligible employee, any independent non-executive director and chief executive (as defined in the Listing Rules) of the Company or any subsidiary, any director (including independent non-executive director) and chief executive (as defined in the Listing Rules) of any invested entity, any adviser (professional or otherwise) or consultant to any area of business or business development of any member of the Group or any invested entity, any supplier of goods or services to any member of the Group or any invested entity, any customer of any member of the Group or any invested entity, any person or entity that provides research, development or other technological support to any member of the Group or any invested entity; and 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.

#### 董事於交易、安排或重大合約的權益

除下文「關連交易」一節所披露者外，截至2020年12月31日止年度，概無董事或任何與董事有關連的實體於本公司或其任何附屬公司訂立之對本集團業務而言屬重大的任何合約中直接或間接擁有重大權益。

#### 股份期權計劃

本公司於2020年12月29日（「**採納日期**」）採納一項股份期權計劃（「**該計劃**」），於當日，該計劃在股東大會上獲股東通過決議案採納。該計劃旨在讓本集團可向合資格參與者授出期權，作為彼等對本集團作出貢獻之獎勵或回報。該計劃的合資格參與者包括：任何合資格僱員；本公司或任何附屬公司的任何獨立非執行董事及最高行政人員（定義見上市規則）；任何被投資實體的任何董事（包括獨立非執行董事）及最高行政人員（定義見上市規則）；本集團任何成員公司或任何被投資實體的任何業務範疇或業務發展的任何顧問（專業或其他方面）或專業顧問；向本集團任何成員公司或任何被投資實體提供產品或服務的任何供應商；本集團任何成員公司或任何被投資實體的任何客戶；向本集團任何成員公司或任何被投資實體提供研究、開發及其他技術支援的任何人士或實體；及本集團任何成員公司或任何被投資實體的任何股東，或由本集團任何成員公司或任何被投資實體發行任何證券的任何持有人。

The principal terms of the Scheme are summarised as follows:

該計劃的主要條款概述如下：

- (a) The maximum number of the Company's shares which may be issued upon exercise of all options to be granted under the Scheme must not exceed 10% of the number of the Company's shares in issue as at the Adoption Date (which were 1,007,106,799 shares) unless shareholders' approval has been obtained, and which must not exceed 30% of the total number of the Company's shares in issue from time to time (or such other percentage as may be allowed under the Listing Rules).

- (a) 因行使根據該計劃將予授出的所有期權而可能發行的本公司股份最高數目，不得超過本公司於採納日期已發行股份數目（為1,007,106,799股股份）的10%，惟已獲得股東批准則除外，而在此情況下，上述股份最高數目不得超過本公司不時的已發行股份總數的30%（或上市規則可能容許的其他百分比）。

As at the date of this report, as no option had been granted under the Scheme, the Company had the capacity to grant options to subscribe for a maximum of 100,710,679 shares in aggregate, which represents the total unutilized mandate limit under the Scheme and represents 10% of the issued shares of the Company as at the Adoption Date and approximately 10% of the issued shares of the Company as at the date of this report.

截至本報告日期，由於並無根據該計劃授出期權，因此本公司有能力授出可認購合共最多100,710,679股股份的期權，相當於該計劃項下的總未動用授權上限，亦相當於本公司於採納日期的已發行股份10%及本公司於本報告日期的已發行股份約10%。

- (b) The maximum number of shares of the Company issued and to be issued upon exercise of the options granted to each eligible participant under the Scheme or any other share option schemes adopted by the Company (including both exercised, cancelled and outstanding options) in any 12-month period must not exceed 1% of the total number of issued shares of the Company.

- (b) 於任何12個月期間，因根據該計劃及本公司採納的任何其他股份期權計劃向每名合資格參與者授出的期權（包括已行使、已註銷或尚未行使的期權）獲行使而發行及將予發行的股份最高數目，不得超過本公司已發行股份總數的1%。

- (c) The subscription price in respect of each share of the Company issued pursuant to the exercise of options granted under the Scheme shall be determined by the Board and notified to an eligible participant at the time of the grant of the options and shall be at least 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 Board approving the grant of option, which must be a business day ("Date of Grant"); (ii) the average closing price of the Company's shares as stated in the Stock Exchange's daily quotation sheets for the five business days immediately preceding the Date of Grant; and (iii) the nominal value of the Company's share.

- (c) 因根據該計劃授出的期權獲行使而發行的本公司每股股份的認購價，應由董事會釐定並於授出期權時通知合資格參與者，而認購價不得少於以下最高者：(i)於舉行董事會會議以批准授出期權的日期（必須為營業日）（「授出日期」）在聯交所每日報價表所列的本公司股份收市價；(ii)緊接授出日期前五個營業日在聯交所每日報價表所列的本公司股份平均收市價；及(iii)本公司股份面值。

## DIRECTORS' REPORT (Continued)

### 董事會報告(續)

- (d) The period within which the options must be exercised will be specified by the Company at the time of grant. This period must expire no later than ten years from the relevant Date of Grant. The Board may also provide restrictions on the exercise of an option during the period an option may be exercised.
- (d) 期權須予行使的期間將由本公司於授出時指定。該期間須不遲於自有關授出日期起計滿十年之日屆滿。董事會亦可於期權可予行使的期間內對期權的行使施加限制。
- (e) Upon acceptance of an option, the grantee shall pay HK\$1 to the Company as consideration for the grant within 21 days from the Date of Grant.
- (e) 於接納期權時，承授人須於授出日期起計21日內向本公司支付1港元，作為獲授期權之代價。
- (f) The Scheme shall be valid and effective for a period of ten years from the Adoption Date.
- (f) 該計劃於採納日期起計十年期間內有效及具效力。

No option has been granted since the adoption of the Scheme.

自採納該計劃起概無授出期權。

### PERMITTED INDEMNITY

Pursuant to the amended and restated memorandum and articles of association of the Company, every Director shall be indemnified out of the assets of the Company against all losses or liabilities incurred or sustained by him as a director of the Company. The Company has arranged appropriate liability insurance to indemnify the Directors for their liabilities arising out of corporate activities.

### 獲准許彌償條文

根據本公司經修訂及經重列組織章程大綱及細則，每位董事須就其作為本公司董事而產生或蒙受的一切虧損或負債，可自本公司資產中獲得彌償。本公司已為董事安排合適的責任保險，以保障彼等因企業活動而引起之責任賠償。

### MANAGEMENT CONTRACTS

No contracts concerning the management and administration of the whole or any substantial part of the business of the Company were entered into or existed during the year ended 31 December 2020.

### 管理合約

截至2020年12月31日止年度，概無就本公司整體業務或其任何主要部份的管理及行政訂立或存續任何合約。

### CONTROLLING SHAREHOLDERS' INTERESTS IN CONTRACTS

There was no contract of significance to which the Company or its holding company or any of its subsidiaries was a party and in which any Controlling Shareholder had a material interest subsisted during the year ended 31 December 2020.

### 控股股東於合約的權益

截至2020年12月31日止年度，本公司或其控股公司或其任何附屬公司概無訂立任何控股股東於當中擁有重大權益之重大合約。

## CONTRACTS WITH CONTROLLING SHAREHOLDERS

No contract of significance has been entered into among the Company or any of its subsidiaries and the Controlling Shareholders or any of their subsidiaries during the year ended 31 December 2020.

## EMPLOYEES

The Group had 1,890 employees as at 31 December 2020, as compared to 1,950 employees as at 31 December 2019. The employees of the Company are employed under employment contracts which set out, among other things, their job scope and remuneration. Further details of their employment terms are set out in the employee handbook of the Company. The Company determines the employees' salaries based on their job nature, scope of duty, and individual performance. The Company also provides various benefits to the employees including medical care, housing subsidies, retirement and other benefits as well as on-the-job education, training and other opportunities to improve their skills and knowledge. The Company also provides employees with contributions to social insurance and housing provident fund for the employees in accordance with PRC regulations and the internal.

## EMOLUMENT POLICY

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

## REMUNERATION OF DIRECTORS AND FIVE INDIVIDUALS WITH HIGHEST EMOLUMENTS

Details of the emoluments of the Directors and five highest paid individuals are set out in note 9 to the consolidated financial statements.

## 與控股股東訂立的合約

截至2020年12月31日止年度，本公司或其任何附屬公司並無與控股股東或其任何附屬公司訂立重大合約。

## 僱員

於2020年12月31日，本集團有1,890名僱員，而2019年12月31日有1,950名僱員。本公司的僱員乃根據載列(其中包括)其工作範圍及薪酬的僱傭合約僱傭。其僱傭條款的進一步詳情載於本公司的僱員手冊。本公司根據僱員的工作性質、職責範圍及個人表現釐定其薪金。本公司亦向僱員提供各種福利，包括醫療、住房補貼、退休及其他福利以及在職教育、培訓及其他機會，以改善其技能及知識。本公司亦根據中國法規及內部政策向僱員提供社會保險及住房公積金供款。

## 薪酬政策

本集團已設立薪酬委員會，旨在根據本集團之經營業績、董事及高級管理層之個人表現及可資比較市場慣例，檢討本集團的薪酬政策及董事及高級管理層的全部薪酬架構。

## 董事及五名最高薪酬人士酬金

董事及五名最高薪酬人士酬金詳情載於綜合財務報表附註9。

## DIRECTORS' REPORT (Continued)

### 董事會報告(續)

#### DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITION IN SHARES, UNDERLYING SHARES AND DEBENTURES

#### 董事及最高行政人員於股份、相關股份及債券之權益及淡倉

As at 31 December 2020, the interests and short positions of the Directors and the chief executive of the Company in the Shares, underlying Shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO")) (i) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which were taken or deemed to have under such provisions); or (ii) which were required to be recorded in the register of the Company required to be kept under Section 352 of the SFO; or (iii) which were required to be notified to the Company and the Stock Exchange pursuant to the Model Code.

於2020年12月31日，本公司董事或最高行政人員於本公司或其任何相聯法團(定義見證券及期貨條例第XV部)的股份、相關股份及債權證中擁有(i)根據證券及期貨條例(「證券及期貨條例」)第XV部第7及8分部須知會本公司及聯交所的權益及淡倉(包括根據證券及期貨條例的有關條文被當作或視作擁有的權益及淡倉);或(ii)根據證券及期貨條例第352條的規定須記入本公司存置的登記冊的權益及淡倉;或(iii)根據標準守則須知會本公司及聯交所的權益及淡倉如下:

#### Long position in our Shares, underlying Shares and debentures of our Company

#### 於本公司股份、相關股份及債權證中的好倉

Name of Director 董事姓名	Nature of Interest 權益性質	Number and class of Shares 股份數及類別	Approximate percentage of shareholding 概約持股百分比
Mr. Cheng Liquan Richard 程里全先生	Interests held jointly with another person (Note 1); interest of a controlled corporation (Note 2); and beneficial owner (Note 5) 與他人共同持有的權益(附註1); 受控法團權益(附註2); 及實益擁有人(附註5)	409,772,911 (Long Position) (好倉)	40.69%
Mr. Zeng Zhijun 曾之俊先生	Interests held jointly with another person (Note 1); and interest of a controlled corporation (Note 3) 與他人共同持有的權益(附註1); 及受控法團權益(附註3)	409,772,911 (Long Position) (好倉)	40.69%
Mr. Zhu Weihang 朱偉航先生	Interest of a controlled corporation (Note 4) 受控法團權益(附註4)	152,170,529 (Long Position) (好倉)	15.11%

Notes:

- (1) Mr. Cheng Liquan Richard and Mr. Zeng Zhijun have entered into an acting-in-concert arrangement. As such, Mr. Cheng and Mr. Zeng together control 40.69% equity interests in the issued share capital of our Company through World Hero International Limited (“**World Hero**”), Asia Environment Investment Limited (“**Asia Environment**”) and Best Dawn Limited (“**Best Dawn**”).
- (2) Mr. Cheng holds the entire issued share capital of World Hero. Therefore, Mr. Cheng is deemed to be interested in the Shares held by World Hero under the SFO.
- (3) Mr. Zeng holds the entire issued share capital of Best Dawn and 47.2% of interests in Asia Environment. Therefore, Mr. Zeng is deemed to be interested in the Shares held by Best Dawn and Asia Environment under the SFO.
- (4) The entire issued share capital of New Asia Limited (“**New Asia**”) is held by Great Origin Ventures Limited (“**Great Origin**”), whose entire issued share capital is in turn held by Mr. Zhu. Therefore, Mr. Zhu is deemed to be interested in the Shares held by New Asia under the SFO.
- (5) Mr. Cheng directly holds 400,000 shares of the Company.

Save as disclosed above, as at 31 December 2020, none of the Directors and the chief executive of the Company had or was deemed to have any interest or short position in the Shares, underlying Shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) that was required to be recorded in the register of the Company required to be kept under Section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

附註：

- (1) 程里全先生及曾之俊先生已訂立一致行動安排，因此，程先生及曾先生透過World Hero International Limited (「**World Hero**」)、Asia Environment Investment Limited (「**Asia Environment**」)及Best Dawn Limited(「**Best Dawn**」)共同控制本公司已發行股本40.69%股權。
- (2) 程先生持有World Hero之全部已發行股本。因此，程先生根據證券及期貨條例被視為於World Hero持有的股份中擁有權益。
- (3) 曾先生持有Best Dawn之全部已發行股本及Asia Environment之47.2%權益。因此，曾先生根據證券及期貨條例被視為於Best Dawn及Asia Environment持有的股份中擁有權益。
- (4) 偉源創投有限公司(「**偉源**」)持有New Asia Limited(「**New Asia**」)的全部已發行股本，而朱先生持有偉源的全部已發行股本。因此，朱先生根據證券及期貨條例被視為於New Asia持有的股份中擁有權益。
- (5) 程先生直接持有本公司股份400,000股。

除上文所披露者外，於2020年12月31日，概無本公司董事及最高行政人員在本公司或其任何相聯法團(定義見證券及期貨條例第XV部)的股份、相關股份或債權證中，擁有或被視作擁有須記錄於本公司根據證券及期貨條例第352條存置的登記冊或根據標準守則須知會本公司及聯交所的任何權益或淡倉。



## DIRECTORS' REPORT (Continued)

### 董事會報告(續)

#### DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

At no time during the year ended 31 December 2020 was the Company, its holding company, or any of its subsidiaries, a party to any arrangement to enable the Directors to acquire benefits by means of the acquisition of shares in, or debt securities including debentures of, the Company or any other body corporate.

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

As at 31 December 2020, to the best knowledge of the Directors, the following persons (not being a Director or chief executive of the Company) had interests or short positions in the Shares or underlying Shares which fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO as recorded in the register required to be kept by the Company pursuant to section 336 of the SFO:

#### 董事收購股份或債權證的權利

本公司、其控股公司或其任何附屬公司於截至2020年12月31日止年度內任何時間，概無參與任何安排致使董事可藉購入本公司或任何其他法人團體的股份或債券證券(包括公司債券)而獲益。

#### 主要股東於股份及相關股份中的權益及淡倉

於2020年12月31日，據董事所深知，下列人士(並非本公司董事或最高行政人員)於股份或相關股份中擁有須記載於本公司按證券及期貨條例第336條須置存之登記冊內的根據證券及期貨條例第XV部第2及3分部的條文須向本公司披露的權益或淡倉：

Name 姓名／名稱	Capacity/Nature of interest 身份／權益性質	Number of Shares 股份數目	Approximate percentage of shareholding 股權概約百分比
Mr. Cheng Liquan Richard 程里全先生	Interests held jointly with another person (Note 1); interest of a controlled corporation (Note 2); and beneficial owner (Note 3) 與他人共同持有的權益(附註1)； 受控法團權益(附註2)； 及實益擁有人(附註3)	409,772,911 (Long Position) (好倉)	40.69%
World Hero World Hero	Beneficial owner 實益擁有人	168,134,580 (Long Position) (好倉)	16.69%

Name 姓名/名稱	Capacity/Nature of interest 身份/權益性質	Number of Shares 股份數目	Approximate percentage of shareholding 股權概約百分比
Ms. Zhou Xuan 周旋女士	Interest of spouse (Note 4) 配偶權益(附註4)	409,772,911 (Long Position) (好倉)	40.69%
Mr. Zeng Zhijun 曾之俊先生	Interests held jointly with another person (Note 1); and interest of a controlled corporation (Notes 1 and 5) 與他人共同持有的權益(附註1); 及受控法團權益(附註1及5)	409,772,911 (Long Position) (好倉)	40.69%
Best Dawn Best Dawn	Beneficial owner (Note 5) 實益擁有人(附註5)	214,296,143 (Long Position) (好倉)	21.28%
Ms. Ge Tong 戈彤女士	Interest of spouse (Note 6) 配偶權益(附註6)	409,772,911 (Long Position) (好倉)	40.69%
New Asia New Asia	Beneficial owner 實益擁有人	152,170,529 (Long Position) (好倉)	15.11%
Great Origin 偉源	Interest of a controlled corporation (Note 7) 受控法團權益(附註7)	152,170,529 (Long Position) (好倉)	15.11%
Mr. Zhu Weihang 朱偉航先生	Interest of a controlled corporation (Note 7) 受控法團權益(附註7)	152,170,529 (Long Position) (好倉)	15.11%
Sinopec Overseas Investment Holding Limited ("Sinopec") 中國石化海外投資控股有限公司 (「中石化」)	Beneficial owner 實益擁有人	110,294,118 (Long Position) (好倉)	10.95%
China Petroleum & Chemical Corporation 中國石油化工股份有限公司	Interest of a controlled corporation (Note 8) 受控法團權益(附註8)	110,294,118 (Long Position) (好倉)	10.95%

## DIRECTORS' REPORT (Continued)

### 董事會報告(續)

Name 姓名／名稱	Capacity/Nature of interest 身份／權益性質	Number of Shares 股份數目	Approximate percentage of shareholding 股權概約百分比
Full Synergy Investment Limited ("Full Synergy") 景滿投資有限公司(「景滿」)	Beneficial owner (Note 9) 實益擁有人(附註9)	56,508,715	5.61%
Partners Investment Management Limited Partners Investment Management Limited	Interest of a controlled corporation (Note 9) 受控法團權益(附註9)	56,508,715	5.61%
Bullion Riches Limited Bullion Riches Limited	Interest of a controlled corporation (Note 9) 受控法團權益(附註9)	56,508,715	5.61%
Partners Financial Holdings Limited Partners Financial Holdings Limited	Interest of a controlled corporation (Note 9) 受控法團權益(附註9)	56,508,715	5.61%
Bright Hope Global Investments Limited Bright Hope Global Investments Limited	Interest of a controlled corporation (Note 9 and 10) 受控法團權益(附註9及10)	56,508,715	5.61%
Wan Ten Lap 溫天納	Interest of a controlled corporation (Note 9 and 10) 受控法團權益(附註9及10)	56,508,715	5.61%
Zhang Yi 張懿	Interest of a controlled corporation (Note 9 and 10) 受控法團權益(附註9及10)	56,508,715	5.61%
Yunnan Energy Investment (HK) Co. Limited (Note 11) 香港雲能國際投資有限公司 (附註11)	Beneficial owner; Interest held Jointly with another person 實益擁有人； 聯同其他人士持有權益	217,134,580	21.56%
YUNNAN PROVINCIAL ENERGY INVESTMENT GROUP Co., LTD. (Note 11) 雲南省能源投資集團有限公司 (附註11)	Interest of a controlled corporation (Note 11) Interest held Jointly with another person 受控法團權益(附註11) 聯同其他人士持有權益	217,134,580	21.56%

Note:

- (1) Mr. Cheng Liquan Richard and Mr. Zeng Zhijun have entered into an acting-in-concert arrangement. As such, Mr. Cheng and Mr. Zeng together control 40.69% equity interests in the issued share capital of our Company through World Hero, Asia Environment and Best Dawn. Asia Environment is owned as to 47.2% by Mr. Zeng. Asia Environment is interested in 2.68% interest in the issued share capital of our Company, and therefore Mr. Zeng is deemed to be interested in the Shares held by Asia Environment under Part XV of the SFO.
- (2) Mr. Cheng holds the entire issued share capital of World Hero. Therefore, Mr. Cheng is deemed to be interested in the Shares held by World Hero under the SFO.
- (3) Mr. Cheng directly holds 400,000 shares of the Company.
- (4) Ms. Zhou Xuan is the spouse of Mr. Cheng. Under the SFO, Ms. Zhou Xuan is deemed to be interested in the same number of Shares in which Mr. Cheng is interested.
- (5) Mr. Zeng holds the entire issued share capital of Best Dawn. Therefore, Mr. Zeng is deemed to be interested in the Shares held by Best Dawn under the SFO.
- (6) Ms. Ge Tong is the spouse of Mr. Zeng. Under the SFO, Ms. Ge Tong is deemed to be interested in the same number of Shares in which Mr. Zeng is interested.
- (7) The entire issued share capital of New Asia is held by Great Origin, whose entire issued share capital is in turn held by Mr. Zhu. Therefore, Mr. Zhu is deemed to be interested in the Shares held by New Asia under the SFO.

附註：

- (1) 程里全先生及曾之俊先生已訂立一致行動安排，因此，程先生及曾先生透過World Hero、Asia Environment及Best Dawn共同控制本公司已發行股本40.69%股本權益。Asia Environment由曾先生擁有47.2%權益。Asia Environment於本公司已發行股本擁有2.68%權益，故根據證券及期貨條例第XV部，曾先生被視為於Asia Environment持有之股份中擁有權益。
- (2) 程先生持有World Hero之全部已發行股本，因此，程先生根據證券及期貨條例被視為於World Hero所持有的股份中擁有權益。
- (3) 程先生直接持有本公司股份400,000股。
- (4) 周旋女士為程先生之配偶。根據證券及期貨條例，周旋女士被視為於程先生所持有權益之相同數目股份中擁有權益。
- (5) 曾先生持有Best Dawn之全部已發行股本，因此，曾先生根據證券及期貨條例被視為於Best Dawn所持有的股份中擁有權益。
- (6) 戈彤女士為曾先生之配偶。根據證券及期貨條例，戈彤女士被視為於曾先生所持有權益之相同數目股份中擁有權益。
- (7) 偉源持有New Asia的全部已發行股本，而朱先生持有偉源的全部已發行股本。因此，朱先生根據證券及期貨條例被視為於New Asia所持有的股份中擁有權益。

## DIRECTORS' REPORT (Continued)

### 董事會報告(續)

- (8) *China Petroleum & Chemical Corporation holds the entire issued share capital of Sinopec. Therefore, China Petroleum & Chemical Corporation is deemed to be interested in the Shares held by Sinopec under the SFO. China Petroleum & Chemical Corporation is a PRC state-owned company, whose H shares are listed on the Main Board (stock code: 386).*
- (8) 中國石油化工股份有限公司持有中石化之全部已發行股本。因此，中國石油化工股份有限公司根據證券及期貨條例被視為於中石化所持有的股份中擁有權益。中國石油化工股份有限公司為一家中國國有企業，其H股於主板上市(股份代號：386)。
- (9) *Full Synergy, a company incorporated in the BVI on 2 April 2015, is an investment holding company and a wholly-owned subsidiary of Partners Investment Management Limited. Partners Investment Management Limited is wholly owned by Bullion Riches Limited, which in turn is wholly owned by Partners Financial Holdings Limited. Partners Financial Holdings Limited is a financial holding company, whose subsidiaries are licensed corporations under the SFO holding type 1, type 4, type 6 and type 9 licences in Hong Kong. Full Synergy is the issuer of structured notes, of which one of the subscribers is a fund established in the PRC. Mr. Cheng, through World Hero, subscribed approximately 2.96% of the limited partner interest in such fund. Mr. Cheng does not hold any interest in the general partner of the fund, and is not involved in the decision making process of the fund.*
- (9) 景滿為一間於2015年4月2日於英屬處女群島註冊成立的投資控股公司，並為Partners Investment Management Limited之全資附屬公司。Partners Investment Management Limited由Bullion Riches Limited全資擁有，而Bullion Riches Limited由Partners Financial Holdings Limited全資擁有。Partners Financial Holdings Limited為金融控股公司，其附屬公司為於香港持有根據證券及期貨條例第1類、第4類、第6類及第9類牌照的持牌法團。景滿為結構性票據發行人，其中一名認購方為在中國成立的一項基金。程先生透過World Hero認購該基金有限合夥權益約2.96%。程先生並無持有該基金一般合夥人的任何權益且並不參與該基金的任何決策程序。
- (10) *Bright Hope Global Investments Limited and Wan Ten Lap own 44% and 51%, respectively, of Partners Financial Holdings Limited, the holding company of Full Synergy. Zhang Yi in turn owns 100% of Bright Hope Global Investments Limited. Under the SFO, Bright Hope Global Investments Limited, Wan Ten Lap and Zhang Yi are deemed to be interested in the same number of Shares in which Full Synergy is interested.*
- (10) *Bright Hope Global Investments Limited and Wan Ten Lap respectively own 44% and 51% of Partners Financial Holdings Limited, the holding company of Full Synergy. Zhang Yi in turn owns 100% of Bright Hope Global Investments Limited. Under the SFO, Bright Hope Global Investments Limited, Wan Ten Lap and Zhang Yi are deemed to be interested in the same number of Shares in which Full Synergy is interested.*
- (11) *The entire issued share capital of Yunnan Energy Investment (HK) Co. Limited is held by YUNNAN PROVINCIAL ENERGY INVESTMENT GROUP CO., LTD. Therefore, YUNNAN PROVINCIAL ENERGY INVESTMENT GROUP CO., LTD. is deemed to be interested in the Shares held by Yunnan Energy Investment (HK) Co. Limited under the SFO.*
- (11) 香港雲能國際投資有限公司的全部已發行股本由雲南省能源投資集團有限公司持有。因此，根據證券及期貨條例，雲南省能源投資集團有限公司被視為擁有由香港雲能國際投資有限公司持有的股份權益。

Save as disclosed above, and as at 31 December 2020, the Directors were not aware of any persons (who were not directors or chief executive of the Company) who had an interest or short position in the Shares or underlying Shares of the Company which would fall to be disclosed under Divisions 2 and 3 of Part XV of the SFO, or which would be required, pursuant to Section 336 of the SFO, to be entered in the register referred to therein.

除上文所披露者外，於2020年12月31日，董事並不知悉任何人士(並非本公司董事或最高行政人員)於本公司股份或相關股份中擁有根據證券及期貨條例第XV部第2及3分部的條文須予披露的權益或淡倉，或根據證券及期貨條例第336條須記入該條所述登記冊的權益或淡倉。

## COMPLIANCE WITH NON-COMPETITION DEED

Each of the Controlling Shareholders, namely Mr. Cheng, Mr. Zeng and Best Dawn, has executed a deed of non-competition on 22 February 2018 pursuant to which they have irrevocably and unconditionally undertaken to the Company (for the Company itself and on behalf of the members of the Group) that, during the period that the Non-Competition Deed remains effective, he/it/she shall not, and shall procure that his/its/her close associates (other than any member of the Company) shall not, directly or indirectly, develop, acquire, participate in, hold any right or interest or invest in or engage in, render any services for or otherwise be involved in any business in competition with or likely to be in competition with the existing business activities of the Company in the PRC or any other area in which the Company carries on business.

The Company shall seek opinion and decision from the independent non-executive Directors who are responsible for reviewing and determining whether to accept or decline such new business opportunity provided by Controlling Shareholders or its associates.

The details of the Deed of Non-competition have been disclosed in the Prospectus under the section headed "Relationship with Controlling Shareholders".

The Company has received the annual confirmation of the Controlling Shareholders in respect of their compliance with the non-competition undertakings under the Non-Competition Deed during the year ended 31 December 2020.

The independent non-executive Directors also reviewed the Controlling Shareholders' compliance with the non-competition undertakings. The independent non-executive Directors confirmed that the Controlling Shareholders were not in breach of the non-competition undertakings during the year ended 31 December 2020.

## DIRECTORS' INTEREST IN COMPETING BUSINESS

For the year ended 31 December 2020, none of the Directors or their respective associates had engaged in or had any interest in any business which competes or may compete with the businesses of the Group.

## 遵守不競爭契據

於2018年2月22日，控股股東(即程先生、曾先生及Best Dawn)各別訂立一份不競爭契據，據此，彼等已不可撤回及無條件地向本公司承諾(為其本身及代表本集團成員公司)於不競爭契據維持有效期間，其本身不會，以及其緊密聯繫人(本公司任何成員公司除外)亦不會直接或間接從事、收購、參與與本公司於中國或本公司進行業務的任何其他地區從事的現有業務活動構成競爭或可能構成競爭的任何業務，或於該等業務中持有任何權利或權益或投資或從事或提供任何服務或以其他方式參與該等業務。

本公司應自負責審閱及確定是否接納或拒絕控股股東或其聯繫人所提供的有關新商機的獨立非執行董事尋求意見及決策。

有關不競爭契據的詳情已於招股章程「與控股股東的關係」一節中披露。

本公司已接獲控股股東就截至2020年12月31日止年度遵守不競爭契據項下不競爭承諾的年度確認書。

獨立非執行董事亦已審閱控股股東遵守不競爭承諾的情況。獨立非執行董事確認，截至2020年12月31日止年度，控股股東並無違反不競爭承諾。

## 董事於競爭業務中的權益

截至2020年12月31日止年度，概無董事或彼等各自之聯繫人已從事與本集團業務競爭或可能競爭的任何業務，或於其中持有任何權益。

#### CONNECTED TRANSACTIONS

During the Reporting Period, the Group has undergone the following connected transactions:

##### 1. Exempted connected transactions

###### *Construction subcontracting and supply contracts*

On 3 December 2018, Beijing Boqi and Sinopec Fifth Construction Co., Ltd. ("Sinopec Fifth Construction") entered into four construction subcontracting and supply contracts (collectively referred to as the "Construction Subcontracting and Supply Contracts"):

- (1) Construction sub-contract in relation to the maintenance and general E&I finishing (defect elimination) work of #1/2/5/7 boilers under the EPC master contract for the ultra-low emission upgrade project of cogeneration boilers of Sinopec Shanghai for the compliance with emission standard ("Construction Sub-contract 1")

The Construction Sub-contract 1 dated 3 December 2018 was entered into by and among Beijing Boqi (main contractor) and Sinopec Fifth Construction (subcontractor), where Sinopec Fifth Construction is responsible for the maintenance and general E&I finishing (defect elimination) work of Boilers #1/2/5/7, which includes the procurement, transportation, installation and inspection of the materials according to the required design and specifications for a fixed sum of RMB550,000. The total construction term was 30 days, which was completed in December 2019.

- (2) Supplemental contract to the sub-contract in relation to maintenance work under the EPC master contract for the upgrade project of #3 and #4 boilers of Sinopec Shanghai's thermal power division for the compliance with emission standard (includes the expedited works for #3 boiler) ("Construction Sub-contract 2")

#### 關連交易

報告期內，本集團進行了以下的關連交易：

##### 一、獲豁免的關連交易

###### *施工分包及供貨合同*

於2018年12月3日北京博奇與中石化第五建設有限公司(「中石化五建」)訂立如下四份施工分包及供貨合同(合稱「施工分包及供貨合同」)：

- (1) 上海石化熱電聯產達標排放改造項目鍋爐超低排放EPC總承包項目#1/2/5/7爐機務、電儀一般尾工(消缺)工程施工分包合同(「施工分包合同1」)

日期為2018年12月3日的施工分包合同1是由北京博奇(總承包商)及中石化五建(分包商)訂立，其中中石化五建負責#1/2/5/7爐機務、電儀一般尾工(消缺)工程施工，其中包括按照設計和規範要求對所需材料採購、運輸、安裝及檢驗，固定總價為人民幣550,000元。工期總天數為30天，已於2019年12月完成。

- (2) 上海石化熱電部3號、4號爐達標排放改造EPC總承包建築機務工程分包合同補充合同(#3爐趕工費)(「施工分包合同2」)

The Construction Sub-contract 2 dated 3 December 2018 was entered into by and among Beijing Boqi (main contractor) and Sinopec Fifth Construction (subcontractor), where Beijing Boqi subcontracted the maintenance work to Sinopec Fifth Construction for the expedited works for #3 boiler for a fixed sum of RMB950,000. This included the construction, equipment transportation, labour, adjustment and testing and management under this work. The total construction term was 30 days, which was completed in December 2018.

- (3) Material supply contract in relation to the ultra-low emission dust removal upgrade project of #1, #2 and #3 coal-fired boilers of Chongqing Chuanwei Petrochemical Engineering Company Limited\* ("Supply Contract")

The Supply Contract dated 3 December 2018 was entered into by and among Beijing Boqi (main contractor) and Sinopec Fifth Construction (subcontractor), where Beijing Boqi subcontracted the supply of materials to Sinopec Fifth Construction for the construction safety work of the dust removal upgrade project, including dust collectors, steel frames, steel pipes, structural steel, thermal insulation materials, lighting and fireproof materials for a tentative contract value of RMB13,951,170. All of the above main and supplementary materials and consumables shall be procured and supplied by Sinopec Fifth Construction. The Supply Contract was completed in January 2021.

日期為2018年12月3日的施工分包合同2是由北京博奇(總承包商)及中石化五建(分包商)訂立,其中北京博奇已將3號爐趕工工作的機務工程委託分包給中石化五建進行施工,固定總價為人民幣950,000元。其中包括本工程內施工建設、設備運輸、勞務、調試及管理。工期總天數為30天,已於2018年12月完成。

- (3) 重慶川維化工有限公司燃煤鍋爐超低排放改造項目#1#2#3除塵改造工程材料供貨合同(「供貨合同」)

日期為2018年12月3日的供貨合同是由北京博奇(總承包商)及中石化五建(分包商)訂立,其中北京博奇將除塵改造項目建安工程(包括除塵器本體、鋼支架、鋼管、型鋼、保溫、燈具、防火材料等)的材料供貨委託於中石化五建進行供貨,暫定合同價值為人民幣13,951,170元。以上所有主、輔材料及消耗性材料均將由中石化五建採購並供貨。供貨合同已於2021年1月完成。



- (4) Construction sub-contract in relation to the ultra-low emission dust removal upgrade project of #1, #2 and #3 coal-fired boilers of Chongqing Chuanwei Petrochemical Engineering Company Limited\* of the Sinopec Group (中國石化集團重慶川維化工有限公司) (“Construction Sub-contract 3”)

The Construction Sub-contract 3 dated 3 December 2018 was entered into by and among Beijing Boqi (main contractor) and Sinopec Fifth Construction (subcontractor), where Beijing Boqi subcontracted the construction safety work of the dust removal upgrade project to Sinopec Fifth Construction. This included the preparation of the construction, dismantling of the whole original dust removal system, base construction, installation of dust removal and adjustment and testing, for a tentative contract value of RMB23,724,579. The Construction Sub-Contract 3 was completed in January 2021.

#### *Reasons for and benefits of the transaction*

Sinopec Fifth Construction has advanced capabilities in construction and material supply. The signing of the Construction Subcontracting and Supply Contracts enables the Company to complete the EPC master contract for the ultralow emission upgrade project of cogeneration boilers of Sinopec Shanghai for the compliance with emission standard, as well as the dust removal upgrade work of the ultra-low emission upgrade project of coal-fired boilers of Chongqing Chuanwei Petrochemical Engineering Company Limited\*, in a more efficient manner with higher quality and cost-savings. The above transaction is entered into on normal commercial terms.

For the year ended 31 December 2020, the payment for the abovementioned construction subcontracting and supply contracts made by Beijing Boqi are as follows:

- (4) 中國石化集團重慶川維化工有限公司燃煤鍋爐超低排放改造項目#1#2#3除塵改造工程施工分包合同(「施工分包合同3」)

日期為2018年12月3日的施工分包合同3是由北京博奇(總承包商)及中石化五建(分包商)訂立,其中北京博奇將除塵改造項目建安工程的工作委託分包給中石化五建實施。包括施工準備、原有電除塵系統整體拆除、基礎施工、除塵器安裝、調試等,暫定合同價值為人民幣23,724,579元。施工分包合同3已於2021年1月完成。

#### *進行交易的理由及裨益*

中石化五建擁有先進的施工、供貨能力。施工分包及供貨合同的簽訂有助於本公司對上海石化熱電聯產達標排放改造項目的鍋爐超低排放EPC總承包項目、重慶川維化工有限公司燃煤鍋爐超低排放改造項目的除塵改造工程,以更高效、優質而節省成本的方式完成。上述交易乃按一般商業條款訂立。

截至2020年12月31日,北京博奇就上述施工分包及供貨合同支付的款項如下:

No. Transactions			Actual transaction amounts	
			for the year ended December 31,	
序號 交易			截至12月31日止年度	
			實際交易金額	
			2019	2020
			(RMB thousands)	(RMB thousands)
			2019年	2020年
			(人民幣千元)	(人民幣千元)
1	Construction Sub-contract 1	施工分包合同1	Nil無	Nil無
2	Construction Sub-contract 2	施工分包合同2	Nil無	Nil無
3	Supply Contract	供貨合同	7,961	3,898
4	Construction Sub-contract 3	施工分包合同3	8,458	10,156

China Petroleum & Chemical Corporation holds 10.91% equity interest in the Company through its wholly-owned subsidiary, Sinopec Overseas Investment Holdings Limited ("Sinopec Overseas"). Sinopec Fifth Construction is controlled by China Petrochemical Corporation through Sinopec Engineering (Group) Co., Ltd. and Sinopec Asset Management Co., Ltd. China Petroleum & Chemical Corporation (the parent company of Sinopec Overseas) and Sinopec Engineering (Group) Co., Ltd. (the parent company of Sinopec Fifth Construction) are fellow subsidiaries of China Petrochemical Corporation. Therefore, according to the Listing Rules, they are connected persons of the Company at the issuer level. The Construction Subcontracting and Supply Contracts accordingly constitute connected transactions of the Company under Chapter 14A of the Listing Rules.

According to Rule 14A.81 of the Listing Rules, if a series of connected transactions are entered into or completed within 12 months or are otherwise interrelated, then such connected transactions shall be aggregated and treated as if they were one transaction. Given the Construction Subcontracting and Supply Contracts are entered into between Beijing Boqi and Sinopec Fifth Construction and of the same transaction nature, the contract values of such contracts shall be aggregated pursuant to Rule 14A.81 of the Listing Rules. As the applicable percentage ratio (except for the profit ratio) upon aggregation exceeded 0.1% but was less than 5%, the contracts are subject to the reporting and announcement requirements but exempted from the circular and shareholders' approval requirements pursuant to Rule 14A.76 of the Listing Rules.

中國石油化工股份有限公司透過其全資子公司中國石化海外投資控股有限公司(「中石化海投」)持有本公司10.91%股權。中石化五建是由中國石油化工集團公司透過中石化煉化工程(集團)股份有限公司及中國石化集團資產經營管理有限公司控制。中國石油化工股份有限公司(中石化海投的母公司)及中石化煉化工程(集團)股份有限公司(中石化五建的母公司)為中國石油化工集團公司的同系附屬公司。故其根據上市規則於發行人層面上為本公司之關連人士。施工分包及供貨合同因此根據上市規則第14A章構成本公司的關連交易。

根據上市規則第14A.81的規定，倘一連串關連交易均於十二個月期間內訂立或完成，又或相關交易彼此有關連，則該等關連交易將合併計算，並視作一項交易處理。鑑於施工分包及供貨合同均為北京博奇與中石化五建簽訂，且交易性質一致，根據上市規則第14A.81的規定，該等合同的合同價值應合併計算。由於合併計算時的適用百分比率(盈利比率除外)超過0.1%但低於5%，根據上市規則第14A.76條須遵守有關申報及公告規定，但獲豁免遵守通函及股東批准的規定。

## DIRECTORS' REPORT (Continued)

### 董事會報告(續)

For details of the above transactions, please refer to the announcement of the Company dated 3 December 2018.

有關上述交易詳情，請參閱本公司日期為2018年12月3日之公告。

#### 2. Continuing connected transactions exempt from the circular and shareholder approval requirements

Pursuant to Chapter 14A of the Listing Rules, the continuing connected transactions of the Group as set out below are subject to the reporting, annual review, announcement and independent Shareholders' approval requirements under Chapter 14A of the Listing Rules. The Company has obtained approval from the Stock Exchange in respect of the annual caps of the non-exempt continuing connected transactions upon the Global Offering and such transactions were exempted from the circular and the independent Shareholders' approval requirement.

#### 二、獲豁免遵守通函及股東批准規定的持續關連交易

根據上市規則第14A章，本集團載列如下的持續關連交易須遵守上市規則第14A章項下有關申報、年度審查、公告及獨立股東批准的規定。於全球發售後，本公司已就非豁免持續關連交易的年度上限取得聯交所的批准，且該等交易豁免遵守通函及獨立股東批准的規定。

*Technology Licensing Contract with Fushun Research Institute*

As part of the Upgrade Project, Beijing Boqi and Fushun Research Institute entered into two technology licensing contracts (“Technology Licensing Contracts”) in 14 September 2017 and 6 September 2018, pursuant to which Beijing Boqi was licensed to use certain patents and know-how of Fushun Research Institute for the purpose of carrying out of the Upgrade Project.

Fushun Research Institute is a branch of China Petroleum & Chemical Corporation, the parent company of Sinopec, one of the substantial shareholders of the Company, and is therefore a connected person of the Company under Rule 14A.07(4) of the Listing Rules.

## 1. Technology Licensing Contract 1

Parties: Beijing Boqi and Fushun Research Institute

Term: 5 years

*與撫順研究院的技術許可合約*

作為改造項目的一部分，北京博奇與撫順研究院分別於2017年9月14日及2018年9月6日訂立兩份技術許可合約（「技術許可合約」），據此，北京博奇獲許可使用撫順研究院的若干專利及技術，以進行改造項目。

撫順研究院為本公司的主要股東之一中石化的母公司中國石油化工股份有限公司之分公司。因此，根據上市規則第14A.07(4)條，撫順研究院為本公司的關連人士。

## 1. 技術許可合約一

訂約方：北京博奇及撫順研究院

期限：五年

## DIRECTORS' REPORT (Continued)

### 董事會報告(續)

Contract scope:	Beijing Boqi was licensed to use the patents and know-how of Fushun Research Institute for the carrying out of the Upgrade Project to achieve “ultra-low emission” standards. The patents and know-how relate to the denitrification catalyst and SCR technology. Beijing Boqi was licensed to use the patent and know-how from the signing date of the Technology Licensing Contract until December 2018, and shall use the patent and know-how within 365 days from the signing date of the Technology Licensing Contract. During the term of the Technology Licensing Contract, Beijing Boqi may make subsequent development in respect of the patent and know-how which it is licensed to use. The parties will enter into separate agreements in respect of the distribution of interests if any interests arisen in relation to the development of patent and know-how.	合約範圍：	北京博奇獲許可使用撫順研究院的專利及技術，以進行改造項目，從而遵守「超低排放」標準。相關專利及技術與脫硝催化劑及SCR技術有關。北京博奇獲得許可，於技術許可合同簽署日期至2018年12月期間使用相關專利及技術並於簽署日期後365天內使用專利及技術。於技術許可合約的期限內，北京博奇可能就其獲准使用的專利及技術進行後續開發。倘開發專利及技術產生任何相關利益，訂約方將就利益分配訂立獨立協議。
Payment of licensing fee:	Beijing Boqi shall pay RMB2,150,000 to Fushun Research Institute for its license to use the patents and know-how, which was settled on 11 October 2017.	支付特許費：	北京博奇應就其獲許可使用專利及技術向撫順研究院支付人民幣2,150,000元，已於2017年10月11日結清。
Confidentiality:	Beijing Boqi is under the obligation of confidentiality in respect of the use of patents and know-how of Fushun Research Institute. Such obligation continues to survive 5 years after the termination of the Technology Licensing Contract.	保密性：	北京博奇須就使用撫順研究院的專利及技術承擔保密責任。相關責任於技術許可合約終止後五年繼續有效。

The above transaction was entered into on normal commercial terms. Prior to the Listing, the Company had applied to the Stock Exchange and the Stock Exchange had granted the Company, a waiver from strict compliance three year term requirement for continuing connected transactions under Rule 14A.52 of the Listing Rules.

上述交易乃按一般商業條款訂立。於上市前，本公司已向聯交所申請且聯交所已批准本公司獲豁免嚴格遵守上市規則第14A.52條項下持續關連交易的三年期限規定。

2. TECHNOLOGY LICENSING CONTRACT 2

Date of contract: 6 September 2018

Parties: Beijing Boqi and Fushun Research Institute

Term: From contract signing date to 31 December 2019

2. 技術許可合約二

簽訂日期： 2018年9月6日

訂約方： 北京博奇及撫順研究院

期限： 自合同簽訂日起至2019年12月31日

The principal terms are summarized as follows:

主要條款概述如下：

- (1) There are 3 patents ("the patents") in total granted under this contract. The details of these patents are as follows:
- (i) Nature: Invention patents (invention, utility model and appearance design);
  - (ii) Patentee: Fushun Research Institute of China Petroleum & Chemical Corporation;
  - (iii) Patent numbers: ZL201210409848.0, ZL201020569738.7 and ZL201010222036.6.

- (1) 本合同下許可實施的專利權共3項(「本項專利」)，該等專利之細節為：
- (i) 性質：發明(發明、實用新型、外觀設計)專利；
  - (ii) 專利權人：中國石油化工有限公司撫順研究院；
  - (iii) 專利號為：ZL201210409848.0、ZL201020569738.7、ZL201010222036.6。

## DIRECTORS' REPORT (Continued)

### 董事會報告(續)

- |  |  |
|--|--|
| (2) Contract scope: Beijing Boqi is licensed to use the patents and know-how of the flue gas ultra-clean emission denitrification technology of Fushun Research Institute for the implementation of the Upgrade Project to comply with the “ultra-low emission” standards. Relevant patents and know-how relate to the denitrification catalyst and SCR technology.  | (2) 合同範圍：北京博奇獲許可使用撫順研究院擁有的煙氣超潔淨排放脫硝技術專利權、技術秘密，以進行改造項目，從而遵守超低排放標準。相關專利及技術與脫硝催化劑及SCR脫硝技術有關。                      |
| (3) Obligations of Fushun Research Institute: Fushun Research Institute shall submit the following materials to Beijing Boqi: (i) The industrial process documents required for applying the technology and know-how, and (ii) The technical solutions for flue gas denitrification treatment of Shanghai Petrochemical Coal-fired Power Plant. Beijing Boqi is licensed to use the patents and know-how within 365 days from the signing date of the Technology Licensing Contract. | (3) 撫順研究院義務：撫順研究院應向北京博奇提交以下資料：(i)為實施本專利、技術秘密所必須的工藝流程文件；及(ii)上海石化燃煤電廠煙氣脫硝處理技術工藝包。北京博奇自本合同簽署後365日內開始實施本項專利和技術秘密。 |
| (4) Confidentiality: Beijing Boqi is under the obligation of confidentiality in respect of the use of patents and knowhow of Fushun Research Institute. Such obligation continues to survive 5 years after the termination of the Technology Licensing Contract.   | (4) 保密性：北京博奇須就使用撫順研究院的專利及技術承擔保密責任。相關責任於技術許可合同終止後五年繼續有效。  |
| (5) Licensing fee: Beijing Boqi shall pay RMB900,000 to Fushun Research Institute for its license to use the patents and know-how. Such amount was determined after arm's length negotiations between Beijing Boqi and Fushun Research Institute with reference to normal commercial terms and market rates.   | (5) 特許費：北京博奇應就其獲許可使用專利及技術向撫順研究院支付人民幣900,000元，該款額乃北京博奇與撫順研究院經公平磋商並參考一般商業條款及市價後協定。                               |
| (6) Payment: Licensing fee of Technology Licensing Contract 2 of RMB900,000 was settled on 30 October 2018.  | (6) 付款：技術許可合約二的特許費人民幣900,000元已於2018年10月30日結清。  |

Reasons for and the benefits of the transaction:  
The signing of the Technology Licensing Contract will benefit the Company's Upgrade Project of #3 and #4 Boilers of Sinopec Shanghai's Thermal Power Division for the Compliance with Emission Standard. With the advanced flue gas ultra-clean emission denitrification technology, the flue gas treatment performance can be improved so that the upgrade project can be completed more efficiently and with better quality.

For details of the Technology Licensing Contract 2, please refer to the announcement of the Company dated 6 September 2018.

The above transaction is entered into on normal commercial terms. According to Rule 14A.81 of the Listing Rules, if a series of connected transactions are entered into or completed within 12 months or are otherwise interrelated, then such connected transactions shall be aggregated and treated as if they were one transaction. As both the Technology Licensing Contracts are signed with Fushun Research Institute and of the same transaction nature, these two contracts shall be aggregated in accordance with Rule 14A.81 of the Listing Rules. As the applicable percentage (except for the profit ratio) at the time of the aggregation exceeded 0.1% but was less than 5%, both contracts are subject to the reporting and announcement requirements but exempted from the circular and shareholders' approval requirements, pursuant to Rule 14A.76 of the Listing Rules.

進行交易的理由及裨益：本公司的簽訂有助於本公司上海石化熱電部3號、4號爐達標排放改造工程項目通過採用其先進的煙氣超潔淨排放脫硝技術，提高煙氣處理效率，更高效、優質地完成改造工程。

有關技術許可合約二的交易詳情，請參閱本公司日期為2018年9月6日之公告。

上述交易乃按一般商業條款訂立。根據上市規則第14A.81條的規定，倘一連串關連交易均於十二個月期間內訂立或完成，又或相關交易彼此有關連，則該等關連交易將合併計算，並視作一項交易處理。由於技術許可合約均為與撫順研究院簽訂，且交易性質一致，根據上市規則第14A.81條的規定，該等技術許可合約應合併計算。由於合併計算時的適用百分比率（盈利比率除外）超過0.1%但低於5%，根據上市規則第14A.76條，該等合約須遵守有關申報及公告規定，但獲豁免遵守通函及股東批准的規定。



#### *Shouyang Contract*

An EPC master contract dated December, 2015 (the "Shouyang Contract") was entered into by and among Beijing Boqi and Yangmei Group Shouyang Boqi Electric Co., Ltd (陽煤集團壽陽博奇發電有限責任公司) (previously known as Shanxi Shouyang Mingtai Guoneng Power Co., Ltd) (山西壽陽明泰國能發電有限公司) ("Shouyang Power"), in relation to Shanxi Yangquan Coal Industry (Group) Company Limited Shouyang Mingtai Green Island General Contractor Project, with the capacity of 2×350 MW (the "Shouyang Green Island Project").

Under the Shouyang Green Island Project, Beijing Boqi shall act as the main contractor, which involved, among others, project design, procurement of equipment and materials, construction and installment in relation to desulfurization and denitrification and dust removal for low calorific value thermal power plant.

The consideration of the Shouyang Green Island Project Price is RMB287,560,000 (including tax) and RMB76,574,000 of which was settled in 2016 and 2017. The remaining amount of the contract value shall be paid monthly according to the progress of the Shouyang Green Island Project. 5% of the contract value shall be paid by Shouyang Power to Beijing Boqi as quality guarantee after one year period when no quality issue is raised.

#### *壽陽合約*

日期為2015年12月的EPC總合同(「壽陽合約」)由北京博奇及陽煤集團壽陽博奇發電有限責任公司(前稱山西壽陽明泰國能發電有限公司)(「壽陽發電」)就山西陽泉煤業集團有限責任公司壽陽明泰環保島總承包項目(「壽陽環保島項目」, 容量為2×350 MW)訂立。

根據壽陽環保島項目, 北京博奇將作為總承包商, 其中涉及(其中包括), 有關低熱值火電廠的脫硫、脫硝及除塵設施的項目設計、設備及材料採購、建設及安裝。

壽陽環保島項目的代價為人民幣287,560,000元(含稅), 其中人民幣76,574,000元已於2016年及2017年償付。合同價值餘額將根據壽陽環保島項目的進度按月支付。倘於一年後並無出現質量問題, 壽陽發電將向北京博奇支付合同價值的5%作質量保證金。

*Reasons for and the benefits of the transaction*

Carrying out environmental protection facility engineering projects is the usual course of business of Company and entering into such transaction would enable us to consolidate the Company's market presence in the Shanxi Province where Shouyang Power is situated.

Due to the national policy in the restriction on the expansion of coal-fired power plants, the construction of Shouyang Green Island Project was suspended and therefore delayed. The construction of Shouyang Green Island Project under the Shouyang Contract expects to resume in 2021. In event that the construction of Shouyang Green Island Project resumes, the Company will comply with the relevant disclosure requirements in accordance with Chapter 14A of the Listing Rules.

Shouyang Power, through various intermediaries, is 40% held by Mr. Cheng and Mr. Zeng, the ultimate controlling shareholders of the Company and is therefore a connected person of the Company under Rule 14A.07(4) of the Listing Rules. The above transaction is entered into on normal commercial terms. Prior to the Listing, the Company had applied to the Stock Exchange and the Stock Exchange had granted the Company, a waiver from strict compliance with the rules regarding the announcement and independent shareholders' approval requirements under Chapter 14A of the Listing Rules, on the condition that the respective aggregate amounts of non-exempt continuing connected transaction with Shouyang Power for the years 2018 and 2019 would not exceed the respective annual caps set out in the Prospectus.

*交易理由及裨益*

環保設施工程項目的執行屬於我們日常業務過程，且進行有關交易將讓我們可鞏固於山西省(壽陽發電所在地)的市場地位。

由於國家限制擴展燃煤發電廠的政策，壽陽環保島項目的建設經已暫停並因此延誤。預期壽陽合同項下的壽陽環保島項目的建設將於2021年內恢復。倘壽陽環保島項目恢復建設，本公司將遵守上市規則第14A章的有關披露規定。

壽陽發電由本公司的最終控股股東程先生及曾先生透過多個中介公司持有40%，故此根據上市規則第14A.07(4)條為本公司的關連人士。上述交易按一般商業條款訂立。於上市前，本公司已向聯交所申請且聯交所已批准本公司豁免嚴格遵守上市規則第14A章項下公告及獨立股東批准規定，惟壽陽發電於2018年及2019年的非豁免持續關連交易各自的總金額不得超過招股章程所載的相關年度上限。

*Yangxi Project*

On 31 December 2016, Beijing Boqi, Guangdong Huaxia Electric Development Co., Ltd (廣東華廈電力發展有限公司) (“Guangdong Huaxia Electric”) and Yangxi Haibin Electric Power Development Co., Ltd (陽西海濱電力發展有限公司) (“Yangxi Electric”) entered into a management service agreement (“Yangxi Management Service Agreement”) in relation to the provision of operation, daily maintenance and repair services in respect of the #1-#4 desulfurization and denitrification facilities owned by Yangxi Electric (“Yangxi Facilities”) prior to the completion of the acquisition of the Yangxi Facilities under the cooperation framework agreement dated 20 May 2016 entered into between the said parties (“Cooperation Framework Agreement”). On the same day, Beijing Boqi, Guangdong Huaxia Electric and Yangxi Electric entered into an ultra-low emission upgrade project cooperation agreement (“Upgrade Project Cooperation Agreement”), under which Beijing Boqi agreed to construct “ultra-low emission” units to #1-2 desulfurization and denitrification facilities of the Yangxi Facilities for Yangxi Electric. However, no similar arrangement was entered into in relation to #3-4 desulfurization and denitrification facilities as the “ultra-low emission upgrade units have already been constructed and completed by Yangxi Electric at the time the parties entered into the Upgrade Project Cooperation Agreement. On 1 January 2017, Beijing Boqi, Guangdong Huaxia Electric and Yangxi Electric further entered into a supplemental agreement solely to determine the pricing terms of the Yangxi Management Service Agreement (the “Yangxi Service Pricing Agreement”). Due to an unexpected delay in the release of the mortgage on the Yangxi Facilities, the completion of the proposed acquisitions of the Yangxi Facilities under the Cooperation Framework Agreement was delayed, and it was agreed between Beijing Boqi, Guangdong Huaxia Electric and Yangxi Electric not to proceed with the proposed acquisitions of the Yangxi Facilities. Accordingly, on 28 August 2017, Beijing Boqi, Guangdong Huaxia Electric and Yangxi Electric entered into a supplemental agreement (“Yangxi Supplemental Agreement”) under which, the proposed acquisitions of the Yangxi Facilities under the

*陽西項目*

於2016年12月31日，北京博奇、廣東華廈電力發展有限公司(「廣東華廈電力」)及陽西海濱電力發展有限公司(「陽西電力」)訂立管理服務協議(「陽西管理服務協議」)，內容有關於根據上述訂約方訂立日期為2016年5月20日的合作框架協議(「合作框架協議」)完成收購陽西設施前向陽西電力擁有的1-4號脫硫及脫硝設施(「陽西設施」)提供運營、日常維護及修復服務。於同日，北京博奇、廣東華廈電力與陽西電力訂立超低排放改造項目合作協議(「改造項目合作協議」)，據此，北京博奇同意為陽西電力興建陽西設施的1-2號脫硫及脫硝設施的「超低排放」改造機組。然而，由於「超低排放」改造機組已由陽西電力於訂約方訂立改造項目合作協議時興建及完成，故並無就3-4號脫硫及脫硝設施訂立類似安排。於2017年1月1日，北京博奇、廣東華廈電力與陽西電力另行訂立補充協議，以釐定陽西管理服務協議的定價條款(「陽西服務定價協議」)。基於陽西設施的按揭意外地延遲解除，以及合作框架協議項下陽西設施的擬議收購事項延遲完成，故北京博奇、廣東華廈電力及陽西電力已協定不再進行陽西設施的擬議收購事項。因此，北京博奇、廣東華廈電力及陽西電力於2017年8月28日訂立補充協議(「陽西補充協議」)，據此，合作框架

Cooperation Framework Agreement, were terminated. On the same day, Beijing Boqi, Guangdong Huaxia Electric and Yangxi Electric entered into a supplemental agreement (the “Yangxi Supplemental Management Service Agreement”) to supersede and extend the term of the services under the Yangxi Management Services Agreement from 1 January 2017 to 30 September 2017 to a term from 1 January 2017 to 31 December 2025. Other provisions in relation to the services and ancillary services to be provided by Beijing Boqi under the Yangxi Management Services Agreement remain unchanged for the extended term. On 8 March 2018, Beijing Boqi, Guangdong Huaxia Electric and Yangxi Electric entered into a supplemental agreement (the “**March 2018 Supplemental Agreement**”) to determine the unit price in relation to the additional on-grid power generation based on the further quota for power generation acquired by Yangxi Electric. On 20 July 2018, Beijing Boqi, Guangdong Huaxia Electric and Yangxi Electric entered into a supplemental agreement (the “**July 2018 Supplemental Agreement**”, together with the March 2018 Supplemental Agreements as the “**2018 Supplemental Agreements**”) to determine the price adjustment to the relevant fixed rates (inclusive of value-added tax) for the provision of O&M services, due to a tax relief enjoyed by Guangdong Huaxia Yangxi power plant, which is now shared with Beijing Boqi. For the avoidance of doubt, the relevant fixed rates (exclusive of value-added tax) remain unchanged. On 30 November 2020, Beijing Boqi, Guangdong Huaxia Electric and Yangxi Electric entered into a supplemental agreement (the “**2020 Supplemental Agreement**”, together with Yangxi Management Service Agreement, Yangxi Service Pricing Agreement, Yangxi Supplemental Management Service Agreement and 2018 Supplemental Agreements as “**Yangxi Agreements**”) to amend and supplement certain terms in relation to the pricing terms for the provision of O&M services and the Ancillary Charges in accordance with the market-based pricing mechanism.

協議項下的陽西設施的擬議收購事項已終止。同日，北京博奇、廣東華廈電力及陽西電力訂立補充協議（「陽西補充管理服務協議」）以將陽西管理服務協議服務期限由2017年1月1日至2017年9月30日延長至2017年1月1日至2025年12月31日。與北京博奇根據陽西管理服務協議提供的服務及輔助服務有關的其他條文於延長期限內保持不變。於2018年3月8日，北京博奇、廣東華廈電力及陽西電力訂立補充協議（「**2018年3月補充協議**」），以就陽西電力收購的電廠基於進一步配額釐定額外上網電量的單價。於2018年7月20日，鑒於北京博奇如今亦可共享廣東華廈陽西電廠所享之稅收優惠，故北京博奇、廣東華廈電力及陽西電力訂立補充協議（「**2018年7月補充協議**」，連同2018年3月補充協議統稱「**2018年補充協議**」），以釐定提供運維服務的相關固定費率（包括增值稅）的價格調整。為免生疑問，相關固定費率（不包括增值稅）維持不變。於2020年11月30日，北京博奇、廣東華廈電力及陽西電力訂立補充協議（「**2020年補充協議**」，連同陽西管理服務協議、陽西服務定價協議、陽西補充管理服務協議及2018年補充協議合稱為「**陽西協議**」），以修訂及補充有關提供O&M服務的定價條款及根據市場定價機制釐定輔助費用之若干條款。

## DIRECTORS' REPORT (Continued)

### 董事會報告(續)

#### Yangxi Agreements

Under the Yangxi Agreements, Beijing Boqi provides operation, daily maintenance and repair services in respect of the Yangxi Facilities to Yangxi Electric for a term from 1 January 2017 to 31 December 2025.

Parties: Beijing Boqi, Guangdong Huaxia Electric and Yangxi Electric

Term of the agreement: 1 January 2017 to 31 December 2025.

Services to be provided: The services to be provided by Beijing Boqi include the operation, daily maintenance and repair of Yangxi Facilities. Beijing Boqi is also responsible for the materials used in the services provided as well as treatment of waste created during the provision of such services.

Service fee policy: The service fee under the Yangxi Agreements is calculated based on the on-grid power generation multiplied by a rate which is determined by the parties. The pricing terms of the Yangxi Agreements were determined under the Yangxi Service Pricing Agreement. Such pricing terms are arrived at on arm's length negotiations between Beijing Boqi, Yangxi Electric and Guangdong Huaxia Electric and are determined with reference to (i) the relevant subsidies with respect to desulfurization and denitrification as set by the government; and (ii) the fees and expenses in respect of the operation, management and maintenance of the desulfurization and denitrification facilities.

#### 陽西協議

根據陽西協議，北京博奇就陽西設施向陽西電力提供運營、日常維護及維修服務，期限自2017年1月1日起至2025年12月31日止。

訂約方：北京博奇、廣東華廈電力及陽西電力

協議期限：2017年1月1日至2025年12月31日。

將予提供的服務：北京博奇將予提供的服務包括陽西設施的營運、日常維護及維修。北京博奇亦負責供應所提供服務使用的材料及處理提供有關服務過程產生的廢棄物。

服務費政策：陽西協議項下的服務費乃按上網電量乘以訂約方釐定的服務費率。陽西協議的定價條款根據陽西服務定價協議釐定。該定價條款乃經北京博奇、陽西電力及廣東華廈電力公平磋商後達致，並經參考(i)政府制定的脫硫及脫硝的相關補貼；及(ii)經營、管理及維護脫硫及脫硝設施的費用及開支釐定。

<p>Payment obligation:</p>	<p>Yangxi Electric shall pay to Beijing Boqi the service fee within 15 days of Yangxi Electric receiving the electricity fee from the State Power Grid.</p> <p>Beijing Boqi shall pay to Yangxi Electric a performance guarantee in an amount of RMB139,690,000 for guaranteeing its work and performance under the Yangxi Agreements and safe operation of the Yangxi Facilities.</p> <p>The above performance guarantee is arrived at on arm's length negotiations between Beijing Boqi, Guangdong Huaxia Electric and Yangxi Electric and determined based on the estimated service fee to be received (i.e. the estimated on-grid power generation multiplied by a rate (10%) which is determined by the parties) multiplied by the term of the Yangxi Agreements (i.e. 8 years). Such performance guarantee has been paid to Yangxi Electric and shall be refunded to Beijing Boqi upon completion of the term of the Yangxi Agreements.</p>	<p>付款義務： 陽西電力須於陽西電力自電網公司收取電費後15日內向北京博奇支付服務費用。</p> <p>根據陽西補充管理服務協議，北京博奇須向陽西電力支付履約保證金人民幣139,690,000元，以為其於陽西協議項下的工程及績效以及陽西設施的安全營運作擔保。</p> <p>上述履約保證金乃基於預計將收取的服務費(即預計上網電量乘以由訂約雙方釐定的服務費率(10%))乘以陽西協議的年期(即8年)經北京博奇、廣東華廈電力及陽西電力公平磋商後釐定。相關履約保證金已向陽西電力支付，並將在陽西協議條款完成後退還北京博奇。</p>
<p>Ancillary charges:</p>	<p>Under the Yangxi Agreements, Beijing Boqi shall pay to Yangxi Electric before the 10th day of each month the ancillary charges, including relevant operation fees such as water, electricity, vapor, gas, environmental protection penalty and pollution tax fees and other relevant operational charges.</p>	<p>輔助費用： 根據陽西協議，北京博奇將於每月第10日前向陽西電力支付輔助費用，包括水、電、蒸汽、汽、環保罰款及排汙稅費等相關運營費用。</p>

## DIRECTORS' REPORT (Continued)

### 董事會報告(續)

Yangxi Electric is a wholly-owned subsidiary of Guangdong Huaxia Electric, which is owned and controlled by, through various intermediaries, Mr. Zhu Yihang, the brother and associate of Mr. Zhu, one of our substantial shareholders and is therefore a connected person of the Company under Rule 14A.07(4) of the Listing Rules. The above transaction is entered into on normal commercial terms. Prior to the Listing, the Company had applied to the Stock Exchange and the Stock Exchange had granted the Company, a waiver from (i) strict compliance three year term requirement for continuing connected transactions under Rule 14A.52 of the Listing Rules and (ii) strict compliance with the rules regarding the announcement and independent shareholders' approval requirements under Chapter 14A of the Listing Rules, on the condition that the respective aggregate amounts of non-exempt continuing connected transactions with Yangxi Electric for the years 2018, 2019 and 2020 would not exceed the respective annual caps set out in the Prospectus.

陽西電力為廣東華廈電力的全資附屬公司，而廣東華廈電力由我們的主要股東之一朱先生的兄弟及聯繫人朱一航先生透過多家中介公司擁有及控制權益，故此根據上市規則第14A.07(4)條為本公司的關連人士。上述交易按一般商業條款訂立。於上市前，本公司已向聯交所申請且聯交所已批准本公司豁免(i)嚴格遵守上市規則第14A.52條項下持續關連交易的三年期限規定；及(ii)嚴格遵守上市規則第14A章項下公告及獨立股東批准規定，條件是於2018年、2019年及2020年與陽西電力的非豁免持續關連交易的相關總金額不得超過招股章程所載的相關年度上限。

Reference is made to the announcement of the Company dated 12 March 2019 and the circular dated 31 May 2019, which relate to, among other things, the Transaction Amount of the Yangxi Agreement. The service fee for O&M services was approximately RMB261.74 million, exceeding the existing 2018 annual cap by an amount of RMB16.74 million; and the ancillary charges was approximately RMB89.72 million, exceeding the existing 2018 annual cap by an amount of RMB4.67 million. Therefore, the highest applicable percentage ratio in respect of the actual 2018 Transaction Amount exceeded 5%, accordingly the transactions under the Yangxi Agreements with Guangdong Huaxia Electric and Yangxi Electric for the year ended 31 December 2018 are subject to the reporting, annual review, announcement and Independent Shareholders' approval requirements under chapter 14A of the Listing Rules. Therefore, the transactions under the Yangxi Agreements for the year ended 31 December 2018 are subject to the ratification of the Independent Shareholders at the EGM.

Reference is made to the announcement of the Company dated 30 November 2020 and the circular of the Company dated 8 December 2020, the renewed annual caps for the continuing connected transactions under the Yangxi Agreements for the three years ending 2023 were approved by the Independent Shareholders at the EGM.

The annual cap and actual transaction amounts for the transactions under the Yangxi Agreements for the year ended 31 December 2020 are set out as follows:

茲提述本公司日期為2019年3月12日之公告以及本公司日期為2019年5月31日之通函，內容有關(其中包括)陽西協議交易金額，其營運及管理服務的服務費約為人民幣261.74百萬元，超過現有2018年度上限人民幣16.74百萬元；附加費用約為人民幣89.72百萬元，超過現有2018年度上限人民幣4.67百萬元。因此，2018年實際交易金額的最高適用百分比率超過5%，故於截至2018年12月31日止年度與廣東華廈電力及陽西電力訂立的陽西協議項下的交易須遵守上市規則第14A章有關申報、年度審閱、公告及獨立股東批准規定。因此，截至2018年12月31日止年度，陽西協議項下的交易須經獨立股東於股東特別大會上追認。

茲提述本公司日期為2020年11月30日之公告及本公司日期為2020年12月8日之通函，截至2023年止三個年度陽西協議項下的持續關連交易之經更新年度上限已在股東特別大會上獲獨立股東批准。

截至2020年12月31日止年度，陽西協議項下交易之年度上限及實際交易金額載列如下：

		<b>Actual transaction amount for the year ended 31 December 2020</b> 截至2020年12月31日止年度之實際交易金額 (RMB million) (人民幣百萬元)	<b>Annual cap for the year ended 31 December 2020</b> 截至2020年12月31日止年度之年度上限 (RMB million) (人民幣百萬元)	<b>Annual cap for the year ended 31 December 2021</b> 截至2021年12月31日止年度之年度上限 (RMB million) (人民幣百萬元)
Service fees	服務費用	121.34	302.30	189.31
Ancillary charges	附加費用	47.99	103.63	65.27



#### *Upgrade Project Cooperation Agreement*

On 31 December 2016, Beijing Boqi and Yangxi Electric entered into the Upgrade Project Cooperation Agreement, pursuant to which Beijing Boqi agreed to construct the “ultra-low emission” upgrade units to #1-2 desulfurization and denitrification facilities of the Yangxi Facilities for Yangxi Electric. Pursuant to the Upgrade Project Cooperation Agreement, the ultra-low emission upgrade works conducted by Beijing Boqi include, among others, the upgrade of the desulfurization system, detection and repair of the absorption tower of #1-2 desulfurization and denitrification facilities of the Yangxi Facilities and the upgrade of model of the continuous emission monitoring system for the purpose of enabling Guangdong Huaxia Yangxi Power Plant to comply with the new “ultra-low emission” standards. The total contract value of the Upgrade Project Cooperation Agreement is RMB23,200,000 which consists of the design fee, the equipment fee and the construction and installation fee, and such fees will be borne by Beijing Boqi. Beijing Boqi will pay to Yangxi Electric certain compensations if (a) Beijing Boqi has caused delay in completing the ultra-low emission upgrade works under the Upgrade Project Cooperation Agreement; (b) Beijing Boqi is solely responsible for the non-compliance of the #1-2 desulfurization and denitrification facilities of the Yangxi Facilities with the ultra-low emission standards; and/or (c) Beijing Boqi has solely caused the halt or load decrement of #1-2 desulfurization and denitrification facilities of the Yangxi Facilities.

Reasons for and benefits of the transactions under the Yangxi Agreements and Upgrade Project Cooperation Agreement:

#### *改造項目合作協議*

於2016年12月31日，北京博奇與陽西電力訂立改造項目合作協議，據此，北京博奇同意為陽西電力的陽西設施1-2號脫硫及脫硝設施興建「超低排放」改造機組。根據改造項目合作協議，北京博奇進行的超低排放改造工程包括(其中包括)改造脫硫系統、檢測及維修陽西設施1-2號脫硫及脫硝設施吸收塔以及改造持續排放監測系統型號，以令廣東華廈陽西發電廠遵守新「超低排放」標準。改造項目合作協議的合約總金額為人民幣23,200,000元，包括設計費、設備費及建設及安裝費，相關費用由北京博奇承擔。倘(a)北京博奇導致改造項目合作協議項下的超低排放改造工程延遲完工；(b)北京博奇單獨就違反陽西設施1-2號脫硫及脫硝設施超低排放標準負責；及/或(c)北京博奇單方面導致陽西設施1-2號脫硫及脫硝設施暫停或負載減少，北京博奇將向陽西電力支付若干賠償。

根據陽西協議及改造項目合作協議進行的交易的理由及裨益：

Since the issue of the Action Plan of Energy Saving, Emission Reduction, Upgrading and Retrofitting of Coal-fired Power Plants (2014-2020) which tightened the emission limits for newly-built coal-fired power plants in September 2014 and the Proposals for Comprehensively Implementing the Ultra-low Emissions and Energy Conservation Upgrade of Coal-fired Power Plants in December 2015, which requires the comprehensive implementation of "ultra-low emission" and energy conservation upgrade on coal-fired generator sets by 2020, coal consumption and pollution emission standards have been significantly tightened. To comply with such stringent standards, and minimize operational risk while also minimizing the costs to be incurred, notwithstanding that Yangxi Electric is capable of operating the Yangxi Facilities, Yangxi Electric engaged Beijing Boqi, being a leading independent flue gas treatment integrated service provider who have earned numerous highly recognised awards in the flue gas treatment industry, and having been already familiarized with the operations and facilities of Yangxi Electric, including the Yangxi Facilities, through the prior business dealings with Yangxi Electric in connection with the Yangxi Facilities as a result of the potential acquisition under the Cooperation Framework Agreement, to be the sole desulfurization and denitrification service provider for its power plant during the term of the Yangxi Agreements. Further, it is in the benefit of Yangxi Electric to retain only one desulfurization and denitrification service provider for the Yangxi Facilities for the purpose of minimizing costs and eliminating the need to manage a number of different service providers with different points of contact and who may use different quality management systems.

由於收緊新建燃煤發電廠排放限額的煤電節能減排升級與改造行動計劃(2014至2020年)於2014年9月頒佈及全面實施燃煤電廠超低排放和節能改造工作方案於2015年12月頒佈，要求燃煤發電機組於2020年前全面實施「超低排放」及節能改造，耗煤及污染物排放標準大幅收緊。為遵守相關嚴格標準，降低經營風險，同時減少將產生的成本，儘管陽西電力能經營陽西設施，陽西電力委聘北京博奇於陽西協議期限內為其電廠的唯一脫硫及脫硝服務提供商。北京博奇作為領先的獨立煙氣處理綜合服務提供商於煙氣處理行業榮獲多項備受認可的獎項，透過因合作框架協議項下的潛在收購而與陽西電力就陽西設施進行的業務交易，早已熟悉陽西電力(包括陽西設施)的運營及設施。此外，僅就陽西設施保留一名脫硫脫硝服務提供商以降低成本及免除管理聯絡點不同且可能使用不同質量管理體系的多名不同服務提供商的需求符合陽西電力的利益。

## DIRECTORS' REPORT (Continued)

### 董事會報告(續)

Provision of O&M services is the Company's usual course of business. By entering into the Yangxi Agreements and the transactions thereunder, Beijing Boqi will leverage its relevant professional experience and strengths in the operation, maintenance and management of the desulfurization and denitrification facilities and the "ultra-low emission" units, export its management experience and gain reasonable income and returns. The execution of the Yangxi Agreements is in line with the Group's overall strategy and business focus of engaging in the operation, management and maintenance of the desulfurization and denitrification facilities and the "ultra-low emission" units and will enhance the Company's market presence in Guangdong province. The enhancement of the Group's competitive edge in its core business is in the interests of the Group as a whole.

According to the Notice on Issuing the Plan for Nationwide Implementation of Ultra-low Emissions and Energy Saving Reform on Coal-fired Power Plant (《關於印發〈全面實施燃煤電廠超低排放和節能改造工作方案〉的通知》) (the "Notice"), the PRC government will give those coal-fired power plants, which satisfy ultra-low emissions standards, electricity price subsidies and generating rewards to encourage ultra-low emissions and energy saving reform in power plants.

It is in the benefit of the Group to construct such "ultra-low emission" upgrade units in order to receive the "ultra-low emission" subsidy, which is obtained through the service fees in connection with its management and operation business. In this respect, under the Yangxi Agreements, the Group agreed to construct and pay the costs of constructing the "ultra-low emission" units for #1-2 facilities so that Guangdong Huaxia Yangxi Power Plant can comply with the new ultra-low emission standards and the Group can enjoy the "ultra-low emission" subsidy and electricity price subsidies. Upon the completion of the upgrade works, the newly constructed "ultra-low emission" units shall belong to

運維服務乃屬本公司的日常業務。通過訂立陽西協議及其項下交易，北京博奇將運用其於運營、維護及管理脫硫及脫硝設施及「超低排放」機組的相關專業經驗及優勢，輸出管理經驗，取得合理收入及回報。簽訂陽西協議與本集團從事運營、管理及維護脫硫及脫硝設施及「超低排放」機組的整體策略及業務重心相一致，並將提升本公司於廣東省的市場地位。加強本集團核心業務的競爭優勢符合本集團的整體利益。

根據《關於印發〈全面實施燃煤電廠超低排放和節能改造工作方案〉的通知》(「通知」)，中國政府將給予該等符合超低排放標準的燃煤電廠電價補貼及產能獎勵以鼓勵電廠超低排放及節能改革。

興建該等「超低排放」改造機組以收取「超低排放」補貼符合本集團的利益，該等補貼透過與其管理及營運業務有關的服務費收取。就此而言，根據陽西協議，本集團同意興建及支付興建1-2號設施「超低排放」機組的成本，以便廣東華廈陽西發電廠能遵守新超低排放標準，且本集團可享有「超低排放」補貼及電價補貼。於完成改造工程後，新建「超低排放」機組屬於北京博奇所有，且不會被抵押作為陽西設施的一部分。因此，北京博奇有權收取上述「超低排放」機組所帶來的「超低排放」補貼，該補貼按「超低排放」電價補貼乘以參

Beijing Boqi and will not be pledged as part of the Yangxi Facilities. Beijing Boqi is accordingly entitled to the “ultra-low emission” subsidy generated by the said “ultra-low emission” units, which is calculated based on the “ultra-low emission” electricity price subsidy multiplied by a rate which is determined with reference to the costs of constructing the “ultra-low emission” units and the costs of operating and managing such “ultra-low emission” units in respect of desulfurization and denitrification facilities.

In connection with the “ultra-low emission” upgrade units to #3-4 desulfurization and denitrification facilities, for the purpose of securing the “ultra-low emission” subsidy in the form of service fee, in respect of the said “ultra-low emission” upgrade units which have been constructed and owned by Yangxi Electric, Beijing Boqi underwent negotiations with Yangxi Electric in respect of a potential arrangement to bear the costs and expenses for the construction of such “ultra-low emission” upgrade units. However, through a number of discussions and negotiations, Beijing Boqi and Yangxi Electric could not agree on the terms and calculation of the entitlement of the “ultra-low emission” subsidy and no such arrangement would be entered into between the two parties. Accordingly, Beijing Boqi will not be required to bear the costs of the “ultra-low emission” upgrade units to #3-4 desulfurization and denitrification facilities, and as a result, will not be entitled to the “ultra-low emission” subsidy generated by such units. On the other hand, Beijing Boqi's provision of services to Yangxi Electric's desulfurization and denitrification facilities (including #3-4 desulfurization and denitrification facilities) under the Yangxi Agreements and the fees to be received thereunder shall continue and remain unaffected.

For details of the information with respect to the connected transactions mentioned above, please refer to the disclosure as set out in the section headed “Connected Transactions” of the Prospectus.

考脫硫及脫硝設施「超低排放」機組建設成本及該等「超低排放」機組運營及管理成本後釐定的比率計算。

就3-4號脫硫及脫硝設施的「超低排放」改造機組而言，出於就陽西電力已興建及擁有的上述「超低排放」改造機組以服務費的形式收取「超低排放」補貼之目的，北京博奇與陽西電力已就承擔該等「超低排放」改造機組的建設成本及開支的潛在安排進行磋商。然而，透過大量討論及磋商，北京博奇及陽西電力未能就享受「超低排放」補貼的期限及計算方法達成協議，故雙方不會訂立有關安排。因此，北京博奇將毋須承擔3-4號脫硫及脫硝設施「超低排放」改造機組的成本，因此，將不享有有關機組所產生的「超低排放」補貼。另一方面，北京博奇根據陽西協議向陽西設施的脫硫及脫硝設施（包括3-4號脫硫及脫硝設施）提供服務及據此將予收取的費用將繼續及保持不受影響。

有關上述關連交易的詳情，請參閱招股章程「關連交易」一節所載披露。

## DIRECTORS' REPORT (Continued)

### 董事會報告(續)

#### 3. Non-exempt continuing connected transactions subject to reporting, annual review, announcement and independent shareholders' approval requirements

For the year ended 31 December 2020, the Group entered into certain connected transactions, which were disclosed in the note 38 to the consolidated financial statement. These transactions constitute continuing connected transactions under the Listing Rules and are required to be disclosed in this report in accordance with Chapter 14A of the Listing Rules. The Directors confirmed that the Group has complied with the disclosure requirements prescribed in Chapter 14A of the Listing Rules.

##### 1. CHONGQING CHUANWEI EPC CONTRACT

Date of the contract: 14 September 2018

Date of signing: Chongqing Chuanwei Petrochemical Engineering Company Limited of the Sinopec Group ("Chongqing Chuanwei") (contract-issuing party) and Beijing Boqi (Contractor)

Scope of work: Engineering of ultra-low emission upgrade project of coal-fired boiler; denitrification, desulfurization and dust removal except upgrade of boiler itself; procurement and supply of relevant equipment; construction (including building, installation, removal and transportation of structures related to the project) and subsequent testing and performance evaluation.

#### 三、須遵守申報、年度審查、公告及獨立股東批准規定的非豁免的持續關連交易

截至2020年12月31日止年度，本集團訂立若干關連方交易，乃於財務報表附註38披露。此等交易構成上市規則下的持續關連交易，根據上市規則第14A章須於本報告予以披露。董事確認，本集團已遵守上市規則第14A章的披露規定。

##### 1. 重慶川維EPC合同

簽約日期： 2018年9月14日

訂約方： 中國石化集團重慶川維化工有限公司(「重慶川維」)(發包人)及北京博奇(承包人)

工作範圍： 燃煤鍋爐超低排放改造項目的工程；除鍋爐本體改造以外的脫硝、脫硫及除塵；相關設備的採購及供應；施工(包括建造、安裝、移除及運輸與項目相關的結構)及後續測試及性能評估。

Completion date:	October 2020	完成期限：	2020年10月
Contract value:	RMB205,880,000 (tentative estimate of the total value)	合同價值：	人民幣205,880,000元(暫估總價)
Reasons for and the benefits of the transaction:	Chongqing Chuanwei EPC Contract is in line with the business development strategy and operation structure adjustment of the Company, which began in late 2016 to explore markets for petrochemicals and steel industries. The Company believes that the transaction will enhance the desulfurization, denitrification and dust removal business of the Group. It is expected to expand the business opportunities between the Group and Sinopec Group and gain considerable project experience, which allows the Company to further expand the market and offer similar services to more market participants of the petrochemical industry in the near future.	進行交易的理由及裨益：	重慶川維EPC合同符合本公司從2016年底開始開拓石化鋼鐵領域市場的業務發展戰略和經營結構調整。本公司深信該等交易將提升本集團脫硫、脫硝和除塵業務，並期望進一步擴大本集團與中石化集團的商機並累積豐富的項目經驗，以便本公司於不久未來進一步開拓市場，向更多的石油化工行業的市場參與者提供類似的服務。
Revenue:	The revenue generated from Chongqing Chuanwei EPC Contract amounted to RMB6,849,000, RMB74,017,000 and RMB39,692,000 for the year ended 31 December 2018 and 2019 and 2020, respectively.	收益：	重慶川維EPC合同截至2018年、2019年及2020年12月31日止年度產生的收益分別為人民幣6,849,000元、人民幣74,017,000元及人民幣39,692,000元。

## DIRECTORS' REPORT (Continued)

### 董事會報告(續)

#### 2. NINGBO PROCUREMENT CONTRACT

Date of signing: 14 September 2018

Parties: Sinopec Ningbo Engineering Co., Ltd. ("Sinopec Ningbo") (Purchaser) and Beijing Boqi (Seller)

Scope of work: In terms of design, installation, testing, operation, maintenance, procurement of purchased components and during the construction process, the materials provided and the technology delivered strictly comply with the requirements under the Ningbo Procurement Contract and the relevant technical agreement.

Completion date: May 2019

Contract value: RMB24,800,000

#### 2. 寧波採購合同

簽約日期： 2018年9月14日

訂約方： 中石化寧波工程有限公司(「中石化寧波」)(買受方)及北京博奇(出賣方)

工作範圍： 所提供的物資以及所交付的技術，在設計、安裝、測試、運行、維修、外購件採購及製造過程中嚴格遵守寧波採購合同及相關技術協議的要求。

完成期限： 2019年5月

合同價值： 人民幣24,800,000元

Reasons for and the benefits of the transaction: Ningbo Procurement Contract will enhance the desulfurization, denitrification and dust removal business of the Group. The performance of the contract will have a positive impact on the Company's income and operating results, thereby laying an important foundation for the Company to expand and strengthen its environmental protection business in the petrochemical industry, as well as contributing to the continuous growth of the Group's annual performance.

進行交易的理由及裨益：寧波採購合同將提升本集團脫硫、脫硝和除塵業務，對本公司的收益、經營業績產生正面影響，能夠為本公司做大做強石化領域環保業務奠定重要基礎，更助力集團年度經營指標持續增長。

Revenue: The revenue generated from Ningbo Procurement Contract amounted to RMB1,250,000, RMB20,129,000 and RMB Nil for the year ended 31 December 2018, 2019 and 2020, respectively.

收益：寧波採購合同截至2018年、2019年及2020年12月31日止年度產生的收益分別為人民幣1,250,000元、人民幣20,129,000元及人民幣0元。

Chongqing Chuanwei, is indirectly wholly owned by China Petrochemical Corporation through Sinopec Group Asset Management Co., Ltd. (Sinopec Group Asset Management Co., Ltd. and China Petroleum & Chemical Corporation are both subsidiaries of China Petrochemical Corporation, and China Petroleum & Chemical Corporation wholly owns Sinopec Overseas).

重慶川維，由中國石油化工集團公司透過中國石化集團資產經營管理有限公司間接全資擁有(中國石化集團資產經營管理有限公司與中國石油化工股份有限公司均為中國石油化工集團公司的附屬公司，而中國石油化工股份有限公司全資擁有中石化海投)。

Sinopec Ningbo, is controlled by China Petrochemical Corporation through Sinopec Engineering (Group) Co., Ltd and Sinopec Group Asset Management Co., Ltd. (Sinopec Engineering (Group) Co., Ltd, Sinopec Group Asset Management Co., Ltd and China Petroleum & Chemical Corporation are all subsidiaries of China Petrochemical Corporation, and China Petroleum & Chemical Corporation wholly owns Sinopec Overseas).

中石化寧波，由中國石油化工集團公司透過中石化煉化工程(集團)股份有限公司及中國石化集團資產經營管理有限公司控制(中石化煉化工程(集團)股份有限公司、中國石化集團資產經營管理有限公司與中國石油化工股份有限公司均為中國石油化工集團公司的附屬公司，而中國石油化工股份有限公司全資擁有中石化海投)。



Since Sinopec Overseas is one of the substantial shareholders of the Company, and both companies are therefore a connected person of the Company under Rule 14A.07(4) of the Listing Rules. Given the above continuing connected transactions were all made with the group companies of China Petroleum & Chemical Corporation, the parent company of Sinopec Overseas, pursuant to which income shall be received by the Group in relation to the EPC and procurement services provided, such transactions shall be aggregated in accordance with Rule 14A.81 of the Listing Rules. The above transaction is entered into on normal commercial terms. Prior to the Listing, the Company had applied to the Stock Exchange and the Stock Exchange had granted the Company, a waiver from strict compliance with the rules regarding the announcement and independent shareholders' approval requirements under Chapter 14A of the Listing Rules, on the condition that the aggregate amount of non- exempt continuing connected transactions with Sinopec for the year 2018 would not exceed the annual cap set out in the Prospectus.

According to Rule 14A.81 of the Listing Rules, if a series of connected transactions are entered into or completed within 12 months or are otherwise interrelated, then such connected transactions shall be aggregated and treated as if they were one transaction. As both the Chongqing Chuanwei EPC Contract and Ningbo Procurement Contract are signed with the group company of Sinopec Overseas' parent company, China Petroleum & Chemical Corporation and of the same transaction nature, both the Chongqing Chuanwei EPC Contract and Ningbo Procurement Contract shall be aggregated in accordance with Rule 14A.81 of the Listing Rules. As certain applicable percentage ratios of transaction amounts of Chongqing Chuanwei EPC Contract and Ningbo Procurement Contract exceed 5% but are less than 25% after aggregation, therefore, Chongqing Chuanwei

鑒於中石化海投為我們的主要股東之一，因此，根據上市規則第14A.07(4)條，彼等各自均為本公司的關連人士。鑒於上述持續關連交易乃均與中石化海投的母公司中國石油化工股份有限公司的集團公司進行，據此，收入應由本集團就所提供EPC及採購服務收取，而有關交易須根據上市規則第14A.81條合併計算。上述交易乃按一般商業條款訂立。於上市前，本公司已向聯交所申請且聯交所已批准本公司獲豁免嚴格遵守上市規則第14章項下有關公告及獨立股東批准的規定的條，條件為中石化於2018年的持續關連交易的總額不得超過招股章程所載的年度上限。

根據上市規則第14A.81條的規定，倘一連串關連交易均於十二個月期間內訂立或完成，又或相關交易彼此有關連，則該等關連交易將合併計算，並視作一項交易處理。由於重慶川維EPC合同以及寧波採購合同均為與中石化海投的母公司中國石油化工股份有限公司的集團公司簽訂，且交易性質一致，根據上市規則第14A.81條的規定，重慶川維EPC合同以及寧波採購合同應合併計算。由於重慶川維EPC合同以及寧波採購合同合算後，交易金額之若干適用百分比率超逾5%，但低於25%，因此，重慶川維EPC合

EPC Contract, Ningbo Procurement Contract and the transactions thereunder must comply with the reporting, announcement, circular, Independent Shareholders' approval and annual review requirements under Chapter 14A of Listing Rules.

同、寧波採購合同及該等合同下的交易必須遵守上市規則第14A章項下之申報、公告、通函、獨立股東批准及年度審查之規定。

The actual transaction amounts for the non-exempted continuing connected transactions are set out as follows:

非豁免持續關連交易的實際交易金額載列如下：

	<b>For the year ended 31 December 2019 截至2019年12月31日 止年度 RMB 人民幣</b>	<b>For the year ended 31 December 2020 截至2020年12月31日 止年度 RMB 人民幣</b>
Chongqing Chuanwei EPC Contract 重慶川維EPC合同	74,017,000	39,692,000
Ningbo Procurement Contract 寧波採購合同	20,129,000	-
<b>Total 總計</b>	<b>94,146,000</b>	<b>39,692,000</b>

The annual cap of such transactions for the year ended December 31, 2020 is RMB90,586,831, while the actual transaction amount in aggregate for the year ended December 31, 2020 is RMB39,692,000.

該等交易於截至2020年12月31日止年度的年度上限為人民幣90,586,831元，而截至2020年12月31日止年度的實際交易總額為人民幣39,692,000。

For details of the transaction, please refer to the announcement of the Company dated 14 September 2018 and the circular of the Company dated 31 October 2018.

有關交易詳情，請參閱本公司日期為2018年9月14日之公告及本公司日期為2018年10月31日之通函。

The Company has followed the pricing policies under relevant agreements in respect of the above continuing connected transactions for the year ended 31 December 2020.

本公司已就上述截至2020年12月31日止年度的持續關連交易遵循相關協議項下的定價政策。

## DIRECTORS' REPORT (Continued)

### 董事會報告(續)

#### CONFIRMATION BY INDEPENDENT NON-EXECUTIVE DIRECTORS

The independent non-executive Directors have reviewed each of the above mentioned continuing connected transactions and confirmed that:

- (1) the transactions stated in the section headed "Exempt Continuing Connected Transactions" in this annual report have been generated during the Group's ordinary and usual course of business on normal commercial terms (or more favorable than normal commercial terms available for the Group), and that the terms of such transactions are fair and reasonable, and are in the interests of the Company and its shareholders as a whole; and
- (2) the transactions and relevant annual caps stated in this section headed "Non-exempt Continuing Connected Transactions" in this annual report have been generated during the Group's ordinary and usual course of business on normal commercial terms (or more favorable than normal commercial terms available for the Group), and that the terms of such transactions are fair and reasonable, and are in the interests of the Company and its shareholders as a whole.

During the year ended 31 December 2020, the Group has complied with the disclosure requirements prescribed in Chapter 14A of the Listing Rules with respect to the connected transactions and continuing connected transactions entered into by the Group during the year under review.

#### 獨立非執行董事確認

獨立非執行董事已審閱上述各項持續關連交易，並確認：

- (1) 本年報「獲豁免持續關連交易」一節所載之交易乃於本集團之日常及一般業務過程中按一般商業條款(或優於本集團可取得的一般商業條款)產生，而該等交易條款屬公平合理，並符合本公司及其股東的整體利益；及
- (2) 本年報「不獲豁免持續關連交易」一節所載之交易及相關年度上限乃於本集團之日常及一般業務過程中按一般商業條款(或優於本集團可取得的一般商業條款)產生，而該等交易條款屬公平合理，並符合本公司及其股東的整體利益。

截至2020年12月31日止年度，本集團於回顧年度訂立的關連交易及持續關連交易，本公司已遵守上市規則第14A章所述的披露規定。

## AUDITOR'S LETTER

Pursuant to Rule 14A.56 of the Listing Rules, the Board engaged the auditors of the Company, Ernst & Young, to report on the Group's continuing connected transactions in accordance with the Hong Kong Standard on Assurance Engagements 3000 "Assurance Engagements Other Than Audits or Reviews of Historical Financial Information" and with reference to Practice Note 740 "Auditor's Letter on Continuing Connected Transactions under the Hong Kong Listing Rules" issued by the Hong Kong Institute of Certified Public Accountants. Based on its work, Ernst & Young have provided the Board with a letter confirming that, with respect to the aforesaid continuing connected transactions:

- (1) nothing has come to the auditor's attention that causes the auditor to believe that the disclosed continuing connected transactions have not been approved by the Company's board of directors;
- (2) for transactions involving the provision of goods or services by the Group, nothing has come to the auditor's attention that causes the auditor to believe that the transactions were not, in all material respects, in accordance with the pricing policies of the Company;
- (3) nothing has come to the auditor's attention that causes the auditor to believe that the transactions were not entered into, in all material respects, in accordance with the relevant agreements governing such transactions; and
- (4) with respect to the aggregate amount of each of the continuing connected transactions set out above, nothing has come to the auditor's attention that causes the auditor to believe that the disclosed continuing connected transactions have exceeded the annual cap as set by the Company.

## 核數師函件

根據上市規則第14A.56條，董事會已委聘本公司核數師安永會計師事務所按照香港會計師公會所頒佈的香港鑒證業務準則第3000號「歷史財務資料審計或審閱以外之鑒證工作」及參考實務說明第740號「香港上市規則規定的持續關連交易的核數師函件」申報本集團的持續關連交易。根據其工作，安永會計師事務所向董事會出具函件確認，就上述持續關連交易而言：

- (1) 核數師並無注意到任何事項令他們相信該等已披露的持續關連交易未獲本集團董事會批准；
- (2) 就本集團提供貨品或服務所涉及的交易，核數師並無注意到任何事項令他們相信該等交易在所有重大方面未有按照本集團的定價政策進行；
- (3) 核數師並無注意到任何事項令他們相信該等交易在所有重大方面未有按照規管該等交易的相關協議進行；及
- (4) 就上文所載每項持續關連交易的總金額而言，核數師並無注意到任何事項令他們相信該等已披露的持續關連交易的金額超出本公司就上述每項已披露的持續關連交易設定的年度上限。

## DIRECTORS' REPORT (Continued)

### 董事會報告(續)

#### RELATED PARTY TRANSACTIONS

Please refer to note 38 to the consolidated financial statements in this annual report for details of the significant related party transactions pursuant to IFRSs. For the connected transactions and continuing connected transactions pursuant to the requirements of the Listing Rules, please refer to the disclosure as set out in the above section headed “Connected Transactions” in this report of Directors. Except for those disclosed in the section headed “Connected Transactions” in this report of Directors, the other related party transactions as disclosed in note 38 are not considered as connected transactions. The Company has complied with the disclosure requirements under Chapter 14A of the Listing Rules.

#### MAJOR SUBSEQUENT EVENTS

There are no major subsequent events to 31 December 2020 which would materially affect the Group's operating and financial performance as of the date of this annual report.

#### 關連方交易

有關國際財務報告準則項下重大關連方交易的詳情，請參閱本年報綜合財務報表附註38。有關上市規則規定項下的關連交易及持續關連交易的詳情，請參閱本董事會報告「關連交易」一節所載披露。除本董事會報告「關連交易」一節所披露者外，附註38所披露的其他關連方交易並不被視作關連交易。本公司已遵守上市規則第14A章的披露規定。

#### 主要期後事項

本公司於2020年12月31日後概無任何主要期後事項對本集團於本年報日期的經營及財務表現造成重大影響。

## AUDIT COMMITTEE AND REVIEW OF FINANCIAL STATEMENTS

The Company established the Audit Committee with written terms of reference in compliance with the CG Code. As at the date of this annual report, the Audit Committee comprises three members, namely Dr. Xie Guozhong, Mr. Liu Genyu and Mr. Zheng Tony Tuo. Dr. Xie Guozhong is the chairman of the Audit Committee.

The Audit Committee has reviewed the audited financial statements of the Group for the 2020 Financial Year. The Audit Committee has also discussed matters with respect to the accounting policies and practices adopted by the Company and the internal control with senior management members and the external auditor of the Company, Ernst & Young. Based on this review and discussion with the management, the Audit Committee was satisfied that the Group's audited consolidated financial statements were prepared in accordance with accounting standards and fairly present the Group's financial position and results for the 2020 Financial Year.

## 審核委員會及審閱財務報表

本公司已成立審核委員會，並已遵照企業管治守則制定其書面職權範圍。於本年報日期，審核委員會由三名成員組成，即謝國忠博士、劉根鈺先生及鄭拓先生。謝國忠博士為審核委員會主席。

審核委員會已審閱本集團2020財政年度的經審核財務報表。審核委員會亦已就本公司所採納會計政策及實務以及內部控制有關的事宜與高級管理層成員及本公司外部核數師安永會計師事務所展開討論。基於是次審閱及與管理層展開的討論，審核委員會信納，本集團的經審核綜合財務報表乃根據會計準則編製及公允地反映本集團於2020財政年度的財務狀況及業績。

#### COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

The Company is committed to maintaining high standards of corporate governance to safeguard the interests of shareholders and to enhance corporate value and accountability. The Board has adopted the principles and the code provisions of the Corporate Governance Code contained in Appendix 14 to Listing Rules to ensure that the Company's business activities and decision making processes are regulated in a proper and prudent manner.

Information on the corporate governance practices adopted by the Company is set out in the Corporate Governance Report of this annual report. During the Period, the Company has fully complied with the CG Code.

#### SUFFICIENCY OF PUBLIC FLOAT

Based on information publicly available to the Company and to the knowledge of the Directors, at least 25% of the Company's total issued share capital, the prescribed minimum percentage of public float approved by the Stock Exchange and permitted under the Listing Rules, are held by the public at all times as of the date of this report.

#### AUDITOR

The former auditors of the Company, Deloitte Touche Tohmatsu, were not re-appointed by the AGM held in June 2020, while the Company appointed Ernst & Young as its auditors in June 2020. The consolidated financial statements for the year ended 31 December 2020 have been audited by Ernst & Young, Certified Public Accountants.

#### MATERIAL LEGAL PROCEEDINGS

The Group was not involved in any material legal proceeding during the year ended 31 December 2020.

#### COMPLIANCE WITH LAWS AND REGULATIONS

For the year ended 31 December 2020, the Company is in compliance with the relevant laws and regulations that have a significant impact on the Company.

#### 遵守企業管治守則

本公司致力維持高水平的企業管治，以保障股東利益及提升企業價值及問責性。董事會已採納上市規則附錄十四所載的企業管治守則的原則及守則條文，以確保本公司的業務活動及決策過程受到恰當及審慎規管。

有關本公司採納企業管治常規之資料載於本年報的企業管治報告內。於本期間，本公司已全面遵守企業管治守則。

#### 足夠的公眾持股量

根據本公司公開可得的資料及就董事所知，截至本報告日期，公眾一直持有本公司全部已發行股本的至少25%(聯交所批准及上市規則准許的規定最低公眾持股量)。

#### 核數師

本公司前任核數師德勤•關黃陳方會計師行並無於2020年6月舉行的股東週年大會上獲續聘，而本公司則於2020年6月委任安永會計師事務所為其核數師。截至2020年12月31日止年度的綜合財務報表由執業會計師安永會計師事務所審核。

#### 重大法律訴訟

本集團於截至2020年12月31日止年度並無涉及任何重大法律訴訟。

#### 遵守法律及法規

截至2020年12月31日止年度，本公司遵守對本公司有重大影響的相關法律及法規。

## ENVIRONMENTAL POLICIES AND PERFORMANCE

As an environmental protection service provider, the Group strictly abides by the laws and regulations relating to its business, including provision of services of environment protection and energy conservation, inspection of the pollutants and flue gas generated by coal-fired power plants. The Group is committed to protecting the environment and giving back to community and achieving sustainable growth. The achievements of the Group are based on constructing the mutual beneficial relations with our clients and employees and maintaining coexistence with ecological and social environment. The Group will continue to commit to its social responsibilities and exert its advantages as an environmental protection enterprise and make consistent efforts to forage an environment with blue sky and white clouds.

Details of the environment, social responsibilities and governance of the Company are set out in the ESG Report in this annual report.

## ANNUAL GENERAL MEETING

The AGM will to be held on Thursday, 3 June 2021. A notice convening the AGM will be published and dispatched to the shareholders of the Company in the manner required by the Listing Rules in due course.

## CLOSURE OF REGISTER OF MEMBERS

In order to determine the entitlement to attend and vote at the AGM, the register of members will be closed from Monday, 31 May 2021 to Thursday, 3 June 2021, both dates inclusive, during which period no transfer of share will be effected. In order to be eligible to attend and vote at the AGM, all transfer documents accompanied by the relevant share certificates must be lodged with the Company's share registrar and transfer office in Hong Kong, Tricor Investor Services Limited, at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong for registration not later than 4:30 pm on Friday, 28 May 2021. The record date for such purpose is Thursday, 3 June 2021.

## 環保政策及績效

作為環保服務提供商，本集團嚴格遵守與其業務有關的法律法規，包括有關提供環保及節能服務、監測燃煤發電廠產生的污染物及煙氣的法律法規。本集團致力於保護環境、回饋社會及實現可持續發展。本集團取得的成就離不開與客戶及員工建立互利關係，以及保持生態環境及社會環境的和諧共存。本集團將繼續履行其社會責任，發揮環保企業的優勢，為打造藍天白雲的美好環境不懈努力。

有關本公司的環境、社會責任及管治的詳情載列於本年報的環境、社會及管治報告內。

## 股東週年大會

股東週年大會將於2021年6月3日(星期四)舉行。召開股東週年大會的通告將按上市規則的規定適時刊發及寄送予本公司股東。

## 暫停辦理股份過戶登記

為釐定出席股東週年大會及於會上投票的資格，將於2021年5月31日(星期一)至2021年6月3日(星期四)(包括首尾兩日)期間內暫停辦理股份過戶登記手續，期間將不會辦理任何股份過戶登記。為符合資格出席股東週年大會及於會上投票，所有股份過戶文件連同有關股票必須於2021年5月28日(星期五)下午四時三十分前，送交本公司的香港股份過戶登記分處卓佳證券登記有限公司(地址為香港皇后大道東183號合和中心54樓)進行登記。有關上述事項的記錄日期為2021年6月3日(星期四)。



## DIRECTORS' REPORT (Continued)

### 董事會報告(續)

In order to determine the entitlement to the proposed final dividend for the year ended 31 December 2020, the transfer books and register of members of the Company will be closed from Monday, 28 June 2021 to Wednesday, 30 June 2021, both days inclusive. During the above period, no transfer of shares will be registered. In order to qualify for the entitlement to the proposed final dividend, all transfer documents accompanied by the relevant share certificates must be lodged with the Company's branch share registrar and transfer office in Hong Kong, Tricor Investor Services Limited, at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong before 4:30 p.m. on Friday, 25 June 2021.

為釐定收取截至2020年12月31日止年度建議末期股息的資格，本公司股東名冊的過戶及登記將於2021年6月28日(星期一)至2021年6月30日(星期三)期間暫停辦理(包括首尾兩日)。於上述期間，不會辦理股份過戶手續。為符合資格收取建議末期股息，所有過戶文件連同相關股票必須於2021年6月25日(星期五)下午四時三十分前，送交本公司的香港股份過戶登記分處卓佳證券登記有限公司(地址為香港皇后大道東183號合和中心54樓)進行登記。

On behalf of the Board

代表董事會

**Zeng Zhijun**

*Chairman*

Hong Kong, 29 March 2021

董事長

曾之俊

香港，2021年3月29日

## PROFILE OF HUMAN RESOURCES

As of 31 December 2020, the Group had 1,890 employees in total, most of whom were based in the PRC. The Group has established independent labor union branches. Currently, the Group has entered into employment agreements with all employees, which specify the position, duties, remuneration, employment benefits, training, confidentiality obligations relating to trade secrets, grounds for termination and other aspects pursuant to PRC Labor Law and other relevant regulations.

The table below sets forth the number of employees as of 31 December 2020 categorised by their functions:

Function	職能	Number of employees 僱員人數	Percentage of the total number of employees 人數百分比
Concession operation management personnel	特許經營管理人員	67	3.5%
Engineering and technical personnel	工程技術人員	128	6.8%
Sales personnel	銷售人員	33	1.7%
Research and development personnel	研發人員	64	3.4%
Administrative and management personnel	行政管理人員	28	1.5%
Manufacture personnel	生產人員	1,570	83.1%
Total	總計	1,890	100%

## EMPLOYEE INCENTIVE

Guided by the business strategies and annual business targets and focused on economic benefits, the Company followed the market trends and developed its technology to comprehensively enhance its overall abilities in plan execution, project management and teamwork. During the Reporting Period, the Group established an appraisal system oriented by “performance results”, and adopted a method combining group performance and individual performance to fully support the Group’s strategy and render the realization of corporate goals. This system places an emphasis on evaluating the operational capability by working efficiency to lead employees to excellence.

## 人力資源情況

於2020年12月31日，我們共聘用1,890名僱員，其中絕大多數僱員常駐中國。本集團設有獨立工會分支。目前，本集團已與全部員工訂立了勞動合同，按照中國勞動法和其他相關法規的規定，明確約定了僱員的職位、職責、薪酬、員工福利、培訓、有關商業秘密的保密責任及終止理由等事項。

下表列示於2020年12月31日按職能劃分的員工人數：

## 員工激勵

本公司以經營戰略和年度經營目標為指導，以經濟效益為中心，以市場為龍頭、技術研發為支撐，全面提高公司整體計劃執行能力、項目管理能力、團隊協作能力。於報告期內，集團建立了以「績效結果」為導向的考核體系，採用集團績效與個人績效結合的方式，全面支撐集團戰略，讓企業目標真正落地，注重以工作效率評判崗位工作能力，引導員工創效創優。

## Human Resources (Continued)

### 人力資源(續)

Furthermore, the Group implemented a responsibility-based system for business management objectives, and all employees participate in performance appraisal. By setting key performance indicators and index evaluation criteria, the Group scientifically and objectively evaluates the performance of tasks of each position, assisting employees to improve their ability and performance so that the Group's annual business objectives can be achieved. In addition, the Group implemented a commensurate reward and penalty system and a promotion system based on the quantitative evaluation results, so as to truly realize employee incentives.

### THE EMPLOYEES REMUNERATION POLICY

The remuneration package of the employees includes salaries, bonuses and allowances. Our employees also receive supplementary medical provision, transportation allowances, meal allowances and other benefits. During the Reporting Period, the Company carried out employee performance appraisals and established diversified and dynamic appraisal mechanisms, which are result-oriented. By setting performance objectives and quantifying the work load, the Company has improved its performance appraisal system which integrates rewards and assessments. At the same time, a mechanism for matching job performance with the remunerations of relevant persons in charge was established for management personnel and project managers.

During the Reporting Period, pursuant to applicable PRC laws and regulations, the Group has contributed to social insurance funds (including pension plans, basic medical insurance, employment injury insurance, unemployment insurance and maternity insurance) and housing provident funds for all employees.

此外，集團實行經營管理目標責任制，全員參與績效評估。通過設定崗位關鍵績效指標及指標評價標準，科學、客觀地評價各崗位任務完成情況，幫助員工提升自身工作水平和工作業績，以保證集團年度經營目標的實現。此外，集團根據量化評估結果匹配相應獎懲制度、晉升制度，真正實現員工激勵。

### 員工薪酬政策

我們員工的薪酬組合包括薪金、獎金、津貼。我們的員工亦享有補充醫療、交通補貼、午餐補貼及其他福利費。於報告期內我們推行員工業績考核，建立了不同形式、靈活的考評機制，以業績結果為導向，建立績效目標，量化工作內容，完善激勵與考核相結合的績效體系；同時在管理層及項目經理崗位建立了崗位績效與相關負責人的工資薪酬相匹配的機制。

於報告期內，我們已按中國法律法規要求為員工繳納社保基金（包括養老保險、基本醫療保險、工傷保險、失業保險及生育保險）及住房公積金。

**TRAINING FOR EMPLOYEES**

In order to attract and retain high quality employees and further improve their knowledge, skill levels and professionalism, the Group places a strong emphasis on the training of its employees. During the Reporting Period, the Group provided professional education, training and other opportunities for management personnel and employees to improve their professional skills and knowledge. We have developed and carried out exclusive training programs in design institutes, elite training in sales and marketing centers and the induction training for fresh graduates.

In 2020, the Group conducted 86 training programs in areas of operation management, professional techniques and production skills. During the Reporting Period, the training rate of our employees achieved 96%.

**PROTECTION OF THE EMPLOYEES' RIGHTS**

During the Reporting Period, the Group complied with the Labour Law of PRC and the Labour Contract Law of PRC in all material respects, including making contributions to the Social Insurance Fund and Housing Provident Fund for its employees, among which the social insurance includes basic pension insurance, basic medical insurance, employment injury insurance, unemployment insurance and maternity insurance.

**員工培訓**

為吸納及挽留高素質的員工及進一步提高員工的知識、技能水平及職業素養，我們十分注重對員工的培訓。於報告期內，我們向管理人員及員工提供專業性教育、培訓及其他機會，提高員工的專業技能及知識，自主研發並開展了設計院專項培訓、市場營銷中心銷售精英培訓以及應屆畢業生的培養雛鷹計劃。

於2020年，本集團進行86個經營管理類、專業技術類及生產技能類的培訓計畫。於報告期內員工培訓率達到96%。

**員工權利保障**

在報告期內，本集團於所有重大方面均遵守中國勞動法和中國勞動合同法，包括為員工繳納了社會保險及住房公積金，其中社會保險包括基本養老保險、基本醫療保險、工傷保險、失業保險及生育保險。

# ESG Report

## 環境、社會及管治報告

### 1. ABOUT THIS REPORT

This report is an environmental, social and governance (hereinafter referred to as “ESG”) report issued by the Group. This report summarizes the Group’s work in implementing the concept of sustainable development and fulfilling corporate social responsibility.

#### Standard of reporting

This report has been prepared in accordance with the Environmental, Social and Governance Reporting Guide (hereinafter referred to as the “Guide”) in Appendix 27 to the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited. This report has complied with all the “comply or explain” provisions in the Guide, and its contents align with the reporting principles of “materiality”, “quantitative”, “balance” and “consistency” in the Guide.

**Materiality:** The materiality of the Group’s ESG issues is determined by the Board. The stakeholder communication and the process and matrix of identification of material issues are all disclosed in this report.

**Quantitative:** Statistical standards, methods, assumptions and/or calculation tools for quantitative key performance indicators herein and source of conversion factors are all explained in the definitions of the report.

**Balance:** This report shall provide an unbiased picture of the environmental, social, and governance performance of the Group during the Reporting Period. It should avoid selections, omissions or presentation formats that may inappropriately influence the decision or judgment by the report readers.

### 1. 關於本報告

本報告是本集團所發佈的環境、社會及管治（下稱「ESG」）報告。本報告概述本集團在實踐可持續發展理念及履行企業社會責任的相關工作情況。

#### 報告標準

本報告遵循香港聯合交易所有限公司《證券上市規則》附錄二十七所載的《環境、社會及管治報告指引》（下稱「《指引》」）編寫。本報告已遵守《指引》中所有「不遵守就解釋」條文，內容符合《指引》中的「重要性」、「量化」、「平衡性」、「一致性」的匯報原則。

**重要性：** 本集團ESG事宜的重要性由董事會釐定，利益相關方溝通及重要性議題識別的過程和條件均在本報告中披露。

**量化：** 本報告中定量關鍵績效指標的統計標準、方法、假設及／或計算工具，以及轉換因素的來源，均在報告釋義中進行說明。

**平衡性：** 本報告不偏不倚地呈報本集團於報告期內的表現，避免可能會不恰當地影響報告讀者決策或判斷的選擇、遺漏或呈報格式。

**Consistency:** The statistical methodologies and standards applied to the data disclosed in this report shall be consistent with the previous year unless otherwise specified.

**一致性：** 本報告披露數據所使用的統計方法及水準，如無特殊說明，均與往年保持一致。

### Scope of report

This report contains the overall sustainability performance of the business directly controlled by the Group from 1 January 2020 to 31 December 2020 (hereinafter referred to as the “Year” or “Reporting Period”). The environmental data disclosed in this report were collected from the Group’s flue gas treatment projects and offices in Mainland China. For detailed information on the corporate governance of the Group, please refer to the “Corporate Governance Report” section of this annual report or visit the official website of the Group.

### 匯報範圍

本報告載有本集團直接控制的業務於2020年1月1日至2020年12月31日（下稱「本年度」或「報告期」）期間有關可持續發展的整體表現。本報告所披露的環境範疇數據的收集範圍為本集團在中國內地的煙氣處理項目及辦公室。有關本集團企業管治的詳細資料，請參閱本年報中的「企業管治報告」章節或瀏覽本集團的官方網站。

### Feedback on the report

If you have any enquiries or comments about this report or the Group’s sustainability policy, please feel free to contact us by email (email: irhk@chinaboqi.com).

### 報告反饋

若閣下對於本報告或本集團的可持續發展政策有任何查詢或意見，歡迎以電郵形式（郵箱：irhk@chinaboqi.com）與我們聯絡。

## 2. SUSTAINABLE DEVELOPMENT STRATEGY

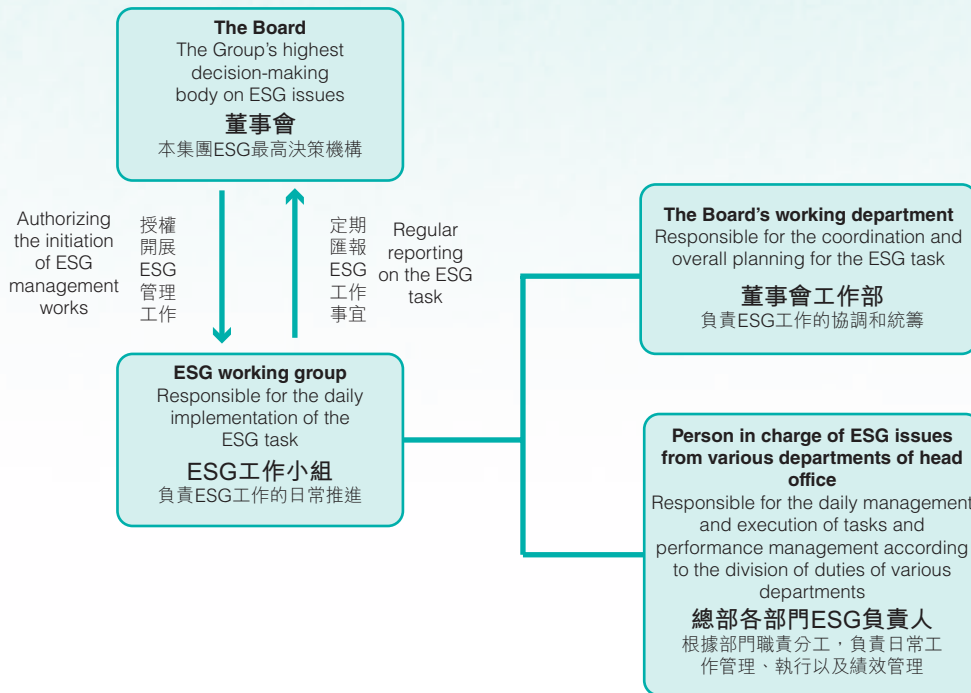
The Group adheres to the core value of “creating high-quality projects professionally and winning the highest honor through integrity” and embraces the belief of “servicing to create value and practicing professionalism to win trust”, and is committed to the development of the environmental protection industry in China and the world. Our customers are mainly large-scale industrial enterprises customers in various fields such as power, steel and coking. We provide comprehensive environmental treatment services such as integrated flue gas treatment, water treatment, hazardous and solid waste treatment/disposal and environmental protection and energy saving through a variety of business models such as EPC, O&M and BOT. As a socially responsible corporate citizen, we pay attention to the environmental and social aspects related to business operations. The Group actively integrates ESG concepts into its development strategy, governance structure, corporate culture and business processes, and strives to achieve sustainable corporate development.

## 2. 可持續發展策略

本集團以「專業打造精品工程，誠信贏得至高榮譽」為核心價值觀，以「服務創造價值，專業贏得信任」為服務理念，致力發展於中國乃至世界的環境保護事業。我們主要面向電力、鋼鐵、焦化等各種大型工業客戶，通過EPC、運維和BOT等多種業務模式，提供綜合煙氣治理、水處理、危固廢處理處置及環保節能等環境綜合治理服務。作為對社會負責任的企業公民，我們關注與業務運營相關的環境及社會層面。本集團積極將ESG理念融入到發展戰略、治理結構、企業文化和業務流程中，努力實現企業可持續發展。

2.1. ESG management system

2.1. ESG管理體系



ESG管理體系  
ESG management system



## ESG Report (Continued)

### 環境、社會及管治報告(續)

The Board is the highest decision-making unit in the Group's ESG management system. The Board is ultimately responsible for ESG strategy and reporting, and is liable for assessing and determining the risks and opportunities relating to ESG and ensuring that appropriate and effective ESG risk management and internal control systems are established. The Board also regularly reviews ESG performance and approves ESG-related information disclosure. This report has also been reviewed and approved by the Board before release.

In order to implement ESG-related tasks in daily business operations, we have established an ESG working group to regularly report related issues of the ESG tasks to the Board. The ESG working group is led by the Board's working department and its members include personnel in charge of ESG-related matters from various departments. The specific responsibilities of the ESG working group include:

- assist the Board to perform ESG management responsibilities in accordance with relevant laws, the Articles of Association and the regulations and authorization of the Board;
- review major ESG issues and make recommendations to the Board;
- formulate ESG/sustainable development strategies, guidelines, phased targets and key tasks, and give advice to the Board on the integration of ESG into corporate development strategies and the implementation measures;
- assist the Board to supervise and manage ESG risk control and the achievement of targets; and
- establish a comprehensive communication mechanism to ensure that information is fully shared and ESG-related decisions are justified.

董事會是本集團的ESG管理體系中的最高決策單位。董事會對ESG策略及匯報承擔最終責任，負責評估及釐定有關ESG的風險及機遇，確保設立合適及有效的ESG風險管理及內部監控系統。董事會亦會定期檢討ESG績效，以及審批ESG相關的信息披露。本報告在發佈前亦已經過董事會審閱及批准。

為在日常業務運營中落實ESG相關工作，我們成立了ESG工作小組，定期向董事會匯報ESG工作事宜。ESG工作小組由董事會工作部牽頭，成員包括各部門ESG相關事宜的負責人。ESG工作小組的具體職責包括：

- 按照相關法律、公司章程及規定和董事會的授權，協助董事會履行ESG管理方面的職責；
- 審議重大ESG事項並向董事會提出建議；
- 制定ESG／可持續發展戰略、方針、階段性目標及重點工作，並就ESG融入公司發展戰略及落實舉措向董事會提供建議；
- 協助董事會監督管理ESG風險管理和目標達成；及
- 建立完善溝通機制，確保信息充分共享並能夠支持ESG相關決策。

## 2.2. Stakeholder communication

The Group attaches great importance to communication with stakeholders. Through the establishment of diversified communication channels, the Group fully understands their concerns and expectations, and formulates short-term and long-term sustainable development strategies for the Group. During the Year, we contacted stakeholders from different sectors, including customers, employees, shareholders/investors, business partners/industry peers, suppliers, regulators, media and community/non-governmental organizations.

## 2.2. 利益相關方溝通

本集團重視利益相關方溝通，透過建設多元化溝通渠道，充分了解他們所關注的議題及期許，並制定本集團短期及長期的可持續發展策略。本年度，我們聯繫了不同界別的利益相關方，包括客戶、員工、股東／投資者、業務夥伴／同業、供應商、監管機構、傳媒、社區／非政府團體。

Stakeholders 利益相關方	Communication channels 溝通渠道
Customers 客戶	<ul style="list-style-type: none"> <li>• Communication during daily service provision 日常服務溝通</li> <li>• Customer visits 客戶走訪</li> <li>• Satisfaction survey 滿意度調查</li> <li>• Regular communication meetings 定期交流會議</li> </ul>

## ESG Report (Continued)

環境、社會及管治報告(續)

### Stakeholders

利益相關方

### Communication channels

溝通渠道

Employees

員工

- Employee opinion survey  
員工意見調查
- Performance interview/appraisal  
工作表現晤談／評核
- Special advisory committee/thematic discussion group  
特別諮詢委員會／專題討論小組
- Staff training  
員工培訓
- Meeting of democratic life  
民主生活會
- Team building activities  
團建活動
- Staff intranet  
員工內聯網
- Meeting  
會議
- Publication  
刊物

Stakeholders	Communication channels
利益相關方	溝通渠道
Shareholders/investors 股東／投資者	<ul style="list-style-type: none"> <li>• Corporate communications 企業通訊</li> <li>• Results announcement/interim report and annual report 業績公佈／中期報告與年報</li> <li>• Conference 會議</li> <li>• Investor hotline 投資者熱線</li> <li>• Roadshow 路演</li> </ul>
Business partners/industry peers 業務夥伴／同業	<ul style="list-style-type: none"> <li>• Industry association 行業協會</li> <li>• Group announcement 集團通告</li> <li>• Communication conference 溝通大會</li> <li>• Visit 探訪</li> <li>• Lecture 講座</li> </ul>
Suppliers 供應商	<ul style="list-style-type: none"> <li>• Supplier evaluation system/management procedures 供應商評估制度／管理程序</li> <li>• On-site inspection 實地視察</li> <li>• Conference 會議</li> </ul>

## ESG Report (Continued)

環境、社會及管治報告(續)

Stakeholders 利益相關方	Communication channels 溝通渠道
Regulatory authorities 監管機構	<ul style="list-style-type: none"><li>• Daily communication 日常溝通</li><li>• Announcement of information 信息公告</li><li>• Regulation and supervision 監管監察</li><li>• Written response to public consultation 對公眾諮詢的書面回應</li><li>• Compliance report 合規報告</li></ul>
Media 傳媒	<ul style="list-style-type: none"><li>• Results announcement 業績公佈</li><li>• Press conference/press release 新聞發佈會／新聞稿</li><li>• Senior management visit 高級管理人員訪問</li></ul>
Community/non-governmental organizations 社區／非政府團體	<ul style="list-style-type: none"><li>• Community activity 社區活動</li><li>• Seminar/lecture/workshop 研討會／講座／工作坊</li></ul>

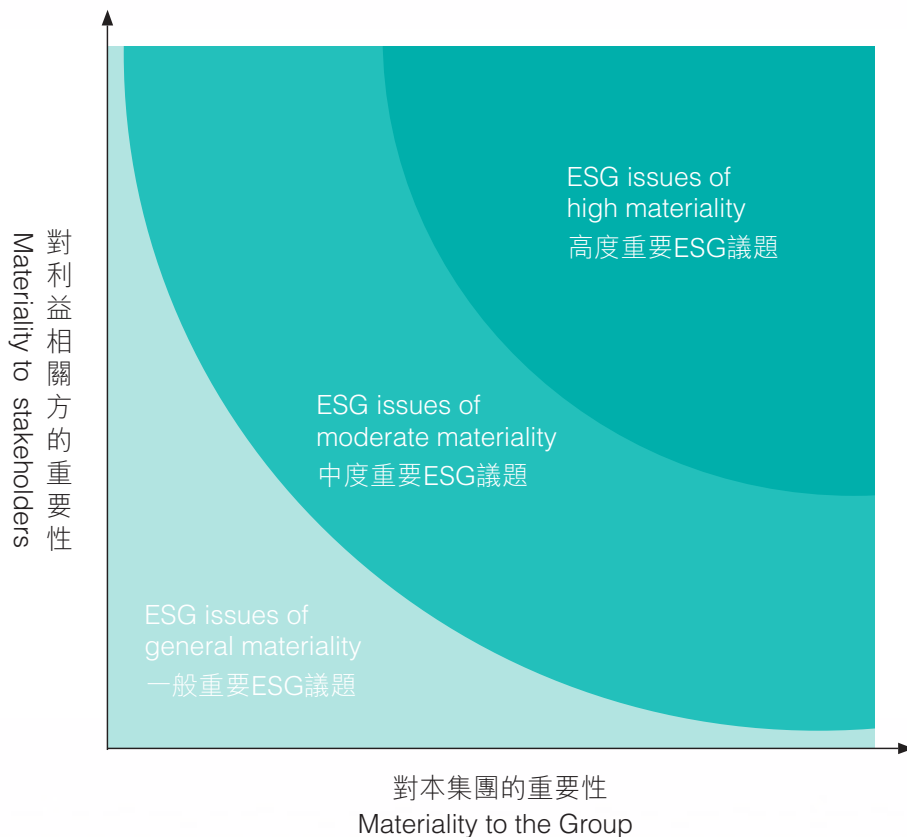
### 2.3. Materiality assessment

During the Year, the Group considered the status of its own business operations and the issues concerned by various stakeholders, with reference to, among other things, the disclosure obligations covered by the Guide and the Database of Material Issues of the Sustainability Accounting Standards Board (SASB) of the United States, and benchmarked best practices in the industry and sorted out the material ESG issues that had been identified. We eventually identified 18 material ESG issues, including 10 ESG issues of high materiality, 6 ESG issues of moderate materiality and 2 ESG issues of general materiality, as the basis for our preparation of this report.

### 2.3. 重要性評估

本年度，本集團參考《指引》所涵蓋的披露責任、美國永續會計準則委員會(SASB)的《重要性議題庫》等，考慮本身的業務經營狀況及各利益相關方所關注的議題，並對標同業最佳實踐，對已識別的重要ESG議題進行梳理。我們最終確定了18個重要ESG議題，當中包括10個高度重要ESG議題、6個中度重要ESG議題及2個一般重要ESG議題，作為我們準備本報告時的依據。

ESG issues materiality matrix  
ESG議題重要性矩陣



## ESG Report (Continued)

環境、社會及管治報告(續)

Issues of high materiality 高度重要議題	Issues of moderate materiality 中度重要議題	Issues of general materiality 一般重要議題
Greenhouse gas emission and management 溫室氣體排放及管理	Energy management and energy saving 能源管理與節能	Customer service 客戶服務
Flue gas emission and management 廢氣排放及管理	Labor practice and rights protection 勞工慣例及權益保障	Community charity 社區公益慈善
Waste discharge and management 廢棄物排放及管理	Staff development and training 員工發展與培訓	
Water resources consumption 水資源消耗	Employment equality, diversity and inclusion 僱傭平等、多元化與包容	
Sewage treatment 污水處理	Planning for disaster and emergency measures 災難及應急預案規劃	
Employee health and safety 員工健康與安全	Procurement and supply chain management 採購及供應鏈管理	
Product soundness and safety 產品健康安全		
Product quality management 產品質量管理		
Anti-corruption 反貪污		
Compliance operation 合規運營		

### 3. PROMOTING GREEN CORPORATE CULTURE

With the vision of “letting everyone live under the blue sky and white clouds”, the Group strictly complies with relevant laws and regulations such as the Environmental Protection Law of the People’s Republic of China (中華人民共和國環境保護法), the Air Pollution Prevention and Control Law of the People’s Republic of China (中華人民共和國大氣污染防治法), the Water Pollution Prevention and Control Law of the People’s Republic of China (中華人民共和國水污染防治法), the Law of the People’s Republic of China on the Prevention and Control of Environment Pollution Caused by Solid Wastes (中華人民共和國固體廢物污染環境防治法) and the Energy Conservation Law of the People’s Republic of China (中華人民共和國節約能源法), striving to becoming a world-class comprehensive environmental industry group and a service provider of intelligent green housekeeping.

The construction projects carried out by the Group are mainly located in industrial parks, and the impact of project construction on the ecological environment and natural resources is minimal. In order to further reduce the negative impact on the environment, we formulate and implement, among others, the Environmental Protection Management System, the Environmental Protection Supervision and Management System (Trial) and the Civilized Construction Management System, to continuously carry out landscaping and ecological and environmental construction in plant areas and practice green operations. During the Reporting Period, the Group did not violate any laws related to environmental protection or cause major accidents affecting the environment and natural resources, nor did the Group receive any notice of penalties or litigation in the area of environmental protection.

### 3. 推動綠色企業文化

本集團以「讓所有人生活在藍天白雲之下」為願景，嚴格遵守《中華人民共和國環境保護法》、《中華人民共和國大氣污染防治法》、《中華人民共和國水污染防治法》、《中華人民共和國固體廢物污染環境防治法》、《中華人民共和國節約能源法》等法律法規，致力於成為國際一流的綜合性環保產業集團及智慧型環保管家服務提供者。

本集團所開展的建設項目主要位於工業園區內，項目建設對生態環境及天然資源造成的影響很小。為了進一步降低對環境的負面影響，我們制定並實施《環保管理制度》、《環境保護監督管理制度(試行)》、《文明施工管理制度》等，持續對廠區內進行景觀美化及生態環境建設，踐行綠色運營。於報告期內，本集團並沒有違反任何有關環境保護的法例或造成影響環境及自然資源的重大事故，也沒有接到任何關於環境範疇的處罰及訴訟通知。



### 3.1. Greenhouse gas emission management

In response to climate change, China has promulgated, among others, the Energy Production and Consumption Revolution Strategy (2016-2030) (能源生產和消費革命戰略(2016-2030)), National Climate Change Adaptation Strategy (國家適應氣候變化戰略) and the 2020 Annual Report on China's Policies and Actions for Coping with Climate Changes (中國應對氣候變化的政策與行動2020年度報告). We manage the greenhouse gas emissions generated in the course of our business operations in order to align with relevant strategies to deal with climate change. During the Year, with reference to the Greenhouse Gas Protocol (溫室氣體盤查議定書) jointly developed by the World Resources Institute and the World Business Council for Sustainable Development and ISO 14064-1 formulated by the International Organization for Standardization, the Group conducted greenhouse gas emission survey for its flue gas treatment projects and offices in Mainland China, and its greenhouse gas emissions performance during the Reporting Period was as follows:

### 3.1. 溫室氣體排放管理

為應對氣候變化，中國發佈了《能源生產和消費革命戰略(2016-2030)》、《國家適應氣候變化戰略》及《中國應對氣候變化的政策與行動2020年度報告》等。我們管理業務運營過程中產生的溫室氣體排放，以配合相關應對氣候變化的策略。本年度，本集團參考由世界資源研究所與世界可持續發展工商理事會開發的《溫室氣體盤查議定書》及國際標準化組織制定的ISO 14064-1，為本集團在中國內地的煙氣處理項目及辦公室進行溫室氣體盤查，其於報告期內的溫室氣體排放表現如下：

	Unit 單位	2020 2020年度
<b>Greenhouse gas emissions</b>		
<b>溫室氣體排放量</b>		
Direct greenhouse gas emissions (Scope 1) 直接溫室氣體排放(範圍1)	Tonnes CO <sub>2</sub> equivalent 公噸二氧化碳當量	650.37
Indirect greenhouse gas emissions (Scope 2) 間接溫室氣體排放(範圍2)	Tonnes CO <sub>2</sub> equivalent 公噸二氧化碳當量	712,916.64
Total greenhouse gas emissions (scope 1 and 2) 溫室氣體排放總量(範圍1及2)	Tonnes CO <sub>2</sub> equivalent 公噸二氧化碳當量	713,567.01
<b>Greenhouse gas emissions intensity</b>		
<b>溫室氣體排放密度</b>		
Every ten thousand of revenue (scope 1 and 2) 每萬元營收(範圍1及2)	Tonnes CO <sub>2</sub> equivalent/ten thousand of revenue 公噸二氧化碳當量/萬元營收	4.34

Scope 1: Direct greenhouse gas emissions from sources owned and controlled by the Group.

範圍1：本集團擁有及控制的來源所產生的直接溫室氣體排放。

Scope 2: Greenhouse gas emissions indirectly caused by power generation, heating and cooling, or steam purchased by the Group.

範圍2：發電、供熱和製冷或者本集團向外購買的蒸汽所間接引致的溫室氣體排放。

According to the results of the greenhouse gas inventory, the Group's greenhouse gas emissions can be divided into direct emissions (Scope 1) and indirect emissions (Scope 2). The greenhouse gas emissions of each scope come from the fuel consumption of the Group's fixed equipment and vehicles registered under its name (Scope 1) and the power usage during business operations (Scope 2).

During the Reporting Period, the total greenhouse gas emissions of the Group's flue gas treatment projects and offices in mainland China were 713,567.01 tonnes CO<sub>2</sub> equivalent and the greenhouse gas emissions intensity was 4.34 tonnes per ten thousand of revenue. In the coming year, the Group will consider gradually expanding the scope of its greenhouse gas inventory, and will start to identify, quantify and report climate risks and opportunities with reference to the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD). We will also refer to the best practices in the industry and international leading standards to formulate short-term and medium to long-term climate change management strategies and greenhouse gas emission reduction targets, with a view to improving our overall performance in the environmental areas.

根據溫室氣體盤查的結果，本集團的溫室氣體排放可分為直接排放（範圍1）及間接排放（範圍2）。各範圍的溫室氣體排放分別來自本集團的固定設備的燃料耗用、名下車輛的燃料耗用（範圍1），以及在業務運營時的電力使用（範圍2）等。

於報告期內，本集團在中國內地的煙氣處理項目及辦公室的溫室氣體排放總量為713,567.01公噸二氧化碳當量，而溫室氣體排放密度則為每萬元營收4.34公噸二氧化碳當量。來年，本集團會考慮逐步擴大溫室氣體盤查範圍，並會參考氣候相關財務信息披露工作組(TCFD)的建議，著手識別、量化及報告氣候的風險及機遇。我們亦會參考同業最佳實踐和國際領先標準，制定短期及中長期的氣候變化管理策略和溫室氣體減排目標，以提升在環境範疇的整體表現。

#### 3.2. Flue gas emission management

The Group is one of the first batch of recognized high-tech enterprises in China and is among the first participants in the flue gas treatment industry. Guided by the Atmospheric Pollution Prevention and Control Law of the People's Republic of China (中華人民共和國大氣污染防治法) and the State Council's Three-year Sky Defending Plan (打贏藍天保衛戰三年行動計劃), we provide comprehensive environmental management services focusing on flue gas pollution control technologies to industries such as electric power, steel and coking. The discharges from the desulfurization, denitrification or dust removal facilities and equipment that the Group is responsible for maintaining and operating are all in compliance with relevant standards. In view of the characteristics of different environmental construction and O&M projects, we have carried out a variety of technical transformations and management improvement measures to continuously improve the efficiency of flue gas removal. While helping customers reduce pollutant emissions through the construction, operation and maintenance of environmental engineering projects, we also constantly pay attention to the air emissions generated by our own office operations.

The Group continuously make innovation on its flue gas treatment technology. The "ZFD Flue Gas Pollution Control Technology" independently developed by Boqi Environmental is ahead of the technical requirements of "ultra-low emission" in China and provides customers with an integrated flue gas treatment solution known as Green Island. The "ZFD Flue Gas Pollution Control Technology" enabled us to achieve the efficiency of SO<sub>2</sub> removal, NO<sub>x</sub> removal and dust removal emissions of 99.8%, 98% and 1mg/m<sup>3</sup>, respectively. The technology has technical characteristics of flexible combinations, high efficiency, low energy consumption, co-processing and ultra-clean emissions, and has been successfully applied in the ultra-low emission projects of Nanshan Group Yili Power Plant, Shanxi Yuguang BOT, Shanghai Petrochemical Thermal Power Co-generation and Hebei Jinxi Iron and Steel Company.

#### 3.2. 煙氣排放管理

本集團是中國首批認定的高新技術企業，亦是中國煙氣處理行業的首批參與者。我們以《中華人民共和國大氣污染防治法》和中國國務院《打贏藍天保衛戰三年行動計劃》為引領，向電力、鋼鐵、焦化等行業提供以煙氣污染控制技術為核心的環境綜合治理服務。本集團所負責維護及運營的脫硫、脫硝或除塵設施及設備，均按照相關標準達標排放。針對不同的環境建設及運維工程項目的特性，我們開展多種技術改造及管理改善措施，持續提升廢氣脫除效率。在通過環境工程項目的建設及運維幫助客戶減少污染物排放的同時，我們亦時刻關注自身辦公運營所產生的大氣排放物。

本集團不斷創新煙氣處理技術。博奇環保自主研發的「ZFD煙氣污染控制技術」領先於中國「超低排放」的技術要求，為客戶提供一體化的「煙氣環保島」解決方案。「ZFD煙氣污染控制技術」可以實現脫除二氧化硫效率達到99.8%、脫除氮氧化物效率達98%、除塵排放達到1mg/m<sup>3</sup>，具有靈活組合、效率高、能耗低、協同處理及超淨排放的技術特點，並成功應用於南山集團怡力電廠、山西昱光BOT、上海石化熱電聯產、河北津西鋼鐵等超低排放工程。

Through a comprehensive review of our business activities, we have identified certain major atmospheric emissions of the Group's business operations, including SO<sub>2</sub> and NO<sub>x</sub> that are discharged after desulfurization and denitrification treatment in our concession operation projects. During the Reporting Period, the data of the Group's major atmospheric emissions is as follows:

通過對業務活動進行全面的梳理，我們識別出本集團業務運營的主要大氣排放物，包括特許經營項目經過脫硫、脫硝處理後排放的二氧化硫、氮氧化物等。於報告期內，本集團的主要大氣排放物數據如下：

	Unit 單位	2020 2020年度
<b>Emissions</b>		
<b>排放物</b>		
Up to standard SO <sub>2</sub> emission under concession operation 特許經營下達標排放二氧化硫	Tonnes 噸	2,194.00
Up to standard NO <sub>x</sub> emission under concession operation 特許經營下達標排放氮氧化物	Tonnes 噸	2,937.00

Up to standard emission under concession operation refers to the emission of SO<sub>2</sub> and NO<sub>x</sub> from the discharges generated by customers after the treatment by the Group's desulfurization and denitrification system in the Group's flue gas treatment concession projects currently in operation.

特許經營下達標排放量指本集團目前處於運營階段的煙氣處理特許經營項目中由客戶所產生的排放物經本集團脫硫脫硝系統處理後的二氧化硫及氮氧化物排放量。



During the Year, Boqi Environmental won the “Influential Enterprise of Iron and Steel Flue Gas Treatment Award” and Mr. Zeng Zhijun, the vice chairman and chief executive officer of Boqi Environmental, was also selected as the “Influential Person in Flue Gas Treatment Industry” in the “2020 Polaris Cup” award ceremony, demonstrating the Group’s contribution to reducing the emissions of SO<sub>2</sub>, NO<sub>x</sub> and soot in the atmosphere.

### 3.3. Sewage discharge management

Seizing the opportunity of the development of the environmental protection industry, especially the market opportunity of “third-party governance” of environmental pollution, the Group has strategically entered the industrial sewage treatment industry and fully fulfilled the requirements of the Water Pollution Prevention and Control Law of the People’s Republic of China (中華人民共和國水污染防治法) and the Action Plan for Prevention and Control of Water Pollution (水污染防治行動計劃) of the State Council, to help industrial enterprises meet increasingly stringent discharge requirements and to help improve water environmental quality.

本年度，博奇環保獲得2020「北極星杯」鋼鐵煙氣治理影響力企業的榮譽，博奇環保的副董事長兼行政總裁曾之俊亦獲評選為2020「北極星杯」煙氣治理行業影響力人人物，可見本集團為減少大氣中二氧化硫、氮氧化物和煙塵的排放作出貢獻。

### 3.3. 污水排放管理

本集團抓住環保產業發展的機遇，尤其是環境污染「第三方治理」的市場先機，戰略性進軍工業污水處理產業領域，深入落實《中華人民共和國水污染防治法》以及國務院《水污染防治行動計劃》的要求，幫助工業企業滿足日趨嚴格的排放要求，助力水環境質量的改善。

### Case study: Lubao Industrial Park Wastewater Zero Discharge Project

#### 案例：潞寶工業園區廢水零排放項目

During the Year, the Group's Lubao Industrial Park Wastewater Treatment Center in Shanxi, China was operating smoothly, providing wastewater discharge and treatment services for various chemical companies in the park. The project adopts an intensified treatment system for concentrated wastewater and applies advanced technologies, including ultrafiltration, nanofiltration, reverse osmosis and other processes, to solve the problem of complexity of the water quality of the coking wastewater and its relatively large variation tendency, thus achieving the goal of zero discharge of industrial sewage via the wastewater treatment system.

Leveraging on the opportunities arising from the Lubao Sewage Treatment Center, the Group further invested in the project of the intensified treatment system for concentrated water of Lubao Sewage Treatment Center during the Year, so as to provide wastewater treatment and flue gas treatment services for various chemical companies in the park and enhance the overall recovery rate of the project. The water after treatment will be used for recycling in the park to achieve the goal of zero discharge of wastewater.

本年度，本集團位於中國山西的潞寶工業園污水處理中心運行穩定，為園區內各化工企業提供廢水排放處理服務。項目採用濃水深度處理系統，應用超濾、納濾、反滲透等先進工藝，解決園區內焦化廢水水質複雜且變化較大的難題，實現廢水處理系統無工業污水外排的零排放目標。

借助潞寶污水處理中心的機遇，本集團於年度內又投資潞寶污水處理中心濃水深度處理系統項目，為園區內各化工企業提供廢水處理和煙氣治理服務，提高了項目的整體回收率，處理後的達標水用於園區內循環使用，實現園區廢水零排放目標。



#### 3.4. Waste management

The Group has strictly complied with the Environmental Protection Law of the People's Republic of China on Solid Waste Pollution (中華人民共和國固體廢物污染環境保護法), and formulated and implemented the Waste Pollutants Disposal Management System (Trial) (廢棄污染物處置管理制度(試行)) in order to strengthen pollution prevention and control. During the Year, the Group successfully explored its business in the hazardous and solid waste treatment/disposal sector and planned to invest in the construction of the Cooperative Hazardous and Solid Waste Disposal Project of Tangshan Yandong Cement Kiln. The project has been approved by the Board and is planned to be invested and constructed in two phases. After the project is put into operation, the annual disposal capacity of hazardous and solid waste will reach approximately 100,000 tonnes.

The major non-hazardous waste generated by the Group is desulfurized gypsum produced in the flue gas desulfurization process, and the harmful and hazardous waste generated is mainly waste catalyst produced in the flue gas denitrification process. We preferentially sell desulfurized gypsum to users who have the utilization ability for reuse. For the desulfurized gypsum that cannot be reused, it is used in the construction of storage and disposal sites that are constructed in accordance with the Standard for Pollution Control of General Industrial Solid Waste in Storage and Disposal Sites (一般工業固體廢物貯存、處置場污染控制標準). At present, all the desulfurized gypsum generated from the Group's concession operation projects have been sold externally for comprehensive utilization in additive materials in cement plants and gypsum board processing industry. All waste catalysts are transferred to qualified professional recycling factories for disposal after being approved by the environmental protection bureau where the project is located.

#### 3.4. 廢棄物管理

本集團嚴格遵守《中華人民共和國固體廢物污染環境保護法》，制定並實施《廢棄污染物處置管理制度(試行)》，加強污染防治。本年度，本集團成功開拓危固廢處理處置領域，擬投資建設唐山燕東水泥窯協同處置危固廢處理項目。該項目已經通過董事會審議，計劃分兩期投資建設，項目投運後危固廢的年處理量約10萬噸。

本集團所產生的主要無害廢棄物為脫煙氣脫硫環節產生的硫石膏，而所產生的有害廢物則以煙氣脫硝環節產生的廢舊催化劑為主。我們優先將脫硫石膏銷售給有利用能力的用戶進行再利用，並為不能再利用的脫硫石膏按照《一般工業固體廢物貯存、處置場污染控制標準》建設堆存處置場。目前，本集團特許經營項目所產生的全部脫硫石膏已實現對外銷售，於水泥廠添加材料和石膏板加工行業綜合利用。而全部廢舊催化劑則經過項目所在地環保局批准後轉運給有資質的專業回收廠家處置。

During the Reporting Period, the total amount of non-hazardous waste generated by the Group was 3,231,917.00 tonnes, with an intensity of 19.67 tonnes per ten thousand of revenue, while the total amount of hazardous waste generated was 586.10 tonnes, with an intensity of 3.57 kg per ten thousand of revenue. In the future, we will continue to monitor the amount of non-hazardous waste and hazardous waste generated by the Group in order to further its measures on pollution prevention and control.

### 3.5. Use of resources

The Group supports the responsible use of natural resources, and comprehensively implements energy saving, consumption reducing and recycling measures to reduce resource consumption during business operations. The Group has set up a “small performance indicator on consumption planning” for the resources mainly consumed in its project operation such as power, limestone and liquid ammonia. An analysis meeting is organized monthly and an assessment system has been established by the project department, so that energy conservation tasks are delegated into different lower-level teams to ensure the achievement of the targets.

#### 3.5.1. Energy conservation

The energy consumed by the Group is mainly electricity consumed during the operation of equipment and in the office and the fuel consumed by the Group's vehicles. We have formulated and implemented the Energy Saving and Consumption Reduction Management System to reduce energy consumption through various means such as equipment transformation, system optimization and the promotion of low-carbon lifestyle.

於報告期內，本集團的無害廢棄物產生總量為3,231,917.00噸，無害廢棄物產生的密度為每萬元營收19.67噸。而有害廢棄物產生總量則為586.10噸，密度為每萬元營收3.57千克。未來，我們將會繼續監察本集團的無害廢棄物及有害廢棄物的產生量，以便推進污染防治的措施。

### 3.5. 資源使用

本集團支持負責任使用天然資源，全面推行節能降耗、循環利用措施，以減少業務運營過程中的資源消耗。針對電力、石灰石、液氨等項目運營主要耗用的資源，我們設立「小型消耗計劃表現指標」，每月組織召開分析會議，並按照項目部建立考核體系，分層落實節能降耗目標及工作。

#### 3.5.1. 節能降耗

本集團涉及的能源消耗主要為設備運行及辦公過程中的電力消耗，以及名下車輛的燃料消耗。我們制訂並實施《節能降耗管理制度》，通過設備改造、進行系統優化、倡導低碳生活方式等多種方式，降低能源耗用。



The Group has made energy-saving adjustments to the demister, and modified the cyclone blades on the intake side of the condensing and wet film layer of high-efficient demister of absorbing column; transformed some circulating pump motors into permanent magnet motors; carried out energy-saving adjustment to low-load and low-sulfur oxidation blowers; and applied the addition of synergists to projects, so as to further enhance the operating efficiency of power units and reduce energy consumption.

The decoration design of new offices of Boqi Environmental has catered to the needs of energy saving and emission reduction. We use transparent glass to make up most of the walls to fully utilize natural light, and also adopt energy-efficient luminaires. We demarcate the office into different areas, each with an independently controllable lighting system, which is convenient for employees to use flexibly. We remind employees to turn off unnecessary electronic devices. We also regularly measure the brightness of different locations in the office to adjust the number of luminaries appropriately. On the premise of not affecting the image of the Group, the Group allows employees to dress in appropriate casual wear at work in order to reduce the demand for air-conditioning systems. We will regularly clean the filters of lighting devices and air-conditioning systems, and also arrange inspections for the fleet regularly to ensure that engines, tires and other parts can operate normally to enhance energy efficiency.

本集團對除霧器進行節能調整，對吸收塔高效除霧器冷凝濕膜層進氣側旋風片進行改造；將部份循環泵電機改造為永磁電機；開展低負荷、低硫份氧化風機節能調整；採取添加增效劑的措施，進一步提升機組運行效率，減少能源消耗。

博奇環保的新辦公室裝修設計注重節能減排，牆面多為透明玻璃，充分的利用自然光，並採用高能源效益的燈具。我們將辦公室劃分成不同區域，各設有可獨立控制的照明系統，方便員工靈活運用。我們提醒員工關閉不必要的電子設備。我們亦定期測量辦公室不同位置的亮度，以適當調整燈具數量。在不影響集團形象的情況下，本集團容許員工穿著適當的輕便服飾上班，以減少對空調系統的需求。我們會定期清潔照明裝置及空調系統的過濾網，亦會定期為車隊安排檢驗，確保引擎、輪胎等部件可以正常運行，以提高能源使用效益。

During the Year, the Group undertook the Sintering Waste Heat Power Generation Project of Tianjin Iron Works Co., Ltd. Utilizing the CDQ technology, more than 80% of the sensible heat of red coke can be recovered for power generation, which can not only improve energy efficiency, but also enhance coke quality and production rate and avoid pollution. The energy saving service industry is playing an increasingly important role in energy conservation, improving energy efficiency and reducing carbon dioxide emissions, as well as making positive contributions to smog control and the tackling of climate change. The total power consumption of the Group during the Reporting Period was 1,168,524,236.34 kWh, with a power consumption intensity of 7,113.37 kWh per ten thousand of revenue. In the coming year, we will continue to monitor the power consumption of the Group during business operations in order to implement appropriate energy saving measures.

### 3.5.2. Water resources management

The water resources consumed by the Group are mainly water used for production in the course of project operation and equipment cleaning and domestic water used in daily office work. The Group advocates the efficient use of water resources. We devise suitable wastewater recycling plans targeted for each project department, formulate production wastewater recycling plans, reduce wastewater discharge and improve the utilization rate of water resources. We also post water saving signs in toilets to remind employees to turn off the faucets and make good use of the function of the dual-system flush toilet to use water as needed. In order to reduce wastage caused by leakage, we will regularly check the water meter readings and the leakage of water pipes, and arrange the repair work of the problematic water pipes in time and strengthen daily maintenance and management.

本年度，本集團承接天津鐵廠幹熄焦及燒結餘熱發電項目，採用乾熄焦技術可回收80%以上紅焦顯熱用於發電，一方面提高能源利用效率；另一方面可提高焦炭質量、產率，避免污染。節能服務產業在節約能源、提高能源效率、降低二氧化碳排放等方面發揮著日益重要的作用，同時也對霧霾治理、應對氣候變化做出了積極貢獻。本集團於報告期內的總耗電量為1,168,524,236.34千瓦時，而耗電的密度則為每萬元營收7,113.37千瓦時。來年，我們會繼續監察本集團在業務運營過程中的耗電量，以便實行合宜的節能措施。

### 3.5.2. 水資源管理

本集團的主要水資源消耗為項目運行及設備清洗過程中使用的生產用水，以及日常辦公中使用的生活用水。本集團倡導善用水資源。我們針對各項目部設計適用的廢水回收利用方案，制定生產廢水回收利用計劃，減少廢水排放，提高水資源利用率。我們亦在洗手間內張貼節約用水的標示，提醒員工關緊水龍頭，並善用雙制式沖水馬桶的功能按需要用水。為了減少滲漏而造成浪費的情況出現，我們會定期檢查水表讀數及水管有否滲漏的情況，並及時安排有問題水管的維修工作，加強日常維護管理。

We do not have any problems in sourcing water that is fit for purpose. During the Reporting Period, the total water consumption of the Group's operations was 18,331,169.00 cubic meters, with a water consumption intensity of 111.59 cubic meters per ten thousand of revenue. In the coming year, we will continue to monitor our water consumption in the course of business operations and cultivate the habit of saving water among employees.

#### **3.5.3. Paperless office**

In order to reduce paper consumption, the Group uses an office automation system (OA) to realize online processing of office procedures. Meanwhile, the system requires electronic filing of documents to replace the traditional paper-based office administration system. We encourage employees to maximize the use of electronic communication technology to transmit information and reduce paper consumption. The Group also posts a notice in a prominent place next to printers to remind employees of paper reuse and maximizing double-sided photocopying, and collecting one side printed papers for recycling.

我們於求取適用水源過程中並沒有發現任何問題。於報告期內，本集團運營過程總耗水量為18,331,169.00立方米，而耗水密度則為每萬元營收111.59立方米。來年，我們會持續監控本集團在業務運營過程中的耗水量，並培養員工珍惜用水的習慣。

#### **3.5.3. 無紙化辦公**

針對紙張消耗，本集團使用辦公自動化系統(OA)實現辦公流程在線處理，同時制度上要求文件歸檔電子化，取代傳統紙本為主的辦公室行政系統。我們鼓勵員工盡可能利用電子通訊技術傳遞資訊，減省用紙量。本集團亦在印表機旁顯眼處張貼告示，提醒員工盡可能重複使用及雙面使用紙張，並收集已單面使用的紙張作為再循環利用。

	Unit 單位	2020 2020年度
<b>Energy Consumption</b>		
<b>能源耗用</b>		
Power consumption in offices 辦公室耗電量	kWh 千瓦時	283,886.00
Power consumption for project operations 項目運行耗電量	kWh 千瓦時	1,168,240,350.34
Power consumption in total 耗電總量	kWh 千瓦時	1,168,524,236.34
Power consumption intensity 耗電量密度	kWh/ten thousand of revenue 千瓦時／萬元營收	7,113.37
Gasoline consumption 汽油耗用量	Tonnes 噸	186.56
Gasoline consumption intensity 汽油耗用密度	Kg/ten thousand of revenue 千克／萬元營收	1.14
Diesel consumption 柴油耗用量	Tonnes 噸	20.65
Diesel consumption intensity 柴油耗用密度	Kg/ten thousand of revenue 千克／萬元營收	0.13
<b>Water Consumption</b>		
<b>水源耗用</b>		
Water consumption in offices 辦公室耗水量	Tonnes 噸	7,202.00
Water consumption for project operations 項目運行耗水量	Tonnes 噸	18,323,967.00
Water consumption in total 耗水總量	Tonnes 噸	18,331,169.00
Water consumption intensity 耗水量密度	Tonne/ten thousand of revenue 噸／萬元營收	111.59

#### 4. MAINTAINING BRAND INTEGRITY

The Group pays great attention to brand integrity. We strictly abide by the laws and regulations of the state and regulatory agencies, adhere to compliant operations and foster a culture of integrity. While ensuring safe production, we attach great importance to the rights and interests of customers, continuously improve our own technological innovation capabilities and continue to optimize our supplier management system. We are committed to providing customers with high-level integrated environmental governance services and continuously promoting the development of the industry.

##### 4.1. Service quality management

The Group attaches great importance to project quality and strictly complies with relevant national and industry requirements and standards such as the Building Law of the People's Republic of China (中華人民共和國建築法) and the Regulation on the Quality Management of Construction Projects (建設工程質量管理條例). Upholding the principle of "sustaining by quality, developing by reputation and benefiting by management", the Group continues to improve the level of quality management throughout the project process. During the Reporting Period, the Group achieved its annual quality target of zero major quality accident, no abnormal shutdowns or unusual operation events occurred due to quality reasons, and no product had to be recalled due to quality problems.

#### 4. 維護誠信品牌

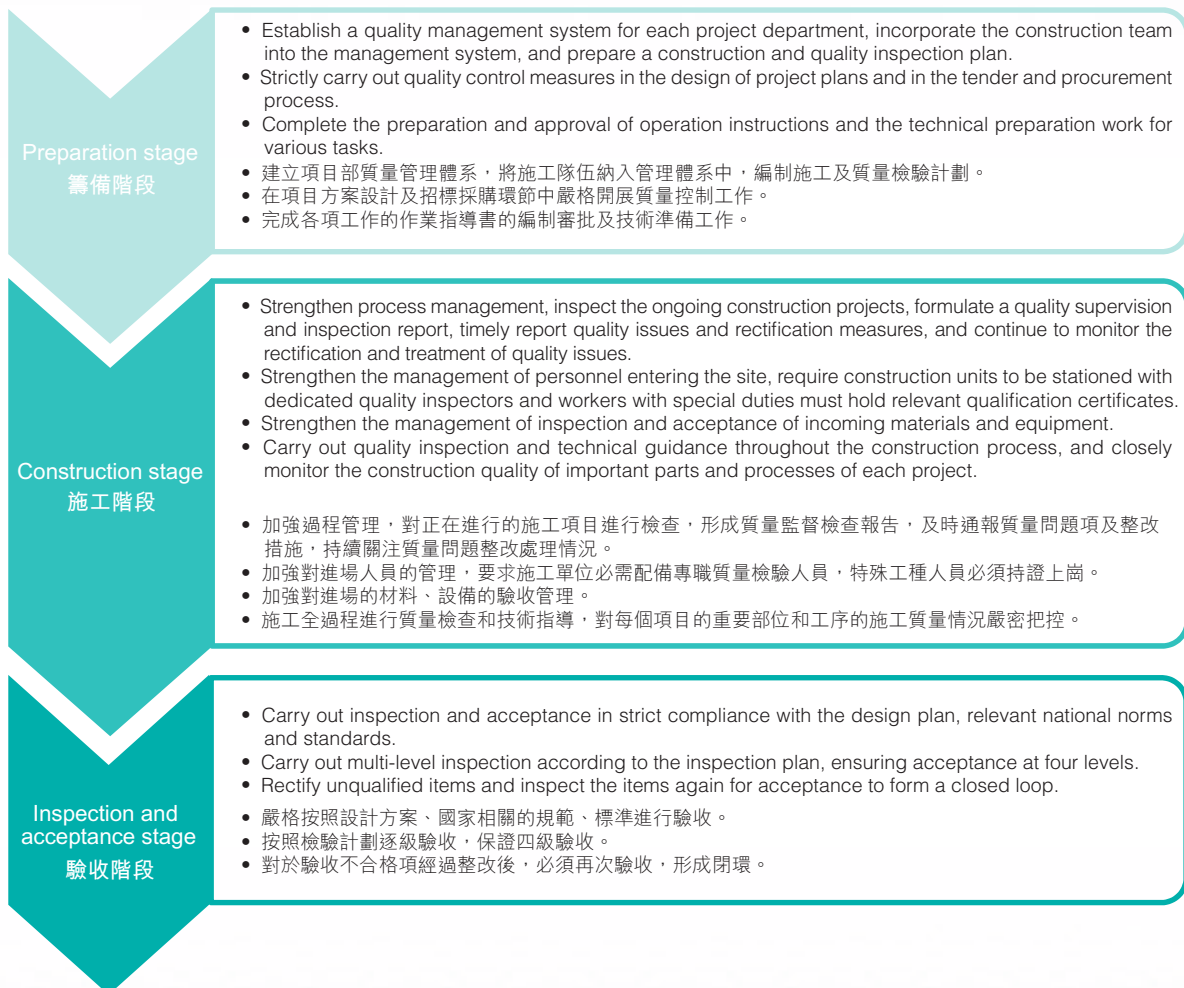
本集團高度關注品牌誠信。我們嚴格遵守國家及監管機構的法律法規，堅持合規經營，倡導廉潔建設文化。在確保安全生產的同時，我們重視客戶權益，不斷提升自身技術創新能力，並持續完善供應商管理體系，致力為客戶提供高水平的環境綜合治理服務，持續推動行業發展。

##### 4.1. 服務質量管理

本集團高度重視工程質量，嚴格遵守《中華人民共和國建築法》、《建設工程質量管理條例》等國家及行業的相關規範和標準，以「以質量求生存、以信譽求發展、以管理求效益」為原則，持續提升工程質量管理水平。於報告期內，本集團達成重大質量事故為零的年度質量目標，未發生因質量原因造成的不正常停機或不正常運行事件，亦未發生因質量問題需對產品進行回收的情況。

We have established and implemented the Engineering Quality Management System, the Engineering Quality Inspection and Acceptance System and the Engineering Quality Reward and Punishment System, thereby constructing a three-level quality supervision and management system and improving internal quality management, covering the full cycle of engineering design, construction, inspection and acceptance. The Group has obtained the quality management system (GB/T28001-ISO9001) certification, and will pay close attention to the latest national and industry standards to update and improve its own quality management and assurance system in a timely manner.

我們建立並實施《工程質量管理制度》、《工程質量檢查驗收制度》、《工程質量獎懲制度》等，構建三級質量監督管理體系，完善工程籌備、施工、驗收全週期的內部質量管理工作。本集團已獲得質量管理體系(GB/T28001-ISO9001)認證，並密切留意國家及行業最新的標準，以適時更新及完善自身質量管理和保證體系。



At the same time, the Group has implemented a comprehensive operation guarantee mechanism, to ensure the smooth progress of operation services as well as the normal operation of the facilities and equipment in regular maintenance service in various aspects such as team building, standardized management, inspection and maintenance, material management and inter-departmental collaboration.

同時，本集團實行全方位運行保障機制，在團隊組建、標準化管理、檢修維護、物資管理、跨部門協作等各方面，確保運營服務及常規維護服務設施及設備正常運行。



#### 4.2. Compliant and safe production

The Group always adheres to the safety management concept of “zero accidents, zero damage and zero casualty”, and strictly complies with the Production Safety Law of the People’s Republic of China (中華人民共和國安全生產法), the Law of the People’s Republic of China on Prevention and Control of Occupational Diseases (中華人民共和國職業病防治法) and the relevant laws and regulations of the place of operation, thereby continuously enhancing the level of production safety management. During the Reporting Period, the Group did not encounter any major safety accidents, nor did it experience any punishment for serious violations of laws and regulations related to occupational health and safety in the locations where it operates.

In order to effectively implement safety management, the Group continues to promote the formulation and implementation of safe production standardization. At the stage of standards formulation, we strictly follow the national standards and regulations to establish a safety and quality management system for each professional process, and start with each procedure and every aspect to enhance the overall level of safe production standardization. At the implementation level, we have formulated and implemented the Safe Production Responsibility System and Work Safety Responsibilities, implemented the safe production responsibility system, and adopted a two-tier and three-level safety management model to improve the safe production management organization system.

#### 4.2. 合規安全生產

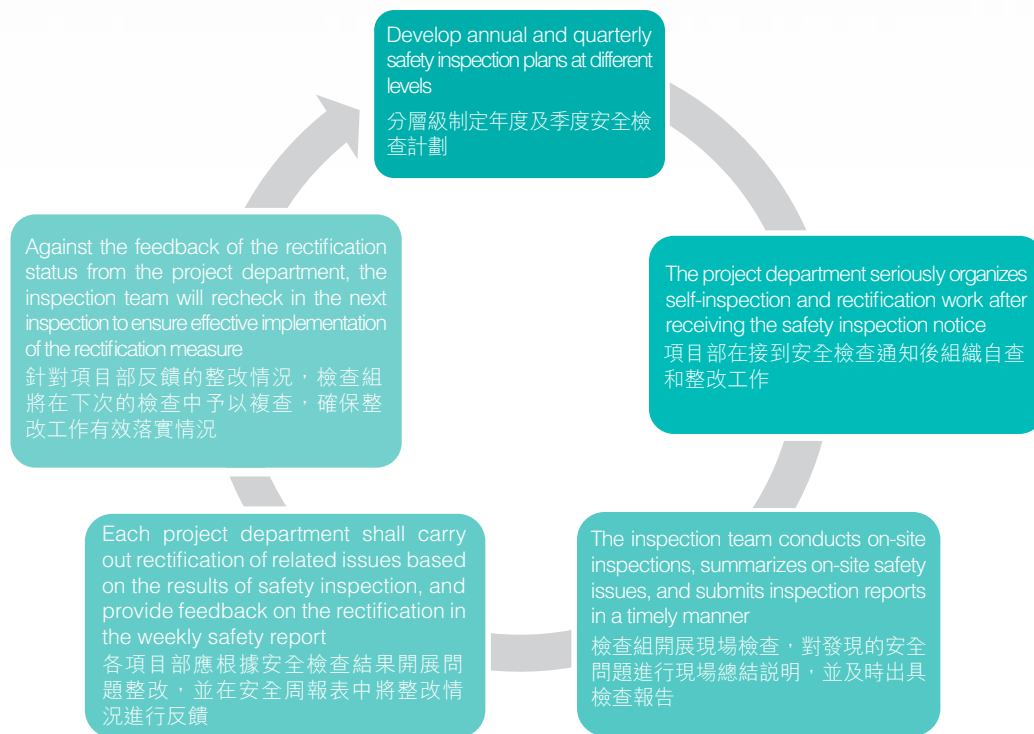
本集團始終堅持「零事故、零傷害、零傷亡」的安全管理理念，嚴格遵守《中華人民共和國安全生產法》、《中華人民共和國職業病防治法》及運營地相關法律法規，持續提高安全生產管理水平。報告期內，本集團並未發生任何重大安全事故，亦未曾發生任何有關嚴重違反運營所在地職業健康安全相關法律法規而遭受處罰的情況。

為了有效落實安全管理工作，本集團持續推進安全生產標準化的創建和執行工作。在標準創建階段，我們嚴格按照國家標準規程操作建立各專業工序安全質量管理體系，並從每道工序、每一個環節入手，提高安全生產標準化的整體水平。在執行層面，我們制定並實施《安全生產責任制及崗位安全職責》，落實安全生產責任制，並採用雙層三級安全管理模式，完善安全生產管理組織體系。



In response to potential safety hazards, the Group has formulated and implemented its Safety Hazard Detection and Governance and Management System to normalize the execution of a closed-loop safety inspection process, which has ensured the timely detection and rectification of potential safety hazards. We have also formulated the Special Weather Safe Production Management System, which prohibits construction operations under extreme weather conditions such as gales, heavy snow, earthquakes, extreme cold and scorching heat, and have strengthened special prevention work and precaution management for various types of emergencies to ensure construction safety.

針對安全隱患，本集團制定並實施《安全事故隱患排查和治理管理制度》，常態化執行閉環的安全檢查流程，以及時發現並進行整改。我們亦制定了《特殊天氣安全生產管理制度》，禁止在大風、大雪、地震、極寒、炎熱等極端氣候條件下進行施工作業，並加強各類突發事件的專項預防及應急準備管理，保障施工安全。



安全檢查閉環流程

Closed-loop safety inspection process

While carrying out the standardized management of safe production, the Group has formulated and implemented its Safety Education and Training Management System to design practical education and training on safety targeting for employees in different positions, with a view to improving the quality of production safety of employees.

在落實安全生產標準化管理工作的同時，本集團制定並實施《安全教育培訓管理制度》，針對不同崗位的從業人員設計實用性的安全教育培訓，以提高員工的安全生產素質。

**Targets**

**Safety education and training**

**對象**

**安全教育培訓**

Administrative managers and project managers

Trainings are provided on relevant policies and regulations as well as basic management and technical know-hows. As such, the management personnel's understanding on work safety can be enhanced and the basic safe production technology and security management methods can be mastered, thus providing sound conditions for safe production.

行政管理人員及項目管理人員

進行有關政策法規以及基本管理及技術知識的培訓，從而提高管理人員對安全生產工作的認識，掌握基本的安全生產技術和安全管理方法，為保障安全生產提供良好條件。

Safe production management personnel

Trainings and education are provided on specialized laws and regulations, policies and standards, safe production management, technology, accident prevention, work-related injury and occupational disease management and safety culture etc., thus improving the safety management level of professionals in all aspects.

安全生產管理人員

開展專業化的法規、政策及標準，安全生產管理、技術，事故預防、工傷事故和職業病管理、安全文化等內容的培訓教育，全方位提升專業人員安全管理水平。

Lower-level employees

Safety trainings are conducted in daily work through various forms such as three-level education, special operations and regular education, and take advantage of the opportunities of regular and special inspections to carry out themed trainings on occupational health and safe production education for front-line employees in order to strengthen their safety awareness and ability.

基層員工

通過三級教育、特種作業和經常性教育等多種形式在日常工作中開展安全培訓，並利用定期檢查和專項檢查機會，對一線員工開展職業健康和安全生產教育主題培訓，強化員工安全意識和能力。

#### Case study: Safe Production Month Campaign of “Eliminating Hidden Hazards and Building Up a Safety Defense”

案例：「消除事故隱患築牢安全防線」安全生產月活動



In order to further enhance employees' awareness of safe production and improve the quality of safe production of all employees, the Group actively launched a safe production month campaign for each project with the theme of “eliminating hidden hazards and building up a safety defense”, based on the principles laid down in the “Notice on Launching the 2020 Safety Production Month Campaign” issued by the Safety and Quality Department and the “Notice on Launching the 2020 O&M Safety Production Month Campaign” issued by the O&M Business Center.

Through orchestrated drills and training, comprehensive deployment, serious implementation and focusing on actual results, the campaign has strengthened the safety management mechanism and achieved the purpose of publicizing the relevant safe production laws and regulations, safe production knowledge and safe production management system for the state, thus enhancing the safety awareness and the ability to prevent accidents of all employees. All specialized units have actively cooperated and carried out diverse and vivacious safety activities, which intensified the investigation and management of hidden hazards and further strengthened the awareness of the importance of work safety among all employees.

為了進一步加強員工安全生產意識，提高全員安全生產素質，根據安質部下發的《關於開展2020年「安全生產月」活動的通知》，運維業務中心下發的《運維2020年「安全生產月」活動的通知》的文件精神，本集團各項目積極開展以「消除事故隱患，築牢安全防線」為主題的安全生產月活動。

通過精心組織演練和培訓、全面部署、認真落實、注重實效，活動增強了安全管理機制，實現了宣傳國家有關安全生產法律法規、安全生產知識、安全生產管理制度的目的，重點增強了全體職工的安全意識和防範事故的能力。各專業積極配合，開展了形式多樣、內容豐富的安全活動，加大隱患排查治理力度，進一步強化了全員對安全工作重要性的認識。

#### 4.3. Cultivating integrity and morality

The Group strictly abides by laws and regulations related to integrity operation such as the Company Law of the People's Republic of China (中華人民共和國公司法) and the Anti-Money Laundering Law of the People's Republic of China (中華人民共和國反洗錢法), and has carried out steadily the works of promoting anti-corruption and integrity. We have formulated and implemented rules and regulations such as the Management Regulations for Administrative Penalties of the Company, the Internal Control Guidelines, the Internal Audit Guidelines and Administrative Measures on Anti-Money Laundering (Trial), and established an anti-corruption system covering early prevention, monitoring process of corruption incidents and post-incident evaluation and handling.

In order to constantly practice clean and ethical operation, the Group has formulated the Boqi Environmental Professional Code, which expressly prohibits any form of malpractice and fraud and requires employees to strictly abide by it. We have also entered into the Officer Professional and Ethics Agreement with employees from the procurement department to regulate employee behavior in terms of system procedures, professional industry standards and integrity and self-discipline. At the meantime, we encourage employees and those who have business dealings with the Group to report possible unethical behavior and integrity issues existing within the Group through e-mail and other means. We strictly protect the privacy of whistleblowers and have a competent department responsible for handling reports on bribery, extortion, fraud and money laundering. After receiving the reported information, the competent department will verify the relevant information, conduct investigations or special audits as appropriate and give handling advice.

During the Reporting Period, we were not aware of any lawsuits regarding corrupt behaviors such as bribes, extortion, fraud and money laundering brought against the Group or its employees.

#### 4.3. 廉潔道德建設

本集團嚴格遵守《中華人民共和國公司法》、《中華人民共和國反洗錢法》等與廉潔運營相關的法律法規，紮實開展反腐倡廉建設工作。我們制定並實施《行政處罰管理規定》、《內部控制管理制度》、《內部審計管理制度》、《反洗錢工作管理辦法(試行)》等規章和制度，構建覆蓋事前預防、事中監督、事後評估及處理的反貪污體系。

為了貫徹落實廉潔道德運營，本集團制定了《博奇環保職業規範》，明文禁止任何形式的徇私舞弊的行為，並要求員工嚴格遵守。我們亦與採購部員工簽訂《員工職業操守承諾書》，從制度流程、員工職業行業標準及廉潔自律等方面規範員工行為。同時，我們鼓勵員工及與本集團有業務往來的人士透過電子郵箱等方式舉報本集團內部可能存在的道德行為及誠信事宜。我們嚴格保密舉報人的隱私，並設有負責處理關於賄賂、勒索、欺詐及洗黑錢的舉報事宜的主管部門。在收到舉報信息後，主管部門會核實相關信息，並視情況適當進行調查或開展專項審計，以及提出處理意見。

於報告期內，我們並不知悉任何對本集團或員工提出的任何賄賂、勒索、欺詐及洗黑錢的貪污訴訟案件。

#### 4.4. Promoting industry development

The Group firmly believes that “innovation is an inexhaustible driving force for enterprise development”. We have successively set up a training base with simulation of different work scenarios, a laboratory for physical model and flow field, a seawater desulfurization thermal experimental platform and a R&D test platform, and also established a Beijing-certified enterprise technology center and a post-doctorate science & research work station. We continuously improve our technological innovation capabilities and persistently promote the development of the industry.

We have formulated the Regulations on the Management of R&D Projects and the Regulations on the Management of Technical Standardization and other regulations to improve our internal innovative research and development system. We promote technology exchanges between enterprises and technical exchanges internationally through various schemes such as technology import authorization, project technology cooperation and joint technology development, so as to master the industry's cutting-edge technologies. We also actively cooperate with well-known universities through diversified means such as scientific experiments, joint R&D and talent development, so that we can drive the transformation of scientific and technological achievements via the promotion of the integration of production, learning, research and application. Besides, the Group actively participates in the formulation and promotion of national standards and industry standards to promote the enhancement of the overall industry level.

#### 4.4. 推動行業發展

本集團深信「創新是企業發展的不竭動力」。我們先後搭建全工況模擬培訓基地、物模流場試驗室、海水脫硫熱態實驗平台和研發試驗平台，成立北京市認定的企業技術中心、企業博士後科研工作站，不斷提升自身技術創新能力，並持續推動行業發展。

我們制定了《研發項目管理規定》、《技術標準化管理規定》等，完善內部創新研發體系。我們通過技術引進授權、項目技術合作、聯合技術開發等模式，推動企業間及國際間的技術交流，掌握行業前沿技術。本集團亦積極與知名高校合作，通過科學實驗、聯合研發、人才培養等形式，促進產、學、研、用相結合，推動科技成果轉化。此外，本集團積極參與國家標準和行業標準的制定與推廣工作，以推動行業整體水平的提升。



Due to its strong R&D capabilities, the Group has been rated as an “Innovative Pilot Enterprise in Zhongguancun Science and Technology Park”, a “Demonstration and Pilot Enterprise for Intellectual Property in Beijing” and a “Standardized Pilot Unit in Zhongguancun Science and Technology Park”, and its R&D projects have been acclaimed as “SCR Flue Gas Denitrification Key Technology and Equipment R&D and Industrialization Major Project in Zhongguancun”. During the Year, Boqi Environmental was also designated as the vice chairman unit of the Metallurgical Business Association under the All-China Federation of Industry and Commerce, thereby making contributions to the information exchange and development of the environmental pollution governance industry.

While strengthening its own innovative research and development capabilities, the Group carefully handles various business information and spares no effort to safeguard the Group’s trademarks, patents, copyrights, confidential business data and other intellectual property rights. We strictly abide by the Advertising Law of the People’s Republic of China (中華人民共和國廣告法), the Trademark Law of the People’s Republic of China (中華人民共和國商標法), the Patent Law of the People’s Republic of China (中華人民共和國專利法), the Copyright Law of the People’s Republic of China (中華人民共和國著作權法) and the Intellectual Property Law of the People’s Republic of China (中華人民共和國知識產權法) and other laws and regulations, and have formulated and implemented our own Patent Management and Reward System. We have also set up a centralized department for patent management, which is responsible for formulating patent management systems and patent strategies, organizing patent applications and the management of proprietary intellectual property rights to ensure that the intellectual property management work is carried out in an orderly manner. During the Reporting Period, the Group maintained a total of 55 registered patents and was granted 5 new patents.

本集團憑藉雄厚的研發能力，被評為「中關村科技園區創新型試點企業」、「北京市知識產權示範、試點企業」及「中關村科技園區標準化試點單位」，研發項目獲評為「中關村SCR煙氣脫硝關鍵技術和裝備研發與產業化重大項目」。本年度，博奇環保亦被指定為全聯冶金商會副會長單位，為環境污染治理行業交流及發展貢獻力量。

在加強自身創新研發實力的同時，本集團謹慎處理各項業務信息，全力維護本集團的商標、專利、著作權、業務機密數據及其他知識產權。我們嚴格遵守《中華人民共和國廣告法》、《中華人民共和國商標法》、《中華人民共和國專利法》、《中華人民共和國著作權法》及《中華人民共和國知識產權法》等法律法規，制定並實施《專利管理及獎勵制度》。我們已設立專利管理歸口部門，負責制定專利管理制度及專利戰略、組織進行專利申請、管理自主知識產權等，確保有序開展知識產權管理工作。於報告期內，本集團共保持55項註冊專利件，並新增5項專利授權。

#### 4.5. Protecting customers' interests

The Group values the rights and interests of customers. We strictly abide by the Confidentiality Law of the People's Republic of China (中華人民共和國保密法), the Consumer Rights Protection Law of the People's Republic of China (中華人民共和國消費者權益保護法) and other laws and regulations to strictly protect customers' trade secrets. We require employees to sign a confidentiality agreement at the same time of entering into the labor contract, and specify in the Boqi Environmental Professional Code that "all employees are obliged to keep company-related information confidential, including information in relation to the Company's assets, products and customer information, and no information related to the Company may be disclosed to third parties without the Company's authorization". As such, the rights and interests of customers are highly protected.

The Group has established a comprehensive customer communication and feedback mechanism, and actively communicates with customers to continuously enhance the standard of customer service. We have formulated the Owner Satisfaction Survey Form, which seeks satisfaction evaluations from owners of various O&M projects every quarter. We also require senior officers to visit the owner when inspection and guidance work are being conducted for related project, and listen to the owner's evaluation opinions. We will gather feedback from the owners and organize relevant departments to formulate corresponding issue-specific improvement plans.

During the Year, the Group did not receive any complaints.

#### 4.5. 保障客戶權益

本集團重視客戶權益。我們嚴格遵守《中華人民共和國保密法》、《中華人民共和國消費者權益保護法》等法律法規，嚴密保護客戶的商業秘密。我們要求員工在簽訂《勞動合同》的同時簽訂《保密協議》，並在《博奇環保職業規範》中明確「所有員工有義務對公司擁有的資產、產品及客戶的資料等公司利益相關的信息保守秘密，未經公司授權，不得將有關公司的任何信息透露給第三方」，多重保障客戶權益。

本集團建立了完善的客戶溝通反饋機制，積極與客戶溝通交流，以持續提升客戶服務水平。我們制定了《業主滿意度調查表》，每季度向各運維項目的業主方徵求滿意度評價。我們亦要求高管人員在項目檢查、指導工作時回訪業主方，聽取業主方的評價意見。我們會匯總業主方的反饋，組織有關部門制定相應針對性改進方案。

本年度，本集團沒有接獲投訴個案。

#### 4.6. Sustainable supply chain

A sustainable supply chain is the cornerstone of maintaining the business operations of the Group. We continue to improve the supplier management system and strive to establish good cooperative relations with suppliers to support the steady and healthy development of the Group's business. During the Year, the Group had more than 550 suppliers, of which more than 510 were from Mainland China and 40 were from overseas. They can be categorized into suppliers of process equipment, electrical equipment, thermal control equipment, denitrification equipment, materials and spare parts. In the aspect of supplier access and tender and procurement, we have formulated and implemented the Regulations for the Management of Qualified Suppliers, the Regulations for the Procurement Management of Engineering Equipment/Material, the Project Tender Management System and the O&M Tender Management System according to the operating characteristics of different projects and the features of purchased products and services, in order to ensure that the purchased products comply with the requirements of the contracts, national or industry mandatory standards, regulations and specifications, as well as meeting the special needs of customers and projects. We strictly evaluate suppliers' security management and corporate legal credibility, business conditions, quality management system, environmental management system, occupational health and safety system certification, industry performance, market conditions, financial conditions, technical standards, production and operation conditions and the qualifications in areas such as environmental and social responsibility performance, in order to avoid environmental and social risks in the supply chain.

#### 4.6. 可持續供應鏈

可持續的供應鏈是維持本集團業務運營的基石。我們持續完善供應商管理體系，致力與供應商建立良好的合作關係，以支持本集團業務平穩健康發展。本年度，本集團的供應商有超過550家，其中逾510家來自中國內地，40家來自海外地區，主要可分為工藝類設備、電氣設備、熱控設備、脫硝設備、材料類及備品備件供應商。在供應商准入及招標採購方面，我們針對不同項目的運行特點以及所採購產品及服務的特性，制定並實施《合格供應商管理規定》、《工程設備／材料採購管理規定》、《工程類招標管理制度》及《運維類招標管理制度》等，確保所採購的產品符合合同、國家或行業強制性標準、規定和規範要求，並滿足客戶及項目的特殊需求。我們嚴格考量供應商的安全管理及企業法律信譽、經營情況、質量管理體系、環境管理體系、職業健康安全體系認證情況、行業業績、市場情況、財務狀況、技術標準、生產經營狀況、環境及社會履責情況等資質，以規避供應鏈上的環境及社會風險。



While strengthening supply chain risk management, we preferably purchase environmentally friendly, energy-efficient products and actively practice green procurement. At present, all the high-voltage motors purchased by the Group comply with the “Secondary Energy Efficiency IE3” standard in the national standard “Minimum allowable values of energy efficiency and energy efficiency grades for small and medium three-phase asynchronous motors” (中小型三相異步電動機能效限定值及能效等級) (GB18613-2012), thereby reducing the energy consumed in equipment operation.

The Group continues to focus on all aspects of management and practical performance of suppliers, and conduct quarterly and annual evaluations for the admitted suppliers. Supplier’s contract performance capabilities, after-sales services, product and project quality, construction quality, safe production management and environmental management, technical capabilities, integrity, honesty and cases of violations of laws and regulations are all important evaluation indicators. Based on the evaluation results, we will classify the suppliers into different cooperation categories, and will also provide feedback and monitor the rectification of related issues by relevant business departments, so as to encourage suppliers to improve continuously.

#### 5. BUILDING A PROFESSIONAL TEAM

Employees are the foundation for the development of the Group’s business and are also its valuable assets. We uphold the development principle of “strengthening the enterprise with talents” and vigorously protect the legitimate rights and interests of employees through a standardized human resource management system, so as to achieve harmonious progress for the Group and the employees as a whole. As of 31 December 2020, the Group had a total of 1,890 employees and most are based in Mainland China.

在強化供應鏈風險管理的同時，我們優先考慮採購環境友好、高效節能的產品，積極踐行綠色採購。目前，本集團所採購的全部高壓電機均符合國家標準《中小型三相異步電動機能效限定值及能效等級》(GB18613-2012)中的「二級能效IE3」標準，從而降低設備運行中的能源消耗。

本集團持續關注供應商各方面的管理及實踐表現，對准入的供應商開展季度考評及年度考評。供應商的合同履約能力、售後服務、產品及工程質量、施工質量、安全生產管理及環境管理情況、技術能力、誠信履約及違法違規情況等均是重要的評核指標。根據評估考核結果，我們會將供應商劃分為不同合作類別，亦會通過相關業務部門作出反饋並督促問題整改情況，推動供應商持續改進。

#### 5. 打造專業員工團隊

員工是推動本集團業務運營的基礎，也是本集團的重要資產。我們秉承「人才強企」的發展原則，積極通過規範化的人力資源管理體系，保障員工的合法權益，與員工和諧共進。於2020年12月31日，本集團的員工團隊共有1,890人，其中大部份僱員常駐於中國大陸。

	Unit 單位	2020 2020年度
<b>Total number of employee</b> 僱員總數	No. of people 人數	1,890
<b>Number of employee by gender</b> 按性別劃分的員工人數		
Female 女性	No. of people 人數	445
Male 男性	No. of people 人數	1,445
<b>Number of employee by employment type</b> 按僱員類別劃分的員工人數		
Concession operation management personnel 特許經營管理人員	No. of people 人數	67
Engineering and technical staff 工程技術人員	No. of people 人數	128
Sales personnel 銷售人員	No. of people 人數	33
Research and development personnel 研發人員	No. of people 人數	64
Administrative personnel 行政管理人員	No. of people 人數	28
Production personnel 生產人員	No. of people 人數	1,570
<b>Number of employee by age group</b> 按年齡組別劃分的員工人數		
Aged below 30 30歲以下	No. of people 人數	683
Aged 30 to 40 30-40歲	No. of people 人數	675
Aged above 40 40歲以上	No. of people 人數	532

#### 5.1. Employment practice

The Group strictly abides by the Labor Law of the People's Republic of China (中華人民共和國勞動法), the Labor Contract Law of the People's Republic of China (中華人民共和國勞動合同法), the Minors Protection Law of the People's Republic of China (中華人民共和國未成年人保護法) and the Prohibition of Child Labor Provisions (禁止使用童工規定) and other laws and regulations, adheres to the principle of equal employment and is committed to creating an ideal workplace environment that is harmonious and inclusive for the employees. We has formulated and implemented the Regulations on Recruitment and Employment Management and set up legal and compliant recruitment conditions based on the principles of fairness, impartiality and openness to recruit talents through various channels. The qualifications of professionals are evaluated in the aspect of compliance, attitude, performance and ability, and discrimination arising from race, gender, marital status, religious beliefs and other factors is strictly prohibited.

The Group enters into labor contracts with all employees and, in accordance with relevant laws and regulations, specifies the positions, responsibilities, working hours, labor conditions, remuneration, benefits, training, and confidentiality of trade secrets, etc., to protect the basic rights and interests of employees. We oppose any form of forced labor and verify the identity of employees when signing labor contracts to avoid the use of child labor, forced labor and other illegal labor. In addition, the Group formulates job responsibilities for each position so that employees can clearly understand and voluntarily accept their job specifications and requirements before employment. In the event of dismissal of employees, the Group complies with the relevant provisions in the Labor Law of the People's Republic of China (中華人民共和國勞動法) and the Labor Contract Law of the People's Republic of China (中華人民共和國勞動合同法) and strictly prohibits any unfair or unreasonable dismissal.

#### 5.1. 僱傭常規

本集團嚴格遵守中國《中華人民共和國勞動法》、《中華人民共和國勞動合同法》、《中華人民共和國未成年人保護法》、《禁止使用童工規定》等法律法規，堅持平等僱傭原則，致力為員工打造和諧共融的理想職場環境。我們制定並實施《招聘與錄用管理規定》，本著公平、公正、公開的原則設定合法合規的招聘條件，採取多樣化形式進行招聘，從合規、態度、績效和能力等方面評估專業人員的任職資格，嚴禁因種族、性別、婚姻狀況、宗教信仰等因素的歧視行為。

本集團與全部員工訂立勞動合同，按照相關法規，明確員工的職位、職責、工作時間、勞動條件、勞動報酬、福利待遇、培訓、有關商業秘密的保密責任等事項，保障員工的基本權益。我們反對任何形式的強制勞動，在與員工簽訂勞動合同的同時核實員工身份，以避免使用童工、強制勞動及其他非法用工的情況。此外，本集團為每個崗位制訂崗位職責，讓員工到崗前清楚了解工作任務和要求並自願接受。關於員工解僱，本集團按照《中華人民共和國勞動法》及《中華人民共和國勞動合同法》中相關規定執行，嚴格禁止不公平或不合理的解僱事件發生。

During the Reporting Period, the Group did not violate any laws and regulations related to remuneration and dismissal, recruitment and promotion, working hours, equal opportunities, diversity, anti-discrimination and prevention of child labor or forced labor, nor any violation of laws and regulations related to child labor or forced labor was found within the Group.

## 5.2. Welfare benefits

The Group strictly abides by the Labor Law of the People's Republic of China (中華人民共和國勞動法) and other relevant regulations in the locations where it operates, and formulates employee welfare policies based on the principles of lawfulness and reasonableness. We have established a salary system of "basic salary + bonus + allowance", pursuant to which and coupled with an assessment system guided by "performance result", we will consider group and individual performance and employees' salaries will be paid in full and on time. Meanwhile, we have implemented equity incentive policies for the Company's core management personnel and key employees to ensure that they are reasonably remunerated.

In addition to statutory holidays, employees can enjoy personal leave, sick leave, work injury leave, marriage leave, funeral leave, maternity leave and paternity leave. We also provide employees with paid annual leave according to their work experience and length of service in the Group. The Group participates in employee retirement benefit plans and housing provident fund plans in accordance with China's national policies, thus providing unified payment of pension insurance, basic medical insurance, unemployment insurance, work injury insurance, maternity insurance and housing provident fund for eligible employees, as well as purchasing accidental commercial insurance and supplementary medical insurance for employees. We will also provide employees with transportation allowances, meal allowances and other benefits whenever appropriate, in order to meet the needs of employees in all aspects.

於報告期內，本集團並沒有違反任何有關薪酬及解僱、招聘及晉升、工作時數、平等機會、多元化、反歧視、防止童工或強制勞工的相關法律及規例，亦沒有於本集團內發現聘用童工或強制勞工的違規情況。

## 5.2. 福利待遇

本集團嚴格遵守《中華人民共和國勞動法》及其他運營所在地有關規定，以合法、合理為原則制定員工福利待遇政策。我們建立了「基本工資+獎金+津貼」的薪酬體系，配合以「績效結果」為導向的考核體系，考慮集團績效與個人績效，按時並足額向員工發放薪金。同時，我們對公司核心管理人員及骨幹員工實施股權激勵政策，確保員工獲得合理的報酬。

除了法定節假日外，員工可享有事假、病假、工傷假、婚假、喪假、產假及陪產假期。我們亦按員工工齡、司齡為員工提供帶薪年休假。本集團按中國國家政策規定參加職工退休福利計劃和住房公積金計劃，為符合條件的員工統一繳納養老保險、基本醫療保險、失業保險、工傷保險、生育保險和住房公積金，並為員工購買意外商業保險及補充醫療保險。我們亦會按情況向員工發放交通補貼、午餐補貼及其他福利費，全方位照僱員工的需要。

In addition, the Group pursues a democratic management approach, respects the demands of employees and strives to establish a harmonious labor relationship. We have independent trade union branches in place, and also established mechanisms for the open discussion of corporate affairs, the meetings of representatives of employees and the communication between employees and directors or supervisors, respectively, thus forming a smooth channel for employees' communication and feedback and safeguarding their rights of expression and participation.

#### 5.3. Training and development

The Group attaches great importance to the training of employees and is committed to comprehensively enhancing its overall abilities in plan execution, project management and teamwork. In accordance with its own Training Management Regulations and based on the principle of “on-demand training and serving the practical purpose”, the Group carried out the talent training work for the Year guided by its business strategy and annual business objectives. In response to the training needs of different employees, the Group provides diversified training courses, including corporate culture training, talent training and employee motivation training, technology and policy training for new business such as water treatment and environmental restoration, as well as training on general skills and management, thereby realizing the joint development of the company and employees. During the Reporting Period, the Group conducted 22 training programs of business management, 49 training programs of professional techniques, 2 training programs of safe production, 4 training programs of sales skills, 9 training programs for professional qualifications and new employees, with the training rate of employees reaching 96%.

此外，本集團奉行民主的管理方式，尊重員工的訴求，致力與員工建立和諧的僱傭關係。我們設有獨立工會分支，亦建立了企務公開機制、職工代表大會機制、職工董事及職工監事機制，暢通員工溝通渠道，保障員工的表達權與參與權。

#### 5.3. 培訓及發展

本集團高度重視對員工的培訓，致力全面提高本集團的整體計劃執行能力、項目管理能力、團隊協作能力。我們依據《培訓管理規定》，以「按需培訓、學以致用」為原則，並以本集團的經營戰略和年度經營目標為指導，開展本年度的人才培養工作。針對不同員工的培訓需求，本集團提供多元化培訓課程，包括公司企業文化培訓、人才培養及員工激勵培訓、新業務水處理及環境修復技術和政策培訓、還有通用技能及管理類培訓等，實現公司和員工的雙重發展。於報告期內，本集團進行了22項經營管理類、49項專業技術類、2項安全生產類、4項銷售技能類、9項執業資格及新員工培訓類的培訓計劃，員工培訓率達到96%。

We pay close attention to the career development of employees, and actively build a professional team of employees by optimizing the talent structure. In order to meet the needs of the Group's business and employees' career development, we formulated and implemented the Promotion Evaluation Administrative Measures for design and R&D personnel and project managers, so as to provide employees with a clear development path. We also implement a rotation system for middle-level and senior managers, to open up horizontal development channels for employees and help them fulfill their career development plans.

#### 5.4. Health and safety

Occupational safety and employees' physical and mental health are of vital importance to the Group. We strictly abide by the Law on Prevention and Control of Occupational Diseases of the People's Republic of China (中華人民共和國職業病防治法), the Production Safety Law of the People's Republic of China (中華人民共和國安全生產法), the Provisions on the Supervision and Administration of Occupational Health at Work Sites (工作場所職業衛生監督管理規定), the Work Injury Insurance Regulations (工傷保險條例) and other relevant laws and regulations.

我們關注員工的職業發展，積極通過優化人才結構，打造一支專業員工團隊。為配合本集團業務和員工職業發展需要，我們針對設計研發崗位、項目經理崗位，制定並實施《職級晉升評估管理辦法》，明確員工職級發展通道。針對中高層管理人員，我們施行崗位輪換制，為員工開闢橫向發展通道，幫助員工完成其職業發展規劃。

#### 5.4. 健康與安全

職業安全和員工的身心健康對本集團至關重要。我們嚴格遵守《中華人民共和國職業病防治法》、《中華人民共和國安全生產法》、《工作場所職業衛生監督管理規定》、《工傷保險條例》等相關法律法規。

The Group has formulated and implemented the Occupational Health and Safety Management System to fully carry out its occupational safety management. We have hired a third-party organization to conduct regular inspections of occupational hazards at production sites, and equipped employees with qualified and effective labor protection articles in accordance with the Management System for Labor Protective Articles and Safety Tools. We have also issued the Notice of Occupational Hazards in Labor Contract to employees to ensure that they are aware of the occupational hazards and protective measures specific to their posts. In addition, we organize occupational health checkups for employees every year and regularly organize external and internal occupational health and safety training, so that employees can understand their health status in a timely manner and enhance their ability to prevent occupational diseases.

本集團制定並實施《職業健康安全管理制  
度》，貫徹落實職業安全管理工作。我們  
聘請第三方機構定期對生產現場進行職業  
病危害因素檢測，並根據《勞動防護用品  
及安全工器具管理制度》，為員工配備合  
格有效的勞動保護用品。我們亦向員工下  
發《勞動合同職業病危害因素告知書》，確  
保員工知曉所在崗位的職業危害及防護方  
法。另外，我們每年為員工組織職業健康  
體檢，並定期組織外部及內部職業健康安  
全培訓，讓員工及時了解其健康情況，提  
升員工防範職業病的能力。

#### Case study: Pandemic prevention and control

##### 案例：疫情防控

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Facing the outbreak of COVID-19, the Group has established the Pandemic Prevention and Control Leading Group to fully implement the decisions and deployments of the State Council of the People's Republic of China and the Beijing Municipal Government on pandemic prevention and control, so as to guard against and prevent the spread of the pandemic. The human resources department collects data and issues report on employees' health and attendance on a daily basis, and has established an information base for the internal epidemic prevention and control of Boqi Environmental. We have adopted various measures such as work from home, off-peak commuting, electronic office, mask distribution and workplace disinfection to protect the health of employees.

面對新冠肺炎的爆發，本集團成立了「疫情防控領導小組」，貫徹落實中國國務院及北京市政府的疫情防控決策部署，做好疫情防控工作。人力資源部每日收集匯報員工健康及出勤情況，建立博奇環保內部疫情防控信息基礎。我們採取了居家辦公、錯峰上下班、電子化辦公、口罩發放、辦公場地消毒等多項措施，以保障員工健康。

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In addition to creating a healthy and safe working environment for employees, the Group advocates the concept of “work happily and live healthily” and organizes diverse activities for employees from time to time.

除了為員工打造健康安全的工作環境外，本集團倡導「快樂工作，健康生活」的理念，不時舉辦多樣化的員工活動。

### Case Study: Inter-departmental team building activities

#### 案例：跨部門聯合團建活動



In order to enhance the teamwork ability of various departments, strengthen the team unity and overall solidarity of employees, foster a close relationship between leaders and employees and enable employees to relax physically and mentally after busy work, each department will organize activities in the form of cross-departmental and interactive trainings and communication. The activities are designed to enable employees from different departments who need to coordinate and cooperate frequently in the work process to deeply experience the importance of communication, exchange and cooperation, and also further enhance employees' collective sense of honor and sense of belonging to the enterprise.

為了提升各部門團隊協作能力，增強員工團隊凝聚力和整體向心力，縮短領導與員工之間的距離，讓員工在忙碌的工作之餘身心得以放鬆，各部門團建活動將採取跨部門、交互式的培訓與交流形式，旨在使工作過程中需經常協作、配合的部門雙方能夠深刻體驗到溝通、交流、合作的重要性，同時使員工的集體榮譽感和企業歸屬感得到進一步增強。

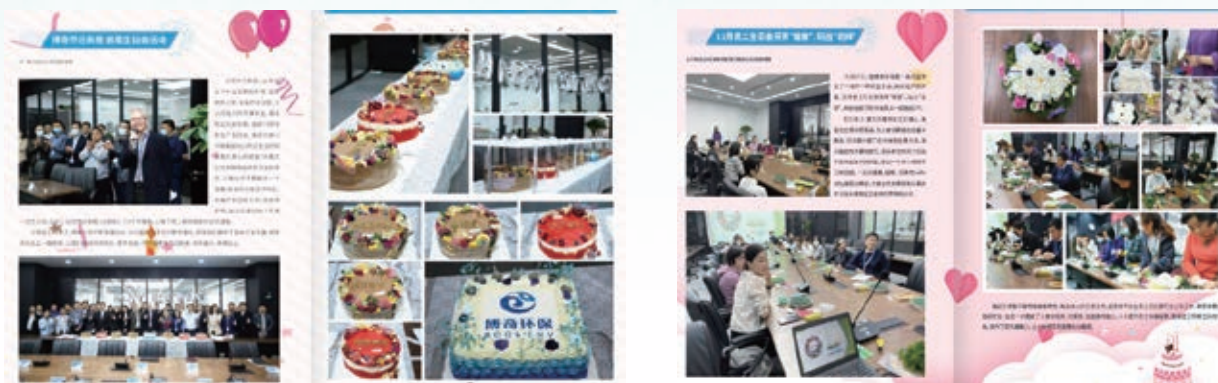


**Case study: Regularly organize birthday parties for employees**

**案例：定期舉辦員工生日會**

The Group regularly organizes rich and colorful birthday parties for employees to let them feel caring and warmth and to enhance their happiness.

本集團定期舉辦豐富多彩的員工生日會活動，讓員工感受到關愛溫暖，提升員工幸福感。



**6. BUILDING A HARMONIOUS SOCIETY**

While promoting business development, the Group cares about the community and always considers the interests of the communities in which it operates, hoping to have a positive impact on society. We extend the concept of environmental protection from our own business to social welfare activities, actively mobilize employees to participate in environmental protection activities, convey environmental conservation information to the public and fulfill social corporate responsibilities.

**6. 共建和諧社會**

在推動業務發展的同時，本集團心繫社區，時刻考慮運營所在社區的利益，希望對社會產生正面的影響。我們將環保理念從自身業務延伸至社會公益活動，積極組織員工參與環保活動，向社會公大眾傳遞環境保育信息，踐行社會企業責任。

**Case study: Clean up mountains while hiking, adopting a green lifestyle**

**案例：徒步登山撿垃圾，綠色環保伴我行**

With a view to creating a beautiful and clean environment and further cultivating the civilized qualities of the employees, the Group has mobilized a number of volunteers from various departments, including the Qinzhou and Cathay Pacific O&M project department, operation planning department, information management department, administration and public relations department, to conduct a public welfare activity of cleaning up the environment.

This activity was mainly conducted along the mountain track and its two sides. Along the way, cigarette butts, peels, mineral water bottles and other garbage in the grass and rocks on the mountain were collected. Then the non-recyclable garbage was thrown into the trash bin and the recyclable garbage (such as cans and plastic bottles) was classified. Thus, the environment was cleaned up and the beauty of nature was restored. We have made contribution to the environment and society with our enthusiasm and spirit of servicing.

This cleaning-up activity is very meaningful. It promotes environmental protection while establishing a good corporate image. Through practical actions, more people are called to join the environmental protection team and contribute to improving the living environment and building a beautiful home.

為了營造一個美麗清潔的環境，並進一步培養單位職工的文明素養，本集團欽州和國泰運維項目部、經營計劃部、信息管理部和行政及公共關係部等各部門多名志願者進行了撿垃圾公益活動。

此次活動主要針對盤山的山路沿線以及兩側，沿途將盤山上的草叢，石縫里煙頭、果皮、礦泉水瓶等各種垃圾一併撿起。過後把不可回收的垃圾扔入垃圾箱，把部門可回收的(如易拉罐、塑料瓶)進行垃圾分類。我們帶走了垃圾，還原了大自然的美麗，以一種服務的熱誠以及精神去服務環境，服務社會。

此次撿垃圾的活動非常有意義，在宣傳環境保護的同時又樹立了企業的良好形象，通過實際行動呼籲更多的人加入到環保的隊伍，為改善生活環境、建設美好家園貢獻力量。



## ESG Report (Continued)

### 環境、社會及管治報告(續)

In addition, we participated in the 8<sup>th</sup> Chinese People's Livelihood Development Forum and the 14<sup>th</sup> China International Philanthropy Forum with the theme of "committed to building a well-off society", practiced the spirit of "strengthening the construction of the social security system, improving social assistance, social welfare and charity causes" and rolled out related activities with the theme of "charity forces as an important role during the period of poverty alleviation and epidemic". During the Year, Boqi Environmental was awarded the honor of China's Top Ten Influential Enterprises for Poverty Alleviation 2020 by the Organizing Committee of the China International Philanthropy Forum.

此外，我們參與以「決勝全面建成小康社會」為主題的第八屆中國民生發展論壇暨第十四屆中國國際公益慈善論壇相關活動，貫徹「加強社會保障體系建設，完善社會救助、社會福利、慈善事業」的精神，開展主題為「扶貧、疫情期間發揮重要作用的慈善力量」相關活動。本年度，博奇環保獲得由中國國際公益慈善論壇組委會頒發的2020中國扶貧貢獻十大影響力企業的榮譽。

APPENDIX I: INDEX OF ESG REPORTING GUIDE OF  
HK STOCK EXCHANGE

附錄一：香港聯合交易所《環境、社會及管  
治報告指引》索引

		<b>Related sections</b> 相關章節	
<b>A. Environment</b> <b>A.環境</b> <b>A1 :</b> <b>Emissions</b> <b>A1 : 排放物</b>	General disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste.	Promoting green corporate culture – Greenhouse gas emission management; Flue gas emission management; Sewage discharge management; Waste management
	一般披露	有關廢氣及溫室氣體排放、向水及土地的排污、有害及無害廢棄物的產生等的：(a)政策；及(b)遵守對發行人有重大影響的相關法律及規例的資料。	推動綠色企業文化－溫室氣體排放管理；煙氣排放管理；污水排放管理；廢棄物管理
	A1.1	The types of emissions and respective emissions data.	Promoting green corporate culture – Flue gas emission management
	A1.1	排放物種類及相關排放數據。	推動綠色企業文化－煙氣排放管理
	A1.2	Greenhouse gas emissions in total and intensity.	Promoting green corporate culture – Greenhouse gas emission management
	A1.2	溫室氣體總排放量及密度。	推動綠色企業文化－溫室氣體排放管理
	A1.3	Total hazardous waste produced and intensity.	Promoting green corporate culture – Waste management
	A1.3	所產生有害廢棄物總量及密度。	推動綠色企業文化－廢棄物管理
	A1.4	Total non-hazardous waste produced and intensity.	Promoting green corporate culture – Waste management
	A1.4	所產生無害廢棄物總量及密度。	推動綠色企業文化－廢棄物管理

			<b>Related sections</b> 相關章節
	A1.5	Description of measures to mitigate emissions and results achieved.	Promoting green corporate culture – Greenhouse gas emission management; Flue gas emission management; Use of resources
	A1.5	描述減低排放量的措施及所得成果。	推動綠色企業文化 – 溫室氣體排放管理；煙氣排放管理；資源使用
	A1.6	Description of how hazardous and non-hazardous wastes are handled, reduction initiatives and results achieved.	Promoting green corporate culture – Waste management
	A1.6	描述處理有害及無害廢棄物的方法、減低產生量的措施及所得成果。	推動綠色企業文化 – 廢棄物管理
<b>A2 : Use of Resources</b>	General disclosure	Policies on the efficient use of resources, including energy, water and other raw materials.	Promoting green corporate culture – Use of resources
<b>A2 : 資源使用</b>	一般披露	有效使用資源(包括能源、水及其他原材料)的政策。	推動綠色企業文化 – 資源使用
	A2.1	Direct and/or indirect energy consumption by type in total and intensity.	Promoting green corporate culture – Use of resources
	A2.1	按類型劃分的直接及／或間接能源總耗量及密度。	推動綠色企業文化 – 資源使用
	A2.2	Water consumption in total and intensity.	Promoting green corporate culture – Use of resources
	A2.2	總耗水量及密度。	推動綠色企業文化 – 資源使用
	A2.3	Description of energy use efficiency initiatives and results achieved.	Promoting green corporate culture – Use of resources
	A2.3	描述能源使用效益計劃及所得成果。	推動綠色企業文化 – 資源使用
	A2.4	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency initiatives and results achieved.	Promoting green corporate culture – Use of resources
	A2.4	描述求取適用水源上可有任何問題，以及提升用水效益計劃及所得成果。	推動綠色企業文化 – 資源使用

		<b>Related sections</b> 相關章節	
	A2.5	Total packaging material used for finished products and the amount per unit produced.	Not available, as packaging material is not involved in the Group's business
	A2.5	製成品所用包裝材料的總量及每生產單位佔量。	不適用，本集團業務不涉及包裝材料
<b>A3 : Environment and natural resources</b> <b>A3 : 環境及天然資源</b>	General disclosure	Policies on minimizing the issuer's significant impact on the environment and natural resources.	Promoting green corporate culture
	一般披露	減低發行人對環境及天然資源造成重大影響的政策。	推動綠色企業文化
	A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	Promoting green corporate culture
	A3.1	描述業務活動對環境及天然資源的重大影響及已採取管理有關影響的行動。	推動綠色企業文化
<b>B. Society</b> <b>B. 社會</b> <b>B1 : Employment</b>	General disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare.	Building a professional team – Employment practice; Welfare benefits
	一般披露	有關薪酬及解僱、招聘及晉升、工作時數、假期、平等機會、多元化、反歧視以及其他待遇及福利的：(a)政策；及(b)遵守對發行人有重大影響的相關法律及規例的資料。	打造專業員工團隊 – 僱傭常規；福利待遇
<b>B1 : 僱傭</b>	B1.1	Total workforce by gender, employment type, age group and geographical region.	Building a professional team
	B1.1	按性別、僱傭類型、年齡組別及地區劃分的僱員總數。	打造專業員工團隊

		<b>Related sections</b> 相關章節	
<b>B2 : Health and Safety</b>	General disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to providing a safe working environment and protecting employees from occupational hazards.	Maintaining brand integrity – Compliant and safe production; Building a professional team – Health and safety
<b>B2 : 健康與安全</b>	一般披露	有關提供安全工作環境及保障僱員避免職業性危害的：(a)政策；及(b)遵守對發行人有重大影響的相關法律及規例的資料。	維護誠信品牌 – 合規安全生產；打造專業員工團隊 – 健康與安全
	B2.3	Description of occupational health and safety measures adopted, and how they are implemented and monitored.	Building a professional team – Health and safety
	B2.3	描述所採納的職業健康與安全措施，以及相關執行及監察方法。	打造專業員工團隊 – 健康與安全
<b>B3 : Development and Training</b>	General disclosure	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.	Maintaining brand integrity – Compliant and safe production; Building a professional team – Training and development
<b>B3 : 發展及培訓</b>	一般披露	有關提升僱員履行工作職責的知識及技能的政策。描述培訓活動。	維護誠信品牌 – 合規安全生產；打造專業員工團隊 – 培訓及發展
	B3.1	The percentage of employees trained by gender and employee category.	Building a professional team – Training and development
	B3.1	按性別及僱員類別劃分的受訓僱員百分比。	打造專業員工團隊 – 培訓及發展
<b>B4 : Labor standards</b>	General disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child and forced labor.	Building a professional team – Employment practice
<b>B4 : 勞工準則</b>	一般披露	有關防止童工或強制勞工的：(a)政策；及(b)遵守對發行人有重大影響的相關法律及規例的資料。	打造專業員工團隊 – 僱傭常規

		<b>Related sections</b> 相關章節	
	B4.1	Description of measures to review employment practices to avoid child and forced labor.	Building a professional team – Employment practice
	B4.1	描述檢討招聘慣例的措施以避免童工及強制勞工。	打造專業員工團隊 – 僱傭常規
	B4.2	Description of steps taken to eliminate such practices when violation is discovered.	During the Reporting Period, the Group did not violate any regulation related to employment of child labor or forced labor.
	B4.2	描述在發現違規情況時消除有關情況所採取的步驟。	於報告期內，本集團沒有發生聘用童工或強制勞工的違規情況。
<b>B5 : Supply Chain Management</b>	General disclosure	Policies on managing environmental and social risks of the supply chain.	Maintaining brand integrity – Sustainable supply chain
<b>B5 : 供應鏈管理</b>	一般披露	管理供應鏈的環境及社會風險政策。	維護誠信品牌 – 可持續供應鏈
	B5.1	Number of suppliers by geographical region.	Maintaining brand integrity – Sustainable supply chain
	B5.1	按地區劃分的供應商數目。	維護誠信品牌 – 可持續供應鏈
	B5.2	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, and how they are implemented and monitored.	Maintaining brand integrity – Sustainable supply chain
	B5.2	描述有關聘用供應商的慣例，向其執行有關慣例的供應商數目、以及有關慣例的執行及監察方法。	維護誠信品牌 – 可持續供應鏈
<b>B6 : Product Responsibility</b>	General disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress.	Maintaining brand integrity – Service quality management; Compliant and safe production; Promoting industry development; Protecting customers' interests
<b>B6 : 產品責任</b>	一般披露	有關所提供產品和服務的健康與安全、廣告、標籤及私隱事宜以及補救方法的：(a)政策；及(b)遵守對發行人有重大影響的相關法律及規例的資料。	維護誠信品牌 – 服務質量管理；合規安全生產；推動行業發展；保障客戶權益



		<b>Related sections</b> 相關章節
B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	Maintaining brand integrity – Service quality management; Compliant and safe production
B6.1	已售或已運送產品總數中因安全與健康理由而須回收的百分比。	維護誠信品牌 – 服務質量管理；合規安全生產
B6.2	Number of products and service related complaints received and how they are dealt with.	Maintaining brand integrity – Protecting customers' interests
B6.2	接獲關於產品及服務的投訴數目以及應對方法。	維護誠信品牌 – 保障客戶權益
B6.3	Description of practices relating to observing and protecting intellectual property rights.	Maintaining brand integrity – Promoting industry development
B6.3	描述與維護及保障知識產權有關的慣例。	維護誠信品牌 – 推動行業發展
B6.4	Description of quality assurance process and recall procedures.	Maintaining brand integrity – Service quality management; Compliant and safe production
B6.4	描述質量檢定過程及產品回收程序。	維護誠信品牌 – 服務質量管理；合規安全生產
B6.5	Description of consumer data protection and privacy policies, and how they are implemented and monitored.	Maintaining brand integrity – Protecting customers' interests
B6.5	描述消費者資料保障及私隱政策，以及相關執行及監察方法。	維護誠信品牌 – 保障客戶權益

**Related sections**  
**相關章節**

<b>B7 : Anti-corruption</b>	General disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to bribery, extortion, fraud and money laundering.	Maintaining brand integrity – Cultivating integrity and morality
<b>B7 : 反貪污</b>	一般披露	有關防止賄賂、勒索、欺詐及洗黑錢的：(a)政策；及(b)遵守對發行人有重大影響的相關法律及規例的資料。	維護誠信品牌—廉潔道德建設
	B7.1	Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the Reporting Period and the outcomes of the cases.	Maintaining brand integrity – Cultivating integrity and morality
	B7.1	於匯報期內對發行人或其僱員提出並已審結的貪污訴訟案件的數目及訴訟結果。	維護誠信品牌—廉潔道德建設
	B7.2	Description of preventive measures and whistleblowing procedures, and how they are implemented and monitored.	Maintaining brand integrity – Cultivating integrity and morality
	B7.2	描述防範措施及舉報程序，以及相關執行及監察方法。	維護誠信品牌—廉潔道德建設
<b>B8 : Community investment</b>	General disclosure	Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities take into consideration the communities' interests.	Building a harmonious society
<b>B8 : 社區投資</b>	一般披露	有關以社區參與來了解營運所在社區需要和確保其業務活動會考慮社區利益的政策。	共建和諧社會
	B8.1	Focus areas of contribution.	Building a harmonious society
	B8.1	專注貢獻範疇。	共建和諧社會
	B8.2	Resources contributed to the focus areas.	Building a harmonious society
	B8.2	在專注範疇所動用資源。	共建和諧社會

# Independent Auditor's Report

## 獨立核數師報告



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**Independent auditor's report  
TO THE SHAREHOLDERS OF  
CHINA BOQI ENVIRONMENTAL (HOLDING) CO.,LTD.**  
*(Incorporated in the Cayman Islands with limited liability)*

### 獨立核數師報告

致中國博奇環保(控股)有限公司股東  
*(於開曼群島註冊成立的有限公司)*

### OPINION

We have audited the consolidated financial statements of China Boqi Environmental (Holding) Co., Ltd. (the “**Company**”) and its subsidiaries (the “**Group**”) set out on pages 219 to 392, which comprise the consolidated statement of financial position as at 31 December 2020, and the consolidated statement of profit or loss and other comprehensive income, 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 International Financial Reporting Standards (“**IFRSs**”) issued by the International Accounting Standards Board (“**IASB**”) and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

### 意見

我們已審核第219至392頁所載中國博奇環保(控股)有限公司(「**貴公司**」)及其附屬公司(統稱「**貴集團**」)之綜合財務報表,包括於2020年12月31日之綜合財務狀況表及截至該日止年度之綜合損益表及其他全面收益表、綜合權益變動表及綜合現金流量表以及綜合財務報表附註,其中包括主要會計政策概要。

我們認為,綜合財務報表已按照國際會計準則委員會(「**國際會計準則委員會**」)頒佈的國際財務報告準則(「**國際財務報告準則**」)真實公平地反映 貴集團於2020年12月31日之綜合財務狀況以及其於截至該日止年度之綜合財務表現及其綜合現金流量,並已按照香港公司條例之披露規定妥為編製。

## BASIS FOR OPINION

We conducted our audit in accordance with Hong Kong Standards on Auditing (“**HKSAs**”) issued by the Hong Kong Institute of Certified Public Accountants (“**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. For the matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the *Auditor's responsibilities for the audit of the consolidated financial statements* section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated financial statements. The results of our audit procedures, including the procedures performed to address the matter below, provide the basis for our audit opinion on the accompanying consolidated financial statements.

## 意見基準

我們已按照香港會計師公會(「香港會計師公會」)頒佈的香港核數準則(「香港核數準則」)進行審核工作。我們按上述準則而履行的責任進一步詳述於本報告核數師對審核綜合財務報表的責任一節。我們根據香港會計師公會職業會計師道德守則(「該守則」)獨立於貴集團，並已根據該守則履行其他道德責任。我們相信，我們所取得的審核憑證就提出審核意見基礎而言屬充分及恰當。

## 關鍵審核事項

根據我們的專業判斷，關鍵審核事項為我們審核本期間的綜合財務報表中最重要的事項。我們在審核整體綜合財務報表及就此達致意見時處理此等事項，而不會就此等事項單獨發表意見。就以下事項而言，關於我們的審核如何處理有關事項的表述均以此為準。

我們已履行本報告內「核數師就審核綜合財務報表承擔的責任」一節所述的責任，包括與此等事項相關之責任。據此，我們的審核範圍包括旨在回應我們對綜合財務報表進行重大錯誤陳述風險評估的程序的表現。審核程序(包括為處理下列事項而進行的程序)的結果為我們就隨附綜合財務報表發表審核意見提供基礎。

## Independent Auditor's Report (Continued)

### 獨立核數師報告(續)

#### KEY AUDIT MATTERS (Continued)

#### 關鍵審核事項(續)

##### Key audit matter

##### 關鍵審核事項

##### How our audit addressed the key audit matter

##### 我們的審計如何處理關鍵審核事項

Revenue from construction contracts  
建造合約的收益

We identified the revenue from construction contracts as a key audit matter due to the fact that the amount recognised is significant in the consolidated financial statements and the accounting treatments of which require significant estimations made by the directors of the Company (“**Directors**”).

The Group's revenue from construction contracts is recognised over time based on the stage of completion of the contracts, which is determined as the proportion of the costs incurred relative to the estimated total costs to complete the contracts.

由於確認金額對該等綜合財務報表影響重大，且其會計處理方式涉及 貴公司董事(「**董事**」)的重大會計估計，因此我們將建造合約收益認定為關鍵審核事項。

貴集團的建造合約收益乃根據合約完成階段確認，而合約完成階段按所產生的成本佔完成合約的估計總成本的比例釐定。

Our procedures in relation to revenue from construction contracts included:

- Evaluating the design and operating effectiveness of controls relevant to our audit on budget preparation and revenue recognition of construction contracts;
- Recalculating the proportion of the costs incurred relative to the estimated total costs to complete the contracts on a sampling basis;
- Evaluating the key assumptions adopted by the Directors in determining the profit margin and total contract costs by cross checking to the corresponding construction contracts and the respective budgets;

我們針對建造合約收益執行的程序包括：

- 對與建築合約預算編製及收益確認的審核相關的控制之設計及運作效率進行評價；
- 按抽樣基準重新計算所產生的成本佔完成合約的估計總成本之比例；
- 通過交叉檢查相應建築工程及相關預算，評估董事於釐定合約利潤及合約成本總額採用的主要假設；

**Key audit matter (Continued)****關鍵審核事項(續)**

The Directors estimate both of the profit margin and contract cost at the beginning for each contract, revise the estimation of both profit margin and contract cost through regular review when the Directors consider there are changes in the assumptions throughout the contract period.

The accounting policies, significant estimates and related disclosures are included in notes 2.4, 3 and 5 to the consolidated financial statements.

董事在初始對各合約的毛利率及合約成本作出估計，在董事認為整個合約期間的假設發生變化時，通過定期檢討來修訂有關毛利率及合約成本的估計。

會計政策、重要估計及相關披露載於綜合財務報表附註2.4、3及5。

**How our audit addressed the key audit matter****(Continued)****我們的審計如何處理關鍵審核事項(續)**

- Performing tests of details relating to construction costs incurred during the year by tracing to supporting documentation on a sampling basis;
- Reviewing the adequacy of the related disclosures included in the consolidated financial statements.
- 按抽樣基準追蹤證明文件，對有關年內產生的建造成本的細節進行測試；
- 檢討綜合財務報表內的相關披露是否充份。

## Independent Auditor's Report (Continued)

### 獨立核數師報告(續)

#### OTHER INFORMATION INCLUDED IN THE ANNUAL REPORT

The Directors are responsible for the other information. The other information comprises 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 are required to report that fact. We have nothing to report in this regard.

#### 年報所載的其他資料

董事須對其他資料負責。其他資料包括載於年報的資料，惟不包括綜合財務報表及我們的核數師報告。

我們對綜合財務報表作出的意見並無涵蓋其他資料，而我們不會對其他資料發表任何形式的核證結論。

就審核綜合財務報表而言，我們的責任為閱讀其他資料，從而考慮其他資料是否與綜合財務報表或我們在審核過程中獲悉的資料存在重大不符，或似乎存在重大錯誤陳述的情況。倘若我們基於已進行的工作認為其他資料存在重大錯誤陳述，我們須報告有關事實。就此而言，我們沒有任何報告。

## 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 IFRSs issued by the IASB and the disclosure requirements of the Hong Kong Companies Ordinance, and for such internal control as the Directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

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

## 董事對綜合財務報表須承擔的責任

董事須遵照國際會計準則理事會頒佈之國際財務報告準則及香港公司條例的披露規定，負責編製作出真實公平反映之綜合財務報表，以及落實董事認為就編製綜合財務報表必要之有關內部監控，以使綜合財務報表並無重大錯誤陳述（不論因欺詐或錯誤）。

在編製綜合財務報表時，董事須負責評估 貴集團持續經營的能力，並披露與持續經營有關的事項（如適用）。除非董事擬將 貴集團清盤或停止營運，或除此之外並無其他實際可行的辦法，否則須採用以持續經營為基礎的會計法。

董事由審核委員會協助履行監督 貴集團財務報告過程的責任。



## Independent Auditor's Report (Continued)

### 獨立核數師報告(續)

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

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Our 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 HKSAAs 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 HKSAAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

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

#### 核數師對審核綜合財務報表的責任

我們的目標為合理確定綜合財務報表整體而言不會存在由於欺詐或錯誤而導致的重大錯誤陳述，並發出載有我們意見的核數師報告。我們僅向閣下(作為整體)報告，除此之外，我們的報告不作其他用途。我們概不就本報告的內容對任何其他人士負責或承擔任何責任。

合理保證屬高水平的保證，惟根據香港核數準則進行的審計工作不能保證總能察覺所存在的重大錯誤陳述。錯誤陳述可因欺詐或錯誤產生，倘個別或整體在合理預期情況下可影響使用者根據此等綜合財務報表作出的經濟決定時，則被視為重大錯誤陳述。

在根據香港核數準則進行審計的過程中，我們運用專業判斷，保持專業懷疑態度。我們亦：

- 識別及評估由於欺詐或錯誤而導致綜合財務報表存在重大錯誤陳述的風險、設計及執行審計程序以應對該等風險，以及獲取充足和適當的審計憑證，作為我們的意見的基礎。由於欺詐可能涉及串謀、偽造、蓄意遺漏、虛假陳述或凌駕內部監控的情況，因此未能發現因欺詐而導致的重大錯誤陳述的風險高於未能發現因錯誤而導致的重大錯誤陳述的風險。
- 了解與審計相關的內部監控，以設計在有關情況下屬適當的審計程序，惟並非旨在對貴集團內部監控的有效性發表意見。

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

(Continued)

## 核數師對審核綜合財務報表的責任(續)

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.
- Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- 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.
- 評估董事所採用會計政策的恰當性及作出會計估計和相關披露的合理性。
- 對董事採用持續經營會計基礎的恰當性作出結論，並根據所獲取的審計憑證，確定是否存在與事項或情況有關的重大不確定性，從而可能導致對貴集團的持續經營能力產生重大疑慮。倘我們認為存在重大不確定性，則有必要在核數師報告中提請使用者注意綜合財務報表中的相關披露。倘有關披露不足，則修訂我們的意見。我們的結論乃基於截至核數師報告日期止所取得的審計憑證。然而，未來事項或情況可能導致貴集團無法持續經營。
- 評估綜合財務報表的整體呈報方式、結構及內容，包括披露資料，以及綜合財務報表是否中肯反映相關交易及事項。
- 就貴集團內實體或業務活動的財務資料獲取充足及適當的審計憑證，以便對綜合財務報表發表意見。我們負責集團審計的方向、監督及執行。我們僅對我們的審計意見承擔責任。

## Independent Auditor's Report (Continued)

獨立核數師報告(續)

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

(Continued)

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

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

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

The engagement partner on the audit resulting in this independent auditor's report is Cheong Ming Yik.

#### Ernst & Young

Certified Public Accountants

Hong Kong

29 March 2021

### 核數師對審核綜合財務報表的責任(續)

我們與審核委員會就(其中包括)審計的計劃範圍、時間安排及重大審計發現溝通,該等發現包括我們在審計過程中識別的內部監控的任何重大缺失。

我們亦向審核委員會作出聲明,指出我們已符合有關獨立性的相關道德要求,並與彼等溝通可能被合理認為會影響我們的獨立性的所有關係及其他事宜,以及(如適用)為消除威脅所採取的行動或所應用的防範措施。

從與審核委員會溝通的事項中,我們釐定對本期間綜合財務報表的審計至關重要的事項,因而構成關鍵審計事項。我們在核數師報告中描述該等事項,除非法律或法規不允許公開披露該等事項,或在極端罕見的情況下,倘合理預期在我們的報告中溝通某事項造成的不利後果超出產生的公眾利益,則我們決定不應在報告中傳達該事項。

出具本獨立核數師報告的審計項目合夥人為張明益。

#### 安永會計師事務所

執業會計師

香港

2021年3月29日

# Consolidated Statement of Profit or Loss and Other Comprehensive Income

## 綜合損益及其他全面收益表

Year ended 31 December 2020  
截至2020年12月31日止年度

		Notes 附註	2020 2020年 RMB' 000 人民幣千元	2019 2019年 RMB' 000 人民幣千元
Revenue	收益	5	1,646,131	1,836,496
Cost of sales and services	銷售及服務成本		(1,306,053)	(1,529,974)
Gross profit	毛利		340,078	306,522
Other income and gains	其他收入及收益	6	44,500	53,862
Other expense and losses	其他開支及虧損		(10,968)	(28,426)
Selling and distribution expenses	銷售及分銷開支		(22,352)	(29,295)
Administrative expenses	行政開支		(79,540)	(88,776)
Research and development expenses	研發開支		(33,810)	(24,256)
Impairment losses on financial and contract assets	金融及合約資產的減值虧損	7	(11,633)	(10,928)
Share of profits of associates	分佔聯營公司溢利	7	19,337	34,541
Finance costs	財務成本	8	(9,910)	(4,177)
<b>PROFIT BEFORE TAX</b>	<b>除稅前溢利</b>	7	<b>235,702</b>	209,067
Income tax expense	所得稅開支	10	(28,309)	(26,453)
<b>PROFIT FOR THE YEAR</b>	<b>年內溢利</b>		<b>207,393</b>	182,614
<b>OTHER COMPREHENSIVE LOSS</b>	<b>其他全面虧損</b>			
Other comprehensive loss that will not be reclassified to profit or loss in subsequent periods:	於往後期間不會重新分類至損益的其他全面虧損：			
Equity investments at fair value through other comprehensive income:	按公允價值計入其他全面收益的股權投資：			
Changes in fair value	公允價值變動		—	(2,374)
Income tax effect	所得稅影響		—	171

## Consolidated Statement of Profit or Loss (Continued)

### 綜合損益及其他全面收益表(續)

Year ended 31 December 2020  
截至2020年12月31日止年度

		2020 2020年 RMB' 000 人民幣千元	2019 2019年 RMB' 000 人民幣千元
Net other comprehensive loss that will not be reclassified to profit or loss in subsequent periods	於往後期間不會重新分類至損益的其他全面虧損淨額	-	(2,203)
<b>OTHER COMPREHENSIVE LOSS FOR THE YEAR, NET OF TAX</b>	年內其他全面虧損，經扣除稅項	-	(2,203)
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>	年內全面收益總額	<b>207,393</b>	180,411
Profit attributable to:	以下應佔溢利：		
Owners of the parent	母公司擁有人	<b>207,608</b>	182,537
Non-controlling interests	非控股權益	<b>(215)</b>	77
		<b>207,393</b>	182,614
Total comprehensive income attributable to:	以下應佔全面收益總額：		
Owners of the parent	母公司擁有人	<b>207,608</b>	180,334
Non-controlling interests	非控股權益	<b>(215)</b>	77
		<b>207,393</b>	180,411
<b>EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT</b>	母公司普通股權益持有人應佔每股盈利		
			12
- Basic(RMB)	- 基本(人民幣)	<b>0.21</b>	0.18
- Diluted(RMB)	- 攤薄(人民幣)	<b>0.21</b>	0.18

# Consolidated Statement of Financial Position

## 綜合財務狀況表

31 December 2020  
2020年12月31日

		Notes 附註	2020 2020年 RMB' 000 人民幣千元	2019 2019年 RMB' 000 人民幣千元
<b>NON-CURRENT ASSETS</b>	<b>非流動資產</b>			
Property, plant and equipment	物業、廠房及設備	13	401,486	377,753
Investment properties	投資物業	14	11,079	11,714
Intangible assets	無形資產	16	697,656	774,068
Receivables under service concession arrangement	服務特許經營安排項下的應收款項	17	340,038	356,429
Investments in associates	於聯營公司的投資	18	69,952	82,887
Long term receivable	長期應收款項	41	42,620	–
Contract assets	合約資產	22	21,459	–
Amounts due from related parties	應收關連方款項	38	139,296	138,496
Deferred tax assets	遞延稅項資產	30	34,591	33,061
Other non-current assets	其他非流動資產		42,604	–
<b>Total non-current assets</b>	<b>非流動資產總額</b>		<b>1,800,781</b>	<b>1,774,408</b>
<b>CURRENT ASSETS</b>	<b>流動資產</b>			
Receivables under service concession arrangement	服務特許經營安排項下的應收款項	17	27,376	20,201
Debt instruments at fair value through other comprehensive income	按公允價值計入其他全面收益的債務工具	24	199,501	197,933
Inventories	存貨	19	27,685	28,915
Equity instrument at fair value through profit or loss	按公允價值計入損益的股本工具	23	45,599	45,693
Contract assets	合約資產	22	126,091	346,602
Trade receivables	貿易應收款項	20	675,852	590,931
Prepayments, deposits and other receivables	預付款項、按金及其他應收款項	21	217,944	185,093
Amounts due from related parties	應收關連方款項	38	132,251	223,589
Pledged time deposits and bank balances	已抵押定期存款及銀行結餘	25	92,904	133,181
Cash and cash equivalents	現金及現金等價物	25	519,128	450,506
<b>Total current assets</b>	<b>流動資產總額</b>		<b>2,064,331</b>	<b>2,222,644</b>
<b>CURRENT LIABILITIES</b>	<b>流動負債</b>			
Trade and bills payables	貿易應付款項及應付票據	26	947,781	1,021,730
Other payables, deposits received and accrued expenses	其他應付款項、已收按金及應計開支	27	227,655	434,657
Contract liabilities	合約負債	28	71,873	102,390
Income tax payable	應繳所得稅		25,224	25,495
Interest-bearing bank and other borrowings	計息銀行及其他借款	29	15,335	107,468
Lease liabilities	租賃負債	15	3,879	8,892
Amounts due to related parties	應付關連方款項	38	7,606	11,209
<b>Total current liabilities</b>	<b>流動負債總額</b>		<b>1,299,353</b>	<b>1,711,841</b>
<b>NET CURRENT ASSETS</b>	<b>流動資產淨值</b>		<b>764,978</b>	<b>510,803</b>

## Consolidated Statement of Financial Position (Continued)

### 綜合財務狀況表（續）

31 December 2020  
2020年12月31日

		Notes 附註	2020 2020年 RMB'000 人民幣千元	2019 2019年 RMB'000 人民幣千元
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>	<b>資產總額減流動負債</b>		<b>2,565,759</b>	2,285,211
<b>NON-CURRENT LIABILITIES</b>	<b>非流動負債</b>			
Interest-bearing bank and other borrowings	計息銀行及其他借款	29	<b>63,956</b>	-
Lease liabilities	租賃負債	15	<b>33,871</b>	180
Deferred tax liabilities	遞延稅項負債	30	<b>17,114</b>	10,873
Total non-current liabilities	非流動負債總額		<b>114,941</b>	11,053
<b>Net assets</b>	<b>資產淨值</b>		<b>2,450,818</b>	2,274,158
<b>EQUITY</b>	<b>權益</b>			
Equity attributable to owners of the parent	母公司擁有人應佔權益			
Share capital	股本	31	<b>67</b>	67
Treasury shares	庫存股份		<b>(1)</b>	(1)
Other reserves	其他儲備	33	<b>2,451,841</b>	2,274,966
			<b>2,451,907</b>	2,275,032
Non-controlling interests	非控股權益		<b>(1,089)</b>	(874)
<b>TOTAL EQUITY</b>	<b>權益總額</b>		<b>2,450,818</b>	2,274,158

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Zhijun Zeng  
曾之俊  
DIRECTOR  
董事

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Liquan Cheng  
程里全  
DIRECTOR  
董事

# Consolidated Statement of Changes in Equity

## 綜合權益變動表

Year ended 31 December 2020  
截至2020年12月31日止年度

Note	Attributable to owners of the parent											
	Share capital	Share premium	Treasury shares	Merger reserve	Other reserve	Statutory surplus reserve	Retained profits	Investment revaluation reserve	Sub-total	Non-controlling interests	Total equity	
附註	股本	股份溢價	庫存股份	合併儲備	其他儲備	法定盈餘儲備	保留溢利	重估儲備	小計	非控股權益	權益總額	
	RMB' 000	RMB' 000	RMB' 000	RMB' 000	RMB' 000	RMB' 000	RMB' 000	RMB' 000	RMB' 000	RMB' 000	RMB' 000	
	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	
					(note i)	(note ii)				(note iii)		
					(附註i)	(附註ii)				(附註iii)		
<b>As at 1 January 2019</b>	於2019年1月1日	67	864,750	(1,800)	371,500	(128,167)	205,319	861,492	964	2,174,125	(951)	2,173,174
Profit for the year	年內溢利	-	-	-	-	-	-	182,537	-	182,537	77	182,614
Other comprehensive loss for the year:	年內其他全面虧損：											
Changes in fair value of equity investments at fair value through other comprehensive income, net of tax	按公允價值計入其他全面收益的股權投資的公允價值變動，經扣除稅項	-	-	-	-	-	-	-	(2,203)	(2,203)	-	(2,203)
<b>Total comprehensive income/ loss for the year</b>	年內全面收益/ (虧損) 總額	-	-	-	-	-	-	182,537	(2,203)	180,334	77	180,411
Transfer to statutory surplus reserve	轉撥至法定盈餘儲備	-	-	-	-	-	38,515	(38,515)	-	-	-	-
Final 2018 dividend declared	已宣派2018年末期股息	-	-	-	-	-	-	(79,766)	-	(79,766)	-	(79,766)
Repurchase and cancellation of ordinary shares	購回及註銷普通股	-	(4,777)	1,799	-	-	-	-	(2,978)	-	-	(2,978)
Share-based payment	以股份為基礎的付款	32	3,317	-	-	-	-	-	-	3,317	-	3,317
Transfer to retained profits upon disposal of equity instrument at fair value through other comprehensive income	於出售按公允價值計入其他全面收益的股本工具後轉撥至保留溢利	-	-	-	-	-	-	(1,239)	1,239	-	-	-
<b>At 31 December 2019 and 1 January 2020</b>	於2019年12月31日及2020年1月1日	67	863,290	(1)	371,500	(128,167)	243,834	924,509	-	2,275,032	(874)	2,274,158
Profit for the year	年內溢利	-	-	-	-	-	-	207,608	-	207,608	(215)	207,393
<b>Total comprehensive income for the year</b>	年內全面收益總額	-	-	-	-	-	-	207,608	-	207,608	(215)	207,393
Transfer to statutory surplus reserve	轉撥至法定盈餘儲備	-	-	-	-	-	22,336	(22,336)	-	-	-	-
Final 2019 dividend declared	已宣派2019年末期股息	-	-	-	-	-	-	(29,005)	-	(29,005)	-	(29,005)
Forfeiture of the pre-IPO share awards	沒收首次公開發售前股份獎勵	32	(2,130)	-	-	-	-	-	-	(2,130)	-	(2,130)
Share-based payment	以股份為基礎的付款	32	402	-	-	-	-	-	-	402	-	402
<b>At 31 December 2020</b>	於2020年12月31日	67	861,562*	(1)	371,500*	(128,167)*	266,170*	1,080,776*	-*	2,451,907	(1,089)	2,450,818

\* These reserve accounts comprise the consolidated other reserves of RMB2,451,841,000 (2019: RMB 2,274,966,000) in the consolidated statement of financial position.

\* 該等儲備賬包括在綜合財務狀況表內的綜合其他儲備人民幣2,451,841,000元(2019年: 人民幣2,274,966,000元)。



## Consolidated Statement of Changes in Equity (Continued)

### 綜合權益變動表(續)

Year ended 31 December 2020  
截至2020年12月31日止年度

#### Notes:

- (i) Other reserves mainly represent the distribution amounting to RMB130,310,000 made to the shareholder in the form of settlement of bank loan for the shareholder during the year ended 31 December 2016.
- (ii) In accordance with the articles of association of all subsidiaries established in the People's Republic of China ("PRC"), PRC subsidiaries are required to set aside 10% of their profit after tax as per statutory financial statements determined under PRC laws and regulations for the statutory surplus reserve fund until the reserve reaches 50% of their registered capital. Transfer to this reserve must be made before distributing dividends to equity owners of the subsidiaries. The statutory surplus reserve can be used to make up previous years' losses, expand the existing operations or convert into additional capital of the respective subsidiaries.
- (iii) The Group did not have material non-controlling interests during both years, and hence disclosure of material non-controlling interests is not made.

#### 附註：

- (i) 其他儲備主要是於截至2016年12月31日止年度以為股東結算銀行貸款形式向股東作出金額為人民幣130,310,000元的分派。
- (ii) 根據於中華人民共和國(「中國」)成立的所有附屬公司的組織章程細則，中國附屬公司須將法定財務報表所示根據中國法律及法規釐定的除稅後溢利10%撥往法定盈餘儲備金，直至儲備達到其註冊資本50%。於分派股息予附屬公司權益擁有人前須先向該儲備撥款。法定盈餘儲備可用於抵銷過往年度虧損、擴展現有營運或轉換為相關附屬公司的額外資本。
- (iii) 本集團於報告期間均無重大非控股權益，因此並無作出重大非控股權益披露。



## Consolidated Statement of Cash Flows (Continued)

### 綜合現金流量表 (續)

Year ended 31 December 2020  
截至2020年12月31日止年度

	Note 附註	2020 2020年 RMB' 000 人民幣千元	2019 2019年 RMB' 000 人民幣千元
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
			<b>來自投資活動之現金流量</b>
Placement of pledged bank deposits		(203,506)	(291,886)
Withdrawal of pledged bank deposits		243,783	246,818
Interest received		1,820	32,900
Dividend received from an associate		32,272	25,171
Dividend received from equity investment		1,238	4,186
Purchase of property, plant and equipment		(157,195)	(131,491)
Proceeds from disposal of property, plant and equipment		18	1,129
Purchase of intangible assets and cost capitalised under service concession arrangement		(1,294)	(279,986)
Acquisition of financial assets at fair value through profit or loss		-	(47,478)
Proceed on disposal of equity instrument at fair value through other comprehensive income		-	996
Advance to related parties		(343)	(311)
Acquisition of investment in an associate		-	(3,980)
Payment of deposit for investment projects		(43,000)	-
Repayment from related parties		-	4,791
Purchase of other non-current assets		(3,642)	-
<b>Net cash flows used in investing activities</b>		<b>(129,849)</b>	<b>(439,141)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
			<b>來自融資活動之現金流量</b>
New bank borrowing raised		85,950	49,500
Repayment of principal portion of lease liabilities		(10,501)	(8,959)
Proceeds from discounted notes receivable from banks		-	45,968
Repurchase of ordinary shares		-	(2,978)
Repayments of bank borrowings		(70,417)	(15,000)
Interest paid		(7,650)	(4,177)
Dividends paid		(29,005)	(79,766)
<b>Net cash flows used in financing activities</b>		<b>(31,623)</b>	<b>(15,412)</b>
<b>NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS</b>			
			<b>現金及現金等價物</b>
			<b>增加/(減少)淨額</b>
<b>Cash and cash equivalents at beginning of year</b>		<b>69,013</b>	<b>(331,760)</b>
<b>Effect of foreign exchange rate changes, net</b>		<b>450,506</b>	<b>780,480</b>
		<b>(391)</b>	<b>1,786</b>
<b>CASH AND CASH EQUIVALENTS AT END OF YEAR</b>	25	<b>519,128</b>	<b>450,506</b>

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2020  
截至2020年12月31日止年度

### 1. CORPORATE AND GROUP INFORMATION

China Boqi Environmental (Holding) Co., Ltd. (the “**Company**”) was incorporated as an exempted company with limited liability in the Cayman Islands on 30 January 2015 and its shares were listed on the Main Board of The Stock Exchange of Hong Kong Limited on 16 March 2018. The addresses of the registered office of the Company and principal place of business of the Company and its subsidiaries (collectively referred to as the “**Group**”) are disclosed in the section headed “**Corporate Information**” in the annual report.

The Company is an investment holding company.

During the year, the Group was involved in the following principal activities:

- Flue gas treatment business
- Water treatment business
- Energy saving and environmental protection business

In the opinion of the directors of the Company (“**Directors**”), there is no single entity could be considered as the ultimate holding company.

### 1. 公司及集團資料

中國博奇環保(控股)有限公司(「**本公司**」)於2015年1月30日在開曼群島註冊成立為獲豁免有限公司，其股份於2018年3月16日在香港聯合交易所有限公司主板上市。本公司的註冊辦事處及本公司及其附屬公司(統稱「**本集團**」)的主要營業地點的地址披露於年報「**公司資料**」一節。

本公司為投資控股公司。

年內，本集團從事以下主要業務：

- 煙氣處理業務
- 水處理業務
- 節能環保業務

本公司董事(「**董事**」)認為，並無單一實體被視為最終控股公司。

## Notes to the Consolidated Financial Statements (Continued)

### 綜合財務報表附註(續)

For the year ended 31 December 2020  
截至2020年12月31日止年度

## 1. CORPORATE AND GROUP INFORMATION (Continued)

### Information about subsidiaries

Particulars of the Company's principal subsidiaries are as follows:

Name 名稱	Place of incorporation/ registration and business 註冊成立/ 註冊及營業地點	Issued ordinary/ registered share capital 已發行普通股 /註冊股本	Percentage of equity attributable to the Company 本公司應佔權益百分比		Principal activities 主要業務
			Direct 直接	Indirect 間接	
CBEE Holdings Co., Ltd. ("CBEE")*	BVI 英屬處女群島	-	100%	-	Investment holding 投資控股
Beijing Shengyi Tiancheng Environmental SCI-TECH Co., Ltd. ("Beijing Shengyi")*	PRC/Mainland China 中國/中國大陸	RMB371,500,000 人民幣371,500,000元	100%	-	Investment holding 投資控股
Beijing Bosheng Environmental SCI- TECH Co., Ltd. ("Beijing Bosheng")	PRC/Mainland China 中國/中國大陸	RMB10,000,000 人民幣10,000,000元	-	100%	Investment holding 投資控股
Beijing Boqi Electric Power SCI-TECH Co., Ltd.	PRC/Mainland China 中國/中國大陸	RMB400,000,000 人民幣400,000,000元	-	100%	Environmental protection facilities engineering, operation and maintenance services 環保設施工程、 運營與維護服務
Jiangxi Jinggangshan Boqi Environmental Technology Co., Ltd.	PRC/Mainland China 中國/中國大陸	RMB81,000,000 人民幣81,000,000元	-	100%	Concession operation services 特許經營服務

## 1. 公司及集團資料(續)

### 有關附屬公司之資料

有關本公司主要附屬公司之詳情如下：

## Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

For the year ended 31 December 2020  
截至2020年12月31日止年度

### 1. CORPORATE AND GROUP INFORMATION 1. (Continued)

### 公司及集團資料(續)

#### Information about subsidiaries (Continued)

#### 有關附屬公司之資料(續)

Name 名稱	Place of incorporation/ registration and business 註冊成立/ 註冊及營業地點	Issued ordinary/ registered share capital 已發行普通股 / 註冊股本	Percentage of equity attributable to the Company 本公司應佔權益百分比		Principal activities 主要業務
			Direct 直接	Indirect 間接	
Shanxi Puzhou Boqi Environmental Technology Co., Ltd. 山西蒲州博奇環保科技有限公司	PRC/Mainland China 中國/中國大陸	RMB55,000,000 人民幣55,000,000元	-	100%	Concession operation services 特許經營服務
Shanxi Hejin Boqi Environmental Technology Co., Ltd. 山西河津博奇環保科技有限公司	PRC/Mainland China 中國/中國大陸	RMB25,000,000 人民幣25,000,000元	-	100%	Concession operation services 特許經營服務
Anhui Nengda Fuel Co., Ltd. 安徽能達燃料有限公司	PRC/Mainland China 中國/中國大陸	RMB20,000,000 人民幣20,000,000元	-	100%	Sale of coal and chemicals 煤及化學品銷售
Shanxi Bo Yuan Qi Cheng Environmental Equipment Service Co., Ltd. 山西博源奇晟環保設備服務有限公司	PRC/Mainland China 中國/中國大陸	RMB10,000,000 人民幣10,000,000元	-	100%	Operation and maintenance services 運營與維護服務
Changjizhou Boqi Environmental Technology Co., Ltd. 昌吉州博奇環保科技有限公司	PRC/Mainland China 中國/中國大陸	RMB140,000,000 人民幣140,000,000元	-	100%	Environmental protection facility engineering, operation and maintenance services, concession operation services 環保設施工程、運營與維護 服務、特許經營服務

## Notes to the Consolidated Financial Statements (Continued)

### 綜合財務報表附註 (續)

For the year ended 31 December 2020  
截至2020年12月31日止年度

## 1. CORPORATE AND GROUP INFORMATION 1. (Continued)

### Information about subsidiaries (Continued)

Name 名稱	Place of incorporation/ registration and business 註冊成立/ 註冊及營業地點	Issued ordinary/ registered share capital 已發行普通股 / 註冊股本	Percentage of equity attributable to the Company 本公司應佔權益百分比		Principal activities 主要業務
			Direct 直接	Indirect 間接	
Beijing Boqi Environmental Remediation Tech Co. Ltd.	PRC/Mainland China	RMB3,000,000	-	60%	Technology services, engineering and exploration services 技術服務、工程及勘探服務
北京博奇環境修復有限公司	中國/中國大陸	人民幣3,000,000元			
Huainan Boqi Environmental Technology Co., Ltd.	PRC/Mainland China	RMB50,000,000	-	100%	Environmental protection facility engineering, operation and maintenance services 環保設施工程、 運營與維護服務
淮南博奇環保科技有限公司	中國/中國大陸	人民幣50,000,000元			
Laibin Boqi Environmental Technology Co., Ltd.	PRC/Mainland China	RMB80,000,000	-	100%	Environmental protection facility engineering, operation and maintenance services 環保設施工程、 運營與維護服務
來賓博奇環保科技有限公司	中國/中國大陸	人民幣80,000,000元			
Changzhi Boqi Environmental Technology Co., Ltd.	PRC/Mainland China	RMB128,000,000	-	100%	Water Treatment Business 水處理業務
長治博奇環保科技有限公司	中國/中國大陸	人民幣128,000,000元			

## 1. 公司及集團資料 (續)

### 有關附屬公司之資料 (續)

## Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

For the year ended 31 December 2020  
截至2020年12月31日止年度

### 1. CORPORATE AND GROUP INFORMATION (Continued)

### 1. 公司及集團資料(續)

#### Information about subsidiaries (Continued)

#### 有關附屬公司之資料(續)

Name 名稱	Place of incorporation/ registration and business 註冊成立/ 註冊及營業地點	Issued ordinary/ registered share capital 已發行普通股 / 註冊股本	Percentage of equity attributable to the Company 本公司應佔權益百分比		Principal activities 主要業務
			Direct 直接	Indirect 間接	
Tangshan Boqi Environmental Technology Co., Ltd.	PRC/Mainland China	RMB30,000,000	-	100%	Energy saving and environmental protection service 節能及環保服務
唐山博奇環保科技有限公司	中國/中國大陸	人民幣30,000,000元			
Handan Boqi Environmental Technology Co., Ltd.	PRC/Mainland China	RMB75,000,000	-	100%	Hazardous and solid waste treatment/ disposal service 危固廢處理/處置服務
邯鄲博奇環保科技有限公司	中國/中國大陸	人民幣75,000,000元			

\* Except for CBEE and Beijing Shengyi, all of the above subsidiaries are indirectly held by the Company.

\* 除CBEE及北京聖邑外，上述所有附屬公司均由本公司間接持有。

The above table lists the subsidiaries of the Company which, in the opinion of the Directors, principally affected the results for the year or formed a substantial portion of the net assets of the Group. To give details of other subsidiaries would, in the opinion of the Directors, result in particulars of excessive length.

上表列出董事認為主要影響年內業績或組成本集團資產淨值重大部分之本公司附屬公司。董事認為，如列出其他附屬公司詳情，會使篇幅過於冗長。



## Notes to the Consolidated Financial Statements (Continued)

### 綜合財務報表附註(續)

For the year ended 31 December 2020  
截至2020年12月31日止年度

#### 2.1 BASIS OF PREPARATION

These financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRSs”) (which include all IFRSs, International Accounting Standards (“IASs”) and Interpretations) issued by the International Accounting Standards Board (“IASB”) and the disclosure requirements of the Hong Kong Companies Ordinance. They have been prepared under the historical cost convention, except for debt investments and equity investments which have been measured at fair value. These consolidated financial statements are presented in Renminbi (“RMB”) and all values are rounded to the nearest thousand except when otherwise indicated.

##### Basis of consolidation

The consolidated financial statements include the financial statements of the Company and its subsidiaries (collectively referred to as the “Group”) for the year ended 31 December 2020. A subsidiary is an entity (including a structured entity), directly or indirectly, controlled by the Company. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee (i.e., existing rights that give the Group the current ability to direct the relevant activities of the investee).

#### 2.1 編製基準

本財務報表乃根據國際會計準則理事會(「國際會計準則理事會」)頒佈的國際財務報告準則(「國際財務報告準則」),包括所有國際財務報告準則、國際會計準則(「國際會計準則」)及詮釋)及香港公司條例的披露規定編製。本財務報表乃按歷史成本法編製,惟按公允價值計量的權益投資除外。本財務報表以人民幣(「人民幣」)呈列,而除另有列明者外,所有數值均四捨五入至最接近的千位數。

##### 綜合基準

綜合財務報表包括本公司及其附屬公司(統稱為「本集團」)截至2020年12月31日止年度的財務報表。附屬公司是由本公司直接或間接控制的實體(包括結構性實體)。當本集團通過參與被投資方的相關活動而承擔可變回報的風險或享有可變回報,並有能力運用其對被投資方的權力(即本集團有能力指導被投資方相關活動的現有權利)影響有關回報時,即取得控制權。

**2.1 BASIS OF PREPARATION (Continued)****Basis of consolidation (Continued)**

When the Company has, directly or indirectly, less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- (a) the contractual arrangement with the other vote holders of the investee;
- (b) rights arising from other contractual arrangements; and
- (c) the Group's voting rights and potential voting rights.

The financial statements of the subsidiaries are prepared for the same reporting period as the Company, using consistent accounting policies. The results of subsidiaries are consolidated from the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases.

Profit or loss and each component of other comprehensive income are attributed to the owners of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control described above. A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

**2.1 編製基準(續)****綜合基準(續)**

當本集團直接或間接擁有少於被投資方大多數投票或類似權利的權利時，本集團於評估其是否擁有對被投資方的權力時會考慮一切相關事實及情況，包括：

- (a) 與被投資方其他投票持有人的合同安排；
- (b) 其他合同安排所產生的權利；及
- (c) 本集團的投票權及潛在投票權。

附屬公司的財務報表使用一致的會計政策按相同呈報期編製。附屬公司的業績自本集團獲得控制權時開始綜合入賬，於喪失控制權時則終止入賬。

損益及其它全面收益的各組成部分歸屬於本公司權益擁有人及非控股權益，即使其導致非控股權益出現虧蝕結餘。所有集團內公司間的資產及負債、權益、收入、開支及本集團成員公司間交易有關的現金流量於綜合入賬時全額抵銷。

倘事實及情況表明三項控制因素其中一項或多項改變，則本集團會重估是否仍然控制被投資方。附屬公司的擁有權權益變動(並無失去控制權)按股權交易方式入賬。

## Notes to the Consolidated Financial Statements (Continued)

### 綜合財務報表附註(續)

For the year ended 31 December 2020  
截至2020年12月31日止年度

#### 2.1 BASIS OF PREPARATION (Continued)

##### Basis of consolidation (Continued)

If the Group loses control over a subsidiary, it derecognises (i) the assets (including goodwill) and liabilities of the subsidiary, (ii) the carrying amount of any non-controlling interest and (iii) the cumulative translation differences recorded in equity; and recognises (i) the fair value of the consideration received, (ii) the fair value of any investment retained and (iii) any resulting surplus or deficit in profit or loss. The Group's share of components previously recognised in other comprehensive income is reclassified to profit or loss or retained profits, as appropriate, on the same basis as would be required if the Group had directly disposed of the related assets or liabilities.

#### 2.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

The Group has adopted the *Conceptual Framework for Financial Reporting 2018* and the following revised IFRSs for the first time for the current year's financial statements.

Amendments to IFRS 9, IAS 39 and IFRS 7	<i>Interest Rate Benchmark Reform</i>
Amendment to IFRS 16	<i>Covid-19-Related Rent Concessions</i>
Amendments to IAS 1 and IAS 8	<i>Definition of Material</i>

#### 2.1 編製基準(續)

##### 綜合基準(續)

倘本集團喪失對某一附屬公司的控制權，本集團會終止確認以下各項：(i)該附屬公司的資產(包括商譽)及負債；(ii)任何非控股權益的賬面值；及(iii)於權益內錄得的累計匯兌差額；並確認以下各項：(i)所收取代價的公允價值；(ii)所保留任何投資的公允價值；及(iii)因此出現的任何損益盈餘或虧絀。本集團分佔之前於其他全面收益確認的部分則重新分類至損益或保留溢利(視情況而定)，所依據基準與本集團直接出售相關資產或負債時所須遵循者相同。

#### 2.2 會計政策之變動及披露

本集團已於本年度財務報表首次採納2018年度財務報告的概念框架及以下經修訂國際財務報告準則。

國際財務報告準則第9號、國際會計準則第39號及國際財務報告準則第7號(修訂本)	<i>利率基準改革</i>
國際財務報告準則第16號(修訂本)	<i>與COVID-19相關的租金優惠</i>
國際會計準則第1號及國際會計準則第8號(修訂本)	<i>重要的定義</i>

## 2.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES (Continued)

The nature and the impact of the *Conceptual Framework for Financial Reporting 2018* and the revised IFRSs are described below:

- (a) *Conceptual Framework for Financial Reporting 2018* (the “**Conceptual Framework**”) sets out a comprehensive set of concepts for financial reporting and standard setting, and provides guidance for preparers of financial statements in developing consistent accounting policies and assistance to all parties to understand and interpret the standards. The Conceptual Framework includes new chapters on measurement and reporting financial performance, new guidance on the derecognition of assets and liabilities, and updated definitions and recognition criteria for assets and liabilities. It also clarifies the roles of stewardship, prudence and measurement uncertainty in financial reporting. The Conceptual Framework is not a standard, and none of the concepts contained therein override the concepts or requirements in any standard. The Conceptual Framework did not have any significant impact on the financial position and performance of the Group.
- (b) Amendments to IFRS 9, IAS 39 and IFRS 7 address issues affecting financial reporting in the period before the replacement of an existing interest rate benchmark with an alternative risk-free rate (“**RFR**”). The amendments provide temporary reliefs which enable hedge accounting to continue during the period of uncertainty before the introduction of the alternative RFR. In addition, the amendments require companies to provide additional information to investors about their hedging relationships which are directly affected by these uncertainties. The amendments did not have any impact on the financial position and performance of the Group as the Group does not have any interest rate hedging relationships.

## 2.2 會計政策之變動及披露(續)

下文列出2018年度財務報告的概念框架及適用於本集團之經修訂國際財務報告準則的性質及影響：

- (a) 2018年度財務報告的概念框架(「**概念框架**」)就財務報告及準則的制定提供了一整套概念，並為財務報告編製者制定一致的會計政策提供指引，協助所有各方理解和解讀準則。概念框架包括有關計量及報告財務業績的新章節，有關資產及負債終止確認的新指引，以及更新了有關資產及負債定義和確認的標準。該等框架亦闡明管理，審慎及計量的不確定性在財務報告中的作用。概念框架並非準則，其中包含的任何概念均不會凌駕於任何準則中的概念或要求之上。概念框架對本集團的財務狀況及表現並無產生任何重大影響。
- (b) 國際財務報告準則第9號、國際會計準則第39號及國際財務報告準則第7號的修訂於現有利率基準被可替代無風險利率替代方案(「**無風險利率替代**」)替代前期間旨在解決影響財務申報的問題。該等修訂提供可在引入無風險利率替代方案前的不確定期限內繼續進行對沖會計處理的暫時性補救措施。此外，該等修訂規定公司須向投資者提供有關直接受該等不確定因素影響的對沖關係之額外資料。由於本集團並無任何利率對沖關係，因此該等修訂對本集團的財務狀況及表現並無任何重大影響。

## Notes to the Consolidated Financial Statements (Continued)

### 綜合財務報表附註(續)

For the year ended 31 December 2020  
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#### 2.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES (Continued)

- (c) Amendment to IFRS 16 provides a practical expedient for lessees to elect not to apply lease modification accounting for rent concessions arising as a direct consequence of the covid-19 pandemic. The practical expedient applies only to rent concessions occurring as a direct consequence of the pandemic and only if (i) the change in lease payments results in revised consideration for the lease that is substantially the same as, or less than, the consideration for the lease immediately preceding the change; (ii) any reduction in lease payments affects only payments originally due on or before 30 June 2021; and (iii) there is no substantive change to other terms and conditions of the lease. The amendment is effective for annual periods beginning on or after 1 June 2020 with earlier application permitted and shall be applied retrospectively.

The amendments did not have any impact on the financial position and performance of the Group as the Group did not obtain any rent concession.

- (d) Amendments to IAS 1 and IAS 8 provide a new definition of material. The new definition states that information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements. The amendments clarify that materiality will depend on the nature or magnitude of information, or both. The amendments did not have any significant impact on the financial position and performance of the Group.

#### 2.2 會計政策之變動及披露(續)

- (c) 國際財務報告準則第16號的修訂為承租人提供一個實際可行的權宜方法以選擇就新冠肺炎疫情的直接後果產生的租金寬免不應用租賃修改會計處理。該實際可行權宜方法僅適用於疫情直接後果產生的租金寬免，且僅當(i)租賃付款的變動使租賃代價有所修改，而經修改的代價與緊接變動前租賃代價大致相同，或少於緊接變動前租賃代價；(ii)租賃付款的任何減幅僅影響2021年6月30日或之前原到期的付款；及(iii)租賃的其他條款及條件並無實質變動。該修訂於2020年6月1日或之後開始的年度期間有效，允許提早應用，並須追溯應用。

由於本集團並無獲得任何租金寬減，因此該等修訂對本集團的財務狀況及表現並無任何重大影響。

- (d) 國際會計準則第1號及國際會計準則第8號的修訂為重要一詞提供新定義。根據新定義，倘可合理預期漏報、錯報或掩蓋個別資料將可影響使用財務報表作一般目的的主要使用者基於相關財務報表作出之決定，則該資料為重要。該等修訂指明，重要性取決於資料的性質及牽涉範圍或兩者。該等修訂對本集團的財務狀況及表現並無任何重大影響。

### 2.3 ISSUED BUT NOT YET EFFECTIVE INTERNATIONAL FINANCIAL REPORTING STANDARDS

The Group has not applied the following new and revised IFRSs, that have been issued but are not yet effective, in these financial statements.

Amendments to IFRS 3	<i>Reference to the Conceptual Framework<sup>2</sup></i>
Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16	<i>Interest Rate Benchmark Reform - Phase 2<sup>1</sup></i>
Amendments to IFRS 10 and IAS 28	<i>Sale or Contribution of Assets between an Investor and its Associate or Joint Venture<sup>4</sup></i>
IFRS 17	<i>Insurance Contracts<sup>3</sup></i>
Amendments to IFRS 17	<i>Insurance Contracts<sup>3, 5</sup></i>
Amendments to IAS 1	<i>Classification of Liabilities as Current or Non-current<sup>3</sup></i>
Amendments to IAS 1 and IFRS Practice Statement 2	<i>Disclosure of Accounting Policies<sup>3</sup></i>
Amendments to IAS 8	<i>Definition of Accounting Estimates<sup>3</sup></i>
Amendments to IAS 16	<i>Property, Plant and Equipment: Proceeds before Intended Use<sup>2</sup></i>
Amendments to IAS 37	<i>Onerous Contracts-Cost of Fulfilling a Contract<sup>2</sup></i>
Annual Improvements to IFRS standards 2018-2020	<i>Amendments to IFRS 1, IFRS 9, Illustrative Examples accompanying IFRS 16, and IAS 41<sup>2</sup></i>

### 2.3 已頒佈但尚未生效的國際財務報告準則

本集團尚未於本財務報表應用以下已頒佈但尚未生效的新訂及經修訂國際財務報告準則。

國際財務報告準則第3號(修訂本)	概念框架的提述 <sup>2</sup>
國際財務報告準則第9號、國際會計準則第39號、國際財務報告準則第7號、國際財務報告準則第4號及國際財務報告準則第16號(修訂本)	利率基準改革 – 第二階段 <sup>1</sup>
國際財務報告準則第10號及國際會計準則第28號(修訂本)	投資者與其聯營公司或合營公司之間的資產出售或注資 <sup>4</sup>
國際財務報告準則第17號	保險合約 <sup>3</sup>
國際財務報告準則第17號(修訂本)	保險合約 <sup>3, 5</sup>
國際會計準則第1號(修訂本)	負債分類為即期或非即期 <sup>3</sup>
國際會計準則第1號及國際會計準則實務聲明第2號(修訂本)	會計政策披露 <sup>3</sup>
國際會計準則第8號(修訂本)	會計估計的定義 <sup>3</sup>
國際會計準則第16號(修訂本)	物業、廠房及設備：未作擬定用途前的所得款項 <sup>2</sup>
國際會計準則第37號(修訂本)	繁重合約 – 履行合約的成本 <sup>2</sup>
國際財務報告準則2018年至2020年之年度改進	國際財務報告準則第1號、國際財務報告準則第9號、國際財務報告準則第16號相應闡釋範例及國際會計準則第41號之修訂 <sup>2</sup>

## Notes to the Consolidated Financial Statements (Continued)

### 綜合財務報表附註(續)

For the year ended 31 December 2020  
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### 2.3 ISSUED BUT NOT YET EFFECTIVE INTERNATIONAL FINANCIAL REPORTING STANDARDS (Continued)

- 1 Effective for annual periods beginning on or after 1 January 2021
- 2 Effective for annual periods beginning on or after 1 January 2022
- 3 Effective for annual periods beginning on or after 1 January 2023
- 4 No mandatory effective date yet determined but available for adoption
- 5 As a consequence of the amendments to IFRS 17 issued in June 2020, IFRS 4 was amended to extend the temporary exemption that permits insurers to apply IAS 39 rather than IFRS 9 for annual periods beginning before 1 January 2023

Further information about those IFRSs that are expected to be applicable to the Group is described below.

Amendments to IFRS 3 are intended to replace a reference to the previous *Framework for the Preparation and Presentation of Financial Statements* with a reference to the *Conceptual Framework for Financial Reporting* issued in March 2018 without significantly changing its requirements. The amendments also add to IFRS 3 an exception to its recognition principle for an entity to refer to the Conceptual Framework to determine what constitutes an asset or a liability. The exception specifies that, for liabilities and contingent liabilities that would be within the scope of IAS 37 or IFRIC 21 if they were incurred separately rather than assumed in a business combination, an entity applying IFRS 3 should refer to IAS 37 or IFRIC 21 respectively instead of the Conceptual Framework. Furthermore, the amendments clarify that contingent assets do not qualify for recognition at the acquisition date. The Group expects to adopt the amendments prospectively from 1 January 2022. Since the amendments apply prospectively to business combinations for which the acquisition date is on or after the date of first application, the Group will not be affected by these amendments on the date of transition.

### 2.3 已頒佈但尚未生效的國際財務報告準則(續)

- 1 於2021年1月1日或之後開始的年度期間生效
- 2 於2022年1月1日或之後開始的年度期間生效
- 3 於2023年1月1日或之後開始的年度期間生效
- 4 尚未釐定強制生效日期，惟可供採納
- 5 作為於2020年6月頒佈的國際財務報告準則第17號之修訂的結果，於2023年1月1日之前開始的年度期間，國際財務報告準則第4號已作出修訂，以延長允許保險人應用國際會計準則第39號而非國際財務報告準則第9號的暫時豁免

預期將適用於本集團的該等國際財務報告準則之進一步資料於下文載述。

國際財務報告準則第3號之修訂旨在以2018年3月頒佈的引用財務報告概念框架取代引用先前財務報表編製及呈列框架，而毋須大幅度改變其規定。該等修訂亦就國際財務報告準則第3號就實體引用概念框架以釐定構成資產或負債的內容之確認原則增設一項例外情況。該例外情況規定，對於可能屬於國際會計準則第37號或國際財務報告詮釋第21號範圍內的負債及或然負債而言，倘該等負債屬單獨產生而非於企業合併中產生，則應用國際財務報告準則第3號的實體應分別參考國際會計準則第37號或國際財務報告詮釋第21號，而非概念框架。此外，該等修訂澄清或然資產於收購日期不符合確認條件。本集團預計自2022年1月1日起提前採納該等修訂。由於該等修訂前瞻地適用於收購日期為首次應用日期或之後的業務合併，因此本集團於過渡日期將不會受該等修訂的影響。

### 2.3 ISSUED BUT NOT YET EFFECTIVE INTERNATIONAL FINANCIAL REPORTING STANDARDS (Continued)

Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 address issues not dealt with in the previous amendments which affect financial reporting when an existing interest rate benchmark is replaced with an alternative RFR. The Phase 2 amendments provide a practical expedient to allow the effective interest rate to be updated without adjusting the carrying amount when accounting for changes in the basis for determining the contractual cash flows of financial assets and liabilities, if the change is a direct consequence of the interest rate benchmark reform and the new basis for determining the contractual cash flows is economically equivalent to the previous basis immediately preceding the change. In addition, the amendments permit changes required by the interest rate benchmark reform to be made to hedge designations and hedge documentation without the hedging relationship being discontinued. Any gains or losses that could arise on transition are dealt with through the normal requirements of IFRS 9 to measure and recognise hedge ineffectiveness. The amendments also provide a temporary relief to entities from having to meet the separately identifiable requirement when an RFR is designated as a risk component. The relief allows an entity, upon designation of the hedge, to assume that the separately identifiable requirement is met, provided the entity reasonably expects the RFR risk component to become separately identifiable within the next 24 months. Furthermore, the amendments require an entity to disclose additional information to enable users of financial statements to understand the effect of interest rate benchmark reform on an entity's financial instruments and risk management strategy. The amendments are effective for annual periods beginning on or after 1 January 2021 and shall be applied retrospectively, but entities are not required to restate the comparative information. The amendments are not expected to have any significant impact on the Group's consolidated financial statements.

### 2.3 已頒佈但尚未生效的國際財務報告準則(續)

當現有利率基準被可替代無風險利率替代方案替代時，國際財務報告準則第9號、國際會計準則第39號、國際財務報告準則第7號、國際財務報告準則第4號及國際財務報告準則第16號之修訂解決先前影響財務報告之修訂未處理的問題。第二階段之修訂提供對於釐定金融資產及負債的合約現金流量的基準之變動進行會計處理時無需調整賬面值而更新實際利率的可行權宜方法，前提是該變動為利率基準改革之直接後果且釐定合約現金流量的新基準於經濟上等同於緊接變動前的先前基準。此外，該等修訂允許利率基準改革所規定對對沖指定及對沖文件進行更改，而不會中斷對沖關係。過渡期間可能產生的任何損益均通過國際財務報告準則第9號的正常規定進行處理，以計量及確認對沖無效性。倘無風險利率被指定為風險組成部分時，該等修訂亦暫時減輕了實體必須滿足可單獨識別的要求的風險。倘實體合理地預期無風險利率風險組成部分於未來24個月內將變得可單獨識別，則該減免允許實體於指定對沖後假定已滿足可單獨識別之規定。此外，該等修訂亦規定實體須披露額外資料，以使財務報表的使用者能夠了解利率基準改革對實體的金融工具及風險管理策略的影響。該等修訂於2021年1月1日或之後開始的年度期間生效，並應追溯應用，但實體毋須重述比較資料。預期該等修訂不會對本集團的綜合財務報表造成任何重大影響。



## Notes to the Consolidated Financial Statements (Continued)

### 綜合財務報表附註(續)

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### 2.3 ISSUED BUT NOT YET EFFECTIVE INTERNATIONAL FINANCIAL REPORTING STANDARDS (Continued)

Amendments to IFRS 10 and IAS 28 address an inconsistency between the requirements in IFRS 10 and in IAS 28 in dealing with the sale or contribution of assets between an investor and its associate or joint venture. The amendments require a full recognition of a gain or loss when the sale or contribution of assets between an investor and its associate or joint venture constitutes a business. For a transaction involving assets that do not constitute a business, a gain or loss resulting from the transaction is recognised in the investor's profit or loss only to the extent of the unrelated investor's interest in that associate or joint venture. The amendments are to be applied prospectively. The previous mandatory effective date of amendments to IFRS 10 and IAS 28 was removed by the IASB in December 2015 and a new mandatory effective date will be determined after the completion of a broader review of accounting for associates and joint ventures. However, the amendments are available for adoption now. The amendments are not expected to have any significant impact on the Group's consolidated financial statements.

Amendments to IAS 1 clarify the requirements for classifying liabilities as current or non-current. The amendments specify that if an entity's right to defer settlement of a liability is subject to the entity complying with specified conditions, the entity has a right to defer settlement of the liability at the end of the reporting period if it complies with those conditions at that date. Classification of a liability is unaffected by the likelihood that the entity will exercise its right to defer settlement of the liability. The amendments also clarify the situations that are considered a settlement of a liability. The amendments are effective for annual periods beginning on or after 1 January 2023 and shall be applied retrospectively. Earlier application is permitted. The amendments are not expected to have any significant impact on the Group's consolidated financial statements.

### 2.3 已頒佈但尚未生效的國際財務報告準則(續)

國際財務報告準則第10號及國際會計準則第28號之修訂針對國際財務報告準則第10號及國際會計準則第28號之間有關投資者與其聯營公司或合營公司之間資產出售或注資兩者規定之不一致情況。該等修訂規定，當投資者與其聯營公司或合營公司之間的資產出售或注資構成一項業務時，須確認全數收益或虧損。當交易涉及不構成一項業務的資產時，由該交易產生的收益或虧損於該投資者的損益內確認，惟僅以不相關投資者於該聯營公司或合營公司之權益為限。該等修訂已前瞻應用。國際會計準則委員會已於2015年12月剔除國際財務報告準則第10號及國際會計準則第28號之修訂的以往強制生效日期，而新的強制生效日期將於對聯營公司及合營公司的會計處理完成更廣泛的檢討後釐定。然而，該等修訂現時可供採納。應用該等修訂預期不會對本集團的綜合財務報表造成任何重大影響。

國際會計準則第1號的修訂澄清將負債分類為流動或非流動的規定。該等修訂指明，倘實體延遲償還負債的權利受限於實體符合特定條件，則倘該實體符合當日之條件，其有權於報告期末延遲償還負債。負債的分類不受該實體行使其延遲償還負債權利的可能性的影響。該等修訂亦澄清被視為償還負債的情況。該等修訂於2023年1月1日或之後開始的年度期間生效，並應追溯應用。允許提早應用。該等修訂預期不會對本集團的綜合財務報表造成任何重大影響。

### 2.3 ISSUED BUT NOT YET EFFECTIVE INTERNATIONAL FINANCIAL REPORTING STANDARDS (Continued)

Amendments to IAS 1 require an entity to disclose its material accounting policy information rather than its significant accounting policies. To help entities to apply the amendments to IAS 1, the IASB also amended IFRS Practice Statement 2 Making Materiality Judgements to illustrate how an entity can judge whether accounting policy information is material to its financial statements. The IASB added guidance and examples to IFRS Practice Statement 2 to help an entity applying the four-step materiality process to accounting policy information. An entity shall apply the amendments to IAS 1 for annual reporting periods beginning on or after 1 January 2023. Earlier application is permitted. The amendments are not expected to have any significant impact on the Group's consolidated financial statements.

Amendments to IAS 8 introduce a new definition of accounting estimates. The amendments are designed to clarify the distinction between changes in accounting estimates and changes in accounting policies and the correction of errors. The amendments are effective for annual reporting periods beginning on or after 1 January 2023 and shall be applied to changes in accounting estimates and changes in accounting policies that occur on or after the beginning of the annual reporting period in which the entity first applies the amendments. Earlier application is permitted and the amendments are not expected to have any significant impact on the Group's consolidated financial statements.

### 2.3 已頒佈但尚未生效的國際財務報告準則(續)

國際會計準則理事會修訂了國際會計準則第1號，要求實體披露其重大的會計政策資訊，而不是其重要的會計政策。為了說明各實體適用國際會計準則第1號之修訂，國際會計準則理事會還修訂了國際財務報告準則實務聲明第2號作出重要性判斷，以說明實體如何判斷會計政策資訊對財務報表是否重大。國際會計準則理事會在國際財務報告準則實務聲明第2號中增加了指導意見和實例，以說明實體將四步法評估重大性流程應用於會計政策資訊。實體應於2023年1月1日或之後開始的年度報告期間適用國際會計準則第1號之修訂，並允許提前採用。該等修訂預計不會對本集團的綜合財務報表產生任何重大影響。

國際會計準則第8號之修訂引入會計估計的新定義。該等修訂旨在區分會計估計的變動、會計政策的變動以及差錯更正。實體應在2023年1月1日或之後開始的年度報告期間應用這些修訂，實體應對其適用這些修訂的第一個年度報告期開始時或之後發生的會計估計變更和會計政策變更適用這些修訂。允許提前採用，該等修訂預計不會對本集團的綜合財務報表產生任何重大影響。

## Notes to the Consolidated Financial Statements (Continued)

### 綜合財務報表附註(續)

For the year ended 31 December 2020  
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### 2.3 ISSUED BUT NOT YET EFFECTIVE INTERNATIONAL FINANCIAL REPORTING STANDARDS (Continued)

Amendments to IAS 16 prohibit an entity from deducting from the cost of an item of property, plant and equipment any proceeds from selling items produced while bringing that asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Instead, an entity recognises the proceeds from selling any such items, and the cost of those items, in profit or loss. The amendments are effective for annual periods beginning on or after 1 January 2022 and shall be applied retrospectively only to items of property, plant and equipment made available for use on or after the beginning of the earliest period presented in the financial statements in which the entity first applies the amendments. Earlier application is permitted. The amendments are not expected to have any significant impact on the Group's consolidated financial statements.

### 2.3 已頒佈但尚未生效的國際財務報告準則(續)

國際會計準則第16號的修訂禁止實體從物業、廠房及設備的成本中扣除資產達到管理層預定的可使用狀態(包括位置與條件)過程中產生的全部出售所得款項。實體必須將該等資產的出售所得款項計入當期損益。該等修訂於2022年1月1日或之後開始的年度期間生效，並僅追溯應用實體於首次採用該等修訂的財務報表所呈列的最早期間的期初或之後可供使用的物業、廠房及設備項目。允許提早應用。該等修訂預期不會對本集團的綜合財務報表造成任何重大影響。

### 2.3 ISSUED BUT NOT YET EFFECTIVE INTERNATIONAL FINANCIAL REPORTING STANDARDS (Continued)

Amendments to IAS 37 clarify that for the purpose of assessing whether a contract is onerous under IAS 37, the cost of fulfilling the contract comprises the costs that relate directly to the contract. Costs that relate directly to a contract include both the incremental costs of fulfilling that contract (e.g., direct labour and materials) and an allocation of other costs that relate directly to fulfilling that contract (e.g., an allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling the contract as well as contract management and supervision costs). General and administrative costs do not relate directly to a contract and are excluded unless they are explicitly chargeable to the counterparty under the contract. The amendments are effective for annual periods beginning on or after 1 January 2022 and shall be applied to contracts for which an entity has not yet fulfilled all its obligations at the beginning of the annual reporting period in which it first applies the amendments. Earlier application is permitted. Any cumulative effect of initially applying the amendments shall be recognised as an adjustment to the opening equity at the date of initial application without restating the comparative information. The amendments are not expected to have any significant impact on the Group's consolidated financial statements.

### 2.3 已頒佈但尚未生效的國際財務報告準則(續)

國際會計準則第37號之修訂澄清，就根據國際會計準則第37號評估合約是否屬繁重性質而言，履行合約的成本包括與合約直接相關的成本。與合約直接相關的成本包括履行該合約的增量成本（例如直接勞工及材料）及與履行合約直接相關的其他成本分配（例如分配履行合約所用物業、廠房及設備項目的折舊開支以及合約管理及監管成本）。一般及行政成本與合約並無直接關連，除非根據合約明確向對手方收取費用，否則不包括在內。該等修訂於2022年1月1日或之後開始的年度期間生效，並適用於實體於其首次應用修訂的年度報告期初尚未履行其所有責任的合約。允許提早應用。初步應用該等修訂的任何累積影響將確認為首次應用日期的期初權益的調整，而毋須重列比較資料。該等修訂預期不會對本集團的綜合財務報表造成任何重大影響。

## Notes to the Consolidated Financial Statements (Continued)

### 綜合財務報表附註(續)

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### 2.3 ISSUED BUT NOT YET EFFECTIVE INTERNATIONAL FINANCIAL REPORTING STANDARDS (Continued)

*Annual Improvements to IFRS standards 2018-2020* sets out amendments to IFRS 1, IFRS 9, Illustrative Examples accompanying IFRS 16, and IAS 41. Details of the amendments that are expected to be applicable to the Group are as follows:

- IFRS 9 *Financial Instruments*: clarifies the fees that an entity includes when assessing whether the terms of a new or modified financial liability are substantially different from the terms of the original financial liability. These fees include only those paid or received between the borrower and the lender, including fees paid or received by either the borrower or lender on the other's behalf. An entity applies the amendment to financial liabilities that are modified or exchanged on or after the beginning of the annual reporting period in which the entity first applies the amendment. The amendment is effective for annual periods beginning on or after 1 January 2022. Earlier application is permitted. The amendment is not expected to have a significant impact on the Group's consolidated financial statements.
- IFRS 16 *Leases*: removes the illustration of payments from the lessor relating to leasehold improvements in Illustrative Example 13 accompanying IFRS 16. This removes potential confusion regarding the treatment of lease incentives when applying IFRS 16.

### 2.3 已頒佈但尚未生效的國際財務報告準則(續)

*國際財務報告準則2018年至2020年之年度改進*載列國際財務報告準則第1號、國際財務報告準則第9號、國際財務報告準則第16號相應闡釋範例及國際會計準則第41號之修訂。有關預期適用於本集團的該等修訂之詳情如下：

- 國際財務報告準則第9號 *金融工具*：闡明當評估新承擔或經修改的金融負債的條款是否與原先金融負債不同時實體所計入的費用。該等費用僅包括借款人與貸款人之間支付或收取的費用，其中包括借款人或貸款人代表另一方支付或收取的費用。實體對其首次應用修訂的年度報告期間開始時或之後修改或交換的金融負債應用該修訂。該修訂於2022年1月1日或之後開始之年度期間生效。允許提早應用。該修訂預期不會對本集團的綜合財務報表造成任何重大影響。
- 國際財務報告準則第16號 *租賃*：在國際財務報告準則第16號的相關闡釋範例13中剔除出租人就租賃裝修付款的闡釋。此舉可於應用國際財務報告準則第16號時消除有關租賃優惠會計處理之潛在困惑情況。

## 2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

### Investments in associates

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but is not control or joint control over those policies.

The Group's investments in associates are stated in the consolidated statement of financial position at the Group's share of net assets under the equity method of accounting, less any impairment losses.

The Group's share of the post-acquisition results and other comprehensive income of associates is included in profit or loss and other comprehensive income, respectively. In addition, when there has been a change recognised directly in the equity of the associate, the Group recognises its share of any changes, when applicable, in the consolidated statement of changes in equity. Unrealised gains and losses resulting from transactions between the Group and its associates are eliminated to the extent of the Group's investments in the associates, except where unrealised losses provide evidence of an impairment of the assets transferred. Goodwill arising from the acquisition of associates is included as part of the Group's investments in associates.

## 2.4 主要會計政策概要

### 於聯營公司的投資

聯營公司為本集團對其發揮重大影響力之實體。重大影響是指有權參與被投資公司的財務及營運決策，而並非控制或共同控制有關政策。

本集團於聯營公司的投資乃以權益會計法按本集團應佔淨資產減任何減值虧損於綜合財務狀況表列賬。

本集團應佔聯營公司收購後的業績及其他全面收益分別計入損益及其他全面收益。此外，倘於聯營公司直接確認的權益有變動，本集團會於綜合權益變動表確認應佔任何變動(倘適用)。本集團與其聯營公司之間的交易產生的未變現收益及虧損，均按本集團於該等聯營公司的投資比率抵銷，惟未變現虧損經證實是由已轉讓資產減值所產生者則除外。收購聯營公司所產生的商譽計作本集團於聯營公司投資的一部分。

## Notes to the Consolidated Financial Statements (Continued)

### 綜合財務報表附註(續)

For the year ended 31 December 2020  
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#### 2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

##### Investments in associates (Continued)

If an investment in an associate becomes an investment in a joint venture or vice versa, the retained interest is not remeasured. Instead, the investment continues to be accounted for under the equity method. In all other cases, upon loss of significant influence over the associate or joint control over the joint venture, the Group measures and recognises any retained investment at its fair value. Any difference between the carrying amount of the associate or joint venture upon loss of significant influence or joint control and the fair value of the retained investment and proceeds from disposal is recognised in profit or loss.

When an investment in an associate is classified as held for sale, it is accounted for in accordance with IFRS 5 *Non-current Assets Held for Sale and Discontinued Operations*.

##### Fair value measurement

The Group measures its debt and equity investments at fair value at the end of each reporting period. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either in the principal market for the asset or liability, or in the absence of a principal market, in the most advantageous market for the asset or liability. The principal or the most advantageous market must be accessible by the Group. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

#### 2.4 主要會計政策概要(續)

##### 於聯營公司的投資(續)

倘於聯營公司的投資變為於合營企業的投資或出現相反情況，則不會重新計量保留權益。反之，該投資繼續根據權益法入賬。在所有其他情況下，失去對聯營公司的重大影響力或對合營企業的共同控制權後，本集團按其公允價值計量及確認任何剩餘投資。聯營公司或合營企業於失去重大影響力或共同控制權時的賬面值與剩餘投資及出售所得款項的公允價值之間的任何差額乃於損益中確認。

於聯營公司或合營企業的投資分類為持作出售的投資時，根據國際財務報告準則第5號持作出售的非流動資產及已終止經營業務入賬。

##### 公允價值計量

本集團於各報告期末按公允價值計量債務及股權投資。公允價值為市場參與者於計量日期在有序交易中出售資產所收取的價格或轉讓負債所支付的價格。公允價值計量乃假設出售資產或轉讓負債的交易於資產或負債主要市場或(在無主要市場的情況下)資產或負債最具優勢市場進行。主要或最具優勢市場須為本集團可進入的市場。資產或負債的公允價值乃按假設市場參與者於為資產或負債定價時會以他們的最佳經濟利益行事計量。

## 2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

### Fair value measurement (Continued)

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

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 – based on quoted prices (unadjusted) in active markets for identical assets or liabilities
- Level 2 – based on valuation techniques for which the lowest level input that is significant to the fair value measurement is observable, either directly or indirectly
- Level 3 – based on valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by reassessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

## 2.4 主要會計政策概要(續)

### 公允價值計量(續)

非金融資產的公允價值計量計及市場參與者能否透過最大限度使用該資產達致最佳用途，或將該資產出售予將最大限度使用該資產以達致最佳用途的另一市場參與者以產生經濟效益。

本集團採用適用於有關情況且具備充分數據以計量公允價值的估值技巧，以盡量使用相關可觀察輸入數據及盡量減少使用不可觀察輸入數據。

所有公允價值於財務報表計量或披露的資產及負債乃按對公允價值計量整體屬重大的最低層輸入數據於下述公允價值層級內分類：

- 第一級 – 按相同資產或負債於活躍市場的報價(未經調整)
- 第二級 – 按估值技巧，就此而言，對公允價值計量屬重大的最低層輸入數據可直接或間接觀察
- 第三級 – 按估值技巧，就此而言，對公允價值計量屬重大的最低層輸入數據不可觀察

就按經常性基準於財務報表確認的資產及負債而言，本集團透過於各報告期末重新評估分類(基於對公允價值計量整體屬重大的最低層輸入數據)確定各層級之間是否已發生轉移。



## Notes to the Consolidated Financial Statements (Continued)

### 綜合財務報表附註(續)

For the year ended 31 December 2020  
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#### 2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

##### Impairment of non-financial assets

Where an indication of impairment exists, or when annual impairment testing for an asset is required (other than inventories, contract assets, deferred tax assets, financial assets and investment properties), the asset's recoverable amount is estimated. An asset's recoverable amount is the higher of the asset's or cash-generating unit's value in use and its fair value less costs of disposal, and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets, in which case the recoverable amount is determined for the cash-generating unit to which the asset belongs.

An impairment loss is recognised only if the carrying amount of an asset exceeds its recoverable amount. 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. An impairment loss is charged to profit or loss in the period in which it arises in those expense categories consistent with the function of the impaired asset.

An assessment is made at the end of each reporting period as to whether there is an indication that previously recognised impairment losses may no longer exist or may have decreased. If such an indication exists, the recoverable amount is estimated. A previously recognised impairment loss of an asset other than goodwill is reversed only if there has been a change in the estimates used to determine the recoverable amount of that asset, but not to an amount higher than the carrying amount that would have been determined (net of any depreciation/amortisation) had no impairment loss been recognised for the asset in prior years. A reversal of such an impairment loss is credited to profit or loss in the period in which it arises.

#### 2.4 主要會計政策概要(續)

##### 非金融資產減值

當存在減值跡象，或當需要就資產(存貨、合約資產、遞延稅項資產、金融資產及投資物業除外)進行年度減值測試時，會估計資產的可收回金額。資產的可收回金額為資產或現金產生單位的使用價值與其公允價值減出售成本兩者的較高者，並就個別資產而釐定，除非資產並不產生在很大程度上獨立於其他資產或資產組別的現金流入，於此情況下，則可收回金額就資產所屬現金產生單位而釐定。

減值虧損僅於資產賬面值超過其可收回金額時確認。於評估使用價值時，估計未來現金流量按反映幣值時間值及資產特定風險的現時市場評估的稅前折現率折現至其現值。減值虧損按與該減值資產功能相符的開支類別於產生期間自損益中扣除。

於各報告期末評估是否有跡象顯示先前所確認的減值虧損可能不再存在或已減少。倘存在有關跡象，則估計可收回金額。僅當用以釐定資產(商譽除外)可收回金額的估計有變時，方會撥回該資產先前確認的減值虧損，但撥回後的金額不得超逾假設於過往年度並無就該資產確認減值虧損而應釐定的賬面值(扣除任何折舊／攤銷)。有關減值虧損撥回乃於其產生期間計入損益。

## 2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

## 2.4 主要會計政策概要(續)

## Related parties

A party is considered to be related to the Group if:

**(a) the party is a person or a close member of that person's family and that person**

- (i) has control or joint control over the Group;
- (ii) has significant influence over the Group;  
or
- (iii) is a member of the key management personnel of the Group or of a parent of the Group;

or

**(b) the party is an entity where any of the following conditions applies:**

- (i) the entity and the Group are members of the same group;
- (ii) one entity is an associate or joint venture of the other entity (or of a parent, subsidiary or fellow subsidiary of the other entity);
- (iii) the entity and the Group are joint ventures of the same third party;
- (iv) one entity is a joint venture of a third entity and the other entity is an associate of the third entity;

## 關連方

以下人士被視為本集團的關連方，倘：

**(a) 有關方為一名人士或該人士的關係密切家庭成員，而該人士**

- (i) 擁有本集團的控制權或共同控制權；
- (ii) 對本集團具有重大影響力；  
或
- (iii) 為本集團或本集團母公司的主要管理人員的一名成員；

或

**(b) 有關方為實體且符合下列任何一項條件：**

- (i) 該實體與本集團屬同一集團的成員公司；
- (ii) 一實體為另一實體（或另一實體的母公司、附屬公司或同系附屬公司）的聯營公司或合營企業；
- (iii) 該實體與本集團為同一第三方的合營企業；
- (iv) 一實體為第三方實體的合營企業，而另一實體為該第三方實體的聯營公司；

## Notes to the Consolidated Financial Statements (Continued)

### 綜合財務報表附註(續)

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#### 2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

##### Related parties (Continued)

**(b) the party is an entity where any of the following conditions applies: (Continued)**

- (v) the entity is a post-employment benefit plan for the benefit of employees of either the Group or an entity related to the Group;
- (vi) the entity is controlled or jointly controlled by a person identified in (a);
- (vii) a person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity); and
- (viii) the entity, or any member of a group of which it is a part, provides key management personnel services to the Group or to the parent of the Group.

##### Property, plant and equipment and depreciation

Property, plant and equipment, other than construction in progress, are stated at cost less accumulated depreciation and any impairment losses. When an item of property, plant and equipment is classified as held for sale or when it is part of a disposal group classified as held for sale, it is not depreciated and is accounted for in accordance with IFRS 5 *Non-current Assets Held for sale and Discontinued Operations*. The cost of an item of property, plant and equipment comprises its purchase price and any directly attributable costs of bringing the asset to its working condition and location for its intended use.

#### 2.4 主要會計政策概要(續)

##### 關連方(續)

**(b) 有關方為實體且符合下列任何一項條件：(續)**

- (v) 該實體為本集團或與本集團有關連的實體就僱員福利設立的離職後福利計劃；
- (vi) 該實體受(a)所述人士控制或共同控制；
- (vii) 上文(a)(i)所述人士對實體具有重大影響力或屬該實體(或該實體的母公司)主要管理人員的一名成員；及
- (viii) 向本集團或本集團的母公司提供主要管理人員服務的實體或為其一部分的任何集團成員公司。

##### 物業、廠房及設備及折舊

物業、廠房及設備(在建工程除外)乃按成本減累計折舊及任何減值虧損列賬。當物業、廠房及設備項目分類為持作出售或當其屬於分類為持作出售的組別的一部分時，則不予折舊而按國際財務報告準則第5號持作出售的非流動資產及已終止經營業務入賬。物業、廠房及設備項目的成本包括其購買價及任何令資產投入運作及將資產運往擬定用途地點的直接應佔成本。

**2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)**Property, plant and equipment and depreciation** (Continued)

Expenditure incurred after items of property, plant and equipment have been put into operation, such as repairs and maintenance, is normally charged to profit or loss in the period in which it is incurred. In situations where the recognition criteria are satisfied, the expenditure for a major inspection is capitalised in the carrying amount of the asset as a replacement. Where significant parts of property, plant and equipment are required to be replaced at intervals, the Group recognises such parts as individual assets with specific useful lives and depreciates them accordingly.

Depreciation is calculated on the straight-line basis to write off the cost of each item of property, plant and equipment to its residual value over its estimated useful life. The estimated useful lives of property, plant and equipment are as follows:

Owned properties	14 – 30 years
Motor vehicles	5 years
Fixtures and equipment	2 – 20 years

Where parts of an item of property, plant and equipment have different useful lives, the cost of that item is allocated on a reasonable basis among the parts and each part is depreciated separately. Residual values, useful lives and the depreciation method are reviewed, and adjusted if appropriate, at least at each financial year end, with the effect of any changes in estimate accounted for on a prospective basis.

When the Group makes payments for ownership interests of properties which includes both leasehold lands and building elements, the entire consideration is allocated between the leasehold lands and the building elements in proportion to the relative fair values at initial recognition. To the extent the allocation of the relevant payments can be made reliably, interest in leasehold lands is presented as “property, plant and equipment” in the consolidated statement of financial position. When the consideration cannot be allocated reliably between non-lease building element and undivided interest in the underlying leasehold lands, the entire properties are classified as property, plant and equipment.

**2.4 主要會計政策概要(續)****物業、廠房及設備及折舊(續)**

於物業、廠房及設備項目投入運作後引致的支出，如維修及維護支出，通常於產生期間計入損益。倘符合確認標準，主要檢查支出會作為重置，於資產賬面值中資本化。倘大部分物業、廠房及設備須不時重置，本集團確認該等部分為個別具有特定可使用年期的資產及相應地對其作出折舊。

折舊乃以直線法按其估計可使用年期撇銷各項物業、廠房及設備的成本至其剩餘價值計算。物業、廠房及設備的估計可使用年期如下：

自有物業	14 – 30年
汽車	5年
固定裝置及設備	2 – 20年

當一項物業、廠房及設備的各部分有不同可使用年期時，該項目的成本乃按合理基準在各部分之間分配，而各部分乃個別地折舊。剩餘價值、可使用年期及折舊方法至少於各報告期末檢討，並作出調整(如適用)，任何估計變動的影響按往後基準入賬。

當本集團就於物業的擁有權權益(包括租賃土地及樓宇成分)付款時，全部代價於租賃土地及樓宇成分之間按初始確認時的相對公允價值的比例分配。倘相關付款能可靠分配，則租賃土地的權益於綜合財務狀況表內呈列為「物業、廠房及設備」。當代價無法在相關租賃土地的非租賃樓宇成分及未分割權益之間可靠分配時，整項物業分類為物業、廠房及設備。

## Notes to the Consolidated Financial Statements (Continued)

### 綜合財務報表附註(續)

For the year ended 31 December 2020  
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#### 2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

##### Property, plant and equipment and depreciation (Continued)

An item of property, plant and equipment including any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on disposal or retirement recognised in profit or loss in the year the asset is derecognised is the difference between the net sales proceeds and the carrying amount of the relevant asset.

Construction in progress represents a building under construction, which is stated at cost less any impairment losses, and is not depreciated. Cost comprises the direct costs of construction and capitalised borrowing costs on related borrowed funds during the period of construction. Construction in progress is reclassified to the appropriate category of property, plant and equipment when completed and ready for use.

##### Investment properties

Investment properties are interests in land and buildings (including the leasehold property held as a right-of-use asset which would otherwise meet the definition of an investment property) held to earn rental income and/or for capital appreciation, rather than for use in the production or supply of goods or services or for administrative purposes; or for sale in the ordinary course of business. Such properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are measured at cost less accumulated depreciation and any impairment losses.

#### 2.4 主要會計政策概要(續)

##### 物業、廠房及設備及折舊(續)

物業、廠房及設備項目(包括初始確認的任何重大部分)於出售或預期其使用或出售不會帶來任何未來經濟利益時終止確認。因出售或報廢而於該資產終止確認年度的損益中確認的任何收益或虧損乃有關資產淨銷售所得款項與賬面值的差額。

在建工程指興建中的樓宇，乃按成本減任何減值虧損列賬，並不予折舊。成本包括直接建築成本及於建築期內有關借貸資金的資本化借款成本。在建工程於竣工且可供使用時將重新分類至適當之物業、廠房及設備類別。

##### 投資物業

投資物業為持作賺取租金收入及／或資本升值，而非用作生產或供應貨物或服務或用作行政用途；或供日常業務過程中出售的所持土地及樓宇(包括符合投資物業定義持作使用權資產的租賃物業)的權益。該等物業最初按成本(包括交易成本)計量。於初始確認後，投資物業乃按成本減累計折舊及任何減值虧損計量。

## 2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

### Investment properties (Continued)

The investment properties are depreciated on a straight-line basis at the rate of 3.17% per annum with the estimated residual value of 5% of the cost.

Any gains or losses on the retirement or disposal of an investment property are recognised in profit or loss in the year of the retirement or disposal.

### Intangible assets (other than goodwill)

Intangible assets with finite useful lives, other than service concession arrangements as set out in “Service concession arrangements” below, that are acquired separately are carried at cost less accumulated amortisation and any impairment losses. Amortisation is recognised on a straight-line basis over their estimated useful lives.

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in profit or loss in the period when the asset is derecognised.

## 2.4 主要會計政策概要(續)

### 投資物業(續)

投資物業按每年3.17%的折舊率及佔成本5%的估計剩餘價值，以直線法計算折舊。

報廢或出售投資物業所產生的任何收益或虧損，於報廢或出售的年度內在損益中確認。

### 無形資產(商譽除外)

單獨收購及有限定可使用年期之無形資產(不包括下文「服務特許經營安排」所載的服務特許經營安排)按成本減累計攤銷及任何減值虧損列賬。攤銷於其估計可使用年期以直線法確認。

無形資產於出售時或預期其使用或出售不會產生任何日後經濟利益時終止確認。終止確認無形資產所產生的損益按資產的出售所得款項淨額與賬面金額的差額計算，並於終止確認資產期間於損益中確認。

## Notes to the Consolidated Financial Statements (Continued)

### 綜合財務報表附註(續)

For the year ended 31 December 2020  
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#### 2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

##### Intangible assets (other than goodwill) (Continued)

When the Group has a right to charge for usage of service concession infrastructure (as a consideration for providing construction services in a service concession arrangement), it recognises an intangible asset at fair value upon initial recognition. The Group's intangible assets represent operating concessions and are stated at cost less accumulated amortisation and any impairment losses, if any. Operating concessions are amortised over the tenure of the service concession arrangements and after taking into account of their estimated residual value, using straight-line method. The residual value is estimated by the Directors for the amount that could be recovered when the relevant contractual party is obliged to pay the Group for the transfer of infrastructure (which is built by the Group for obtaining the operating concession) at a price appraised by valuer upon the expiry of the service concession arrangements (if not extendable by the relevant contractual party) in accordance with the relevant service concession agreements. The estimated useful life, residual value and amortisation method are reviewed at the end of the reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. Further details of operating concessions are set out in "Service concession arrangements" below.

#### 2.4 主要會計政策概要(續)

##### 無形資產(商譽除外)(續)

當本集團有權就使用基建經營權收費(作為服務特許經營安排下建造服務的代價)，則在初始確認無形資產時會以公允價值計量。本集團的無形資產為特許經營權，以成本減累計攤銷及任何減值虧損(如有)列賬。特許經營權於服務特許經營安排的年期內使用直線法，並考慮到其估計剩餘價值進行攤銷。當有關訂約方須要就基礎設施(由本集團為獲取特許經營權而興建)的轉移，根據相關服務特許經營協議按服務特許經營安排屆滿時(倘不獲有關訂約方延期)由估值師評估的價值向本集團付款時，則剩餘價值由董事就可收回的金額作估計。估計可使用年期、剩餘價值及攤銷方法於報告期末作檢討，任何估計變動的影響按往後基準入賬。特許經營權的進一步詳情載於下文「服務特許經營安排」。

**2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** *(Continued)*

**Intangible assets (other than goodwill)** *(Continued)*

Service concession arrangements are amortised on a straight-line basis, over the remaining concession period. Other intangible assets are amortised on a straight-line basis based on their estimated useful lives as follows:

**Software**

Software is stated at cost less any impairment losses and is amortised on the straight-line basis over its estimated useful life of 5 years.

**Patents and trademarks**

Patents and trademarks are stated at cost less any impairment losses and are amortised on the straight-line basis over their estimated useful lives of 5 to 15 years.

**2.4 主要會計政策概要(續)**

**無形資產(商譽除外)(續)**

服務特許經營安排按餘下特許經營期以直線基準攤銷。其他無形資產乃根據下述估計可使用年期以直線基準攤銷：

**軟件**

軟件按成本減任何減值虧損列賬，並於估計可使用年期5年內以直線法攤銷。

**專利及商標**

專利及商標按成本減任何減值虧損列賬，並於估計可使用年期5至15年內以直線法攤銷。



## Notes to the Consolidated Financial Statements (Continued)

### 綜合財務報表附註(續)

For the year ended 31 December 2020  
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#### 2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

##### Intangible assets (other than goodwill) (Continued)

###### Research and development costs

All research costs are charged to profit or loss as incurred.

###### Service concession arrangements

The Group has entered into a number of service concession arrangements with certain owners of the power plants and other entities (the “Grantors”).

Under these service concession arrangements:

- the Grantors control or regulate the services the Group must provide with the infrastructure, to whom it must provide them, and at what price; and
- the Grantors control, through ownership, beneficial entitlement or otherwise, any significant residual interest in the infrastructure at the end of the term of the arrangements, or the infrastructure is used for its entire useful life under the arrangements, or both the Group’s practical ability to sell or pledge the infrastructure is restricted and continuing right of use of the infrastructure is given to the Grantors throughout the period of the arrangements.

#### 2.4 主要會計政策概要(續)

##### 無形資產(商譽除外)(續)

###### 研究及開發成本

所有研發成本於產生時自損益表扣除。

###### 服務特許經營安排

本集團已與若干發電廠擁有人及其他實體(「授予人」)訂立多項服務特許經營安排。

根據該等服務特許經營安排：

- 授予人控制或監管本集團需提供基建的服務、被提供服務的人士及價格；及
- 於安排期限末，授予人透過擁有權、實際權利或其他方式控制基建的任何重大剩餘權益，或基建根據安排於整個可用年限內使用，或於整個安排期間本集團出售或抵押基建的實際能力受到限制及使用基建的持續權利給予授予人。

## 2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

### Service concession arrangements (Continued)

#### Consideration given to the Grantor

During construction stage, a contract asset is recognised to the extent that the Group has a future unconditional right to receive cash or another financial asset from the Grantors for the consideration paid and payable by the Group to the Grantors upon completion of the construction of the relevant infrastructure, that is a condition for granting such unconditional right. The contract asset is transferred to financial asset (receivable under a service concession arrangement) when the construction of the relevant infrastructure is completed. The Group has unconditional right to receive cash if the Grantors contractually guarantee to pay the Group specified or determinable amounts or the shortfall (the “**Guarantee**”), if any, between amounts received from the users of the service and specified or determinable amounts.

The financial assets (receivables under service concession arrangements) are accounted for in accordance with the policy set out for financial assets at amortised cost below. An intangible asset (operating concession) is recognised to the extent that the Group receives a right to charge users of the service, which is not an unconditional right to receive cash because the amounts are contingent on the extent that the use, and is accounted for in accordance with the policy set out for “Intangible assets” above.

If the Group is paid for the consideration partly by a financial asset and partly by an intangible asset, then each component of the consideration is accounted for separately and is recognised initially at the fair value of the consideration.

## 2.4 主要會計政策概要(續)

### 服務特許經營安排(續)

#### 給予授予人的代價

於建造階段所確認的合約資產，以本集團於相關基礎設施建造完成時有未來的無條件權利向授予人收取現金或其他金融資產作為本集團支付及應付授予人的代價為限，而此乃授予該無條件權利的條件。當相關基礎設施建造完成時，合約資產轉撥至金融資產(服務特許經營安排下應收)。倘授予人以合約方式保證向本集團支付指定或待定金額，或授予人已收用戶有關服務的款項與指定或待定金額兩者間的差額(如有)(「保證」)，則本集團擁有無條件權利收取現金。

金融資產(服務特許經營安排下的應收款項)根據下文所載有關按攤銷成本計量的金融資產的政策列賬。無形資產(特許經營權)於本集團取得向使用者收取公共服務費用的權利時確認，惟該權利並非收取現金的無條件權利，因為有關金額須以公共服務將獲提供為條件，並按上文就「無形資產」所載的政策列賬。

倘本集團部分以金融資產及部分以無形資產來支付代價，則代價的各組成部分獨立入賬，並按代價的公允價值初始確認。

## Notes to the Consolidated Financial Statements (Continued)

### 綜合財務報表附註(續)

For the year ended 31 December 2020  
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## 2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

### Leases

The Group assesses at contract inception whether a 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 for consideration.

#### Group as a lessee

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

#### (a) Right-of-use assets

Right-of-use assets are recognised at the commencement date of the lease (that is the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and any impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease terms and the estimated useful lives of the assets as follows:

Leasehold lands	50 years
Leased properties	1 to 10 years

If ownership of the leased asset transfers to the Group by the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

## 2.4 主要會計政策概要(續)

### 租賃

訂立合約時，本集團評估合約是否為租賃或包含租賃。倘合約為換取代價而給予在一段時間內控制已識別資產使用的權利，則合約為租賃或包含租賃。

#### 本集團作為承租人

除短期租賃及低價值資產的租賃外，本集團就所有租賃採用單一確認及計量方法。本集團確認租賃負債以作出租賃款項，而使用權資產指使用相關資產的權利。

#### (a) 使用權資產

使用權資產於租賃開始日期(即相關資產可供使用之日)確認。使用權資產按成本減任何累計折舊及任何減值虧損計量，並就租賃負債的任何重新計量而作出調整。使用權資產成本包括已確認租賃負債金額、產生的初始直接成本及於開始日期或之前所作租賃付款減任何已收取租賃優惠。使用權資產於資產租期及估計可使用年期(以較短者為準)按直線法折舊，詳情如下：

租賃土地	50年
租賃物業	1至10年

倘租賃資產的所有權於租賃期結束時轉移至本集團或相關成本反映購買選擇權之行使，則使用資產的估計可使用年期計算折舊。

## 2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

### Leases (Continued)

#### Group as a lessee (Continued)

##### (b) Lease liabilities

Lease liabilities are recognised at the commencement date of the lease at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for termination of a lease, if the lease term reflects the Group exercising the option to terminate the lease. The variable lease payments that do not depend on an index or a rate are recognised as an expense in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in lease payments (e.g., a change to future lease payments resulting from a change in an index or rate) or a change in assessment of an option to purchase the underlying asset.

### 租賃(續)

#### 本集團作為承租人(續)

##### (b) 租賃負債

租賃負債於租賃開始日期按租期內將予作出的租賃付款現值確認。租賃負債包括定額付款(含實質定額付款)減任何租賃優惠應收款項、可變租賃付款(取決於指數或利率)及合理預期根據殘值擔保將予支付的款項。租賃付款亦包括合理確定本集團將予行使的購買選擇權的行使價及於租期反映本集團行使終止選擇權時,有關終止租賃的罰款。倘可變租賃付款並不取決於指數或利率,則於觸發付款的事件或條件出現期間內確認為開支。

計算租賃付款現值時,倘租賃內含利率無法輕易確定,則本集團使用租賃開始日期的增量借款利率。開始日期後,租賃負債金額會增加以反映利息累加,並因所作租賃付款而相應減少。此外,倘租期發生更改或變動,實質定額租賃付款發生變化,或指數或利率變動導致未來租賃付款發生變動,或購買相關資產的評估發生變動,租賃負債的賬面值會重新計量。

## Notes to the Consolidated Financial Statements (Continued)

### 綜合財務報表附註(續)

For the year ended 31 December 2020  
截至2020年12月31日止年度

## 2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

### Leases (Continued)

#### Group as a lessee (Continued)

##### (c) Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to its short-term leases of leased machinery and equipment (that is those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option).

Lease payments on short-term leases and leases of low-value assets are recognised as an expense on a straight-line basis over the lease term.

#### Group as a lessor

When the Group acts as a lessor, it classifies at lease inception (or when there is a lease modification) each of its leases as either an operating lease or a finance lease.

Leases in which the Group does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Rental income is accounted for on a straight-line basis over the lease terms and is included in revenue in profit or loss due to its operating nature. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

## 2.4 主要會計政策概要(續)

### 租賃(續)

#### 本集團作為承租人(續)

##### (c) 短期租賃及低價值資產租賃

本集團對租賃機器及設備的短期租賃應用短期租賃確認豁免(即自開始日期起計租期不超過12個月且不包含購買選擇權的有關租賃)。

短期租賃及低價值資產租賃的租賃付款以直線法按租期確認為開支。

#### 本集團作為出租人

在作為出租人訂立租賃時(或當租賃修訂時),本集團將各項租賃分類為經營租賃或融資租賃。

所有本集團並未轉讓資產所有權所附帶的絕大部分風險及回報的租賃歸類為經營租賃。租金收入於租期內按直線法核算,並根據其經營性質計入損益表內之收益。於磋商及安排經營租賃時產生的初始直接成本計入租賃資產的賬面價值,並於租期內按相同方法確認為租金收入。或有租金乃於所賺取的期間內確認為收益。

## 2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

### Leases (Continued)

#### Group as a lessor (Continued)

Leases that transfer substantially all the risks and rewards incidental to ownership of an underlying asset to the lessee are accounted for as finance leases.

### Investments and other financial assets

#### Initial recognition and measurement

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income, and fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient of not adjusting the effect of a significant financing component, the Group initially measures a financial asset at its fair value plus in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient are measured at the transaction price determined under IFRS 15 in accordance with the policies set out for "Revenue recognition" below.

In order for a financial asset to be classified and measured at amortised cost or fair value through other comprehensive income, it needs to give rise to cash flows that are solely payments of principal and interest ("SPPI") on the principal amount outstanding. Financial assets with cash flows that are not SPPI are classified and measured at fair value through profit or loss, irrespective of the business model.

## 2.4 主要會計政策概要(續)

### 租賃(續)

#### 本集團作為出租人(續)

相關資產所有權所附帶的絕大部分風險及回報轉讓予承租人的租賃歸類為融資租賃。

### 投資及其他金融資產

#### 初始確認及計量

金融資產在初始確認時分類，其後按攤銷成本、公允價值計入其他全面收益和公允價值計入損益計量。

金融資產在初始確認時的分類取決於金融資產的合同現金流特徵和本集團管理金融資產的商業模式。除了並不包含顯著的融資組成部分或本集團已應用權宜不就顯著融資組成部分的影響作出調整的應收賬款外，金融資產初始按公允價值另加收購金融資產應佔交易成本確認，惟按公允價值計入損益的金融資產除外。並不包含顯著融資組成部分或本集團已應用權宜的應收賬款，乃根據國際財務報告準則第15號下釐定的交易價格計量，而此乃根據下文「收入確認」載列的該等政策。

為使金融資產按攤銷成本或按公允價值計入其他全面收益進行分類及計量，需就未償還本金產生純粹支付本金及利息現金流。現金流量並非純粹為支付本金及利息的金融資產按公允價值計入損益分類及計量，而無論屬何業務模式。

## Notes to the Consolidated Financial Statements (Continued)

### 綜合財務報表附註(續)

For the year ended 31 December 2020  
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#### 2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

##### Investments and other financial assets (Continued)

###### Initial recognition and measurement (Continued)

The Group's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both. Financial assets classified and measured at amortised cost are held within a business model with the objective to hold financial assets in order to collect contractual cash flows, while financial assets classified and measured at fair value through other comprehensive income are held within a business model with the objective of both holding to collect contractual cash flows and selling. Financial assets which are not held within the aforementioned business models are classified and measured at fair value through profit or loss.

All regular way purchases and sales of financial assets are recognised on the trade date, that is, the date that the Group commits to purchase or sell the asset. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the period generally established by regulation or convention in the marketplace.

###### Subsequent measurement

The subsequent measurement of financial assets depends on their classification as follows:

###### Financial assets at amortised cost (debt instruments)

Financial assets at amortised cost are subsequently measured using the effective interest method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

#### 2.4 主要會計政策概要(續)

##### 投資及其他金融資產(續)

###### 初始確認及計量(續)

本集團管理金融資產的業務模式指其如何管理其金融資產以產生現金流。業務模式確定現金流是否將來自收集合約現金流、出售金融資產，或兩者兼有。於旨在持有金融資產以收取合約現金流量的業務模式中持有的金融資產按攤銷成本分類及計量，而於旨在持有金融資產以收取合約現金流量及出售金融資產的業務模式中持有的金融資產按公允價值計入其他全面收益分類及計量。並非於上述業務模式中持有的金融資產，按公允價值計入損益分類及計量。

循正常途徑買入及出售的金融資產於交易日(即本集團承諾購買或出售資產之日)確認。循正常途徑買入或出售，乃指須於法規或一般市場慣例設定的期間內交付資產的金融資產買入或出售。

###### 後續計量

金融資產的後續計量如下所述取決於其類別：

###### 按攤銷成本列賬的金融資產(債務工具)

按攤銷成本列賬的金融資產其後使用實際利率法計量，並可能受減值影響。當資產終止確認、修訂或減值時，收益及虧損於損益表中確認。

**2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)****Investments and other financial assets (Continued)****Financial assets at fair value through other comprehensive income (debt instruments)**

For debt investments at fair value through other comprehensive income, interest income, foreign exchange revaluation and impairment losses or reversals are recognised in profit or loss and computed in the same manner as for financial assets measured at amortised cost. The remaining fair value changes are recognised in other comprehensive income. Upon derecognition, the cumulative fair value change recognised in other comprehensive income is recycled to profit or loss.

**Financial assets designated at fair value through other comprehensive income (equity investments)**

Upon initial recognition, the Group can elect to classify irrevocably its equity investments as equity investments designated at fair value through other comprehensive income when they meet the definition of equity under IAS 32 *Financial Instruments: Presentation* and are not held for trading. The classification is determined on an instrument-by-instrument basis.

Gains and losses on these financial assets are never recycled to profit or loss. Dividends are recognised as other income in profit or loss when the right of payment has been established, it is probable that the economic benefits associated with the dividend will flow to the Group and the amount of the dividend can be measured reliably, except when the Group benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in other comprehensive income. Equity investments designated at fair value through other comprehensive income are not subject to impairment assessment.

**2.4 主要會計政策概要(續)****投資及其他金融資產(續)****按公允價值計入其他全面收益的金融資產(債務工具)**

就按公允價值計入其他全面收益的債務工具而言，利息收入、外匯重估及減值虧損或撥回於損益中確認，並按與按攤銷成本計量的金融資產相同之方式計算。其餘公允價值變動於其他全面收益中確認。終止確認時，於其他全面收益中確認的累計公允價值變動將撥回至損益。

**指定按公允價值計入其他全面收益的金融資產(股本工具)**

於初始確認時，本集團可選擇於權益投資符合國際會計準則第32號**金融工具：呈列**項下的權益定義且並非持作交易時，將其權益投資不可撤回地分類為指定按公允價值計入其他全面收益的股本工具。分類乃按個別工具基準釐定。

該等金融資產的收益及虧損概不會被撥回至損益。當支付權已確立、與股息相關的經濟利益很可能流入本集團，且可靠地計量股息金額時，股息於損益中確認為其他收入，惟當本集團於作為收回金融資產一部分成本的所得款項中獲益時則除外，於此情況下，該等收益於其他全面收益入賬。指定按公允價值計入其他全面收益的股本工具無須進行減值評估。



## Notes to the Consolidated Financial Statements (Continued)

### 綜合財務報表附註(續)

For the year ended 31 December 2020  
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#### 2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

##### Investments and other financial assets (Continued)

##### **Financial assets at fair value through profit or loss**

Financial assets at fair value through profit or loss are carried in the statement of financial position at fair value with net changes in fair value recognised in profit or loss.

This category includes equity investments which the Group had not irrevocably elected to classify at fair value through other comprehensive income. Dividends on equity investments classified as financial assets at fair value through profit or loss are also recognised as other income in profit or loss when the right of payment has been established, it is probable that the economic benefits associated with the dividend will flow to the Group and the amount of the dividend can be measured reliably.

##### **Derecognition of financial assets**

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e., removed from the Group's consolidated statement of financial position) when:

- the rights to receive cash flows from the asset have expired; or
- the Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a "pass-through" arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

#### 2.4 主要會計政策概要(續)

##### 投資及其他金融資產(續)

##### **按公允價值計入損益的金融資產**

按公允價值計入損益的金融資產在財務狀況表內按公允價值列賬，而公允價值變動淨額於損益中確認。

該類別包括本集團並無不可撤銷地選擇按公允價值計入其他全面收益進行分類的權益投資。分類為按公允價值計入損益的權益投資所產生的股息亦於支付權已確立、與股息相關的經濟利益很可能流入本集團，且可靠地計量股息金額時，於損益中確認為其他收入。

##### **終止確認金融資產**

金融資產(或(如適用)一項金融資產的一部分或一組同類金融資產的一部分)主要在下列情況下將予終止確認(即從本集團的綜合財務狀況表中剔除):

- 自資產收取現金流的權利已屆滿；或
- 本集團已轉讓其自資產收取現金流的權利，或已根據「轉手」安排來承擔向第三方全數支付所收取現金流的責任而並無重大延誤；及(a)本集團已轉讓資產的絕大部分風險及回報；或(b)本集團並無轉讓或保留資產的絕大部分風險及回報，但已轉讓資產的控制權。

## 2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

### Derecognition of financial assets (Continued)

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risk and rewards of ownership of the asset. When it has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the Group continues to recognise the transferred asset to the extent of the Group's continuing involvement. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

### Impairment of financial assets

The Group performs impairment assessment under expected credit loss ("ECL") model on financial assets, which are subject to impairment under IFRS 9 (including trade receivables, other receivables, amounts due from related parties, debt instruments at fair value through other comprehensive income, receivables under service concession arrangement, long term receivable, cash and bank balances, and time deposits) and contract assets. The amount of ECL is updated at each reporting date to reflect changes in credit risk since initial recognition.

## 2.4 主要會計政策概要(續)

### 終止確認金融資產(續)

當本集團已轉讓其自一項資產收取現金流的權利或已訂立一項轉手安排，本集團評估其是否保留資產所有權的風險及回報及保留程度。當本集團並無轉讓或保留該資產的絕大部分風險及回報，亦無轉讓該資產的控制權，則本集團繼續以本集團持續涉入的程度將轉讓資產確認入賬。於該情況下，本集團亦確認一項相關負債。轉讓資產及相關負債乃以反映本集團保留權利及責任的基準計量。

持續參與指本集團就已轉讓資產作出的保證，已轉讓資產乃以該項資產的原賬面值與本集團或須償還的代價數額上限兩者之較低者計算。

### 金融資產減值

本集團根據預期信貸虧損(「預期信貸虧損」)模式對金融資產及合約資產進行減值評估，而上述金融資產受限於國際財務報告準則第9號的減值規定，包括貿易應收款項、其他應收款項、應收關連方款項、按公允價值計入其他全面收益的債務工具、服務特許經營安排項下的應收款項、長期應收款項、現金及銀行結餘以及定期存款。預期信貸虧損的金額於各報告日期更新，以反映自初步確認後信用風險的變化。

## Notes to the Consolidated Financial Statements (Continued)

### 綜合財務報表附註(續)

For the year ended 31 December 2020  
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#### 2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

##### Impairment of financial assets (Continued)

Lifetime ECL represents the ECL that will result from all possible default events over the expected life of the relevant instrument. In contrast, 12-month ECL represents the portion of lifetime ECL that is expected to result from default events that are possible within 12 months after the reporting date. Assessment are done based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current conditions at the reporting date as well as the forecast of future conditions.

##### **Simplified approach**

The Group always recognises lifetime ECL for trade receivables, contract assets and amounts due from related parties-trade portion without significant financing component. Under the simplified approach, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. Except for debtors including which is credit-impaired is assessed for impairment individually, the trade receivables, contract assets and amounts due from related parties-trade portion are grouped under a provision matrix into internal credit rating buckets based on shared credit risk characteristics by reference to repayment histories for recurring customers and current past due exposure for the new customers.

##### **General approach**

For all other instruments, the Group measures the loss allowance equal to 12 months ECL, unless when there has been a significant increase in credit risk since initial recognition, the Group recognises lifetime ECL. The assessment of whether lifetime ECL should be recognised is based on significant increases in the likelihood or risk of a default occurring since initial recognition.

#### 2.4 主要會計政策概要(續)

##### 金融資產減值(續)

全期預期信貸虧損指相關工具的預期使用期內所有可能的違約事件產生的預期信貸虧損。相反，12個月預期信貸虧損指預期於報告日期後12個月內可能發生的違約事件導致的全期預期信貸虧損部分。評估乃根據本集團的歷史信貸虧損經驗進行，並根據債務人特有的因素、一般經濟狀況以及對報告日期當前狀況的評估以及對未來狀況的預測作出調整。

##### 簡化方法

本集團始終就沒有重大融資成分的貿易應收款項、合約資產及應收關連方款項的貿易部分確認全期預期信貸虧損。除包括已出現信貸減值的債務人個別地作減值評估外，貿易應收款項、合約資產及應收關連方款項的貿易部分乃參考還款歷史記錄(就經常客戶而言)及當期逾期風險(就新客戶而言)，基於共有的信貸風險特性根據撥備矩陣進行內部信貸評估的分類以作集體評估。

##### 一般方法

對於所有其他工具，本集團計量的虧損撥備等於12個月預期信貸虧損，除非自初步確認後信貸風險顯著增加，本集團確認全期預期信貸虧損。是否應確認全期預期信貸虧損的評估乃基於自初步確認以來發生違約的可能性或風險的顯著增加。

**2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)**2.4 主要會計政策概要** (續)**Impairment of financial assets** (Continued)**金融資產減值** (續)**General approach** (Continued)**一般方法** (續)(a) *Significant increase in credit risk*(a) *信貸風險大幅增加*

In assessing whether the credit risk on a financial instrument has increased significantly since initial recognition, the Group compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition. In making this assessment, the Group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort.

於評估金融工具自初步確認以來信貸風險有否大幅增加時，本集團將於報告日期金融工具發生的違約風險與初步確認日以來金融工具發生的違約風險進行比較。本集團進行此項評估時會考慮合理且可支持的定量及定性資料，包括無需付出不必要的成本或努力而可得的歷史經驗及前瞻性資料。

In particular, the following information is taken into account when assessing whether credit risk has increased significantly since initial recognition:

具體而言，評估信貸風險自初步確認以來有否大幅增加時，會考慮以下資料：

- an actual or expected significant deterioration in the financial instrument's external (if available) or internal credit rating;
- significant deterioration in external market indicators of credit risk, e.g. a significant increase in the credit spread, or the length of time or the extent to which the fair value of a financial asset has been less than its amortised cost;
- existing or forecast adverse changes in business, financial or economic conditions that are expected to cause a significant decrease in the debtor's ability to meet its debt obligations;

- 金融工具外部(如有)或內部信用評級實際或預期會顯著惡化；
- 信用風險的外部市場指標明顯惡化，例如信貸息差大幅上升，或金融資產公允價值低於其攤銷成本的時長或幅度大幅增加；
- 預計會導致債務人履行債務責任能力大幅下降的業務、財務或經濟狀況的現有或預期不利變動；

## Notes to the Consolidated Financial Statements (Continued)

### 綜合財務報表附註(續)

For the year ended 31 December 2020  
截至2020年12月31日止年度

## 2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

### Impairment of financial assets (Continued)

#### General approach (Continued)

##### (a) Significant increase in credit risk (Continued)

- an actual or expected significant deterioration in the operating results of the debtor;
- an actual or expected significant adverse change in the regulatory, economic, or technological environment of the debtor that results in a significant decrease in the debtor's ability to meet its debt obligations.

Irrespective of the outcome of the above assessment, the Group presumes that the credit risk has increased significantly since initial recognition when contractual payments are more than 30 days past due, unless the Group has reasonable and supportable information that demonstrates otherwise.

The Group regularly monitors the effectiveness of the criteria used to identify whether there has been a significant increase in credit risk and revises them as appropriate to ensure that the criteria are capable of identifying significant increase in credit risk before the amount becomes past due.

## 2.4 主要會計政策概要(續)

### 金融資產減值(續)

#### 一般方法(續)

##### (a) 信貸風險大幅增加(續)

- 債務人經營業績實際或預期會顯著惡化；
- 導致債務人履行債務責任能力大幅下降的監管、經濟或技術環境的實際或預期重大不利變動。

不論上述評估結果如何，倘合約付款逾期超過30日，則本集團會假定信貸風險自初步確認以來已大幅上升，除非本集團另有合理且可證實資料可資證明，則作別論。

本集團定期監控用以識別信貸風險有否大幅增加的標準的效益，且修訂標準(如適當)來確保標準能在金額逾期前識別信貸風險大幅增加。

## 2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

### Impairment of financial assets (Continued)

#### General approach (Continued)

##### (b) Definition of default

The Group considers the following as constituting an event of default for internal credit risk management purposes as historical experience indicates that receivables that meet either of the following criteria are generally not recoverable.

- when there is a breach of covenants by the counterparty; or
- information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including the Group, in full (without taking into account any collaterals held by the Group).

Irrespective of the above analysis, the Group considers that default has occurred when the contractual payment is more than 90 days past due unless the Group has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

### 金融資產減值(續)

#### 一般方法(續)

##### (b) 違約的定義

本集團認為以下情況就內部信貸風險管理目的而言構成違約事件，因為過往經驗表明符合以下任何一項條件的應收款項一般無法收回：

- 對手方違反契諾；或
- 內部產生或獲取自外部來源的資料表明，債務人不太可能向債權人（包括本集團）全額還款，不計及本集團持有的任何抵押品。

無論上文分析如何，本集團認為當合約付款逾期超過90日時，即屬發生違約，除非本集團有合理及有理據的資料證明較寬鬆的違約標準更為適用則當別論。

## Notes to the Consolidated Financial Statements (Continued)

### 綜合財務報表附註(續)

For the year ended 31 December 2020  
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## 2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

### Impairment of financial assets (Continued)

#### General approach (Continued)

##### (c) Credit-impaired financial assets

A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit-impaired includes observable data about the following events:

- significant financial difficulty of the issuer or the borrower;
- a breach of contract, such as a default or past due event;
- the lender(s) of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession(s) that the lender(s) would not otherwise consider; or
- it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation.

#### Write-off policy

The Group writes off a financial asset when there is information indicating that the counterparty is in severe financial difficulty and there is no realistic prospect of recovery, for example, when the counterparty has been placed under liquidation or has entered into bankruptcy proceedings. Financial assets written off may still be subject to enforcement activities under the Group's recovery procedures. Any recoveries made are recognised in profit or loss.

## 2.4 主要會計政策概要(續)

### 金融資產減值(續)

#### 一般方法(續)

##### (c) 信貸減值金融資產

金融資產在一項或以上事件(對該金融資產估計未來現金流量構成不利影響)發生時維持信貸減值。金融資產維持信貸減值的證據包括有關下列事件的可觀察數據:

- 發行人或借款人的重大財困;
- 違反合約(如違約或逾期事件);
- 借款人的貸款人因有關借款人財困的經濟或合約理由而向借款人批出貸款人不會另行考慮的優惠;或
- 借款人將可能陷入破產或其他財務重組。

#### 撇銷政策

資料顯示對手方處於嚴重財困及無實際收回可能時(例如對手方被清盤或已進入破產程序),本集團則撇銷金融資產。遭撇銷的金融資產可能仍須按本集團收回程序進行強制執行活動。任何收回款項在損益中確認。

**2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)**Impairment of financial assets** (Continued)**Measurement and recognition of ECL**

The measurement of ECL is a function of the probability of default, loss given default and the exposure at default. The assessment of the probability of default and loss given default is based on historical data adjusted by forward-looking information. Estimation of ECL reflects an unbiased and probability-weighted amount that is determined with the respective risks of default occurring as the weights.

Generally, the ECL is the difference between all contractual cash flows that are due to the Group in accordance with the contract and the cash flows that the Group expects to receive, discounted at the effective interest rate determined at initial recognition.

To measure the ECL, contract assets, trade receivables and amounts due from related parties-trade portion are grouped based on shared common risk characteristics. The Group believes that most of the customers of trade receivable, contract assets and amounts due from related parties-trade portion are the same in nature, who are power plants, and treats all customers as one single group. The grouping is regularly reviewed by the Directors to ensure the constituents of the group continue to share similar credit risk characteristics.

**2.4 主要會計政策概要(續)****金融資產減值(續)****預期信貸虧損的計量及確認**

預期信貸虧損的計量為違約概率、違約損失率及違約風險的函數。違約概率及違約損失率乃基於根據前瞻性資料調整的歷史數據評估。預期信貸虧損的預估乃無偏概率加權平均金額，以發生違約的風險為權重確定。

一般而言，預期信貸虧損為本集團根據合約應收的所有合約現金流量與本集團預計收取的所有現金流量的差額，並按初步確認時釐定的實際利率貼現。

計量預期信貸虧損時，合約資產、貿易應收款項及應收關連方款項的貿易部分按共同風險特點分類。本集團相信貿易應收款項、合約資產及應收關連方款項的貿易部分的大部分客戶(發電廠)屬同一性質，將全部客戶視為同一類。董事定期檢討分組，確保集團成員公司繼續攤佔類似的信貸風險特點。



## Notes to the Consolidated Financial Statements (Continued)

### 綜合財務報表附註(續)

For the year ended 31 December 2020  
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#### 2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

##### Impairment of financial assets (Continued)

##### **Measurement and recognition of ECL (Continued)**

Except for investments in debt instruments that are measured at fair value through other comprehensive income, the Group recognises an impairment gain or loss in profit or loss for all financial instruments by adjusting their carrying amount, with the exception of trade receivables, contract assets, amounts due from related parties, receivables under service concession arrangement, long term receivable and other receivables where the corresponding adjustment is recognised through a loss allowance account.

##### Financial liabilities

##### **Initial recognition and measurement**

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Group's financial liabilities include trade and bills payables, other payables, amounts due to related parties, interest-bearing bank and other borrowings.

#### 2.4 主要會計政策概要(續)

##### 金融資產減值(續)

##### **預期信貸虧損的計量及確認(續)**

除按公允價值計入其他全面收益計量的債務工具投資外，本集團通過調整所有金融工具的賬面值於損益中確認彼等的減值收益或虧損，惟貿易應收款項、合約資產及其他應收款項除外，此種情況下透過虧損撥備賬確認相應調整。

##### 金融負債

##### **初始確認及計量**

金融負債於初始確認時被分類為按公允價值計入損益的金融負債、貸款及借款及應付款項。

初始確認所有金融負債時，按公允價值計量，倘屬貸款及借款及應付款項，則須扣除直接應佔交易成本。

本集團的金融負債包括貿易應付款項及應付票據、其他應付款項、應付關連方款項、計息銀行及其他借款。

## 2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

### Financial liabilities (Continued)

#### Subsequent measurement

The subsequent measurement of financial liabilities depends on their classification as follows:

#### **Financial liabilities at amortised cost (loans and borrowings)**

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost, using the effective interest rate method unless the effect of discounting would be immaterial, in which case they are stated at cost. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the effective interest rate amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate. The effective interest rate amortisation is included in finance costs in profit or loss.

#### **Derecognition of financial liabilities**

A financial liability is derecognised when the obligation under the liability is discharged or cancelled, or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and a recognition of a new liability, and the difference between the respective carrying amounts is recognised in profit or loss.

## 2.4 主要會計政策概要(續)

### 金融負債(續)

#### 後續計量

不同類別金融負債的後續計量方法如下：

#### **按攤銷成本計量的金融負債(貸款及借款)**

於初始確認後，計息貸款及借款其後使用實際利率法按攤銷成本計量，除非貼現影響不重大，在該情況下，則按成本列賬。收益及虧損於負債終止確認時並通過實際利率攤銷程序於損益中確認。

計算攤銷成本時，考慮收購產生的任何折價或溢價以及作為實際利率不可或缺的費用或成本。實際利率攤銷則計入損益內的財務成本。

#### **金融負債終止確認**

金融負債於負債責任解除、取消或屆滿時終止確認。倘現有金融負債被另一項由同一借貨人提供但絕大部分條款不同的負債所取代，或現有負債的條款經大幅修訂，則有關交換或修訂被視為終止確認原有負債並確認新負債處理，而相關賬面值的差額於損益中確認。

## Notes to the Consolidated Financial Statements (Continued)

### 綜合財務報表附註(續)

For the year ended 31 December 2020  
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#### 2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

##### Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

##### Treasury shares

Own equity instruments which are reacquired and held by the Company or the Group (treasury shares) are recognised directly in equity at cost. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Group's own equity instruments.

##### Inventories

Inventories mainly include supplies and spare parts in relation to the Group's environmental protection facility and operation and maintenance services, and are stated at the lower of cost and net realisable value. Cost of inventories is calculated using the first-in-first-out method. Net realisable value is based on estimated selling prices less any estimated costs to be incurred to completion and disposal.

##### Cash and cash equivalents

For the purpose of the consolidated statement of cash flows, cash and cash equivalents comprise cash on hand and demand deposits, and short term highly liquid investments that are readily convertible into known amounts of cash, are subject to an insignificant risk of changes in value, and have a short maturity of generally within three months when acquired, less bank overdrafts which are repayable on demand and form an integral part of the Group's cash management.

#### 2.4 主要會計政策概要(續)

##### 抵銷金融工具

倘現時有可強制執行的法定權利就已確認金額進行抵銷，並且有意圖按淨額基準結算或同時變現資產及結算負債，則金融資產與金融負債可抵銷且淨額於財務狀況表列報。

##### 庫存股份

由本公司或本集團購回並持有的本身的股本工具(庫存股份)按成本直接在權益中確認。當本集團本身的股本工具買賣、發出或註銷時，不會在損益中確認收益或虧損。

##### 存貨

存貨主要包括有關本集團環保設施及營運和維護服務的物資及部件，按成本及可變現淨值兩者的較低者列賬。存貨成本使用先入先出法計算。可變現淨值乃按估計售價減任何達致完成及出售所產生的估計成本而計算。

##### 現金及現金等價物

就綜合現金流量表而言，現金及現金等價物包括手頭現金及活期存款，以及可隨時轉換成已知金額的現金、價值變動風險不大且購買時一般具有不超過三個月的短暫期限的短期高流通投資，減除須按要求償還及組成本集團現金管理不可或缺部分的銀行透支。

## 2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

### Cash and cash equivalents (Continued)

For the purpose of the consolidated statement of financial position, cash and cash equivalents comprise cash and bank balances, time deposits, which are not restricted as to use.

### Provisions

A provision is recognised when a present obligation (legal or constructive) has arisen as a result of a past event and it is probable that a future outflow of resources will be required to settle the obligation, provided that a reliable estimate can be made of the amount of the obligation.

When the effect of discounting is material, the amount recognised for a provision is the present value at the end of the reporting period of the future expenditures expected to be required to settle the obligation. The increase in the discounted present value amount arising from the passage of time is included in finance costs in profit or loss.

### Income tax

Income tax comprises current and deferred tax. Income tax relating to items recognised outside profit or loss is recognised outside profit or loss, either in other comprehensive income or directly in equity.

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period, taking into consideration interpretations and practices prevailing in the countries in which the Group operates.

## 2.4 主要會計政策概要(續)

### 現金及現金等價物(續)

就綜合財務狀況表而言，現金及現金等價物包括用途不受限制的現金及銀行結餘及定期存款。

### 撥備

撥備乃於因過往事件而須承擔現時責任(法定或推定)，而履行該責任將可能導致未來資源流出且該責任所涉金額能夠可靠估計時確認。

倘貼現影響重大，則確認的撥備金額為預期履行責任所需的未來支出於報告期末的現值。貼現現值隨時間增加的金額計入損益中的財務成本。

### 所得稅

所得稅包括即期及遞延稅項。與並非於損益確認的項目相關的所得稅亦不會於損益確認，而於其他全面收益或直接於權益確認。

即期稅項資產及負債乃按預期自稅務機關收回或支付予其的金額，根據於報告期結束前已頒佈或實質上已頒佈的稅率(及稅法)，經考慮本集團經營所在國家通行的詮釋及慣例計量。

## Notes to the Consolidated Financial Statements (Continued)

### 綜合財務報表附註(續)

For the year ended 31 December 2020  
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#### 2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

##### Income tax (Continued)

Deferred tax is provided, using the liability method, on all temporary differences at the end of the reporting period between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- when the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of taxable temporary differences associated with investments in subsidiaries and associates, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

#### 2.4 主要會計政策概要(續)

##### 所得稅(續)

遞延稅項採用負債法就於報告期末資產及負債的稅基與兩者用作財務報告的賬面值之間的所有暫時差額計提撥備。

遞延稅項負債乃就所有應課稅暫時差額而確認，惟下列情況除外：

- 遞延稅項負債乃因在一項並非業務合併的交易中初始確認商譽或資產或負債而產生，且於交易時並不影響會計溢利或應課稅溢利或虧損；及
- 就與於附屬公司及聯營公司的投資相關的應課稅暫時差額而言，暫時差額的撥回時間為可控制，且該等暫時差額於可預見將來可能不會撥回。

**2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)**Income tax** (Continued)

Deferred tax assets are recognised for all deductible temporary differences, and the carryforward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carryforward of unused tax credits and unused tax losses can be utilised, except:

- when the deferred tax asset relating to the deductible temporary differences arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of deductible temporary differences associated with investments in subsidiaries and associates, deferred tax assets are only recognised to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at the end of each reporting period and are recognised to the extent that it has become probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be recovered.

**2.4 主要會計政策概要(續)****所得稅(續)**

遞延稅項資產乃就所有可扣減暫時差額、未動用稅項抵免及任何未動用稅項虧損的結轉而確認。遞延稅項資產以可能有應課稅溢利用作抵銷可扣減暫時差額、未動用稅項抵免及未動用稅項虧損的結轉為限予以確認，惟下列情況除外：

- 與可扣減暫時差額有關的遞延稅項資產乃因在一項並非業務合併的交易中初次確認資產或負債而產生，且於交易時並不影響會計溢利或應課稅溢利或虧損；及
- 就與於附屬公司及聯營公司的投資相關的可扣減暫時差額而言，遞延稅項資產僅於暫時差額於可預見將來有可能撥回以及將有應課稅溢利用作對銷暫時差額的情況下，方予確認。

遞延稅項資產的賬面值於各報告期末審閱，並在不再可能有足夠應課稅溢利以動用全部或部分遞延稅項資產時，相應扣減該賬面值。未被確認的遞延稅項資產會於各報告期末重新評估，並在可能有足夠應課稅溢利以收回全部或部分遞延稅項資產時予以確認。

## Notes to the Consolidated Financial Statements (Continued)

### 綜合財務報表附註(續)

For the year ended 31 December 2020  
截至2020年12月31日止年度

#### 2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

##### Income tax (Continued)

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax assets and deferred tax liabilities are offset if and only if the Group has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

##### Government grants

Government grants are recognised at their fair value where there is reasonable assurance that the grant will be received and all attaching conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the costs, for which it is intended to compensate, are expensed.

Where the Group receives grants of non-monetary assets, the grants are recorded at the fair value of the non-monetary assets and released to profit or loss over the expected useful lives of the relevant assets by equal annual instalments.

#### 2.4 主要會計政策概要(續)

##### 所得稅(續)

遞延稅項資產及負債乃按預期適用於變現資產或清償負債期間的稅率，根據於報告期末前已頒佈或實質上已頒佈的稅率(及稅法)計量。

當且僅當本集團有可合法執行權利將即期稅項資產與即期稅項負債抵銷，且遞延稅項資產與遞延稅項負債與同一稅務機關對同一應課稅實體或於各未來期間預期有大額遞延稅項負債或資產需要結算或收回時，擬按淨額基準結算即期稅項負債及資產或同時變現資產及結算負債的不同應課稅實體徵收的所得稅相關，則遞延稅項資產與遞延稅項負債相抵銷。

##### 政府補助

倘能合理確定將會收取政府補助且符合所有附帶條件，則有關補助將按公允價值予以確認。倘補助與開支項目有關，即於擬補償成本的支銷期間內系統地確認為收入。

倘若本集團收到非貨幣資產的補助，則有關補助會以非貨幣資產的公允價值記錄入賬，並在相關資產的預期使用年限內每年按等額計入損益表。

## 2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

### Revenue recognition

#### *Revenue from contracts with customers*

The Group recognises revenue when (or as) a performance obligation is satisfied, i.e. when “control” of the goods or services underlying the particular performance obligation is transferred to the customer.

A performance obligation represents a good or service (or a bundle of goods or services) that is distinct or a series of distinct goods or services that are substantially the same.

Control is transferred over time and revenue is recognised over time by reference to the progress towards complete satisfaction of the relevant performance obligation if one of the following criteria is met:

- the customer simultaneously receives and consumes the benefits provided by the Group’s performance as the Group performs;
- the Group’s performance creates or enhances an asset that the customer controls as the Group performs; or
- the Group’s performance does not create an asset with an alternative use to the Group and the Group has an enforceable right to payment for performance completed to date.

Otherwise, revenue is recognised at a point in time when the customer obtains control of the distinct good or service.

## 2.4 主要會計政策概要(續)

### 收入確認

#### 客戶合約收益

本集團於履行履約責任時(或就此)確認收益，即當特定履約責任相關的貨品或服務的「控制權」轉讓予客戶時確認。

履約責任指可區分的單一貨品或服務(或組合貨品或服務)或大致相同的一系列可區分貨品或服務。

倘符合下列其中一項標準，按完全達成相關履約責任的進度隨時間轉移控制權及確認收益：

- 客戶於本集團履約的同時收取及消耗本集團履約所提供的利益；
- 本集團的履約創建或增強客戶於本集團履約時控制的資產；或
- 本集團的履約未創建對本集團具有替代用途的資產，而本集團有強制執行權收取至今已履約部分的款項。

否則，於客戶獲得可區分貨品或服務的控制權時確認收入。



## Notes to the Consolidated Financial Statements (Continued)

### 綜合財務報表附註(續)

For the year ended 31 December 2020  
截至2020年12月31日止年度

## 2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

### Revenue recognition (Continued)

#### Revenue from contracts with customers (Continued)

When the consideration in a contract includes a variable amount, the amount of consideration is estimated to which the Group will be entitled in exchange for transferring the goods or services to the customer. The variable consideration is estimated at contract inception and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognised will not occur when the associated uncertainty with the variable consideration is subsequently resolved.

When the contract contains a financing component which provides the customer with a significant benefit of financing the transfer of goods or services to the customer for more than one year, 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 between the Group and the customer at contract inception. When the contract contains a financing component which provides the Group with a significant financial benefit for more than one year, revenue recognised under the contract includes the interest expense accreted on the contract liability under the effective interest method. For a contract where the period between the payment by the customer and the transfer of the promised goods or services is one year or less, the transaction price is not adjusted for the effects of a significant financing component, using the practical expedient in IFRS 15.

## 2.4 主要會計政策概要(續)

### 收入確認(續)

#### 客戶合約收益(續)

當合約代價包含可變金額，代價估計為本集團轉讓貨品或服務予客戶時將有權換取的金額。可變代價於合約訂立時作估計並受限制，直至已確認的累計收入金額不大可能出現重大收入撥回，其時可變代價的相關不確定性隨即獲解決。

當合約包含融資組成部分，其向客戶提供重大利益，為轉移貨物或服務予該客戶融資超過一年，則收入按應收款項金額的現值計量，並以於合約起始時本集團與該客戶之間的單獨融資交易反映的折現率折現。當合約包含融資組成部分，其向本集團提供重大財務利益超過一年，則合約下確認的收入包括實際利率法下合約負債的利息支出。對於客戶付款與轉移承諾貨物或服務之間的時間差距為一年或以下的合約，使用國際財務報告準則第15號的權宜方法，即交易價格不就重大融資組成部分的影響作出調整。

## 2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

### Revenue recognition (Continued)

#### Construction services

Revenue from the provision of construction services is recognised over time, using an input method to measure progress towards complete satisfaction of the service, because the Group's performance creates or enhances an asset that the customer controls as the asset is created or enhanced. The input method recognises revenue based on the proportion of the actual costs incurred relative to the estimated total costs for satisfaction of the construction services.

Claims to customers are amounts that the Group seeks to collect from the customers as reimbursement of costs and margins for scope of works not included in the original construction contract. Claims are accounted for as variable consideration and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognised will not occur when the associated uncertainty with the variable consideration is subsequently resolved. The Group uses the expected value method to estimate the amounts of claims because this method best predicts the amount of variable consideration to which the Group will be entitled.

## 2.4 主要會計政策概要(續)

### 收入確認(續)

#### 建造服務

提供建造服務的收益使用計量已完成服務的進度的投入法於一段時間內予以確認，原因是本集團的履約創造或改良客戶在資產被創造或改良時已控制的資產。投入法乃按已產生的實際成本相對於提供建造服務的估計總成本的比例確認收益。

向客戶申索指本集團向客戶收取作為未有計入原建造合約的工程範圍成本及利潤的報銷。申索額計入可變代價，並一直受限直至可變代價關聯的不確定性在其後得以解決時，以確認的累積收益金額中極有可能不會出現重大收益撥回。本集團使用預期價值法估計索償金額，因為此法最能預測本集團將有權獲取的可變代價金額。

## Notes to the Consolidated Financial Statements (Continued)

### 綜合財務報表附註(續)

For the year ended 31 December 2020  
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#### 2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

##### Revenue recognition (Continued)

##### **Contracts with multiple performance obligations (including allocation of transaction price)**

For contracts that contain more than one performance obligations, including certain concession agreements that include “Build-Operate-Transfer” (“**BOT**”) and “Transfer-Operate-Transfer” (“**TOT**”) contracts, the Group allocates the transaction price to each performance obligation on a relative stand-alone selling price basis.

The stand-alone selling price of the distinct good or service underlying each performance obligation is determined at contract inception. It represents the price at which the Group would sell a promised good or service separately to a customer. If a stand-alone selling price is not directly observable, the Group estimates it using appropriate techniques such that the transaction price ultimately allocated to any performance obligation reflects the amount of consideration to which the Group expects to be entitled in exchange for transferring the promised goods or services to the customer.

#### 2.4 主要會計政策概要(續)

##### 收入確認(續)

##### **有多項履約責任(包括分配交易價)的合約**

就載有多於一項履約責任的合約(包括若干特許權協議,其中包括「建設—經營—移交」(「**BOT**」)及「移交—經營—移交」(「**TOT**」)合約)而言,本集團按相對獨立的售價基準將交易價分配至各項履約責任。

各項履約責任相關的可區分貨品或服務的獨立售價於訂立合約時釐定,乃指本集團將向客戶獨立出售承諾貨品或服務的價格。倘獨立售價無法直接觀察所得,則本集團會採用適當技術對其作出估算,致令最終分配至任何履約責任的交易價反映本集團預期於向客戶轉交承諾貨品或服務時有權收取的代價金額。

## 2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

### Revenue recognition (Continued)

#### **Existence of significant financing component**

In determining the transaction price, the Group adjusts the promised amount of consideration for the effects of the time value of money if the timing of payments agreed (either explicitly or implicitly) provides the customer or the Group with a significant benefit of financing the transfer of goods or services to the customer. In those circumstances, the contract contains a significant financing component. A significant financing component may exist regardless of whether the promise of financing is explicitly stated in the contract or implied by the payment terms agreed to by the parties to the contract.

For contracts where the Group transferred the construction services before payments from customers in which the Group adjusts for the promised amount of consideration for significant financing components, the Group applies a discount rate that would be reflected in a separate financing transaction between the Group and the customer at contract inception. The Group recognises interest income during the period between the payment from customers and the transfer of the associated services.

For contracts where the period between payment and transfer of the associated goods or services is less than one year, the Group applies the practical expedient of not adjusting the transaction price for any significant financing component.

## 2.4 主要會計政策概要(續)

### 收入確認(續)

#### **存在重大融資部分**

釐定交易價時，倘協定的付款時間(明示或暗示)為客戶或本集團提供有關向客戶轉讓貨品或服務的重大融資利益，本集團會就貨幣時間價值的影響調整承諾代價金額。於該等情況下，合約即包含重大融資部分。不論融資承諾是否明確列於合約或隱含在合約訂約方協定的付款條款中，均可能存在重大融資部分。

就本集團已就任何重大融資而調整已承諾的代價金額獲客戶付款之前經已轉移建造服務的合約而言，本集團應用將於本集團與客戶之間於合約開始的獨立融資交易中反映的貼現率。本集團確認獲客戶付款至轉移相關服務的期間內之利息收入。

對於付款與轉讓相關貨品或服務相隔期間不足一年的合約，本集團應用可行權宜之計，而不就任何重大融資部分調整交易價。

## Notes to the Consolidated Financial Statements (Continued)

### 綜合財務報表附註(續)

For the year ended 31 December 2020  
截至2020年12月31日止年度

#### 2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

##### Revenue recognition (Continued)

##### Revenue from other sources

Interest income generated from service concession arrangement is recognised on an accrual basis using the effective interest method by applying the rate that exactly discounts the estimated future cash receipts over the expected life of the financial instrument or a shorter period, when appropriate, to the net carrying amount of the receivable under service concession arrangement.

##### Other income

Interest income is recognised on an accrual basis using the effective interest method by applying the rate that exactly discounts the estimated future cash receipts over the expected life of the financial instrument or a shorter period, when appropriate, to the net carrying amount of the financial asset.

Rental income is recognised on a time proportion basis over the lease terms. 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 incurred.

Dividend income is recognised when the shareholders' right to receive payment has been established, it is probable that the economic benefits associated with the dividend will flow to the Group and the amount of the dividend can be measured reliably.

##### Contract assets

A contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the Group performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognised for the earned consideration that is conditional. Contract assets are subject to impairment assessment, details of which are included in the accounting policies for impairment of financial assets.

#### 2.4 主要會計政策概要(續)

##### 收入確認(續)

##### 其他來源的收入

服務特許經營安排產生的利息收入使用實際利率法通過採用按金融工具的預計年期或更短期間(如適用)將估計未來現金收入貼現至服務特許經營安排項下應收款項賬面淨值的利率按應計基準確認。

##### 其他收入

利息收入使用實際利率法通過採用按金融工具的預計年期或更短期間(如適用)將估計未來現金收入貼現至該金融資產賬面淨值的利率按應計基準確認。

租金收入按租期以時間比例確認。並非依賴於指數或比率的可變租賃付款於產生之會計期間確認為收入。

當股東收取款項的權利確立且與股息相關的經濟利益將流向本集團而股息金額能可靠計量時確認股息收入。

##### 合約資產

合約資產乃就換取已向客戶轉讓的貨品或服務而收取代價的權利。倘本集團於客戶支付代價或付款到期前將貨品或服務轉讓予客戶，則就附帶條件的已賺取代價確認合約資產。合約資產須進行減值評估，詳情載於有關金融資產減值的會計政策中。

## 2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

### Contract liabilities

A contract liability is recognised when a payment is received or a payment is due (whichever is earlier) from a customer before the Group transfers the related goods or services. Contract liabilities are recognised as revenue when the Group performs under the contract (i.e., transfers control of the related goods or services to the customer).

### Contract costs

Other than the costs which are capitalised as inventories, property, plant and equipment and intangible assets, costs incurred to fulfil a contract with a customer are capitalised as an asset if all of the following criteria are met:

- (a) The costs relate directly to a contract or to an anticipated contract that the entity can specifically identify.
- (b) The costs generate or enhance resources of the entity that will be used in satisfying (or in continuing to satisfy) performance obligations in the future.
- (c) The costs are expected to be recovered.

The capitalised contract costs are amortised and charged to profit or loss on a systematic basis that is consistent with the transfer to the customer of the goods or services to which the asset relates. Other contract costs are expensed as incurred.

### 合約負債

倘客戶於本集團轉讓相關貨品或服務前支付代價，則於作出付款或付款到期時（以較早者為準）確認合約負債。合約負債於本集團履行合約時（即相關貨品或服務轉移至客戶時）確認為收入。

### 合約成本

除撥充存貨、物業、廠房及設備及無形資產的成本外，就履行客戶合約而產生的成本在符合下列所有條件時資本化作為資產：

- (a) 該成本與實體可具體識別的合約或預期合約直接相關。
- (b) 該成本可以產生或提高實體用於滿足（或持續滿足）未來履約義務的資源。
- (c) 該成本預期可收回。

已撥充資本的合約成本有系統地按照與資產相關收入確認模式一致的方式攤銷及自損益中扣除。其他合約成本則在產生時支銷。

## Notes to the Consolidated Financial Statements (Continued)

### 綜合財務報表附註(續)

For the year ended 31 December 2020  
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#### 2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

##### Share-based payments

Equity-settled share-based payments to employees and others providing similar services are measured at the fair value of the equity instruments at the grant date. Details regarding the determination of the fair value of equity-settled share-based transactions are set out in note 32.

The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Group's estimate of equity instruments that will eventually vest, with a corresponding increase in equity. At the end of the reporting period, the Group revises its estimate of the number of equity instruments expected to vest.

The impact of the original estimates, if any, is recognised in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to the share premium.

Equity-settled share-based payment transactions with parties other than employees are measured at the fair value of the goods or services received, except where that fair value cannot be estimated reliably, in which case they are measured at the fair value of the equity instruments granted, measured at the date the entity obtains the goods or the counterparty renders the service.

#### 2.4 主要會計政策概要(續)

##### 以股份為基礎的付款

向僱員及其他提供類似服務的人士作出的以股權結算以股份為基礎的付款乃於授出日期按股本工具的公允價值計量。有關釐定以股權結算以股份為基礎的交易的公允價值的詳情載於附註32。

於授出日期釐定以股權結算以股份為基礎的付款的公允價值乃於歸屬期間，基於本集團對將會最終歸屬的股本工具的估計，按直線法支銷，權益則相應增加。於各報告期末，本集團會修訂其對預計將會歸屬的股本工具數量的估計。

最初估計的影響(倘有)將於損益中確認，以使累積開支能夠反映修訂後的估計，並對股份溢價作出相應調整。

僱員以外人士參與的以股權結算以股份為基礎的付款交易按所接收商品或服務的公允價值計量，除非有關公允價值無法可靠估計，在此情況下，則按所授出股本工具的公允價值於實體取得商品或對手方提供服務之日計量。

## 2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

### Other employee benefits

#### **Defined contribution plans**

The Group's subsidiaries operating in PRC except for Hong Kong ("Mainland China") participate in a central defined contribution retirement benefit plan managed by the local municipal government in the locations in which they operate. Contributions are made based on a percentage of the companies' payroll costs and are charged to profit or loss as they become payable in accordance with the rules of the central defined contribution retirement benefit plan.

#### **Short term employee benefits**

Short term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided.

A provision is recognised for the amount expected to be paid under short-term cash bonus or profit-sharing plans if the Group has a present legal or constructive obligation to pay this amount as a result of past services provided by the employee and the obligation can be estimated reliably.

#### **Termination benefits**

Termination benefits are recognised at the earlier of when the Group can no longer withdraw the offer of those benefits and when the Group recognises restructuring costs involving the payment of termination benefits.

### 其他僱員福利

#### **界定供款計劃**

本集團在中國(香港及澳門除外)(「中國內地」)營運的附屬公司，參與其營業所在地的地方政府管理的中央界定供款退休福利計劃，有關供款乃根據公司薪金費用的某百分比計算，並根據中央界定供款退休福利計劃的規則，在其應付時在損益中支銷。

#### **短期僱員福利**

短期員工福利義務以非貼現基準計量，並於有關服務提供時列為開支。

倘本集團就員工過去提供的服務而擁有法定或推定義務支付該金額，且該義務能夠可靠地估計，預期根據短期現金獎金或職工分紅計劃將預期予支付的金額將作為撥備予以確認。

#### **離職福利**

離職福利於本集團不能再取消提供該等福利時及本集團確認涉及支付離職福利的重組成本時(以較早者為準)確認。



## Notes to the Consolidated Financial Statements (Continued)

### 綜合財務報表附註(續)

For the year ended 31 December 2020  
截至2020年12月31日止年度

#### 2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

##### Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, i.e., assets that necessarily take a substantial period of time to get ready for their intended use or sale, are capitalised as part of the cost of those assets. The capitalisation of such borrowing costs ceases when the assets are substantially ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs capitalised. All other borrowing costs are expensed in the period in which they are incurred. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

##### Dividends

Final dividends are recognised as a liability when they are approved by the shareholders in a general meeting. Proposed final dividends are disclosed in the notes to the financial statements.

##### Foreign currencies

The Company's functional currency is RMB. In preparing the financial statements of each individual group entity, transactions in currencies other than the entity's functional currency (foreign currencies) are recognised at the rates of exchanges prevailing on the dates of the transactions. At the end of the reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing on that date. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated. Exchange differences arising on the settlement of monetary items, and on the retranslation of monetary items, are recognised in profit or loss in the period in which they arise.

#### 2.4 主要會計政策概要(續)

##### 借款成本

收購、建造或生產合資格資產(即需待相當時間方可達致其擬定用途或出售的資產)直接應佔的借款成本資本化作為該等資產成本的一部分。當資產大致可作擬定用途或出售時,則停止將該等借款成本資本化。特定借款於用作合資格資產支出前的暫時性投資所賺取的投資收入,於已資本化的借款成本中扣除。所有其他借款成本均於產生期間支銷。借款成本包括實體就借取資金產生的利息及其他成本。

##### 股息

末期股息於股東大會上獲股東批准時確認為負債。擬派末期股息在財務報表附註中披露。

##### 外幣

本公司的功能貨幣為人民幣。編製個別集團實體的財務報表時,以該實體的功能貨幣以外之貨幣(即外幣)所作的交易按交易當日適用的匯率確認。於各報告期末,以外幣列值之貨幣項目按有關日期現行之匯率予以重新換算。按歷史成本計量以外幣列值之非貨幣項目不予重新換算。結算貨幣項目及重新換算貨幣項目所產生之匯兌差額於彼等產生期間於損益中確認。

### 3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

The preparation of the Group's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and their accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amounts of the assets or liabilities affected in the future.

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.

The followings are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

### 3. 重大會計判斷及估計

編製本集團的財務報表時，管理層須作出會影響收入、開支、資產及負債的呈報金額以及相應披露和或然負債的披露的判斷、估計及假設。有關該等假設及估計的不確定因素可能導致於未來須就受影響的資產或負債賬面值作出重大調整的結果。

本集團會持續審視該等估計及相關假設。倘會計估計之修訂僅影響作出修訂估計之期間，則有關估計修訂將於作出修訂之期間確認，或倘修訂對本期及未來期間均會構成影響，則會於作出修訂之期間及未來期間確認。

以下為於報告期末有關未來之主要假設及估計不明朗因素之其他主要來源，具有導致資產及負債之賬面金額於下一財政年度內作出大幅調整之重大風險。

## Notes to the Consolidated Financial Statements (Continued)

### 綜合財務報表附註(續)

For the year ended 31 December 2020  
截至2020年12月31日止年度

### 3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES (Continued)

#### Progress of completion of performance obligations

The Group's revenue from construction contracts is recognised over time based on the stage of completion of the contract, which is determined as the proportion of the costs incurred relative to the estimated total costs to complete the contract. The Directors estimate both of the profit margin and contract cost at the beginning for each contract, revise the estimation of both profit margin and contract cost through regular review when the Directors consider there are changes in the assumptions throughout the contract period. The actual outcome of the contract in terms of its total revenue and costs may be higher or lower than the estimates and this will affect the revenue and profit recognised.

In addition, the Group makes provision for expected loss on construction contracts based on the estimation of the outcome of the ongoing construction projects by the Directors' prior experience and industry averages for similar projects. The Group assesses periodically the expected return of construction contracts and if the expectation differs from the original estimate, such difference will impact the expected return in the period in which such estimate has been changed.

### 3. 重大會計判斷及估計(續)

#### 完成履約責任的進度

本集團來自建造合約的收益根據合約的完成階段隨著時間確認，而合約完成階段按所產生的成本佔完成該合約估計總成本的比例釐定。董事於各合約開始時估計溢利率及合約成本，並於董事認為整個合約期的假設有變時透過定期檢討而修改對溢利率及合約成本的估計。於有關合約總收益及成本的實際結果或會高於或低於估計值，這將會影響已確認的收益及溢利。

此外，本集團根據董事就類似項目的過往經驗及行業平均水平就正在進行中的建築項目成果的估計對建築合約預期虧損計提撥備。本集團定期評估建築合約的預期回報及倘預期值有別於原始估計，有關差額將影響有關估計變動期間的預期回報。

### 3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES (Continued)

#### Provision of ECL for trade receivables, contract assets and amounts due from related parties-trade portion

The management of the Group estimates the amount of lifetime ECL of trade receivables, contract assets and amounts due from related parties-trade portion based on provision matrix through grouping of various debtors that have similar loss patterns, after considering ageing, internal credit ratings of trade debtors, repayment history and/or past due status of respective trade receivables. Estimated loss rates are based on historical observed default rates over the expected life of the debtors and are adjusted for forward-looking information. In addition, trade receivables and contract assets that are credit-impaired are assessed for ECL individually. The loss allowance amount of the trade receivables, contract assets and amounts due from related parties-trade portion is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows with the consideration of expected future credit losses. The provision of ECL is sensitive to changes in estimates. The Group's historical credit loss experience and forecast of economic conditions may also not be representative of a customer's actual default in the future. The information about the ECL and the Group's trade receivables, contract assets and amounts due from related parties-trade portion are disclosed in notes 20, 22 and 38 respectively.

#### Provision for customer claims

The Directors estimate the results of relevant events based on the information available upon 31 December 2020 and recognise accrued expenses at a most probable amount. Actual results may be different depending on the future progress. Details refer to note 27.

### 3. 重大會計判斷及估計(續)

#### 貿易應收款項、合約資產及應收關連方款項的貿易部分的預期信貸虧損撥備

本集團管理層經考慮貿易債務人的賬齡、內部信貸評級、還款歷史及／或個別貿易應收款項的逾期狀況後，將具有類似信貸風險特點的債務人分組，根據撥備矩陣估計貿易應收款項、合約資產及應收關連方款項的貿易部分的全期預期信貸虧損金額。估計虧損率乃根據過往可觀察的違約率除以債務人的預期賬齡，並就前瞻性資料作出調整。此外，已出現信貸減值的貿易應收款項、合約資產及應收關連方款項的貿易部分將個別評估預期信貸虧損。貿易應收款項及合約資產的虧損撥備金額乃以資產的賬面值與估計未來現金流量的現值加上預期未來信貸虧損兩者之間的差額計量。預期信貸虧損撥備對估計變動尤為敏感。本集團過往的信貸虧損經驗及對經濟狀況的預測亦未必反映客戶未來的實際違約情況。有關預期信貸虧損及本集團貿易應收款項、合約資產及應收關連方款項的貿易部分的資料分別於附註20、22及38披露。

#### 就客戶索償所作撥備

董事根據於2020年12月31日可得的資料來估計有關事件的結果，並按最可能的金額確認應計開支。視乎未來進度，實際結果或會有所不同。詳情請參閱附註27。

## Notes to the Consolidated Financial Statements (Continued)

### 綜合財務報表附註(續)

For the year ended 31 December 2020  
截至2020年12月31日止年度

### 3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES (Continued)

#### Impairment of non-financial assets (other than goodwill)

The Group assesses whether there are any indicators of impairment for all non-financial assets (including the right-of-use assets) at the end of each reporting period. Indefinite life intangible assets are tested for impairment annually and at other times when such an indicator exists. Other non-financial assets are tested for impairment when there are indicators that the carrying amounts may not be recoverable. An impairment exists when the carrying value of an asset or a cash-generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The calculation of the fair value less costs of disposal is based on available data from binding sales transactions in an arm's length transaction of similar assets or observable market prices less incremental costs for disposing of the asset. When value in use calculations are undertaken, management must estimate the expected future cash flows from the asset or cash-generating unit and choose a suitable discount rate in order to calculate the present value of those cash flows.

### 3. 重大會計判斷及估計(續)

#### 非金融資產(商譽除外)減值

本集團於各報告期末評估所有非金融資產(包括使用權資產)有否任何減值跡象。無限期年期的無形資產每年作減值測試，並於有減值跡象時在其他時間作減值測試。其他非金融資產在有跡象顯示賬面值可能無法收回時進行減值測試。倘資產或現金產生單位的賬面值超逾其可收回金額(即公允價值減出售成本與使用價值的較高者)，則視為已減值。公允價值減出售成本乃根據從同類資產的公平交易中的具約束力交易可得的數據或從可觀察市價減出售資產的增量成本計算。倘採用使用價值計算，則管理層須估計資產或現金產生單位的預期未來現金流量，選取合適的折現率以計算該等現金流量的現值。

**4. OPERATING SEGMENT INFORMATION**

For management purposes, the Group is organised into business units based on their products and services and has three reportable operating segments as follows:

- (a) Flue gas treatment business
- |                      |   |
|----------------------|---|
| EPC                  | project design, procurement of equipment and materials, project construction and equipment installment and testing services   |
| O&M                  | operation service and regular maintenance service for desulfurisation and denitrification facilities and dust removal facilities  |
| Concession operation | construction of infrastructure or acquisition of existing infrastructure from grantor, operation and maintenance of flue gas treatment project for a pre-defined period according to the concession contract and transferring the ownership of the infrastructure to the grantor at the end of the period |
| Others               | sales of by-products and others   |
- (b) Water treatment business mainly involves the sewage treatment for industrial parks in coal chemical, coking and steel sectors
- (c) Energy saving and environmental protection business mainly involves project engineering and design, procurement of equipment and materials, project construction, equipment installation and commissioning services.

Water treatment and energy saving and environmental protection are new businesses in 2020.

**4. 經營分部資料**

就管理目的，本集團根據其產品及服務而組織業務單位，並有以下三個可呈報經營分部：

- (a) 煙氣治理業務
- |        |   |
|--------|---|
| EPC    | 項目設計、採購設備與材料、項目建設以及設備安裝及測試服務  |
| 運維     | 就脫硫及脫硝設施及除塵設施提供運營服務及常規維護服務  |
| 特許經營業務 | 建造基礎設施或向授予人收購現有基礎設施、根據特許經營合同於預先規定的期限運營及維護煙氣治理項目，以及於期末向授予人轉讓基礎設施的所有權 |
| 其他     | 銷售副產品及其他  |
- (b) 水處理業務主要涉及煤化工、焦化及鋼鐵等工業園區的污水處理。
- (c) 節能環保業務主要涉及項目工程及設計、採購設備及材料、項目建設、設備安裝及調試服務。

水處理以及節能環保為2020年新增業務。

## Notes to the Consolidated Financial Statements (Continued)

### 綜合財務報表附註(續)

For the year ended 31 December 2020  
截至2020年12月31日止年度

#### 4. OPERATING SEGMENT INFORMATION (Continued)

For the purposes of resources allocation and assessment of segment performance, the executive directors, being the chief operating decision maker (“CODM”), regularly review types of goods or services delivered or provided by focusing on different business models. CODM assesses the performance of the operating segments based on a measure of “reportable segment profit”, i.e., “revenue less cost of sales”. The Group does not allocate depreciations and amortisations other than those presented in cost of sales and services, impairment of other non-current asset, impairment losses on financial and contract assets. The Group also does not allocate other income and other gains, other expense and losses, selling and distribution expenses, administrative expenses, research and development expenses, finance costs and share of profit of associates to its segments, as the CODM does not use such information to allocate resources to or evaluate the performance of the operating segments.

No segment assets and liabilities are presented as the CODM does not regularly review segment assets and liabilities.

Segment revenue reported above represents revenue generated from external customers. There were no inter-segment sales for the year ended 31 December 2020 (2019: Nil).

#### 4. 經營分部資料(續)

為進行資源分配及分部業績評估，執行董事（即主要運營決策者（「主要運營決策者」））通過專注於不同業務模式定期審查所交付貨物或所提供服務的類別。主要運營決策者根據對「可報告分部溢利」（即收入減銷售成本）的計量，評估經營分部的表現。除在銷售及服務成本、其他非流動資產減值、金融及合約資產減值虧損中列報的折舊及攤銷外，本集團並無分配折舊及攤銷。本集團亦無向其分部分配其他收入及其他收益淨額、銷售及分銷開支、行政開支、研發開支、財務費用及分佔聯營公司溢利，因為主要運營決策者並不使用該等資料來分配資源或評估經營分部的表現。

由於主要運營決策者並未定期審閱分部資產及負債，因此，概無呈列分部資產及負債。

上文呈報的分部收益指來自外部客戶的收益。截至2020年12月31日止年度概無分部間銷售（2019年：無）。

## Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

For the year ended 31 December 2020  
截至2020年12月31日止年度4. OPERATING SEGMENT INFORMATION 4. 經營分部資料(續)  
(Continued)

		Segment revenue (Note 5) 分部收益(附註5)		Segment profit 分部溢利	
		2020 2020年 RMB' 000 人民幣千元	2019 2019年 RMB' 000 人民幣千元	2020 2020年 RMB' 000 人民幣千元	2019 2019年 RMB' 000 人民幣千元
<b>Flue gas treatment business</b>	<b>煙氣治理業務</b>				
EPC	EPC	530,214	730,628	5,227	29,344
O&M	運維	384,210	380,317	78,652	81,659
Concession operation	特許經營	587,975	700,489	183,816	172,257
Others	其他	28,055	25,062	27,834	23,262
<b>Water treatment business</b>	<b>水處理業務</b>	90,695	–	43,940	–
<b>Energy saving and environmental protection business</b>	<b>節能環保業務</b>	24,982	–	609	–
<b>Total</b>	<b>總計</b>	<b>1,646,131</b>	<b>1,836,496</b>	<b>340,078</b>	<b>306,522</b>
Unallocated other income and gains	未分配其他收入及收益			44,500	53,862
Unallocated other expense and losses	未分配其他開支及虧損			(10,968)	(28,426)
Unallocated selling and distribution expenses	未分配銷售及分銷開支			(22,352)	(29,295)
Unallocated administrative expenses	未分配行政開支			(79,540)	(88,776)
Unallocated research and development expenses	未分配研發開支			(33,810)	(24,256)
Unallocated impairment losses on financial and contract assets	未分配金融及合約資產的減值虧損			(11,633)	(10,928)
Unallocated share of profits of associates	未分配分佔聯營公司溢利			19,337	34,541
Unallocated finance costs	未分配融資成本			(9,910)	(4,177)
<b>Profit before tax</b>	<b>除稅前溢利</b>			<b>235,702</b>	<b>209,067</b>



## Notes to the Consolidated Financial Statements (Continued)

### 綜合財務報表附註(續)

For the year ended 31 December 2020  
截至2020年12月31日止年度

#### 4. OPERATING SEGMENT INFORMATION 4. 經營分部資料(續)

(Continued)

##### Other segment information

##### 其他分部資料

		Total depreciation and amortisation 折舊及攤銷總額	
		2020 2020年 RMB'000 人民幣千元	2019 2019年 RMB'000 人民幣千元
<b>Depreciations and amortisations presented in cost of sales and services</b>	在銷售及服務成本中呈列的折舊及攤銷		
Flue gas treatment business	煙氣治理業務		
EPC	EPC	1,025	567
O&M	運維	7,069	6,730
Concession operation	特許經營	71,809	66,064
Others	其他	—	—
Water treatment business	水處理業務	16,061	—
Energy saving and environmental protection business	節能環保業務	—	—
Sub-total	小計	95,964	73,361
<b>Unallocated depreciations and amortisations</b>	未分配折舊及攤銷		
other than those presented in cost of sales and services	在銷售及服務成本中呈列者除外	6,531	4,945
Total	總計	102,495	78,306

## Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

For the year ended 31 December 2020  
截至2020年12月31日止年度

### 4. OPERATING SEGMENT INFORMATION (Continued)

#### Geographical information

The Group primarily operates in PRC. Substantially all non-current assets and revenue of the Group are located in and generated from PRC.

#### Information about a major customer

There is no customer contributing over 10% to the total revenue of the Group in 2019 and 2020.

### 5. REVENUE

An analysis of revenue is as follows:

		2020 2020年 RMB'000 人民幣千元	2019 2019年 RMB'000 人民幣千元
Revenue from contracts with customers	客戶合約收益	1,620,964	1,812,400
Revenue from other sources	來自其他來源的收益		
Interest income generated from service concession arrangement	服務特許經營安排產生的 利息收入	25,167	24,096
		<b>1,646,131</b>	1,836,496

### 4. 經營分部資料(續)

#### 地區資料

本集團主要於中國經營業務。本集團幾乎所有非流動資產及收益均位於中國及自中國產生。

#### 有關主要客戶的資料

於2019年及2020年，並無貢獻本集團的總收益10%以上的客戶。

### 5. 收益

收益分析如下：

## Notes to the Consolidated Financial Statements (Continued)

### 綜合財務報表附註(續)

For the year ended 31 December 2020  
截至2020年12月31日止年度

#### 5. REVENUE (Continued)

##### Revenue from contracts with customers

##### (a) Disaggregation of revenue

For the year ended 31 December 2020

#### 5. 收益(續)

##### 客戶合約收益

##### (a) 收益的細分

截至2020年12月31日止年度

		Flue gas treatment business 煙氣治理業務				Water treatment business 水處理業務	Energy saving and environmental protection business 節能環保業務	Total 總計
		EPC EPC RMB' 000 人民幣千元	O&M 運維 RMB' 000 人民幣千元	Concession operation 特許經營 RMB' 000 人民幣千元	Others 其他 RMB' 000 人民幣千元			
<b>Types of goods and services</b>	<b>貨品及服務種類</b>							
Rendering of services	提供服務	530,214	384,210	562,808	-	90,695	24,982	1,592,909
Sales of goods	銷售貨品	-	-	-	28,055	-	-	28,055
<b>Total revenue from contracts with customers</b>	<b>客戶合約收益總額</b>	<b>530,214</b>	<b>384,210</b>	<b>562,808</b>	<b>28,055</b>	<b>90,695</b>	<b>24,982</b>	<b>1,620,964</b>
<b>Geographical market</b>	<b>地區市場</b>							
Mainland China	中國大陸	530,214	384,210	562,808	28,055	90,695	24,982	1,620,964
<b>Total revenue from contracts with customers</b>	<b>客戶合約收益總額</b>	<b>530,214</b>	<b>384,210</b>	<b>562,808</b>	<b>28,055</b>	<b>90,695</b>	<b>24,982</b>	<b>1,620,964</b>
<b>Timing of revenue recognition</b>	<b>確認收益的時間性</b>							
Services transferred over time	於一段時間轉移的服務	530,214	384,210	562,808	-	90,695	24,982	1,592,909
Goods transferred at a point in time	於某時間點轉移的貨品	-	-	-	28,055	-	-	28,055
<b>Total revenue from contracts with customers</b>	<b>客戶合約收益總額</b>	<b>530,214</b>	<b>384,210</b>	<b>562,808</b>	<b>28,055</b>	<b>90,695</b>	<b>24,982</b>	<b>1,620,964</b>

## Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

For the year ended 31 December 2020  
截至2020年12月31日止年度

### 5. REVENUE (Continued)

Revenue from contracts with customers (Continued)

(a) Disaggregation of revenue (Continued)

For the year ended 31 December 2019

### 5. 收益(續)

客戶合約收益(續)

(a) 收益的細分(續)

截至2019年12月31日止年度

		Flue gas treatment business 煙氣治理業務				Water treatment business	Energy saving and environmental protection business	Total
		EPC	O&M	Concession operation	Others			
		RMB' 000	RMB' 000	RMB' 000	RMB' 000	RMB' 000	RMB' 000	RMB' 000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
<b>Types of goods and services</b>	<b>貨品及服務種類</b>							
Rendering of services	提供服務	730,628	380,317	676,393	-	-	-	1,787,338
Sales of goods	銷售貨品	-	-	-	25,062	-	-	25,062
Total revenue from contracts with customers	客戶合約收益總額	730,628	380,317	676,393	25,062	-	-	1,812,400
<b>Geographical market</b>	<b>地區市場</b>							
Mainland China	中國大陸	730,628	380,317	676,393	25,062	-	-	1,812,400
Total revenue from contracts with customers	客戶合約收益總額	730,628	380,317	676,393	25,062	-	-	1,812,400
<b>Timing of revenue recognition</b>	<b>確認收益的時間性</b>							
Services transferred over time	於一段時間轉移的服務	730,628	380,317	676,393	-	-	-	1,787,338
Goods transferred at a point in time	於某時間點轉移的貨品	-	-	-	25,062	-	-	25,062
Total revenue from contracts with customers	客戶合約收益總額	730,628	380,317	676,393	25,062	-	-	1,812,400

## Notes to the Consolidated Financial Statements (Continued)

### 綜合財務報表附註(續)

For the year ended 31 December 2020  
截至2020年12月31日止年度

#### 5. REVENUE (Continued)

##### Revenue from contracts with customers (Continued)

##### (a) Disaggregation of revenue (Continued)

Set out below is the reconciliation of the revenue from contracts with customers to the amounts disclosed in the segment information:

		Revenue from contracts with customers 客戶合約收益	
		2020 2020年 RMB' 000 人民幣千元	2019 2019年 RMB' 000 人民幣千元
Flue gas treatment business	煙氣治理業務		
EPC	EPC	530,214	730,628
O&M	運維	384,210	380,317
Concession operation	特許經營	562,808	676,393
Others	其他	28,055	25,062
Water treatment business	水處理業務	90,695	-
Energy saving and environmental protection business	節能環保業務	24,982	-
Total	總計	1,620,964	1,812,400

The following table shows the amounts of revenue recognised in the current reporting period that were included in the contract liabilities at the beginning of the reporting period:

		2020 2020年 RMB' 000 人民幣千元	2019 2019年 RMB' 000 人民幣千元
Revenue recognised that was included in contract liabilities at the beginning of the reporting period:	計入報告期初的合約負債的已確認收益：		
Rendering of services	提供服務	51,276	39,932

#### 5. 收益(續)

##### 客戶合約收益(續)

##### (a) 收益的細分(續)

以下為客戶合約收益與分部資料所披露金額之對賬：

		2020 2020年 RMB' 000 人民幣千元	2019 2019年 RMB' 000 人民幣千元
		530,214	730,628
		384,210	380,317
		562,808	676,393
		28,055	25,062
		90,695	-
		24,982	-
Total		1,620,964	1,812,400

下表列示於本報告期間內確認並計入報告期初的合約負債之收益金額：

		2020 2020年 RMB' 000 人民幣千元	2019 2019年 RMB' 000 人民幣千元
		51,276	39,932

5. REVENUE (Continued)

Revenue from contracts with customers (Continued)

(b) Performance obligations

Information about the Group's performance obligations is summarised below:

(i) Flue gas treatment business

EPC services

EPC business primarily involves project engineering and design, procurement of equipment and materials, project construction, equipment installation and commissioning services in relation to desulfurisation and denitrification and dust removal for coal-fired power plants.

The Directors have assessed that the Group's performance creates and/or enhances an asset that the customers control as the Group performs. Therefore, the Directors have satisfied that there is only one single performance obligation and the services are satisfied over time.

5. 收益(續)

客戶合約收益(續)

(b) 履約責任

有關本集團履約責任的資料概述如下：

(i) 煙氣治理業務

EPC服務

EPC業務主要涉及為燃煤電廠的脫硫、脫硝及除塵提供項目工程設計、設備與材料採購、項目建設、設備安裝及調試服務。

董事確定本集團的履約為客戶創造資產及／或增強客戶控制的資產。因此，董事認為只有一種履約責任，而服務須經一段時間達成。

## Notes to the Consolidated Financial Statements (Continued)

### 綜合財務報表附註(續)

For the year ended 31 December 2020  
截至2020年12月31日止年度

#### 5. REVENUE (Continued)

##### Revenue from contracts with customers (Continued)

##### (b) Performance obligations (Continued)

##### (i) Flue gas treatment business (Continued)

##### EPC services (Continued)

Accordingly, revenue from EPC services, which are generally under project-based development contracts, is recognised based on the progress towards complete satisfaction of a performance obligation which is determined as the proportion of the costs incurred for the works (i.e. subcontracting costs, material costs and direct staff costs incurred) performed to date relative to the estimated total costs to complete the satisfaction of these services and the margin of each project, to the extent that the amount can be measured reliably and its recovery is considered probable.

The Group's construction contracts include payment schedules which require stage payments over the construction period once certain specified milestones are reached. The Group requires certain customers to provide upfront payments range from 10% to 30% of total contract sum, when the Group receives a deposit before construction commences, this will give rise to contract liabilities at the start of a contract, until the revenue recognised on the specific contract exceeds the amount of the deposit.

#### 5. 收益(續)

##### 客戶合約收益(續)

##### (b) 履約責任(續)

##### (i) 煙氣治理業務(續)

##### EPC服務(續)

因此，EPC服務(一般根據項目式開發合約進行)的收益，按照合約完成階段確認。合約完成階段按各項目迄今已完成工作所產生的成本(即分包成本、物料成本及直接員工成本)佔完成該等服務估計總成本加上溢利的比例釐定，惟須以能可靠計量且可能收回的金額為限。

本集團的建築合約包括付款時間表，其規定一旦達到若干指定的里程碑，需要在有關建築期間分期付款。本集團要求若干客戶提供前期按金佔合約總額的10%至30%，當本集團於建築開始前收到按金，合約負債將在合約開始時產生，直至特定合約的已確認收益超出按金金額。

5. REVENUE (Continued)

Revenue from contracts with customers (Continued)

(b) Performance obligations (Continued)

(i) Flue gas treatment business (Continued)

EPC services (Continued)

About 5%-10% of the contract price is withheld by the customers and will be released upon completion of the warranty period (normally 1-2 years after the date of the completion of the construction). Retention receivables, prior to expiration of the warranty period, are classified as contract assets and are reclassified to trade receivables when the warranty period expires. The Directors have assessed the effects of the financing component is not significant at contract level and therefore revenue is not adjusted for the effects of time value of money.

5. 收益(續)

客戶合約收益(續)

(b) 履約責任(續)

(i) 煙氣治理業務(續)

EPC服務(續)

合約價格約5%-10%由客戶保留，並會於保證期完結時（一般為完成建設的日期後1至2年）發放。在保證期屆滿前，保留應收款項分類為合約資產，並於保證期屆滿時重新分類至貿易應收款項。董事已在合約層面評估融資組成部分的影響並不重大，因此不就時間值的影響調整收益。



## Notes to the Consolidated Financial Statements (Continued)

### 綜合財務報表附註(續)

For the year ended 31 December 2020  
截至2020年12月31日止年度

#### 5. REVENUE (Continued)

##### Revenue from contracts with customers (Continued)

##### (b) Performance obligations (Continued)

##### (i) Flue gas treatment business (Continued)

##### O&M services

O&M services mainly include the provision of operation service and regular maintenance service for desulfurisation and denitrification facilities and dust removal facilities owned by their customers, where the Group's work scope includes the full operation, testing and repairing, upgrading and maintenance of flue gas treatment system/facilities owned by these coal-fired power plants.

Pursuant to certain contracts of rendering related O&M services, the transaction price is the amount of consideration to which the Group expects to be entitled in exchange for transferring O&M services to customers. Additionally, the O&M services typically meet the criterion where customers simultaneously receive and consume the benefits of the Group's performance as the Group performs. Therefore the Directors have satisfied that the performance obligation of rendering O&M services are satisfied over time and the revenue is recognised over the service period.

#### 5. 收益(續)

##### 客戶合約收益(續)

##### (b) 履約責任(續)

##### (i) 煙氣治理業務(續)

##### 運維服務

運維服務主要包括對客戶擁有的脫硫及脫硝設施及除塵設施提供運營服務及常規維護服務。本集團的工作範圍包括全面運營、檢修、升級及維護有關燃煤電廠擁有的煙氣處理系統／設施。

根據提供相關運維服務的合約，交易價格即本集團預期向客戶提供運維服務應得的代價。此外，運維服務通常符合客戶同時獲得及使用本集團履約所得利益的準則。因此，董事認為提供運維服務的履約責任需經一段時間達成，並在服務期確認。

5. REVENUE (Continued)

Revenue from contracts with customers (Continued)

(b) Performance obligations (Continued)

(i) Flue gas treatment business (Continued)

O&M services (Continued)

For certain O&M services and the O&M service under service concession arrangements, the Group applies the practical expedient by recognising revenue in the amount to which the Group has right to invoice. The transaction price allocated to these unsatisfied contracts is not disclosed as permitted by IFRS 15.

Concession operation

In a typical BOT, BOO or TOT project, the Group is responsible for the financing, investment, construction and operation of the projects according to the concession contracts with their customers. After the completion of the constructions, the Group operates and maintains the project for a pre-defined period, which is typically 15 to 20 years, when they are entitled to collecting revenues generated from the projects during the terms of the contracts.

5. 收益(續)

客戶合約收益(續)

(b) 履約責任(續)

(i) 煙氣治理業務(續)

運維服務(續)

就若干運營與維護服務及服務特許經營安排的運營與維護服務而言，本集團透過確認本集團有權開具發票的金額之收益應用可行權宜方法。按國際財務報告準則第15號准許，分配至該等未履行合約的交易價格並未披露。

特許經營

在一般BOT、BOO或TOT項目中，本集團負責根據與客戶訂立的特許經營合同為項目籌措資金、投資、建設及運營。竣工後，本集團亦於預先規定的期限（通常為15至20年）內控制、運營及維持項目，本集團有權在合約期內收取項目所得收益。

## Notes to the Consolidated Financial Statements (Continued)

### 綜合財務報表附註(續)

For the year ended 31 December 2020  
截至2020年12月31日止年度

#### 5. REVENUE (Continued)

##### Revenue from contracts with customers (Continued)

##### (b) Performance obligations (Continued)

###### (i) Flue gas treatment business (Continued)

###### Concession operation (Continued)

The Directors have assessed that BOT, BOO & TOT services comprise two separate performance obligations, the construction of the facilities and the operating and maintenance service upon the completion of the construction of facilities, equivalent to a combination of EPC service and O&M service. Revenue recognition for each performance obligation follows the comparable stand-alone services specified above in EPC and O&M.

###### Others

Other revenues from sales of by-products and others are recognised at the point of time when the control of goods is transferred to the customer.

#### 5. 收益(續)

##### 客戶合約收益(續)

##### (b) 履約責任(續)

###### (i) 煙氣治理業務(續)

###### 特許經營(續)

董事已評估，BOT、BOO及TOT服務包括兩項個別的履約責任，即設施建造完成後的設施建設、運營及維修服務，相當於EPC服務及運維服務的結合。各履約責任的收益確認遵循上文EPC及運維業務中指明的可比較的獨立服務。

###### 其他

銷售副產品及其他的收益在貨品的控制權轉移至客戶時確認。

5. REVENUE (Continued)

Revenue from contracts with customers (Continued)

(b) Performance obligations (Continued)

(ii) Water treatment business

The water treatment business mainly involves the sewage treatment for industrial parks in coal chemical, coking and steel sectors. The Group's work scope includes the full operation, testing and repairing, upgrading and maintenance of water treatment system.

Pursuant to certain contracts of rendering related water treatment services, the transaction price is the amount of consideration to which the Group expects to be entitled in exchange for transferring water treatment services to customers. Additionally, the water treatment services typically meet the criterion where customers simultaneously receive and consume the benefits of the Group's performance as the Group performs. Therefore the Directors have satisfied that the performance obligation of rendering water treatment services are satisfied over time and the revenue is recognised over the service period.

5. 收益(續)

客戶合約收益(續)

(b) 履約責任(續)

(ii) 水處理業務

水處理業務主要涉及煤化工、焦化及鋼鐵等工業園區的污水處理。本集團的工作範疇包括全面運營、檢修、升級及維護水處理系統。

根據提供相關水處理服務的合約，交易價格即本集團預期向客戶提供水處理服務應得的代價。此外，水處理服務通常符合客戶同時獲得及使用本集團履約所得利益的準則。因此，董事認為提供水處理服務的履約責任需經一段時間達成，而有關收益於服務期確認。

## Notes to the Consolidated Financial Statements (Continued)

### 綜合財務報表附註(續)

For the year ended 31 December 2020  
截至2020年12月31日止年度

#### 5. REVENUE (Continued)

##### Revenue from contracts with customers (Continued)

##### (b) Performance obligations (Continued)

##### (iii) Energy saving and environmental protection business

The energy saving and environmental protection business mainly involves project engineering and design, procurement of equipment and materials, project construction, equipment installation and commissioning services in relation to energy saving projects and energy management contracts (“**EMC**”).

The Directors have assessed that EMC services comprise two separate performance obligations, the construction of the facilities and the operating and maintenance service upon the completion of the construction of facilities, equivalent to a combination of EPC service and O&M service. Revenue recognition for each performance obligation follows the comparable stand-alone services specified above in EPC and O&M.

#### 5. 收益(續)

##### 客戶合約收益(續)

##### (b) 履約責任(續)

##### (iii) 節能環保業務

節能環保業務主要涉及有關節能項目及能源管理合約(「**EMC**」)的項目工程及設計、採購設備及材料、項目建設、設備安裝及調試服務。

董事已評估，EMC服務包括兩項個別的履約責任，即設施建造完成後的設施建設、運營及維修服務，相當於EPC服務及運維服務的結合。各履約責任的收益確認遵循上文EPC及運維所指明的可比較的獨立服務。

## Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

For the year ended 31 December 2020  
截至2020年12月31日止年度

### 5. REVENUE (Continued)

#### Revenue from contracts with customers (Continued)

##### (b) Performance obligations (Continued)

The amounts of transaction prices allocated to the remaining performance obligations (unsatisfied or partially unsatisfied) as at 31 December are as follows:

### 5. 收益(續)

#### 客戶合約收益(續)

##### (b) 履約責任(續)

於12月31日分配至餘下履約責任(未履行或部分履行)的交易價格金額如下:

		2020 2020年 RMB' 000 人民幣千元	2019 2019年 RMB' 000 人民幣千元
<b>Amounts expected to be recognised as revenue for the EPC services and construction services under concession arrangement and energy saving and environmental protection business:</b>	<b>預期就特許經營安排項下的EPC服務及建造服務以及節能環保業務確認為收益的金額:</b>		
Within one year	一年內	<b>765,751</b>	415,116
More than one year but not more than two years	一年以上但不超過兩年	<b>193,413</b>	431,950
More than two years	兩年以上	<b>2,209</b>	47,920
		<b>961,373</b>	894,986
<b>Amounts expected to be recognised as revenue for the O&amp;M services with fixed total contract amounts:</b>	<b>預期就具固定合約總額的運維服務確認為收益的金額:</b>		
Within one year	一年內	<b>43,584</b>	59,424
More than one year but not more than two years	一年以上但不超過兩年	-	5,618
		<b>43,584</b>	65,042

## Notes to the Consolidated Financial Statements (Continued)

### 綜合財務報表附註(續)

For the year ended 31 December 2020  
截至2020年12月31日止年度

#### 6. OTHER INCOME AND GAINS

#### 6. 其他收入及收益

		2020 2020年 RMB'000 人民幣千元	2019 2019年 RMB'000 人民幣千元
Government grants	政府補助	<b>15,294</b>	23,358
– Taxes refunded	– 退回稅項	<b>14,171</b>	22,053
– Compensation for expenses incurred	– 產生開支的補償	<b>1,123</b>	1,305
Interest income	利息收入	<b>14,666</b>	9,070
Non-operating income	非經營收入	<b>9,991</b>	5,760
Other operating income and expense, net	其他經營收入及開支淨額	<b>3,267</b>	7,072
Dividend from financial assets at fair value through profit or loss	按公允價值計入損益的 金融資產的股息	<b>1,238</b>	4,185
Gain on disposal of non-current asset	出售非流動資產的收益	<b>44</b>	–
Foreign exchange gains	外匯收益	<b>–</b>	4,417
<b>Total</b>	<b>總計</b>	<b>44,500</b>	53,862

## Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

For the year ended 31 December 2020  
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### 7. PROFIT BEFORE TAX

The Group's profit before tax is arrived at after charging/  
(crediting):

### 7. 除稅前溢利

本集團的除稅前溢利已扣除/(計入)下列各項：

		Notes 附註	2020 2020年 RMB' 000 人民幣千元	2019 2019年 RMB' 000 人民幣千元
Cost of inventories recognised as expenses (included in cost of sales and services)	確認為開支的存貨成本 (計入銷售及服務成本)		494,255	496,908
Depreciation of property, plant and equipment	物業、廠房及設備折舊	13	39,843	23,314
Depreciation of investment properties	投資物業折舊	14	635	634
Amortisation of intangible assets*	無形資產攤銷*	16	60,726	54,358
Amortisation of other non-current assets	其他非流動資產攤銷		1,291	-
			<b>102,495</b>	<b>78,306</b>
Auditor's remuneration	核數師酬金		2,528	2,600
Employee benefit expense (excluding directors' and chief executive's remuneration (note 9): Wages, salaries and other benefits	僱員福利開支(不包括董事及 主要行政人員的薪酬)(附註9): 工資、薪金及其他福利		187,645	200,334
Contributions to retirement benefit scheme (Reversal of)/share-based payment expenses	退休福利計劃供款 以股份為基礎的付款(撥回)/開支	32	8,784 (1,728)	20,805 3,317
			<b>194,701</b>	<b>224,456</b>
Impairment of financial and contract assets:	金融及合約資產減值：			
Impairment of trade receivables (Reversal of)/ impairment of other receivables	貿易應收款項減值 其他應收款項(減值撥回)/減值	20	15,694 (409)	4,882 1,423
Impairment of long term receivable	長期應收款項減值		1,128	-
Reversal of impairment of contract assets (Reversal of)/impairment of amounts due from related parties	合約資產減值撥回 應收關連方款項(減值撥回)/減值	22 38	(2,743)	(3,003)
Impairment of receivables under service concession arrangement	服務特許經營安排下應收款項減值	17	(2,279)	7,427
			<b>242</b>	<b>199</b>
			<b>11,633</b>	<b>10,928</b>
Provisions for inventory	存貨撥備	19	979	-
Impairment of other non-current assets	其他非流動資產減值		7,027	-
Gross rental income from investment properties	來自投資物業的租金收入總額		(747)	(2,989)
Less: Direct operating expense (including depreciation) incurred for investment properties that generated rental income during the year (included in other operating income and expense, net)	減：年內就賺取租金收入的投資物業 產生的直接經營開支(包括折舊) (計入其他經營收入及開支淨額)		<b>634</b>	<b>634</b>
			<b>(113)</b>	<b>(2,355)</b>
Share of profits of associates	分佔聯營公司溢利		<b>(19,337)</b>	<b>(34,541)</b>

\* The amortisation of intangible assets for the year are included in "Cost of sales and services" in profit or loss.

\* 年內的無形資產攤銷計入損益中的「銷售及服務成本」。



## Notes to the Consolidated Financial Statements (Continued)

### 綜合財務報表附註(續)

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#### 8. FINANCE COSTS

#### 8. 財務成本

		2020 2020年 RMB' 000 人民幣千元	2019 2019年 RMB' 000 人民幣千元
Interest on bank loans and other borrowings	銀行貸款及其他借款的利息	8,400	3,131
Interest on lease liabilities	租賃負債利息	1,510	1,046
<b>Total</b>	<b>總計</b>	<b>9,910</b>	<b>4,177</b>

#### 9. DIRECTORS' AND CHIEF EXECUTIVE'S REMUNERATION

#### 9. 董事及主要行政人員薪酬

Directors' and chief executive's remuneration for the year, disclosed pursuant to the Listing Rules, section 383(1)(a), (b), (c) and (f) of the Hong Kong Companies Ordinance and Part 2 of the Companies (Disclosure of Information about Benefits of Directors) Regulation, is as follows:

根據上市規則、香港公司條例第383(1)(a)、(b)、(c)及(f)條及公司(披露董事利益資料)規例第2部披露之年內董事及主要行政人員薪酬如下：

		2020 2020年 RMB' 000 人民幣千元	2019 2019年 RMB' 000 人民幣千元
Fees	袍金	300	300
Other emoluments	其他酬金		
Salaries and other allowances	薪金及其他津貼	1,700	1,700
Pension scheme contributions	退休金計劃供款	76	102
		<b>2,076</b>	<b>2,102</b>

## Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

For the year ended 31 December 2020  
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### 9. DIRECTORS' AND CHIEF EXECUTIVE'S REMUNERATION (Continued)

### 9. 董事及主要行政人員薪酬(續)

#### (a) Independent non-executive directors

The fees paid to independent non-executive directors during the year were as follows:

#### (a) 獨立非執行董事

年內支付予獨立非執行董事之袍金如下：

		2020 2020年 RMB'000 人民幣千元	2019 2019年 RMB'000 人民幣千元
Mr. Liu Genyu	劉根鈺先生	100	100
Mr. Xie Guozhong	謝國忠先生	100	100
Mr. Lu Zhifang	陸志芳先生	100	100
		<b>300</b>	<b>300</b>

There were no other emoluments payable to the independent non-executive directors during the year (2019: Nil).

年內並無應付予獨立非執行董事的其他酬金(2019年：無)。

## Notes to the Consolidated Financial Statements (Continued)

### 綜合財務報表附註(續)

For the year ended 31 December 2020  
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## 9. DIRECTORS' AND CHIEF EXECUTIVE'S REMUNERATION (Continued)

## 9. 董事及主要行政人員薪酬(續)

### (b) Executive directors, non-executive directors and the chief executive

### (b) 執行董事、非執行董事及主要行政人員

		Directors' fee	Salaries and other allowances	Pension scheme contributions	Total
		RMB' 000	RMB' 000	RMB' 000	RMB' 000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元
2020	2020年				
			薪金及 其他津貼	退休金 計劃供款	總計
Executive directors:	執行董事：				
Mr. Zeng Zhijun (i)	曾之俊先生(i)	—	850	38	888
Mr. Cheng Liquan Richard	程里全先生	—	850	38	888
		—	1,700	76	1,776
Non-executive directors:	非執行董事：				
Mr. Zheng Tony Tuo	鄭拓先生	—	—	—	—
Mr. Zhu Weihang	朱偉航先生	—	—	—	—
Mr. Chen Xue	陳學先生	—	—	—	—
		—	—	—	—
Total	總計	—	1,700	76	1,776

## Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

For the year ended 31 December 2020  
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### 9. DIRECTORS' AND CHIEF EXECUTIVE'S REMUNERATION (Continued)

### 9. 董事及主要行政人員薪酬(續)

#### (b) Executive directors, non-executive director and the chief executive (Continued)

#### (b) 執行董事、非執行董事及主要行政人員(續)

		Directors' fee	Salaries and other allowances	Pension scheme contributions	Total
		董事袍金	薪金及其他津貼	退休金計劃供款	總計
		RMB'000	RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元
2019	2019年				
Executive directors:	執行董事：				
Mr. Zeng Zhijun (i)	曾之俊先生(i)	-	850	51	901
Mr. Cheng Liqun Richard	程里全先生	-	850	51	901
		-	1,700	102	1,802
Non-executive directors:	非執行董事：				
Mr. Zheng Tony Tuo	鄭拓先生	-	-	-	-
Mr. Zhu Weihang	朱偉航先生	-	-	-	-
Mr. Chen Xue	陳學先生	-	-	-	-
		-	1,700	102	1,802

(i) Mr. Zeng Zhijun is also the chief executive officer.

(i) 曾之俊先生亦為行政總裁。

## Notes to the Consolidated Financial Statements (Continued)

### 綜合財務報表附註(續)

For the year ended 31 December 2020  
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#### 9. DIRECTORS' AND CHIEF EXECUTIVE'S REMUNERATION (Continued)

##### (c) Five highest paid employees

The five highest paid employees during the year included two directors (2019: two), details of whose remuneration are set out in note 9 (b) above. Details of the remuneration for the year of the remaining three (2019: three) highest paid employees who are neither a director nor chief executive of the Company are as follows:

		2020 2020年 RMB'000 人民幣千元	2019 2019年 RMB'000 人民幣千元
Salaries and other benefits	薪金及其他福利	1,945	1,560
Retirement benefit scheme contributions	退休福利計劃供款	76	51
Equity-settled share-based expense	股權結算以股份為基礎開支	49	403
		<b>2,070</b>	<b>2,014</b>

The number of non-director and non-chief executive highest paid employees whose remuneration fell within the following bands is as follows:

		Number of employees 僱員人數	
		2020 2020年	2019 2019年
Nil to HK\$1,000,000	零至1,000,000港元	3	3

#### 9. 董事及主要行政人員薪酬(續)

##### (c) 五名最高薪酬僱員

年內五名最高薪酬僱員包括兩名(2019年: 兩名)董事, 其薪酬詳情載於上文附註8(b)。年內餘下三名(2019年: 三名)既非本公司董事亦非最高行政人員的最高薪酬僱員之薪酬詳情如下:

非董事及非主要行政人員而其薪酬介乎以下範圍的最高薪酬僱員之人數如下:

## Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

For the year ended 31 December 2020  
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### 10. INCOME TAX EXPENSE

PRC income tax has been provided at the rate of 25% (2019: 25%) on the estimated assessable profits arising in PRC during the year.

### 10. 所得稅開支

中國所得稅乃按年內在中國產生的估計應課稅溢利，以稅率25%（2019年：25%）作撥備。

		2020 2020年 RMB' 000 人民幣千元	2019 2019年 RMB' 000 人民幣千元
Current income tax	即期所得稅	23,598	31,538
Deferred income tax	遞延所得稅	4,711	(5,085)
<b>Tax charge for the year</b>	<b>年內稅項支出</b>	<b>28,309</b>	<b>26,453</b>

A reconciliation of the income tax charge applicable to profit before tax at PRC statutory income tax rate and the income tax charge at the Group's effective income tax rate for the year is as follows:

按中國法定所得稅率計算適用於除稅前溢利的所得稅開支，與按本集團的實際所得稅率計算的所得稅開支之對賬如下：

		2020 2020年 RMB' 000 人民幣千元	2019 2019年 RMB' 000 人民幣千元
Profit before tax	除稅前溢利	235,702	209,067
At PRC statutory tax rate of 25% (i)	按中國法定稅率25%計算的稅項(i)	58,926	52,267
Effect of tax rate differences (i)	稅率差異的影響(i)	(33,437)	(28,746)
Tax effect of share of profits of associates	應佔聯營公司溢利的稅務影響	(2,901)	(5,134)
Tax effect of research and development expenses super deduction	研發開支超額抵扣的稅務影響	(1,724)	(1,532)
Tax effect of non-deductible expenses	不可扣稅開支的稅務影響	1,033	6,651
Tax losses utilised from previous periods	動用以往期間的稅項虧損	(6)	(67)
Tax losses not recognised	未確認的稅項虧損	177	159
Withholding income tax on earnings	盈利的預扣所得稅	6,241	2,855
<b>Tax charge for the year at the effective rate</b>	<b>按實際稅率計算的年內稅項開支</b>	<b>28,309</b>	<b>26,453</b>

## Notes to the Consolidated Financial Statements (Continued)

### 綜合財務報表附註(續)

For the year ended 31 December 2020  
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#### 10. INCOME TAX EXPENSE (Continued)

- (i) *The Company and CBEE were incorporated in the Cayman Islands and the British Virgin Islands (“BVI”), respectively. Both entities did not have tax assessable profits in the Cayman Islands, BVI or other jurisdiction during the reporting period.*

Pursuant to the Enterprise Income Tax Law (the “**EIT Law**”) effective on 1 January 2008, Beijing Boqi Electric Power SCI-TECH Co., Ltd. obtained a “High and New Technology Enterprise” (the “**HNTE**”) certificate in 2008 which Beijing Boqi was entitled to a preferential tax rate of 15% from 2008 to 2010 and could be re-applied every three years; the current active HNTE certificate is effective until December 2023.

In October 2015, Shanxi Hejin Boqi Environmental Technology Co., Ltd. (“**Hejin Boqi**”) obtained the approval for being designated as the HNTE for the year ended 31 December 2015 which Hejin Boqi was entitled to a preferential tax rate of 15% from 2015 to 2017 and could be re-applied every three years; the current active HNTE certificate is effective until December 2021.

In November 2016, Jiangxi Jinggangshan Boqi Environmental Technology Co., Ltd. (“**Jinggangshan Boqi**”) obtained the approval for being designated as the HNTE for the year ended 31 December 2016 which entitled Jinggangshan Boqi to a preferential tax rate of 15% from 2016 to 2018 and could be re-applied every three years, and the current active HNTE certificate is effective date until September 2021.

#### 10. 所得稅開支(續)

- (i) 本公司及CBEE分別於開曼群島及英屬處女群島(「英屬處女群島」)註冊成立。於報告期，該等實體於開曼群島、英屬處女群島或其他司法權區並無應課稅溢利。

根據於2008年1月1日生效的企業所得稅法(「**企業所得稅法**」)，北京博奇電力科技有限公司於2008年獲得「**高新技術企業**」(「**高新技術企業**」)認證，北京博奇據此於2008年至2010年間享有15%的優惠稅率且可每隔三年重新申請；目前生效的**高新技術企業**認證有效期至2023年12月。

於2015年10月，山西河津博奇環保科技有限公司(「**河津博奇**」)取得批文，於截至2015年12月31日止年度合資格為**高新技術企業**。河津博奇據此於2015年至2017年間享有15%的優惠稅率且可每隔三年重新申請；目前生效的**高新技術企業**認證有效期至2021年12月。

於2016年11月，江西井岡山博奇環保科技有限公司(「**井岡山博奇**」)取得批文，於截至2016年12月31日止年度合資格為**高新技術企業**，井岡山博奇據此於2016年至2018年享有15%的優惠稅率且可每隔三年重新申請；目前生效的**高新技術企業**認證有效期至2021年9月。

10. INCOME TAX EXPENSE (Continued)

In December 2017, Shanxi Puzhou Boqi Environmental Technology Co., Ltd. (“**Puzhou Boqi**”) obtained the approval, by which the desulfurization program in Puzhou Boqi was fully exempted from income tax for three years starting from 2017, and thereafter will be entitled to a three-year preferential rate of 12.5%.

Changzhi Boqi Environmental Technology Co., Ltd. obtained the approval, by which the water treatment program was fully exempted from income tax for three years starting from 2018, and thereafter will be entitled to a three-year preferential rate of 12.5%.

In January 2019, Huainan Boqi Environmental Technology Co., Ltd. (“**Huainan Boqi**”) obtained the approval, by which its desulfurisation program was fully exempted from income tax for three years starting from 2019, and thereafter will be entitled to a three-year preferential rate of 12.5%.

In May 2019, Laibin Boqi Environmental Technology Co., Ltd. (“**Laibin Boqi**”) obtained the approval, by which the desulfurisation program was fully exempted from income tax for three years starting from 2019, and thereafter will be entitled to a three-year preferential rate of 12.5%.

In January 2020, Changjizhou Boqi Environmental Technology Co., Ltd. (“**Changjizhou Boqi**”) obtained the approval, by which the desulfurisation program was fully exempted from income tax for three years starting from 2020, and thereafter will be entitled to a three-year preferential rate of 12.5%.

10. 所得稅開支(續)

於2017年12月，山西蒲洲博奇環保科技有限公司(「**蒲洲博奇**」)取得批文，蒲洲博奇的脫硫計劃自2017年享有免繳三年所得稅的優惠，其後三年可享有12.5%的優惠稅率。

長治博奇環保科技有限公司獲准於長治博奇的污水處理業務計劃自2018年享有免交三年所得稅的優惠，其後三年可享有12.5%的優惠稅率。

於2019年1月，淮南博奇環保科技有限公司(「**淮南博奇**」)獲批於淮南博奇的脫硫業務計劃自2019年享有免繳三年所得稅的優惠，其後三年可享有12.5%的優惠稅率。

於2019年5月，來賓博奇環保科技有限公司(「**來賓博奇**」)獲批於來賓博奇的脫硫業務計劃自2019年享有免繳三年所得稅的優惠，其後三年可享有12.5%的優惠稅率。

於2020年1月，昌吉州博奇環保科技有限公司(「**昌吉州博奇**」)獲批於昌吉州博奇的脫硫業務計劃自2020年享有免繳三年所得稅的優惠，其後三年可享有12.5%的優惠稅率。



## Notes to the Consolidated Financial Statements (Continued)

### 綜合財務報表附註(續)

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#### 11. DIVIDENDS

#### 11. 股息

	2020 2020年 RMB'000 人民幣千元	2019 2019年 RMB'000 人民幣千元
Proposed Final – HK7.40 cents (2019: 建議末期股息 – 每股普通股 HK3.15 cents) per ordinary share	7.40港仙 (2019年 : 3.15港仙) <b>62,413</b>	29,005

The proposed final dividend for the year is subject to the approval of the Company's shareholders at the forthcoming annual general meeting.

本年度建議末期股息須待本公司股東在即將舉行的股東週年大會上批准。

## Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

For the year ended 31 December 2020  
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### 12. EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT

The calculations of basic and diluted earnings per share are based on:

### 12. 母公司普通股權益持有人應佔每股盈利

每股基本及攤薄盈利乃根據以下資料計算：

		2020 2020年 RMB'000 人民幣千元	2019 2019年 RMB'000 人民幣千元
<b>Earnings</b>	<b>盈利</b>		
Profit attributable to ordinary equity holders of the parent, used in the basic/diluted earnings per share calculation	計算每股基本／攤薄盈利時使用的母公司普通股權益持有人應佔溢利	<b>207,608</b>	182,537
		<b>Number of shares</b> 股份數目	
		2020 2020年	2019 2019年
<b>Shares</b>	<b>股份</b>		
Weighted average number of ordinary shares in issue during the year used in the basic earnings per share calculation	計算每股基本盈利時使用的年內已發行普通股加權平均數	<b>993,228,799</b>	1,008,248,547
Effect of dilution – weighted average number of ordinary shares: Pre-IPO Share Award Scheme	攤薄的影響 – 普通股加權平均數： 首次公開發售前股份獎勵計劃	<b>4,106,358</b>	3,881,941
		<b>997,335,157</b>	1,012,130,488

## Notes to the Consolidated Financial Statements (Continued)

### 綜合財務報表附註(續)

For the year ended 31 December 2020  
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### 13. PROPERTY, PLANT AND EQUIPMENT

### 13. 物業、廠房及設備

		Owned properties 自置物業 RMB' 000 人民幣千元	Leasehold lands 租賃土地 RMB' 000 人民幣千元	Leased properties 租賃物業 RMB' 000 人民幣千元	Motor vehicles 汽車 RMB' 000 人民幣千元	Fixtures and equipment 裝置及設備 RMB' 000 人民幣千元	Construction in progress 在建工程 RMB' 000 人民幣千元	Total 總計 RMB' 000 人民幣千元
COST								
At 1 January 2019	於2019年1月1日	38,283	-	18,406	18,101	55,182	16,192	146,164
Additions	添置	108,793	17,050	-	931	168,760	66	295,600
Transfer	轉撥	-	-	-	-	16,192	(16,192)	-
Disposals	出售	-	-	-	(1,031)	(2,254)	(66)	(3,351)
At 31 December 2019	於2019年12月31日	147,076	17,050	18,406	18,001	237,880	-	438,413
Additions	添置	728	844	39,831	1,185	11,238	10,354	64,180
Expiration of lease contracts	租賃合約屆滿	-	-	(17,709)	-	-	-	(17,709)
Disposals	出售	(4,006)	-	-	(488)	(4,295)	-	(8,789)
<b>At 31 December 2020</b>	<b>於2020年12月31日</b>	<b>143,798</b>	<b>17,894</b>	<b>40,528</b>	<b>18,698</b>	<b>244,823</b>	<b>10,354</b>	<b>476,095</b>
ACCUMULATED DEPRECIATION								
At 1 January 2019	於2019年1月1日	(8,789)	-	-	(11,937)	(18,702)	-	(39,428)
Charge for the year	年內支出	(2,042)	(28)	(9,472)	(1,573)	(10,199)	-	(23,314)
Elimination on disposals	出售時撇銷	-	-	-	976	1,106	-	2,082
At 31 December 2019	於2019年12月31日	(10,831)	(28)	(9,472)	(12,534)	(27,795)	-	(60,660)
Charge for the year	年內支出	(6,519)	(641)	(10,621)	(1,651)	(20,411)	-	(39,843)
Expiration of lease contracts	租賃合約屆滿	-	-	17,336	-	-	-	17,336
Elimination on disposals	出售時撇銷	3,964	-	-	464	4,130	-	8,558
<b>At 31 December 2020</b>	<b>於2020年12月31日</b>	<b>(13,386)</b>	<b>(669)</b>	<b>(2,757)</b>	<b>(13,721)</b>	<b>(44,076)</b>	<b>-</b>	<b>(74,609)</b>
CARRYING VALUES								
<b>At 31 December 2020</b>	<b>於2020年12月31日</b>	<b>130,412</b>	<b>17,225</b>	<b>37,771</b>	<b>4,977</b>	<b>200,747</b>	<b>10,354</b>	<b>401,486</b>
At 31 December 2019	於2019年12月31日	136,245	17,022	8,934	5,467	210,085	-	377,753

## Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

For the year ended 31 December 2020  
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## 14. INVESTMENT PROPERTIES

## 14. 投資物業

		RMB'000 人民幣千元
<hr/>		
COST	成本	
At 1 January 2019, 31 December 2019, and 31 December 2020	於2019年1月1日、2019年12月31日 及2020年12月31日	20,871
<hr/>		
ACCUMULATED DEPRECIATION	累計折舊	
At 1 January 2019	於2019年1月1日	(8,523)
Provided for the year	年內撥備	(634)
<hr/>		
At 31 December 2019	於2019年12月31日	(9,157)
Provided for the year	年內撥備	(635)
<hr/>		
<b>At 31 December 2020</b>	<b>於2020年12月31日</b>	<b>(9,792)</b>
<hr/>		
CARRYING VALUES	賬面值	
<b>At 31 December 2020</b>	<b>於2020年12月31日</b>	<b>11,079</b>
<hr/>		
At 31 December 2019	於2019年12月31日	11,714
<hr/>		

## Notes to the Consolidated Financial Statements (Continued)

### 綜合財務報表附註(續)

For the year ended 31 December 2020  
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#### 14. INVESTMENT PROPERTIES (Continued)

The investment properties are leased to third parties under operating leases, further summary details of which are included in note 15 to the financial statements.

The fair value of the Group's investment properties as at 31 December 2020 was RMB49,659,000 (2019: RMB56,085,000) which was determined by the Directors by using the direct comparison method based on observable market transaction prices of properties in similar locations. The fair value hierarchy is level 2. In estimating the fair value of the properties, the highest and best use of the properties is their current use.

#### 14. 投資物業(續)

投資物業乃根據經營租賃租予第三方，有關概述載於財務報表附註15。

於2020年12月31日，本集團投資物業的公允價值為人民幣49,659,000元(2019年：人民幣56,085,000元)，由董事通過使用直接比較法根據位於類似地點的物業的可觀察市場交易價格釐定。公允價值等級為第二級。於估計該等物業的公允價值時，該等物業的最高及最佳用途為其目前的用途。

## 15. LEASES

## The Group as a lessee

The Group has lease contracts for various items of leasehold lands and leased properties used in its operations. Lump sum payments were made upfront to acquire the leasehold lands from the owners with lease periods of 50 years, and no ongoing payments will be made under the terms of these land leases. Leased properties generally have lease terms between 1 and 10 years. The lease contracts of buildings include extension and termination options. Generally, the Group is restricted from assigning and subleasing the leased assets outside the Group.

## (a) Right-of-use assets

The carrying amounts of the Group's right-of-use assets and the movements during the year are as follows:

		Leasehold lands 租賃土地 RMB'000 人民幣千元	Leased properties 租賃物業 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
As at 1 January 2019	於2019年1月1日	–	18,406	18,406
Additions	添置	17,050	–	17,050
Depreciation charge	折舊開支	(28)	(9,472)	(9,500)
As at 31 December 2019 and 1 January 2020	於2019年12月31日 及2020年1月1日	17,022	8,934	25,956
Additions	添置	844	39,831	40,675
Expiration of lease contracts	租賃合約屆滿	–	(373)	(373)
Depreciation charge	折舊開支	(641)	(10,621)	(11,262)
<b>As at 31 December 2020</b>	<b>於2020年12月31日</b>	<b>17,225</b>	<b>37,771</b>	<b>54,996</b>

## 15. 租賃

## 本集團作為承租人

本集團就在營運中使用的多項租賃土地及租賃物業訂有租賃合約。經已預先作出整筆付款以從業主取得租賃土地，租期為50年，而根據該等土地租賃的條款，將無需再行支付款項。租賃物業的租期一般為1至10年。樓宇的租賃合約包括延期及終止的選擇權。一般而言，本集團被限制將租賃資產在本集團外轉讓及分租。

## (a) 使用權資產

本集團的使用權資產賬面值及年內變動如下：

## Notes to the Consolidated Financial Statements (Continued)

### 綜合財務報表附註(續)

For the year ended 31 December 2020  
截至2020年12月31日止年度

#### 15. LEASES (Continued)

##### The Group as a lessee (Continued)

##### (b) Lease liabilities

The carrying amount of lease liabilities and the movements during the year are as follows:

		2020 2020年 RMB'000 人民幣千元	2019 2019年 RMB'000 人民幣千元
Carrying amount at 1 January	於1月1日的賬面值	9,072	18,031
New leases	新租賃	39,179	-
Accretion of interest recognised during the year	年內確認的利息增量	1,510	1,046
Payments	付款	(12,011)	(10,005)
<b>Carrying amount at 31 December</b>	<b>於12月31日的賬面值</b>	<b>37,750</b>	<b>9,072</b>
Current portion	即期部分	3,879	8,892
Non-current portion	非即期部分	33,871	180

The maturity analysis of lease liabilities is disclosed in note 41 to the financial statements.

#### 15. 租賃(續)

##### 本集團作為承租人(續)

##### (b) 租賃負債

租賃負債的賬面值及年內變動如下：

		2020 2020年 RMB'000 人民幣千元	2019 2019年 RMB'000 人民幣千元
Carrying amount at 1 January	於1月1日的賬面值	9,072	18,031
New leases	新租賃	39,179	-
Accretion of interest recognised during the year	年內確認的利息增量	1,510	1,046
Payments	付款	(12,011)	(10,005)
<b>Carrying amount at 31 December</b>	<b>於12月31日的賬面值</b>	<b>37,750</b>	<b>9,072</b>
Current portion	即期部分	3,879	8,892
Non-current portion	非即期部分	33,871	180

租賃負債的到期日分析在財務報表附註41披露。

## Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

For the year ended 31 December 2020  
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### 15. LEASES (Continued)

The Group as a lessee (Continued)

(c) The amounts recognised in profit or loss in relation to leases are as follows:

		2020 2020年 RMB'000 人民幣千元	2019 2019年 RMB'000 人民幣千元
Interest on lease liabilities	租賃負債利息	1,510	1,046
Depreciation charge of right-of-use assets	使用權資產的折舊開支	11,262	9,500
Expense relating to short-term leases and other leases with remaining lease terms ended on or before 31 December 2019*	有關短期租賃及其他有餘下租期於2019年12月31日或之前屆滿的租賃的開支*	1,754	284
<b>Total amount recognised in profit or loss</b>	<b>在損益中確認的總額</b>	<b>14,526</b>	<b>10,830</b>

\* The expense relating to short-term leases and other leases with remaining lease terms ended on or before 31 December 2019 are included in "Cost of sales and services" in profit or loss.

(d) The total cash outflow for leases is disclosed in note 34(c) to the financial statements.

### 15. 租賃(續)

本集團作為承租人(續)

(c) 在損益中就租賃確認的金額如下：

	2020 2020年 RMB'000 人民幣千元	2019 2019年 RMB'000 人民幣千元
Interest on lease liabilities	1,510	1,046
Depreciation charge of right-of-use assets	11,262	9,500
Expense relating to short-term leases and other leases with remaining lease terms ended on or before 31 December 2019*	1,754	284
<b>Total amount recognised in profit or loss</b>	<b>14,526</b>	<b>10,830</b>

\* 有關餘下租期於2019年12月31日或之前屆滿的短期租賃及其他租賃的開支計入損益中的「銷售及服務成本」。

(d) 租賃的現金流出總額在財務報表附註34(c)中披露。



## Notes to the Consolidated Financial Statements (Continued)

### 綜合財務報表附註(續)

For the year ended 31 December 2020  
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#### 15. LEASES (Continued)

##### The Group as a lessor

The Group leases its investment properties (note 14) of commercial properties under operating lease arrangements. The terms of the leases generally require the tenants to pay security deposits and provide for periodic rent adjustments according to the then prevailing market conditions. Rental income recognised by the Group during the year was RMB747,000 (2019: RMB2,989,000).

At 31 December 2020, the undiscounted minimum lease payments receivable by the Group in future periods under non-cancellable operating leases with its tenants are as follows:

		2020 2020年 RMB'000 人民幣千元	2019 2019年 RMB'000 人民幣千元
Within one year	一年內	—	865

#### 15. 租賃(續)

##### 本集團作為出租人

本集團根據經營租賃安排租出其投資物業(附註14)。租賃條款一般要求租戶支付保證金，並規定須按照當時市場狀況定期作租金調整。本集團年內確認的租金收入為人民幣747,000元(2019年：人民幣2,989,000元)。

於2020年12月31日，本集團於未來期間根據不可撤銷經營租賃向其租戶應收的未貼現最低租金付款如下：

## Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

For the year ended 31 December 2020  
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## 16. INTANGIBLE ASSETS

## 16. 無形資產

		Software	Patents and trademarks	Concession arrangements	Total
		軟件	專利及商標	經營安排	總計
		RMB'000	RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元
COST	成本				
At 1 January 2019	於2019年1月1日	14,310	28,774	740,743	783,827
Additions	添置	493	–	284,109	284,602
At 31 December 2019	於2019年12月31日	14,803	28,774	1,024,852	1,068,429
Additions	添置	2,202	–	17,247	19,449
Transferred to the non-current asset	轉撥至非流動資產	–	–	(82,005)	(82,005)
<b>At 31 December 2020</b>	<b>於2020年12月31日</b>	<b>17,005</b>	<b>28,774</b>	<b>960,094</b>	<b>1,005,873</b>
ACCUMULATED AMORTISATION	累計攤銷				
At 1 January 2019	於2019年1月1日	(12,505)	(28,401)	(199,097)	(240,003)
Charge for the year	年內支出	(542)	(326)	(53,490)	(54,358)
At 31 December 2019	於2019年12月31日	(13,047)	(28,727)	(252,587)	(294,361)
Charge for the year	年內支出	(713)	(47)	(59,966)	(60,726)
Transferred to the non-current asset	轉撥至非流動資產	–	–	46,870	46,870
<b>At 31 December 2020</b>	<b>於2020年12月31日</b>	<b>(13,760)</b>	<b>(28,774)</b>	<b>(265,683)</b>	<b>(308,217)</b>
CARRYING VALUES	賬面值				
<b>At 31 December 2020</b>	<b>於2020年12月31日</b>	<b>3,245</b>	<b>–</b>	<b>694,411</b>	<b>697,656</b>
At 31 December 2019	於2019年12月31日	1,756	47	772,265	774,068

## Notes to the Consolidated Financial Statements (Continued)

### 綜合財務報表附註(續)

For the year ended 31 December 2020  
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#### 16. INTANGIBLE ASSETS (Continued)

The Group has entered into a number of service concession arrangements with certain power plants in PRC on a BOT basis in respect of its desulfurisation and denitrification construction and maintenance services. Pursuant to the service concession arrangement contracts, the Group (i) is responsible for the construction of the desulfurisation and denitrification facilities; (ii) has the contractual obligations to maintain the infrastructures at a specified level of serviceability; and (iii) is entitled to operate the facilities upon completion for a specified concession period from 15 to 20 years by receiving the monthly fees, which are determined by on-grid tariff subsidies on a per kilowatt hour basis for power generated by the power plant and settled with the customers on a monthly basis. The Group will not hold any residual interest in the facilities upon expiration of the concession period.

As such, these contracts are accounted for as service concession arrangements and intangible assets were recognised upon the completion of construction at the amounts equal to stand-alone selling price for the provision of construction service.

#### 16. 無形資產(續)

本集團按BOT基準就其脫硫及脫硝工程及維護服務與若干電廠訂立多項服務特許經營安排。根據服務特許經營安排合約，本集團(i)負責建造脫硫及脫硝設施；(ii)承擔按特定可提供服務水平維護基礎設施的合約責任；及(iii)有權於完成後於15至20年內的規定特許經營期透過每月收取費用經營設施，而每月收取的費用乃就發電廠所發電力按每千瓦時上網電價津貼釐定，並每月與客戶結算。本集團於特許經營期屆滿後不再持有設施任何餘下利益。

因此，該等合約於完成建造後入賬列作服務特許經營安排及無形資產，並按相等於提供建造服務的獨立出售價格確認。

**17. RECEIVABLES UNDER SERVICE CONCESSION ARRANGEMENT**

In June 2017, the Group entered into a service concession arrangement with a state owned power plant. Through the arrangement, the Group is involved as an operator (i) paying a specific amount for purchasing the relevant infrastructure for operation under the service concession arrangement; (ii) using the existing infrastructure and upgrading the acquired facilities for the provision of services under the service concession arrangement; and (iii) operating and maintaining the infrastructure for the period of 15 years (the “**Service Concession Period**”), and the Group will be paid for its services over the Service Concession Period at prices stipulated through a pricing mechanism. The Group is entitled to use all of the related infrastructure, however, the power plant, as the grantor, will control and regulate the scope of service that the Group must provide with the infrastructure. The construction and upgrade of this service concession arrangement have been fully completed in December 2018.

The service fee is charged by reference to on-grid tariff subsidies determined on a per kilowatt hour basis as set out in the service concession agreement. However, the Group is entitled to a minimum guaranteed service charge, which is calculated based on the minimum guaranteed on-grid tariff per year and the price agreed in the service concession agreement. Accordingly, the receivables under service concession arrangement was recognised based on the consideration paid by the Group upon the completion of the construction or upgrade of the infrastructure.

**17. 服務特許經營安排項下的應收款項**

於2017年6月，本集團與一間國有電廠訂立服務特許經營安排。透過該安排，本集團以運營商身份參與(i)就購買服務特許經營安排項下供投運的相關基礎設施支付特定金額；(ii)使用本集團現有基礎設施以及改造所收購設施，以提供服務特許經營安排項下的服務；以及(iii)營運及維持相關基礎設施達15年（「**服務特許經營期**」），而本集團將於服務特許經營期內就其所提供的服務按通過定價機制所訂明的價格獲取報酬。本集團有權使用所有相關基礎設施，惟電廠將以授予人身份控制並規定本集團須以有關基礎設施提供的服務範疇。該服務特許經營安排的建造及改造已於2018年12月全面完成。

服務費乃經參考按服務特許經營協議所訂明的每千瓦時基準計算的上網電價津貼收取。然而，本集團有權享有最低擔保服務費用，而該費用乃根據每年最低擔保上網電價及服務特許經營協議所規定的價格計算。因此，服務特許經營安排的應收款項按完成基礎設施建造或改造後本集團所付代價確認。

## Notes to the Consolidated Financial Statements (Continued)

### 綜合財務報表附註(續)

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#### 17. RECEIVABLES UNDER SERVICE CONCESSION ARRANGEMENT (Continued)

The receivables under service concession arrangement arose from the minimum service charge guaranteed by the power plant was as follows:

		2020 2020年 RMB'000 人民幣千元	2019 2019年 RMB'000 人民幣千元
Current portion	即期部分	27,376	20,201
Non-current portion	非即期部分	340,038	356,429
		<b>367,414</b>	<b>376,630</b>
Expected collection schedule is analysed as follows:	預計收款時間分析如下：		
Within one year	一年內	27,376	20,201
More than one year, but not more than two years	一年以上但不超過兩年	22,879	21,488
More than two years but not more than five years	兩年以上但不超過五年	77,757	73,031
More than five years	五年以上	239,402	261,910
		<b>367,414</b>	<b>376,630</b>

The Group accounts for the receivables under service concession arrangement based on the present value of the estimated annual minimum service charge in the Service Concession Period by applying an implied interest rate of 6.37% which is calculated based on the significant financing component implied in the contract.

#### 17. 服務特許經營安排項下的應收款項(續)

由電廠保證的最低服務費用產生之服務特許經營安排項下的應收款項如下：

本集團將服務特許經營安排項下應收款項按服務特許經營期的估計年度最低服務費的現值應用基於合約中隱含的重大融資部分計算的隱含利率6.37%入賬。

**17. RECEIVABLES UNDER SERVICE CONCESSION ARRANGEMENT** (Continued)

The grantor under service concession arrangement is a state-owned power plant in which the default risk is generally perceived to be low. The Directors consider that there was no significant change in credit risk in the year ended 31 December 2020, and thus measure the loss allowance for receivables under service concession arrangement at an amount equal to 12-month ECL, which is RMB3,959,000 (2019: RMB3,717,000). While the Company considers the credit risk is low, the collection of receivables under service concession arrangement is closely monitored by the Company in order to minimise any credit risk associated with the receivables.

Movement in 12-month ECL that has been recognised for receivables under service concession arrangement for the year ended 31 December 2020 and 2019 is as follows:

		RMB'000 人民幣千元
At 1 January 2019	於2019年1月1日	3,518
Impairment of receivables under service concession arrangement	服務特許經營安排項下的應收款項減值	199
At 31 December 2019 and at 1 January 2020	於2019年12月31日及2020年1月1日	3,717
Impairment of receivables under service concession arrangement	服務特許經營安排項下的應收款項減值	242
<b>At 31 December 2020</b>	<b>於2020年12月31日</b>	<b>3,959</b>

**17. 服務特許經營安排項下的應收款項** (續)

服務特許經營安排項下的授予人為違約風險被普遍認為較低的國有電廠。董事認為，截至2020年12月31日止年度的信貸風險並無重大變動，因此將服務特許經營安排項下的應收款項虧損撥備計成等於12個月預期信貸虧損的金額，即人民幣3,959,000元(2019年：人民幣3,717,000元)。儘管本公司認為信貸風險較低，本公司密切監察服務特許經營安排項下應收款項的收款情況以減低任何與應收款項有關的信貸風險。

於截至2020年及2019年12月31日止年度，就服務特許經營安排項下的應收款項確認之12個月預期信貸虧損如下：

## Notes to the Consolidated Financial Statements (Continued)

### 綜合財務報表附註(續)

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#### 18. INVESTMENTS IN ASSOCIATES

#### 18. 於聯營公司的投資

		2020 2020年 RMB'000 人民幣千元	2019 2019年 RMB'000 人民幣千元
Cost of investment in associates	於聯營公司投資的成本	36,980	36,980
Share of profits of associates, net of dividend received	分佔聯營公司溢利 (扣除已收股息)	32,972	45,907
		<b>69,952</b>	<b>82,887</b>

As at 31 December 2020 and 2019, particulars of the Group's material associates are as follows:

於2020年及2019年12月31日，本集團主要聯營公司的詳情如下：

Name	Particulars of issued shares held	Place of incorporation/ registration and business	Percentage of ownership interest attributable to the Group	Principal activity
名稱	持有已發行股份詳情	註冊成立／註冊及營業地點	本集團應佔所有權權益百分比	主要業務
Han Chuan Long Yuan Boqi Environmental Technology Co., Ltd. ("Han Chuan Long Yuan")	Registered capital of RMB1 each	PRC/ Mainland China	30	Operation of environmental protection facilities
漢川龍源博奇環保科技有限公司 (「漢川龍源」)	註冊資本每股人民幣1元	中國／中國大陸		經營環保設施
Shanghai Smart Sensing IOT Technology Co., Ltd. ("Shanghai Smart Sensing") (note)	Registered capital of RMB1 each	PRC/ Mainland China	17	Internet of things technology development, transfer and consulting services
慧感(上海)物聯網科技有限公司 (「上海慧感」)(附註)	註冊資本每股人民幣1元	中國／中國大陸		物聯網技術開發、轉移及諮詢服務

## Notes to the Consolidated Financial Statements (Continued)

### 綜合財務報表附註(續)

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#### 18. INVESTMENTS IN ASSOCIATES (Continued)

Note: The Group holds less than 20% equity interest in this investee. The Group has the right to appoint 1 out of 5 directors of the board and has the power to participate in the financial and operating policy decisions of the investee. Accordingly, the Group has the power to exercise significant influence over the investee.

The shareholdings of the associates are held through a wholly-owned subsidiary of the Company.

The associates are accounted for using the equity method in the consolidated financial statements.

The summarised financial information in respect of a material associate, Han Chuan Long Yuan, is set out below:

#### 18. 於聯營公司的投資(續)

附註：本集團持有該被投資公司少於20%權益。本集團可委任被投資公司董事會的五分之一成員，並有權參與被投資公司的財務及經營決策。因此，本集團有權對被投資公司行使重大影響力。

該等聯營公司的股權乃透過本公司一間全資附屬公司持有。

聯營公司於綜合財務報表中使用權益法入賬。

主要聯營公司漢川龍源的財務資料概述如下：

		2020 2020年 RMB'000 人民幣千元	2019 2019年 RMB'000 人民幣千元
Total assets	總資產	317,918	467,192
Total liabilities	總負債	(94,341)	(198,527)
Net assets	資產淨值	223,577	268,665
Reconciliation to the Group's interest in the associate:	與本集團於聯營公司的權益之對賬：		
Proportion of the Group's ownership	本集團的所有權百分比	30%	30%
Carrying amount of the investment	投資賬面值	67,073	80,560
Revenue	收益	213,761	286,974
Profit and total comprehensive income for the year	年內溢利及全面收益總額	63,722	120,761
Dividend received from the associate during the year	年內自聯營公司收取的股息	32,272	25,171



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### 綜合財務報表附註(續)

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#### 19. INVENTORIES

		2020 2020年 RMB'000 人民幣千元	2019 2019年 RMB'000 人民幣千元
Equipments, supplies and spare parts	設備、材料及備件	28,781	29,032
Allowance for inventories	存貨撥備	(1,096)	(117)
		<b>27,685</b>	28,915

#### 19. 存貨

#### 20. TRADE RECEIVABLES

		2020 2020年 RMB'000 人民幣千元	2019 2019年 RMB'000 人民幣千元
Trade receivables	貿易應收款項	711,491	610,876
Less: Allowance for credit losses	減：信貸虧損撥備	(35,639)	(19,945)
		<b>675,852</b>	590,931

#### 20. 貿易應收款項

The Group generally grants credit periods of 30 to 90 days which are agreed with each of its trade customers. The extension of credit periods to the customers may be granted on a discretionary basis by considering customer type, the current creditworthiness and the customer's financial condition and payment history with the Group.

本集團一般授出的客戶信貸期介乎30至90日，乃與其各貿易客戶協定。本集團考慮客戶之類別、其目前信譽及財政狀況，以及其與本集團之過往付款紀錄而酌情向客戶授予延長信貸期。

**20. TRADE RECEIVABLES (Continued)**

An ageing analysis of the trade receivables as at the end of the reporting period, based on the invoice date and net of loss allowance, is as follows:

		<b>2020</b> <b>2020年</b> <b>RMB'000</b> <b>人民幣千元</b>	2019 2019年 RMB'000 人民幣千元
1 – 90 days	1至90日	<b>450,943</b>	384,520
91 – 180 days	91至180日	<b>80,692</b>	21,209
181 – 365 days	181至365日	<b>28,909</b>	32,523
1 – 2 years	1至2年	<b>85,051</b>	110,461
2 – 3 years	2至3年	<b>16,489</b>	23,772
Over 3 years	超過3年	<b>13,768</b>	18,446
		<b>675,852</b>	590,931

As at 31 December 2020, included in the Group's trade receivables balance are debtors with aggregate carrying amount of RMB224,856,000 (2019: RMB206,411,000) which are past due for more than 90 days and are not considered as in default because these customers are sizeable power plant, state-owned or listed companies with strong financial position. The Directors consider the trade receivables to be in default when the debtors do not repay any trade receivables through the Group has pursued for several times, which indicates the Group may not collect these trade receivables.

As at 31 December 2020, included in the Group's trade receivables balance are debtors with aggregate carrying amount of RMB11,718,000 (2019: RMB1,204,000) which are past due for more than 90 days and are considered as in default. The Directors measure the expected credit losses for these balances separately and the loss allowance of RMB11,305,000 (2019: RMB1,204,000) was recognised.

The Group does not hold any collateral over these balances.

**20. 貿易應收款項(續)**

於報告期末根據發票日期及經扣除虧損撥備的貿易應收款項之賬齡分析如下：

	<b>2020</b> <b>2020年</b> <b>RMB'000</b> <b>人民幣千元</b>	2019 2019年 RMB'000 人民幣千元
1 – 90 days	<b>450,943</b>	384,520
91 – 180 days	<b>80,692</b>	21,209
181 – 365 days	<b>28,909</b>	32,523
1 – 2 years	<b>85,051</b>	110,461
2 – 3 years	<b>16,489</b>	23,772
Over 3 years	<b>13,768</b>	18,446
	<b>675,852</b>	590,931

於2020年12月31日，包括於本集團貿易應收款項結餘內為總賬面值人民幣224,856,000元(2019年：人民幣206,411,000元)的債務人欠款，已逾期超過90日而不被認為已違約，原因是這些客戶為具規模的電廠、具強勁財務狀況的國有或上市公司。董事認為，在本集團已多次催促還款而債務人仍未償還任何貿易應收款項，顯示本集團未必可收回該等貿易應收款項的情況下，該等貿易應收款項方被視為違約。

於2020年12月31日，包括於本集團貿易應收款項結餘內為總賬面值人民幣11,718,000元(2019年：人民幣1,204,000元)的債務人欠款，已逾期超過90日而被認為已違約。董事就該等結餘獨立計量預期信貸虧損，並已確認虧損撥備人民幣11,305,000元(2019年：人民幣1,204,000元)。

本集團並無就該等結餘持有任何抵押品。

## Notes to the Consolidated Financial Statements (Continued)

### 綜合財務報表附註(續)

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#### 20. TRADE RECEIVABLES (Continued)

The movements in the loss allowance for impairment of trade receivables are as follows:

		2020 2020年 RMB' 000 人民幣千元	2019 2019年 RMB' 000 人民幣千元
At beginning of year	年初	19,945	22,976
Allowance for trade receivables	貿易應收款項撥備	15,694	4,882
Reversal of trade receivables	貿易應收款項撥回	-	(100)
Write-off as uncollectible	作為不可收回而撇銷	-	(7,813)
At end of year	年末	<b>35,639</b>	19,945

The increase in the loss allowance was due to the increase in the loss allowance of RMB11,305,000 as a result of certain debtors being considered as in default during the year (2019: decrease in the loss allowance of RMB7,813,000 as a result of the write-off of certain trade receivables).

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. 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.

#### 20. 貿易應收款項(續)

貿易應收款項減值虧損撥備之變動如下：

虧損撥備增加乃由於年內若干債務人被視為違約而導致虧損撥備增加人民幣11,305,000元(2019年：由於撇銷若干貿易應收款項，虧損撥備減少人民幣7,813,000元)。

於各報告日期採用撥備矩陣進行減值分析，以計量預期信貸虧損。撥備率乃基於具有類似虧損模式的多個客戶分部組別的逾期日數釐定。該計算反映概率加權結果、貨幣時值及於報告日期可得的有關過往事件、當前狀況及未來經濟狀況預測的合理及可靠資料。

## Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

For the year ended 31 December 2020  
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### 20. TRADE RECEIVABLES (Continued)

Set out below is the information about the credit risk exposure on the Group's trade receivables using a provision matrix:

As at 31 December 2020	於2020年12月31日	Ageing 賬齡				Total 總計
		Less than 1 year 少於1年	1 to 2 years 1至2年	2 to 3 years 2至3年	Over 3 years 3年以上	
Expected credit loss rate	預期信貸虧損率	1.33%	4.25%	14.33%	43.48%	
Gross carrying amount (RMB'000)	總賬面值(人民幣千元)	568,073	88,825	19,248	23,627	699,773
Expected credit losses (RMB'000)	預期信貸虧損(人民幣千元)	7,529	3,774	2,759	10,272	24,334

As at 31 December 2019	於2019年12月31日	Ageing 賬齡				Total 總計
		Less than 1 year 少於1年	1 to 2 years 1至2年	2 to 3 years 2至3年	Over 3 years 3年以上	
Expected credit loss rate	預期信貸虧損率	0.91%	3.63%	12.20%	27.00%	
Gross carrying amount (RMB'000)	總賬面值(人民幣千元)	442,265	114,619	27,073	25,715	609,672
Expected credit losses (RMB'000)	預期信貸虧損(人民幣千元)	4,013	4,158	3,301	7,269	18,741

### 20. 貿易應收款項(續)

下表載列使用撥備矩陣計算本集團貿易應收款項的信貨風險的資料：

### 21. PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

### 21. 預付款項、按金及其他應收款項

		2020 2020年 RMB'000 人民幣千元	2019 2019年 RMB'000 人民幣千元
Prepaid value added tax	預付增值稅	85,872	92,413
Prepayments	預付款項	79,764	53,347
Other receivables	其他應收款項	46,305	40,946
Prepaid income tax	預付所得稅	7,207	–
		<b>219,148</b>	186,706
Less: impairment losses on other receivables	減：其他應收款項減值虧損	<b>(1,204)</b>	(1,613)
		<b>217,944</b>	185,093

## Notes to the Consolidated Financial Statements (Continued)

### 綜合財務報表附註(續)

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#### 21. PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES (Continued)

Other receivables mainly represent deposits with suppliers. An impairment analysis is performed at each reporting date by considering expected credit losses, which are estimated by applying a loss rate approach with reference to the historical loss record of the Group. The loss rate is adjusted to reflect the current conditions and forecasts of future economic conditions, as appropriate. The loss rate applied as at 31 December 2020 was 2.60% (2019: 3.94%).

#### 22. CONTRACT ASSETS

The Group has rights to considerations from customers for the provision of construction, operation and maintenance services. Contract assets arise when the Group has rights to considerations for completion of such services and not yet billed under the relevant contracts, and their rights are conditioned on factors other than passage of time. Any amount previously recognised as a contract assets are transferred to trade receivables when the rights become unconditional. Remaining rights and performance obligations in a particular contract are accounted for and presented on a net basis, as either a contract asset or a contract liability.

The contract assets primarily relate to the Group's rights to considerations for work completed and not billed because the rights are conditioned on the Group's future performance. Usually the contract assets are transferred to trade receivables when the rights become unconditional. The Group typically reclassifies contract assets to trade receivables on the date of issue of invoice or billing with the customers when such right of collections becomes unconditional other than the passage of time.

#### 21. 預付款項、按金及其他應收款項(續)

其他應收款項主要指存放在供應商的按金。於每個報告日期均透過考慮預期信貸虧損以進行減值分析，而預期信貸虧損乃應用參考本集團過往虧損記錄的虧損率方法作估計。虧損率乃經調整，以反映現時狀況及對未來經濟狀況的預測(如適用)。於2020年12月31日應用的虧損率為2.60%(2019年：3.94%)。

#### 22. 合約資產

本集團有權就提供工程、營運及維護服務向客戶收取代價。合約資產於本集團有權就完成有關服務且尚未根據相關合約收費收取代價時產生，而其權利以隨著時間流逝以外的因素為條件。先前確認為合約資產的任何款項於有關權利成為無條件時轉移為貿易應收款項。個別合約內的餘下權利及履約責任按淨額基準入賬並呈列為合約資產或合約負債。

合約資產主要關於本集團就已完成且未收費的工程收取代價的權利，此乃由於該等權利以本集團未來的履行作為條件。一般而言，合約資產於該等權利變為無條件時轉移為貿易應收款項。本集團一貫於發出發票日期或與客戶計費日期，即當該等收回款項權利非隨著時間流逝變為無條件時，將合約資產重新分類至貿易應收款項。

## Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

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### 22. CONTRACT ASSETS (Continued)

### 22. 合約資產(續)

		31 December 2020 2020年 12月31日 RMB'000 人民幣千元	31 December 2019 2019年 12月31日 RMB'000 人民幣千元	1 January 2019 2019年 1月1日 RMB'000 人民幣千元
Contract assets arising from construction services	從建造服務產生的合約資產			
Current portion	即期	<b>127,446</b>	350,709	210,122
Non-current portion	非即期	<b>21,468</b>	–	–
Impairment	減值	<b>(1,364)</b>	(4,107)	(5,833)
		<b>147,550</b>	346,602	204,289

The decrease in 2020 was the result of the decrease in the provision of construction services as a consequence of the covid-19 pandemic. (2019: the increase of contract assets in 2019 was the result of the increase in ongoing installation services at the end of the year.)

於2020年合約資產減少，乃由於新冠肺炎疫情導致所提供的建造服務減少。(2019年：2019年合約資產增加，乃由於年末時持續進行的安裝服務增加。)

## Notes to the Consolidated Financial Statements (Continued)

### 綜合財務報表附註(續)

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#### 22. CONTRACT ASSETS (Continued)

During the year ended 31 December 2020, RMB2,743,000 (2019: RMB3,003,000) was recognised as an allowance for expected credit losses on contract assets. The Group's trading terms and credit policy with customers are disclosed in note 20 to the financial statements.

Movement in lifetime ECL that has been recognised for contract assets in accordance with the simplified approach set out in IFRS 9 is as follows:

		2020 2020年 RMB'000 人民幣千元	2019 2019年 RMB'000 人民幣千元
At beginning of year	年初	4,107	7,110
Reversal of impairment losses	減值虧損撥回	(2,743)	(3,003)
At end of year	年末	1,364	4,107

#### 22. 合約資產(續)

於截至2020年12月31日止年度，人民幣2,743,000元(2019年：人民幣3,003,000元)確認為合約資產的預期信貸虧損撥備。本集團與客戶的貿易條款及信貸政策在財務報表附註20披露。

已根據國際財務報告準則第9號所載的簡易方法就合約資產確認的全期預期信貸虧損變動如下：

**22. CONTRACT ASSETS (Continued)**

An impairment analysis is performed at each reporting date using a provision matrix to measure expected credit losses. The provision rates for the measurement of the expected credit losses of the contract assets are based on those of the trade receivables as the contract assets and the trade receivables are from the same customer bases. The provision rates of contract assets are based on days past due of trade receivables for groupings of various customer segments with similar loss patterns. 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.

Set out below is the information about the credit risk exposure on the Group's contract assets using a provision matrix:

**22. 合約資產(續)**

於各報告日期採用撥備矩陣進行減值分析，以計量預期信貸虧損。計算合約資產預期信貸虧損的撥備率乃基於列作合約資產的貿易應收款項的撥備率，而貿易應收款項乃來自相同客戶群。合約資產的撥備率乃基於具有類似虧損模式的多個客戶分部組別的貿易應收款項逾期日數釐定。該計算反映概率加權結果、貨幣時值及於報告日期可得的有關過往事件、當前狀況及未來經濟狀況預測的合理及可靠資料。

下表載列使用撥備矩陣計算本集團合約資產信貸風險的資料：

		2020 2020年		2019 2019年	
		Current portion 即期部分	Non- current portion 非即期部分	Current portion 即期部分	Non- current portion 非即期部分
Expected credit loss rate	預期信貸虧損率	1.06%	0.04%	1.17%	–
Gross carrying amount (RMB' 000)	總賬面值 (人民幣千元)	127,446	21,468	350,709	–
Expected credit losses (RMB' 000)	預期信貸虧損 (人民幣千元)	1,355	9	4,107	–



## Notes to the Consolidated Financial Statements (Continued)

### 綜合財務報表附註(續)

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#### 23. EQUITY INSTRUMENT AT FAIR VALUE THROUGH PROFIT AND LOSS 23. 按公允價值計入損益的股本工具

		2020 2020年 RMB'000 人民幣千元	2019 2019年 RMB'000 人民幣千元
Listed equity instrument, at fair value	上市股本工具，按公允價值	45,599	45,693

#### 24. DEBT INSTRUMENTS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME 24. 按公允價值計入其他全面收益的債務工具

The amounts represent notes receivable. The Directors recognised the notes receivable, with fixed rates and maturity date, as debt instrument at fair value through other comprehensive income, as they held these notes for the purpose of cash collection and discounting. The Directors assessed the expected credit loss risk of notes receivable as low, mainly because the notes were secured by the drawer's bank deposit and the default risk was low.

有關金額指應收票據。董事將有固定利率及到期日的應收票據確認為按公允價值計入其他全面收益的債務投資，原因為持有該等票據的目的為收取現金及貼現。董事確定應收票據的預期信貸虧損風險較低，主要因為票據由出票人的銀行存款擔保，違約風險較低。

## Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

For the year ended 31 December 2020  
截至2020年12月31日止年度25. CASH AND CASH EQUIVALENTS AND  
PLEGDED TIME DEPOSITS AND BANK  
BALANCES25. 現金及現金等價物及已抵押定期存款  
及銀行結餘

		2020 2020年 RMB'000 人民幣千元	2019 2019年 RMB'000 人民幣千元
Cash and bank balances	現金及銀行結餘	567,518	559,766
Time deposits	定期存款	44,514	23,921
		612,032	583,687
Less: Pledged time deposits and bank balances (note):	減：已抵押定期存款及 銀行結餘(附註)：	(92,904)	(133,181)
Cash and cash equivalents	現金現金等價物	519,128	450,506

Note: Pledged time deposits and bank balances represent amounts held by banks, which are not available for the Group's use, as security for issuance of bills to the Group's suppliers, letters of credit relating to the EPC contracts and the O&M contracts signed with the customers. Upon maturity of the letters of credit and letters of guarantee, the deposits are released by the bank and become available for general use by the Group. Pledged bank deposits of the Group carrying interest at market rates which range from 0.00% to 4.00% per annum as at 31 December 2020 (2019: from 0.00% to 4.00% per annum).

附註：已抵押定期存款及銀行結餘指由銀行持有而不可由本集團動用，作為向本集團供應商發出票據、有關EPC合約及與客戶簽訂的運維合約的信用狀所作擔保之金額。尚信用狀及擔保函到期時，有關存款獲銀行發放並可由本集團用作一般用途。於2020年12月31日，本集團的已抵押銀行存款按介乎0.00%至4.00%（2019年：介乎0.00%至4.00%）的市場年利率計息。

## Notes to the Consolidated Financial Statements (Continued)

### 綜合財務報表附註(續)

For the year ended 31 December 2020  
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#### 25. CASH AND CASH EQUIVALENTS AND PLEDGED TIME DEPOSITS AND BANK BALANCES (Continued)

#### 25. 現金及現金等價物及已抵押定期存款及銀行結餘(續)

		2020 2020年 RMB'000 人民幣千元	2019 2019年 RMB'000 人民幣千元
The above balances denominated in:	上述結餘以下列貨幣計值：		
– RMB	– 人民幣	<b>541,309</b>	514,756
– United States dollar (“USD”)	– 美元	<b>56,848</b>	42,972
– Hong Kong dollar (“HKD”)	– 港元	<b>8,534</b>	12,337
– European dollar (“EUR”)	– 歐元	<b>5,341</b>	13,622
		<b>612,032</b>	583,687

The RMB is not freely convertible into other currencies, however, under Mainland China’s Foreign Exchange Control Regulations and Administration of Settlement, Sale and Payment of Foreign Exchange Regulations, the Group is permitted to exchange RMB for other currencies through banks authorised to conduct foreign exchange business.

人民幣不可自由兌換為其他貨幣，但根據中國大陸的外匯管制條例及結匯、售匯及付匯管理規定，本集團可透過獲授權進行外匯業務的銀行將人民幣兌換為其他貨幣。

Bank balances and cash of the Group comprise cash held by the Group and bank balances that bear interest at prevailing market rates ranging from 0.00% to 0.35% per annum as at 31 December 2020 (2019: from 0.00% to 0.35% per annum), with an original maturity of three months or less.

本集團銀行結餘及現金包括本集團持有的計息現金及銀行結餘，於2020年12月31日，該等銀行結餘按介乎0.00%至0.35%（2019年：介乎0.00%至0.35%）的現行市場年利率計息且原到期日為三個月或以下。

## Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

For the year ended 31 December 2020  
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### 26. TRADE AND BILLS PAYABLES

### 26. 貿易應付款項及應付票據

		2020 2020年 RMB' 000 人民幣千元	2019 2019年 RMB' 000 人民幣千元
Bills payables	應付票據	<b>232,302</b>	206,784
Trade payables	貿易應付款項	<b>715,479</b>	814,946
<b>Total</b>		<b>947,781</b>	1,021,730

An ageing analysis of the trade and bills payables as at the end of the reporting period, based on the invoice date, is as follows:

貿易應付款項及應付票據於報告期末按發票日期之賬齡分析如下：

		2020 2020年 RMB' 000 人民幣千元	2019 2019年 RMB' 000 人民幣千元
1 -90 days	1至90日	<b>377,659</b>	360,423
90 – 180 days	90至180日	<b>217,288</b>	283,001
180 days – 1 year	180日至1年	<b>65,344</b>	111,083
1 – 2 years	1至2年	<b>119,547</b>	133,897
2 – 3 years	2至3年	<b>54,710</b>	40,411
Over 3 years	超過3年	<b>113,233</b>	92,915
<b>Total</b>		<b>947,781</b>	1,021,730

The trade payables are non-interest-bearing and are normally settled on 30-90 day terms.

貿易應收款項乃不計息，一般按30至90日信貸期結算。

## Notes to the Consolidated Financial Statements (Continued)

### 綜合財務報表附註(續)

For the year ended 31 December 2020  
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#### 27. OTHER PAYABLES, DEPOSITS RECEIVED AND ACCRUED EXPENSES 27. 其他應付款項、已收按金及應計開支

		2020 2020年 RMB' 000 人民幣千元	2019 2019年 RMB' 000 人民幣千元
Accrued expenses	應計開支	89,785	109,524
Accrued payroll	應計工資	55,215	54,315
Guarantee deposits from customers	自客戶收取的保證金	29,172	41,063
Other tax payables	其他應付稅項	20,428	36,695
Accrued liabilities	應計負債	18,410	13,126
Payable for assets acquisition	資產收購應付款項	-	168,931
Others	其他	14,645	11,003
		<b>227,655</b>	434,657

Note:

(a) Accrued liabilities mainly represent the expected loss for onerous contracts recorded when it is probable that total contract costs will exceed total contract revenue.

附註：

(a) 應計負債主要指錄得總合約成本可能超過總合約收益的虧損合約的預期虧損。

#### 28. CONTRACT LIABILITIES

#### 28. 合約負債

		31 December 2020 2020年 12月31日 RMB' 000 人民幣千元	31 December 2019 2019年 12月31日 RMB' 000 人民幣千元	1 January 2019 2019年 1月1日 RMB' 000 人民幣千元
Construction services	建造服務	71,873	102,390	115,651

Contract liabilities represent advances received for the provision of construction service and sale of industrial products. The decrease in contract liabilities in 2020 and 2019 was mainly due to the completion of the construction services.

合約負債指就提供建造服務及銷售工業產品所收取的墊款。於2020年及2019年合約負債減少，主要由於完成建造服務所致。

## Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

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### 29. INTEREST-BEARING BANK AND OTHER BORROWINGS 29. 計息銀行及其他借款

		As at 31 December 2020 於2020年12月31日			As at 31 December 2019 於2019年12月31日		
		Effective Interest rate	Maturity	RMB' 000	Effective interest rate	Maturity	RMB' 000
		(%) 實際利率	到期日	人民幣千元	(%) 實際利率	到期日	人民幣千元
<b>Current</b>	<b>即期</b>						
Bank loans – unsecured	銀行貸款 – 無抵押	-	-	-	4.35-4.79	2020	49,500
Bank loans – secured	銀行貸款 – 有抵押	-	-	-	2.70-4.60	2020	45,968
Current portion of long term loans – unsecured	長期貸款的即期部分 – 無抵押	-	-	-	4.41	2020	12,000
Current portion of long term loans – secured	長期貸款的即期部分 – 有抵押	7.82	2021	15,335	-	-	-
				15,335			107,468
<b>Non-current</b>	<b>非即期</b>						
Loans from other financial institutions-secured	來自其他金融機構的貸款 – 有抵押	7.82	2022-2025	63,956	-	-	-
				79,291			107,468

## Notes to the Consolidated Financial Statements (Continued)

### 綜合財務報表附註(續)

For the year ended 31 December 2020  
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## 29. INTEREST-BEARING BANK AND OTHER BORROWINGS (Continued) 29. 計息銀行及其他借款(續)

		2020 2020年 RMB'000 人民幣千元	2019 2019年 RMB'000 人民幣千元
Analysed into:	分析為：		
Bank loans and overdrafts repayable:	應償還的銀行貸款及透支：		
Within one year	一年內	-	107,468
Other borrowings repayable:	應償還的其他借款：		
Within one year	一年內	15,335	-
In the second year	第二年	16,557	-
In the third to fifth years, inclusive	第三年至第五年 (包括首尾兩年)	47,399	-
		<b>79,291</b>	-
		<b>79,291</b>	107,468

The amounts due are based on scheduled repayment dates set out in the borrowing agreements.

As at 31 December 2020, borrowings from other financial institutions of approximately RMB79,291,000 (2019: Nil) were secured by equipment used in Jinggangshan Boqi's service concession arrangements.

As at 31 December 2019, bank borrowings of approximate RMB45,968,000 were secured by the notes discounted to the banks.

Interest on bank and other borrowings denominated in RMB at floating rates is calculated based on the borrowing rates announced by the People's Bank of China. The effective interest rate bank borrowings are charged at the prevailing market rates at 7.82% (2019: 4.35% to 4.79%).

到期款項乃基於借款協議所載的計劃償還日期。

於2020年12月31日，來自其他金融機構的借款約人民幣79,291,000元(2019年：無)由井岡山博奇的服務特許經營安排所使用的設備作抵押。

於2019年12月31日，銀行借款約人民幣45,968,000元由已向銀行貼現的票據作抵押。

以人民幣計值的浮息銀行及其他借款的利息按中國人民銀行公佈的借款利率計算。銀行借款的實際利率按7.82%(2019年：4.35%至4.79%)的現行市場年利率收取。

## Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

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### 30. DEFERRED TAX

The components of deferred tax assets/liabilities recognised in the consolidated statement of financial position and the movements during the year are as follows:

#### Deferred tax assets

		Change in fair value of equity instrument at fair value through other comprehensive income	Impairment for other non-current assets	Provision for onerous contracts	Accrued expenses	Patents	Total	
		按公允價值計入其他全面收益的	其他非流動資產的減值	虧損合約撥備	應計開支	專利	總計	
		信貨虧損撥備及存貨	股本工具的公允價值變動	其他非流動資產的減值	虧損合約撥備	應計開支	專利	總計
		RMB' 000	RMB' 000	RMB' 000	RMB' 000	RMB' 000	RMB' 000	RMB' 000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
At 1 January 2019	於2019年1月1日	6,155	(171)	-	4,365	12,214	2,558	25,121
Credit/(charged) to profit or loss	計入(扣除自)損益	658	-	-	1,604	5,668	(161)	7,769
Charged to other comprehensive income	扣除自其他全面收益	-	171	-	-	-	-	171
At 31 December 2019	於2019年12月31日	6,813	-	-	5,969	17,882	2,397	33,061
Credit/(charged) to profit or loss	計入(扣除自)損益	1,805	-	1,054	793	(2,528)	1,593	2,717
Others	其他	6,736	-	-	(4,000)	(4,406)	483	(1,187)
<b>At 31 December 2020</b>	<b>於2020年12月31日</b>	<b>15,354</b>	<b>-</b>	<b>1,054</b>	<b>2,762</b>	<b>10,948</b>	<b>4,473</b>	<b>34,591</b>

### 30. 遞延稅項

在綜合財務狀況表內確認的遞延稅項資產／負債部分及年內變動如下：

#### 遞延稅項資產



## Notes to the Consolidated Financial Statements (Continued)

### 綜合財務報表附註(續)

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#### 30. DEFERRED TAX (Continued)

##### Deferred tax liabilities

		<b>Withholding tax on the earnings anticipated to be distributed by subsidiaries</b>	<b>Total</b>
		預期附屬公司 將分派的盈利的 預扣稅	總計
		RMB' 000	RMB' 000
		人民幣千元	人民幣千元
At 1 January 2019	於2019年1月1日	(8,018)	(8,018)
Charged to profit or loss	扣除自損益	(2,855)	(2,855)
At 31 December 2019	於2019年12月31日	(10,873)	(10,873)
Charged to profit or loss	扣除自損益	(6,241)	(6,241)
<b>At 31 December 2020</b>	<b>於2020年12月31日</b>	<b>(17,114)</b>	<b>(17,114)</b>

For presentation purposes, certain deferred tax assets and liabilities have been offset in the statement of financial position. The following is an analysis of the deferred tax balances of the Group for financial reporting purposes:

Deferred tax assets have not been recognised in respect of the following items:

As at 31 December 2020, the Group has unused tax loss of RMB14,331,000 (2019: RMB21,448,000) available for offset against future profits for the consecutive five years and will expire between 2021 and 2025. No deferred tax assets have been recognised in respect of such tax losses due to the unpredictability of future profit streams.

According to the relevant tax law in PRC, dividend distributed to foreign investors out of the profit generated from 1 January 2008 onwards shall be subject to withholding tax at 10% and withheld by PRC entities, pursuant to Articles 3 and 37 of the EIT Law and Article 91 of its Detailed Rules for the Implementation of the Regulation.

#### 30. 遞延稅項(續)

##### 遞延稅項負債

	<b>Withholding tax on the earnings anticipated to be distributed by subsidiaries</b>	<b>Total</b>
	預期附屬公司 將分派的盈利的 預扣稅	總計
	RMB' 000	RMB' 000
	人民幣千元	人民幣千元
At 1 January 2019	(8,018)	(8,018)
Charged to profit or loss	(2,855)	(2,855)
At 31 December 2019	(10,873)	(10,873)
Charged to profit or loss	(6,241)	(6,241)
<b>At 31 December 2020</b>	<b>(17,114)</b>	<b>(17,114)</b>

就呈報而言，若干遞延稅項資產及負債經已在財務狀況表內對銷。以下為本集團就財務申報目的之遞延稅項結餘分析：

遞延稅項資產並無就下列項目確認：

於2020年12月31日，本集團有未動用稅項虧損人民幣14,331,000元(2019年：人民幣21,448,000元)，可用於抵銷連續五年的未來溢利並將於2021年至2025年期間到期。由於未來利潤流入的不可預測性，故並無就該等稅項虧損確認遞延稅項資產。

根據中國相關稅法，按企業所得稅法第3及37條以及其實施條例細則第91條，中國實體須就自2008年1月1日以來產生的溢利向海外投資者分派的股息繳納10%的預扣稅。

## Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

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### 30. DEFERRED TAX (Continued)

#### Deferred tax liabilities (Continued)

As at 31 December 2020, the Group recognised the relevant deferred tax liabilities of RMB17,114,000 (2019: RMB10,873,000) on earnings anticipated to be remitted by certain subsidiaries in the foreseeable future. At the end of the reporting period, the aggregate amount of temporary differences associated with undistributed earnings of subsidiaries for which deferred tax liabilities have not been recognised was RMB1,100,456,000 (2019: RMB895,959,000)

### 31. SHARE CAPITAL

#### Shares

Issued and fully paid: 5,000,000,000 (2019: 5,000,000,000) ordinary shares at US\$0.00001 each	已發行及繳足： 5,000,000,000股 (2019年：5,000,000,000股) 每股面值0.00001美元的普通股
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### 30. 遞延稅項(續)

#### 遞延稅項負債(續)

於2020年12月31日，本集團就預計若干附屬公司於可預見未來將匯出的盈利確認相關的遞延所得稅負債人民幣17,114,000元(2019年：人民幣10,873,000元)。於報告期末，並無確認遞延稅項負債的附屬公司未分配盈利相關的暫時差異總額為人民幣1,100,456,000元(2019年：人民幣895,959,000元)。

### 31. 股本

#### 股份

		2020 2020年 RMB'000 人民幣千元	2019 2019年 RMB'000 人民幣千元
Issued and fully paid: 5,000,000,000 (2019: 5,000,000,000) ordinary shares at US\$0.00001 each	已發行及繳足： 5,000,000,000股 (2019年：5,000,000,000股) 每股面值0.00001美元的普通股	67	67

A summary of movements in the Company's share capital is as follows:

本公司股本的變動概要如下：

		Number of shares in issue 已發行 股份數目	Share capital 股本 RMB 人民幣
At 1 January 2019	於2019年1月1日	1,010,758,799	67
Share repurchased and cancelled (note)	已購回及註銷的股份(附註)	(3,652,000)	-
<b>At 31 December 2019 and 31 December 2020</b>	<b>於2019年12月31日 及2020年12月31日</b>	<b>1,007,106,799</b>	<b>67</b>

## Notes to the Consolidated Financial Statements (Continued)

### 綜合財務報表附註(續)

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#### 31. SHARE CAPITAL (Continued)

##### Shares (Continued)

Note:

During 2019, the Company repurchased its own ordinary shares through The Stock Exchange of Hong Kong Limited as follows:

Month of repurchase 購回月份	Number of ordinary shares of HK\$1.44 each 每股面值 1.44港元的 普通股數目	Price per share 每股價格		Aggregate consideration paid 已付代價總額 HK\$' 000 千港元	
		Highest 最高 HK\$ 港元	Lowest 最低 HK\$ 港元		
January 2019	2019年1月	764,000	1.80	1.72	1,360
February 2019	2019年2月	341,000	1.75	1.60	579
July 2019	2019年7月	692,000	1.28	1.10	807
August 2019	2019年8月	100,000	1.20	1.10	116
September 2019	2019年9月	500,000	1.20	1.17	598

Within the above ordinary shares, 1,255,000 ordinary shares were repurchased in 2018 (and treated as treasury shares) and cancelled in 2019, and 2,397,000 were cancelled upon repurchased in 2019.

None of the Company's subsidiaries purchased, sold or redeemed any of the Company's listed securities during the year (2019: Nil).

#### 31. 股本(續)

##### 股份(續)

附註：

於2019年，本公司透過香港聯合交易所有限公司購回其普通股，詳情如下：

在上述普通股中，1,255,000股普通股已於2018年購回（及當作庫存股份）並於2019年註銷，而2,397,000股普通股已於2019年購回後註銷。

於年內，本公司附屬公司概無購買、出售或贖回本公司任何上市證券（2019年：無）。

**32. SHARE-BASED PAYMENT**

The Company adopted the Pre-IPO Share Award Scheme (“**Scheme**”) pursuant to a resolution passed by the Directors on 15 April 2016, through which a total of 25,000,000 shares (“**Awarded Shares**”) at a par value of US\$0.00001 each were issued to Acheson (the “**Trust**”) on 11 May 2016, who will hold the Awarded Shares for the benefit of the eligible employees (“**Selected Employees**”) and facilitate the purchase, holding and/or vesting of such Awarded Shares as a trustee pursuant to the trust deed (“**Trust Deed**”) signed by the Company. The Trust was established pursuant to the Trust Deed dated 2 September 2016 with retrospective effect from 10 May 2016.

A management committee has been established and authorised by the Directors to make all determination and provide directions to the Trustee in relation to the Scheme (the “**Committee**”). The Pre-IPO Share Award Scheme is valid and effective for a period of ten years from the date of adoption.

Pursuant to the Scheme, the Selected Employees are entitled to subscribe for the Awarded Shares at the price of RMB0.85 per Awarded Share by way of a loan provided by the Company. The Awarded Shares shall vest in three tranches on the following vesting dates provided that the vesting conditions applicable to such Selected Employee are satisfied:

- (i) 50% on the date of listing of the Company’s shares on the Main Board of the Stock Exchange of Hong Kong Limited (“**Listing**” and “**Listing Date**”) (the “**First Vested Shares**”), provided the Selected Employees remain in service until the first trading day following the first anniversary of the Listing Date;
- (ii) 25% on the first trading date following the first anniversary of the Listing Date; and
- (iii) 25% on the first trading date following the second anniversary of the Listing Date.

**32. 以股份為基礎的付款**

本公司根據董事於2016年4月15日通過的決議案採納首次公開發售前股份獎勵計劃(「**計劃**」)，據此，合共25,000,000股每股面值0.00001美元的股份(「**獎勵股份**」)於2016年5月11日發行予Acheson(「**信託**」)，其將以合資格僱員(「**經甄選僱員**」)的利益持有獎勵股份並根據本公司簽署的信託契據(「**信託契據**」)作為受託人促使購買、持有及／或歸屬該等獎勵股份。該信託乃根據日期為2016年9月2日並追溯至2016年5月10日起生效的信託契據成立。

管理委員會(「**委員會**」)已告成立並獲董事授權就計劃作出一切決定及向受託人提供指導。首次公開發售前股份獎勵計劃自採納日期起為期十年有效且具效力。

根據計劃，經甄選僱員有權按每股獎勵股份人民幣0.85元的價格以向本公司貸款的方式認購獎勵股份。獎勵股份須於以下歸屬日期分三批歸屬，惟須達成適用於有關經甄選僱員的歸屬條件：

- (i) 50%的獎勵股份於本公司股份在香港聯合交易所有限公司主板上市當日(「**上市**」及「**上市日期**」)歸屬(「**首批歸屬股份**」)，前提是被授予股份的員工在上市日期第一週年後第一個交易日前不得離職；
- (ii) 25%的獎勵股份將於上市日期第一週年後第一個交易日歸屬；及
- (iii) 25%的獎勵股份將於上市日期第二週年後第一個交易日歸屬。

## Notes to the Consolidated Financial Statements (Continued)

### 綜合財務報表附註(續)

For the year ended 31 December 2020  
截至2020年12月31日止年度

#### 32. SHARE-BASED PAYMENT (Continued)

Upon the date of Listing, the trustee will sell the First Vested Shares under the instruction of the Committee. The proceeds, after netting off the loan borrowed by the respective Selected Employees (“**Net Proceeds**”), 80% of which will be paid to the Selected Employees. However, if such Selected Employee terminates his employment with the Group during the one-year period after the Listing Date, the Net Proceeds received should be repaid to the Company. The remaining 20% of the Net Proceeds will be paid provided that such Selected Employee continues to serve the Company for one year after the Listing Date. If the proceeds are less than the amount of the loan borrowed, the Selected Employee will still need to repay the loan to the Company.

The expected vesting period for tranches (i) and (ii) is one year after the Listing Date and the expected vesting period for tranche (iii) is two years after the Listing Date.

On 7 September 2016, the Company granted 23,170,000 Awarded Shares to the Selected Employees. The details of the Awarded Shares granted for the year ended 31 December 2016 are as follows:

<b>Number of Awarded Shares granted</b> 授出獎勵股份的數目	<b>Grant date</b> 授出日期	<b>Expiry date</b> 屆滿日期	<b>Purchase price</b> 購買價
23,170,000	7 September 2016 2016年9月7日	7 September 2026 2026年9月7日	0.85

#### 32. 以股份為基礎的付款(續)

於上市日期，受託人將按委員會的指示出售首批歸屬股份。扣除相關經甄選僱員籌借的貸款後，所得款項(「**所得款項淨額**」)的80%將付予經甄選僱員。然而，倘有關經甄選僱員於上市日期後一年期間終止與本集團的僱傭關係，則已收取的所得款項淨額應退回予本公司。所得款項淨額的餘下20%將支付予經甄選僱員，惟有關經甄選僱員須於上市日期後一年期間繼續在本公司任職方可作實。倘所得款項低於已借入貸款金額，經甄選僱員仍將須向本公司償還貸款。

預計(i)及(ii)批次的歸屬期間為上市日期後一年，而(iii)批次的預計歸屬期間為上市日期後兩年。

於2016年9月7日，本公司授予23,170,000股獎勵股份予經甄選僱員。截至2016年12月31日止年度授出的獎勵股份詳情如下：

**32. SHARE-BASED PAYMENT (Continued)**

In accordance with the Trust deed entered into between the Trust and the Company (“**Trust Deed**”), the Company has the control over the Trust. Therefore, the Trust is consolidated by the Group. Accordingly, the shares issued and held by Acheson should be treated as treasury shares and shown as separate amounts in the consolidated statement of changes in equity. In addition, finance costs and administration expenses of the trust are recognised in profit or loss of the Group.

The Group has determined the fair value of the Awarded Shares based on the binominal option-pricing model as of the grant date. The valuation model requires the input of highly subjective assumptions, including the entity risk premium and the discount rate due to lack of control, and changes in the subjective input assumptions can materially affect the fair value estimate of the Awarded Shares.

**32. 以股份為基礎的付款(續)**

根據信託與本公司訂立的信託契據(「**信託契據**」)，本公司對信託具有控制權。因此，信託由本集團綜合入賬。因此，Acheson所發行及持有之股份應被視為庫存股份並於綜合權益變動表中單獨列示金額。此外，信託的融資成本及行政開支在本集團損益中確認。

本集團已於授出日期按「二項式」期權定價模式釐定獎勵股份的公允價值。該估值模式需要作出高度主觀假設的輸入，包括股權風險溢價及缺乏控制折讓率，且主觀輸入假設的變動可對獎勵股份的公允價值的估值造成重大影響。

7 September  
2016  
2016年9月7日

Weighted average grant date fair value per share	每股加權平均授出日公允價值	RMB1.94 人民幣1.94元
Weighted average exercise price	加權平均行使價	RMB0.85 人民幣0.85元
Detailed forecast period	詳細預測期	5 years 5年
Weighted average cost of capital	加權平均資本成本	16.83%
Leveraged beta	槓桿beta	1.04
Entity risk premium	股權風險溢價	0.5%
Discount rate due to lack of control	缺乏控制折讓率	10%

On 29 December 2020, the Company adopted a share option scheme by resolution of the Shareholders at general meeting. The purpose of the scheme is to enable the Group to grant options to the eligible participants as incentives or rewards for their contribution to the Group. No option has been granted since the adoption of the scheme.

於2020年12月29日，本公司由股東在股東大會上通過決議案採納購股權計劃。該計劃的目的是使本集團可向合資格參與者授出購股權，作為彼等對本集團作出貢獻的激勵及獎勵。自採納該計劃以來概無授出購股權。

## Notes to the Consolidated Financial Statements (Continued)

### 綜合財務報表附註(續)

For the year ended 31 December 2020  
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#### 32. SHARE-BASED PAYMENT (Continued)

##### Movement of the Award Shares:

		2020 2020年 RMB'000 人民幣千元	2019 2019年 RMB'000 人民幣千元
At the beginning of the year	於年初	9,685,500	10,873,000
Forfeited during the year	年內沒收	(925,000)	(1,187,500)
At the end of the year	於年末	8,760,500	9,685,500

The Group recognised a total share-based payment expense of RMB402,000 (2019: RMB3,317,000) and reversed a total share-based payment expenses of RMB2,130,000 (2019: Nil) in profit or loss during the year in relation to the Awarded Shares granted by the Company.

#### 33. RESERVES

The amounts of the Group's reserves and the movements therein for the current and prior years are presented in the consolidated statement of changes in equity on page 223 of the consolidated financial statements.

#### 34. NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS

##### (a) Major non-cash transactions

During the year, the Group had non-cash additions to right-of-use assets and lease liabilities of RMB39,179,000 (2019: Nil) and RMB39,179,000 (2019: Nil), respectively, in respect of lease arrangements for office.

#### 32. 以股份為基礎的付款(續)

##### 獎勵股份的變動：

	2020 2020年 RMB'000 人民幣千元	2019 2019年 RMB'000 人民幣千元
於年初	9,685,500	10,873,000
年內沒收	(925,000)	(1,187,500)
於年末	8,760,500	9,685,500

於年內，本集團就本公司授出的獎勵股份，在損益中確認以股份為基礎付款開支總額人民幣402,000元(2019年：人民幣3,317,000元)及撥回以股份為基礎付款開支總額人民幣2,130,000元(2019年：無)。

#### 33. 儲備

本集團儲備金額和本年度及過往年度之有關變動，在綜合財務報表第223頁的綜合權益變動表內呈列。

#### 34. 綜合現金流量表附註

##### (a) 主要非現金交易

於年內，本集團就辦公室的租賃安排，而錄得的使用權資產及租賃負債的非現金增加分別為人民幣39,179,000元(2019年：無)及人民幣39,179,000元(2019年：無)。

## Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

For the year ended 31 December 2020  
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### 34. NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS (Continued)      34. 綜合現金流量表附註(續)

#### (b) Changes in liabilities arising from financing activities

#### (b) 融資活動產生的負債變動

		<b>Borrowings</b> 借款 RMB'000 人民幣千元	<b>Lease liabilities</b> 租賃負債 RMB'000 人民幣千元
At 1 January 2019	於2019年1月1日	65,483	18,031
Changes from financing cash flows	融資現金流量變動		
Interest expenses	利息開支	38,854	(10,005)
		3,131	1,046
At 31 December 2019	於2019年12月31日	107,468	9,072
New lease	新租賃	-	39,179
Non-cash repayment	非現金償還	(45,968)	-
Changes from financing cash flows	融資現金流量變動		
Interest expenses	利息開支	9,391	(12,011)
		8,400	1,510
<b>At 31 December 2020</b>	<b>於2020年12月31日</b>	<b>79,291</b>	<b>37,750</b>

#### (c) Total cash outflow for leases

The total cash outflow for leases included in the statement of cash flows is as follows:

#### (c) 租賃的現金流出總額

計入現金流量表內的租賃現金流出總額如下：

		<b>2020</b> 2020年 RMB'000 人民幣千元	2019 2019年 RMB'000 人民幣千元
Within operating activities	在經營活動內	<b>(1,754)</b>	(284)
Within financing activities	在融資活動內	<b>(12,011)</b>	(10,005)
		<b>(13,765)</b>	(10,289)



## Notes to the Consolidated Financial Statements (Continued)

### 綜合財務報表附註(續)

For the year ended 31 December 2020  
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#### 35. CONTINGENT LIABILITIES

As at 31 December 2020, the Group did not have any material contingent liabilities.

#### 36. PLEDGE OF ASSETS

On 31 December 2020 Jinggangshan Boqi, a subsidiary of the Group, as the lessee, entered into a finance lease arrangement with CITIC Financial Leasing Co., Ltd. (“**CITIC Leasing**”). Beijing Boqi pledged all its equity interests in Jinggangshan Boqi to CITIC Leasing to guarantee its liabilities under the Jinggangshan Boqi Finance Lease Agreement.

As at 31 December 2020, the bank deposits amounting to RMB93 millions were pledged for issuance of bills to the Group’s suppliers, letters of crediting relating to the EPC contracts and the O&M contracts signed with the customers, and the details are included in notes 25 to the financial statements.

#### 37. COMMITMENTS

The Group had the following capital commitments at the end of the reporting period:

#### 35. 或然負債

於2020年12月31日，本集團並無任何重大或然負債。

#### 36. 資產抵押

於2020年12月31日，本集團的附屬公司井崗山博奇(作為承租人)，與中信金融租賃有限公司(「**中信租賃**」)訂立融資租賃安排。北京博奇將其持有的井崗山博奇的全部股權質押予中信租賃，以擔保融資租賃協議項下的責任。

於2020年12月31日，為數人民幣93百萬元的銀行存款已作為向本集團供應商發出票據、有關EPC合約的信用狀以及與客戶簽訂運維合約的信用狀所作擔保之金額，有關詳情載於財務報表附註25。

#### 37. 承擔

本集團於報告期末有以下資本承擔：

		2020 2020年 RMB'000 人民幣千元	2019 2019年 RMB'000 人民幣千元
Contracted, but not provided for: Property, plant and machinery	已訂約但未撥備： 樓宇、廠房及機器	25,153	—

## 38. RELATED PARTY TRANSACTIONS AND BALANCES 38. 關連方交易及結餘

(a) Relationship	(a) 關係
Name of the companies 公司名稱	Relationship with the Group 與本集團的關係
Yangxi Haibin Electric Power Development Co., Ltd. (“ <b>Yangxi Electric</b> ”) 陽西海濱電力發展有限公司(「陽西電力」)	Note (i) 附註(i)
Yangmei Group Shouyang Boqi Electric Co., Ltd. (“ <b>Shouyang Power</b> ”) 陽煤集團壽陽博奇發電有限責任公司(「壽陽發電」)	Note (i) 附註(i)
Chongqing Chuanwei Petrochemical Engineering Company Limited (“ <b>Chongqing Chuanwei</b> ”) 中國石化重慶川維化工有限公司(「重慶川維」)	Note (i) 附註(i)
Sinopec Shanghai Petrochemical Company Limited (“ <b>Sinopec Shanghai</b> ”) 中國石化上海石油化工股份有限公司(「中石化上海」)	Note (i) 附註(i)
Sinopec Ningbo Engineering Co., Ltd. (“ <b>Sinopec Ningbo</b> ”) 中國石化寧波工程有限公司(「中石化寧波」)	Note (i) 附註(i)
Sinopec Shanghai Gaoqiao Petrochemical Co., Ltd. (“ <b>Sinopec Shanghai Gaoqiao</b> ”) 中國石化上海高橋石油化工有限公司(「中石化上海高橋」)	Note (i) 附註(i)
Sinopec Fifth Construction Co., Ltd. (“ <b>Sinopec Fifth Construction</b> ”) 中國石化第五建設有限公司(「中石化第五建設」)	Note (i) 附註(i)
China Boqi Environmental Engineering Co., Ltd. (“ <b>Boqi Environmental Engineering</b> ”) 中國博奇環保工程有限公司(「博奇環保工程」)	Note (i) 附註(i)
Richinfo Technology Co., Ltd. (“ <b>Richinfo</b> ”) 彩訊科技股份有限公司(「彩訊」)	Note (ii) 附註(ii)
Han Chuan Long Yuan 漢川龍源	Note (iii) 附註(iii)

## Notes:

## 附註：

- |  |                                |
|--|--------------------------------|
| (i) A company controlled by a shareholder of the Company who has the power to exercise significant influence over the Company. | (i) 由可對本公司行使重大影響力的本公司股東所控制的公司。 |
| (ii) The Chief Executive Officer of the Company, Mr. Zeng has the power to exercise significant influence over this company.   | (ii) 本公司行政總裁曾先生有權對該公司行使重大影響力。  |
| (iii) An associate of the Group.   | (ii) 本公司的聯營公司。                 |

## Notes to the Consolidated Financial Statements (Continued)

### 綜合財務報表附註(續)

For the year ended 31 December 2020  
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### 38. RELATED PARTY TRANSACTIONS AND BALANCES (Continued)

### 38. 關連方交易及結餘(續)

#### (b) Amounts due from related parties

#### (b) 應收關連方款項

		Note	2020 2020年 RMB' 000 人民幣千元	2019 2019年 RMB' 000 人民幣千元
Yangxi Electric	陽西電力	(i)	225,684	287,873
Chongqing Chuanwei	重慶川維		27,630	23,586
Sinopec Shanghai	中石化上海		11,430	22,636
Shouyang Power	壽陽發電		5,843	25,201
Han Chuan Long Yuan	漢川龍源		960	631
Sinopec Ningbo	中石化寧波		—	2,138
Sinopec Shanghai Gaoqiao	中石化上海高橋		—	20
			<b>271,547</b>	<b>362,085</b>
Analysed for reporting purposes as:	供呈報用途作以下分析：			
Current assets	流動資產		132,251	223,589
Non-current assets	非流動資產		139,296	138,496
			<b>271,547</b>	<b>362,085</b>
Trade balances	貿易結餘		131,062	222,958
Non-trade balances	非貿易結餘		140,485	139,127
			<b>271,547</b>	<b>362,085</b>

## Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

For the year ended 31 December 2020  
截至2020年12月31日止年度

### 38. RELATED PARTY TRANSACTIONS AND BALANCES (Continued)

#### (b) Amounts due from related parties (Continued)

Note:

- (i) Included in this amount is a non-trade nature receivable of RMB139,296,000 (2019: RMB138,496,000). On 28 August 2017, the Group entered into a revised management service agreement with Guangdong Huaxia Electric Development Co., Ltd., the parent of Yangxi Electric, and Yangxi Electric to extend the O&M service term from 1 January 2017 to 31 December 2017 to a term from 1 January 2017 to 31 December 2025 and require a deposit of RMB139,690,000, which was paid by the Group on 31 December 2017. The deposit carries interest at long-term borrowing rates of the Group, which is unsecured and repayable at the end of the O&M service term.

The balances other than the deposit paid to Yangxi Electric mention above are all unsecured, interest-free and repayable on demand.

The Group generally grants a credit period of 90 days to its related parties. An aging analysis of the amounts due from related parties-trade portion based on the invoice date, is as follows:

		2020 2020年 RMB'000 人民幣千元	2019 2019年 RMB'000 人民幣千元
1 – 90 days	1至90天	46,056	54,542
91 – 180 days	91至180天	25,032	47,259
181 – 365 days	181至365天	55,560	93,551
1 – 2 years	1至2年	2,000	11,238
2 – 3 years	2至3年	406	16,368
Over 3 years	3年以上	2,008	–
		<b>131,062</b>	<b>222,958</b>

### 38. 關連方交易及結餘(續)

#### (b) 應收關連方款項(續)

附註：

- (i) 此金額包括非貿易性質的應收款項人民幣139,296,000元(2019年：人民幣138,496,000元)。於2017年8月28日，本集團與陽西電力的母公司廣東華廈電力發展有限公司及陽西電力訂立經修訂管理服務協議，將運維服務期限由2017年1月1日至2017年12月31日延長至2017年1月1日至2025年12月31日及需支付按金人民幣139,690,000元，有關按金已由本集團於2017年12月31日支付。該按金按本集團的長期借款利率計算、無抵押，及須於運維服務期末償還。

上述結餘(除支付予陽西電力的按金外)均為無抵押、免息及須於要求時償還。

本集團一般向其關連方授予90天的信貸期。應收關連方款項的貿易部分按發票日期的賬齡分析如下：

## Notes to the Consolidated Financial Statements (Continued)

### 綜合財務報表附註(續)

For the year ended 31 December 2020  
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## 38. RELATED PARTY TRANSACTIONS AND BALANCES (Continued)

### (b) Amounts due from related parties (Continued)

Movement in both lifetime ECL and 12-month ECL that has been recognised for amounts due from related parties for the year ended 31 December 2020 is as follows:

		RMB'000 人民幣千元
At 1 January 2019	於2019年1月1日	5,083
Allowance for amounts due from related parties	應收關連方款項撥備	7,427
At 31 December 2019 and at 1 January 2020	於2019年12月31日及 2020年1月1日	12,510
Reversal of impairment of amounts due from related parties	應收關連方款項減值撥回	(2,279)
At 31 December 2020	於2020年12月31日	10,231

For non-trade balance, an impairment analysis is performed at each reporting date by considering expected credit losses, which are estimated by applying a loss rate approach with reference to the historical loss record of the Group. The loss rate is adjusted to reflect the current conditions and forecasts of future economic conditions, as appropriate. The loss rate applied as at 31 December 2020 was 5.58% (2019: 5.67%).

For trade balance, 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. 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.

### (b) 應收關連方款項(續)

截至2020年12月31日止年度，已確認的應收關連方款項全期預期信貸虧損及12個月預期信貸虧損的變動如下：

就非貿易結餘而言，於每個報告日期均透過考慮預期信貸虧損以進行減值分析，而預期信貸虧損乃應用參考本集團過往虧損記錄的虧損率方法作估計。虧損率乃經調整，以反映現時狀況及對未來經濟狀況的預測(如適用)。於2020年12月31日應用的虧損率為5.58%(2019年：5.67%)。

就貿易結餘而言，於各報告日期採用撥備矩陣進行減值分析，以計量預期信貸虧損。撥備率乃基於具有類似虧損模式的多個客戶分部組別的逾期日數釐定。該計算反映概率加權結果、貨幣時值及於報告日期可得的有關過往事件、當前狀況及未來經濟狀況預測的合理及可靠資料。

## Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

For the year ended 31 December 2020  
截至2020年12月31日止年度

### 38. RELATED PARTY TRANSACTIONS AND BALANCES (Continued)

#### (b) Amounts due from related parties (Continued)

Set out below is the information about the credit risk exposure on the Group's amount due from related parties-trade portion using a provision matrix:

**As at 31 December 2020**

		Ageing 賬齡				
		Less than 1 year 少於1年 RMB' 000 人民幣千元	1 to 2 years 1至2年 RMB' 000 人民幣千元	2 to 3 years 2至3年 RMB' 000 人民幣千元	Over 3 years 3年以上 RMB' 000 人民幣千元	Total 總計 RMB' 000 人民幣千元
Expected credit loss rate	預期信貸虧損率	0.27%	3.19%	13.25%	42.08%	
Gross carrying amount (RMB' 000)	總賬面值 (人民幣千元)	126,990	2,066	468	3,467	132,991
Expected credit losses (RMB' 000)	預期信貸虧損 (人民幣千元)	342	66	62	1,459	1,929

**As at 31 December 2019**

		Ageing 賬齡				
		Less than 1 year 少於1年 RMB' 000 人民幣千元	1 to 2 years 1至2年 RMB' 000 人民幣千元	2 to 3 years 2至3年 RMB' 000 人民幣千元	Over 3 years 3年以上 RMB' 000 人民幣千元	Total 總計 RMB' 000 人民幣千元
Expected credit loss rate	預期信貸虧損率	0.69%	3.76%	12.47%	-	
Gross carrying amount (RMB' 000)	總賬面值 (人民幣千元)	196,712	11,677	18,700	-	227,089
Expected credit losses (RMB' 000)	預期信貸虧損 (人民幣千元)	1,360	439	2,332	-	4,131

### 38. 關連方交易及結餘(續)

#### (b) 應收關連方款項(續)

下表載列使用撥備矩陣計算本集團應收關連方款項的貿易部分的信貸風險的資料：

**於2020年12月31日**

**於2019年12月31日**

## Notes to the Consolidated Financial Statements (Continued)

### 綜合財務報表附註(續)

For the year ended 31 December 2020  
截至2020年12月31日止年度

### 38. RELATED PARTY TRANSACTIONS AND BALANCES (Continued)

### 38. 關連方交易及結餘(續)

#### (c) Amounts due to related parties

#### (c) 應付關連方款項

		2020 2020年 RMB' 000 人民幣千元	2019 2019年 RMB' 000 人民幣千元
Sinopec Fifth Construction	中石化第五建設	7,430	10,915
Boqi Environmental Engineering	博奇環保工程	176	176
Richinfo	彩訊	-	118
		7,606	11,209

The credit period granted by the related parties ranges from 30 to 90 days. An aging analysis of amounts due to related parties – trade nature is as follows:

關連方授予的信貸期介乎30至90天。應付關連方款項(貿易性質)的賬齡分析如下：

		2020 2020年 RMB' 000 人民幣千元	2019 2019年 RMB' 000 人民幣千元
1 – 90 days	1至90天	7,430	10,715
91 – 180 days	91至180天	-	30
181 – 365 days	181至365天	-	88
1 – 2 years	1至2年	176	376
		7,606	11,209

## Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

For the year ended 31 December 2020  
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### 38. RELATED PARTY TRANSACTIONS AND BALANCES (Continued)

#### (d) Related party transactions

		(d)	關連方交易	
		Notes	2020 2020年 RMB'000 人民幣千元	2019 2019年 RMB'000 人民幣千元
		附註		
Yangxi Electric	陽西電力	(i)		
– O&M service	– 運維服務		115,182	166,808
– Interest income	– 利息收入		6,160	6,160
– Water and electricity, labor, spare parts and miscellaneous items charged by Yangxi Electric	– 陽西電力收取的水電、勞工、備件及雜項費用		47,992	66,128
Chongqing Chuanwei	重慶川維			
– EPC service	– EPC服務	(ii)	39,692	74,017
Richinfo	彩訊			
– Purchase of intangible assets	– 購買無形資產		1,306	21
Sinopec Fifth Construction	中石化第五建設			
– Purchase of equipment	– 購買設備	(iii)	2,577	13,729
– Purchase of construction service	– 購買建造服務	(iii)	12,337	12,361
Sinopec Ningbo	中石化寧波			
– EPC service	– EPC服務	(iv)	–	20,129
Sinopec Shanghai Gaoqiao	中石化上海高橋			
– EPC service	– EPC服務		–	47
– Purchase of equipment	– 購買設備		–	310



## Notes to the Consolidated Financial Statements (Continued)

### 綜合財務報表附註(續)

For the year ended 31 December 2020  
截至2020年12月31日止年度

## 38. RELATED PARTY TRANSACTIONS AND BALANCES (Continued)

### (d) Related party transactions (Continued)

Notes:

- (i) In December 2016, the Group entered into a management service agreement, pursuant to which the Group provided O&M service to Yangxi Electric, and RMB115,182,000 was recognised as revenue during the year ended 31 December 2020 (2019: RMB166,808,000). The Group also purchases water and electricity, labour, space parts and miscellaneous items from Yangxi Electric to support the O&M service. During the year ended 31 December 2020, the Group purchased RMB47,992,000 (2019: RMB66,128,000) of water and electricity, labour, space parts and miscellaneous items from Yangxi Electric.
- (ii) In September 2018, the Group entered into an EPC service contract with Chongqing Chuanwei for a total contract amount of RMB194,870,000, of which RMB39,692,000 was recognised as revenue during the year ended 31 December 2020 (2019: RMB74,017,000).
- (iii) During the year 2020, the Group purchased equipment and received construction service from Sinopec Fifth Construction for certain EPC contract with a total contract amount of RMB2,577,000 and RMB12,337,000, respectively (2019: RMB13,729,000 and RMB12,361,000, respectively).
- (iv) In August 2018, the Group entered into an EPC service contract with Sinopec Ningbo for a total contract amount of RMB24,800,000, of which RMB20,129,000 were recognised as revenue during the year ended 31 December 2019.

### (e) Compensation of key management personnel

Key management compensation is detailed in note 9 to the financial statements.

## 38. 關連方交易及結餘(續)

### (d) 關連方交易(續)

附註

- (i) 於2016年12月，本集團訂立管理服務協議，據此，本集團向陽西電力提供運維服務，其中截至2020年12月31日止年度確認收入為人民幣115,182,000元(2019年：166,808,000元)。本集團亦自陽西電力購買水電、勞工、備件及雜項項目，以支持運維服務。截至2020年12月31日止年度，本集團自陽西電力購買水電、勞工、備件及雜項項目人民幣47,992,000元(2019年：66,128,000元)。
- (ii) 於2018年9月，本集團與重慶川維訂立EPC服務合約，總合約金額為人民幣194,870,000元，其中截至2020年12月31日止年度確認收入人民幣39,692,000元(2019年：人民幣74,017,000元)。
- (iii) 於2020年，本集團因若干EPC合約自中石化第五建設購買機器及取得建造服務的總合約金額分別為人民幣2,577,000元及人民幣12,337,000元(2019年：人民幣13,729,000元及人民幣12,361,000元)。
- (iv) 於2018年8月，本集團與中石化寧波訂立EPC服務合約，總合約金額為人民幣24,800,000元，其中截至2019年12月31日止年度確認收入人民幣20,129,000元。

### (e) 主要管理人員薪酬

主要管理人員薪酬詳情載於財務報表附註9。

## Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

For the year ended 31 December 2020  
截至2020年12月31日止年度

### 39. FINANCIAL INSTRUMENTS BY CATEGORY

The carrying amounts of each of the categories of financial instruments as at the end of the reporting period are as follows:

2020

#### Financial assets

### 39. 按類別劃分的金融工具

於報告期末，各類金融工具的賬面值如下：

2020年

#### 金融資產

		Financial assets at fair value through profit or loss	Financial assets at fair value through other comprehensive income	Designated as such upon initial recognition	Debt investments	Financial assets amortised cost	Total
		按公允價值計入損益的金融資產	按公允價值計入其他全面收益的金融資產	於初始確認時指定為上述類別	債務投資	金融資產攤銷成本	總計
		RMB' 000	RMB' 000	RMB' 000	RMB' 000	RMB' 000	RMB' 000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
Equity investments at fair value through profit or loss	按公允價值計入損益的股權投資	45,599	-	-	-	-	45,599
Debt investments at fair value through other comprehensive income	按公允價值計入其他全面收益的債務投資	-	199,501	-	-	-	199,501
Trade receivables	貿易應收款項	-	-	-	-	675,852	675,852
Receivable under service concession arrangement	服務特許經營安排下的應收款項	-	-	-	-	367,414	367,414
Amounts due from related parties	應收關連方款項	-	-	-	-	271,547	271,547
Financial assets included in prepayments, deposits and other receivables	計入預付款項、按金及其他應收款項的金融資產	-	-	-	-	45,101	45,101
Long term receivable	長期應收款項	-	-	-	-	42,620	42,620
Pledged time deposits and bank balances	已抵押定期存款及銀行結餘	-	-	-	-	92,904	92,904
Cash and cash equivalents	現金及現金等價物	-	-	-	-	519,128	519,128
		45,599	199,501	2,014,566			2,259,666

## Notes to the Consolidated Financial Statements (Continued)

### 綜合財務報表附註(續)

For the year ended 31 December 2020  
截至2020年12月31日止年度

### 39. FINANCIAL INSTRUMENTS BY CATEGORY 39. 按類別劃分的金融工具(續)

(Continued)

2020 (Continued)

#### Financial liabilities

2020年(續)

#### 金融負債

		Financial liabilities at amortised cost 按攤銷 成本計量的 金融負債 RMB'000 人民幣千元
Trade and bills payables	貿易應付款項及應付票據	947,781
Financial liabilities included in other payables, deposits received and accrued expenses	計入其他應付款項、已收按金及 應計開支的金融負債	117,814
Interest-bearing bank and other borrowings	計息銀行及其他借款	79,291
Lease liabilities	租賃負債	37,750
Amounts due to related parties	應付關連方款項	7,606
		1,190,242

## Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

For the year ended 31 December 2020  
截至2020年12月31日止年度

### 39. FINANCIAL INSTRUMENTS BY CATEGORY (Continued)

2019

#### Financial assets

2019年

#### 金融資產

		Financial assets at fair value through other comprehensive profit or loss	Financial assets at fair value through comprehensive income	Financial assets amortised cost	Total
		按公允價值計入其他全面收益的金融資產	按公允價值計入其他全面收益的金融資產	金融資產攤銷成本	總計
	Designated as such upon initial recognition	於初始確認時指定為上述類別	Debt investments	債務投資	
	RMB' 000	RMB' 000	RMB' 000	RMB' 000	RMB' 000
	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
Equity investments at fair value through profit or loss	按公允價值計入損益的股權投資	45,693	-	-	45,693
Debt investments at fair value through other comprehensive income	按公允價值計入其他全面收益的債務投資	-	197,933	-	197,933
Trade receivables	貿易應收款項	-	-	590,931	590,931
Receivable under service concession arrangement	服務特許經營安排下的應收款項	-	-	376,630	376,630
Amounts due from related parties	應收關連方款項	-	-	362,085	362,085
Financial assets included in prepayments, deposits and other receivables	計入預付款項、按金及其他應收款項的金融資產	-	-	39,333	39,333
Pledged time deposits and bank balances	已抵押定期存款及銀行結餘	-	-	133,181	133,181
Cash and cash equivalents	現金及現金等價物	-	-	450,506	450,506
		45,693	197,933	1,952,666	2,196,292

## Notes to the Consolidated Financial Statements (Continued)

### 綜合財務報表附註(續)

For the year ended 31 December 2020  
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### 39. FINANCIAL INSTRUMENTS BY CATEGORY 39. 按類別劃分的金融工具(續)

(Continued)

2019 (Continued)

#### Financial liabilities

2019年(續)

#### 金融負債

		Financial liabilities at amortised cost 按攤銷成本計量的金融負債 RMB'000 人民幣千元
Trade and bills payables	貿易應付款項及應付票據	1,021,730
Financial liabilities included in other payables, deposits received and accrued expenses	計入其他應付款項、已收按金及應計開支的金融負債	315,524
Interest-bearing bank and other borrowings	計息銀行及其他借款	107,468
Lease liabilities	租賃負債	9,072
Amounts due to related parties	應付關連方款項	11,209
		<hr/>
		1,465,003

## Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

For the year ended 31 December 2020  
截至2020年12月31日止年度

### 40. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS

The carrying amounts and fair values of the Group's financial instruments, other than those with carrying amounts that reasonably approximate to fair values, are as follows:

### 40. 金融工具之公允價值及公允價值等級

本集團的金融工具(其賬面值與其公允價值相若的金融工具除外)之賬面值及公允價值如下:

		Carrying amounts 賬面值		Fair values 公允價值	
		2020 2020年 RMB' 000 人民幣千元	2019 2019年 RMB' 000 人民幣千元	2020 2020年 RMB' 000 人民幣千元	2019 2019年 RMB' 000 人民幣千元
<b>Financial assets</b>	<b>金融資產</b>				
Equity investments designated at fair value through profit or loss	指定為按公允價值計入損益的股權投資	45,599	45,693	45,599	45,693
Debt investments at fair value through other comprehensive income	按公允價值計入其他全面收益的債務投資	199,501	197,933	199,501	197,933
Amounts due from related parties-non-current	應收關連方款項—非即期	139,296	138,496	139,296	138,496
Receivable under service concession arrangement-non-current	服務特許經營安排下的應收款項—非即期	340,038	356,429	340,038	356,429
Long term receivable	長期應收款項	42,620	—	42,620	—
		<b>767,054</b>	738,551	<b>767,054</b>	738,551
<b>Financial liabilities</b>	<b>金融負債</b>				
Other borrowings-non-current	其他借款—非即期	63,956	—	63,956	—

## Notes to the Consolidated Financial Statements (Continued)

### 綜合財務報表附註(續)

For the year ended 31 December 2020  
截至2020年12月31日止年度

#### 40. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS (Continued)

Management has assessed that the fair values of cash and cash equivalents, the current portion of pledged time deposits and bank balances, trade receivables, current portion of amounts due from related parties, current portion of receivable under service concession arrangement, trade and bills payables, financial assets included in prepayments, deposits and other receivables, financial liabilities included in other payables, deposits received and accrued expenses, current portion of amounts due to related parties and short-term interest-bearing bank and other borrowings approximate to their carrying amounts largely due to the short term maturities of these instruments.

The Group's finance department headed by the finance manager is responsible for determining the policies and procedures for the fair value measurement of financial instruments. The corporate finance team reports directly to management. At each reporting date, the corporate finance team analyses the movements in the values of financial instruments and determines the major inputs applied in the valuation. The valuation is reviewed and approved by management. The valuation process and results are discussed with management twice a year for interim and annual financial reporting.

The fair values of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

#### 40. 金融工具之公允價值及公允價值等級(續)

管理層已評估現金及現金等價物、已抵押定期存款及銀行結餘的即期部分、貿易應收款項、應收關連方款項的即期部分、服務特許經營安排項下應收款項的即期部分、貿易應付款項及應付票據、計入預付款項、按金及其他應收款項的金融資產、計入其他應付款項、已收按金及應計開支的金融負債、應付關連方款項的即期部分以及短期計息銀行及其他借款之公允價值與其賬面值相若，主要因為該等工具均於短期內到期。

以本集團財務經理為首的財務部負責釐定金融工具公允價值計量的政策及程序。企業融資團隊直接向管理層匯報。於各報告日期，企業融資團隊分析金融工具的價值變動並釐定估值所採用的主要輸入值。估值由管理層審閱及批准。管理層每年兩次討論估值過程及結果以進行中期及年度財務呈報。

金融資產及負債的公允價值按當前交易(強制或清算出售除外)中雙方自願交換工具的金額入賬。

**40. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS** *(Continued)*

The following methods and assumptions were used to estimate the fair values:

The fair value of long term receivable, the non-current portion of amounts due from related parties and receivable under service concession arrangement, interest-bearing bank and other borrowings have been calculated by discounting the expected future cash flows using rates currently available for instruments with similar terms, credit risk and remaining maturities. The changes in fair value as a result of the Group's own non-performance risk for interest-bearing bank and other borrowings as at 31 December 2020 were assessed to be insignificant. For these assets and liabilities which fair value are disclosed, the fair value hierarchy is level 2.

The fair values of listed equity investments are based on quoted market prices.

**40. 金融工具之公允價值及公允價值等級** *(續)*

以下為用於估計公允價值的方法及假設：

長期應收款項、應收關連方款項及服務特許經營安排項下的應收款項的非即期部分、計息銀行及其他借款的公允價值，乃使用具類似條款、信貸風險及餘下還款期限的工具現時之利率將預計未來現金流量折現而計算。有關本集團於2020年12月31日的計息銀行及其他借款之不履約風險所產生的公允價值變動被評定為並不重大。就該等披露公允價值的資產及負債而言，公允價值等級為第二級。

上市股權投資的公允價值乃根據市場報價而釐定。



## Notes to the Consolidated Financial Statements (Continued)

### 綜合財務報表附註 (續)

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#### 40. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS (Continued)

##### Fair value hierarchy

The following tables illustrate the fair value measurement hierarchy of the Group's financial instruments:

Assets measured at fair value:

		Fair value	Fair value hierarchy	Valuation technique and key input
		公允價值	公允價值等級	估值技巧及主要輸入數據
		2020 2020年 RMB' 000 人民幣千元	2019 2019年 RMB' 000 人民幣千元	
Equity instrument at fair value through profit or loss	按公允價值計入損益的股本工具	45,599	Level 1 第一級	Quoted bid prices in an active market 活躍市場所報的買入價
Debt instrument at fair value through other comprehensive income (note 24)	按公允價值計入其他全面收益的債務工具(附註24)	199,501	Level 2 第二級	Discounted cash flow based on the future cash flow of the debt instrument using rate from financial institution. 根據債務工具的未來現金流量，使用來自金融機構的利率貼現的現金流量

During the year, there were no transfers of fair value measurements between Level 1 and Level 2 and no transfers into or out of Level 3 for both financial assets and financial liabilities (2019: Nil).

#### 40. 金融工具之公允價值及公允價值等級 (續)

##### 公允價值等級

下表列示本集團金融工具之公允價值計量等級：

按公允價值計量的資產：

於年內，第一級與第二級之間並無公允價值計量的轉撥，而金融資產及金融負債均無轉入第三級或從第三級轉出(2019年：無)。

**41. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES**

The Group's major financial instruments include equity and debt investments, trade receivables, other receivables, receivable under service concession arrangement, long term receivable, amounts due from related parties, pledged time deposits and bank balances, cash and cash equivalents, trade and bills payables, other payables, amounts due to related parties, lease liabilities and interest bearing bank and other borrowings. Details of the financial instruments are disclosed in respective notes. The risks associated with these financial instruments include market risk (interest rate risk, currency risk and other price risk), credit risk and liquidity risk. The policies on how to mitigate these risks are set out below. The Directors manage and monitor these exposures to ensure appropriate measures are implemented on a timely and effective manner.

**Interest rate risk**

The Group is exposed to fair value interest rate risk in relation to fixed-rate bank and other borrowings. The Group is also exposed to cash flow interest rate risk in relation to variable-rate bank and other borrowings, pledged time deposits and bank balances. It is the Group's policy to keep its bank and other borrowings, pledged time deposits and bank balances at floating rate of interests so as to minimise the fair value interest rate risk. The Group's cash flow interest rate risk is mainly concentrated on the fluctuation of the Benchmark Lending Rate of the People's Bank of China.

The Group currently does not have an interest rate hedging policy. However, the Directors monitors interest rate exposure and will consider hedging significant interest rate exposure should the need arise.

**41. 金融風險管理目標及政策**

本集團的主要金融工具包括股權及債務投資、貿易應收款項、其他應收款項、服務特許經營安排下的應收款項、長期應收款項、應收關連方款項、已抵押定期存款及銀行結餘、現金及現金等價物、貿易應付款項及應付票據、其他應付款項、應付關連方款項、租賃負債及計息銀行及其他借款。該等金融工具的詳情於相關附註披露。與該等金融工具有關的風險包括市場風險(利率風險、貨幣風險及其他價格風險)、信貸風險及流動資金風險。有關如何降低該等風險的政策載列於下文。董事管理及監控該等風險，以確保及時有效地實施適當措施。

**利率風險**

本集團就定息銀行及其他借款面臨公允價值利率風險。本集團亦就浮息銀行及其他借款、已抵押定期存款及銀行結餘面臨現金流量利率風險。本集團的政策為將其銀行及其他借款、已抵押定期存款及銀行結餘維持在浮息利率，以盡量降低公允價值利率風險。本集團的現金流量利率風險主要集中於中國人民銀行基準貸款利率波動。

本集團目前並無利率對沖政策。然而，董事監控利率風險及在需要時將考慮對沖重大利率風險。

## Notes to the Consolidated Financial Statements (Continued)

### 綜合財務報表附註(續)

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#### 41. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

##### Interest rate risk (Continued)

The sensitivity analysis below has been determined based on the exposure to interest rates for cash and cash equivalents, pledged time deposits and bank balances and variable rate bank and other borrowings at the end of each reporting period and assumed that the amount of liabilities outstanding at the end of each reporting period was outstanding for the whole year. A 50 basis point increase or decrease is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates.

If interest rates had been 50 basis points higher/lower and all other variables were held constant, the Group's post-tax profit for the year ended 31 December 2020 would have increased/decreased by RMB2,264,000 (2019: RMB1,819,000), respectively. This is mainly attributable to the Group's exposure to interest rates on its cash and cash equivalents and pledged time deposits and bank balances and partially offset by the impact from bank and other borrowings.

##### Currency risk

The Group has bank balances, other receivables, trade receivables and other payables which are denominated in foreign currencies, mainly HKD, USD and EUR, as at 31 December 2020 and 2019.

The sensitivity analysis below has been determined based on the exposure to foreign currency rates and includes only outstanding foreign currency denominated monetary items and adjusts their translation at the period end for a 5% change in foreign currency rates. A 5% increase or decrease is used when reporting foreign currency rate risk internally to key management personnel and represents the Directors' assessment of the reasonably possible change in foreign currency rates.

#### 41. 金融風險管理目標及政策(續)

##### 利率風險(續)

下文敏感度分析乃根據各報告期末的現金及現金等價物、已抵押定期存款及銀行結餘及浮息銀行及其他借款的利率風險釐定，並假設於各報告期末尚未償還的負債於整個年度尚未償還。向主要管理人員內部匯報利率風險時，利用50個基數點的增減，代表管理層對利率的合理可能變動作出的評估。

倘利率增／減50個基數點且所有其他可變因素維持不變，本集團截至2020年12月31日止年度的除稅後溢利將分別增加／減少人民幣2,264,000元(2019年：人民幣1,819,000元)。此乃主要由於本集團的現金及現金等價物及已抵押定期存款及銀行結餘面對利率風險，且部分被銀行借款的影響所抵銷。

##### 貨幣風險

於2020年及2019年12月31日，本集團擁有以外幣(主要為港元、美元及歐元)計值的銀行結餘、其他應收款項、貿易應收款項及其他應收款項。

以下敏感度分析乃根據面臨的外匯匯率而釐定，且僅包括以外幣計值之尚未償還貨幣項目並就外幣匯率變動5%調整期末換算。向主要管理人員內部匯報外匯匯率風險時，利用5%的增減，代表董事對外匯匯率的合理可能變動作出的評估。

**41. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES** (Continued)**Foreign currency sensitivity analysis**

If RMB had been appreciated/depreciated 5% against the foreign currency and all other variables were held constant, the Group's post-tax profit for the year ended 31 December 2020 would have decreased/increased by RMB4,201,000 (2019: RMB3,664,000). This is mainly attributable to the Group's exposure to the foreign currency bank balance as at 31 December 2020 and 2019.

**41. 金融風險管理目標及政策(續)****外幣敏感度分析**

倘人民幣兌外幣升值／貶值5%且所有其他可變因素維持不變，本集團截至2020年12月31日止年度的除稅後溢利將減少／增加人民幣4,201,000元(2019年：人民幣3,664,000元)。此乃主要由於本集團面臨於2020年及2019年12月31日外幣銀行結餘的匯率風險。

		Increase/ (decrease) in RMB exchange rate % 人民幣匯率 上升/ (下跌)%	Increase/(decrease) in profit before tax 除稅前虧損 增加/(減少)	2020 2020年 RMB' 000 人民幣千元	2019 2019年 RMB' 000 人民幣千元
If RMB weakens against the USD	倘人民幣兌美元貶值	(5)	2,956	2,270	
If RMB strengthens against the USD	倘人民幣兌美元升值	5	(2,956)	(2,270)	
If RMB weakens against the HKD	倘人民幣兌港元貶值	(5)	20	184	
If RMB strengthens against the HKD	倘人民幣兌港元升值	5	(20)	(184)	
If RMB weakens against the EUR	倘人民幣兌歐元貶值	(5)	1,225	896	
If RMB strengthens against the EUR	倘人民幣兌歐元升值	5	(1,225)	(896)	

## Notes to the Consolidated Financial Statements (Continued)

### 綜合財務報表附註(續)

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#### 41. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

##### Other price risk

The Group is exposed to equity price risk through its investments in equity securities measured at fair value through profit or loss. For equity securities measured at fair value through profit or loss quoted in The Stock Exchange of Hong Kong Limited, the Directors manage this exposure by maintaining a portfolio of investments with different risks. The sensitivity analysis has been determined based on the exposure to equity price risk at the reporting date. If the equity price had been 20% higher/lower, the post-tax profit for the year ended 31 December 2020 would increase/decrease by RMB9,115,000 (2019: RMB9,139,000) as a result of the changes in fair value of equity instrument at fair value through profit or loss.

##### Credit risk and impairment assessment

Credit risk refers to the risk that the Group's counterparties default on their contractual obligations resulting in financial losses to the Group. The Group's credit risk exposures are primarily attributable to trade receivables, contract assets, pledged time deposits and bank balances, amounts due from related parties, other receivables, receivables under service concession arrangement and debt instruments at fair value through other comprehensive income. The Group does not hold any collateral or other credit enhancements to cover its credit risks associated with its financial assets.

#### 41. 金融風險管理目標及政策(續)

##### 其他價格風險

本集團因投資於按公允價值計入損益計量的股本證券而面臨股本價格風險。就在香港聯合交易所有限公司報價的按公允價值計入損益計量的股本證券而言，董事透過維持不同風險狀況的投資組合來管理此風險。敏感度分析乃根據於報告日期所面臨的股本價格風險釐定。倘股本價格上升／下跌20%，則按公允價值計入損益的股本工具之公允價值變動會導致截至2020年12月31日止年度的除稅後溢利增加／減少人民幣9,115,000元(2019年：人民幣9,139,000元)。

##### 信貸風險及減值評估

信貸風險指本集團的對手方就其合約責任違約而導致本集團財務損失的風險。本集團面臨的信貸風險主要來自貿易應收款項、合約資產、已抵押定期存款及銀行結餘、應收關連方款項、其他應收款項、服務特許權安排下的應收款項以及按公允價值計入其他全面收益的債務工具而產生。本集團並無持有任何抵押品或其他信貸增益以抵銷其與金融資產相關的信貸風險。

**41. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)****Credit risk and impairment assessment (Continued)**

The Group performed impairment assessment for financial assets and other items under ECL model. Before accepting any new customer, the Group uses an internal credit scoring system to assess the potential customer's credit quality and defines credit limits by customer. Limits and scoring attributed to customers are reviewed twice a year. Other monitoring procedures are in place to ensure that follow-up action is taken to recover overdue debts. The Group only accepts bills issued or guaranteed by reputable PRC banks if trade receivables are settled by bills and therefore the management of the Group considers the credit risk arising from the endorsed or discounted bills is insignificant. In this regard, the Directors consider that the Group's credit risk is significantly reduced. The Group is concentrated on one single counterparty for the receivables under concession arrangement. The Group has concentration of credit risk as 42% (2019: 48%) of the total trade receivables was due from the Group's five largest customers. In order to minimise the credit risk, the management of the Group has delegated a team responsible for determination of credit limits and credit approvals. The Group performs impairment assessment under ECL model on these balances and the applicable loss rates are disclosed in note 20, 21, 22 and 38. The credit risk of contract assets is assessed based on the provision matrix within lifetime ECL. For other receivables, the Directors make periodic individual assessment on the recoverability of other receivables based on historical settlement records, past experience, and also quantitative and qualitative information that is reasonable and supportive forward-looking information. Movements of ECL for the respective items were disclosed in the respective notes to the consolidated financial statements.

**41. 金融風險管理目標及政策(續)****信貸風險及減值評估(續)**

本集團根據預期信貸虧損模式對金融資產及其他項目進行減值評估。於接納任何新客戶前，本集團利用內部信貸評分系統評估潛在客戶之信貸質素及就個別客戶制定信貸限額。本集團會每年兩次審閱給予客戶之限額及評分。本集團亦設有其他監察程序，確保採取跟進行動收回逾期債項。倘貿易應收款項以票據結算，本集團僅接納由信譽良好的中國國內銀行發行或擔保的票據，因此本集團管理層認為已背書或貼現票據所產生的信貸風險屬微不足道。在此方面，董事認為本集團的信貸風險大幅減少。在特許權安排下，本集團的應收款項僅集中於單一對手方。由於本集團的貿易應收款項總額的42%（2019年：48%）乃應收本集團的五大客戶，因此本集團有信貸集中風險。為了將信貸風險減至最低，本集團管理層已委派一個專責團隊，負責釐定信貸限額及進行信貸審批。本集團根據預期信貸虧損模式對該等結餘進行減值評估，而適用的虧損率在附註20、21、22及38披露。合約資產的信貸風險乃根據全期預期信貸虧損內的撥備矩陣作評估。至於其他應收款項，董事根據歷史結算記錄、過往經驗以及合理的定量及定性資料和具支持性的前瞻性資料，定期對其他應收款項的可收回性作評估。有關項目的預期信貸虧損變動在綜合財務報表內的相關附註內披露。

## Notes to the Consolidated Financial Statements (Continued)

### 綜合財務報表附註(續)

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#### 41. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

##### Credit risk and impairment assessment (Continued)

Credit risk on pledged time deposits and bank balances is limited because the counterparties are reputable banks with high credit ratings assigned by local or international credit agencies. The Group assessed 12-month ECL for pledged time deposits and bank balances by reference to information relating to probability of default and loss given default of the respective credit rating grades published by external credit rating agencies. Based on the average loss rates, the 12-month ECL on pledged time deposits and bank balances is considered to be insignificant.

The Group's credit risk grading framework comprises the following categories:

##### Internal credit rating 內部信貸評級

##### Description 描述

Low risk

低風險

Doubtful

不確定

In default

逾期

Write-off

撇銷

The counterparty has a low risk of default

對手方的逾期風險為低

There has been a significant increase in credit risk since initial recognition

自初始確認以來信貸風險顯著上升

There is evidence indicating that the asset is credit-impaired

有證據顯示該資產出現信貸減值

There is evidence indicating that the debtor is in severe financial difficulty and the Group has no realistic prospect of recovery

有證據顯示債務人處於嚴重財務困難，且本集團對收回欠款並無實際期望

##### Basis for recognising expected credit losses 確認預期信貸虧損的基礎

12-months ECL

12個月預期信貸虧損

Lifetime ECL-not credit-impaired

全期預期信貸虧損—無信貸減值

Lifetime ECL-credit-impaired

全期預期信貸虧損—出現信貸減值

Amount is written off

款額已撇銷

#### 41. 金融風險管理目標及政策(續)

##### 信貸風險及減值評估(續)

由於已抵押定期存款及銀行結餘的對手方為獲地方或國際信貸機構給予高度信貸評級的銀行，因此該等存款及結餘的信貸風險有限。本集團參考有關違約可能性及虧損導致違反外部信貸評級機構公佈的有關信貸評級等級的資料，對已抵押定期存款及銀行結餘進行12個月預期信貸虧損評估。根據平均虧損率，有關已抵押定期存款及銀行結餘的12個月預期信貸虧損被認為不重大。

本集團的信貸風險評級框架包括以下類別：

## Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

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### 41. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

#### Credit risk and impairment assessment (Continued)

The tables below detail the credit risk exposures of the Group's financial assets and contract assets, which are subject to ECL assessment:

As at 31 December 2020

### 41. 金融風險管理目標及政策(續)

#### 信貸風險及減值評估(續)

下表詳列本集團金融資產及合約資產根據預期信貸虧損評估所面臨的信貸風險：

於2020年12月31日

		12-month ECLs Stage 1 12個月預期 信貸虧損 第一階段 RMB' 000 人民幣千元	Lifetime ECLs 全期預期信貸虧損		Simplified approach 簡化方法 RMB' 000 人民幣千元	Total 總計 RMB' 000 人民幣千元
			Stage 2 第二階段 RMB' 000 人民幣千元	Stage 3 第三階段 RMB' 000 人民幣千元		
Debt instrument at fair value through other comprehensive income	按公允價值計入其他全面收益的債務工具	199,501	-	-	-	199,501
Long term receivable	長期應收款項	43,748	-	-	-	43,748
Contract assets	合約資產	-	-	-	148,914	148,914
Trade receivables	貿易應收款項	-	-	-	711,491	711,491
Amounts due from related parties	應收關連方款項	148,788	-	-	132,991	281,779
Receivables under service concession arrangement	服務特許經營安排下的應收款項	371,373	-	-	-	371,373
Financial assets included in prepayments, deposits and other receivables	計入預付款項、按金及其他應收款項的金融資產	46,305	-	-	-	46,305
Pledged time deposits and bank balances	已抵押定期存款及銀行結餘					
- Not yet past due	- 尚未逾期	92,904	-	-	-	92,904
Cash and cash equivalents	現金及現金等價物					
- Not yet past due	- 尚未逾期	519,128	-	-	-	519,128
		1,421,747	-	-	993,396	2,415,143



## Notes to the Consolidated Financial Statements (Continued)

### 綜合財務報表附註(續)

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#### 41. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

##### Credit risk and impairment assessment (Continued)

As at 31 December 2019

		12-month ECLs	Lifetime ECL 全期預期信貸虧損		Simplified approach	Total
		Stage 1	Stage 2	Stage 3		
		12個月預期 信貸虧損				
		第一階段	第二階段	第三階段	簡化方法	總計
		RMB' 000	RMB' 000	RMB' 000	RMB' 000	RMB' 000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
Debt instrument at fair value through other comprehensive income	按公允價值計入其他全面收益的債務工具	197,933	-	-	-	197,933
Contract assets	合約資產	-	-	-	350,709	350,709
Trade receivables	貿易應收款項	-	-	-	610,876	610,876
Amounts due from related parties	應收關連方款項	147,677	-	-	226,918	374,595
Receivables under service concession arrangement	服務特許經營安排下的應收款項	380,347	-	-	-	380,347
Financial assets included in prepayments, deposits and other receivables	計入預付款項、按金及其他應收款項的金融資產	40,946	-	-	-	40,946
Pledged time deposits and bank balances	已抵押定期存款及銀行結餘					
- Not yet past due	- 尚未逾期	133,181	-	-	-	133,181
Cash and cash equivalents	現金及現金等價物					
- Not yet past due	- 尚未逾期	450,506	-	-	-	450,506
		1,350,590	-	-	1,188,503	2,539,093

#### 41. 金融風險管理目標及政策(續)

##### 信貸風險及減值評估(續)

於2019年12月31日

**41. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)****Credit risk and impairment assessment (Continued)**

There has been no change in the estimation technique or significant assumptions made throughout the year ended 31 December 2020.

The Group writes off trade receivables and contract assets when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the debtor has been placed under liquidation or has entered into bankruptcy proceedings.

**Liquidity risk**

Ultimate responsibility for liquidity risk management rests with the Directors, who have established an appropriate liquidity risk management framework for the management of the Group's short, medium and long-term funding and liquidity management requirements. The Group manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

The following table details the Group's remaining contractual maturity for its non-derivative financial liabilities. The table has been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group can be required to pay. The tables include both interest and principal cash flows. To the extent that interest flows are floating rate, the undiscounted amount is derived from interest rate curves at the end of the reporting period. The contractual maturity is based on the earliest date on which the Group may be required to pay.

**41. 金融風險管理目標及政策(續)****信貸風險及減值評估(續)**

於截至2020年12月31日止年度內，估計技術或重要假設概無變更。

倘有資料顯示債務人處於嚴重財務困難及無實際期望可收回欠款，本集團則撇銷該貿易應收款項及合約資產(例如於債務人被清盤或進入破產程序時)。

**流動資金風險**

流動資金風險管理乃由本公司董事最終負責，而董事已建立適當的流動資金風險管理架構，以符合本集團短期、中期及長期資金及流動資金管理規定。本集團透過維持充足的儲備、銀行融資及儲備借款額度、透過持續監控預測及實際現金流量以及透過對金融資產及負債之到期情況進行配對而管理流動資金風險。

下表詳列本集團非衍生金融負債的剩餘合約期。下表乃根據金融負債的未貼現現金流量基於本集團可能須付款的最早日期編製。表格包括利息及本金現金流量。倘利息流為浮動利率，未貼現金額源自報告期末的利率曲線。合約到期日乃根據本集團須支付最早日期釐定。

## Notes to the Consolidated Financial Statements (Continued)

### 綜合財務報表附註(續)

For the year ended 31 December 2020  
截至2020年12月31日止年度

#### 41. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued) 41. 金融風險管理目標及政策(續)

##### Liquidity risk (Continued)

##### 流動資金風險(續)

		Within 1 year or on demand 一年內 或按要求	1 to 5 years 一至五年	Over 5 years 五年以上	Total 總計
		RMB' 000 人民幣千元	RMB' 000 人民幣千元	RMB' 000 人民幣千元	RMB' 000 人民幣千元
<b>31 December 2020</b> <b>2020年12月31日</b>					
Lease liabilities	租賃負債	6,262	20,458	23,313	50,033
Interest-bearing bank and other borrowings	計息銀行及其他借款	20,635	72,221	–	92,856
Trade and bills payables	貿易應付款項及應付票據	947,781	–	–	947,781
Financial liabilities included in other payables, deposits received and accrued expenses	計入其他應付款項、 已收按金及應計開支的 金融負債	117,814	–	–	117,814
Amounts due to related parties	應付關連方款項	7,606	–	–	7,606
		<b>1,100,098</b>	<b>92,679</b>	<b>23,313</b>	<b>1,216,090</b>

## 41. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

## 41. 金融風險管理目標及政策(續)

### Liquidity risk (Continued)

### 流動資金風險(續)

		Within			Total
		1 year or on demand 一年內 或按要求	1 to 5 years 一至五年	Over 5 years 五年以上	
31 December 2019 2019年12月31日		RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元
Lease liabilities	租賃負債	8,892	180	-	9,072
Interest-bearing bank and other borrowings	計息銀行及其他借款	157,378	-	-	157,378
Trade and bills payables	貿易應付款項及應付票據	971,820	-	-	971,820
Financial liabilities included in other payables, deposits received and accrued expenses	計入其他應付款項、 已收按金及應計開支的 金融負債	315,524	-	-	315,524
Amounts due to related parties	應付關連方款項	11,209	-	-	11,209
		1,464,823	180	-	1,465,003

### Capital risk management

The Group manages its capital to ensure that entities in the Group will be able to continue as a going concern while maximising the return to shareholders through the optimisation of the debt and equity balance. The Group's overall strategy remains unchanged during the current year.

The capital structure of the Group consists of interest-bearing bank and other borrowings, pledged time deposits and bank balances and cash and cash equivalents and equity attributable to owners of the parent, comprising share capital, treasury shares and reserves.

### 資本風險管理

本集團對其資本進行管理，以確保本集團各實體可繼續按持續經營基準經營，同時透過優化債務及股本平衡，為股東創造最大回報。本集團的整體策略於本年度保持不變。

本集團之資本架構由計息銀行及其他借款、已抵押定期存款及銀行結餘及現金及現金等價物以及母公司擁有人應佔股權(包括股本、庫存股份及儲備)組成。

## Notes to the Consolidated Financial Statements (Continued)

### 綜合財務報表附註(續)

For the year ended 31 December 2020  
截至2020年12月31日止年度

#### 41. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

##### Capital risk management (Continued)

The Group uses different measures including an adjusted net debt-to-equity ratio to monitor its capital. Net debt is calculated as Interest-bearing bank and other borrowings, as shown in the consolidated statement of financial position, less cash and bank deposits. Total capital is calculated as equity holders' funds (i.e., total equity attributable to owners of the parent), as shown in the consolidated statement of financial position. The ratios as at the end of the reporting periods were as follows:

		Note 附註	2020 2020年 RMB' 000 人民幣千元	2019 2019年 RMB' 000 人民幣千元
Interest-bearing bank and other borrowings	計息銀行及其他借款	29	79,291	107,468
Less: Cash and cash equivalents	減：現金及現金等價物		(519,128)	(450,506)
Pledged time deposits and bank balances	已抵押定期存款及銀行結餘		(92,904)	(133,181)
Net debt	淨債務		(532,741)	(476,219)
Total equity attributable to owners of the parent	母公司擁有人應佔總權益		2,451,907	2,275,032
Adjusted net debt-to-equity ratio	經調整淨債務對權益比率		(22%)	(21%)

#### 41. 金融風險管理目標及政策(續)

##### 資本風險管理(續)

本集團使用不同計量指標(包括經調整淨債務對權益比率)來監控其資本。淨債務乃按綜合財務狀況表所示的計息銀行及其他借款減現金及銀行存款而計算。總資本乃計算為綜合財務狀況表所示的權益持有人資金(即母公司擁有人應佔總權益)。於報告期末的比率列示如下：

**42. TRANSFERS OF FINANCIAL ASSETS**

As at 31 December 2020, unmatured notes receivables amounting to RMB191,000 (2019: RMB74,208,000) issued by certain listed banks were endorsed to suppliers and there is no un-matured notes receivables issued by certain listed banks were discounted to banks (2019: RMB106,054,000). In the opinion of the Directors, the Group has transferred the significant risks and rewards relating to these notes receivables, and the Group's obligations to the corresponding counterparties were discharged in accordance with the commercial practice in PRC and the risk of default in payment of the endorsed and discounted notes receivables is low because all these are issued and guaranteed by the reputable PRC banks. As a result, the relevant assets and liabilities were derecognised on the consolidated financial statements. The maximum exposure to the Group that may result from the default of these endorsed and discounted notes receivables at the end of the reporting period is represented by their carrying amounts.

In addition, the following are the Group's notes receivables that were transferred to banks or suppliers by discounting or endorsing the notes receivables on a full recourse basis as at 31 December 2020. As the Group has not transferred substantially all the risks and rewards relating to these notes receivables, the full carrying amount of the notes receivables are continuously recognised and the cash received upon the discount and the effect of endorsement are recorded as a collateralised bank borrowing (see note 29) and trade payables (see note 26). These notes receivables are carried at fair value through other comprehensive income in the Group's consolidated statement of financial position as the overall business model is to hold to collect contractual cash flows and to sell.

**42. 金融資產轉移**

截至2020年12月31日，若干上市銀行發行但尚未到期的金額為人民幣191,000元(2019年：人民幣74,208,000元)的應收票據已向供應商背書，而概無由若干上市銀行發行但尚未到期的應收票據貼現至銀行。董事認為，本集團已轉移有關該等應收票據的重大風險及回報，而本集團對相關對手方的責任已根據中國商業慣例獲解除，且由於所有票據均由中國國內具聲譽銀行發行及擔保，故償付已背書及貼現的應收票據的違約風險很低。因此，有關資產及負債已在綜合財務報表內終止確認。本集團於報告期末因該等已背書及貼現的應付票據違約所承受的最大風險是指該等票據的賬面值。

此外，以下為本集團於2020年12月31日在完全追索權的基礎上貼現或背書應收票據而轉移至銀行的應收票據。由於本集團並無轉移此等應收票據的絕大部分風險及回報，故應收票據的整個賬面值持續確認，而貼現時收取的現金及背書的影響列賬為有抵押銀行借款(見附註29)及貿易應付款項(見附註26)。由於本集團的整體商業模式為持有該等應收票據以收取合約現金流量及出售，該等應收票據按公允價值計入全面收益於本集團的綜合財務狀況表列賬。

## Notes to the Consolidated Financial Statements (Continued)

### 綜合財務報表附註(續)

For the year ended 31 December 2020  
截至2020年12月31日止年度

#### 42. TRANSFERS OF FINANCIAL ASSETS 42. 金融資產轉移(續) (Continued)

		2020 2020年			2019 2019年		
		Notes receivable discounted to banks 已向銀行 貼現的應收票據 RMB' 000 人民幣千元	Notes receivable endorsed to suppliers 已向供應商 背書的應收票據 RMB' 000 人民幣千元	Total 總計 RMB' 000 人民幣千元	Notes receivable discounted to banks 已向銀行 貼現的應收票據 RMB' 000 人民幣千元	Notes receivable endorsed to suppliers 已向供應商 背書的應收票據 RMB' 000 人民幣千元	Total 總計 RMB' 000 人民幣千元
Carrying amount of transferred assets	已轉移資產賬面值	-	58,560	58,560	46,813	49,910	96,723
Carrying amount of associated liabilities	相關負債賬面值	-	(58,560)	(58,560)	(45,968)	(49,910)	(95,878)
Net position	淨額	-	-	-	845	-	845

#### 43. EVENTS AFTER THE REPORTING PERIOD

As at the approval date of the consolidated financial statements, the Group had no significant events after the reporting period which need to be disclosed.

#### 43. 報告期後事項

於綜合財務報表批准日期，本集團並無須予披露的重大報告期後事項。

## Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

For the year ended 31 December 2020  
截至2020年12月31日止年度

## 44. STATEMENT OF FINANCIAL POSITION OF THE COMPANY 44. 本公司財務狀況表

Information about the statement of financial position of the Company at the end of the reporting period is as follows:

有關本公司於報告期末的財務狀況表之資料如下：

		2020 2020年 RMB'000 人民幣千元	2019 2019年 RMB'000 人民幣千元
<b>Non-current assets</b>	<b>非流動資產</b>		
Property, plant and equipment	物業、廠房及設備	165	219
Amounts due from subsidiaries	應收附屬公司款項	249,990	300,000
Investments in subsidiaries	於附屬公司的投資	1,082,859	1,082,859
<b>Total non-current assets</b>	<b>非流動資產總值</b>	<b>1,333,014</b>	1,383,078
<b>Current assets</b>	<b>流動資產</b>		
Prepayments, deposits and other receivables	預付款項、按金及其他應收款項	11,637	10,223
Equity instrument at fair value through profit or loss	按公允價值計入損益的股本工具	45,599	45,693
Amounts due from subsidiaries	應收附屬公司款項	19,163	7,689
Cash and bank balances	現金及銀行結餘	72,794	71,331
<b>Total current assets</b>	<b>流動資產總值</b>	<b>149,193</b>	134,936
<b>Current liabilities</b>	<b>流動負債</b>		
Other payables, deposits received and accrued expenses	其他應付款項、已收按金及應計開支	16,366	20,102
<b>Total current liabilities</b>	<b>流動負債總額</b>	<b>16,366</b>	20,102
<b>Net current assets</b>	<b>流動資產淨值</b>	<b>132,827</b>	114,834
<b>Net assets</b>	<b>資產淨值</b>	<b>1,465,841</b>	1,497,912
<b>Capital and reserves</b>	<b>資本及儲備</b>		
Share capital	股本	67	67
Treasury shares	庫存股份	(1)	(1)
Other reserves (Note)	其他儲備(附註)	1,465,775	1,497,846
		<b>1,465,841</b>	1,497,912



## Notes to the Consolidated Financial Statements (Continued)

### 綜合財務報表附註 (續)

For the year ended 31 December 2020  
截至2020年12月31日止年度

#### 44. STATEMENT OF FINANCIAL POSITION OF THE COMPANY (Continued)

Note:

A summary of the Company's reserves is as follows:

附註：

本公司儲備之概要如下：

		Share premium 股份溢價賬 RMB' 000 人民幣千元	Merger reserve 合併儲備 RMB' 000 人民幣千元	Other reserve 其他儲備 RMB' 000 人民幣千元	Accumulated losses 累計虧損 RMB' 000 人民幣千元	Total 總計 RMB' 000 人民幣千元
At 1 January 2019	於2019年1月1日	1,523,585	371,500	(130,310)	(171,908)	1,592,867
Loss and total comprehensive loss for the year	年內虧損及全面虧損總額	-	-	-	(13,795)	(13,795)
Final 2018 dividend declared	已宣派2018年末期股息	-	-	-	(79,766)	(79,766)
Recognition of share-based payment expense	確認以股份為基礎付款開支	3,317	-	-	-	3,317
Repurchase and cancellation of ordinary shares	購回及註銷普通股	(4,777)	-	-	-	(4,777)
At 31 December 2019 and 1 January 2020	於2019年12月31日及2020年1月1日	1,522,125	371,500	(130,310)	(265,469)	1,497,846
Loss and total comprehensive loss for the year	年內虧損及全面虧損總額	-	-	-	(1,338)	(1,338)
Final 2019 dividend declared	已宣派2019年末期股息	-	-	-	(29,005)	(29,005)
Forfeiture of the pre-IPO share awards	沒收首次公開發售前股份獎勵	(2,130)	-	-	-	(2,130)
Recognition of share bases payment expenses	確認以股份為基礎付款開支	402	-	-	-	402
<b>At 31 December 2020</b>	<b>於2020年12月31日</b>	<b>1,520,397</b>	<b>371,500</b>	<b>(130,310)</b>	<b>(295,812)</b>	<b>1,465,775</b>

#### 45. COMPARATIVE AMOUNTS

Certain comparative amounts in notes to the financial statements have been restated to conform with the current year's presentation.

#### 46. APPROVAL OF THE FINANCIAL STATEMENTS

The financial statements were approved and authorised for issue by the board of directors on 29 March 2021.

#### 45. 比較金額

財務報表附註的若干比較金額已重列，以符合本年度的列報方式。

#### 46. 財務報表的批准

財務報表已於2021年3月29日獲董事會批准及授權刊發。

# 中国博奇环保(控股)有限公司

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