



Riverine China Holdings Limited 浦江中國控股有限公司

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

Stock Code 股份代號：1417

2020

Annual Report 年報



CONTENTS 目錄

| | | | |
|-----------|--|------------|--|
| 2 | Financial Highlights 財務摘要 | 112 | Report of the Directors 董事會報告書 |
| 3 | Definitions 釋義 | 137 | Independent Auditor's Report 獨立核數師報告 |
| 11 | Corporate Information 公司資料 | 146 | Consolidated Statement of Profit or Loss and Other Comprehensive Income 綜合損益及其他全面收益表 |
| 13 | The Group 本集團 | 148 | Consolidated Statement of Financial Position 綜合財務狀況表 |
| 14 | Environmental, Social and Governance Report 環境、社會及管治報告 | 150 | Consolidated Statement of Changes in Equity 綜合權益變動表 |
| 62 | Chairman's Statement 主席報告書 | 152 | Consolidated Statement of Cash Flows 綜合現金流量表 |
| 66 | Management Discussion and Analysis 管理層討論及分析 | 155 | Notes to Financial Statements 財務報表附註 |
| 80 | Directors and Senior Management 董事及高級管理層 | 280 | Five Years Financial Summary 五年財務摘要 |
| 95 | Corporate Governance Report 公司管治報告 | | |



FINANCIAL HIGHLIGHTS

財務摘要

For the year ended 31 December
截至12月31日止年度

| | | 2020 二零二零年 | 2019 二零一九年 | Increase/(Decrease) 上升/(下跌) | |
|--------------------------------------|---------------------|------------------------------|----------------------|--------------------------------|--------|
| Operating results (RMB'000) | 營運業績(人民幣千元) | | | | % |
| Revenue | 收益 | 763,808 | 481,530 | 282,278 | 58.6 |
| Gross profit | 毛利 | 117,247 | 74,171 | 43,076 | 58.1 |
| Profit for the year | 年內溢利 | 36,968 | 20,481 | 16,487 | 80.5 |
| Profitability (%) | 盈利率(%) | | | | |
| Gross profit margin | 毛利率 | 15.4 | 15.4 | — | — |
| Net profit margin | 純利率 | 4.8 | 4.3 | 0.5 | 11.6 |
| Return on equity | 股權回報率 | 11.1 | 8.5 | 2.6 | 30.6 |
| Return on total assets | 總資產回報率 | 5.6 | 4.5 | 1.1 | 24.4 |
| Liquidity | 流動資金 | | | | |
| Current ratio (time) | 流動比率(倍) | 1.2 | 1.4 | (0.2) | (14.3) |
| Quick ratio (time) | 速動比率(倍) | 1.2 | 1.4 | (0.2) | (14.3) |
| Trade receivables turnover (days) | 應收賬項的週轉天數 (天) | 58.1 | 69.4 | (11.3) | (16.3) |
| Trade payables turnover (days) | 貿易應付款項週轉天數 (天) | 51.5 | 57.3 | (5.8) | (10.1) |
| Capital adequacy | 資本充足水平 | | | | |
| Gearing ratio (%) | 資產負債比率(%) | 30.0 | 25.7 | 4.3 | 16.7 |
| Net debt to equity ratio | 淨債務對股權比率 | Net cash position | Net cash position | N/A | N/A |
| | | 淨現金狀況 | 淨現金狀況 | 不適用 | 不適用 |
| Per share data | 每股數據 | | | | |
| Earnings per share — basic (RMB) | 每股盈利 — 基本 (人民幣元) | 0.07 | 0.04 | 0.03 | 75.0 |
| Dividend per share (HKD) | 每股股息(港元) | | | | |
| — Interim | — 中期 | 0.01 | 0.008 | 0.002 | 25.0 |
| — Final | — 末期 | 0.012 | — | 0.012 | N/A |

DEFINITIONS

釋義

In this annual report, unless the context otherwise requires, the following terms and expressions shall have the meanings set out below. The English translation of company names in Chinese or another language which are marked with “*” for identification purposes only.

於本年報中，除文義另有所指外，下列詞彙及詞語具有如下涵義。標注[*]的中文或其他語言的公司名的英文譯名乃僅供識別之用。

| | | |
|-------------------|---|--|
| “Anhui Bund” | | Anhui Bund Property Management Company Limited* (安徽外灘物業管理有限公司), a limited liability company established in the PRC on 26 December 2005, which was a non wholly-owned subsidiary of the Company and indirectly owned as to 51% by the Company and as to 49% by Anhui Wan Tou Property Company Limited* (安徽皖投置業有限責任公司), a connected person of the Company at the subsidiary level until the Company disposed of its entire interest in December 2020. Please refer to the Company’s announcement dated 22 December 2020 for further details. |
| 「安徽外灘」 | 指 | 安徽外灘物業管理有限公司，一間於2005年12月26日在中國成立的有限責任公司，曾經為本公司非全資附屬公司，由本公司及安徽皖投置業有限責任公司(本公司附屬公司層面的關連人士)分別間接擁有51%及49%。本公司於2020年12月出售持有安徽外灘之全部權益。進一步具體細節請參閱本公司2020年12月22日發佈之公告。 |
| “Anhui Pu Bang” | | Anhui Pu Bang Property Management Company Limited* (安徽浦邦物業管理有限公司), a limited liability company established in the PRC on 4 August 2015, the associated company of the Company and indirectly owned as to 49% by the Company and 51% by an Independent Third Party |
| 「安徽浦邦」 | 指 | 安徽浦邦物業管理有限公司，一間於2015年8月4日在中國成立的有限責任公司，為本公司聯營企業，由本公司及一名獨立第三方分別間接擁有49%及51% |
| “Anhui Pu Jing” | | Anhui Pu Jing Property Company Limited* (安徽浦景物業有限公司), a limited liability company established in the PRC on 10 May 2017, a non wholly-owned subsidiary of the Company and indirectly owned as to 51% by the Company and as to 49% by Bozhou Yaodu Tourism Development Company Limited* (亳州藥都旅遊發展有限公司), a connected person of the Company at the subsidiary level |
| 「安徽浦景」 | 指 | 安徽浦景物業有限公司，一間於2017年5月10日在中國成立的有限責任公司，為本公司非全資附屬公司，由本公司及亳州藥都旅遊發展有限公司(本公司附屬公司層面的關連人士)分別間接擁有51%及49% |
| “Audit Committee” | | the audit committee of the Company |
| 「審核委員會」 | 指 | 本公司審核委員會 |

DEFINITIONS

釋義

| | | |
|---------------------------------|---|--|
| “Bengbu Zhi Xin” | | Bengbu Zhi Xin Property Company Limited* (蚌埠市置信物業有限公司), a limited liability company established in the PRC on 13 September 2004 and a non wholly-owned subsidiary of the Company and is indirectly owned as to 58% by the Company, as to 12% by an Independent Third Party and as to 30% by Bengbu Investment Group Co., Ltd.* (蚌埠投資集團有限公司), a connected person of the Company at the subsidiary level |
| 「蚌埠置信」 | 指 | 蚌埠市置信物業有限公司，一間於2004年9月13日在中國成立的有限責任公司，為本公司的非全資附屬公司，由本公司間接擁有58%，一名獨立第三方擁有12%及蚌埠投資集團有限公司(本公司附屬公司層面的關連人士)擁有30% |
| “Board” or “Board of Directors” | | the board of Directors of the Company |
| 「董事會」 | 指 | 本公司董事會 |
| “BVI” | | the British Virgin Islands |
| 「英屬處女群島」 | 指 | 英屬處女群島 |
| “CG Code” | | the Corporate Governance Code as set out in Appendix 14 of the Listing Rules |
| 「企業管治守則」 | 指 | 上市規則附錄十四所載企業管治守則 |
| “Company” | | Riverine China Holdings Limited (浦江中國控股有限公司), an exempted company incorporated under the laws of Cayman Islands with limited liability on 27 July 2016 |
| 「本公司」 | 指 | 浦江中國控股有限公司，於2016年7月27日根據開曼群島法律註冊成立的獲豁免有限責任公司 |
| “connected person” | | has the meaning ascribed to it under the Listing Rules |
| 「關連人士」 | 指 | 具有上市規則所賦予該詞的涵義 |
| “controlling Shareholder(s)” | | has the meaning ascribed to it under the Listing Rules and, in the context of the Company, means a group of controlling shareholders of the Company, namely Partner Summit, Vital Kingdom, Mr. Xiao, Source Forth, Mr. Fu, Pine Fortune and Mr. Chen |
| 「控股股東」 | 指 | 具有上市規則所賦予該詞的涵義，就本公司而言，指本公司的控股股東集團，即合高、至御、肖先生、泉啟、傅先生、富柏及陳先生 |
| “Director(s)” | | the director(s) of the Company |
| 「董事」 | 指 | 本公司的董事 |
| “GFA” | | gross floor area |
| 「建築面積」 | 指 | 建築面積 |
| “Group” | | the Company and its subsidiaries |
| 「本集團」 | 指 | 本公司及其附屬公司 |

DEFINITIONS

釋義

| | | |
|--------------------------------------|---|---|
| “Hefei Zheng Wen” | | Hefei Zheng Wen Bund Property Management Company Limited* (合肥市政文外灘物業管理有限公司), a limited liability company established in the PRC on 14 April 2004, a joint venture company of the Company and indirectly owned as to 50% by the Company and 50% by an Independent Third Party |
| 「合肥政文」 | 指 | 合肥市政文外灘物業管理有限公司，一間在中國於2004年4月14日成立的有限責任公司，為本公司合營企業公司，由本公司間接擁有50%及由一名獨立第三方間接擁有50% |
| “HK\$” Or “HK dollars” or “HK cents” | | Hong Kong dollars and cents, the lawful currency of Hong Kong |
| 「港元」或「港仙」 | 指 | 港元及港仙，香港的法定貨幣 |
| “Hong Kong” or “HK” | | the Hong Kong Special Administrative Region of the PRC |
| 「香港」 | 指 | 中華人民共和國香港特別行政區 |
| “Hong Xin” | | Hong Xin Environmental Group Company Limited* (泓欣環境集團有限公司), a limited liability company established in the PRC on 5 July 2000, a non-wholly owned subsidiary of the Company and is indirectly owned as to 51% by the Company and as to 49% by Independent Third Parties |
| 「泓欣」 | 指 | 泓欣環境集團有限公司，於2000年7月5日在中國成立為有限責任公司，本公司的非全資附屬公司，由本公司間接擁有51%，獨立第三方擁有49% |
| “Independent Third Party(ies)” | | an individual(s) or a company(ies) who or which is/are independent and not connected with (within the meaning of the Listing Rules) any directors, chief executive or substantial shareholders (within the meaning of the Listing Rules) of the Company, its subsidiaries or any of their respective associates and not otherwise a connected person of the Company |
| 「獨立第三方」 | 指 | 獨立於本公司、其附屬公司之任何董事、最高行政人員或主要股東(定義見上市規則)或其各自之任何聯繫人(定義見上市規則)且與之概無關連(定義見上市規則)亦非本公司之關連人士的個人或公司 |
| “Leading Way” | | Leading Way Holdings Limited (立威集團有限公司), a company incorporated under the laws of Hong Kong on 20 May 2016 with limited liability, which is a wholly-owned subsidiary of Sino Ease, and an indirect wholly-owned subsidiary of the Company |
| 「立威」 | 指 | 立威集團有限公司，一間於2016年5月20日根據香港法律註冊成立的有限公司，為中安的全資附屬公司及本公司的間接全資附屬公司 |
| “Listing” | | the listing of the Shares on the Main Board of the Stock Exchange |
| 「上市」 | 指 | 股份在聯交所主板上市 |

DEFINITIONS

釋義

| | | |
|--------------------------------------|----------|--|
| <p>“Listing Rules” 「上市規則」</p> | <p>指</p> | <p>the Rules Governing the Listing of Securities on the Stock Exchange, as amended, supplemented or otherwise modified from time to time 聯交所證券上市規則，經不時修訂、補充或以其他方式修改</p> |
| <p>“Model Code” 「標準守則」</p> | <p>指</p> | <p>the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 to the Listing Rules 上市規則附錄十所載上市發行人董事進行證券交易的標準守則</p> |
| <p>“Mr. Chen” 「陳先生」</p> | <p>指</p> | <p>Mr. Chen Yao (陳瑤), the Controlling Shareholder 陳瑤先生，控股股東</p> |
| <p>“Mr. Fu” 「傅先生」</p> | <p>指</p> | <p>Mr. Fu Qichang (傅其昌), the Controlling Shareholder, vice-chairman of the Board and an executive Director 傅其昌先生，控股股東、董事會副主席兼執行董事</p> |
| <p>“Mr. Xiao” 「肖先生」</p> | <p>指</p> | <p>Mr. Xiao Xingtao (肖興濤), the Controlling Shareholder, chairman of the Board and an executive Director 肖興濤先生，控股股東、董事會主席兼執行董事</p> |
| <p>“Mr. Xiao YQ” 「肖予喬先生」</p> | <p>指</p> | <p>Mr. Xiao Yuqiao (肖予喬), an executive Director, chief executive officer, and the son of Mr. Xiao 肖予喬先生，執行董事兼行政總裁及肖先生的兒子</p> |
| <p>“Nanjing Songzhu” 「南京松竹」</p> | <p>指</p> | <p>Nanjing Songzhu Property Management Company Limited* (南京松竹物業管理有限公司), a limited liability company established in the PRC on 5 July 2012, an associated company of the Company and indirectly owned as to 44% by the Company and 56% by two Independent Third Parties. 南京松竹物業管理有限公司，一間在中國於2012年7月5日註冊成立的有限責任公司，為本公司聯營企業，由本公司間接擁有44%及由兩名獨立第三方擁有56%</p> |
| <p>“Nantong Pu Sheng” 「南通浦盛」</p> | <p>指</p> | <p>Nantong Pu Sheng Intelligent Property Company Limited* (南通浦盛智能物業有限公司), a limited liability company established in the PRC on 18 October 2017, a non wholly-owned subsidiary of the Company and indirectly owned as to 51% by the Company and as to 49% by Nantong Sheng He Property Management Limited* (南通盛和物業管理有限公司) 南通浦盛智能物業有限公司，一間於2017年10月18日在中國成立的有限責任公司，本公司的非全資附屬公司，由本公司及南通盛和物業管理有限公司分別間接擁有51%及49%</p> |

DEFINITIONS

釋義

| | | |
|--------------------|---|--|
| “Ningbo Plaza” | | Ningbo Plaza Property Management Company Limited* (寧波市城市廣場物業管理有限公司), a limited liability company established in the PRC on 20 January 1995, an associated company of the Company and indirectly owned as to 49% by the Company and 51% by an Independent Third Party |
| 「寧波城市廣場」 | 指 | 寧波市城市廣場物業管理有限公司，一間在中國於1995年1月20日成立的有限責任公司，為本公司聯營企業，由本公司間接擁有49%及由一名獨立第三方間接擁有51% |
| “Partner Summit” | | Partner Summit Holdings Limited (合高控股有限公司), a company incorporated under laws of the BVI on 16 June 2016 with limited liability, which is owned as to 87% by Vital Kingdom, 10% by Source Forth and 3% by Pine Fortune and is one of the Controlling Shareholders |
| 「合高」 | 指 | 合高控股有限公司，一間於2016年6月16日根據英屬處女群島法律註冊成立的有限公司，由至御、泉啟及富柏分別擁有87%、10%及3%，且為控股股東之一 |
| “Period” | | the year ended 31 December 2020 |
| 「期間」 | 指 | 截至2020年12月31日止年度 |
| “Pine Fortune” | | Pine Fortune Global Limited (富柏環球有限公司), a company incorporated under laws of the BVI on 16 June 2016 with limited liability, which is wholly-owned by Mr. Chen and is one of the Controlling Shareholders |
| 「富柏」 | 指 | 富柏環球有限公司，一間於2016年6月16日根據英屬處女群島法律註冊成立的有限公司，乃由控股股東之一陳先生全資擁有 |
| “PRC” or “China” | | the People’s Republic of China which, for the purposes of this annual report, excludes Hong Kong, Macau and Taiwan |
| 「中國」 | 指 | 中華人民共和國，惟就本年報而言，不包括香港、澳門及台灣 |
| “Pujiang Holding” | | Shanghai Pujiang Holding Company Limited* (上海浦江控股有限公司), a limited liability company established in the PRC on 18 June 2007, which was beneficially owned as to 87% by Mr. Xiao, 10% by Mr. Fu and 3% by Mr. Chen |
| 「浦江控股」 | 指 | 上海浦江控股有限公司，一間於2007年6月18日在中國成立的有限責任公司，分別由肖先生、傅先生及陳先生實益擁有87%、10%及3%股權 |
| “Pujiang Property” | | Shanghai Pujiang Property Company Limited* (上海浦江物業有限公司), a limited liability company established in the PRC on 2 December 2002 and an indirect wholly-owned subsidiary of the Company |
| 「浦江物業」 | 指 | 上海浦江物業有限公司，一間在中國於2002年12月2日成立的有限責任公司，為本公司的間接全資附屬公司 |

DEFINITIONS

釋義

| | | |
|-----------------------------------|---|---|
| “RMB” or “Renminbi” 「人民幣」 | 指 | Renminbi, the lawful currency of the PRC 人民幣，中國的法定貨幣 |
| “SFO” 「證券及期貨條例」 | 指 | Securities and Future ordinance (Chapter 571 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time 《證券及期貨條例》(香港法例第571章)，經不時修訂、補充或以其他方式修改 |
| “Shanghai Aidepu” 「上海艾得普」 | 指 | Shanghai Aidepu Trading Company Limited* (上海艾得普商貿有限公司), a limited liability company established in the PRC on 23 November 2006 and an indirect wholly-owned subsidiary of the Company 上海艾得普商貿有限公司，一間於2006年11月23日在中國成立的有限責任公司，為本公司間接全資附屬公司 |
| “Shanghai Bund” 「上海外灘」 | 指 | Shanghai Bund Property Company Limited* (上海外灘物業有限公司), a limited liability company established in the PRC on 8 April 1996 and an indirect wholly-owned subsidiary of the Company 上海外灘物業有限公司，一間在中國於1996年4月8日成立的有限責任公司，為本公司的間接全資附屬公司 |
| “Shanghai Bund Green” 「上海外灘綠化」 | 指 | Shanghai Bund Green Construction Company Limited* (上海外灘綠化建設有限公司), a limited liability company established in the PRC on 10 August 2004 and an indirect wholly-owned subsidiary of the Company 上海外灘綠化建設有限公司，一間在中國於2004年8月10日成立的有限責任公司，為本公司的間接全資附屬公司 |
| “Shanghai Bund Ke Pu” 「上海外灘科浦」 | 指 | Shanghai Bund Ke Pu Engineering Management Company Limited* (上海外灘科浦工程管理有限公司), a limited liability company established in the PRC on 30 November 2004, a non wholly-owned subsidiary of the Company and indirectly owned as to 97% by the Company and as to 3% by an Independent Third Party 上海外灘科浦工程管理有限公司，一間於2004年11月30日在中國成立的有限責任公司，為本公司間接非全資附屬公司，由本公司間接持有97%及由一名獨立第三方持有3% |
| “Shanghai Hong Ji” 「上海虹吉」 | 指 | Shanghai Hong Ji Property Management Company Limited* (上海虹吉物業管理有限公司), a limited liability company established in the PRC on 18 March 2016 and an indirect wholly-owned subsidiary of the Company 上海虹吉物業管理有限公司，一間在中國於2016年3月18日成立的有限責任公司，為本公司的間接全資附屬公司 |
| “Shanghai Jie Gu” 「上海介谷」 | 指 | Shanghai Jie Gu Technology Company Limited* (上海介谷科技有限公司), a limited liability company established in the PRC on 3 May 2016 and an indirect wholly-owned subsidiary of the Company 上海介谷科技有限公司，一間在中國於2016年5月3日成立的有限責任公司，為本公司的間接全資附屬公司 |

DEFINITIONS

釋義

| | | |
|------------------------|---|--|
| “Shanghai Jiu Yi” | | Shanghai Jiu Yi Property Management Company Limited* (上海久怡物業管理有限公司), a limited liability company established in the PRC on 8 April 1996, a non wholly-owned subsidiary of the Company and indirectly owned as to 51% by the Company and as to 49% by an Independent Third Party |
| 「上海久怡」 | 指 | 上海久怡物業管理有限公司，一間在中國於1996年4月8日成立的有限責任公司，為本公司的非全資附屬公司，由本公司間接擁有51%及一名獨立第三方擁有49% |
| “Shanghai Puyun” | | Shanghai Puyun Environmental Technology Company Limited* (上海浦韻環境科技有限公司), a limited liability company established in the PRC on 29 November 2017, a non wholly-owned subsidiary of the Company and wholly owned by Shanghai Jiu Yi |
| 「上海浦韻」 | 指 | 上海浦韻環境科技有限公司，一間在中國於2017年11月29日成立的有限責任公司，為本公司非全資附屬公司，由上海久怡全資擁有 |
| “Shanghai Qiang Sheng” | | Shanghai Qiang Sheng Property Company Limited* (上海強生物業有限公司), a limited liability company established in the PRC on 17 December 1992, an associated company of the Company and indirectly owned as to 30% by the Company and as to 70% by an Independent Third Party |
| 「上海強生」 | 指 | 上海強生物業有限公司，一間在中國於1992年12月17日成立的有限責任公司，為本公司聯營企業，由本公司間接擁有30%及由一名獨立第三方間接擁有70% |
| “Shanghai Rui Zheng” | | Shanghai Pujiang Rui Zheng Property Company Limited* (上海浦江瑞正物業有限公司), a limited liability company established in the PRC on 8 January 2004 and an indirect wholly-owned subsidiary of the Company |
| 「上海瑞正」 | 指 | 上海浦江瑞正物業有限公司，一間在中國於2004年1月8日成立的有限責任公司，為本公司的間接全資附屬公司 |
| “Shanghai Xin Shi Bei” | | Shanghai Xin Shi Bei Enterprise Management Service Co., Ltd* (上海新市北企業管理服務有限公司), a limited liability company established in the PRC on 6 July 2005, an associated company of the Company and indirectly owned as to 27.5% by the Company and 52.75% and 19.75% by two Independent Third Parties |
| 「上海新市北」 | 指 | 上海新市北企業管理服務有限公司，一間在中國於2005年7月6日成立的有限責任公司，為本公司聯營企業，由本公司間接擁有27.5%及由兩個獨立第三方擁有52.75%和19.75% |
| “Shanghai Xin Di” | | Shanghai Dong Fang Xin Di Commercial Service Company Limited* (上海東方欣迪商務服務有限公司), a limited liability company established in the PRC on 10 December 2015, an associated company of the Company and indirectly owned as to 45% by the Company and as to 55% by an Independent Third Party |
| 「上海欣迪」 | 指 | 上海東方欣迪商務服務有限公司，一間在中國於2015年12月10日成立的有限責任公司，為本公司聯營企業，由本公司間接擁有45%及由一名獨立第三方間接擁有55% |

DEFINITIONS

釋義

| | | |
|---|---|--|
| “Share(s)” 「股份」 | 指 | share(s) of HK\$0.01 each in the share capital of the Company 本公司股本中每股面值0.01港元的普通股 |
| “Share Option Scheme” 「購股權計劃」 | 指 | the share option scheme conditionally adopted by the Company on 15 November 2017 本公司於2017年11月15日有條件採納的購股權計劃 |
| “Shareholder(S)” 「股東」 | 指 | holder(s) of issued Share(s) 股份的持有人 |
| “Sino Ease” 「中安」 | 指 | Sino Ease Global Limited (中安環球有限公司), a company incorporated under laws of the BVI on 16 June 2016 with limited liability, which is directly wholly-owned by the Company 中安環球有限公司，一間於2016年6月16日根據英屬處女群島法律註冊成立的有限公司，為本公司的直接全資附屬公司 |
| “Source Forth” 「泉啟」 | 指 | Source Forth Limited (泉啟有限公司), a company incorporated under laws of the BVI on 8 June 2016 with limited liability, which is wholly-owned by Mr. Fu and is one of the Controlling Shareholders 泉啟有限公司，一間於2016年6月8日根據英屬處女群島註冊成立的有限公司，乃由傅先生全資擁有，且為控股股東之一 |
| “sq. ft.” 「平方呎」 | 指 | square feet 平方呎 |
| “sq. m.” 「平方米」 | 指 | square metre 平方米 |
| “Stock Exchange” or “Hong Kong Stock Exchange” 「聯交所」或「香港聯交所」 | 指 | the Stock Exchange of Hong Kong Limited 香港聯合交易所有限公司 |
| “Vital Kingdom” 「至御」 | 指 | Vital Kingdom Investments Limited (至御投資有限公司), a company incorporated under laws of the BVI on 17 May 2016 with limited liability, which is wholly-owned by Mr. Xiao and is one of the Controlling Shareholders 至御投資有限公司，一間於2016年5月17日根據英屬處女群島法律註冊成立的有限公司，乃由肖先生全資擁有，且為控股股東之一 |
| “%” or “Per Cent” 「%」 | 指 | per centum or percentage 百分比 |

CORPORATE INFORMATION

公司資料

BOARD OF DIRECTORS

Executive Directors

Mr. Xiao Xingtao (*Chairman*)
Mr. Fu Qichang
Mr. Xiao Yuqiao
Mr. Jia Shaojun
Ms. Wang Hui

Non-executive Directors

Mr. Zhang Yongjun

Independent non-executive Directors

Mr. Cheng Dong
Mr. Weng Guoqiang
Mr. Shu Wa Tung Laurence

AUDIT COMMITTEE

Mr. Shu Wa Tung Laurence (*Chairman*)
Mr. Cheng Dong
Mr. Weng Guoqiang

REMUNERATION COMMITTEE

Mr. Cheng Dong (*Chairman*)
Mr. Fu Qichang
Mr. Xiao Yuqiao
Mr. Shu Wa Tung Laurence
Mr. Weng Guoqiang

NOMINATION COMMITTEE

Mr. Xiao Xingtao (*Chairman*)
Mr. Fu Qichang
Mr. Cheng Dong
Mr. Shu Wa Tung Laurence
Mr. Weng Guoqiang

HEADQUARTER IN THE PRC

14th Floor, Jiushi Tower
28 South Zhongshan Road
Shanghai, PRC

PRINCIPAL PLACE OF BUSINESS IN HONG KONG

4/F, Cheung Hing Industrial Building,
12P Smithfield, Kennedy Town, Hong Kong

董事會

執行董事

肖興濤先生(*主席*)
傅其昌先生
肖予喬先生
賈少軍先生
王慧女士

非執行董事

張擁軍先生

獨立非執行董事

程東先生
翁國強先生
舒華東先生

審核委員會

舒華東先生(*主席*)
程東先生
翁國強先生

薪酬委員會

程東先生(*主席*)
傅其昌先生
肖予喬先生
舒華東先生
翁國強先生

提名委員會

肖興濤先生(*主席*)
傅其昌先生
程東先生
舒華東先生
翁國強先生

中國總部

中國上海
中山南路28號
久事大廈14樓

香港主要營業地點

香港堅尼地城
士美菲路12P祥興工業大廈4樓

CORPORATE INFORMATION

公司資料

COMPANY SECRETARY

Ms. Cheung Kam Mei, Helen
Mr. Jia Shaojun

公司秘書

張金美女士
賈少軍先生

AUTHORISED REPRESENTATIVES

Mr. Xiao Yuqiao
Mr. Jia Shaojun

法定代表

肖予喬先生
賈少軍先生

LEGAL ADVISERS

Cheung & Choy, Solicitors & Notaries

法律顧問

張世文 蔡敏律師事務所

AUDITOR

Ernst & Young
Certified Public Accountants
22nd Floor, CITIC Tower
1 Tim Mei Avenue
Central, Hong Kong

核數師

安永會計師事務所
執業會計師
香港中環
添美道1號
中信大廈22樓

PRINCIPAL BANKERS

Shanghai Pudong Development Bank Co., Ltd.
Bank of China (Hong Kong) Limited

主要往來銀行

上海浦東發展銀行股份有限公司
中國銀行(香港)有限公司

PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE IN THE CAYMAN ISLANDS

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

開曼群島股份過戶登記總處

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

HONG KONG BRANCH SHARE REGISTRAR

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

香港股份過戶登記分處

卓佳證券登記有限公司
香港
皇后大道東183號
合和中心54樓

WEBSITE ADDRESS

www.riverinepm.com

網址

www.riverinepm.com

SECURITIES CODE

Equity: 1417.hk

證券代號

股票: 1417.hk

COMPANY ENQUIRES

Email: ir@ppmc.com.cn

本公司查詢

電郵: ir@ppmc.com.cn

The Group is a comprehensive provider of urban public services in the PRC and is mainly engaged in the provision of both property management services for high-end non-residential properties and integrated urban sanitary services in the PRC.

The Group provides a wide range of property management services and value-added services to a variety of properties. The properties managed by the Group can generally be classified into four categories based on nature and usage, which are comprised of (i) public properties (including public arenas such as cultural venues, stadiums, exhibition halls and public transportation properties such as rail station and airport etc.); (ii) commercial establishments (including shopping malls, hotels, commercial and entertainment complexes) and office buildings; (iii) residential properties; and (iv) others (including schools, land parcels, industrial areas and properties under construction).

The integrated urban sanitary services include road cleaning, refuse classification, collection and transportation and maintenance of public environmental sanitary facilities such as public toilets and garbage containers.

本集團為中國綜合城市服務供應商，主要從事為中國高端非住宅物業提供物業管理服務及提供城鎮一體化環衛服務。

本集團為不同種類的物業提供多種物業管理服務及增值服務，本集團的在管物業一般可根據其性質及用途分為四個類別，即(i)公眾物業(包括文化場所、體育館及展覽館等公眾場館以及鐵路站及機場等公眾交通物業)；(ii)商業綜合體(包括商場、商業及娛樂綜合體)及辦公大樓；(iii)住宅物業；及(iv)其他物業(包括學校、地塊、工業區域及在建物業)。

城鎮一體化環衛服務通常包括道路清掃、垃圾分類清運以及諸如公共廁所與垃圾箱等公共環衛設施的維護。

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

環境、社會及管治報告

ABOUT THIS REPORT

Introduction to the Report

Riverine China Holdings Limited (“Riverine China”, “the Company” and “we” or “us”) is pleased to publish the fourth Environmental, Social and Governance Report of the Company (“this Report”), which aims to disclose the Company’s performance in the past year in relation to the environment, society and governance, in respond to the concerns and expectations of stakeholders regarding the Company’s sustainable development management.

Scope of the Report

Unless otherwise specified, the report covers the Riverine China and its principle subsidiary Shanghai Pujiang Property Company Limited (“Pujiang Property”), Hong Xin Environmental Group Co., Ltd. (“Hong Xin”) and other subsidiaries. The specific statistical scope of environmental data will be described in the “Green Operation” section.

The report covers the period from 1 January 2020 to 31 December 2020 (the “reporting period”), and part of the contents may be extended as appropriate.

Basis of Preparation

The Company has prepared this report in accordance with the Environmental, Social and Governance Reporting Guide (2016 Edition) (“Guide”) under Appendix 27 of the Listing Rules. This report has complied with all the “comply or explain” provisions in the Guide and is based on the four reporting principles of the guidelines: materiality, quantitative, balance and consistency.

Form of Publication

This Report is published in two language versions, i.e. Traditional Chinese and English. If there is any inconsistency between the two versions, the Traditional Chinese version shall prevail. You are welcome to access this Report in the PDF format from the annual report published on the Company’s website at www.riverinepm.com, and SEHK’s HKExnews website at www.hkexnews.hk.

關於本報告

報告介紹

浦江中國控股有限公司(「浦江中國」·「本公司」或「我們」)欣然發佈第四份《環境、社會及管治報告》(「本報告」)，旨在圍繞環境、社會及企業管治等方面披露本公司過去一年的可持續發展表現及進展，以回應各利益相關方對於本公司可持續發展事宜的關注與期望。

報告範圍

如無特別說明，本報告涵蓋浦江中國及其主要附屬公司上海浦江物業管理有限公司(「浦江物業」)、泓欣環境集團有限公司(「泓欣」)及其他附屬公司。環境數據的具體統計範圍將在「綠色營運」章節說明。

本報告的時間範圍為2020年1月1日至2020年12月31日(「報告期」)，部分內容將根據需要作出適當延伸。

編製依據

本公司遵循《上市規則》附錄二十七《環境、社會及管治報告指引》(2016版)(「《指引》」)編製本報告。本報告已遵守《指引》中所有「不遵守就解釋」條文，並以《指引》中的四大匯報原則：重要性、量化、平衡及一致性作為編製本報告的基礎。

報告發佈形式

本報告以繁體中文及英文兩個語言版本進行發佈。若在內容理解上存在差異，請以繁體中文版本為準。閣下可在本公司網站(www.riverinepm.com)以及香港聯交所披露易網站(www.hkexnews.hk)發佈的年報中獲取本報告的PDF版本。

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

環境、社會及管治報告

Source of Data and Reliability Assurance

The data and cases in this report are mainly derived from the statistical reports and relevant documents of the Company. This report does not contain any false information or misleading statement, and the Company accepts responsibility for the contents of this report as to its authenticity, accuracy and completeness. This report was approved by the Board on 30 March 2021 following the confirmation by the management of the Company and the environmental, social and governance (“ESG”) Executive Committee.

SUSTAINABILITY MANAGEMENT

ESG Concepts

As a leading property management company in China, Riverine China has always adhered to the core values of “integrity, innovation, dedication, win-win”. Riverine China is committed to promoting and leading the fulfillment of corporate social responsibilities with practical actions. At the same time, it establishes a good relationship with our stakeholders, actively responds to the expectations and needs of all stakeholders with efficient and smooth communication mechanisms, and works together towards sustainable development.

We attach great importance to corporate sustainable development, plan social responsibility from the aspects of quality service, benefit creation, scientific and technological innovation, employee development, safety supervision, environmental protection and community public welfare, and adhere to corporate governance according to law to continuously promote corporate sustainable development. In addition, we have carried out a series of social responsibility practices to strengthen communication with stakeholders and work together to create corporate value.

數據來源及可靠性聲明

本報告的數據和案例主要來自於本公司統計報告及相關文件。本報告不存在任何虛假記載、誤導性陳述，本公司對其內容真實性、準確性和完整性負責。本報告經本公司管理層及環境、社會及管治（「ESG」）執行委員會確認後，於2021年3月30日獲董事會通過。

可持續發展管理

ESG 理念

浦江中國作為國內領先的物業管理公司，始終以「誠信、創新、奉獻、共贏」作為企業核心價值觀。浦江中國致力於以實際行動推動、引領企業社會責任的履行，同時與我們的利益相關方建立良好關係，以高效和順暢的溝通機制，積極回應各利益相關方的期望與需求，共同邁向可持續發展。

我們高度重視企業可持續發展，從優質服務、創造效益、科技創新、員工發展、產品安全、環境資源、社區公益等方面進行社會責任規劃，堅持依法治企，持續推動企業可持續發展，並且開展了一系列社會責任活動，加強與利益相關方的溝通並攜手創造企業價值。

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

環境、社會及管治報告

ESG Governance Structure

The Company is committed to establishing good corporate governance practices and achieving corporate sustainable development. The Group has established internal control, risk assessment and management systems, and the Board of Directors reviews and maintains their suitability and effectiveness. In order to actively respond to ESG-related risks, the Company integrates ESG risk management into the Company's risk assessment and management system. The Board of Directors is responsible for assessing and determining ESG risks, to ensure the effectiveness of ESG risk management and internal control systems.

To reduce the impact of ESG related risks to the Company's sustainability, the Company has set up a top-down ESG governance system, which will be initiated by the Board of Directors of the Company, review by the ESG Executive Committee and implemented by the ESG Working Group to clarify the division of responsibilities from management to implementation and ensure a better integration of ESG concepts into the corporate strategic planning and operational decision making process.

The ESG Executive Committee is responsible for reviewing and discussing the focus of sustainable development work, as well as the operation status of the management system related to ESG, in order to ensure the sustainable development work is in line with the Company's current business development, and to effectively respond to stakeholders' expectations and concerns. The Company will continue to promote ESG management and optimize the ESG management system in accordance with the requirements of the Stock Exchange and the actual situation of the Company, to make ESG management more systematic and professional.

ESG 管治架構

本公司致力於建立良好的企業管治常規，實現企業可持續發展。本集團已建立內部監控、風險評估及管理制度，並且由董事會檢討及維持其適當性及有效性。為了積極應對 ESG 相關風險，本公司將 ESG 風險管理融合至本公司的風險評估及管理系統中，由董事會負責評估及釐定 ESG 風險，確保 ESG 風險管理及內部監控系統的有效性。

為減低 ESG 相關風險對本公司可持續發展的影響，本公司建立了自上而下的 ESG 治理體系。該治理體系由本公司董事會發起，ESG 執行委員會審查，ESG 工作小組落實執行，明確了從管理層面至執行層面的責任分工，確保將 ESG 理念融入企業戰略規劃與運營決策過程之中。

ESG 執行委員會負責審閱並討論本公司可持續發展工作重點與相關 ESG 管理體系的運行情況，確保可持續發展工作契合本公司業務發展現況，並有效回應利益相關方之期望與關注。本公司將持續推進 ESG 管理工作，依據聯交所要求以及結合本公司實際情況優化 ESG 管理體系，使 ESG 管理工作更加系統化以及專業化。

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

環境、社會及管治報告

Board of Directors 董事會

Main Responsibilities:

- Responsible for assessing and determining ESG-related risks
- Ensuring that the Company establishes an appropriate and effective ESG risk management and internal control system
- Examining and approving ESG-related policies and reports

主要職責

- 負責評估並釐定ESG相關風險
- 確保本公司設立合適有效的ESG風險管理及內控系統
- 審批ESG相關政策及報告

ESG Executive Committee ESG執行委員會

Main Responsibilities: 主要職責

- Responsible for implementing ESG risk management and internal control
- 負責執行ESG風險管理及內部監控
- Guiding the work of ESG team and reporting to the Board of Directors
- 指導ESG小組工作並上報董事會
- Examining and approving the ESG reports and ensuring the accuracy of performance indicator
- 審批ESG報告，確認績效指標的準確性

ESG Working Group ESG工作小組

Main Responsibilities:

- Responsible for collecting ESG-related data and preparing reports
- Reporting to the Executive Committee regularly to help the Company assess and determine whether the ESG risk management and internal control system is appropriate and effective

主要職責

- 負責ESG相關數據的收集和報告編製等工作
- 定期向執行委員會匯報，以助本公司評估及釐定ESG風險管理及內部監控系統是否合適及有效

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

環境、社會及管治報告

Communication with Stakeholders

Stakeholders play an important role in promoting the Company's sustainable development. We attach great importance to the opinions of stakeholders and actively understand the expectations and suggestions of all parties, with a view to better formulating the Company's development strategies and policies through communication with all stakeholders, to create environmental and social value in the process of improving the Company's performance. We identified the following six main types of stakeholders who had decision-making rights or influence over the Company and a close relationship with us:

利益相關方溝通

利益相關方是推動本公司可持續發展的重要角色。我們高度重視利益相關方的意見，積極瞭解各方的期望與建議，期望通過與各利益相關方的溝通，更好地擬定本公司的發展策略及方針，在提升本公司績效的過程中，創造環境及社會價值。我們識別出本公司具有決策權或影響力，並且與我們關係密切的以下六組利益相關方：



ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

環境、社會及管治報告

To understand the expectations and requirements of stakeholders more clearly, we actively communicate with stakeholders through various channels to adjust and improve ESG related measures and respond regularly. The table below shows the expectations and requests of stakeholders and their respective communication methods in the reporting period.

為更清晰地瞭解利益相關方的期望與要求，我們積極通過多種渠道與各利益相關方保持有效的溝通，調整及提升ESG相關措施，並做出回應。下表展示了本報告期內各利益相關方的期望與訴求及相關的溝通方式。

| Stakeholders 利益相關方 | Expectations and Requests 期望與訴求 | Communication Methods 溝通方式 | Frequency of Communication 溝通頻率 |
|--|---|---|--|
| Government and regulatory authority 政府與監管機構 | <ul style="list-style-type: none"> Compliance of operations Safety and environment protection Payment of taxes Promotion of local economy 合規經營 安全環保 繳納稅款 帶動當地經濟 | <ul style="list-style-type: none"> Information submission Conversation with regulatory authority 信息報送 監管機構對話 | <ul style="list-style-type: none"> Monthly Yearly 月度 年度 |
| Shareholder/Investor 股東／投資者 | <ul style="list-style-type: none"> Revenue and return Business development Compliance of operations ESG governance 收益回報 業務發展 合規經營 ESG治理 | <ul style="list-style-type: none"> Company announcement General Meeting Site visit Regular report 公司公告 股東大會 實地考察 定期報告 | <ul style="list-style-type: none"> Irregular Yearly/quarterly Irregular Yearly/quarterly 不定期 年度／季度 不定期 年度／季度 |
| Client (Property owner, tenant, property user, etc.) 客戶(業主、租戶、物業使用者等) | <ul style="list-style-type: none"> Quality of service and satisfaction of the property owner Communication with property owner/user Integration between business and local community development Compliance and legitimacy of operations 服務品質與業主滿意度 業主／使用者溝通 業務與當地社區發展融合 合法合規經營 | <ul style="list-style-type: none"> Telephone communication Joint meeting Annual meeting Appointed visit 電話溝通 聯席會議 年度會議 定期拜訪 | <ul style="list-style-type: none"> Irregular Yearly Yearly Irregular 不定期 年度 年度 不定期 |

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

環境、社會及管治報告

| Stakeholders 利益相關方 | Expectations and Requests 期望與訴求 | Communication Methods 溝通方式 | Frequency of Communication 溝通頻率 |
|-----------------------|--|---|---|
| Supplier 供應商 | <ul style="list-style-type: none"> • Lawful operation and quality standards • Fair and reasonable treatment of business partners • Compliance and legitimacy of operations • Quality of service and satisfaction of the property owner | <ul style="list-style-type: none"> • Conference with supplier • Online survey on opinions • Audit and assessment • Bidding activities | <ul style="list-style-type: none"> • Yearly • Irregular • Irregular • Irregular |
| Employee 員工 | <ul style="list-style-type: none"> • 供應商合法運營及品質標準 • 業務夥伴公平合理的待遇 • 合法合規運營 • 服務品質與業主滿意度 | <ul style="list-style-type: none"> • 供應商會議 • 網上意見調查 • 審核及評估 • 招投標活動 | <ul style="list-style-type: none"> • 年度 • 不定期 • 不定期 • 不定期 |
| Employee 員工 | <ul style="list-style-type: none"> • Employees' welfare and benefits • Staff safety and health • Legitimate recruitment and use of workforce • Staff training and education • Quality of service and satisfaction of the property owner | <ul style="list-style-type: none"> • Employee representative meeting • Company activities • Letter and visit • Suggestion box | <ul style="list-style-type: none"> • Yearly • Irregular • Irregular • Irregular |
| Community 社區 | <ul style="list-style-type: none"> • 員工待遇與福利 • 員工健康與安全 • 合法合規用工 • 員工培養與教育 • 服務品質與業主滿意度 | <ul style="list-style-type: none"> • 職工代表大會 • 公司活動 • 信訪 • 建議箱 | <ul style="list-style-type: none"> • 年度 • 不定期 • 不定期 • 不定期 |
| Community 社區 | <ul style="list-style-type: none"> • Community environment • Charity and public welfare • Community contributions • Compliance of operations | <ul style="list-style-type: none"> • Community communication meeting • Visit and investigation • Press release/ announcement | <ul style="list-style-type: none"> • Irregular • Irregular • Irregular |
| Community 社區 | <ul style="list-style-type: none"> • 社區環境 • 慈善公益 • 社區貢獻 • 合規運營 | <ul style="list-style-type: none"> • 社區溝通會 • 訪問與調查 • 新聞稿／公告 | <ul style="list-style-type: none"> • 不定期 • 不定期 • 不定期 |

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

環境、社會及管治報告

Materiality Assessment

Materiality assessment is an important reference for identifying the risks and opportunities of an enterprise and formulating business strategies and decisions. To ensure the full disclosure of ESG issues, the Company has further improved the evaluation method and determination process of materiality to respond to the expectations and requests of different stakeholders on the Company's fulfillment of social responsibilities.

The assessment process of the Company's materiality in 2020 includes the following three steps:

- Review and examination of materiality: we reviewed and examined the materiality issues identified in 2019 based on business operations, industry development trends, ESG related standards and guidelines and other information, and confirmed of the importance of ESG issues.
- Identification of potential ESG issues: Based on the Company's existing business, ESG reporting guidelines, and industry ESG management priorities, we selected potential ESG issues covering five areas, i.e. environment, employee, products and services, community, and governance.
- Response to materiality issues: we determined the disclosure focus of the report content according to the ranking of importance; analysed the key concerns of stakeholders and determined the ESG governance response strategy.

重要性議題評估

重要性議題評估是企業識別風險與機遇及制定經營策略和決策的重要參考。為確保全面地披露企業ESG相關議題，本公司進一步完善重要性議題評估方式與判定流程，以回應不同利益相關方對本公司履行社會責任的期望與訴求。

2020年度本公司的重要性議題評估過程包括以下三個步驟：

- 重要性議題回顧和審視：綜合業務運營現況、行業發展趨勢、ESG相關準則和指引等信息，對2019年度識別出的重要性議題進行了內部回顧和審視，並確認ESG議題的重要性。
- 識別潛在ESG議題：根據本公司現有業務，綜合ESG報告相關指引要求、行業ESG管理重點，選定涵蓋環境、員工、產品服務、社區及管治五個範疇的潛在ESG議題。
- 回應重要性議題：根據重要性排序確定報告內容的披露重點；分析利益相關方重點關注事項，確定ESG治理應對策略。

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

環境、社會及管治報告

During the reporting period, after the assessment and analysis process of the abovementioned materiality issues, the management of the Company confirmed that the following materiality issues were still applicable during the reporting period. As the focus of disclosure in this report, it also provides important basis for the Company's continuous improvement of the management system and sustainable development direction:

報告期內，經過上述重要性議題評估分析過程，本公司管理層確認以下重要性議題於報告期內仍適用，作為本報告的披露重點，亦為本公司持續完善管理制度體系和可持續發展方向提供重要依據：

| Environment 環境 | Employee 員工 | Product service 產品服務 | Community 社區 | Governance 管治 |
|---|--|---|---|---|
| <ul style="list-style-type: none"> Use of raw materials and its impact 原材料使用及影響 Waste treatment and emission reduction 廢棄物處理與減排 Water resources consumption and water preservation 水資源消耗與節水 | <ul style="list-style-type: none"> Employees' welfare and benefits 員工待遇與福利 Staff safety and health 員工健康與安全 Staff training and development 員工培訓與發展 Legitimate recruitment and use of workforce 合法合規用工 | <ul style="list-style-type: none"> Protection of users' property, health and safety 保障使用者的財產、健康與安全 Quality of service and satisfaction of the property owner 服務品質與業主滿意度 Equipment reliability 設備可靠性 | <ul style="list-style-type: none"> Communication with property owner/user 業主/使用者溝通 Integration between business and local community development 業務與當地社區發展融合 | <ul style="list-style-type: none"> Compliance and legitimacy of operations 合法合規運營 Lawful operation and quality standards 供應商合法運營及品質標準 Standardized management 標準化管理 |

COMPLIANCE WITH LAWS AND REGULATIONS, WIN-WIN COOPERATION

Major Honors

The major honors received by the Company during the reporting period are as follows:

- Platinum membership of Building Owners and Managers Association (BOMA)
- 2020 Top 100 Property Service Enterprises in terms of Comprehensive Strength of Shanghai
- 2020 Integrity Enterprise of Shanghai Property Management Industry
- Commendations at the 25th anniversary of Shanghai Property Management Industry Association — Best Guardian Award
- 國際建築與管理者協會白金會員(BOMA)
- 2020年上海市物業服務綜合百強企業
- 2020年上海市物業管理行業誠信承諾企業
- 上海市物業管理行業協會25周年系列表彰 — 最佳守護獎

依法合規，合作共贏

主要榮譽

於報告期內，本公司獲得的主要榮譽如下：

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

環境、社會及管治報告

Compliance Operation

Riverine China has been abiding by the business ethics standards as well as honesty, legal compliance, integrity and self-discipline. It strictly complies with the code provisions of the Corporate Governance Code as set out in Appendix 14 of the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited and has formed a top-down policy and operation atmosphere with the orientation of anti-embezzlement, anti-corruption and anti-fraud. We require employees to have a high level of awareness of anti-corruption practices and are committed to maintaining openness and accountability within the scope of the Company's operations.

The Company is strictly complied with the "Criminal Law of the People's Republic of China", the "Anti-Money Laundering Law of the People's Republic of China", the "Anti-Unfair Competition Law of the People's Republic of China" and other relevant laws and regulations. The Company has set up the Discipline Inspection and Supervision Department to manage the related work of fighting corruption and promoting integrity. The Company has formulated the Measures for the Assessment of Integrity and Self-discipline (《廉潔自律指標考核辦法》) in accordance with relevant laws and regulations, in which the prohibited items are listed in detail and corresponding penalties are set up. We require the Company's management personnel to sign the "Letter of Commitment on Personal Integrity and Self-discipline" (《個人廉潔自律承諾書》) every year, and have designed and released "zero tolerance" posters and opened an audit and supervision hotline to strengthen the construction of corporate culture of anti-corruption and integrity. In addition, we have integrity and self-discipline clauses in our contracts with suppliers and contractors, requiring them to abide by the laws and be strictly disciplined in their work.

合規經營

浦江中國秉持最高的商業道德標準，秉持誠實守信、合法合規、廉政自律，嚴格遵守香港聯合交易所有限公司《上市規則》附錄十四所載之《企業管治守則》內的守則條文，形成自上而下的反舞弊、反貪污、反欺詐政策導向和經營氛圍。我們要求員工對反貪污實務有高度的認知，並致力於在本公司營運範圍內維持公開性及問責性。

本公司嚴格遵守《中華人民共和國刑法》、《中華人民共和國反洗錢法》、《中華人民共和國反不正當競爭法》等相關法律法規，並且設立紀檢監察部管理反腐倡廉相關工作。本公司依據相關法律法規制定了《廉潔自律指標考核辦法》，當中詳細列舉違禁事項和相應處罰。我們要求本公司管理層人員每年簽署《個人廉潔自律責任書》，設計、發佈「零容忍」海報並開通審計監察熱線，加強企業內部反腐倡廉的文化建設。除此之外，我們在與供應商及承包商合作項目的合同中均設有廉潔自律相關條款，要求各方在工作中亦做到遵紀守法、嚴以律己。

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

環境、社會及管治報告

Besides, in daily operation, we strictly require our employees to be honest in performing official duties and not to abuse power for personal interests. Once a violation is found, the employee can report it through the hotline or email address set up by the Company. The Company will conduct an investigation on the reported case. In the event of a criminal case, it will be submitted to the judicial body after the approval by the board of directors; otherwise, the case will be jointly handled by relevant functions and we will seriously investigate and rectify illegal conducts. The Company keeps highly confidential the identity of the reporter and the reported issues, and strictly limits the scope of knowledge of the investigation.

During the reporting period, the Company received no corruption proceedings against the Company or any of its employees.

Supply Chain Management

Suppliers are one of the important stakeholders in the Company's sustainable development process, and also a guarantee of our quality services. Supplier management is an important part of the Company's business development. The Company takes fair and equitable cooperation attitude and implements a standardized operation model of integrated planning, bidding and procurement to standardize bidding and business cooperation process; and actively communicates with suppliers to establish good cooperative relations. We also attach importance to the environmental and social performance of suppliers, prevent and combat unfair competition, prevent potential corruption and fraud in the supply chain, enhance communication with suppliers, and maintain fair and just cooperation.

The Company has formulated policies including the "Regulations on the Evaluation and Management of Material Procurement Suppliers", which clearly regulates the procurement process of the supply chain, admittance criterion, evaluation and hierarchical management of suppliers, etc. Meanwhile, it effectively manages potential risks in the supply chain, and implements supplier screening and performance evaluation system, to improve service quality. During the reporting period, the Company had a total of 1,027 suppliers.

此外，我們在日常運營中嚴格要求員工廉潔奉公，不得濫用職權或職務以謀取個人利益。一旦發現違反情況，員工可通過本公司設立的專線電話或電子郵箱進行舉報。本公司將對舉報個案進行調查，如有涉及犯罪的案件，經董事會批准後將呈送司法機關處理；對於不涉及犯罪的案件則聯合相關職能部門處理，嚴肅查處與糾正違法違紀行為。本公司對舉報人的身份及舉報事項實施高度保密，嚴格限制調查環節的知情範圍。

報告期內，本公司未收到任何針對本公司或旗下僱員提出的貪污腐敗訴訟案件。

供應鏈管理

供應商是本公司可持續發展過程中的重要利益相關方之一，亦是我們得以提供優質服務的源頭保障。而供應商管理是本公司業務發展中的重要一環。本公司秉持公平公正的合作態度進行供應商管理，通過統一規劃、統一招標、統一採購的標準化運營模式，規範招標及商業合作流程，並持續與供應商溝通，建立良好的合作關係。我們同樣重視供應商的環境與社會表現，預防和打擊不正當競爭，嚴防供應鏈中潛在貪污舞弊事件的發生，同時通過增進與供應商之間的溝通，維持公平公正的合作關係。

本公司制定了《物資採購供方評定管理規定》等政策，對供應鏈的採購流程、供應商准入標準、評價、分級管理等方面做出明確規範，同時對供應鏈潛在風險進行有效管理，實施供應商篩選和績效考評制度，提升服務質量。於報告期內，本公司共有1,027家供應商。

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

環境、社會及管治報告

Number of major suppliers by geographical region in 2020 2020年度按地區劃分的主要供應商數目

| Region | 地區 | Number of suppliers 供應商數目 |
|--|------|------------------------------|
| Shanghai | 上海市 | 861 |
| Beijing | 北京市 | 30 |
| Tianjin | 天津市 | 60 |
| Anhui Province | 安徽省 | 10 |
| Hubei Province | 湖北省 | 53 |
| Henan Province | 河南省 | 4 |
| Jiangsu Province and Zhejiang Province | 江浙地區 | 8 |
| Fujian Province | 福建省 | 1 |

Service Procurement

The Company has formulated the “Review Procedures for Service Procurement Contract (《服務採購合同評審規程》)”, the “Management Measures on the Evaluation of Party for Material Procurement (《物資採購供方評定管理辦法》)” and the “Management Measures on the Evaluation of Party for Labor and Technical Procurement (《勞務、技術採購供方評定管理辦法》)”, to strictly standardize the selection criteria and audit process of new suppliers. We adopt standardized management for bidding process, and strive to be fair and equitable. In the implementation of procurement, we give priority to the material, labor, service and technical suppliers with the qualifications of ISO 9001 (Quality Management Systems), ISO 14001 (Environmental Management System) and OHSAS18001 (Occupational Health and Safety Management System), and adopt different selection criteria according to the type of industry in which a supplier operates and policies that meet environmental and social risk management requirements.

服務採購

本公司制定了《服務採購合同評審規程》、《物資採購供方評定管理規定》、《勞務、技術採購供方評定管理辦法》等管理辦法，嚴格規範新供應商的甄選標準與審核流程。本公司對招標流程實施標準化管理，力求公平公正，於採購環節優先選擇已獲得ISO 9001(質量管理體系)、ISO 14001(環境管理體系)和OHSAS18001(職業健康安全管理体系)認證的物資、勞務、服務及技術供應商，並根據供應商行業性質推行不同的選擇基準及符合環境及社會風險管理要求的政策。

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

環境、社會及管治報告

To ensure the quality of service procurement, we continuously optimize the procurement process and strengthen the management for supplier. Procurement personnel searches for business related suppliers through professional market surveys, trade fairs, etc. We carry out supplier review work in accordance with the quality, delivery date, price, labor standards, occupational health and safety and professional ethics, etc. of suppliers, and have prepared the “List of Qualified Service Providers” (《合格服務供方名錄》) and listed qualified suppliers in the supplier database based on review results. We divide the qualified suppliers into three levels, i.e. Level A, Level B and Level C, according to evaluation results from the highest to the lowest, and have developed the corresponding procedures for drawing up and examining and approving contracts, respectively. In addition, we regularly eliminate unqualified suppliers, establish a long-term and stable cooperative relationship with excellent suppliers, and promote efficient management process.

為確保服務採購質量，我們持續優化物品採購流程，不斷完善供應商管理。採購人員通過專業市場調查、產品展銷會等方法尋找與業務相關的供應商。我們綜合供應商的質量、交付期限、價格、勞工標準、職業健康和安全和職業道德等表現，開展供應商評審工作，編製《合格服務供方名錄》，並且根據評審結果，將合格供應商列入供應商數據庫中。我們將合格供應商按照評估結果從高到低分為A、B、C三個級別，並分別制定了相應的合同擬定、審批流程。此外，我們會定期剔除不符合要求的供應商，而與優秀供應商建立長期穩定的合作關係，加強高效管理流程。

Supplier Level 供應商級別

| Level A A 級 | Level B B 級 | Level C C 級 |
|--|--|---|
| <ul style="list-style-type: none">To further develop partnership with the suppliers. When entering a new labour services contract, management office should preferentially select the suppliers from those with Level A.進一步發展與該供應商的合作關係，管理處在簽訂新勞務服務合同應從 A 類供應商中優先選擇 | <ul style="list-style-type: none">To maintain the existing partnership, namely renewal of the contract when it is expired.保持現有的合作關係，即合同到期續簽 | <ul style="list-style-type: none">To gradually reduce cooperation with the supplier. In principle, contract will not be renewed when it is expired.逐步減少與該供方的合作，原則上合同到期不再續簽 |

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

環境、社會及管治報告

Service Supervision

We continue to track and monitor the service level of suppliers to ensure that the service quality meets the Company's requirements. We conduct unified management of suppliers, and the relevant departments shall inspect suppliers on a sampling basis from time to time, supervise the work quality of suppliers according to the contract requirements, and report the "Monthly Return of Project Management" every month to ensure service quality of the service suppliers meets the terms agreed with the Company. In addition, we also regularly organize supplier exchange meetings, mutual visits and relevant trainings, including experience sharing, safety education, environmental compliance and emergency response, etc., to commend outstanding suppliers. Supplier management department arranges interviews with the suppliers with unsatisfactory performance to analyse the reasons, formulate and supervise the implementation of the rectification plan so as to help the suppliers to enhance the overall management standard.

STRICT MANAGEMENT, BEST SERVICE

Quality Management

In order to allow owners to enjoy high-quality and considerate property management services, Riverine China has established a quality management system since 2004, striving to continuously improve the Company's service quality. Over the years, the Company has continued to optimize our service quality control system and has obtained the authentication of the National Standard and International Quality Management System GB/T 19001-2016/ISO 9001:2015 "Quality Management System Requirements".

服務監管

我們持續追蹤、監測各供應商的服務水平，以確保服務質量達到本公司的要求。我們對供應商進行統一管理，並由相關部門按照合同要求進行不定期抽查，對供應商的工作質量實施監管，並於每月上報《項目管理月報表》，確保服務供應商的服務質量符合與本公司的約定。此外，我們定期和供應商開展交流會、互訪活動及相關培訓，包括經驗分享、安全教育、環保合規及突發應急等領域，表彰優秀供應商。對於表現欠佳的供應商，透過供應商管理部安排訪談分析原因，制定並督促落實整改方案，促進供應商提升整體管理水平。

嚴格管理，臻至服務

品質管理

為了讓業主享受優質貼心的物業管理服務，浦江中國於2004年起便建立了質量管理體系，力求持續提升本公司的服務質量。本公司多年來一直持續優化我們的服務品質管理體系，並取得了國家標準和國際質量管理體系GB/T 19001-2016/ISO 9001:2015《質量管理體系要求》的認證。

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

環境、社會及管治報告

The Company strictly abides by the “Network Security Law of the People’s Republic of China (《中華人民共和國網絡安全法》)”, The “Advertising Law of the People’s Republic of China (《中華人民共和國廣告法》)”, the “Property Management Regulations (《物業管理條例》)” and other laws and regulations related to the health and safety of services provided, advertising, labelling and privacy as well as remedies, and has formulated and implemented the “Management Manual”, the “Management Manual on Service Outsourcing”, the “Property Inspection Manual” and guidelines on implementation of specific issues such as the “Risk Control and Management Procedures” and the “Non-conformity Management Procedures” aiming to provide standards of management, review and evaluation in the course of operations. The Company regularly reviews, rationalizes and revises internal regulatory documents, and continuously updates the quality control specifications in many aspects including risk control, surveillance and measurement control, internal audit and error correction. The Company formulated detailed operation instructions according to the characteristics of the project, and strengthens the concept of quality training through employee training to promote the improvement of quality management level continuously.

In terms of owner information and privacy protection management, the Company strictly complies with the relevant regulations of the “Cybersecurity Law of the People’s Republic of China” on information security and privacy protection, established the customer information management system specification and detailed rules for the implementation, clarified the department responsibilities of information system safe operation, and standardized the specific work of information system such as permission management, emergency handling, computer room management, data backup and recovery, ensuring the safe and stable operation of the information system. We carry out special training for employees who need to access customer information, and require them to comply with responsibilities of public safety. Before seeking approval from the property owners, any trespass of visitors will be prohibited. We never expose the family and financial situation, address, phone number and other customer information of the property owners to anyone, strictly protecting customer privacy security.

本公司嚴格遵守《中華人民共和國網絡安全法》、《中華人民共和國廣告法》、《物業管理條例》等有關提供服務的健康與安全、廣告、標籤及私隱事宜以及補救方法的法律法規，並且制定和執行《管理手冊》、《服務外包管理手冊》、《物業檢查手冊》等制度守則和《風險控制管理程序》、《不合格管理程序》等物業質量管理的相關指引，為運營過程中的管理、審查和評價釐定標準。本公司定期對內部規範性文件進行重新審核、梳理和修訂，不斷更新關於風險控制、監視和測量控制、內審及糾錯等多方面的質量控制規範；根據項目特點，制定出詳細作業指導書，並通過員工培訓，強化質量培訓理念，持續推進質量管理水平的提升。

對於業主信息和私隱保護管理事宜，本公司嚴格遵守《中華人民共和國網絡安全法》等法律法規中關於信息安全與隱私保護的相關規定，建立了客戶信息管理制度規範與實施細則，明確信息系統安全運行的部門職責，規範信息系統的權限管理、突發事故處理、機房管理、數據備份及恢復等具體工作，以保障信息系統的安全穩定運行。我們對需要接觸客戶信息的員工開展專項培訓，要求員工遵守治安職責，在未徵得業主的同意之前，禁止來訪者擅自進入；不向任何人透露業主家庭及財產情況、地址及電話號碼等隱私信息，嚴格保障客戶的私隱安全。

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

環境、社會及管治報告

As for advertising, the Company strictly abides by the laws and regulations including the “Advertising Law of the People’s Republic of China” as well as the code of practice in the industry. The legitimacy, authenticity, scientificity and accuracy of the publicly released information are strictly evaluated. Publication of deceptive and misleading marketing information and materials is strictly prohibited to effectively protect the legitimate rights and interests of customers.

Customer Communication and Service

Riverine China is committed to providing customers with a good service experience and maintains good relationships with customers in a variety of ways. On the basis of strictly implementing industry standards, the Company has revised a series of guidance documents to improve customer experience, such as the “Standard on Repair Services” (《保修服務標準》) and the “Basic Manners for Conferencing Services” (《會務服務基本禮儀》), so as to improve service quality and satisfy customer’s service experience.

The Company proactively communicates with customers, keeps in touch with customers during and after the service, to actively obtain feedback from customers (including owners) including their evaluations and opinions on us, and makes timely adjustments to the service content based on customer opinions. Our channels for communication with customers are comprised of two parts: communication between senior leaders of the property companies and representatives of the property owners; and communication between management office of the property projects and responsible parties of the property owners. The former is made mainly taking into account of overall services, while the latter is made mainly taking into account of the improvement of service quantity and service standard of the projects. Through combination of these two communication channels, we adopt different communication frequency and communication methods respectively, so as to effectively optimize communication with customers.

對於廣告宣傳事宜，本公司嚴格遵守《中華人民共和國廣告法》等法律法規與行業規範，對公開發佈信息的合法性、真實性、科學性與準確性進行嚴格評估，嚴格禁止發佈任何含欺騙及誤導性的宣傳信息及材料，切實保障客戶的合法權益。

客戶溝通及服務

浦江中國始終致力為客戶提供良好的服務體驗，通過多種方式維護與客戶之間的良好關係。本公司在嚴格執行行業標準的同時，修訂了《報修服務標準》、《會務服務基本禮儀》等一系列提升客戶體驗的指引，以提升服務品質，同時滿足客戶的服務體驗。

本公司積極與客戶溝通，在服務過程中和服務後均與客戶保持聯繫，積極獲取客戶(包括業主)對我們的評價和意見等反饋，並及時根據客戶意見對服務內容作出調整。我們與客戶的溝通渠道分為兩方面：物業公司高層領導與業主代表間的溝通、物業項目管理處與業主方相關負責人間的溝通。前者主要是從整體服務出發，而後者主要以提升項目服務質量和服務水平為著眼點。我們透過採用兩種溝通渠道，以及不同的溝通頻次和溝通方式，切實提高與客戶的溝通水平。

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

環境、社會及管治報告

The table below shows the main channels through which the Company communicates with its customers during the reporting period: 以下展示了本公司於報告期內與客戶溝通的主要渠道：

| Type of meeting 會議類型 | Agenda of meeting 會議主要內容 | Frequency of meeting 會議頻次 | Participants 與會方 |
|--|--|---|--|
| Annual meeting 年度會議 | Annual work summary for property services, work plan for next year 物業服務年度工作總結； 下年度工作計劃 | Once a year, generally in December every year 每年一次，一般在每年的12月 | Leaders of the property owners, companies, project managers 業主方領導、物業公司領導、項目經理 |
| Monthly meeting 月度會議 | Monthly work report for property services, work plan for next month 物業服務月度工作匯報； 下月工作計劃 | Once a month, generally convene at the end of the month 每月一次，一般在月末召開 | Department leaders of property owners, project managers, each division manager of the projects 業主方部門領導、項目經理、項目各條線經理 |
| Special meeting 專題會議 | Special or sudden events occurred in property services are the core issues of the meeting 物業服務中特殊或突發事件為會議核心 | Convene irregularly 不定期召開 | Department leaders of property owners, project managers, each division manager of the projects 業主方部門領導、項目經理、項目各條線經理 |
| Satisfaction survey 滿意度問卷 | Service quality satisfaction; service improvement recommendations 服務質量滿意度；服務提升建議 | Once a quarter, generally convene at the end of the quarter 每季度一次，一般在季度末 | Department leaders of property owners, project managers, each division manager of the projects 業主方部門領導、項目經理、項目各條線經理 |
| Immediate communication 即時溝通 | Various types of events occurred in property services 物業服務中的各類事件 | Anytime and anywhere 可隨時召開 | Relevant personnel 相關工作人員 |

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

環境、社會及管治報告

In order to comprehensively understand the customer satisfaction evaluation of the Company's service quality and understand the demands, advice and suggestions of the targets of service, we have been continuously carrying out the third-party customer satisfaction evaluation work. During the reporting period, we entrusted the Customer Evaluation Center-An Affiliate of SAQ to carry out an evaluation work. Based on the GT/T19038:2009 "Guidelines for Customer Satisfaction Evaluation Model and Method" General Model, we have applied SMART criteria (which stands for specific, measurable, attainable, relevant and timely) to collect opinions on the specific indicators of the Company's service reception, equipment and facilities management, security services, cleaning services and maintenance services through three methods, which are home-visit, on-site intercepts, and on-site inspections.

A total of 89 assessment points were covered and 660 valid samples were collected. The results show that the customer satisfaction on Riverine China Holdings Limited in 2020 was 93.50 points, which was higher than the 93.08 points for 2019. Through the evaluation results, we fully understand the customer's satisfaction with service quality and what needs to be improved, and collect feedback and suggestions from interviewees to continuously improve service quality.

Customer feedback is the driving force for our continuous improvement. We handle customers' complaints and opinions according to related provisions of the "Measures for the Management of Complaints (《投訴管理辦法》)" and the "Procedures for Control of Non-conformity (《不合格控制程序》)" in a timely manner. In particular, the "Measures for the Management of Complaints (《投訴管理辦法》)" has specified the responsible department and detailed procedures in handling customers' complaints, and established a handling scheme which includes the first-complaint responsibility system, signature and circulation system, customer acceptance system and follow-up and return visit system.

為了全面瞭解客戶對本公司服務質量的滿意度評價，以及服務對象的需求、意見和建議，我們持續開展第三方客戶滿意度測評工作。報告期內，我們委託上海市質協用戶評價中心開展測評工作。該調查基於GT/T19038:2009《顧客滿意測評模型及方法指南》通用模型，應用SMART原則(明確的、可衡量的、可達到的、合適的、有時效性的)，通過單位面訪、現場攔截和現場檢測三種方式，對本公司服務接待、設備設施管理、保安服務、保潔服務和維修服務五個方面的具體指標展開意見收集。

本次測評共覆蓋了89個測評點位，完成了660份有效樣本的回收。結果顯示，2020年度浦江中國的顧客滿意度為93.50分，較2019年度的93.08分有所提升。通過測評結果，我們對客戶就服務質量的滿意度以及需要改進之處等方面有了全面瞭解，並收集到受訪者反饋的意見和建議，從而促使我們持續完善服務質量。

客戶的反饋是我們不斷進步的動力。我們按照《投訴管理辦法》、《不合格控制程序》的相關規定即時處理客戶的投訴和意見。其中《投訴管理辦法》明確處理客戶投訴的負責單位和詳細步驟，建立以首訴責任制、簽署流轉制、客戶認可制、跟蹤回訪制為核心的處理方案。

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

環境、社會及管治報告

First-complaint responsibility system:

- The person who received a complaint from a customer will be the first recipient of the complaint, who is responsible for delivering and passing on the complaint to relevant departments. The first recipient cannot put off or give up its responsibilities during the course. It shall sign on the Complaint Handling Circulation List as the first responsible person, and undertake all the responsibility to receive further questions from the complainant and inform it of the final results.

Signature and circulation system:

- For every customer's complaint, every circulated handling procedure shall be recorded in writing to ensure that every complaint case is well-documented.

Customer acceptance system:

- In respect of handling a complaint, completion of handling complaint is not dependent upon the adoption of measures. Instead, such completion of handling complaint culminates in the satisfaction of the complainant who is informed of the results of the complaint.

Follow-up and return visit system:

- After completion of every complaint, property management department shall make a follow-up confirmation with the complainant via phone conversation. For more severe complaints, it shall make a return visit the complainants in person, and continue to handle the complaints if there are still problems pending to be handled until the customers are satisfied with the results.

首訴責任制：

- 接到客戶投訴者作為該投訴的第一受理人，負責將投訴傳遞、轉告給有關部門，不得推脫不管、半途而廢。同時需在投訴處理流轉單上以第一責任人簽字，並負有接受投訴人追問及向其告知最終結果的責任。

簽署流轉制：

- 凡是顧客投訴，流轉各個處理環節的過程均需要以書面形式記錄下來，以確保每個投訴都有案可查。

客戶認可制：

- 對投訴的處理，不能以是否已採取措施作為處理完畢的依據，而必須以投訴人最後感到滿意作為完成的標誌。

跟蹤回訪制：

- 每一個投訴處理完畢後，物業管理部都均須通過電話形式向投訴人做跟蹤確認。對於較嚴重的投訴必須登門回訪，如有問題繼續處理，直至顧客滿意為止。

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

環境、社會及管治報告

The Company has a quality risk control department to manage the preparation, modification, review and release of complaint documents. After the complaint is received, it will be transferred to the relevant business department for acceptance and then processed by the corresponding project personnel. After preliminary verification, investigation and analysis, providing solutions and customer visits, the project personnel will feedback the processing results to the business department. After verification by the business department, the quality risk control department will verify the results, and form the Customer Complaint Record Form, which is convenient for tracking, recording and feedback of complaints.

Innovation and R&D

With the progress of the times and the development of the industry, scientific innovation and informatization applications are becoming more and more important for the development of enterprises. Therefore, Riverine China has proactively conducted research and development, as well as application of digital and integrated technologies, in order to provide high-quality and efficient services for customers. We have particularly established Shanghai Jie Gu, which devotes a huge amount of resources on research and development of “Dynamic Building Matrix” (“DBM”) system, overall digitalization of building, and organic integration of the contents such as equipment, energy, personnel, supervision and environment by way of deployment of visualization and Internet of Things (IoT).

本公司已設有質量風控部，負責管理投訴文件的編製、修改、審核及發佈。當接獲投訴，該投訴會被轉至相關業務部門進行受理，由對應項目人員處理。經過初步核實、調查分析、給予解決措施、回訪客戶等步驟，項目人員將處理結果反饋至業務部門，通過業務部門核實後，再由質量風控部進行結果認證，形成《顧客投訴記錄表》，便於對投訴事項進行跟蹤、記錄及反饋。

創新和研發

隨著時代的進步以及行業的發展，科學創新、信息化應用對於企業的發展而言愈發重要。因此，浦江中國積極研發數字和智能一體化等技術以及其管理應用，為客戶提供高質量和高效率的服務。本公司特別成立了上海介谷，投入大量資源研發「動態物業模型」(「DBM」)，將樓宇全數字化、智能化，並通過可視化和物聯網(IoT)部署的方式將設備、能源、人員、監控、環境等內容結合。

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

環境、社會及管治報告

The DBM system is composed of a “Three-tools-One-platform” structure, which stands for mission management tool, assets management tool, tenants management tool and data presentation platform respectively, in order to build into an intelligent, ecological and digital integrated management system. The specific functions are as follows:

DBM系統由「三工具一平台」的架構組成，即任務管理工具、資產管理工具、租戶管理工具以及數據展現平台，旨在打造智能化、生態化、電子化的綜合管理系統。具體作用如下：

| Name 名稱 | Function 作用 |
|--------------------------------------|--|
| Mission management tool 任務管理工具 | Optimizing inspections, managing repair plans in advance, managing work order electronically, conducting detailed data statistics 巡視工作優化、維修計劃預先管理、工單電子化管理、詳細數據統計 |
| Assets management tool 資產管理工具 | Comprehensive equipment information, equipment warning, real-time examination of equipment's situation, automatic formation of maintenance work order 全面設備信息、設備報警、實時查看設備狀況、自動形成維修工單 |
| Tenants management tool 租戶管理工具 | Recording information of tenants, mobile payment, repair transparency, enhancing user stickiness 記錄租戶信息、移動繳費、報修透明化、提高用戶粘度 |
| Data presentation platform 數據展現平台 | Presentation of visualization, statistical analysis by themes, linkage of information state, viewing on various platforms 可視化展現、按主題統計分析、信息狀態聯動、多平台查看 |

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

環境、社會及管治報告

In order to continuously optimize the efficiency and innovation of engineering services, the Company has independently developed the Platform of Operation and Maintenance System of Equipment and Facility (POMS), which quantifies the process and results of the operation and maintenance of engineering facilities. The platform utilizes technologies including AI, IoT, cloud computing and big data, relies on the Company's operational experience of offline engineering facilities services as the means and combines intelligent facilities management platform tools with innovative and efficient operational teams to provide customers with continuous, stable and efficient intelligent services. POMS covers all aspects of on-site operation and maintenance work, and realizes the digital management of six major tasks of daily operation, corrective maintenance, preventive maintenance, safety and protection, energy management, construction and supervision, and establishes a sound operation and maintenance system.

Riverine China further strengthens the transformation and upgrading of traditional property management to modern property services. We continue to optimize the enterprise innovation process, improve the Company's innovation culture atmosphere, and create quality service experience for our customers. We constantly encourage innovative research and development from our employees, and we have built a knowledge base (information-knowledge list) that aggregates experience from internal sources (e.g., relevant experience of intellectual property; knowledge gained from failures and successful project experiences) and external sources (e.g., industry standards; academic exchanges; professional meetings, opinions from the customers or external suppliers), and extracted specified knowledge sharing for employees to learn from and reference. Meanwhile, we properly manage the pooled knowledge base (including intellectual property) to ensure that our intellectual property rights are not infringed.

為了持續優化工程服務的高效與創新，本公司自主研發了設備設施運維平台(POMS)，對工程設施運營維護的過程和結果進行量化。該平台利用AI、IoT、雲計算及大數據等技術，依託本公司線下工程設施運維經驗的服務為載體，結合智慧設施管理平台工具和創新高效的運營團隊，為客戶提供持續、穩定與高效的智慧化服務。POMS涵蓋現場運維工作的各個方面，實現了日常運行、糾正性維修、預防性保養、安全與防護、能源管理、施工與監管六大工作的數字化管理，建立了完善的運維體系。

浦江中國進一步加強傳統物業管理向現代物業服務的轉型升級。我們持續優化企業創新流程，提升企業創新文化氛圍，為客戶打造優質服務體驗。我們不斷鼓勵員工創新研發，並建立知識庫(信息—知識清單)，匯總來自內部(例如知識產權相關經驗、從失敗和成功項目經歷獲得的知識經驗)和外部(例如行業標準、學術交流、專業會議、顧客或外部供方意見)的經驗並提取特定知識共享，以供員工借鑒和參考。同時，我們對匯集的包括知識產權在內的知識庫採取妥善管理，確保自身知識產權不受侵害。

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

環境、社會及管治報告

UNITY FOR JOINT PROGRESS, SHARING DEVELOPMENT

Employment Management

In order to establish a reasonable and fair talent selection and appointment mechanism, the Company strictly abides by relevant laws and regulations including 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 People's Republic of China (《中華人民共和國勞動合同法》) and the Implementing Regulations of the PRC Employment Contracts Law (《中華人民共和國勞動合同法實施條例》). In addition, we have prepared the "Employee Handbook (員工手冊)", which regulates related systems for recruitment, compensation, dismissal, promotion, performance appraisal, working hours, holidays, equal opportunity, diversity, anti-discrimination and other welfare system; and, we adopt the "fair, just and open" model of recruiting outstanding talents who fulfill our requirements so as to supply the Company with new blood. The Company also strictly abides by the Law of the People's Republic of China on the Protection of Minors (《中華人民共和國未成年人保護法》) and Provisions of Prohibition of Child Labor (《禁止使用童工規定》) and other relevant laws and regulations, and resolutely eliminate the use of child labor and all forms of forced labor. The Company's recruitment system automatically filters all applicants under the age of 16, and verifies the valid identification documents of the applicants in the employee recruitment, entry examination and approval, entry registration and other links to ensure the authenticity of their information. During the reporting period, there were no cases of violation of any laws and regulations on employment or child labor or forced labor in the Company.

團結共進，共享發展

僱傭管理

為了建立合理及公平的人才選拔與任用機制，本公司嚴格遵守相關的法律法規，包括《中華人民共和國勞動法》、《中華人民共和國勞動合同法》、《中華人民共和國勞動合同法實施條例》等。同時我們制定《員工手冊》，規範了包括招聘、補償、解僱、晉升、績效考核、工作時數、假期、機會均等、多元化、反歧視和其他福利方面的相關制度，同時採取「公平、公正、公開」的模式，吸引符合要求的優秀人才，為本公司補充新鮮血液。本公司亦嚴格遵守《中華人民共和國未成年人保護法》和《禁止使用童工規定》等相關法律法規，堅決杜絕使用童工及一切形式的強制勞工。本公司的招聘系統自動過濾所有年齡不足16周歲的應聘者，並在員工招聘、入職審批、入職報到等環節審核應聘者的有效身份證件，確保其資料的真實性。本報告期內，本公司並未接獲任何違反僱傭相關法律法規的案例，亦未發生僱傭童工或強制勞工事件。

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

環境、社會及管治報告

We advocate diversity and provide equal job opportunities, and do not discriminate on the basis of race, gender, age, religion, ethnicity and other factors. Based on the principle of “Priority to Internal Recruitment, Open Recruitment, Fair Competition and Merit-based Selection”, we have formulated and implemented the Recruitment Management Regulations (《招聘管理規定》), which clearly defines the principles, standards and procedures of recruitment and allocation of personnel. The Company has entered into a labor contract with each employee and strictly enforced the terms of the contract to maintain good labor relations. We also comply with regulations including the Law on the Protection of Women’s Rights and Interests of the People’s Republic of China (《中華人民共和國婦女權益保障法》) to take reasonable protection for female employees to fulfill their needs for rights and interests.

The Company is committed to providing competitive compensation and benefits for employees. We have formulated the “Corporate Title, Rank and Grade Table (《公司職位序列等級表》)” and our “Salary Grade Standard (《薪資等級標準》)”, which has detailed regulations on compensation standards and promotion standards, and made annual salary adjustment according to the relevant national policies, enterprise operating conditions and individual performance. The Company encourages staff at all levels to be diligent and perform their duties, and strive to create a work environment of more pay for more work for employees, and hope that employees can actively leverage on their expertise and skills to increase their income. The Company has established a “part-time allowance” for the escrow project, which is issued according to relevant standards during the escrow project.

我們倡導多元化並提供平等的工作機會，不因種族、性別、年齡、宗教、民族等因素差別對待。以「先內後外、公開平等、競爭擇優」為原則，我們制定並執行《招聘管理規定》，其中明確人員招聘與配置的原則、標準及流程。本公司與每位員工簽訂勞工合約，並嚴格履行合約條款，以維持良好的勞資關係。本公司同時遵守《中華人民共和國婦女權益保障法》當中的相關規定，對女性員工採取合理保護以滿足其權益需求。

本公司致力於為員工提供具有競爭力的薪酬及待遇。我們制定《公司職位序列等級表》和《薪資等級標準》，對薪酬標準及晉升標準做出詳細規定，且每年根據國家相關政策、企業經營狀況及個人業績進行薪金調整。本公司鼓勵各級人員勤勉盡職，務求為員工建立一個多勞多得的工作環境，希望員工積極發揮專長與技能以提高收入，並設立了代管項目的「兼項津貼」，於代管項目期間按相關標準發放。

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

環境、社會及管治報告

In terms of holiday benefits, according to the practical situation, we have formulated the Guidelines Related to Holidays on the basis of the regulations on holidays such as the Provisions of the State Council on Working Hours of Workers and Staff (《國務院關於職工工作時間的規定》). In addition to statutory holidays, the employees also can enjoy paid leave including annual leave, sick leave, maternity leave, marriage leave and bereavement leave. In addition, the Company purchases commercial insurance including group medical insurance and employer liability insurance for qualified employees, and provides regular health check for employees, including extra special check for female employees, to provide comprehensive protection for employees.

假期福利方面，我們根據《國務院關於職工工作時間的規定》的規定，結合實際情況制定了《關於假期指導性文件》，除法定節假日外，員工亦可享受年假、病假、產假、婚假、喪假等帶薪假期。此外，本公司為符合要求的員工購買團體醫療險、僱主責任險等商業保險，定期為員工提供健康檢查，包括為女性員工額外提供專項檢查，為員工的健康提供全面保障。

Number of employees in 2020¹

2020年度僱員數目列表¹

| | |
|---------------------------|-------|
| Total number of employees | 4,432 |
| 總僱員人數 | 4,432 |

By type of employment

按僱傭類型劃分

| | |
|-----------|-------|
| Full time | 4,412 |
| 全職 | 4,412 |
| Part time | 20 |
| 兼職 | 20 |

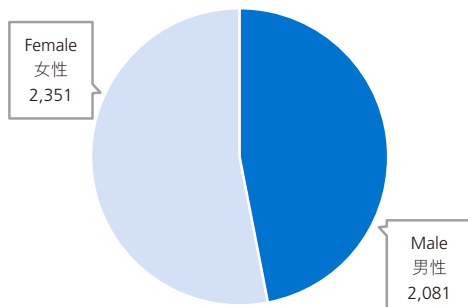
¹ During the reporting period, the scope of employee data statistics has been expanded, and includes the Company and Hong Xin

¹ 報告期內僱員數據統計範圍有所擴大，數據統計範圍包含本公司及泓欣

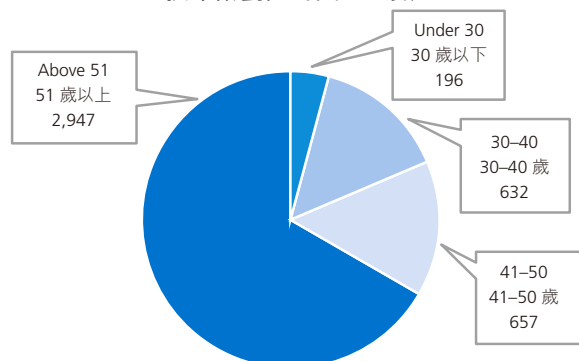
ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

環境、社會及管治報告

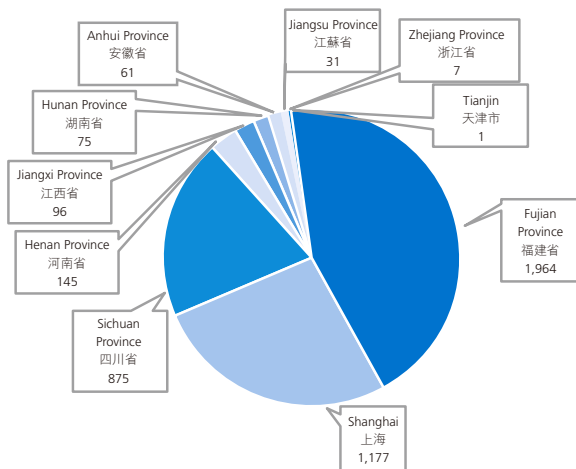
Number of employees by gender
按性別劃分的員工人數



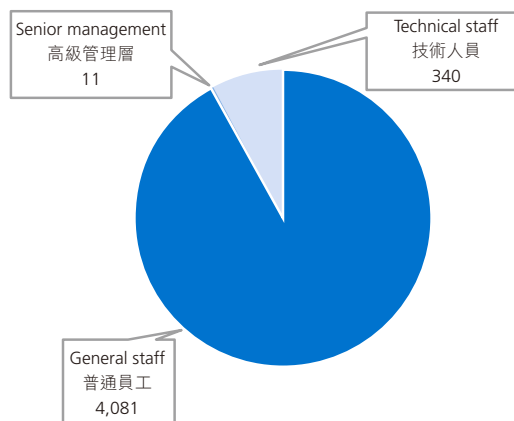
Number of employees by age
按年齡劃分的員工人數



Total number of employees by geographical region
按地區劃分的員工人數



Total number of employees by type of occupation
按僱員類別劃分的員工人數



ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

環境、社會及管治報告

| | | |
|---------------------------------|-------------------------|-------------------|
| Total employee turnover | | 2,660 |
| 總僱員流失人數 | | |
| By gender 按性別劃分 | Male 男性 | 1,100 |
| | Female 女性 | 1,560 |
| By geographical region 按地區劃分 | Fujian Province 福建省 | 1,341 |
| | Sichuan Province 四川省 | 817 |
| | Shanghai 上海市 | 179 |
| | Henan Province 河南省 | 137 |
| | Jiangxi Province 江西省 | 76 |
| | Hunan Province 湖南省 | 52 |
| | Anhui Province 安徽省 | 45 |
| | Jiangsu Province 江蘇省 | 12 |
| | Tianjin 天津市 | 1 |
| | By age 按年齡劃分 | Under 30 30歲以下 |
| 30-40 30-40歲 | | 194 |
| 41-50 41-50歲 | | 247 |
| Above 51 51歲以上 | | 2,133 |

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

環境、社會及管治報告

Talent Promotion

Riverine China attaches great importance to the growth of internal excellent talents and gives promotion to employees with talent and integrity, outstanding performance in a professional way or with special skills by providing them with various means such as gradual promotion, internal transfer and discretionary promotion based on the combination of “vertical” and “crisscross” promotion to foster staff development in accordance with the “Promotion System (《晉升制度》)”. We encourage internal competition, uphold the principle of “suitable and applicable” and select and promote internal employees who meet the job requirements with outstanding performance. In addition, we regularly carry out performance appraisal, adhere to the principle of “flexible promotion and demotion” so that demotion measures are in place for the staff who are not sufficiently competent to perform their duties, and strive for fairness and justice.

人才晉升

本公司重視內部優秀人才成長，通過逐級晉升、內部競聘以及破格提拔等途徑選拔人才。根據《晉升制度》，本公司採用「直線」與「交叉」相結合的方式，為德才兼備、績效卓越、有所建樹或具有特殊才能的員工提供晉升機會。我們亦鼓勵內部優先競聘，秉持「適合適用」的原則，選拔、晉升符合職位要求及表現卓越的內部員工。此外，我們定期開展績效考核，秉承「能者上、庸者下」的原則，對於不能勝任工作的員工採取降職措施，力求公平與公正。

Gradual Promotion 逐級晉升

- The Company encourages young employees at all levels to continuously improve their professional skills in their respective positions, and to make achievements in their professional fields. The Company gives employees promotion after recognizing the year-end performance evaluation
- 本公司鼓勵各級年輕員工在各自工作崗位上不斷提升個人的專業技能，並在專業領域有所建樹，經年終績效評價獲得認可者，將獲得晉升

Internal Transfer 內部競聘

- In order to establish an internal talent competition mechanism, optimize human resource allocation, and motivate employees' enterprising spirit, the Company establishes an internal competitive recruitment mechanism. When there is a vacancy in the company's internal management positions, it first conducts an internal selection and recruitment, providing unimpeded promotion space for employees at all levels
- 為建立內部人才競爭機制，優化人力資源配置，激發員工進取精神，本公司設立內部競聘機制，當出現內部管理崗位空缺時，先進行內部選聘，給各級員工提供暢通的升職空間

Discretionary Promotion 破格提拔

- For those who make outstanding contributions to the Company or have special talents, they may be nominated by the human resources department of the Company for promotion, examined by the party committee and is subject to the approval of the general manager
- 對本公司作出突出貢獻或有特殊才幹者，經人力資源部提名、黨委審核、總經理批准後可以破格提拔

“Vertical” and “Crisscross” Promotion 「直線」與「交叉」晉升

- According to the employee's career development plan, employees can be promoted according to their professional positions, or they can be promoted to other professional positions as their ability develop
- 根據員工職業生涯發展規劃，可以按職業崗位晉升，也可以隨著員工能力的發展而調整至其他專業崗位晉升

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

環境、社會及管治報告

Employee Communication

Riverine China is committed to establishing a system of “Happy Riverine — Sunshine Lighting” and creating a good, harmonious and simple team human relationships, and advocates an effective communication and cooperation between individual and company, individual and individual. We are willing to listen to employees’ opinions and suggestions and establish the following communication channels:

員工溝通

浦江中國致力建設「幸福浦江 — 陽光照亮」的氛圍，營造良好、融洽、簡單的團隊人際關係，提倡個人與企業、個人與個人之間的高效溝通與合作模式。我們樂於聽取員工的意見和建議，並建立以下多種溝通渠道：

Open-door policy 門戶開放

- Managers welcome employees to directly present their ideas and questions with an open mind. Managers are also required to actively follow the thoughts and emotions of subordinates
- 管理人員以開放態度歡迎員工直接提出想法和疑問，同時管理人員亦需要主動關注下屬的想法和情緒

Work meeting 工作會議

- The Company advocates managers to attentively listen to the team’s opinions through work meetings when setting an objective so as to co-share the vision
- 倡導管理者在制定目標的時候通過工作會議傾聽團隊的意見，共同分享願景

Job interview 工作面試

- Under the circumstances of new employee regularization, employee salary adjustment or job change, making a job evaluation, career development plan and employee resignation, superior leaders will conduct an interview with the employee to understand the situation and listen to his/her opinions
- 新員工轉正、員工調薪或崗位變動、工作評估、職業發展規劃以及員工提出辭職等情形下，上級領導都將與員工進行面試，了解情況，聽取意見

Employee committee 職工委員會

- The basic function of employee committee is to participate, communicate and supervise. Any employee can make his/her opinion and ideas heard by reporting to the Company through the employee committee
- 職工委員會的基本職能是參與、溝通、監督。如果員工有意見和想法，可通過職工委員會向本公司反映

Satisfaction survey 滿意度調查

- The Company consults its employees on the business and management of the Company through a regular anonymous opinion survey to understand the overall satisfaction of employees with our working environment
- 本公司通過定期的不記名意見調查向員工徵詢對業務、管理等方面的意見，了解員工對工作環境的整體滿意程度

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

環境、社會及管治報告

Health and Safety

The Company has consistently adhered to the principle of “safety first” and strictly abides by relevant laws and regulations in relation to occupational health and safety including the “Production Safety Law of the People’s Republic of China”, “Law of the People’s Republic of China on the Prevention and Treatment of Occupational Diseases”, “Regulations on the Administration of Occupational Health Examination”, “Administrative Measures for Work Safety Training” and “Regulations of Shanghai Municipality on Safe Production”. Moreover, based on the actual operations, we have formulated the “Manual of Occupational Health and Safety Management” and “Employee Code of Conduct”, which clarify the safety and fire protection responsibilities of employees, and identify and reduce occupational safety risks, to create a safe, healthy and comfortable working environment for employees and protect employees’ physical and mental health.

The Company has obtained the occupational health and safety management system GB/T 28001-2001/OHSAS 18001:2007 certification. In view of the hazard, the Company has compiled and implemented the “Hazard Identification and Risk Assessment Procedures” (《危險源辨識和風險評價程序》) and the “Risk Control and Management Procedures” (《風險控制管理程序》) based on the “Measures of Shanghai Municipality for the Management of Hazardous Chemicals” (《上海市危險化學品管理辦法》), “Identification of major hazard installations for hazardous chemicals” (《危險化學品重大危險源辨識》) and “Catalogue of Special Equipment” (《特種設備目錄》), aiming to identify occupational health and safety hazards in various activities within the Company, evaluate and determine important risks, and thus carry out effective control. We conduct safety inspections regularly to comprehensively check potential safety hazards, formulate and implement rectification plans, and effectively promote the risk prevention work.

健康與安全

本公司一貫堅持「安全第一」的原則，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》、《職業性健康檢查管理條例》、《安全生產培訓管理辦法》、《上海市安全生產條例》等職業健康安全相關法律法規。此外，我們根據實際運營情況制定了《職業健康安全管理手冊》和《員工守則》等規章制度，明確員工的安全和消防職責，識別以及降低職業安全風險，為員工打造安全、健康、舒適的工作環境，保障員工身心健康。

本公司已通過 GB/T28001-2001/OHSAS 18001:2007 職業健康安全管理體系認證。針對危險源，本公司在《上海市危險化學品管理辦法》、《危險化學品重大危險源辨識》和《特種設備目錄》等監管要求的基礎上，編製並實施《危險源辨識和風險評價程序》和《風險控制管理程序》，識別本公司範圍內各項活動中的職業健康安全危險源，評估並確定重要風險，從而有效控制安全風險。本公司定時開展安全巡查，全面預防安全隱患，制定並落實整改計劃，持續推進風險預防工作。

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

環境、社會及管治報告

In the process of identifying and assessing safety risks, for the identified hazard in the operation, we consider effectively reducing its risk by successively adopting elimination, replacement, engineering control, identification warning, management control and personal protection. Besides, the Company strictly requires all employees to hold relevant certificates, including operation qualification certificate, professional qualification certificate and certificate for special operations, etc., to strengthen the safety awareness of employees engaged in work related to hazards.

To ensure that all employees have sufficient safety knowledge, we organize fire safety trainings for security guards, controllers and security administrators in accordance with the provisions of the “Manual of Occupational Health and Safety Management” and the “Employee Code of Conduct”. The key training contents include importance of safety production, on-site safety education, fire safety, national safety production guidelines and policies, situation and accident education, casualties and first aid.

During the reporting period, the Company and Hong Xin suffered a total of 9 work-related injuries, and the total number of work days lost was 640 days. There were 2 fatal accidents that occurred due to work relationship². The Company attached great importance to production safety issues, so the relevant departments also deeply summarized the accidents. Although the reasons of these 2 fatal accidents is the traffic accident on the way to the worksite and the sudden disease outbreak during the operation, which are both irrelevant to the process of safety production, the Company still consolidated the safety production risk investigation, reviewed and continuously improved the safety production related policies, and implemented safety production to avoid accidents.

在安全風險的識別和評估過程中，我們對運營期間識別的危險源依次考慮採取消除、代替、工程控制、標識警告、管理控制、個人防護的方式，有效降低其風險。與此同時，本公司嚴格要求全部員工持證上崗，包括從業資格證書、職業資格證書、特種作業操作證書等認證，加強從事危險源相關工作人員的安全意識。

為了確保所有員工具備充分的安全知識，我們依照《職業健康安全手冊》和《員工守則》中的規定，定期為保安員、監控員和安全管理員提供消防安全培訓，重點培訓內容包括安全生產的重要性、現場安全教育、消防安全、國家安全生產方針政策、形勢和事故教育、傷亡事故和緊急救護。

報告期內，本公司及泓欣一共發生9件工傷，共損失工作日數640天，及2件因工作關係造成的人員死亡事件²。本公司高度重視安全生產事宜，因此相關部門亦深刻對事故進行總結。雖然2件死亡事故原因分別為員工上班途中的交通事故與工作過程中的突發疾病，皆與安全生產環節無關，本公司依然夯實安全生產風險排查工作，對安全生產相關政策進行檢視並持續完善，落實安全生產工作，避免事故的發生。

² The Company had no fatal accident that occurred due to work relationship in 2018 and 2019. In 2018 and 2019, the total number of work days lost due to work was 242 days and 640 days, respectively.

² 本公司於2018年及2019年均無因工作關係造成的人員死亡事件，2018年及2019年因工損失工作日數分別為242及640天。

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

環境、社會及管治報告

Case: 2020 Fire Safety Training Activity

案例：2020年度消防安全培訓活動



In order to improve the safety management awareness of various project personnel and the management level of fire safety, the Company organized the 2020 EHS (Environment, Health and Safety) work conference on 6 November 2020, and hired experts to provide relevant fire safety training.

The training emphasized the implementation of the key fire safety units accountability system of and the practical knowledge of fire safety management, including: publicity on basic fire safety regulations and specifications, how to assume and perform fire protection responsibilities, violations of fire protection law and punishments therefor, fire accident investigation knowledge, fire emergency rescue and drills, fire safety characteristics of non-residential properties, how to conduct fire safety management, fire protection inspection, inspection of fire protection account files, basic principles of fire protection facilities, daily safety inspection precautions, etc. The experts let all students have a more vivid understanding of fire safety and emergency response based on typical accident cases and VR (virtual reality) fire scene escape simulation.

本公司為提高各項目人員的安全管理意識及消防安全方面的管理水平，於2020年11月6日組織召開了2020年度EHS（環境、健康與安全）工作會議，並聘請專家開展相關消防安全培訓。

此次培訓強調了消防安全重點單位責任制的落實及消防安全管理實務知識，內容包括：基本消防安全法規規範宣貫、如何承擔履行消防責任、消防法違法與處罰、火災事故調查有關知識、消防應急救援與演練、非居物業消防安全特點、如何進行消防安全管理、消防防火檢查、巡查消防台賬檔案內容、消防設施基本原理、日常安全檢查注意事項等。專家結合典型事故案例及VR（虛擬實景）火災現場逃生場景模擬，讓所有學員對消防安全及事故應急處理有了更生動的理解。

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

環境、社會及管治報告

Training and Development

Riverine China regards the learning and development of its employees as one of the driving forces for the sustainable development of the Company. The Company continues to improve the training system and learning exchange platform, hoping that employees can show their strengths based on their skills and interests. We also improve the career development channels for our employees, so that they can grow together with the Company.

Vocational Training

In order to meet the Company's development goals and enhance the comprehensive ability of the employees, the Company has formulated and implemented the "Management Measures of Employee Training" (《員工培訓及管理辦法》) based on the development needs of the Company and employees to standardize the training management work and specify the requirements for the skills and work experience of the employees in each position, so as to ensure that they are competent for the work. We provide suitable training for different targeted participants according to the Company's training needs, and organize two types of training, i.e. practical training and qualification training, to meet employees' diversified learning needs and improve their professional skills.

培訓與發展

浦江中國視員工成長與發展為企業可持續發展的主要動力之一。本公司不斷完善培訓體系和學習交流平台，希望員工可以根據自己的技能和興趣一展所長。我們亦為員工完善職業發展通道，引領員工與企業共同成長。

職業培訓

為了配合企業發展目標、提升員工的綜合能力，本公司依據本公司及員工發展需要制定並執行《員工培訓及管理辦法》，對培訓管理工作進行規範，並詳細闡明對各崗位員工的技能及工作經驗之要求，確保其有足夠能力勝任工作。我們根據培訓需求，針對不同培訓對象提供合適的培訓內容，並組織了務實培訓及考證培訓這兩類培訓，以滿足員工多樣化的學習需求，提高員工的專業技能。

Practical training 務實培訓

- Corporate training, including safety production, supervision of the property service center, new employees' induction, daily management knowledge, project manager class of Pujiang Academy, practical operation training for each position
- 企業內訓，包括安全生產、物業服務中心督導、新員工入職、日常管理知識、浦江學院項目經理班、各崗位實際操作培訓

Qualification training 考證培訓

- Qualification training, including intermediate and senior titles (engineers, economists), technicians and senior technicians (management, engineering, security), various types of engineering recertification, registration certificates of security guards, security officer certificate, etc.
- 中高級職稱（工程師、經濟師）、技師及高級技師類（管理、工程、保安）、各類工程復證、保安上崗證、安全員證等外出考證培訓

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

環境、社會及管治報告

The Company will carry out regular assessment according to the completion of the training, integrate performance of the trainee in the later period for appraisal of overall learning results, so that the training outcomes can be guaranteed. The training assessment results will be used as a reference basis for human resources related activities such as job mobilization, rank adjustment and performance evaluation. During the reporting period, the Company carried out a series of face-to-face and online training courses, including training courses on brand management, human resource management, building operations, green engineering, and property project management, which were offered by external and internal lecturers, which consolidated the knowledge of the Company's employees and improved employees' skills to help them grow together with the Company.

根據培訓進展狀況，本公司定期開展考核評估，結合受訓員工訓後工作表現進行整體學習成果判定，確保培訓成效。我們亦將培訓考核結果作為員工職位調動、職級調整、績效考核等人事活動的參考依據。報告期內，本公司開展了一系列的面授及在線培訓課程，當中包括品牌管理、人力資源管理、樓宇營運、綠色工程、及物業項目管理等培訓課程，通過外聘及內部講師進行講授，在鞏固本公司員工的知識的同時，提升他們的技能，與公司共同成長。

| Statistics on training in total | | No. of participants ³ | Percentage ⁴ | Average training hours (Hour) 平均受訓時數 (小時) |
|---------------------------------|-------------------|----------------------------------|-------------------------|--|
| 總受訓統計 | | 受訓人數 ³ | 百分比 ⁴ | |
| Staff training by rank | 按層級劃分的受訓員工 | | | |
| Senior management | 高級管理員 | 11 | 0.16% | 120 |
| General staff | 普通職員 | 6,452 | 94.84% | 74 |
| Technical staff | 技術人員 | 340 | 5.00% | 50 |
| Staff training by gender | 按性別劃分的受訓員工 | | | |
| Female | 女性 | 3,807 | 55.96% | 76 |
| Male | 男性 | 2,996 | 44.04% | 66 |

³ During the reporting period, the statistical scope of the number of trainees has been expanded to include the Company and Hong Xin

⁴ Refers to the percentage of the group's number of participants in the total number of participants

³ 報告期內受訓人數數據統計範圍有所擴大，數據統計範圍包含本公司及泓欣

⁴ 指該分組受訓人次在總受訓人次中所佔百分比

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

環境、社會及管治報告

ENVIRONMENTAL PROTECTION, GREEN HOME

Environmental protection management

As a leading sustainable development property management enterprise in China, Riverine China has always adhered to the objective of “Caring for the Earth, Protecting the Environment and Maintaining Sustainable Development” and always followed the development of environmental protection and implemented environmental protection to make contribution to the establishment of a beautiful China. The Company strictly complies with the laws and regulations on exhaust gas and greenhouse gas emissions, pollution to water and land, generation of hazardous and non-hazardous waste, and reduction of major impacts on the environment and natural resources including the Environmental Protection Law of the People’s Republic of China, the Water Pollution Prevention and Control Law of the People’s Republic of China, the Solid Waste Pollution Prevention and Control Law of the People’s Republic of China, the Energy Conservation Law of the People’s Republic of China, and the Regulation on Realty Management. We have also prepared management systems including the “Environmental Factor Management Procedures (《環境因素管理程序》)” in accordance with the abovementioned laws and regulations and regularly updated our internal management policies. The Company has been certified with the ISO 14001 Environmental Management System. During the reporting period, the Company has not violated any environmental laws and regulations.

保護環境，綠色家園

環境保護管理

浦江中國作為中國領先的可持續發展物業管理企業，秉持「愛護地球、保護環境、可持續發展」的宗旨，緊跟行業環保發展趨勢，落實環境保護工作，為建立美麗中國做出貢獻。本公司嚴格遵守《中華人民共和國環境保護法》、《中華人民共和國水污染防治法》、《中華人民共和國固體廢物污染環境防治法》、《中華人民共和國節約能源法》、《物業管理條例》等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、減低對環境及天然資源造成重大影響的法律法規。我們亦依照上述法律法規制定《環境因素管理程序》等管理制度，並且定期更新內部管理政策。本公司已取得ISO 14001環境管理體系認證。報告期內，本公司並無任何違反環保相關法例法規的情況。

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

環境、社會及管治報告

We have established the “Procedures for Management of Environmental Factors” (《環境因素管理程序》), which standardizes the environmental factor management process, specifies duties of each department and effectively controls significant environmental risk factors, so as to systematically carry out the identification and assessment of environmental factors in the Company’s business activities and service processes, effectively control major environmental risk factors and provide the basis for the environmental guidelines and environmental objectives of the Company. In particular, in order to more effectively manage the energy performance of our properties, the “DBM” developed by the Company continuously monitors the energy usage data of the properties and implements an intelligent environmental management system.

我們制定《環境因素管理程序》對環境因素管理流程進行規範，並且明確了各部門的工作職責，從而有系統地開展本公司於經營活動、服務過程中的環境因素識別與評估工作，有效控制重大環境風險因素，更為本公司環境方針及目標的制定提供依據。其中，為了更有效地管理我們旗下物業的能源績效，本公司研發的「DBM」對物業的能源使用數據進行持續監控，實行環境智能化管理體系。

Procedures for Management of Environmental Factors 環境因素管理程序



ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

環境、社會及管治報告

In addition, in order to reduce the environmental impact that the Company may have on the environment and resources during its operations, the Company has also formulated a series of accident emergency plans including the Contingency Plans for Environmental Pollution, the Contingency Plans for Leakage of Dangerous Chemicals, and the Contingency Plans for Leakage of Toxic Gas, and set up a relevant emergency response team, clarify the emergency handling procedures, prevent problems from occurring, and minimize the losses caused by environmental emergencies.

Green operation

Resources and Energy Management

The main resources used in the operation of the Company include water, electricity, unleaded gasoline and paper. In order to ensure the rational use of resources and reduce the Company's operating costs, the Company has formulated and implemented the Resources and Energy Management Requirements and the Regulations for Motor Vehicle Management, to clarify the content of energy saving, while implementing unified vehicle management and a special maintenance responsibility system to improve management and control of resources and energy. As the Company's water comes from the municipal pipe, there are no problems in obtaining water sources, and the wastewater generated during the office process is preliminarily treated by the sewage treatment facilities of the property in the building where it is located and discharged into the municipal sewage pipeline.

In order to better manage the Company's environmental impact, during the reporting period, the Company's property management of office buildings, public places and commercial complexes obtained the environmental management system certification from the Shanghai Quality Center of Quality System. In addition, the Company has also introduced a series of measures to reduce the use of energy and water resources and waste generation, and to reduce the generation of waste gas and greenhouse gases due to energy consumption, to achieve the effect of energy saving and emission reduction:

除此之外，為減少本公司可能於運營過程中對環境及資源產生的環境影響，本公司亦制定了《環境污染事故應急預案》、《危險化學品泄漏應急預案》、《有毒氣體泄漏應急預案》等一系列事故應急預案，並成立相關應急小組，明確應急處理程序，防患於未然，最大限度降低環境突發事件帶來的負面影響。

綠色運營

資源能源管理

本公司運營過程中使用的主要資源包括：水、電、無鉛汽油以及紙張。為了確保本公司資源的合理利用，降低運營成本，本公司制定並實施《資源能源管理規定》及《機動車管理規定》，列明了節約能耗等工作內容，同時實施車輛統一管理及專人保養責任制，以完善資源能源管理和控制。本公司用水來自市政管網，不存在求取水源方面的問題。而辦公過程中產生的廢水通過所在大廈物業的污水處理設施初步處理後排入市政污水管道。

為了更加妥善地管理本公司的環境影響，報告期內，本公司的辦公樓、公共場所及商業綜合體的物業管理均獲得了上海質量體系審核中心的環境管理體系認證證書。此外，本公司亦推出一系列的措施以減少能源、水資源的使用以及廢棄物產生，並且減少因能源消耗產生的廢氣及溫室氣體的產生，達到節能減排的效果：

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

環境、社會及管治報告

Electricity consumption management

- Cleaning the air conditioning air return filter quarterly to increase the air volume as much as possible
- Carefully calculating the maximum monthly power demand value, so that the monthly power consumption is less than the maximum demand value reported to the power supply bureau
- Standardizing the upper and lower limits of temperature adjustment for exhibition hall
- Monitoring the optimized set up of energy facilities
- Setting escalator at idle mode
- Inspecting all floors of the building after the office staff of the building are off work and turning off the air-conditioning and lighting that the office staff forget to turn off in time
- Turning off other lights in public areas except for the normal lights for meeting the needs of security work at night
- The staff in the equipment room should turn off the lights when he/she leaves the room
- Other electric device shall be switched off immediately after use to avoid idling of machines
- The cooling temperature of air conditioning in the building shall not be lower than 26°C, and the heating temperature shall not be higher than 22°C
- While purchasing new equipment, energy saving equipment shall be considered first

Water consumption management

- Avoiding any “dripping and leakage”, and preventing tap from keeping running and lights from keeping on as well as “improper utilization of resources”
- Reasonably adjusting the water inlet valve of each sanitary ware and turning down the water output to make it just meet the needs of use
- The slogan, “Save water by turning off the tap”, is posted next to taps in all washrooms, which are supervised and managed by administrative staff. When using toilets and sinks, employees should pay attention to saving water and turn off the tap in time. If any abnormal situation is found, inform the administrative personnel department or the maintenance department to deal with it immediately

用電管理

- 每季度清洗空調風回風過濾網，盡可能提高風量
- 精心測算每月用電最大需量數值，使每月用電量小於上報供電局的最大需量數值
- 規範展廳溫度調節上下限
- 監測能源設施的最優設置情況
- 自動扶梯設置在待運模式
- 大樓辦公人員下班後，巡檢大樓各樓層，及時關閉辦公人員忘關的空調和照明
- 夜間在滿足保安工作需要的前提下，關閉公共區域除常明燈外的其他照明
- 各設備機房做到人離機房，隨手關燈
- 用電設備使用完畢後需立即關閉，避免機器空轉
- 樓內空調製冷控制不低於26°C，製熱控制不高於22°C
- 採購新設備時，優先考慮節能環保型設備

用水管理

- 杜絕「冒泡滴漏」，防止長流水、長明燈及「逃冷跑熱」的現象
- 合理調整各潔具進水角閥，關小出水量，使之剛好滿足使用需要
- 盥洗室水龍頭邊張貼「節約用水、隨手關閉」的標語，由行政人員負責監管；員工使用衛生間、洗碗池等，應注意節約用水，及時關閉水龍頭。如發現異常情況，立即通知行政人事部或維修部處理

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

環境、社會及管治報告

- Depending on weather condition, we reasonably arrange watering to prevent wastage

Office supplies management

- Adopting non-paper record for patrol inspection
- Each department shall apply for paper according to their actual demand, and the paper applied shall be controlled and distributed by the administrative personnel and supervised by the head of each department
- The paper (for non-important documents) shall be used with both sides as much as possible
- Ballpoint pen refill, ribbon, battery, toner cartridge and ink cartridge shall be returned to administrative staff for collection and replacement

Vehicle management

- We implement unified management of the Company's vehicle, insist on energy saving and highly efficient management principle, and increase utilization rate and serviceability rate of vehicle
- Carrying out vehicle maintenance and repair work in time to reduce the use of vehicle fuel
- Turning on the garage fan in time intervals depending on the actual situation of vehicles entering/exiting the garage

- 根據實際天氣情況澆灌花木，合理用水，避免浪費

辦公用品管理

- 巡檢記錄無紙化
- 各部門用紙根據需要申請，由行政人事人員控制發放，各部門負責人進行監督
- 紙張(非重要文件)盡量雙面使用
- 筆芯、色帶、電池、硒鼓、墨盒等統一交由行政人事人員回收，實行以舊換新

用車管理

- 對公司用車統一管理，堅持節約、高效的車輛管理原則，提高車輛使用率、完好率
- 及時做好車輛維護和保養工作，減少車輛燃油的使用
- 視車庫車輛進／出的實際情況，分時段開啓車庫風機

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

環境、社會及管治報告

The following table shows the Company's environmental performance in respect of resources consumption and emission during the reporting period⁵:

以下展示了本公司於報告期內有關資源使用及排放物的環境績效⁵：

| Resources consumption 資源使用量 | | |
|---------------------------------------|---|--|
| Direct energy consumption 直接能源消耗 | Gasoline consumption 汽油用量 | 72.31 MWh 72.31兆瓦時 |
| | Gasoline consumption intensity 耗油密度 | 18.08 MWh/vehicle ⁶ 18.08兆瓦時/車輛 ⁶ |
| Indirect energy consumption 間接能源消耗 | Electricity consumption 耗電量 | 106.26 MWh 106.26兆瓦時 |
| | Electricity consumption intensity 耗電密度 | 0.05 MWh/m ²⁷ 0.05兆瓦時/平方米 ⁷ |
| | Water consumption 耗水量 | 1,292.00 tons 1,292.00噸 |
| | Water consumption intensity 耗水密度 | 0.57 ton/m ² 0.57噸/平方米 |
| | Paper usage 辦公用紙 | 170.40 kg 170.40千克 |
| | Paper usage intensity 耗紙密度 | 2.05 kg/person ⁸ 2.05千克/人 ⁸ |

⁵ During the reporting period, the statistical scope of resource usage and emissions data has been expanded to include the Company's Shanghai head office and Hong Xin. The scope of statistics on gasoline consumption, greenhouse gas emissions and vehicle air pollutant emissions is the Company's Shanghai head office. The Company will continue to strengthen and improve the data collection system to expand the scope of data statistics.

⁶ There are 4 vehicles in the Company's Shanghai head office

⁷ The Company's Shanghai head office and Hong Xin have an office area of 2,262.73m²

⁸ The Company's Shanghai head office and Hong Xin have a total of 83 employees

⁵ 報告期內耗水、耗電、辦公用紙、固體廢棄物數據統計範圍有所擴大，數據統計範圍包含本公司位於上海的總部辦公室及泓欣。而汽油用量、溫室氣體排放及車輛空氣污染物排放數據統計範圍為本公司位於上海的總部辦公室，本公司將繼續加強完善資料收集體系，以擴展數據統計範圍。

⁶ 本公司上海總部辦公室共擁有4輛辦公車輛

⁷ 本公司上海總部辦公室及泓欣辦公面積為2,262.73平方米

⁸ 本公司上海總部辦公室及泓欣共有83名員工

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

環境、社會及管治報告

Emission of greenhouse gas

溫室氣體排放量

| | |
|---|--|
| Emission from vehicle (Scope 1) ⁹ 汽車排放量(範圍1) ⁹ | 18.07 tons CO ₂ e 18.07噸二氧化碳當量 |
| Emission from electricity consumption (Scope 2) ¹⁰ 電力使用排放量(範圍2) ¹⁰ | 24.97 tons CO ₂ e 24.97噸二氧化碳當量 |
| Total greenhouse gas emission 總溫室氣體排放量 | 43.04 tons CO ₂ e 43.04噸二氧化碳當量 |
| Total greenhouse gas emission intensity 總溫室氣體排放密度 | 0.90 ton CO ₂ e/person ¹¹ 0.90噸二氧化碳當量/人 ¹¹ |

⁹ The figure of emission of greenhouse gas (Scope 1) is calculated with reference to the Guidelines for Accounting and Reporting of Greenhouse Gas Emissions from Land-based Transportation Enterprises (Trial) published by the Ministry of Ecology and Environment of the People's Republic of China

¹⁰ The figure of emission of greenhouse gas (Scope 2) is calculated with reference to the Notice on Development of the 2018 Annual Carbon Emission Report and Verification and Emission Testing Plan published by the Ministry of Ecology and Environment of the People's Republic of China

¹¹ There are 48 employees at the Company's Shanghai head office

⁹ 溫室氣體(範圍一)排放數據的計算方法參考中華人民共和國生態環境部發佈的《陸上交通運輸企業溫室氣體排放核算方法與報告指南(試行)》

¹⁰ 溫室氣體(範圍二)排放數據的計算方法參考中華人民共和國生態環境部發佈的《關於做好2018年度碳排放報告與核查及排放檢測計劃制定工作的通知》

¹¹ 本公司上海總部辦公室共有48名員工

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

環境、社會及管治報告

Emission of pollutants from vehicle¹²

車輛空氣污染物排放量¹²

| | |
|--|----------------------|
| Carbon Monoxide (CO) emission 一氧化碳(CO)排放量 | 55.98 kg 55.98 千克 |
| Nitrogen Oxide (NO _x) emission 氮氧化物(NO _x)排放量 | 2.07 kg 2.07 千克 |
| Sulfur Oxides (SO _x) emission 硫氧化物(SO _x)排放量 | 0.12 kg 0.12 千克 |
| Particulate matter (PM _{2.5}) emission 顆粒物(PM _{2.5})排放量 | 0.37 kg 0.37 千克 |
| Particulate matter (PM ₁₀) emission 顆粒物(PM ₁₀)排放量 | 0.37 kg 0.37 千克 |

Waste Management

The “Regulations of Shanghai Municipal Administration of Domestic Waste” was passed by the 15th Shanghai municipal people’s congress, which was implemented on 1 July 2019. It is required to store domestic waste according to four types: recyclable waste, hazardous waste, wet waste and dry waste. In order to dispose office and domestic waste and production waste generated by the Company, we formulate the Regulations for Solid Waste Management in accordance with the Law of the Prevention and Control of Environmental Pollution by Solid Waste of the People’s Republic of China, National Catalog of Hazardous Waste and Procedures of Shanghai Municipality on the Prevention and Control of Pollution by Hazardous Waste. Irregular inspections on waste classification are conducted through the Quality Risk Control Department and external third-party inspection agency, guidance instructions on the collection, storage and treatment of waste were made, and the operation process was standardized according to the degree of harm of waste to the environment, and the regulatory requirements for waste classification.

廢棄物管理

《上海市生活垃圾管理條例》於第十五屆上海市人民代表大會通過，並於2019年7月1日起強制實施，要求將生活垃圾按照可回收物、有害垃圾、濕垃圾和乾垃圾四種類型分類存放。為處理本公司產生的辦公生活垃圾及生產垃圾，我們根據《中華人民共和國固體廢物環境防治法》、《國家危險廢物名錄》、《上海市危險物污染防治辦法》制定了《廢棄物管理規定》，根據廢棄物對環境的影響程度，遵照垃圾分類的監管要求，通過質量風控部及外聘第三方檢查機構對各項目垃圾的分類工作進行不定期檢查，並對廢棄物的收集、儲存和處理提供指導性說明，以規範操作流程。

¹² The figure of emission of air pollutants is calculated with reference to Technical Guide for Air Pollutant Emission Inventory for Road Vehicles (Trial) published by the Ministry of Environmental Protection of the People’s Republic of China

¹² 大氣污染物具體排放數據的計算方法參考自中華人民共和國生態環境部發佈的《道路移動污染源排放清單編制技術指南(試行)》

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

環境、社會及管治報告

Non-hazardous waste generated by the Company¹³ includes office and domestic waste and production waste, that is, waste materials, waste equipment components, and waste construction materials generated by the Company during the processes of service, maintenance, construction and storage. Office and domestic waste shall be collected and stored in the waste storage site by the Company personnel. Waste storage containers are set at the storage site. Posters of classification guidelines are posted in accordance with the waste classification requirements to facilitate classified storage and cleaning and recycling by the cleaning staff. The production waste shall be centralized, classified, identified and managed by the engineering personnel, and shall be stacked in the designated waste recovery area with consideration of the compatibility of waste placement. Firefighting equipment shall be set up near the recovery area, and there must be obvious safety signs. If necessary, measures such as erecting interior walls can be taken to prevent dispersion and leakage. Local environmental hygiene management bureau is entrusted by the Company to carry on a unified treatment to the harmless waste.

The hazardous wastes currently produced by the Company include waste toner cartridges and ink cartridges generated in office activities, waste lamps and oil-containing fabrics generated in property service activities, etc., which are all centrally stacked in temporary storage points with relevant signs, and when the waste reaches a certain amount, it will be handed over to a qualified processing unit for centralized disposal. The hazardous wastes generated in outsourcing activities shall be brought back by the outsourcing party and handed over to a qualified unit for disposal. The management office of the Company has signed an environmental and occupational health and safety management commitment letter with the unit, and the contract sets out terms on disposal of hazardous wastes and related matters.

本公司產生的無害廢棄物¹³包括辦公生活垃圾和生產垃圾，即本公司在服務、維護、施工、倉儲過程中所產生的廢物料、廢設備元器件、廢建築材料等。辦公生活垃圾由員工統一收集並存放於垃圾存放點。存放點設有垃圾存放容器，遵照垃圾分類要求張貼了分類指引海報，以便分類存放；存放點垃圾由清潔人員清運回收。生產垃圾由工程人員統一集中、分類、標識和管理，並在考慮廢棄物擺放兼容性的前提下，堆放於指定的廢料回收區。回收區附近設有消防器材，且必須有明顯安全標識，必要時可採取架設室內圍牆等措施防止揚散和滲漏。本公司委託當地環境衛生管理所對無害廢棄物進行統一處理。

本公司目前產生的危險廢棄物包括辦公活動中產生的廢棄硒鼓和墨盒、物業服務活動中產生廢棄燈管、含油織物等等，均集中堆放於臨時儲存點，做好相關標識，待儲存至一定量後，將交由有資質的處理單位集中處置。而外包活動中產生的危險廢棄物由外包方統一帶回，交給有資質單位處置，本公司管理處與該單位簽訂了環境和職業健康安全承諾書，並在合同中進行了關於由外包方處理危險廢棄物及相關事宜的約定。

¹³ Because our business is property management, the Company did not use any packaging material during the reporting period

¹³ 因業務為物業管理，本公司於報告期內沒有使用任何包裝材料

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

環境、社會及管治報告

The property management office also periodically checks whether each type of waste is stored subject to requirements in each month, and requires rectifying immediately for any breach to reduce the pollution to the ecological environment.

物業管理處亦每月定期檢查各類廢棄物的存放是否符合要求，並對違規情況提出糾正，及時整改，從而減少廢棄物對生態環境的污染。



Waste Sorting Trash Cans and Identifications
垃圾分类垃圾桶以及標識

The Company has also adopted the following series of measures to strengthen waste disposal and reduce its generation:

本公司亦採取下列一系列措施以加強廢棄物的處置以及減少其產生：

- Recycling wasted materials from exhibition hall
- Recycling wasted battery and ink cartridge
- Recycling wasted fluorescent tube
- Dredging with bag and completing cleaning process on the same day
- 回收利用展館廢棄材料
- 回收廢棄電池、墨盒
- 回收廢棄熒光燈
- 清淤袋裝化，當日清運完畢

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

環境、社會及管治報告

The following table shows the environmental performance index of the Company's Shanghai head office and Hong Xin regarding waste emissions during the reporting period:

以下展示了本公司上海總部辦公室及泓欣於報告期內有關廢棄物排放的環境績效數據：

| Solid waste generation 固體廢棄物產生量 | |
|---|-----------------------------|
| Non-hazardous Waste 無害廢棄物 | |
| Wasted paper 廢棄紙張產生量 | 0.03 ton 0.03噸 |
| Office waste 辦公室垃圾產生量 | 136.00 tons 136.00噸 |
| Total non-hazardous waste 無害廢棄物產生總量 | 136.03 tons 136.03噸 |
| Non-hazardous waste intensity 無害廢棄物產生密度 | 1.64 tons/person 1.64噸／人 |
| Hazardous Waste 有害廢棄物 | |
| Wasted ink cartridge 廢棄墨盒產生量 | 41 units 41個 |
| Wasted ink cartridge intensity 廢棄墨盒產生密度 | 0.49 unit/person 0.49個／人 |
| Wasted fluorescent tube 廢棄熒光燈管產生量 | 21 units 21支 |
| Wasted fluorescent tube intensity 廢棄熒光燈管產生密度 | 0.25 unit/person 0.25支／人 |
| Wasted battery 廢電池產生量 | 52 units 52個 |
| Wasted battery intensity 廢電池產生密度 | 0.63 unit/person 0.63個／人 |

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

環境、社會及管治報告

Green Engineering

In response to the “Notice Concerning the Implementation Opinions on Accelerating the Promotion of the Upgrade and Renovation of Small and Medium-sized Boilers in the Municipality (《關於加快推進本市中小鍋爐提標改造工作實施意見的通知》)” issued by the General Office of the Shanghai Municipal People’s Government on 27 December 2018, during the reporting period, the Company conducted investigations on properties involving the use of boilers under the management of the Company according to requirements, promoted the implementation of relevant upgrades and renovations, and conducted environmental assessment after completion of renovation to ensure the equipment’s satisfaction of emission requirements and achieve the purpose of reducing exhaust gas emissions from such equipment.

REPAY THE SOCIETY, LOVE THE COMMUNITY

In order to continue to give back to the surrounding communities, the Company is committed to giving full play to its business advantages and contribute to creating new value for the community in different fields. It makes contributions to the local community by promoting joint construction and cooperation projects with different industries and enterprises. During the reporting period, the Jiushi Xijiao Villa Management Office of the Company organized an elderly respect event with the theme of “Keep the Childlike Innocence Forever, Real Happy” at the Double Ninth Festival. More than 60 owners participated in the event. Under the leadership of the organizer, the participants visited the east extension section of Nanjing Road Pedestrian Street and had a night tour of Huangpu River to view the night scene on both sides of the Huangpu River in Shanghai.

綠色工程

因應上海市人民政府辦公廳於2018年12月27日發佈的《關於加快推進本市中小鍋爐提標改造工作實施意見的通知》，於報告期內，本公司根據要求對本公司管理範圍內涉及使用鍋爐的物業進行排查，推進落實相關提標改造工作，並且於改造完成後進行環評工作，確保設備滿足排放要求，達到減少該等設備的廢氣排放的目的。

回饋社會，友愛社區

為持續回饋周邊社區，本公司致力於發揮自身業務優勢，在不同領域為社區貢獻創造新的價值。通過促進與不同行業和企業的共建合作項目，為當地社區作出貢獻。報告期內，本公司久事西郊花園管理處組織了以「永葆童心，快樂至真」為主題的重陽節敬老活動。該活動有60多位業主參與，參加者在舉辦方的帶領下參觀了南京路步行街東拓段和夜遊黃浦江，欣賞上海浦江兩岸的城市夜景。

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

環境、社會及管治報告



Elderly respect event with the theme of “Keep the Childlike Innocence Forever, Real Happy”
at the Double Ninth Festival

「永葆童心，快樂至真」為題的重陽節敬老活動

Moreover, Riverine China always pays attention to cooperation with the community. We supported each other with the community during the COVID-19 epidemic to help people in need improve their lives. During the reporting period, we held a series of charitable donation activities, and also organized volunteer service activities, including self-made publicity, self-made alcohol cotton balls distributed to customers, donation of masks for use by duty staff and other epidemic prevention activities to provide couplet-assistance, which received wide acclaim. During the reporting period, Party member volunteer services, building volunteer services, Nanjing Road sentry box volunteer services, etc. were carried out. A total of 150 people participated in voluntary activities against the epidemic. The cumulative service time was about 600 hours, and donation was made to the community, people with disabilities, education and epidemic prevention assistance in an amount of approximately RMB520,000.

與此同時，浦江中國始終關注與社區的協作，我們在新型冠狀病毒疫情期間與社區互相扶持，幫助有需要的人士改善他們的生活。報告期內，我們舉辦了一系列公益慈善捐贈活動，也組織志願者服務活動，當中包括自創宣傳、自製酒精棉球分送予客戶、貢獻口罩給值班人員使用等防疫活動，對口幫扶，獲得廣泛好評。於報告期內進行了黨員志願者服務、樓宇志願者服務、南京路崗亭志願者服務等，共計有150人次參與了針對疫情的志願活動，累計服務時間約600小時，且為社區、殘疾人士、教育和疫情援助等捐贈金額約人民幣52萬元。

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

環境、社會及管治報告



Proactive Charitable Donations of the Group

本集團積極開展公益慈善捐款活動

CHAIRMAN'S STATEMENT

主席報告書



Mr. Xiao Xingtao 肖興濤先生
Chairman 主席

Dear Shareholders,

On behalf of the Board of Directors of Riverine China Holdings Limited together with its subsidiaries, I would like to present the annual report of the Group for the year ended 31 December 2020.

ANNUAL REVIEW

The Group continued to press ahead with the operating strategies in 2020 under the principle of “enhancing the foundation of property services, optimizing the layout of urban services, improving the overall service capacity and promoting the market of science and technology products” with expected goals achieved.

For property services, the Company continued to improve its nationwide geographical layout, enrich the product mix of property services, improve service quality and customer experience, as well as expand the size of its core business and improve its professional service capacity.

尊敬的股東：

本人謹代表浦江中國控股有限公司董事會及連同其附屬公司欣然提呈本集團截至2020年12月31日止年度的年度報告。

年度回顧

本集團繼續以提升物業服務基礎、優化城市服務佈局、提升整體服務能力、推進科技產品市場為宗旨執行2020年的經營策略，並取得預期的目標。

在物業服務領域，繼續完善公司的全國化區位佈局、繼續豐富物業服務產品結構，繼續提高服務質量和客戶的服務感受，繼續擴大主營業務規模，繼續提升公司的專業化服務能力。

CHAIRMAN'S STATEMENT

主席報告書

In the field of urban services, the Group entered the market of urban sanitary services through acquisition of Hong Xin at the beginning of the year, and completed the annual development target of sanitary business. Meanwhile, the Company is proactively promoting the development of comprehensive urban service business integrating property, sanitary and intelligent building, laying a solid foundation for building the Company into a comprehensive provider of urban sanitary services.

For science and technology services, while enhancing investments, the Company applied and optimized the information technology system for building services based on the Internet of Things and cloud computing which was profoundly applied in property service projects with breakthroughs achieved in overseas markets. In the meantime, we invested resources into the development and application of information tools for project operation and maintenance business in property management to strengthen the building of its core competitiveness.

Meanwhile, the Company continued to carry out resources preparation and business exploration in asset management, corporate service and other fields.

The Company had positive performance in the process of epidemic prevention and control. All the projects under management have weathered the epidemic steadily and received praise from the media and owners of certain projects. The Company has also established an emergency management mechanism to respond to public emergencies through the summarization of epidemic prevention and control.

在城市服務領域，公司通過年初完成收購泓欣進入城市環境衛生服務市場，並完成了環境衛生業務的年度發展目標。同時，公司正在積極推動物業、環衛及智慧建築結合的綜合性城市服務業務發展，為把公司打造成為城市公共服務的綜合提供商打下了堅實的基礎。

在科技服務方向，公司繼續投入，優化和應用以物聯網和雲計算為基礎的樓宇服務資訊科技系統，並在物業服務項目中深入應用，在海外市場也實現突破性的進展。同時投入資源開發和應用物業管理中工程運維業務的信息化工具，加強企業核心競爭力的打造。

同時，公司持續在資產運營、企業服務等領域展開資源準備和業務探索。

公司在疫情防控過程中做出了積極表現，所有在管項目均穩定度過了疫情並在部分項目得到了媒體和業主的讚揚。公司也通過疫情防控的工作總結建立了應對公共突發事件的應急管理機制。

CHAIRMAN'S STATEMENT

主席報告書

Through effective business layout and active cost control, the Company has maintained stable gross profit margin while expanding its business scale and maintaining customer stickiness. With the maturity of information and technology products, the investment in technological development will continue to fall; the application of information and technology products will further improve corporate efficiency; the sales of information and technology products will realise contribution of revenue from information and technology products. With the growth of sanitary business, the Group is full of confidence in its future development prospects and profitability.

ANNUAL RESULTS

For the year ended 31 December 2020, the Group's total revenue was approximately RMB763.8 million, representing an increase of approximately 58.6% from RMB481.5 million for the previous year. For the year ended 31 December 2020, net profit was approximately RMB37.0 million, representing an increase of approximately 80.5% from RMB20.5 million for the previous year.

DIVIDEND

The Board recommends the payment of a final dividend of HK\$0.012 per Share for the year ended 31 December 2020 (the "2020 Final Dividend") with a sum of approximately HK\$4.9 million (equivalent to approximately RMB4.1 million which is subject to Shareholders' approval at the forthcoming 2020 annual general meeting of the Company to be held on Friday, 11 June 2021 (the "AGM"). The 2020 Final Dividend, if approved, will be distributed on or about Friday, 16 July 2021 to shareholders of the Company whose names appear on the register of members of the Company on Wednesday, 23 June 2021.

公司通過有效的業務佈局和積極的成本管控，在業務規模擴大並保持客戶粘性的同時，也維持了穩定的毛利率水平。隨著信息技術產品成熟，科技開發投入持續下降。隨著信息技術產品使用，將繼續提升企業效率；隨著信息技術產品對外銷售，將實現信息技術產品對營業收入的貢獻；隨著環衛業務的增長推動，集團對未來發展前景及盈利能力充滿信心。

本年度業績

截至2020年12月31日止年度，本集團之總收入約為人民幣763.8百萬元，較上年度的人民幣481.5百萬元增加約58.6%。截至2020年12月31日止年度，純利約為人民幣37.0百萬元，較上年度的人民幣20.5百萬元增加約80.5%。

股息

董事會建議就截至2020年12月31日止年度派付末期股息每股0.012港元（「2020年末期股息」），合計約4.9百萬港元（相當於約人民幣4.1百萬元），惟須獲股東在將於2021年6月11日（星期五）舉行的應屆2020年股東週年大會（「股東週年大會」）上批准方可作實。本公司將於2021年7月16日（星期五）或前後向於2021年6月23日（星期三）名列本公司股東名冊之股東派發（如批准）2020年末期股息。

OUTLOOK

Looking forward, the Group will continue to provide quality property management services as well as value-added services targeting the commercial interests of customers, and develop and provide quality sanitary services for urban management. The Group plans to continuously grow its business efficiently and strategically through acquisitions and mergers, investments, joint ventures and business collaboration. The Group will expand its business vertically along the industry chain and the supply chain of the property management industry. In addition, the Group will strengthen the application of its information technology system as well as enhance its service quality for the customers and users of the properties under its management while launching the marketing of its information technology system to generate more revenues for the Group. Last but not least, the Group will promote the mechanism within the Company's departments and the mechanism to coordinate subsidiaries in different regions to improve its operating efficiency. With the in-depth strength of the Group in capturing market opportunities, its well-established brand name in the industry and the strong growth potential in the property management industry and sanitary industry, the Directors believe that the Group's business will continue to grow thereby further driving the growth of its market share and profits.

APPRECIATION

I would like to take this opportunity to express my gratitude on behalf of the Board to the Shareholders, business partners, customers and suppliers for their great support and trust. I would also like to express my appreciation to the management and all the staff for their contributions and efforts during the past year.

Xiao Xingtao

Chairman

30 March 2021

展望

展望將來，集團將繼續提供對準客戶商業利益的優質物業管理服務及增值服務，發展並為城市管理提供優質的環境衛生服務，集團計劃繼續透過合併、收購、投資、合營及業務合作以高效及策略性擴充本集團的業務。在物業管理行業的產業鏈及供應鏈中垂直擴展本集團業務。此外，集團將強化資訊科技系統的應用，提升向在管物業客戶及使用者提供服務的品質，同時啟動資訊科技系統的市場銷售工作，形成集團的新收益。最後，集團將推動公司的事業部機制和不同區域的分子公司協同機制，提升集團的經營效率。憑藉集團把握市場機遇的雄厚實力，於業內穩健的品牌聲譽，以及物業管理行業、環境衛生行業的強大增長潛力，董事相信集團的業務將持續增長，從而進一步帶動市場份額及盈利增長。

致謝

本人謹藉此機會代表董事會，對各位股東、業務夥伴、客戶及供應商的大力支持和信任表達謝意，同時感謝管理層及全體員工在過去一年的貢獻及努力。

主席

肖興濤

2021年3月30日

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

INDUSTRY OVERVIEW

The urbanization development of the PRC has been gradually accelerating since 1980s with urbanization rate increasing from only 19.4% in 1980 to over 60% in 2020. As compared with the average urbanization rate of approximately 70% in developed countries, there are further potential for urbanization development in the PRC. Improved urbanization has led to an increased demand for residential and other property projects, resulting in an increased demand for comprehensive urban public services including property management services and urban sanitary services.

The fast-growing economy in the PRC has spurred continuous growth in annual disposable income per urban capita. According to the National Bureau of Statistics of China's preliminary calculation, the annual disposable income per urban capita increased from RMB42,359 in 2019 to RMB43,834 in 2020. The increasing demand for better living conditions is another reason for the growth of property management industry.

In line with the economic growth and urbanization of the PRC, there are increasing supply of public facilities such as museums, arenas and stadiums as well as newly-constructed urban road areas to cater for the increasing demand from city dwellers of the PRC. Meanwhile, the increased urban population is promoting the demand for refuse treatment both in qualities and quantities.

BUSINESS REVIEW

The Group, through its operating subsidiaries and investments in associates, provides a wide range of comprehensive urban public services, including property management services with valued-added services to a variety of properties in the PRC and urban sanitary services to various areas.

The properties managed by the Group are mainly located in Shanghai and expanded to Tianjin, Anhui, Zhejiang, Jiangsu, Jiangxi, Fujian, Sichuan, Henan, Hubei and Hunan provinces. The urban sanitary services are mainly performed in Fujian and Sichuan provinces.

行業概覽

中國的城鎮化發展自二十世紀八十年代以來逐步加快，1980年的城鎮化率僅為19.4%，2020年已超過60%。與發達國家平均約70%的城鎮化率相比，中國的城鎮化發展仍有潛力。城鎮化水準的提高使得住宅及其他房產項目需求持續增加，致使對包含物業管理服務及城鎮環衛服務的城市綜合服務需求日益增加。

中國經濟快速增長推動了城鎮人均可支配年收入持續增長。根據中國國家統計局的初步計算資料顯示，城鎮人均可支配年收入由2019年的人民幣42,359元增至2020年的人民幣43,834元。對更好生活條件的需求日益提升是物業管理行業增長的另一原因。

與中國的經濟增長及城鎮化發展相匹配，公眾物業(如博物館、競技場及體育場)的供應及新建成城鎮道路面積將日漸增多，以滿足中國城市居民日益增長的需求。同時，城鎮人口的增長也提升了垃圾處理的品質與數量需求。

業務回顧

本集團透過其營運附屬公司及於聯營企業的投資提供廣泛的綜合城市服務，包括為中國不同種類的物業提供多種物業管理服務及增值服務，及為不同的區域提供城鎮環衛服務。

本集團在管的若干物業大部分位於上海，並拓展至天津、安徽、浙江、江蘇、江西、福建、四川、河南、湖北及湖南省。本集團的城鎮環衛服務主要在福建及四川省開展。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

During the Period, the Group through its subsidiaries and investments in associated companies had entered into 499 property management agreements for the provision of various kinds of property management services for the properties in the PRC, representing an increase of approximately 9.7% as compared to 455 property management agreements in the same period of 2019.

During the Period, approximately 67.3% of total revenue was generated from the provision of property management services, of which approximately 90.2% to non-residential properties whereas the remaining approximately 9.8% was generated from residential properties and other services. Also, approximately 32.7% of the Group's total revenue was generated from the provision of urban sanitary services.

The Group's property management services have been and will continue to be strategically focused on high-end non-residential properties in the PRC and the Group's urban sanitary service is an important part of the comprehensive urban public services.

期內，本集團透過其附屬公司及於聯營公司的投資訂立了499項物業管理協議，以就於中國的物業提供各類物業管理服務，較2019年同期的455項物業管理協議上升約9.7%。

期內，總收益中約67.3%為源自提供的物業管理服務，其中約90.2%乃產生自向非住宅物業提供物業管理服務，而餘下約9.8%乃來自住宅物業及其他服務。同時，本集團總收益中約32.7%乃產生自提供城鎮環衛服務。

本集團的物業管理服務始終並將繼續戰略性地專注於中國非住宅物業，而本集團的城鎮環衛服務為城市綜合公共服務的重要組成部分。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

The table below sets forth a breakdown of revenues by type of services provided for the period indicated.

下表載列按所示期間提供服務類型劃分的收益明細：

For the year ended 31 December 截至12月31日止年度

| | | 2020 2020年 | | 2019 2019年 | |
|--|-----------|-----------------------------------|--------------------------|-----------------------------------|--------------------------|
| | | Revenue 收益 RMB'000 人民幣千元 | % of total 佔總數 百分比 | Revenue 收益 RMB'000 人民幣千元 | % of total 佔總數 百分比 |
| Property management services on the lump sum basis | 包幹制物業管理服務 | 509,149 | 66.7% | 476,646 | 99.0% |
| Property management services on the fix remuneration basis | 酬金制物業管理服務 | 4,947 | 0.6% | 4,884 | 1.0% |
| Urban sanitary service | 城鎮環衛服務 | 249,712 | 32.7% | N/A 不適用 | N/A 不適用 |
| Total | 總計 | 763,808 | 100% | 481,530 | 100% |

The table below sets forth a breakdown of revenues from providing property management services by type of managed properties for the period indicated.

下表載列按所示期間在管物業類型劃分來自提供物業管理服務的收益明細：

For the year ended 31 December 截至12月31日止年度

| | | 2020 2020年 | | 2019 2019年 | |
|--|------------|-----------------------------------|--------------------------|-----------------------------------|--------------------------|
| | | Revenue 收益 RMB'000 人民幣千元 | % of total 佔總數 百分比 | Revenue 收益 RMB'000 人民幣千元 | % of total 佔總數 百分比 |
| Commercial establishments & office buildings | 商業綜合體及辦公大樓 | 312,223 | 60.7% | 254,257 | 52.8% |
| Public properties | 公眾物業 | 106,335 | 20.7% | 140,916 | 29.2% |
| Residential properties | 住宅物業 | 50,399 | 9.8% | 43,698 | 9.1% |
| Others | 其他 | 45,139 | 8.8% | 42,659 | 8.9% |
| Total | 總計 | 514,096 | 100% | 481,530 | 100% |

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

The table below sets forth a breakdown of revenues from providing urban sanitary services by various areas for the period indicated.

下表載列按所示期間不同區域劃分來自提供城鎮環衛服務的收益明細：

| | | For the year ended 31 December 截至12月31日止年度 | | | |
|---------|----|---|--------------------------|-----------------------------------|--------------------------|
| | | 2020 2020年 | | 2019 2019年 | |
| | | Revenue 收益 RMB'000 人民幣千元 | % of total 佔總數 百分比 | Revenue 收益 RMB'000 人民幣千元 | % of total 佔總數 百分比 |
| Fujian | 福建 | 165,672 | 66.3% | N/A 不適用 | N/A 不適用 |
| Sichuan | 四川 | 77,402 | 31.0% | N/A 不適用 | N/A 不適用 |
| Others | 其他 | 6,638 | 2.7% | N/A 不適用 | N/A 不適用 |
| Total | 總計 | 249,712 | 100% | N/A 不適用 | N/A 不適用 |

HUMAN RESOURCES

The Group employed 4,432 employees and dispatched staff as of 31 December 2020. The Group also subcontracted part of the labour intensive work, such as security, cleaning and gardening services and certain specialized engineering repairs and maintenance works to sub-contractors. The employment contracts either have no fixed terms, or if there are fixed terms, the terms are generally up to three years, after which the Group evaluate renewals based on performance appraisals. All of the full-time employees are paid a fixed salary and may be granted other allowances, based on their positions. In addition, discretionary bonuses may also be awarded to employees based on the employee's performance. The Group conduct regular performance appraisals to ensure that the employees receive feedback on their performance.

人力資源

截至2020年12月31日，本集團聘用4,432名僱員及派遣員工。本集團亦分包部分勞動密集型工作，例如安保、清潔及園藝服務以及若干專門工程維修及保養工程予分包商。該等僱傭合約無固定期限，或倘有固定期限，則一般為期不多於三年，而本集團其後會根據表現考核評估是否續約。我們所有全職僱員均獲發固定薪金，並可能會按其職位而獲授其他津貼。此外，僱員亦可能按僱員表現獲授酌情花紅。本集團定期進行表現考核，確保僱員就彼等的表現獲得反饋意見。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

PROSPECTS

Following the listing on the Stock Exchange on 11 December 2017, the Group, by leveraging on its capital, has striven to develop as an operator for systematic urban management engaging in environmental and property management businesses in core regions around the country. Currently, the Group has been actively developing its business in the cities along the eastern coast, as well as the regions along the Yangtze River by extending the horizontal development of complementary products and vertical development along the industrial chain. The Group has gradually kick-started its acquisition and investment activities. Against the backdrop of global economic downturn, the Group will carry out its acquisition activities in a prudent manner. With the Group's acquisition of Shanghai Xin Shi Bei and Hong Xin and Nanjing Songzhu in August 2019, January 2020 and March 2020 respectively, the expected profit contribution from the acquisition and investment activities has emerged in 2020.

As a leading service provider in the non-residential property management service industry, the Group will continue to build up its core competitiveness in engineering technology. We endeavor to achieve innovative development in engineering technology with our ability to operate and maintain the online and offline integrated engineering equipment and facility for Shanghai Bund Ke Pu as well as professional resources synchronization mechanism.

Furthermore, based on various technologies, such as the Internet of Things, the Internet, 3D technology and big data, the Group will continue to utilize its property management business as a pilot business to develop a self-owned open source smart building system, "Dynamic Building Matrix" ("DBM") to manage the data of basic status of buildings, which allows the provision of data and information as well as professional service to relevant parties, including property owners, property users, managers and regulators. In 2020, we have achieved the sales of DBM to customers in China and abroad. The Group will ensure the stability and reliability of our advanced technology, prudently expand the market in China and abroad and gradually realize the output effect of our technology investment.

前景

本集團於2017年12月11日在聯交所上市後，正以資本為核心紐帶，努力發展成為全國核心區域佈局、囊括環衛和物業管理等業務領域的系統性城市管理的運營商。目前正進一步圍繞東部沿海及長江沿岸區域尋求全國化主動佈局、產品橫向互補的結構化要求以及產業鏈縱向延伸發展，逐步啟動收購及投資活動。而面臨世界整體經濟形勢不景氣的環境，本集團收購活動趨於謹慎穩妥。隨著本集團於2019年8月，2020年1月及2020年3月已分別完成收購上海新市北，泓欣及南京松竹，收購及投資活動帶來的利潤貢獻已經在2020年顯現。

本集團作為非住宅物業管理服務行業的領先服務提供商，持續打造工程技術的核心競爭力。目前正通過上海外灘科浦打造線上線下的一體化工程設備設施運維能力和專業化資源協同機制，實現工程技術領域的創新發展。

另一方面，本集團已經基於物聯網、互聯網、3D技術、大數據技術，以物業管理做為先導業務，圍繞建築的基礎狀態數據自主開發了開放性的智慧樓宇系統「動態物業模型」(「DBM」)，為樓宇的擁有者、使用者、管理者、監管者等相關方提供數據信息、展開專業服務。2020年該系統已經實現海內外客戶的銷售，在確保技術先進穩定的前提下，集團將謹慎的拓展海內外市場，逐步實現科技投入的產出效果。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

Since the outbreak of COVID-19 in China in January 2020, the Group has taken active measures to implement the regulations and requirements issued by the local government on the prevention and control of COVID-19, and carry out all epidemic prevention work, focusing on the health of the customers, users and employees and the public security and social responsibilities. Although this outbreak had a huge impact on the global economy, and may inevitably continue to spread and affect the upstream and downstream enterprises of the Group to varying degrees, however, according to the current guidance of domestic policies, the important role of sanitation and property management in urban comprehensive services in the epidemic will be recognized by the community. The Group will continue to deepen its strategic positioning, assess and measure the risks posed by the outbreak, and identify and seize the opportunities in this crisis.

FINANCIAL REVIEW

Revenue

The Group's revenue increased by approximately 58.6% to approximately RMB763.8 million for the year ended 31 December 2020 from approximately RMB481.5 million for the year ended 31 December 2019. The increase in revenue was mainly attributable to (i) the increase in revenue of approximately RMB249.7 million generated from environmental sanitary services as a result of the acquisition of Hong Xin, and (ii) the increase in revenue generated from property management services increased from approximately RMB481.5 million for the year ended 31 December 2019 to approximately RMB514.1 million for the Period.

Cost of services provided

The Group's cost of services provided increased by approximately 58.7% to approximately RMB646.6 million for the year ended 31 December 2020 from approximately RMB407.4 million for the year ended 31 December 2019. The increase in cost of service provided was primarily due to (i) the increase in property management services income which leads to the increase in staff costs and sub-contracting staff costs; (ii) the increase in environmental sanitary services income which leads to the increase in labour costs; and (iii) the Group continues to recruit more talented staff and provide training for the existing staff to cope with the expansion of operations.

自新型冠狀病毒(「COVID-19」)於2020年1月在中國爆發以來，本集團積極採取措施以實施地方政府發佈的有關冠狀病毒流行病預防和控制的規定和要求，做好各項防疫工作，始終將客戶、用戶、僱員的健康和公共安全及社會責任置於首位。此次疫情雖然對實體經濟產生了巨大衝擊，並可能不可避免地陸續傳導並不同程度影響到本集團的上下游企業，根據目前國內政策的導向，疫情中環衛和物業管理在城市綜合服務方面發揮的重要作用得到社會各界的認同。本集團將繼續深化戰略發展定位，持續評估並衡量此次疫情帶來的風險，同時識別並把握蘊含的機遇。

財務回顧

收益

本集團的收益由截至2019年12月31日止年度的約人民幣481.5百萬元增加約58.6%至截至2020年12月31日止年度的約人民幣763.8百萬元。收益增長主要來自(i)因收購泓欣帶來的由環境衛生服務產生收益約人民幣249.7百萬元，及(ii)物業管理服務產生的收益由截至2019年12月31日止年度的約人民幣481.5百萬元增至本期的約人民幣514.1百萬元。

所提供服務成本

本集團的所提供服務成本由截至2019年12月31日止年度的約人民幣407.4百萬元增加約58.7%至截至2020年12月31日止年度的約人民幣646.6百萬元。所提供服務成本的增加主要由於(i)來自物業管理服務收入增加，導致員工成本及外包員工成本增加；(ii)環境衛生服務收入增加，導致人工成本增加；及(iii)本集團繼續增聘人才並為現有員工提供培訓以應付業務拓展。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

Gross profit and gross profit margin

The Group's gross profit increased by approximately 58.0% to approximately RMB117.2 million for the year ended 31 December 2020 from approximately RMB74.2 million for the year ended 31 December 2019 due to an increase in revenue despite being partially offset by the increase in the cost of services provided. Gross profit margin was maintained at a stable level of approximately 15.4% for the year ended 31 December 2020 as compared to the year ended 31 December 2019.

Other income and gains

The Group's other income and gains increased by approximately 46.3% to approximately RMB9.8 million for the year ended 31 December 2020 from approximately RMB6.7 million for the year ended 31 December 2019 due to the increase in government grants.

Selling and distribution expenses

The selling and distribution expenses increased by approximately 35.1% to approximately RMB12.7 million for the year ended 31 December 2020 from approximately RMB9.4 million for the year ended 31 December 2019. The increase in selling and distribution expenses was primarily due to the Group's expansion in business scale and entering into the urban environmental sanitation market.

Administrative expenses

The administrative expenses increased by approximately 24.0% to approximately RMB71.9 million for the year ended 31 December 2020 from approximately RMB58.0 million for the year ended 31 December 2019. The increase in the administrative expenses was primarily attributable to (i) increased staff cost with the Group's expansion in business scale and entering into the urban environmental sanitation market; and (ii) the amortization of intangible asset arising from the acquisition of Hong Xin.

毛利及毛利率

本集團的毛利由截至2019年12月31日止年度的約人民幣74.2百萬元增加約58.0%至截至2020年12月31日止年度的約人民幣117.2百萬元，乃由於收益增加，儘管部分被所提供服務的成本增加所抵銷。與截至2019年12月31日止年度相比，截至2020年12月31日止年度的毛利率維持穩定水平，約為15.4%。

其他收入及收益

本集團的其他收入及收益淨額由截至2019年12月31日止年度的約人民幣6.7百萬元增至約46.3%至截至2020年12月31日止年度的約人民幣9.8百萬元。其他收入及收益淨額增加主要由於政府補貼增加所致。

銷售及分銷開支

銷售及分銷開支由截至2019年12月31日止年度的約人民幣9.4百萬元增加約35.1%至截至2020年12月31日止年度的約人民幣12.7百萬元。銷售及分銷開支增加乃主要由於本集團業務規模擴大及涉入城市環衛市場。

行政開支

行政開支由截至2019年12月31日止年度的約人民幣58.0百萬元增加約24.0%至截至2020年12月31日止年度的約人民幣71.9百萬元。行政開支增加乃主要歸因於(i)隨著本集團業務規模擴大及涉入城市環衛市場，員工開支增加；及(ii)攤銷收購泓欣產生的無形資產。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

Interest expenses

The interest expenses increased to approximately RMB5.9 million for the year ended 31 December 2020 from approximately RMB1.7 million for the year ended 31 December 2019. The increase in the interest expenses was due to the increase in average bank borrowings for the year ended 31 December 2020.

Share of profits and losses of joint ventures

Share of profits of joint venture decreased to approximately RMB1.0 million for the year ended 31 December 2020 from approximately RMB5.1 million for the year ended 31 December 2019, which was primarily due to the decrease in profits shared from Hefei Zheng Wen.

Share of profits and losses of associates

Share of profits of associates increased to approximately RMB11.8 million for the year ended 31 December 2020 from approximately RMB6.9 million for the year ended 31 December 2019 which was primarily due to the increase in profits shared from Shanghai Xin Shi Bei, Shanghai Xin Di, Ningbo Plaza, Anhui PuBang and Nanjing Songzhu amounted to approximately RMB1.8 million, RMB1.3million, RMB1.0million, RMB0.5 million and RMB0.4 million respectively.

Income tax expense

The income tax expenses increased to approximately RMB12.4 million for the year ended 31 December 2020 from approximately RMB3.3 million for the year ended 31 December 2019. The increase in income tax expense was mainly due to (i) the increase in profit before tax for the Period; and (ii) no further release of income tax provision for the Period as compared with approximately RMB3.3 million release of income tax provision for the year ended 31 December 2019. For further details of the above-mentioned income tax provision release, please refer to Financial Information section of the Company's prospectus dated 28 November 2017.

利息開支

利息開支從截至2019年12月31日止年度的約人民幣1.7百萬元增加至截至2020年12月31日止年度的約人民幣5.9百萬元。利息開支增加乃由於截至2020年12月31日止年度平均銀行借款增加所致。

分佔合營企業的損益

分佔合營企業的溢利由截至2019年12月31日止年度的約人民幣5.1百萬元減少至截至2020年12月31日止年度的約人民幣1.0百萬元，乃主要由於分佔合肥政文的溢利減少。

分佔聯營企業的損益

分佔聯營企業的溢利從截至2019年12月31日止年度的約人民幣6.9百萬元增加至截至2020年12月31日止年度的約人民幣11.8百萬元，乃主要由於分佔上海新市北、上海欣迪、寧波城市廣場、安徽浦邦及南京松竹溢利分別增加約人民幣1.8百萬元、人民幣1.3百萬元、人民幣1.0百萬元、人民幣0.5百萬元及人民幣0.4百萬元。

所得稅開支

所得稅開支由截至2019年12月31日止年度的所得稅開支約人民幣3.3萬元增加至截至2020年12月31日止年度的約人民幣12.4百萬元。所得稅開支增加乃主要由於(i)本期間除稅前溢利增加；及(ii)與截至2019年12月31日止年度的解除所得稅撥備約人民幣3.3百萬元相比，本期不再有解除所得稅撥備。有關上述所得稅撥備解除的進一步詳情，請參閱本公司日期為2017年11月28日的招股章程內財務資料一節。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

Profit for the period and net profit margin

As a result of the foregoing, the net profit increased by 80.5% to approximately RMB37.0 million for the year ended 31 December 2020 from approximately RMB20.5 million for the year ended 31 December 2019 and the net profit margin increased to 4.8% for the year ended 31 December 2020 from 4.3% for the year ended 31 December 2019.

Intangible assets and goodwill

The intangible assets and goodwill primarily included customer relationship and goodwill obtained from a business combination. The intangible assets increased to approximately RMB50.9 million as at 31 December 2020 from approximately RMB3.5 million as at 31 December 2019, which was primarily due to (i) an increase in customer relationship as the Group acquired 51% equity interest in Hong Xin in 2020; and (ii) partially offset by the decrease in intangible assets due to the amortization of customer relationship.

Trade Receivables

The trade receivables increased by approximately 42.7% to approximately RMB143.0 million as at 31 December 2020 from approximately RMB100.2 million as at 31 December 2019, which primarily kept in line with the increased revenue. The trade receivables turnover (average trade receivables divided by revenue multiplied by 365 days) was 58.1 days (2019: 69.4 days).

Prepayments and other receivables

The prepayments and other receivables increased by approximately 36.0% to approximately RMB65.8 million as at 31 December 2020 from approximately RMB48.4 million as at 31 December 2019. The increase in prepayment, deposits and other receivables is primarily due to the increase in deposits paid for tendering, prepayment to suppliers.

Trade payables

The trade payables increased by approximately 43.7% to approximately RMB107.6 million as at 31 December 2020 from approximately RMB74.9 million as at 31 December 2019. The trade payables turnover (average trade payables divided by cost of services provided multiplied by 365 days) was 51.5 days (2019: 57.3 days).

期內溢利及純利率

基於上述原因，純利由截至2019年12月31日止年度的約人民幣20.5百萬元增加約80.5%至截至2020年12月31日止年度的約人民幣37.0百萬元，而純利率則由截至2019年12月31日止年度的4.3%增加至截至2020年12月31日止年度的4.8%。

無形資產及商譽

無形資產以及商譽主要包括來源於一項企業合併形成的客戶關係及商譽。無形資產由2019年12月31日的約人民幣3.5百萬元增加至2020年12月31日的約人民幣50.9百萬元，乃主要由於：(i)因本集團於2020年度收購泓欣51%的股權增加的客戶關係；以及(ii)部分被客戶關係攤銷致使的無形資產減少所抵消。

貿易應收款項

貿易應收款項由2019年12月31日的約人民幣100.2百萬元增加約42.7%至2020年12月31日的約人民幣143.0百萬元，大致上與收益增加相符。貿易應收款項的週轉天數(平均貿易應收款項除以收益乘以365天)為58.1天(2019年：69.4天)。

預付款項及其他應收款項

預付款項及其他應收款項由2019年12月31日的約人民幣48.4百萬元增加約36.0%至2020年12月31日的約人民幣65.8百萬元。增加主要由於就投標支付的按金、向供應商支付的預付款項增加。

貿易應付款項

貿易應付款項由截至2019年12月31日止年度的約人民幣74.9百萬元增加約43.7%至截至2020年12月31日止年度的約人民幣107.6百萬元。貿易應付款項的週轉天數(平均貿易應付款項除以所提供服務成本乘以365天)為51.5天(2019年：57.3天)。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

Other payables and accruals

The other payables and accruals increased by approximately 9.5% to approximately RMB82.8 million as at 31 December 2020 from approximately RMB75.6 million as at 31 December 2019. The increase was mainly due to (i) the Group's enlarged business scale with the acquisition of Hong Xin; and (ii) the approximately RMB15.9 million profit guarantee retention money received from Ms. Wang Hui (王慧), one of the existing shareholders of Hong Xin, who is also an executive Director. Please refer to the Company's announcement dated 9 September 2019 for further details, and (iii) being partially offset by the decrease in receipts on behalf of residents with the disposal of Anhui Bund.

Cash Flow

For the year ended 31 December 2020, the net cash from operating activities was approximately RMB82.7 million. The net cash used in investing activities for the year ended 31 December 2020 was approximately RMB97.4 million, which was primarily used for the payment of the acquisition of Hong Xin, Shanghai Xin Shi Bei, Bengbu Zhi Xin and Nanjing Songzhu. The net cash used in financing activities for the year ended 31 December 2020 was approximately RMB2.0 million.

PLEDGE OF ASSETS

Other than certain property, plant and equipment with carrying amount of approximately RMB6,320,000 as at 31 December 2020 (31 December 2019: Nil) was pledged to financing institutions. The Group had also pledged and factored certain of its trade receivables with net carrying amount of approximately RMB4,098,000 (31 December 2019: Nil) to secure the Group's borrowings as at 31 December 2020.

其他應付款項及應計費用

其他應付款項及應計費用由截至2019年12月31日止年度的約人民幣75.6百萬元增加約9.5%至截至2020年12月31日止年度的約人民幣82.8百萬元。該增加乃主要由於(i)因收購泓欣，本集團之業務規模擴大；(ii)自泓欣其中一名現股東王慧女士(亦為執行董事)收到溢利保證保留金約人民幣15.9百萬元。進一步詳情，請參閱本公司日期為2019年9月9日的公告，及(iii)部分被出售安徽外灘代表居民收款減少所抵銷。

現金流量

截至2020年12月31日止年度，經營活動所得現金淨額約為人民幣82.7百萬元。截至2020年12月31日止年度，投資活動所用現金淨額約為人民幣97.4百萬元，主要由於就收購泓欣、上海新市北、蚌埠置信及南京松竹作出付款。截至2020年12月31日止年度，融資活動所用現金淨額約為人民幣2.0百萬元。

資產質押

除於2020年12月31日質押予金融機構賬面金額約為人民幣6,320,000元(2019年12月31日：零)之若干物業、廠房及設備外，於2020年12月31日，本集團賬面金額約為人民幣4,098,000元(2019年12月31日：零)之貿易應收款項已予質押及保理，以為本集團之借款提供擔保。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

LIQUIDITY, FINANCIAL RESOURCES AND CAPITAL STRUCTURES

As at 31 December 2020, the Group had cash and cash equivalents of approximately RMB126.5 million. The total interest-bearing bank loans and other borrowings increased to approximately RMB100.1 million as at 31 December 2020 from RMB61.5 million as at 31 December 2019. The gearing ratio (total debts divided by total equity) as at 31 December 2020 was approximately 30.0% (31 December 2019: 25.7%). The current ratio (total current assets divided by total current liabilities) as at 31 December 2020 was 1.2 (31 December 2019: 1.4).

Financial management and policy

The management has designed and implemented a risk management policy to address various potential risks identified in relation to the operation of the businesses, including financial, operational and the interest risks from the property management agreements. The risk management policy sets forth procedures to identify, analyse, categorise, mitigate and monitor various risks.

The Board is responsible for overseeing the overall risk management system and assessing and updating, if necessary. The risk management policy is reviewed on a quarterly basis. The risk management policy also set forth the reporting hierarchy of risks identified in the operations.

Contingent Liabilities

As at 31 December 2020, the Directors was not aware of any significant events that would have resulted in material contingent liabilities.

Subsequent Event

The Group does not have any material subsequent event after 31 December 2020 and up to the date of this annual report.

流動資金、財務資源及資本架構

於2020年12月31日，本集團有現金及現金等價物約人民幣126.5百萬元。計息銀行及其他借款總額由2019年12月31日的人民幣61.5百萬元增至2020年12月31日的約人民幣100.1百萬元。於2020年12月31日的資產負債比率(總債務除以總權益)約為30.0% (2019年12月31日：25.7%)。於2020年12月31日的流動比率(總流動資產除以總流動負債)為1.2 (2019年12月31日：1.4)。

財務管理及政策

管理層已制定及實施風險管理政策，以處理就業務經營識別出的各種潛在風險，包括財務、營運及物業管理協議利息風險。風險管理政策載列程式以識別、分析、歸類、減輕及監控各種風險的程序。

董事會負責監督整個風險管理系統，並評估及(如需要)更新風險管理政策。董事會每季對風險管理政策作出檢討。風險管理政策亦載列在營運中識別出的風險匯報層級架構。

或然負債

於2020年12月31日，董事並不知悉有任何會導致出現重大或然負債的重大事件。

期後事項

於2020年12月31日之後及直至本年報日期，本集團概無任何重大期後事項。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

FINAL DIVIDENDS

The Board recommends the payment of a final dividend of HK\$0.012 per Share for the year ended 31 December 2020 (the “**2020 Final Dividend**”) with a sum of approximately HK\$4.9 million (equivalent to approximately RMB4.1 million which is subject to shareholders’ approval at the forthcoming 2020 annual general meeting of the Company to be held on Friday, 11 June 2021 (the “**AGM**”). The 2020 Final Dividend, if approved, will be distributed on or about Friday, 16 July 2021 to Shareholders whose names appear on the register of members of the Company on Wednesday, 23 June 2021.

CLOSURE OF REGISTER OF MEMBERS

For determining the entitlement to attend and vote at the forthcoming AGM of the Company, the register of members of the Company will be closed from Tuesday, 8 June 2021 to Friday, 11 June 2021, both days inclusive, during which period no transfer of shares of the Company will be registered. In order to be eligible to attend and vote at the above meeting, all transfer forms accompanied by the relevant share certificates must be lodged with the Company’s branch share registrar in Hong Kong, Tricor Investor Services Limited at Level 54, Hopewell Centre, 183 Queen’s Road East, Hong Kong for registration no later than 4:30 p.m. on Monday, 7 June 2021.

Subject to the approval of the proposed 2020 Final Dividend from the Shareholders at the forthcoming AGM, the register of members of the Company will be closed from Monday, 21 June 2021 to Wednesday, 23 June 2021, both days inclusive, during which period no transfer of Shares will be registered for ascertaining Shareholders’ entitlement to the proposed 2020 Final Dividend. In order to qualify for the proposed 2020 Final Dividend, all transfer of Shares, accompanied by the relevant share certificates, must be lodged with the Company’s branch share registrar in Hong Kong, Tricor Investor Services Limited at Level 54, Hopewell Centre, 183 Queen’s Road East, Hong Kong for registration no later than 4:30 p.m. on Friday, 18 June 2021.

末期股息

董事會建議就截至2020年12月31日止年度派付末期股息每股0.012港元(「**2020年末期股息**」)，合計約4.9百萬港元(相當於約人民幣4.1百萬元)，惟須獲股東在將於2021年6月11日(星期五)舉行的應屆2020年股東週年大會(「**股東週年大會**」)上批准方可作實。本公司將於2021年7月16日(星期五)或前後向於2021年6月23日(星期三)名列本公司股東名冊之股東派發(如批准)2020年末期股息。

暫停辦理股份過戶登記手續

為釐定有權出席本公司應屆股東週年大會並於會上投票的權利，本公司將於2021年6月8日(星期二)起至2021年6月11日(星期五)止(首尾兩日包括在內)暫停辦理股份過戶登記手續，期間不會辦理本公司股份過戶登記手續。為符合資格出席上述大會並於會上投票，股東最遲須於2021年6月7日(星期一)下午四時三十分前，將所有股份過戶表格連同有關股票送達本公司的股份過戶登記分處卓佳證券登記有限公司，地址為香港皇后大道東183號合和中心54樓以辦理登記手續。

待股東於股東週年大會批准建議2020年末期股息後，本公司將於2021年6月21日(星期一)起至2021年6月23日(星期三)止(首尾兩日包括在內)暫停辦理股份過戶登記手續，期間不會辦理股份過戶登記手續，以釐定有權獲得建議2020年末期股息的股東。為符合資格獲得建議2020年末期股息，股東最遲須於2021年6月18日(星期五)下午四時三十分前，將所有股份過戶表格連同有關股票送達本公司的股份過戶登記分處卓佳證券登記有限公司，地址為香港皇后大道東183號合和中心54樓以辦理登記手續。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

USE OF NET PROCEEDS

Net proceeds from the Listing (including the exercise of the over-allotment options on 5 January, 2018), after deducting the underwriting commission and other estimated expenses in connection with the Listing which the Company received amounted to approximately HK\$125.5 million (equivalent to approximately RMB104.9 million), comprising HK\$117.9 million (equivalent to approximately RMB98.6 million) raised from the Listing and HK\$7.6 million (equivalent to approximately RMB6.3 million) from the issue of shares pursuant to the exercise of the over-allotment options, respectively.

As at 31 December 2020, the net proceeds from the Listing were utilized as follows:

所得款項淨額用途

本公司所收取的首次公開發售所得款項淨額(包括於2018年1月5日行使的超額配股權,經扣除包銷佣金以及與上市有關的其他估計開支後)約為125.5百萬港元(相當於約人民幣104.9百萬元),當中包括分別由上市籌集所得117.9百萬港元(相當於約人民幣98.6百萬元)以及因根據行使超額配股權而發行股份所得7.6百萬港元(相當於約人民幣6.3百萬元)。

於2020年12月31日,上市所得款項淨額已獲運用如下:

| Use of proceeds | 所得款項用途 | Planned Use of Proceeds 所得款項計劃用途 HK\$ million 百萬元 | Proceeds Used 已運用所得款項 HK\$ million 百萬元 | Balances 結餘 HK\$ million 百萬元 |
|--|---------------------------------|--|---|---------------------------------------|
| Horizontal expansion by acquisition, investment or forming business alliance with property management companies in the markets | 透過收購、投資或與市場內的物業管理公司組成商業聯盟進行水平擴充 | 42.7 | 42.7 | — |
| Vertical expansion of both industry chain and supply chain in the property management industry | 於物業管理行業的產業鏈及供應鏈進行縱向擴展 | 29.8 | 29.8 | — |
| The development of information technology system | 開發資訊科技系統 | 19.8 | 19.8 | — |
| Recruitment of talent and implementation of training and recruitment programs | 招聘人才及實施培訓及招聘計劃 | 16.3 | 16.3 | — |
| Repayment of bank borrowings | 償還銀行貸款 | 5.0 | 5.0 | — |
| General working capital | 一般營運資金 | 11.9 | 11.9 | — |
| | | 125.5 | 125.5 | — |

As of the date of this annual report, the net proceeds from the Listing has been fully utilized and there was no change to the Group's plan of use of proceeds as stated in the prospectus of the Company dated 28 November 2017.

於本報告日期,上市所得款項淨額已悉數使用。誠如本公司日期為2017年11月28日的招股章程所述,本公司所得款項用途計劃未曾出現任何變動。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

EMPLOYEES AND REMUNERATION POLICY

Quality and committed staff are valuable assets to the Group's success. The primary objective of the Group's remuneration policy is to ensure there is an appropriate level of remuneration to attract and retain experienced people of high calibre to join the Group. The Group links the remuneration of its employees to both the Group's performance and individual performance, so that the interests of the employees align with those of the Company's shareholders. As at 31 December 2020, the Group employed approximately 4,432 employees. To enhance the performance of the employees, the Group provides its employees with adequate and regular trainings. Employees' remuneration package comprises fixed and variable components including salary, discretionary bonus and share options that may be granted to eligible staff by reference to the Group's performance as well as individual's performance.

僱員及薪酬政策

優秀及敬業的員工乃本集團致勝的寶貴資產。本集團薪酬政策的主要宗旨為確保薪酬水平適當，藉以吸引及挽留高質素富經驗人才加盟本集團。本集團將其僱員薪酬與本集團表現及個人表現掛鉤，從而令僱員權益與本公司股東的權益一致。於2020年12月31日，本集團僱用約4,432名僱員。為提升僱員表現，本集團為其僱員提供充足常規培訓。僱員薪酬待遇包括固定及可變部分，包括薪金、酌情花紅及經參考本集團表現及個人表現後向合資格員工授出的購股權。

DIRECTORS AND SENIOR MANAGEMENT

董事及高級管理層

EXECUTIVE DIRECTORS

Mr. Xiao Xingtao (肖興濤), aged 71, a co-founder of our Group with Mr. Fu. Mr. Xiao was appointed as our Director on 27 July 2016, as the chairman of our Board and re-designated as our executive Director on 24 October 2016. Mr. Xiao is responsible for strategy planning and business development of our Group. He is also the chairman of the nomination committee of our Group. Mr. Xiao is the father of Mr. Xiao YQ.

Mr. Xiao obtained a diploma degree in Chinese Language from Shanghai Institute of Education* (上海教育學院) in the PRC in July 1985. He attended a training course in economic study organised by the Graduate School of Shanghai Academy of Social Sciences* (上海社會科學院研究生部) in the PRC in March 1997. Mr. Xiao obtained the qualification of senior economist upon completion of the Integrated Economic Management Programme* (經濟綜合管理) organised by Shanghai Accreditation Board for Senior Professionals in Economics (Production sector)* (上海市經濟系列(生產領域)高級專業技術職務任職資格評審委員會) in July 2003.

Prior to the establishment of our Group, Mr. Xiao had worked in several state-owned enterprises. He joined Jiangnan Shipyard* (江南造船廠) (now known as Jiangnan Shipyard (Group) Company Limited* (江南造船(集團)有限責任公司)) in November 1968 and acted as head of its publicity department from October 1992 to June 1995. Mr. Xiao first encountered the property management industry when he served as an officer director of Shanghai Jiu Shi Company* (上海久事公司), deputy general manager of Shanghai Jiushi Company Bund Zhihuan Headquarters* (上海久事公司外灘置換總部) responsible for overall operation and general management of Shanghai Bund Housing Replacement Property Company Limited* (上海外灘房屋置換物業有限公司) (now known as Shanghai Bund) from May 1995 to October 2002.

執行董事

肖興濤先生，71歲，與傅先生為本集團共同創辦人。肖先生於2016年7月27日獲委任為我們的董事，並於2016年10月24日獲委任為董事會主席及調任為執行董事。肖先生負責本集團的戰略規劃及業務發展。彼亦為本集團提名委員會主席。肖先生為肖予喬先生的父親。

肖先生於1985年7月取得中國的上海教育學院中國語文大專學歷。彼於1997年3月參加中國上海社會科學院研究生部開辦的經濟學培訓課程。肖先生於2003年7月完成由上海市經濟系列(生產領域)高級專業技術職務任職資格評審委員會舉辦的經濟綜合管理課程後，取得高級經濟師資格證書。

本集團成立前，肖先生曾任職於數間國有企業。彼於1968年11月加入江南造船廠(現稱為江南造船(集團)有限責任公司)，並於1992年10月至1995年6月擔任宣傳部部長。肖先生於1995年5月至2002年10月擔任上海久事公司辦公室主任、上海久事公司外灘置換總部副總經理(負責上海外灘房屋置換物業有限公司(現稱為上海外灘)整體營運及管理)期間首次涉足物業管理行業。

DIRECTORS AND SENIOR MANAGEMENT 董事及高級管理層

With his knowledge and experience gained in property management industry, Mr. Xiao established Pujiang Property jointly with Mr. Fu in December 2002 for carrying out property management business and served as the chairman of the board and general manager since its establishment. With the growth and expansion of our Group, Mr. Xiao and Mr. Fu later established or acquired other property management companies for carrying out various property management projects and also set up Pujiang Holding in June 2007 as their investment holding vehicle for various property management companies and other companies carrying out investment management business and has been acting as its chairman since then. Mr. Xiao currently holds directorships in Pujiang Property and Shanghai Bund of our Group.

Mr. Xiao was awarded the independent innovation leading talent* (自主創新領軍人才) by Shanghai Luwan District Government* (上海盧灣區人民政府) in April 2008, the golden prize of outstanding contribution to Shanghai Property Management Industry* (上海市物業管理行業突出貢獻金獎) in January 2011 and the outstanding individual* (傑出人物獎) by Shanghai Property Management Industry Society* (上海物業管理行業協會) in January 2015.

Mr. Fu Qichang (傅其昌), aged 63, a co-founder of our Group with Mr. Xiao and was appointed as our executive Director and vice chairman of our Board on 24 October 2016. He is responsible for strategic planning and business development of our Group. Mr. Fu is also a member of the nomination committee and remuneration committee of our Group.

憑藉其於物業管理行業累積的知識與經驗，肖先生於2002年12月聯同傅先生成立浦江物業以進行物業管理業務，並自其成立以來擔任該公司的董事長兼總經理。隨著本集團增長及擴展，肖先生及傅先生其後成立或收購其他物業管理公司以進行各種物業管理項目，亦於2007年6月設立浦江控股作為彼等多間物業管理公司及其他進行投資管理業務的公司的投資控股工具，此後一直擔任其主席。肖先生目前於本集團的浦江物業以及上海外灘擔任董事職位。

肖先生於2008年4月獲上海盧灣區人民政府評為自主創新領軍人才，分別於2011年1月及2015年1月獲上海物業管理行業協會頒發上海市物業管理行業突出貢獻金獎及傑出人物獎。

傅其昌先生，63歲，與肖先生為本集團的共同創辦人，於2016年10月24日獲委任為我們的執行董事兼董事會副主席。彼負責本集團的戰略規劃及業務發展。傅先生亦為本集團的提名委員會及薪酬委員會成員。

DIRECTORS AND SENIOR MANAGEMENT

董事及高級管理層

Mr. Fu obtained a diploma degree in Accountancy from Lixin Accountancy College of Professional Studies* (立信會計專科學校) in the PRC in July 1983 and a Master degree in Business Administration from Macau University of Science and Technology (by distance learning) in Macau, in February 2004. He obtained an executive Master of Business Administration (Service Management) (by distance learning) in Shanghai, the PRC offered by W. P. Carey school of Business of Arizona State University in May 2013.

Mr. Fu obtained the accountant qualification awarded by Shanghai Accreditation Board for Middle Level Professionals (Accountants) of the Shanghai Moto Industry Holding Company* (上海市汽車工業總公司會計系列中級專業技術職務任職資格評審委員會) in June 1992 and attended a corporate finance course organised by Sino-Euro International Business school* (中歐國際工商學院) in August 1999. He obtained the qualifications of senior business manager* (高級商務管理崗位資格證書) awarded by Shanghai Business Talents Training Center* (上海市商業人才培訓中心) and Shanghai Desirable Talent Training Projects Joint Conference Office* (上海緊缺人才培訓工程聯席會議辦公室) in February 2004 and corporate manager of national property management upon completion of the National Property Management for Corporate Manager Programme* (全國物業管理企業經理) organised by Shanghai Property Industrial Education Centre* (上海市房地產行業教育中心) in December 2001. Mr. Fu was awarded the chief financial officer qualifying training certificate by Shanghai National Accountants Institute in July 2013.

Prior to the establishment of our Group, Mr. Fu acted as the deputy general manager and chief accountant in Pudong Company of Shanghai Jiu Shi Company* (上海久事公司浦東公司) and the deputy general manager of Property Company of Shanghai Jiu Shi Company* (上海久事公司物業公司) from July 1997 to March 2003.

傅先生於1983年7月取得中國立信會計專科學校會計學大專學歷，並於2004年2月(透過遙距學習)取得澳門科技大學工商管理碩士學位。彼於2013年5月在中國上海(透過遙距學習)取得亞利桑那州立大學凱瑞商學院給予的高級工商管理(服務管理)碩士學位。

傅先生於1992年6月獲頒上海市汽車工業總公司會計系列中級專業技術職務任職資格評審委員會授予的會計師崗位資格證書，並於1999年8月參加中歐國際工商學院舉辦的公司財務課程。彼於2004年2月獲上海市商業人才培訓中心及上海緊缺人才培訓工程聯席會議辦公室頒發高級商務管理崗位資格證書，並於2001年12月完成由上海市房地產行業教育中心舉辦的全國物業管理企業經理培訓後，獲頒全國物業管理企業經理崗位資格證書。傅先生於2013年7月獲上海國家會計學院頒發的財務總監資格培訓證書。

本集團成立前，傅先生自1997年7月至2003年3月曾擔任上海久事公司浦東公司的副總經理及總會計師，以及上海久事公司物業公司的副總經理。

DIRECTORS AND SENIOR MANAGEMENT 董事及高級管理層

Mr. Fu currently holds directorships in several subsidiaries of our Group, including Pujiang Property, Shanghai Bund, Shanghai Bund Green, Shanghai Rui Zheng and Hong Xin.

Mr. Fu was awarded the role model of the Shanghai Labour Force* (上海市勞動模範) by Shanghai People's Government in April 2010, national role model of the industry* (全國行業楷模) by National Property Management Society* (全國物業管理協會) in September 2011, veteran professional manager of the Shanghai property service industry* (上海市物業服務企業資深職業經理人) by Shanghai Property Management Industry Society in January 2012, Shanghai Huangpu district professional and technical talents* (專業技術拔尖人才) by Shanghai Huangpu District Government* (上海市黃浦區人民政府) in September 2012 and the outstanding individual by Shanghai Property Management Industry Society in January 2015.

Mr. Xiao Yuqiao (肖予喬), aged 38, was appointed as our executive Director and chief executive officer on 24 October 2016. He is responsible for the overall operation and management and execution of the policies of our Group. Mr. Xiao YQ is also member of the remuneration committee of our Group. Mr. Xiao YQ is the son of Mr. Xiao.

Mr. Xiao YQ obtained a double degree in Philosophy and Business Management from the State University of New York at Stony Brook in the United States in May 2005.

傅先生目前於本集團多間附屬公司擔任董事職位，包括浦江物業、上海外灘、上海外灘綠化、上海瑞正以及泓欣。

傅先生於2010年4月獲上海市人民政府評為上海市勞動模範，於2011年9月獲全國物業管理協會評為全國行業楷模，於2012年1月獲上海市物業管理行業協會評為上海市物業服務企業資深職業經理人，於2012年9月獲上海市黃浦區人民政府評為上海黃浦區專業技術拔尖人才，以及於2015年1月獲上海市物業管理行業協會頒發傑出人物獎。

肖予喬先生，38歲，於2016年10月24日獲委任為我們的執行董事兼行政總裁。彼負責本集團的整體營運及管理以及政策執行。肖予喬先生亦為本集團薪酬委員會成員。肖予喬先生為肖先生的兒子。

肖予喬先生於2005年5月取得美國紐約州立大學石溪分校的哲學及商業管理雙學士學位。

DIRECTORS AND SENIOR MANAGEMENT

董事及高級管理層

Mr. Xiao YQ has over ten years of experience in the property management industry. He joined our Group in February 2006 and had served as the general manager of Shanghai Pujiang Sanqing Property Co. Ltd.* (上海浦江三清物業有限公司) (now known as Shanghai Rui Zheng) until May 2012. He was the general manager of Ningbo Plaza from May 2012 to December 2013. Mr. Xiao YQ had served as the deputy general manager in Pujiang Property since May 2012 and was subsequently appointed as its director on 11 March 2016. He has been the deputy general manager of Shanghai Bund since May 2012 and a director of Shanghai Jie Gu since May 2016. Mr. Xiao YQ has also served as an executive director of Pujiang Holding since January 2014. He is also a director of Shanghai Bund Ke Pu, Shanghai Jiu Yi, Anhui Pu Jing, Nantong Pu Sheng, Bengbu Zhi Xin, Shanghai Rui Zheng, Hong Xin and Qidong Xinqiao Property Company Limited*(啟東新喬物業有限公司).

Mr. Xiao YQ was awarded the outstanding individual (15th anniversary) by China Property Management Magazine* (《中國物業管理》雜誌社) in July 2016.

Mr. Jia Shaojun (賈少軍), aged 51, joined our Group in December 2014 and has served as a deputy general manager and chief officer of department of operation and administration in Pujiang Property and Shanghai Bund since then. He was appointed as our vice president on 24 October 2016, as our executive Director with effect from 7 May 2018, and as our joint company secretary of the Company with effect from 20 May 2019. Mr. Jia is also the director of Nantong Pu Sheng, Shanghai Bund Ke Pu, Shanghai Jiu Yi, Anhui Pu Jing, Hong Xin and Qidong Xinqiao Property Company Limited* (啟東新喬物業有限公司).

Mr. Jia graduated with a bachelor's degree in ship engineering from Dalian University of Technology* (大連理工大學) in July 1992 and a master's degree in professional accountancy from the Chinese University of Hong Kong (by distance learning) in December 2011. He obtained the chief financial officer qualifying certificate from the Shanghai National Accounting Institute in August 2010.

肖予喬先生於物業管理行業擁有逾十年經驗。彼於2006年2月加入本集團，曾擔任上海浦江三清物業有限公司(現稱為上海瑞正)的總經理直至2012年5月。彼於2012年5月至2013年12月期間曾為寧波城市廣場的總經理。肖予喬先生自2012年5月起擔任浦江物業的副總經理，並其後於2016年3月11日獲委任為其董事。彼自2012年5月起擔任上海外灘的副總經理及自2016年5月起擔任上海介谷的董事。肖予喬先生亦自2014年1月起擔任浦江控股的執行董事。彼亦擔任上海外灘科浦、上海久怡、安徽浦景、南通浦盛、蚌埠置信、上海瑞正、泓欣以及啟東新喬物業有限公司的董事。

於2016年7月，肖予喬先生獲評《中國物業管理》雜誌社15周年傑出人物。

賈少軍先生，51歲，於2014年12月加入本集團，自此擔任浦江物業及上海外灘的副總經理及運營管理部總監。彼於2016年10月24日獲委任為本公司副總裁，自2018年5月7日起獲委任為本公司執行董事並自2019年5月20日起獲委任為本公司聯席公司秘書。賈先生亦為南通浦盛、上海外灘科浦、上海久怡、安徽浦景、泓欣以及啟東新喬物業有限公司的董事。

賈先生於1992年7月畢業於大連理工大學，獲得船舶工程學士學位，於2011年12月(通過遙距學習)自香港中文大學獲得專業會計學碩士學位。彼於2010年8月獲上海國家會計學院授予財務總監資格培訓合格證書。

DIRECTORS AND SENIOR MANAGEMENT

董事及高級管理層

Mr. Jia has over 20 years of experience in strategy planning and corporate management before joining our Group in December 2014. He was a deputy head of the department of operation and management of Shanghai Waigaoqiao Shipbuilding Company Limited* (上海外高橋造船有限公司) from June 1996 to October 2005. He served as an assistant to the president and head of planning and management department of Jiangsu Rongsheng Heavy Industry Company Limited* (江蘇熔盛重工有限公司) from November 2005 to March 2008 and was its deputy president from April 2008 to March 2010. Mr. Jia was the president and head of economics and operation department of Rongsheng Machinery Company Limited* (熔盛機械有限公司) from March 2010 to March 2011 and its president from May 2013 to June 2014. Mr. Jia was a deputy general manager of Zhonglian Heavy Machinery Company Limited* (中聯重機股份有限公司) from July 2014 to November 2014.

Ms. Wang Hui (王慧), aged 47, was appointed as our executive Director on 20 November 2020.

Ms. Wang has obtained a degree in Economics Management from the University of Science and Technology Beijing* (北京科技大學) in 1997. She is currently part of the Executive Committee of Fuzhou Federation of Industry and Commerce, the Executive Vice President of Dazhou General Chamber of Commerce and a member of the Eighth Committee of Taijiang District, Fuzhou City, Chinese People's Political Consultative Conference. On 5 July 2000, Ms. Wang founded Hong Xin (formerly known as Fuzhou Hongxin Cleaning Company Limited* (福州泓欣保潔有限公司), Fuzhou Hongxin Pest Control Company Limited* (福州泓欣有害生物防治有限公司) and Fuzhou Hongxin Environmental Cleaning Service Company Limited* (福州泓欣環境清潔服務有限公司)) and she has been acting as the director and the legal person since its incorporation. On 3 January 2020, the Group acquired 51% equity interest in Hong Xin. Since then, Hong Xin has become an indirect non-wholly owned subsidiary of the Company and Ms. Wang has also been acting as the chairperson of Hong Xin.

賈先生於2014年12月加入本集團前擁有超過20年戰略規劃及企業管理經驗。彼自1996年6月至2005年10月擔任上海外高橋造船有限公司運營管理部副部長。彼自2005年11月至2008年3月擔任江蘇熔盛重工有限公司總裁助理及規劃管理部部長，並於2008年4月至2010年3月為該公司副總裁。賈先生自2010年3月至2011年3月為熔盛機械有限公司總裁及經濟運行部部長，並自2013年5月至2014年6月擔任該公司總裁。自2014年7月至2014年11月，賈先生曾任中聯重機股份有限公司副總經理。

王慧女士，47歲，於2020年11月20日獲委任為我們的執行董事。

王慧女士於1997年獲北京科技大學經濟管理學位。彼目前為福州市工商業聯合會執行委員會成員、達州市總商會副會長及中國人民政治協商會議福州市台江區第八屆委員會委員。彼於2000年7月5日成立泓欣(前稱福州泓欣保潔有限公司、福州泓欣有害生物防治有限公司及福州泓欣環境清潔服務有限公司)，自註冊成立以來，彼一直擔任其董事及法人。於2020年1月3日，本集團收購泓欣51%股本權益，自此，泓欣成為本公司的間接非全資附屬公司。王慧女士亦自此擔任泓欣董事長。

DIRECTORS AND SENIOR MANAGEMENT

董事及高級管理層

NON-EXECUTIVE DIRECTORS

Mr. Zhang Yongjun (張擁軍), aged 45, has been appointed as our non-executive Director with effect from 7 May 2018.

Mr. Zhang graduated from Shanghai Jiao Tong University* (上海交通大學) with a bachelor's degree in cranes, transportation machinery and mechanical engineering in July 1996 and a master's degree in business administration in July 2003.

Mr. Zhang has extensive experience in investment and corporate management. Prior to joining our Group, he worked as the senior investment manager in Shanghai Galaxy Digital Investment Co., Ltd.* (上海星河數碼投資有限公司) from January 2003 to March 2006. He served as the assistant director of the investment department at Shanghai Industrial Investment (Shanghai) Company Limited* (上實管理(上海)有限公司) from April 2006 to April 2008. He was the deputy general manager of Runfeng Investment Group Shanghai Investment Co., Ltd.* (潤豐投資集團上海投資有限公司) from April 2008 to May 2009. Since June 2009, he has served as the director and head of the investment department of Shanghai Industrial Investment (Shanghai) Company Limited* (上實管理(上海)有限公司). He has served as the assistant president of Shanghai Overseas International Trading Company Limited* (上海海外公司) since January 2019.

Currently, Mr. Zhang serves as a director of Weifang City Water Supply Company Limited* (濰坊市自來水有限公司), Shanghai Qingpu Second Sewage Treatment Plant Company Limited* (上海青浦第二污水處理廠有限公司), SIIC Properties Group (Shanghai) Limited* (上實置業集團(上海)有限公司) and Shanghai SIIC Investment Development Company Limited* (上海上實投資發展有限公司). He also serves as the vice board chairman of Qihua Company Limited* (啟華有限公司), the board chairman of Shanghai Nanyang Plywood Company Limited* (上海南洋膠合板有限公司) and Lu An Xinshi Asset Management Company Limited* (六安信實資產管理有限公司). He is also on the board of supervisors of SIIC Environment Holdings (Wuhan) Company Limited.* (上實環境控股(武漢)有限公司), a subsidiary of SIIC Environment Holdings Ltd. (a company listed on the Stock Exchange (stock code: 807) and the Singapore Exchange Limited (stock code: BHK)).

非執行董事

張擁軍先生，45歲，自2018年5月7日起獲委任為本公司非執行董事。

張先生於1996年7月畢業於上海交通大學，獲得起重運輸與工程機械學士學位，於2003年7月獲得工商管理碩士學位。

張先生於投資及企業管理方面擁有豐富經驗。於加入本集團前，彼自2003年1月至2006年3月出任上海星河數碼投資有限公司高級投資經理；自2006年4月至2008年4月擔任上實管理(上海)有限公司投資部助理主管；自2008年4月至2009年5月為潤豐投資集團上海投資有限公司副總經理。自2009年6月以來，彼一直擔任上實管理(上海)有限公司總監兼投資部主管。彼自2019年1月起亦擔任上海海外公司的助理總裁。

目前，張先生分別擔任濰坊市自來水有限公司、上海青浦第二污水處理廠有限公司、上實置業集團(上海)有限公司以及上海上實投資發展有限公司董事。彼亦擔任啟華有限公司副董事長，上海南洋膠合板有限公司以及六安信實資產管理有限公司董事長。彼亦為上海實業環境控股有限公司(分別於聯交所(股份代號：807)及新加坡證券交易所(股份代號：BHK)上市)的附屬公司上實環境控股(武漢)有限公司監事會會員。

DIRECTORS AND SENIOR MANAGEMENT

董事及高級管理層

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. Cheng Dong (程東), aged 58, was appointed as our independent non-executive Director on 15 November 2017. He is responsible for overseeing the management of our Group independently. He is also the chairman of the remuneration committee and a member of the audit committee and nomination committee of our Group.

Mr. Cheng graduated with a Bachelor degree in management engineering from Tongji University (同濟大學) in the PRC in July 1984 and Master degree in economic informatics from Academy for Computer Science and Computer executives* (Akademie für Fach- und Führungskräfte der Informatik) in Germany in May 1995.

Mr. Cheng was accredited as an organisational programmer and economic informatics scientist by the Chambers of Industry and Commerce Region Stuttgart* (Industrie-und Handelskammer Region Stuttgart) in Germany in November 1992 and December 1992 respectively.

Mr. Cheng was a teacher at the school of economics and Management at the Tongji University (同濟大學) from July 1984 to January 1990. From March 1992 to June 1995, he served as a software engineer and project manager at Yingta Information technology Company Limited, Germany* (德國英特格拉塔股份公司) and was the company's chief representative at its representative office in PRC between June 1995 and May 1998. He had served as the general manager of Shanghai Yingta Information Technology Company Limited* (上海英塔信息技術有限公司). Mr. Cheng is currently holding senior positions in several companies in the PRC including legal representative (法人代表) of Shanghai Entai Business and Trading Company Limited* (上海恩泰商貿有限公司) since May 1996, chairman of Shanghai Yingta Health Management Company Limited* (上海英塔健康管理有限公司) since November 2008, and general manager of Anpac Bio-Medical Science Company Limited (安派科生物醫學科技(上海)有限公司) since April 2014.

獨立非執行董事

程東先生，58歲，於2017年11月15日獲委任為我們的獨立非執行董事。彼負責獨立監督本集團管理層。彼亦為本集團薪酬委員會主席以及審核委員會及提名委員會成員。

程先生於1984年7月畢業於中國的同濟大學，並獲得管理工程學士學位，並於1995年5月獲德國計算機科學與計算機高級人員學院 (Akademie für Fach- und Führungskräfte der Informatik) 頒發經濟信息學碩士學位。

程先生分別於1992年11月及1992年12月獲德國斯圖加特地區工商大會 (Industrie-und Handelskammer Region Stuttgart) 認可為組織程序設計師及經濟信息科學家。

程先生自1984年7月至1990年1月於同濟大學經濟與管理學院任職教師。自1992年3月至1995年6月，彼於德國英特格拉塔股份公司擔任軟件工程師及項目經理，並於1995年6月至1998年5月期間擔任該公司中國代表處的首席代表。彼曾於上海英塔信息技術有限公司擔任總經理。程先生目前於中國多間公司任職高層，包括自1996年5月起擔任上海恩泰商貿有限公司的法人代表，自2008年11月起擔任上海英塔健康管理有限公司的董事長及自2014年4月起擔任安派科生物醫學科技(上海)有限公司的總經理。

DIRECTORS AND SENIOR MANAGEMENT

董事及高級管理層

Mr. Weng Guoqiang (翁國強), aged 60, was appointed as our independent non-executive Director on 15 November 2017. He is responsible for overseeing the management of our Group independently. He is also member of the audit committee, nomination committee and remuneration committee of our Group.

Mr. Weng graduated with a Bachelor degree in Applied Mathematics from the Tongji University in the PRC in July 1982 and a Master degree in Public Administration from the University of Macau in Macau in September 2003.

Mr. Weng was accredited as a National Vocational Qualification Level 2 Vocational Management Professional* (國家職業資格二級職業經理人) in May 2003 and a Level 1 Senior Vocational Management Professional* (一級高級職業經理人) in September 2004 by the Shanghai Vocational Skill Testing Authority* (上海市職業技能鑒定中心). Mr. Weng was also accredited as a Certified Property Manager by the Personnel Department of Shanghai* (上海市人事局) in October 2006 and an Advanced Economist* (高級經濟師) by the Personnel Department of Jiangsu Province* (江蘇省人事廳) in September 2009.

Mr. Weng has extensive experience in the property management industry in Shanghai for over 18 years. He had served as a general manager of Shanghai Lujiazui Property Management Co., Ltd. (上海陸家嘴物業管理有限公司) from October 1999 to May 2008 and as a general manager of Wuxi Dongzhou Property Management Company Limited* (無錫東洲物業管理有限公司) from May 2008 to December 2009. Since January 2010, Mr. Weng has taken up the positions of general manager and subsequently executive director at the Shanghai Tonglai Property Management Company Limited* (上海同涑物業管理有限公司).

翁國強先生，60歲，於2017年11月15日獲委任為我們的獨立非執行董事。彼負責獨立監督本集團管理層。彼亦為本集團審核委員會、提名委員會及薪酬委員會成員。

翁先生於1982年7月畢業於中國的同濟大學，獲得應用數學學士學位，並於2003年9月獲澳門的澳門大學頒發公共行政碩士學位。

翁先生分別於2003年5月及2004年9月獲上海市職業技能鑒定中心獲認可為國家職業資格二級職業經理人及一級高級職業經理人。翁先生亦於2006年10月獲上海市人事局認可為註冊物業管理師，並於2009年9月獲江蘇省人事廳認可為高級經濟師。

翁先生在上海物業管理行業擁有超過18年的豐富經驗。翁先生自1999年10月至2008年5月於上海陸家嘴物業管理有限公司擔任總經理，並自2008年5月至2009年12月於無錫東洲物業管理有限公司擔任總經理。自2010年1月起，翁先生曾先後擔任上海同涑物業管理有限公司總經理及執行董事職務。

DIRECTORS AND SENIOR MANAGEMENT

董事及高級管理層

Mr. Shu Wa Tung Laurence (舒華東), aged 48, was appointed as our independent non-executive Director on 15 November 2017. He is responsible for overseeing the management of our Group independently. He is also the chairman of the audit committee and member of the remuneration committee and nomination committee of our Group.

Mr. Shu graduated with a Bachelor degree in Business (Accounting) from Deakin University in Australia in September 1994. He qualified as a certified practising accountant in Australia in May 1997 and became an associate of the Hong Kong Society of Accountants in September 1997. Mr. Shu attended the chief financial officer programme offered by China Europe International Business School from July to November 2009.

Mr. Shu has over 20 years of experience in audit, corporate finance and financial management. He joined Deloitte Touche Tohmatsu (“**Deloitte**”) as an accountant in March 1994 and later became a manager of Deloitte’s reorganisation service group in April 2000. Mr. Shu joined Deloitte & Touche Corporate Finance Limited and served as its manager from July 2001 to November 2002. Mr. Shu worked as an associate director in Goldbond Capital (Asia) Limited from November 2002 to April 2005. He served as the chief financial officer and company secretary of Texhong Textile Group Limited (天虹紡織集團有限公司) (a company listed on the Stock Exchange with stock code 02678) from May 2005 to July 2008. Mr. Shu was employed as the chief financial officer of Jiangsu Rongsheng Heavy Industries Company Limited* (江蘇熔盛重工有限公司) overseeing its financial management functions and corporate finance activities as well as the daily management of its finance department from July 2008 to June 2010. Mr. Shu served as the chief financial officer of Petro-king Oilfield Services Limited (百勤油田服務有限公司) (a company listed on the Stock Exchange with stock code 02178) since July 2010 to July 2018. Mr. Shu has served as the chief financial officer of Brainhole Technology Limited (formerly known as Top Dynamic International Holdings Limited) (a company listed on the Stock Exchange with stock code: 02203) since August 2018 to November 2019. Mr. Shu is currently the chief financial officer of Contiocean Environment Tech Company Limited* (上海匯舸環保科技有限公司), primarily responsible for its financial and investment division. He is also an independent non-executive director of Chengdu Expressway Co., Ltd. (成都高速公路股份有限公司) (a company listed on the Stock Exchange with stock code 01785), Twintek Investment Holdings Limited (乙德投資控股有限公司) (a company listed on the Stock Exchange with stock code 06182) and Goldstream Investment Limited (金涌投資有限公司) (a company listed on the Stock Exchange with stock code 01328) since November 2016, December 2017 and December 2019 respectively. He has been served as a member of the Hong Kong Independent Non-Executive Director Association since May 2019.

舒華東先生，48歲，於2017年11月15日獲委任為我們的獨立非執行董事。彼負責獨立監督本集團管理層。彼同時亦為本集團審核委員會主席以及薪酬委員會及提名委員會成員。

舒先生於1994年9月畢業於澳大利亞迪肯大學，獲得商學(會計)學士學位。彼於1997年5月在澳大利亞取得執業會計師資格，並於1997年9月成為香港會計師公會會員。舒先生由2009年7月至11月參加中歐國際工商學院的財務總監課程。

舒先生在審核、企業融資及財務管理方面擁有逾20年經驗。彼於1994年3月加入德勤•關黃陳方會計師行(「德勤」)，後來於2000年4月成為德勤重組服務部的經理。舒先生由2001年7月至2002年11月加入到德勤企業財務顧問有限公司並擔任經理。由2002年11月至2005年4月，舒先生為金榜融資(亞洲)有限公司的聯席董事。由2005年5月至2008年7月，彼擔任天虹紡織集團有限公司(一間在聯交所上市的公司，股份代號為02678)的財務總監兼公司秘書。由2008年7月至2010年6月，舒先生受僱於江蘇熔盛重工有限公司的首席財務官，監察其財務管理職能及企業融資活動以及其財務部門的日常管理。由2010年7月至2018年7月，舒先生擔任百勤油田服務有限公司(一間在聯交所上市的公司，股份代號為02178)的財務總監。舒先生自2018年8月至2019年11月，擔任腦洞科技有限公司(前稱泰邦集團國際控股有限公司)(聯交所上市公司，股份代號：02203)的首席財務官。舒先生現為上海匯舸環保科技有限公司之財務總監，主要負責其財務及投資部門。彼自2016年11月及2017年12月及2019年12月起亦分別擔任成都高速公路股份有限公司(一間在聯交所上市的公司，股份代號為01785)及乙德投資控股有限公司(一間在聯交所上市的公司，股份代號為06182)及金涌投資有限公司(一間在聯交所上市的公司，股份代號為01328)的獨立非執行董事。彼自2019年5月起，成為香港獨立非執行董事協會會員。

DIRECTORS AND SENIOR MANAGEMENT

董事及高級管理層

SENIOR MANAGEMENT

Company Secretary

Ms. Cheung Kam Mei, Helen (張金美), aged 59, was appointed as the company secretary of the Company on 1 May 2019.

Ms. Cheung obtained a Bachelor of Laws from University of London in 1999 and a Postgraduate Certificate in Laws from University of Hong Kong in 2000. She is a qualified solicitor in Hong Kong, a member of the Law Society of Hong Kong since 2002, a member of the Law Society of England and Wales since 2003 and a member of the Hong Kong Institute of Chartered Secretaries since 2005. Ms. Cheung has 3 years of experience in the corporate governance and company secretarial field.

Mr. Jia Shaojun (賈少軍), aged 51, was appointed as the joint company secretary of the Company on 20 May 2019. The biographical details of Mr. Jia are set out under the paragraph headed "Executive Directors" of the section headed "Directors and Senior Management".

Chief Financial Officer

Mr. Cai Yufei (蔡欲飛), aged 36, joined our Group in August 2017 as assistant to chief financial officer and was appointed as our chief financial officer on 1 May 2019. He is responsible for overseeing accounting activities.

Mr. Cai obtained a bachelor's degree in Economics with a major in Finance from Tongji University (同濟大學) in 2007.

Mr. Cai has over ten years of experience in auditing, financial management and corporate financing. Prior in joining our Group, he worked as a senior associate at PricewaterhouseCoopers Zhongtian LLP from August 2007 to January 2010. He served as deputy director of finance department in Tat Hong Zhaomao Investment Holding Co., Ltd.* (達豐兆茂投資有限公司) from January 2010 to November 2016 and was its head of corporate financing department from December 2016 to August 2017.

高級管理層

公司秘書

張金美女士，59歲，於2019年5月1日獲委任為本公司秘書。

張女士於1999年自倫敦大學取得法律學士學位及於2000年自香港大學取得法學專業證書。彼為香港註冊律師，並於2002年起為香港律師會會員，於2003年起為英格蘭和威爾斯法律協會會員及於2005年起為香港特許秘書公會會員。張女士於企業管治及公司秘書方面有3年工作經驗。

賈少軍先生，51歲，於2019年5月20日獲委任為本公司聯席秘書。賈先生的履歷詳情載於「董事及高級管理層」之「執行董事」一節。

財務總監

蔡欲飛先生，36歲，於2017年8月加入本集團擔任財務總監助理，並於2019年5月1日獲委任為我們的財務總監。彼負責監督本集團的會計活動。

蔡先生於2007年自同濟大學取得經濟學學士(金融學專業)學位。

蔡先生於核數、財務管理及投融資方面有超過10年經驗。在加入本集團之前，蔡欲飛先生自2007年8月至2010年1月於普華永道中天會計師事務所任職高級審計員。彼自2010年1月至2016年11月於達豐兆茂投資有限公司任財務部副總監，並於2016年12月至2017年8月為該公司投融部總監。

DIRECTORS AND SENIOR MANAGEMENT

董事及高級管理層

Vice President

Ms. Zhu Hong (朱紅), aged 56, is responsible for managing the operations of Shanghai Xin Di.

Ms. Zhu graduated with a diploma degree in Basic organic synthesis from Shanghai Chemical Industry College* (上海化學工業專科學校) in the PRC in July 1984 and a Master degree in Business Administration (by distance learning) from Macau University of Science and Technology in June 2004.

Ms. Zhu qualified as a corporate manager of the national property management upon completion of the National Property Management for Corporate Manager Programme organised by Shanghai Property Industrial Education Centre in May 2003, a national property manager by the Shanghai Human Resources and Social Security Bureau* (上海人力資源和社會保障局) in September 2011 and an engineer by Shanghai Engineering Technology Management Middle Level Professional and Professional and Technical Title Qualification Evaluation Committee* (上海市工程系列科技管理中級專業技術職務任職資格評審委員會) in November 2014.

Ms. Zhu had been engaged in the property management business for nearly 20 years. Ms. Zhu served as an assistant to the general manager in Shangshi Property Management Company Limited* (上海上實物業管理有限公司) from July 1996 to January 2001.

Ms. Zhu joined our Group and was appointed as the office director of Pujiang Property in August 2003, deputy general manager of Pujiang Property and Shanghai Bund since April 2006. Ms. Zhu was appointed as a deputy general manager of Anhui Bund on 1 January 2013 and became its director on 15 February 2016. She has served as an assistant to the director of Pujiang Holding since January 2009. Ms. Zhu was appointed as our vice president on 24 October 2016.

副總裁

朱紅女士，56歲，負責管理上海欣迪的運營。

朱女士於1984年7月畢業於中國的上海化學工業專科學校，獲得基本有機合成大專學歷，並於2004年6月(透過遙距學習)畢業於澳門科技大學，獲得工商管理碩士學位。

朱女士於2003年5月完成上海房地產行業教育中心舉辦的全國物業管理企業經理崗位培訓後獲得國家物業管理企業經理資格，於2011年9月獲得上海人力資源和社會保障局授予的全國物業管理師資格及於2014年11月獲得上海市工程系列科技管理中級專業技術職務任職資格評審委員會授予的工程師任職資格。

朱女士從事物業管理業務近20年。自1996年7月至2001年1月，朱女士擔任上海上實物業管理有限公司總經理助理。

朱女士於2003年8月加入本集團，並獲委任為浦江物業辦公室主任，並自2006年4月起為浦江物業及上海外灘的副總經理。朱女士於2013年1月1日獲委任為安徽外灘的副總經理及於2016年2月15日成為其董事。自2009年1月起，彼一直擔任浦江控股董事助理。朱女士於2016年10月24日獲委任為我們的副總裁。

DIRECTORS AND SENIOR MANAGEMENT

董事及高級管理層

Ms. Zhu was recognised as an expert for the Shanghai Property Management Bidding and Tendering* (上海市物業管理招投標評標專家) by the Shanghai Housing and Land Resources Management Bureau* (上海市房屋土地資源管理局) from September 2006 to September 2008 and a procurement evaluation expert of Shanghai People's Government* (上海市政府採購評審專家) by Shanghai Finance Bureau* (上海市財政局). She was awarded the veteran professional manager of Shanghai Property Service Industry by Shanghai Property Management Industry Society in January 2012 and the outstanding individual by Shanghai Property Management Industry Society in January 2015.

Mr. Bai Min (白珉), aged 49, is responsible for managing business development and day-to-day business of our Group.

Mr. Bai graduated with a Bachelor degree in Business and Corporate Management from Hubei Province economic Management Cadre Institute* (湖北省經濟管理幹部學院) in the PRC in January 2009, a Bachelor degree in Business Administration (Marketing) from Shanghai Jiao Tong University in the PRC in January 2012 and a Master degree* (上海交通大學) in Business Administration (by distance learning) from City University of Macau in July 2015.

Mr. Bai obtained the qualification of national property manager by Shanghai Human Resources and social security Bureau in October 2010.

Mr. Bai had worked in various property management companies in Shanghai for over 10 years before joining our Group in April 2009. Mr. Bai was a property manager of Shanghai Yuntai Property Management Company Limited* (上海運泰物業管理有限公司) from April 1997 to August 2000. He was a senior director in Shanghai Kai Shing Property Management Service Company Limited* (上海啟勝物業管理服務有限公司) from August 2000 to December 2000. He was employed as an assistant to general manager of the integrated centre and deputy general manager of the property department of Shanghai Minghua Property Company* (上海明華物業公司) from February 2001 to July 2005. He was the general manager of Yangshan district and deputy general manager of the quality control department of Shanghai New Century Property Service Company Limited* (上海新世紀房產服務有限公司) from August 2005 to March 2009.

自2006年9月至2008年9月，朱女士獲上海市房屋土地資源管理局認可為上海市物業管理招投標評標專家，並獲上海市財政局認可為上海市政府採購評審專家。於2012年1月，彼獲上海物業管理行業協會評為上海市物業服務企業資深職業經理人並於2015年1月被上海物業管理行業協會頒授傑出人物獎。

白珉先生，49歲，負責管理本集團的業務發展及日常業務。

白先生於2009年1月畢業於中國湖北省經濟管理幹部學院，獲得工商管理學士學位，於2012年1月自中國的交通大學獲得工商管理(市場營銷)學士學位及於2015年7月(透過遙距學習)自澳門城市大學獲得工商管理碩士學位。

白先生於2010年10月獲得上海人力資源和社會保障局頒發的全國物業管理師證書。

白先生於2009年4月加入本集團之前在上海多家物業管理公司任職逾10年。從1997年4月至2000年8月，白先生在上海運泰物業管理有限公司擔任物業經理。自2000年8月至2000年12月，彼在上海啟勝物業管理服務有限公司擔任高級主任。自2001年2月至2005年7月，彼獲聘為上海明華物業公司綜合中心總經理助理和物業部副總經理。自2005年8月至2009年3月，彼擔任上海新世紀房產服務有限公司洋山區總經理及品質部副總經理。

DIRECTORS AND SENIOR MANAGEMENT 董事及高級管理層

Mr. Bai joined our Group as the general manager of our estates management office of Industrial and Commercial Bank of China in April 2009 which was managed by Pujiang Property. He was then seconded to serve as the general manager of the Shanghai World Expo in January 2010. Since January 2011, he has served as an assistant to the general manager and chief property officer in Pujiang Property. Mr. Bai has been serving as a deputy general manager of Anhui Bund since 1 January 2013, and director and deputy general manager in Shanghai Xin Di since June 2015. Mr. Bai was appointed as our vice president on 24 October 2016.

Mr. Bai was awarded the outstanding individual by Shanghai Property Management Industry Society* (上海物業管理行業協會) in January 2015 and is an expert of 5th Council of Shanghai Property Management Industry Society* (上海市物業管理行業協會第五屆理事會) since December 2015.

Mr. Xu Wenzhang (徐文章), aged 51, is responsible for managing development and day-to-day business of our Group.

Mr. Xu graduated with a Bachelor degree in Power Mechanical Engineering from Shanghai Jiao Tong University in the PRC in July 1983 and a Master degree in Management from Norwegian School of Management BI in Norway (by distance learning) in January 2000.

Prior to joining our Group in November 2015, Mr. Xu had worked at a number of international corporations in property management sector for over 25 years. Mr. Xu was the property engineering senior manager in American International Group (AIG) from March 1990 to February 2005. He was the chief property officer in Shanghai Alison Group Company Limited and general manager in Shanghai Alison Property Management Service Company Limited from February 2005 to January 2007. Mr. Xu held the position of national facilities manager (associate director) in Jones Lang LaSalle Surveyors (Shanghai) Company Limited from February 2007 to September 2008. He served as a director of facilities management of Accor Greater China in Accor Hotels Group from September 2008 to December 2015.

白先生於2009年4月加入本集團，擔任中國工商銀行物業管理處(由浦江物業管理)總經理。此後，彼於2010年1月獲調任為上海世博區總經理。自2011年1月起，彼一直擔任浦江物業的總經理助理及物業總監。白先生自2013年1月1日起擔任安徽外灘的副總經理，自2015年6月起一直擔任上海欣迪的董事及副總經理。白先生於2016年10月24日獲委任為我們的副總裁。

於2015年1月，白先生獲上海物業管理行業協會評為傑出人物。彼自2015年12月起為上海市物業管理行業協會第五屆理事會專家成員。

徐文章先生，51歲，負責管理本集團的業務發展及日常業務。

徐先生於1983年7月畢業於中國上海交通大學，獲得動力機械工程學士學位，並於2000年1月(透過遙距學習)取得挪威的挪威BI管理學院管理學碩士學位。

在2015年11月加入本集團之前，徐先生曾在多家物業管理分部的國際公司工作超過25年。徐先生於1990年3月至2005年2月擔任美國國際集團(AIG)的物業工程高級經理。自2005年2月至2007年1月，彼在上海埃力生(集團)有限公司擔任物業總監，並於上海埃力生物業管理服務有限公司擔任總經理。自2007年2月至2008年9月，徐先生擔任仲量聯行測量師事務所(上海)有限公司全國設施經理(助理董事)。從2008年9月至2015年12月，彼擔任雅高酒店集團雅高大中華地區的設施管理總監。

DIRECTORS AND SENIOR MANAGEMENT

董事及高級管理層

Mr. Xu joined our Group in November 2015 and has served as the chief technical officer in Pujiang Holding since then and deputy general manager of Pujiang Property since January 2016. He was appointed as our vice president on 24 October 2016.

Mr. Chen Jie (陳潔), aged 51, is responsible for the operation of engineering facilities' management services of our Group.

Mr. Chen graduated with a bachelor degree in industrial and civil engineering from Tongji University (同濟大學) in 1992. He is currently a member of Royal Institution of Chartered Surveyors (RICS). During the period from 2016 to 2018, he acted as the vice minister of facility experts' committee of Shanghai Property Management Industry Society* (上海物業管理協會設備設施專家委員會). From 2010 to 2011, he was engaged in the compilation of Shanghai local standards of *Property service specification of hospital DB31/T502-2010* (《醫院物業服務規範DB31/T502-2010》) and *Property service specification of industrial zone DB31/T562-2011* (《工業園區物業服務管理規範DB31/T562-2011》).

Mr. Chen joined our Group in July 2018 and was appointed as our vice president in January 2020. Mr. Chen has worked in the property management industry for over 20 years. From 1998 to 2003, he served as a regional manager of Guanghua Service Industry (China) Company Limited* (光華服務產業(中國)有限公司) and thereafter, he served as the general manager of Shanghai SF Service Industries Company Limited.* (上海上房物業服務股份有限公司) from 2003 to 2018 until he joined our Group.

徐先生於2015年11月加入本集團，自此擔任浦江控股技術總監及自2016年1月起擔任浦江物業副總經理。彼於2016年10月24日獲委任為我們的副總裁。

陳潔先生，51歲，負責本集團設備設施管理服務運營。

陳先生於1992年畢業於同濟大學工業與民用建築專業。彼現為英國皇家特許測量師學會會員。彼自2016年至2018年擔任上海物業管理協會設備設施專家委員會副主任。彼自2010年至2011年曾參與編寫上海地方標準《醫院物業服務規範DB31/T502-2010》以及《工業園區物業服務管理規範DB31/T562-2011》。

陳先生於2018年7月加入本集團，並於2020年1月獲委任為副總裁。陳先生從事物業管理業務超過20年。自1998年至2003年，彼擔任光華服務產業(中國)有限公司之大區經理，其後自2003年至2018年加入本集團前一直服務於上海上房物業服務股份有限公司並擔任其總經理。

CORPORATE GOVERNANCE REPORT

公司管治報告

CORPORATE GOVERNANCE PRACTICES

The Board is committed to establishing good corporate governance practices and ensuring integrity, transparency and comprehensive disclosure. The Board believes that such commitment is beneficial to safeguard the interests of the Company and its shareholders.

The Board has adopted the CG Code as set out in of the Listing Rules.

The Company has been listed on the Main Board of the Stock Exchange since 11 December 2017 (the "Listing Date"). The Board is pleased to report compliance with the code provisions of the CG Code from the Listing Date to 31 December 2020.

DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted the Model Code as its own code of conduct regarding securities transactions by Directors. In response to specific enquiry made by the Company, each of the Directors confirmed that he had complied with the required standard set out in the Model Code from the Listing Date to 31 December 2020.

BOARD OF DIRECTORS

The Board comprises:

| | | |
|--|---|---|
| Executive Directors | : | Mr. Xiao Xingtao (Chairman) Mr. Fu Qichang Mr. Xiao Yuqiao (Chief Executive Officer) Mr. Jia Shaojun Ms. Wang Hui |
| Non-Executive Director | : | Mr. Zhang Yongjun |
| Independent Non-Executive Directors | : | Mr. Cheng Dong Mr. Weng Guoqiang Mr. Shu Wa Tung Laurence |

Mr. Xiao is the father of Mr. Xiao YQ. Save for the family relationship between Mr. Xiao and Mr. Xiao YQ, there was no financial, business, family or other material relationship among the Directors.

企業管治常規

董事會致力建立良好的企業管治常規並確保完整、透明及全面的披露。董事會認為有關承諾有利於保障本公司及其股東的權益。

董事會已採納上市規則所載之企業管治守則。

本公司自2017年12月11日(「上市日期」)起於聯交所主板上市。董事會欣然報告，自上市日期起至2020年12月31日已遵守企管守則的守則條文。

董事進行證券交易

本公司已採納標準守則作為各董事進行證券交易之操守準則。經本公司作出特定查詢後，各董事均確認，其自上市日期起至2020年12月31日一直遵守標準守則所載的規定準則。

董事會

董事會由以下人士組成：

| | | |
|---------|---|--|
| 執行董事 | : | 肖興濤先生 (主席) 傅其昌先生 肖予喬先生 (行政總裁) 賈少軍先生 王慧女士 |
| 非執行董事 | : | 張擁軍先生 |
| 獨立非執行董事 | : | 程東先生 翁國強先生 舒華東先生 |

肖先生為肖予喬先生的父親。除肖先生與肖予喬先生之間的親屬關係外，董事之間並無財務、業務、親屬或其他重大關係。

CORPORATE GOVERNANCE REPORT

公司管治報告

Each of the three independent non-executive Directors has confirmed his independence of the Company and the Company considers each of them to be independent in accordance with the guidelines of assessing independence as set out in Rule 3.13 of the Listing Rules.

三名獨立非執行董事已各自確認彼獨立於本公司及本公司認為根據上市規則第3.13條所載之指引評估獨立性後，各獨立非執行董事均為獨立人士。

BOARD MEETINGS AND GENERAL MEETINGS

According to code provision A.1.1 of the CG Code, board meetings should be held at least four times a year at approximately quarterly intervals with active participation of the majority of the Directors, either in person or through electronic means of communication.

董事會會議及股東大會

企管守則守則條文第A.1.1條規定，董事會會議應至少一年舉行四次，約每個季度舉行一次，每次會議皆有大部分董事親身出席或透過電子通訊方法積極參與會議。

The Company generally convenes at least four regular Board meetings a year. During the Period, four Board meetings were convened for the following purposes:—

本公司一般每年召開至少四次董事會定期會議。期內，已召開四次董事會定期會議：

1. reviewed and approved the 2019 annual report of the Company and its related results announcement and documents;
1. 審閱及批准本公司2019年年報以及其相關業績公告及文件；
2. reviewed and approved the 2020 interim report of the Company and its related results announcement and documents;
2. 審閱及批准本公司2020年中期報告以及其相關業績公告及文件；
3. having considered the recommendations from the Nomination Committee and the Remuneration Committee and the experience, qualifications and background of Ms. Wang Hui, approved the appointment of Ms. Wang Hui as executive Director effective from 20 November 2020, her remuneration package and the terms of her service contract with the Company;
3. 審議提名委員會及薪酬委員會有關提議及王慧女士之履歷、資格及背景，批准王慧女士自2020年11月20日起擔任執行董事，彼薪酬待遇及與本公司服務合約之條款；
4. decided to dispose of all of the Company's 51% indirect interests in Anhui Bund to Anhui Wan Tou Property Company Limited* (安徽皖投置業有限責任公司). For further details, please refer to the announcement of the Company dated 22 December 2020;
4. 決議向安徽皖投置業有限責任公司出售本公司間接持有安徽外灘之全部51%權益。進一步具體細節請參閱本公司2020年12月22日發佈之公告；
5. reviewed and considered various projects and investment opportunities that have arisen and/or undertaken by the Company during the Period; and
5. 審閱及批准本公司於期內產生及進行的多個項目和投資機會；及
6. reviewed, discussed and considered the Group's affairs, including strategic plans, financial affairs, progress and updates of business performance.
6. 檢討、討論及審議本集團的事務(包括策略計劃、財務事宜、業務表現進展情況及更新)。

CORPORATE GOVERNANCE REPORT

公司管治報告

Attendance at Meetings of the Board and Board Committees

董事會及董事委員會之會議出席記錄

Number of meetings attended/eligible to attend for the year ended 31 December 2020

截至2020年12月31日止年度
出席/合資格出席會議次數

| Name of Director 董事姓名 | Board 董事會 | Audit Committee 審核委員會 | Remuneration Committee 薪酬委員會 | Nomination Committee 提名委員會 | Annual General Meeting 股東週年大會 |
|--|--------------|--------------------------|---------------------------------|-------------------------------|----------------------------------|
| <i>Executive Directors</i> 執行董事 | | | | | |
| Xiao Xingtao 肖興濤 | 4/4 | N/A 不適用 | N/A 不適用 | 1/1 | 1/1 |
| Fu Qichang 傅其昌 | 4/4 | N/A 不適用 | 2/2 | 1/1 | 1/1 |
| Xiao Yuqiao 肖予喬 | 4/4 | N/A 不適用 | 2/2 | N/A 不適用 | 1/1 |
| Jia Shaojun 賈少軍 | 4/4 | N/A 不適用 | N/A 不適用 | N/A 不適用 | 1/1 |
| Wang Hui (Note) 王慧(附註) | 2/2 | N/A 不適用 | N/A 不適用 | N/A 不適用 | N/A 不適用 |
| <i>Non-executive Director</i> 非執行董事 | | | | | |
| Zhang Yongjun 張擁軍先生 | 4/4 | N/A 不適用 | N/A 不適用 | N/A 不適用 | 1/1 |
| <i>Independent Non-executive Director</i> 獨立非執行董事 | | | | | |
| Cheng Dong 程東 | 4/4 | 2/2 | 2/2 | 1/1 | 1/1 |
| Weng Guoqiang 翁國強 | 3/4 | 1/2 | 2/2 | 1/1 | 1/1 |
| Shu Wa Tung Laurence 舒華東 | 3/4 | 2/2 | 1/2 | 0/1 | 1/1 |

Note:

附註:

Ms. Wang Hui was appointed as an executive Director on 20 November 2020.

王慧女士於2020年11月20日獲委任為一名執行董事。

CORPORATE GOVERNANCE REPORT

公司管治報告

RESPONSIBILITIES OF THE BOARD

The Board is responsible for the management of the Company, which includes formulating business strategies, directing and supervising the Company's affairs. The Board reserves power for decisions concerning all major matters which include, inter alia, the approval and monitoring of all policy matters, overall strategies and budgeting, internal control and risk management systems, material transactions (in particular those which may involve conflict of interests of Director(s) or substantial shareholder(s)), appointment of Directors and other significant financial and operational matters.

The Board is also entrusted with the overall responsibility of developing, maintaining and reviewing sound and effective corporate governance policies within the Group and is committed to ensuring that corporate governance functions are carried out in accordance with the CG Code, including continuously reviewing and improving the corporate governance practices within the Group.

All Directors have full and timely access to all the information of the Company as well as the services and advice from the company secretary and senior management. The Directors may, upon request, seek independent professional advice in appropriate circumstances at the Company's expenses for discharging their duties to the Company.

CORPORATE GOVERNANCE FUNCTIONS

No corporate governance committee has been established and the Board is responsible for performing the corporate governance functions such as developing and reviewing the Company's policies, practices on corporate governance, training and continuous professional development of directors and senior management, the Company's policies and practices on compliance with legal and regulatory requirements, etc.

Every Board member has full access to the advice and services of the company secretary with a view to ensuring that Board procedures, and all applicable rules and regulations are followed.

董事會的責任

董事會負責管理本公司，包括制定業務策略、指導及監察本公司事務。董事會保留就全部重要事項作出決策之權力，其中包括批准及監控所有政策、整體策略及預算、內部監控及風險管理制度、重大交易(特別是可能涉及董事或主要股東利益衝突者)、委任董事及其他重大財務與營運事宜。

董事會亦整體負責為本集團制定、維持並審閱完善而有效之企業管治政策，並致力於確保根據企管守則執行企業管治職能，包括持續檢討及改善本集團之企業管治常規。

全體董事可全面及時獲得本公司所有資料以及獲取公司秘書及高級管理層之服務及建議。董事為履行彼等於本公司的職務，可作出要求後，在適當情況下尋求獨立專業意見，而費用由本公司承擔。

企業管治職能

由於並無成立企業管治委員會，因此由董事會負責執行企業管治職能，例如制定及檢討本公司的政策、企業管治常規、董事及高級管理層的培訓及持續專業發展以及本公司的政策及常規是否符合法律及監管規定等。

各董事會成員均可全面獲得公司秘書的建議及服務，以確保董事會的議事程序以及所有適用規則及規例獲得遵守。

CORPORATE GOVERNANCE REPORT

公司管治報告

CHAIRMAN AND CHIEF EXECUTIVE OFFICER

As at the date of the report, Mr. Xiao Xingtao is the Chairman while Mr. Xiao Yuqiao is the chief executive officer of the Company. Mr. Xiao Xingtao is the father of Mr. Xiao Yuqiao.

The Chairman provides leadership and is responsible for the effective functioning and leadership of the Board. The chief executive officer focuses on the overall operation and management and execution of the policies of our Group. Their respective responsibilities are clearly defined and set out in writing.

APPOINTMENT AND RE-ELECTION OF DIRECTORS

All executive Directors and non-executive Director have entered into a service contract with our Company for an initial fixed term of three years and renewable automatically until terminated by not less than three months' notice in writing served by either party on the other expiring at the end of the initial term or any time thereafter. All independent non-executive Directors are appointed from the date of the Listing until terminated by not less than three months' notice in writing served by either the Company or the respective Director.

The current articles of association of the Company provide that subject to the manner of retirement by rotation of directors as from time to time prescribed by the Listing Rules, at each annual general meeting, one-third of the directors for the time being shall retire from office by rotation and that every director shall be subject to retirement by rotation at least once every 3 years. The retiring Directors shall be eligible for re-election at the annual general meeting of the Company.

PROFESSIONAL DEVELOPMENT

To assist Directors' continuing professional development, the Company recommends Directors to attend relevant seminars to develop and refresh their knowledge and skills. All Directors also participate in continuous professional development programmes to develop and refresh their knowledge and skills in relation to their contribution to the Board.

All the Directors have confirmed in writing they had participated in continuous professional developments to develop and refresh their knowledge and skills as directors during the Period.

主席及行政總裁

於報告日期，主席為肖興濤先生，而本公司行政總裁為肖予喬先生。肖興濤先生為肖予喬先生的父親。

主席負責提供領導，並確保董事會之有效運作及領導。行政總裁則主要負責本集團的整體營運及管理以及政策執行。彼等各自之職權以書面清晰界定及列明。

委任及重選董事

全體執行董事及非執行董事已與本公司訂立服務合約，初步為期三年，且其後將自動續新，直至其中一方向另一方發出不少於三個月的書面通知予以終止為止，而該通知將於初步期限結束時或其後任何時間屆滿。所有獨立非執行董事自上市日期起獲委任，直至本公司或各董事發出不少於三個月的書面通知予以終止為止。

本公司現時的組織章程細則規定，於上市規則不時訂明董事輪席告退方式之規限下，於每屆股東週年大會上，三分之一的在任董事須輪席告退，而每名董事須至少每3年輪席告退一次。退任董事符合資格於股東週年大會上重選連任。

專業發展

為協助董事的持續專業發展，本公司建議董事出席相關座談會，以發展及更新彼等的知識及技能。全體董事亦參與持續專業發展計劃以發展及更新其為董事會作出貢獻之相關知識及技能。

全體董事均以書面確認其已於本期間參與持續專業發展，以發展並更新其作為董事的知識及技能。

CORPORATE GOVERNANCE REPORT

公司管治報告

The below table summarises the participation of Directors in training and continuous professional development during the Period under review. 下表概述董事於回顧期間內參加培訓及持續專業發展的情況。

| Name of Directors 董事姓名 | Types of Continuous Professional Development 持續專業發展類型 | | |
|---|---|---|--|
| | Reading Material regarding regulatory update and corporate governance matters 閱讀有關監管更新及企業管治事宜的材料 | Received an introduction regarding the responsibilities and obligations under the Listing Rules and relevant statutory requirements 接獲根據上市規則及相關法定要求應承擔的職責及責任說明 | Attending seminars/conferences/forums 出席討論會／會議／論壇 |
| Executive Directors 執行董事 | | | |
| Mr. Xiao Xingtao 肖興濤先生 | ✓ | ✓ | |
| Mr. Fu Qichang 傅其昌先生 | ✓ | ✓ | |
| Mr. Xiao Yuqiao 肖予喬先生 | ✓ | ✓ | |
| Mr. Jia Shaojun 賈少軍先生 | ✓ | ✓ | |
| Ms. Wang Hui 王慧女士 | ✓ | ✓ | |
| Non-executive Director 非執行董事 | | | |
| Mr. Zhang Yongjun 張擁軍先生 | ✓ | ✓ | |
| Independent non-executive Directors 獨立非執行董事 | | | |
| Mr. Cheng Dong 程東先生 | ✓ | ✓ | |
| Mr. Weng Guoqiang 翁國強先生 | ✓ | ✓ | |
| Mr. Shu Wa Tung Laurence 舒華東先生 | ✓ | ✓ | ✓ |

CORPORATE GOVERNANCE REPORT

公司管治報告

AUDIT COMMITTEE

The audit committee of the Company (the “Audit Committee”) was established on 15 November 2017 comprising 3 independent non-executive Directors, who have reviewed the consolidated financial statements for the year ended 31 December 2020. All of them have appropriate professional qualifications and one of them has accounting expertise. Mr. Shu Wa Tung Laurence is the chairman of the Audit Committee. No member of the Audit Committee is a member of the former or existing auditor of the Company. The terms of reference of the Audit Committee are available at the Company’s website and on the website of the Stock Exchange.

The Audit Committee is mainly responsible for, inter alia, the following matters:

- (a) overseeing the Company’s financial reporting system, internal control procedures and risk management;
- (b) reviewing the terms of engagement and making recommendation to the Board on the appointment, reappointment and removal of the external auditor of the Company;
- (c) reviewing and monitoring the external auditor’s independence and objectivity and the effectiveness of the audit process in accordance with applicable standard; and
- (d) monitoring the integrity of financial statements of the Company and the Company’s annual report and accounts, half-year report and, if prepared for publication, quarterly reports, and reviewing any significant financial reporting judgments contained in them.

審核委員會

本公司於2017年11月15日成立審核委員會(「審核委員會」)，審核委員會由3名獨立非執行董事組成，彼等已審閱截至2020年12月31日止年度之綜合財務報表。全體成員均擁有合適專業資格及其中一名擁有會計專長。舒華東先生為審核委員會主席。概無審核委員會成員為本公司前任或現任核數師的成員。審核委員會的職權範圍可於本公司網站及聯交所網站查閱。

審核委員會主要負責(其中包括)以下事務：

- (a) 監督本公司的財務申報制度、內部監控程序及風險管理；
- (b) 審閱委聘條款及就本公司外聘核數師的委任、重新委任及罷免向董事會提供建議；
- (c) 根據適用準則檢討及監察外聘核數師是否獨立客觀及審核過程是否有效；及
- (d) 監察本公司的財務報告及本公司年報及賬目、中期報告及(如已編製以供刊發)季度報告的公正性，並審閱當中所載的任何重大財務報告判斷。

CORPORATE GOVERNANCE REPORT

公司管治報告

During the Period, the Audit Committee convened two meetings and performed the following work:

1. reviewed the 2020 annual report and the 2020 interim report of the Company and their related preliminary results announcements;
2. reviewed and discussed the auditor's report to the Audit Committee in respect of 2020 annual audit;
3. reviewed and recommended the re-appointment of the external auditors, taking into account its independence;
4. reviewed and discussed the internal control reports;
5. reviewed and discussed the 2020 annual audit plan of the Group.

The Audit Committee has met with the external auditors twice during the Period without the presence of the executive Directors.

REMUNERATION COMMITTEE

The remuneration committee of the Company (the "Remuneration Committee") was established on 15 November 2017 comprising five members, namely 2 executive Directors, Mr. Fu Qichang and Mr. Xiao Yuqiao and 3 independent non-executive Directors, Mr. Cheng Dong, Mr. Shu Wa Tung Laurence and Mr. Weng Guoqiang. Mr. Cheng Dong is the chairman of the Remuneration Committee. The terms of reference of the Remuneration Committee are available at the Company's website and on the website of the Stock Exchange.

The Remuneration Committee is mainly responsible for, inter alia, the following matters:

- (a) establishing and reviewing the Company's policy and structure for all remuneration of directors and senior management and making recommendations to the Board on the establishment of a formal and transparent procedure for developing policy on such remuneration;

期內，審核委員會已召開兩次會議，並執行以下工作：

1. 審閱本公司2020年年報及2020年中期報告以及其相關初步業績公告；
2. 審閱及討論核數師致審核委員會有關2020年年度審核之報告；
3. 檢討並就續聘外聘核數師作出推薦建議（經考慮其獨立性）；
4. 審閱及討論內部監控報告；
5. 審閱及討論本集團2020年年度審核計劃。

期內，審核委員會與外部核數師在執行董事未參與情況下召開兩次會議。

薪酬委員會

本公司於2017年11月15日成立薪酬委員會（「薪酬委員會」），薪酬委員會由五名成員組成，即兩名執行董事（傅其昌先生及肖予喬先生）以及三名獨立非執行董事（程東先生、舒華東先生及翁國強先生）。程東先生為薪酬委員會主席。薪酬委員會的職權範圍可於本公司網站及聯交所網站查閱。

薪酬委員會主要負責（其中包括）以下事務：

- (a) 制定並檢討本公司董事及高級管理層所有薪酬方面的政策及架構，以及就建立正式及透明之程序以制定薪酬政策作出建議；

CORPORATE GOVERNANCE REPORT

公司管治報告

- (b) determining the specific remuneration packages of all executive directors of the Group and senior management;
 - (c) reviewing and approving compensation arrangements relating to dismissal or removal of directors for misconduct to ensure that such arrangements are determined in accordance with relevant contractual terms and that any compensation payment is otherwise reasonable and appropriate; and
 - (d) advising shareholders of the Company with respect to any service contracts of directors that require shareholders' approval under the Listing Rules.
- (b) 釐定本集團全體執行董事及高級管理層之具體薪酬待遇；
 - (c) 審閱及批准因董事行為失當而解僱或罷免有關董事所涉及的賠償安排，以確保該等安排按有關合約條款釐定，若未能按有關合約條款釐定，有關賠償亦須合理適當；及
 - (d) 就上市規則項下須取得股東批准的任何董事服務合約向本公司股東提供建議。

During the Period, the Remuneration Committee convened two meetings and performed the following work:

期間內，薪酬委員會召開兩次會議，並執行以下工作：

- (a) to review the remuneration package of the newly appointed executive Director, namely Ms. Wang Hui, having regard to the remuneration policy of the Company and made recommendations to the Board; and
 - (b) to review the draft plan of grant of Shares to selected employees of the Group under the Share Award Scheme adopted by the Company on 30 August 2018 and made recommendations to the Board.
- (a) 經考慮本公司薪酬政策審閱新任命執行董事王慧女士之薪酬待遇，並向董事會進行建議；及
 - (b) 審閱根據本公司2018年8月30日採納之股份獎勵計劃向選定僱員授予股份的草案，並向董事會進行建議。

Details of the fees and other emoluments paid or payable to the Directors and the details of the remuneration of the members of the senior management (excluding Directors) for the year ended 31 December 2020 are set out in details in Notes 8 to the audited consolidated financial statements contained in this annual report.

於截至2020年12月31日止年度，已付及應付董事之袍金或其他酬金之詳情及高級管理層成員(不包括董事)之薪酬詳情已詳載於本年報的經審核綜合財務報表附註8。

CORPORATE GOVERNANCE REPORT

公司管治報告

NOMINATION COMMITTEE

The nomination committee of the Company (the “**Nomination Committee**”) was established on 15 November 2017 comprising five members, namely 2 executive Directors, Mr. Xiao Xingtao and Mr. Fu Qichang and 3 independent non-executive Directors, Mr. Cheng Dong, Mr. Shu Wa Tung Laurence and Mr. Weng Guoqiang. Mr. Xiao Xingtao is currently the chairman of the Nomination Committee. The terms of reference of the Nomination Committee are available at the Company’s website and on the website of the Stock Exchange.

The Nomination Committee is mainly responsible for, inter alia, the following matters:

- (a) reviewing the structure, size and composition of the Board;
- (b) developing and formulating relevant procedures for nomination and appointment of Directors;
- (c) making recommendations to the Board on the appointment and succession planning of Directors; and
- (d) assessment of the independence of the Independent Non-Executive Directors.

The Nomination Committee carries out the process of selecting and recommending candidates for directorships by making reference to the balance of expertise, skills, experience, professional knowledge, personal integrity and time commitments of such individuals, business requirements of the Group and other relevant statutory requirements and regulations.

During the Period, the Nomination Committee convened one meeting.

During the meeting, the Nomination Committee considered the qualifications, experience and background of Ms. Wang Hui having regard to the business strategy of the Group and recommended the appointment of Ms. Wang Hui as an executive Director to the Board for consideration.

提名委員會

本公司於2017年11月15日成立提名委員會(「**提名委員會**」)，提名委員會由五名成員組成，即兩名執行董事(肖興濤先生及傅其昌先生)以及三名獨立非執行董事(程東先生、舒華東先生及翁國強先生)。肖興濤先生現為提名委員會主席。提名委員會的職權範圍可於本公司網站及聯交所網站查閱。

提名委員會主要負責(其中包括)以下事務：

- (a) 檢討董事會的架構、規模及組成；
- (b) 制定及擬定提名及委任董事之相關程序；
- (c) 就董事委任及董事繼任計劃向董事會提出建議；及
- (d) 評核獨立非執行董事的獨立性。

提名委員會負責就均衡的專長、技能、經驗、專業知識、個人誠信及投入時間以及就本集團業務需要及其他相關法定要求及規例，甄選及推薦候任董事人選。

期間內，提名委員會召開一次會議。

於會議中，提名委員會就本集團業務策略審議王慧女士之資格、經驗及背景，並向董事會提出建議考慮任命王慧女士擔任執行董事。

CORPORATE GOVERNANCE REPORT

公司管治報告

BOARD DIVERSITY POLICY

The Board has adopted a board diversity policy (“**Diversity Policy**”) which sets out the approach to achieve diversity of the Board. The Company embraces the benefits of having a diverse Board to enhance the quality of its performance. Pursuant to the board diversity policy, the Company seeks to achieve Board diversity through the consideration of a number of aspects, including, but not limited to, gender, regional and industry experience, skills, knowledge and educational background. All board appointments will be based on meritocracy, and candidates will be considered against objective criteria, having due regard for the benefits of diversity on the Board.

As at the date of this report, the Board comprises 9 directors. Three of them are independent non-executive directors, thereby promoting critical review and control of the management process. The Board is also characterised by significant diversity, whether considered in terms of age, industry experience, professional background and skills. The following tables further illustrate the diversity of the Board members as of the date of this annual report:

董事會成員多元化政策

董事會已採納董事會成員多元化政策（「**多元化政策**」），該政策列明為達致董事會成員多元化而採取的方法。本公司深信董事會成員多元化對提升本公司的表現素質裨益良多。根據董事會多元化政策，本公司考慮多項因素以實現董事會多元化，包括但不限於性別、地區、行業經驗、技能、知識及教育背景。董事會所有委任均以用人唯才為原則，並兼顧董事會成員多元化的益處根據客觀條件考慮人選。

截至本報告日期，董事會由九名董事組成。其中三名為獨立非執行董事，這有助嚴格檢討及監控管理程序。董事會無論從年齡、行業經驗、專業背景及技能各方面考慮，都相當多元化。下表進一步闡述於本年報日期董事會成員之多元化程度：

CORPORATE GOVERNANCE REPORT

公司管治報告

| Name of Director 董事姓名 | Age Group 年齡界別 | | | | Ethnicity 種族 | |
|-----------------------------|--------------------|--------------------|--------------------|-------------------|-----------------|------------------------------------|
| | 30 to 39 30至39歲 | 40 to 49 40至49歲 | 50 to 59 50至59歲 | Above 60 60歲以上 | Chinese 華裔 | Other, if applicable 其他(如適用) |
| Xiao Xingtao 肖興濤 | | | | ✓ | ✓ | |
| Fu Qichang 傅其昌 | | | | ✓ | ✓ | |
| Xiao Yuqiao 肖予喬 | ✓ | | | | ✓ | |
| Jia Shaojun 賈少軍 | | | ✓ | | ✓ | |
| Wang Hui 王慧 | | ✓ | | | ✓ | |
| Zhang Yongjun 張擁軍 | | ✓ | | | ✓ | |
| Cheng Dong 程東 | | | ✓ | | ✓ | |
| Weng Guoqiang 翁國強 | | | | ✓ | ✓ | |
| Shu Wa Tung Laurence 舒華東 | | ✓ | | | ✓ | |

The nomination committee will review the Diversity Policy, as appropriate, to ensure its effectiveness.

提名委員會將於適當時審閱多元化政策，以確保其有效性。

CORPORATE GOVERNANCE REPORT

公司管治報告

ACCOUNTABILITY AND AUDIT

The Directors acknowledge their responsibilities (as set out in the Independent Auditor's Report) for preparing the consolidated financial statements of the Group that give a true and fair view of the state of affairs of the Group. The Board was not aware of any material uncertainties relating to events or conditions that might cast significant doubt upon the Group's ability to continue as a going concern and the Board has prepared the consolidated financial statements on a going concern basis. The responsibility of the external auditor is to form an independent opinion, based on their audit, on those consolidated financial statements prepared by the Board and to report their opinion to the Shareholders. A statement by auditor about their reporting responsibility is set out in the Independent Auditor's Report.

INTERNAL CONTROL AND RISK MANAGEMENT

The Board has developed the Group's internal control, risk assessment and management systems and has overall responsibility for reviewing and maintaining an adequate and effective risk management and internal control systems to safeguard the interests of the Shareholders and the assets of the Group. It evaluates the effectiveness of the systems at least annually to ensure the adequacy of resources, staff qualifications and experience, training programmes and budget of the Group's accounting, internal audit and financial reporting functions.

The Group is committed to the identification, monitoring and management of risks associated with its business activities. The Group's internal control system is designed to provide reasonable assurance against material misstatement or loss and to manage and eliminate risks of failure in operational systems and fulfillment of business objective. The system includes a defined management structure with segregation of duties and a cash management system such as monthly reconciliation of bank accounts.

問責及審核

誠如獨立核數師報告所載，董事確認其有責任編製真實及公平反映本集團事務狀況的本集團綜合財務報表。董事會並不知悉有任何重大不明朗事件或狀況，可令本集團以持續基準經營的能力產生重大疑問，而董事會已按照持續經營基準編製綜合財務報表。外聘核數師的責任為根據其審核結果，對董事會所編製的該等綜合財務報表發表獨立意見，並向股東匯報彼等的意見。核數師就其申報責任作出的聲明載於獨立核數師報告。

內部監控及風險管理

董事會已制定本集團之內部監控、風險評估及管理制度，對檢討及維持適當及有效之風險管理及內部控制制度負有全面責任，以保障股東利益及本集團資產。其至少每年對制度之有效性進行一次評估，以確保本集團在會計、內部審核及財務報告職能方面的資源、員工資質及經驗、培訓課程及有關預算足夠。

本集團致力識別、監控及管理與其業務活動有關的風險。本集團之內部監控制度旨在可合理保證並無重大失實陳述或損失，及管理並消除營運系統失靈及未能達成業務目標之風險。該制度包括清晰劃分職責之界定管理架構及現金管理系統(如銀行賬戶之每月對賬)。

CORPORATE GOVERNANCE REPORT

公司管治報告

The Board reviews the effectiveness of the Group's material internal controls and is of the opinion that the resources for and qualifications of staff of the Company's accounting and financial reporting function are adequate and sufficient. Based on information furnished to it and on its own observations, the Board is satisfied with present internal controls of the Group.

DEED OF NON-COMPETITION

A deed of non-competition (the "Deed of Non-Competition") was entered into by Partner Summit, Vital Kingdom, Mr. Xiao, Source Forth, Mr. Fu, Pine Fortune and Mr. Chen, the Controlling Shareholders in favour of the Company on 28 November 2017, pursuant to which each of the Controlling Shareholders will not, and will procure any of its/his associates and any company directly or indirectly controlled by him/it (not include any member of the Group) not to either on his/its own or in conjunction with any body corporate, partnership, joint venture or other contractual agreement, whether directly or indirectly, whether for profit or not, carry on, participate in, hold, engage in, acquire or operate, or provide any form of assistance to any person, firm or company (except members of the Group) to conduct any business which, directly or indirectly, competes or may compete with the business presently carried on by the Company or any of its subsidiaries or any other business that may be carried on by any of them from time to time during the term of the Deed of Non-Competition, in Hong Kong or the PRC and such other places as the Company or any of its subsidiaries may conduct or carry on business from time to time, including but not limited to provision of property management services and other related services. Details of the Deed of Non-Competition are set out in the section headed "Relationship with Controlling Shareholders" in the prospectus of the Company dated 28 November 2017. In order to ensure that the Controlling Shareholders have complied with the Deed of Non-Competition, the independent non-executive Directors had reviewed the status of compliance by way of confirmation by individual Controlling Shareholder and confirmed that the Controlling Shareholders have complied with all the undertakings under the Deed of Non-Competition for the year ended 31 December 2020.

董事會檢討本集團重要內部監控之效力，並認為本公司會計及財務報告職能方面的資源及員工資質充分足夠。根據董事會獲提供的資料及其本身所進行觀察，董事會滿意本集團目前的內部監控。

不競爭契據

控股股東合高、至御、肖先生、泉啟、傅先生、富柏及陳先生以本公司為受益人於2017年11月28日訂立不競爭契據（「不競爭契據」），據此，各控股股東將不會，並將促使其任何聯繫人以及其直接或間接控制的任何公司（不包括本集團任何成員公司）不會單獨或連同任何法團、合夥、合營或通過其他合約協議，直接或間接（無論是否為圖利）進行、參與、持有、從事、收購或經營，或向任何人士、商號或公司（本集團成員公司除外）提供任何形式的資助，以進行任何直接或間接與本公司或其任何附屬公司當前進行的業務，或在 不競爭契據期間，本公司或其任何附屬公司不時在香港或中國及本公司或其任何附屬公司可能不時開展或從事業務的其他地方的任何其他業務構成競爭或可能構成競爭的任何業務，包括但不限於提供物業管理服務及其他相關服務。不競爭契據的詳情載於本公司日期為2017年11月28日的招股章程「與控股股東的關係」一節。為確保持股股東已遵守不競爭契據，獨立非執行董事已通過個別控股股東確認的方式審閱合規情況，並確認控股股東於截至2020年12月31日止年度已遵守不競爭契據項下的所有承諾。

CORPORATE GOVERNANCE REPORT

公司管治報告

AUDITORS' REMUNERATION

The remuneration paid to the external auditor of the Company in respect of audit for the year ended 31 December 2020 amounted to approximately RMB1,600,000.

COMPANY SECRETARY

Ms. Cheung Kam Mei (“**Ms. Cheung**”) was appointed as the company secretary of the Company on 1 May 2019. Mr. Jia Shaojun (“**Mr. Jia**”) was appointed as the joint company secretary of the Company on 20 May 2019. The biographical details of Ms. Cheung and Mr. Jia are set out under the section headed “Directors and Senior Management”.

During the financial year ended 31 December 2020, Ms. Cheung and Mr. Jia have complied with Rule 3.29 of the Listing Rules and taken no less than 15 hours of relevant professional training.

SHAREHOLDERS' RIGHTS

The general meetings of the Company provide an opportunity for communication between the Shareholders and the Board. An annual general meeting of the Company shall be held in each year and at the place as may be determined by the Board. Each general meeting, other than an annual general meeting, shall be called an extraordinary general meeting (“**EGM**”).

— Right to convene extraordinary general meeting

Any one or more members holding at the date of the deposit of the requisition not less than one-tenth of the paid-up capital of the Company carrying the right of voting at general meetings of the Company, shall at all times have the right, by written requisition sent to the Company's principal office as set out in the manner below, to require an EGM to be called by the Board for the transaction of any business specified in such requisition; and such meeting shall be held within two (2) months after the deposit of such requisition.

核數師薪酬

截至2020年12月31日止年度，本公司就核數向外聘核數師支付的酬金為約人民幣1,600,000元。

公司秘書

張金美女士（「張女士」）於2019年5月1日獲委任為本公司的公司秘書。賈少軍先生（「賈先生」）於2019年5月20日獲委任為本公司的聯席公司秘書。張女士及賈先生的履歷詳情載於「董事及高級管理層」一節。

截至2020年12月31日止財政年度，張女士及賈先生已遵守上市規則第3.29條之規定，並接受不少於15小時之相關專業培訓。

股東權利

本公司股東大會提供股東與董事會溝通的機會。本公司每年於董事會釐定之地點舉行股東週年大會。除股東週年大會外，各股東大會均稱為股東特別大會（「股東特別大會」）。

— 召開股東特別大會的權利

任何一名或多名於遞交請求書日期持有附帶本公司股東大會表決權的本公司實繳股本不少於十分之一的股東，均有權隨時按下文所載方式向本公司的主要營業地點遞交書面請求書，要求董事會就有關請求書內所列任何事項召開股東特別大會；且有關大會應於該請求書遞交後兩(2)個月內舉行。

CORPORATE GOVERNANCE REPORT

公司管治報告

The written requisition must state the purposes of the meeting, signed by the requisitioner(s) and deposit it to the Board or the company secretary of the Company at the Company's principal place of business at 4/F, Cheung Hing Industrial Building, 12P Smithfield, Kennedy Town, Hong Kong and such may consist of several documents in like form, each signed by one or more requisitionists.

The request will be verified with the Company's branch share registrars in Hong Kong and upon their confirmation that the request is proper and in order, the company secretary of the Company will ask the Board to convene an EGM by serving sufficient notice in accordance with the statutory requirements to all the registered members. On the contrary, if the request has been verified is not in order, the Shareholders will be advised of this outcome and accordingly, an EGM will not be convened as requested. If within twenty-one days from the date of the deposit of the requisition the Board fails to proceed to convene such meeting, the requisitioner(s), may convene a meeting in the same manner, and all reasonable expenses incurred by the requisitioner(s) as a result of the failure of the Board shall be reimbursed by the Company to the requisitioner(s).

The notice period to be given to all the registered members for consideration of the proposal raised by the requisitioner(s) concerned at the EGM varies according to the nature of the proposal, as follows:

- At least 14 clear days' notice in writing (and not less than 10 business days) if the proposal constitutes an ordinary resolution of the Company;

— Right to put enquiries to the Board

Shareholders have the right to put enquiries to the Board. All enquiries shall be in writing and sent by post to the principal place of business of the Company in Hong Kong for the attention of the company secretary.

書面請求書必須列明該大會的目的，由請求人簽署及交回本公司主要營業地點（地址為香港堅尼地城士美菲路12P祥興工業大廈4樓）以遞交至董事會或本公司之公司秘書，及有關請求書可包含形式相似且各由一名或多名請求人簽署的多份文件。

有關要求將由本公司的香港股份過戶登記分處核實，在確認該要求妥善及妥當後，本公司公司秘書將要求董事會根據法定要求向所有登記成員送達充分通知，以召開股東特別大會。相反，倘該要求經核實發現有欠妥當，股東將獲告知此結果，而股東特別大會將不會按要求召開。倘遞呈請求書當日起計二十一內，董事會未能召開該大會，則請求人可按相同方式召開大會，而請求人因董事會未有召開大會而合理產生的所有開支應由本公司向請求人作出償付。

向全體登記成員發出通知以考慮請求人於股東特別大會所提出建議的通知期會因應建議性質而異，詳情如下：

- 倘建議構成本公司的普通決議案，則須發出至少14個整日（及不少於10個營業日）的書面通知；

— 向董事會提出查詢的權利

股東有權向董事會提出查詢。所有查詢須以書面形式提出，並以郵遞方式送往本公司的香港主要營業地點，註明收件人為公司秘書。

CORPORATE GOVERNANCE REPORT

公司管治報告

INVESTOR RELATIONS

The Company has established a range of communication channels between itself and its Shareholders, investors and other stakeholders. The Company endeavors to maintain an on-going dialogue with Shareholders and in particular, through annual general meetings and other general meetings. At annual general meetings, Directors are available to meet Shareholders and answer their enquiries. The Company discloses information and publishes periodic reports and announcements to the public in accordance with the Listing Rules, the relevant laws and regulations.

There has been no change in the Company's constitutional documents since the Listing Date.

CONSTITUTIONAL DOCUMENTS

Except for the adoption of new memorandum and articles of association by the Company to comply with the applicable legal and regulatory requirements (including the Listing Rules) on 15 November 2017 and with effect from the date of the Listing, there were no changes in the constitutional documents of the Company during the year ended 31 December 2020.

投資者關係

本公司已就其本身與其股東、投資者及其他利益相關者設立多個溝通渠道，本公司盡力保持與股東之間之持續對話，尤其是透過股東週年大會或其他股東大會。於股東週年大會上，董事可與股東會晤並回答彼等的詢問。本公司根據上市規則、相關法律及法規披露資料及定期向公眾刊發報告及公告。

自上市日期起，本公司的組織章程文件並無變動。

章程文件

除本公司為遵守適用法律及監管規定(包括上市規則)而於2017年11月15日採納新組織章程大綱及細則外，自上市日期起，本公司於截至2020年12月31日止年度之章程文件概無變動。

REPORT OF THE DIRECTORS

董事報告書

The Directors of the Company have pleasure in submitting their annual report together with the audited consolidated financial statements of the Company and its subsidiaries (collectively, the “Group”) for the year ended 31 December 2020.

PRINCIPAL ACTIVITIES

The principal activity of the Company is property management. Details of the principal activities of the subsidiaries of the Company are set out in note 1 to the consolidated financial statements.

SEGMENT INFORMATION

For management purposes, the Group is organized into business units based on their services and the Group has two reportable operating segments which is engaged in (a) property management services and (b) urban sanitary services. Management monitors the results of the Group’s operating segments separately for the purpose of making decisions about resource allocation and performance assessment.

Details of the operating segment information of the Company during the year are set out in note 4 to the consolidated financial statements.

Since all of the Group’s revenue were generated from providing property management services and urban sanitary services in China and all of the Group’s non-current assets were located in Mainland China, no geographical information in accordance with HKFRS 8 Operating Segments is presented.

USE OF NET PROCEEDS

Net proceeds from the Listing (including the exercise of the over-allotment options on 5 January, 2018), after deducting the underwriting commission and other estimated expenses in connection with the Listing which the Company received amounted to approximately HK\$125.5 million (equivalent to approximately RMB104.9 million), comprising HK\$117.9 million (equivalent to approximately RMB98.6 million) raised from the Listing and HK\$7.6 million (equivalent to approximately RMB6.3 million) from the issue of shares pursuant to the exercise of the over-allotment options, respectively.

本公司董事欣然提呈本公司及其附屬公司(統稱「本集團」)截至2020年12月31日止年度年報及經審核綜合財務報表。

主要業務

本公司主要業務為物業管理。有關本公司附屬公司主要業務詳情載於綜合財務報表附註1。

分部資料

為方便管理，本集團按服務劃分業務單位，本集團擁有從事(a)物業管理服務及(b)城鎮環衛服務的兩個可報告經營分部。管理層對本集團各經營分部業績分別進行監控以用作分配資源及評估績效的決策。

本公司年內經營分部資料詳情載於綜合財務報表附註4。

由於本集團全部收益產生自中國內地提供物業管理服務及城鎮環衛服務，且本集團全部非流動資產均位於中國，故並無根據香港財務報告準則第8號經營分部呈列地區資料。

所得款項淨額用途

本公司所收取的上市所得款項淨額(包括於2018年1月5日行使的超額配股權，經扣除包銷佣金以及與上市有關的其他估計開支後)約為125.5百萬港元(相當於約人民幣104.9百萬元)，當中包括分別由上市籌集所得117.9百萬港元(相當於約人民幣98.6百萬元)以及因根據行使超額配股權而發行股份所得7.6百萬港元(相當於約人民幣6.3百萬元)。

REPORT OF THE DIRECTORS

董事報告書

As at 31 December 2020, the net proceeds from the Listing were utilized as follows:

於2020年12月31日，上市所得款項淨額已獲運用如下：

| Use of proceeds | 所得款項用途 | Planned use of proceeds 所得款項計劃用途 HK\$ million 百萬港元 | Proceeds Used 已運用所得款項 HK\$ million 百萬港元 | Balances 結餘 HK\$ million 百萬港元 |
|--|---------------------------------|---|--|--|
| Horizontal expansion by acquisition, investment or forming business alliance with property management companies in the markets | 透過收購、投資或與市場內的物業管理公司組成商業聯盟進行水平擴充 | 42.7 | 42.7 | — |
| Vertical expansion of both industry chain and supply chain in the property management industry | 於物業管理行業的產業鏈及供應鏈進行縱向擴展 | 29.8 | 29.8 | — |
| The development of information technology system | 開發資訊科技系統 | 19.8 | 19.8 | — |
| Recruitment of talent and implementation of training and recruitment programs | 招聘人才及實施培訓及招聘計劃 | 16.3 | 16.3 | — |
| Repayment of bank borrowings | 償還銀行貸款 | 5.0 | 5.0 | — |
| General working capital | 一般營運資金 | 11.9 | 11.9 | — |
| | | 125.5 | 125.5 | — |

As of the date of this annual report, the net proceeds from the Listing has been fully utilized and there was no change to the Group's plan of use of proceeds as stated in the prospectus of the Company dated 28 November 2017.

於本年度報告日期，上市所得款項淨額已悉數使用。誠如本公司日期為2017年11月28日的招股章程所述，本公司所得款項用途計劃未曾出現任何變動。

REPORT OF THE DIRECTORS

董事報告書

RESULTS AND DIVIDENDS

The Group's results for the year ended 31 December 2020 and the state of affairs of the Group and of the Company as at that date are set out in the consolidated financial statements on pages 146 to 149 respectively.

The Board recommends the payment of a final dividend of HK\$0.012 per Share for the year ended 31 December 2020 (the "2020 Final Dividend") with a sum of approximately HK\$4.9 million (equivalent to approximately RMB4.1 million which is subject to shareholders' approval at the forthcoming 2020 annual general meeting of the Company to be held on Friday, 11 June 2021 (the "AGM"). The 2020 Final Dividend, if approved, will be distributed on or about Friday, 16 July 2021 to shareholders of the Company whose names appear on the register of members of the Company on Wednesday, 23 June 2021.

BUSINESS REVIEW

The business review of the Group for the year ended 31 December 2020 is set out in the sections headed "Chairman's statement" and "Management Discussion and Analysis" on pages 62 to 65 and 66 to 79 respectively of this Annual Report.

RELATIONSHIP WITH STAKEHOLDERS

Relationship is the fundamental of business. The Group fully understands this principle and thus maintains close relationship with the customers to fulfil their immediate and long-term need.

All of our full-time employees are paid a fixed salary and may be granted other allowances, based on their positions. In addition, discretionary bonuses may also be awarded to our employees based on the employee's performance. We conduct regular performance appraisals to ensure that our employees receive feedback on their performances.

Our major suppliers are primarily sub-contractors for our property and management services. The Group is dedicated to develop good relationship with suppliers and sub-contractors as long-term business partners to ensure stability of the Group's business.

業績及股息

本集團截至2020年12月31日止年度之業績以及本集團及本公司截至該日之事務狀況分別載於第146至149頁之綜合財務報表。

董事會建議就截至2020年12月31日止年度派付末期股息每股0.012港元(「2020年末期股息」)，合計約4.9百萬港元(相當於約人民幣4.1百萬元)，惟須獲股東在將於2021年6月11日(星期五)舉行的應屆2020年股東週年大會(「股東週年大會」)上批准方可作實。本公司將於2021年7月16日(星期五)或前後向於2021年6月23日(星期三)名列本公司股東名冊之股東派發(如批准)2020年末期股息。

業務回顧

本集團截至2020年12月31日止年度之業務回顧分別載於本年報第62至65頁以及第66至79頁之「主席報告書」及「管理層討論及分析」各節。

與利益相關者之關係

關係乃生意之根本，本集團深明此道，故會與客戶保持密切關係以滿足其當下及長期之需要。

我們所有全職僱員均獲發固定薪金，並可能會按其職位而獲授其他津貼。此外，僱員亦可能按僱員表現獲授酌情花紅。我們定期進行表現考核，確保僱員就彼等的表現獲得反饋意見。

我們的主要供應商主要為我們物業管理服務的分包商。本集團致力發展與作為長期業務夥伴之供應商以及分包商之間的良好關係，以確保本集團業務穩定。

REPORT OF THE DIRECTORS

董事報告書

POSSIBLE RISKS AND UNCERTAINTIES FACING THE COMPANY

The Group's financial conditions, results of operations, businesses and prospects may be affected by a number of risks and uncertainties. The following are the key risks and uncertainties identified by the Group. There may be other risks and uncertainties which are not known to the Group or which may not be material now but could turn out to be material in the future.

Business Risk

The Group constantly faces the challenge of responding promptly to market changes within the industry sectors it operates in. Any failure to interpret market trends properly and adapt its strategy to such changes accordingly, as well as termination or non-renewal of our services contracts of property management and urban sanitary could have a material adverse effect on the Group's business, financial position and results of operations.

Financial Risk

The financial risk management of the Group are set out in note 43 to the consolidated financial statements.

FINANCIAL STATEMENTS

The financial performance of the Group for the year ended 31 December 2020 and the financial position of the Group as at that date are set out on pages 146 to 149.

CLOSURE OF REGISTER OF MEMBERS

For determining the entitlement to attend and vote at the forthcoming AGM of the Company, the register of members of the Company will be closed from Tuesday, 8 June 2021 to Friday, 11 June 2021, both days inclusive, during which period no transfer of shares of the Company will be registered. In order to be eligible to attend and vote at the above meeting, all transfer forms accompanied by the relevant share certificates must be lodged with the Company's branch share registrar in Hong Kong, Tricor Investor Services Limited at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong for registration no later than 4:30 p.m. on Monday, 7 June 2021.

本公司面臨的潛在風險及不確定因素

本集團財務狀況、營運業績、業務及前景可能受若干風險及不確定因素影響。以下為本集團識別的主要風險及不確定因素。本集團未知或目前未必屬於重大但日後可能轉變為重大的其他風險及不確定因素亦可能存在。

業務風險

本集團持續面臨迅速回應其營運所在行業板塊的市場轉變的挑戰。倘未能正確詮釋市場趨勢並相應調整策略，及物業管理與城鎮環境服務合同的終止或不續約，或都可能將對本集團的業務、財務狀況及營運結果產生重大不利影響。

財務風險

本集團財務風險管理載於綜合財務報表附註43。

財務報表

本集團截至2020年12月31日止年度之財務表現及本集團截至該日之財務狀況載於第146至149頁。

暫停辦理股份過戶登記手續

為釐定有權出席本公司應屆股東週年大會並於會上投票的權利，本公司將於2021年6月8日(星期二)起至2021年6月11日(星期五)止(首尾兩日包括在內)暫停辦理股份過戶登記手續，期間不會辦理本公司股份過戶登記手續。為符合資格出席上述大會並於會上投票，股東最遲須於2021年6月7日(星期一)下午四時三十分前，將所有股份過戶表格連同有關股票送達本公司的股份過戶登記分處卓佳證券登記有限公司，地址為香港皇后大道東183號合和中心54樓以辦理登記手續。

REPORT OF THE DIRECTORS

董事報告書

Subject to the approval of the proposed 2020 Final Dividend from the shareholders of the Company at the annual general meeting, the register of members of the Company will be closed from Monday, 21 June 2021 to Wednesday, 23 June 2021, both days inclusive, during which period no transfer of Shares will be registered for ascertaining Shareholders' entitlement to the proposed 2020 Final Dividend. In order to qualify for the proposed 2020 Final Dividend, all transfer of Shares, accompanied by the relevant share certificates, must be lodged with the Company's branch share registrar in Hong Kong, Tricor Investor Services Limited at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong for registration no later than 4:30 p.m. on Friday, 18 June 2021.

SUMMARY OF 5 YEARS' FINANCIAL INFORMATION

A summary of the published consolidated results and of the assets and liabilities of the Group for each of the 5 years ended 31 December 2020 is set out on page 280.

PROPERTY, PLANT AND EQUIPMENT

Details of movements in the Group's property, plant and equipment during the year are set out in note 13 to the consolidated financial statements.

SHARE CAPITAL

Details of the share capital of the Company during the year are set out in note 32 to the consolidated financial statements.

BORROWINGS

Details of the outstanding bank loans and other borrowings of the Company during the year are set out in note 30 to the consolidated financial statements.

PRE-EMPTIVE RIGHTS

There is no provision for pre-emptive rights under the Company's articles of association or the laws of the Cayman Islands, being the jurisdiction in which the Company was incorporated, which would oblige the Company to offer new shares on a pro-rata basis to its existing shareholders.

待股東於股東週年大會批准建議2020年末期股息後，本公司將於2021年6月21日(星期一)起至2021年6月23日(星期三)止(首尾兩日包括在內)暫停辦理股份過戶登記手續，期間不會辦理股份過戶登記手續，以釐定有權獲得建議2020年末期股息的股東。為符合資格獲得建議2020年末期股息，股東最遲須於2021年6月18日(星期五)下午四時三十分前，將所有股份過戶表格連同有關股票送達本公司的股份過戶登記分處卓佳證券登記有限公司，地址為香港皇后大道東183號合和中心54樓以辦理登記手續。

五年財務資料摘要

本集團截至2020年12月31日止五個年度各年之已公佈綜合業績及資產與負債概要載於第280頁。

物業、廠房及設備

本集團於年內之物業、廠房及設備之變動詳情載於綜合財務報表附註13。

股本

本公司於年內之股本詳情載於綜合財務報表附註32。

借款

本公司於年內之尚未償還銀行借款及其他借款詳情載於綜合財務報表附註30。

優先購買權

本公司之公司組織章程細則或開曼群島(本公司註冊成立時所在的司法權區)法例並無優先購買權之條文，故本公司毋須按比例向其現有股東提呈新股份。

REPORT OF THE DIRECTORS

董事報告書

TAX RELIEF

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

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

Neither the Company nor any of its subsidiaries has purchased, sold or redeemed any listed securities of the Company during the year.

RESERVES

Details of movements in the reserves of the Company and of the Group during the year are set out in note 33 to the consolidated financial statements and in the consolidated statement of changes in equity respectively.

The Company has adopted a dividend policy (the “**Dividend Policy**”), pursuant to which the Company may declare and distribute dividends to the Shareholders. As a general policy, given the current growth of the Company, it is the intention of the Company to declare no more than 30% of the net profit as dividend each year. However, the actual amount of dividends declared and paid (if any) will depend on the results of our operation, cash flows, financial position, statutory and regulatory restrictions on the payment of dividends, future prospects, and other factors that we may consider relevant.

The recommendation of the payment of any dividend is subject to the absolute discretion of the Board, and any declaration of final dividend will be subject to the approval of the shareholders.

Any payment of the dividend by the Company is also subject to the Companies Law of the Cayman Islands and the constitutional documents, which indicate that dividends may be declared and paid out of the profits, realised or unrealised, or from any reserves set aside from profits which the Directors determine is no longer needed. With the sanction of an ordinary resolution, dividends may also be declared and paid out of the share premium account or any other fund or account which can be authorised for this purpose in accordance with the relevant law.

There can be no assurance that dividends of any amount will be declared or distributed in any years.

稅項減免

就本公司所知，概無股東因持有本公司證券而獲得任何稅項減免。

購買、出售或贖回上市證券

本公司及其附屬公司於年內概無購買、出售或贖回本公司任何上市證券。

儲備

本公司及本集團於年內之儲備變動詳情分別載於綜合財務報表附註33及綜合權益變動表。

本公司已採納股息政策(「**股息政策**」)，根據該政策，本公司可向股東宣派及派付股息。作為一般政策，考慮到本公司目前的增長，本公司擬將每年淨利潤的不超過30%宣派為股息。然而，股息的實際派付金額(如有)將取決於本集團的經營業績、現金流量、財務狀況、支付股息之法定及監管限制、未來前景及本集團可能認為有關之其他因素。

支付任何股息之建議視乎董事會之絕對酌情權而定，任何末期股息之宣派須待股東批准後方可作實。

本公司派付任何股息亦受開曼群島公司法及章程文件限制，即可自己變現或未變現溢利或自溢利撥出而董事認為再無需要之任何儲備宣派及派付股息。倘通過普通決議案批准，亦可根據相關法律自股份溢價賬或獲授權用作派付股息之任何其他資金或賬目宣派及派付股息。

本公司無法保證將於任何年度宣派或分派任何金額之股息。

REPORT OF THE DIRECTORS

董事報告書

DISTRIBUTABLE RESERVES

As at 31 December 2020, the Company had distributable reserves of approximately RMB245.1 million (2019: RMB224.8 million) calculated in accordance with the Companies Law, Chapter 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands. This includes the Company's share premium account of approximately RMB163.7 million (2019: RMB167.3 million) which is distributable to the shareholders of the Company provided that immediately following the date on which the dividend is proposed to be distributed, the Company will be in a position to pay off its debts as and when they fall due in the ordinary course of business. The share premium account may also be distributed in the form of fully paid bonus shares.

MAJOR CUSTOMERS AND SUPPLIERS

In the Period, sales to the Group's 5 largest customers accounted for approximately 17.4% of the total sales for the year and the sales to the largest customer included therein amounted to approximately 4.5%.

Purchases from the Group's 5 largest suppliers accounted for approximately 18.7% of the total purchases for the year and the purchases from the largest supplier included therein amounted to approximately 6.1%.

None of the Directors, or any of their close associate(s) or any shareholders of the Company (which, to the best knowledge of the Directors, own more than 5% of the Company's issued share capital) had any beneficial interest in the Group's 5 largest customers or 5 largest suppliers.

可供分派儲備

於2020年12月31日，本公司根據開曼群島公司法第22章(1961年第3號法例，經綜合及修訂)計算的可供分派儲備約人民幣245.1百萬元(2019年：人民幣224.8百萬元)，當中包括本公司股份溢價賬約人民幣163.7百萬元(2019年：人民幣167.3百萬元)，惟倘緊隨建議分派股息當日後，本公司將仍有能力償付其於日常業務過程中到期的債務，則此筆款項可供分派予本公司股東。股份溢價賬亦可以繳足紅股方式分派。

主要客戶及供應商

於期內，本集團五大客戶之銷售額佔年度總銷售額約17.4%，而其中最大客戶之銷售額佔年度總銷售額約4.5%。

本集團五大供應商之採購額佔年度總採購額約18.7%，而其中最大供應商之採購額佔年度總採購額約6.1%。

董事或彼等任何緊密聯繫人或本公司任何股東(據董事所深知擁有本公司已發行股本5%以上者)，概無於本集團五大客戶或五大供應商中擁有任何實益權益。

REPORT OF THE DIRECTORS

董事報告書

DIRECTORS

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

Executive Directors

Mr. Xiao Xingtao (*Chairman*)
Mr. Fu Qichang
Mr. Xiao Yuqiao (*Chief Executive Officer*)
Mr. Jia Shaojun
Ms. Wang Hui

Non-executive Director

Mr. Zhang Yongjun

Independent non-executive Directors

Mr. Cheng Dong
Mr. Weng Guoqiang
Mr. Shu Wa Tung Laurence

In accordance with the Company's articles of association, Mr. Jia Shaojun, Mr. Zhang Yongjun, Mr. Shu Wa Tung Laurence and Ms. Wang Hui will retire and, being eligible, offer themselves for re-election at the forthcoming annual general meeting.

Each of the three independent non-executive Directors has confirmed his independence of the Company and the Company considers each of them to be independent in accordance with the guidelines of assessing independence as set out in Rule 3.13 of the Listing Rules.

BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT

Biographical details of the Directors and the senior management of the Group are set out on pages 80 to 94 of the annual report.

董事

本年度及直至本報告日期止之董事如下：

執行董事

肖興濤先生(主席)
傅其昌先生
肖予喬先生(行政總裁)
賈少軍先生
王慧女士

非執行董事

張擁軍先生

獨立非執行董事

程東先生
翁國強先生
舒華東先生

根據本公司組織章程細則，賈少軍先生、張擁軍先生、舒華東先生和王慧女士將於應屆股東週年大會上退任，惟彼等符合資格並願意於應屆股東週年大會上重選連任。

三名獨立非執行董事各自均已確認於本公司的獨立性。本公司根據上市規則第3.13條所載的獨立性評估指引，認為彼等各自均具備獨立性。

董事及高級管理層履歷詳情

本集團董事及高級管理層之履歷詳情載於年報第80至94頁。

REPORT OF THE DIRECTORS

董事報告書

DIRECTORS' SERVICE CONTRACTS

Details of service contracts of the executive, non-executive and independent non-executive Directors are set out under the section headed "Appointment and Re-election of Directors" of the Corporate Governance Report.

No Director proposed to have a service contract with the Company which is not determinable by the Company within 1 year without payment of compensation, other than statutory compensation.

DIRECTORS' MATERIAL INTERESTS IN TRANSACTIONS, ARRANGEMENTS AND CONTRACTS

Save as disclosed in the section headed "Connected transactions" and in the related party transactions as set out in note 40 to the consolidated financial statements, no transactions, arrangements and contracts of significance, to which the Company, its subsidiaries or fellow subsidiaries, was a party and in which a director of the Company had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year. There are no transactions, arrangements and contract of significance to the business of the Group between the Company, or any of its subsidiaries and a Controlling Shareholder or any of its subsidiaries during the year. During the year, no transactions, arrangements and contract of significance for the provision of services to the Group by a Controlling Shareholder or any of its subsidiaries were made.

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 in existence during the year.

董事服務合約

執行、非執行及獨立非執行董事之服務合約詳情載於企業管治報告「委任及重選董事」一節。

董事概無與本公司擬訂立本公司不可於一年內在毋須賠償(法定賠償除外)情況下而終止之服務合約。

董事於交易、安排及合約之重大權益

除「關連交易」一節及載於綜合財務報表附註40披露之關聯方交易外，本公司、其附屬公司或同系附屬公司概無訂立任何於年終或年內任何時間仍然生效而本公司董事直接或間接擁有重大權益之重大交易、安排及合約。年內，本公司或其任何附屬公司、或控股股東或其任何附屬公司概無訂立對本集團業務而言屬重大之交易、安排及合約。年內，控股股東或其任何附屬公司概無就向本集團提供服務而訂立重大交易、安排及合約。

管理合約

本年度並無訂立或存在有關本公司全部或任何主要業務部分之管理及行政之合約。

REPORT OF THE DIRECTORS

董事報告書

PERMITTED INDEMNITY PROVISION

Pursuant to the articles of association of the Company, the Directors, the secretary and other officers of the Company are entitled to be indemnified out of the assets and profits of the Company against all actions, costs, charges, losses, damages and expenses which they or any of them shall or may incur or sustain by or by reason of any act done, concurred in or omitted in or about the execution of their duty, or supposed duty, in their respective offices or trusts, to the extent as permitted by laws. The Company has arranged appropriate Directors' and officers' liability insurance coverage for the Directors and officers of the Company during the Period.

已獲批准之彌償保證條文

根據本公司組織章程大綱，在法例容許之範圍內，本公司董事、秘書及其他高級職員於彼等各自任期或信託內執行其職務或預期之職務時所作出、同意或遺漏之任何行動而可能招致或承受或由於該行動引起之一切訴訟、成本、費用、損失、賠償及開支自本公司資產及溢利中向本公司董事、秘書及其他高級職員提供補償。於期內，本公司已就董事及高級職員安排適當之董事及高級職員責任保險。

REPORT OF THE DIRECTORS

董事報告書

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

As at 31 December 2020, the interests of the Directors in the Shares and underlying shares of the Company or its associated corporations (within the meaning of Part XV of the SFO), which (a) 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 the Directors are taken or deemed to have under such provisions of the SFO); or (b) were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein; or (c) were required to be notified to the Company and the Stock Exchange pursuant to the Model Code for securities transactions by Directors of Listed Issuers (“**Model Code**”) were as follows:

董事於本公司或任何相聯法團之股份、相關股份及債權證之權益及淡倉

於2020年12月31日，董事於本公司或其相聯法團(定義證券及期貨條例第XV部)之股份及相關股份中擁有(a)須根據證券及期貨條例第XV部第7及8分部通知本公司及聯交所之權益(包括根據證券及期貨條例之該等條文董事被當作或被視作享有之權益及淡倉);或(b)須記入根據證券及期貨條例第352條規定存置之登記冊之權益;或(c)須根據上市發行人董事進行證券交易的標準守則(「標準守則」)通知本公司及聯交所之權益如下:

| Director | Nature of interests | Number of issued ordinary/underlying Shares held | Percentage of interest |
|------------------|--|--|------------------------|
| 董事 | 權益性質 | 所持已發行普通／相關股份數目 | 所佔權益百分比 |
| Mr. Xiao Xingtao | Interest held jointly with another person; interest of controlled corporation ⁽¹⁾ | 295,322,000 | 72.92% |
| 肖興濤先生 | 與另一人士共同持有的權益；受控制法團權益 ⁽¹⁾ | | |
| Mr. Fu Qichang | Interest held jointly with another person; interest of controlled corporation ⁽¹⁾ | 295,322,000 | 72.92% |
| 傅其昌先生 | 與另一人士共同持有的權益；受控制法團權益 ⁽¹⁾ | | |

Notes:

(1) As at 31 December 2020, 295,322,000 shares were held by Partner Summit, a company incorporated in the British Virgin Islands which is owned as to 87% by Vital Kingdom, 10% by Source Forth and 3% by Pine Fortune. Each of Mr. Xiao and Mr. Fu owns the entire issued share capital of Vital Kingdom and Source Forth respectively. Thus, both Mr. Xiao and Mr. Fu were deemed to be interested in 295,322,000 Shares.

(2) All the interests disclosed above represent long positions in the Shares.

附註:

(1) 於2020年12月31日，合高(一間於英屬處女群島註冊成立之公司)持有295,322,000股股份，且該公司由至御擁有87%股權，由泉啟擁有10%股權以及由富柏擁有3%股權。肖先生及傅先生分別擁有至御及泉啟全部已發行股本。因此，肖先生及傅先生被視為於295,322,000股股份中擁有權益。

(2) 上文披露之所有權益均為股份之好倉。

REPORT OF THE DIRECTORS

董事報告書

Save as disclosed above, as at 31 December 2020, none of the Directors, or their associate(s) had any interests or short positions in the shares or debt securities of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which (a) 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 the Directors are taken or deemed to have under such provisions of the SFO); or (b) were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein; or (c) were required to be notified to the Company and the Stock Exchange pursuant to the Model Code.

DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

At no time during the year were the rights to acquire benefits by means of the acquisition of shares in or debentures of the Company granted to any Director or their respective spouse or children under 18 years of age, or were any such rights exercised by them; or was the Company or its holding company or any of its subsidiaries or fellow subsidiaries a party to any arrangement to enable the Directors to acquire such rights in the Company or any other body corporate.

DIRECTORS' INTERESTS IN A COMPETING BUSINESS

During the year under review and up to date of this report, no Director of the Company or any of its subsidiaries is considered to have an interest in a business which competes or is likely to compete, either directly or indirectly, with the business of the Group, pursuant to the Listing Rules, other than those business of which the Directors of the Company were appointed as Directors to represent the interest of the Company and/or the Group.

除上文所披露者外，於2020年12月31日，概無董事或彼等之聯繫人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)之股份或債務證券中擁有(a)須根據證券及期貨條例第XV部第7及8分部通知本公司及聯交所之任何權益或淡倉(包括根據證券及期貨條例之該等條文董事被當作或被視作享有之權益及淡倉)；或(b)須記入根據證券及期貨條例第352條規定存置之登記冊之任何權益或淡倉；或(c)須根據標準守則通知本公司及聯交所之任何權益或淡倉。

董事購買股份或債權證之權利

本公司於本年度任何時間概無授權本公司任何董事或其各自之配偶或未滿18歲子女透過購買本公司股份或債權證而獲利，而上述人士亦無行使有關權利；或本公司或其控股公司或其任何附屬公司或同系附屬公司亦無訂立任何安排，致使董事可購買本公司或任何其他法人團體之該等權利。

董事於競爭業務之權益

於回顧年度及直至本報告日期止，本公司或其任何附屬公司之董事概無被視作擁有根據上市規則所指會或可能會與本集團業務直接或間接競爭之業務權益，惟本公司董事獲委任為董事以代表本公司及／或本集團之權益之有關業務除外。

REPORT OF THE DIRECTORS

董事報告書

SHARE OPTION SCHEME

The Company adopted a share option scheme on 15 November 2017 (the “**Share Option Scheme**”). The Share Option Scheme became effective on the Listing Date. No share option under the Share Option Scheme (the “**Option**”) has been granted since the adoption of the Share Option Scheme and therefore, there was no outstanding Option as at 31 December 2020 and no Option was exercised or cancelled or lapsed during the Period.

The principal terms of the Share Option Scheme are set out as follows:

(a) Purpose of the Share Option Scheme

The Share Option Scheme enables the Company to grant Options to the Eligible Persons (as defined in paragraph (b) below) as incentives or rewards for their contributions to our Group.

(b) Participants of the Share Option Scheme

An Eligible Person is any full-time or part-time employee of the Company or any member of the Group, including any executive director, non-executive director and independent non-executive director, adviser and consultant of the Group.

The Board may, at its absolute discretion, invite any Eligible Persons to take up Options at a price calculated in accordance with paragraph (d) below.

(c) Acceptance of an offer of Option

An Option shall be deemed to have been granted and accepted by each Eligible Person who accepts or is deemed to have accepted the offer of any Option in accordance with the terms of the Share Option Scheme (the “**Participant**”) when the duplicate letter comprising acceptance of the Option duly signed by the Participant with the number of Shares in respect of which an offer of an Option is accepted clearly stated therein, together with a remittance in favour of the Company of HK\$1.00 by way of consideration for the grant thereof, is received by the Company within 28 days from the date on which an Option is offered to an Eligible Person.

購股權計劃

本公司已於2017年11月15日採納購股權計劃（「購股權計劃」）。購股權計劃於上市日期生效。自採納購股權計劃以來，概無據此授出購股權計劃項下的購股權（「購股權」），於2020年12月31日概無尚未行使的購股權，且期內概無購股權獲行使、註銷或失效。

購股權計劃的主要條款如下：

(a) 購股權計劃的目的

本公司根據購股權計劃授予合資格人士（定義見下文(b)段）購股權，以激勵或獎勵彼等對本集團所作貢獻。

(b) 購股權計劃的參與者

合資格人士為本公司或本集團任何成員公司的全職或兼職僱員，包括本集團的執行董事、非執行董事及獨立非執行董事、顧問及諮詢師。

董事會或會全權酌情邀請合資格人士按下文(d)段計算得出的價格取得購股權。

(c) 接受購股權要約

如於合資格人士獲得購股權要約的日期起計28日內，本公司接獲參與者妥為簽署有關接受購股權的函件副本（當中列明接受購股權要約所涉及之股份數目），連同支付予本公司之股款1.00港元（作為獲授購股權之代價），則購股權視為已被授出且由根據購股權計劃之條款接受或被視為已接受任何購股權要約之各合資格人士（「參與者」）接納。

(d) Maximum number of Shares available for subscription

The total number of Shares which may be issued upon the exercise of all Options to be granted under the Share Option Scheme or any other share option schemes (“**Other Schemes**”) adopted by the Group from time to time pursuant to which options to subscribe for Shares may be granted must not, in aggregate, exceed 10% of the Shares in issue as of the date of listing (i.e. 11 December 2017, the “**Listing Date**”) of the Shares on the Stock Exchange (the “**Scheme Mandate Limit**”), being 400,000,000 Shares. Options which have lapsed in accordance with the terms of the Share Option Scheme and Other Schemes will not be counted for the purpose of calculating the Scheme Mandate Limit.

Subject to the approval of the Shareholders in general meeting, the Company may do one or more of the following:-

- (i) refresh the Scheme Mandate Limit to the extent that the total number of Shares which may be issued upon exercise of all Options to be granted under the Share Option Scheme and Other Schemes under the refreshed Scheme Mandate Limit must not exceed 10% of the Shares in issue as at the date of such Shareholders’ approval, provided that Options previously granted under the Share Option Scheme and Other Schemes (including those outstanding, cancelled, exercised or lapsed in accordance with the terms thereof) will not be counted for the purpose of calculating the refreshed Scheme Mandate Limit; and
- (ii) grant Options beyond the Scheme Mandate Limit, provided that Options in excess of the Scheme Mandate Limit are granted only to the Eligible Persons specifically identified by the Company before such Shareholders’ approval is sought.

(d) 可供認購股份數目上限

根據購股權計劃或本集團可能不時採納的任何其他購股權計劃(「**其他計劃**」)授出的所有購股權(即供認購股份而授出之購股權)獲行使而將發行的股份總數，合共不得超過於聯交所股份上市日期(即2017年12月11日，「**上市日期**」)已發行股份的10%(即400,000,000股股份，「**計劃授權限額**」)。根據購股權計劃及其他計劃條款已告失效之購股權，將不會計入計劃授權限額之內。

待股東於股東大會批准後，本公司可能會進行以下一項或多項行動：

- (i) 更新計劃授權限額，惟根據經更新計劃授權限額，因行使根據購股權計劃及其他計劃將予授出之全部購股權而可能發行之股份總數不得超過有關股東批准日期已發行股份10%，前提是先前根據購股權計劃及其他計劃授出之購股權(包括根據計劃條款尚未行使、已註銷、已行使或已失效的購股權)於計算經更新計劃授權限額時不予計算在內；及
- (ii) 授出超過計劃授權限額之購股權，前提是該等超過計劃授權限額之購股權僅可授予本公司於尋求有關股東批准前特別指定之合資格人士。

REPORT OF THE DIRECTORS

董事報告書

The total number of Shares available for issue under the Share Option Scheme is 40,000,000 Shares, representing 10% of the issued Shares as at the Listing Date.

(e) Basis for determining the exercise price

The subscription price for the Shares subject to the Options will be a price determined by the Board and notified to each Participant and shall be the highest of (i) the closing price of the Shares as stated in the Stock Exchange's daily quotations sheet on the date of grant of the Options, which must be a day on which trading of Shares take place on the Stock Exchange ("Trading Day"); (ii) the average closing price of the Shares as stated in the Stock Exchange's daily quotations sheets for the five Trading Days immediately preceding the date of grant of the Options; and (iii) the nominal value of a Share.

(f) Maximum number of underlying Shares comprised in Options to any one Eligible Person

The total number of Shares issued and to be issued upon exercise of the Options granted to a Participant under the Share Option Scheme and Other Schemes (including both exercised and outstanding Options) in any 12-month period must not exceed 1% of the Shares in issue from time to time.

If a grant of Options to a substantial shareholder (as defined in the Listing Rules) or an independent non-executive Director, or any of their respective associates (as defined in the Listing Rules) will result in the total number of the Shares issued and to be issued upon exercise of the Options already granted and to be granted (including Options exercised, cancelled and outstanding) to such person under the Share Option Scheme or Other Schemes in any 12-month period up to and including the date of the grant:-

購股權計劃項下可供發行的股份總數為40,000,000股股份，相當於於上市日期已發行股份的10%。

(e) 釐定行使價格的基準

行使購股權涉及之股份認購價將為董事會釐定及告知各參與者之價格，且應至少為以下之最高者：(i) 股份於購股權授出當日（須為股份於聯交所交易的日期，「交易日」）於聯交所每日報價表所報之收市價；(ii) 股份於緊接購股權授出當日前五個交易日於聯交所每日報價表所報之平均收市價；及(iii) 股份的面值。

(f) 任何一名合資格人士之購股權中相關股份數目上限

於任何12個月期間內，因根據購股權計劃及其他計劃向參與者授出之購股權（包括已行使及尚未行使之購股權）獲行使而發行及將予發行之股份總數，不得超過不時已發行股份1%。

倘向主要股東（定義見上市規則）或獨立非執行董事或彼等各自之任何聯繫人（定義見上市規則）授出購股權會導致於截至及包括授出該購股權日期止12個月期間，因根據購股權計劃或其他計劃已授予及將授予該名人士之購股權（包括已行使、已註銷及尚未行使之購股權）獲行使而發行及將予發行之股份總數：

REPORT OF THE DIRECTORS

董事報告書

- (i) representing in aggregate 0.1% (or such other percentage as may from time to time specified by the Stock Exchange) of the Shares in issue from time to time, and
- (ii) having an aggregate value, based on the closing price of the Shares at the date of the grant, in excess of HK\$5 million,

then the proposed grant of Options must be approved by the Shareholders.

(g) Time of exercise of Option

An Option may be exercised in accordance with the terms of the Share Option Scheme at any time during a period to be determined and notified by the Board to each Participant, provided that the period within which the Option must be exercised shall not be more than 10 years from the date of the grant of Option.

(h) Minimum period for which an Option must be held before it can be exercised

There is no minimum period for which an Option granted must be held before it can be exercised except otherwise imposed by the Board.

(i) Remaining life of the Share Option Scheme

The Share Option Scheme will be valid and effective for a period of 10 years commencing on the Listing Date, after which period no further Options may be granted but the provisions of the Share Option Scheme shall remain in full force and effect in all other respects and Options granted during the life of the Share Option Scheme may continue to be exercisable in accordance with their terms of issue.

(j) Movements of the options granted under the Share Option Scheme

No share option has been granted under the Share Option Scheme since its adoption.

- (i) 合共相當於不時已發行股份0.1% (或聯交所不時規定之其他百分比)，及

- (ii) 總值(根據授出日期股份之收市價計算)超過5百萬港元，

則建議授出購股權須獲股東批准。

(g) 行使購股權的時限

於董事會決定及通知各參與者之期間內，可隨時根據購股權計劃之條款行使購股權，惟須行使購股權之期間不得超出自授出購股權日期起計十年。

(h) 須持有購股權於獲行使前的最短期限

於購股權獲行使前，概無須持有已授出購股權的最短期限，惟董事會另有規定除外。

(i) 購股權計劃之剩餘期限

購股權計劃於上市日期起計十年期間有效及生效，其後概不會授出任何額外購股權，但購股權計劃之條文於所有其他方面仍有十足效力及效用，而於購股權計劃期限內授出之購股權可繼續根據其發行條款行使。

(j) 購股權計劃項下已授出購股權的變動

自採納購股權計劃以來並無根據購股權計劃授出購股權。

REPORT OF THE DIRECTORS

董事報告書

SHARE AWARD SCHEME

The Company has adopted the Share Award Scheme (the “Scheme”) on 30 August 2018 (the “Adoption Date”). The purpose of the Scheme is to recognize the contribution by certain employees and give incentives thereto in order to motivate them for the continual operation and development of the Group and to attract suitable personal for further development of the Group. Unless terminated earlier pursuant to the terms of the Scheme, the Scheme shall be effective for a period of four (4) years commencing on the Adoption Date provided that no contribution to the trust fund will be made by the Company on or after 31 May 2020. Please refer to the Company announcement dated 30 August 2018 for further details of the Scheme.

During the year 2019, the trustee of the Scheme, pursuant to the terms of the rules and trust deed of the Scheme, purchased on the Stock Exchange a total of 8,218,000 Shares at a total consideration of approximately HK\$20.0 million. As at 31 December 2020, no Shares were awarded to any Director or employee of the Company under the Scheme.

SUBSTANTIAL SHAREHOLDERS

As at 31 December 2020, the following persons (other than the Directors) had interest in the Shares and the underlying shares of the Company which (a) would fall to be disclosed to the Company and the Stock Exchange pursuant to Divisions 2 and 3 of Part XV of the SFO; or (b) were required, pursuant to Section 336 of the SFO, to be entered in the register referred to therein:

股份獎勵計劃

本公司已於2018年8月30日(「採納日期」)採納股份獎勵計劃(「該計劃」)。該計劃之目的為確認若干僱員所作的貢獻並給予獎勵，以鼓勵有關人員繼續為本集團營運及發展服務，以及為本集團進一步發展吸引合適人才。除非根據該計劃條款提早終止，該計劃將於採用日期起計四(4)年內生效，前提為本公司於2020年5月31日或之後不會向信託基金作出供款。有關該計劃之其他詳情，請參閱本公司日期為2018年8月30日之公告。

於2019年，該計劃受託人根據該計劃規則條款及信託契據於聯交所以總代價約20.0百萬港元購買合共8,218,000股股份。於2020年12月31日，概無根據該計劃向本公司任何董事或僱員授出股份。

主要股東

於2020年12月31日，以下人士(董事除外)於本公司股份及相關股份中擁有(a)須根據證券及期貨條例第XV部第2及3分部向本公司及聯交所披露之權益；或(b)須記入根據證券及期貨條例第336條規定存置之登記冊之權益：

| Name of shareholders | Nature of interests | Number of issued ordinary/ underlying shares held 所持已發行 普通／相關股份 數目 | Percentage of interest 所佔權益 百分比 |
|----------------------|---|--|---------------------------------------|
| Partner Summit 合高 | Beneficial owner 實益擁有人 | 295,322,000 | 72.92% |
| Vital Kingdom 至御 | Interest held jointly with another person; interest of controlled corporation ⁽²⁾ 與另一人士共同持有的權益； 受控制法團權益 ⁽²⁾ | 295,322,000 | 72.92% |

REPORT OF THE DIRECTORS

董事報告書

| Name of shareholders | Nature of interests | Number of issued ordinary/ underlying shares held | Percentage of interest |
|--|--|---|------------------------|
| 股東名稱／姓名 | 權益性質 | 所持已發行普通／相關股份數目 | 所佔權益百分比 |
| Source Forth | Interest held jointly with another person; interest of controlled corporation ⁽²⁾ | 295,322,000 | 72.92% |
| 泉啟 | 與另一人士共同持有的權益；受控制法團權益 ⁽²⁾ | | |
| Pine Fortune | Interest held jointly with another person; interest of controlled corporation ⁽²⁾ | 295,322,000 | 72.92% |
| 富柏 | 與另一人士共同持有的權益；受控制法團權益 ⁽²⁾ | | |
| Mr. Chen | Interest held jointly with another person; interest of controlled corporation ⁽²⁾ | 295,322,000 | 72.92% |
| 陳先生 | 與另一人士共同持有的權益；受控制法團權益 ⁽²⁾ | | |
| S.I. Infrastructure Holdings Limited (“S.I.”) | Interest of controlled corporation ⁽³⁾ | 30,000,000 | 7.4% |
| S.I. Infrastructure Holdings Limited (「S.I.」) | 受控制法團權益 ⁽³⁾ | | |
| Shanghai Industrial Holdings Limited (“Shanghai Industrial”) | Interest of controlled corporation ⁽³⁾ | 30,000,000 | 7.4% |
| 上海實業控股有限公司 (「上實控股」) | 受控制法團權益 ⁽³⁾ | | |
| Shanghai Industrial Investment (Holdings) Company Limited (“Shanghai Industrial Investment”) | Interest of controlled corporation ⁽³⁾ | 30,000,000 | 7.4% |
| 上海實業(集團)有限公司 (「上海實業」) | 受控制法團權益 ⁽³⁾ | | |
| Shanghai Industrial Investment Treasury Company Limited (“Shanghai Treasury”) | Interest of controlled corporation ⁽³⁾ | 30,000,000 | 7.4% |
| Shanghai Industrial Investment Treasury Company Limited (「Shanghai Treasury」) | 受控制法團權益 ⁽³⁾ | | |

REPORT OF THE DIRECTORS

董事報告書

| Name of shareholders | Nature of interests | Number of issued ordinary/ underlying shares held 所持已發行 普通／相關股份 數目 | Percentage of interest 所佔權益 百分比 |
|---|---|--|---------------------------------------|
| 股東名稱／姓名 | 權益性質 | | |
| Shanghai Investment Holdings Limited ("Shanghai Investment") 上海投資控股有限公司 (「上海投資」) | Interest of controlled corporation ⁽³⁾ 受控制法團權益 ⁽³⁾ | 30,000,000 | 7.4% |
| Sure Advance Holdings Limited ("Sure Advance") 通程控股有限公司(「通程」) | Beneficial owners ⁽³⁾ 實益擁有人 ⁽³⁾ | 30,000,000 | 7.4% |

Notes:

- All the interests stated below represent long positions in the shares of the Company.
- As at 31 December 2020, 295,322,000 shares were held by Partner Summit, which is owned as to 87% by Vital Kingdom, 10% by Source Forth and 3% by Pine Fortune. Mr. Chen owns the entire issued share capital of Pine Fortune. Therefore, Mr. Chen, Pine Fortune, Vital Kingdom and Source Forth were deemed to be interested in 295,322,000 shares.
- Information is extracted from the corporate substantial shareholder notices filed by S.I., Shanghai Industrial, Shanghai Industrial Investment, Shanghai Treasury, Shanghai Investment and Sure Advance on 11 December 2017. Shanghai Industrial Investment directly holds 100% of the issued share capital of Shanghai Treasury, which in turn holds 100% of the issued share capital of Shanghai Investment, which in turn holds 47.77% of the issued share capital of Shanghai Industrial, which in turn holds 100% of the issued share capital of S.I., which in turn holds 100% of the issued share capital of Sure Advance. Therefore, S.I., Shanghai Industrial, Shanghai Industrial Investment, Shanghai Treasury and Shanghai Investment are taken to be interested in the number of Shares held by Sure Advance pursuant to Part XV of the SFO.

附註：

- 上文所述之所有權益均為本公司股份之好倉。
- 於2020年12月31日，合高持有295,322,000股股份，合高由至御擁有87%股權，由泉啟擁有10%股權以及由富柏擁有3%股權。陳先生擁有富柏全部已發行股本。因此，陳先生、富柏、至御及泉啟被視為於295,322,000股股份中擁有權益。
- 有關資料乃摘錄自S.I.、上實控股、上海實業、Shanghai Treasury、上海投資以及通程於2017年12月11日存檔之公司主要股東通知書。上海實業直接持有Shanghai Treasury全部已發行股本，而Shanghai Treasury則持有上海投資全部已發行股本，而上海投資則持有上實控股47.77%已發行股本，而上實控股則持有S.I.全部已發行股本，而S.I.則持有通程全部已發行股本。因此，根據證券及期貨條例第XV部，S.I.、上實控股、上海實業、Shanghai Treasury以及上海投資均被視為於通程所持股份數目中擁有權益。

Save as disclosed above, as at 31 December 2020, there was no person who (i) had an interest or short position in the shares and underlying shares of the Company which (a) would fall to be disclosed to the Company and the Stock Exchange pursuant to Divisions 2 and 3 of Part XV of the SFO; or (b) were required, pursuant to section 336 of the SFO, to be entered in the register referred to therein; or (ii) were, directly or indirectly, interested in 5% or more of the nominal value of any class of share capital carrying the right to vote in all circumstances at general meetings of the Company or any options in respect of such capital.

除上文所披露者外，於2020年12月31日，概無任何人士(i)擁有本公司股份及相關股份之權益或淡倉，而(a)須根據證券及期貨條例第XV部第2及3分部向本公司及聯交所作出披露；或(b)須記入根據證券及期貨條例第336條規定存置之登記冊；或(ii)直接或間接擁有本公司之各類別股本（附帶可於所有情況下在本公司股東大會上投票之權利）面值之5%或以上之權益或任何有關該股本之購股權。

REPORT OF THE DIRECTORS

董事報告書

INTEREST-BEARING BANK LOANS AND OTHER BORROWINGS

Particulars of interest-bearing bank loans and other borrowings of the Group as at 31 December 2020 are set out in note 30 to the consolidated financial statements.

RETIREMENT BENEFITS SCHEME

Details of the retirement benefits scheme of the Group are set out in note 2.4 to the consolidated financial statements under “Employee benefits” on page 201.

EVENT AFTER THE REPORTING PERIOD

Details of significant events occurring after the year ended 31 December 2020 are set out in note 44 to the consolidated financial statements.

PUBLIC FLOAT

Based on information that is publicly available to the Company and within the knowledge of the Directors, the percentage of the ordinary shares in public hands exceed 25% as at the date of this annual report.

CONNECTED TRANSACTIONS

Set out below are the details of the connected transactions and continuing connected transactions of the Company as required to be reported under the Listing Rules.

計息銀行及其他借款

本集團於2020年12月31日之計息銀行及其他借款詳情，載於綜合財務報表附註30。

退休福利計劃

本集團退休福利計劃之詳情，載於第201頁之綜合財務報表附註2.4「僱員福利」。

報告期後事件

截至2020年12月31日止年度後發生之重大事件之詳情載於綜合財務報表附註44。

公眾持股量

基於本公司公開取閱之資料以及就董事所知，於本年報日期，公眾人士持有之普通股百分比超逾25%。

關連交易

下文載列根據上市規則須予申報的本公司關連交易及持續關連交易的詳情。

REPORT OF THE DIRECTORS

董事報告書

Non-exempt continuing connected transactions

(1) Property Management Framework Agreement

| | | |
|--|---|--|
| Date of agreement | : | 7 June 2018 |
| 協議日期 | : | 2018年6月7日 |
| Parties | : | (i) Anhui Bund, an indirect non wholly-owned subsidiary of the Group; and (ii) Anhui Wan Tou Property Company Limited* (安徽皖投置業有限責任公司) (“ Anhui Wan Tou ”), a connected person of the Group at the subsidiary level |
| 訂約方 | : | (i) 安徽外灘，本公司間接非全資附屬公司；及 (ii) 安徽皖投置業有限責任公司（「 安徽皖投 」），本集團於附屬公司層面的關連人士 |
| Term | : | From 7 June 2018 to 31 December 2020 (both dates inclusive), during which period the parties may from time to time enter into specific agreements in relation to the provision of property management services by Anhui Bund to Anhui Wan Tou or its associates, which shall be subject to the terms stipulated in the Property Management Framework Agreement |
| 年期 | : | 由2018年6月7日起至2020年12月31日止（包括首尾兩日），於該段期間內訂約方可不時就安徽外灘向安徽皖投提供物業管理服務訂立具體協議，惟須受物業管理框架協議所載條款規限 |
| Scope of Services | : | Anhui Bund shall provide property management services to Anhui Wan Tou or its associates |
| 服務範圍 | : | 安徽外灘將向安徽皖投或其聯繫人提供物業管理服務 |
| Pricing and payment | : | Pursuant to the Property Management Framework Agreement, the property management fees chargeable for the property management services shall be determined by the parties through arm’s length negotiations with reference to the comparable fees charged by the Group for services to independent property owners of other similar projects and on normal commercial terms or better |
| 定價及付款 | : | 根據物業管理框架協議，就物業管理服務所收取的物業管理費將會由訂約方參照本集團就向其他類似項目的獨立業主提供服務所收取的可資比較費用後，透過公平磋商及按正常商業條款或更佳條款釐定 |
| Annual cap for the year ended 31 December 2020 | : | RMB30,000,000 |
| 截至2020年12月31日止年度的年度上限 | : | 人民幣30,000,000元 |
| Actual consideration for the year ended 31 December 2020 | : | RMB26,995,018 |
| 截至2020年12月31日止年度的實際代價 | : | 人民幣26,995,018元 |

不獲豁免的持續關連交易

(1) 物業管理框架協議

REPORT OF THE DIRECTORS

董事報告書

Details of the transactions contemplated under Property Management Framework Agreement were disclosed in the Company's announcement dated 7 June 2018.

As confirmed by our Directors, the principal business of Anhui Wan Tou and its associates is property development only, they do not provide any property management service.

The independent non-executive Directors have reviewed the connected transactions and the continuing connected transactions and have confirmed that the connected transactions and continuing connected transactions have been entered into (i) in the ordinary and usual course of business of the Group; (ii) on normal commercial terms; and (iii) in accordance with the relevant agreement governing them on terms that are fair and reasonable and are in the interests of the shareholders of the Company as a whole.

The auditors of the Company were engaged to report 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 transaction under the Hong Kong Listing Rules" issued by Hong Kong Institute of Certified Public Accountants.

Ernst & Young, the auditors of the Company, have issued an unqualified letter containing their findings and conclusion in respect of the continuing connected transactions for the Period disclosed above in accordance with the Rule 14A.56 of the Listing Rules and confirmed nothing has come to their attention that causes them to believe that the continuing connected transactions:

- (i) have not been approved by the Board;
- (ii) were not, in all material respects, in accordance with the pricing policies of the Group if the transactions involving the provisions of goods or services by the Group;

物業管理框架協議項下擬進行的交易詳情已於本公司日期為2018年6月7日的公告披露。

誠如董事確認，安徽皖投及其聯繫人的主要業務僅為物業開發，彼等並不提供任何物業管理服務。

獨立非執行董事已審閱關連交易及持續關連交易，並確認關連交易及持續關連交易乃(i)於本集團日常及一般業務過程中進行；(ii)按正常商業條款訂立；及(iii)根據監管交易之相關協議按公平合理及符合本公司股東整體利益之條款訂立。

本公司已聘用核數師根據香港會計師公會發出之香港核證業務準則第3000號「對過往財務資料進行審核或審閱以外之核證業務」，並參考實務說明第740號「關於香港上市規則所述持續關連交易之核數師函件」匯報有關本集團之持續關連交易。

本公司核數師安永會計師事務所已根據上市規則第14A.56條發出一份不保留意見函件，當中載有彼等對上述該期間之持續關連交易之發現結果及結論，且彼等並未發現任何情況促使彼等認為持續關連交易：

- (i) 未獲董事會批准；
- (ii) 在各重大方面並無按照涉及本集團提供貨物或服務交易之定價政策進行；

REPORT OF THE DIRECTORS

董事報告書

(iii) were not entered into, in all material respects, in accordance with the relevant agreements governing these continuing connected transactions; and

(iv) have exceeded the relevant annual caps.

RELATED PARTY TRANSACTIONS

The related party transactions are set out in note 40 to the consolidated financial statements. Apart from the connected transactions disclosed above, the other related party transactions as disclosed in note 40 fall under the scope of connected transactions under Chapter 14A of the Listing Rules but are fully exempted from reporting, annual review, announcement or independent shareholders' approval requirements under Rule 14A.76(1) of the Listing Rules.

CORPORATE GOVERNANCE

During the year ended 31 December 2020, the Company has complied with the code provisions set out in the Corporate Governance Code (the "CG Code") as stated in Appendix 14 of the Rules Governing the Listing of securities on the Stock Exchange of Hong Kong Limited.

Further information on the Company's corporate governance practices is set out in the Corporate Governance Report contained in this annual report.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS OF LISTED COMPANIES

The Company has adopted the Model Code as its own code of conduct regarding securities transactions by Directors. In response to specific enquiry made by the Company, each of the Directors confirmed that he had complied with the required standard set out in the Model Code from the Listing Date to 31 December 2020.

ENVIRONMENTAL POLICY

The Group is committed to supporting the environmental sustainability. The Group is committed to maintaining sustainable working practices and pays close attention to ensure all resources are efficiently utilized.

(iii) 在各重大方面並無按照規管該等持續關連交易之相關協議訂立；及

(iv) 已超逾有關年度上限。

關聯方交易

關聯方交易載於綜合財務報表附註40。除上文所披露關連交易外，附註40所披露之其他關聯方交易屬上市規則第14A章項下之關連交易範圍，惟依照上市規則第14A.76(1)規定獲全面豁免遵守申報、年度審閱、公告或獨立股東批准規定。

企業管治

截至2020年12月31日止年度，本公司已遵守香港聯合交易所有限公司證券上市規則附錄14所載企業管治守則（「企業管治守則」）之守則條文。

有關本公司企業管治常規之進一步資料，載於年本報之企業管治報告。

上市公司董事進行證券交易的標準守則

本公司已採納標準守則，作為董事進行證券交易的行為守則。經本公司作出特定查詢後，各董事均確認，其自上市日期至2020年12月31日期間已遵守標準守則所載之規定準則。

環境政策

本集團致力支持環境可持續性。本集團努力維持可持續工作模式並密切關注所有資源以確保其得以有效利用。

REPORT OF THE DIRECTORS

董事報告書

COMPLIANCE WITH RELEVANT LAWS AND REGULATIONS

During the Period, as far as the Company is aware, there was no material breach of or non-compliance with applicable laws and regulations by our Group that has a significant impact on the business and operations of our Group.

MATERIAL LITIGATION AND ARBITRATION

During the Period, the Group did not have any material litigation or arbitration.

MATERIAL ACQUISITIONS AND DISPOSALS DURING THE PERIOD

On 31 January 2020, the Group completed the acquisition of 51% interest in Hong Xin from Shanghai Honghui Enterprise Management Consulting Partnership (Limited Partnership)* (上海泓匯企業管理諮詢合夥企業(有限合夥)) at a consideration of RMB91,800,000. Save as disclosed, the Group had no other material acquisition or disposal of subsidiaries or associates during the Period.

SUBSEQUENT EVENT TO THE PERIOD

The Group does not have any material subsequent event after 31 December 2020 and up to the date of this annual report.

The Group will continue to pay attention to the development of the coronavirus situation and evaluate the impact on the financial position and operation of the Group. As of the issue date of this annual report, no significant adverse impact has been identified.

SUFFICIENCY OF PUBLIC FLOAT

The Company has maintained a sufficient public float during the year ended 31 December 2020.

遵守相關法例及規例

於期內，據本公司所知悉，本集團並無嚴重違反或不遵守適用法例及規例而對本集團業務及營運構成重大影響。

重大訴訟及仲裁

期內，本集團並無任何重大訴訟及仲裁。

期內重大收購及出售

於2020年1月31日，本集團完成自上海泓匯企業管理諮詢合夥企業(有限合夥)收購泓欣51%股權，代價為人民幣91,800,000元。除所披露者外，本集團於本期間並無其他附屬公司或聯營企業的重大收購或出售。

期後事件

於2020年12月31日之後及直至本年度報告日期，本集團概無任何重大期後事項。

本集團將繼續關注冠狀病毒情況的發展，並評估對本集團財務狀況及經營的影響。截至本年度報告發佈之日，尚未發現重大不利影響。

公眾持股量充足

本公司已於截至2020年12月31日止年度保持充足公眾持股量。

REPORT OF THE DIRECTORS

董事報告書

AUDIT COMMITTEE

The Company has an audit committee which was established in accordance with the requirements of the CG Code, for the purposes of reviewing and providing supervision over the Group's financial reporting process and internal controls. Currently the audit committee comprises the 3 independent non-executive Directors, who have reviewed the financial statements for the year ended 31 December 2020.

AUDITOR

The consolidated financial statements have been audited by Ernst & Young who will retire and, being eligible, offer themselves for re-appointment at a fee to be agreed by the Board.

審核委員會

本公司已按企業管治守則之規定設立審核委員會，以檢討及監察本集團之財務申報程序及內部監控。審核委員會現時由三名獨立非執行董事組成，而彼等已審閱截至2020年12月31日止年度之財務報表。

核數師

綜合財務報表已經安永會計師事務所審核，安永會計師事務所將告退任並符合資格願意接受續聘，其酬金將由董事會商議釐定。

On behalf of the Board

RIVERINE CHINA HOLDINGS LIMITED

Xiao Xingtao

Chairman

Hong Kong

30 March 2021

代表董事會

浦江中國控股有限公司

主席

肖興濤

香港

2021年3月30日

INDEPENDENT AUDITOR'S REPORT

獨立核數師報告



Ernst & Young
22/F, CITIC Tower
1 Tim Mei Avenue
Central, Hong Kong

安永會計師事務所
香港中環添美道1號
中信大廈22樓

Tel 電話: +852 2846 9888
Fax 傳真: +852 2868 4432
ey.com

Independent auditor's report
To the shareholders of Riverine China Holdings Limited
(Incorporated in the Cayman Islands with limited liability)

獨立核數師報告
致浦江中國控股有限公司股東
(於開曼群島註冊成立的有限公司)

Opinion

We have audited the consolidated financial statements of Riverine China Holdings Limited (the "Company") and its subsidiaries (the "Group") set out on pages 146 to 154, which comprise the consolidated statement of financial position as at 31 December 2020, and the consolidated statement of profit or loss, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

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

Basis for opinion

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

意見

本核數師(以下簡稱「吾等」)已審核刊於第146至154頁的浦江中國控股有限公司(以下簡稱「貴公司」)及其附屬公司(以下統稱「貴集團」)的綜合財務報表,包括於2020年12月31日的綜合財務狀況表與截至該日止年度的綜合損益表、綜合全面收益表、綜合權益變動表和綜合現金流量表,以及綜合財務報表附註,包括主要會計政策概要。

吾等認為,該等綜合財務報表已根據香港會計師公會(「香港會計師公會」)頒佈的《香港財務報告準則》(「香港財務報告準則」)真實而公平地反映 貴集團於2020年12月31日的綜合財務狀況及截至該日止年度的綜合財務業績及綜合現金流量,並已按照香港公司條例的披露要求妥為編製。

意見的基礎

吾等已根據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。吾等在該等準則下承擔的責任已在本報告核數師就審核綜合財務報表須承擔的責任部分中作進一步闡述。根據香港會計師公會頒佈的《專業會計師道德守則》(「守則」),吾等獨立於 貴集團,並已履行該等道德要求以及守則中的其他專業道德責任。吾等相信,吾等所獲得的審核憑證能充足及適當地為吾等的審核意見提供基礎。

INDEPENDENT AUDITOR'S REPORT

獨立核數師報告

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 each 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 matters below, provide the basis for our audit opinion on the accompanying consolidated financial statements.

關鍵審核事項

關鍵審核事項是根據吾等專業判斷，認為對本期綜合財務報表的審計最為重要的事項。該等事項於吾等審核整份綜合財務報表以達致吾等的意見時予以處理，吾等不會對該等事項出具單獨意見。就以下各項事項而言，吾等在文中闡述吾等於審核時如何處理該事項。

吾等已履行本報告核數師就審核綜合財務報表須承擔的責任一節所述的責任，包括與該等事項相關者。因此，吾等的審核包括執行為對綜合財務報表重大失實陳述風險的評估作出響應而設的程序。審核程序(包括為處理以下事項進行的程序)得出的結論為吾等對隨附綜合財務報表作出審核意見提供基礎。

INDEPENDENT AUDITOR'S REPORT

獨立核數師報告

| Key audit matter | 關鍵審核事項 | How our audit addressed the key audit matter | 對關鍵審核事項的處理方法 |
|--|---|--|--|
| <p><i>Recoverability of trade receivables</i></p> <p>As at 31 December 2020, the carrying amount of trade receivables was RMB143,031,000, which accounted for approximately 37.80% of the current assets of the Group.</p> <p>We identified the recoverability of trade receivables as a key audit matter due to the significance of the balance to the consolidated financial statements and the significant judgement exercised by management in estimating the expected credit losses ("ECLs") for trade receivables, including the existence of disputes, historical payment records, forward-looking factors and any other available information that may impact the estimated expected credit losses.</p> <p>Please refer to notes 3 and 22 to the consolidated financial statement for related disclosures.</p> | <p>貿易應收款項的可收回性</p> <p>於2020年12月31日，貿易應收款項的賬面金額為人民幣143,031,000元，約佔貴集團流動資產約37.80%。</p> <p>吾等將貿易應收款項的可收回性識別為一項關鍵審核事項，因為其就綜合財務報表而言其結餘重大，且管理層於評估貿易應收款項的預期信貸虧損（「預期信貸虧損」）（包括是否存在糾紛、過往支付紀錄、前瞻性因素及可能影響估計預期信貸虧損的任何其他可得資料）時須作出重大判斷。</p> <p>有關披露事項，請參閱綜合財務報表附註3及22。</p> | <p>Our procedures in relation to assessing the recoverability of trade receivables included:</p> <ul style="list-style-type: none"> — Obtaining an understanding of how management assessed the expected credit losses for trade receivables, and evaluating the key control relating to the monitoring of the recoverability of trade receivables; — Evaluating and testing the methodologies and data or parameters used by management, including historical loss information, forward-looking factors, probability of default and expected loss; — Inquiring of management for the status of each of the material trade receivables past due as at the year end and evaluating explanations from management with supporting evidence; — Executing analytical review procedures by analysing the fluctuations of significant outstanding balances and trade receivable turnover days; and — Testing, on a sample basis, the subsequent settlement of trade receivables to cash receipts and the related supporting documentation. | <p>吾等評估貿易應收款項可收回性的程序包括：</p> <ul style="list-style-type: none"> — 了解管理層評估貿易應收款項預期信貸虧損的方式以及評價有關監督貿易應收款項可收回性的關鍵控制措施； — 評估及測試管理層所用方法及數據或參數（包括過往虧損資料、前瞻性因素、違約率及預期虧損）； — 諮詢管理層有關年末逾期重大應收款項狀態及基於支持證據評估管理層的解釋； — 執行分析性審閱程序，方法為分析重大尚未償還餘額及貿易應收款項週轉天數的波動情況；及 — 按採樣基準對比現金收據及相關證明文件測試貿易應收款項的隨後結算情況。 |

INDEPENDENT AUDITOR'S REPORT

獨立核數師報告

| Key audit matter | 關鍵審核事項 | How our audit addressed the key audit matter | 對關鍵審核事項的處理方法 |
|---|--|---|---|
| <i>Business Combination</i> | 業務合併 | | |
| As at 31 January 2020, the Group acquired 51% equity interests of Hong Xin Environmental Group Co., Ltd. ("Hong Xin") for an aggregate consideration of RMB91,800,000 ("the Acquisition"). | 於2020年1月31日，本集團收購泓欣環境集團有限公司(「泓欣」) 51% 權益，總代價為人民幣91,800,000元(「收購事項」)。 | Our audit procedures to assess the accounting of the Acquisition included: | 吾等評估收購事項核算的審核程序包括： |
| The Group engaged an external independent appraiser to assess the fair values of the identifiable assets and liabilities assumed at the acquisition date. | 本集團聘請外部獨立估值師評估於收購日期承擔的可識別資產及負債的公平值。 | — Obtaining and reviewing related acquisition agreements to understand the background and other related important information; | — 取得及審閱相關收購協議，以了解背景及其他相關重要資料； |
| We identified the Acquisition of Hong Xin as a key audit matter because its accounting involved significant judgement of management for the measuring the fair value of assets acquired in the business combination (e.g. intangible assets). | 由於核算涉及就計量在業務合併中取得的資產(例如無形資產)的公平值需要作出重大判斷，因此，我們將收購泓欣識別為關鍵審計事項。 | — Obtaining the valuation reports prepared by the external independent appraiser for the assets acquired and evaluating their competence, capabilities and objectivity; | — 取得外部獨立估值師就所收購資產編制的估值報告及評估彼等之才幹、能力及客觀性； |
| Please refer to note 34(b) to the consolidated financial statement for related disclosures. | 有關披露，請參閱綜合財務報表附註34(b)。 | — Involving our internal valuation specialists to review the valuation methodologies adopted by the appraiser, and the assumptions used to determine the fair value of the identifiable assets and liabilities assumed at the acquisition date; | — 要求我們的內部估值專家審閱估值師採用的估值方法及用於釐定收購日期所承擔可識別資產及負債的公平值的假設； |
| | | — Checking the mathematical accuracy of the valuation calculation for assets acquired and the underlying data used in the calculation; and | — 檢查所收購資產估值計算及計算中所用相關數據的數學準確性；及 |
| | | — Reviewing the identification of the acquired assets and liabilities. | — 審閱對所收購資產及負債的識別。 |

INDEPENDENT AUDITOR'S REPORT

獨立核數師報告

Other information included in the Annual Report

The directors of the Company 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.

年報所載其他資料

貴公司的董事須對其他資料承擔責任。其他資料包括刊載於年報內的全部資料，但不包括綜合財務報表及吾等就此發出的核數師報告。

吾等對綜合財務報表作出的意見並未考慮其他資料。吾等不對該等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，吾等的責任是閱讀其他資料，從而考慮其他資料是否與綜合財務報表或吾等在審核過程中獲悉的資料存在重大不符，或似乎存在重大錯誤陳述。倘基於吾等已進行的工作，吾等認為此等其他資料存在重大錯誤陳述，吾等須報告該事實。於此方面，吾等並無任何報告。

INDEPENDENT AUDITOR'S REPORT

獨立核數師報告

Responsibilities of the directors for the consolidated financial statements

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

In preparing the consolidated financial statements, the directors of the Company 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 of the Company either intend to liquidate the Group or to cease operations or have no realistic alternative but to do so.

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

董事就綜合財務報表須承擔的責任

貴公司董事須負責根據香港會計師公會頒佈的《香港財務報告準則》及香港公司條例有關披露要求編製及真實而公平地列報該等綜合財務報表，並負責董事認為編製綜合財務報表所必需的有關內部監控，以確保有關綜合財務報表不存在由於欺詐或錯誤而導致的重大錯誤陳述。

在編製綜合財務報表時，貴公司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)。除非董事有意將貴集團清盤，或停止營運，或除此之外並無其他實際可行辦法，否則董事須採用以持續經營為基礎的會計法。

審核委員會協助貴公司董事履行監督貴集團的財務報告流程的責任。

INDEPENDENT AUDITOR'S REPORT

獨立核數師報告

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 HKSA's will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with HKSA's, we exercise professional 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.

核數師就審核綜合財務報表須承擔的責任

吾等的目標是合理確定整體而言此等綜合財務報表是否不存在由於欺詐或錯誤而導致的重大錯誤陳述，並發出包含審核意見的核數師報告。吾等僅向整體股東報告，除此以外，吾等的報告不可用作其他用途。吾等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。

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

吾等根據《香港核數準則》進行審核的工作的一部分，是運用專業判斷，在整個審核過程中保持職業懷疑態度。吾等也：

- 識別及評估綜合財務報表由於欺詐或錯誤而導致的重大錯報風險，應該等風險設計及執行審核程序，獲得充足及適當的審核憑證為吾等的意見提供基礎。由於欺詐涉及合謀串通、偽造、故意遺漏、誤導性陳述或凌駕內部控制，因此未能發現由此造成的重大錯報風險比未能發現由於錯誤而導致的重大錯報風險更高。
- 了解與審核有關的內部控制，以設計適當的審核程序，但並非旨在對貴集團的內部控制的有效性發表意見。

INDEPENDENT AUDITOR'S REPORT

獨立核數師報告

- 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.
- 評估所用會計政策是否恰當，以及董事所作出的會計估計和相關披露是否合理。
- 總結董事採用以持續經營為基礎的會計法是否恰當，並根據已獲取的審核憑證，總結是否有對貴集團持續經營的能力構成重大疑問的事件或情況等重大不確定因素。倘若吾等總結認為有重大不確定因素，吾等需要在核數師報告中提請注意綜合財務報表內的相關資料披露，或如果相關披露不足，則應發表非無保留意見。吾等的結論是基於截至核數師報告日期所獲得的審核憑證。然而，未來事件或情況可能導致貴集團不再具有持續經營的能力。
- 評估綜合財務報表(包括披露)的整體列報、架構和內容，以及綜合財務報表是否已公允地反映及列報相關交易及事項。
- 就貴集團內各實體或業務活動的財務資料獲得充足、適當的審核憑證，以就綜合財務報表發表意見。吾等須負責指導、監督和執行貴集團的審核工作。吾等須為吾等的審核意見承擔全部責任。

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.

吾等就審核工作的計劃範圍和時間、在審核過程中的主要發現(包括內部控制的任何重大缺失)及其他事項與審核委員會進行溝通。

INDEPENDENT AUDITOR'S REPORT

獨立核數師報告

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 Yin Guo Wei.

Ernst & Young
Certified Public Accountants
Hong Kong

30 March 2021

吾等亦向審核委員會作出聲明，確認吾等已遵守有關獨立性的道德要求，並就所有被合理認為可能影響核數師獨立性的關係和其他事宜以及就消除威脅採取的行動及保障措施（如適用），與審核委員會進行溝通。

吾等通過與審核委員會溝通，確定哪些是本期綜合財務報表審核工作的最重要事項，即關鍵審核事項。除非法律或法規不容許公開披露此等事項或在極罕有的情況下，吾等認為披露此等事項可合理預期的不良後果將超過公眾知悉此等事項的利益而不應在報告中予以披露，否則吾等會在核數師報告中描述此等事項。

負責簽發本獨立核數師報告的項目合夥人為殷國偉。

安永會計師事務所
執業會計師
香港

2021年3月30日

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

綜合損益表

Year ended 31 December 2020 截至2020年12月31日止年度

| | | | 2020 二零二零年 RMB'000 人民幣千元 | 2019 二零一九年 RMB'000 人民幣千元 |
|--|------------------|---------------------------|-----------------------------------|-----------------------------------|
| | | <i>Notes</i> <i>附註</i> | | |
| REVENUE | 收益 | 5 | 763,808 | 481,530 |
| Cost of services provided | 提供服務成本 | 6 | (646,561) | (407,359) |
| Gross profit | 毛利 | | 117,247 | 74,171 |
| Other income and gains | 其他收入及收益 | 5 | 9,751 | 6,742 |
| Selling and distribution expenses | 銷售及經銷開支 | | (12,661) | (9,395) |
| Administrative expenses | 行政開支 | | (71,900) | (58,002) |
| Interest expenses | 利息開支 | 7 | (5,889) | (1,676) |
| Share of profits and losses of: | 應佔以下公司損益： | | | |
| Joint ventures | 合營企業 | | 1,033 | 5,082 |
| Associates | 聯營企業 | | 11,769 | 6,882 |
| PROFIT BEFORE TAX | 除稅前溢利 | 6 | 49,350 | 23,804 |
| Income tax expense | 所得稅開支 | 10 | (12,382) | (3,323) |
| PROFIT FOR THE YEAR | 年內溢利 | | 36,968 | 20,481 |
| Attributable to: | 以下人士應佔： | | | |
| Owners of the parent | 母公司擁有人 | | 26,209 | 17,802 |
| Non-controlling interests | 非控股權益 | | 10,759 | 2,679 |
| | | | 36,968 | 20,481 |
| EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT | 母公司普通權益持有人應佔每股盈利 | | | |
| Basic and diluted (RMB) | 基本及攤薄(人民幣) | 12 | 0.07 | 0.04 |

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

綜合其他全面收益表

31 December 2020 2020年12月31日

| | | 2020 二零二零年 RMB'000 人民幣千元 | 2019 二零一九年 RMB'000 人民幣千元 |
|---|------------------------------|-----------------------------------|-----------------------------------|
| PROFIT FOR THE YEAR | 年內溢利 | 36,968 | 20,481 |
| OTHER COMPREHENSIVE INCOME/(LOSS) | 其他全面收益／(虧損) | | |
| Other comprehensive income/(loss) that will not be reclassified to profit or loss in subsequent periods: | 隨後期間將不會重新分類至損益的其他全面收益／(虧損)： | | |
| Equity investments designated at fair value through other comprehensive income: | 指定按公平值計入其他全面收益的股本投資： | (2,107) | — |
| Exchange differences: | 匯兌差額： | | |
| Exchange differences on translation of financial statements | 換算財務報表產生的匯兌差額 | (283) | 161 |
| Net other comprehensive income/(loss) that will not be reclassified to profit or loss in subsequent periods | 隨後期間將不會重新分類至損益的其他全面收益／(虧損)淨額 | (2,390) | 161 |
| OTHER COMPREHENSIVE INCOME/(LOSS) FOR THE YEAR, NET OF TAX | 年內其他全面收益／(虧損) (扣除稅項) | (2,390) | 161 |
| TOTAL COMPREHENSIVE INCOME FOR THE YEAR | 年內全面收益總額 | 34,578 | 20,642 |
| Attributable to: | 以下人士應佔： | | |
| Owners of the parent | 母公司擁有人 | 23,819 | 17,963 |
| Non-controlling interests | 非控股權益 | 10,759 | 2,679 |
| | | 34,578 | 20,642 |

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

綜合財務狀況表

31 December 2020 2020年12月31日

| | | | 2020 二零二零年 RMB'000 人民幣千元 | 2019 二零一九年 RMB'000 人民幣千元 |
|--|---------------------|--------------------|-----------------------------------|-----------------------------------|
| | | <i>Notes</i> 附註 | | |
| NON-CURRENT ASSETS | 非流動資產 | | | |
| Property, plant and equipment | 物業、廠房及設備 | 13 | 35,022 | 4,367 |
| Right-of-use assets | 使用權資產 | 14 | 7,246 | — |
| Goodwill | 商譽 | 15 | 25,901 | — |
| Intangible assets | 無形資產 | 16 | 50,857 | 3,490 |
| Investments in joint ventures | 於合營企業投資 | 17 | 14,879 | 19,858 |
| Investments in associates | 於聯營企業投資 | 18 | 90,621 | 83,015 |
| Equity investments designated at fair value through other comprehensive income | 指定按公平值計入其他全面收益的股本投資 | 19 | 8,796 | 6,290 |
| Other non-current assets | 其他非流動資產 | 20 | 43,683 | 30,000 |
| Deferred tax assets | 遞延稅項資產 | 31 | 839 | 212 |
| Total non-current assets | 非流動資產總值 | | 277,844 | 147,232 |
| CURRENT ASSETS | 流動資產 | | | |
| Inventories | 存貨 | 21 | 223 | 168 |
| Trade receivables | 貿易應收款項 | 22 | 143,031 | 100,183 |
| Prepayments and other receivables | 預付款項及其他應收款項 | 23 | 65,788 | 48,354 |
| Restricted bank balances | 受限制銀行結餘 | 24 | 12,525 | 14,113 |
| Wealth management products | 財富管理產品 | 25 | — | 5,000 |
| Financial assets at fair value through profit or loss | 按公平值計入損益的金融資產 | 26 | 30,312 | — |
| Cash and cash equivalents | 現金及現金等價物 | 27 | 126,506 | 143,557 |
| Total current assets | 流動資產總值 | | 378,385 | 311,375 |
| CURRENT LIABILITIES | 流動負債 | | | |
| Trade payables | 貿易應付款項 | 28 | 107,632 | 74,923 |
| Other payables and accruals | 其他應付款項及應計費用 | 29 | 82,785 | 75,563 |
| Interest-bearing bank loans and other borrowings | 計息銀行及其他借款 | 30 | 97,011 | 61,515 |
| Lease liabilities | 租賃負債 | 14 | 3,390 | — |
| Tax payable | 應付稅項 | | 12,374 | 7,040 |
| Total current liabilities | 流動負債總值 | | 303,192 | 219,041 |

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (continued)

綜合財務狀況表 (續)

31 December 2020 2020年12月31日

| | | | 2020 二零二零年 RMB'000 人民幣千元 | 2019 二零一九年 RMB'000 人民幣千元 |
|--|-------------------|----|-----------------------------------|-----------------------------------|
| NET CURRENT ASSETS | 流動資產淨值 | | 75,193 | 92,334 |
| TOTAL ASSETS LESS CURRENT LIABILITIES | 總資產減流動負債 | | 353,037 | 239,566 |
| NON-CURRENT LIABILITIES | 非流動負債 | | | |
| Interest-bearing bank loans and other borrowings | 計息銀行及其他借款 | 30 | 3,059 | — |
| Lease liabilities | 租賃負債 | 14 | 4,172 | — |
| Deferred tax liabilities | 遞延稅項負債 | 31 | 12,125 | — |
| Total non-current liabilities | 非流動負債總值 | | 19,356 | — |
| Net assets | 資產淨值 | | 333,681 | 239,566 |
| EQUITY | 權益 | | | |
| Equity attributable to owners of the parent | 母公司所有人應佔權益 | | | |
| Share capital | 股本 | 32 | 3,391 | 3,391 |
| Reserves | 儲備 | 33 | 245,061 | 224,842 |
| | | | 248,452 | 228,233 |
| Non-controlling interests | 非控股權益 | | 85,229 | 11,333 |
| Total equity | 總權益 | | 333,681 | 239,566 |

Xiao Xing Tao
肖興濤
Director
董事

Fu Qi Chang
傅其昌
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

Attributable to owners of the parent
母公司所有人應佔

| | | Share capital | Share premium* | Capital reserve* | Merger reserve* | Statutory reserve* | Exchange fluctuation reserve* | Shares held for the share award scheme* | Retained profits* | Total | Non-controlling interests | Total equity |
|--|--------------|---------------|----------------|------------------|-----------------|--------------------|-------------------------------|---|-------------------|----------|---------------------------|--------------|
| | | | | | | | | | | | | |
| | | 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 32 | Note 33(i) | Note 33(ii) | Note 33(iii) | Note 33(iv) | Note 33(v) | Note 33(vi) | | | | |
| | | 附註32 | 附註33(i) | 附註33(ii) | 附註33(iii) | 附註33(iv) | 附註33(v) | 附註33(vi) | | | | |
| At 1 January 2019 | 於2019年1月1日 | 3,391 | 170,207 | 9,466 | (30,342) | 14,734 | 650 | — | 62,983 | 231,089 | 8,654 | 239,743 |
| Profit for the year | 年內溢利 | — | — | — | — | — | — | — | 17,802 | 17,802 | 2,679 | 20,481 |
| Other comprehensive income for the year: | 年內其他全面收益： | | | | | | | | | | | |
| Exchange difference on translation of foreign operations | 換算海外業務的匯兌差額 | — | — | — | — | — | 161 | — | — | 161 | — | 161 |
| Total comprehensive income for the year | 年內全面收益總額 | — | — | — | — | — | 161 | — | 17,802 | 17,963 | 2,679 | 20,642 |
| Purchase of shares under the share award scheme | 根據股份獎勵計劃購買股份 | — | — | — | — | — | — | (17,916) | — | (17,916) | — | (17,916) |
| Interim 2019 dividend declared | 已宣派2019年中期股息 | — | (2,903) | — | — | — | — | — | — | (2,903) | — | (2,903) |
| Transfer from retained profits | 轉發自保留溢利 | — | — | — | — | 6,042 | — | — | (6,042) | — | — | — |
| At 31 December 2019 | 於2019年12月31日 | 3,391 | 167,304 | 9,466 | (30,342) | 20,776 | 811 | (17,916) | 74,743 | 228,233 | 11,333 | 239,566 |

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

Attributable to owners of the parent
母公司所有人應佔

| | | Share capital | Share premium* | Capital reserve* | Merger reserve* | Statutory reserve* | Exchange fluctuation reserve* | Fair value reserve of financial assets at fair value through other comprehensive income* | Shares held for the share award scheme* | Retained profits* | Non-controlling interests | | |
|---|-------------------------------|---------------|----------------|------------------|-----------------|--------------------|-------------------------------|--|---|-------------------|---------------------------|--------------|---------|
| | | | | | | | | | | | Total | Total equity | |
| | | 股本 | 股份溢價* | 資本儲備* | 合併儲備* | 法定儲備* | 匯率波動儲備* | 按公平值計量且其變動計入其他全面收益之金融資產之公平值儲備* | 就股份獎勵計劃持有的股份* | 保留溢利* | 總計 | 非控股權益 | |
| | | 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 32 | Note 33(i) | Note 33(ii) | Note 33(iii) | Note 33(iv) | Note 33(v) | | Note 33(vi) | | | | |
| | | 附註32 | 附註33(i) | 附註33(ii) | 附註33(iii) | 附註33(iv) | 附註33(v) | | 附註33(vi) | | | | |
| At 1 January 2020 | 於2020年1月1日 | 3,391 | 167,304 | 9,466 | (30,342) | 20,776 | 811 | — | (17,916) | 74,743 | 228,233 | 11,333 | 239,566 |
| Profit for the year | 年內溢利 | — | — | — | — | — | — | — | — | 26,209 | 26,209 | 10,759 | 36,968 |
| Other comprehensive income for the year: | 年內其他全面收益: | | | | | | | | | | | | |
| Change in fair value of equity investments at fair value through other comprehensive income, net of tax | 按公平值計入其他全面收益的股本投資之公平值變動(扣除稅項) | — | — | — | — | — | — | (2,107) | — | — | (2,107) | — | (2,107) |
| Exchange difference on translation of foreign operations | 換算海外業務的匯兌差額 | — | — | — | — | — | (283) | — | — | — | (283) | — | (283) |
| Total comprehensive income for the year | 年內全面收益總額 | — | — | — | — | — | (283) | (2,107) | — | 26,209 | 23,819 | 10,759 | 34,578 |
| Acquisition of subsidiaries (note 34) | 收購附屬公司(附註34) | — | — | — | — | — | — | — | — | — | — | 68,819 | 68,819 |
| Dividends paid to non-controlling shareholders | 支付予非控股股東的股息 | — | — | — | — | — | — | — | — | — | — | (2,355) | (2,355) |
| Disposal of equity interests of a subsidiary | 出售一間附屬公司股權 | — | — | — | — | — | — | — | — | — | — | (5,097) | (5,097) |
| Capital injection from non-controlling shareholders of a subsidiary | 一間附屬公司非控股股東的注資 | — | — | — | — | — | — | — | — | — | — | 300 | 300 |
| Non-controlling interests arising from establishing new subsidiaries | 成立新附屬公司產生的非控股權益 | — | — | — | — | — | — | — | — | — | — | 1,470 | 1,470 |
| Interim 2020 dividend declared | 已宣派2020年中期股息 | — | (3,600) | — | — | — | — | — | — | — | (3,600) | — | (3,600) |
| Transfer from retained profits | 轉撥自保留溢利 | — | — | — | — | 5,776 | — | — | — | (5,776) | — | — | — |
| At 31 December 2020 | 於2020年12月31日 | 3,391 | 163,704 | 9,466 | (30,342) | 26,552 | 528 | (2,107) | (17,916) | 95,176 | 248,452 | 85,229 | 333,681 |

* These reserve accounts comprise the consolidated reserves of RMB245,061,000 in the consolidated statement of financial position as at 31 December 2020 (2019: RMB224,842,000).

* 於2020年12月31日，該等儲備賬包括綜合財務狀況表內的綜合儲備人民幣245,061,000元(2019年：人民幣224,842,000元)。

CONSOLIDATED STATEMENT OF CASH FLOWS

綜合現金流量表

Year ended 31 December 2020 截至2020年12月31日止年度

| | | Notes 附註 | 2020 二零二零年 RMB'000 人民幣千元 | 2019 二零一九年 RMB'000 人民幣千元 |
|---|------------------------|-------------|-----------------------------------|-----------------------------------|
| CASH FLOWS FROM OPERATING ACTIVITIES | 來自經營活動的現金流量 | | | |
| Profit before tax | 除稅前溢利 | | 49,350 | 23,804 |
| Adjustments for: | 就以下各項所作調整： | | | |
| Interest expenses | 利息開支 | 7 | 5,889 | 1,676 |
| Share of profits and losses of: | 應佔以下公司損益： | | | |
| Joint ventures | 合營企業 | | (1,033) | (5,082) |
| Associates | 聯營企業 | | (11,769) | (6,882) |
| Interest income | 利息收入 | 5 | (1,478) | (1,316) |
| Loss on disposal of a subsidiary | 出售一間附屬公司虧損 | 35 | 46 | — |
| Covid-19-related rent concessions from lessors | 出租人給予的新冠病毒疫情相關租金減免 | 14 | (385) | — |
| Depreciation of items of property, plant and equipment | 物業、廠房及設備項目折舊 | 13 | 10,313 | 1,655 |
| Depreciation of right-of-use assets | 使用權資產折舊 | 14 | 4,115 | — |
| Amortization of intangible assets | 無形資產攤銷 | 16 | 6,798 | 750 |
| Fair value gain on re-measurement of previously held equity interest in a joint venture | 先前持有一間合營企業公平值的重新評估收益 | 5 | (359) | — |
| Fair value gain on financial assets at fair value through profit or loss | 按公平值計入損益表的金融資產公平值收益 | | (312) | — |
| Gain on disposal of associates | 出售聯營企業收益 | | (200) | — |
| Provision for impairment of trade receivables | 貿易應收款項減值撥備 | 6 | 5,541 | 707 |
| Net loss on disposal of items of property, plant and equipment, net | 出售物業、廠房及設備項目虧損淨額 | 6 | 566 | 80 |
| Net gain on revision of a lease term arising from a change in the non-cancellable period of lease | 不可撤銷租賃期間變動導致修訂租賃期的收益淨額 | | (100) | — |
| | | | 66,982 | 15,392 |
| Decrease/(increase) in restricted bank balances | 受限制銀行結餘減少／(增加) | | 1,588 | (3,006) |
| (Increase)/decrease in inventories | 存貨(增加)／減少 | | (3) | 116 |
| Decrease/(increase) in trade receivables | 貿易應收款項減少／(增加) | | 4,040 | (17,947) |
| Decrease/(Increase) in prepayments, deposits and other receivables | 預付款項、按金及其他應收款項減少／(增加) | | 26,918 | (13,372) |
| Increase in trade payables | 貿易應付款項增加 | | 34,738 | 21,880 |
| Increase in other payables and accruals | 其他應付款項及應計費用增加 | | 1,408 | 3,580 |
| Increase in other long-term assets | 其他長期資產增加 | | (40,854) | — |

continued/...

續/...

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

| | | 2020 二零二零年 RMB'000 人民幣千元 | 2019 二零一九年 RMB'000 人民幣千元 |
|---|---------------------|-----------------------------------|-----------------------------------|
| Cash flows generated from operations | 經營活動所得現金流量 | 94,817 | 6,643 |
| Mainland China corporate income tax paid | 已繳中國內地企業所得稅 | (12,164) | (5,930) |
| Net cash flows from operating activities | 經營活動所得現金流量淨額 | 82,653 | 713 |
| CASH FLOWS FROM INVESTING ACTIVITIES | 投資活動所得現金流量 | | |
| Purchases of items of property, plant and equipment | 購置物業、廠房及設備項目 | (13,429) | (2,352) |
| Purchases of intangible assets | 購入無形資產 | (165) | (3,345) |
| Proceeds from disposal of items of property, plant and equipment | 出售物業、廠房及設備項目所得款項 | 241 | — |
| Dividends received from joint ventures and associates | 收取來自合營企業及聯營企業的股息 | 3,530 | 3,940 |
| Investments in joint ventures and associates | 於合營企業及聯營企業的投資 | (13,958) | (28,465) |
| Acquisition of subsidiaries | 收購附屬公司 | (45,903) | — |
| Disposal of an associate | 出售一間聯營企業 | 7,840 | — |
| Disposal of a subsidiary | 出售一間附屬公司 | (23,116) | — |
| Advances to a related party | 向一名關聯方墊款 | — | (765) |
| Purchase of equity investments at fair value through other comprehensive income | 購買以公平值計入其他全面收益的股權投資 | (4,613) | (5,590) |
| Prepayment to a potential acquisition | 可能進行收購事項的預付款項 | — | (20,000) |
| Deposits from the non-controlling shareholder for the performance guarantee | 就履約保證收取非控股股東的按金 | 31,800 | — |
| Repayment of deposits | 償還按金 | (15,900) | — |
| Purchase of financial assets at fair value through profit or loss | 採購按公平值計入損益的金融資產 | (30,000) | — |
| Redemption of wealth management products | 贖回財富管理產品 | 5,000 | 1,000 |
| Interest received | 已收利息 | 1,264 | 1,316 |
| Net cash flows used in investing activities | 投資活動所用現金流量淨額 | (97,409) | (54,261) |

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

| | | Notes 附註 | 2020 二零二零年 RMB'000 人民幣千元 | 2019 二零一九年 RMB'000 人民幣千元 |
|---|---------------------|-------------|-----------------------------------|-----------------------------------|
| CASH FLOWS FROM FINANCING ACTIVITIES | 融資活動所得現金流量 | | | |
| New bank loans | 新銀行貸款 | | 93,459 | 61,515 |
| Repayment of bank loans | 償還銀行貸款 | | (81,775) | (20,000) |
| Non-controlling interests arising from additional capital injection | 額外注資產生的非控股權益 | | 1,770 | — |
| Principal portion of lease payment | 租賃付款的本金部分 | | (4,055) | — |
| Dividends paid to non-controlling shareholders | 支付予非控股股東的股息 | | (2,355) | — |
| Dividends paid | 已付股息 | | (3,600) | (2,903) |
| Interest paid | 已付利息 | | (5,456) | (1,676) |
| Net cash flows (used in)/from financing activities | 融資活動(所用)/所得現金流量淨額 | | (2,012) | 36,936 |
| NET DECREASE IN CASH AND CASH EQUIVALENTS | 現金及現金等價物減少淨額 | | (16,768) | (16,612) |
| Cash and cash equivalents at beginning of year | 年初的現金及現金等價物 | | 143,557 | 165,008 |
| Effect of foreign exchange rate change | 匯率變動的影響 | | (283) | 161 |
| CASH AND CASH EQUIVALENTS AT END OF YEAR | 年末的現金及現金等價物 | | 126,506 | 148,557 |
| ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS | 現金及現金等價物結餘分析 | | | |
| Cash and bank balances | 現金及銀行結餘 | 27 | 126,506 | 143,557 |
| Wealth management products with original maturity of less than three months when acquired | 收購時原到期日少於三個月的財富管理產品 | | — | 5,000 |
| Cash and cash equivalents as stated in the statement of cash flows | 現金流量表所示現金及現金等價物 | | 126,506 | 148,557 |

NOTES TO FINANCIAL STATEMENTS

財務報表附註

31 December 2020 2020年12月31日

1. CORPORATE AND GROUP INFORMATION

Riverine China Holdings Limited (the “Company”) is an exempted company with limited liability incorporated in the Cayman Islands under the Companies Law of the Cayman Islands. The registered office address of the Company is Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman, KY1-1111, Cayman Islands. The principal place of business is located at 14th Floor, Jiushi Tower, 28 South Zhongshan Road, Shanghai, PRC. The Company was listed on the Main Board of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) on 11 December 2017.

The Company and its subsidiaries (collectively referred to as the “Group”) are principally engaged in the business of property management services in the People’s Republic of China (the “PRC”).

In the opinion of the Company’s directors (the “directors”), the holding company of the Company is Partner Summit Holdings Limited (the “Parent”), a company established in the British Virgin Islands (“BVI”). The ultimate controlling shareholders of the Company are Mr. Xiao Xing Tao, Mr. Fu Qi Chang and Mr. Chen Yao (together the “Controlling Shareholders”).

1. 公司及集團資料

浦江中國控股有限公司(「本公司」)根據開曼群島公司法在開曼群島註冊成立為獲豁免有限公司。本公司的註冊辦事處地址為Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman, KY1-1111, Cayman Islands。主要營業地點位於中國上海中山南路28號久事大廈14樓。本公司於2017年12月11日在香港聯合交易所有限公司(「聯交所」)主板上市。

本公司及其附屬公司(統稱「本集團」)主要在中華人民共和國(「中國」)從事物業管理服務業務。

本公司董事(「董事」)認為，本公司的控股公司為合高控股有限公司(「母公司」)，一間在英屬處女群島(「英屬處女群島」)成立的公司。本公司的最終控股股東為肖興濤先生、傅其昌先生及陳瑤先生(合稱「控股股東」)。

NOTES TO FINANCIAL STATEMENTS

財務報表附註

31 December 2020 2020年12月31日

1. CORPORATE AND GROUP INFORMATION (continued)

Information about subsidiaries

Particulars of the Company's principal subsidiaries are as follows:

1. 公司及集團資料(續)

有關附屬公司的資料

本公司主要附屬公司的詳情如下：

| Name 名稱 | Place and date of incorporation/ registration and place of operation 註冊成立/ 登記地點及日期 及營業地點 | Nominal value of issued ordinary/ registered share capital 已發行 普通股/已註冊 股本的面值 | 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 | |
| Sino Ease Global Limited | British Virgin Islands 16 June 2016 | US\$100 | 100% | — | Investment holding |
| 中安環球有限公司 | 英屬處女群島 2016年6月16日 | 100美元 | 100% | — | 投資控股 |
| Leading Way Holdings Limited | Hong Kong 20 May 2016 | HK\$68,431,000 | — | 100% | Investment holding |
| 立威集團有限公司 | 香港 2016年5月20日 | 68,431,000港元 | — | 100% | 投資控股 |
| Shanghai Pujiang Property Co., Ltd. | Shanghai, the PRC/ Mainland China 2 December 2002 | RMB50,000,000 | — | 100% | Property management services |
| 上海浦江物業有限公司* | 中國內地/中國上海 2002年12月2日 | 人民幣 50,000,000元 | — | 100% | 物業管理服務 |
| Shanghai Bund Property Co., Ltd. | Shanghai, the PRC/ Mainland China 8 April 1996 | RMB7,700,000 | — | 100% | Property management services |
| 上海外灘物業有限公司** | 中國內地/中國上海 1996年4月8日 | 人民幣 7,700,000元 | — | 100% | 物業管理服務 |
| Shanghai Jiu Yi Property Management Co. Ltd. | Shanghai, the PRC/ Mainland China 8 April 1996 | RMB10,000,000 | — | 51% | Property management services |
| 上海久怡物業管理有限公司** | 中國內地/中國上海 1996年4月8日 | 人民幣 10,000,000元 | — | 51% | 物業管理服務 |

NOTES TO FINANCIAL STATEMENTS

財務報表附註

31 December 2020 2020年12月31日

1. CORPORATE AND GROUP

INFORMATION (continued)

Information about subsidiaries (continued)

1. 公司及集團資料(續)

有關附屬公司的資料(續)

| Name 名稱 | Place and date of incorporation/ registration and place of operation 註冊成立/ 登記地點及日期 及營業地點 | Nominal value of issued ordinary/ registered share capital 已發行 普通股/已註冊 股本的面值 | 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 | |
| Shanghai Bund Green Construction Co., Ltd. | Shanghai, the PRC/ Mainland China 10 August 2004 | RMB500,000 | — | 100% | Property management services |
| 上海外灘綠化建設有限公司** | 中國內地/中國上海 2004年8月10日 | 人民幣 500,000元 | — | 100% | 物業管理服務 |
| Shanghai Hongji Property Management Co., Ltd. | Shanghai, the PRC/ Mainland China 18 March 2016 | RMB3,000,000 | — | 100% | Property management services |
| 上海虹吉物業管理有限公司** | 中國內地/中國上海 2016年3月18日 | 人民幣 3,000,000元 | — | 100% | 物業管理服務 |
| Shanghai Jiegu Technology Co., Ltd. | Shanghai, the PRC/ Mainland China 3 May 2016 | RMB5,000,000 | — | 100% | Technology research services |
| 上海介谷科技有限公司** | 中國內地/中國上海 2016年5月3日 | 人民幣 5,000,000元 | — | 100% | 技術研究服務 |
| Shanghai Pujiang Ruizheng Property Co., Ltd. | Shanghai, the PRC/ Mainland China 8 January 2004 | RMB5,000,000 | — | 100% | Property management services |
| 上海浦江瑞正物業有限公司** | 中國內地/中國上海 2004年1月8日 | 人民幣 5,000,000元 | — | 100% | 物業管理服務 |
| Anhui Pujing Property Management Co., Ltd. | Hefei, the PRC/ Mainland China 10 May 2017 | RMB6,000,000 | — | 51% | Property management services |
| 安徽浦景物業有限公司** | 中國內地/中國合肥 2017年5月10日 | 人民幣 6,000,000元 | — | 51% | 物業管理服務 |

NOTES TO FINANCIAL STATEMENTS

財務報表附註

31 December 2020 2020年12月31日

1. CORPORATE AND GROUP INFORMATION (continued)

Information about subsidiaries (continued)

1. 公司及集團資料(續)

有關附屬公司的資料(續)

| Name 名稱 | Place and date of incorporation/ registration and place of operation 註冊成立/ 登記地點及日期 及營業地點 | Nominal value of issued ordinary/ registered share capital 已發行 普通股/已註冊 股本的面值 | 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 | |
| Shanghai Aidepu Trading Co., Ltd 上海艾得普商貿有限公司** | Shanghai, the PRC/ Mainland China 23 November 2006 中國內地/中國上海 2006年11月23日 | RMB200,000 人民幣 200,000元 | — | 100% | Hardware wholesale 硬件批發 |
| Shanghai Bund Ke Pu Engineering Management Company Ltd. 上海外灘科浦工程管理 有限公司** | Shanghai, the PRC/ Mainland China 30 November 2004 中國內地/中國上海 2004年11月30日 | RMB10,000,000 人民幣 10,000,000元 | — | 97% | Engineering management services 工程管理服務 |
| Qidong Xinqiao Property Co., Ltd. 啓東新喬物業有限公司** | Jiangsu, the PRC/ Mainland China 15 July 2020 中國內地/中國江蘇 2020年7月15日 | RMB10,000,000 人民幣 10,000,000元 | — | 51% | Property management services 物業管理服務 |
| Nantong Pu Sheng Intelligent Property Co., Ltd. 南通浦盛智能物業有限公司** | Jiangsu, the PRC/ Mainland China 18 October 2017 中國內地/中國江蘇 2017年10月18日 | RMB6,000,000 人民幣 6,000,000元 | — | 51% | Property management services 物業管理服務 |
| Hong Xin Environmental Group Co., Ltd. 泓欣環境集團有限公司** | Fujian, the PRC/ Mainland China 05 July 2000 中國內地/中國福建 2000年7月5日 | RMB57,240,245 人民幣 57,240,245元 | — | 51% | Environmental sanitary services 環境衛生服務 |

NOTES TO FINANCIAL STATEMENTS

財務報表附註

31 December 2020 2020年12月31日

1. CORPORATE AND GROUP

INFORMATION (continued)

Information about subsidiaries (continued)

1. 公司及集團資料(續)

有關附屬公司的資料(續)

| Name 名稱 | Place and date of incorporation/ registration and place of operation 註冊成立/ 登記地點及日期 及營業地點 | Nominal value of issued ordinary/ registered share capital 已發行 普通股/已註冊 股本的面值 | 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 | |
| | | | | | |
| Bengbu Zhi Xin Property Company Limited | Anhui, the PRC/ Mainland China 13 September 2004 | RMB5,000,000 | — | 58% | Property management services |
| 蚌埠市置信物業有限公司** | 中國內地/中國安徽 2004年9月13日 | 人民幣 5,000,000元 | — | 58% | 物業管理服務 |

* Shanghai Pujiang Property Co., Ltd. is registered as a wholly-foreign-owned enterprise under PRC law.

* 上海浦江物業有限公司乃根據中國法律註冊成立的外商獨資企業。

** These subsidiaries are registered as a limited liability companies under PRC law.

** 該等附屬公司乃根據中國法律註冊成立的有限責任公司。

During the year, the Group acquired Bengbu Zhi Xin property Company Limited and Hong Xin Environmental Group Co., Ltd. from the third parties. Further details of these acquisitions are included in note 34 to the financial statements.

年內，本集團自第三方收購蚌埠市置信物業有限公司及泓欣環境集團有限公司。有關該等收購的進一步詳情，請參閱財務報表附註34。

Qidong Xinqiao Property Co., Ltd was a new established non-wholly-owned subsidiary of the Shanghai Pujiang Property Co., Ltd.

啟東新喬物業有限公司為上海浦江物業有限公司的新成立非全資附屬公司。

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.

董事認為，上表所列的本公司附屬公司主要影響本年度業績或構成本集團資產淨值之主要部分。董事認為列出其他附屬公司之詳情將令篇幅過於冗長。

NOTES TO FINANCIAL STATEMENTS

財務報表附註

31 December 2020 2020年12月31日

2.1 BASIS OF PREPARATION

These financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards (“HKFRSs”) (which include all Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards (“HKASs”) and Interpretations) issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”), accounting principles generally accepted in Hong Kong and the disclosure requirements of the Hong Kong Companies Ordinance. They have been prepared under the historical cost convention, except for certain equity investments designated at fair value through other comprehensive income and financial assets at fair value through profit or loss which have been measured at fair value. These 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

該等財務報表乃根據香港會計師公會（「香港會計師公會」）頒佈的香港財務報告準則（「香港財務報告準則」）（包括所有香港財務報告準則、香港會計準則（「香港會計準則」）及詮釋）及香港公認會計原則以及香港公司條例的披露規定而編製。該等財務報表按歷史成本慣例編製，若干指定按公平值計入其他全面收益的股權投資及按公平值計入損益的金融資產除外。該等財務報表以人民幣（「人民幣」）列示，除非另有說明，所有列值均四捨五入至最接近千元。

合併基準

綜合財務報表包括本公司及其附屬公司（統稱「本集團」）截至2020年12月31日止年度的財務報表。附屬公司指本公司直接或間接控制的實體（包括結構化實體）。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，並且有能力運用對被投資方的權力（即使是使本集團目前有能力主導被投資方的相關活動的現時權利）影響該等回報時，即取得控制權。

NOTES TO FINANCIAL STATEMENTS

財務報表附註

31 December 2020 2020年12月31日

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 is attributed to the owners of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interest 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)

合併基準(續)

當本公司直接或間接擁有少於被投資方大多數的表決或類似權利，在評估其是否擁有對被投資方的權力時，本集團會考慮所有相關事實和情況，包括：

- (a) 與被投資方其他表決權持有者的合同安排；
- (b) 其他合同安排產生的權利；及
- (c) 本集團的表決權及潛在表決權。

附屬公司財務報表的報告期間與本公司相同，採納貫徹一致的會計政策編製。附屬公司的業績自本集團取得控制權之日起綜合，並繼續綜合附屬公司直至控制權終止日期。

損益會歸屬於本集團母公司擁有人及非控股權益，即使此舉引致非控股權益結餘為負數。本集團內部各公司之間交易有關的所有資產及負債、權益、收入、開支及現金流量於綜合賬目時全數抵銷。

如果事實及情況顯示上述控制的三項元素中一項或多項有變，則本集團會重新評估其是否仍然控制被投資方。附屬公司中不導致喪失控制權的所有者權益變動作為權益交易入賬。

NOTES TO FINANCIAL STATEMENTS

財務報表附註

31 December 2020 2020年12月31日

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 HKFRSs for the first time for the current year's financial statements.

| | |
|--|--|
| Amendments to HKFRS 3 | <i>Definition of a Business</i> |
| Amendments to HKFRS 9, HKAS 39 and HKFRS 7 | <i>Interest Rate Benchmark Reform</i> |
| Amendment to HKFRS 16 | <i>Covid-19-Related Rent Concessions</i> (early adopted) |
| Amendments to HKAS 1 and HKAS 8 | <i>Definition of Material</i> |

2.1 編製基準(續)

合併基準(續)

如果本集團失去對附屬公司的控制權，將終止確認：(i)附屬公司資產(包括商譽)和負債；(ii)任何非控股權益的賬面金額及(iii)計入權益的累計換算差異；並確認：(i)收到代價的公平值；(ii)任何剩餘投資的公平值以及(iii)在損益中確認由此產生的盈餘或赤字。本集團之前確認的其他全面收益構成部分應適當地重新分類計入損益或保留溢利，基準與倘若本集團直接出售有關資產或負債所規定者相同。

2.2 會計政策及披露的變動

本集團已就本年度的財務報表首次採納2018年財務報告概念框架及下列經修訂國際財務報告準則。

| | |
|---------------------------------------|--------------------|
| 香港財務報告準則第3號修訂本 | 業務的定義 |
| 香港財務報告準則第9號、香港會計準則第39號及香港財務報告準則第7號修訂本 | 利率基準改革 |
| 香港財務報告準則第16號修訂本 | 新冠病毒疫情相關租金減免(提早採納) |
| 香港會計準則第1號及香港會計準則第8號修訂本 | 重大的定義 |

NOTES TO FINANCIAL STATEMENTS

財務報表附註

31 December 2020 2020年12月31日

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 HKFRSs 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.

2.2 會計政策及披露的變動(續)

2018年財務報告概念框架及經修訂國際財務報告準則的性質及影響描述於下：

- (a) 2018年財務報告概念框架(「概念框架」)載列有關財務報告及標準制定的整套概念，且提供指引以供財務報表編製者制定一致的會計政策，並提供協助予各方以理解及詮釋準則。概念框架包括有關計量及報告財務表現的新章節、有關終止確認資產及負債的新指引以及資產及負債的更新定義及確認標準。其亦澄清監管、審慎及計量不確定性於財務報告之角色。概念框架並非為一項準則，且其中包含的概念概無凌駕任何準則的概念或規定。概念框架不會對本集團的財務狀況及表現產生任何重大影響。

NOTES TO FINANCIAL STATEMENTS

財務報表附註

31 December 2020 2020年12月31日

2.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES (continued)

(b) Amendments to HKFRS 3 clarify and provide additional guidance on the definition of a business. The amendments clarify that for an integrated set of activities and assets to be considered a business, it must include, at a minimum, an input and a substantive process that together significantly contribute to the ability to create output. A business can exist without including all of the inputs and processes needed to create outputs. The amendments remove the assessment of whether market participants are capable of acquiring the business and continue to produce outputs. Instead, the focus is on whether acquired inputs and acquired substantive processes together significantly contribute to the ability to create outputs. The amendments have also narrowed the definition of outputs to focus on goods or services provided to customers, investment income or other income from ordinary activities. Furthermore, the amendments provide guidance to assess whether an acquired process is substantive and introduce an optional fair value concentration test to permit a simplified assessment of whether an acquired set of activities and assets is not a business. The Group has applied the amendments prospectively to transactions or other events that occurred on or after 1 January 2020. The amendments did not have any impact on the financial position and performance of the Group.

2.2 會計政策及披露的變動(續)

(b) 香港財務報告準則第3號的修訂闡明並提供了有關業務的定義的額外指引。該修訂闡明就被視為一項業務的一套綜合活動及資產而言，其必須至少包括可對創造產出能力有重大貢獻的投入及實質性進程。在不包括創造產出所需的所有投入及進程的情況下，一項業務仍能存在。該修訂取消了原有對市場參與者是否有能力收購業務並持續產出之能力之評估要求。相反，重點在於收購的投入及收購的實質性進程是否共同對創造產出的能力有重大貢獻。該修訂亦縮小產出的定義，注重向客戶提供的產品或服務、投資收入或來自普通業務的其他收入。此外，該修訂提供評估收購的進程是否屬實質的指引，並引入一個可選的公平值集中性測試，該測試可簡化評估一套收購的活動及資產是否並非為業務。本集團已就於2020年1月1日或之後發生的交易或其他事件前瞻性應用該等修訂。該等修訂對本集團的財務狀況及表現並無任何影響。

NOTES TO FINANCIAL STATEMENTS

財務報表附註

31 December 2020 2020年12月31日

2.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES (continued)

- (c) Amendments to HKFRS 9, HKAS 39 and HKFRS 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.
- (d) Amendment to HKFRS 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.

2.2 會計政策及披露的變動(續)

- (c) 香港財務報告準則第9號、香港會計準則第39號及香港財務報告準則第7號的修訂旨在於現有利率基準被可替代無風險利率(「無風險利率」)替代前期間內解決影響財務申報之問題。該等修訂提供可在引入可替代無風險利率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的額外資料。由於本集團並無任何利率對沖關係，故該等修訂對本集團的財務狀況及表現並無任何影響。
- (d) 香港財務報告準則第16號的修訂為承租人提供可行權宜方法，選擇不對新冠肺炎疫情直接產生的租金優惠應用租賃修訂會計處理。可行權宜方法僅應用於疫情直接產生的租金優惠，且僅在(i)租賃付款變動導致經修訂租賃代價與緊接變動前的租賃代價大致相同或低於該代價時；(ii)任何租賃付款減少僅影響原本於2021年6月30日或之前到期支付的款項；及(iii)租賃的其他條款及條件並無重大變動。該修訂於2020年6月1日或之後開始的年度期間生效，並允許提前應用及應追溯應用。

NOTES TO FINANCIAL STATEMENTS

財務報表附註

31 December 2020 2020年12月31日

2.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES (continued)

(d) During the year ended 31 December 2020, certain monthly lease payments for the leases of the Group's plant and machinery have been reduced or waived by the lessors upon reducing the scale of service as a result of the pandemic and there are no other changes to the terms of the leases. The Group has early adopted the amendment on 1 January 2020 and elected not to apply lease modification accounting for all rent concessions granted by the lessors as a result of the pandemic during the year ended 31 December 2020. Accordingly, a reduction in the lease payments arising from the rent concessions of RMB385,000 has been accounted for as a variable lease payment by derecognising part of the lease liabilities and crediting to profit or loss for the year ended 31 December 2020.

(e) Amendments to HKAS 1 and HKAS 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 會計政策及披露的變動(續)

(d) 於截至2020年12月31日止年度，由於疫情減少服務規模，出租人減免本集團廠房及設備租賃的若干月租賃付款，且租賃條款無其他變化。本集團已於2020年1月1日提早採納該修訂本，並選擇就截至2020年12月31日止年度出租人因新冠肺炎疫情給予的所有租金減免不應用租賃修訂會計處理。因此，租金減免產生的租賃付款減少人民幣385,000元已通過終止確認部分租賃負債作為可變租賃付款入賬，並計入截至2020年12月31日止年度的損益。

(e) 香港會計準則第1號及香港會計準則第8號的修訂本為重大一詞提供了新定義。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的決定，則該資料為重大。修訂本澄清，重大性將取決於資料的性質及牽涉範圍或兩者皆有。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 FINANCIAL STATEMENTS

財務報表附註

31 December 2020 2020年12月31日

2.3 ISSUED BUT NOT YET EFFECTIVE HONG KONG FINANCIAL REPORTING STANDARDS

The Group has not applied the following new and revised HKFRSs, that have been issued but are not yet effective, in these financial statements.

| | |
|---|---|
| Amendments to HKFRS 3 | <i>Reference to the Conceptual Framework²</i> |
| Amendments to HKFRS 9, HKAS 39, HKFRS 7, HKFRS 4 and HKFRS 16 | <i>Interest Rate Benchmark Reform — Phase 2¹</i> |
| Amendments to HKFRS 10 and HKAS 28 (2011) | <i>Sale or Contribution of Assets between an Investor and its Associate or Joint Venture⁴</i> |
| HKFRS 17 | <i>Insurance Contracts³</i> |
| Amendments to HKFRS 17 | <i>Insurance Contracts^{3, 6}</i> |
| Amendments to HKAS 1 | <i>Classification of Liabilities as Current or Non-current^{3, 5}</i> |
| Amendments to HKAS 16 | <i>Property, Plant and Equipment: Proceeds before Intended Use²</i> |
| Amendments to HKAS 27 <i>Annual Improvements to HKFRSs 2018–2020</i> | <i>Onerous Contracts — Cost of Fulfilling a Contract²</i> Amendments to HKFRS 1, HKFRS 9, Illustrative Examples accompanying HKFRS 16 and HKAS 41 ² |

- 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 HKAS 1, Hong Kong Interpretation 5 *Presentation of Financial Statements — Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause* was revised in October 2020 to align the corresponding wording with no change in conclusion
- 6 As a consequence of the amendments to HKFRS 17 issued in October 2020, HKFRS 4 was amended to extend the temporary exemption that permits insurers to apply HKAS 39 rather than HKFRS 9 for annual periods beginning before 1 January 2023

2.3 已頒佈但尚未生效的香港財務報 告準則

本集團於該等財務報表內並無應用以下已頒佈但尚未生效的新訂及經修訂香港財務報告準則。

| | |
|--|--|
| 香港財務報告準則第3號修訂本 | <i>概念框架之提述²</i> |
| 香港財務報告準則第9號、香港 會計準則第39號、香港財務 報告準則第7號、香港財務報 告準則第4號及香港財務報告 準則第16號修訂本 | <i>利率基準改革 — 第二階段¹</i> |
| 香港財務報告準則第10號及 香港會計準則第28號(2011年) 修訂本 | <i>投資者與其聯營公司或合營公 司之資產出售或出資⁴</i> |
| 香港財務報告準則第17號 | <i>保險合約³</i> |
| 香港財務報告準則第17號修訂本 | <i>保險合約^{3, 6}</i> |
| 香港會計準則第1號修訂本 | <i>負債分類為流動或非流動^{3, 5}</i> |
| 香港會計準則第16號修訂本 | <i>物業、廠房及設備：未作擬定用 途前之所得款項²</i> |
| 香港會計準則第37號修訂本 香港財務報告準則2018年至 2020年週期之年度改進 | <i>虧損合約 — 達成合約之成本²</i> 香港財務報告準則第1號、香港 財務報告準則第9號、香港財 務報告準則第16號相應闡釋 範例及香港會計準則第41號 之修訂 ² |

- 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 強制生效日期尚未釐定，但可供採用
- 5 作為香港會計準則第1號之修訂的結果，香港詮釋第5號*財務報表的呈報 — 借款人對載有按要求償還條款的定期貸款的分類*已於2020年10月進行修訂，以使相應措詞保持一致而結論保持不變
- 6 作為於2020年10月頒佈的香港財務報告準則第17號之修訂的結果，於2023年1月1日之前開始的年度期間，香港財務報告準則第4號已作出修訂，以延長允許保險人應用香港會計準則第39號而非香港財務報告準則第9號的暫時豁免

NOTES TO FINANCIAL STATEMENTS

財務報表附註

31 December 2020 2020年12月31日

2.3 ISSUED BUT NOT YET EFFECTIVE HONG KONG FINANCIAL REPORTING STANDARDS (continued)

Further information about those HKFRSs that are expected to be applicable to the Group is described below.

Amendments to HKFRS 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 June 2018 without significantly changing its requirements. The amendments also add to HKFRS 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 HKAS 37 or HK (IFRIC)-Int 21 if they were incurred separately rather than assumed in a business combination, an entity applying HKFRS 3 should refer to HKAS 37 or HK (IFRIC)-Int 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香港財務報 告準則(續)

預期將適用於本集團之該等香港財務報告準則之進一步資料於下文載述。

香港財務報告準則第3號之修訂旨在以2018年6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。該等修訂亦就香港財務報告準則第3號就實體引用概念框架以釐定構成資產或負債之內容之確認原則增設一項例外情況。該例外情況規定，對於可能屬於香港會計準則第37號或香港(國際財務報告詮釋委員會) — 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，則應用香港財務報告準則第3號的實體應分別參考香港會計準則第37號或香港(國際財務報告詮釋委員會) — 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。由於該等修訂提前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。

NOTES TO FINANCIAL STATEMENTS

財務報表附註

31 December 2020 2020年12月31日

2.3 ISSUED BUT NOT YET EFFECTIVE HONG KONG FINANCIAL REPORTING STANDARDS (continued)

Amendments to HKFRS 9, HKAS 39, HKFRS 7, HKFRS 4 and HKFRS 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 HKFRS 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.

2.3 已頒佈但尚未生效的香港財務報 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，香港財務報告準則第9號、香港會計準則第39號、香港財務報告準則第7號、香港財務報告準則第4號及香港財務報告準則第16號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之合約現金流量之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，前提為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香港財務報告準則第9號的正常規定進行處理，以衡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。

NOTES TO FINANCIAL STATEMENTS

財務報表附註

31 December 2020 2020年12月31日

2.3 ISSUED BUT NOT YET EFFECTIVE HONG KONG FINANCIAL REPORTING STANDARDS (continued)

The Group had no interest-bearing bank and other borrowings denominated in Hong Kong dollars and foreign currencies based on the Hong Kong Interbank Offered Rate and the London Interbank Offered Rate (“LIBOR”) as at 31 December 2020. If the interest rates of these borrowings are replaced by RFRs in a future period, the Group will apply this practical expedient upon the modification of these borrowings when the “economically equivalent” criterion is met and expects that no significant modification gain or loss will arise as a result of applying the amendments to these changes.

Amendments to HKFRS 10 and HKAS 28 (2011) address an inconsistency between the requirements in HKFRS 10 and in HKAS 28 (2011) 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 HKFRS 10 and HKAS 28 (2011) was removed by the HKICPA in January 2016 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.

2.3 已頒佈但尚未生效的香港財務報 告準則(續)

本集團於2020年12月31日持有根據香港銀行同業拆息及倫敦銀行同業拆息(「倫敦銀行同業拆息」)以港元及外幣計值的若干計息銀行及其他借貸。倘該等借貸的利率於未來期間由無風險利率代替，本集團將於滿足「經濟上相當」標準修改有關借貸時採用此實際權宜方法，並預計不會因採用該等變動修訂而產生重大修改損益。

香港財務報告準則第10號及香港會計準則第28號(2011年)之修訂針對香港財務報告準則第10號及香港會計準則第28號(2011年)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之資產時，由該交易產生之收益或虧損於該投資者之損益內確認，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。香港會計師公會已於2016年1月剔除香港財務報告準則第10號及香港會計準則第28號(2011年)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。

NOTES TO FINANCIAL STATEMENTS

財務報表附註

31 December 2020 2020年12月31日

2.3 ISSUED BUT NOT YET EFFECTIVE HONG KONG FINANCIAL REPORTING STANDARDS (continued)

Amendments to HKAS 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 financial statements.

Amendments to HKAS 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 financial statements.

2.3 已頒佈但尚未生效的香港財務報 告準則(續)

香港會計準則第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財務報表造成任何重大影響。

香港會計準則第16號的修訂禁止實體從物業、機器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、機器及設備項目。允許提前批准。該等修訂預期不會對本集團的財務報表造成任何重大影響。

NOTES TO FINANCIAL STATEMENTS

財務報表附註

31 December 2020 2020年12月31日

2.3 ISSUED BUT NOT YET EFFECTIVE HONG KONG FINANCIAL REPORTING STANDARDS (continued)

Amendments to HKAS 37 clarify that for the purpose of assessing whether a contract is onerous under HKAS 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 financial statements.

2.3 已頒佈但尚未生效的香港財務報 告準則(續)

香港會計準則第37號的修訂澄清，就根據香港會計準則第37號評估合約是否屬虧損性而言，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、機器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財務報表造成任何重大影響。

NOTES TO FINANCIAL STATEMENTS

財務報表附註

31 December 2020 2020年12月31日

2.3 ISSUED BUT NOT YET EFFECTIVE HONG KONG FINANCIAL REPORTING STANDARDS (continued)

Annual Improvements to HKFRSs 2018–2020 sets out amendments to HKFRS 1, HKFRS 9, Illustrative Examples accompanying HKFRS 16, and HKAS 41. Details of the amendments that are expected to be applicable to the Group are as follows:

- HKFRS 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 financial statements.
- HKFRS 16 *Leases*: removes the illustration of payments from the lessor relating to leasehold improvements in Illustrative Example 13 accompanying HKFRS 16. This removes potential confusion regarding the treatment of lease incentives when applying HKFRS 16.

2.3 已頒佈但尚未生效的香港財務報 告準則(續)

香港財務報告準則2018年至2020年週期之年度改進載列香港財務報告準則第1號、香港財務報告準則第9號、香港財務報告準則第16號相應闡釋範例及香港會計準則第41號之修訂。預計適用於本集團的該等修訂本詳情如下：

- 香港財務報告準則第9號金融工具：澄清於實體評估是否新訂或經修改金融負債的條款與原金融負債的條款存在實質差異時所包含的費用。該等費用僅包括借款人與貸款人之間已支付或收取的費用，包括借款人或貸款人代表其他方支付或收取的費用。實體將有關修訂本應用於實體首次應用有關修訂本的年度報告期開始或之後修改或交換的金融負債。該等修訂本自2022年1月1日或之後開始的年度期間生效。允許提早採納。預期該等修訂本不會對本集團的歷史財務資料產生任何重大影響。
- 香港財務報告準則第16號租賃：刪除香港財務報告準則第16號相應闡釋範例13中有關租賃物業裝修的出租人付款說明。此舉消除於採用香港財務報告準則第16號有關租賃激勵措施處理方面的潛在困惑。

NOTES TO FINANCIAL STATEMENTS

財務報表附註

31 December 2020 2020年12月31日

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Investments in associates and joint ventures

An associate is an entity in which the Group has a long term interest of generally not less than 20% of the equity voting rights and over which it is in a position to exercise significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but is not control or joint control over those policies.

A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control.

The Group's investments in associates and joint ventures are stated in the consolidated statements 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 and joint ventures are included in the consolidated statements of profit or loss and comprehensive income. In addition, when there has been a change recognised directly in the equity of the associate or joint venture, 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 or joint ventures are eliminated to the extent of the Group's investments in the associates or joint ventures, except where unrealised losses provide evidence of an impairment of the assets transferred. Goodwill arising from the acquisition of associates or joint ventures is included as part of the Group's investments in associates or joint ventures.

2.4 重大會計政策概要

於聯營企業及合營企業的投資

聯營企業是指本集團擁有一般不少於20%股本投票權之長期權益且本集團對其可行使重大影響力的實體。重大影響力為參與投資對象的財務及營運政策決定的權力，惟並非控制或共同控制該等政策。

合營企業是一種共同安排，共同控制安排的各方有權分享合資企業的資產。共同安排是指按照合約協定對某項安排所共有的控制，僅在相關活動要求共同享有控制權的各方作出一致同意之決定時存在。

本集團於聯營企業及合營企業的投資乃採用權益會計法按本集團應佔的資產淨值減任何減值虧損後，在綜合財務狀況表中列賬。

本集團應佔聯營企業及合營企業的收購後業績及其他全面收益乃分別計入綜合損益及全面收益表。此外，當聯營企業或合營企業的權益內直接確認一項變動，則本集團在適當情況下會在綜合權益變動表確認其應佔的變動金額。本集團與其聯營企業或合營企業交易的未變現盈利及虧損按本集團應佔該聯營企業或合營企業的投資撤銷，惟未變現虧損提供已轉讓資產減值的憑證則除外。收購聯營企業或合營企業所產生的商譽列為本集團於聯營企業或合營企業的投資之一部分。

NOTES TO FINANCIAL STATEMENTS

財務報表附註

31 December 2020 2020年12月31日

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Investments in associates and joint ventures (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 or a joint venture is classified as held for sale, it is accounted for in accordance with HKFRS 5 Non-current Assets Held for Sale and Discontinued Operations.

Business combinations and goodwill

Business combinations are accounted for using the acquisition method. The consideration transferred is measured at the acquisition date fair value which is the sum of the acquisition date fair values of assets transferred by the Group, liabilities assumed by the Group to the former owners of the acquiree and the equity interests issued by the Group in exchange for control of the acquiree. For each business combination, the Group elects whether to measure the non-controlling interests in the acquiree that are present ownership interests and entitle their holders to a proportionate share of net assets in the event of liquidation at fair value or at the proportionate share of the acquiree's identifiable net assets. All other components of non-controlling interests are measured at fair value. Acquisition-related costs are expensed as incurred.

2.4 重大會計政策概要(續)

於聯營企業及合營企業的投資(續)

倘於聯營企業的投資變成於合營企業的投資(或相反情況),則不會重新計量保留權益。取而代之,該投資繼續按權益法入賬。在所有其他情況下,於失去對聯營企業的重大影響力或對合營企業的共同控制權後,本集團按其公平值計量及確認任何保留投資。於失去重大影響力或共同控制權後聯營企業或合營企業的賬面金額與保留投資的公平值及出售所得款項之間的任何差額於損益內確認。

當於聯營企業或合營企業的投資分類為持作出售時,其將根據香港財務報告準則第5號持作出售之非流動資產及已終止經營業務入賬。

業務合併及商譽

業務合併乃以收購法入賬。轉讓的代價乃以收購日期的公平值計算,該公平值為本集團轉讓的資產於收購日期的公平值、本集團自被收購方的前度擁有人承擔的負債,及本集團發行以換取被收購方控制權的股本權益的總和。就各業務合併而言,本集團可選擇按公平值或按比例分佔被收購方的可識別資產淨值,計量被收購方的非控股權益(屬現時擁有的權益且於清盤時其持有人有權按比例分佔資產淨值)。全部其他非控股權益部份乃按公平值計量。所產生的收購相關成本計入開支。

NOTES TO FINANCIAL STATEMENTS

財務報表附註

31 December 2020 2020年12月31日

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Business combinations and goodwill (continued)

The Group determines that it has acquired a business when the acquired set of activities and assets includes an input and a substantive process that together significantly contribute to the ability to create outputs.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts of the acquiree.

If the business combination is achieved in stages, the previously held equity interest is remeasured at its acquisition date fair value and any resulting gain or loss is recognised in profit or loss.

Any contingent consideration to be transferred by the acquirer is recognised at fair value at the acquisition date. Contingent consideration classified as an asset or liability is measured at fair value with changes in fair value recognised in profit or loss. Contingent consideration that is classified as equity is not remeasured and subsequent settlement is accounted for within equity.

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred, the amount recognised for non-controlling interests and any fair value of the Group's previously held equity interests in the acquiree over the identifiable net assets acquired and liabilities assumed. If the sum of this consideration and other items is lower than the fair value of the net assets acquired, the difference is, after reassessment, recognised in profit or loss as a gain on bargain purchase.

2.4 重大會計政策概要(續)

業務合併及商譽(續)

當所收購的一組活動及資產包括一項資源投入及一項實質過程，而兩者對創造產出的能力有重大貢獻，本集團認為其已收購一項業務。

當本集團收購業務時，須根據合約條款、收購日期的經濟環境及相關條件對涉及的金融資產及承擔的金融負債進行評估兼合理分類及確認，其中包括將內嵌式衍生工具與被收購方的主合約分開。

倘業務合併分階段進行，先前持有的股權乃按收購日期的公平值重新計量，而由此產生的收益或虧損於損益內確認。

由收購方將予轉讓的任何或有代價於收購日期按公平值確認。分類為屬資產或負債的或有代價乃按公平值計量，而公平值變動於損益確認。分類為權益的或有代價毋須重新計量，而其後結算計入權益內。

商譽起初按成本計量，即已轉讓總代價、已確認非控股權益及本集團先前持有的被收購方股權的任何公平值總額，超逾所收購可識別資產淨值及所承擔負債的差額。如總代價及其他項目低於所收購資產淨值的公平值，於評估後其差額將於損益內確認為議價收購收益。

NOTES TO FINANCIAL STATEMENTS

財務報表附註

31 December 2020 2020年12月31日

2.4 SUMMARY OF SIGNIFICANT

ACCOUNTING POLICIES (continued)

Business combinations and goodwill

(continued)

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. Goodwill is tested for impairment annually or more frequently if events or changes in circumstances indicate that the carrying value may be impaired. The Group performs its annual impairment test of goodwill as at 31 December. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units, or groups of cash-generating units, that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the Group are assigned to those units or groups of units.

Impairment is determined by assessing the recoverable amount of the cash-generating unit (group of cash-generating units) to which the goodwill relates. Where the recoverable amount of the cash-generating unit (group of cash-generating units) is less than the carrying amount, an impairment loss is recognised. An impairment loss recognised for goodwill is not reversed in a subsequent period.

Where goodwill has been allocated to a cash-generating unit (or group of cash-generating units) and part of the operation within that unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on the disposal. Goodwill disposed of in these circumstances is measured based on the relative value of the operation disposed of and the portion of the cash-generating unit retained.

2.4 重大會計政策概要 (續)

業務合併及商譽 (續)

於首次確認後，商譽乃以成本減任何累計減值虧損計量。每年均會測試商譽是否出現減值或倘有事件或情況變動顯示賬面值可能減值時，則作出更頻密的審閱。本集團於每年12月31日就其商譽進行減值測試。就減值測試而言，於業務合併收購的商譽將自收購日期起，分配至預期受惠於合併協同效益的本集團各現金產生單位或一組現金產生單位，不論本集團的其他資產或負債是否獲分配至該等單位或該組單位。

減值乃以評估與商譽有關的現金產生單位(一組現金產生單位)的可收回金額而釐定。倘現金產生單位(一組現金產生單位)的可收回金額低於賬面值，則會確認減值虧損。就商譽確認的減值虧損不可於其後期間撥回。

倘商譽已予分配至現金產生單位(或一組現金產生單位)的一部分而該單位的部分業務被出售，則與被出售業務有關的商譽會於釐定出售盈虧時計入該業務的賬面值內。在該等情況下出售的商譽乃根據被出售業務的相關價值及所保留的現金產生單位部分計量。

NOTES TO FINANCIAL STATEMENTS

財務報表附註

31 December 2020 2020年12月31日

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Fair value measurement

The Group measures its equity investments at fair value and financial assets at fair value through profit or loss 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.

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.

2.4 重大會計政策概要(續)

公平值計量

本集團於各報告期末按公平值計量其股權投資及按公平值計入損益的金融資產。公平值是於計量日市場參與者間於有秩序交易中出售資產所收取或轉讓負債須支付的價格。公平值計量所基於的假設為出售資產或轉讓負債的交易於資產或負債的主要市場進行，或倘不存在主要市場，則於對資產或負債最為有利的市場中進行。主要的或最為有利的市場必須為本集團可進入的市場。假設市場參與者均按最佳經濟利益行事，則資產或負債的公平值計量所採用的假設與市場參與者為資產或負債定價時所用者一致。

非金融資產公平值的計量應計及市場參與者以資產最高價值及最佳用途使用資產或將資產售予其他可以資產最高價值及最佳用途使用資產的市場參與者而產生經濟利益的能力。

本集團使用適用於不同情況的估值方法，而其有足夠數據可供計量公平值，以盡量利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。

NOTES TO FINANCIAL STATEMENTS

財務報表附註

31 December 2020 2020年12月31日

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Fair value measurement (continued)

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 重大會計政策概要(續)

公平值計量(續)

基於對公平值計量整體屬重大的最低等級輸入數據，於財務報表內計量或披露公平值的所有資產及負債均按下文所述的公平值等級分類：

- 第一級 — 基於相同資產或負債在活躍市場之報價(未經調整)
- 第二級 — 基於可直接或間接觀察對公平值計量屬重大的最低等級輸入數據的估值方法
- 第三級 — 基於不可觀察對公平值計量屬重大的最低等級輸入數據的估值方法

就經常於財務報表中確認的資產及負債而言，本集團通過於各報告期末重新評估分類(基於對公平值計量整體屬重大的最低等級輸入數據)確定等級間是否出現轉移。

NOTES TO FINANCIAL STATEMENTS

財務報表附註

31 December 2020 2020年12月31日

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, deferred tax assets, financial assets and non-current assets), 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 the statement of 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/amortization) had no impairment loss been recognised for the asset in prior years. A reversal of such an impairment loss is credited to the statement of profit or loss in the period in which it arises.

2.4 重大會計政策概要(續)

非金融資產減值

倘存在減值跡象，或須對一項資產進行年度減值測試(存貨、遞延稅項資產、金融資產及非流動資產除外)，則會估計資產的可收回金額。一項資產之可收回金額為資產或現金產生單位的使用價值及其公平值減去出售成本值的其中較高者，並按個別資產釐定，除非該資產所產生的現金流入基本上不能獨立於其他資產或資產組別所產生的現金流入，在此情況下將就資產所屬的現金產生單位釐定可收回金額。

減值虧損只有在一項資產的賬面值超過其可收回金額時方會確認。在估計使用價值時，利用稅前貼現率(反映貨幣時間價值的目前市場估值及資產特定風險)將預計未來現金流量貼現至現值。減值虧損於其產生期間在損益表內與減值資產功能一致的該等開支類別中扣除。

於各報告期末均須評估是否存在任何跡象表明早前確認的減值虧損可能不再存在或可能已減少。倘存在此類跡象，則估計可收回金額。除商譽外，早前確認的資產減值虧損只有在用以釐定該資產可收回金額的估值發生變更時方會撥回，惟不應高於若過往年度並無就該資產確認減值虧損的情況下釐定的賬面值(減去任何折舊／攤銷)。減值虧損的撥回於產生期內計入損益表。

NOTES TO FINANCIAL STATEMENTS

財務報表附註

31 December 2020 2020年12月31日

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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;
 - (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;

2.4 重大會計政策概要(續)

關聯方

關聯方若出現以下情況，有關人士會被視為與本集團有關連：

- (a) 該有關人士為任何人士或其家族之親密成員，而該人士
 - (i) 控制或共同控制本集團；
 - (ii) 對本集團有重大影響；或
 - (iii) 為本集團或其母公司主要管理層成員；

或

- (b) 有關人士為符合下列任何條件之實體：
 - (i) 該實體與本集團屬同一集團之成員公司；
 - (ii) 某實體為另一實體(或另一實體之母公司、附屬公司或同系附屬公司)之聯營企業或合營企業；
 - (iii) 該實體與本集團為同一第三方之合營企業；
 - (iv) 某實體為第三方實體之合營企業，而另一實體為第三方實體之聯營企業；
 - (v) 該實體為本集團或與本集團有關連之實體就僱員利益設立之離職後福利計劃；

NOTES TO FINANCIAL STATEMENTS

財務報表附註

31 December 2020 2020年12月31日

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Related parties (continued)

A party is considered to be related to the Group if: (continued)

- (b) the party is an entity where any of the following conditions applies: (continued)
 - (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 are stated at cost less accumulated depreciation and any impairment losses. 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.

Expenditure incurred after items of property, plant and equipment have been put into operation, such as repairs and maintenance, is normally charged to the statement of 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.

2.4 重大會計政策概要(續)

關聯方(續)

關聯方若出現以下情況，有關人士會被視為與本集團有關連：(續)

- (b) 有關人士為符合下列任何條件之實體：(續)
 - (vi) 該實體受(a)所定義人士控制或共同控制；
 - (vii) 於(a)(i)所定義人士對該實體有重大影響力或屬該實體(或該實體之母公司)之主要管理層成員；及
 - (viii) 實體、或一間集團之任何成員公司(集團之一部分)向本集團或本集團之母公司提供主要管理人員服務。

物業、廠房及設備及折舊

物業、廠房及設備乃以成本值減累計折舊及任何減值虧損入賬。物業、廠房及設備項目之成本值包括其購買價及促使資產達至其擬定用途之營運狀況及地點之任何直接應佔成本。

物業、廠房及設備項目開始運作後產生之支出(例如維修及保養)通常於產生開支期間於損益表中扣除。若滿足確認條件，大型檢查費用將於資產賬面值中撥充資本，列作重置。倘需要定期更換大部分物業、廠房及設備，則本集團會確認該部分為有特定使用年期的個別資產，並據此計算折舊。

NOTES TO FINANCIAL STATEMENTS

財務報表附註

31 December 2020 2020年12月31日

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued) Property, plant and equipment and depreciation (continued)

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 principal annual rates used for this purpose are as follows:

| | |
|------------------------|------------|
| Leasehold improvements | 10%-33.33% |
| Plant and machinery | 10%-33.33% |
| Furniture and fixtures | 10%-33.33% |
| Motor vehicles | 10%-33.33% |

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.

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 the statement of 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.

2.4 重大會計政策概要(續)

物業、廠房及設備及折舊(續)

折舊乃按各項物業、廠房及設備項目之估計可使用年期以直線法計算，以撇銷其成本至剩餘價值。就此所採用之主要年率如下：

| | |
|--------|------------|
| 租賃裝修工程 | 10%-33.33% |
| 廠房及機器 | 10%-33.33% |
| 傢私及裝置 | 10%-33.33% |
| 汽車 | 10%-33.33% |

倘一項物業、廠房及設備項目之有關部分存在不同可使用年期，則該項目之成本值將按合理基準在有關部分內分配，而每部分則作獨立折舊處理。剩餘價值、可使用年期及折舊方法將至少在每個財政年度結算日進行檢討及調整(如適用)。

物業、廠房及設備項目包括任何已初步確認之重要部分在出售或在預計其使用或出售不會帶來未來經濟利益時終止確認。於資產終止確認當年已於損益表中確認之資產出售或棄用之盈利或虧損為有關資產之出售所得款項淨額與賬面值之差額。

NOTES TO FINANCIAL STATEMENTS

財務報表附註

31 December 2020 2020年12月31日

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Intangible assets (other than goodwill)

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is the fair value at the date of acquisition. The useful lives of intangible assets are assessed to be either finite or indefinite. Intangible assets with finite lives are subsequently amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortization period and the amortization method for an intangible asset with a finite useful life are reviewed at least at each financial year end.

Software

Purchased software is stated at cost less any impairment losses and amortised on the straight-line basis over its estimated useful life of 3 to 5 years.

Customer relationship

Client relationship has an amortization period of nine years based on estimated beneficial period considering industry experience, customer retention rate and others.

Research and development costs

All research costs are charged to the statement of profit or loss as incurred.

Expenditure incurred on projects to develop new products is capitalised and deferred only when the Group can demonstrate the technical feasibility of completing the intangible asset so that it will be available for use or sale, its intention to complete and its ability to use or sell the asset, how the asset will generate future economic benefits, the availability of resources to complete the project and the ability to measure reliably the expenditure during the development. Product development expenditure which does not meet these criteria is expensed when incurred.

2.4 重大會計政策概要(續)

無形資產(商譽除外)

個別收購之無形資產於初步確認時按成本計量。於業務合併中收購之無形資產之成本為收購日之公平值。無形資產可分為有限或無限可使用年期。具有有限年期之無形資產其後按可使用經濟年期攤銷，並於該無形資產出現可能減值跡象時作減值評估。具有有限可使用年期之無形資產之攤銷期限及攤銷方法至少在每個財政年度結算日進行檢討。

軟件

已購買的軟件按成本減任何減值虧損入賬，並以直線法於其三至五年的估計可使用年期內攤銷。

客戶關係

客戶關係按考慮到行業經驗、客戶挽留率及其他因素所估計的實益期間有九年的攤銷期。

研發成本

所有研究成本於產生時在損益表扣除。

開發新產品的項目所產生支出，僅於本集團能展示下述事項的情況下撥充資本及遞延：技術上可完成該無形資產以供使用或出售、完成資產之意願及使用或出售資產之能力、該資產如何產生未來經濟利益、具備用以完成項目之資源以及於開發期間可靠計量開支之能力。不符合上述標準的產品開發支出於產生時支銷。

NOTES TO FINANCIAL STATEMENTS

財務報表附註

31 December 2020 2020年12月31日

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:

| | |
|-----------------|--------------|
| Office premises | 2 to 5 years |
| Equipment | 2 to 3 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 重大會計政策概要(續)

租賃

本集團於合約開始時評估合約是否為或包含租賃。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，則該合約為或包含租賃。

本集團作為承租人

本集團對所有租賃採用單一確認及計量方法(惟短期租賃及低價值資產租賃除外)。本集團確認租賃負債以作出租賃付款及代表使用有關資產權利的的使用權資產。

(a) 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。使用權資產按成本減任何累計折舊及任何減值虧損計量，並就任何重新計量租賃負債作出調整。使用權資產成本包括已確認租賃負債款項、已產生的初始直接成本及於開始日期或之前作出的租賃付款減任何已收取租賃優惠。使用權資產按租期及資產估計可使用年期(以較短者為準)以直線法計提折舊如下：

| | |
|------|------|
| 辦公場所 | 2至5年 |
| 設備 | 2至3年 |

倘於租期結束時租賃資產的擁有權轉移至本集團或成本反映購買選擇權的行使，折舊則根據資產的估計可使用年期計算。

NOTES TO FINANCIAL STATEMENTS

財務報表附註

31 December 2020 2020年12月31日

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.

2.4 重大會計政策概要(續)

租賃(續)

本集團作為承租人(續)

(b) 租賃負債

於租賃開始日期按租賃期內將作出的租賃付款現值確認租賃負債。租賃付款包括固定付款(包括實質固定付款)減任何應收租賃優惠、取決於指數或利率的可變租賃款項以及預期根據剩餘價值擔保支付的金額。租賃付款亦包括本集團合理確定行使的購買選擇權的行使價及支付終止租賃的罰款(倘租賃條款反映本集團行使選擇權終止租賃)。並非取決於指數或利率的可變租賃付款在出現導致付款的事件或條件所發生期間內確認為開支。

於計算租賃付款的現值時，因租賃中所隱含的利率不易確定，則本集團於租賃開始日期使用增量借貸利率。於開始日期後，租賃負債金額的增加反映了利息的增長及減少租賃付款。此外，倘發生變更、租賃期限發生變化、租賃付款額發生變化(例如，因指數或利率變化而導致的未來租賃付款額發生變化)或購買相關資產的期權評估價值變化，則重新計量租賃負債的賬面值。

NOTES TO FINANCIAL STATEMENTS

財務報表附註

31 December 2020 2020年12月31日

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 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). It also applies the recognition exemption for leases of low-value assets to leases of office equipment and laptop computers that are considered to be of low value.

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.

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 HKFRS 15 in accordance with the policies set out for "Revenue recognition" below.

2.4 重大會計政策概要(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

本集團將短期租賃確認豁免應用於其機器及設備的短期租賃(即自開始日期起計租期為12個月或以下，並且不包含購買選擇權的租賃)。低價值資產租賃的確認豁免亦應用於被視為低價值的辦公設備及筆記本電腦的租賃。

短期租賃的租賃付款及低價值資產租賃於租期內按直線法確認為一項開支。

投資及其他金融資產

初步確認及計量

金融資產於初步確認時可分類為隨後按攤銷成本、按公平值計入其他全面收益以及按公平值計入損益計量。

初始確認金融資產分類取決於金融資產的合約現金流量特徵，以及本集團管理金融資產的業務模式。除並未包含重大融資組成部分的貿易應收款項或本集團已實行實際權宜措施不作調整重大融資組成部分影響的應收款項外，本集團最初按其公平值計量金融資產，倘金融資產並非按公平值計入損益，則加上交易成本。並未包含重大融資組成部分的貿易應收款項或本集團已實行實際權宜措施的應收款項依照下文「收益確認」所載政策根據香港財務報告準則第15號釐定的交易價格計量。

NOTES TO FINANCIAL STATEMENTS

財務報表附註

31 December 2020 2020年12月31日

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Investments and other financial assets (continued)

Initial recognition and measurement (continued)

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.

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.

2.4 重大會計政策概要(續)

投資及其他金融資產(續)

初步確認及計量(續)

為使金融資產按攤銷成本或按公平值計入其他全面收益進行分類及計量，需產生就未償還本金的純粹本息付款(「純粹本息付款」)的現金流量。現金流量並非純粹本息付款的金融資產分類為按公平值計入損益計量，而不論業務模式。

本集團管理金融資產的業務模式指本集團如何管理其金融資產以產生現金流量。業務模式釐定現金流量是否因收取合約現金流量、出售金融資產或因前述兩者而引起。按攤銷成本分類及計量的金融資產於目的為持有金融資產以收取合約現金流量的業務模式持有，按公平值計入其他全面收益分類及計量的金融資產於目的為同時持有金融資產以收取合約現金流量及出售的業務模式持有。非根據上述業務模式持有的金融資產按公平值計入損益分類及計量。

所有正常途徑的金融資產購買及出售均於交易日確認，即本集團承諾購買或出售資產當日。正常途徑的購買或出售是指，要求資產於市場規定或慣例所一般訂立期間內交付的金融資產購買或出售。

NOTES TO FINANCIAL STATEMENTS

財務報表附註

31 December 2020 2020年12月31日

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Investments and other financial assets (continued)

Subsequent measurement

The subsequent measurement of financial assets depends on their classification as follows:

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 HKAS 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 the statement of profit or loss. Dividends are recognised as other income in the statement of 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.

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 the statement of profit or loss.

2.4 重大會計政策概要(續)

投資及其他金融資產(續)

其後計量

有關金融資產的其後計量視乎以下分類而定：

指定按公平值計入其他全面收益的金融資產(股權投資)

於初步確認時，本集團可選擇於股權投資符合香港會計準則第32號*金融工具：呈報*項下的股權定義且並非持作買賣時，將其股權投資不可撤回地分類為指定按公平值計入其他全面收益的股權投資。分類乃按個別工具基準釐定。

該等金融資產的損益永遠不會回流至損益表中。在確定支付權後，股息在損益表中確認為其他收入，與股息相關的經濟利益很可能將會流向本集團，股息金額亦能可靠計量，除非本集團從此類所得款項中獲益，作為一部分的回收金融資產成本，於該情況下，該等收益入賬計入其他全面收益。指定按公平值計入其他全面收益的股本投資毋須接受減值評估。

按公平值計入損益的金融資產

按公平值計入損益的金融資產按公平值於財務狀況表列賬，而公平值變動淨額於損益表中確認。

NOTES TO FINANCIAL STATEMENTS

財務報表附註

31 December 2020 2020年12月31日

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Derecognition of financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e., removed from the 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.

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 assets 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.

2.4 重大會計政策概要(續)

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類似金融資產的一部分)主要在下列情況下將終止確認(即自本集團綜合財務狀況表移除):

- 收取資產所得現金流量的權利已經屆滿;或
- 本集團已轉讓其收取資產所得現金流量的權利,或根據一項「轉付」安排,在未有嚴重延緩的情況下,已承擔將所收取現金流量全數支付予第三方的責任;及(a)本集團已轉讓該項資產的絕大部分風險及回報,或(b)本集團並未轉讓或保留該項資產的絕大部分風險及回報,但已轉讓該項資產的控制權。

若本集團已轉讓其收取資產所得現金流量的權利或已達成轉付安排,則評估其是否保留該資產所有權的風險及回報及其程度。若並未轉讓或保留該資產的絕大部分風險及回報,亦未轉讓該項資產的控制權,本集團將以本集團持續參與程度為限繼續確認所轉讓資產。在這種情況下,本集團亦會確認一項相關負債。已轉讓資產及相關負債乃按照反映本集團已保留的權利及責任的基準計量。

持續涉及指本集團就已轉讓資產作出的一項保證,按該項資產的原賬面值與本集團或須償還的最高代價的較低者計算。

NOTES TO FINANCIAL STATEMENTS

財務報表附註

31 December 2020 2020年12月31日

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Impairment of financial assets

The Group recognises an allowance for expected credit losses (“ECLs”) for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

General approach

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12 months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

At each reporting date, the Group assesses whether the credit risk on a financial instrument has increased significantly since initial recognition. When making the assessment, 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 and considers reasonable and supportable information that is available without undue cost or effort, including historical and forward-looking information.

2.4 重大會計政策概要(續)

金融資產減值

本集團確認所有非按公平值計入損益的債務工具的預期信貸虧損(「預期信貸虧損」)撥備。預期信貸虧損的依據是根據合約應付的合約現金流量與本集團預計將收到的所有現金流量之間的差額，按最初實際利率的近似值進行貼現。預期現金流量將包括出售所持抵押品的現金流量或合約條款不可或缺的其他信貸增強情況。

一般方法

預期信貸虧損分兩個階段確認。對於自最初確認以來信貸風險並無顯著增加的信貸風險而言，為未來12個月(12個月的預期信貸虧損)內可能發生的違約事件造成的信貸虧損提供信用額度。對於自最初確認以來信貸風險大幅增加的信貸風險而言，無論違約時間如何，預計在風險剩餘年期的信貸虧損都需要作預期信貸虧損的損失撥備(全期預期信貸虧損)。

於每個報告日，本集團評估金融工具的信貸風險自最初確認以來是否大幅增加。在進行評估時，本集團將報告日金融工具上發生違約的風險與初始確認當日發生在金融工具上的違約風險進行比較，並認為該等風險乃於無需過花費過多成本或努力即可得的合理及可靠資料(包括過往及前瞻性資料)。

NOTES TO FINANCIAL STATEMENTS

財務報表附註

31 December 2020 2020年12月31日

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Impairment of financial assets (continued)

General approach (continued)

The Group considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

Financial assets at amortised cost are subject to impairment under the general approach and they are classified within the following stages for measurement of ECLs except for trade receivables and contract assets which apply the simplified approach as detailed below.

Stage 1 — Financial instruments for which credit risk has not increased significantly since initial recognition and for which the loss allowance is measured at an amount equal to 12-month ECLs

Stage 2 — Financial instruments for which credit risk has increased significantly since initial recognition but that are not credit-impaired financial assets and for which the loss allowance is measured at an amount equal to lifetime ECLs

Stage 3 — Financial assets that are credit-impaired at the reporting date (but that are not purchased or originated credit-impaired) and for which the loss allowance is measured at an amount equal to lifetime ECLs

2.4 重大會計政策概要(續)

金融資產減值(續)

一般方法(續)

本集團認為，當合約付款逾期90天時，金融資產違約。但是，在某些情況下，倘內部或外部資料表明，本集團在考慮本集團所持任何信貸增強之前，不可能收到全額尚未償還合約金額，則本集團亦可能認為金融資產違約。倘並無合理預期收回收約現金流量，金融資產會被撇銷。

按攤銷成本計量的金融資產在一般方法下出現減值，並在以下階段進行預期信貸虧損計量，惟採用簡化法的貿易應收款項及合約資產除外，詳情如下。

第1階段 — 自最初確認以來，信貸風險並無顯著增加，虧損撥備的計量金額相當於12個月預期信貸虧損的金融工具

第2階段 — 自最初確認以來，信貸風險顯著增加惟並未出現信貸減值，且虧損撥備的計量金額相當於全期預期信貸虧損的金融資產

第3階段 — 在報告日出現信貸減值(但未購買或產生信貸減值)且虧損撥備的計量金額相當於全期預期信貸虧損的金融資產

NOTES TO FINANCIAL STATEMENTS

財務報表附註

31 December 2020 2020年12月31日

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Impairment of financial assets (continued)

Simplified approach

For trade receivables and contract assets that do not contain a significant financing component or when the Group applies the practical expedient of not adjusting the effect of a significant financing component, the Group applies the simplified approach in calculating ECLs. 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. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

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 borrowing, or payables as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowing and payables, net of directly attributable transaction costs.

The Group's financial liabilities include trade and other payables, Lease liabilities, interest-bearing bank and other borrowings.

2.4 重大會計政策概要(續)

金融資產減值(續)

簡化方法

對於並非載有重大融資成分的貿易應收款項及合約資產，或當本集團採用不調整重大融資部分的影響的實際權宜措施時，本集團採用簡化方法計算預期信貸虧損。根據簡化方法，本集團不追蹤信貸風險變化，反而在每個報告日確認基於全期預期信貸虧損的虧損撥備。本集團根據其過往信貸虧損經驗建立撥備矩陣，並根據具體針對債務人及經濟環境的前瞻性因素進行調整。

金融負債

初步確認與計量

金融負債於初步確認時分類為按公平值計入損益的金融負債、貸款及借款或應付款項(倘適用)。

所有金融負債初步按公平值確認及倘為貸款及借款以及應付款項，則應扣除直接應佔交易成本。

本集團的金融負債包括貿易及其他應付款項、租賃負債及計息銀行及其他借款。

NOTES TO FINANCIAL STATEMENTS

財務報表附註

31 December 2020 2020年12月31日

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial liabilities (continued)

Subsequent measurement

The subsequent measurement of loans and borrowings is 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 the statement of profit or loss when the liabilities are derecognised as well as through the effective interest rate amortization 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 amortization is included in finance costs in the statement of 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 the recognition of a new liability, and the difference between the respective carrying amounts is recognised in the statement of profit or loss.

2.4 重大會計政策概要(續)

金融負債(續)

其後計量

貸款及借貸的其後計量如下：

按攤銷成本計量的金融負債(貸款及借款)

於初步確認後，計息貸款及借款其後以實際利率法按攤銷成本計量，除非貼現影響不重大，則按成本列賬。當終止確認負債以及按實際利率進行攤銷程序時，其損益在損益表內確認。

攤銷成本以經計入購入時產生之任何折讓或溢價及費用或成本而得出之實際利率計算。實際利率攤銷計入損益表的財務費用內。

終止確認金融負債

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貸人提供而絕大部分條款不同的負債所取代，或現有負債的條款大幅修訂，則有關取替或修訂會視為終止確認原有負債及確認新負債，而相關賬面值的差額會於損益表內確認。

NOTES TO FINANCIAL STATEMENTS

財務報表附註

31 December 2020 2020年12月31日

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 the statement of profit or loss on the purchase, sale, issue or cancellation of the Group's own equity instruments.

Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined on the first-in, first-out basis. Net realisable value is based on the estimated selling prices less any estimated costs to be incurred to completion and disposal.

Cash and cash equivalents

For the purpose of the consolidated statements 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.

For the purpose of the consolidated statements of financial position, cash and cash equivalents comprise cash on hand and at banks, including term deposits, and assets similar in nature to cash, which are not restricted as to use.

2.4 重大會計政策概要(續)

抵銷金融工具

當有現行可強制執行的合法權利以抵銷已確認金額，並擬以淨額基準結算或同時變現資產及清償負債，方可將金融資產及金融負債抵銷，並將淨額列入財務狀況表。

庫存股

本公司或本集團購回及持有之自身的權益工具(庫存股)直接按成本於權益中確認。本集團購買、出售、配發或註銷自身的權益工具所得收益或虧損將不計入損益表。

存貨

存貨按成本及可變現淨值兩者的較低者入賬。成本按先進先出基準釐定，可變現淨值按預計售價減預計完成及出售所需成本計算。

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，以及可隨時轉換為已知金額現金、所涉及價值變動風險不高且一般自購入起計三個月內到期的短期高流通性投資。

就綜合財務狀況表而言，現金及現金等價物包括手頭現金及銀行存款(包括定期存款)以及性質與現金類似及不受限制使用的資產。

NOTES TO FINANCIAL STATEMENTS

財務報表附註

31 December 2020 2020年12月31日

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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.

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.

2.4 重大會計政策概要(續)

撥備

倘因過往事件須承擔現時責任(法定或推定)，而履行該責任可能導致未來資源外流，且該責任所涉金額能夠可靠估計，則確認撥備。

倘貼現影響屬重大，則確認撥備的金額為預期履行責任所需未來開支於報告期末的現值。貼現現值隨時間而增加之金額計入損益中的財務費用。

所得稅

所得稅包括即期及遞延稅項。所得稅如涉及在損益以外確認的項目，均在損益外確認，即在其他全面收益或直接在權益內確認。

即期稅項資產及負債乃根據於報告期末已頒佈或實質上已頒佈的稅率(及稅法)，並考慮本集團經營業務所在國家的現行詮釋及慣例，按預期將獲稅務機關退回或支付予稅務機關的金額計量。

遞延稅項乃就報告期末資產及負債的稅基與其作財務報告用途的賬面值之間的所有暫時差額，採用負債法作出撥備。

NOTES TO FINANCIAL STATEMENTS

財務報表附註

31 December 2020 2020年12月31日

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Income tax (continued)

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, associates and joint ventures, 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.

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 utilized, 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, associates and joint ventures, 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 utilized.

2.4 重大會計政策概要(續)

所得稅(續)

遞延稅項負債就所有應課稅暫時差額予以確認，惟以下情況除外：

- 如遞延稅項負債是由初步確認商譽或非業務合併交易中的資產或負債而產生，並於進行交易時對會計利潤或應課稅溢利或虧損均無影響；及
- 就涉及於附屬公司、聯營企業及合營企業的投資的應課稅暫時差額而言，如可以控制撥回暫時差額的時間，且暫時差額可能不會在可見將來撥回。

遞延稅項資產就所有可抵扣暫時差額、未動用稅項抵免結轉及任何未動用稅項虧損予以確認。在有可能出現應課稅溢利可用以抵銷該等可抵扣暫時差額、未動用稅項抵免結轉及未動用稅項虧損的情況下，方會確認遞延稅項資產，但以下情況除外：

- 如有關可抵扣暫時差額的遞延稅項資產是由初步確認並非業務合併交易中的資產或負債而產生，並於進行交易時對會計利潤或應課稅溢利或虧損均無影響；及
- 就涉及於附屬公司、聯營企業及合營企業的投資的可抵扣暫時差額而言，只有在暫時差額有可能在可見將來撥回，且有可能出現應課稅溢利可用以抵銷該等暫時差額的情況下，方會確認遞延稅項資產。

NOTES TO FINANCIAL STATEMENTS

財務報表附註

31 December 2020 2020年12月31日

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Income tax (continued)

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 utilized. 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.

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.

2.4 重大會計政策概要(續)

所得稅(續)

遞延稅項資產的賬面值會在各報告期末進行檢討，若不再可能有足夠應課稅溢利可供動用全部或部分相關遞延稅項資產，則減少遞延稅項資產的賬面值。未確認的遞延稅項資產會於各報告期末重新評估，並以可能有足夠應課稅溢利令全部或部分遞延稅項資產得以收回為限予以確認。

遞延稅項資產及負債以變現資產或清償負債的期間預期適用的稅率計量，並以報告期末已頒佈或實質上已頒佈的稅率(及稅法)為基礎。

當及僅當本集團有合法可執行權利將即期稅項資產與即期稅項負債抵銷，且遞延稅項資產及遞延稅項負債與同一稅務機關對同一應課稅實體或不同應課稅實體徵收的所得稅相關，而該等不同的應課稅實體於各未來期間預期有大額遞延稅項負債或資產將予結算或清償時，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，則遞延稅項資產與遞延稅項負債可予抵銷。

政府扶持資金

如能合理確保將收到政府扶持資金及將符合所有附帶條件，政府扶持資金會按公平值確認。如補助與開支項目相關，則有系統地將其按擬補助的成本支銷期間確認為收入。

NOTES TO FINANCIAL STATEMENTS

財務報表附註

31 December 2020 2020年12月31日

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Revenue recognition

Revenue from contracts with customers

Revenue from contracts with customers is recognised when control of goods or services is transferred to the customers at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services.

When the consideration in a contract includes a variable amount, the amount of consideration is estimated to which the Group will be entitled in exchange for transferring the goods or services to the customer. The variable consideration is estimated at contract inception and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue 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 HKFRS 15.

2.4 重大會計政策概要(續)

收益確認

來自客戶合約的收益

當貨物或服務的控制權轉移至客戶時，即確認來自客戶合約的收益，其金額反映本集團預期有權獲得代價，以換取該等商品或服務。

當合約中的代價包括可變金額時，則估計本集團有權獲得的代價金額，以換取將貨物或服務轉讓予客戶。可變代價乃於合約開始時估計且受約束，直至當可變代價的相關不確定性於其後解除，很可能不會發生已確認的累計收益金額重大收益撥回為止。

當合約包括向客戶轉讓貨品或服務為客戶帶來超過一年重大融資利益的融資組成部分時，收益乃按應收款項金額的現時價值計量，並採用將於自合約開始起本集團與客戶之間的個別融資交易中反映的貼現率貼現。當合約包括為本集團帶來超過一年重大融資利益的融資組成部分時，根據合約確認的收益包括合約負債根據實際利息法計算的利息開支。就客戶付款至轉讓所承諾的貨品或服務的期限為一年或以下的合約而言，交易價格並無根據重大融資組成部分的影響採用香港財務報告準則第15號中的實際可行權宜措施進行調整。

NOTES TO FINANCIAL STATEMENTS

財務報表附註

31 December 2020 2020年12月31日

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Revenue recognition (continued)

Provision of property management services

Revenue from the provision of management services is recognised over the scheduled period on a straight-line basis because the customer simultaneously receives the benefits provided by the Group. Like the previous year, revenue from the lump sum basis are recognised on a gross basis, and revenue from fixed remuneration contracts are recognised on a net basis.

Provision of urban sanitary services

Revenue from the provision of urban sanitary services is recognised over the scheduled period on a straight-line basis because the customer simultaneously receives the benefits provided by the Group.

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.

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 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).

2.4 重大會計政策概要(續)

收益確認(續)

提供物業管理服務

提供管理服務的收益乃按直線法於預定期間予以確認，原因為客戶同時收取由本集團提供的利益。如同往年，包幹制的收益乃按總額基準確認，固定薪酬合約收益乃按淨額基準確認。

提供城鎮環衛服務

由於客戶同時收取本集團所提供利益，故提供城鎮環衛服務之收益於計劃期間內按直線基準予以確認。

其他收入

利息收入按應計基準使用實際利息法採用能將金融工具預計使用年期或較短時期(如適用)內所產生的估計未來現金收入準確貼現至該金融資產賬面淨值的折現率確認。

股息收入於確立股東收取款項的權利時確認，與股息相關的經濟利益可能將流向本集團且股息金額能可靠計量。

合約負債

倘客戶於本集團向其轉讓相關貨品或服務前支付款項，於付款或款項到期時(以較早者為準)確認合約負債。合約負債於本集團根據合約履約時(即相關貨品或服務的控制權轉讓予客戶時)確認為收益。

NOTES TO FINANCIAL STATEMENTS

財務報表附註

31 December 2020 2020年12月31日

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Share award scheme

The Company operates a share award scheme (the "Scheme") for the purpose of providing incentives and rewards to eligible participants who contribute to the success of the Group's operations. Employees (including directors) of the Group receive remuneration in the form of share-based payments, whereby employees render services as consideration for equity instruments ("equity-settled transactions").

Pursuant to the Scheme, the Board of Directors may, from time to time, at its absolute discretion cause to be paid to the trustee sums of money from the Company's resources for the purchase of shares to be held on trust in accordance with the Scheme and the trust deed. Such sums of money shall be applied toward the purchase of the specific number of shares from the open market according to the written instructions of the Board of Directors.

The consideration paid by the trustee for purchasing the Company's shares from the market is presented as "shares held for the share award scheme" and the amount is deducted from total equity.

Other employee benefits

Pension schemes

The employees of the Group's subsidiaries which operate in Mainland China are required to participate in central pension schemes operated by the local municipal governments. These subsidiaries are required to contribute a certain percentage of their payroll costs to the central pension schemes. The contributions are charged to the statement of profit or loss as they become payable in accordance with the rules of the central pension schemes.

2.4 重大會計政策概要(續)

股份獎勵計劃

本公司設有一項股份獎勵計劃(「計劃」)，以向對本集團業務之成功有所貢獻的合資格參與者提供激勵及獎勵。本集團僱員(包括董事)通過以股份為基礎的付款的形式取得薪酬，據此僱員提供服務作為權益工具的代價(「以權益結算的交易」)。

根據該計劃，董事會可不時按其絕對酌情權以本公司資源向受託人支付款項以用於購入股份，購入的股份將根據該計劃及信託契約以信託形式持有。該等款項將根據董事會書面指示應用於從公開市場購買指定數目的股份。

受託人自市場上購買本公司股份而支付的代價，呈列為「就股份獎勵計劃持有的股份」，有關金額自總權益中扣除。

其他僱員福利

退休金計劃

本集團於中國內地營運的附屬公司的僱員須參加地方市政府營辦的中央退休金計劃。該等附屬公司須按僱員工資的若干百分比向中央退休金計劃作出供款。供款於根據中央退休金計劃規定應付時自損益表扣除。

NOTES TO FINANCIAL STATEMENTS

財務報表附註

31 December 2020 2020年12月31日

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 note 11 to the financial statements.

Interim dividends are simultaneously proposed and declared, because the Company's memorandum and articles of association grant the directors the authority to declare interim dividends. Consequently, interim dividends are recognised immediately as a liability when they are proposed and declared.

2.4 重大會計政策概要(續)

借款成本

倘借款成本直接屬於收購、興建或生產合資格資產(即須經一段時間作準備方可投放作擬定用途或銷售的資產，則撥充資本作為該等資產成本的一部分。而當有關資產大致可投放作擬定用途或銷售時，即終止將該等借款成本撥充資本。將待用於合資格資產的指定借款進行臨時投資所賺取的投資收入，則從資本化借款成本中扣除。所有其他借款成本均於其產生期間支銷。借款成本包括利息及與實體因借取資金而產生的其他成本。

股息

末期股息於股東大會上獲股東批准後確認為負債。建議末期股息於財務報表附註11披露。

由於本公司組織章程大綱及細則授權董事宣派中期股息，故同步建議及宣派中期股息。因此，中期股息乃於建議及宣派時即時確認為負債。

NOTES TO FINANCIAL STATEMENTS

財務報表附註

31 December 2020 2020年12月31日

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Foreign currencies

The Company and certain subsidiaries incorporated outside Mainland China use Hong Kong dollars (“HK\$”) as their functional currencies, respectively. The functional currency of the PRC subsidiaries is Renminbi. As the Group mainly operates in Mainland China, Renminbi is used as the presentation currency of the Group. Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency. Foreign currency transactions recorded by the entities in the Group are initially recorded using their respective functional currency rates prevailing at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency rates of exchange ruling at the end of the reporting period. Differences arising on settlement or translation of monetary items are recognised in the statement of profit or loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was measured. The gain or loss arising on translation of a non-monetary item measured at fair value is treated in line with the recognition of the gain or loss on change in fair value of the item (i.e., translation difference on the item whose fair value gain or loss is recognised in other comprehensive income or profit or loss is also recognised in other comprehensive income or profit or loss, respectively).

2.4 重大會計政策概要(續)

外幣

本公司及若干於中國內地以外註冊成立的附屬公司分別使用港元(「港元」)作為其功能貨幣。中國附屬公司的功能貨幣為人民幣。由於本集團主要於中國內地經營，故人民幣用作本集團的呈列貨幣。本集團各實體的財務報表所列項目乃按該實體自行決定的功能貨幣計量。本集團實體所錄得的外幣交易最初均按交易當日的匯率換算為功能貨幣。外幣計值的貨幣資產及負債以報告期末的匯率換算為功能貨幣。因結算或換算貨幣項目產生的差額於損益表中確認。

按外幣歷史成本計量的非貨幣項目，以初始交易日匯率換算。按公平值計量的外幣非貨幣項目以計量公平值日期當日的匯率換算。換算按公平值計量的非貨幣項目所產生的收益或虧損與確認該項目公平值變動盈虧的處理方法一致(即於其他全面收益或損益中確認公平值盈虧的項目匯兌差額，亦分別於其他全面收益或損益中確認)。

NOTES TO FINANCIAL STATEMENTS

財務報表附註

31 December 2020 2020年12月31日

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Foreign currencies (continued)

In determining the exchange rate on initial recognition of the related asset, expense or income on the derecognition of a non-monetary asset or non-monetary liability relating to an advance consideration, the date of initial transaction is the date on which the Group initially recognises the non-monetary asset or non-monetary liability arising from the advance consideration. If there are multiple payments or receipts in advance, the Group determines the transaction date for each payment or receipt of the advance consideration.

The functional currencies of certain overseas subsidiaries are currencies other than Renminbi. As at the end of the reporting period, the assets and liabilities of these entities are translated into Renminbi at the exchange rates prevailing at the end of the reporting period and their statements of profit or loss are translated into Renminbi at the weighted average exchange rates for the year.

The resulting exchange differences are recognised in other comprehensive income and accumulated in the exchange fluctuation reserve. On disposal of a foreign operation, the component of other comprehensive income relating to that particular foreign operation is recognised in the statement of profit or loss.

For the purpose of the consolidated statement of cash flows, the cash flows of overseas subsidiaries are translated into Renminbi at the exchange rates ruling at the dates of the cash flows. Frequently recurring cash flows of overseas subsidiaries which arise throughout the year are translated into Renminbi at the weighted average exchange rates for the year.

2.4 重大會計政策概要(續)

外幣(續)

於釐定就有關資產、開支或收入初步確認的匯率或終止確認有關預付代價的非貨幣性資產或非貨幣性負債的收入時，初步交易日期為本集團初步確認預付代價所產生的非貨幣性資產或非貨幣性負債的日期。倘存在多項預先付款或收款，本集團釐定有關各預付代價款的付款或收款交易日期。

若干海外附屬公司的功能貨幣為人民幣以外的貨幣。於報告期末，該等實體的資產與負債乃根據報告期末的現行匯率換算為人民幣，而其損益表乃按年內加權平均匯率換算為人民幣。

因此產生的匯兌差額將於其他全面收益確認及於匯兌儲備累計。當出售海外業務時，與該特定海外業務有關的其他全面收益組成部份將於損益表中確認入賬。

就綜合現金流量表而言，海外附屬公司的現金流量乃以現金流量當日的匯率換算為人民幣。海外附屬公司於整個年度內頻繁且經常產生的現金流量則以年內加權平均匯率換算為人民幣。

NOTES TO FINANCIAL STATEMENTS

財務報表附註

31 December 2020 2020年12月31日

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 revenue, 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.

Estimation uncertainty

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, are described below.

Impairment of goodwill

The Group determines whether goodwill is impaired at least on an annual basis. This requires an estimation of the value in use of the cash-generating units to which the goodwill is allocated. Estimating the value in use requires the Group to make an estimate of the expected future cash flows from the cash-generating units and also to choose a suitable discount rate in order to calculate the present value of those cash flows. The carrying amount of goodwill at 31 December 2020 was RMB25,901,000 (2019: Nil). Further details are given in note 15.

3. 重大會計判斷及估計

編製本集團的財務報表要求管理層作出會影響收益、開支、資產及負債的呈報金額及其隨附披露以及或然負債披露的判斷、估計及假設。有關該等假設及估計的不確定因素可導致須對未來受影響的資產或負債賬面值作出重大調整。

估計的不確定性

於報告期末，有關未來的主要假設及估計不確定性的其他主要來源(存在導致於下一財政年度內對資產及負債的賬面值作出重大調整的重大風險)論述如下。

商譽減值

本集團至少每年確定商譽是否減值。這需要估計獲分配商譽的現金產生單位的使用價值。本集團估計使用價值時，須估計現金產生單位的預計未來現金流量，並選用適合的貼現率計算該等現金流量的現值。於2020年12月31日，商譽的賬面值分別為人民幣25,901,000元(2019年：零)。進一步詳情載於附註15。

NOTES TO FINANCIAL STATEMENTS

財務報表附註

31 December 2020 2020年12月31日

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES (continued)

Estimation uncertainty (continued)

Deferred tax assets

Deferred tax assets are recognised for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilized. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of future taxable profits together with future tax planning strategies. The carrying value of deferred tax assets at 31 December 2020 was RMB839,000 (2019: RMB212,000). The carrying value of deferred tax assets relating to recognised tax losses at 31 December 2020 was nil (2019: Nil). The amount of unrecognised tax losses at 31 December 2020 was RMB48,644,000 (2019: RMB45,673,000). Further details are contained in note 31 to the financial statements.

Provision for expected credit losses on trade receivables

The Group uses a provision matrix to calculate ECLs for trade receivables. The provision rates are based on days past due for groupings of various customer segments that have similar loss patterns (i.e., by customer type and rating).

The provision matrix is initially based on the Group's historical observed default rates. The Group will calibrate the matrix to adjust the historical credit loss experience with forward-looking information. For instance, if forecast economic conditions (i.e., gross domestic product) are expected to deteriorate over the next year which can lead to an increased number of defaults in the manufacturing sector, the historical default rates are adjusted. At each reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

3. 重大會計判斷及估計 (續)

估計的不確定性 (續)

遞延稅項資產

遞延稅項資產乃於可能取得應課稅溢利而可動用虧損抵銷時就未動用稅項虧損予以確認。釐定可確認遞延稅項資產金額時，管理層需要根據將來預期應課稅溢利時間及水平以及未來稅務計劃策略作出重要判斷。於2020年12月31日，遞延稅項資產的賬面值為人民幣839,000元(2019年：人民幣212,000元)。於2020年12月31日，與已確認稅項虧損有關的遞延稅項資產賬面值為零(2019年：零)。於2020年12月31日，未確認稅項虧損的金額為人民幣48,644,000元(2019年：人民幣45,673,000元)。進一步詳情載於財務報表附註31。

有關貿易應收款項的預期信貸虧損撥備

本集團採用撥備矩陣以計算貿易應收款項的預期信貸虧損。撥備率乃基於因就擁有類似虧損模式的多個客戶分部進行分組(按客戶類型及評級)。

撥備矩陣最初乃基於本集團的過往觀察違約率。本集團將透過調整矩陣以前瞻性資料對過往信貸虧損經驗進行調整。例如，倘預測經濟狀況(國內生產總值)預期將於未來一年內惡化，其可能導致製造部分的違約數量增加，過往違約率將獲調整。於各報告日期，將更新過往觀察違約率並分析前瞻性估計的變動。

NOTES TO FINANCIAL STATEMENTS

財務報表附註

31 December 2020 2020年12月31日

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES (continued)

Estimation uncertainty (continued)

Provision for expected credit losses on trade receivables (continued)

The assessment of the correlation among historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and forecast economic conditions. The Group's historical credit loss experience and forecast of economic conditions may also not be representative of a customer's actual default in the future. The information about the ECLs on the Group's trade receivables is disclosed in note 22 to the financial statements.

Leases — Estimating the incremental borrowing rate
The Group cannot readily determine the interest rate implicit in a lease, and therefore, it uses an incremental borrowing rate (“IBR”) to measure lease liabilities. The IBR is the rate of interest that the Group would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The IBR therefore reflects what the Group “would have to pay”, which requires estimation when no observable rates are available (such as for subsidiaries that do not enter into financing transactions) or when it needs to be adjusted to reflect the terms and conditions of the lease (for example, when leases are not in the subsidiary's functional currency). The Group estimates the IBR using observable inputs (such as market interest rates) when available and is required to make certain entity-specific estimates (such as the subsidiary's stand-alone credit rating).

3. 重大會計判斷及估計 (續)

估計的不確定性 (續)

有關貿易應收款項的預期信貸虧損撥備 (續)

有關過往觀察違約率、預測經濟狀況及預期信貸虧損的關聯性評估為重大估計。預期信貸虧損金額對環境及經濟狀況預期的變動較為敏感。本集團的過往信貸虧損經驗及經濟狀況預測亦未必代表客戶日後實際違約。有關本集團貿易應收款項的預期信貸虧損的資料於財務報表附註22披露。

租賃 — 估計增量借款利率

本集團無法輕易釐定租賃內所隱含的利率，因此，使用其增量借款利率（「增量借款利率」）計量租賃負債。增量借款利率為本集團於類似經濟環境中為取得與使用權資產價值相近之資產，而以類似抵押品與類似期間借入所需資金應支付之利率。因此，增量借款利率反映了本集團「應支付」的利率，當無可觀察的利率時（如就並無訂立融資交易之附屬公司而言）或當須對利率進行調整以反映租賃之條款及條件時（如當租賃並非以附屬公司之功能貨幣訂立時），則須作出利率估計。當可觀察輸入數據可用時，本集團使用可觀察輸入數據（如市場利率）估計增量借款利率並須作出若干實體特定的估計（如附屬公司的獨立信貸評估）。

NOTES TO FINANCIAL STATEMENTS

財務報表附註

31 December 2020 2020年12月31日

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES (continued)

Estimation uncertainty (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.

Fair value of unlisted equity investments

The unlisted equity investments have been valued based on a market-based valuation technique as detailed in note 41 to the financial statements. The valuation requires the Group to determine the comparable public companies (peers) and select the price multiple. In addition, the Group makes estimates about the discount for illiquidity and size differences. The Group classifies the fair value of these investments as Level 3. The fair value of the unlisted equity investments at 31 December 2020 was RMB6,552,000 (2019: RMB6,290,000). Further details are included in note 19 to the financial statements.

3. 重大會計判斷及估計 (續)

估計的不確定性 (續)

非金融資產減值(商譽除外)

於各報告期間末，本集團評估所有非金融資產(包括使用權資產)是否有任何減值跡象。無限期無形資產每年進行減值測試，亦於存在相關跡象的其他時間進行減值測試。其他非金融資產於出現可能不能收回賬面金額的跡象時進行減值測試。當資產或現金產生單位的賬面值超過其可收回金額(即其公平值減出售成本及其使用價值兩者中較大者)時，則存在減值。公平值減出售成本乃根據按公平磋商原則進行具有約束力的類似資產出售交易所得的可用數據或可觀察市場價格減去出售資產的增量成本計算。當計算使用價值時，管理層必須估計資產或現金產生單位的預期未來現金流量，並選擇合適貼現率，以計算該等現金流量的現值。

非上市股本投資的公平值

非上市股本投資乃根據基於市場的估值技術估值，詳情載於財務報表附註41。該估值要求本集團決定可資比較公眾公司(同業者)並選擇價格倍數。此外，本集團預計非流動性及規模差異的折扣。本集團將該等投資的公平值分類為第三級。於2020年12月31日，非上市股本投資的公平值為人民幣6,552,000元(2019年：人民幣6,290,000元)。進一步詳情載於財務報表附註19。

NOTES TO FINANCIAL STATEMENTS

財務報表附註

31 December 2020 2020年12月31日

4. OPERATING SEGMENT INFORMATION

For management purposes, the Group is organised into business units based on their services and has two reportable operating segments as follows:

- (a) Property management services; and
- (b) Urban sanitary services

In previous years, the Board of Directors considered that there were no reportable operating segments other than the property management service segment. In 2020, the Group acquired a 51% equity interest in Hong Xin Environmental Group Co., Ltd.. Hong Xin Environmental Group Co., Ltd. is involved in operation of urban sanitary services. Management monitors the results of the Group's operating segments separately for the purpose of making decisions about resource allocation and performance assessment. Due to the changes in the composition of segment this year, no operating segment information in 2019. Segment performance is evaluated based on reportable segment profit/loss, which is a measure of adjusted profit/loss before tax. The adjusted profit/loss before tax is measured consistently with the Group's profit before tax except that interest income, share of profits and loss of joint ventures and associates, non-lease-related finance costs, other unallocated income and gains as well as corporate and other unallocated expenses are excluded from such measurement.

4. 經營分部資料

為方便管理，本集團按服務劃分業務單位，本集團有以下兩個可報告經營分部：

- (a) 物業管理服務；及
- (b) 城鎮環衛服務

於過往年度，董事會認為除物業管理服務分部外，並無其他可報告經營分部。於2020年，本集團收購泓欣環境集團有限公司51%的股權。泓欣環境集團有限公司經營城鎮環衛服務。管理層個別監察本集團經營分部業績，以便作出資源分配決策及評估表現。由於本年分部組成的變化，2019年無經營分部資料。分部表現按可呈報分部溢利／虧損評估，即計量經調整除稅前溢利／虧損。經調整除稅前溢利／虧損之計量與本集團除稅前溢利貫徹一致，惟有關計量不包括利息收入、分佔合營企業及聯營企業的損益、非租賃相關之財務費用、其他未分配收入及收益以及企業及其他未分配開支。

NOTES TO FINANCIAL STATEMENTS

財務報表附註

31 December 2020 2020年12月31日

4. OPERATING SEGMENT INFORMATION

(continued)

4. 經營分部資料(續)

| Year ended 31 December 2020 | 截至2020年12月31日止年度 | Property management services 物業管理服務 RMB'000 人民幣千元 | Urban sanitary services 城鎮環衛服務 RMB'000 人民幣千元 | Total 總計 RMB'000 人民幣千元 |
|--|-------------------|--|---|---------------------------------|
| Segment revenue (note 5) | 分部收益 (附註5) | | | |
| Service provided to external customers | 向外部客戶提供的服務 | 514,096 | 249,712 | 763,808 |
| Segment results | 分部業績 | 58,111 | 46,042 | 104,153 |
| <i>Reconciliation:</i> | <i>對賬:</i> | | | |
| Interest income | 利息收入 | | | 1,264 |
| Share of profits and losses of: | 應佔以下公司損益: | | | |
| Joint ventures | 合營企業 | | | 1,033 |
| Associates | 聯營企業 | | | 11,769 |
| Other unallocated income and gains | 其他未分配收入及收益 | | | 8,487 |
| Corporate and other unallocated expenses | 企業及其他未分配開支 | | | (71,900) |
| Finance costs (other than interest on lease liabilities) | 融資成本(租賃負債利息除外) | | | (5,456) |
| Profit before tax | 除稅前溢利 | | | 49,350 |

Geographical information

Since all of the Group's revenue was generated from providing property management services and urban sanitary services in Mainland China and all of the Group's non-current assets were located in Mainland China, no geographical information in accordance with HKFRS 8 *Operating Segments* is presented.

Information about major customers

Since none of the Group's sales to a single customer amounted to 10% or more of the Group's total revenue, no information about major customers in accordance with HKFRS 8 *Operating Segments* is presented.

地區資料

由於本集團所有收益均產生自於中國內地提供物業管理服務及城鎮環衛服務，且本集團所有非流動資產均位於中國內地，故並無根據香港財務報告準則第8號經營分部呈列地區資料。

有關主要客戶的資料

由於本集團向單一客戶作出的銷售均未達到本集團總收益的10%或以上，故並無根據香港財務報告準則第8號經營分部呈列主要客戶資料。

NOTES TO FINANCIAL STATEMENTS

財務報表附註

31 December 2020 2020年12月31日

5. REVENUE, OTHER INCOME AND GAINS

An analysis of revenue is as follows:

5. 收益、其他收入及收益

收益分析如下：

| | | 2020 二零二零年 RMB'000 人民幣千元 | 2019 二零一九年 RMB'000 人民幣千元 |
|--|-------------|-----------------------------------|-----------------------------------|
| <i>Revenue from contracts with customers</i> | | | |
| <i>來自客戶合約的收益</i> | | | |
| Property management service income on the lump sum basis | 包幹制物業管理服務收入 | 509,149 | 476,646 |
| Property management service income on the fixed remuneration basis | 酬金制物業管理服務收入 | 4,947 | 4,884 |
| Urban sanitary service income | 城鎮環衛服務收入 | 249,712 | — |
| | | 763,808 | 481,530 |

Revenue from contracts with customers

(a) Disaggregated revenue information

來自客戶合約的收益

(a) 分類收益資料

| | | 2020 二零二零年 RMB'000 人民幣千元 | 2019 二零一九年 RMB'000 人民幣千元 |
|---------------------------------------|--------|-----------------------------------|-----------------------------------|
| Timing of revenue recognition | | | |
| 收益確認時間 | | | |
| <i>Services transferred over time</i> | | | |
| <i>隨時間轉讓的服務</i> | | | |
| Property management services | 物業管理服務 | 514,096 | 481,530 |
| Urban sanitary services | 城鎮環衛服務 | 249,712 | — |
| | | 763,808 | 481,530 |

NOTES TO FINANCIAL STATEMENTS

財務報表附註

31 December 2020 2020年12月31日

5. REVENUE, OTHER INCOME AND GAINS

(continued)

Revenue from contracts with customers

(continued)

(a) Disaggregated revenue information (continued)

The following table shows the amount of revenue recognised in the current reporting period that was included in the contract liabilities at the beginning of the reporting period and recognised from performance obligations satisfied in previous periods:

| | | 2020 二零二零年 RMB'000 人民幣千元 | 2019 二零一九年 RMB'000 人民幣千元 |
|--|---------------------|-----------------------------------|-----------------------------------|
| Revenue recognised that was included in contract liabilities at the beginning of the reporting period: | 已確認於報告期初已列入合約負債的收益： | | |
| Provision of property management services | 提供物業管理服務 | 6,264 | 5,425 |

(b) Performance obligation

Information about the Group's performance obligations is summarised below:

Property management services and urban sanitary services

The performance obligation is satisfied over time as services are rendered. Management service contracts are for periods of one to five years, and are billed based on the time incurred.

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、其他收入及收益(續)

來自客戶合約的收益(續)

(a) 分類收益資料(續)

下表列示本報告期間確認的收益金額，該等收益入賬列作報告期初的合約負債並從先前期間完成的履約責任當中予以確認：

(b) 履約責任

關於本集團的履約責任資料概述如下：

物業管理服務及城鎮環衛服務

履約責任隨提供服務的時間完成。管理服務合約乃按一至五年的年期訂立，並按產生的時間計賬。

於12月31日，分配至餘下履約責任(未完成或部分完成)的交易價格金額如下：

| | | 2020 二零二零年 RMB'000 人民幣千元 | 2019 二零一九年 RMB'000 人民幣千元 |
|---|-------------|-----------------------------------|-----------------------------------|
| Amounts expected to be recognised as revenue: | 預期確認為收益的金額： | | |
| Within one year | 一年內 | 596,881 | 353,158 |
| After one year | 超過一年 | 397,884 | 242,135 |
| | | 994,765 | 595,293 |

NOTES TO FINANCIAL STATEMENTS

財務報表附註

31 December 2020 2020年12月31日

5. REVENUE, OTHER INCOME AND GAINS

(continued)

Revenue from contracts with customers

(continued)

(b) Performance obligation (continued)

The amounts of transaction prices allocated to the remaining performance obligations which are expected to be recognised as revenue after one year relate to property management services, of which the performance obligations are to be satisfied within five years. All the other amounts of transaction prices allocated to the remaining performance obligations are expected to be recognised as revenue within one year. The amounts disclosed above do not include variable consideration which is constrained.

5. 收益，其他收入及收益(續)

來自客戶合約的收益(續)

(b) 履約責任(續)

預期將於一年後確認為收益的分配至餘下履約責任的交易價格金額涉及將於五年內達成的物業管理服務。分配至餘下履約責任的所有其他交易價格金額預期將於一年內確認為收益。上文披露的金額並不包括受限制的可變代價。

| | | 2020 二零二零年 RMB'000 人民幣千元 | 2019 二零一九年 RMB'000 人民幣千元 |
|---|----------------------|-----------------------------------|-----------------------------------|
| Other income | | | |
| Interest income | 其他收入 利息收入 | 1,478 | 1,316 |
| Government grants* | 政府扶持資金* | 6,627 | 2,633 |
| Others | 其他 | 775 | 2,793 |
| | | 8,880 | 6,742 |
| Gains | | | |
| Gain on disposal of associates | 收益 出售聯營企業收益 | 200 | — |
| Fair value gain on re-measurement of a previously held equity interest in a joint venture | 先前持有一間合營企業公平值的重新評估收益 | 359 | — |
| Fair value gains net: | 公平值收益淨額： | | |
| Financial assets at fair value through profit or loss | 按公平值計入損益的金融資產 | 312 | — |
| | | 871 | — |
| | | 9,751 | 6,742 |

* Government grants include various subsidies received by the Group from the relevant government bodies. There are no unfulfilled conditions or contingencies relating to these grants.

* 政府扶持資金包括本集團從相關政府機構獲得的多種補助。概無有關該等補助的未達成條件或或有事項。

NOTES TO FINANCIAL STATEMENTS

財務報表附註

31 December 2020 2020年12月31日

6. PROFIT BEFORE TAX

The Group's profit before tax is arrived at after charging:

6. 除稅前溢利

本集團除稅前溢利乃扣除下列各項後得出：

| | | | 2020 二零二零年 RMB'000 人民幣千元 | 2019 二零一九年 RMB'000 人民幣千元 |
|---|-------------------------------|-------------|-----------------------------------|-----------------------------------|
| | | Notes 附註 | | |
| Cost of services provided | 提供服務成本 | | 646,561 | 407,359 |
| Depreciation of property, plant and equipment | 物業、廠房及設備折舊 | 13 | 10,313 | 1,655 |
| Depreciation of right-of-use assets | 使用權資產折舊 | 14 | 4,115 | — |
| Amortization of intangible assets | 無形資產攤銷 | 16 | 6,798 | 750 |
| Research and development costs | 研發成本 | | 4,842 | 8,041 |
| Employee benefit expenses (including directors' and chief executive's remuneration (note 8)): | 僱員福利開支 (包括董事及主要行政人員酬金 (附註8)): | | | |
| Wages and salaries | 工資及薪金 | | 234,281 | 101,984 |
| Pension scheme contributions (defined contribution scheme) | 退休金計劃供款(界定供款計劃) | | 18,713 | 34,561 |
| Lease payments not included in the measurement of lease liabilities | 未計入租賃負債計量的租賃付款 | | 965 | 2,458 |
| Auditor's remuneration | 核數師酬金 | | 1,600 | 1,400 |
| Bank charges | 銀行收費 | | 236 | 307 |
| Office expenses | 辦公室開支 | | 4,387 | 2,641 |
| Impairment of trade receivables, net | 貿易應收款項減值淨額 | 22 | 5,541 | 707 |
| Loss on disposal of a subsidiary | 出售一間附屬公司虧損 | 35 | 46 | — |
| Net loss on disposal of items of property, plant and equipment | 出售物業、廠房及設備項目虧損淨額 | | 566 | 80 |

NOTES TO FINANCIAL STATEMENTS

財務報表附註

31 December 2020 2020年12月31日

7. INTEREST EXPENSES

An analysis of interest expenses is as follows:

7. 利息開支

利息開支分析如下：

| | | 2020 二零二零年 RMB'000 人民幣千元 | 2019 二零一九年 RMB'000 人民幣千元 |
|--|---------------|-----------------------------------|-----------------------------------|
| Interest expenses on bank loans and other borrowings | 銀行借款及其他借款利息開支 | 5,456 | 1,676 |
| Interest on lease liabilities | 租賃負債利息 | 433 | — |
| | | 5,889 | 1,676 |

8. DIRECTORS' AND CHIEF EXECUTIVE'S REMUNERATION

Directors' and chief executive's remuneration for the year, disclosed pursuant to the Rules Governing the Listing of Securities on the Stock Exchange, as amended, supplemented or otherwise modified from time to time, 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:

8. 董事及主要行政人員酬金

根據聯交所證券上市規則(經不時修訂、補充或以其他方式修改)、香港公司條例第383(1)(a)、(b)、(c)及(f)條以及公司(披露董事利益資料)規例第2部須予披露的年內董事及主要行政人員的酬金如下：

| | | 2020 二零二零年 RMB'000 人民幣千元 | 2019 二零一九年 RMB'000 人民幣千元 |
|---|------------|-----------------------------------|-----------------------------------|
| Fees | 袍金 | 315 | 315 |
| Other emoluments: | 其他酬金： | | |
| Salaries, allowances and benefits in kind | 薪金、津貼及實物福利 | 2,836 | 2,753 |
| Pension scheme contributions | 退休金計劃供款 | 77 | 162 |
| | | 2,913 | 2,915 |
| | | 3,228 | 3,230 |

NOTES TO FINANCIAL STATEMENTS

財務報表附註

31 December 2020 2020年12月31日

8. DIRECTORS' AND CHIEF EXECUTIVE'S REMUNERATION (continued)

(a) Independent non-executive directors

The fees paid to independent non-executive directors during the year were as follows:

| | | 2020 二零二零年 RMB'000 人民幣千元 | 2019 二零一九年 RMB'000 人民幣千元 |
|--------------------------|-------|-----------------------------------|-----------------------------------|
| Mr. Shu Wa Tung Laurence | 舒華東先生 | 105 | 105 |
| Mr. Cheng Dong | 程東先生 | 105 | 105 |
| Mr. Weng Guoqiang | 翁國強先生 | 105 | 105 |
| | | 315 | 315 |

There were no other emoluments payable to the independent non-executive directors during the year (2019: Nil).

8. 董事及主要行政人員酬金(續)

(a) 獨立非執行董事

年內已付獨立非執行董事的袍金如下：

年內，概無應付予獨立非執行董事的其他酬金(2019年：無)。

(b) Executive directors, a non-executive director and the chief executive

(b) 執行董事、一名非執行董事及主要行政人員

| | | Year ended 31 December 2020 截至2020年12月31日止年度 | | | |
|---------------------------------|----------------------|---|---|------------------------------|--------------------|
| | | Fees | Salaries, allowances and benefits in kind | Pension scheme contributions | Total remuneration |
| | | 袍金 | 薪金、津貼及實物福利 | 退休金計劃 | 供款 |
| | | 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 |
| Executive directors: | 執行董事： | | | | |
| Mr. Xiao Xing Tao | 肖興濤先生 | — | 929 | — | 929 |
| Mr. Fu Qi Chang | 傅其昌先生 | — | 654 | — | 654 |
| Mr. Xiao Yu Qiao ⁽¹⁾ | 肖予喬先生 ⁽¹⁾ | — | 590 | 34 | 624 |
| Mr. Jia Shao Jun | 賈少軍先生 | — | 580 | 34 | 614 |
| Ms. Wang Hui ⁽²⁾ | 王慧女士 ⁽²⁾ | — | 83 | 9 | 92 |
| Non-executive director: | 非執行董事： | | | | |
| Mr. Zhang Yong Jun | 張擁軍先生 | — | — | — | — |
| | | — | 2,836 | 77 | 2,913 |

NOTES TO FINANCIAL STATEMENTS

財務報表附註

31 December 2020 2020年12月31日

8. DIRECTORS' AND CHIEF EXECUTIVE'S REMUNERATION (continued)

(b) Executive directors, a non-executive director and the chief executive (continued)

8. 董事及主要行政人員酬金(續)

(b) 執行董事、一名非執行董事及主要行政人員(續)

Year ended 31 December 2019
截至2019年12月31日止年度

| | Fees | Salaries, allowances and benefits in kind | Pension scheme contributions | Total remuneration |
|--|---------|---|------------------------------|--------------------|
| | 袍金 | 薪金、津貼及實物福利 | 退休金計劃供款 | 總薪酬 |
| | 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 |
| Executive directors: 執行董事: | | | | |
| Mr. Xiao Xing Tao 肖興濤先生 | — | 929 | — | 929 |
| Mr. Fu Qi Chang 傅其昌先生 | — | 654 | — | 654 |
| Mr. Xiao Yu Qiao ⁽¹⁾ 肖予喬先生 ⁽¹⁾ | — | 590 | 81 | 671 |
| Mr. Jia Shao Jun 賈少軍先生 | — | 580 | 81 | 661 |
| Non-executive director: 非執行董事: | | | | |
| Mr. Zhang Yong Jun 張擁軍先生 | — | — | — | — |
| | — | 2,753 | 162 | 2,915 |

(1) Mr. Xiao Yu Qiao is also the chief executive of the Company.

(2) Ms. Wang hui was appointed as an executive director of the Company on 20 November 2020.

There was no arrangement under which a director or the chief executive waived or agreed to waive any remuneration during the year.

(1) 肖予喬先生亦為本公司行政總裁。

(2) 王慧女士於2020年11月20日獲委任為本公司執行董事。

年內，概無任何董事或主要行政人員放棄或同意放棄任何酬金的安排。

NOTES TO FINANCIAL STATEMENTS

財務報表附註

31 December 2020 2020年12月31日

9. FIVE HIGHEST PAID EMPLOYEES

The five highest paid employees during the year included four directors including the chief executive (2019: four directors including the chief executive), details of whose remuneration are set out in note 8 above. Details of the remuneration for the year of the remaining one (2019: one) highest paid employee who is neither a director nor chief executive of the Company are as follows:

9. 五名最高薪僱員

年內，五名最高薪僱員包括四名董事及主要行政人員(2019年：四名董事，包括行政總裁)，彼等的酬金詳情載於上文附註8。餘下一名(2019年：一名)並非本公司董事或主要行政人員的最高薪僱員的年內酬金如下：

| | 2020 二零二零年 RMB'000 人民幣千元 | 2019 二零一九年 RMB'000 人民幣千元 |
|--|-----------------------------------|-----------------------------------|
| Salaries, allowances and benefits in kind 薪金、津貼及實物福利 | 580 | 580 |
| Pension scheme contributions 退休金計劃供款 | 34 | 81 |
| | 614 | 661 |

The number of non-director and non-chief executive highest paid employees whose remuneration fell within the following band is as follows:

酬金介乎以下範圍的非董事及非主要行政人員的最高薪僱員人數如下：

| | 2020 二零二零年 | 2019 二零一九年 |
|-------------------------------------|---------------|---------------|
| Nil to RMB1,000,000 零至人民幣1,000,000元 | 1 | 1 |

NOTES TO FINANCIAL STATEMENTS

財務報表附註

31 December 2020 2020年12月31日

10. INCOME TAX EXPENSE

The Group is subject to income tax on an entity basis on profits arising in or derived from the tax jurisdictions in which members of the Group are domiciled and operate. The Group and the Company are not liable for income tax in Hong Kong as they did not have assessable income sourced from Hong Kong during the year.

The Company is a tax-exempted company incorporated in the Cayman Islands.

Provision for the PRC income tax has been made at the applicable income tax rate of 25% (2019: 25%) on the assessable profits of the PRC subsidiaries.

10. 所得稅開支

本集團須以實體基準就本集團成員公司於其註冊及經營所在司法權區所產生或取得的溢利支付所得稅。本集團及本公司毋須繳納香港所得稅，因為其於年內並無源自香港的應課稅收入。

本公司為於開曼群島註冊成立的免稅公司。

對中國附屬公司應課稅溢利按適用所得稅率25% (2019年：25%) 進行中國所得稅撥備。

| | | 2020 二零二零年 RMB'000 人民幣千元 | 2019 二零一九年 RMB'000 人民幣千元 |
|---|-----------------|-----------------------------------|-----------------------------------|
| Current Mainland China corporate income tax charge for the year | 即期中國內地企業所得稅年內支出 | 14,171 | 3,500 |
| Deferred tax (note 31) | 遞延稅項(附註31) | (1,789) | (177) |
| Total tax charge for the year | 年內稅項支出總額 | 12,382 | 3,323 |

NOTES TO FINANCIAL STATEMENTS

財務報表附註

31 December 2020 2020年12月31日

10. INCOME TAX EXPENSE (continued)

A reconciliation of the tax expense applicable to profit before tax at the statutory rate for the jurisdiction in which the Company and the majority of its subsidiaries are domiciled to the tax expense at the effective tax rate, and a reconciliation of the applicable rate (i.e., the statutory tax rates) to the effective tax rates are as follows:

10. 所得稅開支(續)

按本公司及其大部分附屬公司註冊所在司法權區法定稅率計算的除稅前溢利所適用的稅項開支與按實際稅率計算的稅項開支對賬，以及適用稅率(即法定稅率)與實際稅率的對賬如下：

| | | 2020 二零二零年 RMB'000 人民幣千元 | 2019 二零一九年 RMB'000 人民幣千元 |
|--|--------------------------|-----------------------------------|-----------------------------------|
| Profit before tax | 除稅前溢利 | 49,350 | 23,804 |
| Tax at the statutory tax rate of 25% | 按法定稅率25% 計算的稅項 | 12,338 | 5,951 |
| Lower tax rates enacted by local authority | 地方機關頒佈 的較低稅率 | (518) | (234) |
| Tax losses utilized from previous periods | 所動用過往期間 稅項虧損 | (282) | — |
| Profits attributable to joint ventures and associates (note (a)) | 合營企業及聯營企業應 佔溢利(附註(a)) | (3,200) | (2,991) |
| Adjustment in respect of current tax of previous period | 就過往期間之即期稅項 作出調整 | 221 | — |
| Expenses not deductible for tax | 不可扣稅的開支 | 2,958 | 696 |
| Release of tax provision upon the expiry of statute of limitation (note (b)) | 時效法屆滿後解除稅項 撥備(附註(b)) | — | (3,285) |
| Tax losses not recognised | 未確認稅項虧損 | 865 | 3,186 |
| Tax charge at the Group's effective rate | 按本集團實際稅率計算 的稅項開支 | 12,382 | 3,323 |

Notes:

- (a) The share of tax attributable to joint ventures and associates amounting to RMB4,365,000 for the year ended 31 December 2020 (2019: RMB3,670,000) is included in "Share of profits and losses of joint ventures and associates" in the consolidated statement of profit or loss.
- (b) The release of a tax provision of RMB3,285,000 represented differences between tax provided under the Deemed Profit Basis and Accounting Book Basis for certain entities of the Group for the year ended 31 December 2015. Such provision is only released upon the latter of i) the receipt of confirmation from the competent tax bureau about the adoption of the deemed profit tax assessment basis and the tax rate following the provisions of relevant PRC tax laws, which was received in April 2017; and ii) the expiration of the statute of limitation of the tax provision for the year ended 31 December 2015, which was on 31 May 2019.

附註：

- (a) 截至2020年12月31日止年度，分佔合營企業及聯營企業稅項人民幣4,365,000元(2019年：人民幣3,670,000元)，乃計入綜合損益表「分佔合營企業及聯營企業損益」。
- (b) 解除稅項撥備人民幣3,285,000元指截至2015年12月31日止年度本集團若干實體按認定溢利基準與查賬徵收基準計提稅項撥備的差額。有關撥備僅於i)收到主管稅務局有關遵照中國相關稅法的規定採用認定溢利評稅基準及稅率的確認書，已於2017年4月收到該確認書；及ii)截至2015年12月31日止年度的稅項撥備時效法屆滿(於2019年5月31日屆滿)後(以較遲發生者為準)予以解除。

NOTES TO FINANCIAL STATEMENTS

財務報表附註

31 December 2020 2020年12月31日

11. DIVIDENDS

11. 股息

| | | 2020 二零二零年 RMB'000 人民幣千元 | 2019 二零一九年 RMB'000 人民幣千元 |
|--|------------------------------|-----------------------------------|-----------------------------------|
| Interim — HK0.8 cents (2019: HK0.8 cents) per ordinary share | 中期 — 每股普通股0.8港仙(2019年：0.8港仙) | 3,600 | 2,903 |
| Proposed final — HK1.2 cents (2019: Nil) per ordinary share | 建議末期 — 每股普通股1.2港仙(2019年：零) | 4,104 | — |
| | | 7,704 | 2,903 |

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經本公司股東於即將召開的股東週年大會上批准。

12. EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT

The calculation of the basic earnings per share amount is based on the profit for the year attributable to ordinary equity holders of the parent, and the ordinary shares of 396,782,000 (2019: 397,479,967) in issue during the year, as adjusted to reflect the weighted average number of shares repurchased under the share award scheme during the year.

The Group had no potentially dilutive ordinary shares in issue during the year ended 31 December 2020 (2019: Nil).

12. 母公司普通權益持有人應佔每股盈利

每股基本盈利金額乃按母公司普通權益擁有人應佔本年度溢利及本年度已發行396,782,000股(2019年：397,479,967股)普通股計算，並已進行調整以反映本年度根據股份獎勵計劃購回股份的加權平均數。

截至2020年12月31日止年度，本集團並無潛在攤薄已發行普通股(2019年：無)。

NOTES TO FINANCIAL STATEMENTS

財務報表附註

31 December 2020 2020年12月31日

12. EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT (continued)

The calculations of basic and diluted earnings per share are based on:

12. 母公司普通權益持有人應佔每股盈利(續)

每股基本及攤薄盈利乃按以下數據計算：

| | | 2020 二零二零年 RMB'000 人民幣千元 | 2019 二零一九年 RMB'000 人民幣千元 |
|---|-----------------|-----------------------------------|-----------------------------------|
| Earnings | 盈利 | | |
| Profit attributable to ordinary equity holders of the parent | 母公司普通權益持有人應佔溢利 | 26,209 | 17,802 |
| | | Number of shares 股份數目 | |
| | | 2020 二零二零年 | 2019 二零一九年 |
| Shares | 股份 | | |
| Weighted average number of ordinary shares in issue during the year | 本年度已發行普通股的加權平均數 | 396,782,000 | 397,479,967 |
| Earnings per share | 每股盈利 | | |
| Basic and diluted (RMB) | 基本及攤薄(人民幣) | 0.07 | 0.04 |

NOTES TO FINANCIAL STATEMENTS

財務報表附註

31 December 2020 2020年12月31日

13. PROPERTY, PLANT AND EQUIPMENT

13. 物業、廠房及設備

| | | Leasehold improvements 租賃物業裝修 RMB'000 人民幣千元 | Plant and machinery 廠房及機器 RMB'000 人民幣千元 | Furniture and fixtures 傢俬及裝置 RMB'000 人民幣千元 | Motor vehicles 汽車 RMB'000 人民幣千元 | Total 總計 RMB'000 人民幣千元 |
|--|---------------------|--|--|---|--|---------------------------------|
| 31 December 2020 | 2020年12月31日 | | | | | |
| At 1 January 2020: | 於2020年1月1日: | | | | | |
| Cost | 成本 | 1,941 | 3,765 | 1,564 | 4,049 | 11,319 |
| Accumulated depreciation | 累計折舊 | (922) | (2,463) | (959) | (2,608) | (6,952) |
| Net carrying amount | 賬面淨值 | 1,019 | 1,302 | 605 | 1,441 | 4,367 |
| At 1 January 2020, net of accumulated depreciation | 於2020年1月1日，扣除累計折舊 | 1,019 | 1,302 | 605 | 1,441 | 4,367 |
| Additions | 添置 | 1,455 | 1,456 | 242 | 10,276 | 13,429 |
| Acquisition of subsidiaries (note 34) | 收購附屬公司(附註34) | 216 | 3,072 | 479 | 25,865 | 29,632 |
| Disposals | 出售 | — | (285) | (7) | (515) | (807) |
| Disposal of a subsidiary (note 35) | 出售一間附屬公司(附註35) | (258) | (301) | (170) | (557) | (1,286) |
| Depreciation provided during the year (note 6) | 年內折舊撥備(附註6) | (454) | (1,453) | (292) | (8,114) | (10,313) |
| At 31 December 2020, net of accumulated depreciation | 於2020年12月31日，扣除累計折舊 | 1,978 | 3,791 | 857 | 28,396 | 35,022 |
| At 31 December 2020: | 於2020年12月31日: | | | | | |
| Cost | 成本 | 3,302 | 10,549 | 2,547 | 60,196 | 76,594 |
| Accumulated depreciation | 累計折舊 | (1,324) | (6,758) | (1,690) | (31,800) | (41,572) |
| Net carrying amount | 賬面淨值 | 1,978 | 3,791 | 857 | 28,396 | 35,022 |

NOTES TO FINANCIAL STATEMENTS

財務報表附註

31 December 2020 2020年12月31日

13. PROPERTY, PLANT AND EQUIPMENT

(continued)

13. 物業、廠房及設備(續)

| | | Leasehold improvements 租賃物業裝修 RMB'000 人民幣千元 | Plant and machinery 廠房及機器 RMB'000 人民幣千元 | Furniture and fixtures 傢俬及裝置 RMB'000 人民幣千元 | Motor vehicles 汽車 RMB'000 人民幣千元 | Total 總計 RMB'000 人民幣千元 |
|--|---------------------|---|---|--|---|---------------------------------|
| 31 December 2019 | 2019年12月31日 | | | | | |
| At 1 January 2019: | 於2019年1月1日: | | | | | |
| Cost | 成本 | 1,856 | 3,153 | 1,055 | 4,253 | 10,317 |
| Accumulated depreciation | 累計折舊 | (946) | (2,170) | (881) | (2,570) | (6,567) |
| Net carrying amount | 賬面淨值 | 910 | 983 | 174 | 1,683 | 3,750 |
| At 1 January 2019, net of accumulated depreciation | 於2019年1月1日，扣除累計折舊 | 910 | 983 | 174 | 1,683 | 3,750 |
| Additions | 添置 | 640 | 894 | 534 | 284 | 2,352 |
| Disposals | 出售 | — | (49) | (3) | (28) | (80) |
| Depreciation provided during the year (note 6) | 年內折舊撥備(附註6) | (531) | (526) | (100) | (498) | (1,655) |
| At 31 December 2019, net of accumulated depreciation | 於2019年12月31日，扣除累計折舊 | 1,019 | 1,302 | 605 | 1,441 | 4,367 |
| At 31 December 2019: | 於2019年12月31日: | | | | | |
| Cost | 成本 | 1,941 | 3,765 | 1,564 | 4,049 | 11,319 |
| Accumulated depreciation | 累計折舊 | (922) | (2,463) | (959) | (2,608) | (6,952) |
| Net carrying amount | 賬面淨值 | 1,019 | 1,302 | 605 | 1,441 | 4,367 |

At 31 December 2020, certain of the Group's motor vehicles with a net carrying amount of approximately RMB6,320,000 (2019: Nil) were pledged to secure certain of the other borrowings (note 30).

於2020年12月31日，本集團賬面淨值約為人民幣6,320,000元(二零一九年：零)的汽車已抵押作為其他借款之擔保(附註30)。

NOTES TO FINANCIAL STATEMENTS

財務報表附註

31 December 2020 2020年12月31日

14. LEASES

The Group as a lessee

The Group has lease contracts for various items of office premises, and plant and equipment. Leases of office premises generally have lease terms between 2 and 5 years, while plant and equipment have lease terms of 3 years. Other rental agreements generally have lease terms of 12 months or less and are individually of low value.

- (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:

14. 租賃

本集團作為承租人

本集團就各項辦公場所、廠房及設備訂立租賃合約。辦公場所租賃的租期通常介乎2至5年，而廠房及設備的租期為3年。其他租賃協議的租期通常為12個月或更短且個別具有較低價值。

- (a) 使用權資產
年內，本集團的使用權資產賬面值及變動如下：

| | | Office premises 辦公場所 RMB'000 人民幣千元 | Plant and equipment 廠房及設備 RMB'000 人民幣千元 | Total 總計 RMB'000 人民幣千元 |
|---|--------------------|---|--|---------------------------------|
| As at 1 January 2020 | 於2020年1月1日 | — | — | — |
| Additions | 添置 | 7,529 | — | 7,529 |
| Additions as a result of acquisition of a subsidiary (note 34) | 因收購一間附屬公司添置 (附註34) | 2,811 | 1,414 | 4,225 |
| Depreciation charge (note 6) | 折舊開支(附註6) | (3,241) | (874) | (4,115) |
| Revision of a lease term arising from a change in the non-cancellable period of a lease | 不可撤銷租賃期間變動導致修訂租賃期 | — | (393) | (393) |
| As at 31 December 2020 | 於2020年12月31日 | 7,099 | 147 | 7,246 |

NOTES TO FINANCIAL STATEMENTS

財務報表附註

31 December 2020 2020年12月31日

14. 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:

14. 租賃(續)

本集團作為承租人(續)

(b) 租賃負債

年內，租賃負債的賬面值及變動如下：

| | | 2020 二零二零年 RMB'000 人民幣千元 |
|---|--------------------|-----------------------------------|
| Carrying amount at 1 January | 於1月1日的賬面值 | — |
| New leases | 新租賃 | 7,529 |
| Additions as a result of acquisition of a subsidiary (note 34) | 因收購一間附屬公司添置(附註34) | 4,533 |
| Accretion of interest recognised during the year | 年內已確認利息增加 | 433 |
| Covid-19-related rent concessions from lessors | 出租人給予的新冠病毒疫情相關租金減免 | (385) |
| Payments | 付款 | (4,055) |
| Revision of a lease term arising from a change in the non-cancellable period of a lease | 不可撤銷租賃期間變動導致修訂租賃期 | (493) |
| Carrying amount at 31 December | 於12月31日的賬面值 | 7,562 |
| Analysed into: | 分析為： | |
| Current | 流動部分 | 3,390 |
| Non-current | 非流動部分 | 4,172 |

The maturity analysis of lease liabilities is disclosed in note 43 to the financial statements.

租賃負債的到期分析於財務報表附註43披露。

NOTES TO FINANCIAL STATEMENTS

財務報表附註

31 December 2020 2020年12月31日

14. LEASES (continued)

The Group as a lessee (continued)

(c) The amounts recognised in profit or loss in relation to leases are as follows:

| | | 2020 二零二零年 RMB'000 人民幣千元 | 2019 二零一九年 RMB'000 人民幣千元 |
|--|--------------------|-----------------------------------|-----------------------------------|
| Interest on lease liabilities | 租賃負債利息 | 433 | — |
| Depreciation charge of right-of-use assets | 使用權資產的折舊開支 | 4,115 | — |
| Expense relating to short-term leases and leases of low-value assets | 短期租賃及低價值資產租賃相關開支 | 965 | 2,458 |
| Covid-19-related rent concessions from lessors | 出租人給予的新冠病毒疫情相關租金減免 | (385) | — |
| Total amount recognised in profit or loss | 於損益確認的總金額 | 5,128 | 2,458 |

(d) The total cash outflow for leases and future cash outflows relating to leases that have not yet commenced are disclosed in notes 36(c) to the financial statements.

14. 租賃(續)

本集團作為承租人(續)

(c) 於損益確認與租賃有關的金額如下：

(d) 租賃的現金流出總額及與還未開始租賃相關的未來現金流出披露於財務報表附註36(c)。

15. GOODWILL

15. 商譽

| | | RMB'000 人民幣千元 |
|--|--------------------------|------------------|
| 31 December 2020 | 2020年12月31日 | |
| Cost at 1 January 2020 | 於2020年1月1日的成本 | — |
| Acquisition of a subsidiary (note 34) | 收購一間附屬公司(附註34) | 25,901 |
| Cost and net carrying amount at 31 December 2020 | 於2020年12月31日的成本及賬面淨值 | 25,901 |
| At 31 December 2020: Cost and net carrying amount | 於2020年12月31日: 成本及賬面淨值 | 25,901 |

NOTES TO FINANCIAL STATEMENTS

財務報表附註

31 December 2020 2020年12月31日

15. GOODWILL (continued)

Impairment testing of goodwill

Goodwill acquired through business combinations is allocated to the Hong Xin Environmental Group Co., Ltd.

The recoverable amount of the relevant cash-generating unit has been determined based on a value in use calculation using cash flow projections based on financial budgets covering a five-year period approved by senior management. The pre-tax discount rate applied to the cash flow projections is 18.4%. The growth rate used to extrapolate the cash flows beyond the five-year period is 3%.

Assumptions were used in the value in use calculation of the relevant cash-generating units for 31 December 2020. The following describes each key assumption on which management has based its cash flow projections to undertake impairment testing of goodwill:

Budgeted gross margins — The basis used to determine the value assigned to the budgeted gross margins is the average gross margins achieved in the year immediately before the budget year, increased for expected efficiency improvements, and expected market development.

Discount rates — The discount rates used are before tax and reflect specific risks relating to the relevant units.

The values assigned to the key assumptions on market development of urban sanitary service income and the discount rates are consistent with external information sources.

15. 商譽(續)

商譽減值測試

透過企業合併形成的商譽被分配至泓欣環境集團有限公司。

相關現金產出單元的可回收價值，由基於高級管理層批准的未來5年財務預測所得之現金流量預測而計算得到的使用價值決定。現金流量預測使用的稅前折扣率為18.4%。用於推斷5年以外期間現金流量的增長率為3%。

計算相關現金產出單元於2020年12月31日的使用價值使用了假設條件。如下描述為管理層進行商譽減值測試時所基於的每一關鍵假設：

預算毛利率 — 用於決定預算毛利率數值的基礎為緊接預算年度之前一年的實際平均毛利率，期望效率提升的增長以及預期的市場發展。

折現率 — 使用的折扣率為稅前並反映了相關單元的特定風險。

分派於環衛服務收入市場增長以及折扣率的關鍵假設的數值，與外部信息來源一致。

NOTES TO FINANCIAL STATEMENTS

財務報表附註

31 December 2020 2020年12月31日

16. INTANGIBLE ASSETS

16. 無形資產

| | | Customer relationship 客戶關係 RMB'000 人民幣千元 | Software 軟件 RMB'000 人民幣千元 | Total 總計 RMB'000 人民幣千元 |
|---|----------------------|---|------------------------------------|---------------------------------|
| 31 December 2020 | 2020年12月31日 | | | |
| Cost at 1 January 2020, net of accumulated amortization | 於2020年1月1日的成本，扣除累計攤銷 | — | 3,490 | 3,490 |
| Additions | 添置 | — | 165 | 165 |
| Acquisition of a subsidiary (note 34) | 收購一間附屬公司 (附註34) | 54,000 | — | 54,000 |
| Amortization provided during the year (note 6) | 年內攤銷撥備 (附註6) | (5,500) | (1,298) | (6,798) |
| At 31 December 2020 | 於2020年12月31日 | 48,500 | 2,357 | 50,857 |
| At 31 December 2020: | 於2020年12月31日： | | | |
| Cost | 成本 | 54,000 | 4,493 | 58,493 |
| Accumulated amortization | 累計攤銷 | (5,500) | (2,136) | (7,636) |
| Net carrying amount | 賬面淨值 | 48,500 | 2,357 | 50,857 |

Software
軟件
RMB'000
人民幣千元

| | | | | |
|---|----------------------|--|--|---------|
| 31 December 2019 | 2019年12月31日 | | | |
| Cost at 1 January 2019, net of accumulated amortization | 於2019年1月1日的成本，扣除累計攤銷 | | | 895 |
| Additions | 添置 | | | 3,345 |
| Amortization provided during the year (note 6) | 年內攤銷撥備 (附註6) | | | (750) |
| At 31 December 2019 | 於2019年12月31日 | | | 3,490 |
| At 31 December 2019: | 於2019年12月31日： | | | |
| Cost | 成本 | | | 4,629 |
| Accumulated amortization | 累計攤銷 | | | (1,139) |
| Net carrying amount | 賬面淨值 | | | 3,490 |

NOTES TO FINANCIAL STATEMENTS

財務報表附註

31 December 2020 2020年12月31日

17. INVESTMENTS IN JOINT VENTURES

17. 於合營企業投資

| | | 2020 二零二零年 RMB'000 人民幣千元 | 2019 二零一九年 RMB'000 人民幣千元 |
|---------------------|--------|-----------------------------------|-----------------------------------|
| Share of net assets | 分佔資產淨值 | 14,879 | 19,858 |

合肥市政文外灘物業管理有限公司(Hefei Zheng Wen Bund Property Management Co., Ltd.) (“Hefei Zheng Wen”) and 湖南浦江物業管理有限公司(Hunan Pujiang Property Management Co., Ltd.) (“Hunan Pu Jiang”) are joint ventures of the Group and are considered to be related parties of the Group.

合肥市政文外灘物業管理有限公司(「合肥政文」)及蚌埠市置信物業有限公司為本集團合營企業及被視為本集團的關聯方。

Particulars of the Group’s joint ventures are as follows:

合營企業的詳情如下：

| Name 名稱 | Place and date of registration 登記地點及日期 | Issued capital 已發行股本 | Percentage of 佔比 | | | Principal activities 主要業務 |
|--|---|---------------------------------|--------------------------------|------------------------|---------------------------|---|
| | | | Ownership interest 所有權權益 | Voting power 投票權 | Profit sharing 分佔溢利 | |
| Hefei Zheng Wen 合肥政文 | Hefei, the PRC 14 April 2004 中國合肥 2004年4月14日 | RMB30,000,000 人民幣30,000,000元 | 50% | 50% | 50% | Property management services 物業管理服務 |
| Hunan Pujiang Property Management Co., Ltd* 湖南浦江物業管理 有限公司 | Hunan, the PRC 15 May 2019 中國湖南 2019年5月19日 | RMB6,500,000 人民幣6,500,000元 | 66.5% | 50% | 66.5% | Property management services 物業管理服務 |

NOTES TO FINANCIAL STATEMENTS

財務報表附註

31 December 2020 2020年12月31日

17. INVESTMENTS IN JOINT VENTURES

(continued)

The following table illustrates the financial information of the Group's joint ventures that are not individually material:

17. 於合營企業投資(續)

下表列示本集團個別非重大合營企業的財務資料：

| | | 2020 二零二零年 RMB'000 人民幣千元 | 2019 二零一九年 RMB'000 人民幣千元 |
|---|--------------------|-----------------------------------|-----------------------------------|
| Share of the joint ventures' profit for the year and total comprehensive income | 年內分佔合營企業的溢利及全面收益總額 | 1,033 | 5,082 |
| Carrying amount of the Group's investment in the joint ventures | 本集團於合營企業投資的賬面值 | 14,879 | 19,858 |

The Group considers that it doesn't control Hunan Property Management Co. Ltd as it owns 50% of the voting rights.

本集團認為其並未控制湖南浦江物業管理有限公司，因為其持有50%投票權。

18. INVESTMENTS IN ASSOCIATES

18. 於聯營企業投資

| | | 2020 二零二零年 RMB'000 人民幣千元 | 2019 二零一九年 RMB'000 人民幣千元 |
|-------------------------|--------|-----------------------------------|-----------------------------------|
| Share of net assets | 分佔資產淨值 | 73,261 | 67,700 |
| Goodwill on acquisition | 收購時商譽 | 17,360 | 15,315 |
| | | 90,621 | 83,015 |

NOTES TO FINANCIAL STATEMENTS

財務報表附註

31 December 2020 2020年12月31日

18. INVESTMENTS IN ASSOCIATES (continued)

上海東方欣迪商務服務有限公司 (Shanghai Dong Fang Xin Di Commercial Services Co., Ltd.) (“Shanghai Xin Di”), 上海強生物業有限公司 (Shanghai Qiang Sheng Property Co., Ltd.) (“Shanghai Qiang Sheng”), 寧波市城市廣場物業管理有限公司 (Ningbo Plaza Property Management Co., Ltd.) (“Ningbo Plaza”), 安徽浦邦物業管理有限公司 (Anhui Pu Bang Property Management Co., Ltd.) (“Anhui Pu Bang”), 上海新市北企業管理服務有限公司 (Shanghai Xin Shi Bei Enterprise Management Services Co., Ltd.) (“Shanghai Xin Shi Bei”), 南京松竹物業管理公司 (Nanjing Songzhu Property Management Company Limited.) (“Nanjing Songzhu”) 安徽星浦物業管理有限公司 (Anhui Xingpu Property Management Co., Ltd.) (“Anhui Xing pu”) are associates of the Group and are considered to be related parties of the Group.

The following table illustrates the aggregate financial information of the Group’s associates that are not individually material:

18. 於聯營企業投資(續)

上海東方欣迪商務服務有限公司(「上海欣迪」)、上海強生物業有限公司(「上海強生」)、寧波市城市廣場物業管理有限公司(「寧波城市廣場」)、安徽浦邦物業管理有限公司(「安徽浦邦」)、上海新市北企業管理服務有限公司(「上海新市北」)、南京松竹物業管理公司(「南京松竹」)及安徽星浦物業管理有限公司為本集團聯營企業及被視為本集團的關聯方。

下表呈列本集團個別非重大的聯營企業的匯總財務資料：

| | | 2020 二零二零年 RMB'000 人民幣千元 | 2019 二零一九年 RMB'000 人民幣千元 |
|---|--------------------|-----------------------------------|-----------------------------------|
| Share of the associates’ profit for the year and total comprehensive income | 年內分佔聯營企業的溢利及全面收益總額 | 11,769 | 6,882 |
| Aggregate carrying amount of the Group’s investments in the associates | 本集團於聯營企業投資的賬面總值 | 90,621 | 83,015 |

NOTES TO FINANCIAL STATEMENTS

財務報表附註

31 December 2020 2020年12月31日

19. EQUITY INVESTMENTS DESIGNATED AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

19. 指定按公平值計入其他全面收益的股本投資

| | | 2020 二零二零年 RMB'000 人民幣千元 | 2019 二零一九年 RMB'000 人民幣千元 |
|---|----------------------------|-----------------------------------|-----------------------------------|
| Equity investments designated at fair value through other comprehensive income | 指定按公平值計入其他全面收益的股本投資 | | |
| Unlisted equity investments, at fair value | 非上市股本投資，按公平值計 | | |
| URF Holding Group Limited | URF Holding Group Limited | 5,852 | 5,590 |
| Jiangcheng Hujiang Lianfeng Agriculture Technology Co., Ltd. | 江城滬江聯豐農業科技有限公司 | 700 | 700 |
| Shanghai Guotao Real Estate Co., Ltd.* | 上海國濤房地產有限公司* | 1,500 | 1,500 |
| Impairment | 減值 | (1,500) | (1,500) |
| | | 6,552 | 6,290 |
| Listed equity investments, at fair value | 上市股本投資，按公平值計 | | |
| Singapore Food Holdings Limited | 新加坡美食控股有限公司 | 2,244 | — |
| | | 8,796 | 6,290 |

The above equity investments were irrevocably designated at fair value through other comprehensive income as the Group considers these investments to be strategic in nature.

上述股本投資已不可撤回地指定按公平值計入其他全面收益，原因是本集團認為該等投資屬策略性質。

* Shanghai Guotao Real Estate Co., Ltd. did not generate any revenue and it had ceased to operate any business including property management services since 2010. As such, full impairment had been made.

* 上海國濤房地產有限公司並無產生任何收益，已自2010年終止經營任何業務(包括物業管理服務)。因此，已作出全數減值。

NOTES TO FINANCIAL STATEMENTS

財務報表附註

31 December 2020 2020年12月31日

20. OTHER NON-CURRENT ASSETS

20. 其他非流動資產

| | | 2020 二零二零年 RMB'000 人民幣千元 | 2019 二零一九年 RMB'000 人民幣千元 |
|--|---------------------|-----------------------------------|-----------------------------------|
| Prepayment related to an acquisition (note (a)) | 與一項收購相關的預付款項(附註(a)) | — | 30,000 |
| Due from non-controlling shareholder (note (b)) | 應收非控股股東款項(附註(b)) | 17,286 | — |
| Deposits | 按金 | 19,184 | — |
| Long term prepayments | 長期預付款項 | 7,213 | — |
| | | 43,683 | 30,000 |

Note:

附註：

- (a) The balance represents a non-refundable prepayment for the proposed acquisition of Hong Xin Environmental Group Co., Ltd..
- (b) The balance represents the advance to non-controlling shareholders of Hong Xin Environmental Group Co., Ltd.

- (a) 結餘指建議收購泓欣環境集團有限公司的不可退還預付款項。
- (b) 結餘為預付泓欣環境集團有限公司非控股股東款項。

21. INVENTORIES

21. 存貨

| | | 2020 二零二零年 RMB'000 人民幣千元 | 2019 二零一九年 RMB'000 人民幣千元 |
|-------------|-----|-----------------------------------|-----------------------------------|
| Consumables | 消耗品 | 223 | 168 |

NOTES TO FINANCIAL STATEMENTS

財務報表附註

31 December 2020 2020年12月31日

22. TRADE RECEIVABLES

22. 貿易應收款項

| | | 2020 二零二零年 RMB'000 人民幣千元 | 2019 二零一九年 RMB'000 人民幣千元 |
|-------------------|--------|-----------------------------------|-----------------------------------|
| Trade receivables | 貿易應收款項 | 149,966 | 101,030 |
| Impairment | 減值 | (6,935) | (847) |
| | | 143,031 | 100,183 |

The Group's trading terms with its customers are mainly on credit. The credit period is generally 10 to 30 days, extending up to three months for major customers. Each customer has a maximum credit limit. The Group seeks to maintain strict control over its outstanding receivables and has a credit control department to minimise credit risk. Overdue balances are reviewed regularly by senior management. In view of the aforementioned and the fact that the Group's trade receivables relate to a large number of diversified customers, there is no significant concentration of credit risk. The Group does not hold any collateral or other credit enhancements over its trade receivable balances. Trade receivables are non-interest-bearing.

Included in the Group's trade receivables are amounts due from the Group's joint ventures and associates of RMB63,000 (2019: Nil) and RMB86,000 (2019: Nil), respectively, which are repayable on credit terms similar to those offered to the major customers of the Group.

At 31 December 2020, a subsidiary has pledged trade receivables of approximately RMB4,098,000 (2019: Nil) to secure certain of the other borrowings (note 30).

本集團與客戶的貿易條款主要為信貸。信貸期一般為10至30天，主要客戶最多延長至三個月。各客戶有最大信貸限制。本集團致力嚴格監控其未收回的應收款項，同時設有信貸控制部門以盡量減低信貸風險。高級管理層定期審閱逾期結餘。鑒於以上所述及由於本集團的貿易應收款項涉及大量不同客戶，因此並不存在信貸風險高度集中的情況。本集團並無就貿易應收款項結餘持有任何抵押品或其他信貸增級。貿易應收款項不計利息。

本集團貿易應收款項中包括應收本集團合營企業及聯營企業款項人民幣63,000元(2019年：零)及人民幣86,000元(2019年：零)，有關信貸條款乃與向本集團主要客戶所提供者相若。

於2020年12月31日，一間附屬公司已抵押約人民幣4,098,000元(2019年：零)的貿易應收款項，以取得若干其他借款(附註30)。

NOTES TO FINANCIAL STATEMENTS

財務報表附註

31 December 2020 2020年12月31日

22. 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:

| | | 2020 二零二零年 RMB'000 人民幣千元 | 2019 二零一九年 RMB'000 人民幣千元 |
|---------------|------|-----------------------------------|-----------------------------------|
| Within 1 year | 1年內 | 136,725 | 97,831 |
| Over 1 year | 超過1年 | 6,306 | 2,352 |
| | | 143,031 | 100,183 |

The movements in the loss allowance for impairment of trade receivables are as follows:

| | | 2020 二零二零年 RMB'000 人民幣千元 | 2019 二零一九年 RMB'000 人民幣千元 |
|-----------------------------|-----------|-----------------------------------|-----------------------------------|
| At beginning of year | 於年初 | 847 | 140 |
| Acquisition of a subsidiary | 收購一間附屬公司 | 547 | — |
| Impairment losses (note 6) | 減值虧損(附註6) | 5,541 | 707 |
| At end of year | 於年末 | 6,935 | 847 |

An impairment analysis is performed at each reporting date using a provision matrix to measure expected credit losses. The provision rates are based on days past due for groupings of various customer segments with similar loss patterns (i.e., by customer type and rating). The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions. Generally, trade receivables are written off if past due for more than one year and are not subject to enforcement activity.

22. 貿易應收款項(續)

於報告期末，貿易應收款項按發票日期並扣除虧損撥備的賬齡分析如下：

貿易應收款項減值虧損撥備變動如下：

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(即按客戶類型及評級劃分)的多個客戶分部組別的逾期日數釐定。該計算反映或然率加權結果、貨幣時值及於報告日期可得的有關過往事項、當前狀況及未來經濟條件預測的合理及可靠資料。一般而言，貿易應收款項如逾期超過一年則予以撇銷，且毋須受限於強制執行活動。

NOTES TO FINANCIAL STATEMENTS

財務報表附註

31 December 2020 2020年12月31日

22. TRADE RECEIVABLES (continued)

Set out below is the information about the credit risk exposure on the Group's trade receivables using a provision matrix based on invoice date:

As at 31 December 2020

| | | 2020 二零二零年 | | |
|---------------|------|--------------------------------------|---|--|
| | | Expected credit loss rate 預期信貸虧損率 | Gross carrying amount 賬面總值 RMB'000 人民幣千元 | Expected credit losses 預期信貸虧損 RMB'000 人民幣千元 |
| Within 1 year | 1年內 | 0.24% | 137,048 | 323 |
| Over 1 year | 超過1年 | 51.18% | 12,918 | 6,612 |
| | | | 149,966 | 6,935 |

22. 貿易應收款項(續)

下文載列按發票日期有關本集團使用撥備矩陣的貿易應收款項所承受的信貸風險資料：

於2020年12月31日

As at 31 December 2019

| | | 2019 二零一九年 | | |
|---------------|------|--------------------------------------|---|--|
| | | Expected credit loss rate 預期信貸虧損率 | Gross carrying amount 賬面總值 RMB'000 人民幣千元 | Expected credit losses 預期信貸虧損 RMB'000 人民幣千元 |
| Within 1 year | 1年內 | 0.07% | 97,831 | 77 |
| Over 1 year | 超過1年 | 24.07% | 3,199 | 770 |
| | | | 101,030 | 847 |

於2019年12月31日

NOTES TO FINANCIAL STATEMENTS

財務報表附註

31 December 2020 2020年12月31日

23. PREPAYMENTS AND OTHER RECEIVABLES

23. 預付款項及其他應收款項

| | | 2020 二零二零年 RMB'000 人民幣千元 | 2019 二零一九年 RMB'000 人民幣千元 |
|---|----------------------|-----------------------------------|-----------------------------------|
| Prepayments to suppliers | 預付予供應商款項 | 8,377 | 9,774 |
| Payments on behalf of residents (note (a)) | 代表居民支付款項 (附註(a)) | 21,388 | 23,250 |
| Cash in advance | 預支現金 | 2,425 | 974 |
| Deposits | 按金 | 20,638 | 8,927 |
| Prepaid expenses | 預付開支 | 1,719 | 1,309 |
| Due from non-controlling shareholders (note (b)) | 應收非控股股東款項 (附註(b)) | 5,000 | — |
| Amount due from a related party | 應收關聯方款項 | 2,679 | 2,465 |
| Others | 其他 | 3,562 | 1,655 |
| | | 65,788 | 48,354 |

Notes:

- (a) The balance represents payments for property management services on behalf of residents.
- (b) The balance represents the advance to non-controlling shareholders of Hong Xin Environmental Group Co., Ltd.

附註：

- (a) 結餘指代表居民就物業管理服務支付的款項。
- (b) 結餘指預付非控股股東泓欣環境集團有限公司款項。

The financial assets included in the above balances relate to receivables for which there was no recent history of default and past due amounts. As at 31 December 2020 and 2019, the loss allowance was assessed to be minimal.

計入上述結餘的金融資產涉及近期並無拖欠及逾期記錄的應收款項。於2020年及2019年12月31日，虧損撥備予以評估為極微。

24. RESTRICTED BANK BALANCES

24. 受限制銀行結餘

| | | 2020 二零二零年 RMB'000 人民幣千元 | 2019 二零一九年 RMB'000 人民幣千元 |
|---|---------------------|-----------------------------------|-----------------------------------|
| Restricted bank balances received from residents for property management services | 收取自居民物業管理服務的受限制銀行結餘 | 12,525 | 14,113 |

NOTES TO FINANCIAL STATEMENTS

財務報表附註

31 December 2020 2020年12月31日

24. RESTRICTED BANK BALANCES (continued)

Restricted bank balances earn interest at interest rates stipulated by the respective financial institutions. The restricted bank balances are deposited with creditworthy banks with no recent history of default.

24. 受限制銀行結餘(續)

受限制銀行結餘按各金融機構訂定的利率賺取利息。受限制銀行結餘乃存放在信譽良好及無近期拖欠記錄的銀行。

25. WEALTH MANAGEMENT PRODUCTS

25. 財富管理產品

| | | 2020 二零二零年 RMB'000 人民幣千元 | 2019 二零一九年 RMB'000 人民幣千元 |
|----------------------------|--------|-----------------------------------|-----------------------------------|
| Wealth management products | 財富管理產品 | — | 5,000 |

The wealth management products have a term of less than one year and an expected annual rate of return of nil (2019: 3.7%). Pursuant to the underlying contracts or notices, the wealth management products are principal protected upon the maturity date.

財富管理產品的賬期少於一年，且預期年回報率為零(2019年: 3.7%)。根據相關合約或通知，財富管理產品於到期日後已保本。

26. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

26. 按公平值計入損益的金融資產

| | | 2020 二零二零年 RMB'000 人民幣千元 | 2019 二零一九年 RMB'000 人民幣千元 |
|---|----------------|-----------------------------------|-----------------------------------|
| Other unlisted investments, at fair value | 其他非上市投資(按公平值計) | 30,312 | — |

The above unlisted investments at 31 December 2020 were wealth management products issued in Mainland China. They were mandatorily classified as financial assets at fair value through profit or loss as their contractual cash flows are not solely payments of principal and interest.

上述於2020年12月31日的非上市投資為在中國內地發行的財富管理產品。由於其合約現金流量並非僅為本金及利息付款，故該等產品已強制性獲分類為按公平值計入損益的金融資產。

NOTES TO FINANCIAL STATEMENTS

財務報表附註

31 December 2020 2020年12月31日

27. CASH AND CASH EQUIVALENTS

27. 現金及現金等價物

| | | 2020 二零二零年 RMB'000 人民幣千元 | 2019 二零一九年 RMB'000 人民幣千元 |
|------------------------|---------|-----------------------------------|-----------------------------------|
| Cash and bank balances | 現金及銀行結餘 | 126,506 | 143,557 |

At the end of the reporting period, the cash and bank balances of the Group denominated in RMB amounted to RMB125,534,000 (2019: RMB124,804,000). 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.

Cash at banks earns interest at floating rates based on daily bank deposit rates. The bank balances are deposited with creditworthy banks with no recent history of default.

於報告期末，本集團以人民幣計值的現金及銀行結餘為人民幣125,534,000元（2019年：人民幣124,804,000元）。人民幣不能自由兌換為其他貨幣。然而，根據中國內地的外匯管理條例及結匯、售匯及付匯管理規定，本集團可透過獲授權經營外匯業務的銀行將人民幣兌換為其他貨幣。

存放於銀行的現金按每日銀行存款利率的浮動利率賺取利息。銀行結餘乃存放在信譽良好及無近期拖欠記錄的銀行。

NOTES TO FINANCIAL STATEMENTS

財務報表附註

31 December 2020 2020年12月31日

28. TRADE PAYABLES

An ageing analysis of the trade payables as at the end of the reporting periods, based on the invoice date, is as follows:

| | | 2020 二零二零年 RMB'000 人民幣千元 | 2019 二零一九年 RMB'000 人民幣千元 |
|-----------------|--------|-----------------------------------|-----------------------------------|
| Within 3 months | 3個月內 | 104,324 | 71,905 |
| 3 to 12 months | 3至12個月 | 1,151 | 2,865 |
| Over 1 year | 超過1年 | 2,157 | 153 |
| | | 107,632 | 74,923 |

The trade payables are unsecured, non-interest-bearing and are normally settled on terms of 5 to 90 days.

28. 貿易應付款項

於報告期末，貿易應付款項按發票日期的賬齡分析如下：

貿易應付款項為無抵押、免息並一般以5至90天賬期結算。

29. OTHER PAYABLES AND ACCRUALS

| | | Notes 附註 | 2020 二零二零年 RMB'000 人民幣千元 | 2019 二零一九年 RMB'000 人民幣千元 |
|---|--------------|-------------|-----------------------------------|-----------------------------------|
| Contract liabilities | 合約負債 | (a) | 5,848 | 6,640 |
| Staff payroll and welfare payables | 員工工資及福利應付款項 | | 23,857 | 9,968 |
| Deposits received | 已收取按金 | (b) | 27,121 | 10,610 |
| Receipts on behalf of residents | 代表居民收款 | (c) | 14,224 | 29,378 |
| Other tax payable | 其他應付稅項 | | 9,648 | 12,092 |
| Other payables | 其他應付款項 | (d) | 2,087 | — |
| Payable for acquisition of an associate | 收購一間聯營企業應付款項 | (e) | — | 6,875 |
| | | | 82,785 | 75,563 |

29. 其他應付款項及應計費用

NOTES TO FINANCIAL STATEMENTS

財務報表附註

31 December 2020 2020年12月31日

29. OTHER PAYABLES AND ACCRUALS

(continued)

Notes:

(a) Details of contract liabilities are as follows:

| | | 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 |
|--|----------|--|--|--|
| <i>Short-term advances received from customers</i> | 已收客戶短期墊款 | | | |
| Property management services | 物業管理服務 | 5,848 | 6,640 | 5,750 |

Contract liabilities include short-term advances received to deliver property management services.

- (b) Among the deposits received, RMB15,900,000 represents the deposit from the non-controlling shareholder (Ms. Wang Hui) of Hongixn Environment Group Co., Ltd. for its financial performance guarantee for 2020.
- (c) The balance represents receipts from building residents to settle utilities, bills, and maintenance and repair fees on behalf of them.
- (d) The balance represents the amounts advanced from a staff which bear no interest.
- (e) The balance represents the outstanding payments related to the acquisition of Shanghai Xin Shi Bei. The acquisition was completed in August 2019 and the balance was settled in 2020.

Other payables and accruals are unsecured, non-interest-bearing and repayable on demand.

29. 其他應付款項及應計費用(續)

附註：

(a) 合約負債詳情如下：

| | | 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 |
|--|----------|--|--|--|
| <i>Short-term advances received from customers</i> | 已收客戶短期墊款 | | | |
| Property management services | 物業管理服務 | 5,848 | 6,640 | 5,750 |

合約負債包括已就提供物業管理服務收取的短期墊款。

- (b) 已收按金中，人民幣15,900,000元為就其2020年的財務業績保證收取泓欣環境集團有限公司非控股股東王慧女士的按金。
- (c) 結餘指向樓宇居民收取的款項以代表彼等結算公用設施、賬單、保養及維修費用。
- (d) 結餘指自一名員工收到的不計息墊款。
- (e) 結餘指與收購上海新市北相關的未償還款項。該項收購於2019年8月完成及結餘於2020年結算。

其他應付款項及應計費用為無抵押、免息及須於要求時償還。

NOTES TO FINANCIAL STATEMENTS

財務報表附註

31 December 2020 2020年12月31日

30. INTEREST-BEARING BANK LOANS AND OTHER BORROWINGS

30. 計息銀行及其他借款

| | | 2020 2020年 | | | 2019 2019年 | | |
|---|-----------------------------|---|-----------------|------------------|---|-----------------|------------------|
| | | Effective interest rate (%) 實際利率 (%) | Maturity 到期日 | RMB'000 人民幣千元 | Effective interest rate (%) 實際利率 (%) | Maturity 到期日 | RMB'000 人民幣千元 |
| Current | 即期 | | | | | | |
| Bank loans — unsecured and unguaranteed | 銀行貸款 — 無抵押及無擔保 | 3.80–4.35 | 2021 | 78,000 | 4.00–6.00 | 2020 | 61,515 |
| Bank loans — guaranteed (note a) | 銀行貸款 — 有擔保 (附註a) | 6.40 | 2021 | 3,500 | NA 不適用 | — | — |
| Other borrowings — guaranteed and secured (note b) | 其他借款 — 有擔保及有抵押 (附註b) | 3.95 | 2021 | 979 | NA 不適用 | — | — |
| Current portion of long term other borrowings — secured and guaranteed (note c) | 其他長期借款的即期部分 — 有抵押及有擔保 (附註c) | 6.36–11.44 | 2021 | 14,532 | NA 不適用 | — | — |
| | | | | 97,011 | | | 61,515 |
| Non-current | 非即期 | | | | | | |
| Other borrowings — secured and guaranteed (note c) | 其他借款 — 有抵押及有擔保 (附註c) | 6.68–11.44 | 2022–2023 | 3,059 | NA 不適用 | — | — |
| | | | | 3,059 | | | — |
| | | | | 100,070 | | | 61,515 |

NOTES TO FINANCIAL STATEMENTS

財務報表附註

31 December 2020 2020年12月31日

30. INTEREST-BEARING BANK LOANS AND OTHER BORROWINGS (continued)

30. 計息銀行及其他借款(續)

| | | 2020 二零二零年 RMB'000 人民幣千元 | 2019 二零一九年 RMB'000 人民幣千元 |
|--|-------------------|-----------------------------------|-----------------------------------|
| Analysed into: | 分析為： | | |
| Bank loans repayable: | 應償還銀行貸款： | | |
| Within one year or on demand | 應於一年內或按要 求償還 | 81,500 | 61,515 |
| | | 81,500 | 61,515 |
| Other borrowings repayable: | 應償還其他借款： | | |
| Within one year or on demand | 應於一年內或按要 求償還 | 15,511 | — |
| In the second year | 第二年 | 2,601 | — |
| In the third to fifth years, inclusive | 第三至五年(包括首尾 兩年) | 458 | — |
| | | 18,570 | — |
| | | 100,070 | 61,515 |

Notes:

Except for unsecured and unguaranteed bank loans, all bank loans and other borrowings are granted to Hong Xin Environmental Co., Ltd., a non-wholly owned subsidiary of the Group, and guaranteed or secured by:

- (a) Certain of these bank loans amounting to RMB3,500,000 are guaranteed by Ms. Wang Hui, Mr. Kou Liang and his spouse (the non-controlling shareholders of Hong Xin Environmental Group Co., Ltd.) (2019: Nil).
- (b) Certain of these other borrowings amounting to RMB979,000 are guaranteed by Ms. Wang Hui and Mr. Kou Liang, while the pledges of certain of the Group's trade receivables amounting to RMB2,089,000 are used to secure certain other borrowings.
- (c) (i) Certain of these other borrowings amounting to RMB1,425,000 are guaranteed by Ms. Wang Hui.
- (ii) Certain of these other borrowings amounting to RMB7,511,000 are guaranteed by Ms. Wang Hui while RMB2,009,000 of trade receivables are used to secure certain of these other borrowings.
- (iii) Certain of these other borrowings amounting to RMB4,106,000 are guaranteed by Ms. Wang Hui and Mr. Kou Liang.
- (iv) Certain of these other borrowings amounting to RMB4,549,000 are secured by the pledge of certain of the Group's motor vehicles with a net carrying amount of RMB6,320,000.

附註：

除未擔保及未抵押之銀行借款以外，所有銀行借款及其他借款均為授予給本集團之非全資附屬公司泓欣環境集團有限公司，並由以下擔保或抵押：

- (a) 金額為人民幣3,500,000元的若干該等銀行貸款由泓欣環境集團有限公司的非控股股東王慧女士、寇亮先生及其配偶提供擔保(2019年：零)。
- (b) 金額為人民幣979,000元的若干該等其他借款由王慧女士及寇亮先生提供擔保，而本集團金額為人民幣2,089,000元的若干貿易應收款項用於若干其他借款之擔保。
- (c) (i) 金額為人民幣1,425,000元的若干該等其他借款由王慧女士提供擔保。
- (ii) 金額為人民幣7,511,000元的若干該等其他借款由王慧女士提供擔保，而人民幣2,009,000元的貿易應收款項用於若干該等其他借款之抵押。
- (iii) 金額為人民幣4,106,000元的若干該等其他借款由王慧女士及寇亮先生提供擔保。
- (iv) 金額為人民幣4,549,000元的若干該等其他借款由本集團賬面淨值為人民幣6,320,000元的若干汽車抵押作擔保。

NOTES TO FINANCIAL STATEMENTS

財務報表附註

31 December 2020 2020年12月31日

31. DEFERRED TAX

The movements in deferred tax liabilities and assets during the year are as follows:

Deferred tax liabilities

| | | Fair value adjustments arising from acquisition of subsidiaries 收購附屬公司產生之公平值調整 RMB'000 人民幣千元 |
|---|--------------------|---|
| At 1 January 2020 | 於2020年1月1日 | — |
| Acquisition of a subsidiary (note 34) | 收購一間附屬公司(附註34) | 13,500 |
| Deferred tax credited to profit or loss during the year (note 10) | 於年內計入損益的遞延稅項(附註10) | (1,375) |
| At 31 December 2020 | 於2020年12月31日 | 12,125 |

31. 遞延稅項

遞延稅項負債及資產於年內的變動如下：

遞延稅項負債

Deferred tax assets

遞延稅項資產

| | | Lease liabilities 租賃負債 RMB'000 人民幣千元 | Impairment 減值 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 | — | 35 | 35 |
| Deferred tax credited to profit or loss during the year (note 10) | 於年內計入損益的遞延稅項(附註10) | — | 177 | 177 |
| At 31 December 2019 and at 1 January 2020 | 於2019年12月31日及2020年1月1日 | — | 212 | 212 |
| Acquisition of a subsidiary (note 34) | 收購一間附屬公司(附註34) | 76 | 137 | 213 |
| Deferred tax credited to profit or loss during the year (note 10) | 於年內計入損益的遞延稅項(附註10) | 2 | 624 | 626 |
| At 31 December 2020 | 於2020年12月31日 | 78 | 761 | 839 |

NOTES TO FINANCIAL STATEMENTS

財務報表附註

31 December 2020 2020年12月31日

31. DEFERRED TAX (continued)

Deferred tax assets (continued)

The Group had tax losses arising in Hong Kong of RMB19,948,000 as at 31 December 2020 (2019: RMB17,745,000) that are available indefinitely for offsetting against future taxable profits of the companies in which the losses arose.

The Group also had tax losses arising in Mainland China of RMB28,696,000 as at 31 December 2020 (2019: RMB27,928,000), that will expire in one to five years for offsetting against future taxable profits.

Deferred tax assets have not been recognised in respect of these losses as they have arisen in subsidiaries that have been loss-making for some time and it is not considered probable that taxable profits will be available against which the tax losses can be utilized.

Pursuant to the PRC Corporate Income Tax Law, a 10% withholding tax is levied on dividends declared to foreign investors from the foreign investment enterprises established in Mainland China. The requirement is effective from 1 January 2008 and applies to earnings after 31 December 2007. A lower withholding tax rate may be applied if there is a tax treaty between Mainland China and the jurisdiction of the foreign investors. For the Group, the applicable rate is 10% (2019: 10%). The Group is therefore liable for withholding taxes on dividends distributed by those subsidiaries established in Mainland China in respect of earnings generated from 1 January 2008.

31. 遞延稅項(續)

遞延稅項資產(續)

於2020年12月31日，本集團在香港產生稅項虧損人民幣19,948,000元(2019年：人民幣17,745,000元)，可無限期用於抵銷產生虧損的公司的未來應課稅溢利。

於2020年12月31日，本集團亦在中國內地產生稅項虧損人民幣28,696,000元(2019年：人民幣27,928,000元)，將於一至五年內到期，可用於抵銷未來應課稅溢利。

由於該等虧損乃來自已虧損一段時期的附屬公司，且被認為不大可能有應課稅溢利用以抵銷稅項虧損，因此並無就該等虧損確認遞延稅項資產。

根據中國企業所得稅法，於中國內地成立的外資企業須就向外國投資者宣派的股息提撥10%預扣稅。該要求由2008年1月1日起生效，並適用於2007年12月31日後產生的盈利。若外國投資者所屬司法權區與中國內地有稅務協定，外國投資者可適用較低預扣稅率。就本集團而言，適用稅率為10%(2019年：10%)。因此，就於中國內地成立的該等附屬公司就自2008年1月1日起產生的盈利所分派的股息，本集團須繳納預扣稅。

NOTES TO FINANCIAL STATEMENTS

財務報表附註

31 December 2020 2020年12月31日

31. DEFERRED TAX (continued)

Deferred tax assets (continued)

At 31 December 2020, no deferred tax has been recognised for withholding taxes that would be payable on the unremitted earnings that are subject to withholding taxes of the Group's subsidiaries established in Mainland China (2019: Nil). In the opinion of the directors, it is not probable that these subsidiaries will distribute such earnings in the foreseeable future. The aggregate amount of temporary differences associated with investments in subsidiaries in Mainland China for which deferred tax liabilities have not been recognised was approximately RMB115,124,000 as at 31 December 2020 (2019: RMB92,488,000).

31. 遞延稅項(續)

遞延稅項資產(續)

於2020年12月31日，並無就因本集團於中國內地成立的附屬公司的未匯出盈利(須繳納預扣稅者)而應付的預扣稅確認遞延稅項(2019年：無)。董事認為，該等附屬公司不太可能於可預見將來分派有關盈利。於2020年12月31日，尚未確認遞延稅項負債的於中國內地附屬公司投資的相關暫時差額合共約為人民幣115,124,000元(2019年：人民幣92,488,000元)。

32. SHARE CAPITAL

32. 股本

| | | 2020 二零二零年 RMB'000 人民幣千元 | 2019 二零一九年 RMB'000 人民幣千元 |
|---|--|-----------------------------------|-----------------------------------|
| Authorised: | 法定： | | |
| 8,000,000,000 shares of HK\$0.01 each (2019: 8,000,000,000 shares of HK\$0.01 each) | 8,000,000,000股每股面值 0.01港元的股份(2019 年：8,000,000,000股 每股面值0.01港元的股 份) | 70,096 | 70,096 |
| Issued and fully paid: | 已發行及繳足： | | |
| 405,000,000 shares of HK\$0.01 each (2019: 405,000,000 shares of HK\$0.01 each) | 405,000,000股每股面值 0.01港元的股份(2019 年：405,000,000股每 股面值0.01港元的股 份) | 3,391 | 3,391 |

NOTES TO FINANCIAL STATEMENTS

財務報表附註

31 December 2020 2020年12月31日

33. RESERVES

The amounts of the Group's reserves and the movements therein for the current year and prior years are presented in the consolidated statement of changes in equity of the financial statements.

(i) Share premium

The share premium of the Group represents the difference between capital injection and the share capital paid by the Controlling Shareholders.

(ii) Capital reserve

The capital reserve of the Group represents (1) the difference between the consideration and net assets acquired paid by the Controlling Shareholders for the further acquisition of non-controlling interests in subsidiaries; (2) the difference between the consideration received by the Controlling Shareholders and the net assets disposed of for the partial disposal of certain subsidiaries; and (3) the difference between the consideration received by the Controlling Shareholders and net assets acquired under common control for the acquisition of equity interests in subsidiaries.

The amounts of the Group's reserves and the movements therein for the current year and prior years are presented in the consolidated statement of changes in equity of the financial statements.

33. 儲備

本集團於本年度及過往年度的儲備金額及其變動於財務報表的綜合權益變動表內呈列。

(i) 股份溢價

本集團的股份溢價指注資及控股股東支付的股本之間的差值。

(ii) 資本儲備

本集團的資本儲備指(1)控股股東為進一步收購附屬公司的非控股權益而支付的代價與所收購的淨資產之間的差額；(2)控股股東就部分出售若干附屬公司收到的代價與出售的淨資產之間的差額；及(3)控股股東就收購附屬公司股本權益收到的代價與受共同控制所收購的淨資產之間的差額。

本集團於本年度及過往年度的儲備金額及其變動於財務報表的綜合權益變動表內呈列。

NOTES TO FINANCIAL STATEMENTS

財務報表附註

31 December 2020 2020年12月31日

33. RESERVES (continued)

(iii) Merger reserve

The merger reserve of the Group represents the capital contributions from the equity holders of the subsidiaries. The addition during the year represents (1) the injections of additional paid-in capital by the equity holders of the subsidiaries to the respective companies; (2) the consideration paid by the Controlling Shareholders for the further acquisition of non-controlling interests in subsidiaries; and (3) the consideration paid by the Controlling Shareholders for repayment of the consideration received in the progress of Reorganisation. The deduction during the year represents the consideration received by the Controlling Shareholders for disposal of the subsidiaries in the progress of the corporate reorganisation of the Group in preparation for the Listing (“Reorganisation”).

(iv) Statutory reserve

In accordance with the PRC regulations and the articles of association of the companies of the Group, before distributing the net profit of each year, companies of the Group registered in the PRC are required to set aside 10% of their statutory reserve net for the year after offsetting any prior year’s losses as determined under relevant PRC accounting standards to the statutory surplus reserve fund. When the balance of this reserve reaches 50% of each company’s share capital, any further appropriation is optional. The statutory surplus reserve fund is non-distributable except in the event of liquidation.

Subject to certain restrictions set out in the relevant PRC regulations, part of the statutory surplus reserve may be converted to increase share capital, provided that the remaining balance after the capitalisation is not less than 25% of the registered capital.

33. 儲備(續)

(iii) 合併儲備

本集團的合併儲備指來自附屬公司權益持有人的出資。年內增加指(1)附屬公司的權益持有人向有關公司額外注入實繳股本；(2)控股股東就進一步收購附屬公司的非控股權益已付的代價；及(3)控股股東就償還重組過程中收取的代價而支付的代價。年內扣除指控股股東就本集團為籌備上市進行的企業重組(「重組」)過程中出售附屬公司而收取的代價。

(iv) 法定儲備

根據中國法規及本集團旗下公司的組織章程細則，每年分派淨利潤前，本集團在中國註冊的公司根據相關中國會計準則規定抵銷去年的虧損後，須轉撥其年度法定淨儲備的10%至法定盈餘公積金，直至該儲備達至各公司股本的50%為止，可選擇繼續或者停止該等撥備。法定盈餘公積金不可分派，除非發生清盤。

在相關中國法規的若干限制規限下，只要資本化後的結餘不少於註冊資本的25%，部分法定盈餘儲備可轉換以增加股本。

NOTES TO FINANCIAL STATEMENTS

財務報表附註

31 December 2020 2020年12月31日

33. RESERVES (continued)

(v) Exchange fluctuation reserve

The exchange fluctuation reserve is used to record exchange differences arising from the translation of the financial statements of the subsidiaries with functional currencies other than the RMB.

(vi) Shares held for share award scheme

On 30 August 2018, the Company announced to adopt the share award scheme (the "Scheme") with objectives to recognise the contribution by certain employees and give incentives thereto in order to motivate them for the continual operation and development of the Group and to attract suitable personnel for further development of the Group.

During the year ended 31 December 2019, 8,218,000 shares were purchased by the trustee from the market at an average price of approximately HK\$2.43 (equivalent to RMB2.18) per share, with an aggregate amount of HK\$20,000,000 (equivalent to RMB17,917,000). No shares were granted to eligible employees pursuant to the Scheme during the year ended 31 December 2020. At the end of the reporting period, there were 8,218,000 shares held by the trustee.

Pursuant to the Scheme, the Board of Directors may, from time to time, at its absolute discretion, cause to be paid to the trustee sums of money from the Company's resources for the purchase of shares to be held on trust in accordance with the Scheme and the trust deed. Such sums of money shall be applied towards the purchase of the specific number of shares from the open market according to the written instructions of the Board of Directors.

33. 儲備(續)

(v) 匯率波動儲備

匯率波動儲備用於記錄換算功能貨幣為人民幣以外貨幣的附屬公司的財務報表所產生的匯兌差額。

(vi) 就股份獎勵計劃持有的股份

於2018年8月30日，本公司宣佈採納一項股份獎勵計劃(「計劃」)，該計劃的目的為肯定若干僱員所作出的貢獻及給予彼等激勵，以鼓勵彼等繼續經營及發展本集團；及吸引合適人員以進一步發展本集團。

截至2019年12月31日止年度，受託人按平均價格每股約2.43港元(相當於人民幣2.18元)於市場購入8,218,000股股份，總金額為20,000,000港元(相當於人民幣17,917,000元)。於截至2020年12月31日止年度內，概無股份根據該計劃授予合資格僱員。於報告期末，8,218,000股股份由受託人持有。

根據該計劃，董事會可不時按其絕對酌情權以本公司資源向受託人支付款項以用於購入股份，購入的股份將根據該計劃及信託契約以信託形式持有。該等款項將根據董事會書面指示應用於從公開市場購買指定數目的股份。

NOTES TO FINANCIAL STATEMENTS

財務報表附註

31 December 2020 2020年12月31日

34. BUSINESS COMBINATION

(a) The step acquisition of Bengbu Zhi Xin Property Co., Ltd.

On 30 June 2020, the Group acquired a further 8% interest in Bengbu Zhi Xin Property Co., Ltd. (Bengbu Zhi Xin) from Beijing Aozhong Kunlun Business Consulting Co., Ltd. Bengbu Zhi Xin is engaged in property management services. The purchase consideration for the acquisition was in the form of cash with RMB741,000 paid on 29 April 2020.

The fair values of the identifiable assets and liabilities of Bengbu Zhi Xin as at the date of acquisition were as follows:

34. 業務合併

(a) 分階段收購蚌埠市置信物業有限公司

於2020年6月30日，本集團自北京澳中昆侖商務諮詢有限公司進一步收購蚌埠市置信物業有限公司(蚌埠置信)8%權益。蚌埠置信從事提供物業管理服務。收購的購買代價以現金形式支付，其中人民幣741,000元於2020年4月29日支付。

於收購日期的蚌埠置信可識別資產及負債公平值如下：

| | | Note 附註 | Fair value recognised on acquisition 就收購事項 確認的公平值 RMB'000 人民幣千元 |
|---|--------------------|------------|---|
| Property, plant and equipment | 物業、廠房及設備 | 13 | 673 |
| Cash and cash equivalents | 現金及現金等價物 | | 9,104 |
| Inventories | 存貨 | | 52 |
| Trade receivables | 貿易應收款項 | | 8,661 |
| Prepayments and other receivables | 預付款項及其他應收款項 | | 2,429 |
| Trade payables | 貿易應付款項 | | (1,851) |
| Other payables and accruals | 其他應付款項及應計費用 | | (6,487) |
| Tax payable | 應付稅項 | | (414) |
| Total identifiable net assets at fair value | 按公平值計算的可識別資產淨值 | | 12,167 |
| Non-controlling interests | 非控股權益 | | (5,504) |
| Fair value of investment previously classified as investment in Joint Venture | 之前分類為於合營企業投資的投資公平值 | | (5,922) |
| Satisfied by cash | 以現金支付 | | 741 |

NOTES TO FINANCIAL STATEMENTS

財務報表附註

31 December 2020 2020年12月31日

34. BUSINESS COMBINATION (continued)

(a) The step acquisition of Bengbu Zhi Xin Property Co., Ltd. (continued)

The Group incurred transaction costs of RMB46,000 for this acquisition. These transaction costs have been expensed and are included in administrative expenses in the consolidated statement of profit or loss.

The fair values of the trade receivables and other receivables as at the date of acquisition amounted to RMB8,661,000 and RMB2,248,000, respectively. They are equal to its gross contractual amounts.

An analysis of the cash flows in respect of the acquisition of a subsidiary is as follows:

34. 業務合併(續)

(a) 分階段收購蚌埠市置信物業有限公司(續)

本集團就是項收購事項產生交易成本人民幣46,000元。該等交易成本已支銷並計入綜合損益表之行政開支內。

於收購日期的貿易應收款項及其他應收款項的公平值分別約為人民幣8,661,000元及人民幣2,248,000元。公平值等於其合約總額。

有關收購一間附屬公司的現金流量分析如下：

| | | RMB'000 人民幣千元 |
|---|---------------------------|------------------|
| Cash consideration paid | 已支付現金代價 | (741) |
| Cash and bank balances acquired | 已收購現金及銀行結餘 | 9,104 |
| Net inflow of cash and cash equivalents included in cash flow from investing activities | 計入投資活動所得現金流量的現金及現金等價物流入淨額 | 8,363 |
| Transaction cost of the acquisition included in cash flows from operating activities | 計入來自經營活動的現金流量的收購交易成本 | (46) |
| | | 8,317 |

NOTES TO FINANCIAL STATEMENTS

財務報表附註

31 December 2020 2020年12月31日

34. BUSINESS COMBINATION (continued)

(a) The step acquisition of Bengbu Zhi Xin Property Co., Ltd. (continued)

Since the acquisition, Bengbu Zhi Xin contributed RMB16,498,000 to the Group's revenue and RMB1,148,000 to the consolidated profit for the year ended 31 December 2020.

Had the combination taken place at the beginning of the year, the revenue from Group and the profit of the Group during the year ended would have been RMB779,114,000 and RMB38,225,000, respectively.

(b) The acquisition of Hong Xin Environmental Group Co., Ltd.

On 31 January 2020, the Group acquired a 51% interest in Hong Xin Environmental Group Co., Ltd. and its subsidiaries ("Hong Xin Group") from Shanghai Honghui Enterprise Management Consulting Partnership Limited Partnership. Hong Xin Group is engaged in the provision of urban sanitary services. The purchase consideration for the acquisition was in the form of cash, with RMB20,000,000 paid on 11 November 2019, RMB3,000,000 paid on 27 November 2018, RMB7,000,000 paid on 17 December 2018, RMB31,800,000 paid on 6 January 2020 and RMB30,000,000 paid on 15 January 2020. The contingent consideration arrangement entitles the Group to have the receivable from the former owners of Hong Xin Environmental Group Co., Ltd, if they are unable to achieve their targets of adjusted profit of 2019 to 2020. Based on the assessment by the management, the adjusted profit targets will more than likely to achieve. Thus, the fair value of the contingent consideration receivable was estimated to be Nil at 31 December 2020.

34. 業務合併(續)

(a) 分階段收購蚌埠市置信物業有限公司(續)

自收購以來，蚌埠置信分別向本集團貢獻截至2020年12月31日止年度的收益及合併溢利人民幣16,498,000元及人民幣1,148,000元。

倘合併於年初發生，本集團年內收益及溢利將分別為人民幣779,114,000元及人民幣38,225,000元。

(b) 收購泓欣環境集團有限公司

於2020年1月31日，本集團自上海泓匯企業管理諮詢合夥企業(有限合夥)收購泓欣環境集團有限公司(「泓欣集團」)51%權益。泓欣集團從事提供環境衛生清潔服務。收購的購買代價以現金形式支付，其中人民幣20,000,000元於2019年11月11日支付、人民幣3,000,000元於2018年11月27日支付、人民幣7,000,000元於2018年12月17日支付、人民幣31,800,000元於2020年1月6日支付及人民幣30,000,000元於2020年1月15日支付。或然代價安排使本集團有權在泓欣環境集團有限公司的前擁有人於2019年至2020年未能達成其經調整利潤目標時收取來自彼等的應收款項。基於管理層的評估，更可能實現經調整利潤目標。因此，於2020年12月31日，應收或然代價的公平值估計為零。

NOTES TO FINANCIAL STATEMENTS

財務報表附註

31 December 2020 2020年12月31日

34. BUSINESS COMBINATION (continued)

(b) The acquisition of Hong Xin Environmental Group Co., Ltd.

(continued)

The fair values of the identifiable assets and liabilities of Hong Xin Group as at the date of acquisition were as follows:

34. 業務合併(續)

(b) 收購泓欣環境集團有限公司 (續)

於收購日期的泓欣集團可識別資產及負債公平值如下：

| | | Notes 附註 | Fair value recognised on acquisition 就收購事項 確認的公平值 RMB'000 人民幣千元 |
|--|----------------|-------------|---|
| Property, plant and equipment | 物業、廠房及設備 | 13 | 28,959 |
| Right-of-use assets | 使用權資產 | | 4,225 |
| Cash and cash equivalents | 現金及現金等價物 | | 7,534 |
| Intangible assets | 無形資產 | 16 | 54,000 |
| Other non-current assets | 其他非流動資產 | | 2,829 |
| Deferred tax assets | 遞延稅項資產 | | 213 |
| Trade receivables | 貿易應收款項 | | 48,648 |
| Prepayments and other receivables | 預付款項及其他應收款項 | | 53,363 |
| Other payables and accruals | 其他應付款項及應計費用 | | (22,269) |
| Interest-bearing bank loans and other borrowings | 計息銀行及其他借款 | | (26,871) |
| Lease liabilities | 租賃負債 | | (4,533) |
| Tax payable | 應付稅項 | | (3,384) |
| Deferred tax liabilities | 遞延稅項負債 | | (13,500) |
| Total identifiable net assets at fair value | 按公平值計算的可識別資產淨值 | | 129,214 |
| Non-controlling interests | 非控股權益 | | (63,315) |
| Goodwill on acquisition | 收購時商譽 | 15 | 25,901 |
| Satisfied by cash | 以現金支付 | | 91,800 |

NOTES TO FINANCIAL STATEMENTS

財務報表附註

31 December 2020 2020年12月31日

34. BUSINESS COMBINATION (continued)

(b) The acquisition of Hong Xin Environmental Group Co., Ltd.

(continued)

The fair values of the trade receivables and other receivables as at the date of acquisition amounted to RMB48,648,000 and RMB50,720,000, respectively. They are equal to their gross contractual amounts.

Goodwill is primarily attributable to the operating synergies and other benefits expected to be derived from the acquisition.

An analysis of the cash flows in respect of the acquisition of a subsidiary is as follows:

34. 業務合併(續)

(b) 收購泓欣環境集團有限公司(續)

於收購日期的貿易應收款項及其他應收款項的公平值分別約為人民幣48,648,000元及人民幣50,720,000元。公平值等於其合約總額。

商譽主要歸屬於預期自收購產生的經營協同效應及其他利益。

有關收購一間附屬公司的現金流量分析如下：

| | | RMB'000 人民幣千元 |
|---|---------------------------|------------------|
| Cash consideration paid | 已支付現金代價 | (91,800) |
| Other non-current assets | 其他非流動資產 | 30,000 |
| Cash and bank balances acquired | 已收購現金及銀行結餘 | 7,534 |
| Net outflow of cash and cash equivalents included in cash flows from investing activities | 計入投資活動所得現金流量的現金及現金等價物流出淨額 | (54,266) |
| Transaction cost of the acquisition included in cash flows from operating activities | 計入來自經營活動的現金流量的收購交易成本 | (300) |
| | | (54,566) |

Since the acquisition, Hong Xin Environmental Group Co., Ltd. contributed RMB249,712,000 to the Group's revenue and RMB20,097,000 to the consolidated profit for the year ended 31 December 2020.

Had the combination taken place at the beginning of the year, the revenue of Group and the profit of the Group during the year would have been RMB785,449,000 and RMB37,473,000, respectively.

自收購以來，泓欣環境集團有限公司分別向本集團貢獻截至2020年12月31日止年度的收益及合併溢利人民幣249,712,000元及人民幣20,097,000元。

倘合併於年初發生，本集團年內收益及溢利將分別為人民幣785,449,000元及人民幣37,473,000元。

NOTES TO FINANCIAL STATEMENTS

財務報表附註

31 December 2020 2020年12月31日

35. DISPOSAL OF A SUBSIDIARY

35. 出售一間附屬公司

| | | Notes 附註 | 2020 二零二零年 RMB'000 人民幣千元 |
|-----------------------------------|-------------|-------------|-----------------------------------|
| Net assets disposed of: | 所出售資產淨值： | | |
| Property, plant and equipment | 物業、廠房及設備 | | 1,286 |
| Cash and bank balances | 現金及銀行結餘 | | 28,374 |
| Trade receivables | 貿易應收款項 | | 4,880 |
| Prepayments and other receivables | 預付款項及其他應收款項 | | 12,179 |
| Trade payables | 貿易應付款項 | | (3,880) |
| Accruals and other payables | 應計費用及其他應付款項 | | (31,967) |
| Tax payable | 應付稅項 | | (471) |
| Non-controlling interests | 非控股權益 | | (5,097) |
| | | | 5,304 |
| Loss on disposal of a subsidiary | 出售一間附屬公司虧損 | 6 | (46) |
| Satisfied by cash | 以現金支付 | | 5,258 |

An analysis of the net inflow of cash and cash equivalents in respect of the disposal of a subsidiary is as follows:

出售一間附屬公司所涉及現金及現金等價物之流入淨額分析如下：

| | | |
|---|--------------------------|-----------------|
| Cash consideration | 現金代價 | 5,258 |
| Cash and bank balances disposed of | 已出售的現金及銀行結餘 | (28,374) |
| Net outflow of cash and cash equivalents in respect of the disposal of a subsidiary | 出售一間附屬公司所涉及現金及現金等價物之流出淨額 | (23,116) |

NOTES TO FINANCIAL STATEMENTS

財務報表附註

31 December 2020 2020年12月31日

36. 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 RMB7,529,000 (2019: RMB Nil) and RMB7,529,000 (2019: RMB Nil), respectively, in respect of lease arrangements for plant and equipment.

(b) Changes in liabilities arising from financing activities

2020

36. 綜合現金流量表附註

(a) 主要非現金交易

年內，就廠房及設備的租賃安排而言，本集團的使用權資產及租賃負債的非現金增加分別為人民幣7,529,000元(2019年：無)及人民幣7,529,000元(2019年：無)。

(b) 融資活動產生的負債變動

2020年

| | | Interest-bearing bank loans and other borrowings and interest 計息銀行及其他借款及利息 RMB'000 人民幣千元 | Lease liabilities 租賃負債 RMB'000 人民幣千元 |
|---|--------------------|---|---|
| At 1 January 2020 | 於2020年1月1日 | 61,515 | — |
| Changes from financing cash flows | 融資現金流量變動 | 11,684 | (4,055) |
| New leases | 新租賃 | | 7,529 |
| Interest expense | 利息開支 | — | 433 |
| Covid-19-related rent concessions from lessors | 出租人給予的新冠病毒疫情相關租金減免 | — | (385) |
| Reassessment and revision of lease terms | 租期重新評估及修訂 | — | (493) |
| Increase arising from acquisition of subsidiaries | 因收購附屬公司增加 | 26,871 | 4,533 |
| At 31 December 2020 | 於2020年12月31日 | 100,070 | 7,562 |

NOTES TO FINANCIAL STATEMENTS

財務報表附註

31 December 2020 2020年12月31日

36. NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS (continued)

(b) Changes in liabilities arising from financing activities (continued)

2019

| | | |
|-----------------------------------|--------------|--------|
| At 1 January 2019 | 於2019年1月1日 | 20,000 |
| Changes from financing cash flows | 融資現金流量變動 | 39,839 |
| Interest expense | 利息開支 | 1,676 |
| At 31 December 2019 | 於2019年12月31日 | 61,515 |

(c) Total cash outflow for leases

The total cash outflow for leases included in the statement of cash flows is as follows:

| | | 2020 二零二零年 RMB'000 人民幣千元 | 2019 二零一九年 RMB'000 人民幣千元 |
|-----------------------------|-------|-----------------------------------|-----------------------------------|
| Within operating activities | 經營活動內 | 1,398 | 2,458 |
| Within financing activities | 融資活動內 | 3,622 | — |
| | | 5,020 | 2,458 |

37. CONTINGENT LIABILITIES

As at the end of the reporting period, the Group had no significant contingent liabilities.

38. PLEDGE OF ASSETS

Details of the Group's assets pledged for the Group's other borrowings are included in notes 13, 22 and 30 to the financial statements.

36. 綜合現金流量表附註(續)

(b) 融資活動產生的負債變動(續)

2019年

Interest-bearing bank loans and interest
計息銀行貸款及利息
RMB'000
人民幣千元

(c) 租賃現金流出總額

現金流量表包括的租賃現金流出總額如下：

37. 或然負債

於報告期末，本集團並無重大或然負債。

38. 資產質押

就本集團其他借款作抵押的本集團資產詳情載於財務報表附註13、22及30。

NOTES TO FINANCIAL STATEMENTS

財務報表附註

31 December 2020 2020年12月31日

39. COMMITMENTS

The Group had the following capital commitments at the end of the reporting period:

39. 承擔

於報告期末，本集團擁有以下資本承擔：

| | | 2020 二零二零年 RMB'000 人民幣千元 | 2019 二零一九年 RMB'000 人民幣千元 |
|-----------------------------------|----------|-----------------------------------|-----------------------------------|
| Contracted, but not provided for: | 已訂約但未撥備： | | |
| Acquisition of a subsidiary | 收購一間附屬公司 | — | 61,800 |

40. RELATED PARTY TRANSACTIONS

(a) Particulars of the related parties which entered into material transactions with the Group are as follows:

40. 關聯方交易

(a) 本集團與關聯方訂立重大交易的詳情如下：

| Name 名稱 | Relationship 關係 | Referred to as 簡稱 |
|--------------|---|------------------------------|
| 上海鎬澤信息科技有限公司 | Controlled by the Controlling Shareholders 由控股股東控制 | Shanghai Gaoze 上海鎬澤 |
| 南京松竹物業管理有限公司 | Associate 聯營企業 | Nanjing Songzhu 南京松竹 |
| 湖南浦江物業管理有限公司 | Joint venture 合營企業 | Hunan Pu Jiang 湖南浦江 |
| 上海強生物業有限公司 | Associate 聯營企業 | Shanghai Qiang Sheng 上海強生 |

NOTES TO FINANCIAL STATEMENTS

財務報表附註

31 December 2020 2020年12月31日

40. RELATED PARTY TRANSACTIONS

(continued)

(b) Transactions with related parties, other than those already disclosed elsewhere in the financial statements are as follows:

40. 關聯方交易(續)

(b) 與關聯方的交易(已於財務報表其他地方披露者除外)如下:

| | | Notes | 2020 二零二零年 RMB'000 人民幣千元 | 2019 二零一九年 RMB'000 人民幣千元 |
|---|-----------------|-------|-----------------------------------|-----------------------------------|
| | | 附註 | | |
| Property management service income | 物業管理服務收入 | | | |
| Shanghai Gaoze: | 上海鎬澤: | (i) | 310 | — |
| Nanjing Songzhu | 南京松竹 | (i) | 707 | — |
| Hunan PuJiang | 湖南浦江 | (i) | 758 | — |
| Shanghai Gaoze: | 上海鎬澤: | | | |
| Cash advances | 現金墊款 | (ii) | — | (765) |
| Interest income | 利息收入 | (ii) | 214 | — |

(i) The services provided to related parties were made according to the published prices and conditions offered to the major customers of the Group.

(ii) The amount due from Shanghai Gaoze is unsecured and with an interest rate of 4.78%, and it has no fixed payment terms.

(i) 為關聯方提供的服務乃根據提供給本集團主要客戶的已公佈價格及條件作出。

(ii) 應收上海鎬澤款項乃無抵押、年利率為4.78%及無固定還款期。

NOTES TO FINANCIAL STATEMENTS

財務報表附註

31 December 2020 2020年12月31日

40. RELATED PARTY TRANSACTIONS

(continued)

(c) Due from related parties:

| | | 2020 二零二零年 RMB'000 人民幣千元 | 2019 二零一九年 RMB'000 人民幣千元 |
|-----------------|------|-----------------------------------|-----------------------------------|
| Nanjing Songzhu | 南京松竹 | 86 | — |
| Hunan Pujiang | 湖南浦江 | 63 | — |
| Shanghai Gaoze | 上海鎬澤 | 2,989 | 2,465 |

The carrying amounts of RMB310,000, RMB85,000 and RMB63,000 from Shanghai Gaoze, Nanjing Songzhu and Hunan Pujiang are unsecured, interest-free and have no fixed payment terms.

The carrying amounts of RMB2,465,000 due from Shanghai Gaoze is unsecured and with a fixed interest rate and has no fixed payment terms.

賬面值分別為人民幣310,000元及人民幣85,000元及人民幣63,000元的應收上海鎬澤、南京松竹及湖南浦江款項乃無抵押、免息及無固定還款期。

賬面值人民幣2,465,000元的應收上海鎬澤款項乃無抵押、按固定利率計息及無固定還款期。

(d) Compensation of key management personnel of the Group:

| | | 2020 二零二零年 RMB'000 人民幣千元 | 2019 二零一九年 RMB'000 人民幣千元 |
|---|--------------|-----------------------------------|-----------------------------------|
| Short term employee benefits | 短期僱員福利 | 2,578 | 2,654 |
| Post-employment benefits | 退休後福利 | 137 | 323 |
| Total compensation paid to key management personnel | 已付主要管理人員薪酬總額 | 2,715 | 2,977 |

Further details of directors' and the chief executive's emoluments are included in note 8 to the financial statements.

(d) 本集團主要管理人員薪酬：

董事及高級行政人員的酬金的進一步詳情載於財務報表附註8。

NOTES TO FINANCIAL STATEMENTS

財務報表附註

31 December 2020 2020年12月31日

41. 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

41. 按種類劃分金融工具

於報告期末，各類別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 按公平值計入損益的金融資產 Mandatorily Designated as such 強制指定 RMB'000 人民幣千元 | Financial assets at fair value through other comprehensive income 按公平值計入其他全面收益的金融資產 Equity investments 權益投資 RMB'000 人民幣千元 | Financial assets at amortised cost 按攤銷成本計量的金融資產 RMB'000 人民幣千元 | Total 總計 RMB'000 人民幣千元 | |
|---|--|--|--|---------------------------------|---------|
| Equity investments at fair value through other comprehensive income | 按公平值計入其他全面收益的股本投資 | — | 8,796 | — | 8,796 |
| Trade receivables | 貿易應收款項 | — | — | 143,031 | 143,031 |
| Financial assets included in prepayments and other receivables | 計入預付款項及其他應收款項的金融資產 | — | — | 55,692 | 55,692 |
| Financial assets included in other non-current assets | 計入其他非流動資產的金融資產 | — | — | 36,470 | 36,470 |
| Restricted bank balances | 受限制銀行結餘 | — | — | 12,525 | 12,525 |
| Financial assets at fair value through profit or loss | 按公平值計入損益的金融資產 | 30,312 | — | — | 30,312 |
| Cash and cash equivalents | 現金及現金等價物 | — | — | 126,506 | 126,506 |
| | | 30,312 | 8,796 | 374,224 | 413,332 |

NOTES TO FINANCIAL STATEMENTS

財務報表附註

31 December 2020 2020年12月31日

41. FINANCIAL INSTRUMENTS BY

CATEGORY (continued)

2020 (continued)

Financial liabilities

41. 按種類劃分金融工具(續)

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 payables | 貿易應付款項 | 107,632 |
| Financial liabilities included in other payables and accruals | 計入其他應付款項及應計費用的金融負債 | 43,432 |
| Lease liabilities | 租賃負債 | 7,562 |
| Interest-bearing bank loans and other borrowings | 計息銀行及其他借款 | 100,070 |
| | | 258,696 |

NOTES TO FINANCIAL STATEMENTS

財務報表附註

31 December 2020 2020年12月31日

41. FINANCIAL INSTRUMENTS BY CATEGORY (continued)

The carrying amounts of each of the categories of financial instruments as at the end of the reporting period are as follows:

2019

Financial assets

41. 按種類劃分金融工具(續)

於報告期末，各類別金融工具的賬面值如下：

2019年

金融資產

| | Financial assets at fair value through other comprehensive income 按公平值 計入其他全面收 益的金融資產 | Financial assets at amortised cost 按攤銷成本計量 的金融資產 | Total 總計 |
|---|--|--|------------------|
| | Equity investments 股本投資 RMB'000 人民幣千元 | RMB'000 人民幣千元 | RMB'000 人民幣千元 |
| Equity investments at fair value through other comprehensive income | 按公平值計入其他全面收益的股本投資 | — | 6,290 |
| Trade receivables | 貿易應收款項 | 100,183 | 100,183 |
| Financial assets included in prepayments and other receivables | 計入預付款項及其他應收款項的金融資產 | 37,271 | 37,271 |
| Restricted bank balances | 受限制銀行結餘 | 14,113 | 14,113 |
| Wealth management products | 財富管理產品 | 5,000 | 5,000 |
| Cash and cash equivalents | 現金及現金等價物 | 143,557 | 143,557 |
| | | 6,290 | 300,124 |
| | | | 306,414 |

NOTES TO FINANCIAL STATEMENTS

財務報表附註

31 December 2020 2020年12月31日

41. FINANCIAL INSTRUMENTS BY

CATEGORY (continued)

2019 (continued)

Financial liabilities

41. 按種類劃分金融工具(續)

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 payables | 貿易應付款項 | 74,923 |
| Financial liabilities included in other payables and accruals | 計入其他應付款項及應計費用的金融負債 | 46,863 |
| Interest-bearing bank loans | 計息銀行貸款 | 61,515 |
| | | 183,301 |

42. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS

Management has assessed that the fair values of cash and cash equivalents, restricted bank balances, wealth management products, trade receivables, trade payables, financial assets included in prepayments and other receivables, financial liabilities included in other payables and accruals, lease liabilities and interest-bearing bank loans approximate to their carrying amounts largely due to the short-term maturities of these instruments.

42. 金融工具的公平值及公平值等級

管理層已評估現金及現金等價物、受限制銀行結餘、財富管理產品、貿易應收款項、貿易應付款項、計入預付款項及其他應收款項的金融資產、計入其他應付款項及應計費用的金融負債、租賃負債及計息銀行貸款的公平值與其賬面值相若，主要由於該等工具於短期內到期。

NOTES TO FINANCIAL STATEMENTS

財務報表附註

31 December 2020 2020年12月31日

42. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS (continued)

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 finance manager reports directly to the chief financial officer and the audit committee. At each reporting date, the finance department 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 the chief financial officer. The valuation process and results are discussed with the audit committee.

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. The following methods and assumptions were used to estimate the fair values:

The Group invests in unlisted investments, which represent wealth management products issued by banks in Mainland China. The Group has estimated the fair value of these unlisted investments by using a discounted cash flow valuation model based on the market interest rates of instruments with similar terms and risks.

For the fair value of the unlisted equity investments at fair value through other comprehensive income, management has estimated the potential effect of using reasonably possible alternatives as inputs to the valuation model.

42. 金融工具的公平值及公平值等級 (續)

本集團財務部由財務經理領導，負責釐定金融工具公平值計量的政策及程序。財務經理直接向財務總監及審核委員會匯報。於各報告日期，財務部分析金融工具的價值變動及釐定應用於估值的主要輸入數據。估值交由財務總監審核及批准。審核委員會就估值程序及結果進行討論。

金融資產及負債的公平值計入自願雙方可於當前交易(脅迫或清盤銷售除外)中交換該工具所需之金額。估計公平值使用以下方法及假設。

本集團投資於非上市投資，指中國內地銀行發行的財富管理產品。本集團已採用貼現現金流量估值模式，並基於具有類似條款及風險的工具市場利率估計該等非上市投資的公平值。

對於按公平值計入其他全面收益的非上市股本投資，管理層已對在估值模型中合理運用可能的替代輸入數據之潛在影響作出估計。

NOTES TO FINANCIAL STATEMENTS

財務報表附註

31 December 2020 2020年12月31日

42. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS (continued)

Below is a summary of significant unobservable inputs to the valuation of financial instruments together with a quantitative sensitivity analysis as at 31 December 2020 and 2019:

42. 金融工具的公平值及公平值等級 (續)

下表為於2020年及2019年12月31日金融工具估值之重大不可觀察輸入數據連同量化敏感度分析的概要：

| | Valuation technique 估值技術 | Significant unobservable input (level 3) 重大不可觀察輸入數據(第三級) | Sensitivity of fair value to the input 公平值對輸入數據之敏感度 |
|---|-----------------------------|---|--|
| Equity investments at fair value through other comprehensive income | Valuation multiples | Average EV/EBITDA multiple of peers | 5% (2019: 5%) increase/ decrease in multiple would result in increase/ decrease in fair value by RMB340,000 (2019: RMB290,000) |
| 按公平值計入其他全面收益的股本投資 | 估值倍數 | 同業平均EV/EBITDA倍數 | 倍數上升/下跌5% (2019年: 5%) 將導致公平值增加/減少人民幣340,000元(2019年: 人民幣290,000元) |

NOTES TO FINANCIAL STATEMENTS

財務報表附註

31 December 2020 2020年12月31日

42. 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:

As at 31 December 2020

42. 金融工具的公平值及公平值等級 (續)

公平值等級

下表列示本集團金融工具的公平值計量等級：

按公平值計量的資產：

於2020年12月31日

| | | Fair value measurement using 使用下列各項進行公平值計量 | | | |
|--|-----------------------------|---|--|---|---------------------------------|
| | | Quoted prices in active markets (Level 1) 於活躍市場 之報價 (第一級) RMB'000 人民幣千元 | Significant observable inputs (Level 2) 重大可觀察 輸入數據 (第二級) RMB'000 人民幣千元 | Significant unobservable inputs (Level 3) 重大不可觀察 輸入數據 (第三級) RMB'000 人民幣千元 | Total 總計 RMB'000 人民幣千元 |
| Equity investments designated at fair value through other comprehensive income | 指定按公平值計入其 他全面收益的股本 投資 | 2,244 | — | 6,552 | 8,796 |
| Financial assets at fair value through profit or loss | 按公平值計入損益金 融資產 | — | — | 30,312 | 30,312 |
| | | 2,244 | — | 36,864 | 39,108 |

NOTES TO FINANCIAL STATEMENTS

財務報表附註

31 December 2020 2020年12月31日

42. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS (continued)

Fair value hierarchy (continued)

As at 31 December 2019

42. 金融工具的公平值及公平值等級 (續)

公平值等級 (續)

於2019年12月31日

| Fair value measurement using 使用下列各項進行公平值計量 | | | | |
|---|--|---|---------------------------------|-------|
| Quoted prices in active markets (Level 1) 於活躍市場 之報價 (第一級) RMB'000 人民幣千元 | Significant observable inputs (Level 2) 重大可觀察 輸入數據 (第二級) RMB'000 人民幣千元 | Significant unobservable inputs (Level 3) 重大不可觀察 輸入數據 (第三級) RMB'000 人民幣千元 | Total 總計 RMB'000 人民幣千元 | |
| | | | | |
| Equity investments designated at fair value through other comprehensive income | 指定按公平值計入其 他全面收益的股本 投資 | — | — | 6,290 |
| | | | | 6,290 |

Equity investments designated
at fair value through other
comprehensive income

指定按公平值計入其
他全面收益的股本
投資

—

—

6,290

6,290

The movements in fair value measurements within
Level 3 during the year are as follows:

年內，第三級內的公平值計量變動如下：

| | | 2020 二零二零年 RMB'000 人民幣千元 | 2019 二零一九年 RMB'000 人民幣千元 |
|--|-----------------------|-----------------------------------|-----------------------------------|
| Equity investments at fair value through other comprehensive income | 按公平值計入其他全面 收益的股本投資 | | |
| At 1 January | 於1月1日 | 6,290 | 700 |
| Total losses recognised in other comprehensive income | 於其他全面收益確認的 虧損總額 | (2,107) | — |
| Purchases | 購買 | 4,613 | 5,590 |
| At 31 December | 於12月31日 | 8,796 | 6,290 |

NOTES TO FINANCIAL STATEMENTS

財務報表附註

31 December 2020 2020年12月31日

43. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's principal financial instruments comprise cash and bank balances, bank loans and other borrowings. The main purpose of these financial instruments is to raise finance for the Group's operations. The Group has various other financial assets and liabilities such as trade receivables and trade payables, which arise directly from its operations.

The main risks arising from the Group's financial instruments are foreign currency risk, credit risk and liquidity risk. The board of directors reviews and agrees policies for managing each of these risks and they are summarised below.

Interest rate risk

As the Group has no bank loans with floating interest rate, there is no interest risk.

Foreign currency risk

The Group's businesses are located in Mainland China and nearly all transactions are conducted in RMB. As nearly all of the Group's assets and liabilities were denominated in RMB, the subsidiaries of the Company in Mainland China were not subject to significant foreign currency risk. As at 31 December 2020, the Group's assets and liabilities denominated in HKD were mainly held by the Company and certain subsidiaries incorporated outside Mainland China which had HKD as their functional currency, and the Group did not have material foreign currency transactions in Mainland China during the year.

43. 財務風險管理目標及政策

本集團的主要金融工具包括現金及銀行結餘、銀行貸款及其他借款。持有該等金融工具的主要目的乃為本集團經營籌集融資。本集團擁有貿易應收款項及貿易應付款項等其他多種金融資產及負債，均由其經營直接產生。

本集團金融工具產生的主要風險為外匯風險、信貸風險及流動資金風險。董事會檢討並協定管理各此等風險的政策，概述如下。

利率風險

由於本集團並無浮息銀行貸款，故無利率風險。

外匯風險

本集團在中國內地經營業務且幾乎所有業務以人民幣計值。由於本集團幾乎所有資產及負債均以人民幣計值，本公司於中國內地的附屬公司毋須面臨重大外匯風險。於2020年12月31日，本集團以港元計值的資產及負債主要由本公司及在中國內地以外註冊成立且將港元作為功能貨幣的若干附屬公司持有，且於年內，本集團在中國內地並無任何重大外匯交易。

NOTES TO FINANCIAL STATEMENTS

財務報表附註

31 December 2020 2020年12月31日

43. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

Credit risk

The Group trades only with recognised and creditworthy third parties. It is the Group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, receivable balances are monitored on an ongoing basis and the Group's exposure to bad debts is not significant. For transactions that are not denominated in the functional currency of the relevant operating unit, the Group does not offer credit terms without the specific approval of the Head of Credit Control.

Maximum exposure and year-end staging

The tables below show the credit quality and the maximum exposure to credit risk based on the Group's credit policy, which is mainly based on past due information unless other information is available without undue cost or effort, and year-end staging classification as at 31 December.

The amounts presented are gross carrying amounts for financial assets and the exposure to credit risk for the financial guarantee contracts.

43. 財務風險管理目標及政策(續)

信貸風險

本集團僅與獲認可兼信譽良好的第三方交易。根據本集團的政策，所有擬按信貸條款進行交易的客戶則必須通過信貸核實程序。此外，本集團會持續監察應收結餘，而本集團的壞賬風險並不重大。就並非以相關經營單位功能貨幣計值的交易而言，在未經信貸監控主任特定批准情況下，本集團不會提供信貸條款。

風險上限及年末階段

下表載列於12月31日根據本集團信貸政策(主要基於逾期資料，除非無需繁重成本或努力可取得其他資料，則作別論)的信貸質素及信貸風險上限，以及年末階段分類。

呈列金額為金融資產的賬面總值及財務擔保合約信貸風險。

NOTES TO FINANCIAL STATEMENTS

財務報表附註

31 December 2020 2020年12月31日

43. FINANCIAL RISK MANAGEMENT

OBJECTIVES AND POLICIES (continued)

Maximum exposure and year-end staging

(continued)

As at 31 December 2020

43. 財務風險管理目標及政策(續)

風險上限及年末階段(續)

於2020年12月31日

| | | 12-month ECLs | | Lifetime ECLs | | |
|--|--------------------|---------------|---------|---------------|---------------------|---------|
| | | 12個月預期信貸虧損 | | 全期預期信貸虧損 | | |
| | | Stage 1 | Stage 2 | Stage 3 | Simplified approach | Total |
| | | 第1階段 | 第2階段 | 第3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 |
| Trade receivables* | 貿易應收款項* | — | — | — | 141,615 | 141,615 |
| Financial assets included in prepayments and other receivables | 計入預付款項及其他應收款項的金融資產 | | | | | |
| — Normal** | — 正常** | 55,692 | — | — | — | 55,692 |
| Financial assets included in other non-current assets | 計入其他非流動資產的金融資產 | | | | | |
| — Normal** | — 正常** | 36,470 | — | — | — | 36,470 |
| Restricted bank balances | 受限制銀行結餘 | | | | | |
| — Not yet past due | — 尚未逾期 | 12,525 | — | — | — | 12,525 |
| Cash and cash equivalents | 現金及現金等價物 | | | | | |
| — Not yet past due | — 尚未逾期 | 126,506 | — | — | — | 126,506 |
| Financial assets at fair value through profit or loss | 按公平值計入損益的金融資產 | | | | | |
| — Not yet past due | — 尚未逾期 | 30,312 | — | — | — | 30,312 |
| | | 261,505 | — | — | 141,615 | 403,120 |

NOTES TO FINANCIAL STATEMENTS

財務報表附註

31 December 2020 2020年12月31日

43. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued) Maximum exposure and year-end staging (continued) As at 31 December 2019

43. 財務風險管理目標及政策(續) 風險上限及年末階段(續) 於2019年12月31日

| | | 12-month ECLs 12個月預期 信貸虧損 | Lifetime ECLs 全期預期信貸虧損 | | | |
|--|----------------------------|-------------------------------------|-------------------------------------|-------------------------------------|--|---------------------------------|
| | | Stage 1 第1階段 RMB'000 人民幣千元 | Stage 2 第2階段 RMB'000 人民幣千元 | Stage 3 第3階段 RMB'000 人民幣千元 | Simplified approach 簡化方法 RMB'000 人民幣千元 | Total 總計 RMB'000 人民幣千元 |
| Trade receivables* | 貿易應收款項* | — | — | — | 100,183 | 100,183 |
| Financial assets included in prepayments and other receivables | 計入預付款項及其他 應收款項的金融資 產 | | | | | |
| — Normal** | — 正常** | 37,271 | — | — | — | 37,271 |
| Restricted bank balances | 受限制銀行結餘 | | | | | |
| — Not yet past due | — 尚未逾期 | 14,113 | — | — | — | 14,113 |
| Cash and cash equivalents | 現金及現金等價物 | | | | | |
| — Not yet past due | — 尚未逾期 | 143,557 | — | — | — | 143,557 |
| Wealth management products | 財富管理產品 | | | | | |
| — Not yet past due | — 尚未逾期 | 5,000 | — | — | — | 5,000 |
| | | 199,941 | — | — | 100,183 | 300,124 |

* For trade receivables to which the Group applies the simplified approach for impairment, information based on the provision matrix is disclosed in note 22 to the financial statements.

** The credit quality of the financial assets included in prepayments, other receivables and other assets is considered to be "normal" when they are not past due and there is no information indicating that the financial assets had a significant increase in credit risk since initial recognition. Otherwise, the credit quality of the financial assets is considered to be "doubtful".

* 就本集團對減值採用簡化法的貿易應收款項而言，基於撥備矩陣得出的資料於財務報表附註22披露。

** 計入預付款項、其他應收款項及其他資產的金融資產的信貸質素於尚未逾期且概無資料表明金融資產自初始確認起大幅增加的情況下被認為「正常」。否則，金融資產的信貸質素被視為「可疑」。

NOTES TO FINANCIAL STATEMENTS

財務報表附註

31 December 2020 2020年12月31日

43. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued) Maximum exposure and year-end staging (continued)

Further quantitative data in respect of the Group's exposure to credit risk arising from trade receivables are disclosed in note 22 to the financial statements.

Since the Group trades only with recognised and creditworthy third parties, there is no requirement for collateral. Concentrations of credit risk are managed by customer/counterparty, by geographical region and by industry sector. There are no significant concentrations of credit risk within the Group as the customer bases of the Group's trade receivables are widely dispersed in different sectors and industries.

Liquidity risk

The Group monitors its risk to a shortage of funds using a recurring liquidity planning tool. This tool considers the maturity of both its financial instruments and financial assets (e.g., trade receivables) and projected cash flows from operations.

The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of bank overdrafts, bank loans and other interest-bearing loans.

43. 財務風險管理目標及政策(續)

風險上限及年末階段(續)

有關本集團貿易應收款項所產生的信貸風險的進一步量化數據，在財務報表附註22披露。

由於本集團僅與獲認可兼信譽良好的第三方交易，故並無提出抵押要求。信貸風險集中由客戶／對手方及按地區及按行業分部管理。由於本集團貿易應收款項的客戶群廣泛分佈於不同分部及行業，本集團信貸風險的集中程度並不顯著。

流動資金風險

本集團採用經常性流動資金計劃工具，監察其資金短缺的風險。此工具會考慮其金融工具及金融資產(如貿易應收款項)的到期情況，以及預期來自經營業務的現金流量。

本集團目標乃透過使用銀行透支、銀行貸款及其他計息貸款，以維持資金持續及靈活性之間的平衡。

NOTES TO FINANCIAL STATEMENTS

財務報表附註

31 December 2020 2020年12月31日

43. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

Liquidity risk (continued)

The maturity profile of the Group's financial liabilities as at the end of each reporting period, based on the contractual undiscounted payments, is as follows:

43. 財務風險管理目標及政策(續)

流動資金風險(續)

本集團的金融負債於各報告期末按照合約未貼現付款計算的到期情況如下：

| | | As at 31 December 2020 於2020年12月31日 | | | | |
|---|--------------------|--|--------------------|----------------|--------------|----------------|
| | | On demand | Less than 3 months | 3 to 12 months | 1 to 5 years | Total |
| | | 按要求 | 少於三個月 | 十二個月 | 一至五年 | 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 |
| Lease liabilities | 租賃負債 | — | 1,269 | 3,069 | 4,421 | 8,759 |
| Interest-bearing bank loans and other borrowings | 計息銀行貸款及其他借款 | — | 42,239 | 56,179 | 3,164 | 101,582 |
| Trade payables | 貿易應付款項 | 99,563 | 4,761 | 1,151 | 2,157 | 107,632 |
| Financial liabilities included in other payables and accruals | 計入其他應付款項及應計費用的金融負債 | 43,432 | — | — | — | 43,432 |
| | | 142,995 | 48,269 | 60,399 | 9,742 | 261,405 |

| | | As at 31 December 2019 於2019年12月31日 | | | | |
|---|--------------------|--|--------------------|----------------|--------------|----------------|
| | | On demand | Less than 3 months | 3 to 12 months | 1 to 5 years | Total |
| | | 按要求 | 少於三個月 | 十二個月 | 一至五年 | 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 |
| Interest-bearing bank loans | 計息銀行貸款 | — | 766 | 62,678 | — | 63,444 |
| Trade payables | 貿易應付款項 | 68,781 | 6,142 | — | — | 74,923 |
| Financial liabilities included in other payables and accruals | 計入其他應付款項及應計費用的金融負債 | 46,863 | — | — | — | 46,863 |
| | | 115,644 | 6,908 | 62,678 | — | 185,230 |

NOTES TO FINANCIAL STATEMENTS

財務報表附註

31 December 2020 2020年12月31日

43. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

Capital management

The primary objectives of the Group's capital management are to safeguard the Group's ability to continue as a going concern and to maintain healthy capital ratios in order to support its business and maximise shareholders' value.

The Group manages its capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Group is not subject to any externally imposed capital requirements. No changes were made in the objectives, policies or processes for managing capital during the years ended 31 December 2020 and 31 December 2019.

43. 財務風險管理目標及政策(續)

資本管理

本集團資本管理的主要目的為保障本集團持續經營的能力，並維持穩健的資本比率，藉以支持其業務及盡量提高股東價值。

本集團應經濟狀況的轉變及相關資產的風險特徵管理其資本架構及作出調整。為維持或調整資本架構，本集團可調整派付予股東的股息、向股東退還資本或發行新股份。本集團毋須遵守任何外部施加的資本規定。截至2020年12月31日及2019年12月31日止年度，管理資本的目的、政策或過程並無出現任何變動。

NOTES TO FINANCIAL STATEMENTS

財務報表附註

31 December 2020 2020年12月31日

43. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

Capital management (continued)

The Group monitors capital using a gearing ratio, which is total debt divided by total equity. Total debt includes interest-bearing bank loans. Capital represents total equity.

43. 財務風險管理目標及政策(續)

資本管理(續)

本集團使用資本負債比率(即總債務除以總權益)監控資本。總債務包括計息銀行貸款。資本指總權益。

| | | 2020 二零二零年 RMB'000 人民幣千元 | 2019 二零一九年 RMB'000 人民幣千元 |
|--|-----------|-----------------------------------|-----------------------------------|
| Interest-bearing bank loans and other borrowings | 計息銀行及其他借款 | 100,070 | 61,515 |
| Total debt | 總債務 | 100,070 | 61,515 |
| Total equity | 總權益 | 333,681 | 239,566 |
| Gearing ratio | 資本負債比率 | 30.0% | 25.7% |

44. EVENTS AFTER THE REPORTING PERIOD

Subsequent to 31 December 2020 and up to the date of this report, there was no material subsequent event undertaken by the Company or by the Group.

44. 報告期後事件

2020年12月31日之後及截至本報告日期，本公司或本集團概無重大期後事項。

NOTES TO FINANCIAL STATEMENTS

財務報表附註

31 December 2020 2020年12月31日

45. STATEMENT OF FINANCIAL POSITION OF THE COMPANY

Information about the statement of financial position of the Company at the end of the reporting period is as follows:

45. 本公司財務狀況表

本公司於報告期末的財務狀況表資料如下：

| | | 2020 二零二零年 RMB'000 人民幣千元 | 2019 二零一九年 RMB'000 人民幣千元 |
|---|---------------------|-----------------------------------|-----------------------------------|
| NON-CURRENT ASSETS | 非流動資產 | | |
| Investment in a subsidiary | 於一間附屬公司的投資 | 59,535 | 59,535 |
| Equity investment designated at fair value through other comprehensive income | 指定按公平值計入其他全面收益的股本投資 | 2,244 | — |
| Total non-current assets | 非流動資產總值 | 61,779 | 59,535 |
| CURRENT ASSETS | 流動資產 | | |
| Amount due from a subsidiary | 應收附屬公司款項 | 66,531 | 69,616 |
| Prepayments, other receivables and other assets | 預付款項、其他應收款項及其他資產 | 18,311 | 18,660 |
| Cash and cash equivalents | 現金及現金等價物 | 3,447 | 18,282 |
| Total current assets | 流動資產總值 | 88,289 | 106,558 |
| CURRENT LIABILITIES | 流動負債 | | |
| Amount due to a subsidiary | 應付附屬公司款項 | 1,230 | 1,272 |
| Interest-bearing bank loans | 計息銀行貸款 | — | 4,515 |
| Total current liabilities | 流動負債總值 | 1,230 | 5,787 |
| NET CURRENT ASSETS | 流動資產淨值 | 87,059 | 100,771 |
| TOTAL ASSETS LESS CURRENT LIABILITIES | 總資產減流動負債 | 148,838 | 160,306 |
| Net assets | 資產淨值 | 148,838 | 160,306 |
| EQUITY | 權益 | | |
| Share capital | 股本 | 3,391 | 3,391 |
| Reserves (note) | 儲備(附註) | 145,447 | 156,915 |
| Total equity | 總權益 | 148,838 | 160,306 |

NOTES TO FINANCIAL STATEMENTS

財務報表附註

31 December 2020 2020年12月31日

45. STATEMENT OF FINANCIAL POSITION OF THE COMPANY (continued)

Note:

A summary of the Company's reserves is as follows:

45. 本公司財務狀況表(續)

附註：

本公司儲備概述如下：

| | | Share premium | Exchange fluctuation reserve | Accumulated losses | Fair value reserve of financial assets at fair value through other comprehensive income | Total |
|--|------------------------|--------------------------|------------------------------|--------------------------|---|------------------------|
| | | 股份溢價 RMB'000 人民幣千元 | 匯兌波動儲備 RMB'000 人民幣千元 | 累計虧損 RMB'000 人民幣千元 | 按公平值計入其他全面收益的金融資產的公平值儲備 RMB'000 人民幣千元 | 總計 RMB'000 人民幣千元 |
| Balance at 1 January 2019 | 於2019年1月1日的結餘 | 173,785 | 3,337 | (13,036) | — | 164,086 |
| Final 2018 dividend declared | 已宣派2018年末期股息 | (2,903) | — | — | — | (2,903) |
| Interim 2019 dividend declared | 已宣派2019年中期股息 | — | — | (4,613) | — | (4,613) |
| Total comprehensive loss for the year | 年內全面虧損總額 | — | 345 | — | — | 345 |
| At 31 December 2019 and 1 January 2020 | 於2019年12月31日及2020年1月1日 | 170,882 | 3,682 | (17,649) | — | 156,915 |
| Final 2019 dividend declared | 已宣派2019年末期股息 | — | — | — | — | — |
| Interim 2020 dividend declared | 已宣派2020年中期股息 | (3,600) | — | — | — | (3,600) |
| Total comprehensive loss for the year | 年內全面虧損總額 | — | — | (2,209) | (2,369) | (4,578) |
| Exchange difference on translation of foreign operations | 換算海外業務的匯兌差異 | — | (3,290) | — | — | (3,290) |
| At 31 December 2020 | 於2020年12月31日 | 167,282 | 392 | (19,858) | (2,369) | 145,447 |

46. APPROVAL OF THE FINANCIAL STATEMENTS

The financial statements were approved and authorised for issue by the board of directors on 30 March 2021.

46. 批准財務報表

財務報表於2021年3月30日獲董事會批准及授權刊發。

FIVE YEARS FINANCIAL SUMMARY

五年財務摘要

OPERATING RESULTS

| | | For the year ended 31 December 截至12月31日止年度 | | | | |
|---------------------|------|---|-----------------------------------|-----------------------------------|-----------------------------------|-----------------------------------|
| | | 2020 二零二零年 RMB'000 人民幣千元 | 2019 二零一九年 RMB'000 人民幣千元 | 2018 二零一八年 RMB'000 人民幣千元 | 2017 二零一七年 RMB'000 人民幣千元 | 2016 二零一六年 RMB'000 人民幣千元 |
| Revenue | 收益 | 763,808 | 481,530 | 392,258 | 363,303 | 309,268 |
| Gross Profit | 毛利 | 117,247 | 74,171 | 67,383 | 66,869 | 60,643 |
| Profit for the year | 年內溢利 | 36,968 | 20,481 | 26,240 | 36,167 | 30,536 |

ASSETS, LIABILITIES AND EQUITY

| | | As at 31 December 於12月31日 | | | | |
|--|------------------|-----------------------------------|-----------------------------------|-----------------------------------|-----------------------------------|-----------------------------------|
| | | 2020 二零二零年 RMB'000 人民幣千元 | 2019 二零一九年 RMB'000 人民幣千元 | 2018 二零一八年 RMB'000 人民幣千元 | 2017 二零一七年 RMB'000 人民幣千元 | 2016 二零一六年 RMB'000 人民幣千元 |
| Non-current assets | 非流動資產 | 277,844 | 147,232 | 64,889 | 62,442 | 52,900 |
| Current assets | 流動資產 | 378,385 | 311,375 | 322,475 | 306,683 | 205,944 |
| Total assets | 資產總值 | 656,229 | 458,607 | 387,364 | 369,125 | 258,844 |
| Non-current liabilities | 非流動負債 | 19,356 | — | — | — | — |
| Current liabilities | 流動負債 | 303,192 | 219,041 | 147,621 | 153,622 | 198,552 |
| Total liabilities | 負債總值 | 322,548 | 219,041 | 147,621 | 153,622 | 198,552 |
| Net current assets | 流動資產淨值 | 75,193 | 92,334 | 174,854 | 153,061 | 7,392 |
| Total assets less current liabilities | 資產總值減流動負債 | 353,037 | 239,566 | 239,743 | 215,503 | 60,292 |
| Net assets | 資產淨值 | 333,681 | 239,566 | 239,743 | 215,503 | 60,292 |
| Capital and reserves | 資本及儲備 | | | | | |
| Share capital | 股本 | 3,391 | 3,391 | 3,391 | 3,349 | — |
| Reserves | 儲備 | 245,061 | 224,842 | 227,698 | 206,905 | 56,271 |
| | | 248,452 | 228,233 | 231,089 | 210,254 | 56,271 |
| Non-controlling interests | 非控股權益 | 85,229 | 11,333 | 8,654 | 5,249 | 4,021 |
| Total equity | 總權益 | 333,681 | 239,566 | 239,743 | 215,503 | 60,292 |



Riverine China Holdings Limited
浦江中國控股有限公司