

Perennial Energy Holdings Limited

久泰邦達能源控股有限公司

(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 : 2798

2021 ANNUAL 年
REPORT 報

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CORPORATE INFORMATION

公司資料

Board of Directors

Executive Directors

Mr. Yu Bangping (*Chairman and Chief Executive Officer*)

Mr. Sun Dawei

Mr. Wang Shize

Mr. Li Xuezhong

Mr. Lam Chik Shun, Marcus

Mr. Yu Zhilong

Mr. Yu Xiao

Independent non-executive Directors

Mr. Fong Wai Ho

Mr. Punnya Niraan De Silva

Ms. Cheung Suet Ting, Samantha

Mr. Wang Xiufeng

Audit Committee

Mr. Fong Wai Ho (*Chairman*)

Mr. Punnya Niraan De Silva

Ms. Cheung Suet Ting, Samantha

Nomination Committee

Mr. Yu Bangping (*Chairman*)

Mr. Fong Wai Ho

Ms. Cheung Suet Ting, Samantha

Remuneration Committee

Mr. Fong Wai Ho (*Chairman*)

Mr. Punnya Niraan De Silva

Mr. Lam Chik Shun, Marcus

Company Secretary

Mr. Chan Kwong Leung, Eric

Authorized Representatives

Mr. Lam Chik Shun, Marcus

Mr. Chan Kwong Leung, Eric

董事會

執行董事

余邦平先生(*主席兼行政總裁*)

孫大煒先生

王世澤先生

李學忠先生

林植信先生

余支龍先生

余瀟先生

獨立非執行董事

方偉豪先生

Punnya Niraan De Silva先生

張雪婷女士

王秀峰先生

審核委員會

方偉豪先生(*主席*)

Punnya Niraan De Silva先生

張雪婷女士

提名委員會

余邦平先生(*主席*)

方偉豪先生

張雪婷女士

薪酬委員會

方偉豪先生(*主席*)

Punnya Niraan De Silva先生

林植信先生

公司秘書

陳鄭良先生

法定代表

林植信先生

陳鄭良先生

CORPORATE INFORMATION (Continued)
公司資料(續)**Auditor**

Deloitte Touche Tohmatsu
Certified Public Accountants
Registered Public Interest Entity Auditor
 35/F, One Pacific Place
 88 Queensway
 Hong Kong

Legal Advisers

As to Hong Kong Laws:

Lau, Horton & Wise LLP in Association with
 CMS Hasche Sigle, Hong Kong LLP
 8th Floor, Nexxus Building
 41 Connaught Road Central
 Hong Kong

As to the People's Republic of China Laws:

Commerce & Finance Law Offices
 6/F, NCI Tower
 A12 Jianguomenwai Avenue
 Chaoyang District
 Beijing
 China

As to Cayman Islands Laws:

Maples and Calder (Hong Kong) LLP
 53rd Floor, The Center
 99 Queen's Road Central
 Hong Kong

Registered Office

P.O. Box 309, Ugland House
 Grand Cayman, KY1-1104
 Cayman Islands

Headquarters in China

Office building next to E' Lang Pu Leisure Square
 Hongguo Economic Development Area
 Liupanshui City, Guizhou Province, China

核數師

德勤•關黃陳方會計師行
 執業會計師
 註冊公眾利益實體核數師
 香港
 金鐘道88號
 太古廣場第一座35樓

法律顧問

有關香港法律：

劉賀韋律師事務所有限法律責任合夥
 (與CMS德和信律師事務所聯盟)
 香港
 干諾道中41號
 盈置大廈8樓

有關中華人民共和國法律：

通商律師事務所
 中國
 北京
 朝陽區
 建國門外大街甲12號
 新華保險大廈6樓

有關開曼群島法律：

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

註冊辦事處

P.O. Box 309, Ugland House
 Grand Cayman, KY1-1104
 Cayman Islands

中國總部

中國貴州省六盤水市
 紅果經濟開發區
 蛾螂鋪休閒廣場旁寫字樓

CORPORATE INFORMATION (Continued)

公司資料(續)

Principal Place of Business in Hong Kong

Unit 1003, 10th Floor
Tower 2, Lippo Centre
89 Queensway
Hong Kong

香港主要營業地點

香港
金鐘道89號
力寶中心2座
10樓1003室

Cayman Islands Principal Share Registrar and Transfer Office

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

開曼群島主要股份過戶登記處

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

Hong Kong Branch Share Registrar and Transfer Office

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

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

Principal Bankers

Bank of China Limited, Liupanshui City
Panzhou County Branch, China
Bank of Communications Co., Limited, Hong Kong

主要往來銀行

中國銀行有限公司
中國六盤水市盤州縣支行
交通銀行股份有限公司香港分行

Company's Website

www.perennialenergy.hk

公司網站

www.perennialenergy.hk

FINANCIAL HIGHLIGHTS

財務摘要

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

		2019 2019年 (RMB'000) (人民幣千元)	2020 2020年 (RMB'000) (人民幣千元)	2021 2021年 (RMB'000) (人民幣千元)
Revenue	收益	812,145	1,402,604	1,541,399
Gross profit	毛利	422,843	716,004	918,483
Gross profit margin	毛利率	52.1%	51.0%	59.6%
Profit and total comprehensive income for the year	年內溢利及全面收入總額	218,021	345,480	301,770
Adjusted profit and total comprehensive income for the year ⁽¹⁾	年內經調整溢利及全面收入總額 ⁽¹⁾	218,021	361,552	610,288
Basic earnings per Share (HK cents)	每股基本盈利(港仙)	13.63	21.59	18.86
Dividend per Share (HK cents)	每股股息(港仙)	2.5	3.75	3.75
Return on equity (%) ⁽²⁾	權益回報率(百分比) ⁽²⁾	18.0%	22.7%	17.1%
Return on total assets (%) ⁽³⁾	總資產回報率(百分比) ⁽³⁾	13.0%	12.9%	9.3%
Net cash from operation	經營所得現金淨額	150,346	492,267	553,428

As at 31 December
於12月31日

		2019 2019年 (RMB'000) (人民幣千元)	2020 2020年 (RMB'000) (人民幣千元)	2021 2021年 (RMB'000) (人民幣千元)
Total assets	總資產	1,677,341	2,675,408	3,237,621
of which:	其中：			
Bank balances and cash	銀行結餘及現金	243,312	139,603	180,854
Total liabilities	總負債	467,097	1,156,280	1,469,877
of which:	其中：			
Bank borrowings	銀行借款	211,426	376,864	522,015
Total equity	總權益	1,210,244	1,519,128	1,767,744
Number of shares in issue (million)	已發行股份數目(百萬股)	1,600	1,600	1,600
Net assets per Share (RMB)	每股資產淨值(人民幣)	0.756	0.949	1.105
Gearing ratio (%) ⁽⁴⁾	資產負債比率(百分比) ⁽⁴⁾	17.5%	24.8%	29.5%

Notes:

- Adjusted profit and total comprehensive income for the year is calculated by profit and total comprehensive income for the year less fair value change on contingent consideration payables.
- Return on equity is calculated by profit and total comprehensive income for the year over total equity.
- Return on total assets is calculated by profit and total comprehensive income for the year over total assets.
- Gearing ratio is calculated by bank borrowings over total equity.

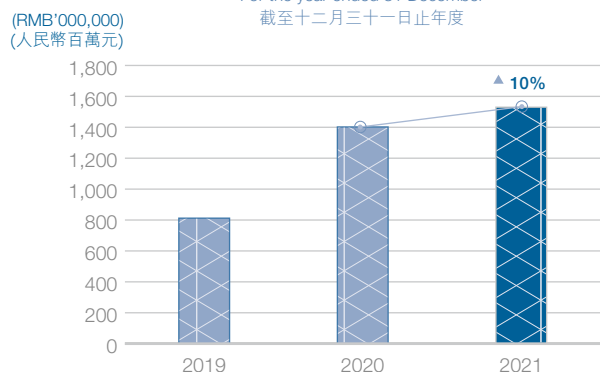
附註：

- 年內經調整溢利及全面收入總額乃按年內溢利及全面收入總額減應付或然代價公平值變動計算得出。
- 權益回報率乃將年內溢利及全面收入總額除以總權益計算得出。
- 總資產回報率乃將年內溢利及全面收入總額除以總資產計算得出。
- 資產負債比率乃將銀行借款除以總權益計算得出。

FINANCIAL HIGHLIGHTS (Continued)
財務摘要(續)

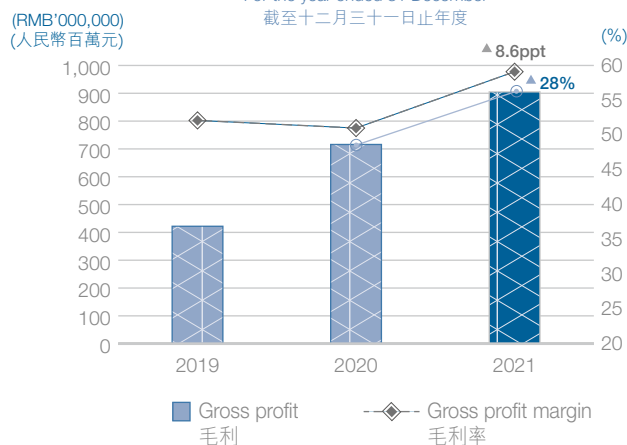
Revenue
收益

For the year ended 31 December
截至十二月三十一日止年度



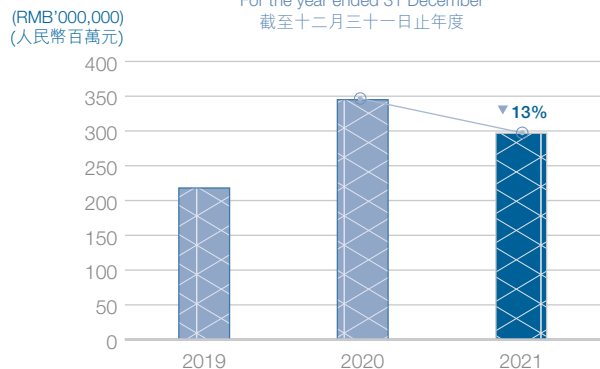
Gross profit and gross profit margin
毛利及毛利率

For the year ended 31 December
截至十二月三十一日止年度



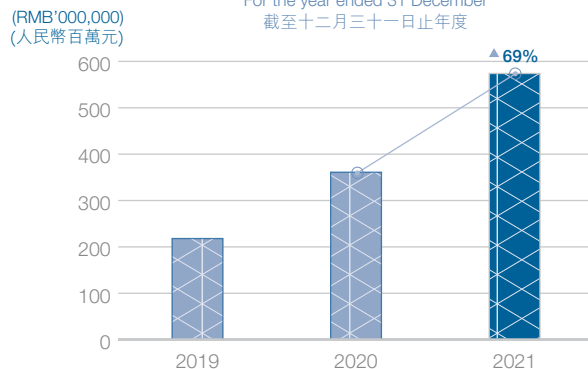
Profit and total comprehensive income for the year
年內溢利及全面收入總額

For the year ended 31 December
截至十二月三十一日止年度



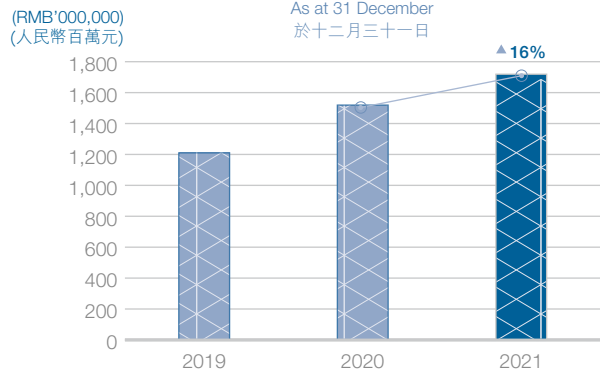
Adjusted profit and total comprehensive income for the year
年內經調整溢利及全面收入總額

For the year ended 31 December
截至十二月三十一日止年度



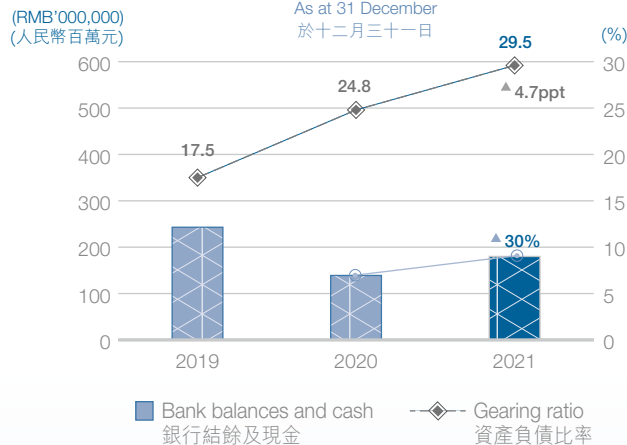
Net assets
資產淨值

As at 31 December
於十二月三十一日



Bank balances and cash and gearing ratio
銀行結餘及現金及資產負債比率

As at 31 December
於十二月三十一日



CHAIRMAN'S STATEMENT 主席報告書

Dear Shareholders,

I would like to express my gratitude for your interest in and support for Perennial Energy Holdings Limited (“Perennial Energy” or the “Company”).

Despite operating in a complex and volatile business environment in the past year, the Company maintained our business motto of “safety first, customers first” while making appropriate adjustments to our development strategy, resulting in an improved operational performance over last year. On behalf of the board of directors of the Company (the “Board”), I am pleased to present to our shareholders the annual results of the Company and its subsidiaries (the “Group”) for the year ended 31 December 2021 (the “year under review”).

Industry Review

China continued to be a global leader in economic development and pandemic control in 2021. Rapid economic growth increases the usage of energy, and coal remains the anchor of China’s energy supply. Overcoming adverse factors such as the pandemic and extreme weather, China’s raw coal production in 2021 amounted to 4.07 billion tonnes, representing a growth of 4.7% over last year.

Benefiting from state-wide affirmative economic policies, the Southwest region of China maintained fast growth in areas such as infrastructure and industrial investment, resulting in a stable growth in energy demand. In 2021, raw coal production of enterprises above designated size in Guizhou province (comprising enterprises with annual production of raw coal of 300,000 tonnes or above) amounted to over 131 million tonnes, representing a growth of 7.6% over last year.

Due to growing imbalance in supply and demand, the coking coal market both in Southwest China and across China experienced a boom in the past year. However, state-promulgated industrial regulatory policies as well as fluctuations in supplies of coking coal imports from the international market have also led to increasing volatility in coking coal prices.

各位尊敬的股東：

衷心感謝各位對久泰邦達能源控股有限公司（「久泰邦達」或「本公司」）的關注和支持。

過去一年，面對複雜多變的經營環境，本公司秉持「安全第一、客戶至上」的經營原則，適時調整發展策略，經營業績較往年更為進步。在此，我謹代表本公司董事會（「董事會」）欣然向各位股東提呈本公司及其附屬公司（「本集團」）截至2021年12月31日止年度（「回顧年度」）的全年業績。

行業回顧

2021年中國經濟發展和疫情防控繼續保持全球領先水平，經濟的較快增長，離不開能源支撐，煤炭依然是中國能源供給最穩定的「壓艙石」。在克服疫情、極端天氣等不利影響下，2021年，我國原煤產量達40.7億噸，比上年增長4.7%。

受惠於國家重點扶持的經濟政策，中國西南地區的基礎建設、工業投資等方面繼續保持較快增長，從而帶來穩定增長的能源需求。2021年貴州省規模以上企業（包括原煤年產量300,000噸或以上的企業）原煤產量超過131百萬噸，同比增長7.6%。

過去一年，受供求關係變化影響，西南地區焦煤市場和全國市場一樣，迎來了紅利行情，但受國家不時發佈的行業調控政策及國際市場進口焦煤供應量頻頻變化影響，焦煤價格波動也越來越頻繁，波動幅度也越來越大。

CHAIRMAN'S STATEMENT (Continued)
主席報告書(續)

Business Review

The Group mainly owns and operates three underground coal mines, namely Hongguo Coal Mine, Baogushan Coal Mine, and Xiejiahegou Coal Mine, in Panzhou, Guizhou Province, of which the permitted annual production capacity of each of Hongguo Coal Mine and Baogushan Coal Mine is 600,000 tonnes respectively, while the Xiejiahegou Coal Mine is an asset acquired by the Group on 1 January 2020, with a permitted annual production capacity of 450,000 tonnes.

During the year under review, raw coal production of the Group was 1,369,544 tonnes, representing a decrease of approximately 16.7% over 1,643,280 tonnes last year, mainly due to operational constraints encountered in Hongguo Coal Mine and Baogushan Coal Mine as a result of small faults. The Group has been preparing new work faces, hoping to minimise the disruption on production resulting from the faults in the coming year. During the year under review, under the impact of the decrease in production, total sales volume of coal products from the Group's three self-operated underground coal mines was 1,065,233 tonnes, representing a decline of approximately 18.0% over 1,298,928 tonnes last year.

Driven by the strong market prices of coking coal, the annual average selling price of clean coal of the Group was approximately RMB1,926.85 per tonne, representing a substantial increase of approximately 61.8% over last year. Such substantial increase in average selling price helped offset the impact of the decrease in production capacity. The Group recorded revenue of approximately RMB1,541.4 million during the year under review, representing an increase of approximately 9.9% over RMB1,402.6 million last year. Gross profit and gross profit margin was approximately RMB918.5 million and 59.6% respectively, representing an increase of approximately 28.3% and 8.6 percentage points respectively over last year.

業務回顧

本公司主要擁有及經營位於貴州省盤州市的三個地下煤礦，即紅果煤礦、苞谷山煤礦，及謝家河溝煤礦。其中紅果煤礦及苞谷山煤礦各自的許可年產能為600,000噸，而謝家河溝煤礦是本集團於2020年1月收購的資產，其許可年產能為450,000噸。

於回顧年度，本集團原煤產量約1,369,544噸，較去年之約1,643,280噸下降約16.7%，主要由於紅果煤礦和苞谷山煤礦出現小型地質斷層而導致運作受到限制。本集團正為採掘新工作面進行準備工作，有望明年減少斷層帶來的影響。於回顧年度，受產量下降的影響，本集團自營的三個地下煤礦生產的煤炭產品總銷售量為1,065,233噸，較去年之約1,298,928噸下降約18.0%。

受焦煤行情上漲拉動，本集團全年精煤平均售價約為每噸人民幣1,926.85元，較上年大幅增長約61.8%。平均售價的大幅上漲平衡了產能下降的影響，本集團於回顧年度錄得收益人民幣約1,541.4百萬元，較去年之人民幣約1,402.6百萬元上漲約9.9%，毛利和毛利率分別約為人民幣918.5百萬元及59.6%，較去年分別上漲約28.3%和8.6百分點。

CHAIRMAN'S STATEMENT (Continued)
主席報告書(續)

Prospects

On 26 January 2022, China's State Council issued the "Opinions of the State Council on Supporting Guizhou in Breaking a New Path to Large-scale Development of Western China in the New Era" with a 32-point policy to support Guizhou's development in the new era. The policy encourages the coal industry to "further enhance the energy sector, increase exploration of coal resources, promote resource integration and optimisation, accelerate the construction of large-scale coal bases", which will create new opportunities for the Company and other major local coal enterprises in Guizhou.

Looking ahead to 2022, as China's industrial production activities continue to recover and grow while supply chain reforms of the coal industry deepen, it is expected that the coking coal market in Southwest China will maintain a tight supply-demand balance.

Notably, given the global energy shortage and inflation of raw materials, China's regulatory measures on the coal industry will be more flexible, precise and specific. Generally, coal importing countries will be more exposed to unpredictable fluctuations in coal exports and price fluctuations in the coking coal market. With the resilience of China's economy, particularly Southwest China where there is continuous growth momentum, the stable and positive fundamentals of the coal market, particularly the coking coal market, is unlikely to change.

The Group will remain vigilant and review its business strategy regularly to actively resolve any complications that may arise in its operations. We will endeavour to fulfill combined trial operation conditions for expanding the permitted production capacity of each of Hongguo Coal Mine and Baogushan Coal Mine from 600,000 tonnes to 1.2 million tonnes in 2022, which will serve as a foundation for future growth.

展望

2022年1月26日，《國務院關於支持貴州在新時代西部大開發上闖新路的意見》重磅發佈，「32條」政策支持貴州在新時代西部大開發上闖新路。其中對煤炭行業提出「做大做強能源產業。加強煤炭資源勘查，推進資源整合與優化開發，加快大型煤炭基地建設。」的要求，為本公司及貴州本地其他大型煤炭企業迎來新的發展機遇。

展望2022年，隨著國內工業生產活動持續復甦及增長，煤炭行業供給側改革逐步深入，預計西南地區焦煤市場供需環境，將繼續維持平衡偏緊的局面。

值得注意的是，面對全球性的能源緊張和原材料上漲的局面，國家對煤炭行業的調控措施將更加靈活、更加精準、更有針對性。通常的外國煤炭進口國，煤炭出口數量波動不可預期，造成焦煤市場價格波動。但憑藉中國經濟的韌性，特別是一直保持著增長勢頭的西南地區，煤炭市場特別是焦煤市場穩定向好的基本面應該不會改變。

本集團將時刻保持警惕，不斷審視業務策略，積極解決運作中出現的難題。盡全力爭取2022年度內，實現紅果煤礦和苞谷山煤礦具備證照產能從各60萬噸提升至各120萬噸的聯合試運轉條件，為未來業績增長打下堅實基礎。

CHAIRMAN'S STATEMENT (Continued)
主席報告書(續)

Acknowledgement

With generous support from government authorities, long-term trust from business partners, and the concerted efforts of our entire staff, we will maintain our business motto of “safety first, customers first”, fulfill our corporate social responsibilities, and strive for better performance in the year ahead. I would like to express my utmost appreciation for the support and assistance from across various sectors that Perennial Energy enjoyed.

Yu Bangping
Chairman and Chief Executive Officer

Hong Kong, 23 March 2022

致謝

有賴於各級政府的大力支持、商業夥伴的長期信任，及全體員工的齊心努力，我們將在來年繼續秉持「安全第一、客戶至上」的經營原則，切實履行企業公民責任，力爭實現更好經營業績。在這裡，我對給予久泰邦達支持和幫助的各界人士表示最誠摯的謝意。

余邦平
主席兼行政總裁

香港，2022年3月23日

DIRECTORS' AND SENIOR MANAGEMENT'S BIOGRAPHICAL DETAILS 董事及高級管理層履歷詳情

The Company's directors (the "Directors") and senior management of the Group as at the date of this annual report are as follows:

Directors

Mr. Yu Bangping, aged 53, the Chairman, Chief Executive Officer and executive Director of the Company, joined the Group in 1990 and is a founder of the Group. Mr. Yu is also the chairman of the nomination committee of the Company (the "Nomination Committee"). He is also a director of 貴州久泰邦達能源開發有限公司 (Jiutai Bangda Energy Development Co., Ltd*) ("Jiutai Bangda"), a wholly-owned subsidiary of the Company. He is responsible for the overall management and strategic planning and development of the Group, including day-to-day business management, overseeing sales and marketing matters as well as managing external relationships with business partners.

Mr. Yu has more than 30 years of experience in the coal mining industry. He has acted as the legal representative of both Hongguo Coal Mine and Baogushan Coal Mine since the acquisition of such mines.

Apart from Mr. Yu's contributions to the Group, he was appointed as the vice president of the township enterprises association in Liupanshui in 2004, appointed as a deputy of the National People's Congress of Pan county in March 2005, recognised as a "Model Labourer" by the Liupanshui township in April 2005, recognised as the 2008 outstanding private entrepreneur in Guizhou Province, recognised as one of the top 10 influential entrepreneurs in 2009, recognised as the "Guizhou Star of Entrepreneurship" in 2010 and recognised as a "Model Labourer" in Guizhou in April 2010. Mr. Yu has also been recognised for his social contributions to his community. He was recognised for his individual support of social welfare in April 2007, recognised for his outstanding contributions for disaster relief in April 2008 and recognised as the "Moral Model" for helping others in Liupanshui in November 2010.

Mr. Yu graduated from 貴州省普通中等專業學校 (Guizhou Province Professional Secondary School*) majoring in underground mining. He is the father of Mr. Yu Zhilong, an executive Director.

於本年報日期，本公司董事(「董事」)及本集團高級管理層如下：

董事

余邦平先生，53歲，為本公司主席、行政總裁兼執行董事，於1990年加入本集團，並為本集團創始人。余先生亦為本公司提名委員會(「提名委員會」)主席。彼亦為貴州久泰邦達能源開發有限公司(「久泰邦達」，本公司一間全資附屬公司)之董事。彼負責本集團的整體管理及策略規劃與發展，包括日常業務管理、監督銷售及市場營銷事宜以及管理與業務合作夥伴的外部關係。

余先生於煤礦行業擁有逾30年經驗。彼自收購紅果煤礦及苞谷山煤礦以來為該等煤礦的法定代表。

除余先生對本集團的貢獻外，彼於2004年獲委任為六盤水城鎮企業協會副會長，於2005年3月獲委任為盤縣人大代表，於2005年4月獲六盤水鎮評為「勞動模範」，於2008年被貴州省評為優秀民營企業家，於2009年獲評為十大最具影響力的企業家之一，於2010年獲評為「貴州創業之星」及於2010年4月獲評為貴州「勞動模範」。余先生亦因對其社區的社會貢獻而獲表彰。彼於2007年4月因其個人對社會福利的支持而獲表彰，於2008年4月抗洪救災中作出突出貢獻而獲表彰，並於2010年11月獲評為六盤水助人為樂「道德模範」。

余先生畢業於貴州省普通中等專業學校，專業為地下採礦。彼為執行董事余支龍先生的父親。

DIRECTORS' AND SENIOR MANAGEMENT'S BIOGRAPHICAL DETAILS (Continued)

董事及高級管理層履歷詳情(續)

Mr. Sun Dawei, aged 49, joined the Group in 2008 and was appointed as executive Director in March 2018. He is also a director of Jiutai Bangda. Mr. Sun is responsible for the daily business operations of the Group. He has over 12 years of experience in coal mining industry. Mr. Sun graduated from Dafang County Vocational High School.

Mr. Wang Shize, aged 53, joined the Group in 2003 and was appointed as executive Director in March 2018. He is also a director of Jiutai Bangda. Mr. Wang is responsible for the daily business operations of the Group. He is also responsible for administration and human resources management of the Group. Mr. Wang has over 17 years of experience in the coal mining industry. From June 2011 to November 2017, he was the supervisor of 貴州邦達能源開發有限公司 (Guizhou Bangda Energy Development Co., Ltd.) (“**Guizhou Bangda**”). Mr. Wang holds a diploma in economic management awarded by Guizhou Provincial Party School.

Mr. Li Xuezhong, aged 53, joined the Group in 2018 and was appointed as executive Director and the Chief Operating Officer of the Group in March 2018 and April 2019 respectively. Mr. Li assists the Chief Executive Officer in handling PRC legal matters and the administrative management of the Group. He has taken senior management roles in different enterprises in China and possesses years of experience in corporate management. Mr. Li holds a bachelor's degree in economics awarded by Shaanxi Institute of Finance and Economics. He obtained his accountant qualification from Ministry of Personnel of the People's Republic of China.

Mr. Lam Chik Shun, Marcus, aged 44, joined the Group in 2017 and was appointed as executive Director and the Chief Strategy Officer of the Group in March 2018 and April 2019 respectively. Mr. Lam is also a member of the remuneration committee of the Company (the “**Remuneration Committee**”). He is also a director of certain subsidiaries of the Company. He works closely with the Chairman of the Board and the Chief Executive Officer as well as the Board to develop corporate strategies and to guide the business of the Group through detailed strategic planning procedures. He also focuses on strengthening the Group's core competency and identifying future growth organically and externally. Mr. Lam has over 19 years of experience working in the financial industry, focusing on financial management and investment. Mr. Lam holds a bachelor's degree in commerce awarded by the University of British Columbia and a master of business administration degree awarded by Warwick Business School. He is a Chartered Financial Analyst charter holder. Mr. Lam was an independent non-executive director of Great Wall Terroir Holdings Limited (formerly known as Great Wall Belt & Road Holdings Limited) (stock code: 524), the shares of which are listed on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”).

孫大煒先生，49歲，於2008年加入本集團，並於2018年3月獲委任為執行董事。彼亦為久泰邦達之董事。孫先生負責本集團的日常業務營運。彼於煤礦行業擁有逾12年經驗。孫先生畢業於大方縣職業高中。

王世澤先生，53歲，於2003年加入本集團，並於2018年3月獲委任為執行董事。彼亦為久泰邦達之董事。王先生負責本集團的日常業務營運，彼亦負責本集團的行政及人力資源管理。王先生於採煤行業擁有逾17年經驗。自2011年6月至2017年11月，彼為貴州邦達能源開發有限公司(「貴州邦達」)監事。王先生持有由貴州省委黨校頒發的經濟管理文憑。

李學忠先生，53歲，於2018年加入本集團，並分別於2018年3月及2019年4月獲委任為本集團執行董事及首席營運官。李先生協助行政總裁處理中國法律事務及本集團行政管理。彼曾於中國不同企業擔任高管職務，擁有多年的企業管理經驗。李先生持有由陝西財經學院頒發的經濟學學士學位。彼取得由中華人民共和國人事部頒發的會計師資格。

林植信先生，44歲，於2017年加入本集團，並分別於2018年3月及2019年4月獲委任為本集團執行董事及首席策略官。林先生亦為本公司薪酬委員會(「薪酬委員會」)成員。為本公司若干附屬公司之董事。彼與董事會主席及行政總裁以及董事會緊密合作，制定企業戰略及透過詳盡的戰略規劃程序引導本集團業務。彼亦專注於增強本集團的核心競爭力及識別內外部的未來增長。林先生於金融業擁有逾19年從業經驗，專注財務管理與投資。林先生持有由英屬哥倫比亞大學頒發的商業學士學位及華威商學院頒發的工商管理碩士學位。彼為特許財務分析師持證人。林先生曾任長城天下控股有限公司(前稱長城一帶一路控股有限公司(股份代號：524))獨立非執行董事，該公司的股份於香港聯合交易所有限公司(「聯交所」)上市。

DIRECTORS' AND SENIOR MANAGEMENT'S BIOGRAPHICAL DETAILS (Continued)
董事及高級管理層履歷詳情(續)

Mr. Yu Zhilong, aged 34, was appointed as executive Director in September 2019. Mr. Yu Zhilong acted as the deputy manager of Guizhou Bangda from August 2011 to April 2016. He was appointed as the manager of 貴州久泰邦達能源開發有限公司機電分公司 (Guizhou Jiutai Bangda Energy Development Co., Ltd. Electricity and Machinery Branch*), the branch office of an indirect wholly-owned subsidiary of the Company, in July 2016. He is also a director of 貴州富邦達諮詢服務有限公司 (Guizhou Fu Bangda Consultancy Services Co., Ltd.*) ("Guizhou Fu Bangda"), an indirect wholly-owned subsidiary of the Company. Mr. Yu Zhilong was also appointed as the legal representative of Guizhou Fu Bangda in June 2017. He graduated from Guizhou University and holds a bachelor's degree in business management. Mr. Yu Zhilong is the son of Mr. Yu Bangping, the Chairman of the Company.

Mr. Yu Xiao, aged 39, was appointed as executive Director in September 2019. Mr. Yu Xiao acted as the deputy general manager of Guizhou Bangda from March 2017 to February 2019. He was appointed as the chief executive officer of Jiutai Bangda in March 2019. Mr. Yu Xiao was appointed to certain posts including accounting clerk, account manager and chief accountant in finance department of 貴州黔桂天能焦化有限責任公司 (Guizhou Qianguai Tianneng Coking Co., Ltd.*) from September 2006 to February 2017. Mr. Yu graduated from Guizhou University and holds a bachelor degree in management.

Mr. Fong Wai Ho, aged 41, was appointed as an independent non-executive Director in November 2018. Mr. Fong is also the chairman of the audit committee of the Company (the "Audit Committee") and Remuneration Committee and a member of the Nomination Committee. He has 17 years of experience in auditing and business advisory services, he is the founder and practitioner of UBC & Co., Certified Public Accountants from March 2013 to present. Mr. Fong was the practicing director of Andes Glacier CPA Limited from March 2017 to March 2020. He holds a bachelor's degree in business administration (Honours) in accountancy and management information systems awarded by City University of Hong Kong. Mr. Fong is a practicing Certified Public Accountant in Hong Kong, a member of the Association of Chartered Certified Accountants as well as a fellow of the Hong Kong Institute of Certified Public Accountants. He is a member of the Chartered Professional Accountants of British Columbia and the Chartered Professional Accountants of Canada, respectively. He ceased to be a member of CPA Australia with effect from 1 February 2022.

余支龍先生，34歲，於2019年9月獲委任為執行董事。余支龍先生自2011年8月至2016年4月擔任貴州邦達的副經理。彼於2016年7月獲委任為本公司間接全資附屬公司的分辦事處貴州久泰邦達能源開發有限公司機電分公司的經理。彼亦為貴州富邦達諮詢服務有限公司(「貴州富邦達」，本公司一間間接全資附屬公司)之董事。余支龍先生亦於2017年6月獲委任為貴州富邦達的法定代表人。彼畢業於貴州大學，持有工商管理學士學位。余支龍先生為本公司主席余邦平先生的兒子。

余瀟先生，39歲，於2019年9月獲委任為執行董事。余瀟先生自2017年3月至2019年2月出任貴州邦達的副總經理。彼於2019年3月獲委任為久泰邦達的首席執行官。余瀟先生自2006年9月至2017年2月獲委出任貴州黔桂天能焦化有限責任公司財務部門的若干職位，包括會計人員、會計經理及總會計師。余瀟先生畢業於貴州大學，持有管理學學士學位。

方偉豪先生，41歲，於2018年11月獲委任為獨立非執行董事。方偉豪先生亦為本公司審核委員會(「審核委員會」)及薪酬委員會的主席以及提名委員會成員。彼於審計及商業諮詢服務方面擁有17年經驗。自2013年3月至今，彼於其創辦的樺卓會計師事務所擔任執業會計師。方先生於2017年3月至2020年3月擔任思捷會計師行有限公司執業董事。彼持有由香港城市大學頒發的工商管理榮譽學士(會計與管理資訊系統)學位。方先生為香港執業會計師、英國特許公認會計師公會會員及香港會計師公會資深會員。彼分別為英屬哥倫比亞特許專業會計師協會(Chartered Professional Accountants of British Columbia)及加拿大特許專業會計師協會。彼自2022年2月1日不再為澳洲會計師公會會員。

DIRECTORS' AND SENIOR MANAGEMENT'S BIOGRAPHICAL DETAILS (Continued)

董事及高級管理層履歷詳情(續)

Mr. Fong is currently an independent non-executive director of Global Sweeteners Holdings Limited (stock code: 3889) and Great Wall Terroir Holdings Limited (formerly known as Great Wall Belt & Road Holdings Limited) (stock code: 524), the shares of which are listed on the Stock Exchange. He was an independent non-executive director of CT Environmental Group Limited from August 2020 to September 2021, the shares of which were delisted on the Stock Exchange with effect from 10 September 2021.

Mr. Punnya Niraan De Silva, aged 37, was appointed as an independent non-executive Director in November 2018. Mr. De Silva is also a member of the Audit Committee and the Remuneration Committee. He has over 14 years of experience in the financial industry. From November 2017 to present, Mr. De Silva worked as a consultant for Ho Chi Minh City Development Joint Stock Commercial Bank. He holds a bachelor's degree in commerce and economics awarded by Monash University Australia.

Ms. Cheung Suet Ting, Samantha, age 39, was appointed as an independent non-executive Director in November 2018. Ms. Cheung is also a member of the Audit Committee and the Nomination Committee. She has over 9 years of experience in private equity investments and mergers and acquisitions. From November 2017 to May 2019, Ms. Cheung worked as finance executive at Breakthrough Innovation Lab, a venture builder of many promising and innovative tech startups. She currently acts as investment manager of Animoca Brands Corporation Limited (ASX: AB1). Ms. Cheung holds a bachelor's degree in Economics and Mathematics awarded by Brandeis University.

Mr. Wang Xiufeng, aged 64, was appointed as an independent non-executive Director in September 2019. Mr. Wang has over 32 years' experience in coal mining industry. He had worked in 貴州省煤礦設計研究院 (Guizhou Coal Mine Design and Research Institute*) ("Guizhou Coal Mine Institute") and has been the mine design project leader in various coal mines. Mr. Wang was the chairman of the board of directors and legal representative of 貴州煤設地質工程有限責任公司 (Guizhou Coal Mine Geological Engineering Co., Ltd.*) from December 2012 to April 2018. He was also the vice president of Guizhou Coal Mine Institute from March 2003 to April 2018. Mr. Wang was the senior engineer of Guizhou Coal Mine Institute from March 1997 to April 2018. He obtained a certificate of Registered Mining Mineral Exploration & Design Engineer from the Ministry of Construction of the People's Republic of China.

方先生現為大成糖業控股有限公司(股份代號：3889)及長城天下控股有限公司(前稱長城一帶一路控股有限公司(股份代號：524))的獨立非執行董事，該等公司的股份於聯交所上市。彼於2020年8月至2021年9月擔任中滔環保集團有限公司的獨立非執行董事，該公司的股份自2021年9月10日於聯交所除牌。

Punnya Niraan De Silva先生，37歲，於2018年11月獲委任為獨立非執行董事。De Silva先生亦為審核委員會及薪酬委員會的成員。彼於金融業擁有逾14年經驗。自2017年11月至今，De Silva先生於胡志明城市發展商業銀行有限公司(Ho Chi Minh City Development Joint Stock Commercial Bank)擔任顧問。彼持有由澳洲莫納什大學(Monash University Australia)頒發的商業與經濟學學士學位。

張雪婷女士，39歲，於2018年11月獲委任為獨立非執行董事。張女士亦為審核委員會及提名委員會的成員。彼於私募股權投資及併購方面擁有逾9年經驗。自2017年11月至2019年5月，張女士於Breakthrough Innovation Lab擔任財務行政人員，Breakthrough Innovation Lab為眾多前景光明的創新初創企業的風險投資方。彼現為Animoca Brands Corporation Limited(澳洲證券交易所：AB1)的投資經理。張女士持有由布蘭戴斯大學頒發的經濟及數學學士學位。

王秀峰先生，64歲，於2019年9月獲委任為獨立非執行董事。王先生於煤礦行業擁有逾32年經驗。彼曾任職於貴州省煤礦設計研究院(「貴州煤礦院」)，並擔任多個煤礦的煤礦設計項目負責人。王先生自2012年12月至2018年4月擔任貴州煤設地質工程有限責任公司的董事長及法定代表人。彼自2003年3月至2018年4月擔任貴州煤礦院的副院長。王先生自1997年3月至2018年4月擔任貴州煤礦院高級工程師。彼獲得中華人民共和國建設部註冊採礦／礦產勘探設計工程師證書。

DIRECTORS' AND SENIOR MANAGEMENT'S BIOGRAPHICAL DETAILS (Continued)
董事及高級管理層履歷詳情(續)

He is currently an independent non-executive director of Feishang Anthracite Resources Limited (stock code: 1738) which is listed on the Main Board of the Stock Exchange. He graduated from Chongqing University and holds a bachelor's degree in underground coal mining.

Senior Management

Mr. Lau Kai Ming, aged 37, joined the Group in March 2021 and is the Chief Financial Officer of the Group. Mr. Lau holds a bachelor's degree in Commerce awarded by Curtin University of Technology and Master's degree in science awarded by City University of Hong Kong and Manchester Metropolitan University respectively. He is a member of each of the Hong Kong Institute of Certified Public Accountants, the CPA Australia, the Hong Kong Chartered Governance Institute, the Chartered Governance Institute and the Chartered Institutes of Management Accountant. Mr. Lau has extensive experience in financial management, auditing and company secretarial matters. Prior to joining the Group, he served as the Financial Controller of a company listed on the Main Board of the Stock Exchange.

Mr. Liu Yongfu, aged 50, joined the Group in 2017 and has been the Financial Director since April 2017. Mr. Liu is responsible for the financial management of the Group. From April 2017 to present, he has acted as financial controller at Jiutai Bangda. Mr. Liu obtained the qualification as certified public accountant in China. He obtained the qualification as an intermediate accountant in China. Mr. Liu obtained a diploma in material management from 貴州省物資學校 (Guizhou Materials School*). He graduated from 中央黨校 (Central Party School*) with diploma in economic management.

Mr. Yu Honggang, aged 48, joined the Group in 2008 and has been the General Manager of the Group since September 2016. Mr. Yu is responsible for the Group's production and safety management. From 2015 to present, He has been the general manager of the Hongguo Coal Mine and Baogushan Coal Mine. From 2008 to 2015, Mr. Yu worked at Hongguo Coal Mine during which he acted as chief of Hongguo Coal Mine from 2013 to 2015. Mr. Yu holds a bachelor's degree in coal mining technology awarded by Hunan University of Science and Technology. He also graduated from 貴州省普通中等專業學校 (Guizhou Province Professional Secondary School*) majoring in mining technology.

彼現為飛尚無煙煤資源有限公司(股份代號：1738)的獨立非執行董事，該公司在聯交所主板上市。彼畢業於重慶大學，持有地下採煤學士學位。

高級管理層

劉啟銘先生，37歲，於2021年3月加入本集團及擔任本集團首席財務官。劉先生分別持有科廷科技大學(Curtin University of Technology)頒發的商業學士學位、香港城市大學及曼徹斯特都會大學(Manchester Metropolitan University)頒發的理學碩士學位。彼為香港會計師公會、澳洲會計師公會、香港公司治理公會、英國特許公司治理公會及英國皇家特許管理會計師公會等公會會員。劉先生於財務管理、審計及公司秘書事務等方面擁有豐富經驗。加入本集團前，彼於一間聯交所主板上市公司擔任財務總監。

劉永富先生，50歲，於2017年加入本集團，自2017年4月起出任財務總監。劉先生負責本集團的財務管理。自2017年4月至今，彼於久泰邦達擔任財務總監。劉先生獲得中國註冊會計師資格，並取得中國中級會計師資格。劉先生自貴州省物資學校取得材料管理文憑。彼畢業於中央黨校並獲得經濟管理文憑。

余紅岡先生，48歲，於2008年加入本集團，並自2016年9月起出任本集團總經理。余先生負責本集團的生產及安全管理。自2015年至今，他一直擔任紅果煤礦及苞谷山煤礦的總經理。自2008年至2015年，余先生就職於紅果煤礦，期間，彼於2013年至2015年擔任紅果煤礦主管。余先生持有由湖南科技大學頒發的煤礦開採技術學士學位。彼亦畢業於貴州省普通中等專業學校採礦技術專科。

DIRECTORS' AND SENIOR MANAGEMENT'S BIOGRAPHICAL DETAILS (Continued)

董事及高級管理層履歷詳情(續)

Mr. Tong Yu, aged 48, joined the Group in 2017 and has been the Deputy General Manager since June 2017. Mr. Tong is responsible for the sales and business development of the Group. He has over 16 years of experience in the coal mining industry. From June 2017 to present, Mr. Tong has acted as deputy general manager of Jiutai Bangda. He graduated from Guizhou University with a diploma in business management. Mr. Tong also obtained a bachelor's degree in marketing at Xinan University. He received his qualification certificate of specialty and technology specializing in business economics.

Mr. Liu Lizhi, aged 48, joined the Group in 2014 and has been the Deputy General Manager since 1 September 2016. Mr. Liu is responsible for the Group's technical R&D as well as mechanical and electrical management. He graduated from 湘潭礦業學院 (Xiangtan Mining Institute*) (now known as the Hunan University of Science and Technology) with a bachelor's degree in engineering. Mr. Liu was qualified the professional technical position as senior engineer by the personnel department of Guizhou Province.

Mr. Wan Weiping, aged 59, joined the Group in 2009 and has been the Chief Engineer and Technical Manager since September 2016. Mr. Wan is responsible for the technical supervision of the Group. He graduated from 湘潭礦業學院 (Xiangtan Mining Institute*) (now known as the Hunan University of Science and Technology) with a bachelor's degree in engineering. Mr. Wan was qualified the professional technical position as senior engineer by the personnel department of Guizhou Province.

Mr. Wang Long, aged 47, joined the Group in 2011 and has been the Chief Accountant since September 2016. Mr. Wang is responsible for accounting supervision of the Group. From September 2016 to present, he has worked in the financial affairs department of Jiutai Bangda as Chief Accountant. Mr. Wang holds a diploma in economics and bank management. He was qualified as registered accountant.

童宇先生，48歲，於2017年加入本集團並自2017年6月起出任副總經理。童先生負責本集團的銷售及業務發展。彼於採煤行業積逾16年經驗。自2017年6月至今，童先生擔任久泰邦達副總經理。彼於貴州大學企業管理專科畢業。童先生亦於西南大學取得市場學學士學位。彼獲得商業經濟學專業技術資格證書。

劉禮志先生，48歲，於2014年加入本集團，並自2016年9月1日起出任副總經理。劉先生負責本集團的技術研發及機電管理。彼畢業於湘潭礦業學院(現稱湖南科技大學)並獲得工程學學士學位。劉先生取得由貴州省人事廳頒發的高級工程師專業技術職務資格。

萬維平先生，59歲，於2009年加入本集團，自2016年9月起出任總工程師及技術經理。萬先生負責本集團的技術監管。彼畢業於湘潭礦業學院(現稱湖南科技大學)並獲得工程學學士學位。萬先生取得由貴州省人事廳頒發的高級工程師專業技術職務資格。

王龍先生，47歲，於2011年加入本集團，自2016年9月起出任總會計師。王先生負責本集團的會計監管。自2016年9月至今，彼於久泰邦達財務部擔任總會計師。王先生持有經濟學與銀行管理文憑。彼獲頒發註冊會計師。

* For identification purpose only

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

Industry Review

China's economy concluded 2021 with a strong recovery, recording an 8.1% Gross Domestic Product ("GDP") growth year-on-year ("YoY"). That was the fastest pace in a decade, narrowly beating the IMF and World Bank expectations, and well beyond the target set by the central government. The growth was partially fuelled by the world's reliance on Chinese goods, as the country's successful novel coronavirus ("COVID-19") outbreak prevention and control methods yielded excellent outcomes and kept its industry chains operating stably without significant disruptions. China's total annual export was valued at nearly US\$3.4 trillion during 2021, with trade surplus increasing by approximately 20.4% when compared to a year ago. Industrial production grew by approximately 9.6% YoY, contributing to the economic momentum. Although China's annual crude steel production retreated by approximately 3% compared to the levels recorded in 2020, it remained the largest globally.

Among the various provinces, Guangdong, Jiangsu and Shandong remained as the largest GDP contributors. After growing at more than doubled the national average growth rate in 2020, Guizhou continued its robust growth, with its GDP rising by approximately 8.1% YoY in 2021. The past two-year average growth rate of Guizhou is also one of the highest among all provinces. Echoing results were recorded in the neighbouring provinces of Yunnan and Sichuan, showing the region's strong momentum and extraordinary resilience.

In an attempt to strive for a balancing act between the growth and national carbon neutralisation targets, China's energy sector experienced a volatile year in 2021, with a consumption boom in the first half of the year, followed by actions to lower power consumption in the second half. Despite the volatility, the overall average prices in 2021 increased by approximately 61.8% YoY.

行業回顧

於2021年結束時，中國經濟強勢復甦，國內生產總值（「GDP」）同比增長8.1%，為過去十年最快的增長速度，不僅稍為超越國際貨幣基金組織及世界銀行的期望，還遠超中央政府訂下的目標。達致該增長的部分原因是世界對中國商品的依賴，因為中國防控新型冠狀病毒（「COVID-19」）疫情的方法成功取得良好結果，使其產業鏈得以穩定運作，並無出現嚴重干擾。於2021年，中國的年度出口總額的價值接近3.4萬億美元；貿易順差較去年增加約20.4%。工業生產同比增長約9.6%，推動了經濟發展。儘管中國的粗鋼年產量較2020年錄得的水平減少了約3%，但有關產量仍居世界第一。

在省份層面，廣東、江蘇及山東仍然是GDP三大貢獻者；大部分省份達到或超越了增長目標。貴州於2020年以全國平均增長率的雙倍速度增長，而於2021年則繼續穩健增長，GDP同比增長約8.1%。貴州於兩年來的平均增長率在所有省份之中名列前茅。鄰近的雲南及四川省亦錄得類似結果，反映該地區具有強勁的增長勢頭和超凡的復原力。

為了在穩固的需求與全國碳中和目標之間找到一個平衡點，中國的能源業在2021年經歷了動盪的一年。上半年耗能大幅增加後下半年則推進能耗雙控措施。儘管經歷波動，2021年整體平均價格同比上漲約61.8%。

MANAGEMENT DISCUSSION AND ANALYSIS (Continued)
管理層討論及分析(續)

Business Review

The Group mainly owns and operates three underground coal mines in Panzhou City, Guizhou Province, including 盤縣紅果鎮紅果煤礦 (Pan County Hongguo Town Hongguo Coal Mine*) (“Hongguo Coal Mine”), 盤縣紅果鎮苞谷山煤礦 (Pan County Hongguo Town Baogushan Coal Mine*) (“Baogushan Coal Mine”) and 盤縣羊場鄉謝家河溝煤礦 (Pan County Yangchang Village Xiejiahegou Coal Mine*) (“Xiejiahegou Coal Mine”).

Acquisition of Xiejiahegou Coal Mine

Xiejiahegou Coal Mine was acquired by Jiutai Bangda, an indirect wholly-owned subsidiary of the Company, on 1 January 2020. As stated in the Company’s announcements dated 5 November 2019, 22 November 2019, 26 November 2019 and 2 January 2020 and the Company’s circular dated 19 December 2019, the vendors of the Xiejiahegou Coal Mine (the “Vendors”) guarantee to Jiutai Bangda that each of audited net profit for the years ended 31 December 2020 and 2021, as well as the year ending 31 December 2022 generated by the Xiejiahegou Coal Mine shall not be less than RMB150.0 million (the “Profit Guarantee”). In the event of breach of the Profit Guarantee, the Vendors shall pay the compensation(s) to Jiutai Bangda, subject to an overall cap of RMB300.0 million. On the other hand, in the event where any of the audited net profit for the year ended 31 December 2020, 31 December 2021 and year ending 31 December 2022 generated by the Xiejiahegou Coal Mine is greater than RMB150.0 million, Jiutai Bangda shall pay bonus(es) to the Vendors, subject to an overall cap of RMB300.0 million.

The audited net profit of the Xiejiahegou Coal Mine for the year ended 31 December 2021 exceeded RMB150 million, meeting the Profit Guarantee for the year ended 31 December 2021.

For the year ended 31 December 2021 (the “year under review”), a fair value loss of contingent consideration payable of approximately RMB308.5 million is incurred. Driven by strong operational performance and higher coal market price, the net profit generated from Xiejiahegou Coal Mine exceeded the Profit Guarantee by over 51.2% for the year ended 31 December 2021, and the Company expects that outstanding performance Xiejiahegou Coal Mine would continue in the year ending 31 December 2022. Based on the valuation of fair value change in contingent consideration payable, a fair value loss of approximately RMB308.5 million is recognized for the year under review.

業務回顧

本集團主要擁有及經營位於貴州省盤州市的三個地下煤礦，即盤縣紅果鎮紅果煤礦(「紅果煤礦」)、盤縣紅果鎮苞谷山煤礦(「苞谷山煤礦」)，及縣羊場鄉謝家河溝煤礦(「謝家河溝煤礦」)。

收購謝家河溝煤礦

謝家河溝煤礦乃由久泰邦達，本公司的間接全資附屬公司)於2020年1月1日收購。誠如本公司日期為2019年11月5日、2019年11月22日、2019年11月26日、2020年1月2日之公告，以及本公司日期為2019年12月19日之通函，謝家河溝煤礦之賣方(「賣方」)向久泰邦達保證，截至2020年及2021年12月31日止年度、以及截至2022年12月31日止年度各年謝家河溝煤礦產生的經審核純利將不少於人民幣150.0百萬元(「溢利保證」)。倘未能達成溢利保證，賣方須向久泰邦達支付補償金額，最高限額為人民幣300.0百萬元。另一方面，倘謝家河溝煤礦於截至2020年12月31日止年度、截至2021年12月31日止年度及2022年12月31日止年度任何一年所產生經審核純利大於人民幣150.0百萬元，久泰邦達向賣方支付獎金，最高限額為人民幣300.0百萬元。

謝家河溝煤礦於截至2021年12月31日止年度之經審核純利超過人民幣150.0百萬元，達到截至2021年12月31日止年度之溢利保證。

截至2021年12月31日止年度(「回顧年度」)產生或然應付代價之公平值虧損約人民幣308.5百萬元。在穩健的營運表現及煤炭價格上升驅使下，謝家河溝煤礦於回顧年度之純利超出溢利保證逾51.2%，且本公司預期謝家河溝煤礦將於截至2022年12月31日止年度持續優越表現。根據對或然應付代價之公平值變動之估值，於回顧年度確認公平值虧損約人民幣308.5百萬元。

MANAGEMENT DISCUSSION AND ANALYSIS (Continued)
管理層討論及分析(續)

Resource and Reserve

The following table indicates the resource and reserve data of the three mines:

資源及儲備

下表顯示三個煤礦的資源量及儲量數據：

		Hongguo Coal Mine 紅果煤礦	Baogushan Coal Mine 苞谷山煤礦	Xiejiahegou Coal Mine 謝家河溝煤礦
Resource data under the JORC Code[#]	根據JORC規則[#]概覽的資源量			
Summary (as at 31 December 2021)¹	數據(於2021年12月31日)¹			
Measured resources (kt)	探明資源量(千噸)	17,585	10,662	–
Indicated resources (kt)	控制資源量(千噸)	7,800	24,700	15,908
Inferred resources (kt)	推斷資源量(千噸)	13,000	7,000	10,350
Reserve data under the JORC Code[#]	根據JORC規則[#]概覽的儲量數			
Summary (as at 31 December 2021)¹	據(於2021年12月31日)¹			
Proved reserves (kt)	證實儲量(千噸)	13,115	7,832	–
Probable reserves (kt)	概略儲量(千噸)	5,910	18,790	10,018
Marketable reserves ²	可銷售儲量 ²			
– Clean coal (kt) ³	– 精煤(千噸) ³	10,225	14,163	6,480
– Middling coal (kt)	– 中煤(千噸)	4,688	6,522	975
– Sludge coal (kt)	– 泥煤(千噸)	41	53	979

Notes:

- (1) The resource and reserve data are estimated by Dr. C.S. Kong of Ravia Global Appraisal Advisory Limited (“Ravia”) and have been carried out in accordance with the JORC Code.
- (2) The marketable reserves of each of the three final products (clean coal, middling coal and sludge coal) of the Hongguo Coal Mine, Baogushan Coal Mine and Xiejiahegou Coal Mine were estimated by using the historical average recoveries of coal preparation from 1 January 2021 to 31 December 2021.
- (3) The clean coal produced from the Hongguo Coal Mine and Baogushan Coal Mine are mostly 1/3 coking coal whereas the clean coal produced from the Xiejiahegou Coal Mine are mostly coking coal.
- [#] JORC Code: The Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves.

附註：

- (1) 該等資源量及儲量數據由瑞豐環球評估諮詢有限公司(「瑞豐」)的江志成博士根據JORC規則進行估計。
- (2) 紅果煤礦、苞谷山煤礦及謝家河溝煤礦三項最終產品(精煤、中煤及泥煤)各自的可銷售儲量透過使用2021年1月1日至2021年12月31日洗煤的歷史平均回收率進行估計。
- (3) 紅果煤礦及苞谷山煤礦所生產的精煤大部分為1/3焦煤，而謝家河溝煤礦所生產的精煤大部分為焦煤。
- [#] JORC規則：《澳大利亞報告勘探結果、礦物資源量及礦石儲量守則》。

MANAGEMENT DISCUSSION AND ANALYSIS (Continued)

管理層討論及分析(續)

Production

As at 31 December 2021, each of the Hongguo Coal Mine and Baogushan Coal Mine had a permitted annual capacity of 600,000 tonnes, whereas the Xiejiahegou Coal Mine had a permitted annual capacity of 450,000 tonnes, with total permitted annual capacity of 1.65 million tonnes. Below sets forth the actual production and utilisation rate for the Group's coal mines for the year ended 31 December 2021 and 2020:

		2021			2020	
		Annual Capacity	Actual production	Utilisation rate ⁽¹⁾	Actual production	Utilisation rate ⁽¹⁾
		(tonnes)	(tonnes)	(Percentage)	(tonnes)	(Percentage)
		(噸)	(噸)	(百分比)	(噸)	(百分比)
Hongguo Coal Mine	紅果煤礦	600,000	520,549	86.8%	594,936	99.2%
Baogushan Coal Mine	苞谷山煤礦	600,000	439,228	73.2%	598,934	99.8%
Xiejiahegou Coal Mine	謝家河溝煤礦	450,000	409,767	91.1%	449,410	99.9%
			<u>1,369,544</u>	<u>83.0%</u>	<u>1,643,280</u>	<u>99.6%</u>

Note:

(1) Utilisation rate is calculated by actual production volume over the annual capacity for the relevant year.

For the year under review, the Group's total raw coal production was 1,369,544 tonnes, of which 520,549 tonnes, 439,228 tonnes and 409,767 tonnes of raw coal were produced by Hongguo Coal Mine, Baogushan Coal Mine, and Xiejiahegou Coal Mine, respectively, representing a decrease of approximately 12.5%, 26.7% and 8.8% YoY, respectively. The utilisation rate of Hongguo Coal Mine, Baogushan Coal Mine, and Xiejiahegou Coal Mine was approximately 86.8%, 73.2% and 91.1%, respectively, which decreased by approximately 12.4 percentage points ("ppt"), 26.6 ppt and 8.8 ppt YoY, respectively. In total, all three mines produced 1,369,544 tonnes of raw coal, which decreased by approximately 16.7% from 1,634,280 tonnes in 2020. The decrease in the overall production of raw coal is mainly due to operational constraints encountered in Hongguo Coal Mine and Baogushan Coal Mine as a result of small faults during the year under review. The Company has been preparing new work faces, hoping to minimise the disruption on production resulting from the faults in the coming year.

生產

於2021年12月31日，紅果煤礦及苞谷山煤礦各自的許可年產能為600,000噸，而謝家河溝煤礦的許可年產能為450,000噸，總許可年產能為1.65百萬噸。下表載列於截至2021年及2020年12月31日止年度本集團煤礦之實際產量及使用率：

附註：

(1) 使用率按有關年度實際產量除以許可年產能計算得出。

於回顧年度，本集團的原煤總產量為1,369,544噸，當中520,549噸、439,228噸及409,767噸原煤乃分別由紅果煤礦、苞谷山煤礦及謝家河溝煤礦生產，分別同比減少約12.5%、26.7%及8.8%。紅果煤礦、苞谷山煤礦及謝家河溝煤礦的使用率分別約為86.8%、73.2%及91.1%，分別同比減少約12.4個百分點（「百分點」）、26.6個百分點及8.8個百分點。總計而言，三個煤礦合共生產了1,369,544噸原煤，較2020年的1,634,280噸減少約16.7%。原煤整體產量下降乃主要由於回顧年度紅果煤礦及苞谷山煤礦出現小型斷層而導致運作受到限制。本公司亦一直為採掘新工作面進行準備工作，冀望於來年盡量減少斷層出現所導致的生產影響。

MANAGEMENT DISCUSSION AND ANALYSIS (Continued)
管理層討論及分析(續)**Coal Processing**

The Group operates its own coal preparation plant, 松山洗煤廠 (Songshan Coal Preparation Plant*) for processing the raw coal extracted from its coal mines. As at 31 December 2021, the capacity held by Songshan Coal Preparation Plant is 2.4 million tonnes per annum.

In order to reduce its operation costs of Xiejiahegou Coal Mine, the Group and 貴州邦達能源開發有限公司盤縣淤泥鄉昌興煤礦 (Guizhou Bangda Energy Development Company Limited Pan County Yunixiang Changxing Coal Mine*) (“Changxing Coal Mine”), a connected person of the Company, entered into the coal washing and processing service agreement on 26 May 2020, pursuant to which the Xiejiahegou Coal Mine commissioned the Changxing Coal Mine for coal washing and processing services for a term from 1 June 2020 to 31 December 2022. Details were set out in the announcement of the Company dated 26 May 2020.

During the year under review, a total of 1,356,825 tonnes of raw coal was processed, of which 1,043,604 tonnes and 313,221 tonnes were processed by Songshan Coal Preparation Plant and Changxing Coal Mine, respectively.

In order to lower the coal washing and processing cost and to improve the coal processing power of the Xiejiahegou Coal Mine in the long run, Jiutai Bangda intended to build its own coal preparation plant (the “Xiejiahegou CPP”) near the Xiejiahegou Coal Mine area. During the year under review, 項目備案證明 (Project Confirmation Certificate*) from the 盤州市發展和改革局 (Panzhou City Development and Reform Bureau*) in relation to the Xiejiahegou CPP has been obtained by the Group. Construction of the Xiejiahegou CPP commenced in late 2021 and is expected to be completed in 2022. In addition to a reduction in the coal processing cost, the Company believes the technological aspect of the Group’s coal preparation quality will also be improved, and the level of reliance on the coal washing process from Changxing Coal Mine is expected to be reduced accordingly.

煤炭加工

本集團自營洗煤廠松山洗煤廠，將其煤礦開採的原煤進行加工。於2021年12月31日，松山洗煤廠全年洗煤能力為2.4百萬噸。

為減低謝家河溝煤礦之經營成本，於2020年5月26日，本集團與本公司關連人士貴州邦達能源開發有限公司盤縣淤泥鄉昌興煤礦(「昌興煤礦」)訂立原煤委託洗選加工合同，據此，謝家河溝煤礦委託昌興煤礦提供洗煤及加工服務，期限為2020年6月1日至2022年12月31日。有關詳情載於本公司日期為2020年5月26日的公告。

於回顧年度洗煤總量為1,356,825噸，當中松山洗煤廠及昌興煤礦的洗煤量分別為1,043,604噸及313,221噸。

為減低洗煤及加工成本以及提升謝家河溝煤礦長遠的煤炭加工產能，久泰邦達擬於謝家河溝煤礦範圍附近興建自家洗煤廠(「謝家河溝洗煤廠」)。於回顧年度，本集團已就謝家河溝洗煤廠取得盤州市發展和改革局的項目備案證明。謝家河溝洗煤廠已於2021年底開展工程，預期將於2022年竣工。本公司認為，除減低煤炭加工成本外，本集團的洗煤工作質素在技術方面亦會有所改進，預期本集團依賴昌興煤礦進行洗煤的程度亦會相應減少。

MANAGEMENT DISCUSSION AND ANALYSIS (Continued)

管理層討論及分析(續)

Sales Volume and Average Selling Price

Below sets forth the sales volumes and average selling prices of the Group's coal products for the year ended 31 December 2021 and 2020:

銷量及平均售價

下表載列本集團煤炭產品於截至2021年及2020年12月31日止年度的銷量及平均售價：

			For the year ended 31 December 截至12月31日止年度			
			2021		2020	
		Unit 單位	Sales volume 銷量	Average selling price 平均售價 (RMB/unit) (人民幣/單位)	Sales volume 銷量	Average selling price 平均售價 (RMB/unit) (人民幣/單位)
Clean coal – internally produced	精煤 – 內部生產	tonne 噸	744,173	1,926.85	1,014,902	1,190.55
Clean coal – externally purchased	精煤 – 外部採購	tonne 噸	–	–	82,349	1,210.00
Middling coal	中煤	tonne 噸	268,988	364.49	275,120	327.85
Sludge coal	泥煤	tonne 噸	41,034	70.53	5,595	84.18
Raw coal	原煤	tonne 噸	11,038	314.28	3,311	437.03

The coal market has experienced much volatility during the year under review. The Group's average selling price of clean coal increased by approximately 61.8% YoY to approximately RMB1,926.85/tonne (2020: approximately RMB1,190.55/tonne). The average selling price of middling coal increased by approximately 11.2% YoY to approximately RMB364.49/tonne (2020: approximately RMB327.85/tonne). Due to a continuous improvement in the domestic economy with the pandemic under control in Mainland China, the average selling price of our coal has an upward trend and was in line with the average coal prices in general in the coal market.

The Group's raw coal is washed and cleaned into clean coal at Songshan Coal Preparation Plant and Changxing Coal Mine before the coal products are sold to the customers. During the year under review, the sales volume of clean coal internally produced dropped by approximately 26.7% YoY to approximately 744,173 tonnes (2020: 1,014,902 tonnes), the sales volume of middling coal slightly dropped by approximately 2.2% YoY to 268,988 tonnes (2020: 275,120 tonnes) and the sales volume of sludge coal increased by approximately 633.4% YoY to approximately 41,034 tonnes (2020: 5,595 tonnes). The drop in overall sales volume of coal products was mainly caused by an interruption in production due to small faults resulting from shifts in the geological structure of the work face at Hongguo Coal Mine and Baogushan Coal Mine.

於回顧年度，煤炭市場波幅較高。本集團的精煤平均售價同比上升約61.8%至每噸約人民幣1,926.85元(2020年：每噸約人民幣1,190.55元)。中煤平均售價同比上升約11.2%至每噸約人民幣364.49元(2020年：每噸約人民幣327.85元)。由於國內經濟隨著中國內地疫情受控而持續好轉，煤炭的平均售價上升，與煤炭市場整體的平均煤炭價格一致。

本集團的原煤於松山洗煤廠及昌興煤礦經過清洗及加工為精煤後，煤炭產品方會銷售予客戶。於回顧年度，內部生產的精煤銷量同比減少約26.7%至約744,173噸(2020年：1,014,902噸)；中煤銷量同比減少約2.2%至268,988噸(2020年：275,120噸)；而泥煤銷量同比增加約633.4%至約41,034噸(2020年：5,595噸)。本集團煤炭產品的整體銷量下跌乃主要由於紅果煤礦及苞谷山煤礦工作面的地質結構轉變導致小型斷層出現，導致生產受到干擾。

MANAGEMENT DISCUSSION AND ANALYSIS (Continued)
管理層討論及分析(續)**Financial Review****Revenue**

During the year under review, the Group recorded a total revenue of approximately RMB1,541.4 million (2020: approximately RMB1,402.6 million) from the production and sales of clean coal, middling coal, sludge coal, and coalbed methane gas, representing an increase of approximately 9.9% YoY. The revenue for the year ended 31 December 2021 and 2020 were summarised as follows:

財務回顧**收益**

於回顧年度，本集團從生產及銷售精煤、中煤、泥煤及煤層氣錄得的總收益約為人民幣1,541.4百萬元(2020年：約人民幣1,402.6百萬元)，同比增加約9.9%。截至2021年及2020年12月31日止年度的收益概述如下：

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

		2021		2020	
		RMB'000	Percentage to total revenue	RMB'000	Percentage to total revenue
		人民幣千元	佔總收益百分比	人民幣千元	佔總收益百分比
Sales of coal products	煤炭產品銷售額				
– Clean coal	– 精煤	1,433,911	93.0%	1,208,294	86.1%
– Middling coal	– 中煤	98,044	6.4%	90,198	6.4%
– Sludge coal	– 泥煤	2,894	0.2%	471	0.0%
– Raw coal	– 原煤	3,469	0.2%	1,447	0.1%
Sales of methane gas	煤層氣銷售額	3,081	0.2%	2,553	0.2%
Coal product trading	煤炭產品買賣	–	0.0%	99,641	7.1%
		1,541,399	100.0%	1,402,604	100.0%

Consistent with the Group's strategy, clean coal remains the principal product of the Group and the Group has been adhering to the strategy of increasing the proportion of clean coal products. For the year ended 31 December 2021, the proportion of revenue generated from the sale of clean coal increased to approximately 93.0% (2020: approximately 86.1%).

與本集團的策略一致，精煤仍然是本集團主要產品。本集團一直堅持提升精煤產品比例的策略。截至2021年12月31日止年度，銷售精煤所產生收益比例增加至約93.0%(2020年：約86.1%)。

MANAGEMENT DISCUSSION AND ANALYSIS (Continued)

管理層討論及分析(續)

During the year under review, the Group's sales revenue of clean coal increased by approximately 18.7% to approximately RMB1,433.9 million (2020: approximately RMB1,208.3 million), sales revenue of middling coal increased by approximately 8.7% to approximately RMB98.0 million (2020: approximately RMB90.2 million), sales revenue of sludge coal increased by approximately 514.4% to approximately RMB2.9 million (2020: approximately RMB471,000), sales revenue of raw coal increased by approximately 139.7% to approximately RMB3.5 million (2020: approximately RMB1.4 million), sales revenue of coalbed methane gas increased by approximately 20.7% to approximately RMB3.1 million (2020: approximately RMB2.6 million). The increase in total revenue during the year under review was mainly attributable to the growth in the sales of clean coal, resulting from an increase in average coal selling price.

Gross Profit and Gross Profit Margin

The Group recorded an increase in its gross profit from approximately RMB716.0 million for the year ended 31 December 2020 to approximately RMB918.5 million for the year ended 31 December 2021, representing an increase of approximately 28.3% YoY. Gross profit margin for the year ended 31 December 2021 was approximately 59.6% (2020: approximately 51.0%), representing an increase of approximately 8.6 ppt YoY. The increase in gross profit and gross profit margin was due to the increase in turnover by approximately 9.9% for the year ended 31 December 2021 as explained above, in which the average selling price of clean coal increased by approximately 61.8% YoY as well as the Group's continuing improvement in cost efficiencies during the year under review.

Other Income

The Group's other income decreased by approximately 62.3% YoY to approximately RMB13.3 million during the year under review from approximately RMB35.3 million for 2020. Such decrease was primarily attributable to the decrease in government grants in connection with meeting the production volume target of coal products and safety requirements from the local government.

於回顧年度，本集團的精煤銷售收益增加約18.7%至約人民幣1,433.9百萬元(2020年：約人民幣1,208.3百萬元)；中煤銷售收益增加約8.7%至約人民幣98.0百萬元(2020年：約人民幣90.2百萬元)；泥煤銷售收益增加約514.4%至約人民幣2.9百萬元(2020年：約人民幣471,000元)；原煤銷售收益增加約139.7%至約人民幣3.5百萬元(2020年：約人民幣1.4百萬元)；煤層氣銷售收益增加約20.7%至約人民幣3.1百萬元(2020年：約人民幣2.6百萬元)。於回顧年度的總收益增加主要歸因於平均煤炭售價上漲，導致精煤銷售有所增長。

毛利及毛利率

本集團的毛利由截至2020年12月31日止年度約人民幣716.0百萬元增加至截至2021年12月31日止年度約人民幣918.5百萬元，同比增幅約28.3%。截至2021年12月31日止年度的毛利率約為59.6%(2020年：約51.0%)，同比增加約8.6個百分點。毛利及毛利率增加乃由於誠如上文所述，營業額於截至2021年12月31日止年度增加約9.9%，而精煤的平均售價同比增加約61.8%，以及於回顧年度內持續提升成本效益所致。

其他收入

本集團其他收入由2020年約人民幣35.3百萬元同比減少約62.3%至回顧年度約人民幣13.3百萬元。有關減少主要歸因於與煤炭產品的產量達標及達到地方政府制定的安全標準相關的政府補助減少所致。

MANAGEMENT DISCUSSION AND ANALYSIS (Continued)
管理層討論及分析(續)

Fair Value Change of Contingent Consideration Payables

The fair value change of contingent consideration payables is derived from the change of expected present value of the remaining consideration payable by the Group in respect of its acquisition of the Xiejiahegou Coal Mine and the projected performance of the Xiejiahegou Coal Mine under the Profit Guarantee, which consists of compensation and bonus using discounted cash flow method. As at 31 December 2021, the contingent consideration payables in respect of the Profit Guarantee were approximately RMB631.6 million (31 December 2020: approximately RMB511.1 million) while a fair value loss on contingent consideration payable of approximately RMB308.5 million (2020: approximately RMB16.1 million) was recognised in profit or loss during the year under review. A fair value loss is incurred since the net profit generated from Xiejiahegou Coal Mine exceeded the Profit Guarantee by over 51.2% for the year under review and the Company expects that outstanding performance of Xiejiahegou Coal Mine would continue in the year ending 31 December 2022.

Other Gains and Losses

Other gains and losses primarily comprise gain or loss on disposal/write-off of property, plant and equipment and net exchange difference. The Group's other gains and losses changed from a net loss of approximately RMB2.5 million for the year ended 31 December 2020 to a net gain of approximately RMB1.9 million for the year under review, which was primarily attributable to an increase in translation difference arising from the conversion of Hong Kong Dollar ("HKD") to RMB.

Distribution and Selling Expenses

The Group's distribution and selling expenses fell by approximately 45.0% YoY to approximately RMB58.1 million during the year under review from approximately RMB105.6 million for the year ended 31 December 2020. The decrease was primarily brought by the decrease in transportation cost incurred by Hongguo Coal Mine and Baogushan Coal Mine as there was a decrease in volume of coal transported, and the Group made more sales to several customers who borne the transportation cost during the year under review.

Administrative Expenses

Administrative expenses increased by approximately 7.2% to approximately RMB129.9 million during the year under review from approximately RMB121.2 million for the year ended 31 December 2020. The increase was mainly resulted from the increase in staff social insurances expenses which was in line with market salary increment during the year under review.

應付或然代價公平值變動

應付或然代價公平值變動乃使用貼現現金流計算本集團就收購謝家河溝煤礦及溢利保證下謝家河溝煤礦之預測財務表現而言餘下應付代價(包括補償及獎金)之預期現值變動而得出。於2021年12月31日，就溢利保證之應付或然代價約為人民幣631.6百萬元(2020年12月31日：人民幣511.1百萬元)，及於回顧年度於損益確認應付或然代價公平值虧損約人民幣308.5百萬元(2020年：約人民幣16.1百萬元)。由於謝家河溝煤礦之於回顧年度之純利超出溢利保證逾51.2%，且本公司預期謝家河溝煤礦將於截至2022年12月31日止年度持續優越表現，因此產生公平值虧損。

其他收益及虧損

其他收益及虧損主要包括出售／撇銷物業、廠房及設備的收益或虧損以及匯兌差額淨額。本集團其他收益及虧損由截至2020年12月31日止年度淨虧損約人民幣2.5百萬元增加至回顧年度淨收益約人民幣1.9百萬元，主要由於港元(「港元」)兌人民幣所產生換算差額增加。

分銷及銷售開支

本集團分銷及銷售開支由截至2020年12月31日止年度約人民幣58.1百萬元同比減少約45.0%至回顧年度約人民幣105.6百萬元。有關減少主要是由於於回顧年度，所運輸的煤炭數量減少，以及本集團向多名自行承擔運輸成本的客戶作出的銷售增加，故紅果煤礦及苞谷山煤礦產生的運輸成本減少。

行政開支

於回顧年度，行政開支由截至2020年12月31日止年度約人民幣121.2百萬元增加約7.2%至約人民幣129.9百萬元。有關增加乃主要由於於回顧年內，員工的社會保險開支隨著市場工資增長而增加。

MANAGEMENT DISCUSSION AND ANALYSIS (Continued)

管理層討論及分析(續)

Other Expenses

The Group's other expenses increased to approximately RMB2.7 million during the year under review from approximately RMB0.3 million for the year ended 31 December 2020 primarily because a penalty was incurred during the year under review, but no such penalty was incurred for the year ended December 2020. The penalty was ordered by the relevant authority against the safety measurements of Baogushan Coal Mine and Xiejiahegou Coal Mine. A series of mitigating measures of safety practices have been implemented by the Group and the relevant authorities were satisfied with such mitigating measures during the year under review.

Finance Costs

The Group's finance costs primarily comprised the interest expenses on bank and other borrowing and interest expenses on secured bank borrowings from factoring of bills receivables with full recourse from the Group's customers offset by interest capitalised in construction in progress. Finance costs increased by approximately 8.6% to approximately RMB23.0 million during the year under review from approximately RMB21.2 million for the year ended 31 December 2020. The increase was mainly due to the interest expenses arising from the increase in average bank borrowings during the year under review.

Profit for the Year

By excluding the impact resulting from the fair value change of contingent consideration payables on the Profit Guarantee, the Group recorded a net profit of approximately RMB610.3 million (2020: approximately RMB361.6 million), representing a significant increase of approximately 68.8% YoY. The increase mainly resulted from the improved sales revenue and gross profit margin.

Xiejiahegou Coal Mine which was acquired in 2020, has continued its robust performance for the second consecutive year during the Profit Guarantee period. Xiejiahegou Coal Mine's net profit exceeded the Profit Guarantee for the year ended 31 December 2021 by over 51.2%. In view of the historical outstanding performance of Xiejiahegou Coal Mine which the Company expects would continue in the year ending 31 December 2022, a fair value loss of approximately RMB308.5 million (2020: approximately RMB16.1 million) arising from fair value change of contingent consideration payables, which is extraordinary in nature, is recognized during the year under review. In light of the amount of provision made in 2021, the Board expects that the extent of fair value change of contingent consideration payables arising from the Profit Guarantee will be limited in future years.

其他開支

於回顧年度，本集團其他開支由截至2020年12月31日止年度約人民幣0.3百萬元增加至約人民幣2.7百萬元，主要由於回顧年度招致罰款，而截至2020年12月31日止年度則並無招致該等罰款。該罰款為有關當局針對苞谷山煤礦及謝家河溝煤礦之安全措施所下令。本集團已於回顧年度實施一系列安全作業的整改措施，而該等緩解措施已符合有關當局要求。

融資成本

本集團的融資成本主要包括來自銀行和其他借款的利息開支及保理本集團客戶所發行具全面追索權的應收票據所得有抵押銀行借款的利息開支，由在建工程的資本化利息抵銷。融資成本由截至2020年12月31日止年度的約人民幣21.2百萬元增加約8.6%至回顧年度的約人民幣23.0百萬元。有關增加主要是由於在回顧年度，平均銀行借款增加所產生的利息開支所致。

年內溢利

如不計及溢利保證之應付或然代價公平值變動所致影響，本集團錄得純利約人民幣610.3百萬元(2020年：約人民幣361.6百萬元)，同比增加約68.8%。有關增加乃主要由於銷售收益及毛利率上升。

於2020年收購之謝家河溝煤礦於溢利保證期間連續第二年表現穩健。謝家河溝煤礦於截至2021年12月31日止年度之純利超出溢利保證逾51.2%。鑒於謝家河溝煤礦過往優越表現，且本公司預期謝家河溝煤礦將於截至2022年12月31日止年度持續優越表現，於回顧年度已確認屬特殊性質的應付或然代價公平值變動所致公平值虧損約人民幣308.5百萬元(2020年：約人民幣16.1百萬元)。鑒於2021年所計提撥備，董事會預期於未來年度，溢利保證所致應付或然代價公平值變動程度將會有限。

MANAGEMENT DISCUSSION AND ANALYSIS (Continued)
管理層討論及分析(續)

As a result of the foregoing, including the impact from the fair value loss of contingent consideration payables, profit and total comprehensive income for the year under review amounted to approximately RMB301.8 million (2020: approximately RMB345.5 million), representing a decrease of approximately 12.7% YoY.

Prospects

Despite another robust year of economic recovery, the closing months of 2021 showed China's slowing growth leading up to 2022. Renewed domestic COVID-19 outbreaks including the highly transmissible Omicron variant could lead to significant disruptions in economic activities especially in domestic consumption and retail markets, which are already showing signs of a slowdown. The further weakening of the property sector may also place severe and prolonged downturn pressure on the economy.

According to the China Iron and Steel Association, the investment in real estate is expected to slow down in 2022 while infrastructure investment is projected to pick up. As a result, the demand for steel would likely be kept at the same level as in 2021. In conclusion, the Company is likely to benefit from the infrastructure investment in the southwest region. Looking ahead to 2022, the demand for coking coal is expected to remain strong, though the coal market price may vary.

In the short term, the Group expects this upward trend to continue. The Group had acquired closure quota from a peer in the province and had been undergoing expansion plans. When all conditions, including requirements from the local authority, are met, the permitted annual production capacity of each of the Hongguo Coal Mine and the Baogushan Coal Mine will be increased from 600,000 tonnes to 1.2 million tonnes.

Moving forward, the Group shall continue its efforts in mining technology upgrade and operation refinement while focusing on producing relevantly environmentally-friendly clean coal products with efficient use of resources. By staying ahead of industry trends, the Group is confident in maintaining its profitability and sustainability to create greater value for society, shareholders and employees.

由於以上所述，如計及應付或然代價公平值變動所致公平值虧損之影響，則回顧年度之溢利及全面收入總額約為人民幣301.8百萬元（2020年：人民幣345.5百萬元），同比減少約12.7%。

前景展望

儘管中國於年內再度經歷了令人矚目的經濟復甦，但2021年最後幾個月的數字顯示，中國在2022年之前的增長正在減慢。國內再次爆發COVID-19疫情，包括傳播性高的Omicron變種，或會導致經濟活動尤其是已經出現放緩跡象的國內消費及零售市場造成嚴重干擾。房地產業進一步轉弱亦可能構成另一個嚴重和長期的下行壓力。

根據中國鋼鐵工業協會的預測，房地產投資預期將會放緩，但基礎建設的投資將會有所增加，因此對鋼鐵的需求很可能會維持在2021年的水平。總體而言，本公司很可能會受惠於對西南地區基礎建設的投資。展望2022年，預期對焦煤的需求將保持強勁，惟煤市場價格可能會出現波動。

於短期內，本集團預期價格將持續上升。本集團已從貴州省同行獲得關閉指標，並一直在展開擴張計劃。在達成所有條件後（包括滿足地方當局的要求後），紅果煤礦及苞谷山煤礦各自的許可年產能將由600,000噸提升至1.2百萬噸。

長遠而言，本集團將繼續努力升級採礦技術及完善業務營運，同時專注於生產相對環保的精煤產品，善用資源。通過領先行業趨勢，本集團有信心能夠保持盈利能力及可持續性，為社會大眾、我們的股東和僱員創造更大價值。

MANAGEMENT DISCUSSION AND ANALYSIS (Continued)
管理層討論及分析(續)

Liquidity and Financial Information

Bank Balances and Cash

As at 31 December 2021, bank balances and cash amounted to approximately RMB180.9 million (31 December 2020: approximately RMB139.6 million).

Bank and Other Borrowings

As at 31 December 2021, secured bank borrowings from factoring of bills receivables with full recourse amounted to approximately RMB171.0 million (31 December 2020: approximately RMB80.9 million). The effective interest rate on the discounted bills was approximately 1% to 2% per annum during the year ended 31 December 2021 (2020: approximately 2% to 3%).

As at 31 December 2021, secured bank borrowings amounted to approximately RMB351.0 million (31 December 2020: approximately RMB296.0 million). The effective interest rate on bank borrowings was 5.5% per annum during the year under review (2020: 5.5%).

Gearing Ratio

As at 31 December 2021, the Group's gearing ratio was approximately 0.30 (2020: approximately 0.25). Gearing ratio is calculated based on the total bank borrowings divided by the total equity as at the end of the period. The increased gearing ratio was mainly due to an increase in the bank borrowings.

Foreign Currency Risk

The Group is subject to limited foreign currency exposure as its business activities mainly take place in China and all sales and most of its costs are denominated in the functional currency (RMB) of respective group entities. The Group's exposure to foreign currency risk is primarily Hong Kong dollars as certain bank balances, deposits and accrued charges are denominated in Hong Kong dollars. The Group currently does not have a foreign currency hedging policy. However, the management monitors foreign exchange exposure and will consider hedging significant foreign currency exposure should the need arise.

Credit Risk

The Group's credit risk is primarily attributable to trade and bills receivables, deposits and other receivables, restricted bank deposits and bank balances as at 31 December 2021 and 2020. Such risk may cause financial loss to us due to a failure to discharge obligation by the counterparties.

流動資金及財務資料

銀行結餘及現金

於2021年12月31日，銀行結餘及現金達約人民幣180.9百萬元(2020年12月31日：約人民幣139.6百萬元)。

銀行及其他借款

於2021年12月31日，來自保理具全面追索權的應收票據的有抵押銀行借款約人民幣171.0百萬元(2020年12月31日：約人民幣80.9百萬元)。截至2021年12月31日止年度，貼現票據的實際年利率約為1%至2%(2020年：2%至3%)。

於2021年12月31日，有抵押銀行借款約為人民幣351.0百萬元(2020年12月31日：約人民幣296.0百萬元)。回顧年內銀行借款的實際年利率為5.5%(2020年：5.5%)。

資產負債比率

於2021年12月31日，本集團的資產負債比率約為0.30(2020年：約0.25)。資產負債比率根據於期末的銀行借款總額除以總權益計算。資產負債比率有所增加，主要由於銀行借款增加所致。

外匯風險

由於本集團主要於中國開展業務活動，且所有銷售額及大部分成本均以各集團實體的功能貨幣(人民幣)計值，故本集團所承受的外匯風險有限。由於若干銀行結餘、存款及應計費用以港元計值，故本集團所承受外匯風險主要來自港元。本集團現時並無外匯對沖政策。然而，管理層監察外匯風險，並將於有需要時考慮對沖重大外匯風險。

信貸風險

本集團的信貸風險主要來自於2021年及2020年12月31日的貿易應收款項及應收票據、按金及其他應收款項、受限制銀行存款及銀行結餘。該等風險可能因交易對手未有履行責任而導致我們蒙受財務虧損。

MANAGEMENT DISCUSSION AND ANALYSIS (Continued)
管理層討論及分析(續)

As at 31 December 2021 and 31 December 2020, the top three trade debtors accounted for approximately 78% and 93% of the Group's total trade receivables, respectively. In view of this, the management regularly visits the customers relating to such trade receivables to understand their business operations and cash flow position and follows up with the subsequent settlement from the counterparties. The management delegates a team of staff responsible for monitoring procedures to ensure that follow-up action is taken to recover overdue debts. In this regard, the management considers that such credit concentration risk has been significantly mitigated. Taking into account the financial condition of the customers, their historical settlement pattern with no previous default and the forward-looking information (such as the future coal prices and GDP growth of China), the management considers that the trade and bills receivables as low-risk with a low likelihood of default from the counterparties, based on internal credit rating assessment.

In respect of other receivables, restricted bank deposits, and bank balances, the management considers that no inherent material credit risk exists based on the assessment of historical settlement records.

Liquidity Risk

As at 31 December 2021, the Group recorded net current liabilities of approximately RMB49.7 million, which was mainly attributable to the contingent consideration payables to the Vendors for the Group's acquisition of the Xiejiahegou Coal Mine. In preparing the consolidated financial statements, the Directors have given careful consideration to the future liquidity of the Group. The Directors are of the view that the Group will have sufficient working capital to finance its operations and to meet its financial obligations as and when they fall due for the foreseeable future after taking into consideration of the cash flow forecasts, which assume the continuity of normal business activity and indicate that the Group will have sufficient liquidity to meet its operational, existing contractual debts and capital expenditure requirements for the 12 month period from 31 December 2021.

Interest Rate Risk

The Group is exposed to fair value interest rate risk in relation to lease liabilities and bank and other borrowings and is also exposed to cash flow interest rate risk in relation to restricted bank deposits and bank balances. The Group currently has no interest rate hedging policy. However, the management closely monitors the Group's exposure to future cash flow interest rate risk as a result of changes in market interest rates and will consider hedging the changes in market interest rates should the need arise.

於2021年12月31日及2020年12月31日，三大應收貿易賬款分別佔本集團貿易應收款項總額約78%及93%。有鑒於此，管理層定期拜訪所述貿易應收款項相關客戶，以瞭解其業務運營及現金流量狀況，並跟進交易對手的後續結算情況。管理層委派員工團隊負責監察程序，以確保採取跟進行動收回逾期債務。就此而言，管理層認為有關信貸集中風險已大幅降低。經計及客戶的財務狀況及其於過去概無違約記錄的過往結算模式以及前瞻性資料(如中國未來煤炭價格及國內生產總值增長)，管理層認為，根據內部信貸評級評估，貿易應收款項及應收票據屬低風險組別，交易對手違約的可能性較低。

就其他應收款項、受限制銀行存款及銀行結餘而言，根據過往結算記錄評估，管理層認為並無內在重大信貸風險。

流動資金風險

於2021年12月31日，本集團的流動負債淨額約為人民幣49.7百萬元，主要歸因於收購本集團謝家河溝煤礦而應付賣方的或然代價款項。董事在編製綜合財務報表時，已仔細考慮過本集團未來的資金流動性。董事經計及假設持續進行正常業務活動的現金流量預測，顯示本集團於2021年12月31日後12個月期間會有充足流動資金，以應付經營、現有合約債務及資本開支等需求後，認為本集團擁有足夠營運資本，可為其營運提供資金以及履行於可預見未來到期的財務責任。

利率風險

本集團就租賃負債以及銀行及其他借款而面臨公平值利率風險，亦就受限制銀行存款及銀行結餘而面臨現金流量利率風險。本集團現時並無利率對沖政策。然而，管理層密切監察本集團因市場利率變動而面臨的未來現金流量利率風險，並將於有需要時考慮對沖市場利率變動。

MANAGEMENT DISCUSSION AND ANALYSIS (Continued)

管理層討論及分析(續)

Capital Commitments and Expected Source of Funding

As at 31 December 2021, the Group had capital commitments in respect of property, plant and equipment and the acquisition of the Xiejiahegou Coal Mine in Guizhou Province contracted for but not yet incurred in the amount of approximately RMB17.7 million (31 December 2020: approximately RMB10.8 million). The Group planned to finance the capital commitments with internal resources.

Contingent Liabilities

As at 31 December 2021, save for the contingent consideration payables amounted to approximately RMB631.6 million (2020: approximately RMB511.1 million) set out in note 28 to the consolidated financial statements of this annual report, the Group had no material contingent liabilities (31 December 2020: nil).

Human Resources

As at 31 December 2021, the Group had a total of 3,098 employees (31 December 2020: 2,993). During the year under review, staff costs (including Directors' remuneration) totalled approximately RMB267.2 million (2020: approximately RMB236.6 million). All members of the Group are equal opportunity employers, with the selection, promotion and remuneration of individual employees based on their suitability to the positions offered. The Group provides defined contribution to the Mandatory Provident Fund as retirement benefits for its employees in Hong Kong and provides its employees in China with various benefit schemes as required by the applicable laws and regulations in China. All of the Group's employees are required to undergo induction trainings before they commence work. In addition, depending on the work nature, the Group's employees are also required to attend training pursuant to applicable laws and regulations.

Material Acquisitions, Disposals And Investment Projects

On 9 December 2020, Jiutai Bangda and an independent third party (the "Seller") entered into a closure quota transfer agreement in respect of the production quota of Guizhou Chinalco Hengtaihe Mining Co., Ltd. Shuicheng County Panlong Township Panlong Coal Mine* (貴州中鋁恒泰合礦業有限公司水城縣蟠龍鄉蟠龍煤礦), pursuant to which the Seller has agreed to sell and Jiutai Bangda has agreed to acquire the 900,000 tonnes/year closure quota (the "Closure Quota") of the Panlong Coal Mine in Shuicheng County* (水城縣蟠龍鄉蟠龍煤礦) ("Panlong Coal Mine") at a total consideration of RMB72,000,000 (tax inclusive). Please refer to the Company's announcement published on the websites of the Stock Exchange and the Company on 10 December 2020 for details.

資本承擔及預期資金來源

於2021年12月31日，本集團就物業、廠房及設備以及收購貴州省謝家河溝煤礦產生已訂約但尚未產生的資本承擔約人民幣17.7百萬元（2020年12月31日：約人民幣10.8百萬元）。本集團計劃透過內部資源撥付有關資本承擔。

或然負債

於2021年12月31日，除本年度報告綜合財務報表附註28所載的應付或然代價款項約人民幣631.6百萬元（2020年：約人民幣511.1百萬元）外，本集團並無重大或然負債（2020年12月31日：無）。

人力資源

於2021年12月31日，本集團共有3,098名僱員（2020年12月31日：2,993名）。於回顧年度，員工成本（包括董事酬金）總額約為人民幣267.2百萬元（2020年：約人民幣236.6百萬元）。所有本集團旗下成員公司均為平等機會僱主，並根據個別員工對所提供職位的適任程度進行甄選、提拔員工及支付薪酬。本集團為其香港僱員提供強制性公積金界定供款作為退休福利，並為其中國僱員提供中國適用法律及法規所規定的各種福利計劃。本集團所有僱員於上崗前均須接受入職培訓。此外，根據適用法律法規，本集團僱員亦須視其工作性質參與培訓。

重大收購、出售及投資項目

於2020年12月9日，久泰邦達與一名獨立第三方（「賣方」）就貴州中鋁恒泰合礦業有限公司水城縣蟠龍鄉蟠龍煤礦的生產指標訂立關閉指標轉讓協議，據此，賣方同意出售而久泰邦達同意收購水城縣蟠龍鄉蟠龍煤礦（「蟠龍煤礦」）900,000噸／年的關閉指標（「關閉指標」），總代價為人民幣72,000,000元（含稅）。詳情請參閱本公司於2020年12月10日於聯交所及本公司網站刊登的公告。

MANAGEMENT DISCUSSION AND ANALYSIS (Continued)
管理層討論及分析(續)

On 24 May 2021, Jiutai Bangda and the Seller entered into a further closure quota transfer agreement (the “**Transfer Agreement**”) in respect of the production quota of Panlong Coal Mine, pursuant to which the Seller has agreed to sell and Jiutai Bangda has agreed to acquire 300,000 tonnes/year closure quota of Panlong Coal Mine (the “**Additional Closure Quota**”) at a total consideration of RMB24,000,000 (tax inclusive). With the acquisition of the Additional Closure Quota, the Company intends to revise its expansion plan by increasing the annual production capacity of the Baogushan Coal Mine to 1.2 million tonnes instead (the “**Revised Expansion Plan**”). It is expected that upon completion of the Revised Expansion Plan, the annual production capacity of each of the Hongguo Coal Mine and the Baogushan Coal Mine will be increased from 600,000 tonnes to 1.2 million tonnes. Please refer to the Company’s announcement published on the websites of the Stock Exchange and the Company on 24 May 2021 for details. Transfers of the Closure Quota and Additional Closure Quota were approved by Guizhou Energy Administration during the year under review. The Group is in the process of preparing the relevant documents for the application of Revised Expansion Plan to the relevant authorities. It is expected that the Revised Expansion Plan will be completed and materialised by the end of 2022. Save as the aforementioned acquisition of production quota, the Group had no material acquisitions, disposals, or investment projects for sale during the year under review.

Asset Charges

As at 31 December 2021, the bank borrowings from factoring of bills receivables with full recourse amounted to approximately RMB171.0 million (31 December 2020: approximately RMB80.9 million) and the other bank borrowings amounted to approximately RMB351.0 million (31 December 2020: approximately RMB296.0 million) were secured by the pledge of the Group’s bills receivables and the mining right of the Hongguo Coal Mine, respectively, as set out in note 41 to the consolidated financial statements of this annual report.

於2021年5月24日，久泰邦達與賣方就蟠龍煤礦的生產指標訂立進一步關閉指標轉讓協議(「轉讓協議」)，據此，賣方同意出售而久泰邦達同意收購蟠龍煤礦每年300,000噸的關閉指標(「額外關閉指標」)，總代價為人民幣24,000,000元(含稅)。收購額外關閉指標後，本公司擬修訂其擴充計劃，將苞谷山煤礦的年產能擴大至1.2百萬噸(「經修訂擴充計劃」)。預期經修訂擴充計劃完成後，紅果煤礦及苞谷山煤礦各自的年產能將由600,000噸擴大至1.2百萬噸。有關詳情請參閱本公司於2021年5月24日於聯交所及本公司網站刊登的公告。轉讓關閉指標及額外關閉指標已於回顧年度取得貴州省能源局批准。本集團現正編製有關文件以向有關當局提交經修訂擴充計劃之申請。預期經修訂擴充計劃將於2022年底前完成及落實。除上文所述收購生產指標外，本集團於回顧年度並無重大收購、出售或可供出售投資項目。

資產抵押

誠如本年度報告綜合財務報表附註41所載述，於2021年12月31日，保理具全面追索權應收票據後所獲得銀行借款約為人民幣171.0百萬元(2020年12月31日：約人民幣80.9百萬元)及其他銀行借款約為人民幣351.0百萬元(2020年12月31日：約人民幣296.0百萬元)分別由本集團質押的應收票據及紅果煤礦採礦權作抵押。

MANAGEMENT DISCUSSION AND ANALYSIS (Continued)
管理層討論及分析(續)

Event after the Reporting Period

On 22 February 2022, Xiejiahegou Coal Mine Branch, a branch of Jiutai Bangda, and Changxing Coal Mine Branch entered into the Electricity Supply Agreement, pursuant to which Xiejiahegou Coal Mine Branch would supply electricity to Changxing Coal Mine Branch. The term of the Electricity Supply Agreement is effective from 22 February 2022 and ending on 31 December 2024 (both days inclusive). The expected highest annual income for the transactions is RMB28,102,000. Changxing Coal Mine Branch is a branch of Guizhou Bangda, a company which is owned as to 90% and 10% by Mr. Yu Bangping and Mr. Yu Bangcheng, respectively. Mr. Yu Bangping is an executive Director. Also, each of Mr. Yu Bangping and Mr. Yu Bangcheng is indirectly interested in approximately 48.3% and 7.2% shareholding interest in Spring Snow Management Limited, a company which owns 53.5% shareholding interest of the Company. Hence, Mr. Yu Bangping and Mr. Yu Bangcheng are regarded as the controlling shareholders of the Company. As such, Guizhou Bangda, an entity controlled by Mr. Yu Bangping and Mr. Yu Bangcheng, is regarded as a connected person of the Company under the Listing Rules. Accordingly, the transactions as contemplated under the Electricity Supply Agreement constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules and are subject to the reporting, announcement and annual review requirements. Details are set out in the announcement of the Company dated 22 February 2022.

報告日期後事項

於2022年2月22日，謝家河溝煤礦(久泰邦達的分公司)與昌興煤礦訂立了電力供應協議，據此，謝家河溝煤礦將向昌興煤礦提供電力。電力供應協議的條款由2022年2月22日至2024年12月31日止期間(包括首尾兩日)內生效。該交易之預期最高年度收入為人民幣28,102,000元。昌興煤礦為貴州邦達(由余邦平先生及余邦成先生分別擁有90%及10%權益的公司)的分公司。余邦平先生為執行董事。此外，余邦平先生及余邦成先生各自於Spring Snow Management Limited(一間擁有本公司股權53.5%的公司)間接擁有約48.3%及7.2%的股權的權益。因此，余邦平先生及余邦成先生被視為本公司的控股股東。故此，根據上市規則，由余邦平先生及余邦成先生控制的實體貴州邦達被視為本公司的關連人士。因此，根據上市規則第14A章，電力供應協議項下擬進行的交易構成本公司的持續關連交易，須遵守申報、公告及年度審閱的規定。詳情載於本公司日期為2022年2月22日之公告。

REPORT OF THE DIRECTORS 董事會報告

The Directors present their report and the audited financial statements of the Company and the Group for the year ended 31 December 2021.

Principal Activities

The principal activity of the Company is investment holding. The Group is principally engaged in the exploration and mining of coking coal and coal refinery in the People's Republic of China. Details of the principal activities of the subsidiaries of the Company are set out in note 39 to the consolidated financial statements.

Distributable Reserves

As at 31 December 2021, distributable reserves of the Company amounted to approximately RMB330.1 million (31 December 2020: approximately RMB383.9 million).

Results and Appropriations

The results of the Group for the year ended 31 December 2021 and the state of affairs of the Company and the Group as at 31 December 2021 are set out in the consolidated financial statements on pages 106 to 108 of this annual report.

The Board has recommended the distribution of a final dividend of HK3.75 cents (2020: HK3.75 cents) per Share for the year ended 31 December 2021.

董事謹此提呈截至2021年12月31日止年度的董事會報告以及本公司及本集團的經審核財務報表。

主要業務

本公司的主要業務為投資控股。本集團主要於中華人民共和國從事勘探及開採焦煤以及洗煤業務。有關本公司附屬公司主要業務的詳情載於綜合財務報表附註39。

可分派儲備

於2021年12月31日，本公司的可分派儲備約為人民幣330.1元(2020年12月31日：人民幣383.9百萬元)。

業績及分配

本集團截至2021年12月31日止年度的業績及本公司與本集團於2021年12月31日的財務狀況載於本年報第106至108頁的綜合財務報表。

董事會已建議就截至2021年12月31日止年度派付每股3.75港仙的末期股息(2020：每股3.75港仙)。

REPORT OF THE DIRECTORS (Continued)
董事會報告(續)

Closure of Register of Members

For the purposes of determining shareholders' eligibility to attend and vote at the 2022 annual general meeting of the Company (the "2022 AGM") to be held on Thursday, 26 May 2022, and entitlement to the final dividend, the register of members of the Company will be closed on the dates as set out below:

- (i) For determining shareholders' eligibility to attend and vote at the 2022 AGM:

Latest time to lodge transfer documents
for registration with the Company's
branch share registrar and
transfer office in Hong Kong. At 4:30 p.m.
on Friday, 20 May 2022

Closure of register of members
of the Company Monday, 23 May 2022 to
Thursday, 26 May 2022
(both dates inclusive)

- (ii) For determining shareholders' entitlement to final dividend:

Ex-dividend date Monday, 6 June 2022

Latest time to lodge transfer documents
for registration with the Company's
branch share registrar and
transfer office in Hong Kong. At 4:30 p.m.
on Tuesday, 7 June 2022

Closure of register of members
of the Company Wednesday, 8 June 2022 to
Friday, 10 June 2022
(both dates inclusive)

Record date Friday, 10 June 2022

Expected payment date Monday, 27 June 2022

暫停辦理股份過戶登記手續

為釐定股東出席本公司將於2022年5月26日(星期四)舉行的股東週年大會(「2022年股東週年大會」)並於會上投票的資格及享有末期股息的權利,本公司將於下文所載日期暫停辦理股份過戶登記:

- (i) 為釐定股東出席2022年股東週年大會並於會上投票的資格:

向本公司的香港股份
過戶登記分處遞交
過戶文件作登記
用途的截止日期. 2022年
5月20日(星期五)
下午四時三十分

本公司暫停辦理股份
過戶登記手續 2022年
5月23日(星期一)
至2022年
5月26日(星期四)
(包括首尾兩天)

- (ii) 為釐定股東享有末期股息的權利:

除息日. 2022年6月6日
(星期一)

向本公司的香港
股份過戶登記分處
遞交過戶文件作登記
用途的截止日期. 2022年6月7日
(星期二)

本公司暫停辦理
股份過戶登記
手續. 2022年6月8日
(星期三)至2022年
6月10日(星期五)
(包括首尾兩天)

記錄日期. 2022年6月10日
(星期五)

預期派付日期 2022年6月27日
(星期一)

REPORT OF THE DIRECTORS (Continued)
董事會報告(續)

Closure of Register of Members (continued)

During the above closure periods of the register of members of the Company, no transfer of Shares will be registered. To be eligible to attend and vote at the 2022 AGM and to qualify for the final dividend, all properly completed transfer forms accompanied by the relevant share certificates must be lodged for registration with the Company's branch share registrar and transfer office in Hong Kong, Tricor Investor Services Limited, at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong for registration not later than the aforementioned latest time.

Financial Summary

A summary of the results and assets and liabilities of the Group for the last five financial years is set out on page 209 of this annual report.

Business Review

A fair review of the business of the Group as well as a discussion and analysis of the Group's performance during the year ended 31 December 2021 including a discussion of the principal risks and uncertainties facing the Group and an indication of likely future developments in the Group's business are provided in the sections headed "Chairman's Statement" and "Management Discussion and Analysis" on pages 7 to 10 and pages 17 to 32 respectively of this annual report. An analysis of the Group's performance during the year under review using financial key performance indicators is provided in the Financial Highlights on pages 5 to 6 of this annual report.

Property, Plant and Equipment

Details of movements in the property, plant and equipment of the Group during the year ended 31 December 2021 are set out in note 13 to the consolidated financial statements.

Investment Properties

Details of the investment properties held by the Group during the year ended 31 December 2021 are set out in note 14 to the consolidated financial statements.

Share Capital

Details of movements in the Company's share capital during the year ended 31 December 2021 are set out in note 30 to the consolidated financial statements.

暫停辦理股份過戶登記手續(續)

於上述本公司暫停辦理股份過戶登記期間，將不會辦理股份過戶登記手續。為符合資格出席2022年股東週年大會並於會上投票以及符合資格享有末期股息，所有填妥的過戶表格連同有關股票須於上述截止日期前送達本公司的香港股份過戶登記分處卓佳證券登記有限公司(地址為香港皇后大道東183號合和中心54樓)，以辦理登記手續。

財務概要

本集團過往五個財政年度的業績、資產及負債概要載於本年報第209頁。

業務回顧

對本集團業務的公平回顧以及對本集團截至2021年12月31日止年度表現的討論及分析(包括對本集團所面對主要風險及不確定因素的討論以及對本集團業務日後可能發展的預測)，已分別於本年報第7至10頁及第17至32頁的「主席報告書」及「管理層討論及分析」各節提供。本集團採用財務關鍵績效指標的回顧年度表現分析載於本年報第5至6頁的財務摘要。

物業、廠房及設備

本集團截至2021年12月31日止年度的物業、廠房及設備變動詳情載於綜合財務報表附註13。

投資物業

本集團於截至2021年12月31日止年度持有的投資物業詳情載於綜合財務報表附註14。

股本

本集團截至2021年12月31日止年度的股本變動詳情載於綜合財務報表附註30。

REPORT OF THE DIRECTORS (Continued)
董事會報告(續)

Purchase, Redemption or Sale of Listed Securities of the Company

Neither the Company nor any of its subsidiaries had purchased, redeemed or sold any of the listed securities of the Company during the year ended 31 December 2021.

Arrangements for Directors to Purchase Shares or Debentures

At no time during the year ended 31 December 2021 was the Company or any of its subsidiaries a party to any arrangements to enable the Directors to acquire benefits by means of an acquisition of shares or debentures of the Company or any other body corporate, and neither the Directors nor any of their spouses or children under the age of 18, had any right to subscribe for securities of the Company or had exercised such right during the year ended 31 December 2021.

Pre-emptive Rights

There are no provisions for pre-emptive rights under the Company's articles of association (the "Articles") or the laws of the Cayman Islands which would oblige the Company to offer new Shares on a pro rata basis to existing shareholders of the Company.

Charitable Donations

Charitable donations made by the Group during the year ended 31 December 2021 amounted to approximately RMB1.9 million (2020: approximately RMB5.8 million).

Major Customers and Suppliers

For the year ended 31 December 2021, sales attributable to the largest customer of the Group amounted to approximately 37.0% of the total sales and the five largest customers of the Group accounted for approximately 91.2% of the Group's total sales.

For the year ended 31 December 2021, purchases attributable to the largest supplier of the Group amounted to approximately 15.4% of the total purchases and the five largest suppliers of the Group accounted for approximately 42.9% of the Group's total purchases.

None of the Directors of the Company or any of their close associates or any shareholders (which to the knowledge of the Directors own more than 5% of the total number of issued Shares) had any interest in the Group's five largest customers and suppliers.

購買、贖回或出售本公司上市證券

本公司或其任何附屬公司於截至2021年12月31日止年度概無購買、贖回或出售任何本公司上市證券。

董事購買股份或債權證的安排

本公司或其任何附屬公司於截至2021年12月31日止年度內任何時間均無參與任何安排，致使董事可藉購入本公司或任何其他法人團體的股份或債權證而獲益，而董事或彼等的配偶或未滿18歲子女於截至2021年12月31日止年度亦無獲授或已行使任何可認購本公司證券的權利。

優先購買權

本公司的組織章程細則(「細則」)或開曼群島法律並無有關優先購買權的條文，規定本公司須向其現有股東按比例提呈發售新股份。

慈善捐款

本公司截至2021年12月31日止年度的慈善捐款約為人民幣1.9百萬元(2020年：人民幣5.8百萬元)。

主要客戶及供應商

截至2021年12月31日止年度，本集團最大客戶的銷售額佔銷售總額約37.0%，而本集團五大客戶的銷售額佔本集團銷售總額約91.2%。

截至2021年12月31日止年度，本集團最大供應商的採購額佔採購總額約15.4%，而本集團五大供應商的採購額佔本集團採購總額約42.9%。

概無本公司董事或彼等的任何緊密聯繫人或據董事所知擁有已發行股份總數5%以上的任何股東，於本集團五大客戶及供應商中擁有任何權益。

REPORT OF THE DIRECTORS (Continued)
董事會報告(續)

Directors

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

Executive Directors

Mr. Yu Bangping (*Chairman and Chief Executive Officer*)

Mr. Sun Dawei

Mr. Wang Shize

Mr. Li Xuezhong

Mr. Lam Chik Shun, Marcus

Mr. Yu Zhilong

Mr. Yu Xiao

Independent Non-executive Directors

Mr. Fong Wai Ho

Mr. Punnya Niraan De Silva

Ms. Cheung Suet Ting, Samantha

Mr. Wang Xiufeng

Pursuant to Article 16.19 of the Articles, at each annual general meeting of the Company, one-third of the Directors for the time being (or, if their number is not three or a multiple of three, then the number nearest to, but not less than, one-third) shall retire from office by rotation, provided that every Director (including those appointed for a specific term) shall be subject to retirement by rotation at least once every three years. Mr. Yu Bangping, Mr. Li Xuezhong, Mr. Lam Chik Shun, Marcus and Ms. Cheung Suet Ting, Samantha will retire by rotation at the 2022 AGM and, being eligible, have offered themselves for re-election.

Directors' and Senior Management's Biographies

Biographical details of the Directors and senior management of the Group are set out on pages 11 to 16 of this annual report.

董事

截至2021年12月31日止年度及直至本報告日期，本公司董事為：

執行董事

余邦平先生(主席兼行政總裁)

孫大煒先生

王世澤先生

李學忠先生

林植信先生

余支龍先生

余瀟先生

獨立非執行董事

方偉豪先生

Punnya Niraan De Silva先生

張雪婷女士

王秀峰先生

根據細則第16.19條，於本公司每屆股東週年大會上，三分之一的在任董事(或倘董事人數並非三或三的倍數，則按最接近但不少於三分之一的人數)須輪流退任，惟每名董事(包括按特定任期獲委任的董事)均須最少每三年輪流退任一次。余邦平先生、李學忠先生、林植信先生及張雪婷女士將於2022年股東週年大會上輪值退任，且彼等合資格並願意膺選連任。

董事及高級管理層履歷

本集團董事及高級管理層的履歷詳情載於本年報第11至16頁。

REPORT OF THE DIRECTORS (Continued)
董事會報告(續)

Changes in Information of the Directors

Pursuant to Rule 13.51B(1) of the Rules Governing the Listing of Securities (the “Listing Rules”) on the Stock Exchange, the changes in information of the Directors are set out below:

董事資料變動

根據聯交所證券上市規則(「上市規則」)第13.51B(1)條予以披露，董事的詳情變動如下：

Name of Director 董事名稱	Details of changes 變動詳情
Mr. Yu Bangping 余邦平先生	His salary was adjusted to RMB903,224 per annum paid by a subsidiary of the Company with effect from 1 February 2022. 自2022年2月1日起，其薪酬調整為每年年薪人民幣903,224元，由本公司之附屬公司支付。
Mr. Sun Dawei 孫大煒先生	His salary was adjusted to RMB903,224 per annum paid by a subsidiary of the Company with effect from 1 February 2022. 自2022年2月1日起，其薪酬調整為每年年薪人民幣903,224元，由本公司之附屬公司支付。
Mr. Wang Shize 王世澤先生	His salary was adjusted to RMB903,224 per annum paid by a subsidiary of the Company with effect from 1 February 2022. 自2022年2月1日起，其薪酬調整為每年年薪人民幣903,224元，由本公司之附屬公司支付。
Mr. Yu Zhilong 余支龍先生	His salary was adjusted to RMB403,224 per annum paid by a subsidiary of the Company with effect from 1 February 2022. 自2022年2月1日起，其薪酬調整為每年年薪人民幣403,224元，由本公司之附屬公司支付。
Mr. Yu Xiao 余瀟先生	His salary was adjusted to RMB403,224 per annum paid by a subsidiary of the Company with effect from 1 February 2022. 自2022年2月1日起，其薪酬調整為每年年薪人民幣403,224元，由本公司之附屬公司支付。
Mr. Fong Wai Ho 方偉豪先生	He resigned as an independent non-executive director of CT Environmental Group Limited with effect from 15 September 2021, the shares of which were delisted on the Stock Exchange on 10 September 2021. 彼於2021年9月15日辭任中滔環保集團有限公司的獨立非執行董事，該公司的股份自2021年9月10日於聯交所除牌。 He ceased to be a member of CPA Australia with effect from 1 February 2022. 彼自2022年2月1日不再為澳洲會計師公會會員。

REPORT OF THE DIRECTORS (Continued)
董事會報告(續)

Save as disclosed above, there is no other information required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules.

Permitted Indemnity Provisions

During the year ended 31 December 2021 and up to the date of this annual report, the Company has in force indemnity provisions as permitted under the relevant statutes for the benefit of the Directors (including former Directors) of the Company. The permitted indemnity provisions are provided for in the Articles and in the Directors and officers liability insurance maintained for the Group in respect of potential liability and costs associated with legal proceedings that may be brought against such Directors.

Management Contracts

No contracts, other than employment contracts or appointment letters, concerning the management and administration of the whole or any substantial part of any business of the Company were entered into or subsisted during the year ended 31 December 2021.

Save as disclosed in this annual report, there was no contract of significance between the Company or any of its subsidiaries and a controlling shareholder of the Company or any of its subsidiaries during the year ended 31 December 2021.

Equity-linked Agreements

For the year ended 31 December 2021, the Company has not entered into any equity-linked agreement.

Directors' Service Contracts

No Director proposed for re-election at the 2022 AGM has a service contract with the Company which is not determinable by the Company within one year without payment of compensation, other than statutory compensation.

除上文所披露者外，概無其他資料須根據上市規則第13.51B(1)條予以披露。

獲准許彌償條文

截至2021年12月31日止年度及直至本年報日期，本公司按有關法規所允許者備有以本公司董事(包括前任董事)為受益人的彌償條文。獲准許彌償條文於細則以及於本集團就與該等董事可能遭提起法律程序相關的潛在責任及成本而投購的董事及高級職員責任保險中有所規定。

管理合約

截至2021年12月31日止年度，本公司並無訂立或存續有關本公司任何業務的全部或任何重大部分管理及行政管理的合約(僱傭合約或委任函除外)。

除本年報所披露者外，截至2021年12月31日止年度，本公司或其任何附屬公司與本公司控股股東或其任何附屬公司概無訂立重大合約。

股票掛鈎協議

截至2021年12月31日止年度，本公司尚未訂立任何與股票掛鈎的協議。

董事服務合約

於2022年股東週年大會擬膺選連任的董事並無與本公司訂立不可由本公司於一年內終止而毋須作出賠償(法定賠償除外)的服務合約。

REPORT OF THE DIRECTORS (Continued)
董事會報告(續)**Directors' and Chief Executive's Interests and Short Positions in Shares, Underlying Shares and Debentures**

As at 31 December 2021, the interests and short positions of the Directors and chief executive of the Company in the shares and underlying shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO")), which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which the Directors and chief executive of the Company were deemed or taken to have under such provisions of the SFO) or which were required, pursuant to Section 352 of the SFO, to be recorded in the register therein, or 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 (the "Model Code") as set out in Appendix 10 to the Listing Rules were as follows:

Long positions in Shares of the Company:

Name of Director	Capacity/ Nature of interest	Total number of Shares held	Approximate % of interests held (Note 1) 佔持有權益 概約百分比 (附註1)
董事姓名	身份／權益性質	持有股份總數	
Mr. Yu Bangping 余邦平先生	Interest in a controlled corporation (Note 2) 受控法團權益(附註2)	856,000,000	53.50

Notes:

- The percentage was calculated based on 1,600,000,000 Shares in issue as at 31 December 2021.
- These Shares were held by Spring Snow Management Limited. The issued share capital of Spring Snow Management Limited was held as to approximately 48.27% by Lucky Street Limited which was wholly owned by Mr. Yu Bangping. Accordingly, Mr. Yu Bangping was deemed to be interested in 856,000,000 Shares held by Spring Snow Management Limited for the purpose of the SFO.

董事於證券的權益及淡倉

於2021年12月31日，董事及本公司行政總裁於本公司及其相聯法團(定義見證券及期貨條例(「證券及期貨條例」)第XV部)的股份、相關股份及債權證中，擁有根據證券及期貨條例第XV部第7及8分部須知會本公司及聯交所的權益及淡倉(包括根據證券及期貨條例的有關條文被當作或視為由董事及本公司行政總裁擁有的權益及淡倉)，或根據證券及期貨條例第352條記錄於該條所指登記冊內的權益及淡倉，或根據上市規則附錄十所載上市發行人董事進行證券交易的標準守則(「標準守則」)須知會本公司及聯交所的權益及淡倉如下：

於本公司股份的好倉：

Name of Director	Capacity/ Nature of interest	Total number of Shares held	Approximate % of interests held (Note 1) 佔持有權益 概約百分比 (附註1)
董事姓名	身份／權益性質	持有股份總數	
Mr. Yu Bangping 余邦平先生	Interest in a controlled corporation (Note 2) 受控法團權益(附註2)	856,000,000	53.50

附註：

- 該百分比基於2021年12月31日的1,600,000,000股已發行股份計算。
- 該等股份由Spring Snow Management Limited持有。Lucky Street Limited持有Spring Snow Management Limited已發行股本約48.27%，而Lucky Street Limited由余邦平先生全資擁有。因此，就證券及期貨條例而言，余邦平先生被視作於Spring Snow Management Limited持有的856,000,000股股份中擁有權益。

REPORT OF THE DIRECTORS (Continued)
董事會報告(續)

Directors' and Chief Executive's Interests and Short Positions in Shares, Underlying Shares and Debentures (continued)

董事於證券的權益及淡倉(續)

Long positions in the shares of associated corporations:

於相聯法團股份的好倉：

Name of Director	Name of associated corporation	Capacity/ Nature of interest	Total number of shares held	Approximate % of interests held (Note 1) 佔持有權益概約百分比 (附註1)
董事姓名	相聯法團名稱	身份／權益性質	持有股份總數	
Mr. Yu Bangping 余邦平先生	Spring Snow Management Limited	Interest in controlled corporation (Note 2) 受控法團權益(附註2)	4,827,441	48.27
Mr. Sun Dawei 孫大煒先生	Spring Snow Management Limited	Interest in controlled corporation (Note 3) 受控法團權益(附註3)	1,293,140	12.93
Mr. Wang Shize 王世澤先生	Spring Snow Management Limited	Interest in controlled corporation (Note 4) 受控法團權益(附註4)	287,364	2.87

Notes:

附註：

- The percentage was calculated based on 10,000,000 issued shares of Spring Snow Management Limited as at 31 December 2021.
- Mr. Yu Bangping owned the entire issued share capital of Lucky Street Limited which owned approximately 48.27% of the issued share capital of Spring Snow Management Limited. By virtue of the SFO, Mr. Yu was deemed to be interested in 4,827,441 shares of Spring Snow Management Limited held by Lucky Street Limited.

- 該百分比基於Spring Snow Management Limited於2021年12月31日的10,000,000股已發行股份計算。
- 余邦平先生擁有Lucky Street Limited的全部已發行股本，而Lucky Street Limited擁有Spring Snow Management Limited已發行股本約48.27%。根據證券及期貨條例，余先生被視為於Lucky Street Limited持有的4,827,441股Spring Snow Management Limited股份中擁有權益。

REPORT OF THE DIRECTORS (Continued)
董事會報告(續)

Directors' and Chief Executive's Interests and Short Positions in Shares, Underlying Shares and Debentures (continued)

3. Mr. Sun Dawei owned the entire issued share capital of Black Pearl Limited which owned approximately 12.93% of the issued share capital of Spring Snow Management Limited. By virtue of the SFO, Mr. Sun was deemed to be interested in 1,293,140 shares of Spring Snow Management Limited held by Black Pearl Limited.
4. Mr. Wang Shize owned the entire issued share capital of Seasons In The Sun Limited which owned approximately 2.87% of the issued share capital of Spring Snow Management Limited. By virtue of the SFO, Mr. Wang was deemed to be interested in 287,364 shares of Spring Snow Management Limited held by Seasons In The Sun Limited.

Save as disclosed above, as at 31 December 2021, so far as is known to the Company, none of the Directors or chief executive of the Company had any interests or short positions in the shares, underlying shares and debentures of the Company and any of its associated corporations (within the meaning of Part XV of the SFO) which 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 and chief executive were taken or deemed to have taken under such provisions of the SFO); or were required, pursuant to Section 352 of the SFO, to be recorded in the register referred to therein; or were required, pursuant to the Model Code, to be notified to the Company and the Stock Exchange.

董事於證券的權益及淡倉(續)

3. 孫大煒先生擁有 Black Pearl Limited 的全部已發行股本，而 Black Pearl Limited 擁有 Spring Snow Management Limited 已發行股本約 12.93%。根據證券及期貨條例，孫先生被視為於 Black Pearl Limited 持有的 1,293,140 股 Spring Snow Management Limited 股份中擁有權益。
4. 王世澤先生擁有 Seasons In The Sun Limited 的全部已發行股本，而 Seasons In The Sun Limited 擁有 Spring Snow Management Limited 已發行股本約 2.87%。根據證券及期貨條例，王先生被視為於 Seasons In The Sun Limited 持有的 287,364 股 Spring Snow Management Limited 股份中擁有權益。

除上文所披露者外，於 2021 年 12 月 31 日，據本公司所知，概無董事或本公司行政總裁於本公司或其任何相聯法團(定義見證券及期貨條例第 XV 部)的股份、相關股份及債權證中，擁有任何根據證券及期貨條例第 XV 部第 7 及 8 分部須知會本公司及聯交所的權益或淡倉(包括根據證券及期貨條例的有關條文被當作或視為由董事及行政總裁擁有的權益及淡倉)，或根據證券及期貨條例第 352 條須記錄於該條所指登記冊內的權益或淡倉，或根據標準守則須知會本公司及聯交所的權益或淡倉。

REPORT OF THE DIRECTORS (Continued)
董事會報告(續)

Substantial Shareholders' Interests in Shares and Underlying Shares

As at 31 December 2021, the following interests in Shares or underlying Shares of 5% or more of the issued Shares of the Company were recorded in the register of interests required to be kept by the Company pursuant to Section 336 of the SFO:

Long positions:

Name of Substantial Shareholder	Nature of interest	Total number of Shares held	Approximate % of interests held (Note 1) 佔持有權益概約百分比 (附註1)
主要股東姓名／名稱	權益性質	持有股份總數	
Spring Snow Management Limited	Beneficial owner (Note 2) 實益擁有人(附註2)	856,000,000	53.50
Lucky Street Limited	Interest in controlled corporation (Note 2) 受控法團權益(附註2)	856,000,000	53.50
Ms. Qu Liumei 瞿柳美女士	Interest of spouse (Note 3) 配偶權益(附註3)	856,000,000	53.50

Notes:

- The percentage was calculated based on 1,600,000,000 Shares in issue as at 31 December 2021.
- The issued share capital of Spring Snow Management Limited was held as to approximately 48.27% by Lucky Street Limited. Accordingly, Lucky Street Limited was deemed to be interested in 856,000,000 Shares held by Spring Snow Management Limited by virtue of the SFO.
- Ms. Qu Liumei is the spouse of Mr. Yu Bangping and was therefore deemed to be interested in all the Shares held by Mr. Yu Bangping (through Lucky Street Limited and Spring Snow Management Limited) by virtue of the SFO.

Save as disclosed above, as at 31 December 2021, so far as is known to the Company, no other person (other than the Directors and chief executive of the Company whose interests are disclosed in the section headed "Directors' and Chief Executive's Interests and Short Positions in Shares, Underlying Shares and Debentures" above) had interests or short positions in the Shares or underlying Shares which would fall to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO or, which were recorded in the register required to be kept by the Company under Section 336 of the SFO.

主要股東於股份及相關股份的權益

於2021年12月31日，本公司已發行股份中5%或以上的股份或相關股份的下列權益記錄於本公司根據證券及期貨條例第336條須存置的權益登記冊內：

好倉：

Name of Substantial Shareholder	Nature of interest	Total number of Shares held	Approximate % of interests held (Note 1) 佔持有權益概約百分比 (附註1)
主要股東姓名／名稱	權益性質	持有股份總數	
Spring Snow Management Limited	Beneficial owner (Note 2) 實益擁有人(附註2)	856,000,000	53.50
Lucky Street Limited	Interest in controlled corporation (Note 2) 受控法團權益(附註2)	856,000,000	53.50
Ms. Qu Liumei 瞿柳美女士	Interest of spouse (Note 3) 配偶權益(附註3)	856,000,000	53.50

附註：

- 該百分比基於2021年12月31日的1,600,000,000股已發行股份計算。
- Lucky Street Limited 持有 Spring Snow Management Limited 已發行股本約48.27%。因此，根據證券及期貨條例，Lucky Street Limited 被視為於Spring Snow Management Limited 持有的856,000,000股股份中擁有權益。
- 瞿柳美女士為余邦平先生的配偶，因此根據證券及期貨條例被視為於余邦平先生透過 Lucky Street Limited 及 Spring Snow Management Limited 持有的所有股份中擁有權益。

除上文所披露者外，於2021年12月31日，據本公司所知，概無其他人士(董事或本公司行政總裁除外)於股份或相關股份中擁有根據證券及期貨條例第XV部第2及3分部的條文須向本公司及聯交所披露的權益或淡倉，或記錄於本公司根據證券及期貨條例第336條須存置的登記冊內的權益或淡倉。

REPORT OF THE DIRECTORS (Continued)
董事會報告(續)

Competing Business

During the year ended 31 December 2021, Guizhou Bangda, an associate of the connected person of the Company pursuant to Rule 14A.12(1)(c) of the Listing Rules, and owned by Mr. Yu Bangping (Chairman and executive Director) as to 90% and Mr. Yu Bangcheng (brother of Mr. Yu Bangping) as to 10%, both being the Controlling Shareholders (as defined in the prospectus of the Company dated 26 November 2018 (the “Prospectus”)), was principally engaged in the mining, production and sale of coking coal, whereas the Group has been principally engaged in the mining, production and sale of 1/3 coking coal and coking coal. The Directors are of the view that there is no actual or potential in competition in business between the Group and Guizhou Bangda and there is a clear delineation of business between the Group and Guizhou Bangda. The Directors are satisfied that each of Mr. Yu Bangping, Mr. Sun Dawei and Mr. Wang Shize (who are the executive Directors and the Controlling Shareholders) are able to perform their roles in the Company independently. The Directors are also of the view that the Group is capable of managing its business independently from the Controlling Shareholders and their respective close associates during the year under review.

As at 31 December 2021, save as disclosed above, the Directors were not aware of any business or interest of the Directors or the Controlling Shareholders and their respective close associates that had competed or might compete with the business of the Group and any other conflicts of interests which any such person had or might have with the Group.

競爭業務

於截至2021年12月31日止年度，貴州邦達(根據上市規則第14A.12(1)(c)條為本公司關連人士的聯繫人，由主席兼執行董事余邦平先生擁有90%權益及由余邦成先生(余邦平先生的胞弟)擁有10%權益(余邦平先生及余邦成先生均為控股股東(定義見本公司日期為2018年11月26日的招股章程(「招股章程」)))主要從事開採、生產及銷售煉焦煤，而本集團則主要從事開採、生產及銷售1/3煉焦煤及煉焦煤。董事認為本集團與貴州邦達的業務之間並無實際或潛在競爭，而本集團與貴州邦達之間有明確的業務劃分。董事信納余邦平先生、孫大煒先生及王世澤先生(彼等為執行董事及控股股東)能夠獨立地履行彼等於本公司的職務。董事亦認為，於回顧年度內，本集團能夠獨立於控股股東及其各自的緊密聯繫人管理其業務。

於2021年12月31日，除上文所披露者外，董事並不知悉董事或控股股東及其各自的緊密聯繫人擁有任何與本集團業務構成競爭或可能構成競爭的業務或於當中擁有權益，亦不知悉有關人士與本集團曾經有或可能有的任何其他利益衝突。

REPORT OF THE DIRECTORS (Continued)
董事會報告(續)

Non-Competition Undertakings by Controlling Shareholders

In order to avoid and safeguard any potential competition arising between the Group and the Directors or the Controlling Shareholders and their respective close associates, each of the Controlling Shareholders (including Mr. Yu Bangping, Mr. Sun Dawei and Mr. Wang Shize) and Guizhou Bangda (the “Covenantors”) has executed a deed of non-competition (“Deed of Non-Competition”) in favour of the Company. Details of the Deed of Non-Competition are disclosed in the section headed “Relationship with Controlling Shareholders – Non-Competition Undertakings” in the Prospectus.

The Covenantors have made an annual confirmation that they have fully complied with the Undertakings given by them in favour of the Company pursuant to the Deed of Non-Competition. The independent non-executive Directors have reviewed the status of the compliance by the Covenantors with the Undertakings during the year ended 31 December 2021 and confirmed that, as far as they can ascertain, there is no breach by any of the Covenantors of the Undertakings given by them.

Directors’ Interests in Transactions, Arrangements or Contracts of Significance

Save as disclosed in this annual report, no transactions, arrangements or contracts of significance to which the Company or any related company (holding companies, subsidiaries, or fellow subsidiaries) was a party and in which a Director or an entity connected with a Director had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year ended 31 December 2021.

Remuneration Policy

The remuneration policy of the employees of the Group is set up by the Board on the basis of their performance, qualifications, competence and job nature. The remuneration of the Directors is recommended by the Remuneration Committee and decided by the Board, having regard to their experience, responsibilities, performance and the time devoted to the Group’s business. The Company has adopted a Post-IPO share option scheme on 15 November 2018 (the “Share Option Scheme”) as an incentive arrangement for eligible employees.

Retirement Benefit Scheme

Details of the retirement benefit scheme of the Group are set out in note 31 to the consolidated financial statements.

控股股東的不競爭承諾

為避免及保障任何於本集團與董事或控股股東及其各自的緊密聯繫人之間產生的潛在競爭，控股股東(包括余邦平先生、孫大煒先生及王世澤先生)各自與貴州邦達(「契諾人」)簽立了以本公司為受益人的不競爭契據(「不競爭契據」)。不競爭契據的詳情披露於招股章程「與控股股東的關係—不競爭承諾」一節。

契諾人已作出年度確認，確認彼等已全面遵守彼等根據不競爭契據並以本公司為受益人而作出的承諾。獨立非執行董事已審閱契諾人於截至2021年12月31日止年度遵守承諾的情況，並確認就其所確信，契諾人並無違反彼等作出的任何承諾。

董事於重大交易、安排或合約的權益

除本年報所披露者外，本公司或任何關聯公司(控股公司、附屬公司或同系附屬公司)於年末或截至2021年12月31日止年度內任何時間概無訂立任何董事或與董事關連實體於其中直接或間接擁有重大權益的重大交易、安排或合約。

薪酬政策

本集團僱員的薪酬政策由董事會根據其表現、資歷、能力及工作性質而制定。董事薪酬由薪酬委員會建議，由董事會決定，當中計及彼等的經驗、責任、表現及其為本集團業務所貢獻的時間。本公司已於2018年11月15日採納首次公開發售後購股權計劃(「購股權計劃」)，作為合資格僱員的獎勵安排。

退休福利計劃

本集團退休福利計劃的詳情載於綜合財務報表附註31。

REPORT OF THE DIRECTORS (Continued)
董事會報告(續)

Sufficiency of Public Float

Based on the information that is publicly available to the Company and within the knowledge of the Directors as at the date of this annual report, at least 25% of the Company's total issued share capital is held by the public under the Listing Rules.

Share Option Scheme

Particulars of the Share Option Scheme are set out in note 37 to the consolidated financial statements.

The Company adopted the Share Option Scheme pursuant to an ordinary resolution passed by the shareholders of the Company on 15 November 2018 which shall be valid and effective for a period ending on the tenth anniversary of 12 December 2018, being the date of the listing of the Shares on the Stock Exchange, subject to early termination by the Company in a general meeting or by the Board. The purpose of the Share Option Scheme is to provide an incentive or reward for the grantees for their contribution or potential contribution to the Company and/or any of its subsidiaries. Under the Share Option Scheme, the Board may offer to grant an option to any full-time or part-time employees, potential employees, consultants, executives or officers (including executive, non-executive and independent non-executive Directors) of the Company or any of its subsidiaries, and any suppliers, customers, consultants, agents and advisers who, in the sole opinion of the Board has contributed or will contribute to the Group.

The number of Shares which may be issued upon exercise of all outstanding options granted and yet to be exercised under the Share Option Scheme and any other share option schemes of the Company at any time shall not aggregate exceed 30% of the Shares in issue from time to time. The maximum number of Shares available for issue under options which may be granted under the Share Option Scheme or other share option scheme adopted by the Company must not in aggregate exceed 10% of the Shares in issue immediately following completion of the Share Offer (but taking no account of any Shares which may be allotted or issued pursuant to the exercise of the Over-allotment Option (as defined in the Prospectus)), being 160,000,000 Shares. The total number of Shares issued and which may fall to be issued upon exercise of the options granted pursuant to the Share Option Scheme to each eligible person in any 12-month period shall not exceed 1% of the number of Shares in issue as at the date of grant unless approved by the shareholders of the Company in general meeting.

公眾持股量的充足性

於本年報日期，就本公司所得的公開資料及據董事所知，根據上市規則，本公司已發行股本總額最少25%由公眾持有。

購股權計劃

有關購股權計劃的詳情載列於綜合財務報表附註37。

本公司根據本公司股東於2018年11月15日通過的普通決議案採納購股權計劃。該計劃自截至2018年12月12日(即股份於聯交所上市的日期)止十年期間內有效及具效力，惟可由本公司於股東大會或由董事會提前終止。購股權計劃旨在向承授人就彼等對本公司及／或其任何附屬公司作出的貢獻或潛在貢獻提供獎勵或回報。根據購股權計劃，董事會可將購股權授予本公司或其任何附屬公司的任何全職或兼職僱員、潛在僱員、諮詢人、執行人員或高級職員(包括執行董事、非執行董事及獨立非執行董事)，以及董事會全權認為已向本集團作出貢獻或將作出貢獻的任何供應商、客戶、諮詢人、代理及顧問。

根據購股權計劃及本公司任何其他購股權計劃授出但尚未行使的所有購股權獲行使而可能發行的股份數目，於任何時間內，合共不得超過不時已發行股份的30%。根據購股權計劃或本公司採納的其他購股權計劃可能授出的購股權可供發行的最高股份數目，不得超過緊隨股份發售完成後已發行股份(但不計及因超額配股權(定義見招股章程)獲行使而可能配發或發行的任何股份)的10%，即160,000,000股股份。除非在股東大會上獲本公司股東批准，否則因根據購股權計劃授予各合資格人士的購股權獲行使而已發行及將予發行的股份總數，於任何12個月期間內，不得超過於授出日期的已發行股份數目的1%。

REPORT OF THE DIRECTORS (Continued)
董事會報告(續)**Share Option Scheme (continued)**

The subscription price of a Share in respect of any particular option granted under the Share Option Scheme shall be determined by the Board provided that it shall not be less than the highest of: (i) the official closing price of the Shares as stated in the Stock Exchange's daily quotation sheet on the offer date, which must be a business day; (ii) the average of the official closing price of the Shares as stated in the Stock Exchange's daily quotation sheets for the five business days immediately preceding the offer date; and (iii) the nominal value of a Share.

Upon acceptance of the option, the grantee shall pay HK\$1 to the Company by way of consideration for the grant. An option may be exercised in accordance with the terms of the Share Option Scheme at any time after the date upon which the option is deemed to be granted and accepted and prior to the expiry of 10 years from that date. The period during which an option may be exercised will be determined by the Board in its absolute discretion, save that no option may be exercised more than 10 years after it has been granted.

No share options have been granted, exercised, cancelled or lapsed during the year ended 31 December 2021 and no share options were outstanding as at 31 December 2021 under the Share Option Scheme.

As at the date of this report, the total number of Shares available for issue under the Share Option Scheme was 160,000,000 Shares representing 10% of the issued shares of the Company.

購股權計劃(續)

根據購股權計劃授出的任何特定購股權所涉及股份認購價將由董事會決定，惟認購價不得低於以下最高者：(i)於要約日期(必須為營業日)在聯交所每日報價表所列股份的官方收市價；(ii)緊接要約日期前5個營業日，聯交所每日報價表所列股份的平均官方收市價；及(iii)股份面值。

接納購股權後，承授人須為授出購股權向本公司支付1港元代價。購股權可根據購股權計劃的條款於購股權被視為授出及獲接納當日起至自該日起計10年屆滿前的任何時間內行使。可行使購股權的期間將由董事會全權酌情決定，惟在授出超過10年後不得行使任何購股權。

截至2021年12月31日止年度，概無購股權根據購股權計劃授出、行使、註銷或失效，且於2021年12月31日，並無尚未行使的購股權。

於本報告日期，根據購股權計劃可供發行的股份總數為160,000,000股股份，佔本公司已發行股份10%。

REPORT OF THE DIRECTORS (Continued)
董事會報告(續)

Continuing Connected Transactions

On 26 May 2020, 貴州久泰邦達盤縣羊場鄉謝家河溝煤礦 (Guizhou Jiutai Bangda Pan County Yangchang Village Xiejiahegou Coal Mine*) (“Xiejiahegou Coal Mine Branch”), a branch of Jiutai Bangda, and 貴州邦達能源開發有限公司盤縣淤泥鄉昌興煤礦 (Guizhou Bangda Energy Development Company Limited Pan County Yunixiang Changxing Coal Mine*) (“Changxing Coal Mine Branch”), a branch of Guizhou Bangda, entered into the coal washing and processing service agreement (“Coal Washing and Processing Service Agreement”). Guizhou Bangda is owned as to 90% and 10% by Mr. Yu Bangping and Mr. Yu Bangcheng respectively. Mr. Yu Bangping is the Chairman and an executive Director. Also, each of Mr. Yu Bangping and Mr. Yu Bangcheng is indirectly interested in approximately 48.3% and 7.2% shareholding interest in Spring Snow Management Limited, a substantial shareholder of the Company. Hence, Mr. Yu Bangping and Mr. Yu Bangcheng are regarded as the Controlling Shareholders. As such, Guizhou Bangda, an entity controlled by Mr. Yu Bangping and Mr. Yu Bangcheng, is regarded as an associate of the connected person of the Company pursuant to Rule 14A.12(1)(c) of the Listing Rules. Accordingly, the transactions as contemplated under the Coal Washing and Processing Service Agreement constituted continuing connected transactions under Chapter 14A of the Listing Rules. Details are disclosed as CCT No. 1 in the table below pursuant to Rule 14A of the Listing Rules and set out in the announcement of the Company dated 26 May 2020.

On 16 December 2020, the Group entered into several continuing connected transactions with the connected persons of the Company, namely Guizhou Bangda, 貴州粵邦綜合能源有限責任公司 (Guizhou Yue Bang Integrated Energy Limited Liability Company*) (“Guizhou Yue Bang”) and 盤州市紅達綜合能源有限公司 (Panzhou Hongda Integrated Energy Co., Ltd.*) (“Panzhou Hongda”). Guizhou Bangda, as mentioned above, is an associate of the connected person of the Company pursuant to Rule 14A.12(1)(c) of the Listing Rules. Guizhou Yue Bang is owned as to 45% and 55% by Guizhou Bangda and an independent third party of the Company respectively and is therefore an associate of the connected person of the Company pursuant to Rule 14A.12(1)(c) of the Listing Rules. Panzhou Hongda is owned by Guizhou Bangda and an independent third party of the Company, as to 49% and 51%, respectively and is therefore also an associate of the connected person of the Company pursuant to Rule 14A.12(1)(c) of the Listing Rules. These continuing connected transactions are disclosed as CCT No. 2 to 6 in the table below pursuant to Rule 14A of the Listing Rules. Details of each of these continuing connected transactions are set out in the announcement and the supplemental announcement of the Company dated 16 December 2020 and 21 December 2020 respectively.

持續關連交易

於2020年5月26日，貴州久泰邦達盤縣羊場鄉謝家河溝煤礦(「謝家河溝煤礦分公司」)(久泰邦達的分公司)與貴州邦達能源開發有限公司盤縣淤泥鄉昌興煤礦(「昌興煤礦分公司」)(貴州邦達的分公司)訂立了原煤委託洗選加工合同(「原煤委託洗選加工合同」)。貴州邦達由余邦平先生及余邦成先生分別擁有90%及10%權益。余邦平先生為主席兼執行董事。此外，余邦平先生及余邦成先生各自亦於Spring Snow Management Limited(本公司的主要股東)間接擁有約48.3%及7.2%的股權。因此，余邦平先生及余邦成先生被視為控股股東，故根據上市規則第14A.12(1)(c)條，貴州邦達(由余邦平先生及余邦成先生控制的實體)被視為本公司關連人士的聯繫人。因此，根據上市規則第十四章，原煤委託洗選加工合同項下擬進行的交易構成持續關連交易，有關詳情根據上市規則第十四章於下表披露為第1項持續關連交易，並載於本公司日期為2020年5月26日的公告。

於2020年12月16日，本集團與本公司若干關連人士(即貴州邦達、貴州粵邦綜合能源有限責任公司(「貴州粵邦」)及盤州市紅達綜合能源有限公司(「盤州紅達」))訂立數項持續關連交易。誠如上文所述，根據上市規則第14A.12(1)(c)條，貴州邦達為本公司的關連人士的聯繫人。貴州粵邦分別由貴州邦達及一名獨立於本公司的第三方人士分別擁有45%及55%權益，故根據上市規則第14A.12(1)(c)條為本公司關連人士的聯繫人。盤州紅達分別由貴州邦達及一名獨立於本公司的第三方人士分別擁有49%及51%權益，故根據上市規則第14A.12(1)(c)條為本公司關連人士的聯繫人。該等持續關連交易根據上市規則第十四章於下表披露為第2至6項持續關連交易。有關各項持續關連交易之詳情分別載於本公司日期為2020年12月16日的公告及2020年12月21日的補充公告。

* For identification purpose only

REPORT OF THE DIRECTORS (Continued)
董事會報告(續)

Continuing Connected Transactions (continued)

持續關連交易(續)

CCT No. 序號	Name, date and term of the agreements and service fee 協議名稱、日期及期限以及服務費	Transaction party within the Group 本集團內的交易方	Counterparty, nature and description of the transaction 交易對手方、性質及說明	Purpose of transaction 交易目的	Consideration for 2021 2021年代價 RMB'000 人民幣千元
1	Coal Washing and Processing Service Agreement signed on 26 May 2020 於2020年5月26日簽訂的原煤委託洗選加工合同 Term: From 1 June 2020 to 31 December 2022 期限：自2020年6月1日至2022年12月31日 Coal washing and processing services at cost of RMB26.5 per tonne (tax exclusive) 原煤洗選加工服務，價格為每噸人民幣26.5元(不含稅)	Xiejiahegou Coal Mine Branch 謝家河溝煤礦分公司	Coal washing and processing services provided by Changxing Coal Mine Branch 由昌興煤礦分公司提供 原煤洗選加工服務	Washing and processing raw coal extracted from Xiejiahegou Coal Mine 洗選加工開採自謝家河溝煤礦的原煤	8,302
2	Operations Agreement signed on 16 December 2020 於2020年12月16日簽訂的營運協議 Term: From 1 January 2021 to 31 December 2023 期限：自2021年1月1日至2023年12月31日 Logistics Service at cost of RMB5 per tonne 以每噸人民幣5元的成本提供物流服務	Jiutai Bangda 久泰邦達	Logistics service provided by Guizhou Bangda 由貴州邦達提供物流服務	For temporarily storage and loading of Jiutai Bangda's coal and coal side products on trains for onward transportation at Huajiazhuang Railway Logistics Centre 暫時儲存久泰邦達的煤炭及煤炭副產品並將其裝運火車，以供其後於花家莊鐵路物流中心進行轉運	3,656

REPORT OF THE DIRECTORS (Continued)
董事會報告(續)

Continuing Connected Transactions (continued)

持續關連交易(續)

CCT No. 序號	Name, date and term of the agreements and service fee 協議名稱、日期及期限以及服務費	Transaction party within the Group 本集團內的交易方	Counterparty, nature and description of the transaction 交易對手方、性質及說明	Purpose of transaction 交易目的	Consideration for 2021 2021年代價 RMB'000 人民幣千元
3	Baogushan Gas Supply Agreement signed on 16 December 2020 於2020年12月16日簽訂的苞谷山瓦斯供應協議 Term: From 1 January 2021 to 31 December 2023 期限：自2021年1月1日至2023年12月31日 Sale of coalbed gas: RMB0.0688 per kWh electricity generated (tax inclusive) 銷售煤層氣：發電每千瓦時為人民幣0.0688元(含稅)	貴州久泰邦達能源開發有限公司盤縣紅果鎮苞谷山煤礦 (Guizhou Jiutai Bangda Energy Development Co., Ltd. Panxian Hongguo Town Baogushan Coal Mine) ("Baogushan Coal Mine Branch"), a branch of Jiutai Bangda 貴州久泰邦達能源開發有限公司盤縣紅果鎮苞谷山煤礦(「苞谷山煤礦分公司」)(久泰邦達的分公司)	Coalbed gas supplied to Guizhou Yue Bang 向貴州粵邦供應煤層氣	Supply of coalbed gas from Baogushan Coal Mine for generating other source of revenue 透過苞谷山煤礦煤層氣供應產生另一收益來源	1,988
4	Hongguo Gas Supply Agreement signed on 16 December 2020 於2020年12月16日簽訂的紅果瓦斯供應協議 Term: From 1 January 2021 to 31 December 2023 期限：自2021年1月1日至2023年12月31日 Sale of coalbed gas: RMB0.18 per/m ³ (tax inclusive) 銷售煤層氣：每立方米人民幣0.18元(含稅)	貴州久泰邦達能源開發有限公司盤縣紅果鎮紅果煤礦 (Guizhou Jiutai Bangda Energy Development Co., Ltd. Panxian Hongguo Town Hongguo Coal Mine) ("Hongguo Coal Mine Branch"), a branch of Jiutai Bangda 貴州久泰邦達能源開發有限公司盤縣紅果鎮紅果煤礦(「紅果煤礦分公司」)(久泰邦達的分公司)	Coalbed gas supplied to Panzhou Hongda 向盤州紅達供應煤層氣	Supply of coalbed gas from Hongguo Coal Mine for generating other source of revenue 透過紅果煤礦煤層氣供應產生另一收益來源	1,093

REPORT OF THE DIRECTORS (Continued)
董事會報告(續)

Continuing Connected Transactions (continued)

持續關連交易(續)

CCT No. 序號	Name, date and term of the agreements and service fee 協議名稱、日期及期限以及服務費	Transaction party within the Group 本集團內的交易方	Counterparty, nature and description of the transaction 交易對手方、性質及說明	Purpose of transaction 交易目的	Consideration for 2021 2021年代價 RMB'000 人民幣千元
5	Baogushan Electricity Supply Agreement signed on 16 December 2020 於2020年12月16日簽訂的苞谷山電力供應協議 Term: From 1 January 2021 to 31 December 2023 期限：自2021年1月1日至2023年12月31日 Purchase of electricity: RMB0.5038 per kWh (tax inclusive) 購買電力：每千瓦時人民幣0.5038元(含稅)	Baogushan Coal Mine Branch 苞谷山煤礦分公司	Electricity purchased from Guizhou Yue Bang 向貴州粵邦購買電力	Purchase of electricity for use in Baogushan Coal Mine 購買電力以供苞谷山煤礦使用	4,756
6	Hongguo Electricity Supply Agreement signed on 16 December 2020 於2020年12月16日簽訂的紅果電力供應協議 Term: From 1 January 2021 to 31 December 2023 期限：自2021年1月1日至2023年12月31日 Purchase of electricity: RMB0.5117 per kWh (tax inclusive) 購買電力：每千瓦時人民幣0.5117元(含稅)	Hongguo Coal Mine Branch 紅果煤礦分公司	Electricity purchased from Panzhou Hongda 向盤州紅達購買電力	Purchase of electricity for use in Hongguo Coal Mine 購買電力以供紅果煤礦使用	6,558

All the above continuing connected transactions as referred to CCT No. 1 to 6 are exempt from the circular and independent shareholders' approval requirements under Chapter 14A of the Listing Rules, but are subject to the reporting, announcement and annual review requirements. None of the transaction amount of each of the above continuing connected transactions has exceeded its respective annual cap (on an aggregated basis where appropriate) for the year ended 31 December 2021.

根據上市規則第十四章，上述稱為第1至6項持續關連交易的所有持續關連交易均豁免遵守通函及獨立股東批准規定，惟須遵守申報、公告及年度審閱規定。於截至2021年12月31日止年度，上述持續關連交易的各項持續關連交易的交易額概無超逾其各自的年度上限(按合併基準計算(如適用))。

REPORT OF THE DIRECTORS (Continued)
董事會報告(續)

Continuing Connected Transactions (continued)

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

The Company's auditor was engaged to report on the Group's continuing connected transactions in accordance with Hong Kong Standard on Assurance Engagements 3000 (Revised) "Assurance Engagements Other Than Audits or Reviews of Historical Financial Information" and with reference to Practice Note 740 "Auditor's Letter on Continuing Connected Transactions under the Hong Kong Listing Rules" issued by the Hong Kong Institute of Certified Public Accountants. The auditor of the Company has issued an unqualified letter containing the findings and conclusions in respect of the continuing connected transactions disclosed by the Group in accordance with Rule 14A.56 of the Listing Rules. A copy of the auditor's letter has been provided by the Company to the Stock Exchange.

Related Party Transactions

Details of the significant related party transactions of the Group are set out in note 32 to the consolidated financial statements. The Company confirmed that in relation to the related party transactions for the year ended 31 December 2021, the Company has complied with the disclosure requirements in accordance with Chapter 14A of the Listing Rules.

Please refer to the section headed "Continuing Connected Transactions" of this report for further details.

Environmental Policies and Performance

The Group recognises the importance of environmental affairs and considers business development and environment affairs are highly related. During the year ended 31 December 2021, the Group implemented certain environmental protection measures to save energy and reduce the consumption of resources. These policies were supported by the staff of the Group and were implemented effectively.

For more detailed information about the Group's environmental policies and performance for this financial year, please refer to the "Environmental, Social and Governance Report" on pages 73 to 99 of this annual report.

持續關連交易(續)

獨立非執行董事已審閱本公司載於上文的持續關連交易，並一致確認，該等持續關連交易乃(i)於本集團正常及一般業務過程中訂立；(ii)按正常或更佳商業條款訂立；及(iii)根據有關交易的協議條款進行，屬公平合理，且符合本公司股東的整體利益。

本公司核數師已受聘以根據香港會計師公會頒佈的香港核證聘用準則第3000號(修訂)「非審核或審閱過往財務資料的核證工作」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的核數師函件」對本集團的持續關連交易作出報告。根據上市規則第14A.56條，本公司核數師已就上述由本集團所披露的持續關連交易發出載有其調查結果及結論的無保留意見函件。本公司已向聯交所提供該核數師函件的副本。

關聯方交易

有關本集團重大關聯方交易的詳情載於綜合財務報表附註32。本公司確認其已就截至2021年12月31日止年度的關聯方交易遵守上市規則第14A章規定的披露要求。

有關進一步詳情，請參閱本報告「持續關連交易」一節。

環境政策及表現

本集團明白環境事務極為重要，並認為業務發展與環境事務兩者相輔相成。截至2021年12月31日止年度，本集團已實施若干環保措施，以節約能源及減少資源消耗。此等政策獲本集團員工支持並已有效實行。

有關本集團於本財政年度的環境政策及表現的詳細資料，請參閱本年報第73至99頁「環境、社會及管治報告」。

REPORT OF THE DIRECTORS (Continued)
董事會報告(續)

Key Relationships with Stakeholders

The Group recognises that employees, customers, business associates and the local community are key stakeholders of the Group's success. The Group strives to achieve corporate sustainability through engaging employees, providing quality services to customers and collaborating with business associates (including suppliers and contractors) to deliver sustainable products and services and support the local community.

For more detailed information, please refer to the "Environmental, Social and Governance Report" on pages 73 to 99 of this annual report.

Compliance with Laws and Regulations

The Group is subject to various laws and regulations including the Companies Act (As Revised) of the Cayman Islands, the Companies Ordinance (Chapter 622 of the Laws of Hong Kong) and Business Registration Ordinance (Chapter 310 of the Laws of Hong Kong), etc. The Group has put in place internal controls to ensure compliance of the same. In addition, as the Group engages business in the People's Republic of China, compliance procedures are in place to ensure adherence to applicable laws, rules and regulations in particular, the mining-related rules and regulations which have significant impact on the Group. Any changes in the applicable laws, rules and regulations are brought to the attention of relevant employees and relevant operation units in the Company and subsidiaries from time to time.

Relief of Taxation

The Company is not aware of any relief from taxation available to the shareholders of the Company by reason of their holding of the Shares.

Auditor

The financial statements for the year ended 31 December 2021 have been audited by Deloitte Touche Tohmatsu. A resolution to re-appoint Deloitte Touche Tohmatsu as the independent auditor of the Company will be proposed at the 2022 AGM.

By order of the Board
Yu Bangping
Chairman and Chief Executive Officer
Hong Kong, 23 March 2022

與持份者的重要關係

本集團深明僱員、客戶、業務聯繫人及當地社群為本公司成就的重要持份者。本集團透過聘請僱員、向客戶提供優質服務及與業務聯繫人(包括供應商及承包商)合作,致力實現企業的可持續性,提供可持續產品及服務,並支持當地社群。

有關更多詳情,請參閱本年報第73至99頁「環境、社會及管治報告」。

遵守法例及法規

本集團須遵守多項法例及法規,包括開曼群島公司法(經修訂)、公司條例(香港法例第622章)及商業登記條例(香港法例第310章)等。本集團已設有內部監控措施,以確保遵守有關法例及法規。此外,由於本集團於中華人民共和國經營業務,故已設有合規程序確保符合適用的法例、規則及法規,特別是與礦業相關且對本集團有重大影響的規則及法規。本公司及附屬公司的相關僱員及相關營運單位務須不時注意適用法例、規則及法規的任何變動。

稅務寬免

本公司並不知悉本公司股東可因持有股份而享有任何稅務寬免。

核數師

截至2021年12月31日止年度的財務報表已由德勤•關黃陳方會計師行審核。有關續聘德勤•關黃陳方會計師行為本公司獨立核數師的決議案將於2022年股東週年大會上提呈。

承董事會命
余邦平
主席兼行政總裁
香港, 2022年3月23日

CORPORATE GOVERNANCE REPORT

企業管治報告

Corporate Governance Code

The Company recognises the importance of corporate transparency and accountability. It is the belief of the Board that the shareholders of the Company can maximise their benefits from good corporate governance.

In the opinion of the Directors, the Company has complied with all code provisions of the Corporate Governance Code (the “CG Code”) as set out in Appendix 14 to the Listing Rules during the year ended 31 December 2021, except for certain deviations disclosed herein.

Compliance with the Model Code for Securities Transactions

The Company has adopted the Model Code set out in Appendix 10 to the Listing Rules as its own code of conduct regarding securities transactions by the Directors. Having made specific enquiry of all Directors, the Company confirms that the Directors have complied with the required standard set out in the Model Code during the year ended 31 December 2021.

The Board of Directors

The Board is responsible for ensuring continuity of leadership, development of sound business strategies, availability of adequate capital and managerial resources to implement the adopted business strategies, adequacy of systems of financial and internal controls and conduct of business in conformity with applicable laws and regulations. All Directors have made full and active contribution to the affairs of the Board and the Board has always acted in the best interests of the Group.

The executive Directors and the senior management are delegated with respective levels of authorities with regard to key corporate strategies and policy and contractual commitments. Senior management is responsible for the day-to-day operations of the Group with divisional heads responsible for different aspects of the Group’s business.

企業管治守則

本公司深明企業透明度及問責的重要性。董事會相信，良好的企業管治可令本公司股東實現利益最大化。

董事認為，截至2021年12月31日止年度，本公司已遵守上市規則附錄十四所載企業管治守則（「企業管治守則」）的所有守則條文，惟在此披露的若干偏離除外。

遵守進行證券交易的標準守則

本公司已採納上市規則附錄十所載的標準守則作為其自身有關董事進行證券交易的守則。經對所有董事作出具體查詢後，本公司確認董事於截至2021年12月31日止年度已遵守載於標準守則中的所需規定。

董事會

董事會負責確保領導的延續性、發展健全的業務策略、具備充裕資金及管理資源以落實已採納的業務策略、財務及內部監控系統的完備性，且業務運作符合適用法律及法規。全體董事已全力積極投入董事會事務，董事會一直以本集團的最佳利益行事。

執行董事及高級管理層就重要的公司策略、政策及合約承諾獲授相關職權。高級管理層負責本集團日常營運，而各部門主管負責本集團的不同業務範疇。

Chairman and Chief Executive Officer

During the year ended 31 December 2021, the roles of the Chairman of the Board and the Chief Executive Officer were performed by Mr. Yu Bangping. Mr. Yu is responsible for the overall management and strategic planning and business development of the Group as well as day-to-day business management.

Under code provision A.2.1 (which has been re-numbered as C.2.1 since 1 January 2022) of the CG Code, the roles of chairman and chief executive should be separate and should not be performed by the same individual. During the year under review, the roles of the Chairman and the Chief Executive Officer have been held by Mr. Yu Bangping. Mr. Yu Bangping is the founder of the Group and possesses substantial and valuable experience in the coal mining industry that is relevant and significant to the Group's operation, and therefore the Board believes that vesting the roles of the Chairman of the Board and the Chief Executive Officer in Mr. Yu Bangping will provide the Company with strong and consistent leadership and promote effective and efficient formulation and implementation of business decisions and strategies. The Board considers that such structure is in the best interests of the Company and its shareholders at this stage.

The Board however will keep reviewing the current structure of the Group's management from time to time and should candidate with suitable knowledge, skill and experience be identified, the Company will make such nomination as appropriate to ensure that the roles of the Chairman and the Chief Executive Officer are performed by two separate individuals.

Board Composition

The Board currently comprises seven executive Directors, namely Mr. Yu Bangping, Mr. Sun Dawei, Mr. Wang Shize, Mr. Li Xuezhong, Mr. Lam Chik Shun, Marcus, Mr. Yu Zhilong and Mr. Yu Xiao and four independent non-executive Directors, namely Mr. Fong Wai Ho, Mr. Punnya Niraan De Silva, Ms. Cheung Suet Ting, Samantha and Mr. Wang Xiufeng. Mr. Yu Bangping (the Chairman and the Chief Executive Officer of the Company), Mr. Sun Dawei and Mr. Wang Shize are interested in the Company's shares through their interests in Spring Snow Management Limited, the immediate holding company of the Company. Mr. Yu Bangping is the father of Mr. Yu Zhilong. Save as disclosed aforesaid, the Directors have no other financial, business, family or other material/relevant relationships with one another.

主席及行政總裁

於截至2021年12月31日止年度，董事會主席及行政總裁的職位均由余邦平先生擔任。余先生負責本集團的整體管理及策略規劃與業務發展，以及日常業務管理。

根據企業管治守則的守則條文條A.2.1條(自2022年1月1日重新編號為第C.2.1條)，主席與行政總裁的角色應有區分，並不應由一人同時兼任。於回顧年度，主席與行政總裁的角色由余邦平先生一人擔任。余邦平先生為本集團的創始人，並於與本集團業務相關且至關重要的採煤行業擁有大量寶貴經驗，因此，董事會認為，余邦平先生同時兼任董事會主席與行政總裁將為本公司提供強大且貫徹一致的領導，使本公司更有效及高效地制定及執行業務決策及策略。董事會認為，該架構符合本公司及其股東現階段的最佳利益。

然而，董事會將持續及不時檢討本集團管理層的現時架構，並應物色擁有合適知識、技能及經驗的候選人。本公司將適時作出提名以確保由兩名不同人士擔任主席與行政總裁的角色。

董事會組成

董事會現時由七名執行董事(即余邦平先生、孫大煒先生、王世澤先生、李學忠先生、林植信先生、余支龍先生及余瀟先生)及四名獨立非執行董事(即方偉豪先生、Punnya Niraan De Silva先生、張雪婷女士及王秀峰先生)組成。余邦平先生(本公司主席兼行政總裁)、孫大煒先生及王世澤先生，透過彼等於Spring Snow Management Limited(本公司及余邦平先生的直接控股公司，余邦平先生為余支龍先生的父親)的權益而於本公司股份中擁有權益。除上述所披露者外，概無董事與其他董事之間存在有關其他財務、業務、家庭或其他重大／相關的關係。

CORPORATE GOVERNANCE REPORT (Continued)

企業管治報告(續)

Board Composition (continued)

During the year ended 31 December 2021, the number of independent non-executive Directors represents more than one-third of the Board. As such, there exists a strong independent element in the Board which can effectively exercise independent judgement. The Company has complied with the requirements under Rules 3.10 and 3.10A of the Listing Rules.

Biographical details of the Directors are set out on pages 11 to 16 of this annual report.

Independence of Independent Non-executive Directors

The Company has received annual confirmation of independence from each independent non-executive Directors pursuant to the requirements of the Listing Rules. The Company has assessed their independence and concluded that all independent non-executive Directors are independent in accordance with the relevant guidelines set out in Rule 3.13 of the Listing Rules.

Directors' Continuing Professional Development

The Company provides regular updates on the business performance of the Group to the Directors. The Directors are continually updated by the management of the Company on the latest development regarding the Listing Rules and other applicable statutory requirements to ensure compliance and upkeeping of good corporate governance practices.

The Directors are encouraged to participate in continuous professional development courses and seminars to develop and refresh their knowledge and skills. During the year ended 31 December 2021, the Directors participated in continuous professional development by way of attending trainings and/or seminars organised by professional organisations and director training webcasts organised by the Stock Exchange and also reading materials updating new practices, rules and regulations to keep themselves updated on the roles, functions and duties of a listed company director.

董事會組成(續)

於截至2021年12月31日止年度，獨立非執行董事的人數超過董事會的三分之一。因此，董事會具備強大的獨立元素，足以有效地作出獨立判斷。本公司已遵守上市規則第3.10條及第3.10A條項下的規定。

有關董事的履歷詳情載於本年報的第11至16頁。

獨立非執行董事的獨立性

根據上市規則的規定，本公司已收到各獨立非執行董事的年度獨立性確認書。根據上市規則第3.13條所載的有關指引，本公司已評估彼等的獨立性，並認為所有獨立非執行董事均屬獨立。

董事的持續專業發展

本公司管理層不時向董事提供本集團業務表現的最新情況。董事就有關上市規則及其他適用法定規定的最新發展持續獲得最新資料，以確保遵守及保持良好的企業管治常規。

本公司鼓勵董事參加有關持續專業發展的課程及研討會，以發展及更新彼等的知識及技能。於截至2021年12月31日止年度，董事透過參加專業組織所舉辦的培訓及／或研討會、聯交所組織的網上直播董事培訓以及有關最新常規、規則及法規的閱讀材料，參與持續專業發展，使彼等掌握其作為上市公司董事的最新角色、職能及職責。

CORPORATE GOVERNANCE REPORT (Continued)
企業管治報告(續)**Directors' Continuing Professional Development**
(continued)

According to the records provided by the Directors, a summary of trainings received by the Directors for the year ended 31 December 2021 is as follows:

董事的持續專業發展(續)

根據董事所提供的記錄，截至2021年12月31日止年度，董事所接受的培訓概要如下：

Name of Directors	董事姓名	Trainings/Seminars/ Reading materials 培訓／研討會／ 閱讀材料
<i>Executive Directors</i>		
Mr. Yu Bangping (Chairman and Chief Executive Officer)	余邦平先生(主席兼行政總裁)	✓
Mr. Sun Dawei	孫大煒先生	✓
Mr. Wang Shize	王世澤先生	✓
Mr. Li Xuezhong	李學忠先生	✓
Mr. Lam Chik Shun, Marcus	林植信先生	✓
Mr. Yu Zhilong	余支龍先生	✓
Mr. Yu Xiao	余瀟先生	✓
<i>Independent non-executive Directors</i>		
Mr. Fong Wai Ho	方偉豪先生	✓
Mr. Punnya Niraan De Silva	Punnya Niraan De Silva先生	✓
Ms. Cheung Suet Ting, Samantha	張雪婷女士	✓
Mr. Wang Xiufeng	王秀峰先生	✓

Appointment, Re-election and Removal of Directors

Each of the executive Directors has entered into an executive director service agreement with the Company for a term of three years until terminated by either party by giving to the other not less than one month's notice. Each of the independent non-executive Directors was appointed to the Board pursuant to his/her respective letter of appointment for a term of three years until terminated by either party by giving to the other not less than three months' notice. The procedures and process of appointment, re-election and removal of the Directors are governed by the Articles. Each of the Directors is subject to re-election at the annual general meeting (the "AGM") of the Company upon retirement by rotation.

董事的委任、連任及免職

各執行董事已與本公司訂立執行董事服務協議，為期三年，直至任何一方向另一方發出不少於一個月通知。各獨立非執行董事已根據彼等各自的函件獲委任為董事會成員，為期三年，直至任何一方向另一方發出不少於三個月通知。董事的委任、連任及免職程序及過程均須遵守細則。各名董事可於輪值告退後於本公司股東週年大會(「股東週年大會」)膺選連任。

CORPORATE GOVERNANCE REPORT (Continued)
企業管治報告(續)**Appointment, Re-election and Removal of Directors**
(continued)

The Articles provide that any Director appointed by the Board to fill a casual vacancy or as an addition to the Board shall hold office only until the next following general meeting of the Company and shall then be eligible for re-election at that meeting.

In accordance with Article 16.19 of the Articles, at every AGM of the Company, one-third of the Directors for the time being (or, if their number is not three or a multiple of three, then the number nearest to, but not less than, one-third) shall retire from office by rotation provided that every Director (including those appointed for a specific term) shall be subject to retirement by rotation at least once every three years. Any newly appointed Director shall not be taken into account in determining which Directors are to retire by rotation. A retiring Director shall retain office until the close of the general meeting at which he/she retires and shall be eligible for re-election. The Company at any AGM at which any Directors retire may fill the vacated office by electing a like number of persons to be Directors.

Board Process

The Board meets regularly to discuss and formulate the overall strategy as well as the operation and financial performance of the Group. Directors may participate in meetings either in person or through electronic means of communications. At least fourteen days' notice of a regular Board meeting is normally given to all Directors who are provided with an opportunity to include matters for discussion in the agenda. According to the current Board practice, if a Director has a conflict of interest in a matter to be considered by the Board which the Board has determined to be material, the matter will be dealt with by the Board at a duly convened Board meeting rather than by a written resolution. The Articles also stipulate that save for the exceptions as provided therein, a Director shall abstain from voting and not be counted in the quorum at meetings for approving any transaction, contract or arrangement in which such Director or any of his/her associates (as defined in the Listing Rules) has a material interest.

In addition to Board meetings, the Chairman of the Board met with the independent non-executive Directors once without the presence of other executive Directors in 2021.

During the year ended 31 December 2021, four Board meetings were held and attendance of each Director at the Board meetings is set out in the section headed "Attendance Record of Meetings" of this report.

董事的委任、連任及免職(續)

細則規定，董事會為填補臨時空缺或增補董事而委任的任何董事，任期將於本公司下屆股東大會舉行時屆滿，屆時可於會上重選連任。

根據細則第16.19條，於本公司每屆股東週年大會上，三分之一的在任董事(或倘董事人數並非三或三的倍數，則按最接近但不少於三分之一的人數)須輪流退任，惟每名董事(包括按特定任期獲委任的董事)均須最少每三年輪值告退一次。決定將輪席告退的董事時，任何新任董事將不會計算在內。任滿告退董事的任期將直至其退任並合資格膺選連任的股東大會結束時為止。本公司於有任何董事任滿告退的任何股東週年大會上，可再重選類似數目的人士出任董事以填補空缺。

董事會流程

董事會定期開會討論及制定本集團的整體策略、營運表現及財務表現。董事可親身或以電子通訊方式出席會議。召開定期董事會會議一般會給予全體董事至少十四天的通知，以便有機會將討論事項納入會議議程內。根據現時董事會常規，倘一名董事於將由董事會審議且已被董事會釐定為重大的事項中存在利益衝突，該事項將由董事會於妥為召開的董事會會議處理，而非書面決議案。細則亦規定，除在此提供的例外情況外，董事須放棄表決，且不得計入批准任何該董事或其任何聯繫人(定義見上市規則)擁有重大權益的交易、合同或安排的董事會會議法定人數。

除董事會會議外，董事會主席於2021年曾在其他執行董事避席的情況下與獨立董事召開會議。

於截至2021年12月31日止年度，已舉行四次董事會會議，各董事於董事會會議的出席情況載於本報告「董事會會議出席情況」一節。

CORPORATE GOVERNANCE REPORT (Continued)
企業管治報告(續)**Board Process (continued)**

Board and committee minutes are recorded in appropriate detail and draft minutes are circulated to all Directors and committee members for comments before being approved.

Board Committees

The Board has established the Audit Committee, the Nomination Committee and the Remuneration Committee (collectively, the “Board Committees”) on 15 November 2018. All the Board Committees perform their distinct roles and functions in accordance with their respective terms of reference which are available on the websites of the Company and the Stock Exchange. The Board Committees are provided with sufficient resources to discharge their duties and, upon reasonable request, are able to seek independent professional advice in appropriate circumstances, at the Company’s expenses.

Audit Committee

The Audit Committee comprises three members, all being independent non-executive Directors, namely Mr. Fong Wai Ho, Mr. Punnya Niraan De Silva and Ms. Cheung Suet Ting, Samantha. Mr. Fong Wai Ho is the Chairman of the Audit Committee.

The primary responsibilities of the Audit Committee include, among others, (i) monitoring the integrity of the Group’s financial statements including but not limited to the Group’s interim and annual results; (ii) overseeing the relationship between the Company and its external auditor; (iii) reviewing the financial reporting system and risk management and internal control systems of the Group; and (iv) performing the corporate governance functions set out in code provision D.3.1 (which has been re-numbered as A.2.1 since 1 January 2022) of the CG Code.

All members of the Audit Committee possess in-depth experience in their own profession. At least one of the committee members possesses appropriate professional qualifications in finance and accounting and meets the requirements of Rule 3.21 of the Listing Rules.

董事會流程(續)

董事會及委員會的會議記錄妥善記錄詳情，會議記錄初稿將於批准前向全體董事及委員會成員傳閱以發表意見。

董事委員會

董事會已於2018年11月15日成立審核委員會、提名委員會及薪酬委員會(統稱「董事委員會」)。所有董事委員會按照於本公司及聯交所網站的相應職權範圍履行不同角色及職能。董事委員會獲提供充足資源以履行彼等的職責並於有合理要求時能夠於適當情況下尋求獨立專業意見，有關費用由本公司承擔。

審核委員會

審核委員會由三名成員組成，均為獨立非執行董事，即方偉豪先生、Punnya Niraan De Silva先生及張雪婷女士。方偉豪先生為審核委員會主席。

審核委員會的主要職責包括(其中包括)：(i) 監察本集團的財務資料(包括但不限於本集團的中期及年度業績)的完整程度；(ii) 監督本集團與其外聘核數師之間的關係；(iii) 檢討本集團的財務報告系統以及風險管理及內部監控系統；及(iv) 履行企業管治守則第D.3.1條(自2022年1月1日重新編號為第A.2.1條)所載企業管治職能。

所有審核委員會成員於本身的專業領域擁有深入經驗。至少一名委員會成員具備合適的財務及會計專業資格並符合上市規則第3.21條的規定。

CORPORATE GOVERNANCE REPORT (Continued)
企業管治報告(續)**Board Committees (continued)****Audit Committee (continued)**

During the year ended 31 December 2021, there was no disagreement between the Board and the Audit Committee on the selection and appointment of the external auditor. The Audit Committee is mandated to monitor the independence of the external auditor to ensure true objectivity in the financial statements.

During the year ended 31 December 2021, the Audit Committee held two meetings and performed the following duties:

- (a) reviewed, with the management and the external auditor of the Company, the 2020 annual results and the 2021 interim results of the Group before their submission to the Board;
- (b) monitored the integrity of such financial statements and the accounting principles and policies adopted by the Group;
- (c) oversaw matters concerning the external auditor including making recommendations to the Board regarding the re-appointment of the external auditor and approving their fees; and
- (d) reviewed the effectiveness of financial controls, risk management and internal control systems of the Company as well as the independence of the external auditor.

The attendance of each member of the Audit Committee is set out in the section headed “Attendance Record of Meetings” of this report.

Nomination Committee

The Nomination Committee comprises one executive Director, namely Mr. Yu Bangping, and two independent non-executive Directors, namely Mr. Fong Wai Ho and Ms. Cheung Suet Ting, Samantha. Mr. Yu Bangping is the Chairman of the Nomination Committee.

The primary responsibilities of the Nomination Committee include reviewing the structure, size and composition (including without limitation, gender, age, cultural and educational background, professional experience, talents, skills, knowledge, length of service, experience and other qualities of Directors) of the Board at least annually and making recommendations on any proposed changes to the Board to complement the Company’s corporate strategy and assessing the independence of the independent non-executive Directors.

董事委員會(續)**審核委員會(續)**

於截至2021年12月31日止年度，董事會與審核委員會之間就推選及委任外聘核數師方面並無異議。審核委員會受託監管外聘核數師的獨立性以確保財務報表的真實客觀性。

於截至2021年12月31日止年度，審核委員會已舉行兩次會議並履行以下職責：

- (a) 與本公司管理層及外聘核數師共同審閱本集團2020年度業績及2021年中期業績後方提交予董事會；
- (b) 監察有關財務報告的完整性及本集團所採納的會計準則及政策；
- (c) 監察有關外聘核數師的事項，包括就續聘外聘核數師向董事會作出推薦建議及批准核數師費用；及
- (d) 審閱本公司財務監控、風險管理及內部控制系統的有效性以及外聘核數師的獨立性。

審核委員會各成員出席會議的情況載於本報告「董事會會議出席情況」一節。

提名委員會

提名委員會由一名執行董事(即余邦平先生)及兩名獨立非執行董事(即方偉豪先生及張雪婷女士)組成。余邦平先生為提名委員會主席。

提名委員會的主要職責包括檢討董事會的架構、規模及組成(包括但不限於性別、年齡、文化及教育背景、專業技能、才能、技能、知識、服務期限、經驗及其他董事特質)、就董事會完善本公司企業策略的任何建議變動提出建議以及評估獨立非執行董事的獨立性。

Board Committees (continued)

Nomination Committee (continued)

The Board has adopted a board diversity policy (the “**Board Diversity Policy**”) with the aim of enhancing the Board’s quality of performance as well as achieving the Company’s sustainable and balanced development. Board diversity has been considered from a number of perspectives, including but not limited to gender, age, cultural and educational background, ethnicity, professional experience, skills, knowledge, and length of service. All Directors’ 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. The current Board consists of a diverse mix of Board members with appropriate skills and experience to lead and oversee the business of the Company. Depending on the needs of the Group’s growing business and the availability of competent candidates to fulfill those needs, suitably qualified individuals will be considered in the future for membership.

The Board has also adopted a nomination policy (the “**Nomination Policy**”) to formally set out the criteria, process and procedures for the Nomination Committee to recommend suitable candidates for directorship. According to the Nomination Policy, the ultimate responsibility for selection and appointment of Directors rests with the entire Board or the shareholders in general meetings, as the case may be. The Board has delegated the relevant screening and evaluation process to the Nomination Committee, which identifies suitably qualified Director candidates and recommends them to the Board. In assessing the suitability of a proposed candidate, the Nomination Committee takes into consideration the expected contribution of the candidate that would bring to the Board to ensure the Board has balance of skills, experience and diversity of perspectives appropriate to the requirements of the Company’s business, his/her commitment and devoting sufficient time and attention to the Company’s affairs, fulfilment of the independence requirements as set out in the Listing Rules (for independent non-executive Directors) and diversity on the Board. After reaching its decision, the Nomination Committee nominates relevant Director candidates to the Board for approval of appointment and for consideration and recommendation in respect of the re-election of the retiring Directors. The Board will make recommendation to shareholders in respect of the proposed re-election of Directors at general meetings of the Company.

董事委員會(續)

提名委員會(續)

董事會已採納董事會多元化政策(「**董事會多元化政策**」)，旨在提升本公司履行職責的質量以及實現可持續均衡發展。本公司已從多個角度考慮董事會多元化，包括但不限於性別、年齡、文化及教育背景、種族、專業經驗、技能、知識及服務任期。董事會所有委任均以用人唯才為原則，並在考慮人選時以客觀條件充分顧及董事會成員多元化的裨益。目前的董事會由廣泛且不同的董事會成員構成，彼等具有領導及監督本公司業務的適當技能及經驗。視乎本集團不斷增長的業務需要以及是否有滿足該等需要的勝任人選，董事會將於未來考慮讓合適的合資格人士加入董事會。

董事會亦已採納一項提名政策(「**提名政策**」)，以正式載列提名委員會推薦合適董事候選人的標準、過程及程序。根據提名政策，甄選和委任董事的最終責任在於整個董事會或股東大會的股東(視情況而定)。董事會已將相關篩選及評估過程授權予提名委員會，其將物色適當合資格董事候選人並向董事會推薦。於評估建議候選人是否合適時，提名委員會考慮候選人對董事會的預期貢獻，以確保董事會在技能、經驗及角度多元化方面達到平衡以滿足本公司業務要求；確保彼承諾投放充足的時間及精力處理公司事務；確保符合上市規則所載的獨立性要求(適用於獨立非執行董事)，以及確保董事會多元化。在達致其決定後，提名委員會向董事會提名有關董事候選人以供批准該委任，並考慮及推薦重選任滿告退的董事。董事會將於本公司股東大會上就建議董事連任向股東提出建議。

CORPORATE GOVERNANCE REPORT (Continued)
企業管治報告(續)

Board Committees (continued)

Nomination Committee (continued)

During the year ended 31 December 2021, the Nomination Committee held two meetings and performed the following duties:

- (a) reviewed the structure, size, composition of the Board;
- (b) made recommendations to the Board on re-election of the retiring Directors;
- (c) assessed the independence of independent non-executive Directors; and
- (d) reviewed and made recommendations to the Board on renewal of the executive Directors' service agreements and the independent non-executive Directors' appointment period.

The attendance of each member of the Nomination Committee is set out in the section headed "Attendance Record of Meetings" of this report.

Remuneration Committee

The Remuneration Committee comprises one executive Director, namely Mr. Lam Chik Shun, Marcus and two independent non-executive Directors, namely Mr. Fong Wai Ho and Mr. Punnya Niraan De Silva. Mr. Fong Wai Ho is the Chairman of the Remuneration Committee.

The primary responsibilities of the Remuneration Committee include, among others, (i) making recommendations to the Board on the policy and structure for all remuneration of the Directors and senior management and on the establishment of a formal and transparent procedure for developing policies on such remuneration; (ii) reviewing and approving the management's remuneration proposals with reference to the Board's corporate goals and objectives; and (iii) making recommendations to the Board on the remuneration packages of executive Directors and members of senior management.

董事委員會(續)

提名委員會(續)

於截至2021年12月31日止年度內，提名委員會舉行一次會議並履行以下職責：

- (a) 檢討董事會架構、規模、組成；
- (b) 就退任董事連任向董事會提出建議；
- (c) 評估獨立非執行董事的獨立性；及
- (d) 就重續執行董事服務協議及獨立非執行董事的委任期作檢討並向董事會提出建議。

提名委員會各成員出席會議的情況載於本報告「董事會會議出席情況」一節。

薪酬委員會

薪酬委員會由一名執行董事(即林植信先生)及兩名獨立非執行董事(即方偉豪先生及Punnya Niraan De Silva先生)組成。方偉豪先生為薪酬委員會主席。

薪酬委員會的主要職責包括(其中包括)：(i)就董事及高級管理層所有薪酬的政策及架構以及就該等薪酬制定政策建立正式及具透明度的程序向董事會提出推薦建議；(ii)參照董事會的公司目標及宗旨，審閱及批准管理層的薪酬方案；及(iii)就執行董事及高級管理層成員的薪酬待遇向董事會提出推薦建議。

CORPORATE GOVERNANCE REPORT (Continued)
企業管治報告(續)**Board Committees (continued)****Remuneration Committee (continued)**

During the year ended 31 December 2021, the Remuneration Committee held two meetings and performed the following duties:

- (a) reviewed the remuneration of Directors and senior management of the Group and recommended the Board to approve their remuneration; and
- (b) reviewed and made recommendations to the Board on the proposed remuneration package of the new senior management of the Group.

The attendance of each member of the Remuneration Committee is set out in the section headed "Attendance Record of Meetings" of this report.

Remuneration of the Members of the Senior Management by Band

Pursuant to code provision B.1.5 (which has been revised and re-numbered as E.1.5 since 1 January 2022) of the CG Code, details of the annual remuneration of the senior management by band for the year ended 31 December 2021 are as follows:

Remuneration band	薪酬範圍	Number of individuals 人數
Nil to HK\$1,000,000	零至1,000,000港元	7

Details of the remuneration of each Director for the year ended 31 December 2021 are set out in note 6 to the consolidated financial statements.

董事委員會(續)**薪酬委員會(續)**

於截至2021年12月31日止年度內，薪酬委員會舉行兩次會議並履行以下職責：

- (a) 檢討董事及集團高級管理層的薪酬並建議董事會批准彼等薪酬；及
- (b) 就集團新的高級管理層的擬定薪酬方案作檢討並向董事會提出建議。

薪酬委員會各成員出席會議的情況載於本報告「董事會會議出席情況」一節。

按範圍劃分的高級管理層薪酬

根據企業管治守則的守則條文第B.1.5條(自2022年1月1日重新編號為第E.1.5條)，截至2021年12月31日止年度按範圍劃分的高級管理層的年度薪酬詳情如下：

Remuneration band	薪酬範圍	Number of individuals 人數
Nil to HK\$1,000,000	零至1,000,000港元	7

截至2021年12月31日止年度各董事薪酬詳情載於綜合財務報表附註6。

CORPORATE GOVERNANCE REPORT (Continued)
企業管治報告(續)

Attendance Record of Meetings

Set out below are the individual attendance records of each Director at the Board meetings, Board Committees meetings and annual general meeting of the Company held during the year ended 31 December 2021:

董事會會議出席記錄

以下載列各董事出席本公司於截至2021年12月31日止年度舉行的董事會會議、委員會會議及股東大會週年的出席記錄：

Name of Directors	董事姓名	Board Meeting 董事會會議	Attended/Eligible to attend 出席/合資格出席				Annual General Meeting 股東週年大會
			Audit Committee Meeting 審核委員會會議	Nomination Committee Meeting 薪酬委員會會議	Remuneration Committee Meeting 提名委員會會議		
<i>Executive Directors</i> 執行董事							
Mr. Yu Bangping (Chairman and Chief Executive Officer)	余邦平先生(主席兼行政總裁)	4/4	N/A不適用	2/2	N/A不適用	1/1*	
Mr. Sun Dawei	孫大煒先生	4/4	N/A不適用	N/A不適用	N/A不適用	1/1*	
Mr. Wang Shize	王世澤先生	4/4	N/A不適用	N/A不適用	N/A不適用	1/1*	
Mr. Li Xuezhong	李學忠先生	4/4	N/A不適用	N/A不適用	N/A不適用	1/1*	
Mr. Lam Chik Shun, Marcus	林植信先生	4/4	N/A不適用	N/A不適用	2/2	1/1#	
Mr. Yu Zhilong	余瀟先生	4/4	N/A不適用	N/A不適用	N/A不適用	1/1*	
Mr. Yu Xiao	余支龍先生	4/4	N/A不適用	N/A不適用	N/A不適用	1/1*	
<i>Independent Non-executive Directors</i> 獨立非執行董事							
Mr. Fong Wai Ho	方偉豪先生	4/4	2/2	2/2	2/2	1/1*	
Mr. Punnya Niraan De Silva	Punnya Niraan De Silva 先生	4/4	2/2	N/A不適用	2/2	1/1*	
Ms. Cheung Suet Ting, Samantha	張雪婷女士	4/4	2/2	2/2	N/A不適用	1/1*	
Mr. Wang Xiufeng	王秀峰先生	4/4	N/A不適用	N/A不適用	N/A不適用	1/1*	

* Attended by telephone

Attended in person

* 電話出席

親身出席

Under code provision E.1.2 (which has been revised and re-numbered as F.2.2 since 1 January 2022) of the CG Code, the chairman of the board shall attend the annual general meeting. Due to the outbreak of COVID-19, Mr. Yu Bangping, the Chairman of the Board, attended the annual general meeting of the Company held on 27 May 2021 ("2021 AGM") by telephone to ensure that he was also available to answer questions from the shareholders of the Company. The 2021 AGM was chaired by the executive Director, Mr. Lam Chik Shun, Marcus.

根據企業管治守則第E.1.2條(自2022年1月1日重新編號為第F.2.2條)，董事會主席應出席股東週年大會。由於COVID-19疫情爆發，董事會主席余邦平先生以電話出席本公司於2021年5月27日舉行的股東週年大會(「2021年股東週年大會」)，以確保必要時彼亦可隨時回答本公司股東提問。2021年股東週年大會由執行董事林植信先生擔任大會主席。

CORPORATE GOVERNANCE REPORT (Continued)
企業管治報告(續)

Auditor's Remuneration

The remuneration paid or payable to the Company's auditor, Deloitte Touche Tohmatsu, for services rendered in respect of the year ended 31 December 2021 is as follows:

		2021 RMB'000 人民幣千元	2020 RMB'000 人民幣千元
Audit services	核數服務	2,117	2,170
Non-audit services	非核數服務		
Other services (Note)	其他服務(附註)	27	1,342
Total	總計	2,144	3,512

Note: During the year ended 31 December 2020, other services mainly represented the services provided by the Company's auditor in relation to a potential acquisition of a mining business but the potential acquisition has not been completed.

In considering the re-appointment of the external auditor, the Audit Committee has taken into consideration their relationship with the Company and their independence. Based on the results of the review and after taking into account the opinion of the management of the Group, the Audit Committee recommended the Board to re-appoint Deloitte Touche Tohmatsu as the external auditor of the Company for the ensuing year, subject to approval by the shareholders of the Company at the 2022 AGM. In addition, the Audit Committee is of the view that the auditor's independence is not affected by the non-audit services rendered.

核數師薪酬

本公司就其核數師德勤•關黃陳方會計師行於截至2021年12月31日止年度所提供服務已付或應付的酬金如下：

	2021 RMB'000 人民幣千元	2020 RMB'000 人民幣千元
Audit services	2,117	2,170
Non-audit services		
Other services (Note)	27	1,342
Total	2,144	3,512

附註：截至2020年12月31日止年度，其他服務主要指本公司核數師就一項潛在收購採礦業務提供的服務，惟該潛在收購尚未完成。

審核委員會於審議續聘外聘核數師時已考慮其與本公司之間的關係及其獨立性。根據審閱結果並經考慮本集團管理層的意見，審核委員會已向董事會建議續聘德勤•關黃陳方會計師行為本公司截至下一年度的外部核數師，惟須於2022年股東週年大會獲本公司股東批准後，方可作實。此外，審核委員會認為核數師的獨立性不受所提供的非審計服務影響。

CORPORATE GOVERNANCE REPORT (Continued)
企業管治報告(續)**Directors' and Auditor's Responsibilities in respect of the Financial Statements**

The Directors acknowledge their responsibilities for presenting a clear, balanced assessment of the Group's performance and prospects and preparing the financial statements that give a true and fair view of the Group on a going-concern basis. The management provides the Board with the relevant information it needs to discharge these responsibilities. The Directors are not aware of any material uncertainties relating to events or conditions that may cast significant doubt upon the Company's ability to continue as a going concern.

The statement of the independent auditor of the Company about their reporting responsibilities on the financial statements is set out in the Independent Auditor's Report on pages 103 to 105 of this annual report.

Risk Management and Internal Control

The Board has overall responsibility for maintaining sound and effective risk management and internal control systems to safeguard the Group's assets and the shareholders' interests. The risk management and internal control systems are designed to provide reasonable, but not absolute, assurance of no material misstatement or loss and to manage rather than eliminate risks of failure in operational systems and achievements of the Group's objectives.

Main Features of Risk Management and Internal Control Systems*Risk Management System*

The risk management system comprises risk identification, risk evaluation and risk management. The management is entrusted with duties to identify and communicate risks associated with any activity, function or process within its scope of responsibility and authority. Risks are evaluated by the Board and management based on the severity of the impact of the risks on the Company's financial results and the probability that the risks will occur.

董事及核數師對財務報表的責任

董事確認其有責任就本集團的表現及發展前景呈列清晰中肯的評估，並編製按持續經營基準真實公平反映本集團狀況的財務報表。管理層會向董事會提供其履行該等責任所需的相關資料。董事並不知悉任何與可能對本公司持續經營能力構成重大疑問的事件或情況相關的重大不確定因素。

本公司獨立核數師對財務報表所作出的申報責任聲明載於本年報第103至105頁的獨立核數師報告。

風險管理及內部監控

董事會整體負責維持良好而有效的風險管理及內部監控制度，以保障本集團的資產及股東的權益。風險管理及內部監控制度旨在提供合理但非絕對的保障以防備重大失實陳述或損失，並且管理(而非消除)營運系統出錯及未能達到本集團目標的風險。

風險管理及內部監控系統的主要特點*風險管理系統*

風險管理制度由風險識別、風險評估及風險管理組成。管理層負責在其責任及權限範圍內識別及傳達與任何活動、功能或程序相關的風險。董事會及管理層根據風險對本公司財務業績的影響嚴重程度以及風險發生的可能性進行風險評估。

Risk Management and Internal Control (continued)**Main Features of Risk Management and Internal Control Systems (continued)***Risk Management System (continued)*

Based on the risk evaluation, the Company manages the risk as follows:

- Risk mitigation – management will implement risk mitigation plan to reduce the likelihood and severity of the risk to an acceptable level.
- Risk retention – management will retain the risk if the risk rating is at acceptable level and no action is required.
- Risk monitoring – management will monitor the level of risk continuously and will take necessary action to reduce the risk to acceptable level.

Internal Control System

The Company has put in place an internal control system which enables the Group to achieve objectives regarding the effectiveness and efficiency of operations, reliability of financial reporting and compliance with applicable laws and regulations. The main features of the internal control system are shown as follows:

- Monitoring – ongoing evaluations are conducted to ascertain whether the internal control system is functioning.
- Risk assessment – a risk management system is established for identifying and analysing risks to achieve the Company's objectives, forming a basis for determining how risks are managed.
- Information and communication – internal and external communication are made to provide the Company with information needed to carry out day-to-day controls.

Our internal audit department is responsible for assessment of the effectiveness in the performance of the safety production measures.

風險管理及內部監控(續)**風險管理及內部監控系統的主要特點(續)***風險管理系統(續)*

根據風險評估，本公司按以下方式管理風險：

- 風險緩解－管理層將實施風險緩解計劃，以將風險發生的可能性及嚴重程度降至可接受的水平。
- 風險保留－倘風險等級處於可接受的水平且毋須採取任何措施，則管理層將保留風險。
- 風險監察－管理層將持續監察風險水平，並採取必要措施將風險降至可接受的水平。

內部監控制度

本公司已建立內部監控制度，讓本集團能夠達成有關營運的成效及效率、財務報告的可靠性及遵守適用法律及法規的目標。內部監控制度的主要特點如下：

- 監察－持續進行評估以確定內部監控制度是否正常運行。
- 風險評估－制定風險管理制度以識別及分析實現本公司目標所存在的風險，為釐定風險管理方式建立基礎。
- 信息及溝通－進行內外部溝通以讓本公司掌握進行日常控制所需的信息。

內部審計部負責評估執行安全生產措施的成效。

CORPORATE GOVERNANCE REPORT (Continued)
企業管治報告(續)**Risk Management and Internal Control (continued)****Main Features of Risk Management and Internal Control Systems (continued)***Internal Control System (continued)*

In order to improve the Group's internal controls and risk management, the Board has, through the Audit Committee, conducted review of the effectiveness of the risk management and internal control systems of the Group with the assistance of an independent internal control consultancy firm, Richard Poon & Partners Risk Management Limited ("Richard Poon"). Richard Poon has submitted its internal control review and risk assessment reports of the Group to the Audit Committee and the Board in March 2022. The review covered the financial, operational and procedural compliance functions during the year ended 31 December 2021. The review report with examination results and relevant improvement recommendations were duly reported to the Audit Committee and the Board for them to assess the effectiveness of the internal control and risk management systems of the Group and any material failings or weaknesses in the internal control system, and to take appropriate actions to remedy any of these failings or weaknesses in a timely manner. All remedial actions will be regularly followed up where necessary to ensure that the failings and weaknesses have been duly addressed.

The Board considers that the risk management and internal control systems are effective and adequate and that the Company has complied with code provisions of the CG Code relating to risk management and internal control.

The Company is aware of its obligation under the SFO, the Listing Rules and the overriding principle that inside information should be announced on a timely basis and conducts its affairs in strict compliance with the applicable laws and regulations. The Company has established disclosure mechanism regarding the procedures of identifying inside information and preserving its confidentiality until proper dissemination with the Board's approval through the electronic publication systems operated by the Stock Exchange and the Company.

風險管理及內部監控(續)**風險管理及內部監控系統的主要特點(續)***內部監控制度(續)*

為改善本集團的內部監控及風險管理，董事會的審核委員會在獨立內部監控顧問公司潘偉雄風險管理有限公司(「潘偉雄」)的協助下，檢討本集團的風險管理及內部監控制度的成效。潘偉雄已於2022年3月向審核委員會及董事會提交本集團的內部監控檢討及風險評估報告。檢討涵蓋截至2021年12月31日止年度的財務、營運及程序合規職能。載有審查結果及相關改進建議的檢討報告已向審核委員會及董事會正式匯報，以供彼等評估本集團的內部監控及風險管理制度的成效以及內部監控制度的任何重大缺陷或不足，並且採取適當行動以適時糾正任何此等缺陷或不足。本集團將於需要時定期跟進所有糾正行動，確保相關缺陷及不足得以妥善解決。

董事會認為，風險管理及內部監控制度為有效及充足，而本公司已遵守企業管治守則中有關風險管理及內部監控的守則條文。

本公司知悉其在證券及期貨條例、上市規則及務須適時公布內幕消息的首要原則項下的責任，且嚴守現行適用法律及規例辦事務。本公司已制訂披露機制，規管識別內幕消息及在董事會批准以聯交所及本公司操作的電子刊發系統妥為發布前就有關消息進行保密的程序。

Procedures and Internal Controls for the Handling and Dissemination of Inside Information

With respect to the procedures and internal controls for the handling and dissemination of inside information, the Group conducts its affairs with close attention to the inside information provisions under the SFO and the Listing Rules. The Directors and senior management are responsible for determining whether any particular information is inside information and overseeing and coordinating disclosure of inside information of the Group. They are also responsible for taking reasonable measures to ensure that proper safeguards exist to prevent a breach of a disclosure requirement in relation to the Group from time to time and that disclosures are made and/or announcements are published on a timely basis in accordance with the applicable laws and regulations, and before such information is fully disclosed to the public, they shall ensure the same is kept strictly confidential. The Directors are also committed to ensuring that information contained in announcements are not false or misleading as to a material fact, or false or misleading through the omission of a material fact in view of presenting information in a clear and balanced way.

Communication with Shareholders and Investor Relations

The Board communicates with its Company's shareholders and investors through various channels. The Board members meet and communicate with shareholders and investors at AGMs and other general meetings where shareholders can obtain better understanding of the business and operating performance of the Group. Corporate communications (such as interim and annual reports, notices, circulars and announcements) are sent to shareholders in a timely manner and are available on the websites of the Company and the Stock Exchange.

During the year under review, the 2021 AGM was held on 27 May 2021.

處理及發布內幕消息的程序及內部監控

就處理及發布內幕消息的程序及內部監控而言，本集團在辦理事務時會密切關注證券及期貨條例及上市規則項下的內幕消息規定。董事及高級管理層負責釐定任何特定資料是否為內幕消息，以及監督及協調本集團內幕消息的披露情況。彼等亦有責任採取合理措施，確保存在適當的保障措施，以防止不時違反與本集團有關的披露規定，並確保根據適用的法律法規及時作出披露及／或刊發公告。在此類消息完全向公眾披露之前，彼等應確保嚴格保密有關消息。董事亦致力確保公告所載資料不會在重要事實方面屬虛假或具誤導性，或因明確公正地呈報資料而遺漏重大事實而屬虛假或具誤導性。

與股東的溝通及投資者關係

董事會通過各種渠道與本公司股東及投資者溝通。董事會成員於股東週年大會及其他股東大會上與股東及投資者會面及溝通，讓股東可更了解本集團業務及營運表現。公司通訊(例如中期及年度報告、通告、通函及公告)應及時寄發予股東，並可於本公司及聯交所網站查閱。

於回顧年度，2021年股東週年大會已於2021年5月27日舉行。

CORPORATE GOVERNANCE REPORT (Continued)
企業管治報告(續)**Dividend Policy**

Under the code provision E.1.5 (which has been re-numbered as F.1.1 since 1 January 2022) of the CG Code, the Company should have a policy on payment of dividends and should disclose it in the annual report.

The Company had not adopted any dividend policy until 29 January 2021. According to the dividend policy of the Company (“Dividend Policy”) adopted on 29 January 2021, in deciding whether to propose a dividend and in determining the dividend amount, the Board takes into account the following:

- (a) The financial results of the Group;
- (b) The working capital requirements, capital expenditure requirements and future expansion plans of the Group;
- (c) The retained earnings and distributable reserves of the Company;
- (d) The general economic condition, industry cycles of the Group’s business and other internal or external factors that may have an impact on the business or financial performance and position of the Group;
- (e) Any banking or other funding covenants by which the Company is bound from time to time;
- (f) Any restrictions on payment of dividends that may be imposed by the Group’s contracting parties;
- (g) The shareholders’ and investors’ expectation; and
- (h) Any other factors that the Board considers relevant.

The payment of dividends is also subject to compliance with applicable laws and regulations including the laws of the Cayman Islands and the Articles. The Board will continually review the Dividend Policy from time to time and there can be no assurance that dividends will be paid in any particular amount for any given period.

股息政策

根據企業管治守則的守則條文第E.1.5條(自2022年1月1日重新編號為第F.1.1條)，本公司應訂有派付股息的政策並於年報內披露。

於2021年1月29日前，本公司並無採納派付股息的政策。根據本公司於2021年1月29日採納的股息政策(「股息政策」)，董事會於建議股息及釐定股息金額時將考慮以下因素：

- (a) 本集團的財務業績；
- (b) 本集團的營運資金需求、資本支出需求及未來擴展計劃；
- (c) 本公司的保留盈利及可分派儲備；
- (d) 整體經濟狀況、本集團業務的行業週期以及可能對本集團業務或財務表現及狀況構成影響的其他內部或外部因素；
- (e) 本公司不時受其約束的任何銀行或其他融資契諾；
- (f) 本集團訂約方可能施加的任何派息限制；
- (g) 股東及投資者的期望；及
- (h) 董事會認為相關的任何其他因素。

派付股息亦須遵守適用法律法規，包括開曼群島法律及組織章程。董事會將不時持續檢討股息政策，無法保證股息將於任何指定期間按任何特定金額派付。

Company Secretary

Mr. Chan Kwong Leung, Eric was appointed as the company secretary of the Company on 28 March 2019. Mr. Chan was nominated by an external service provider in respect of his appointment as the company secretary of the Company. The primary corporate contact person at the Company was Mr. Au Yeung Ho Yin, the former Chief Financial Officer of the Group, from 1 January 2021 to 31 March 2021. Mr. Lau Kai Ming, the Chief Financial Officer of the Group, was appointed the new primary corporate contact person of the Company with the external service provider effective from 1 April 2021. Mr. Chan has confirmed that he has taken no less than 15 hours of the relevant professional training during the year ended 31 December 2021.

Shareholders' Rights

The general meetings of the Company provide a forum for the shareholders to exchange views directly with the Board. Subject to provisions of the applicable laws in the Cayman Islands and rules and regulations of the Stock Exchange, an annual general meeting of the Company is held each year and at the venue as determined by the Board. Each general meeting, other than an annual general meeting, is called an extraordinary general meeting ("EGM").

Shareholders to Convene an Extraordinary General Meeting

Pursuant to Article 12.3 of the Articles, an EGM shall be convened on the written requisition of any two or more members of the Company, at the date of deposit of the requisition, not less than one-tenth of the paid up capital of the Company which carries the right of voting at general meetings. Such requisition shall be made in writing to the Board or the company secretary at the principal place of business of the Company in Hong Kong, which is presently situated at Unit 1003, 10th Floor, Tower 2, Lippo Centre, 89 Queensway, Hong Kong, for the purpose of requiring an EGM to be called by the Board for the transaction of any business specified in such requisition and signed by the requisitioner(s). If within 21 days of such deposit, the Board fails to proceed to convene such meeting, the requisitioner(s) himself (themselves) may do so 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 to the requisitioner(s) by the Company.

Putting Forward Enquiries by Shareholders to the Board

Shareholders may send written enquiries to the Company for the attention of the company secretary at the Company's principal place of business in Hong Kong.

公司秘書

陳鄭良先生於2019年3月28日獲委任為本公司公司秘書。陳先生乃由外部服務供應商提名為本公司公司秘書。由2021年1月1日至2021年3月31日，本公司的主要企業聯絡人為本集團前任首席財務官歐陽浩然先生。由2021年4月1日起，本集團首席財務官劉啟銘先生獲委任為本公司新任外部服務供應商的主要企業聯絡人。陳先生已確認，截至2021年12月31日止年度，彼已接受不少於15小時的相關專業培訓。

股東權利

本公司的股東大會為股東提供與董事會直接交流意見的機會。受限於適用開曼群島法例條文及聯交所規則及規例，本公司每年於董事會決定的地點舉行一場股東週年大會。股東週年大會以外的股東大會稱為股東特別大會（「股東特別大會」）。

股東召開股東特別大會

根據細則第12.3條，於提交請求日期持有本公司附帶於股東大會投票的權利的至少實繳資本十分之一的本公司任何兩名或以上股東可提交書面請求召開股東特別大會。該項請求須以書面形式向董事會或本公司香港主要營業地點（現址為香港金鐘道89號力寶中心第2座10樓1003室）的公司秘書提出，以要求董事會召開股東特別大會處理該請求所指明的任何事務，且該項請求須由請求人簽署。倘於提出請求後21日內，董事會未能召開有關大會，則請求人可自行以同樣方式召開大會，而本公司須向請求人償付因董事會未能召開大會而產生的所有合理費用。

股東向董事會提出查詢

股東可向本公司香港主要營業地點的公司秘書提出書面查詢。

CORPORATE GOVERNANCE REPORT (Continued)
企業管治報告(續)

Shareholders' Rights (continued)

Procedures for Putting Forward Proposals by Shareholders at Shareholders' Meeting

Shareholders are requested to follow Article 12.3 of the Articles for putting forward a resolution at a general meeting. The requirements and procedures are set out above in the section headed "Shareholders to Convene an Extraordinary General Meeting".

Significant Changes in Constitutional Documents

No amendment has been made to the Company's constitutional documents during the year ended 31 December 2021.

By order of the Board
Yu Bangping
Chairman and Chief Executive Officer

Hong Kong, 23 March 2022

股東權利(續)

股東於股東大會上提出建議的程序

於股東大會上提出決議案時，股東須遵守細則第12.3條。有關規定及程序載於上文「股東召開股東特別大會」一節。

章程文件的重大變動

截至2021年12月31日止年度，本公司的章程文件概無作出任何修訂。

承董事會命
主席兼行政總裁
余邦平

香港，2022年3月23日

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

環境、社會及管治報告

Reporting Principles and Scopes

This environmental, social and governance (“ESG”) report (the “ESG Report”), following the “Environmental, Social and Governance Reporting Guide” (the “ESG Guide”) under Appendix 27 to the Listing Rules, mainly covers the Group’s principal business and operation from 1 January 2021 to 31 December 2021. To ensure objectivity, the Group appointed an independent ESG consulting company to facilitate the ESG data collection, analysis and preparation of the ESG Report, which fully complies with the ESG Guide and follows HKEX’s ESG Reporting Guidance on Environmental KPIs and ESG Reporting Guidance on Social KPIs to quantify the Group’s impacts on these aspects. All original consumption data in the ESG Report were collected from the Group’s documents and statistics, with full support from the Group’s management team and the Board. We would like to express our sincere appreciation to those who facilitated compiling the ESG Report and refining the Group’s ESG policies.

The Group’s main production facilities are located in Guizhou Province, China, and mainly engaged in mine development, coal mining as well as clean coal production and sales, coupled with the sales of other products generated during the coal preparation or production process, including middling coal, sludge coal and coalbed methane gas. This ESG Report mainly covers the Group’s major operations, including Hongguo Coal Mine, Baogushan Coal Mine, Xiejiahegou Coal Mine, and Songshan Coal Preparation Plant in Guizhou, and the offices in Guizhou and Hong Kong.

報告原則及範圍

本環境、社會及管治(「環境、社會及管治」)報告(「本環境、社會及管治報告」)乃遵循上市規則附錄二十七「環境、社會及管治報告指引」(「環境、社會及管治報告指引」)編製，主要涵蓋本集團於2021年1月1日至2021年12月31日期間之主要業務及營運。為確保客觀性，本集團已委聘一家獨立環境、社會及管治顧問公司協助收集和分析環境、社會及管治數據，以及編製本環境、社會及管治報告，其完全遵守環境、社會及管治報告指引及遵照香港交易所《環境關鍵績效指標ESG匯報指引》及《社會關鍵績效指標ESG匯報指引》以量化本集團對該等層面的影響。本環境、社會及管治報告的所有原始消耗數據來源均為本集團文件及其統計數據，而本報告的撰寫亦已獲得本集團管理層團隊及董事會的全力支持。我們在此謹對所有協助撰寫本環境、社會及管治報告及完善本集團環境、社會及管治政策的各方表示衷心感謝。

本集團主要生產基地位於中國貴州省，主要從事煤礦開發、採煤、生產及銷售精煤；亦會銷售洗煤或生產煤過程中產生的其他產品，包括中煤、泥煤及煤層氣。本環境、社會及管治報告主要涵蓋貴州紅果煤礦、苞谷山煤礦、謝家河溝煤礦及松山洗煤廠等本集團主要業務，以及位於貴州及香港的辦公室。

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (Continued)
環境、社會及管治報告(續)

Stakeholders Communication

The Group's major stakeholders comprise its shareholders and investors, government and regulatory bodies, customers, employees, communities, and media. To ensure this ESG Report reflects their main concerns, the Group has developed various channels that allow stakeholders to share their demands and opinions on the Group's operation and performances regarding environmental, social and governance aspects. The table below identifies the major stakeholders' demands and expectations and outlines our communication channels with each of them.

Stakeholders 持份者	Major demands and expectations 主要要求及期望	Main communication channels 主要溝通渠道
Shareholders and investors 股東及投資者	<ul style="list-style-type: none"> - Profit sustainability - Corporate governance system - Production safety - Prevention of operational risks - 持續盈利能力 - 企業管治系統 - 生產安全 - 避免發生營運風險 	<ul style="list-style-type: none"> - Company announcements - General meetings - Annual report and interim report - 公司公告 - 股東大會 - 年報及中期報告
Government and regulatory bodies 政府及監管機構	<ul style="list-style-type: none"> - Compliance to regulations - Energy consumption and pollutants emission - Resources conservation - 遵守法規 - 能源消耗及污染物排放 - 節約資源 	<ul style="list-style-type: none"> - Supervision and evaluation - ESG report - Inspection - 監管及評核 - 環境、社會及管治報告 - 視察
Customers 客戶	<ul style="list-style-type: none"> - Quality of products and services - Information security - Ease of communication - 產品及服務質量 - 資訊安全 - 溝通便利 	<ul style="list-style-type: none"> - Business communication - Customer feedback - 業務溝通 - 客戶反饋

持份者溝通

本集團的主要持份者包括其股東及投資者、政府及監管機構、客戶、僱員、社區及媒體。為確保本環境、社會及管治報告反映彼等的主要利害關係，本集團已設立多個渠道，以讓持份者分享彼等在環境、社會及管治層面對本集團營運及表現的要求及意見。下表載列主要持份者的要求及期望，以及概述我們與各個持份者進行溝通的渠道。

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (Continued)
環境、社會及管治報告(續)

Stakeholders 持份者	Major demands and expectations 主要要求及期望	Main communication channels 主要溝通渠道
Employees 僱員	<ul style="list-style-type: none"> - Job security - Workplace safety - Corporate governance system - Employee rights and benefits - Improvement on employee remuneration and welfare - Career development - 就業保障 - 工作場所安全 - 企業管治系統 - 僱員權利及福利 - 改善僱員薪酬待遇及福祉 - 職業發展 	<ul style="list-style-type: none"> - Staff meetings and activities - Staff training - Workers' congress - Recruitment process - 員工會議及活動 - 員工培訓 - 員工代表大會 - 招聘流程
Communities 社區	<ul style="list-style-type: none"> - Involvement in public welfare activities - Community investment - Providing jobs - 參與公益活動 - 社區投資 - 提供就業 	<ul style="list-style-type: none"> - Communication with communities and local government - Charity activities - 與社區及當地政府溝通 - 慈善活動
Media 媒體	<ul style="list-style-type: none"> - Transparent information - Sustainable business development - Production safety - 資訊透明 - 可持續業務發展 - 安全生產 	<ul style="list-style-type: none"> - Company's website - Company's advertisements - Business interviews - Press releases - 公司網站 - 公司廣告 - 商務面談 - 新聞發佈

The Group welcomes feedback on its ESG approach and performances. Hearing from the stakeholders enables the Group to include all-rounded opinions when preparing this ESG Report and formulating relevant policies to address their concerns for the year to come. Should you have any questions or recommendations on the Group's ESG matters, please feel free to enquire via the Company's website.

本集團歡迎各持份者就我們的環境、社會及管治方針及表現提供反饋意見。聽取持份者意見可令本集團在編製本環境、社會及管治報告及制定相關政策以解決彼等對未來一年的關注事宜時廣納意見。如閣下對本集團環境、社會及管治事宜有任何疑問或建議，歡迎垂詢本公司網站。

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (Continued)
環境、社會及管治報告(續)

Board's Involvement and Materiality Assessment

The Board of the Company oversees the operation of the Group and assesses the achievements and shortcomings in terms of environmental protection, corporate governance, and social involvement. The Board also guides the preparation and drafting of this ESG Report and provide necessary support and grant access to relevant materials.

For the year ended 31 December 2021, the Company conducted a comprehensive internal materiality assessment to identify which ESG-related aspects concern the Group and its stakeholders the most. Since the Group's principal business engages in the extraction of natural resources and production of coal products, the emission of pollutants and use of resources are considered top priorities to the stakeholders and the Group. Meanwhile, the Group's workforce values employment-related matters and career development, especially under the prolonged COVID-19 pandemic, where job security rises as a primary concern for many individuals.

After reviewing this ESG Report, the Board considers it covered all of the aforementioned major aspects. The board believes that the community involvement part was the most outstanding during the year under review. It also recognises the relentless efforts devoted to containing GHG emissions and air pollutants.

董事會參與度及重要性評估

本公司董事會對本集團營運情況作出監督，並評估於環境保護、企業管治及社會參與等方面的成就及缺陷。董事會亦就本環境、社會及管治報告的編製及起草提出指導意見，並提供必要支持及授予相關材料訪問權。

於截至2021年12月31日止年度，本公司作出了一項全面的內部重大性評估，以識別本集團及其持份者最為關注的環境、社會及管治相關層面。由於本集團主營業務為自然資源開採及煤炭產品生產，污染物排放及資源使用情況被視為持份者及本集團的首要考慮因素。同時，本集團員工看重僱傭相關事宜及職業發展，尤其是在COVID-19疫情曠日持久這一局面下，就業保障一躍成為許多個人的首要關注點。

經審閱本環境、社會及管治報告後，董事會認為其已覆蓋所有上述重大層面。董事會認為，回顧年度內最出類拔萃的部分為社區參與。其亦認可在遏制溫室氣體排放及空氣污染物方面所付出的不懈努力。

Environmental Protection

Our General Environmental Policies

Generally speaking, the Group's mining operation mainly consists of the following key steps, all of which involve a certain level of environmental impacts:



As our mines and plants are all located in Guizhou Province of the PRC, our business operations shall comply with the local and national environmental laws, rules and regulations, including the Environmental Protection Law of the People's Republic of China (《中華人民共和國環境保護法》), the Environmental Impact Assessment Law of the People's Republic of China (《中華人民共和國環境影響評價法》) and the Administrative Measures for Inspection and Acceptance on Environmental Protection of Construction Projects (《建設項目竣工環境保護驗收管理辦法》). Local authorities also inspect the Group's mines from time to time to make sure all onsite arrangements meet the environmental regulations and safeguard frontline workers' health and safety. In case of breach of any of the regulations, the Group's mines are at risk of losing their operation permit. During the year ended 31 December 2021, the overall ecological and environmental risks are controllable and there are no environmental emergencies nor significant climate-related issues directly created by the Group so far.

Beyond the regulations, the Group recognises the importance of balancing its business growth and environmental protection as coal mining is deeply rooted in nature and affects nature in turn. The Group invests time and resources to identify the most prominent environmental issues that impact its operation and its own biggest footprint on the earth. Even though no particular environmental issue stands out as the most significant impact on the Group, some aspects do require the most attention and efforts to be made during the Group's daily operation, which are: greenhouse gas ("GHG") emission, water discharge, and management harmful substances and wastes. To minimise the environmental impacts caused by our operations and ensure strict compliance with environmental laws, rules, and regulations, the Group closely monitors its coal extraction and pollution control measures and records relevant statistics to compare its performances over the years. Through site examination, assessment, and planning from time to time, the Group fully implements sustainable business modal in all major decisions made and updates the existing procedures if needed.

環境保護

我們的整體環境政策

一般而言，本集團採礦作業主要包括以下關鍵步驟，每個步驟均可能涉及一定程度的環境影響：

由於我們的礦場及廠房均位於中國貴州省，我們的業務經營須遵守當地及國家環境法律、規則及法規，包括《中華人民共和國環境保護法》、《中華人民共和國環境影響評價法》及《建設項目竣工環境保護驗收管理辦法》。地方機關亦會不時視察本集團礦場，確保所有現場安排符合環境法規，並保障前線工人的健康和 safety。倘若違反任何相關法規，本集團礦場則面臨被吊銷經營許可證的風險。於截至2021年12月31日止年度，本集團的整體生態及環境風險都在控制之內，迄今並無直接造成緊急環境事故或與氣候相關的重大問題。

除法規之外，本集團亦意識到業務發展與環境保護達致平衡的重要性，乃由於採煤業扎根於大自然並同時對大自然造成影響。本集團投入時間和資源以識別對其營運造成影響的最為突出的環境問題及其自身給地球留下的深刻印記。儘管並無特別突出環境問題足以對本集團影響深遠，但若干層面上確實需要本集團在日常營運中予以最大的關注及努力，該等層面包括：溫室氣體排放、水排放及管理有害物質和廢物。為盡量降低我們的營運造成的環境影響及確保嚴格遵守環境法律、規則及法規，本集團密切監控其煤炭開採及污染治理措施，並記錄相關統計數據以比較其歷年表現。通過不時的場地檢查、評估及規劃，本集團在所有重大決策制定時全面貫徹可持續業務模式，並在必要時升級現行程序。

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (Continued)
環境、社會及管治報告(續)

Below outlines the major environmental management procedures the Group takes:

本集團所採用的主要環保管理程序概述如下：

Water resources management 水資源管理



The Group has adopted an advanced wastewater treatment solution to minimise the impact of mining water discharge. Our coal mines are fitted with water treatment facilities, sewage circulation systems, and recycling pools, which allow us to recycle and reuse a portion of wastewater when safety protocols are met, and treat the remaining part till it meets relevant regulatory standards before discharge.

本集團已採納一項先進廢水處理解決方案以盡量減少礦山疏幹排水的影響。我們的煤礦配有水處理設施、污水循環系統及回收水池，這容許我們在符合安全規章的情況下回收一部分廢水作重複利用，餘下部分則經處理以達致相關監管標準後排出。

Solid waste treatment 固體廢棄物處理



Coal wastes from Hongguo Coal Mine and Baogushan Coal Mine are securely loaded onto trucks and transported to designated areas approximately 2.5 km from each of the two mines where there's sufficient capacity to securely contain over 10 years of wastes produced by these two mines.

來自紅果煤礦及苞谷山煤礦的煤炭廢棄物由卡車安全裝運至分別距該兩個煤礦約2.5公里的指定處理區域，該區域足以容納兩個煤礦10年以上產生的廢棄物。

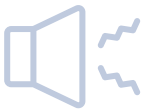
Reduction of dust and air pollutants 減少粉塵及空氣污染物



Low-concentration methane power generators are built in each of our coal mines to generate electricity from gas while significantly reducing the methane emissions from our coal mining productivity. We have also installed water sprinklers to control dust and maintain a safe work environment.

我們的各個煤礦建有低濃度甲烷發電機，將開採的瓦斯用於發電，同時大幅減少我們因採煤生產排放的甲烷。我們亦有安裝噴水裝置以治理粉塵及維持工作環境安全。

Noise control 噪音控制



Our noise control measures include the use of silencers, noise and vibration dampening, enclosure of noisy equipment, use of insulation materials, and ongoing equipment maintenance.

我們的噪音控制方法包括使用消音器、降噪減震、圍封高噪音設備、使用絕緣材料及持續進行設備維護。

Reclamation activities 復墾活動



We conduct reclamation activities according to the laws and regulations in the PRC, making our contribution to recovering and preserving damaged farmland, grassland, and forests so that current and future generations can continue to benefit from these natural spots.

我們根據中國法律及法規進行復墾活動，竭力將受到破壞的耕地、草地及森林恢復及保育，令該等自然美景持續裨益當代及子孫後代。

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (Continued)
環境、社會及管治報告(續)

GHG Emission Reduction

The Group's operation involves the emission of GHG. Fuel consumption at the Group's mining sites, vehicles used for coal transportation, and waste treatment procedures directly generate GHG. And purchased energy, mainly electricity, used to power its machinery and equipment, such as scraper conveyors and shearers used in coal development, coal mining, coal preparation, and other production processes, contributes the most to its indirect GHG emission. To a lower extent, such indirect generation also comes from power consumption in the Group's offices in Mainland China and Hong Kong. An internal audit department assesses and audits the aforesaid usage of fuel and resources and uses such records as indicators to determine the effectiveness of Group's environmental protection measures. For the year ended 31 December 2021, the Group is not aware of any non-compliance incident in relation to air pollutants and greenhouse gas emissions.

In order to reduce GHG emissions and be a contributing player in the environmental-friendly movement in today's coal mining industry, the Group is committed to modernising its production equipment and techniques. Burning fossil fuel, by nature, creates a certain amount of carbon dioxide, the main GHG, and contributes to global warming. By focusing on producing clean coal, the amount of GHG generated from our final products could be significantly reduced, leading the industry towards a more environmentally-friendly path. On the other hand, methane emissions from coal mining are also one of the major sources of GHG. The Group has built low-concentration methane gas power plants at each of Hongguo Coal Mine, Baogushan Coal Mine and Xiejiahegou Mine, which utilises the methane and prevents it from polluting the air. The Group also carries out low-carbon and energy-saving projects to encourage every employee to participate and make their contribution. By taking these steps, the Group will stay committed to monitoring its resource consumption in the future and minimising carbon emissions.

Recognising the complexity of business environment of the current times, in the beginning of the year ended 31 December 2021, the Group targeted to maintain its carbon emission intensity at a similar level to the previous year. The Group recorded an increase in the direct GHG emission for the year ended 31 December 2021, which was attributable to an increase in the use of energy for both stationed machineries and mobile vehicles, alongside robust recovery of overall business activities in Mainland China.

溫室氣體減排

本集團的營運涉及溫室氣體排放。本集團礦址燃料耗用、煤炭運輸所用車輛以及廢棄物處理流程均會直接產生溫室氣體。而用於驅動其機械和設備(如煤炭開發、煤礦開採、煤炭洗選和其他生產過程中使用的刮板輸送機和採煤機)的所購能源(主要為電力)，對其間接溫室氣體排放佔比最大。本集團的中國大陸及香港辦公室能源消耗亦較低程度地導致此類間接排放。內部審計部門會評估及審計上述燃料及資源用途，並將相關記錄用作釐定本集團環保措施成效的指標。截至2021年12月31日止年度，本集團並不知悉任何有關空氣污染物及溫室氣體排放的違規事件。

為減低溫室氣體排放及為當今採煤業環保行動作出貢獻，本集團致力於實現生產設備及技術現代化。本質而言，燃燒化石燃料均會產生一定量的二氧化碳(主要溫室氣體)，加劇全球暖化。透過著重生產精煤，集團最終產品的溫室氣體排放量顯著減少，引領行業邁入更加環保的道路。另一方面，採煤導致的甲烷排放為溫室氣體的另一主要來源。本集團於紅果煤礦、苞谷山煤礦及謝家河溝煤礦各自建有低濃度甲烷發電廠，以便利用甲烷並防止其污染空氣。本集團亦實施低碳節能項目，鼓勵每名僱員參與其中並貢獻力量。通過採取該等措施，本集團將於日後致力於監控其資源消耗及盡量減低碳排放。

本集團意識到時下營商環境負責，在截至2021年12月31日止年度初設下目標，維持碳排密度於接近去年的水平。截至2021年12月31日止年度，本集團直接溫室氣體排放量錄得上升，這歸因在中國大陸整體商業活動強勁復甦的大環境下，集團於機器和車輛的能源使用同時增多。

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (Continued)
環境、社會及管治報告(續)

However, inter-city travels were still limited by the anti-epidemic measures, and the Group's business trips by air reduced significantly. In addition, our Hong Kong office undertook periodic flexible working arrangements, which resulted in a decrease in the use of electricity in Hong Kong. These factors led to a decrease in the Group's indirect GHG emissions.

The Group's GHG emissions in CO₂ equivalent:

然而，城際旅行仍受防疫措施所限，本集團乘坐飛機外出公幹的情況明顯減少。此外，我們的香港辦公室施行階段性彈性工作制，導致於香港的電力使用有所減少。該等因素造成本集團間接溫室氣體排放減少。

本集團以二氧化碳當量計算的溫室氣體排放數據如下：

		For the year ended 31 December 截至12月31日止年度			
		2021 2021年		2020 2020年	
GHG emissions (kilogram in CO ₂ equivalent)	溫室氣體排放量 (二氧化碳當量千克)	Total emissions of CO ₂ equivalent	Key emissions intensity ⁽¹⁾	Total emissions of CO ₂ equivalent	Key emissions intensity ⁽¹⁾
		二氧化碳當量排放總額 (kg) (千克)	主要排放密度 ⁽¹⁾ (kg/tonne) (千克/噸)	二氧化碳當量排放總額 (kg) (千克)	主要排放密度 ⁽¹⁾ (kg/tonne) (千克/噸)
Direct (Scope 1)	直接(範圍1)	2,678,676	2.51	2,483,631	1.80
Indirect (Scope 2)	間接(範圍2)	70,209,018	65.91	83,633,150	60.55
Total	總計	72,887,694	68.42	86,116,781	62.35

Note:

(1) Key emissions intensity is calculated by kg of CO₂ equivalent emissions per tonne of coal products sold.

附註：

(1) 主要排放密度按每噸已銷售煤炭產品的二氧化碳當量排放(千克)計算。

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (Continued)
環境、社會及管治報告(續)

Air Pollution Control

The Group's operation involves the emission of key air pollutants, including primarily Nitrogen Oxide (NO_x), Sulphur Oxide (SO_x) and Particulate Matters (PM). The use of mobile vehicles contributes the greatest to air pollutant emission. Thus, the Group set up transportation plans and integrated them into its operations to reduce pollution. The Group aims to control its use of vehicles and maintain its air pollutants emissions in future years.

During the year ended 31 December 2021, as mentioned above, there was a robust recovery in business activities in Mainland China. Its use of vehicles increased significantly compared to a year ago. As a result, the Group's emission of air pollutants increased.

The Group's emissions of key air pollutants:

空氣污染管制

本集團的營運涉及主要空氣污染物排放，主要包括氮氧化物、硫氧化物及懸浮粒子。機動車的使用為空氣污染物排放的罪魁禍首。因此，本集團已制定運輸計劃，將其納入營運當中，以減少污染產生。本集團的目標是於未來年間控制汽車使用及維持空氣污染物排放水平。

於截至2021年12月31日止年度，如上文所述，中國大陸商業活動強勁復甦，本集團車輛使用較前一年明顯增多。因此，本集團空氣污染物排放隨之增加。

本集團的主要空氣污染物的排放數據：

		For the year ended 31 December 截至12月31日止年度			
		2021 2021年		2020 2020年	
Key Air Pollutants	主要空氣污染物	Total emissions	Key emissions intensity ⁽¹⁾	Total emissions	Key emissions intensity ⁽¹⁾
		總排放量	主要排放密度 ⁽¹⁾	總排放量	主要排放密度 ⁽¹⁾
		(g)	(g/tonne)	(g)	(g/tonne)
		(克)	(克/噸)	(克)	(克/噸)
NO _x	氮氧化物	195,982	0.18	114,182	0.08
PM	懸浮粒子	18,779	0.02	10,941	0.01
SO _x	硫氧化物	326	0.000306	190	0.000137

Note:

附註：

(1) Key emissions intensity is calculated by gram per tonne of coal products sold.

(1) 主要排放密度按每噸已銷售煤炭產品計算。

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (Continued)
環境、社會及管治報告(續)**Hazardous Wastes and Treatment**

As an inevitable by-product of the coal washing process, gangue is the main hazardous waste in the mining industry. If not treated properly, the large amount of gangue could pose severe impacts to the environment, including generating toxicity into the air and soil and taking up otherwise fertile fields or spaces with commercial potential. However, with today's technology, qualified companies can sort and clean gangue properly and apply them in different areas, including power generation and building material production.

The Group engages qualified local village cooperatives to handle the gangue generated from its production process. A specific field near the mines was also selected as the Group's dedicated area to store gangue produced. The stored gangue is covered with a layer of soil that is suitable for plantation and has the potential to restore to fertile land.

Since an outsourced service provider cleaned the coal mined from Xiejiahegou Coal Mine, no gangue was produced onsite. The Group could not track the amount of gangue produced in its supplier's facility. Only Hongguo Coal Mine and Baogushan Coal Mine contributed to the Group's total gangue waste amount during the year under review. Exercising cautious mining and sorting practices, the Group targeted to reduce its total hazardous waste amount and maintain the discharge intensity at a controllable level in future years. With a drop in total coal production, the Group's gangue waste fell in both mines. Nonetheless, the Group will continue its efforts in recovering the maximum potential of reusable material in its wastes.

有害廢棄物及有關處理方法

作為洗煤過程中必然產生的副產物，矸石為採礦業主要有害廢棄物。倘若處理不當，大量矸石可能對環境造成嚴峻影響，包括揮發毒性至空氣和土壤，並佔用其他原本具有商業潛力的沃土或空間。然而，憑藉當今技術，合資質公司可揀選出矸石並妥當清潔，在不同領域加以應用，包括發電及建材生產。

本集團委聘當地合資質村民合作社處理生產過程中所產生的矸石。本集團亦於礦場附近篩選出一塊特定區域作為矸石指定堆放區。矸石堆外層覆蓋適合種植的土壤，具有恢復為肥沃土地的潛力。

由於謝家河溝煤礦採出煤炭由一間外判服務供應商負責洗煤，故該煤礦現場並無產生矸石。本集團無法對其供應商設施產生的矸石量進行追蹤。於回顧年度內，本集團矸石廢棄物總量全部來自紅果煤礦及苞谷山煤礦。本集團採用謹慎的採煤及分選做法，目標是於未來年間減少有害廢棄物總量，將排放密度維持於可控制水平。隨著總煤產量下降，本集團於該兩個礦場的矸石廢棄物均有所減少。然而，本集團將持續嘗試發揮廢棄物中可複用物料的最大潛力。

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (Continued)
環境、社會及管治報告(續)

A breakdown for gangue generation and intensity by mines:

按礦場劃分的矸石排放量及密度明細：

		For the year ended 31 December 截至12月31日止年度			
		2021 2021年		2020 2020年	
		Gangue generation 矸石排放量 (tonne) (噸)	Hazardous waste intensity ⁽¹⁾ 有害廢棄物 密度 ⁽¹⁾ (tonne/tonne) (噸/噸)	Gangue generation 矸石排放量 (tonne) (噸)	Hazardous waste intensity ⁽¹⁾ 有害廢棄物 密度 ⁽¹⁾ (tonne/tonne) (噸/噸)
Hongguo Coal Mine	紅果煤礦	440,294	0.41	575,164	0.42
Baogushan Coal Mine	苞谷山煤礦	403,653	0.38	430,569	0.31
Total	總量	843,947	0.79	1,005,733	0.73

Note:

- (1) Hazardous waste intensity is calculated by tonne of hazardous waste per tonne of coal products sold.

附註：

- (1) 有害廢棄物密度按每噸已銷售煤炭產品的有害廢棄物(噸)計算。

Non-hazardous Wastes and Treatment

The non-hazardous wastes generated by the Group consist of general production waste and domestic waste such as waste paper, which are sorted at source and then treated by the local government. For the year ended 31 December 2021, there was no quantified record of such non-hazardous wastes produced by the Group. The Group continues to encourage its staff to recycle at work and home, so as to minimise general waste and aim for a greener environment.

無害廢棄物及有關處理方法

本集團產生的無害廢棄物包括一般生產廢物及辦公室垃圾(如廢紙)，均按源頭分類並交由當地政府負責統一進行處理。截至2021年12月31日止年度，概無有關本集團產生此類無害廢棄物的量化記錄。本集團將繼續鼓勵員工在工作及居家時循環再用物資，以盡量減少一般廢物，實現綠色環境。

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (Continued)
環境、社會及管治報告(續)**Energy Consumption**

During the year ended 31 December 2021, the Group's energy consumption was mainly composed of diesel, unleaded petrol, and electricity. Diesel consumption comes from onsite power generation, mining fleets, mining machinery and equipment. Unleaded petrol was mainly used to power automobiles while electricity was mainly purchased and served as the main power sources across the Group's facilities in Guizhou and Hong Kong.

To reduce the use of fossil fuels, the Group always keeps up with the latest technology trends in the industry to make sure its machinery meets the energy efficiency standard. As for electricity usage, we convey energy-saving messages to all employees in our locations. For example, in the back offices, the Group encourages staff to turn off lighting and other electronic equipments when not in use, including but not limited to computers, printers, and fax machines. The Company targets to achieve energy saving and maintain the energy consumption intensity in future years by exploring energy-efficient initiatives for a sustainable business.

For the year ended 31 December 2021, the Group aimed to control its use of energy, and maintain energy consumption intensity as much as possible. However, with the continued resumption of business activities in China, the usage of vehicles, fossil fuels and electricity saw an increase. On the other hand, there was a decrease in total amount of products sold, which was due to small faults that occurred in Hongguo and Baogushan mines. While the Group has been working on preparing new work faces to minimise the impacts of the faults, more energy was devoted to the project.

能源消耗

於截至2021年12月31日止年度，本集團消耗的能源主要包括柴油、無鉛汽油及電力。柴油消耗來自現場發電、採礦車隊、採礦機械及設備。無鉛汽油主要用於驅動汽車，而所購電力則主要用作本集團貴州及香港設施的主要動力來源。

為減少使用化石燃料，本集團始終緊跟本行業最新技術趨勢，確保其機器達致能效標準。就電力使用而言，我們向所在場地所有僱員傳達節能訊息。例如，本集團鼓勵後勤部門員工關上不使用的電燈及其他電子設備(包括但不限於電腦、打印機及傳真機)。本集團的目標是於未來年間探討可持續業務的能源效益舉措，藉以達成節省能源及維持能源消耗密度。

截至2021年12月31日止年度，本集團目標為減少能源使用，盡量維持能源消耗密度。然而，隨著中國商業活動持續恢復，汽車、化石燃料及電力的使用有所增加。另一方面，產品銷售總量因紅果煤礦及苞谷山煤礦出現小型斷層而減少。本公司一直為採掘新工作面進行準備工作的同時為項目投入更多能源。

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (Continued)
環境、社會及管治報告(續)

Diesel and unleaded petrol consumptions and the intensity:

柴油及無鉛汽油的耗量及密度：

For the year ended 31 December

截至12月31日止年度

		2021 2021年		2020 2020年	
		Energy consumption (litres) (升)	Energy consumption intensity ⁽¹⁾ (litres/tonne) (升/噸)	Energy consumption (litres) (升)	Energy consumption intensity ⁽¹⁾ (litres/tonne) (升/噸)
Diesel	柴油	1,001,201	0.94	935,760	0.68
Unleaded petrol	無鉛汽油	22,145	0.02	12,902	0.01

Note:

附註：

(1) Energy consumption intensity is calculated by litre of energy consumption per tonne of coal products sold.

(1) 能源耗量密度按每噸已銷售煤炭產品的能源耗量(升)計算。

A breakdown of electricity consumption by region:

以地區劃分的耗電量明細：

For the year ended 31 December

截至12月31日止年度

		2021 2021年		2020 2020年	
		Electricity consumption (kWh) (千瓦時)	Electricity consumption intensity ⁽¹⁾ (kWh/tonne) (千瓦時/噸)	Electricity consumption (kWh) (千瓦時)	Electricity consumption intensity ⁽¹⁾ (kWh/tonne) (千瓦時/噸)
Mainland China	中國大陸	113,723,000	106.76	98,716,842	71.47
Hong Kong	香港	12,096	0.01	23,959	0.02
Total	總量	113,735,096	106.77	98,740,801	71.49

Note:

附註：

(1) Electricity consumption intensity is calculated by kWh of electricity consumption per tonne of coal products sold.

(1) 耗電密度按每噸已銷售煤炭產品的耗電量(千瓦時)計算。

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (Continued)
環境、社會及管治報告(續)

Water Consumption

A reliable water source is vital for the Group's production process. Each of the three mines has their production and domestic water supply from surface and underground sources, and there was no water sourcing difficulties during the year under review. Underground water from the Group's mine was extracted and filtered for using at the coal preparation plant, fire-safety facilities, and as an anti-dust agent. The remaining filtered water is then discharged to the Songshan River or for agricultural irrigation in the local area. For the year ended 31 December 2021, the Group aimed to reduce its total water consumption. Though the target was met, the consumption per tonne of coal products sold saw an increase, as the amount of products sold was affected by the small faults that occurred in two of the Group's mines.

A breakdown of water consumption by workshop:

耗水量

可靠水源對於本集團生產工序至關重要。三個煤礦的生產及生活用水供應均來自地表水及地下水，回顧年度內概無面臨任何取用水困難的情況。本集團礦場的地下水經提取過濾後用於洗煤廠、消防設施及用作防塵劑。剩餘濾過水隨後排入松山河或用於當地的農業灌溉。截至2021年12月31日止年度，本集團目標為減少耗水總量。儘管達成目標，每噸已銷售煤炭產品的耗水量有所增加，乃由於產品銷量受到本集團兩個煤礦出現小型斷層的影響所致。

以工場劃分的耗水量明細：

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

		2021 2021年		2020 2020年	
		Water consumption (m ³) (立方米)	Water consumption intensity ⁽¹⁾ (m ³ /tonne) (立方米/噸)	Water consumption (m ³) (立方米)	Water consumption intensity ⁽¹⁾ (m ³ /tonne) (立方米/噸)
Hongguo Coal Mine	紅果煤礦	687,600	0.65	732,000	0.53
Baogushan Coal Mine	苞谷山煤礦	683,500	0.64	735,700	0.53
Xiejiahegou Coal Mine	謝家河溝煤礦	391,400	0.37	391,400	0.28
Songshan Coal Preparation Plant	松山洗煤廠	118,600	0.11	117,500	0.09
Total	總計	1,881,100	1.77	1,976,600	1.43

Note:

(1) Water consumption intensity is calculated by m³ of water consumption per tonne of coal products sold.

附註：

(1) 耗水密度按每噸已銷售煤炭產品的耗水量(立方米)計算。

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (Continued)
環境、社會及管治報告(續)

Paper Consumption and Packaging Materials

Among the Group's workplaces, paper is consumed across Hongguo Coal Mine, Baogushan Coal Mine, Xiejiahegou Coal Mine, Songshan Coal Preparation Plant, as well as offices in Mainland China and Hong Kong. As the business activities thrived with the continued recovery from COVID-19 related limitations, the Group's total paper consumption for the year ended 31 December 2021 increased. However, the Company targets to reduce paper waste in office in future years by controlling paper usage requirement and encourages all departments to process information digitally as much as possible.

Paper consumption and intensity:

Paper consumption (kg)	耗紙量(千克)
Paper consumption intensity (kg of paper consumption per tonne of coal products sold) (kg/tonne)	耗紙密度(千克)(按每噸已銷售煤炭產品的耗紙量(千克)計算)

耗紙量及包裝材料

在本集團的工作場所當中，消耗紙張的場所包括紅果煤礦、苞谷山煤礦、謝家河溝煤礦、松山洗煤廠，以及中國大陸及香港的辦公室。隨著COVID-19相關限制持續解除，商業活動蓬勃發展，本集團於截至2021年12月31日止年度的總耗紙量有所增加，但本集團訂下目標，於未來年間管控用紙規定並鼓勵各部門盡量以電子方式處理資料，藉以減少辦公室產生紙張浪費。

耗紙量及密度：

For the year ended 31 December 截至12月31日止年度	
2021 2021年	2020 2020年
6,246	4,804
0.006	0.003

Working Environment and Employee Development

Operating in a labour-intensive industry where frontline workers are under relatively high safety and health risks, human resources work is one of the top priorities of the Group. Apart from following relevant laws and regulations, the Group adopts the necessary steps to keep its employees happy at work to maintain stability, which could help promote workplace motivation. The Group's human resources practices will be laid out in the following sections.

工作環境及僱員發展

於勞動密集型行業展開營運意味著前線工人將面臨相對較高的安全及健康風險，故人力資源工作為本集團首要任務之一。除謹遵相關法律法規外，本集團還採取必要措施維持僱員工作幸福感，以穩定人心，促進工作環境的積極性。本集團人力資源常規將於以下部分闡述。

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (Continued)
環境、社會及管治報告(續)

The table below shows detailed employee statistics of the Group categorised by contract, job function, gender, age group, and employment location:

下表載列本集團按合約、職能、性別、年齡組別及工作地區劃分的詳細僱員數據：

		Number of employees 僱員人數	
		As at 31 December 於12月31日	
		2021 2021年	2020 2020年
By job function	按職能劃分		
Directors of the Company	本公司董事	11	11
Administration and management	行政管理	299	294
Accounting and finance	會計及財務	29	30
Sales and marketing	銷售及營銷	6	5
Production scheduling	生產調度	27	26
Production safety	生產安全	281	297
Mine production	煤礦生產	2,236	2,118
Coal preparation	洗煤	204	207
Supply and procurement	供應及採購	5	5
By gender	按性別劃分		
Male	男性	2,736	2,644
Female	女性	362	349
By age group	按年齡組別劃分		
Below 30	30歲或以下	582	580
31-40	31-40歲	1,036	978
41-50	41-50歲	957	929
51-60	51-60歲	512	488
Above 60	60歲以上	11	18
By employment location	按工作地區劃分		
Guizhou	貴州	3,087	2,982
Hong Kong	香港	11	11
Total	總計	3,098	2,993

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (Continued)
環境、社會及管治報告(續)

The table below sets out the employee turnover rate by gender, age group and geographical region:

下表載列按性別、年齡組別及地區劃分的僱員流失率：

		Employee turnover rate 僱員流失率	
		For the year ended 31 December 截至12月31日止年度	
		2021 2021年	2020 2020年
By gender	按性別劃分		
Male	男性	30.34%	22.54%
Female	女性	15.47%	14.61%
By age group	按年齡組別劃分		
≤ 30	30歲或以下	40.03%	41.03%
31–40	31–40歲	32.72%	23.72%
41–50	41–50歲	22.05%	14.10%
51–60	51–60歲	16.41%	8.81%
≥ 61	61歲或以上	172.73%	16.67%
By geographical region	按地區劃分		
Guizhou	貴州	28.70%	21.70%
Hong Kong	香港	9.09%	0.00%

Employment Standards

The Group upholds high ethical standards in its hiring process while strictly following local and national laws and regulations. All employees of the Group in Mainland China are covered by the Labour Law of the People's Republic of China (《中華人民共和國勞動法》), the Labour Contract Law of the People's Republic of China (《中華人民共和國勞動合同法》), General Principles of the Civil Law of the People's Republic of China (《中華人民共和國民法通則》); while all the employees in Hong Kong are covered by the Employment Ordinance of Hong Kong (Chapter 57 of the Laws of Hong Kong), Mandatory Provident Fund Schemes Ordinance (Chapter 485 of the Laws of Hong Kong) and Minimum Wage Ordinance (Chapter 608 of the Laws of Hong Kong).

僱傭準則

本集團在招聘過程中秉持高道德標準的同時，亦嚴格遵守地方及國家法律法規。本集團確保所有中國大陸僱員受《中華人民共和國勞動法》、《中華人民共和國勞動合同法》及《中華人民共和國民法通則》所保障，以及確保所有香港僱員受香港法例第57章《僱傭條例》、香港法例第485章《強制性公積金計劃條例》及香港法例第608章《最低工資條例》所保障。

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (Continued)

環境、社會及管治報告(續)

Adhering to the relevant local and national laws and regulations, as well as the Group's internal guidelines, hiring of the following groups of persons are strictly prohibited, including under-aged labour, persons on sick leave or injury leave, those who were prohibited from working in the industry by law, those who can't pass the physical examination for the relevant position, and any other persons who are prevented from employment by law. Our recruitment decisions are based on the type of work, skills, and qualifications required by different positions. The general manager of each subsidiary is responsible for the employment practices of the respective company and shall be held accountable in case of illegal employment and termination, inappropriate punishment, incomplete social insurance etc. Due to strict internal hiring rules, no such cases were found during the year under review.

Equal Opportunities

The Group's hiring decisions were made solely based on whether the candidates' skillset met the relative requirements of the positions they applied for. We will not refuse employment due to factors such as candidates' ethnicity, age, gender, religious belief, and marital status. During the year under review, the Group's staff ranged from all major age groups, from ones who freshly joined the workforce to those nearing retirement years. However, as more male individuals were willing to join labour-intensive frontline positions in Guizhou, the Group employed significantly more men than women, though no gender-discrimination cases nor any other unequal hiring standards were spotted during the year under review.

The Group endorses a fair and open competing environment, in which equal opportunities are provided to our employees. As in our hiring process, the Group treats all employees equally when considering their remuneration, benefits, and promotion. Relevant training schemes are also arranged to cater to the different needs of our employees in various roles. More about remuneration and on-job training will be explained in the following sections.

During the year ended 31 December 2021, the Group did not receive any complaints in relation to unequal employment or workplace discrimination.

根據地方和國家相關法律法規以及本集團內部指導方針，嚴禁僱用以下人員群體，包括未成年勞動者、休病假或傷假的人員、依法禁止從事本行業工作的人員、相關崗位體檢不合格以及法律明令禁止錄用的任何其他人員。我們的聘用決定乃基於工作類型、不同職位所要求的技能和資質作出。各附屬公司總經理對各自公司的僱傭慣例負責，對違規聘用及解聘、處罰不當、社會保險險種不全等情況負有責任。由於內部用工制度嚴格，回顧年度內未發現此類情況。

平等機會

本集團的聘用決定完全基於候選人的綜合技能是否符合其所申請職位的相關要求。我們不會因候選人的種族、年齡、性別、宗教信仰及婚姻狀況而拒絕聘用。於回顧年度內，本集團的員工涵蓋所有主要年齡組別，其中不乏初入職場的員工乃至接近退休年齡的員工。然而，由於貴州有更多男性願意加入勞動密集型前線崗位，本集團僱用的男性明顯多於女性，但於回顧年度內並未發現性別歧視案件或任何其他不平等僱用標準。

本集團支持公平公開的競爭環境，為僱員提供平等機會。在我們的招聘流程中，本集團在薪酬、福利及晉升方面對所有僱員一視同仁。本集團亦量身安排相關培訓計劃，以滿足不同職務僱員的不同需要。更多有關薪酬待遇及在職培訓的詳情將於以下章節進行闡述。

截至2021年12月31日止年度，本集團並無接獲任何有關就業不平等或工作場所歧視的投訴。

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (Continued)
環境、社會及管治報告(續)

Remuneration and Benefits

As the Hong Kong Mandatory Provident Fund Schemes Ordinance requires, the Group contributes to all employees' mandatory provident fund and retirement benefits scheme. As for Mainland China, we provide retirement benefit to all eligible employees in accordance with relevant national laws and regulations including pension insurance, medical insurance, unemployment insurance, employment injury insurance, maternity insurance, and housing fund, widely referred to as "Five Insurances and One Fund" in the region.

All employees are provided with competitive salaries, reasonable working hours, statutory holidays, paid leaves. The Group's hiring rules set out clear guidelines in these aspects.

Occupational Health and Safety

While our Hong Kong employees mainly work in administrative back offices, with relatively low health and safety risks, our mineworkers in Guizhou are exposed to relatively high risks; thus, this section mainly covers employees in Mainland China. During the year ended 31 December 2021, the Group has complied in all material respects with all applicable laws and regulations concerning health and safety at our coal mines in China, in particular, Law of the People's Republic of China on Work Safety (《中華人民共和國安全生產法》), the Prevention and Control of Occupational Diseases Law of the People's Republic of China (《中華人民共和國職業病防治法》), the Regulations on the Safety Management of Hazardous Chemicals (《危險化學品安全管理條例》) and the Provisions on Fire Control Safety Education and Training (《社會消防安全教育培訓規定》). No fatal accidents occurred at our coal mines for the three years ended 31 December 2019, 2020, and 2021. Occupational injuries and lost workdays were kept at reasonable levels.

薪酬及福利

根據香港《強制性公積金計劃條例》的規定，本集團為全體僱員的強制性公積金及退休福利計劃供款。在中國大陸，我們按照國家的相關法律及法規向所有符合條件的員工提供養老保險、醫療保險、失業保險、工傷保險、生育保險以及住房公積金，在大陸被廣泛稱為「五險一金」。

向全體僱員提供具競爭力的薪金、合理工作時數、法定勞工假期、有薪假期等。本集團的招聘規則於該等方面製訂清晰指引。

職業健康與安全

我們的香港僱員主要從事行政後勤工作，健康及安全風險相對較低，但我們在貴州的礦工面臨的風險相對較高；因此，本節主要涵蓋中國大陸的僱員。於截至2021年12月31日止年度，本集團已遵守所有與我們在中國的煤礦有關的健康與安全的適用法例法律，具體包括《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》、《危險化學品安全管理條例》及《社會消防安全教育培訓規定》。於截至2019年、2020年及2021年12月31日止三個年度，本集團旗下礦場概無發生任何死亡事故。工傷及損失工作日均保持在合理水平。

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (Continued)
環境、社會及管治報告(續)

The Group upholds the principle of “safety before production”. In accordance with the latest safety regulations and industry guidelines, the Group has established a range of standard policies and measures implemented in its production workshops as follows:

- 1) Staff at mines shall comply with safety rules and processes and wear personal protective equipment, including masks, earmuffs, and safety caps;
- 2) Standard ventilation equipment is established at work, with regular monitoring of the level of toxic gas in the mine;
- 3) Workers shall receive training and obtain qualification proofs before using the machinery of the mines, including excavators, drills, explosives and trucks;
- 4) Each coal mine has established its production safety management department with designated heads in charge of safety management, including inspecting the conditions of the mines to ensure safe working conditions;
- 5) Each coal mine is assigned with over 30 officers from the production safety management department who have received professional training and are qualified. They are assigned to different teams and key activities; and
- 6) A meeting will be convened before each team enters the mine, emphasising that staff shall maintain their safety awareness and shall be cautious of potential hazards.

On top of the Group’s general health and safety protocols, more health precautions were taken during Hong Kong’s repeated waves of COVID-19 outbreaks. We provided adequate hygiene products in workplaces and periodically adopted flexible work arrangements to minimise our employees’ exposure to COVID-19 infection. In Mainland China, all employees must use Health Code and undertake tests when required by local authorities.

本集團堅持「不安全不生產」原則，根據最新的安全規例及行業指引，於生產工場採取一系列的安全政策及措施如下：

- 1) 於礦場工作時，員工必須執行安全規程，以及必須配戴個人防護裝備，包括口罩、耳罩以及安全帽；
- 2) 工場設有標準通風設備，並定期監測礦場內的毒氣水平；
- 3) 工人必須接受職前訓練及獲得合格證明後，才可使用礦場機械，包括挖掘機、鑽機、炸藥及卡車等；
- 4) 各煤礦均設立安全生產管理部門，指派其部門主管人員管理該部門的安全事務，包括檢查礦區的狀況，以確保工作條件的安全；
- 5) 各煤礦均安排超過30名來自安全生產管理部門，並已受專業培訓及認證合格的人員，分配至每工作小隊及每一關鍵活動；及
- 6) 在各班組入井前召開班前會議，強調員工保持安全意識，防範於未然。

除一般健康及安全規章外，本集團於香港COVID-19疫情反復爆發期間採取了更多的健康預防措施。我們於工作場所配備充足的衛生產品，並定期採取彈性工作制，以儘量避免僱員感染COVID-19。於中國大陸，全體僱員均須使用健康碼，並應地方政府要求進行檢測。

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (Continued)
環境、社會及管治報告(續)

Below table summarises the Group's safety data:

下表概述本集團的安全數據：

		For the year ended 31 December 截至12月31日止年度			
		2021 2021年		2020 2020年	
		Number of injuries from occupational accidents 因工遭遇意外而 導致受傷人數	Number of working days lost due to occupational injuries 因工傷損失 工作日數	Number of injuries from occupational accidents 因工遭遇意外而 導致受傷人數	Number of working days lost due to occupational injuries 因工傷損失 工作日數
Hongguo Coal Mine	紅果煤礦	66	6,425	56	5,990
Baogushan Coal Mine	苞谷山煤礦	53	5,479	38	3,844
Songshan Coal Preparation Plant	松山洗煤廠	3	462	9	1,128
Xiejiahegou Coal Mine	謝家河溝煤礦	44	4,607	47	1,825
Total	總計	166	16,973	150	12,787

Development and Training

The Group regularly assesses the work performance of its employees as the primary indicator for remuneration adjustment and promotion. The assessment process is fair, transparent, and accountable. We encourage our employees to take up new challenges and responsibilities to grow their vocational skills and showcase their capabilities in order to gain career development.

In terms of training, first and foremost, the Group strictly provides induction training for recruits according to Law of the People's Republic of China on Work Safety, while ordinary workers and special operators shall pass annual training tests to obtain certifications before starting work. In addition, the Group offers professional on-the-job training based on the needs of the different roles such as coal mining, supply and procurement, administration, and accounting, so that employees can improve their skills in terms of their specialties and have opportunities for further development.

發展及培訓

本集團定期評估僱員的工作表現，以此作為調薪及晉升的主要指標，評估程序一律公平、透明及可問責。我們鼓勵僱員迎接全新挑戰及肩負責任，提升其職業技能並展現其能力，從而獲得職業發展。

在培訓方面，首先，本集團嚴格按照《中華人民共和國安全生產法》為招聘的員工進行入職培訓。普通工人以及特種作業人員須進行年度培訓考試，合格後持證上崗。此外，本集團更針對如採煤、供應及採購、行政及會計等不同崗位的需求，提供專業在職培訓，旨在提高僱員專業技能及為彼等提供後續發展機會。

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (Continued)
環境、社會及管治報告(續)

Adequate training courses were provided without discrimination against age, gender, and ranking. However, as part of regulatory requirements and our safety protocol, significantly more training was offered to mineworkers, who are mainly male employees.

我們提供足夠培訓課程，不分年齡、性別及等級。然而，作為監管要求及我們安全規程的一部分，向以男性僱員為主的礦工提供了大量培訓。

The table below shows a breakdown of the number of attendances by employee type:

下表載列按僱員類別劃分的出席人次明細：

		For the year ended 31 December 截至12月31日止年度					
		2021 2021年			2020 2020年		
		Total number of attendances trained	Average training hours completed per attendances (hours)	The percentage of attendances trained	Total number of attendances trained	Average training hours completed per attendances (hours)	The percentage of attendances trained
By categories 按類別		接受培訓的 僱員總數	每位接受培訓的 僱員的平均培訓 時數(小時)	接受培訓的 僱員的百分比	接受培訓的 僱員總數	每位接受培訓的 僱員的平均培訓 時數(小時)	接受培訓的 僱員的百分比
By gender 按性別劃分							
Male 男性		5,510	48.3	99.84%	4,657	48.9	99.72%
Female 女性		9	5.0	0.16%	13	35.5	0.28%
By job categories 按職能劃分							
Administration and management 行政管理		21	5.0	0.38%	23	5.0	0.49%
Accounting and finance 會計及財務		12	5.0	0.22%	12	5.0	0.26%
Sales and marketing 銷售及營銷		6	5.0	0.11%	5	5.0	0.11%
Mine production 煤礦生產		5,475	48.7	99.20%	4,625	49.0	99.04%
Supply and procurement 供應及採購		5	5.0	0.09%	5	5.0	0.11%

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (Continued)
環境、社會及管治報告(續)

Supply Chain Management

Our suppliers mainly provide the Group with major materials related to coal mining, coal preparation and construction of coal mines, including water, electricity, mining materials, parts and components, as well as auxiliary materials. As water and electricity are mainly sourced from municipal sources, this section mainly covers suppliers for other materials mentioned above.

The Group purchases mechanical auxiliary materials from external parties such as articulated rollers, belt conveyors, bottom rollers, polyester composite pipes, rubber, curing agents, support steel, fire-resistant belts, hydraulic supports, anchor nets and lifting boards, which have significant impact on the safety of our workshops. Other than necessary qualifications, the Group also considers suppliers' environmental impacts and tries to engage with companies with the same ethical values as ours. Therefore, the Group imposes stringent requirements on selecting suppliers. As a ground rule, suppliers shall provide spare parts and accessories that meet international and national provisions relating to quality, environmental impacts, and social standards. For large orders, relevant departments shall first compare at least three suppliers based on quality, price, delivery time and services. Internal approvals must be obtained before any large orders are processed.

The Procurement department keeps a record of past supplier contacts so that the Group can have a reference when deciding on future purchases. After receiving initial quotes, the Group usually makes one-off procurements to stay flexible and select suitable suppliers each time.

During the year under review, the Group had 303 suppliers (2020: 298), all located in Mainland China.

供應鏈管理

我們的供應商主要為本集團提供與採煤、洗煤、煤礦建設有關的主要材料，包括水電、採礦材料、零部件及輔助材料等。由於水電主要來自市政資源，故本節主要涵蓋上述其他材料的供應商。

本集團需要向外採購機械輔助材料，例如鉸接式壓路機、輸送帶、底部滾柱、合成聚酯管、橡膠、固化劑、鋼鐵支架、防火帶、液壓支架、錨網、升降板等，而有關材料將對工場安全造成重大影響。除必須資格外，本集團亦須考慮供應商對環境的影響，並盡量與具備與本集團相同道德價值觀的公司接洽。因此本集團就甄選供應商方面的要求較為嚴謹。作為基本原則，供應商必須提供符合國際及國家有關質量、環境影響及社會標準方面條文(包括環境及社會標準)的備件及輔料。就大額訂單而言，相關部門會先根據品質、價格、交付時間及服務比較至少三間供應商，獲內部批准後，方會處理大額訂單。

採購部門存置了過往供應商的聯繫記錄，以便本集團於決定日後採購時可進行參考。收到初步報價後，本集團通常進行一次性採購，以保持靈活性，從而在每次甄選合適供應商時有的放矢。

於回顧年度內，本集團擁有303家供應商(2020年：298家)，均位於中國大陸。

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (Continued)
環境、社會及管治報告(續)

Product Responsibility

Quality Control

As one of the largest producers of 1/3 coking coal in the Guizhou Province, we aim to provide our customers with the qualified products. Moreover, poor quality fossil fuel products could pose a severe threat to the natural environment and end-users' working conditions. Thus, the Group adopts a comprehensive quality control system to ensure the final products meet requirements by regulations, the customers, and the Group's own guidelines. A designated quality control laboratory is set up in our Songshan Coal Preparation Plant, where the technicians conduct preliminary testing on our products to determine the quality. The products would be traced and further studied whenever any abnormal indicators were found.

During the year ended 31 December 2021, the Group did not violate or breach any laws and regulations relating to product responsibility and did not receive any product complaints or claims.

Customer Services and Information Management

We undertake responsibility for the products we sell and require our sales team to provide thorough customer services, including pre-sales explanations on product features and after-sales follow-ups on product quality. The Group's sales team connects us to our customers, mainly coking enterprises, iron and steel or chemical manufacturers, power plants, etc. They negotiate with customers to determine the selling price by considering production cost, market demand, specification and quality, and prevailing market rates.

As for customers' private and sensitive information, the Group strictly complies with relevant privacy provisions and treats customer privacy with high alert. Customer information is generally recommended to be stored digitally, while sales managers oversee the printing of customer documents and filing of hard copies. Both hard copies and electronic files containing customer information are only accessible by relevant and authorised staff while presenting confidential customer information to other individuals or bringing them outside of workplaces is strictly prohibited. Staff in breach of the rules above may be subject to fines or termination of employment.

During the year ended 31 December 2021, the Group did not receive any reports or customer complaints on violation of the laws and regulations relating to customer services and information management.

產品責任

品質監控

作為貴州省1/3焦煤最大生產商之一，我們以提供客戶優質產品為己任。此外，劣質化石燃料產品或會對自然環境及終端用戶的工作條件構成嚴重威脅。因此，本集團採用一套完善的質量控制體系，以確保最終產品符合法規、客戶及本集團自身指導方針的要求。我們於松山洗煤廠設立了指定的質量控制實驗室，由技術人員對產品進行初步檢測，確定產品質量。如發現指標異常，將對產品進行追蹤並進一步研究。

於截至2021年12月31日止年度，本集團並無違背或違反有關產品責任的任何法律及法規，亦無收到任何產品投訴或申索。

客戶服務及信息管理

我們對所銷售的產品負責，並要求我們的銷售團隊提供細緻的客戶服務，包括對產品功能的售前說明及對產品品質的售後跟進。本集團的銷售團隊將我們與客戶（主要為焦煤企業，鋼鐵或化學品製造商，發電廠等）聯繫起來。經考慮生產成本、市場需求、規格及品質以及現行市場價格，彼等與客戶協商釐定銷售價格。

就客戶私隱及敏感信息而言，本集團嚴格遵守有關私隱規定，對客戶私隱保持高度警覺。通常建議以數字方式存儲客戶信息，而銷售經理則監督客戶文檔的列印及列印本的歸檔。包含客戶信息的列印本及電子檔均只能由相關及授權人員訪問，同時嚴禁向其他個人提供客戶機密信息或將其帶出工作場所。違反上述規則的員工可能會被處以罰款或終止僱傭關係。

於截至2021年12月31日止年度，本集團並無接獲任何有關違反相關客戶服務及信息管理的法律法規的報告或客戶投訴。

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (Continued)
環境、社會及管治報告(續)

Intellectual Property Management

All intellectual works created by our employees to complete work assignments on behalf of their company and using physical materials provided by the company are considered company intellectual property. These properties mainly cover the following: patent rights and confidential technical information of new products, new techniques, new materials, and new formulas etc., trademarks of the Group and its subsidiaries, confidential business information, and copyright of the Group's product designs and other documents. Considering the Group's business nature and operation methods, the laws and regulations that concern us the most include the Trademark Law of the People's Republic of China (《中華人民共和國商標法》), the Copyright Law of the People's Republic of China (《中華人民共和國著作權法》) and the Patent Law of the People's Republic of China (《中華人民共和國專利法》).

Our legal affairs department and offices are in charge of intellectual property management while other relative departments assign members to assist. When partnering with outside parties, confidentiality terms may be added to the engagement contracts to protect the Group's intellectual properties. On the other hand, we also respect the intellectual properties of our suppliers and customers.

No breach of intellectual property laws and regulations was found during the year under review.

Anti-Corruption

The Group is committed to operating with integrity and pursues business ethics by following all applicable anti-bribery and corruption laws, including the Prevention of Bribery Ordinance in Hong Kong as well as all the relevant anti-corruption laws in Mainland China. As a listed company, we also comply with the Corporate Governance Code, set out in Appendix 14 to the Listing Rules, as the basis in formulating the internal rules and regulations for integrity discipline and clean administration.

知識產權管理

我們的僱員代表公司完成工作任務及使用公司提供的實物材料而創作的智力成果，均被視為公司知識產權。該等產權主要涵蓋以下內容：新產品的專利權及技術保密信息、新技術、新材料以及新配方等，本集團及其附屬公司的商標、商業機密信息，以及本集團的產品設計及其他文檔的著作權。考慮到本集團的業務性質及營運方式，與我們最為相關的法律及法規包括《中華人民共和國商標法》、《中華人民共和國著作權法》及《中華人民共和國專利法》。

我們的法律事務部和辦公室負責知識產權管理，而其他相關部門則指派成員協助。在與外部人員合作時，可能會在委聘合約中增加保密條款，以保護本集團的知識產權。另一方面，我們也尊重供應商及客戶的知識產權。

於回顧年度內，概無發現違反知識產權法律法規的行為。

反貪污

本集團致力於誠信經營，並遵守所有適用的反賄賂及貪污的法例，以追求商業道德，包括在香港遵守《防止賄賂條例》以及在中國大陸遵守相關反貪污法例。作為一家上市公司，我們亦遵守上市規則附錄14所載的《企業管治常規守則》作為其制定內部規章條例的基礎，以落實誠實守紀及廉潔行政。

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (Continued)
環境、社會及管治報告(續)

The Group has zero tolerance for bribery, extortion, fraud, and money laundering. As such, a comprehensive internal manual on anti-corruption was set up to guide the management team and other employees on this topic. We also have an independent investigation team and an anonymous reporting system to receive tips on any suspicious cases. In case of any breach of internal anti-corruption rules, the progress and results of the corruption investigation will be submitted directly to the Board. If non-compliance cases of governing laws were found, we would report to the authority and hold respective staff accountable. The Group also arranges regular training sessions for all employees to build a transparent and justice working environment.

During the year ended 31 December 2021, the Group was not involved in any corruption litigation and has not received any suspected corruption report.

The following table shows the number of anti-corruption training sessions provided by the Group:

Number of anti-corruption training sessions held	舉辦反貪污培訓課程次數
Number of employees receiving anti-corruption training	接受反貪污培訓的出席人次

本集團對賄賂、勒索、欺詐及洗黑錢採取零容忍的態度。故制定有關反貪污的全面內部手冊，以就此主題指導管理層團隊及其他僱員。我們亦設有獨立調查小組及匿名舉報制度接收任何涉嫌貪污個案的線報。倘有任何違反內部反貪污規則，則有關貪污調查進度及結果將直接向董事會匯報。倘發現違反規管法例的情況，我們會向當局匯報，並追究有關工作人員的責任。本集團亦會定期安排全體僱員參加培訓課程，以建立透明公正的工作環境。

於截至2021年12月31日止年度，本集團並無涉及任何貪污訴訟，亦無收到任何懷疑貪污的報告。

下表顯示本集團提供的反貪污培訓課程的次數：

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

2021 2021年	2020 2020年
5	5
1,695	1,670

Community Investment

The Group ranked the 41st among the top-100 private enterprises in Guizhou in 2021 and was nominated for Panzhou City's first Mayor's Quality Award. With roots in Guizhou and a base in Hong Kong, we care about the local communities in both regions and try to give back to society, especially when COVID-19 brought lasting challenges to many people in need. The Group focuses on contributing to promoting education and helping lift people out of poverty, as such areas are strongly needed in Guizhou's rural villages.

社區投資

本集團獲評為2021年貴州民營企業百強的第四十一名，並獲提名首屆盤州市市長質量獎。扎根於貴州，並設有香港基地，我們關愛當地社區，並努力回饋社會，尤其於COVID-19為若干處於危難中的人士帶來持續挑戰的緊要關頭。本集團專注向促進教育及扶貧方面作出貢獻，因為貴州農村迫切需要該等方面的改善。

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (Continued)
環境、社會及管治報告(續)

During the year under review, resources we allocate to community investment are summarised below:

於回顧年度內，我們分配予社區投資的資源概列如下：

- | | |
|---|---|
| <ul style="list-style-type: none"> - Donation of RMB130,000 to Red Cross, Panzhou City; | <ul style="list-style-type: none"> - 為盤州市紅十字會捐贈人民幣130,000元； |
| <ul style="list-style-type: none"> - Tuition and living subsidies of RMB51,900 towards 3 local impoverished college students in Songshan Village, Panzhou City; | <ul style="list-style-type: none"> - 為盤州市松山村3名本地貧困大學生捐贈人民幣51,900元的學費及生活補貼； |
| <ul style="list-style-type: none"> - Donation of RMB668,200 to Songshan Village, Hongguo Street, Panzhou City to contribute to the Rural Cooperative Medical Scheme; | <ul style="list-style-type: none"> - 為盤州市紅果街道松山村捐贈人民幣668,200元用於農村合作醫療制度供款； |
| <ul style="list-style-type: none"> - Donation of RMB800,000 to Songshan Village, Hongguo Street, Panzhou City for removal of garbages; | <ul style="list-style-type: none"> - 為盤州市紅果街道松山村捐贈人民幣800,000元用於清理垃圾； |
| <ul style="list-style-type: none"> - Donation of RMB111,600 to Songshan Village, Hongguo Street, Panzhou City for the construction of local bus station; | <ul style="list-style-type: none"> - 為盤州市紅果街道松山村捐贈人民幣111,600元用於建設當地汽車站； |
| <ul style="list-style-type: none"> - Sponsorship of RMB5,000 to Shangwu Village, Yangchang Township for activity room water supply; | <ul style="list-style-type: none"> - 為羊場鄉上午村贊助人民幣5,000元用於活動室供水； |
| <ul style="list-style-type: none"> - Donation of RMB40,000 to the People's Government of Yangchang Township to help combat poverty; | <ul style="list-style-type: none"> - 為羊場鄉人民政府捐贈人民幣40,000元用於脫貧攻堅； |
| <ul style="list-style-type: none"> - Donation of RMB50,000 to the Workers' Union of Yangchang Township; | <ul style="list-style-type: none"> - 為羊場鄉工會捐贈人民幣50,000元； |
| <ul style="list-style-type: none"> - Donation of RMB20,000 to the Finance Department of People's Government of Yangchang Township; and | <ul style="list-style-type: none"> - 為羊場鄉人民政府財政局捐贈人民幣20,000元；及 |
| <ul style="list-style-type: none"> - Donation of HK\$18,000 to Food Angel to help Hong Kong people in need. | <ul style="list-style-type: none"> - 為惜食堂捐贈18,000港元用於幫助香港需要食物援助的人士。 |

INDEPENDENT AUDITOR'S REPORT

獨立核數師報告

TO THE SHAREHOLDERS OF PERENNIAL ENERGY HOLDINGS LIMITED
久泰邦達能源控股有限公司
(Incorporated in the Cayman Islands with limited liability)

致久泰邦達能源控股有限公司的股東

(於開曼群島註冊成立的有限公司)

Deloitte.

德勤

Opinion

We have audited the consolidated financial statements of Perennial Energy Holdings Limited (the “Company”) and its subsidiaries (collectively referred to as the “Group”) set out on pages 106 to 208, which comprise the consolidated statement of financial position as at 31 December 2021, and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2021, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards (“HKFRSs”) issued by the Hong Kong Institute of Certified Public Accountants (the “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 (“HKSA”) issued by the HKICPA. Our responsibilities under those standards are further described in the Auditor’s Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the HKICPA’s Code of Ethics for Professional Accountants (the “Code”), and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

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

意見

我們已審核第106至208頁所載久泰邦達能源控股有限公司(「貴公司」)及其附屬公司(統稱「貴集團」)的綜合財務報表，包括於2021年12月31日的綜合財務狀況表以及截至該日止年度的綜合損益及其他全面收益表、綜合權益變動表及綜合現金流量表以及綜合財務報表附註，包括重大會計政策概要。

我們認為，綜合財務報表已根據香港會計師公會(「香港會計師公會」)頒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2021年12月31日的綜合財務狀況及 貴集團截至該日止年度的綜合財務表現及綜合現金流量，並已按照香港公司條例的披露規定妥為編製。

意見基礎

我們已根據香港會計師公會頒佈的香港審計準則(「香港審計準則」)進行審核。我們根據該等準則承擔的責任於本報告「核數師就審核綜合財務報表須承擔的責任」中進一步闡述。根據香港會計師公會的專業會計師道德守則(「守則」)，我們獨立於 貴集團，並已根據守則履行其他道德責任。我們相信，我們所獲的審核憑證能充足及適當地為我們的意見提供基礎。

關鍵審計事項

關鍵審計事項為根據我們的專業判斷，認為對審核本年度綜合財務報表最為重要的事項。該等事項在我們審核整體綜合財務報表及就此制定意見時進行處理，我們不會對該等事項提供個別意見。

INDEPENDENT AUDITOR'S REPORT (Continued)
獨立核數師報告(續)

Key Audit Matters (continued)

關鍵審計事項(續)

Key audit matter
關鍵審計事項How our audit addressed the key audit matter
我們的審核如何處理關鍵審計事項**Depreciation of mining structures included in property, plant and equipment and amortisation of mining rights**
計入物業、廠房及設備的採礦構築物的折舊及採礦權攤銷

We identified the depreciation of mining structures included in property, plant and equipment and amortisation of mining rights as a key audit matter due to the involvement of significant estimation and the management's judgement in determining the total proven and probable reserves of the coal mines.

由於涉及重大評估及管理層釐定煤礦證實及概略總儲量時運用了判斷，故我們將計入物業、廠房及設備的採礦構築物折舊及採礦權攤銷確定為關鍵審計事項。

As explained in note 4 to the consolidated financial statements, the Group determines depreciation of mining structures included in property, plant and equipment and amortisation of mining rights by using the units of production method based on the actual production volume over the total proven and probable reserves of the coal mines concerned. The estimated reserves are the estimates of the quantity of coal that can be economically and legally extracted from the Group's mining properties, which are determined according to an independent technical review report prepared by an external specialist with the consideration of recent production and technical information of each mine. In addition, a variation on recovery rates or unforeseen geological or geotechnical perils may cause the management to change the production plan resulting from a revision to the estimates of coal reserves.

誠如綜合財務報表附註4所述，貴集團根據有關煤礦證實及概略總儲量的實際產量使用生產單位法釐定計入物業、廠房及設備的採礦構築物折舊以及採礦權攤銷。估計儲備為自貴集團採礦物業以具經濟效益的方式合法開採的煤炭數量估計數字，根據外部專家編製的獨立技術審閱報告及考慮各礦場的近期生產及技術資料後釐定。此外，回採率變動或不可預料的地質或岩土險情均可能令管理層因煤炭儲量估計數字獲修訂而改變生產計劃。

As set out in notes 15 and 13 to the consolidated financial statements, the amortisation of mining rights and depreciation of mining structures for the year ended 31 December 2021 amounted to RMB35,912,000 (2020: RMB38,238,000) and RMB17,338,000 (2020: RMB15,071,000), respectively.

誠如綜合財務報表附註15及13所述，截至2021年12月31日止年度，採礦權攤銷及採礦構築物折舊分別為人民幣35,912,000元(2020年：人民幣38,238,000元)及人民幣17,338,000元(2020年：人民幣15,071,000元)。

Our procedures in relation to the depreciation and amortisation of mining related assets included:
我們關於採礦相關資產的折舊及攤銷程序包括：

- Assessing the competence, capabilities and objectivity of the external specialist who prepared the independent technical review report;
- 評估編製獨立技術審閱報告的外部專家的資格、能力及客觀性；
- Obtaining an understanding from the external specialist about the techniques applied in estimation of total proven and probable reserves of the coal mines, the basis of calculation, key inputs and data used in the estimation;
- 向外部專家瞭解估計煤礦證實及概略總儲量所應用的技術、估計所用的計算基準、主要輸入數據及資料；
- Assessing the reasonableness of key inputs (i.e. the actual production volume of coal mines during the year and estimated total proven and probable reserves of coal mines) used in the calculation of depreciation and amortisation of mining related assets; and
- 評估用於計算採礦相關資產折舊及攤銷的主要輸入數據(即年內煤礦的實際產量以及估計煤礦證實及概略總儲量)的合理性；及
- Examining the production summary prepared by the management of the Group and checking the consistency of estimated production volume throughout the useful lives of the mines against the estimated coal reserves based on an independent technical review report prepared by external specialist.
- 檢查貴集團管理層編製的生產概述，並檢查礦場可使用年期內的估計產量與根據外部專家所編製獨立技術審閱報告的估計煤炭儲量的一致性。

INDEPENDENT AUDITOR'S REPORT (Continued)

獨立核數師報告(續)

Other Information

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

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

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Directors of the Company and those charged with Governance for the Consolidated Financial Statements

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

In preparing the consolidated financial statements, the directors 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.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

其他信息

貴公司董事需對其他信息負責。其他信息包括列載於年報內的信息，但不包括綜合財務報表及我們發出的相關核數師報告。

我們對綜合財務報表的意見並不涵蓋其他信息，我們亦不對該等其他信息發表任何形式的鑒證結論。

就我們對綜合財務報表的審核而言，我們的責任是閱讀其他信息，在此過程中，考慮其他信息是否與綜合財務報表或我們在審計過程中所瞭解的情況存在重大抵觸或者似乎存在重大錯誤陳述的情況。基於我們已執行的工作，如果我們認為其他信息存在重大錯誤陳述，我們需要報告該事實。在這方面，我們沒有任何報告。

貴公司董事及就綜合財務報表而言負責管治的人士的責任

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的披露要求編製反映真實公平意見的綜合財務報表，並對其認為就使綜合財務報表的編製不存在由於欺詐或錯誤而導致的重大錯誤陳述所需的內部監控負責。

在編製綜合財務報表時，貴公司董事負責評估貴集團持續經營的能力，並在適用情況下披露與持續經營有關的事項，以及採用持續經營會計基準，除非貴公司董事有意將貴集團清盤或停止經營，或別無其他實際的替代方案。

負責管治的人士須負責監督貴集團的財務報告過程。

INDEPENDENT AUDITOR'S REPORT (Continued)
獨立核數師報告(續)

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

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

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

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

核數師就審核綜合財務報表須承擔的責任

我們的目標是對綜合財務報表整體是否不存在由於欺詐或錯誤而導致的重大錯誤陳述取得合理保證，並按照我們協定的委聘條款僅向全體股東出具包括我們意見的核數師報告，除此以外，本報告不可用作其他用途。我們並不就本報告之內容對任何其他人士負上或承擔任何責任。合理保證是高水平的保證，但不能保證按照香港審計準則進行的審核，在某一重大錯誤陳述存在時總能發現。錯誤陳述可能由欺詐或錯誤引起，如果合理預期其單獨或滙總起來可能影響綜合財務報表使用者依賴綜合財務報表所作出的經濟決定，則有關的錯誤陳述方被視作重大。

作為根據香港審計準則進行審核的一部分，我們在審核過程中運用了專業判斷，保持了專業懷疑態度。我們亦：

- 識別和評估由於欺詐或錯誤而導致綜合財務報表存在重大錯誤陳述的風險，設計及執行審計程序以應對該等風險，以及獲取充足和適當的審核憑證，作為我們意見的基礎。由於欺詐可能涉及串謀、偽造、蓄意遺漏、虛假陳述或凌駕於內部監控之上，因此未能發現因欺詐而導致的重大錯誤陳述的風險高於未能發現因錯誤而導致的重大錯誤陳述的風險。
- 瞭解與審計相關的內部監控，以設計適當的審核程序，但並非旨在對貴集團內部監控的有效性發表意見。
- 評價貴公司董事所採用會計政策的恰當性及作出會計估計和相關披露的合理性。

INDEPENDENT AUDITOR'S REPORT (Continued)
獨立核數師報告(續)

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements (continued)

- 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.

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

核數師就審核綜合財務報表須承擔的責任(續)

- 對董事採用持續經營會計基礎的恰當性作出結論。根據所獲取的審核憑證，確定是否存在與事項或情況有關的重大不確定性，從而可能導致對貴集團的持續經營能力產生重大疑慮。如果我們認為存在重大不確定性，則有必要在核數師報告中提請使用者注意綜合財務報表中的相關披露。假若有關的披露不足，則我們應當發表非無保留意見。我們的結論是基於核數師報告日止所取得的審核憑證。然而，未來事項或情況可能導致貴集團不能持續經營。
- 評價綜合財務報表的整體列報方式、結構和內容(包括披露)以及綜合財務報表是否中肯反映相關交易和事項。
- 就貴集團內實體或業務活動的財務信息獲取充足、適當的審核憑證，以對綜合財務報表發表意見。我們負責指導、監督及執行審核。我們為審核意見承擔全部責任。

除其他事項外，我們與負責管治的人士溝通計劃審核範圍、審核時間及重大審核發現等，包括我們在審核中識別出內部監控的任何重大缺陷。

INDEPENDENT AUDITOR'S REPORT (Continued)
獨立核數師報告(續)**Auditor's Responsibilities for the Audit of the Consolidated Financial Statements (continued)**

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

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

The engagement partner on the audit resulting in this independent auditor's report is Ng Kin Fai.

Deloitte Touche Tohmatsu
Certified Public Accountants
Hong Kong
23 March 2022

核數師就審核綜合財務報表須承擔的責任(續)

我們還向負責管治的人士提交聲明，說明我們已符合有關獨立性的相關專業道德要求，並與彼等溝通有可能合理地被認為會影響我們獨立性的所有關係和其他事項，以及在適用的情況下，為消除威脅而採取的行動或應用的防範措施。

從與負責管治的人士溝通的事項中，我們確定哪些事項對本期綜合財務報表的審核最為重要，因而構成關鍵審計事項。我們在核數師報告中描述該等事項，除非法律法規不允許公開披露該等事項，或在極端罕見的情況下，如果合理預期在我們報告中溝通某事項造成的負面後果超過產生的公眾利益，我們決定不應在報告中溝通該事項。

出具本獨立核數師報告的審核項目合夥人是吳健暉。

德勤•關黃陳方會計師行
執業會計師
香港
2022年3月23日

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

綜合損益及其他全面收益表

For the year ended 31 December 2021
截至2021年12月31日止年度

		NOTES	2021	2020
		附註	RMB'000	RMB'000
			人民幣千元	人民幣千元
Revenue	收益	5	1,541,399	1,402,604
Cost of sales	銷售成本		(622,916)	(686,600)
Gross profit	毛利		918,483	716,004
Other income	其他收益	7	13,296	35,290
Fair value change of contingent consideration payables	應付或然代價公平值變動		(308,518)	(16,072)
Other gains and losses	其他收益及虧損	7	1,935	(2,475)
Distribution and selling expenses	分銷及銷售開支		(58,109)	(105,626)
Administrative expenses	行政開支		(129,921)	(121,230)
Other expenses	其他開支		(2,690)	(283)
Finance costs	融資成本	8	(23,048)	(21,223)
Profit before taxation	除稅前溢利	9	411,428	484,385
Taxation charge	稅項支出	10	(109,658)	(138,905)
Profit and total comprehensive income for the year	年內溢利及全面收入總額		301,770	345,480
Earnings per share (RMB cents)	每股盈利(人民幣分)			
Basic	基本	12	18.86	21.59

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

綜合財務狀況表

As at 31 December 2021
於2021年12月31日

		NOTES	2021	2020
		附註	RMB'000 人民幣千元	RMB'000 人民幣千元
Non-current assets	非流動資產			
Property, plant and equipment	物業、廠房及設備	13	1,512,740	1,167,790
Investment properties	投資物業	14	51,600	52,700
Mining rights	採礦權	15	866,191	902,103
Restricted bank deposits	受限制銀行存款	17	12,740	20,254
Rental deposits	租金按金	21	494	509
Deposits for purchase of property, plant and equipment	購買物業、廠房及設備的按金	21	26,520	9,564
Deposit for acquisition of mining rights	收購採礦權的按金	21	90,566	61,200
			2,560,851	2,214,120
Current assets	流動資產			
Inventories	存貨	19	51,159	29,379
Trade and bills receivables	貿易應收款項及應收票據	20	393,003	275,061
Deposits, prepayments and other receivables	按金、預付款項及其他應收款項	21	20,516	17,245
Tax recoverable	可收回稅項		31,238	–
Bank balances and cash	銀行結餘及現金	22	180,854	139,603
			676,770	461,288
Current liabilities	流動負債			
Trade payables	貿易應付款項	23	81,688	65,518
Other payables and accrued charges	其他應付款項及應計費用	24	159,735	100,765
Contract liabilities	合約負債	25	9,197	190
Lease liabilities	租賃負債	26	1,251	1,824
Tax payable	應付稅項		–	27,018
Bank borrowings	銀行借款	27	221,015	125,864
Contingent consideration payables	應付或然代價	28	253,536	185,061
			726,422	506,240
Net current liabilities	流動負債淨額		(49,652)	(44,952)
Total assets less current liabilities	總資產減流動負債		2,511,199	2,169,168

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (Continued)
綜合財務狀況表(續)

As at 31 December 2021
於2021年12月31日

		NOTES	2021	2020
		附註	RMB'000	RMB'000
			人民幣千元	人民幣千元
Non-current liabilities	非流動負債			
Lease liabilities	租賃負債	26	2,575	–
Provision for restoration costs	修復成本撥備	29	44,974	43,028
Deferred tax liabilities	遞延稅項負債	18	16,811	30,001
Contingent consideration payables	應付或然代價	28	378,095	326,011
Bank borrowings	銀行借款	27	301,000	251,000
			<u>743,455</u>	<u>650,040</u>
Net assets	資產淨值		<u>1,767,744</u>	<u>1,519,128</u>
Capital and reserves	資本及儲備			
Share capital	股本	31	14,136	14,136
Reserves	儲備		<u>1,753,608</u>	<u>1,504,992</u>
Total equity	總權益		<u>1,767,744</u>	<u>1,519,128</u>

The consolidated financial statements on pages 106 to 208 were approved and authorised for issue by the Board of Directors on 23 March 2022 and signed on its behalf by:

載於第106至208頁的綜合財務狀況表已由董事會於2022年3月23日批准及授權刊發，並由以下人士簽署：

Mr. Yu Bangping
余邦平先生
DIRECTOR
董事

Mr. Li Xuezhong
李學忠先生
DIRECTOR
董事

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

綜合權益變動表

For the year ended 31 December 2021
截至2021年12月31日止年度

		Attributable to owners of the Company					
		本公司擁有人應佔					
		Share capital	Share premium	Other reserve	Statutory surplus reserve	Retained profits	Total
		股本	股份溢價	其他儲備	法定盈餘儲備	保留溢利	總計
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
				(note (i)) (附註(i))	(note (ii)) (附註(ii))		
At 1 January 2020	於2020年1月1日	14,136	480,355	212,664	46,026	457,063	1,210,244
Profit and total comprehensive income for the year	年內溢利及全面收入總額	-	-	-	-	345,480	345,480
Dividend recognised as distribution	確認為分派之股息	-	(36,596)	-	-	-	(36,596)
Transfer to statutory surplus reserve	轉撥至法定盈餘儲備	-	-	-	38,049	(38,049)	-
At 31 December 2020	於2020年12月31日	14,136	443,759	212,664	84,075	764,494	1,519,128
Profit and total comprehensive income for the year	年內溢利及全面收入總額	-	-	-	-	301,770	301,770
Dividend recognised as distribution (note 11)	確認為分派之股息(附註11)	-	(53,154)	-	-	-	(53,154)
Transfer to statutory surplus reserve	轉撥至法定盈餘儲備	-	-	-	31,350	(31,350)	-
At 31 December 2021	於2021年12月31日	14,136	390,605	212,664	115,425	1,034,914	1,767,744

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (Continued)

綜合財務狀況表(續)

For the year ended 31 December 2021

截至2021年12月31日止年度

Notes:

- (i) Other reserve as at 31 December 2021 and 2020 represented the aggregate amount of (i) the aggregate profit of RMB130,191,000 in respect of operations of the Mining Business (as defined in note 2 to the consolidated financial statements of the annual report for year ended 31 December 2019) carried out by Old Operating Entities (as defined in note 2 to the consolidated financial statements of the annual report for year ended 31 December 2019) prior to the Assets Transfer (as defined in note 2 to the consolidated financial statements of the annual report for year ended 31 December 2019) and the profit was legally belonged to Old Operating Entities and non-distributable by the Group; (ii) net credit transfer of RMB39,186,000 prior to 1 January 2018, net debit transfer of RMB40,102,000 and RMB221,753,000 during the year ended 31 December 2017 and 2018, respectively, from the non-controlling interests in respect of the change in shareholding of the subsidiaries without losing control during the Reorganisation (as defined in note 2 to the consolidated financial statements of the annual report for year ended 31 December 2019); (iii) the credit of RMB5,664,000 arisen from the derecognition of assets and liabilities of Old Operating Entities during the year ended 31 December 2016; and (iv) distribution of profits of a subsidiary of RMB145,860,000 to the then shareholders (except for Hong Kong Resources (as defined in note 2 of consolidated financial statements for year ended 31 December 2019)) during the year ended 31 December 2018.
- (ii) As stipulated by the relevant laws and regulations of the People's Republic of China (the "PRC"), before distribution of the net profit each year, the subsidiaries established in the PRC shall set aside 10% of their net profit after taxation for the statutory surplus reserve fund (except where the reserve has reached 50% of the subsidiaries' registered capital). The statutory reserve fund can only be used, upon approval by the board of directors of the relevant subsidiaries and by the relevant authority, to offset accumulated losses or increase capital.

附註：

- (i) 於2021年及2020年12月31日的其他儲備為下列各項的總和：(i)就舊營運實體(定義見截至2019年12月31日止年度報告中之綜合財務報表附註2)在資產轉讓(定義見截至2019年12月31日止年度報告中之綜合財務報表附註2)前進行的採礦業務(定義見截至2019年12月31日止年度報告中之綜合財務報表附註2)營運的溢利總額人民幣130,191,000元，該溢利在法律上屬於舊營運實體，本集團不可分派；(ii)就重組(定義見附註截至2019年12月31日止年度報告中之綜合財務報表2)期間並無失去控制權的附屬公司股權變動，分別於2018年1月1日前以及截至2017年及2018年12月31日止年度由非控股權益進行借記淨額轉讓人民幣39,186,000元以及信貸轉讓淨額人民幣40,102,000元及人民幣221,753,000元；(iii)截至2016年12月31日止年度終止確認舊營運實體的資產及負債產生的信貸人民幣5,664,000元；及(iv)截至2018年12月31日止年度向當時的股東(香港寰亞資源(定義見截至2019年12月31日止年度報告中之綜合財務報表附註2)除外)分派一間附屬公司溢利人民幣145,860,000元。
- (ii) 誠如中華人民共和國(「中國」)相關法律及法規所訂明，於每年分派純利前，於中國成立的附屬公司須將其除稅後純利的10%撥作法定盈餘儲備基金(該儲備達到附屬公司註冊資本的50%者除外)。經相關附屬公司董事會及相關部門批准後，該法定儲備基金僅可用於抵銷累計虧損或增加資本。

CONSOLIDATED STATEMENT OF CASH FLOWS

綜合現金流量表

For the year ended 31 December 2021
截至2021年12月31日止年度

		2021	2020
		RMB'000	RMB'000
		人民幣千元	人民幣千元
OPERATING ACTIVITIES	經營活動		
Profit before taxation	除稅前溢利	411,428	484,385
Adjustments for:	就以下項目作出調整：		
Finance costs	融資成本	23,048	21,223
Depreciation of property, plant and equipment	物業、廠房及設備折舊	83,307	80,451
Fair value change of investment properties	投資物業公平值變動	1,100	30
Fair value change of contingent consideration payables	應付或然代價公平值變動	308,518	16,072
Amortisation of mining rights	採礦權攤銷	35,912	38,238
Loss on disposal/written off of property, plant and equipment	出售／撇銷物業、廠房及設備的虧損	441	2,383
Interest income	利息收入	(911)	(4,946)
Operating cash flows before movements in working capital	營運資金變動前的經營現金流量	862,843	637,836
Increase in inventories	存貨增加	(21,780)	(12,111)
Increase in trade and bills receivables	貿易應收款項及應收票據增加	(199,442)	(109,845)
(Increase) decrease in deposits, prepayments and other receivables	按金、預付款項及其他應收款項(增加)減少	(3,256)	73,948
Increase in trade payables	貿易應付款項增加	16,170	14,423
Decrease in other payables and accrued charges	其他應付款項及應計費用減少	70,990	12,204
Increase (decrease) in contract liabilities	合約負債(增加)減少	9,007	(1,557)
Decrease in amounts due to related parties	應付關聯方款項減少	-	(4,346)
Cash generated from operations	經營所得現金	734,532	610,552
Income tax paid	已付所得稅	(181,104)	(118,285)
NET CASH FROM OPERATING ACTIVITIES	經營活動所得現金淨額	553,428	492,267

CONSOLIDATED STATEMENT OF CASH FLOWS (Continued)

綜合現金流量表(續)

For the year ended 31 December 2021

截至2021年12月31日止年度

		2021 RMB'000 人民幣千元	2020 RMB'000 人民幣千元
INVESTING ACTIVITIES	投資活動		
Purchases of property, plant and equipment	購買物業、廠房及設備	(428,838)	(232,767)
Purchase of mining right and related assets	收購採礦權及相關資產	(187,959)	(450,000)
Proceeds from disposal of property, plant and equipment	出售物業、廠房及設備所得款項	1,510	849
Interest received	已收利息	911	4,946
Deposits paid for purchase of property, plant and equipment	購買物業、廠房及設備的已付按金	(26,520)	(9,564)
Increase in deposit paid for acquisition of mining rights	收購採礦權的已付按金增加	(29,366)	(61,200)
Withdrawal of restricted bank deposits	提取受限制銀行存款	12,030	-
Placement of restricted bank deposits	開立受限制銀行存款	(4,516)	(8,962)
NET CASH USED IN INVESTING ACTIVITIES	投資活動所用現金淨額	(662,748)	(756,698)
FINANCING ACTIVITIES	融資活動		
Dividend paid	已付股息	(53,154)	(36,596)
Interest paid on bank borrowings and lease liabilities	銀行借款及租賃負債的已付利息	(21,102)	(19,362)
Repayment of lease liabilities	償還租賃負債	(1,824)	(3,204)
New borrowings raised	新增借款	271,651	376,649
Repayment of borrowings	償還借款	(45,000)	(156,765)
NET CASH FROM FINANCING ACTIVITIES	融資活動所得現金淨額	150,571	160,722
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	現金及現金等價物增加(減少)淨額	41,251	(103,709)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	年初現金及現金等價物	139,603	243,312
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR, represented by bank balances and cash	年末現金及現金等價物，即銀行結餘及現金	180,854	139,603

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2021
截至2021年12月31日止年度

1. General Information

The Company was incorporated and registered as an exempted company with limited liability in the Cayman Islands under the Companies Act Chapter 22 of the Cayman Islands on 7 June 2017. The shares of the Company were listed on the company Main Board of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) on 12 December 2018 and its parent and ultimate holding company is Spring Snow Management Limited, a limited liability company incorporated in the British Virgin Islands (“BVI”). The address of the Company’s registered office and principal place of business is P.O. Box 309, Ugland House, Grand Cayman, KY1-1104, Cayman Islands and Unit 1003, 10th Floor, Tower 2, Lippo Centre, 89 Queensway, Hong Kong, respectively.

The Company is an investment holding company. The principal activities of its subsidiaries are set out in note 39.

The controlling shareholder of the Company is Mr. Yu Bangping (“Mr. Yu”).

The consolidated financial statements are presented in Renminbi (“RMB”) which is also the same as the functional currency of the Company.

2. Adoption of Amendments to Hong Kong Financial Reporting Standards (“HKFRSs”)

Amendments to HKFRSs that are mandatorily effective for the current year

In the current year, the Group has applied the following amendments to HKFRSs issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”) for the first time, which are mandatorily effective for the annual periods beginning on or after 1 January 2021 for the preparation of the consolidated financial statements:

Amendment to HKFRS 16	Covid-19-Related Rent Concessions
Amendments to HKFRS 9, HKAS 39, HKFRS 7, HKFRS 4 and HKFRS 16	Interest Rate Benchmark Reform – Phase 2

1. 一般資料

本公司於2017年6月7日根據開曼群島公司法第22章在開曼群島註冊成立為獲豁免有限公司。本公司股份於2018年12月12日在香港聯合交易所有限公司(「聯交所」)主板上市，而其母公司及最終控股公司為Spring Snow Management Limited，該公司為於英屬處女群島(「英屬處女群島」)註冊成立的有限公司。本公司的註冊辦事處及主要營業地點的地址分別為P.O. Box 309, Ugland House, Grand Cayman, KY1-1104, Cayman Islands及香港金鐘道89號力寶中心第2座10樓1003室。

本公司是一間投資控股公司。其附屬公司主要的活動載於附註39。

本公司控股股東為余邦平先生(「余先生」)。

綜合財務報表以人民幣(「人民幣」)呈列，人民幣亦為本公司的功能貨幣。

2. 採納新訂香港財務報告準則(「香港財務報告準則」)及準則修訂本

本年度強制生效的香港財務報告準則修訂本

於本年度，本集團已首次應用由香港會計師公會(「香港會計師公會」)所頒佈於2021年1月1日或之後開始的年度期間強制生效的香港財務報告準則修訂本以編製綜合財務報表：

香港財務報告準則第16號(修訂本)	Covid-19相關租金優惠
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)	利率基準改革 – 第二期

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)
綜合財務報表附註(續)

For the year ended 31 December 2021
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2. Adoption of Amendments to Hong Kong Financial Reporting Standards (“HKFRSs”)

(continued)

Amendments to HKFRSs that are mandatorily effective for the current year (continued)

In addition, the Group applied the agenda decision of the IFRS Interpretations Committee (the “Committee”) of the International Accounting Standards Board issued in June 2021 which clarified the costs an entity should include as “estimated costs necessary to make the sale” when determining the net realisable value of inventories.

Except as described below, the application of the amendments to HKFRSs in the current year has had no material impact on the Group’s financial positions and performance for the current and prior years and/or on the disclosures set out in these consolidated financial statements.

Impacts on application of the agenda decision of the Committee – Cost necessary to sell inventories (HKAS 2 Inventories)

In June 2021, the Committee, through its agenda decision, clarified the costs an entity should include as “estimated costs necessary to make the sale” when determining the net realisable value of inventories. In particular, whether such costs should be limited to those that are incremental to the sale. The Committee concluded that the estimated costs necessary to make the sale should not be limited to those that are incremental but should also include costs that an entity must incur to sell its inventories including those that are not incremental to a particular sale.

The Group’s accounting policy prior to the Committee’s agenda decision was to determine the net realisable value of inventories taking into consideration incremental costs only. Upon application of the Committee’s agenda decision, the Group changed its accounting policy to determine the net realisable value of inventories taking into consideration incremental costs and non-incremental costs which the Group must incur to make the sale. The new accounting policy has been applied retrospectively.

The application of the Committee’s agenda decision has had no material impact on the Group’s financial positions and performance.

2. 採納新訂香港財務報告準則(「香港財務報告準則」)及準則修訂本(續)

本年度強制生效的香港財務報告準則修訂本(續)

此外，本集團已應用國際會計準則委員會於2021年6月頒佈的國際會計準則詮釋委員會(「委員會」)的議程決定，該決定澄清實體於釐定存貨的可變現淨值時應列為「進行銷售所需估計成本」的成本項目。

除下文所述者外，於本年度應用香港財務報告準則修訂本對本集團於本年度及以往年度的財務狀況及表現及／或載列於該等綜合財務報表的披露事項並無重大影響。

應用委員會議程決定－出售存貨所需之成本(香港會計準則第2號「存貨」)之影響

於2021年6月，委員會透過其議程決定澄清實體於釐定存貨可變現淨值時應列為「進行銷售所需估計成本」的成本項目，具體而言，有關成本是否應限於銷售之增量成本。委員會所達致結論是，進行銷售所需估計成本不應限於增量成本，亦應包括實體出售存貨必須承擔之成本(包括具體銷售之非增量成本)。

於委員會議程決定前，本集團的會計政策為釐定存貨之可變現淨值時僅考慮增量成本。於應用委員會議程決定後，本集團更改其會計政策，於釐定存貨之可變現淨值時考慮進行銷售所需承擔之增量成本及非增量成本。新會計政策已按追溯方式應用。

應用委員會議程決定並無對本集團之財務狀況及表現並無造成重大影響。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)
綜合財務報表附註(續)

For the year ended 31 December 2021
截至2021年12月31日止年度

2. Adoption of Amendments to Hong Kong Financial Reporting Standards (“HKFRSs”)

(continued)

New and amendments to HKFRSs in issue but not yet effective

The Group has not early applied the following new and amendments to HKFRSs that have been issued but are not yet effective:

HKFRS 17	Insurance Contracts and the related Amendments ³	香港財務報告準則第17號	保險合約及相關修訂 ³
Amendments to HKFRS 3	Reference to the Conceptual Framework ²	香港財務報告準則第3號(修訂本)	提述概念框架 ²
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture ⁴	香港財務報告準則第10號及香港會計準則第28號(修訂本)	投資者與其聯營公司或合營企業間的資產出售或注資 ⁴
Amendment to HKFRS 16	Covid-19-Related Rent Concessions beyond 30 June 2021 ¹	香港財務報告準則第16號(修訂本)	2021年6月30日往後與Covid-19相關的租金優惠 ¹
Amendments to HKAS 1	Classification of Liabilities as Current or Non-current and related amendments to Hong Kong Interpretation 5 (2020) ³	香港會計準則第1號(修訂本)	將負債分類為流動或非流動以及對香港詮釋第5號之相關修訂(2020年) ³
Amendments to HKAS 1 and HKFRS Practice Statement 2	Disclosure of Accounting Policies ³	香港會計準則第1號及香港財務報告準則實務聲明第2號(修訂本)	會計政策披露 ³
Amendments to HKAS 8	Definition of Accounting Estimates ³	香港會計準則第8號(修訂本)	會計估計定義 ³
Amendments to HKAS 12	Deferred Tax related to Assets and Liabilities arising from a Single Transaction ³	香港會計準則第12號(修訂本)	與單一交易產生的資產及負債相關的遞延稅項 ³
Amendments to HKAS 16	Property, Plant and Equipment – Proceeds before Intended Use ²	香港會計準則第16號(修訂本)	物業、廠房及設備 – 擬訂用途前的所得款項 ²
Amendments to HKAS 37	Onerous Contracts – Cost of Fulfilling a Contract ²	香港會計準則第37號(修訂本)	繁苛合約 – 履行合約的成本 ²
Amendments to HKFRSs	Annual Improvements to HKFRSs 2018–2020 ²	香港財務報告準則(修訂本)	香港財務報告準則2018年至2020年週期之年度改進 ²

2. 採納新訂香港財務報告準則(「香港財務報告準則」)及準則修訂本(續)

已頒佈但尚未生效的新訂香港財務報告準則及準則修訂本

本集團並無提前應用下列已頒佈但尚未生效的新訂香港財務報告準則及準則修訂本：

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)
綜合財務報表附註(續)

For the year ended 31 December 2021
截至2021年12月31日止年度

2. Adoption of Amendments to Hong Kong Financial Reporting Standards (“HKFRSs”)

(continued)

New and amendments to HKFRSs in issue but not yet effective (continued)

- 1 Effective for annual periods beginning on or after 1 April 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 Effective for annual periods beginning on or after a date to be determined.

Except for the new and amendments to HKFRSs mentioned below, the directors of the Company anticipate that the application of all other new and amendments to HKFRSs will have no material impact on the consolidated financial statements in the foreseeable future.

Amendments to HKFRS 3 Reference to the Conceptual Framework

The amendments:

- update a reference in HKFRS 3 Business Combinations so that it refers to the *Conceptual Framework for Financial Reporting 2018* issued in June 2018 (the “Conceptual Framework”) instead of *Framework for the Preparation and Presentation of Financial Statements* (replaced by the Conceptual Framework for Financial Reporting 2010 issued in October 2010);
- add a requirement that, for transactions and other events within the scope of HKAS 37 *Provisions, Contingent Liabilities and Contingent Assets* or HK(IFRIC)-Int 21 *Levies*, an acquirer applies HKAS 37 or HK(IFRIC)-Int 21 instead of the Conceptual Framework to identify the liabilities it has assumed in a business combination; and

2. 採納新訂香港財務報告準則(「香港財務報告準則」)及準則修訂本(續)

已頒佈但尚未生效的新訂香港財務報告準則及準則修訂本(續)

- 1 自2021年4月1日或之後開始的年度期間生效。
- 2 自2022年1月1日或之後開始的年度期間生效。
- 3 自2023年1月1日或之後開始的年度期間生效。
- 4 自待釐定的日期或之後開始的年度期間生效。

除下文所述的新訂香港財務報告準則及準則修訂本外，本公司董事預期應用所有其他新訂香港財務報告準則及準則修訂本於可預見將來對綜合財務報表並無重大影響。

香港財務報告準則第3號(修訂本)「提述概念框架」

該等修訂：

- 更新香港財務報告準則第3號對「業務合併」的提述，致使其提述2018年6月所頒佈的「2018年財務報告概念框架」而非「編製及呈列財務報表框架」(已由於2010年10月頒佈的「2010年財務報告概念框架」取代)；
- 添加一項規定，就香港會計準則第37號「撥備、或然負債及或然資產」或香港財務報告詮釋委員會詮釋第21號「徵費」範圍內的交易及其他事件而言，收購方應用香港會計準則第37號或香港財務報告詮釋委員會詮釋第21號而非概念框架以識別其於業務合併中所承擔的負債；及

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)
綜合財務報表附註(續)

For the year ended 31 December 2021
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2. Adoption of Amendments to Hong Kong Financial Reporting Standards (“HKFRSs”)

(continued)

New and amendments to HKFRSs in issue but not yet effective (continued)

- add an explicit statement that an acquirer does not recognise contingent assets acquired in a business combination.

The Group will apply the amendments prospectively to business combinations for which the date of acquisition is on or after the beginning of the first annual period beginning on or after 1 January 2022. The application of the amendments is not expected to have significant impact on the financial position and performance of the Group.

Amendments to HKAS 1 Classification of Liabilities as Current or Non-current and related amendments to Hong Kong Interpretation 5 (2020)

The amendments provide clarification and additional guidance on the assessment of right to defer settlement for at least twelve months from reporting date for classification of liabilities as current or non-current, which:

- specify that the classification of liabilities as current or non-current should be based on rights that are in existence at the end of the reporting period. Specifically, the amendments clarify that:
 - (i) the classification should not be affected by management intentions or expectations to settle the liability within 12 months; and
 - (ii) if the right is conditional on the compliance with covenants, the right exists if the conditions are met at the end of the reporting period, even if the lender does not test compliance until a later date; and

2. 採納新訂香港財務報告準則(「香港財務報告準則」)及準則修訂本(續)

已頒佈但尚未生效的新訂香港財務報告準則及準則修訂本(續)

- 添加一項明確聲明，指收購方並不確認於一項業務合併中所收購的或有資產。

本集團將對收購日期為2022年1月1日或之後開始的首個年度期間開始當日或之後的業務合併以前瞻方式應用該等修訂。預期應用該等修訂不會對本集團財務狀況及表現產生重大影響。

香港會計準則第1號(修訂本)「將負債分類為流動或非流動以及對香港詮釋第5號之相關修訂(2020年)」

該等修訂本為評估將結算期限延遲至報告日期後最少十二個月的權利提供澄清及額外指引，以將負債分類為流動或非流動，當中：

- 訂明負債應基於報告期末存在的權利而分類為流動或非流動。具體而言，該等修訂本澄清：
 - (i) 該分類不受管理層在12個月內結算負債的意圖或預期所影響；及
 - (ii) 倘若該權利以遵守契諾為條件，即使貸款人在較後日期才測試是否符合條件，則該權利會在報告期末符合條件的情況下存在；及

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)
綜合財務報表附註(續)

For the year ended 31 December 2021
截至2021年12月31日止年度

2. Adoption of Amendments to Hong Kong Financial Reporting Standards (“HKFRSs”)

(continued)

Amendments to HKAS 1 Classification of Liabilities as Current or Non-current and related amendments to Hong Kong Interpretation 5 (2020) (continued)

- clarify that if a liability has terms that could, at the option of the counterparty, result in its settlement by the transfer of the entity’s own equity instruments, these terms do not affect its classification as current or non-current only if the entity recognises the option separately as an equity instrument applying HKAS 32 *Financial Instruments: Presentation*.

In addition, Hong Kong Interpretation 5 was revised as a consequence of the Amendments to HKAS 1 to align the corresponding wordings with no change in conclusion.

Based on the Group’s outstanding liabilities as at 31 December 2021 and the related terms and conditions stipulated in the agreements between the Group and the relevant lenders, the application of the amendments will not result in reclassification of the Group’s liabilities.

2. 採納新訂香港財務報告準則(「香港財務報告準則」)及準則修訂本(續)

香港會計準則第1號(修訂本)「將負債分類為流動或非流動以及對香港詮釋第5號之相關修訂(2020年)」(續)

- 澄清倘若負債具有條款，可由對手方選擇透過轉讓實體本身的權益工具進行結算，則僅當實體應用香港會計準則第32號「金融工具：呈列」將選擇權單獨確認為股本工具時，該等條款方不會對其分類為流動或非流動造成影響。

此外，香港會計準則第1號(修訂本)導致香港詮釋第5號獲修訂，使相應詞彙一致，而結論並無改變。

根據本集團於2021年12月31日之未償還債務及本集團與有關貸款人之協議內規定的有關條款及條件，應用該等修訂將不會導致重新分類本集團的負債。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)
綜合財務報表附註(續)

For the year ended 31 December 2021
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2. Adoption of Amendments to Hong Kong Financial Reporting Standards (“HKFRSs”)

(continued)

Amendments to HKAS 1 and HKFRS Practice Statement 2 Disclosure of Accounting Policies

HKAS 1 is amended to replace all instances of the term “significant accounting policies” with “material accounting policy information”. Accounting policy information is material if, when considered together with other information included in an entity’s financial statements, it can reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements.

The amendments also clarify that accounting policy information may be material because of the nature of the related transactions, other events or conditions, even if the amounts are immaterial. However, not all accounting policy information relating to material transactions, other events or conditions is itself material. If an entity chooses to disclose immaterial accounting policy information, such information must not obscure material accounting policy information.

HKFRS Practice Statement 2 *Making Materiality Judgements* (the “Practice Statement”) is also amended to illustrate how an entity applies the “four-step materiality process” to accounting policy disclosures and to judge whether information about an accounting policy is material to its financial statements. Guidance and examples are added to the Practice Statement.

The application of the amendments is not expected to have significant impact on the financial position or performance of the Group but may affect the disclosures of the Group’s significant accounting policies. The impacts of application, if any, will be disclosed in the Group’s future consolidated financial statements.

2. 採納新訂香港財務報告準則(「香港財務報告準則」)及準則修訂本(續)

香港會計準則第1號及香港財務報告準則實務聲明第2號(修訂本)「會計政策披露」

香港會計準則第1號已作修訂，以「重大會計政策資料」取代所有「重大會計政策」一詞。倘將會計政策資料與實體財務報表中所載的其他資料一併考慮時，可合理預期會影響一般用途財務報表主要使用者根據該等財務報表作出的決定，則該會計政策資料屬重大。

該等修訂亦釐清，即使該等款項並不重大，但由於相關交易、其他事項或狀況的性質，會計政策資料可能屬重大。然而，並非所有與重大交易、其他事項或狀況有關的會計政策資料本身屬重大。倘實體選擇披露非重大會計政策資料，則有關資料不得掩蓋重大會計政策資料。

香港財務報告準則實務聲明第2號《作出重要性判斷》(「實務報告」)亦已作修訂，以闡述實體如何將「四步重要性流程」應用至會計政策披露及判斷有關會計政策的資料對其財務報表是否屬重大。實務聲明已增加指引及例子。

預期應用該等修訂不會對本集團的財務狀況及表現造成重大影響，惟可能影響本集團重大會計政策的披露。應用影響(如有)將於本集團未來的綜合財務報表披露。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)
綜合財務報表附註(續)

For the year ended 31 December 2021
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2. Adoption of Amendments to Hong Kong Financial Reporting Standards (“HKFRSs”)

(continued)

Amendments to HKAS 8 Definition of Accounting Estimates

The amendments define accounting estimates as “monetary amounts in financial statements that are subject to measurement uncertainty”. An accounting policy may require items in financial statements to be measured in a way that involves measurement uncertainty – that is, the accounting policy may require such items to be measured at monetary amounts that cannot be observed directly and must instead be estimated. In such a case, an entity develops an accounting estimate to achieve the objective set out by the accounting policy. Developing accounting estimates involves the use of judgements or assumptions based on the latest available, reliable information.

In addition, the concept of changes in accounting estimates in HKAS 8 is retained with additional clarifications.

The application of the amendments is not expected to have significant impact on the Group’s consolidated financial statements.

3. Basis of Preparation of Consolidated Financial Statements and Significant Accounting Policies

Basis of preparation of consolidated financial statements

The consolidated financial statements have been prepared in accordance with HKFRSs issued by the HKICPA. For the purpose of preparation of the consolidated financial statements, information is considered material if such information is reasonably expected to influence decisions made by primary users. In addition, the consolidated financial statements include the applicable disclosures required by the Rules Governing the Listing of Securities on the Stock Exchange (“Listing Rules”) and by the Hong Kong Companies Ordinance.

2. 採納新訂香港財務報告準則(「香港財務報告準則」)及準則修訂本(續)

香港會計準則第8號(修訂本)「會計估計定義」

該等修訂界定會計估計為「受計量不明朗因素影響的財務報表的貨幣金額」。會計政策可能規定財務報表項目按涉及計量不明朗因素的方式計量—即會計政策可能規定以不可直接觀察而須予估計的貨幣金額計量有關項目。在該情況下，實體編製會計估計，旨在達到會計政策載列的目標。編製會計估計涉及根據最新可得的可靠資料運用判斷或假設。

此外，香港會計準則第8號的會計估計變更的概念予以保留，惟有進一步釐清。

預期應用該等修訂不會對本集團的綜合財務報表造成重大影響。

3. 編製綜合財務報表的基準及重大會計政策

編製綜合財務報表的基準

綜合財務報告是根據香港會計師公會頒佈的香港財務報告準則並按歷史成本基準編製。就呈列綜合財務報表而言，倘有關資料可合理預期影響主要使用者所作出決定，則該等資料會被視為重大。此外，綜合財務報告載有聯交所證券上市規則(「上市規則」)及香港公司條例規定的適用披露。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)
綜合財務報表附註(續)

For the year ended 31 December 2021
截至2021年12月31日止年度

3. Basis of Preparation of Consolidated Financial Statements and Significant Accounting Policies (continued)

Basis of preparation of consolidated financial statements (continued)

The consolidated financial statements have been prepared on the going concern basis which assumes the continuity of normal business activity and the realisation of assets and the settlement of liabilities in the normal course of business. The directors of the Company have given careful consideration to the future liquidity of the Group when preparing the consolidated financial statements.

For the year ended 31 December 2021, the Group generated a net profit of RMB302 million (2020: net profit of RMB345 million). At 31 December 2021, the Group had total cash and cash equivalents of RMB181 million (2020: RMB140 million), net current liabilities of RMB50 million (2020: RMB45 million) and generated net operating cash inflows of RMB553 million (2020: RMB492 million) and total net cash inflows of RMB41 million (2020: net cash outflows of RMB104 million), after investing and financing cash flows.

The directors of the Company are of the view that the Group will be able to meet its debts as and when they fall due after taking into the consideration of the cash flow forecasts, which assume the continuity of normal business activity, indicate that the Group will have sufficient liquidity to meet its operational, existing contractual debts and capital expenditure requirements for the 12 month period from 31 December 2021.

Accordingly the consolidated financial statements were prepared on a going concern basis.

Cash flow forecasts, which assume the continuity of normal business activity, indicate that the Group will have sufficient liquidity to meet its operational, existing contractual debt service and capital expenditure requirements for the 12 month period from the approval of the consolidated financial statements. Such cash flow forecasts include expected drawdowns from existing revolving credit facilities.

3. 編製綜合財務報表的基準 及重大會計政策(續)

編製綜合財務報表的基準(續)

綜合財務報表按假設持續進行正常業務活動及日常業務過程中變現資產和結算負債的持續經營基準編製。本公司董事於編製綜合財務報表時已周詳考慮到本集團未來的資金流動狀況。

截至2021年12月31日止年度，本集團錄得純利人民幣302百萬元(2020年：純利人民幣345百萬元)。於2021年12月31日，本集團具有現金及現金等價物總額人民幣181百萬元(2020年：人民幣140百萬元)、流動負債淨額人民幣50百萬元(2020年：人民幣45百萬元)，並錄得經營活動所得現金流入淨額人民幣553百萬元(2020年：人民幣492百萬元)，計及投資及融資現金流量後，現金流入淨額總共為人民幣41百萬元(2020年：現金流出淨額人民幣104百萬元)。

本公司董事經考慮假設持續進行正常業務活動的現金流量預測，顯示本集團於2021年12月31日後12個月期間會有充足流動資金，以應付經營、現有合約債務及資本開支等需求後，認為本集團將能償還到期債務。

因此，綜合財務報表按持續經營基準編製。

假設持續進行正常業務活動的現金流量預測顯示，本集團將會有充足的流動資金，可於批准綜合財務報表後12個月期間，應付經營、償還現有合約債務及資本開支等需求。該等現金流量預測計及預期從現有循環信貸融資提取款項。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)
綜合財務報表附註(續)

For the year ended 31 December 2021
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3. Basis of Preparation of Consolidated Financial Statements and Significant Accounting Policies (continued)

Basis of preparation of consolidated financial statements (continued)

The consolidated financial statements have been prepared on the historical cost basis except for investment properties and contingent consideration payables that are measured at fair values at the end of each reporting period, as explained in the accounting policies set out below.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these consolidated financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of HKFRS 2 *Share-based Payment*, leasing transactions that are within the scope of HKFRS 16 *Leases*, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in HKAS 2 *Inventories* or value in use in HKAS 36 *Impairment of Assets*.

3. 編製綜合財務報表的基準及重大會計政策(續)

編製綜合財務報表的基準(續)

綜合財務報表乃按歷史成本基準編製，惟如下文所載會計政策所闡述，投資物業及應付或然代價於每個報告期末按公平值計量。

歷史成本一般根據為交換貨品及服務而付出代價的公平值計算。

公平值指市場參與者之間於計量日期進行的有序交易中出售資產所收取的價格或轉讓負債所支付的價格，不論該價格是否為直接觀察到的結果，或是採用其他估值技術作出的估計。在對資產或負債的公平值作出估計時，本集團考慮市場參與者於計量日期為資產或負債進行定價時將會考慮的該資產或負債的特徵。於該等綜合財務報表中就計量及／或披露而言的公平值均按此基準予以釐定，惟香港財務報告準則第2號「股份支付」範圍內的股份支付交易、香港財務報告準則第16號「租賃」範圍內的租賃交易及與公平值類似但並非公平值的計量(例如香港會計準則第2號「存貨」中的可變現淨值或香港會計準則第36號「資產減值」中的使用價值)除外。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)
綜合財務報表附註(續)

For the year ended 31 December 2021
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3. Basis of Preparation of Consolidated Financial Statements and Significant Accounting Policies (continued)

Basis of preparation of consolidated financial statements (continued)

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

Significant accounting policies

Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company and its subsidiaries. Control is achieved when a company:

- has power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

3. 編製綜合財務報表的基準及重大會計政策(續)

編製綜合財務報表的基準(續)

此外，就財務報告而言，公平值計量根據公平值計量的輸入數據的可觀察程度及該等輸入數據對公平值計量整體的重要性分類為第一級、第二級或第三級，詳述如下：

- 第一級輸入數據為實體於計量日期可取得的相同資產或負債於活躍市場的報價(未經調整)；
- 第二級輸入數據為就資產或負債可直接或間接觀察的輸入數據(第一級所含報價除外)；及
- 第三級輸入數據為資產或負債的不可觀察輸入數據。

重大會計政策

綜合基準

綜合財務報表包括本公司及由本公司及其附屬公司控制的實體的財務報表。如該公司符合下列條件，則屬擁有控制權：

- 可對投資對象行使權力；
- 因參與投資對象的業務而可獲得或有權獲得可變回報；及
- 有能力行使其權力以影響其回報。

倘有事實及情況顯示上述三項控制因素中有一項或以上出現變動，本集團會重新評估其是否控制投資對象。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)
綜合財務報表附註(續)

For the year ended 31 December 2021
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3. Basis of Preparation of Consolidated Financial Statements and Significant Accounting Policies (continued)

Significant accounting policies (continued)

Basis of consolidation (continued)

Consolidation of a subsidiary begins when a company obtains control over the subsidiary and ceases when a company loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of profit or loss and other comprehensive income from the date the Group gains control until the date when a company ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income are attributable to the owners of the Company and to the non-controlling interest. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if the results in the non-controlling interests having a deficit balance.

Where necessary, adjustments are made to the financial statements of the subsidiaries to bring their accounting policies in line with the Group's accounting policies.

All intragroup assets, liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

3. 編製綜合財務報表的基準及重大會計政策(續)

重大會計政策(續)

綜合基準(續)

當一間公司於獲得附屬公司控制權時，即開始將附屬公司綜合入賬，而當一間公司失去附屬公司控制權時，即終止綜合入賬。具體而言，於年內收購或出售的附屬公司的收入及開支，於本集團獲得控制權當日起計入綜合損益及其他全面收益表，直至該公司對附屬公司的控制權終止當日為止。

損益及其他全面收入的各部分歸屬於本公司擁有人及非控股權益。即使非控股權益出現虧絀結餘，附屬公司的全面收入總額仍歸屬於本公司擁有人及非控股權益。

於必要時，對附屬公司的財務報表作出調整，以令其會計政策與本集團會計政策一致。

與本集團成員公司間的交易有關的所有集團內公司間資產、負債、權益、收入、開支及現金流量於綜合入賬時悉數對銷。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)
綜合財務報表附註(續)

For the year ended 31 December 2021
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3. Basis of Preparation of Consolidated Financial Statements and Significant Accounting Policies

(continued)

Business combinations or asset acquisitions

Asset acquisitions

When the Group acquires a group of assets that do not constitute a business, the Group identifies and recognises the individual identifiable assets acquired and liabilities assumed by allocating the purchase price on the basis of their relative fair values at the date of purchase. Such a transaction does not give rise to goodwill or bargain purchase gain.

Revenue from contracts with customers

The Group recognises revenue when (or as) a performance obligation is satisfied, i.e. when “control” of the goods or services underlying the particular performance obligation is transferred to the customer.

A performance obligation represents a good and service (or a bundle of goods or services) that is distinct or a series of distinct goods or services that are substantially the same.

Control is transferred over time and the revenue is recognised over time by reference to the progress towards complete satisfaction of the relevant performance obligation if one of the following criteria is met:

- the customer simultaneously receives and consumes the benefits provided by the Group’s performance as the Group performs;
- the Group’s performance creates or enhances an asset that the customer controls as the Group performs; or
- the Group’s performance does not create an asset with an alternative use to the Group and the Group has an enforceable right to payment for performance completed to date.

Otherwise, revenue is recognised at a point in time when the customer obtains control of the distinct good or service.

3. 編製綜合財務報表的基準及重大會計政策(續)

業務合併或資產收購

資產收購

當本集團收購一組不構成業務的資產，本集團按收購日期相對公平值分配購買價，藉此識別並確認個別可識別的所收購資產及所承擔負債。該項交易並無產生商譽或議價購買收益。

來自客戶合約的收益

本集團於(或隨著)完成履約責任時(即與特定履約責任相關的貨品或服務的「控制權」獲轉讓予客戶時)確認收益。

履約責任指一項貨品及服務(或一攬子貨品或服務)屬大致上相同的獨立或一系列獨立貨品或服務。

控制權隨時間轉讓，而倘符合下列其中一項條件，則收益參考完全達成相關履約責任的進度隨時間確認：

- 本集團履約時，客戶同時收取及消耗本集團履約所提供的利益；
- 本集團履約時，本集團履約創造或提升客戶控制的資產；或
- 本集團履約並無創造本集團可用於其他用途的資產，而本集團擁有可強制執行權利對截至當日完成的履約收取款項。

否則，收益於客戶取得獨立貨品或服務控制權的某一時間點確認。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)
綜合財務報表附註(續)

For the year ended 31 December 2021
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3. Basis of Preparation of Consolidated Financial Statements and Significant Accounting Policies (continued)

Revenue from contracts with customers (continued)

A contract asset represents the Group's right to consideration in exchange for goods or services that the Group has transferred to a customer that is not yet unconditional. It is assessed for impairment in accordance with HKFRS 9 *Financial Instruments* ("HKFRS 9"). In contrast, a receivable represents the Group's unconditional right to consideration, i.e. only the passage of time is required before payment of that consideration is due.

A contract liability represents the Group's obligation to transfer goods or services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer.

A contract asset and a contract liability relating to the same contract are accounted for and presented on a net basis.

The Group recognises revenue mainly from the sales of coal products/coalbed methane gas.

Sales of coal products/coalbed methane gas

Revenue from the sales of coal products/coalbed methane gas are recognised at a point in time when the control of goods has transferred, being when the goods have been shipped to the customers' specific location. A receivable is recognised by the Group when the goods are delivered to the customers as this represents the Group's right to consideration becomes unconditional, as only the passage of time is required before payment is due.

3. 編製綜合財務報表的基準及重大會計政策(續)

來自客戶合約的收益(續)

合約資產指本集團就其已轉讓的貨品或服務收取客戶所付換取代價的權利(尚未成為無條件)。其根據香港財務報告準則第9號「金融工具」(「香港財務報告準則第9號」)評估減值。相反，應收款項指本集團收取代價的無條件權利，即只需待時間過去代價即須到期支付。

合約負債指本集團因已自客戶收取代價(或到期代價金額)，而須向客戶轉讓貨品或服務的責任。

與同一合約相關的合約資產及合約負債按淨額入賬及呈列。

本集團確認主要來自出售煤炭產品／煤層氣的收益。

出售煤炭產品／煤層氣

出售煤炭產品／煤層氣的收益於貨品控制權轉讓(即貨品已運送至客戶的指定地點)的某一時間點確認。本集團於貨品交付予客戶時確認應收款項，原因為此舉代表本集團收取代價的權利成為無條件，只需待時間過去付款即須到期支付。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)
綜合財務報表附註(續)

For the year ended 31 December 2021
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3. Basis of Preparation of Consolidated Financial Statements and Significant Accounting Policies (continued)

Government grants

Government grants are not recognised until there is reasonable assurance that the Group will comply with the conditions attaching to them and that the grants will be received.

Government grants are recognised in profit or loss on a systematic basis over the periods in which the Group recognises as expenses the related costs for which the grants are intended to compensate.

Government grants related to income that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Group with no future related costs are recognised in profit or loss in the period in which they become receivable.

Leases

Definition of a lease

A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

For contracts entered into or modified on or after the date of initial application or arising from business combination, the Group assesses whether a contract is or contains a lease based on the definition under HKFRS 16 at inception or modification date, as appropriate. Such contract will not be reassessed unless the terms and conditions of the contract are subsequently changed.

The Group as a lessee

Short-term leases

The Group applies the short-term lease recognition exemption to leases of leasehold land and buildings that have a lease term of 12 months or less from the commencement date and do not contain a purchase option. Lease payments on short-term leases are recognised as expense on a straight-line basis or another systematic basis over the lease term.

3. 編製綜合財務報表的基準 及重大會計政策(續)

政府補助

政府補助於可合理確定本集團將符合政府補助所附帶條件及將會收到補助時方會予以確認。

政府補助按系統基準於本集團將補助擬補償的相關成本確認為開支的期間在損益中確認。

與收入相關的政府補助是作為已產生的開支或虧損補償，或旨在給予本集團即時的財務支援而發放，並無未來相關成本，且在應收期間於損益中確認。

租賃

租賃的定義

倘合約為換取代價而給予在一段時間內控制使用所識別資產的權利，則該合約屬租賃或包含租賃。

就於首次應用日期或之後訂立或修訂或自業務合併產生的合約而言，本集團根據香港財務報告準則第16號的定義於初始或修訂日期(如適合)評估該合約是否屬租賃或包含租賃。除非合約的條款及條件其後出現變動，否則有關合約將不予重新評估。

本集團作為承租人

短期租賃

對於租期自開始日期起計為12個月或以內且並無包含購買選擇權的租賃土地及樓宇的租賃，本集團應用短期租賃確認豁免。短期租賃的租賃款項於租期內按直線法或其他有系統基準確認為開支。

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3. Basis of Preparation of Consolidated Financial Statements and Significant Accounting Policies (continued)

Leases (continued)

The Group as a lessee (continued)

Right-of-use assets

The cost of right-of-use asset includes:

- the amount of the initial measurement of the lease liability;
- any lease payments made at or before the commencement date, less any lease incentives received;
- any initial direct costs incurred by the Group; and
- an estimate of costs to be incurred by the Group in dismantling and removing the underlying assets, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease.

Except for those that are classified as investment properties and measured under fair value model, right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities.

Right-of-use assets in which the Group is reasonably certain to obtain ownership of the underlying leased assets at the end of the lease term are depreciated from commencement date to the end of the useful life. Otherwise, right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term.

The Group presents right-of-use assets that do not meet the definition of investment property in “property, plant and equipment”, the same line item within which the corresponding underlying assets would be presented if they were owned.

Refundable rental deposits

Refundable rental deposits paid are accounted under HKFRS 9 and initially measured at fair value. Adjustments to fair value at initial recognition are considered as additional lease payments and included in the cost of right-of-use assets.

3. 編製綜合財務報表的基準及重大會計政策(續)

租賃(續)

本集團作為承租人(續)

使用權資產

使用權資產的成本包括：

- 租賃負債的初步計量金額；
- 於開始日期或之前作出的任何租賃款項，減任何已收租賃優惠；
- 本集團產生的任何初步直接成本；及
- 本集團於拆除及搬遷相關資產、復原相關資產所在場地或復原相關資產至租賃條款及條件所規定的狀況而產生的成本估計。

除分類為投資物業及按公平值模式計量的使用權資產外，使用權資產按成本計量，減去任何累計折舊及減值虧損，並就租賃負債的任何重新計量作出調整。

本集團合理確定可於租期結束時取得相關租賃資產所有權的使用權資產由開始日期起至可使用年期結束止計提折舊。在其他情況下，使用權資產按直線法於其估計可使用年期及租期(以較短者為準)內計提折舊。

本集團於「物業、廠房及設備」中呈列不符合投資物業定義的使用權資產，倘擁有該等資產，則按將呈列相應有關資產的相同項目呈列。

可退回租金按金

已付可退回租金按金根據香港財務報告準則第9號入賬，並初步按公平值計量。初步確認的公平值調整被視為額外租賃款項，並計入使用權資產的成本內。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)
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3. Basis of Preparation of Consolidated Financial Statements and Significant Accounting Policies

(continued)

Leases (continued)

The Group as a lessee (continued)

Lease liabilities

At the commencement date of a lease, the Group recognises and measures the lease liability at the present value of lease payments that are unpaid at that date. In calculating the present value of lease payments, the Group uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable.

The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable.

After the commencement date, lease liabilities are adjusted by interest accretion and lease payments.

The Group presents lease liabilities as a separate line item on the consolidated statement of financial position.

Lease modifications

The Group accounts for a lease modification as a separate lease if:

- the modification increases the scope of the lease by adding the right to use one or more underlying assets; and
- the consideration for the leases increases by an amount commensurate with the stand-alone price for the increase in scope and any appropriate adjustments to that stand-alone price to reflect the circumstances of the particular contract.

For a lease modification that is not accounted for as a separate lease, the Group remeasures the lease liability based on the lease term of the modified lease by discounting the revised lease payments using a revised discount rate at the effective date of the modification.

3. 編製綜合財務報表的基準及重大會計政策(續)

租賃(續)

本集團作為承租人(續)

租賃負債

於租賃開始日期，本集團按該日未付的租賃款項現值確認及計量租賃負債。於計算租賃款項現值時，倘租賃隱含的利率難以釐定，則本集團使用租賃開始日期的增量借款利率計算。

租賃款項包括固定付款(包括實質性的固定付款)減任何應收租賃優惠。

於開始日期後，租賃負債經應計利息及租賃款項調整。

本集團於綜合財務狀況表中將租賃負債呈列作單獨項目。

租賃修訂

倘出現以下情況，本集團將租賃修訂入賬列作一項單獨租賃：

- 該項修訂通過增加使用一項或多項相關資產的權利擴大租賃範圍；及
- 租賃代價增加的金額相當於範圍擴大相應的單獨價格，以及按照特定合約的實際情況對單獨價格進行任何適當調整。

就並無入賬列作一項單獨租賃的租賃修訂而言，本集團基於經修訂租賃的租期，透過使用修訂生效日期的經修訂貼現率貼現經修訂租賃款項，重新計量租賃負債。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)
綜合財務報表附註(續)

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3. Basis of Preparation of Consolidated Financial Statements and Significant Accounting Policies (continued)

Leases (continued)

The Group as a lessee (continued)

Lease modifications (continued)

The Group accounts for the remeasurement of lease liabilities by making corresponding adjustments to the relevant right-of-use asset. When the modified contract contains a lease component and one or more additional lease or non-lease components, the Group allocates the consideration in the modified contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components.

The Group as a lessor

Classification and measurement of leases

Leases for which the Group is a lessor are classified as finance or operating leases. Whenever the terms of the lease transfer substantially all the risks and rewards incidental to ownership of an underlying asset to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

Rental income from operating leases is recognised in profit or loss on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset, and such costs are recognised as an expense on a straight-line basis over the lease term except for investment properties measured under fair value model.

Rental income of leasing the investment property and subleasing the leased properties is included in other income.

3. 編製綜合財務報表的基準及重大會計政策(續)

租賃(續)

本集團作為承租人(續)

租賃修訂(續)

本集團透過對相關使用權資產進行相應調整，以對租賃負債進行重新計量。當修訂合約包含一項租賃成分及一項或多項額外租賃或非租賃成分，本集團根據租賃成分的相對獨立價格及非租賃成分的獨立價格總額，將修訂合約的代價分配至各租賃成分。

本集團作為出租人

租賃分類及計量

本集團作為出租人的租賃分類為融資或經營租賃。當租賃條款將相關資產所有權附帶的絕大部分風險及回報轉移予承租人時，合約分類為融資租賃。所有其他租賃分類為經營租賃。

經營租約的租金收入乃按相關租約年期以直線法於損益中確認。於磋商及安排經營租賃時產生的初步直接成本會加入租賃資產的賬面值，而該等成本於租期內以直線法確認為開支，按公平值模式計量的投資物業除外。

租賃投資物業及分租租賃物業的租金收入計入其他收入。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)
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3. Basis of Preparation of Consolidated Financial Statements and Significant Accounting Policies

(continued)

Leases (continued)

The Group as a lessor (continued)

Sublease

When the Group is an intermediate lessor, it accounts for the head lease and the sublease as two separate contracts. The sublease is classified as a finance or operating lease by reference to the right-of-use asset arising from the head lease, not with reference to the underlying asset.

Lease modification

Changes in considerations of lease contracts that were not part of the original terms and conditions are accounted for as lease modifications, including lease incentives provided through forgiveness or reduction of rentals.

The Group accounts for a modification to an operating lease as a new lease from the effective date of the modification, considering any prepaid or accrued lease payments relating to the original lease as part of the lease payments for the new lease.

Property, plant and equipment

Property, plant and equipment, other than construction in progress, are stated in the consolidated statement of financial position at cost less subsequent accumulated depreciation and subsequent accumulated impairment losses, if any.

Properties in the course of construction for production and administrative purposes are carried at cost less any recognised impairment loss. Costs include any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management and, for qualifying assets, borrowing costs capitalised in accordance with the Group's accounting policy. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

3. 編製綜合財務報表的基準及重大會計政策(續)

租賃(續)

本集團作為出租人(續)

分租賃

當本集團為中介出租人時，其將主租賃及分租賃入賬列作兩份單獨合約。分租賃根據主租賃產生的使用權資產而非根據相關資產分類為融資或經營租賃。

租賃修訂

不屬於原訂條款及條件的租約代價變動(包括透過豁免或扣減租金提供的租賃優惠)按租賃修訂入賬。

本集團自經營租賃修訂生效日期起將該修訂入賬列作新租賃，而與原租賃相關的任何預付或應計租賃款項視作新租賃的部分租賃款項。

物業、廠房及設備

物業、廠房及設備(在建工程除外)按成本減其後累計折舊及其後累計減值虧損(如有)於綜合財務狀況表列賬。

在建以作生產及行政用途的物業按成本減任何已確認減值虧損列賬。成本包括將資產達致所需地點及狀況，致使該資產可按管理層擬定方式營運而直接應佔的任何成本，及就合資格資產而言，根據本集團會計政策已資本化的借款成本。該等資產按與其他物業資產相同的基準，於該等資產可投入作擬定用途時開始計提折舊。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)
綜合財務報表附註(續)

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3. Basis of Preparation of Consolidated Financial Statements and Significant Accounting Policies (continued)

Property, plant and equipment (continued)

When the Group makes payments for ownership interests of properties which includes both leasehold land and building elements, the entire consideration is allocated between the leasehold land and the building elements in proportion to the relative fair values at initial recognition. To the extent the allocation of the relevant payments can be made reliably, interest in leasehold land that is accounted for as an operating lease is presented as “right-of-use assets” in the consolidated statement of financial position. When the consideration cannot be allocated reliably between non-lease building element and undivided interest in the underlying leasehold land, the entire properties are classified as property, plant and equipment.

Depreciation is recognised so as to write off the cost of assets, other than construction in progress and mining structures, over their estimated useful lives after taking into account their estimated residual value, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of the reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

The mining structures are stated at cost less subsequent accumulated depreciation and subsequent accumulated impairment losses. Depreciation is provided to write off the cost of the mining structures using the units of production method based on the actual production volume over the total proven and probable reserves of the coal mine concerned. Reserve estimates are reviewed when information becomes available that indicates a reserve change is needed, or at a minimum once a year. Any material effect from changes in estimates is considered in the period the change occurs.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

3. 編製綜合財務報表的基準及重大會計政策(續)

物業、廠房及設備(續)

當本集團為物業(包括租賃土地及樓宇元素)的所有權權益付款,代價悉數按租賃土地及樓宇元素於初步確認時的相對公平值,按比例分配至租賃土地及樓宇元素。倘相關付款能可靠地分配,則入賬列作經營租賃的租賃土地權益於綜合財務狀況表內呈列為「使用權資產」呈列。當非租賃樓宇元素與相關租賃土地不可分割權益之間未能可靠分配代價,則整項物業呈列為物業、廠房及設備。

折舊乃按資產(不包括在建工程及採礦構築物)於估計可使用年內經計及其估計剩餘價值後,以直線法撇銷其成本確認。估計可使用年期、剩餘價值及折舊方法於各報告期末檢討,並提前將任何估計變動的影響入賬。

採礦構築物乃按成本減其後累計折舊及其後累計減值虧損列賬。採礦構築物已按基於相關煤礦實際產量除以證實及概略總儲量的生產單位法計提折舊,以撇銷其成本。儲量估計於有資料顯示須對儲量作出修改時審閱或最少每年審閱一次。估計變動引致的任何重大影響於變動發生期間考量。

物業、廠房及設備項目於出售時或當繼續使用該資產預期不會產生未來經濟利益時終止確認。出售或廢棄物業、廠房及設備項目產生的任何收益或虧損按出售所得款項與該資產賬面價值之間的差額釐定,並於損益確認。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)
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3. Basis of Preparation of Consolidated Financial Statements and Significant Accounting Policies

(continued)

Mining rights

Mining rights are carried at cost less subsequent accumulated amortisation and subsequent accumulated impairment loss. Mining rights include the cost of acquiring mining licenses. Amortisation for mining rights is provided using the units of production method based on the actual production volume over the total proven and probable reserves of the coal mine concerned.

A mining right is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains and losses arising from derecognition of a mining right, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognised in profit or loss when the asset is derecognised.

Investment properties

Investment properties are properties held to earn rentals and/or for capital appreciation.

Investment properties are initially measured at cost, including any directly attributable expenditure. Subsequent to initial recognition, investment properties are measured at fair value, adjusted to exclude any prepaid or accrued operating lease income.

Gains or losses arising from changes in the fair value of investment properties are included in profit or loss for the period in which they arise.

An investment property is derecognised upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from its disposals. Any gain or loss arising on derecognition of the property (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the profit or loss in the period in which the property is derecognised.

3. 編製綜合財務報表的基準及重大會計政策(續)

採礦權

採礦權按成本減其後累計攤銷及其後累計減值虧損列賬，並包括取得採礦許可證的成本。採礦權乃按基於相關煤礦實際產量除以證實及概略總儲量的生產單位法計提攤銷。

採礦權於出售或預期使用或出售不會產生未來經濟利益時終止確認。終止確認採礦權所產生的收益及虧損，按出售所得款項淨額與資產賬面值之間的差額計量，並於終止確認資產期間在損益內確認。

投資物業

投資物業為賺取租金及／或作資本增值而持有的物業。

投資物業初步按成本(包括任何直接應佔開支)計量。於初步確認後，投資物業乃按其公平值(經調整以撇除任何預付或應計經營租賃收入)計量。

投資物業公平值變動所產生的收益或虧損於其產生期間計入損益。

投資物業於出售後或投資物業永久不再使用及預期出售不會產生未來經濟利益時終止確認。終止確認該物業所產生的任何收益或虧損(按出售所得款項淨額與該資產賬面值之間的差額計算)於終止確認物業期間計入損益。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)
綜合財務報表附註(續)

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3. Basis of Preparation of Consolidated Financial Statements and Significant Accounting Policies (continued)

Impairment loss on non-financial assets

At the end of the reporting period, the Group reviews the carrying amounts of its non-financial assets to determine whether there is any indication that these assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the relevant asset is estimated in order to determine the extent of the impairment loss, if any.

The recoverable amount of non-financial assets are estimated individually. When it is not possible to estimate the recoverable amount individually, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. In testing a cash-generating unit for impairment, corporate assets are allocated to the relevant cash-generating unit when a reasonable and consistent basis of allocation can be established, or otherwise they are allocated to the smallest group of cash generating units for which a reasonable and consistent allocation basis can be established. The recoverable amount is determined for the cash-generating unit or group of cash-generating units to which the corporate asset belongs, and is compared with the carrying amount of the relevant cash-generating unit or group of cash-generating units.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset (or a cash-generating unit) for which the estimates of future cash flows have not been adjusted.

3. 編製綜合財務報表的基準及重大會計政策(續)

非金融資產的減值虧損

於報告期末，本集團審閱其非金融資產的賬面值，以釐定是否有任何跡象顯示該等資產已出現減值虧損。倘存在任何有關跡象，則估計相關資產的可收回金額，以釐定減值虧損(如有)的程度。

非金融資產個別估計可收回金額。倘無法估計個別可收回金額，則本集團將估計資產所屬現金產生單位的可收回金額。測試現金產生單位是否出現減值時，如可確立合理一致的分配基準，則將公司資產分配之相關現金產生單位，否則將其分配至可確立合理一致的分配基準的最小現金產生單位組別，然後釐定有關公司資產所屬現金產生單位或現金產生單位組別的可收回金額，並與相關現金產生單位或現金產生單位組別的賬面值進行比較。

可收回金額為公平值減出售成本與使用價值兩者中的較高者。於評估使用價值時，估計未來現金流量採用稅前貼現率(反映當時市場對貨幣時間價值及資產(或現金產生單位)特定風險的評估)貼現至其現值，而估計未來現金流量並未就其作出調整。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)
綜合財務報表附註(續)

For the year ended 31 December 2021
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3. Basis of Preparation of Consolidated Financial Statements and Significant Accounting Policies (continued)

Impairment loss on non-financial assets (continued)

If the recoverable amount of an asset (or a cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or a cash-generating unit) is reduced to its recoverable amount. For corporate assets or portion of corporate assets which cannot be allocated on a reasonable and consistent basis to a cash-generating unit, the Group compares the carrying amount of a group of cash-generating units, including the carrying amounts of the corporate assets or portion of corporate assets allocated to that group of cash-generating units, with the recoverable amount of the group of cash-generating units. In allocating the impairment loss, the impairment loss is allocated to the assets on a pro-rata basis based on the carrying amount of each asset in the unit or the group of cash-generating units. The carrying amount of an asset is not reduced below the highest of its fair value less costs of disposal (if measurable), its value in use (if determinable) and zero. The amount of the impairment loss that would otherwise have been allocated to the asset is allocated pro rata to the other assets of the unit or the group of cash-generating units. An impairment loss is recognised immediately in profit or loss.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit or a group of cash-generating units) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or a cash-generating unit or a group of cash-generating units) in prior years. A reversal of an impairment loss is recognised in profit or loss.

Inventories

Inventories are stated at the lower of cost and net realisable value. Cost of inventories are determined on the weighted average cost method. Net realisable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale. Costs necessary to make the sale include incremental costs directly attributable to the sale and non-incremental costs which the Group must incur to make the sale.

3. 編製綜合財務報表的基準及重大會計政策(續)

非金融資產的減值虧損(續)

倘估計資產(或現金產生單位)的可收回金額低於其賬面值,則資產(或現金產生單位)的賬面值將調減至其可收回金額。就未能按合理一致的基準分配至現金產生單位的企業資產或部分企業資產,本集團會比較一個組別的現金產生單位賬面值(包括已分配至該組現金產生單位的企業資產或部分企業資產的賬面值)與該組現金產生單位的可收回金額。於分配減值虧損時,按該單位各項資產的賬面值所佔比例分配至資產。資產賬面值不得減少至低於其公平值減出售成本(如可計量)、其使用價值(如可釐定)及零之中的最高值。已另行分配至資產的減值虧損金額按比例分配至該單位一組現金產生單位的其他資產。減值虧損即時於損益確認。

倘減值虧損其後撥回,則資產(或現金產生單位或一組現金產生單位)的賬面值會上調至其經修訂的估計可收回金額,惟就此已上調的賬面值不得超出資產(或現金產生單位或一組現金產生單位)於過往年度並無確認減值虧損時釐定的賬面值。減值虧損撥回於損益中確認。

存貨

存貨以成本與可變現淨值兩者中的較低者列賬。存貨成本以加權平均成本法釐定。可變現淨值指存貨估計售價減所有估計完成成本及達成銷售所需成本。進行銷售所需成本包括直接歸因該項銷售之增量成本以及本集團進行該項銷售必須承擔之非增量成本。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)
綜合財務報表附註(續)

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3. Basis of Preparation of Consolidated Financial Statements and Significant Accounting Policies (continued)

Financial instruments

Financial assets and financial liabilities are recognised when a group entity becomes a party to the contractual provisions of the instrument. All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in market place.

Financial assets and financial liabilities are initially measured at fair value except trade and bills receivables arising from contracts with customers which are initially measured in accordance with HKFRS 15. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets or financial liabilities at fair value through profit or loss (“FVTPL”)) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at FVTPL are recognised immediately in profit or loss.

The effective interest method is a method of calculating the amortised cost of a financial asset or financial liability and of allocating interest income and interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts and payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial asset or financial liability, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

3. 編製綜合財務報表的基準 及重大會計政策(續)

金融工具

金融資產及金融負債於集團實體成為該工具合約條文的訂約方時確認。所有按常規買賣的金融資產按交易日期基準確認及終止確認。按常規買賣指要求在市場規定或慣例所定時限內交付資產的金融資產買賣。

金融資產及金融負債初步按公平值計量，惟客戶合約產生的貿易應收款項及應收票據根據香港財務報告準則第15號進行初步計量。收購或發行金融資產及金融負債(按公平值計量且其變動計入損益之金融資產或金融負債除外)直接應佔的交易成本，於初步確認時計入金融資產或金融負債的公平值或自金融資產或金融負債的公平值中扣除(如適用)。收購或發行按公平值計量且其變動計入損益之金融資產及金融負債直接應佔的交易成本即時於損益確認。

實際利率法為相關期間計算金融資產或金融負債攤銷成本及分配利息收入及利息開支的方法。實際利率為於初步確認時將估計未來現金收入及支出(包括構成整體實際利率的所有已付或已收費用、交易成本及其他溢價或折讓)按金融資產或金融負債的預期年期或較短期間(倘適用)準確貼現至賬面淨值的利率。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)
綜合財務報表附註(續)For the year ended 31 December 2021
截至2021年12月31日止年度**3. Basis of Preparation of Consolidated Financial Statements and Significant Accounting Policies**
(continued)**Financial instruments (continued)***Financial assets*

Classification and subsequent measurement of financial assets

Financial assets that meet the following conditions are subsequently measured at amortised cost:

- the financial asset is held within a business model whose objective is to collect contractual cash flows; and
- the contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Amortised cost and interest income

Interest income is recognised using the effective interest method for financial assets measured subsequently at amortised cost. Interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset, except for financial assets that have subsequently become credit-impaired (see below). For financial assets that have subsequently become credit-impaired, interest income is recognised by applying the effective interest rate to the amortised cost of the financial asset from the next reporting period. If the credit risk on the credit-impaired financial instrument improves so that the financial asset is no longer credit-impaired, interest income is recognised by applying the effective interest rate to the gross carrying amount of the financial asset from the beginning of the reporting period following the determination that the asset is no longer credit-impaired.

3. 編製綜合財務報表的基準及重大會計政策(續)**金融工具(續)***金融資產*

金融資產的分類及後續計量

滿足以下條件的金融資產其後按攤銷成本計量：

- 該金融資產按以收取合約現金流量為目的的業務模式持有；及
- 該合約條款令於特定日期產生的現金流量僅為支付本金及未償還本金的利息。

攤銷成本及利息收入

其後按攤銷成本計量的金融資產使用實際利率法確認。利息收入按對金融資產賬面總值應用實際利率計算，惟其後出現信貸減值的金融資產(見下文)除外。就其後出現信貸減值的金融資產而言，自下一報告期起，利息收入按對金融資產攤銷成本應用實際利率確認。倘信貸減值金融工具的信貸風險有所改善，令金融資產不再出現信貸減值，於釐定資產不再出現信貸減值後，自報告期初起利息收入按對金融資產賬面總值應用實際利率確認。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)
綜合財務報表附註(續)

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3. Basis of Preparation of Consolidated Financial Statements and Significant Accounting Policies (continued)

Financial instruments (continued)

Financial assets (continued)

Impairment of financial assets and other items subject to impairment assessment under HKFRS 9

The Group performs impairment assessment under expected credit loss (“ECL”) model on financial assets (including restricted bank deposits, trade and bills receivables, deposits and other receivables and bank balances), which are subject to impairment assessment under HKFRS 9. The amount of ECL is updated at each reporting date to reflect changes in credit risk since initial recognition.

Lifetime ECL represents the ECL that will result from all possible default events over the expected life of the relevant instrument. In contrast, 12-months ECL (“12m ECL”) represents the portion of lifetime ECL that is expected to result from default events that are possible within 12 months after the reporting date. Assessment are done based on the Group’s historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current conditions at the reporting date as well as the forecast of future conditions.

The Group always recognises lifetime ECL for trade and bills receivables. The lifetime ECL on trade and bills receivables are assessed individually.

For all other instruments, the Group measures the loss allowance equal to 12m ECL, unless when there has been a significant increase in credit risk since initial recognition, in which case the Group recognises lifetime ECL. The assessment of whether lifetime ECL should be recognised is based on significant increases in the likelihood or risk of a default occurring since initial recognition.

3. 編製綜合財務報表的基準及重大會計政策(續)

金融工具(續)

金融資產(續)

金融資產減值及根據香港財務報告準則第9號進行減值評估的其他項目
本集團就根據香港財務報告準則第9號須進行減值評估的金融資產(包括受限制銀行存款、貿易應收款項及應收票據、按金及其他應收款項以及銀行結餘)，根據預期信貸虧損(「預期信貸虧損」)模式進行減值評估。預期信貸虧損金額於各報告日期作出更新，以反映自初步確認以來的信貸風險變動。

可使用年期預期信貸虧損指於相關工具預計年期內所有可能出現的違約事件將產生的預期信貸虧損。相反，12個月預期信貸虧損(「12個月預期信貸虧損」)指於報告日期起計12個月內可能出現的違約事件預期產生的該部分可使用年期預期信貸虧損。評估根據本集團過往信貸虧損經驗作出，並就債務人特定因素、整體經濟狀況及於報告日期對現況作出的評估以及未來狀況預測而作出調整。

本集團一直就貿易應收款項及應收票據確認可使用年期預期信貸虧損。貿易應收款項及應收票據的可使用年期預期信貸虧損獲個別評估。

就所有其他工具而言，本集團計量相等於12個月預期信貸虧損的虧損撥備(除非信貸風險自初步確認以來大幅上升，在此情況下本集團會確認可使用年期預期信貸虧損)。評估應否確認可使用年期預期信貸虧損乃根據自初步確認以來發生違約的可能性或風險大幅上升而定。

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綜合財務報表附註(續)

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3. Basis of Preparation of Consolidated Financial Statements and Significant Accounting Policies (continued)

Financial instruments (continued)

Financial assets (continued)

Impairment of financial assets and other items subject to impairment assessment under HKFRS 9 (continued)

(i) Significant increase in credit risk

In assessing whether the credit risk has increased significantly since initial recognition, the Group compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition. In making this assessment, the Group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort.

In particular, the following information is taken into account when assessing whether the credit risk has increased significantly:

- an actual or expected significant deterioration in the financial instrument's external (if available) or internal credit rating;
- significant deterioration in external market indicators of credit risk, e.g. a significant increase in the credit spread, the credit default swap prices for the debtor;
- existing or forecast adverse changes in business, financial or economic conditions that are expected to cause a significant decrease in debtor's ability to meet its debt obligations;
- an actual or expected significant deterioration in the operating results of the debtor; and

3. 編製綜合財務報表的基準及重大會計政策(續)

金融工具(續)

金融資產(續)

金融資產減值及根據香港財務報告準則第9號進行減值評估的其他項目(續)

(i) 信貸風險大幅上升

評估信貸風險自初步確認以來是否大幅上升時，本集團會比較金融工具於報告日期發生違約的風險與金融工具於初步確認日期發生違約的風險。於作出此項評估時，本集團會考慮合理可靠的定量及定性資料，包括過往經驗或毋須過分花費或耗時獲取的前瞻性資料。

具體而言，評估信貸風險是否大幅上升時會考慮以下資料：

- 金融工具外部(如有)或內部信貸評級的實際或預期嚴重轉差；
- 信貸風險的外部市場指標嚴重轉差，例如信貸息差，債務人信貸違約掉期價格大幅上升；
- 目前或預測業務、金融或經濟情況有不利變動，預期將大幅削弱債務人履行其債務責任的能力；
- 債務人經營業績實際上或預期嚴重轉差；及

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)
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3. Basis of Preparation of Consolidated Financial Statements and Significant Accounting Policies (continued)

Financial instruments (continued)

Financial assets (continued)

Impairment of financial assets and other items subject to impairment assessment under HKFRS 9 (continued)

(i) Significant increase in credit risk (continued)

- an actual or expected significant adverse change in the regulatory, economic, or technological environment of the debtor that results in a significant decrease in the debtor's ability to meet its debt obligations.

Irrespective of the outcome of the above assessment, the Group presumes that the credit risk has increased significantly since initial recognition when contractual payments are more than 30 days past due, unless the Group has reasonable and supportable information that demonstrates otherwise.

Despite the foregoing, the Group assumes that the credit risk on a debt instrument has not increased significantly since initial recognition if the debt instrument is determined to have low credit risk at the reporting date. A debt instrument is determined to have low credit risk if (i) it has a low risk of default; (ii) the borrower has a strong capacity to meet its contractual cash flow obligations in the near term; and (iii) adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the borrower to fulfil its contractual cash flow obligations. The Group considers a debt instrument to have low credit risk when it has an internal or external credit rating of "investment grade" as per globally understood definitions.

The Group regularly monitors the effectiveness of the criteria used to identify whether there has been significant increase in credit risk and revises them as appropriate to ensure that the criteria are capable of identifying significant increase in credit risk before the amount becomes past due.

3. 編製綜合財務報表的基準及重大會計政策(續)

金融工具(續)

金融資產(續)

金融資產減值及根據香港財務報告準則第9號進行減值評估的其他項目(續)

(i) 信貸風險大幅上升(續)

- 債務人的監管、經濟或技術環境實際上或預期出現重大不利變動，導致債務人履行其債務責任的能力遭到大幅削弱。

不論上述評估結果如何，除非本集團的合理可靠資料另有說明，否則合約付款逾期超過30天時，本集團會推定信貸風險自初步確認以來已大幅上升。

儘管有上文所述者，本集團假設，倘債務工具於報告日期獲釐定為信貸風險低，則債務工具的信貸風險自初步確認以來並無顯著增加。倘(i)債務工具違約風險低；(ii)借款人有較強能力於近期履行其合約現金流量責任；及(iii)經濟及營商條件於更長期間出現的不利變動可能但不一定會降低借款人履行其合約現金流量責任的能力，則債務工具獲釐定為信貸風險低。倘債務工具按全球理解定義具「投資級別」的內部或外部信貸評級，本集團認為該債務工具的信貸風險為低。

本集團定期監察用以識別信貸風險是否已顯著增加的標準的成效，並於適當時候作出修訂，從而確保有關標準能夠於款項逾期前識別信貸風險顯著增加。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)
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3. Basis of Preparation of Consolidated Financial Statements and Significant Accounting Policies

(continued)

Financial instruments (continued)

Financial assets (continued)

Impairment of financial assets and other items subject to impairment assessment under HKFRS 9 (continued)

(ii) Definition of default

The Group considers the following as constituting an event of default for internal credit risk management purposes as historical experience indicates that receivables that meet either of the following criteria are generally not recoverable.

- when there is a breach of financial covenants by the counterparty; or
- information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including the Group, in full (without taking into account any collaterals held by the Group).

The Group considers that default has occurred when the instrument is more than 90 days past due unless the Group has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

3. 編製綜合財務報表的基準及重大會計政策(續)

金融工具(續)

金融資產(續)

金融資產減值及根據香港財務報告準則第9號進行減值評估的其他項目(續)

(ii) 違約定義

本集團認為以下情況就內部信貸風險管理目的而言構成違約事件，原因為過往經驗表明符合以下任何一項條件的應收款項一般無法收回。

- 對手方違反財務契諾；或
- 內部產生或自外部來源獲得的資料顯示，債務人不太可能向其債權人（包括本集團）全額還款（不計及本集團持有的任何抵押品）。

本集團認為，除非本集團有合理可靠資料說明較長時間的違約標準更為合適，否則工具逾期超過90天時，則發生違約事件。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)
綜合財務報表附註(續)

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3. Basis of Preparation of Consolidated Financial Statements and Significant Accounting Policies (continued)

Financial instruments (continued)

Financial assets (continued)

Impairment of financial assets and other items subject to impairment assessment under HKFRS 9 (continued)

(iii) Credit-impaired financial assets

A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of the financial assets have been occurred. Evidence that a financial asset is credit-impaired includes observable data about the following events:

- significant financial difficulty of the issuer of the borrower;
- a breach of contract, such as a default or past due event;
- the lender(s) of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession(s) that the lender(s) would not otherwise consider; or
- it is becoming probably that the borrower will enter bankruptcy or other financial reorganisation.

(iv) Write-off policy

The Group writes off a financial asset when there is information indicating that the counterparty is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the counterparty has been placed under liquidation or has entered into bankruptcy proceedings, or in the case of trade and bills receivables, when the amounts are over one year past due, whichever occurs sooner. Financial assets written off may still be subject to enforcement activities under the Group's recovery procedures, taking into account legal advice when appropriate. A write-off constitutes a derecognition event. Any recoveries made are recognised in profit or loss.

3. 編製綜合財務報表的基準及重大會計政策(續)

金融工具(續)

金融資產(續)

金融資產減值及根據香港財務報告準則第9號進行減值評估的其他項目(續)

(iii) 信貸減值金融資產

於發生對金融資產的估計未來現金流量產生不利影響的一宗或多宗事件時，該金融資產即出現信貸減值。金融資產出現信貸減值的證據包括有關以下事件的可觀察數據：

- 借款人的發行人陷入嚴重財政困難；
- 違反合約，例如違約或逾期事件；
- 借款人的貸款人出於與借款人財政困難相關的經濟或合約原因，而向借款人授予貸款人原本不會考慮的優惠；或
- 借款人很有可能破產或進行其他財務重組。

(iv) 撇銷政策

於有資料顯示對手方陷入嚴重財政困難且並無實際收回款項的可能時(例如對手方已遭清盤或進入破產程序，或就貿易應收款項及應收票據而言，有關金額已逾期超過一年(以較早發生者為準))，本集團會撇銷金融資產。經計及在適當情況下的法律意見後，已撇銷的金融資產仍可根據本集團的收回程序進行強制執行行動。撇銷構成終止確認事件。任何收回款項於損益內確認。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)
綜合財務報表附註(續)For the year ended 31 December 2021
截至2021年12月31日止年度**3. Basis of Preparation of Consolidated Financial Statements and Significant Accounting Policies**
(continued)**Financial instruments (continued)***Financial assets (continued)*

Impairment of financial assets and other items subject to impairment assessment under HKFRS 9 (continued)

(v) Measurement and recognition of ECL

The measurement of ECL is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data and forward-looking information. Estimation of ECL reflects an unbiased and probability-weighted amount that is determined with the respective risks of default occurring as the weights.

Generally, the ECL is estimated as the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the Group expects to receive, discounted at the effective interest rate determined at initial recognition.

The Group recognises an impairment gain or loss in profit or loss for all financial instruments by adjusting their carrying amount with the exception of trade and bills receivables where the corresponding adjustment is recognised through a loss allowance account.

3. 編製綜合財務報表的基準及重大會計政策(續)**金融工具(續)***金融資產(續)*

金融資產減值及根據香港財務報告準則第9號進行減值評估的其他項目(續)

(v) 預期信貸虧損的計量及確認

計量預期信貸虧損的功用為計算違約概率、違約損失率(即出現違約時的虧損程度)及面臨的違約風險。評估違約概率及違約損失率基於按前瞻性資料及歷史數據得出。預期信貸虧損的估計反映根據加權的相應違約風險而確定的無偏頗及概率加權金額。

一般而言，預期信貸虧損按根據合約應付本集團的所有合約現金流量與本集團預期將收取的所有現金流量之間的差額，以於初步確認時釐定的實際利率貼現進行估計。

本集團透過調整所有金融工具的賬面值，就該等工具於損益確認減值收益或虧損，惟貿易應收款項及應收票據除外，其相應調整透過虧損撥備賬確認。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)
綜合財務報表附註(續)

For the year ended 31 December 2021
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3. Basis of Preparation of Consolidated Financial Statements and Significant Accounting Policies (continued)

Financial instruments (continued)

Financial assets (continued)

Derecognition of financial assets

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognises its retained interest in the asset and an associated liability for amounts it may have to pay.

On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss.

Financial liabilities and equity

Classification as debt or equity

Debt and equity instruments issued by a group entity are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recognised at the proceeds received, net of direct issue costs.

3. 編製綜合財務報表的基準及重大會計政策(續)

金融工具(續)

金融資產(續)

終止確認金融資產

本集團僅於自資產收取現金流量的合約權利屆滿時，或將金融資產及該資產所有權絕大部分風險及回報轉讓予另一實體的情況下，方會終止確認金融資產。倘本集團既非轉移亦非保留金融資產所有權的絕大部分風險及回報並繼續控制轉移資產，則本集團繼續以其持續參與的程度確認該資產並確認相關負債。

於終止確認按攤銷成本計量之金融資產時，資產賬面值與已收及應收代價總和的差額，將於損益中確認。

金融負債及股本

分類為債務或股本

由集團實體發行的債務及股本工具按合約安排的內容及金融負債與股本工具的定義分類為金融負債或股本。

股本工具

股本工具為證明經扣除其所有負債後於實體資產的剩餘權益的任何合約。本公司發行的股本工具按已收所得款項減直接發行成本確認。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)
綜合財務報表附註(續)

For the year ended 31 December 2021
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3. Basis of Preparation of Consolidated Financial Statements and Significant Accounting Policies (continued)

Financial instruments (continued)

Financial liabilities and equity (continued)

Financial liabilities at FVTPL

Financial liabilities are classified as at FVTPL when the financial liabilities is (i) contingent consideration of an acquirer in a business combination to which HKFRS 3 applies, (ii) held for trading or (iii) it is designated as at FVTPL.

A financial liability is held for trading if:

- it has been acquired principally for the purpose of repurchasing it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the Group manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative, except for a derivative that is a financial guarantee contract or a designated and effective hedging instrument.

3. 編製綜合財務報表的基準及重大會計政策(續)

金融工具(續)

金融負債及股本(續)

按公平值計量且其變動計入損益之金融負債

倘金融負債(i)為香港財務報告準則第3號適用之業務合併之收購方或有對價，(ii)持作買賣或(iii)被指定為按公平值計入損益時，金融負債分類為按公平值計量且其變動計入損益。

金融負債於下列情況分類為持作買賣：

- 主要為於短期回購而收購；或
- 於初步確認時，其為本集團共同管理之已識別金融工具組合的一部分且最近有實際短期獲利模式；或
- 屬衍生工具，惟屬金融擔保合約或指定及有效對沖工具的衍生工具除外。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)
綜合財務報表附註(續)

For the year ended 31 December 2021
截至2021年12月31日止年度

3. Basis of Preparation of Consolidated Financial Statements and Significant Accounting Policies (continued)

Financial instruments (continued)

Financial liabilities and equity (continued)

Financial liabilities at FVTPL (continued)

A financial liability other than a financial liability held for trading or contingent consideration of an acquirer in a business combination may be designated as at FVTPL upon initial recognition if:

- such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise; or
- the financial liability forms part of a group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the Group's documented risk management or investment strategy, and information about the grouping is provided internally on that basis; or
- it forms part of a contract containing one or more embedded derivatives, and HKFRS 9 permits the entire combined contract to be designated as at FVTPL.

Financial liabilities at amortised cost

Financial liabilities, including trade payables, other payables and accrued charges, bank borrowings and amounts due to related parties are subsequently measured at amortised cost, using the effective interest method.

Derecognition of financial liabilities

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

3. 編製綜合財務報表的基準及重大會計政策(續)

金融工具(續)

金融負債及股本(續)

按公平值計量且其變動計入損益之金融負債(續)

倘出現下列情況，金融負債(持作買賣之金融負債或收購者在業務合併中的或然代價除外)可於初步確認時指定為按公平值計量且其變動計入損益：

- 有關指定消除或大幅減少計量或確認可能出現不一致之情況；或
- 該金融負債構成一組金融資產或金融負債或兩者之一部分，並根據本集團的既有的風險管理或投資策略，以公平值基準管理及評估其表現，而分組資料則按該基準由內部提供；或
- 其為包含一項或多項內嵌式衍生工具之合約之一部分，而香港財務報告準則第9號容許將全部合併合約指定為按公平值計量且其變動計入損益。

按攤銷成本計量的金融負債

金融負債(包括貿易應付款項、其他應付款項及應計費用、銀行借款及應付關聯方款項)其後採用實際利率法按攤銷成本計量。

金融負債

當且僅當本集團的責任被解除、註銷或屆滿時，本集團方會終止確認金融負債。終止確認金融負債的賬面值與已付及應付代價間的差額在損益中確認。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)
綜合財務報表附註(續)

For the year ended 31 December 2021
截至2021年12月31日止年度

3. Basis of Preparation of Consolidated Financial Statements and Significant Accounting Policies (continued)

Provision for restoration

A provision for restoration is recognised when the Group has a present obligation (legal or construction) as a result of exploration, development and production activities undertaken, it is probable that an outflow of economic benefits will be required to settle the obligation, and the amount of the provision can be measured reliably. The estimated future obligations include the costs of removing facilities, abandoning sites and restoring the affected areas.

The amount recognised as the provision for restoration cost is the best estimate of the present value of the expenditure required to settle the present restoration obligation at the end of the reporting period, based on current legal and other requirements. Future restoration costs are reviewed annually and any changes in the estimate are reflected in the present value of the provision at the end of the reporting period.

Changes in the estimation of the restoration provision that result from changes in the estimated timing or amount of cash flows, including the effects of revisions to estimated lives of operation or a change in the discount rate, are added to, or deducted from, the cost of the related asset in the period it occurred. If a decrease in liability exceeds the carrying amount of the asset, the excess is recognised immediately in profit or loss. Unwinding of the effect of discounting on the provision is recognised as finance costs.

Retirement benefit costs

Payments to state-managed retirement benefit scheme and the Mandatory Provident Fund Scheme (“MPF Scheme”) are recognised as an expense when employees have rendered service entitling them to the contributions.

3. 編製綜合財務報表的基準及重大會計政策(續)

復墾撥備

復墾撥備於本集團因開展勘探、開發及生產活動承擔當法定或推定責任，可能需要經濟利益流出以履行責任，及撥備金額能可靠計量時確認。估計未來責任包括移除設施、棄置地盤及修復受影響區域的成本。

確認為復墾成本撥備的金額為根據現行法律及其他規定於報告期末對履行當前復墾責任所需開支現值的最佳估計。未來復墾成本每年檢討，而估計的任何變動於報告期末的撥備現值中反映。

估計時間或現金流量金額變動(包括修訂估計營運年期或更改貼現率的影響)所產生的復墾撥備估計變動，於其產生期間加入相關資產成本或自相關資產成本中扣除。倘負債減幅超出資產賬面值，則超出部分即時在損益中確認。剔除對撥備的貼現影響確認為融資成本。

退休福利成本

向國家管理的退休福利計劃及強制性公積金計劃(「強積金計劃」)作出的付款於僱員提供服務從而可享有供款時確認為開支。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)
綜合財務報表附註(續)

For the year ended 31 December 2021
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3. Basis of Preparation of Consolidated Financial Statements and Significant Accounting Policies (continued)

Short-term employee benefits

Short-term employee benefits are recognised at the undiscounted amount of the benefits expected to be paid as and when employees rendered the services. All short-term employee benefits are recognised as an expense unless another HKFRS requires or permits the inclusion of the benefit in the cost of an asset.

A liability is recognised for benefits accruing to employees (such as wages and salaries and annual leave) after deducting any amount already paid.

Taxation

Taxation represents the sum of the income tax expense currently payable and deferred tax.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit before taxation as reported in the consolidated statement of profit or loss and other comprehensive income because of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax is recognised on differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

3. 編製綜合財務報表的基準 及重大會計政策(續)

短期僱員福利

短期僱員福利於僱員提供服務時按預期支付福利的未貼現金額確認。所有短期僱員福利均確認為開支，除非有另一項香港財務報告準則規定或允許將福利計入資產成本則作別論。

僱員累計福利(如工資及薪金以及年假)於扣除任何已付金額後確認為負債。

稅項

稅項指即期應付所得稅開支與遞延稅項的總和。

即期應付稅項乃按年內應課稅溢利計算。由於其他年度的應課稅或可扣稅收入或開支以及毋須課稅或不可扣稅項目，應課稅溢利有別於綜合損益及其他全面收益表中所呈報的除稅前溢利。本集團的即期稅項負債乃按報告期末已頒佈或實質頒佈的稅率計算。

遞延稅項乃就綜合財務報表中資產及負債的賬面值與計算應課稅溢利所用相應稅基之間的差額確認。遞延稅項負債一般就所有應課稅暫時差額確認。遞延稅項資產一般就所有可扣稅暫時差額確認，以有可能有應課稅溢利可用以抵銷有關可扣稅暫時差額為限。倘初步確認(業務合併除外)一項交易資產及負債所產生的暫時差額不影響應課稅溢利或會計溢利，則有關遞延稅項資產及負債將不予確認。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)
綜合財務報表附註(續)

For the year ended 31 December 2021
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3. Basis of Preparation of Consolidated Financial Statements and Significant Accounting Policies (continued)

Taxation (continued)

Deferred tax liabilities are recognised for taxable temporary differences associated with investments in subsidiaries, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investment are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of the reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised, based on tax rate (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

For the purposes of measuring deferred tax liabilities or deferred tax assets for investment properties that are measured using the fair value model, the carrying amounts of such properties are presumed to be recovered entirely through sale, unless the presumption is rebutted. The presumption is rebutted when the investment property is depreciable and is held within a business model whose objective is to consume substantially all of the economic benefits embodied in the investment property over time, rather than through sale, except for freehold land, which is always presumed to be recovered entirely through sale.

3. 編製綜合財務報表的基準及重大會計政策(續)

稅項(續)

本集團就與於附屬公司投資有關的應課稅暫時差額確認遞延稅項負債，惟如本集團能夠控制暫時差額的撥回，且暫時差額於可見將來不大可能撥回除外。與該等投資有關的可扣減暫時差額所產生的遞延稅項資產，僅在可能有足夠應課稅溢利可供抵銷暫時差額的利益，且預期於可見將來撥回時，方予確認。

遞延稅項資產的賬面值於報告期末進行檢討，並於不再可能有足夠應課稅溢利以收回全部或部分資產時作調減。

遞延稅項資產及負債按預期清償負債或變現資產期間適用的稅率，並根據於報告期末已頒佈或實質頒佈的稅率（及稅法）計量。

遞延稅項負債及資產的計量反映按照本集團於報告期末預期收回或結算其資產及負債賬面值的方式所產生的稅務結果。

就計量按公平值模式計量的投資物業的遞延稅項負債或遞延稅項資產而言，該等物業的賬面值乃假定為可透過銷售悉數收回，除非該假定被推翻則作別論。倘投資物業為可予折舊且按某一商業模式持有，而該商業模式旨在隨時間而非透過銷售消耗該投資物業包含的絕大部分經濟利益，則該假定即被推翻，惟永久地權一直假定為透過銷售悉數收回除外。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)
綜合財務報表附註(續)

For the year ended 31 December 2021
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3. Basis of Preparation of Consolidated Financial Statements and Significant Accounting Policies (continued)

Taxation (continued)

For the purposes of measuring deferred tax for leasing transactions in which the Group recognises the right of use assets and the related lease liabilities, the Group first determines whether the tax deductions are attributable to the right-of-use assets or the lease liabilities.

For leasing transactions in which the tax deductions are attributable to the lease liabilities, the Group applies HKAS 12 “Income Taxes” requirements to right-of-use assets and lease liabilities separately. Temporary differences on initial recognition of the relevant right-of-use assets and lease liabilities are not recognised due to application of the initial recognition exemption. Temporary differences arising from subsequent revision to the carrying amounts of right-of-use assets and lease liabilities, resulting from remeasurement of lease liabilities and lease modifications, that are not subject to initial recognition exemption are recognised on the date of remeasurement or modification.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied to the same taxable entity by the same taxation authority.

Current and deferred tax are recognised in profit or loss.

3. 編製綜合財務報表的基準 及重大會計政策(續)

稅項(續)

就計量本集團確認使用權資產及相關租賃負債的租賃交易的遞延稅項而言，本集團首先確定可扣稅款是否歸屬於使用權資產或租賃負債。

就可扣稅款歸屬於租賃負債的租賃交易而言，本集團將香港會計準則第12號「所得稅」規定分別應用於使用權資產及租賃負債。與使用權資產及租賃負債相關的暫時差額因應用初步確認豁免，不會於初步確認時及租期內確認。因重新計量租賃負債及租賃修訂，導致其後修訂使用權資產及租賃負債的賬面值產生的暫時差額毋須應用初步確認豁免，乃於重新計量或修訂日期確認。

倘有可依法強制執行權利將即期稅項資產與即期稅項負債相互抵銷，而遞延稅項與由同一稅務機構徵收的所得稅相關，則遞延稅項資產及遞延稅項負債可相互抵銷。

即期及遞延稅項於損益確認。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)
綜合財務報表附註(續)

For the year ended 31 December 2021
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3. Basis of Preparation of Consolidated Financial Statements and Significant Accounting Policies

(continued)

Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Any specific borrowing that remain outstanding after the related asset is ready for its intended use or sale is included in the general borrowing pool for calculation of capitalisation rate on general borrowings. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

Foreign currencies

In preparing the financial statements of each individual group entity, transactions in currencies other than the functional currency of that entity (foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions. At the end of the reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences arising on the settlement of monetary items, and on the retranslation of monetary items, are recognised in profit or loss in the period in which they arise.

3. 編製綜合財務報表的基準及重大會計政策(續)

借款成本

收購、建造或生產合資格資產(即須經頗長時間籌備以作擬定用途或銷售的資產)直接應佔的借款成本均計入該等資產的成本，直至該等資產實質可作擬定用途或銷售。

在相關資產已準備投入擬定用途或出售後，任何尚未償還的指定借款將計入一般借款以計算一般借款的資本化率。指定借款於等待使用於有關合資格資產時用作短暫投資所賺取的投資收入於合資格資本化的借款成本內扣除。

所有其他借款成本均於其產生期間在損益確認。

外幣

於編製各個別集團實體的財務報表時，以該實體功能貨幣以外的貨幣(外幣)計值的交易按交易日期的現行匯率確認。於報告期末，以外幣計值的貨幣項目按該日的現行匯率重新換算。以歷史成本計量並以外幣計值的非貨幣項目不再換算。

結算貨幣項目及重新換算貨幣項目所產生的匯兌差額均於其產生期間在損益確認。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)
綜合財務報表附註(續)

For the year ended 31 December 2021
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4. Critical Accounting Judgements and Key Sources of Estimation Uncertainty

In the application of the Group's accounting policies, which are described in note 3, the management of the Group is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and underlying assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Critical judgements in applying accounting policies

The following is the critical judgement, apart from those involving estimations (see below), that the management of the Group have made in the process of applying the Group's accounting policies and that have the most significant effect on the amounts recognised in the consolidated financial statements.

Deferred taxation on investment properties

For the purposes of measuring deferred taxation arising from investment properties that are measured using the fair value model, the management of the Group has reviewed the Group's investment properties and concluded that the Group's investment properties are held under a business model whose objective is to consume substantially all of the economic benefits embodied in the investment properties over time, rather than through sale. Therefore, in measuring the Group's deferred taxation on investment properties, the management of the Group has determined that the presumption that the carrying amounts of investment properties measured using the fair value model are recovered entirely through sale is rebutted. Accordingly, deferred taxation in relation to the Group's investment properties has been measured in accordance with the general principles set out in HKAS 12.

4. 重大會計判斷及估計不確定因素的主要來源

於應用附註3所述的本集團會計政策時，本集團管理層須就未能透過其他來源直接獲得的資產及負債的賬面值作出判斷、估計及假設。估計及相關假設乃基於過往經驗及被視為相關的其他因素。實際結果可能有別於該等估計。

估計及相關假設須持續進行檢討。倘會計估計的修訂僅影響進行修訂的期間，則有關修訂於該期間確認，或倘修訂影響當期及未來期間，則有關修訂於修訂期間及未來期間確認。

應用會計政策的重大判斷

除涉及估計者(見下文)外，以下為本集團管理層應用本集團的會計政策過程中作出並對綜合財務報表中確認的金額產生最重大影響的重大判斷。

投資物業的遞延稅項

就計量利用公平值模式計量的投資物業所產生的遞延稅項而言，本集團管理層已檢討本集團的投資物業並認為本集團的投資物業乃於旨在隨時間流逝而非通過銷售消耗該等投資物業所包含的絕大部分經濟利益的商業模式下持有。因此，於計量本集團投資物業的遞延稅項時，本集團管理層確定駁回利用公平值模式計量的投資物業賬面值透過銷售全部收回的假定。因此，有關本集團投資物業的遞延稅項已根據香港會計準則第12號所載一般原則計量。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)
綜合財務報表附註(續)

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4. Critical Accounting Judgements and Key Sources of Estimation Uncertainty (continued)

Deferred taxation on undistributed profits of subsidiaries

At 31 December 2021, the Group provided for deferred tax liabilities of approximately RMB9,477,000 (2020: RMB9,477,000) in relation to the earnings expected to be distributed from the certain subsidiaries. Deferred tax liabilities have not been provided on the distributable profits of subsidiaries that the Group plans to retain in the respective entities for their daily operations and future developments. In case where the actual distribution of profits are larger than expected, material tax liabilities will arise, which will be recognised in the profit or loss for the period in which such profits are distributed or the future development plan of the Group changed, whichever is earlier. The detail of undistributed profits are set out in note 18.

Key sources of estimation uncertainty

The following is 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.

Depreciation of mining structures included in property, plant and equipment and amortisation of mining rights

As explained in note 3, mining rights and mining structures are amortised or depreciated using the units of production method based on the actual production volume over the total proven and probable reserves of the coal mine concerned.

4. 重大會計判斷及估計不確定因素的主要來源(續)

附屬公司未分派溢利之遞延稅項

於2021年12月31日，本集團已就有關若干附屬公司預期將會分派溢利之遞延稅項負債計提撥備約人民幣9,477,000元(2020年：人民幣9,477,000元)，而並未就本集團計劃保留於相關實體作日常業務及未來發展用途之附屬公司可分派溢利之遞延稅項負債計提撥備。倘實際分派溢利高出預期，則會產生重大稅項負債，其將會於分派該等溢利之期間或本集團更改未來發展計劃的期間(以較早發生者為準)確認於損益。有關未分派溢利之詳情載於附註18。

估計不確定因素的主要來源

以下為有關未來的主要假設，以及於報告期末估計不確定因素的其他主要來源，該等不確定因素存在導致須對下一財政年度資產及負債賬面值作出重大調整的重大風險。

計入物業、廠房及設備的採礦構築物折舊及採礦權攤銷

誠如附註3所闡釋，採礦權及採礦構築物乃按基於相關煤礦的實際產量除以證實及概略總儲量的生產單位法攤銷或折舊。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)
綜合財務報表附註(續)

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4. Critical Accounting Judgements and Key Sources of Estimation Uncertainty (continued)

Depreciation of mining structures included in property, plant and equipment and amortisation of mining rights (continued)

Proven and probable coal reserves estimates are estimates of the quantity of coal that can be economically and legally extracted from the Group's mining properties, which are determined according to an independent technical review report prepared by an external specialist with the consideration of recent production and technical information of each mine. However, the mining rights were granted for terms of 20 years (2020: 20 years). The management of the Group is of the opinion that the Group will be able to continuously renew the mining rights and the business licences without significant costs. Accordingly, the Group has used the proven and probable reserves as a basis of estimation for the useful lives of its mining rights.

Fluctuations in factors including a variation on recovery rates or unforeseen geological or geotechnical perils may render the management of the Group to change the production plan, resulting from a revision on the estimates of coal reserves.

Because the economic assumptions used to estimate reserves change from period to period, and because additional geological data is generated during the course of operations, estimates of reserves may change from period to period. Changes in reported reserves may affect the Group's financial results that depreciation and amortisation charged to profit or loss may change where such charges are determined by the units of production basis, or where the useful economic lives of assets change. The carrying amount of mining rights was RMB866,191,000 (2020: RMB902,103,000) and the carrying amount of mining structures included in the property, plant and equipment was RMB643,322,000 (2020: RMB476,651,000) as at 31 December 2021. The amortisation of mining rights and depreciation of mining structures for the year ended 31 December 2021 amounted to RMB35,912,000 (2020: RMB38,238,000) and RMB17,338,000 (2020: RMB15,071,000), respectively.

4. 重大會計判斷及估計不確定因素的主要來源(續)

計入物業、廠房及設備的採礦構築物折舊及採礦權攤銷(續)

證實及概略煤炭儲量估計數字為可自本集團的採礦物業以具經濟效益的方式合法開採的煤炭數量估計數字，根據外部專家編製的獨立技術審閱報告及考慮各礦場的近期生產及技術資料後釐定。然而，採礦權獲授為期20年(2020年：20年)。本集團管理層認為，本集團將能夠持續重續採礦權及營業執照，而毋須支付重大成本。因此，本集團以證實及概略儲量作為估計其採礦權可使用年期的基準。

回採率變動或不可預料的地質或岩土險情等波動因素均可能令本集團的管理層因煤炭儲量估計數字獲修訂而改變生產計劃。

由於不同期間儲量估計所用的經濟假設及經營過程中產生額外地理數據，故儲量的估計數字或會於不同期間出現變動。所報儲量的變動或會影響本集團的財務業績，計入損益的折舊及攤銷或會變更，而該等折舊及攤銷按生產單位基準或資產變動的有效經濟年期釐定。於2021年12月31日，採礦權的賬面值分別為人民幣866,191,000元(2020年：人民幣902,103,000元)，而計入物業、廠房及設備的採礦構築物的賬面值分別為人民幣643,322,000元(2020年：人民幣476,651,000元)。截至2021年12月31日止年度，採礦權攤銷及採礦構築物折舊分別為人民幣35,912,000元(2020年：人民幣38,238,000元)及人民幣17,338,000元(2020年：人民幣15,071,000元)。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)
綜合財務報表附註(續)

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4. Critical Accounting Judgements and Key Sources of Estimation Uncertainty (continued)

Estimated useful life of machinery included in property, plant and equipment

Machinery included in property, plant and equipment are depreciated over their useful economic lives after taking into account their estimated residual values. The assessment of estimated useful lives is a matter of judgement based on the experience of the Group's management, taking into account factors such as technological process, conditions of machinery and changes in market demand. Useful lives are periodically reviewed for appropriateness. The carrying amount of machinery included in property, plant and equipment was RMB522,079,000 (2020: RMB430,663,000).

Useful lives of mining rights

The Group's management determines the estimated useful lives of 22 to 44 years (2020: 23 to 45 years) for its mining rights based on the proven and probable reserves. However, the mining rights were granted for terms of 20 years (2020: 20 years). The management of the Group is of the opinion that the Group will be able to continuously renew the mining rights and the business licences without significant costs. Accordingly, the Group has used the proven and probable reserves as a basis of estimation for the useful lives of its mining rights.

4. 重大會計判斷及估計不確定因素的主要來源(續)

計入物業、廠房及設備的機器的估計可使用年期

經計及計入物業、廠房及設備的機器的估計剩餘價值後，其按其經濟可使用年期折舊。估計可使用年期評估乃根據本集團管理層經驗所作判斷，並計及技術工藝、機器狀況及市場需求變動等因素。可使用年期定期檢討以確定是否適用。計入物業、廠房及設備的機器的賬面值分別為人民幣522,079,000元(2020年：人民幣430,663,000元)。

採礦權的可使用年期

本集團管理層根據證實及概略儲量釐定其採礦權的估計可使用年期為22至44年(2020年：23至45年)。然而，採礦權獲授為期20年(2020年：20年)。本集團管理層認為，本集團將能夠持續重續採礦權及營業執照，而毋須支付重大成本。因此，本集團以證實及概略儲量作為估計其採礦權可使用年期的基準。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)
綜合財務報表附註(續)

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4. Critical Accounting Judgements and Key Sources of Estimation Uncertainty (continued)

Fair value of investment properties

Investment properties are stated at fair value based on the valuation performed by independent professional valuers. The determination of the fair value involves certain assumptions of market conditions which are set out in note 14. In relying on the valuation report, the directors of the Company have exercised their judgement and are satisfied that the method of valuation is reflective of the current market conditions. Changes to these assumptions, including the potential risk of any market violation, policy, geopolitical and social changes or other unexpected incidents as a result of change in macroeconomic environment, travel restrictions implemented by many countries, increased complexity in international trade tensions geopolitics, changes in policy direction and/or mortgage requirements, or other unexpected incidents would result in changes in the fair values of the Group's investment properties and the corresponding adjustments to the amount of gain or loss reported in the consolidated statement of profit or loss and other comprehensive income.

As at 31 December 2021, the carrying amount of the Group's investment properties is RMB51,600,000 (2020: RMB52,700,000).

Fair value measurement of contingent consideration payables

As at 31 December 2021, contingent consideration payables amounting to RMB631,631,000 (2020: RMB511,072,000) are measured at fair value which is determined based on significant unobservable inputs using valuation techniques. Judgement and estimation are required in establishing the relevant valuation techniques and the relevant inputs thereof. Whilst the Group considers these valuations are the best estimates, the ongoing COVID-19 pandemic has resulted in greater market volatility and may cause further disruptions to the investees businesses, which have led to higher degree of uncertainties in respect of the valuations in the current year. Changes in assumptions relating to these factors could result in material adjustments to the fair value of these instruments. See notes 28 and 36 for further disclosures.

4. 重大會計判斷及估計不確定因素的主要來源(續)

投資物業的公平值

投資物業按獨立專業估值師進行估值得出的公平值列賬。釐定公平值涉及對市況作若干假設，有關詳情載於附註14。本公司董事已在倚賴估值報告同時行使判斷力，並信納估值方法反映當前市況。如該等假設出現變動(包括宏觀經濟環境變動、多個國家實施旅遊限制、國際地緣政治貿易關係緊張局勢更加複雜、政策方向及/或按揭要求變動、或其他意外事件，導致任何違反市場規則、政策、地緣政治及社會變動或其他意外事件的潛在風險)將導致本集團投資物業的公平值出現變動，以及對綜合損益及其他收入表所匯報損益金額作相應調整。

於2021年12月31日，本集團的投資物業的賬面值為人民幣51,600,000元(2020年：人民幣52,700,000元)。

應付或然代價的公平值計量

於2021年12月31日，應付或然代價金額人民幣631,631,000元(2020年：人民幣511,072,000元)乃按公平值計量，乃根據重大不可觀察輸入數據並使用估值技術釐定。確立相關估值技術及其相關輸入數據須運用判斷及估計。儘管本集團視該等估值為最佳估計，持續的COVID-19疫情已導致更大市場波動，或會進一步對投資對象的業務造成干擾，導致就本年度估值而言存在更大不確定性。有關該等因素之假設如出現變動，可能導致該等工具的公平值出現重大調整。有關更多披露，請參閱附註28及36。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)
綜合財務報表附註(續)

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4. Critical Accounting Judgements and Key Sources of Estimation Uncertainty (continued)
Provision for restoration costs

Provision for restoration costs has been estimated by the management of the Group based on current regulatory requirements and is discounted to present value. The management of the Group estimated this liability for final reclamation and mine closure based on detailed calculations of the amounts and timing of future cash flows that a third party may be required to perform the required work. However, significant changes in the regulatory requirements, timing of performance of reclamation activities or discount rate will result in changes to the amount of provision from period to period. The provision is reviewed regularly to properly reflect the present value of the obligation arising from the current and past mining activities. The carrying amounts of provision for restoration costs was RMB44,974,000 (2020: RMB43,028,000).

5. Revenue and Segment Information
Revenue

Revenue represents the fair value of amounts received and receivable from the sales of goods and services provided by the Group to related party/external customers, net of related taxes, for the year.

The following is the disaggregation of revenue from contracts with customers:

Types of goods and services 貨品及服務類型

Recognised at a point in time: 於某一時間點確認：

Sales of coal products: 銷售煤炭產品：

– Raw coal	– 原煤
– Clean coal	– 精煤
– Middling coal	– 中煤
– Sludge coal	– 泥煤

Sales of coalbed methane gas 銷售煤層氣

Geographical market 地域市場
The PRC 中國

4. 重大會計判斷及估計不確定因素的主要來源(續)
復墾成本撥備

復墾成本撥備已由本集團管理層根據當前監管規定進行估計並貼現至現值。基於對第三方執行必要工作可能需要的未來現金流量的金額及時間的詳細計算，本集團管理層已就最終復墾及礦井關閉估計此項負債。然而，監管規定的重大變動、復墾活動的執行時間或貼現率將導致撥備金額於不同期間發生變動。撥備會定期予以檢討，以適當反映當前及過往採礦活動所產生的責任現值。復墾成本撥備的賬面值為人民幣44,974,000元(2020年：人民幣43,028,000元)。

5. 收益及分部資料
收益

收益指本集團於年內向關聯方／外部客戶銷售貨品及提供服務的已收及應收款項的公平值(扣除相關稅項)。

以下為客戶合約的收益明細：

	2021 RMB'000 人民幣千元	2020 RMB'000 人民幣千元
	3,469	1,447
	1,433,911	1,307,935
	98,044	90,198
	2,894	471
	1,538,318	1,400,051
	3,081	2,553
	1,541,399	1,402,604
	1,541,399	1,402,604

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5. Revenue and Segment Information (continued)

Revenue (continued)

Performance obligations for contracts with customers

Sales of coal products and coalbed methane gas

For sales of coal products and coalbed methane gas, revenue is recognised when the control of goods is transferred, being when the goods are delivered to the customer's specific location. A receivable is recognised by the Group when the goods are delivered to the customers as this represents the Group's right to consideration becomes unconditional, as only the passage of time is required before payment is due. The customers have neither rights of return nor rights to defer or avoid payment for the goods once they are accepted by the customers upon receipt of goods. The contracts signed with the customers are short-term and fixed price contracts.

All revenue contracts are for period of one year or less. As permitted by HKFRS 15, the transaction price allocated to these unsatisfied contracts is not disclosed.

Segment information

The Group's operation is solely derived from the production and sales of coal products and coalbed methane gas. For the purpose of resources allocation and performance assessment, the chief operating decision maker ("CODM") (i.e. the chief executive officer) reviews the overall results and financial position of the Group as a whole prepared based on same accounting policies set out in note 3. Accordingly, the Group has only one single operating segment and no further analysis of this single segment is presented.

Geographical information

The Group's revenue are all derived from the PRC based on the location of the customers and the Group's non-current assets, excluding financial assets, of RMB2,543,402,000 (2020: RMB2,190,621,000) are located in the PRC and of RMB4,215,000 (2020: RMB2,736,000) are located in Hong Kong, respectively, by physical location of assets.

5. 收益及分部資料(續)

收益(續)

客戶合約的履約責任

銷售煤炭產品及煤層氣

就銷售煤炭產品及煤層氣而言，收益於貨品控制權轉讓(即貨品已運送至客戶的指定地點)時確認。本集團於貨品交付予客戶時確認應收款項，原因為此舉代表本集團收取代價的權利成為無條件，純粹待付款到期時收取款項。客戶於收貨後不得退回或遞延或避免支付貨款。與客戶簽訂的合約為短期及固定價格合約。

所有收益合約為期一年或以內。按香港財務報告準則第15號所允許者，分配至該等未履行合約的交易價格不作披露。

分部資料

本集團業務僅來自生產及銷售煤炭產品及煤層氣。就資源配置及表現評估而言，主要營運決策者(「主要營運決策者」)(即行政總裁)審閱按附註3所載相同會計政策編製的本集團整體業績及財務狀況。因此，本集團僅有一個單一營運分部，且並無呈列該單一分部的進一步分析。

地域資料

本集團基於客戶所在地的收益全部來自中國，而本集團按資產地理位置劃分的非流動資產(不包括金融資產)中人民幣2,543,402,000元(2020年：人民幣2,190,621,000元)位於中國及人民幣4,215,000元(2020年：人民幣2,736,000元)位於香港。

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5. Revenue and Segment Information (continued)

Segment information

Information about major customers

Revenue from customers of the corresponding year contributing over 10% of the total sales of the Group are as follows:

Customer A	客戶A
Customer B	客戶B
Customer C	客戶C
Customer D	客戶D
Customer E	客戶E

The customer did not contribute over 10% of total sales of the Group during the relevant year.

* No revenue attributed from the relevant customer.

5. 收益及分部資料(續)

分部資料

有關主要客戶的資料

為本集團銷售總額貢獻10%以上的相應年度客戶收益如下：

	2021	2020
	RMB'000	RMB'000
	人民幣千元	人民幣千元
Customer A	419,708	N/A不適用#
Customer B	247,582	169,952
Customer C	569,556	214,898
Customer D	N/A不適用#	375,719
Customer E	N/A不適用*	301,365

於有關年度，該客戶並無為本集團銷售總額貢獻10%以上。

* 該客戶並無貢獻任何收益。

6. Directors' and Employees' Emoluments

(a) Directors' and chief executive's emoluments

The emoluments paid or payable to the directors of the Company by entities comprising the Group are as follows:

6. 董事及僱員薪酬

(a) 董事及行政總裁薪酬

組成本集團的實體已付或應付本公司董事的薪酬如下：

	Mr. Sun	Mr. Wang	Mr. Li	Mr. Lam	Mr. Yu	Mr. Yu	Mr. Yu	Mr. Fong	Mr. Punnya	Ms. Cheung	Mr. Wang	Total
	Mr. Sun	Mr. Wang	Mr. Li	Chik Shun,	Mr. Yu	Mr. Yu	Mr. Yu	Mr. Fong	Niraan	Suet Ting,	Mr. Wang	
	Dawei	Shize	Xuezhong	Marcus	Zhilong	Xiao	Wai Ho	De Silva	Niraan	Samantha	Xiufeng	
	Mr. Yu	Dawei	Shize	Xuezhong	Marcus	Zhilong	Xiao	Wai Ho	De Silva	Niraan	Xiufeng	Total
	Mr. Yu	Dawei	Shize	Xuezhong	Marcus	Zhilong	Xiao	Wai Ho	De Silva	Niraan	Xiufeng	Total
Year ended 31 December 2021	余先生	孫大偉先生	王世澤先生	李學忠先生	林植信先生	余支龍先生	余灝先生	方偉豪先生	De Silva先生	張雪婷女士	王秀峰先生	總計
Fees	100	100	100	100	100	100	100	299	299	299	200	1,797
Other emoluments:												
Salaries and other benefits	899	899	899	1,381	2,538	399	399	-	-	-	-	7,414
Retirement benefits schemes contributions	19	-	19	20	20	17	17	-	-	-	-	112
Total emoluments	1,018	999	1,018	1,501	2,658	516	516	299	299	299	200	9,323

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袍金

其他薪酬：

薪金及其他福利

退休福利計劃供款

薪酬總額

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6. Directors' and Employees' Emoluments
(continued)

(a) Directors' and chief executive's emoluments
(continued)

	Mr. Sun	Mr. Wang	Mr. Li	Mr. Lam	Mr. Yu	Mr. Yu	Mr. Fong	Mr. Punnya	Ms. Cheung	Mr. Wang			
	Mr. Sun	Mr. Wang	Mr. Li	Chik Shun,	Mr. Yu	Mr. Yu	Mr. Fong	Niraan	Suet Ting,	Mr. Wang	Total		
	Mr. Yu	Dawei	Shize	Xuezhong	Marcus	Zhilong	Xiao	Wai Ho	De Silva	Samantha	Xiufeng		
								Punnya	Niraan				
	余先生	孫大偉先生	王世澤先生	李學忠先生	林植信先生	余支龍先生	余瀟先生	方偉豪先生	De Silva先生	張雪婷女士	王秀峰先生	總計	
	RMB'000	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	人民幣千元	
Year ended 31 December 2020	截至2020年12月31日止年度												
Fees	袍金	188	188	188	188	188	188	322	322	322	200	2,482	
Other emoluments:	其他薪酬：												
Salaries and other benefits	薪金及其他福利	812	812	812	1,491	2,655	312	312	-	-	-	7,206	
Retirement benefits schemes contributions	退休福利計劃供款	14	-	13	22	22	13	11	-	-	-	95	
Total emoluments	薪酬總額	1,014	1,000	1,013	1,701	2,865	513	511	322	322	322	200	9,783

Notes:

- (i) Mr. Yu is also the chief executive officer of the Group. His remuneration disclosed above included those for services rendered by him as Chief Executive Officer.

附註：

- (i) 余先生亦為本集團行政總裁。上述披露薪酬包括彼作為行政總裁的服務酬金。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)
綜合財務報表附註(續)

For the year ended 31 December 2021
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6. Directors' and Employees' Emoluments

(continued)

(a) Directors' and chief executive's emoluments (continued)

The emoluments of executive directors stated above were for their services in connection with the management of the affairs of the Company and the Group. The emoluments of independent non-executive directors stated above were for their services as directors of the Company.

There was no arrangement under which a director of the Company waived or agreed to waive any remuneration in any of the year. No remunerations were paid by the Group to the directors of the Company as an inducement to join or upon joining the Group or as compensation for loss of office in any of the year.

(b) Employees' emoluments

The five highest paid employees of the Group during the year are all directors (2020: four directors), details of whose emoluments are set out in note 6(a) above. Details of the remuneration of the highest paid employees who are neither a director nor chief executive of the Company are as follows:

Salaries and other benefits	薪金及其他福利
Retirement benefits schemes contributions	退休福利計劃供款

6. 董事及僱員薪酬(續)

(a) 董事及行政總裁薪酬(續)

上述執行董事薪酬是為彼等管理本公司及本集團事務的服務而支付。上述獨立非執行董事薪酬是為彼等作為本公司董事的服務而支付。

於任何年度，並無作出本公司董事放棄或同意放棄任何薪酬的安排。本集團並無向本公司董事支付薪酬作為吸引加入本集團或於加入本集團時的獎勵或作為離職補償。

(b) 僱員薪酬

年內本集團五名最高薪人士均為董事(2020年：四名董事)，有關其薪酬的詳情載列於上文附註6(a)。有關最高薪人士(並非本公司董事或行政總裁)的薪酬詳情如下：

2021 RMB'000 人民幣千元	2020 RMB'000 人民幣千元
–	1,435
–	16
–	1,451

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6. Directors' and Employees' Emoluments

(continued)

(b) Employees' emoluments (continued)

The number of the highest paid employees who are not the directors of the Company whose remuneration fell within the following bands is as follows:

HK\$1,500,001 to HK\$2,000,000	1,500,001港元至2,000,000港元
--------------------------------	-------------------------

No emoluments were paid by the Group to the five highest paid individuals as an inducement to join or upon joining the Group or as compensation for loss of office in any of the year.

6. 董事及僱員薪酬(續)

(b) 僱員薪酬(續)

並非本公司董事且其薪酬屬於下列組別的最高薪僱員數目如下：

2021 Number of employees 僱員人數	2020 Number of employees 僱員人數
-	1

於年內任何時間，本集團並無向五名最高薪人士支付薪酬作為吸引加入本集團或於加入本集團時的獎勵或作為離職補償。

7. Other Income/Other Gains and Losses

7. 其他收入/其他收益及虧損

Other income	其他收入
Bank interest income	銀行利息收入
Government grant (Note i)	政府補助(附註i)
Rental income from Guizhou Bangda Energy Development Co., Ltd. ("Bangda") (Note ii)	來自貴州邦達能源開發有限公司(「邦達」)的租金收入(附註ii)
Rental income from subleasing (Note ii)	來自分租的租金收入(附註ii)
Insurance claim	保險理賠
Others	其他

Other gains and losses	其他收益及虧損
Fair value change of investment properties (note 14)	投資物業的公平值變動(附註14)
Loss on disposal/written-off of property, plant and equipment	出售物業、廠房及設備的虧損/出售物業、廠房及設備時撇銷
Net exchange gain (loss)	匯兌收益(虧損)淨額

2021 RMB'000 人民幣千元	2020 RMB'000 人民幣千元
911	4,946
5,721	24,289
1,101	1,101
-	2,457
-	1,239
5,563	1,258
<u>13,296</u>	<u>35,290</u>
(1,100)	(30)
(441)	(2,383)
3,476	(62)
<u>1,935</u>	<u>(2,475)</u>

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7. Other Income/Other Gains and Losses (continued)

Notes:

- (i) During the year ended 31 December 2021 and 2020, government grant mainly represents grants received by the Group upon meeting production volume target of coal products and coalbed methane gas and safety requirement set by the local government. During the year ended 31 December 2020, government grant of RMB448,024 was recognised in respect of COVID-19-related subsidies, of which RMB388,024 relates to Employment Support Scheme provided by the Hong Kong government.
- (ii) The amounts represent fixed lease payments received under operating leases.

8. Finance Costs

Unwinding of discount on restoration costs	復墾成本貼現撥回	1,946	1,861
Interest on discounted bills	已貼現票據的利息	1,539	554
Interest on bank borrowings	銀行借款利息	19,532	5,675
Interest on other borrowings	其他借款的利息	-	13,577
Interest on lease liabilities	租賃負債的利息	31	110
		23,048	21,777
Less: Interest capitalised in construction in progress	減：在建工程的資本化利息	-	(554)
		23,048	21,223

During the year ended 31 December 2020, borrowing costs capitalised on the general borrowing pool and are calculated by applying a capitalisation rate of 1% per annum to expenditure on qualifying assets.

7. 其他收入／其他收益及虧損(續)

附註：

- (i) 截至2021年及2020年12月31日止年度，政府補助主要指本集團於達成當地政府所設立的煤炭產品及煤層氣產量目標及安全規定後所收取的補助。截至2020年12月31日止年度，就COVID-19相關補貼確認政府補助人民幣448,024元，當中人民幣388,024元涉及香港政府提供的「保就業」計劃。
- (ii) 有關金額指經營租賃項下已收固定租賃款項。

8. 融資成本

2021	2020
RMB'000	RMB'000
人民幣千元	人民幣千元
1,946	1,861
1,539	554
19,532	5,675
-	13,577
31	110
23,048	21,777
-	(554)
23,048	21,223

截至2020年12月31日止年度，一般借款的資本化借款成本透過採用每年1%的資本化利率計入合資格資產開支。

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9. Profit before Taxation

9. 除稅前溢利

		2021 RMB'000 人民幣千元	2020 RMB'000 人民幣千元
Profit before taxation has been arrived at after charging (crediting):	除稅前溢利經扣除(計入):		
Auditor's remuneration	核數師酬金	2,117	2,170
Directors' emoluments (note 6)	董事薪酬(附註6)	9,323	9,783
Other staff costs:	其他員工成本:		
Salaries and other allowances	薪金及其他津貼	221,768	206,357
Retirement benefits schemes contributions	退休福利計劃供款	36,151	20,437
Less: Capitalised in construction in progress	減: 在建工程資本化	(100,690)	(20,840)
Less: Capitalised in inventories	減: 存貨資本化	(89,031)	(146,801)
Total staff costs	員工成本總額	<u>77,521</u>	<u>68,936</u>
Depreciation of property, plant and equipment	物業、廠房及設備折舊	83,307	80,451
Less: Capitalised in inventories	減: 存貨資本化	(73,309)	(69,931)
Total depreciation of property, plant and equipment included in administrative expenses	計入行政開支的物業、廠房及設備折舊總額	<u>9,998</u>	<u>10,520</u>
Amortisation of mining rights	採礦權攤銷	35,912	38,238
Less: Capitalised in inventories	減: 存貨資本化	(35,912)	(38,238)
Total amortisation of mining rights included in administrative expenses	計入行政開支的採礦權攤銷總額	<u>-</u>	<u>-</u>
Inventories recognised as an expense	確認為開支的存貨	622,916	686,600
Gross rental income from investment properties	投資物業租金收入總額	(1,101)	(3,558)
Less: Direct operating expenses incurred for investment properties that generated rental income during the year	減: 年內產生租金收入的投資物業所產生的直接經營開支	-	2,723
		<u>(1,101)</u>	<u>(835)</u>

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綜合財務報表附註(續)

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10. Taxation Charge

PRC Enterprise Income Tax ("EIT"):	中國企業所得稅(「企業所得稅」):
– current year	– 本年度
– underprovision in prior years	– 過往年度撥備不足
Deferred tax credit (note 18)	遞延稅項抵免(附註18)
Taxation charge	稅項支出

No provision for Hong Kong Profits Tax has been made as the subsidiary in Hong Kong has no assessable profits for both years.

Under the Law of the PRC on EIT and Implementation Regulation of the EIT Law, the tax rate of the Group's PRC subsidiaries is 25%. Subject to certain conditions on preferential tax treatment, the applicable tax rate of the PRC subsidiaries is 15% for the year ended 31 December 2021. On 26 May 2021, Guizhou Jiutai Bangda Energy Development Co., Ltd. 貴州久泰邦達能源開發有限公司 ("Jiutai Bangda") obtained an approval notice from the relevant authority, which approved Jiutai Bangda as being engaged in encouraged industry in the western region. Furthermore, the income derived from its coal refinery business accounted for more than 60% of its gross income in 2021 as stipulated in the Announcement of the Ministry of Finance, the State Taxation Administration and the National Development and Reform Commission on Continuing the Enterprise Income Tax Policies for the Large-Scale Development of Western China ("Announcement No. 23 [2020]"). The profits from are therefore subject to preferential tax treatment and the applicable tax rate for the calendar year ended 31 December 2021 was 15%.

10. 稅項支出

2021	2020
RMB'000	RMB'000
人民幣千元	人民幣千元
119,937	144,251
2,911	–
(13,190)	(5,346)
109,658	138,905

由於香港附屬公司於兩個年度均無應課稅溢利，故並無就香港利得稅計提撥備。

根據中國的企業所得稅法及企業所得稅法實施條例，本集團中國附屬公司的稅率為25%。在符合若干優惠稅務待遇條件下，中國附屬公司於截至2021年12月31日止年度之適用稅率為15%。於2021年5月26日，貴州久泰邦達能源開發有限公司(「久泰邦達」)收到有關當局之批准通知，認定久泰邦達為從事西部地區的鼓勵類產業。此外，於2021年，煤炭加工業務收入佔總收入60%以上，符合財政部、稅務總局、國家發展改革委關於延續西部大開發企業所得稅政策的公告(「[2020年]第23號」)之規定。因此，所錄得溢利可享有優惠稅務待遇，截至2021年12月31日止曆年的適用稅率為15%。

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綜合財務報表附註(續)

For the year ended 31 December 2021
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10. Taxation Charge (continued)

The taxation charge for the year can be reconciled to the profit before taxation as follows:

Profit before taxation	除稅前溢利
Taxation at PRC EIT rate of 25%	按中國企業所得稅稅率25%計算的稅項
Tax effect of expenses not deductible for tax purposes	不可扣稅開支的稅務影響
Tax effect of income not taxable for tax purposes	毋須課稅收入的稅務影響
Underprovision in respect of prior years	就過往年度撥備不足
Income tax at preferential tax rates	按優惠稅率計算的所得稅
Taxation charge for the year	年內稅項支出

10. 稅項支出(續)

年內稅項支出與除稅前溢利對賬如下：

2021	2020
RMB'000	RMB'000
人民幣千元	人民幣千元
411,428	484,385
102,857	121,096
84,192	21,401
(345)	(3,592)
2,911	–
(79,957)	–
109,658	138,905

11. Dividends

Proposed final dividend of HK3.75 cents (2020: HK3.75 cents) per share	建議派發末期股息每股3.75港仙 (2020年：3.75港仙)
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Subsequent to the end of the reporting period, a final dividend in respect of the year ended 31 December 2021 of HK3.75 cents (2020: HK3.75 cents) per ordinary share, in an aggregate amount of HK\$60,000,000 (2020: HK\$60,000,000), has been proposed by the directors of the Company and is subject to approval by the shareholders in the forthcoming general meeting. The final dividend in respect of the year ended 31 December 2020 has been paid during the year.

11. 股息

2021	2020
RMB'000	RMB'000
人民幣千元	人民幣千元
49,056	53,154

於報告期末之後，本公司董事建議就截至2021年12月31日止年度派發末期股息每股普通股3.75港仙(2020年：3.75港仙)，合計金額為60,000,000港元(2020年：60,000,000港元)，有待股東於應屆股東大會上批准。就截至2020年12月31日止年度而言的末期股息已於年內派付。

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12. Earnings per Share

The calculation of the basic and diluted earnings per share attributable to owners of the Company is based on the following data:

Earnings:	盈利：
Earnings for the purpose of basic earnings per share (profit for the year attributable to owners of the Company)	用於計算每股基本盈利的盈利 (本公司擁有人應佔年內溢利)
Number of shares:	股份數目：
Weighted average number of ordinary shares for the purpose of calculating basic earnings per share	用於計算每股基本盈利的普通股 加權平均數

No diluted earnings per share was presented for both years as there were no potential ordinary shares in issue for both years.

12. 每股盈利

本公司擁有人應佔每股基本及攤薄盈利根據下列數據計算：

2021	2020
RMB'000	RMB'000
人民幣千元	人民幣千元
301,770	345,480
'000	'000
千股	千股
1,600,000	1,600,000

由於兩個年度均並無已發行潛在普通股，故兩個年度均並無呈列每股攤薄盈利。

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13. Property, Plant and Equipment

13. 物業、廠房及設備

		Construction in progress	Buildings	Mining structures	Machinery	Office and electronic equipment 辦公及 電子設備	Motor vehicles	Leasehold land	Leased properties	Total
		在建工程	樓宇	採礦構築物	機器	機動車輛	租賃土地	租賃物業	總計	
		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	
COST	成本									
At 1 January 2020	於2020年1月1日	15,310	140,055	400,856	584,654	16,693	23,223	13,199	9,156	1,203,146
Additions	添置	140,212	26,578	52,125	117,258	7,488	2,698	28,778	-	375,137
Transfer	轉撥	(114,881)	21,301	76,741	16,839	-	-	-	-	-
Disposal/written-off	出售/撇銷	-	(1,140)	-	(7,784)	-	(177)	-	-	(9,101)
At 31 December 2020	於2020年12月31日	40,641	186,794	529,722	710,967	24,181	25,744	41,977	9,156	1,569,182
Additions	添置	290,102	415	-	132,733	341	2,791	-	3,826	430,208
Transfer	轉撥	(197,004)	1,584	184,009	11,411	-	-	-	-	-
Disposal/written-off	出售/撇銷	(1,455)	(47)	-	(7,541)	(476)	(135)	-	(4,081)	(13,735)
At 31 December 2021	於2021年12月31日	132,284	188,746	713,731	847,570	24,046	28,400	41,977	8,901	1,985,655
DEPRECIATION	折舊									
At 1 January 2020	於2020年1月1日	-	24,585	38,000	235,351	8,749	13,057	3,015	4,053	326,810
Provided for the year	年內撥備	-	6,325	15,071	50,607	2,365	2,238	434	3,411	80,451
Eliminated on disposal/ written-off	出售/撇銷時對銷	-	(167)	-	(5,654)	-	(48)	-	-	(5,869)
At 31 December 2020	於2020年12月31日	-	30,743	53,071	280,304	11,114	15,247	3,449	7,464	401,392
Provided for the year	年內撥備	-	6,277	17,338	52,270	2,482	2,431	817	1,692	83,307
Eliminated on disposal/ written-off	出售/撇銷時對銷	-	(33)	-	(7,083)	(464)	(123)	-	(4,081)	(11,784)
At 31 December 2021	於2021年12月31日	-	36,987	70,409	325,491	13,132	17,555	4,266	5,075	472,915
CARRYING AMOUNTS	賬面值									
At 31 December 2021	於2021年12月31日	132,284	151,759	643,322	522,079	10,914	10,845	37,711	3,826	1,512,740
At 31 December 2020	於2020年12月31日	40,641	156,051	476,651	430,663	13,067	10,497	38,528	1,692	1,167,790

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13. Property, Plant and Equipment (continued)

The above items of property, plant and equipment, other than construction in progress and mining structures, are depreciated on a straight-line basis after taking into account their estimated residual values, at the following rates per annum:

Buildings	3.33% to 5%
Machinery	6.7% to 20%
Office and electronic equipment	10% to 20%
Motor vehicles	10% to 20%
Leasehold land	Over the shorter of estimated useful life and the lease term
Leased properties	Over the shorter of estimated useful life and the lease term

The leasehold land represents the payments for land use rights which are under medium-term lease (i.e. 40 to 50 years) in the PRC.

The buildings are situated on the leasehold land in the PRC.

The mining structures include the main and auxiliary mine shafts and underground tunnels. The construction in progress comprises mainly the main and auxiliary mine shafts and underground tunnels in the course of construction and machinery under installation.

Depreciation are provided to write off the cost of the mining structures using the units of production method based on the actual production volume over the total proven and probable reserves of the coal mine concerned. The mining structures have estimated useful lives of 22 to 44 years (2020: 23 to 45 years) based on the proven and probable reserves of the coal mine concerned.

The legal titles of the buildings, with aggregate carrying value of RMB151,430,000 (2020: RMB155,177,000) as at 31 December 2021, have not been granted by the relevant government authorities and the relevant titles are still under application. In the opinion of the management of the Group, taking into account of the PRC lawyer's legal opinion, all the risks and rewards of ownership of the buildings have been transferred to the Group.

13. 物業、廠房及設備(續)

經計及估計殘值後，上述物業、廠房及設備項目(在建工程及採礦構築物除外)以直線法按以下年率折舊：

樓宇	3.33%至5%
機器	6.7%至20%
辦公及電子設備	10%至20%
機動車輛	10%至20%
租賃土地	估計可使用年期及租期的較短者
租賃物業	估計可使用年期及租期的較短者

租賃土地指中國中期租賃(即40年至50年)項下土地使用權款項。

該等樓宇位於中國租賃土地。

採礦構築物包括主輔礦井及地下隧道。在建工程主要包括施工中的主輔礦井及地下隧道以及安裝中的機器。

按有關煤礦的證實及概略總儲量根據實際產量以生產單位法計提折舊，以撇銷採礦構築物的成本。按照有關煤礦的證實及概略儲量計算，採礦構築物估計可使用年期為22至44年(2020年：23至45年)。

於2021年12月31日，賬面總值為人民幣151,430,000元(2020年：人民幣155,177,000元)的樓宇法律業權尚未獲相關政府機關批准，而相關業權仍在申請中。經計及中國律師的法律意見，本集團管理層認為，樓宇所有權的所有風險及回報已轉移至本集團。

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13. Property, Plant and Equipment (continued)

The Group as lessee

Right-of-use assets (included in the property, plant and equipment)

13. 物業、廠房及設備(續)

本集團作為承租人

使用權資產(計入物業、廠房及設備)

		Leasehold land 租賃土地 RMB'000 人民幣千元	Leased properties 租賃物業 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
As at 31 December 2021	於2021年12月31日			
Carrying amount	賬面值	37,711	3,826	41,537
As at 31 December 2020	於2020年12月31日			
Carrying amount	賬面值	38,528	1,692	40,220
For the year ended 31 December 2021	截至2021年12月31日 止年度			
Depreciation charge	折舊費用	818	1,692	2,510
Capitalised in inventories	存貨資本化	(818)	-	(818)
		-	1,692	1,692
For the year ended 31 December 2020	截至2020年12月31日 止年度			
Depreciation charge	折舊費用	434	3,411	3,845
Capitalised in inventories	存貨資本化	(434)	-	(434)
		-	3,411	3,411
			2021 RMB'000 人民幣千元	2020 RMB'000 人民幣千元
Total cash outflow for leases	租賃現金流出總額		1,855	3,654
Additions to right-of-use assets	增置使用權資產		3,826	-

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綜合財務報表附註(續)

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13. Property, Plant and Equipment (continued)

The Group as lessee (continued)

Right-of-use assets (included in the property, plant and equipment) (continued)

For both years, the Group leases various offices for its operations. Lease contracts are entered into for fixed term of three years (2020: three years). Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. In determining the lease term and assessing the length of the non-cancellable period, the Group applies the definition of a contract and determines the period for which the contract is enforceable.

In addition, the Group owns several buildings. The Group is the registered owner of these property interests, including the underlying leasehold lands. Lump sum payments were made upfront to acquire these property interests. The leasehold land components of these owned properties are presented separately only if the payments made can be allocated reliably.

14. Investment Properties

The Group leases out office premises under operating leases with rentals payable monthly. The leases typically run for an initial period of 3 years (2020: 3 years), with unilateral rights to extend the lease beyond initial period held by lessees only.

The Group is not exposed to foreign currency risk as a result of the lease arrangements, as all leases are denominated in the respective functional currencies of group entities. The lease contracts do not contain residual value guarantee and/or lessee's option to purchase the property at the end of lease term.

13. 物業、廠房及設備(續)

本集團作為承租人(續)

使用權資產(計入物業、廠房及設備)(續)

於兩個年度，本集團就其業務租用多個辦公室。所訂立租賃合約的固定租期為期三年(2020年：三年)。租約條款按個別情況磋商釐定，並載有各種不同條款及條件。於釐定租期及評估不可撤銷期間的期限時，本集團應用合約的定義並釐定合約可強制執行的期間。

此外，本集團擁有若干樓宇。本集團為該等物業權益(包括相關租賃土地)的登記擁有人。已就收購該等物業權益預付一次性付款。該等自有物業的租賃土地部分僅在已作出付款能可靠分配的情況下獨立呈列。

14. 投資物業

本集團根據經營租賃出租辦公室物業並每月收取租金。該等租賃一般初步為期三年(2020年：三年)，僅承租人有權單方面將租期延長至初始租期後。

由於所有租賃均以集團實體各自的功能貨幣計值，故本集團並未面臨租賃安排所導致的外匯風險。租賃合約概不包括剩餘價值擔保及/或承租人於租期屆滿時購買有關物業的選擇權。

		Owned properties 自有物業 RMB'000 人民幣千元
FAIR VALUE	公平值	
At 1 January 2020	於2020年1月1日	52,730
Fair value changes recognised to profit or loss	於損益確認的公平值變動	<u>(30)</u>
At 31 December 2020	於2020年12月31日	52,700
Fair value changes recognised to profit or loss	於損益確認的公平值變動	<u>(1,100)</u>
At 31 December 2021	於2021年12月31日	<u>51,600</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)
綜合財務報表附註(續)For the year ended 31 December 2021
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All of the Group's property interests held under operating leases to earn rentals or for capital appreciation purposes are measured using the fair value model and are classified and accounted for as investment properties.

The fair value of investment properties as at 31 December 2021 and 2020 have been arrived at on the basis of valuation carried out by Ravia Global Appraisal Advisory Limited, independent qualified professional valuer not related to the Group.

The fair value of investment properties was determined based on the direct comparison approach assuming sale of each of these properties in existing state and by making reference to comparable sales transactions as available in the relevant market and adjusted for differences in the location and condition. There has been no change on the valuation technique used during the year ended 31 December 2021.

In estimating the fair value of the investment properties, the highest and best use of the properties is their current use. At the end of the reporting period, the management of the Group works closely with the independent qualified professional valuer to establish the appropriate valuation techniques and inputs into the model. Where there is a material change in the fair value of the assets, the causes of the fluctuations will be reported to the management of the Group.

14. 投資物業(續)

本集團根據經營租賃持有以賺取租金或作資本增值的所有物業權益採用公平值模式計量，並分類及入賬為投資物業。

於2021年及2020年12月31日，投資物業公平值已按由與本集團並無關聯的獨立合資格專業估值師瑞豐環球評估諮詢有限公司進行的估值計算。

投資物業公平值已根據直接比較法假設以現有狀態出售各項該等物業及透過參考相關市場可獲得的可資比較銷售交易釐定，並就位置及狀況的差異予以調整。截至2021年12月31日止年度，所採用的估值技術概無變動。

於估計投資物業公平值時，物業現時用途為最高及最佳用途。於各報告期末，本集團管理層與獨立合資格專業估值師緊密合作，以設立模式適用的估值方法及輸入數據。倘資產公平值發生重大變動，波動因由將向本集團管理層報告。

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14. Investment Properties (continued)

Information about fair value measurements using significant unobservable input

The following table shows the valuation techniques used in the determination of fair values for investment properties and unobservable inputs used in the valuation models.

Date of valuation	Fair value	Fair value hierarchy	Valuation techniques	Unobservable inputs	Range of significant inputs	Relationship of inputs to fair value
估值日期	公平值 RMB'000 人民幣千元	公平值層級	估值技術	不可觀察輸入數據	重大輸入數據範圍	輸入數據與/ 公平值的關係
31 December 2021	51,600	Level 3	Direct comparison approach	(i) Discounting factors on location and condition	Discounting factors ranging from 3% to 30%	The lower the discounting factor, the higher the fair value
2021年12月31日	51,600	第三級	直接比較法	(i) 位置及狀況貼現因素	貼現因素介乎3%至30%	貼現因素越低，則公平值越高
				(ii) Adjusted transaction price	RMB3,096 – RMB6,273 per square meter	The higher the adjusted transaction price, the higher the fair value
				(ii) 經調整交易價格	每平方米人民幣3,096元至人民幣6,273元	經調整交易價格越高，公平值越高
31 December 2020	52,700	Level 3	Direct comparison approach	(i) Discounting factors on location and condition	Discounting factors ranging from 5% to 30%	The lower the discounting factor, the higher the fair value
2020年12月31日	52,700	第三級	直接比較法	(i) 位置及狀況貼現因素	貼現因素介乎5%至30%	貼現因素越低，則公平值越高
				(ii) Adjusted transaction price	RMB3,269 – RMB6,446 per square meter	The higher the adjusted transaction price, the higher the fair value
				(ii) 經調整交易價格	每平方米人民幣3,269元至人民幣6,446元	經調整交易價格越高，公平值越高

The carrying amount of the Group's investment properties is a level 3 fair value measurement. There were no transfers into or out of level 3 fair value measurement during both years.

The owned properties are stated in the PRC.

14. 投資物業(續)

有關採用重大不可觀察輸入數據進行公平值計量的資料

下表載列為釐定投資物業公平值所用估值技術及估值模式所採用的不可觀察輸入數據。

本集團投資物業的賬面值按第三級公平值計量。於兩個年度，概無轉入或轉出第三級公平值計量。

自有物業位於中國。

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綜合財務報表附註(續)For the year ended 31 December 2021
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15. Mining Rights

15. 採礦權

		RMB'000 人民幣千元
COST	成本	
At 1 January 2020	於2020年1月1日	160,386
Addition	添置(附註16)	<u>824,941</u>
At 31 December 2020 and 2021	於2020年及2021年12月31日	<u>985,327</u>
ACCUMULATED AMORTISATION	累計攤銷	
At 1 January 2020	於2020年1月1日	44,986
Charge to profit or loss	自損益扣除	<u>38,238</u>
At 31 December 2020	於2020年12月31日	<u>83,224</u>
Charge to profit or loss	自損益扣除	<u>35,912</u>
At 31 December 2021	於2021年12月31日	<u>119,136</u>
CARRYING AMOUNTS	賬面值	
At 31 December 2021	於2021年12月31日	<u><u>866,191</u></u>
At 31 December 2020	於2020年12月31日	<u><u>902,103</u></u>

The mining rights represent the rights for the mining of coal reserves located in Hongguo Town and Yanchang Village, Panzhou County, Guizhou Province, the PRC. The mining rights have average remaining legal lives of 18 years (2020: 19 years) but in the opinion of the management of the Group, the Group will be able to renew the mining rights and business licences without incurring significant costs.

採礦權指開採位於中國貴州省盤州縣紅果鎮及羊場鄉的煤炭儲量的權利。採礦權平均餘下法定年限為18年(2020年: 19年), 但本集團管理層認為, 本集團將能夠將採礦權及業務許可證續期而毋須產生重大成本。

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綜合財務報表附註(續)

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15. Mining Rights (continued)

Amortisation are provided to write off the cost of the mining rights using the units of production method based on the actual production volume over the total proven and probable reserves of the coal mine concerned.

The Group has pledged mining right with carrying amounts of RMB55,624,000 (2020: RMB57,925,000) to secure other bank borrowings granted to the Group.

16. Acquisition of Mining Right and Related Assets

On 4 November 2019, Jiutai Bangda, an indirectly wholly-owned subsidiary of the Company, entered into sale and purchase agreement with 盤縣羊場鄉謝家河溝煤礦 (Pan County Yangchang Village Xiejiahegou Coal Mine) and 貴州德佳投資有限公司 (Guizhou Dejia Investment Co., Ltd.) (collectively referred to as the “Vendors”) pursuant to which, Jiutai Bangda has conditionally agreed to purchase, and Vendors have conditionally agreed to sell a target underground coal mine located in Panzhou City, Guizhou Province (the “Target Mine”), together with assets related to the Target Mine at a total consideration of RMB1,100,000,000 (the “Acquisition”) with a profit guarantee arrangement as set out in note 29. The Acquisition was completed on 1 January 2020.

In accordance with HKFRS 3 *Business Combinations*, the Group determined that no integrated set under the Acquisition is capable of being conducted and managed as a business and concluded that the Acquisition is an acquisition of assets.

Assets recognised at the date of acquisition:

Property, plant and equipment	物業、廠房及設備
Mining right	採礦權
Other receivables	其他應收款項

15. 採礦權(續)

按有關煤礦的證實及概略總儲量根據實際產量以生產單位法計提攤銷，以撇銷採礦權的成本。

本集團已將賬面值人民幣55,624,000元之採礦權(2020年：人民幣57,925,000元)抵押，以獲取授予本集團的其他銀行借款。

16. 收購採礦權及相關資產

於2019年11月4日，本公司的間接全資附屬公司久泰邦達與盤縣羊場鄉謝家河溝煤礦及貴州德佳投資有限公司(統稱「賣方」)訂立買賣協議，據此，久泰邦達有條件同意購買，而賣方有條件同意出售位於貴州省盤州市的目標地下煤礦(「目標煤礦」)，連同與目標煤礦有關的資產，總代價為人民幣1,100,000,000元(「收購事項」)，連帶附註29所載溢利保證。收購事項已於2020年1月1日完成。

本集團按照香港財務報告第3號「業務合併」確定收購事項下並無整體組合能作為一項業務營業及管理，故認為收購事項並收購一項資產。

於收購日期確認的資產：

RMB'000
人民幣千元

Property, plant and equipment	物業、廠房及設備	160,716
Mining right	採礦權	824,941
Other receivables	其他應收款項	69,343
		<hr/>
		1,055,000
		<hr/> <hr/>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)
綜合財務報表附註(續)

For the year ended 31 December 2021
截至2021年12月31日止年度

16. Acquisition of Mining Right and Related Assets (continued)

The fair value of consideration as at 1 January 2020 consists of the below:

		RMB'000 人民幣千元
Cash consideration paid	已付現金代價	560,000
Contingent consideration payable (note 29)	應付或然代價(附註29)	<u>495,000</u>
		<u>1,055,000</u>

17. Restricted Bank Deposits

The restricted bank deposits are amounts held in a bank under the requirement of the relevant government authority of the PRC in respect of environmental rehabilitation. The amounts will be released at the cessation of mining activities or closure of mines if and only if the environmental rehabilitation work of the relevant mines meets government's requirements. Such deposits are classified as non-current assets. The restricted bank deposits carried interest at prevailing market rate of 0.38% (2020: 0.38%) per annum.

Details of impairment assessment for the year ended 31 December 2021 and 2020 are set out in note 36.

16. 收購採礦權及相關資產(續)

於2020年1月1日，代價的公平值包括下列各項：

		RMB'000 人民幣千元
		560,000
		<u>495,000</u>
		<u>1,055,000</u>

17. 受限制銀行存款

受限制銀行存款指根據中國相關政府機關規定就環境恢復於銀行存置的金額。當且僅當相關礦山的環境恢復工作符合政府要求，則該等金額方會於終止採礦活動或關閉礦山時解除。該等存款被分類為非流動資產。受限制銀行存款按現行市場年利率0.38厘(2020年：0.38厘)計息。

有關截至2021年及2020年12月31日止年度減值評估的詳情載列於附註36。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)
綜合財務報表附註(續)

For the year ended 31 December 2021
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18. Deferred Tax

The following are the major deferred tax assets (liabilities) recognised by the Group and the movement thereon, during the current year and prior reporting period.

18. 遞延稅項

以下為於本年度及過往報告期間本集團確認的主要遞延稅項資產(負債)及其變動。

		Accelerated tax depreciation and amortisation	Fair value adjustment on property, plant and equipment, prepaid lease payments and mining rights 物業、廠房及設備、預付租賃款項以及採礦權的公平值調整	Undistributed profits of subsidiaries 未分配的附屬公司溢利	Revaluation of investment properties 投資物業重估	Total
		RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元
At 1 January 2020	於2020年1月1日	(49,859)	26,199	(9,477)	(2,210)	(35,347)
Credit to profit or loss	計入損益	3,541	1,797	-	8	5,346
At 31 December 2020	於2020年12月31日	(46,318)	27,996	(9,477)	(2,202)	(30,001)
Credit to profit or loss	計入損益	10,542	2,373	-	275	13,190
At 31 December 2021	於2021年12月31日	(35,776)	30,369	(9,477)	(1,927)	(16,811)

Note: The temporary difference from the fair value adjustment on property, plant and equipment, prepaid lease payments and mining rights are mainly arisen from the Assets Transfer that these assets are transferred to Jiutai Bangda with reference to the their fair values estimated by an independent qualified professional valuer not related to the Group. Such fair value adjustments result in an increase in tax bases of Jiutai Bangda. For the preparation of the consolidated financial statements, the Group did not recognise such fair value adjustments as these assets are measured at cost model. Thus, a deductible temporary difference is arisen from the difference between the carrying amount of these assets and their tax bases.

附註：物業、廠房及設備、預付租賃款項以及採礦權的公平值調整暫時差額主要是由資產轉讓產生，而該等資產經參考並無關聯的獨立合資格專業估值師估計該等資產的公平值後轉讓予久泰邦達。有關公平值調整導致久泰邦達的稅基增加。於編製綜合財務報表時，由於該等資產按成本模式計量，故本集團並無確認有關公平值調整。因此，可扣稅暫時差額來自該等資產的賬面值與其稅基之間的差額。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)
綜合財務報表附註(續)

For the year ended 31 December 2021
截至2021年12月31日止年度

18. Deferred Tax (continued)

For the purpose of presentation in the consolidated statement of financial position, certain deferred tax assets and liabilities have been offset. The following is the analysis of the deferred tax balances for financial reporting purposes:

Deferred tax liabilities 遞延稅項負債

Under the EIT Law of PRC, withholding tax is imposed on dividends declared in respect of profits earned by PRC subsidiary from 1 January 2008 onwards. Deferred taxation has not been provided for in these consolidated financial statements in respect of temporary differences attributable to certain retained profits of the PRC subsidiaries amounting to RMB1,013,714,000 (2020: RMB700,216,000) as at 31 December 2021, as the Group is able to control the timing of the reversal of the temporary differences and it is probable that the temporary differences will not be reversed in the foreseeable future. As at 31 December 2021, a deferred tax liability of RMB9,477,000 (2020: RMB9,477,000) has been recognised in respect of undistributed profits of subsidiaries in the PRC amounting to RMB94,770,000 (2020: RMB94,770,000).

19. Inventories

Coal products 煤炭產品
Auxiliary materials and spare parts 輔料及備件

18. 遞延稅項(續)

就於綜合財務狀況表的呈列而言，若干遞延稅項資產及負債已獲抵銷。以下為用作財務報告目的之遞延稅項結餘分析：

2021 RMB'000 人民幣千元	2020 RMB'000 人民幣千元
(16,811)	(30,001)

根據中國企業所得稅法，自2008年1月1日起，中國附屬公司須就其所賺取溢利宣派的股息繳納預扣稅。綜合財務報表並未就於2021年12月31日中國附屬公司若干保留溢利引致的暫時差額人民幣1,013,714,000元(2020年：人民幣700,216,000元)作出遞延稅項撥備，概因本集團能夠控制撥回暫時差額的時間，而暫時差額可能不會於可預見將來撥回。於2021年12月31日，本集團就中國附屬公司未分派溢利人民幣94,770,000元(2020年：人民幣94,770,000元)確認遞延稅項負債人民幣9,477,000元(2020年：人民幣9,477,000元)。

19. 存貨

2021 RMB'000 人民幣千元	2020 RMB'000 人民幣千元
6,500	3,414
44,659	25,965
51,159	29,379

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)
綜合財務報表附註(續)

For the year ended 31 December 2021
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20. Trade and Bills Receivables

Trade receivables	貿易應收款項
Bills receivables	應收票據
Total	總計

As at 1 January 2020, trade receivables from contracts with customers amounted to RMB92,874,000.

As at 31 December 2020, included in trade receivables are RMB73,000 and RMB873,000 due from Bangda and Guizhou Yue Bang Integrated Energy Co., Ltd. (“Yuebang”), respectively. Bangda is 90% owned by Mr. Yu, and Yuebang is an associate of Bangda.

The Group allows credit period of 0–30 days to its trade customers. All bills receivables are matured within one year (2020: within one year). The following is an ageing analysis of trade and bills receivables net of impairment losses presented based on the invoice date at the end of the reporting period. For customers who used bank bills to settle their trade receivables upon the expiry of the initial credit period, the ageing analysis of bills receivables at the end of the reporting period was based on the date of the Group’s receipt of the bills from the customers.

20. 貿易應收款項及應收票據

2021	2020
RMB'000	RMB'000
人民幣千元	人民幣千元
137,042	105,961
255,961	169,100
393,003	275,061

於2020年1月1日，客戶合約所產生的貿易應收款項為人民幣92,874,000元。

於2020年12月31日，貿易應收款項包括分別應收邦達及貴州粵邦綜合能源有限責任公司(「粵邦」)人民幣73,000元及人民幣873,000元。邦達由余先生擁有90%權益，而粵邦為邦達之聯營公司。

本集團給予其貿易客戶的信貸期為0至30日。所有應收票據均於一年內到期(2020年：一年內)。以下為於各報告期末按發票日期呈列貿易應收款項及應收票據扣除減值虧損的賬齡分析。就使用銀行票據結算初始信貸期滿後的貿易應收款項的客戶而言，於各報告期末應收票據的賬齡分析按照本集團自客戶收取票據日期計算。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)
綜合財務報表附註(續)For the year ended 31 December 2021
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20. Trade and Bills Receivables (continued)

20. 貿易應收款項及應收票據
(續)

		2021 RMB'000 人民幣千元	2020 RMB'000 人民幣千元
Trade receivables	貿易應收款項		
0-30 days	0至30日	132,911	76,385
31-90 days	31至90日	3,687	22,971
91-180 days	91至180日	-	6,545
181-365 days	181至365日	444	60
		<u>137,042</u>	<u>105,961</u>
Bills receivables	應收票據		
0-30 days	0至30日	135,000	32,600
31-60 days	31至60日	15,200	72,000
61-90 days	61至90日	-	25,500
91-120 days	91至120日	65,261	24,000
121-180 days	121至180日	29,930	15,000
181-365 days	181至365日	10,570	-
		<u>255,961</u>	<u>169,100</u>
Total	總計	<u><u>393,003</u></u>	<u><u>275,061</u></u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)
綜合財務報表附註(續)

For the year ended 31 December 2021
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20. Trade and Bills Receivables (continued)

Before accepting any new customer, the Group will assess the potential customer's credit quality and defines its credit limits. Credit sales are made to customers with a satisfactory trustworthy credit history. Credit limits attributed to customers are reviewed regularly. Trade receivables that are neither past due nor impaired have good settlement records.

As at 31 December 2021, included in the Group's trade receivables balance are debtors with aggregate carrying balance of RMB4,131,000 (2020: RMB29,576,000) which are past due as at the report date. Out of the past due date balances, RMB444,000 (2020: RMB504,000) has been past due 90 days or more and is not considered as in default since the management of the Group are of the opinion that the balances are still considered recoverable due to the management's historical experience.

The Group applies simplified approach to provide for ECL prescribed by HKFRS 9. To measure the ECL of trade and bills receivables, trade and bills receivables have been assessed individually. Taking into account the financial condition of the customers and historical settlement pattern with no history of default in the past and the forward-looking information (such as future coal price and gross domestic product growth ("GDP") in the PRC), the management of the Group considers the trade and bills receivables are at lower risk under internal credit rating assessment and the probability of default of the counterparties was low. The Group applied ECL rate of 0.1% (2019 : 0.1%) on trade and bills receivables. Thus, the loss allowance provision of the trade and bills receivables as at 31 December 2021 and 2020 was insignificant. There were no credit-impaired trade and bills receivables as at 31 December 2021 and 2020. In this regard, the management of the Group considers that the credit risks on trade and bills receivables are significantly reduced. The gross carrying amount of trade and bills receivables as at 31 December 2021 is RMB393,003,000 (2020: RMB275,061,000).

Details of impairment assessment for the year ended 31 December 2021 and 2020 are set out in note 36.

20. 貿易應收款項及應收票據 (續)

於接納任何新客戶之前，本集團將會評估潛在客戶的信貨質素並界定其信貸限額。具有令人滿意的可靠信貸記錄的客戶可獲提供賒銷。授予客戶的信貨限額須定期審核。既無逾期亦未減值的貿易應收款項具有良好結算記錄。

於2021年12月31日，貿易應收款項包括賬面結餘總額人民幣4,131,000元(2020年：人民幣29,576,000元)之應收賬款，乃於報告日期時逾期。逾期結餘當中，人民幣444,000元(2020年：人民幣504,000元)已逾期90日或以上，惟由於本集團管理層認為，基於管理層過往經驗，該等結餘視為仍可收回，故並不視為違約。

本集團應用簡化方式計提香港財務報告準則第9號所訂明的預期信貸虧損。為計量貿易應收款項及應收票據，貿易應收款項及應收票據已獲個別評估。經計及客戶的財務狀況及其於過去概無違約記錄的過往結算模式以及前瞻性資料(如中國未來煤炭價格及國內生產總值(「國內生產總值」)增長)，本集團管理層認為，根據內部信貸評級評估，貿易應收款項及應收票據屬低風險組別，交易對手違約的可能性較低。本集團為貿易應收款項及應收票據採用0.1%(2020年：0.1%)的預期信貸虧損率。因此，於2021年及2020年12月31日，貿易應收款項及應收票據的虧損撥備並不重大。於2021年及2020年12月31日，並無信貸減值的貿易應收款項及應收票據。就此，本集團管理層認為貿易應收款項及應收票據的信貨風險已大幅降低。於2021年12月31日，貿易應收款項及應收票據的賬面總值為人民幣393,003,000元(2020年：人民幣275,061,000元)。

有關截至2021年及2020年12月31日止年度減值評估的詳情載列於附註36。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)
綜合財務報表附註(續)For the year ended 31 December 2021
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20. Trade and Bills Receivables (continued)

Transfers of financial assets

The followings were the bills receivables as at 31 December 2021 and 2020 that were transferred to banks by discounting bills receivables on a full recourse basis. As the Group has not transferred the significant risks and rewards relating to these bills receivables, it continues to recognise the full carrying amount of the bills receivables and has recognised the cash received on the transfer as secured bank borrowings (see note 27). These financial assets and financial liabilities are carried at amortised cost in consolidated statement of financial position.

Carrying amount of transferred assets	已轉讓資產賬面值
Carrying amount of associated liabilities	相關負債賬面值

20. 貿易應收款項及應收票據
(續)

轉讓金融資產

於2021年及2020年12月31日，以下應收票據按全面追索基準以貼現應收票據方式轉讓予銀行。由於本集團並無轉移與該等應收票據有關的重大風險及回報，故其繼續確認該等應收票據的全部賬面值，並將就轉讓所收取的現金確認為有抵押銀行借款(見附註27)。該等金融資產及金融負債於綜合財務狀況表按攤銷成本列賬。

2021	2020
RMB'000	RMB'000
人民幣千元	人民幣千元
171,650	81,500
(171,015)	(80,864)

21. Deposits, Prepayments and Other Receivables

Deposits to suppliers of purchasing auxiliary materials and spare parts	購買輔料及備件的供應商按金
Government grant receivables	應收政府補助
Rental deposits	租金按金
Other receivables, prepayments and deposits	其他應收款項、預付款項及按金
Deposit for purchase of property, plant and equipment	購買物業、廠房及設備的按金
Deposit for acquisition of mining rights (note)	收購採礦權的按金(附註)

Classified as:	分類為：
Non-current	非流動
Current	流動

21. 按金、預付款項及其他應收款項

2021	2020
RMB'000	RMB'000
人民幣千元	人民幣千元
10,271	10,198
1,470	1,470
494	509
8,775	5,577
26,520	9,564
90,566	61,200
138,096	88,518
117,580	71,273
20,516	17,245
138,096	88,518

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)
綜合財務報表附註(續)

For the year ended 31 December 2021
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21. Deposits, Prepayments and Other Receivables (continued)

Details of impairment assessment for the year ended 31 December 2021 and 2020 are set out in note 36.

Note: On 9 December 2020, Jiutai Bangda, an indirectly wholly-owned subsidiary of the Company, entered into a closure quota transfer agreement in respect of the production quota of Guizhou Chinalco Hengtaihe Mining Co., Ltd. Shuicheng County Panlong Township Panlong Coal Mine (貴州中鋁恒泰合礦業有限公司水城縣蟠龍鄉蟠龍煤礦) ("Panlong Coal Mine") with Guizhou Ruomuzi Investment and Development Co., Ltd ("Ruomuzi") at a cash consideration of RMB72,000,000. The deposit (85% of consideration) for the acquisition of production quota of RMB61,200,000 has been paid during the year ended 31 December 2020. According to the closure quota transfer agreement, Jiutai Bangda is required to pay the remaining 15% of the consideration within 5 days upon obtaining the approval from the Energy Bureau of Guizhou Province (the "Energy Bureau") regarding the transfer, which has been paid during the year ended 31 December 2021. On 24 May 2021, Jiutai Bangda has entered into another closure quota transfer agreement in respect of the production quota of Panlong Coal Mine with Ruomuzi at a cash consideration of approximately RMB18,566,000, which has been paid during the year ended 31 December 2021.

22. Bank Balances and Cash

Bank balances and cash comprise cash held and short term bank deposits with an original maturity of three months or less. As at 31 December 2021, the bank balances carried interest at prevailing market rate of 0.0% to 1.7% (2020: 0.3% to 1.75%) per annum.

Details of impairment assessment for the year ended 31 December 2021 and 2020 are set out in note 36.

21. 按金、預付款項及其他應收款項(續)

截至2021年及2020年12月31日止年度的減值評估詳情載於附註36。

附註：於2020年12月9日，本公司間接全資附屬公司久泰邦達與貴州若木子投資開發有限責任公司(「若木子」)就貴州中鋁恒泰合礦業有限公司水城縣蟠龍鄉蟠龍煤礦(「蟠龍煤礦」)的生產指標訂立關閉指標轉讓協議，現金代價為人民幣72,000,000元。收購生產指標的按金人民幣61,200,000元(代價的85%)已於截至2020年12月31日止年度支付。根據關閉指標轉讓協議，久泰邦達須於取得貴州省能源局(「能源局」)有關轉讓的批准後5日內支付代價的餘下15%，並已於截至2021年12月31日止年度支付。於2021年5月24日，久泰邦達與若木子就蟠龍煤礦的生產指標訂立另一項關閉指標轉讓協議，現金代價約為人民幣18,566,000元，並已於截至2021年12月31日止年度支付。

22. 銀行結餘及現金

銀行結餘及現金包括所持有現金及原到期日為三個月或以內的短期銀行存款。於2021年12月31日，銀行結餘按現行市場年利率介乎0.0厘至1.7厘(2020年：0.3厘至1.75厘)計息。

有關截至2021年及2020年12月31日止年度減值評估的詳情載列於附註36。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)
綜合財務報表附註(續)

For the year ended 31 December 2021
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23. Trade Payables

Trade payables 貿易應付款項

As at 31 December 2021, included in trade payables are RMB985,000 (2020: nil), RMB2,219,000 (2020: nil) and RMB1,334,000 (2020: nil) due to Bangda, Panzhou Hongda Integrated Energy Co., Ltd (“Panzhou Hongda”) and Yue Bang, respectively. Panzhou Hongda is an associate of Yuebang.

The average credit period on purchases of goods is 90 days. The following is an ageing analysis of trade payables presented based on the invoice date at the end of the reporting period:

0–30 days	0至30日
31–60 days	31至60日
61–180 days	61至180日
181–365 days	181至365日
Over 365 days	超過365日

23. 貿易應付款項

2021 RMB'000 人民幣千元	2020 RMB'000 人民幣千元
81,688	65,518

於2021年12月31日，貿易應付款項包括分別應付邦達、盤州市紅達綜合能源有限公司(「盤州紅達」)及粵邦人民幣985,000元(2020年：零)、人民幣2,219,000元(2020年：零)及人民幣1,334,000元(2020年：零)。盤州紅達為粵邦之聯營公司。

購買貨品的平均信貸期為90日。於各報告期末按發票日期呈列的貿易應付款項賬齡分析如下：

2021 RMB'000 人民幣千元	2020 RMB'000 人民幣千元
21,744	12,963
8,558	8,814
28,156	19,883
14,359	10,907
8,871	12,951
81,688	65,518

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綜合財務報表附註(續)

For the year ended 31 December 2021
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24. Other Payables and Accrued Charges

Staff costs payable	應付員工成本
Transportation cost payable	應付運輸成本
Payables for acquisition of property, plant and equipment	收購物業、廠房及設備應付款項
Payables for acquisition of mining rights	收購採礦權應付款項
Other tax payables	其他應付稅項
Government grants received in advance (note)	預收政府補助(附註)
Accrued repair and maintenance fee	應計維修及保養費用
Other payables and accrued charges	其他應付款項及應計費用

Note: As at 31 December 2021 and 2020, government grants received in advance represent grants received with unfulfilled conditions on meeting production volume target of coal products.

These balances were accounted in accordance with the accounting policy set out in note 4.

24. 其他應付款項及應計費用

2021 RMB'000 人民幣千元	2020 RMB'000 人民幣千元
33,769	29,993
8,738	22,594
64,641	12,020
10,635	10,635
19,314	4,949
10,390	5,940
2,980	4,269
9,268	10,365
159,735	100,765

附註：於2021年及2020年12月31日，預收政府補助指尚未達成煤炭產量目標的條件時已收取的補助。

有關款項根據附註4所載會計政策入賬。

25. Contract Liabilities

Contract liabilities – current	合約負債－流動
Sales of coal products	煤炭產品銷售

As at 1 January 2020, contract liabilities amounted to RMB1,747,000. For the contract liabilities as at 31 December 2020 of RMB190,000, the entire balances are recognised as revenue during the year ended 31 December 2021.

The Group sells coal products to customers. Payment received in advance that are related to the sales of coal products not yet delivered to customers are deferred and recognised as contract liabilities. Revenue is recognised when coal products are delivered to customers.

25. 合約負債

2021 RMB'000 人民幣千元	2020 RMB'000 人民幣千元
9,197	190

於2020年1月1日，合約負債為人民幣1,747,000元。就截至2020年12月31日止年度之合約負債人民幣190,000元，全部餘額已於截至2021年12月31日止年度確認為收益。

本集團向客戶銷售煤炭產品。與尚未交付予客戶的煤炭產品銷售有關的預收款項以遞延方式確認為合約負債。收益於煤炭產品交付予客戶時確認。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)
綜合財務報表附註(續)

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26. Lease Liabilities

Lease liabilities payable:	應付租賃款項：
Within one year	一年內
Within a period of more than one year but not more than two years	於一年以上但不多於兩年期間內
Within a period of more than two years but no more than five years	於兩年以上但不多於五年期間內
Less: Amount due for settlement within 12 months shown under current liabilities	減：12個月內結算欠款 (列為流動負債)
Amount due for settlement after 12 months shown under non-current liabilities	12個月後結算欠款(列為非流動負債)

Lease obligations that are denominated in currencies other than the functional currencies of the relevant group entities are set out below:

As at 31 December 2021	於2021年12月31日
As at 31 December 2020	於2020年12月31日

The weighted average incremental borrowing rates applied to lease liabilities is 1.8% (2020: 3.15%).

26. 租賃負債

As at 31 December 2021 於2021年 12月31日 RMB'000 人民幣千元	As at 31 December 2020 於2020年 12月31日 RMB'000 人民幣千元
1,251	1,824
1,275	—
1,300	—
3,826	1,824
(1,251)	(1,824)
2,575	—

以相關集團實體功能貨幣以外的貨幣計值的租賃承擔載列如下：

RMB'000
人民幣千元

3,826

1,824

對租賃負債所應用加權平均增量借款利率為1.8%(2020年：3.15%)。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)
綜合財務報表附註(續)

For the year ended 31 December 2021
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27. Bank Borrowings

27. 銀行借款

		2021 RMB'000 人民幣千元	2020 RMB'000 人民幣千元
Bank borrowings from factoring of bills receivables with full recourse (note 20)	保理具全面追索權應收票據後所獲得銀行借款(附註20)	171,015	80,864
Other bank borrowings	其他銀行借款	351,000	296,000
		<u>522,015</u>	<u>376,864</u>
Secured	有抵押	<u>522,015</u>	<u>376,864</u>
		2021 RMB'000 人民幣千元	2020 RMB'000 人民幣千元
The Carrying amounts of the above borrowings are repayable*:	上列借款之賬面值須於下列期限償還*：		
Within one year	一年以內	221,015	125,864
Within a period more than one year but not exceeding two years	一年以上兩年以下期間	211,000	45,000
Within a period more than two years but not exceeding five years	兩年以上五年以下期間	90,000	206,000
		<u>522,015</u>	<u>376,864</u>
Less: amounts due within one year shown under current liabilities	減：一年以內到期款項，列作流動負債	<u>(221,015)</u>	<u>(125,864)</u>
Amount shown under non-current liabilities	列作非流動負債款項	<u>301,000</u>	<u>251,000</u>

* The amounts due are based on scheduled repayment dates set out in the loan agreements.

* 到期金額乃根據貸款協議所載還款時間表日期。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)
綜合財務報表附註(續)For the year ended 31 December 2021
截至2021年12月31日止年度**27. Bank Borrowings (continued)**

Secured bank borrowings from factoring of bills receivables with full recourse refers to discounting of bank acceptance bills received from the customers of the Group with fixed interest rate while the significant risks and rewards from the bills receivables are substantially retained by the Group. The effective interest rate of the secured bank borrowings from factoring of bills receivables with full recourse is approximately 1% to 2% per annum (2020: 2% to 3% per annum) during the year ended 31 December 2021.

Other bank borrowings represented (i) RMB251,000,000 (2020: RMB296,000,000) secured borrowings from Bank of Guiyang Co., Ltd. in the PRC carrying interest at 5.5% per annum with a pledge of certain mining rights, and repayable in two instalments (RMB45 million on 20 December 2022 and RMB206 million on 15 August 2023); and (ii) RMB100,000,000 (2020: nil) as at 31 December 2021 represented secured borrowings from Bank of Guiyang Co., Ltd in the PRC carrying interest of 5.5% per annum with a pledge of certain mining rights, and repayable in three instalments (RMB5 million on 20 December 2022, RMB5 million on 20 December 2023 and RMB90 million on 20 May 2024).

27. 銀行借款(續)

保理具全面追索權應收票據後所獲得銀行借款指採用固定利率貼現從本集團客戶收到的銀行承兌票據，而應收票據的主要風險及回報絕大部分由本集團保留。截至2021年12月31日止年度，保理具全面追索權應收票據後所獲得銀行借款的實際年利率約為1%至2%(2020年：每年2%至3%)。

其他銀行借款指(i)於中國向貴陽銀行股份有限公司借入有抵押貸款人民幣251,000,000元(2020年：人民幣296,000,000元)，按年利率5.5厘計息，以若干採礦權為抵押，並須於兩期內償還(於2022年12月20日人民幣45百萬元及於2023年8月15日人民幣206百萬元)；及(ii)於2021年12月31日之其他銀行借款人民幣100,000,000元(2020年：零)指於中國向貴陽銀行股份有限公司借入有抵押貸款，按年利率5.5厘計息，以若干採礦權為抵押，並須於三期內償還(於2022年12月20日人民幣5百萬元、於2023年12月20日人民幣5百萬元及於2024年5月20日人民幣90百萬元)。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)
綜合財務報表附註(續)

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28. Contingent Consideration Payables

In respect of the Acquisition, cash considerations of RMB180,000,000 is expected to be paid in each of the three years ending 31 December 2021, 2022 and 2023, totaling RMB540,000,000 (the “Remaining Consideration”). In addition, Jiutai Bangda and the Vendors have entered into a profit guarantee arrangement, pursuant to which the Vendors guarantee to the Jiutai Bangda that each of the audited net profit of the year ended 31 December 2020, 2021 and 2022 generated by the Target Mine shall not be less than RMB150,000,000 (the “Benchmark Profit”). In the event where any of the audited net profit of the year ended 31 December 2020, 2021 or 2022 is less than the Benchmark Profit, the Vendors shall pay compensation(s) to Jiutai Bangda, subject to an overall cap of RMB300,000,000. Likewise, in the event where any of the audited profit of the year ended 31 December 2020, 2021 or 2022 generated by the Target Mine is greater than the Benchmark Profit, Jiutai Bangda shall pay bonus(es) to the Vendors, subject to an overall cap of RMB300,000,000.

The contingent consideration payable is measured at fair value at 31 December 2021 and 2020 by an independent qualified professional valuer based on the expected present value of the Remaining Consideration adjusted by any excess or shortfalls between the Benchmark Profit and the projected net profit generated by the Target Mine using discounted cash flow method.

28. 應付或然代價

就收購事項而言，預期截至2021年、2022年及2023年12月31日止三個年度各年將支付現金代價人民幣180,000,000元，合共為人民幣540,000,000元(「餘下代價」)。此外，久泰邦達與賣方訂立了溢利保證協議，據此，賣方向久泰邦達保證，截至2020年、2021年及2022年12月31日止三個年度各年的經審核純利將不少於人民幣150,000,000元(「基準溢利」)。倘截至2020年、2021年及2022年12月31日止三個年度任何一年的經審核純利少於基準溢利，賣方須向久泰邦達支付補償金額，最高限額為人民幣300,000,000元。同樣，倘目標煤礦於截至2020年、2021年及2022年12月31日止三個年度任何一年所產生經審核純利大於基準溢利，久泰邦達向賣方支付獎金，最高限額為人民幣300,000,000元。

應付或然代價於2021年及2020年12月31日之公平值由獨立合資格專業估值師使用貼現現金流方法按餘下代價之預期現值及就基準溢利與目標煤礦所產生經審核純利之間任何超出或不足金額作調整而計量。

		RMB'000 人民幣千元
As at 1 January 2020	於2020年1月1日	–
Addition	新增	495,000
Fair value change of contingent consideration payable recognised in profit or loss	於損益確認之應付或然代價公平值變動	16,072
		<hr/>
As at 31 December 2020	於2020年12月31日	511,072
Repayment	還款	(187,959)
Fair value change of contingent consideration payable recognised in profit or loss	於損益確認之應付或然代價公平值變動	308,518
		<hr/>
As at 31 December 2021	於2021年12月31日	631,631
		<hr/> <hr/>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)
綜合財務報表附註(續)For the year ended 31 December 2021
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28. Contingent Consideration Payables (continued)

Non-current	非流動
Current	流動

28. 應付或然代價(續)

2021	2020
RMB'000	RMB'000
人民幣千元	人民幣千元
378,095	326,011
253,536	185,061
631,631	511,072

29. Provision for Restoration Costs

At the beginning of the year	於年初
Additional provisions in the year	年內額外撥備
Unwinding of discount	貼現撥回
At the end of the year	於年末

29. 復墾成本撥備

2021	2020
RMB'000	RMB'000
人民幣千元	人民幣千元
43,028	38,912
–	2,255
1,946	1,861
44,974	43,028

In accordance with the relevant PRC rules and regulations, if any damage is caused to cultivated land, grassland or forest as a result of exploration or mining activities, mining enterprises must restore the land to a condition appropriate for use by reclamation, re-planting trees or grasses or such other measures, as appropriate, after the mining has been completed. The Group provides for the present obligation of the costs of the restoration.

The provision for restoration costs has been determined by the management of the Group based on their estimates for the restoration upon the closure of the mine sites.

根據中國相關規則及法規，倘耕地、草地或森林因勘探或採礦活動而遭到任何損害，則採礦企業必須於採礦結束後通過開墾、重新種植樹木或草坪或其他適當措施將土地恢復至可用狀態。本集團就復墾成本的現時責任計提撥備。

復墾成本撥備已由本集團管理層依據礦場關閉後彼等對復墾的估計釐定。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)
綜合財務報表附註(續)

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30. Share Capital

Details of the Company's shares are disclosed as follows:

	Number of shares 股份數目	Amount 金額 HK\$'000 千港元	Equivalent amount 相當於 RMB'000 人民幣千元
Ordinary shares of HK\$0.01 each 每股面值0.01港元的普通股			
Authorised: 法定：			
At 1 January 2020, 於2020年1月1日、2020年			
31 December 2020 and 2021 及2021年12月31日	10,000,000,000	100,000	87,208
Issued and fully paid: 已發行及繳足：			
At 1 January 2020, 於2020年1月1日、2020年			
31 December 2020 and 2021 及2021年12月31日	1,600,000,000	16,000	14,136

31. Retirement Benefit Schemes

The employees of the Group are members of a state-managed retirement benefit scheme operated by the local government. The Group is required to contribute a certain percentage of their payroll costs to the retirement benefit scheme to fund the benefits. The only obligation of the Group with respect to the retirement benefit scheme is to make the specified contributions.

The Group also participates in the MPF Scheme established under the Mandatory Provident Fund Schemes Ordinance. The assets of the MPF Scheme are held separately from those of the Group, in funds under the control of trustees. The Group contributes at the lower of HK\$1,500 per month or 5% of the relevant payroll costs to the MPF Scheme.

The contributions to the retirement benefit scheme of the Group during of the years ended 31 December 2021 and 2020 are disclosed in notes 6 and 9, respectively.

31. 退休福利計劃

本集團的僱員為地方政府運營的國家管理退休福利計劃的成員。本集團須向退休福利計劃按僱員薪金成本的某一百分比進行供款，以為福利提供資金。本集團就退休福利計劃的唯一責任為作出所規定的供款。

本集團亦參與根據強制性公積金計劃條例成立的強積金計劃。強積金計劃資產與本集團資產分開持有，由受託人控制的基金持有。本集團按每月1,500港元或相關薪金成本的5%（以較低者為準）向強積金計劃供款。

本集團於截至2021年及2020年12月31日止年度的退休福利計劃供款分別於附註6及9披露。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)
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32. Related Party Transactions

Save as disclosed elsewhere in the consolidated financial statements, the Group had the following transactions with its related parties during the year:

Name of related company 關聯公司名稱	Nature of transactions 交易性質
Bangda 邦達	Logistics service expense 物流服務開支
	Rental income 租金收入
	Coal washing processing expense 洗煤及加工開支
Yuebang 粵邦	Sales of coalbed methane gas 銷售煤層氣
	Purchase of electricity 購電
Panzhou Hongda 盤州紅達	Sales of coalbed methane gas 銷售煤層氣
	Purchase of electricity 購電

The above transactions were transacted at prices agreed between the parties.

32. 關聯方交易

除綜合財務報表另行披露者外，於本年度，本集團與其關聯方有以下交易：

	2021 RMB'000 人民幣千元	2020 RMB'000 人民幣千元
	3,656	3,291
	1,101	1,101
	8,302	7,536
	1,988	2,553
	4,756	5,474
	1,093	–
	6,558	–

上述交易以雙方議定的價格進行。

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32. Related Party Transactions (continued)

Compensation of key management personnel

The key management personnel of the Group included 7 executive directors of the Company (2020: 7 executive directors of the Company). Details of whose emoluments are set out in note 6(a). Other members of key management personnel included 8 employees (2020: 7 employees) for the year ended 31 December 2021. The remuneration of these 8 members (2020: 7 members) during the year is as follows:

Short-term employee benefits	短期僱員福利
Bonus	花紅
Post-employment benefits	離職後福利

32. 關聯方交易(續)

關鍵管理人員補償

本集團關鍵管理人員包括本公司七名執行董事(2020年:本公司七名執行董事)。彼等的薪酬詳情載於附註6(a)。截至2021年12月31日止年度,關鍵管理人員的其他成員包括八名僱員(2020年:七名僱員)。年內,該八名成員(2020年:七名成員)的薪酬如下:

2021 RMB'000 人民幣千元	2020 RMB'000 人民幣千元
3,782	3,268
604	966
103	51
4,489	4,285

33. Operating Leasing Arrangement

The Group as lessor

Minimum lease payments receivable on leases are as follows:

Within one year	一年內
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Leases are negotiated for lease term of three years.

33. 經營租賃

本集團作為出租人

應收租賃的最低租賃款項如下:

2021 RMB'000 人民幣千元	2020 RMB'000 人民幣千元
1,101	1,101

租約可按三年租期予以協商。

34. Capital Commitments

Capital expenditure in respect of the acquisition of property, plant and equipment and mining rights contracted for but not provided in the consolidated financial statements

就收購物業、廠房及設備及採礦權的已訂約但未於綜合財務報表計提撥備的資本開支

34. 資本承擔

2021 RMB'000 人民幣千元	2020 RMB'000 人民幣千元
17,680	10,800

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35. Capital Risk Management

The Group manages its capital to ensure that the Group will be able to continue as a going concern while maximising the return to stakeholders through the optimisation of the debt and equity balance. The Group's overall strategy remains from prior year.

The capital structure of the Group consists of debt balance and equity balance. Equity balance consists of equity attributable to owners of the Group, comprising share capital and reserves.

The management of the Group reviews the capital structure on an on-going annual basis. As part of this review, the management of the Group considers the cost of capital and the risks associated with each class of capital. Based on recommendations of the management of the Group, the Group will balance its overall capital structure through the payment of dividends, new capital injection as well as the issue of new debt.

36. Financial Instruments

Categories of financial instruments

Financial assets	金融資產
Financial assets at amortised cost	按攤銷成本計量之金融資產
Financial liabilities	金融負債
Financial liabilities at amortised cost	按攤銷成本計量之金融負債
Financial liabilities at FVTPL	按公平值計量且其變動計入損益之金融負債

Financial risk management objectives and policies

The Group's major financial instruments include trade and bills receivables, deposits and other receivables, restricted bank deposits, bank balances and cash, amounts due to related parties, trade payables, other payables and accrued charges, bank borrowings, lease liabilities and contingent consideration payables. Details of these financial instruments are disclosed in respective notes. The risks associated with these financial instruments and the policies on how to mitigate these risks are set out below.

35. 資本風險管理

本集團管理其資本，以確保本集團能夠持續經營，同時亦透過優化債務及權益結餘為利益相關者爭取最大回報。於過往年度，本集團的整體策略維持不變。

本集團的資本架構包括債務結餘及權益結餘。權益結餘由本集團擁有人應佔權益組成，包括股本及儲備。

本集團管理層持續每年檢討資本架構。作為該項檢討的一部分，本集團管理層考慮資本成本及與各類資本相關的風險。根據本集團管理層的推薦建議，本集團將支付股息、注入新資本及發行新債務，藉此平衡其整體資本架構。

36. 金融工具

金融工具類別

	2021 RMB'000 人民幣千元	2020 RMB'000 人民幣千元
Financial assets at amortised cost	593,823	439,157
Financial liabilities at amortised cost	699,965	502,265
Financial liabilities at FVTPL	631,631	511,072

金融風險管理目標及政策

本集團的主要金融工具包括貿易應收款項及應收票據、按金及其他應收款項、受限制銀行存款、銀行結餘及現金、應付關聯方款項、貿易應付款項、其他應付款項及應計費用、銀行借款、租賃負債以及應付或然代價。該等金融工具的詳情於各附註披露。與該等金融工具相關的風險及如何緩解該等風險的政策載列如下。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)
綜合財務報表附註(續)

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36. Financial Instruments (continued)

Financial risk management objectives and policies (continued)

Market risk

Interest rate risk

The Group is exposed to fair value interest rate risk in relation to its lease liabilities (note 26) and bank borrowings (note 27). The Group is also exposed to cash flow interest rate risk in relation to its restricted bank deposits and bank balances (notes 17 and 22).

The Group currently does not have interest rate hedging policy. However, the management of the Group closely monitors its exposure to future cash flow interest rate risk as a result of change on market interest rate and will consider hedging changes in market interest rates should the need arise.

No sensitivity analysis is provided on restricted bank deposits and bank balances as the management of the Group considers that the interest rate fluctuation on bank balances are minimal.

Foreign currency risk

Certain bank balances, deposits and other receivables, other payables, lease liabilities and other borrowings are denominated in HK\$, the currency other than the functional currency of the respective group entities, at end of the reporting period. Other than disclosed below, the Group has limited foreign currency exposure as both sales and costs were denominated in the functional currency of respective group entities.

The Group currently does not have a foreign currency hedging policy. However, the management of the Group monitors foreign exchange exposure and will consider hedging significant foreign currency exposure should the need arise.

36. 金融工具(續)

金融風險管理目標及政策(續)

市場風險

利率風險

本集團就其租賃負債(附註26)以及銀行借款(附註27)而面臨公平值利率風險。本集團亦就其受限制銀行存款及銀行結餘(附註17及22)而面臨現金流量利率風險。

本集團現時並無利率對沖政策。然而，本集團管理層密切監察因市場利率變動而引致其面臨的未來現金流量利率風險，並將於必要時考慮對沖市場利率變動。

概無就受限制銀行存款及銀行結餘提供敏感度分析，原因為本集團管理層認為銀行結餘的利率波動極小。

外匯風險

於各報告期末，若干銀行結餘、按金及其他應收款項、其他應付款項、租賃負債及其他借款以港元(並非各集團實體功能貨幣的貨幣)計值。除下文所披露者外，由於銷售及成本均以各集團實體的功能貨幣計值，故本集團所承受的外匯風險有限。

本集團現時並無外匯對沖政策。然而，本集團管理層監察外匯風險並將於有需要時考慮對沖重大外匯風險。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)
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36. Financial Instruments (continued)

Financial risk management objectives and policies (continued)

Market risk (continued)

Foreign currency risk (continued)

The carrying amounts of the Group's HK\$ denominated monetary assets and monetary liabilities at the end of the reporting period as follows:

Bank balances	銀行結餘
Deposits and other receivables	按金及其他應收款項
Other payables	其他應付款項
Lease liabilities	租賃負債

Sensitivity analysis

Sensitivity analysis of strengthening 5% in functional currency of the Company (i.e. RMB) against HK\$ resulted in a decrease in post-tax profit of RMB55,000 (2020: a increase in post-tax profit of RMB156,000) during the year ended 31 December 2021. For a 5% weakening of RMB against HK\$, there would be an equal and opposite impact on the results.

5% is the sensitivity rate used and represents management's assessment of the reasonably possible change in foreign exchange rates.

Credit risk and impairment assessment

The Group's credit risk is primarily attributable to trade and bills receivables, deposits and other receivables, restricted bank deposits and bank balances as at 31 December 2021 and 2020. The carrying amounts of financial assets at amortised cost stated in subheading of "categories of financial statements" of this note represented the Group's maximum exposure to credit risk in relation to financial assets which will cause a financial loss to the Group due to failure to discharge an obligation by the counterparties.

36. 金融工具(續)

金融風險管理目標及政策(續)

市場風險(續)

外匯風險(續)

於各報告期末，本集團以港元計值的貨幣資產及貨幣負債的賬面值如下：

	2021 RMB'000 人民幣千元	2020 RMB'000 人民幣千元
Bank balances	4,456	8,125
Deposits and other receivables	494	509
Other payables	2,599	2,662
Lease liabilities	3,826	1,824

敏感度分析

根據本公司功能貨幣(即人民幣)兌港元升值5%的敏感度分析，截至2021年12月31日止年度的除稅後溢利減少人民幣55,000元(2020年：除稅後溢利增加人民幣156,000元)。倘人民幣兌港元貶值5%，則結果會呈相反等量影響。

5%為所使用的敏感度比率，代表管理層對外匯匯率可能出現的合理升跌的評估。

信貸風險及減值評估

本集團的信貸風險乃主要由於2021年及2020年12月31日的貿易應收款項及應收票據、按金及其他應收款項、受限制銀行存款及銀行結餘所致。本附註「財務報表的類別」所述按攤銷成本計量的金田融資產賬面值指本集團就金融資產所面臨的最高信貸風險，並將因對手方未能履行責任而導致本集團的財務虧損。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)
綜合財務報表附註(續)

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36. Financial Instruments (continued)

Financial risk management objectives and policies (continued)

Credit risk and impairment assessment (continued)

Trade and bills receivables

At 31 December 2021, the Group had a concentration of credit risk as the top three trade debtors accounted for approximately 78% (2020: 93%) of its total trade receivables. The management of the Group regularly visits these customers to understand their business operations and cash flows position and follows up the subsequent settlement from the counterparties. In this regard, the management of the Group considers that this credit concentration risk has been significantly mitigated.

In order to minimise the credit risk on trade and bills receivables, the management of the Group has delegated a team responsible for monitoring procedures to ensure that follow-up action is taken to recover overdue debts. In addition, the management of the Group reviews the recoverable amount of each individual debt at the end of the reporting period to ensure that adequate impairment losses are made for irrecoverable amounts. The Group applies simplified approach and always recognises lifetime ECL for trade and bills receivables on individual basis. Taking into account the financial condition of the customers and historical settlement pattern with no history of default in the past and the forward-looking information (such as future coal price and GDP in the PRC), the management of the Group considers the trade and bills receivables are at lower risk under internal credit rating assessment and the probability of default of the counterparties was low. The Group applied ECL rate of 0.1% on trade and bills receivables. Thus, the loss allowance provision of the trade and bills receivables as at 31 December 2021 and 2020 was insignificant. There were no credit-impaired trade and bills receivables as at 31 December 2021 and 2020. In this regard, the management of the Group considers that the credit risks on trade and bills receivables are significantly reduced. The gross carrying amount of trade and bills receivables as at 31 December 2021 is RMB393,003,000 (2020: RMB275,061,000).

36. 金融工具(續)

金融風險管理目標及政策(續)

信貸風險及減值評估(續)

貿易應收款項及應收票據

於2021年12月31日，本集團面臨集中信貸風險，此乃由於三大應收貿易賬款分別佔其貿易應收款項總額約78% (2020年：93%) 所致。本集團管理層定期探訪該等客戶以瞭解其業務經營情況及現金流量狀況以及跟進對手方後續結算情況。就此而言，本集團管理層認為該信貸集中風險已大幅降低。

為將貿易應收款項及應收票據的信貸風險降至最低，本集團管理層已委派團隊負責監察程序，以確保採取跟進行動收回逾期債務。此外，本集團管理層於報告期末審閱各項個別債務的可收回金額，以確保就不可收回金額作出充足減值虧損。本集團應用簡化方式，且一直就貿易應收款項及應收票據單獨確認全期年期預期信貸虧損。經計及客戶的財務狀況及過去概無違約記錄的過往結算模式以及前瞻性資料(如中國未來煤炭價格及國內生產總值增長)，本集團管理層認為貿易應收款項及應收票據根據內部信貸評級評估分類為較低風險組別，且對手方違約的可能性甚微。本集團為貿易應收款項及應收票據採用0.1%的預期信貸虧損率。因此，於2021年及2020年12月31日，貿易應收款項及應收票據的虧損撥備並不重大。於2021年及2020年12月31日，並無信貸減值的貿易應收款項及應收票據。就此，本集團管理層認為貿易應收款項及應收票據的信貸風險已大幅降低。於2021年12月31日，貿易應收款項及應收票據的賬面總值為人民幣393,003,000元 (2020年：人民幣275,061,000元)。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)
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36. Financial Instruments (continued)

Financial risk management objectives and policies (continued)

Credit risk and impairment assessment (continued)

Deposits and other receivables

For deposits and other receivables, the management of the Group makes periodic collective assessment as well as individual assessment on the recoverability of other receivables based on historical settlement records and past experience. The management of the Group believes that there is no material credit risk inherent in the Group's outstanding balance of deposits and other receivables. For the purposes of internal credit management, the Group uses past due information to assess whether the credit risk of deposits and other receivables has increased significantly since initial recognition. There is no overdue balances on deposits and other receivables as at 31 December 2021 and 2020. In the opinion of the management of the Group, the risk of default by the counterparties is not significant and the Group assesses that the ECL on these balances are insignificant. Thus, the Group assessed 12m ECL on deposits and other receivables. The loss allowance provision of the deposits and other receivables as at 31 December 2021 and 2020 was insignificant. There were no credit-impaired deposits and other receivables as at 31 December 2021 and 2020. In this regard, the management of the Group considers that the credit risk on deposits and other receivables is significantly reduced. The gross carrying amount of deposits and other receivables as at 31 December 2021 is RMB7,226,000 (2020: RMB4,239,000).

36. 金融工具(續)

金融風險管理目標及政策(續)

信貸風險及減值評估(續)

按金及其他應收款項

就按金及其他應收款項而言，本集團管理層根據過往結算記錄及過往經驗就其他應收款項的可回收性進行定期集體評估及個別評估。本集團管理層認為，本集團按金及其他應收款項的未償還結餘並不存在內在重大信貸風險。就內部信貸管理而言，本集團採用逾期資料評估按金及其他應收款項的信貸風險自初始確認以來是否已大幅增加。於2021年及2020年12月31日，概無按金及其他應收款項逾期結餘。本集團管理層認為，對手方違約風險並不重大，且本集團的評估為該等結餘的預期信貸風險並不重大。因此，本集團就按金及其他應收款項評估12個月預期信貸虧損。於2021年及2020年12月31日，按金及其他應收款項的虧損撥備並不重大。於2021年及2020年12月31日，概無信貸減值按金及其他應收款項。就此而言，本集團管理層認為，有關按金及其他應收款項的信貸風險已大幅降低。於2021年12月31日，按金及其他應收款項的賬面總值為人民幣7,226,000元(2020年：人民幣4,239,000元)。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)
綜合財務報表附註(續)

For the year ended 31 December 2021
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36. Financial Instruments (continued)

Financial risk management objectives and policies (continued)

Credit risk and impairment assessment (continued)

Restricted bank deposits/bank balances

The credit risk on restricted bank deposits and bank balances of the Group is limited because the counterparties are banks with good reputation and no history of default in the past and no loss allowance provision for restricted bank deposits and bank balances was recognised. The Group has limited exposure to any single financial institution. The Group recognised 12m ECL on restricted bank deposits and bank balances and the gross carrying amounts of restricted bank deposits and bank balances as at 31 December 2021 are RMB12,740,000 (2020: RMB20,254,000) and RMB180,854,000 (2020: RMB139,603,000), respectively.

There were no significant increase in credit risk on these financial assets and credit-impaired financial assets as at 31 December 2021 and 2020.

Other than the credit risk management policy stated above, the Group considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis. To assess whether there is significant increase in credit risk, the Group compares the risk of default occurring on an asset at the end of the reporting period with the risk of default at the date of initial recognition. In making this assessment, the Group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort.

The Group accounts for credit risk by appropriately providing for ECL on a timely basis. In calculating the ECL rates, the Group considered historical loss rates for each category of receivables and adjusts for forward-looking macroeconomic data.

36. 金融工具(續)

金融風險管理目標及政策(續)

信貸風險及減值評估(續)

受限制銀行存款／銀行結餘

本集團就受限制銀行存款及銀行結餘面臨的信貸風險有限，原因為對手方為信譽良好及過往並無欠款記錄的銀行，故並無就受限制銀行存款及銀行結餘確認虧損撥備。本集團所承擔的任何單一金融機構風險有限。本集團就受限制銀行存款及銀行結餘確認12個月預期信貸虧損，而於2021年12月31日，受限制銀行存款及銀行結餘的賬面總值分別為人民幣12,740,000元(2020年：人民幣20,254,000元)及人民幣180,854,000元(2020年：人民幣139,603,000元)。

於2021年及2020年12月31日，該等金融資產及信貸減值的金融資產的信貸風險概無大幅增加。

除上述信貸風險管理政策外，本集團會考慮初步確認資產後的違約可能性及信貸風險是否持續大幅增加。為評估信貸風險是否大幅增加，本集團將於報告期末發生的資產違約風險與於初步確認日期的違約風險進行比較。於作出此項評估時，本集團會考慮合理可靠的定量及定性資料，包括過往經驗或毋須過分花費或耗時獲取的前瞻性資料。

本集團透過及時計提預期信貸虧損以說明信貸風險。於計算預期信貸虧損率時，本集團計及各類應收款項的過往虧損率，並就前瞻性宏觀經濟數據作出調整。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)
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36. Financial Instruments (continued)

Financial risk management objectives and policies (continued)

Liquidity risk

In the management of liquidity risk, the Group monitors and maintains a level of cash and cash equivalents deemed adequate by the management of the Group and also considered the unutilised credit facility granted from a bank to the Group of RMB204,000,000 (2020: RMB304 million) as at 31 December 2021 to finance its operations and mitigates the effects of fluctuations in cash flows.

The following tables detail the Group's remaining contractual maturity for its non-derivative financial liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group can be required to pay. The table includes both interest and principal cash flows.

As at 31 December 2021	於2021年12月31日
Trade payables	貿易應付款項
Other payables and accrued charges	其他應付款項及應計費用
Bank borrowings	銀行借款
Lease liabilities	租賃負債
Contingent consideration payable	或然應付代價

Effective interest rate	1-3 months	4-12 months	1-5 years	Total undiscounted cash flow	Total carrying amount
實際利率 %	一至三個月	四至十二個月	一至五年內	未貼現現金流量總額	賬面總值
	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
N/A不適用	81,688	-	-	81,688	81,688
N/A不適用	96,262	-	-	96,262	96,262
4.2	30,700	193,621	331,902	556,223	522,015
1.8	239	1,074	2,626	3,939	3,826
N/A不適用	-	253,536	378,095	631,631	631,631
	208,889	448,231	712,623	1,369,743	1,335,422

36. 金融工具(續)

金融風險管理目標及政策(續)

流動資金風險

為管理流動資金風險，本集團監察及維持本集團管理層認為充足的現金及現金等價物水平，亦考慮到截至2021年12月31日有一間銀行授予本集團未動用信貸融資額人民幣204,000,000元(2020年：人民幣304百萬元)，以為其營運提供資金並緩解現金流量波動的影響。

下表詳述本集團非衍生金融負債的餘下合約到期情況。該等表格乃根據本集團須作付款的最早日期，按金融負債的未貼現現金流量編製。下表包括利息及本金現金流量。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)
綜合財務報表附註(續)For the year ended 31 December 2021
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36. Financial Instruments (continued)

Financial risk management objectives and policies
(continued)

Liquidity risk (continued)

		Effective interest rate	1-3 months 一至 三個月	4-12 months 四至 十二個月	1-5 years 一至 五年內	Total undiscounted cash flow 未貼現現金 流量總額	Total carrying amount 賬面總值
		%	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元
As at 31 December 2020	於2020年12月31日						
Trade payables	貿易應付款項	N/A 不適用	65,518	-	-	65,518	65,518
Other payables and accrued charges	其他應付款項及應計費用	N/A 不適用	59,883	-	-	59,883	59,883
Bank borrowings	銀行借款	4.9	47,364	56,500	332,982	436,846	376,864
Lease liabilities	租賃負債	3.2	337	1,517	-	1,854	1,824
Contingent consideration payable	或然應付代價	N/A 不適用	-	185,061	326,011	511,072	511,072
			173,102	243,078	658,993	1,075,173	1,015,161

Fair value measurements of financial instruments

Some of the Group's financial instruments are measured at fair value for financial reporting purposes. The management of the Company determines the appropriate valuation techniques and inputs for fair value measurements.

In estimating the fair value, the Group uses market-observable data to the extent it is available. Where Level 1 inputs are not available, the Group engages independent qualified valuers to perform the valuation. The management of the Company works closely with the independent professional external valuers to establish the appropriate valuation techniques and inputs to the model.

36. 金融工具(續)

金融風險管理目標及政策(續)

流動資金風險(續)

按公平值計量的金融資產及金融負債的公平值

本集團若干金融工具就財務報告而言按公平值計量。本公司管理層確定適當估值技術及輸入數據作公平值計量。

估計公平值時，本集團在可獲取的程度上使用市場可觀察數據。如不能獲取第一級輸入數據，則本集團委聘獨立合資格估值師進行估值。本公司管理層與獨立專業估值師密切合作，以確立合適估值技術及模型的輸入數據。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)
綜合財務報表附註(續)

For the year ended 31 December 2021
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36. Financial Instruments (continued)

Fair value measurements of financial instruments (continued)

- (i) Fair value of the Group's financial liabilities that are measured at fair value on a recurring basis

Financial liabilities at FVTPL 按公平值計量且其變動計入損益之金融負債	Fair value as at 31 December 於12月31日之公平值	Fair value hierarchy 公平值層級	Valuation technique 估值技術	Key input 主要輸入數據
	2021 RMB'000 人民幣千元	2020 RMB'000 人民幣千元		
Contingent consideration payable 應付或然代價	631,631	511,072	Level 3 第三級	Discounted cash flow method was used to capture the present value of the expected future economic benefits that will flow out of the Group arising from the contingent consideration payable, based on an appropriate discount rate. 根據合適貼現率使用貼現現金流方法獲取應付或然代價導致將會流出本集團之預期未來經濟利益之現值。

Note: An increase in the discount rate used in isolation would result in a decrease in the fair value measurement of the contingent consideration payable and vice versa; while an increase in the projected revenues and profits used in isolation would result in an increase in the fair value measurement of the contingent consideration payable, and vice versa.

Reconciliation of Level 3 fair value measurements is set out in note 28.

36. 金融工具(續)

按公平值計量的金融資產及金融負債的公平值(續)

- (i) 本集團經常性按公平值計量之金融負債的公平值

附註：所使用貼現率單獨上升會導致應付或然代價之公平值計量下降，反之亦然；預測收益及溢利單獨上升會導致應付或然代價之公平值計量上升，反之亦然。

第三級公平值計量之對賬載於附註28。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)
綜合財務報表附註(續)

For the year ended 31 December 2021
截至2021年12月31日止年度

36. Financial Instruments (continued)

Fair value measurements of financial instruments (continued)

- (ii) Fair value of financial assets and financial liabilities that are not measured at fair value on a recurring basis
- The management considers that the carrying amounts of financial assets and financial liabilities recognised in the consolidated financial statements approximate their fair values.

37. Share Option Scheme

The Company's share option scheme (the "Share Option Scheme") was adopted pursuant to a resolution passed on 15 November 2018 for the primary purpose of providing incentives to any directors (including executive directors and independent non-executive directors), full-time or part-time employees and potential employees of the Group and any suppliers, customers, consultants, agents and advisers who the directors of the Company considers, in its sole discretion, has contributed or shall contribute to the Group ("Eligible Participant").

The following is a summary of the principal terms of the Share Option Scheme:

- (i) On and subject to the terms of the Share Option Scheme and the requirements of the Listing Rules, the directors of the Company shall be entitled to, at its absolute discretion and on such terms as it deems fit, grant options to any Eligible Participant.
- (ii) The maximum number of options in respect of which might be granted under this Share Option Scheme must not exceed 10% of the aggregate of the shares in issue on the date the shares commence trading on the Stock Exchange. The maximum number of shares in respect of which options may be granted was 160,000,000 shares, respectively 10% of issued share capital of the Company on the date the shares commence trading on the Stock Exchange. The overall limit on the number of shares which shall be issued upon exercise of all outstanding options granted, and yet to be exercised, under the Share Option Scheme shall not exceed 30% of the shares in issue from time to time.

36. 金融工具(續)

按公平值計量的金融資產及金融負債的公平值(續)

- (ii) 並非經常性按公平值計量之金融資產及金融負債
- 管理層認為綜合財務報表中所確認金融資產及金融負債之賬面值與其公平值相若。

37. 購股權計劃

本公司根據於2018年11月15日通過的一項決議案採納其購股權計劃(「購股權計劃」)，主要目的為向本集團任何董事(包括執行董事及獨立非執行董事)、全職或兼職僱員及潛在僱員以及本公司董事全權酌情認為已向本集團作出貢獻或將作出貢獻的任何供應商、客戶、諮詢人、代理及顧問(「合資格參與者」)提供獎勵。

以下為購股權計劃的主要條款概要：

- (i) 根據購股權計劃條款與上市規則規定並在其規限下，本公司董事應有權全權酌情及按其認為合適的有關條款向任何合資格參與者授出購股權。
- (ii) 根據購股權計劃可能授出的購股權的最高數目不得超過股份在聯交所開始買賣當日已發行股份總數的10%。可能授出購股權所涉及的股份最高數目為160,000,000股，分別為於本公司股份在聯交所開始買賣當日本公司已發行股本的10%。因根據購股權計劃授出惟尚未獲行使的尚未行使購股權獲全數行使而將予發行的股份數目整體限額，不得超過不時已發行股份的30%。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)
綜合財務報表附註(續)

For the year ended 31 December 2021
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37. Share Option Scheme (continued)

- (iii) The total number of shares issued, and to be issued, upon exercise of the options granted to each Eligible Participant (including both exercised, cancelled and outstanding options) in any twelve months period shall not exceed 1% of the shares in issue.
- (iv) The period within which the shares shall be taken up under an option shall be a period to be notified by the directors of the Company to each grantee at the time of making an offer, which shall be determined by the directors of the Company in its absolute discretion at the date of grant of the relevant option, but such period shall not expire later than 10 years from the date of grant of the relevant option.
- (v) An option shall remain open for acceptance by the Eligible Participant concerned for a period of the date on which the letter containing the offer is delivered to the Eligible Participant. HK\$1 is payable by the grantee to the Company on acceptance of the offer of the option.
- (vi) The subscription price shall be such price determined by the directors of the Company at its absolute discretion and notified to the Eligible Participant in the offer at the time of the offer, and shall be no less than the highest of:
 - a. the official closing price of the shares as stated in the daily quotations sheets of the Stock Exchange on the date of grant of the relevant option;
 - b. the average of the official closing prices of the shares as stated in the daily quotations sheets of the Stock Exchange for the five business days immediately preceding the date of grant of the relevant option; and
 - c. the nominal value of a share.

No share options were granted, exercised, cancelled or lapsed under the Share Option Scheme during the year ended 31 December 2021 and 2020 nor outstanding as at the end of the reporting period.

37. 購股權計劃(續)

- (iii) 於任何十二個月期間內，因行使授予各合資格參與者的購股權(包括已行使、已註銷及尚未行使的購股權)而已發行及將予發行的股份總數，不得超過已發行股份的1%。
- (iv) 根據購股權承購股份的期限將為本公司董事於作出要約時知會各承授人的期限，將由本公司董事在授出相關購股權日期全權酌情釐定，惟該期限不得遲於授出有關購股權日期起計10年屆滿。
- (v) 購股權於自向合資格參與者交付包含要約的函件當日起一段期間仍可供相關合資格參與者接納。於接納購股權要約時，承授人須向本公司支付1港元。
- (vi) 認購價將為本公司董事於要約時全權酌情釐定及於要約通知合資格參與者的價格，惟不得低於以下較高者：
 - a. 股份於相關購股權授出日期在由聯交所發佈的每日報價表所列官方收市價；
 - b. 股份於緊接相關購股權授出日期前五個營業日在由聯交所發佈的每日報價表所列官方平均收市價；及
 - c. 股份面值。

於截至2021年及2020年12月31日止年度，並無根據購股權計劃授出、行使、註銷或失效的購股權，而於報告期末亦無尚未行使購股權。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)
綜合財務報表附註(續)

For the year ended 31 December 2021
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38. Movement on Group's Liabilities arising from Financing Activities

The table below details changes in the Group's liabilities arising from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are those for which cash flows were, or future cash flows will be, classified in the Group's consolidated statement of cash flows as cash flows from financing activities.

		Dividend payable 應付股息 RMB'000 人民幣千元	Lease liabilities 租賃負債 RMB'000 人民幣千元	Bank borrowings 銀行借款 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
At 1 January 2020	於2020年1月1日	-	5,028	211,426	216,454
Financing cash flows (Note)	融資現金流量(附註)	(36,596)	(3,314)	200,632	160,722
Transfer on discounted bills with recourse 後轉撥	保理具追索權貼現票據 後轉撥	-	-	(55,000)	(55,000)
Finance costs recognised	已確認融資成本	-	110	19,806	19,916
Dividend declared	已宣派股息	36,596	-	-	36,596
At 31 December 2020	於2020年12月31日	-	1,824	376,864	378,688
At 31 December 2020	於2020年12月31日	-	1,824	376,864	378,688
Financing cash flows (Note)	融資現金流量(附註)	(53,154)	(1,855)	205,580	150,571
Transfer on discounted bills with recourse 後轉撥	保理具追索權貼現票據 後轉撥	-	-	(81,500)	(81,500)
Finance costs recognised	已確認融資成本	-	31	21,071	21,102
Lease modification	租賃修訂	-	3,826	-	3,826
Dividend declared	已宣派股息	53,154	-	-	53,154
At 31 December 2021	於2021年12月31日	-	3,826	522,015	525,841

Note: The financing cash flows represented the payment of dividend, repayment of lease liabilities, net of repayment of borrowings and new borrowings raised.

38. 融資活動產生的集團負債變動

下表詳述本集團融資活動所產生的負債變動，包括現金及非現金變動。融資活動所產生的負債為現金流量或未來現金流量於本集團綜合現金流量表中被分類為融資活動現金流量的負債。

附註：融資現金流量指支付股息、償還租賃負債，扣除償還借款及新增借款。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)
綜合財務報表附註(續)

For the year ended 31 December 2021
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39. Particulars of Subsidiaries

Particulars of the Company's subsidiaries as at the end of the reporting period are as follows:

Name of subsidiary 附屬公司名稱	Place of incorporation/ establishment and kind of legal entity 註冊成立/ 成立地點及 法律實體類型	Issued and fully paid capital/registered capital 已發行及繳足 資本/註冊資本	Shareholding/equity interest attributable to owners of the Company at 31 December 於12月31日的本公司 擁有人應佔股權/權益		Principal activities 主要業務
			2021	2020	
<i>Directly held:</i> 直接持有:					
Coal & Mines International Resources Limited	BVI, limited liability company 英屬處女群島， 有限公司	United States Dollars 10,000 10,000美元	100%	100%	Investment holding 投資控股
<i>Indirectly held:</i> 間接持有:					
HongKong Resources 香港寰亞資源	Hong Kong, limited liability company 香港，有限公司	HK\$1 1港元	100%	100%	Investment holding 投資控股
<i>Subsidiaries of HongKong Resources:</i> 香港寰亞資源的附屬公司:					
Jiutai Bangda 久泰邦達	PRC, limited liability company 中國，有限公司	RMB590,000,000 人民幣 590,000,000元	100%	100%	Exploration and mining of coking coal and coal refinery in the PRC 於中國進行焦煤勘探及 開採以及煤炭提質
Guizhou Fu Bangda Consultancy Services Co., Ltd 貴州富邦達諮詢服務 有限公司	PRC, limited liability company 中國，有限公司	RMB100,000 人民幣100,000元	100%	100%	Management services support for the group entities and investment holding 為集團實體提供管理服 務支援及投資控股

All the companies comprising the Group have adopted 31 December as their financial year end date.

None of the subsidiaries had issued any debt securities during the year or at the end of the year.

39. 附屬公司詳情

於報告期末，本公司附屬公司的詳情如下：

所有組成本集團的公司均已採用12月31日為其財政年結日。

概無附屬公司於年內或年末發行任何債務證券。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)
綜合財務報表附註(續)

For the year ended 31 December 2021
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40. Statement of Financial Position and Reserves
of the Company

40. 財務狀況表及本公司儲備

		2021 RMB'000 人民幣千元	2020 RMB'000 人民幣千元
Non-current assets	非流動資產		
Investment in a subsidiary	投資一間附屬公司	388,330	388,330
Property, plant and equipment	物業、廠房及設備	257	396
Amount due from a subsidiary	應收一間附屬公司款項	–	3,987
		<u>388,587</u>	<u>392,713</u>
Current assets	流動資產		
Prepayments and other receivables	預付款項及其他應收款項	209	209
Bank balances	銀行結餘	4,155	7,523
		<u>4,364</u>	<u>7,732</u>
Current liabilities	流動負債		
Accrued charges and other payables	應計費用及其他應付款項	2,394	2,416
Amount due to a subsidiary	應付一間附屬公司款項	46,362	–
		<u>48,756</u>	<u>2,416</u>
Net current (liabilities) assets	流動(負債)資產淨值	<u>(44,392)</u>	<u>5,316</u>
Net assets	資產淨值	<u>344,195</u>	<u>398,029</u>
Capital and reserves	資本及儲備		
Share capital	股本	14,136	14,136
Reserves	儲備	330,059	383,893
Total equity	總權益	<u>344,195</u>	<u>398,029</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)
綜合財務報表附註(續)

For the year ended 31 December 2021
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40. Statement of Financial Position and Reserves
of the Company (continued)

Movement of reserves of the Company

		Share premium 股份溢價 RMB'000 人民幣千元	Accumulated losses 累計虧損 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
At 1 January 2020	於2020年1月1日	480,355	(36,180)	444,175
Loss and total comprehensive expenses for the year	年內虧損及全面開支總額	-	(23,686)	(23,686)
Dividend recognised as distribution	確認為分派之股息	(36,596)	-	(36,596)
At 31 December 2020	於2020年12月31日	443,759	(59,866)	383,893
Loss and total comprehensive expenses for the year	年內虧損及全面開支總額	-	(680)	(680)
Dividend recognised as distribution (note 11)	確認為分派之股息(附註11)	(53,154)	-	(53,154)
At 31 December 2021	於2021年12月31日	390,605	(60,546)	330,059

41. Pledge of Assets

The Group's bank borrowings had been secured by the pledge of the Group's assets and the carrying amounts of the respective assets are as follows:

		2021 RMB'000 人民幣千元	2020 RMB'000 人民幣千元
Mining Rights	採礦權	55,624	57,925
Bills receivables	應收票據	171,650	81,500
		227,274	139,425

40. 財務狀況表及本公司儲備
(續)

本公司儲備變動

41. 資產質押

本集團的銀行借款由本集團資產質押作擔保，有關資產之賬面值如下：

FIVE-YEAR FINANCIAL SUMMARY

五年財務概要

		For the year ended 31 December 截至12月31日止年度				
		2021 RMB'000 人民幣千元	2020 RMB'000 人民幣千元	2019 RMB'000 人民幣千元	2018 RMB'000 人民幣千元	2017 RMB'000 人民幣千元
Results	業績					
Revenue	收益	1,541,399	1,402,604	812,145	719,412	627,006
Profit before taxation	除稅前溢利	411,428	484,385	309,794	256,808	260,612
Taxation charge	稅項支出	(109,658)	(138,905)	(91,773)	(73,693)	(77,197)
Profit and total comprehensive income for the year	年內溢利及全面收入總額	<u>301,770</u>	<u>345,480</u>	<u>218,021</u>	<u>183,169</u>	<u>183,415</u>
Profit and total comprehensive income for the year attributable to:	以下各方應佔年內溢利及全面收入總額：					
– Owners of the Company	– 本公司擁有人	301,770	345,480	218,021	176,243	82,799
– Non-controlling interests	– 非控股權益	–	–	–	6,926	100,616
		<u>301,770</u>	<u>345,480</u>	<u>218,021</u>	<u>183,169</u>	<u>183,415</u>
		As at 31 December 於12月31日				
		2021 RMB'000 人民幣千元	2020 RMB'000 人民幣千元	2019 RMB'000 人民幣千元	2018 RMB'000 人民幣千元	2017 RMB'000 人民幣千元
Assets and liabilities	資產及負債					
Total assets	資產總值	3,237,621	2,675,408	1,677,341	1,399,101	1,093,372
Total liabilities	負債總額	(1,469,877)	(1,156,280)	(467,097)	(406,878)	(632,949)
Net assets	資產淨值	1,767,744	1,519,128	1,210,244	992,223	460,423
Non-controlling interests	非控股權益	–	–	–	–	(214,827)
Equity attributable to owners of the Company	本公司擁有人應佔權益	<u>1,767,744</u>	<u>1,519,128</u>	<u>1,210,244</u>	<u>992,223</u>	<u>245,596</u>

SUMMARY OF MINE PROPERTIES

採礦物業概述

		Hongguo Coal Mine 紅果煤礦	Baogushan Coal Mine 苞谷山煤礦	Xiejiahegou Coal Mine 謝家河溝煤礦
Location	位置	Panzhou City 盤州市	Panzhou City 盤州市	Panzhou City 盤州市
Equity interest held by the Group	本集團所持股權	100%	100%	100%
Mining area (sq.km.)	採礦面積(平方公里)	3.0225	2.4736	1.0135
Number of mineable coal seams	可開採煤層數目	17	17	19
Permitted annual production capacity (tonnes)	許可年產能(噸)	600,000	600,000	450,000
Licence holder	許可證持有人	Jiutai Bangda 久泰邦達	Jiutai Bangda 久泰邦達	Jiutai Bangda 久泰邦達
Mining right licence validity period	採礦權許可證有效期	January 2019 – January 2039 2019年1月至 2039年1月	January 2019 – January 2039 2019年1月至 2039年1月	January 2021 – September 2039 2019年1月至 2039年1月
Coal reserve mine life	煤炭儲量的礦山壽命	Approximately 32 years 約32年	Approximately 44 years 約44年	Approximately 22 years 約22年
Resource data under the JORC Code Summary (as at 31 December 2021)⁽¹⁾	根據JORC規則概覽的資源量數據 (於2021年12月31日)⁽¹⁾			
Measured resources (kt)	探明資源量(千噸)	17,585	10,662	–
Indicated resources (kt)	控制資源量(千噸)	7,800	24,700	15,908
Inferred resources (kt)	推斷資源量(千噸)	13,000	7,000	10,350
Reserve data under the JORC Code Summary (as at 31 December 2021)⁽¹⁾	根據JORC規則概覽的儲量數據 (於2021年12月31日)⁽¹⁾			
Proved reserves (kt)	證實儲量(千噸)	13,115	7,832	–
Probable reserves (kt)	概略儲量(千噸)	5,910	18,790	10,018

SUMMARY OF MINE PROPERTIES (Continued)
採礦物業概述(續)

The table below sets out the typical quality of the clean coal and middling coal from Hongguo Coal Mine and Baogushan Coal Mine:

下表載列紅果煤礦及苞谷山煤礦的精煤及中煤的一般質量：

		Clean Coal ⁽²⁾ 精煤 ⁽²⁾	Middling Coal ⁽³⁾ 中煤 ⁽³⁾
Ash content on a dry basis (%)	乾燥時灰分(%)	10.7	36.7
Volatile content on a dry and ash free basis (%)	乾燥及無灰時揮發分(%)	33.3	27.1
Total sulfur content on a dry basis (%)	乾燥時硫分總量(%)	0.4	0.9
Caking index	黏結指數	89.9	N/A
Total moisture (%)	水分總量(%)	10.5	11.8
Net calorific value on an as received basis (kcal/kg)	基於所收到基準的淨熱值 (千卡/千克)	N/A 不適用	3,944

The table below sets out the typical quality of the clean coal and middling coal from Xiejiahegou Coal Mine:

下表載列謝家河溝煤礦的精煤及中煤的一般質量：

		Clean Coal ⁽²⁾ 精煤 ⁽²⁾	Middling Coal ⁽³⁾ 中煤 ⁽³⁾
Ash content on a dry basis (%)	乾燥時灰分(%)	10.4	N/A 不適用
Volatile content on a dry and ash free basis (%)	乾燥及無灰時揮發分(%)	21.0	16.3
Total sulfur content on a dry basis (%)	乾燥時硫分總量(%)	0.5	N/A 不適用
Caking index	黏結指數	86.0	N/A 不適用
Total moisture (%)	水分總量(%)	12.6	10.2
Net calorific value on an as received basis (kcal/kg)	基於所收到基準的淨熱值 (千卡/千克)	N/A 不適用	3,899

SUMMARY OF MINE PROPERTIES (Continued)

採礦物業概述(續)

Notes:

- (1) The resource and reserve data are estimated by Dr. C. S. Kong of Ravia and have been carried out in accordance with the JORC Code.
- (2) The clean coal produced from Hongguo Coal Mine and Baogushan Coal Mine are mostly 1/3 coking coal whereas the clean coal produced from Xiejiagegou Coal Mine are mostly coking coal. The above typical quality of clean coal is based on the average of clean coal delivered to the customers in 2021.
- (3) The above typical quality of middling coal is based on the average of middling coal delivered to the customer in 2021.

There was no exploration activity for the Group during the year ended 31 December 2021, and that the Group has incurred approximately RMB622.9 million (2020: approximately RMB686.6 million), being the cost of sales, for the mining production activities for the year ended 31 December 2021.

附註：

- (1) 該等資源量及儲量數據由瑞豐的江志成博士根據JORC規則進行估計。
- (2) 紅果煤礦及苞谷山煤礦所生產的精煤大部分為1/3焦煤，而謝家河溝煤礦所生產的精煤大部分為焦煤。上述精煤的一般質量基於2021年向客戶交付的精煤平均值得出。
- (3) 上述中煤的一般質量基於2021年向客戶交付的平均值得出。

本集團於截至2021年12月31日止年度並無勘探活動，而本集團於截至2021年12月31日止年度就採礦生產活動產生銷售成本約人民幣622.9元（2020年：約人民幣686.6百萬元）。

