



中國疏浚環保控股有限公司

China Dredging Environment Protection Holdings Limited

(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: 871

2021

ANNUAL REPORT 年報



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Corporate Information

公司資料

BOARD OF DIRECTORS

Executive Directors:

Mr. Liu Kaijin (*Chairman*)
Mr. Wu Xuze (*Chief Executive Officer*)
Ms. Zhou Shuhua

Independent Non-Executive Directors:

Mr. Huan Xuedong
Mr. Chan Ming Sun Jonathan
Mr. Liang Zequan

AUDIT COMMITTEE

Mr. Chan Ming Sun Jonathan (*Chairman*)
Mr. Huan Xuedong
Mr. Liang Zequan

REMUNERATION COMMITTEE

Mr. Liang Zequan (*Chairman*)
Mr. Huan Xuedong
Mr. Chan Ming Sun Jonathan

NOMINATION COMMITTEE

Mr. Liu Kaijin (*Chairman*)
Mr. Chan Ming Sun Jonathan
Mr. Liang Zequan

AUTHORISED REPRESENTATIVES

Mr. Liu Kaijin
Ms. Wong Kwan Lai (resigned on 10 September 2021)
Mr. Leung Yiu Cho (appointed on 29 December 2021)

董事會

執行董事：

劉開進先生(主席)
吳旭澤先生(行政總裁)
周淑華女士

獨立非執行董事：

還學東先生
陳銘樂先生
梁澤泉先生

審核委員會

陳銘樂先生(主席)
還學東先生
梁澤泉先生

薪酬委員會

梁澤泉先生(主席)
還學東先生
陳銘樂先生

提名委員會

劉開進先生(主席)
陳銘樂先生
梁澤泉先生

授權代表

劉開進先生
黃君麗女士(於二零二一年九月十日辭任)
梁耀祖先生(於二零二一年十二月二十九日獲委任)

COMPANY SECRETARY

Ms. Wong Kwan Lai (resigned on 10 September 2021)
Mr. Leung Yiu Cho (appointed on 29 December 2021)

LEGAL ADVISORS

Chungs Lawyers (as to Hong Kong Law)
Finance & Commerce Law Firm of China (as to PRC law)

AUDITOR

Yongtuo Fuson CPA Limited
Certified Public Accountants
Registered Public Interest Entity Auditors

PRINCIPAL BANKERS

Bank of Jiangsu Co. Ltd, Yancheng Branch
Agricultural Bank of China Limited, Yancheng Branch
China Construction Bank (Asia) Corporation Limited

REGISTERED ADDRESS

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

HEADQUARTERS AND PRINCIPAL PLACE OF BUSINESS

The People's Republic of China:
7/F, Shengzhou Tower, 39 Xindu West Road,
Yandu District, Yancheng City,
Jiangsu Province, the PRC

Hong Kong:
Rooms 1501-2, 15/F,
Siu On Plaza,
482 Jaffe Road,
Causeway Bay, Hong Kong

公司秘書

黃君麗女士(於二零二一年九月十日辭任)
梁耀祖先生(於二零二一年十二月二十九日獲委任)

法律顧問

鍾氏律師事務所(香港法律顧問)
盛唐律師事務所(中國法律顧問)

核數師

永拓富信會計師事務所有限公司
註冊會計師
註冊公眾利益實體核數師

主要往來銀行

江蘇銀行股份有限公司鹽城分行
中國農業銀行股份有限公司鹽城分行
中國建設銀行(亞洲)股份有限公司

註冊地址

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

總部及主要營業地點

中華人民共和國:
中國江蘇省
鹽城市鹽都區
新都西路39號盛州大廈7樓

香港:
香港銅鑼灣
謝斐道482號
兆安廣場
15樓1501-2室

Corporate Information (Continued)

公司資料(續)

PRINCIPAL SHARE REGISTRAR

Conyers Trust Company (Cayman) Limited

BRANCH SHARE REGISTRAR

Tricor Investor Services Limited

STOCK CODE

871

WEBSITE

www.cdep.com.hk

主要股份登記處

Conyers Trust Company (Cayman) Limited

股份登記分處

卓佳證券登記有限公司

股份代號

871

網站

www.cdep.com.hk

Definitions

釋義

<p>“Articles” 「細則」</p>	<p>the articles of association of the Company 本公司組織章程細則</p>
<p>“Audit Committee” 「審核委員會」</p>	<p>the audit committee of the Board 董事會審核委員會</p>
<p>“Board” 「董事會」</p>	<p>the board of Directors 董事會</p>
<p>“Bonds” 「債券」</p>	<p>the three per cent convertible bonds in the aggregate principal amounts of HK\$243 million due 2016 issued by the Company under the subscription agreement dated 28 October 2013 entered into between the Company and the Bondholder 本公司根據與債券持有人於二零一三年十月二十八日訂立的認購協議發行本金總額為243,000,000港元於二零一六年到期的三厘可換股債券</p>
<p>“Bondholder”/“CITIC” 「債券持有人」/「CITIC」</p>	<p>CITIC Capital China Access Fund Limited</p>
<p>“CG Code” 「企業管治守則」</p>	<p>the code provisions as contained in “Corporate Governance Code and Corporate Governance Report” set out in Appendix 14 to the Listing Rules (as amended from time to time), which are adopted (with modification) by the Board as its corporate governance code 上市規則附錄十四所載的「企業管治守則及企業管治報告」中所列的守則條文(經不時修訂)，董事會已連同修訂一併採用作為其企業管治守則</p>
<p>“Company”/“China Dredging ENV” 「本公司」/「中國疏浚環保」</p>	<p>China Dredging Environment Protection Holdings Limited 中國疏浚環保控股有限公司</p>
<p>“Contractual Arrangements” 「合約安排」</p>	<p>a series of contracts, brief details of which are set out in note 43 to the consolidated financial statements in this annual report, pursuant to which all economic benefits and risks arising from the business of Jiangsu Xingyu are transferred to Xiangyu PRC 一系列合約，簡述於本年報綜合財務報表附註43，據此江蘇興宇的業務中產生的一切經濟利益及風險均轉讓予翔宇中國</p>
<p>“Director(s)” 「董事」</p>	<p>director(s) of the Company 本公司董事</p>
<p>“Group” 「集團」/「本集團」</p>	<p>the Company and its subsidiaries 本公司及其附屬公司</p>
<p>“HK\$” 「港元」</p>	<p>Hong Kong dollars, the lawful currency of Hong Kong 港元，香港法定貨幣</p>

Definitions (Continued)

釋義 (續)

<p>“Jiangsu Jiaolong” 「江蘇蛟龍」</p>	<p>Jiangsu Jiaolong Salvage Harbour Engineering Co. Ltd.*, a non-wholly owned subsidiary of the Company 江蘇蛟龍打撈航務工程有限公司，本公司一間非全資附屬公司</p>
<p>“Jiangsu Xingyu” / “PRC Operational Entity” 「江蘇興宇」/ 「中國經營實體」</p>	<p>Jiangsu Xingyu Holdings Group Limited* (formerly known as Jiangsu Xingyu Port Construction Company Limited*), a wholly-owned subsidiary of the Company 江蘇興宇控股集團有限公司(前稱江蘇興宇港建有限公司)，本公司一間全資附屬公司</p>
<p>“Listing Rules” 「上市規則」</p>	<p>Rules Governing the Listing of Securities on the Stock Exchange (as amended from time to time) 聯交所證券上市規則(經不時修訂)</p>
<p>“Model Code” 「標準守則」</p>	<p>Model Code for Securities Transactions by Directors of Listed Issuers set out in Appendix 10 to the Listing Rules (as amended from time to time) 上市規則附錄十所載的上市發行人董事進行證券交易的標準守則(經不時修訂)</p>
<p>“Mr. Liu” 「劉先生」</p>	<p>Mr. Liu Kaijin, chairman and an executive Director (who is the spouse of Ms. Zhou) 主席兼執行董事劉開進先生(為周女士之配偶)</p>
<p>“Ms. Zhou” 「周女士」</p>	<p>Ms. Zhou Shuhua, an executive Director (who is the spouse of Mr. Liu) 執行董事周淑華女士(為劉先生之配偶)</p>
<p>“Nomination Committee” 「提名委員會」</p>	<p>the nomination committee of the Board 董事會提名委員會</p>
<p>“PRC” 「中國」</p>	<p>the People’s Republic of China 中華人民共和國</p>
<p>“Remuneration Committee” 「薪酬委員會」</p>	<p>the remuneration committee of the Board 董事會薪酬委員會</p>
<p>“RMB” 「人民幣」</p>	<p>Renminbi, the lawful currency of the PRC 人民幣，中國法定貨幣</p>
<p>“Reporting Period”/“Review Period” 「報告期間」/「回顧期間」</p>	<p>for the year ended 31 December 2021 截至二零二一年十二月三十一日止年度</p>
<p>“SFO” 「證券及期貨條例」</p>	<p>the Securities and Futures Ordinance (Cap 571 of the Laws of Hong Kong) (as amended from time to time) 香港法例第571章證券及期貨條例(經不時修訂)</p>

Definitions (Continued)

釋義 (續)

“Shareholder(s)” 「股東」	shareholder(s) of the Company 本公司股東
“Share(s)” 「股份」	ordinary share(s) of HK\$0.20 each in the share capital of the Company 本公司股本中每股面值0.20港元之普通股
“2011 Share Option Scheme” 「二零一一年購股權計劃」	the share option scheme approved by Shareholders on 24 May 2011 股東於二零一一年五月二十四日批准之購股權計劃
“2021 Share Option Scheme” 「二零二一年購股權計劃」	the share option scheme approved by Shareholders on 17 June 2021 股東於二零二一年六月十七日批准之購股權計劃
“Stock Exchange” 「聯交所」	The Stock Exchange of Hong Kong Limited 香港聯合交易所有限公司
“Xiangyu Environment Protection” 「翔宇環保」	Jiangsu Xiangyu Environment Protection Equipment Company Limited*, a wholly-owned subsidiary of the Company 江蘇翔宇環保設備有限公司，本公司一間全資附屬公司
“Xiangyu PRC” 「翔宇中國」	Jiangsu Xiangyu Port Constructing Project Administration Co. Ltd. *, a wholly-owned subsidiary of the Company 江蘇翔宇港建工程管理有限公司，本公司一間全資附屬公司

* For identification purpose only

* 僅供識別

Financial Summary

財務概要

The following is a summary of the published results and assets and liabilities of the Group for the past five financial years.

以下為本集團於過往五個財政年度的已公佈業績以及資產及負債概要。

RESULTS

業績

		Year ended 31 December 截至十二月三十一日止年度				
		2021 二零二一年 RMB'000 人民幣千元 (audited) (經審核)	2020 二零二零年 RMB'000 人民幣千元 (audited) (經審核)	2019 二零一九年 RMB'000 人民幣千元 (audited) (經審核)	2018 二零一八年 RMB'000 人民幣千元 (audited) (經審核)	2017 二零一七年 RMB'000 人民幣千元 (audited) (經審核)
Revenue	收益	387,389	286,341	442,368	618,833	650,924
Profit/(loss) before tax	除稅前溢利/(虧損)	40,642	(525,335)	(411,355)	(232,345)	11,234
Income tax credit (expense)	所得稅抵免(開支)	613	(12,029)	(110,673)	(22,150)	(39,030)
Net profit/(loss)	溢利/(虧損)淨額	41,255	(537,364)	(522,028)	(254,495)	72,204
Net profit/(loss) attributable to:	以下人士應佔溢利/(虧損)淨額:					
Owners of the company	本公司擁有人	22,593	(526,583)	(517,586)	(258,647)	71,040
Non-controlling interests	非控股權益	18,662	(10,781)	(4,442)	4,152	1,164
		41,255	(537,364)	(522,028)	(254,495)	72,204

ASSETS AND LIABILITIES

資產及負債

		31 December 於十二月三十一日				
		2021 二零二一年 RMB'000 人民幣千元 (audited) (經審核)	2020 二零二零年 RMB'000 人民幣千元 (audited) (經審核)	2019 二零一九年 RMB'000 人民幣千元 (audited) (經審核)	2018 二零一八年 RMB'000 人民幣千元 (audited) (經審核)	2017 二零一七年 RMB'000 人民幣千元 (audited) (經審核)
Non-current assets	非流動資產	1,641,985	1,796,319	1,970,896	2,172,683	2,275,052
Current assets	流動資產	627,664	612,046	876,272	1,176,404	1,312,737
Current liabilities	流動負債	(822,041)	(1,169,495)	(1,159,452)	(1,145,461)	(1,134,800)
Non-current liabilities	非流動負債	(286,919)	(201,012)	(124,542)	(115,000)	(115,739)
Net assets	資產淨值	1,160,689	1,037,858	1,563,174	2,088,626	2,337,250

Financial Summary (Continued)

財務概要(續)

STATEMENT OF FINANCIAL POSITION OF THE COMPANY

本公司的財務狀況表

The statement of financial position of the Company as at the end of the Reporting Period is as follows:

本公司於報告期末的財務狀況表如下：

		2021 二零二一年 RMB'000 人民幣千元	2020 二零二零年 RMB'000 人民幣千元
ASSETS	資產		
Unlisted investments in subsidiaries	於附屬公司中之非上市投資	258,375	258,375
Amounts due from subsidiaries	應收附屬公司款項	4,486	4,486
Amounts due from directors	應收董事款項	851	-
Bank balances and cash	銀行結餘及現金	112	119
		263,824	262,980
LIABILITIES	負債		
Other payables	其他應付款項	3,147	7,964
Amounts due to subsidiaries	應付附屬公司款項	17,387	17,860
Amounts due to Directors	應付董事款項	4,567	5,903
Bonds payable	應付債券	-	287,482
		25,101	319,209
TOTAL ASSETS LESS TOTAL LIABILITIES	總資產減總負債	238,723	(56,229)
CAPITAL AND RESERVES	資本及儲備		
Share capital	股本	255,247	167,914
Deficient/reserves (note)	虧絀/儲備(附註)	(16,524)	(224,143)
TOTAL EQUITY	權益總額	238,723	(56,229)

Note:

Reserves of the Company

附註：

本公司的儲備

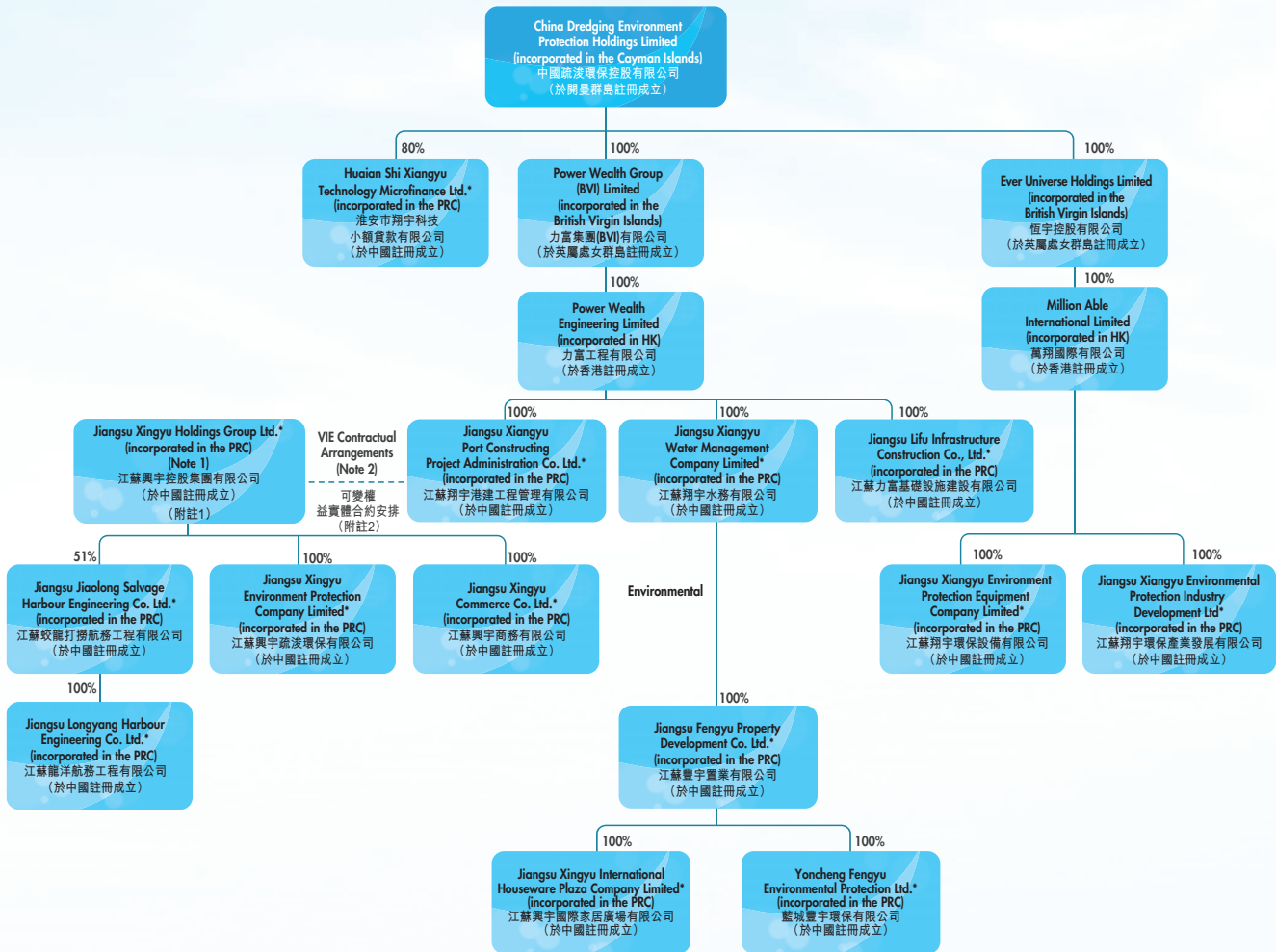
		Share premium 股份溢價 RMB'000 人民幣千元	Share option reserve 購股權儲備 RMB'000 人民幣千元	Other reserve 其他儲備 RMB'000 人民幣千元	Accumulated losses 累計虧損 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
At 1 January 2020	於二零二零年一月一日	928,721	-	165,238	(843,981)	249,978
Equity-settled share-based payments	以權益結算以股份為基礎的付款	-	292	-	-	292
Loss for the year	年內虧損	-	-	-	(474,413)	(474,413)
At 31 December 2020	於二零二零年十二月三十一日	928,721	292	165,238	(1,318,394)	(224,143)
Exercise of share options	購股權獲行使	292	(292)	-	-	-
Profit for the year	年內溢利	-	-	-	207,619	207,619
At 31 December 2021	於二零二一年十二月三十一日	929,013	-	165,238	(1,110,775)	(16,524)

Group Chart

集團架構

The following sets out the corporate structure of the Group as at 31 December 2021:

下圖列示本集團於二零二一年十二月三十一日的企業架構：



Notes:

- Mr. Liu and Ms. Zhou are the registered holders of the registered capital in Jiangsu Xingyu, and Ms. Zhou holds all her equity interest in Jiangsu Xingyu as trustee for Mr. Liu.
- On 19 April 2011, Jiangsu Xingyu, Xiangyu PRC, Mr. Liu and Ms. Zhou entered into the Contractual Arrangements, pursuant to which all economic benefits and risks arising from the business of Jiangsu Xingyu are transferred to Xiangyu PRC.

* For identification purpose only

附註：

- 劉先生及周女士為江蘇興宇註冊資本的登記持有人，而周女士作為劉先生的信託人持有本人於江蘇興宇中的所有股權。
- 於二零一一年四月十九日，江蘇興宇、翔宇中國、劉先生與周女士訂立合約安排，據此，江蘇興宇業務產生的所有經濟利益及風險均轉讓予翔宇中國。

* 僅供識別

Chairman's Statement

主席報告



Chairman's Statement (Continued)

主席報告(續)

To Shareholders:

In 2021, the Group has experienced another challenging year. The ongoing impact of COVID-19 pandemic ("COVID-19"), especially the new wave of COVID-19 variants, is complex and severe, resulting in significant disruption to the operating environment, resulting in delays in the work schedule of 2021 for both domestic and overseas projects under construction or works ready to start, and also a significant increase in the construction costs and a decrease in the construction efficiency of various projects, which has caused risks and pressures to the Group's operation.

For the financial year 2021, the Group recorded a total revenue of approximately RMB387.4 million, representing an increase of 35.3% as compared with the financial year 2020 of approximately RMB286.3 million. While control of operating cost in place, the Group recorded a gross profit of approximately RMB34.9 million (2020: gross loss of approximately RMB43.6 million). There is a gain on waived bond payable of approximately RMB208.0 million (2020: nil) and decreased in changes in fair values of investment properties of approximately RMB103.5 million (2020: increase of approximately RMB19.4 million), the Group recorded net profit of approximately RMB41.3 million for the year.

Despite the severe impact of the sudden outbreak of the COVID-19 pandemic inside and outside of China successively on the Group's operation in 2021, the Group adopted various measures to ensure stability, including the stability of construction team and management team, the stability of work on hand and projects followed up, the stability of existing equipment upgrading and new equipment investment, etc. We will continue to maintain a robust business approach, select and capture various opportunities in a prudent manner and further expand our existing businesses.

致各股東：

二零二一年仍然是充滿挑戰的一年。新型冠狀病毒疫情(「COVID-19疫情」)，尤其是新一波的COVID-19變種病毒疫情，持續帶來繁復及嚴峻的影響，嚴重打擊營商環境，令國內外之在建項目或可開展工程落後於二零二一年之工作時間表，同時導致各項目之建築成本大幅增加，拖累建設效率，令本集團之營運承受龐大的風險和壓力。

於二零二一年財政年度，本集團錄得總收益約人民幣387,400,000元，較二零二零年財政年度之總收益約人民幣286,300,000元增加35.3%。本集團實施控制營運成本之措施，與此同時，錄得毛利約人民幣34,900,000元(二零二零年：毛損約人民幣43,600,000元)。本集團亦錄得應付債券獲豁免之收益約人民幣208,000,000元(二零二零年：零)以及投資物業公平值變動減少約人民幣103,500,000元(二零二零年：增加約人民幣19,400,000元)，故錄得年內淨溢利約人民幣41,300,000元。

本集團二零二一年之經營因COVID-19疫情突如其來地在國內外相繼爆發而遭受巨大衝擊，因此本集團採取多種鞏固措施，包括確保施工和經營隊伍、在手工程和後續項目、現有設備改造和新設備投資推進進度等方面維持穩定。我們會繼續貫徹穩健經營的作風，審慎選擇和把握各種機遇，冀能繼續擴展目前的業務。

Chairman's Statement (Continued)

主席報告(續)

Looking forward, the Group must be well prepared for the difficulties it will face for a long period, continue to stabilise project, team and management system as the top priority of this year's work, and make full use of the opportunities arising from the rapid development of China's offshore wind power industry in recent years and seek to participate in more wind power construction projects to lay a solid foundation for the future development of the Group.

As a professional dredging service provider with years of experience, no matter how daunting the challenge may be, the Group will adhere to the dredging business and other marine business as our two principal businesses, stay loyal to our clients to provide them with quality service, and generate returns for our Shareholders.

I, acting on behalf of the Board, express my utmost appreciation to our shareholders, customers, and business partners for their long-term confidence in and support for the Group, as well as my gratitude towards our Directors, the management and all of our employees for their commitment and effort to our growth.

Liu Kaijin

Chairman and Executive Director

27 April 2022

放眼未來，本集團須就其將面臨的長期困難作充分準備，而繼續穩定項目、穩定隊伍及穩定管理體系乃今年工作的重中之重，同時，充分利用近年國內海上風能發電產業快速發展帶來的際遇，積極爭取參與更多風能發電的建設工程，為集團的後續發展奠定堅實的基礎。

本集團作為一個具有多年經驗的專業疏浚服務提供者，無論挑戰如何艱巨，我們會始終堅守疏浚和其他海事這兩大主營業務，忠於我們的客戶，為彼等提供高質服務，並為股東創造回報。

本人謹代表董事會向我們的股東、顧客及商業夥伴致上誠懇的謝意，感謝他們一直信任及支持本集團，同時感謝我們的董事、管理層及全體員工一直為我們的增長作出貢獻。

主席兼執行董事

劉開進

二零二二年四月二十七日

Management Discussion and Analysis

管理層討論 及分析



Management Discussion and Analysis (Continued)

管理層討論及分析(續)

OVERVIEW

The Group is primarily engaged in dredging business, which can be divided into three main operating and reportable segments, namely, (i) capital and reclamation dredging business (the “CRD Business”); (ii) environmental protection dredging and water management business (the “EPD and Water Management Business”); and (iii) other works operated in marine sites such as hoisting wind power equipment, installing major parts of docks and bridges, as well as laying underwater pipelines and salvaging (the “Other Marine Business”). In addition, the Group has set up property management business in respect of the management of Xingyu International Houseware Plaza* (興宇國際家居廣場) (formerly known as Easyhome Yancheng Shopping Mall* 居然之家鹽城店) (the “Property Management Business”).

FINANCIAL REVIEW

Revenue

For the year ended 31 December 2021 (the “Reporting Period”), the Group recorded a substantial increase by about 35.3% in total revenue from approximately RMB286.3 million for the year ended 31 December 2020 to approximately RMB387.4 million.

As regards the CRD Business segment, revenue of approximately RMB80.1 million was recorded for the Reporting Period, which increased by about 12.2% when compared to that for the year ended 31 December 2020. The increase in revenue was primarily due to the stabilisation prevention and control amid the COVID-19 in mainland China and overseas during the year. As the production capacity of the large-scale dredgers of the Group is mainly from the overseas countries, yet the equipment replacement, the supply of repair materials and the rotation and support of the key personnel of the operation and project teams are all from mainland China, the pandemic has caused serious impact on the operation of the Group for the last year.

概覽

本集團主要致力於疏浚業務，相關的業務可分為三個主要營運及可呈報分部，即(i)基建及填海疏浚業務(「基建及填海疏浚業務」)；(ii)環保疏浚及水務管理業務(「環保疏浚及水務管理業務」)；及(iii)海上操作的其他工程，如風力發電設備吊裝、碼頭和橋樑建設大件安裝、水下管線鋪設及打撈工程(「其他海事業務」)。此外，本集團就管理興宇國際家居廣場(前稱居然之家鹽城店)設立了物業管理業務(「物業管理業務」)。

財務回顧

收益

截至二零二一年十二月三十一日止年度(「報告期」)，本集團錄得之總收益由截至二零二零年十二月三十一日止年度的約人民幣286,300,000元大幅增加約35.3%至約人民幣387,400,000元。

於報告期間，基建及填海疏浚業務分部錄得收益約人民幣80,100,000元，較截至二零二零年十二月三十一日止年度的收益增加約12.2%。收益增加乃主要由於國內及國外於年內成功防控COVID-19疫情，重拾穩定。由於本集團大型挖泥船產能主要源自國外，而設備替換品、維修所需物資的供應，以及經營和施工骨幹團隊的輪崗人員和支援人員均來自國內，因此疫情對本集團上年度之經營帶來很大衝擊。

Management Discussion and Analysis (Continued)

管理層討論及分析(續)

FINANCIAL REVIEW (CONTINUED)

Revenue (Continued)

Revenue of approximately RMB52.8 million was recorded for the EPD and Water Management Business segment, representing a slight increase of about 7.5% from its corresponding segment revenue for the year ended 31 December 2020. The increase was caused by the desirable works progress of certain environmental protection dredging projects as COVID-19 was under control for the year in mainland China.

Revenue for the Other Marine Business was approximately RMB251.2 million, representing an increase of 58.0% as compared with the corresponding period of 2020. The increase in revenue was mainly due to a self-propelled fixed-crane vessel delivered during the Reporting Period, it can grasp more business opportunities.

Revenue for the Property Management Business segment for the Reporting Period was approximately RMB3.3 million, which decreased by about 52.4% from RMB6.9 million for the year ended 31 December 2020, due to decrease in occupancy rate.

Operating Cost and Gross Profit

The Group's operating cost increased from approximately RMB329.9 million for the year ended 31 December 2020 to approximately RMB352.5 million during the Reporting Period, representing an increase of about 6.8%. The increase was primarily in line with the increase in overall revenue.

The Group recorded a gross profit of approximately RMB34.9 million for the Reporting Period as compared with a gross loss of approximately RMB43.6 million for the year ended 31 December 2020. Gross profit margin of 9% was recorded for the Reporting Period as compared with a gross loss margin of 15.2% for the year ended 31 December 2020. The significant increase in the revenue brought by the rebound from the outbreak of COVID-19 in mainland China and overseas, while substantial costs such as depreciation of assets and maintenance of equipment is fixed.

Net Other Gain

The Group recorded a net other gains of RMB22.1 million during the Reporting Period as compared with a net other gains of RMB25.6 million for year ended 31 December 2020, which was primarily caused by decrease of gain on disposal of property, plant and equipment and exchange gain for the Reporting Period.

財務回顧(續)

收益(續)

環保疏浚及水務管理業務分部錄得收益約人民幣52,800,000元，較截至二零二零年十二月三十一日止年度相應分部收益輕微增加約7.5%，收益增加乃由於國內疫情於年內受控，若干環保疏浚項目進展理想所致。

其他海事業務錄得收益約人民幣251,200,000元，較二零二零年同期增加58.0%，收益增加乃主要由於固定臂式自航起重船於報告期間完工，使本集團得以把握更多商機。

於報告期間，物業管理業務分部錄得收益約人民幣3,300,000元，較截至二零二零年十二月三十一日止年度的收益人民幣6,900,000元減少約52.4%，此乃由於出租率下降。

營運成本及毛利

本集團的營運成本由截至二零二零年十二月三十一日止年度的約人民幣329,900,000元增加約6.8%至報告期間的約人民幣352,500,000元。有關增幅大致上與整體收益之增幅為一致的。

本集團於報告期間錄得毛利約人民幣34,900,000元，而截至二零二零年十二月三十一日止年度則錄得毛損約人民幣43,600,000元。報告期間錄得毛利率9%，而截至二零二零年十二月三十一日止年度則錄得毛損率15.2%。收益大幅增加乃由於國內和國外自COVID-19疫情中復甦，加上資產折舊、設備維護保養等大額成本維持不變。

其他收益淨額

於報告期間，本集團錄得其他收益淨額人民幣22,100,000元，而截至二零二零年十二月三十一日止年度則錄得其他收益淨額人民幣25,600,000元，此乃主要由於在報告期間，出售物業、廠房及設備之收益以及匯兌收益減少。

Management Discussion and Analysis (Continued)

管理層討論及分析(續)

FINANCIAL REVIEW (CONTINUED)

Expected Credit Loss Allowance

As a prudent measure in managing the trade receivables, contract assets and other receivables, the Company appointed an independent external professional valuer to make an independent valuation and based on its suggestion to reverse the allowance for expected credit losses on trade receivables, prepayment and the contract assets of about RMB7.5 million in total for the Reporting Period (2020: recognise the allowance about RMB150.0 million).

Impairment loss on property, plant and equipment

During the Reporting Period, a non-cash impairment loss of RMB50.8 million (2020: RMB254.0 million) was recognised on the property, plant and equipment and the right-of-use assets, mainly attributable to the continuing challenging market condition as an impairment indicator to the Group's businesses.

Gain on waived bond payable

On 30 March 2021, the Company repaid HK\$98,359,241 (equivalent to RMB83,145,000) to the Bondholder and such payment is treated as the full and final settlement of the Bonds. Subsequently, the entire bonds payables was fully settled and a gain on waived bonds payable of RMB207,977,000 was credited to profit or loss for the year ended 31 December 2021.

Change in fair values of investment properties

The Group's investment properties represent property interests in a shopping mall and factory properties that are held to earn rentals which are measured using the fair value model.

The Group engages an independent professional qualified valuer to perform the fair value valuation. The valuations of the Group's investment properties were based on the income capitalization method by capitalisation of net rental income derived from the existing tenancies with allowance for the reversionary rental income potential of the properties in order to arrive at the fair value.

Using market direct comparable and taking into account of location and other individual factors, the rental per square meter per month for the shopping mall located in Yangcheng, the PRC is substantially decreased during the Reporting Period, decreased in fair value of RMB103.5 million (2020: increased in RMB19.4 million) is recognised.

財務回顧(續)

預期信貸虧損撥備

作為管理應收賬款、合約資產及其他應收款項的審慎措施，本公司外聘了一名獨立專業估值師就此進行獨立估值，並根據其建議撥回了於報告期間總額約為人民幣7,500,000元之就應收賬款、預付款項及合約資產預期信貸虧損作出的撥備(二零二零年：確認撥備約人民幣150,000,000元)。

物業、廠房及設備減值虧損

於報告期間，本集團確認物業、廠房及設備和使用權資產的非現金減值虧損人民幣50,800,000元(二零二零年：人民幣254,000,000元)，此乃主要由於持續充滿挑戰的市場環境引致本集團業務有減值的跡象。

應付債券獲豁免之收益

於二零二一年三月三十日，本公司向債券持有人償付98,359,241港元(相等於人民幣83,145,000元)，而該款項被當作已全額償還債券及為最後一筆還款。期後，全部應付債券已獲悉數清償，而應付債券獲豁免之收益人民幣207,977,000元已獲計入截至二零二一年十二月三十一日止年度之損益中。

投資物業公平值變動

本集團投資物業指一所商場的物業權益以及持作賺取租金的工廠物業的物業權益，均以公平值模式計量。

本集團委聘獨立專業的合資格估值師進行公平值估值。根據收益資本化法將現有租約產生之淨租金收入資本化，並就本集團投資物業之潛在複歸租金收入計提撥備，以得出公平值，從而估算該等投資物業之價值。

採用市場直接比較數值並計及位置及其他個別因素，於報告期間，位於中國鹽城市的商場每平方米每月租金大幅減少，本集團確認公平值減少人民幣103,500,000元(二零二零年：增加人民幣19,400,000元)。

Management Discussion and Analysis (Continued)

管理層討論及分析(續)

FINANCIAL REVIEW (CONTINUED)

Marketing and Promotion Expenses

Marketing and promotion expenses for the Reporting Period was approximately RMB0.5 million, representing a decrease of about 91.3% as compared with approximately RMB6.0 million for the year ended 31 December 2020, which was mainly attributable to the decrease in marketing and promotion activities resulting from the outbreak of COVID-19.

Administrative Expenses

Administrative expenses for the Reporting Period amounted to approximately RMB43.3 million, representing an decrease of about 42.7% from RMB75.6 million for the year ended 31 December 2020. This was mainly due to the change of allocation of depreciation charge of certain dredgers as operating costs instead of administrative expenses resulting from such dredgers started to operate during the Reporting Period.

Finance Costs

Finance costs for the Reporting Period amounted to approximately RMB33.1 million, which decreased by about 23.8% when compared to that for the corresponding period last year.

Income Tax Credit/Expense

Income tax expense decreased from approximately RMB12.0 million for the year ended 31 December 2020 to an income tax credit of approximately RMB0.6 million for the Reporting Period.

Profit for the Year

Influenced by the above factors as a whole, the net profit for the Reporting Period was approximately RMB41.3 million, as compared to a net loss of approximately RMB537.4 million for the year ended 31 December 2020.

Earnings/(loss) Per Share

Earnings per share for the Reporting Period was approximately RMB0.016 per share (2020: loss per share was approximately RMB0.550).

Financial Management Policies

The Group in its ordinary course of business is exposed to market risks such as currency risk and interest rate risk. The Group's risk management strategy aims to mitigate the adverse effects of these risks on its financial performance in full measure.

財務回顧(續)

市場推廣及宣傳開支

於報告期間的市場推廣及宣傳開支約為人民幣500,000元，較截至二零二零年十二月三十一日止年度的約人民幣6,000,000元減少約91.3%，此乃主要由於COVID-19疫情爆發導致市場推廣及宣傳活動減少所致。

行政開支

於報告期間，本集團的行政開支約為人民幣43,300,000元，較截至二零二零年十二月三十一日止年度的人民幣75,600,000元減少約42.7%。此乃主要由於部分挖泥船於報告期間開始運作，其折舊費由行政開支獲改分至營運成本所致。

融資成本

報告期間的融資成本約為人民幣33,100,000元，較去年同期減少約23.8%。

所得稅抵免／(開支)

所得稅開支由截至二零二零年十二月三十一日止年度的約人民幣12,000,000元減少至報告期間的所得稅抵免約人民幣600,000元。

年內溢利

由於以上因素的綜合影響，報告期間錄得淨利約人民幣41,300,000元，截至二零二零年十二月三十一日止年度則錄得淨虧損約人民幣537,400,000元。

每股盈利／(虧損)

報告期間的每股盈利約為每股人民幣約0.016元(二零二零年：每股虧損約為人民幣0.550元)。

財務管理政策

本集團於其一般業務過程中面臨市場風險，包括貨幣風險及利率風險。本集團的風險管理策略旨在將該等風險對其財務表現的不利影響全面降至最低。

Management Discussion and Analysis (Continued)

管理層討論及分析(續)

FINANCIAL REVIEW (CONTINUED)

As most of the Group's trading transactions, monetary assets and liabilities are denominated mainly in Renminbi, which is the Group's functional and reporting currency, and save for the Bonds and certain bank borrowings and deposits denominated in United States dollars and Hong Kong dollars, the foreign exchange gain recognised for the Reporting Period was approximately RMB21.0 million (31 December 2020: exchange loss of approximately RMB22.2 million). The Group is giving full attention to respond to the related foreign exchange rate risks.

As current interest rates stay at relatively low levels, the Group has not entered into any interest rate hedging contracts or any other interest rate related derivative financial instruments. Nonetheless, the Group will continue to closely monitor its related interest rate exposure.

Financial Position

As at 31 December 2021, the total equity of the Group amounted to approximately RMB1,160.7 million (31 December 2020: approximately RMB1,037.9 million). The increase in total equity was mainly attributable to the gain on waived bond payable for the Reporting Period.

The Group's net current liabilities as at 31 December 2021 amounted to approximately RMB194.4 million (31 December 2020: approximately RMB557.4 million). The current ratio, which is calculated by dividing current assets by current liabilities, was 0.76 as at 31 December 2021 (31 December 2020: 0.52).

Liquidity and Financial Resources

The Group adopts prudent cash and financial management policies. In order to achieve better cost control and reduce capital cost, the Group's treasury activities are centralised and cash is generally deposited with banks and denominated mostly in Renminbi and Hong Kong dollars.

Included in current assets were cash and various bank deposits which was about RMB32.1 million in total as at 31 December 2021, representing an increase by about 9.4% as compared with that of approximately RMB29.3 million as at 31 December 2020.

The Group's trade receivables as at 31 December 2021 amounted to approximately RMB473.5 million (2020: approximately RMB497.2 million), representing a decrease by 4.8% when compared with that of the corresponding period of the preceding year.

As at 31 December 2021, total liabilities of the Group amounted to approximately RMB1,109.0 million (31 December 2020: approximately RMB1,370.5 million). The Group's gearing ratio (calculated by interest bearing instruments (including bank borrowings, other borrowings and bonds payable) divided by total equity) decreased to 46.1% (2020: 72.9%).

財務回顧(續)

由於本集團的大部分買賣交易、貨幣資產及負債主要以人民幣(本集團的功能及呈報貨幣)計值,惟債券及若干銀行貸款及結餘以美元及港元計值,因此本集團於報告期間確認匯兌收益約人民幣21,000,000元(二零二零年十二月三十一日:匯兌損失約人民幣22,200,000元)。本集團正密切應對相關匯率風險。

由於現行利率處於相對較低水平,故本集團並無訂立任何利率對沖合約或任何其他利率相關衍生金融工具。然而,本集團將繼續密切監察其所面對的相關利率風險。

財務狀況

於二零二一年十二月三十一日,本集團的權益總額約為人民幣1,160,700,000元(二零二零年十二月三十一日:約人民幣1,037,900,000元)。權益總額增加乃主要源自報告期間應付債券獲豁免之收益。

本集團於二零二一年十二月三十一日的流動負債淨值約為人民幣194,400,000元(二零二零年十二月三十一日:約人民幣557,400,000元)。於二零二一年十二月三十一日,流動比率(按流動資產除以流動負債計算)為0.76(二零二零年十二月三十一日:0.52)。

流動資金及財務資源

本集團採取審慎的現金及財務管理政策。為求能夠更好控制成本及儘量降低資金成本,本集團集中管理其財資活動,而現金一般存放於銀行,大部分以人民幣及港元計值。

於二零二一年十二月三十一日,流動資產中包括現金及多筆銀行存款共約人民幣32,100,000元,較於二零二零年十二月三十一日的約人民幣29,300,000元增加約9.4%。

本集團於二零二一年十二月三十一日的應收賬款約為人民幣473,500,000元(二零二零年:約人民幣497,200,000元),較去年同期減少4.8%。

於二零二一年十二月三十一日,本集團的總負債約為人民幣1,109,000,000元(二零二零年十二月三十一日:約人民幣1,370,500,000元)。本集團的資產負債比率(以計息工具(包括銀行借貸、其他借貸及應付債券)除以權益總額計算)下降至46.1%(二零二零年:72.9%)。

Management Discussion and Analysis (Continued)

管理層討論及分析(續)

FINANCIAL REVIEW (CONTINUED)

Charge over Assets of the Group

As at 31 December 2021, the Group's bank borrowings were secured by charges over certain dredgers and land owned by the Group, a property owned by a company in which Mr. Liu has beneficial interest and personal guarantees by Mr. Liu and Ms. Zhou. There were also intragroup charges between two of the Company's wholly-owned subsidiaries as a result of the contractual arrangements, pursuant to which all economic benefits and risks arising from the business of Jiangsu Xingyu Holdings Group Limited* (江蘇興宇控股集團有限公司) have been transferred to Xiangyu PRC.

Material Acquisitions and Disposals

The Group had no material investments in or material acquisitions or disposals of subsidiaries during the current year.

Capital Commitments and Contingent Liabilities

As at 31 December 2021, the Group had capital commitments of approximately RMB80.7 million (31 December 2020: approximately RMB91.0 million), which mainly included the construction and decoration costs of a hotel.

As at 31 December 2021, the Group did not have any material contingent liabilities (31 December 2020: nil).

財務回顧(續)

本集團資產抵押

於二零二一年十二月三十一日，本集團的銀行借貸乃以本集團所持有的若干挖泥船及土地、劉先生擁有實益權益的一家公司所持有的一處物業以及劉先生及周女士的個人擔保作抵押。本公司兩間全資附屬公司之間因合約安排而產生集團內抵押，根據該合約安排，江蘇興宇控股集團有限公司的業務所產生的一切經濟利益及風險均轉移至翔宇中國。

重大收購事項及出售事項

於本年度內，本集團並無向附屬公司作出重大投資，亦無重大收購或出售附屬公司。

資本承擔及或然負債

於二零二一年十二月三十一日，本集團的資本承擔約為人民幣80,700,000元(二零二零年十二月三十一日：約人民幣91,000,000元)，主要包括一家酒店的建設及裝修成本。

於二零二一年十二月三十一日，本集團並無任何重大或然負債(二零二零年十二月三十一日：無)。

Management Discussion and Analysis (Continued)

管理層討論及分析(續)

USE OF NET PROCEEDS FROM SHARE ISSUANCE UNDER SPECIFIC MANDATE

Reference is made to the subscription of 508,240,000 new shares of the Company (the "Subscription") by Mr. Liu Kaijin, the chairman of the Company, an executive Director and a substantial Shareholder, details of which are set out in the Company's announcement dated 14 January 2021 and the Company's circular dated 3 February 2021. The following table sets forth the status of use of net proceeds from the Subscription as of 31 December 2021:

根據特別授權發行新股份所得款項淨額之用途

茲提述本公司主席、執行董事兼主要股東劉開進先生認購508,240,000股本公司新股份一事(「認購事項」)，詳情載於本公司日期為二零二一年一月十四日之公告及本公司日期為二零二一年二月三日之通函。下表呈列認購事項所得款項淨額截至二零二一年十二月三十一日之使用情況：

Intended use of proceeds from the Subscription

認購事項所得款項之擬定用途

	Actual use of proceeds during the year ended 31 December 2021	Actual use of proceeds up to 31 December 2021
Net proceeds	2021	2021
	所得款項於截至二零二一年十二月三十一日止年度之	所得款項截至二零二一年十二月三十一日
所得款項淨額	實際使用金額	之實際使用金額
HK\$ million	HK\$ million	HK\$ million
百萬港元	百萬港元	百萬港元
To redeem the 2016 Bonds (note)	98.4	98.4
贖回二零一六年債券(附註)		
General working capital	1.2	1.2
一般營運資金		
Total	99.6	99.6
總計		

To redeem the 2016 Bonds (note)

贖回二零一六年債券(附註)

98.4

98.4

98.4

General working capital

一般營運資金

1.2

1.2

1.2

Total

總計

99.6

99.6

99.6

Note: 2016 Bonds refer to 3% convertible bonds originally due 2016 issued by the Company to the Bondholder pursuant to the conditional subscription agreement dated 28 October 2013 entered into between the Company with the Bondholder and also a deed poll dated 8 November 2013 executed by the Company as amended and supplemented from time to time by a framework agreement (as amended by a supplemental framework agreement and a second supplemental framework agreement) and also various amendment agreements to such deed poll.

附註：二零一六年債券指原於二零一六年到期的3厘可換股債券，乃由本公司根據本公司與債券持有人於二零一三年十月二十八日訂立的有條件認購協議及本公司於二零一三年十一月八日簽立的平邊契據(經補充協議(經補充協議及第二份補充協議修訂)以及就該平邊契據訂立的各修訂協議不時修訂及補充)發行予債券持有人。

Management Discussion and Analysis (Continued)

管理層討論及分析(續)

BUSINESS REVIEW

The outbreak of COVID-19 during the year of 2021, it has disrupted the overall business of the Group at different levels of time and regions continuously. With the fact that both domestic and overseas economies are still challenging and complicated, it is high pressure brought to the Group. The Group's domestic businesses were affected by the lock-down of various cities implemented in mainland China, resulting in the forced suspension of all local operations until the gradual resumption of work. Due to the logistics problem of material supply, the out-of-line replacement of personnel and the frequent requests for work suspension by the local governments from time to time, the construction schedules and the output of the Group's overseas projects were affected throughout the year. Following to the stabilising prevention and control, the Group is facing the both opportunities and challenges.

The CRD Business is the Group's core business. The Group proactively explored overseas markets in recent years and has actively undertaken several dredging projects in Bangladesh, Myanmar and Thailand in the Reporting Period. The increase in revenue generated by such business segment was due to more overseas construction projects than last year.

The Group develops and expands the EPD and Water Management Business segment proactively. The Group recorded a stable growth in revenue during the Reporting Period, which was attributable to the desirable works progress of certain environmental protection dredging projects.

業務回顧

二零二一年，COVID-19疫情爆發，持續不同時間及區域層面上打擊本集團的整體業務。再加上，國內及海外經濟至今仍未明朗且正深陷盤根錯節的形勢，本集團因此深受重壓。本集團之國內業務受到各地封城影響，所有當地項目被迫停工，至今才得以逐步重啟。由於物資供應出現物流問題，人員補充不足，以及當地政府不時頻繁地要求停工，本集團海外項目的工程進度及產出於年內嚴重受阻。然而，疫情現逐漸受控，本集團將遇上機遇，惟亦須面對挑戰。

基建及填海疏浚業務為本集團之核心業務。本集團於近年一直積極拓展海外市場，並於報告期間在孟加拉、緬甸及泰國開展了數個疏浚項目。此業務分部產生的收益增加乃由於海外建設項目較上年度多。

本集團正積極地發展及擴展環保疏浚及水務管理業務分部。於報告期間，本集團之收益呈穩定增長，此乃由於若干環保疏浚項目進展理想。

Management Discussion and Analysis (Continued)

管理層討論及分析(續)

BUSINESS REVIEW (CONTINUED)

Other Marine Business includes installing marine wind power equipment, hoisting major parts of docks and bridges, laying underwater pipelines and other works services. Due to the rapid development of the marine wind power constructions in mainland China, the Group has built a 2,300-tonned self-propelled fixed-crane vessel with a total investment cost of RMB230 million, which is delivered during the year of 2021, it can grasp more such business opportunities.

Xingyu International Houseware Plaza is a shopping mall, which located at the administrative centre of Yandu District, Yancheng City, Jiangsu Province, the PRC and the core area of Yancheng National High-tech Industrial Development Zone with a gross floor area of 75,600 square metres, is mainly used for leasing under the Property Management Business. The shopping mall was positioned as a largescale shopping center with domestic construction materials as its theme, offering one-stop services from furniture, housewares to decoration materials to customers. However, due to the lock-down implementation and decrease in the occupancy rate, the revenues of property rental of the plaza was seriously affected.

In addition to the operation and lease of shopping malls, the Group also commenced to construct a hotel located at the west of Caihong Road, Yancheng City, Jiangsu Province, the PRC, with a gross floor area of 20,000 square metres. Currently, the related construction works of the hotel still in progress.

PROSPECTS

Following to the stabilising prevention and control amid the COVID-19, the Group will continue to consistently and actively monitor market conditions, take appropriate actions to alleviate the negative impact of the pandemic on the Group's business and performance, strengthen project cost control, and continue to stabilise construction projects, operation team and management system.

Meanwhile, the Group continuously adopts a robust and prudent operating strategy to ensure an effective control of various possible operational risks as well as to speed up the collection of receivables.

業務回顧(續)

其他海事業務包括海上風電設備的安裝、港口碼頭和橋樑建設大件吊裝，水下管線鋪設及其他工程服務。由於目前國內海上風電建設發展迅速，為了在風電建設市場抓住更多商機，本集團已打造一艘2,300噸固定臂式自航起重船，總投資成本為人民幣230,000,000元，已於二零二一年內完工。

興宇國際家居廣場位於中國江蘇省鹽城市鹽都區行政中心和鹽城國家高新技術產業開發區核心地段，總建築面積達7.56萬平方米，屬物業管理業務所有，主要供租賃之用。其為一間大型家居建材主題購物中心，向顧客提供傢俱、家居用品及裝潢裝飾材料等「一站式」服務。惟受封城及出租率下降影響，租賃該廣場物業所得收益大幅減少。

除經營及租賃商場外，本集團於江蘇省鹽城市彩虹路西側區動工建設一家總建築面積約為2萬平方米的酒店。目前，有關工程仍未竣工。

展望

由於COVID-19疫情受控，重拾穩定，本集團將繼續積極監察市場狀況，採取適當措施減少疫情對本集團業務及表現的負面影響，加強集團各項目成本控制，努力維護集團的施工項目穩定、經營隊伍穩定和管理體系穩定。

同時，本集團將繼續採取強效及審慎的經營策略，以確保能有效控制可能出現的各種經營風險，以及加速資金回籠。

Management Discussion and Analysis (Continued)

管理層討論及分析(續)

PROSPECTS (CONTINUED)

For capital operation, based on the progress of its substantial construction projects including the operating progress of the overseas projects, the Group will actively identify and materialise healthy and feasible financial plans, such as strengthening the collection of the receivables and enhancing the capital structure of the Group, so as to satisfy, support and meet the Group's business development.

The Group has taken timely and active prevention and control measures to ensure the health and safety of all employees, and to accumulate strength for the recovery and development of the Group,

EMPLOYEES AND REMUNERATION POLICY

The sustained development of our business leverages on the ongoing contributions by our employees. The Board considers employees the Group's most valuable wealth and is committed to improving their growth environment, providing them competitive remuneration packages and safeguarding their health and safety. As at 31 December 2021, the Group had 522 (2020: 454) employees. The total staff cost for the Reporting Period was about RMB56.7 million (2020: RMB51.5 million). The Group's remuneration policy is basically determined by the Directors based on the performance of individual employees and market conditions. In addition to salaries and discretionary bonuses, employee benefits include pension contributions and options which may be granted under share option scheme.

展望(續)

資本運營方面，本集團將按重大工程項目的進度，包括海外項目的運營進度，積極識別及落實穩健及可行的融資方案，例如進一步加大應收賬款催收力度以及優化本集團的資本結構，以滿足、支援及配合本集團業務發展。

本集團已及時採取積極的防控措施，以保障全體僱員之健康與安全，以及為本集團之復甦及發展養精蓄銳。

僱員及薪酬政策

我們的業務能夠持續發展，有賴本集團員工的持續奉獻。董事會認為員工為本集團最重要的財富，一直致力於改善員工的成長環境，提供具有競爭力的薪酬方案及確保員工的健康和安全。於二零二一年十二月三十一日，本集團擁有522名(二零二零年：454名)員工。於報告期間，總員工成本約為人民幣56,700,000元(二零二零年：人民幣51,500,000元)。本集團之薪酬政策基本上為董事基於個別僱員的表現及市場狀況而釐訂的。除薪金及酌情花紅外，員工福利包括退休金供款及根據購股權計畫可能授出之購股權。

Directors' and Senior Management's Profile

董事及高級管理層簡介

BOARD OF DIRECTORS

Executive Directors

Mr. Liu Kaijin, aged 61, the founder of the Group, was appointed as a Director on 31 May 2010, was re-designed from a Director to an executive Director on 24 May 2011, was re-designed from a joint chairman to the chairman of the Board on 23 September 2016 and was appointed as the chairman of the Nomination Committee on 8 March 2019. He was the chief executive officer of the Company for the period from 24 May 2011 to 5 January 2017. Mr. Liu is the spouse of Ms. Zhou, an executive Director.

Mr. Liu completed his secondary education in 1977. In 2003, Mr. Liu obtained a certificate as a senior construction engineer from the Human Resources Bureau of Yancheng City* (鹽城市人事局). As his experience and knowledge in the PRC dredging business grew, Mr. Liu established Jiangsu Xingyu in 2007. Mr. Liu has been working in the dredging industry of the PRC for over 20 years.

Mr. Liu is the chairman of Jiangsu Xingyu and Huaian Shi Xiangyu Technology Microfinance Ltd.* (淮安市翔宇科技小額貸款有限公司) and the chairman and general manager of Xiangyu PRC, Jiangsu Xiangyu Water Management Company Limited* (江蘇翔宇水務有限公司), Xiangyu Environment Protection, Jiangsu Fengyu Property Development Co., Ltd.* (江蘇豐宇置業有限公司), Jiangsu Xingyu Commerce Co. Ltd.* (江蘇興宇商務有限公司), Jiangsu Lifu Infrastructure Construction Co., Ltd.* (江蘇力富基礎設施建設有限公司), Jiangsu Xiangyu Environmental Protection Industry Development Ltd.* (江蘇翔宇環保產業發展有限公司) ("Xiangyu Environmental Protection Industry") and Jiangsu Xingyu Environment Protection Company Limited* (江蘇興宇疏浚環保有限公司); and has been responsible for overseeing their daily operations and planning their business strategies. Other than the above mentioned companies, Mr. Liu is the director of Power Wealth Group (BVI) Limited, Ever Universe Holdings Limited, Power Wealth Engineering Limited and Million Able International Limited. He is also a director of Wangji Limited, being a substantial Shareholder.

Please refer to the "Directors' Report" for details of his discloseable interests in the Company under the provisions of the SFO.

董事會

執行董事

劉開進先生，61歲，本集團的創辦人，於二零一零年五月三十一日獲委任為董事，於二零一一年五月二十四日由董事調任為執行董事，於二零一六年九月二十三日由董事會聯席主席調任為董事會主席，並於二零一九年三月八日獲委任為提名委員會主席。彼自二零一一年五月二十四日至二零一七年一月五日期間擔任本公司行政總裁。劉先生為執行董事周女士的配偶。

劉先生於一九七七年完成中學課程。於二零零三年，劉先生獲鹽城市人事局頒發高級建築工程師證書。隨著劉先生於中國疏浚業的經驗及知識日深，彼於二零零七年成立江蘇興宇。劉先生於中國從事疏浚業逾二十年。

劉先生現擔任江蘇興宇及淮安市翔宇科技小額貸款有限公司的董事長以及翔宇中國、江蘇翔宇水務有限公司、翔宇環保、江蘇豐宇置業有限公司、江蘇興宇商務有限公司、江蘇力富基礎設施建設有限公司、江蘇翔宇環保產業發展有限公司(「翔宇環保產業」)及江蘇興宇疏浚環保有限公司的董事長兼總經理，負責監督其日常營運及制定其業務策略。除上述公司外，劉先生亦為力富集團(BVI)有限公司、恒宇控股有限公司、力富工程有限公司及萬翔國際有限公司的董事。彼亦作為主要股東擔任旺基有限公司的董事。

有關彼於本公司中擁有根據證券及期貨條例規定須予披露之權益詳情，請參閱本年報「董事會報告」部份。

Directors' and Senior Management's Profile (Continued)

董事及高級管理層簡介(續)

BOARD OF DIRECTORS (CONTINUED)

Executive Directors (Continued)

Mr. Wu Xuze, aged 55, has been appointed as an executive Director and the chief executive officer of the Company on 5 January 2017.

Mr. Wu graduated from the Party School of Jiangsu Committee of the Communist Party of China* (中共江蘇省委黨校) and obtained tertiary education qualification in economic management. Mr. Wu has invested in and managed various companies in the PRC and has acted as chairman, general manager and director of those companies. He has over 10 years of experience in investment management.

Ms. Zhou Shuhua, aged 59, was appointed as a Director on 18 August 2010, and was re-designed as an executive Director on 24 May 2011. Ms. Zhou is mainly responsible for general administrative work of our Group. She is the spouse of Mr. Liu, the chairman of the Board and an executive Director.

Ms. Zhou graduated from The Correspondence Institute of the Party School of the Central Committee of the Communist Party of China* (中共中央黨校函授學院), the PRC in December 1999 and obtained a graduation certificate for undergraduate courses in administrative management. She also obtained a graduation certificate for undergraduate courses in broadcasting in May 2001 from Nanjing Normal University* (南京師範大學), the PRC.

Ms. Zhou acts as a Director for Jiangsu Xingyu, Xiangyu Environment Protection, Xiangyu Environmental Protection Industry and Jiangsu Jiaolong.

Please refer to the "Directors' Report" for details of her discloseable interests in the Company under the provisions of the SFO.

董事會(續)

執行董事(續)

吳旭澤先生，55歲，於二零一七年一月五日獲委任為本公司執行董事及行政總裁。

吳先生畢業於中共江蘇省委黨校，取得經濟管理專業大專學歷。吳先生投資並管理多家中國公司，並擔任該等公司董事長、總經理及董事職務，擁有逾十年的投資管理經驗。

周淑華女士，59歲，於二零一零年八月十八日獲委任為董事，並於二零一一年五月二十四日調任為執行董事。周女士主要負責本集團的一般行政工作。彼為本集團董事會主席及執行董事劉先生的配偶。

周女士於一九九九年十二月畢業於中國中共中央黨校函授學院，取得行政管理本科學歷。彼亦於二零零一年五月於中國南京師範大學取得播音主持人文學本科學歷。

周女士出任江蘇興宇、翔宇環保、翔宇環保產業及江蘇蛟龍董事職務。

有關彼於本公司中擁有根據證券及期貨條例規定須予披露之權益詳情，請參閱本年報「董事會報告」部份。

Directors' and Senior Management's Profile (Continued)

董事及高級管理層簡介(續)

BOARD OF DIRECTORS (CONTINUED)

Independent Non-executive Directors

Mr. Huan Xuedong, aged 71, was appointed as an independent non-executive Director on 25 April 2012. He is also the member of the Audit Committee and the Remuneration Committee.

Mr. Huan graduated from the Correspondence Institute of the Party School of the Central Committee of the Communist Party of China (中共中央黨校函授學院), the PRC with a graduation certificate for undergraduate courses in party administration. He also completed his postgraduate studies in Applied Sociology in Nanjing University (南京大學).

Mr. Huan served as the Head of Bureau of Township Enterprises of Yan Cheng City* (鹽城市鄉鎮企業局), the Head of Bureau of Water Management of Yan Cheng City* (鹽城市水利局) and the chairman of the Agricultural and Water Enterprises Association of Yan Cheng City* (鹽城市農水企業協會).

Mr. Chan Ming Sun Jonathan, aged 49, was appointed as an independent non-executive Director in 30 November 2012. He is a member of the Remuneration Committee and the Nomination Committee and the chairman of Audit committee.

Mr. Chan graduated from the University of New South Wales, Australia with a Bachelor of Commerce degree in Accounting and Computer Information Systems. Mr. Chan is both a member of the Hong Kong Institute of Certified Public Accountants and Certified Public Accountants, Australia. He has extensive working experience in accounting, investment and corporate finance. Mr. Chan worked in an international accounting firm for about five years and currently, he is an investment manager of Sprint Asset Management Limited.

董事會(續)

獨立非執行董事

還學東先生，71歲，於二零一二年四月二十五日獲委任為獨立非執行董事。彼亦為審核委員會及薪酬委員會成員。

還先生畢業於中國中共中央黨校函授學院，取得黨政本科學歷。彼亦獲得南京大學應用社會學修畢研究生。

還先生歷任鹽城市鄉鎮企業局局長、鹽城市水利局局長及鹽城市農水企業協會會長。

陳銘樂先生，49歲，於二零一二年十一月三十日獲委任為獨立非執行董事。彼為薪酬委員會及提名委員會之成員以及審核委員會主席。

陳先生畢業於澳洲新南威爾斯大學，持有會計及電腦資訊系統學系商學士學位。陳先生現為香港會計師公會及澳洲會計師公會之會員。彼於會計、投資及企業財務方面擁有豐富的工作經驗。陳先生曾於一間國際會計師事務所任職近五年，現時為新銳資產管理有限公司之投資經理。

Directors' and Senior Management's Profile (Continued)

董事及高級管理層簡介(續)

BOARD OF DIRECTORS (CONTINUED)

Independent Non-executive Directors (Continued)

Mr. Chan is currently an independent non-executive director of Aceso Life Science Group Limited (stock code: 474), Changhong Jiahua Holdings Limited (stock code: 3991) and Hao Tian International Construction Investment Group Limited (stock code: 1341) whose securities are listed on the main board of the Stock Exchange. Mr. Chan acted as an independent non-executive director of Shenyang Public Utility Holdings Company Limited (stock code: 747) for the period from 12 February 2015 to 8 September 2020, whose securities are listed on the main board of the Stock Exchange, and Life Concepts Holdings Limited, (stock code: 8056) for the period from 14 July 2016 to 12 December 2018, whose securities are listed on the GEM of the Stock Exchange. Mr. Chan was an independent non-executive director of Fujian Nuoqi Co., Ltd. (stock code: 1353, whose shares were delisted from the Main Board of the Stock Exchange with effect from 8 February 2021), Grand Peace Group Holdings Limited (stock code: 8108, whose shares were delisted from the GEM of the Stock Exchange with effect from 27 August 2021) and Up Energy Development Group Limited (stock code: 307, whose shares were delisted from the Main Board of the Stock Exchange with effect from 5 January 2022) (note).

Note: The appointment of Mr. Chan Ming Sun Jonathan as an independent non-executive director of Up Energy Development Group Limited (stock code: 307) ("Up Energy") is under dispute. For details, please refer to the relevant announcements of Up Energy.

Mr. Liang Zequan, aged 53, has been appointed as an independent non-executive Director, a member of the Audit Committee, the chairman of Remuneration Committee and a member of the Nomination Committee on 23 September 2016.

Mr. Liang has been the chairman and secretary of the Communist Party's committee of Jiangsu Renhe Zhongheng Consulting Group* (江蘇仁禾中衡諮詢集團). He is also an independent non-executive director of Jiangsu Gaohe Intelligent Equipment Co., Ltd. (stock code: 831787), a company listed on the Shenzhen Stock Exchange. He held various positions including the chairman, secretary of the Communist Party's general subdivision committee and general manager of Chengnan Branch of Jiangsu Renhe Zhongheng Engineering Consulting Real Estate Valuation Co., Ltd* (江蘇仁禾中衡工程諮詢房地產估價有限公司), the chairman of Jiangsu Renhe Zhongheng CPA Limited* (江蘇仁禾中衡會計師事務所有限公司), the chairman of Yancheng Renhe Capital Construction Investment Valuation Co., Ltd* (鹽城仁禾基本建設投資估價事務所有限公司) and the vice chairman of Yancheng Zhengdao CPA Limited* (鹽城正道會計師事務所有限公司). Mr. Liang graduated from Yancheng Institute of Technology and obtained the Industrial and Civil Building Engineering professional qualification. He is a PRC principal senior economist with the qualifications of PRC certified engineer, asset appraiser and real estate appraiser.

董事會(續)

獨立非執行董事(續)

陳先生現為信銘生命科技集團有限公司(股份代號: 474)、長虹佳華控股有限公司(股份代號: 3991)及昊天國際建設投資集團有限公司(股份代號: 1341)之獨立非執行董事, 該等公司之證券於聯交所主板上市。彼曾自二零一五年二月十二日至二零二零年九月八日擔任審陽公用發展股份有限公司(股份代號: 747)之獨立非執行董事, 其證券於聯交所主板上市, 及自二零一六年七月十四日至二零一八年十二月十二日於生活概念控股有限公司(股份代號: 8056)出任獨立非執行董事, 其證券於聯交所創業板上市。陳先生曾在福建諾奇股份有限公司(股份代號: 1353, 自二零二一年二月八日起於聯交所主板除牌)、福澤集團控股有限公司(股份代號: 8108, 自二零二一年八月二十七日起於聯交所創業板除牌)及優派能源發展集團有限公司(股份代號: 307, 自二零二二年一月五日起於聯交所主板除牌)(附註)擔任獨立非執行董事。

附註: 有關陳銘榮先生獲委任為優派能源發展集團有限公司(股份代號: 307, 「優派能源」)之獨立非執行董事一事存在爭議。有關詳情請參閱優派能源之相關公告。

梁澤泉先生, 53歲, 於二零一六年九月二十三日獲委任為獨立非執行董事、審核委員會成員、薪酬委員會主席及提名委員會成員。

梁先生現任職江蘇仁禾中衡諮詢集團董事長兼黨委書記。彼亦為一家於深圳證券交易所上市之公司江蘇高和智能裝備股份有限公司(股份代號: 831787)之獨立非執行董事。梁先生曾擔任多個職位, 包括江蘇仁禾中衡工程諮詢房地產估價有限公司董事長、黨總支書記兼城南分公司總經理, 江蘇仁禾中衡會計師事務所有限公司董事長, 鹽城仁禾基本建設投資估價事務所有限公司董事長, 以及鹽城正道會計師事務所有限公司副所長。梁先生畢業於鹽城工學院, 並取得工業與民用建築專業學歷。梁先生為一名中國正高級經濟師, 更具有中國註冊造價工程師、資產評估師及房地產估價師資格。

Directors' and Senior Management's Profile (Continued)

董事及高級管理層簡介(續)

BOARD OF DIRECTORS (CONTINUED)

Independent Non-executive Directors (Continued)

Mr. Liang currently serves as a member of the 12th session of the committee of the Chinese People's Political Consultative Conference of Yancheng City, Jiangsu Province* (中國人民政治協商會議江蘇省鹽城市第十二屆委員會委員), the vice chairman of Jiangsu Province Real Estate Appraisers and Agents Association* (江蘇省房地產估價與經紀協會), an expert of Jiangsu Cost Advisory Expert Committee* (江蘇省造價諮詢專家委員會), an executive director of Registered Accountants Association of Yancheng City, Jiangsu Province* (江蘇省鹽城市註冊會計師協會), a special auditor of Audit Bureau of Yancheng City, Jiangsu Province* (江蘇省鹽城市審計局), the vice chairman of Junior Chamber of Commerce of Tingfu District, Yancheng City, Jiangsu Province* (江蘇省鹽城市亭湖區青年商會), the vice chairman of Association of Forensic Sciences of Yancheng City, Jiangsu Province* (江蘇省鹽城市司法鑒定協會) and the vice chairman of Federation of Industry and Commerce of Yancheng City, Jiangsu Province* (江蘇省鹽城市工商業聯合會).

SENIOR MANAGEMENT

Mr. Xu Wenyue, aged 50, joined the Group in October 2011 and is the chief financial officer of the Company. He is the head of accounting department of the Group and is responsible for overseeing the daily accounting and financial matters of the Group, both in the PRC and Hong Kong.

Mr. Xu graduated from the profession of accounting of Nanjing Economic Institute* (南京經濟學院) in 1999. Mr. Xu is a senior accountant in the PRC (中國高級會計師) and both a member of the Chinese Institute of Certified Public Accountants (中國註冊會計師協會) and the China Certified Tax Agents Association (中國註冊稅務師協會). Prior to joining the Group, Mr. Xu worked in a listed group in Hong Kong as a financial controller.

Ms. Ding Jiying (丁繼穎女士), aged 47, joined the Group in December 2011 as the internal control officer. She is responsible for overseeing the internal control matters of the Group.

Ms. Ding passed the examinations of the PRC Accountant Examination (Intermediate level)* (全國中級會計師考試) and Nanjing University of Finance and Economics* (南京財經大學) in 2000 and 2007, respectively, and awarded with the Bachelor of Management. She is qualified as a PRC Certified Accountant* (全國註冊會計師) and China Real Estate Appraisers* (全國註冊房地產估價師).

董事會(續)

獨立非執行董事(續)

梁先生現擔任中華人民政治協商會議江蘇省鹽城市第十二屆委員會委員、江蘇省房地產估價與經紀協會副會長、江蘇省造價諮詢專家委員會專家、江蘇省鹽城市註冊會計師協會常務理事、江蘇省鹽城市審計局特約審計員、江蘇省鹽城市亭湖區青年商會副會長、江蘇省鹽城市司法鑒定協會副會長及江蘇省鹽城市工商業聯合會副主席。

高級管理層

徐文躍先生，50歲，於二零一一年十月加入本集團。現為本公司財務總監。彼為本集團會計部主管，負責監督本集團於中國及香港的日常會計及財務事宜。

徐先生於一九九九年畢業於南京經濟學院會計學專業。徐先生先為中國高級會計師、中國註冊會計師協會會員及中國註冊稅務師協會會員。加入本集團前，徐先生在香港一間上市集團擔任財務總監。

丁繼穎女士，47歲，於二零一一年十二月加入本集團，為內部監控專員。彼負責監督本集團的內部監控事宜。

丁女士分別於二零零零年及二零零七年通過全國中級會計師考試及南京財經大學考試，並取得管理學學士學位。彼亦擁有全國註冊會計師及全國註冊房地產估價師資格。

Directors' and Senior Management's Profile (Continued)

董事及高級管理層簡介(續)

SENIOR MANAGEMENT (CONTINUED)

Ms. Ding has about 18 years' experience in accounting, financial and internal control aspects. Prior to joining the Group, she has worked in certain sizeable enterprises as financial manager and also worked in the auditing and business consulting division of a PRC accounting firm, mainly responsible for internal control review engagements.

Mr. Wang Julin (王菊林先生), aged 70, joined the Group as the chief engineer in August 2010, and is responsible for the management of the engineering department of Jiangsu Xingyu. Mr. Wang studied the profession of ports and waterways at Hohai University (河海大學) of the PRC (formerly known as East China Technical University of Water Resources (華東水利學院)) from 1974 to 1978. He was awarded the Certificate of Senior Engineer in waterways engineering by the Ministry of Communications (交通部) (now known as the Ministry of Transport (交通運輸部)) in 1998 and was awarded the Certificate of Registration of Constructor of First Class by the Ministry of Construction (建設部) in 2008.

Mr. Wang has over 30 years of experience in the implementation, management and administration of waterways engineering. Before joining the Group, he worked for the engineering department of Changjiang Wuhan Waterway Engineering Company* (長江武漢航道工程局) for about 15 years and has held the positions of officer and project manager. He has been responsible for sizeable dredging projects in the PRC. Thereafter, Mr. Wang worked in a subsidiary under Changjiang Wuhan Waterway Engineering Company* (長江武漢航道工程局) as a manager for about three years. In 1996, Mr. Wang rejoined Changjiang Wuhan Waterway Engineering Company for about eight years and has held the positions of deputy chief and chief of the engineering and business department and deputy chief engineer (constructor of first class). He has been responsible for the inspection, negotiation and overseeing of various projects and entering into of relevant contracts.

高級管理層(續)

丁女士擁有約十八年的會計、財務及內部監控經驗。加入本集團前，丁女士在若干大型企業擔任財務經理，亦於中國一所會計師事務所的審計、企業管理諮詢部工作，主理審查內部監控的工作。

王菊林先生，70歲，於二零一零年八月加入本集團，為首席工程師，負責管理江蘇興宇的工程部。王先生於一九七四年至一九七八年於中國河海大學(前稱華東水利學院)修讀港口及航道專業。彼於一九九八年獲交通部(現稱交通運輸部)頒授航道工程高級工程師證書，並於二零零八年獲建設部頒發一級建造師註冊證書。

王先生擁有超過三十年航道工程施工、管理及行政經驗。加入本集團之前，彼在長江武漢航道工程局工作約十五年，曾出任科員及項目經理，負責處理中國大型的疏浚項目。其後，王先生於長江武漢航道工程局的一家附屬公司擔任經理約三年。於一九九六年，王先生重返長江武漢航道工程局工作約八年，曾擔任工程、經營科副科長及科長以及副總工程師(一級建造師)。彼曾負責勘察、洽談及監察多個項目並就該等項目訂立相關合約。

Corporate Governance Report

企業管治報告

The Board is pleased to present the corporate governance report for the Review Period. This report describes how the Group has applied its corporate governance practices to its daily activities.

CORPORATE GOVERNANCE CODE

The Group's corporate governance framework bases on two main beliefs:

- We are well-committed to maintaining good corporate governance practices and procedures; and
- We recognise the need to adopt practices that improve ourselves continuously for a quality management.

The Group has applied these principles and adopted all code provisions, where applicable, of the CG Code contained in Appendix 14 to the Listing Rules as our own code of corporate governance. The Directors consider that the Company has complied with all applicable code provisions under the CG Code.

MODEL CODE FOR DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted the Model Code as the Company's code of conduct for dealings in securities of the Company by the Directors. In response to specific enquiry made by the Company, each of the Directors confirmed that he/she had complied with the required standard of dealings and the code of conduct regarding securities transactions by the Directors throughout the Review Period.

CONSTITUTIONAL DOCUMENTS

Amendment to the memorandum and articles of association of the Company was made during the Review Period. For details please refer to the Company's constitutional documents announced on 1 September 2021.

董事會欣然呈報回顧期間之企業管治報告。本報告描述本集團如何在日常業務中應用其企業管治常規。

企業管治守則

本集團的企業管治框架乃基於兩條主要信念：

- 我們致力於維持良好的企業管治常規及程序；及
- 我們知悉需要採納不斷改善我們自身發展的常規，以進行優質管理。

本集團一直應用上述原則以及上市規則附錄十四所載的企業管治守則之所有守則條文(倘適用)，作為我們自身的企業管治守則。董事認為，本公司已遵守企業管治守則之所有適用守則條文。

董事進行證券交易的標準守則

本公司已採納標準守則，作為董事進行本公司證券交易的本公司操守守則。經本公司作出特定查詢後，各董事已確認其於整個回顧期間一直遵守交易的規定標準及董事進行證券交易的操守準則。

公司組織章程文件

於回顧期間，本公司曾修訂其組織章程大綱及細則，有關詳情請參閱本公司於二零二一年九月一日刊發之組織章程文件。

Corporate Governance Report (Continued)

企業管治報告(續)

BOARD OF DIRECTORS

Board Composition

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

Composition of the Board and its changes during the Review Period and up to date of this annual report are as follows:

Executive Directors:

Mr. Liu Kaijin
Mr. Wu Xuze
Ms. Zhou Shuhua

Independent non-executive Directors:

Mr. Huan Xuedong
Mr. Chan Ming Sun Jonathan
Mr. Liang Zequan

The biographical details of the incumbent Directors and the relationships among them are set out in the section headed "Directors' and Senior Management's Profile" of this annual report.

The Board believes that it has a balanced composition of executive Directors and independent non-executive Directors and there is an independent element on the Board, which can effectively exercise independent judgement. As at 31 December 2021, the Company has three independent non-executive Directors who provide the Group with adequate check and balance. Each of them is considered to be independent and has complied with the provisions set out in rule 3.13 of the Listing Rules. All of them are identified as such in all corporate communications that disclose the names of the Directors. Their functions are not only limited to a restricted scope and they have contributed to the Group with diversified industry expertise, and advised on the Group's management and proceedings.

One of the three independent non-executive Directors, namely Mr. Chan Ming Sun Jonathan, has professional qualifications in accounting or related financial management expertise.

董事會

董事會的組成

於本年報日期，董事會由三名執行董事及三名獨立非執行董事組成。

回顧期間及直至本年報日期，董事會的組成以及變動如下：

執行董事：

劉開進先生
吳旭澤先生
周淑華女士

獨立非執行董事：

還學東先生
陳銘樂先生
梁澤泉先生

現任董事的履歷詳情及彼等之間的關係載列於本年報「董事及高級管理層簡介」一節。

董事會相信，其執行董事及獨立非執行董事的組成比例均衡，且董事會具備獨立性，能夠有效行使獨立判斷。於二零二一年十二月三十一日，本公司擁有三名獨立非執行董事，為本集團提供充足的監管，並制衡其勢力。彼等各自均被視為具有獨立性，並一直遵守上市規則第3.13條所載條文。於所有載有董事姓名的公司通訊中，均有註明彼等的身份。彼等的職能不只是局限於受限範圍內，亦以其多元化的行業知識為本集團作出貢獻，並為本集團的管理及議事程序提出建議。

在三名獨立非執行董事中，其中一名（即陳銘樂先生）具備會計專業資格或相關財務管理知識。

Corporate Governance Report (Continued)

企業管治報告(續)

BOARD OF DIRECTORS (CONTINUED)

Responsibilities of the Board and Delegation

The Board is responsible for the approval and monitoring of the Group's overall strategies and policies, approval of business plans, evaluation of its performance, overseeing the management and in charge of corporate governance function. It is also responsible for promoting the success of the Group and its businesses by directing and supervising the Group's affairs.

The Board delegates day-to-day operations of the Group to executive Directors and senior management while reserving certain key matters for its approval. Board committees for specific functions are also set up to ensure efficient Board operations. The respective functions and responsibilities reserved to the Board and those delegated to Board committees have been clearly set out in their respective terms of reference.

Decisions of the Board are communicated to the management through executive Directors who have attended the Board meetings.

Corporate Governance Functions

The Board is responsible for performing the corporate governance duties of the Company including:

- (a) to develop and review the Company's policies and practices on corporate governance;
- (b) to review and monitor the training and continuous professional development of the Directors and senior management;
- (c) to review and monitor the Company's policies and practices in compliance with legal and regulatory requirements;
- (d) to develop, review and monitor the code of conduct and compliance manual (if any) applicable to employees and the Directors; and
- (e) to review the Company's compliance with the CG Code and disclosure in the corporate governance report.

During the Review Period, the Board reviewed the compliance with the CG Code and the disclosure in this corporate governance report and the training and continuous professional development of the Directors.

董事會(續)

董事會責任及授權

董事會負責批准及監察本集團的整體策略及政策、審批商業計劃、評核其表現、監督管理層及負責企業管治職務。此外，董事會亦負責指導及監督本集團的事務，以使本集團及其業務取得成功。

董事會將本集團的日常運作交由執行董事及高級管理層處理，但保留對若干重大事宜作出審批的權利。本公司亦設立具特定職能的董事委員會，以確保董事會的高效運作。董事會保留及授予董事委員會的各職能及職責已分別明確載列於各職權範圍內。

董事會之決定將由出席董事會會議之執行董事轉達管理層。

企業管治職能

董事會負責履行本公司之企業管治職責，包括：

- (a) 制定及檢閱本公司之企業管治政策及常規；
- (b) 檢閱及監察董事及高級管理層之培訓及持續專業發展；
- (c) 檢閱及監察本公司在遵守法律及監管規定方面之政策及常規；
- (d) 制定、檢閱及監察適用於僱員及董事的操行守則及合規手冊(如有)；及
- (e) 檢閱本公司遵守企業管治守則之情況及在企業管治報告內之披露。

於回顧期間，董事會檢閱企業管治守則的合規情況、於本企業管治報告中的披露以及董事的培訓及持續專業發展。

Corporate Governance Report (Continued)

企業管治報告 (續)

BOARD OF DIRECTORS (CONTINUED)

Chairman and Chief Executive Officer

The roles of the chairman and the chief executive officer are segregated and are held by Mr. Liu Kaijin and Mr. Wu Xuze respectively. Mr. Liu Kaijin, being the chairman, is responsible for the management of the Board and Mr. Wu Xuze, being the chief executive officer of the Company, is responsible for the day-to-day management of the Group's businesses.

Appointments, Re-election and Removal of Directors

Each of the executive Directors is engaged on a Director's service contract with the Company. The letters of appointment of independent non-executive Directors also set out the specific terms and conditions relative to their respective appointment. All remuneration paid to executive Directors are covered by respective service contracts, and all remuneration paid to independent non-executive Directors are covered by respective letters of appointment. Details of the terms of appointment of the Directors are disclosed in the section "Director's Service Contracts" of the Directors' Report in this annual report.

Pursuant to the Articles, any Director appointed by the Board shall hold office until the next following general meeting of the Company and shall then be eligible for re-election. Also, pursuant to the Articles, at each annual general meeting, 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 the independent non-executive Directors) shall be subject to retirement by rotation at least once every three years.

Board Meetings

The Group adopted the practice of holding Board meetings for executive Directors regularly and holding Board meetings that included both executive Directors and non-executive Directors at least four times every year. The Board will also meet on other occasions when a board-level decision on a particular matter is required.

Generally, at least 14-days' notice for the Company's regular Board meeting, and reasonable time for all other meetings, would be given prior to such meetings. Agenda for a meeting are sent to all Directors prior to the meeting. The Directors will receive details of agenda items for decision at least three days before regular Board meetings.

董事會 (續)

主席及行政總裁

主席及行政總裁之職務並非相同，且分別由劉開進先生及吳旭澤先生擔任。主席劉開進先生負責管理董事會，而本公司行政總裁吳旭澤先生則負責管理本集團之日常業務。

委任、重選及罷免董事

各執行董事均與本公司訂立董事服務合約。獨立非執行董事的委任書亦載有與彼等的委任相關的具體條款及條件。本公司根據各服務合約向執行董事支付薪酬，並根據各委任書向獨立非執行董事支付薪酬。董事的委任條款詳情於本年報董事會報告「董事的服務合約」一節披露。

根據細則，任何獲董事會委任的董事須任職至本公司舉行下屆股東大會為止，屆時將符合資格膺選連任。此外，根據細則，在每屆股東週年大會上，當時三分之一董事（或倘人數並非三或三的倍數，則以最接近但不少於三分之一的人數為準）將輪值退任，而每名董事（包括獨立非執行董事）須至少每三年輪值退任一次。

董事會會議

本集團採納的常規是定期為執行董事舉行董事會會議及每年至少舉行四次有執行董事及非執行董事出席的董事會會議。董事會亦將於需要董事會就特定事宜作出決定的其他情況下召開會議。

一般而言，於舉行本公司定期董事會會議前，至少須發出14日的通知，至於所有其他會議，則須於會議舉行前發出合理的時間通知。會議議程將於舉行會議前發送至全體董事。董事將於舉行定期董事會會議前至少三日收到詳細議程，以便作出決定。

Corporate Governance Report (Continued)

企業管治報告(續)

BOARD OF DIRECTORS (CONTINUED)

Board Meetings (Continued)

The Directors consider and approve the Company's matters by way of written resolutions circulated to them as and when necessary. If a Director has a material interest in a matter to be considered by the Board, a physical meeting will be held to discuss the matter instead of seeking Directors' written consent by way of circulation of written resolution.

In order to ensure that Board procedures, and all applicable rules and regulations are followed, all Directors are able to access the Company's company secretary for advice from time to time. Moreover, upon reasonable request, the Directors will be able to seek independent professional advice in appropriate circumstances at the Company's expense. All Directors were given an opportunity to include matters in the agenda of meetings for discussion.

To ensure a competent Board operation, all Directors gave sufficient time and attention to the affairs of the Group during the Review Period. During the Review Period, five Board meetings (excluding delegated committees' meetings) were held and attendance of each Director is set out as follows:

Name of Director		Number of attendance	Number of meetings held during term of office
董事姓名		出席次數	任期內舉行會議的次數
<i>Executive Directors</i>	<i>執行董事</i>		
Mr. Liu Kaijin	劉開進先生	5	5
Mr. Wu Xuze	吳旭澤先生	3	5
Ms. Zhou Shuhua	周淑華女士	4	5
<i>Independent non-executive Directors</i>	<i>獨立非執行董事</i>		
Mr. Huan Xuedong	還學東先生	5	5
Mr. Chan Ming Sun Jonathan	陳銘樂先生	5	5
Mr. Liang Zequan	梁澤泉先生	4	5

Minutes of Board meetings and meetings of Board committees are kept by the company secretary or other duly authorised person. All minutes are open for inspection by any Director on reasonable notice. Such minutes are recorded in sufficient detail of the matters considered and decisions reached. Draft and final versions of minutes of Board meetings are sent to all Directors for their comments and records.

董事會(續)

董事會會議(續)

各董事於必要時傳閱書面決議案，以考慮及批准本公司事宜。倘若某董事於董事會將予考慮的事項中存有重大的利益，本公司將會召開討論有關事項之會議而不會以傳閱董事決議案之方式尋求董事認可。

為確保遵守董事會程序以及所有適用的規則及規例，所有董事均可不時自本公司的公司秘書獲取意見。此外，於提出合理要求後，董事將可在合適的情況下尋求獨立專業意見，費用由本公司承擔。所有董事均有機會將事宜納入會議議程內，以進行討論。

為確保董事會的有效運作，於回顧期間，所有董事已就本集團的事宜投入充分的時間及精力。於回顧期間，本公司舉行了五次董事會會議(不包括授權委員會會議)，各董事的出席情況載列如下：

董事會會議及董事委員會會議的會議記錄由公司秘書或獲正式授權的其他人士保存。所有會議記錄在合理通知下可供任何董事查閱。該等會議記錄詳盡地記錄獲考慮的事宜及作出的決定。董事會會議記錄的初稿及最終定稿會發送至所有董事，以供彼等作出意見及保存。

Corporate Governance Report (Continued)

企業管治報告 (續)

BOARD OF DIRECTORS (CONTINUED)

Directors' Training

As part of an ongoing process of directors' training, the Company updates Directors on the latest development regarding the Listing Rules and other applicable regulatory requirements from time to time, to ensure compliance and enhance their awareness of good corporate governance practices.

According to the Directors' training records provided to the Company, the training undertaken by all Directors during the Review Period is summarised as below:

Name of Director

董事姓名

Executive Directors:

Mr. Liu Kaijin

Mr. Wu Xuze

Ms. Zhou Shuhua

執行董事：

劉開進先生

吳旭澤先生

周淑華女士

Independent non-executive Directors:

Mr. Huan Xuedong

Mr. Chan Ming Sun Jonathan

Mr. Liang Zequan

獨立非執行董事：

還學東先生

陳銘燊先生

梁澤泉先生

Orientation is provided to newly appointed Directors (if any) upon their appointments. Each of them will receive a director's manual from the Company which contains a package of orientation materials on the operations and businesses of the Group, together with information relating to the duties and responsibilities of directors under the Listing Rules and statutory regulations.

董事會 (續)

董事培訓

作為董事持續培訓之一部分，本公司不時向董事提供有關上市規則及其他適用監管規定之最新資料，以確保董事遵守該等規則及提高其對良好企業管治常規之認知。

根據本公司獲得之董事培訓記錄，所有董事於回顧期間接受的培訓概述如下：

Reading materials and/or attending training courses relevant to the Company's business, to their duties and responsibilities and/or to corporate governance or regulation

閱讀及／或出席內容有關本公司業務、彼等的職務及職責及／或企業管治或規定之材料及／或培訓課程

本公司會於新上任董事(如有)獲委任後立刻向其提供培訓。彼等將各獲發一份本公司的董事手冊，當中載有一系列有關本集團營運及業務的迎新資料，以及與上市規則及監管規定下的董事職責及責任有關的資料。

Corporate Governance Report (Continued)

企業管治報告(續)

BOARD COMMITTEES

Remuneration Committee

The Company has set up a remuneration committee with specific terms of reference with appropriate modification when necessary, which state clearly its authority and duties. To make consistency of the Remuneration Committee's terms of reference with such terms of reference of other Board committees, the Board adopted the current terms of reference of the Remuneration Committee in January 2019.

The principal responsibilities of the Remuneration Committee include making recommendations to the Board on the Group's policy and structure for all remuneration of Directors and senior management and reviewing the specific remuneration packages of all executive Directors and senior management by reference to corporate goals and objectives resolved by the Board from time to time.

During the Review Period, the Remuneration Committee conducted review of the remuneration policy and structure of the Directors and senior management which took into account the prevailing market condition and the responsibilities and performance of individual members. No change to the terms was proposed to the Board by the Remuneration Committee. Further, the Remuneration Committee made recommendations to the Board on the remuneration packages for the executive Directors and the independent non-executive Directors during the Review Period.

Pursuant to code provision B.1.5 of the CG Code, the remuneration of the members of the senior management by band for the Review Period is set out below:

In the band of 金額

Number of individuals 成員人數

Nil to HK\$1,000,000

零至1,000,000港元

3

董事委員會

薪酬委員會

本公司已成立薪酬委員會，並制定特定的職權範圍(必要時會作出適當修改)，清楚列明其職權及職責。為使薪酬委員會的職權範圍與其他董事會委員會的職權範圍一致，董事會於二零一九年一月採納現時的薪酬委員會職權範圍。

薪酬委員會的主要職責包括就本集團董事及高級管理層的全體薪酬政策及架構向董事會提出建議，及因應董事會不時訂立的企業方針及目標而審閱全體執行董事及高級管理層的特定薪酬待遇。

回顧期間，薪酬委員會審閱了董事及高級管理層的薪酬政策及架構，有關政策及架構慮及現行市況及個別成員的職責及表現。薪酬委員會並無向董事會建議修改有關條款。此外，薪酬委員會於回顧期間就執行董事及獨立非執行董事之薪酬待遇向董事會作出推薦建議。

根據企業管治守則的守則條文B.1.5，高級管理層於回顧期間按金額劃分之薪酬載列如下：

Corporate Governance Report (Continued)

企業管治報告 (續)

BOARD COMMITTEES (CONTINUED)

Remuneration Committee (Continued)

During the Review Period, one committee meeting was held and the attendance of each member as to the said meetings is set out as follows:

Name of Director		Number of attendance	Number of meetings held during term of office
董事姓名		出席次數	任期內舉行會議的次數
<i>Independent Non-executive Directors:</i>	<i>獨立非執行董事：</i>		
Mr. Huan Xuedong	還學東先生	1	1
Mr. Chan Ming Sun Jonathan	陳銘樂先生	1	1
Mr. Liang Zequan [#]	梁澤泉先生 [#]	1	1

[#] Mr. Liang Zequan acted as the chairman of the Remuneration Committee.

Nomination Committee

The Company has set up a nomination committee with specific terms of reference with appropriate modification when necessary, which state clearly its authority and duties. To keep the Nomination Committee's terms of reference in line with the Listing Rules amendments relating to director nomination policy, the Board adopted the current terms of reference of the Nomination Committee in January 2019.

The principal duties of the Nomination Committee include reviewing the size, structure and composition of the Board, identifying individuals qualified to become Board members, making recommendations to the Board on the appointment or re-appointment and succession planning of Directors, and assessing the independence of the independent non-executive Directors.

董事委員會 (續)

薪酬委員會 (續)

於回顧期間，舉行了一次委員會會議，各成員出席上述會議的情況載列如下：

		Number of attendance	Number of meetings held during term of office
		出席次數	任期內舉行會議的次數
<i>Independent Non-executive Directors:</i>	<i>獨立非執行董事：</i>		
Mr. Huan Xuedong	還學東先生	1	1
Mr. Chan Ming Sun Jonathan	陳銘樂先生	1	1
Mr. Liang Zequan [#]	梁澤泉先生 [#]	1	1

[#] 梁澤泉先生為薪酬委員會主席。

提名委員會

本公司已成立提名委員會，並制定特定的職權範圍(必要時會作出適當修改)，清楚列明其職權及職責。為使提名委員會的職權範圍符合上市規則有關董事提名政策之修訂，董事會已於二零一九年一月採納現時的提名委員會職權範圍。

提名委員會的主要職責包括檢討董事會的規模、架構及組成、物色合資格擔任董事的人士、就董事的委任或重新委任及繼任計劃向董事會作出推薦建議，以及評估獨立非執行董事的獨立性。

Corporate Governance Report (Continued)

企業管治報告(續)

BOARD COMMITTEES (CONTINUED)

Nomination Committee (Continued)

The Company recognises and embraces the benefits of diversity of the Board members. The following measurable objectives for the purpose of implementation of the board diversity policy are adopted:

- (a) at least 40% of the members of the Board shall be non-executive directors or independent non-executive directors;
- (b) at least 65% of the members of the Board shall have attained bachelor's degree or above;
- (c) at least 30% of the members of the Board shall have obtained accounting or other professional qualifications;
- (d) at least 75% of the members of the Board shall have more than seven years of experience in the industry he is specialised in; and
- (e) at least 50% of the members of the Board shall have China-related work experience.

Under the director nomination policy of the Company, when making recommendations to the Board relating to the appointment or re-appointment of proposed Directors, the Nomination Committee shall take into the following factors:

- (a) character and integrity of the proposed Directors;
- (b) qualifications including skills, knowledge, experience, and professional expertise possessed by the proposed Directors that are relevant to the operations of the Group;
- (c) the proposed Directors' willingness to devote adequate time to discharge duties as a member of the Board and the Board committees;
- (d) diversity in all aspects, including but not limited to gender, age, cultural and educational background, professional qualification, skills, knowledge and experience;
- (e) requirements of the proposed Directors' independence set out in rule 3.13 of the Listing Rules for nominating an independent non-executive Director; and
- (f) any other relevant factors as may be determined by the Nomination Committee or the Board from time to time.

董事委員會(續)

提名委員會(續)

本公司明白並深信董事會成員多元化能帶來眾多裨益。為實施董事會多元化政策，採納以下可計量目標：

- (a) 至少40%董事會成員須為非執行董事或獨立非執行董事；
- (b) 至少65%董事會成員須獲得學士或以上學位；
- (c) 至少30%董事會成員須獲得會計或其他專業資格；
- (d) 至少75%董事會成員須於其專攻行業內擁有七年以上經驗；及
- (e) 至少50%董事會成員須擁有中國相關工作經驗。

根據本公司董事提名政策，提名委員會就委任或重新委任候選董事向董事會作出推薦建議時，應考慮以下因素：

- (a) 候選董事的品格與操守；
- (b) 候選董事擁有的資格包括與本集團業務相關的技能、知識、經驗及專業知識；
- (c) 候選董事能夠投放足夠的時間履行其身為董事會及董事會委員會成員的職責；
- (d) 董事會於各方面的多元化，包括但不限於性別、年齡、文化和教育背景、專業資格、技能、知識和經驗；
- (e) 獲提名為獨立非執行董事的候選董事必須符合上市規則第3.13條所載的獨立性規定；及
- (f) 提名委員會或董事會不時決定的任何其他相關因素。

Corporate Governance Report (Continued)

企業管治報告(續)

BOARD COMMITTEES (CONTINUED)

Nomination Committee (Continued)

The Nomination Committee has reviewed the size and composition of the Board and the independence of independent non-executive Directors and also made recommendations to the Board in relation to the reappointment of the retiring Directors for the Review Period. The measurable objectives set out above for the purpose of implementation of the board diversity policy are achieved.

During the Review Period, one committee meeting was held and the attendance of each member as to the said meetings is set out as follows:

Name of Director		Number of attendance	Number of meetings held during term of office
董事姓名		出席次數	任期內舉行會議的次數
<i>Executive Director:</i>	<i>執行董事：</i>		
Mr. Liu Kaijin [#]	劉開進先生 [#]	1	1
<i>Independent Non-executive Directors:</i>	<i>獨立非執行董事：</i>		
Mr. Chan Ming Sun Jonathan	陳銘樂先生	1	1
Mr. Liang Zequan	梁澤泉先生	1	1

[#] Mr. Liu Kaijin acted as the chairman of the Nomination Committee.

Audit Committee

The Company has established an audit committee with specific written terms of reference with appropriate modification when necessary. To keep the Audit Committee's terms of reference in line with the Listing Rules amendments, the Board adopted the current terms of reference of the Audit Committee in January 2019.

董事委員會(續)

提名委員會(續)

回顧期間，提名委員會已檢討董事會的規模及組成以及獨立非執行董事的獨立性，並就重新委任退任董事向董事會作出推薦建議。本公司已達致為落實董事會多元化政策而設定的上述可計量目標。

於回顧期間，舉行了一次委員會會議，各成員出席上述會議的情況載列如下：

Name of Director		Number of attendance	Number of meetings held during term of office
董事姓名		出席次數	任期內舉行會議的次數
<i>Executive Director:</i>	<i>執行董事：</i>		
Mr. Liu Kaijin [#]	劉開進先生 [#]	1	1
<i>Independent Non-executive Directors:</i>	<i>獨立非執行董事：</i>		
Mr. Chan Ming Sun Jonathan	陳銘樂先生	1	1
Mr. Liang Zequan	梁澤泉先生	1	1

[#] 劉開進先生為提名委員會主席。

審核委員會

本公司已成立審核委員會，並制定特定的書面職權範圍(於必要時會作出適當修訂)。為使審核委員會的職權範圍符合上市規則之修訂，董事會已於二零一九年一月採納現時的審核委員會職權範圍。

Corporate Governance Report (Continued)

企業管治報告(續)

BOARD COMMITTEES (CONTINUED)

Audit Committee (Continued)

The major role and function of the Audit Committee are to ensure the maintenance of proper relationship with the Company's auditor, the establishment of proper review and control arrangements relating to internal control and risk management systems, financial reporting and the compliance to applicable reporting requirements.

The Audit Committee reviewed the consolidated financial statements for the six months ended 30 June 2021 and consolidated financial statements for the Review Period of the Group, including the Group's adopted accounting principles and practices, the continuing connected transactions of the Company, internal control systems and financial reporting matters (in conjunction with the external auditor for the annual results). The Audit Committee also monitored the effectiveness of the external audit and oversaw the appointment, remuneration and terms of engagement of the Company's external auditor, as well as its independence. The Audit Committee endorsed the accounting treatments adopted by the Company and, to the best of its ability assured itself that the disclosures of the financial information in this annual report comply with the applicable accounting standards and Appendix 16 to the Listing Rules.

As at 31 December 2021, the Audit Committee comprised three independent non-executive Directors and regular Audit Committee meetings were held pursuant to its terms of reference. During the Review Period, three committee meetings were held in the attendance of the external auditor, and the attendance of each member as to the said meetings is set out as follows:

Name of Director		Number of attendance	Number of meetings held during term of office
董事姓名		出席次數	任期內舉行會議的次數
<i>Independent Non-executive Directors:</i>	<i>獨立非執行董事：</i>		
Mr. Huan Xuedong	還學東先生	3	3
Mr. Chan Ming Sun Jonathan [#]	陳銘樂先生 [#]	3	3
Mr. Liang Zequan	梁澤泉先生	3	3

[#] Mr. Chan Ming Sun, Jonathan acted as the chairman of the Audit Committee.

董事委員會(續)

審核委員會(續)

審核委員會的主要職責及職務是確保與本公司核數師維持良好關係，及就內部監控及風險管理制度、財務報告及遵守適用報告規定作出適當檢討及監控安排。

審核委員會已審閱本集團截至二零二一年六月三十日止六個月的綜合財務報表及回顧期間的綜合財務報表，包括本集團採納的會計原則及慣例、本公司持續關連交易、內部監控審閱制度及財務報告事宜(與外聘核數師一同審閱年度業績)。審核委員會亦監察外部審核的成效及對本公司外聘核數師的委任、薪酬、聘任條款及其獨立性進行監督。審核委員會贊同本公司採納的會計處理方法，並已盡力確保本年報披露的財務資料符合適用的會計準則及上市規則附錄十六。

於二零二一年十二月三十一日，審核委員會包括三名獨立非執行董事，並根據職權範圍定期舉行審核委員會會議。於回顧期間，在外聘核數師出席的情況下舉行了三次委員會會議，各成員出席上述會議的情況載列如下：

[#] 陳銘樂先生為審核委員會主席。

Corporate Governance Report (Continued)

企業管治報告(續)

DIRECTORS' INTERESTS IN COMPETING BUSINESSES

None of the Directors or the management of the Company or their respective close associates (as defined under the Listing Rules) had any interests in a business which competes or may compete with the business of the Group, or had any other conflict of interest with the Group during the year.

The Company has received from each of the Directors an annual confirmation of his/her undertaking as to non-competition.

NON-COMPETITION UNDERTAKINGS

The controlling Shareholders (namely Mr. Liu and Wangji Limited ("Wangji")), through a deed of non-competition dated 24 May 2011 (as amended by a supplemental deed of non-competition dated 2 April 2015 ("Supplemental Deed")), have given undertakings ("Undertakings") to the Company not to directly or indirectly engage in the business which competes or may compete with the Group, on terms and conditions as disclosed in the prospectus of the Company dated 8 June 2011 ("Prospectus"). For details of the Undertakings, please refer to pages 162 to 165 of the Prospectus. For details of the Supplemental Deed, please refer to the Company's announcement dated 2 April 2015.

The status of compliance with the Undertakings by the controlling Shareholders during the Review Period is as follows:

- (1) the Board received from each of Mr. Liu and Wangji a confirmation (i) of compliance with the Undertakings for the Review Period, and (ii) that during the Review Period, neither they nor their close associates (as defined in the Listing Rules) had any interest in any project or business opportunity (otherwise than through their interests held through the Group) which relate to the business activities by the Group;
- (2) none of the Director are aware of any circumstances which indicate that the controlling Shareholders or their close associates are in breach of the Undertakings during the Review Period; and
- (3) save for the terms as amended by the Supplemental Deed, the terms of the Undertakings have remained unchanged since the Company's listing on the Stock Exchange in June 2011.

董事於競爭業務的權益

年內，本公司董事或管理層或彼等各自的緊密聯繫人（定義見上市規則）概無於與本集團業務構成競爭或可能構成競爭的業務中擁有任何權益，或與本集團存在任何其他利益衝突。

本公司已收到各董事有關不競爭承諾的年度確認書。

不競爭承諾

控股股東（即劉先生及旺基有限公司（「旺基」））已訂立日期為二零一一年五月二十四日的不競爭契據（經日期為二零一五年四月二日的不競爭補充契據（「補充契據」）修訂），根據披露於本公司日期為二零一一年六月八日之招股章程（「招股章程」）內的相關條款及條件向本公司承諾，概不直接或間接從事對本集團構成或可能構成競爭的業務（「該等承諾」）。有關該等承諾的詳情，請參閱招股章程第162頁至165頁。有關補充契據的詳情，請參閱本公司日期為二零一五年四月二日之公告。

回顧期間，控股股東遵守該等承諾的情況如下：

- (1) 董事會已分別收到來自劉先生及旺基的確認函，函件確認(i)已於回顧期間遵守該等承諾；及(ii)於回顧期間，彼等或彼等的緊密聯繫人（定義見上市規則）概無於任何與本集團業務活動有關的項目或商機內持有任何權益，惟彼等透過本集團持有的權益除外；
- (2) 概無董事知悉任何情況，顯示控股股東或彼等的緊密聯繫人於回顧期間違反該等承諾；及
- (3) 除補充契據修訂的條款外，該等承諾的條款自本公司於二零一一年六月於聯交所上市以來維持不變。

Corporate Governance Report (Continued)

企業管治報告(續)

FINANCIAL REPORTING AND AUDIT

The Directors acknowledged their responsibility for preparing the financial statements that give a true and fair view in accordance with applicable statutory requirements and accounting standards and the requirements of the Listing Rules.

The Group adopted the going concern basis in preparing its financial statements. Except from the issue discussed under note 2 to the consolidated financial statements on pages 85 to 86 in relation to the loss and the net current liabilities of the Group, the Directors were not aware of any other material uncertainties relating to events or conditions which may cast significant doubt upon the Group's ability to continue as a going concern.

A statement by the external auditor of the Company about its reporting responsibilities is set out in the section headed "Independent Auditor's Report" in this annual report.

During the Review Period, remuneration in respect of non-audit services, namely, the review of the interim report and the statement of indebtedness provided by the Company's external auditor amounted to about RMB400,000. The remuneration in respect of audit service was amounted to about RMB1,388,000.

INTERNAL CONTROL AND RISK MANAGEMENT

The Board acknowledges its responsibility for overseeing the Group's risk management and internal control systems and reviewing their effectiveness at least annually. The Audit Committee assists the Board in fulfilling its oversight role in the Group's risk management and internal controls.

The risk management and internal control systems are to ensure that the Group's assets are safeguarded, relevant rules and regulations are complied with, reliable financial and accounting records are maintained in accordance with relevant accounting standards and regulatory reporting requirements, and key risks that may impact on the Group's performance are appropriately identified and managed. However, the systems are designed to manage rather than eliminate the risk of failures to achieve business objectives and can only provide reasonable and not absolute assurance against material misstatement or loss.

財務申報及核數

董事確認彼等按照適用法定要求及會計準則以及上市規則規定編製真實與公平之財務報表之責任。

本集團根據持續經營基準編製其財務報表。除第85至86頁綜合財務報表附註2所討論有關本集團錄得虧損及流動負債淨值的問題外，董事並不知悉任何帶來重大不確定因素之其他事件或狀況，而該等因素可能對本集團的持續經營能力造成重大疑問。

本公司外聘核數師就其申報責任所作出的聲明載於本年報「獨立核數師報告」一節。

回顧期間，就本公司外聘核數師提供的非核數服務（即審閱中期報告及債務聲明）支付的酬金約為人民幣400,000元。就核數服務支付之酬金約為人民幣1,388,000元。

內部監控及風險管理

董事會確認其責任為至少每年監管本集團的風險管理及內部控制系統以及審核其成效。審核委員會協助董事會履行其監管本集團風險管理及內部控制的職責。

風險管理及內部控制系統乃為確保本集團的資產受保障、遵守相關規則及規例、根據相關會計準則及監管匯報規定存置可靠的財務及會計記錄，以及妥為識別並管理可能影響本集團表現的主要風險。然而，該等系統旨在管理而非消除未能達致業務目標的風險，且僅能提供合理保證，無法完全保證不會出現任何重大錯誤陳述或損失。

Corporate Governance Report (Continued)

企業管治報告 (續)

INTERNAL CONTROL AND RISK MANAGEMENT (CONTINUED)

The Group has an internal audit reporting directly to the Audit Committee. The role of internal audit is to evaluate and improve the effectiveness of internal control, risk management and business governance processes. The regular work of the internal audit covers the major activities of the Group's operations.

An information disclosure policy is in place to ensure potential inside information being captured and confidentiality of such information being maintained until consistent and timely disclosure is made.

During the Review Period, the Audit Committee not only reviewed the internal audit's report but also the certain key risk management and internal control issues identified by the external auditor. The Board has reviewed the effectiveness of the internal control and risk management systems of the Group, covering all material financial, operational and compliance controls and concluded that the key areas of the Groups' internal control and risk management systems are reasonably and adequately implemented to their satisfaction, with room of improvement.

COMPANY SECRETARY

The secretary of the Company is Mr. Leung Yiu Cho, who was appointed on 29 December 2021. Mr. Leung has been informed of the requirement of the Rule 3.29 of the Listing Rules. Mr. Leung has informed the Company that he took more than 15 hours of training covering corporate governance and accounting matters. The Company considers that the training of the company secretary is in compliance with the requirements under Rule 3.29 of the Listing Rules.

COMMUNICATION WITH SHAREHOLDERS AND INVESTORS

General Meetings with Shareholders

The Company communicates with its Shareholders through its annual report, interim report and statutory and voluntary announcements. The Directors, company secretary or appropriate members of senior management, where appropriate, also respond to inquiries from Shareholders and investors on a timely basis.

內部監控及風險管理 (續)

本集團設有直接向審核委員會報告的內部審核師。內部審核師的職責為評估及提高內部控制、風險管理及業務管治流程的成效。內部審核師的日常工作為審核本集團主要業務活動。

本集團已經實施一項資料披露政策，以確保能獲得潛在內部資料及將該資料保密，直至作出一致及及時的披露。

於回顧期間，審核委員會不僅審閱內部審核報告，亦審核外聘核數師發現的若干主要風險管理及內部控制問題。董事會已審核本集團內部控制及風險管理系統的成效，審核範圍涵蓋所有重大財務、營運及合規控制方面，並認為本集團內部控制及風險管理系統的主要方面已獲合理及妥善實施，令人滿意，但尚有改善空間。

公司秘書

本公司秘書為梁耀祖先生，彼於二零二一年十二月二十九日獲委任。梁先生知悉上市規則第3.29條的規定。梁先生已向本公司告悉彼已就企業管治及會計事項接受超過15小時培訓。本公司認為公司秘書接受的培訓符合上市規則第3.29條的規定。

與股東及投資者溝通

與股東舉行股東大會

本公司通過年報、中期報告以及法定及自願公告向其股東傳達訊息。董事、公司秘書或合適的高級管理層成員(倘適用)亦會及時回應股東及投資者的提問。

Corporate Governance Report (Continued)

企業管治報告(續)

COMMUNICATION WITH SHAREHOLDERS AND INVESTORS (CONTINUED)

General Meetings with Shareholders (Continued)

The Company's annual general meeting provides a useful platform for direct communication between the Board and the Shareholders. Separate resolutions are proposed on each substantially separate issue at the general meetings. The annual general meeting for the year ended 31 December 2020 ("2020 AGM") was held on 17 June 2021.

Resolutions put to vote at the general meetings of the Company are taken by poll. Procedures regarding the conduct of the poll are explained to the Shareholders at the commencement of each general meeting. The poll results are posted on the websites of the Stock Exchange and the Company respectively on the same day as the poll.

Pursuant to code provision A.6.7 of the CG code, independent non-executive Directors should attend general meetings. All Directors (including independent non-executive Directors) who held office at time of the 2019 AGM attended such general meeting. Representative of the Company's external auditor also attended the 2020 AGM.

Shareholders' Rights to Convene Extraordinary General Meeting and Put Forward Proposals at General Meetings

In accordance with article 64 of the Articles, extraordinary general meetings shall be convened on the requisition of one or more Shareholder(s) holding, at the date of deposit of the requisition, not less than one-tenth of the paid up capital of the Company having the right of voting at general meetings. Such requisition shall be made in writing to the Directors or the Company's company secretary for the purpose of requiring an extraordinary general meeting to be called by the Directors for the transaction of any business specified in such requisition. Such meeting shall be held within two months after the deposit of such requisition. If within 21 days of such deposit the Directors fail to proceed to convene such meeting, the requisitionist(s) himself (themselves) may do so in the same manner, and all reasonable expenses incurred by the requisitionist(s) as a result of the failure of the Directors shall be reimbursed to the requisitionist(s) by the Company.

與股東及投資者溝通(續)

與股東舉行股東大會(續)

本公司的股東週年大會為董事會提供一個可直接與股東溝通的實用平台。本公司將於股東大會上就每項本質上各有不同的議題提呈獨立決議案。截至二零二零年十二月三十一日止年度的股東週年大會(「二零二零年度股東週年大會」)已於二零二一年六月十七日舉行。

在本公司股東大會上提呈表決的決議案乃按投票的方式進行。於每次股東大會開始時，將會向股東說明投票的程序。而表決的結果會於同日分別登載於聯交所及本公司的網頁。

根據企業管治守則的守則條文A.6.7，獨立非執行董事須出席股東大會。於二零一九年度股東週年大會召開日期所有在任董事(包括獨立非執行董事)均有出席該股東週年大會。本公司外聘核數師代表亦有出席二零二零年度股東週年大會。

股東召開股東特別大會及於會上提呈提案的權利

根據細則第64條，股東特別大會須於一名或多名於遞交要求當日持有不少於附帶可於股東大會上投票的權利之本公司實繳股本的十分之一的股東要求時召開。該項要求須以書面向董事會或本公司公司秘書提呈，以要求董事就處理該要求下任何指定業務召開股東特別大會。該大會須於股東遞交要求後兩個月內舉行。倘董事於該項要求之遞交日期後21日內未能召開大會，提出要求者本人(彼等)可以相同方式召開大會，而本公司須向提出要求者償付所有因董事未能召開大會而產生之合理開支。

Corporate Governance Report (Continued)

企業管治報告 (續)

COMMUNICATION WITH SHAREHOLDERS AND INVESTORS (CONTINUED)

Shareholders' Rights to Convene Extraordinary General Meeting and Put Forward Proposals at General Meetings (Continued)

There is no provision in the Articles setting out procedures for Shareholders to put forward a resolution at general meetings. Shareholders who wish to move a resolution may request the Company to convene a general meeting following the procedures set out in the preceding paragraph.

In accordance with article 110 of the Articles, if a Shareholder intends to propose a person other than a Director for election as a Director at any general meeting, the Shareholder concerned shall lodge with Hong Kong head office or Hong Kong share registrar of the Company for the attention of the Board and the company secretary of the Company (i) a written notice of his/her intention to propose that person for election as a Director; and (ii) a written notice by that person of his/her willingness to be elected as a Director together with the necessary information within the period commencing no earlier than the day after the dispatch of the notice of the general meeting and ending no later than seven clear days prior to the date of such general meeting.

Investor Relations

The Company endeavours to disclose all material information about the Group to all interested parties as widely and timely as possible. It has disclosed all necessary information to the Shareholders in compliance with the Listing Rules. When announcements are made through the Stock Exchange, the same information will be made available on the Company's website. During the year ended 31 December 2021, the Company has issued announcements which can be viewed on the Company's website.

Shareholders and investors may at any time send their enquiries and concerns to the Board in writing to the company secretary at the Company's office in Hong Kong or through the e-mail address: info@cdep.com.hk. Shareholders may also raise their enquiries in general meetings.

與股東及投資者溝通 (續)

股東召開股東特別大會及於會上提呈提案的權利 (續)

細則並無載有闡述股東於股東大會提呈決議案之程序的條文。有意動議決議案之股東可依循上一段所載程序要求本公司召開股東大會。

根據細則第110條，如股東擬於任何股東大會上提名董事以外之人士成為候選董事，有關股東須將以下文件呈交本公司香港總辦事處或香港股份登記處，抬頭註明由董事會及本公司公司秘書收：(i)其有意提名有關人士成為候選董事的書面通知；及(ii)該名人士表明參選意願的書面通知以及所需資料。呈交文件限期應不早於寄發召開股東大會通告翌日起計，並不得遲於該股東大會日期前七個完整日為止。

投資者關係

本公司致力以最全面及適時的方式向所有感興趣人士披露與本集團有關的所有重要資料。本公司已根據上市規則向股東披露所有必需資料。在透過聯交所作出公告時，相同資料將於本公司網頁登載。截至二零二一年十二月三十一日止年度，本公司已刊發多份公告，均可於本公司網頁查閱。

股東及投資者可隨時透過向公司秘書寄發函件之形式向董事會提出查詢及顧慮，郵寄地址為本公司之香港辦事處，電郵地址為info@cdep.com.hk。股東亦可在股東大會上提問。

Directors' Report

董事會報告

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

PRINCIPAL ACTIVITIES

The principal activity of the Company is investment holding. Details of the principal activities of its principal subsidiaries are set out in note 43 to the consolidated financial statements. There were no significant changes in the nature of the Group's principal activities during the year.

BUSINESS REVIEW

A fair review of the business of the Group during the year and particulars of important events affecting the Group that have occurred since the end of the financial year 2021, as well as a discussion on the Group's future business development are set out in the sections headed "Chairman's Statement" and "Management Discussion and Analysis" of this annual report. In addition, details of the Group's relationship with its employees, customers and suppliers are disclosed in the section headed "Environmental, Social and Governance Report" of this annual report. The above discussions form part of this directors' report.

Discussions on the compliance with applicable laws and regulations which have a significant impact on the Group, the Group's major risks and risk management and the Group's environmental policies and performance can be found in the paragraphs below.

Compliance with the Applicable Laws and Regulations which have a Significant Impact on the Group

The Group and its activities are subject to requirements under an array of laws, including the Tendering and Bidding Law of the People's Republic of China, the Implementation Rules of Tendering and Bidding Law of the People's Republic of China, the Contract Law of the People's Republic of China and the Production Safety Law of the People's Republic of China, as well as other applicable regulations, guidelines, policies and terms issued or promulgated pursuant to or in respect of these formal laws. In addition, the Listing Rules are also applicable to the Group. The Group is committed to ensuring compliance with such requirements by taking various measures using specific resources at all levels, including internal monitoring and approval procedures, training and supervision over different segments. The Group always attaches paramount importance to compliance with the requirements under applicable laws and regulations, despite the fact that such measures involve a lot of internal resources and incur additional operating costs.

董事會欣然提呈彼等的報告及本公司及本集團截至二零二一年十二月三十一日止年度的經審核財務報表。

主要業務

本公司的主要業務為投資控股。主要附屬公司的主要業務詳情載於綜合財務報表附註43。年內，本集團主要業務的性質並無重大變動。

業務回顧

年內對本集團業務的中肯審視及自二零二一年財政年度結束後對本集團有影響的重大事件的詳情以及對本集團未來業務發展的討論，分別載於本年報「主席報告書」及「管理層討論及分析」二節。此外，有關本集團與僱員、客戶及供應商的關係詳情於本年報「環境、社會及管治報告」一節中披露。上述討論構成董事會報告一部分。

就遵守對本集團有重大影響的適用法律及法規、本集團的主要風險及風險管理以及本集團的環境政策及表現之討論載於以下段落。

遵守對本集團有重大影響的適用法律及法規

本集團及其活動須遵守多項法律規定，包括《中華人民共和國招標投標法》、《中華人民共和國招標投標法實施細則》、《中華人民共和國合同法》、《中華人民共和國安全生產法》以及根據或有關這些成文法所發出或頒佈的其他適用法規、指引、政策及條款。此外，上市規則亦適用於本集團。本集團致力於各個層面透過使用特定資源實施內部監控及審批程序、培訓及監督不同分部等多項措施，確保有遵守該等規定。儘管這些措施需動用大量內部資源，產生額外營運成本，但本集團視遵守適用法律及法規之規定為重中之重。

Directors' Report (Continued)

董事會報告(續)

BUSINESS REVIEW (CONTINUED)

Compliance with the Applicable Laws and Regulations which have a Significant Impact on the Group (Continued)

Tendering and Bidding Law of the People's Republic of China

According to the Tendering and Bidding Law of the People's Republic of China and the Implementation Rules of Tendering and Bidding Law of the People's Republic of China, when bidding for a new project, the Group must, in accordance with the laws and regulations, have the capacity, qualifications and conditions to undertake the project and respond in details to substantive requirements and conditions under the bidding document, and must not, among others, collude with others to make a tender offer, undermine fair competition by squeezing out other bidders, bribe tenderer or any member of the bid evaluation committee, make a bid at a price lower than costs, and participate in the bidding in the event that the tenderer is interested in the Group and thus may compromise bidding fairness. In the case of any violation of relevant regulations by the Group as a bidder, its bid shall be invalid and it may be punished by the tenderer or relevant authorities.

Contract Law of the People's Republic of China

The Contract Law of the People's Republic of China ("Contract Law") clearly stipulates, among others, qualifications of the contract parties, contract forms, principal terms, cancellation conditions, contract validity, constituent elements of invalid and cancelable contracts, fulfillment of obligations, conditions for contract alteration and transfer, termination of rights and obligations under a contract and liability for breach of contract.

業務回顧(續)

遵守對本集團有重大影響的適用法律及法規(續)

《中華人民共和國招標投標法》

根據《中華人民共和國招標投標法》和《中華人民共和國招標投標法實施細則》，本集團參加新項目投標時，必須具備承攬招標項目的能力、資格及條件，並能具體回應招標文件提出的實質性要求和條件，且不得(其中包括)與他人串通投標報價，不得排擠其他投標人致使競爭不公平，不得向招標人或任何評標委員會成員行賄，不得以低於成本的報價競標，招標人於本集團中擁有權益致使可能影響招標公正性時不得參加投標。如果本集團作為投標人違反相關規定，其投標無效，並可被招標人或相關部門處罰。

《中華人民共和國合同法》

《中華人民共和國合同法》(「《合同法》」)(其中包括)對合同訂立方的資格、訂立形式、主要條款、撤銷條件、合同效力、無效合同和可撤銷合同的構成要件、履行責任、合同的變更和轉讓條件、合同的權利及義務終止以及違約責任均有明確規定。

Directors' Report (Continued)

董事會報告(續)

BUSINESS REVIEW (CONTINUED)

Compliance with the Applicable Laws and Regulations which have a Significant Impact on the Group (Continued)

Contract Law of the People's Republic of China (Continued)

For construction contracts, the Contract Law sets out specific requirements, including: contracts for major national construction projects shall be entered into in accordance with state-stipulated procedures and state-approved documents such as investment plans and feasibility study reports; with the consent of the contractee, the contractor can sublet part of its contracted works to a third party, provided that construction of the main structure of the construction project must be completed by the contractor who is forbidden to sublet its works to an unqualified entity. After the completion of the construction project, the contractee shall timely conduct acceptance inspection of the project pursuant to construction acceptance rules and quality inspection standards issued by the state. If the project passes the acceptance inspection, the contractee shall accept it and make the agreed payment. In the case of the Group's failure to fulfill its contractual obligations (either non-fulfillment or non-agreed fulfillment) as the performing party and/or constructor, it must assume the liability for breach of contract, including continuing to fulfill the contract, taking remedial measures or compensating for any resulting losses. In the case of the construction project quality falling below the agreed level due to the constructor's fault, the contractee has the right to require the constructor to repair, revamp or rebuild it within a reasonable period, without any extra charge, and to bear the liability for breach of contract for the resulting delayed delivery (if any).

Production Safety Law of the People's Republic of China

According to the Production Safety Law of the People's Republic of China, for the production and operating unit held responsible, a major accident may incur a fine of up to RMB20 million in addition to typical liabilities including the required legal compensation. To ensure compliance with the Production Safety Law of the People's Republic of China, the Group avoids production safety incidents by providing training courses from time to time on production safety and emergency rescue drills to staff engaged in project design, construction, equipment repair and maintenance, safety supervision, etc. to ensure production safety.

Compliance with Laws and Regulations

During the year ended 31 December 2021 and up to the date of this report, the Group has complied with relevant laws and regulations that have a significant impact on the Group.

業務回顧(續)

遵守對本集團有重大影響的適用法律及法規(續)

《中華人民共和國合同法》(續)

就建設合同而言，《合同法》列示具體要求，包括：國家重大建設工程合同，應當按照國家規定的程序和國家批准的投資計劃、可行性研究報告等文件訂立；經發包人同意，承包人可以將自己承包的部分工作交由第三方完成，但建設項目主體結構的施工必須由承包人自行完成，禁止承包人將工程分包給不具備相應資質條件的實體。建設項目竣工後，發包人應當根據國家頒發的施工驗收規範和質量檢驗標準及時進行驗收，倘項目通過驗收，發包人應當按照約定支付價款，並接收該建設項目。本集團作為履約人及／或施工人，如果不能履行合同義務（包括沒有履行合同義務或者所履行之合同義務不符合協定內容），必須承擔違約責任，包括應當承擔繼續履行合同、採取補救措施或者賠償損失。倘因施工人的原因致使建設項目質量不符合協定內容，發包人有權要求施工人於合理限期內修補、改建或重建項目，而施工人不得收取額外費用及須承擔竣工延誤之違約責任（如有）。

《中華人民共和國安全生產法》

根據《中華人民共和國安全生產法》，倘發生嚴重事故，須就此負責的生產經營單位除須依法承擔支付相應的賠償等責任外，最高可被罰款人民幣20,000,000元。為遵守《中華人民共和國安全生產法》，避免生產安全事故，本集團為從事工程設計、施工、設備檢修和維護、安全督查等業務的員工不時提供安全生產課程培訓和應急救援演練，以保障生產安全。

遵守法律及法規

於截至二零二一年十二月三十一日止年度及直至本報告日期，本集團已遵守對本集團有重大影響的相關法律及法規。

Directors' Report (Continued)

董事會報告(續)

BUSINESS REVIEW (CONTINUED)

Major Risks and Risk Management

The Board is well aware of its responsibility to maintain the effectiveness of the Group's internal control and risk management systems. Such systems are designed to manage risks of failed business objectives and provide reasonable guarantee against material misrepresentation or losses.

Business Risks

The Group's business risk factors include changes in the overall market conditions, downward pressure on China's economy and the number and progress of domestic projects in the entire industry, which may affect the construction environment, settlement prices and capital turnover rates of its construction projects. The Board is responsible for overall business management and review of major business decisions involving disclosure of significant risks from time to time.

Financial Risks

The Group has adopted a series of financial risk management policies to manage its liquidity risk, credit term allocation risk, financing structure risk, interest rate risk and exchange rate risk. The Board also periodically reviews the Group's management accounts, capital structure and key operational data.

Compliance Risks

The Board takes effective measures to ensure compliance of the Company with the laws, regulations and rules. The Company has engaged professional consultants and advisors to keep the Company updated on the latest changes in the regulatory environment, including legal, financial, environmental and operational development. The Company also imposes strict policies to prohibit any unauthorised use or publication of confidential information or insider information.

Operational Risks

The Company has adopted effective measures to manage its operational risks such as low equipment utilisation efficiency, high consumption of consumables and frequent production failures.

The Board has reviewed the effectiveness of the Group's internal control and risk management systems covering its business, financial, operational and compliance risks, and is of the view that such systems are effective.

業務回顧(續)

主要風險及風險管理

董事會知悉其維持本集團內部控制及風險管理系統成效的責任。該等系統旨在管理未能達成業務目標的風險及就重大失實陳述或損失提供合理的保證。

業務風險

本集團的業務風險包括整體市場狀況的變化、中國經濟衰退的壓力，以及國內整個行業的項目數量和進度，該等因素可能會影響建設項目的施工環境、結算價格和資金回籠速度。董事會負責業務的整體管理及檢討不時涉及重大風險披露的重大業務決策。

財務風險

本集團採納一系列財務風險管理政策管理其現金流動風險、信貸期限配置風險、融資結構風險、利率風險及匯率風險。董事會亦定期檢討本集團的管理賬目、資本構架及主要營運數據。

合規風險

董事會採取有效措施確保本公司遵守法律、法規及規則。本公司委聘專業諮詢人及顧問以讓本公司能緊貼監管環境的最新變化，包括法律、財務、環境及營運發展。本公司亦採取嚴格政策，禁止任何未經授權使用或發布機密資料或內幕消息。

營運風險

本公司採取有效措施管理其營運風險，如設備使用效率過低、易損件耗用率過高及生產故障過頻等。

董事會已就本集團內部控制及風險管理系統的成效進行檢討，檢討範圍涵蓋本集團的業務、財務、合規及營運風險，且認為該等系統屬有效。

Directors' Report (Continued)

董事會報告(續)

BUSINESS REVIEW (CONTINUED)

Environmental Policies and Performance

We commit ourselves to environmental protection in all aspects of operations. Over the years, the Group has been doing its utmost to protect the environment. The management of the Group has implemented various measures and regulations to make sure that we honor our responsibilities for the environment. We regularly hold special internal meetings with professional teams to review environmental issues at the construction sites and office areas and exchange ideas on environmental improvement. The management of the Group will continue its efforts in securing ongoing high environmental standards in major areas and key links.

RESULTS AND DIVIDENDS

The Group's profit for the year ended 31 December 2021 and the financial position of the Company and of the Group at that date are set out in the accompanying financial statements.

The Directors do not recommend the payment of a final dividend for the year ended 31 December 2021.

DIVIDEND POLICY

The Company's dividend policy sets out the guidelines for the Board to determine whether dividends are to be declared and paid and the level of dividends to be paid to the Shareholders. The Board has the discretion to declare and distribute dividends to the Shareholders, subject to the Articles and all applicable laws and regulations and having regard to the following factors:

- (a) the actual and expected financial performance of the Group;
- (b) retained earnings and distributable reserves of the Group;
- (c) the current and future operations, liquidity position and capital requirements of the Group;
- (d) any restrictions on payment of dividends that may be imposed by the financiers and other third parties of the Group;
- (e) economic condition and other internal or external factors that may have an impact on the business or financial performance and position of the Group; and

業務回顧(續)

環保政策及表現

我們致力在營運的各個環節保護環境。多年來，本集團竭盡所能保護環境。本集團管理層已實施多項措施及管制，確保我們能履行對環境的責任。我們定期舉行內部專門會議，與專業團隊檢討施工場所及辦公區域的環保事宜，交流有助改進環境的意見。本集團管理層將繼續努力確保在重點領域和關鍵環節上均能持續符合環保的高標準。

業績及股息

本集團截至二零二一年十二月三十一日止年度的溢利及本公司及本集團於該日的財務狀況載於隨附的財務報表。

董事並無建議就截至二零二一年十二月三十一日止年度派付末期股息。

股息政策

本公司股息政策為董事會就決定是否宣派及派發股息以及就派發給股東之股息金額提供指引。董事會可酌情宣派及派發股息予股東，惟須遵守細則、所有適用法例及法規以及考慮下列因素：

- (a) 本集團實際和預期的財務表現；
- (b) 本集團的保留盈利及可供分派儲備；
- (c) 本集團的目前和未來業務，流動資金狀況和資本需求；
- (d) 本集團的融資方及其他第三方可能施加之任何派息限制；
- (e) 可能影響本集團業務或財務表現及財務狀況之經濟狀況及其他內在或外在因素；及

Directors' Report (Continued)

董事會報告(續)

DIVIDEND POLICY (CONTINUED)

(f) any other factors that the Board deems appropriate.

The Board will review this policy as appropriate from time to time.

PROPERTY, PLANT AND EQUIPMENT

Details of movements in the property, plant and equipment of the Group during the year are set out in note 17 to the consolidated financial statements.

SHARE CAPITAL

Details of movements in the Company's share capital during the year are set out in note 34 to the consolidated financial statements.

PRE-EMPTIVE RIGHTS

There are no provisions for pre-emptive rights under the Articles or the laws of the Cayman Islands, being the jurisdiction in which the Company was incorporated, which would oblige the Company to offer new Shares on a pro rata basis to existing Shareholders.

EQUITY-LINKED AGREEMENTS

On 30 March 2021, the share placings of 508,240,000 shares of the Company with Mr. Liu at the subscription price of HK\$0.2 were completed ("the Subscription"). The net proceeds from the Subscription was approximately HK\$99,600,000 (equivalent to RMB85,913,000). The net proceeds of approximately HK\$98,400,000 from the Subscription was used to fully redeem the Bonds and the remaining balance of approximately HK\$1,200,000 was used as general working capital of the Company. For details, please refer to the announcements of the Company dated 14 January 2021, 3 February 2021 and 30 March 2021.

As for the Share Option Scheme, please refer to the section headed "Share Option Scheme".

股息政策(續)

(f) 董事會認為適用的任何其他因素。

董事會將不時檢討該政策。

物業、廠房及設備

年內，本集團的物業、廠房及設備的變動詳情載於綜合財務報表附註17。

股本

年內，本公司股本的變動詳情載於綜合財務報表附註34。

優先購買權

細則或開曼群島(即本公司註冊成立的司法權區)法律概無規定本公司須按比例向現有股東發售新股份的優先購買權的條文。

股票掛鈎協議

於二零二一年三月三十日，本公司完成按認購價每股股份0.2港元向劉先生配售508,240,000股股份(「認購事項」)。認購事項的所得款項淨額約為99,600,000港元(相當於人民幣85,913,000元)。認購事項之所得款項淨額約98,400,000港元已用於悉數贖回債券，餘額約1,200,000港元已用作本公司一般營運資金。有關詳情請參閱本公司日期分別為二零二一年一月十四日、二零二一年二月三日及二零二一年三月三十日的公告。

有關購股權計劃，請參閱「購股權計劃」一節。

Directors' Report (Continued)

董事會報告(續)

EQUITY-LINKED AGREEMENTS (CONTINUED)

Save as disclosed in the sections headed "Share Option Scheme", as at the end of and during the year ended 31 December 2021, the Company did not enter into (i) any agreement that will or may result in the Company issuing Shares; or (ii) any agreement requiring the Company to enter into any agreement specified in (i).

PERMITTED INDEMNITY PROVISION

The Company has taken out and maintained directors' and officers' liability insurance throughout the year, which provides appropriate cover for the Directors and officers of Group.

TAX RELIEF

For the year ended 31 December 2021, Shareholders were not entitled to any tax relief by virtue of their holding of the Shares.

PURCHASE, REDEMPTION OR SALE OF LISTED SECURITIES OF THE COMPANY

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

RESERVES

Details of movements in the reserves of the Company and of the Group during the year are set out in the statement of financial position of the Company on page 236 of this annual report and in the consolidated statement of changes in equity, respectively.

DISTRIBUTABLE RESERVES

As at 31 December 2021, the Company has no reserve available for distribution as calculated in accordance with the Companies Law (2018 Revision) of the Cayman Islands. Under the laws of the Cayman Islands, the share premium account is distributable to the Shareholders provided that immediately following the date on which the dividend is proposed to be distributed, the Company will be in a position to pay off its debts as and when they fall due in the ordinary course of business. The share premium account may also be distributed in the form of fully paid bonus shares.

股票掛鈎協議(續)

除「購股權計劃」一節所披露者外，截至二零二一年十二月三十一日止年度末及期間，本公司並無訂立(i)任何將會或可能會致使本公司發行股份之協議；或(ii)任何需要本公司訂立任何(i)所指協議之協議。

獲准許的彌補條文

本公司於年內已購買及維持董事及行政人員的責任保險，為本集團董事及行政人員提供適當的保障。

稅務減免

截至二零二一年十二月三十一日止年度，股東無權就其持有股份而享有任何稅務減免。

購買、贖回或出售本公司上市證券

於截至二零二一年十二月三十一日止年度，本公司或其任何附屬公司概無購買、贖回或出售本公司任何上市證券。

儲備

年內，本公司及本集團的儲備變動詳情分別載於本年報第236頁本公司的財務狀況表及綜合權益變動表。

可供分派儲備

於二零二一年十二月三十一日，本公司根據開曼群島公司法(二零一八年修訂版)計算後，概無可供分派的儲備。根據開曼群島法，股份溢價賬可派發予股東，惟緊隨建議分派股息日期後，本公司須能夠在日常業務過程中，在債務到期之時予以清償。股份溢價賬亦可以繳足紅股的方式分派。

Directors' Report (Continued)

董事會報告(續)

MAJOR CUSTOMERS AND SUPPLIERS

In the year under review, revenue to the Group's five largest customers accounted for about 32.9% (2020: 47.2%) of the Group's total revenue for the year and the revenue from the largest customer included therein accounted for about 11.3% (2020: 11.9%) of the Group's total revenue.

The Group's five largest customers comprise PRC state-owned companies and private enterprises and overseas enterprises which have business relationships with the Group for a period ranging from two to nine years. Services provided to them by the Group include CRD Business, and EPD and Water Management Business. Their contracts with the Group were project-based, which provided for either monthly progress payments with reference to the value of work completed each month or annual payments with a fixed percentage for each year throughout the contract period. Such credit terms were in line with those granted to other customers of the Group. No long-term agreements had been entered into between the Group's five largest customers and the Group.

During the year ended 31 December 2021, the Board resolved to make a expected credit loss allowance of approximately RMB23.3 million for trade receivables (2020: RMB146.9 million). The allowance for expected credit loss was based on the assessment in recoverability and the judgement by the management after considering the estimated future cash flows discounted at the present value of the original effective interest rate. For details please refer to note 10 to the financial statement in this annual report.

Since the Group's major customers accounted for a significant portion of the Group's total revenue for the year, if in the future the Group loses one of its major customers or if any of the Group's major customers significantly reduces its volume of business with the Group while the Group is unable to get new projects from other existing and/or potential customers, revenues and profitability of the Group would be heavily reduced. Nonetheless, the Group believes that it has developed close relationships with its major customers that they cannot easily replace the Group with other suppliers. The Group has also entered into contracts with and will continue to seek business from other customers.

In the year under review, supplies from the Group's five largest suppliers accounted for about 35.0% (2020: 34.7%) of the Group's total operating cost for the year and supplies from the largest supplier included therein accounted for about 10.0% (2020: 13.0%) of the Group's total operating cost.

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

主要客戶及供應商

於回顧年內，來自本集團五大客戶的收益佔本集團年內總收益之約32.9%(二零二零年：47.2%)，而來自其中最大客戶的收益則佔本集團總收益之約11.3%(二零二零年：11.9%)。

本集團五大客戶包括中國國有企業及私有企業以及中國境外的企業，該等企業已與本集團建立介乎二至九年的業務關係。本集團向該等企業提供的服務包括基建及填海疏浚業務以及環保疏浚及水務管理業務。彼等就每個項目與本集團簽訂合同，合同訂明根據每個月已完成的工程的價值按月支付工程進度款項，或者在合同期內每年按固定百分比支付年度款項。上述信貸期與授予本集團其他客戶者一致。本集團五大客戶與本集團並無簽訂任何長期協議。

截至二零二一年十二月三十一日止年度，董事會決議就應收賬款計提預期信貸虧損撥備約人民幣23,300,000元(二零二零年：人民幣146,900,000元)。預期信貸虧損撥備乃根據應收賬款可收回情況的評估及管理層經參考套用原實際利率貼現現值的估計未來現金流量後所作判斷而計提。有關詳情請參閱本年報財務報表附註10。

由於來自本集團的主要客戶之收益佔本集團年內大部分總收益，倘本集團日後失去其任何一個主要客戶，或本集團任何主要客戶大幅減少與本集團的業務量，而本集團無法從其他現有及/或潛在客戶獲得新項目，則本集團的收益及盈利能力將會大幅下降。然而，本集團認為，本集團與其主要客戶已建立緊密的合作關係，彼等不會輕易以其他供應商取代本集團。本集團亦已與其他客戶訂立合同，並且將繼續向其他客戶尋求業務。

於回顧年內，向本集團五大供應商購買的供應品佔年內本集團總營運成本之約35.0%(二零二零年：34.7%)，而向其中最大供應商購買的供應品則佔本集團總營運成本之約10.0%(二零二零年：13.0%)。

截至二零二一年十二月三十一日止年度，概無董事或彼等的緊密聯繫人或任何股東(就董事所深知，該等人士擁有本公司已發行股本的逾5%)於本集團五大客戶及/或五大供應商中擁有任何實益權益。

Directors' Report (Continued)

董事會報告(續)

DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

Save for those disclosed in the paragraphs headed "Share Option Scheme" and "Directors' and Chief Executive's Interests and Short Positions in Shares and Underlying Shares" in this Directors' report in this annual report, at no time during the year were rights to acquire benefits by means of the acquisition of shares in or debentures of the Company granted to any of the Directors or their respective spouses or minor children, or were any such rights exercised by them; or was the Company or any of its subsidiaries a party to any arrangement to enable the Directors to acquire such rights in any other body corporate.

DIRECTORS

The Directors who held office during the year and up to the date of this report were:

Executive Directors:

Mr. Liu Kaijin
Mr. Wu Xuze
Ms. Zhou Shuhua

Independent Non-executive Directors:

Mr. Huan Xuedong
Mr. Chan Ming Sun Jonathan
Mr. Liang Zequan

In accordance with article 105(A) of the Articles, Mr. Liu Kaijin and Ms. Zhou Shuhua will retire by rotation and, being eligible, will offer themselves for re-election at the forthcoming annual general meeting.

INDEPENDENCE CONFIRMATIONS FROM INDEPENDENT NON-EXECUTIVE DIRECTORS

The Company has received, from each of the independent non-executive Directors a confirmation of his independence pursuant to rule 3.13 of the Listing Rules. The Company considers all of its independent non-executive Directors to be independent.

董事購入股份或債券的權利

除於本年報中本董事會報告「購股權計劃」及「董事及主要行政人員於股份及相關股份的權益及淡倉」各段所披露者外，年內任何時候概無授予任何董事或彼等各自的配偶或未成年子女以購入本公司股份或債券的方式獲益的權利，或獲彼等行使任何該等權利；或本公司或其任何附屬公司訂有任何安排致令董事可於任何其他法人團體獲得該等權利。

董事

年內及直至本報告日期在任的董事如下：

執行董事：

劉開進先生
吳旭澤先生
周淑華女士

獨立非執行董事：

還學東先生
陳銘樂先生
梁澤泉先生

根據細則第105(A)條，劉開進先生及周淑華女士將輪值退任，並資格於應屆股東週年大會上膺選連任。

獨立非執行董事的獨立身份確認書

本公司已接獲各獨立非執行董事根據上市規則第3.13條發出的獨立身份確認書。本公司認為，所有獨立非執行董事均屬獨立人士。

Directors' Report (Continued)

董事會報告(續)

DIRECTORS' SERVICE CONTRACTS

Each of the executive Directors has entered into a Director's service contract and each of the independent non-executive Directors signed a letter of appointment with the Company commencing from their respective date of appointment. All of them are subject to retirement by rotation and re-election in accordance with the Articles.

Mr. Liu Kaijin and Ms. Zhou Shuhua, both being executive Directors, have entered into service contracts with the Company for a term of three years commencing from 1 June 2020.

Mr. Wu Xuze, being executive Director, has entered into a service contract with the Company for a term of one year commencing from 5 January 2022.

Each of Mr. Huan Xuedong, Mr. Chan Ming Sun Jonathan and Mr. Liang Zequan, being independent non-executive Directors, has entered into an appointment letter with the Company for a term of one year commencing from 25 April 2022, 30 November 2021 and 23 September 2021 respectively.

No Director proposed for re-election at the forthcoming annual general meeting 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.

DIRECTORS' REMUNERATION

The Directors' fees are subject to Shareholders' approval at general meetings. Other emoluments are determined by the Board with reference to Directors' duties, responsibilities and performance and the results of the Group.

DIRECTORS' INTERESTS IN CONTRACTS

During the year ended 31 December 2021, save for those disclosed in the financial statements, no Director or any entity connected with the Directors had a material interest, either directly or indirectly, in any transaction, arrangement or contract of significance to the business of the Group to which the Company or any of its subsidiaries was a party during the year.

董事的服務合約

各執行董事已與本公司訂立董事服務合約，而各獨立非執行董事亦已與本公司簽訂委任書，自彼等各自委任日期起計。根據細則，所有該等人士均須輪值退任，並膺選連任。

執行董事劉開進先生及周淑華女士已與本公司訂立服務合約，自二零二零年六月一日起計為期三年。

執行董事吳旭澤先生已與本公司訂立服務合約，自二零二二年一月五日起計為期一年。

獨立非執行董事還學東先生、陳銘樂先生及梁澤泉先生各與本公司訂立委任書，分別自二零二二年四月二十五日、二零二一年十一月三十日及二零二一年九月二十三日起計，為期一年。

概無建議於應屆股東週年大會上膺選連任的董事與本公司訂立本公司不可於一年內毋須作出賠償(法定賠償除外)便終止的服務合約。

董事的薪酬

董事袍金須得到股東在股東大會上批准。其他酬金則由董事會經參考董事職責、責任及表現以及本集團業績而釐定。

董事於合約的權益

於截至二零二一年十二月三十一日止年度，除財務報表所披露者外，董事或與董事有所關連的任何實體於年內概無於對本集團的業務有重大影響且本公司或其任何附屬公司為訂約方的任何交易、安排或合約中直接或間接擁有重大權益。

Directors' Report (Continued)

董事會報告(續)

MANAGEMENT CONTRACTS

Save for the Contractual Arrangements between subsidiaries of the Group, no contracts concerning the management and administration of the whole or any substantial part of the business of the Group were entered into or existed during the year.

CONTINUING CONNECTED TRANSACTIONS

According to relevant PRC laws, foreign investors are prohibited from owning more than a 50% equity interest in any enterprise which owns vessels for conducting dredging business. Otherwise the Maritime Safety Administration of the PRC will not register the ownership of a vessel to an enterprise. Our Group has decided that Xiangyu PRC owns 50% of interest in the relevant vessels, being the maximum percentage that a foreign investor may own under PRC laws to register the ownership of the relevant vessels for certain commercial reasons. In addition, our Group intends to participate in some dredging projects which forbid any involvement of foreign-invested companies under PRC laws. Even in certain dredging projects which foreign-invested companies are technically allowed to engage under PRC laws, the foreign-invested companies find it difficult, in common practice, to secure dredging business opportunities. Based on the above reasons, the PRC Operational Entity has not become equity-owned by our Company, but will be controlled by our Company through the Contractual Arrangements.

The Group carried out the following continuing connected transactions (other than continuing connected transactions that are exempted under rule 14A of the Listing Rules) during the year ended 31 December 2021:

On 19 April 2011, the following entities entered into the Contractual Arrangements pursuant to which all economic benefits and risks arising from the business of Jiangsu Xingyu are transferred to Xiangyu PRC:

- (i) Xiangyu PRC, a wholly foreign-owned enterprise and a wholly-owned subsidiary of the Company,
- (ii) Jiangsu Xingyu, a limited liability company established in the PRC and deemed to be a wholly-owned subsidiary of the Company under the Contractual Arrangements, and mainly engages in the capital and reclamation dredging and the environmental protection dredging segments and is the largest subsidiary of the Group in terms of operating assets owned and construction scale, and
- (iii) equity interests holders of Jiangsu Xingyu, namely Mr. Liu and Ms. Zhou (both of them are executive Directors and controlling shareholders of the Company).

管理合約

除本集團附屬公司之間的合約安排外，年內概無訂立或存在任何有關本集團全部或任何主要部分業務的管理及行政合約。

持續關連交易

根據中國有關法律，海外投資者不得於擁有可進行疏浚業務之船舶的任何企業中擁有超過50%的股本權益，否則中國海事局將不會把船舶的擁有權登記於該企業之下。本集團已決定讓翔宇中國擁有有關船舶的50%權益(即外國投資者根據中國法律可擁有的最高百分比)，以就若干商業原因登記有關船舶的擁有權。此外，本集團擬參與中國法律禁止外國投資公司參與的若干疏浚項目。儘管中國法律在理論上允許外國投資公司參與若干疏浚項目，但在一般慣例下，外國投資公司仍難以把握疏浚商機。基於上述原因，中國經營實體的股權並非由本公司擁有，而是將由本公司透過合約安排控制。

於截至二零二一年十二月三十一日止年度，本集團進行以下持續關連交易(根據上市規則第14A條獲豁免的持續關連交易除外)：

於二零一一年四月十九日，本集團與以下實體訂立合約安排，據此，江蘇興宇業務產生的一切經濟利益及風險均轉移至翔宇中國：

- (i) 翔宇中國，一間外商全資企業及本公司的全資附屬公司，
- (ii) 江蘇興宇，一間於中國成立的有限責任公司及根據合約安排被視為本公司一間全資附屬公司，主要從事基建及填海疏浚業務以及環保疏浚業務，為本集團擁有最多經營資產及最大施工規模的附屬公司，及
- (iii) 江蘇興宇的股權持有人劉先生及周女士(彼等均為本公司的執行董事及控股股東)。

Directors' Report (Continued)

董事會報告(續)

CONTINUING CONNECTED TRANSACTIONS (CONTINUED)

Jiangsu Jiaolong, a limited liability company established in the PRC, mainly engages in the provision of marine hoisting, installation and other engineering services. It is the provider of the Group's other marine business. Jiangsu Xingyu owns a 51% equity interest in it and is its controlling shareholder.

Further details of the Contractual Arrangements are described in note 43 to the financial statements of this annual report.

The Stock Exchange has granted a waiver pursuant to rule 14A.105 of the Listing Rules to the Company for all transactions under the Contractual Arrangements from strict compliance with the applicable announcement and independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

The amount of revenue and assets subject to the Contractual Arrangements accounted for 96.0% and 64.9% of the Group's total revenue and assets respectively for the year ended 31 December 2021 (2020: 97.0% and 66.1%).

The followings are the major risks relating to the Contractual Arrangements:

- The Group conducts its business operation in the PRC through the PRC Operational Entity by way of the Contractual Arrangements, but certain of the terms of the Contractual Arrangements may not be enforceable under PRC laws. Therefore, in the event of breach of any agreements constituting the Contractual Arrangements by Mr. Liu, Ms. Zhou and/or the PRC Operational Entity, and if the Group is unable to enforce the Contractual Arrangements, the Group may not be able to exert effective control over the PRC Operational Entity, and the Group's ability to conduct its business may be negatively affected.
- If the PRC government finds that the Contractual Arrangements or the ownership structures or business operations of the Company or the PRC Operational Entity do not comply with any of the PRC laws and regulations, the Group's business, financial condition or results of operations could be materially and adversely affected, as revenue in relation to the Contractual Arrangements accounted for 96.0% of the Group's total revenue for the year ended 31 December 2021.

持續關連交易(續)

江蘇蛟龍，一間於中國成立的有限責任公司，主要從事提供海上吊裝、安裝及其他工程服務，本集團的其他海事業務均由其提供。江蘇興宇擁有其51%股權，為其控股股東。

有關合約安排的進一步詳情載於本年報財務報表附註43。

聯交所已根據上市規則第14A.105條向本公司授出豁免，允許合約安排項下的所有交易免於嚴格遵守上市規則第14A章項下的適用公告及獨立股東批准規定。

合約安排的收益及資產分別佔本集團截至二零二一年十二月三十一日止年度總收益及資產的96.0%及64.9% (二零二零年：97.0%及66.1%)。

下列為合約安排面臨的主要風險：

- 本集團藉着合約安排透過中國經營實體於中國經營其業務，但根據中國法律，合約安排中的若干條款或未能強制執行。因此，倘劉先生、周女士及／或中國經營實體違反構成合約安排的任何協議及倘本集團無法強制執行合約安排，本集團可能無法有效地控制中國經營實體，且本集團進行其業務的能力可能會受到負面影響。
- 由於合約安排的收益佔本集團截至二零二一年十二月三十一日止年度總收益的96.0%，如中國政府認為合約安排或本公司或中國經營實體的擁有權架構或業務營運不符合中國任何法例及規例，本集團的業務、財務狀況或經營業績可能會受到重大不利影響。

Directors' Report (Continued)

董事會報告(續)

CONTINUING CONNECTED TRANSACTIONS (CONTINUED)

- The Contractual Arrangements related to critical aspects of the Group's operations with the PRC Operational Entity and its shareholders which may not be as effective as direct ownership in providing operational control. In the event that the Group is unable to enforce these Contractual Arrangements, the Group may be unable to exert effective control over the PRC Operational Entity, and the Group's ability to conduct its business may be materially and adversely affected.
- Shareholders of the PRC Operational Entity, Mr. Liu and Ms. Zhou, may potentially have a conflict of interest with the Group, and they may breach their contracts with the Group. Such disputes and proceedings may significantly disrupt the Group's business operations, adversely affect its ability to control the PRC Operational Entity and/or otherwise result in negative publicity.

The Group has adopted the following measures to ensure the sound and effective operation of the Group following the implementation of the Contractual Arrangements:

- as part of the internal control measures, major issues arising from implementation of the Contractual Arrangements had been and will be reviewed by the Board on a regular basis;
- matters relating to compliance and regulatory enquiries from governmental authorities had been and will be discussed at such regular meetings or extraordinary meetings of the Board;
- the relevant business units and operation divisions of the Group reported regularly to the senior management of the Company on the compliance and performance conditions under the Contractual Arrangements and other related matters;
- legal advisors and/or other professionals had been and will continue to be retained to assist the Group to deal with specific issues arising from the Contractual Arrangements; and
- the independent non-executive Directors had and will continue to conduct annual reviews on the Contractual Arrangements to ensure that it is fair and reasonable and in the best interests of the Group and its Shareholders as a whole.

The Directors confirm that during the Review Period, the Company has complied with the disclosure requirements in accordance with Chapter 14A of the Listing Rules (save for the exemptions granted under the above-mentioned waiver).

持續關連交易(續)

- 於經營監控上，有關本集團與中國經營實體及其股東之間的經營的重要範疇的合約安排或不及直接擁有有效。如本集團未能強制執行該等合約安排，本集團可能無法有效控制中國經營實體，而本集團進行其業務的能力亦可能受到重大不利影響。
- 中國經營實體股東劉先生及周女士或與本集團有潛在利益衝突，且彼等或違反與本集團訂立的合約。有關糾紛及訴訟可能會嚴重中斷本集團的業務營運，對其控制中國經營實體的能力造成不利影響及／或以其他方式使其公眾形象受損。

本集團已採取以下措施，以確保本集團在實施合約安排後能穩健有效地營運：

- 作為內部監控措施的一部分，實施合約安排所產生的主要問題已經及將由董事會定期進行審議；
- 有關合規及來自政府機構的監管查詢的事宜已經及將於董事會例會或特別會議上討論；
- 本集團的相關業務單位及營運部門會定期向本公司高級管理層匯報有關遵守及履行合約安排的情況及其他有關事宜；
- 已經及將持續委聘法律顧問及／或其他專業人士以協助本集團處理合約安排所產生的特定問題；及
- 獨立非執行董事已經及將會繼續就合約安排進行年度審閱，確保其公平合理，並符合本集團及其股東的整體最佳利益。

董事確認於回顧期間本公司一直遵守上市規則第14A章項下的披露規定(根據上述豁免授予的獲豁免規定除外)。

Directors' Report (Continued)**董事會報告(續)****CONTINUING CONNECTED TRANSACTIONS
(CONTINUED)**

The independent non-executive Directors have confirmed that the abovementioned continuing connected transactions were entered into:

- (i) in the ordinary and usual course of the Group's business;
- (ii) in accordance with the terms of the respective agreements governing such transactions on terms that were fair and reasonable and in the interests of the Shareholders of the Company as a whole; and
- (iii) either on normal commercial terms or on terms no less favorable to the Group than those available to or from independent third parties.

Besides, the independent non-executive Directors have conducted an annual review on the Contractual Arrangements and have confirmed that:

- (i) the transactions carried out during the year ended 31 December 2021 have been entered into in accordance with the relevant provisions of the Contractual Arrangements and have been operated so that all revenue generated by Jiangsu Xingyu has been retained by Xiangyu PRC;
- (ii) no dividends or other distributions have been made by Jiangsu Xingyu to its equity interest holders; and
- (iii) any new contracts or renewed contracts have been entered into on the same terms as the existing Contractual Arrangements and are fair and reasonable so far as the Group is concerned and in the interests of the Shareholders as a whole.

In accordance with rule 14A.56 of the Listing Rules, the Board engaged the auditor of the Company to perform procedures on the above 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.

持續關連交易(續)

獨立非執行董事已確認上述持續關連交易乃於下列情況下訂立：

- (i) 在本集團的日常及一般業務過程中；
- (ii) 根據規管該等交易的相關協議條款，而有關條款乃屬公平合理並符合本公司股東的整體利益；及
- (iii) 按照正常商業條款或就本集團而言，該等條款不遜於獨立第三方可取得或提供的條款。

此外，獨立非執行董事已對合約安排進行年度檢討，並確認：

- (i) 截至二零二一年十二月三十一日止年度進行的交易乃根據合約安排的有關條文而訂立，並已開展，以使江蘇興宇產生的所有收益歸翔宇中國所有；
- (ii) 江蘇興宇概無向其股權持有人派付股息或其他分派；及
- (iii) 任何新合約或獲延續之合約已根據與現有合約安排相同的條款訂立，且就本集團而言，該等合約屬公平合理，並符合股東的整體利益。

根據上市規則第14A.56條，董事會已根據香港審核保證委聘準則第3000號(經修訂)「審核或審閱過去財務資料以外的核證委聘」及參照香港會計師公會頒佈的實務說明第740號「關於香港上市規則所述持續關連交易的核數師函件」委聘本公司核數師，對上述持續關連交易進行審核程序。

Directors' Report (Continued)

董事會報告(續)

CONTINUING CONNECTED TRANSACTIONS (CONTINUED)

The auditor of the Company has confirmed that nothing has come to the auditor's attention that causes them to believe that:

- the disclosed continuing connected transactions have not been approved by the Board;
- the said transactions were not entered into in accordance with the relevant agreements governing such transactions; and
- dividends or other distributions have been made by Jiangsu Xingyu to the holders of its equity interests.

RELATED PARTY TRANSACTIONS

Details of the related party transactions are set out in note 39 to the consolidated financial statements. None of these related party transactions constitutes a discloseable connected transaction as defined under the Listing Rules, except for those described in the paragraph headed "Continuing Connected Transactions" above, in respect of which the disclosure requirements in accordance with Chapter 14A of the Listing Rules have been complied with.

SHARE OPTION SCHEME

The Company has adopted the Share Option Scheme for the purpose of providing incentives and rewards to eligible participants who contribute to the success of the Group's operations. Under the Share Option Scheme, the Directors may at their discretion grant options to (i) any Director and employees of the Company, any of its subsidiaries or any entity in which the Group holds an equity interest; or (ii) any suppliers, customers, consultants who provided services to the Group, shareholders of the subsidiaries of the Group and joint venture partners to subscribe for the Shares.

持續關連交易(續)

本公司核數師已確認，概無發現任何事項致使彼等相信：

- 已披露的持續關連交易並無獲得董事會批准；
- 上述交易並非根據規管該等交易的有關協議而訂立；及
- 江蘇興宇已向其股權持有人派發股息或其他分派。

關連方交易

關連方交易詳情載於綜合財務報表附註39。除上文「持續關連交易」一段所述者(該等交易已遵守上市規則第14A章項下的披露規定)外，概無該等關連方交易構成上市規則所界定的須予披露關連交易。

購股權計劃

本公司已採納購股權計劃，以嘉許及鼓勵為本集團營運的成功作出貢獻的合資格參與者。根據購股權計劃，董事可酌情向(i)本公司、其任何附屬公司或本集團持有股本權益的任何實體的任何董事及僱員；或(ii)任何供應商、客戶、為本集團提供服務的顧問、本集團附屬公司股東及合營公司合夥人授出購股權，以認購股份。

Directors' Report (Continued)

董事會報告(續)

SHARE OPTION SCHEME (CONTINUED)

The maximum number of shares in respect of which options may be granted under the Share Option Scheme shall not exceed 30% of the issued share capital of the Company at any point in time. The total number of shares in respect of which options may be granted under the Share Option Scheme must not in aggregate exceed 10% of the shares in issue at the time dealings in the shares first commence on the Stock Exchange. This limit was last refreshed by the Shareholders in the annual general meeting of the Company held on 17 June 2021 so that the maximum number of Shares which may be issued upon the exercise of all options to be granted under the Share Option Scheme shall not exceed 150,388,150 Shares, being 10% of the Shares in issue as at the date of passing the relevant resolution on 17 June 2021.

The maximum number of shares in respect of which options may be granted to any individual in any 12-month period shall not exceed 1% of the shares in issue on the last date of such 12-month period unless approval of the shareholders of the Company has been obtained in accordance with the Listing Rules.

Options may be exercised during such period (including the minimum period, if any, for which an option must be held before it can be exercised) as may be determined by the Directors and commences after a certain vesting period and ends in any event not later than 10 years from the date of grant of the relevant share options, subject to the provisions for early termination thereof. The offer of a grant of options must be taken up within 21 days of the date of offer, upon payment of HK\$1 as consideration by the grantee. The exercise price is equal to the highest of (i) the closing price of the shares as stated in the daily quotations sheet issued by the Stock Exchange on the date of the offer of grant; (ii) the average closing price of the shares as stated in the daily quotations sheets issued by the Stock Exchange for the five business days immediately preceding the date of the offer of grant; and (iii) nominal value of the shares. The Directors consider the Share Option Scheme, with its broadened basis of participation, will enable the Group to reward the employees, the Directors and other selected participants for their contributions to the Group. The Share Option Scheme will remain in force for a period of 10 years from the date of adoption and will expire on 17 June 2031.

購股權計劃(續)

根據購股權計劃可授出的購股權所涉及的最高股份數目在任何時候均不得超過本公司已發行股本的30%。根據購股權計劃可授出的購股權所涉及的股份總數合共不得超過股份首次於聯交所交易時已發行股份的10%。本公司股東曾於二零二一年六月十七日舉行之本公司股東週年大會上更新該上限，以使根據購股權計劃將授出之全部購股權獲行使後可發行之最高股份數目不超過150,388,150股股份，即於二零二一年六月十七日(為通過相關決議案當日)已發行股份的10%。

除非已根據上市規則獲得本公司股東批准，否則於任何十二個月期間授予任何個別人士的購股權涉及的最高股份數目均不得超過於該十二個月期間的最後一日已發行股份的1%。

承授人可於董事可能決定的期間(包括可行使購股權前必須持有該購股權的最短期限(「如有」))行使購股權，並於若干歸屬期後開始且無論如何須於有關購股權授出日期起計最遲十年後屆滿，惟受有關提早終止之條文規限。授出購股權要約必須於要約日期起計21天內獲承授人接納，並須待承授人支付代價1港元後，方告作實。行使價相等於下列價格的最高者：(i)股份於要約授出日期在聯交所每日報價表所報的收市價；(ii)股份於緊接要約授出日期前五個營業日在聯交所每日報價表所報的平均收市價；及(iii)股份面值。董事認為，購股權計劃(放寬參與基準後)讓本集團能夠就僱員、董事及其他選定參與者為本集團所作之貢獻對彼等作出獎勵。購股權計劃將自採納日期起計十年內有效，並將於二零三一年六月十七日屆滿。

Directors' Report (Continued)

董事會報告(續)

SHARE OPTION SCHEME (CONTINUED)

The 2011 Share Option Scheme expired on 24 May 2021. In order to enable the Company to continue to grant share options to eligible participants as incentive or rewards for their contribution to the success of the Group, the 2021 Share Option Scheme was adopted on 17 June 2021 with terms mostly similar to the terms those of the 2011 Share Option Scheme. The 2021 Share Option Scheme shall remain in force for a period of 10 years from the date of adoption and will expire on 17 June 2031. The maximum number of Shares which may be issued upon the exercise of all options to be granted under the 2021 Share Option Scheme shall not exceed 150,388,150 Shares, being 10% of the total number of Shares in issue as at the date passing the relevant resolution on 17 June 2021.

During the Reporting Period, the Company issued 17,000,000 Shares (before the Share Consolidation) (or 8,500,000 Shares (after the Share Consolidation)) under the 2011 Share Option Scheme. The table below presents the movements of the share options granted under the 2011 Share Option Scheme during the Reporting Period:

Name or category of participant	Number of share options 購股權數目					Date of grant	Exercise price	Closing price immediately before the date of the grant	Exercise period
	Outstanding at 1 January 2021 於二零二一年一月一日尚未行使	Granted during the period 於期內授出	Exercised during the period 於期內行使	Lapsed/cancelled during the period 於期內失效/註銷	Outstanding as at 31 December 2021 於二零二一年十二月三十一日尚未行使				
Employees in aggregate 僱員合計	17,000,000	—	17,000,000	—	—	20/1/2020	0.10	0.071	20/1/2020 – 19/1/2021
Total 總計	17,000,000	—	17,000,000	—	—				

Note: All share options under the 2011 Share Option Scheme were exercised before the Share Consolidation took effect. Therefore, no adjustments are made to the number of Shares subject to, and exercise price of, the outstanding share options.

Since the adoption of 2021 Share Option Scheme, no share options had been granted up and until 31 December 2021.

購股權計劃(續)

二零一一年購股權計劃已於二零二一年五月二十四日屆滿。為使本公司可繼續向合資格參與者授出購股權，作為彼等對本集團的成功所作出貢獻的獎勵或獎賞，本公司採納二零二一年購股權計劃，其條款大致與二零一一年購股權計劃相同。二零二一年購股權計劃自採納日期起計十年內有效，並將於二零三一年六月十七日屆滿。根據二零二一年購股權計劃將予授出的全部購股權獲行使後可予發行的最高股份數目不得超過150,388,150股股份，即於二零二一年六月十七日通過相關決議案當日已發行股份的10%。

於報告期間，本公司根據二零一一年購股權計劃發行17,000,000股股份(股份合併前)(或8,500,000股股份(股份合併後))。下表列出了報告期間二零二一年購股權計劃授出購股權的變動情況：

附註：所有二零一一年購股權計劃授出的購股權於股份合併生效前已行使，故並無尚未行使購股權需調整股份數目及行使價。

自採納二零二一年購股權計劃起，直至二零二一年十二月三十一日概無授出購股權。

Directors' Report (Continued)**董事會報告(續)****DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES**

As at 31 December 2021, the Directors and the Company's chief executive, and their respective associates had the following interests in the shares in the Company and its associated corporations (within the meaning of Part XV of 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 they are taken or deemed to have been taken under such provisions of the SFO) or pursuant to the Model Code, or were required to be entered in the register kept by the Company pursuant to section 352 of the SFO:

Interests in the Shares**董事及主要行政人員於股份及相關股份的權益及淡倉**

於二零二一年十二月三十一日，董事及本公司主要行政人員及彼等各自的聯繫人於本公司及其相聯法團(定義見證券及期貨條例第XV部)的股份中，擁有根據證券及期貨條例第XV部第7及8分部或根據標準守則須知會本公司及聯交所之權益(包括彼等根據證券及期貨條例的該等條文被當作或被視為擁有的權益及淡倉)，或根據證券及期貨條例第352條須記錄於本公司所存置的登記冊的權益如下：

於股份的權益

Name of Director 董事姓名	Capacity 身份	Notes 附註	Long position 好倉	
			Number of Shares 股份數目	Approximate percentage of shareholding 佔股權的概約百分比
Mr. Liu Kaijin 劉開進先生	Interest in controlled corporation 於受控法團的權益	1	175,800,000	11.69%
	Beneficial owner 實益擁有人		526,019,500	34.98%
Ms. Zhou Shuhua 周淑華女士	Interest in spouse 配偶權益	2	701,819,500	46.67%

Directors' Report (Continued)

董事會報告(續)

DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES (CONTINUED)

Notes:

- Mr. Liu is the sole beneficial owner of Wangji Limited ("Wangji"), a company incorporated in the British Virgin Islands with limited liability, which is the direct owner of 175,800,000 Shares. Further, Mr. Liu is the beneficial owner of 526,019,500 Shares.
- Ms. Zhou is the spouse of Mr. Liu who is also a Director. By virtue of the SFO, Ms. Zhou is deemed to be interested in all interests of Mr. Liu in the Company including long position and short position.

Interests in associated corporations

Name of Director 董事姓名	Name of associated corporation 相聯法團名稱	Capacity 身份	Notes 附註	Long position 好倉	
				Share capital 股本	Approximate percentage of total number of shareholding 佔股權總數的概約百分比
Mr. Liu Kaijin 劉開進先生	Wangji 旺基	Beneficial owner 實益擁有人	1	200 ordinary shares 200股普通股	100%
	Jiangsu Xingyu 江蘇興宇	Beneficial owner 實益擁有人	1	Register capital of RMB39,315,800 註冊資本人民幣39,315,800元	100%
Ms. Zhou Shuhua 周淑華女士	Wangji 旺基	Interest in spouse 配偶權益	2	200 ordinary shares 200股普通股	100%
	Jiangsu Xingyu 江蘇興宇	Interest in spouse 配偶權益	2	Register capital of RMB39,315,800 註冊資本人民幣39,315,800元	100%

Notes:

- Mr. Liu is the sole beneficial owner of the entire registered capital of Jiangsu Xingyu. Mr. Liu and Ms. Zhou are registered holders of 98.47% and 1.53% in the registered capital of Jiangsu Xingyu respectively. The 1.53% interest in the registered capital of Jiangsu Xingyu were held on trust by Ms. Zhou for Mr. Liu pursuant to a shareholding confirmation dated 12 July 2010.
- Ms. Zhou is the spouse of Mr. Liu who is also a Director. By virtue of the SFO, Ms. Zhou is deemed to be interested in all interests of Mr. Liu in the associated corporations including long positions and short position.

董事及主要行政人員於股份及相關股份的權益及淡倉(續)

附註:

- 劉先生為旺基有限公司(「旺基」,一間於英屬處女群島註冊成立的有限公司)的唯一實益擁有人,而旺基為175,800,000股股份的直接擁有人。因此,劉先生為526,019,500股股份的實益擁有人。
- 周女士為劉先生的配偶,彼亦為一名董事。根據證券及期貨條例,周女士被視為於劉先生在本公司中持有的所有權益(包括好倉及淡倉)中擁有權益。

於相聯法團的權益

Name of Director 董事姓名	Name of associated corporation 相聯法團名稱	Capacity 身份	Notes 附註	Long position 好倉	
				Share capital 股本	Approximate percentage of total number of shareholding 佔股權總數的概約百分比
Mr. Liu Kaijin 劉開進先生	Wangji 旺基	Beneficial owner 實益擁有人	1	200 ordinary shares 200股普通股	100%
	Jiangsu Xingyu 江蘇興宇	Beneficial owner 實益擁有人	1	Register capital of RMB39,315,800 註冊資本人民幣39,315,800元	100%
Ms. Zhou Shuhua 周淑華女士	Wangji 旺基	Interest in spouse 配偶權益	2	200 ordinary shares 200股普通股	100%
	Jiangsu Xingyu 江蘇興宇	Interest in spouse 配偶權益	2	Register capital of RMB39,315,800 註冊資本人民幣39,315,800元	100%

附註:

- 劉先生為江蘇興宇的全部註冊資本的唯一實益擁有人。劉先生及周女士分別為江蘇興宇98.47%及1.53%註冊資本的登記持有人。根據於二零一零年七月十二日訂立的一項股權確認,周女士以信託方式代劉先生持有江蘇興宇註冊資本的1.53%權益。
- 周女士為劉先生的配偶,彼亦為一名董事。根據證券及期貨條例,周女士被視為於劉先生在相聯法團中持有的所有權益(包括好倉及淡倉)中擁有權益。

Directors' Report (Continued)**董事會報告(續)****DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES (CONTINUED)**

Saved as disclosed above, none of the Directors and chief executive of the Company or any of their associates had any interests or short positions in the Shares, underlying shares or debentures of the Company or any associated corporation as at 31 December 2021 (within the meaning of Part XV of the SFO), which had been 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 or chief executive of the Company were deemed or taken to have under such provisions of the SFO) or as recorded in the register required to be kept by the Company under section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

Substantial Shareholders' Interests and Short Positions in Shares and Underlying Shares of the Company

As at 31 December 2021, to the best of the knowledge and belief of the Directors, other than those set out in the section headed "Directors' and Chief Executive's Interests and Short Positions in Shares and Underlying Shares" in this annual report, persons had interests or short positions in the Shares or underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO or as recorded in the register required to be kept under section 336 of the SFO were as follows:

Long positions in Shares

Name of Shareholder	Capacity	<i>Note</i>	Number of Shares	Approximate percentage of shareholding
股東名稱	身份	附註	股份數目	佔股權的概約百分比
Wangji 旺基	Beneficial owner 實益擁有人		175,800,000	11.69%
Yuan Xiangbing 袁響兵	Beneficial Owner 實益擁有人		95,958,500	6.38%

董事及主要行政人員於股份及相關股份的權益及淡倉(續)

除上文所披露者外，於二零二一年十二月三十一日，本公司董事及主要行政人員或彼等的任何聯繫人概無於本公司或任何相聯法團(定義見證券及期貨條例第XV部)的股份、相關股份或債券中，擁有根據證券及期貨條例第XV部第7及8分部已知會本公司及聯交所的任何權益或淡倉(包括本公司董事或主要行政人員根據證券及期貨條例的該等條文被當作或被視為擁有的權益及淡倉)或根據證券及期貨條例第352條已記入本公司須存置的登記冊的任何權益或淡倉，或根據標準守則已知會本公司及聯交所的任何權益或淡倉。

主要股東於本公司股份及相關股份中的權益及淡倉

於二零二一年十二月三十一日，就董事所深知及確信，除本年報「董事及主要行政人員於股份及相關股份的權益及淡倉」一節所述者外，於本公司股份或相關股份中擁有根據證券及期貨條例第XV部第2及3分部須向本公司披露的權益或淡倉，或根據證券及期貨條例第336條須記入本公司須存置之登記冊內之權益或淡倉之人士如下：

股份好倉

Directors' Report (Continued)

董事會報告(續)

AUDIT COMMITTEE, REMUNERATION COMMITTEE AND NOMINATION COMMITTEE

Details of the Audit Committee, Remuneration Committee and Nomination Committee are set out in section headed "Corporate Governance Report" of this annual report.

SUFFICIENCY OF PUBLIC FLOAT

As at the date of this annual report, the Company has maintained the prescribed public float under the Listing Rules based on the information that is publicly available to the Company and within the knowledge of the Directors of the Company.

EVENT AFTER END OF REPORTING PERIOD

For details, please refer to the section headed "Management Discussion and Analysis" in this annual report.

AUDITOR

Moore Stephens CPA Limited was appointed as auditor of the Company with effect from 31 October 2018. On 22 December 2021, Moore Stephens CPA Limited has resigned as the auditor of the Group. Yongtuo Fuson CPA Limited was appointed as auditor of the Company with effect from 22 December 2021 to fill the vacancy following the resignation of Moore Stephens CPA Limited.

Yongtuo Fuson CPA Limited will retire and a resolution for their reappointment as auditor of the Company will be submitted at the forthcoming annual general meeting.

On behalf of the Board

Liu Kaijin

Chairman

Hong Kong, 27 April 2022

審核委員會、薪酬委員會及提名委員會

審核委員會、薪酬委員會及提名委員會的詳情載於本年報「企業管治報告」一節。

足夠公眾持股量

根據本公司所得公開資料及就本公司董事所知，於本年報日期，本公司已根據上市規則維持指定的公眾持股量。

報告期後事項

有關詳情請參閱本年報「管理層討論及分析」一節。

核數師

大華馬施雲會計師事務所有限公司獲委任為本公司核數師，於二零一八年十月三十一日起生效。於二零二一年十二月二十二日，大華馬施雲會計師事務所有限公司辭任本集團核數師。為填補大華馬施雲會計師事務所有限公司辭任後之空缺，永拓富信會計師事務所有限公司獲委任為本公司核數師，自二零二一年十二月二十二日起生效。

永拓富信會計師事務所有限公司將於應屆股東週年大會上退任本公司核數師，而本公司將於該大會將提呈重新聘任其為本公司核數師之決議案。

代表董事會

主席

劉開進

香港，二零二二年四月二十七日

Independent Auditor's Report

獨立核數師報告

To The Members of
China Dredging Environment Protection Holdings Limited
(incorporated in the Cayman Islands with limited liability)

OPINION

We have audited the consolidated financial statements of China Dredging Environment Protection Holdings Limited (the "Company") and its subsidiaries (collectively referred to as the "Group") set out on pages 77 to 236, 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 ("HKICPA") and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

致中國疏浚環保控股有限公司股東

(於開曼群島註冊成立的有限公司)

意見

本行已審核載列於第77至236頁中國疏浚環保控股有限公司(「貴公司」)及其附屬公司(統稱「貴集團」)的綜合財務報表，其包括於二零二一年十二月三十一日的綜合財務狀況表與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)。

本行認為，該等綜合財務報表已根據香港會計師公會(「香港會計師公會」)發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 貴集團於二零二一年十二月三十一日的綜合財務狀況以及其截至該日止年度的綜合財務表現及綜合現金流量，並已按照香港公司條例的披露規定妥為編製。

Independent Auditor's Report (Continued) 獨立核數師報告(續)

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.

MATERIAL UNCERTAINTY RELATED TO GOING CONCERN

We draw attention to Note 2 to the consolidated financial statements, as of 31 December 2021, the Group had net current liabilities of approximately RMB194,377,000 and bank and other borrowings amounted to approximately RMB276,300,000 and RMB47,574,000, respectively which will fall due within twelve months from the date of 31 December 2021. In addition, as set out in Note 37 to the consolidated financial statements, as at 31 December 2021, the Group had capital commitments contracted but not provided for of approximately RMB80,715,000 regarding acquisition of property, plant and equipment and investment in a subsidiary which is principally conducting in capital finance business. These matters, along with other matters set forth in Note 2 to the consolidated financial statements, indicate the existence of a material uncertainty which may cast significant doubt on the Group's ability to continue as a going concern. Our conclusion is not modified in respect of this matter.

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 period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matter described in the Material Uncertainty Related to Going Concern section, we have determined the matters described below to be the key audit matters to be communicated in our report.

意見基準

本行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」)進行審計。本行在該等準則下的責任已於本報告「核數師就審計綜合財務報表須承擔的責任」一節中作進一步闡述。根據香港會計師公會頒佈的專業會計師道德守則(「守則」)，本行獨立於貴集團，並已履行守則中的其他道德責任。本行相信，本行所獲得的審計憑證能充足及適當地為本行的審計意見提供基礎。

與持續經營相關的重大不確定性

本行提呈閣下垂注截至二零二一年十二月三十一日之綜合財務報表附註2，貴集團的流動負債淨額約人民幣194,377,000元，而銀行及其他借貸分別約為人民幣276,300,000元及人民幣47,574,000元，該等借貸將於二零二一年十二月三十一日起十二個月內到期償還。此外，如綜合財務報表附註37所載，於二零二一年十二月三十一日，貴集團就收購一間附屬公司之物業、廠房及設備之已訂約但未計提的資本承擔約為人民幣80,715,000元，而該附屬公司主要從事資本金融業務。該等事宜，連同綜合財務報表附註2所載其他事項，顯示存在重大不確定性或會對貴集團的持續經營能力造成重大疑問。本行的意見並無就該事項作出修訂。

關鍵審計事項

關鍵審計事項為根據本行的專業判斷，認為對本期間綜合財務報表的審計最為重要的事項。該等事項於本行審計整體綜合財務報表及出具意見時處理，而本行不會對該等事項提供獨立的意見。除「與持續經營相關的重大不確定性」一節所述事宜外，本行已釐定下文所述事宜為本行報告將予討論的關鍵審核事宜。

Independent Auditor's Report (Continued)

獨立核數師報告(續)

Key audit matters

關鍵審計事項

How our audit addressed the key audit matter

本行審計如何處理關鍵審計事項

Assessment of loss allowance for expected credit losses ("ECL") on trade receivables and contract assets

應收賬款及合約資產預期信貸虧損(「預期信貸虧損」)的虧損撥備評估

The Group's trade receivables and contract assets mainly arise from dredging, water management, marine and related businesses.

貴集團的應收賬款及合約資產主要源自疏浚、水務管理、海事及相關業務。

The Group has applied a lifetime expected credit loss model in determining the ECL to be recognised in respect of the trade receivables and contract assets during and as at the end of the reporting period. When determining the amount of ECL to be recognised as at the end of the reporting period, the management considered the risk of a default occurring on the trade receivables and contract assets as at the end of the reporting period, taking into account both quantitative and qualitative information that is reasonable and supportable, including historical experience (including credit history and current credit worthiness of the customers) and forward-looking information (including current market conditions) that is available without undue cost or effort.

貴集團已應用全期預期信貸虧損模式，釐定報告期間及報告期末就應收賬款及合約資產確認的預期信貸虧損。釐定報告期末將確認的預期信貸虧損金額時，管理層考慮到報告期末應收賬款及合約資產發生違約的風險，並慮及合理、佐證性定量及定性資料，包括無需過度成本或精力即可獲得之歷史性經驗(包括客戶信貸記錄及即期信貸可靠性)及展望資料(包括當前市場狀況)。

Our procedures in relation to the evaluation of the assessment of loss allowance for ECL on trade receivables and contract assets included:

本行有關應收賬款及合約資產預期信貸虧損的虧損撥備評估的估計程序包括：

- Obtaining an understanding of the management's process for credit risk assessment and impairment assessment of allowance for ECL on trade receivables and contract assets;
取得對管理層有關應收賬款及合約資產預期信貸虧損撥備進行信貸風險評估及減值評估流程的瞭解；
- Testing on a sample basis, the accuracy of aging of trade receivables balances based on invoice date and due date as at the end of the reporting period to the underlying invoices;
基於報告期末相關發票日期及到期日抽樣測試應收賬款結餘賬齡準確性；
- Assessing the reasonableness of the Group's ECL models, including the model inputs, model design, model performance for significant portfolios;
評估 貴集團預期信貸虧損模式的合理性，包括重要投資組合的模式輸入、模式設計、模式表現；

Independent Auditor's Report (Continued)

獨立核數師報告(續)

Key audit matters

關鍵審計事項

How our audit addressed the key audit matter

本行審計如何處理關鍵審計事項

Assessment of loss allowance for expected credit losses ("ECL") on trade receivables and contract assets

應收賬款及合約資產預期信貸虧損(「預期信貸虧損」)的虧損撥備評估

We identified the assessment of loss allowance for ECL on trade receivables and contract assets as a key audit matter due to their significance to the consolidated financial statements as a whole and the estimation of ECL of these trade receivables and contract assets involved exercise of significant judgement by management and high degree of estimation uncertainty.

本行將應收賬款及合約資產預期信貸虧損的虧損撥備評估視為關鍵審計事項，乃由於其對綜合財務報表整體之重要性，而該等應收賬款及合約資產預期信貸虧損估計涉及管理層行使重大判斷以及深層次的估計不確定性。

As at 31 December 2021, the Group had trade receivables and contract assets, net of allowance for credit losses amounted to approximately RMB473,487,000 and RMB9,066,000 as disclosed in Notes 23 and 24 to the consolidated financial statements, respectively.

於二零二一年十二月三十一日，貴集團擁有應收賬款及合約資產(扣除信貸虧損撥備)約人民幣473,487,000元及人民幣9,066,000元(分別披露於綜合財務報表附註23及24)。

- Challenging whether historical experience is representative of current circumstances and of the recent losses incurred in the portfolios and assessing the reasonableness of forward-looking adjustments, including the economic variables and assumptions used in each of the economic scenarios and their probability weightings. Where changes had been made in model parameters and assumptions, we evaluated the reasonableness of such changes; and 質疑歷史性經驗能否代表目前狀況以及投資組合產生的近期虧損，並評估展望調整的合理性，包括各經濟情景所用的經濟可變因素及假設及其可能性比重。當模型參數及假設有所變動，我們檢討該等變動的合理性；及
- Assessing the disclosures to the consolidated financial statement relating to the Group's exposure to credit risks. 評估有關貴集團所面對信貸風險之綜合財務報表披露事項。

Independent Auditor's Report (Continued)

獨立核數師報告(續)

Key audit matters

關鍵審計事項

How our audit addressed the key audit matter

本行審計如何處理關鍵審計事項

Impairment of property, plant and equipment and right-of-use assets

物業、廠房及設備以及使用權資產減值

The management of the Company has performed impairment assessment on the Group's property, plant and equipment and right-of-use assets that are mainly related to the Group's capital and reclamation dredging business, environmental protection dredging and water management businesses. When indicator of possible impairment has been identified, recoverable amount is determined based on the higher of fair value less cost of disposal or value-in-use calculation of each cash-generated unit, in which the property, plant and equipment and right-of-use assets were allocated to.

貴公司管理層已就 貴集團主要與其基建及填海疏浚業務、環保疏浚及水務管理業務相關的物業、廠房及設備以及使用權資產進行減值評估。當已識別潛在減值的跡象，可收回金額乃根據公平價值減出售成本或各物業、廠房及設備以及使用權資產獲分配的現金產生單位使用價值計算之較高者釐定。

We have identified the impairment assessment of property, plant and equipment and right-of-use assets as a key audit matter due to their significant to the consolidated financial statements as a whole and the involvement of a significant degree of judgment and estimates made by the management of the Group when performing impairment assessment.

本行已將物業、廠房及設備以及使用權資產的減值評估識別為關鍵審計事項，乃由於其對綜合財務報表整體之重要性，且於進行減值評估時須 貴集團管理層作出重大判斷及估計。

Our procedures in relation to management's impairment assessment of property, plant and equipment and right-of-use assets included:

本行有關物業、廠房及設備以及使用權資產的管理層減值評估程序包括：

- Reviewing the management judgements and estimates in determining the indicator of possible impairment and its impairment testing on the Group's property, plant and equipment and right-of-use assets;
檢討釐定潛在減值跡象及對 貴集團物業、廠房及設備以及使用權資產進行減值測試所用之管理層判斷及估計；
- Assessing the reasonableness of the selected methodologies and the calculation for the impairment assessment performed by the external independent valuer to estimate the recoverable amounts of the property, plant and equipment and right-of-use assets that was adopted and approved by the management of the Company;
評估 貴公司管理層所採用及批准用以估算物業、廠房及設備以及使用權資產的可收回金額所選用的方法以及由外聘獨立估值師進行之減值評估計算之合理性；
- Evaluating the independent external valuer's competence, capabilities and objectivity;
評核獨立外聘估值師之資格、能力及客觀性；

Independent Auditor's Report (Continued)

獨立核數師報告(續)

Key audit matters

關鍵審計事項

How our audit addressed the key audit matter

本行審計如何處理關鍵審計事項

Impairment of property, plant and equipment and right-of-use assets

物業、廠房及設備以及使用權資產減值

As at 31 December 2021, the Group had property, plant and equipment and right-of-use assets, net of impairment amounted to approximately RMB1,144,460,000 and RMB47,670,000 as disclosed in Notes 17 and 18, respectively.

於二零二一年十二月三十一日，貴集團的物業、廠房及設備以及使用權資產(扣除減值)分別約為人民幣1,144,460,000元及人民幣47,670,000元(分別於附註17及18披露)。

- Assessing the reasonableness of the key assumptions and inputs data, including the discount rate, useful life and utilisation rate by comparing the current year actual performance and prior year projections by reference to the market and industry information etc.; and

透過參照市場及行業資料等對當前年度實際表現及先前年度之預測進行比較，評估主要假設及輸入數據的合理性(包括折現率、可使用年期及使用率)；及

- Assessing the disclosures to the consolidated financial statements relating to the impairment assessment of the Group's property, plant and equipment and right-of-use assets.

評估有關貴集團物業、廠房及設備以及使用權資產之減值評估於綜合財務報表之披露事項。

Independent Auditor's Report (Continued)

獨立核數師報告(續)

OTHER MATTER

The consolidated financial statements of the Group for the year ended 31 December 2020, were audited by another auditor who expressed an unmodified opinion with an emphasis of matter paragraph about the going concern basis on those consolidated financial statements on 16 April 2021.

OTHER INFORMATION

The directors of the Company (the "Directors") 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 AND AUDIT COMMITTEE FOR THE CONSOLIDATED FINANCIAL STATEMENTS

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

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

The Directors are also responsible for overseeing the Group's financial reporting process. The Audit Committee assists the Directors in discharging their responsibility in this regard.

其他事項

貴集團截至二零二零年十二月三十一日止年度之綜合財務報表乃由另一核數師審核，其已於二零二一年四月十六日就該等綜合財務報表發表未經修訂意見，並強調有關編製財務報表之持續經營基準之事宜。

其他資料

貴公司董事(「董事」)須對其他資料負責。其他資料包括年報內所載的資料，但不包括綜合財務報表及本行載於其中的核數師報告。

本行對綜合財務報表的意見並不涵蓋其他資料，本行亦不對該等其他資料發表任何形式的保證結論。

就本行對綜合財務報表的審計，本行的責任乃細閱其他資料，在此過程中，考慮其他資料與綜合財務報表或本行在審計過程中所知悉的情況是否存在重大抵觸或看似存在重大錯誤陳述。基於本行已執行的工作，倘本行認為其他資料存在重大錯誤陳述，本行需要報告該事實。本行就此並無任何事項須報告。

董事及審核委員會就綜合財務報表須承擔的責任

董事負責根據由香港會計師公會頒佈的香港財務報告準則及香港公司條例的披露規定編製真實而公平的綜合財務報表，並對董事認為為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控制負責。

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

董事亦須負責監督貴集團的財務報告過程。審核委員會協助董事履行此方面的責任。

Independent Auditor's Report (Continued) 獨立核數師報告(續)

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

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. This report is made 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 HKSA's will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with HKSA's, we exercise professional 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.
- 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.

核數師就審計綜合財務報表須承擔的責任

本行的目標乃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，並出具包括本行意見的核數師報告。本報告乃按照協定的委聘條款僅向閣下(作為整體)作出，除此之外別無其他目的。本行概不就本報告的內容對任何其他人士負責或承擔責任。合理保證為高水平的保證，但不能保證按照香港審計準則進行的審計總能發現重大錯誤陳述。錯誤陳述可以由欺詐或錯誤引起，如果合理預期其單獨或匯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，則有關的錯誤陳述可被視作重大。

作為根據香港審計準則進行審計其中一環，本行於審計過程中運用專業判斷，保持專業懷疑態度。本行亦：

- 識別及評估由於欺詐或錯誤而導致綜合財務報表存在重大錯誤陳述的風險，設計及執行審計程序以應對該等風險，以及獲取充足及適當的審計憑證，作為本行意見的基礎。由於欺詐可能涉及串謀、偽造、蓄意遺漏、虛假陳述，或凌駕於內部控制之上，因此未能發現因欺詐而導致出現重大錯誤陳述的風險高於未能發現因錯誤而導致出現重大錯誤陳述的風險。
- 瞭解與審計相關的內部控制，以設計在有關情況下屬適當的審計程序，但目的並非對貴集團內部控制的有效性發表意見。
- 評估董事所採用會計政策的適當性以及作出會計估計及相關披露的合理性。
- 對董事採用持續經營會計基礎的適當性作出結論，並根據所獲取的審計憑證，確定是否存在與事項或情況有關的重大不確定性，從而可能導致對貴集團的持續經營能力產生重大疑慮。倘本行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，則修訂本行的意見。本行的結論乃基於直至核數師報告日止所取得的審計憑證。然而，未來事項或情況可能導致貴集團不能持續經營業務。

Independent Auditor's Report (Continued)**獨立核數師報告(續)**

- evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.
- 評估綜合財務報表的整體列報方式、結構及內容(包括披露)事項以及綜合財務報表是否公平反映相關交易及事項。
- 就 貴集團內實體或業務活動的財務資料獲取充足適當的審計憑證，以便對綜合財務報表發表意見。本行負責 貴集團審計的方向、監督及執行。本行為審計意見承擔全部責任。

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

本行與審核委員會溝通審計的計劃範圍及時間以及重大審計發現等事宜，其中包括本行在審計中識別出內部控制的任何重大不足之處。

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

本行亦向審核委員會提交聲明，表明本行已符合有關獨立性的相關專業道德要求，並與彼等溝通可能合理被認為會影響本行獨立性的所有關係及其他事項以及在適用的情況下所採取的行動以消除威脅及所應用的防範措施。

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

從與審核委員會溝通的事項中，本行確定該等對本期間綜合財務報表的審計最為重要的事項，因而構成關鍵審計事項。本行在核數師報告中闡釋該等事項，除非法律或規例不允許公開披露該等事項，或在極端罕見的情況下，合理預期倘於本行的報告中註明某事項造成的負面後果超過產生的公眾利益，則本行決定不應在報告中註明該事項。

The engagement partner on the audit resulting in the independent auditor's report is Liao Yik Lam.

出具本獨立核數師報告的審計項目合夥人是廖亦琳。

Yongtuo Fuson CPA Limited

Certified Public Accountants

永拓富信會計師事務所有限公司

註冊會計師

Liao Yik Lam

Practising Certificate Number: P06630

廖亦琳

執業證書編號：P06630

Hong Kong,
27 April 2022

香港
二零二二年四月二十七日

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 截至二零二一年十二月三十一日止年度

		Notes 附註	2021 二零二一年 RMB'000 人民幣千元	2020 二零二零年 RMB'000 人民幣千元
Revenue	收益	6	387,389	286,341
Operating cost	營運成本		(352,462)	(329,895)
Gross profit/(loss)	毛利/(損)		34,927	(43,554)
Other income	其他收入	8	2,787	2,176
Gain on waived bond payable	應付債券獲豁免之收益	32	207,977	-
Other gains and losses, net	其他收益及虧損淨額	9	22,098	25,610
Marketing and promotion expenses	市場推廣及宣傳開支		(527)	(6,047)
Administrative expenses	行政開支		(43,291)	(75,590)
Allowance for expected credit losses, net of reversal	預期信貸虧損撥備，扣除撥回	10	7,498	(149,956)
Impairment losses on property, plant and equipment and right-of-use assets	物業、廠房及設備以及使用權資產減值虧損	12	(50,841)	(253,985)
Written-off of other intangible assets	撇銷其他無形資產	20	(3,417)	-
Changes in fair values of investment properties	投資物業公平值變動	19	(103,503)	19,400
Finance costs	融資成本	11	(33,066)	(43,389)
Profit/(loss) before tax	除稅前溢利/(虧損)	12	40,642	(525,335)
Income tax credit/(expense)	所得稅抵免/(開支)	13	613	(12,029)
Profit/(loss) for the year	年內溢利/(虧損)		41,255	(537,364)
Other comprehensive income	其他全面收益			
<i>Items that will not be reclassified to profit or loss:</i>	<i>不會獲重新分類至損益之項目：</i>			
Gain on revaluation upon transfer of property, plant and equipment and right-of-use assets to investment properties, net of related income tax	轉讓物業、廠房及設備以及使用權資產至投資物業後重新估值之收益，扣除相關所得稅		2,033	-
Other comprehensive income for the year, net of income tax	年內其他全面收益，扣除所得稅		2,033	-
Total comprehensive income/(expenses)	全面收益/(開支)總額		43,288	(537,364)

Consolidated Statement of Profit or Loss and Other Comprehensive Income (Continued)

綜合損益及其他全面收益表(續)

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

		Notes 附註	2021 二零二一年 RMB'000 人民幣千元	2020 二零二零年 RMB'000 人民幣千元
Profit/(loss) for the year attributable to:	下列人士應佔年內溢利/(虧損):			
- Owners of the Company	- 本公司擁有人		22,593	(526,583)
- Non-controlling interests	- 非控股權益		18,662	(10,781)
			41,255	(537,364)
Total comprehensive income/(expenses) for the year attributable to:	下列人士應佔全面收益/(開支)總額:			
- Owners of the Company	- 本公司擁有人		24,626	(526,583)
- Non-controlling interests	- 非控股權益		18,662	(10,781)
			43,288	(537,364)
Earnings/(loss) for the year	年內盈利/(虧損)	15		
- Basic and diluted (RMB cents)	- 基本及攤薄(人民幣分)		1.64	(55.01)

Consolidated Statement of Financial Position

綜合財務狀況表

At 31 December 2021 於二零二一年十二月三十一日

		Notes 附註	2021 二零二一年 RMB'000 人民幣千元	2020 二零二零年 RMB'000 人民幣千元
Non-current assets	非流動資產			
Property, plant and equipment	物業、廠房及設備	17	1,144,460	1,039,088
Right-of-use assets	使用權資產	18	47,670	86,276
Investment properties	投資物業	19	439,272	483,900
Other intangible assets	其他無形資產	20	-	3,417
Goodwill	商譽		201	201
Interest in an associate	於一間聯營公司的權益	21	2,017	150
Equity instruments at fair value through other comprehensive income	按公平值計入其他全面收益之權益工具	22	3,000	-
Deposit paid for acquisition of property, plant and equipment	已就收購物業、廠房及設備支付的按金	17	-	18,752
Trade and other receivables and prepayments	應收賬款及其他應收款項以及預付款項	23	-	145,471
Contract assets	合約資產	24	5,365	19,064
			1,641,985	1,796,319
Current assets	流動資產			
Trade and other receivables and prepayments	應收賬款及其他應收款項以及預付款項	23	591,888	576,754
Contract assets	合約資產	24	3,701	5,983
Bank balances and cash	銀行結餘及現金	25	32,075	29,309
			627,664	612,046
Current liabilities	流動負債			
Trade and other payables	應付賬款及其他應付款項	26	359,728	359,371
Contract liabilities	合約負債	27	34,974	42,364
Amounts due to directors of the Company	應付本公司董事款項	28	34,207	44,855
Amounts due to non-controlling shareholders of a subsidiary	應付一間附屬公司非控股股東款項	29	3,554	2,257
Tax payable	應付稅項		64,382	60,218
Bank borrowings	銀行借貸	30	276,300	293,400
Other borrowings	其他借貸	31	47,574	78,943
Bonds payable	應付債券	32	-	287,482
Lease liabilities	租賃負債	18	1,322	605
			822,041	1,169,495
Net current liabilities	流動負債淨值		(194,377)	(557,449)

Consolidated Statement of Financial Position (Continued)

綜合財務狀況表(續)

At 31 December 2021 於二零二一年十二月三十一日

		Notes 附註	2021 二零二一年 RMB'000 人民幣千元	2020 二零二零年 RMB'000 人民幣千元
Total assets less current liabilities	總資產減流動負債		1,447,608	1,238,870
Capital and reserves	資本及儲備			
Share capital	股本	34	255,247	167,914
Reserves	儲備		764,839	740,213
Equity attributable to owners of the Company	本公司擁有人應佔權益		1,020,086	908,127
Non-controlling interests	非控股權益		140,603	129,731
Total equity	權益總額		1,160,689	1,037,858
Non-current liabilities	非流動負債			
Amounts due to non-controlling shareholders of a subsidiary	應付一間附屬公司非控股股東款項	29	59,887	61,387
Deferred tax liabilities	遞延稅項負債	33	15,748	27,260
Other borrowings	其他借貸	31	210,762	110,510
Lease liabilities	租賃負債	18	522	1,855
			286,919	201,012
			1,447,608	1,238,870

The consolidated financial statements on pages 77 to 236 were approved and authorised for issue by the board of Directors on 27 April 2022 and are signed on its behalf by:

Liu Kaijin

劉開進
Director
董事

載於第77至236頁的綜合財務報表已於二零二二年四月二十七日獲董事會批准及授權刊發，並由下列人士代表簽署：

Zhou Shuhua

周淑華
Director
董事

Consolidated Statement of Changes In Equity

綜合權益變動表

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

Attributable to owners of the Company

本公司擁有人應佔

		Share capital	Share premium	PRC statutory reserve	Other reserve	Share options reserve	Property revaluation reserve	Retained profits/ (accumulated losses)	Subtotal	Non-controlling interests	Total
		股本	股份溢價	中國法定儲備	其他儲備	購股權儲備	物業重估儲備	留存溢利/ (累計虧損)	小計	非控股權益	總計
		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
				(note i) below	(note ii) below						
				(下文附註(i))	(下文附註(ii))						
As at 1 January 2020	於二零二零年一月一日	150,365	928,721	19,658	204,554	-	-	113,571	1,416,869	146,305	1,563,174
Loss and total comprehensive expenses for the year	於二零二零年一月一日至二零二一年一月一日年內虧損及全面開支總額	-	-	-	-	-	-	(526,583)	(526,583)	(10,781)	(537,364)
Dividend paid to non-controlling interests	支付予非控股權益的股息	-	-	-	-	-	-	-	-	(5,793)	(5,793)
Equity-settled share-based payments (Note 35)	以權益結算的股份支付 (附註35)	-	-	-	-	292	-	-	292	-	292
Placing of new shares (Note 34(2))	新股份配售 (附註34(2))	17,549	-	-	-	-	-	-	17,549	-	17,549
At 31 December 2020 and 1 January 2021	於二零二零年十二月三十一日及二零二一年一月一日	167,914	928,721	19,658	204,554	292	-	(413,012)	908,127	129,731	1,037,858
Profit and total comprehensive income for the year	於二零二一年一月一日至二零二一年十二月三十一日年內溢利及全面收益總額	-	-	-	-	-	2,033	22,593	24,626	18,662	43,288
Dividend paid to non-controlling interests	支付予非控股權益的股息	-	-	-	-	-	-	-	-	(7,790)	(7,790)
Exercise of Share Options (Notes 34(1)(i) and 35)	行使購股權 (附註34(1)(i)及35)	1,420	292	-	-	(292)	-	-	1,420	-	1,420
Subscription of new consolidated shares (Note 34(1)(ii)(b))	認購新合併股份 (附註34(1)(ii)(b))	85,913	-	-	-	-	-	-	85,913	-	85,913
At 31 December 2021	於二零二一年十二月三十一日	255,247	929,013	19,658	204,554	-	2,033	(390,419)	1,020,086	140,603	1,160,689

Notes:

- (i) According to the Articles of Association of subsidiaries established in the People's Republic of China (the "PRC"), a portion of the profit after taxation of the Company's PRC subsidiaries is required to be transferred to a PRC statutory reserve before distribution of a dividend to their equity owners. The transfer can cease when the balance of the reserve reaches 50% of the registered capital of the respective subsidiaries. The statutory reserve can be applied either to set off accumulated losses or to increase capital of the respective subsidiaries in accordance with the relevant rules in the PRC.
- (ii) The other reserve of the Group was mainly the difference between the nominal amount of the share capital issued by the Company in exchange for the nominal amount of the share capital and share premium of its subsidiaries and the paid-in capital of RMB39,316,000 of the PRC Operational Entity (as defined in Note 43) pursuant to the group reorganisation in 2011.

附註:

- (i) 根據中華人民共和國(「中國」)成立的附屬公司的組織章程細則，本公司的中國附屬公司須將部分除稅後溢利在向權益擁有人分派股息之前轉撥至中國法定儲備。當儲備結餘達至相關附屬公司註冊資本的50%時可終止轉撥。該法定儲備可根據中國有關規則用於抵銷累計虧損或相關附屬公司增加資本。
- (ii) 本集團的其他儲備主要為本公司用作交換股本面值而發行的股本面值與因二零一一年集團重組而產生的其附屬公司股份溢價及中國經營實體(定義見附註43)的實繳資本人民幣39,316,000元兩者的差額。

Consolidated Statement of Cash Flows

綜合現金流量表

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

		2021 二零二一年 RMB'000 人民幣千元	2020 二零二零年 RMB'000 人民幣千元
OPERATING ACTIVITIES	經營活動		
Profit/(loss) before tax	除稅前溢利/(虧損)	40,642	(525,335)
Adjustments for:	經下列各項調整：		
Depreciation of property, plant and equipment	物業、廠房及設備折舊	90,689	104,407
Depreciation of right-of-use assets	使用權資產折舊	3,095	3,942
Amortisation of intangible assets	無形資產攤銷	-	333
Allowance for expected credit losses, net of reversal	預期信貸虧損撥備撥回淨額	(7,498)	149,956
Impairment losses on property, plant and equipment and right-of-use assets	物業、廠房及設備以及使用權資產減值虧損	50,841	253,985
Gain on waived bond payable	應付債券獲豁免之收益	(207,977)	-
Gain on disposal of property, plant and equipment, net	出售物業、廠房及設備收益淨額	(1,135)	(2,988)
Unrealised exchange gains and losses, net	未變現匯兌收益及虧損淨額	(20,963)	(22,243)
Written-off of other intangible assets	其他無形資產撇銷	3,417	-
Changes in fair values of investment properties	投資物業公平值變動	103,503	(19,400)
Finance costs	融資成本	33,066	43,389
Interest income	利息收入	(11)	(51)
Gain on modification of bonds payable	修訂應付債券之收益	-	(325)
Gain on written-off of a lease	撇銷租賃之收益	-	(54)
Equity-settled share-based payments	以權益結算的股份支付	-	292
Operating cash flows before movements in working capital	營運資金變動前營運現金流量	87,669	(14,092)
Decrease in trade and other receivables and prepayments	應收賬款及其他應收款以及預付款項減少	27,935	110,170
Decrease/(increase) in contract assets	合約資產減少/(增加)	16,235	(13,675)
Increase/(decrease) in trade and other payables	應付賬款及其他應付款增加/(減少)	357	(18,568)
(Decrease)/increase in contract liabilities	合約負債(減少)/增加	(7,390)	20,354
Cash generated from operations	營運所得的現金	124,806	84,189
PRC income tax paid	已付中國所得稅	(8,574)	(47,759)
NET CASH FROM OPERATING ACTIVITIES	經營活動所得現金淨額	116,232	36,430
INVESTING ACTIVITIES	投資活動		
Purchase of property, plant and equipment, net of deposit paid for acquisition of property, plant and equipment	購買物業、廠房及設備，扣除已就收購物業、廠房及設備支付的按金	(48,338)	(20,736)
Capital injection of investment in an associate	於一間聯營公司的投資注資	(2,875)	(150)
Purchase of equity instruments at fair value through other comprehensive income	收購按公平值計入其他全面收益之權益工具	(3,000)	-
Proceeds from disposals of property, plant and equipment	出售物業、廠房及設備所得款項	25,768	11,042
Proceeds from partial disposals of interest in an associate	出售一間聯營公司部份權益所得款項	1,008	-
Interest received	已收利息	11	51
NET CASH USED IN INVESTING ACTIVITIES	投資活動所用現金淨額	(27,426)	(9,793)

Consolidated Statement of Cash Flows (Continued) 綜合現金流量表(續)

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

		2021 二零二一年 RMB'000 人民幣千元	2020 二零二零年 RMB'000 人民幣千元
FINANCING ACTIVITIES	融資活動		
New bank borrowings raised	新增銀行借貸	193,800	288,400
New other borrowings raised	新增其他借貸	6,800	189,082
Advances from directors of the Company	來自本公司董事的墊支款項	(10,648)	157,486
Advances from non-controlling shareholders of a subsidiary	來自一間附屬公司的非控股股東墊支款項	-	1,216
Proceeds received from share placements	股份配售所得款項	-	17,549
Proceeds received from subscription of new consolidated shares	認購新合併股份所得款項	85,913	-
Proceeds from issue of shares upon exercise of share options	行使購股權後發行股份所得款項	1,420	-
Repayment of lease liabilities	償還租賃負債	(799)	(1,203)
Repayment of bank borrowings	償還銀行借貸	(210,900)	(292,000)
Repayment of other borrowings	償還其他借貸	(22,641)	(204,160)
Repayment of advances from directors of the Company	償還來自本公司董事的墊支款項	-	(123,965)
Repayment of bonds payable	償還應付債券	(83,145)	(3,000)
Repayment of advances from non-controlling shareholders of a subsidiary	償還來自一間附屬公司非控股股東的墊支款項	(1,500)	(8,215)
Interest paid	已付利息	(36,550)	(25,337)
Dividend payment to non-controlling shareholders of a subsidiary	向一間附屬公司的非控股股東支付股息	(7,790)	(5,793)
NET CASH USED IN FINANCING ACTIVITIES	融資活動所用現金淨值	(86,040)	(9,940)
NET INCREASE IN CASH AND CASH EQUIVALENTS	現金及現金等值物增加淨值	2,766	16,697
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	年初的現金及現金等值物	29,309	12,612
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR, represented by bank balances and cash	年末的現金及現金等值物，即銀行結餘及現金	32,075	29,309

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

1. GENERAL INFORMATIONAL

China Dredging Environment Protection Holdings Limited (the "Company") was incorporated as an exempted company with limited liability in the Cayman Islands and its shares are listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "Stock Exchange"). The Company's immediate and ultimate holding company is Wangji Limited, a limited liability company incorporated in the British Virgin Islands, which is ultimately and wholly owned by Mr. Liu Kaijin ("Mr. Liu"), who is also the Executive Director and Chairman of the board of directors of the Company (the "Board"). The Company's registered office is situated at Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman, KY1-1111, Cayman Islands and its principal place of business in Hong Kong is situated at Rooms 1501-2, 15/F., Siu On Plaza, 482 Jaffe Road, Causeway Bay, Hong Kong.

The Company acts as an investment holding company and the particulars of its subsidiaries are set out in Note 43 to the consolidated financial statements.

The consolidated financial statements are presented in Renminbi ("RMB"), which is also the functional currency of the Company.

The English names of all the companies established in the PRC presented in these consolidated financial statements represent the best efforts made by the directors of the Company (the "Directors") for the translation of the Chinese names of these companies to English names as they do not have official English names.

1. 一般資料

中國疏浚環保控股有限公司(「本公司」)於開曼群島註冊成立為獲豁免有限公司，其股份於香港聯合交易所有限公司(「聯交所」)主板上市。本公司的直接及最終控股公司為旺基有限公司，一間於英屬處女群島註冊成立的有限公司，其由執行董事兼本公司董事會(「董事會」)主席劉開進先生(「劉先生」)最終及全資擁有。本公司之註冊辦公室位於Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman, KY1-1111, Cayman Islands，其香港主要營業地點為香港銅鑼灣謝斐道482號兆安廣場15樓1501-2室。

本公司為一間投資控股公司，其附屬公司的詳情載於綜合財務報表附註43。

綜合財務報表均以人民幣(「人民幣」)呈列，為本公司之功能貨幣。

由於綜合財務報表中所有於中國成立的公司概無正式英文名稱，故所載英文名稱為本公司董事(「董事」)竭盡所能翻譯該等公司之中文名稱後所得的。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

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

2. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS

Going concern assessment

As of 31 December 2021, the Group had net current liabilities of approximately RMB194,377,000 (2020: RMB557,449,000) and bank and other borrowings amounted to approximately RMB276,300,000 and RMB47,574,000 (2020: RMB293,400,000 and RMB78,943,000), respectively which will fall due within twelve months from the date of 31 December 2021. In addition, as at 31 December 2021, the Group had capital commitments contracted but not provided for of approximately RMB80,715,000 regarding acquisition of property, plant and equipment and investment in a subsidiary which is principally conducting in capital finance business. (2020: RMB91,008,000 regarding acquisition of property, plant and equipment, investment in a subsidiary which is principally conducting in capital finance business and investment in an associate).

The conditions described above indicate the existence of a material uncertainty which may cast significant doubt on the Group's ability to continue as a going concern and hence, its ability to realise its assets and discharge its liabilities in the normal course of business.

In preparing the consolidated financial statements, the Directors have given careful consideration to the future liquidity of the Group. The Directors have reviewed the Group's cash flow projections prepared by management. The cash flow projections cover a period of not less than twelve months from the end of the reporting period. They are of the opinion that, taking into account the following plans and measures, the Group would have sufficient working capital to finance its operations and to meet its financial obligations as and when they fall due within the next twelve months from the end of the reporting period. Nevertheless, the consolidated financial statements were prepared based on the assumption that the Group can be operated as a going concern, after taking into consideration of the following:

2. 綜合財務報表的編製基準

持續經營評估

於二零二一年十二月三十一日，本集團分別擁有流動負債淨額約人民幣194,377,000元（二零二零年：人民幣557,449,000元）、銀行借貸約人民幣276,300,000元（二零二零年：人民幣293,400,000元）及其他借貸約人民幣47,574,000元（二零二零年：人民幣78,943,000元），均將於二零二一年十二月三十一日後十二個月內到期。此外，於二零二一年十二月三十一日，本集團就收購物業、廠房及設備以及投資一間主要從事資本融資業務之附屬公司訂立合約，當中涉及資本承諾約人民幣80,715,000元，惟未撥備有關款項。（二零二零年：就收購物業、廠房及設備、投資一間主要從事資本融資業務之附屬公司以及投資一間聯營公司人民幣91,008,000元。）

上述情況顯示本集團存在重大不明朗因素，而該因素可能對本集團持續經營的能力以及其於日常業務過程中變現資產及償還負債之能力構成重大疑問。

編製綜合財務報表時，董事已審慎考慮本集團之未來流動現金量。董事已審閱管理層編製的本集團現金流量預測。現金流量預測涵蓋自報告期末起不少於十二個月的期間。彼等認為，經考慮以下計劃及措施，本集團將擁有足夠營運資金支持其營運及履行其將於報告期末起計未來十二個月內到期的財務責任。然而，於考慮下列各項後，綜合財務報表乃按本集團可以持續經營的假設而編製：

Notes to the Consolidated Financial Statements (Continued) 綜合財務報表附註(續)

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

2. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

Going concern assessment (Continued)

- (1) The Company obtained a letter of undertaking (the "Letter of Undertaking") from Mr. Liu that: (i) he agreed not to request the Group to repay the amount due to him of approximately RMB29,700,000, included in the amounts due to directors of the Company until the Group has sufficient funds to meet all the liabilities and financial obligations as and when they fall due in the coming twelve months from 31 December 2021; and (ii) he also agreed to provide sufficient funds to the Group so that the Group will be able to meet all the liabilities and financial obligations as and when they fall due in the coming twelve months from 31 December 2021;
- (2) Since most of the bank borrowings as at 31 December 2021 of RMB276,300,000 were secured by the Group's assets, the Directors believe that it is highly probable that they can be renewed in the next twelve months;
- (3) The Directors also believe that it is highly probable that other borrowings as at 31 December 2021 of approximately RMB47,574,000 which will be matured within twelve months after 31 December 2021 can be renewed; and
- (4) The Group continues to generate cash inflows from its operating activities by implementing measures to tighten cost controls over various operating expenses in order to improve its cash flows position and to generate greater positive cash inflows from its operations in the future.

On the basis of the above considerations, the Directors believe that the Group is able to satisfy its liabilities and financial obligations in the foreseeable future and accordingly, the consolidated financial statements have been prepared on a going concern basis. The consolidated financial statements do not include any adjustments relating to the carrying amounts and reclassification of assets and liabilities that might be necessary should the Group be unable to continue as a going concern.

2. 綜合財務報表的編製基準(續)

持續經營評估(續)

- (1) 本公司接獲劉先生之承諾函(「承諾函」)，當中表示(i)彼同意，直至本集團擁有充足資金償付所有將於二零二一年十二月三十一日起計未來十二個月內到期之負債及履行有關期間之所有財務責任為止，不會要求本集團償還應付其款項約人民幣29,700,000元，有關款項計入應付本公司董事款項；及(ii)彼亦同意將為本集團提供充足資金，致使本集團能夠償付所有將於二零二一年十二月三十一日起計未來十二個月內到期之負債及履行有關期間之所有財務責任；
- (2) 由於在二零二一年十二月三十一日為人民幣276,300,000元的銀行借貸大部分均由本集團資產作抵押，董事相信，有很大可能可於未來十二個月內續借該借貸；
- (3) 董事亦相信有很大可能可續借於二零二一年十二月三十一日約為人民幣47,574,000元之其他借貸，有關借貸將於二零二一年十二月三十一日後十二個月內到期；及
- (4) 本集團繼續通過收緊對各項營運開支施加的成本控制措施，產生來自其經營活動的現金流入，從而改善其日後現金流量狀況及增加自其經營產生的正現金流入。

根據上述考量，董事相信本集團於可預見未來可償還其負債及履行其財務責任，因此綜合財務報表乃以持續經營基準編製。綜合財務報表並無包括在本集團未能持續經營的情況下，必須對賬面值以及就重新分類資產及負債作出之任何調整。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

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

3. APPLICATION 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 period beginning on or after 1 January 2021 for the preparation of the consolidated financial statements:

Amendments 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

The application of the amendments to HKFRSs in the current year 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.

3. 應用經修訂香港財務報告準則(「香港財務報告準則」)

於本年度強制生效的經修訂香港財務報告準則

於本年度，本集團首次應用下列於二零二一年一月一日或之後開始之年度期間強制生效的由香港會計師公會(「香港會計師公會」)頒佈之經修訂香港財務報告準則，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相關租金寬免
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— 第二階段

於本年度應用經修訂香港財務報告準則對本集團於本年度及過往年度的財務狀況及表現及／或對綜合財務報表所載的披露並無重大影響。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

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

3. APPLICATION OF AMENDMENTS TO HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”) (CONTINUED)

New and amendment 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
Amendments to HKFRS 3	Reference to the Conceptual Framework ²
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture ⁴
Amendments to HKAS 1	Classification of Liabilities as Current or Non-current and the related amendments to Hong Kong Interpretation 5(2020) ³
Amendments to HKAS 1 and HKFRS Practice Statement 2	Disclosure of Accounting Policies ³
Amendments to HKAS 8	Definition of Accounting Estimates ³
Amendments to HKAS 12	Deferred Tax related to Assets and Liabilities arising from a Single Transaction ³
Amendments to HKAS 16	Property, Plant and Equipment: Proceeds before Intended Use ²
Amendments to HKAS 37	Onerous Contracts – Cost of Fulfilling a Contract ²
Amendment to HKFRS 16	COVID-19-Related Rent Concessions beyond 30 June 2021 ¹
Amendment to HKFRSs	Annual Improvements to HKFRSs 2018 – 2020 cycle ²

- 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.

The Directors anticipate that the application of all these new and amendment to HKFRSs will have no material impact on the consolidated financial statements in the foreseeable future.

3. 應用經修訂香港財務報告準則(「香港財務報告準則」)(續)

已頒佈但尚未生效的新訂及經修訂香港財務報告準則

本集團並無提早應用以下已頒佈但尚未生效的新訂及經修訂香港財務報告準則：

香港財務報告準則第17號	保險合約及相關修訂本 ³
香港財務報告準則第3號(修訂本)	對概念框架的引用 ²
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之間的資產出售或注資 ⁴
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香港詮釋第5號(二零二零年)之相關修訂 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
香港會計準則第8號(修訂本)	會計估算之定義 ³
香港會計準則第12號(修訂本)	單一交易中產生的資產及負債相關的遞延稅項 ³
香港會計準則第16號(修訂本)	物業、廠房及設備：擬定用途前之所得款項 ²
香港會計準則第37號(修訂本)	虧損合約一履行合約的成本 ²
香港財務報告準則第16號(修訂本)	二零二一年六月三十日之後COVID-19相關租金寬免 ¹
香港財務報告準則(修訂本)	香港財務報告準則二零一八年至二零二零年週期的年度改進 ²

- ¹ 於二零二一年四月一日或之後開始的年度期間生效。
- ² 於二零二二年一月一日或之後開始的年度期間生效。
- ³ 於二零二三年一月一日或之後開始的年度期間生效。
- ⁴ 於待確定日期或之後開始的年度期間生效。

董事預計應用所有該等新訂及經修訂香港財務報告準則於可見未來對綜合財務報表將無重大影響。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

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

4. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES

(a) 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 applicable disclosures required by the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and by the Hong Kong Companies Ordinance.

The consolidated financial statements have been prepared on the historical cost basis except for certain investment properties and financial instruments 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 accounted for in accordance with HKFRS 16 *Leases*, and measurements that have some similarities to fair value but are not fair value, such as value in use in HKAS 36 *Impairment of Assets*.

4. 綜合財務報表的編製基準及主要會計政策

(a) 綜合財務報表的編製基準

綜合財務報表乃根據香港會計師公會頒佈的香港財務報告準則編製。就編製綜合財務報表而言，倘有關資料合理預期會影響主要用戶作出的決定，則有關資料被視為重大。此外，綜合財務報表包括香港聯合交易所有限公司證券上市規則及香港公司條例規定的適用披露。

綜合財務報表乃按歷史成本基準編製，惟若干投資物業及金融工具乃按各報告期末的公平值計量(如下述會計政策所闡述)。

歷史成本一般根據交換貨品及服務時所付出代價的公平值計算。

公平值是於計量日期市場參與者之間於有秩序交易中出售資產所收取或轉讓負債須支付的價格，而不論該價格是否直接可觀察或使用其他估值技術估計。若市場參與者於計量日期對資產或負債定價時會考慮資產或負債的特點，則本集團於估計資產或負債的公平值時會考慮該等特點。此等綜合財務報表中作計量及/或披露用途的公平值乃按此基準釐定，惟屬於香港財務報告準則第2號以股份為基礎的付款範圍內的股份支付交易、根據香港財務報告準則第16號入賬的租賃交易，以及與公平值存在若干類似特點但並非公平值的計量(如香港會計準則第36號資產減值中使用價值)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 截至二零二一年十二月三十一日止年度

4. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(a) Basis of preparation of consolidated financial statements (Continued)

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

For investment properties and financial instruments which are transacted at fair values and a valuation technique that unobservable inputs are to be used to measure fair value in subsequent periods, the valuation technique is calibrated so that at initial recognition the results of the valuation technique equals the transaction price.

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.

(b) Significant accounting policies

The principal accounting policies are set out below.

4. 綜合財務報表的編製基準及主 要會計政策(續)

(a) 綜合財務報表的編製基準(續)

非金融資產公平值計量考慮市場參與者最大限度善用資產，或將其出售予另一名將最大限度善用資產的市場參與者，從而產生經濟效益的能力。

就按公平值交易的投資物業及金融工具及使用不可觀察輸入數據計量隨後期間公平值的估值技術，估值技術將進行調校，以使初始確認時估值技術結果等於交易價。

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可觀察程度及公平值計量的輸入數據對其整體的重要性分類為第一級、第二級或第三級，詳情如下：

- 第一級輸入數據是實體於計量日期可以取得的相同資產或負債於活躍市場的報價(未經調整)；
- 第二級輸入數據是就資產或負債直接或間接地可觀察的輸入數據(第一級內包括的報價除外)；及
- 第三級輸入數據是資產或負債的不可觀察輸入數據。

(b) 主要會計政策

主要會計政策於下文載列。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

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

4. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(b) Significant accounting policies (Continued)

Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities (including structures entities) controlled by the Company and its subsidiaries. Control is achieved when the 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.

When the Group has, directly or indirectly, less than a majority of the voting rights or similar rights of an investee, it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The Group considers all relevant facts and circumstances in assessing whether or not the Group's voting rights in an investee are sufficient to give it power, including:

- the size of the Group's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- potential voting rights held by the Group, other vote holders or other parties;
- rights arising from other contractual arrangements; and
- any additional facts and circumstances that indicate that the Group has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

4. 綜合財務報表的編製基準及主要會計政策(續)

(b) 主要會計政策(續)

綜合基準

綜合財務報表包括本公司及本公司及其附屬公司控制的實體(包括結構性實體)的財務報表。當本公司符合以下要素時，則本公司取得控制權：

- 對被投資方擁有權力；
- 因其參與被投資方業務而獲得或有權獲得可變回報；及
- 有能力以其權力影響其回報。

倘有事實及情況顯示上述三項控制權要素有一項或以上出現變動，本集團會重新評估其是否控制被投資方。

倘本集團於被投資公司之直接或間接投票權或類似權利未能佔大多數，則當投票權足以賦予本集團實際能力以單方面指揮被投資公司之相關活動時即對被投資公司擁有權力。本集團於評估本集團於被投資公司之投票權是否足以賦予其權力時會考慮所有相關事實及情況，包括：

- 相對其他投票權持有人所持投票權之數量及分散情況，本集團持有投票權之數量；
- 本集團、其他投票權持有人或其他人士持有之潛在投票權；
- 其他合約安排產生之權利；及
- 需要作出決定時，顯示本集團目前能夠或不能指揮相關活動之任何額外事實及情況(包括於過往股東大會上之投票模式)。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

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

4. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(b) Significant accounting policies (Continued)

Basis of consolidation (Continued)

Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group 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 the Group ceases to control the subsidiary.

Profit or loss and each item of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with the Group's accounting policies.

All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

Non-controlling interests in subsidiaries are presented separately from the Group's equity therein, which represent present ownership interests entitling their holders to a proportionate share of net assets of the relevant subsidiaries upon liquidation.

4. 綜合財務報表的編製基準及主 要會計政策(續)

(b) 主要會計政策(續)

綜合基準(續)

附屬公司的綜合入賬於本集團取得有關附屬公司的控制權起開始，並於本集團失去對附屬公司之控制權時終止。具體而言，年內所收購或出售附屬公司的收入及開支乃自本集團取得控制權的日期起計入綜合損益及其他全面收益表，直至本集團不再控制有關附屬公司的日期為止。

損益及其他全面收益的每個項目乃歸屬於本公司所有人及非控股權益。附屬公司的全面收益總額歸屬於本公司擁有人及非控股權益，即使此舉會導致非控股權益產生虧絀結餘。

於必要時，將對附屬公司的財務報表作出調整，以令彼等的會計政策與本集團的會計政策一致。

有關本集團成員之間交易的所有集團內公司間的資產及負債、權益、收入、支出及現金流量於綜合時悉數對銷。

於附屬公司的非控股權益獨立於本集團於附屬公司股權呈列，意味著呈列所有權權益，賦予持有人於清盤後享有相關附屬公司淨資產比例份額的權利。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

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

4. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(b) Significant accounting policies (Continued)

Business combinations or asset acquisitions Optional concentration test

The Group can elect to apply an optional concentration test, on a transaction-by-transaction basis, that permits a simplified assessment of whether an acquired set of activities and assets is not a business. The concentration test is met if substantially all of the fair value of the gross assets acquired is concentrated in a single identifiable asset or group of similar identifiable assets. The gross assets under assessment exclude cash and cash equivalents, deferred tax assets, and goodwill resulting from the effects of deferred tax liabilities. If the concentration test is met, the set of activities and assets is determined not to be a business and no further assessment is needed.

Asset acquisitions

When the Group acquires a group of assets and liabilities that do not constitute a business, the Group identifies and recognises the individual identifiable assets acquired and liabilities assumed by allocating the purchase price first to investment properties which are subsequently measured under fair value model and financial assets/financial liabilities at the respective fair values, the remaining balance of the purchase price is then allocated to the other identifiable assets and liabilities on the basis of their relative fair values at the date of purchase. Such a transaction does not give rise to goodwill or bargain purchase gain.

Business combinations

Acquisitions of businesses, other than business combination under common control are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of the assets transferred by the Group, liabilities incurred by the Group to the former owners of the acquiree and the equity interests issued by the Group in exchange for control of the acquiree. Acquisition-related costs are generally recognised in profit or loss as incurred.

4. 綜合財務報表的編製基準及主要會計政策(續)

(b) 主要會計政策(續)

業務合併或資產收購 可選集中度測試

本集團可選擇以逐項交易基準應用可選集中度測試，可對所收購之一組活動及資產是否並非一項業務作簡化評估。倘所收購總資產的公平值幾乎全部都集中在單一可識別資產或一組類似可識別資產中，則符合集中度測試。評估之總資產不包括現金及現金等值物、遞延稅項資產及由遞延稅項負債影響產生之商譽。倘符合集中度測試，該組活動及資產被釐定為並非業務及毋須作進一步評估。

資產收購

當本集團收購並不構成業務的資產及負債組別，則本集團識別及確認所收購個別可識別資產及所承擔負債，方式為首先將購買價按各自的公平值分配至投資物業(其後根據公平值模式計量)以及金融資產/金融負債，購買價餘額繼而分配至其他可識別資產及負債，基準為按其於購買日期的相對公平值。該交易不會產生商譽或議價收購收益。

業務合併

收購業務(共同控制下的業務合併除外)乃採用收購法入賬。於業務合併中轉讓的代價按公平值計量，而計算方法為本集團所轉讓的資產、本集團對被收購方前擁有人產生的負債及本集團為交換被收購方的控制權所發行的股權於收購日期的公平值的總和。與收購有關的成本一般於產生時在損益中確認。

Notes to the Consolidated Financial Statements (Continued) 綜合財務報表附註(續)

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

4. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(b) Significant accounting policies (Continued)

Business combinations or asset acquisitions (Continued)

Business combinations (Continued)

Except for certain recognition exemptions, the identifiable assets acquired and liabilities assumed must meet the definitions of an asset and a liability in the Conceptual Framework for Financial Reporting issued in September 2010.

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their fair value, except that:

- deferred tax assets or liabilities, and assets or liabilities related to employee benefit arrangements are recognised and measured in accordance with HKAS 12 *Income Taxes* and HKAS 19 *Employee Benefits* respectively;
- liabilities or equity instruments related to share-based payment arrangements of the acquiree or share-based payment arrangements of the Group entered into to replace share-based payment arrangements of the acquiree are measured in accordance with HKFRS 2 *Share-based Payment* at the acquisition date (see the accounting policy below);
- assets (or disposal groups) that are classified as held for sale in accordance with HKFRS 5 *Non-current Assets Held for Sale and Discontinued Operations* are measured in accordance with that standard; and
- lease liabilities are recognised and measured at the present value of the remaining lease payments (as defined in HKFRS 16 *Leases*) as if the acquired leases were new leases at the acquisition date, except for leases for which (a) the lease term ends within 12 months of the acquisition date; or (b) the underlying asset is of low value. Right-of-use assets are recognised and measured at the same amount as the relevant lease liabilities, adjusted to reflect favourable or unfavourable terms of the lease when compared with market terms.

4. 綜合財務報表的編製基準及主 要會計政策(續)

(b) 主要會計政策(續)

業務合併或資產收購(續)

業務合併(續)

除若干確認豁免外，已收購的可識別資產及已承擔負債必須符合於二零一零年九月頒佈的「財務報告概念框架」中資產及負債的定義。

於收購日期，已收購可識別資產及已承擔負債按其公平值確認，惟下文所述者除外：

- 遞延稅項資產或負債及與僱員福利安排有關的資產或負債，乃分別根據香港會計準則第12號*所得稅*及香港會計準則第19號*僱員福利*確認及計量；
- 與被收購方的以股份支付安排或與本集團的以股份支付安排取代被收購方的以股份支付安排相關的負債或權益工具乃於收購日期根據香港財務報告準則第2號*以股份為基礎的付款*計量（請參閱下文的會計政策）；
- 根據香港財務報告準則第5號*持作出售非流動資產及已終止業務*被分類為持作出售的資產（或出售組別）乃根據該準則計量；及
- 租賃負債按剩餘租賃付款（定義見香港財務報告準則第16號*租賃*）的現值確認及計量，猶如所收購的租賃於收購日期為新租賃，惟(a)租賃期限於收購日期12個月內結束的租賃；或(b)相關資產屬低價值的租賃除外。使用權資產按與相關租賃負債相同的金額確認及計量，並經調整以反映與市場條款相比租賃的有利或不利條款。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

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

4. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(b) Significant accounting policies (Continued)

Business combinations or asset acquisitions (Continued)

Business combinations (Continued)

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net amount of the identifiable assets acquired and the liabilities assumed as at acquisition date. If, after re-assessment, the net amount of the identifiable assets acquired and liabilities assumed exceeds the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree and the fair value of the acquirer's previously held interest in the acquiree (if any), the excess is recognised immediately in profit or loss as a bargain purchase gain.

Non-controlling interests that are present ownership interests and entitle their holders to a proportionate share of the relevant subsidiary's net assets in the event of liquidation are initially measured at the non-controlling interests' proportionate share of the recognised amounts of the acquiree's identifiable net assets or at fair value. The choice of measurement basis is made on a transaction-by-transaction basis.

When the consideration transferred by the Group in a business combination includes a contingent consideration arrangement, the contingent consideration is measured at its acquisition-date fair value and included as part of the consideration transferred in a business combination. Changes in the fair value of the contingent consideration that qualify as measurement period adjustments are adjusted retrospectively. Measurement period adjustments are adjustments that arise from additional information obtained during the "measurement period" (which cannot exceed one year from the acquisition date) about facts and circumstances that existed at the acquisition date.

4. 綜合財務報表的編製基準及主要會計政策(續)

(b) 主要會計政策(續)

業務合併或資產收購(續)

業務合併(續)

商譽之計算為所轉讓的代價、於被收購方的任何非控股權益金額及收購方先前持有被收購方股權(如有)的公平值的總和超出所收購可識別資產及所承擔負債於收購日期的淨額的部分。倘(在重新評估過後)所收購可識別資產及所承擔負債的淨額超出所轉讓的代價、於被收購方的任何非控股權益金額及收購方先前持有被收購方權益(如有)的公平值的總和,則超出部分即時於損益內確認為議價購買收益。

屬現時擁有權權益及賦予其持有人權利於清盤時按比例分佔相關附屬公司淨資產的非控股權益可初步按非控股權益分佔被收購方可識別淨資產已確認金額的比例或按公平值計量。計量基準乃按個別交易基準選擇。

倘本集團於業務合併中轉讓的代價包括或然代價安排,或然代價按其收購日期公平值計量並視為於業務合併中所轉讓代價的一部分。或然代價的公平值變動(如符合計量期間調整資格)可追溯調整。計量期間調整為於「計量期間」(計量期間自收購日期起計不得超過一年)就於收購日期存在的事實及情況獲得額外資料而引致的調整。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

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

4. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(b) Significant accounting policies (Continued)

Business combinations or asset acquisitions (Continued)

Business combinations (Continued)

The subsequent accounting for the contingent consideration that do not qualify as measurement period adjustments depends on how the contingent consideration is classified. Contingent consideration that is classified as equity is not remeasured at subsequent reporting dates and its subsequent settlement is accounted for within equity. Contingent consideration that is classified as an asset or a liability is remeasured to fair value at subsequent reporting dates, with the corresponding gain or loss being recognised in profit or loss.

When a business combination is achieved in stages, the Group's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date (i.e. the date when the Group obtains control), and the resulting gain or loss, if any, is recognised in profit or loss or other comprehensive income, as appropriate. Amounts arising from interests in the acquiree prior to the acquisition date that have previously been recognised in other comprehensive income and measured under HKFRS 9 would be accounted for on the same basis as would be required if the Group had disposed directly of the previously held equity interest.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted retrospectively during the measurement period (see above), and additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed at the acquisition date that, if known, would have affected the amounts recognised at that date.

4. 綜合財務報表的編製基準及主要會計政策(續)

(b) 主要會計政策(續)

業務合併或資產收購(續)

業務合併(續)

不符合計量期間調整資格的或然代價的隨後入賬，取決於或然代價的分類結果。劃分為權益的或然代價不會於後續報告日期重新計量，而其後續結算於權益內入賬。劃分為資產或負債的或然代價於後續報告日期重新計量為公平值，而相應的收益或虧損於損益內確認。

倘業務合併分階段達成，本集團以往所持的被收購方股權於收購日期(即本集團取得控制權當日)按公平值重新計量，所產生的收益或虧損(如有)在損益或其他全面收益(倘適用)中確認。倘本集團已直接出售先前持有的股權，先前已於其他全面收益確認及根據香港財務報告準則第9號計量且於收購日期前於被收購方的權益所產生的金額，則按相同基準入賬。

倘業務合併的初步會計處理於合併產生的報告期末前仍未完成，則本集團會就仍未完成會計處理的項目呈報暫定金額。該等暫定金額於計量期間(見上文)內作出追溯調整，並確認額外資產或負債，以反映獲得有關於收購日期已存在事實及情況的新資料，而倘知悉該等資料，將會影響於當日確認的金額。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

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

4. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(b) Significant accounting policies (Continued)

Goodwill

Goodwill arising on an acquisition of a business is carried at cost as established at the date of acquisition of the business less any accumulated impairment losses, if any.

For the purposes of impairment testing, goodwill is allocated to each of the Group's cash-generating units that is expected to benefit from the synergies of the combination, which represent the lowest level at which the goodwill is monitored for internal management purposes and not larger than an operating segment.

A cash-generating unit to which goodwill has been allocated is tested for impairment annually or more frequently when there is indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit on a pro rata basis based on the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognised directly in profit or loss. An impairment loss recognised for goodwill is not reversed in subsequent periods.

On disposal of the relevant cash-generating unit or any of the cash-generating unit within the group of cash-generating units, the attributable amount of goodwill is included in the determination of the amount of profit or loss on disposal. When the Group disposes of an operation within the cash-generating unit, the amount of goodwill disposed of is measured on the basis of the relative values of the operation (or the cash-generating unit) disposed of and the portion of the cash-generating unit retained.

4. 綜合財務報表的編製基準及主要會計政策(續)

(b) 主要會計政策(續)

商譽

收購業務產生的商譽按收購業務日期產生的成本減任何累計減值虧損(如有)列賬。

就減值測試而言，商譽會分配至預期可從合併的協同效益中獲益的本集團各現金產生單位，這是商譽內部管理目的的最低水平而不大於經營分部。

獲分配商譽的現金產生單位會每年進行減值測試，或於有跡象顯示該單位可能出現減值時進行較頻密的減值測試。倘現金產生單位的可回收金額少於其賬面值，則減值虧損會先用作減低任何分配至該單位的商譽的賬面值，其後則按該單位內各項資產賬面值的比例分配至該單位的其他資產。任何商譽減值虧損直接於損益中確認。就商譽確認的減值虧損不會於其後期間撥回。

於出售相關現金產生單位或現金產生單位組別中任何現金產生單位時，應佔商譽金額納入出售損益金額釐定。當本集團出售現金產生單位中的業務，出售商譽金額基於出售業務(或現金產生單位)及留存現金產生單位部分的相對價值計量。

Notes to the Consolidated Financial Statements (Continued) 綜合財務報表附註(續)

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

4. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(b) Significant accounting policies (Continued)

Investments in associates

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

The results and assets and liabilities of associates are incorporated in these consolidated financial statements using the equity method of accounting. The financial statements of associates used for equity accounting purposes are prepared using uniform accounting policies as those of the Group for like transactions and events in similar circumstances. Under the equity method, an investment in an associate is initially recognised in the consolidated statement of financial position at cost and adjusted thereafter to recognise the Group's share of the profit or loss and other comprehensive income of the associate. When the Group's share of losses of an associate exceeds the Group's interest in that associate (which includes any long-term interests that, in substance, form part of the Group's net investment in the associate), the Group discontinues recognising its share of further losses. Additional losses are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate.

An investment in an associate is accounted for using the equity method from the date on which the investee becomes an associate. On acquisition of the investment in an associate, any excess of the cost of the investment over the Group's share of the net fair value of the identifiable assets and liabilities of the investee is recognised as goodwill, which is included within the carrying amount of the investment. Any excess of the Group's share of the net fair value of the identifiable assets and liabilities over the cost of the investment, after reassessment, is recognised immediately in profit or loss in the period in which the investment is acquired.

4. 綜合財務報表的編製基準及主 要會計政策(續)

(b) 主要會計政策(續)

於聯營公司的投資

聯營公司為本集團對其擁有重大影響力的實體。重大影響力為參與被投資方的財務及營運政策的決策的權力，惟並不能夠控制或共同控制有關政策。

聯營公司的業績與資產及負債使用權益會計法綜合計入該等綜合財務報表。適用於權益會計法之聯營公司之財務報表乃採用與本集團在相若情況下就類似交易及事項所採用的統一會計政策編製。根據權益法，於聯營公司的投資初步於綜合財務狀況表按成本確認，並於其後作出調整以確認本集團分佔該聯營公司的損益及其他全面收益。當本集團分佔聯營公司的虧損超出本集團於該聯營公司的權益(包括實際上構成本集團於該聯營公司的投資淨額一部分的任何長期權益)時，本集團終止確認其分佔的進一步虧損。僅於本集團已產生法定或推定義務或須代該聯營公司支付款項時，方會確認額外虧損。

於聯營公司的投資由被投資方成為聯營公司當日起使用權益法入賬。於收購於聯營公司的投資時，投資成本超出本集團分佔被投資方的可識別資產及負債的公平淨值的任何部分確認為商譽，計入該投資的賬面值。本集團分佔可識別資產及負債的公平淨值超出投資成本的任何部分，經重新評估後即時於收購投資期間在損益確認。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

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

4. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(b) Significant accounting policies (Continued)

Investments in associates (Continued)

The Group assesses whether there is an objective evidence that the interest in an associate may be impaired. When any objective evidence exists, the entire carrying amount of the investment (including goodwill) is tested for impairment in accordance with HKAS 36 *Impairment of assets* as a single asset by comparing its recoverable amount (higher of value in use and fair value less costs of disposal) with its carrying amount. Any impairment loss recognised is not allocated to any asset, including goodwill, that forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognised in accordance with HKAS 36 *Impairment of assets* to the extent that the recoverable amount of the investment subsequently increases.

When the Group ceases to have significant influence over an associate, it is accounted for as a disposal of the entire interest in the investee with a resulting gain or loss being recognised in profit or loss. When the Group retains an interest in the former associate and the retained interest is a financial asset within the scope of HKFRS 9 *Financial Instruments*, the Group measures the retained interest at fair value at that date and the fair value is regarded as its fair value on initial recognition. The difference between the carrying amount of the associate and the fair value of any retained interest and any proceeds from disposing of the relevant interest in the associate is included in the determination of the gain or loss on disposal of the associate. In addition, the Group accounts for all amounts previously recognised in other comprehensive income in relation to that associate on the same basis as would be required if that associate had directly disposed of the related assets or liabilities. Therefore, if a gain or loss previously recognised in other comprehensive income by that associate would be reclassified to profit or loss on the disposal of the related assets or liabilities, the Group reclassifies the gain or loss from equity to profit or loss (as a reclassification adjustment) upon disposal/partial disposal of the relevant associate.

4. 綜合財務報表的編製基準及主要會計政策(續)

(b) 主要會計政策(續)

於聯營公司的投資(續)

本集團評估有否客觀證據表明於聯營公司的權益可能出現減值。當存在任何客觀證據時，該投資的全部賬面值(包括商譽)按照香港會計準則第36號*資產減值*作為單一資產測試減值，方法為比較其可收回金額(使用價值與公平值減出售成本的較高者)與賬面值。所確認的任何減值虧損不會被分配到構成該投資賬面值的一部分的任何資產(包括商譽)。倘其後該投資的可收回金額增加，則按照香港會計準則第36號*資產減值*確認撥回該減值虧損。

倘本集團對聯營公司失去重大影響力，其入賬列作出售被投資方的全部權益，所產生的收益或虧損於損益確認。倘本集團保留於前聯營公司的權益，且該保留權益為香港財務報告準則第9號*金融工具*範圍內的金融資產，則本集團於該日按公平值計量保留權益，而該公平值被視為於初步確認時的公平值。聯營公司的賬面值與任何保留權益的公平值及出售聯營公司相關權益的任何所得款項之間的差額計入釐定出售該聯營公司的收益或虧損。此外，本集團會將先前在其他全面收益就該聯營公司確認的所有金額入賬，基準與倘該聯營公司已直接出售相關資產或負債所需基準相同。因此，倘該聯營公司先前已於其他全面收益確認收益或虧損，其將於出售相關資產或負債時重新分類至損益，本集團於出售/部分出售有關聯營公司時將收益或虧損由權益重新分類至損益(作為重新分類調整)。

Notes to the Consolidated Financial Statements (Continued) 綜合財務報表附註(續)

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

4. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(b) Significant accounting policies (Continued)

Investments in associates (Continued)

When the Group reduces its ownership interest in an associate but the Group continues to use the equity method, the Group reclassifies to profit or loss the proportion of the gain or loss that had previously been recognised in other comprehensive income relating to that reduction in ownership interest if that gain or loss would be reclassified to profit or loss on the disposal of the related assets or liabilities.

When a group entity transacts with an associate of the Group, profits and losses resulting from the transactions with the associate are recognised in the consolidated financial statements only to the extent of interests in the associate that are not related to the Group.

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 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 and 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.

4. 綜合財務報表的編製基準及主 要會計政策(續)

(b) 主要會計政策(續)

於聯營公司的投資(續)

當本集團減少其於聯營公司的擁有權益但本集團繼續使用權益法時，倘有關收益或虧損將於出售相關資產或負債時重新分類至損益，則本集團將先前已於其他全面收益確認的與該擁有權益減少有關的收益或虧損部分重新分類至損益。

倘集團實體與本集團聯營公司進行交易，與聯營公司進行交易所產生的溢利及虧損於綜合財務報表內確認，惟僅以與本集團無關的聯營公司權益為限。

與客戶的合約產生的收益

本集團當(或於)完成履約責任時確認收益，即於特定履約責任相關的商品或服務的「控制權」轉讓予客戶時。

履約責任指明確商品及服務(或一組商品或服務)或一系列實質上相同的明確商品或服務。

倘符合下列其中一項標準，控制權在一段時間內轉移，而收益確認會按一段時間內完全滿足相關履約責任的進度進行：

- 客戶同時收取及耗用由本集團履約所帶來的利益；
- 本集團履約導致產生及提升於本集團履約時由客戶控制的資產；或
- 本集團履約並無產生對本集團有替代用途的資產，且本集團可享有強制執行權，以收回迄今已履約部分的款項。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

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

4. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(b) Significant accounting policies (Continued)

Revenue from contracts with customers (Continued)

Otherwise, revenue is recognised at a point in time when the customer obtains control of the distinct good or service.

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. 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 a contract are accounted for and presented on a net basis.

Over time revenue recognition: measurement of progress towards complete satisfaction of a performance obligation

Output method

Where revenue is recognised over time, the progress towards complete satisfaction of a performance obligation is measured based on output method, which is to recognise revenue on the basis of direct measurements of the value of the goods or services transferred to the customer to date relative to the remaining goods or services promised under the contract, that best depict the Group's performance in transferring control of goods or services.

4. 綜合財務報表的編製基準及主要會計政策(續)

(b) 主要會計政策(續)

與客戶的合約產生的收益(續)

否則，收益於客戶獲得明確商品或服務的控制權時確認。

合約資產指本集團就向客戶換取本集團已轉讓的貨品或服務收取代價的權利(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，即代價付款到期前僅需時間推移。

合約負債指本集團向已支付代價(或到期代價金額)的客戶轉讓商品或服務的責任。

合約相關的合約資產及合約負債均按淨額基準列賬及呈列。

隨時間確認收益：計量完全履行履約責任的進度

輸出法

若收益隨時間確認，完全履行履約責任的進度乃根據輸出法計量，即以直接計量迄今已轉讓予客戶的商品或服務相對合約項下承諾的剩餘商品或服務的價值為基礎確認收益，此舉最能反映本集團轉讓商品或服務控制權的履約情況。

Notes to the Consolidated Financial Statements (Continued) 綜合財務報表附註(續)

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

4. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(b) Significant accounting policies (Continued)

Revenue from contracts with customers (Continued)

Over time revenue recognition: measurement of progress towards complete satisfaction of a performance obligation (Continued)

Variable consideration

For contracts that contain variable consideration, the Group estimates the amount of consideration to which it will be entitled using either (a) the expected value method or (b) the most likely amount, depending on which method better predicts the amount of consideration to which the Group will be entitled.

The estimated amount of variable consideration is included in the transaction price only to the extent that it is highly probable that such an inclusion will not result in a significant revenue reversal in the future when the uncertainty associated with the variable consideration is subsequently resolved.

At the end of each reporting period, the Group updates the estimated transaction price (including updating its assessment of whether an estimate of variable consideration is constrained) to represent faithfully the circumstances present at the end of the reporting period and the changes in circumstances during the reporting period.

Contract modifications are changes in the scope or price (or both) of a contract that are approved by the parties to the contract. The Group recognises a contract modification when the parties to a contract approve a modification that either creates new, or changes existing, enforceable rights and obligations of the parties to the contract. Contract modifications are included in the transaction price only if it is probable that the modification estimate will not result in a significant reversal of revenue. The nature of the Group's contracts seldom give rise to contract modifications based on historical information and thus contract modifications are not routine in the performance of the Group's contracts.

4. 綜合財務報表的編製基準及主 要會計政策(續)

(b) 主要會計政策(續)

與客戶的合約產生的收益(續)

隨時間確認收益：計量完全履行履約責任的進度(續)

可變代價

就包含可變代價的合約而言，本集團使用(a)預期價值法或(b)最可能金額(視乎何種方法可令本集團更好預測其有權獲得的代價金額而定)估計其有權獲得的代價金額。

估計可變代價金額僅在可變代價相關不明朗因素其後得以解決時，有關計入幾乎不會導致日後出現重大收益撥回的情況下計入交易價格。

本集團於各報告期末更新估計交易價格(包括更新其對可變代價估計是否受限的評估)，以忠實呈列本報告期間末存在的情況以及於本報告期間的情況變化。

合約修訂是經合約訂約方批准的合約範圍或價格(或兩者)的變更。本集團於合約訂約方批准新設或變更合約訂約方的現有可執行權利與義務等修訂時確認合約修訂。僅在修訂估計不可能導致收益重大逆轉的情況下，合約修訂方可計入交易價內。根據過往資料，本集團的合約性質極少發生合約修訂的情況，因此，合約修訂並非本集團履行合約的慣例。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

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

4. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(b) Significant accounting policies (Continued)

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 or arising from business combinations on or after the date of initial application, the Group assesses whether a contract is or contains a lease based on the definition under HKFRS 16 *Leases* at inception, modification date or acquisition 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

Allocation of consideration to components of a contract

For a contract that contains a lease component and one or more additional lease or non-lease components, the Group allocates the consideration in the 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.

Non-lease components are separated from lease component on the basis of their relative stand-alone prices.

Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to leases of property, plant and equipment that have a lease term of 12 months or less from the commencement date and do not contain a purchase option. It also applies the recognition exemption for lease of low-value assets. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis or another systematic basis over the lease term.

4. 綜合財務報表的編製基準及主要會計政策(續)

(b) 主要會計政策(續)

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可識別資產使用的權利，則該合約為租賃或包含租賃。

就於初始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，本集團於開始或修訂日期或收購日期(如適用)根據香港財務報告準則第16號租賃之定義評估合約是否為租賃或包含租賃。除非合約的條款及條件其後變動，否則有關合約將不會重新評估。

本集團作為承租人

分配代價至合約組成部分

對於包含一項租賃組成部分及一項或多項額外的租賃或非租賃組成部分的合約，本集團根據租賃組成部分的相對單獨價格及非租賃組成部分的單獨價格總額將合約代價分配至各個租賃組成部分。

非租賃組成部分根據其相對單獨價格與租賃組成部分分開。

短期租賃及低價值資產租賃

本集團對租賃期為開始日期起計十二個月或以下且不包括購買選擇權的物業、廠房及設備租賃應用短期租賃確認豁免。其亦對低價值資產租賃應用確認豁免。短期租賃及低價值資產租賃的租賃付款在租賃期內按直線法或另一系統性基準確認為開支。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

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

4. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(b) 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 are classified as investment properties and measures 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 as a separate line item on the consolidated statement of financial position. Right-of-use assets that meet the definition of investment property are presented within "investment properties".

4. 綜合財務報表的編製基準及主 要會計政策(續)

(b) 主要會計政策(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付款，減任何已收租賃優惠；
- 本集團產生的任何初步直接成本；及
- 本集團拆除及移除相關資產、恢復相關資產所在場地或將相關資產恢復至租賃條款及條件所規定狀態產生的估計成本。

除被分類為投資物業及根據公平值模式計量的外，使用權資產按成本減任何累計折舊及減值虧損計量，並就任何重新計量租賃負債作出調整。

本集團合理確定於租賃期結束時取得相關租賃資產擁有權的使用權資產由開始日期至可使用年期結束折舊。否則，使用權資產於其估計可使用年期及租賃期的較短者按直線法折舊。

本集團於綜合財務狀況表內將不滿足投資物業定義之使用權資產呈列為單獨項目。滿足投資物業定義之使用權資產於「投資物業」內呈列。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

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

4. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(b) Significant accounting policies (Continued)

Leases (Continued)

The Group as a lessee (Continued)

Refundable rental deposits

Refundable rental deposits paid are accounted under HKFRS 9 *Financial Instruments* 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.

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;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable by the Group under residual value guarantees;
- the exercise price of a purchase option if the Group is reasonably certain to exercise the option; and
- payments of penalties for terminating a lease, if the lease term reflects the Group exercising an option to terminate the lease.

After the commencement date, lease liabilities are adjusted by interest accretion and lease payments.

4. 綜合財務報表的編製基準及主要會計政策(續)

(b) 主要會計政策(續)

租賃(續)

本集團作為承租人(續)

可退還租賃按金

已付可退還租賃按金根據香港財務報告準則第9號金融工具入賬，並初步按公平值計量。於初始確認時對公平值的調整被視為額外租賃付款，並計入使用權資產成本。

租賃負債

於租賃開始日期，本集團按於該日未支付之租賃付款現值確認及計量租賃負債。於計算租賃付款現值時，倘租賃利率影響並不易於釐定，則本集團使用於租賃開始日期的增量借款利率。

租賃付款包括：

- 固定付款(包括實質固定付款)減任何應收租賃優惠；
- 可變租賃付款，其取決於一項指數或費率，使用開始日期的指數或費率進行初始計量；
- 根據剩餘價值擔保預期本集團應付的金額；
- 合理確定將由本集團行使的購買選擇權的行使價；及
- 倘租賃條款反映本集團行使終止租賃選擇權，則包括終止租賃的罰款付款。

於開始日期後，租賃負債按利息增加及租賃付款而調整。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

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

4. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(b) Significant accounting policies (Continued)

Leases (Continued)

The Group as a lessee (Continued)

Lease liabilities (Continued)

The Group remeasures lease liabilities (and makes a corresponding adjustment to the related right-of-use assets) whenever:

- the lease term has changed or there is a change in the assessment of exercise of a purchase option, in which case the related lease liability is remeasured by discounting the revised lease payments using a revised discount rate at the date of reassessment.
- the lease payments change due to changes in market rental rates following a market rent review/expected payment under a guaranteed residual value, in which cases the related lease liability is remeasured by discounting the revised lease payments using the initial discount rate.

The Group presents lease liabilities as a separate line item on the consolidated statement of financial position.

The Group as 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.

Amounts due from lessees under finance leases are recognised as receivables at commencement date at amounts equal to net investments in the leases, measured using the interest rate implicit in the respective leases. Initial direct costs (other than those incurred by manufacturer or dealer lessors) are included in the initial measurement of the net investments in the leases. Interest income is allocated to accounting periods so as to reflect a constant periodic rate of return on the Group's net investment outstanding in respect of the leases.

4. 綜合財務報表的編製基準及主 要會計政策(續)

(b) 主要會計政策(續)

租賃(續)

本集團作為承租人(續)

租賃負債(續)

當發生以下情況，本集團會重新計量租賃負債(及對相關的使用權資產作出相應調整)：

- 租賃期已經變更或對行使購買選擇權之評估有變，在此情況下，相關的租賃負債透過採用於重新評估日期的經修訂貼現率將經修訂租賃付款貼現的方式進行重新計量。
- 租賃付款因進行市場租金調查後市場租金率／有擔保剩餘價值下預期付款變動而出現變動，在此情況下，相關租賃負債使用初始貼現率貼現經修訂租賃付款而重新計量。

本集團將租賃負債於綜合財務狀況表中單獨呈列為租賃負債。

本集團作為出租人

租賃分類及計量

本集團為出租人之租賃會分類為融資或經營租賃。凡租賃之條款將相關資產擁有權附帶之絕大部分風險及回報轉移至承租人者，該合約即分類為融資租賃。所有其他租賃均分類為經營租賃。

根據融資租賃應收承租人的款項於開始日期按等於租賃淨投資的金額確認為應收款項，有關金額使用相關租賃隱含的利率計算得出。租賃淨投資的初始計量須計入初始直接成本(不包括製造商或交易商出租人產生的成本)。利息收入分配至會計期間，以反映該等租賃下本集團尚未償還淨投資的穩定定期回報率。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

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

4. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(b) Significant accounting policies (Continued)

Leases (Continued)

The Group as lessor (Continued)

Classification and measurement of leases (Continued)

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. Variable lease payments for operating leases that depend on an index or a rate are estimated and included in the total lease payments to be recognised on a straight line basis over the lease term. Variable lease payments that do not depend on an index or a rate are recognised as income when they arise. When a lease contract contains a specific clause that provides for rent reduction or suspension of rent in the event that the underlying assets (or any part thereof) are affected by adverse events beyond the control of the Group and the lessee so as to render the underlying assets unfit or not available for use, the relevant rent reduction or suspension of rent resulting from the specific clause is accounted for as part of the original lease and not as a lease modification. Such rent reduction or suspension of rent is recognised in profit or loss in the period in which the event or condition that triggers those payments to occur.

Interest and rental income which are derived from the Group's ordinary course of business are presented as revenue.

Allocation of consideration to components of a contract

When a contract includes both leases and non-lease components, the Group applies HKFRS 15 *Revenue from Contracts with Customers* to allocate consideration in a contract to lease and non-lease components. Non-lease components are separated from lease component on the basis of their relative stand-alone selling prices.

Refundable rental deposits

Refundable rental deposits received are accounted for under HKFRS 9 *Financial Instruments* and initially measured at fair value. Adjustments to fair value at initial recognition are considered as additional lease payments from lessees.

4. 綜合財務報表的編製基準及主要會計政策(續)

(b) 主要會計政策(續)

租賃(續)

本集團作為出租人(續)

租賃分類及計量(續)

經營租賃之租金收入乃按相關租賃年期以直線法於損益內確認。在磋商及安排經營租賃時產生之初步直接成本乃加入租賃資產之賬面值，而該等成本於租賃期間按直線法確認為開支，惟根據公平值模型計量之投資物業則除外。取決於指數或利率之經營租賃之浮動租賃付款將予估算並計入租賃付款總額，於租期內以直線法確認。並非取決於指數或利率之可變租賃付款則於產生時確認為收入。倘租賃合約載有特定條款規定，一旦相關資產(或其任何部分)受本集團控制以外之不利事件影響，致令相關資產不適合或無法使用，則可削減或暫停繳付租金，由該特定條款產生之相關租金削減或暫停繳付會入賬作為原有租賃之一部分，而非入賬作為租賃修訂。該項租金削減或暫停繳付會在觸發該等付款發生之期間內，於損益確認。

在本集團日常營運過程中產生之利息及租金收入乃呈列作為收入。

分配代價予合約之組成部分

當合約包含租賃及非租賃部分時，本集團應用香港財務報告準則第15號來自客戶合約之收益分配合約代價予租賃及非租賃部分。非租賃部分按其相關獨自銷售價格從租賃部分區分出來。

可退還租金按金

已收可退還租金按金乃根據香港財務報告準則第9號金融工具入賬，且初始按公平值計量。初始確認時作出之公平值調整，乃視為來自承租人之額外租賃付款。

Notes to the Consolidated Financial Statements (Continued) 綜合財務報表附註(續)

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

4. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(b) Significant accounting policies (Continued)

Leases (Continued)

Sale and leaseback transactions

The Group applies the requirements of HKFRS 15 to assess whether sale and leaseback transaction constitutes a sale by the Group.

For a transfer that does not satisfy the requirements as a sale, the Group as a seller-lessee continues to recognise the assets and accounts for the transfer proceeds as other borrowings within the scope of HKFRS 9.

Foreign currencies

In preparing the financial statements of each individual group entity, transactions in currencies other than the entity's functional currency (foreign currencies) are recognised at the rates of exchange prevailing on the dates of the transactions. At the end of the reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing 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.

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.

4. 綜合財務報表的編製基準及主 要會計政策(續)

(b) 主要會計政策(續)

租賃(續)

售後回租交易

本集團根據香港財務報告準則第15號規定評估售後回租交易是否構成本集團的出售事項。

就不符合作為出售事項規定的轉讓而言，本集團以賣方承租人身份繼續確認資產並在香港財務報告準則第9號範圍內將轉讓所得款項作為其他借款入賬。

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)進行的交易按交易當日適用的匯率確認。於報告期末，以外幣列值的貨幣項目按該日適用的匯率重新換算。以外幣列值並按歷史成本計量的非貨幣項目則不會重新換算。

結算貨幣項目及重新換算貨幣項目時產生的匯兌差額會於產生期間在損益賬確認。

借貸成本

購置、建築或生產合資格資產(即須長時間準備方可用作其擬定用途或可供出售的資產)直接產生的借貸成本乃計入該等資產的成本中，直至有關資產實質可用作擬定用途或可供出售為止。

在相關資產可供擬定用途或銷售後仍未償還之任何特定借貸，乃計入匯總一般借貸，用以計算一般借貸之資本化比率。就有待於合資格資產支銷之特定借貸之暫時性投資所賺取之投資收入乃自符合資格作資本化之借貸成本扣除。

所有其他借貸成本於產生期間在損益賬確認。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

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

4. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(b) 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 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. Such grants are presented under "other income".

Employee benefits

Retirement benefit costs

Payments to defined contribution schemes are recognised as an expense when employees have rendered service entitling them to the contributions. For forfeited contributions that are not vest fully, if any, may be used to reduce the existing level of contributions.

Payments made to state-managed retirement benefit schemes are dealt with as payments to defined contribution plans where the Group's obligations under the schemes are equivalent to those arising in a defined contribution retirement benefit plan.

Short-term and other long-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, annual leave and sick leave) after deducting any amount already paid.

4. 綜合財務報表的編製基準及主要會計政策(續)

(b) 主要會計政策(續)

政府補助

當可合理保證本集團將會符合政府補助的附帶條件且會收到補助時，方確認政府補助。

政府補助乃於本集團將擬用作補償的補助相關成本確認為開支的期間按系統化基準於損益中確認。

倘應收政府補助乃用作補償已發生的支出或虧損或為本集團提供即時財務支援，且無未來相關成本，則在應收期間於損益中確認。此類補助金列在「其他收入」下。

僱員福利

退休福利成本

定額供款計劃的供款，乃於僱員提供服務後而享有供款時確認為開支。並未悉數歸屬的被沒收供款(如有)，或會用於扣減當期供款水平。

國家管理退休福利計劃所付款項，乃作為定額供款計劃的供款處理，而本集團根據該計劃承擔的義務與定額供款退休福利計劃產生的義務相等。

短期與其他長期員工福利

短期僱員福利按僱員提供服務時預計將予支付的未貼現福利金額予以確認。所有短期僱員福利將確認為開支，惟其他香港財務報告準則另有規定或允許將福利計入資產成本則除外。

負債乃按應給予僱員的福利(如工資及薪金、年假及病假)扣除任何已支付的金額後進行確認。

Notes to the Consolidated Financial Statements (Continued) 綜合財務報表附註(續)

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

4. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(b) Significant accounting policies (Continued)

Employee benefits (Continued)

Short-term and other long-term employee benefits (Continued)

Liabilities recognised in respect of other long-term employee benefits are measured at the present value of the estimated future cash outflows expected to be made by the Group in respect of services provided by employees up to the reporting date. Any changes in the liabilities' carrying amounts resulting from service cost, interest and remeasurements are recognised in profit or loss except to the extent that another HKFRS requires or permits their inclusion in the cost of an asset.

Share-based payments Equity-settled share-based payment transactions

Share options granted to employees

Equity-settled share-based payments to employees and others providing similar services are measured at the fair value of the equity instruments at the grant date.

The fair value of the equity-settled share-based payments determined at the grant date without taking into consideration all non-market vesting conditions is expensed on a straight-line basis over the vesting period, based on the Group's estimate of equity instruments that will eventually vest, with a corresponding increase in equity (share options reserve). At the end of each reporting period, the Group revises its estimate of the number of equity instruments expected to vest based on assessment of all relevant non-market vesting conditions. The impact of the revision of the original estimates, if any, is recognised in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to the share options reserve.

When share options are exercised, the amount previously recognised in share options reserve will be transferred to share capital and share premium. When the share options are forfeited after the vesting date or are still not exercised at the expiry date, the amount previously recognised in share options reserve will be transferred to retained profits/accumulated losses.

4. 綜合財務報表的編製基準及主 要會計政策(續)

(b) 主要會計政策(續)

僱員福利(續)

短期與其他長期員工福利(續)

就其他長期僱員福利所確認的負債按本集團所預測的僱員截至報告日期所提供服務相關的估計未來現金流出的現值計量。因服務成本、利息及重新計量而產生的負債賬面值的任何變化均在損益中確認，惟其他香港財務報告準則另有規定或允許將其計入資產成本則除外。

股份支付

以權益結算以股份為基礎之付款交易

授予員工的購股權

向員工及提供類似服務的其他人士作出的以權益結算以股份為基礎之付款，按授予日權益工具公平值計量。

以權益結算以股份為基礎之付款的公平值於授予日釐定，未考慮所有非市場歸屬條件，按直線法基於本集團對最終歸屬的權益工具的估計計入歸屬期開支，股本(購股權儲備)則相應增加。於各報告期末，本集團會基於所有相關非市場歸屬條件評估，更改預期歸屬的權益工具數目估計。初步估計更改的影響(如有)確認於損益，以使累積開支反映修改估計，並相應調整購股權儲備。

於行使購股權時，先前於購股權儲備中確認的金額將轉撥至股本及股份溢價。當購股權在歸屬日後沒收或在到期日仍未獲行使時，先前於購股權儲備中確認的金額將轉撥至留存溢利/累計虧損。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

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

4. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(b) Significant accounting policies (Continued)

Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

Current Tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from "profit/(loss) before tax" as reported in the consolidated statement of profit or loss and other comprehensive income because of items 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 each reporting period.

Deferred Tax

Deferred tax is recognised on temporary 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. In addition, deferred tax liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill.

Deferred tax liabilities are recognised for taxable temporary differences associated with investments in subsidiaries and associate, 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 investments and interest 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.

4. 綜合財務報表的編製基準及主要會計政策(續)

(b) 主要會計政策(續)

稅項

所得稅開支指現時應付稅項及遞延稅項的總額。

即期稅項

現時應付稅項乃按年內應課稅溢利計算。應課稅溢利與綜合損益及其他全面收益表中所呈報的「除稅前溢利／(虧損)」不同，乃由於在其他年度應課稅或可扣稅收入或開支項目及不能課稅及扣稅的項目所致。本集團的即期稅項負債乃按各報告期末已實行或實際上已實行的稅率計算。

遞延稅項

遞延稅項乃就綜合財務報表中資產及負債賬面金額與計算應課稅溢利所用相應稅基間的臨時差額而確認。遞延稅項負債通常會就所有應課稅臨時差額確認。遞延稅項資產通常就所有可扣稅臨時差額於可能出現應課稅溢利以抵銷該等可扣稅的臨時差額時確認。若於一項交易中，因於初步確認(非業務合併)資產與負債而引致的臨時差額既不影響應課稅溢利亦不影響會計溢利，則不會確認該等遞延稅項資產與負債。此外，倘初步確認商譽而引致臨時差額，則不會確認遞延稅項負債。

與附屬公司及聯繫人的投資有關的應課稅臨時差額會確認遞延稅項負債，惟倘本集團可控制臨時差額撥回及臨時差額可能不會於可見將來撥回則除外。與該等投資及利息相關的可扣減臨時差額產生的遞延稅項資產僅於可能將有足夠應課稅溢利以應用臨時差額的利益且預期將於可見將來撥回時確認。

Notes to the Consolidated Financial Statements (Continued) 綜合財務報表附註(續)

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

4. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(b) Significant accounting policies (Continued)

Taxation (Continued)

Deferred Tax (Continued)

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable 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 in which 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 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.

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 by the same taxation authority.

4. 綜合財務報表的編製基準及主 要會計政策(續)

(b) 主要會計政策(續)

稅項(續)

遞延稅項(續)

遞延稅項資產的賬面金額於各報告期末予以檢討，並於不再可能有足夠應課稅溢利讓全部或部分資產得以收回時作出調減。

遞延稅項資產及負債按預期清付負債或變現資產期間適用的稅率，根據於報告期末已實施或實際上實施的稅率(及稅法)計量。

遞延稅項負債及資產的計量反映因於報告期末本集團預計收回或清付其資產及負債賬面金額所使用的方式而引致的稅務後果。

就計量使用公平值模式計量的投資物業的遞延稅項，該等物業賬面值假設將透過出售全部收回，除非假設不成立。當投資物業貶值，及於以逐漸消耗投資物業中全部經濟效益而非銷售為目標的業務模式中持有，則假設不成立。

倘享有合法可行使權力以即期稅項資產沖銷即期稅項負債，及倘稅項資產及負債涉及由同一稅務機構徵收的所得稅，則遞延稅項資產及負債抵銷。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

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

4. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(b) Significant accounting policies (Continued)

Taxation (Continued)

Current and deferred tax for the year

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

In assessing any uncertainty over income tax treatments, the Group considers whether it is probable that the relevant tax authority will accept the uncertain tax treatment used, or proposed to be used by individual group entities in their income tax filings. If it is probable, the current and deferred taxes are determined consistently with the tax treatment in the income tax filings. If it is not probable that the relevant taxation authority will accept an uncertain tax treatment, the effect of each uncertainty is reflected by using either the most likely amount or the expected value.

Property, plant and equipment

Property, plant and equipment including buildings and leasehold land (classified as finance leases) held for use in the production or supply of services or administrative purposes (other than construction in progress as described below) are stated in the consolidated statement of financial position at cost, less subsequent accumulated depreciation and subsequent accumulated impairment losses, if any.

Properties, plant and equipment in the course of construction for production, supply or administrative purposes are carried at cost, less any recognised impairment loss. Costs include any cost directly attributable to bringing the asset to 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. Such properties, plant and equipment are classified to the appropriate categories of property, plant and equipment when completed and ready for intended use. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

4. 綜合財務報表的編製基準及主要會計政策(續)

(b) 主要會計政策(續)

稅項(續)

年內的即期及遞延稅項

即期及遞延稅項於損益賬確認，惟倘其與其他全面收益或直接於權益確認的項目相關，則即期及遞延稅項亦會分別於其他全面收益或直接於權益確認。倘因業務合併的初步會計方法而產生即期稅項或遞延稅項，有關稅務影響會計入業務合併的會計方法內。

於評估所得稅處理的任何不確定性時，本集團考慮相關稅務機關是否有可能接受個別集團實體在其各自的所得稅申報中使用或擬使用的不確定稅務處理。如可能接受，即期及遞延稅項按與所得稅申報相同的稅務處理方法釐定。如相關稅務機關不可能接受不確定稅務處理，則採用最有可能金額或預期價值反映各項不確定性的影響。

物業、廠房及設備

物業、廠房及設備(包括作生產、供應服務或行政用途的樓宇及租賃土地(分類為融資租賃)(下文所述的在建工程除外))按成本減其後累計折舊及其後累計減值虧損(如有)於綜合財務狀況表中列賬。

為生產、供應或行政用途而仍在建設中的物業、廠房及設備按成本減任何已確認的減值虧損列賬。成本包括使資產達致按管理層擬定方式運作所需的地點及狀況直接應佔的任何成本及(就合資格資產而言)根據本集團的會計政策資本化的借貸成本。該等物業、廠房及設備在完工及準備作擬定用途時分類至物業、廠房及設備的適當類別。該等資產在其準備作擬定用途時按與其他物業資產相同的基準開始折舊。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

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

4. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(b) Significant accounting policies (Continued)

Property, plant and equipment (Continued)

If an item of property, plant and equipment becomes an investment property because its use has changed as evidenced by end of owner-occupation, any difference between the carrying amount and the fair value of that item (including the relevant leasehold land classified as right-of-use assets) at the date of transfer is recognised in other comprehensive income and accumulated in property revaluation reserve. On the subsequent sale or retirement of the asset, the relevant revaluation reserve will be transferred directly to retained profits.

Depreciation is recognised so as to write off the cost of assets (other than properties under construction) less their residual values over their useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

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.

Investment properties

Investment properties are properties or right-of-use assets by the lessee held to earn rentals and/or for capital appreciation (including properties under construction for such purposes).

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.

4. 綜合財務報表的編製基準及主 要會計政策(續)

(b) 主要會計政策(續)

物業、廠房及設備(續)

若一個物業、廠房及設備項目因所有人佔用結束證實用途變更而成為投資物業，該項目於轉讓日賬面值與公平值之間的任何差額(包括分類為使用權資產的有關租賃土地)確認於其他綜合收益及於物業重新估值儲備累計。資產後續出售或退役時，相關重新估值儲備將直接轉至留存溢利。

資產(在建物業除外)的折舊乃按其可使用年期以直線法撇銷成本減剩餘價值確認。於各報告期末檢討估計可使用年期、剩餘價值及折舊方法，而任何估計變動的影響按預期基準入賬。

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任何日後經濟利益時取消確認。出售或停止使用物業、廠房及設備項目所產生的任何收益或虧損釐定為出售所得款項與資產賬面金額間的差額，並於損益確認。

投資物業

投資物業乃指承租人持有作為賺取租金及/或作資本增值的物業或使用權資產(包括作為該用途的在建物業)。

投資物業初步按成本(包括任何直接應佔支出)計量，初步確認後，投資物業按其公平值計量，並調整以扣除任何預付或應計經營租賃收入。

因投資物業公平值變動產生的收益或虧損於其產生期間內計入損益。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

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

4. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(b) Significant accounting policies (Continued)

Investment properties (Continued)

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.

Intangible assets

Intangible assets with finite useful lives that are acquired separately are carried at costs less accumulated amortisation and any accumulated impairment losses. Amortisation for intangible assets with finite useful lives is recognised on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. Intangible assets with indefinite useful lives that are acquired separately are carried at cost less any subsequent accumulated impairment losses.

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains and losses arising from derecognition of an intangible asset, 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.

4. 綜合財務報表的編製基準及主要會計政策(續)

(b) 主要會計政策(續)

投資物業(續)

投資物業被處置後或永久退回使用，並且預期處置不會帶來未來經濟利益，則取消確認投資物業。任何物業取消確認產生的收益或虧損(按淨資產處置收益與資產的賬面值差額計算)計入當期損益。

無形資產

個別收購並具有有限使用年期的無形資產按成本減累計攤銷及任何累計減值虧損列賬。具有有限使用年期的無形資產攤銷乃以直線法按其估計可使用年期確認。估計可使用年期及攤銷方法於各報告期末審閱，任何估計變動的影響按前瞻基準入賬。個別收購且無限定使用年期的無形資產按成本扣減任何其後累計減值虧損列賬。

一項無形資產於出售時或當預計使用或出售均不會產生未來經濟利益時取消確認。取消確認無形資產所產生的盈虧乃按出售所得款項淨額與該項資產賬面值之間的差額計量，並於資產被取消確認時在損益內確認。

Notes to the Consolidated Financial Statements (Continued) 綜合財務報表附註(續)

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

4. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(b) Significant accounting policies (Continued)

Impairment losses on property, plant and equipment, right-of-use assets and intangible assets other than goodwill

At the end of each reporting period, the Group reviews the carrying amounts of its property, plant and equipment, right-of-use assets and intangible assets with finite useful lives to determine whether there is any indication that those 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 property, plant and equipment and right-of-use 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 of property, plant and equipment and right-of-use assets 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 (as a cash-generating unit) for which the estimates of future cash flows have not been adjusted.

4. 綜合財務報表的編製基準及主要會計政策(續)

(b) 主要會計政策(續)

物業、廠房及設備以及使用權資產及無形資產(商譽除外)減值虧損

於各報告期末，本集團會審閱其具有有限使用年期之物業、廠房及設備以及使用權資產及無形資產的賬面值，以判斷是否有任何跡象顯示該等資產已出現減值虧損。倘存在任何該等跡象，會對有關資產的可回收金額進行估計，以釐定減值虧損(如有)的程度。

物業、廠房及設備以及使用權資產可收回金額獨立估算。倘未能估算個別資產的可收回金額，本集團將估算資產所屬現金產生單位的可收回金額。

在測試一個現金產生單位是否發生減值時，倘合理及一貫分配基準能夠成立，企業資產會被分配到相關的現金產生單位，或分配至具有合理及一貫分配基準的最小現金產生單位組別。可收回金額透過企業資產所屬的現金產生單位或現金產生單位組別來釐定，並與相關現金產生單位或現金產生單位組別的賬面值比較。

物業、廠房及設備以及使用權資產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值。於評估使用價值時，乃以反映目前市場對金錢時間價值及資產作為現金產生單位於估計未來現金流量調整前的獨有風險的稅前貼現率折算估計未來現金流量至其現值。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

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

4. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(b) Significant accounting policies (Continued)

Impairment losses on property, plant and equipment, right-of-use assets and intangible assets other than goodwill (Continued)

If the recoverable amount of an asset loss or gain 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 first to reduce the carrying amount of any goodwill (if applicable) and then to the other 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 cash-generating unit) 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 cash-generating unit) in prior years. A reversal of an impairment loss is recognised as income immediately.

4. 綜合財務報表的編製基準及主要會計政策(續)

(b) 主要會計政策(續)

物業、廠房及設備以及使用權資產及無形資產(商譽除外)減值虧損(續)

倘估計資產的虧損或收益的可收回金額低於其賬面值，該項資產(或現金產生單位)的賬面值則會調減至其可收回金額。就未能按合理及一貫基準分配至現金產生單位的企業資產或部分企業資產而言，本集團會比較一個現金產生單位組別的賬面值(包括已分配至該現金產生單位組別的企業資產或部分企業資產的賬面值)與該現金產生單位組別的可收回金額。於分配減值虧損時，減值虧損首先分配至減計任何商譽(如適用)的賬面值，然後根據該單位或現金產生單位組別各項資產的賬面值按比例減計其他資產。經減計的資產賬面值不低於下列最高者：其公平值減出售成本(如可計量)、其使用價值(如可釐定)及零。本應分配至該資產的減值虧損金額會按比例分配至該單位或現金產生單位組別的其他資產。減值虧損即時於損益中確認。

倘減值虧損隨後被撥回，則該資產(或現金產生單位)的賬面值會增加至其重新估計的可收回金額，但增加後的賬面值不得超過該資產(或現金產生單位)於以往年度未確認減值虧損時釐定的賬面值。減值虧損的撥回立即確認為收入。

Notes to the Consolidated Financial Statements (Continued) 綜合財務報表附註(續)

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

4. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(b) Significant accounting policies (Continued)

Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group will be required to settle that obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (where the effect of the time value of money is material).

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 the market place.

Financial assets and financial liabilities are initially measured at fair value except for trade and other receivables arising from contracts with customers which are initially measured in accordance with HKFRS 15 *Revenue from contracts with customers*. 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) 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 fair value through profit or loss are recognised immediately in profit or loss.

4. 綜合財務報表的編製基準及主 要會計政策(續)

(b) 主要會計政策(續)

撥備

當本集團因過往事件而導致本集團承擔現時義務(法律或推定)，本集團將很可能需清償該義務並可以對該義務的金額進行可靠估計時，則確認撥備。

計及該義務的風險及不確定性，確認為撥備的金額為於報告期末清償現時義務所需對價的最佳估計。當利用估計現金流量來清償現時債務來計量撥備金時，其賬面值為該等現金流量的現值(惟貨幣時間價值影響重大)。

金融工具

金融資產及金融負債在集團實體成為契據合約條文的訂約方時確認。所有金融資產常規購買或出售方式於交易日確認及終止確認。購買或出售金融資產的常規購買或出售方式要求於市場法規或約定規定的時間範圍內交付資產。

金融資產及金融負債初步按公平值計量，按香港財務報告準則第15號來自客戶合約之收益初步計量的客戶合約應收賬款及其他應收款項除外。收購或發行金融資產及金融負債直接產生的交易成本於初步確認時計入金融資產或金融負債(按公平值計入損益的金融資產或金融負債除外)的公平值或自公平值扣除(如適用)。因收購按公平值計入損益的金融資產或金融負債直接產生的交易成本即時於損益賬確認。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

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

4. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(b) Significant accounting policies (Continued)

Financial instruments (Continued)

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.

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.

Financial assets that meet the following conditions are subsequently measured at fair value through other comprehensive income ("FVTOCI"):

- the financial asset is held within a business model whose objective is achieved by both selling and collecting 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.

All other financial assets are subsequently measured at fair value through profit or loss ("FVTPL"), except that at initial recognition of a financial asset the Group may irrevocably elect to present subsequent changes in fair value of an equity investment in other comprehensive income if that equity investment is neither held for trading nor contingent consideration recognised by an acquirer in a business combination to which HKFRS 3 *Business Combinations* applies.

4. 綜合財務報表的編製基準及主要會計政策(續)

(b) 主要會計政策(續)

金融工具(續)

實際利息法乃計算有關期間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。實際利率乃於初步確認時按金融資產或金融負債的預計年期或(如適用)較短期間將估計未來現金收支(包括構成實際利率不可或缺部分而支付或收取的所有手續費及貼息、交易成本及其他溢價或折讓)準確貼現至賬面淨額的利率。

金融資產

金融資產分類及其後計量

符合以下條件的金融資產隨後按攤銷成本計量：

- 金融資產於以收取合約現金流為目標的業務模式中持有；及
- 合約條款於指定日期產生僅為支付本金及未償還本金的利息的現金流量。

符合下列條件的金融資產其後均按公平值計入其他全面收益(「按公平值計入其他全面收益」)計量：

- 金融資產由以出售及收取合約現金流量達致目標的業務模式持有；及
- 合約條款於指定日期產生僅為支付本金及未償還本金的利息的現金流量。

所有其他金融資產其後均按公平值計入損益(「按公平值計入損益」)計量，惟於初始應用除外。倘股權投資並非持作買賣或收購方並未於香港財務報告準則第3號業務合併適用的業務合併中確認為或然代價，本集團可不可撤回地選擇於其他全面收益中呈列股權投資公平值的其後變動。

Notes to the Consolidated Financial Statements (Continued) 綜合財務報表附註(續)

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

4. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(b) Significant accounting policies (Continued)

Financial instruments (Continued)

Financial assets (Continued)

Classification and subsequent measurement of financial assets (Continued)

A financial asset is held for trading if:

- it has been acquired principally for the purpose of selling in the near term; or
- on initial recognition it is a 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 that is not designated and effective as a hedging instrument.

In addition, the Group may irrevocably designate a financial asset that are required to be measured at the amortised cost or FVTOCI as measured at FVTPL if doing so eliminates or significantly reduces an accounting mismatch.

- (i) Amortised cost and interest income
Interest income is recognised using the effective interest method for financial assets measured subsequently at amortised cost and debt instruments/receivables subsequently measured at FVTOCI. For financial instruments other than purchased or originated credit-impaired financial assets, 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. 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.

4. 綜合財務報表的編製基準及主 要會計政策(續)

(b) 主要會計政策(續)

金融工具(續)

金融資產(續)

金融資產分類及其後計量(續)

滿足以下條件的金融資產為持作買賣：

- 主要為於近期出售之目的收購；或
- 於初始確認時，屬於由本集團一併管理及近期實際採用短期盈利模式確定金融工具投資組合的一部分；或
- 屬未指定及成為對沖工具的衍生工具。

此外，倘可消除或大幅減少會計錯配，本集團可不可撤回地指定符合攤銷成本或按公平值計入其他全面收益標準的金融資產按公平值計入損益計量。

- (i) 攤銷成本及利息收入
就之後按攤銷成本計量的金融資產及之後以按公平值計入其他全面收益計量的債務工具／應收款項，以實際利息法確認利息收入。除購買或產生的信貸減值金融資產外，金融工具的利息收入透過將實際利率應用於金融資產總賬面值計算，之後發生信貸減值的金融資產除外。就隨後發生信貸減值的金融資產，利息收入透過將實際利率應用於下一報告期金融資產攤銷成本確認。若信貸減值金融工具的信貸風險緩解，而金融資產不再發生信貸減值，則透過將實際利率應用於確定資產不再發生信貸減值下一報告期初的金融資產總賬面值確認利息收入。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

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

4. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(b) Significant accounting policies (Continued)

Financial instruments (Continued)

Financial assets (Continued)

Classification and subsequent measurement of financial assets (Continued)

(ii) Equity instruments designated as at FVTOCI

Investments in equity instruments at FVTOCI are subsequently measured at fair value with gains and losses arising from changes in fair value recognised in other comprehensive income and accumulated in the other reserve; and are not subject to impairment assessment. The cumulative gain or loss will not be reclassified to profit or loss on disposal of the equity investments, and will be transferred to retained profit/accumulated losses.

Impairment of financial assets

The Group performs impairment assessment under expected credit losses ("ECL") model on financial assets (including trade and other receivables and bank balances), and other items (including contract assets) which are subject to impairment under HKFRS 9 Financial Instruments. 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-month 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 other receivables and contract assets without significant financing component. The ECL on these assets are assessed individually for debtors with significant balances and/or collectively using a provision matrix with appropriate groupings.

For all other instruments, the Group measures the loss allowance equal to 12m ECL, unless there has been a significant increase in credit risk since initial recognition, the Group recognises lifetime ECL. The assessment of whether lifetime ECL should be recognised is based on significant increases in the likelihood or risk of a default occurring since initial recognition.

4. 綜合財務報表的編製基準及主要會計政策(續)

(b) 主要會計政策(續)

金融工具(續)

金融資產(續)

金融資產分類及其後計量(續)

(ii) 指定為按公平值計入其他全面收益的

權益工具

按公平值計入其他全面收益的權益工具投資其後按公平值計量，其公平值變動產生的收益及虧損於其他全面收益確認及於其他儲備累計；且無需作減值評估。累計損益將不重新分類至出售權益投資之損益，並將轉撥至留存利潤/累計虧損。

金融資產減值

本集團根據金融資產(包括應收賬款及其他應收款以及銀行結餘)及根據香港財務報告準則第9號金融工具進行減值的其他項目(包括合約資產)，按照預期信貸虧損(「預期信貸虧損」)模型進行減值評估。預期信貸虧損的金額會於各報告日期予以更新以反映自初始確認起的信貸風險變動。

全期預期信貸虧損指於有關工具預期年期內所有可能的違約事件將產生的預期信貸虧損。相反，十二個月預期信貸虧損(「十二個月預期信貸虧損」)指於報告日期後十二個月內可能發生的違約事件預期產生的該部分全期預期信貸虧損。本集團已根據其歷史信貸虧損經驗完成評估，並就債務人特定因素、整體經濟環境以及於報告日期當前狀況及日後狀況預測的評估作出調整。

本集團一直就無重大融資成分的應收賬款及其他應收款項及合約資產確認全期預期信貸虧損。該等資產的預期信貸虧損乃就其重大結餘的應收賬款進行個別評估及/或採用具合適組別的撥備矩陣進行整體評估。

就所有其他工具而言，本集團計量虧損撥備等於十二個月預期信貸虧損，除非當信貸風險自初始確認以來顯著上升，則本集團確認全期預期信貸虧損。是否應確認全期預期信貸虧損乃根據自初始確認以來出現違約的可能性或風險顯著上升而評估。

Notes to the Consolidated Financial Statements (Continued) 綜合財務報表附註(續)

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

4. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(b) Significant accounting policies (Continued)

Financial instruments (Continued)

Financial assets (Continued)

Impairment of financial assets (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 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 the debtor's ability to meet its debt obligations;
- an actual or expected significant deterioration in the operating results of the debtor;
- an actual or expected significant adverse change in the regulatory, economic, or technological environment of the debtor that results in a significant decrease in the debtor's ability to meet its debt obligations.

4. 綜合財務報表的編製基準及主 要會計政策(續)

(b) 主要會計政策(續)

金融工具(續)

金融資產(續)

金融資產減值(續)

(i) 信貸風險顯著上升

評估信貸風險自初始確認以來是否顯著上升時，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始確認日期發生違約的風險。作出本評估時，本集團會考慮合理及具支持性的定量及定性資料，包括過往經驗及可以合理成本及精力獲取的前瞻性資料。

具體而言，評估信貸風險是否顯著上升時會考慮以下資料：

- 金融工具外部(如有)或內部信用評級的實際或預期顯著惡化；
- 信貸風險的外部市場指標顯著惡化，例如債務人的信貸息差、信用違約掉期價格顯著上升；
- 商業、金融或經濟情況目前或預期有不利變動，預計將導致債務人償還債項的能力顯著下降；
- 債務人經營業績實際或預期顯著惡化；
- 債務人的監管、經濟或技術環境有實際或預期的重大不利變動，導致債務人償還債項的能力顯著下降。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

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

4. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(b) Significant accounting policies (Continued)

Financial instruments (Continued)

Financial assets (Continued)

Impairment of financial assets (Continued)

(i) Significant increase in credit risk (Continued)

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 a significant increase in credit risk and revises them as appropriate to ensure that the criteria are capable of identifying significant increase in credit risk before the amount becomes past due.

4. 綜合財務報表的編製基準及主要會計政策(續)

(b) 主要會計政策(續)

金融工具(續)

金融資產(續)

金融資產減值(續)

(i) 信貸風險顯著上升(續)

不論上述評估結果如何，本集團均假設合約付款逾期超過30日的信貸風險自初始確認以來顯著上升，除非本集團有合理及具支持性的資料證明存在其他情況。

儘管有上述情況，本集團認為，若報告日確定債務工具信貸風險較低，則債務工具的信貸風險並未因初始確認顯著上升。倘債務工具i)違約風險較低，ii)借款人於近期履行合約現金流義務的能力較強及iii)經濟及業務狀況中的不利變更於較長期限內可能但不一定會減損借款人履行其合約現金流義務的能力，則確定債務工具信貸風險較低。當債務工具獲得全球公認的內部或外部「投資等級」信貸評級，則本集團認為債務工具信貸風險較低。

本集團定期監察確定信貸風險是否顯著上升的標準有效性，並在適當時作出修改，以確保標準能在款項逾期前確定信貸風險是否顯著上升。

Notes to the Consolidated Financial Statements (Continued) 綜合財務報表附註(續)

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

4. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(b) Significant accounting policies (Continued)

Financial instruments (Continued)

Financial assets (Continued)

Impairment of financial assets (Continued)

(ii) Definition of default

For internal credit risk management, the Group considers an event of default occurs when information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including the Group, in full (without taking into account any collaterals held by the Group).

Irrespective of the above, the Group considers that default has occurred when a financial asset 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. For contracts with large state-owned enterprise or local government, the Group would assess the exposure individually taking into consideration specific facts and circumstances in considering when an event of default has occurred.

(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 that financial asset have occurred. Evidence that a financial asset is credit impaired includes observable data about the following events:

- (a) significant financial difficulty of the issuer or the borrower;
- (b) a breach of contract, such as a default or past due event;
- (c) 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;
- (d) it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation; or
- (e) the disappearance of an active market for that financial asset because of financial difficulties.

4. 綜合財務報表的編製基準及主 要會計政策(續)

(b) 主要會計政策(續)

金融工具(續)

金融資產(續)

金融資產減值(續)

(ii) 違約定義

就內部信貸風險管理而言，當內部編製或從外部來源獲取的資料顯示債務人無法向其債權人(包括本集團)清償債務(不考慮本集團持有的任何抵押品)，則本集團認為發生違約事件。

不論是否發生上述情況，本集團認為，倘金融資產逾期超過90天時則發生違約，除非本集團有合理及具支持性的資料顯示較長的違約期限更為適用。就與大型國有企業或地方政府訂立的合約，本集團將於考量何時發生違約時考慮具體事實及情況，以單獨評估風險敞口。

(iii) 信貸減值金融資產

當一件或多件事件對金融資產估計未來現金流產生不利影響，則金融資產發生信貸減值。證明金融資產發生信貸減值的證據包括有關以下時間的可觀察資料：

- (a) 發行人或借款人出現嚴重財務困難；
- (b) 違反合約，例如違約或逾期事件；
- (c) 借款人的貸款人因借款人財務困難有關的經濟或合約原因，向借款人授予貸款人在其他情況下不予考慮的讓步；
- (d) 借款人可能進入破產或其他財務重組；或
- (e) 該金融資產活躍市場因財務困難消失。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

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

4. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(b) Significant accounting policies (Continued)

Financial instruments (Continued)

Financial assets (Continued)

Impairment of financial assets (Continued)

(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, for example, when the counterparty has been placed under liquidation or has entered into bankruptcy proceedings, or in the case of trade receivables, when the amounts are over five years past due, whichever occurs sooner. Financial assets written off may still be subject to enforcement activities under the Group's recovery procedures. A write-off constitutes a derecognition event. Any subsequent recoveries are recognised in profit or loss.

(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 adjusted by forward-looking information. Estimation of ECL reflects an unbiased and probability-weighted amount that is determined with the respective risks of default occurring as the weights.

Generally, the ECL is the difference between all contractual cash flows that are due to the Group in accordance with the contract and the cash flows that the Group expects to receive, discounted at the effective interest rate determined at initial recognition.

4. 綜合財務報表的編製基準及主要會計政策(續)

(b) 主要會計政策(續)

金融工具(續)

金融資產(續)

金融資產減值(續)

(iv) 撇銷政策

當有資料顯示對手方陷入嚴重財務困難並且無現實恢復可能性，例如當對手方進入清盤或破產程序，或就應收賬款而言，款項逾期超過五年（以較早出現為準），則本集團將撇銷金融資產。遭撇銷的金融資產可能仍須按本集團收回程序進行強制執行活動。撇銷構成終止確認事件。任何隨後收回款項將於損益確認。

(v) 預期信貸虧損的計量及確認

預期信貸虧損的計量為違約概率、違約損失率（即違約時的損失程度）及違約風險暴露的函數。評估違約概率及違約損失率的依據是經前瞻性資料調整的過往數據。預期信貸虧損估計反映各項加權違約風險釐定的無偏差及概率加權金額。

預期信貸虧損通常根據合約應付本集團的所有合約現金流量與本集團預計收取的現金流量（按初始確認時釐定的實際利率折現）之間的差額估算。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

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

4. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(b) Significant accounting policies (Continued)

Financial instruments (Continued)

Financial assets (Continued)

Impairment of financial assets (Continued)

(v) Measurement and recognition of ECL (Continued)

Where ECL is measured on a collective basis or cater for cases where evidence at the individual instrument level may not yet be available, the financial instruments are grouped on the customer basis:

- Nature of financial instruments (i.e. the Group's trade and other receivables are each assessed as a separate group);
- Past-due status;
- Nature, size and industry of debtors; and
- External credit ratings where available.

The grouping is regularly reviewed by management to ensure the constituents of each group continue to share similar credit risk characteristics.

Interest income is calculated based on the gross carrying amount of the financial asset unless the financial asset is credit impaired, in which case interest income is calculated based on amortised cost of the financial asset.

The Group recognises an impairment gain or loss in profit or loss for all financial instruments by adjusting their carrying amount, with the exception of trade receivables and contract assets where the corresponding adjustment is recognised through a loss allowance account.

4. 綜合財務報表的編製基準及主 要會計政策(續)

(b) 主要會計政策(續)

金融工具(續)

金融資產(續)

金融資產減值(續)

(v) 預期信貸虧損的計量及確認(續)

倘預期信貸虧損按集體基準計量或於未必能獲得個別工具的證據的情況下，金融工具按以下客戶基準歸類：

- 金融工具性質(即本集團應收賬款及其他應收款分別評估為一個單獨組別)；
- 逾期狀況；
- 債務人的性質、規模及行業；及
- 外部信貸評級(如有)。

歸類工作經管理層定期檢討，以確保各組別成份繼續分擔類似信貸風險特性。

利息收入乃根據金融資產的總賬面值計算，除非金融資產發生信貸減值，在此情況下，利息收入根據金融資產的攤銷成本計算。

本集團透過調整金融工具的賬面值於損益中確認所有金融工具的減值收益或虧損，惟應收賬款及合約資產則除外，其相應調整於虧損撥備賬中確認。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

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

4. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(b) Significant accounting policies (Continued)

Financial instruments (Continued)

Financial assets (Continued)

Derecognition of financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e., removed from the Company's statement of financial position) when:

- the rights to receive cash flows from the asset have expired; or
- the Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a "pass-through" arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risk and rewards of ownership of the asset. When it has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

4. 綜合財務報表的編製基準及主要會計政策(續)

(b) 主要會計政策(續)

金融工具(續)

金融資產(續)

金融資產終止確認

在以下情況下，金融資產(或(如果適用)，金融資產的一部分或一組類似金融資產的一部分)主要取消確認(從公司的財務狀況表中刪除)：

- 自資產收取現金流量的權利屆滿；或
- 本公司已將其從資產中收取現金流量的權利轉讓或已承擔根據「直通」安排將所收取的現金流量全額支付予第三方而沒有重大延遲的責任；及(a)本公司已轉移資產的絕大部分風險及回報，或者(b)本公司既未轉移亦未保留資產的絕大部分風險及回報，但已轉移對資產的控制權。

當本公司轉移其從資產中收取現金流量的權利或已達成直通安排時，將評估是否保留資產所有權的風險及回報，以及在何種程度上保留資產所有權的風險及回報。當既未轉移亦未保留資產的絕大部分風險及回報，亦未轉移對資產的控制權時，本公司會在本公司持續參與的範圍內繼續確認轉移的資產。在此種情況下，本公司亦確認相關負債。所轉移的資產及相關負債按應反映本公司保留的權利及義務基準計量。

Notes to the Consolidated Financial Statements (Continued) 綜合財務報表附註(續)

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

4. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(b) Significant accounting policies (Continued)

Financial instruments (Continued)

Financial liabilities and equity instruments

Classification as debt or equity

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument.

Equity instrument

An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities. Equity instruments issued by the Company are recognised at the proceeds received, net of direct issue costs.

Financial liabilities at amortised cost

The Group's financial liabilities including trade and other payables, amounts due to directors and a non-controlling shareholder of a subsidiary, bank borrowing, bonds payables, other borrowings and lease liabilities are subsequently measured at amortised cost, using the effective interest method.

Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash 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 liability, or, where appropriate, a shorter period to the net carrying amount on initial recognition. Interest expense is recognised on an effective interest basis.

4. 綜合財務報表的編製基準及主 要會計政策(續)

(b) 主要會計政策(續)

金融工具(續)

金融負債及權益工具

分類為債務或股本

債務及權益工具乃根據所簽訂合約安排的內容及金融負債與權益工具的定義分類為金融負債或權益。

權益工具

權益工具為可證明於本集團資產經扣除其所有負債後的剩餘權益的任何合約。本集團所發行的權益工具確認為所收取的所得款項(扣除直接發行成本)。

以攤銷成本計量的金融負債

其他金融負債(包括應付賬款及其他應付款、應付董事款項、應付一間附屬公司非控股股東款項、銀行借貸、應付債券、其他借貸及租賃負債)隨後攤銷成本採用實際利率法計量。

實際利息法

實際利息法乃計算有關期間金融負債攤銷成本及分配利息開支的方法。實際利率乃於初步確認時按金融負債的預計年期或(如適用)較短期間將估計未來現金支付(包括構成實際利率不可或缺部分而支付或收取的所有手續費及貼息、交易成本及其他溢價或折讓)準確貼現至賬面淨額的利率。利息開支按實際利息基準確認。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

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

4. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(b) Significant accounting policies (Continued)

Financial instruments (Continued)

Derecognition

Derecognition/modification 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.

When the contractual terms of a financial liability are modified, the Group assess whether the revised terms result in a substantial modification from original terms taking into account all relevant facts and circumstances including qualitative factors. If qualitative assessment is not conclusive, the Group considers that the terms are substantially different if the discounted present value of the cash flows under the new terms, including any fees paid net of any fees received, and discounted using the original effective interest rate, is at least 10 per cent different from the discounted present value of the remaining cash flows of the original financial liability. Accordingly, such modification of terms is accounted for as an extinguishment, any costs or fees incurred are recognised as part of the gain or loss on the extinguishment. The exchange or modification is considered as non-substantial modification when such difference is less than 10 per cent.

For non-substantial modifications of financial liabilities that do not result in derecognition, the carrying amount of the relevant financial liabilities will be calculated at the present value of the modified contractual cash flows discounted at the financial liabilities' original effective interest rate. Transaction costs or fees incurred are adjusted to the carrying amount of the modified financial liabilities and are amortised over the remaining term. Any adjustment to the carrying amount of the financial liability is recognised in profit or loss at the date of modification.

4. 綜合財務報表的編製基準及主要會計政策(續)

(b) 主要會計政策(續)

金融工具(續)

終止確認

金融負債終止確認/改動

當且僅當本集團的責任獲解除、取消或屆滿時，本集團方會終止確認金融負債。已終止確認的金融負債賬面值與已付及應付代價之間的差額會於損益中確認。

當金融負債的合約條款被修訂時，本集團會考慮所有相關事實及情況(包括定性因素)，評估經修訂的條款是否導致對原有條款有重大修訂。倘定性評估並無定論，則倘若按新條款以原有實際利率按現金流(包括扣除任何已收取費用的任何已付費用)貼現的現值與原有金融負債的剩餘現金流的貼現現值最少有10%的差額，則本集團認為條款有重大差異。因此，條款的修訂按抵銷方式處理，任何已產生的成本或費用將確認為抵銷的部分收益或虧損。倘有關差額少於10%，則有關交換或修訂視作非重大改動。

有關不造成終止確認的金融負債的非重大改動，相關金融負債的賬面金額將以經修訂合約現金流量的現值計算，按該金融負債的原始實際利率貼現。產生的交易成本或費用按經改動金融負債的賬面金額調整並於餘下期間攤銷。金融負債賬面金額的任何調整於改動日期於損益中確認。

Notes to the Consolidated Financial Statements (Continued) 綜合財務報表附註(續)

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

4. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(b) Significant accounting policies (Continued)

Financial instruments (Continued)

Related parties

- (i) A person, or a close member of that person's family, is related to the Group if that person:
- (1) has control or joint control over the Group;
 - (2) has significant influence over the Group; or
 - (3) is a member of the key management personnel of the Group or the Group's parent.
- (ii) An entity is related to the Group if any of the following conditions applies:
- (1) The entity and the group are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).
 - (2) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).
 - (3) Both entities are joint ventures of the same third party.
 - (4) One entity is a joint venture of a third entity and the other entity is an associate of the third entity.
 - (5) The entity is a post-employment benefit plan for the benefit of employees of either the Group or an entity related to the Group.
 - (6) The entity is controlled or jointly controlled by a person identified in (i) above.
 - (7) A person identified in (i)(1) above has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).
 - (8) The entity, or any member of a Group of which it is a part, provides key management personnel services to the group or to the Group's parent.

Close members of the family of a person are those family members who may be expected to influence, or be influenced by, that person in their dealings with the entity.

4. 綜合財務報表的編製基準及主 要會計政策(續)

(b) 主要會計政策(續)

金融工具(續)

關聯方

- (i) 符合任何以下條件的人士或其親屬會被視為與本公司有關連：
- (1) 對本集團有控制權或共同控制權；
 - (2) 對本集團有重大影響力；或
 - (3) 為本集團或本公司母公司的主要管理層成員之一。
- (ii) 符合任何以下條件的實體會被視為與本集團有關連：
- (1) 該實體與本集團屬同一集團成員(即母公司、附屬公司及同系附屬公司各自互有關連)。
 - (2) 一實體為另一實體的聯營公司或合營公司(或一集團成員之聯營公司或合營公司而另一實體為成員之一)。
 - (3) 兩實體為同一第三方的合營公司。
 - (4) 一實體為一第三方的合營公司，而另一實體為該第三方的聯營公司。
 - (5) 該實體為本集團或與本集團有關連的實體之僱員離職後福利計劃。
 - (6) 該實體受另一方從上述(i)識別之人士的控制或共同控制。
 - (7) 另一方從上述(i)(1)識別之人士對該實體有重大影響力或該人士為該實體(或該實體的母公司)的主要管理層成員之一。
 - (8) 該實體，或其所屬集團之任何成員，向本集團或本集團之母公司提供主要管理層服務。

另一方人士的直系親屬成員是指有關人士在與實體交易時，預期可影響或受該人士影響的親屬成員。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

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

5. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Group's accounting policies, which are described in Note 4 to the consolidated financial statements, the Directors are 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 associated 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 estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Critical judgements in applying accounting policies

The following are the critical judgements, apart from those involving estimations (see below), that the Directors 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 and the results, assets and liabilities of the PRC Operational Entity (as defined in Note 43) and its subsidiaries are consolidated with other group entities.

Consolidation of a structured entity

The Group conducts a substantial portion of the business through the PRC Operational Entity and its subsidiaries in the PRC due to the PRC laws and regulations prohibit or restrict foreign ownership of companies from owning more than 50% equity interest in any enterprise which owns vessels for conducting dredging business in the PRC. The PRC Operational Entity and its subsidiaries are engaged in the provision of dredging services of the Group.

As explained in Note 43, on 19 April 2011, Xiangyu PRC (as defined in Note 43), the PRC Operational Entity and its respective equity participants, being Mr. Liu and Ms. Zhou Shuhua ("Ms. Zhou"), the spouse of Mr. Liu, entered into the Contractual Arrangements (as defined in Note 43) and details of the Contractual Arrangements are set out in Note 43.

5. 關鍵會計判斷及估計不明朗因素的主要來源

於應用本集團會計政策時(載述於綜合財務報表附註4)，董事須就未能從其他來源直接獲得的資產與負債賬面值作出判斷、估計及假設。估計及相關假設乃基於過往經驗及被認為有關的其他因素作出。實際結果可能有別於該等估計。

估計及相關假設乃按持續經營基準予以檢討。倘會計估計的修訂僅影響估計獲修訂的期間，則會計估計的修訂於該期間予以確認，倘若修訂影響現時及未來期間，則會計估計的修訂於修訂及未來期間內予以確認。

應用會計政策時的關鍵判斷

除涉及估計(見下文)的判斷外，以下為董事在採用本集團會計政策過程中所作出、對在綜合財務報表中確認的金額具最重大影響的關鍵判斷，及中國經營實體(定義見附註43)及其附屬公司的業績、資產及負債與其他集團實體合併入賬。

結構性實體合併

本集團主要透過中國經營實體及其中國附屬公司進行業務，此乃由於中國法律及規定禁止或限制外資公司於任何擁有可進行疏浚業務的船舶的中國企業中擁有超過50%的股權。中國經營實體及其附屬公司從事提供本集團疏浚服務業務。

如附註43所闡述，於二零一一年四月十九日，翔宇中國(定義見附註43)、中國經營實體及其各參股方(即劉先生及劉先生配偶周淑華女士(「周女士」))訂立合約安排(定義見附註43)，有關合約安排的詳情載於附註43。

Notes to the Consolidated Financial Statements (Continued) 綜合財務報表附註(續)

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

5. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (CONTINUED)

Critical judgements in applying accounting policies (Continued)

Consolidation of a structured entity (Continued)

The Group does not have any equity interest in the PRC Operational Entity and its subsidiaries. The Directors assessed whether or not the Group has control over the PRC Operational Entity and its subsidiaries based on whether the Group has the power over the PRC Operational Entity and its subsidiaries, has rights to variable returns from its involvement with the PRC Operational Entity and its subsidiaries and has the ability to affect those returns through its power over the PRC Operational Entity and its subsidiaries. After assessment, the Directors concluded that the Group has control over the PRC Operational Entity and its subsidiaries as a result of the Contractual Arrangements and other measures and accordingly, the Group has consolidated the financial information of the PRC Operational Entity and its subsidiaries for both years.

In the opinion of the Directors, based on the advice of its legal counsel, the Contractual Arrangements are in compliance with the existing PRC laws and regulations are valid, binding and legally enforceable, and do not result in any violation of PRC laws or regulations currently in effect in all material respects. However, uncertainties in the PRC legal system could cause the Group's current Contractual Arrangements structure to be found in violation of any existing and/or future PRC laws or regulations and could affect the Company's ability, through Xiangyu PRC, to enforce its rights and power over the PRC Operational Entity and its subsidiaries under the Contractual Arrangements.

The operation of the Group was substantially derived from the PRC Operational Entity and its subsidiaries. If the current structure or any of the Contractual Arrangements were found to be in violation of PRC laws and regulations, the Group may be subject to penalties, which in the future may include but not be limited to, the cancellation or revocation of the Group's business and operating licenses, being required to restructure the Group's operations or discontinue the Group's operating activities. The imposition of any of these or other penalties may result in a material and adverse effect on the Group's ability to conduct its operations. In such case, the Group may not be able to operate or control the PRC Operational Entity and its subsidiaries, which may result in deconsolidation of it.

The total assets, total liability and loss for the year of the PRC Operation Entity and its subsidiaries are shown in Note 43.

5. 關鍵會計判斷及估計不明朗因 素的主要來源(續)

應用會計政策時的關鍵判斷(續)

結構性實體合併(續)

本集團於中國經營實體及其附屬公司內並無任何股權。董事乃按本集團是否對中國經營實體及其附屬公司擁有權力、是否有權就其參與中國經營實體及其附屬公司獲得可變回報以及是否有能力透過其對中國經營實體及其附屬公司之權力影響該等回報之基準評估本集團是否控制中國經營實體及其附屬公司。經評估後，董事得出結論，認為因合約安排及其他措施使然，本集團控制中國經營實體及其附屬公司，因此本集團就兩個年度均已合併中國經營實體及其附屬公司之財務資料。

董事認為，按法律顧問意見，合約安排已遵守現有中國法律及規定，為有效、具約束力及法律依從性，並將於各重大方面不會導致違反中國現行法律或規定。然而，中國法律體系存有不确定性，可能會引致本集團現時的合約安排架構違反任何現有及／或未來中國法律或規定，並可影響本公司透過翔宇中國強制行使其對合約安排項下中國經營實體及其附屬公司的權利及權力的能力。

本集團的業務主要來自中國經營實體及其附屬公司。倘現有架構或任何合約安排違反任何中國法律法規，本集團可能會受到處罰(日後可能包括但不限於取消或撤銷本集團的業務及營業執照)，需要重組本集團的業務或終止本集團的經營活動。判以任何該等或其他處罰可能會對本集團經營其業務的能力造成重大不利影響。在此情況下，本集團或許無法營運或控制中國經營實體及其附屬公司，或會導致其取消綜合入賬。

本年度中國經營實體及其附屬公司之總資產、總負債及虧損載於附註43。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

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

5. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (CONTINUED)

Critical judgements in applying accounting policies (Continued)

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 Directors of the Company have 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 Directors have 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 based on the tax consequences of recovering the carrying amounts entirely through use.

Key sources of estimation uncertainty

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period that may have a significant risk of causing a material adjustment to the carrying amounts of assets within the next financial year.

Estimates of fair values of investment properties

As described in Note 19, investment properties are measured at fair value at the end of the reporting period using income capitalised approach performed by independent professional valuers and the determination of the fair value involves certain assumptions of market conditions. Such valuations are based on certain assumptions, which are subject to uncertainty and might materially differ from the actual results. In relying on the valuation report, the Directors have exercised their judgment and are satisfied that the assumptions used in the valuation reflect market condition. Whilst the Group considers valuations of the Group's investment properties are the best estimates, the ongoing Covid-19 pandemic has resulted in greater market volatility depending on how the Covid-19 pandemic may progress and evolve, which have led to higher degree of uncertainties in respect of the valuations in the current year.

5. 關鍵會計判斷及估計不明朗因素的主要來源(續)

應用會計政策時的關鍵判斷(續)

投資物業遞延稅項

為了衡量使用公平值模型計量投資物業產生的遞延稅項，本公司董事對本集團的投資物業進行了審查，並得出結論認為本集團的投資物業乃按其目的為隨時間而非透過銷售消耗投資物業所包括的絕大部分經濟利益的業務模式而持有。因此，在計量本集團投資物業的遞延稅項時，董事已確定推定使用公平值模型計量的投資物業的賬面值是通過出售完全收回的。因此，本集團投資物業的遞延稅項是根據完全通過使用追回賬面值的稅後影響進行衡量的。

估計不明朗因素的主要來源

下列為有關未來的主要假設，以及於報告期末有重大風險或會導致下個財政年度資產的賬面值出現重大調整的估計不明朗因素的其他主要來源。

投資物業的公平值估計

如附註19所述，投資物業於報告期末乃由獨立專業估值師採用收益資本化法按公平值計量，且公平值之釐定包括若干市況假設。該等估值乃基於若干假設，或會受不確定性因素影響且可能與實際結果有重大出入。在依賴估值報告時，董事已行使判斷且信納估值中所用假設反映了市場狀況。儘管本集團認為本集團投資物業的估值為最佳估計，但持續的Covid-19疫情導致市場波動更大，具體取決於Covid-19疫情的發展及演變，導致本年度的估值的更大程度不確定性。

Notes to the Consolidated Financial Statements (Continued) 綜合財務報表附註(續)

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

5. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (CONTINUED)

Key sources of estimation uncertainty (Continued)

Estimates of fair values of investment properties (Continued)

Where there are any changes in the assumptions due to the market conditions in the PRC, the estimate of fair value of investment properties may be significantly affected. As at 31 December 2021, investment properties of approximately RMB439,272,000 (2020: RMB483,900,000) are measured using income capitalised approach.

ECL allowances for trade receivable and contract assets

Management regularly assesses the loss allowances for ECL on trade receivables and contract assets and recognises lifetime ECL for trade receivables and contract assets. Allowances for these receivables and contract assets are made based on evaluation of ECL for trade receivables and contract assets and involve exercise of management's judgments, which are made by reference to the estimation of the future cash flows discounted at the original effective interest rate to calculate the present value. A considerable amount of judgment is required in assessing the ultimate realisation of these debtors, including their current creditworthiness and the risk of default occurring on debtors with significant balances and/or collectively using a provision matrix with appropriate groupings. The assessment on the probability of default and loss given default is based on historical data adjusted by forward-looking information.

As at 31 December 2021, the carrying amounts of trade receivables and contract assets, net of allowances are approximately RMB473,487,000 and RMB9,066,000 (2020: RMB497,151,000 and RMB25,047,000) and details of which are set out in Notes 23 and 24, respectively.

5. 關鍵會計判斷及估計不明朗因素的主要來源(續)

估計不明朗因素的主要來源(續)

投資物業的公平值估計(續)

倘因中國市況導致假設出現任何變動時，投資物業的公平值估計或會受到重大影響。於二零二一年十二月三十一日，約人民幣439,272,000元（二零二零年：人民幣483,900,000元）的投資物業乃使用收益資本化法計量。

應收賬款及合約資產預期信貸虧損撥備

管理層定期評估應收賬款及合約資產預期信貸虧損的虧損撥備，及確認應收賬款及合約資產全期預期信貸虧損。應收賬款及合約資產撥備基於應收賬款及合約資產預期信貸虧損評估作出，由管理層參考按計算當前價值的初始實際利率貼現的未來現金流估計作出判斷。大量判斷需要評估該等債務人最終變現，包括其目前信譽及具有重大結餘的債務人的違約風險及／或對適當組別統一運用撥備矩陣。違約可能性及違約虧損評估基於經前瞻性資料調整的歷史資料作出。

於二零二一年十二月三十一日，應收賬款及合約資產賬面值（扣減撥備）分別約為人民幣473,487,000元及人民幣9,066,000元（二零二零年：人民幣497,151,000元及人民幣25,047,000元），有關詳情載於附註23及24。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

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

5. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (CONTINUED)

Key sources of estimation uncertainty (Continued)

Estimated useful life and residual values of dredgers and vessels and plant and machinery included in the property, plant and equipment

Dredgers and vessels and plant and machinery included in property, plant and equipment are depreciated over their useful lives. The assessment of estimated useful lives and residual values are matters of judgement based on the experience of the Group, taking into account factors such as technological progress, conditions of the dredgers and vessels and plant and machinery and changes in market demand. Useful lives and residual values are periodically reviewed for continued appropriateness. Due to the long useful lives of the dredgers and vessels and plant and machinery, changes to the estimates used can affect the amount of depreciation to be charged to profit or loss in each reporting period and consequently affect their carrying value at the end of the reporting period. There was no change in the estimated useful lives or residual values of dredgers and vessels and plant and machinery for both years.

As at 31 December 2021, the carrying amounts of dredgers and vessels and plant and machinery which included in the property, plant and equipment are of approximately RMB946,578,000 and RMB31,588,000 (2020: RMB791,507,000 and RMB54,318,000) and details of which are set out in Notes 17.

Impairment of property, plant and equipment and right-of-use assets

Property, plant and equipment and right-of-use assets are stated at costs less accumulated depreciation and impairment, if any. In determining whether an asset is impaired, the Group has to exercise judgement and make estimation, particularly in assessing: (1) whether an event has occurred or any indicators that may affect the asset value; (2) whether the carrying value of an asset can be supported by the recoverable amount, which is determined based on the higher of fair value less cost of disposal or value-in-use of each cash-generated unit; and (3) the appropriate key assumptions and inputs data to be applied in estimating the recoverable amounts including cash flow projections and an appropriate discount rate. Changing the assumptions and estimates, including the discount rates or the growth rate in the cash flow projections, could materially affect the recoverable amount of the assets.

5. 關鍵會計判斷及估計不明朗因素的主要來源(續)

估計不明朗因素的主要來源(續)

物業、廠房及設備所包括的挖泥船及船舶以及廠房及機器的估計可使用年期及剩餘價值

物業、廠房及設備所包括的挖泥船及船舶以及廠房及機器於其可使用年期內折舊。評估估計可使用年期及剩餘價值乃根據本集團的經驗作出判斷，並考慮如技術進步、挖泥船及船舶以及廠房及機器狀況，以及市場需求變動等因素。本集團會定期檢討可使用年期及剩餘價值的持續適用性。由於挖泥船及船舶以及廠房及機器使用年期較長，估計變動會影響於各報告期間在損益賬予以扣除的折舊金額，從而影響報告期末的賬面值。於兩個年度，挖泥船及船舶以及廠房及機器的估計可使用年期或剩餘價值並無變動。

於二零二一年十二月三十一日，物業、廠房及設備所包括的挖泥船及船舶以及廠房及機器的賬面值約為人民幣946,578,000元及人民幣31,588,000元(二零二零年：人民幣791,507,000元及人民幣54,318,000元)，有關詳情載於附註17。

物業、廠房及設備以及使用權資產減值

物業、廠房及設備以及使用權資產按成本減累計折舊及減值(如有)列賬。於釐定資產是否減值時，本集團須運用判斷及作出估計，尤其是評估：(1)是否有事件已發生或有任何跡象可能影響資產價值；(2)資產賬面值是否能夠以可收回金額支持，有關金額乃按各現金產生單位之公平值減出售成本或使用價值之較高者而釐定；及(3)將應用於估計可收回金額(包括現金流量預測及適當貼現率)的適當關鍵假設及輸入數據。更改有關假設及估計(包括現金流預測中的貼現率或增長率)，可顯著影響資產的可收回金額。

Notes to the Consolidated Financial Statements (Continued) 綜合財務報表附註(續)

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

5. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (CONTINUED)

Key sources of estimation uncertainty (Continued)

Impairment of property, plant and equipment and right-of-use assets (Continued)

As at 31 December 2021, the carrying amounts of property, plant and equipment and right-of use assets, net of impairments are of approximately RMB1,144,460,000 and RMB47,670,000 (2020: RMB1,039,088,000 and RMB86,276,000) and details of which are set out in Notes 17 and 18, respectively.

Deferred tax asset

The realisability of the deferred tax asset mainly depends on whether sufficient future profits or taxable temporary differences will be available in the future. In cases where the actual future taxable profits generated are less or more than expected, or change in facts and circumstances which result in revision of future taxable profits estimation, a material reversal or further recognition of deferred tax asset may arise, which would be recognised in profit or loss for the period in which such a reversal or further recognition takes place.

As at 31 December 2021, no deferred tax asset has been recognised in relation to the unused tax losses of approximately RMB220,946,000 (2020: RMB146,722,000) and unrecognised deductible temporary differences of approximately RMB1,109,347,000 (2020: RMB705,406,000) in the consolidated statement of financial position due to unpredictability of future profit streams and details of which are set out in Note 33.

5. 關鍵會計判斷及估計不明朗因 素的主要來源(續)

估計不明朗因素的主要來源(續)

物業、廠房及設備以及使用權資產減 值(續)

於二零二一年十二月三十一日，物業、廠房及設備以及使用權資產賬面值(扣除減值)分別約為人民幣1,144,460,000元及人民幣47,670,000元(二零二零年：人民幣1,039,088,000元及人民幣86,276,000元)，有關詳情載於附註17及18。

遞延稅項資產

遞延稅項資產能否變現主要取決於日後是否有足夠應課稅溢利或應課稅臨時差額可供動用。倘日後實際產生之應課稅溢利少於或多於預期或事實及情況發生變動導致對未來應課稅利益估計作出修訂，則或會重大撥回或於日後確認遞延稅項資產，所撥回或於日後確認的遞延稅項資產將於撥回或日後確認發生期間於損益確認。

於二零二一年十二月三十一日，並無於綜合財務狀況表內就未動用稅項虧損約人民幣220,946,000元(二零二零年：人民幣146,722,000元)及未確認可扣減臨時差額約人民幣1,109,347,000元(二零二零年：人民幣705,406,000元)確認遞延稅項資產，此乃由於無法預測未來溢利來源，有關詳情載於附註33。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

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

6. REVENUE

Disaggregation of revenue from contracts with customers

6. 收益

來自客戶合約的收益細分

		2021 二零二一年 RMB'000 人民幣千元	2020 二零二零年 RMB'000 人民幣千元
Categories of revenue	收益類別		
Capital and Reclamation Dredging Business	基建及填海疏浚業務	80,150	71,421
Environment Protection Dredging and Water Management Business	環保疏浚及水務管理業務	52,760	49,080
Other Marine Business	其他海事業務	251,196	158,940
Property Management Business	物業管理業務	3,283	6,900
		387,389	286,341
Timing of revenue recognition	確認收益的時間		
– At point in time	– 某時間點	–	–
– Over time	– 隨時間	387,389	286,341
Total	總計	387,389	286,341

For Capital and Reclamation Dredging Business and Environment Protection Dredging and Water Management Business, the Group has a right to consideration from its customers in an amount that corresponds directly with the value to the customers of the Group's performance completed to date. As the Group bills its customers based on each portion of dredging works provided, the Group recognises revenue over time based on the amount it has a right to invoice.

The Group recognises revenue on the basis of the volume of dredging works performed and delivered to customers. The measurements of value of the dredging works transferred to customers are directly invoiced based on a quantitative measure of dredging, that is, a unit price for the material dredged per cubic meter is set forth in the contracts with customers and therefore the revenue is recognised based on the amount invoiced. As the Group's performance creates an asset that customer simultaneously receives and consumes, this method provides a faithful depiction of the transfer of an asset to the customer.

就基建及填海疏浚業務以及環保疏浚及水務管理業務而言，本集團有權自客戶收取金額直接與本集團迄今為客戶完成的履約部分的價值對應的代價。由於本集團基於所提供疏浚工程的各個部分為客戶開具票據，故本集團基於其有權取得的發票金額隨時間確認收益。

本集團根據已進行及交付予客戶的疏浚工程量確認收益。發票乃根據疏浚的定量測算(即客戶合約中所載每立方米疏浚材料的單價)計量轉讓予客戶的疏浚工程價值後直接出具，因此，收益乃按發票金額確認。由於本集團的履約產生客戶同時取得及耗用的資產，故此方法為轉讓予客戶的資產提供最真實的描述。

Notes to the Consolidated Financial Statements (Continued) 綜合財務報表附註(續)

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

6. REVENUE (CONTINUED)

The transaction price of the Group is determined upon establishment of the contract that contains the unit price for the quantity dredged for dredging projects.

For Other Marine Business, the Group provides marine hoisting, installation, salvaging, vessel chartering and other engineering services to clients and recognises revenue over time based on the progress of the services provided.

For Property Management Business, the Group provides rentals and property management service fees to its tenants in a shopping mall and factories and recognises monthly rental and property management fee over time.

The majority of the Company's contracts are short-term contracts and have a duration of less than one year, the practical expedient for contracts with durations of one year or less is applied and therefore the effect of the time value of money is not considered.

7. OPERATING SEGMENTS INFORMATION

The Group determines its operating segments based on the reports reviewed by the Executive Directors of the Company who are also the chief operating decision makers ("CODM"), that are used to make strategic decisions. Information reported to the CODM is based on the different nature of projects carried out by the Group.

Details of the Group's four reportable and operating segments are as follows:

- (i) Capital and Reclamation Dredging Business refers to the capital and reclamation dredging services and related consultation services provided by the Group;
- (ii) Environmental Protection Dredging and Water Management Business refers to dredging or water management services or constructions for promoting environmental interests and water quality mainly for inland rivers provided by the Group;
- (iii) Other Marine Business mainly comprises marine hoisting, installation, salvaging, vessel chartering and other engineering services provided by the Group; and
- (iv) Property Management Business refers to the management and leasing of a shopping mall and factories and the construction of a hotel by the Group.

6. 收益(續)

本集團的交易價乃於訂立包含疏浚項目疏浚量的單價的合約後釐定。

就其他海事業務而言，本集團為客戶提供海上吊裝、安裝、打撈、船舶包租及其他工程服務，並根據所提供服務的進度隨時間確認收益。

就物業管理業務而言，本集團向其商場及工廠的租戶提供租賃及物業管理服務，並隨時間確認每月租金及物業管理費。

本公司大部分合約為短期合約，期限為一年以內，並對期限為一年或以下的合約採用可行權宜方法，因此，並無考慮貨幣時間價值的影響。

7. 營運分部資料

本集團基於由本公司執行董事(亦為主要運營決策者(「主要運營決策者」)審閱並用作制定戰略決定的報告釐定其營運分部。向主要運營決策者呈報的資料乃基於本集團運營項目的不同性質而編製。

本集團四個可呈報及營運分部的詳情載列如下：

- (i) 基建及填海疏浚業務指本集團提供的基建及填海疏浚服務及相關顧問服務；
- (ii) 環保疏浚及水務管理業務指本集團主要就提升內河的環保效益及水質而提供的疏浚或水務管理服務或工程；
- (iii) 其他海事業務主要包括本集團提供的海上吊裝、安裝、打撈、船舶包租及其他工程服務；及
- (iv) 物業管理業務指本集團管理及租賃商場及工廠以及建設酒店。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

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

7. OPERATING SEGMENTS INFORMATION (CONTINUED)

7. 營運分部資料(續)

Segment revenues and results

An analysis of the Group's reportable segment revenue and segment results is as below.

分部收益及業績

本集團之可呈報分部收益及分部業績分析如下。

		Capital and Reclamation Dredging Business 基建及填海疏浚業務 RMB'000 人民幣千元	Environmental Protection Dredging and Water Management Business 環保疏浚及水務管理業務 RMB'000 人民幣千元	Other Marine Business 其他海事業務 RMB'000 人民幣千元	Property Management Business 物業管理業務 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
For the year ended 31 December 2021	截至二零二一年十二月三十一日止年度					
Segment revenue	分部收益					
External sales	外部銷售	80,150	52,760	251,196	3,283	387,389
Segment results	分部業績	(39,827)	(20,982)	51,629	(55,888)	(65,068)
Changes in fair values of investment properties	投資物業公平值變動					(103,503)
Unallocated allowance for expected credit losses of other receivables and prepayments, net of reversal	未分配其他應收款項及預付款項之預期信貸虧損撥備，扣除撥回					30,515
Gain on waived bonds payable	應付債券獲豁免之收益					207,977
Unallocated other income, gains and losses, net	未分配其他收入、收益及虧損淨額					23,750
Unallocated corporate expenses	未分配企業開支					(38,277)
Unallocated finance costs	未分配融資成本					(14,752)
Profit before tax	除稅前溢利					40,642

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

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

7. OPERATING SEGMENTS INFORMATION (CONTINUED)

7. 營運分部資料(續)

Segment revenues and results (Continued)

分部收益及業績(續)

	Capital and Reclamation Dredging Business 基建及填海疏浚業務 RMB'000 人民幣千元	Environmental Protection Dredging and Water Management Business 環保疏浚及水務管理業務 RMB'000 人民幣千元	Other Marine Business 其他海事業務 RMB'000 人民幣千元	Property Management Business 物業管理業務 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
For the year ended 31 December 2020	截至二零二零年十二月三十一日止年度				
Segment revenue	分部收益				
External sales	71,421	49,080	158,940	6,900	286,341
Segment results	分部業績				
	(408,850)	(82,538)	7,305	272	(483,811)
Changes in fair values of investment properties	投資物業公平值變動				19,400
Unallocated allowance for expected credit losses of other receivables and prepayments, net of reversal	未分配其他應收款項及預付款項之預期信貸虧損撥備，扣除撥回				(167)
Unallocated other income, gains and losses, net	未分配其他收入、收益及虧損淨額				26,728
Unallocated corporate expenses	未分配企業開支				(51,068)
Unallocated finance costs	未分配融資成本				(36,417)
Loss before tax	除稅前虧損				(525,335)

The accounting policies of the operating segments are the same as the Group's accounting policies described in Note 4.

營運分部的會計政策與附註4所載本集團的會計政策相同。

Segment results represent the profit earned or loss incurred by each segment without allocation of certain other income, change in fair values of investment properties, gain on waived bonds payable, net foreign exchange difference, central administration costs, certain allowance for expected credit losses recognized, Directors' emoluments and finance costs and other items listed above. This is the measure reported to the CODM for the purposes of resource allocation and performance assessment.

分部業績指各分部賺取之溢利或產生之虧損、未分配若干其他收入、投資物業公平值變動、應付債券獲豁免之收益、匯兌差額淨值、中央行政成本、若干獲確認預期信貸虧損之撥備、董事薪酬、融資成本以及上列之其他項目。此為向主要運營決策者呈報之方式，以分配資源及評估表現。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

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

7. OPERATING SEGMENTS INFORMATION (CONTINUED)

7. 營運分部資料(續)

Segment assets

分部資產

		Capital and Reclamation Dredging Business 基建及填海疏浚業務 RMB'000 人民幣千元	Environmental Protection Dredging and Water Management Business 環保疏浚及水務管理業務 RMB'000 人民幣千元	Other Marine Business 其他海事業務 RMB'000 人民幣千元	Property Management Business 物業管理業務 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
At 31 December 2021	於二零二一年十二月三十一日					
Segment assets	分部資產	693,287	214,381	714,870	525,525	2,148,063
Unallocated assets:	未分配資產：					
Right-of-use assets	使用權資產					1,122
Bank balances and cash	銀行結餘及現金					32,075
Other corporate assets	其他企業資產					88,389
Consolidated assets	綜合資產					2,269,649
		Capital and Reclamation Dredging Business 基建及填海疏浚業務 RMB'000 人民幣千元	Environmental Protection Dredging and Water Management Business 環保疏浚及水務管理業務 RMB'000 人民幣千元	Other Marine Business 其他海事業務 RMB'000 人民幣千元	Property Management Business 物業管理業務 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
At 31 December 2020	於二零二零年十二月三十一日					
Segment assets	分部資產	809,198	237,818	622,441	651,271	2,320,728
Unallocated assets:	未分配資產：					
Right-of-use assets	使用權資產					9,845
Bank balances and cash	銀行結餘及現金					29,309
Other corporate assets	其他企業資產					48,483
Consolidated assets	綜合資產					2,408,365

For the purposes of monitoring segment performances and allocating resources between segments, assets are allocated to reportable and operating segments other than the unallocated items listed above.

為監控分部表現及於各分部間分配資源，資產均分配至各呈報及營運分部，惟上文所列的未分配項目除外。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

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

7. OPERATING SEGMENTS INFORMATION (CONTINUED)

Segment liabilities

As the liabilities are regularly reviewed by the CODM in total for the Group as a whole, the measure of total liabilities by reportable segments is therefore not presented.

Other segment information

7. 營運分部資料(續)

分部負債

由於主要運營決策者定期為本集團對負債進行整體審閱，因此並無呈列可呈報分部的總負債計量。

其他分部資料

		Capital and Reclamation Dredging Business 基建及填海疏浚業務	Environmental Protection Dredging and Water Management Business 環保疏浚及水務管理業務	Other Marine Business 其他海事業務	Property Management Business 物業管理業務	Segment total	Unallocated	Consolidated
		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	RMB'000 人民幣千元	RMB'000 人民幣千元
For the year ended 31 December 2021	截至二零二一年十二月三十一日止年度							
Amounts included in the measure of segment profit or loss or segment assets:	計入分部損益或分部資產計量的金額：							
Additions to non-current assets	添置非流動資產	18,536	-	238,779	32,902	290,217	683	290,900
Depreciation of property, plant and equipment	物業、廠房及設備折舊	51,325	8,242	28,692	193	88,452	2,237	90,689
Depreciation of right-of-use assets	使用權資產的折舊	-	144	-	1,537	1,681	1,414	3,095
Expected credit losses allowance, net of reversal	預期信貸虧損撥備撥回淨額	(7,658)	33,966	(2,412)	(879)	23,017	(30,515)	(7,498)
Written-off of other intangible assets	撇銷其他無形資產	-	-	-	3,417	3,417	-	3,417
Impairment loss on property, plant and equipment and right-of-use assets	物業、廠房及設備以及使用權資產減值虧損	37,114	13,727	-	-	50,841	-	50,841

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

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

7. OPERATING SEGMENTS INFORMATION (CONTINUED)

7. 營運分部資料(續)

Other segment information (Continued)

其他分部資料(續)

	Capital and Reclamation Dredging Business 基建及填海疏浚業務	Environmental Protection Dredging and Water Management Business 環保疏浚及水務管理業務	Other Marine Business 其他海事業務	Property Management Business 物業管理業務	Segment total 分部總計	Unallocated 未分配	Consolidated 綜合
	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	RMB'000 人民幣千元	RMB'000 人民幣千元

For the year ended 31 December 2020

截至二零二零年十二月三十一日止年度

Amounts included in the measure of segment profit or loss or segment assets:

計入分部損益或分部資產計量的金額：

Additions to non-current assets	添置非流動資產	1,098	1,417	7,470	4,212	14,197	-	14,197
Depreciation of property, plant and equipment	物業、廠房及設備折舊	66,102	9,712	27,786	65	103,665	742	104,407
Depreciation of right-of-use assets	使用權資產的折舊	983	-	47	2,792	3,822	120	3,942
Amortisation of other intangible assets	其他無形資產攤銷	-	-	-	333	333	-	333
Expected credit losses allowance, net of reversal	預期信貸虧損撥備撥回淨額	77,745	65,918	3,217	2,909	149,789	167	149,956
Impairment loss on property, plant and equipment and right-of-use assets	物業、廠房及設備以及使用權資產減值虧損	241,304	12,681	-	-	253,985	-	253,985

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

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

7. OPERATING SEGMENTS INFORMATION (CONTINUED)

Other segment information (Continued)

Geographical information

Revenue from external customers

		2021 二零二一年 RMB'000 人民幣千元	2020 二零二零年 RMB'000 人民幣千元
Mainland China	國內	344,400	249,785
Other regions	其他地區	42,989	36,556
		387,389	286,341

Information about the Group's revenue from external customers is presented based on the location of the operations.

Non-current assets

Substantially all the non-current assets of the Group, including the property, plant and equipment, right-of-use assets, investment assets and other intangible assets are located/registered in Mainland China.

Information about major customers

An analysis of revenue from customers contributing over 10% of the Group's total revenue for the year is as follows:

		2021 二零二一年 RMB'000 人民幣千元	2020 二零二零年 RMB'000 人民幣千元
Customer A	客戶A		
– Other Marine Business	– 其他海事業務	43,762	31,193
Customer B	客戶B		
– Environmental Protection Dredging and Water Management Business	– 環保疏浚及水務管理業務	N/A 不適用*	45,786

* Revenue from the customer did not contribute over 10% of the Group's total revenue in the respective year.

7. 營運分部資料(續)

其他分部資料(續)

地區資料

來自外部客戶的收益

		2021 二零二一年 RMB'000 人民幣千元	2020 二零二零年 RMB'000 人民幣千元
Mainland China	國內	344,400	249,785
Other regions	其他地區	42,989	36,556
		387,389	286,341

有關本集團來自外部客戶的收益基於營運地點所呈列。

非流動資產

本集團絕大部分非流動資產，包括物業、廠房及設備、使用權資產、投資資產及其他無形資產位於中國內地／於中國內地註冊。

有關主要客戶的資料

來自貢獻超過本集團年內總收益10%的客戶的收益分析如下：

		2021 二零二一年 RMB'000 人民幣千元	2020 二零二零年 RMB'000 人民幣千元
Customer A	客戶A		
– Other Marine Business	– 其他海事業務	43,762	31,193
Customer B	客戶B		
– Environmental Protection Dredging and Water Management Business	– 環保疏浚及水務管理業務	N/A 不適用*	45,786

* 客戶貢獻並無超過本集團於有關年度的總收益10%。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

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

8. OTHER INCOME

8. 其他收入

		2021 二零二一年 RMB'000 人民幣千元	2020 二零二零年 RMB'000 人民幣千元
Bank interest income	銀行利息收入	11	51
Sundry income	雜項收入	2,776	2,125
		2,787	2,176

9. OTHER GAINS AND LOSSES, NET

9. 其他收益及虧損淨額

		2021 二零二一年 RMB'000 人民幣千元	2020 二零二零年 RMB'000 人民幣千元
Gain on disposal of property, plant and equipment, net	出售物業、廠房及設備之淨收益	1,135	2,988
Gain on written-off of a lease	撇銷租賃之收益	-	54
Gain on modification of bonds payable (Note 32)	修訂應付債券之收益(附註32)	-	325
Exchange gains and losses, net	匯兌收益及虧損淨額	20,963	22,243
		22,098	25,610

10. ALLOWANCE FOR EXPECTED CREDIT LOSSES, NET OF REVERSAL

10. 預期信貸虧損撥備撥回淨額

		2021 二零二一年 RMB'000 人民幣千元	2020 二零二零年 RMB'000 人民幣千元
(Reversal of) impairment losses recognised in respect of ECL on:	就預期信貸虧損以下項目確認(撥回)減值虧損：		
- Trade receivables	一應收賬款	23,271	146,947
- Contract assets	一合約資產	(254)	241
- Other receivables and prepayments	一其他應收款及預付款	(30,515)	2,768
		(7,498)	149,956

Details of impairment assessments for the year ended 31 December 2021 are set out in Note 41(b).

截至二零二一年十二月三十一日止年度減值評估詳情列載於附註41(b)。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

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

11. FINANCE COSTS

11. 融資成本

		2021 二零二一年 RMB'000 人民幣千元	2020 二零二零年 RMB'000 人民幣千元
Interest expenses on:	下列各項利息開支：		
- Bank borrowings wholly repayable within five years	- 於五年內全數償還的銀行借貸	16,475	18,431
- Bonds payable (Note 32)	- 應付債券(附註32)	5,179	22,857
- Discounted bills receivable	- 應收已貼現票據	843	512
- Other borrowings	- 其他借貸	9,015	2,882
- Amounts due to non-controlling shareholders of a subsidiary (Note 29)	- 應付一間附屬公司非控股股東款項(附註29)	2,186	2,396
- Lease liabilities (Note 18(b))	- 租賃負債(附註18(b))	54	103
- Payable for construction cost of the Vessel and Equipment (Note 23(iv))	- 應付船舶及設備建設成本(附註23(iv))	7,112	2,263
Total borrowing costs	總借貸成本	40,864	49,444
Less: Amounts capitalised in the cost of qualifying assets	減：合資格資產成本資本化金額	(7,798)	(6,055)
		33,066	43,389

Borrowing cost capitalised during the year ended 31 December 2021 of approximately RMB7,798,000 (2020: RMB6,055,000) arose on the general borrowing pool calculated by applying a weighted average capitalisation rate of 5.90% (2020: 7.11%) per annum to expenditure of qualifying assets which is the construction in progress in respect of the hotel under construction included in property, plant and equipment.

截至二零二一年十二月三十一日止年度，資本化的借貸成本約人民幣7,798,000元(二零二零年：人民幣6,055,000元)乃由一般借貸組合按加權平均資本化比率每年5.90%(二零二零年：7.11%)產生，應用於合資格資產的支出，即物業、廠房及設備所包含的有關在建酒店的在建工程。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

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

12. PROFIT/(LOSS) BEFORE TAX

12. 除稅前溢利／(虧損)

		2021 二零二一年 RMB'000 人民幣千元	2020 二零二零年 RMB'000 人民幣千元
Profit/(loss) before tax has been arrived at after charging (crediting):	除稅前溢利／(虧損)已扣除(計及)下列各項：		
Directors' emoluments (Note 14(a))	董事酬金(附註14(a))	1,900	1,900
Other staff costs	其他員工成本	49,901	40,980
Retirement benefit scheme contributions	退休福利計劃供款	4,928	8,357
Performance related bonuses	績效相關獎金	-	-
Equity-settled share-based payments	以權益結算以股份為基礎之付款	-	292
		56,729	51,529
Impairment losses recognised on, net of reversal	下列各項之減值虧損		
– Property, plant and equipment	– 物業、廠房及設備	56,696	248,130
– Right-of-use assets	– 使用權資產	(5,855)	5,855
		50,841	253,985
Gross rental income from investment properties	投資物業租金收入總額	(3,283)	(6,900)
Less: Direct operating expenses incurred for investment properties that generated rental income during the year	減：年內錄得租金收入之投資物業產生之直接營運開支	226	331
Direct operating expenses incurred for investment properties that did not generate rental income during the year	年內並無錄得租金收入之投資物業產生之直接營運開支	157	77
		(2,900)	(6,492)
Auditor's remuneration	核數師薪酬	1,388	1,648
Depreciation of property, plant and equipment	物業、廠房及設備折舊	90,689	104,407
Depreciation of right-of-use assets	使用權資產折舊	3,095	3,942
Amortisation of other intangible assets	其他無形資產攤銷	-	333
Written-off of other intangible assets	撇銷其他無形資產	3,417	-
Gain on disposal of property, plant and equipment, net	出售物業、廠房及設備之淨收益	(1,135)	(2,998)
Operating cost	運營成本	352,462	329,895

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

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

13. INCOME TAX CREDIT/(EXPENSE)

13. 所得稅抵免／(開支)

		2021 二零二一年 RMB'000 人民幣千元	2020 二零二零年 RMB'000 人民幣千元
The charge comprises:	支出包括：		
Current tax	即期稅項		
PRC EIT Tax	中國企業所得稅	(12,738)	(2,025)
Deferred taxation (Note 33)	遞延稅項(附註33)		
– Current year	– 本年度	13,351	(10,004)
		613	(12,029)

Under the Law of the PRC on Enterprise Income Tax (the "EIT Law") and Implementation Regulation of the EIT Law, the tax rate of the PRC subsidiaries is 25% for both years.

根據有關企業所得稅之中國法律(「企業所得稅法」)及企業所得稅法實施條例，中國附屬公司於該兩個年度之稅率為25%。

Hong Kong Profits Tax is calculated at 16.5% of the estimated assessable profits for both years, if any.

於兩個年度，香港利得稅乃按估計應課稅溢利(如有)的16.5%計算。

No provision for Hong Kong Profits Tax has been made in the consolidated financial statements as the Company and its subsidiaries had no assessable profits arising in or derived from Hong Kong for both years.

由於本公司及其附屬公司於兩個年度內並無於香港產生或獲得應課稅溢利，故綜合財務報表內並無就香港利得稅作出撥備。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

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

13. INCOME TAX CREDIT/(EXPENSE) (CONTINUED)

The income tax expense for the year can be reconciled to the profit/(loss) before tax per the consolidated statement of profit or loss and other comprehensive income as follows:

13. 所得稅抵免／(開支)(續)

年內所得稅開支與綜合損益及其他全面收益表的除稅前溢利／(虧損)對賬如下：

		2021 二零二一年 RMB'000 人民幣千元	2020 二零二零年 RMB'000 人民幣千元
Profit/(loss) before tax	除稅前溢利／(虧損)	40,642	(525,335)
Tax at the domestic income tax rates EIT rate	按國內所得稅稅率計算的稅項	(8,152)	(131,334)
Tax effect of income not taxable for tax purpose	不可課稅收益的稅務影響	(42,244)	-
Tax effect of expenses not deductible for tax purpose	不可扣稅開支的稅務影響	35,815	6,224
Tax effect of deductible temporary differences not recognised	未確認的可扣稅臨時差額的稅務影響	3,136	100,985
Land appreciation tax	土地增值稅	(7,475)	9,830
Tax effect of land appreciation tax	土地增值稅的稅務影響	(4,361)	(2,710)
Utilisation of tax losses previously not recognised	先前未確認稅項虧損的動用情況	(1,895)	-
Tax effect of tax losses not recognised	未確認稅項虧損的稅務影響	24,563	29,034
Income tax expense for the year	年內所得稅開支	(613)	12,029

The weighted average applicable tax rate was 20% (2020: 25%)

加權平均適用稅率為20%(二零二零年：25%)。

Notes to the Consolidated Financial Statements (Continued) 綜合財務報表附註(續)

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

14. DIRECTORS', CHIEF EXECUTIVE OFFICER'S AND EMPLOYEES' EMOLUMENTS

(a) Directors and Chief Executive Officer's emoluments

Details of the emoluments paid or payable to the Directors and the Chief Executive Officer during the year are as follows:

For the year ended 31 December 2021

14. 董事、主要行政人員及僱員酬 金

(a) 董事及主要行政人員

年內，已付或應付董事及主要行政人員的酬金詳情如下：

截至二零二一年十二月三十一日止年度

		Fee	Salaries and other allowances	Retirement benefit scheme contribution	Performance related bonuses	Share- based payment	Total
		袍金	薪金及 其他津貼	退休福利計劃 供款	績效相關獎金	股份支付	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
Executive Directors:	執行董事：						
Mr. Liu	劉先生	-	1,200	-	-	-	1,200
Mr. Wu Xuze (note (i) below)	吳旭澤先生 (下文附註(i))	-	-	-	-	-	-
Ms. Zhou	周女士	-	600	-	-	-	600
		-	1,800	-	-	-	1,800
Independent Non-Executive Directors:	獨立非執行董事：						
Mr. Chan Ming Sun Jonathan	陳銘燊先生	100	-	-	-	-	100
Mr. Huan Xuedong	還學東先生	-	-	-	-	-	-
Mr. Liang Zequen	梁澤泉先生	-	-	-	-	-	-
		100	-	-	-	-	100
		100	1,800	-	-	-	1,900

**Notes to the Consolidated
Financial Statements (Continued)**
綜合財務報表附註(續)

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

**14. DIRECTORS', CHIEF EXECUTIVE OFFICER'S
AND EMPLOYEES' EMOLUMENTS**
(CONTINUED)

**(a) Directors and Chief Executive Officer's
emoluments (Continued)**

For the year ended 31 December 2020

**14. 董事、主要行政人員及僱員酬
金(續)**

(a) 董事及主要行政人員(續)

截至二零二零年十二月三十一日止年度

	Fee	Salaries and other allowances	Retirement benefit scheme contribution	Performance related bonuses	Share- based payment	Total
	袍金	薪金及 其他津貼	退休福利計劃 供款	績效相關獎金	股份支付	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
Executive Directors:	執行董事：					
Mr. Liu	–	1,200	–	–	–	1,200
Mr. Wu Bin (note (ii) below)	–	–	–	–	–	–
		(iii)				
Mr. Wu Xuze	–	–	–	–	–	–
Ms. Zhou	–	600	–	–	–	600
	–	1,800	–	–	–	1,800
Independent Non-Executive Directors:	獨立非執行董事：					
Mr. Chan Ming Sun Jonathan	100	–	–	–	–	100
Mr. Huan Xuedong	–	–	–	–	–	–
Mr. Liang Zequen	–	–	–	–	–	–
	100	–	–	–	–	100
	100	1,800	–	–	–	1,900

Notes to the Consolidated Financial Statements (Continued) 綜合財務報表附註(續)

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

14. DIRECTORS', CHIEF EXECUTIVE OFFICER'S AND EMPLOYEES' EMOLUMENTS (CONTINUED)

(a) Directors and Chief Executive Officer's emoluments (Continued)

Notes:

- (i) Mr. Wu Xuze is the Chief Executive Officer of the Company on 5 January 2017.
- (ii) Mr. Wu Bin has resigned as the Vice Chairman and an Executive Director on 31 March 2020.

During the year, there was no arrangement under which a Director waived or agreed to waive any remuneration.

Salaries and other allowance paid to or payable for the Executive Directors are generally emoluments paid in respect of those persons' other services in connection with the management of the affairs of the Company and its subsidiaries.

Salaries and other allowance paid to or payable for the Independent Non-Executive Directors are generally emoluments paid in respect of those persons' other services in connection with their services as Directors.

14. 董事、主要行政人員及僱員酬 金(續)

(a) 董事及主要行政人員(續)

附註：

- (i) 吳旭澤先生於二零一七年一月五日為本公司行政總裁。
- (ii) 伍斌先生已於二零二零年三月三十一日辭去副主席及執行董事職務。

年內，並無董事藉以放棄或同意放棄任何酬金的安排。

支付或應付予執行董事的薪金及其他津貼屬就該等人士為管理本公司及其附屬公司的事務提供的其他服務而支付的一般薪酬。

支付或應付予獨立非執行董事的薪金及其他津貼屬就該等人士擔任董事職務提供的其他服務而支付的一般薪酬。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

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

14. DIRECTORS', CHIEF EXECUTIVE OFFICER'S AND EMPLOYEES' EMOLUMENTS (CONTINUED)

(b) Five highest paid employees

Of the Group's five highest paid individuals during the year, two (2020: two) of them were Directors whose emoluments are presented above. The emoluments of the remaining three (2020: three) highest paid individuals, were as follows:

		2021 二零二一年 RMB'000 人民幣千元	2020 二零二零年 RMB'000 人民幣千元
Salaries and other allowances	薪金及其他津貼	787	1,218
Performance related bonuses	績效相關獎金	-	-
Retirement benefit scheme contributions	退休福利計劃供款	40	80
Equity-settled share-based payments	以權益結算的股份付款	-	-
		827	1,298

Their emoluments were within the following bands:

		2021 二零二一年 No. of employees 僱員人數	2020 二零二零年 No. of employees 僱員人數
Nil to HK\$1,000,000	零至1,000,000港元	3	3

During both years, no emoluments were paid by the Group to any of the Directors, Chief Executive Officer or the five highest paid individuals (including Directors, Chief Executive Officer and employees) as an inducement to join or upon joining the Group or as compensation for loss of office.

14. 董事、主要行政人員及僱員酬金(續)

(b) 五名最高薪酬僱員

年內本集團五名最高薪酬僱員中，其中兩名(二零二零年：兩名)為董事，其酬金已於上文呈列。餘下三名(二零二零年：三名)最高薪酬個人的酬金如下：

其酬金在下列組別人數如下：

於兩個年度內，本集團並無向任何董事、主要行政人員或五名最高薪酬個人(包括董事、主要行政人員及僱員)支付任何酬金，以作為其加入或於加入本集團後的獎勵或離職補償。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

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

15. EARNINGS/(LOSS) PER SHARE

The calculation of the basic and diluted earnings/(loss) per share attributable to the owners of the Company is based on the following data:

		2021 二零二一年 RMB'000 人民幣千元	2020 二零二零年 RMB'000 人民幣千元
Profit/(loss) for the year attributable to owners of the Company for the purposes of basic and diluted earnings/(loss) per share	用作計算每股基本及攤薄盈利/(虧損)的本公司擁有人應佔年內溢利/(虧損)	22,593	(526,583)
		2021 二零二一年 '000 千股	2020 二零二零年 '000 千股
Number of shares	股份數目		
Weighted average number of ordinary shares for the purposes of basic and diluted earnings/(loss) per share	用作計算每股基本及攤薄盈利/(虧損)的普通股加權平均數	1,381,114	957,171

The computation of diluted loss per share for the year ended 31 December 2020 does not assume the exercise of the Company's share options because the exercise price of those share options was higher than the average market price for shares for the year ended 31 December 2020. As at 31 December 2021 and 31 December 2020, the Group did not have other potential ordinary shares.

16. DIVIDENDS

No dividend was paid or proposed during the year ended 31 December 2021 and 31 December 2020, nor has any dividend been proposed since the end of the reporting period.

15. 每股盈利/(虧損)

本公司擁有人應佔每股基本及攤薄盈利/(虧損)乃按下列數據計算：

		2021 二零二一年 RMB'000 人民幣千元	2020 二零二零年 RMB'000 人民幣千元
Profit/(loss) for the year attributable to owners of the Company for the purposes of basic and diluted earnings/(loss) per share	用作計算每股基本及攤薄盈利/(虧損)的本公司擁有人應佔年內溢利/(虧損)	22,593	(526,583)
		2021 二零二一年 '000 千股	2020 二零二零年 '000 千股
Number of shares	股份數目		
Weighted average number of ordinary shares for the purposes of basic and diluted earnings/(loss) per share	用作計算每股基本及攤薄盈利/(虧損)的普通股加權平均數	1,381,114	957,171

計算截至二零二零年十二月三十一日止年度的每股攤薄虧損時，並無假設本公司購股權獲行使，原因是該等購股權的行使價高於截至二零二零年十二月三十一日止年度的股份平均市價。於二零二一年十二月三十一日及二零二零年十二月三十一日，本集團並無其他潛在普通股。

16. 股息

於截至二零二一年十二月三十一日及二零二零年十二月三十一日止年度概無派付或建議股息，而自報告期末起亦無建議任何股息。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

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

17. PROPERTY, PLANT AND EQUIPMENT/ DEPOSITS PAID FOR ACQUISITION OF PROPERTY, PLANT AND EQUIPMENT

17. 物業、廠房及設備／已就收購 物業、廠房及設備支付的按金

		Buildings	Leasehold improvements	Dredgers and vessels	Plant and machinery	Furniture, fittings and office equipment	Motor vehicles	Construction in progress	Total
		樓宇	租賃裝修	挖泥船及船舶	廠房及機器	傢俬、裝置及辦公設備	汽車	在建工程	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	於二零二零年一月一日	54,401	244	1,774,911	136,719	2,074	17,416	179,755	2,165,520
Additions	添置	-	-	1,314	8,503	-	168	4,212	14,197
Disposals	出售	(8,268)	-	(2,214)	(3,204)	-	(3,844)	-	(17,530)
At 31 December 2020	於二零二零年十二月三十一日	46,133	244	1,774,011	142,018	2,074	13,740	183,967	2,162,187
Additions	添置	-	-	241,567	6,559	99	676	41,999	290,900
Disposals	出售	-	-	(11,603)	(27,688)	-	(1,164)	-	(40,455)
Transfer to investment properties (Note 19)	轉撥至投資物業(附註19)	(21,379)	-	-	-	-	-	-	(21,379)
At 31 December 2021	於二零二一年十二月三十一日	24,754	244	2,003,975	120,889	2,173	13,252	225,966	2,391,253
Accumulated depreciation and impairment	累計折舊及減值								
At 1 January 2020	於二零二零年一月一日	13,683	244	676,737	73,971	1,793	13,610	-	780,038
Provided for the year	年內撥備	2,206	-	86,570	14,140	49	1,442	-	104,407
Eliminated on disposals	出售時對銷	(2,062)	-	(2,104)	(1,962)	-	(3,348)	-	(9,476)
Impairment loss for the year	年內減值虧損	-	-	221,301	1,551	-	-	25,278	248,130
At 31 December 2020	於二零二零年十二月三十一日	13,827	244	982,504	87,700	1,842	11,704	25,278	1,123,099
Provided for the year	年內撥備	2,205	-	81,398	6,406	69	611	-	90,689
Eliminated on disposals	出售時對銷	-	-	(10,805)	(4,816)	-	(201)	-	(15,822)
Transfer to investment properties (Note 19)	轉撥至投資物業(附註19)	(7,869)	-	-	-	-	-	-	(7,869)
Impairment loss for the year	年內減值虧損	-	-	4,300	11	-	-	52,385	56,696
At 31 December 2021	於二零二一年十二月三十一日	8,163	244	1,057,397	89,301	1,911	12,114	77,663	1,246,793
Carrying amounts	賬面值								
At 31 December 2021	於二零二一年十二月三十一日	16,591	-	946,578	31,588	262	1,138	148,303	1,144,460
At 31 December 2020	於二零二零年十二月三十一日	32,306	-	791,507	54,318	232	2,036	158,689	1,039,088

The Group's buildings are located in the PRC.

本集團的樓宇均位於中國。

Notes to the Consolidated Financial Statements (Continued) 綜合財務報表附註(續)

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

17. PROPERTY, PLANT AND EQUIPMENT/ DEPOSITS PAID FOR ACQUISITION OF PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

The Group's construction in progress mainly represents the construction of a hotel located at the Yancheng City, Jiangsu Province, the PRC. The construction of the hotel has been suspended for 4 months during the first half of the year of 2020 due to the impact of COVID-19 and further suspended for 5 months afterwards. The construction of the hotel has resumed in October 2020 and till to the date at the end of the reporting period, the construction works has not yet been completed.

Depreciation is charged so as to write off the cost of assets (other than construction in progress), over their estimated useful lives and after taking into account their estimated residual values, using the straight-line method, on the following bases:

Building	2-4% or over the term of the lease, whichever is shorter
Leasehold improvements	20% or over the term of the lease, whichever is shorter
Dredgers and vessels	5%-6.7%
Plant and machinery	5%-20%
Furniture, fittings and office equipment	10%-33.3%
Motor vehicles	16.7%-20%

Details of property, plant and equipment that are pledged as collateral are set out in Note 38.

17. 物業、廠房及設備／已就收購 物業、廠房及設備支付的按金 (續)

本集團的在建工程主要指酒店建設，該酒店位於中國江蘇省鹽城市。受COVID-19的影響，酒店建設已於二零二零年上半年停工四個月，其後繼續停工五個月。酒店建設已於二零二零年十月復工，且直至報告期末建造目前仍未完成。

計提折舊以便撇銷按估計可使用年期及經計及按如下基準用直線法估計其剩餘價值後資產(在建工程除外)的成本：

樓宇	2-4%或租賃年期 (以較短者為準)
租賃裝修	20%或租賃年期 (以較短者為準)
挖泥船及船舶	5%-6.7%
廠房及機器	5%-20%
傢俬、裝置及 辦公設備	10%-33.3%
汽車	16.7%-20%

抵押為擔保物品的物業、廠房及設備詳情載於附註38。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

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

17. PROPERTY, PLANT AND EQUIPMENT/ DEPOSITS PAID FOR ACQUISITION OF PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

Impairment assessment for dredger and vessel and related plant and equipment under property, plant and equipment

During the year ended 31 December 2021, there was an improvement on its capital and reclamation dredging business, environmental protection dredging water management business and other marine business and the aggregate revenue was increased from approximately RMB279,441,000 during the year ended 31 December 2020 to approximately RMB384,106,000 during the year ended 31 December 2021. The management of the Group reviewed the outlook of the businesses and concluded that there might have indication for impairment and conducted impairment assessment on recoverable amounts of certain dredger and vessel and related plant and equipment under property, plant and equipment.

Management regards each dredger and vessel and related plant and equipment as a separately identifiable cash-generating unit and monitors their financial performance for the existence of impairment indicators, such as idle dredger and vessel and related plant and equipment and the operating income generated from the dredger and vessel and related plant and machinery. The recoverable amount of each vessel and dredger and related plant and machinery are estimated individually.

The recoverable amount of each of the cash-generating unit ("CGU") has been determined based on the higher of value in use and fair value less costs of disposal using the market approach method. During the year, the dredgers and vessels and related plant and machinery were impaired down to their fair value less costs of disposal, if any.

The Group engages an independent professional qualified valuer to perform the valuations in arriving the fair value less costs of disposal.

17. 物業、廠房及設備／已就收購 物業、廠房及設備支付的按金 (續)

物業、廠房及設備項下挖泥船及船舶及相關廠房及設備的減值評估

截至二零二一年十二月三十一日止年度，其基建及填海疏浚業務、環保疏浚及水務管理業務及其他海事業務有所改善，收益總額由截至二零二零年十二月三十一日止年度的約人民幣279,441,000元增加至截至二零二一年十二月三十一日止年度的約人民幣384,106,000元。本集團管理層檢討了該等業務的前景，認為可能存在減值跡象，並對物業、廠房及設備項下若干挖泥船及船舶及相關廠房及設備的可收回金額進行了減值評估。

管理層將每艘挖泥船及船舶及相關廠房及設備視為一個獨立的可識別的現金產生單位，並監察其財務表現是否存在減值指標，如閒置挖泥船及船舶及相關廠房及設備以及挖泥船及船舶及相關廠房及設備產生的經營收入。每艘船舶及挖泥船及相關廠房及設備的可收回金額均單獨估算。

各現金產生單位(「現金產生單位」)之可收回金額乃按市場法根據使用價值與公平值減出售成本之較高者釐定。年內，挖泥船及船舶及其相關廠房及機器已減值至其公平值減出售成本(如有)。

本集團委聘獨立專業合資格估值師進行估值，以估算公平值減出售成本。

Notes to the Consolidated Financial Statements (Continued) 綜合財務報表附註(續)

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

17. PROPERTY, PLANT AND EQUIPMENT/ DEPOSITS PAID FOR ACQUISITION OF PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

Impairment assessment for dredger and vessel and related plant and equipment under property, plant and equipment (Continued)

In determining the fair value less costs of disposal of the relevant assets, the Chief Financial Officer of the Company is responsible to determine the appropriateness of valuation techniques and inputs for fair value measurements. The Chief Financial Officer works closely with the independent professional qualified valuer to establish the appropriate valuation techniques and inputs to the model. This valuation requires the use of unobservable inputs and is within Level 3 of the fair value hierarchy. The valuation is based on a market approach under which each vessel is valued with reference to recent sales of comparable dredgers and vessels adjusted for differences in the nature, location, age and condition of the dredgers and vessels.

Based on the impairment assessments, as at 31 December 2021, the aggregate carrying amounts of certain dredgers and vessels and related plant and machinery amounted to approximately RMB437,986,000 (2020: RMB861,250,000) were higher than their estimated recoverable amounts of approximately RMB433,675,000 (2020: RMB638,398,000) and accordingly, impairment losses of approximately RMB4,311,000 (2020: RMB222,852,000) that were allocated to dredgers and vessels and related plant and machinery of approximately RMB4,300,000 and RMB11,000 (2020: RMB221,301,000 and RMB1,551,000), respectively which were charged to profit or loss for the year to reduce the carrying values of the dredgers and vessels and related plant and machinery to their recoverable amounts.

17. 物業、廠房及設備／已就收購 物業、廠房及設備支付的按金 (續)

物業、廠房及設備項下挖泥船及船舶及相關廠房及設備的減值評估(續)

在釐定相關資產的公平值減出售成本時，本公司財務總監負責確定公平值計量的估值技術及輸入數據是否恰當。財務總監與獨立專業合資格的估值師緊密合作，以確定適當的估值技術及模型的輸入數據。此項估值須使用不可觀察輸入數據，屬於公平值層級的第三級。估值以市場方法為基礎，即參考近期可比較挖泥船及船舶的銷售情況，按經參照可比挖泥船及船舶的性質、位置、使用年限及狀況的差異作出調整後之近期銷售，對每艘船舶進行估值。

根據減值評估，截至二零二一年十二月三十一日，若干挖泥船及船舶及相關廠房及機器的總賬面值為約人民幣437,986,000元(二零二零年：人民幣861,250,000元)高於其估計可收回金額約人民幣433,675,000元(二零二零年：人民幣638,398,000元)。因此，分配至挖泥船及船舶及相關廠房及機器約人民幣4,300,000元及人民幣11,000元(二零二零年：人民幣221,301,000元及人民幣1,551,000元)的減值虧損約人民幣4,311,000元(二零二零年：人民幣222,852,000元)，已分別於年內在損益賬予以扣除，以將挖泥船及船舶及相關廠房及機器的賬面值減至其可收回價值。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

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

17. PROPERTY, PLANT AND EQUIPMENT/ DEPOSITS PAID FOR ACQUISITION OF PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

Impairment assessment for hotel under construction in progress

In view of the delay of the completion of the hotel, the management of the Group conducted a review of the hotel and concluded that there might have indication for impairment and conducted impairment assessment on recoverable amounts of the hotel.

The recoverable amount of the hotel under construction has been determined based on the higher of value in use and fair value less costs of disposal using the asset-based approach method, during the year, the hotel under construction was impaired down to their fair value less costs of disposal.

The Group engages an independent professional qualified valuer to perform the valuations in arriving the fair value less costs of disposal.

In determining the fair value less costs of disposal of the hotel under construction, the Chief Financial Officer of the Company is responsible to determine the appropriateness of valuation techniques and inputs for fair value measurements. The Chief Financial Officer works closely with the independent professional qualified valuer to establish the appropriate valuation techniques and inputs to the model. The valuation is based on an asset-based approach under which the hotel under construction is valued with reference to a replacement value adjusted for the location, grading and condition of the hotel.

Based on the impairment assessments, as at 31 December 2021, the carrying amount of the hotel under construction amounted to approximately RMB117,529,000 (2020: RMB131,596,000) was higher than its recoverable amount of approximately RMB65,144,000 (2020: RMB106,318,000) and thus, an impairment loss amounting to approximately RMB52,385,000 (2020: RMB25,278,000) was recognised and charged to profit or loss for the year to reduce the carrying value of the hotel under construction to its recoverable amount.

17. 物業、廠房及設備／已就收購 物業、廠房及設備支付的按金 (續)

在建工程項下酒店的減值評估

鑒於酒店竣工延期，本集團管理層已對酒店作出檢討，認為可能存在減值跡象，並對酒店的可收回金額進行了減值評估。

在建酒店的可收回金額乃按資產基礎法根據使用價值與公平值減出售成本之較高者釐定。年內，在建酒店已減值至其公平值減出售成本。

本集團委聘獨立專業合資格估值師進行估值，以估算公平值減出售成本。

在釐定在建酒店的公平值減出售成本時，本公司財務總監負責確定公平值計量的估值技術及輸入數據是否恰當。財務總監與獨立專業合資格的估值師緊密合作，以確定適當的估值技術及模型的輸入數據。估值以資產基礎法為基礎，即按經參照在建酒店的位置、評級及狀況作出調整之重置價值，對在建酒店進行估值。

根據減值評估，截至二零二一年十二月三十一日，在建酒店的賬面值為約人民幣117,529,000元（二零二零年：人民幣131,596,000元）高於其可收回金額約人民幣65,144,000元（二零二零年：人民幣106,318,000元）。因此，減值虧損約人民幣52,385,000元（二零二零年：人民幣25,278,000元）於年內已確認並在損益賬予以扣除，以將在建酒店的賬面值減至其可收回價值。

Notes to the Consolidated Financial Statements (Continued) 綜合財務報表附註(續)

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

17. PROPERTY, PLANT AND EQUIPMENT/ DEPOSITS PAID FOR ACQUISITION OF PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

Deposits paid for acquisition of property, plant and equipment

As at 31 December 2020, included in deposit paid for acquisition of property, plant and equipment was mainly represented by the construction of Vessel and Equipment amounting to RMB3,958,000 as detailed in Note 23(iv) and deposit paid for the acquisition of dredgers amounting to RMB8,435,000 during the year. The remaining portion is represented by deposit paid for the purchase of vessels components.

During the year ended 31 December 2021, the Construction of Vessel and Equipment was completed and the entire amount of deposits paid for acquisition of property, plant and equipment was transferred to the property, plant and equipment during the year.

As at 31 December 2021 and 2020, the remaining capital commitments are disclosed in Note 37.

17. 物業、廠房及設備／已就收購 物業、廠房及設備支付的按金 (續)

已付收購物業、廠房及設備的按金

截至二零二零年十二月三十一日，收購物業、廠房及設備支付的按金主要指建造船舶及設備的人民幣3,958,000元(其詳情載於附註23(iv))及年內已付購買挖泥船的按金人民幣8,435,000元。剩餘部分按已付購買船舶部件的按金呈列。

截至二零二一年十二月三十一日止年度，船舶及設備建設已經完成及已付收購物業、廠房及設備的按金總額已於年內轉撥至物業、廠房及設備。

截至二零二一年及二零二零年十二月三十一日，剩餘資本承擔於附註37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 截至二零二一年十二月三十一日止年度

18. RIGHT-OF-USE ASSETS/LEASE LIABILITIES**18. 使用權資產／租賃負債****(a) Right-of-use assets****(a) 使用權資產**

		Leasehold lands	Dredger	Leased property	Total
		租賃土地	挖泥船	已租賃物業	總計
		RMB'000	RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元
As at 31 December 2021	於二零二一年十二月三十一日				
Carrying amounts	賬面值	46,548	-	1,122	47,670
As at 31 December 2020	於二零二零年十二月三十一日				
Carrying amount	賬面值	89,723	-	2,408	92,131
Impairment loss	減值虧損	(5,855)	-	-	(5,855)
		83,868	-	2,408	86,276
For the year ended 31 December 2021	截至二零二一年十二月三十一日止年度				
Depreciation charge	折舊費	1,682	-	1,413	3,095
For the year ended 31 December 2020	截至二零二零年十二月三十一日止年度				
Depreciation charge	折舊費	2,792	79	1,071	3,942
				2021	2020
				二零二一年	二零二零年
				RMB'000	RMB'000
				人民幣千元	人民幣千元
Total cash outflow for leases	租賃現金流出總額			799	1,203
Transfer to investments properties (Note 19)	轉撥至投資物業(附註19)			41,493	-
Additions to right-of-use assets	添置使用權資產			141	2,587
Expenses relating to short-term leases	有關短期租賃的開支			1,289	599

Notes to the Consolidated Financial Statements (Continued) 綜合財務報表附註(續)

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

18. RIGHT-OF-USE ASSETS/LEASE LIABILITIES (CONTINUED)

(a) Right-of-use assets (Continued)

For both years, the Group leases factory properties and a dredger its operations. Lease contracts are entered into for fixed terms of 2 to 3 years. Lease terms are negotiated on an individual basis and contained a wide range of different terms and conditions. In determining the lease terms 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.

During the year ended 31 December 2021, additions to the right-of-use assets amounted to approximately RMB 141,000 (2020: RMB2,587,000), due to new leases of leased property.

During the year ended 31 December 2020, the Group has terminated a lease contract for a dredger as at 30 September 2020, its right-of-use asset amounting to approximately RMB1,159,000 and lease liability amounting to approximately RMB1,105,000 have accordingly written off.

As at 31 December 2021 and 31 December 2020, the Group entered into short-term leases for office premises and transportation vessels and machinery and equipment.

As explained in Note 17, during the year ended 31 December 2021, the management of the Company conducted impairment assessments on its hotel under construction and the related leasehold land.

As at 31 December 2020, the carrying amount of the leasehold land was higher than its recoverable amount and thus, impairment loss of RMB5,855,000 was recognised and charged to profit or loss for the year ended 31 December 2020.

18. 使用權資產／租賃負債(續)

(a) 使用權資產(續)

兩個年度內，本集團租賃工廠物業及挖泥船進行其營運。簽訂租賃合約的固定期限為2至3年。租賃條款乃根據個別情況協商確定，其中包含各種不同的條款和條件。本集團在確定租賃條款及評估不可撤銷期限時，採用合約的定義並確定合約可強制執行的期限。

截至二零二一年十二月三十一日止年度，添置使用權資產約人民幣141,000元(二零二零年：人民幣2,587,000元)，乃由於租賃物業的新租賃。

截至二零二零年十二月三十一日止年度，本集團於二零二零年九月三十日終止了一艘挖泥船的租賃合約，其使用權資產約人民幣1,159,000元，租賃負債約人民幣1,105,000元，已相應註銷。

於二零二一年十二月三十一日及二零二零年十二月三十一日，本集團就辦公室物業及運輸船舶及機器及設備訂立短期租賃。

誠如附註17所述，截至二零二一年十二月三十一日止年度，本集團管理層對其在建酒店及相關租賃土地進行了減值評估。

截至二零二零年十二月三十一日，租賃土地的賬面值高於其可收回金額。因此，減值虧損人民幣5,855,000元於截至二零二零年十二月三十一日止年度已確認並在損益賬予以扣除。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

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

18. RIGHT-OF-USE ASSETS/LEASE LIABILITIES (CONTINUED)

(a) Right-of-use assets (Continued)

As at 31 December 2021, based on the valuation conducted by an independent professional valuer, the recoverable amount of the leasehold land which has been determined based on the higher of value in use and fair value less costs of disposal using the market approach method was higher than its carrying amount and accordingly, a reversal of impairment loss of approximately RMB5,855,000 was recognised and credited to profit or loss during the year ended December 2021.

All the Group's leasehold lands are located in Yancheng Jiangsu, PRC, and the land use rights are held for a term expiring on 2052 and 2064.

(b) LEASE LIABILITIES

18. 使用權資產／租賃負債(續)

(a) 使用權資產(續)

截至二零二一年十二月三十一日，根據獨立專業估值師進行的估值，租賃土地的可收回金額乃以市場方法為基礎根據使用價值與公平值減出售成本之較高者釐定，該金額高於其賬面值。因此，減值虧損撥回約人民幣5,855,000元於截至二零二一年十二月止年度已確認並計入損益賬。

本集團的所有租賃土地位於中國江蘇鹽城，土地使用權的持有期限於二零五二年及二零六四年屆滿。

(b) 租賃負債

		2021 二零二一年 RMB'000 人民幣千元	2020 二零二零年 RMB'000 人民幣千元
Amounts payable under lease liabilities:	租賃負債項下應付金額：		
Within one year	一年內	1,322	605
Within a period of more than one year but not more than two years	一年以上但不超過兩年的期間內	497	1,332
Within a period of more than two years but not more than five years	兩年以上但不超過五年的期間內	25	523
		1,844	2,460
Less: Amount due for settlement with 12 months shown under current liabilities	減：流動負債項下顯示於12個月內應付款項	(1,322)	(605)
Amount due for settlement after 12 months shown under non-current liabilities	非流動負債項下顯示12個月後應付款項	522	1,855

During the year ended 31 December 2021, the Group entered into a number of new lease agreements in respect of lease property and recognised lease liability of approximately RMB 141,000 (2020: RMB2,587,000).

截至二零二一年十二月三十一日止年度，本集團就租賃物業訂立若干新租賃協議，並確認租賃負債約人民幣141,000元(二零二零年：人民幣2,587,000元)。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

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

18. RIGHT-OF-USE ASSETS/LEASE LIABILITIES (CONTINUED)

(b) LEASE LIABILITIES (Continued)

Amounts recognised in profit or loss

	2021 二零二一年 RMB'000 人民幣千元	2020 二零二零年 RMB'000 人民幣千元
Interest expense on lease liabilities (Note 11)	54	103
Depreciation of right-of-use assets	3,095	3,942

Restrictions or covenants on leases

As at 31 December 2021, lease liabilities of approximately RMB1,844,000 are recognised with related right-of-use assets of approximately RMB1,122,000 (2020: lease liabilities of RMB2,460,000 and related right-of-use assets of approximately RMB2,408,000). The lease agreements do not impose any covenants in other than the security interests in the leased assets that are held by the lessor. Leased assets may not be used as security for borrowing purposes.

租賃限制或契諾

於二零二一年十二月三十一日，已確認租賃負債約人民幣1,844,000元及相關使用權資產約人民幣1,122,000元(二零二零年：租賃負債人民幣2,460,000元及相關使用權資產約人民幣2,408,000元)。除出租人持有的租賃資產中的擔保權益外，租賃協議並無施加任何契諾。租賃資產不得用作借貸抵押品。

19. INVESTMENT PROPERTIES

19. 投資物業

		RMB'000 人民幣千元
At valuation	按估值	
At 1 January 2020	於二零二零年一月一日	464,500
Changes in fair value	公平值變動	19,400
At 31 December 2020 and 1 January 2021, at fair value	於二零二零年十二月三十一日及二零二一年一月一日，按公平值	483,900
Transfer from property, plant and equipment and right-of-use assets (Notes 17 and 18(a))	轉撥自物業、廠房及設備以及使用權資產(附註17及18(a))	58,875
Changes in fair value	公平值變動	(103,503)
At 31 December 2021, at fair value	於二零二一年十二月三十一日，按公平值	439,272

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

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

19. INVESTMENT PROPERTIES (CONTINUED)

The Group's investment properties represent property interests in a shopping mall and factory properties that are held to earn rentals which are measured using the fair value model.

During the year ended 31 December 2021, certain factory properties held by the Group previously classified as right-of-use assets and property, plant and equipment amounted to RMB41,493,000 (Note 18) and RMB13,510,000 (Note 17), respectively were transferred to investment properties as there was a change in use from held for the Group's own use to held to earn rentals. The difference between the carrying amounts and the fair values (net of related income tax) of these factory properties at the date of transfer amounted to RMB2,033,000 which is recognised in other comprehensive income and accumulated in property revaluation reserve during the year ended 31 December 2021.

Valuation of investment properties

The Group engages an independent professional qualified valuer to perform the fair value valuation.

In determining the fair value of the relevant properties, the Chief Financial Officer of the Company is responsible to determine the appropriateness of valuation techniques and inputs for fair value measurements. The Chief Financial Officer works closely with the independent professional qualified valuer to establish the appropriate valuation techniques and inputs to the model. This valuation requires the use of unobservable inputs and is within Level 3 of the fair value hierarchy. The valuations of the Group's investment properties were based on the income capitalisation method by capitalisation of net rental income derived from the existing tenancies with allowance for the reversionary rental income potential of the properties in order to arrive at the fair value.

19. 投資物業(續)

本集團投資物業指一所商場的物業權益以及持作賺取租金的工廠物業的物業權益，均以公平值模式計量。

截至二零二一年十二月三十一日止年度，本集團持有之前分類為使用權資產的若干工廠物業人民幣41,493,000元(附註18)及本集團持有之前分類為物業、廠房及設備的若干工廠物業人民幣13,510,000元(附註17)已轉撥至投資物業，原因為有關工廠物業之用途由本集團持作自用轉作持有賺取租金。於轉撥日期，該等工廠物業的賬面值與公平值之差額(扣除相關所得稅)為人民幣2,033,000元，金額於截至二零二一年十二月三十一日止年度其他全面收益內確認入賬，並於物業重估儲備累計。

投資物業估值

本集團委聘獨立專業的合資格估值師進行公平值估值。

在釐定有關物業公平值時，本公司財務總監負責確定公平值計量的估值技術及輸入數據是否恰當。財務總監與獨立專業的合資格估值師緊密合作，以確定適當的估值技術及模型的輸入數據。此項估值需使用不可觀察輸入數據，屬於公平值層級的第三級。本集團投資物業的估值乃根據收益資本化計算通過現有租約產生的淨租金收入資本化的方法，並考慮該等物業的可轉換租金收入潛力，以得出公平值。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

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

19. INVESTMENT PROPERTIES (CONTINUED)

Valuation of investment properties (Continued)

In estimating the fair values of the properties, the highest and best use of the properties is the current use and details of which are as follows:

For the year ended 31 December 2021

19. 投資物業(續)

投資物業估值(續)

在估計物業的公平值時，物業的最高及最佳用途為其當前用途，詳情如下：

截至二零二一年十二月三十一日止年度

	Valuation technique(s)	Significant unobservable input(s)	Relationship of unobservable inputs to fair value
	估值技術	重大不可觀察輸入數據	不可觀察輸入數據與公平值的關係
Shopping mall located in Yancheng, the PRC	Income capitalised approach The key inputs are		
	(i) Estimated unit rental	Rental per square meter per month, using market direct comparable and taking into account of location and other individual factors, which is RMB88.8 per square meter per month	The higher the unit rental, the higher the market value
	(ii) Capitalisation rate	Capitalisation rate, taking into account of rate generated by market, of 7.6%	The lower the capitalisation rate, the higher the market value
位於中國鹽城市的商場	收益資本化法 主要輸入數據為		
	(i) 估計單位租金	每平方米每月租金，採用市場直接比較並計及位置及其他個別因素，為每平方米每月人民幣88.8元	單位租金越高，市場價值越高
	(ii) 資本化率	資本化率，經計及市場產生的比率，為7.6%	資本化率越低，市場價值越高
Factories located in Yancheng, the PRC	Income capitalised approach The key inputs are		
	(i) Estimated unit rental	Rental per square meter per month, using market direct comparable and taking into account of location and other individual factors, which is RMB13.2 per square meter per month	The higher the unit rental, the higher the market value
	(ii) Capitalisation rate	Capitalisation rate, taking into account of rate generate by market, of 7.6%	The lower the capitalisation rate, the higher the market value
位於中國鹽城市的工廠	收益資本化法 主要輸入數據為		
	(i) 估計單位租金	每月每平方米租金，採用市場直接比較並計及位置及其他個別因素，為每平方米每月人民幣13.2元	單位租金越高，市場價值越高
	(ii) 資本化率	資本化率，經計及市場產生的比率，為7.6%	資本化率越低，市場價值越高

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

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

19. INVESTMENT PROPERTIES (CONTINUED)

Valuation of investment properties (Continued)

For the year ended 31 December 2020

19. 投資物業(續)

投資物業估值(續)

截至二零二零年十二月三十一日止年度

	Valuation technique(s)	Significant unobservable input(s)	Relationship of unobservable inputs to fair value
	估值技術	重大不可觀察輸入數據	不可觀察輸入數據與公平值的關係
Shopping mall located in Yancheng, the PRC	Income capitalised approach The key inputs are		
	(i) Estimated unit rental	Price per square meter, using market direct comparable and taking into account of location and other individual factors, which is RMB7,150 per square meter.	The higher the unit rental, the higher the market value
	(ii) Capitalisation rate	Capitalisation rate, taking into account of rate generated by market, of 5.0%	The lower the capitalisation rate, the higher the market value
位於中國鹽城市的商場	收益資本化法 主要輸入數據為		
	(i) 估計單位租金	每平方米價格，採用市場直接比較並計及位置及其他個別因素，為每平方米人民幣7,150元。	單位租金越高，市場價值越高
	(ii) 資本化率	資本化率，經計及市場產生的比率，為5.0%	資本化率越低，市場價值越高
Factories located in Yancheng, the PRC	Income capitalised approach The key inputs are		
	(i) Estimated unit rental	Rental per square meter per month, using market direct comparable and taking into account of location and other individual factors, which is RMB10.7	The higher the unit rental, the higher the market value
	(ii) Capitalisation rate	Capitalisation rate, taking into account of rate generated by market, of 5.0%	The lower the capitalisation rate, the higher the market value
位於中國鹽城市的工廠	收益資本化法 主要輸入數據為		
	(i) 估計單位租金	每月每平方米租金，採用市場直接比較並計及位置及其他個別因素，為人民幣10.7元	單位租金越高，市場價值越高
	(ii) 資本化率	資本化率，經計及市場產生的比率，為5.0%	資本化率越低，市場價值越高

There were no transfer into or out of level 3 during the year.

年內第三層間並無轉入或轉出。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

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

20. OTHER INTANGIBLE ASSETS

20. 其他無形資產

		RMB'000 人民幣千元
Cost	成本	
At 1 January 2020, 31 December 2020 and 1 January 2021	於二零二零年一月一日、二零二零年十二月三十一日及二零二一年一月一日	5,000
Written-off during the year	年內撇銷	(5,000)
At 31 December 2021	於二零二一年十二月三十一日	-
Accumulated depreciation and impairment	累計折舊及減值	
At 1 January 2020	於二零二零年一月一日	1,250
Provided for the year	年內撥備	333
At 31 December 2020	於二零二零年十二月三十一日	1,583
Eliminated on written-off during the year	年內撇銷時對銷	(1,583)
At 31 December 2021	於二零二一年十二月三十一日	-
Carrying value	賬面值	
At 31 December 2021	於二零二一年十二月三十一日	-
At 31 December 2020	於二零二零年十二月三十一日	3,417

The above intangible assets are amortised on a straight-line basis over the 15 years.

上述無形資產按直線法於15年攤銷。

The Group's other intangible assets represented brand name of Easyhome to operate a shopping mall for 15 years. During the year ended 31 December 2021, the management of the Company conducted a review on its businesses and operations and decided to terminate the application of the brand name of Easyhome over its shopping mall and thus, the amount was fully written-off to profit or loss for the year.

本集團的其他無形資產指經營15年商場的居然之家品牌名稱。截至二零二一年十二月三十一日止年度，本公司管理層檢討了其業務及經營，決定終止就其商場使用居然之家品牌名稱，因此，有關金額於年內損益全數撇銷。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

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

21. INTEREST IN AN ASSOCIATE

21. 於一間聯營公司的權益

		2021 二零二一年 RMB'000 人民幣千元	2020 二零二零年 RMB'000 人民幣千元
Cost of investment in an associate	於一間聯營公司的投資成本	2,017	150
Share of post-acquisition results and other comprehensive expenses	分佔收購後業績及其他全面支出	-	-
		2,017	150

Details of the Group's associate at 31 December 2021 and 2020 are as follows:

本集團於二零二一年及二零二零年十二月三十一日之聯營公司之詳情如下：

Name of entity 實體名稱	Country of incorporation/ registration 成立/註冊國家	Principal place of business 主要營業地點	Proportion of ownership interest 所有者權益佔比		Proportion of voting rights held by the Group 本集團持有之投票權比率		Principal activity 主要業務
			2021	2020	2021	2020	
			二零二一年	二零二零年	二零二一年	二零二零年	
Jiangsu Longxiang Harbour Engineering Company Limited*, "Jiangsu Longxiang"	PRC	PRC	20%	30%	20%	30%	Provision of marine hoisting and installation
江蘇龍祥航務工程有限公司 (「江蘇龍祥」)	中國	中國	20%	30%	20%	30%	提供海上起重及安裝

* for identification only

Jiangsu Longxiang was incorporated on 30 November 2020 and the Company injected initial capital of RMB150 to Jiangsu Longxiang which represented 30% equity interest in the company. On 8 March 2021, the Group further injected capital of RMB2,873,000 to Jiangsu Longxiang. However, on 23 July 2021, the Company disposed 10% equity interest in the associate to other shareholder of the associate for a proceed of RMB1,008,000 and no gain or loss on disposal was credited to profit or loss for the year.

江蘇龍祥於二零二零年十一月三十日註冊成立，本公司向江蘇龍祥注入初始資本人民幣150元，佔該公司30%股權。於二零二一年三月八日，本集團進一步向江蘇龍祥注資人民幣2,873,000元。然而，於二零二一年七月二十三日，本公司向該聯營公司另一名股東出售該聯營公司的10%股權，所得款項為人民幣1,008,000元，而年內損益並無計入出售的任何損益。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

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

21. INTEREST IN AN ASSOCIATE (CONTINUED)

Summarised financial information of the associate:

The associate did not commence business since its incorporation and thus the profit or loss of the year ended 31 December 2020 and 2021 were not significant and thus the financial information for the year has not been presented.

Summarised financial information in respect of the Group's associate as of and for the year ended 31 December 2021 is set out below. The summarised financial information below represents amounts shown in the associates financial statements prepared in accordance with HKFRSs:

		RMB'000 人民幣千元
Current assets	流動資產	10,240
Non-current assets	非流動資產	23,621
Current liabilities	流動負債	-
Non-current liabilities	非流動負債	(23,776)
		10,085

Reconciliation of the above summarised financial information to the carrying amount of the interest in the associate recognised in the consolidated financial statements:

		RMB'000 人民幣千元
Net assets of Jiangsu Longxiang	江蘇龍祥資產淨值	10,085
Proportion of the Group's ownership interest in Jiangsu Longxiang	本集團持有江蘇龍祥權益之佔比	20%
Carrying amount of the Group's interest in Jiangsu Longxiang	本集團持有江蘇龍祥權益之賬面值	2,017

21. 於一間聯營公司的權益(續)

該聯營公司的財務資料摘要：

該聯營公司自註冊成立以來並無開展任何業務，故此截至二零二零年及二零二一年十二月三十一日止年度之損益並不重大，因而並無呈列有關年度的財務資料。

本集團聯營公司於二零二一年十二月三十一日及截至該日止年度的財務資料摘要如下。下文財務資料摘要乃根據香港財務報告準則編製該等聯營公司財務報表所示的數額：

上述財務資料摘要與於綜合財務報表確認聯營公司權益的賬面值之對賬：

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

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

22. EQUITY INSTRUMENTS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

22. 按公平值計入其他全面收益之權益工具

	2021 二零二一年 RMB'000 人民幣千元	2020 二零二零年 RMB'000 人民幣千元
Equity instruments at fair value through other comprehensive income:		
– Unlisted equity investment	3,000	–
	按公平值計入其他全面收益之權益工具：	
	非上市權益工具	

The amount represents the Group's investment cost in a private entity established in the PRC. This investment is not held for trading, instead, it is held for long-term strategic purposes. The Directors have elected to designate this investment as equity instrument at FVTOCI as they believe that recognising short-term fluctuations in these investments' fair value in profit or loss would not be consistent with the Group's strategy of holding these investments for long-term purposes and realising their performance potential in the long run.

The Directors consider that, as at 31 December 2021, the carrying amount of the investment approximates to its fair value.

金額代表本集團投資於中國成立的民營企業之成本。投資並非持作買賣，而是持作達成長遠策略目的。由於董事相信，確認該等投資於損益反映的公平值的短期波動與本集團為長遠目的持有該等投資及實現其長遠潛在表現的策略不符，因此已選擇將該等權益工具投資指定為按公平值計入其他全面收益列賬。

董事認為，於二零二一年十二月三十一日，投資的賬面值與其公平值相若。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

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

23. TRADE AND OTHER RECEIVABLES AND PREPAYMENTS

23. 應收賬款及其他應收款項以及 預付款項

		Notes 附註	2021 二零二一年 RMB'000 人民幣千元	2020 二零二零年 RMB'000 人民幣千元
Trade receivables	應收賬款		1,632,858	1,633,251
Less: Allowance for credit losses	減：信貸虧損撥備		(1,159,371)	(1,136,100)
Bills receivable	應收票據	(i)	473,487	497,151
Value-added tax recoverable	可收回增值稅	(ii)	29,997	21,516
Government financial incentive receivables, net	應收政府財務獎勵淨額	(iii)	26,889	2,582
Prepayment for construction of the Vessel and Equipment	建設船舶及設備之預付款項	(iv)	5,120	6,017
			-	129,071
Other prepayments	其他預付款項	(v)	36,784	43,995
Deposits	按金	(vi)	12,852	17,030
Other receivables	其他應收款項	(vi)	6,759	4,863
			591,888	722,225
Analysed as:	分析為：			
- Current	- 即期		591,888	576,754
- Non-current	- 非即期		-	145,471
			591,888	722,225

Notes:

(i) Trade receivables

Before accepting any new customer, the Group assesses the potential customer's credit quality and defines its credit limits based on reputation of the customers within the industry.

The Group prepares an aged analysis for its trade receivable based on the dates when the Group and the customers agreed on the quantum of the services rendered, as evidenced by progress certificates. Periodic statements are issued and agreed by the customers for the services rendered for the customers.

附註：

(i) 應收賬款

於接納任何新客戶前，本集團會根據客戶於行業內的聲譽評估該潛在客戶的信貸質素及設定其信貸限額。

本集團基於本集團與客戶就已提供服務量達成共識的日期(由進度證書證明)編製其應收賬款的賬齡分析。期間報表乃經客戶同意向其提供的服務後由客戶發出。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

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

23. TRADE AND OTHER RECEIVABLES AND PREPAYMENTS (CONTINUED)

Notes: (Continued)

(i) Trade receivables (Continued)

Most of the dredging contracts require the customers to make monthly progress payments with reference to the quantum of the services completed (typically 95% of the quantum of the services completed in the previous month) within 30 days to 90 days after the issuance of the progress certificate. According to these dredging contracts, the remaining balance (typically 5% of the quantum of the services completed) is kept as retention money and is to be paid by the customers within thirty to sixty days after (a) the project is completed and (b) accepted by the customers.

A contract asset which details are set out in Note 24, is recognised over the period in which the construction services are performed representing the Group's right to consideration for the services performed because the rights are conditioned on (a), (b) and expiration of defect liability period and details of which are set out in Note 27.

Retention receivables, prior to expiration of defect liability period, are classified as contract assets, which range from 30 to 365 days after (a) and (b) are fulfilled. The relevant amount of contract asset is reclassified to trade receivables when the defect liability period expires. The defect liability period serves as an assurance that the construction services performed comply with agreed-upon specifications and such assurance cannot be purchased separately. The timing of payment patterns give rise to retention receivables which are subject to performance risks but not only the passage of time before the retention receivables are due. Details of contract assets are stated in Note 24.

23. 應收賬款及其他應收款項以及預付款項(續)

附註：(續)

(i) 應收賬款(續)

大部分疏浚合同要求客戶於發出進度證書後30日至90日內根據完成服務量(通常為上月完成服務量的95%)支付月度進度付款。根據該等疏浚合同，餘額(通常為完成服務量的5%)為保固金，由客戶於(a)項目完成及(b)客戶接納有關項目後三十至六十日內支付。

合約資產之詳情載於附註24，乃於提供建築服務之期間獲確認，為本集團就提供之服務收取代價之權利，此乃由於有關權利以(a)、(b)及缺陷責任期滿為先決條件，有關詳情載於附註27。

應收保固金於缺陷責任期屆滿前獲分類為合約資產，而缺陷責任期為自達成(a)及(b)當日起介乎30至365日之期間。當缺陷責任期屆滿時，合約資產的有關金額會獲重新分類為應收賬款。缺陷責任期之作用為保證所提供的建築服務符合協定的規格，惟不能單獨購買有關保證。應收保固金會於預定付款時間產生，且存在履約風險，惟於應收保固金到期前，時間之流逝並非唯一會產生有關款項之因素。合約資產詳情載於附註24。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

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

23. TRADE AND OTHER RECEIVABLES AND PREPAYMENTS (CONTINUED)

Notes: (Continued)

(i) Trade receivables (Continued)

Aged analysis of the Group's trade receivable, net of ECL

The aged analysis of the Group's trade receivable, prepared based on the dates of certification of work done, which approximate the respective revenue recognition dates (net of credit losses for trade receivable), at the end of each reporting period is as follows:

		2021 二零二一年 RMB'000 人民幣千元	2020 二零二零年 RMB'000 人民幣千元
0-30 days	0至30天	71,054	68,224
31-60 days	31至60天	21,545	9,690
61-90 days	61至90天	6,890	3,094
91-180 days	91至180天	22,517	9,413
181-365 days	181至365天	35,627	42,336
1 year-2 years	1年至2年	14,392	74,573
Over 2 years	超過2年	301,462	289,821
		473,487	497,151

The estimated loss rates for ECL calculations are estimated based on historical observed default rates over the expected life of the debtors and are adjusted for forward-looking information that is available without undue cost or effort. The grouping is regularly reviewed by the management to ensure relevant information about specific debtors is update.

Details of impairment assessment of trade receivables for the year ended 31 December 2021 are set out in Note 41(b).

(ii) Value-added tax recoverable ("VAT")

VAT paid of approximately RMB26,889,000 (2020: RMB2,582,000) by the Group in connection with its property, plant and machinery and construction in progress could be set-off against future value added tax payable generated from the Group.

23. 應收賬款及其他應收款項以及預付款項(續)

附註：(續)

(i) 應收賬款(續)

本集團應收賬款賬齡分析(扣除預期信貸虧損)

於各報告期末，根據竣工證書日期(與相關收益的確認日期相近)呈列的本集團應收賬款(扣除應收賬款的信貸虧損)的賬齡分析如下：

	2021 二零二一年 RMB'000 人民幣千元	2020 二零二零年 RMB'000 人民幣千元
0-30 days	71,054	68,224
31-60 days	21,545	9,690
61-90 days	6,890	3,094
91-180 days	22,517	9,413
181-365 days	35,627	42,336
1 year-2 years	14,392	74,573
Over 2 years	301,462	289,821
	473,487	497,151

預期信貸虧損公式中之估計虧損率乃基於過往觀察債務人於預期年期間之違約率作估計，並按毋需不必要成本或努力便可取得的前瞻性資料作調整。分組由管理層定期審閱，以確保特定債務人之相關資料為最新資料。

截至二零二一年十二月三十一日止年度之應收賬款減值評估的詳情載於附註41(b)。

(ii) 可收回增值稅(「可收回增值稅」)

本集團就其物業、廠房及機械以及未完工程支付可收回增值稅約人民幣26,889,000元(二零二零年：人民幣2,582,000元)，有關稅款可抵銷本集團日後之應付增值稅。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

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

23. TRADE AND OTHER RECEIVABLES AND PREPAYMENTS (CONTINUED)

Notes: (Continued)

(iii) Government financial incentive receivables

The aggregate carrying amount of government financial incentive receivable, deposits and other receivables were of approximately RMB24,731,000 (2020: RMB27,910,000). During the year ended 31 December 2021, an allowance of expected credit loss of approximately RMB5,000,000 (2020: RMB827,000) was recognised.

Details of impairment assessment of other receivables for the year ended 31 December 2021 are set out in Note 41(b).

(iv) Prepayments for construction of the Vessel and Equipment

As at 31 December 2020, the amount represents a prepayment to a Constructor (defined as below). On 1 June 2020, a wholly owned subsidiary of the Company (the "Subsidiary"), entered into a hoisting service contract with a customer who is an independent third party of the Group (the "Customer") which the Group agreed to provide the Customer with hoisting services for 4 years from the completion of construction of the Vessel and the Equipment (defined as below) at a monthly service income of approximately RMB6,800,000 (the "Monthly Service Income"), with the total service contract sum of approximately RMB326,400,000 (the "Hoisting Service Agreement").

On 11 June 2020, the Subsidiary entered into 2 agreements with a constructor, who is an independent third party of the Group (the "Constructor") to construct a vessel (the "Vessel") and to install equipment on the Vessel (the "Equipment") (the "Construction Agreements"). The total construction cost for the Vessel and the Equipment is approximately RMB226,748,000 in which the 1st instalment of the Construction Agreements is approximately RMB28,836,000, and the Subsidiary already paid the Constructor RMB15,836,000 on 23 July 2020.

On 23 July 2020, the Subsidiary and the Constructor entered into 2 agreements with a financing company, who is an independent third party of the Group (the "Financing Company"), all parties agreed the Subsidiary would transfer its right and obligation on the Construction Agreements to the Financing Company, the unpaid contract sum of Construction Agreements, i.e. 2nd to 4th instalments amounting to approximately RMB197,912,000 ("Unpaid Cost"), shall be borne by the Financing Company.

23. 應收賬款及其他應收款項以及預付款項(續)

附註：(續)

(iii) 應收政府財務獎勵

應收政府財務獎勵、按金及其他應收款項之賬面值合共約為人民幣24,731,000元(二零二零年：人民幣27,910,000元)。截至二零二一年十二月三十一日止年度，本公司確認約人民幣5,000,000元(二零二零年：人民幣827,000元)之預期信貸虧損撥備。

截至二零二一年十二月三十一日止年度之其他應收款項減值評估的詳情載於附註41(b)。

(iv) 建設船舶及設備之預付款項

於二零二零年十二月三十一日，該款項為向建造商(定義見下文)支付之預付款項。於二零二零年六月一日，本公司一間全資附屬公司(「附屬公司」)與身為本集團獨立第三方的一位客戶(「客戶」)訂立起重服務合約，據此，本集團同意，自完成建造船舶及設備(定義見下文)起四年間向該客戶提供起重服務，每月服務收入約為人民幣6,800,000元(「每月服務收入」)，服務合約總金額約為人民幣326,400,000元(「起重服務協議」)。

於二零二零年六月十一日，該附屬公司與身為本集團獨立第三方之一名建造商(「建造商」)訂立2份協議，內容有關建造一艘船舶(「船舶」)並於船舶上安裝設備(「設備」)(「建造協議」)。船舶及設備的建造總成本約為人民幣226,748,000元，其中建造協議之第1期分期付款約為人民幣28,836,000元，而該附屬公司已於二零二零年七月二十三日向該建造商支付人民幣15,836,000元。

於二零二零年七月二十三日，該附屬公司及該建造商與身為本集團獨立第三方之一間融資公司(「融資公司」)訂立2份協議，三方均同意該附屬公司向該融資公司轉讓其於建造協議下的權利及責任，而建造協議的未付合約總額(即第2期至第4期分期付款)約人民幣197,912,000元(「未付成本」)則由該融資公司承擔。

Notes to the Consolidated Financial Statements (Continued) 綜合財務報表附註(續)

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

23. TRADE AND OTHER RECEIVABLES AND PREPAYMENTS (CONTINUED)

Notes: (Continued)

- (iv) Prepayments for construction of the Vessel and Equipment (Continued)

On 23 July 2020, the Subsidiary entered into 2 finance lease agreements with the Financing Company pursuant to which the Financing Company would finance the Unpaid Cost to the Constructor during the construction period for the construction of Vessel and the Equipment by the Subsidiary. As at 31 December 2020, the Financing Company has paid of approximately RMB50,526,000 and RMB60,446,000 on 10 August 2020 and 30 October 2020 respectively on behalf of the Subsidiary. Interest on these amounts are accrued at 8% in arrears and amounting to approximately RMB2,263,000 for the year ended 31 December 2020.

In order to fulfil the payment obligations for the financing service, the Subsidiary and the Financing Company have entered into the following arrangement such that (a) the Subsidiary would rent the Vessel and the Equipment from the Financing Company at a monthly rental of RMB4,785,000 for 4 years (the "Monthly Rental") from the completion of the construction of the Vessel and the Equipment, so that the Group can provide the hoisting service to the Customer in accordance with the Hoisting Service Agreement, inducing the total future undiscounted cash outflows over the 4-year non-cancellable lease period amounted to approximately RMB229,680,000; (b) A deposit amounting to approximately RMB3,958,000 (see Note 17) was paid by the Subsidiary to the Financing Company on 1 August 2020 for the rental arrangement mentioned above. From the completion of construction of the Vessel and Equipment and during the 4-year lease term, the ownership of the Vessel and Equipment belongs to the Financing Company and at the end of the 4-year lease term, the Subsidiary has an option to purchase the Vessel and the Equipment from the Financing Company at RMB200.

Another vessel of the Group with carrying value amounted to approximately RMB22,928,000 (2020: RMB21,677,000) as at 31 December 2020, has been pledged to the Financing Company to secure the arrangement (see Note 38). Mr. Liu and Ms. Zhou have also provided personal guarantees to secure the arrangement (see Note 39).

23. 應收賬款及其他應收款項以及 預付款項(續)

附註：(續)

- (iv) 建設船舶及設備之預付款項(續)

於二零二零年七月二十三日，該附屬公司與該融資公司訂立2份融資租賃協議，據此，該融資公司會於該附屬公司建造船舶及設備的建造期間向該建造商支付未付成本。於二零二零年十二月三十一日，該融資公司已分別於二零二零年八月十日及二零二零年十月三十日代表該附屬公司支付約人民幣50,526,000元及約人民幣60,446,000元。該等金額的利息乃按8%利率累計，於截至二零二零年十二月三十一日止年度達約人民幣2,263,000元，須於協議到期時償還。

為履行融資服務的付款責任，該附屬公司與該融資公司訂立下列安排：(a)該附屬公司將自完成建造船舶及設備起計4年內以每月人民幣4,785,000元的租金(「每月租金」)自該融資公司租賃船舶及設備，使本集團可根據起重服務協議向該客戶提供起重服務，並於4年不可撤銷租賃期內產生未來未貼現現金流出總額約人民幣229,680,000元；(b)就上述租賃安排而言，該附屬公司已於二零二零年八月一日向該融資公司支付按金約人民幣3,958,000元(見附註17)。自完成建造船舶及設備起以及於4年租賃期間，船舶及設備的所有權歸該融資公司所有。於4年租期末，該附屬公司可選擇以人民幣200元該自融資公司購買船舶及設備。

於二零二零年十二月三十一日，本集團向該融資公司抵押賬面值約為人民幣22,928,000元(二零二零年：人民幣21,677,000元)的另一艘船舶以擔保該安排(見附註38)。劉先生及周女士亦提供個人擔保以擔保該安排(見附註39)。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

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

23. TRADE AND OTHER RECEIVABLES AND PREPAYMENTS (CONTINUED)

Notes: (Continued)

- (iv) Prepayments for construction of the Vessel and Equipment (Continued)

On 23 July 2020, the Subsidiary and the Financing Company also entered into an entrusted payment contract that the Subsidiary entrusts the Customer to pay the Financing Company the Monthly Rental directly. However, if the Customer fails to repay the Monthly Rental, the Subsidiary has the obligation to repay the Financing Company the amount in full. On the same date, the Subsidiary and the Financing Company entered into an agreement to set up a restricted bank account (the "Account") for the Customer to deposit the excess of Monthly Service Income net with the Monthly Rental in the Account, i.e. RMB2,015,000 per month, and the Financing Company has the right to withdraw the excess directly from the Account, in order to fulfil the Monthly Rental obligation. The Account is pledged to the Financing Company to secure the repayment of the Monthly Rental.

In the opinion of the Directors, the above arrangement with the Financing Company was just a financial arrangement for the Group to obtain the Vessel and the Equipment. As at 31 December 2021, the Financing Company and the Subsidiary paid a total of approximately RMB197,912,000 (2020: RMB110,972,000) and 28,242,000 (2020: RMB15,836,000), respectively, amounting to approximately 226,154,000 (2020: RMB126,808,000) in aggregate to the Constructor over the construction period in accordance with specified milestones, representing a prepayment of the Group whilst its financial arrangement with the Financing Company represents other borrowings of the Group as set out in Note 31.

On 12 July 2021, the construction of the Vessel and the Equipment has been completed. As the construction of the Vessel and the Equipment was completed in July 2021, prepayments for construction of the Vessel and Equipment was transferred to property, plant and equipment accordingly. The vessel ownership certificate and certificate of registry of the Vessel have been issued by the Government on 12 July 2021 and 15 July 2021 respectively and the Subsidiary has then commenced to provide hoisting service to the Customer under the Hoisting Service Agreement after obtaining the certificates.

Details of impairment assessment of prepayments for the year ended 31 December 2020 are set out in Note 41(b).

23. 應收賬款及其他應收款項以及預付款項(續)

附註：(續)

- (iv) 建設船舶及設備之預付款項(續)

於二零二零年七月二十三日，該附屬公司及該融資公司亦訂立一份委託付款合約，該附屬公司委託該客戶直接向該融資公司支付每月租金。然而，倘該客戶未能償還每月租金，則該附屬公司有責任向該融資公司悉數償還款項。於同日，該附屬公司與該融資公司訂立一份協議，內容有關設立受限制銀行賬戶（「賬戶」），以讓該客戶將額外的每月服務收入淨額及每月租金，即每月人民幣2,015,000元，存入該賬戶，且該融資公司有權直接從該賬戶提取超額的款項，以履行每月租金責任。該賬戶已被抵押予該融資公司以擔保將償還每月租金。

董事認為，上述與該融資公司的安排僅為本集團獲得船舶及設備的融資安排。於二零二一年十二月三十一日，該融資公司及該附屬公司於建造期間之指定里程碑分別向該建造商支付約人民幣197,912,000元（二零二零年：人民幣110,972,000元）及約人民幣28,242,000元（二零二零年：人民幣15,836,000元），總計約人民幣226,154,000元（二零二零年：人民幣126,808,000元），作為本集團的預付款項，同時，其與該融資公司的融資安排為本集團的另一項借貸，詳情載於附註31。

於二零二一年七月十二日，船舶及設備之建造工程竣工。船舶及設備於二零二一年七月完成後，就船舶及設備之建造工程支付之預付款項已獲轉移至物業、廠房及設備。政府分別於二零二一年七月十二日及二零二一年七月十五日發出船舶擁有權證明書以及船舶註冊證書，而該附屬公司在接獲該等證書後，開始履行起重服務協議，為該客戶提供起重服務。

截至二零二零年十二月三十一日止年度之預付款項減值評估的詳情載於附註41(b)。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

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

23. TRADE AND OTHER RECEIVABLES AND PREPAYMENTS (CONTINUED)

Notes: (Continued)

(v) Other prepayments

As at 31 December 2021, the Group's other prepayments comprise of: (i) approximately RMB36,784,000 (2020: RMB30,177,000) related to the Group paid for the chartering cost, docking costs and fuel cost for both PRC and overseas projects; and (ii) nil amount (2020: RMB13,818,000) for prepayment of purchase of raw materials for the construction of hotel.

(vi) Deposits and others

The aggregate carrying amount of government financial incentive receivable, deposits and other receivables were RMB24,731,000 (2020: RMB27,910,000). During the year ended 31 December 2021, an allowance of expected credit loss of RMB5,000,000 (2020: RMB827,000) was recognised.

Details of impairment assessment of deposits and other receivables for the year ended 31 December 2021 and 2020 are set out in Note 41(b).

23. 應收賬款及其他應收款項以及 預付款項(續)

附註：(續)

(v) 其他預付款項

於二零二一年十二月三十一日，本集團之其他預付款項計及：(i)本集團就中國及海外項目支付之租船成本、泊船成本及燃料成本約人民幣36,784,000元(二零二零年：人民幣30,177,000元)；及(ii)其就購買興建酒店的建築原材料預付之款項零元(二零二零年：人民幣13,818,000元)。

(vi) 按金及其他

應收政府財務獎勵、按金及其他應收款項之賬面值合共為人民幣24,731,000元(二零二零年：人民幣27,910,000元)。截至二零二一年十二月三十一日止年度，本公司確認預期信貸虧損撥備人民幣5,000,000元(二零二零年：人民幣827,000元)。

截至二零二零年及二零二一年十二月三十一日止年度之按金及其他應收款項減值評估之詳情載於附註41(b)。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

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

24. CONTRACT ASSETS

24. 合約資產

		2021 二零二一年 RMB'000 人民幣千元	2020 二零二零年 RMB'000 人民幣千元
Contract assets	合約資產	9,231	25,466
Less: Allowance for credit losses	減：信貸虧損撥備	(165)	(419)
		9,066	25,047
Analysed as:	分析為：		
– Current	– 流動	3,701	5,983
– Non-current	– 非流動	5,365	19,064
		9,066	25,047

As explained in Note 23, according to the dredging contracts with customers, the remaining balance of the contracts (typically 5% of the quantum of the services completed) is kept as retention money and is to be paid by the customers within thirty to sixty days after (a) the project is completed and (b) accepted by the customers. A contract asset, is recognised over the period in which the construction services are performed representing the Group's right to consideration for the services performed because the rights are conditioned on (a), (b) and expiration of defect liability period. The contract assets are transferred to trade receivables when the rights become unconditional.

誠如附註23所解釋，根據與客戶訂立之疏浚合約，合約餘額通常為已完成服務量之5%，並為保固金，而客戶須於(a)項目完成及(b)客戶接納有關項目後三十至六十日內支付有關款項。合約資產乃於提供建築服務之期間獲確認，為本集團就提供之服務收取代價之權利，此乃由於有關權利以(a)、(b)及缺陷責任期屆滿為先決條件。當權利變成無條件，合約資產將獲轉移至應收賬款。

Notes to the Consolidated Financial Statements (Continued) 綜合財務報表附註(續)

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

24. CONTRACT ASSETS (CONTINUED)

Retention receivables, prior to expiration of defect liability period, are classified as contract assets, which range from 30 to 365 days for 5% to 30% of the contract value after (a) and (b) are fulfilled. This amount is included in contract assets until the end of the retention period as the Group's entitlement to this final payment is conditional on the satisfaction of the service quality by the customers over the retention period as stipulated in the contracts. The relevant amount of the contract assets are transferred to the trade receivables when the rights become unconditional, which is typically at the expiry date of the period for the provision of assurance by the Group on the service quality of the construction work performed by the Group when the defect liability period expires. The defect liability period serves as an assurance that the construction services performed comply with agreed-upon specifications and such assurance cannot be purchased separately. The timing of payment patterns give rise to retention receivables which are subject to performance risks but not only the passage of time before the retention receivables are due.

As at 31 December 2021, the Group's right on the retention receivables is conditional and thus the entire amount of retention receivables amounted to approximately RMB9,066,000, net allowance of credit losses (2020: RMB25,047,000) are classified as contract assets.

As at 31 December 2021, retention receivables included in contract assets amounting to approximately RMB5,365,000, net allowance for credit losses (2020: RMB19,064,000) are resulted from current projects which are expected to be realised more than 12 months. The remaining portion of contract assets amounting to approximately RMB3,701,000, net allowance for credit losses (2020: RMB5,983,000) are expected to be realised within 12 months.

24. 合約資產(續)

應收保固金為合約價值之5%至30%。缺陷責任期自達成(a)及(b)起計，介乎30至365日。於缺陷責任期屆滿前，應收保固金乃獲分類為合約資產，直至保固期完結，此乃由於根據合約規定，本集團收取最後一筆付款之權利取決於客戶對保固期間的服務質素之滿意程度。通常於缺陷責任期屆滿後，本集團就其進行之建造工程之服務質素提供保證的期間屆滿當日，權利會變成無條件，而合約資產之相關金額將獲轉移至應收賬款。缺陷責任期之作用為保證所提供的建築服務符合協定的規格，惟不能單獨購買該保證。應收保固金會於預定付款時間產生，且存在履約風險，惟於應收保固金到期前，時間之流逝並非唯一會產生有關款項之因素。

於二零二一年十二月三十一日，本集團收取應收保固金之權利為有條件，因此應收保固金總額約為人民幣9,066,000元，而信貸虧損撥備淨額(二零二零年：人民幣25,047,000元)則獲分類為合約資產。

於二零二一年十二月三十一日，合約資產項下之應收保固金約為人民幣5,365,000元，而信貸虧損撥備淨額(二零二零年：人民幣19,064,000元)乃產生自預期將於12個月後變現之現有項目。合約資產之其他部分約為人民幣3,701,000元，而信貸虧損撥備(二零二零年：人民幣5,983,000元)預期將於12個月內獲變現。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

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

24. CONTRACT ASSETS (CONTINUED)

During the year ended 31 December 2021, there is an addition of approximately RMB1,530,000 (2020: RMB19,967,000) and a transfer of approximately RMB18,888,000 (2020: RMB6,292,000) from contract assets to trade receivables. The Group's rights to considerations on these contracts assets have become unconditional i.e. only the passage of the time is required before payment of that consideration is due.

As part of the internal credit risk management, the Group applies internal credit rating for its customers in relation to contract assets.

Details of impairment assessment of contract assets for the year ended 31 December 2021 and 2020 are set out in Note 41(b).

25. BANK BALANCES AND CASH

Bank balances that are denominated in a currency other than the functional currency of the relevant group companies are set out below:

		2021 二零二一年 RMB'000 人民幣千元	2020 二零二零年 RMB'000 人民幣千元
United States Dollar ("US\$")	美元(「美元」)	13	15
Hong Kong Dollar ("HK\$")	港元(「港元」)	243	784

24. 合約資產(續)

截至二零二一年十二月三十一日止年度，應收賬款增加約人民幣1,530,000元(二零二零年：人民幣19,967,000元)，且有約人民幣18,888,000元(二零二零年：人民幣6,292,000元)自合約資產獲轉移至應收賬款。本集團就該等合約資產收取代價之權利已變成無條件，即於支付代價之期限屆滿前僅須計及時間之流逝。

作為內部信貸風險管理之一部分，本集團對與合約資產相關之客戶進行內部信貸評估。

截至二零二零年及二零二一年十二月三十一日止兩個年度之合約資產減值評估的詳情載於附註41(b)。

25. 銀行結餘及現金

以相關集團公司的功能貨幣以外的貨幣計值之銀行結餘載列如下：

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

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

26. TRADE AND OTHER PAYABLES

26. 應付賬款及其他應付款項

		2021 二零二一年 RMB'000 人民幣千元	2020 二零二零年 RMB'000 人民幣千元
Trade payables	應付賬款		
Sub-contracting charge	分包費用	117,996	101,315
Fuel cost	燃料成本	8,459	2,030
Repair and maintenance	維修及保養	19,807	14,888
Others	其他	1,885	18,922
		148,147	137,155
Other payables	其他應付款項		
Payable for construction cost of investment properties (note below)	投資物業建設成本的應付款項 (附註載於下文)	73,873	73,945
Accrual for other taxes	應計其他稅項	51,688	53,362
Accrual for staff salaries and welfare	應計員工薪金及福利	36,705	35,018
Others	其他	49,315	59,891
		211,581	222,216
		359,728	359,371

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

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

26. TRADE AND OTHER PAYABLES (CONTINUED)

The aged analysis of the Group's trade payables presented based on the invoice date, except for sub-contracting charge which is presented based on dates of the progress certificates, as at the end of each reporting period is as follows:

		2021	2020
		二零二一年	二零二零年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
0-30 days	0至30天	17,626	15,798
31-60 days	31至60天	37,879	19,563
61-90 days	61至90天	4,042	983
91-180 days	91至180天	19,337	3,014
Over 180 days	超過180天	69,263	97,797
		148,147	137,155

Note: As at 31 December 2021, based on invoice date, other payables for construction cost for investment properties of approximately RMB73,873,000 (2020: RMB73,873,000) has been due for over 1 year.

附註：於二零二一年十二月三十一日，根據發票日期，投資物業建設成本的其他應付款項約人民幣73,873,000元（二零二零年：人民幣73,873,000元）已逾期超過1年。

26. 應付賬款及其他應付款項(續)

本集團於各報告期末按發票日期呈列的應付賬款（按進度證書日期呈列的分包費用除外）的賬齡分析如下：

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

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

27. CONTRACT LIABILITIES

Contract liabilities represent service income received in advance of approximately RMB34,974,000 (2020: RMB42,364,000) as at 31 December 2021 and recognised as revenue when the services are rendered.

During the year ended 31 December 2021, there is an addition of approximately RMB26,847,000 (2020: RMB32,194,000) and a transfer of approximately RMB21,625,000 (2020: RMB11,840,000) from contract liabilities to revenue.

28. AMOUNTS DUE TO DIRECTORS OF THE COMPANY

Amount due to Mr. Liu	應付劉先生款項	29,700	40,900
Advances from and emolument payable to certain Directors	來自及應付若干董事之墊款及薪酬	4,507	3,955

The advances are unsecured, interest-free and have no fixed repayment schedule.

Pursuant to the letter of Undertaking, Mr. Liu agreed not to request the Group to repay the amount due to him of approximately RMB29,700,000 until the Group has sufficient funds to meet all the liabilities and financial obligations as and when they fall due in the coming twelve months from 31 December 2021.

27. 合約負債

合約負債指截至二零二一年十二月三十一日預先獲得的服務收入，金額約為人民幣34,974,000元(二零二零年：人民幣42,364,000元)，已於本集團提供服務時獲確認為收入。

截至二零二一年十二月三十一日止年度，收入增加約人民幣26,847,000元(二零二零年：人民幣32,194,000元)，且有約人民幣21,625,000元(二零二零年：人民幣11,840,000元)自合約負債獲轉移至收入。

28. 應付本公司董事款項

		2021 二零二一年 RMB'000 人民幣千元	2020 二零二零年 RMB'000 人民幣千元
Amount due to Mr. Liu	應付劉先生款項	29,700	40,900
Advances from and emolument payable to certain Directors	來自及應付若干董事之墊款及薪酬	4,507	3,955
		34,207	44,855

墊款為無抵押、不計息及不設固定還款時間表。

根據承諾函，劉先生同意，直至本集團擁有充足資金償付所有將於二零二一年十二月三十一日起計未來十二個月內到期之負債及履行有關期間之所有財務責任為止，不會要求本集團償還應付其款項約人民幣29,700,000元。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

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

29. AMOUNTS DUE TO NON-CONTROLLING SHAREHOLDERS OF A SUBSIDIARY

All amounts are unsecured and non-trade in nature.

As at 31 December 2021, all balances are non-interest bearing except for an amount of approximately RMB17,860,000 (2020: RMB19,360,000) which is interest bearing at 12% (2020: 12% per annum ("p.a.")). On 31 December 2021, the non-controlling shareholders agreed not to demand repayment of approximately RMB59,887,000 of the amounts due to them before March 2023 (2020: RMB61,387,000 of the amounts due to them before January 2022) and thus, the amount was classified as non-current.

29. 應付一間附屬公司非控股股東之款項

所有款項均為無抵押及屬非貿易性質。

於二零二一年十二月三十一日，除約為人民幣17,860,000元(二零二零年：人民幣19,360,000元)之款項乃以12%(二零二零年：12%)之年利率(「年利率」)計息外，所有餘額均為不計息。於二零二一年十二月三十一日，非控股股東同意不會要求本集團償還應於二零二三年三月前支付彼等之款項約人民幣59,887,000元(二零二零年：應於二零二二年一月前支付彼等之款項人民幣61,387,000元)，因此，有關款項獲分類為非流動。

30. BANK BORROWINGS

30. 銀行借貸

		2021 二零二一年 RMB'000 人民幣千元	2020 二零二零年 RMB'000 人民幣千元
Secured bank borrowings	有抵押之銀行借貸		
Payment schedule according to contractual repayment terms	按合約還款條款訂立之付款時間表		
– Amount due for settlement within one year	– 一年內到期結清的款項	276,330	293,400

The effective interest rates of the secured bank borrowings are set out in the following table:

有抵押之銀行借貸的實際利率呈列如下：

		2021 二零二一年 RMB'000 人民幣千元	2020 二零二零年 RMB'000 人民幣千元
Fixed interest at 4.45% p.a. to 6.55% p.a. (2020: 5.44% p.a. to 8.05% p.a.)	固定年利率4.45%至6.55% (二零二零年：年利率5.44% 至8.05%)	216,400	217,400
Floating interest at LPR plus 1.76% p.a. (2020: LPR plus 1.13% p.a. to 1.61% p.a.)	最優惠貸款利率加1.76%年利率 之浮動利率(二零二零年： 最優惠貸款利率加年利率 1.13%至1.61%)	59,900	76,000
		276,300	293,400

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

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

30. BANK BORROWINGS (CONTINUED)

As at 31 December 2021 and 2020, the Group's bank borrowings were supported by the corporate guarantees given by a wholly-owned subsidiary of the Company, Xiangyu PRC (defined in Note 43) and the Company. The Group's bank borrowings to the extent of approximately RMB185,900,000 (2020: RMB192,500,000) were secured by certain assets of the Group (see Note 38), a property owned by a company in which Mr. Liu has beneficial interest and personal guarantees provided by Mr. Liu and Ms. Zhou, respectively (see Note 39(ii)).

30. 銀行借貸(續)

於二零二零年及二零二一年十二月三十一日，本集團之銀行借貸乃由本公司全資附屬公司翔宇中國(定義見附註43)及本公司提供之公司擔保支持。本集團之銀行借貸當中，約人民幣185,900,000元(二零二零年：人民幣192,500,000元)乃分別由本集團之若干資產(見附註38)以及劉先生擁有實益權益之公司所擁有之物業作抵押，並由劉先生及周女士提供之個人擔保支持(見附註39(ii))。

31. OTHER BORROWINGS

31. 其他借貸

		Notes 附註	2021 二零二一年 RMB'000 人民幣千元	2020 二零二零年 RMB'000 人民幣千元
Other borrowings:	其他借貸：			
Secured other borrowing from Financing Company	自融資公司取得之有抵押其他借貸	(i)	176,421	112,526
Unsecured other borrowings	無抵押之其他借貸	(ii)	81,915	76,927
			258,336	189,453
The above borrowings are repayable	上述借貸須於下述期間償還：			
Within one year	一年內		47,574	78,943
Within a period of more than one year but not exceeding two years	多於一年但不超過兩年之期間		129,217	110,510
Within a period of more than two years but not exceeding five years	多於兩年但不超過五年之期間		81,545	—
			258,336	189,453

Notes:

- (i) Secured other borrowing funded by the Financing Company

It represents payable to the Financing Company for construction of the Vessel and the Equipment amounting to approximately RMB176,420,000 (2020: RMB112,526,000), respectively. Please refer to Note 23(iv) for details.

附註：

- (i) 由融資公司提供之有抵押其他借貸

此指應就建造船舶及設備支付融資公司之款項，金額約為人民幣176,420,000元(二零二零年：人民幣112,526,000元)。有關詳情請參閱附註23(iv)。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

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

31. OTHER BORROWINGS (CONTINUED)

Notes: (Continued)

(ii) Unsecured other borrowings

All of the Group's unsecured other borrowings are unsecured, without fixed repayment term and were borrowed from independent third parties.

Out of which, unsecured other borrowings amounted to approximately RMB27,392,000 (2020: RMB21,742,000) carried fixed interest rates ranged at 12% per annum (2020: 10% to 12%) and the effective interest rate was 10.98% (2020: 10.09%). The remaining other borrowings of the Group are interest-free.

On 31 December 2021, certain counterparties agreed not to demand repayment before January 2023 (2020: January 2022 and accordingly, an amount of approximately RMB79,927,000 (2020: RMB24,277,000) due to these parties are classified as non-current.

32. BONDS PAYABLE

The Company issued unsecured convertible bonds (the "Bonds") to CITIC at a total nominal value of HK\$243,000,000 (equivalent to RMB191,970,000) on 8 November 2013, carrying an interest rate of 3% per annum with the maturity date of 7 November 2016 (the "Original Maturity Date"). The Bondholder, being CITIC, had an option to either convert the Bonds into the Company's ordinary shares at a conversion price of HK\$2.7 per share, subject to anti-dilutive adjustments, at any time after six months from the date of issue and up to the Original Maturity Date, or to require the Company to redeem them at 133.792% of the nominal value of the Bonds, which amounted to HK\$325,115,000 (equivalent to approximately RMB290,818,000 based on spot exchange rate on 7 November 2016) (the "Original Redemption Amount"), upon maturity. The Company had no right to early redeem the Bonds.

31. 其他借貸

附註：(續)

(ii) 無抵押之其他借貸

本集團之所有無抵押其他借貸均為無抵押、不設固定還款期及來自獨立第三方。

當中，約人民幣27,392,000元(二零二零年：人民幣21,742,000元)之無抵押其他借貸以固定年利率12%(二零二零年：10%至12%)計息，實際利率則為10.98%(二零二零年：10.09%)。除此以外，本集團之其他借貸均不計息。

於二零二一年十二月三十一日，若干對手方同意於二零二三年一月前不會要求還款(二零二零年：二零二二年一月)，因此，應付該等人士之款項約人民幣79,927,000元(二零二零年：人民幣24,277,000元)獲分類為非流動。

32. 應付債券

本公司於二零一三年十一月八日向CITIC發行總面值243,000,000港元(等於人民幣191,970,000元)的無抵押可換股債券(「債券」)，利息為每年3%，於二零一六年十一月七日(「原到期日」)到期。債券持有人(即CITIC)可於發行日期後六個月至原到期日的任何時間選擇以兌換價每股2.7港元(可對其作出反攤薄調整)將債券兌換成本公司的普通股，或於到期後要求本公司以債券面值的133.792%，即325,115,000港元(根據二零一六年十一月七日的即期匯率相當於約人民幣290,818,000元)(「原贖金」)贖回債券。本公司無權提早贖回該等債券。

Notes to the Consolidated Financial Statements (Continued) 綜合財務報表附註(續)

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

32. BONDS PAYABLE (CONTINUED)

At the time when the Bonds were issued, the Bonds were analysed by the management of the Group to contain two components, the host debt component and the conversion option. The Bonds are denominated in HK\$, which is a currency other than the Company's functional currency. Therefore, the conversion option in the Bonds does not result in an exchange of a fixed number of the Company's own equity instruments for a fixed amount of cash, denominated in HK\$. Accordingly, the conversion option was accounted for separately as a derivative liability, which was not closely related to the host debt component. The fair values of the debt component and the derivative component were determined at the date of issue. Subsequent to initial recognition, the debt component was carried at amortised cost while the derivative component was measured at fair value, with changes in fair value recognised in profit or loss. The effective interest rate of the debt component was 16.9%.

The Group had not paid the Original Redemption Amount and the last interest payment on the Original Maturity Date to CITIC. During the year ended 31 December 2016, the Group and CITIC entered into a framework agreement on 14 November 2016 (as amended by supplemental framework agreements, collectively the "Framework Agreement") and a standstill and amended agreement and supplemental deed to the original deed poll regarding the Bonds (the "Amendment Agreement") on 15 December 2016, pursuant to which CITIC agreed to a) extend the maturity from the Original Maturity Date to 14 March 2017 and b) reduce the principal amount of Original Redemption Amount to approximately HK\$275,415,000 (equivalent to RMB246,381,000) based on spot exchange rate on 31 December 2016, subject to certain conditions as stated in the Amendment Agreement.

Furthermore, the conversion option under the Bonds was removed under the Amendment Agreement. Accordingly, no embedded derivative was recognised at 31 December 2016 and at the end of subsequent accounting periods.

32. 應付債券(續)

在發行債券時，本集團管理層分析債券，判定當中包含兩個部分，主債務部分及換股權。債券乃以港元計值，而港元為本公司功能貨幣以外的貨幣。因此，不能透過債券之換股權將本公司自身之權益工具換作以港元計值之定額現金。因此，換股權獲分開入賬列為衍生負債，這與主債務部分並無密切關係。債務部分及衍生工具部分的公平值於發行日期釐定。初步確認後，債務部分按攤薄成本計算，衍生工具部分則按公平值計算，公平值的變動於損益內獲確認。債務部分的實際利率為16.9%。

於原到期日，本集團尚未向CITIC支付原贖金及最後一筆利息。截至二零一六年十二月三十一日止年度，本集團於二零一六年十一月十四日與CITIC訂立框架協議（經補充框架協議修訂，統稱「框架協議」），並於二零一六年十二月十五日與CITIC訂立有關債券的暫緩還款及經修訂協議，以及原平邊契據補充契據（「修訂協議」）。據此，CITIC同意a)將到期日由原到期日延長至二零一七年三月十四日；及b)減少原贖金本金額至約275,415,000港元（根據二零一六年十二月三十一日的即期匯率相當於人民幣246,381,000元），惟受限於修訂協議所述若干條件。

此外，債券的換股權已根據修訂協議被移除。因此，於二零一六年十二月三十一日及隨後的會計期末，並無嵌入式衍生工具獲確認。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

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

32. BONDS PAYABLE (CONTINUED)

On 21 March 2017, 5 June 2017, 21 September 2017, 23 January 2018 and 15 March 2019, the Company and CITIC had entered into the second amendment agreement, the third amendment agreement, the fourth amendment agreement, the fifth amendment agreement and the sixth amendment agreement. During 2019, the sixth amendment agreement was in effective pursuant to which the maturity date of the Bonds was extended to 20 December 2019 such that based on the latest amendment agreement in effect, the Company needed to repay the Bonds of approximately HK\$319,483,000 (equivalent to RMB268,045,000) together with the interest due by 20 December 2019 with interest rate at an amended rate of 13% per annum.

The Company had not repaid the abovementioned amounts in full on 20 December 2019, at which date the total amount outstanding, including the accrued interest amounted to approximately HK\$319,483,000 (equivalent to RMB285,890,000). As at 31 December 2019, the total amount outstanding, including the accrued interest rate at 13% per annum amounted to approximately HK\$320,503,000 (equivalent to RMB286,804,000).

Subsequently, during the years ended 31 December 2019 and 2020, the Group has settled approximately HK\$10,398,000 (equivalent to RMB9,030,000) to CITIC, the bond holder of an unsecured convertible bonds (the "Bonds") issued on 8 November 2013. On 3 December 2020, the Company and CITIC had entered into the seventh amendment agreement, (the "Seventh Amendment Agreement") to extend the maturity date of 7 November 2016 to 31 March 2021. Pursuant to the Seventh Amendment Agreement, it has been agreed that, a) the principal amount of the Bonds shall be amended to HK\$319,483,000 (equivalent to RMB268,045,000); b) the redemption amount of the Bonds shall be amended to HK\$352,447,000 (equivalent to RMB295,702,000) including the interest accrued at 8% per annum; and c) if the Company repays CITIC an amount of HK\$98,359,000 on or before 31 March 2021, the Company shall be deemed to have repaid the Bonds in full. The Company has repaid HK\$98,359,000 to CITIC on 30 March 2021 in pursuant with the above terms set out in the Seventh Amendment Agreement, such bonds payable have been fully settled and gain on waived bonds payable, which was the unsettled carrying amount upon of HK\$98,359,000, was recognised in profit or loss.

32. 應付債券(續)

於二零一七年三月二十一日、二零一七年六月五日、二零一七年九月二十一日、二零一八年一月二十三日及二零一九年三月十五日，本公司與CITIC分別訂立第二份修訂協議、第三份修訂協議、第四份修訂協議、第五份修訂協議及第六份修訂協議。於二零一九年，第六份修訂協議生效，據此，債券之到期日延長至二零一九年十二月二十日，故根據有效的最新修訂協議，本公司最遲須於二零一九年十二月二十日償付債券約319,483,000港元(相當於人民幣268,045,000元)以及到期利息，利息按經修訂年利率13%計算。

本公司未能於二零一九年十二月二十日悉數償還上述款項。於該日尚未償還的總金額(包括應計利息)約為319,483,000港元(相當於人民幣285,890,000元)。於二零一九年十二月三十一日，未償還總金額(包括以年利率13%計算之應計利息)約為320,503,000港元(相當於人民幣286,804,000元)。

期後，截至二零一九年及二零二零年十二月三十一日止各年度，本集團已向CITIC償還約10,398,000港元(相當於人民幣9,030,000元)。CITIC為本集團於二零一三年十一月八日發行之無抵押可換股債券(「債券」)之債券持有人。於二零二零年十二月三日，本公司與CITIC訂立第七份修訂協議(「第七份修訂協議」)，將到期日由二零一六年十一月七日延長至二零二一年三月三十一日。根據第七份修訂協議，本公司已同意a)修訂債券的本金額至319,483,000港元(相當於人民幣268,045,000元)；b)修訂債券贖金至352,447,000港元(相當於人民幣295,702,000元)(包括以年利率8%計算之應計利息)；及c)倘本公司於二零二一年三月三十一日或之前向CITIC償還98,359,000港元，則本公司須被視為已全數償還該債券。本公司已根據第七份修訂協議所載上述條款於二零二一年三月三十日向CITIC償還98,359,000港元，有關應付債券已獲悉數結算，而應付債券獲豁免之收益(即扣除98,359,000港元後之未付賬面值)已於損益中獲確認。

Notes to the Consolidated Financial Statements (Continued) 綜合財務報表附註(續)

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

32. BONDS PAYABLE (CONTINUED)

The arrangement in relation to (a) and (b) under the Seventh Amendment Agreement as mentioned above resulted in a substantial modification of terms of the Bonds, resulting in an extinguishment of the original Bonds and the recognition of new Bonds, a modification gain of approximately RMB325,000 is recognised in profit or loss for the year ended 31 December 2020.

Under the abovementioned agreements entered into by the Company and CITIC, the Bonds are personally guaranteed by Mr. Liu and his spouse Ms. Zhou Shuhua ("Ms. Zhou") who are also the directors of the Company, and equity interests in certain subsidiaries of the Company are pledged in favour of CITIC, a dredger and an industrial premise and a residential property owned by the Group included in property, plant and equipment and investment properties with carrying value of approximately RMB205,005,000 as at 31 December 2020 (2019: RMB245,157,000). The Company has repaid to CITIC on 30 March 2021.

On 30 March 2021, the Company repaid HK\$98,359,241 (equivalent to RMB83,145,000) to the Bondholder and such payment is treated as the full and final settlement of the Bonds. The total sum payable by the Company for the redemption of the Bonds was funded by the proceeds from the Subscription (see Note 34(1)(i)). Subsequently, the entire bonds payables was fully settled and a gain on waived bonds payable of RMB207,977,000 was credited to profit or loss for the year ended 31 December 2021.

Details of each of the agreements are set out in the announcements of the Company dated 7 November 2016, 15 November 2016, 16 November 2016, 16 December 2016, 22 March 2017, 5 June 2017, 22 September 2017, 1 December 2017, 23 January 2018, 15 March 2019, 3 December 2020 and 30 March 2021.

32. 應付債券(續)

上述第七份修訂協議下有關(a)及(b)的安排導致債券條款出現重大修訂，進而導致消滅原債券及確認新債券。本公司已於截至二零二零年十二月三十一日止年度之損益中確認約人民幣325,000元的修訂收益。

根據上述本公司與CITIC訂立之協議，債券由劉先生及其配偶周淑華女士(「周女士」)(彼等亦為本公司董事)提供之個人擔保、質押予CITIC的本公司若干附屬公司股權、一艘挖泥船以及於物業、廠房及設備以及投資物業項下由本集團擁有且賬面值於二零二零年十二月三十一日約為人民幣205,005,000元(二零一九年：人民幣245,157,000元)之一幢工業樓宇及一幢住宅物業作抵押。本公司已於二零二一年三月三十日還款予CITIC。

於二零二一年三月三十日，本公司向債券持有人償付98,359,241港元(相等於人民幣83,145,000元)，而該款項被當作已全額償還債券及為最後一筆還款。本公司就贖回債券之應付總額乃由認購事項(見附註34(1)(i))之所得款項撥付。期後，全部應付債券已獲悉數清償，而應付債券獲豁免之收益人民幣207,977,000元已獲計入截至二零二一年十二月三十一日止年度之損益中。

各項協議的詳情載於本公司日期為二零一六年十一月七日、二零一六年十一月十五日、二零一六年十一月十六日、二零一六年十二月十六日、二零一七年三月二十二日、二零一七年六月五日、二零一七年九月二十二日、二零一七年十二月一日、二零一八年一月二十三日及二零一九年三月十五日、二零二零年十二月三日以二零二一年三月三十日之公告。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

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

32. BONDS PAYABLE (CONTINUED)

Based on the revised agreements, interest rate are as follows:

32. 應付債券(續)

根據經修訂的各份協議，利率如下：

Period	期間	Interest rate per annum 年利率
From 22 June 2018 and up to 20 December 2019	二零一八年六月二十二日至 二零一九年十二月二十日	13%
From 21 December 2019 and up to 31 March 2021	二零一九年十二月二十一日至 二零二一年三月三十一日	8%

The above interest shall accrue on a day to day basis and be calculated on the basis of a 365-day calendar year on the Reduced Redemption Amount/ revised principal amount.

上述經減少贖金／經修訂本金額的利息應按每曆年365日之基準每日累計。

The Bonds recognised in the consolidated statement of financial position are calculated as follows:

於綜合財務狀況表中獲確認之債券按以下數字計算：

		RMB'000 人民幣千元
At 1 January 2020	於二零二零年一月一日	286,804
Gain on modification of bonds payable	應付債券獲修訂之收益	(325)
Interest expense	利息開支	22,857
Settlement during the year	年內償付	(3,000)
Exchange realignment	匯兌調整	(18,854)
At 31 December 2020	於二零二零年十二月三十一日	287,482
Interest expense	利息開支	5,179
Settlement during the year	年內償付	(83,145)
Gain on waived bonds payable	應付債券獲豁免之收益	(207,977)
Exchange realignment	匯兌調整	(1,539)
At 31 December 2021	於二零二一年十二月三十一日	-

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

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

33. DEFERRED TAX ASSETS/DEFERRED TAX LIABILITIES

The following are the major deferred tax assets and deferred tax liabilities recognised and movements thereon during the current and prior years:

		Fair value adjustment of property, plant and equipment on acquisition of subsidiaries 收購附屬公司時 物業、廠房及設備 公平值調整 RMB'000 人民幣千元	Fair value adjustment of investment properties 投資物業 公平值調整 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
At 1 January 2020	於二零二零年一月一日	(9,414)	(7,842)	(17,256)
(Charged)/credited to profit or loss (Note 13)	(扣除)/計入損益(附註13)	1,590	(11,594)	(10,004)
At 31 December 2020	於二零二零年十二月三十一日	(7,824)	(19,436)	(27,260)
Credited to profit or loss (Note 13)	計入損益(附註13)	1,515	9,997	11,512
At 31 December 2021	於二零二一年十二月三十一日	(6,309)	(9,439)	(15,748)

At the end of the reporting period, the aggregate amount of temporary differences associated with undistributed earnings of subsidiaries for which deferred tax liabilities have not been recognised was approximately RMB196,599,000 (2020: RMB235,237,000). No liability has been recognised in respect of these differences because the Group is in a position to control the timing of the reversal of the temporary differences and it is probable that such differences will not be reversed in the foreseeable future.

At the end of the reporting period, the Group has unused tax loss of approximately RMB220,946,000 (2020: RMB146,722,000), no deferred tax asset has been recognised for the unused tax loss due to unpredictability of future profit streams for both years.

33. 遞延稅項資產／遞延稅項負債

以下為本年度及過往年度的主要遞延稅項資產及遞延稅項負債，以及其變動：

		Fair value adjustment of property, plant and equipment on acquisition of subsidiaries 收購附屬公司時 物業、廠房及設備 公平值調整 RMB'000 人民幣千元	Fair value adjustment of investment properties 投資物業 公平值調整 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
At 1 January 2020	於二零二零年一月一日	(9,414)	(7,842)	(17,256)
(Charged)/credited to profit or loss (Note 13)	(扣除)/計入損益(附註13)	1,590	(11,594)	(10,004)
At 31 December 2020	於二零二零年十二月三十一日	(7,824)	(19,436)	(27,260)
Credited to profit or loss (Note 13)	計入損益(附註13)	1,515	9,997	11,512
At 31 December 2021	於二零二一年十二月三十一日	(6,309)	(9,439)	(15,748)

於報告期末，與仍未確認遞延稅項負債的附屬公司的未分配盈利有關的暫時性差額總額約為人民幣196,599,000元(二零二零年：人民幣235,237,000元)。由於本集團可控制暫時性差額的撥回時間，而預期於可見將來不會撥回該等差額，因此並無就該等差額確認負債。

於報告期末，本集團的未動用稅項虧損約為人民幣220,946,000元(二零二零年：人民幣146,722,000元)。由於無法預測兩個年度的未來溢利來源，故並無就未動用稅項虧損確認遞延稅項資產。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

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

33. DEFERRED TAX ASSETS/DEFERRED TAX LIABILITIES (CONTINUED)

At the end of the reporting period, the Group has unrecognised deductible temporary differences of approximately RMB1,109,347,000 (2020: RMB705,406,000), including impairment loss provided for property, plant and equipment, trade and other receivables and prepayments, contract assets. In the opinion of the Directors, such temporary differences are not probable to be utilised in the foreseeable future taking into account the fact that no sufficient taxable profits will be available. Accordingly, no deferred tax asset has been recognised in relation to such deductible temporary difference as at 31 December 2021 and 2020.

An analysis of the expiry dates of the unused tax losses is as follows:

33. 遞延稅項資產／遞延稅項負債 (續)

於報告期末，本集團有未確認之可減除暫時性差額約人民幣1,109,347,000元(二零二零年：人民幣705,406,000元)，當中包括就物業、廠房及設備、應收賬款、其他應收款項及預付款項以及合約資產計提之減值虧損撥備。考慮到並無足夠應課稅溢利，董事認為上述暫時性差額於可見將來不大可能會被動用。因此，於二零二零年及二零二一年十二月三十一日，並無就有關可減除暫時性差額確認遞延稅項資產。

未動用稅項虧損到期日分析如下：

		2021 二零二一年 RMB'000 人民幣千元	2020 二零二零年 RMB'000 人民幣千元
Within 1 to 4 years	一年至四年內	121,134	81,022
Over 4th years	四年以上	99,812	65,700
		220,946	146,722

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

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

34. SHARE CAPITAL

34. 股本

		Number of shares 股份數目			RMB equivalent amount
		At HK\$0.2 each 每股面值 0.2港元 '000 千股	At HK\$0.1 each 每股面值 0.1港元 '000 千股	Amount 金額 HK\$'000 千港元	人民幣 等同金額 RMB'000 人民幣千元
Authorised	法定				
As at 1 January 2020 and 31 December 2020	於二零二零年一月一日及 二零二零年十二月三十一日	-	10,000,000	10,000,000	N/A 不適用
Share Consolidation (note 11(iii)(a) below)	股份合併(下述附註11(iii)(a))	5,000,000	(10,000,000)	-	N/A 不適用
At 31 December 2021	於二零二一年十二月三十一日	5,000,000	-	10,000,000	N/A 不適用
Issued and fully paid	已發行及已繳足				
Balance at 1 January 2020	於二零二零年一月一日之結餘	N/A 不適用	1,782,366	178,236	150,365
Placing of shares (note 2) below)	配售股份(下述附註2))	N/A 不適用	191,917	19,192	17,549
Balance at 31 December 2020	於二零二零年十二月三十一日 之結餘	N/A 不適用	1,974,283	197,428	167,914
Exercise of Share Options (Note 35 and note 11(i) below)	行使購股權 (附註35及下述附註11(i))	N/A 不適用	17,000	1,700	1,420
Share Consolidation (note 11(iii)(a) below)	股份合併(下述附註11(iii)(a))	995,642	(1,991,283)	-	-
Subscription of new consolidated Shares (note 11(iii)(b) below)	認購新合併股份 (下述附註11(iii)(b))	508,240	-	101,648	85,913
Balance at 31 December 2021	於二零二一年十二月三十一日 之結餘	1,503,882	-	300,776	255,259

Notes to the Consolidated Financial Statements (Continued) 綜合財務報表附註(續)

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

34. SHARE CAPITAL (CONTINUED)

The movements of the share capital of the Company are as follows:

1. During the year ended 31 December 2021

(i) Exercise of Share Options

On 11 January 2021, 17,000,000 Share Option holders exercised their options to subscribe for 17,000,000 new shares in the Company at the exercise price of HK\$0.1 (see Note 35). Subsequent to the new issue of the shares of the Company to the Share Option holders, the issued share capital of the Company has 1,991,283,000 shares of HK\$0.1 each in the share capital of the Company in issue.

These new shares rank pari passu in all respect with the then existing shares of the Company.

34. 股本(續)

本公司之股本變動如下：

1. 截至二零二一年十二月三十一日止年度

(i) 行使購股權

於二零二一年一月十一日，17,000,000份購股權之持有人行使其購股權，以0.1港元之行使價(見附註35)認購本公司17,000,000股新股份。本公司向購股權持有人發行新股份後，本公司之已發行股本當中，有1,991,283,000股每股面值0.1港元之股份。

該等新股份與本公司現有股份於所有方面享有同等地位。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

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

34. SHARE CAPITAL (CONTINUED)

1. During the year ended 31 December 2021 (Continued)

(ii) Share Consolidation and Subscription of new consolidated shares

As described in the Company's circular on 3 February 2021, the Company proposed: (a) the share consolidation (the "Share Consolidation") of the issued and unissued share capital of the Company; and (b) the subscription of new consolidated shares (the "Subscription") and details of which are as followings

(a) Share Consolidation

The proposed Share Consolidation was on the basis that every two (2) issued and unissued existing shares of HK\$0.10 each be consolidated into one (1) consolidated share of HK\$0.20 each in the share capital of the Company (the "Consolidated Shares").

The Share Consolidation was approved by the shareholders of the Company at the extraordinary general meeting held on 5 March 2021 and effective on 9 March 2021. As a result, the authorised share capital of the Company became HK\$1,000,000,000 divided into 5,000,000,000 shares of HK\$0.20 each, of which 995,641,500 Consolidated Shares were in issue. Up to 8 March 2021, the authorised share capital of the Company is HK\$1,000,000,000 divided into 10,000,000,000 shares of HK\$0.10 each, of which 1,991,283,000 shares have been allotted and issued, and are fully paid or credited as fully paid.

Upon the Share Consolidation becoming effective, the Consolidated Shares shall rank pari passu in all respects with each other, and the Share Consolidation will not result in any change in the relative rights of the shareholders.

34. 股本(續)

1. 截至二零二一年十二月三十一日止年度(續)

(ii) 股份合併及認購新合併股份

誠如本公司日期為二零二一年二月三日之通函所述，本公司建議：(a)合併本公司已發行及未發行股本(「股份合併」)；及(b)認購新合併股份(「認購事項」)，有關詳情如下：

(a) 股份合併

建議於本公司股本中，按每兩(2)股每股面值0.10港元的已發行及未發行現有股份合併為一(1)股每股面值0.20港元的合併股份(「合併股份」)的基準進行股份合併。

本公司股東已於在二零二一年三月五日舉行之股東特別大會上批准股份合併，股份合併已於二零二一年三月九日生效。因此，本公司法定股本變成1,000,000,000港元，分成5,000,000,000股每股面值0.20港元之股份，並已發行當中995,641,500股合併股份。截至二零二一年三月八日，本公司法定股本為1,000,000,000港元，分成10,000,000,000股每股面值0.10港元之股份，該等股份為或已獲列作已繳足股本股份，並已配發及發行當中1,991,283,000股股份。

股份合併生效後，合併股份與彼此在所有方面上享有同等地位，而股份合併將不會使股東之有關權利出現任何變動。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

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

34. SHARE CAPITAL (CONTINUED)

1. During the year ended 31 December 2021 (Continued)

(ii) Share Consolidation and Subscription of new consolidated shares (Continued)

(b) Subscription of new consolidated shares

Mr. Liu, a substantial Shareholder, the Chairman and an Executive Director of the Company has conditionally agreed to subscribe for and the Company has conditionally agreed to allot and issue 508,240,000 new Consolidated Shares (the "Subscription Share") at the subscription price of HK\$0.20 per (the "Subscription Price") Subscription Share to Mr. Liu. The Subscription Price was reference to the theoretical closing price of HK\$0.180 per Consolidated Share based on the closing price of HK\$0.090 per existing share on the last trading day on 13 January 2021, being the last trading day of the shares of the Company immediately prior to the entering into of the Subscription Agreement on 14 January 2021.

The Subscription Shares have a market value of HK\$91,483,200, and the aggregate nominal value of the Subscription Shares is HK\$101,648,000 based on the par value of the Consolidated Shares of HK\$0.20. The net proceeds of from the Subscription will be used to fully redeem the Company's Bonds (see Note 32) and the remaining balance of will be used as general working capital of the Company.

The Share Consolidation was approved by the shareholders of the Company at the extraordinary general meeting held on 5 March 2021. As a result, the Company allotted and issued and Mr. Liu subscribed for 508,240,000 new Consolidated Shares at the Subscription Price of HK\$0.20 per each in the Company on 30 March 2021.

The new issued shares shall rank pari passu in all respects with each other in the share capital of the Company.

34. 股本(續)

1. 截至二零二一年十二月三十一日止年度(續)

(ii) 股份合併及認購新合併股份(續)

(b) 認購新合併股份

本公司主要股東、主席兼執行董事劉先生已有條件同意認購，而本公司已有條件同意配發及發行 508,240,000 股新合併股份(「認購股份」)予劉先生，認購價為每股認購股份 0.20 港元(「認購價」)。認購價乃參考每股合併股份之理論收市價 0.180 港元後釐定，有關收市價乃基於每股現有股份於最後交易日(即二零二一年一月十三日)之收市價 0.090 港元計算，而最後交易日為緊接於二零二一年一月十四日訂立認購協議前本公司股份之最後交易日。

由於合併股份之每股面值為 0.20 港元，因此認購股份之市值為 91,483,200 港元，而總面值為 101,648,000 港元。認購事項所得款項淨額將用作悉數贖回本公司之債券(見附註 32)，餘額則將用作本公司之一般營運資金。

本公司股東已於在二零二一年三月五日舉行之股東特別大會上批准股份合併。因此，於二零二一年三月三十日，本公司已配發及發行，而劉先生已認購本公司 508,240,000 股新合併股份，認購價為每股 0.20 港元。

於本公司股本中，新發行股份與彼此在所有方面享有同等地位。

Notes to the Consolidated Financial Statements (Continued) 綜合財務報表附註(續)

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

34. SHARE CAPITAL (CONTINUED)

1. During the year ended 31 December 2021 (Continued)

(ii) Share Consolidation and Subscription of new consolidated shares (Continued)

(b) Subscription of new consolidated shares (Continued)

Further details of the above are set out in the Company's circular dated 3 February 2021 and the announcements dated 5 March 2021.

2. During the year ended 31 December 2020

Placing of New Shares

Pursuant to the Company's announcement dated 7 April 2020, the Company entered into the subscription agreement (the "2020 Subscription Agreement") in relation to the issue of 191,917,000 subscription shares to 袁響兵 (Yuan Xiangbing, "Mr. Yuan, the "Subscriber") at the subscription price (the "2020 Subscription Price") of HK\$0.04 per subscription share. The Subscriber has agreed to subscribe the subscription shares pursuant to the 2020 Subscription Agreement. The 2020 Subscription Price was determined after arm's length negotiations between the Company and the Subscriber with reference to the recent trading prices of the Shares. The subscription shares were allotted and issued under the general mandate granted to the Directors by the shareholders at the annual general meeting of the Company dated 29 May 2019.

The net proceeds from the placing was approximately HK\$19,200,000 (equivalent to RMB17,500,000), part of which was used to repay the Bonds (see Note 32) and the remaining balance was used as general working capital of the Company.

These new shares rank pari passu in all respect with the then existing shares.

Details of the above are set out in the Company's announcements dated 7 April 2020 and 24 April 2020.

34. 股本(續)

1. 截至二零二一年十二月三十一日止年度(續)

(ii) 股份合併及認購新合併股份(續)

(b) 認購新合併股份(續)

有關進一步詳情，請參閱本公司日期為二零二一年二月三日之通函以及日期為二零二一年三月五日之公告。

2. 截至二零二零年十二月三十一日止年度

配售新股份

根據本公司日期為二零二零年四月七日之公告，本公司訂立認購協議（「二零二零年認購協議」），據此發行191,917,000股認購股份予袁響兵先生（「袁先生」或「認購方」），認購價為每股認購股份0.04港元（「二零二零年認購價」）。認購方已同意根據二零二零年認購協議認購認購股份。二零二零年認購價乃本公司與認購方參考股份近日之成交價，公平磋商後釐定。股東於本公司在二零一九年五月二十九日舉行之股東週年大會上將一般授權授予董事，而董事已根據該一般授權配發及發行認購股份。

配售之所得款項淨額約為19,200,000港元（相等於人民幣17,500,000元），當中部分已用作償付債券（見附註32），餘額則用作本公司之一般營運資金。

該等新股份與當時現有股份於所有方面享有同等地位。

上述事項之詳情載於本公司日期為二零二零年四月七日及二零二零年四月二十四日之公告。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

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

35. SHARE-BASED PAYMENT TRANSACTION

Pursuant to the written resolution of the shareholders of the Company dated 24 May 2011, the share option scheme (the "Scheme") was approved and adopted. The Scheme was established for the purpose of providing incentives or rewards for the contribution of Directors and eligible persons. The Scheme will remain in force for a period of ten years from adoption of the Scheme. The Scheme will expire on 23 May 2021.

Movements of the share options outstanding and their weighted average exercise prices are as follows:

Movements during the year	年內之變動	2021 二零二一年		2020 二零二零年	
		Weighted average exercise price per share 每股加權平均行使價 HK\$ 港元	Number of share options 購股權數目	Weighted average exercise price per share 每股加權平均行使價 HK\$ 港元	Number of share options 購股權數目
Exercisable at beginning of the year	年初可行使	0.1	17,000,000	N/A 不適用	-
Granted	已授出	N/A 不適用	-	0.1	17,000,000
Exercised	已獲行使	0.1	(17,000,000)	N/A 不適用	-
Lapsed	已失效	N/A 不適用	-	N/A 不適用	-
		N/A 不適用	-	0.1	17,000,000

During the year ended 31 December 2020, 17,000,000 share options (the "Share Options") were granted to employees of the Group on 20 January 2020, nil share option was granted to the Directors. The fair value of the options determined at the date of grant using the Binomial Valuation Model was approximately HK\$331,000 (equivalent to RMB292,000).

The Group has no legal or constructive obligation to repurchase or settle the options in cash.

35. 以股份為基礎之付款交易

根據日期為二零一一年五月二十四日的本公司股東書面決議案，購股權計劃(「計劃」)獲批准及採納。設立計劃旨在就董事及合資格人士作出的貢獻給予鼓勵或獎勵。計劃自其獲採納起計十年內持續有效，將於二零二一年五月二十三日屆滿。

未獲行使的購股權及其加權平均行使價的變動如下：

截至二零二零年十二月三十一日止年度，本集團於二零二零年一月二十日已將17,000,000份購股權(「購股權」)授予本集團僱員，惟並無授出任何購股權予董事。購股權公平值於授出日期透過二項式估值模式釐定為約331,000港元(相當於人民幣292,000元)。

本集團並無法律或推定責任以現金購回或結算購股權。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

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

35. SHARE-BASED PAYMENT TRANSACTION (CONTINUED)

35. 股份支付交易(續)

The fair values of options granted determined were as follow:

已釐定之已授出購股權公平值如下：

		20 January 2020
		二零二零年 一月二十日
Option value (at grant date)	購股權價值(於授出日期)	HK\$331,000 331,000港元
Fair value per option (at grant date)	每份購股權公平值(於授出日期)	HK\$0.0195 0.0195港元
Significant inputs into the valuation model:	估值模式的主要輸入項目：	
Exercise price at grant date	授出日期的行使價	HK\$0.1 0.1港元
Share price at grant date	授出日期的股價	HK\$0.072 0.072港元
Expected volatility (note below)	預期波幅(附註載於下文)	108.690%
Risk-free interest rate	無風險利率	1.8%
Life of options	購股權年期	1 year 1年
Expected dividend yield	預期股息率	0%
Valuation model applied	所用估值模式	Binomial 二項式

Note: The expected volatility is measured at the standard deviation of the expected share price return and is based on statistical analysis of daily share prices over 2 years before the respective dates of grant.

附註：預期波幅乃根據各個授出日期前兩年的每日股價的統計分析並按預期股價回報的標準差額計算。

Options may be exercised at any time from 20 January 2020 to 19 January 2021. The Group recognised a total expense of approximately HK\$331,000 (equivalent to RMB292,000) for the year ended 31 December 2020 in relation to share options granted by the Company.

購股權可在自二零二零年一月二十日至二零二一年一月十九日之任何時間獲行使。截至二零二零年十二月三十一日止年度，本集團就本公司授出的購股權確認總開支約331,000港元(相當於人民幣292,000元)。

During the year ended 31 December 2021, all the outstanding Share Options were exercised to subscribe for 17,000,000 ordinary shares at an option price of HK\$0.1, receiving net proceeds of HK\$1,700,000 (equivalent to RMB1,420,000) and details of which are set out in Note 34(1).

截至二零二一年十二月三十一日止年度，所有尚未獲行使之購股權已獲行使，以0.1港元之購股價認購17,000,000股普通股。本集團就此獲得所得款項淨額1,700,000港元(相等於人民幣1,420,000元)，有關詳情載述於附註34(1)。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

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

36. RETIREMENT BENEFIT PLANS

The employees of the Group's subsidiaries in the PRC are members of a state-managed retirement benefit scheme operated by the local government in the PRC. The Group is required to contribute a specified percentage of payroll cost to the retirement benefit scheme to fund the benefits. The only obligation of the Group with respect to the scheme is to make the specified contributions according to the state rules.

The Group operates a Mandatory Provident Fund Scheme (the "MPF Scheme") under the Mandatory Provident Fund Schemes Ordinance (Chapter 485 of the Laws of Hong Kong) for employees employed under the jurisdiction of the Hong Kong Employment Ordinance. The MPF Scheme is a defined contribution retirement scheme administered by independent trustees. Under the MPF Scheme, the employer and its employees are each required to make contributions to the scheme at 5% of the employees' relevant income, subject to a cap of monthly relevant income of HK\$30,000 (2020: HK\$30,000). Contributions to the scheme vest immediately.

36. 退休福利計劃

本集團中國附屬公司的僱員是中國地方政府經營的國家管理退休福利計劃的成員。本集團須按薪金的特定比例向退休福利計劃供款，為福利提供資金。本集團對該計劃的唯一責任是根據國家法規作出特定供款。

根據香港法例第485章強制性公積金計劃條例，本集團為香港僱傭條例轄下的僱員營運強制性公積金計劃(「強積金計劃」)。強積金計劃為一項由獨立信託人管理的界定供款退休計劃。根據強積金計劃，僱主及其僱員須各自按僱員相關收入的5%向強積金計劃供款，惟每月的相關收入上限為30,000港元(二零二零年：30,000港元)。計劃供款為即時歸屬。

37. CAPITAL COMMITMENTS

37. 資本承擔

		2021 二零二一年 RMB'000 人民幣千元	2020 二零二零年 RMB'000 人民幣千元
	Notes 附註		
Capital commitments contracted but not provided for relating to the following:	已就以下各項訂約提供資本承擔但並未計提撥備：		
- Acquisition of property, plant and equipment	- 收購物業、廠房及設備	(i) 73,593	81,012
- Investment in conducting capital financing business	- 投資進行資本融資業務	(ii) 7,122	7,122
- Investment in an associate	- 於一間聯營公司之投資	(iii) -	2,874

Notes:

(i) Acquisition of property, plant and equipment

The capital commitments represented the construction of a hotel in Yancheng, the PRC and construction of Vessel and the Equipment.

附註：

(i) 收購物業、廠房及設備

資本承擔來自於中國鹽城興建一家酒店以及建造船舶及設備。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

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

37. CAPITAL COMMITMENTS (CONTINUED)

Notes: (Continued)

(ii) Investment in conducting capital financing business

Pursuant to the investment agreement to set up a subsidiary which principally conducts capital finance business, the proposed registered capital of US\$20 million will be contributed in proportion to the respective equity holdings of the Company and two other investors of US\$16 million, US\$2 million and US\$2 million respectively. As at 31 December 2021 and 2020, capital of US\$14.9 million was injected by the Group whilst the other two investors are still in progress in obtaining approval from regulators for capital injection.

(iii) Investment in an associate

The Company agreed to contribute capital funds of RMB3,025,000 to Jiangsu Longxiang. As at 31 December 2021, the Company contributed capital funds of RMB2,017,000 (2020: RMB150,000) to the company.

38. PLEDGE OF ASSETS

At the end of the reporting period, the following assets of the Group were pledged to secure bank borrowings, bonds payable and credit facilities granted to the Group during the year:

37. 資本承擔(續)

附註：(續)

(ii) 投資進行資本融資業務

根據有關設立主要進行資本融資業務的附屬公司之投資協議，建議註冊資本20,000,000美元將由本公司及另外兩名投資者按各自的股權分別出資16,000,000美元、2,000,000美元及2,000,000美元。於二零二零年及二零二一年十二月三十一日，本集團已注入14,900,000美元，而另外兩名投資者仍在就注資取得監管部門的批准。

(iii) 於一間聯營公司之投資

本公司同意向江蘇龍祥注資人民幣3,025,000元。截止二零二一年十二月三十一日，本公司已向該公司注資人民幣2,017,000元(二零二零年：人民幣150,000元)。

38. 資產抵押

於報告期末，本集團已將以下資產作為年內授予本集團的銀行借貸、應付債券及信貸融資的抵押：

		2021 二零二一年 RMB'000 人民幣千元	2020 二零二零年 RMB'000 人民幣千元
Dredgers included in property, plant and equipment	挖泥船(列入物業、廠房及設備)	322,710	481,111
Properties included in property, plant and equipment	物業(列入物業、廠房及設備)	2,573	32,306
Investment properties	投資物業	38,472	17,207
		363,755	530,624

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

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

39. RELATED PARTY DISCLOSURES

Saved as disclosed in elsewhere in the consolidated financial statements, during the year, the Group entered into the following significant transactions with the related parties and had the following outstanding balances with related parties at the end of both years:

(i) Related party transactions

In addition, the Group received other advances from, and made repayments to Mr. Liu during the years ended 31 December 2021 and 2020. As at 31 December 2021, the amount due to Mr. Liu was of approximately RMB29,700,000 (2020: RMB40,900,000) as disclosed in Note 28.

(ii) Pledge of assets and guarantees in support of the Group's borrowings

As at 31 December 2021 and 2020, other than pledge of assets of the Group, the Group's bank borrowings and bonds payable were also supported by:

- (a) corporate guarantee given by Jiangsu Xiangyu Port Construction Project Administration Company Limited* (江蘇翔宇港建工程管理有限公司) ("Xiangyu PRC");
- (b) personal guarantees provided by Mr. Liu and Ms. Zhou; and
- (c) two properties owned by certain non-controlling shareholders of the Company's subsidiary.

In addition, bank borrowing of the Group of RMB91 million (2020: RMB81 million) was supported by a property owned by a company in which Mr. Liu and Ms. Zhou (see Note 30) has beneficial interest.

39. 關連方披露

除於綜合財務報表其他部分所披露者外，年內，本集團與關連方訂立以下重大交易，並於該兩個年度末擁有以下尚未支付關連方之結餘：

(i) 關連方交易

此外，截至二零二一年及二零二零年十二月三十一日止兩個年度，本集團接獲來自劉先生之其他墊款且已還款予劉先生。於二零二一年十二月三十一日，應付劉先生款項約為人民幣29,700,000元(二零二零年：人民幣40,900,000元)，披露於附註28。

(ii) 為支持本集團借貸作出的資產抵押及擔保

於二零二一年及二零二零年十二月三十一日，除本集團已抵押資產以外，本集團銀行借貸及應付債券亦由下列各項支持：

- (a) 江蘇翔宇港建工程管理有限公司(「翔宇中國」)作出的公司擔保；
- (b) 劉先生及周女士提供的個人擔保；及
- (c) 本公司附屬公司若干非控股股東擁有的兩項物業。

此外，本集團人民幣91,000,000元的銀行借貸(二零二零年：人民幣81,000,000元)乃由劉先生及周女士擁有實質權益的公司所擁有的物業(見附註30)支持。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

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

39. RELATED PARTY DISCLOSURES (CONTINUED)

(iii) Pledge of assets and guarantees in support of the Group's construction of Vessel and Equipment

As at 31 December 2021, other than pledging a vessel of the Group, the Group's construction of a vessel and equipment was also supported by personal guarantees provided by Mr. Liu and Ms. Zhou.

(iv) Related party balances

Details of the balances due to Directors are set out in Note 28 to the consolidated financial statements.

(v) Compensation of key management personnel

The emoluments of Directors who are also identified as members of key management of the Group during the reporting period are set out in Note 14 to the consolidated financial statements.

40. CAPITAL RISK MANAGEMENT

The Group manages its capital to ensure that the group companies will be able to continue as a going concern while maximising the return to shareholders through the optimisation of the debt and equity balances. Having considered the factors and circumstance set out in Note 2 to the consolidated financial statements, the Directors are satisfied that the Group will have sufficient liquidity to meet its cash flows requirements for next twelve months from the end of the reporting period.

The capital structure of the Group consists of amounts due to directors of the Company, amounts due to non-controlling shareholders of a subsidiary, bank borrowings, other borrowings, bonds payable and lease liabilities as disclosed in respective notes to the consolidated financial statements respectively and equity attributable to shareholders of the Company, comprising paid up capital/share capital and reserves.

The Directors review the capital structure regularly. As part of this review, the Directors consider the cost and the risks associated with each class of the capital. Based on the recommendations of the Directors, the Group will balance its overall capital structure through the payment of dividends, new share issues as well as the issue of new debt or the redemption of existing debt.

39. 關連方披露(續)

(iii) 為支持本集團建造船舶及設備作出的資產抵押及擔保

於二零二一年十二月三十一日，除抵押本集團一艘船舶外，本集團建造一艘船舶及設備之工程亦獲劉先生及周女士提供的個人擔保支持。

(iv) 關聯方結餘

應付董事結餘之詳情載於綜合財務報表附註28。

(v) 主要管理人員之報酬

獲識別為本集團主要管理層成員的董事於報告期間之薪酬載於綜合財務報表附註14。

40. 資本風險管理

本集團管理其資本之方式旨在使集團旗下的公司得以持續經營，同時通過優化債務與權益結餘為股東帶來最大回報。經考慮載列於綜合財務報表附註2的因素及情況，董事信納本集團將擁有充足的流動資金以應付其自報告期末起計未來十二個月的現金流量需要。

本集團的資本結構包括於綜合財務報表各附註中披露的應付本公司董事款項、應付一間附屬公司非控股股東款項、銀行借貸、其他借貸、應付債券及租賃負債，以及本公司股東應佔權益，包括實繳資本／股本及儲備。

董事定期審閱資本結構。作為審閱的一部分，董事考慮每一類資本之成本及附帶的風險。根據董事的建議，本集團將透過支付股息、發行新股份及發行新債或贖回現行債務平衡本集團的整體資本結構。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

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

41. FINANCIAL INSTRUMENTS

(a) Categories of financial instruments

		2021	2020
		二零二一年	二零二零年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Financial assets	金融資產		
Financial assets at amortised cost	按攤銷成本計量的金融資產	569,356	600,215
Financial liabilities	金融負債		
Amortised cost	攤銷成本	940,323	1,184,843
Lease liabilities	租賃負債	1,844	2,460

(b) Financial risk management objectives and policies

The Group's major financial instruments include trade and other receivables, contract assets, bank balances and cash, trade and other payables, amounts due to directors of the Company, amounts due to non-controlling shareholders of a subsidiary, bank borrowings, other borrowings, bonds payable and lease liabilities. Details of these financial instruments are disclosed in the respective notes. The risks associated with these financial instruments include market, credit and liquidity risks. The policy on how to mitigate these risks is set out below. The management manages and monitors these exposures to ensure appropriate measures are implemented on a timely and effective manner.

41. 金融工具

(a) 金融工具類別

		2021	2020
		二零二一年	二零二零年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Financial assets	金融資產		
Financial assets at amortised cost	按攤銷成本計量的金融資產	569,356	600,215
Financial liabilities	金融負債		
Amortised cost	攤銷成本	940,323	1,184,843
Lease liabilities	租賃負債	1,844	2,460

(b) 財務風險管理目標及政策

本集團的主要金融工具包括應收賬款及其他應收款項、合約資產、銀行結餘及現金、應付賬款及其他應付款項、應付本公司董事款項、應付一間附屬公司非控股股東款項、銀行借貸、其他借貸、應付債券以及租賃負債。該等金融工具的詳情於各項相關附註中披露。該等金融工具牽涉的風險包括市場、信貸及流動資金風險。有關如何減低該等風險的政策載於下文。管理層管理及監察該等風險，以確保能及時及有效地採取適當措施。

Notes to the Consolidated Financial Statements (Continued) 綜合財務報表附註(續)

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

41. FINANCIAL INSTRUMENTS (CONTINUED)

(b) Financial risk management objectives and policies (Continued)

Market risk

(i) Currency risk

The Group has foreign currency transactions, which expose the Group to foreign currency risk. The Company will consider the use of foreign currency forward contracts to mitigate the risk when the need arise.

At the end of the reporting period, the carrying amounts of foreign currency denominated monetary assets and liabilities that are considered significant by the management are as follows:

	Assets 資產		Liabilities 負債	
	2021 二零二一年 RMB'000 人民幣千元	2020 二零二零年 RMB'000 人民幣千元	2021 二零二一年 RMB'000 人民幣千元	2020 二零二零年 RMB'000 人民幣千元
US\$ 美元	13	13	-	-
HK\$ 港元	370	785	3,117	294,073

The following table details the Group's sensitivity to a 5% (2020: 5%) increase and decrease in the functional currency of the relevant group entities against the relevant foreign currencies and all other variable were held constant. 5% (2020: 5%) represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the end of the year for a 5% change in foreign currency rates. On this basis, there will be a decrease in post-tax loss or an increase in post-tax profit where the functional currency of the relevant group entities weaken against US\$ by 5% or strengthen against HK\$ by 5%, and vice versa.

41. 金融工具(續)

(b) 財務風險管理目標及政策(續)

市場風險

(i) 貨幣風險

由於本集團有進行外幣交易，故須承受外幣風險。本公司將於有需要時考慮動用外匯遠期合約來降低風險。

於報告期末，管理層認為屬重大且以外幣計值的貨幣資產及負債賬面值如下：

下表詳述在所有其他可變因素維持不變的情況下，當有關集團實體的功能貨幣兌相關外幣之匯率上升及下降5% (二零二零年：5%)時，本集團之敏感度。5% (二零二零年：5%)為管理層就外幣匯率的合理可能變動作出評估後釐定的數值。敏感度分析只包括以外幣計值的未償付貨幣項目，並於年末按5%之外幣匯率變動調整其換算。在上述基準下，當有關集團實體的功能貨幣兌美元之匯率下降5%或兌港元之匯率上升5%，稅後虧損將減少或稅後溢利將增加，反之亦然。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

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

41. FINANCIAL INSTRUMENTS (CONTINUED)

(b) Financial risk management objectives and policies (Continued)

Market risk (Continued)

(i) Currency risk (Continued)

		Decrease in post-tax profit	
		稅後溢利減少	
		2021	2020
		二零二一年	二零二零年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
US\$	美元	-	-
HK\$	港元	(103)	(10,998)

In the opinion of the Directors, the sensitivity analysis above is unrepresentative of the inherent currency risk as the year end exposure does not reflect the exposure during the year.

(ii) Interest rate risk

The Group is mainly exposed to cash flow interest rate risk in relation to variable-rate bank balances for the year ended 31 December 2021 and 2020 and a variable-rate bank borrowing carrying prevailing interest rates at LPR (see Note 30) for the year ended 31 December 2021 and 2020. In addition, the Group was also exposed to fair value interest rate risk in relation to fixed-rate bank borrowings, other borrowings, bonds payable, lease liabilities, amounts due to non-controlling shareholders of a subsidiary, certain trade receivables and pledged bank deposits as at 31 December 2021 and 2020.

The Group currently does not have an interest rate hedging policy. However, the management monitors interest rate exposure and will consider hedging significant interest rate exposure should the need arise.

In the opinion of the Directors, the reasonably possible change in interest rates for bank balances and the variable-rate bank borrowing is insignificant. No sensitivity analysis is presented.

41. 金融工具(續)

(b) 財務風險管理目標及政策(續)

市場風險(續)

(i) 貨幣風險(續)

董事認為上述敏感度分析並不能代表固有貨幣風險，原因是年末風險並不能反映全年風險。

(ii) 利率風險

本集團主要承受與截至二零二零年及二零二一年十二月三十一日止年度的以浮動利率計息之銀行結餘以及截至二零二零年及二零二一年十二月三十一日止年度的以當時屬現行浮動利率的最優惠貸款利率計息之銀行借貸(見附註30)相關之現金流量利率風險。此外，於二零二零年及二零二一年十二月三十一日，本集團亦承受與以固定利率計息之銀行借貸、其他借貸、應付債券、租賃負債、應付一間附屬公司非控股股東款項、若干應收賬款以及已抵押銀行存款相關的公平值利率風險。

本集團現時並無利率對沖政策。然而，管理層監察利率風險，並將於需要時考慮對沖重大利率風險。

董事認為，銀行結餘及以浮動利率計息之銀行借貸之利率可能出現的合理變動不大，故並無編製敏感度分析。

Notes to the Consolidated Financial Statements (Continued) 綜合財務報表附註(續)

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

41. FINANCIAL INSTRUMENTS (CONTINUED)

(b) Financial risk management objectives and policies (Continued)

Credit risk and impairment assessment

Credit risk refers to the risk that the Group's counterparties default on their contractual obligations resulting in financial losses to the Group. The Group's credit risk is primarily attributable to trade receivables and contract assets. Management has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis. Credit evaluations are performed on all customers requiring credit over a certain amount. In view of the history of business dealings with the customers and the collection history of the receivables due from them, management believes that there is no material credit risk inherent in the Group's outstanding receivable balance due from these customers. Management makes periodic assessment on the recoverability of the trade receivables and contract assets based on historical payment records, the length of the overdue period, the financial strength of the debtors and whether there is any dispute with the debtors. In addition, the Group performs impairment assessment under ECL model upon application of HKFRS 9 (2020: incurred loss model) on trade receivables and contract assets individually or based on provision matrix. In this regard, the management considers that the Group's credit risk is significantly reduced.

The Group's concentration of credit risk by geographical locations is mainly in PRC, which accounted for 100% (31 December 2020: 100%) of the total trade receivables and contract assets as at 31 December 2021.

The Group has concentration of credit risk as 11% (31 December 2020: 11%) and 37% (31 December 2020: 38%) of the total trade receivables was due from the Group's largest customer and the five largest customers respectively.

The largest customer is categorised as a credit-impaired customer, and the remaining four customers of the five largest customers are categorised as doubtful customers.

41. 金融工具(續)

(b) 財務風險管理目標及政策(續)

信貸風險及減值評估

信貸風險指本集團的對手方沒有履行其合約責任而導致本集團面臨財務虧損的風險。本集團的信貸風險主要來自應收賬款及合約資產。管理層訂有信貸政策，並會持續監控信貸風險。所有申請超出特定信貸金額的客戶均須接受信貸評估。鑒於過往與該等客戶進行業務往來的經驗以及應收該等客戶款項的收款記錄，管理層認為本集團尚未收回的應收該等客戶款項結餘本質上並無重大信貸風險。管理層根據債務人的過往付款記錄、逾期時長、財務實力及是否曾與本集團出現任何糾紛，定期評估應收賬款及合約資產的可收回性。此外，本集團採納國際財務報告準則第9號並使用預期信貸虧損模型(二零二零年：已產生虧損模型)，按個別基準或基於撥備矩陣對應收賬款及合約資產進行減值評估。就此而言，管理層認為本集團的信貸風險已大幅降低。

於二零二一年十二月三十一日，本集團按地區劃分的信貸風險主要集中於中國，佔應收賬款及合約資產總額的100%(二零二零年十二月三十一日：100%)。

由於應收賬款總額的11%(二零二零年十二月三十一日：11%)及37%(二零二零年十二月三十一日：38%)分別來自本集團最大的客戶及五大客戶，故本集團承受集中性信貸風險。

最大客戶已獲歸類為信貸減值客戶，而五大客戶中其餘四個客戶則已獲歸類為可疑客戶。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

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

41. FINANCIAL INSTRUMENTS (CONTINUED)

(b) Financial risk management objectives and policies (Continued)

Credit risk and impairment assessment (Continued)

Included in trade receivables as at 31 December 2021 was a gross carrying amount of approximately RMB42,803,000 (31 December 2020: RMB42,803,000) due from a customer of which the related dredging project has been suspended since January 2014 due to change in use of relevant reclaimed areas by the Government. The customer has signed an agreement with the Group to repay RMB40,000,000 before 31 December 2016 but failed to fulfil the payment. During the year ended 31 December 2020, RMB6,000,000 was received for the customer during the year. During the year ended 31 December 2021, the Company did not received any repayment from the customer during the year. As at 31 December 2021, the accumulative allowance of credit losses amounted to RMB42,803,000 (2020: RMB42,803,000). During the year ended 31 December 2020, a reversal of impairment loss of RMB6,000,000 which was credited to profit or loss for the year (2021: nil).

41. 金融工具(續)

(b) 財務風險管理目標及政策(續)

信貸風險及減值評估(續)

截至二零二一年十二月三十一日，應收賬款包括就自二零一四年一月起暫停之疏浚項目應收相關客戶之款項賬面值總額約人民幣42,803,000元(二零二零年十二月三十一日：人民幣42,803,000元)。該項目暫停乃由於政府變更相關填海區的用途。客戶已與本集團簽訂協議，表示會於二零一六年十二月三十一日前償還人民幣40,000,000元，惟未有履行協議。截至二零二零年十二月三十一日止年度，本公司自客戶獲得人民幣6,000,000元。截至二零二一年十二月三十一日止年度，本公司並無自客戶獲得任何還款。於二零二一年十二月三十一日，信貸虧損之累計撥備為人民幣42,803,000元(二零二零年：人民幣42,803,000元)。截至二零二零年十二月三十一日止年度，減值虧損撥回人民幣6,000,000元(二零二一年：零)已獲計入年內損益中。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

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

41. FINANCIAL INSTRUMENTS (CONTINUED)

(b) Financial risk management objectives and policies (Continued)

Credit risk and impairment assessment (Continued)

The Group's internal credit risk grading assessment comprises the following categories:

Internal credit rating 內部信貸評級	Description 說明	Trade receivables/ contract assets 應收賬款／合約資產
Low risk 低風險	The counterparty has a low risk of default and does not have any past-due amounts 對手方違約的風險較低，且並無任何逾期款項	Lifetime ECL – not credit-impaired 全期預期信貸虧損－未發生信貸減值
Watch list 關注	Debtor frequently repays after due dates but usually settle after due date 債務人經常在到期日後方還款，但普遍能在到期日後結清	Lifetime ECL – not credit-impaired 全期預期信貸虧損－未發生信貸減值
Doubtful 可疑	There have been significant increases in credit risk since initial recognition through information developed internally or external resources 根據內部資料或外部資源認定信貸風險自初始確認以來大幅增加	Lifetime ECL – not credit-impaired 全期預期信貸虧損－未發生信貸減值
Loss 虧損	There is evidence indicating the asset is credit-impaired 有證據顯示資產已發生信貸減值	Lifetime ECL – credit-impaired 全期預期信貸虧損－已發生信貸減值
Write-off 撤銷	There is evidence indicating that the debtor is in severe financial difficulty and the Group has no realistic prospect of recovery 有證據顯示債務人出現重大財務困難，且本集團切實認為無法收回款項	Amount is written off 撤銷款項

41. 金融工具(續)

(b) 財務風險管理目標及政策(續)

信貸風險及減值評估(續)

本集團的內部信貸風險評級包括以下類別：

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

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

41. FINANCIAL INSTRUMENTS (CONTINUED)

(b) Financial risk management objectives and policies (Continued)

Credit risk and impairment assessment (Continued)

The following table provides information about the Group's exposure to credit risk and ECLs for trade receivables:

2021	二零二一年	Expected	Gross	Loss	Net
		loss rate	carrying	allowance	carrying
Types of customers	客戶類型	預期虧損率	賬面值總額	虧損撥備	賬面值總額
		%	RMB'000	RMB'000	RMB'000
		%	人民幣千元	人民幣千元	人民幣千元
<i>Credit impaired customers</i>	<i>信貸減值客戶</i>				
Past due for more than 180 days but less than 365 days	逾期超過180天但不到365天	N/A不適用	-	-	-
Past due for more than 1 year	逾期超過1年	N/A不適用	-	-	-
Past due for more than 2 years	逾期超過2年	46.04%	32,241	14,845	17,396
Past due for more than 3 years	逾期超過3年	85.88%	808,479	694,322	114,157
			840,720	709,167	131,553
<i>Doubtful customers</i>	<i>可疑客戶</i>				
Neither past due nor impaired	既未逾期亦未減值	N/A不適用	-	-	-
Past due for less than 30 days	逾期不到30天	N/A不適用	-	-	-
Past due for more than 30 days but less than 90 days	逾期超過30天但不到90天	N/A不適用	-	-	-
Past due for more than 90 days but less than 180 days	逾期超過90天但不到180天	2.52%	3,927	99	3,828
Past due for more than 180 days but less than 365 days	逾期超過180天但不到365天	4.92%	11,922	587	11,335
Past due for more than 1 year	逾期超過1年	19.84%	2,223	441	1,782
Past due for more than 2 year	逾期超過2年	38.92%	57,533	22,391	35,142
Past due for more than 3 year	逾期超過3年	81.30%	505,520	411,012	94,508
			581,125	434,530	146,595

41. 金融工具(續)

(b) 財務風險管理目標及政策(續)

信貸風險及減值評估(續)

下表載列本集團就應收賬款承受的信貸風險及有關預期信貸虧損的相關資料：

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

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

41. FINANCIAL INSTRUMENTS (CONTINUED)

41. 金融工具(續)

(b) Financial risk management objectives and policies (Continued)

(b) 財務風險管理目標及政策(續)

Credit risk and impairment assessment (Continued)

信貸風險及減值評估(續)

2021	二零二一年	Expected loss rate 預期虧損率 %	Gross carrying amount 賬面值總額 RMB'000 人民幣千元	Loss allowance 虧損撥備 RMB'000 人民幣千元	Net carrying amount 賬面值總額 RMB'000 人民幣千元
Types of customers	客戶類型	%			
<i>Watch list customers</i>	<i>關注客戶</i>				
Neither past due nor impaired	既未逾期亦未減值	0.19%	33,909	66	33,843
Past due for less than 30 days	逾期不到30天	0.19%	45,453	88	45,365
Past due for more than 30 days but less than 90 days	逾期超過30天 但不到90天	0.25%	28,558	72	28,486
Past due for more than 90 days but less than 180 days	逾期超過90天 但不到180天	0.27%	18,747	50	18,697
Past due for more than 180 days but less than 365 days	逾期超過180天 但不到365天	0.36%	16,138	58	16,080
Past due for more than 1 year	逾期超過1年	22.49%	68,208	15,340	52,868
			211,013	15,674	195,339

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

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

41. FINANCIAL INSTRUMENTS (CONTINUED)

(b) Financial risk management objectives and policies (Continued)

Credit risk and impairment assessment (Continued)

The following table provides information about the Group's exposure to credit risk and ECLs for contract assets as at 31 December 2021:

2021	二零二一年	Expected loss rate	Gross carrying amount	Loss allowance	Net carrying amount
		預期虧損率	賬面值總額	虧損撥備	賬面值總額
		%	RMB'000	RMB'000	RMB'000
		%	人民幣千元	人民幣千元	人民幣千元
<i>Doubtful customers</i>	可疑客戶				
Neither past due nor impaired	既未逾期亦未減值	1.79%	9,231	165	9,066
Total	總計		1,632,858	1,159,371	473,487

41. 金融工具(續)

(b) 財務風險管理目標及政策(續)

信貸風險及減值評估(續)

下表載列於二零二一年十二月三十一日本集團就合約資產承受的信貸風險及有關預期信貸虧損的相關資料：

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

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

41. FINANCIAL INSTRUMENTS (CONTINUED)

(b) Financial risk management objectives and policies (Continued)

Credit risk and impairment assessment (Continued)

The following table provides information about the Group's exposure to credit risk and ECLs for trade receivables:

2020	二零二零年	Expected loss rate 預期虧損率	Gross carrying amount 賬面值總額	Loss allowance 虧損撥備	Net carrying amount 賬面值總額
Types of customers	客戶類型	%	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元
Credit impaired customers 信貸減值客戶					
Past due for more than 180 days but less than 365 days	逾期超過180天 但不到365天	24.79%	5,598	1,387	4,211
Past due for more than 1 year	逾期超過1年	66.94%	32,923	22,039	10,884
Past due for more than 2 years	逾期超過2年	71.15%	93,187	66,304	26,883
Past due for more than 3 years	逾期超過3年	93.24%	720,765	672,066	48,699
			852,473	761,796	90,677
Doubtful customers 可疑客戶					
Neither past due nor impaired	既未逾期亦未減值	0.37%	6,034	22	6,012
Past due for less than 30 days	逾期不到30天	N/A不適用	-	-	-
Past due for more than 30 days but less than 90 days	逾期超過30天 但不到90天	0.79%	210	2	208
Past due for more than 90 days but less than 180 days	逾期超過90天 但不到180天	1.43%	3,566	51	3,515
Past due for more than 180 days but less than 365 days	逾期超過180天 但不到365天	2.73%	18,975	519	18,456
Past due for more than 1 year	逾期超過1年	8.64%	40,839	3,527	37,312
Past due for more than 2 year	逾期超過2年	23.87%	137,441	32,812	104,629
Past due for more than 3 year	逾期超過3年	83.38%	381,908	318,417	63,491
			588,973	355,350	233,623

41. 金融工具(續)

(b) 財務風險管理目標及政策(續)

信貸風險及減值評估(續)

下表載列本集團就應收賬款承受的信貸風險及有關預期信貸虧損的相關資料：

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

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

41. FINANCIAL INSTRUMENTS (CONTINUED)

(b) Financial risk management objectives and policies (Continued)

Credit risk and impairment assessment (Continued)

2020	二零二零年	Expected loss rate 預期虧損率	Gross	Loss	Net
			carrying amount 賬面值總額	allowance 虧損撥備	carrying amount 賬面值總額
Types of customers	客戶類型	%	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元
<i>Watch list customers</i>	<i>關注客戶</i>				
Neither past due nor impaired	既未逾期亦未減值	0.20%	47,308	94	47,214
Past due for less than 30 days	逾期不到30天	0.20%	19,961	40	19,921
Past due for more than 30 days but less than 90 days	逾期超過30天 但不到90天	0.29%	8,705	25	8,680
Past due for more than 90 days but less than 180 days	逾期超過90天 但不到180天	0.42%	7,158	30	7,128
Past due for more than 180 days but less than 365 days	逾期超過180天 但不到365天	0.70%	33,839	237	33,602
Past due for more than 1 year	逾期超過1年	24.76%	74,834	18,528	56,306
Total	總計		191,805	18,954	172,851

The following table provides information about the Group's exposure to credit risk and ECLs for contract assets as at 31 December 2020:

下表載列於二零二零年十二月三十一日本集團就合約資產承受的信貸風險及有關預期信貸虧損的相關資料：

2020	二零二零年	Expected loss rate 預期虧損率	Gross	Loss	Net
			carrying amount 賬面值總額	allowance 虧損撥備	carrying amount 賬面值總額
		%	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元
<i>Doubtful customers</i>	<i>可疑客戶</i>				
Neither past due nor impaired	既未逾期亦未減值	1.65%	25,466	419	25,047

41. 金融工具(續)

(b) 財務風險管理目標及政策(續)

信貸風險及減值評估(續)

Notes to the Consolidated Financial Statements (Continued) 綜合財務報表附註(續)

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

41. FINANCIAL INSTRUMENTS (CONTINUED)

(b) Financial risk management objectives and policies (Continued)

Credit risk and impairment assessment (Continued)

For trade receivables and contract assets, the Group has applied the simplified approach in HKFRS 9 to measure the loss allowance at lifetime ECL. Except for debtors with significant outstanding balances or credit-impaired, the Group determines the expected credit losses on these items by using a provision matrix.

In making the assessment on expected loss rates, 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. Forward-looking information considered includes the future prospects of the industries in which the Group's debtors operate, obtained from economic expert reports, financial analysts, governmental bodies, relevant think-tanks and other similar organisations, as well as consideration of various external sources of actual and forecast economic information that relate to the Group's core operations. The grouping is regularly reviewed by management to ensure relevant information about specific debtors is updated.

Other receivables and prepayments

The Group measures the loss allowance equal to 12m ECL for other receivables. For those balances expected to have significant increase in credit risk since initial recognition, the Group apply lifetime ECL based on aging for classes with difference credit risk characteristics and exposures. As at 31 December 2021, included in other receivables and prepayments included counter parties who were in financial difficulties and the management of the Group considers the probability of default is significant for those balances. For the remaining non trade nature balances, management of the Group considers the probability of default by assessing the counterparties' financial background and creditability and accordingly a total reversal of impairment of approximately RMB30,515,000 (2020: impairment loss of RMB30,955,000) was provided as at 31 December 2021.

41. 金融工具(續)

(b) 財務風險管理目標及政策(續)

信貸風險及減值評估(續)

針對應收賬款及合約資產，本集團已應用香港財務報告準則第9號內的簡化方法藉全期預期信貸虧損計量虧損撥備。除未償還高結餘或已發生信貸減值的債務人外，本集團均使用撥備矩陣釐定該等項目的預期信貸虧損。

在評估預期虧損率時，本集團會考慮合理且可提供理據的定量及定性資料，包括無需付出不必要的成本或努力即可得到的歷史經驗及前瞻性資料。所慮及的前瞻性資料包括經濟專家報告、財務分析師、政府機構、相關智囊團及其他類似組織預測的本集團債務人所處行業的未來前景，以及與本集團核心業務相關的實際或預測經濟資料的各種外部來源。歸類工作經管理層定期檢討，以確保指定債務人之相關資料乃屬最新資料。

其他應收款項及預付款項

本集團就其他應收款項計量之虧損計提之撥備等同其十二個月預期信貸虧損。由於預期該等餘額之信貸風險將較初始確認時大幅增加，故本集團根據具有不同信用風險特徵及程度的類別之賬齡採用全期預期信貸虧損。於二零二一年十二月三十一日，其他應收款項及預付款項包括存在財務困難的對手方，本集團管理層認為該等餘額的違約概率高。就其餘非貿易性質餘額而言，本集團管理層透過評估對手方的財務背景及信譽釐定違約概率，因此於二零二一年十二月三十一日作出減值撥回總額約人民幣30,515,000元(二零二零年：減值虧損人民幣30,955,000元)。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

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

41. FINANCIAL INSTRUMENTS (CONTINUED)

(b) Financial risk management objectives and policies (Continued)

Credit risk and impairment assessment (Continued)

Bank balances and cash

Credit risk on bank balances is limited because the counterparties are reputable banks with high credit ratings assigned by international credit agencies. The Group has no other significant concentration of credit risk.

Summary

Movement in the loss allowance account in respect of trade receivables, contract assets and other receivables in lifetime ECL during the year is as follows:

		2021 二零二一年 RMB'000 人民幣千元	2020 二零二零年 RMB'000 人民幣千元
Balance at 1 January	於一月一日的結餘	1,167,473	1,017,517
Impairment loss recognised during the year	年內確認的減值虧損		
Trade receivables	應收賬款	94,938	163,577
Contract assets	合約資產	110	241
Other receivables and prepayments	其他應收款項及預付款項	439	6,636
Reversal of provision during the year	年內撥備撥回		
Trade receivables	應收賬款	(71,667)	(16,630)
Contract assets	合約資產	(364)	-
Other receivables and prepayments	其他應收款項及預付款項	(30,954)	(3,868)
Balance at 31 December	於十二月三十一日的結餘	1,159,975	1,167,473

Liquidity risk

The Group's policy is to regularly monitor current and expected liquidity requirements to ensure that it maintains sufficient cash reserves to meet its liquidity requirements in the short and longer term. Having considered the factors and circumstances set out in Note 2 to the consolidated financial statements, the Directors are satisfied that the Group will have sufficient liquidity to meet its cash flows requirements for the next twelve months from the end of the reporting period.

41. 金融工具(續)

(b) 財務風險管理目標及政策(續)

信貸風險及減值評估(續)

銀行結餘及現金

由於對手方為獲國際信貸評級機構評為具高信貸評級且為具有良好信譽的銀行，故銀行結餘的信貸風險有限。本集團並無其他重大集中性信貸風險。

概況

本年度，發生全期預期信貸虧損的應收賬款、合約資產及其他應收款項的虧損撥備賬戶的變動如下：

流動資金風險

本集團的政策為定期監察目前及預期的流動資金需求，確保本集團能維持足夠現金儲備應付其短期及長期的流動資金需求。經考慮綜合財務報表附註2所載因素及情況後，董事信納本集團將擁有足夠流動資金應付自報告期末起計未來十二個月的現金流量需求。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

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

41. FINANCIAL INSTRUMENTS (CONTINUED)

(b) Financial risk management objectives and policies (Continued)

Credit risk and impairment assessment (Continued)

Liquidity risk(Continued)

The following tables detail the Group's contractual maturity for its financial liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest dates on which the Group can be required to pay.

The tables include both interest and principal cash flows. To the extent that interest flows are floating rate, the undiscounted amount is derived from prevailing interest rate at the end of the reporting date.

Liquidity and interest risk tables

41. 金融工具(續)

(b) 財務風險管理目標及政策(續)

信貸風險及減值評估(續)

流動資金風險(續)

下表詳列本集團金融負債的合約到期日。該表乃根據本集團須付款的最早日期按照金融負債的未貼現現金流量編製。

該表包括利息及本金現金流量。在利息流量為浮動利率的前提下，未貼現數額乃自報告期末的現行利率得出。

流動資金及利率風險表

		Weighted average effective interest rate	On demand/ less than 3 months	3 months to 1 year	1 year to 5 years	Total undiscounted cash flows	Carrying amount
At 31 December 2021	於二零二一年十二月三十一日	%	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
Non-derivative financial liabilities	非衍生金融負債						
Trade payables	應付賬款	-	148,147	-	-	148,147	148,147
Other payables	其他應付款項	-	159,892	-	-	159,892	159,892
Amounts due to directors	應付董事款項	-	34,207	-	-	34,207	34,207
Amounts due to non-controlling interests of a subsidiary	應付一間附屬公司非控股權益款項						
- non-interest bearing	- 不計息	-	3,554	-	42,027	45,581	45,581
- interest bearing at fixed rates	- 按固定利率計息	12.00	-	-	20,539	20,539	17,860
Bank borrowings	銀行借貸						
- interests bearing at fixed rates	- 按固定利率計息	5.52	65,514	155,141	-	220,655	216,400
- interests bearing at floating rate	- 按浮動利率計息	5.74	5,562	55,503	-	61,065	59,900
Other borrowings	其他借貸						
- non-interest bearing	- 不計息	-	1,988	-	52,535	54,523	54,523
- interest bearing at fixed rates	- 按固定利率計息	8.40	14,356	43,068	175,059	232,483	203,813
Lease liabilities	租賃負債	4.18	307	1,028	524	1,859	1,844
			433,527	254,740	290,684	978,951	942,167

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

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

41. FINANCIAL INSTRUMENTS (CONTINUED)

(b) Financial risk management objectives and policies (Continued)

Credit risk and impairment assessment (Continued)

Liquidity risk(Continued)

Liquidity and interest risk tables (Continued)

41. 金融工具(續)

(b) 財務風險管理目標及政策(續)

信貸風險及減值評估(續)

流動資金風險(續)

流動資金及利率風險表(續)

At 31 December 2020	於二零二零年十二月三十一日	Weighted	Weighted	3 months to 1 year	1 year to 5 years	Total undiscounted cash flows 未貼現現金 流量總額	Carrying amount 賬面值
		average effective interest rate 加權平均 實際利率	average effective interest rate 按要求/ 少於三個月				
		%	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
Non-derivative financial liabilities	非衍生金融負債						
Trade payables	應付賬款	-	137,155	-	-	137,155	137,155
Other payables	其他應付款項	-	168,854	-	-	168,854	168,854
Amounts due to directors	應付董事款項	-	44,855	-	-	44,855	44,855
Amounts due to non-controlling interests of a subsidiary	應付一間附屬公司非控股權益款項						
- non-interest bearing	- 不計息	-	2,257	-	42,028	44,285	44,285
- interest bearing at fixed rates	- 按固定利率計息	12.00	-	-	21,683	21,683	19,359
Bank borrowings	銀行借貸						
- interests bearing at fixed rates	- 按固定利率計息	6.20	126,440	173,184	-	299,624	293,400
Other borrowings	其他借貸						
- non-interest bearing	- 不計息	-	54,205	-	2,534	56,739	56,739
- interest bearing at fixed rates	- 按固定利率計息	4.01-10.09	-	25,236	116,530	141,766	132,714
Bonds payable	應付債券	7.72	295,702	-	-	295,702	287,482
Lease liabilities	租賃負債	2.25-6.33	173	505	1,987	2,665	2,460
			829,641	198,925	184,762	1,213,328	1,187,303

(c) Fair value

The fair values of financial assets and financial liabilities are determined in accordance with generally accepted pricing models based on discounted cash flow analysis using prices or rates from observable current market transactions as input.

The Directors consider that the carrying amounts of financial assets and financial liabilities measured at amortised costs in the consolidated financial statements approximate their fair values.

(c) 公平值

金融資產及金融負債的公平值乃藉由基於已貼現現金流量分析之公認定價模型而釐定，有關分析以現時可觀察市場交易價格或利率作為輸入數據。

董事認為於綜合財務報表中按攤銷成本計量的金融資產及金融負債的賬面值與其公平值相若。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

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

42. RECONCILIATION OF 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.

Year ended 31 December 2020

42. 因融資活動而產生負債的對賬

下表詳列本集團因融資活動而產生的負債變動，包括現金及非現金變動。因融資活動而產生的負債為現金流量曾(或日後現金流量將)於本集團綜合現金流量表獲分類為融資活動所得現金流量的項目。

截至二零二零年十二月三十一日止年度

		Bank borrowings	Other borrowings	Bonds payable	Lease liabilities	Amounts due to directors	Amounts due to non-controlling interest of a subsidiary 應付一間附屬公司非控股	Total
		銀行借貸 RMB'000 人民幣千元	其他借貸 RMB'000 人民幣千元	應付債券 RMB'000 人民幣千元	租賃負債 RMB'000 人民幣千元	應付董事款項 RMB'000 人民幣千元	權益款項 RMB'000 人民幣千元	總計 RMB'000 人民幣千元
As at 1 January 2020	於二零二零年一月一日	297,000	92,005	286,804	2,132	11,334	71,562	760,837
Financing cash flows	融資現金流量	(3,600)	(15,078)	(3,000)	(1,203)	33,521	(6,999)	3,641
Interest paid	已付利息	(18,431)	(3,591)	-	-	-	(3,315)	(25,337)
Interest expenses	利息開支	18,431	5,145	22,857	103	-	2,396	48,932
New Lease entered (non-cash)	已訂立新租賃(非現金)	-	-	-	2,587	-	-	2,587
Termination of a lease (non-cash)	終止租賃(非現金)	-	-	-	(1,159)	-	-	(1,159)
Payable for construction cost of the Vessel and the Equipment (non-cash)	船舶及設備的建造成本 應付款項(非現金)	-	110,972	-	-	-	-	110,972
Gain on modification of bonds payable (non-cash)	修訂應付債券的收益(非現金)	-	-	(325)	-	-	-	(325)
Foreign exchange translation (non-cash)	匯兌換算(非現金)	-	-	(18,854)	-	-	-	(18,854)
As at 31 December 2020	於二零二零年十二月三十一日	293,400	189,453	287,482	2,460	44,855	63,644	881,294

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

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

42. RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES (CONTINUED)

Year ended 31 December 2021

42. 因融資活動而產生負債的對賬 (續)

截至二零二一年十二月三十一日止年度

		Bank borrowings	Other borrowings	Bonds payable	Lease liabilities	Amounts due to directors	Amounts due to non-controlling interest of a subsidiary	Total
		銀行借貸	其他借貸	應付債券	租賃負債	應付董事款項	應付一間附屬公司非控股權益款項	總計
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
As at 1 January 2021	於二零二一年一月一日	293,400	189,453	287,482	2,460	44,855	63,644	881,294
Financing cash flows	融資現金流量	(17,100)	(15,841)	(83,145)	(799)	(10,648)	(1,500)	(129,033)
Interest paid	已付利息	(16,475)	(19,186)	-	-	-	(889)	(36,550)
Interest expenses	利息開支	16,475	16,970	5,179	54	-	2,186	40,864
New Lease entered (non-cash)	已訂立新租賃(非現金)	-	-	-	141	-	-	141
Payable for construction cost of the Vessel and the Equipment (non-cash)	船舶及設備的建造成本應付款項(非現金)	-	86,940	-	-	-	-	86,940
Gain on waived bond payable (non-cash)	應付債券獲豁免的收益(非現金)	-	-	(207,977)	-	-	-	(207,977)
Foreign exchange translation (non-cash)	匯兌換算(非現金)	-	-	(1,539)	(12)	-	-	(1,551)
At 31 December 2021	於二零二一年十二月三十一日	276,300	258,336	-	1,844	34,207	63,441	634,128

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

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

43. PARTICULARS OF PRINCIPAL SUBSIDIARIES

Particulars of the Company's principal subsidiaries at the end of the reporting period are as follows:

43. 主要附屬公司詳情

本公司於報告期末的主要附屬公司詳情如下：

Name of subsidiary 附屬公司名稱	Country of operation and date of incorporation/ establishment 營運國家及註冊 成立/成立的日期	Issued and fully paid ordinary share capital/ registered capital 已發行及繳足普通股 股本/註冊資本	Attributable equity interest indirectly held by the Company 本公司間接持有的 應佔股權		Principal activities 主要業務	Form of the company 公司形式
			2021 二零二一年	2020 二零二零年		
Jiangsu Jiaolong Salvage Harbour Engineering Company Limited* "Jiangsu Jiaolong" 江蘇蛟龍打撈航務工程有限公司 (「江蘇蛟龍」)	PRC 22 July 1977 中國 一九七七年 七月二十二日	RMB72,754,776 人民幣72,754,776元	51%	51%	Provision of marine hoisting, installation and other engineering services 提供海上吊裝、 安裝及其他工程服務	Limited liability 有限責任
Jiangsu Xingyu Environment Protection Company Limited* 江蘇興宇疏浚環保有限公司	PRC 30 June 2015 中國 二零一五年 六月三十日	RMB514,200,000 人民幣514,200,000元	100%	100%	Provision of dredging services 提供疏浚服務	Limited liability 有限責任
Jiangsu Xiangyu Environment Protection Equipment Company Limited* 江蘇翔宇環保設備有限公司	PRC 19 August 2013 中國 二零一三年 八月十九日	US\$75,000,000 75,000,000美元	100%	100%	Manufacturing of dredging machines 製造挖泥機	Wholly-owned Foreign enterprise 外商獨資企業
Jiangsu Xingyu Holdings Group Limited*, "Jiangsu Xingyu" or "PRC Operational Entity" (note (ii) below) 江蘇興宇控股集團有限公司 (「中國經營實體」)(下文附註(ii))	PRC 13 July 2007 中國 二零零七年 七月十三日	RMB39,315,800 人民幣39,315,800元	note (ii) below 下文附註(ii)	note (ii) below 下文附註(ii)	Provision of dredging services 提供疏浚服務	Limited liability 有限責任
Jiangsu Xiangyu Port Constructing Project Administration Company Limited*, ("Xiangyu PRC") (note (ii) below) 江蘇翔宇港建工程管理有限公司 (「翔宇中國」)(下文附註(ii))	PRC 11 June 2010 中國 二零一零年 六月十一日	US\$80,000,000 80,000,000美元	100%	100%	Provision of management services 提供管理服務	Wholly-owned foreign enterprise 外商獨資企業
Jiangsu Xiangyu Water Management Company Limited* 江蘇翔宇水務有限公司	PRC 3 August 2011 中國 二零一一年 八月三日	US\$73,000,000 73,000,000美元	100%	100%	Provision of dredging and water management services 提供疏浚及 水務管理服務	Wholly-owned foreign enterprise 外商獨資企業
Power Wealth Engineering Limited 力富工程有限公司	Hong Kong 3 July 2002 香港 二零零二年 七月三日	HK\$100,000 100,000港元	100%	100%	Investment holding and provision of dredging consultation services 投資控股及 提供疏浚諮詢服務	Limited liability 有限責任

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

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

43. PARTICULARS OF PRINCIPAL SUBSIDIARIES (CONTINUED)

43. 主要附屬公司詳情(續)

Name of subsidiary 附屬公司名稱	Country of operation and date of incorporation/ establishment 營運國家及註冊 成立/成立的日期	Issued and fully paid ordinary share capital/ registered capital 已發行及繳足普通股 股本/註冊資本	Attributable equity interest indirectly held by the Company 本公司間接持有的 應佔股權		Principal activities 主要業務	Form of the company 公司形式
			2021 二零二一年	2020 二零二零年		
Jiangsu Fengyu Property Development Company Limited*	PRC 4 December 2013	RMB66,000,000	100%	100%	Property development and investment	Limited liability
江蘇豐宇置業有限公司	中國 二零一三年十二月四日	人民幣66,000,000元	100%	100%	物業發展及投資	有限責任
Jiangsu Xingyu International Houseware Plaza Company Limited*	PRC 15 June 2016	RMB1,000,000	100%	100%	Property management	Limited liability
江蘇興宇國際家居廣場有限公司	中國 二零一六年六月十五日	人民幣1,000,000元	100%	100%	物業管理	有限責任
Jiangsu Xingyu Commerce Company Limited*	PRC 16 April 2014	RMB10,000,000	100%	100%	Inactive	Limited liability
江蘇興宇商務有限公司	中國 二零一四年四月十六日	人民幣10,000,000元	100%	100%	不活躍	有限責任
Huaian Shi Xiangyu Technology Microfinance Limited*	PRC 11 September 2015	US\$20,000,000	80%	80%	Lending and venture capital financing business in the technology sector	Limited liability
淮安市翔宇科技小額貸款有限公司	中國 二零一五年九月十一日	20,000,000美元	80%	80%	科技行業借貸及風險資本融資業務	有限責任
Jiangsu Xiangyu Environmental Protection Industry Development Limited*	PRC 27 August 2015	US\$50,000,000	100%	100%	Inactive	Limited liability
江蘇翔宇環保產業發展有限公司	中國 二零一五年八月二十七日	50,000,000美元	100%	100%	不活躍	有限責任
Jiangsu Lifu Infrastructure Construction Company Limited*	PRC 25 June 2012	US\$49,980,000	100%	100%	Inactive	Limited liability
江蘇力富基礎建設有限公司	中國 二零一二年六月二十五日	49,980,000美元	100%	100%	不活躍	有限責任
Jiangsu Longyang Harbour Engineering Company Limited*	PRC 18 May 2020	RMB10,000,000	51%	51%	Provision of marine hoisting and installation	Limited liability
江蘇龍洋航務工程有限公司	中國 二零二零年五月十八日	人民幣10,000,000元	51%	51%	提供海上吊裝及安裝	有限責任

The above table lists the subsidiaries of the Group which, in the opinion of the Directors, principally affected the results or assets of the Group. To give details of other subsidiaries would, in the opinion of the Directors, result in particulars of excessive length.

上表載列董事認為對本集團業績或資產有重要影響的本集團附屬公司。董事認為，如載列其他附屬公司的詳情將令篇幅過於冗長。

* for identification only

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

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

43. PARTICULARS OF PRINCIPAL SUBSIDIARIES (CONTINUED)

Notes:

(i) None of the subsidiaries had any debt securities outstanding at the end of the reporting period, or at any time during the year.

(ii) Consolidated structured entity

PRC laws and regulations prohibit or restrict foreign ownership of companies from owning more than 50% equity interest in any enterprise which owns vessels for conducting dredging business in the PRC. The Group conducts a substantial portion of the business through the PRC Operational Entity and its subsidiaries who are engaged in the provision of dredging services of the Group.

On 19 April 2011, Xiangyu PRC, the PRC Operational Entity and its respective equity participants, being Mr. Liu and Ms. Zhou entered into a series of agreements (the "Contractual Arrangements"). The PRC Operational Entity is engaged in the provision of dredging services of the Group.

Key provisions of the Contractual Arrangements are as follows:

(i) Option Agreement

Xiangyu PRC, PRC Operational Entity, Mr. Liu and Ms. Zhou entered into an exclusive option agreement (the "Option Agreement") whereby Mr. Liu and Ms. Zhou have irrevocably granted Xiangyu PRC an option to acquire, directly or through one or more nominees, the entire equity interest held by Mr. Liu and Ms. Zhou in PRC Operational Entity at a price (the "Acquisition Cost") equivalent to the fair market value of such equity interest or, where applicable, the amount as permitted by the applicable PRC laws. The Acquisition Cost, when received, will be contributed by Mr. Liu and Ms. Zhou to Xiangyu PRC as capital surplus. Subject to the compliance with the PRC laws, Xiangyu PRC may exercise the option at any time, in respect of all or part of the equity interest of PRC Operational Entity and in any manner at its sole discretion.

43. 主要附屬公司詳情(續)

附註：

(i) 於報告期末，或於年內任何時間，概無附屬公司有任何發行在外的債務證券。

(ii) 合併結構性實體

中國法律及規定禁止或限制公司之外國擁有者於任何擁有可進行疏浚業務的船舶的中國企業中持有超過50%的股權。本集團大部分業務均透過中國經營實體及其從事提供本集團疏浚服務之附屬公司進行。

於二零一一年四月十九日，翔宇中國、中國經營實體與其各參股方(即劉先生及周女士)訂立一系列協議(「合約安排」)。中國經營實體從事提供本集團的疏浚服務。

合約安排的主要條款如下：

(i) 購股權協議

翔宇中國、中國經營實體、劉先生與周女士訂立一項獨家購股權協議(「購股權協議」)，據此劉先生及周女士不可撤回地向翔宇中國授予一項購股權，可直接或透過一名或多名提名人按相等於該股權的公平市值或適用中國法律批准(如適用)的價格(「收購成本」)收購劉先生及周女士於中國經營實體中持有的全部股權。收到收購成本後，劉先生及周女士會將其注入翔宇中國，以作為資本盈餘。翔宇中國可全權酌情於任何時間就中國經營實體的全部或部分股權以任何方式行使購股權，惟須遵守中國法律的規定。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

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

43. PARTICULARS OF PRINCIPAL SUBSIDIARIES (CONTINUED)

Notes: (Continued)

(ii) Consolidated structured entity (Continued)

(i) Option Agreement (Continued)

Pursuant to the Option Agreement, each of PRC Operational Entity, Mr. Liu and/or Ms. Zhou has given undertakings that it shall perform certain acts, or refrain from performing certain other acts unless with the prior written consent of Xiangyu PRC, including but not limited to the below matters:

- (a) that PRC Operational Entity shall not alter its constitutional documents or its registered capital;
- (b) that any of PRC Operational Entity, Mr. Liu and/or Ms. Zhou shall not incur any indebtedness or guarantee (other than those incurred in the ordinary course of business and disclosed to and approved by Xiangyu PRC in advance);
- (c) that PRC Operational Entity shall not provide any loan or guarantee to any third parties;
- (d) that PRC Operational Entity shall not dispose of or create encumbrances over any part of its assets, business or revenue and that Mr. Liu and Ms. Zhou shall not dispose of or create encumbrances over the equity interest held by them in PRC Operational Entity, except the security created under the Equity Pledge Agreement (as defined in (ii) below);
- (e) that PRC Operational Entity shall not enter into any material contracts over certain amount other than those in its ordinary course of business and disclosed to and approved by Xiangyu PRC in advance;

43. 主要附屬公司詳情(續)

附註：(續)

(ii) 合併結構性實體(續)

(i) 購股權協議(續)

根據購股權協議，中國經營實體、劉先生及／或周女士已各自承諾，除非獲得翔宇中國的事先書面同意，其將進行若干行為或放棄進行若干其他行為，包括但不限於下列事項：

- (a) 中國經營實體將不會改變其章程文件或其註冊資本；
- (b) 中國經營實體、劉先生及／或周女士任何一方將不會產生或作出任何債務或擔保(於一般業務過程中產生及已提前向翔宇中國披露且經其批准者除外)；
- (c) 中國經營實體將不會向任何第三方提供任何貸款或擔保；
- (d) 中國經營實體將不會出售其資產、業務或收益的任何部分或就此增設產權負擔，且劉先生及周女士不會出售彼等於中國經營實體中持有的股權或就此增設產權負擔，惟根據權益抵押協議(定義見下文(ii))進行的抵押除外；
- (e) 中國經營實體將不會訂立超過若干金額的任何重大合約，惟於其日常業務過程中訂立及已提前向翔宇中國披露並獲批准者除外；

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

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

43. PARTICULARS OF PRINCIPAL SUBSIDIARIES (CONTINUED)

Notes: (Continued)

(ii) Consolidated structured entity (Continued)

(i) Option Agreement (Continued)

- (f) that PRC Operational Entity shall not distribute any dividend (including any undistributed attributable profit payable to the entity's shareholders prior to the Option Agreement becoming effective) to its shareholders and that Mr. Liu and Ms. Zhou undertake that such undistributed profit shall be retained in PRC Operational Entity as its capital and/or reserved fund and shall give up and assign or transfer to Xiangyu PRC any dividend declared and distributed thereafter and payable to them by virtue of their holding of the equity interest in PRC Operational Entity;
- (g) that PRC Operational Entity shall not make investment or engage in any merger or acquisition transactions; and
- (h) that at the request of Xiangyu PRC, Mr. Liu and Ms. Zhou shall appoint such persons nominated by Xiangyu PRC to act as the directors, supervisors and senior management members of PRC Operational Entity.

The Option Agreement became effective on 19 April 2011 and will expire on the date on which all the equity interests held by Mr. Liu and Ms. Zhou, being directors of the Company, in PRC Operational Entity are transferred to Xiangyu PRC and/or its nominee(s).

43. 主要附屬公司詳情(續)

附註：(續)

(ii) 合併結構性實體(續)

(i) 購股權協議(續)

- (f) 中國經營實體將不會向其股東分派任何股息(包括於購股權協議生效前任何未分派的應付權益股東應佔溢利)，而劉先生及周女士承諾該等未分派溢利將由中國經營實體保留作其資本及／或儲備基金，及將放棄並向翔宇中國分派或轉讓任何其後宣派及分派的且按照其於中國經營實體中持有的股權而應付彼等的股息；
- (g) 中國經營實體不會作出投資或進行任何合併或收購交易；及
- (h) 應翔宇中國的要求，劉先生及周女士將委任翔宇中國提名的人士作為中國經營實體的董事、監事及高級管理層成員。

購股權協議於二零一一年四月十九日開始生效，並將在劉先生及周女士(作為本公司董事)於中國經營實體中持有的所有股權轉讓至翔宇中國及／或其提名人當日屆滿。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

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

43. PARTICULARS OF PRINCIPAL SUBSIDIARIES (CONTINUED)

Notes: (Continued)

(ii) Consolidated structured entity (Continued)

(ii) Proxy Agreement

Xiangyu PRC, PRC Operational Entity, Mr. Liu and Ms. Zhou entered into a proxy agreement ("Proxy Agreement") pursuant to which Mr. Liu and Ms. Zhou have unconditionally and irrevocably undertaken to authorise such person(s) as designated by Xiangyu PRC (being PRC citizens) to exercise the shareholders' rights in relation to appointment of proxy and exercise of voting rights in PRC Operational Entity under the articles of association of PRC Operational Entity and the applicable PRC laws. Such shareholders' rights include but not limited to (i) calling and attending the shareholders' meetings of PRC Operational Entity; (ii) exercising the voting rights on all matters requiring the consideration and approval of shareholders and those pursuant to articles of association of PRC Operational Entity.

Before Xiangyu PRC acquires the entire equity interests in PRC Operational Entity contemplated under the Option Agreement, Xiangyu PRC can exercise the voting rights of shareholders of PRC Operational Entity.

The term of the Proxy Agreement commenced on 19 April 2011 and will expire on 18 April 2026, and will be renewable at the election of Xiangyu PRC for successive terms of 10 years each until termination by Xiangyu PRC with a 30-day prior notice to PRC Operational Entity.

43. 主要附屬公司詳情(續)

附註：(續)

(ii) 合併結構性實體(續)

(ii) 代表委任協議

翔宇中國、中國經營實體、劉先生與周女士訂立一項代表委任協議(「代表委任協議」)，據此劉先生及周女士已無條件且不可撤回地承諾授權翔宇中國指定的人士(為中國居民)根據中國經營實體組織章程細則及適用中國法律行使有關委派獲委任代表及行使投票權的中國經營實體股東權利。該等股東權利包括但不限於(i)召開及參加中國經營實體的股東大會；(ii)就所有須股東考慮及批准的事項及中國經營實體組織章程細則所規定的事項行使投票權。

在翔宇中國根據購股權協議擬定收購中國經營實體的全部股權之前，翔宇中國可行使中國經營實體的股東投票權。

代表委任協議的年期由二零一一年四月十九日開始，及將於二零二六年四月十八日屆滿，並可應翔宇中國的要求，每次續約十年，直至翔宇中國向中國經營實體發出三十天的事先通知終止為止。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

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

43. PARTICULARS OF PRINCIPAL SUBSIDIARIES (CONTINUED)

Notes: (Continued)

(ii) Consolidated structured entity (Continued)

(iii) Composite Services Agreement

Xiangyu PRC and PRC Operational Entity entered into an exclusive composite services agreement ("Composite Services Agreement") pursuant to which PRC Operational Entity will exclusively engage Xiangyu PRC to provide consultation and other ancillary services in enterprise management and consultancy services, dredging project management and consultancy services.

In consideration of the provision of the aforementioned services by Xiangyu PRC, PRC Operational Entity agrees to pay to Xiangyu PRC fees on an annual basis in arrears. Fees payable to Xiangyu PRC by PRC Operational Entity will be equivalent to the total audited revenue less all the related costs, expenses, taxes and statutory reserve of PRC Operational Entity. Xiangyu PRC reserves the right to identify the items of expenses to be included as related expenses when calculating the fees payable by PRC Operational Entity and is entitled to adjust the fee payable by PRC Operational Entity anytime based on the volume of service provided.

Pursuant to the Composite Services Agreement, PRC Operational Entity shall not without the prior written consent of Xiangyu PRC to dispose of or pledge its material assets, operation rights and/or business; alter its registered capital; alter its scope of business; declare dividends; and/or remove any of its Directors and senior management members. Pursuant to the Composite Services Agreement, Xiangyu PRC is required to pay to PRC Operational Entity a surety amount of not less than HK\$22,276,000 for the performance of its services provided to PRC Operational Entity under the Composite Services Agreement. As a security for the due payment of the consultation service fees and repayment of the surety money by PRC Operational Entity to Xiangyu PRC under the Composite Services Agreement, PRC Operational Entity has agreed to pledge its interest in the three vessels owned or (as the case may be) jointly-owned by it to Xiangyu PRC.

43. 主要附屬公司詳情(續)

附註：(續)

(ii) 合併結構性實體(續)

(iii) 綜合服務協議

翔宇中國與中國經營實體訂立一份獨家綜合服務協議(「綜合服務協議」)，據此中國經營實體將獨家委任翔宇中國於企業管理及諮詢服務、疏浚項目管理及諮詢服務提供諮詢及其他配套服務。

考慮到翔宇中國提供的上述服務，中國經營實體同意每年年末向翔宇中國支付費用。中國經營實體應付翔宇中國的費用將等於經審核收益總額減所有中國經營實體的有關成本、開支、稅項及法定儲備後之金額。計算中國經營實體應付的費用時，翔宇中國保留權利確認將列作有關開支的開支項目，並有權根據所提供的服務量隨時調整中國經營實體應付的費用。

根據綜合服務協議，中國經營實體不可於未取得翔宇中國事先的書面同意前，出售或抵押其重大的資產、經營權及／或業務；更改其註冊資本；更改其業務範圍；宣派股息；及／或罷免其任何董事及高級管理層成員。根據綜合服務協議，翔宇中國須向中國經營實體支付不低於22,276,000港元，作為其根據綜合服務協議向中國經營實體履行服務的保證金。作為中國經營實體根據綜合服務協議準時向翔宇中國支付諮詢服務費用及償還保證金的抵押，中國經營實體已同意向翔宇中國抵押其於所擁有或(視情況而定)共同擁有的三艘船舶中的權益。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

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

43. PARTICULARS OF PRINCIPAL SUBSIDIARIES (CONTINUED)

Notes: (Continued)

(ii) Consolidated structured entity (Continued)

(iii) Composite Services Agreement (Continued)

The term of the Composite Services Agreement commenced from 19 April 2011, and will expire on 18 April 2026, which will be renewable at the request of Xiangyu PRC for successive terms of 10 years each until termination by Xiangyu PRC with a 30-day prior written notice to PRC Operational Entity.

(iv) Equity Pledge Agreement

Xiangyu PRC, PRC Operational Entity, Mr. Liu and Ms. Zhou entered into an equity pledge agreement ("Equity Pledge Agreement"), pursuant to which Mr. Liu and Ms. Zhou granted a continuing first priority security interests over their respective equity interests in PRC Operational Entity to Xiangyu PRC for guaranteeing the performance of the Composite Services Agreement, the Option Agreement and the Proxy Agreement. Mr. Liu and Ms. Zhou are responsible to record the pledge of equity into the shareholders' register on the effective date of the Equity Pledge Agreement. PRC Operational Entity, Mr. Liu and Ms. Zhou are also responsible to register the pledge of equity in the State Administration for Industry and Commerce 10 days after the effective date of the Equity Pledge Agreement.

43. 主要附屬公司詳情(續)

附註：(續)

(ii) 合併結構性實體(續)

(iii) 綜合服務協議(續)

綜合服務協議的年期由二零一一年四月十九日開始，並將於二零二六年四月十八日屆滿，並可應翔宇中國的要求，每次續約十年，直至翔宇中國向中國經營實體發出三十天的事先書面通知終止為止。

(iv) 權益抵押協議

翔宇中國、中國經營實體、劉先生與周女士訂立一項權益抵押協議(「權益抵押協議」)，據此劉先生及周女士向翔宇中國授予彼等各自於中國經營實體中持有的股權的持續優先抵押權益，以擔保會履行綜合服務協議、購股權協議及代表委任協議。劉先生與周女士有責任於權益抵押協議生效日在股東登記冊中登記有關權益抵押。中國經營實體、劉先生及周女士亦有責任於權益抵押協議生效日期後十天內在國家工商行政管理總局中登記有關權益抵押。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

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

43. PARTICULARS OF PRINCIPAL SUBSIDIARIES (CONTINUED)

Notes: (Continued)

(ii) Consolidated structured entity (Continued)

(iv) Equity Pledge Agreement (Continued)

Pursuant to the Equity Pledge Agreement, without the prior written consent of Xiangyu PRC, PRC Operational Entity shall not alter its current shareholding structure and/or its nature or scope of business, Mr. Liu and Ms. Zhou shall not allow PRC Operational Entity to transfer or dispose of its assets or pledge or transfer their respective equity interests in PRC Operational Entity in favor of or to other third parties. Xiangyu PRC is entitled to receive all dividends derived from the pledged equity interests. Xiangyu PRC is entitled to demand repayment of the secured indebtedness and/or to exercise its rights to sell the pledged equity interests on occurrence of certain events of default including but not limited to non-performance or breach of any of the Composite Services Agreement, the Option Agreement and the Proxy Agreement; or failure to repay other debts when due by PRC Operational Entity, Mr. Liu or Ms. Zhou (as the case may be).

The Equity Pledge Agreement became effective from the date of its execution and shall terminate upon performance of all obligations under the Composite Services Agreement, the Option Agreement and the Proxy Agreement in full.

(v) Vessel Pledge Agreements

PRC Operational Entity and Xiangyu PRC have entered into three vessel pledge agreements ("Vessel Pledge Agreements") dated 19 April 2011, pursuant to which PRC Operational Entity has pledged in favor of Xiangyu PRC (i) its entire interest in the dredger "Zhuayang No. 101"; (ii) its 50% interest in the dredger "Kaijin No. 1" and (iii) its 50% interest in the dredger "Kaijin No. 3" to Xiangyu PRC, as security for the due payment of the consultation service fees and repayment of the surety money (as well as related interest and expenses, etc.) then owing by PRC Operational Entity to Xiangyu PRC under the Composite Services Agreement.

43. 主要附屬公司詳情(續)

附註：(續)

(ii) 合併結構性實體(續)

(iv) 權益抵押協議(續)

根據權益抵押協議，在未取得翔宇中國事先書面同意的情況下，中國經營實體不得更改其現時持股架構及／或其業務性質或範圍，而劉先生及周女士不得容許中國經營實體轉讓或出售其資產或以其他第三方為受益人或向其抵押或轉讓彼等各自於中國經營實體中持有的股權。翔宇中國有權收取來自自己抵押股權的所有股息。翔宇中國有權於發生下列若干違約事件時要求償還有抵押的債務及／或行使其權利以出售已抵押股權，包括但不限於未有履行或違反綜合服務協議、購股權協議及代表委任協議中任何一項協議；或中國經營實體、劉先生或周女士(視情況而定)未能償還其他到期債項。

權益抵押協議自其簽立日期起生效及於全面履行綜合服務協議、購股權協議及代表委任協議項下的所有責任時終止。

(v) 船舶抵押協議

中國經營實體與翔宇中國於二零一一年四月十九日訂立三份船舶抵押協議(「船舶抵押協議」)，據此中國經營實體以翔宇中國為受益人，向翔宇中國抵押(i)其於「抓揚101號」挖泥船中的全部權益；(ii)其於「開進1號」挖泥船中的50%權益及(iii)其於「開進3號」挖泥船中的50%權益，以作為中國經營實體準時支付綜合服務協議項下當時結欠翔宇中國的到期諮詢服務費用及償還保證金(以及相關利息及開支等)的抵押。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

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

43. PARTICULARS OF PRINCIPAL SUBSIDIARIES (CONTINUED)

Notes: (Continued)

(ii) Consolidated structured entity (Continued)

(v) Vessel Pledge Agreements (Continued)

Pursuant to the Vessel Pledge Agreements, without the prior written consent of Xiangyu PRC, PRC Operational Entity shall not pledge or dispose of its interests in the pledged vessels or any part thereof. Xiangyu PRC is entitled to exercise its rights to sell the pledged vessels on occurrence of certain events of default, including but not limited to the non-payment of the secured indebtedness or non-performance of the Composite Services Agreement.

The Vessel Pledge Agreements became effective from the date of its execution and shall terminate upon payment or repayment of the consultation service fees, surety money and all other related expenses under the Composite Services Agreement.

The Group has a contractual commitment to provide financial assistance to the PRC Operational Entity. However, due to the strategic importance of it to the Group, the Directors intended to provide financing to the PRC Operational Entity to support the working capital requirements. As at 31 December 2021, no bank borrowings of the PRC Operational Entity (2020: RMB192,400,000) are secured by pledge of assets jointly owned by the PRC Operational Entity and the Group, corporate guarantee by the Company and personal guarantees provided by Mr. Liu and Ms. Zhou, the Directors of the Company.

For the year ended 31 December 2021, the amount of revenue and assets subject to the Contractual Arrangements accounted for approximately 96% (2020: 97%) and 64.9% (2020: 66.1%) of the Group's total revenue and assets respectively.

43. 主要附屬公司詳情(續)

附註：(續)

(ii) 合併結構性實體(續)

(v) 船舶抵押協議(續)

根據船舶抵押協議，在未取得翔宇中國事先書面同意的情況下，中國經營實體不得抵押或出售其於已抵押船舶或其中任何部分的權益。翔宇中國有權在發生若干違約事件的情況下行使其出售已抵押船舶的權利，包括但不限於中國經營實體沒有支付有擔保債務或沒有履行綜合服務協議。

船舶抵押協議自其簽立日期起生效，並將於支付或償還綜合服務協議項下的諮詢服務費用、保證金及所有其他有關開支後終止。

本集團訂有向中國經營實體提供財務資助的合約承擔。然而，由於其對本集團而言具有戰略重要性，故董事計劃向中國經營實體提供融資以支持彼等的營運資金要求。於二零二一年十二月三十一日，中國經營實體並無由中國經營實體與本集團共同擁有的資產、本公司提供的公司擔保以及本公司董事劉先生及周女士提供的個人擔保作抵押之銀行借貸(二零二零年：人民幣192,400,000元)。

截至二零二一年十二月三十一日止年度，受約於合約安排的收益及資產分別佔本集團總收益及資產的約96% (二零二零年：97%)及64.9%(二零二零年：66.1%)。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

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

43. PARTICULARS OF PRINCIPAL SUBSIDIARIES (CONTINUED)

Notes: (Continued)

(ii) Consolidated structured entity (Continued)

(v) Vessel Pledge Agreements (Continued)

The Directors, are of the view that the terms of the Contractual Arrangements have in substance enabled Xiangyu PRC to have power over the PRC Operational Entity and rights to variable returns from its involvement with the PRC Operational Entity, and has the ability to use its power to affect its returns, despite the absence of formal legal equity interest held by the Group therein. Accordingly, PRC Operational Entity is accounted for as a consolidated structured entity as a subsidiary of the Company.

The following summarised financial information in respect of PRC Operational Entity and its subsidiaries, excluding Jiangsu Jiaolong which is a material subsidiary of PRC Operational Entity, which represents amounts before intragroup eliminations.

43. 主要附屬公司詳情(續)

附註：(續)

(ii) 合併結構性實體(續)

(v) 船舶抵押協議(續)

董事認為，儘管本集團於中國經營實體中並無持有正式的法定股權，惟合約安排的條款已實質上賦予翔宇中國控制中國經營實體的權利、收取中國經營實體中其有份參與之項目所得的可變回報的權利及行使其權力影響中國經營實體回報的能力。因此，中國經營實體作為本公司的附屬公司入賬為合併結構性實體。

下表概述中國經營實體及其附屬公司之財務資料，為集團內部抵銷前之數額，惟不包括江蘇蛟龍，其為中國經營實體之主要附屬公司。

		2021	2020
		二零二一年	二零二零年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Current assets	流動資產	179,680	230,484
Non-current assets	非流動資產	1,084,069	1,168,665
Current liabilities	流動負債	(800,819)	(853,299)
Equity attributable to owners of the Company	本公司擁有人應佔權益	462,930	545,850
Revenue	收益	84,660	58,773
Expense	開支	(167,580)	(422,798)
Loss for the year and total expense for the year	年內虧損及年內開支總額	(82,920)	(364,025)

The financial information of Jiangsu Jiaolong is set out in Note 44.

江蘇蛟龍之財務資料載於附註44。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

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

44. SUBSIDIARY WITH MATERIAL NON-CONTROLLING INTERESTS

The Group held 51% equity interest in Jiangsu Jiaolong at 31 December 2021 and 2020.

44. 擁有重大非控股權益的附屬公司

本集團於二零二零年及二零二一年十二月三十一日持有江蘇蛟龍51%的股權。

Name of subsidiary 附屬公司名稱	Place of establishment and principal place of business 註冊成立地點及主要營業地點	Proportion of ownership interests and voting rights held by non-controlling interest 非控股權益持有的擁有權益及投票權比例		Profit/(loss) allocated to non-controlling interest 分配至非控股權益的溢利/(虧損)		Accumulated non-controlling interest 累計非控股權益	
		2021 二零二一年	2020 二零二零年	2021 RMB'000 人民幣千元	2020 RMB'000 人民幣千元	2021 RMB'000 人民幣千元	2020 RMB'000 人民幣千元
Jiangsu Jiaolong 江蘇蛟龍	PRC 中國	49%	49%	18,662	(10,781)	140,603	129,731

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

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

44. SUBSIDIARY WITH MATERIAL NON-CONTROLLING INTERESTS (CONTINUED)

Summarised financial information in respect of Jiangsu Jiaolong which has material non-controlling interest is set out below. The authorized financial information below represents amounts before intragroup eliminations:

44. 擁有重大非控股權益的附屬公司(續)

本集團於江蘇蛟龍中擁有重大非控股權益，其財務資料概述如下。下文概述的已獲批准財務資料為集團內部抵銷前之數額：

		2021 二零二一年 RMB'000 人民幣千元	2020 二零二零年 RMB'000 人民幣千元
Current assets	流動資產	273,996	262,875
Non-current assets	非流動資產	238,886	270,312
Current liabilities	流動負債	(167,212)	(166,094)
Non-current liabilities	非流動負債	(89,814)	(93,488)
Equity attributable to owners of the Company	本公司擁有人應佔權益	115,253	143,874
Non-controlling interests	非控股權益	140,603	129,731
Revenue	收益	321,904	254,242
Expense	開支	(279,994)	(288,066)
Profit/(loss) for the year and total comprehensive expense for the year	年內溢利/(虧損)及年內全面開支總額	38,086	(22,002)
Profit/(loss) and total comprehensive expense attributable to the owners of the Company	本公司擁有人應佔溢利/(虧損)及全面開支總額	19,424	(11,221)
Profit/(loss) and total comprehensive expense attributable to the non-controlling interests	非控股權益應佔溢利/(虧損)及全面開支總額	18,662	(10,781)
Profit/(loss) and total comprehensive expense for the year	年內溢利/(虧損)及全面開支總額	38,086	(22,002)
Dividend paid to non-controlling interests	支付予非控股權益的股息	(7,790)	(5,793)
Net cash inflow from operating activities	經營活動產生的現金流入淨額	45,756	48,480
Net cash outflow from investing activities	投資活動產生的現金流出淨額	(209,423)	(21,673)
Net cash outflow from financing activities	融資活動產生的現金流出淨額	156,788	(26,715)
Net cash outflow	現金流出淨額	(14,670)	(5,701)

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

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

45. STATEMENT OF FINANCIAL POSITION AND RESERVES OF THE COMPANY

45. 本公司的財務狀況表及儲備

		2021 二零二一年 RMB'000 人民幣千元	2020 二零二零年 RMB'000 人民幣千元
Non-current assets	非流動資產		
Investments in subsidiaries	於附屬公司的投資	258,375	258,375
Current assets	流動資產		
Amounts due from subsidiaries	應收附屬公司的款項	4,486	4,486
Amount due from a director	應收一名董事的款項	851	-
Bank balances and cash	銀行結餘及現金	112	119
		5,449	4,605
Current liabilities	流動負債		
Other payables	其他應付款項	3,147	7,964
Amounts due to subsidiaries	應付附屬公司款項	17,387	17,860
Amounts due to directors	應付董事款項	4,567	5,903
Bonds payable	應付債券	-	287,482
		25,101	319,209
Net current (liabilities)/assets	流動(負債)/資產淨值	(19,652)	(314,604)
Total assets less current liabilities	總資產減流動負債	238,723	(56,229)
Capital and reserves	資本及儲備		
Share capital	股本	255,247	167,914
Reserves	儲備	(16,524)	(224,143)
Total equity	權益總額	238,723	(56,229)

The Company's statement of financial position was approved and authorized for issue by the board of Directors on 27 April 2022 and are signed on its behalf by:

本公司的財務狀況表已於二零二二年四月二十七日獲董事會批准及授權刊發，並由以下人士代表簽署：

Liu Kaijin
劉開進
Director
董事

Zhou Shuhua
周淑華
Director
董事

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

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

45. STATEMENT OF FINANCIAL POSITION AND RESERVES OF THE COMPANY (CONTINUED)

45. 本公司的財務狀況表及儲備(續)

Movements in the Company's reserves are as followings:

公司儲備的變動：

		Share premium RMB'000 人民幣千元	Share options reserve RMB'000 人民幣千元	Other reserve RMB'000 人民幣千元	Accumulated losses RMB'000 人民幣千元	Total RMB'000 人民幣千元
At 1 January 2020	於二零二零年一月一日	928,721	-	165,238	(843,981)	249,978
Loss and other comprehensive expenses for the year	年內虧損及其他全面開支	-	-	-	(474,413)	(474,413)
Equity-settled share-based payments	以權益結算以股份為基礎之付款	-	292	-	-	292
As 31 December 2020 and 1 January 2021	於二零二零年十二月三十一日及二零二一年一月一日	928,721	292	165,238	(1,318,394)	(224,143)
Profit and other comprehensive expenses for the year	年內溢利及其他全面開支	-	-	-	207,619	207,619
Exercise of Share Options	購股權獲行使	292	(292)	-	-	-
At 31 December 2021	於二零二一年十二月三十一日	929,013	-	165,238	(1,110,775)	(16,524)



中國疏浚環保控股有限公司

China Dredging Environment Protection Holdings Limited

(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: 871