

Management Discussion and Analysis (Continued)

管理層討論與分析(續)

Profit for the Reporting Period

For the 2022 financial year, the Group recorded a profit for the year of RMB156 million, representing a decrease of RMB192 million from RMB348 million for the 2021 financial year. The decrease was mainly due to (i) the decrease in profit or loss from changes in fair value of financial assets at fair value through profit or loss under the impact of global and domestic economies, resulting in an increase of other expenses and losses; (ii) the increase in the impairment losses of financial assets and contract assets; and (iii) the decrease in share of profits of associates of the Group.

Profit Attributable to Owners of the Company

Due to the above factors, for the 2022 financial year, profit attributable to owners of the Company was RMB152 million, representing a decrease of RMB196 million as compared with RMB348 million for the 2021 financial year.

Liquidity and Capital Resources

Taking into account the financial resources available to the Group, including cash and cash equivalents on hand, cash generated from operations and available facilities of the Company, and after diligent and careful analysis, the Directors are of the view that the Group has sufficient working capital required for the Group's operations at present and for the year ending 31 December 2023.

Cash Flows

At of 31 December 2022, the Group's bank balances and cash amounted to RMB402 million, representing an increase of RMB59 million as compared with RMB343 million at of 31 December 2021, mainly because the Company stepped up its efforts to collect receivables.

報告期內溢利

於2022財政年度，本集團年內溢利為人民幣156百萬元，較2021財政年度人民幣348百萬元減少了人民幣192百萬元。主要由於本集團(i)受到環球及國內經濟影響，按公允價值計入損益的金融資產公允價值變動損益減少，導致其他開支及虧損上升；(ii)金融資產及合約資產的減值虧損上升；及(iii)分佔聯營公司的溢利減少。

本公司擁有人應佔溢利

基於以上因素，於2022財政年度，本公司擁有人應佔溢利為人民幣152百萬元，較2021財政年度人民幣348百萬元減少了人民幣196百萬元。

流動資金及資本來源

考慮到本集團可動用的財務資源(包括本公司持有的現金及現金等價物、經營所得現金及可動用融資)，經審慎及仔細查詢後，董事認為本集團擁有充足營運資金，滿足本集團目前及截至2023年12月31日止年度的經營需求。

現金流量

於2022年12月31日，本集團的銀行結餘及現金為人民幣402百萬元，較於2021年12月31日的人民幣343百萬元增加人民幣59百萬元，主要由於報告期內公司加大收款力度所致。

Management Discussion and Analysis (Continued)

管理層討論與分析 (續)

Capital Expenditure

The capital expenditure of the Group comprises expenditures on the acquisition and construction of investment projects as well as equity investment. For the 2022 financial year, the total capital expenditure of the Group was RMB195 million, representing a decrease of 34.1% as compared with RMB296 million for the 2021 financial year.

Contingent Liabilities

As of 31 December 2022, the Group did not have any material contingent liabilities.

Pledge of the Group's Assets

As of 31 December 2022, the Group's long-term bank borrowing of RMB36 million was secured by mortgage of properties owned by the Group.

Jinggangshan Boqi, a subsidiary of the Group, as the lessee, had entered into a finance lease arrangement (the “**Finance Lease Agreement**”) with CITIC Financial Leasing Co., Ltd. (“**CITIC Leasing**”). Beijing Boqi had pledged all its equity interests in Jinggangshan Boqi and the service fee receivables under the Jinggangshan Boqi service concession agreement to CITIC Leasing to guarantee its liabilities under the Finance Lease Agreement.

Handan Boqi Environmental Technology Co., Ltd. (“**Handan Boqi**”), a subsidiary of the Group, as the lessee, had entered into a finance lease arrangement (the “**Finance Lease Agreement**”) with Jiangsu Financial Leasing Co., Ltd. (the “**Jiangsu Financial Leasing**”). Beijing Boqi had pledged all its equity interests in Handan Boqi and the service fee receivables under the Handan Boqi Service Concession Agreement to Jiangsu Financial Leasing to guarantee its liabilities under the Finance Lease Agreement.

資本開支

本集團的資本開支主要包括購置和建設投資項目及股權投資。於2022財政年度，本集團的資本開支總額為人民幣195百萬元。較2021財政年度的人幣296百萬元，減少34.1%。

或然負債

於2022年12月31日，本集團並無重大或然負債。

本集團資產抵押

於2022年12月31日，本集團銀行長期借款人民幣36百萬元，以本集團擁有的房產提供抵押擔保。

本集團的附屬公司井岡山博奇作為承租人，與中信金融租賃有限公司（「**中信租賃**」）訂立融資租賃安排（「**融資租賃協議**」）。北京博奇將其持有的井岡山博奇的全部股權及井岡山博奇服務特許經營協議項下的服務費應收款項質押予中信租賃，以擔保融資租賃協議項下的責任。

本集團的附屬公司邯鄲博奇環保科技有限公司（「**邯鄲博奇**」）作為承租人，與江蘇金融租賃有限公司（「**江蘇金融租賃**」）訂立融資租賃安排（「**融資租賃協議**」）。北京博奇將其持有的邯鄲博奇的全部股權及邯鄲博奇服務特許經營協議項下的服務費應收款項質押予江蘇金融租賃，以擔保融資租賃協議項下的責任。



Management Discussion and Analysis (Continued)

管理層討論與分析(續)

4. RISK FACTORS AND RISK MANAGEMENT

Risks on environmental protection and pollution control policies

The Group provides substantially all of its environmental protection services to customers in the PRC, and the development of its businesses is greatly dependent on the pollution preventive policies of the PRC. Environmental protection industry is one of the major industries that benefit from the constant support of the PRC governments. The demand for the Group's environmental protection services and the revenue generated from are directly linked with the environmental protection requirements imposed on the current and potential customers of the Group. However, there can be no assurance that the specific favourable policies which are currently available will continue to exist. In addition, these policies and incentives may attract additional new market entrants to enter the market, and may also encourage the market entrants to provide other products or services with greater pollution control effects than the products and services of the Group. Therefore, there is no assurance that the Group will directly benefit from the changed industry policies. However, as the leader of the independent comprehensive flue gas treatment service provider in China, the Group will seize market opportunities to further cover the entire industrial chain of the flue gas treatment industry and explore potential markets. At the same time, the Group will actively develop new markets in non-electricity industries such as steel, petrochemicals, electrolytic aluminum and building material, and develop environmental protection businesses such as water treatment, hazardous and solid waste treatment/disposal and dual-carbon energy saving, with a view to achieving the sustainable development of the Group's business.

4. 風險因素及風險管理

環保及污染防治政策的風險

本集團向中國客戶提供絕大部分環保服務，且其業務發展在很大程度上取決於中國的污染防治政策。環保行業是受惠於中國政府持續支持的主要行業之一。對本集團環保服務的需求以及於該服務產生的收益與施加於本集團現有及潛在客戶的環保規定直接相關。然而，本集團無法保證目前享有的特定優惠政策將繼續存在。此外，該等政策及激勵措施或會吸引其他新商家進入市場，並可能鼓勵污染防治效果較本集團的產品及服務更好的其他產品或服務。因此，無法保證本集團將直接受惠於已變更的行業政策。然而，本集團作為中國獨立煙氣處理綜合服務提供商的領導者，將把握市場機遇，以進一步涵蓋煙氣處理行業的全產業鏈及深挖潛在市場，同時，積極發展鋼鐵、石化、電解鋁、建材等非電行業新領域市場，開拓水處理、危固廢處理處置、雙碳節能等環保業務，以期實現本集團業務的可持續發展。

Management Discussion and Analysis (Continued)

管理層討論與分析(續)

Liquidity Risks

The Group's ability to generate adequate cash inflows from operating activities in the future will depend on the schedule of its projects and payment arrangement, its ability to recover receivables in a timely manner and the credit terms it can obtain. If the Group is not able to generate sufficient cash flows from its operations, the Group's development prospects may be materially and adversely affected. Ultimate responsibility for liquidity risk management rests with the Directors, who have established a stringent liquidity risk management system for the funding needs in the short, medium and long term and the Group's liquidity management requirements. The Group manages liquidity risk by various measures, such as maintaining adequate reserves, banking facilities and reserving bank facilities and continuously monitoring forecast and actual cash flows, as well as the comparison of maturity profile between financial assets and liabilities.

Credit Risks

The credit risk primarily arises from long-term receivables, trade and notes receivables, receivables under concession arrangement, bank balance and cash, pledged bank deposit, contract assets, debt instrument at fair value through other comprehensive income, other receivables and amounts due from related parties. Due to the nature of business of the Group, the Group has significant concentration of credit risk on a small number of customers and the financial guarantee provided by the Group. As at 31 December 2022, the aggregated amount of the Group's trade receivables of the top five customers was RMB361 million, representing 39.2% of the total trade receivables of the Group as of 31 December 2022. The Group's concentration of credit risk by geographical locations is solely in the PRC, and the Group has a credit policy in place and the exposure to these credit risks are monitored on an ongoing basis.

流動資金風險

本集團未來經營活動產生充足現金流入的能力將取決於項目時間表及付款安排、本集團及時收回應收款項的能力及本集團能取得的信貸期。倘本集團未能從營運中產生充足的現金流量，本集團的發展前景可能受到重大不利影響。董事須為流動資金風險管理負上最終責任，彼等已建立嚴格的流動資金風險管理體系，以滿足本集團的短期、中期及長期資金及流動資金管理需要。本集團透過維持足夠備用現金、銀行融資及預留銀行融資、持續監察預測及實際現金流量以及比對金融資產與負債的到期情況來管理流動資金風險。

信貸風險

信貸風險主要來自長期應收款項、貿易應收款項及應收票據、特許經營安排項下的應收款項、銀行結餘及現金、已抵押銀行存款、合約資產、按公允價值計入其他全面收益的債務工具、其他應收款項以及應收關聯方款項。由於本集團的業務性質，本集團的信貸風險主要集中於少數客戶以及本集團提供的財務擔保。於2022年12月31日，本集團五大客戶的貿易應收款項總額為人民幣361百萬元，佔本集團2022年12月31日貿易應收款項總額的39.2%。本集團的信貸風險地域上僅集中於中國，本集團已落實信貸政策，持續監察所面對的該等信貸風險。



Management Discussion and Analysis (Continued)

管理層討論與分析(續)

Foreign Exchange and Conversion Risks

As of 31 December 2022, almost all of the Group's operating activities are carried out in the PRC with most of the transactions denominated in RMB. The Group is exposed to foreign exchange and conversion risks primarily through its sales and procurement transactions that are denominated in currencies other than RMB. In addition, RMB is not freely convertible into foreign currencies and the conversion of RMB into foreign currencies is subject to rules and regulations of the foreign exchange control promulgated by the PRC Government. As of 31 December 2022, the Group does not have a foreign currency hedging policy. However, the Board will monitor the Group's foreign exchange exposure closely and may, depending on the circumstances and trend of foreign currency, consider adopting significant foreign currency hedging policy in the future.

外匯與貨幣兌換風險

於2022年12月31日，本集團幾乎所有經營業務均在中國進行，且大部分交易以人民幣計值。本集團所面對的外匯及兌換風險主要來自以人民幣以外的其他貨幣所進行的銷售及採購業務。此外，人民幣不可自由兌換為外幣，而且將人民幣兌換為外幣須受中國政府頒佈的外匯管制規則及條例規限。於2022年12月31日，本集團並無外幣對沖政策。然而，董事會將密切監察本集團的外匯風險，並可能於日後視乎外幣的情況及走勢考慮採納重大外幣對沖政策。

5. OUTLOOK ON THE GROUP'S FUTURE DEVELOPMENT

The year of 2023 is the first year to fully realize the spirit of the 20th National Congress of the Communist Party of China, and is also a crucial year for the implementation of the "14th Five-Year Plan", during which the transformation of the ecology and environmental protection industry continues to deepen. Under the background of high-quality development of environmental governance and the construction of a beautiful China, a "great era" of environmental protection has started with the theme of "pollution abatement and carbon reduction". The industrial scope is extending from end-to-end governance to the whole process of pollution abatement, carbon reduction and clean production, thus realizing coverage of the whole process involving pollution control, resource utilization, energy saving and carbon reduction. As such, the environmental protection industry will usher in a new round of development opportunities and will also create tremendous development opportunities for various sectors in the industry.

5. 本集團未來發展的展望

2023年是全面貫徹落實黨的二十大精神的開局之年，是實施「十四五」規劃承上啟下的攻堅之年，是生態環保產業變革持續深化的一年。在環境治理高質量發展和建設美麗中國背景下，「減污降碳」開啟環保「大時代」，產業範疇正在從末端治理向全過程減污降碳和清潔生產延伸，實現污染治理、資源利用、節能降碳等全鏈條全覆蓋。環保產業迎來新一輪發展機遇，各細分領域迎來重大發展契機。

Management Discussion and Analysis (Continued)

管理層討論與分析(續)

Under the guidance of the Group's business development plan relating to the "14th Five-Year Plan", we have positioned the two major sectors of "environmental governance and new energy+" as our dual development path, with a focus on advantageous industries and subdivided sectors. We will remain focused on our strategy and gradually realize the new development pattern of the integration of the four business segments, "gas, water, solid and dual-carbon new energy+", striving to develop into a first-class industry enterprise and comprehensive service provider for environmental governance and new energy+ in China.

The Group strives to formulate effective measures to achieve its development goal in each phase, and steadily promote the strategic layout of each business. Relying on the technology and experience of existing projects, the Group will stabilize the scale of the flue gas treatment business to form a solid foundation for the Group and provide effective support for the Company's transformation. The Group will allocate more resources to the water treatment business and actively expand the market share of the hazardous and solid waste treatment/disposal business. Besides, the Group will achieve rapid business growth through investment, mergers and acquisitions and technical cooperation, thus providing an additional growth driver to create new profit sources for the Group. Last but not least, the Group will plan its business deployment in advance to form a supporting basis with a view to continuously providing momentum for the Group's development.

在本集團「十四五」業務發展規劃的指引下，我們定位「環境治理、新能源+」兩大板塊雙發展通道，聚焦優勢行業，專注細分領域，保持戰略定力，逐步實現「氣·水·固·雙碳新能源+」四位一體的新發展格局，致力發展成為國內一流的環境治理與新能源+產業集團和綜合服務提供商。

本集團着力制定實現每個階段性發展目標的有效舉措，穩步推動每項業務戰略佈局。憑借現有項目的技術和經驗，穩固煙氣治理業務規模，形成集團「基本盤」，為本公司轉型提供有效支撐；加大對水處理業務的資源投入，積極開拓危廢處理處置業務的市場份額，通過投資、併購、技術合作等不同方式實現業務快速增長，形成本集團「替代盤」，為本集團打造新的利潤支撐點；加快推進新能源業務，瞄準細分領域賽道，依托本集團發展戰略，提前進行業務佈局，形成本集團「支撐盤」，為本集團發展提供持續動力。



Management Discussion and Analysis (Continued)

管理層討論與分析(續)

The Group will continue to promote refined management and optimize human resources, as well as strengthen the construction of the corporate system and use digital technology to build a comprehensive intelligent management platform in order to improve management efficiency. Emphasizing on high authorization from management, strict assessment and incentive schemes, we will comprehensively improve our system management and control capabilities, and use refined management as a means to provide strong support and guarantee for the development of the Group. Focusing on the business development and transformation of the Group, we will optimize the organizational structure and workforce, activate organizational vitality, strengthen internal control mechanisms, standardize corporate governance and improve internal incentive mechanisms, so as to create a sound corporate platform to attract high-caliber talents.

The Group will adhere to innovation-driven development and increase its R&D efforts. Against the backdrop of “Carbon Peaking and Carbon Neutrality”, the technological R&D and innovation efforts of the Group will be more focused on new business sectors while expanding into other subdivided areas. Through the combination of technical cooperation and independent R&D, the Group will improve its own technological innovation capabilities and continuously achieve technological upgrades and breakthroughs to enhance its key technologies. By integrating resources such as technology, talents and markets, and taking into account specific business difficulties and needs, we will accelerate the transformation and application of technology and R&D results to build an advanced, scientific, standardized and high-quality low-carbon environmental protection service system.

持續推進精細管理，優化人力保障。加強本公司體系建設，利用數字化技術，建設綜合智能管理平台，提升管理效率。以「高授權、嚴考核、重激勵」為理念，全面提升系統管控能力，以精細化管理為手段，為本集團發展提供強有力的支撐和保障。圍繞本集團的業務發展與轉型，優化組織架構及人員編製，激活組織活力，強化內控機制，規範公司治理，完善內部激勵機制，打造良好的企業平台，吸引高端人才。

堅持創新驅動發展，加大研發力度。在「碳達峰·碳中和」背景下，本集團的技術研發創新方向將更加聚焦新業務領域，同時向其他細分領域拓展。通過技術合作和自主研發相結合的方式，提升自身技術創新能力，不斷實現技術升級和突破，打好關鍵核心技術攻堅戰。通過整合技術、人才、市場等資源，結合具體業務難點和需求，加快技術和研發成果的轉化和應用，構建先進科學、規範優質的低碳環保服務體系。

Management Discussion and Analysis (Continued)

管理層討論與分析 (續)

Leveraging the power of the capital market, the Group will strive to realize industrial transformation and upgrading. Firstly, the Group will optimize the industrial layout by various means, including the introduction of strategic shareholder resources, investment, mergers and acquisitions and multi-channel fundraising. Focusing on its development strategy, the Company will effectively expand its new businesses through investment, mergers and acquisitions. The Group will also introduce professional institutions to provide funds for mergers and acquisitions in the industry, which will be conducive to the transformation and synergy of the Group's business.

借助資本市場力量，實現產業轉型升級。通過引入戰略股東資源、投資併購、多渠道資金募集等不同方式，優化產業佈局。圍繞公司發展戰略，通過投資併購形成新業務的有效擴張；引入專業機構，建立產業併購基金，助力本集團業務轉型和業務協同。

SIGNIFICANT INVESTMENTS HELD, MATERIAL ACQUISITIONS AND DISPOSALS

持有的重大投資、重大收購事項及出售事項

(I) Disposals of GNM Shares

The Group conducted a series of on-market transactions (the “**GNM Share Disposals**”) from 30 December 2021 to 9 June 2022 to dispose of an aggregate of 11,944,000 Global New Material International Holdings Limited (“**GNM**”) shares (representing approximately 1.0% of the total issued GNM shares as at 10 August 2022) at an aggregate consideration of approximately HK\$70.4 million (excluding transaction costs), representing an average price of approximately HK\$5.9 per GNM Share. The consideration of each of the GNM Share Disposals represented the prevailing market prices of the GNM Shares at the respective time of each of the GNM Share Disposals and, after deducting transaction costs, was received by the Company in cash on settlement. Upon settlement of the GNM Share Disposals, the Group will cease to hold any GNM Shares. As a result of the GNM Share Disposals, the Group is expected to recognise a gain of approximately HK\$31.1 million. For further details, please refer to the Company's announcement dated 10 August 2022.

(I) 出售環球新材股份

於2021年12月30日至2022年6月9日期間，本集團曾進行一連串場內交易（「**環球新材股份出售事項**」），以總代價約70.4百萬港元（不包括交易成本）出售合共11,944,000股環球新材國際控股有限公司（「**環球新材**」）股份（佔於2022年8月10日已發行環球新材股份總數約1.0%），相當於平均價格為每股環球新材股份約5.9港元。各環球新材股份出售事項的代價指於各環球新材股份出售事項各自時間環球新材股份的現行市價，並經扣除交易成本後由本公司於結算時以現金收取。於環球新材股份出售事項結算後，本集團將不再持有任何環球新材股份。由於環球新材股份出售事項，本集團預期將確認收益31.1百萬港元。有關詳情，請參閱本公司日期為2022年8月10日的公告。



Management Discussion and Analysis (Continued)

管理層討論與分析(續)

(II) Further supplemental agreements in relation to acquisition of Qinghai Boqi

Beijing Boqi (being the purchaser) entered into a share transfer agreement dated 30 November 2021 (the “**Share Transfer Agreement**”) and a supplemental agreement dated 16 December 2021 to acquire an aggregate of 95% of the equity interests of Qinghai Boqi for a total consideration of RMB218.5 million. Qinghai Boqi, incorporated under the laws of the PRC, is principally engaged in solid hazardous waste management business, particularly, in the collection, stabilization and disposal of solid hazardous and dangerous wastes.

On 2 December 2022, Beijing Boqi entered into the further supplemental agreements to amend and supplement certain terms of the Share Transfer Agreement. Pursuant to the further supplemental agreement entered into by Beijing Boqi with, among others, Hainan Jinaier Investment Partnership (Limited Partnership) (海南吉乃爾投資合夥企業(有限合夥)) (“**Seller A**”), the total consideration for the acquisition of a total of 82% of the equity interests in Qinghai Boqi by Beijing Boqi and Hainan Boyuan Zhongying Enterprise Management Partnership (Limited Partnership) (海南博源眾盈企業管理合夥企業(有限合夥)), being a following co-investor (the “**Following Co-investor**”), from Seller A shall be adjusted to approximately RMB41.4 million, comprising RMB38.9 million and RMB2.5 million from Beijing Boqi and the Following Co-investor, respectively. Upon execution of the supplemental agreement, such amount of consideration shall be deemed to be fully settled. Pursuant to the further supplemental agreement with, among others, Liu Ang (劉昂) (“**Seller B**”), the total equity interest in Qinghai Boqi to be acquired by Beijing Boqi from Seller B shall be 15%. and the total consideration shall be adjusted to approximately RMB7.6 million. As at 2 December 2022, Beijing Boqi had already paid in accordance with the Share Transfer Agreement a total of approximately RMB14.5 million to Seller B, which exceeded the adjusted Seller B consideration by approximately RMB6.9 million. Such difference shall be settled by Seller B with his continuous provision of services to Qinghai Boqi, including business and project development.

(II) 有關收購青海博奇的進一步補充協議

北京博奇(為買方)訂立日期為2021年11月30日的股份轉讓協議(「**股份轉讓協議**」)及日期為2021年12月16日的補充協議,以按總代價人民幣218.5百萬元收購青海博奇合共95%股權。青海博奇根據中國法律註冊成立,主要從事固體有害廢棄物管理業務,尤其是固體有害危險廢棄物的收集、穩定及處置。

於2022年12月2日,北京博奇訂立進一步補充協議,以修訂及補充股份轉讓協議的若干條款。根據由北京博奇與(其中包括)海南吉乃爾投資合夥企業(有限合夥)(「**賣方A**」)訂立的進一步補充協議,北京博奇及海南博源眾盈企業管理合夥企業(有限合夥)(為跟隨投資一方)(「**跟投方**」)從賣方A收購青海博奇合共82%股權的總代價應調整至約人民幣41.4百萬元(包括分別由北京博奇及跟投方支付的人民幣38.9百萬元及人民幣2.5百萬元)。於簽訂補充協議後,上述代價應視作已悉數結付。根據由北京博奇與(其中包括)劉昂(「**賣方B**」)訂立的進一步補充協議,北京博奇擬從賣方B收購的青海博奇的總股權應為15%,而總代價應調整至約人民幣7.6百萬元。於2022年12月2日,北京博奇已根據股份轉讓協議向賣方B支付合共約人民幣14.5百萬元,超過經調整賣方B代價約人民幣6.9百萬元。該差額應由賣方B在持續向青海博奇提供服務(包括業務及項目開發)的同時結算。

Management Discussion and Analysis (Continued)

管理層討論與分析(續)

Upon the completion, Qinghai Boqi will be held as to (i) 92% by Beijing Boqi; (ii) 5% by the Following Co-investor; and (iii) 3% by Seller B.

For further details, please refer to the Company's announcements dated 30 November 2021, 28 February 2022, 25 March 2022, 13 April 2022 and 2 December 2022.

(III) Disposal of Yuguang BOT Facilities

The Group entered into the termination agreement dated 30 December 2022 (the “**Termination Agreement**”) with Shanxi Yuguang, which is an independent third party of the Company, in relation to the disposal of the 2X300MW unit environmental protection facilities previously owned by the Group (the “**Yuguang BOT Facilities**”) at consideration of approximately RMB50.7 million. It was determined by the parties after arm's length negotiation with reference to (i) the asset value of the Yuguang BOT Facilities of approximately RMB50.7 million (tax excluded) as at 30 November 2021 appraised by an independent valuer; and (ii) the book value of the Yuguang BOT Facilities of approximately RMB53.4 million (tax excluded) as at 30 November 2021 pursuant to the audited report issued by an independent auditor. As a result of the disposal of the Yuguang BOT Facilities, the Group is expected to recognise a loss of approximately RMB2.4 million. For further details, please refer to the Company's announcement dated 30 December 2022.

於完成後，青海博奇將由(i)北京博奇持有92%權益；(ii)由跟投方持有5%權益；及(iii)由賣方B持有3%的權益。

有關詳情，請參閱本公司日期為2021年11月30日、2022年2月28日、2022年3月25日、2022年4月13日及2022年12月2日的公告。

(III) 出售昱光BOT設施

本集團於2022年12月30日與山西昱光（為本公司的獨立第三方）訂立終止協議（「終止協議」），據此，本集團按約人民幣50.7百萬元的代價出售本集團先前擁有的2X300MW機組環保設施（「昱光BOT設施」）。該代價乃經參考(i)獨立估值師評估的昱光BOT設施於2021年11月30日的資產價值約人民幣50.7百萬元（不含稅）；及(ii)根據獨立核數師出具的經審核報告，昱光BOT設施於2021年11月30日的賬面值約人民幣53.4百萬元（不含稅）後公平磋商釐定。由於出售昱光BOT設施，本集團預期將確認虧損約人民幣2.4百萬元。有關詳情，請參閱本公司日期為2022年12月30日的公告。



Management Discussion and Analysis (Continued)

管理層討論與分析(續)

(IV) Disposals of CRGL Shares

The Group conducted a series of on-market transactions (the “**CRGL Share Disposals**”) from 27 April 2022 to 21 February 2023 to dispose of an aggregate of 19,619,000 China Risun Group Limited (“**CRGL**”) shares (“**CRGL Shares**”) (representing approximately 0.44% of the total issued CRGL Shares as at 23 February 2023) at an aggregate consideration of approximately HK\$75.48 million (excluding transaction costs), representing an average price of approximately HK\$3.85 per CRGL Share. The consideration of each of the CRGL Share Disposals represented the prevailing market prices of the CRGL Shares at the respective time of each of the CRGL Share Disposals and, after deducting transaction costs, was received by the Company in cash on settlement. Upon settlement of the CRGL Share Disposals, the Group will cease to hold any CRGL Shares. As a result of the CRGL Share Disposals, the Group is expected to recognise a gain of approximately HK\$19.69 million. For further details, please refer to the Company’s announcement dated 23 February 2023.

Save as disclosed above, the Group had no significant investments held or material acquisitions and disposals of subsidiaries and associated companies during the Reporting Period and up to the date of this annual report.

(IV) 出售旭陽股份

於2022年4月27日至2023年2月21日，本公司進行一連串場內交易(「**旭陽股份出售事項**」)，以總代價約75.48百萬港元(不包括交易成本)出售合共19,619,000股中國旭陽集團有限公司(「**旭陽**」)股份(「**旭陽股份**」)(佔於2023年2月23日的已發行旭陽股份總數約0.44%)，相當於平均價格為每股旭陽股份約3.85港元。各旭陽股份出售事項的代價指於各旭陽股份出售事項各自時間旭陽股份的現行市價，而經扣除交易成本後由本公司於結算時以現金收取。於旭陽股份出售事項結算後，本集團將不再持有任何旭陽股份。由於旭陽股份出售事項，本集團預期將確認收益約19.69百萬港元。有關進一步詳情，請參閱本公司日期為2023年2月23日的公告。

除上述披露外，本集團於報告期內及截至本年報告日期概無持有重大投資，亦無重大附屬公司及關聯公司收購或處置事項。

Management Discussion and Analysis (Continued)

管理層討論與分析 (續)

EMPLOYEE AND REMUNERATION POLICIES

As at 31 December 2022, the Group had 1,459 employees in total (as at 31 December 2021: 1,857 employees), substantially all of whom were based in the PRC. The Group has established labor union branches. Currently, the Group has entered into employment contracts with all employees, in which the position, duties, remuneration, employment benefits, training, confidentiality obligations relating to trade secrets and grounds for termination, among other things are specified pursuant to PRC Labor Law and other relevant regulations. The decrease in the number of employees compared to the last year was due to the Group's continuous increase in investment in its information technology construction, which improved the per capita efficiency of its projects and optimized part of the personnel structure in line with the needs of business transformation.

The remuneration package of the employees includes salaries, bonuses and allowances. Our employees also receive supplemental medical provision, transportation allowances, meal allowances and other benefits. The Company carried out performance appraisals of employees at all levels, and implemented a performance-based salary system for management, project managers, sales directors and authorized legal representatives, and promoted the realization of business indicators through the evaluation, reward and punishment mechanism based on responsibility and rights and the staged performance review mechanism. The appraisal results are linked to performance-based remuneration and annual performance bonus. Taking into account of the characteristics of different business segments, the Company has established, improved and implemented various reward systems. By actively promoting the excess profit sharing mechanism, we has encouraged management team and employees to exert their subjective initiative to create greater efficiency for the Company. In compliance with applicable PRC regulations, the Company has contributed to social insurance funds, including pension plans, medical insurance, work-related injury insurance, unemployment insurance and maternity insurance, and housing funds for all its employees.

僱員及薪酬政策

於2022年12月31日，本集團共聘用1,459名僱員（於2021年12月31日：1,857名僱員），其中絕大多數僱員常駐中國。本集團均設有獨立工會分支。目前，本集團已與全部員工訂立了勞動合同，按照中國勞動法和其他相關法規的規定，明確約定了僱員的職位、職責、薪酬、員工福利、培訓、有關商業秘密的保密責任及終止理由等事項。僱員人數較上年減少是由於本集團持續加大信息化建設投入，提升了項目人均效率及結合業務轉型所需進行了部分人員結構優化。

我們的員工的薪酬組合包括薪金、獎金及津貼。我們的員工亦享有補充醫療、交通補貼、午餐津貼及其他福利費。我們推行全員業績考核，在管理層、項目經理、銷售總監、特許法代崗位執行績效工資制，通過問責權利相結合的考評獎懲機制與階段性績效回顧機制，促進經營指標實現；考核結果與績效薪資、年度績效獎金掛鉤；結合不同業務板塊特點，建立完善各類獎勵制度並實施；積極推進超額利潤共享機制，鼓勵管理團隊及員工發揮主觀能動性，為本公司創造更好的效益。我們已按國家要求為員工繳納社保基金（包括養老保險、基本醫療保險、工傷保險、失業保險及生育保險）及住房公積金。



Management Discussion and Analysis (Continued)

管理層討論與分析(續)

The employees of the subsidiaries of the Group established in the PRC (other than Hong Kong) participate in a contribution retirement benefit plan managed by the local municipal government in the locations in which they operate. The Group's PRC subsidiaries are required to contribute a certain percentage of their respective employees' payroll to the retirement benefit plan in accordance with the rules of the contribution retirement benefit plan. Employees of these subsidiaries are entitled to retirement benefits from the abovementioned retirement plan at their normal retirement age. The Group also participates in a pension scheme under the rules and regulations of Mandatory Provident Fund Scheme (the "MPF Scheme") for all its qualifying employees in Hong Kong. Under the MPF Scheme, the employer and its employees are each required to make contributions to the plan at 5% of the employees' relevant income, subject to a cap of monthly relevant income of HK\$30,000. Contributions to the MPF Scheme vest immediately. The Group's contributions to the defined contribution schemes vest fully and immediately with the employees. Accordingly, (i) for the years ended 31 December 2021 and 2022, there was no forfeiture of contributions under the defined contribution schemes; and (ii) there were no forfeited contributions available for the Group to reduce its existing level of contributions to the defined contribution schemes as at 31 December 2022. No forfeited contributions may be used if there is forfeited contributions.

MAJOR SUBSEQUENT EVENTS

Save as disclosed in this annual report, as at the approval date of the consolidated financial statements, the Group had no significant events after the Reporting Period which need to be disclosed.

本集團於中國(香港除外)成立的附屬公司的僱員參與該等公司營運所在的地方市政府機關管理的供款退休福利計劃。本集團的中國附屬公司須根據供款退休福利計劃的規則，將其各自僱員薪金的某個百分比向退休計劃作出供款。該等附屬公司僱員於達致正常退休年齡時有權自上述退休計劃享有退休福利。本集團亦為其於香港的所有合資格僱員參與強制性公積金計劃(「強積金計劃」)規則及規例下的退休金計劃。根據強積金計劃，僱主及其僱員各自均須按僱員有關收入之5%向計劃作出供款，而每月有關收入的上限為30,000港元。強積金計劃供款即時歸屬。本集團對界定供款計劃的供款悉數及即時歸屬予僱員。據此，(i)截至2021年及2022年12月31日止年度，界定供款計劃項下並無被沒收供款；及(ii)截至2022年12月31日，並無已沒收供款可供本集團於減少其現有對界定供款計劃的供款水平。若有已沒收供款，亦不得使用已沒收供款。

主要期後事項

除本年報告內披露外，於綜合財務報表批准日期，本集團並無於報告期後發生而須予披露的重大事件。

Major Events for Boqi in 2022 2022年博奇公司大事記

1. 2022年3月，獲得2021年度鋼鐵行業大氣治理環保企業首選品牌。

1. In March 2022, the Company won the “2021 Preferred Brand for Atmospheric Treatment and Environmental Protection Enterprises in the Steel Industry”.



2. 2022年4月6日，本集團中標其第一個造紙行業污水處理項目－山東博匯紙業股份有限公司製漿造紙污水處理改造EPC項目。

2. On 6 April 2022, the Group won the bid for the Upgrade EPC Project of Pulp and Paper Sewage Treatment of Shandong Bohui Paper Co., Ltd., its first sewage treatment project in the paper manufacturing industry.



Major Events for Boqi in 2022 (Continued)

2022年博奇公司大事記(續)

3. 2022年6月24日，本集團主題為「廿念不忘，行則將至」的二十週年慶典活動在北京成功召開。

3. On 24 June 2022, the Group's 20th anniversary celebration event with the theme of "Making Progress After Twenty Years of Unforgettable Moments" was successfully held in Beijing.



4. 2022年7月27日，本集團與中廣核環保產業有限公司簽署了戰略合作協議。

4. On 27 July 2022, the Group and CGN Environmental Protection Industry Co., Ltd. signed a strategic cooperation agreement.



Major Events for Boqi in 2022 (Continued)

2022年博奇公司大事記(續)

5. 2022年7月28日，本集團與湖南永清環境科技產業集團有限公司簽署戰略合作協議。

5. On 28 July 2022, the Group signed a strategic cooperation agreement with Hunan Yongqing Environmental Technology Industry Group Co., Ltd.



6. 2022年8月25日，天津振興水泥窯SCR超低排放項目通過72H試運行，是國內第一條具備協同處置功能的水泥窯中溫中塵超低排放項目，是與金隅集團戰略合作的首個項目。

6. On 25 August 2022, the Cement Kiln SCR Ultra-low Emission Project of Tianjin Zhenxing passed the 72H trial operation. It is the first cement kiln medium-temperature and medium-dust ultra-low emission project with co-processing function in China. It is our first project under the strategic cooperation with BBMG Corporation.



Major Events for Boqi in 2022 (Continued)

2022年博奇公司大事記(續)

7. 2022年9月，參加「北極星杯」2022煙氣治理影響力企業評選活動，獲得「鋼鐵煙氣治理影響力企業」獎項。
7. In September 2022, the Company won the “Influential Enterprise of Steel Flue Gas Treatment Award” in the Most Influential Flue Gas Treatment Enterprises Selection of “Polaris Cup” in 2022.



8. 2022年11月，本集團與北京睿能世紀科技有限公司簽署戰略合作協議，入股睿能世紀公司，成功進軍儲能行業，推動產業升級。
8. In November 2022, the Group and Beijing Ruineng Century Technology Co., Ltd. signed a strategic cooperation agreement to become a shareholder of Ruineng Century, successfully entering the energy storage industry and thereby promoting industrial upgrading.



Major Events for Boqi in 2022 (Continued)

2022年博奇公司大事記(續)

- 9. 2022年12月，本集團斬獲「2022 AI優質職場卓越財富共享獎」。
- 9. In December 2022, the Group won the “2022 AI Quality Workplace Excellence Wealth Sharing Award”.



Corporate Governance Report

企業管治報告

The Board is pleased to present this corporate governance report in the annual report of the Company for the year ended 31 December 2022.

CORPORATE GOVERNANCE CODE

The Company is committed to maintaining high standards of corporate governance to safeguard the interests of the shareholders of the Company (the “**Shareholder(s)**”) and to enhance corporate values and accountability. The Company has adopted the Corporate Governance Code (the “**CG Code**”) as set out in Appendix 14 to the Rules Governing the Listing of Securities on the Stock Exchange (the “**Listing Rules**”).

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

In order to maintain good corporate governance and to ensure Company’s compliance with code provisions of the CG Code, the Board will regularly review the need to appoint different individuals to perform the roles of the chairman and the chief executive officer separately. Save as disclosed herein, the Company complied with the code provisions as set out in the CG Code during the Reporting Period. The Company will continue to review and enhance its corporate governance practices to ensure compliance with the CG Code.

董事會欣然呈列本公司截至2022年12月31日止年度之年報所載企業管治報告。

企業管治守則

本公司致力維持高水平的企業管治，以保障本公司股東（「**股東**」）利益及提升企業價值及問責性。本公司已採納聯交所證券上市規則（「**上市規則**」）附錄十四所載的企業管治守則（「**企業管治守則**」）。

曾之俊先生擔任主席與行政總裁的雙重角色，偏離企業管治守則的守則條文第C.2.1條的規定。憑藉在環保行業的豐富經驗，曾之俊先生負責本公司的整體管理、決策及戰略規劃，對本集團的增長及業務擴展起重要作用。由於曾之俊先生是本集團管理層主要成員之一，董事會認為由曾之俊先生一人肩負主席與行政總裁的角色，不會對本集團的利益造成任何潛在損害，相反有利於本集團的管理。此外，本集團的高級管理層及董事會由富經驗的人員組成，其運作可有效地制衡曾之俊先生的權力及職權。董事會現時由一名執行董事（包括曾之俊先生）、四名非執行董事及三名獨立非執行董事組成，其成員具有頗強的獨立元素。因此，董事會認為偏離企業管治守則屬適當並有理據。

為了維持良好企業管治，並確保本公司遵守企業管治守則的守則條文，董事會將定期檢討是否需要委任不同人士，以獨立履行主席及行政總裁的角色。除本文披露者外，本公司於報告期間一直遵守企業管治守則所載的守則條文。本公司將繼續檢討並提升其企業管治常規，以確保遵守企業管治守則。

Corporate Governance Report (Continued)

企業管治報告(續)

CORPORATE STRATEGY AND CULTURE

We always adhere to the philosophy of “service builds trust, and professionalism creates value” and the concept of “let all people live under the blue sky and white clouds”. Leveraging on its solid experience and professional capabilities, the Group has helped its clients to greatly reduce pollutant emissions and effectively improve their production efficiencies. In addition, taking a customer-oriented approach, the Company strives to meet the ecological, green and environmental protection needs of customers in an all-round way. Through the management policy of “emphasizing on authorization from management, strict assessment and incentive schemes”, we can stimulate the vitality of the team and create value for the corporate.

The Group is committed to becoming a world-class comprehensive environmental industry group and a smart environmental management service provider. The Group is led by a motivated management and implements a comprehensive career development system with competitive remuneration and benefits designed to attract, motivate and retain talented people at all levels. The Group believes that its corporate culture enhances its employees’ sense of belonging and responsibility that enables the Group to deliver long-term sustainable growth and success.

The Board assumes responsibility for establishing the Group’s strategy to align with its mission and corporate culture. In view of our “14th Five-Year Plan” strategic goals and guidelines, the Group has made deployment on two major areas of “environmental governance and new energy + (renewable)”, focusing on advantageous industries and subdivided sectors to maintain its strategic plan. The Group pursues its sustainable development driven by the philosophy of “people, organization, mechanism and culture”, so as to promote its cultural concept of “development and innovation relying on profound bases” and establish the corporate spirit of “integrity, responsibility, innovation and dedication”. Driven by its strategic positioning and corporate culture, the Group has made new progress in the expansion of each business segments. For details, please refer to the section headed “Chairman’s Statement” and section headed “Management Discussion and Analysis” in this annual report.

企業策略及文化

我們始終堅持「服務建立信任、專業創造價值」的信念和「讓所有人生活在藍天白雲之下」的理念。憑藉豐富的經驗和專業能力，本集團已幫助客戶大幅減少污染物排放，有效提高生產效率。此外，本公司堅持以客戶為本，全方位滿足客戶在生態、綠色及環保方面的需求。通過「高授權、嚴考核、重激勵」的管理方針，激發團隊活力，為企業創造價值。

本集團致力於成為國際一流的綜合性環境產業集團和智慧環境管理服務商。本集團由積極進取的管理層領導，並實施全面的職業發展體系，提供具有競爭力的薪酬和福利，旨在吸引、激勵和留住各級人才。本集團相信，其企業文化可增強員工的歸屬感和責任感，使本集團能夠實現長期可持續增長和成功。

董事會負責制定本集團戰略，以與其使命和企業文化保持一致，本集團圍繞我們的「十四五」戰略目標及方針，定位「環境治理、新能源+(再生)」兩大領域，聚焦優勢行業，專注細分領域，保持戰略定力。把「人·組織·機制·文化」作為推動公司持續發展的基石，弘揚「博大精深·守正出奇」的文化理念；建立「誠信·責任·創新·奉獻」企業精神。在集團戰略定位和企業文化的推動下，集團各業務領域板塊均有新拓展。有關詳請，請參閱本年報「主席報告書」及「管理層討論與分析」一節。



Corporate Governance Report (Continued)

企業管治報告(續)

MODEL CODE FOR SECURITIES TRANSACTIONS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the “**Model Code**”) set out in Appendix 10 to the Listing Rules as its code of conduct regarding dealings in the securities of the Company. Specific enquiries have been made to all Directors, the Directors have confirmed that they had strictly complied with the required standards set out in the Model Code during the Reporting Period. The Board has also adopted the Model Code to regulate all dealings by employees who are likely to be in possession of unpublished inside information of the Company in respect of securities in the Company as referred to in code provision C.1.3 of the CG Code. No incident of non-compliance with the Model Code by the Company’s relevant employees was noted during the Reporting Period after making reasonable enquiry.

THE BOARD

Responsibilities

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

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

證券交易的標準守則

本公司已採納上市規則附錄十所載的上市發行人董事進行證券交易的標準守則(「**標準守則**」)作為買賣本公司證券的操守守則。經向全體董事作出特定查詢後，董事確認彼等於報告期內已嚴格遵守標準守則所載的規定標準。董事會亦已採納標準守則以規管可能獲知本公司非公開內幕消息之僱員進行有關本公司證券交易的所有行為(見企業管治守則守則條文第C.1.3條)。經作出合理查詢後，於報告期間內並未發現本公司之有關僱員未有遵守標準守則之情況。

董事會

職責

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

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

Corporate Governance Report (Continued)

企業管治報告(續)

Directors' and Senior Management's Liability Insurance and Indemnity

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

Board Composition

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

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

Board Diversity Policy

Pursuant to the code provision Rule 13.92 of the Listing Rules, listed issuers are required to adopt a board diversity policy. The policy specifies that in designing the composition the Board, board diversity shall be considered from a number of aspects, including but not limited to gender, age, cultural and educational background, professional experience, skills and knowledge. The appointment of Directors will be based on meritocracy, and candidates will be evaluated against objective criteria, having due regard for the benefits of diversity of the Board. Selection of candidates will be based on a range of diversity perspectives, including but not limited to gender, age, culture, educational background, professional experience, knowledge and skills.

董事及高級管理層的責任保險及彌償

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

董事會的組成

董事會目前由一名執行董事(即曾之俊先生)、四名非執行董事(即程里全先生、鄭拓先生、朱偉航先生及陳學先生)及三名獨立非執行董事(即劉根鈺先生、謝國忠博士及陸志芳先生)組成。

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

董事會成員多元化政策

根據上市規則第13.92條，上市發行人須採納董事會成員多元化政策。該政策訂明董事會於設定董事會成員組合時會從多個方面考慮董事會成員多元化，包括但不限於性別、年齡、文化及教育背景、專業經驗、技能及知識。董事的委任均以用人唯才為原則，並在評估人選時考慮客觀條件妥善顧及董事會成員多元化的裨益。甄選董事會人選將按一系列多元化範疇為基準，包括但不限於性別、年齡、文化、教育背景、專業經驗、知識及技能。

Corporate Governance Report (Continued)

企業管治報告(續)

In 2022, our Nomination Committee reviewed the structure and composition of the Board and noted the requirements relating to board diversity policy under the Listing Rules and Corporate Governance Guide for Boards and Directors published by the Stock Exchange. Currently, the Board is composed of members of a single gender. With a view to achieving a sustainable and balanced development, the Company sees increasing diversity at the Board level as an essential element in supporting the attainment of its strategic objectives and its sustainable development. Going forward, the Board would use its best endeavor and on suitable basis to seek female candidates into the Board as appropriate. The Board intends to appoint at least one female Director by the end of 2023. As of 31 December 2022, the gender ratio of all employees (including senior management) of the Group was approximately 75.3% (male) to 24.7% (female). The Company has been committed to the principle of employment equality between men and women and prohibited gender discrimination. However, as the Company is an ecological governance enterprise that provides environmental governance and comprehensive services for new energy+ industrial enterprises, the main business of the Group is the construction of projects and operation and maintenance services. Due to objective factors such as physical fitness and the nature of work, positions relating to production functions may not be preferred for female employees. Save for employees with production functions, the ratio of male to female in other employees of the Company is relatively balanced. The Group will also continue to take steps to promote gender diversity at all levels of the Group and make employment decisions based upon its advantages and appropriate objective criteria. We will also continue to ensure that there is gender diversity when recruiting staff at mid to senior level so that we will have a pipeline of female senior management and potential successors to our Board in due time to ensure gender diversity of our Board. Our Group will continue to emphasize training of female talent and providing long-term development opportunities for our female staff.

於2022年，提名委員會已檢討董事會的架構及組成，並注意到上市規則項下有關董事會多元化政策的規定，以及聯交所發佈的有關董事會及董事的企業管治指引。目前，董事會由單一性別的董事組成。為了達致可持續及平衡的發展，本公司意識到董事會層面的日漸多元化是支持戰略目標的達成及可持續發展之關鍵要素。展望未來，董事會將在適當基礎上盡力物色合適的女性人選加入董事會。董事會有意於2023年底前委任至少一名女董事。於2022年12月31日，本集團全體員工(包括高級管理人員)的性別比例約為75.3%(男性)比24.7%(女性)。本公司一直致力於男女平等就業的原則，禁止性別歧視。然而，由於本公司是一家為工業企業提供環境治理及新能源+綜合服務的生態治理企業，本集團主要業務為工程建設和運行維護服務，由於身體素質及工作性質等客觀因素，生產職能相關職位可能不是女性員工首選。除生產職能僱員之外，本公司其他僱員男女比例較為均衡。本集團也將繼續採取措施，在本集團各職級促進性別多元化，並根據優勢和適當的客觀標準作出僱傭決定。我們亦會繼續確保在招聘中高層員工時考慮到性別的平衡，使我們將可為高級管理層及潛在董事會繼任人適時建立女性人才庫，以確保董事會的性別平衡。本集團將繼續著重女性人才的培訓，並為女性員工提供長遠發展機會。

Corporate Governance Report (Continued)

企業管治報告(續)

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

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

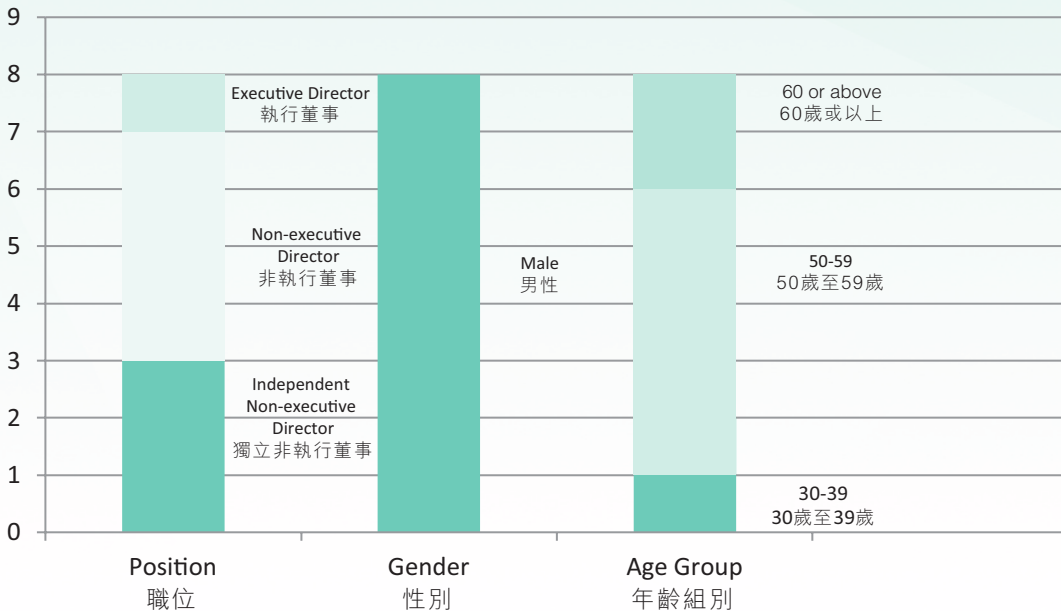
本公司將每年在企業管治報告中披露董事會的組成。提名委員會將監察本政策的實施。提名委員會將在適當時候檢討本政策的成效，並討論任何或需作出的修訂，且就任何該等修訂向董事會提出建議，以供審議及批准。

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



Corporate Governance Report (Continued)

企業管治報告(續)



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

Independence of the Independent Non-executive Directors

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

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

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

獨立非執行董事之獨立性

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

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

Corporate Governance Report (Continued)

企業管治報告(續)

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

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

Induction and Continuous Professional Development

Pursuant to code provision C.1.4 of the CG Code, all Directors should participate in continuous professional development to develop and refresh their knowledge and skills to ensure that their contribution to the Board remains informed and relevant.

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

During the Reporting Period, all the Directors (namely Mr. Zeng Zhijun, Mr. Cheng Liquan Richard, Mr. Zheng Tony Tuo, Mr. Zhu Weihang, Mr. Chen Xue, Mr. Liu Genyu, Mr. Xie Guozhong and Mr. Lu Zhifang) have attended the training courses conducted by The Hong Kong Chartered Governance Institute. The content of such training related to ongoing responsibilities and obligations of directors and supervisors and related regulatory penalties. Accordingly, the compliance awareness and ability to perform duties of all directors have been improved. In addition, continuing briefing and professional development to Directors will be arranged whenever necessary.

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

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

入職培訓及持續專業發展

根據企業管治守則的守則條文第C.1.4條,全體董事須參與持續專業發展,以發展及更新彼等的知識及技能,藉此確保彼等對董事會所作貢獻為知情及相關。

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

於報告期內,全體董事(曾之俊先生、程里全先生、鄭拓先生、朱偉航先生、陳學先生、劉根鈺先生、謝國忠先生及陸志芳先生)均已參與由香港公司治理公會提供的培訓課程,而培訓內容有關董事、監事的持續責任與義務及其監管處罰。據此,全體董事的合規意識與履職能力得到提升。此外,本公司將於有需要時為董事安排持續簡報及專業發展。



Corporate Governance Report (Continued)

企業管治報告(續)

Chairman and Chief Executive Officer

Mr. Zeng Zhijun, our chief executive officer, has been appointed as the Chairman of the Board with effect from 29 March 2021. As such, Mr. Zeng has assumed the dual roles of the Chairman and the chief executive officer with effect from 29 March 2021, which constitutes a deviation from code provision C.2.1 of the CG Code. With extensive experience in the environmental protection industry, Mr. Zeng is responsible for the overall management, decision-making and strategy planning of our Company and has been instrumental to our Group's growth and business expansion. Since Mr. Zeng is one of the key persons of for our Group's management, our Board considers that vesting the roles of the chairman and the chief executive officer in the same person, Mr. Zeng, would not create any potential harm to the interest of our Group and it is, on the contrary, beneficial to the management of our Group. In addition, the operation of the senior management of our Group and our Board, which are comprised of experienced individuals, effectively checks and balances the power and authority of Mr. Zeng. Our Board currently comprises one executive Director (i.e. Mr. Zeng), four non-executive Directors and three independent non-executive Directors and therefore has a fairly strong independence element in its composition. Therefore, the Board considers that the deviation from the CG Code is appropriate and justified.

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

Board Independence

The Group has established mechanism to ensure independent views and input are available to the Board and such mechanisms will be reviewed annually by the Board. During the Reporting Period, the Board has reviewed the implementation and effectiveness of the following mechanisms:

主席及行政總裁

我們的行政總裁曾之俊先生自2021年3月29日起獲委任為董事會主席。因此，曾先生自2021年3月29日起擔任主席與行政總裁的雙重角色，偏離企業管治守則的守則條文第C.2.1條的規定。憑藉在環保行業的豐富經驗，曾先生負責本公司的整體管理、決策及戰略規劃，對本集團的增長及業務擴展起重要作用。由於曾先生是本集團管理層主要成員之一，董事會認為由曾先生一人肩負主席與行政總裁的角色，不會對本集團的利益造成任何潛在損害，相反有利於本集團的管理。此外，本集團的高級管理層及董事會由富經驗的人員組成，其運作可有效地制衡曾先生的權力及職權。董事會現時由一名執行董事(即曾先生)、四名非執行董事及三名獨立非執行董事組成，其成員具有頗強的獨立元素。因此，董事會認為偏離企業管治守則屬適當並有理據。

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

董事會獨立性

本集團已設立機制以確保董事會可獲得獨立意見及信息，而該等機制將由董事會每年檢討。報告期內，董事會已檢討以下機制的實施情況和有效性：

Corporate Governance Report (Continued)

企業管治報告(續)

- | | |
|---|---|
| <p>1. Three out of the eight Directors are independent non-executive Directors, which satisfies the requirement of the Listing Rules that at least one-third of the Board are independent non-executive Directors;</p> | <p>1. 八名董事中有三名獨立非執行董事，符合上市規則董事會至少三分之一為獨立非執行董事的規定；</p> |
| <p>2. The Nomination Committee will assess the independence of a candidate who is nominated to be a new independent non-executive Director before appointment and the continued independence of the current long-serving independent non-executive Directors on an annual basis. All independent non-executive Directors are required to submit a written confirmation to the Company annually to confirm the independence of each of them and their immediate family members, and their compliance with the requirements as set out in the Rule 3.13 of the Listing Rules;</p> | <p>2. 提名委員會每年均會在委任前對獲提名為新獨立非執行董事的候選人的獨立性以及現時長期任職獨立非執行董事的持續獨立性進行評估。所有獨立非執行董事均須每年向本公司提交書面確認，以確認彼等及其直系親屬的獨立性，以及彼等是否遵守上市規則第3.13條所載規定；</p> |
| <p>3. The Chairman of the Board will meet with the independent non-executive Directors at least annually without the presence of other executive Directors;</p> | <p>3. 董事會主席將至少每年一次在其他執行董事不在場的情況下與獨立非執行董事會面；</p> |
| <p>4. Any Director (including independent non-executive Directors) who has material interest in any contract, transaction or arrangement shall abstain from voting and not be counted in the quorum on any Board resolution approving the same; and</p> | <p>4. 在任何合約、交易或安排中擁有重大利益的任何董事(包括獨立非執行董事)均須就批准上述事項的任何董事會議案放棄投票且不計入法定人數；及</p> |
| <p>5. No equity-based remuneration with performance-related elements will be granted to independent non-executive Directors.</p> | <p>5. 獨立非執行董事將不會獲授與業績掛鈎的權益核算薪酬。</p> |

Appointment and re-election of Directors

During the Reporting Period, the executive Directors has entered into a service contract with the Company for an initial term of three years commencing from 28 February 2018. Such service contracts were renewed on similar terms and effective from 28 February 2021 for another term of three years. Subsequent to the Reporting Period, Mr. Cheng Liquan Richard was re-designated from executive Director to non-executive Director with effect from 24 March 2023. As a result of the re-designation, Mr. Cheng has entered into a new appointment letter with the Company for a term of three years commencing from 24 March 2023.

董事委任及重選

於報告期內，執行董事已與本公司訂立服務合約，初步任期自2018年2月28日起計為期三年。該等服務合約已按相若條款續期，自2021年2月28日起生效，而重續之年期為三年。於報告期後，程里全先生已由執行董事調任為非執行董事，自2023年3月24日起生效。由於調任，程先生已與本公司訂立新委任函件，自2023年3月24日起為期三年。

Corporate Governance Report (Continued)

企業管治報告(續)

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

None of the Directors (including the Directors proposed for re-election at the forthcoming Annual General Meeting (“AGM”) has a service contract which is not determinable by the Group within one year without payment of compensation (other than statutory compensation).

In accordance with Article 16.18 of the Company’s amended and restated memorandum and articles of association, at each annual general meeting, one-third of the Directors for the time being shall retire from office by rotation provided that every Director shall be subject to retirement at least once every three years. At the forthcoming AGM, Mr. Zeng Zhijun, Mr. Cheng Liquan Richard and Mr. Lu Zhifang will retire from offices as Directors by rotation at the forthcoming AGM and, being eligible, will offer themselves for re-election as Directors. Shareholders of the Company entitled to vote at the forthcoming AGM for the election of Directors will elect a Board consisting of at least the minimum number of Directors set under the articles of association of the Company and all the Directors shall cease to hold office immediately before such election, but are eligible for re-election at such meeting.

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

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

概無董事(包括擬在應屆股東週年大會(「股東週年大會」)上重選的董事)訂立本公司不可於一年內在毋須支付賠償(法定賠償除外)的情況下終止的服務合約。

根據本公司的經修訂和重述的組織章程大綱及細則第16.18條細則，於每屆股東週年大會上，當時三分之一之董事須輪值退任，惟各董事須最少每三年於股東週年大會上輪值退任一次。於應屆股東週年大會上，曾之俊先生、程里全先生及陸志芳先生將輪值退任董事，並符合資格且願意在應屆股東週年大會上重選連任為董事。有權於應屆股東週年大會上投票選出董事的本公司股東將選出董事會，董事會須至少由本公司組織章程細則所定最少數目的董事組成，而全體董事將於緊接有關選舉前離任，惟有資格於該大會上獲重選連任。

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

Corporate Governance Report (Continued)

企業管治報告(續)

Board Meetings

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

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

董事會會議

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

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



Corporate Governance Report (Continued)**企業管治報告(續)**

For the year ended 31 December 2022, four board meetings were held and the details are set out in the table below:

截至2022年12月31日止年度，董事會曾舉行四次董事會會議，具體情況如下：

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

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

除正式會議外，其他須董事會批准的事宜以傳閱書面決議案方式處理。

Corporate Governance Report (Continued)

企業管治報告(續)

Delegation by the Board

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

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

CORPORATE GOVERNANCE FUNCTION

The Board is responsible for performing the functions set out in the code provision A.2.1 of the CG Code. The Board recognizes that corporate governance should be the collective responsibility of the Directors which includes:

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

董事會的授權

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

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

企業管治職能

董事會負責履行企業管治守則的守則條文第A.2.1條所載的職能。董事會承認企業管治乃全體董事的責任，其中包括：

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



Corporate Governance Report (Continued)

企業管治報告(續)

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

The Company complied with the functions set out in the code provision of A.2.1 of the CG Code for the year ended 31 December 2022.

本公司於截至2022年12月31日止年度已遵守企業管治守則的守則條文第A.2.1條所載的職能。

BOARD COMMITTEES

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

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

董事委員會

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

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

Corporate Governance Report (Continued)

企業管治報告(續)

Audit Committee

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

For the year ended 31 December 2022, three meetings of the Audit Committee was held and the details are as follows:

審核委員會

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

截至2022年12月31日止年度，審核委員會曾舉行三次會議，具體情況如下：

Directors	Attendance/number of meetings held
董事	已出席次數/ 舉行會議次數
Dr. Xie Guozhong (Chairman) 謝國忠博士(主席)	3/3
Mr. Liu Genyu 劉根鈺先生	3/3
Mr. Zheng Tony Tuo 鄭拓先生	3/3



Corporate Governance Report (Continued)

企業管治報告(續)

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

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

Nomination Committee

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

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

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

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

提名委員會

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

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

Corporate Governance Report (Continued)

企業管治報告(續)

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

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

For the year ended 31 December 2022, the meeting of the Nomination Committee was held on 25 March 2022 to review and approve the Group's Board diversity policy; review and evaluate the independence of the Group's independent non-executive Directors; review and approve the re-election of relevant Directors at the annual general meeting. The details of their attendance are as follows:

截至2022年12月31日止，提名委員會於2022年3月25日舉行會議，審議並批准有關本集團董事會多元化政策；審核並評估本集團獨立非執行董事的獨立性；審議並批准相關董事在股東週年大會上重選連任。其出席詳情如下：

Directors	Attendance/number of meetings held
董事	已出席次數/ 舉行會議次數
Mr. Zeng Zhijun (Chairman) 曾之俊先生(主席)	1/1
Dr. Xie Guozhong 謝國忠博士	1/1
Mr. Lu Zhifang 陸志芳先生	1/1

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

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



Corporate Governance Report (Continued)

企業管治報告(續)

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

Remuneration Committee

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

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

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

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

薪酬委員會

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

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

薪酬委員會的書面職權範圍可於聯交所及本公司網站查閱。

Corporate Governance Report (Continued)

企業管治報告(續)

For the year ended 31 December 2022, the meetings of the Remuneration Committee was held on 25 March 2022 to review and approve the remuneration of the Directors and senior management of the Group. The details of the attendance are as follows:

截至2022年12月31日止年度，薪酬委員會於2022年3月25日舉行會議，審議並批准有關本集團董事及高級管理層的薪酬。其出席詳情如下：

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

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

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

The remuneration by band of the members of senior management of the Company, whose biographies are set out in the section headed “Directors and Senior Management” in this annual report, for the year ended 31 December 2022 range from RMB520,000 to RMB840,000.

截至2022年12月31日止年度，本公司高級管理層成員（其履歷載於本年報「董事及高級管理層」一節）按組別劃分的薪酬介乎人民幣520,000元至人民幣840,000元之間。

DIRECTORS' RESPONSIBILITIES FOR FINANCIAL REPORTING IN RESPECT OF FINANCIAL STATEMENTS

The Directors acknowledge their responsibility for preparing the financial statements for the 2022 Financial Year which give a true and fair view of the affairs of the Company and the Group and of the Group's results and cash flows.

董事有關財務報表的財務申報責任

董事已知悉，彼等有責任編製2022財政年度的財務報表，以真實公平地反映本公司及本集團的事務狀況以及本集團的業績及現金流量。

Corporate Governance Report (Continued)

企業管治報告(續)

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

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

The statement by the auditors of the Company regarding their reporting responsibilities on the financial statements of the Company is set out in the Independent Auditor's Report on page 209 to page 216 of this annual report.

INTERNAL CONTROL AND RISK MANAGEMENT

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

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

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

本公司核數師就彼等對本公司財務報表申報責任的聲明載於本年報第209至216頁的獨立核數師報告內。

內部監控及風險管理

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

Corporate Governance Report (Continued)

企業管治報告(續)

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

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

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

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



Corporate Governance Report (Continued)

企業管治報告(續)

The Audit Committee assists the Board in the review, which covers operational, financial and compliance controls, internal audit and risk management functions, to maintain an adequate and effective internal control system to safeguard the interests of the shareholders and the assets of the Group. For the 2022 Financial Year, the Board conducted an annual review of the effectiveness of the internal control system of the Group by, including but not limited to, considering a written report prepared by the external consultants to the Audit Committee covering the above aspects. The Board has also considered the adequacy of resources, qualifications and experience of staff of the Company's accounting and financial reporting function, and their training programme and budget during the year under review. The Board is not aware of any significant internal control and risk management weaknesses nor significant breach of limits or risk management policies, and considers that the current monitoring systems of the Company are effective and that the qualifications and experience of the staff, performing accounting and financial reporting functions and the training programmes of the Company as well as the experiences and resources for setting the budget of the Company are adequate. The Company has complied with the requirements under D.2.1 to D.2.5 and D.2.3 of the CG Code relating to risk management and internal control since the Listing Date.

AUDITOR'S REMUNERATION

Ernst & Young were appointed as the Company's auditors to audit the financial statements of the Company for the year ended 31 December 2022 prepared in accordance with IFRSs. During the Reporting Period, the fees paid to Ernst & Young for audit services amounted to RMB3,370,000.

審核委員會亦協助董事會進行有關維持足夠及有效之內部監控系統的審閱，當中涵蓋營運、財務及合規監控內部審計、以及風險管理功能，以保障股東及本集團資產之利益。於2022年財政年度，董事會已透過(其中包括但不限於)考慮外部顧問向審核委員會編製之書面報告對本集團內部監控系統之成效進行年度檢討，範圍涵蓋上述各方面。於回顧年度，董事會亦已考慮本公司在會計及財務報告職能方面之資源、員工資歷及經驗是否足夠，以及員工所接受之培訓課程及有關預算是否充足。董事會並未發現任何重大內部監控及風險管理缺陷，亦未發現重大違反限制或風險管理政策之情況，並認為本公司目前的監控系統有效，且本公司員工的資歷和經驗、會計及財務呈報職能的履行，以及本公司的培訓課程及本公司有關預算方面的經驗和資源足夠。本公司自上市日期起已遵守企業管治守則第D.2.1條至D.2.5條及第D.2.3條有關風險管理及內部監控之規定。

核數師酬金

安永會計師事務所獲委任為本公司核數師，審計本公司截至2022年12月31日止年度按照國際財務報告準則編製的財務報表。於報告期內，就審計服務向安永會計師事務所支付的費用為人民幣3,370,000元。

Corporate Governance Report (Continued)

企業管治報告(續)

JOINT COMPANY SECRETARIES AND PRIMARY CONTACT

Ms. Qian Xiaoning was appointed as the joint company secretary of the Company on 13 February 2017. Ms. Qian's biographical details are set out in the section headed "Directors and Senior Management" in this annual report.

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

Ms. Qian Xiaoning and Ms. Wong Wai Ling have undertaken not less than 15 hours of relevant professional training in compliance with Rule 3.29 of the Listing Rules for the year ending 31 December 2022.

GENERAL MEETING

The AGM of the Company will be held on 31 May 2023.

聯席公司秘書及主要聯絡人

於2017年2月13日，錢曉寧女士獲委任為本公司的聯席公司秘書。錢女士的履歷詳情載於本年報「董事及高級管理層」一節。

按聯交所於2021年3月確認，在豁免期於2021年3月15日屆滿後，錢曉寧女士符合上市規則第3.28條所規定擔任本公司的公司秘書之資格。根據有關安排，錢曉寧女士繼續連同黃慧玲女士擔任本公司的聯席公司秘書，而黃慧玲女士現為方圓企業服務集團(香港)有限公司(一間公司秘書服務供應商)的總監。黃慧玲女士於本公司的主要聯絡人為錢曉寧女士。

截至2022年12月31日止年度，錢曉寧女士及黃慧玲女士已參與不少於15小時的相關專業培訓，以遵守上市規則第3.29條的規定。

股東大會

本集團股東週年大會將於2023年5月31日舉行。



Corporate Governance Report (Continued)**企業管治報告(續)**

During the Reporting Period, the Group has held 1 general meetings on 31 May 2022. The details of the Directors' attendance are as follows:

本報告期內，本集團共舉行1次股東大會，於2022年5月31日舉行，董事出席股東大會情況如下：

Directors	Attendance/number of meetings held
董事	已出席次數/ 舉行會議次數
Mr. Zeng Zhijun 曾之俊先生	1/1
Mr. Cheng Liquan Richard 程里全先生	0/1
Mr. Zheng Tony Tuo 鄭拓先生	0/1
Mr. Zhu Weihang 朱偉航先生	0/1
Mr. Chen Xue 陳學先生	0/1
Mr. Liu Genyu 劉根鈺先生	0/1
Dr. Xie Guozhong 謝國忠博士	1/1
Mr. Lu Zhifang 陸志芳先生	1/1

Corporate Governance Report (Continued)

企業管治報告(續)

COMMUNICATION WITH SHAREHOLDERS AND INVESTOR RELATIONS

與股東的溝通及投資者關係

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

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

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

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

To promote effective communication, the Company adopts a shareholders' communication policy which aims at establishing a two-way relationship and communication between the Company and its shareholders and maintains a website at <http://www.chinaboqi.com>, where up-to-date information on the Company's business operations and developments, financial information, corporate governance practices and other information are available for public access. During the Reporting Period, the Company performed its statutory obligations in respect of information disclosures and complied with and implemented the provisions of the Listing Rules, as well as its shareholders' communication policy. In 2023, the Company will focus more on the demands of investors and analysts, pay close attention to important policies of the environmental protection and energy conservation industry and allow timely access by the public to sufficient business information and recent developments of the Company.

為促進有效的溝通，本公司採納股東通訊政策，旨在建立本公司與其股東的相互關係及溝通，並設有網站(<http://www.chinaboqi.com>)，刊登有關其業務營運及發展的最新數據、財務數據、企業管治常規及其他數據，以供公眾人士查閱。於報告期內，公司已履行信息披露的法定義務，並遵守和執行了上市規則的規定以及股東通訊政策。於2023年，本公司將更集中於投資者及分析師需求，密切關注環保及節能產業的重要政策，及時作出公開披露數據，讓公眾能夠及時取得完整的業務資料並瞭解公司近期發展狀況。

The Board has regularly reviewed its shareholder communications policy and ensured that it is effectively implemented.

董事會已定期審查其股東通訊政策並確保其有效實施。

Corporate Governance Report (Continued)

企業管治報告(續)

SHAREHOLDERS' RIGHTS

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

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

Procedures for shareholders to convene an extraordinary general meeting

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

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

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

股東權利

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

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

股東召開股東特別大會的程序

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

股東提名人選參選董事的程序

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

Corporate Governance Report (Continued)

企業管治報告(續)

Shareholders' inquiries

If you have any query in connection with your shareholdings, please write to or contact the Company's Hong Kong share registrar, Tricor Investor Services Limited, at: 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong Tel: (852) 2980 1066 Fax: (852) 2262 7584 Website: www.tricorglobal.com.

Investor relations and communications

The Company has set up a website at www.chinaboqi.com as a channel to promote communication, publishing announcements, financial information and other relevant information of the Company. Shareholders are welcome to make enquiries directly to the Company at its principal place of business in Hong Kong. The Company will deal with all enquiries in a timely and appropriate manner. The primary contacts of the Company are Ms. Zhu Beibei and Ms. Wang Siyu at (email: irhk@chinaboqi.com or tel: +86 10 59579665/+86 10 58782059).

CHANGE IN CONSTITUTIONAL DOCUMENTS

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

For the year ended 31 December 2022, no change had been made to the memorandum and articles of association of the Company.

The Board proposes to amend and restate the articles of association of the Company, in order to conform the Amended Articles of Association with core shareholder protection standards set out in Appendix 3 of the Listing Rules which took effect on 1 January 2022, and to make some house-keeping amendments. The proposed adoption of the amended articles of association is subject to the approval of the Shareholders by way of a special resolution at the forthcoming AGM which will be held on 31 May 2023. For further details, please refer to the Company's announcement dated 24 March 2023 and circular dated 26 April 2023.

股東查詢

如閣下對所持股份有任何查詢事項，請致函或聯絡本公司香港股份登記處卓佳證券登記有限公司，地址為：香港夏慤道16號遠東金融中心17樓，電話：(852) 2980 1066，傳真：(852) 2262 7584，網站：www.tricorglobal.com。

投資者關係及通訊

作為促進有效溝通的溝通，本公司設立網站www.chinaboqi.com刊發本公司的公告、財務數據及其他相關數據。股東如有任何查詢，可直接致函至本公司於香港的主要營業地點。本公司將及時以適當方式處理所有查詢。本公司的主要聯絡人為朱蓓蓓女士及王思雨女士(電郵：irhk@chinaboqi.com或電話：+86 10 59579665/+86 10 58782059)。

更改憲章文件

本公司的組織章程大綱及細則已予修訂並重述，有關修訂及重述自上市日期起生效。

截至2022年12月31日止年度，本公司的組織章程大綱及細則並無變動。

董事會建議修訂及重述本公司的組織章程細則，以令經修訂組織章程細則符合自2022年1月1日起生效的上市規則附錄三所載核心股東保障水平，並作出若干內務修訂。建議採納經修訂組織章程細則須待股東在2023年5月31日舉行的應屆股東週年大會上以特別決議案批准。有關詳情，請參閱本公司日期為2023年3月24日的公告及日期為2023年4月26日的通函。



Directors' Report

董事會報告

The Board is pleased to present its report together with the audited consolidated financial statements of the Group for the year ended 31 December 2022.

CORPORATE INFORMATION

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

GLOBAL OFFERING

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

PRINCIPAL ACTIVITIES

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

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

董事會欣然提呈截至2022年12月31日止年度之董事會報告及本集團經審核綜合財務報表。

公司資料

本公司的基本資料載列於本年報「公司資料」及「公司簡介」章節中。

全球發售

本公司於2015年1月30日於開曼群島註冊成立為獲豁免有限公司。本公司的已發行股份(「股份」)於2018年3月16日在聯交所上市。

主要業務

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

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

Directors' Report (Continued)

董事會報告(續)

BUSINESS REVIEW

A review of the Group's business during the year, which includes a discussion of the principal risks and uncertainties facing by the Group, an analysis of the Group's performance using financial key performance indicators, particulars of important events affecting the Group during the year, and an indication of likely future developments in the Group's business, could be found in the sections headed "Chairman's Statement" and "Management Discussion and Analysis" in this annual report. The financial risk management objectives and policies of the Group can also be found in note 46 to the consolidated financial statements. In addition, a discussion on relationships with its key stakeholders is included in the section headed "Management Discussion and Analysis" in this annual report. The review forms part of this directors' report.

RESULTS

The consolidated results of the Group for the year ended 31 December 2022 are set out on page 217 to page 226 of this annual report.

DIVIDEND POLICY

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

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

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

業務回顧

本集團年內業務回顧包括討論本集團面對的主要風險及不明朗因素、採用財務關鍵表現指標分析本集團之表現、年內影響本集團之重大事件詳情以及本集團業務未來發展的揭示，載於本年報「主席報告書」及「管理層討論與分析」章節。本集團的財務風險管理目標及政策亦載於綜合財務報表附註46。此外，就與主要利益相關者之關係之討論載於本年報「管理層討論與分析」章節。該回顧構成本董事會報告之一部分。

業績

本集團截至2022年12月31日止年度的綜合業績載於本年報第217至226頁。

股息政策

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

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

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

Directors' Report (Continued)

董事會報告(續)

FINAL DIVIDENDS

Taking into consideration various factors such as the new business development needs of the Group and its future capital expenditure plans, the Board recommend the payment of HK\$3.00 cents per ordinary share as final dividend for the year ended 31 December 2022 (2021: HK\$7.40 cents). No interim dividend was declared for the 2022 financial year. Subject to the Shareholder's approval at the AGM (as defined below), the proposed final dividend will be paid to the Shareholders on 12 July 2023.

FINANCIAL SUMMARY

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

MAJOR CUSTOMERS AND SUPPLIERS

For the year ended 31 December 2022, the Group's largest customers accounted for 9.8% (2021: 8.5%) of the Group's total revenue. The Group's five largest customers accounted for 38.1% (2021: 35.5%) of the Group's total revenue.

For the year ended 31 December 2022, the Group's largest suppliers accounted for 5.9% (2021: 12.4) of the Group's total cost of procurement. The Group's five largest suppliers accounted for 22.1% (2021: 26.5%) of the Group's total cost of procurement.

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

末期股息

董事會結合集團新業務發展所需及未來資本開支計劃等多重因素，建議宣派截至2022年12月31日止年度之末期股息每股普通股3.00港仙(2021年：7.40港仙)。2022財政年度並無宣派中期股息。待股東在股東週年大會(定義見下文)批准後，擬派末期股息將於2023年7月12日派付予股東。

財務概要

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

主要客戶及供應商

截至2022年12月31日止年度，本集團最大客戶佔本集團總收益的9.8%(2021年：8.5%)。本集團五大客戶佔本集團總收益的38.1%(2021年：35.5%)。

截至2022年12月31日止年度，本集團最大供應商佔本集團總採購成本的5.9%(2021年：12.4%)。本集團五大供應商佔本集團總採購成本的22.1%(2021年：26.5%)。

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

Directors' Report (Continued)

董事會報告(續)

PROPERTY, PLANT AND EQUIPMENT

Details of movements in the property, plant and equipment of the Company and the Group during the year ended 31 December 2022 are set out in note 13 to the consolidated financial statements.

SHARE CAPITAL

Details of movements in the share capital of the Company during the year ended 31 December 2022 are set out in note 35 to the consolidated financial statements.

TAX RELIEF

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

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

During the Reporting Period, the Company purchased 56,000 Shares, in aggregate, on the Stock Exchange at a total consideration of HK\$73,920, which were cancelled thereafter.

Details of the purchases are summarized as follows:

Date of buy-back 購回日期		Number of Shares 股份數目	Highest price per share 每股最高價 HK\$ 港元	Lowest price per share 每股最低價 HK\$ 港元	Aggregate consideration 總代價 HK\$ 港元
31 March 2022 (Note)	2022年3月31日(附註)	56,000	1.32	1.32	73,920

Note: Such 56,000 Shares were cancelled on 19 May 2022.

Save for the above, neither the Company nor any member of the Group has purchased, sold or redeemed any of the Company's shares during the Reporting Period.

物業、廠房及設備

本公司及本集團於截至2022年12月31日止年度的物業、廠房及設備變動詳情載於綜合財務報表附註13。

股本

本公司於截至2022年12月31日止年度的股本變動詳情載於綜合財務報表附註35。

稅務寬免

本公司並不知悉股東因持有本公司證券而享有任何稅務寬免。

購買、出售或贖回本公司上市證券

於報告期內，本公司於聯交所按總代價73,920港元購回合共56,000股股份，並已於其後註銷。

購回詳情概列如下：

附註：上述56,000股股份已於2022年5月19日註銷。

除上述者外，本公司或本集團任何成員公司概無於報告期內購買、出售或贖回任何本公司股份。

Directors' Report (Continued)

董事會報告(續)

PRE-EMPTIVE RIGHTS

As at 31 December 2022, there were no provisions for pre-emptive rights under the Articles of Association, which require the Company to offer new Shares to existing Shareholders in proportion to their shareholdings.

RESERVES

Details of movements in the reserves of the Company and the Group during the year ended 31 December 2022 are set out in the summary of the Company's reserves and the consolidated statement of changes in equity on page 412 and page 221 to page 222 respectively.

DISTRIBUTABLE RESERVES

As at 31 December 2022, the Group's distributable reserves were RMB1,414,503,000 (as at 31 December 2021: RMB1,341,839,000).

BANK LOANS AND OTHER BORROWINGS

Particulars of bank loans and other borrowings of the Group as at 31 December 2022 are set out in note 31 to the consolidated financial statements.

LOAN AND GUARANTEE

During the year ended 31 December 2022, the Group had not provide any financial assistance and guarantees to affiliated companies of the Group.

優先購買權

於2022年12月31日，組織章程細則並無就優先購買權作出規定，並無要求本公司按股東的持股比例向現有股東提呈發售新股。

儲備

截至2022年12月31日止年度，本公司及本集團之儲備變動詳情分別載於第412頁的本公司儲備之概要及第221至222頁的綜合權益變動表。

可供分配儲備

於2022年12月31日，本集團之可供分配儲備為人民幣1,414,503,000元(於2021年12月31日：人民幣1,341,839,000元)。

銀行貸款及其他借款

本集團於2022年12月31日的銀行貸款及其他借款的詳情載於綜合財務報表附註31。

貸款及擔保

截至2022年12月31日止年度，本集團概無向本集團的聯屬公司提供任何財務資助及擔保。

Directors' Report (Continued)

董事會報告(續)

DIRECTORS

The Directors during the year ended 31 December 2022 were:

Executive Directors

Mr. Zeng Zhijun (*Chairman*)

Mr. Cheng Liquan Richard (*Note*)

Non-executive Directors

Mr. Zheng Tony Tuo

Mr. Zhu Weihang

Mr. Chen Xue

Independent Non-executive Directors

Mr. Liu Genyu

Dr. Xie Guozhong

Mr. Lu Zhifang

Note: Mr. Cheng Liquan Richard was redesignated from executive Director to non-executive Director with effect from 24 March 2023.

BIOGRAPHICAL DETAILS OF THE DIRECTORS AND THE SENIOR MANAGEMENT

In accordance with Rule 13.51B(1) of the Listing Rules, the changes to information required to be disclosed by the Directors pursuant to paragraphs (a) to (e) and (g) of Rule 13.51(2) between the date of announcement of the Company's 2022 Interim Report and the date of announcement of the Company's 2022 Annual Report is set out below:

Mr. Liu Genyu resigned as joint chief executive officer of China Nuclear Energy Technology Corporation Limited on 29 March 2023; and resigned as an executive director and the vice chairman of GCL New Energy Holdings Limited on 9 September 2022.

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

董事

截至2022年12月31日止年度的董事如下：

執行董事

曾之俊先生(主席)

程里全先生(附註)

非執行董事

鄭拓先生

朱偉航先生

陳學先生

獨立非執行董事

劉根鈺先生

謝國忠博士

陸志芳先生

附註：程里全先生已自2023年3月24日起由執行董事調任為非執行董事。

董事及高級管理層的履歷詳情

根據上市規則第13.51B(1)條，於本公司2022年中期報告刊發後至本公司2022年年報期間，董事按第13.51(2)條第(a)至(e)段及第(g)段規定披露資料的變動如下：

劉根鈺先生於2023年3月29日辭任為中國核能科技集團有限公司的聯席行政總裁；及於2022年9月9日辭任協鑫新能源控股有限公司的執行董事及董事會副主席。

除上文披露外，董事並無其他資料需根據上市規則第13.51B(1)條作出披露。



Directors' Report (Continued)

董事會報告(續)

CONFIRMATION OF INDEPENDENCE OF INDEPENDENT NON-EXECUTIVE DIRECTORS

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

EQUITY-LINKED AGREEMENTS

Save for the Pre-IPO Share Award Scheme of the Company as set out in note 36 to the consolidated financial statements and the Scheme as disclosed in the section headed "Share Option Scheme" below, no equity-linked agreements were entered into by the Group, or existed during the year ended 31 December 2022.

DIRECTORS' SERVICE CONTRACT AND LETTER OF APPOINTMENTS

During the Reporting Period, each of the executive Directors has entered into a service contract with the Company for an initial term of three years commencing from 28 February 2018. Such service contracts were renewed on similar terms and effective from 28 February 2021 for another term of three years. Subsequent to the Reporting Period, Mr. Cheng Liquan Richard was re-designated from executive Director to non-executive Director with effect from 24 March 2023. As a result of the re-designation, Mr. Cheng has entered into a new appointment letter with the Company for a term of three years commencing from 24 March 2023.

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

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

獨立非執行董事的獨立性確認書

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

股本掛鈎協議

除載於綜合財務報表附註36的本公司首次公開發售前股份獎勵計劃及下文「購股權計劃」一節所披露的計劃外，截至2022年12月31日止年度，本集團概無訂立任何股本掛鈎協議，或概無過往訂立的股本掛鈎協議。

董事的服務合約及委任函

於報告期內，各執行董事已與本公司訂立服務合約，初步任期自2018年2月28日起計為期三年。該等服務合約已按相若條款續期，自2021年2月28日起生效，而重續之年期為三年。於報告期後，程里全先生已由執行董事調任為非執行董事，自2023年3月24日起生效。由於調任，程先生已與本公司訂立新委任函件，自2023年3月24日起為期三年。

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

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

Directors' Report (Continued)

董事會報告(續)

DIRECTORS' INTERESTS IN TRANSACTIONS, ARRANGEMENTS OR CONTRACTS OF SIGNIFICANCE

Save as disclosed in the section headed "Connected Transactions" below, neither the Director nor any entity connected with the Director had a material interest in, either directly or indirectly, in any contract of significance to the business of the Group to which the Company or any of its subsidiaries was a party during the year ended 31 December 2022.

SHARE OPTION SCHEME

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

The principal terms of the Scheme are summarised as follows:

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

董事於交易、安排或重大合約的權益

除下文「關連交易」一節所披露者外，截至2022年12月31日止年度，概無董事或任何與董事有關連的實體於本公司或其任何附屬公司訂立之對本集團業務而言屬重大的任何合約中直接或間接擁有重大權益。

股份期權計劃

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

該計劃的主要條款概述如下：

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

Directors' Report (Continued)

董事會報告(續)

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

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

- (b) The maximum number of shares of the Company issued and to be issued upon exercise of the options granted to each eligible participant under the Scheme or any other share option schemes adopted by the Company (including both exercised, cancelled and outstanding options) in any 12-month period must not exceed 1% of the total number of issued shares of the Company.
- (b) 於任何12個月期間，因根據該計劃及本公司採納的任何其他股份期權計劃向每名合資格參與者授出的期權(包括已行使、已註銷或尚未行使的期權)獲行使而發行及將予發行的股份最高數目，不得超過本公司已發行股份總數的1%。
- (c) The subscription price in respect of each share of the Company issued pursuant to the exercise of options granted under the Scheme shall be determined by the Board and notified to an eligible participant at the time of the grant of the options and shall be at least the highest of (i) the closing price of the Company's shares as stated in the Stock Exchange's daily quotation sheets on the date of the Board approving the grant of option, which must be a business day ("**Date of Grant**"); (ii) the average closing price of the Company's shares as stated in the Stock Exchange's daily quotation sheets for the five business days immediately preceding the Date of Grant; and (iii) the nominal value of the Company's share.
- (c) 因根據該計劃授出的期權獲行使而發行的本公司每股股份的認購價，應由董事會釐定並於授出期權時通知合資格參與者，而認購價不得少於以下最高者：(i)於舉行董事會會議以批准授出期權的日期(必須為營業日)(「授出日期」)在聯交所每日報價表所列的本公司股份收市價；(ii)緊接授出日期前五個營業日在聯交所每日報價表所列的本公司股份平均收市價；及(iii)本公司股份面值。
- (d) The period within which the options must be exercised will be specified by the Company at the time of grant. This period must expire no later than ten years from the relevant Date of Grant. The Board may also provide restrictions on the exercise of an option during the period an option may be exercised.
- (d) 期權須予行使的期間將由本公司於授出時指定。該期間須不遲於自有關授出日期起計滿十年之日屆滿。董事會亦可於期權可予行使的期間內對期權的行使施加限制。

Directors' Report (Continued)

董事會報告(續)

- (e) Upon acceptance of an option, the grantee shall pay HK\$1 to the Company as consideration for the grant within 21 days from the Date of Grant. (e) 於接納期權時，承授人須於授出日期起計21日內向本公司支付1港元，作為獲授期權之代價。
- (f) The Scheme shall be valid and effective for a period of ten years from the Adoption Date. (f) 該計劃於採納日期起計十年期間內有效及具效力。

Details of movements in the share options granted under the Scheme for the year ended 31 December 2022 are set out below:

截至2022年12月31日止年度根據該計劃授出的股份期權的變動詳情如下：

Grantee	Date of grant	Exercise period	Exercise price (HK\$)	Closing price	Outstanding as at 1 January 2022	Granted during the Reporting Period	Exercised during the Reporting Period	Cancelled during the Reporting Period	Lapsed during the Reporting Period	Outstanding as at 31 December 2022
				per Share immediately prior to the date of grant (HK\$)						
承授人	授出日期	行使期	行使價 (港元)	於緊接授出日期前每股收市價 (港元)	於2022年1月1日尚未行使	報告期間內授出	報告期間內行使	報告期間內註銷	報告期間內失效	於2022年12月31日尚未行使
Employees 僱員	7 April 2021 2021年4月7日	7 April 2022 – 6 April 2031 2022年4月7日至 2031年4月6日	1.51	1.39	3,120,000	-	-	-	-	3,120,000
	28 June 2021 2021年6月28日	28 June 2022 – 27 June 2031 2022年6月28日至 2031年6月27日	1.88	1.93	11,100,000	-	-	-	1,750,000	9,350,000
Granted total 授出總數					14,220,000	-	-	-	1,750,000	12,470,000

Directors' Report (Continued)

董事會報告(續)

PERMITTED INDEMNITY

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

MANAGEMENT CONTRACTS

No contracts concerning the management and administration of the whole or any substantial part of the business of the Company were entered into or existed during the year ended 31 December 2022.

CONTROLLING SHAREHOLDERS' INTERESTS IN CONTRACTS

During the Reporting Period, the Company had no controlling shareholder. The Company has no shareholder who may exercise more than 30% of the shares with voting rights of the Company when acting alone or in concert with others, while any shareholder of the Company cannot control the resolutions of the general meeting or the resolutions of the Board meeting by shares with voting rights he/she holds, and there is no shareholder who controls the conduct of the Company through the general meeting or *de facto* controls the conduct of the Company through the Board of Directors and senior management. At the same time, there is no shareholder *de facto* controlling the Company in any other manner when acting along or in concert with others.

獲准許彌償條文

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

管理合約

截至2022年12月31日止年度，概無就本公司整體業務或其任何主要部份的管理及行政訂立或存續任何合約。

控股股東於合約的權益

於報告期內，本公司並無控股股東。本公司並無任何股東於單獨或與其他人士一致行動時可行使本公司30%以上的附有投票權之股份，而本公司任何股東概不可藉其持有的附有投票權之股份控制股東大會的決議案或董事會會議的決議案，亦概無股東可透過股東大會控股本公司的行動，或透過董事會及高級管理層實際上控制本公司的行動。同時，概無股東於單獨或與其他人士一致行動時可以任何其他方式實際上控制本公司。

Directors' Report (Continued)

董事會報告(續)

EMPLOYEES

The Group had 1,459 employees as at 31 December 2022, as compared with 1,857 employees as at 31 December 2021. The decrease in the number of employees compared to the last year was due to the Group's continuous increase in investment in its information technology construction, which improved the per capita efficiency of its projects and optimized part of the personnel structure in line with the needs of business transformation. The employees of the Company are employed under employment contracts which set out, among other things, their job scope and remuneration. Further details of their employment terms are set out in the employee handbook of the Company. The Company determines the employees' salaries based on their job nature, scope of duty, and individual performance. The Company also provides various benefits to the employees including medical care, housing subsidies, retirement and other benefits as well as on-the-job education, training and other opportunities to improve their skills and knowledge. The Company also provides employees with contributions to social insurance and housing provident fund for the employees in accordance with PRC regulations and the internal.

EMOLUMENT POLICY

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

REMUNERATION OF DIRECTORS AND FIVE INDIVIDUALS WITH HIGHEST EMOLUMENTS

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

僱員

於2022年12月31日，本集團有1,459名僱員，而2021年12月31日有1,857名僱員。僱員人數較上年減少是由於本集團持續加大信息化建設投入，提升了項目人均效率及結合業務轉型所需進行了部分人員結構優化。本公司的僱員乃根據載列(其中包括)其工作範圍及薪酬的僱傭合約僱傭。其僱傭條款的進一步詳情載於本公司的僱員手冊。本公司根據僱員的工作性質、職責範圍及個人表現釐定其薪金。本公司亦向僱員提供各種福利，包括醫療、住房補貼、退休及其他福利以及在職教育、培訓及其他機會，以改善其技能及知識。本公司亦根據中國法規及內部政策向僱員提供社會保險及住房公積金供款。

薪酬政策

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

董事及五名最高薪酬人士酬金

董事及五名最高薪酬人士酬金詳情載於綜合財務報表附註9。



Directors' Report (Continued)

董事會報告(續)

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

As at 31 December 2022, the interests and short positions of the Directors and the chief executive of the Company in the Shares, underlying Shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO")) (i) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which were taken or deemed to have under such provisions); or (ii) which were required to be recorded in the register of the Company required to be kept under Section 352 of the SFO; or (iii) which were required to be notified to the Company and the Stock Exchange pursuant to the Model Code.

董事及最高行政人員於股份、相關股份及債券之權益及淡倉

於2022年12月31日，本公司董事或最高行政人員於本公司或其任何相聯法團(定義見證券及期貨條例第XV部)的股份、相關股份及債權證中擁有(i)根據證券及期貨條例(「證券及期貨條例」)第XV部第7及8分部須知會本公司及聯交所的權益及淡倉(包括根據證券及期貨條例的有關條文被當作或視作擁有的權益及淡倉);或(ii)根據證券及期貨條例第352條的規定須記入本公司存置的登記冊的權益及淡倉;或(iii)根據標準守則須知會本公司及聯交所的權益及淡倉如下:

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

於本公司股份、相關股份及債權證中的好倉

Name of Director 董事姓名	Nature of Interest 權益性質	Number and class of Shares 股份數及類別	Approximate percentage of shareholding 概約持股百分比
Mr. Zeng Zhijun 曾之俊先生	Interest of a controlled corporation (Note 1) 受控法團權益(附註1)	271,826,331 (Long Position) (好倉)	27.03%
Mr. Cheng Liquan Richard 程里全先生	Interest of a controlled corporation (Note 2); and beneficial owner (Note 3) 受控法團權益(附註2); 及實益擁有人(附註3)	168,534,580 (Long Position) (好倉)	16.76%
Mr. Zhu Weihang 朱偉航先生	Interest of a controlled corporation (Note 4) 受控法團權益(附註4)	152,170,529 (Long Position) (好倉)	15.13%

Directors' Report (Continued)

董事會報告(續)

Notes:

- (1) Mr. Zeng holds the entire issued share capital of Best Dawn Limited ("**Best Dawn**") and 47.2% of interests in Asia Environment Investment Limited ("**Asia Environment**"). Therefore, Mr. Zeng is deemed to be interested in the Shares held by Best Dawn and Asia Environment under the SFO.
- (2) Mr. Cheng holds the entire issued share capital of World Hero International Limited ("**World Hero**"). Therefore, Mr. Cheng is deemed to be interested in the Shares held by World Hero under the SFO.
- (3) Mr. Cheng directly holds 400,000 shares of the Company.
- (4) The entire issued share capital of New Asia Limited ("**New Asia**") is held by Great Origin Ventures Limited ("**Great Origin**"), whose entire issued share capital is in turn held by Mr. Zhu. Therefore, Mr. Zhu is deemed to be interested in the Shares held by New Asia under the SFO.

Save as disclosed above, as at 31 December 2022, none of the Directors and the chief executive of the Company had or was deemed to have any interest or short position in the Shares, underlying Shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) that was required to be recorded in the register of the Company required to be kept under Section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

At no time during the year ended 31 December 2022 was the Company, its holding company, or any of its subsidiaries, a party to any arrangement to enable the Directors to acquire benefits by means of the acquisition of shares in, or debt securities including debentures of, the Company or any other body corporate.

附註：

- 1) 曾先生持有Best Dawn Limited (「**Best Dawn**」)之全部已發行股本及Asia Environment Investment Limited (「**Asia Environment**」)之47.2%權益。因此，曾先生根據證券及期貨條例被視為於Best Dawn及Asia Environment持有的股份中擁有權益。
- (2) 程先生持有World Hero International Limited (「**World Hero**」)之全部已發行股本。因此，程先生根據證券及期貨條例被視為於World Hero持有的股份中擁有權益。
- (3) 程先生直接持有本公司股份400,000股。
- (4) 偉源創投有限公司(「**偉源**」)持有New Asia Limited (「**New Asia**」)的全部已發行股本，而朱先生持有偉源的全部已發行股本。因此，朱先生根據證券及期貨條例被視為於New Asia持有的股份中擁有權益。

除上文所披露者外，於2022年12月31日，概無本公司董事及最高行政人員在本公司或其任何相聯法團(定義見證券及期貨條例第XV部)的股份、相關股份或債權證中，擁有或被視作擁有須記錄於本公司根據證券及期貨條例第352條存置的登記冊或根據標準守則須知會本公司及聯交所的任何權益或淡倉。

董事收購股份或債權證的權利

本公司、其控股公司或其任何附屬公司於截至2022年12月31日止年度內任何時間，概無參與任何安排致使董事可藉購入本公司或任何其他法人團體的股份或債券證券(包括公司債券)而獲益。

Directors' Report (Continued)**董事會報告(續)****SUBSTANTIAL SHAREHOLDERS' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES****主要股東於股份及相關股份中的權益及淡倉**

As at 31 December 2022, to the best knowledge of the Directors, the following persons (not being a Director or chief executive of the Company) had interests or short positions in the Shares or underlying Shares which fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO as recorded in the register required to be kept by the Company pursuant to section 336 of the SFO:

於2022年12月31日，據董事所深知，下列人士（並非本公司董事或最高行政人員）於股份或相關股份中擁有須記載於本公司按證券及期貨條例第336條須置存之登記冊內的根據證券及期貨條例第XV部第2及3分部的條文須向本公司披露的權益或淡倉：

Name 姓名／名稱	Capacity/Nature of interest 身份／權益性質	Number of Shares 股份數目	Approximate percentage of shareholding 股權概約百分比
Best Dawn Best Dawn	Beneficial owner (Note 1) 實益擁有人(附註1)	248,885,143 (Long Position) (好倉)	24.75%
Ms. Ge Tong 戈彤女士	Interest of spouse (Note 2) 配偶權益(附註2)	271,826,331 (Long Position) (好倉)	27.03%
World Hero World Hero	Beneficial owner (Note 3) 實益擁有人(附註3)	168,134,580 (Long Position) (好倉)	16.72%
Ms. Zhou Xuan 周旋女士	Interest of spouse (Note 4) 配偶權益(附註4)	168,534,580 (Long Position) (好倉)	16.76%

Directors' Report (Continued)

董事會報告(續)

Name 姓名 / 名稱	Capacity/Nature of interest 身份 / 權益性質	Number of Shares 股份數目	Approximate percentage of shareholding 股權概約百分比
New Asia New Asia	Beneficial owner (Note 5) 實益擁有人(附註5)	152,170,529 (Long Position) (好倉)	15.13%
Great Origin 偉源	Interest of a controlled corporation (Note 5) 受控法團權益(附註5)	152,170,529 (Long Position) (好倉)	15.13%
Sinopec Overseas Investment Holding Limited ("Sinopec") 中國石化海外投資控股有限公司 (「中石化」)	Beneficial owner (Note 6) 實益擁有人(附註6)	110,294,118 (Long Position) (好倉)	10.97%
China Petroleum & Chemical Corporation 中國石油化工股份有限公司	Interest of a controlled corporation (Note 6) 受控法團權益(附註6)	110,294,118 (Long Position) (好倉)	10.97%



Directors' Report (Continued)**董事會報告(續)**

Notes:

- (1) Mr. Zeng holds the entire issued share capital of Best Dawn. Therefore, Mr. Zeng is deemed to be interested in the Shares held by Best Dawn under the SFO.
- (2) Ms. Ge Tong is the spouse of Mr. Zeng. Under the SFO, Ms. Ge Tong is deemed to be interested in the same number of Shares in which Mr. Zeng is interested.
- (3) Mr. Cheng holds the entire issued share capital of World Hero. Therefore, Mr. Cheng is deemed to be interested in the Shares held by World Hero under the SFO.
- (4) Ms. Zhou Xuan is the spouse of Mr. Cheng. Under the SFO, Ms. Zhou Xuan is deemed to be interested in the same number of Shares in which Mr. Cheng is interested.
- (5) The entire issued share capital of New Asia is held by Great Origin, whose entire issued share capital is in turn held by Mr. Zhu. Therefore, Mr. Zhu is deemed to be interested in the Shares held by New Asia under the SFO.
- (6) China Petroleum & Chemical Corporation holds the entire issued share capital of Sinopec. Therefore, China Petroleum & Chemical Corporation is deemed to be interested in the Shares held by Sinopec under the SFO. China Petroleum & Chemical Corporation is a PRC state-owned company, whose H shares are listed on the Main Board (stock code: 386).

Save as disclosed above, and as at 31 December 2022, the Directors were not aware of any persons (who were not directors or chief executive of the Company) who had an interest or short position in the Shares or underlying Shares of the Company which would fall to be disclosed under Divisions 2 and 3 of Part XV of the SFO, or which would be required, pursuant to Section 336 of the SFO, to be entered in the register referred to therein.

附註：

- (1) 曾先生持有Best Dawn之全部已發行股本，因此，曾先生根據證券及期貨條例被視為於Best Dawn所持有的股份中擁有權益。
- (2) 戈彤女士為曾先生之配偶。根據證券及期貨條例，戈彤女士被視為於曾先生所持有權益之相同數目股份中擁有權益。
- (3) 程先生持有World Hero之全部已發行股本，因此，程先生根據證券及期貨條例被視為於World Hero所持有的股份中擁有權益。
- (4) 周旋女士為程先生之配偶。根據證券及期貨條例，周旋女士被視為於程先生所持有權益之相同數目股份中擁有權益。
- (5) 偉源持有New Asia的全部已發行股本，而朱先生持有偉源的全部已發行股本。因此，朱先生根據證券及期貨條例被視為於New Asia所持有的股份中擁有權益。
- (6) 中國石油化工股份有限公司持有中石化之全部已發行股本。因此，中國石油化工股份有限公司根據證券及期貨條例被視為於中石化所持有的股份中擁有權益。中國石油化工股份有限公司為一家中國國有企業，其H股於主板上市(股份代號：386)。

除上文所披露者外，於2022年12月31日，董事並不知悉任何人士(並非本公司董事或最高行政人員)於本公司股份或相關股份中擁有根據證券及期貨條例第XV部第2及3分部的條文須予披露的權益或淡倉，或根據證券及期貨條例第336條須記入該條所述登記冊的權益或淡倉。

Directors' Report (Continued)

董事會報告(續)

DIRECTORS' INTEREST IN COMPETING BUSINESS

For the year ended 31 December 2022, none of the Directors or their respective associates had engaged in or had any interest in any business which competes or may compete with the businesses of the Group.

CONNECTED TRANSACTIONS

During the Reporting Period, the Group has entered into certain non-exempt continuing connected transactions, which are subject to the reporting, announcement and/or independent Shareholders' approval requirements under Chapter 14A of the Listing Rules. The Directors confirmed that the Group has complied with the disclosure requirements prescribed in Chapter 14A of the Listing Rules and has followed the pricing policies under relevant agreements in respect of the following continuing connected transactions for the year ended 31 December 2022.

1. Yangxi #1-#4 Facilities Project

On 31 December 2016, Beijing Boqi, Guangdong Huaxia Electric Development Co., Ltd (廣東華廈電力發展有限公司) (“**Guangdong Huaxia Electric**”) and Yangxi Haibin Electric Power Development Co., Ltd (陽西海濱電力發展有限公司) (“**Yangxi Electric**”) entered into a management service agreement (“**Yangxi Management Service Agreement**”) in relation to the provision of operation, daily maintenance and repair services in respect of the #1-#4 desulfurization and denitrification facilities owned by Yangxi Electric (“**Yangxi #1-#4 Facilities**”) prior to the completion of the acquisition of the Yangxi #1-#4 Facilities under the cooperation framework agreement dated 20 May 2016 entered into between the said parties (“**Cooperation Framework Agreement**”). On 1 January 2017, Beijing

董事於競爭業務中的權益

截至2022年12月31日止年度，概無董事或彼等各自之聯繫人已從事與本集團業務競爭或可能競爭的任何業務，或於其中持有任何權益。

關連交易

於報告期內，本集團訂立若干非豁免持續關連交易，根據上市規則第14A章，須遵守申報、公告及／或獨立股東批准的規定。董事確認，截至2022年12月31日止年度，本集團已就以下持續關連交易遵守上市規則第14A章指定的披露規定並已遵循相關協議之定價政策。

一、 1-4號陽西設施項目

於2016年12月31日，北京博奇、廣東華廈電力發展有限公司(「廣東華廈電力」)及陽西海濱電力發展有限公司(「陽西電力」)訂立管理服務協議(「陽西管理服務協議」)，內容有關於根據上述訂約方訂立日期為2016年5月20日的合作框架協議(「合作框架協議」)完成收購1-4號陽西設施前向陽西電力擁有的1-4號脫硫及脫硝設施(「1-4號陽西設施」)提供運營、日常維護及修復服務。於2017年1月1日，北京博奇、廣東華廈電力與陽西電力另行訂立補充協議，以釐定陽西管理服務協議的定價條款(「陽西服務定價協議」)。基於1-4號陽西設施的按揭意外地延遲解除，以及合作框架協議項下1-4號陽西設施的擬議



Directors' Report (Continued)

董事會報告(續)

Boqi, Guangdong Huaxia Electric and Yangxi Electric further entered into a supplemental agreement solely to determine the pricing terms of the Yangxi Management Service Agreement (the “**Yangxi Service Pricing Agreement**”). Due to an unexpected delay in the release of the mortgage on the Yangxi #1-#4 Facilities, the completion of the proposed acquisitions of the Yangxi #1-#4 Facilities under the Cooperation Framework Agreement was delayed, and it was agreed between Beijing Boqi, Guangdong Huaxia Electric and Yangxi Electric not to proceed with the proposed acquisitions of the Yangxi #1-#4 Facilities. Accordingly, on 28 August 2017, Beijing Boqi, Guangdong Huaxia Electric and Yangxi Electric entered into a supplemental agreement (“**Yangxi Supplemental Agreement**”) under which, the proposed acquisitions of the Yangxi #1-#4 Facilities under the Cooperation Framework Agreement, were terminated. On the same day, Beijing Boqi, Guangdong Huaxia Electric and Yangxi Electric entered into a supplemental agreement (the “**Yangxi Supplemental Management Service Agreement**”) to supersede and extend the term of the services under the Yangxi Management Services Agreement from 1 January 2017 to 30 September 2017 to a term from 1 January 2017 to 31 December 2025. Other provisions in relation to the services and ancillary services to be provided by Beijing Boqi under the

收購事項延遲完成，故北京博奇、廣東華廈電力及陽西電力已協定不再進行1-4號陽西設施的擬議收購事項。因此，北京博奇、廣東華廈電力及陽西電力於2017年8月28日訂立補充協議（「**陽西補充協議**」），據此，合作框架協議項下的1-4號陽西設施的擬議收購事項已終止。同日，北京博奇、廣東華廈電力及陽西電力訂立補充協議（「**陽西補充管理服務協議**」）以將陽西管理服務協議服務期限由2017年1月1日至2017年9月30日延長至2017年1月1日至2025年12月31日。與北京博奇根據陽西管理服務協議提供的服務及輔助服務有關的其他條文於延長期限內保持不變。於2018年3月8日，北京博奇、廣東華廈電力及陽西電力訂立補充協議（「**2018年3月補充協議**」），以就陽西電力收購的電廠基於進一步配額釐定額外上網電量的單價。於2018年7月20日，鑒於北京博奇如今亦可共享廣東華廈陽西電廠所享之稅收優惠，故北京博奇、廣東華廈電力及陽西電力訂立補充協議（「**2018年7月補充協議**」，連同2018年3月補充協議統稱「**2018年補充協議**」），以釐定提供運維服務的相關固定費率（包括增值稅）的價格調整。為免生疑問，相關固定費率（不包括增值稅）維持不變。於2020年11月30日，北京博

Directors' Report (Continued)

董事會報告(續)

Yangxi Management Services Agreement remain unchanged for the extended term. On 8 March 2018, Beijing Boqi, Guangdong Huaxia Electric and Yangxi Electric entered into a supplemental agreement (the **"March 2018 Supplemental Agreement"**) to determine the unit price in relation to the additional on-grid power generation based on the further quota for power generation acquired by Yangxi Electric. On 20 July 2018, Beijing Boqi, Guangdong Huaxia Electric and Yangxi Electric entered into a supplemental agreement (the **"July 2018 Supplemental Agreement"**, together with the March 2018 Supplemental Agreements as the **"2018 Supplemental Agreements"**) to determine the price adjustment to the relevant fixed rates (inclusive of value-added tax) for the provision of O&M services, due to a tax relief enjoyed by Guangdong Huaxia Yangxi power plant, which is now shared with Beijing Boqi. For the avoidance of doubt, the relevant fixed rates (exclusive of value-added tax) remain unchanged. On 30 November 2020, Beijing Boqi, Guangdong Huaxia Electric and Yangxi Electric entered into a supplemental agreement (the **"2020 Supplemental Agreement"**, together with Yangxi Management Service Agreement, Yangxi Service Pricing Agreement, Yangxi Supplemental Management Service Agreement and 2018 Supplemental Agreements as **"Yangxi Agreements"**) to amend and supplement certain terms in relation to the pricing terms for the provision of O&M services and the Ancillary Charges in accordance with the market-based pricing mechanism.

Under the Yangxi Agreements, Beijing Boqi provides operation, daily maintenance and repair services in respect of the Yangxi #1-#4 Facilities to Yangxi Electric for a term from 1 January 2017 to 31 December 2025.

奇、廣東華廈電力及陽西電力訂立補充協議(「**2020年補充協議**」, 連同陽西管理服務協議、陽西服務定價協議、陽西補充管理服務協議及2018年補充協議合稱為「**陽西協議**」), 以修訂及補充有關提供O&M服務的定價條款及根據市場定價機制釐定輔助費用之若干條款。

根據陽西協議, 北京博奇就1-4號陽西設施向陽西電力提供運營、日常維護及維修服務, 期限自2017年1月1日起至2025年12月31日止。



Directors' Report (Continued)**董事會報告(續)**

Parties:	Beijing Boqi, Guangdong Huaxia Electric and Yangxi Electric	訂約方：	北京博奇、廣東華廈電力及陽西電力
Term of the agreement:	1 January 2017 to 31 December 2025.	協議期限：	2017年1月1日至2025年12月31日。
Services to be provided:	The services to be provided by Beijing Boqi include the operation, daily maintenance and repair of Yangxi #1-#4 Facilities. Beijing Boqi is also responsible for the materials used in the services provided as well as treatment of waste created during the provision of such services.	將予提供的服務：	北京博奇將予提供的服務包括1-4號陽西設施的營運、日常維護及維修。北京博奇亦負責供應所提供服務使用的材料及處理提供有關服務過程產生的廢棄物。
Service fee policy:	The service fee under the Yangxi Agreements is calculated based on the on-grid power generation multiplied by a rate which is determined by the parties. The pricing terms of the Yangxi Agreements were determined under the Yangxi Service Pricing Agreement. Such pricing terms are arrived at on arm's length negotiations between Beijing Boqi, Yangxi Electric and Guangdong Huaxia Electric and are determined with reference to (i) the relevant subsidies with respect to desulfurization and denitrification as set by the government; and (ii) the fees and expenses in respect of the operation, management and maintenance of the desulfurization and denitrification facilities.	服務費政策：	陽西協議項下的服務費乃按上網電量乘以訂約方釐定的服務費率。陽西協議的定價條款根據陽西服務定價協議釐定。該定價條款乃經北京博奇、陽西電力及廣東華廈電力公平磋商後達致，並經參考(i)政府制定的脫硫及脫硝的相關補貼；及(ii)經營、管理及維護脫硫及脫硝設施的費用及開支釐定。
Payment obligation:	Yangxi Electric shall pay to Beijing Boqi the service fee within 15 days of Yangxi Electric receiving the electricity fee from the State Power Grid.	付款義務：	陽西電力須於陽西電力自電網公司收取電費後15日內向北京博奇支付服務費用。

Directors' Report (Continued)

董事會報告(續)

Beijing Boqi shall pay to Yangxi Electric a performance guarantee in an amount of RMB139,690,000 for guaranteeing its work and performance under the Yangxi Agreements and safe operation of the Yangxi #1-#4 Facilities.

The above performance guarantee is arrived at on arm's length negotiations between Beijing Boqi, Guangdong Huaxia Electric and Yangxi Electric and determined based on the estimated service fee to be received (i.e. the estimated on-grid power generation multiplied by a rate (10%) which is determined by the parties) multiplied by the term of the Yangxi Agreements (i.e. 8 years). Such performance guarantee has been paid to Yangxi Electric and shall be refunded to Beijing Boqi upon completion of the term of the Yangxi Agreements.

Ancillary charges:

Under the Yangxi Agreements, Beijing Boqi shall pay to Yangxi Electric before the 10th day of each month the ancillary charges, including relevant operation fees such as water, electricity, vapor, gas, environmental protection penalty and pollution tax fees and other relevant operational charges.

根據陽西補充管理服務協議，北京博奇須向陽西電力支付履約保證金人民幣139,690,000元，以為其於陽西協議項下的工程及績效以及1-4號陽西設施的安全營運作擔保。

上述履約保證金乃基於預計將收取的服務費(即預計上網電量乘以由訂約雙方釐定的服務費率(10%))乘以陽西協議的年期(即8年)經北京博奇、廣東華廈電力及陽西電力公平磋商後釐定。相關履約保證金已向陽西電力支付，並將在陽西協議條款完成後退還北京博奇。

輔助費用：根據陽西協議，北京博奇將於每月第10日前向陽西電力支付輔助費用，包括水、電、蒸汽、汽、環保罰款及排汙稅費等相關運營費用。



Directors' Report (Continued)

董事會報告(續)

Yangxi Electric is a wholly-owned subsidiary of Guangdong Huaxia Electric, which is owned and controlled by, through various intermediaries, Mr. Zhu Yihang, the brother and associate of Mr. Zhu, one of our substantial shareholders and is therefore a connected person of the Company under Rule 14A.07(4) of the Listing Rules. The above transaction is entered into on normal commercial terms. Prior to the Listing, the Company had applied to the Stock Exchange and the Stock Exchange had granted the Company, a waiver from (i) strict compliance three-year term requirement for continuing connected transactions under Rule 14A.52 of the Listing Rules and (ii) strict compliance with the rules regarding the announcement and independent Shareholders' approval requirements under Chapter 14A of the Listing Rules, on the condition that the respective aggregate amounts of non-exempt continuing connected transactions with Yangxi Electric for the years 2018, 2019 and 2020 would not exceed the respective annual caps set out in the Prospectus. The renewed annual caps for the continuing connected transactions under the Yangxi Agreements for the three years ending 2023 were approved by the Independent Shareholders at an EGM held on 29 December 2020.

For details, please refer to the disclosure as set out in the section headed "Connected Transactions" of the Prospectus and the Company's announcement dated 12 March 2019, circular dated 31 May 2019, announcement dated 30 November 2020 and circular dated 8 December 2020.

The annual caps of Yangxi Agreements for service fees and ancillary charges for the year ended 31 December 2022 were RMB189.31 million and RMB65.27 million, respectively. For the year ended 31 December 2022, the actual service fees were RMB178.21 million (2021: RMB184.44 million) and the actual ancillary charges were RMB60.19 million (2021: RMB59.82 million).

陽西電力為廣東華廈電力的全資附屬公司，而廣東華廈電力由我們的主要股東之一朱先生的兄弟及聯繫人朱一航先生透過多家中介公司擁有及控制權益，故此根據上市規則第14A.07(4)條為本公司的關連人士。上述交易按一般商業條款訂立。於上市前，本公司已向聯交所申請且聯交所已批准本公司豁免(i)嚴格遵守上市規則第14A.52條項下持續關連交易的三年期限規定；及(ii)嚴格遵守上市規則第14A章項下公告及獨立股東批准規定，條件是於2018年、2019年及2020年與陽西電力的非豁免持續關連交易的相關總金額不得超過招股章程所載的相關年度上限。截至2023年12月31日止三個年度陽西協議項下持續關連交易的經更新年度上限已由獨立股東在2020年12月29日舉行的股東特別大會上批准。

有關詳情，請參閱招股章程「關連交易」一節所載的披露及本公司日期為2019年3月12日之公告、日期為2019年5月31日之通函、日期為2020年11月30日之公告及日期為2020年12月8日之通函。

截至2022年12月31日止年度，陽西協議的服務費及附加費用的年度上限分別為人民幣189.31百萬元及人民幣65.27百萬元。截至2022年12月31日止年度，實際服務費為人民幣178.21百萬元(2021年：人民幣184.44百萬元)及實際附加費用為人民幣60.19百萬元(2021年：人民幣59.82百萬元)。

Directors' Report (Continued)

董事會報告(續)

2. Yangxi #5-#6 Facilities Project

On 25 January 2022, Beijing Boqi entered into the No. 5-6 Yangxi Facilities Maintenance Service Agreement with Yangxi Electric.

Parties: Beijing Boqi and Yangxi Electric

Term of the agreement: 1 January 2022 to 31 August 2027

Services to be provided: The services to be provided by Beijing Boqi include maintenance of maintenance facilities, electrical facilities, thermal control facilities and comprehensive facilities and sanitation and cleaning of all equipment.

Service fee policy: Subject to adjustment, the total service fee is RMB33.92 million, which includes (i) routine maintenance fee for the No. 5-6 Yangxi Facilities of RMB455,864 per month for 68 months; (ii) C-level inspection and maintenance for each of the No. 5-6 Yangxi Facilities of RMB192,124.8 for 10 times; and (iii) adjustment provision for labor costs for routine maintenance for the No. 5-6 Yangxi Facilities in the third stage between January 2025 and August 2027 of up to RMB1 million during the entire term of the agreement. For details of adjustment mechanism of labor costs, please refer to the Company's announcement dated 25 January 2022.

二、 5-6號陽西設施項目

於2022年1月25日，北京博奇與陽西電力訂立陽西5-6號設施的維護服務協議。

訂約方：北京博奇及陽西電力

協議期限：2022年1月1日至2027年8月31日

將予提供的服務：北京博奇將予提供的服務包括維護設施、電氣設施、熱控設施及綜合設施的維護以及所有設備的消毒和清潔。

服務費政策：服務費總額為人民幣33.92百萬元（可予調整），其中包括(i)5-6號陽西設施的日常維護費每月人民幣455,864元，於68個月收取；(ii)5-6號陽西設施各項的C級檢修及維護費人民幣192,124.8元，收取10次；及(iii)於2025年1月至2027年8月就5-6號陽西設施第三階段日常維護的人工成本調整撥備最多人民幣1百萬元，於整個協議年期內收取。有關人工成本的調整機制詳情，請參閱本公司日期為2022年1月25日的公告。



Directors' Report (Continued)**董事會報告(續)**

Payment obligation: Yangxi Electric shall pay Beijing Boqi 90% of the total payment for the previous month as approved by Yangxi Electric and the remaining 10% will be withheld by Yangxi Electric as maintenance warranty (the “**maintenance warranty**”). The last monthly payment will be made after the parties settle the No. 5-6 Yangxi Facilities Maintenance Service Agreement.

Yangxi Electric shall refund maintenance warranty (interest-free) in the manner as set out in the No. 5-6 Yangxi Facilities Maintenance Service Agreement.

Reference is made to the Company's announcement dated 25 January 2022.

付款義務：陽西電力須向北京博奇支付陽西電力批准的上月付款總額的90%，餘下10%將由陽西電力保留作維護質保金（「**維護質保金**」）。最後一筆每月付款將於訂約雙方結清5-6號陽西設施維護服務協議後作出。

陽西電力須按5-6號陽西設施維護服務協議所載的方式退還維護質保金（免息）。

請參考本公司日期為2022年1月25日的公告。

Directors' Report (Continued)

董事會報告(續)

The annual caps of No. 5-6 Yangxi Facilities Maintenance Service Agreement for service fee for the year ended 31 December 2022 was RMB5.9 million. For the year ended 31 December 2022, the actual service fee was RMB5.3 million.

截至2022年12月31日止年度5-6號陽西設施維護服務協議的服務費年度上限為人民幣5.9百萬元。截至2022年12月31日止年度，實際服務費為人民幣5.3百萬元。

3. Chongqing Chuanwei EPC Contract

Date of the contract: 14 September 2018

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

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

Contract value: RMB205,880,000 (tentative estimate of the total value)

三、重慶川維EPC合同

簽約日期：2018年9月14日

訂約方：中國石化集團重慶川維化工有限公司(「重慶川維」)(發包人)及北京博奇(承包人)

工作範圍：燃煤鍋爐超低排放改造項目的工程；除鍋爐本體改造以外的脫硝、脫硫及除塵；相關設備的採購及供應；施工(包括建造、安裝、移除及運輸與項目相關的結構)及後續測試及性能評估。

合同價值：人民幣205,880,000元(暫估總價)



Directors' Report (Continued)

董事會報告(續)

Reasons for and the benefits of the transaction:

Chongqing Chuanwei EPC Contract is in line with the business development strategy and operation structure adjustment of the Company, which began in late 2016 to explore markets for petrochemicals and steel industries. The Company believes that the transaction will enhance the desulfurization, denitrification and dust removal business of the Group. It is expected to expand the business opportunities between the Group and Sinopec Group and gain considerable project experience, which allows the Company to further expand the market and offer similar services to more market participants of the petrochemical industry in the near future.

進行交易的理由及裨益：

重慶川維EPC合同符合本公司從2016年底開始開拓石化鋼鐵領域市場的業務發展戰略和經營結構調整。本公司深信該等交易將提升本集團脫硫、脫硝和除塵業務，並期望進一步擴大本集團與中石化集團的商機並累積豐富的項目經驗，以便本公司於不久未來進一步開拓市場，向更多的石油化工行業的市場參與者提供類似的服務。

For details of the terms of the Chongqing Chuanwei EPC Contract, please refer to the Company's announcement dated 14 September 2018 and circular dated 31 October 2018. In accordance with the Chongqing Chuanwei EPC Contract, the completion of the Chongqing Chuanwei EPC Project would be October 2020. The schedule of the Chongqing Chuanwei EPC Project has been postponed and interrupted because of the COVID-19 outbreak. Although Beijing Boqi has submitted an application in 2022 to start the auditing of the settlement of the Chongqing Chuanwei EPC Project, but Chongqing Chuanwei needs three rounds of auditing before it can be approved, hence the date of the Completion is currently uncertain. Save for the deferral of the schedule of the Chongqing Chuanwei EPC Project, as well as the consequential deferral of the final accounting and auditing, all the material terms of the Chongqing Chuanwei EPC Contract remain unchanged. For further details, please refer to the Company's announcements dated 23 August 2021 and 28 June 2022.

有關重慶川維EPC合同條款的詳情，請參閱本公司日期為2018年9月14日的公告及日期為2018年10月31日的通函。根據重慶川維EPC合同，重慶川維EPC項目應於2020年10月完成。由於新冠病毒疫情的爆發，重慶川維EPC項目的進度已延遲及受阻。儘管北京博奇已於2022年提交申請以開啟重慶川維EPC項目的決算審計，但重慶川維需要三輪審計才可批准，故完成日期目前仍未確定。除重慶順維EPC項目的時間表推遲，以及最終會計及審計隨之延遲外，重慶順維EPC項目所有主要條款維持不變。有關詳情，請參閱本公司日期為2021年8月23日及2022年6月28日的公告。

Directors' Report (Continued)**董事會報告(續)**

Chongqing Chuanwei, is indirectly wholly owned by China Petrochemical Corporation through Sinopec Group Asset Management Co., Ltd. (Sinopec Group Asset Management Co., Ltd. and China Petroleum & Chemical Corporation are both subsidiaries of China Petrochemical Corporation, and China Petroleum & Chemical Corporation wholly owns Sinopec Overseas). Since Sinopec Overseas is one of the substantial Shareholders of the Company, and both companies are therefore a connected person of the Company under Rule 14A.07(4) of the Listing Rules. The above transaction is entered into on normal commercial terms.

The annual cap of Chongqing Chuanwei EPC Contract for the year ended 31 December 2022 was RMB10.1 million (2021: RMB60.73 million), while the actual transaction amount in aggregate for the year ended 31 December 2022 was RMB5.9 million (2021: RMB44.95 million).

重慶川維，由中國石油化工集團公司透過中國石化集團資產經營管理有限公司間接全資擁有（中國石化集團資產經營管理有限公司與中國石油化工股份有限公司均為中國石油化工集團公司的附屬公司，而中國石油化工股份有限公司全資擁有中石化海投）。鑒於中石化海投為我們的主要股東之一，因此，根據上市規則第14A.07(4)條，彼等各自均為本公司的關連人士。上述交易乃按一般商業條款訂立。

截至2022年12月31日止年度，重慶川維EPC合同的年度上限為人民幣10.1百萬元（2021年：人民幣60.73百萬元），而截至2022年12月31日止年度合計之實際交易金額為人民幣5.9百萬元（2021年：人民幣44.95百萬元）。



Directors' Report (Continued)

董事會報告(續)

CONFIRMATION BY INDEPENDENT NON-EXECUTIVE DIRECTORS

The independent non-executive Directors have reviewed each of the above mentioned continuing connected transactions and confirmed that:

- (1) the transactions stated in the section headed "Exempt Continuing Connected Transactions" in this annual report have been generated during the Group's ordinary and usual course of business on normal commercial terms (or more favorable than normal commercial terms available for the Group), and that the terms of such transactions are fair and reasonable, and are in the interests of the Company and its shareholders as a whole; and
- (2) the transactions and relevant annual caps stated in this section headed "Non-exempt Continuing Connected Transactions" in this annual report have been generated during the Group's ordinary and usual course of business on normal commercial terms (or more favorable than normal commercial terms available for the Group), and that the terms of such transactions are fair and reasonable, and are in the interests of the Company and its shareholders as a whole.

During the year ended 31 December 2022, the Group has complied with the disclosure requirements prescribed in Chapter 14A of the Listing Rules with respect to the connected transactions and continuing connected transactions entered into by the Group during the year under review.

獨立非執行董事確認

獨立非執行董事已審閱上述各項持續關連交易，並確認：

- (1) 本年報「獲豁免持續關連交易」一節所載之交易乃於本集團之日常及一般業務過程中按一般商業條款(或優於本集團可取得的一般商業條款)產生，而該等交易條款屬公平合理，並符合本公司及其股東的整體利益；及
- (2) 本年報「不獲豁免持續關連交易」一節所載之交易及相關年度上限乃於本集團之日常及一般業務過程中按一般商業條款(或優於本集團可取得的一般商業條款)產生，而該等交易條款屬公平合理，並符合本公司及其股東的整體利益。

截至2022年12月31日止年度，本集團於回顧年度訂立的關連交易及持續關連交易，本公司已遵守上市規則第14A章所述的披露規定。

Directors' Report (Continued)

董事會報告(續)

AUDITOR'S LETTER

Pursuant to Rule 14A.56 of the Listing Rules, the Board engaged the auditors of the Company, Ernst & Young, to report on the Group's continuing connected transactions in accordance with the Hong Kong Standard on Assurance Engagements 3000 "Assurance Engagements Other Than Audits or Reviews of Historical Financial Information" and with reference to Practice Note 740 "Auditor's Letter on Continuing Connected Transactions under the Hong Kong Listing Rules" issued by the Hong Kong Institute of Certified Public Accountants. Based on its work, Ernst & Young have provided the Board with a letter confirming that, with respect to the aforesaid continuing connected transactions:

- (1) nothing has come to the auditor's attention that causes the auditor to believe that the disclosed continuing connected transactions have not been approved by the Company's board of directors;
- (2) for transactions involving the provision of goods or services by the Group, nothing has come to the auditor's attention that causes the auditor to believe that the transactions were not, in all material respects, in accordance with the pricing policies of the Company;
- (3) nothing has come to the auditor's attention that causes the auditor to believe that the transactions were not entered into, in all material respects, in accordance with the relevant agreements governing such transactions; and
- (4) with respect to the aggregate amount of each of the continuing connected transactions set out above, nothing has come to the auditor's attention that causes the auditor to believe that the disclosed continuing connected transactions have exceeded the annual cap as set by the Company.

核數師函件

根據上市規則第14A.56條，董事會已委聘本公司核數師安永會計師事務所按照香港會計師公會所頒佈的香港鑒證業務準則第3000號「歷史財務資料審計或審閱以外之鑒證工作」及參考實務說明第740號「香港上市規則規定的持續關連交易的核數師函件」申報本集團的持續關連交易。根據其工作，安永會計師事務所向董事會出具函件確認，就上述持續關連交易而言：

- (1) 核數師並無注意到任何事項令他們相信該等已披露的持續關連交易未獲本集團董事會批准；
- (2) 就本集團提供貨品或服務所涉及的交易，核數師並無注意到任何事項令他們相信該等交易在所有重大方面未有按照本集團的定價政策進行；
- (3) 核數師並無注意到任何事項令他們相信該等交易在所有重大方面未有按照規管該等交易的相關協議進行；及
- (4) 就上文所載每項持續關連交易的總金額而言，核數師並無注意到任何事項令他們相信該等已披露的持續關連交易的金額超出本公司就上述每項已披露的持續關連交易設定的年度上限。



Directors' Report (Continued)

董事會報告(續)

RELATED PARTY TRANSACTIONS

Please refer to note 43 to the consolidated financial statements in this annual report for details of the significant related party transactions pursuant to IFRSs. For the connected transactions and continuing connected transactions pursuant to the requirements of the Listing Rules, please refer to the disclosure as set out in the above section headed "Connected Transactions" in this report of Directors. Except for those disclosed in the section headed "Connected Transactions" in this report of Directors, the other related party transactions as disclosed in note 43 are not considered as connected transactions. The Company has complied with the disclosure requirements under Chapter 14A of the Listing Rules.

AUDIT COMMITTEE AND REVIEW OF FINANCIAL STATEMENTS

The Company established the Audit Committee with written terms of reference in compliance with the CG Code. As at the date of this annual report, the Audit Committee comprises three members, namely Dr. Xie Guozhong, Mr. Liu Genyu and Mr. Zheng Tony Tuo. Dr. Xie Guozhong is the chairman of the Audit Committee.

The Audit Committee has reviewed the audited financial statements of the Group for the 2022 Financial Year. The Audit Committee has also discussed matters with respect to the accounting policies and practices adopted by the Company and the internal control with senior management members and the external auditor of the Company, Ernst & Young. Based on this review and discussion with the management, the Audit Committee was satisfied that the Group's audited consolidated financial statements were prepared in accordance with accounting standards and fairly present the Group's financial position and results for the 2022 Financial Year.

關連方交易

有關國際財務報告準則項下重大關連方交易的詳情，請參閱本年報綜合財務報表附註43。有關上市規則規定項下的關連交易及持續關連交易的詳情，請參閱本董事會報告「關連交易」一節所載披露。除本董事會報告「關連交易」一節所披露者外，附註43所披露的其他關連方交易並不被視作關連交易。本公司已遵守上市規則第14A章的披露規定。

審核委員會及審閱財務報表

本公司已成立審核委員會，並已遵照企業管治守則制定其書面職權範圍。於本年報日期，審核委員會由三名成員組成，即謝國忠博士、劉根鈺先生及鄭拓先生。謝國忠博士為審核委員會主席。

審核委員會已審閱本集團2022財政年度的經審核財務報表。審核委員會亦已就本公司所採納會計政策及實務以及內部控制有關的事宜與高級管理層成員及本公司外部核數師安永會計師事務所展開討論。基於是次審閱及與管理層展開的討論，審核委員會信納，本集團的經審核綜合財務報表乃根據會計準則編製及公允地反映本集團於2022財政年度的財務狀況及業績。

Directors' Report (Continued)**董事會報告 (續)****COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE**

The Company is committed to maintaining high standards of corporate governance to safeguard the interests of shareholders and to enhance corporate value and accountability. The Board has adopted the principles and the code provisions of the Corporate Governance Code contained in Appendix 14 to Listing Rules to ensure that the Company's business activities and decision making processes are regulated in a proper and prudent manner.

Saved as disclosed in this annual report, the Company had complied with the code provisions as set out in the CG Code during the Reporting Period. The Company will continue to review and enhance its corporate governance practice to ensure compliance with the CG code.

SUFFICIENCY OF PUBLIC FLOAT

Based on information publicly available to the Company and to the knowledge of the Directors, at least 25% of the Company's total issued share capital, the prescribed minimum percentage of public float approved by the Stock Exchange and permitted under the Listing Rules, are held by the public at all times as of the date of this report.

AUDITOR

The consolidated financial statements for the year ended 31 December 2022 have been audited by Ernst & Young, Certified Public Accountants. Ernst & Young will retire at the conclusion of the forthcoming AGM. A resolution for the re-appointment of Ernst & Young as the Company's auditor will be proposed at the forthcoming AGM.

Deloitte Touche Tohmatsu, the former auditor of the Company was not re-appointed by the shareholders of the Company after its retirement from the conclusion of 2020 AGM.

MATERIAL LEGAL PROCEEDINGS

The Group was not involved in any material legal proceeding during the year ended 31 December 2022.

遵守企業管治守則

本公司致力維持高水平的企業管治，以保障股東利益及提升企業價值及問責性。董事會已採納上市規則附錄十四所載的企業管治守則的原則及守則條文，以確保本公司的業務活動及決策過程受到恰當及審慎規管。

除本年報披露者外，本公司於報告期間一直遵守企業管治守則所載的守則條文。本公司將繼續檢討並提升其企業管治常規，以確保遵守企業管治守則。

足夠的公眾持股量

根據本公司公開可得的資料及就董事所知，截至本報告日期，公眾一直持有本公司全部已發行股本的至少25%（聯交所批准及上市規則准許的規定最低公眾持股量）。

核數師

截至2022年12月31日止年度的綜合財務報表由執業會計師安永會計師事務所審核。安永會計師事務所將於應屆股東週年大會結束時退任。在應屆股東週年大會上將提呈決議案，以重新委任安永會計師事務所為本公司核數師。

本公司前任核數師德勤•關黃陳方會計師行於2020年股東週年大會結束時退任後，並無獲本公司股東重新委任。

重大法律訴訟

本集團於截至2022年12月31日止年度並無涉及任何重大法律訴訟。

Directors' Report (Continued)

董事會報告(續)

COMPLIANCE WITH LAWS AND REGULATIONS

For the year ended 31 December 2022, the Company has been in compliance with the relevant laws and regulations that have a significant impact on the Company.

ENVIRONMENTAL POLICIES AND PERFORMANCE

As an environmental protection service provider, the Group strictly abides by the laws and regulations relating to its business, including provision of services of environment protection and energy conservation, inspection of the pollutants and flue gas generated by coal-fired power plants. The Group is committed to protecting the environment and giving back to community and achieving sustainable growth. The achievements of the Group are based on constructing the mutual beneficial relations with our clients and employees and maintaining coexistence with ecological and social environment. The Group will continue to commit to its social responsibilities and exert its advantages as an environmental protection enterprise and make consistent efforts to forage an environment with blue sky and white clouds.

Details of the environment, social responsibilities and governance of the Company are set out in the ESG Report in this annual report.

ANNUAL GENERAL MEETING

The AGM will to be held on Wednesday, 31 May 2023. A notice convening the AGM will be published and dispatched to the shareholders of the Company in the manner required by the Listing Rules in due course.

遵守法律及法規

截至2022年12月31日止年度，本公司已遵守對本公司有重大影響的相關法律及法規。

環保政策及績效

作為環保服務提供商，本集團嚴格遵守與其業務有關的法律法規，包括有關提供環保及節能服務、監測燃煤發電廠產生的污染物及煙氣的法律法規。本集團致力於保護環境、回饋社會及實現可持續發展。本集團取得的成就離不開與客戶及員工建立互利關係，以及保持生態環境及社會環境的和諧共存。本集團將繼續履行其社會責任，發揮環保企業的優勢，為打造藍天白雲的美好環境不懈努力。

有關本公司的環境、社會責任及管治的詳情載列於本年報的環境、社會及管治報告內。

股東週年大會

股東週年大會將於2023年5月31日(星期三)舉行。召開股東週年大會的通告將按上市規則的規定適時刊發及寄送予本公司股東。

Directors' Report (Continued)**董事會報告 (續)****CLOSURE OF REGISTER OF MEMBERS**

In order to determine the entitlement to attend and vote at the AGM, the register of members will be closed from Thursday, 25 May 2023 to Wednesday, 31 May 2023, both dates inclusive, during which period no transfer of share will be effected. In order to be eligible to attend and vote at the AGM, all transfer documents accompanied by the relevant share certificates must be lodged with the Company's share registrar and transfer office in Hong Kong, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong for registration not later than 4:30 pm on Wednesday, 24 May 2023. The record date for such purpose is Wednesday, 31 May 2023.

In order to determine the entitlement to the proposed final dividend for the year ended 31 December 2022, the transfer books and register of members of the Company will be closed from Monday, 19 June 2023 to Wednesday, 21 June 2023, both days inclusive. During the above period, no transfer of shares will be registered. In order to qualify for the entitlement to the proposed final dividend, all transfer documents accompanied by the relevant share certificates must be lodged with the Company's branch share registrar and transfer office in Hong Kong, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong before 4:30 p.m. on Friday, 16 June 2023.

On behalf of the Board

Zeng Zhijun*Chairman*

Hong Kong, 24 March 2023

暫停辦理股份過戶登記

為釐定出席股東週年大會及於會上投票的資格，將於2023年5月25日(星期四)至2023年5月31日(星期三)(包括首尾兩日)期間內暫停辦理股份過戶登記手續，期間將不會辦理任何股份過戶登記。為符合資格出席股東週年大會及於會上投票，所有股份過戶文件連同有關股票必須於2023年5月24日(星期三)下午四時三十分前，送交本公司的香港股份過戶登記分處卓佳證券登記有限公司(地址為香港夏愨道16號遠東金融中心17樓)進行登記。有關上述事項的記錄日期為2023年5月31日(星期三)。

為釐定收取截至2022年12月31日止年度建議末期股息的資格，本公司股東名冊的過戶及登記將於2023年6月19日(星期一)至2023年6月21日(星期三)期間暫停辦理(包括首尾兩日)。於上述期間，不會辦理股份過戶手續。為符合資格收取建議末期股息，所有過戶文件連同相關股票必須於2023年6月16日(星期五)下午四時三十分前，送交本公司的香港股份過戶登記分處卓佳證券登記有限公司(地址為香港夏愨道16號遠東金融中心17樓)進行登記。

代表董事會

董事長**曾之俊**

香港，2023年3月24日



Human Resources

人力資源

PROFILE OF HUMAN RESOURCES

As of 31 December 2022, the Group had 1,459 employees in total, most of whom were based in the PRC. The Group has established independent labor union branches. Currently, the Group has entered into employment agreements with all employees, which specify the position, duties, remuneration, employment benefits, training, confidentiality obligations relating to trade secrets, grounds for termination and other aspects pursuant to PRC Labor Law and other relevant regulations.

The table below sets forth the number of employees as of 31 December 2022 categorised by their functions:

Function	職能	Number of employees 僱員人數	Percentage of the total number of employees 人數百分比
Concession operation management personnel	特許經營管理人員	95	6.51%
Engineering and technical personnel	工程技術人員	141	9.67%
Sales personnel	銷售人員	37	2.54%
Research and development personnel	研發人員	67	4.59%
Administrative and management personnel	行政管理人員	38	2.60%
Manufacture personnel	生產人員	1,081	74.09%
Total	總計	1,459	100%

EMPLOYEE INCENTIVE

Guided by business strategies and annual business targets, the Company adheres to the concept of “service builds trust, and professionalism creates value”. Taking a customer-oriented approach, the Company strives to meet the ecological, green and environmental protection needs of customers in an all-round way. Through the management policy of “emphasizing on authorization from management, strict assessment and incentive schemes”, we can stimulate the vitality of the team and create value for the corporate.

人力資源情況

於2022年12月31日，我們共聘用1,459名僱員，其中絕大多數僱員常駐中國。本集團設有獨立工會分支。目前，本集團已與全部員工訂立了勞動合同，按照中國勞動法和其他相關法規的規定，明確約定了僱員的職位、職責、薪酬、員工福利、培訓、有關商業秘密的保密責任及終止理由等事項。

下表列示於2022年12月31日按職能劃分的員工人數：

員工激勵

本公司以經營戰略和年度經營目標為指導，秉承「服務建立信任、專業創造價值」的理念，以客戶為中心，滿足客戶全方位的生態綠色環保需求。通過「高授權、嚴考核、重激勵」的管理方針，激發團隊活力，為企業創造價值。

Human Resources (Continued)

人力資源 (續)

During the Reporting Period, the Company implemented a responsibility system on operation and management targets. Based on the work performance of managers and employees at all levels, we have established a comprehensive assessment system and incentive mechanism with the concept of core assessment which is objective, fair, open and standardized. Focusing on performance and results and through reward schemes such as profit sharing, we stimulate the ability of employees to create efficiency and encourage each business center to achieve business indicators and fulfill the requirements relating to risk management. We have increased the incentives for the marketing team to maintain the stable development of the flue gas market, as well as actively develop new businesses and seek new breakthroughs. Through reasonable planning of organizational structure and implementation of training plans, we improve the development path of employees, promote the construction of talent echelons, fully stimulate employees' enthusiasm for work and guide employees to create efficiency and excellence, so as to improve the overall profitability of the Group.

THE EMPLOYEES REMUNERATION POLICY

The remuneration package of the employees includes salaries, bonuses and allowances. Our employees are also entitled to supplementary medical provision, transportation allowances, meal allowances, communication subsidies and other benefits. During the Reporting Period, the Company carried out performance appraisals of employees at all levels, and have implemented a performance-based salary system in the positions of management, project managers, sales directors and authorized legal representatives. We have promoted the realization of business indicators through the evaluation, reward and punishment mechanism based on responsibilities and rights and the staged performance review mechanism. The appraisal results are linked to performance-based remuneration and annual performance bonus. Taking into account of the characteristics of different business segments, the Company has established, improved and implemented various reward systems. By actively promoting the excess profit sharing mechanism, we has encouraged management team and employees to exert their subjective initiative to create greater efficiency for the Company.

於報告期內，實行經營管理目標責任制，以各級管理人員及員工的工作業績為考核基礎，以客觀、公正、公開、規範為核心考核理念，建立完善考核體系與激勵機制；以績效結果為導向，通過利潤分享等獎勵方式，激發員工創效能力，激勵各業務中心達成經營指標並落實管理紅線要求；加大對市場團隊的激勵，保持煙氣市場穩定發展的同時，積極開拓新業務取得新突破；通過合理規劃組織架構及落實培訓計劃，完善員工發展路徑，促進人才梯隊建設，充分激發員工工作熱情，引導員工創效創優，提升集團公司整體盈利水平。

員工薪酬政策

我們員工的薪酬組合包括薪金、獎金、津貼。我們的員工亦享有補充醫療、交通補貼、午餐補貼、通訊補貼及其他福利費。於報告期內我們推行全員業績考核，在管理層、項目經理、銷售總監、特許法代崗位執行績效工資制，通過責權利相結合的考評獎懲機制與階段性績效回顧機制，促進經營指標實現；考核結果與績效薪資、年度績效獎金掛鉤；結合不同業務板塊特點，建立完善各類獎勵制度並實施；積極推進超額利潤共享機制，鼓勵管理團隊及員工發揮主觀能動性，為公司創造更好的效益。



Human Resources (Continued)

人力資源(續)

During the Reporting Period, pursuant to applicable PRC laws and regulations, the Group has contributed to social insurance funds (including pension plans, basic medical insurance, employment injury insurance, unemployment insurance and maternity insurance) and housing provident funds for all employees.

TRAINING FOR EMPLOYEES

In 2022, the Group focused on the cultivation of management ideas and the enhancement of professional skills to promote the healthy and orderly development of all business segments of the Group. During the year, the Group paid more attention to the training of the Company's management personnel and business supporting personnel. Through the transmission of our business philosophy, we will manage our operations in an all-round way from the perspective of an operator of the Company, and improve output value, enhance profit and reduce cost through training in business management. We will enable the managers at all levels cultivate and establish the basic concept of operation to enhance their capabilities from the management dimension to the operation dimension, thus finally ensuring the precise implementation of various tasks.

PROTECTION OF THE EMPLOYEES' RIGHTS

During the Reporting Period, the Group complied with the Labour Law of PRC and the Labour Contract Law of PRC in all material respects, including making contributions to the Social Insurance Fund and Housing Provident Fund for its employees, among which the social insurance includes basic pension insurance, basic medical insurance, employment injury insurance, unemployment insurance and maternity insurance.

於報告期內，我們已按中國法律法規要求為員工繳納社保基金(包括養老保險、基本醫療保險、工傷保險、失業保險及生育保險)及住房公積金。

員工培訓

本集團於2022年度專注管理思維培養及專業技能提升，推動集團各業務板塊健康有序發展。本年度更加重視公司管理人員及業務骨幹人員培訓，通過經營理念傳遞，立足於公司經營者的視角做好全方面管理；通過經營管理方面培訓提高產值、利潤、降低成本；使各級管理者培養和建立經營者基礎思維，從管理維度上升到經營維度，最終保證各項工作精準落實。

員工權利保障

在報告期內，本集團於所有重大方面均遵守中國勞動法和中國勞動合同法，包括為員工繳納了社會保險及住房公積金，其中社會保險包括基本養老保險、基本醫療保險、工傷保險、失業保險及生育保險。

ESG Report

環境、社會及管治報告

1. ABOUT THE ESG REPORT

This report is an environmental, social and governance report (hereinafter referred to as “**ESG Report**” or “**this report**”) issued by China Boqi Environmental (Holding) Co., Ltd. (hereinafter referred to as the “**Group**”, “**Boqi Environmental**” or “**us**”). The purpose of this report is to outline the principles and sustainable development concepts that the Group upheld in fulfilling its corporate social responsibility in 2022, the challenges it faced, and to put forward a vision and commitment to corporate social responsibility.

1.1. Standard of reporting

This report has been prepared in accordance with the Environmental, Social and Governance Reporting Guide (hereinafter referred to as the “**Guide**”) in Appendix 27 to the Rules Governing the Listing of Securities (the “**Listing Rules**”) on the Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”). This report has complied with all the “comply or explain” provisions in the Guide, and contents covered also align with the requirements of “materiality”, “quantitative”, “balance” and “consistency” in the Guide.

Materiality: The materiality of the Group’s ESG issues is determined by the board of directors (the “**Board**”). The communication with stakeholders and the process and matrix of identification of material issues are disclosed in this report.

Quantitative: Statistical standards, methods, assumptions and/or calculation tools for quantitative key performance indicators herein and source of conversion factors are all explained in the definitions of this report.

1. 關於環境、社會及管治報告

本報告為中國博奇環保(控股)有限公司(下稱「**本集團**」,「**博奇環保**」或者「**我們**」)所發佈的環境、社會及管治報告(下稱「**ESG報告**」或「**本報告**」)。報告旨在概述本集團2022年履行企業社會責任所秉持的原則及可持續發展理念,所面對的挑戰,並對企業社會責任提出願景和承諾。

1.1. 報告標準

本報告的編撰按照香港聯合交易所有限公司(「**聯交所**」)的《香港聯合交易所有限公司證券上市規則》(「**上市規則**」)附錄二十七《環境、社會及管治報告指引》(下稱「**指引**」)編製而成,本報告已符合《指引》中「不遵守就解釋」,涵蓋內容亦符合《指引》中的「重要性」、「量化」、「平衡性」、「一致性」的要求。

重要性: 本集團ESG事宜重要性由董事會決定,本報告中披露了與利益相關者的溝通以及識別重大議題的過程和矩陣。

量化: 本報告中量化關鍵績效指標的標準、方法、假設和/或計算工具及和轉換因素的來源,均在報告釋義中進行說明。



ESG Report (Continued)

環境、社會及管治報告(續)

Balance: This report presents the environmental, social, and governance performance of the Group during the Reporting Period in an impartial manner, and the presentation has avoided selection and omission, so as to avoid undue influence on the decision or judgment by the readers of this report.

Consistency: The statistical methodologies and standards applied to the data disclosed in this report shall be consistent with the previous year unless otherwise specified.

平衡性：本報告不偏不倚地呈報本集團在報告期內的環境、社會和管治表現，避免選擇、遺漏表述方式，以避免可能不適當地影響報告讀者的決定或判斷。

一致性：本報告中披露的數據所採用的統計方法和標準，除非另有說明，均與往年保持一致。

1.2. Scope of report

Unless otherwise specified, this report covers the overall sustainability performance of the business directly controlled by the Group from 1 January 2022 to 31 December 2022 (hereinafter referred to as the “Year” or “Reporting Period”). The environmental data disclosed in this report were collected from the Group’s flue gas treatment projects, water treatment projects, hazardous and solid waste treatment/disposal projects, dual-carbon energy saving projects and offices in the PRC¹. For detailed information on the corporate governance of the Group, please refer to the “Corporate Governance Report” section of our annual report or visit the official website of the Group (<http://www.chinaboqi.com/>).

1.3. Approval of the report

This report was approved by the board of directors on 24 March 2022 after being confirmed by the management.

1.4. Feedback on the report

We attach great importance to your views on this report. If you have any enquiries or suggestions, please feel free to contact us via the email address, irhk@chinaboqi.com.

¹ Since the Group’s hazardous and solid waste treatment/disposal projects and dual-carbon energy saving projects were in stable operation during the Reporting Period, the scope of data collection in the environmental field has increased accordingly.

1.2. 報告範圍

除特別註明外，本報告涵蓋本集團直接控制的業務於2022年1月1日至2022年12月31日(下稱「本年度」或「報告期」)期間有關可持續發展的整體表現。本集團所披露的環境範疇數據的收集範圍為本集團在中國的煙氣治理項目、水處理項目、危固廢處理處置項目、雙碳節能項目及辦公室¹。有關本集團企業管治的詳細信息，請參閱我們年報「企業管治報告」之章節及本集團官方網站(<http://www.chinaboqi.com/>)。

1.3. 報告批准

本報告經管理層確認後，於2023年3月24日獲董事會通過。

1.4. 報告反饋

我們非常重視您對此報告的看法，若閣下有任何查詢或建議，歡迎以電郵形式發送至以下郵箱(irhk@chinaboqi.com)。

¹ 由於報告期內，集團危固廢處理處置項目和雙碳節能項目均已穩定運營，因此環境範疇數據收集範圍相應增加。

ESG Report (Continued)

環境、社會及管治報告(續)

2. STRATEGY ON ENVIRONMENT, SOCIAL AND GOVERNANCE

The Group has always adhered to the concept of “let all people live under the blue sky and white clouds”, and is committed to becoming a world-class comprehensive environmental industry group and a smart environmental management service provider. As a green ecological governance enterprise, the Group mainly provide comprehensive services comprising flue gas treatment, water treatment, hazardous and solid waste treatment/disposal and dual-carbon energy saving and new energy* to industrial enterprises (including electricity, steel and coaling plants) through a variety of business models such as environmental protection facility engineering (EPC), operation and maintenance (O&M) and concession operations (BOT), so as to meet customers’ all-round ecological green environmental protection needs. The Group has actively integrated ESG concepts into its overall development strategy and strives to fulfil its corporate social responsibilities.

2.1. Statement of the Board

In order to strengthen the management of the Group’s environmental, social and governance and promote the Group’s sustainable development, we have established an ESG working group. The Board is responsible for overall supervision of the sustainable development of the entire Group, and regularly discusses, reviews and approves the Group’s ESG management policies, strategies, risks and opportunities. Under the authority of the Board, the ESG working group conducted a materiality assessment during the Reporting Period to prioritize major ESG issues in order to establish effective ESG management policies, strategies and targets. At the same time, we have identified and assessed ESG risks that may have a significant impact on us, including climate risks, and have developed relevant measures to manage these risks. During the Year, the Board has reviewed the ESG environmental goals set last year, and promised to continue to monitor the progress of the goals in the future and formulate corresponding measures whenever appropriate to promote the Group’s objective of sustainable development.

2. 環境、社會及管治策略

本集團始終秉持「讓所有人生活在藍天白雲之下」的理念，致力成為國際一流的綜合性環境產業集團和智慧環境管家服務商。我們主要向工業企業（電力、鋼鐵及焦化等）及城市通過環保設施工程(EPC)、運營與維護（運維）和特許經營(BOT)等多種業務模式，提供煙氣治理、水處理、危固廢處理處置、雙碳節能及新能源+綜合服務的綠色生態治理企業，滿足客戶全方位的生態綠色環保需求。本集團積極將ESG理念全面融入到整體發展戰略中，積極履行企業社會責任。

2.1. 董事會聲明

為了加強本集團的環境、社會和管治方面的管理，促進本集團的可持續發展，我們已設立本集團的ESG工作小組。董事會負責全面監管整集團的可持續發展工作事宜，並定期討論、檢討及審批本集團的ESG的管理方針、策略、風險及機遇。在董事會授權下，ESG工作小組於報告期內進行了重要性評估，以確定優先處理重大的ESG議題，以便建立有效的ESG管理方針、策略和目標。同時，我們已識別及評估可能對我們產生重大影響的ESG風險，包括氣候風險，並制定相關的應對措施，以管理這些風險。本年度，董事會已審視去年訂立的ESG環境目標，並承諾日後將持續監察目標進程，在適當時候制定相應措施，以推進本集團實現可持續發展的目標。

ESG Report (Continued)

環境、社會及管治報告(續)

2.2. ESG governance structure

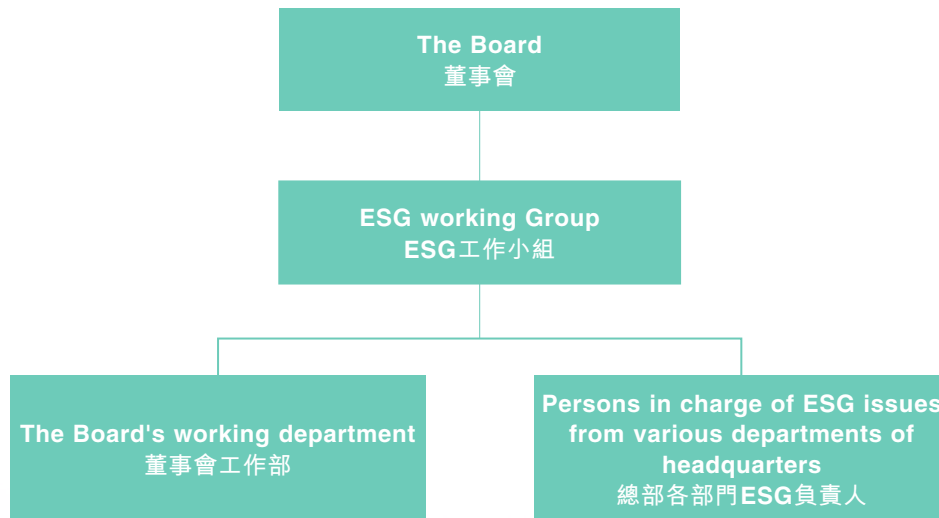
As the highest governance level of the Group's ESG governance structure, the Board is ultimately responsible for ESG governance strategies and reporting. The responsibilities of the Board include, among others, assessing and determining ESG risks relating to the Group, ensuring that we have established effective ESG risk management and internal control systems, regularly reviewing our ESG performance and approving ESG-related information disclosure.

The ESG working group is composed of the Board's working department and personnel in charge of ESG issues from various departments. The ESG working group needs to report ESG-related matters to the Board on a regular basis. Its specific responsibilities include: assisting the Board to perform ESG management obligations in accordance with applicable laws, fulfill ESG management obligations as permitted by the Group's articles of associations and Board policies; reviewing major ESG issues and making recommendations to the Board; formulating ESG development strategies, guidelines, phased targets and key tasks and advising the Board on strategies for the integration of ESG into corporate development; and assisting the Board to monitor and manage ESG risk control and to achieve related targets.

2.2. ESG管治架構

董事會作為本集團的ESG管治架構的最高管治層，對ESG管治策略及匯報承擔最終責任。董事會的職責包括評估及釐定本集團有關的ESG風險，確保我們有效的ESG風險管理和內部監控系統，定期檢討我們的ESG表現，以及審批ESG相關的信息披露等。

ESG工作小組由董事會工作部及各部門的ESG負責人所組成，ESG工作小組需定期向董事會匯報ESG有關事項，具體負責內容如：協助董事會在遵守適用法律、本集團的章程以及董事會政策和許可的情況下履行ESG管理義務；審查ESG重要議題並向董事會提出建議；制定ESG發展戰略、指導方針、階段性目標和關鍵任務，並就將ESG納入企業發展的戰略向董事會提供建議；協助董事會監督和管理ESG風險控制和目標的實現。



ESG管治架構
ESG Governance Structure

ESG Report (Continued)

環境、社會及管治報告(續)

2.3. Engagement of stakeholders

The Group attaches great importance to the feedback from various stakeholders on its sustainable business. Through the establishment of diversified communication channels, the Group fully understands and addresses the concerns of various stakeholders, and formulates short-term and long-term sustainable development policies for the Group. The Group's stakeholders include shareholders/investors, business partners/industry peers, employees, customers, suppliers, regulators, community/non-governmental organizations and media.

2.3. 利益相關者參與

本集團重視各利益相關者對其可持續發展業務的反饋意見，本集團透過建立多種溝通渠道，充分了解及解決各利益相關者的關注範疇，並制定本集團的短期和長期可持續發展政策。本集團的利益相關者包括股東／投資者、業務夥伴／同業、員工、客戶、供應商、監管機構、社區／非政府團體、傳媒。

Stakeholders 利益相關者	Main concerns and expectations 主要關注與期望	Main communication channels 主要溝通渠道
Shareholders/ investors 股東／投資者	<ul style="list-style-type: none"> • Sound compliance operation 穩健合規運營 • Good return on investment 良好投資回報 	<ul style="list-style-type: none"> • Annual general meeting and other general meetings 股東週年大會與其他股東大會 • Corporate communications, such as letter/circular and notice of meeting to shareholders 企業通訊，如致股東信件／通函及會議通知 • Interim report and annual report 中期報告與年報 • Investor hotline 投資者熱線 • Results announcement 業績公佈 • Meeting of senior management 高級管理人員會議 • Conference 會議

ESG Report (Continued)

環境、社會及管治報告(續)

Stakeholders 利益相關者	Main concerns and expectations 主要關注與期望	Main communication channels 主要溝通渠道
Business partners/ industry peers 業務夥伴／同業	<ul style="list-style-type: none"> • Exchanges and communication 交流與溝通 • Mutual development 共同發展 	<ul style="list-style-type: none"> • Group announcement 集團通告 • Conference 會議 • Visit 探訪 • Seminar 講座
Employees 員工	<ul style="list-style-type: none"> • Optimization of working environment 優化工作環境 • Reasonable welfare package 合理福利待遇 	<ul style="list-style-type: none"> • Employee opinion survey 員工意見調查 • Channels for employees to express their opinions (forms, suggestion boxes, etc.) 員工表達意見的渠道(表格、意見箱等) • Special advisory committee/thematic discussion group 特別諮詢委員會／專題討論小組 • Symposium/workshop/seminar 研討會／工作坊／講座 • Performance appraisal and interview 工作表現評核及晤談 • Group discussion 小組討論 • Meeting and interview 會議面談 • Business presentation 業務簡報 • Volunteer activities 義工活動 • Staff intranet 員工內聯網

ESG Report (Continued)

環境、社會及管治報告(續)

Stakeholders 利益相關者	Main concerns and expectations 主要關注與期望	Main communication channels 主要溝通渠道
Customers 客戶	<ul style="list-style-type: none"> • Quality management and service 優質管理及服務 • Privacy protection 隱私保護 	<ul style="list-style-type: none"> • Publication (such as employee newsletter) 刊物(如員工通訊) • Staff meeting 員工溝通大會 • Staff intranet 員工內聯網 • Customer satisfaction survey and feedback 客戶滿意度調查和意見表 • Visit by customer relationship manager 客戶關係經理探訪 • Daily operation/communication 日常營運／交流 • Online service platform 網上服務平台 • Customer advisory group 客戶諮詢小組 • Customer service center 客戶服務中心 • Telephone call 電話 • Mail 郵箱



ESG Report (Continued)

環境、社會及管治報告(續)

Stakeholders 利益相關者	Main concerns and expectations 主要關注與期望	Main communication channels 主要溝通渠道
Suppliers 供應商	<ul style="list-style-type: none"> Integrity and mutual benefit 誠信互惠 	<ul style="list-style-type: none"> Evaluation system for suppliers/contractors 供應商／承辦商評估制度 Management procedures on suppliers 供應商管理程序 On-site inspection 實地視察 Conference 會議 Supplier satisfaction survey 供應商滿意度調查
Regulators 監管機構	<ul style="list-style-type: none"> Environmental compliance 環保合規 	<ul style="list-style-type: none"> Written response to public consultation 對公眾諮詢的書面回應 Compliance report 合規報告
Community/ non-governmental organizations 社區／非政府團體	<ul style="list-style-type: none"> Supporting the livelihood of the community 支持社區民生 	<ul style="list-style-type: none"> Donation 捐獻 Conference 會議
Media 傳媒	<ul style="list-style-type: none"> Coordinating social relations 協調社會關係 	<ul style="list-style-type: none"> Visit by senior management 高級管理人員訪問 Press conference 新聞發佈會 Results announcement 業績公佈 Press release 新聞稿

ESG Report (Continued)

環境、社會及管治報告(續)

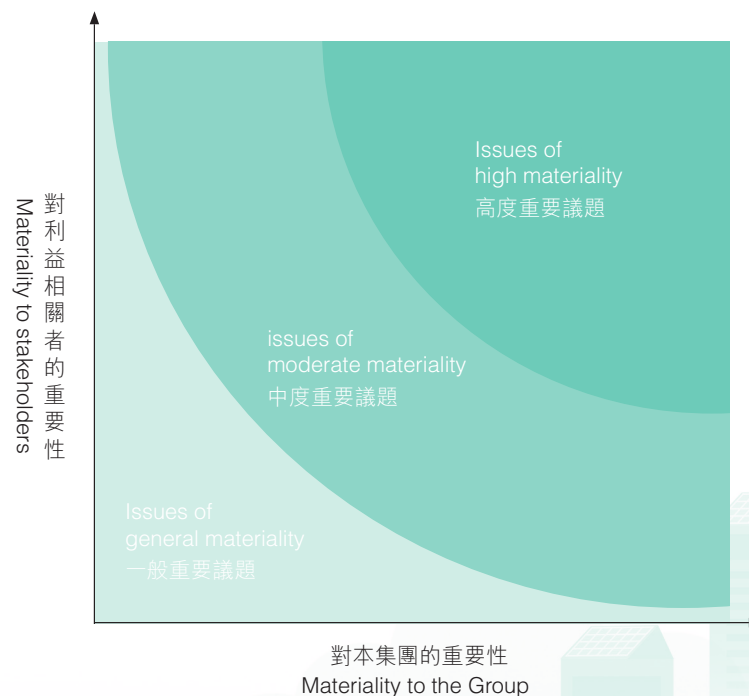
2.4. Materiality assessment

Since the Group's strategic direction and the development of its business operation have not changed significantly during the Year, and considering the mutual importance and impact of various ESG issues on stakeholders, the Group's management and the ESG working group confirmed that the results for 2021 are still applicable to the situation during the Year. The Group has carried out the identification of material ESG issues with reference to the disclosure obligations covered by the Guide and the Database of Material Issues of the Sustainability Accounting Standards Board (SASB) of the United States, and with consideration of its own business conditions, the expectations and demands of various stakeholders and the actual situation of the Group. We eventually identified a total of 18 material issues, of which 10 were of high materiality, 6 were of moderate materiality and 2 were of general materiality.

2.4. 重要性評估

由於本集團的策略方向及營運的業務發展於本年度沒有重大變化，綜合考慮各項ESG議題對持份者的相互重要性及影響，本集團的管理層及ESG工作小組確認2021年度的結果仍然適用於本年度的情況。本集團參考《指引》所涵蓋的披露責任及美國永續會計準則委員會(SASB)的《重要議題庫》、考慮自身業務狀況及各利益相關者的期望和訴求、以及本集團的實際情況進行ESG重要議題識別。最終，我們確認了共18項重要議題，當中10項為高度重要議題、6項為中度重要議題、2項為一般重要議題。

ESG material issue matrix ESG重要議題矩陣



ESG Report (Continued)

環境、社會及管治報告(續)

Issues of high materiality 高度重要議題	Issues of moderate materiality 中度重要議題	Issues of general materiality 一般重要議題
Greenhouse gas emission and management 溫室氣體排放及管理	Energy management and energy saving 能源管理與節能	Customer service 客戶服務
Flue gas emission and management 廢氣排放及管理	Labor practice and rights protection 勞工慣例及權益保障	Community charity 社區公益慈善
Waste discharge and management 廢棄物排放及管理	Staff development and training 員工發展與培訓	
Water resources consumption 水資源消耗	Employment equality, diversity and inclusion 僱傭平等、多元化與包容	
Sewage treatment 污水處理	Planning for disaster and emergency measures 災難及應急預案規劃	
Employee health and safety 員工健康與安全	Procurement and supply chain management 採購及供應鏈管理	
Product soundness and safety 產品健康安全		
Product quality management 產品質量管理		
Anti-corruption 反貪污		
Compliance operation 合規運營		

ESG Report (Continued)

環境、社會及管治報告(續)

3. GREEN OPERATION

Boqi Environmental strives to build a “environmental dual-carbon management” platform, and actively adjust its business structure, optimize its resource allocation and continuously expand its market share. Focusing on the development of multiple business segments such as flue gas treatment, water treatment, hazardous and solid waste treatment/disposal, dual-carbon energy saving and new energy, the Group will gradually develop into a world-class environmental industry group and actively participate in the construction of an ecologically civilized and beautiful China.

The Group strictly abides by relevant state and local laws and regulations such as the Environmental Protection Law of the People's Republic of China (中華人民共和國環境保護法), the Air Pollution Prevention and Control Law of the People's Republic of China (中華人民共和國大氣污染防治法), the Water Pollution Prevention and Control Law of the People's Republic of China (中華人民共和國水污染防治法), the Law of the People's Republic of China on the Prevention and Control of Pollution Caused by Solid Wastes (中華人民共和國固體廢物污染防治法), and the Energy Conservation Law of the People's Republic of China (中華人民共和國節約能源法), the Circular Economy Promotion Law of the People's Republic of China (中華人民共和國循環經濟促進法) and Beijing Municipal Regulations on the Management of Domestic Waste (北京市生活垃圾管理條例) in order to persist in the practice of the green culture. In the meantime, we have also formulated and implemented, among others, the Environmental Protection Management System, the Environmental Protection Supervision and Management System (Trial) and the Civilized Construction Management System, to continuously carry out landscaping and ecological and environmental construction in plant areas.

3. 綠色運營

博奇環保致力於打造「環保雙碳管理平台」，積極調整業務結構，優化資源分配，持續擴展市場份額。本集團將重點圍繞煙氣治理、水處理、危固廢處理處置、雙碳節能及新能源等多業務領域發展，逐步將本集團發展成為國際一流的環境產業集團，積極投身生態文明美麗中國建設。

本集團嚴格遵守《中華人民共和國環境保護法》、《中華人民共和國大氣污染防治法》、《中華人民共和國水污染防治法》、《中華人民共和國固體廢物污染防治法》、《中華人民共和國節約能源法》、《中華人民共和國循環經濟促進法》、《北京市生活垃圾管理條例》等國家及地方的相關法律法規，並制定及實施有關的環保管理條例，規範園區內持續開展綠化地帶和生態環境建設，堅持綠色文化。同時，我們亦制定和實施了《環保管理制度》、《環境保護監督管理制度(試行)》及《文明施工管理制度》，以持續在工廠範圍內建立景觀美化及保護生態環境建設。



ESG Report (Continued)

環境、社會及管治報告(續)

During the Year, neither did the Group violate any laws and regulations related to environmental protection policies or have any major environmental pollution incidents, nor did the Group receive any complaints or notice of penalties related to environmental pollution issues.

The Group has set environmental targets last year, aiming to maintain or reduce energy consumption, water resource utilization, greenhouse gas emissions and waste generation under similar business operation levels. Although the scope of the Group's environmental data collection has expanded during the Year, under the Group's efforts to implement energy-saving and emission-reduction measures, we have made certain preliminary progress on the environmental targets as compared with the data for 2021. In the future, we will continue to monitor our progress on the targets in order to implement our targeted energy-saving and emission-reduction measures.

3.1. Emission

The Group is mainly engaged in environmental protection projects. By improving its level of scientific research and technology, the Group is committed to making contribution to the improvement of environmental pollution, the optimal utilization of resources and the protection of ecological environment and becoming an internationally recognized comprehensive environmental industry organization and a provider of intelligent environmental solutions.

本年度，本集團沒有違反任何與環境保護政策相關的法律法規、沒有發生重大環境污染事故、及沒有接收到任何有關環境污染問題的投訴或罰款。

本集團已於去年制定環境目標，旨在於類似業務運營水平下維持或減少能源使用、水資源使用、溫室氣體排放及廢棄物產生。儘管，本集團於本年度的環境數據收集範圍有所增加，在本集團努力實施的節能減排措施下，部份環境目標對標2021年數據經已得到初步進展。日後，我們會持續監察目標的進展，以實施針對性的節能減排措施。

3.1. 排放物

本集團主要從事環保工程，致力通過提升科研及技術水準從而協助改善環境污染，優化資源使用及保護生態環境，並成為國際認可的綜合環境產業組織和智能環境解決方案的提供者。

ESG Report (Continued)

環境、社會及管治報告(續)

3.1.1. Greenhouse gas

In response to climate change, China has implemented a series of low-carbon economic policies such as the Energy Production and Consumption Revolution Strategy (2016-2030) (能源生產和消費革命戰略(2016-2030)), National Climate Change Adaptation Strategy (國家適應氣候變化戰略) and the 2020 Annual Report on China's Policies and Actions for Coping with Climate Changes (中國應對氣候變化的政策與行動 2020 年度報告). Actively responding to the carbon reduction policy of the state, the Group has conducted greenhouse gas emission survey for its flue gas treatment projects, water treatment projects, hazardous and solid waste treatment/disposal projects, dual-carbon energy saving projects and offices in Mainland China with reference to the Greenhouse Gas Protocol (溫室氣體盤查議定書) jointly developed by the World Resources Institute and the World Business Council for Sustainable Development and ISO 14064-1 formulated by the International Organization for Standardization. During the Year, the Group's greenhouse gas emissions performance was as follows:

3.1.1. 溫室氣體

為應對氣候變化，國家已實施一系列低碳經濟方針，例如：《能源生產和消費革命戰略(2016-2030)》、《國家適應氣候變化戰略》及《中國應對氣候變化的政策與行動 2020 年度報告》等。本集團積極響應國家的減碳方針，在量化過程中參考由世界資源研究所與世界可持續發展工商理事會開發的《溫室氣體盤查議定書》及國際標準化組織制定的ISO14064-1，為本集團在中國內地的煙氣治理項目、水處理項目、危固廢處理處置項目、雙碳節能項目及辦公室進行盤查。本年度，本集團的溫室氣體排放表現如下：

Greenhouse gas emissions ² 溫室氣體排放量 ²	Unit 單位	2021 2021年	2022 2022年
Direct greenhouse gas emissions (Scope 1) 直接溫室氣體排放(範圍1)	Tonnes CO ₂ equivalent 公噸二氧化碳當量	568.16	603.10
Indirect greenhouse gas emissions (Scope 2) 間接溫室氣體排放(範圍2)	Tonnes CO ₂ equivalent 公噸二氧化碳當量	1,062,487.09	749,725.03
Total greenhouse gas emissions (Scope 1 and 2) 溫室氣體排放總量(範圍1及2)	Tonnes CO ₂ equivalent 公噸二氧化碳當量	1,063,055.25	750,328.13
Greenhouse gas emissions intensity (Scope 1 and 2) 溫室氣體排放密度(範圍1及2)	Tonnes CO ₂ equivalent/ten thousand of revenue 公噸二氧化碳當量/萬元營收	5.08	3.95

2 The greenhouse gas emissions of the Group in scope 1 and 2 were calculated with reference to "How to Prepare an ESG Report – Appendix 2: Reporting Guidance on Environmental KPIs" issued by the HKEX.

2 參考香港聯交所《如何準備環境、社會及管治報告 – 附錄二：環境關鍵績效指標匯報指引》來計算本集團的範圍1和範圍2的溫室氣體排放

ESG Report (Continued)

環境、社會及管治報告(續)

Scope 1: Direct greenhouse gas emissions from sources owned and controlled by the Group.

Scope 2: Greenhouse gas emissions indirectly generated during power generation, heating or cooling which were purchased by the Group.

The Group's greenhouse gas emissions mainly come from the fuel consumption of the Group's fixed equipment and motor vehicles registered under its name (Scope 1) and the power usage during business operations (Scope 2). During the Reporting Period, the total greenhouse gas emissions of the Group's flue gas treatment projects, water treatment projects, hazardous and solid waste treatment/disposal projects, dual-carbon energy saving projects and offices in Mainland China were 750,328.13 tonnes CO₂ equivalent, and the greenhouse gas emissions intensity was 3.95 tonnes CO₂ equivalent per ten thousand of revenue.

The Group has implemented relevant measures to reduce direct greenhouse gas emissions (Scope 1) due to the consumption of gasoline by motor vehicles in business operations. For instance, driving routes should be planned in advance to avoid fuel consumption due to repeated routes, vehicles should be turned off when idling, and regular vehicle inspections should be conducted to ensure engine performance and optimal fuel usage. In addition, the Group has taken measures to reduce energy consumption, and further details of such measures are set out in the section headed "3.2.1 Energy".

範圍1：由本集團自身擁有及控制的來源所產生的直接溫室氣體排放

範圍2：由本集團向外購入的發電、供熱或製冷期間所產生的間接溫室氣體排放

本集團的溫室氣體排放主要來自本集團的固定設備的燃料耗用及名下機動車的燃料耗用(範圍一)，以及在業務運營時的電力使用(範圍二)。於報告期內，本集團在中國內地的煙氣治理項目、水處理項目、危固廢處理處置項目、雙碳節能項目及辦公室的溫室氣體排放總量為750,328.13公噸二氧化碳當量，而溫室氣體排放密度則為每萬元營收3.95公噸二氧化碳當量。

本集團已實施相關措施以減少業務營運中因機動車耗用汽油而直接排放的溫室氣體(範圍一)，如：提前規劃行車路線，避免因路線重複導致燃料消耗、汽車處於空轉狀態時關掉引擎及定期為車輛檢查確保引擎性能及燃料使用優化等。此外，本集團已採取措施減少能源消耗，有關措施載於「3.2.1能源」一節。

ESG Report (Continued)

環境、社會及管治報告(續)

3.1.2. Flue gas treatment

The Group is one of the first batch of recognized high-tech enterprises in China and is among the first participants in the flue gas treatment industry. We are committed to providing desulfurization, denitrification, dust removal and comprehensive flue gas treatment services for power, steel, coking and other industries, contributing to reducing sulfur dioxide, nitrogen oxides and soot emitted into the atmosphere, as well as helping to improve productivity of customers. In order to improve the effect of the reduction of pollutant emission, we have continuously made improvements on technology, conducted independent research and development, carried out in-depth research and development on all aspects of flue gas pollution control and devoted ourselves to the development of new technologies with a view to introducing advanced technologies to China to meet for the ever changing market demands.

The advantages of the “ZFD Flue Gas Pollution Control Technology” independently developed by the Company are unparalleled. Our integrated flue gas treatment system, known as the “Green Island” which are combined with various flue gas pollution control technologies, has achieved an efficiency of 99.8% for SO₂ removal, 98% for NO_x removal and an ultra-low emission level of 1mg/m³ for dust removal, all adequately meeting the requirements of ultra-low emission technologies in China. Such technologies have been successfully applied to Nanshan Group Yili Power Plant, Shanghai Petrochemical Cogeneration, Hebei Jinxi Iron and Steel and other ultra-low emission projects.

3.1.2. 煙氣治理

本集團是中國首批認定的高新技術企業，亦是中國煙氣處理行業的首批參與者。我們致力為電力、鋼鐵、焦化等多個行業提供脫硫、脫硝、除塵和綜合煙氣治理服務，為減少排放到大氣中的二氧化硫、氮氧化物和煙塵作出貢獻，同時有助提高客戶的生產效率。為了提高污染物減排的效果，我們不斷改進技術，進行自主研發，對煙氣污染控制的各個環節進行深入研究和開發，致力於新技術的開發，以滿足不斷變化的市場需求，將先進技術引入中國。

本集團的自主研發的「ZFD煙氣污染控制技術」的優勢是無可比擬的。與各類煙氣污染控制技術相結合而成的「環保島」綜合煙氣處理系統，達到了脫除二氧化硫效率達到99.8%、脫除氮氧化物效率達到98%、除塵排放達到1mg/m³的超低排放標準，均超過國家對超低排放技術的要求。並成功應用於南山集團怡力電廠、上海石化熱電聯產、河北津西鋼鐵等超低排放工程。



ESG Report (Continued)

環境、社會及管治報告(續)

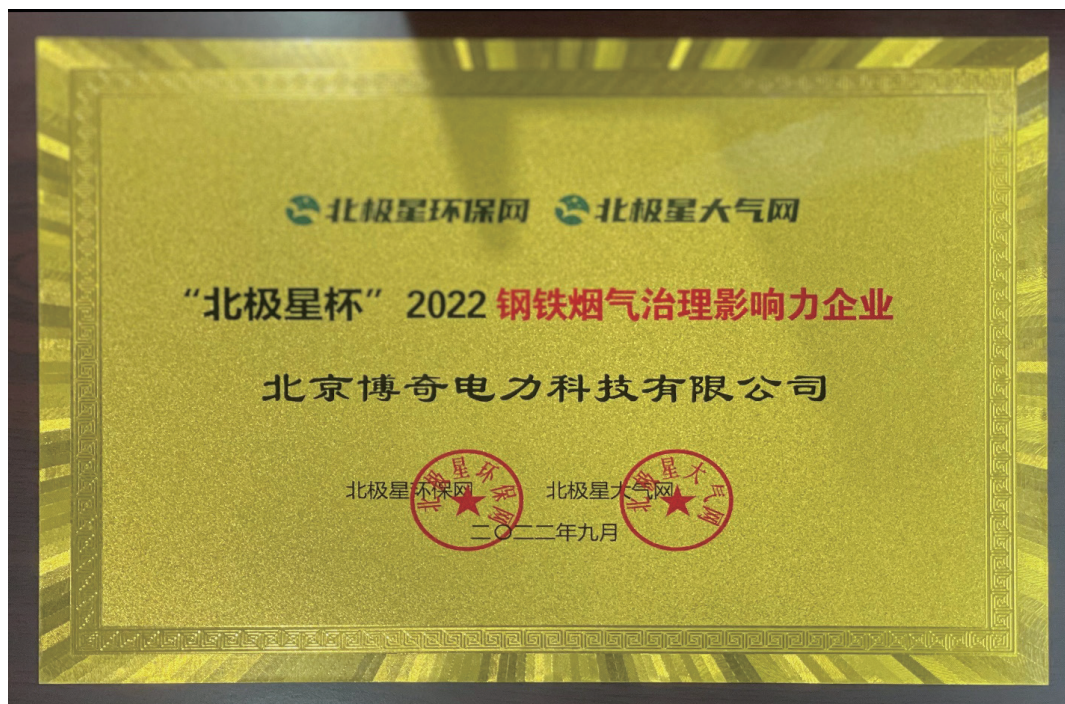
During the Reporting Period, the major atmospheric emissions were discharged after desulfurization and denitrification treatment in our business operation (including concession operation projects) and the emission data is as follows:

於報告期內，本集團業務運營，包括特許經營項目經過脫硫、脫硝處理後的主要大氣排放物及排放的數據如下：

Atmospheric emissions 大氣排放物	Unit 單位	2021 2021年	2022 2022年
SO ₂ 二氧化硫	Tonnes 噸	2,531.00	2,257.17
NO _x 氮氧化物	Tonnes 噸	3,472.00	3,537.18

During the Year, Boqi Environmental won the “Influential Enterprise of Iron and Steel Flue Gas Treatment Award 2022” in the “Polaris Cup” Most Influential Flue Gas Treatment Enterprises Selection, in recognition of the the Group’s achievements in reducing sulfur dioxide, oxygenate and flue gas emissions.

本年度，博奇環保「北極星杯」煙氣治理影響力企業評選中，榮獲2022年度「鋼鐵煙氣治理影響力企業」獎項。以表揚本集團在過去一年為減少大氣中的二氧化硫、氧氣化物和煙氣的排放的成果。



ESG Report (Continued)

環境、社會及管治報告(續)

Case study 案例

Commissioned Operation Project for the Gray Vulcanization Auxiliary Control System of Shouguang

壽光灰硫化輔控系統委託運行項目

In 2022, the Group has been rated as an excellent contractor by the owner of the project for three consecutive years due to the operation of the project. The main work scope of the project includes: ash removal system, dust collector system, desulfurization system, preparation and supply system of denitrification of urea for public use, ash and gravel coal bunker equipment system, plant-wide rainwater system, fresh sea water intake system, chemical water treatment and regeneration system, plant-wide refrigeration system and external heating system, etc. The designed sulfur dioxide emission index for the project is 35mg/m³. After our operation, the sulfur dioxide emission index is far superior to the national emission standard, which not only marks the solid design level of the Group in flue gas treatment for thermal power industries, but also reflects the Group's advanced implementation and management level.

2022年，本集團因運行該項目已連續三年被業主評為優秀承包商，項目主要工作範圍包括：除灰系統、除塵器系統、脫硫系統、脫硝公用尿素制備供給系統、灰渣石子煤倉設備系統、全廠雨水系統、淡海水取水系統、化學水處理及再生系統、全廠製冷系統和對外供熱系統等。該項目設計二氧化硫排放指標為：35mg/m³。經我方運營後，二氧化硫排放指標遠遠優於國家排放標準，這不光標誌着本集團在火電煙氣治理方面紮實的設計水平，同時更是體現出集團在後期運維方面先進的執行及管理水平。

