



Chu Kong Petroleum and Natural Gas Steel Pipe Holdings Limited 珠江石油天然氣鋼管控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(於開曼群島註冊成立的有限公司)

Stock code 股份代號: 1938

2020
ANNUAL
REPORT
年報



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CORPORATE PROFILE

企業資料

Chu Kong Petroleum and Natural Gas Steel Pipe Holdings Limited (the “Company”, together with its subsidiaries hereinafter referred to as the “Group”) is the largest manufacturer and exporter of longitudinal welded steel pipes and is engaged in property development and investment in the People’s Republic of China (the “PRC”). The Company has been listed on the Main Board of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) (Stock Code: 1938) since February 2010. The Group’s steel pipes are mainly used for energy transmission including oil and gas transmission pipelines, deep sea pipelines, city gas networks, and petrochemicals, mining, infrastructure construction, offshore engineering, steel structures and water utilities industries.

The Group’s production bases and offices are located in Panyu, Zhuhai, Lianyungang, Nanjing, Hong Kong, Saudi Arabia and Indonesia, with 6 production lines for longitudinal submerged arc-welded (“LSAW”), 2 production lines for spiral submerged arc-welded (“SSAW”) and other production lines with a combined annual production capacity of 1,950,000 tonnes as at 31 December 2020.

The Group is an industry pioneer, particularly strong in research and development, holding 84 patents (including 32 invention patents) and 13 international certificates and having a long standing international and nationwide track record. Furthermore, the Group is the first and only steel pipe manufacturer in the PRC to manufacture and successfully develop deep sea welded steel pipes for use at a water depth of 3,500m and a qualified supplier of Petrobras and Petronas. Our joint venture company in Saudi Arabia is also a qualified supplier of the Saudi Arabian Oil Company, Saipem S.p.A. and National Petroleum Construction Company etc. The Group is a welded steel pipe manufacturer in the PRC that has received honours and awards, including “Gold Cup Prize for Actual Quality of Metallurgical Products”, “Superior Quality Award for Actual Quality of Metallurgical Products”, “National Key New Products”, “Province-recognised Enterprise Technology Centre” and “High and New Technology Enterprise”, and hosted a “Academician Workstation” and is the main drafter of the national standard for longitudinal welded steel pipes in the PRC.

珠江石油天然氣鋼管控股有限公司（「本公司」，連同其附屬公司於下文統稱為「本集團」）是於中華人民共和國（「中國」）最大的直縫焊管製造商及出口商並從事物業開發及投資。本公司由二零一零年二月起於香港聯合交易所有限公司（「聯交所」）主板上市（股份代號：1938）。本集團鋼管產品主要用於能源運輸，包括油氣傳輸管線、深海管道、城市燃氣網絡，以及石化產品、採礦、基建工程、海洋工程、鋼結構及水務行業。

本集團的生產基地及辦事處位於番禺、珠海、連雲港、南京、香港、沙特阿拉伯及印度尼西亞，共設有六條直縫埋弧焊管（「LSAW」）生產線、兩條螺旋埋弧焊管（「SSAW」）生產線及其他生產線，於二零二零年十二月三十一日的年產能合共為1,950,000噸。

本集團為行業先驅，憑藉強大研發實力，擁有八十四項專利（包括三十二項發明專利）及十三項國際證書，以悠久往績享譽海外及全國。另外，本集團是中國第一家及唯一製造及成功研發用於3,500米水深深海焊管的焊管製造商。本集團亦為巴西石油及馬油的合資格供應商。本集團於沙特阿拉伯的合營公司也是沙特阿美石油公司、Saipem S.p.A. 以及 National Petroleum Construction Company 等的合資格供應商。本集團是中國焊管製造商，獲得「中國冶金產品實物質量金盃獎」、「中國冶金產品實物質量特優質量獎」、「國家重點新產品」、「省級認定企業技術中心」及「高新技術企業」等榮譽，設有「院士工作站」，也是中國直縫焊管國家標準的主要起草單位。

CORPORATE INFORMATION

公司資料

DIRECTORS

Executive Directors

Mr CHEN Chang (*Chairman*)

Mr CHEN Guo Xiong (*Vice Chairman*)

(appointed on 1 October 2020)

Ms CHEN Zhao Nian

Ms CHEN Zhao Hua (resigned on 1 October 2020)

Independent Non-executive Directors

Mr CHEN Ping

Mr TIAN Xiao Ren

Mr AU YEUNG Kwong Wah

REGISTERED OFFICE

Cricket Square, Hutchins Drive, P.O. Box 2681

Grand Cayman, KY1-1111

Cayman Islands

COMPANY SECRETARY

Ms WONG Pui Shan *FCCA, CPA, ACIS, ACS, MSc (Fin)*

AUDIT COMMITTEE

Mr AU YEUNG Kwong Wah (*Chairman*)

Mr CHEN Ping

Mr TIAN Xiao Ren

NOMINATION COMMITTEE

Mr CHEN Ping (*Chairman*)

Mr TIAN Xiao Ren

Mr CHEN Chang

REMUNERATION COMMITTEE

Mr TIAN Xiao Ren (*Chairman*)

Mr CHEN Ping

Mr CHEN Chang

AUTHORISED REPRESENTATIVES

Mr CHEN Chang

Ms CHEN Zhao Nian

董事

執行董事

陳昌先生 (*主席*)

陳國雄先生 (*副主席*)

(於二零二零年十月一日獲委任)

陳兆年女士

陳兆華女士 (於二零二零年十月一日辭任)

獨立非執行董事

陳平先生

田曉韜先生

歐陽廣華先生

註冊辦事處

Cricket Square, Hutchins Drive, P.O. Box 2681

Grand Cayman, KY1-1111

Cayman Islands

公司秘書

王珮珊女士 *FCCA, CPA, ACIS, ACS, MSc (Fin)*

審核委員會

歐陽廣華先生 (*主席*)

陳平先生

田曉韜先生

提名委員會

陳平先生 (*主席*)

田曉韜先生

陳昌先生

薪酬委員會

田曉韜先生 (*主席*)

陳平先生

陳昌先生

授權代表

陳昌先生

陳兆年女士

CORPORATE INFORMATION

公司資料

HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS IN THE PRC

2/F., 3-5 Golden Dragon City
Yayun Avenue
511450 Panyu District
Guangzhou City
Guangdong Province
The PRC

PRINCIPAL PLACE OF BUSINESS IN HONG KONG

Suite Nos 1, 2 and 19
15th Floor, Tower 3
China Hong Kong City
33 Canton Road
Tsim Sha Tsui, Kowloon
Hong Kong

AUDITOR

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

STOCK CODE

1938

COMPANY'S WEBSITE

www.pck.com.cn
pck.todayir.com

LEGAL ADVISERS AS TO HONG KONG LAW

Loeb & Loeb LLP

PRINCIPAL BANKERS

Bank of China Limited
Bank of Communications
Bank of Jiangsu
China Construction Bank
Guangzhou Rural Commercial Bank
Industrial and Commercial Bank of China
The Export-Import Bank of China

總辦事處及中國主要營業地點

中國
廣東省
廣州市
番禺區亞運大道
金龍城3-5棟二樓
郵編：511450

香港主要營業地點

香港
九龍尖沙咀
廣東道33號
中港城
第3座15樓
1、2及19室

核數師

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

股份代號

1938

公司網站

www.pck.com.cn
pck.todayir.com

香港法律顧問

樂博律師事務所有限法律責任合夥

主要往來銀行

中國銀行股份有限公司
交通銀行
江蘇銀行
中國建設銀行
廣州農村商業銀行
中國工商銀行
中國進出口銀行

CORPORATE INFORMATION

公司資料

PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

SMP Partners (Cayman) Limited
3rd Floor, Royal Bank House
24 Shedden Road
P.O.Box 1586
Grand Cayman
KY1-1110
Cayman Islands

HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

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

主要股份過戶登記處

SMP Partners (Cayman) Limited
3rd Floor, Royal Bank House
24 Shedden Road
P.O.Box 1586
Grand Cayman
KY1-1110
Cayman Islands

香港股份過戶登記分處

卓佳證券登記有限公司
香港
皇后大道東183號
合和中心54樓

CHAIRMAN'S STATEMENT

主席報告書



Dear Shareholders,

On behalf of the board (the “Board”) of directors (the “Directors”) of Chu Kong Petroleum and Natural Gas Steel Pipe Holdings Limited (the “Company”), I would like to present to you the consolidated audited annual results of the Group for the year ended 31 December 2020.

In 2020, the persistence of the coronavirus disease (“COVID-19”) pandemic has brought a major and lasting impact on the global economy and the petroleum industry, causing a sharp drop in crude oil demand. International oil prices are still hovering at a low level, and the world economy underwent unprecedented challenges. Continuous tensions between China and the United States and complex and volatile factors dragged the global economy into a synchronized slowdown. The Group recorded a turnover of approximately RMB1,141.8 million (2019: RMB1,194.0 million), representing a decrease of approximately 4.4% compared with that of 2019. However, the Group recorded profit of approximately RMB622.9 million (2019: loss of RMB142.1 million). Profit per share attributable to ordinary equity holders of the parent was approximately RMB0.62 (2019: loss per share was RMB0.14). The Board did not recommend the payment of a final dividend for the year ended 31 December 2020.

各位股東：

本人謹代表珠江石油天然氣鋼管控股有限公司（「本公司」）董事（「董事」）會（「董事會」），向股東提呈本集團截至二零二零年十二月三十一日止年度之經審核綜合全年業績。

二零二零年，隨著新冠肺炎（「新冠肺炎」）疫情持續，給全球經濟及石油行業帶來重大且持續的衝擊，造成原油需求驟減，國際油價至今仍在較低位徘徊，世界經濟經歷了前所未有的挑戰，中美緊張局勢持續及複雜多變因素將全球經濟拖入了同步放緩境地。本集團錄得營業額約人民幣1,141,800,000元（二零一九年：人民幣1,194,000,000元），較二零一九年減少約4.4%。然而，本集團錄得溢利約為人民幣622,900,000元（二零一九年：虧損人民幣142,100,000元）。母公司普通股權持有人應佔每股溢利約為人民幣0.62元（二零一九年：每股虧損人民幣0.14元）。董事會不建議派發截至二零二零年十二月三十一日止年度之末期股息。

CHAIRMAN'S STATEMENT

主席報告書

During 2020, there were more uncertainties in all industries under COVID-19, and the domestic economy in China persevered in the adversity. Nonetheless, 2020 is the year with the most orders for steel pipes since the Group's listing. The Group delivered a total of 341,000 tons of steel pipes and received orders for a total of 654,000 tons of steel pipes for the year, including 300 kilometers natural gas transmission pipeline project with 140,000 tons of steel pipes in Nigeria, projects of three large oil companies, Yuanba-Deyang Gas Pipeline Project of Shandong Haiwode (山東海沃德) and other national engineering projects, construction of the Huangmao Sea Cross-sea Channel and Zhujiang Delta Water Resources Allocation Engineering.

The Group provided 140,000 tons of steel pipes for natural gas transmission pipeline project in Nigeria with a total length of 300 kilometers, which is a key project for oil and gas facilities construction of Nigeria. It is the only large pipeline connecting the gas source site in the south and the gas consumption area in the north. This project can stimulate local economic development and is also a key project of the Group's infrastructure construction for the Belt and Road Initiative of the PRC.

The Group actively and continuously carries out independent research and development to diversify products and improve product quality. For Zhujiang Delta Water Resources Allocation Engineering, the Group built the first domestic large dimension inner wall fusion-bonded epoxy powder anti-corrosion coating production line, which can guarantee the quality of the water supply station and the service life of the pipelines. The project diverts water from the West River in the west of the river network in Zhujiang Delta to the east of Zhujiang Delta and supplies water to Nansha District of Guangzhou, and water-deficient area in Shenzhen and Dongguan.

In mid-September 2020, the Group announced the sale of the land held by Panyu Chu Kong Steel Pipe Co., Limited ("PCKSP") to the government for resumption, the land for a compensation of approximately RMB3,453 million and an early completion bonus payment of approximately RMB691 million. The land was originally the production plant of PCKSP, with an area of approximately 280,197 square meters, located at Qinghe Road, Shiji Town, Panyu District, Guangzhou City, Guangdong Province, the PRC. Most of proceeds are used to reduce the Group's liabilities and interest, favorable for the long-term development of the Group's steel pipe business. The Group's production bases are mainly in Lianyungang and Zhuhai, and the sale of land has no significant impact on the Group's production.

二零二零年在新冠肺炎疫情下各行各業有更多不確定性，中國國內經濟在寒流衝擊下負重前行。儘管如此，本集團年內共交付**341,000噸**的鋼管，並接獲共**654,000噸**的鋼管訂單，2020年是本集團上市以來接獲鋼管訂單最多的一年。其中包括尼日利亞天然氣輸送管道項目**300公里**長共**140,000噸**的鋼管、三大石油公司項目、山東海沃德元壩—德陽輸氣管道工程等国家工程項目、黃茅海跨海通道建設及珠三角水資源配置工程等。

本集團為尼日利亞天然氣輸送管道項目提供**140,000噸**的鋼管，共長**300公里**，是尼日利亞油氣設施建設的重點工程，為連接南部氣源地與北部用氣的唯一大型管道，該項目可以拉動當地經濟發展，也是本集團一帶一路基礎設施建設的重點工程。

本集團積極及不斷自主開發，令產品多元化及提升產品質量，本集團為珠三角水資源配置工程，建造了國內首條大口徑內壁熔結環氧粉末噴塗防腐生產線，可保證供水所質量及管道使用年限，該專案從珠江三角洲河網區西部的西江水向東引水至珠江三角洲東部，供水予廣州市南沙區、深圳市和東莞市缺水地區。

本集團於二零二零年九月中公佈了出售番禺珠江鋼管有限公司（「番禺珠江鋼管」）持有的土地予政府作收儲用途，補償款約為人民幣**3,453,000,000元**及提前完成獎金款約為人民幣**691,000,000元**，該土地原為番禺珠江鋼管生產廠房的土地，面積約為**280,197平方米**，位於中國廣東省廣州市番禺區石基鎮清河路。所獲得的資金大部分用於減低本集團的債務及利息，有利本集團鋼管業務的長遠發展。本集團生產基地主要在連雲港及珠海，出售土地對本集團生產沒有重大影響。

CHAIRMAN'S STATEMENT

主席報告書

PROSPECT

The COVID-19 outbreak has brought a significant impact on China's economic, social and energy development, and the growth rate of oil and gas demand has slowed significantly. Facing the impact of the COVID-19 pandemic, the development of China's oil and gas industry is facing challenges, but China's promotion of the development of the natural gas industry has not changed. Therefore, China will accelerate the construction of pipeline network facilities and the demand for steel pipes of the Group is still huge.

With the unremitting efforts, the Group is firmly confident that, it will overcome any hardships, adjust its strategic direction, build up its strength and lay a solid foundation to guard the Group with fearless spirit, as well as improve and strengthen its technologies, actively expand new product areas, and expand its product range from originally only supplying oil and gas transmission pipeline to offering steel pipes for infrastructure and high-end construction projects such as bridges, wind power generation, offshore platforms and water pipes so as to meet the diversified demands of domestic and foreign markets for high-performance steel pipe products, and expand product use and increase market share.

After the Group sold the land to substantially reduce the debt, the gearing ratio and interest will be significantly reduced, which will help improve next year's performance.

APPRECIATION

On behalf of the Group, I would like to thank all our staff for performing their tasks diligently in such a challenging year. I am also grateful to our shareholders for their continuous support to the Group during a consolidation stage where it is accumulating strength for a prosperous future. The Board has full confidence in the management team and its ability. As we grow a stronger foundation, our future will be even brighter.

Chen Chang

Chairman

Panyu, Guangdong, China

30 March 2021

展望

新冠肺炎疫情爆發對中國經濟、社會和能源發展帶來重大影響，石油天然氣需求增速明顯放緩，面對新冠肺炎疫情衝擊，中國石油天然氣產業發展面臨挑戰，但中國推動天然氣產業發展未變，因此，中國會加快管網設施建設，對本集團鋼管的需求仍然龐大。

本集團在不懈努力下，堅定信心，不畏艱辛，調整戰略方向，積極備戰，以大無畏的精神守衛本集團，技術紮深紮牢，積極拓寬新產品領域，為原來只做油氣輸送管道的單一產品拓展為向橋樑、風力發電、海上平台、水管等基建及高端建築工程領域提供鋼管，可滿足國內外市場對高性能鋼管產品的多樣化需求，以擴大產品用途及加大市場份額。

本集團透過出售土地大幅減債後，負債比率及利息將會大幅降低，有助改善明年業績。

致謝

本人謹代表本集團，感謝全體員工在過去這充滿挑戰的一年，一如既往恪盡職守。同時，我亦感激各位股東對本集團為匯聚實力迎向璀璨未來而進行整合所給予的鼎力支持。董事會對管理團隊及其能力充滿信心。隨著我們構建更強大的基礎，未來將充滿光明。

主席

陳昌

中國廣東省番禺

二零二一年三月三十日

AWARDS AND RECOGNITIONS 獎項與認證



1996
廣東省優秀新產品
(廣東省經濟委員會)
Guangdong Province
Outstanding New Product*
(The Economic Commission
of Guangdong Province*)
GPEC



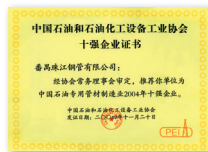
1997
冶金產品實物質量金杯獎
(中國冶金工業部)
Gold Cup Prize for Actual
Quality of Metallurgical
Products*
(Ministry of Metallurgical
Industries of the PRC*)



2001
高新技術企業認定證書
(廣州市科學技術委員會)
Certificate for the Recognition
of High and New Technology
Enterprises*
(Guangzhou City Science and Technology
Committee*)



2002 (Renewed in
2010/2014 續)
廣東省著名商標
(廣東工商行政管理局)
Guangdong Province
Famous Trademark*
(Guangdong Province
Bureau for Administration of
Industry and Commerce*)



2004
中國石油專用管材製造業
2004 年十強企業
(中國石油和石油化工設備工業協會)
China Reserved Petroleum
Pipeline Manufacturing Industry –
Top Ten Enterprises in 2004*
(China Petroleum and Petro-chemical
Equipment Industry Association*)



2005 (Renewed in
2011/2012/2015 續)
冶金產品實物質量
金杯獎 (直縫埋弧焊管)
(中國鋼鐵工業協會)
Gold Cup Prize for Actual
Quality of Metallurgical
Products* – LSAW
(China Iron & Steel Association*)



2005 (Renewed in
2011/2012/2015 續)
冶金產品實物質量
金杯獎 (高頻焊管)
(中國鋼鐵工業協會)
Gold Cup Prize for Actual
Quality of Metallurgical
Products* – ERW
(China Iron & Steel Association*)



2006
2005 年廣東省質量管理
先進企業
(廣東省質量技術監督局)
Leader in Quality Management
in Guangdong Province in 2005*
(Guangdong Provincial Bureau of
Quality and Technical Supervision*)



2007
國家火炬計劃項目
(中國科學技術部)
China Torch Item*
(Science and Technology
Department of the PRC*)

AWARDS AND RECOGNITIONS 獎項與認證



2007 (Renewed in 2010/2013 續)
廣東省名牌產品
 (廣東省質量技術監督局)
Guangdong Province Top Brand Product*
 (Guangdong Province Bureau of Quality and Technical Supervision*)



2007
2007年廣東企業創新紀錄最佳首創產品
 (廣東省企業聯合會及廣東企業創新紀錄審定委員會)
Best Original Product of Innovative Record for Guangdong Enterprise in 2007*
 (Association of Enterprise in Guangdong Province & The Innovative Record of Guangdong Enterprise Approval Commission*)



2007
廣州市科技進步一等獎
 (廣州市人民政府)
First Prize for Sci-Tech Achievement in Guangzhou City*
 (The People's Government of Guangzhou City*)



2008
國際發明展覽會金獎
三輥成型工藝及設備
 (中國發明協會)
International Exhibition of Inventions Golden Awards* (Three-roller forming technology and equipment*)
 (China Inventions Association*)



2008 (Renewed in 2011/2014 續)
高新技術企業
 (廣東省科學技術廳、廣東省財政廳、廣東省國家稅務局、廣東省地方稅務局)
Guangdong High and New Technology Enterprise*
 (Department of Science and Technology of Guangdong Province*, Guangdong Province Department of Finance*, Guangdong Municipal Office of the State Administration of Taxation*, and Guangdong Provincial Local Taxation Bureau*)



2009 (Renewed in 2013 2013 續)
廣東省高新技術產品
 (廣東省科學技術廳)
High-tech Product of Guangdong Province*
 (Department of Science and Technology of Guangdong Province*)



2009
廣東專利優秀獎
一三輥成型工藝及設備
 (廣東省人事廳及廣東省知識產權局)
Guangdong Province Patent Excellence Award*
 (Three-roller forming technology and equipment)
 (Guangdong Provincial Bureau of Personnel & Intellectual Property Office of Guangdong Province*)



2010 (Renewed in 2013 2013 續)
國家火炬計劃
重點高新技術企業
 (國家科技部火炬科技部火炬高技術產業開發中心)
Key High and New Technology Enterprise of China Torch Item*
 (Torch High-tech Industry Development Centre of Science and Technology Department of the PRC*)



2010
國家認定企業技術中心
 (國家發展改革委、科技部、財政部、海關總署、國家稅務總局)
National-recognised Enterprise Technology Centre*
 (National Development and Reform Commission*, Science and Technology Department*, Finance Department*, General Administration of Customs*, State Administration of Taxation*)

AWARDS AND RECOGNITIONS 獎項與認證



2010

第十九屆全國發明
展覽會銀獎—雙驅動推壓式鋼管
擴徑裝置
(中國發明協會)
1st Runner-up of The 19th
National Invention Exhibition*
Dual-drive push-press type steel
pipe expanding device*
(Invention Association of China*)



2010

廣東省科學技術一等獎
(廣東省人民政府)
First Prize for Sci-tech of
Guangdong Province*
(The People's Government of
Guangdong Province*)



2010

廣東省自主創新產品
(廣東省科學技術廳、廣東省發展和改革委員會、
廣東省經濟和信息化委員會、廣東省財政廳、
廣東省知識產權局、廣東省質量技術監督局)
Indigenous Innovation Product of
Guangdong Province*
Department of Science and Technology of Guangdong Province*,
Development and Reform Commission of Guangdong Province*,
Economic and Information Commission of Guangdong Province*,
Finance Department of Guangdong Province*, Intellectual
Property Department of Guangdong Province*, Administration
of Quality and Technology Supervision of Guangdong Province*)



2010

廣東省工程技術研發中心
(廣東省科學技術廳、廣東省發展和改革委員會、
廣東省經濟貿易委員會)
Technology Research and Development
Centre of Guangdong Province*
(Department of Science and Technology of
Guangdong Province*, Development and Reform
Commission of Guangdong Province*, Economic and
Trade Commission of Guangdong Province*)



2010

廣州市創新型企業
(廣州市科技興市領導小組)
Innovative Enterprise of
Guangzhou*
(Technology and City Enhancement
Steering Committee of Guangzhou*)



2011

第二十屆全國發明
展覽會銀獎—五絲埋
弧焊焊接設備
(中國發明協會)
1st Runner-up of The 20th National
Invention Exhibition*
Five-electrode submerged arc
welding equipment
(Invention Association of China*)



2011

廣東省知識產權示範企業
(廣東省知識產權局)
Intellectual Property
Demonstration Enterprise of
Guangdong Province*
(Intellectual Property Department
of Guangdong Province*)



2011

廣東省十佳自主品牌
(廣東省企業聯合會、廣東省企業
家協會)
Top 10 Original Brands of
Guangdong Province*
(Association of Enterprises of
Guangdong Province*, Association
of Entrepreneurs of Guangdong
Province*)



2011

院士工作站
(廣東省人民政府)
Academician Workstation
(The People's Government of
Guangdong Province*)

AWARDS AND RECOGNITIONS 獎項與認證



2011

廣州市政府質量獎
(廣東省人民政府)
**Governmental Quality
Award of The Guangzhou
Government***
(The People's Government of
Guangdong Province*)



2012

廣東省政府質量獎
(廣東省人民政府)
**Government Quality Award of
Guangdong Province***
(The People's Government of
Guangdong Province*)



2012

冶金科學技術獎一等獎
(中國鋼鐵工業協會、中國金屬學
會)
**First Prize of Metallurgical
Sci-Tech Award***
(China Iron & Steel Association,
The Chinese Society for Metals)



2013

廣東省科學技術獎勵
(廣東省人民政府)
**Science Technological Award
of Guangdong Province***
(The People's Government of
Guangdong Province*)



2013-2016

廣東省創新型企業
(廣東省科學技術廳、廣東省發展和
改革委員會、廣東省經濟和信息委員
會、廣東省人民政府國有資產監督管
理委員會、廣東省知識產權局、廣東
省總工會)
**Innovative Enterprise of
Guangdong
Province***
(The Guangdong Provincial Department
of Science and Technology, the
Guangdong Development and
Reform Commission, the Economic &
Information Commission of Guangdong
Province, the State-owned Assets
Supervision and Administration
Commission of the Guangdong
Province, the Guangdong Intellectual
Property Office and the Guangdong
Provincial Federation of Trade
Unions*)



2014

中國冶金產品實物質量
特優質量獎
(中國鋼鐵工業協會)
**Superior Quality Award
for Actual Quality of
Metallurgical Product**
(China Iron & Steel Association*)



2014

廣東省信用管理示範創建
試點企業
(廣東省信用協會)
**Model Experimenting Enterprise
for Credit Management of
Guangdong Province**
(Guangdong Credit Association*)



2015

高新技術企業
(廣東省科學技術廳、廣東省財政廳、
廣東省國家稅務局、廣東省地方稅務局)
High Technology Enterprises*
(Department of Science and Technology
of Guangdong Province*, Guangdong
Province Department of Finance*,
Guangdong Municipal Office of the State
Administration of Taxation*, Guangdong
Provincial Local Taxation Bureau*)



2016

廣東省科學技術一等獎
(天然氣用深海焊管)
(廣東省人民政府)
**First Prize of Sci-Tech
Achievement**
(Deep Sea Pipe for Natural Gas)
(The People's Government of Guangdong
Province)

AWARDS AND RECOGNITIONS 獎項與認證



2016

冶金產品實物品質金杯獎 -
管線管（焊管）
（中國鋼鐵工業協會）
Gold Cup Prize for Actual
Quality of Metallurgical
Products*-welded steel pipes
(China Iron & Steel Association)



2016

冶金產品實物品質金杯獎 -
螺旋埋弧焊管
（中國鋼鐵工業協會）
Gold Cup Prize for Actual
Quality of Metallurgical
Products*-spiral submerged
arc-welded steel pipes
(China Iron & Steel Association)



2016

廣東省博士後創新實踐基地
（廣東省人力資源和社會保障廳）
Guangdong Postdoctoral
Innovation Practice Base*
(Department of Human Resources
and Social Security of Guangdong
Province*)



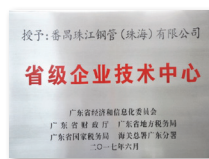
2016

沙特優秀中資項目獎
（中國駐沙特阿拉伯王國大使館、
沙特阿拉伯中資企業協會）
Saudi Arabia Excellent
Chinese Project Award*
(Chinese Embassy in Kingdom
of Saudi Arabia*, Saudi Arabia
Chinese Enterprises Association*)



2017

連雲港市科學技術進步獎
一等獎
（連雲港市人民政府）
First Prize of Lianyungang
Science and Technology
Progress Award*
(The People's Government of
Lianyungang)



2017

省級企業技術中心
（廣東省經濟和資訊化委員會、廣
東省財政廳、廣東省地方稅務局、
廣東省國家稅務局、海關總署廣
東分署）
Provincial Enterprise
Technology Centre*
(Guangdong Provincial Economic
and Information Commission*,
Guangdong Provincial Department
of Finance, Local Taxation
Bureau of Guangdong Province*,
Guangdong Branch of the General
Administration of Customs*)



2018

高新技術企業
（廣東省科學技術廳、廣東省財政
廳、國家稅務總局廣東省稅務局）
High Technology
Enterprises*
(Department of Science and
Technology of Guangdong
Province*, Guangdong Province
Department of Finance*,
Guangdong Provincial Taxation
Bureau of the State Administration
of Taxation)



2020

連雲港市科技創新優秀單位
（中共連雲港市委、連雲港市委
政府）
Lianyungang Science and
Technology Innovation
Outstanding Unit*
(Lianyungang Municipal Committee
of the Communist Party of China*,
The People's Government of
Lianyungang*)

QUALITY CERTIFICATIONS

質量認證

本集團的質量保證體系獲得
以下國際質量認證

The Group has been awarded the following international
quality certifications:

年份 Year	認證 Certifications	認證機構 Authority
1996	ISO9001	香港品質保證局 Hong Kong Quality Assurance Agency
1996	API	美國石油協會 American Petroleum Institute
1999	CE	英國勞氏船級社 Lloyd's Register of Shipping
2002	BV	法國船級社 Bureau Veritas
	ISO9001 ISO14001	香港品質保證局 Hong Kong Quality Assurance Agency
2004	OHSAS18001	中國質量認證中心 China Quality Certification Centre
2006	DNV	挪威船級社 Det Norske Veritas
2009	Shell	荷蘭殼牌 Shell Global Solutions
2011	CNAS	中國合格評定國家認可委員會 China National Accreditation Service for Conformity Assessment
2011	ASME	美國機械工程師協會 American Society of Mechanical Engineers
2012	CMS	中啟計劃體系認證中心 China CMS (Issuing Authority)
2014	TUV	南德意志集團 TUV SUD China
2017	Saudi Aramco	沙特阿美石油公司 Saudi Arabian Oil Company
2019	TOTAL	法國石油公司道達爾 TOTAL

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論與分析

BUSINESS REVIEW

The Group mainly (i) manufactures and sells longitudinal welded steel pipes, as well as providing manufacturing service for processing raw materials into steel pipes; and (ii) engages in property development and investment.

Our welded steel pipe products can be broadly categorised into LSAW steel pipes, SSAW steel pipes and ERW steel pipes. We are the largest LSAW steel pipe manufacturer and exporter in the PRC, and are capable of producing LSAW steel pipes that meet the X100 standard. We are also accredited with 13 international quality certifications such as Det Norske Veritas (“DNV”) and American Petroleum Institute (“API”). In addition, we are the first and the only PRC manufacturer that has successfully produced and developed deep sea welded pipes for use at 3,500m under water. Our products are widely applicable to major oil and gas pipeline projects (both onshore and offshore) and infrastructure projects domestically and internationally.

Our Group is capable of manufacturing subsea pipes and drilling platforms for offshore projects, and is being classified as a member of the Offshore Engineering Equipment Industry* (海洋工程裝備製造業). We have benefited from and been supported by the PRC’s strategic policies and received supports from policy banks and insurance institutions in the PRC. We have maintained good relationships with and have obtained medium-term loans from the Export-Import Bank of China.

Panyu Land Development

In 2013, the Group has converted a piece of land in Panyu into commercial use. The total land area of such piece of land is 125,000m² which accounted for 25% of the total area of the parcels of land owned by the Group in Panyu (the “Panyu Land”). The total construction area of the Panyu Land is 550,000 m². The Panyu Land was divided into three phases for development.

業務回顧

本集團主要(i)製造及銷售直縫焊接鋼管，以及提供將原材料加工為鋼管的製造服務；及(ii)從物業發展及投資。

本集團的焊接鋼管產品大致可分為直縫埋弧焊管、螺旋埋弧焊管及電阻焊管。我們是中國最大直縫埋弧焊管製造商及出口商，可生產符合X100標準的直縫埋弧焊管，而我們已取得挪威船級社（「DNV」）及美國石油協會（「API」）等十三項國際質量認證。此外，我們為中國首名和唯一能成功生產及研發出3,500米深海焊管的製造商。我們的產品在國內外被廣泛應用於大型石油及天然氣管道項目（岸上和海上）及基建項目。

由於本集團可製造海上工程使用的海底管及海上鑽井平台，故此本集團被劃入海洋工程裝備製造業企業之一。受惠於國家戰略性政策及支持，我們亦得到中國政策性銀行及保險業機構的大力支持，與中國進出口銀行亦保持良好合作關係，並已從該等機構獲得中期貸款。

番禺土地發展

本集團於二零一三年將番禺一幅土地轉為商業用地。該土地的總面積為125,000平方米，佔本集團於番禺所擁有地塊（「番禺土地」）總面積的四分之一。番禺土地的總建築面積為550,000平方米。番禺土地分為三期發展。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論與分析

Project name:

Golden Dragon City Fortune Plaza* (“GDC”)

Address: Qinghe Road, Shiji Town, Panyu District,
Guangzhou City, Guangdong, PRC

Usage: large scale of integrated commercial complex of offices,
shops, service apartments and villas

Total permitted construction area (including underground
construction area)

Phase I	135,000 m ²
Phase II	191,000 m ²
Phase III	224,000 m ²

Most of the units under Phase I of GDC have been sold. The Group had pre-sold the units under Phase II of GDC and the total contracted sales were approximately RMB1,048 million as at 31 December 2020. Shops of Phase I are rented for rental income. Phase III of GDC was sold to Guangzhou City Panyu District Land Development Centre* (廣州市番禺區土地開發中心) in 2019.

The steel pipe business will remain as the Group’s core business.

Proposed change of land use in Panyu from “industrial” to “residential and commercial”

On 12 February 2018, the Group has entered into an agreement (“Agreement”) with Guangdong Yuecai Trust Co Limited* (廣東粵財信託有限公司) (“Guangdong Yuecai”) and Guangzhou Asset Management Company Limited* (廣州資產管理有限公司) (“Guangzhou Asset Management”) (collectively the “Investors”) in relation to the cooperation to facilitate the change of use of land (the “Land”) held by Panyu Chu Kong Steel Pipe Co. Ltd (番禺珠江鋼管有限公司) (“PCKSP”) from “industrial” to “residential and commercial” and the disposal of (actual and deemed) an aggregate of 59% of the equity interest in PCKSP to the Investors. Chu Kong Steel Pipe Group Co. Ltd (“CKSPG”) and PCKSP shall complete an asset reorganisation, after which, the only asset held by PCKSP shall be the Land. Pursuant to the Agreement, Guangdong Yuecai shall, by stages, (i) inject capital into PCKSP and acquire 19% of the equity interest in the PCKSP for RMB240 million; (ii) implement the asset reorganisation; (iii) apply for the change of use of the Land; and (iv) acquire 40% of the equity interest in PCKSP from CKSPG for a consideration equivalent to 40% of the fair value of the Land (after the change of use of the Land).

* Unofficial transliteration from Chinese name for identification purpose only

項目名稱：

金龍城財富廣場（「金龍城」）

地址：中國廣東省廣州市番禺區石基鎮清河路

用途：寫字樓、商舖、服務式公寓和
別墅的大型綜合商業項目

允許建築總面積（包括地下建築面積）

第一期	135,000平方米
第二期	191,000平方米
第三期	224,000平方米

金龍城第一期單位已大部分出售。本集團已預售金龍城第二期單位。於二零二零年十二月三十一日，總合約銷售額約為人民幣1,048,000,000元。第一期商舖已出租以賺取租金收入。金龍城第三期已於二零一九年出售予廣州市番禺區土地開發中心。

鋼管業務將繼續為本集團的核心業務。

建議將番禺土地用途由「工業」變更為「住宅及商業」

於二零一八年二月十二日，本集團與廣東粵財信託有限公司（「廣東粵財」）及廣州資產管理有限公司（「廣州資產管理」）（統稱「投資方」）訂立協議（「該協議」），內容有關合作將番禺珠江鋼管有限公司（「番禺珠江鋼管」）所持土地（「該土地」）之用途由「工業」改為「住宅及商業」，以及向投資方出售（實際及視作）番禺珠江鋼管合計59%股權。珠江鋼管集團有限公司（「珠江鋼管集團」）及番禺珠江鋼管將完成資產重組，完成後，番禺珠江鋼管持有的唯一資產為該土地。根據該協議，廣東粵財將分階段(i)以人民幣240,000,000元向番禺珠江鋼管注資並取得番禺珠江鋼管19%股權；(ii)進行資產重組；(iii)申請變更該土地用途；及(iv)向珠江鋼管集團購買番禺珠江鋼管40%股權，代價相當於變更該土地用途後該土地公平值的40%。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論與分析

The disposal of 59% equity interest of PCKSP was approved by the shareholders of the Company (the “Shareholders”) at the extraordinary general meeting held on 19 April 2018.

The capital injection under the Agreement has been completed on 12 October 2018. Guangdong Yuecai has made capital injection into PCKSP in the amount of RMB240 million and acquired 19% of the registered capital of PCKSP (on enlarged basis). Following the completion of the capital injection, PCKSP was legally held as to 20% by Guangdong Yuecai and 80% by CKSPG.

On 27 February 2019, the Group entered into a disposal agreement (the “Disposal Agreement”) with Guangzhou Xingchen Consultation Company Limited (廣州星辰諮詢有限公司) (“Xingchen”), Guangdong Yuecai and Guangzhou Asset Management in relation to (i) the nomination of Xingchen by the Guangzhou Asset Management under the terms of the Agreement as its nominee to acquire 40% equity interest of PCKSP; and (ii) the disposal of the remaining 40% equity interest of PCKSP to Xingchen, for a total consideration of RMB2,448 million with a possible payment of the premium of RMB272 million.

Details were disclosed in the Company’s announcement dated 27 February 2019 and circular dated 26 March 2019.

The transactions contemplated under the Disposal Agreement were approved by the Shareholders at the extraordinary general meeting held on 16 April 2019.

On 15 June 2020, the Group entered into supplemental agreements (the Supplemental Agreements”) to provide a framework for the unwinding of the Agreement dated 12 February 2018 and the Disposal Agreement dated 27 February 2019.

On 15 September 2020, the Group entered into the land resumption compensation agreement (the “Land Resumption Compensation Agreement”) with Guangzhou City Land Development Centre* (“Guangzhou LDC”), pursuant to which Guangzhou LDC would resume, and the Group would sell the Land at the compensation of RMB3,453.4 million (subject to an early completion bonus payment of RMB690.7 million). The land resumption contemplated under the Land Resumption Compensation Agreement was approved by the Shareholders at the extraordinary general meeting held on 23 October 2020.

出售番禺珠江鋼管59%股權之事項已於二零一八年四月十九日舉行之股東特別大會上獲本公司股東（「股東」）批准。

該協議項下之注資已經於二零一八年十月十二日完成。廣東粵財已向番禺珠江鋼管注資人民幣240,000,000元，並已獲得番禺珠江鋼管經擴大註冊資本的19%。完成注資後，番禺珠江鋼管由廣東粵財合法持有20%及由珠江鋼管集團持有80%。

於二零一九年二月二十七日，本集團與廣州星辰諮詢有限公司（「星辰」）、廣東粵財及廣州資產管理訂立出售協議（「出售協議」），內容有關(i)廣州資產管理根據該協議條款提名星辰作為其被提名人，以收購番禺珠江鋼管的40%股權；及(ii)向星辰出售番禺珠江鋼管的餘下40%股權，總代價為人民幣2,448,000,000元，可能支付溢價為人民幣272,000,000元。

有關詳情已在本公司日期為二零一九年二月二十七日的公佈及日期為二零一九年三月二十六日的通函中披露。

出售協議項下擬進行之交易已於二零一九年四月十六日舉行之股東特別大會上獲股東批准。

於二零二零年六月十五日，本集團訂立了補充協議（「補充協議」），為解除於二零一八年二月十二日訂立的協議及於二零一九年二月二十七日訂立的出售協議提供一個框架。

於二零二零年九月十五日，本集團與廣州市土地開發中心（「廣州市土地開發中心」）簽訂土地收儲補償協議（「土地收儲補償協議」），據此，廣州市土地開發中心將收儲，而本集團將出售該土地，補償款為人民幣3,453,400,000元（視乎提前完成獎金款項人民幣690,700,000元而定）。土地收儲補償協議項下擬進行之土地收儲事項已於二零二零年十月二十三日舉行之股東特別大會上獲股東批准。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論與分析

Order Status

In 2020, the Group received new orders of approximately 654,000 tonnes of welded steel pipes and most orders were received from domestic customers. The Group has received some sizeable orders like orders from Nigeria Natural Gas Pipe Project. The Group delivered approximately 341,000 tonnes of welded steel pipes during 2020.

Our joint venture company Al-Qahtani Pck Pipe Company (“AHQ”) (the “JV Company”) in Saudi Arabia has also been awarded new order of steel pipes from Saudi Arabian Oil Company (“Saudi Aramco”) and Saipem S.p.A. for supplying approximately 33,000 tonnes of steel pipes. The JV Company enabled the Group to expand its market share in Saudi Arabia and neighboring countries.

LSAW Steel Pipes

The Group is one of the largest LSAW steel pipe manufacturers and exporters in the PRC. LSAW steel pipe was the largest source of revenue of the Group and accounted for approximately 71.7% of our total steel pipe revenue for the year ended 31 December 2020. For the year ended 31 December 2020, revenue from the sales and manufacturing service of LSAW steel pipes amounted to approximately RMB655.1 million and RMB152.3 million, respectively, representing a decrease of approximately 21.6% and 9.3%, respectively, as compared to that for the year ended 31 December 2019. The decrease in sales of LSAW steel pipes was mainly due to the impact of COVID-19 that affected the production and delivery of steel pipes during the year.

SSAW Steel Pipes

Our SSAW steel pipes produced in our plant in Lianyungang use the pre-welding and precision welding SSAW technique, which is the most advanced standard among all SSAW technologies. Revenue from the sales and manufacturing service of SSAW steel pipes amounted to approximately RMB121.4 million and RMB132.0 million respectively. The total revenue from SSAW steel pipes accounted for approximately 22.5% of the total steel pipe revenue for the year ended 31 December 2020, representing an increase of approximately 209.0% as compared to that for the year ended 31 December 2019. The increase in sales of SSAW steel pipes was mainly due to the increase in construction projects during the year.

訂單狀況

於二零二零年，本集團接獲的新訂單數量約為654,000噸焊接鋼管，大部分訂單來自國內客戶。本集團已接獲若干大型訂單，如尼日利亞天然氣管道項目的訂單等。本集團已於二零二零年交付約341,000噸焊接鋼管。

我們於沙特阿拉伯的合營公司Al-Qahtani Pck Pipe Company（「AHQ」，「合營公司」）亦已接獲Saudi Arabian Oil Company（「沙特阿美石油公司」）及Saipem S.p.A.的新鋼管訂單，提供約33,000噸鋼管。合營公司使得本集團可擴大其於沙特阿拉伯及鄰國之市場份額。

直縫埋弧焊管

本集團是中國最大的直縫埋弧焊管製造商及出口商之一。直縫埋弧焊管為本集團最大收入來源，截至二零二零年十二月三十一日止年度佔本集團總鋼管收入約71.7%。截至二零二零年十二月三十一日止年度，直縫埋弧焊管的銷售及製造服務收入分別約為人民幣655,100,000元及人民幣152,300,000元，較截至二零一九年十二月三十一日止年度分別減少約21.6%及9.3%。直縫埋弧焊管銷量淨減少，主要乃由於新冠肺炎疫情的爆發影響了年內鋼管生產及交付。

螺旋埋弧焊管

我們於連雲港廠房生產的螺旋埋弧焊管採用預精焊螺旋埋弧焊管技術製造，該項技術屬所有螺旋埋弧焊管工藝中最先進的標準。螺旋埋弧焊管的銷售及製造服務分別錄得收入約人民幣121,400,000元及人民幣132,000,000元。螺旋埋弧焊管的總收入佔截至二零二零年十二月三十一日止年度總鋼管收入約22.5%，較截至二零一九年十二月三十一日止年度增加約209.0%。螺旋埋弧焊管的銷售增加乃主要由於年內建築項目的增加。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論與分析

ERW Steel Pipes

Competition in the market of ERW steel pipes has been very keen due to its relatively low technical and standardised entry requirements. For the year ended 31 December 2020, the Group recorded nil revenue from the sales and manufacturing service of ERW steel pipes. The nil in sales of ERW steel pipes was mainly due to the relocation of ERW production line from Panyu production site to Zhuhai production site during the year.

FINANCIAL REVIEW

Revenue and gross profit

Revenue of the Group mainly comprises (i) sales of steel pipe, and (ii) sales of property.

For the year ended 31 December 2020, our revenue was approximately RMB1,141.8 million, representing a decrease of approximately RMB52.2 million or 4.4% as compared with that of 2019. The decrease in revenue was mainly due to the decrease in property sales as compared with that of 2019.

The following table sets forth the revenue, gross profit and sales volume by business segments for each of the periods indicated:

		2020		2019	
		二零二零年		二零一九年	
		RMB'000	% to total	RMB'000	% to total
		人民幣千元	佔總收入 百分比	人民幣千元	佔總收入 百分比
Revenue	收入				
Steel pipes	鋼管	1,125,851	98.6	1,141,665	95.6
Property development and investment	物業發展及投資	15,956	1.4	52,296	4.4
		1,141,807	100.0	1,193,961	100.0

電阻焊管

電阻焊管因所需技術較低及較標準化的入門規格，以致市場競爭比較激烈。截至二零二零年十二月三十一日止年度，本集團錄得電阻焊管的銷售及製造服務收入為零。電阻焊管的零銷售乃主要由於年內高頻電阻生產線從番禺生產基地搬遷至珠海生產基地。

財務回顧

收入及毛利

本集團收入主要包括(i)鋼管銷售及(ii)物業銷售。

於截至二零二零年十二月三十一日止年度，本集團收入約為人民幣1,141,800,000元，較二零一九年減少約人民幣52,200,000元或4.4%。收入減少主要由於房地產銷售較二零一九年減少所致。

下表載列所示各期間業務分部的收入、毛利及銷售量：

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論與分析

Steel pipes		鋼管					
		2020 二零二零年			2019 二零一九年		
		Revenue 收入		Sales volume 銷售量	Revenue 收入		Sales volume 銷售量
		RMB'000	% to total 佔總收入	tonnes	RMB'000	% to total 佔總收入	tonnes
		人民幣千元	百分比	噸	人民幣千元	百分比	噸
Sales of steel pipes	銷售鋼管						
LSAW steel pipes	直縫埋弧焊管	655,108	58.2	132,794	835,348	73.2	156,080
SSAW steel pipes	螺旋埋弧焊管	121,354	10.8	24,310	29,645	2.6	5,683
ERW steel pipes	電阻焊管	-	-	-	7,803	0.7	1,243
Subtotal	小計	776,462	69.0	157,104	872,796	76.5	163,006
Manufacturing services	製造服務						
LSAW steel pipes	直縫埋弧焊管	152,322	13.5	74,843	167,859	14.7	104,861
SSAW steel pipes	螺旋埋弧焊管	131,981	11.7	108,911	52,335	4.6	58,361
ERW steel pipes	電阻焊管	-	-	-	62	-	412
Subtotal	小計	284,303	25.2	183,754	220,256	19.3	163,634
Others	其他	65,086	5.8	N/A 不適用	48,613	4.2	N/A 不適用
Grand total	總計	1,125,851	100.0	340,858	1,141,665	100.0	326,640

Steel pipes		鋼管	
		2020 二零二零年 RMB'000 人民幣千元	2019 二零一九年 RMB'000 人民幣千元
Sales	銷售	1,125,851	1,141,665
Cost of sales	銷售成本	(921,216)	(940,229)
Gross profit	毛利	204,635	201,436

The revenue generated from the sales of steel pipes accounted for approximately 69.0% of our total steel pipe revenue in 2020 as compared with approximately 76.5% in 2019. Steel pipe manufacturing services accounted for approximately 25.2% of our total steel pipe revenue in 2020 as compared with approximately 19.3% in 2019. The revenue classified as "Others" mainly represented the trading of steel plates, sales of steel fittings and sales of scrap materials which accounted for approximately 5.8% of our total steel pipe revenue in 2020 as compared with approximately 4.2% in 2019.

於二零二零年，來自銷售鋼管的收入約佔本集團總鋼管收入69.0%，而於二零一九年則約佔76.5%。於二零二零年，鋼管製造服務約佔本集團總鋼管收入25.2%，而於二零一九年則約佔19.3%。分類為「其他」之收入主要指買賣鋼板、銷售鋼製管件及銷售廢料的收入，約佔本集團二零二零年總鋼管收入5.8%，而於二零一九年則約佔4.2%。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論與分析

Gross profit of steel pipe sales for 2020 was approximately RMB204.6 million as compared with approximately RMB201.4 million in 2019, representing an increase of approximately 1.6% or RMB3.2 million. Gross profit margin for 2020 was approximately 18.2% which was similar to that of 17.6% in 2019.

Our domestic sales accounted for approximately 88.7% of our total steel pipe revenue in 2020, as compared with approximately 88.2% in 2019.

Sales by Geographical Areas – Steel Pipes

Overseas sales	海外銷售
Domestic sales	國內銷售
Total steel pipes and manufacturing services	鋼管及製造服務總計

二零二零年的鋼管銷售毛利約為人民幣204,600,000元，較二零一九年約人民幣201,400,000元增加約1.6%或人民幣3,200,000元。二零二零年的毛利率約為18.2%，與二零一九年的17.6%相若。

於二零二零年，本集團的國內銷售額佔總鋼管收入約88.7%，而於二零一九年則約佔88.2%。

按地區劃分的銷售－鋼管

2020 二零二零年 Revenue 收入		2019 二零一九年 Revenue 收入	
RMB'000	% to total 佔總收入 百分比	RMB'000	% to total 佔總收入 百分比
人民幣千元		人民幣千元	
127,699	11.3	134,377	11.8
998,152	88.7	1,007,288	88.2
1,125,851	100.0	1,141,665	100.0

Property development and investment

Revenue	收入
Cost of sales	銷售成本
Gross profit	毛利

Revenue under property development and investment in 2020 was mainly sales of property of GDC and rental income from shops in Phase I of GDC whereas it was mainly sales of property of GDC in 2019. Revenue under property development and investment was approximately RMB16.0 million in 2020 as compared with approximately RMB52.3 million in 2019, representing a decrease of approximately 69.5% or RMB36.3 million. Most of the units under Phase I of GDC had been sold in 2018 and 2019.

物業發展及投資

2020 二零二零年 RMB'000 人民幣千元	2019 二零一九年 RMB'000 人民幣千元
15,956	52,296
(13,904)	(41,540)
2,052	10,756

二零二零年物業發展及投資收入主要是金龍城的物業銷售收入及來自金龍城第一期商舖的租金收入，而二零一九年主要是金龍城的物業銷售收入。二零二零年物業發展及投資收入約為人民幣16,000,000元，與於二零一九年的約人民幣52,300,000元相比，相當於減少約69.5%或人民幣36,300,000元。大部分金龍城第一期單位已於二零一八年及二零一九年出售。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論與分析

Cost of sales primarily represents the costs we incurred directly for the Group's property development activities. The principal component of cost of sales is cost of properties sold, which includes the direct costs of construction and the costs of obtaining land use rights. Cost of sales was approximately RMB13.9 million in 2020 as compared with approximately RMB41.5 million in 2019, representing a decrease of 66.5% or RMB27.6 million.

Gross profit of property sales was approximately RMB2.1 million in 2020 as compared with approximately RMB10.8 million in 2019, representing a decrease of 80.9% or RMB8.7 million.

All revenue under property development and investment were domestic in nature.

CHANGE IN FAIR VALUES OF INVESTMENT PROPERTIES

The Group has adopted the accounting policy of measuring investment properties by using fair values. Accordingly, gains or losses arising from the changes in the fair values of investment properties are reflected as profit or loss for the reporting period. The investment properties as at 31 December 2020 were the shops of Phase I of GDC. The Group has engaged RHL Appraisal Limited, an independent valuer, to value the investment properties as at 31 December 2020. According to the valuation report as at 31 December 2020 issued by RHL Appraisal Limited, the market value of the investment properties as at 31 December 2020 was RMB387 million. Loss on fair values of the investment properties in 2020 was approximately RMB20 million (2019: gain RMB78 million).

OTHER INCOME AND GAINS

Other income and gains in 2020 mainly represented gain on resumption of land use rights, bank interest income and subsidy income from government. Other income and gains increased by approximately 332.7% or RMB1,469.5 million from approximately RMB441.7 million in 2019 to approximately RMB1,911.3 million in 2020. Increase in other income and gains was mainly due to net gain on resumption of land-use-rights from local authority in 2020 pursuant to the land resumption agreement dated 15 September 2020, details of which were disclosed in the circular of the Company dated 8 October 2020.

銷售成本主要指我們就本集團之物業開發活動直接產生的成本。銷售成本的主要組成部分為已售物業成本，當中包括直接建築成本及取得土地使用權成本。於二零二零年，銷售成本約為人民幣13,900,000元，與於二零一九年的約人民幣41,500,000元相比，相當於減少66.5%或人民幣27,600,000元。

於二零二零年，物業銷售毛利約為人民幣2,100,000元，與於二零一九年的約人民幣10,800,000元相比，相當於減少80.9%或人民幣8,700,000元。

所有物業發展及投資收入均為國內產生。

投資物業公平值變動

本集團已採納會計政策，以公平值計量投資物業。因此，投資物業公平值變動產生之盈虧，已於報告期內反映為損益。於二零二零年十二月三十一日的投資物業為金龍城第一期的商舖。本集團已委聘獨立估值師永利行評值顧問有限公司，為於二零二零年十二月三十一日的投資物業進行估值。根據永利行評值顧問有限公司於二零二零年十二月三十一日出具的估值報告，投資物業於二零二零年十二月三十一日的市值為人民幣387,000,000元。於二零二零年，投資物業的公平值虧損約為人民幣20,000,000元（二零一九年：收益人民幣78,000,000元）。

其他收入及收益

二零二零年的其他收入及收益主要指土地使用權之收儲收益、銀行利息收入及政府補貼收入。其他收入及收益由二零一九年約人民幣441,700,000元，增加約332.7%或人民幣1,469,500,000元至二零二零年約人民幣1,911,300,000元。其他收入及收益增加主要由於二零二零年根據日期為二零二零年九月十五日的土地收儲補償協議自地方當局收儲土地使用權時產生淨收益，有關詳情已在本公司日期為二零二零年十月八日的通函中披露。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論與分析

SELLING AND DISTRIBUTION EXPENSES

Selling and distribution expenses decreased by approximately 37.6% or RMB21.0 million from approximately RMB55.8 million in 2019 to approximately RMB34.8 million in 2020. The decrease was mainly due to the decrease of freight charges.

ADMINISTRATIVE EXPENSES

Administrative expenses decreased by approximately 14.4% or RMB48.4 million from approximately RMB336.0 million in 2019 to approximately RMB287.6 million in 2020. The decrease in administrative expenses was mainly due to the closure of the manufacturing operation of PCKSP and closure of certain non-core operations.

FINANCE COSTS

The finance costs for 2020 was approximately RMB475.4 million as compared with that of 2019 of approximately RMB450.1 million, representing an increase of RMB25.3 million or 5.6%. The effective interest rate in 2020 was approximately 10.2% (2019: 8.9%). Increase in finance costs was due to increase in average interest rate throughout the year.

OTHER EXPENSES

Other expenses increased by approximately 333.4 % or RMB231.3 million from approximately RMB69.4 million in 2019 to approximately RMB300.7 million in 2020. The increase was mainly due to a provision of claim arising from litigation and compensation paid or payable to Guangdong YueCai Trust during the year.

EXCHANGE (LOSS)/GAIN, NET

The Group recorded exchange loss of approximately RMB120.1 million in 2020 as compared with exchange gain of approximately RMB23.5 million in 2019. The exchange loss was mainly due to depreciation of HKD against RMB. Payables to inter-companies denominated in HKD held by the Group's Hong Kong subsidiaries that led to unrealised exchange losses of approximately RMB120.4 million (2019: unrealised exchange gain RMB28.9 million).

INCOME TAX EXPENSE/(CREDIT)

The Group recorded income tax expense of RMB253.8 million in 2020 as compared with income tax credit of RMB13.1 million in 2019.

銷售及分銷開支

銷售及分銷開支由二零一九年約人民幣55,800,000元，減少約37.6%或人民幣21,000,000元，至二零二零年約人民幣34,800,000元。該減少乃主要由於運費減少所致。

行政費用

行政費用由二零一九年約人民幣336,000,000元減少約14.4%或人民幣48,400,000元，至二零二零年約人民幣287,600,000元。行政費用之減少乃主要由於番禺珠江鋼管停止製造業務及若干非核心經營業務停止。

融資成本

二零二零年的融資成本約為人民幣475,400,000元，較於二零一九年的約人民幣450,100,000元相比，相當於增加人民幣25,300,000元或5.6%。二零二零年的實際利率約為10.2%（二零一九年：8.9%）。融資成本增加乃由於年內平均利率增加。

其他費用

其他費用由二零一九年約人民幣69,400,000元，增加約333.4%或人民幣231,300,000元，至二零二零年約人民幣300,700,000元。該增加主要由於本年度因訴訟產生的索賠撥備及已付或應付予廣東粵財信託的賠償費。

匯兌（虧損）／收益，淨額

本集團於二零二零年錄得匯兌虧損約人民幣120,100,000元，而於二零一九年則錄得匯兌收益約人民幣23,500,000元。匯兌虧損乃主要由於港元兌人民幣貶值所致。本集團香港附屬公司持有以港元計值的公司間應付款項，導致未變現匯兌虧損約人民幣120,400,000元（二零一九年：未變現匯兌收益人民幣28,900,000元）。

所得稅費用／（抵免）

本集團於二零二零年錄得所得稅費用人民幣253,800,000元，而於二零一九年則錄得所得稅抵免人民幣13,100,000元。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論與分析

Income tax expense was the combined effect of (i) income tax expenses were recorded in 2020 mainly because the Group sold the land of Panyu during the year and there was tax provision on the gain on resumption of land use right; and (ii) land appreciation tax in 2020 as the Group sold properties.

PROFIT FOR THE YEAR

As a result of the reasons discussed above, the Group recorded a profit of approximately RMB622.9 million in 2020 (2019: loss RMB142.1 million).

LIQUIDITY AND FINANCIAL RESOURCES

The following table sets out certain information regarding the Group's consolidated statement of cash flows for the years ended 31 December 2019 and 2020:

		Year ended 31 December 截至十二月三十一日止年度	
		2020 二零二零年 RMB'000 人民幣千元	2019 二零一九年 RMB'000 人民幣千元
Net cash flows from operating activities	經營活動所得現金流量淨額	71,365	527,753
Net cash flows from investing activities	投資活動所得現金流量淨額	1,661,998	1,211,064
Net cash flows used in financing activities	融資活動所用現金流量淨額	(1,785,138)	(1,760,978)
Net decrease in cash and cash equivalents	現金及現金等價物減少淨額	(51,775)	(22,161)

NET CASH FLOWS FROM OPERATING ACTIVITIES

The Group's net cash inflows from operating activities decreased from approximately RMB527.8 million in 2019 to approximately RMB71.4 million in 2020. The decreased net cash inflows from operating activities were primarily due to the combined effect of (i) profit before taxation; (ii) increase in inventories, trade receivables, trade payables and other payables and accruals, prepayments, other receivables and other assets and contract liabilities and (iii) decrease in pledged bank deposit.

NET CASH FLOWS FROM INVESTING ACTIVITIES

The Group's net cash flows from investing activities increased from approximately RMB1,211.1 million in 2019 to approximately RMB1,662.0 million in 2020. The increase in net cash flows were mainly due to the receipt of compensation for land resumption of land of Panyu in 2020.

所得稅費用由於(i)於二零二零年錄得所得稅費用乃主要由於本集團於年內出售番禺土地及土地使用權之收儲收益的稅項撥備；及(ii)因本集團出售物業而於二零二零年繳納土地增值稅之綜合影響所致。

年內溢利

由於上文所述原因，本集團於二零二零年錄得溢利約人民幣622,900,000元（二零一九年：虧損人民幣142,100,000元）。

流動資金及財務資源

下表載列有關本集團截至二零一九年及二零二零年十二月三十一日止年度的綜合現金流量表的若干資料：

經營活動所得現金流量淨額

本集團的經營活動所得現金流入淨額由二零一九年約人民幣527,800,000元減少至二零二零年約人民幣71,400,000元。經營活動所得現金流入淨額減少主要由於綜合以下影響所致：(i)除稅前溢利；(ii)存貨、貿易應收賬款、貿易應付賬款及其他應付款項及應計費用、預付款項、其他應收款項及其他資產及合約負債增加及(iii)已抵押銀行存款減少。

投資活動所得現金流量淨額

本集團的投資活動所得現金流量淨額由二零一九年約人民幣1,211,100,000元增加至二零二零年約人民幣1,662,000,000元。現金流量淨額增加主要由於二零二零年收到番禺土地收儲的補償款。

NET CASH FLOWS USED IN FINANCING ACTIVITIES

The Group's net cash flows used in financing activities increased from approximately RMB1,761.0 million in 2019 to approximately RMB1,785.1 million in 2020. The increase was mainly resulted from the combined effect of (i) the issue of new bonds, and the borrowing of new interest-bearing loans and other borrowings of approximately RMB947.0 million and (ii) the repayment of bank loans, other borrowings, amounts due to a director and principal portion of payment of lease and payment of interest of approximately RMB2,732.1 million.

EXCHANGE RISK EXPOSURE

The Group mainly operates in the PRC and most of its operating transactions are settled in Renminbi except for export sales and overseas borrowings which are mostly denominated in US dollar and HK dollar. Most of the Group's assets and liabilities are denominated in Renminbi. Although the Group may be exposed to foreign currency exchange risks, the Board does not expect that future currency fluctuations would materially impact the Group's operations. The Group did not adopt formal hedging policies nor instruments of foreign currency for managing the exchange risk exposure during the year ended 31 December 2020.

CAPITAL EXPENDITURE

For the year ended 31 December 2020, the Group invested approximately RMB61.3 million for the upgrading of property, plant and equipment and right-of-use assets. These capital expenditures were fully financed by internal resources.

FINANCIAL GUARANTEE

As at 31 December 2020, the Group guaranteed RMB99.5 million (2019: RMB94.3 million) to certain purchasers of the Group's properties for mortgage facilities.

As at 31 December 2020, the Group guaranteed RMB512.5 million (2019: RMB548.1 million) to a joint venture company for banking facilities in Saudi Arabia of which RMB317.1 million (2019: RMB511.5 million) was utilised by the joint venture company.

融資活動所用現金流量淨額

本集團的融資活動所用現金流量淨額由二零一九年約人民幣1,761,000,000元增加至二零二零年約人民幣1,785,100,000元。該增加主要綜合以下影響所致：(i) 發行新債券、新借計息貸款及其他借貸約人民幣947,000,000元及(ii) 償還銀行貸款、其他借款、應付董事款項及租賃付款之本金部分及支付利息約人民幣2,732,100,000元。

外匯風險

本集團主要於中國經營，其大部分營運交易乃以人民幣結算，惟出口銷售及海外借貸大部分以美元及港元計值，而本集團大部分資產及負債乃以人民幣計值。儘管本集團可能面對外匯風險，董事會預料日後匯率波動不會對本集團營運構成重大影響。截至二零二零年十二月三十一日止年度，本集團並無就管理外匯風險採用正式對沖政策或外幣工具。

資本開支

於截至二零二零年十二月三十一日止年度，本集團投資約人民幣61,300,000元更新物業、廠房及設備以及使用權資產。該等資本開支全部以內部資源支付。

財務擔保

於二零二零年十二月三十一日，本集團就按揭融資向本集團物業之若干買家作出為數人民幣99,500,000元（二零一九年：人民幣94,300,000元）之擔保。

於二零二零年十二月三十一日，本集團就沙特阿拉伯之銀行融資向合營公司作出為數人民幣512,500,000元（二零一九年：人民幣548,100,000元）之擔保，合營公司已使用當中人民幣317,100,000元（二零一九年：人民幣511,500,000元）。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論與分析

PLEDGE OF ASSETS

The Group pledged certain property, plant and equipment, leasehold lands, deposits, certain properties under development, completed properties held for sale, trade receivables and prepayments, other receivables with an aggregate net book value of approximately RMB1,198.0 million (2019: RMB1,201.1 million), RMB816.2 million (2019: RMB792.5 million), RMB18.6 million (2019: RMB2,000), RMB1,264.7 million (2019: RMB1,267.3 million), RMB102.6 million (2019: RMB109.4 million), RMB2.6 million (2019: nil), and RMB115.7 million (2019: nil) respectively as at 31 December 2020 to secure bank loans granted to the Group.

CAPITAL STRUCTURE, LIQUIDITY AND FINANCIAL RESOURCES

The Group's gearing ratio is calculated based on the sum of bank loans, other borrowings and fixed rate bonds and notes divided by total assets. The gearing ratio of the Group as at 31 December 2020 and 2019 were approximately 43.3% and 59.5%, respectively. Decrease in gearing ratio in 2020 as compared with that of 2019 was due to the Group's repayment of borrowings during the year.

On 27 April 2020, the Company entered into a subscription agreement (the "Subscription Agreement") with an investment fund, pursuant to which the Company agreed to issue, and the investment fund agreed to subscribe for HK\$140,000,000 12% bonds due in April 2022 (the "Bonds"). Mr. Chen Chang ("Mr. Chen"), an executive director and the controlling shareholder of the Company, undertakes and covenants that for so long as any of the Bonds remain outstanding, he shall remain as (i) the single largest direct or indirect shareholder of the Company; and (ii) the chairman of the board of directors and executive director of the Company (the "Specific Performance Obligations"). Any breach of the Specific Performance Obligations may constitute an event of default under the Bonds, pursuant to which the bondholder is entitled to redeem the Bonds immediately upon the occurrence of the breach in accordance with the terms and conditions of the Bonds.

資產抵押

於二零二零年十二月三十一日，本集團以總賬面淨值分別約為人民幣1,198,000,000元（二零一九年：人民幣1,201,100,000元）、人民幣816,200,000元（二零一九年：人民幣792,500,000元）、人民幣18,600,000元（二零一九年：人民幣2,000元）、人民幣1,264,700,000元（二零一九年：人民幣1,267,300,000元）、人民幣102,600,000元（二零一九年：人民幣109,400,000元）、人民幣2,600,000元（二零一九年：無）以及人民幣115,700,000元（二零一九年：無）的若干物業、廠房及設備、租賃土地、存款、若干發展中物業、落成待售物業、貿易應收款項及預付款項、其他應收款項作為本集團獲授的銀行貸款的抵押。

資本架構、流動資金及財務資源

本集團的資產負債比率乃按銀行貸款、其他借貸及定息債券及票據的總和除以資產總值計算。本集團於二零二零年及二零一九年十二月三十一日的資產負債比率分別約為43.3%及59.5%。於二零二零年的資產負債比率較二零一九年有所下降，乃由於本集團年內已償還借款。

於二零二零年四月二十七日，本公司與投資基金訂立認購協議（「認購協議」），據此，本公司同意發行，及投資基金同意認購140,000,000港元於二零二二年四月到期的12%債券（「債券」）。本公司執行董事兼控股股東陳昌先生（「陳先生」）保證並承諾，在債券期內，彼應為(i)本公司的單一最大直接或間接股東；及(ii)本公司董事會主席兼執行董事（「特定履約義務」）。違反特定履約義務可能構成債券的違約事件，據此，在發生違約時，債券持有人有權根據債券的條款和條件立即贖回債券。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論與分析

As at 31 December 2020, the Group's total borrowings amounted to approximately RMB3,700.0 million, of which approximately 40% (2019: 75%) were long term borrowings and approximately 60% (2019: 25%) were short term borrowings. The total borrowings included, (i) a loan of RMB818 million from Guangdong YueCai and Xingchen (as disclosed in the Company's announcements dated 12 February 2018, 27 February 2019 and 15 September 2020); (ii) a loan of RMB1.2 billion in relation to the Group's property development business; (iii) net borrowings under steel pipe business of around RMB1,682 million. The Group had to finance its working capital of steel pipe business by short term borrowings as around 90% of the cost of sales was incurred on the procurement of steel plates and steel coils. Once the Group received sales proceeds from its customers, it would then repay the short term borrowings. Taking into account the Group's cash in hand and the outstanding compensation of resumption of land use rights in Panyu in 2021, the Group has sufficient liquidity and is in a strong financial position to repay its short term borrowings.

As at 31 December 2020, the current liabilities of the Group exceeded its current assets by approximately RMB950.2 million. Phase II of GDC has been pre-sold which could increase the cashflow of the Group. The Group has sufficient cashflow to meet its short term obligations.

As at 31 December 2020, approximately 56% (2019: 51%) of the total borrowings were denominated in Renminbi, which carried interest rates linked to the benchmark lending rate published by the People's Bank of China; approximately 37% (2019: 43%) of the total borrowings were denominated in Renminbi which carried fixed interest rate; and approximately 7% (2019: 6%) of the total borrowings were denominated in US dollar and HK dollar which carried fixed interest rate.

於二零二零年十二月三十一日，本集團的借貸總額約為人民幣3,700,000,000元，當中約40%（二零一九年：75%）為長期借貸及約60%（二零一九年：25%）為短期借貸。借貸總額包括(i)來自廣東粵財及星辰之貸款人民幣818,000,000元（如本公司日期為二零一八年二月十二日、二零一九年二月二十七日及二零二零年九月十五日之公佈所披露）；(ii)有關本集團物業發展業務之貸款人民幣1,200,000,000元；(iii)鋼管業務項下之借貸淨額約人民幣1,682,000,000元。由於銷售成本約90%乃產生自採購鋼板及鋼卷，因此本集團須以短期借貸作其鋼管業務之營運資金。本集團一旦收到客戶的銷售所得款項，將償還短期借貸。經計及本集團手頭現金及二零二一年番禺土地使用權之收儲未付補償金，本集團有充足流動資金及強健的財務狀況，償還其短期借貸。

於二零二零年十二月三十一日，本集團之流動負債超出其流動資產約人民幣950,200,000元。金龍城第二期已開始預售，此舉可增加本集團之現金流量。本集團擁有充足現金流量，可履行其短期責任。

於二零二零年十二月三十一日，借貸總額約56%（二零一九年：51%）以人民幣計值，按中國人民銀行公佈的基準貸款利率計息；借貸總額約37%（二零一九年：43%）以人民幣計值，按固定利率計息；及借貸總額約7%（二零一九年：6%）以美元及港元計值，按固定利率計息。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論與分析

SIGNIFICANT INVESTMENTS, MATERIAL ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES

On 15 September 2020, the Group has entered into the land resumption compensation agreement (the “Land Resumption Compensation Agreement”) with Guangzhou City Land Development Centre (“Guangzhou LDC”) (廣州市土地開發中心), pursuant to which has agreed to resume, and PCKSP has agreed to offer to be resumed, the Land for a compensation of RMB3,453.4 million (subject to an early completion bonus payment of RMB690.7 million). Details of the above were disclosed in the Company’s announcement and circular dated 15 September 2020.

The land resumption contemplated under the Land Resumption Compensation Agreement was approved by the Shareholders of the Company at the extraordinary general meeting held on 23 October 2020.

Except for the above, the Group had no other material acquisitions or disposals during the year.

LITIGATION

As at 31 December 2020, the Group has an outstanding lawsuit in which Jiangsu Binxin Iron and Steel Group Company Limited (江蘇省鑛鑫鋼鐵集團有限公司) (“Jaingsu Binxin”) alleged Nanjing Rongyu Group Company Limited (南京鎔裕集團有限公司) (“Nanjing Rongyu”) breached a contract to purchase goods for a claim of RMB34.3 million. The purchase contract was executed prior to the Group’s acquisition of Nanjing Rongyu in May 2013. The Group was not informed of such purchase contract at the time of acquisition. According to the second instance judgement made by the Jiangsu Province Lianyungang Intermediate People’s Court, Nanjing Rongyu has to pay compensatory amount of RMB34.3 million and related interest to Jiangsu Binxin. As of the date of this annual report, the Group has made provision on the claim.

EMPLOYEE AND REMUNERATION POLICY

For the year ended 31 December 2020, staff costs (including Directors’ remuneration in the form of salaries and other benefits) were approximately RMB122.6 million (2019: RMB119.0 million).

主要投資、重大收購及出售附屬公司、聯營公司及合營公司

於二零二零年九月十五日，本集團與廣州市土地開發中心（「廣州市土地開發中心」）簽訂土地收儲補償協議（「土地收儲補償協議」），據此，廣州市土地開發中心已同意收儲，而番禺珠江鋼管已同意授出土地作收儲，土地補償款為人民幣3,453,400,000元（視乎提前完成獎金款項人民幣690,700,000元而定）。上述詳情分別於本公司日期為二零二零年九月十五日之公佈及通函披露。

土地收儲補償協議項下擬進行之土地收儲事項已於二零二零年十月二十三日舉行之股東特別大會上獲本公司股東批准。

除上述者外，年內本集團概無其他重大收購或出售事項。

訴訟

於二零二零年十二月三十一日，本集團有一項尚未了結之訴訟，江蘇省鑛鑫鋼鐵集團有限公司（「江蘇鑛鑫」）聲稱南京鎔裕集團有限公司（「南京鎔裕」）違反採購商品的合約，要求索償人民幣34,300,000元。該採購合約於本集團在二零一三年五月收購南京鎔裕前執行。本集團於收購時並不知悉有關採購合約的存在。根據江蘇省連雲港中級人民法院就本案作出的二審判決，南京鎔裕應向江蘇鑛鑫償還代償款人民幣34,300,000元及相關利息。截至本年報日期，本集團已經就該索償撥備。

僱員及薪酬政策

截至二零二零年十二月三十一日止年度，員工成本（包括薪金及其他福利形式的董事酬金）約為人民幣122,600,000元（二零一九年：人民幣119,000,000元）。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論與分析

The Group remunerates its employees based on their performance, experience and prevailing industry practice. The emoluments of the Directors are recommended by the Remuneration Committee and are decided by the Board, having regard to the Group's operating results, individual performance and comparable market statistics. Competitive remuneration package is offered to retain elite employees. Our package includes salaries, medical insurance, discretionary bonuses, on-job training, other benefits as well as mandatory provident funds schemes for employees in Hong Kong and state-managed retirement benefit schemes for employees in the PRC. Pursuant to the Company's share option scheme and share award scheme, options to subscribe respectively for shares in the Company or share awards of the Company may be granted to eligible employees. No share option or share award was granted under the share option scheme or share award scheme during the year ended 31 December 2020.

As at 31 December 2020, the Group had a total of 821 full time employees (2019: 1,162 employees). The following sets forth the total number of our staff by functions:

本集團根據員工的表現、經驗及現時行業慣例釐定員工的薪酬。董事的酬金乃經薪酬委員會提供推薦建議及由董事會考慮本集團的營運業績、個人表現及可資比較的市場統計數據後釐定。本集團提供具競爭力的薪酬待遇，以留任優秀員工。我們的酬金組合包括薪金、醫療保險、酌情花紅、在職培訓、其他福利以及有關香港員工的強制性公積金計劃及有關中國員工的國營退休福利計劃。根據本公司之購股權計劃及股份獎勵計劃，認購本公司股份之購股權或本公司之股份獎勵可分別授予合資格僱員。於截至二零二零年十二月三十一日止年度，概無根據購股權計劃或股份獎勵計劃授出購股權或股份獎勵。

於二零二零年十二月三十一日，本集團共有821名全職僱員（二零一九年：1,162名僱員）。下文載列按職能劃分的員工總數：

		2020 二零二零年	2019 二零一九年
Management	管理	74	108
Production and logistics	生產及物流	336	509
Sales and marketing	銷售及市場推廣	67	53
Finance	財務	41	32
Quality control	質量控制	64	75
R&D	研發	80	73
Procurement	採購	17	22
General administration and others	一般行政及其他	142	290
Total	合計	821	1,162

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論與分析

PROSPECT

2021 is the opening year of the “14th Five-Year Plan” development. According to the Medium and Long-Term Oil and Gas Pipeline Network Planning (《中長期油氣管網規劃》), the scale of domestic oil and gas pipeline network is expected to increase to 240,000 kilometers by 2025, of which the mileages of natural gas, crude oil and refined oil pipeline are expected to reach 163,000 kilometers, 37,000 kilometers and 40,000 kilometers, respectively. During the 14th Five-Year Plan period, China’s oil and gas pipeline mileage is expected to increase by 71,000 km, the capital expenditure on pipeline investment in China is expected to exceed RMB1 trillion during the 14th Five-Year Plan period.

The Qingdao-Nanjing Pipeline, the new Guangdong-Zhejiang Pipeline or the West Fourth Line, the extension section of Sichuan-East Gas Transmission Pipeline, the External Transmission Pipeline of Beijing LNG Receiving Station, the central section and southern section of the China-Russia Eastern Pipeline, the China-Russia Far East Pipeline, and the China-Russia Central Pipeline are expected to be constructed during the 14th Five-Year Plan period. Regional pipeline network will realize interconnection and interoperability. Particularly, the Yangtze River Delta will launch the phase II of the Zhejiang-Shanghai natural gas connecting line, the construction of cross-provincial long-distance pipeline will commence in the Bohai Rim region, and the construction of Fujian-Guangdong branch of the Western Third Line along the southern coast, the new Guangdong-Zhejiang natural gas pipeline and the western Guangdong branch of North Sea LNG will commence. In addition to Tibet, more than 400 provincial-level cities in China have not yet been connected to natural gas, and the construction of provincial, city and county-level branch pipeline is expected to increase.

China Oil & Gas Pipeline Network Corporation (“PipeChina”) and the Guangdong Provincial Government signed the Strategic Cooperation Agreement on the Reform of the Natural Gas Pipeline System in Guangdong Province (《關於廣東省天然氣管網體制改革戰略合作協議》), indicating the first provincial natural gas pipeline network to be integrated into PipeChina in a market-oriented manner, the construction of the natural gas pipeline network in the province will be accelerated and the “county-to-county” natural gas trunk pipeline in Guangdong will be realized. PipeChina will accelerate the construction of natural gas pipeline network in Guangdong Province, a total of 751 kilometers of six trunk pipelines are expected to be completed by the end of 2020, initially realize the “city to city” of natural gas in Guangdong Province, and expect to achieve the basic “county to county” by the end of 2022.

未來展望

二零二一年是「十四五」發展的開局之年，根據《中長期油氣管網規劃》，至二零二五年，國內油氣管網規模提升至24萬公里，其中天然氣、原油、成品油管道里程分別達到16.3萬公里、3.7萬公里及4萬公里，十四五期間中國油氣管道里程增長7.1萬公里，預計十四五期間中國管道資本開支超過人民幣10,000億元。

清寧管道、新粵浙管道或西四線、川氣東送增輸管道、北京LNG接收站外輸管道、中俄東線中段南段、中俄遠東管道、中俄中線管道預計於十四五期間開建。區域管網互聯互通。特別是，長三角將啟動浙滬天然氣聯絡線二期，環渤海地區將建設跨省長輸管道，南部沿海西三線閩粵支幹線、新粵浙天然氣管道和北海LNG粵西支線。除西藏外，中國尚未通氣的省城多達400個以上，省市縣級支線管道建設將有望增加。

國家石油天然氣管網集團有限公司（「國家管網集團」）與廣東省政府簽署了《關於廣東省天然氣管網體制改革戰略合作協議》，標誌著首個以市場化方式融入國家管網集團的省級天然氣管網，將加快省內天然氣管網建設，實現廣東天然氣主幹管道「縣縣通」，國家管網集團將加快廣東省內天然氣管網建設，預計二零二零年年底可見六條主幹管道共751公里，初步實現廣東省內天然氣「市市通」，預期二零二二年底基本實現「縣縣通」。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論與分析

According to the Guidance on Energy Work in 2020 (《2020年能源工作指導意見》) issued by the National Energy Administration, a series of expected goals, pipeline and gas storage facilities, smart grid, charging facilities and other construction will also be accelerated. In addition to increasing oil and gas exploration and development efforts, the construction of natural gas pipeline facilities will also be accelerated to strengthen the shortcomings of natural gas interconnection and transmission capacity in key areas, and the formation of “national network” will be accelerated. In terms of non-fossil energy, it will promote the construction of wind power and offshore wind power, accelerate the development of decentralized wind power, actively and steadily develop hydropower, and steadily push forward the construction of projects.

In addition, PipeChina, established on December 9, 2019, will take over the relevant oil and gas pipeline infrastructure assets of three large oil companies in China and officially put them into operation, introduce capital into the construction of oil and gas infrastructure, accelerate the process of marketization, vigorously promote the pipeline construction plan, enhance the speed of construction of pipeline networks, achieve interconnection and interoperability of pipeline networks, establish the “national network” covering the west-east gas transmission, north-south gas transmission, coastal delivery to inland, east-west synergy, north-south interoperability in accordance with the national plan, enhance oil and gas transportation capacity, and ensure a safe and stable supply of oil and gas energy.

The Group believes that the above-mentioned projects and policies are major opportunities for the steel pipe manufacturing industry, and the Company will seize the opportunities to boost its sales. In view of our long-term strategic target to become a global leading steel pipe manufacturer, the Group will seize possible opportunities of oil and gas development projects to expand our customer base and market share through engaging in more global oil and gas projects and will also continue to leverage its strengths in the steel pipe industry to obtain more orders.

根據國家能源局印發《2020年能源工作指導意見》，提出一系列預期目標，管網和儲氣設施、智能電網、充電設施等建設也將加快。在加大油氣勘探開發力度的同時，也加快天然氣管網設施建設，補強天然氣互聯互通和重點地區輸送能力短板，加快形成「全國一張網」。在非化石能源方面，推進風電和海上風電建設，加快分散式風電發展，積極穩妥發展水力發電，穩妥推進項目建設。

另外，國家管網集團於二零一九年十二月九日成立，將全面接管中國三大石油公司的相關油氣管道基礎設施資產，正式投入營運，引入資本投入油氣基礎設施建設，加快市場化進程，大力推動管網建設計劃，提升管網建設速度，按照國家計劃實現管網的互聯互通，構建西氣東輸、北氣南下、沿海內送、東西協同、南北互通的「全國一張網」，提升油氣運輸能力，確保油氣能源安全穩定供應。

本集團認為上述項目及政策均是鋼管製造行業的重大機遇，本公司定當把握時機提升其銷售額。鑒於我們的長期戰略目標為成為全球領先的鋼管製造商，本集團會把握潛在石油天然氣發展項目的機遇，通過參與更多全球油氣及工程項目，拓大客源及市場份額，繼續發揮本集團在鋼管行業的優勢，爭取更多的項目訂單。

PROFILE OF DIRECTORS AND SENIOR MANAGEMENT

董事及高級管理層履歷

EXECUTIVE DIRECTORS

Mr Chen Chang (陳昌)

Mr CHEN Chang (陳昌), aged 75, is the chief executive officer and the chairman of the Board and also a member of the Nomination Committee and Remuneration Committee of the Company. Mr Chen is the father of Mr Chen Guo Xiong, Ms Chen Zhao Nian (both being executive Directors) and Ms. Chen Zhao Hua (resigned as an executive Director on 1 October 2020). Being the founder of the Group, Mr Chen is primarily responsible for the overall management, strategic planning and business development of the Group. Mr Chen has over 52 years of experience in areas related to woodwork, machine tool equipment and lift/escalator equipment and has accumulated abundant experience and knowledge in the mechanical and electrical industry. Mr Chen graduated from the graduate school of Sun Yat-Sen University* (中山大學) in Guangdong Province in October 1995 majoring in decision management.

Mr Chen has been appointed by several steel pipe related associations and organisations for various positions, including:

- Member of the Fourth Session of Welded Steel Pipe Academic Committee of the Steel Rolling Branch Association of the Chinese Society for Metals* (中國金屬學會軋鋼分會第四屆焊接鋼管學術委員會會員) (2001)
- Vice president of the China Township Enterprises Association* (中國鄉鎮企業協會副會長) (2004, 2008)
- Vice chairman of the 4th and 5th sessions of the board of directors of the China Steel Construction Society and the Steel Pipe Branch Association* (中國鋼結構協會鋼管分會第四屆理事會及第五屆理事會副理事長) (2004, 2008)
- Vice chairman of the 4th, 5th and 6th consecutive council of the Cold-formed Steel Sub-committee of the China Steel Structure Association* (中國鋼結構協會冷彎型鋼分會第四、五、六屆理事會副理事長) (2004, 2005 and 2010)
- Vice president of the Metallurgical Chamber of Commerce of the All-China Federation of Industry & Commerce* (中華全國工商業聯合會冶金商會副會長) (2006)

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執行董事

陳昌先生

陳昌先生，75歲，為行政總裁兼董事會主席，並為本公司提名委員會及薪酬委員會的成員。陳先生為陳國雄先生、陳兆年女士（均為執行董事）及陳兆華女士（於二零二零年十月一日辭任執行董事）的父親。陳先生作為本集團創辦人，主要負責本集團的整體管理、策略規劃及業務發展。陳先生從事與木製品、機床設備及升降機／電梯設備有關領域的工作逾五十二年，積累了有關機電行業的豐富經驗及知識。於一九九五年十月，陳先生自廣東省中山大學研究生院畢業，主修決策管理。

陳先生獲若干鋼管相關聯會及組織委任多個職務，包括：

- 中國金屬學會軋鋼分會第四屆焊接鋼管學術委員會會員（二零零一年）
- 中國鄉鎮企業協會副會長（二零零四年、二零零八年）
- 中國鋼結構協會鋼管分會第四屆理事會及第五屆理事會副理事長（二零零四年、二零零八年）
- 中國鋼結構協會冷彎型鋼分會第四、五、六屆理事會副理事長（二零零四年、二零零五年及二零一零年）
- 中華全國工商業聯合會冶金商會副會長（二零零六年）

PROFILE OF DIRECTORS AND SENIOR MANAGEMENT

董事及高級管理層履歷

Mr Chen has received various awards, honours qualifications, including:

- Honoured by the Ministry of Commerce, Industry and Energy of the Republic of Korea for his contributions to Korean economic development through trade revitalisation (2004)
- Excellent Entrepreneur in Chinese Private Technology Enterprises awarded by the All-China Federation of Industry & Commerce* (中華全國工商業聯合會評為中國優秀民營科技企業家) (2004)
- Awarded the First Prize of Science and Technology Awards by the Guangzhou Municipality People's Government* (廣州市人民政府評為科學技術獎一等獎得主) (2007)
- Awarded as authority expert of welded pipe industry by the Chinese International Authority Expert's Association* (中國國際權威專家協會評為焊管行業權威專家) (2007)
- The invention of "three-roller forming technology and equipment" was awarded the gold prize in the Sixth Session of International Exhibition of Inventions and outstanding award by the Guangdong Provincial Bureau of Personnel and the Guangdong Province Intellectual Property Department* (發明三輥成型工藝及設備並在第六屆國際發明展覽會上榮獲金獎及獲廣東省人事廳及廣東省知識產權局評為優秀獎) (2008)
- Outstanding Individual in Earthquake Relief in Guangzhou* (廣州市抗震救災先進個人) (2008)
- The Fourth Invention and Entrepreneur Award by the China Steel Association* (中國鋼鐵協會第四屆「發明創業獎」) (2009)
- Guangzhou Model Labour* (廣州市勞動模範) (2009)
- First Prize of Science and Technology Award in Guangdong Province (廣東省科學技術獎一等獎) for the research and development of LSAW manufacturing process and technology and its series of products (2010)
- Guangzhou Outstanding Entrepreneur* (廣州市優秀企業家) (2011)
- Nationwide Outstanding Entrepreneur* (全國優秀企業家) (2012)

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陳先生獲頒多個獎項及榮譽資格，包括：

- 通過貿易振興為韓國經濟發展做出貢獻，故獲大韓民國工商及能源部表彰（二零零四年）
- 中華全國工商業聯合會評為中國優秀民營科技企業家（二零零四年）
- 廣州市人民政府評為科學技術獎一等獎得主（二零零七年）
- 中國國際權威專家協會評為焊管行業權威專家（二零零七年）
- 發明三輥成型工藝及設備並在第六屆國際發明展覽會上榮獲金獎及獲廣東省人事廳及廣東省知識產權局評為優秀獎（二零零八年）
- 廣州市抗震救災先進個人（二零零八年）
- 中國鋼鐵協會第四屆「發明創業獎」（二零零九年）
- 廣州市勞動模範（二零零九年）
- 直縫埋弧焊管工藝技術及系列產品研究開發獲得廣東省科學技術獎一等獎（二零一零年）
- 廣州市優秀企業家（二零一一年）
- 全國優秀企業家（二零一二年）

PROFILE OF DIRECTORS AND SENIOR MANAGEMENT

董事及高級管理層履歷

- Guangzhou Outstanding Contribution Award for Science and Technology* (廣州市科學技術突出貢獻獎) (2012)
- Outstanding Industrial Province of Science and Technology in the PRC's iron and steel industry* (中國鋼鐵工業優秀科技工業者) (2012)
- Guangzhou Figure of Focus* (羊城光彩人物) (2012)
- The Outstanding Entrepreneur for the Competition of the Top 10 Guangzhou Construction Project in 2012* (2012年度廣東省十項工程勞動競賽模範企業家) (2013)
- Outstanding Contribution Award for Innovation in Guangzhou* (廣州科技創新聯盟突出貢獻獎) (2013)
- Top 10 Guangdong Economic Influential Individuals in 2013* (2013年廣東十大經濟風雲人物)
- Nationwide "May 1st" Labour Award* (全國五一勞動獎章) (2014)
- Gold Prize of the 8th International Invention Exhibition* (第八屆國際發明會金獎) (2014)
- 5th China Overseas Chinese Community (Innovative Achievement) Contribution Award* (第五屆中國僑界(創新成果)貢獻獎) (2014)
- 14th World Outstanding Chinese Award* (第十四屆世界傑出華人獎) (2015)
- National Model Worker* (全國勞動模範) (2015)
- Guangzhou Entrepreneurial Entrepreneur for 30 years* (廣州創業30年功勳企業家) (2016)
- Gold Prize of the 19th International Invention Exhibition* (第十九屆國際發明會金獎) (2016)
- Yu Shan Outstanding Contribution Award* (禺山卓越貢獻獎) (2016)
- 2016 Guangzhou Industry Leader* (2016年度廣州市產業領軍人才) (2017)
- 廣州市科學技術突出貢獻獎(二零一二年)
- 中國鋼鐵工業優秀科技工業者(二零一二年)
- 羊城光彩人物(二零一二年)
- 2012年度廣東省十項工程勞動競賽模範企業家(二零一三年)
- 廣州科技創新聯盟突出貢獻獎(二零一三年)
- 2013年廣東十大經濟風雲人物
- 全國五一勞動獎章(二零一四年)
- 第八屆國際發明會金獎(二零一四年)
- 第五屆中國僑界(創新成果)貢獻獎(二零一四年)
- 第十四屆世界傑出華人獎(二零一五年)
- 全國勞動模範(二零一五年)
- 廣州創業30年功勳企業家(二零一六年)
- 第十九屆國際發明會金獎(二零一六年)
- 禺山卓越貢獻獎(二零一六年)
- 2016年度廣州市產業領軍人才(二零一七年)

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PROFILE OF DIRECTORS AND SENIOR MANAGEMENT

董事及高級管理層履歷

- The Most Socially Responsible Entrepreneur in Guangzhou* (廣州最具社會責任感企業家) (2017)
- Top Ten Economic Persons in Guangzhou* (廣州十大經濟風雲人物) (2018)
- The Central Committee of the Communist Party of China, the State Council and the Central Military Commission jointly issued a commemorative medal to celebrate the 70th anniversary of the founding of the People's Republic of China* (中共中央、國務院、中央軍委共同頒發慶祝中華人民共和國成立70周年紀念章) (2019)
- 廣州最具社會責任感企業家(二零一七年)
- 廣州十大經濟風雲人物(二零一八年)
- 中共中央、國務院、中央軍委共同頒發慶祝中華人民共和國成立70周年紀念章(二零一九年)

As at the date of this annual report, Mr Chen is the sole director and sole shareholder of Bournam Profits Limited, which is interested in 701,911,000 shares of the Company. Together with Mr Chen's personal interest of 4,350,000 shares of the Company, Mr Chen has a total interest of 706,261,000 shares of the Company.

Mr Chen Guo Xiong (陳國雄)

Mr CHEN Guo Xiong (陳國雄), aged 47, is an executive Director and vice chairman of the Board. He is the son of Mr Chen Chang (being chairman of the Board and an executive Director) and also the brother of Ms Chen Zhao Nian (being executive Director). Mr Chen is responsible for overseeing overall business development plan and strategic management of the Group. Mr. Chen joined the Group as deputy general manager in February 2019. Prior to joining the Group, Mr. Chen had extensive experience in the manufacturing industry including management and administration.

Ms Chen Zhao Nian (陳兆年)

Ms CHEN Zhao Nian (陳兆年), aged 44, is an executive Director. She is the daughter of Mr Chen Chang (being chairman of the Board and an executive Director) and also the sister of Mr Chen Guo Xiong (being vice chairman of the Board and executive Director). Ms Chen is primarily responsible for the daily management and operations of the Group. Ms Chen joined the Group in October 2002 as vice general manager after her graduation. Ms Chen obtained her bachelor's degree in arts from the University of Central Lancashire in the United Kingdom in June 2000 and her master's degree in accounting from Leeds Metropolitan University in the United Kingdom in October 2002. Ms. Chen has taken up the following public duties and has received the following awards:

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於本年報日期，陳先生為Bournam Profits Limited的唯一董事及唯一股東，而Bournam Profits Limited於本公司701,911,000股股份中擁有權益。連同陳先生於本公司4,350,000股股份中擁有的個人權益，陳先生於本公司合共706,261,000股股份中擁有權益。

陳國雄先生

陳國雄先生，47歲，為執行董事及董事會副主席。彼為陳昌先生（董事會主席及執行董事）的兒子及陳兆年女士（執行董事）的哥哥。陳先生負責監督本集團的整體業務發展計劃及戰略管理。陳先生於二零一九年二月加入本集團擔任副總經理。加入本集團之前，陳先生在製造業中擁有豐富經驗，包括管理及行政管理經驗。

陳兆年女士

陳兆年女士，44歲，為執行董事。彼為陳昌先生（董事會主席及執行董事）的女兒及陳國雄先生（董事會副主席及執行董事）的妹妹。陳女士主要負責本集團日常管理及營運。陳女士畢業後，於二零零二年十月加入本集團擔任副總經理。陳女士於二零零零年六月獲英國中央蘭開夏大學文學士學位及於二零零二年十月獲英國裡茲都市大學會計專業碩士學位。陳女士擔任下列公職，並獲頒以下獎項：

PROFILE OF DIRECTORS AND SENIOR MANAGEMENT

董事及高級管理層履歷

Public duties:

- Member of the Standing Committee of 16th Session of NPC in Panyu, Guangzhou* (廣州市番禺區第十六屆人大常委) (2011)
- Executive member of the Guangzhou Glory Society* (廣州市光彩事業促進會理事) (2012)
- Vice chairwoman of the Federation of Industry & Commerce in Panyu District of Guangzhou* (廣州市番禺區工商業聯合會副主席) (2012)
- President of the Youth Association of Panyu Merchants and Entrepreneurs in Panyu District* (番禺區禺商創業青年協會會長) (2012)
- Member of the 12th Executive Committee for Guangzhou Women* (廣州市婦女第十二屆執行委員會委員) (2012)
- Chairlady of the Guangzhou Association of Women Entrepreneurs* (廣州市女企業家協會會長) (2013)
- Representative of Guangzhou in the 11th All-China Women Federation Conference* (中華全國婦女聯合會第十一屆會議廣州代表) (2013)
- Committee member of the Guangzhou Committee of the 12th Chinese People's Political Consultative Conference* (中國人民政治協商會議第十二屆廣州市委員會委員) (2014)
- Guangzhou Deputy Director of the Federation of Young Entrepreneurs Committee* (廣州市工商聯青年企業家委員會常務副主任) (2014)
- Committee member of the 12th Guangdong Provincial Women's Federation, the Executive Committee* (廣東省婦聯第十二屆執委會常務委員) (2014)
- Vice President of Guangdong Province Private Enterprises Investment Development Association* (廣東省民營企業投資發展促進會副會長) (2015)

公職：

- 廣州市番禺區第十六屆人大常委 (二零一一年)
- 廣州市光彩事業促進會理事 (二零一二年)
- 廣州市番禺區工商業聯合會副主席 (二零一二年)
- 番禺區禺商創業青年協會會長 (二零一二年)
- 廣州市婦女第十二屆執行委員會委員 (二零一二年)
- 廣州市女企業家協會會長 (二零一三年)
- 中華全國婦女聯合會第十一屆會議廣州代表 (二零一三年)
- 中國人民政治協商會議第十二屆廣州市委員會委員 (二零一四年)
- 廣州市工商聯青年企業家委員會常務副主任 (二零一四年)
- 廣東省婦聯第十二屆執委會常務委員 (二零一四年)
- 廣東省民營企業投資發展促進會副會長 (二零一五年)

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PROFILE OF DIRECTORS AND SENIOR MANAGEMENT

董事及高級管理層履歷

- Vice President of Guangdong Province Association of Women Entrepreneurs* (廣東省女企業家協會副會長) (2015)
- Executive Vice President of Guangdong Province Association of Public Affairs* (廣東省致福公益促進會常務副會長) (2015)
- Vice President of Guangzhou Taxpayers Association* (廣州市納稅人協會副會長) (2015)
- Representative of the 15th People's Congress of Guangzhou City* (廣州市第十五屆人民代表大會代表) (2016)
- President of Guangdong Women and Children's Fund* (廣東省婦女兒童基金會理事長) (2017)
- Member of the 12th Executive Committee for National Women's Federation* (全國婦聯第十二屆執行委員會委員) (2018)
- Member of the 13th Executive Committee for Guangzhou Women's Federation* (廣州市婦聯第十三屆執行委員會委員) (2019)
- Honorary President of the Youth Association of Panyu Merchants and Entrepreneurs in Panyu District* (廣州市番禺區禺商創業青年協會榮譽會長) (2019)
- Committee member of the 13th Guangdong Provincial Women's Federation, the Executive Committee* (廣東省婦聯第十三屆執委會常務委員) (2019)
- Vice President and member of the 14th Executive Committee for Guangzhou Women's Federation* (廣州市番禺區婦聯第十四屆執行委員會兼副主席) (2020)
- Instructor of Women's Innovation and Entrepreneurship Mentor Group in Guangdong-Hong Kong-Macau Greater Bay Area (粵港澳大灣區婦女創新創業導師團導師) (2020)
- 廣東省女企業家協會副會長(二零一五年)
- 廣東省致福公益促進會常務副會長(二零一五年)
- 廣州市納稅人協會副會長(二零一五年)
- 廣州市第十五屆人民代表大會代表(二零一六年)
- 廣東省婦女兒童基金會理事長(二零一七年)
- 全國婦聯第十二屆執行委員會委員(二零一八年)
- 廣州市婦聯第十三屆執行委員會委員(二零一九年)
- 廣州市番禺區禺商創業青年協會榮譽會長(二零一九年)
- 廣東省婦聯第十三屆執委會常務委員(二零一九年)
- 廣州市番禺區婦聯第十四屆執行委員會兼副主席(二零二零年)
- 粵港澳大灣區婦女創新創業導師團導師(二零二零年)

* Unofficial transliteration from Chinese name for identification purposes only

PROFILE OF DIRECTORS AND SENIOR MANAGEMENT

董事及高級管理層履歷

Awards:

- The 8th Civilised Family with Five Distinctive Merits by the All-China Women's Federation* (中華全國婦女聯合會第八屆五好文明家庭) (2012)
- Female Pace Setter with Great Contribution (National Level)* (全國巾幗建功標兵) (2013)
- Most Charismatic Woman in 60 years of Guangzhou Loving Hearts* (感動廣州60年最具魅力女性) (2013)
- Guangzhou Outstanding Entrepreneur Honors* (廣州市優秀企業家) (2013)
- Guangdong Outstanding Women Entrepreneur Honours* (廣東省“優秀女企業家”)(2013)
- “March 8th Flag Bearer” of Guangzhou* (廣州市“三八紅旗手”) (2010-2013)
- Outstanding Women Entrepreneur* (傑出創業女性) (2014)
- Guangdong Province Top Ten Outstanding Scholarly Home* (廣東省“十大優秀書香之家”)(2014)
- Ten Outstanding Young Entrepreneur* (十佳優秀青年企業家) (2015)
- Guangdong Top Ten “Charity Contribution Award”* (廣東十佳“慈善奉獻獎”)(2015)
- Top 10 Guangdong Business New Individuals in 2015* (2015廣東商界十大新銳人物) (2016)
- Diamond Award of Charity Figures* (2016年度慈善人物鑽石獎) (2016)
- Guangzhou New Generation Outstanding Entrepreneur* (廣州新生代優秀企業家) (2016)

獎項:

- 中華全國婦女聯合會第八屆五好文明家庭(二零一二年)
- 全國巾幗建功標兵(二零一三年)
- 感動廣州60年最具魅力女性(二零一三年)
- 廣州市優秀企業家(二零一三年)
- 廣東省「優秀女企業家」(二零一三年)
- 廣州市「三八紅旗手」(二零一零年至二零一三年)
- 傑出創業女性(二零一四年)
- 廣東省「十大優秀書香之家」(二零一四年)
- 十佳優秀青年企業家(二零一五年)
- 廣東十佳「慈善奉獻獎」(二零一五年)
- 2015廣東商界十大新銳人物(二零一六年)
- 2016年度慈善人物鑽石獎(二零一六年)
- 廣州新生代優秀企業家(二零一六年)

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PROFILE OF DIRECTORS AND SENIOR MANAGEMENT

董事及高級管理層履歷

- Outstanding CEO (2016年度傑出CEO)(2016)
- The 1st National Civilized Family* (第一屆全國文明家庭)(2016)
- Award of 2nd Bauhinia Women Entrepreneur* (第二屆紫荊女企業家獎)(2017)
- 2017 District “Industry Talent Urgently Needed Shortage”* (2017年度區「產業急需緊缺人才」稱號)(2017)
- Panyu District Integrity Family Award* (番禺區廉潔家庭獎)(2018)
- Top 10 Guangzhou Most Beautiful Philanthropist Families* (2018年度廣州市十大最美慈善家庭)(2018)
- Charity Love Award by Guangdong Province Association of Women Entrepreneurs* (廣東省女企業家協會－慈善愛心獎)(2019)
- Charity Award by Guangdong Province Association of Women Entrepreneurs, Guangdong Province Women and Children’s Fund* (廣東省女企業家協會、廣東省婦女兒童基金會－慈善人士)(2019)
- Advanced Individuals in Social Service Work by Zhi Gong Party Guangdong Provincial Committee (致公黨廣東省委員會-致公黨社會服務工作先進個人)(2020)
- 2016年度傑出CEO (二零一六年)
- 第一屆全國文明家庭(二零一六年)
- 第二屆紫荊女企業家獎(二零一七年)
- 2017年度區「產業急需緊缺人才」稱號(二零一七年)
- 番禺區廉潔家庭獎(二零一八年)
- 2018年度廣州市十大最美慈善家庭(二零一八年)
- 廣東省女企業家協會－慈善愛心獎(二零一九年)
- 廣東省女企業家協會、廣東省婦女兒童基金會－慈善人士(二零一九年)
- 致公黨廣東省委員會－致公黨社會服務工作先進個人(二零二零年)

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PROFILE OF DIRECTORS AND SENIOR MANAGEMENT

董事及高級管理層履歷

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr Chen Ping (陳平)

Mr CHEN Ping (陳平), aged 55, was appointed as an independent non-executive Director on 23 January 2010. Mr Chen is also the chairman of the Nomination Committee and a member of the Audit Committee and Remuneration Committee of the Company. Mr Chen graduated from the Jinan University, the PRC in 1984 majoring in finance and later obtained a doctoral degree in finance in Nankai University, the PRC in December 1990. Mr Chen has lectured at the Lingnan College, Sun Yat-Sen University for more than 28 years in Guangdong Province, the PRC, teaching international finance. He is currently the head of Marine Economic Research Centre of Sun Yat-Sen University (海洋經濟研究中心). Mr Chen also assumed various posts in societies and clubs concerning economics and finance, such as a council member at International Finance Society of China* (中國國際金融學會), International Finance Society* (國際金融學會) and China Society of World Economics* (中國世界經濟學會). Mr Chen is also engaged in academic researches with focuses on finance theories and policies, global economics and so forth, and has published a number of essays and publications. As an experienced professor, Mr Chen has won various awards for the lecture materials used and also for the essays published. In 1997, Mr Chen's teaching materials entitled International finance* (《國際金融》) was awarded National Educational Achievement Award – Second Class* (國家教學成果二等獎) by the Committee of Education of the PRC. In May 2002, Mr Chen's paper entitled Study on the effect of merger and acquisition of listed companies on wealth* (《上市公司兼併與收購的財富效應研究》) was selected for the Best Paper Award of the 9th Global Finance Association Annual Conference by the 9th GFA Annual Conference Program Committee. In 2005, Mr Chen's teaching and research achievements entitled Exploration and practice of educational internationalisation* (《教學國際化的探索與實踐》) was awarded Guangdong Province Educational Achievement Award – First Class* (廣東省教學成果一等獎). In 2006, Mr Chen was selected as talented person for Ministry of Education New Century Outstanding Person Support Scheme* (教育部新世紀優秀人才支持計劃). In 2007, Mr Chen received Bao Steel Outstanding Teacher Award* (寶鋼、花旗優秀教師獎). Mr Chen was an independent director of Guangzhou Zhujiang Brewery Group Co., Ltd.* (廣州珠江啤酒股份有限公司), a company listed on the Shenzhen Stock Exchange, with effect from 10 October 2016. Mr Chen was also an independent director of Shenzhen Universe (Group) Co. Ltd (深圳市天地(集團)股份有限公司), a company listed on the Shenzhen Stock Exchange (stock code: 000023), with effect from 15 July 2019.

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獨立非執行董事

陳平先生

陳平先生，55歲，於二零一零年一月二十三日獲委任為獨立非執行董事。陳先生亦為本公司提名委員會主席，以及審核委員會及薪酬委員會的成員。陳先生於一九八四年畢業於中國暨南大學金融系，之後於一九九零年十二月獲得中國南開大學金融學博士學位。陳先生於中國廣東省中山大學嶺南學院講授國際金融課程逾28年。彼現為中山大學海洋經濟研究中心主任。陳先生亦於相關經濟及金融協會及會社擔任多種職務，如擔任中國國際金融學會、國際金融學會及中國世界經濟學會常務理事。陳先生的學術研究致力於金融理論及政策、全球經濟等方面，並出版若干論文及刊物。作為一位經驗豐富的教授，陳先生獲得多種與授課材料及論文有關的獎項。於一九九七年，陳先生所編製的教材《國際金融》獲中國教育部授予國家教學成果二等獎。二零零二年五月，陳先生的論文《上市公司兼併與收購的財富效應研究》獲全球金融學會第九屆年會論文評選委員會評為全球金融學會第九屆年會優秀論文獎。二零零五年，陳先生編製的教研成果《教學國際化的探索與實踐》榮獲廣東省教學成果一等獎。二零零六年，陳先生入選教育部新世紀優秀人才支持計劃。二零零七年，陳先生榮獲寶鋼、花旗優秀教師獎。陳先生自二零一六年十月十日起為廣州珠江啤酒股份有限公司（一間於深圳證券交易所上市的公司）的獨立董事。陳先生亦自二零一九年七月十五日起為深圳市天地（集團）股份有限公司（一間於深圳證券交易所上市的公司）（股份代號：000023）的獨立董事。

PROFILE OF DIRECTORS AND SENIOR MANAGEMENT

董事及高級管理層履歷

Mr Tian Xiao Ren (田曉韜)

Mr TIAN Xiao Ren (田曉韜), aged 67, was appointed as an independent non-executive Director on 1 August 2014. Mr Tian is also the chairman of the Remuneration Committee and a member of the Audit Committee and Nomination Committee of the Company. Mr Tian graduated from Zhejiang Radio and Television University in the PRC in 1985 and studied the Master of Business Administration Degree at Hangzhou University in the PRC from 1995 to 1998. He was appointed as vice chairman of Bank of China Group Investment Company Limited from 2006 to 2013. Prior to 2006, Mr Tian was the president of Bank of China of Guangdong Province and Jiangxi Province, the PRC and the vice-president of Bank of China of Zhejiang Province, the PRC for 26 years. He has over 32 years of experience in the banking and financial field. Mr Tian is now a senior economist in the PRC and is entitled to the special subsidy awarded by the state council of the People's Republic of China in recognition of his contribution to the economy of China.

Mr Au Yeung Kwong Wah (歐陽廣華)

Mr. Au Yeung Kwong Wah (歐陽廣華), aged 56, was appointed as an independent non-executive Director on 1 October 2019. Mr Au Yeung is also the chairman of the Audit Committee of the Company. Mr. Au Yeung obtained a bachelor's degree in commerce from the Bond University in Australia in September 1996, a master's degree in accountancy from the Chinese University of Hong Kong in December 2000, a postgraduate diploma in corporate administration from the Hong Kong Polytechnic University in December 2005 and an EMBA degree from the Chinese University of Hong Kong in December 2008. Mr. Au Yeung is a member of CPA Australia and the Hong Kong Institute of Certified Public Accountants. He has over 20 years of experience in auditing and financial control through his prior employments with accounting firms and listed companies in Hong Kong. Mr. Au Yeung was an independent non-executive director of Modern Media Holdings Limited, a company listed on The Stock Exchange of Hong Kong Limited (stock code: 72), until his resignation with effect 30 September 2019.

田曉韜先生

田曉韜先生，67歲，於二零一四年八月一日獲委任為獨立非執行董事。田先生亦為本公司薪酬委員會之主席，以及審核委員會及提名委員會之成員。田先生於一九八五年畢業於中國浙江廣播電視大學，於一九九五年至一九九八年間於中國杭州大學修讀工商管理研究院課程。彼於二零零六年至二零一三年曾任中銀集團投資有限公司副董事長。田先生於二零零六年前，曾任中國銀行廣東省分行及江西省分行行長及浙江省分行副行長共26年。彼擁有逾32年的銀行及金融業經驗。田先生現為中國高級經濟師及享有中華人民共和國國務院特殊津貼，為獎勵彼對中國經濟的貢獻。

歐陽廣華先生

歐陽廣華先生，56歲，於二零一九年十月一日獲委任為獨立非執行董事。歐陽先生亦為本公司審核委員會之主席。歐陽先生於一九九六年九月自澳洲邦德大學 (Bond University) 取得商學學士學位、於二零零零年十二月自香港中文大學取得會計學碩士學位、於二零零五年十二月自香港理工大學取得企業行政深造文憑及於二零零八年十二月自香港中文大學取得行政人員工商管理碩士學位。歐陽先生為澳洲會計師公會及香港會計師公會會員。彼曾於香港會計師行及上市公司任職，於審計及財務監控方面擁有超過20年經驗。歐陽先生自二零一九年九月三十日起辭任現代傳播控股有限公司之獨立非執行董事，現代傳播控股有限公司為於香港聯合交易所有限公司上市的公司（股份代號：72）。

PROFILE OF DIRECTORS AND SENIOR MANAGEMENT

董事及高級管理層履歷

SENIOR MANAGEMENT

Ms Liu Yonghe (劉詠荷)

Ms LIU Yonghe (劉詠荷), aged 52, joined PCKSP in June 1994 and had worked as accounting staff and financial manager. Ms Liu has acquired profound experience in financial management, accounting and auditing during her employment with the Group for over 25 years. Ms Liu is now responsible for cash flow and working capital control of the Group. She completed her professional accounting education at Lanzhou University of Finance and Economics, the PRC in 1990 with a bachelor's degree in economics and obtained professional qualification as assistant accountant in 1991. Ms Liu has over 28 years of experience in the accounting and finance industry. She was awarded the "March 8th Flag Bearer" in 1999 and 2002, and the post she held was awarded as the Women's Exemplary Post by the Guangzhou Women's Union in March 2005. In October 2009, Ms Liu obtained a master's degree in the Executive Master of Business Administration (EMBA) programme at the Asia International Open University (Macau).

Ms Wong Pui Shan (王珮珊)

Ms WONG Pui Shan (王珮珊), aged 44, joined the Group in April 2011 as the chief financial officer and company secretary of the Company. She is responsible for corporate finance management and company secretarial work of the Group. Ms Wong received her Master of Science in Finance from the Chinese University of Hong Kong and Bachelor of Arts Degree (Hons) in Accountancy from the Hong Kong Polytechnic University. She is a fellow member of the Association of Chartered Certified Accountants, a member of the Hong Kong Institute of Certified Public Accountants, the Hong Kong Institute of Chartered Secretaries and the Institute of Chartered Secretaries and Administrators. Prior to joining the Company, she had served international audit firms for four years and listed companies as financial controller and company secretary for more than 18 years.

COMPANY SECRETARY

Ms Wong Pui Shan (王珮珊)

Ms WONG is the company secretary of the Company. Ms Wong is working for the Company on a full time basis. Details of her biography are set out above in this section.

Ms Wong has complied with the relevant professional training requirement under Rule 3.29 of the Listing Rules.

高級管理層

劉詠荷女士

劉詠荷女士，52歲，於一九九四年六月加入番禺珠江鋼管，擔任會計人員及財務經理。劉女士於本集團任職逾二十五年，在財務管理、會計及核數方面積累了豐富的經驗。劉女士現負責本集團現金流量及營運資金控制。彼於一九九零年於中國蘭州商學院完成會計學專業教育，取得經濟學學士學位，並於一九九一年取得助理會計師專業資格。劉女士於會計及財務領域擁有逾二十八年經驗。彼於一九九九年和二零零二年被評為「三八紅旗手」。於二零零五年三月，其工作崗位被廣州市婦女聯合會評為巾幗文明崗。於二零零九年十月，劉女士畢業於亞洲（澳門）國際公開大學，獲得高級工商管理碩士學位。

王珮珊女士

王珮珊女士，44歲，於二零一一年四月加入本集團，擔任本公司財務總監及公司秘書。彼負責本集團的企業財務管理及公司秘書工作。王女士於香港中文大學取得財務學碩士及香港理工大學取得會計學（榮譽）文學士學位。彼為英國特許公認會計師公會資深會員、香港會計師公會、香港特許秘書公會及英國特許秘書及行政人員公會會員。於加盟本公司前，彼曾於國際核數公司工作四年及於上市公司擔任財務總監及公司秘書職務逾十八年。

公司秘書

王珮珊女士

王女士為本公司的公司秘書。王女士於本公司全職工作。其履歷載列於本節上文。

王女士已符合上市規則第3.29條的相關專業培訓要求。

REPORT OF DIRECTORS

董事會報告書

The Directors hereby present their report and the audited financial statements of the Group for the year ended 31 December 2020.

PRINCIPAL ACTIVITIES

The principal activity of the Company is investment holding. The principal activities of the subsidiaries of the Company include manufacture and sales of welded steel pipes. The Group is also engaged in the property development and investment.

Details of the company's principal subsidiaries as at 31 December 2020 are set out in note 1 to the financial statements.

RESULTS AND DIVIDEND

The Group's profit for the year ended 31 December 2020 and the state of affairs of the Group at that date are set out in the financial statements on pages 87 to 242.

The Directors did not recommend payment of dividend for the year ended 31 December 2020 (2019: Nil).

BUSINESS REVIEW

A fair review of the business of the Group as well as discussion and analysis of the Group's performance during the year under review can be found in the "Chairman's Statement" and "Management Discussion and Analysis" set out on pages 6 to 8 and pages 15 to 31 respectively.

The Group will continue to focus on its steel pipe business by diversifying its product usage and market segment. For property development, the Group will continue to sell units of Phase II GDC and receive rental income from shops of Phase I GDC.

ENVIRONMENTAL POLICIES AND PERFORMANCE

The Group is highly aware of the importance of environment protection and has not noted any material non-compliance with all relevant laws and regulations in relation to its business including health and safety, workplace conditions, employment and the environment. The Group has implemented environmental protection measures to reduce energy consumption, treat sewage before recycling and discharge, and sell wasted steel products to recycling companies. Further details of the Group's environmental policies and performance can be found in the "Environmental, Social and Governance Report" set out on pages 77 to 86.

董事會謹此提呈其報告書以及本集團截至二零二零年十二月三十一日止年度的經審核財務報表。

主要業務

本公司主要業務為投資控股。本公司附屬公司的主要業務包括製造及銷售焊接鋼管。本集團亦從事物業發展及投資。

本公司主要附屬公司於二零二零年十二月三十一日的詳情載於財務報表附註1。

業績及股息

本集團截至二零二零年十二月三十一日止年度的溢利及本集團於當日的事務狀況載於財務報表第87至242頁。

董事會不建議就截至二零二零年十二月三十一日止年度派付股息（二零一九年：無）。

業務回顧

本集團業務回顧及本集團於回顧年度之表現的討論與分析分別載於第6至8頁以及第15至31頁之「主席報告書」及「管理層討論與分析」。

本集團仍繼續專注鋼管業務，會多元化產品用途及细分市场。物業發展方面，本集團會繼續出售金龍城II期單位及收取金龍城I期商舖租金。

環境政策和表現

本集團高度了解環境保護的重要性，並無發現任何與業務，包括健康與安全、工作場所條件、就業和環境有關的所有相關法律和法規的重大違規行為。本集團已採取環保措施以減少能源消耗，將污水進行處理再作循環使用及排放，並將廢鋼產品出售給回收公司。有關本集團的環境政策和表現的更多詳細信息，請參見載於第77至86頁之「環境、社會及管治報告」。

REPORT OF DIRECTORS

董事會報告書

COMPLIANCE WITH LAWS AND REGULATIONS

During the year ended 31 December 2020, the Group was not aware of any non-compliance with any relevant laws and regulations that might have a significant impact on the businesses of the Group.

RELATIONS WITH EMPLOYEES, CUSTOMERS AND SUPPLIERS

Employees: The Group remunerates its employees based on their performance, experience and prevailing industry practice. Our package includes salaries, medical insurance, discretionary bonuses, on-job training, other benefits as well as mandatory provident funds schemes for employees in Hong Kong and state-managed retirement benefit schemes for employees in the PRC. Our current relationship with our employees and the labour unions are good and are based on mutual support and respect.

Customers: We have built strong, long-standing relationships with our major customers, and established a strong customer base. We have obtained numerous patents, awards and recognitions, international certificates and long standing international and nationwide track record to establish our stable customer base. We are an industry pioneer and are the first and only steel pipe manufacturer in the PRC to manufacture and successfully develop deep sea welded steel pipes for the use at a water depth of 3,500m and a qualified supplier of Petrobras and Petronas. We believe that this can enable us to establish and maintain market leadership in the steel pipe industry.

Suppliers: We choose our suppliers of raw materials mainly based on the prices and quality of raw materials offered by different suppliers. We issue purchase orders to our suppliers that set out the quantities, prices and specifications of the products to be purchased, delivery arrangement, and credit terms at arms' length negotiations between the parties based on normal commercial terms. We believe the relationship between us and our major suppliers is good and stable. Most of our procurements were paid in RMB.

SUMMARY FINANCIAL INFORMATION

A summary of the published results, assets and liabilities of the Group for the last five financial years, as extracted from the audited financial statements, is set out on pages 243 to 244. This summary does not form part of the audited financial statements.

法律和法規的遵守

截至二零二零年十二月三十一日止年度，本集團未發現有任何未遵守相關法律法規可能對本集團業務造成重大影響的情況。

與員工、客戶和供應商的關係

員工：本集團根據員工的表現、經驗及現時行業慣例釐定員工的薪酬。我們的薪金組合包括薪金、醫療保險、酌情花紅、在職培訓、其他福利以及有關香港員工的強制性公積金計劃及有關中國員工的國營退休福利計劃。我們現與員工及工會保持良好關係，並相互支持及尊重。

客戶：我們已與主要客戶建立穩固的長期業務關係，建立了強大的客戶基礎。我們取得多項專利、獎項與認證、國際證書，及以悠久往績享譽海外及全國，以建立穩固的客戶基礎。我們是行業先驅及是中國第一家及唯一製造及成功研發用於3,500米水深深海焊管的焊管製造商，亦為巴西石油及馬油的合資格供應商。我們相信使我們能夠在鋼管行業建立並保持市場領導地位。

供貨商：我們主要根據不同供貨商所提供的原材料價格及質量甄選原材料供貨商。我們向供貨商下達採購訂單，其中載明將予採購產品的採購數量、價格及規格、交付安排、及各方按一般商業條款公平磋商的信用期。我們相信我們與主要供應商的關係良好穩定。我們大部分採購以人民幣付款。

財務資料概要

摘錄自經審核財務報表的本集團已公佈於過往五個財政年度的業績、資產及負債概要載於第243至244頁。本概要不構成經審核財務報表的一部分。

REPORT OF DIRECTORS

董事會報告書

PROPERTY, PLANT AND EQUIPMENT

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

SHARE CAPITAL

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

PRINCIPAL RISKS AND UNCERTAINTIES

The Group's financial condition and results of operations would be affected by a number of factors. The principal risks and uncertainties relating to the Group are set out below:

- The Group's revenue of steel pipe business is dependent on securing sales orders for new projects through biddings from customers. Most of our revenue is generated from pipeline or other infrastructure projects that are mainly project-originated and non-recurring in nature. Our revenue will be affected if we cannot successfully obtain biddings from customers.
- The Group does not have any long term contracts with its customers of steel pipe business. If the Group's customers choose not to engage the Group in the future, the Group's steel pipe business operations, financial results and profitability will be affected.
- The Group's revenue of property business is dependent on the policy of PRC government. Any change of PRC policy will affect the property business operations, financial results and profitability.

DISTRIBUTABLE RESERVES

Details of the movements in the reserves of the Group during the year are set out in the consolidated statement of changes in equity.

As at 31 December 2020, the Company's reserves, including the share premium account and contributed surplus and accumulated losses, available for distribution, calculated in accordance with the Companies Law, Cap 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands (the "Companies Law"), amounted to approximately RMB168.7 million. The Board do not recommend the payment of any final dividend for the year ended 31 December 2020. Details of the reserves of the Company as at 31 December 2020 are set out in note 44 to the financial statements.

物業、廠房及設備

本集團於年內的物業、廠房及設備的變動詳情載於財務報表附註13。

股本

本公司於年內的股本變動詳情載於財務報表附註34。

主要風險及不確定因素

本集團之財務狀況及營運業績受若干因素影響。與本集團有關之主要風險及不確定因素載列如下：

- 本集團之鋼管業務收益取決於通過客戶招標而獲得新項目之銷售訂單。我們的大部分收益來自管道或其他基礎設施項目，而該等項目來源主要以項目為基礎且屬非經常性性質。倘我們無法成功地從客戶處收到競標，我們的收益將受到影響。
- 本集團並無與其鋼管業務客戶訂有任何長期合約。倘本集團的客戶日後選擇不選用本集團，則本集團的鋼管業務營運、財務業績及盈利能力將受到影響。
- 本集團之房地產業務收益取決於中國政府的政策。任何中國政策變動將對房地產業務營運、財務業績及盈利能力產生影響。

可分配儲備

本集團於年內的儲備變動詳情載於綜合權益變動表。

於二零二零年十二月三十一日，根據開曼群島法例第22章公司法（一九六一年第3號法例，經綜合及修訂）（「公司法」）計算的本公司可供分派儲備（包括股份溢價賬及繳足盈餘以及累計虧損）約為人民幣168,700,000元。董事會不建議派付截至二零二零年十二月三十一日止年度之末期股息。有關本公司於二零二零年十二月三十一日的儲備詳情載於財務報表附註44。

REPORT OF DIRECTORS

董事會報告書

The reserves of the Group available for distribution depend on the dividend distributable by the Company's subsidiaries. For dividend purpose, the amount which the Company's subsidiaries in the PRC can legally distribute by way of dividend is determined by reference to their distributable profits as reflected in the PRC statutory financial statements which are prepared in accordance with accounting principles generally accepted in the PRC. These distributable profits differ from those that are reflected in the Group's financial statements prepared in accordance with the International Financial Reporting Standards ("IFRSs").

TAX RELIEF

The Company is not aware of any relief from taxation available to Shareholders by reason of their holding of the Company's shares.

MAJOR CUSTOMERS AND SUPPLIERS

For the year ended 31 December 2020, sales to the Group's five largest customers accounted for 28% of the total revenue of the Group, and sales to the largest customer amounted to 9%. Purchases from the Group's five largest suppliers accounted for 41% of the total cost of sales of the Group, and purchases from the largest supplier amounted to 15%. None of the Directors or any of their associates or any Shareholders (which, to the best knowledge of the Directors, own more than 5% of the number of the Company's issued shares) had any beneficial interest in the Group's five largest customers and five largest suppliers.

DIRECTORS

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

Executive Directors:

Mr. Chen Chang (*Chairman*)
Mr. Chen Guo Xiong (appointed on 1 October 2020)
Ms. Chen Zhao Nian
Ms. Chen Zhao Hua (resigned on 1 October 2020)

Independent Non-executive Directors:

Mr. Chen Ping
Mr. Tian Xiao Ren
Mr. Au Yeung Kwong Wah

Ms. Chen Zhao Hua resigned as an executive Director with effect from 1 October 2020 due to her personal reasons. Mr. Chen Guo Xiong was appointed as an executive Director and vice chairman of the Board with effect from 1 October 2020. The Company has received annual confirmations of independence pursuant to Rule 3.13 of the Listing Rules from Mr. Chen Ping, Mr. Tian Xiao Ren and Mr. Au Yeung Kwong Wah, and as at the date of this report, the Company considers them to be independent.

本集團的可供分派儲備視乎本公司附屬公司的可分配股息而定。就股息而言，本公司在中國境內的附屬公司可合法地分派股息，其金額乃經參考根據中國公認會計原則編製的中國法定財務報表所顯示的可供分派溢利後釐定。該等可供分派溢利與本集團根據國際財務報告準則（「國際財務報告準則」）編製的財務報表所顯示者有所不同。

稅務減免

本公司並不知悉有股東因持有本公司股份而獲減免任何稅項。

主要客戶及供應商

截至二零二零年十二月三十一日止年度，本集團對五大客戶的銷售額佔本集團總收入的28%，及向最大客戶的銷售額佔9%。向本集團五大供應商的採購額佔本集團總銷售成本41%，及向最大供應商之採購額佔15%。董事或任何彼等的聯繫人士或任何股東（就董事所深知，擁有本公司已發行股份數目5%以上者）概無在本集團五大客戶及五大供應商中擁有任何實益權益。

董事

以下為年內及截至本報告日期的董事：

執行董事：

陳昌先生（主席）
陳國雄先生（於二零二零年十月一日獲委任）
陳兆年女士
陳兆華女士（於二零二零年十月一日辭任）

獨立非執行董事：

陳平先生
田曉韜先生
歐陽廣華先生

陳兆華女士由於其個人原因自二零二零年十月一日起辭任執行董事。陳國雄先生已自二零二零年十月一日起獲委任為執行董事及董事會副主席。根據上市規則第3.13條，本公司已收到陳平先生、田曉韜先生及歐陽廣華先生的年度獨立確認書，及於本報告日期，本公司認為彼等乃屬獨立人士。

REPORT OF DIRECTORS

董事會報告書

DIRECTORS' AND SENIOR MANAGEMENT'S BIOGRAPHIES

Biographical details of the Directors and senior management are set out in the section headed "Profile of Directors and Senior Management" on pages 32 to 42 of this annual report.

RE-ELECTION OF DIRECTORS

In accordance with article 105(A) of the Articles of Association, Ms. Chen Zhao Nian and Mr. Chen Ping will retire and, being eligible, will offer themselves for re-election at the forthcoming AGM of the Company.

According to code provision A.4.3 of the Corporate Governance Code as set out in Appendix 14 of the Listing Rules, if an independent non-executive Director serves more than nine years, any further appointment of such independent non-executive Director should be subject to a separate resolution to be approved by the shareholders.

Mr. Chen Ping has served as an independent non-executive Director for more than nine years. The Company has received from Mr. Chen Ping a confirmation of independence according to Rule 3.13 of the Listing Rules. Mr. Chen Ping has not engaged in any executive management of the Group. Taking into consideration of his independent scope of work in the past years, the Board considers Mr. Chen Ping to be independent under the Listing Rules despite the fact that he has served the Company for more than nine years. The Board believes that his continued tenure brings considerable stability to the Board and the Board has benefited greatly from the presence of Mr. Chen Ping who has over time given valuable insight into the Group.

Pursuant to article 109 of the Articles of Association, Mr. Chen Guo Xiong, being appointed by the Board as executive Director and vice chairman of the Board with effect from 1 October 2020, shall hold office only until the forthcoming AGM and is eligible to offer himself for re-election at the forthcoming AGM.

A separate resolution will be proposed for the re-election of each of Mr. Chen Guo Xiong, Ms. Chen Zhao Nian and Mr. Chen Ping at the forthcoming AGM.

董事及高級管理層履歷

董事及高級管理層履歷詳情載於本年報第32至42頁的「董事及高級管理層履歷」一節。

重選董事

根據組織章程細則第105(A)條，陳兆年女士及陳平先生將於本公司應屆股東週年大會上退任，並符合資格且願意重選連任。

根據上市規則附錄14所載企業管治守則之守則條文第A.4.3條，倘獨立非執行董事任職已超過九年，則續聘該獨立非執行董事須以獨立決議案形式經股東批准。

陳平先生已擔任獨立非執行董事超過九年。本公司已收到陳平先生根據上市規則第3.13作出的獨立性確認。陳平先生並無參與本集團任何執行管理工作。考慮到其於過往年度工作範疇的獨立性，董事會認為，儘管陳平先生已於本公司任職超過九年，但其繼續屬上市規則項下的獨立人士。董事會相信其續任將令董事會保持穩定及董事會亦會因陳平先生常年累積的對本集團的寶貴見解而大獲裨益。

根據組織章程細則第109條，陳國雄先生獲董事會委任為執行董事及董事會副主席，由二零二零年十月一日起生效，彼將僅任職至應屆股東週年大會，並符合資格且願意於應屆股東週年大會重選連任。

將就陳國雄先生、陳兆年女士及陳平先生各自之重選於應屆股東週年大會上提呈獨立決議案。

REPORT OF DIRECTORS

董事會報告書

DIRECTORS' SERVICE CONTRACTS

Each of our executive Directors has the letter of appointment or re-appointment with the Company for a term of three years and is subject to termination by either party giving not less than one month's written notice. Our independent non-executive Directors has the letter of appointment or re-appointment with the Company for a term of two years and is subject to termination by either party giving not less than one month's written notice. The Nomination Committee and the Remuneration Committee have reviewed the terms of service contracts and letters of appointment or reappointment of all Directors.

None of the Directors proposed for re-election at the forthcoming AGM has a service contract with the Company which is not determinable by the Company within one year without payment of compensation, other than statutory compensation.

DIRECTORS' REMUNERATION

The remuneration of the Directors is determined with reference to the Directors' duties, responsibilities and performance and the results of the Group.

Details of the remuneration of the Directors are set out in note 9 to the financial statements.

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

As at 31 December 2020, the interests or short positions of the Directors and chief executive of the Company in the shares or underlying shares or, as the case may be, the percentage in the equity interest and debentures of the Company or its associated corporations (within the meaning of the Securities and Futures Ordinance (Chapter 571) (the "SFO")), which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they have taken or deemed to have under such provisions of the SFO), or which were required, pursuant to Section 352 of the SFO, to be entered in the register maintained by the Company referred to therein, or which were required, pursuant to the Model Code for Securities Transactions by Directors (the "Model Code") of Listed Issuers contained in the Listing Rules, to be notified to the Company and the Stock Exchange were as follows:

董事服務合約

各執行董事已與本公司訂立委任函或重續委任函，為期三年，惟各方可發出不少於一個月的書面通知終止合約。本公司各獨立非執行董事已與本公司訂立委任函或重續委任函，為期兩年，惟各方可發出不少於一個月的書面通知終止合約。提名委員會及薪酬委員會已審閱全體董事之服務合約及委任函或重續委任函之條款。

概無於應屆股東週年大會上建議重選的董事與本公司訂立本公司不可於一年內終止而毋須作出賠償（法定賠償除外）的服務合約。

董事酬金

董事酬金按董事職務、職責及表現以及本集團業績釐定。

董事酬金的詳情載於財務報表附註9。

董事及高級行政人員於股份及相關股份及債券的權益及淡倉

於二零二零年十二月三十一日，本公司董事及高級行政人員於本公司或其相聯法團（定義見證券及期貨條例（第571章）（「證券及期貨條例」）所賦予之涵義）之股份或相關股份或（視乎情況而定）股本權益及債券之百分比中，擁有根據證券及期貨條例第XV部第7及8分部須知會本公司及聯交所之權益或淡倉（包括彼等根據證券及期貨條例之相關條文被當作或被視為擁有之權益及淡倉），或根據證券及期貨條例第352條須記錄於本公司根據該條例存置之登記冊或根據上市規則所載之上市發行人董事進行證券交易的標準守則（「標準守則」）須知會本公司及聯交所之權益或淡倉如下：

REPORT OF DIRECTORS

董事會報告書

Shares of the Company

Name of Director 董事姓名	Capacity 身份
Chen Chang 陳昌	Interest of controlled corporation (note 1) 一間受控制公司之權益(附註1)
	Personal interest 個人權益

Note:

1. These shares are held by Bournam Profits Limited, the entire issued share capital of which is wholly and beneficially owned by Mr. Chen Chang. By virtue of the SFO, Mr. Chen Chang is deemed to be interested in the 701,911,000 shares held by Bournam Profits Limited.

Shares of Associated Corporation

Mr. Chen Chang beneficially owns the entire issued share capital of Bournam Profits Limited, which is the beneficial owner of about 69.42% of the issued shares of the Company.

DIRECTORS' INTERESTS IN MATERIAL CONTRACTS

No transactions, arrangement or material contracts, to which the Company, or any of its holding companies, subsidiaries and fellow subsidiaries was a party and in which a Director or an entity connected with a Director is or was materially interested, whether directly or indirectly, subsisted at the end of the year or at any time during the year ended 31 December 2020.

DIRECTORS' INTERESTS IN COMPETING BUSINESSES

None of the Directors or any of their respective close associates, has engaged in any business that competes or may compete with the business of the Group, or has any other conflict of interest with the Group.

MANAGEMENT CONTRACTS

No contracts concerning the management and administration of the whole or any substantial part of the business of the Group were entered into or existed during the year.

本公司股份

Position 持倉	Number of shares held 持有股份數目	Percentage of shareholding in the Company 於本公司的 持股量百分比
Long 好倉	701,911,000	69.42%
Long 好倉	4,350,000	0.43%

附註:

1. 該等股份由 Bournam Profits Limited 持有，其全部已發行股本由陳昌先生全資及實益擁有。根據證券及期貨條例，陳昌先生被視為於 Bournam Profits Limited 持有的 701,911,000 股股份中擁有權益。

相聯法團股份

陳昌先生實益擁有 Bournam Profits Limited 之全部已發行股本，該公司為本公司約 69.42% 已發行股份之實益擁有人。

董事於重大合約的權益

本公司或其任何控股公司、附屬公司及同系附屬公司概無訂立於截至二零二零年十二月三十一日止年度年終或年內任何時間有效，而董事或與董事關連之實體於其中直接或間接擁有或曾擁有重大權益的交易、安排及重大合約。

董事於競爭業務的權益

董事或彼等各自的任何緊密聯繫人士概無從事與本集團業務構成或可能構成競爭的任何業務或與本集團有任何其他利益衝突。

管理合約

年內概無訂立或存在任何有關本集團全部或絕大部分業務管理與行政的合約。

SHARE OPTION SCHEME

The share option scheme (the “Share Option Scheme” or the “Scheme”) was approved by the Shareholders of the Company in the annual general meeting held on 18 June 2020. The details of the Scheme are disclosed below pursuant to the requirements under Chapter 17 of the Listing Rules:

1. Purpose of the Share Option Scheme: the purpose of the Scheme is to enable the Group to grant options to selected participants as incentives or rewards for their contribution to the growth of the Group and to provide the Group with a more flexible means to reward, remunerate, compensate and/or provide benefits to eligible participants.
2. Participants of the Share Option Scheme include:
 - (a) any employee (whether full time or part time, including any executive Director but excluding any non-executive Director) of the Company or any of its subsidiaries or any equity entity (“Invested Entity”) in which the Group holds an equity interest;
 - (b) any non-executive directors (including independent non-executive directors) of the Company, any subsidiary or any Invested Entity;
 - (c) any supplier of goods or services to any member of the Group or any Invested Entity;
 - (d) any customer of the Group or any Invested Entity;
 - (e) any person or entity that provides research, development or other technological support to the Group or any Invested Entity; and
 - (f) any adviser (professional or otherwise) or consultant to any area of business or business development of the Group or any Invested Entity.

購股權計劃

本公司股東於二零二零年六月十八日舉行的股東週年大會上批准購股權計劃（「購股權計劃」或「計劃」）。有關計劃的詳情已根據上市規則第17章的規定披露如下：

1. 購股權計劃目的：計劃旨在使本集團可向經挑選的參與者授出購股權，以獎勵或回報彼等對本集團增長的貢獻，並為本集團提供一種更具彈性的方式以向合資格參與者授予獎勵、報酬、補償及／或提供福利。
2. 購股權計劃的參與者包括：
 - (a) 本公司或其任何附屬公司或本集團持有股本權益的任何權益實體（「受投資實體」）的任何僱員（不論屬全職或兼職，包括任何執行董事，惟不包括任何非執行董事）；
 - (b) 本公司、任何附屬公司或任何受投資實體的任何非執行董事（包括獨立非執行董事）；
 - (c) 向本集團任何成員公司或任何受投資實體提供產品或服務的任何供應商；
 - (d) 本集團或任何受投資實體的任何客戶；
 - (e) 任何向本集團或任何受投資實體提供研究、開發或其他技術支援的人士或實體；及
 - (f) 本集團或任何受投資實體的任何業務或業務發展範疇的任何顧問（專業或其他方面）或專家顧問。

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3. Total number of shares available for issue under the Share Option Scheme: the total number of shares of the Company which may be issued upon exercise of all options to be granted under the Share Option Scheme and other share option scheme of the Group (if any) must not in aggregate exceed 10% of the shares in issue as at the date of adoption of the Share Option Scheme (i.e. not exceeding 101,114,200 shares). Up to the date of this annual report, no options have been granted under the Share Option Scheme and thus the total number of shares available for issue under the Share Option Scheme remained 101,114,200 shares, representing about 10% of the issued share capital of the Company as at the date of the annual report.

4. Grant of options to connected persons: grant of options to a director, chief executive or substantial shareholder of the Company or any of their respective associates must be approved by the independent non-executive directors (excluding any independent non-executive director who is the proposed grantee of the option).

Grant of options to a substantial shareholder or an independent non-executive director of the Company or any of their respective associates, would result in the shares issued and to be issued upon exercise of all options already granted and to be granted (including options exercised, cancelled and outstanding) to such person in the 12-month period up to and including the date of such grant: (i) representing in aggregate over 0.1% of the shares in issue; and (ii) having an aggregate value, based on the closing price of the shares at the date of each grant, in excess of HK\$5 million; such further grant of options must be approved by the shareholders in general meeting.

5. Maximum entitlement of each participant under the Share Option Scheme: for any 12-month period, shall not exceed 1% of the issued share capital of the Company for the time being.

3. 根據購股權計劃可予以發行的股份總數：因行使根據購股權計劃及本集團其他購股權計劃（如有）將授出的全部購股權而可發行的本公司股份總數合共不得超過採納購股權計劃當日發行股份的10%（即不超過101,114,200股股份）。截至本年報日期，概無根據購股權計劃授出任何購股權，因此，根據購股權計劃可予發行的股份總數仍為101,114,200股，佔本年報日期的本公司已發行股本約10%。

4. 向關連人士授出購股權：向本公司董事、行政總裁或主要股東或彼等任何聯繫人士授出購股權須經獨立非執行董事（不包括身為購股權擬定承授人的任何獨立非執行董事）批准。

向本公司主要股東或獨立非執行董事或彼等各自之任何聯繫人士授出購股權將導致於截至授出日期（包括該日）止十二個月期間已授予及將授予該名人士之所有購股權（包括已行使、註銷及尚未行使者）獲行使時已發行及將發行之股份：(i) 合共佔已發行股份0.1%以上；及(ii) 根據股份於各授出日期之收市價計算總值超過5,000,000港元，則進一步授出購股權必須獲股東於股東大會上批准。

5. 購股權計劃下每名參與者的最高配額：於任何十二個月期間內，不得超過本公司當時已發行股本的1%。

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6. Period within which the securities must be taken up under an option: an option may be accepted by a participant within 21 days from the date of the offer of grant of the option. An option may be exercised in accordance with the terms of the Share Option Scheme at any time during a period to be determined and notified by the Directors to each grantee, which period may commence on a day after the date upon which the offer for the grant of options is made but shall end in any event not later than 10 years from the date of grant of the option subject to the provisions for early termination thereof.
 7. The minimum period for which an option must be held before it can be exercised: unless otherwise determined by the Directors and stated in the offer of the grant of options to a grantee, there is no such minimum period.
 8. The amount payable on application or acceptance of the option: a nominal consideration of HK\$1 is payable on acceptance of the grant of an option.
 9. Basis for determining the exercise price: such price will be a price determined by the Directors, but shall not be less than the highest of (i) the closing price of the shares as stated in the Stock Exchange's daily quotations sheet on the date of the offer of grant; (ii) the average closing price of the shares as stated in the Stock Exchange's daily quotations for the five business days immediately preceding the date of the offer of grant; and (iii) the nominal value of a Share.
 10. The remaining life of the Share Option Scheme: the Scheme has a life of 10 years commencing on 18 June 2020, being the date on which the Share Option Scheme was adopted. The scheme will expire on 18 June 2030.
6. 根據購股權認購證券的限期：參與者可於獲要約授出購股權之日起計二十一日內接受購股權。購股權可根據購股權計劃的條款在董事決定及知會各承授人的期間內隨時行使。此期間可自要約授出購股權當日的翌日開始，但於任何情況下不得遲於授出購股權當日起計十年結束，惟須遵守提前終止該等購股權的規定。
 7. 在行使前所需持有購股權的最短期限：除非董事另行決定及在向承授人提呈授出購股權要約時訂明，否則計劃並無規定最短期限。
 8. 申請或接納購股權應付款項：於接納授出購股權時須支付1港元的象徵式代價。
 9. 釐定行使價的基準：該價格將由董事釐定，但不得少於(i)股份於提呈授出購股權要約當日在聯交所每日報價表上所列報的收市價；(ii)股份於緊接提呈授出購股權要約日期前五個營業日在聯交所每日報價表所列報的平均收市價；及(iii)股份面值。
 10. 購股權計劃的餘下年期：計劃將自二零二零年六月十八日（即購股權計劃獲採納之日）起計十年內有效。計劃將於二零二零年六月十八日屆滿。

From the date of adoption of the Share Option Scheme and up to 31 December 2020, no share option has been granted or agreed to be granted to any person under the Share Option Scheme.

由採納購股權計劃當日起直至二零二零年十二月三十一日，本公司並無根據購股權計劃向任何人士授出或同意授出任何購股權。

SHARE AWARD SCHEME

On 22 March 2012, the Board approved the adoption of the share award scheme (the “Share Award Scheme”).

1. Purpose of the Share Award Scheme: the purpose of the Share Award Scheme is to recognise the contributions by and to give incentives to certain eligible persons in order to retain them for the continuing operation, growth and development of the Group and to attract suitable personnel for further development of the Group.
2. Operation of the Share Award Scheme: the Share Award Scheme shall be administered by the Board in accordance with the rules of the Share Award Scheme. The trustee shall hold the shares and the income derived therefrom in accordance with the terms of the trust deed.

The Board may select any grantee for participation in the Share Award Scheme as a selected grantee (the “Selected Grantee”) and determine the number of awarded shares and inform the trustee and the Selected Grantee(s) accordingly.

The Board shall either before or after identification of the Selected Grantee(s) (i) cause the Company to directly instruct a licensed securities dealer to purchase the awarded shares and settle payment for the awarded shares and deliver the awarded shares to the trustee subsequently; or (ii) cause to be paid to the trustee (either by way of contribution or loan from the Company's funds) (a) the sum of purchasing the shares and the related purchase expenses or (b) the nominal or such other amount required for the subscription of the awarded shares by the trustee as soon as practicable to purchase the awarded shares required (the “Reference Amount”).

Within 30 business days on which the trading of the shares has not been suspended (or such longer period as the Trustee and the Board may agree from time to time) after receiving the reference amount, the Board shall instruct the trustee to apply the same towards the subscription of shares at the benchmarked price as stipulated in the Listing Rules from time to time or the purchase of the awarded shares from the market during a specific period and at a specific price range as instructed by the Company.

股份獎勵計劃

於二零一二年三月二十二日，董事會批准採納股份獎勵計劃（「股份獎勵計劃」）。

1. 股份獎勵計劃之目的：股份獎勵計劃之目的，是表揚若干合資格人士作出之貢獻並對彼等給予獎勵，務求挽留彼等繼續為本集團之持續營運、增長及發展效力，並吸引合適人才加入以進一步推動本集團發展。
2. 股份獎勵計劃之運作：股份獎勵計劃將由董事會根據股份獎勵計劃之規則管理。受託人將根據信託契據條款持有股份及據此產生之收入。

董事會可挑選任何承授人以經選定承授人（「經選定承授人」）身份參與股份獎勵計劃，及決定獎勵股份數目，並就此知會受託人及經選定承授人。

董事會於物色經選定承授人之前或之後，應(i)促使本公司直接指示持牌證券交易商購入獎勵股份，並就獎勵股份結清付款，其後將獎勵股份交付受託人；或(ii)促使在可行情況下儘快以自本公司資本撥款注資或貸款之方式，向受託人支付(a)購入股份及相關購買開支之總和或(b)受託人認購獎勵股份所需之面值或其他金額，以便購入所需獎勵股份（「參考金額」）。

於收取參考金額後股份並無暫停買賣之三十個營業日或受託人與董事會可能不時協定之較長期間內，董事會應指示受託人動用該參考金額，以按上市規則不時訂明之基準價格認購股份，或於特定期間內按本公司指示之特定價格範圍，從市場購入獎勵股份。

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Awarded shares and related income held by the trustee upon the trust and which are referable to a Selected Grantee shall vest to that Selected Grantee on the vesting date. The Board may also, in its absolute discretion, determine the performance, operating and financial targets and other criteria, if any, to be satisfied by the Selected Grantee before the awarded shares can vest.

The trustee shall not be obliged to exercise any voting rights and powers in respect of any shares held under the trust (including but not limited to the awarded shares, the returned shares, any bonus shares and scrip shares) until such shares have been transferred to the relevant Selected Grantee.

3. Participants of the Share Award Scheme: any employee or director (including, without limitation, any executive, non-executive or independent non-executive directors) of any member of the Group (the "Eligible Persons").
4. Share Award Scheme limit: the Board shall not make any further award of awarded shares which will result in the number of shares awarded by the Board under the Share Award Scheme representing more than ten per cent. of the issued share capital of the Company as at the first date of each financial year during the term of the Share Award Scheme.
5. Maximum entitlement of each participant under the Share Award Scheme: the maximum number of shares which may be awarded to an award or awards to a Selected Grantee who is an independent non-executive Director of the Company at any one time shall not in aggregate exceed 0.1% of the issued share capital of the Company as at the first date of the relevant financial year of the Company and the aggregate value of which shall not exceed HK\$5,000,000 (based on the closing price of the shares on the business day immediately preceding the vesting date) as at the vesting date.

The maximum number of shares which may be subject to an award or awards to any Selected Grantee at any one time shall not in aggregate exceed 1% of the issued share capital of the Company as at the first date of the relevant financial year of the Company.

受託人以信託形式持有且可託付予經選定承授人之獎勵股份及相關收入，將於歸屬日期歸經選定承授人所有。董事會亦可全權酌情決定經選定承授人於獎勵股份可歸屬前須達致之表現、營運與財務目標以及其他標準（如有）。

受託人概無責任就信託持有之任何股份（包括但不限於獎勵股份、退回股份、任何紅股及代息股份）行使任何投票權利及權力，直至該等股份已轉讓予相關經選定承授人。

3. 股份獎勵計劃參與人士：本集團任何成員公司之任何僱員或董事（包括但不限於任何執行、非執行或獨立非執行董事）（「合資格人士」）。
4. 股份獎勵計劃限額：倘於股份獎勵計劃年期內進一步授出獎勵股份將致使董事會根據股份獎勵計劃授出之股份數目超過本公司於各財政年度首日已發行股本的10%，則董事會不會進一步授出任何獎勵股份。
5. 各參與人士根據股份獎勵計劃最高可獲股份數目：於任何一次向身為本公司獨立非執行董事之經選定承授人授出一份或多份獎勵可能涉及之股份最高數目，合共不得超過本公司於本公司相關財政年度首日已發行股本0.1%，而其於歸屬日期之總值不得超過5,000,000港元（根據股份於緊接歸屬日期前營業日之收市價計算）。

於任何一次向任何經選定承授人授出一份或多份獎勵可能涉及之股份最高數目，合共不得超過本公司於本公司相關財政年度首日已發行股本1%。

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6. The duration of the Share Award Scheme: subject to any early termination of the Share Award Scheme as may be determined by the Board, the Share Award Scheme shall be valid and effective for a term of 10 years commencing on 22 March 2012.

From the date of adoption of the Share Award Scheme and up to 31 December 2020, no share has been awarded or granted to any person under the Share Award Scheme.

ARRANGEMENTS TO ACQUIRE SHARES OR DEBENTURES

Save for the Share Option Scheme and Share Award Scheme, at no time during the year was the Company or any of its subsidiaries a party to any arrangements which would enable the Directors to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

INTEREST AND SHORT POSITIONS OF SUBSTANTIAL SHAREHOLDERS IN SHARES AND UNDERLYING SHARES

As at 31 December 2020, so far as the Directors are aware, the following persons or corporations (not being a Director or a chief executive of the Company) have an interest or short position in the shares and underlying shares of the Company as recorded in the register required to be kept under section 336 of the SFO or have otherwise been notified to the Company:

Shares of the Company

Name 姓名／名稱	Capacity 身份
Bournam Profits Limited ("Bournam")	Beneficial owner (note)
Bournam Profits Limited ("Bournam")	實益擁有人(附註)

Note:

The entire share capital of Bournam is solely and beneficially owned by Mr. Chen Chang. Mr. Chen is deemed under the SFO to be interested in the 701,911,000 shares held by Bournam.

6. 股份獎勵計劃年期：股份獎勵計劃於二零一二年三月二十二日起計十年期間內有效且生效，惟董事會可能決定提前終止該計劃。

自股份獎勵計劃採納日期起直至二零二零年十二月三十一日，概無根據股份獎勵計劃，向任何人士獎勵或授出股份。

收購股份或債券的安排

除購股權計劃及股份獎勵計劃外，本公司或其任何附屬公司於年內任何時間概無訂立任何安排，致使董事藉購入本公司或任何其他法人團體的股份或債券而獲益。

主要股東於股份及相關股份的權益及淡倉

於二零二零年十二月三十一日，據董事所知，下列人士或公司（並非董事或本公司行政總裁）於本公司股份及相關股份擁有已記入根據證券及期貨條例第336條須予存置的登記冊的或須另行知會本公司的權益或淡倉：

本公司股份

Position 持倉	Numbers of shares held 持有股份數目	Percentage of shareholding in the Company 佔本公司 股權百分比
Long	701,911,000	69.42%
好倉		

附註：

Bournam之全部股本由陳昌先生唯一及實益擁有。根據證券及期貨條例，陳先生被視為於Bournam持有的701,911,000股股份中擁有權益。

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

During the year ended 31 December 2020, neither the Company, nor any of its subsidiaries purchased, redeemed or sold any of the Company's listed securities.

CORPORATE GOVERNANCE

Principal corporate governance practices as adopted by the Company are set out in the Corporate Governance Report on pages 58 to 76.

PRE-EMPTIVE RIGHTS

There is no provision for pre-emptive rights under the Company's Articles of Association or the laws of the Cayman Islands.

COMPLIANCE WITH MODEL CODE FOR SECURITIES TRANSACTIONS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Companies (the "Model Code") as set out in Appendix 10 to the Listing Rules. Following a specific enquiry, all the Directors confirmed that they have complied with the Model Code throughout the year ended 31 December 2020.

CONNECTED TRANSACTIONS

On 30 December 2016, the Group entered into a purchase agreement with Guangzhou City Pearl River Machine Tool Works Co., Ltd.* (廣州市珠江機床廠有限公司) ("GZMT") for the purchase of spare parts and production line ("Purchase Transaction") from the latter for the maintenance of machines, installation of rolling line electrical drive system equipment and transformation of steel transportation system of bimetal composite plate processing plant in Lianyungang, the PRC. The consideration for the Purchase Transaction is approximately RMB173.6 million. The purchase of the spare parts and production line is mainly for the construction of the bimetal composite plate processing plant in Lianyungang, the PRC as per the Company's announcement dated 27 April 2017 and the circular dated 2 June 2017. GZMT is a limited liability company incorporated in the PRC and is principally engaged in the manufacture and sales of machine tools. GZMT is ultimately, wholly and beneficially, owned by Mr. Chen Chang, the controlling shareholder and chairman of the Company, and is therefore an associate of Mr. Chen Chang and a connected person of the Company. The Purchase Transaction constituted a connected and discloseable transaction of the Company was duly passed by the independent shareholders of the Company at the extraordinary general meeting on 19 June 2017. As at 31 December 2020, the amount due from a related party of approximately RMB84.5 million was the advance payment to GZMT for the Purchase Transaction.

購買、出售或贖回本公司上市證券

於截至二零二零年十二月三十一日止年度內，本公司或其任何附屬公司概無購買、贖回或出售任何本公司的上市證券。

企業管治

本公司所採納的主要企業管治常規載於第58至76頁的企業管治報告內。

優先購買權

本公司組織章程細則或開曼群島法例概無優先購買權條文。

遵守證券交易標準守則

本公司採納上市規則附錄10所載上市公司董事進行證券交易的標準守則（「標準守則」）。經具體查詢後，全體董事確認彼等於截至二零二零年十二月三十一日止年度均已遵守標準守則。

關連交易

於二零一六年十二月三十日，本集團與廣州市珠江機床廠有限公司（「珠江機床」）訂立採購協議，內容有關向珠江機床採購零部件及生產線（「採購交易」），用於在中國連雲港的雙金屬複合板加工廠維修機械、安裝軋綫電氣傳動系統設備及改造鋼材運輸系統。採購交易的代價約為人民幣173,600,000元。採購零部件及生產線乃主要用於在中國連雲港建造雙金屬複合板加工廠（誠如本公司日期為二零一七年四月二十七日之公佈及日期為二零一七年六月二日之通函所述）。珠江機床是一間於中國註冊成立之有限責任公司及主要從事生產及銷售機械設備。珠江機床由本公司控股股東兼主席陳昌先生最終實益全資擁有，故此為陳昌先生的聯繫人及本公司的關連人士。採購交易構成本公司的關連及須予披露交易，已於二零一七年六月十九日舉行之股東特別大會上獲本公司獨立股東正式通過。於二零二零年十二月三十一日，應收一名關連人士款項約人民幣84,500,000元為就採購交易支付予珠江機床的預付款。

REPORT OF DIRECTORS

董事會報告書

SUFFICIENCY OF PUBLIC FLOAT

Based on information that is publicly available to the Company and within the knowledge of the Directors as at the latest practicable date prior to the issue of this report, the Company has maintained the prescribed public float under the Listing Rules.

EVENTS AFTER THE REPORTING PERIOD

The Group had no significant event after the reporting period required to be disclosed.

AUDITORS

The Company has appointed Ernst & Young as auditors of the Company for the year ended 31 December 2020. A resolution will be proposed for approval by shareholders at the forthcoming AGM to re-appoint Ernst & Young as auditors of the Company.

ON BEHALF OF THE BOARD

Chen Chang

Chairman

Hong Kong

30 March 2021

公眾持股量充足性

根據本公司可得公開資料及就董事所知，本公司於刊發本報告前的最後可行日期一直維持上市規則所述的公眾持股量。

報告期後事項

本集團並無須予披露之報告期後重大事項。

核數師

本公司已委任安永會計師事務所出任本公司截至二零二零年十二月三十一日止年度的核數師。有關重新委任安永會計師事務所為本公司核數師的決議案將於應屆股東週年大會上提呈以取得股東批准。

代表董事會

主席

陳昌

香港

二零二一年三月三十日

CORPORATE GOVERNANCE REPORT

企業管治報告

The Board is committed to maintaining a good standard of corporate governance practices and business ethics in the firm belief that they are essential for maintaining and promoting investors' confidence and maximising shareholders' returns.

The Company has adopted the code provisions in the Corporate Governance Code (the "CG Code") as set out in Appendix 14 to the Listing Rules as its own code of corporate governance. The Board considers that up to the date of this annual report, in the opinion of the Board, saved as disclosed in section "Chairman and Chief Executive" below, the Company has complied with the CG Code. The Company will continue to enhance its corporate governance practices appropriate to the conduct and growth of its business and to review its corporate governance practices from time to time to ensure they comply with the evolving regulatory requirements and to meet the rising expectations of the Shareholders and other stakeholders.

The following summarises the Company's corporate governance practices.

CORPORATE GOVERNANCE PRACTICES

(A) Board of Directors

Responsibilities and Delegation

The Board is responsible for the leadership and control of the Company, overseeing the Group's businesses, strategic decisions, internal control, risk management systems, monitoring the performance of senior management and determining the policy for corporate governance. The management is responsible for daily operations of the Group under the leadership of the Chairman. The Directors have the responsibility to act objectively in the interests of the Company.

All Directors have carried out their duties in good faith, in compliance with applicable laws and regulations and in the interests of the Company and its shareholders at all times.

The Board has delegated various responsibilities to the Board committees including the Audit Committee, the Nomination Committee and the Remuneration Committee. Further details of these Committees are set out below in section B of this corporate governance report.

The Company had arranged Directors and Officers Liability Insurance for the Directors and officers of the Company.

董事會致力於維持高水準的企業管治常規及商業道德，並深信其是維持及提升投資者信心以及為股東帶來最高回報的根本。

本公司已採納上市規則附錄14所載企業管治守則（「企業管治守則」）所載的守則條文，作為其自身企業管治守則。董事會認為，直至本年報日期，除下文「主席及行政總裁」一節所披露者外，本公司已遵守企業管治守則。本公司將繼續加強適用於其業務運作及發展之企業管治常規，並不時檢討其企業管治常規，以確保其遵守日益嚴格之監管要求，及滿足股東及其他利益相關者不斷提高的期望。

本公司企業管治常規概述如下。

企業管治常規

(A) 董事會

職責及授權

董事會負責領導及控制本公司以及監管本集團的業務、戰略決策、內部監控、風險管理系統、監察高級管理層的表現及制定企業管治政策。管理層負責在主席的領導下開展本集團的日常營運工作。董事有責任以本公司利益為前提按客觀標準行事。

全體董事於所有時間均已竭誠履行彼等之職責，遵守了適用法律及法規，符合本公司及其股東之利益。

董事會已授權董事委員會（包括審核委員會、提名委員會及薪酬委員會）多項職責。有關該等委員會的進一步詳情載於本企業管治報告下文B節。

本公司已為其董事及高級職員安排董事及高級職員責任保險。

Board Composition

The Board members during the year ended 31 December 2020 and up to the date of this report are as follows:

Executive Directors:

Mr. Chen Chang	Chairman of the Board and Chief Executive Officer, Member of the Remuneration Committee and Nomination Committee
Mr. Chen Guo Xiong	(appointed on 1 October 2020)
Ms. Chen Zhao Nian	
Ms. Chen Zhao Hua	(resigned on 1 October 2020)

Independent Non-executive Directors:

Mr. Chen Ping	Chairman of the Nomination Committee and Member of the Audit Committee and Remuneration Committee
Mr. Au Yeung Kwong Wah	Chairman of the Audit Committee
Mr. Tian Xiao Ren	Chairman of the Remuneration Committee, Member of the Audit Committee and Nomination Committee

The Board currently comprises three executive Directors and three independent non-executive Directors from different business and professional fields. Mr. Chen Chang, Mr. Chen Guo Xiong and Ms. Chen Zhao Nian are members of the same family. Mr. Chen Chang is the father of both Mr. Chen Guo Xiong and Ms. Chen Zhao Nian.

Save as disclosed, there is no other relationship among members of the Board. The profiles of each Director and the relationships among the Directors are set out in the "Profile of Directors and Senior Management" section in this annual report.

The Directors, including the independent non-executive Directors, have brought a wide spectrum of valuable business experience, knowledge and professionalism to the Board for its efficient and effective delivery of the Board functions. The number of independent non-executive Directors constitutes more than one-third of the Board. A list containing the names of the Directors and their roles and functions is published on the websites of the Stock Exchange and the Company at www.pck.com.cn and pck.todayir.com.

董事會組成

截至二零二零年十二月三十一日止年度及直至本報告日期止董事會成員載列如下：

執行董事：

陳昌先生	董事會主席及行政總裁， 薪酬委員會及 提名委員會成員
陳國雄先生	(於二零二零年十月一日獲委任)
陳兆年女士	
陳兆華女士	(於二零二零年十月一日辭任)

獨立非執行董事：

陳平先生	提名委員會主席、審核委員會及薪酬委員會成員
歐陽廣華先生	審核委員會主席
田曉韜先生	薪酬委員會主席、審核委員會及提名委員會成員

董事會目前由三名執行董事及三名獨立非執行董事組成，彼等來自不同的業務及專業領域。陳昌先生、陳國雄先生及陳兆年女士乃同一家族成員。陳昌先生為陳國雄先生及陳兆年女士的父親。

除上述披露者外，董事會成員之間並無其他關係。各位董事的履歷及董事之間的關係載於本年報「董事及高級管理層履歷」一節。

董事（包括獨立非執行董事）為董事會帶來了廣泛而有價值的業務經驗、知識及專業精神，以便董事會確實有效發揮職能。獨立非執行董事人數佔董事會人數的三分之一以上。一份載有董事姓名及彼等職務及職能之名單於聯交所網站及本公司網站 www.pck.com.cn 及 pck.todayir.com 發佈。

The Company has received annual confirmation from each of the independent non-executive Directors of his independence pursuant to Rule 3.13 of the Listing Rules. The Company considers that all of the independent non-executive Directors are independent.

Upon reviewing the directorships and major commitments of each Director, and the attendance rate of each Director at the meetings of the Board and its committees, the Board is satisfied that all Directors have spent sufficient time in performing their responsibilities during 2020.

Board Meetings and Board Practices

The Company has adopted the practice of holding Board meetings regularly for at least four times a year at approximately quarterly intervals. Ad-hoc meetings will also be convened if necessary to discuss the overall strategy as well as financial performance of the Group. Notice of Board meeting is sent to all Directors at least 14 days prior to a regular Board meeting. Reasonable notice will be given to the Directors for ad-hoc Board meetings. Directors may participate either in person or through electronic means of communication.

Agenda and Board papers together with all appropriate, complete and reliable information will be provided to all the Directors at least 3 days before meetings. All the Directors will be provided with sufficient resources to discharge their duties, and, upon reasonable request, the Directors will be able to seek independent professional advice in appropriate circumstances, at the Company's expenses. All Directors will have the opportunity to include matters in the agenda for Board meetings. The company secretary of the Company is responsible for keeping the minutes of Board meetings and meetings of Board committees. All minutes are open for inspection by any Director at reasonable time on reasonable notice.

For the financial year ended 31 December 2020, six Board meetings were held.

本公司已按照上市規則第3.13條就各獨立非執行董事接獲有關各自獨立性的年度確認書。本公司認為所有獨立非執行董事均為獨立人士。

經審閱各董事之董事職位及主要承諾，以及各董事於董事會及其委員會會議之出席率後，董事會對所有董事於二零二零年均使用足夠時間履行彼等之職責表示滿意。

董事會會議及董事會常規

本公司已按常規每年最少定期舉行四次董事會會議，大約每季舉行一次。需要時亦會召開臨時會議，商討整體策略以及本集團的財務表現。全體董事於舉行定期董事會會議前最少十四天獲發董事會會議通告，而臨時董事會會議通告則於合理時間內事先派發予董事。董事可親身或以電子通訊方式參加會議。

全體董事將於會前最少三天獲發董事會會議議程及相關文件以及所有適當、完備及可靠資料。所有董事均將獲提供充足資源以便履行彼等之職責，且在合理要求時，董事將可在適當情況下尋求獨立專業意見，費用由本公司承擔。所有董事均有機會在董事會會議議程中加插事項。本公司的公司秘書負責保存董事會會議及董事委員會會議記錄。所有會議記錄均可供任何董事於合理時間發出合理通知時公開查閱。

截至二零二零年十二月三十一日止財政年度，已舉行六次董事會會議。

The Company's Articles of Association contain provisions requiring Directors to abstain from voting and not to be counted in the quorum at meetings for approving transactions in which such Directors or any of their associates have a material interest. According to current Board practices, any material transaction, which involves a conflict of interests for a substantial shareholder or a Director, will be considered and dealt with by the Board at a duly convened Board meeting.

Chairman and Chief Executive

The Company is aware of the requirement under paragraph A.2.1 of the CG Code that the roles of chairman and chief executive should be separated and should not be performed by the same individual. The Company does not separately have any officer with the title of "chief executive". Mr. Chen Chang, the Chairman and founder of the Group, is also responsible for the leadership and effective running of the Board, ensuring that all material issues are decided by the Board in a conducive manner. The Board will meet regularly to consider major matters affecting the operations of the Group. The Board considers that this structure will not impair the balance of power and authority between the Board and the management of the Company. The roles of the respective executive Directors and senior management, who are in charge of different functions complement the role of the chairman and chief executive. The Board is of the view that this structure provides the Group with strong and consistent leadership, facilitates effective and efficient planning and implementation of business decisions and strategies, and ensures the generation of shareholders' benefits.

The Board shall nevertheless review the structure from time to time to ensure appropriate move is being taken should suitable circumstance arise.

Appointments, Re-election and Removal of Directors

The Board is responsible for selection and approval of candidates for appointment as Directors. The Company has established a Nomination Committee on 22 March 2012. The Nomination Committee is responsible for reviewing Board composition including the board diversity policy, evaluating the balance of skills, knowledge and experience of the Board and making recommendations on the appointment of Directors.

本公司組織章程細則載有條文，要求批准董事或其任何聯繫人士有重大權益之交易時，該董事須放棄投票及不計入大會法定人數。根據董事會現有慣例，牽涉主要股東或董事之利益衝突之任何重大交易，將於正式召開之董事會會議上考慮及處理。

主席及行政總裁

本公司知悉，企業管治守則第A.2.1條規定主席及行政總裁的職務應予分離，而不應由同一人擔任。本公司並未獨立設「行政總裁」一職。本集團主席及創辦人陳昌先生同時負責董事會的領導工作及實際運作，確保所有重大事宜均由董事會以可行方式決定。董事會將定期舉行會議考慮影響本集團營運的重大事項。董事會認為此架構不會損害董事會及本公司管理層之間權力及權限的平衡。各位負責不同職能的執行董事及高級管理層會互補主席及行政總裁的職務。董事會認為此架構可為本集團提供強大一致的領導，有助於切實及有效地規劃及執行商業決策及策略及確保帶來股東利益。

儘管如此，董事會仍將不時檢討此架構，以確保因應條件變化適時對其作出適當變動。

委任、重選及罷免董事

董事會負責遴選及批准候選人獲委任為董事。本公司於二零一二年三月二十二日成立提名委員會。提名委員會負責檢討董事會架構（包括董事會多元化政策）、評估董事會技能、知識及經驗之間的平衡，並就委任董事作出建議。

Each of the executive Directors has renewed or appointed his/her service contract with the Company for a period of three years. All of their appointments are subject to retirement by rotation and re-election in accordance with the Articles of Association of the Company.

Each of the independent non-executive Directors has been appointed or re-appointed for a term of two years, and are subject to retirement by rotation and re-election in accordance with the Articles of Association of the Company.

The Nomination Committee has reviewed the re-appointments/appointment of both executive Directors and independent non-executive Directors and recommended to the Board of Directors for decision.

In accordance with the Company's Articles of Association, all Directors shall be subject to retirement by rotation at least once every three years and any new Director appointed to fill a causal vacancy shall submit himself/herself for re-election by shareholders at the first general meeting after appointment. In accordance with the Articles of Association, Ms Chen Zhao Nian, and Mr. Chen Ping will retire and, being eligible, will offer themselves for re-election at the forthcoming AGM of the Company.

Pursuant to Code Provision A.4.3 of the CG Code, if an independent non-executive Director serves more than nine years, his further appointment should be subject to a separate resolution to be approved by the Shareholders. As such, although Mr. Chen Ping has served as an independent non-executive Director for more than nine years, the Board consider that Mr. Chen Ping is a person of integrity and independent in judgement and character. He is independent of management and free from any business or other relationships or circumstances which could materially interfere with the exercise of their independent judgement. The Board considers that Mr. Chen Ping meets the independent guidelines set out in Rule 3.13 of the Listing Rules, and is of the view that their independence is not affected by his tenure with the Company. The Board believes that his valuable experience in the Group's business and his professional knowledge will continue to generate significant contribution to the Board, the Company and the Shareholders as a whole.

各執行董事均已與本公司重續或委任其服務合約，為期三年。彼等的委任均須根據本公司組織章程細則輪席告退並重選連任。

各獨立非執行董事已獲重新委任，為期兩年，並須根據本公司組織章程細則輪席告退及重選連任。

提名委員會已檢討執行董事及獨立非執行董事的續聘／委任，並已就董事決策向董事會提供推薦建議。

根據本公司組織章程細則，所有董事均須每三年至少輪席告退一次，且獲委任以填補臨時空缺之任何新董事須於獲委任後首個股東大會上供股東重選連任。根據組織章程細則，陳兆年女士及陳平先生將於本公司應屆股東週年大會上退任，並符合資格且願意膺選連任。

根據企業管治守則條文第A.4.3條，凡獨立非執行董事在任超過九年，其繼續委任應經股東以獨立決議案形式批准。因此，儘管陳平先生已擔任獨立非執行董事超過九年，董事會認為陳平先生為具誠信及獨立判斷力及個性之人士。彼獨立於管理層，亦無任何業務或其他關係或情況可嚴重干擾彼等作出獨立判斷。董事會認為陳平先生符合上市規則第3.13條所載的獨立指引，並認為彼於本公司任職並未影響其獨立性。董事會相信，彼對本集團業務的寶貴經驗及彼等的專業知識將繼續為董事會、本公司及股東整體創造巨大貢獻。

Pursuant to article 109 of the Articles of Association, Mr. Chen Guo Xiong, being appointed by the Board as Director with effect from 1 October 2020, shall hold office only until the forthcoming AGM and is eligible to offer himself for re-election at the forthcoming AGM.

Pursuant to Code Provision A.4.3 of the CG Code and in accordance to the Company's Articles of Association, a separate resolution will be proposed for the re-election of each of Mr. Chen Guo Xiong, Ms. Chen Zhao Nian and Mr. Chen Ping and at the forthcoming AGM of the Company.

Training Induction and Continuing Development of Directors

The Directors have endeavoured to keep abreast of the changes in their responsibilities as a Director and of the business activities and development of the Company.

Each newly appointed Director receives formal, comprehensive and tailored induction on the first occasion of his/her appointment to ensure appropriate understanding of the business and operations of the Company and full awareness of director's responsibilities and obligations under the Listing Rules and relevant statutory requirements.

Directors are continually updated on developments in the statutory and regulatory regime and the business environment to facilitate the discharge of their responsibilities. The Directors have provided to the Company their records of continuous professional development during the year ended 31 December 2020.

During the year ended 31 December 2020, all Directors attended seminars and training courses in relation to corporate governance, Listing Rules update or financial markets update arranged by professional firms/institutions. Records of continuing professional development have been maintained by the company secretary. Besides, the company secretary also conducted briefings on corporate governance, directors' duties and responsibilities and provided materials for Listing Rules amendments to all Directors for their reference.

根據組織章程細則第109條，陳國雄先生獲董事會委任為董事，由二零二零年十月一日起生效，彼將僅任職至應屆股東週年大會，並符合資格且願意於應屆股東週年大會重選連任。

根據企業管治守則條文第A.4.3條及本公司組織章程細則，將就陳國雄先生、陳兆年女士及陳平先生各自之重選於本公司應屆股東週年大會上提呈獨立決議案。

董事的培訓指引及持續發展

董事須努力跟上董事責任及本公司的業務活動及發展之變動。

每名新委任的董事在首次接受委任時會接獲一份正式、全面及特為彼而設的指引，以確保彼對本公司的業務及營運有合適的認識，並且對上市規則及相關法定規定下董事之責任及義務有充分的認識。

董事經常獲得有關法定及監管制度及營商環境之最新資料，以助彼等履行職責。董事已於截至二零二零年十二月三十一日止年度向本公司提供彼等持續專業發展之記錄。

截至二零二零年十二月三十一日止年度，所有董事均已參加由專業公司／機構籌辦有關企業管治、上市規則更新或金融市場資料更新的研討會及培訓課程。持續專業發展之記錄一直由公司秘書存置。此外，公司秘書亦就企業管治、董事之職務及職責進行簡介，並提供有關上市規則修訂之材料，供所有董事參考。

Model Code for Securities Transactions

The Company has adopted the Model Code by Directors of Listed Issuers (the “Model Code”) as set out in Appendix 10 to the Listing Rules. Following a specific enquiry, all the Directors has confirmed that they have complied with the Model Code throughout the year ended 31 December 2020.

When the Company is aware of any restricted period for dealings in the Company’s securities, the Company will notify its Directors in advance.

Non-Competition Undertakings

The independent non-executive Directors have also reviewed the confirmations given by Mr Chen Chang and Bournam, being controlling shareholders of the Company, in respect of each of their compliance with the non-competition undertakings as disclosed in the prospectus of the Company dated 28 January 2010. The independent non-executive Directors are satisfied that the controlling shareholders have fully complied with the terms of the non-competition undertakings and no new competing business was reported by the controlling shareholders throughout the year ended 31 December 2020.

(B) Board Committees

The Board has established three committees, namely the Audit Committee, Nomination Committee and Remuneration Committee, for overseeing particular aspects of the Company’s affairs. All Board committees of the Company are established with defined written terms of reference. The terms of reference of the Board committees are posted on the websites of the Company and the Stock Exchange.

The majority of the members of each Board committee are independent non-executive Directors.

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.

證券交易的標準守則

本公司已採納上市規則附錄10所載的上市發行人董事之標準守則（「標準守則」）。經作出具體查詢後，全體董事確認彼等在截至二零二零年十二月三十一日止年度均已遵守標準守則。

當本公司知悉任何本公司證券交易之受限期間時，其將提前通知其董事。

不競爭承諾

獨立非執行董事亦已審閱本公司控股股東陳昌先生及Bournam就彼等各自己遵守本公司日期為二零一零年一月二十八日之招股章程所披露的不競爭承諾作出的確認書。獨立非執行董事信納控股股東已全面遵守不競爭承諾之條款以及控股股東於截至二零二零年十二月三十一日止整個年度概無呈報新競爭業務。

(B) 董事委員會

董事會成立了三個委員會，即審核委員會、提名委員會及薪酬委員會，以監察本公司各方面事務。本公司全體董事委員會已設立特定書面職權範圍。董事委員會之職權範圍刊載於本公司及聯交所網站。

各董事委員會主要成員均為獨立非執行董事。

董事委員會有足夠資源履行其職責及在合理要求下可於適當情況尋求獨立專業意見，費用由本公司承擔。

Audit Committee

The audit committee of the Board (the “Audit Committee”) consists of three independent non-executive Directors, namely Mr Chen Ping, Mr Au Yeung Kwong Wah and Mr Tian Xiao Ren. Mr Au Yeung Kwong Wah is the Chairman of the Audit Committee. The primary duties of the Audit Committee are to review and supervise the financial reporting process and the internal control and risk management procedures and systems of our Group. The Audit Committee has reviewed the Company’s audited consolidated financial statements for the year ended 31 December 2020 and the condensed unaudited consolidated interim financial statements for the six months ended 30 June 2020, including the accounting principles and practices adopted by the Company and the Group.

The main duties of the Audit Committee include the following:

- To review the financial statements and reports and consider any significant or unusual items raised by the internal auditor or external auditors before submission to the Board;
- To review the relationship with the external auditors by reference to the work performed by the auditors, their fees and terms of engagement, and make recommendations to the Board on the appointment, re-appointment and removal of external auditors; and
- To review the adequacy and effectiveness of the Company’s financial reporting system, risk management and internal control systems and associated procedures.

The Audit Committee held four meetings during the year ended 31 December 2020, of which two meetings with external auditors’ presence, and all members of the Audit Committee attended all meetings. At the meetings, it reviewed the financial reporting and compliance procedures, the report of the internal auditor on the Company’s internal control and risk management systems and processes, and the re-appointment of the external auditors. No major issue on the internal control system of the Group has been identified.

審核委員會

董事會審核委員會（「審核委員會」）由三名獨立非執行董事（即陳平先生、歐陽廣華先生及田曉韜先生）組成。歐陽廣華先生為審核委員會主席。審核委員會的主要職責是審查及監督本集團的財務申報程序及內部監控及風險管理程序及制度。審核委員會已審閱本公司截至二零二零年十二月三十一日止年度的經審核綜合財務報表及截至二零二零年六月三十日止六個月的簡明未經審核綜合中期財務報表，包括本公司及本集團所採納的會計原則及慣例。

審核委員會之主要職責包括以下各項：

- 向董事會提交財務報表及報告前審閱有關資料，並考慮內部核數師或外聘核數師所提出之任何重大或特殊項目；
- 參照外聘核數師之工作、費用及委聘條款以檢討與外聘核數師之關係，並就委任、續聘及辭退外聘核數師向董事會提出建議；及
- 檢討本公司財務報告制度、風險管理及內部監控系統以及相關程序是否足夠及有效。

審核委員會於截至二零二零年十二月三十一日止年度舉行四次會議，其中兩次會議有外聘核數師列席，審核委員會所有成員均有出席全部會議。於會議上，委員會檢討財務報告及規章遵守程序、有關本公司內部監控及風險管理系統及過程之內部核數師報告以及外聘核數師之續聘，並無發現本集團內部監控系統有任何重大問題。

There was no disagreement between the Audit Committee and the Directors in respect of matters about selection, appointment, resignation or dismissal of an external auditor.

The Company had established a whistleblowing policy and system for employees to raise concerns of possible improprieties where all concerns are addressed to the Audit Committee.

The Company's annual results for the year ended 31 December 2020 and interim results for the six months ended 30 June 2020 have been reviewed by the Audit Committee.

Nomination Committee

The Company recognises the benefits of a board that compose of a balance of skills, experience, expertise and diversity of perspectives appropriate to the business development of the Company. The Board has adopted a board diversity policy in 2013. The Board has reviewed its composition and considered a number of aspects, including gender, age, educational background, professional experience, skills, knowledge and length of service in accordance with its board diversity policy. The Board considers that the existing board composition is well diversified and appropriate to the business development of the Company.

The Company established the Nomination Committee on 22 March 2012 in compliance with Appendix 14 to the Listing Rules. The Nomination Committee consists of three members, namely Mr Chen Ping, Mr Tian Xiao Ren and Mr Chen Chang. Mr Chen Ping is the chairman of the Nomination Committee. The majority of them are independent non-executive Directors.

The primary functions of the Nomination Committee are to review and monitor the structure, size and composition (including the skills, knowledge and experience) of the Board to complement the Company's corporate strategy and make recommendations to the Board on matters relating to the appointment or re-appointment of Directors and succession planning for Directors, assess the independence of independent non-executive Directors, and review the board diversity policy and review the measurable objectives that the Board has set for implementing the board diversity policy, and the progress on achieving the objectives.

審核委員會於遴選、委聘、辭任或罷免外聘核數師的事宜上，與董事並無意見分歧。

本公司已設立舉報政策及制度，供僱員提出可能存在不當情況的事宜，而所有事宜均由審核委員會處理。

本公司截至二零二零年十二月三十一日止年度之年度業績及截至二零二零年六月三十日止六個月之中期業績已由審核委員會審閱。

提名委員會

本公司認識到董事會成員組成達到技能、經驗、專業知識及範疇多元化的平衡大有裨益，適合本公司業務的發展。董事會已於二零一三年採納董事會多元化政策。董事會已檢討其成員組成，並根據董事會多元化政策考慮了多個方面，包括性別、年齡、教育背景、專業經驗、技能、知識及服務期限。董事會認為現有董事會成員組成充分體現了多元化政策，且適合本公司業務發展。

本公司遵照上市規則附錄14的規定，於二零一二年三月二十二日成立提名委員會。提名委員會由三位成員組成，即陳平先生、田曉韜先生及陳昌先生。陳平先生為提名委員會之主席。大部分成員為獨立非執行董事。

提名委員會之主要職能是檢討及監督董事會之架構、規模及成員（包括技能、知識及經驗），以輔助本公司之企業策略及就委任或重新委任董事及董事之繼任計劃相關之事宜，向董事會提供建議，評估獨立非執行董事之獨立性，並檢討董事會多元化政策，及檢討董事會為執行董事會多元化政策而設立之可衡量目標，以及達到目標之進程。

CORPORATE GOVERNANCE REPORT

企業管治報告

During the year and up to the date of the annual report, the Nomination Committee has reviewed the composition of the Board and made recommendations to the Board for the re-appointment of Directors and succession planning for the chairman, assessed the independence of independent non-executive Directors and reviewed the board diversity policy determined the policy for nomination of directors, nomination procedure process and criteria to select and recommend candidates.

The Nomination Committee held two meetings during the year ended 31 December 2020 and all members of the Nomination Committee attended the meetings.

According to the Nomination Policy adopted by the Company, appointments of Board members will be made on a merit basis and candidates will be considered against objective criteria. The selection criteria used in assessing the suitability of a candidate include:

- the candidate's academic background and qualifications (including professional qualifications, skills and knowledge which are relevant to the Company's business and corporate strategy);
- the candidate's relevant experience in the industry;
- the candidate's character and integrity;
- the candidate's willingness and capacity to devote adequate time in discharge of a director's duties;
- whether the candidate can contribute to the Board a diversity of perspectives, including but not limited to gender, age, race, cultural and educational background, professional experience, skills, knowledge and length of service;
- (where the candidate is proposed to be appointed as an independent non-executive Director) whether the candidate is in compliance with the criteria of independence under the Listing Rules; and
- any other factors as may be determined by the Board from time to time.

於年內及截至本年報日期，提名委員會已審閱董事會之組成，並就再委任董事及主席之繼任計劃向董事會提供建議，其已評估獨立非執行董事的獨立性，及檢討董事會多元化政策，並制訂董事提名政策、提名程序及甄選及推薦候選董事的標準。

於截至二零二零年十二月三十一日止年度，提名委員會已舉行兩次會議，而提名委員會所有成員均有出席該等會議。

根據本公司採納的提名政策，董事會成員的委任將以用人唯賢的準則，根據客觀標準考慮可擔任董事會成員的人選。用以評估候選人的甄選準則包括：

- 候選人的學歷背景及資格（包括與本公司業務及企業策略有關之專業資格、技能及知識）；
- 候選人的與行業有關之經驗；
- 候選人的品格及誠信；
- 候選人是否願意及能夠投入足夠時間以履行董事之職責；
- 候選人是否能為董事會貢獻不同方面之多樣性，包括但不限於性別、年齡、種族、文化及教育背景、專業經驗、技能、知識及服務任期；
- （若候選人被建議委任為獨立非執行董事）其是否符合上市規則下相關之獨立準則；及
- 由董事會不時訂定的任何其他條件。

In terms of nomination procedures, any Board member may nominate or invite a candidate for appointment as a Director to be considered by the Nomination Committee. The Nomination Committee will then evaluate the personal profile of the candidate based on the selection criteria set out above, undertake due diligence in respect of such candidate and make recommendation for the Board's consideration and approval. For nomination of independent non-executive Director, the Nomination Committee will also assess the candidate's independence in accordance with the CG Code and the Listing Rules. For re-appointment of retiring Directors, the Nomination Committee will review the candidate's overall contribution and performance (including the candidate's attendance at Board committee meetings, Board meetings and general meetings, his/her level of participation and performance on the Board), and make recommendations to the Board and shareholders for re-election at general meetings.

Remuneration Committee

The Remuneration Committee consists of three members, namely Mr Chen Ping, Mr Tian Xiao Ren and Mr Chen Chang. Mr Tian Xiao Ren is the chairman of the Remuneration Committee. The majority of them are independent non-executive Directors.

The primary functions of the Remuneration Committee are to make recommendations to the Board on the remuneration of our Directors and senior management and determine on behalf of the Board specific remuneration packages and conditions of employment for our Directors and senior management. Remuneration will be determined by reference to the duties and level of responsibilities as well as market practice and conditions. None of the Directors themselves approve their own remuneration.

During the year and up to the date of the annual report, the Remuneration Committee has reviewed the Group's remuneration policy, assessed the performance of executive Directors and reviewed the remuneration package of the executive Directors and senior management and recommended to the Board on the remuneration packages of the executive Directors and senior management.

就提名程序而言，任何董事會成員可提名或邀請候選人擔任董事，以供提名委員會審議。提名委員會將根據上述甄選標準評估候選人的個人資料，對該候選人進行盡職調查，並提出董事會審議和批准的建議。就提名獨立非執行董事而言，提名委員會亦將根據企業管治守則及上市規則評估候選人的獨立性。就重新委任退任董事而言，提名委員會將檢討候選人的整體貢獻及表現（包括候選人出席董事會委員會會議，董事會會議及股東大會，他／她的參與程度及董事會表現），以及建議董事會及股東於股東大會上重選連任。

薪酬委員會

薪酬委員會由三名成員（即陳平先生、田曉韜先生及陳昌先生）組成。田曉韜先生為薪酬委員會主席。大部分成員為獨立非執行董事。

薪酬委員會的主要職能是就董事及高級管理層的薪酬向董事會提供建議及代表董事會釐定董事及高級管理層的具體薪酬待遇及聘用條件。有關薪酬將參考其職責及職權範圍，以及市場慣例及市況釐定。概無董事批准其本身之薪酬。

於年內及截至本年報日期，薪酬委員會已審閱本集團的薪酬政策、評估執行董事的表現及審閱執行董事和高級管理層的薪酬待遇以及就執行董事及高級管理層之薪酬待遇向董事會提出推薦意見。

CORPORATE GOVERNANCE REPORT

企業管治報告

For the year ended 31 December 2020, two meetings of the Remuneration Committee were held and all members attended the meetings.

Corporate Governance Function

The Board is responsible for performing the corporate governance duties of the Company. Terms of reference adopted by the Board include the duties of the Board on corporate governance functions to develop and review the Group's policies and practices on corporate governance, to review and monitor the training and continuous professional development of the Directors and the senior management and to review the Group's compliance with the CG Code and disclosure in this Corporate Governance Report.

The attendance of individual members of the Board and other Board Committees meetings for the financial year ended 31 December 2020 is set out in the table below:

		AGM 股東週年大會	Meeting attended/held 出席/舉行會議			
			Board 董事會	Audit Committee 審核委員會	Nomination Committee 提名委員會	Remuneration Committee 薪酬委員會
Executive Directors	執行董事					
Mr Chen Chang (Chairman of the Board)	陳昌先生(董事會主席)	1/1	6/6	N/A 不適用	2/2	2/2
Mr Chen Guo Xiong (Vice Chairman of the Board) (appointed on 1 October 2020)	陳國雄先生(董事會副主席) (於二零二零年 十月一日獲委任)	N/A 不適用	1/6	N/A 不適用	N/A 不適用	N/A 不適用
Ms Chen Zhao Nian	陳兆年女士	1/1	6/6	N/A 不適用	N/A 不適用	N/A 不適用
Ms Chen Zhao Hua (resigned on 1 October 2020)	陳兆華女士(於二零二零年 十月一日辭任)	0/1	0/6	N/A 不適用	N/A 不適用	N/A 不適用
Independent Non-executive Directors	獨立非執行董事					
Mr Chen Ping	陳平先生	1/1	6/6	4/4	2/2	2/2
Mr Tian Xiao Ren	田曉韜先生	1/1	5/6	4/4	2/2	2/2
Mr Au Yeung Kwong Wah	歐陽廣華先生	N/A 不適用	6/6	4/4	N/A 不適用	N/A 不適用

Chairman of the Board had a meeting with the independent non-executive Directors without the presence of other Executive Directors (save as the chairman himself) during the year ended 31 December 2020.

於截至二零二零年十二月三十一日止年度，薪酬委員會舉行了兩次會議，而所有成員均有出席該等會議。

企業管治職能

董事會負責執行本公司之企業管治職能。董事會採納之職權範圍包括董事會對企業管治職能之責任，包括制定及檢討本集團關於企業管治之政策及常規，審視及監督董事及高級管理層之培訓及持續專業發展，以及審視本集團遵守企業管治守則的情況及於本企業管治報告作出的披露。

截至二零二零年十二月三十一日止財政年度，董事會及其他董事委員會成員出席會議情況載列如下：

董事會主席於截至二零二零年十二月三十一日止年度與獨立非執行董事舉行過一次沒有其他執行董事在場(除主席本身外)的會議。

(C) Accountability and Audit

Financial Reporting

The Board, supported by the chief financial officer and the finance department of the Group, is responsible for the preparation of the financial statements of the Company and the Group. In the preparation of financial statements, IFRSs have been adopted and the appropriate accounting policies and statutory requirements have been consistently complied with. The Board aims to present a clear and balanced assessment of the Group's performance in the annual and interim reports to the shareholders, and make appropriate disclosure and announcements in a timely manner.

Directors' Responsibility on the Financial Statements

The Directors are responsible for overseeing the preparation of financial statements for the year ended 31 December 2020 with a view to ensuring that such financial statements give a true and fair view of the state of affairs of the Group and of the results and cash flows for that period. The Company's accounts are prepared in accordance with all relevant statutory requirements and suitable accounting standards.

The Directors are responsible for ensuring that appropriate accounting policies are selected and applied consistently; judgements and estimates made are prudent and reasonable; and the financial statements are prepared on a going concern basis.

The statement of the external auditor of the Company about their reporting responsibilities on the financial statements is set out in the Independent Auditor's Report on pages 87 to 94 of this annual report.

Management had provided monthly updates to Directors for giving a balanced and understandable assessment of the Company's performance, position and prospects to enable the Directors to discharge their duties.

(C) 問責及核數

財務匯報

董事會負責在本集團財務總監及財務部的協助下編製本公司及本集團的財務報表。於編製財務報表過程中，已採納國際財務報告準則並貫徹遵守適當會計政策及法律規定。董事會旨在於年度及中期報告中向股東呈列對本集團業績的清晰及公正的評估，並及時作出適當披露及公佈。

董事對財務報表的責任

董事負責監督截至二零二零年十二月三十一日止年度財務報表的編製，以確保該等財務報表真實、公平反映本集團的事務狀況以及該期間的業績及現金流量。本公司的賬目乃根據所有相關法律規定及適用會計準則編製。

董事負責確保選擇及一致應用適當會計政策；作出審慎及合理的判斷及評估；以及根據持續經營基準編製財務報表。

有關本公司外聘核數師對於其就財務報表申報職責所作的聲明載於本年報第87頁至94頁「獨立核數師報告」。

管理層已向董事提供每月最新資訊，為本公司之表現、狀況及前景提供公正及易於理解的評估，以便董事履行其職務。

Independent Auditors

During the year ended 31 December 2020, the remuneration paid or payable to the independent auditors, Ernst & Young, for services rendered is broken down below:

		2020 二零二零年 HKD'000 千港元
Audit services	核數服務	2,500
Others	其他	948
Total		3,448

獨立核數師

於截至二零二零年十二月三十一日止年度，就所提供服務已付或應付獨立核數師安永會計師事務所的酬金明細如下：

(D) Internal Controls

The Board has overall responsibilities for maintaining a sound and effective internal control system of the Group. The Company has an internal audit department to ensure effective internal control system of the Group. The Group's system of internal control includes a defined management structure with limits of authority, and is designed to help the Group achieve its business objectives, safeguard its assets against unauthorised use or disposition, ensure the maintenance of proper accounting records for the provision of reliable financial information for internal use or for publication, and ensure compliance with relevant laws and regulations. The system is designed to provide reasonable, but not absolute, assurance against material misstatement or loss, and to manage rather than eliminate risks of failure in the Group's operational systems and in the achievement of the Group's business objectives.

The Board has reviewed the internal audit report on quarterly basis and assessed the effectiveness (according to its magnitude and significance) of the Group's internal control system which covered all material controls, including financial, operational and compliance controls as well as risk management functions during the year ended 31 December 2020. No major issue was raised which may affect shareholders.

The Company has internal procedures on reporting and disseminating inside information and maintaining confidentiality.

(D) 內部監控

董事會全權負責維持本集團健全和有效之內部監控系統。本公司已成立內部審核部門從而確保有效的本集團內部監控系統。本集團內部監控系統包括界定管理架構及其相關之權限，以協助本集團達致其業務目標、保障其資產以防未經授權之使用或處理、確保備存適當之會計紀錄以提供可靠之財務資料供內部使用或對外刊發，並確保符合相關法例與法規。該系統旨在提供合理（而非絕對）保證不會出現嚴重誤報或損失的情況，並管理（而非消除）本集團經營系統失誤及未能達到本集團業務目標的風險。

於截至二零二零年十二月三十一日止年度，董事會已每季審閱內部審核報告及評估本集團內部監控系統之效能（根據幅度及重要性），該系統涵蓋所有重大監控（包括財務、營運及合規監控）以及風險管理職能。目前並無發現可能影響股東之重大事項。

本公司就申報及發佈內幕消息及維持機密性設有內部程序。

(E) Company Secretary

The Board appoints its Company Secretary in accordance with the Company's Articles of Association and in compliance with the requirements of the Listing Rules. Biographical details of the current Company Secretary is set out in the section headed "Directors and senior management" on page 32 to 42 of this annual report. The Company Secretary has complied with the professional training requirement as set out in the Rule 3.29 of the Listing Rules during the year ended 31 December 2020.

(F) Shareholders' Rights

The Board welcomes shareholders to present their views and shareholders may at any time submit their questions and concerns about the Group. Enquiries may be put to the Board by contacting the Company Secretary through our shareholders' email at ir@zhujiang.com.hk. Shareholder(s) holding not less than one-tenth of Company's paid-up capital may request the Board to convene an extraordinary general meeting. The objects of the meeting must be stated in the related requisition deposited at the Company's registered office and addressing to the Company Secretary at the Company's principal place of business in Hong Kong. The extraordinary general meeting will be held within 2 months after the deposition of such requisition.

Procedures for a shareholder to propose a person for election as a Director

Subject to the applicable laws and the provisions of the Company's Articles of Association, the Company may from time to time in general meeting by ordinary resolution elect any person to be a Director either to fill a casual vacancy or as an additional Director. A shareholder may propose a person for election as a Director by lodging the following documents to the Board or Company Secretary at our Hong Kong office at Room 1, 15/F., Tower 3, China Hong Kong City, 33 Canton Road, Tsim Sha Tsui, Kowloon, Hong Kong: 1) a notice in writing of the intention to propose that person (with full name and biographical details as required by Rule 13.51(2) of the Listing Rules) for election as a Director; and 2) a notice in writing by that person of his willingness to be elected as a Director. Such notices shall be lodged at least 7 clear days before the date of the general meeting and the period for lodgement of such notices shall commence no earlier than the day after the dispatch of the notice of the general meeting appointed for such election and shall be at least 7 clear days in length.

(E) 公司秘書

董事會根據本公司組織章程細則及遵守上市規則之要求委任公司秘書。現任公司秘書的簡歷詳情載於本年報第32頁至42頁的「董事及高級管理層履歷」一節。截至二零二零年十二月三十一日止年度，公司秘書已遵守上市規則第3.29條有關持續專業培訓的規定。

(F) 股東權利

董事會樂意聆聽股東的意見，並歡迎股東於任何時間對本集團提出質詢。股東可透過股東電郵 ir@zhujiang.com.hk 聯絡公司秘書，將查詢提呈至董事會。持有本公司繳足股本不少於十分之一的股東，可要求董事會召開股東特別大會。相關提請必須列明召開會議的目的，並送交本公司註冊辦事處，註明收件人為公司秘書，地址為本公司於香港之主要營業地址。股東特別大會將於呈交相關提請後兩個月內舉行。

股東提名人選參選董事的程序

本公司可不時在股東大會通過普通決議案選舉任何人士作為董事以填補臨時空缺或作為新增董事，惟受制於適用法例及本公司組織章程細則條款。股東可交存以下文件至董事會或公司秘書，請送交香港辦事處（地址為香港九龍尖沙咀廣東道33號中港城3座15樓1室），提名人士參選董事：1) 書面通知，表明提名該人士（全名及上市規則第13.51(2)條規定的履歷詳情）參選董事的意向；及2) 該人士的書面通知，表明其有意參選董事。該等通知必須於相關股東大會日期前不少於7個整日交存，該等通知的交存期由不早於選舉董事的相關股東大會的通知發出後一日開始，為期不得少於7個整日。

To safeguard shareholder interests and rights, a separate resolution is proposed for each substantial separate issue at shareholder meetings, including the election of individual Directors.

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

(G) Investor Relations and Communication With Shareholders

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

To promote effective communication, the Company maintains a website at <http://www.pck.com.cn> or <http://pck.todayir.com>, where up-to-date information and updates on the Company's business operations and developments, financial information, corporate governance practices and other information are posted. A shareholder communication policy is in place to ensure that shareholders are provided with ready, equal and timely access to information of the Company. The policy is available on the Company's website.

The Company endeavours to maintain an on-going dialogue with its shareholders and in particular, through AGMs or other general meetings to communicate with the shareholders. Shareholders are encouraged to participate in general meetings or to appoint proxies to attend and vote at meetings for and on their behalf. The chairman of the Board as well as the chairman of the Audit Committee, Nomination Committee and Remuneration Committee will make themselves available at the AGM to meet with the shareholders.

為保障股東的利益及權利，本公司會於股東大會上就每項獨立重大事項，包括選舉個別董事，提出獨立決議案。

於股東大會上提呈之所有決議案將根據上市規則按股數投票表決，投票結果將於每個股東大會結束後於本公司及聯交所網站刊登。

(G) 投資者關係及與股東的溝通

本公司認為，與股東之有效溝通對加強投資者關係及投資者對本集團業務表現及策略之理解非常重要。本公司亦確認透明度和及時披露公司資料之重要性，其使股東及投資者可作出最佳投資決定。

為促進有效溝通，本公司設有網站 <http://www.pck.com.cn> 或 <http://pck.todayir.com>，可於網站取得本公司業務經營及發展、財務資料、企業管治常規及其他之最新資料。本公司已制訂股東通訊政策，確保股東可及時獲得全面、相同及容易理解之本公司資料。上述政策刊載於本公司網站。

本公司努力維持與其股東的持續交流，特別是透過股東週年大會或其他股東會議與股東進行溝通。本公司鼓勵股東參與股東大會，或委任受委代表代其出席股東大會及投票。董事會主席、審核委員會主席、提名委員會主席及薪酬委員會主席將出席股東週年大會與股東會面。

CORPORATE GOVERNANCE REPORT

企業管治報告

The forthcoming AGM of the Company will be held on Friday, 18 June 2021. The notice of AGM will be sent to shareholders at least 20 clear business days before the AGM.

The Company attended conferences, roadshows and media interviews to keep the Shareholders and potential investors informed of the latest development of the Group. The head of investor relation will be the primary contact point for communications with investors and analysts.

The Company will continue to maintain an open and effective investor communication policy and to update investors on relevant information on the Group's business in a timely manner, subject to relevant regulatory requirements.

Memorandum and Articles of Association

There was no change in the constitutional documents of the Company during the year. The latest version of the Memorandum and Articles of Association of the Company is posted on the Company's website.

2020 Annual General Meeting

The Board is committed to the constructive use of the AGM as a forum to meet shareholders. The chairman of the Board and the chairmen of the Audit Committee, Remuneration Committee and Nomination Committee and the external auditors attended the 2020 AGM.

本公司即將於二零二一年六月十八日(星期五)舉行股東週年大會。股東週年大會通告將最少於股東週年大會前20個完整營業日前寄發予股東。

本公司多次參與會議、路演及媒體採訪，以讓股東及潛在投資者了解本集團的最新發展狀況。投資者關係部總監將擔任主要聯絡人士，負責與投資者及分析員溝通。

本公司將繼續維持開放、有效的投資者溝通政策，並遵照相關監管規定及時向投資者提供有關本集團業務的最新資料。

組織章程大綱及組織章程細則

年內本公司之憲章文件並無變動。本公司最新版本之組織章程大綱及組織章程細則均已上載至本公司網站。

二零二零年股東週年大會

董事會致力將股東週年大會發揮建設性用途，作為會見股東之場合。董事會主席以及審核委員會、薪酬委員會及提名委員會之主席及外聘核數師均有出席二零二零年股東週年大會。

At the 2020 AGM, the Company proposed separate resolutions on the issues considered. Resolutions passed at the 2020 AGM were as follows: (i) received the audited consolidated financial statements for the year ended 31 December 2019 together with the reports of the Directors and auditors of the Company; (ii) re-elected Ms Chen Zhao Hua as executive Director, Mr Tian Xiao Ren, Mr Chen Ping and Mr Au Yeung Kwong Wah as independent non-executive Directors and authorised the Board to fix the Directors' remuneration; (iii) reappointed Ernst & Young as auditors of the Company and authorised the Directors to fix its remuneration; (iv) approved a general mandate for the Directors to allot and issue of new shares of an amount not exceeding 20 per cent of the issued share capital of the Company as at the date of the 2020 AGM; (v) approved a general mandate for the Directors to repurchase shares of an amount not exceeding 10 per cent of the aggregate nominal amount of the Company's issued share capital as at the date of the 2020 AGM; (vi) extended the general mandate granted to the Directors of the Company to allot, issue, and deal with additional shares in the share capital of the Company by an amount not exceeding the amount of the shares repurchased by the Company; (vii) approved and adopt the new share option scheme. All resolutions were passed by way of a poll conducted by the Company's registrar. The poll results of the 2020 AGM were available on the Company's website.

The 2021 annual general meeting ("2021 AGM") of the Company will be held at Portion 2, 12/F., The Center, 99 Queen's Road Central, Hong Kong on Friday, 18 June 2021 at 10:30 a.m.

All Shareholders are encouraged to attend the 2021 AGM and exercise their rights to vote. Shareholders are invited to ask questions relating to the business of the meeting. Details of the resolutions to be considered in the 2021 AGM will be set out in a circular to be sent out to the Shareholders together with the 2020 annual report.

(H) Others

Share Interests of Senior Management

As confirmed with the senior management of the Company, they did not hold shares of the Company as at 31 December 2020.

於二零二零年股東週年大會上，本公司就考慮事項提呈獨立決議案。於二零二零年股東週年大會通過之決議案如下：(i) 省覽本公司截至二零一九年十二月三十一日止年度之經審核綜合財務報表及董事會報告與核數師報告；(ii) 重選陳兆華女士為執行董事，田曉韜先生、陳平先生及歐陽廣華先生為獨立非執行董事及授權董事會釐定董事酬金；(iii) 續聘安永會計師事務所為本公司核數師，並授權董事釐定其酬金；(iv) 批准授予董事一般授權，以配發及發行不超過本公司於二零二零年股東週年大會日期已發行股本20%的新股份；(v) 批准授予董事一般授權，以購回不超過本公司於二零二零年股東週年大會日期已發行股本面值總額10%的股份；(vi) 擴大授予本公司董事的一般授權，以配發、發行及處理本公司股本中的額外股份，惟數目不得超過本公司所購回的股份數目；(vii) 批准及採納新的購股權計劃。在本公司股份過戶登記處主持下，所有決議案均以投票表決方式通過。二零二零年股東週年大會之投票表決結果可於本公司網站閱覽。

本公司將於二零二一年六月十八日(星期五)上午十時三十分假座香港皇后大道中99號中環中心12樓2室舉行二零二一年股東週年大會(「二零二一年股東週年大會」)。

全體股東均獲鼓勵出席二零二一年股東週年大會及行使投票權，也歡迎股東在大會上提出關於業務之問題。於二零二一年股東週年大會考慮之決議案詳情將載入通函，以及將連同二零二零年年報寄送予股東。

(H) 其他事項

高級管理層之股份權益

經向本公司高級管理層確認後，彼等於二零二零年十二月三十一日並無持有本公司股份。

Sufficiency of Public Float

The Company has maintained the prescribed public float under the Listing Rules as at 31 December 2020.

(I) Dividend Policy

In order to enhance transparency of the Company and facilitate the shareholders of the Company and investors to make informed investment decisions relating to the Company, the Board adopted a dividend policy on 28 March 2019 (“Dividend Policy”).

According to the Dividend Policy, when determining whether to declare any dividend in the future and the amount of dividend to be declared, the Company shall consider a number of factors, including but not limited to:

- the Group’s actual and expected financial results;
- the general economic conditions and other internal or external factors that may have an impact on the business or financial performance and position of the Company;
- the Company’s business operation strategy, including expected working capital requirements, capital expenditure requirements and future expansion plans;
- the Company’s liquidity position;
- retained earnings and distributable profit reserves of the Company;
- the contractual restrictions on the payment of dividends imposed by the Company’s lenders and other institutions; and
- any other factors that the Board considers to be applicable from time to time.

The Company does not have any pre-determined dividend distribution proportion or distribution ratio. The declaration, payment and amount of dividends will be subject to the Board’s discretion. The Board will review the Dividend Policy on a regular basis.

充足公眾持股量

本公司於二零二零年十二月三十一日已維持上市規則規定之公眾持股量。

(I) 股息政策

為提升本公司之透明度及促使本公司股東及投資者作出有關本公司之知情投資決定，董事會於二零一九年三月二十八日採納一項股息政策（「股息政策」）。

根據股息政策，當未來決定是否宣派任何股息及宣佈股息金額時，本公司將考慮多項因素，包括但不限於：

- 本集團之實際及預期財務業績；
- 可能影響本公司業務或財務表現及財務狀況之整體經濟狀況及其他內在或外在因素；
- 本公司之業務經營策略，包括預期營運資金需求、資本開支需求及未來擴展計劃；
- 本公司之流動資金狀況；
- 本公司之留存收益和可分配利潤儲備；
- 由本公司貸款人及其他機構施加有關派發股息的合約規限；及
- 董事會不時認為適用之任何其他因素。

本公司沒有任何預定的股息分配比例或分配比率。股息之宣派、派付及金額將由董事會酌情決定。董事會將定期檢討股息政策。

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

環境、社會及管治報告

The Group cares about the community and adheres to an ingrained culture of fulfilling its social responsibilities by giving a much-needed boost to the environment in Guangdong Province, China and other regions in which it operates.

This session is prepared in accordance with Appendix 27 Environmental, Social and Governance Reporting Guide (the “ESG Guide”) of the Listing Rules. The Board is pleased to present our performance and progress on the environmental and social aspects from 1 January 2020 to 31 December 2020.

This ESG session would separate into two subject areas-(A) environmental and (B) social and each subject area included relevant aspects as follow:

A. ENVIRONMENTAL

A.1 Emissions

Carbon Dioxide Emissions

The Group has been focusing on minimizing emission of pollutants and waste such as carbon dioxide and packaging materials in order to efficiently consume resources and to comply with relevant laws.

For the energy indirect emissions, the Greenhouse gases (GHG) emissions associated with the electricity purchase in PRC are provided by the relevant provider of electricity.

本集團一直秉承回饋社會的理念，致力履行其社會責任，為中國廣東及各其他業務營運地區的環境發展盡一份力。

本報告乃根據上市規則附錄27《環境、社會及管治報告指引》（「環境、社會及管治報告指引」）編製。董事會欣然呈列我們於二零二零年一月一日至二零二零年十二月三十一日期間在環境及社會方面的表現及進展。

本環境、社會及管治報告分為(A)環境及(B)社會兩個主要範疇呈列，每個主要範疇均有多個層面，詳情如下：

A. 環境

A.1 排放物

二氧化碳排放

本集團一直致力最大程度減少二氧化碳及包裝材料等污染物及廢棄物排放，做到有效利用資源及遵守相關法律。

在能源使用間接產生的排放物方面，於中國所購買電力涉及的溫室氣體排放資料乃由相關電力供應商提供。

Industry's region 行業地區	Emission factor 排放因子	Quantity of purchased electricity 購買電量	CO ₂ equivalent emissions 二氧化碳當量排放
		2020 二零二零年	2020 二零二零年
Electricity supplied by China 中國供應的電力	0.63 kg/unit (kWh) 0.63 千克／單位（千瓦時）	34.8 million kWh 34,800,000 千瓦時	21.9 million kg/kWh 21,900,000 千克／ 千瓦時

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

環境、社會及管治報告

The Group would consume electricity for lighting the manufacturing bases powering the equipment and machineries. Therefore, carbon dioxide or green gas would be indirectly produced when the Group consumes electricity. The Group has implemented the policies to reduce the emission of the carbon dioxide as follow:

- 1) The design of new factory in Lianyungang and Zhuhai is allowing more natural light and ventilation in order to reduce use of electricity;
- 2) The light and equipment would be turned off during luncheon rest time.

Waste management

The Group remains focused on environmental protection and complied with local legislation and standards for environmental protection, e.g. Environmental Protection of the People's Republic of China Prevention 《中國人民共和國環境保護法》, Control of Atmospheric Pollution 《中華人民共和國大氣污染防治法》. Our production bases are featured with high-end sewage treatment equipment. Sewage will be treated before recycling and discharge.

A.2 Use of Resources

The major resources used by the Group relates to electricity, water and petrol. The Group aims at and has been reducing consumption of various resources. Resources consumption by the Group during the year is listed in the table below:

Resources Consumption

資源消耗

Electricity consumption

耗電

Water consumption

耗水

Petrol

汽油

Natural gas

天然氣

Unit

單位

2020

二零二零年

Amount

數量

2020

二零二零年

kWh

千瓦時

34.8 million

34,800,000

Tons

噸

364,000

364,000

Litre

升

270,000

270,000

M³

立方米

433,000

433,000

The Company will assess its staff to reduce the environment impact from the major resources.

本集團需要消耗電力用於生產基地照明及設備和機械供電。因此，在本集團消耗電力時，會間接產生二氧化碳或溫室氣體。本集團已實施以下減少二氧化碳排放的政策：

- 1) 連雲港及珠海新工廠採用增加自然採光及通風的設計，以達到節省電力的目的；
- 2) 在午餐休息時間關閉照明燈具及設備。

廢棄物管理

本集團重視環保並遵守《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》等當地環保立法和環保標準。各生產基地內設有高端污水處理設備，將污水進行處理再作循環使用及排放。

A.2 資源使用

本集團使用的資源主要為電力、水及汽油。本集團致力並一直持續減少各種資源消耗。下表載列年內本集團的資源消耗：

Resources Consumption	Unit	Amount
資源消耗	單位	數量
	2020	2020
	二零二零年	二零二零年
Electricity consumption	kWh	34.8 million
耗電	千瓦時	34,800,000
Water consumption	Tons	364,000
耗水	噸	364,000
Petrol	Litre	270,000
汽油	升	270,000
Natural gas	M ³	433,000
天然氣	立方米	433,000

為了減少主要資源對環境的影響，本公司會對其員工進行評核。

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

環境、社會及管治報告

A.3 The Environmental and Natural Resources

The Group endeavors to calculate the amount of materials needed for our production based on the principle of minimizing surplus materials. In addition, the Group puts in place a scrap metal recycling mechanism to sell the wasted steel produced in our process of production to recycling companies.

B. SOCIAL

B.1 Employment

The Group has committed in cultivating a good workplace practice free from discrimination and providing equal opportunities for all regardless of age, gender, race, colour, sexual orientation, disability or marital status to increase employee satisfaction.

As at 31 December 2020, the Group had 821 (2019:1,162) employees.

A.3 環境及天然資源

本集團在訂購材料前會預先計算生產時所需材料數量，盡量以減少剩餘材料為原則訂購材料。另外，本集團設有廢鐵回收機制，如在生產過程中產生廢棄鋼材，公司亦會售予回收商。

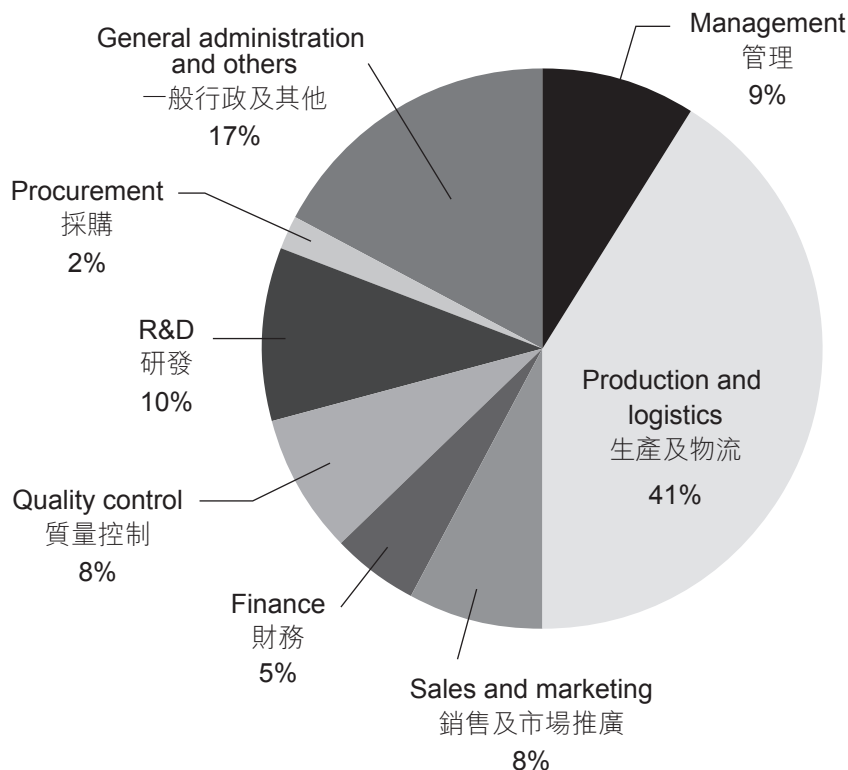
B. 社會

B.1 僱傭

本集團致力營造無歧視的良好工作環境，令員工不論年齡、性別、種族、膚色、性傾向、殘疾或婚姻狀況均能獲得平等機會，從而提高員工滿意度。

於二零二零年十二月三十一日，本集團共有員工821名（二零一九年：1,162名）。

Department Profile
部門分佈



ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

環境、社會及管治報告

The Group has also adopted principles in hiring new employees regardless of colour, religion, gender, nationality, race for selection, hiring, training, compensation and promotion.

The Group has complied with the Labour Law of the People's Republic of China 《中華人民共和國勞動法》, Labour Contract Law of People's Republic of China 《中華人民共和國勞動合同法》 and other relevant laws.

Our employment contract specified the terms including compensation and dismissal, working hours, rest periods and other benefits and welfare of our staff. The Group's employee handbook distributed to employees also includes information of policies on compensation and dismissal, employment benefits, rights on termination, business conduct and leave benefits.

B.2 Health and Safety

The Group has complied with the laws and regulations and adopted the Health Safety and Environmental ("HSE") management policy, in an effort to prevent pollution, to ensure people's health and safety, and to promote sustainable development. Our target is to achieve zero accidents, zero injuries and zero losses in order to meet the international HSE management standard.

The Group's employees reside in the neighbourhood areas. Within our plant zone, there are gardening landscape, fish ponds and recreational facilities, which offer a comfortable environment and a sports ground for our employees.

Occupational Safety

We have adopted the HSE risk identification, risk assessment and control procedures to manage our occupational safety risk. The Group's management is responsible for organising periodic risk identification and evaluation exercises, and is responsible for sorting, aggregation and distribution of relevant information, which includes the identification of risk factors for occupational safety and health, risk assessment on operating conditions, possibility of accidents, the formulation of operational control procedures, contingency plans, safety level standards, as well as training and education issues.

本集團在招聘新員工時亦不設膚色、宗教、性別、國籍、種族等限制，在員工甄選、僱用、培訓、報酬及晉升方面秉持一視同仁的原則。

本集團已遵守《中華人民共和國勞動法》、《中華人民共和國勞動合同法》及其他相關法律。

僱傭合同明確規定員工的薪酬及解僱、工作時數、休息時間以及其他利益及福利等條款。本集團分發給員工的員工手冊亦載有薪酬及解僱、僱員福利、終止權利、商業操守及休假福利政策等資料。

B.2 健康與安全

本集團一直遵守法律法規並採納健康安全環保（「HSE」）管理政策，防止污染，確保健康安全，促進持續發展。目標追求零事故、零傷害、零損失，以達到國際HSE的管理水準。

本集團的員工均在鄰近地區居住。廠區內設置園藝、魚池及康樂設施供員工觀賞及運動。

職業安全

公司使用HSE的風險辨識、風險評估控制程式管理職業安全風險。本集團的管理部負責定期組織風險辨識和評估活動，並負責相關資料的整理、匯總和分發。當中內容包括：職業安全健康風險因素的辨識；作業條件風險評估法；發生事故的可能性；制定運行控制程式；應變方法；安全等級標準；培訓及教育等事項。

The Group has kept records and documents relating to risk management, including the “Control procedures of the new, rebuilding and extension projects”, “Risk sources identification and risk evaluation form” and “List of major risks” for staff reference.

The Group always finds great importance in occupational safety and regularly provides training for staff. In 2020, the Group hosted trainings and rehearsals in productions bases for fire alert, so as to enhance safety awareness and emergency response, and held hazards identification programs and assemblies of risk management activities.

B.3 Development and Training

Staff Development and Training

Through meetings, trainings and notifications on notice board, the Group promotes its safety philosophy and amiable working environment among various departments and teams. We offer our employees access to learning and understanding about the Group, so that each employee and contractors of the Group or visitors can recognize their responsibilities and obligations in the aspect of improving the environment and enhancing occupational health and safety performance. We make great efforts on improving the environment and occupational safety.

Our adherence to the HSE management policy is a testimony of the greatest commitment of the Group towards environment and occupational health and safety. This policy is available for review by employees at any time. In the year, the Group further improved site management standards, achieved the goal of dedicated management, and further promoted the 6S management model in the Company. Project meetings were kicked off in the production sites of Zhuhai and Lianyangang.

The Group endeavours to enhance the skills of each employee in various aspects by providing staff trainings, which include the “Weekly Star” and “Weekly Talk”. A wide array of training courses is provided for employees to strengthen their work-related knowledge and skills. Also, the Group hosted an “advanced employee’s election”, whereby each of the employees obtaining a certificate of honorary was offered an outdoor training opportunity. To enable excellent employees to take up management positions and to bolster our team’s management capabilities, the Company also organised the “team leader for production and management training” courses during the year.

本集團備有風險管理的相關記錄及文件，包括《新改擴建項目控制程式》、《風險源辨識和風險評估表》及《重大風險清單》，供員工參考。

本集團一直十分重視職業安全並定時為員工提供培訓。於二零二零年，本集團在各生產基地進行消防培訓及演練，以加強安全意識及應對突發事件能力，並舉辦崗位危害因素辨識與風險管控活動的匯報大會。

B.3 發展及培訓

員工發展與培訓

本集團通過會議、培訓、板報宣傳等方式，將本集團的安全理念、良好工作環境的訊息傳達到各部門及各自班組，組織員工學習、了解本集團，使本集團的每個員工、承包商或到訪人員均認識到自己在改善環境和加強職業健康安全表現方面的職責和應盡的義務，努力改善環境和職業安全。

本集團以HSE管理方針，對環境及職業健康安全作出最高的承諾。該方針是公開性文件，任何員工均可隨時閱讀。年內，本集團進一步提高現場管理水準，達到精細化管理的目標，進一步加強企業6S管理模式的應用推廣。專案大會亦在珠海及連雲港生產基地舉行。

本集團致力提升各員工不同方面的技能，積極推行員工培訓，包括「每週一星」及「每週一講」。透過為員工提供不同的培訓課程，讓各員工配備實用的工作知識及技能。本集團亦主辦「先進員工選舉」，並為獲得榮譽證書的員工提供戶外拓展訓練活動的機會。為培養優秀員工晉升管理崗位及培養團隊管理能力，本公司在年內亦組織「班組長生產管理培訓」課程。

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

環境、社會及管治報告

The Group has set up a labour union to further promote spiritual positive energy with various social activities.

To reinforce the employees' sense of belonging to the Group, a wide range of sport events are provided by the Group for its employees every year, including basketball and table tennis contests and a game of tug-of-war, etc. In addition, we have provided activities that are of educational significance and served to enhance the work performance of our employees, including the "Business Oral English", "Training and Assembly for Fire", "Sales Training", "Joint Training and Team Building Program for Financial Department", and "Annual Sales Meeting", etc. The Zhuhai Company of the Group also held the third quarter award ceremony of "Set an example around you and consolidate the strength of the Company". The Company honored the advanced teams and individuals emerging from various functions with great ceremony, and called on all employees to learn from such advanced teams and individuals. The Zhuhai Company also organized a warm spring trip for the 8th March Women's Day.

We encourage our employees to take an active part in local community activities, including the "Green Enterprise Cup" Table Tennis and Badminton Tournament of Panyu District Youth Entrepreneur Association and the private enterprises working concern group activities. Various events were held, including the second "We Are Family·PCK" friendly wall donation, the hike of female employees for the 8th March International Women's Day, the Lantern Festival Fair jointly held by the Lianyungang base of Chu Kong Steel Pipe and the Community Workstation of the Neighborhood Center of Xuwei New Area, and the employee-oriented "1st May Caring Show" organized by the Artistic Association of Zhuhai Trade Union.

B.4 Labour Standards

The Group has complied with the Labour Law of the People's Republic of China 《中華人民共和國勞動法》, Labour Contract Law of People's Republic of China 《中華人民共和國勞動合同法》 and other relevant laws. The Group has not employed any staff aged under 16.

本集團已設有工會，透過各項社區活動傳遞精神文化正能量。

為提高員工對本集團的歸屬感，本集團每年會為員工組織各類運動，包括籃球比賽、乒乓球賽、拔河比賽等；另有其他具教育意義及提升員工對工作表現的相關活動，包括「商務英語口語培訓課程」、「消防培訓及演練」、「銷售系統培訓」、「集團財務部聯合會議」及「銷售年會」等。本集團的珠海公司亦舉辦了第三季度「樹立身邊先進凝聚公司力量」，先進表彰大會上，公司隆重表彰了各條戰線上湧現出來的先進團隊及個人，號召全體員工向受表彰的先進團隊和先進個人學習。珠海公司亦安排了三八婦女節暖春之旅。

本公司鼓勵員工積極參加當地社區活動，包括番禺區青年企業家協會「青企杯」乒乓球及羽毛球聯誼賽及民營企業關工小組活動。舉辦了第二屆「We Are Family·PCK」友善之牆捐贈活動、三八國際婦女節組織女職工開展踏青賞花活動、珠江鋼管連雲港基地聯合徐圩新區鄰里中心社區工作站舉辦元宵游園會、珠海市工會藝術團承辦的情系職工「五一·慰問演出」等。

B.4 勞工準則

本集團已遵守《中華人民共和國勞動法》、《中華人民共和國勞動合同法》及其他相關法律規定的慣例及政策。本集團並無僱用任何未滿16歲人員。

Staff Code

The staff code of the Group is prepared based on the PRC labour law and is in line with the national standards of the PRC. The Group has also been providing its staff with guidance in accordance with the national legislation.

B.5 Supply Chain Management

The Group has maintained proven track records of high production efficiency and timely delivery. We have established deep and cordial relationships with our suppliers. The Group keeps a list of qualified suppliers, whose appraisal is based on their track record of compliance with international standards and the Group's past cooperation relationship with them. To improve logistics efficiency, the Company has established a self-operated wharf in the Zhuhai production base and formed a joint venture company to construct and operate a port in Lianyungang production base for the delivery of steel products and the receipt of raw materials.

B.6 Product Responsibility

Product quality

With its state-of-art technology, equipment, management and well-established reputation, the Group is dedicated to the provision of high-quality products and services that satisfy customers' needs. Our product quality has met a number of international standards. We are also the only domestic welded steel pipe manufacturer being granted five national honors, namely the "Superior Quality Award for Actual Quality of Metallurgical Products", "Gold Cup Prize for Actual Quality of Metallurgical Products", "High and New Technology Enterprise", "National Recognized Enterprise Technology Center", and National Key New Products and hosts a "Academician Workstation". We are the main drafter of the national standard for longitudinal welded steel pipes in China. Meanwhile, with the setting up of the "Post-doctoral Research Station" and "Academician Workstation", the Company strives to further enhance its product quality and extend the application of its products.

員工守則

本集團的員工守則乃根據中國勞動法制定，符合中國國家標準要求。本集團亦一直根據國家法例，為員工提供指引。

B.5 供應鏈管理

本集團一直保持高生產效能並及時付運的往績，與各供應商保持良好合作關係。本集團內部亦備有一份合資格供應商的名單，考核過程以該供應商符合國際標準的往績及本集團過往與其合作關係作參考。為強化物流效益，本公司在珠海生產基地設置自營碼頭及在連雲港生產基地成立合營公司以興建及營運港口，作鋼管產品付運及接收原材料之用。

B.6 產品責任

產品質量

本集團以先進技術、設備、管理和良好的信譽保證提供高品質的產品和服務，深受客戶滿意。產品品質一直滿足不同的國際標準，亦是中國目前唯一一家同時擁有《中國冶金產品實物質量特優獎》、《中國冶金產品實物品質金杯獎》、《國家火炬計劃重點高新技術企業》、《國家認定企業技術中心》和《國家重點新產品》五項國家級榮譽於一身的焊管製造商，設有《院士工作站》，是國家直縫焊接輸送鋼管標準的主要起草單位。同時，本公司設有《博士後科研工作站》和《院士工作站》，不斷提升產品的品質和拓展產品的適用領域。

The Group strictly upholds the ISO9001 quality management system. With the use of advanced testing equipment, and the conduct of on-line and off-line testing as well as mechanical and chemical properties testing, we inspect the products at each production process stage in accordance with the best product quality requirements through a myriad of tests, such as steel ultrasonic testing, ultrasonic welding detection, weld X-ray inspection system, hydrostatic testing and flattening test. Upon obtaining post-test data, we will make a rigorous analysis on product quality, so as to ensure that each product meets customer requirements. We have built a testing center in compliance with the national standards, and the center has been recognised by China National Accreditation Service for Conformity Assessment (CNAS). The Group's testing center is equipped with a wide variety of laboratory equipment, including universal materials testing machine, low temperature impact material testing machine, drop weight tear test (DWTT) machine, hydrogen induced cracking (HIC) testing, sulfide stress corrosion cracking (SSC), crack tip opening displacement (CTOD) test, computer-controlled chemical composition vacuum direct reading spectrometer and microscope. Achieving six standards, our measuring chamber has passed through the ISO10012: 2003 AAA measurement management system certification. This proves that our measuring instruments are of high qualification and effectiveness. The Group's testing centre has passed the "National safety quality standardisation" and obtained the "TUV SUD Metal Materials Laboratory Accreditation Certificate". Our products, an unfailing symbol of quality, are blessed with unparalleled reputation in the international market under the "PCK" brand.

B.7 Anti-corruption

The operation of various departments of the Group is in compliance with legal regulations and legislations. We have established a whistle blowing policy, which enables our employees to express their views to the management anonymously.

本集團嚴格執行ISO9001品質管理體系，採用先進檢測設備，通過線上和離線檢測以及機械和化學性能測試等手段，嚴格按最優產品品質要求檢驗每個生產過程的產品品質，通過鋼板超聲波檢測、焊縫超聲波檢測、焊縫X光檢測系統、水壓試驗和壓扁試驗等檢測。在取得檢測資料後，還會對產品品質作嚴格的分析，確保每件產品均符合客戶的要求。公司擁有達到國家標準的檢測中心，獲中國合格評定國家認可委員會(CNAS)認可。本集團檢測中心配備包括萬能材料試驗機、低溫衝擊材料試驗機、落錘撕裂試驗(DWTT)機、氫致開裂(HIC)檢測、硫化物應力腐蝕開裂(SSC)檢測、裂紋尖端張開位移(CTOD)試驗、電腦控制化學成份真空直讀光譜儀和金相顯微鏡等實驗設備。公司計量室通過ISO10012: 2003測量管理體系AAA認證，具備六項建標，可保證計量器具合格有效。本集團的檢測中心已通過《國家級安全標準化企業達標評審》、《TUV南德頒金屬材料實驗室認可證書》。產品質素極具保證，以「PCK」品牌在國際市場上享有極高的知名度。

B.7 反貪污

本集團一直按照法律法規管理公司各部門的運作，並設有舉報機制，員工可以不記名方式向管理層反映意見。

B.8 Community Investment

Contribution to the Community

The Group has been playing an active role in charitable activities in Panyu, Guangdong Province, China and other regions in which we operate. During the year, with the organisation of a couple of educational, sports, cultural and charitable activities, we promoted the exuberance of Guangzhou City, thus enhancing foreign interest in Guangzhou and fostering urban development. These activities included:

- Sponsoring Panyu District “PCK Cup” 1st, 2nd and 3rd Table Tennis Contest
- Sponsoring Zhujiang “PCK Cup” 1st and 2nd World Go Team Championships
- Sponsoring “Golden Dragon City Cup” 1st and 2nd Dragon Boats Championships
- Sponsoring the 9th Table Tennis Competition of “Mayor’s Cup” of Guangzhou
- Exclusively supporting the 2nd National Calligraphy Poster Exhibition and Invited Exhibition, to promote the art of calligraphy and inherit national cultures.

In addition, the Group also participated in the assessment by the government and other organisations. During the year, we participated in:

- Supporting the events related to Chinese Bonsai Art organized by the Flower Bonsai Society of China
- Supporting the events organized by Baiyue Art Association of Panyu District
- “Panyu District Mayor Quality Award Assessment Management Approach” granted with the Quality Award by the provincial government
- “Guangdong Enterprise with integrity”

B.8 社區投資

回饋社區

本集團一直積極參與中國廣東省番禺及其他業務區內的慈善活動，以回饋社區。年內，公司舉辦不同的教育、體育、文藝及慈善活動，宣傳廣州市的特色，吸引外界對廣州更多了解，促進城市發展。活動包括：

- 贊助番禺區「珠鋼杯」第一、二、三屆乒乓球賽
- 贊助「珠鋼杯」第一、二屆世界圍棋團體錦標賽
- 贊助「金龍城杯」第一、二屆龍舟賽
- 贊助廣州市第九屆「市長杯」乒乓球百姓系列和諧賽
- 獨家支持全國第二屆書法臨帖作品展及特邀展，弘揚書法藝術，傳承民族文化。

另外，本集團亦參與政府及其他機構舉辦的評審，在年內亦參與：

- 支持中國花卉盆景社開展中國盆景藝術相關活動
- 支持番禺區百越藝術協會活動
- 《番禺區區長質量獎評審管理辦法》獲省政府質量獎
- 《廣東省守合同重信用企業》榮譽稱號

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環境、社會及管治報告

The Group has also encouraged its employees to actively participate in community activities in Guangdong Province, including:

- Participating the seventh “Guangzhou’s Mayor Cup” for table tennis tournament sponsored by Chu Kong Steel Pipe Group
- Joining the photographic contest arranged by the district
- Participating the “Charity Hiking” activity arranged by the City of Guangzhou
- Arranging a “Paternity Day” on the Nation’s Day
- Arranging the “Mid-Autumn Celebration” activity
- Joining the “International Dragon Boat” competition arranged by the City of Guangzhou
- Participating in the Charity Projects of Guangzhou Association of Women Entrepreneurs
- Participating in the poverty alleviation activities organized by Guangzhou Federation of Industry and Commerce, Guangzhou Women’s Federation, Guangzhou Association Of Women Entrepreneurs and District Federation of Industry and Commerce
- Participating in the poverty alleviation projects organized by Guangdong Women And Children’s Foundation, Guangzhou Women’s Federation and Guangzhou Association Of Women Entrepreneurs

Charity Fund

In April 2013, the Group established a charitable fund, named as the “Chu Kong Steel Pipe Group Co., Ltd. – Blessing Charity Fund”, aiming to improve the living environment of single mothers and orphans and assisting single mothers for seeking job. The Group donates certain amount of money to the fund every year.

本集團亦一直鼓勵員工積極參與廣東省內組織的社區活動，包括：

- 參加珠江鋼管廣州市第七屆「市長杯」乒乓球百姓系列和諧賽
- 參與區內舉辦的攝影徵文比賽
- 參加廣州市舉辦的「為愛攀登」慈善登山活動
- 舉辦「珠鋼伴你，與子同行」—珠江鋼管國慶親子活動日
- 舉辦「歡慶中秋」遊園中秋活動
- 參與廣州「國際龍舟」邀請賽
- 參加廣州市女企業家協會公益項目
- 參加廣州市工商聯、市婦聯、市女企、區工商聯等社團組織的扶貧活動
- 參加廣東省婦女兒童基金會、市婦聯及女企協會等社團組織開展的扶貧項目

慈善基金

於二零一三年四月，本集團設立名為「珠江鋼管集團有限公司—幸福基金」的慈善基金，旨在協助單親媽媽及孤兒改善生活環境，以及協助單親媽媽求職。本集團每年向該基金捐贈若干數額的資金。

INDEPENDENT AUDITOR'S REPORT

獨立核數師報告



To the shareholders of Chu Kong Petroleum and Natural Gas Steel Pipe Holdings Limited

(Incorporated in the Cayman Islands with limited liability)

OPINION

We have audited the consolidated financial statements of Chu Kong Petroleum and Natural Gas Steel Pipe Holdings Limited (the "Company") and its subsidiaries (the "Group") set out on pages 95 to 242, which comprise the consolidated statement of financial position as at 31 December 2020, and the consolidated statement of profit or loss, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

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

BASIS FOR OPINION

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

致珠江石油天然氣鋼管控股有限公司全體股東

(於開曼群島註冊成立的有限公司)

意見

吾等已審核載於第95至242頁的珠江石油天然氣鋼管控股有限公司(「貴公司」)及其附屬公司(「貴集團」)的綜合財務報表，此等財務報表包括於二零二零年十二月三十一日的綜合財務狀況表與截至該日止年度的綜合損益表、綜合全面收入表、綜合權益變動表及綜合現金流量表，以及綜合財務報表附註(包括主要會計政策概要)。

吾等認為，綜合財務報表已根據國際會計準則委員會(「國際會計準則委員會」)頒佈的國際財務報告準則(「國際財務報告準則」)真實而公平地反映貴集團於二零二零年十二月三十一日的綜合財務狀況以及截至該日止年度的綜合財務表現及綜合現金流量，並已遵照香港公司條例的披露規定妥為編製。

意見之基礎

吾等乃按照香港會計師公會(「香港會計師公會」)頒佈之香港審計準則(「香港審計準則」)進行審核工作。吾等於該等準則項下之責任在本報告中核數師就審核綜合財務報表須承擔的責任一節進一步詳述。根據香港會計師公會頒佈之專業會計師道德守則(「守則」)，吾等乃獨立於貴集團，並已按照守則履行其他道德責任。吾等相信，吾等所取得的審核憑證屬充分及恰當，可為吾等的意見提供基礎。

INDEPENDENT AUDITOR'S REPORT

獨立核數師報告

MATERIAL UNCERTAINTY RELATED TO GOING CONCERN

We draw attention to note 2.1 to the consolidated financial statements, as at 31 December 2020, the Group recorded net current liabilities of RMB950,203,000. As stated in note 2.1, these events or conditions, along with other matters as set forth in note 2.1, indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current period. In addition to the matter described in the *Material uncertainty related to going concern* section, we have determined the matters described below to be the key audit matters to be communicated in our report. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the *Auditor's responsibilities for the audit of the consolidated financial statements* section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated financial statements.

與持續經營有關之重大不明朗因素

吾等提請關注綜合財務報表附註2.1，於二零二零年十二月三十一日，貴集團錄得流動負債淨額為人民幣950,203,000元。誠如附註2.1所述，該等事項或情況以及附註2.1所載之其他事宜表明存在可能會致使貴集團持續經營能力嚴重成疑之重大不明朗因素。吾等之意見並無就該事項作出修訂。

關鍵審核事項

根據吾等的專業判斷，關鍵審核事項為吾等審核本期綜合財務報表中最重要的事項。除與持續經營有關之重大不明朗因素一節所述之事項外，吾等釐定下文所述之事項將為吾等於報告內作出討論之關鍵審核事項。該等事項均在吾等審核整體綜合財務報表及出具意見時進行處理，而吾等不會就該等事項單獨發表意見。對於以下每個問題，我們對審計如何解決此問題提供了描述。

吾等已履行本報告中核數師就審核綜合財務報表須承擔的責任一節所述的責任，包括有關該等事項的責任。因此，吾等的審核包括執行為應對綜合財務報表重大錯誤陳述風險的評估而設的程序。吾等審核程序（包括處理以下事項的程序）的結果，為吾等就隨附的綜合財務報表出具的審核意見提供基礎。

INDEPENDENT AUDITOR'S REPORT

獨立核數師報告

Key audit matter

關鍵審核事項

Impairment of property, plant and equipment

物業、廠房及設備減值

As at 31 December 2020, the Group recorded property, plant and equipment with a net book value of RMB2,530,037,000, among which RMB2,526,935,000 represented property, plant and equipment of the steel pipes segment. During the year, the steel pipes segment recorded a profit of RMB987,220,000 which was mainly due to the gain on land resumption of RMB1,864,709,000. The steel pipes segment recorded a loss of RMB877,489,000 when excluding the gain on land resumption, which indicated possible impairment of the non-current assets included in the steel pipes segment.

於二零二零年十二月三十一日，貴集團錄得物業、廠房及設備賬面淨值為人民幣2,530,037,000元，其中人民幣2,526,935,000元為鋼管分部之物業、廠房及設備。年內，鋼管分部錄得溢利人民幣987,220,000元，主要乃由於土地收儲收益人民幣1,864,709,000元。鋼管分部錄得虧損人民幣877,489,000元（不包括土地收儲收益），顯示鋼管分部之非流動資產可能出現減值。

Management estimated the recoverable amounts of these property, plant and equipment using the value-in-use model. The estimated value in use was dependent on management's determination on the Group's future events and its measures to improve its efficiency of cash flow management, macroeconomic assumptions about future demands of steel pipe products, the discount rate and exchange rates as well as the production levels and operating costs. These estimates were particularly significant due to the uncertain economic outlook, product price volatility, forecasted future production and market demand. The outcome of impairment assessment can vary significantly when different assumptions are applied.

管理層採用使用價值模型估計該等物業、廠房及設備的可回收金額。估計使用價值取決於管理層對貴集團未來事件及改善其現金流量管理效率之措施、有關鋼管產品未來需求之宏觀經濟假設、貼現率及匯率以及生產水平及運營成本之決定。由於經濟前景、產品價格波動、預測未來生產及市場需求不確定，該等評估尤為重要。減值評估之結果可能會因應用不同假設而造成顯著差異。

Relevant disclosures are included in note 2.4 "Summary of significant accounting policies", note 3 "Significant accounting judgements and estimates" and note 13 "Property, plant and equipment" to the financial statements.

有關披露載於財務報表附註2.4之「主要會計政策概要」、附註3之「重要會計判斷及估計」及附註13之「物業、廠房及設備」。

How our audit addressed the key audit matter

吾等的審核如何處理關鍵審核事項

We performed the following procedures to address this matter:

吾等已執行以下程序以解決此問題：

- Reviewed management's impairment assessment by comparing the carrying values of the property, plant and equipment and their value in use, evaluating the assumptions and methodologies (long-term growth rate, budgeted prices based on the market trend and budgeted sales quantity based on the existing production capacity) adopted by management;
- 透過比較物業、廠房及設備之賬面值及其使用價值，審閱管理層之減值評估，評估管理層採用之假設及方法（長期增長率、基於市場趨勢釐定之預算價格及基於現有產能釐定之預計銷量）；
- Involved our valuation specialists to assist us in evaluating the discount rate and the methodology used in the calculation of the value in use;
- 邀請估值專家協助吾等評估貼現率及計算使用價值之方法；
- Evaluated the data used in management's forecast by reference to any committed future events and business development plan which may impact the projected cash flows;
- 參考可能影響預計現金流量的任何承諾未來事件及業務發展計劃，評估管理層預測中所採用之數據；
- Evaluated the projected cash flows with reference to the sales orders on hand, industry trend, market index, and latest operating costs incurred;
- 參考現有銷售訂單、行業趨勢、市場指數及所產生的最新營運成本，評估預計現金流量；
- Performed sensitivity analysis to assess whether any change in the significant input would give a significant impact on the estimates; and
- 進行敏感性分析，以評估任何重大輸入數據的變動是否對估計產生重大影響；及
- Assessed the adequacy of the relevant disclosures in the Group's financial statements.
- 評估貴集團財務報表相關披露是否充分。

INDEPENDENT AUDITOR'S REPORT

獨立核數師報告

Key audit matter

關鍵審核事項

Impairment of trade receivables

貿易應收賬款之減值

As at 31 December 2020, the Group had trade receivables of RMB506,570,000, of which impairment of RMB6,333,000 was provided.

於二零二零年十二月三十一日，貴集團擁有貿易應收賬款人民幣506,570,000元，其中人民幣6,333,000元已作出減值撥備。

The calculation of the expected credit losses (“ECLs”) for trade receivables, including the assessment of the historical observed default rates and forecast economic conditions involves significant management judgements and estimates.

計算貿易應收賬款之預期信貸虧損（「預期信貸虧損」）（包括評估過往觀察到的違約率及預測經濟狀況），涉及重大的管理層判斷及估計。

Specific factors which management would consider include the ageing of the balances, past collection history and other available information related to the forecast economic conditions. The amount of ECLs is sensitive to changes in circumstances and forecast economic conditions.

管理層考慮的具體因素包括結餘賬齡、過往催收記錄以及獲得的其他有關預測經濟條件的資料。預期信貸虧損之金額對環境變化及預測經濟條件較為敏感。

Relevant disclosures are included in note 2.4 “Summary of significant accounting policies”, note 3 “Significant accounting judgements and estimates” and note 22 “Trade and bills receivables” to the financial statements.

有關披露載於財務報表附註2.4之「主要會計政策概要」、附註3之「重要會計判斷及估計」及附註22之「貿易應收賬款及應收票據」。

How our audit addressed the key audit matter

吾等的審核如何處理關鍵審核事項

We performed the following procedures to address this matter:

吾等已執行以下程序以解決此問題：

- Assessed the Group’s internal controls over the credit control of trade receivables and recalculated the provision matrix of ECLs;
- 評估貴集團對貿易應收賬款信貸控制之內部控制，並重新計算預期信貸虧損之撥備矩陣；
- Reviewed the credit terms and historical payment patterns of different categories of the customers to assess the groupings of customer segments with similar loss patterns;
- 檢討不同類別客戶的信貸條款及過往支付模式，以評估具有類似虧損模式客戶分部之分組；
- Examined the underlying data used in the provision matrix by checking to the corresponding ageing and historical repayment records on a sampling basis;
- 透過抽樣檢查相應的賬齡及過往還款記錄，審查撥備矩陣所採用的相關數據；
- Checked bank receipts for the settlements of trade receivables made subsequent to the year end; and
- 檢查年結日以後貿易應收賬款結算的銀行收據；及
- Assessed the forward-looking adjustments by analysing the use of macroeconomic information and the judgement of adjustments.
- 透過分析宏觀經濟資料的使用及調整的判斷，評估前瞻性調整。

INDEPENDENT AUDITOR'S REPORT

獨立核數師報告

OTHER INFORMATION INCLUDED IN THE ANNUAL REPORT

The directors of the Company are responsible for the other information. The other information comprises the information included in the Annual Report, other than the consolidated financial statements and our auditor's report thereon.

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

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

RESPONSIBILITIES OF THE DIRECTORS FOR THE CONSOLIDATED FINANCIAL STATEMENTS

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

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

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

年報所載的其他資料

貴公司董事須對其他資料負責。其他資料包括年報所載資料（綜合財務報表及吾等就此發出的核數師報告除外）。

吾等對綜合財務報表的意見並不涵蓋其他資料，吾等亦不會就其發表任何形式的鑒證結論。

就審核綜合財務報表而言，吾等的責任是閱讀其他資料，及在此過程中，考慮其他資料是否與綜合財務報表或吾等在審核過程中所了解的情況有重大不符，或者似乎有重大錯誤陳述。基於吾等已執行的工作，如果吾等認為其他資料有重大錯誤陳述，吾等需要報告有關事實。就此而言，吾等無需報告任何事項。

董事就綜合財務報表須承擔的責任

貴公司董事須負責根據國際會計準則委員會頒佈的國際財務報告準則和香港公司條例的披露要求編製綜合財務報表，以令綜合財務報表作出真實而公平的反映及落實董事認為必要的內部控制，以確保綜合財務報表之編製不存在由於欺詐或錯誤而導致的重大錯誤陳述。

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

審核委員會協助貴公司董事履行彼等監督貴集團財務報告過程的責任。

INDEPENDENT AUDITOR'S REPORT

獨立核數師報告

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

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Our report is made solely to you, as a body, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with HKSA's will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with HKSA's, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

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

核數師就審核綜合財務報表須承擔的責任

吾等的目標，是對綜合財務報表整體是否不存在由於欺詐或錯誤而導致的任何重大錯誤陳述取得合理保證，並出具包括吾等意見的核數師報告。吾等僅向閣下（作為整體）報告，除此之外本報告別無其他目的。吾等不會就本報告的內容向任何其他人士負上或承擔任何責任。

合理保證是高水平的保證，但不能保證按香港審計準則進行的審核總能發現重大錯誤陳述。錯誤陳述可以由欺詐或錯誤引起，如果合理預期錯誤陳述個別或匯總起來可能影響綜合財務報表使用者所作出的經濟決定，則有關的錯誤陳述可被視作重大。

在根據香港審計準則進行審核的過程中，吾等運用了職業判斷，保持了職業懷疑態度。吾等亦：

- 識別及評估由於欺詐或錯誤而導致綜合財務報表存在重大錯誤陳述的風險，設計及執行審核程序以應對該等風險，以及取得充足及適當的審核憑證，作為吾等意見的基礎。由於欺詐可能涉及串謀、偽造、蓄意遺漏、虛假陳述，或凌駕於內部控制之上，因此未能發現因欺詐而導致的重大錯誤陳述的風險較因錯誤而導致的重大錯誤陳述的風險為高。
- 了解與審核相關的內部控制，以設計適當的審核程序，但目的並非對貴集團內部控制的有效性發表意見。
- 評價董事所採用會計政策的合適性及作出會計估計及相關披露資料的合理性。

INDEPENDENT AUDITOR'S REPORT

獨立核數師報告

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.
- 對董事採用持續經營會計基礎的恰當性作出結論，並根據所得的審核憑證，決定是否存在與事件或情況有關的重大不確定性，而可能對貴集團持續經營的能力構成重大疑慮。如果吾等認為存在重大不確定性，則有必要在核數師報告中提請使用者關注綜合財務報表中的相關披露資料，假若有關披露資料不足，則吾等須出具非無保留意見的核數師報告。吾等的結論是基於截至核數師報告日止所取得的審核憑證。然而，未來事件或情況可能導致貴集團不能繼續持續經營。
- 評價綜合財務報表的整體列報方式、結構及內容，包括披露資料，以及綜合財務報表是否公允反映相關交易及事項。
- 就貴集團實體或業務活動的財務資料獲取充分、適當的審核憑證，以對綜合財務報表發表意見。吾等負責指導、監督及執行集團審核。吾等對審核意見承擔全部負責。

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

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

吾等與審核委員會溝通計劃審核範圍、時間安排、重大審核發現等事項，包括吾等於審核期間識別出內部控制的任何重大缺陷。

吾等亦向審核委員會提交聲明，說明吾等已符合有關獨立性的相關道德要求，並與彼等溝通所有合理地被認為會影響吾等獨立性的關係及其他事項，及（倘適用）已採取消除威脅的行動或所運用的防範措施。

INDEPENDENT AUDITOR'S REPORT

獨立核數師報告

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

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

就與審核委員會溝通的事項而言，吾等釐定哪些事項對本期綜合財務報表的審核最為重要，因而構成關鍵審核事項。吾等於核數師報告中描述該等事項，除非法律法規不允許對某件事項作出公開披露，或在極端罕見的情況下，若有合理預期於吾等報告中溝通某事項而造成的負面後果將會超過其產生的公眾利益，吾等將不會在此等情況下在報告中溝通該事項。

本獨立核數師報告的審核項目合夥人為許建輝。

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

30 March 2021

安永會計師事務所
執業會計師
香港中環
添美道1號
中信大廈22樓

二零二一年三月三十日

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

綜合損益表

Year ended 31 December 2020 截至二零二零年十二月三十一日止年度

		Notes 附註	2020 二零二零年 RMB'000 人民幣千元	2019 二零一九年 RMB'000 人民幣千元
REVENUE	收入	5	1,141,807	1,193,961
Cost of sales	銷售成本		(935,120)	(981,769)
Gross profit	毛利		206,687	212,192
Other income and gains	其他收入及收益	5	1,911,272	441,747
Selling and distribution expenses	銷售及分銷開支		(34,808)	(55,821)
Administrative expenses	行政費用		(287,638)	(336,042)
Exchange (loss)/gain, net	匯兌(虧損)/收益·淨額		(120,098)	23,528
Finance costs	融資成本	8	(475,384)	(450,058)
Fair value (loss)/gain on investment properties	投資物業之公平值(虧損)/收益	7	(20,000)	78,008
Fair value gain on a derivative financial instrument	衍生金融工具之公平值收益	7	-	19,260
Other expenses	其他費用	6	(300,702)	(69,388)
Share of loss of a joint venture	應佔一間合營公司虧損	19	(2,668)	(18,655)
PROFIT/(LOSS) BEFORE TAX	除稅前溢利/(虧損)	7	876,661	(155,229)
Income tax (expense)/credit	所得稅(費用)/抵免	11	(253,750)	13,140
PROFIT/(LOSS) FOR THE YEAR	本年度溢利/(虧損)		622,911	(142,089)
Attributable to:	以下人士應佔:			
Owners of the parent	母公司擁有人		622,911	(138,888)
Non-controlling interests	非控股權益		-	(3,201)
			622,911	(142,089)
EARNINGS/(LOSS) PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT	母公司普通股本擁有人應佔每股盈利/(虧損)		RMB	RMB
			人民幣	人民幣
Basic and diluted	基本及攤薄	12	0.62元	(0.14)元

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

綜合全面收入表

Year ended 31 December 2020 截至二零二零年十二月三十一日止年度

		2020 二零二零年 RMB'000 人民幣千元	2019 二零一九年 RMB'000 人民幣千元
PROFIT/(LOSS) FOR THE YEAR	本年度溢利／（虧損）	622,911	(142,089)
OTHER COMPREHENSIVE INCOME/(LOSS)	其他全面收益／（虧損）		
Other comprehensive income/(loss) that may be reclassified to profit or loss in subsequent periods:	於後續期間可能重新分類至損益的其他全面收益／（虧損）：		
Exchange differences on translation of foreign operations	折算外幣業務產生的匯兌差額	189,906	(26,494)
Net other comprehensive income/(loss) that may be reclassified to profit or loss in subsequent periods	於後續期間可能重新分類至損益的其他全面收益／（虧損）淨額	189,906	(26,494)
Other comprehensive (loss)/income that will not be reclassified to profit or loss in subsequent periods:	於後續期間將不重新分類至損益的其他全面（虧損）／收益：		
Exchange differences on translation of the Company's financial statements into the presentation currency	本公司財務報表換算呈列貨幣產生的匯兌差額	(11,091)	5,171
Net other comprehensive (loss)/income that will not be reclassified to profit or loss in subsequent periods	於後續期間將不重新分類至損益的其他全面（虧損）／收益淨額	(11,091)	5,171
OTHER COMPREHENSIVE INCOME/(LOSS) FOR THE YEAR, NET OF TAX	年內扣除稅項後其他全面收益／（虧損）	178,815	(21,323)
TOTAL COMPREHENSIVE INCOME/(LOSS) FOR THE YEAR	年內全面收益／（虧損）總額	801,726	(163,412)
Attributable to:	以下人士應佔：		
Owners of the parent	母公司擁有人	801,726	(160,211)
Non-controlling interests	非控股權益	-	(3,201)
		801,726	(163,412)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

綜合財務狀況表

31 December 2020 二零二零年十二月三十一日

		Notes	2020 二零二零年 RMB'000 人民幣千元	2019 二零一九年 RMB'000 人民幣千元
NON-CURRENT ASSETS	非流動資產			
Property, plant and equipment	物業、廠房及設備	13	2,530,037	2,604,239
Investment properties	投資物業	16	387,000	407,000
Right-of-use assets	使用權資產	18	1,031,276	1,114,551
Long term prepayments and deposits	長期預付款項及按金	17	75,679	85,975
Investment in a joint venture	於一間合營公司之投資	19	10,510	13,177
Deferred tax assets	遞延稅項資產	20	–	210,943
Total non-current assets	非流動資產總值		4,034,502	4,435,885
CURRENT ASSETS	流動資產			
Properties under development	發展中物業	14	2,064,560	1,822,964
Completed properties held for sale	落成待售物業	15	365,422	383,977
Inventories	存貨	21	415,709	219,102
Trade and bills receivables	貿易應收賬款及應收票據	22	511,538	403,775
Prepayments, other receivables and other assets	預付款項、其他應收款項及其他資產	23	1,003,330	916,170
Due from a related party	應收關聯方款項	39	84,522	84,522
Pledged and restricted bank balances	已抵押及受限制銀行結餘	24	22,712	164,826
Cash and cash equivalents	現金及現金等價物	24	19,466	58,585
Assets classified as held for sale	分類為持作出售的資產	33	4,487,259 19,767	4,053,921 –
Total current assets	流動資產總值		4,507,026	4,053,921
CURRENT LIABILITIES	流動負債			
Trade and bills payables	貿易應付賬款及應付票據	25	614,511	379,935
Other payables and accruals	其他應付款項及應計費用	28	782,666	628,847
Contract liabilities	合約負債	27	1,286,986	1,159,070
Derivative financial instrument	衍生金融工具	32	–	3,724
Fixed rate bonds and notes	定息債券及票據	30	33,903	170,404
Interest-bearing bank and other borrowings	計息銀行及其他借貸	26	2,178,336	1,116,889
Due to a director	應付董事款項	39	80,768	88,857
Tax payable	應付稅項		417,928	365,567
Provision	撥備	29	54,579	–
Liabilities directly associated with the assets classified as held for sale	與分類為持作出售的資產直接相關的負債	33	5,449,677 7,552	3,913,293 –
Total current liabilities	流動負債總額		5,457,229	3,913,293
NET CURRENT (LIABILITIES)/ASSETS	流動(負債)/資產淨值		(950,203)	140,628
TOTAL ASSETS LESS CURRENT LIABILITIES	資產總值減流動負債		3,084,299	4,576,513

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

綜合財務狀況表

31 December 2020 二零二零年十二月三十一日

		Notes 附註	2020 二零二零年 RMB'000 人民幣千元	2019 二零一九年 RMB'000 人民幣千元
NON-CURRENT LIABILITIES	非流動負債			
Due to a director	應付董事款項	39	50,000	50,000
Fixed rate bonds and notes	定息債券及票據	30	114,608	7,631
Interest-bearing bank and other borrowings	計息銀行及其他借貸	26	1,373,109	3,753,975
Deferred tax liabilities	遞延稅項負債	20	353,876	368,023
Government grants	政府補貼	31	336,011	341,915
Total non-current liabilities	非流動負債總額		2,227,604	4,521,544
Net assets	資產淨值		856,695	54,969
EQUITY	權益			
Equity attributable to owners of the parent	母公司擁有人應佔權益			
Issued capital	已發行股本	34	88,856	88,856
Reserves	儲備	35	767,839	(33,887)
Total equity	權益總額		856,695	54,969

CHEN CHANG

陳昌

Director

董事

CHEN ZHAO NIAN

陳兆年

Director

董事

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

綜合權益變動表

Year ended 31 December 2020

截至二零二零年十二月三十一日止年度

		Attributable to owners of the parent 母公司擁有人應佔										
		Issued capital	Share premium*	Asset revaluation reserve** 資產	Contributed surplus*	Capital reserve*	Statutory reserve fund*	Accumulated losses*	Exchange fluctuation reserve* 匯率	Total	Non-controlling interests	Total
		已發行股本 RMB'000 人民幣千元 (Note 34) (附註34)	股份溢價* RMB'000 人民幣千元	重估儲備** RMB'000 人民幣千元	實繳盈餘* RMB'000 人民幣千元	資本儲備* RMB'000 人民幣千元	法定公積金* RMB'000 人民幣千元 (note (a)) (附註(a))	累計虧損* RMB'000 人民幣千元	波動儲備* RMB'000 人民幣千元	總計 RMB'000 人民幣千元	非控股權益 RMB'000 人民幣千元	總計 RMB'000 人民幣千元
At 1 January 2019	於二零一九年一月一日	88,856	767,097	1,073,940	224,589	57,607	165,276	(1,982,814)	(175,698)	218,853	11,420	230,273
Loss for the year	本年度虧損	-	-	-	-	-	-	(138,888)	-	(138,888)	(3,201)	(142,089)
Other comprehensive loss for the year	本年度其他全面虧損	-	-	-	-	-	-	-	-	-	-	-
Exchange differences on translation of foreign operations	折算外幣業務產生的匯兌差額	-	-	-	-	-	-	-	(26,494)	(26,494)	-	(26,494)
Exchange differences related to the translation of the Company's financial statements into the presentation currency	本公司財務報表換算呈列貨幣產生的匯兌差額	-	-	-	-	-	-	-	5,171	5,171	-	5,171
Total comprehensive loss for the year	本年度全面虧損總額	-	-	-	-	-	-	(138,888)	(21,323)	(160,211)	(3,201)	(163,412)
Acquisition of non-controlling interests	收購非控股權益	-	-	-	-	(3,673)	-	-	-	(3,673)	(8,219)	(11,892)
Transfer of asset revaluation reserve upon the sale of relevant properties	自相關物業出售後，轉撥資產重估儲備	-	-	(457,200)	-	-	-	457,200	-	-	-	-
At 31 December 2019	於二零一九年十二月三十一日	88,856	767,097	616,740	224,589	53,934	165,276	(1,664,502)	(197,021)	54,969	-	54,969

		Attributable to owners of the parent 母公司擁有人應佔										
		Issued capital	Share premium*	Asset revaluation reserve** 資產	Contributed surplus*	Capital reserve*	Statutory reserve fund*	Accumulated losses*	Exchange fluctuation reserve* 匯率	Total		Total
		已發行股本 RMB'000 人民幣千元 (Note 34) (附註34)	股份溢價* RMB'000 人民幣千元	重估儲備** RMB'000 人民幣千元	實繳盈餘* RMB'000 人民幣千元	資本儲備* RMB'000 人民幣千元	法定公積金* RMB'000 人民幣千元 (note (a)) (附註(a))	累計虧損* RMB'000 人民幣千元	波動儲備* RMB'000 人民幣千元	總計 RMB'000 人民幣千元		總計 RMB'000 人民幣千元
At 1 January 2020	於二零二零年一月一日	88,856	767,097	616,740	224,589	53,934	165,276	(1,664,502)	(197,021)	54,969		54,969
Profit for the year	本年度溢利	-	-	-	-	-	-	622,911	-	622,911		622,911
Other comprehensive income for the year	本年度其他全面收益	-	-	-	-	-	-	-	-	-		-
Exchange differences on translation of foreign operations	折算外幣業務產生的匯兌差額	-	-	-	-	-	-	-	-	189,906		189,906
Exchange differences related to the translation of the Company's financial statements into the presentation currency	本公司財務報表換算呈列貨幣產生的匯兌差額	-	-	-	-	-	-	-	-	(11,091)		(11,091)
Total comprehensive income for the year	本年度全面收益總額	-	-	-	-	-	-	622,911	178,815	801,726		801,726
Transfer of retained earnings	轉撥保留盈利	-	-	-	-	-	-	110,247	(110,247)	-		-
Transfer of asset revaluation reserve upon the sale of relevant properties	自相關物業出售後，轉撥資產重估儲備	-	-	(4,079)	-	-	-	4,079	-	-		-
At 31 December 2020	於二零二零年十二月三十一日	88,856	767,097	612,661	224,589	53,934	275,523	(1,147,759)	(18,206)	856,695		856,695

The asset revaluation reserve arose from a change in use from an owner-occupied property to an investment property carried at fair value.

自用物業因用途變更轉為按公平值列賬的投資物業而產生資產重估儲備。

* These reserve accounts comprise the consolidated reserves of RMB767,839,000 (2019: RMB(33,887,000)) in the consolidated statement of financial position.

* 該等儲備賬目包括綜合財務狀況表中綜合儲備人民幣767,839,000元(二零一九年:人民幣33,887,000元)。

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

綜合權益變動表

Note:

(a) In accordance with the Company Law of the People's Republic of China (the "PRC"), the Company's subsidiaries registered in the PRC are required to appropriate 10% of the annual statutory net profit after tax (after offsetting any prior years' losses) to the statutory reserve fund. When the balance of an entity's reserve fund reaches 50% of its registered capital, any further appropriation is optional. The statutory reserve fund can be utilised to offset prior years' losses or to increase the registered capital. However, such balance of the statutory reserve fund must be maintained at a minimum of 25% of the registered capital after such usage.

附註：

(a) 根據中華人民共和國（「中國」）公司法，本公司於中國註冊的附屬公司，須將除稅後年度法定淨溢利（抵銷過往年度的任何虧損後）的10%撥入法定公積金。當公積金的結餘達一個實體註冊資本的50%時，可選擇是否繼續撥入法定公積金。法定公積金可用於抵銷過往年度虧損，或增加註冊資本。然而，將法定公積金用於上述用途後所剩的餘額，最低限度須保持註冊資本的25%。

CONSOLIDATED STATEMENT OF CASH FLOWS

綜合現金流量表

Year ended 31 December 2020 截至二零二零年十二月三十一日止年度

	Notes 附註	2020 二零二零年 RMB'000 人民幣千元	2019 二零一九年 RMB'000 人民幣千元
CASH FLOWS FROM OPERATING ACTIVITIES			
(Profit)/loss before tax		876,661	(155,229)
Adjustments for:	就下列各項調整:		
Loss on disposal of a subsidiary	6	–	20,107
Finance costs	8	475,384	450,058
Share of loss of a joint venture	19	2,668	18,655
Bank interest income	5	(715)	(23,794)
Government grant income	5	(14,092)	(34,764)
Gain on resumption of land use rights to the local authorities	5	(1,864,709)	(368,305)
Gain on cancellation of a derivative financial instrument	32	(3,724)	–
Depreciation of property, plant and equipment	13	98,748	98,973
Depreciation of right-of-use assets	18	29,577	33,263
Fair value loss/(gain) on investment properties	16	20,000	(78,008)
Fair value gain on a derivative financial instrument	32	–	(19,260)
(Reversal of impairment)/impairment of trade receivables	22	(12,884)	3,845
Impairment of other receivables	23	27,222	37,615
		(365,864)	(16,844)
(Increase)/decrease in inventories		(198,255)	3,955
Increase in properties under development		(241,596)	(57,801)
Decrease in completed properties held for sale		18,555	36,900
(Increase)/decrease in trade and bills receivables		(316,961)	132,605
(Increase)/decrease in prepayments, other receivables and other assets		(270,467)	92,750
Decrease in pledged and restricted bank balances		142,114	454,234
Increase/(decrease) in trade and bills payables		234,669	(311,529)
Increase in contract liabilities, other payables and accruals		1,017,112	176,519
Increase in provision		54,579	–

CONSOLIDATED STATEMENT OF CASH FLOWS

綜合現金流量表

Year ended 31 December 2020 截至二零二零年十二月三十一日止年度

		Notes 附註	2020 二零二零年 RMB'000 人民幣千元	2019 二零一九年 RMB'000 人民幣千元
Cash generated from operations	經營產生現金		73,886	510,789
Interest received	已收利息	5	715	23,794
Interest paid	已付利息	18	(654)	(794)
Corporate income tax paid	已付企業所得稅		(17)	(4,628)
Land appreciation tax paid	已付土地增值稅		(2,565)	(1,408)
Net cash flows from operating activities	經營活動產生現金流量淨額		71,365	527,753
CASH FLOWS FROM INVESTING ACTIVITIES	投資活動所得現金流量			
Receipt from financial assets measured at fair value through profit or loss	收取按公平值計入損益計量的金融資產		-	200
Purchase of financial assets measured at fair value through profit or loss	購置按公平值計入損益計量的金融資產		-	(200)
Purchases of items of property, plant and equipment	購買物業、廠房及設備項目		(28,613)	(49,389)
Proceeds from disposal of items of property, plant and equipment	出售物業、廠房及設備項目所得款項		12,680	458
Disposal of a subsidiary	出售一間附屬公司		4,743	4,061
Decrease in an amount due from a related party	應收關聯方款項減少		-	154
Receipt of government grants	收取政府補貼	31	8,188	25,780
Receipt of compensation for land resumption	收取土地收儲之補償款		1,665,000	1,230,000
Net cash flows from investing activities	投資活動所得現金流量淨額		1,661,998	1,211,064

CONSOLIDATED STATEMENT OF CASH FLOWS

綜合現金流量表

Year ended 31 December 2020 截至二零二零年十二月三十一日止年度

	Note	2020 二零二零年 RMB'000 人民幣千元	2019 二零一九年 RMB'000 人民幣千元
CASH FLOWS FROM FINANCING ACTIVITIES			
New bank loans and other borrowings		947,026	1,117,525
Repayment of bank loans and other borrowings		(2,388,165)	(2,269,572)
Proceeds from issue of bonds		–	6,158
Repayment of bonds		(28,912)	–
Dividends paid		–	(1,482)
Interest paid		(304,528)	(527,801)
Decrease in an amount due to a director		(8,089)	(83,587)
Principal portion of lease payments		(2,470)	(2,219)
Net cash flows used in financing activities		(1,785,138)	(1,760,978)
NET DECREASE IN CASH AND CASH EQUIVALENTS			
Effect of foreign exchange rate changes, net		12,656	13,839
Cash and cash equivalents at beginning of year		58,585	66,907
CASH AND CASH EQUIVALENTS AT END OF YEAR		19,466	58,585
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS			
Cash and bank balances	24	19,466	58,585

NOTES TO FINANCIAL STATEMENTS

財務報表附註

31 December 2020 二零二零年十二月三十一日

1. CORPORATE AND GROUP INFORMATION

Chu Kong Petroleum and Natural Gas Steel Pipe Holdings Limited (the "Company") was incorporated in the Cayman Islands on 9 January 2008 as an exempted company with limited liability under the Companies Law, Cap.22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands. The Company's registered office address is Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman, KY1-1111, Cayman Islands.

The Company and its subsidiaries (together, the "Group") are involved in the following principal activities:

- manufacture and sale of welded steel pipes and the provision of related manufacturing services
- property development and investment

In the opinion of the directors, the holding company and the ultimate holding company of the Company is Bournam Profits Limited ("Bournam"), which was incorporated in the British Virgin Islands.

Information about subsidiaries

Particulars of the Company's principal subsidiaries are as follows:

Company name 公司名稱	Place and date of incorporation/ establishment and place of operations 註冊/成立地點及日期以及營業地點	Nominal value of issued ordinary /registered share capital 已發行普通股/註冊股本面值	Percentage of equity attributable to the Company 本公司應佔股權百分比		Principal activities 主要業務
			Direct 直接 %	Indirect 間接 %	
Lessonstart Enterprises Limited 利事達集團有限公司	British Virgin Islands 英屬處女群島	US\$300 300美元	100	–	Investment holding 投資控股
Lucknow Consultants Limited	British Virgin Islands 英屬處女群島	US\$10 10美元	–	100	Investment holding 投資控股

1. 公司及集團資料

珠江石油天然氣鋼管控股有限公司(「本公司」)於二零零八年一月九日根據開曼群島法例第22章公司法(一九六一年第3號法例,經綜合及修訂)在開曼群島註冊成立為獲豁免的有限公司。本公司註冊辦事處之地址為Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman, KY1-1111, Cayman Islands。

本公司及其附屬公司(統稱「本集團」)主要從事以下業務活動:

- 製造及銷售有縫焊接鋼管及提供相關製造服務
- 物業發展及投資

董事認為,本公司的控股公司及最終控股公司為Bournam Profits Limited(「Bournam」),該公司於英屬處女群島註冊成立。

關於附屬公司之資料

本公司主要附屬公司之詳情如下:

NOTES TO FINANCIAL STATEMENTS

財務報表附註

31 December 2020 二零二零年十二月三十一日

1. CORPORATE AND GROUP INFORMATION

(Continued)

Information about subsidiaries (Continued)

Particulars of the Company's principal subsidiaries are as follows: (Continued)

1. 公司及集團資料(續)

關於附屬公司之資料(續)

本公司主要附屬公司之詳情如下:(續)

Company name 公司名稱	Place and date of incorporation/ establishment and place of operations 註冊/成立地點及 日期以及營業地點	Nominal value of issued ordinary /registered share capital 已發行普通股/ 註冊股本面值	Percentage of equity attributable to the Company 本公司應佔 股權百分比		Principal activities 主要業務
			Direct 直接 %	Indirect 間接 %	
Crown Central Holdings Limited 光中集團有限公司	Hong Kong 香港	HK\$1,000 1,000港元	–	100	Trading of steel pipes 鋼管貿易
Chu Kong Steel Pipe Group Co., Ltd. 珠江鋼管集團有限公司	Hong Kong 香港	HK\$100,000 100,000港元	–	100	Investment holding and trading of steel pipes 投資控股及鋼管貿易
Panyu Chu Kong Steel Pipe Co., Ltd. ("PCKSP") (Note 1) 番禺珠江鋼管有限公司 (「番禺珠江鋼管」)(附註1)	The PRC/ Mainland China 中國/中國內地	HK\$1,937,500,000 1,937,500,000港元	–	80	Manufacture and sale of welded steel pipes 製造及銷售 有縫焊接鋼管
Guangzhou Pearl River Petrol-Fittings Co., Ltd. 廣州珍珠河石化管件 有限公司	The PRC/ Mainland China 中國/中國內地	HK\$5,000,000 5,000,000港元	–	100	Manufacture and sale of petrol fittings 製造及銷售石化管件
Guangzhou Pearl River OCTG Co., Ltd. 廣州珍珠河石油套管 有限公司	The PRC/ Mainland China 中國/中國內地	HK\$21,000,000 21,000,000港元	–	100	Manufacture and sale of oil country tubular goods 製造及銷售 石油管材

NOTES TO FINANCIAL STATEMENTS

財務報表附註

31 December 2020 二零二零年十二月三十一日

1. CORPORATE AND GROUP INFORMATION

(Continued)

Information about subsidiaries (Continued)

Particulars of the Company's principal subsidiaries are as follows: (Continued)

1. 公司及集團資料(續)

關於附屬公司之資料(續)

本公司主要附屬公司之詳情如下:(續)

Company name 公司名稱	Place and date of incorporation/ establishment and place of operations 註冊/成立地點及 日期以及營業地點	Nominal value of issued ordinary /registered share capital 已發行普通股/ 註冊股本面值	Percentage of equity attributable to the Company 本公司應佔 股權百分比		Principal activities 主要業務
			Direct 直接 %	Indirect 間接 %	
Guangzhou Pearl River Petroleum Steel Pipe Coating Co., Ltd. 廣州珍珠河石油鋼管防腐 有限公司	The PRC/ Mainland China 中國/中國內地	HK\$10,000,000 10,000,000港元	—	100	Steel pipe casing and lining services 鋼管防護及 內壁塗層服務
Guangzhou Pearl River Petroleum Steel Pipe Co., Ltd. 廣州珍珠河石油鋼管 有限公司	The PRC/ Mainland China 中國/中國內地	HK\$50,000,000 50,000,000港元	—	100	Manufacture and sale of welded steel pipes 製造及銷售 有縫焊接鋼管
Panyu Chu Kong Steel Pipe (Lianyungang) Co., Ltd. ("PCKSP (Lianyungang)") 番禺珠江鋼管(連雲港)有限公司 (「番禺珠江鋼管(連雲港)」)	The PRC/ Mainland China 中國/中國內地	RMB1,110,000,000 人民幣1,110,000,000元	—	100	Manufacture and sale of welded steel pipes 製造及銷售 有縫焊接鋼管
Guangzhou Panyu Chu Kong Hualong Petroleum Steel Pipe Anti-Corrosion Co., Ltd. ("Hualong Anti-Corrosion") 廣州市番禺珠江華龍石油鋼管 防腐有限公司(「華龍防腐」)	The PRC/ Mainland China 中國/中國內地	RMB20,600,000 人民幣20,600,000元	—	100	Steel pipe casing and lining services 鋼管防護及內壁 塗層服務

NOTES TO FINANCIAL STATEMENTS

財務報表附註

31 December 2020 二零二零年十二月三十一日

1. CORPORATE AND GROUP INFORMATION

(Continued)

Information about subsidiaries (Continued)

Particulars of the Company's principal subsidiaries are as follows: (Continued)

1. 公司及集團資料(續)

關於附屬公司之資料(續)

本公司主要附屬公司之詳情如下:(續)

Company name 公司名稱	Place and date of incorporation/ establishment and place of operations 註冊/成立地點及 日期以及營業地點	Nominal value of issued ordinary /registered share capital 已發行普通股/ 註冊股本面值	Percentage of equity attributable to the Company 本公司應佔 股權百分比		Principal activities 主要業務
			Direct 直接 %	Indirect 間接 %	
Panyu Chu Kong Steel Pipe (Zhuhai) Co., Ltd. ("PCKSP (Zhuhai)") 番禺珠江鋼管(珠海)有限公司 (「番禺珠江鋼管(珠海)」)	The PRC/ Mainland China 中國/中國內地	HK\$1,088,402,072 1,088,402,072港元	–	100	Manufacture and sale of welded steel pipes 製造及銷售 有縫焊接鋼管
Lianyungang Kaidi Heavy Equipment Technology Co., Ltd. ("Kaidi") 連雲港凱帝重工科技有限公司 (「凱帝」)	The PRC/ Mainland China 中國/中國內地	RMB470,000,000 人民幣470,000,000元	–	100	Manufacture and sale of steel pipe equipment and metallurgy equipment 製造及銷售鋼管設備 及冶金設備
Lianyungang Pearl River Petrol-Fittings Co., Ltd. 連雲港珍珠河石化管件 有限公司	The PRC/ Mainland China 中國/中國內地	HK\$303,000,000 303,000,000港元	–	100	Manufacture and sale of tubular piles 製造及銷售管件
Guangdong Pearl Steel Investment Management Co., Ltd. ("Pearl Steel Investment") 廣東珠鋼投資管理有限公司 (「珠鋼投資」)	The PRC/ Mainland China 中國/中國內地	RMB50,000,000 人民幣50,000,000元	–	100	Property development and investment 物業開發及投資

NOTES TO FINANCIAL STATEMENTS

財務報表附註

31 December 2020 二零二零年十二月三十一日

1. CORPORATE AND GROUP INFORMATION

(Continued)

Information about subsidiaries (Continued)

Particulars of the Company's principal subsidiaries are as follows: (Continued)

1. 公司及集團資料(續)

關於附屬公司之資料(續)

本公司主要附屬公司之詳情如下:(續)

Company name 公司名稱	Place and date of incorporation/ establishment and place of operations 註冊/成立地點及 日期以及營業地點	Nominal value of issued ordinary /registered share capital 已發行普通股/ 註冊股本面值	Percentage of equity attributable to the Company 本公司應佔 股權百分比		Principal activities 主要業務
			Direct 直接 %	Indirect 間接 %	
Nanjing Rongyu Group Co., Ltd. ("Nanjing Rongyu Group") 南京鎔裕集團有限公司 (「南京鎔裕集團」)	The PRC/ Mainland China 中國/中國內地	RMB75,000,000 人民幣75,000,000元	—	100	Manufacture and sale of welded steel products 製造及銷售 有縫焊接鋼材產品
Nanjing City Qixia Hill Roll Steeling Co., Ltd. ("Nanjing City Qixia Hill") 南京市棲霞山軋鋼有限公司 (「南京市棲霞山」)	The PRC/ Mainland China 中國/中國內地	RMB20,316,500 人民幣20,316,500元	—	100	Manufacture and sale of screw-thread steels 製造及銷售螺紋鋼材
Chu Kong Steel Pipe (Nanjing) Co., Ltd. 珠江鋼管(南京)有限公司	The PRC/ Mainland China 中國/中國內地	HK\$30,000,000 30,000,000港元	—	100	Manufacture and sale of welded steel products 製造及銷售 有縫焊接鋼材產品
Ningbo Sanhe Steel Pipe Co., Ltd. ("Ningbo Sanhe") 寧波三合鋼管有限公司 (「寧波三合」)	The PRC/ Mainland China 中國/中國內地	RMB20,000,000 人民幣20,000,000元	—	100	Manufacture and sale of welded steel products 製造及銷售有縫焊接 鋼材產品
Guangzhou Zhu Gang Property Management Co., Ltd. ("Zhu Gang Property Management") 廣州珠鋼物業管理有限公司 (「珠鋼物業管理」)	The PRC/ Mainland China 中國/中國內地	RMB5,000,000 人民幣5,000,000元	—	100	Property management 物業管理

NOTES TO FINANCIAL STATEMENTS

財務報表附註

31 December 2020 二零二零年十二月三十一日

1. CORPORATE AND GROUP INFORMATION

(Continued)

Information about subsidiaries (Continued)

Particulars of the Company's principal subsidiaries are as follows: (Continued)

Company name 公司名稱	Place and date of incorporation/ establishment and place of operations 註冊/成立地點及 日期以及營業地點	Nominal value of issued ordinary /registered share capital 已發行普通股/ 註冊股本面值	Percentage of equity attributable to the Company 本公司應佔 股權百分比		Principal activities 主要業務
			Direct 直接 %	Indirect 間接 %	
Zhuhai Zhugang Wharf Co., Ltd. ("Zhugang Wharf") 珠海珠鋼碼頭物流有限公司 (「珠鋼碼頭」)	The PRC/ Mainland China 中國/中國內地	RMB3,000,000 人民幣3,000,000元	–	100	Port services 港口服務
Chu Kong Steel Pipe (Yunfu) Co., Ltd. 珠江鋼管(雲浮)有限公司	The PRC/ Mainland China 中國/中國內地	RMB1,000,000,000 人民幣1,000,000,000元	–	100	Sale of welded steel pipes 銷售有縫焊接鋼管

The above table lists the subsidiaries of the Company which, in the opinion of the directors, principally affected the results for the year or formed a substantial portion of the net assets of the Group. To give details of other subsidiaries would, in the opinion of the directors, result in particulars of excessive length.

Note 1:

Panyu Chu Kong Steel Pipe Co., Ltd. 番禺珠江鋼管有限公司 ("PCKSP")

PCKSP has been accounted for as a 100%-owned subsidiary of the Group (2019: 100%). It is engaged in the manufacture and sale of welded steel pipes and holds a piece of land in Mainland China.

1. 公司及集團資料(續)

關於附屬公司之資料(續)

本公司主要附屬公司之詳情如下:(續)

上表載列董事認為主要影響年內業績或構成本集團資產淨值的主要部分之本公司附屬公司名單。董事認為，列出其他附屬公司詳情將導致列表過於冗長。

附註1:

番禺珠江鋼管有限公司(「番禺珠江鋼管」)

番禺珠江鋼管已入賬作為本集團之全資附屬公司(二零一九年:全資)。該公司從事有縫焊接鋼管製造及銷售，並於中國內地持有一幅地塊。

NOTES TO FINANCIAL STATEMENTS

財務報表附註

31 December 2020 二零二零年十二月三十一日

1. CORPORATE AND GROUP INFORMATION

(Continued)

Information about subsidiaries (Continued)

Note 1: (Continued)

On 12 February 2018, the Group entered into a disposal agreement with a third party, Guangdong Yuecai Trust Co., Limited (“Yuecai Trust”) for the disposal of a 20% equity interest for a consideration of HK\$240 million, contingent to certain future events which are set out in the responding agreement. Details have been disclosed in the Company’s circular issued on 27 March 2018. The related transactions constituted very substantial disposal transactions under the relevant Listing Rules and have been approved by the shareholders on 19 April 2018 (the “2018 Disposal Transactions”).

In 2018, Yuecai Trust transferred an aggregate amount of RMB240 million to PCKSP and PCKSP has filed statutory business registration to allot its 20% shareholding to Yuecai Trust. Thereafter, Yuecai Trust became a 20% legal shareholder of PCKSP. However, according to the agreement, Yuecai Trust is entitled to the right of putting the 20% equity interest in PCKSP to the Group until the 2018 Disposal Transactions are completed. The 2018 Disposal Transactions were not completed as at 31 December 2020. Accordingly, notwithstanding the fact that Yuecai Trust is the 20% legal shareholder of PCKSP in 2020, the Group continued to consolidate 100% assets and liabilities of PCKSP for the year ended 31 December 2020.

On 27 February 2019, the Group entered into another disposal agreement with Yuecai Trust and certain other related companies of Yuecai Trust for the disposal of the remaining 80% equity interest in PCKSP for a total consideration of RMB2,448 million. Details have been disclosed in the Company’s circular issued on 25 March 2019. The related transactions constituted very substantial disposal transactions under the relevant Listing Rules and have been approved by the shareholders on 16 April 2019 (the “2019 Disposal Transactions”).

On 15 June 2020, the Group entered into two supplemental agreements (the “PCKSP Disposal Supplemental Agreements”) with Yuecai Trust and certain of its other related companies to provide a framework for the unwinding of the 2018 and 2019 Disposal Transactions to pave the way for the negotiation and implementation of the direct land resumption by the local authorities of Guangzhou.

1. 公司及集團資料(續)

關於附屬公司之資料(續)

附註1:(續)

於二零一八年二月十二日,本集團與第三方廣東粵財信托有限公司(「粵財信托」)訂立一項出售協議,以代價240,000,000港元出售20%股權,視乎相應協議所載之若干未來事件而定。詳情可參閱本公司於二零一八年三月二十七日刊發的通函。根據相關上市規則,關聯交易構成非常重大的出售交易,並已於二零一八年四月十九日獲得股東批准(「二零一八年出售交易」)。

於二零一八年,粵財信托向番禺珠江鋼管轉讓總額為人民幣240,000,000元的款項,而番禺珠江鋼管已提交法定商業登記,以將其20%的股權分配給粵財信托。此後,粵財信托成為番禺珠江鋼管的20%合法股東。然而,根據協議,粵財信托有權將番禺珠江鋼管的20%股權交給本集團,直至二零一八年出售交易完成。於二零二零年十二月三十一日,二零一八年出售交易尚未完成。因此,於二零二零年,儘管粵財信托是番禺珠江鋼管的20%合法股東,但本集團於截至二零二零年十二月三十一日止年度繼續合併番禺珠江鋼管的100%資產及負債。

於二零一九年二月二十七日,本集團與粵財信托及粵財信托的若干其他關聯公司訂立另一項出售協議,以總代價人民幣2,448,000,000元出售番禺珠江鋼管餘下80%股權。詳情已披露於本公司於二零一九年三月二十五日發出的通函。根據相關上市規則,關聯交易構成非常重大的出售交易,並已於二零一九年四月十六日獲得股東的批准(「二零一九年出售交易」)。

於二零二零年六月十五日,本集團與粵財信托及若干其他關連公司訂立兩項補充協議(「番禺珠江鋼管出售補充協議」),為解除二零一八年及二零一九年出售交易提供一個框架,以為廣州地方當局談判和實施直接收儲土地鋪路。

NOTES TO FINANCIAL STATEMENTS

財務報表附註

31 December 2020 二零二零年十二月三十一日

1. CORPORATE AND GROUP INFORMATION

(Continued)

Information about subsidiaries (Continued)

Note 1: (Continued)

On 15 September 2020, PCKSP entered into a land resumption compensation agreement (the "Land Resumption Compensation Agreement") with, among others, the Guangzhou City Land Development Centre ("Guangzhou LDC"), pursuant to which the Guangzhou LDC has agreed to resume, and PCKSP has agreed to offer to be resumed, the land for compensation of RMB3,453 million and an early completion bonus payment subject to certain conditions of RMB691 million.

2.1 BASIS OF PREPARATION

These financial statements have been prepared in accordance with IFRSs issued by the IASB, International Accounting Standards and Standing Interpretations Committee Interpretations approved by the International Accounting Standards Committee that remain in effect, and the disclosure requirements of the Hong Kong Companies Ordinance. They have been prepared under the historical cost convention, except for investment properties and a derivative financial instrument which have been measured at fair value. These financial statements are presented in Renminbi ("RMB") and all values are rounded to the nearest thousand except when otherwise indicated.

Basis of consolidation

The consolidated financial statements include the financial statements of the Group for the year ended 31 December 2020. A subsidiary is an entity (including a structured entity), directly or indirectly, controlled by the Company. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee (i.e., existing rights that give the Group the current ability to direct the relevant activities of the investee).

1. 公司及集團資料(續)

關於附屬公司之資料(續)

附註1:(續)

於二零二零年九月十五日,番禺珠江鋼管與(其中包括)廣州市土地開發中心(「廣州市土地開發中心」)訂立土地收儲補償協議(「土地收儲補償協議」)。據此,廣州市土地開發中心已同意收儲土地,而番禺珠江鋼管已同意授出土地作收儲,土地補償款為人民幣3,453,000,000元及按若干條件提前完成獎金款項人民幣691,000,000元。

2.1 編製基準

該等財務報表乃根據由國際會計準則理事會頒佈的國際財務報告準則、國際會計準則理事會批准並維持有效之國際會計準則及常務詮釋委員會詮釋及香港公司條例之披露規定編製。其乃以歷史成本慣例編製,惟投資物業及衍生金融工具按公平值計量除外。該等財務報表以人民幣(「人民幣」)呈列,除另有列明者外,所有數值已湊整至最接近千元。

綜合基準

綜合財務報表包括本集團截至二零二零年十二月三十一日止年度之財務報表。附屬公司指本公司直接或間接控制之實體(包括結構性實體)。當本集團能透過其參與承擔或享有投資對象可變回報之風險或權利,並能夠向投資對象使用其權力影響回報金額(即現有權利可使本集團能於當時指揮投資對象之相關活動),即代表本集團擁有投資對象之控制權。

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2.1 BASIS OF PREPARATION (Continued)

Basis of consolidation (Continued)

When the Company has, directly or indirectly, less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- (a) the contractual arrangement with the other vote holders of the investee;
- (b) rights arising from other contractual arrangements; and
- (c) the Group's voting rights and potential voting rights.

The financial statements of the subsidiaries are prepared for the same reporting period as the Company, using consistent accounting policies. The results of subsidiaries are consolidated from the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases.

Profit or loss and each component of other comprehensive income are attributed to the owners of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control described above. A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

2.1 編製基準 (續)

綜合基準 (續)

當本公司直接或間接擁有少於投資對象大多數投票權或類似權利時，於評估本集團對該投資對象是否擁有權力時，本集團考慮所有相關事實及情況，包括：

- (a) 與該投資對象之其他投票權擁有人之合約安排；
- (b) 其他合約安排產生之權利；及
- (c) 本集團之投票權及潛在投票權。

附屬公司財務報表的報告期間與本公司相同，並採用一致的會計政策編製。附屬公司的業績由本集團取得控制權之日起綜合計算，直至不再擁有上述控制權之日為止。

損益及其他全面收益的各組成部分歸屬於本集團母公司擁有人及非控股權益，即使此舉引致非控股權益有虧絀結餘。所有有關本集團各成員公司間之相關交易之集團內部公司間資產及負債、權益、收入、開支及現金流量會於綜合計算時全數抵銷。

倘事實及情況顯示如上文所述三項控制因素之一項或多項出現變化，本集團會重新評估其是否控制投資對象。並無失去控制權之附屬公司擁有權益變動以股本交易入賬。

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2.1 BASIS OF PREPARATION (Continued)

Basis of consolidation (Continued)

If the Group loses control over a subsidiary, it derecognises (i) the assets (including goodwill) and liabilities of the subsidiary, (ii) the carrying amount of any non-controlling interest and (iii) the cumulative translation differences recorded in equity; and recognises (i) the fair value of the consideration received, (ii) the fair value of any investment retained and (iii) any resulting surplus or deficit in profit or loss. The Group's share of components previously recognised in other comprehensive income is reclassified to profit or loss or retained profits, as appropriate, on the same basis as would be required if the Group had directly disposed of the related assets or liabilities.

Going concern basis

As at 31 December 2020, the Group recorded net current liabilities of RMB950,203,000 (2019: net current assets of RMB140,628,000). In view of this circumstance, the directors of the Company have considered the future liquidity and performance of the Group and its available sources of finance in assessing whether the Group will have sufficient financial resources to continue as a going concern.

In order to improve the Group's liquidity and cash flows to sustain the Group as a going concern, the Group implemented or is in the process of implementing the following measures:

(1) *Active working on the land restoration under the Land Resumption Compensation Agreement*

The Group is actively working on the land restoration, including but not limited to soil remediation under the Land Resumption Compensation Agreement, and expects to receive the remaining compensation amounting to RMB1,381 million and the early completion bonus payments amounting to RMB691 million in 2021. In March 2021, an independent reputable financial institution in Mainland China agreed to provide a banking facility of up to RMB890 million to the Group, the proceeds of which can only be used to finance the related cash flows for the soil remediation under the Land Resumption Compensation Agreement.

2.1 編製基準 (續)

綜合基準 (續)

倘本集團失去對附屬公司之控制權，則終止確認 (i) 該附屬公司之資產 (包括商譽) 及負債，(ii) 任何非控股權益之賬面值及 (iii) 於權益內記錄之累計匯兌差額；及確認 (i) 已收代價之公平值，(ii) 所保留任何投資之公平值及 (iii) 損益中任何因此產生之盈餘或虧損。先前已於其他全面收入內確認之本集團應佔部分重新分類至損益或留存溢利 (如適用)，基準與本集團直接出售相關資產或負債所需使用之基準相同。

持續經營基準

於二零二零年十二月三十一日，本集團錄得流動負債淨額人民幣950,203,000元 (二零一九年：流動資產淨值人民幣140,628,000元)。鑒於該情況，本公司董事已考慮本集團之未來流動資金及表現以及其可用融資來源，以評估本集團是否將具備足夠財務資源持續經營。

為改善本集團的流動資金及現金流量，使本集團得以持續經營，本集團已實施或正在實施以下措施：

(1) *積極進行土地收儲補償協議項下之土地復墾*

本集團正積極進行土地收儲補償協議項下之土地復墾 (包括但不限於土壤修復)，預計於二零二一年收到餘下補償款人民幣1,381,000,000元及提前完成獎金款項人民幣691,000,000元。於二零二一年三月，中國內地一間獨立知名金融機構同意向本集團提供銀行融資最高人民幣890,000,000元，有關所得款項僅能用於為土地收儲補償協議項下土壤修復的相關現金流量提供資金。

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2.1 BASIS OF PREPARATION (Continued)

Going concern basis (Continued)

(2) *Active negotiation to extend the repayment terms of the loans from Yuecai Trust and Guangzhou Xingchen Consultation Company Limited (“Xingchen”)*

As at 31 December 2020, included in the balance of the Group's short-term interest-bearing bank and other borrowings were loans from Yuecai Trust and Xingchen of RMB818 million which do not have fixed repayment terms. The directors consider that such loans are not required to be repaid until the Group has adequate working capital.

(3) *Active negotiation with banks to obtain adequate bank borrowings to finance the Group's operations*

Subsequent to 31 December 2020 and up to the date of this report, the Group renewed the existing loans of RMB110 million with related banks. The Group will continue to actively negotiate with the banks for the renewal of the Group's borrowings when they fall due or obtain additional sources of finance to meet the Group's working capital and financial requirements in the near future. The directors of the Company have evaluated all the relevant facts available to them and are of the opinion that they have a good track record or relationship with the banks which will enhance the Group's ability to renew the Group's loans upon expiry.

(4) *Active negotiations with debtors on outstanding receivables*

Management is actively following up with its debtors on outstanding receivables with an aim of agreeing a repayment schedule with each of them.

(5) *Improvement of the Group's operating cash flows*

The Group is taking measures to tighten cost control over various production costs and expenses with the aim to attain profitable and positive cash flow operations.

2.1 編製基準 (續)

持續經營基準 (續)

(2) *積極談判以延長粵財信託及廣州星辰諮詢有限公司 (「星辰」) 貸款的還款期限*

於二零二零年十二月三十一日，本集團的短期計息銀行及其他借貸餘額包括粵財信託及星辰的貸款人民幣818,000,000元，無特定還款期。董事認為無須償還該等貸款直至本集團有足夠的營運資金。

(3) *與銀行進行積極協商，以獲取充足的銀行借款，為本集團的運營提供資金*

於二零二零年十二月三十一日後及直至本報告日期，本集團向有關銀行續借現有貸款人民幣110,000,000元。本集團將繼續與銀行積極磋商，以便在借款到期時重續或獲得額外資金來源，以滿足本集團於不久將來的營運資金及財務需求。本公司董事已評估彼等可利用的所有有關事實，並認為彼等與銀行有良好的往績記錄或關係，這將增強本集團在貸款到期時續借其貸款的能力。

(4) *與債務人就未收回應收款額進行積極協商*

管理層正就未收回應收款額與其債務人進行積極接洽，以與彼等各方協定還款時間。

(5) *改善本集團的經營現金流量*

本集團正採取縮緊各類生產成本及開支的成本控制措施，以獲取盈利及增加現金流量。

NOTES TO FINANCIAL STATEMENTS

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31 December 2020 二零二零年十二月三十一日

2.1 BASIS OF PREPARATION (Continued)

Going concern basis (Continued)

The directors of the Company have prepared a cash flow forecast for the Group which covers a period of twelve months from the end of the reporting period. Taking into account the fulfilment of land restoration, including but not limited to soil remediation under the Land Resumption Compensation Agreement which could provide additional funds for the Group, coupled with positive cash flows from the Group's steel pipes business and the continued sale of the Group's existing real estate projects, the directors considered that the Group will have sufficient working capital to finance its operations and meet its financial obligations as and when they fall due. Accordingly, the consolidated financial statements of the Group have been prepared on a going concern basis.

However, the progress of fulfilment of the land restoration under the Land Resumption Compensation Agreement including the soil remediation influences the future cash flow prospects and the fulfilment of the land restoration is subject to the acceptance by the local authorities. Further, the current market situation is uncertain and vulnerable, and it may also further impact the Group's future sales. The validity of the going concern assumption based on which the consolidated financial statements are prepared is dependent on favourable outcomes of the events as described above.

Should the going concern assumption be inappropriate, adjustments may have to be made to reflect the situation that assets may need to be realised at amounts other than those which are currently recorded in the consolidated statement of financial position. In addition, the Group may have to provide for any further liabilities that might arise, and to reclassify non-current assets and non-current liabilities as current assets and current liabilities, respectively. The effects of these adjustments have not been reflected in the consolidated financial statements.

2.1 編製基準 (續)

持續經營基準 (續)

本公司董事已編製本集團涵蓋由報告期末起計十二個月期間的現金流量預測。考慮到完成土地收儲補償協議項下土地復墾(包括但不限於土壤修復)將為本集團提供額外資金,加上本集團鋼管業務帶來正現金流量以及持續銷售本集團的現有房地產項目,董事認為本集團將具備足夠的營運資金以撥付其營運所需及履行其到期財務責任。因此,已按持續經營基準編製本集團的綜合財務報表。

然而,完成土地收儲補償協議項下土地復墾(包括土壤修復)的進度影響未來現金流量預測,完成土地復墾須視乎地方當局是否接納而定。此外,目前的市場狀況不確定且脆弱,以及其也可能進一步影響本集團的未來銷售。編製綜合財務報表所依據之持續經營假設之有效性乃取決於上述各項步驟之利好結果。

倘持續經營的假設並不恰當,則可能需要作出調整以反映資產可能須按並非目前於綜合財務狀況表入賬的金額變現的情況。此外,本集團可能須就任何可能產生之進一步負債作出撥備,及將非流動資產及非流動負債分別重新分類為流動資產及流動負債。該等調整之影響並無於綜合財務報表內反映。

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2.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

The Group has adopted the *Conceptual Framework for Financial Reporting 2018* and the following revised IFRSs for the first time for the current year's financial statements.

Amendments to IFRS 3	<i>Definition of a Business</i>
Amendments to IFRS 9, IAS 39 and IFRS 7	<i>Interest Rate Benchmark Reform</i>
Amendment to IFRS 16	<i>Covid-19-Related Rent Concessions</i> (early adopted)
Amendments to IAS 1 and IAS 8	<i>Definition of Material</i>

The nature and the impact of the *Conceptual Framework for Financial Reporting 2018* and the new and revised IFRSs are described below:

- (a) *Conceptual Framework for Financial Reporting 2018* (the "Conceptual Framework") sets out a comprehensive set of concepts for financial reporting and standard setting, and provides guidance for preparers of financial statements in developing consistent accounting policies and assistance to all parties to understand and interpret the standards. The Conceptual Framework includes new chapters on measurement and reporting financial performance, new guidance on the derecognition of assets and liabilities, and updated definitions and recognition criteria for assets and liabilities. It also clarifies the roles of stewardship, prudence and measurement uncertainty in financial reporting. The Conceptual Framework is not a standard, and none of the concepts contained therein override the concepts or requirements in any standard. The Conceptual Framework did not have any significant impact on the financial position and performance of the Group.

2.2 會計政策變動及披露

本集團已就本年度財務報表首次採納二零一八年財務報告概念框架及下列經修訂國際財務報告準則。

國際財務報告準則 第3號修訂本	業務之定義
國際財務報告準則第9號、 國際會計準則第39號及 國際財務報告準則 第7號修訂本	利率基準改革
國際財務報告準則 第16號修訂本	與新冠肺炎有關的 租金優惠(提早採納)
國際會計準則第1號及 國際會計準則第8號修訂本	重大性之定義

二零一八年財務報告概念框架以及新訂及經修訂國際財務報告準則的性質及影響概述如下：

- (a) 二零一八年財務報告概念框架(「概念框架」)載列有關財務報告及標準制定的整套概念且提供指引以供財務報表編製者制定一致的會計政策，並提供協助予各方以理解及詮釋準則。該概念框架包括有關計量及報告財務表現的新章節、有關終止確認資產及負債的新指引以及資產及負債的更新定義及確認標準。其亦澄清監管、審慎及計量不確定性於財務報告之角色。概念框架並非為一項準則，且其中包含的概念概無凌駕任何準則的概念或規定。該概念框架並無對本集團的財務狀況及表現產生任何重大影響。

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2.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES (Continued)

- (b) Amendments to IFRS 3 clarify and provide additional guidance on the definition of a business. The amendments clarify that for an integrated set of activities and assets to be considered a business, it must include, at a minimum, an input and a substantive process that together significantly contribute to the ability to create output. A business can exist without including all of the inputs and processes needed to create outputs. The amendments remove the assessment of whether market participants are capable of acquiring the business and continue to produce outputs. Instead, the focus is on whether acquired inputs and acquired substantive processes together significantly contribute to the ability to create outputs. The amendments have also narrowed the definition of outputs to focus on goods or services provided to customers, investment income or other income from ordinary activities. Furthermore, the amendments provide guidance to assess whether an acquired process is substantive and introduce an optional fair value concentration test to permit a simplified assessment of whether an acquired set of activities and assets is not a business. The Group has applied the amendments prospectively to transactions or other events that occurred on or after 1 January 2020. The amendments did not have any impact on the financial position and performance of the Group.
- (c) Amendments to IFRS 9, IAS 39 and IFRS 7 address issues affecting financial reporting in the period before the replacement of an existing interest rate benchmark with an alternative risk-free rate (“RFR”). The amendments provide temporary reliefs which enable hedge accounting to continue during the period of uncertainty before the introduction of the alternative RFR. In addition, the amendments require companies to provide additional information to investors about their hedging relationships which are directly affected by these uncertainties. The amendments did not have any impact on the financial position and performance of the Group as the Group does not have any interest rate hedging relationships.

2.2 會計政策變動及披露(續)

- (b) 國際財務報告準則第3號修訂本闡明業務之定義並提供額外指引。修訂闡明就被視為一項業務之一系列綜合活動及資產而言，其需至少包括可對實質性產出能力有重大貢獻的投入及實質性進程。一項業務可以在並無包括所有創造產出所需之投入及進程情況下存在。修訂移除對市場參與者是否有能力收購業務並持續產出之能力之評估要求。相反，致力於獲得投入及獲得實質性進程是否對產出能力有重大貢獻。修訂亦已縮小產出之定義，注重向客戶提供之產品或服務、投資收入或來自日常活動之其他收入。此外，修訂提供指引以評估獲得進程是否具有實質性並引入一項可選公平值集中測試以允許簡化評估所收購之一系列活動及資產並非為一項業務。本集團以前瞻方式應用該修訂本於二零二零年一月一日或之後發生的交易或其他事項。該修訂本並無對本集團的財務狀況及表現產生任何影響。
- (c) 國際財務報告準則第9號、國際會計準則第39號及國際財務報告準則第7號修訂本於現有利率基準被可替代無風險利率方案（「無風險利率」）替代前期間旨在解決影響財務申報之問題。該等修訂提供可在引入無風險利率替代方案前之不確定期間內繼續進行對沖會計處理之暫時性補救措施。此外，該等修訂要求公司向投資者提供有關彼等受該等不明朗因素直接影響的對沖關係的其他資料。由於本集團概無任何利率對沖關係，故該等修訂不會對本集團的財務情況及表現產生任何影響。

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2.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES (Continued)

- (d) Amendment to IFRS 16 provides a practical expedient for lessees to elect not to apply lease modification accounting for rent concessions arising as a direct consequence of the covid-19 pandemic. The practical expedient applies only to rent concessions occurring as a direct consequence of the pandemic and only if (i) the change in lease payments results in revised consideration for the lease that is substantially the same as, or less than, the consideration for the lease immediately preceding the change; (ii) any reduction in lease payments affects only payments originally due on or before 30 June 2021; and (iii) there is no substantive change to other terms and conditions of the lease. The amendment is effective for annual periods beginning on or after 1 June 2020 with earlier application permitted and shall be applied retrospectively. The amendment did not have any impact on the financial position and performance of the Group as there are no changes to the terms of the leases of the Group arising as a direct consequence of the covid-19 pandemic for the year ended 31 December 2020.
- (e) Amendments to IAS 1 and IAS 8 provide a new definition of material. The new definition states that information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements. The amendments clarify that materiality will depend on the nature or magnitude of information, or both. The amendments did not have any significant impact on the financial position and performance of the Group.

2.2 會計政策變動及披露 (續)

- (d) 國際財務報告準則第16號修訂本為承租人提供一個實際可行權宜方法以選擇不就新冠肺炎疫情的直接後果產生的租金優惠應用租賃修改會計處理。該實際可行權宜方法僅適用於疫情直接後果產生的租金優惠，且僅當(i)租賃付款的變動使租賃代價有所修改，而經修改的代價與緊接變動前的租賃代價大致相同，或少於緊接變動前的租賃代價；(ii)租賃付款的任何減少僅影響原到期日為二零二一年六月三十日或之前的付款；及(iii)租賃的其他條款及條件並無實質變動。該修訂於二零二零年六月一日或之後開始的年度期間生效，並允許提前應用且將追溯應用。截至二零二零年十二月三十一日止年度，由於本集團租賃條款並未直接因新冠肺炎疫情而發生變動，因此該等修訂對本集團的財務狀況及表現並無任何影響。
- (e) 國際會計準則第1號及國際會計準則第8號修訂本對重大提供新定義。新定義指出，倘資料出現遺漏、錯誤陳述或表述模糊而可以合理地預期將影響通用財務報表的主要使用者根據該等財務報表作出的決定，則有關資料即屬重大。該等修訂澄清重大與否將取決於資料的性質或程度或兩者兼有。該等修訂並無對本集團的財務狀況及表現產生任何重大影響。

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2.3 ISSUED BUT NOT YET EFFECTIVE INTERNATIONAL FINANCIAL REPORTING STANDARDS

The Group has not applied the following new and revised IFRSs, that have been issued but are not yet effective, in these financial statements.

Amendments to IFRS 3	<i>Reference to the Conceptual Framework²</i>
Amendments to IFRS 9, IAS 39 and IFRS 7, IFRS 4 and IFRS 16	<i>Interest Rate Benchmark Reform – Phase 2¹</i>
Amendments to IFRS 10 and IAS 28	<i>Sale or Contribution of Assets between an Investor and its Associate or Joint Venture⁴</i>
IFRS 17	<i>Insurance Contracts³</i>
Amendments to IFRS 17	<i>Insurance Contracts^{3,5}</i>
Amendments to IAS 1	<i>Classification of Liabilities as Current or Non-current^{3, 5}</i>
Amendments to IAS 1	<i>Disclosure of Accounting Policies³</i>
Amendments to IAS 8	<i>Definition of Accounting Estimates³</i>
Amendments to IAS 16	<i>Property, Plant and Equipment: Proceeds before Intended Use²</i>
Amendments to IAS 37	<i>Onerous Contracts – Cost of Fulfilling a Contract²</i>
Annual Improvements to IFRS Standards 2018-2020	Amendments to IFRS 1, IFRS 9, Illustrative Examples accompanying IFRS 16, and IAS 41 ²

- 1 Effective for annual periods beginning on or after 1 January 2021
- 2 Effective for annual periods beginning on or after 1 January 2022
- 3 Effective for annual periods beginning on or after 1 January 2023
- 4 No mandatory effective date yet determined but available for adoption

2.3 已頒佈但尚未生效之國際財務報告準則

於此等財務報表中，本集團並無應用以下已頒佈但尚未生效之新訂及經修訂國際財務報告準則。

國際財務報告準則第3號修訂本	對概念框架之提述 ²
國際財務報告準則第9號、國際會計準則第39號及國際財務報告準則第7號、國際財務報告準則第4號及國際財務報告準則第16號修訂本	利率基準改革－階段二 ¹
國際財務報告準則第10號及國際會計準則第28號修訂本	於投資者與其聯營公司或合營公司之間出售或注入資產 ⁴
國際財務報告準則第17號	保險合約 ³
國際財務報告準則第17號修訂本	保險合約 ^{3, 5}
國際會計準則第1號修訂本	負債分類為流動負債或非流動負債 ^{3, 5}
國際會計準則第1號修訂本	會計政策的披露 ³
國際會計準則第8號修訂本	會計估計的定義 ³
國際會計準則第16號修訂本	物業、廠房及設備：擬定動用前之所得款項 ²
國際會計準則第37號修訂本	有償合約－履行合約之成本 ²
國際財務報告準則之年度改進（二零一八年至二零二零年）	國際財務報告準則第1號、國際財務報告準則第9號、國際財務報告準則第16號隨附說明示例及國際會計準則第41號的修訂本 ²

- 1 由二零二一年一月一日或之後開始之年度期間生效
- 2 由二零二二年一月一日或之後開始之年度期間生效
- 3 由二零二三年一月一日或之後開始之年度期間生效
- 4 尚未釐定強制生效日期惟可供採納

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2.3 ISSUED BUT NOT YET EFFECTIVE INTERNATIONAL FINANCIAL REPORTING STANDARDS (Continued)

- 5 As a consequence of the amendments to IFRS 17 issued in June 2020, IFRS 4 was amended to extend the temporary exemption that permits insurers to apply IAS 39 rather than IFRS 9 for annual periods beginning before 1 January 2023.

Further information about the IFRSs that are expected to be applicable to the Group is described below.

Amendments to IFRS 3 are intended to replace a reference to the previous *Framework for the Preparation and Presentation of Financial Statements with a reference to the Conceptual Framework for Financial Reporting* issued in March 2018 without significantly changing its requirements. The amendments also add to IFRS 3 an exception to its recognition principle for an entity to refer to the Conceptual Framework to determine what constitutes an asset or a liability. The exception specifies that, for liabilities and contingent liabilities that would be within the scope of IAS 37 or IFRIC 21 if they were incurred separately rather than assumed in a business combination, an entity applying IFRS 3 should refer to IAS 37 or IFRIC 21 respectively instead of the Conceptual Framework. Furthermore, the amendments clarify that contingent assets do not qualify for recognition at the acquisition date. The Group expects to adopt the amendments prospectively from 1 January 2022. Since the amendments apply prospectively to business combinations for which the acquisition date is on or after the date of first application, the Group will not be affected by these amendments on the date of transition.

2.3 已頒佈但尚未生效之國際財務報告準則 (續)

- 5 由於於二零二零年六月頒佈的國際財務報告準則第17號修訂本，於二零二三年一月一日之前開始的年度期間，國際財務報告準則第4號已作出修訂，以延長允許保險人應用國際會計準則第39號而非國際財務報告準則第9號的暫時豁免。

預期將適用於本集團之該等國際財務報告準則之進一步資料於下文載述。

國際財務報告準則第3號修訂本旨在以二零一八年三月頒佈的*引用財務報告概念框架*取代引用先前*財務報表編製及呈列框架*，而毋須大幅改變其規定。該等修訂亦於國際財務報告準則第3號就實體引用概念框架以釐定構成資產或負債之確認原則增設一項例外情況。該例外情況訂明，對於可能屬於國際會計準則第37號或國際財務報告詮釋委員會第21號範圍內的負債及或然負債而言，倘該等負債屬單獨產生而非於業務合併中產生，則應用國際財務報告準則第3號的實體應分別參考國際會計準則第37號或國際財務報告詮釋委員會第21號，而非概念框架。此外，該等修訂澄清或然資產於收購日期不符合確認條件。本集團預計自二零二二年一月一日起追溯採納該等修訂。由於該等修訂前瞻性地適用於收購日期為首次應用日期或之後的業務合併，因此本集團於過渡日期將不會受該等修訂的影響。

2.3 ISSUED BUT NOT YET EFFECTIVE INTERNATIONAL FINANCIAL REPORTING STANDARDS (Continued)

Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 address issues not dealt with in the previous amendments which affect financial reporting when an existing interest rate benchmark is replaced with an alternative RFR. The Phase 2 amendments provide a practical expedient to allow the effective interest rate to be updated without adjusting the carrying amount when accounting for changes in the basis for determining the contractual cash flows of financial assets and liabilities, if the change is a direct consequence of the interest rate benchmark reform and the new basis for determining the contractual cash flows is economically equivalent to the previous basis immediately preceding the change. In addition, the amendments permit changes required by the interest rate benchmark reform to be made to hedge designations and hedge documentation without the hedging relationship being discontinued. Any gains or losses that could arise on transition are dealt with through the normal requirements of IFRS 9 to measure and recognise hedge ineffectiveness. The amendments also provide a temporary relief to entities from having to meet the separately identifiable requirement when an RFR is designated as a risk component. The relief allows an entity, upon designation of the hedge, to assume that the separately identifiable requirement is met, provided the entity reasonably expects the RFR risk component to become separately identifiable within the next 24 months. Furthermore, the amendments require an entity to disclose additional information to enable users of financial statements to understand the effect of interest rate benchmark reform on an entity's financial instruments and risk management strategy. The amendments are effective for annual periods beginning on or after 1 January 2021 and shall be applied retrospectively, but entities are not required to restate the comparative information.

2.3 已頒佈但尚未生效之國際財務報告準則 (續)

當現有利率基準被可替代無風險利率替代時，國際財務報告準則第9號、國際會計準則第39號、國際財務報告準則第7號、國際財務報告準則第4號及國際財務報告準則第16號修訂本解決先前影響財務報告修訂本未處理的問題。第二階段修訂本提供對於釐定金融資產及負債之合約現金流量之基準之變動進行會計處理時無需調整賬面值而更新實際利率的可行權宜方法，前提為該變動為利率基準改革之直接後果且釐定合約現金流量的新基準於經濟上等同於緊接變動前的先前基準。此外，該等修訂允許利率基準改革所規定對沖指定及對沖文件進行更改，而不會中斷對沖關係。過渡期間可能產生的任何損益均通過國際財務報告準則第9號的一般規定進行處理，以計量及確認對沖無效性。倘無風險利率被指定為風險組成部分，該等修訂亦暫時減輕了實體必須滿足可單獨識別的要求的風險。該減免允許實體於指定對沖後假定已滿足可單獨識別之規定，惟實體合理地預期無風險利率風險組成部分於未來24個月內將變得可單獨識別。此外，該等修訂亦規定實體須披露額外資料，以使財務報表的使用者能夠了解利率基準改革對實體的金融工具及風險管理策略的影響。該等修訂於二零二一年一月一日或之後開始的年度期間生效，並應追溯應用，但實體毋須重述比較資料。

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2.3 ISSUED BUT NOT YET EFFECTIVE INTERNATIONAL FINANCIAL REPORTING STANDARDS (Continued)

The Group had certain interest-bearing bank borrowings denominated in Hong Kong dollars and foreign currencies based on the Hong Kong Interbank Offered Rate and the London Interbank Offered Rate (“LIBOR”) as at 31 December 2020. If the interest rates of these borrowings are replaced by RFRs in a future period, the Group will apply this practical expedient upon the modification of these borrowings when the “economically equivalent” criterion is met and expects that no significant modification gain or loss will arise as a result of applying the amendments to these changes.

Amendments to IFRS 10 and IAS 28 address an inconsistency between the requirements in IFRS 10 and in IAS 28 in dealing with the sale or contribution of assets between an investor and its associate or joint venture. The amendments require a full recognition of a gain or loss when the sale or contribution of assets between an investor and its associate or joint venture constitutes a business. For a transaction involving assets that do not constitute a business, a gain or loss resulting from the transaction is recognised in the investor’s profit or loss only to the extent of the unrelated investor’s interest in that associate or joint venture. The amendments are to be applied prospectively. The previous mandatory effective date of amendments to IFRS 10 and IAS 28 was removed by the IASB in December 2015 and a new mandatory effective date will be determined after the completion of a broader review of accounting for associates and joint ventures. However, the amendments are available for adoption now.

2.3 已頒佈但尚未生效之國際財務報告準則 (續)

於二零二零年十二月三十一日，本集團擁有根據香港銀行同業拆息利率及倫敦銀行同業拆息利率（「倫敦銀行同業拆息利率」），以港元及外幣計值的若干計息銀行借款。倘該等借款的利率在未來一段時間內被無風險利率代替，則當滿足「經濟上等價」標準時，本集團將在對該等借款進行修改後採用該實際可行權宜方法，並預期不會因應用該等修訂於有關變動而產生重大修改損益。

國際財務報告準則第10號及國際會計準則第28號修訂本提出國際財務報告準則第10號與國際會計準則第28號之間有關處理於投資者與其聯營公司或合營公司之間出售或注入資產的規定不一的情況。有關修訂規定，當於投資者與其聯營公司或合營公司之間出售或注入資產構成一項業務時，須全數確認盈虧。當交易涉及不構成一項業務的資產時，該交易產生的盈虧於該投資者的損益內確認，惟僅以不相關投資者於該聯營公司或合營公司的權益為限。該等修訂將以前瞻方式應用。國際會計準則委員會已於二零一五年十二月剔除國際財務報告準則第10號及國際會計準則第28號修訂本的以往強制生效日期，而新的強制生效日期將於對聯營公司及合營公司的會計處理完成更廣泛的檢討後釐定。然而，該等修訂可於現時採納。

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2.3 ISSUED BUT NOT YET EFFECTIVE INTERNATIONAL FINANCIAL REPORTING STANDARDS (Continued)

Amendments to IAS 1 clarify the requirements for classifying liabilities as current or non-current. The amendments specify that if an entity's right to defer settlement of a liability is subject to the entity complying with specified conditions, the entity has a right to defer settlement of the liability at the end of the reporting period if it complies with those conditions at that date. Classification of a liability is unaffected by the likelihood that the entity will exercise its right to defer settlement of the liability. The amendments also clarify the situations that are considered a settlement of a liability. The amendments are effective for annual periods beginning on or after 1 January 2023 and shall be applied retrospectively. Earlier application is permitted. The amendments are not expected to have any significant impact on the Group's financial statements.

Amendments to IAS 16 prohibit an entity from deducting from the cost of an item of property, plant and equipment any proceeds from selling items produced while bringing that asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Instead, an entity recognises the proceeds from selling any such items, and the cost of those items, in profit or loss. The amendments are effective for annual periods beginning on or after 1 January 2022 and shall be applied retrospectively only to items of property, plant and equipment made available for use on or after the beginning of the earliest period presented in the financial statements in which the entity first applies the amendments. Earlier application is permitted. The amendments are not expected to have any significant impact on the Group's financial statements.

2.3 已頒佈但尚未生效之國際財務報告準則 (續)

國際會計準則第1號修訂本澄清將負債分類為流動或非流動負債的規定。該等修訂訂明，倘實體延遲償還負債的權利受實體須符合特定條件的規限，則倘該實體符合當日之條件，其有權於報告期末延遲償還負債。負債的分類不受該實體行使其延遲償還負債權利的可能性的影響。該等修訂亦澄清被視為償還負債的情況。該等修訂於二零二三年一月一日或之後開始的年度期間生效，並應追溯應用。允許提前應用。該等修訂預期不會對本集團的財務報表造成任何重大影響。

國際會計準則第16號修訂本禁止實體從物業、廠房及設備項目的成本中扣除資產達到管理層擬定的可使用狀態(包括位置與條件)過程中產生的項目出售所得款項。實體於損益中確認任何該等項目的出售所得款項及該等項目的成本。該等修訂於二零二二年一月一日或之後開始的年度期間生效，並僅追溯應用於實體於首次應用該等修訂的財務報表所呈列的最早期間的最早期初或之後可供使用的物業、廠房及設備項目。允許提前應用。該等修訂預期不會對本集團的財務報表造成任何重大影響。

2.3 ISSUED BUT NOT YET EFFECTIVE INTERNATIONAL FINANCIAL REPORTING STANDARDS (Continued)

Amendments to IAS 37 clarify that for the purpose of assessing whether a contract is onerous under IAS 37, the cost of fulfilling the contract comprises the costs that relate directly to the contract. Costs that relate directly to a contract include both the incremental costs of fulfilling that contract (e.g., direct labour and materials) and an allocation of other costs that relate directly to fulfilling that contract (e.g., an allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling the contract as well as contract management and supervision costs). General and administrative costs do not relate directly to a contract and are excluded unless they are explicitly chargeable to the counterparty under the contract. The amendments are effective for annual periods beginning on or after 1 January 2022 and shall be applied to contracts for which an entity has not yet fulfilled all its obligations at the beginning of the annual reporting period in which it first applies the amendments. Earlier application is permitted. Any cumulative effect of initially applying the amendments shall be recognised as an adjustment to the opening equity at the date of initial application without restating the comparative information. The amendments are not expected to have any significant impact on the Group's financial statements.

2.3 已頒佈但尚未生效之國際財務報告準則 (續)

國際會計準則第37號修訂本澄清，就根據國際會計準則第37號評估合約是否屬有償合約而言，履行合約的成本包括與合約直接相關的成本。與合約直接相關的成本包括履行該合約的增量成本（例如直接勞工及材料）及與履行合約直接相關的其他成本分配（例如分配履行合約所用物業、廠房及設備項目的折舊開支以及合約管理及監管成本）。一般及行政成本與合約並無直接關連，且除非根據合約明確向對手方收取費用，否則不包括在內。該等修訂於二零二二年一月一日或之後開始的年度期間生效，並適用於實體於其首次應用該等修訂的年度報告期初尚未履行其所有責任的合約。允許提早應用。初步應用該等修訂的任何累積影響將確認為首次應用日期的期初權益的調整，而毋須重列比較資料。該等修訂預期不會對本集團的財務報表造成任何重大影響。

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2.3 ISSUED BUT NOT YET EFFECTIVE INTERNATIONAL FINANCIAL REPORTING STANDARDS (Continued)

Annual Improvements to IFRS Standards 2018-2020 sets out amendments to IFRS 1, IFRS 9, Illustrative Examples accompanying IFRS 16, and IAS 41. Details of the amendments that are expected to be applicable to the Group are as follows:

- IFRS 9 *Financial Instruments*: clarifies the fees that an entity includes when assessing whether the terms of a new or modified financial liability are substantially different from the terms of the original financial liability. These fees include only those paid or received between the borrower and the lender, including fees paid or received by either the borrower or lender on the other's behalf. An entity applies the amendment to financial liabilities that are modified or exchanged on or after the beginning of the annual reporting period in which the entity first applies the amendment. The amendment is effective for annual periods beginning on or after 1 January 2022. Earlier application is permitted. The amendment is not expected to have a significant impact on the Group's financial statements.
- IFRS 16 *Leases*: removes the illustration of payments from the lessor relating to leasehold improvements in Illustrative Example 13 accompanying IFRS 16. This removes potential confusion regarding the treatment of lease incentives when applying IFRS 16.

2.3 已頒佈但尚未生效之國際財務報告準則 (續)

國際財務報告準則之年度改進(二零一八年至二零二零年)載列國際財務報告準則第1號、國際財務報告準則第9號、國際財務報告準則第16號隨附說明示例及國際會計準則第41號的修訂本。預期將適用於本集團的修訂詳情如下:

- 國際財務報告準則第9號 *金融工具*: 闡明實體於評估新訂或經修訂金融負債條款是否明顯不同於原金融負債的條款時所包含的費用。該等費用僅包括借款人與貸方之間已付或已收取的費用, 包括由借款人或貸方代表對方支付或收取的費用。實體將該等修訂應用於實體首次應用修訂的年度報告期初或之後修訂或交換的金融負債。該修訂於二零二零年一月一日或之後開始的年度期間生效。允許提前應用。該修訂預期不會對本集團的財務報表造成任何重大影響。
- 國際財務報告準則第16號 *租賃*: 於國際財務報告準則第16號隨附說明示例13中剔除出租人與租賃物業裝修有關的付款說明。此舉消滅應用國際財務報告準則第16號時租賃獎勵措施的潛在混淆。

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2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Investment in a joint venture

A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control.

The Group's investment in a joint venture is stated in the consolidated statement of financial position at the Group's share of net assets under the equity method of accounting, less any impairment losses.

The Group's share of the post-acquisition results and other comprehensive income of a joint venture is included in the consolidated statement of profit or loss and consolidated statement of comprehensive income, respectively. In addition, when there has been a change recognised directly in the equity of the joint venture, the Group recognises its share of any changes, when applicable, in the consolidated statement of changes in equity. Unrealised gains and losses resulting from transactions between the Group and its joint venture are eliminated to the extent of the Group's investment in the joint venture, except where unrealised losses provide evidence of an impairment of the assets transferred. Goodwill arising from the acquisition of the joint venture is included as part of the Group's investment in a joint venture.

If an investment in a joint venture becomes an investment in an associate or vice versa, the retained interest is not remeasured. Instead, the investment continues to be accounted for under the equity method. In all other cases, upon loss of significant influence over the associate or joint control over the joint venture, the Group measures and recognises any retained investment at its fair value. Any difference between the carrying amount of the associate or joint venture upon loss of significant influence or joint control and the fair value of the retained investment and proceeds from disposal is recognised in profit or loss.

2.4 主要會計政策概要

於合營公司之投資

合營公司為一項合營安排，據此，擁有安排共同控制權的人士均有權享有合營公司的資產淨值。共同控制為合約協定應佔安排控制權，其僅在相關活動決策必須獲應佔控制權的人士一致同意方存在。

本集團於合營公司之投資乃根據權益會計法計算本集團所佔資產淨值減去任何減值虧損後在綜合財務狀況表上列賬。

本集團所佔合營公司的收購後業績及其他全面收益，分別計入綜合損益表及綜合全面收益表內。此外，倘合營公司權益項內直接確認一項變動，本集團於綜合權益變動表內確認任何有關變動的所佔部分（如適用）。本集團與其合營公司進行交易所產生的未變現盈虧乃按本集團於合營公司投資之相關部分作抵銷，惟未變現虧損證明已轉讓資產出現減值情況則除外。收購合營公司產生之商譽納入作為本集團對合營公司之部分投資。

倘若於合營公司之投資變成於聯營公司之投資（反之亦然），則保留權益不予以重新計量。相反，該投資繼續按權益法計算入賬。在其他所有情況下，於失去對聯營公司的重大影響力或對合營公司共同控制的情況下，本集團按其公平值計量及確認其任何剩餘投資。聯營公司或合營公司於失去重大影響力或共同控制時的賬面值與剩餘投資及出售所得款項的公平值之間的任何差額乃於損益內確認。

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2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Business combinations and goodwill

Business combinations are accounted for using the acquisition method. The consideration transferred is measured at the acquisition date fair value which is the sum of the acquisition date fair values of assets transferred by the Group, liabilities assumed by the Group to the former owners of the acquiree and the equity interests issued by the Group in exchange for control of the acquiree. For each business combination, the Group elects whether to measure the non-controlling interests in the acquiree that are present ownership interests and entitle their holders to a proportionate share of net assets in the event of liquidation either at fair value or at the proportionate share of the acquiree's identifiable net assets. All other components of non-controlling interests are measured at fair value. Acquisition-related costs are expensed as incurred.

The Group determines that it has acquired a business when the acquired set of activities and assets includes an input and a substantive process that together significantly contribute to the ability to create outputs.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts of the acquiree.

If the business combination is achieved in stages, the previously held equity interest is remeasured at its acquisition date fair value and any resulting gain or loss is recognised in profit or loss.

Any contingent consideration to be transferred by the acquirer is recognised at fair value at the acquisition date. Contingent consideration classified as an asset or liability is measured at fair value with changes in fair value recognised in profit or loss. Contingent consideration that is classified as equity is not remeasured and subsequent settlement is accounted for within equity.

2.4 主要會計政策概要(續)

業務合併及商譽

業務合併採用收購法入賬。轉讓之代價乃以收購日期之公平值計算，該公平值為本集團轉讓之資產、本集團向被收購方之前度擁有人承擔之負債，及本集團就換取被收購方控制權所發行股本權益於收購日期之公平值總額。於各業務合併中，本集團選擇是否以公平值或被收購方可識別資產淨值的應佔比例，計算於被收購方的非控股權益（為現時所有權權益並賦予擁有人權利於清盤時按比例分佔實體的資產淨值）。非控股權益之一切其他部分乃按公平值計量。收購相關成本於產生時支銷。

當所收購的一組活動及資產包括一項資源投入及一項實質過程，而兩者對創造產出的能力有重大貢獻時，本集團認為其已收購一項業務。

當本集團收購一項業務時，會根據合約條款、於收購日期之經濟環境及相關條件，評估將承接之金融資產及負債，以作出適合之分類及指定，其中包括將被收購方主合約中之嵌入式衍生工具進行分離。

倘業務合併分階段進行，先前所持股本權益按其收購日期之公平值重新計量，及任何因此所得盈虧於損益確認。

收購方將予轉讓之任何或然代價將於收購日期按公平值確認。分類為一項資產或負債的或然代價按公平值計量，公平值變動於損益確認。分類為權益的或然代價將不予重新計量及其後結算於權益中入賬。

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2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Business combinations and goodwill (Continued)

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred, the amount recognised for non-controlling interests and any fair value of the Group's previously held equity interests in the acquiree over the identifiable net assets acquired and liabilities assumed. If the sum of this consideration and other items is lower than the fair value of the net assets acquired, the difference is, after reassessment, recognised in profit or loss as a gain on bargain purchase.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. Goodwill is tested for impairment annually or more frequently if events or changes in circumstances indicate that the carrying value may be impaired. The Group performs its annual impairment test of goodwill as at 31 December. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units, or groups of cash-generating units, that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the Group are assigned to those units or groups of units.

Impairment is determined by assessing the recoverable amount of the cash-generating unit (group of cash-generating units) to which the goodwill relates. Where the recoverable amount of the cash-generating unit (group of cash-generating units) is less than the carrying amount, an impairment loss is recognised. An impairment loss recognised for goodwill is not reversed in a subsequent period.

Where goodwill has been allocated to a cash-generating unit (or group of cash-generating units) and part of the operation within that unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on the disposal. Goodwill disposed of in these circumstances is measured based on the relative value of the operation disposed of and the portion of the cash-generating unit retained.

2.4 主要會計政策概要 (續)

業務合併及商譽 (續)

商譽初步按成本計算，即已轉讓總代價、已就非控股權益確認的數額及本集團先前持有被收購方股本權益之任何公平值總額，超逾所收購可識別資產淨值及所承擔負債之差額。如有關代價及其他項目總額低於所收購資產淨值的公平值，於重新評估後其差額將於損益內確認為議價收購收益。

於初始確認後，商譽按成本減任何累計減值虧損計量。每年對商譽的賬面值有否出現減值進行測試，或如出現任何事件或情況轉變而顯示賬面值可能出現減值，則更頻密地進行測試。本集團於十二月三十一日對商譽進行年度減值測試。就減值測試而言，在業務合併所收購的商譽自收購當日起分配至本集團預期會受惠於合併的協同效益的各個現金產生單位或各組現金產生單位，而不論本集團其他資產或負債有否指定撥往該等單位或單位組別。

減值數額通過評估與商譽有關的現金產生單位（或現金產生單位組別）的可收回金額而釐定。倘若現金產生單位（或現金產生單位組別）的可收回金額低於賬面值，則確認減值虧損。已確認的商譽減值虧損不會於其後期間撥回。

倘若商譽分配至現金產生單位（或現金產生單位組別）及出售單位內業務的一部分，則於釐定出售時的盈虧時，有關所出售業務的商譽將計入業務的賬面值。在此情況下出售的商譽根據所出售業務的相關價值及所保留的現金產生單位部分而計算。

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2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fair value measurement

The Group measures its investment properties and derivative financial instruments at fair value at the end of each reporting period. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either in the principal market for the asset or liability, or in the absence of a principal market, in the most advantageous market for the asset or liability. The principal or the most advantageous market must be accessible by the Group. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

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

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

2.4 主要會計政策概要(續)

公平值計量

本集團於各報告期末按公平值計量旗下投資物業及衍生金融工具。公平值乃在市場參與者於計量日期進行之有序交易中出售資產所收取或轉移負債所支付之價格。公平值計量乃基於假設出售資產或轉移負債的交易於資產或負債的主要市場或於未有主要市場的情況下，則於資產或負債的最有利市場進行。主要或最有利市場須為本集團能進入的市場。資產或負債的公平值乃基於市場參與者為資產或負債定價所用的假設計量（假設市場參與者依照彼等的最佳經濟利益行事）。

非金融資產之公平值計量已考慮市場參與者可從使用該資產得到之最高及最佳效用，或把該資產售予另一可從使用該資產得到最高及最佳效用之市場參與者所產生之經濟效益。

本集團使用適用於不同情況的估值方法，而其有足夠資料計量公平值，以盡量使用相關可觀察輸入數據及盡量減少使用不可觀察輸入數據。

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2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fair value measurement (Continued)

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 – based on quoted prices (unadjusted) in active markets for identical assets or liabilities
- Level 2 – based on valuation techniques for which the lowest level input that is significant to the fair value measurement is observable, either directly or indirectly
- Level 3 – based on valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by reassessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

Impairment of non-financial assets

Where an indication of impairment exists, or when annual impairment testing for an asset is required (other than inventories, deferred tax assets, financial assets, investment properties, goodwill), the asset's recoverable amount is estimated. An asset's recoverable amount is the higher of the asset's or cash-generating unit's value in use and its fair value less costs of disposal, and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets, in which case the recoverable amount is determined for the cash-generating unit to which the asset belongs.

2.4 主要會計政策概要 (續)

公平值計量 (續)

公平值於財務報表計量或披露的所有資產及負債基於對公平值計量整體屬重要的最低輸入數據水平按如下所述在公平值層級中分類：

- 第一級 – 根據相同資產或負債於活躍市場中所報價格 (未調整)
- 第二級 – 根據對公平值計量有重大影響之可直接或間接觀察最低輸入數據之估值方法
- 第三級 – 根據對公平值計量有重大影響之不可觀察最低輸入數據之估值方法

對於在本財務報表以經常性方式確認之資產及負債，本集團於各報告期末根據對於公平值計量整體有重大影響之最低輸入數據通過重估分類以確定各層級之間是否出現轉移。

非金融資產減值

倘有跡象顯示出現減值或須就資產進行年度減值測試 (存貨、遞延稅項資產、金融資產、投資物業、商譽除外)，則會估計資產之可收回金額。資產之可收回金額按資產或現金產生單位之使用價值及其公平值減出售成本 (以較高者為準) 計算，並就個別資產而釐定，除非有關資產不能在很大程度上獨立於其他資產或資產組別產生現金流入，在此情況下，可收回金額就資產所屬之現金產生單位而釐定。

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2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Impairment of non-financial assets (Continued)

An impairment loss is recognised only if the carrying amount of an asset exceeds its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. An impairment loss is charged to the statement of profit or loss in the period in which it arises in those expense categories consistent with the function of the impaired asset.

An assessment is made at the end of each reporting period as to whether there is an indication that previously recognised impairment losses may no longer exist or may have decreased. If such an indication exists, the recoverable amount is estimated. A previously recognised impairment loss of an asset other than goodwill is reversed only if there has been a change in the estimates used to determine the recoverable amount of that asset, but not to an amount higher than the carrying amount that would have been determined (net of any depreciation/amortisation) had no impairment loss been recognised for the asset in prior years. A reversal of such an impairment loss is credited to the statement of profit or loss in the period in which it arises, unless the asset is carried at a revalued amount, in which case the reversal of the impairment loss is accounted for in accordance with the relevant accounting policy for that revalued asset.

2.4 主要會計政策概要(續)

非金融資產減值(續)

僅當資產之賬面值高於其可收回金額時方會確認減值虧損。在評估使用價值時，估計之未來現金流量乃按稅前折現率折現至其現值，而稅前折現率乃反映現行市場就貨幣時間價值及資產特定風險之評估。減值虧損將自其產生期間於損益表與減值資產相應之開支類別中扣除。

在各報告期末均會評估有無過往已確認之減值虧損可能不再存在或可能減少之跡象。倘出現該等跡象，則會估計可收回金額。僅當用以釐定資產可收回金額之估計出現變動時，方會將以往確認之資產(商譽除外)減值虧損撥回，但有關價值並不可高於在過往年度並無就該資產確認任何減值虧損的情況下該資產本來釐定之賬面值(扣除任何折舊/攤銷)。該等減值虧損撥回將於產生期間計入損益表中，惟按重估價值列賬之資產除外，在該情況下，減值虧損撥回乃根據該重估資產之有關會計政策入賬。

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2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Related parties

A party is considered to be related to the Group if:

- (a) the party is a person or a close member of that person's family and that person
 - (i) has control or joint control over the Group;
 - (ii) has significant influence over the Group; or
 - (iii) is a member of the key management personnel of the Group or of a parent of the Group;

or

- (b) the party is an entity where any of the following conditions applies:
 - (i) the entity and the Group are members of the same group;
 - (ii) one entity is an associate or joint venture of the other entity (or of a parent, subsidiary or fellow subsidiary of the other entity);
 - (iii) the entity and the Group are joint ventures of the same third party;
 - (iv) one entity is a joint venture of a third entity and the other entity is an associate of the third entity;
 - (v) the entity is a post-employment benefit plan for the benefit of employees of either the Group or an entity related to the Group;

2.4 主要會計政策概要(續)

關連方

在下列情況下，有關人士將視為本集團的關連方：

- (a) 有關人士為符合下列情況的人士或該名人士的近親
 - (i) 控制或共同控制本集團；
 - (ii) 對本集團有重大影響力；或
 - (iii) 為本集團或本集團母公司的主要管理層成員；

或

- (b) 有關人士為符合下列任何條件的實體：
 - (i) 該實體與本集團屬同一集團之成員公司；
 - (ii) 一間實體為另一實體的聯營公司或合營公司（或屬另一實體的母公司、附屬公司或同系附屬公司的聯營公司或合營公司）；
 - (iii) 該實體及本集團均為同一第三方的合營公司；
 - (iv) 一間實體為第三方實體的合營公司，而另一實體為該第三方實體的聯營公司；
 - (v) 該實體為離職後福利計劃，該計劃的受益人為本集團或與本集團有關的實體的僱員；

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2.4 SUMMARY OF SIGNIFICANT ACCOUNTING

POLICIES (Continued)

Related parties (Continued)

(b) (Continued)

- (vi) the entity is controlled or jointly controlled by a person identified in (a);
- (vii) a person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity); and
- (viii) the entity, or any member of a group of which it is a part, provides key management personnel services to the Group or to the parent of the Group.

Property, plant and equipment and depreciation

Property, plant and equipment, other than construction in progress, are stated at cost less accumulated depreciation and any impairment losses. The cost of an item of property, plant and equipment comprises its purchase price and any directly attributable costs of bringing the asset to its working condition and location for its intended use.

Expenditure incurred after items of property, plant and equipment have been put into operation, such as repairs and maintenance, is normally charged to the statement of profit or loss in the period in which it is incurred. In situations where the recognition criteria are satisfied, the expenditure for a major inspection is capitalised in the carrying amount of the asset as a replacement. Where significant parts of property, plant and equipment are required to be replaced at intervals, the Group recognises such parts as individual assets with specific useful lives and depreciates them accordingly.

2.4 主要會計政策概要(續)

關連方(續)

(b) (續)

- (vi) 該實體由(a)項所述人士控制或共同控制；
- (vii) 於(a)(i)項所述人士對該實體有重大影響力或屬該實體(或該實體的母公司)主要管理層成員；及
- (viii) 該實體或其任何集團成員公司提供主要管理人員服務予本集團或本集團之母公司。

物業、廠房及設備及折舊

物業、廠房及設備(在建工程除外)按成本減累計折舊及任何減值虧損入賬。物業、廠房及設備項目的成本包括其購買價及任何使資產達致擬定用途運作狀況及地點而直接應計的成本。

物業、廠房及設備項目投入運作後產生的開支，例如維修保養開支，一般於產生期間自損益表中扣除。倘達到確認標準，則重大檢查的開支於該資產的賬面值資本化為重置資產。倘須定期替換大部分物業、廠房及設備，則本集團會將該等部分確認為有特定可使用年期的個別資產並相應地進行折舊。

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2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Property, plant and equipment and depreciation (Continued)

Depreciation is calculated on the straight-line basis to write off the cost of each item of property, plant and equipment to its residual value over its estimated useful life. The estimated useful lives and residual values used for this purpose are as follows:

	Estimated useful lives 估計可使用年期	Residual values 剩餘價值
Buildings 樓宇	5~45 years 5~45年	5%~10%
Plant and machinery 廠房及機器	3~16 years 3~16年	1%~10%
Office and other equipment 辦公室及其他設備	3~16 years 3~16年	1%~10%
Motor vehicles 汽車	4~10 years 4~10年	5%~10%

Where parts of an item of property, plant and equipment have different useful lives, the cost of that item is allocated on a reasonable basis among the parts and each part is depreciated separately. Residual values, useful lives and the depreciation method are reviewed, and adjusted if appropriate, at least at each financial year end.

An item of property, plant and equipment including any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on disposal or retirement recognised in the statement of profit or loss in the year the asset is derecognised is the difference between the net sales proceeds and the carrying amount of the relevant asset.

Construction in progress represents buildings, plant and machinery under construction, which are stated at cost less any impairment losses, and are not depreciated. Cost comprises the direct costs of construction and capitalised borrowing costs on related borrowed funds during the period of construction. Construction in progress is reclassified to the appropriate category of property, plant and equipment when completed and ready for use.

2.4 主要會計政策概要(續)

物業、廠房及設備及折舊(續)

折舊按各物業、廠房及設備項目的估計可使用年期以直線法計算，以撇銷成本至其剩餘價值。就此而言，估計可使用年期及剩餘價值如下：

Estimated useful lives 估計可使用年期	Residual values 剩餘價值
5~45 years 5~45年	5%~10%
3~16 years 3~16年	1%~10%
3~16 years 3~16年	1%~10%
4~10 years 4~10年	5%~10%

當物業、廠房及設備項目的部分各有不同可使用年期，該項目的成本按合理基準在各部分中分配，而各部分個別折舊。剩餘價值、可使用年期及折舊方法至少在每個財政年度年結日進行檢討和調整(如適用)。

當出售初步確認的物業、廠房及設備項目包括任何重大部分，或預期使用或出售後不能帶來未來經濟利益時，則其將被終止確認。在終止確認該項資產的同一年度於損益表中確認的出售或報廢的任何盈虧，指有關資產出售所得款項淨額與其賬面值的差額。

在建工程指正在建設中的樓宇、廠房及機器，其按成本減任何減值虧損列賬，且不會折舊。成本包括建設期間的直接建設成本及有關借貸資金之資本化借貸成本。在建工程於工程完成後並備用時，將重新歸入適當類別的物業、廠房及設備。

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2.4 SUMMARY OF SIGNIFICANT ACCOUNTING

POLICIES (Continued)

Investment properties

Investment properties are interests in land and buildings (including the leasehold property held as right-of-use asset which would otherwise meet the definition of an investment property) held to earn rental income and/or for capital appreciation, rather than for use in the production or supply of goods or services or for administrative purposes; or for sale in the ordinary course of business. Such properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at fair value, which reflects market conditions at the end of the reporting period.

Gains or losses arising from changes in the fair values of investment properties are included in the statement of profit or loss in the year in which they arise.

Any gains or losses on the retirement or disposal of an investment property are recognised in the statement of profit or loss in the year of the retirement or disposal.

For a transfer from investment properties to owner-occupied properties or inventories, the deemed cost of a property for subsequent accounting is its fair value at the date of change in use. If a property occupied by the Group as an owner-occupied property becomes an investment property, the Group accounts for such property in accordance with the policy stated under "Property, plant and equipment and depreciation" for owned property and/or accounts for such property in accordance with the policy stated under "Right-of-use assets" for property held as a right-of-use asset up to the date of change in use, and any difference at that date between the carrying amount and the fair value of the property is accounted for as a revaluation in accordance with the policy stated under "Property, plant and equipment and depreciation" above. For a transfer from inventories to investment properties, any difference between the fair value of the property at that date and its previous carrying amount is recognised in the statement of profit or loss.

2.4 主要會計政策概要(續)

投資物業

投資物業指於土地及樓宇之權益(包括持有作使用權資產之租賃物業,其符合一項投資物業之定義),其持有以賺取租金收入及/或作資本增值,而非用作生產或供應商品或服務或作行政用途;或於一般業務過程中作銷售。該等物業初步按成本計值,當中包括交易成本。隨初始確認後,於報告期末投資物業會以公平值入賬以反映市場狀況。

投資物業公平值變更所帶來之收益或虧損於產生年度計入損益表內。

報廢或出售投資物業之任何收益或虧損於報廢或出售之年度於損益表內確認。

就投資物業轉撥至自有物業或存貨而言,其後入賬方法是以物業於更改用途之日之公平值作為其成本。如本集團擁有之物業由自有物業轉變為投資物業,本集團則就自有物業根據於「物業、廠房及設備及折舊」所述之政策將該物業入賬,及/或就持有作使用權資產之物業根據於「使用權資產」所述之政策將該物業入賬,直至更改用途之日為止,而於當日有關該物業之賬面值及公平值之任何差額作為重估,根據於上文「物業、廠房及設備及折舊」所述之政策入賬。就存貨轉撥至投資物業而言,物業於該日期之公平值與其先前賬面值之任何差額乃於損益表內確認。

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2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Investment properties (Continued)

Non-current assets and disposal groups held for sale

Non-current assets and disposal groups are classified as held for sale if their carrying amounts will be recovered principally through a sales transaction rather than through continuing use. For this to be the case, the asset or disposal group must be available for immediate sale in its present condition subject only to terms that are usual and customary for the sale of such assets or disposal groups and its sale must be highly probable. All assets and liabilities of a subsidiary classified as a disposal group are reclassified as held for sale regardless of whether the Group retains a non-controlling interest in its former subsidiary after the sale.

Non-current assets and disposal groups (other than investment properties and financial assets) classified as held for sale are measured at the lower of their carrying amounts and fair values less costs to sell. Property, plant and equipment and intangible assets classified as held for sale are not depreciated or amortised.

2.4 主要會計政策概要(續)

投資物業(續)

持作出售的非流動資產及出售集團

倘非流動資產及出售集團的賬面值可主要透過出售交易而非透過持續使用而收回，則會分類為持作出售。此情況僅限於資產或出售集團可於現況下即時出售（惟須受出售該等資產或出售集團之一般習慣條款所規限）及很有可能達成該出售。分類為出售集團的附屬公司之所有資產及負債會重新分類為持作出售，不論本集團在出售後是否在其前附屬公司保留非控股權益。

分類為持作出售的非流動資產及出售集團（不包括投資物業及金融資產）乃按其賬面值以及公平值減出售成本兩者中之較低者計量。分類為持作出售的物業、廠房及設備以及無形資產不予折舊或攤銷。

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2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Leases

The Group assesses at contract inception whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Group as a lessee

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

(a) Right-of-use assets

Right-of-use assets are recognised at the commencement date of the lease (that is the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and any impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease terms and the estimated useful lives of the assets as follows:

Leasehold land	10 to 50 years
Buildings	2 to 3 years

If ownership of the leased asset transfers to the Group by the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

2.4 主要會計政策概要(續)

租賃

本集團於合約開始時評估合約是否屬於或包含租賃。倘合約賦予權利可控制特定資產於一段時間之用途以換取代價，即表示該合約屬於或包含租賃。

本集團作為承租人

本集團就所有租賃應用單一確認及計量方法，惟短期租賃及低價值資產租賃除外。本集團確認租賃負債以作出租金，而使用權資產指使用相關資產的權利。

(a) 使用權資產

使用權資產於租賃開始日期（即相關資產可使用日期）確認。使用權資產按成本減任何累計折舊及任何減值虧損計量，並就租賃負債的任何重新計量作出調整。使用權資產的成本包括已確認租賃負債金額、已產生初始直接成本及在租賃開始日期或之前已支付的租金減任何已收取的租賃優惠。使用權資產於資產的租期及估計可使用年期（以較短者為準）按直線法折舊，如下：

租賃土地	10至50年
樓宇	2至3年

倘於租期結束時租賃資產的擁有權轉讓至本集團或成本反映購買選擇權的行使，折舊則根據資產的估計可使用年期計算。

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2.4 SUMMARY OF SIGNIFICANT ACCOUNTING

POLICIES (Continued)

Leases (Continued)

Group as a lessee (Continued)

(b) Lease liabilities

Lease liabilities are recognised at the commencement date of the lease at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for termination of a lease, if the lease term reflects the Group exercising the option to terminate the lease. The variable lease payments that do not depend on an index or a rate are recognised as an expense in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in lease payments (e.g., a change to future lease payments resulting from a change in an index or rate) or a change in assessment of an option to purchase the underlying asset.

The Group's lease liabilities are included in interest-bearing bank and other borrowings.

2.4 主要會計政策概要(續)

租賃(續)

本集團作為承租人(續)

(b) 租賃負債

租賃負債於租賃開始日期按將在租期內支付的租金的現值確認。租金包括固定付款(包括實質固定付款)減任何應收租賃優惠、基於某一指數或比率的可變租金及根據剩餘價值保證預計將支付的金額。租金亦包括本集團合理確定將行使的購買選擇權的行使價及終止租賃支付的罰款(倘租賃期反映本集團行使終止租賃選擇權)。並非基於某一指數或比率的可變租金在觸發付款的事件或條件發生期間確認為開支。

在計算租金的現值時，由於租賃的隱含利率不易確定，本集團會使用租賃開始日期的增量借貸利率。開始日期後，租賃負債的金額會就累計利息作出增加並就已支付租金作出扣減。此外，倘租賃發生修訂、租期變動、租金變動(例如，因某一指數或比率變動而導致未來租金變動)或購買相關資產的選擇權評估變動，則租賃負債的賬面值予以重新計量。

本集團的租賃負債乃計入計息銀行及其他借貸。

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2.4 SUMMARY OF SIGNIFICANT ACCOUNTING

POLICIES (Continued)

Leases (Continued)

Group as a lessee (Continued)

(c) Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to its short-term leases of machinery and equipment (that is those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the recognition exemption for leases of low-value assets that are considered to be of low value.

Lease payments on short-term leases and leases of low-value assets are recognised as an expense on a straight-line basis over the lease term.

Group as a lessor

When the Group acts as a lessor, it classifies at lease inception (or when there is a lease modification) each of its leases as either an operating lease or a finance lease.

Leases in which the Group does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. When a contract contains lease and non-lease components, the Group allocates the consideration in the contract to each component on a relative stand-alone selling price basis. Rental income is accounted for on a straight-line basis over the lease terms and is included in revenue in the statement of profit or loss due to its operating nature. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

2.4 主要會計政策概要 (續)

租賃 (續)

本集團作為承租人 (續)

(c) 短期租賃及低價值資產租賃

本集團將短期租賃確認豁免應用於其機器及設備的短期租賃 (即自開始日期起計租期為12個月或以下, 並且不包含購買選擇權的租賃)。低價值資產租賃確認豁免亦應用於被視為低價值。

短期租賃及低價值資產租賃的租金於租期內按直線法確認為開支。

本集團作為出租人

倘本集團作為出租人, 在租賃開始時 (或租賃修訂時), 本集團將租賃分類為經營租賃或融資租賃。

本集團並未轉移資產所有權附帶之絕大部分風險及回報之租賃, 均分類為經營租賃。如合約包含租賃和非租賃部分, 本集團按相對獨立售價基準將合約代價分配至各個部分。租金收入於租期內以直線法列賬並根據其經營性質於損益表內列為收入。磋商及安排經營租賃所產生初步直接成本計入租賃資產賬面值, 並按與租金收入相同之基準於租期內確認。或然租金於賺取期間確認為收入。

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2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Properties under development

Properties under development represent properties being developed for sale and are stated at the lower of cost and net realisable value. Cost comprises the prepaid land lease payments or cost of land together with any other direct costs attributable to the development of the properties and other related expenses capitalised during the development period. Net realisable value is determined by the directors based on the prevailing market prices on an individual property basis less estimated costs of completion and costs to be incurred in selling the property.

Properties under development are classified as current assets unless the construction period of the relevant property development project is expected to complete beyond the normal operating cycle. Once the development of these properties is completed, these properties are transferred to completed properties held for sale.

Revenue is only recognised upon completion of the development. Sales deposits/instalments received and receivable from purchasers in respect of the pre-sale of properties under development prior to the completion of the development are included in current liabilities.

If a property under development is intended to be redeveloped into an owner-managed property, it is transferred to construction in progress at the carrying amount.

2.4 主要會計政策概要(續)

發展中物業

發展中物業指為出售而發展之物業，並按成本及可變現淨值兩者之較低者列賬。成本包括預付土地租金或土地成本連同發展該等物業應佔之任何其他直接成本，以及在發展期間其他撥入資本之相關開支。可變現淨值乃由董事按個別物業之現行市價減完成估計成本及銷售該物業將產生之成本釐定。

發展中物業被分類為流動資產，除非有關物業發展項目於建設期間將超出正常經營週期竣工。該等物業在發展完成後即轉撥至落成待售物業。

收入須待發展完成後方予以確認。於發展項目落成前就預售發展中物業向買家已收及應收的銷售按金／分期付款，計入流動負債。

倘一項發展中物業擬重新開發成業主管理物業，則其將按賬面值轉撥至在建工程。

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2.4 SUMMARY OF SIGNIFICANT ACCOUNTING

POLICIES (Continued)

Completed properties held for sale

Completed properties for sale are stated at the lower of cost and net realisable value. Cost includes all development expenditure, applicable borrowing costs and other direct costs attributable to such properties. Cost is determined by an apportionment of the total costs of land and buildings attributable to unsold properties. Net realisable value is determined by the directors based on the prevailing market prices on an individual property basis less costs to be incurred in selling the property.

If an item of completed property held for sale becomes owner-managed, it is transferred to property, plant and equipment at the carrying amount.

For a transfer from an item of completed property held for sale to investment property that will be carried at fair value as its use has changed as evidenced by the commencement of an operating lease, any difference between the fair value of the property at that date and its previous carrying amount shall be recognised in the statement of profit or loss.

Investments and other financial assets

Initial recognition and measurement

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income, and fair value through profit or loss.

2.4 主要會計政策概要(續)

落成待售物業

落成待售物業按成本值與可變現淨值兩者之較低者列賬。成本包括所有發展開支、適用貸款成本及該等物業應佔之其他直接成本，根據未售出物業應佔土地及樓宇總成本之比例釐定。可變現淨值由董事按個別物業之現行市價減銷售該物業將產生之成本釐定。

倘一項落成待售物業為業主管理，則其將按賬面值轉撥至物業、廠房及設備。

倘一項落成待售物業項目因開始經營租賃而用途發生改變，其將轉撥至按公平值入賬之投資物業，該物業於轉撥當日之公平值與其先前賬面值之任何差額於損益表中確認。

投資及其他金融資產

首次確認及計量

金融資產於初步確認時分類為其後按攤銷成本、按公平值計入其他全面收益及按公平值計入損益計量。

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2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Investments and other financial assets (Continued)

Initial recognition and measurement (Continued)

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient of not adjusting the effect of a significant financing component, the Group initially measures a financial asset at its fair value, plus in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient are measured at the transaction price determined under IFRS 15 in accordance with the policies set out for "Revenue recognition" below.

In order for a financial asset to be classified and measured at amortised cost or fair value through other comprehensive income, it needs to give rise to cash flows that are solely payments of principal and interest ("SPPI") on the principal amount outstanding. Financial assets with cash flows that are not SPPI are classified and measured at fair value through profit or loss, irrespective of the business model.

The Group's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both. Financial assets classified and measured at amortised cost are held within a business model with the objective to hold financial assets in order to collect contractual cash flows, while financial assets classified and measured at fair value through other comprehensive income are held within a business model with the objective of both holding to collect contractual cash flows and selling. Financial assets which are not held within the aforementioned business models are classified and measured at fair value through profit or loss.

2.4 主要會計政策概要(續)

投資及其他金融資產(續)

首次確認及計量(續)

於初步確認時，金融資產分類取決於金融資產的合約現金流量特徵及本集團管理金融資產的業務模式。除並無包含重大融資成分或本集團已應用簡易實務處理方法不對重大融資成分的影響作出調整的貿易應收賬款外，本集團初步按公平值加上(倘金融資產並非按公平值計入損益)交易成本計量金融資產。並無包含重大融資成分或本集團已應用簡易實務處理方法的貿易應收賬款根據以下「收入確認」所載之政策按國際財務報告準則第15號釐定的交易價格計量。

為使金融資產按攤銷成本或按公平值計入其他全面收益分類及計量，金融資產須產生純粹為未償還本金的本金及利息付款(「SPPI」)的現金流量。帶有並非SPPI的現金流量的金融資產按公平值計入損益分類及計量，而不論業務模式為何。

本集團管理金融資產的業務模式指其管理其金融資產以產生現金流量的方式。業務模式決定現金流量是否通過收取合約現金流量、出售金融資產或兩者並行的方式產生。按攤銷成本分類及計量的金融資產於持有金融資產目的為收取合約現金流量的業務模式內持有，而按公平值計入其他全面收益分類及計量的金融資產於持有金融資產目的為收取合約現金流量及出售的業務模式內持有。並非於上述業務模式內持有的金融資產按公平值計入損益分類及計量。

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2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Investments and other financial assets (Continued)

Initial recognition and measurement (Continued)

All regular way purchases and sales of financial assets are recognised on the trade date, that is, the date that the Group commits to purchase or sell the asset. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the period generally established by regulation or convention in the marketplace.

Subsequent measurement

The subsequent measurement of financial assets depends on their classification as follows:

Financial assets at amortised cost (debt instruments)

Financial assets at amortised cost are subsequently measured using the effective interest method and are subject to impairment. Gains and losses are recognised in the statement of profit or loss when the asset is derecognised, modified or impaired.

Financial assets at fair value through other comprehensive income (debt instruments)

For debt investments at fair value through other comprehensive income, interest income, foreign exchange revaluation and impairment losses or reversals are recognised in the statement of profit or loss and computed in the same manner as for financial assets measured at amortised cost. The remaining fair value changes are recognised in other comprehensive income. Upon derecognition, the cumulative fair value change recognised in other comprehensive income is recycled to the statement of profit or loss.

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss are carried in the statement of financial position at fair value with net changes in fair value recognised in the statement of profit or loss.

2.4 主要會計政策概要(續)

投資及其他金融資產(續)

首次確認及計量(續)

所有以常規方式買賣的金融資產均於交易日(即本集團承諾買賣該資產當日)予以確認。常規方式買賣指規定須於一般市場規例或慣例確立之期間內交付資產的金融資產買賣。

其後計量

金融資產之其後計量根據其分類如下：

按攤銷成本計量的金融資產(債務工具)

按攤銷成本計量的金融資產其後使用實際利率法計量，並須受減值影響。當資產終止確認、修訂或減值時，收益及虧損於損益表中確認。

按公平值計入其他全面收益的金融資產(債務工具)

就按公平值計入其他全面收益的債務投資而言，利息收入、外匯重估及減值虧損或撥回於損益表中確認，並按與按攤銷成本計量的金融資產相同的方式計量。其餘公平值變動於其他全面收入中確認。終止確認時，於其他全面收入中確認的累計公平值變動將回流至損益表。

按公平值計入損益的金融資產

按公平值計入損益的金融資產按公平值於財務狀況表列賬，而公平值變動淨額於損益表中確認。

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2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Investments and other financial assets (Continued)

Subsequent measurement (Continued)

Financial assets at fair value through profit or loss (Continued)

This category includes equity investments which the Group had not irrevocably elected to classify at fair value through other comprehensive income. Dividends on equity investments classified as financial assets at fair value through profit or loss are also recognised as other income in the statement of profit or loss when the right of payment has been established, it is probable that the economic benefits associated with the dividend will flow to the Group and the amount of the dividend can be measured reliably.

Derecognition of financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e., removed from the Group's consolidated statement of financial position) when:

- the rights to receive cash flows from the asset have expired; or
- the Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a “pass-through” arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

2.4 主要會計政策概要(續)

投資及其他金融資產(續)

其後計量(續)

按公平值計入損益的金融資產(續)

該類別包括本集團並無不可撤回地選擇分類為按公平值計入其他全面收益之股本投資。當確立支付權及與股息相關的經濟利益很可能流入本集團且股息金額能可靠計量時，分類為按公平值計入損益之金融資產的股本投資之股息亦於損益表中確認為其他收入。

終止確認金融資產

金融資產(或(如適用)一項金融資產的一部分或一組同類金融資產的一部分)主要在下列情況將被終止確認(即自本集團之綜合財務狀況表中剔除):

- 收取該項資產所得現金流量的權利已經屆滿;或
- 本集團已轉讓其收取該項資產所得現金流量的權利,或根據「轉手」安排承擔在沒有嚴重延誤的情況下向第三方悉數支付所得現金流量的責任,且(a)本集團已轉讓該項資產的絕大部分風險及回報,或(b)本集團並無轉讓或保留該項資產絕大部分風險及回報,但已轉讓該項資產的控制權。

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2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Derecognition of financial assets (Continued)

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risk and rewards of ownership of the asset. When it has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the Group continues to recognise the transferred asset to the extent of the Group's continuing involvement in the asset. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

Impairment of financial assets

The Group recognises an allowance for expected credit losses ("ECLs") for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

2.4 主要會計政策概要(續)

終止確認金融資產(續)

倘本集團已轉讓其自資產收取現金流量的權利或訂立「轉手」安排，會評估其有否保留該項資產擁有權的風險及回報，以及保留程度。倘本集團並無轉讓或保留該項資產的絕大部分風險及回報，亦無轉讓該項資產的控制權，則本集團繼續以本集團持續參與程度為限確認轉讓資產。於該情況下，本集團亦確認相關負債。已轉讓資產及相關負債按能反映本集團所保留權利及責任的基準計量。

就已轉讓資產作出擔保之形式的持續參與乃按資產之原賬面值與本集團須償還之代價上限之較低者計量。

金融資產減值

本集團確認對並非按公平值計入損益的所有債務工具預期信貸虧損（「預期信貸虧損」）的撥備。預期信貸虧損乃基於根據合約到期的合約現金流量與本集團預期收取的所有現金流量之間的差額而厘定，並以原實際利率的近似值貼現。預期現金流量將包括出售所持抵押的現金流量或組成合約條款的其他信貸提升措施。

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2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Impairment of financial assets (Continued)

General approach

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12 months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

At each reporting date, the Group assesses whether the credit risk on a financial instrument has increased significantly since initial recognition. When making the assessment, the Group compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition and considers reasonable and supportable information that is available without undue cost or effort, including historical and forward-looking information.

For debt investments at fair value through other comprehensive income, the Group applies the low credit risk simplification. At each reporting date, the Group evaluates whether the debt investments are considered to have low credit risk using all reasonable and supportable information that is available without undue cost or effort. In making that evaluation, the Group reassesses the external credit ratings of the debt investments. In addition, the Group considers that there has been a significant increase in credit risk when contractual payments are more than 30 days past due.

The Group considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

2.4 主要會計政策概要 (續)

金融資產減值 (續)

一般法

預期信貸虧損分兩個階段進行確認。就自初始確認起未有顯著增加的信貸風險而言，預期信貸虧損就未來12個月內可能發生違約事件而導致的信貸虧損(12個月預期信貸虧損)計提撥備。就自初始確認起經已顯著增加的信貸風險而言，不論何時發生違約，於餘下風險年期內的信貸虧損均須計提虧損撥備(全期預期信貸虧損)。

本集團在各報告日期評估相關金融工具的信貸風險自初始確認後是否已顯著增加。於作出此項評估時，本集團將報告日期財務工具出現違約事件之風險與首次確認日期財務工具出現違約事件之風險進行比較並考慮毋須花費過度成本或精力獲取的合理有據資料，包括過往及前瞻性資料。

按公平值計入其他全面收益的債務投資，本集團採用低信貸風險簡化法。於各報告日期，本集團使用所有毋須花費過度成本或精力獲取的合理有據資料評估債務投資是否被視為信貸風險較低。在進行評估時，本集團重新評估債務投資的外部信貸評級。此外，本集團認為，當合約付款逾期超過30天時，信貸風險將大幅增加。

本集團會在合約付款逾期90天時考慮金融資產違約。然而，在若干情況下，當內部或外部資料反映，在未計及本集團持有的任何信貸提升措施前，本集團不大可能悉數收到未償還合約款項，則本集團亦可認為金融資產違約。倘無法合理預期收回合約現金流量，則撇銷金融資產。

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2.4 SUMMARY OF SIGNIFICANT ACCOUNTING

POLICIES (Continued)

Impairment of financial assets (Continued)

General approach (Continued)

Debt investments at fair value through other comprehensive income and financial assets at amortised cost are subject to impairment under the general approach and they are classified within the following stages for measurement of ECLs except for trade receivables and contract assets which apply the simplified approach as detailed below.

Stage 1 – Financial instruments for which credit risk has not increased significantly since initial recognition and for which the loss allowance is measured at an amount equal to 12-month ECLs.

Stage 2 – Financial instruments for which credit risk has increased significantly since initial recognition but that are not credit-impaired financial assets and for which the loss allowance is measured at an amount equal to lifetime ECLs.

Stage 3 – Financial assets that are credit-impaired at the reporting date (but that are not purchased or originated credit-impaired) and for which the loss allowance is measured at an amount equal to lifetime ECLs.

Simplified approach

For trade receivables that do not contain a significant financing component or when the Group applies the practical expedient of not adjusting the effect of a significant financing component, the Group applies the simplified approach in calculating ECLs. Under the simplified approach, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

2.4 主要會計政策概要 (續)

金融資產減值 (續)

一般法 (續)

按公平值計入其他全面收益的債務投資及按攤銷成本入賬之金融資產在一般法下可能會出現減值，且會在以下階段進行分類以計量預期信貸虧損，惟應用簡化法之貿易應收賬款及合約資產（誠如下文所詳述）除外。

第一階段 – 自首次確認以來信貸風險並無顯著增加，且虧損撥備乃按相等於12個月預期信貸虧損的金額計量之金融工具。

第二階段 – 自首次確認以來信貸風險顯著增加（惟並非信貸減值金融資產），且虧損撥備乃按相等於全期預期信貸虧損的金額計量之金融工具。

第三階段 – 於報告日期出現信貸減值（惟並非購買或產生信貸減值），且虧損撥備乃按相等於全期預期信貸虧損的金額計量之金融資產。

簡化法

就不包含重大融資成分的貿易應收賬款而言，或當本集團應用不就重大融資成分的影響作出調整的實際權宜方法時，本集團會應用簡化方法計算預期信貸虧損。根據簡化法，本集團並無追蹤信貸風險的變化，反而於各報告日期根據全期預期信貸虧損確認減值撥備。本集團已根據其過往信貸虧損經驗建立撥備矩陣，並就債務人及經濟環境的特定前瞻性因素作出調整。

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2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Impairment of financial assets (Continued)

Simplified approach (Continued)

For trade receivables that contain a significant financing component and lease receivables, the Group chooses as its accounting policy to adopt the simplified approach in calculating ECLs with policies as described above.

Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings or payables, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Group's financial liabilities include trade and bills payables, a derivative financial instrument, financial liabilities included in other payables and accruals and interest-bearing bank and other borrowings.

Subsequent measurement

The subsequent measurement of financial liabilities depends on their classification as follows:

Financial liabilities at amortised cost (loans and borrowings)

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost, using the effective interest rate method unless the effect of discounting would be immaterial, in which case they are stated at cost. Gains and losses are recognised in the statement of profit or loss when the liabilities are derecognised as well as through the effective interest rate amortisation process.

2.4 主要會計政策概要(續)

金融資產減值(續)

簡化法(續)

就包含重大融資成分的貿易應收賬款及應收租賃款項，本集團選擇其會計政策採用簡化法計算上述政策的預期信貸虧損。

金融負債

首次確認及計量

金融負債於初始確認時可分類為以公平值於損益表列賬的金融負債、貸款及借貸，或應付款項(如適用)。

所有金融負債於首次確認時以公平值計算，而貸款及借貸及應付款項則扣除直接應佔交易成本。

本集團的金融負債包括貿易應付賬款及應付票據、衍生金融工具、計入其他應付款及應計費用的金融負債、計息銀行以及其他借貸。

其後計量

金融負債的其後計量視乎以下分類：

按攤銷成本計量的金融負債(貸款及借貸)

於首次確認後，計息貸款及借貸其後以實際利率法按攤銷成本計量，除非貼現的影響微不足道，在此情況下則按成本列賬。終止確認負債及透過實際利率攤銷過程中產生的盈虧於損益表中確認。

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2.4 SUMMARY OF SIGNIFICANT ACCOUNTING

POLICIES (Continued)

Financial liabilities (Continued)

Financial liabilities at amortised cost (loans and borrowings) (Continued)

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate. The effective interest rate amortisation is included in finance costs in the statement of profit or loss.

Financial guarantee contracts

Financial guarantee contracts issued by the Group are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. A financial guarantee contract is recognised initially as a liability at its fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequent to initial recognition, the Group measures the financial guarantee contracts at the higher of: (i) the ECL allowance determined in accordance with the policy as set out in "Impairment of financial assets"; and (ii) the amount initially recognised less, when appropriate, the cumulative amount of income recognised.

Derecognition of financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged or cancelled, or expires.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and a recognition of a new liability, and the difference between the respective carrying amounts is recognised in the statement of profit or loss.

2.4 主要會計政策概要 (續)

金融負債 (續)

按攤銷成本計量的金融負債 (貸款及借貸) (續)

計算攤銷成本時會考慮收購所產生的任何折讓或溢價，亦包括作為實際利率一部分的費用或成本。實際利率攤銷計入損益表中的融資成本。

財務擔保合約

本集團發行之財務擔保合約乃規定於特定債務人未能按照債務工具條款於到期時支付款項時須支付款項以補償持有人所蒙受損失。財務擔保合約初始按公平值確認為負債，並按與發出擔保有直接關係的交易成本予以調整。在首次確認之後，本集團對財務擔保合約的計量乃按以下列兩者之較高者計算：(i) 根據「金融資產減值」所載政策釐定之預期信貸虧損撥備；及(ii) 初始確認金額減(如適用)已確認之累計收入金額。

終止確認金融負債

當負債項下的責任被解除或取消或屆滿，將終止確認金融負債。

當現有金融負債被同一貸款人以與原有負債條款有重大差別的金融負債取代，或現有負債條款經重大修訂，則上述取代或修訂將視為終止確認原有負債，並確認新負債，而有關賬面值的差額在損益表中確認入賬。

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2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

Derivative financial instruments

Initial recognition and subsequent measurement

Derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently remeasured at fair value. Derivatives are carried as assets when the fair value is positive and as liabilities when the fair value is negative.

Any gains or losses arising from changes in fair value of derivatives are taken directly to the statement of profit or loss, except for the effective portion of cash flow hedges, which is recognised in other comprehensive income and later reclassified to profit or loss when the hedged item affects profit or loss.

Inventories

Inventories are stated at the lower of cost and net realisable value. Costs incurred in bringing each product to its present location and conditions are accounted for as follows:

Raw materials	Purchase cost on the weighted average basis
Work in progress and finished goods	Cost of direct materials, direct labour and an appropriate proportion of overheads

Net realisable value is based on estimated selling prices less any estimated costs to be incurred to completion and disposal.

2.4 主要會計政策概要(續)

抵銷金融工具

倘現時存在可依法強制執行的權利抵銷已確認金額，且有意以淨額結算或同時變現資產及清償債務，則金融資產及金融負債互相抵銷，並將淨額列入財務狀況表內。

衍生金融工具

初步確認及其後計量

衍生金融工具初步以訂立衍生工具合約當日的公平值確認，並隨後以公平值再計量。倘公平值為正數，衍生工具以資產入賬，而公平值倘為負數，則以負債入賬。

因衍生工具之公平值變動而產生之任何收益或虧損直接計入損益表，惟現金流量對沖有效部分除外，該部分於其他全面收益確認，並於其後在對沖項目影響損益之情況下重新分類至損益。

存貨

存貨按成本值與可變現淨值兩者中的較低者列賬。將各項產品達致當前位置及狀況所產生的成本按以下方式列賬：

原材料	以加權平均基準計算的採購成本
在製品及製成品	直接物料、直接勞工成本及按適當比例的間接費用

可變現淨值乃根據估計售價減任何完成及出售時所產生的估計成本計算。

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2.4 SUMMARY OF SIGNIFICANT ACCOUNTING

POLICIES (Continued)

Cash and cash equivalents

For the purpose of the consolidated statement of cash flows, cash and cash equivalents comprise cash on hand and demand deposits, and short term highly liquid investments that are readily convertible into known amounts of cash, are subject to an insignificant risk of changes in value, and have a short maturity of generally within three months when acquired, less bank overdrafts which are repayable on demand and form an integral part of the Group's cash management.

For the purpose of the consolidated statement of financial position, cash and cash equivalents comprise cash on hand and at banks, including term deposits, and assets similar in nature to cash, which are not restricted as to use.

Provisions

A provision is recognised when a present obligation (legal or constructive) has arisen as a result of a past event and it is probable that a future outflow of resources will be required to settle the obligation, provided that a reliable estimate can be made of the amount of the obligation.

When the effect of discounting is material, the amount recognised for a provision is the present value at the end of the reporting period of the future expenditures expected to be required to settle the obligation. The increase in the discounted present value amount arising from the passage of time is included in finance costs in the statement of profit or loss.

Income tax

Income tax comprises current and deferred income tax. Income tax relating to items recognised outside profit or loss is recognised outside profit or loss, either in other comprehensive income or directly in equity.

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period, taking into consideration interpretations and practices prevailing in the countries in which the Group operates.

Deferred tax is provided, using the liability method, on all temporary differences at the end of the reporting period between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

2.4 主要會計政策概要(續)

現金及現金等價物

就綜合現金流量表而言，現金及現金等價物包括手頭現金及活期存款，以及可隨時轉換為已知金額的現金，所涉及的價值變動風險屬不重大且一般於購入後三個月內到期的短期高流通量投資減須按要求償還之銀行透支，該等項目為本集團現金管理不可分割的部分。

就綜合財務狀況表而言，現金及現金等價物包括手頭現金及定期存款等銀行存款以及與現金性質類似而並無限制其用途的資產。

撥備

倘因過往事件已產生現時責任（法律或推定），且將來極可能需要流出資源以履行有關責任時，則確認撥備，惟能就責任所涉及數額作出可靠估計。

當貼現的影響屬重大時，所確認撥備的數額乃為預期履行責任所需的未來開支於報告期末的現值。因時間流逝而導致貼現的現值增加的數額，計入損益表的融資成本。

所得稅

所得稅包括即期及遞延所得稅。與於損益以外確認的項目有關的所得稅於損益以外確認，即於其他全面收益或直接於權益確認。

即期稅項資產及負債乃根據於報告期末已經頒佈或實質上已頒佈的稅率（及稅法），並考慮本集團營運所在國家通行的詮釋及慣例，按預期可自稅務當局收回或向其支付的金額計算。

遞延稅項按負債法根據於報告期末資產與負債的稅基及其就財務報告而言的賬面值的所有暫時性差異撥備。

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2.4 SUMMARY OF SIGNIFICANT ACCOUNTING

POLICIES (Continued)

Income tax (Continued)

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- (a) when the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- (b) in respect of taxable temporary differences associated with investments in subsidiaries and a joint venture, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, and the carryforward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, the carryforward of unused tax credits and unused tax losses can be utilised, except:

- (a) when the deferred tax asset relating to the deductible temporary differences arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- (b) in respect of deductible temporary differences associated with investments in subsidiaries and a joint venture, deferred tax assets are only recognised to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

2.4 主要會計政策概要(續)

所得稅(續)

所有應課稅暫時性差異均會確認遞延稅項負債，惟下列情況除外：

- (a) 倘遞延稅項負債乃在交易中初步確認商譽或資產或負債時產生，而該交易並非業務合併，且於交易時並不影響會計溢利或應課稅溢利或虧損；及
- (b) 就與於附屬公司及一間合營公司之投資有關的應課稅暫時性差異而言，如暫時性差異的轉回時間可以控制，及暫時性差異於可見將來可能不會被轉回的情況。

所有可扣減暫時性差異及未動用稅項抵免與任何未動用稅務虧損的結轉均被確認為遞延稅項資產。已確認遞延稅項資產的條件為可利用應課稅溢利抵扣可扣減暫時性差異、可動用未動用稅項抵免及未動用稅務虧損的結轉，惟下列情況除外：

- (a) 倘有關可扣減暫時性差異的遞延稅項資產乃在交易中初步確認資產或負債時產生，而該交易並非業務合併，且於交易時並不影響會計溢利或應課稅溢利或虧損；及
- (b) 就與於附屬公司及一間合營公司之投資有關的可扣減暫時性差異而言，只有在暫時性差異有可能在可見將來撥回，而且日後有可能出現應課稅溢利以抵扣該等暫時性差異時，方會確認遞延稅項資產。

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2.4 SUMMARY OF SIGNIFICANT ACCOUNTING

POLICIES (Continued)

Income tax (Continued)

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at the end of each reporting period and are recognised to the extent that it has become probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax assets and deferred tax liabilities are offset if and only if the Group has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

Government grants

Government grants are recognised at their fair value where there is reasonable assurance that the grant will be received and all attaching conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the costs, for which it is intended to compensate, are expensed. Where the grant relates to an asset, the fair value is credited to deferred income account and deducted from the carrying amount of the asset and released to profit or loss by way of a reduced depreciation charge.

2.4 主要會計政策概要 (續)

所得稅 (續)

遞延稅項資產的賬面值於每個報告期末作出審核，並扣減至當不再可能有足夠應課稅溢利令所有或部分遞延稅項資產被動用為止。未確認的遞延稅項資產於每個報告期末被重估，如有足夠的應課稅溢利可供動用以收回所有或部分遞延稅項資產，則會作出確認。

遞延稅項資產及負債根據於報告期末已經頒佈或實質上已頒佈的稅率（及稅法），以預期適用於相關資產變現或相關負債償還的期間的稅率計算。

僅當本集團有可合法強制執行權利可將即期稅項資產與即期稅項負債抵銷，且遞延稅項資產與遞延稅項負債與同一稅務機關對同一應稅實體或於各未來期間預期待有大額遞延稅項負債或資產需要結算或清償時，擬按淨額基準結算即期稅務負債及資產或同時變現資產及結算負債的不同稅務實體徵收的所得稅相關，則遞延稅項資產與遞延稅項負債可予抵銷。

政府補貼

政府補貼於可合理保證將收到有關補助及將符合所有附帶條文時按其公平值確認。如補貼與開支項目有關，則會按系統基準於擬用作補償的成本支銷期間確認為收入。倘補貼與資產有關，則其公平值會計入遞延收益賬，並自該項資產的賬面值中扣除並透過減少折舊開支方式撥入損益。

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2.4 SUMMARY OF SIGNIFICANT ACCOUNTING

POLICIES (Continued)

Government grants (Continued)

Where the Group receives government loans granted with no or at a below-market rate of interest for the construction of a qualifying asset, the initial carrying amount of the government loans is determined using the effective interest rate method, as further explained in the accounting policy for "Financial liabilities" above. The benefit of the government loans granted with no or at a below-market rate of interest, which is the difference between the initial carrying value of the loans and the proceeds received, is treated as a government grant and released to the statement of profit or loss over the expected useful life of the relevant asset by equal annual instalments.

Revenue recognition

Revenue from contracts with customers

Revenue from contracts with customers is recognised when control of goods or services is transferred to the customers at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services.

When the contract contains a financing component which provides the customer with a significant benefit of financing the transfer of goods or services to the customer for more than one year, revenue is measured at the present value of the amount receivable, discounted using the discount rate that would be reflected in a separate financing transaction between the Group and the customer at contract inception. When the contract contains a financing component which provides the Group with a significant financial benefit for more than one year, revenue recognised under the contract includes the interest expense accreted on the contract liability under the effective interest method. For a contract where the period between the payment by the customer and the transfer of the promised goods or services is one year or less, the transaction price is not adjusted for the effects of a significant financing component, using the practical expedient in IFRS 15.

2.4 主要會計政策概要 (續)

政府補貼 (續)

當本集團獲得不含利息或利息低於市場利率的政府貸款以建設一項合格資產時，如同上述「金融負債」的會計政策的進一步闡明，政府貸款的初始賬面值以實際利率法釐定。由不含利息或利息低於市場利率的政府貸款所獲取利益，即貸款的初始賬面值與實收收益的差異，作為政府補助處理並在相關資產預算可使用年期按年平均分配計入損益表。

收入確認

來自客戶合約之收入

來自客戶合約之收入於貨品或服務的控制權轉移至客戶時確認，而該金額反映本集團預期就提供該等貨品或服務有權獲得的代價。

當合約包含就轉移貨品或服務為客戶帶來超過一年重大融資利益之融資成分時，則收入以應收款項現值計量，而現值乃使用可反映於合約開始時本集團與該客戶之單獨融資交易的折現率來折現。當合約包含為本集團提供超過一年重大融資利益之融資部分時，則該合約項下之已確認收入包括根據實際利率法計算的合約負債所產生的利息費用。就客戶付款與轉移承諾產品或服務之期限為一年或更短之合約而言，交易價格不會根據國際財務報告準則第15號所提供之實際權宜方法就重大融資部分之影響作出調整。

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2.4 SUMMARY OF SIGNIFICANT ACCOUNTING

POLICIES (Continued)

Revenue recognition (Continued)

Revenue from contracts with customers (Continued)

Sale of goods

Revenue from the sale of goods is recognised at the point in time when control of the asset is transferred to the customer, generally on delivery of the goods.

Sale of properties

Revenue from the sale of properties is recognised at the point in time when the purchasers obtained the physical possession or the legal title of the completed property and the Group has a present right to payment and the collection of the consideration is probable.

Manufacturing services

Revenue from the provision of manufacturing services is recognised over time, using an input method to measure progress towards complete satisfaction of the service, because the Group's performance creates or enhances an asset that the customer controls as the asset is created or enhanced. The input method recognises revenue based on the proportion of the actual costs incurred relative to the estimated total costs for satisfaction of the manufacturing services.

Revenue from other sources

Rental income is recognised on a time proportion basis over the lease terms. Variable lease payments that do not depend on an index or a rate are recognised as income in the accounting period in which they are incurred.

Other income

Interest income is recognised on an accrual basis using the effective interest method by applying the rate that exactly discounts the estimated future cash receipts over the expected life of the financial instrument or a shorter period, when appropriate, to the net carrying amount of the financial asset.

2.4 主要會計政策概要(續)

收入確認(續)

來自客戶合約之收入(續)

銷售貨品

銷售貨品的收入於資產的控制權已轉移至客戶(一般為交付貨品)時確認。

銷售物業

銷售物業的收入於購買者獲得實物所有權或已完工物業的法定所有權且本集團已獲得現時的付款請求權並很可能收回對價時確認。

製造服務

來自提供製造服務的收入乃隨著時間的推移而確認,使用一種輸入法來衡量對服務完全滿意的進度,因為本集團的業績創造或提升了資產時,客戶控制的資產在創建或提升。輸入法根據產生的實際成本與估計總成本的比例確認收入,以使對製造服務滿意。

其他來源收入

租金收入乃按佔租期時間比例的基準確認。並非依據指數或利率的可變租賃款項將於產生可變租金的會計期間確認為收入。

其他收入

利息收入按累計基準使用實際利率法確認,透過採用將金融工具在預期可使用年期或較短期間(如適用)之估計未來現金收入準確貼現至金融資產之賬面淨值的比率予以確認。

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2.4 SUMMARY OF SIGNIFICANT ACCOUNTING

POLICIES (Continued)

Contract liabilities

A contract liability is recognised when a payment is received or a payment is due (whichever is earlier) from a customer before the Group transfers the related goods or services. Contract liabilities are recognised as revenue when the Group performs under the contract (i.e., transfers control of the related goods or services to the customer).

Employee benefits

Pension schemes

The Group operates a defined contribution Mandatory Provident Fund retirement benefit scheme (the “MPF Scheme”) under the Mandatory Provident Fund Schemes Ordinance for those employees who are eligible to participate in the MPF Scheme. Contributions are made based on a percentage of the employees’ basic salaries and are charged to profit or loss as they become payable in accordance with the rules of the MPF Scheme. The assets of the MPF Scheme are held separately from those of the Group in an independently administered fund. The Group’s employer contributions vest fully with the employees when contributed into the MPF Scheme.

The employees of the Group’s subsidiaries which operate in Mainland China are required to participate in central pension schemes operated by the local municipal government. These subsidiaries are required to contribute certain percentages of their payroll costs to the central pension schemes. The contributions are charged to the statement of profit or loss as they become payable in accordance with the rules of the central pension schemes.

Other benefits

The Group contributes on a monthly basis to defined contribution housing, medical and other benefit plans organised by the PRC government. The PRC government undertakes to assume the benefit obligations of all existing and retired employees under these plans. Contributions to these plans by the Group are expensed as incurred. The Group has no further obligations for benefits for their qualified employees under these plans.

2.4 主要會計政策概要(續)

合約負債

合約負債於本集團轉讓相關貨品或服務前自客戶收到付款或付款到期時(以較早者為準)確認。合約負債於本集團履行合約(即向客戶轉讓相關貨品或服務的控制權)時確認為收入。

僱員福利

退休金計劃

本集團根據強制性公積金計劃條例為合資格參加定額供款強制性公積金退休福利計劃(「強積金計劃」)的僱員設立強積金計劃。供款乃根據僱員底薪的若干百分比釐定，並於其根據強積金計劃條例成為應付時在損益中扣除。強積金計劃的資產乃與本集團的資產分開，由一家獨立管理的基金持有。本集團的僱主供款於向強積金計劃供款後即全屬僱員所有。

本集團於中國大陸營運的附屬公司的僱員均須參與由當地市政府設立的中央退休福利計劃。該等附屬公司須向中央退休福利計劃作出佔其薪金成本若干比例的供款。供款於根據中央退休福利計劃的規則應付時自損益表中扣除。

其他福利

本集團每月向由中國政府管理的定額供款住房、醫療及其他福利計劃供款。中國政府保證承擔該等計劃下所有現職及退休僱員的福利責任。本集團對該等計劃的供款於產生時支銷。本集團就該等計劃對其合資格僱員並無其他福利方面的責任。

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2.4 SUMMARY OF SIGNIFICANT ACCOUNTING

POLICIES (Continued)

Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, i.e., assets that necessarily take a substantial period of time to get ready for their intended use or sale, are capitalised as part of the cost of those assets. The capitalisation of such borrowing costs ceases when the assets are substantially ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs capitalised. All other borrowing costs are expensed in the period in which they are incurred. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

Foreign currencies

These financial statements are presented in RMB. Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency. Foreign currency transactions recorded by the entities in the Group are initially recorded using their respective functional currency rates prevailing at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency rates of exchange ruling at the end of the reporting period. Differences arising on settlement or translation of monetary items are recognised in the statement of profit or loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was measured. The gain or loss arising on translation of a non-monetary item measured at fair value is treated in line with the recognition of the gain or loss on change in fair value of the item (i.e., translation difference on the item whose fair value gain or loss is recognised in other comprehensive income or profit or loss is also recognised in other comprehensive income or profit or loss, respectively).

2.4 主要會計政策概要(續)

借貸成本

收購、興建或生產合資格資產(即需要大量時間準備以作擬定用途或銷售的資產)應佔的直接借貸成本將會被撥充資本作為該等資產的部分成本。倘資產大致可作擬定用途或出售,則該等借貸成本將會停止撥充資本。特定借貸於撥作合資格資產的支出前用作短暫投資所賺取的投資收入,會從撥充資本的借貸成本中扣除。所有其他借貸成本均於產生期間支銷。借貸成本包括利息及實體因借入資金而產生的其他成本。

外幣

該等財務報表均以人民幣呈列。本集團各實體會釐定其各自之功能貨幣,而載於各實體財務報表之項目均採用功能貨幣計量。本集團實體之外幣交易初步採用交易當日現有之功能貨幣匯率記錄。以外幣列值之貨幣資產及負債乃按報告期末之現行外幣匯率換算。貨幣項目結算或換算產生之差額於損益表內確認。

按某外幣之歷史成本計量之非貨幣項目乃採用初步交易當日之匯率換算。按某外幣之公平值計量之非貨幣項目乃採用釐定公平值當日之匯率換算。換算非貨幣項目產生之盈虧與確認該項目公平值變動之盈虧作一致處理(即公平值盈虧於其他全面收益或損益表確認之項目之換算差額亦分別於其他全面收益或損益表確認)。

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財務報表附註

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2.4 SUMMARY OF SIGNIFICANT ACCOUNTING

POLICIES (Continued)

Foreign currencies (Continued)

In determining the exchange rate on initial recognition of the related asset, expense or income on the derecognition of a non-monetary asset or non-monetary liability relating to an advance consideration, the date of initial transaction is the date on which the Group initially recognises the non-monetary asset or non-monetary liability arising from the advance consideration. If there are multiple payments or receipts in advance, the Group determines the transaction date for each payment or receipt of the advance consideration.

As part of its normal business, the Group transferred certain bills receivable to banks in Mainland China (the “Discounted Bills”) in order to obtain sufficient cash for operation. The Group may be required to reimburse the bank for loss of interest if any trade debtors have late payment up to 180 days. The Group is not exposed to default risks of the trade debtors after the transfer. Subsequent to the transfer, the Group did not retain any rights on the use of Discounted Bills, including the sale, transfer or pledge of Discounted Bills to any other third parties. The original carrying value of Discounted Bills that have not been settled as at 31 December 2020 was RMB12,282,000 (2019: RMB14,939,000).

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

The preparation of the Group’s financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and their accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amounts of the assets or liabilities affected in the future.

Judgements

In the process of applying the Group’s accounting policies, management has made the following judgements, apart from those involving estimations, which have the most significant effect on the amounts recognised in the financial statements:

2.4 主要會計政策概要 (續)

外幣 (續)

釐定有關資產於初步確認時，終止確認與預付代價有關的非貨幣性資產或非貨幣性負債產生的開支或收入的匯率時，初步交易日期為本集團初步確認因預付代價而產生非貨幣性資產或非貨幣性負債的日期。倘存在多次付款或預收款項，本集團釐定預付代價各付款或收款交易日期。

作為日常業務的一部分，本集團向中國內地的銀行轉讓若干應收票據（「已貼現票據」），以獲得足夠現金供運營使用。倘任何貿易債務人推遲付款長達180日，本集團或須補償銀行有關利息損失。本集團並無面臨於轉讓後貿易債務人違約風險。轉讓後，本集團並無保留使用已貼現票據的任何權利，包括將已貼現票據出售、轉讓或質押予任何其他第三方的權利。於二零二零年十二月三十一日，尚未結算的已貼現票據的原賬面值為人民幣12,282,000元（二零一九年：人民幣14,939,000元）。

3. 重要會計判斷及估計

編製本集團財務報表需要管理層作出判斷、估計及假設，此等判斷、估計及假設會影響收入、支出、資產及負債及其附帶披露的報告款項以及或然負債的披露。該等假設及估計的不確定性可能導致須對未來受影響的資產或負債賬面值作出重大調整。

判斷

於採用本集團的會計政策時，除牽涉估計外，管理層亦作出了以下對財務報表確認金額有最重大影響的判斷：

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3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES (Continued)

Judgements (Continued)

Withholding taxes arising from the distributions of dividends

The Group's determination as to whether to accrue for withholding taxes from the distribution of dividends from subsidiaries in Mainland China according to the relevant tax jurisdictions is subject to judgement on the timing and amount of the payment of the dividend. Withholding taxes are only provided for the profits of the subsidiaries in Mainland China which the Group considers probable to be distributed in the foreseeable future.

Classification between investment properties and owner-occupied properties

The Group determines whether a property qualifies as an investment property, and has developed criteria in making that judgement. Investment property is a property held to earn rentals or for capital appreciation or both. Therefore, the Group considers whether a property generates cash flows largely independently of the other assets held by the Group. Some properties comprise a portion that is held to earn rentals or for capital appreciation and another portion that is held for use in the production or supply of goods or services or for administrative purposes. If these portions could be sold separately or leased out separately under a finance lease, the Group accounts for the portions separately. If the portions could not be sold separately, the property is an investment property only if an insignificant portion is held for use in the production or supply of goods or services or for administrative purposes. Judgement is made on an individual property basis to determine whether ancillary services are so significant that a property does not qualify as an investment property.

3. 重要會計判斷及估計 (續)

判斷 (續)

分派股息所產生之預扣稅

本集團在決定是否應根據有關稅務管轄權就中國內地附屬公司所分派的股息計提預扣稅，乃按支付股息時間及金額而作出判斷。本集團認為，倘若於可預見將來中國內地附屬公司的溢利不獲分派，則毋須計提預扣稅。

投資物業和自用物業的劃分

本集團判斷物業是否符合投資物業的條件，並已制定出此類判斷的標準。投資物業指為賺取租金或資本升值或同時以這兩者為目的而持有的物業。憑此，本集團考慮一項物業產生的現金流是否大部分獨立於本集團持有的其他資產。有些物業的一部分是為賺取租金或資本升值而持有，而另一部分是為用於生產或提供商品或服務或行政用途而持有。如果這些部分可以分開出售（或按融資租賃分開出租），則本集團對這些部分分開進行會計處理。如果這些部分不能分開出售，則只有在為用於生產或提供商品或服務或行政用途而持有的部分不重大的情況下，該物業才是投資物業。判斷是對各單項物業作出，以確定配套服務是否如此重要而使物業不符合投資物業。

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3. SIGNIFICANT ACCOUNTING JUDGEMENTS

AND ESTIMATES (Continued)

Judgements (Continued)

Classification between investment properties and properties held for sale

The Group develops properties held for sale in the ordinary course of business and properties held to earn rentals and/or for capital appreciation. Judgement is made by management on determining whether a property is designated as an investment property or a property held for sale. The Group considers its intention for holding the properties at the early development stage of the related properties. During the course of construction, the related properties under construction are accounted for as properties under development for sale included in current assets if the properties are intended for sale shortly after its completion, whereas the properties are accounted for as investment properties under construction included in investment properties if the properties are intended to be held to earn rentals and/or for capital appreciation. Upon completion of the properties, the properties held for sale in the ordinary course of business are transferred to completed properties for sale and are stated at cost, while the properties held to earn rentals and/or for capital appreciation are transferred to completed investment properties. Investment properties, both under construction and completed, are subject to revaluation at the end of each reporting period.

Estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below.

3. 重要會計判斷及估計 (續)

判斷 (續)

投資物業和持作待售物業的劃分

本集團在日常業務中發展持作待售物業以及為賺取租金及／或資本升值而持有的物業。管理層於釐定物業是否為指定作為投資物業或持作待售物業時作出判斷。本集團認為其有意在相關物業的發展初期持有該等物業。於建造過程中，如果有意於竣工後即時出售物業，則相關在建物業入賬作為待售開發中物業（計入流動資產），而如果有意為賺取租金及／或資本升值而持有的物業，則該等物業入賬作為在建投資物業（計入投資物業）。於物業竣工後，持作待售物業在日常業務中轉撥至落成待售物業並以成本列示，而為賺取租金及／或資本升值而持有的物業則轉撥至落成投資物業。在建與竣工的投資物業須於各報告期末進行重估。

估計的不確定因素

涉及日後的主要假設及於報告期末估計不確定因素的其他主要來源（該等假設及不確定因素均存在導致下個財政年度的資產及負債的賬面值出現大幅調整的重大風險）闡述如下。

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3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES (Continued)

Estimation uncertainty (Continued)

Leases – Estimating the incremental borrowing rate

The Group cannot readily determine the interest rate implicit in a lease, and therefore, it uses an incremental borrowing rate (“IBR”) to measure lease liabilities. The IBR is the rate of interest that the Group would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The IBR therefore reflects what the Group “would have to pay”, which requires estimation when no observable rates are available (such as for subsidiaries that do not enter into financing transactions) or when it needs to be adjusted to reflect the terms and conditions of the lease (for example, when leases are not in the subsidiary’s functional currency). The Group estimates the IBR using observable inputs (such as market interest rates) when available and is required to make certain entity-specific estimates (such as the subsidiary’s stand-alone credit rating).

Estimation of fair value of investment properties

In the absence of current prices in an active market for similar properties, the Group considers information from a variety of sources, including:

- (a) current prices in an active market for properties of a different nature, condition or location, adjusted to reflect those differences;
- (b) recent prices of similar properties on less active markets, with adjustments to reflect any changes in economic conditions since the date of the transactions that occurred at those prices; and
- (c) discounted cash flow projections based on reliable estimates of future cash flows, supported by the terms of any existing lease and other contracts and (when possible) by external evidence such as current market rents for similar properties in the same location and condition, and using discount rates that reflect current market assessments of the uncertainty in the amount and timing of the cash flows.

3. 重要會計判斷及估計 (續)

估計的不確定因素 (續)

租賃 – 估算增量借款利率

本集團無法輕易釐定租賃內所隱含的利率，因此，使用增量借款利率（「增量借款利率」）計量租賃負債。增量借款利率為本集團於類似經濟環境中為取得與使用權資產價值相近之資產，而以類似抵押品於類似期間借入所需資金應支付之利率。因此，增量借款利率反映了本集團「應支付」的利率，當無可觀察的利率時（如就並無訂立融資交易之附屬公司而言）或當須對利率進行調整以反映租賃之條款及條件時（如當租賃並非以附屬公司之功能貨幣訂立時），則須作出利率估計。當可觀察輸入數據可用時，本集團使用可觀察輸入數據（如市場利率）估算增量借款利率並須作出若干實體特定的估計（如附屬公司的獨立信貸評級）。

投資物業之公平值估計

倘缺乏同類物業於活躍市場之現有價格，則本集團會考慮從多個途徑所蒐集資料，包括：

- (a) 不同性質、狀況或地點之物業於活躍市場之現有價格（經調整以反映各項差異）；
- (b) 活躍程度稍遜之市場所提供同類物業近期價格（經調整以反映自按該等價格進行交易當日以來經濟狀況之任何變動）；及
- (c) 根據未來現金流量所作可靠估計之經貼現現金流量預測，此項預測以任何現有租約及其他合約之條款以及（在可行情況下）外部證據（如地點及狀況相同之類似物業現有市場租賃）為憑證，並採用可反映有關現金流量金額及時間不明朗因素當時市場評估之貼現率。

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3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES (Continued)

Estimation uncertainty (Continued)

Impairment of non-financial assets (other than goodwill)

The Group assesses whether there are any indicators of impairment for all non-financial assets (including the right-of-use assets) at the end of each reporting period. Non-financial assets are tested for impairment when there are indicators that the carrying amounts may not be recoverable.

An impairment exists when the carrying value of an asset or a cash-generating unit exceeds its recoverable amount, which is the higher of its fair value less costs to sell and its value in use. The calculation of the fair value less costs to sell is based on available data from binding sales transactions in an arm's length transaction of similar assets or observable market prices less incremental costs for disposing of the asset. When value in use calculations are undertaken, management must estimate the expected future cash flows from the asset or cash-generating unit and choose a suitable discount rate in order to calculate the present value of those cash flows.

Useful lives and residual values of property, plant and equipment

In determining the useful lives and residual values of items of property, plant and equipment, the Group has to consider various factors, such as technical or commercial obsolescence arising from changes or improvements in production, or from a change in the market demand for the product or service output of the asset, expected usage of the asset, expected physical wear and tear, the care and maintenance of the asset, and legal or similar limits on the use of the asset. The estimation of the useful life of the asset is based on the experience of the Group with similar assets that are used in a similar way. Additional depreciation is made if the estimated useful lives and/or the residual values of items of property, plant and equipment are different from the previous estimation. Useful lives and residual values are reviewed at each financial year end date based on changes in circumstances.

3. 重要會計判斷及估計 (續)

估計的不確定因素 (續)

非金融資產減值 (商譽除外)

本集團於各報告期末評估是否有任何跡象顯示所有非金融資產 (包括使用權資產) 減值。非金融資產於有跡象顯示可能無法收回賬面值時進行減值測試。當資產或現金產生單位的賬面值超出其可收回金額 (即其公平值減出售成本及其使用價值之間較高者) 時, 則出現減值。公平值減出售成本乃以同類資產公平交易的約束性銷售交易公開數據或可觀察市場價格減出售該資產的增量成本為基準計算。當進行使用價值計算時, 管理層必須估計資產或現金產生單位的預期未來現金流量及選擇合適的貼現率以計算該等現金流量的現值。

物業、廠房及設備的可使用年期及餘值

於釐定物業、廠房及設備項目的可用年期及餘值時, 本集團須考慮各項因素, 包括因生產改變或改進引致技術或商業過時、或因對資產的產品或服務輸出的市場需求改變、資產的預期使用情況、預期物理耗損、資產的維修保養及資產的使用受法律或其他類似限制。資產可使用年期的估計是本集團根據以往對用途相若的類似資產的經驗得出。倘物業、廠房及設備項目的估計可使用年期及/或餘值與以往的估計有差異, 將計提額外折舊。可使用年期及餘值於每個財政年度年結日根據環境轉變作出檢討。

NOTES TO FINANCIAL STATEMENTS

財務報表附註

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3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES (Continued)

Estimation uncertainty (Continued)

Deferred tax assets

Deferred tax assets are recognised for all unused tax losses to the extent that it is probable that future taxable profits will be available against which the unused tax losses can be utilised, based on all available evidence. Recognition primarily involves significant management's judgements regarding the future performance of a particular legal entity or tax group in which the deferred tax asset has been recognised. A variety of other factors are also evaluated in considering whether there is convincing evidence that it is probable that some portions or all of the deferred tax assets will ultimately be realised, such as the existence of taxable temporary differences, tax planning strategies and the periods in which estimated tax losses can be utilised. The carrying amounts of the deferred tax assets and related financial models and budgets are reviewed at the end of the reporting period and to the extent that there is insufficient convincing evidence that sufficient taxable profits will be available within the utilisation periods to allow the utilisation of the carryforward of tax losses, and that the asset balance will be reduced and charged to profit or loss.

Write-down of inventories to net realisable value

A write-down of inventories to net realisable value is made based on the estimated net realisable value of inventories. The assessment of the write-down involves management's judgement and estimates. Where the actual outcome or expectation in future is different from the original estimate, such differences will have an impact on the carrying amount of inventories and the write-down/write-back of inventories in the period in which such estimate has been changed. Further details are given in note 21 to the financial statements.

3. 重要會計判斷及估計 (續)

估計的不確定因素 (續)

遞延稅項資產

所有未動用稅項虧損可確認為遞延稅項資產，惟以根據所有可得的證據，有足夠未來應課稅溢利可動用未動用稅項虧損為限。遞延稅項資產的確認主要涉及有關法定實體或稅務申報相聯實體的未來表現，由管理層作出重大判斷。其他不同因素亦予以評估，以考慮是否有有力的憑證證明部分或全部遞延稅項資產最終有可能會變現，例如存在應課稅暫時性差異、稅務規劃策略及可動用估計稅項虧損的期間。遞延稅項資產的賬面值及有關財務模式與預算會於報告期末檢討，若無足夠有力的憑證證明在可動用期內有足夠應課稅溢利以扣減結轉稅項虧損，屆時將調低資產餘值，並計入損益中。

撇減存貨至可變現淨值

撇減存貨至可變現淨值乃基於該存貨的估計可變現淨值作出。該撇減的評估涉及管理層判斷及估計。倘實際結果或未來的預期不同於原定估計，則該等差額將於該估計已變更期間內影響該存貨的賬面值及撇減/撥回存貨。更多詳情載於財務報表附註21。

NOTES TO FINANCIAL STATEMENTS

財務報表附註

31 December 2020 二零二零年十二月三十一日

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES (Continued)

Estimation uncertainty (Continued)

Provision for expected credit losses on trade receivables

The Group uses a provision matrix to calculate ECLs for trade receivables. The provision rates are based on days past due for groupings of various customer segments that have similar loss patterns (i.e., by geography, product type, customer type, and coverage by credit insurance).

The provision matrix is initially based on the Group's historical observed default rates. The Group will calibrate the matrix to adjust the historical credit loss experience with forward-looking information. For instance, if forecast economic conditions (i.e., gross domestic product) are expected to deteriorate over the next year which can lead to an increased number of defaults in the manufacturing sector, the historical default rates are adjusted. At each reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

The assessment of the correlation among historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and forecast economic conditions. The Group's historical credit loss experience and forecast of economic conditions may also not be representative of customers' actual default in the future. The information about the ECLs on the Group's trade receivables is disclosed in note 22 to the financial statements.

3. 重要會計判斷及估計 (續)

估計的不確定因素 (續)

貿易應收賬款預期信貸虧損撥備

本集團使用撥備矩陣以計算貿易應收賬款的預期信貸虧損。撥備率按具有類似虧損型態的不同客戶分類組別 (即透過地區、產品類型、客戶類型及信貸保險涵蓋範圍劃分) 之逾期日數計算。

撥備矩陣最初基於本集團的過往觀察得出的違約率而釐定。本集團將通過就前瞻性資料對歷史信貸虧損經驗作出調整，調校有關矩陣。例如，倘預測經濟狀況 (如國內生產總值) 將在未來一年惡化，這可能導致製造業違約數量增加，故對歷史違約率作出調整。於各報告日期，會對過往觀察所得違約率進行更新，並對前瞻性估計的變動作出分析。

對過往觀察所得違約率、預測經濟狀況及預期信貸虧損之間的相關性評估乃為一項重要估計。預期信貸虧損的金額易受環境及預測經濟狀況變化影響。本集團的歷史信貸虧損經驗及對經濟狀況的預測亦未必代表客戶於未來的實際違約情況。有關本集團貿易應收賬款之預期信貸虧損資料於財務報表附註22披露。

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財務報表附註

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3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES (Continued)

Estimation uncertainty (Continued)

Recognition and allocation of construction costs of properties under development

Development costs of properties are recorded as properties under development during the construction stage and will be transferred to completed properties held for sale upon completion. Apportionment of these costs will be recognised in the consolidated statement of profit or loss upon the recognition of the sale of the properties. Before the final settlement of the development costs and other costs relating to the sale of the properties, these costs are accrued by the Group based on management's best estimate.

When developing properties, the Group may divide the development projects into phases. Specific costs directly related to the development of a phase are recorded as the cost of such phase. Costs that are common to different phases are allocated to individual phases based on the estimated saleable area of the entire project.

Where the final settlement of costs and the related cost allocation is different from the initial estimates, any increase or decrease in the development costs and other costs would affect the profit or loss in future years.

PRC land appreciation tax

The Group is subject to land appreciation tax in Mainland China. The provision for land appreciation tax is based on management's best estimates according to its understanding of the requirements set forth in the relevant PRC tax laws and regulations. The actual land appreciation tax liabilities are subject to the determination by the tax authorities upon the completion of the property development projects. The Group has not finalised its land appreciation tax calculations and payments with the tax authorities for certain property development projects.

The final outcome could be different from the amounts that were initially recorded, and any differences will impact the land appreciation tax expenses and the related provision in the period in which the differences are realised.

3. 重要會計判斷及估計 (續)

估計的不確定因素 (續)

在建物業確認及分配建築成本

物業的開發成本記錄為在建階段的在建物業，並將在竣工時轉移至持有待售的完工物業。這些成本的分攤將在確認物業出售時在綜合損益表中確認。在最終支付開發費用和與該物業銷售有關的其他費用之前，本集團根據管理層的最佳估計預提了這些費用。

在開發物業時，本集團可能會將開發項目分為幾個階段。與階段的開發直接相關的特定成本記錄為該階段的成本。不同階段共有的成本根據整個項目的估計可售面積分配給各個階段。

倘最終成本結算及相關成本分配與初步估計有所不同，則開發成本及其他成本的任何增減都會影響未來年度的損益。

中國土地增值稅

本集團須於中國內地繳納土地增值稅。土地增值稅的撥備乃根據管理層對中國有關稅法及法規所載規定的了解而根據最佳估計作出。土地增值稅的實際負債，由房地產開發項目竣工後，由稅務機關確定。本集團尚未就某些房地產開發項目與稅務機關最終確定其土地增值稅計算和付款。

最終結果可能與最初記錄的金額不同，任何差異都會影響實現差異期間的土地增值稅支出和相關準備金。

NOTES TO FINANCIAL STATEMENTS

財務報表附註

31 December 2020 二零二零年十二月三十一日

4. OPERATING SEGMENT INFORMATION

For management purposes, the Group is organised into business units based on their products and services and has two reportable operating segments as follows:

- (a) the steel pipes segment engages in the manufacture and sale of welded steel pipes and the provision of related manufacturing services; and
- (b) the property development and investment segment engages in development of properties for sale and property investment for its rental income potential.

Management monitors the results of the Group's operating segments separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on reportable segment profit/loss, which is a measure of adjusted profit/loss before tax. The adjusted profit/loss before tax is measured consistently with the Group's profit/loss before tax except that head office and corporate expenses are excluded from such measurement.

Segment assets exclude unallocated head office and corporate assets as these assets are managed on a group basis.

Segment liabilities exclude unallocated head office and corporate liabilities as these liabilities are managed on a group basis.

Intersegment sales and transfers are transacted with reference to the selling prices used for sales made to third parties at the then prevailing market prices.

4. 營運分部資料

就管理而言，本集團按其產品及服務劃分為多個業務單位，並擁有兩個可報告營運分部，載列如下：

- (a) 鋼管分部從事製造及銷售焊接鋼管及提供相關製造服務；及
- (b) 物業開發及投資分部從事發展待售物業及就潛在物業租金收入進行物業投資。

管理層獨立監察本集團營運分部的業績，以就資源分配及表現評估作出決定。分部表現乃根據可報告分部的溢利／虧損進行評估，而此乃經調整除稅前溢利／虧損之計量。經調整除稅前溢利／虧損乃一貫以本集團的除稅前溢利／虧損計量，惟相關計量並無計及總部及公司的開支。

分部資產不包括未分配總部及公司資產（因該等資產按集團基準管理）。

分部負債不包括未分配總部及公司負債（因該等負債按集團基準管理）。

分部間之銷售及轉撥乃參考用作銷售予第三方的售價，按當時市價進行交易。

NOTES TO FINANCIAL STATEMENTS

財務報表附註

31 December 2020 二零二零年十二月三十一日

4. OPERATING SEGMENT INFORMATION

(Continued)

Year ended 31 December 2020

4. 營運分部資料(續)

截至二零二零年十二月三十一日止年度

		Steel pipes 鋼管 RMB'000 人民幣千元	Property development and investment 物業開發與投資 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
Segment revenue: (note 5)	分部收入：(附註5)			
Sales to external customers	向外部客戶銷售	1,125,851	15,956	1,141,807
Segment results	分部業績	987,220	(67,910)	919,310
<i>Reconciliation:</i>	<i>對賬：</i>			
Corporate and other unallocated expenses	公司及其他未分配開支			(14,056)
Finance costs (other than interest on lease liabilities)	融資成本(租賃負債利息除外)			(28,593)
Loss before tax	除稅前虧損			876,661
Segment assets	分部資產	4,831,520	5,701,932	10,533,452
<i>Reconciliation:</i>	<i>對賬：</i>			
Elimination of intersegment receivables	抵銷分部間應收款項			(2,553,323)
Corporate and other unallocated assets	公司及其他未分配資產			561,399
Total assets	總資產			8,541,528
Segment liabilities	分部負債	6,479,771	3,415,310	9,895,081
<i>Reconciliation:</i>	<i>對賬：</i>			
Elimination of intersegment payables	抵銷分部間應付款項			(2,553,323)
Corporate and other unallocated liabilities	公司及其他未分配負債			343,075
Total liabilities	總負債			7,684,833
Other segment information	其他分部資料			
Share of loss of a joint venture	應佔一間合營公司虧損	(2,668)	-	(2,668)
Impairment losses recognised in the statement of profit or loss, net	於損益表確認之減值虧損淨額	(14,338)	-	(14,338)
Depreciation and amortisation	折舊及攤銷	(128,126)	(199)	(128,325)
Investment in a joint venture	於一間合營公司之投資	10,510	-	10,510
Capital expenditure*	資本開支*	61,328	20	61,348

NOTES TO FINANCIAL STATEMENTS

財務報表附註

31 December 2020 二零二零年十二月三十一日

4. OPERATING SEGMENT INFORMATION

(Continued)

Year ended 31 December 2019

4. 營運分部資料(續)

截至二零一九年十二月三十一日止年度

		Steel pipes 鋼管 RMB'000 人民幣千元	Property development and investment 物業開發與投資 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
Segment revenue: (note 5)	分部收入：(附註5)			
Sales to external customers	向外部客戶銷售	1,141,665	52,296	1,193,961
Segment results	分部業績	(341,190)	278,308	(62,882)
<i>Reconciliation:</i>	<i>對賬：</i>			
Corporate and other unallocated expenses	公司及其他未分配開支			(47,657)
Finance costs (other than interest on lease liabilities)	融資成本(租賃負債利息除外)			(44,690)
Loss before tax	除稅前虧損			(155,229)
Segment assets	分部資產	4,351,083	5,651,968	10,003,051
<i>Reconciliation:</i>	<i>對賬：</i>			
Elimination of intersegment receivables	抵銷分部間應收款項			(2,293,903)
Corporate and other unallocated assets	公司及其他未分配資產			780,658
Total assets	總資產			8,489,806
Segment liabilities	分部負債	6,935,784	3,300,340	10,236,124
<i>Reconciliation:</i>	<i>對賬：</i>			
Elimination of intersegment payables	抵銷分部間應付款項			(2,293,903)
Corporate and other unallocated liabilities	公司及其他未分配負債			492,616
Total liabilities	總負債			8,434,837
Other segment information	其他分部資料			
Share of loss of a joint venture	應佔一間合營公司虧損	(18,655)	–	(18,655)
Impairment losses recognised in the statement of profit or loss, net	於損益表確認之減值虧損淨額	(41,460)	–	(41,460)
Depreciation and amortisation	折舊及攤銷	(132,021)	(215)	(132,236)
Investment in a joint venture	於一間合營公司之投資	13,177	–	13,177
Capital expenditure*	資本開支*	62,523	45	62,568

* Capital expenditure consists of additions to property, plant and equipment and right-of-use assets.

* 資本開支包括添置物業、廠房及設備以及使用權資產。

NOTES TO FINANCIAL STATEMENTS

財務報表附註

31 December 2020 二零二零年十二月三十一日

4. OPERATING SEGMENT INFORMATION

(Continued)

Information about steel pipe products and services

The revenue from the major products and services is analysed as follows:

		2020 二零二零年 RMB'000 人民幣千元	2019 二零一九年 RMB'000 人民幣千元
Manufacture and sale of steel pipes:	製造及銷售鋼管：		
LSAW steel pipes	直縫埋弧焊管	655,108	835,348
SSAW steel pipes	螺旋焊管	121,354	29,645
ERW steel pipes	電阻焊管	-	7,803
Steel pipe manufacturing services:	鋼管製造服務：		
LSAW steel pipes	直縫埋弧焊管	152,322	167,859
SSAW steel pipes	螺旋焊管	131,981	52,335
ERW steel pipes	電阻焊管	-	62
Others*	其他*	65,086	48,613
		1,125,851	1,141,665
Sale of properties	銷售物業	15,956	52,296
		1,141,807	1,193,961

* Others mainly include the manufacture and sale of steel fittings, screw-thread steels and scrap materials, and the trading of equipment and steel plates.

4. 營運分部資料(續)

鋼管產品及服務資料

主要產品及服務的收入分析如下：

* 其他主要包括製造及銷售鋼質管件、螺紋鋼材及廢料，以及買賣設備和鋼板。

NOTES TO FINANCIAL STATEMENTS

財務報表附註

31 December 2020 二零二零年十二月三十一日

4. OPERATING SEGMENT INFORMATION

(Continued)

Geographical information

(a) The revenue information based on the locations of the customers is as follows:

		2020 二零二零年 RMB'000 人民幣千元	2019 二零一九年 RMB'000 人民幣千元
Sales to external customers:	向外部客戶銷售：		
Mainland China	中國內地	1,014,108	1,059,584
Middle East	中東	3,249	56,638
Other Asian countries	其他亞洲國家	124,450	77,739
		1,141,807	1,193,961

(b) Over 90% of the Group's assets and capital expenditure are located in Mainland China.

Information about major customers

Revenue of approximately RMB105,246,000 (2019: RMB270,000,000) was derived from sales by the steel pipe segment to a single customer, including sales to a group of entities which are known to be under common control with that customer.

4. 營運分部資料(續)

地區資料

(a) 收入資料按客戶所在地區劃分如下：

	2020 二零二零年 RMB'000 人民幣千元	2019 二零一九年 RMB'000 人民幣千元
Sales to external customers:		
Mainland China	1,014,108	1,059,584
Middle East	3,249	56,638
Other Asian countries	124,450	77,739
	1,141,807	1,193,961

(b) 本集團的資產及資本開支逾90%位於中國內地。

主要客戶資料

鋼管分部向一名單一客戶的銷售產生收入約人民幣105,246,000元(二零一九年：人民幣270,000,000元)，包括向一組據悉受該客戶共同控制的實體進行的銷售。

NOTES TO FINANCIAL STATEMENTS

財務報表附註

31 December 2020 二零二零年十二月三十一日

5. REVENUE, OTHER INCOME AND GAINS

Revenue represents the invoiced value of goods sold and services rendered, net of value-added tax (“VAT”) and other sales taxes, after allowances for returns and discounts during the year.

An analysis of the Group’s revenue, other income and gains is as follows:

5. 收入、其他收入及收益

收入，指年內已售貨品和所提供服務的發票價值，扣除增值稅（「增值稅」）及其他銷售稅，並已計入退貨及折扣撥備。

本集團的收入、其他收入及收益分析如下：

		2020 二零二零年 RMB'000 人民幣千元	2019 二零一九年 RMB'000 人民幣千元
Revenue from contracts with customers	來自客戶合約之收入		
Manufacture and sale of seam welded steel pipes and the provision of related manufacturing services	製造及銷售有縫焊接鋼管及提供相關製造服務	1,125,851	1,141,665
Sale of properties	出售物業	15,956	52,296
		1,141,807	1,193,961
Other income and gains	其他收入及收益		
Bank interest income	銀行利息收入	715	23,794
Subsidy income from the PRC government (note 31)*	中國政府的補貼收入（附註31）*	14,092	34,764
Gain on resumption of land use rights to the local authorities**	因土地使用權收儲自地方當局收取的收益**	1,864,709	368,305
Reversal of impairment of trade receivables	貿易應收賬款減值撥回	12,884	—
Others	其他	18,872	14,884
		1,911,272	441,747

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31 December 2020 二零二零年十二月三十一日

5. REVENUE, OTHER INCOME AND GAINS

(Continued)

* The subsidy income represents subsidies granted by the local finance bureaus to PCKSP and PCKSP (Zhuhai) as awards for their products. There are no unfulfilled conditions or contingencies relating to such subsidies.

** 1) During the year ended 31 December 2019, a piece of land held by PCKSP located at Qinghe East Road, Shiji Town in Panyu District of Guangzhou, the PRC, was resumed by the local authority with a compensation amount of RMB16,923,000, and a net gain amounting to RMB15,795,000 was recognised during the year ended 31 December 2019.

** 2) During the year ended 31 December 2019, a piece of land held by Pearl Steel Investment was resumed by the local authority with a compensation amount of RMB1,520 million and a net gain amounting to RMB352,510,000 was recognised in other income and gains during the year ended 31 December 2019.

** 3) During the year ended 31 December 2020, a piece of land held by PCKSP located at Qinghe East road, Shiji Town in Panyu District of Guangzhou, the PRC, was resumed by the local authority with a compensation amount received or receivable of RMB2,072 million and a net gain of RMB1,864 million was recognised during the year ended 31 December 2020. The remaining compensation amount of RMB2,072 million in the Land Resumption Compensation Agreement is subject to uncertainty and not recognised as at 31 December 2020.

5. 收入、其他收入及收益(續)

* 補貼收入乃地方財政局授予番禺珠江鋼管及番禺珠江鋼管(珠海)的補貼，作為其產品獎勵。該等補貼沒有未達成的條件或任何有關連的或然事項。

** 1) 於截至二零一九年十二月三十一日止年度，番禺珠江鋼管持有之一幅於中國廣州市番禺區石基鎮清河東路的土地已被地方當局收儲，補償款為人民幣16,923,000元，於截至二零一九年十二月三十一日止年度已確認淨收益為人民幣15,795,000元。

** 2) 於截至二零一九年十二月三十一日止年度，珠鋼投資持有之一幅土地已被地方當局收儲，補償款為人民幣1,520,000,000元，及於截至二零一九年十二月三十一日止年度，淨收益為人民幣352,510,000元已確認於其他收入及收益。

** 3) 於截至二零二零年十二月三十一日止年度，番禺珠江鋼管持有之一幅位於中國廣州市番禺區石基鎮清河東路的土地已被地方當局收儲，補償已收或應收款項為人民幣2,072,000,000元，於截至二零二零年十二月三十一日止年度已確認淨收益為人民幣1,864,000,000元。土地收儲補償協議中餘下的補償款人民幣2,072,000,000元存在不確定性，截至二零二零年十二月三十一日尚未確認。

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5. REVENUE, OTHER INCOME AND GAINS

(Continued)

Revenue from contracts with customers

(i) *Disaggregated revenue information*

Year ended 31 December 2020

5. 收入、其他收入及收益(續)

來自客戶合約之收入

(i) *分類收入資料*

截至二零二零年十二月三十一日止年度

		Steel pipes 鋼管 RMB'000 人民幣千元	Property development and investment 物業開發與投資 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
Sale of goods/properties	銷售商品/物業	841,548	15,956	857,504
Rendering of services	提供服務	284,303	–	284,303
Total revenue from contracts with customers	來自客戶合約之總收入	1,125,851	15,956	1,141,807
Geographical markets	地區市場			
Mainland China	中國內地	998,152	15,956	1,014,108
Middle East	中東	3,249	–	3,249
Other Asian countries	其他亞洲國家	124,450	–	124,450
Total revenue from contracts with customers	來自客戶合約之總收入	1,125,851	15,956	1,141,807
Timing of revenue recognition	收入確認時間			
Goods/properties transferred at a point in time	商品/物業於某一時間點轉移	841,548	15,956	857,504
Services transferred over time	隨時間轉移服務	284,303	–	284,303
Total revenue from contracts with customers	來自客戶合約之總收入	1,125,851	15,956	1,141,807

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財務報表附註

31 December 2020 二零二零年十二月三十一日

5. REVENUE, OTHER INCOME AND GAINS

(Continued)

Revenue from contracts with customers (Continued)

(i) Disaggregated revenue information (Continued)

Year ended 31 December 2019

5. 收入、其他收入及收益(續)

來自客戶合約之收入(續)

(i) 分類收入資料(續)

截至二零一九年十二月三十一日止年度

		Steel pipes 鋼管 RMB'000 人民幣千元	Property development and investment 物業開發與投資 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
Sale of goods/properties	銷售商品/物業	921,409	52,296	973,705
Rendering of services	提供服務	220,256	–	220,256
Total revenue from contracts with customers	來自客戶合約之總收入	1,141,665	52,296	1,193,961
Geographical markets	地區市場			
Mainland China	中國內地	1,007,288	52,296	1,059,584
Middle East	中東	56,638	–	56,638
Other Asian countries	其他亞洲國家	77,739	–	77,739
Total revenue from contracts with customers	來自客戶合約之總收入	1,141,665	52,296	1,193,961
Timing of revenue recognition	收入確認時間			
Goods/properties transferred at a point in time	商品/物業於某一時間點轉移	921,409	52,296	973,705
Services transferred over time	隨時間轉移服務	220,256	–	220,256
Total revenue from contracts with customers	來自客戶合約之總收入	1,141,665	52,296	1,193,961

NOTES TO FINANCIAL STATEMENTS

財務報表附註

31 December 2020 二零二零年十二月三十一日

5. REVENUE, OTHER INCOME AND GAINS

(Continued)

Revenue from contracts with customers (Continued)

(i) Disaggregated revenue information (Continued)

The following table shows the amounts of revenue recognised in the current reporting period that were included in the contract liabilities at the beginning of the reporting period and recognised from performance obligations satisfied in previous periods:

		2020 二零二零年 RMB'000 人民幣千元	2019 二零一九年 RMB'000 人民幣千元
Revenue recognised that was included in contract liabilities at the beginning of the reporting period:	計入於報告期初合約負債之已確認收入：		
Sale of steel pipes	鋼管銷售	65,600	182,914
Rendering of manufacturing services	提供製造服務	21,896	26,398
Sale of properties	物業銷售	15,745	41,745
		103,241	251,057

(ii) Performance obligations

Information about the Group's performance obligations is summarised below:

Sale of steel pipes

The performance obligation is satisfied upon delivery of the goods and payment is generally due within one year from the invoice date, except for new customers, where payment in advance is normally required.

5. 收入、其他收入及收益(續)

來自客戶合約之收入(續)

(i) 分類收入資料(續)

下表列示於本報告期已確認收入中計入於報告期初合約負債及就於過往期間已達成履約責任確認之金額：

	2020 二零二零年 RMB'000 人民幣千元	2019 二零一九年 RMB'000 人民幣千元
	65,600	182,914
	21,896	26,398
	15,745	41,745
	103,241	251,057

(ii) 履約責任

有關本集團履約責任之資料概述如下：

鋼管銷售

履約責任乃於交付商品時達成及付款通常於發票日期起計一年內到期，惟新客戶通常須提前付款。

NOTES TO FINANCIAL STATEMENTS

財務報表附註

31 December 2020 二零二零年十二月三十一日

5. REVENUE, OTHER INCOME AND GAINS

(Continued)

Revenue from contracts with customers (Continued)

(ii) Performance obligations (Continued)

Sale of properties

The performance obligation is satisfied upon the physical possession or when the legal title of the completed property is obtained by the purchasers.

Manufacturing services

The performance obligation is satisfied over time as services are rendered and payment is generally due within 50 days from the date of delivery or customer acceptance of the product processed.

5. 收入、其他收入及收益 (續)

來自客戶合約之收入 (續)

(ii) 履約責任 (續)

物業銷售

履約責任乃於買方實物管有已完工物業或當獲得已完工物業之法定業權時達成。

製造服務

隨著時間推移，履約義務得以履行，乃由於提供服務的付款一般自交付或客戶驗收生產產品日期起計50日內到期。

6. OTHER EXPENSES

6. 其他費用

		2020 二零二零年 RMB'000 人民幣千元	2019 二零一九年 RMB'000 人民幣千元
	Notes 附註		
Compensation*	賠償*	204,377	—
Loss on disposal of a subsidiary	出售附屬公司之虧損	—	20,107
Loss on disposal of items of property, plant and equipment	出售物業、廠房及設備項目之虧損	11,962	—
Provision of claims arising from litigation	訴訟產生的索賠撥備	54,579	—
Impairment of trade receivables	貿易應收賬款減值	—	3,845
Impairment of other receivables	其他應收款項減值	27,222	37,615
Others	其他	2,562	7,821
		300,702	69,388

* Compensation represented a compensation fee paid or payable to Yuecai Trust pursuant to the PCKSP Disposal Supplemental Agreements.

* 賠償指根據番禺珠江鋼管出售補充協議已付或應付予粵財信托的賠償費。

NOTES TO FINANCIAL STATEMENTS

財務報表附註

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7. PROFIT/(LOSS) BEFORE TAX

The Group's profit/(loss) before tax is arrived at after charging/(crediting):

7. 除稅前溢利／（虧損）

本集團的除稅前溢利／（虧損）乃經扣除／（計入）下列各項後達至：

		Notes 附註	2020 二零二零年 RMB'000 人民幣千元	2019 二零一九年 RMB'000 人民幣千元
Cost of inventories sold	已售存貨成本		921,216	940,229
Cost of properties sold	已售物業成本		13,904	41,540
Depreciation of property, plant and equipment	物業、廠房及設備折舊	13	98,748	98,973
Depreciation of right-of-use assets	使用權資產折舊	18	29,577	33,263
Lease payments not included in the measurement of lease liabilities	未計入租賃負債計量的租賃款項		-	322
Gain on resumption of land use rights to the local authorities**	因土地使用權收儲自地方 當局收取的收益**		(1,864,709)	(368,305)
Auditor's remuneration	核數師酬金		2,227	2,524
Employee benefit expenses (including directors' remuneration (note 9)):	僱員福利開支（包括董事 薪酬（附註9））：			
Wages and salaries	工資及薪金		114,704	108,920
Retirement benefit scheme contributions	退休福利計劃供款		7,889	10,094
Reversal of impairment of trade receivables**	貿易應收賬款減值撥回**	22	(12,884)	-
Impairment of trade receivables*	貿易應收賬款減值*	22	-	3,845
Impairment of other receivables*	其他應收款項減值*	23	27,222	37,615
Fair value (loss)/gain on investment properties	投資物業之公平值 （虧損）／收益	16	(20,000)	78,008
Fair value gain on a derivative financial instrument	衍生金融工具之公平值收益	32	-	19,260
Bank interest income**	銀行利息收入**	5	(715)	(23,794)
Research and development costs	研發成本		44,050	32,890

* Included in "Other expenses" in the consolidated statement of profit or loss

** Included in "Other income and gains" in the consolidated statement of profit or loss

* 計入綜合損益表內「其他費用」

** 計入綜合損益表內「其他收入及收益」

NOTES TO FINANCIAL STATEMENTS

財務報表附註

31 December 2020 二零二零年十二月三十一日

8. FINANCE COSTS

An analysis of finance costs is as follows:

		2020 二零二零年 RMB'000 人民幣千元	2019 二零一九年 RMB'000 人民幣千元
	Note 附註		
Interest on bank and other borrowings (including bonds and notes, excluding lease liabilities)	銀行及其他借貸利息 (包括債券及票據· 租賃負債除外)	543,808	523,468
Interest on lease liabilities	租賃負債利息	654	794
Interest on discounted bills	已貼現票據利息	1,388	4,368
Total interest expense on financial liabilities not at fair value through profit or loss	並非按公平值計入損益之 金融負債所涉及利息開支總額	545,850	528,630
Less: Interest capitalised	減: 資本化利息	(70,466)	(78,572)
		475,384	450,058

9. DIRECTORS' REMUNERATION

Details of directors' remuneration for the year, disclosed pursuant to the Listing Rules, section 383(1)(a),(b),(c) and (f) of the Hong Kong Companies Ordinance and Part 2 of the Companies (Disclosure of Information about Benefits of Directors) Regulation, are as follows:

8. 融資成本

融資成本分析如下:

		2020 二零二零年 RMB'000 人民幣千元	2019 二零一九年 RMB'000 人民幣千元
	Note 附註		
Interest on bank and other borrowings (including bonds and notes, excluding lease liabilities)	銀行及其他借貸利息 (包括債券及票據· 租賃負債除外)	543,808	523,468
Interest on lease liabilities	租賃負債利息	654	794
Interest on discounted bills	已貼現票據利息	1,388	4,368
Total interest expense on financial liabilities not at fair value through profit or loss	並非按公平值計入損益之 金融負債所涉及利息開支總額	545,850	528,630
Less: Interest capitalised	減: 資本化利息	(70,466)	(78,572)
		475,384	450,058

9. 董事薪酬

年內·董事薪酬之詳情根據上市規則·香港公司條例第383(1)(a)·(b)·(c)及(f)條及公司(披露董事利益資料)規例第2部披露如下:

		2020 二零二零年 RMB'000 人民幣千元	2019 二零一九年 RMB'000 人民幣千元
Fees	袍金	581	591
Other emoluments:	其他酬金:		
Salaries, allowances and benefits in kind	薪金·津貼及實物福利	3,523	3,858
Retirement benefit scheme contributions	退休福利計劃供款	37	67
		3,560	3,925
		4,141	4,516

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9. DIRECTORS' REMUNERATION (Continued)

(a) Independent non-executive directors

The fees paid to independent non-executive directors during the year were as follows:

		2020 二零二零年 RMB'000 人民幣千元	2019 二零一九年 RMB'000 人民幣千元
Mr. Chen Ping	陳平先生	198	198
Mr. See Tak Wah*	施德華先生*	-	146
Mr. Au Yeung Kwong Wah*	歐陽廣華先生*	185	49
Mr. Tian Xiao Ren	田曉韜先生	198	198
		581	591

* Mr. See Tak Wah resigned on 1 October 2019, and Mr. Au Yeung Kwong Wah was appointed on the same day.

There were no other emoluments payable to the independent non-executive directors during the year (2019: Nil).

(b) Executive directors

		Salaries, allowances and benefits in kind 薪金、津貼及 實物福利 RMB'000 人民幣千元	Retirement benefit scheme contributions 退休福利計劃 供款 RMB'000 人民幣千元	Total remuneration 薪酬總計 RMB'000 人民幣千元
Year ended 31 December 2020	截至二零二零年 十二月三十一日止年度			
Executive directors:	執行董事:			
Mr. Chen Chang	陳昌先生	-	1,614	1,614
Mr. Chen Guo Xiong*	陳國雄先生*	-	240	240
Ms. Chen Zhao Nian	陳兆年女士	-	915	934
Ms. Chen Zhao Hua*	陳兆華女士*	-	754	772
		-	3,523	3,560

9. 董事薪酬 (續)

(a) 獨立非執行董事

於年內，已付獨立非執行董事之袍金如下：

	2020 二零二零年 RMB'000 人民幣千元	2019 二零一九年 RMB'000 人民幣千元
Mr. Chen Ping	198	198
Mr. See Tak Wah*	-	146
Mr. Au Yeung Kwong Wah*	185	49
Mr. Tian Xiao Ren	198	198
	581	591

* 施德華先生於二零一九年十月一日辭任，而歐陽廣華先生於同日獲委任。

於年內，概無應付予獨立非執行董事的其他酬金（二零一九年：無）。

(b) 執行董事

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31 December 2020 二零二零年十二月三十一日

9. DIRECTORS' REMUNERATION (Continued) (b) Executive directors (Continued)

		Fees	Salaries, allowances and benefits in kind	Retirement benefit scheme contributions	Total remuneration
		袍金	薪金、津貼及實物福利	退休福利計劃供款	薪酬總計
		RMB'000	RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元
Year ended 31 December 2019	截至二零一九年十二月三十一日止年度				
Executive directors:	執行董事：				
Mr. Chen Chang	陳昌先生	–	1,891	–	1,891
Ms. Chen Zhao Nian	陳兆年女士	–	975	32	1,007
Ms. Chen Zhao Hua	陳兆華女士	–	992	35	1,027
		–	3,858	67	3,925

* Ms. Chen Zhao Hua resigned on 1 October 2020, and Mr. Chen Guo Xiong was appointed on the same day.

There was no arrangement under which a director waived or agreed to waive any remuneration during the year.

9. 董事薪酬 (續) (b) 執行董事 (續)

* 陳兆華女士於二零二零年十月一日辭任，而陳國雄先生於同日獲委任。

於年內並無任何董事放棄或同意放棄任何薪酬的安排。

10. FIVE HIGHEST PAID EMPLOYEES

The five highest paid employees of the Group during the year are analysed as follows:

		Number of employees 僱員數目	
		2020 二零二零年	2019 二零一九年
Directors	董事	3	3
Non-director highest paid employees	非董事最高薪僱員	2	2
		5	5

10. 五名最高薪僱員

本集團於年內的五名最高薪僱員乃分析如下：

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財務報表附註

31 December 2020 二零二零年十二月三十一日

10. FIVE HIGHEST PAID EMPLOYEES (Continued)

Details of the remuneration of the above directors are set out in note 9 above. Details of the remuneration of the above non-director highest paid employees during the year are as follows:

		2020 二零二零年 RMB'000 人民幣千元	2019 二零一九年 RMB'000 人民幣千元
Salaries, allowances and benefits in kind	薪金、津貼及實物福利	1,073	1,258
Retirement benefit scheme contributions	退休福利計劃供款	15	25
		1,088	1,283

The number of non-director and non-chief executive highest paid employees whose remuneration which fell within the following band is as follows:

		Number of employees 僱員數目	
		2020 二零二零年	2019 二零一九年
Nil to HK\$1,000,000	零至1,000,000港元	2	2

During the year, no remuneration was paid by the Group to the directors or any of the five highest paid employees as an inducement to join or upon joining the Group or as compensation for loss of office.

10. 五名最高薪僱員 (續)

上述董事之薪酬詳情載列於上文附註9。上述非董事最高薪僱員於年內的薪酬詳情如下：

下列薪酬範圍的非董事及非執行高級行政人員最高薪僱員人數如下：

於年內，本集團概無向該等董事或五名最高薪僱員任何一名支付任何酬金作為吸引加入本集團或加入本集團的獎勵或離職補償。

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財務報表附註

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11. INCOME TAX

The Group is subject to income tax on an entity basis on profits arising in or derived from the jurisdictions in which members of the Group are domiciled and operate.

Corporate income tax (“CIT”)

The Company, which was incorporated in the Cayman Islands, is not subject to CIT.

Lessonstart Enterprises Limited (“Lessonstart”) and Lucknow Consultants Limited (“Lucknow”), which were incorporated in the British Virgin Islands, are not subject to CIT.

Crown Central Holdings Limited (“Crown Central”), Chu Kong Steel Pipe Group Co., Ltd. (“CKSPG”) and View Sharp International Limited (“View Sharp”), which were incorporated in Hong Kong, were subject to profits tax at the rate of 16.5% on the estimated assessable profits arising in Hong Kong during the year.

No provision for Hong Kong profits tax has been made as the Group had no assessable profits derived from or earned in Hong Kong during the year.

Panyu Chu Kong Steel Pipe Co., Ltd. (“PCKSP”), as a High and New Technology Enterprise (“HNTE”) qualified on 16 December 2008 and with the qualification renewed in 2011, 2014 and 2017, was entitled to a reduced tax rate of 15% from 1 January 2017 to 31 December 2019. For the year ended 31 December 2020, PCKSP was subject to CIT at a rate of 25%. Panyu Chu Kong Steel Pipe (Zhuhai) Co., Ltd. (“PCKSP (Zhuhai)”), as a HNTE qualified on 30 September 2015 and with the qualification renewed in 2018, is entitled to a reduced tax rate of 15% from 1 January 2018 to 31 December 2020. Panyu Chu Kong Steel Pipe (Lianyungang) Co., Ltd. (“PCKSP (Lianyungang)”), as a HNTE qualified on 5 December 2019, is entitled to a reduced tax rate of 15% from 1 January 2019 to 31 December 2021.

11. 所得稅

本集團須就本集團成員公司所處及經營的司法權區所產生或賺取的溢利，按實體基準繳納所得稅。

企業所得稅（「企業所得稅」）

本公司於開曼群島註冊成立，毋須繳納企業所得稅。

利事達集團有限公司（「利事達」）及 Lucknow Consultants Limited（「Lucknow」）於英屬處女群島註冊成立，毋須繳納企業所得稅。

光中集團有限公司（「光中」）、珠江鋼管集團有限公司（「珠江鋼管集團」）及景鋒國際有限公司（「景鋒」）（均在香港註冊成立）於年內在香港產生的估計應課稅溢利須按16.5%的稅率繳納利得稅。

由於本集團於年內並無在香港產生或賺取任何應課稅溢利，故此並無作出香港利得稅撥備。

番禺珠江鋼管有限公司（「番禺珠江鋼管」）於二零零八年十二月十六日獲評為高新技術企業（「高新技術企業」），並於二零一一年、二零一四年及二零一七年獲延續有關資格，由二零一七年一月一日至二零一九年十二月三十一日有權享有15%的減免稅率。截至二零二零年十二月三十一日止年度，番禺珠江鋼管須按25%的稅率繳納企業所得稅。番禺珠江鋼管（珠海）有限公司（「番禺珠江鋼管（珠海）」）於二零一五年九月三十日獲評為高新技術企業，並於二零一八年獲延續有關資格，由二零一八年一月一日至二零二零年十二月三十一日有權享有15%的減免稅率。番禺珠江鋼管（連雲港）有限公司（「番禺珠江鋼管（連雲港）」）於二零一九年十二月五日獲評為高新技術企業，由二零一九年一月一日至二零二一年十二月三十一日有權享有15%的減免稅率。

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31 December 2020 二零二零年十二月三十一日

11. INCOME TAX (Continued)

Corporate income tax (“CIT”) (Continued)

Zhuhai Zhugang Wharf Co. Ltd. (“Zhugang Wharf”) and Zhuhai Zhonghai Xin Building Materials Industry and Trade Co., Ltd. (“Zhonghai Xin”) meet the requirements of tax privileges for small enterprises and were entitled to a reduced tax rate of 10%.

Pursuant to the PRC Income Tax Law and the respective regulations, except for certain preferential tax treatments available to PCKSP (Zhuhai), PCKSP (Lianyungang), Zhugang Wharf and Zhonghai Xin, the companies of the Group which operate in Mainland China were subject to CIT at a rate of 25% on their respective taxable income for the year ended 31 December 2020.

Taxes on profits assessable in Mainland China have been calculated at the prevailing tax rates, based on existing legislation, interpretations and practices in respect thereof.

Land appreciation tax (“LAT”)

According to the requirements of the Provisional Regulations of the PRC on LAT effective from 1 January 1994 and the Detailed Implementation Rules on the Provisional Regulations of the PRC on LAT effective from 27 January 1995, all income from the sale or transfer of state-owned land use rights and buildings in Mainland China (being the proceeds from the sale of properties less deductible expenditures including borrowing costs and property development expenditures) is subject to LAT at progressive rates ranging from 30% to 60% of the appreciation of land value with an exemption provided for property sales of ordinary residential properties if their appreciation values do not exceed 20% of the sum of the total deductible items.

The Group estimated and made provision for LAT according to the requirements set forth in the relevant PRC tax laws and regulations. The actual LAT liabilities are subject to the determination by the tax authorities upon completion of the property development projects and the LAT determined by the tax authorities might be different from the basis on which the provision for LAT is calculated.

11. 所得稅 (續)

企業所得稅 (「企業所得稅」) (續)

珠海珠鋼碼頭股份有限公司 (「珠鋼碼頭」) 及珠海市中海鑫建材工貿有限公司 (「中海鑫」) 符合小型企業稅項優惠規定，有權享有10%的減免稅率。

根據中國所得稅法及相關法規，除番禺珠江鋼管 (珠海)、番禺珠江鋼管 (連雲港)、珠鋼碼頭及中海鑫獲授若干優惠稅務待遇外，本集團旗下於中國內地經營之公司須按25%的稅率就其各自截至二零二零年十二月三十一日止年度之應課稅收入繳交企業所得稅。

根據有關該等稅項的現行法律、詮釋及慣例，中國內地的應課稅溢利的稅項按現行稅率計算。

土地增值稅 (「土地增值稅」)

根據一九九四年一月一日生效的《中華人民共和國土地增值稅暫行條例》和一九九五年一月二十七日生效的《中華人民共和國土地增值稅暫行條例實施細則》的要求，全部國有土地出讓收入中國大陸的使用權和建築物 (即出售房地產所得的收入減去可扣減支出 (包括借貸成本和房地產開發支出)) 應按土地價值增值的30%至60%的累進稅率徵稅，並提供免稅額如果普通住宅物業的增值額不超過可扣除項目總額的20%，則適用於房地產銷售。

本集團根據中國有關稅法和法規的規定估計並計提了土地增值稅。實際土地增值稅負債由房地產開發項目竣工時由稅務機關確定，而稅務機關確定的土地增值稅可能不同於計算土地增值稅準備金的依據。

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財務報表附註

31 December 2020 二零二零年十二月三十一日

11. INCOME TAX (Continued)

The major components of the income tax expense/(credit) for the year are as follows:

		2020 二零二零年 RMB'000 人民幣千元	2019 二零一九年 RMB'000 人民幣千元
Current – Mainland China	即期 – 中國內地		
PRC CIT Charge for the year	年內中國企業所得稅支出	77,182	94,793
PRC CIT overprovision in prior years	過往年度中國企業所得稅超額撥備	(25,160)	(11,794)
PRC LAT	中國土地增值稅	2,088	7,579
Deferred (note 20)	遞延 (附註20)	199,640	(103,718)
Total tax expense/(credit) for the year	年內稅項費用 / (抵免) 總額	253,750	(13,140)

11. 所得稅 (續)

年內所得稅費用 / (抵免) 的主要組成部分如下:

A reconciliation of the tax credit applicable to profit/(loss) before tax at the statutory tax rates for the countries in which the Company and the majority of its subsidiaries are domiciled to the tax expense/(credit) at the Group's effective tax rates, and a reconciliation of the applicable rates to the effective tax rates, are as follows:

適用於計算除稅前溢利 / (虧損) 的稅項抵免 (按本公司及其大部分附屬公司所在的國家的法定稅率計算) 與本集團按實際稅率計算的稅項費用 / (抵免) 的對賬及適用稅率與實際稅率的對賬如下:

Year ended 31 December 2020

截至二零二零年十二月三十一日止年度

		Mainland China		Hong Kong and others		Total	
		RMB'000	%	RMB'000	%	RMB'000	%
		人民幣千元		人民幣千元		人民幣千元	
Loss before tax	除稅前虧損	1,059,895		(183,234)		876,661	
Tax at the statutory tax rate	按法定稅率計算的稅項	264,973	25.0	(866)	0.5	264,107	30.1
Tax effect of:	稅務影響:						
Lower tax rate enacted by local authority	當地機關頒佈之較低稅率	(62)	-	-	-	(62)	-
Expenses not deductible for tax	不可扣稅開支	28,533	2.7	-	-	28,533	3.3
Adjustments in respect of current tax of previous periods	對過往期間即期稅項之調整	(25,160)	(2.4)	-	-	(25,160)	(2.9)
Loss attributable to a joint venture	應佔一間合營公司虧損	667	0.1	-	-	667	0.1
Effect of utilisation of tax loss not recognised in prior years	先前年度未確認之已動用稅項虧損之影響	(61,394)	(5.8)	-	-	(61,394)	(7.0)
Temporary difference	暫時性差異	(114)	-	-	-	(114)	-
Provision for LAT	土地增值稅撥備	2,088	0.2	-	-	2,088	0.2
Tax effect of LAT	土地增值稅之稅務影響	(522)	(0.1)	-	-	(522)	(0.1)
Tax loss not recognised in the current year	本年度未確認稅項虧損	44,741	4.2	866	(0.5)	45,607	5.2
Tax expense at the Group's effective tax rate	按本集團實際稅率計算之稅項費用	253,750	23.9	-	-	253,750	28.9

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財務報表附註

31 December 2020 二零二零年十二月三十一日

11. INCOME TAX (Continued)

Year ended 31 December 2019

11. 所得稅(續)

截至二零一九年十二月三十一日止年度

		Mainland China		Hong Kong and others		Total	
		RMB'000	%	RMB'000	%	RMB'000	%
		人民幣千元		人民幣千元		人民幣千元	
Loss before tax	除稅前虧損	(42,294)		(112,935)		(155,229)	
Tax at the statutory tax rate	按法定稅率計算的稅項	(10,574)	25.0	(2,435)	2.2	(13,009)	8.4
Tax effect of:	稅務影響:						
Lower tax rate enacted by local authority	當地機關頒佈之較低稅率	(22)	0.1	-	-	(22)	-
Expenses not deductible for tax	不可扣稅開支	8,824	(20.9)	-	-	8,824	(5.7)
Adjustments in respect of current tax of previous periods	對過往期間即期稅項之調整	(11,794)	27.9	-	-	(11,794)	7.6
Loss attributable to a joint venture	應佔一間合營公司虧損	4,664	(11.0)	-	-	4,664	(3.0)
Temporary difference	暫時性差異	(35,210)	83.3	-	-	(35,210)	22.7
Provision for LAT	土地增值稅撥備	7,579	(17.9)	-	-	7,579	(4.9)
Tax effect of LAT	土地增值稅之稅務影響	(1,895)	4.5	-	-	(1,895)	1.2
Tax loss not recognised in the current year	本年度未確認稅項虧損	25,288	(59.8)	2,435	(2.2)	27,723	(17.9)
Tax credit at the Group's effective tax rate	按本集團實際稅率計算之稅項抵免	(13,140)	31.1	-	-	(13,140)	8.5

12. EARNINGS/(LOSS) PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT

The calculation of the basic earnings/(loss) per share is based on the profit/(loss) for the year attributable to ordinary equity holders of the parent and the weighted average number of ordinary shares of 1,011,142,000 (2019: 1,011,142,000) in issue during the year.

The Group had no potentially dilutive ordinary shares in issue during the years ended 31 December 2020 and 2019.

12. 母公司普通股本擁有人應佔每股盈利/(虧損)

每股基本盈利/(虧損)乃根據母公司普通股本擁有人應佔年度溢利/(虧損)及年內已發行普通股加權平均數1,011,142,000股(二零一九年: 1,011,142,000股)計算。

本集團並無於截至二零二零年及二零一九年十二月三十一日止年度發行潛在攤薄普通股。

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財務報表附註

31 December 2020 二零二零年十二月三十一日

13. PROPERTY, PLANT AND EQUIPMENT

13. 物業、廠房及設備

		Buildings	Plant and machinery	Office and other equipment	Motor vehicles	Construction in progress	Total
		樓宇	廠房及機器	辦公室及其他設備	汽車	在建工程	總計
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
31 December 2020	二零二零年十二月三十一日						
At 31 December 2019 and 1 January 2020	於二零一九年十二月三十一日及二零二零年一月一日						
Cost:	成本:	713,487	2,638,755	24,271	40,882	352,563	3,769,958
Accumulated depreciation and impairment	累計折舊及減值	(136,212)	(982,215)	(21,376)	(25,916)	-	(1,165,719)
Net carrying amount	賬面淨值	577,275	1,656,540	2,895	14,966	352,563	2,604,239
At 1 January 2020, net of accumulated depreciation and impairment	於二零二零年一月一日，扣除累計折舊及減值	577,275	1,656,540	2,895	14,966	352,563	2,604,239
Additions	添置	-	207	141	2,342	58,658	61,348
Disposals	出售	(22,193)	(1,974)	-	-	-	(24,167)
Depreciation provided during the year	年內折舊撥備	(29,858)	(64,011)	(1,400)	(3,479)	-	(98,748)
Transfers from construction in progress	轉撥自在建工程	1,816	45,086	1,644	-	(48,546)	-
Transfer to construction in progress	轉撥至在建工程	-	(350,230)	-	-	350,230	-
Assets classified as held for sale	分類為持作出售的資產	(7,336)	(5,202)	(25)	(65)	-	(12,628)
Exchange realignment	匯兌調整	-	-	-	(7)	-	(7)
At 31 December 2020, net of accumulated depreciation and impairment	於二零二零年十二月三十一日，扣除累計折舊及減值	519,704	1,280,416	3,255	13,757	712,905	2,530,037
At 31 December 2020:	於二零二零年十二月三十一日:						
Cost	成本	660,837	2,165,564	25,559	41,170	712,905	3,606,035
Accumulated depreciation and impairment	累計折舊及減值	(141,133)	(885,148)	(22,304)	(27,413)	-	(1,075,998)
Net carrying amount	賬面淨值	519,704	1,280,416	3,255	13,757	712,905	2,530,037

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31 December 2020 二零二零年十二月三十一日

13. PROPERTY, PLANT AND EQUIPMENT (Continued)

13. 物業、廠房及設備 (續)

		Buildings	Plant and machinery	Office and other equipment	Motor vehicles	Construction in progress	Total
		樓宇	廠房及機器	辦公室及其他設備	汽車	在建工程	總計
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
31 December 2019	二零一九年十二月三十一日						
At 31 December 2018 and 1 January 2019	於二零一八年十二月三十一日及二零一九年一月一日						
Cost:	成本:	850,000	2,322,130	27,323	42,961	835,993	4,078,407
Accumulated depreciation and impairment	累計折舊及減值	(153,978)	(1,071,862)	(24,505)	(22,252)	-	(1,272,597)
Net carrying amount	賬面淨值	696,022	1,250,268	2,818	20,709	835,993	2,805,810
At 1 January 2019, net of accumulated depreciation and impairment	於二零一九年一月一日，扣除累計折舊及減值	696,022	1,250,268	2,818	20,709	835,993	2,805,810
Additions	添置	-	1,582	1,395	2,494	31,008	36,479
Disposals	出售	(84,743)	(20,096)	(138)	(2,835)	(38)	(107,850)
Disposal of a subsidiary	出售附屬公司	-	(684)	-	(142)	(30,470)	(31,296)
Depreciation provided during the year	年內折舊撥備	(34,004)	(58,522)	(1,181)	(5,266)	-	(98,973)
Transfers from construction in progress	轉撥自在建工程	-	483,991	-	-	(483,991)	-
Exchange realignment	匯兌調整	-	1	1	6	61	69
At 31 December 2019, net of accumulated depreciation and impairment	於二零一九年十二月三十一日，扣除累計折舊及減值	577,275	1,656,540	2,895	14,966	352,563	2,604,239
At 31 December 2019:	於二零一九年十二月三十一日:						
Cost	成本	713,487	2,638,755	24,271	40,882	352,563	3,769,958
Accumulated depreciation and impairment	累計折舊及減值	(136,212)	(982,215)	(21,376)	(25,916)	-	(1,165,719)
Net carrying amount	賬面淨值	577,275	1,656,540	2,895	14,966	352,563	2,604,239

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財務報表附註

31 December 2020 二零二零年十二月三十一日

13. PROPERTY, PLANT AND EQUIPMENT

(Continued)

Impairment tests for property, plant and equipment

When any indicators of impairment are identified, property, plant and equipment are reviewed for impairment based on each CGU. The CGU is an individual plant or entity. The carrying values of these individual plants or entities were compared to the recoverable amounts of the CGUs, which were based predominantly on value in use. Value-in-use calculations use pre-tax cash flow projections based on financial budgets approved by management covering a 5-year period. Cash flows beyond the 5-year period are extrapolated using the same cash flow projections of the fifth year. Other key assumptions applied in the impairment tests include the expected product price, demand for the products, product cost, finance costs and other related expenses, with the consideration of the possible significant decrease in finance costs following the measures adopted by management. Management determined that these key assumptions were based on past performance and their expectations on market development. Further, the Group adopts a pre-tax rate of 17% (2019:16%) that reflects specific risks related to CGUs as the discount rate. The assumptions above are used in analysing the recoverable amounts of CGUs within the operating segments.

As a result of the impairment assessment, no additional impairment was recognised against the property, plant and equipment in the steel pipes segment for the year ended 31 December 2020 (2019: Nil).

Included in the carrying amount of the property, plant and equipment was capitalised interest of RMB258,623,000 as at 31 December 2020 (2019: RMB258,623,000).

Details of the Group's property, plant and machinery pledged to secure the Group's bank loans are set out in note 26.

Certificates of ownership in respect of certain buildings of the Group located in Zhuhai, Lianyungang and Ningbo with a total net carrying amount of approximately RMB160,893,000 as at 31 December 2020 (2019: RMB168,679,000) have not yet been issued by the relevant PRC authorities. As at the end of the reporting period, the directors were still in the process of obtaining these certificates.

13. 物業、廠房及設備(續)

物業、廠房及設備之減值測試

倘有出現任何減值跡象，則將根據各現金產生單位對物業、廠房及設備作減值評估。現金產生單位為單個廠房或實體。該等單個廠房或實體的賬面值與現金產生單位的可收回金額作比較，而現金產生單位之可收回金額乃主要根據使用價值計算。使用價值乃根據管理層已批准之五年財政預算採用稅前現金流量預測計算。超出五年期之現金流量乃採用第五年相同的現金流量預測進行推測。考慮到管理層採取措施後融資成本很可能大幅減少，減值測試所應用之其他關鍵假設包括預期產品價格、產品需求、產品成本、融資成本及其他相關開支。管理層認為該等關鍵假設乃以過往表現及其對市場發展之預期為依據。此外，本集團採用能夠反映相關現金產生單位特定風險之稅前利率17%（二零一九年：16%）作為貼現率。上述假設乃用於分析經營分部內現金產生單位之可收回金額。

根據減值評估之結果，截至二零二零年十二月三十一日止年度，管理層並無確認鋼管分部之物業、廠房及設備之額外減值（二零一九年：無）。

於二零二零年十二月三十一日，物業、廠房及設備之賬面值包括資本化利息人民幣258,623,000元（二零一九年：人民幣258,623,000元）。

本集團抵押其物業、廠房及機器以擔保本集團銀行貸款的詳情載於附註26。

於二零二零年十二月三十一日，本集團位於珠海、連雲港及寧波的若干樓宇尚未獲相關中國政府部門頒發所有權證，該等樓宇的賬面淨值合計約為人民幣160,893,000元（二零一九年：人民幣168,679,000元）。於報告期末，董事仍在辦理該等證書的申請手續。

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14. PROPERTIES UNDER DEVELOPMENT

14. 發展中物業

		2020 二零二零年 RMB'000 人民幣千元	2019 二零一九年 RMB'000 人民幣千元
Carrying amount as at 1 January	於一月一日之賬面值	1,822,964	1,691,699
Additions	添置	241,596	131,265
Transfer to completed properties held for sale	轉撥至落成待售物業	-	-
Carrying amount as at 31 December	於十二月三十一日之賬面值	2,064,560	1,822,964

At 31 December 2020, certain of the Group's properties under development with an aggregate carrying amount of RMB1,264,749,000 (2019: RMB1,267,321,000) were pledged to secure certain bank and other borrowings granted to the Group (note 26).

All properties under development are situated in Mainland China and were held under long term leases as at 31 December 2020 and 2019.

15. COMPLETED PROPERTIES HELD FOR SALE

The Group's completed properties held for sale are located in Mainland China. All completed properties held for sale are stated at the lower of cost and net realisable value.

At 31 December 2020, certain of the Group's completed properties held for sale with an aggregate carrying amount of RMB102,638,000 (2019: RMB109,434,000) were pledged to secure certain bank and other borrowings granted to the Group (note 26).

於二零二零年十二月三十一日，本集團若干賬面總值為人民幣1,264,749,000元（二零一九年：人民幣1,267,321,000元）之發展中物業已用作抵押，以取得授予本集團之若干銀行及其他借貸（附註26）。

於二零二零年及二零一九年十二月三十一日，所有發展中物業均位於中國內地，並根據長期租約持有。

15. 落成待售物業

本集團的落成待售物業均位於中國內地。所有落成待售物業均按成本與可變現淨值較低者呈列。

於二零二零年十二月三十一日，本集團若干賬面總值為人民幣102,638,000元（二零一九年：人民幣109,434,000元）之落成待售物業已用作抵押，以取得授予本集團之若干銀行及其他借貸（附註26）。

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16. INVESTMENT PROPERTIES

16. 投資物業

		2020 二零二零年 RMB'000 人民幣千元	2019 二零一九年 RMB'000 人民幣千元
Commercial properties in Mainland China, PRC	於中國內地之商用物業		
Carrying amount at 1 January	於一月一日之賬面值	407,000	1,160,000
Resumption of land use rights to the local authorities	土地使用權收儲自地方當局收取	–	(1,160,000)
Transfer from completed properties held for sale	轉撥自落成待售物業	–	328,992
Net (loss)/gain from fair value adjustments	公平值調整之淨(虧損)/收益	(20,000)	78,008
Carrying amount as at 31 December	於十二月三十一日之賬面值	387,000	407,000

The Group's investment properties consist of commercial properties in Mainland China, which are held under medium term leases. The directors of the Company have determined that the investment properties are commercial assets, based on the nature, characteristics and risks of the properties.

Based on the valuation by RHL Appraisal Limited, an independent professional qualified valuer, as at 31 December 2020, the fair value of investment properties which were mainly shops of GDC Phase I shops was RMB387,000,000 (2019: RMB407,000,000). The Group's property manager and the chief financial officer decided, upon approval from the audit committee, to appoint which external valuer to be responsible for the external valuations of the Group's properties. Selection criteria include market knowledge, reputation, independence and whether professional standards are maintained. The Group's property manager and the chief financial officer have discussions with the valuer on the valuation assumptions and valuation results twice a year when the valuation is performed for interim and annual financial reporting.

本集團的投資物業包括位於中國內地的商用物業，按中期租約持有。基於物業的性質、特徵及所承受的風險，本公司董事將投資物業釐定為商用資產。

根據獨立專業合資格估值師永利行評值顧問有限公司之估值，於二零二零年十二月三十一日，金龍城第一期店舖的主要店舖投資物業之公平值為人民幣387,000,000元（二零一九年：人民幣407,000,000元）。本集團的物業經理及財務總監決定外聘估值師之人選，經獲得審核委員會批准後，委任其負責本集團物業之外部估值。甄選條件包括市場知識、聲譽、獨立性及能否維持專業水準。本集團的物業經理及財務總監每年於中期及年度財務報告進行估值時，與估值師就估值假設及估值結果進行兩次討論。

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16. INVESTMENT PROPERTIES (Continued)

Fair value hierarchy

The following table illustrates the fair value measurement hierarchy of the Group's investment properties:

16. 投資物業(續)

公平值等級

下表展示本集團投資物業之公平值計量層級：

		Fair value measurement as at 31 December 2020 using 於二零二零年十二月三十一日使用以下輸入值計量之公平值			
		Quoted prices in active markets (Level 1) 於活躍市場 所報價格 (第一級) RMB'000 人民幣千元	Significant observable inputs (Level 2) 重大可 觀察輸入值 (第二級) RMB'000 人民幣千元	Significant unobservable input (Level 3) 重大不可 觀察輸入值 (第三級) RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
Recurring fair value measurement for:	經常性公平值計量：				
Commercial property	商用物業	-	-	387,000	387,000

		Fair value measurement as at 31 December 2019 using 於二零一九年十二月三十一日使用以下輸入值計量之公平值			
		Quoted prices in active markets (Level 1) 於活躍市場 所報價格 (第一級) RMB'000 人民幣千元	Significant observable inputs (Level 2) 重大可 觀察輸入值 (第二級) RMB'000 人民幣千元	Significant unobservable input (Level 3) 重大不可 觀察輸入值 (第三級) RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
Recurring fair value measurement for:	經常性公平值計量：				
Commercial property	商用物業	-	-	407,000	407,000

During the year, there were no transfers of fair value measurements between Level 1 and Level 2 and no transfers into or out of Level 3 (2019: Nil).

於年內，第一級與第二級之間並無公平值計量之轉撥，亦無自第三級轉入或轉出（二零一九年：無）。

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16. INVESTMENT PROPERTIES (Continued)

Fair value hierarchy (Continued)

Reconciliation of fair value measurements categorised within Level 3 of the fair value hierarchy:

		2020 二零二零年 RMB'000 人民幣千元	2019 二零一九年 RMB'000 人民幣千元
Carrying amount as at 1 January	於一月一日之賬面值	407,000	1,160,000
Redemption of land use rights	土地使用權收儲	-	(1,160,000)
Transfer from completed properties held for sale	轉撥自落成待售物業	-	328,992
Net (loss)/gain from fair value adjustments	公平值調整之淨(虧損)/收益	(20,000)	78,008
Carrying amount at 31 December	於十二月三十一日之賬面值	387,000	407,000

Below is a summary of the valuation technique used and the key input to the valuation of investment properties:

16. 投資物業(續)

公平值等級(續)

公平值等級第三級內之公平值計量對賬：

對投資物業估值而言所使用的估值技術及主要輸入值的概要載列如下：

	Valuation technique 估值技術	Significant unobservable input 重大不可觀察輸入值	Range or weighted average 範圍或加權平均
			2020 GDV Phase I Shops 二零二零年 GDV 第一期 店舖
			2019 GDV Phase I Shops 二零一九年 GDV 第一期 店舖
Commercial properties 商用物業	Direct comparison method 直接比較法	Market unit sale rate (RMB/sq.m.) 市場單位售價 (人民幣/每平方米)	23,207-24,004 22,733-27,462

The valuations of investment properties were arrived at using the direct comparison method with reference to the comparable sale prices in the relevant locality, adjusted for a premium or discount specific to the quality of the Group's properties compared to recent sales of comparable transactions. A higher discount for lower quality properties will result in a lower fair value measurement.

投資物業的估值乃採用直接比較法並參照有關地區可比較的銷售價格而達致，且已就本集團物業質量之特定溢價或折讓(與近期可比較銷售交易比較所得)作出調整。較低質素物業之較高折讓將導致較低之公平值計量數值。

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17. LONG TERM PREPAYMENTS AND DEPOSITS

		2020 二零二零年 RMB'000 人民幣千元	2019 二零一九年 RMB'000 人民幣千元
Prepayments for property, plant and equipment	物業、廠房及設備之預付款項	72,295	81,467
Deposits paid	已付按金	3,384	4,508
		75,679	85,975

18. LEASES

The Group as a lessee

The Group has lease contracts for office premises used in its operations. Lump sum payments were made upfront to acquire the leased land from the owners with lease periods of 50 years, and no ongoing payments will be made under the terms of these land leases. Leases of a factory and office premises generally have a lease term of 3 years. Generally, the Group is restricted from assigning and subleasing the leased assets outside the Group.

17. 長期預付款項及按金

18. 租賃

本集團作為承租人

本集團營運所用辦公場所的租賃合約。本集團預先支付整筆款項以向業主收購租期為50年的租賃土地，其後該等土地租賃期內將不會繼續繳付租金。工廠和辦公場所的租賃通常具有3年的租賃期。一般而言，本集團不得向本集團外部轉讓及分租租賃資產。

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18. LEASES (Continued)

The Group as a lessee (Continued)

(a) Right-of-use assets

The carrying amounts of the Group's right-of-use assets and the movements during the year are as follows:

		Leasehold land	Buildings	Total
		租賃土地	樓宇	總計
		RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元
As at 1 January 2019	於二零一九年一月一日	1,112,993	5,635	1,118,628
Additions	添置	26,089	6,289	32,378
Early termination	提前終止	-	(1,774)	(1,774)
Land resumption	土地收儲	(1,418)	-	(1,418)
Depreciation charge	折舊開支	(30,897)	(2,366)	(33,263)
As at 31 December 2019 and 1 January 2020	於二零一九年十二月 三十一日及二零二零年 一月一日	1,106,767	7,784	1,114,551
Land resumption	土地收儲	(48,533)	-	(48,533)
Assets classified as held for sale	分類為持作出售的資產	-	(2,966)	(2,966)
Depreciation charge	折舊開支	(26,879)	(2,698)	(29,577)
Exchange realignment	匯兌調整	(2,252)	53	(2,199)
As at 31 December 2020	於二零二零年十二月 三十一日	1,029,103	2,173	1,031,276

18. 租賃 (續)

本集團作為承租人 (續)

(a) 使用權資產

年內，本集團使用權資產的賬面值及相關變動如下：

		Leasehold land	Buildings	Total
		租賃土地	樓宇	總計
		RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元
As at 1 January 2019	於二零一九年一月一日	1,112,993	5,635	1,118,628
Additions	添置	26,089	6,289	32,378
Early termination	提前終止	-	(1,774)	(1,774)
Land resumption	土地收儲	(1,418)	-	(1,418)
Depreciation charge	折舊開支	(30,897)	(2,366)	(33,263)
As at 31 December 2019 and 1 January 2020	於二零一九年十二月 三十一日及二零二零年 一月一日	1,106,767	7,784	1,114,551
Land resumption	土地收儲	(48,533)	-	(48,533)
Assets classified as held for sale	分類為持作出售的資產	-	(2,966)	(2,966)
Depreciation charge	折舊開支	(26,879)	(2,698)	(29,577)
Exchange realignment	匯兌調整	(2,252)	53	(2,199)
As at 31 December 2020	於二零二零年十二月 三十一日	1,029,103	2,173	1,031,276

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18. LEASES (Continued)

The Group as a lessee (Continued)

(b) Lease liabilities

The carrying amount of lease liabilities (included under interest-bearing bank and other borrowings) and the movements during the year are as follows:

		2020 二零二零年 RMB'000 人民幣千元	2019 二零一九年 RMB'000 人民幣千元
Carrying amount at 1 January	於一月一日之賬面值	7,931	5,635
New leases	新租賃	-	6,289
Early termination	提前終止	-	(1,774)
Accretion of interest recognised during the year	年內確認的應計利息	654	794
Liabilities directly associated with the assets classified as held for sale	與分類為持作出售的資產直接相關的負債	(3,153)	-
Exchange realignment	匯兌調整	57	-
Payments	付款	(3,124)	(3,013)
Carrying amount at 31 December	於十二月三十一日之賬面值	2,365	7,931
Analysed into:	按以下分析為：		
Current portion	即期部分	2,011	2,444
Non-current portion	非即期部分	354	5,487

The maturity analysis of lease liabilities is disclosed in note 42 to the financial statements.

18. 租賃(續)

本集團作為承租人(續)

(b) 租賃負債

年內，租賃負債的賬面值(計入計息銀行及其他借貸項下)及變動如下：

	2020 二零二零年 RMB'000 人民幣千元	2019 二零一九年 RMB'000 人民幣千元
Carrying amount at 1 January	7,931	5,635
New leases	-	6,289
Early termination	-	(1,774)
Accretion of interest recognised during the year	654	794
Liabilities directly associated with the assets classified as held for sale	(3,153)	-
Exchange realignment	57	-
Payments	(3,124)	(3,013)
Carrying amount at 31 December	2,365	7,931
Analysed into:		
Current portion	2,011	2,444
Non-current portion	354	5,487

租賃負債的到期分析於財務報表附註42披露。

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18. LEASES (Continued)

The Group as a lessee (Continued)

(c) The amounts recognised in profit or loss in relation to leases are as follows:

		2020 二零二零年 RMB'000 人民幣千元	2019 二零一九年 RMB'000 人民幣千元
Interest on lease liabilities	租賃負債利息	654	794
Depreciation charge of right-of-use assets	使用權資產折舊開支	29,577	33,263
Expense relating to short-term leases and other leases with remaining lease terms ended on or before 31 December 2019	與短期租賃及餘下租期於二零一九年十二月三十一日或之前結束之其他租賃相關之開支	-	322
Total amount recognised in profit or loss	於損益確認之總額	30,231	34,379

18. 租賃 (續)

本集團作為承租人 (續)

(c) 就租賃於損益確認之款項如下:

19. INVESTMENT IN A JOINT VENTURE

19. 於一間合營公司之投資

		2020 二零二零年 RMB'000 人民幣千元	2019 二零一九年 RMB'000 人民幣千元
Share of net assets	分佔資產淨值	10,510	13,177

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19. INVESTMENT IN A JOINT VENTURE (Continued)

Particulars of the Group's joint venture are as follows:

Name	Particulars of issued shares held 所持已發行股份詳情	Place of registration and business 註冊及營運地點	Percentage of 百分比			Principal activities 主要業務
			Ownership interest 擁有權益	Voting power 投票權	Profit sharing 應佔溢利	
Al-Qahtani PCK Pipe Company	Registered capital of SR50 million each	Kingdom of Saudi Arabia	50	50	50	Manufacture and sale of welded steel pipes
Al-Qahtani PCK Pipe Company	註冊資本各50,000,000 沙特里亞爾	沙特阿拉伯王國	50	50	50	製造及銷售 焊接鋼管

The above investment in a joint venture is indirectly held by the Company.

Al-Qahtani PCK Pipe Company, which is considered a material joint venture of the Group, acts as the Group's producer and distributor of steel pipes in the Kingdom of Saudi Arabia and is accounted for using the equity method.

19. 於一間合營公司之投資(續)

本集團合營公司之詳情列載如下:

上述於一間合營公司之投資由本公司間接持有。

Al-Qahtani PCK Pipe Company 被視為本集團之重大合營公司，其代表本集團於沙特阿拉伯王國生產及分銷鋼管，並以權益法入賬。

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19. INVESTMENT IN A JOINT VENTURE (Continued)

The following table illustrates the summarised financial information of Al-Qahtani PCK Pipe Company adjusted for any differences in accounting policies and reconciled to the carrying amount in the financial statements:

		2020 二零二零年 RMB'000 人民幣千元	2019 二零一九年 RMB'000 人民幣千元
Other receivables	其他應收款項	15,264	15,062
Trade receivables	貿易應收賬款	92,329	125,024
Inventories	存貨	109,524	138,401
Cash and bank balances	現金及銀行結餘	24,088	21,454
Total current assets	流動資產總值	241,205	299,941
Right-of-use assets	使用權資產	27,992	33,756
Property, plant and equipment	物業、廠房及設備	588,736	639,582
Total non-current assets	非流動資產總值	616,728	673,338
Amount due to PCKSP	應付番禺珠江鋼管款項	11,316	12,102
Other payables	其他應付款項	30,229	33,353
Trade payables	貿易應付賬款	3,507	10,162
Short-term bank loans – unsecured	短期銀行貸款—無抵押	227,318	210,255
Current portion of long term loans	長期貸款流動部分	157,458	133,351
Tax payable	應付稅項	84	90
Lease liabilities	租賃負債	2,557	32,738
Total current liabilities	流動負債總額	432,469	432,051
Non-current financial liabilities, excluding trade and other payables and provisions	非流動金融負債，不包括貿易應付賬款及其他應付款項及撥備	317,339	415,501
Total non-current liabilities	非流動負債總額	317,339	415,501
Net assets	資產淨值	108,125	125,727

19. 於一間合營公司之投資(續)

下表列示 Al-Qahtani PCK Pipe Company 之財務資料概要，當中已就會計政策任何差異作出調整，並與財務報表所列賬面值對賬：

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19. INVESTMENT IN A JOINT VENTURE (Continued)

19. 於一間合營公司之投資(續)

		2020 二零二零年 RMB'000 人民幣千元	2019 二零一九年 RMB'000 人民幣千元
Reconciliation to the Group's interest in the joint venture:	與本集團於合營公司之權益對賬：		
The loss from contribution of non-monetary assets	注入非貨幣資產之虧損	(87,105)	(99,373)
Net assets after reconciliation	對賬後資產淨值	21,020	26,354
Proportion of the Group's ownership	本集團之擁有權比例	50%	50%
Group's share of net assets of the joint venture	本集團應佔合營公司資產淨值	10,510	13,177
Carrying amount of the investment	投資賬面值	10,510	13,177
REVENUE	收入	268,560	167,073
Cost of sales	銷售成本	(243,376)	(161,156)
Gross profit	毛利	25,184	5,917
Other income and gains	其他收入及收益	27	1,826
Selling and distribution expenses	銷售及分銷費用	(2,124)	(10,067)
Administrative expenses	行政費用	(6,810)	(17,537)
Finance costs	融資成本	(25,808)	(21,554)
Loss before tax	除稅前虧損	(9,531)	(41,415)
Income tax expense	所得稅開支	-	(90)
Loss and total comprehensive loss for the year	年內虧損及全面虧損總額	(9,531)	(41,505)
Share of loss (50%)	應佔虧損(50%)	(4,765)	(20,753)
Realised profit from Down-stream transactions	下游交易已變現溢利	2,097	2,098
Share of loss of a joint venture	應佔一間合營公司虧損	(2,668)	(18,655)

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20. DEFERRED TAX Deferred tax assets

		Losses available for offsetting against future taxable profits 可供抵銷 未來應課稅溢利之虧損	
		2020 二零二零年 RMB'000 人民幣千元	2019 二零一九年 RMB'000 人民幣千元
At 1 January	於一月一日	210,943	225,576
Deferred tax charged to the consolidated statement of profit or loss during the year	年內於綜合損益表扣除的遞延稅項	(210,943)	(14,633)
At 31 December	於十二月三十一日	-	210,943

As at 31 December 2020, the Group had tax losses arising in Hong Kong of RMB390,466,000 (2019: RMB389,824,000), which are available indefinitely for offsetting against future taxable profits of the companies in which the losses arose. The Group also has tax losses arising in Mainland China of RMB537,143,000 (2019: RMB1,672,846,000) that will expire in one to five years for offsetting against future taxable profits. No deferred tax assets were recognised in respect of the tax losses of the Group as at 31 December 2020.

As at 31 December 2019, the Group recognised deferred tax assets of RMB210,943,000 which related to the available tax losses of PCKSP. These tax losses will expire in one to five years. The recognition of the deferred tax assets was based on an estimated taxable income and the tax losses which could be used for offsetting against these estimated future taxable profits. The directors estimated that future taxable profits of PCKSP mainly represented compensation income from the government in relation to a redevelopment of the land owned by PCKSP. For the year ended 31 December 2020, tax losses of PCKSP were fully utilised to offset against taxable profits generated from the net gains from the land resumption of PCKSP.

20. 遞延稅項 遞延稅項資產

於二零二零年十二月三十一日，本集團於香港產生稅項虧損人民幣390,466,000元（二零一九年：人民幣389,824,000元），該等稅項虧損可無限期用作抵銷出現虧損的公司的未來應課稅溢利。本集團亦於中國內地產生稅項虧損人民幣537,143,000元（二零一九年：人民幣1,672,846,000元），將於一至五年內到期，以抵銷未來應課稅溢利。於二零二零年十二月三十一日，本集團概無就稅項虧損確認遞延所得稅資產。

於二零一九年十二月三十一日，本集團已確認與番禺珠江鋼管產生的稅項虧損有關的遞延稅項資產人民幣210,943,000元。該等稅項虧損將於一至五年內到期。遞延稅項資產的確認根據估計應課稅收入及可用作抵銷估計未來應課稅溢利的稅項虧損釐定。董事估計番禺珠江鋼管的未來應課稅溢利主要為政府重建番禺珠江鋼管擁有的土地有關的補償收入。截至二零二零年十二月三十一日止年度，番禺珠江鋼管的稅項虧損已悉數用於抵銷番禺珠江鋼管土地收儲收益淨額產生的應課稅溢利。

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20. DEFERRED TAX (Continued) Deferred tax liabilities

20. 遞延稅項 (續) 遞延稅項負債

		Changes in/ realisation of fair value of investment property 投資物業之 公平值 變動/變現 RMB'000 人民幣千元	Appreciation of property, plant and equipment and land 物業、廠房及 設備及土地 增值 RMB'000 人民幣千元	Temporary difference 暫時性差異 RMB'000 人民幣千元	Withholding tax 預扣稅 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
At 1 January 2020	於二零二零年 一月一日	354,380	11,378	-	2,265	368,023
Deferred tax credited to the consolidated statement of profit or loss during the year	年內於綜合損益表 計入的遞延稅項	(5,820)	(5,483)	-	-	(11,303)
Deferred tax credited to the asset revaluation reserve during the year	年內計入資產重估 儲備的遞延稅項	(1,361)	-	-	-	(1,361)
Transferred to liabilities directly associated with the assets classified as held for sale	轉撥至與分類為持作 出售的資產直接相關的 負債	-	(1,483)	-	-	(1,483)
At 31 December 2020	於二零二零年 十二月三十一日	347,199	4,412	-	2,265	353,876

		Changes in/ realisation of fair value of investment property 投資物業之 公平值 變動/變現 RMB'000 人民幣千元	Appreciation of property, plant and equipment and land 物業、廠房及 設備及土地 增值 RMB'000 人民幣千元	Temporary difference 暫時性差異 RMB'000 人民幣千元	Withholding tax 預扣稅 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
At 1 January 2019	於二零一九年 一月一日	589,776	11,656	35,077	2,265	638,774
Deferred tax credited to the consolidated statement of profit or loss during the year	年內於綜合損益表 計入的遞延稅項	(82,996)	(278)	(35,077)	-	(118,351)
Deferred tax credited to the asset revaluation reserve during the year	年內計入資產重估儲備的 遞延稅項	(152,400)	-	-	-	(152,400)
At 31 December 2019	於二零一九年 十二月三十一日	354,380	11,378	-	2,265	368,023

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20. DEFERRED TAX (Continued)

For presentation purposes, certain deferred tax assets and liabilities have been offset in the consolidated statement of financial position. The following is an analysis of the deferred tax balances of the Group for financial reporting purposes:

		2020 二零二零年 RMB'000 人民幣千元	2019 二零一九年 RMB'000 人民幣千元
Net deferred tax assets recognised in the consolidated statement of financial position	於綜合財務狀況表確認之遞延稅項資產淨額	—	210,943
Net deferred tax liabilities recognised in the consolidated statement of financial position	於綜合財務狀況表確認之遞延稅項負債淨額	353,876	368,023

Pursuant to the PRC Corporate Income Tax Law, a 10% (or a lower rate if there is a tax treaty between Mainland China and the jurisdiction of the foreign investors) withholding tax is levied on dividends declared to foreign investors from the foreign investment enterprises established in Mainland China. The requirement is effective from 1 January 2008 and applies to earnings after 31 December 2007. The Group is therefore liable for withholding taxes on dividends distributed by those subsidiaries established in Mainland China in respect of earnings generated from 1 January 2008.

Since 2011, no deferred tax has been recognised by the Group for withholding taxes that would be payable on the unremitted earnings of those subsidiaries that are subject to withholding taxes as management considered that it is not probable that those subsidiaries will distribute any earnings in the foreseeable future.

20. 遞延稅項 (續)

就呈列目的而言，若干遞延稅項資產及負債已於綜合財務狀況表中抵銷。本集團就財務報告而言的遞延稅項餘額分析如下：

根據中國企業所得稅法，倘於中國大陸成立的外資企業向海外投資者宣派股息，須繳納10%（或倘中國內地與外國投資者所屬司法權區的稅務條約規定較低稅率）預扣稅。此規定於二零零八年一月一日生效，並適用於二零零七年十二月三十一日後賺取的盈利。因此，本集團須就中國大陸成立之該等附屬公司就二零零八年一月一日起產生之盈利分派的股息繳納預扣稅。

自二零一一年起，本集團概無就須繳付預扣稅之該等附屬公司之未匯出盈利之應付繳納預扣稅確認遞延稅項，因為管理層認為該等附屬公司不大可能在可見將來分派任何盈利。

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21. INVENTORIES

		2020 二零二零年 RMB'000 人民幣千元	2019 二零一九年 RMB'000 人民幣千元
Raw materials	原材料	127,688	76,788
Work in progress	在製品	88,253	36,968
Finished goods	製成品	201,986	107,732
		417,927	221,488
Less: Provision against slow-moving and obsolete inventories	減：滯銷及陳舊存貨撥備	(2,218)	(2,386)
		415,709	219,102

21. 存貨

22. TRADE AND BILLS RECEIVABLES

		2020 二零二零年 RMB'000 人民幣千元	2019 二零一九年 RMB'000 人民幣千元
Trade receivables	貿易應收賬款	506,570	422,936
Impairment	減值	(6,333)	(19,434)
		500,237	403,502
Trade receivables, net	貿易應收賬款淨額	500,237	403,502
Bills receivable	應收票據	11,301	273
		511,538	403,775

22. 貿易應收賬款及應收票據

The Group's trading terms with its customers are mainly on credit, except for new customers, where payment in advance is normally required. The credit period is generally 30 days to 90 days. Each customer has a maximum credit limit. The Group seeks to maintain strict control over its outstanding receivables to minimise credit risk. Overdue balances are reviewed regularly by senior management. In view of the aforementioned and the fact that the Group's trade receivables relate to a large number of diversified customers, there is no significant concentration of credit risk. The Group does not hold any collateral or other credit enhancements over its trade receivable balances. Trade receivables are non-interest-bearing.

本集團與其客戶的貿易條款主要為信貸，惟新客戶一般需要預付貨款除外。信貸期一般為期30日至90日。每名客戶有最高信貸限額。本集團擬繼續嚴格監控其未收回應收款額，務求將信貸風險減至最低。逾期結餘由高級管理人員定期審閱。基於上述情況及本集團之貿易應收賬款與大量分散客戶有關，故並無重大信貸集中風險。本集團在其貿易應收賬款結餘方面並無持有任何抵押品或其他提升信用的保障。貿易應收賬款為不計息。

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財務報表附註

31 December 2020 二零二零年十二月三十一日

22. TRADE AND BILLS RECEIVABLES (Continued)

An ageing analysis of the trade receivables as at the end of the reporting period, based on the invoice date and net of loss allowance, is as follows:

		2020 二零二零年 RMB'000 人民幣千元	2019 二零一九年 RMB'000 人民幣千元
Within 60 days	60日內	343,253	242,323
61 to 90 days	61日至90日	11,429	5,680
91 to 180 days	91日至180日	19,290	27,057
181 to 365 days	181日至365日	28,418	11,052
1 to 2 years	1至2年	10,642	30,563
2 to 3 years	2至3年	14,333	24,450
Over 3 years	超過3年	72,872	62,377
		500,237	403,502

The movements in the loss allowance for impairment of trade receivables are as follows:

		2020 二零二零年 RMB'000 人民幣千元	2019 二零一九年 RMB'000 人民幣千元
At 1 January	於一月一日	19,434	16,883
Impairment losses recognised (note 6)	已確認減值虧損(附註6)	-	3,845
Transferred to assets classified as held for sale	轉撥至分類為持作出售的資產	(217)	-
Reversal of impairment (note 5)	減值撥回(附註5)	(12,884)	-
Impairment losses write-off	撇銷減值虧損	-	(1,294)
At 31 December	於十二月三十一日	6,333	19,434

An impairment analysis is performed at each reporting date using a provision matrix to measure expected credit losses. The provision rates are based on days past due for groupings of various customer segments with similar loss patterns (i.e., by geographical region, product type, customer type and rating, and coverage by letters of credit or other forms of credit insurance). The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions.

22. 貿易應收賬款及應收票據(續)

於報告期末，按發票日期為基準及已扣除虧損撥備的貿易應收賬款賬齡分析如下：

貿易應收賬款減值虧損撥備變動如下：

於各報告日期採用撥備矩陣進行減值分析，以計量預期信貸虧損。撥備率乃基於具有類似虧損模式的多個客戶分部組別的逾期日數釐定（即地理區域、產品類別、客戶類別及評級、信用證或其他信貸保險形式的保障範圍）。該計算反映或然率加權結果、貨幣時值及於報告日期可得的有關過往事項、當前條件及未來經濟條件預測的合理及可靠資料。

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22. TRADE AND BILLS RECEIVABLES (Continued)

Set out below is the information about the credit risk exposure on the Group's trade receivables using a provision matrix:

As at 31 December 2020

	Past due 逾期				Total 總計
	Less than 1 year 少於一年	1 to 2 years 一至兩年	2 to 3 years 兩至三年	Over 3 years 超過三年	
	Expected credit loss rate 預期信貸虧損率	0.3%	1.1%	1.9%	
Gross carrying amount (RMB'000) 總賬面值(人民幣千元)	403,425	7,095	18,301	77,749*	506,570
Expected credit losses (RMB'000) 預期信貸虧損(人民幣千元)	1,035	75	346	4,877	6,333

As at 31 December 2019

	Past due 逾期				Total 總計
	Less than 1 year 少於一年	1 to 2 years 一至兩年	2 to 3 years 兩至三年	Over 3 years 超過三年	
	Expected credit loss rate 預期信貸虧損率	0.5%	2.2%	4.3%	
Gross carrying amount (RMB'000) 總賬面值(人民幣千元)	287,688	31,249	25,547	78,452*	422,936
Expected credit losses (RMB'000) 預期信貸虧損(人民幣千元)	1,577	686	1,097	16,074	19,434

* Included in the balance was a trade receivable of RMB54,240,000 due from a debtor with whom the Group was in commercial dispute over certain other transactions, and thus the settlement was delayed. The directors of the Company performed a specific assessment by considering the aforementioned fact and circumstance and the credit rating of the debtor and concluded that the credit risk on this trade receivable was insignificant though its aging was over 3 years as at 31 December 2020 (2019: over 3 years). Therefore, no expected credit loss was provided for this trade receivable.

22. 貿易應收賬款及應收票據(續)

以下載列有關本集團採用撥備矩陣計量的貿易應收賬款的信貸風險資料：

於二零二零年十二月三十一日

	Past due 逾期				Total 總計
	Less than 1 year 少於一年	1 to 2 years 一至兩年	2 to 3 years 兩至三年	Over 3 years 超過三年	
	Expected credit loss rate 預期信貸虧損率	0.3%	1.1%	1.9%	
Gross carrying amount (RMB'000) 總賬面值(人民幣千元)	403,425	7,095	18,301	77,749*	506,570
Expected credit losses (RMB'000) 預期信貸虧損(人民幣千元)	1,035	75	346	4,877	6,333

於二零一九年十二月三十一日

	Past due 逾期				Total 總計
	Less than 1 year 少於一年	1 to 2 years 一至兩年	2 to 3 years 兩至三年	Over 3 years 超過三年	
	Expected credit loss rate 預期信貸虧損率	0.5%	2.2%	4.3%	
Gross carrying amount (RMB'000) 總賬面值(人民幣千元)	287,688	31,249	25,547	78,452*	422,936
Expected credit losses (RMB'000) 預期信貸虧損(人民幣千元)	1,577	686	1,097	16,074	19,434

* 餘額中包括應收債務人人民幣54,240,000元的貿易應收賬款，該債務人與本集團就某些其他交易存在商業糾紛，因此延遲了結算。本公司董事考慮到上述事實和情況以及債務人的信用等級進行了專門的評估，雖然該貿易應收賬款於二零二零年十二月三十一日的賬齡超過3年(二零一九年：超過3年)，得出結論為該貿易應收賬款的信貸風險屬不重大。因此，該貿易應收賬款未計提預期信貸虧損。

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22. TRADE AND BILLS RECEIVABLES (Continued)

At 31 December 2020, the Group endorsed certain bills receivable accepted by banks in Mainland China (the “Derecognised Bills”) to certain of its suppliers in order to settle the trade payables due to such suppliers with a carrying amount in aggregate of RMB12,092,000. The Derecognised Bills had a maturity of three to twelve months at the end of the reporting period. In accordance with the Law of Negotiable Instruments in the PRC, the holders of the Derecognised Bills have a right of recourse against the Group if the PRC banks default (the “Continuing Involvement”). In the opinion of the directors, the Group has transferred substantially all risks and rewards relating to the Derecognised Bills. Accordingly, it has derecognised the full carrying amounts of the Derecognised Bills and the associated trade payables. The maximum exposure to loss from the Group’s Continuing Involvement in the Derecognised Bills and the undiscounted cash flows to repurchase these Derecognised Bills is equal to their carrying amounts. In the opinion of the directors, the fair values of the Group’s Continuing Involvement in the Derecognised Bills are not significant.

During the year ended 31 December 2020, the Group has not recognised any gain or loss on the date of transfer of the Derecognised Bills. No gains or losses were recognised from the Continuing Involvement, both during the year and cumulatively. The endorsement has been made evenly throughout the year.

As part of its normal business, the Group transferred certain bills receivable to banks in Mainland China (the “Discounted Bills”) in order to obtain sufficient cash for operation. The Group is not exposed to default risks of the trade debtors after the transfer. Subsequent to the transfer, the Group did not retain any rights on the use of Discounted Bills, including the sale, transfer or pledge of Discounted Bills to any other third parties. The original carrying value of Discounted Bills that have not been settled as at 31 December 2020 was RMB12,282,000 (2019: RMB14,939,000).

22. 貿易應收賬款及應收票據 (續)

於二零二零年十二月三十一日，本集團背書若干中國內地銀行接受的應收票據（「終止確認票據」）予其若干供應商，以結清應該等供應商的賬面值合共人民幣12,092,000元的貿易應付款項。於報告期末，終止確認票據的到期日為三至十二個月。根據中國的流通票據法，如果中國的銀行違約，則終止確認票據的持有人有權對本集團提出追索權（「持續參與」）。董事認為，本集團已轉移與終止確認票據有關之絕大部分風險及回報。因此，其已終止確認終止確認票據的全部賬面值和相關貿易應付賬款。本集團持續參與終止確認票據所產生的最大虧損風險以及購回這些終止確認票據的未折現現金流量等於其賬面值。董事認為，本集團持續參與終止確認票據的公平值並不重大。

截至二零二零年十二月三十一日止年度，本集團於轉讓終止確認票據之日未確認任何損益。在本年度及累計期間，沒有從持續參與中確認任何損益。全年均進行背書。

作為正常業務的一部分，本集團將某些應收票據轉移到中國大陸的銀行（「貼現票據」），以獲取足夠的經營現金。轉讓後，本集團不會承受貿易應收款項的違約風險。轉讓後，本集團並無保留使用貼現票據的任何權利，包括出售、轉讓或抵押貼現票據予任何其他第三方。於二零二零年十二月三十一日尚未結清的貼現票據的賬面原值為人民幣12,282,000元（二零一九年：人民幣14,939,000元）。

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23. PREPAYMENTS, OTHER RECEIVABLES AND OTHER ASSETS

		2020 二零二零年 RMB'000 人民幣千元	2019 二零一九年 RMB'000 人民幣千元
Prepayments	預付款項	338,613	282,748
Deposits and other receivables	按金及其他應收款項	759,801	643,270
Tax recoverable	可收回稅項	68,602	126,620
		1,167,016	1,052,638
Impairment allowance	減值撥備	(163,686)	(136,468)
		1,003,330	916,170

The movements in the provision for impairment of deposits and other receivables are as follows:

按金及其他應收款項減值撥備變動如下：

		2020 二零二零年 RMB'000 人民幣千元	2019 二零一九年 RMB'000 人民幣千元
At 1 January	於一月一日	136,468	98,853
Impairment losses recognised (note 6)	已確認減值虧損(附註6)	27,222	37,615
Transferred to assets classified as held for sale	轉撥至分類為持作出售的資產	(4)	-
At 31 December	於十二月三十一日	163,686	136,468

Deposits and other receivables mainly represent rental deposits and deposits with suppliers. An impairment analysis is performed at each reporting date by considering the probability of default. Expected credit losses are estimated by applying a loss rate approach with reference to the historical loss record of the Group. The loss rate is adjusted to reflect the current conditions and forecasts of future economic conditions, as appropriate. Except for certain receivables for which the Group has made 100% provision because the counterparty was default in payment ("default receivables"), the balances were settled within the credit term with no historical default. The financial assets included in the above balance were categorised in stage 1 as at 31 December 2020. Except for the default receivables, the Group estimated that the expected credit loss rate for the other receivables is minimal.

按金及其他應收款項主要指租金按金及與供應商的按金。減值分析於各報告日期經考慮違約的可能性後作出。預期信貸虧損採用參考本集團的過往虧損記錄的虧損率方法估計。虧損率乃經調整以反映現況及對未來經濟狀況的預測(如適用)。除對手方拖欠付款導致本集團已作出100%撥備的若干應收款項(「拖欠應收款項」)外，結餘均於信貸期內繳清且並無任何過往違約情況。計入上述結餘的金融資產於二零二零年十二月三十一日分類至第一階段。除拖欠應收款項外，本集團估計其他應收款項的預期信貸虧損率極小。

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24. CASH AND CASH EQUIVALENTS AND PLEDGED AND RESTRICTED BANK BALANCES

24. 現金及現金等價物以及已抵押及受限制銀行結餘

		Notes 附註	2020 二零二零年 RMB'000 人民幣千元	2019 二零一九年 RMB'000 人民幣千元
Cash and bank balances	現金及銀行結餘		19,466	58,585
Pledged and restricted bank balances	已抵押及受限制銀行結餘		22,712	164,826
			42,178	223,411
Less:	減：			
Pledged and restricted bank balances – current	已抵押及受限制銀行結餘—即期			
– Pledged for bank acceptance notes	—就銀行承兌票據已抵押		(2,642)	(20,443)
– Pledged for letters of guarantee	—就擔保函已抵押		(3)	(95,632)
– Pledged for long-term bank loans	—就長期銀行貸款已抵押	26(c)	(2)	(2)
– Restricted cash	—受限制現金	(a)	(20,065)	(48,749)
			(22,712)	(164,826)
Cash and cash equivalents	現金及現金等價物	(b)	19,466	58,585

Notes:

- (a) Pursuant to the relevant regulations in the PRC, certain property development companies of the Group are required to place at designated bank accounts certain amounts of pre-sales proceeds of properties as guarantee deposits for the construction of the related properties. The deposits can only be used for purchases of construction materials and payments of construction fees for the relevant property projects. As at 31 December 2020, such guarantee deposits amounted to RMB20,065,000 (2019: RMB48,749,000).

附註：

- (a) 根據中國相關規例，本集團若干物業發展公司須於指定銀行賬戶存入若干金額的預售物業所得款項作為建設相關物業的保證金。該存款僅可用於就有關物業項目購置建設材料及支付建設費用。於二零二零年十二月三十一日，該保證金為人民幣20,065,000元（二零一九年：人民幣48,749,000元）。

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24. CASH AND CASH EQUIVALENTS AND PLEDGED AND RESTRICTED BANK BALANCES (Continued)

Notes: (Continued)

- (b) As at 31 December 2020, the Group's cash and cash equivalents denominated in US\$ amounted to RMB6,050,000 (2019: RMB633,000). The RMB is not freely convertible into other currencies, however, under Mainland China's Foreign Exchange Control Regulations and Administration of Settlement, Sale and Payment of Foreign Exchange Regulations, the Group is permitted to exchange RMB for other currencies through banks authorised to conduct foreign exchange business.

Cash at banks earns interest at floating rates based on daily bank deposit rates. The bank balances and pledged deposits are deposited with creditworthy banks with no recent history of default.

25. TRADE AND BILLS PAYABLES

An ageing analysis of the trade and bills payables as at the end of the reporting period, based on the invoice date, is as follows:

		2020 二零二零年 RMB'000 人民幣千元	2019 二零一九年 RMB'000 人民幣千元
Trade payables	貿易應付賬款		
Within 90 days	90日內	423,131	135,417
91 to 180 days	91日至180日	33,100	89,557
181 to 365 days	181日至365日	19,192	32,017
1 to 2 years	1年至2年	56,746	51,977
2 to 3 years	2年至3年	29,517	19,876
Over 3 years	3年以上	47,882	45,188
		609,568	374,032
Bills payable	應付票據	4,943	5,903
		614,511	379,935

The trade payables are non-interest-bearing and are normally settled within a year. All the bills payable have maturity dates within 365 days.

24. 現金及現金等價物以及已抵押及受限制銀行結餘(續)

附註：(續)

- (b) 於二零二零年十二月三十一日，本集團以美元計值的現金及現金等價物為人民幣6,050,000元（二零一九年：人民幣633,000元）。人民幣不可自由兌換為其他貨幣，但根據中國內地的外匯管制條例及結匯、售匯及付匯管理規定，本集團可透過獲授權進行外匯業務的銀行將人民幣兌換為其他貨幣。

銀行現金按銀行存款利率為基準的浮動利率賺取利息。銀行結餘及已抵押存款乃存置於信譽卓著且近期並無拖欠記錄的銀行。

25. 貿易應付賬款及應付票據

於報告期末，根據發票日期計算的貿易應付賬款及應付票據賬齡分析如下：

貿易應付賬款為不計息，且一般須於一年內支付。所有應付票據均於365日內到期。

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26. INTEREST-BEARING BANK AND OTHER BORROWINGS

26. 計息銀行及其他借貸

		2020 二零二零年			2019 二零一九年		
		Effective interest rate (%) 實際利率(%)	Maturity 到期日	RMB'000 人民幣千元	Effective interest rate (%) 實際利率(%)	Maturity 到期日	RMB'000 人民幣千元
Current	流動						
Lease liabilities	租賃負債	9.51	2021 二零二一年	2,011	9.51	2020 二零二零年	2,444
Bank loans	銀行貸款						
– secured	– 有抵押	4.79-6.09	2021 二零二一年	402,900	5.00-6.31	2020 二零二零年	502,400
– unsecured	– 無抵押	5.44	2021 二零二一年	59,000	6.09-6.13	2020 二零二零年	59,000
Other borrowings	其他借貸						
– secured	– 有抵押	5.60-16.88	2021 二零二一年	238,272	N/A 不適用	N/A 不適用	–
– unsecured	– 無抵押	6.60-24.00	2021 二零二一年	398,270	5.60-24.00	2020 二零二零年	421,645
Government loans	政府貸款						
– secured	– 有抵押	4.90	2021 二零二一年	88,000	4.90	2020 二零二零年	88,000
Current portion of long term loans	長期貸款流動部分						
– secured	– 有抵押	4.90-16.88	2021 二零二一年	989,883	4.39-5.88	2020 二零二零年	43,400
Subtotal	小計			2,178,336			1,116,889
Non-current	非流動						
Lease liabilities	租賃負債	9.51	2022 二零二二年	354	9.51	2021-2036 二零二一年- 二零三六年	5,487
Bank loans	銀行貸款						
– secured	– 有抵押	4.90-15.39	2022-2028 二零二二年- 二零二八年	1,240,755	4.90-5.88	2021-2028 二零二一年- 二零二八年	1,430,005
Government loans	政府貸款						
– secured	– 有抵押	4.90	2022-2023 二零二二年- 二零二三年	132,000	4.90	2021-2023 二零二一年- 二零二三年	220,000
Other borrowings	其他借貸						
– secured	– 有抵押	N/A 不適用	N/A 不適用	–	10.00-11.25	2021 二零二一年	2,098,483
Subtotal	小計			1,373,109			3,753,975
				3,551,445			4,870,864

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26. INTEREST-BEARING BANK AND OTHER BORROWINGS (Continued)

26. 計息銀行及其他借貸(續)

		2020 二零二零年 RMB'000 人民幣千元	2019 二零一九年 RMB'000 人民幣千元
Analysed into:	按以下分析為：		
Bank loans repayable:	須於以下期限償還的銀行貸款：		
Within one year	一年內	613,300	604,800
In the second year	第二年	199,850	149,400
In the third to fifth years, inclusive	第三年至第五年(包括首尾兩年)	918,905	1,154,605
Beyond five years	超過五年	122,000	126,000
		1,854,055	2,034,805
Government loans repayable*:	須於以下期限償還的政府貸款*：		
Within one year	一年內	88,000	88,000
In the second year	第二年	88,000	88,000
In the third to fifth years, inclusive	第三年至第五年(包括首尾兩年)	44,000	132,000
		220,000	308,000
Other borrowings repayable:	須於以下期限償還的其他借貸：		
Within one year**	一年內**	1,475,025	421,645
In the second year**	第二年**	-	2,098,483
In the third to fifth years, inclusive	第三年至第五年(包括首尾兩年)	-	-
		1,475,025	2,520,128
Lease liabilities repayable:	須於以下期限償還的租賃負債：		
Within one year	一年內	2,011	2,444
In the second year	第二年	354	2,255
In the third to fifth years, inclusive	第三年至第五年(包括首尾兩年)	-	1,563
Beyond five years	超過五年	-	1,669
		2,365	7,931
		3,551,445	4,870,864

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26. INTEREST-BEARING BANK AND OTHER BORROWINGS (Continued)

Certain of the Group's bank and other borrowings are secured by:

- (a) the pledge of certain property, plant and equipment of the Group with a net carrying amount of approximately RMB1,197,950,000 (2019: RMB1,201,053,000) as at the end of the reporting period;
- (b) the pledge of certain leasehold land of the Group with a net carrying amount of approximately RMB816,224,000 (2019: RMB792,454,000) as at the end of the reporting period;
- (c) the pledge of certain of the Group's deposits amounting to RMB2,000 (2019: RMB2,000) as at the end of the reporting period;
- (d) the pledge of certain of the Group's properties under development amounting to RMB1,264,749,000 (2019: RMB1,267,321,000) as at the end of the reporting period;
- (e) the pledge of certain of the Group's completed properties held for sale amounting RMB102,638,000 (2019: RMB109,434,000) as at the end of the reporting period;
- (f) the pledge of certain of the Group's trade receivables amounting to RMB2,551,000 (2019: Nil) as at the end of the reporting period; and
- (g) the pledge of certain of the Group's prepayments, other receivables and other assets amounting to RMB115,655,000 (2019: Nil) as at the end of the reporting period.

Except for the other borrowings of RMB101,788,000 and RMB4,413,000 (2019: RMB108,829,000 and nil) as at 31 December 2020, which are denominated in US\$ and HK\$, respectively, the borrowings are in RMB.

26. 計息銀行及其他借貸(續)

本集團若干銀行及其他借貸由下列各項作為抵押：

- (a) 抵押本集團於報告期末賬面淨值約為人民幣1,197,950,000元(二零一九年：人民幣1,201,053,000元)的若干物業、廠房及設備；
- (b) 抵押本集團於報告期末賬面淨值約為人民幣816,224,000元(二零一九年：人民幣792,454,000元)的若干租賃土地；
- (c) 抵押本集團於報告期末金額為人民幣2,000元(二零一九年：人民幣2,000元)的若干存款；
- (d) 抵押本集團於報告期末金額為人民幣1,264,749,000元(二零一九年：人民幣1,267,321,000元)的若干發展中物業；
- (e) 抵押本集團於報告期末金額為人民幣102,638,000元(二零一九年：人民幣109,434,000元)的若干落成待售物業；
- (f) 抵押本集團於報告期末金額為人民幣2,551,000元(二零一九年：無)的若干貿易應收賬款；及
- (g) 抵押本集團於報告期末金額為人民幣115,655,000元(二零一九年：無)的預付款項、其他應收款項及其他資產。

於二零二零年十二月三十一日，除其他借貸人民幣101,788,000元及人民幣4,413,000元(二零一九年：人民幣108,829,000元及零)以美元及港元列值外，全部借貸均以人民幣列值。

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26. INTEREST-BEARING BANK AND OTHER BORROWINGS (Continued)

The Group had the following undrawn banking facilities:

		2020 二零二零年 RMB'000 人民幣千元	2019 二零一九年 RMB'000 人民幣千元
Floating rate	浮動利率		
– expiring within one year***	– 一年內到期***	14,600	290,331

* Certain of the government loans are secured by the pledge of certain property, plant and equipment with a net carrying amount of approximately RMB659,609,000, and the pledge of certain leasehold land with a net carrying amount of approximately RMB368,271,000.

** Among which, the Group had an aggregate loan of RMB954,138,000 borrowed from Yuecai Trust and its related companies as at 31 December 2020.

*** Pursuant to the relevant contract, certain of the Group's undrawn banking facilities of RMB299,200,000 (2019: RMB172,595,000) can only be used for property development projects and are repayable based on the pre-sale progress of such properties.

27. CONTRACT LIABILITIES

Details of contract liabilities are as follows:

		31 December 2020 二零二零年 十二月 三十一日 RMB'000 人民幣千元	31 December 2019 二零一九年 十二月 三十一日 RMB'000 人民幣千元
Short-term advances received from customers	已收客戶的短期預付款		
Sale of steel pipes	銷售鋼管	205,784	165,467
Rendering of manufacturing services	提供製造服務	19,766	28,112
Sale of properties	銷售物業	1,061,436	965,491
Total contract liabilities	合約負債總額	1,286,986	1,159,070

26. 計息銀行及其他借貸(續)

本集團有下列尚未提取銀行信貸：

		2020 二零二零年 RMB'000 人民幣千元	2019 二零一九年 RMB'000 人民幣千元
Floating rate	浮動利率		
– expiring within one year***	– 一年內到期***	14,600	290,331

* 若干政府貸款以若干賬面淨值約人民幣659,609,000元的物業、廠房及設備作抵押，及若干賬面淨值約人民幣368,271,000元的租賃土地作抵押。

** 其中，本集團於二零二零年十二月三十一日有向粵財信托及其關聯公司借入的貸款總額人民幣954,138,000元。

*** 根據有關合約，本集團金額為人民幣299,200,000元（二零一九年：人民幣172,595,000元）之若干未提取銀行信貸僅可用於物業發展項目，並按有關物業之預售進度償還。

27. 合約負債

合約負債詳情如下：

		31 December 2020 二零二零年 十二月 三十一日 RMB'000 人民幣千元	31 December 2019 二零一九年 十二月 三十一日 RMB'000 人民幣千元
Short-term advances received from customers	已收客戶的短期預付款		
Sale of steel pipes	銷售鋼管	205,784	165,467
Rendering of manufacturing services	提供製造服務	19,766	28,112
Sale of properties	銷售物業	1,061,436	965,491
Total contract liabilities	合約負債總額	1,286,986	1,159,070

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27. CONTRACT LIABILITIES (Continued)

Contract liabilities include sales proceeds received from buyers in connection with the Group's pre-sale of steel pipes and properties. The increase in contract liabilities in 2020 was mainly due to the increase in the Group's pre-sale of properties.

Changes in contract liabilities during the year are as follows:

		2020 二零二零年 RMB'000 人民幣千元	2019 二零一九年 RMB'000 人民幣千元
At beginning of the year	於年初	1,159,070	896,765
Revenue recognised that was included in the contract liabilities at the beginning of the year	計入年初合約負債之已確認收入	(103,241)	(251,057)
Increases due to cash received, excluding amounts recognised as revenue during the year	已收現金導致的增加(不包括年內已確認為收入之金額)	231,157	513,362
At end of the year	於年末	1,286,986	1,159,070

27. 合約負債(續)

合約負債包括就本集團之預售鋼管及物業已收買方的銷售所得款項。於二零二零年，合約負債增加乃主要由於本集團之預售物業增加。

年內合約負債之變動如下：

28. OTHER PAYABLES AND ACCRUALS

		2020 二零二零年 RMB'000 人民幣千元	2019 二零一九年 RMB'000 人民幣千元
Deposits received	已收按金	23,319	37,336
Other payables	其他應付款項	380,022	327,270
Payroll payables	應付薪酬	24,567	20,986
Accruals and other liabilities	應計費用及其他負債	326,069	208,626
Other tax payables	其他應付稅項	28,689	34,629
		782,666	628,847

28. 其他應付款項及應計費用

(a) Other payables are non-interest-bearing and have an average term of two to three months.

(a) 其他應付款項為不計息及平均期限為兩至三個月。

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29. PROVISION

29. 撥備

		Legal proceedings 法律訴訟 RMB'000 人民幣千元
At 1 January 2020	於二零二零年一月一日	–
Provision for the year	本年度撥備	54,579
Utilised during the year	年內已動用	–
<hr/>		
At 31 December 2020	於二零二零年十二月三十一日	54,579

Certain subsidiaries of the Group are currently defendants in lawsuits brought by third parties alleging that the subsidiaries breached and repudiated certain purchase and construction contracts. The claims are subject to the legal arbitration and are expected to be finalised in late 2021. As at 31 December 2020, a provision of RMB54,579,000 (including related interest) was recognised in profit or loss based on directors' estimation of the expected probable outcome.

本集團若干附屬公司目前為第三方提出的訴訟之被告，該第三方聲稱該等附屬公司違反及不履行若干購買及建造合約。該申索須待司法仲裁後方可決定及預期將於二零二一年底審定。於二零二零年十二月三十一日，根據董事估計的預期可能結果，已於損益確認人民幣54,579,000元（包括相關利息）之撥備。

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30. FIXED RATE BONDS AND NOTES

30. 定息債券及票據

		2020 二零二零年				2019 二零一九年			
		Principal at original currency 'million 原貨幣本金 百萬	Contractual interest rate (%) per annum 合約年利率 (%)	Maturity 到期日	RMB'000 人民幣千元	Principal at original currency 'million 原貨幣本金 百萬	Contractual interest rate (%) per annum 合約年利率 (%)	Maturity 到期日	RMB'000 人民幣千元
Current	流動								
2017 Notes	二零一七年票據	N/A 不適用	N/A 不適用	N/A 不適用	-	HK\$155 155港元	8.0	2020 二零二零年	135,593
2017 Bonds A	二零一七年債券A	US\$1.8 1.8美元	7.0	2021 二零二一年	11,545	US\$3 3美元	7.0	2020 二零二零年	20,360
2017 Bonds B	二零一七年債券B	HK\$10 10港元	7.0	2021 二零二一年	7,889	N/A 不適用	N/A 不適用	N/A 不適用	-
2017 Bonds C	二零一七年債券C	HK\$10 10港元	6.0	2021 二零二一年	7,736	HK\$10 10港元	6.0	2020 二零二零年	8,293
2019 Bonds A	二零一九年債券A	HK\$3 3港元	5.0	2021 二零二一年	2,525	HK\$3 3港元	5.0	2020 二零二零年	2,687
2019 Bonds B	二零一九年債券B	N/A 不適用	N/A 不適用	N/A 不適用	-	USD\$0.5 0.5美元	6.0	2020 二零二零年	3,471
2020 Bonds A	二零二零年債券A	HK\$2 2港元	5.5	2021 二零二一年	1,683	N/A 不適用	N/A 不適用	N/A 不適用	-
2020 Bonds B	二零二零年債券B	HK\$2 2港元	6.0	2021 二零二一年	1,683	N/A 不適用	N/A 不適用	N/A 不適用	-
2020 Bonds C	二零二零年債券C	HK\$1 1港元	6.0	2021 二零二一年	842	N/A 不適用	N/A 不適用	N/A 不適用	-
					33,903				170,404
Non-current	非流動								
2017 Bonds B	二零一七年債券B	N/A 不適用	N/A 不適用	N/A 不適用	-	HK\$10 10港元	7.0	2021 二零二一年	7,631
2020 Notes	二零二零年票據	HK\$140 140港元	12.0	2022 二零二二年	114,608	N/A 不適用	N/A 不適用	N/A 不適用	-
					114,608				7,631
					148,511				178,035

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30. FIXED RATE BONDS AND NOTES (Continued) HK\$155,000,000 8% Notes due in 2020 (2017 Notes)

On 27 April 2017, the Group issued 8% notes due on 27 April 2020 with a principal amount of HK\$155,000,000 to an investment fund (the “2017 Notes”). Pursuant to the note purchase agreement, specific performance obligations are imposed on the controlling shareholder of the Group. Any breach of the specific performance obligations may constitute a breach under the note purchase agreement, pursuant to which the investment fund is entitled to redeem the 2017 Notes immediately in accordance with the terms and conditions. As at 31 December 2020, the Group had fully redeemed the 2017 Notes.

US\$3,000,000 7% bonds due in 2021 (2017 Bonds A)

On 28 April 2017, the Group issued bonds with a principal amount of US\$3,000,000 to an individual investor (the “2017 Bonds A”). The bonds should be repayable in full by 28 April 2020 but the expiry date could be extended to 30 April 2021. The bonds bear interest at a fixed coupon interest rate of 7% per annum for three years payable semi-annually, commencing on 28 October 2017. The bonds are unsecured. As at 31 December 2020, The Company had partially redeemed the 2017 Bonds A with a principal amount of US\$1,200,000.

HK\$10,000,000 7% bonds due in 2021 (2017 Bonds B)

On 24 August 2017, the Group issued bonds with a principal amount of HK\$10,000,000 to an individual investor (the “2017 Bonds B”). The bonds should be repayable in full by 24 August 2021. The bonds bear interest at a fixed coupon interest rate of 7% per annum for four years payable semi-annually, commencing on 24 February 2018. The bonds are unsecured.

30. 定息債券及票據 (續)

155,000,000港元於二零二零年到期之年利率8%票據 (二零一七年票據)

於二零一七年四月二十七日，本集團向投資基金發行本金額為155,000,000港元於二零二零年四月二十七日到期之年利率8%票據（「二零一七年票據」）。根據票據購買協議，本集團控股股東負有特定履約義務。任何違反特定履約責任可能構成票據購買協議下的違約行為，而根據有關條款及條件，投資基金有權因此立即贖回二零一七年票據。於二零二零年十二月三十一日，本集團已悉數贖回二零一七年票據。

3,000,000美元於二零二一年到期之年利率7%債券 (二零一七年債券A)

於二零一七年四月二十八日，本集團向一名個人投資者發行本金額為3,000,000美元之債券（「二零一七年債券A」）。債券須於二零二零年四月二十八日前悉數償付但到期日可延遲至二零二一年四月三十日。債券按固定年票息率7%計息，自二零一七年十月二十八日起為期三年且須每半年支付。債券為無抵押。於二零二零年十二月三十一日，本公司已部分贖回二零一七年債券A，本金額為1,200,000美元。

10,000,000港元於二零二一年到期之年利率7%債券 (二零一七年債券B)

於二零一七年八月二十四日，本集團向一名個人投資者發行本金額為10,000,000港元之債券（「二零一七年債券B」）。債券須於二零二一年八月二十四日前悉數償付。債券按固定年票息率7%計息，自二零一八年二月二十四日起為期四年且須每半年支付。債券為無抵押。

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30. FIXED RATE BONDS AND NOTES (Continued)

HK\$10,000,000 6% bonds due in 2021 (2017 Bonds C)

On 26 September 2017, the Group issued bonds with a principal amount of HK\$10,000,000 to an individual investor (the “2017 Bonds C”). The bonds should be repayable in full by 26 September 2020 but the expiry date has been extended to 28 September 2021. The bonds bear interest at a fixed coupon interest rate of 6% per annum for three years payable semi-annually, commencing on 26 March 2018. The bonds are unsecured.

HK\$3,000,000 5% bonds due in 2021 (2019 Bonds A)

On 30 August 2019, the Group issued bonds with a principal amount of HK\$3,000,000 to an individual investor (the “2019 Bonds A”). The bonds should be repayable in full by 28 February 2020 but the expiry date has been extended to 6 July 2021. The bonds bear interest at a fixed coupon interest rate of 5% per annum for half year payable semi-annually. From 6 January 2021, the interest rate of the 2019 Bonds A increased from 5% per annum to 6% per annum. The bonds are unsecured.

US\$500,000 6% bonds due in 2020 (2019 Bonds B)

On 28 October 2019, the Group issued bonds with a principal amount of US\$500,000 to an individual investor (the “2019 Bonds B”). The bonds bear interest at a fixed coupon interest rate of 6% per annum for half year payable semi-annually. The bonds are unsecured. As at 31 December 2020, the Company had fully redeemed the 2019 Bonds B.

30. 定息債券及票據 (續)

10,000,000港元於二零二一年到期之年利率6%債券 (二零一七年債券C)

於二零一七年九月二十六日，本集團向一名個人投資者發行本金額為10,000,000港元之債券（「二零一七年債券C」）。債券須於二零二零年九月二十六日前悉數償付但到期日已延遲至二零二一年九月二十八日。債券按固定年票息率6%計息，自二零一八年三月二十六日起為期三年且須每半年支付。債券為無抵押。

3,000,000港元於二零二一年到期之年利率5%債券 (二零一九年債券A)

於二零一九年八月三十日，本集團向一名個人投資者發行本金額為3,000,000港元之債券（「二零一九年債券A」）。債券須於二零二零年二月二十八日前悉數償付但到期日已延遲至二零二一年七月六日。債券按固定年票息率5%計息，為期半年且須每半年支付。自二零二一年一月六日起，二零一九年債券A的利率由每年5%上升至每年6%。債券為無抵押。

500,000美元於二零二零年到期之年利率6%債券 (二零一九年債券B)

於二零一九年十月二十八日，本集團向一名個人投資者發行本金額為500,000美元之債券（「二零一九年債券B」）。債券按固定年票息率6%計息，為期半年且須每半年支付。債券為無抵押。於二零二零年十二月三十一日，本公司已悉數贖回二零一九年債券B。

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31 December 2020 二零二零年十二月三十一日

30. FIXED RATE BONDS AND NOTES (Continued)

HK\$2,000,000 5.5% Bonds due in 2021 (2020 Bonds A)

On 6 July 2020, the Group issued bonds with a principal amount of HK\$2,000,000 to an individual investor (the “2020 Bonds A”). The bonds should be repayable in full by 7 January 2021 but the expiry date could be extended to 7 January 2022. The bonds bear interest at a fixed coupon interest rate of 5.5% per annum for half year payable semi-annually. From 7 January 2021, the interest rate of the 2020 Bonds A increased from 5.5% per annum to 6% per annum. The bonds are unsecured.

HK\$2,000,000 6% Bonds due in 2021 (2020 Bonds B)

On 28 September 2020, the Group issued bonds with a principal amount of HK\$2,000,000 to an individual investor (the “2020 Bonds B”). The bonds should be repayable in full by 30 April 2021. The bonds bear interest at a fixed coupon interest rate of 6% per annum for half year payable semi-annually. The bonds are unsecured.

HK\$1,000,000 6% Bonds due in 2021 (2020 Bonds C)

On 14 December 2020, the Group issued bonds with a principal amount of HK\$1,000,000 to an individual investor (the “2020 Bonds C”). The bonds should be repayable in full by 15 December 2021. The bonds bear interest at a fixed coupon interest rate of 6% per annum for half year payable semi-annually. The bonds are unsecured.

HK\$140,000,000 12% notes due in 2022 (2020 Notes)

On 27 April 2020, the Group issued 12% notes due on 27 April 2022 with a principal amount of HK\$140,000,000 to an investment fund (the “2020 Notes”). Pursuant to the purchase agreement, specific performance obligations are imposed on the controlling shareholder of the Group. Any breach of the specific performance obligations may constitute a breach under the note purchase agreement, pursuant to which the investment fund is entitled to redeem the 2020 Notes immediately in accordance with the terms and conditions.

30. 定息債券及票據 (續)

2,000,000港元於二零二一年到期之年利率5.5%債券 (二零二零年債券A)

於二零二零年七月六日，本集團向一名個人投資者發行本金額為2,000,000港元之債券（「二零二零年債券A」）。債券須於二零二一年一月七日前悉數償付但到期日可延遲至二零二二年一月七日。債券按固定年票息率5.5%計息，為期半年且須每半年支付。自二零二一年一月七日起，二零二零年債券A的利率由每年5.5%上升至每年6%。債券為無抵押。

2,000,000港元於二零二一年到期之年利率6%債券 (二零二零年債券B)

於二零二零年九月二十八日，本集團向一名個人投資者發行本金額為2,000,000港元之債券（「二零二零年債券B」）。債券須於二零二一年四月三十日前悉數償付。債券按固定年票息率6%計息，為期半年且須每半年支付。債券為無抵押。

1,000,000港元於二零二一年到期之年利率6%債券 (二零二零年債券C)

於二零二零年十二月十四日，本集團向一名個人投資者發行本金額為1,000,000港元之債券（「二零二零年債券C」）。債券須於二零二一年十二月十五日前悉數償付。債券按固定年票息率6%計息，為期半年且須每半年支付。債券為無抵押。

140,000,000港元於二零二二年到期之年利率12%票據 (二零二零年票據)

於二零二零年四月二十七日，本集團向投資基金發行本金額為140,000,000港元於二零二二年四月二十七日期到之年利率12%票據（「二零二零年票據」）。根據購買協議，本集團控股股東須履行特定履約責任。任何違反特定履約責任可能構成票據購買協議下的違約行為，在此情況下，投資基金有權根據條款及條件立即贖回二零二零年票據。

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31. GOVERNMENT GRANTS

		2020 二零二零年 RMB'000 人民幣千元	2019 二零一九年 RMB'000 人民幣千元
At 1 January	於一月一日	341,915	350,899
Grants received during the year	年內獲發補貼	8,188	25,780
Recognised as income during the year (note 5)	年內確認為收入(附註5)	(14,092)	(34,764)
At 31 December	於十二月三十一日	336,011	341,915

Government grants have been received as encouragement for technological innovation and improvements, the construction of production plants and rewards for investment encouragement. There are no unfulfilled conditions or contingencies attached to these grants. Related assets associated with the above grants have not yet been completed.

32. DERIVATIVE FINANCIAL INSTRUMENT

On 18 October 2018, the Company issued warrants in a registered form conferring the right upon the holder thereof, exercisable in whole or in part at any time during the subscription period to subscribe a maximum amount of HK\$313,320,000 for ordinary shares of the Company. The subscription period is the period from the date of issue of warrants until the day immediately preceding the third anniversary thereof or, if that day is not a business day, the business day immediately preceding that day. The subscription price is initially HK\$0.84 per share in cash or such adjusted price as may be applicable in accordance with the terms of the warrant instrument.

31. 政府補貼

本集團已獲發政府補貼，以鼓勵技術創新及提升、興建生產廠房及作為投資的獎勵。該等補貼概無附帶未達成條件或或然事項。與上述補貼有關之相關資產尚未竣工。

32. 衍生金融工具

於二零一八年十月十八日，本公司以記名形式發行賦予其持有人權利可於認購期內隨時全部或部分行使以認購最高金額313,320,000港元本公司普通股的認股權證。認購期為發行認股權證日期起至緊接其第三個週年日前的日子（或倘該日並非營業日，則為緊接該日前的營業日）期間。認購價初步為每股現金0.84港元或根據認股權證工具條款可能適用的經調整後價格。

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32. DERIVATIVE FINANCIAL INSTRUMENT

(Continued)

During the year, the movements in the warrants to subscribe for the Company's shares were as follows:

Date of grant	Exercise price per share	Balance as at 1/1/2020	Numbers of warrants 認股權證數目		Balance as at 31/12/2020
			Granted during the year	Lapsed during the year	
授出日期	每股行使價 HK\$ 港元	於二零二零年 一月一日結餘	年內授出	年內失效	於二零二零年 十二月三十一日 結餘
18/10/2018 二零一八年十月十八日	0.84	373,000,000	-	(373,000,000)	-

Notes:

- (1) The closing price of the Company's shares immediately before the date on which the warrants were granted on 18 October 2018 was HK\$0.64.
- (2) Warrants were cancelled on 29 September 2020 with a gain of RMB3,724,000 recognised in the statement of profit or loss.

33. ASSETS CLASSIFIED AS HELD FOR SALE/ LIABILITIES DIRECTLY ASSOCIATED WITH ASSETS CLASSIFIED AS HELD FOR SALE

Amounts represent 100% equity interests in Ningbo Sanhe Steel Pipe Co., Ltd. ("寧波三合鋼管有限公司" or "Ningbo Sanhe"). According to the agreement entered into between the Group and Ningbo Langteng Building materials Co., LTD. ("寧波浪騰建材有限公司" or "Langteng") in 2019, the Group has agreed to transfer the 100% equity interest of Ningbo Sanhe for a consideration of RMB24.3 million. As at 31 December 2019, the equity interest of Ningbo Sanhe was in dispute and was not available for immediate sale in its present condition. As at 31 December 2020, the dispute was resolved but the equity transfers have not been completed. Accordingly, the equity interests in Ningbo Sanhe were reclassified to assets classified as held for sale and liabilities directly associated with assets classified as held for sale as at 31 December 2020.

The transfers of the equity interests in Ningbo Sanhe were completed on 15 January 2021.

32. 衍生金融工具(續)

年內，可認購本公司股份的認股權證變動如下：

Date of grant	Exercise price per share	Balance as at 1/1/2020	Numbers of warrants 認股權證數目		Balance as at 31/12/2020
			Granted during the year	Lapsed during the year	
授出日期	每股行使價 HK\$ 港元	於二零二零年 一月一日結餘	年內授出	年內失效	於二零二零年 十二月三十一日 結餘
18/10/2018 二零一八年十月十八日	0.84	373,000,000	-	(373,000,000)	-

附註：

- (1) 緊接二零一八年十月十八日授出認股權證之前本公司股份的收市價為0.64港元。
- (2) 認股權證於二零二零年九月二十九日註銷，其收益人民幣3,724,000元於損益表確認。

33. 分類為持作出售的資產／與分類為持作出售的資產直接相關的負債

該等款項指寧波三合鋼管有限公司或(「寧波三合」)的全部股權。根據本集團與寧波浪騰建材有限公司或(「浪騰」)於二零一九年簽訂的協議，本集團同意轉讓寧波三合全部股權，代價人民幣24,300,000元。於二零一九年十二月三十一日，寧波三合的股權存在爭議，現時狀況下無法立即出售。於二零二零年十二月三十一日，爭議已解決，但股權轉讓尚未完成。因此，於二零二零年十二月三十一日，寧波三合的股權重新分類至分類為持作出售的資產及與分類為持作出售的資產直接相關的負債。

寧波三合股權的轉讓已於二零二一年一月十五日完成。

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34. ISSUED CAPITAL

Authorised:
10,000,000,000 (2018: 10,000,000,000)
ordinary shares of HK\$0.10 each

法定：
10,000,000,000股（二零一八年：
10,000,000,000股）每股
面值0.10港元之普通股

2020
二零二零年
RMB'000
人民幣千元

2019
二零一九年
RMB'000
人民幣千元

878,335 878,335

Issued and fully paid:
1,011,142,000 (2019: 1,011,142,000)
ordinary shares of HK\$0.10 each

已發行及繳足：
1,011,142,000股（二零一九年：
1,011,142,000股）每股
面值0.10港元之普通股

88,856 88,856

35. RESERVES

The amounts of the Group's reserves and the movements therein for the current and prior years are presented in the consolidated statement of changes in equity of the financial statements.

35. 儲備

本集團於本年度及以往年度的儲備金額及變動呈列於財務報表之綜合權益變動表內。

36. NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS

a) Major non-cash transactions

The Group had entered into non-cash transaction agreement with a third party for interest-bearing bank and other borrowings amounting to RMB116,280,000 during the year ended 31 December 2020 (2019: Nil), the proceeds of which was retained by the debtor as deposits to secure certain of the Group's other borrowings.

36. 綜合現金流量表附註

a) 主要的非現金交易

本集團於截至二零二零年十二月三十一日止年度就計息銀行及其他借貸與第三方訂立非現金交易協議人民幣116,280,000元（二零一九年：無），其所得款項由債務人作為按金留存，以擔保本集團的若干其他借貸。

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36. NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS (Continued)

b) Changes in liabilities arising from financing activities

Year ended 31 December 2020	截至二零二零年十二月三十一日止年度	Lease liabilities RMB'000 人民幣千元	Bank and other borrowings (other than lease liabilities) 銀行及其他借貸(租賃負債除外) RMB'000 人民幣千元	Fixed rate bonds and notes 定息債券及票據 RMB'000 人民幣千元	Due to a director 應付董事款項 RMB'000 人民幣千元
At 1 January 2020	於二零二零年一月一日	7,931	4,862,933	178,035	138,857
Changes from financing cash flows	融資現金流量變動	(2,470)	(1,441,139)	(28,912)	(8,089)
Interest expense	利息開支	654	-	-	-
Interest paid classified as operating cash flows	分類為經營現金流量之已付利息	(654)	-	-	-
Transferred to liabilities directly associated with the assets classified as held for sale	轉撥至與分類為持作出售的資產直接相關的負債	(3,153)	-	-	-
Other non-cash movement	其他非現金變動	-	116,280	-	-
Foreign exchange movement	外匯變動	57	11,006	(612)	-
At 31 December 2020	於二零二零年十二月三十一日	2,365	3,549,080	148,511	130,768

Year ended 31 December 2019	截至二零一九年十二月三十一日止年度	Lease liabilities RMB'000 人民幣千元	Bank and other borrowings (other than lease liabilities) 銀行及其他借貸(租賃負債除外) RMB'000 人民幣千元	Fixed rate bonds and notes 定息債券及票據 RMB'000 人民幣千元	Due to a director 應付董事款項 RMB'000 人民幣千元
At 1 January 2019	於二零一九年一月一日	5,635	6,097,719	157,406	118,944
Changes from financing cash flows	融資現金流量變動	(2,219)	(1,152,047)	6,158	(83,587)
New leases	新租賃	6,289	-	-	-
Early termination	提早終止	(1,774)	-	-	-
Interest expense	利息開支	794	-	-	-
Interest paid classified as operating cash flows	分類為經營現金流量之已付利息	(794)	-	-	-
Repayment of a director on behalf of the Group	代表本集團償還一名董事	-	(103,500)	-	103,500
Foreign exchange movement	外匯變動	-	20,761	14,471	-
At 31 December 2019	於二零一九年十二月三十一日	7,931	4,862,933	178,035	138,857

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36. NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS (Continued)

c) Total cash outflow for leases

The total cash outflow for leases included in the statement of cash flows is as follows:

		Year ended 31 December 2020 截至 二零二零年 十二月 三十一日 止年度 RMB'000 人民幣千元	Year ended 31 December 2019 截至 二零一九年 十二月 三十一日 止年度 RMB'000 人民幣千元
Within operating activities	經營活動	(654)	(794)
Within investing activities	投資活動	-	-
Within financing activities	融資活動	(2,470)	(2,219)
		(3,124)	(3,013)

37. FINANCIAL GUARANTEES

The financial guarantee contracts are measured at the higher of the ECL allowance and the amount initially recognised less the cumulative amount of income recognised. The ECL allowance is measured by estimating the cash shortfalls, which are based on the expected payments to reimburse the holders for a credit loss that it incurs less any amounts that the Group expects to receive from the debtor. The amount initially recognised represents the fair value at initial recognition of the financial guarantees.

- (a) At the end of the reporting period, financial guarantees not provided for in the financial statements were as follows:

		2020 二零二零年 RMB'000 人民幣千元	2019 二零一九年 RMB'000 人民幣千元
Guarantees in respect of mortgage facilities provided for certain purchasers of the Group's properties	就按揭融資為本集團物業的若干買方提供的擔保	99,462	94,255

36. 綜合現金流量表附註(續)

c) 租賃現金流出總額

計入現金流量表之租賃現金流出總額如下：

37. 財務擔保

財務擔保合約乃按預期信貸虧損撥備與初始確認金額減已確認之累計收入金額之較高者進行計量。預期信貸虧損撥備乃通過估計按償還持有人所產生信貸虧損的預計款項減本集團預計自債務人收取的任何金額之現金差額計量。初始確認金額指於初始確認財務擔保時的公平值。

- (a) 於報告期末，財務報表中未撥備之財務擔保如下：

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37. FINANCIAL GUARANTEES (Continued)

(a) (continued)

As at 31 December 2020, the Group provided guarantees in respect of mortgage facilities granted by certain banks relating to the mortgage loans arranged for certain purchasers of the Group's properties. Pursuant to the terms of the guarantees, in the event of default on mortgage payments by these purchasers before the expiry of the guarantees, the Group is responsible for repaying the outstanding mortgage principals together with the accrued interest and penalties owed by the defaulted purchasers to the banks, net of any auction proceeds as described below.

Pursuant to the above arrangement, the related properties were pledged to the banks as collateral for the mortgage loans, and in the event of default on mortgage repayments by these purchasers, the banks are entitled to take over the legal titles and will realise the pledged properties through open auction. The Group is responsible for repaying the banks when the proceeds from the auction of the properties cannot cover the outstanding mortgage principals together with the accrued interest and penalties.

The Group's guarantee period starts from the date of grant of the relevant mortgage loans and ends upon the issuance of real estate ownership certificates to the purchasers, which will generally be available within one to two years after the purchasers take possession of the relevant properties.

The fair value of the guarantees is not significant and the directors of the Company consider that in the event of default on payments, the net realisable value of the related properties can cover the repayment of the outstanding mortgage principals together with the accrued interest and penalties, and therefore, no provision has been made in the financial statements for the guarantees.

37. 財務擔保 (續)

(a) (續)

於二零二零年十二月三十一日，本集團就若干銀行向本集團物業若干買方提供按揭貸款而授予的按揭融資提供擔保。根據擔保的條款，於擔保期屆滿之前，倘上述買方於按揭還款上違約，本集團負責向銀行償還違約買方結欠的未償還按揭本金連同應計利息及罰款（扣除下文所述的任何拍賣收益）。

根據上述安排，相關物業已作為按揭貸款的抵押物抵押予銀行，及倘上述買方於按揭還款上違約，銀行有權取得合法業權，並通過公開拍賣變現抵押物業。若拍賣物業所得的收益不足以償還未償還的按揭本金連同應計利息及罰款，則本集團負責向銀行償還款項。

本集團的擔保期於授予相關按揭貸款之日起計至買方獲發房地產所有權證書（通常於買方持有有關物業後一至兩年內可以獲得）時止。

擔保的公平值並不重大，且本公司董事認為，於還款違約的情況下，有關物業的可變現淨值足以償還未償還的按揭本金連同應計利息及罰款，因此，財務報表中並無就擔保作出撥備。

NOTES TO FINANCIAL STATEMENTS

財務報表附註

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37. FINANCIAL GUARANTEES (Continued)

- (b) At the end of the reporting period, financial guarantees given to banks in connection with facilities granted to a joint venture not provided for in the financial statements were as follows:

Guarantees given to banks in connection with facilities granted to:	就授予下方之融資 向銀行提供擔保：
A joint venture	一間合營公司

As at 31 December 2020, the banking facilities guaranteed by the Group to a joint venture were utilised to the extent of approximately RMB464,520,000 (2019: RMB511,518,000).

In the opinion of the directors, the fair value of the guarantees at initial recognition and ECL allowance are not significant.

38. COMMITMENTS

- (a) The Group had the following capital commitments at the end of the reporting period:

Contracted, but not provided for:	已訂約但未撥備：
Buildings	樓宇
Plant and machinery	廠房及機器
Capital contributions payable to joint venture	就成立一間合營公司應付之注資

At the end of the reporting period, the Company did not have any significant commitments.

37. 財務擔保(續)

- (b) 於報告期末，財務報表中未撥備之就授予合營公司之融資向銀行提供財務擔保如下：

2020 二零二零年 RMB'000 人民幣千元	2019 二零一九年 RMB'000 人民幣千元
512,477	548,055

於二零二零年十二月三十一日，本集團向合營公司擔保之銀行融資已動用約人民幣464,520,000元（二零一九年：人民幣511,518,000元）。

董事認為，擔保的公平值為初始確認及預期信貸虧損撥備屬不重大。

38. 承擔

- (a) 於報告期末，本集團有以下資本承擔：

2020 二零二零年 RMB'000 人民幣千元	2019 二零一九年 RMB'000 人民幣千元
266,484	290,926
35,786	69,626
107,858	120,145
410,128	480,697

於報告期末，本公司並無任何重大承擔。

NOTES TO FINANCIAL STATEMENTS

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39. RELATED PARTY TRANSACTIONS

(a) Name and relationship of related parties

The directors are of the view that the following companies are related parties:

Name of party 關聯方名稱	Relationship 關係
Guangzhou City Pearl River Machine Tool Works Co., Ltd. ("GZMT") 廣州市珠江機床廠有限公司(「珠江機床」)	GZMT is a company of which Mr. Chen Chang is the ultimate equity owner 珠江機床乃由陳昌先生為最終股權擁有人之公司
Al-Qahtani PCK Pipe Company	Al-Qahtani PCK Pipe Company is a joint venture of the Group Al-Qahtani PCK Pipe Company 為本集團之合營公司

(b) The Group had no transactions with related parties during the year ended 31 December 2020 (2019: Nil).

(c) Outstanding balances with a related party and a director:

39. 關聯方交易

(a) 關聯方名稱及關係

董事認為以下公司為關聯方：

(b) 於截至二零二零年十二月三十一日止年度，本集團概無關聯方交易(二零一九年：無)。

(c) 與關聯方及董事之未支付結餘：

		2020 二零二零年 RMB'000 人民幣千元	2019 二零一九年 RMB'000 人民幣千元
Due from a related party GZMT	應收關聯方款項 珠江機床	84,522	84,522
Due to a director Mr. Chen Chang	應付董事款項 陳昌先生	130,768	138,857

The outstanding balances with a related party and a director are unsecured, interest-free and have no fixed terms of repayment. The amount due from GZMT has been settled in January 2021.

與關聯方及董事的未支付結餘乃無抵押、免息且並無固定還款期。應收珠江機床款項已於二零二一年一月結算。

NOTES TO FINANCIAL STATEMENTS

財務報表附註

31 December 2020 二零二零年十二月三十一日

39. RELATED PARTY TRANSACTIONS (Continued)

(d) Compensation of key management personnel of the Group:

		2020 二零二零年 RMB'000 人民幣千元	2019 二零一九年 RMB'000 人民幣千元
Salaries, allowances and benefits in kind	薪金、津貼及實物福利	4,596	5,116
Retirement benefit scheme contributions	退休福利計劃供款	89	145
Total compensation paid to key management personnel	支付主要管理人員薪酬總額	4,685	5,261

Further details of directors' emoluments are included in note 9 to the financial statements.

董事酬金的進一步詳情載於財務報表之附註9。

40. FINANCIAL INSTRUMENTS BY CATEGORY

The carrying amounts of each of the categories of financial instruments as at the end of the reporting period are as follows:

Financial assets 2020

Financial assets included in long term prepayments and deposits
Trade and bills receivables
Financial assets included in prepayments, other receivables and other assets
Pledged deposits
Due from a related party
Cash and cash equivalents

40. 金融工具的分類

於報告期末，各類別金融工具的賬面值如下：

金融資產 二零二零年

計入長期預付款項及按金的金融資產
貿易應收賬款及應收票據
計入預付款項、其他應收款項及其他資產的金融資產
已抵押按金
應收關聯方款項
現金及現金等價物

Financial assets at amortised cost
按攤銷成本計量的金融資產
RMB'000
人民幣千元

3,384
511,538
713,905
22,712
84,522
19,466
1,355,527

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31 December 2020 二零二零年十二月三十一日

40. FINANCIAL INSTRUMENTS BY CATEGORY

(Continued)

Financial assets (Continued)

2019

40. 金融工具的分類(續)

金融資產(續)

二零一九年

		Financial assets at amortised cost 按攤銷成本計量的金融資產 RMB'000 人民幣千元
Financial assets included in long term prepayments and deposits	計入長期預付款項及按金的金融資產	4,508
Trade and bills receivables	貿易應收賬款及應收票據	403,775
Financial assets included in prepayments, other receivables and other assets	計入預付款項、其他應收款項及其他資產的金融資產	602,188
Pledged deposits	已抵押按金	164,826
Due from a related party	應收關聯方款項	84,522
Cash and cash equivalents	現金及現金等價物	58,585
		<hr/> <hr/> 1,318,404

NOTES TO FINANCIAL STATEMENTS

財務報表附註

31 December 2020 二零二零年十二月三十一日

40. FINANCIAL INSTRUMENTS BY CATEGORY

(Continued)

Financial liabilities
2020

40. 金融工具的分類(續)

金融負債
二零二零年

				Financial liabilities at amortised cost 按攤銷成本計量的金融負債 RMB'000 人民幣千元
Trade and bills payables	貿易應付賬款及應付票據			614,511
Lease liabilities	租賃負債			2,365
Financial liabilities included in other payables and accruals	計入其他應付款項及應計費用的金融負債			492,081
Due to a director	應付董事款項			130,768
Interest-bearing bank and other borrowings (other than lease liabilities)	計息銀行及其他借貸(租賃負債除外)			3,549,080
Fixed rate bonds and notes	定息債券及票據			148,511
				4,937,316
2019		二零一九年		
		Financial liability at fair value through profit or loss 按公平值計入損益的金融負債 RMB'000 人民幣千元	Financial liabilities at amortised cost 按攤銷成本計量的金融負債 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
Derivative financial instrument	衍生金融工具	3,724	–	3,724
Trade and bills payables	貿易應付賬款及應付票據	–	379,935	379,935
Lease liabilities	租賃負債	–	7,931	7,931
Financial liabilities included in other payables and accruals	計入其他應付款項及應計費用的金融負債	–	335,460	335,460
Due to a director	應付董事款項	–	138,857	138,857
Interest-bearing bank and other borrowings (other than lease liabilities)	計息銀行及其他借貸(租賃負債除外)	–	4,862,933	4,862,933
Fixed rate bonds and notes	定息債券及票據	–	178,035	178,035
		3,724	5,903,151	5,906,875

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41. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS

The carrying amounts and fair values of the Group's financial instruments, other than those with carrying amounts that reasonably approximate to fair values, are as follows:

		Carrying amounts 賬面值		Fair values 公平值	
		2020 二零二零年 RMB'000 人民幣千元	2019 二零一九年 RMB'000 人民幣千元	2020 二零二零年 RMB'000 人民幣千元	2019 二零一九年 RMB'000 人民幣千元
Financial liabilities	金融負債				
Interest-bearing bank and other borrowings (other than lease liabilities)	計息銀行及其他借貸 (租賃負債除外)	3,549,080	4,862,933	3,636,519	4,994,179
Fixed rate bonds and notes	定息債券及票據	148,511	178,035	157,006	179,178
Due to a director	應付董事款項	50,000	50,000	49,104	49,012
Derivative financial instrument	衍生金融工具	-	3,724	-	3,724
		3,747,591	5,094,692	3,842,629	5,226,093

Management has assessed that the fair values of cash and cash equivalents, pledged deposits, trade and bills receivables, trade and bills payables, financial assets included in prepayments, other receivables and other assets, financial liabilities included in other payables and accruals and an amount due from a related party approximate to their carrying amounts largely due to the short term maturities of these instruments.

The fair values of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The following methods and assumptions were used to estimate the fair values:

41. 金融工具之公平值及公平值等級

除賬面值與其公平值合理相若的金融工具外，本集團金融工具的賬面值及公平值如下：

管理層已評估現金及現金等價物、已抵押存款、貿易應收賬款及應收票據、貿易應付賬款及應付票據、計入預付款項之金融資產、其他應收款項及其他資產、計入其他應付款項及應計費用之金融負債及應收關聯方款項之公平值，與其賬面值相若，主要因為該等工具於短期內到期。

金融資產及負債之公平值以自願交易方（強迫或清盤出售除外）當前交易中該工具之可交易金額入賬。下列方法及假設用於估計公平值：

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31 December 2020 二零二零年十二月三十一日

41. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS (Continued)

The fair values of the financial assets and liabilities included in interest-bearing bank and other borrowings, fixed rate bonds and notes and an amount due to a director have been calculated by discounting the expected future cash flows using rates currently available for instruments with similar terms, credit risk and remaining maturities. The changes in fair value as a result of the Group's own non-performance risk for finance lease payables, interest-bearing bank and other borrowings, fixed rate bonds and notes and an amount due to a director as at 31 December 2020 were assessed to be insignificant. The carrying amounts of these financial instruments carried at amortised cost were not materially different from their fair values as at 31 December 2020 and 31 December 2019.

The fair value of warrants was estimated as at the date of grant using a binomial model, taking into account the terms and conditions upon which the warrants were granted.

Fair value hierarchy

The Group did not have any financial assets measured at fair value as at 31 December 2020 (2019: Nil).

The Group did not have any financial liabilities measured at fair value as at 31 December 2020 (2019: RMB3,724,000). The following table illustrates the fair value measurement hierarchy of the Group's financial liabilities as at 31 December 2019:

41. 金融工具之公平值及公平值等級 (續)

計入計息銀行及其他借貸、定息債券及票據以及應付董事款項的金融資產及負債之公平值，乃以條款、信貸風險及餘下期限類似之工具現時可取得折現率，折現預期未來現金流計算。於二零二零年十二月三十一日，本集團就應付融資租賃款項、計息銀行及其他借貸、定息債券及票據以及應付董事款項之自有不履行風險導致之公平值變動評估為不重大。於二零二零年十二月三十一日及二零一九年十二月三十一日，該等按攤銷成本入賬之金融工具之賬面值與其公平值並無重大差異。

認股權證的公平值乃於授出日期使用二項式模型估計，並考慮授出認股權證的條款及條件估計。

公平值層級

於二零二零年十二月三十一日，本集團並無任何按公平值計量之金融資產（二零一九年：無）。

本集團於二零二零年十二月三十一日並無任何按公平值計量之金融負債（二零一九年：人民幣3,724,000元）。下表說明本集團於二零一九年十二月三十一日之金融負債之公平值計量層級：

Fair value measurement as at 31 December 2019 using 於二零一九年十二月三十一日使用以下輸入值計量之公平值			
Quoted prices in active markets (Level 1) 於活躍市場 所報價格 (第一級) RMB'000 人民幣千元	Significant observable inputs (Level 2) 重大可 觀察輸入值 (第二級) RMB'000 人民幣千元	Significant unobservable input (Level 3) 重大不可 觀察輸入值 (第三級) RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元

Recurring fair value measurement for: 經常性公平值計量：

Derivative financial instrument 衍生金融工具	-	3,724	-	3,724
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財務報表附註

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41. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS (Continued)

Fair value hierarchy (Continued)

During the year, there were no transfers of fair value measurements between Level 1 and Level 2 and no transfers into or out of Level 3 for both financial assets and financial liabilities (2019: Nil).

Liabilities for which fair values are disclosed:

41. 金融工具之公平值及公平值等級 (續)

公平值等級 (續)

年內，第一級及第二級之間概無有關金融資產及金融負債之公平值計量轉移，亦無轉入第三級或自第三級轉出（二零一九年：無）。

按公平值披露的負債：

		Fair value measurement using			Total
		Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable input (Level 3)	
		活躍市場所報價格 (第一級)	重大可觀察輸入值 (第二級)	重大不可觀察輸入值 (第三級)	總計
		RMB'000	RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元
2020	二零二零年				
Interest-bearing bank and other borrowings (other than lease liabilities)	計息銀行及其他借貸 (租賃負債除外)	–	3,636,519	–	3,636,519
Fixed rate bonds and notes	定息債券及票據	–	157,006	–	157,006
Due to a director	應付董事款項	–	49,104	–	49,104
2019	二零一九年				
Interest-bearing bank and other borrowings (other than lease liabilities)	計息銀行及其他借貸 (租賃負債除外)	–	4,994,179	–	4,994,179
Fixed rate bonds and notes	定息債券及票據	–	179,178	–	179,178
Due to a director	應付董事款項	–	49,012	–	49,012
Derivative financial instrument	衍生金融工具	–	3,724	–	3,724

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財務報表附註

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42. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's principal financial instruments comprise bank and other borrowings, fixed rate bonds and notes, cash and short term deposits. The main purpose of these financial instruments is to raise finance for the Group's operations. The Group has various other financial assets and liabilities such as trade receivables and trade payables, which arise directly from its operations.

The main risks arising from the Group's financial instruments are interest rate risk, foreign currency risk, credit risk and liquidity risk. The Group does not have any written risk management policies and guidelines. Generally, the Group introduces prudent strategies on its risk management. The board of directors reviews and agrees policies for managing each of these risks and they are summarised below:

(a) Interest rate risk

The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's bank loans and government loans with floating interest rates.

The Group regularly reviews and monitors the mix of fixed and floating interest rate borrowings in order to manage its interest rate risk. Interest-bearing loans, cash and short term deposits are stated at amortised cost and not revalued on a periodic basis. Floating rate interest income and expenses are credited/charged to the statement of profit or loss as earned/incurred.

If there was a general increase/decrease in the interest rate of bank and other borrowings with floating interest rates by one percentage point, with all other variables held constant, the consolidated operating results would have decreased/increased by approximately RMB23.3 million (2019: RMB30.8 million), and there would have been no impact on other components of the consolidated equity, except for retained profits, of the Group.

42. 財務風險管理目標及政策

本集團主要的金融工具包括銀行及其他借貸、定息債券及票據、現金及短期存款。該等金融工具的主要目的是籌集本集團的經營融資。本集團有各種其他金融資產及負債，如直接由經營產生的貿易應收賬款及貿易應付賬款等。

由本集團的金融工具產生的主要風險有利率風險、外幣風險、信貸風險及流動資金風險。本集團無任何書面風險管理政策及指引。一般而言，本集團在其風險管理中引入審慎的策略。董事會審閱並協定管理這些風險各自的政策，概述如下：

(a) 利率風險

本集團承受的市場利率變動風險主要與本集團按浮動利率計息的銀行貸款及政府貸款有關。

本集團定期審查並監察固定及浮動利率混合借貸，以管理其利率風險。計息貸款、現金及短期存款按攤銷成本列值，而不定期重估。浮動利率利息收入及開支按賺取／產生時在損益表計入／扣除。

若按浮動利率計算的銀行及其他借貸整體加息／減息一個百分點，而所有其他變量不變，則綜合經營業績將減少／增加約人民幣23,300,000元（二零一九年：人民幣30,800,000元），對本集團綜合權益的其他成分並無影響（惟留存溢利除外）。

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31 December 2020 二零二零年十二月三十一日

42. FINANCIAL RISK MANAGEMENT

OBJECTIVES AND POLICIES (Continued)

(b) Foreign currency risk

The Group has transactional currency exposures. These exposures arise from sales by operating units in currencies other than the units' functional currencies. Approximately 12% (2019: 11%) of the Group's sales were denominated in currencies other than the functional currencies of the operating units making the sale.

The following table demonstrates the sensitivity as at the end of the reporting period to a reasonably possible change in the United States ("US") dollar exchange rate, with all other variables held constant, of the Group's profit/(loss) before tax.

Effect on profit/(loss) before tax

Increase in the US dollar rate of 3%	美元匯率增加3%
Decrease in the US dollar rate of 3%	美元匯率減少3%

(c) Credit risk

The Group trades only with recognised and creditworthy third parties. It is the Group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, receivable balances are monitored on an ongoing basis and the Group's exposure to bad debts is not significant. For transactions that are not denominated in the functional currency of the relevant operating unit, the Group does not offer credit terms without the specific approval of the Head of Credit Control.

Maximum exposure and year-end staging

The table below shows the credit quality and the maximum exposure to credit risk based on the Group's credit policy, which is mainly based on past due information unless other information is available without undue cost or effort, and year-end staging classification as at 31 December.

42. 財務風險管理目標及政策 (續)

(b) 外幣風險

本集團面臨交易貨幣風險。該等風險來自經營單位以單位的功能貨幣以外的貨幣進行的銷售。本集團銷售中約12% (二零一九年: 11%) 以進行銷售的經營單位的功能貨幣以外的貨幣計值。

下表顯示於報告期末本集團除稅前溢利/(虧損)在所有其他變量保持不變情況下對於美元(「美元」)匯率的合理可能變動的敏感度。

對除稅前溢利/(虧損)的影響

	2020 二零二零年 RMB'000 人民幣千元	2019 二零一九年 RMB'000 人民幣千元
Increase in the US dollar rate of 3%	(2,708)	(14,891)
Decrease in the US dollar rate of 3%	2,708	14,891

(c) 信貸風險

本集團僅與獲認可及信譽良好之第三方進行交易。本集團之政策為所有擬以信貸方式進行交易之客戶均須通過信貸評核程序。此外，應收款項結餘會受持續監控而本集團的壞賬風險並不重大。就不以相關營運單位的功能貨幣計值的交易而言，本集團在未獲信貸監控主管特批的情況下不提供信貸期。

最高風險及年末階段

下表顯示根據本集團信貸政策(主要基於逾期資料，除非在毋須付出不必要的成本或努力下取得其他資料)的信貸質素及最高信貸風險，以及於十二月三十一日的年末階段分類。

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財務報表附註

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42. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

(c) Credit risk (Continued)

Maximum exposure and year-end staging (Continued)

The amounts presented are gross carrying amounts for financial assets and the exposure to credit risk for the financial guarantee contracts.

As at 31 December 2020

Financial assets included in long term prepayments and deposits	計入長期預付款項及按金之金融資產	3,384	-	3,384
Trade receivables*	貿易應收賬款*	-	500,237	500,237
Bills receivable	應收票據	-	11,301	11,301
Due from a related party	應收關聯方款項	84,522	-	84,522
Financial assets included in prepayments, other receivables and other assets	計入預付款項、其他應收款項及其他資產之金融資產			
- Normal**	- 正常**	713,906	-	713,906
Pledged deposits	已抵押按金			
- Not yet past due	- 尚未逾期	22,712	-	22,712
Cash and cash equivalents	現金及現金等價物			
- Not yet past due	- 尚未逾期	19,466	-	19,466
Guarantees given to banks in connection with facilities granted to a joint venture	就授予一間合營公司之融資向銀行提供之擔保			
- Facilities not yet drawn by a joint venture	- 一間合營公司尚未提取之融資	195,366	-	195,366
- Facilities drawn by a joint venture	- 一間合營公司已提取之融資			
- Not yet past due	- 尚未逾期	317,111	-	317,111
Guarantees in respect of mortgage facilities provided for certain purchasers of the Group's properties	就若干本集團物業購買者提供之按揭融資提供擔保			
- Facilities drawn by certain purchasers of the Group's properties	- 若干本集團物業購買者已提取之融資	99,462	-	99,462

42. 財務風險管理目標及政策 (續)

(c) 信貸風險 (續)

最高風險及年末階段 (續)

所呈列的金額為金融資產的賬面總值及就財務擔保合約承擔的信貸風險。

於二零二零年十二月三十一日

	12-month ECLs Stage 1 12個月預期 信貸虧損 第一階段 RMB'000 人民幣千元	Lifetime ECLs Simplified approach 全期預期 信貸虧損 簡化法 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
	3,384	-	3,384
	-	500,237	500,237
	-	11,301	11,301
	84,522	-	84,522
	713,906	-	713,906
	22,712	-	22,712
	19,466	-	19,466
	195,366	-	195,366
	317,111	-	317,111
	99,462	-	99,462
	1,455,929	511,538	1,967,467

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31 December 2020 二零二零年十二月三十一日

42. FINANCIAL RISK MANAGEMENT

OBJECTIVES AND POLICIES (Continued)

(c) Credit risk (Continued)

Maximum exposure and year-end staging (Continued)

As at 31 December 2019

42. 財務風險管理目標及政策 (續)

(c) 信貸風險 (續)

最高風險及年末階段 (續)

於二零一九年十二月三十一日

		12-month ECLs Stage 1 12個月預期 信貸虧損 第一階段 RMB'000 人民幣千元	Lifetime ECLs Simplified approach 全期預期 信貸虧損 簡化法 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
Financial assets included in long term prepayments and deposits	計入長期預付款項及按金之金融資產	4,508	–	4,508
Trade receivables*	貿易應收賬款*	–	403,502	403,502
Bills receivable	應收票據	–	273	273
Due from a related party	應收關聯方款項	84,522	–	84,522
Financial assets included in prepayments, other receivables and other assets	計入預付款項、其他應收款項及其他資產之金融資產			
– Normal**	– 正常**	602,188	–	602,188
Pledged deposits	已抵押按金			
– Not yet past due	– 尚未逾期	164,826	–	164,826
Cash and cash equivalents	現金及現金等價物			
– Not yet past due	– 尚未逾期	58,585	–	58,585
Guarantees given to banks in connection with facilities granted to a joint venture	就授予一間合營公司之融資向銀行提供之擔保			
– Facilities not yet drawn by a joint venture	– 一間合營公司尚未提取之融資	36,537	–	36,537
– Facilities drawn by a joint venture	– 一間合營公司已提取之融資			
– Not yet past due	– 尚未逾期	511,518	–	511,518
Guarantees in respect of mortgage facilities provided for certain purchasers of the Group's properties	就若干本集團物業購買者提供之按揭融資提供擔保			
– Facilities drawn by certain purchasers of the Group's properties	– 若干本集團物業購買者已提取之融資	94,255	–	94,255
		1,556,939	403,775	1,960,714

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財務報表附註

31 December 2020 二零二零年十二月三十一日

42. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

(c) Credit risk (Continued)

Maximum exposure and year-end staging (Continued)

* For trade receivables to which the Group applies the simplified approach for impairment, information based on provision matrix is disclosed in note 22.

** The credit quality of the financial assets included in prepayments, other receivables and other assets is considered to be “normal” when they are not past due and there is no information indicating that the financial assets had a significant increase in credit risk since initial recognition.

Further quantitative data in respect of the Group's exposure to credit risk arising from trade receivables are disclosed in note 22 to the financial statements.

Since the Group trades only with recognised and creditworthy third parties, there is no requirement for collateral. Concentrations of credit risk are managed by customer/counterparty, by geographical region and by industry sector. There are no significant concentrations of credit risk within the Group as the customer bases of the Group's trade receivables are widely dispersed in different sectors and industries.

(d) Liquidity risk

The Group's objective is to ensure continuity of sufficient funding and flexibility by utilising a variety of bank and other borrowings with debt maturities spreading over a range of periods, thereby ensuring that the Group's outstanding borrowing obligation is not exposed to excessive repayment risk in any one year. Due to the capital intensive nature of the Group's businesses, the Group ensures that it maintains sufficient cash and credit lines to meet its liquidity requirements.

The liquidity of the Group is primarily dependent on its ability to maintain adequate cash inflows from operations to meet its debt obligations as they fall due, and its ability to obtain external financing to meet its committed future capital expenditure. With regard to its future capital commitments and other financing requirements, the Group has already obtained banking facilities with several banks of up to an amount of RMB2,685 million as at 31 December 2020, of which an amount of approximately RMB1,965 million has been utilised.

42. 財務風險管理目標及政策 (續)

(c) 信貸風險 (續)

最高風險及年末階段 (續)

* 就本集團應用減值之簡化法的貿易應收賬款而言，以撥備矩陣為基礎的資料於附註22內披露。

** 計入預付款項、其他應收款項及其他資產內的金融資產的信貸質素，在未逾期且並無資料顯示金融資產的信貸風險自首次確認以來出現大幅增加的情況下被視為「正常」。

有關本集團因貿易應收賬款而產生的信貸風險的進一步定量數據於財務報表附註22內披露。

由於本集團僅與公認且信譽良好的第三方進行交易，因此無需抵押。信用風險的集中度由客戶／交易對手、地理區域和行業部門管理。由於本集團貿易應收賬款的客戶群廣泛分佈於不同行業，因此本集團內部沒有重大的信用風險集中。

(d) 流動資金風險

本集團的目標是，利用債務到期日各有不同的各種銀行及其他借貸，確保持續獲得足夠融資及具備靈活性，從而確保本集團尚未償還的借貸債務在任何一年不會承受過多的償還風險。由於本集團業務的資本密集性，本集團確保維持足夠現金及信用限額以滿足其流動資金要求。

本集團的流動資金主要依賴其業務維持足夠現金流入以應付到期應付負債，以及取得外來資金撥付其日後承擔的資本開支的能力。鑒於本集團日後資本承擔和其他融資需要，於二零二零年十二月三十一日，本集團已取得多家銀行提供達人民幣2,685,000,000元的授信額度，其中已動用約人民幣1,965,000,000元。

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42. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

(d) Liquidity risk (Continued)

The maturity profile of the Group's financial liabilities as at the end of the reporting period, based on the contractual undiscounted payments, is as follows:

		31 December 2020 二零二零年十二月三十一日			
		On demand 按要求 RMB'000 人民幣千元	Less than 1 year 少於一年 RMB'000 人民幣千元	Over 1 year 一年以上 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
Trade and bills payables	貿易應付賬款及 應付票據	-	614,511	-	614,511
Other payables	其他應付款項	-	492,081	-	492,081
Due to a director	應付董事款項	-	80,768	50,000	130,768
Lease liabilities	租賃負債	-	2,413	402	2,815
Interest-bearing bank and other borrowings (excluding lease liabilities)	計息銀行及其他借貸 (不包括租賃負債)	-	2,330,147	1,723,509	4,053,656
Fixed rate bonds and notes	定息債券及票據	-	51,507	124,899	176,406
		-	3,571,427	1,898,810	5,470,237
Financial guarantees issued: Maximum amount guaranteed	已發出之融資擔保: 最高擔保金額	611,939	-	-	611,939

		31 December 2019 二零一九年十二月三十一日			
		On demand 按要求 RMB'000 人民幣千元	Less than 1 year 少於一年 RMB'000 人民幣千元	Over 1 year 一年以上 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
Trade and bills payables	貿易應付賬款及 應付票據	-	379,935	-	379,935
Other payables	其他應付款項	-	335,460	-	335,460
Due to a director	應付董事款項	-	88,857	50,000	138,857
Lease liabilities	租賃負債	-	2,458	7,144	9,602
Interest-bearing bank and other borrowings (excluding lease liabilities)	計息銀行及其他借貸 (不包括租賃負債)	-	1,384,980	4,199,687	5,584,667
Fixed rate bonds and notes	定息債券及票據	-	20,686	199,505	220,191
		-	2,212,376	4,456,336	6,668,712
Financial guarantees issued: Maximum amount guaranteed	已發出之融資擔保: 最高擔保金額	642,310	-	-	642,310

42. 財務風險管理目標及政策 (續)

(d) 流動資金風險 (續)

於報告期末，本集團基於已訂約未折現付款的金融負債的到期情況如下：

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財務報表附註

31 December 2020 二零二零年十二月三十一日

42. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

(e) Capital management

The primary objectives of the Group's capital management are to safeguard the Group's ability to continue as a going concern and to maintain healthy capital ratios in order to support its business and maximise shareholders' value.

The Group monitors capital using a gearing ratio, which is total debts divided by total assets. Total debts include interest-bearing bank and other borrowings and fixed rate bonds and notes. The gearing ratios as at the end of the reporting periods are as follows:

		2020 二零二零年 RMB'000 人民幣千元	2019 二零一九年 RMB'000 人民幣千元
Interest-bearing bank and other borrowings (note 26)	計息銀行及其他借貸 (附註26)	3,551,445	4,870,864
Fixed rate bonds and notes (note 30)	定息債券及票據(附註30)	148,511	178,035
Total debts	總債務	3,699,956	5,048,899
Total assets	總資產	8,541,528	8,489,806
Gearing ratio	資產負債比率	43.3%	59.5%

43. EVENTS AFTER THE REPORTING PERIOD

The Group had no significant event after the reporting period required to be disclosed.

42. 財務風險管理目標及政策(續)

(e) 資本管理

本集團資本管理的主要目標是維持本集團持續經營的能力及穩健資本比率，以支持其業務並使股東價值最大化。

本集團利用資產負債比率監控資本，該比率為總債務除以總資產。總債務包括計息銀行及其他借貸及定息債券及票據。於報告期末的資產負債比率如下：

43. 報告期後事項

本集團並無須予披露之報告期後重大事項。

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財務報表附註

31 December 2020 二零二零年十二月三十一日

44. STATEMENT OF FINANCIAL POSITION OF THE COMPANY

Information about the statement of financial position of the Company at the end of the reporting period is as follows:

44. 本公司之財務狀況表

本公司於報告期末之財務狀況表資料如下：

		2020 二零二零年 RMB'000 人民幣千元	2019 二零一九年 RMB'000 人民幣千元
NON-CURRENT ASSETS	非流動資產		
Investments in subsidiaries	於附屬公司之投資	49,591	49,591
Total non-current assets	非流動資產總值	49,591	49,591
CURRENT ASSETS	流動資產		
Due from subsidiaries	應收附屬公司款項	511,568	709,866
Cash and bank balances	現金及銀行結餘	240	4,887
Total current assets	流動資產總值	511,808	714,753
CURRENT LIABILITIES	流動負債		
Interest-bearing bank and other borrowings	計息銀行及其他借貸	103,266	108,829
Other payables and accruals	其他應付款項及應計費用	25,720	16,554
Due to subsidiaries	應付附屬公司款項	65,578	189,198
Fixed rate bonds and notes	定息債券及票據	33,903	170,404
Total current liabilities	流動負債總額	228,467	484,985
NET CURRENT ASSETS	流動資產淨值	283,341	229,768
TOTAL ASSETS LESS CURRENT LIABILITIES	資產總值減流動負債	332,932	279,359
NON-CURRENT LIABILITIES	非流動負債		
Fixed rate bonds and notes	定息債券及票據	114,608	7,631
Total non-current liabilities	非流動負債總額	114,608	7,631
Net assets	資產淨值	218,324	271,728
EQUITY	權益		
Issued capital	已發行股本	88,856	88,856
Reserves (note)	儲備(附註)	129,468	182,872
Total equity	權益總額	218,324	271,728

NOTES TO FINANCIAL STATEMENTS

財務報表附註

31 December 2020 二零二零年十二月三十一日

44. STATEMENT OF FINANCIAL POSITION OF THE COMPANY (Continued)

Note:

A summary of the Company's reserves is as follows:

		Share premium 股份溢價 RMB'000 人民幣千元	Contributed surplus 實繳盈餘 RMB'000 人民幣千元	Accumulated losses 累計虧損 RMB'000 人民幣千元	Exchange fluctuation reserve 匯率波動儲備 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
At 1 January 2019	於二零一九年一月一日	824,219	1,712,731	(1,360,406)	(33,328)	1,143,216
Total comprehensive loss for the year	本年度全面虧損總額	-	-	(965,515)	5,171	(960,344)
At 31 December 2019	於二零一九年十二月三十一日	824,219	1,712,731	(2,325,921)	(28,157)	182,872
Total comprehensive loss for the year	本年度全面虧損總額	-	-	(42,313)	(11,091)	(53,404)
At 31 December 2020	於二零二零年十二月三十一日	824,219	1,712,731	(2,368,234)	(39,248)	129,468

45. APPROVAL OF THE FINANCIAL STATEMENTS

The financial statements were approved and authorised for issue by the board of directors on 30 March 2021.

44. 本公司之財務狀況表(續)

附註:

本公司之儲備概要如下:

45. 批准財務報表

財務報表已於二零二一年三月三十日獲董事會批准及授權刊發。

FIVE-YEAR FINANCIAL SUMMARY

五年財務概要

SUMMARY FINANCIAL INFORMATION

A summary of the published results and of the assets and liabilities of the Group for the last five financial years prepared on the basis set out in the note below is as follows:

Results

		業績				
		Year ended 31 December				
		截至十二月三十一日止年度				
		2020	2019	2018	2017	2016
		二零二零年	二零一九年	二零一八年	二零一七年	二零一六年
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
Revenue	收入	1,141,807	1,193,961	1,681,566	873,293	1,443,487
Cost of sales	銷售成本	(935,120)	(981,769)	(1,358,041)	(815,182)	(1,361,900)
Gross Profit	毛利	206,687	212,192	323,525	58,111	81,587
Other income and gains	其他收入及收益	1,911,272	441,747	81,579	140,553	37,564
Selling and distribution expenses	銷售及分銷費用	(34,808)	(55,821)	(63,744)	(107,330)	(144,423)
Administrative expenses	行政費用	(287,638)	(336,042)	(437,020)	(475,632)	(470,977)
Other expenses	其他費用	(300,702)	(69,388)	(93,432)	(12,873)	(105,283)
Exchange (loss)/gain, net	匯兌(虧損)/收益·淨額	(120,098)	23,528	16,241	(44,121)	(86,417)
Finance costs	融資成本	(475,384)	(450,058)	(374,468)	(426,286)	(237,142)
Impairment of property, plant and equipment	物業、廠房及設備之減值	-	-	-	(18,006)	(516,250)
Fair value (loss)/gain on investment properties	投資物業之公平值(虧損)/收益	(20,000)	78,008	21,779	-	-
Fair value gain/(loss) on a derivative financial instrument	衍生金融工具之公平值收益/(虧損)	-	19,260	(22,984)	-	-
Share of loss of a joint venture	應佔一間合營公司虧損	(2,668)	(18,655)	(2,724)	(2,779)	(1,460)
Profit/(loss) before tax	除稅前溢利/(虧損)	876,661	(155,229)	(551,248)	(888,363)	(1,442,801)
Income tax (expense)/credit	所得稅(支出)/抵免	(253,750)	13,140	52,313	14,608	(56,197)
Profit/(loss) for the year	年內溢利/(虧損)	622,911	(142,089)	(498,935)	(873,755)	(1,498,998)
Other comprehensive income/(loss) for the year, net of tax	年內其他全面收入/(虧損)(扣除稅項)	178,815	(21,323)	(116,857)	153,862	(133,018)
Total comprehensive profit/(loss) for the year	年內全面溢利/(虧損)總額	801,726	(163,412)	(615,792)	(719,893)	(1,632,016)
Earnings/(loss) per share (RMB)	每股盈利/(虧損)(人民幣)	RMB 人民幣	RMB 人民幣	RMB 人民幣	RMB 人民幣	RMB 人民幣
- basic and diluted	- 基本及攤薄	0.62元	(0.14)元	(0.49)元	(0.86)元	(1.48)元

財務資料概要

本集團按下文附註所載的基準編製過去五個財政年度的已公佈業績及資產與負債概要如下：

業績

		Year ended 31 December				
		截至十二月三十一日止年度				
		2020	2019	2018	2017	2016
		二零二零年	二零一九年	二零一八年	二零一七年	二零一六年
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
Revenue	收入	1,141,807	1,193,961	1,681,566	873,293	1,443,487
Cost of sales	銷售成本	(935,120)	(981,769)	(1,358,041)	(815,182)	(1,361,900)
Gross Profit	毛利	206,687	212,192	323,525	58,111	81,587
Other income and gains	其他收入及收益	1,911,272	441,747	81,579	140,553	37,564
Selling and distribution expenses	銷售及分銷費用	(34,808)	(55,821)	(63,744)	(107,330)	(144,423)
Administrative expenses	行政費用	(287,638)	(336,042)	(437,020)	(475,632)	(470,977)
Other expenses	其他費用	(300,702)	(69,388)	(93,432)	(12,873)	(105,283)
Exchange (loss)/gain, net	匯兌(虧損)/收益·淨額	(120,098)	23,528	16,241	(44,121)	(86,417)
Finance costs	融資成本	(475,384)	(450,058)	(374,468)	(426,286)	(237,142)
Impairment of property, plant and equipment	物業、廠房及設備之減值	-	-	-	(18,006)	(516,250)
Fair value (loss)/gain on investment properties	投資物業之公平值(虧損)/收益	(20,000)	78,008	21,779	-	-
Fair value gain/(loss) on a derivative financial instrument	衍生金融工具之公平值收益/(虧損)	-	19,260	(22,984)	-	-
Share of loss of a joint venture	應佔一間合營公司虧損	(2,668)	(18,655)	(2,724)	(2,779)	(1,460)
Profit/(loss) before tax	除稅前溢利/(虧損)	876,661	(155,229)	(551,248)	(888,363)	(1,442,801)
Income tax (expense)/credit	所得稅(支出)/抵免	(253,750)	13,140	52,313	14,608	(56,197)
Profit/(loss) for the year	年內溢利/(虧損)	622,911	(142,089)	(498,935)	(873,755)	(1,498,998)
Other comprehensive income/(loss) for the year, net of tax	年內其他全面收入/(虧損)(扣除稅項)	178,815	(21,323)	(116,857)	153,862	(133,018)
Total comprehensive profit/(loss) for the year	年內全面溢利/(虧損)總額	801,726	(163,412)	(615,792)	(719,893)	(1,632,016)
Earnings/(loss) per share (RMB)	每股盈利/(虧損)(人民幣)	RMB 人民幣	RMB 人民幣	RMB 人民幣	RMB 人民幣	RMB 人民幣
- basic and diluted	- 基本及攤薄	0.62元	(0.14)元	(0.49)元	(0.86)元	(1.48)元

FIVE-YEAR FINANCIAL SUMMARY

五年財務概要

Assets and Liabilities

資產與負債

31 December
十二月三十一日

		2020 二零二零年 RMB'000 人民幣千元	2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元
Non-current assets	非流動資產	4,034,502	4,435,885	5,437,956	5,986,437	7,140,362
Current assets	流動資產	4,507,026	4,053,921	4,570,337	4,166,659	3,815,464
Current liabilities	流動負債	(5,457,229)	(3,913,293)	(4,610,046)	(6,333,616)	(6,539,519)
Non-current liabilities	非流動負債	(2,227,604)	(4,521,544)	(5,167,974)	(2,973,415)	(2,848,421)
Total Equity	權益總額	856,695	54,969	230,273	846,065	1,567,886

CHU KONG PETROLEUM AND NATURAL GAS STEEL PIPE HOLDINGS LIMITED
珠江石油天然氣鋼管控股有限公司
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