

Annual Report
年報

2020



興發鋁業控股有限公司
XINGFA ALUMINIUM HOLDINGS LIMITED

(Incorporated in the Cayman Islands with limited liability)

(於開曼群島註冊成立之有限公司)

(HKEX stock code: 98)

(香港交易所股份代號: 98)

Content 目錄

Corporate Information	公司資料	2
Chairman's Statement	主席報告	5
Management Discussion and Analysis	管理層討論及分析	8
Directors and Senior Management	董事及高級管理人員	24
Report of the Directors	董事會報告	36
Corporate Governance Report	企業管治報告	70
Environmental, Social and Governance Report	環境、社會及管治報告	87
Independent Auditor's Report on the Consolidated Financial Statements	綜合財務報表之獨立核數師報告	161
Consolidated Statement of Profit and Loss	綜合損益表	171
Consolidated Statement of Profit and Loss and Other Comprehensive Income	綜合損益及其他全面收益表	172
Consolidated Statement of Financial Position	綜合財務狀況表	173
Consolidated Statement of Changes in Equity	綜合權益變動表	175
Consolidated Cash Flow Statement	綜合現金流量表	176
Notes to the Consolidated Financial Statements	綜合財務報表附註	178
Five Years Summary	五年概要	324



Corporate Information 公司資料

Directors and Board Committees

Directors

Executive Directors

LIU Libin (*Chairman*)
LIAO Yuqing (*Chief Executive Officer*)
ZHANG Li (*Chief Financial Officer*)
LAW Yung Koon
WANG Zhihua
LUO Jianfeng

Non-executive Directors

ZUO Manlun
XIE Jingyun

Independent Non-executive Directors

CHEN Mo
HO Kwan Yiu
LAM Ying Hung, Andy
LIANG Shibin

Board Committees

Audit Committee

LAM Ying Hung, Andy (*Chairman*)
CHEN Mo
HO Kwan Yiu
XIE Jingyun

Remuneration Committee

HO Kwan Yiu (*Chairman*)
CHEN Mo
LAM Ying Hung, Andy
LIU Libin
LIAO Yuqing

Nomination Committee

LIU Libin (*Chairman*)
CHEN Mo
HO Kwan Yiu
LAM Ying Hung, Andy
ZUO Manlun

董事及董事委員會

董事

執行董事

劉立斌 (*主席*)
廖玉慶 (*行政總裁*)
張莉 (*財務總監*)
羅用冠
王志華
羅建峰

非執行董事

左滿倫
謝景雲

獨立非執行董事

陳默
何君堯
林英鴻
梁世斌

董事委員會

審核委員會

林英鴻 (*主席*)
陳默
何君堯
謝景雲

薪酬委員會

何君堯 (*主席*)
陳默
林英鴻
劉立斌
廖玉慶

提名委員會

劉立斌 (*主席*)
陳默
何君堯
林英鴻
左滿倫

Corporate Information 公司資料

Company Secretary

WONG Tik (resigned on 2 February 2021)
PANG Wai Ching (appointed on 2 February 2021)

Authorised Representatives

LIU Libin
LIAO Yuqing
WONG Tik (alternate to LIU Libin)
(resigned on 2 February 2021)
WANG Zhihua (alternate to LIAO Yuqing)

Registered Office

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

Head Office and Principal Place of Business in the PRC

No. 5, Zone D
Central Science and Technology Industrial Park
Sanshui District, Foshan City
Guangdong Province
China

Principal Place of Business in Hong Kong

Unit 605, 6/F
Wing On Plaza
62 Mody Road
Tsim Sha Tsui East
Kowloon
Hong Kong

Principal Bankers

Bank of China
Agriculture Bank of China
China Construction Bank Corporation

公司秘書

黃荻 (於二零二一年二月二日辭任)
彭偉正 (於二零二一年二月二日獲委任)

授權代表

劉立斌
廖玉慶
黃荻 (劉立斌之替任代表)
(於二零二一年二月二日辭任)
王志華 (廖玉慶之替任代表)

註冊辦事處

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

中國總辦事處及主要營業地點

中國
廣東省
佛山市三水區
中心科技工業園
D區5號

香港主要營業地點

香港
九龍
尖沙咀東部
麼地道62號
永安廣場
6樓605室

主要往來銀行

中國銀行
中國農業銀行
中國建設銀行股份有限公司

Corporate Information 公司資料

Legal Adviser

As to Hong Kong law:

LCH Lawyers LLP

As to Cayman Islands law:

Conyers Dill & Pearman

Auditors

KPMG

Public Interest Entity Auditor

Registered in accordance with the

Financial Reporting Council Ordinance

8th Floor, Prince's Building

10 Chater Road

Central

Hong Kong

Share Registrars

Principal Share Registrar and Transfer Office in the Cayman Islands

Suntera (Cayman) Limited

Royal Bank House

3rd Floor, 24 Shedden Road

P.O. Box 1586

Grand Cayman, KY1-1110

Cayman Islands

Branch Share Registrar and Transfer Office in Hong Kong

Tricor Investor Services Limited

Level 54, Hopewell Centre

183 Queen's Road East

Wanchai,

Hong Kong

WEBSITE

www.xingfa.com

STOCK CODE

00098.HK

法律顧問

香港法律：

呂鄭洪律師行有限法律責任合夥

開曼群島法律：

Conyers Dill & Pearman

核數師

畢馬威會計師事務所

於《財務匯報局條例》下的

註冊公眾利益實體核數師

香港

中環

遮打道10號

太子大廈8樓

股份過戶登記處

開曼群島股份過戶登記總處

Suntera (Cayman) Limited

Royal Bank House

3rd Floor, 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

灣仔

皇后大道東183號

合和中心54樓

網址

www.xingfa.com

股份代號

00098.HK

Chairman's Statement 主席報告

I am pleased to present the 2020 annual results of Xingfa Aluminium Holdings Limited (the “Company” and, together with its subsidiaries, the “Group”, “the Company” or “Xingfa Aluminium”).

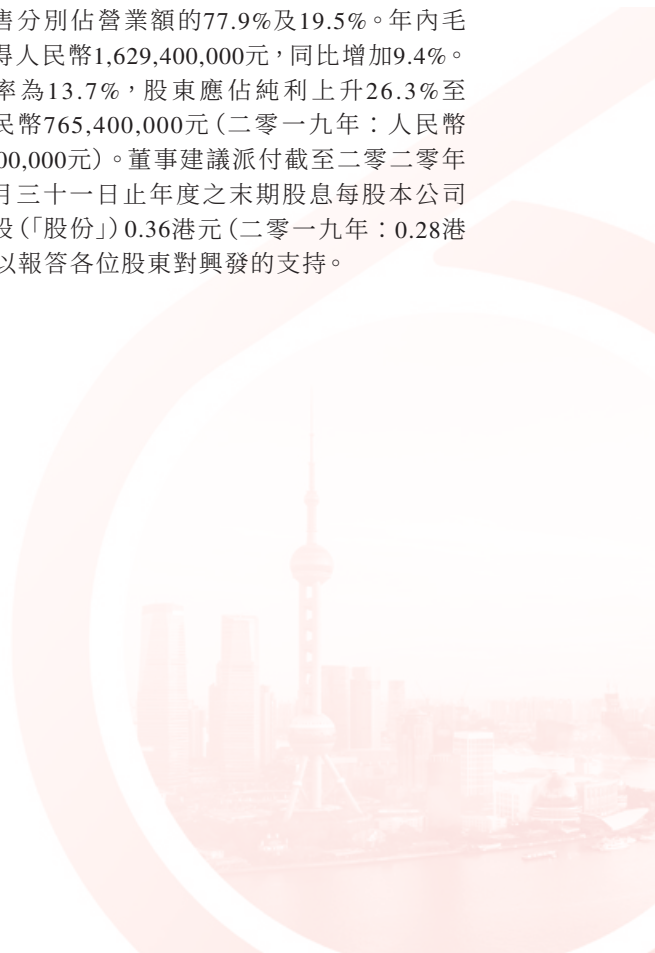
In 2020, Xingfa Aluminium continued to hold on to its position and won the support of customers with its high-quality aluminum profiles, and maintained itself as a reliable partner of top 20 real estate enterprises in China in providing high-end aluminum profiles. It also participated in the construction of various landmark projects and provided high-end aluminium profiles for the 2022 Beijing Winter Olympic Games arena, Chengdu Tianfu International Airport, Xiong'an High-speed Railway Station, Hangzhou Asian Games Village and the Historical Memorial Hall of the Communist Party of China as a lead supplier. The above projects have not only continuously driven the revenue and profit of the Group to new highs during the year but also witnessed Xingfa's standing as the premier brand of construction aluminium profiles in the PRC.

In 2020, the Group's revenue increased by 5.4% to approximately RMB11,886,900,000 (2019: RMB11,280,848,000) and sales volume rose by approximately 6.5% to 651,721 tonnes (2019: 612,223 tonnes). Of which, the sales of construction aluminium profiles and industrial aluminum profiles accounted for 77.9% and 19.5% of the revenue, respectively. Gross profit reached RMB1,629,400,000 for the year, representing a year-on-year increase of 9.4%. The gross profit margin was 13.7% and net profit attributable to shareholders increased by 26.3% to approximately RMB765,400,000 (2019: RMB606,100,000). The Directors recommended the payment of a final dividend of HKD0.36 per ordinary share of the Company (“Shares”) for the year ended 31 December 2020 (2019: HKD0.28) to recompense shareholders for their support to Xingfa.

本人欣然呈報興發鋁業控股有限公司（「本公司」，連同其附屬公司統稱「本集團」、「本公司」或「興發鋁業」）二零二零年之年度業績。

二零二零年，興發鋁業繼續緊守崗位，以高質量的鋁型材獲得客戶的支持，繼續成為中國頭二十大房企中多家龍頭值得信賴的高端鋁型材合作夥伴，更以主供應商身份參與各大地標項目的建設，包括為二零二二年北京冬季奧運會場館、成都天府國際機場、高鐵雄安站、杭州亞運村及中國共產黨歷史紀念館等多個項目提供高端鋁型材，不但持續帶動本集團於年內的營業額及盈利再創新高，更足證興發作為中國建築鋁型材第一品牌的地位。

於二零二零年，營業額增加5.4%至約人民幣11,886,900,000元（二零一九年：人民幣11,280,848,000元），銷售量上升約6.5%至651,721噸（二零一九年：612,223噸），其中建築鋁型材及工業鋁型材銷售分別佔營業額的77.9%及19.5%。年內毛利錄得人民幣1,629,400,000元，同比增加9.4%。毛利率為13.7%，股東應佔純利上升26.3%至約人民幣765,400,000元（二零一九年：人民幣606,100,000元）。董事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每股本公司普通股（「股份」）0.36港元（二零一九年：0.28港元），以報答各位股東對興發的支持。



Chairman's Statement 主席報告

As we have been dedicated and professionally and consistently strived for perfection in technology, R&D, product quality, services and management, Xingfa managed to position itself strongly in the industry for years and maintained its industry leading position, leading the industry in terms of technology and formulating industrial standards. In the future, we will continue to expand the Group's business by focusing on three aspects, including continuous internal improvement, exploring industrial aluminum profiles market and intelligent production and management, so as to lead Xingfa to become bigger and stronger.

After over a year of planning and analysis, the strategy on the internal improvement of the Group has been gradually implemented as scheduled. The reforms in various aspects such as production process, product R&D, information technology, sales process and human resources management have been generally completed and the integrated strategy of production, supply and marketing has achieved preliminary results, which not only have improved the overall effectiveness and efficiency, but also improve customer loyalty and bring in more orders. Besides production management, the human resources management strategy is also one of the key measures introduced by the Group in its brand new management to support its medium- to long-term development. We introduced the Amoeba business strategy, implemented the business model with high transparency and participation of everyone, nourished our future leadership, and united all members of Xingfa to move towards the same goal.

興發能夠在行業內屹立多年，並長期處於行業領先位置，領導行內技術及制定行業標準，全因我們一直做得專注，做得專業，堅持在技術、研發、產品質量、服務和管理等多方面做得精益求精。未來，我們將以三個主心骨繼續拓展集團，包括持續內部提升、開拓工業鋁型材市場和智能化生產及管理，帶領興發做大做強。

經過一年多的計劃及分析，本集團的內部提升策略已經按計劃逐步落實。圍繞生產流程、產品研發、資訊科技、銷售流程及人力資源管理等各方面的變革已經大致完成，產供銷一體化策略已見階段性成效，不但提高整體效益及效率，更提升客戶黏度，帶來更多訂單。除了生產管理，人力資源管理策略也是本集團引入嶄新管理，支援中長遠發展的重要舉措之一。我們引入阿米巴經營策略，實行高透明及全體參與的經營模式，培養未來的領導層，令興發上下同心，向同一目標前進。



Chairman's Statement 主席報告

For business, the Group continued to devote to the “construction profiles + industrial profiles” dual-engine development roadmap to expand the source of revenue of the Group. China has continuously strengthened its regulation on real estate enterprises in recent years and introduced “three red lines (三條紅線)” last year to tighten financing. The domestic real estate market is expected to maintain a healthy and stable development in the future and the demand for construction aluminium profiles is expect to stabilize. As a major supplier of construction aluminium profiles, Xingfa is likely to earn stable revenue from the construction materials industry. Meanwhile, the Group will leverage its technology and experience in the construction materials industry and expand into the industrial materials industry that demands higher quality requirements but with huge profit potential, manufacture electronic consumer products and lightweight transport products. The precision manufacturing base completed during the year is under trial production. The new plants will focus on industrial aluminum profiles to facilitate the Group to seize huge opportunities in the industrial materials industry.

To support the long-term development of construction aluminium profiles and the business expansion on industrial aluminum profiles, Xingfa is actively carrying out the upgrading plan of intelligent production base and digital production management, so as to improve the Group's production efficiency, risk resistance ability and flexibility in coping with uncertainty. Moreover, the Group is also synchronously improving our service, technology and processing quality to enhance the overall long-term operating efficiency, increase product mix and improve quality from multiple perspectives in a bid to provide customers with top quality aluminum profiles.

Finally, the development of Xingfa Aluminium would not have been achieved without the unwavering support from our shareholders. In future, Xingfa Aluminium will continue to seek breakthroughs, make new achievements and bring more sustainable returns for our shareholders. Thanks everyone again.

LIU Libin, Chairman

Foshan China, 26 March 2021

業務方面，集團繼續致力於「建築材+工業材」雙引擎發展路線，拓寬集團的收入來源。近年，國內持續加強對房地產企業規管，並在去年中訂立「三條紅線」收緊融資，國內房地產市場未來可能會以較健康、平穩的步伐發展，預期建築鋁型材需求會相應平穩，興發作為建築鋁型材的主要供應商，有望繼續從建築材領域獲取穩定收益；同時，集團會借助在建築材領域的工藝及經驗，進入質量水平要求較高、利潤空間較大的工業材領域，製造電子消費產品、交通輕量化相關產品。年內落成的精密製造基地正處於試產階段，新廠房將會以工業鋁型材為重心，助力集團把握工業材領域的龐大機遇。

為支持建築鋁型材的長遠發展和工業鋁型材的業務開拓，興發正積極進行生產基台智能化及生產管理數碼化升級計劃，提升本集團的生產效益、抗風險能力及應變不確定性的靈活。此外，本集團亦同步提升服務、技術及工藝質量，務求從多角度提升整體長遠運營效益、增加產品組合及改善質量，為客戶提供最頂級的鋁型材。

最後，興發鋁業能夠走到這一步，實在離不開各位股東一直以來對集團的支持。未來，興發鋁業將會繼續尋求突破，再創高峰，為各位帶來更豐厚、可持續的回報，多謝各位。

主席，劉立斌

中國佛山，二零二一年三月二十六日

Management Discussion and Analysis 管理層討論及分析



INDUSTRY AND BUSINESS OVERVIEW

Industry Review

In the past year, the global economy experienced the most serious impact in recent years due to various factors including the coronavirus disease 2019 (“COVID-19”) pandemic, escalating Sino-US trade frictions and global economic slowdown. As a result, various major economies suffered a setback, and international logistics, business operations were also hampered, affecting the development pace of many industries and businesses. However, the PRC government implemented stringent and rapid epidemic prevention measures and successfully contained the epidemic under effective control, which not only allowed the businesses to rapidly return to their development paths, but also enabled China to become the only country in the world to maintain positive economic growth.

行業及業務概覽

行業回顧

過去一年，全球經濟受多方面因素影響而承受近年來最嚴重的一次衝擊，包括新型冠狀病毒肺炎、中美貿易磨擦升級以及全球經濟放緩等，令多個主要經濟體受挫，國際物流、企業運營也受到阻礙，影響多個行業及企業的發展步伐。然而，中國政府實施嚴謹且迅速的防疫措施，成功有效控制疫情，不但令企業可快速回到發展的正軌，更令中國成為全球唯一保持經濟正增長的國家。

Management Discussion and Analysis 管理層討論及分析

Despite macroeconomic setbacks, the central government still demonstrated strong determination to control housing prices and to deleverage when facing the problem of domestic housing bubble. From mid-2020 to early 2021, it implemented the “three red lines (三條紅線)” requirements respectively, setting the ceilings on the proportion of bank mortgage and the proportion of individual mortgage. It also suggested to speed up the collection of real estate tax to rectify the domestic property sector in both the supply and demand aspects, optimize the overall financing environment, reduce bubble bursting risk, and ensure the healthy and orderly development of the whole sector in the long run. According to the announcement made by the People’s Court of the PRC, in 2020 there was a total of over 470 enterprise publishing bankruptcy announcements (source: <http://finance.eastmoney.com/a/202101011758834593.html>), which are mainly focused on small and medium-sized real estate enterprises in third and fourth tier cities, thus reshaping the housing industry, and the real estate market is leaning towards leading major real estate enterprises with solid financial strength and abundant resources. Among the top 20 real estate enterprises in China, Vanke, Country Garden, Sunac, China Overseas, China Resources, Greentown, Seazen, China Fortune, Shimao Property, Jinke and Agile are customers of the Group, in which we have close and long-term partnership relationships. We also co-operated with other major real estate enterprises in certain projects. Therefore, the continuous integration of the real estate market helped to consolidate the sales and market share of construction aluminium profiles of the Group.

With years of development in the aluminium profile industry and the growing demand for high-end products sectors including green construction, lightweight automobile development and railway transportation, industry peers with relatively backward technological standards may be eliminated, and orders will gradually be transferred to leading enterprises with more technological and research and development advantages, thereby accelerating industry integration. At the same time, the aluminium profile market in China is relatively fragmented, and product homogenization is obvious, hence both the market prices and processing costs are declining. As one of China’s leading aluminum profile manufacturers, Xingfa focuses more on the supply of high-end aluminum profiles, with leverage on our higher quality service, flexible management, professional management and continuous enhancement of the capabilities of research and development, technology and processing, the Group can benefit from China’s rapid economic recovery in the year to increase revenue and profit overall, continue to expand market share, thereby becoming the premier brand of construction aluminium profiles in the PRC.

儘管宏觀經濟受挫，面對內房泡沫問題，中央政府仍決心控房價、去槓桿，於二零二零年中至二零二一年初，分別落實「三條紅線」規定，又為銀行房貸佔比及個人房貸佔比設上限；更建議加快徵收房地產稅，從供應及需求雙方面著手整頓內房業，優化整體融資環境，減低泡沫爆破危機，長遠使整個行業更健康有序地發展。按中國人民法院公告顯示，二零二零年共有超過470家房企發佈破產公告(source: <http://finance.eastmoney.com/a/202101011758834593.html>)，主要集中三、四線城市的中小型房企，令內房行業重新整頓，市場向財力及資源充裕的大型內房龍頭企業靠攏。在中國頭二十大房企中，萬科、碧桂園、融創、中海、華潤、綠城、新城、華夏幸福、世貿房地產、金科及雅居樂等均是本集團客戶，並與我們有緊密且長久的夥伴關係，而其他大型房企亦跟本集團就個別項目合作。因此，房地產市場持續整合，有助本集團鞏固建築鋁型材銷售及市佔。

鋁型材行業經歷多年的發展，高端產品領域包括綠色建築、汽車輕量化及軌道交通等的需求日益增長，技術水平相對落後的同業面臨被淘汰的命運，訂單逐漸轉移至更具技術及研發優勢的龍頭企業，加速行業整合。與此同時，目前中國建築鋁型材市場相對分散，產品同質化明顯，令市場售價及加工費呈下降趨勢。作為中國領先鋁型材製造商之一，興發更專注於供應高端鋁型材，並憑藉更優質的服務、靈活的管理、專業的管理和持續提升研發、技術及工藝能力，本集團能於年內受惠中國經濟快速復甦，整體提升收益和盈利、更持續擴大市佔比率，成為中國建築鋁型材第一品牌。

Management Discussion and Analysis 管理層討論及分析

Business Review

Xingfa Aluminium is one of the leading aluminium profiles manufacturers in the PRC and is principally engaged in the manufacture and sale of aluminium profiles which are being used as construction and industrial materials. Since 2002, the Group has been awarded the “No. 1 of the National Construction Aluminium Profiles Enterprise” by China Non-Ferrous Metals Fabrication Industrial Association for three consecutive sessions. As of 31 December 2020, the Group had obtained approximately 103 national patents and participated in the drafting of approximately 1,550 national and industry standards. Currently, we are also one of the world’s largest suppliers of electrical conductive aluminium profiles for metro vehicles. In recent four years, the Group has focused on gradually establishing our sales outlets in the prefecture-level cities in Southern China and Eastern China, and at the same time has invested its resources to establish sales outlets in key cities of relatively under-developed regions, and apparent positive results were seen from the regional sales data.

For Xingfa, year 2020 was full of external challenges and it was also a year of sustaining positive growth amid the adversity by overcoming all the barriers. The epidemic during the year exerted temporary impact on the overall operation of the Group. As the domestic epidemic broke out in the beginning of the year, our domestic orders were postponed as a result of suspension of real estate projects. After the resumption of production, the Group gave priority to processing overseas orders and was able to manage the sales decline in the first quarter to be under control. Since the second quarter, with the outbreak of COVID-19 in China being under control within a short period of time, augmented by the rapid recovery of the Chinese economy in the second half of the year, the growth of our domestic orders picked up again and our best monthly sales figures ever was recorded. Although the sales price of aluminum profiles and product processing charges decreased slightly due to the impact of market environment, our high quality products and quality service standards are widely favoured by customers and the successful growth in sales volume drove the Group’s revenue to keep on rising.

業務回顧

興發鋁業是中國領先鋁型材製造商之一，主要從事製造及銷售用作建築及工業材料之鋁型材。從二零零二年起，本集團連續三屆被中國有色金屬加工工業協會評定為「中國建築鋁型材企業第一名」。截至二零二零年十二月三十一日，本集團已獲得約103項國家專利，也參與起草約1,550項國家標準和行業標準。目前，我們是全球最大的地鐵機車導電鋁型材供應商之一。近四年來，集團著重在華南及華東區域將銷售網站逐步開設至地級市層級，同時投入資源加大在相對欠發達地區以重點城市為核心開設銷售網站，從區域銷售資料來看，成效明顯。

二零二零年對興發以言，既充滿外圍挑戰，也是興發衝破阻礙，於逆境中保持正增長的一年。年內的疫情為本集團的整體運營帶來短暫影響，年初國內疫情爆發時，國內訂單因房地產項目停工而延後，本集團於復產後優先處理海外訂單，使第一季的銷量跌幅把握在可控範圍。於第二季起，隨著國內疫情於短期內受控，加上中國經濟於下半年迅速復甦，國內訂單重拾增長，更創出歷來最佳的單月銷量數字。儘管回顧年內的鋁型材的售價和產品加工費受市場環境影響，輕微下跌，然而，本集團的高品質產品及優質服務水平廣受客戶青睞，銷量增長成功帶動本集團收益保持上升。

Management Discussion and Analysis 管理層討論及分析

During the period under review, the Group continued to seek participation in landmark projects and was approved as a lead supplier to provide aluminium profiles for Hangzhou Asian Games Village, Canal Asian Games Park, Beijing Winter Olympic Games arena, Historical Memorial Hall of the Communist Party of China, Sub-center of Beijing, Hangzhou Xiaoshan International Airport, Chengdu Tianfu International Airport, Xiong'an High-speed Railway Station and Shenzhen campus of Sun Yat-sen University, demonstrating that the quality of the Group's products have received high regard of the market.

For overseas sales, during the year, the Group continued to promote the sales of aluminium profiles in Australia, New Zealand, Vietnam, Singapore, Malaysia, Indonesia, Cambodia, Thailand, Myanmar, Japan, Egypt, Chile, South Africa and West Africa, and had its very first shipment of products to the United Kingdom. However, owing to the acute epidemic situation overseas, overseas customers' intention to purchase was weakened, together with the restrictions of international logistics, our overseas sales declined year-on-year in the second half of the year, which slightly reduced the yearly overseas sales income. At the same time, the development pace of Australian production base is also affected to some extent.

Revenue

For the year ended 31 December 2020, the revenue and sales volume of the Group increased by 5.4% and 6.5% to approximately RMB11,886.9 million and 651,721 tonnes respectively (2019: RMB11,280.8 million and 612,223 tonnes respectively), of which the sales of construction aluminium profiles and industrial aluminium profiles accounted for 77.9% and 19.5% of the revenue respectively. The gross profit of the Group for the year increased by 9.4% year-on-year to approximately RMB1,629.4 million. The gross profit margin was 13.7% (2019: 13.2%), and such an increase was mainly due to proper control over the price of materials with the Company's strict bidding procedures for the procurement of production materials, as well as strict control over leakage by implementing refined production in the production process, a decrease in cost per tonne by improving the processing skills continuously and hedging for the procurement of raw materials. During the Year, the profit attributable to owners of the Company was approximately RMB765.4 million, representing an increase of 26.3% year-on-year.

於回顧期內，本集團繼續爭取參與地標項目建設，獲准以主供應商身份，為杭州亞運村、運河亞運公園、北京冬季奧運會場館、中國共產黨歷史紀念館、北京城市副中心、杭州蕭山國際機場、成都天府國際機場、高鐵雄安站及中山大學深圳校區等項目提供鋁型材，印證本集團的產品質量備受市場推崇。

海外銷售方面，本集團於年內繼續推動在澳洲、新西蘭、越南、新加坡、馬來西亞、印度尼西亞、柬埔寨、泰國、緬甸、日本、埃及、智利、南非及西非等多個國家的鋁型材銷售，並首次出貨至英國。然而，由於海外仍然疫情嚴峻，削弱了海外客戶的採購意欲，加上國際物流受限制，海外銷售於下半年同比下跌，輕微拉低全年的海外銷售收益；同時澳洲生產基地的發展步伐也受到一定影響。

營業額

截至二零二零年十二月三十一日止年度，本集團之營業額及銷量分別增加5.4%及6.5%至約人民幣11,886,900,000元及651,721噸（二零一九年：分別為人民幣11,280,800,000元及612,223噸），其中建築鋁型材及工業鋁型材銷售分別佔營業額的77.9%及19.5%。年內毛利錄得人民幣約1,629,400,000元，同比增加9.4%。毛利率為13.7%（二零一九年：13.2%），毛利率上升主要是公司一方面對生產物資採購嚴格招標比選，材料價格控制得當；另一方面生產過程實行精益生產，嚴控跑冒滴漏，並不斷改進工藝，降低噸耗成本所致。年內，公司擁有人應佔溢利為人民幣765,400,000元，同比增加26.3%。

Management Discussion and Analysis 管理層討論及分析

Construction aluminium profiles

The construction aluminium profiles are aluminium profiles with surface finishing, which are mainly used for the construction and installation of doors and windows, curtain walls, ceilings and blinds and other decorative products.

In 2020, the revenue of construction aluminium profiles increased by 6.0% to approximately RMB9,261.7 million (2019: RMB8,733.5 million), and sales volume increased by 6.3% to approximately 502,948 tonnes (2019: 473,305 tonnes).

Industrial aluminium profiles

The industrial aluminium profiles are mainly plain aluminium profiles, which can be used as the frame of container box, such as new electrical conductive profiles of urban railway locomotives and ship components. Moreover, the industrial aluminium profiles can also be produced in other different forms and shapes, such as central processing unit (CPU) and display thermal sinks and electronic consumer product frames.

The revenue of industrial aluminium profiles in 2020 increased by 5.0% to approximately RMB2,320.3 million (2019: RMB2,210.7 million), and sales volumes increased by 5.7% to approximately 144,142 tonnes (2019: 136,395 tonnes).

PROSPECT

Looking forward into 2021, the PRC government continues to introduce more real estate policies, such as the new regulations of “Dual Concentration (兩集中)” to stabilize market growth. A stable home is the haven of Chinese people, therefore Chinese people have regarded housing as a necessity after thousand years of development. In order to stabilize the housing price, on the basis of the results achieved in past three years in deleveraging, the PRC government will continue to shift towards stabilized leveraging and ensure the debt ratio of real estate enterprises is stable and the bottom line of non-occurrence of major debt risks is firmly defended. As the market size of construction aluminium profile remains large, the future development of Xingfa’s construction aluminium profile business will no longer be led by increase in volume. Instead, we will focus more on cost control, improvements in the management, technology, quality and service standards, and thereby moving towards the goal of pushing profit margin.

建築鋁型材

建築鋁型材是經表面處理的鋁型材，主要用作建造及安裝門窗、幕牆、天花板及百葉窗等裝飾成品。

於二零二零年，建築鋁型材營業額增加6.0%至約人民幣9,261,700,000元（二零一九年：人民幣8,733,500,000元），而銷量增加6.3%至約502,948噸（二零一九年：473,305噸）。

工業鋁型材

工業鋁型材主要為光身鋁型材，可用作集裝箱的箱框，例如城市鐵路機車的新導電型材及船舶組件等；另外，亦可製成不同形式及形裝，例如中央處理器(CPU)及顯示器的散熱片及電子消費產品框架。

工業鋁型材營業額於二零二零年增長5.0%至約人民幣2,320,300,000元（二零一九年：人民幣2,210,700,000元），而銷量增加5.7%至約144,142噸（二零一九年：136,395噸）。

前景

展望二零二一年，中國政府繼續於多地推行更多房地產地策，如「兩集中」新規，穩定市場增長。一個安穩的家是中國人的避風港，所以中國人千年發展以來都視房屋為必需品。為保持房價穩定，中國政府將會在過去三年去槓桿的成果基礎上，繼續向穩槓桿轉變，確保房企負債率穩定，堅決守住不發生重大債務風險的底線。由於建築鋁型材的市場體量仍然龐大，所以，興發的建築鋁型材業務的未來發展將不再以增量為主導，反之，我們將更專注成本控制，改善管理、技術、質量及服務水平，向推動利潤率的目標進發。

Management Discussion and Analysis 管理層討論及分析

In facing the surrounding challenges and uncertainties, the Board of Directors and the management of the Group are more firmly convinced of the importance of continuous internal improvement, with the long-term sustainable development as the goal, they will lead the development of upgrading and optimization in terms of management of Xingfa, production, research and development and other aspects of Xingfa. The management reform initiated by the Group in 2019 achieved development progress during the year. The integrated strategy of production, supply and marketing has significantly shortened the entire sales and production process by 5-7 days, and the lead time is shorter than industry peers. This has not only improved the overall effectiveness and efficiency, but also improved customer loyalty and brought in more orders. For human resources, the Group adopts the Amoeba business strategy, clearly conveys the development direction, corporate culture, organizational structure and the operating philosophy to every employee and department, implements the business model of high transparency and participation of everyone, nourishes our future leadership, and unites all members of Xingfa to move towards the same goal.

Xingfa is actively carrying out the upgrading plan of intelligent production base and digital production management, so as to improve the Group's production efficiency, risk resistance ability and flexibility in coping with uncertainty. The Group has set up the Project Management Department to undertake intelligent manufacturing functions and to implement the transformation into data and digitalisation of production line and production management. In the future, we can collect big data to precisely manage and optimise production lines, to significantly reduce scrap volume, improve production effectiveness and efficiency, and ensure product quality. Moreover, the Group is also synchronously improving our service, technology and processing quality to enhance the overall long-term operating efficiency, increase product mix and improve quality from multiple perspectives in a bid to provide customers with top quality aluminum profiles.

面對外圍挑戰和不確定因素，本集團的董事局及管理層更堅定相信持續內部提升的重要性，以長遠持續發展為目標，領導興發在管理、生產、研發等多層面進行升級及優化。本集團於二零一九開始推動的管理變革已於年內取得階段性進展，產供銷一體化策略令整個銷售及生產過程大幅度縮短5-7天，交貨期較同業更短，不但提高整體效益及效率，更提升客戶黏度，帶來更多訂單。人力資源方面，本集團採用阿米巴經營策略，明確向每位員工及部門傳遞企業發展方向、企業文化、組織架構及背後的運營理念，實行高透明及全體參與的經營模式，培養未來的領導層，令興發上下同心，向同一目標前進。

興發正積極進行生產基台智能化及生產管理數碼化升級計劃，提升本集團的生產效益、抗風險能力及應變不確定性的靈活度。本集團已組建項目管理部，承接智能製造職能，進行生產線及生產管理數據化及數碼化，日後可以收集大數據，以精準管理及優化生產線，大幅度減低報廢量，提升生產效益及效率，並確保產品質量。此外，本集團亦同步提升服務、技術及工藝質量，務求從多角度提升整體長遠運營效益、增加產品組合及改善質量，為客戶提供最頂級的鋁型材。



Management Discussion and Analysis 管理層討論及分析

In terms of research and development, the Group is committed to achieving its dual-engine development in construction aluminium profiles and industrial aluminium profiles based on its market and technological experiences in construction aluminium profile to expand the industrial aluminium profile market. The precision manufacturing base situated at Sanshui Industrial Park in Guangdong Province had already been completed during the year. The first automatic backlog machine production line was in trial production on 25 October 2020, other production lines will be gradually installed in 2021, and it is expected to commence full production in May 2021. The said base is planned to produce high-end industrial aluminum profiles for sectors such as high-end electronic communication equipment, heat cooling equipment, medical equipment and military applications, which is an important step for the Group to implement the dual-engine development. Apart from the dedicated production facilities, by the end of 2020, the Group also set up separate research and development department and sales department for industrial aluminum profile, and will develop more industrial aluminum profile products and orders, and strengthen the technology of primary, fine and deep processing. It is expected that 2021 will witness the result of research and development for the first batch of industrial aluminum profile products and it will be expanded along the technology roadmap in the future. The lightweight transport development is the future development trend, the Group devoted tremendous efforts in researching and developing the aluminum profiles suitable for the electrical conductive parts of light railway this year. Owing to the high technical content and barriers of entry, as well as the huge investment in the preliminary stage, market competition is not intense. As the leader, the Group possesses first mover advantage and can enjoy the economies of scale in the long run.

In the long run, The Group will remain cautious and optimistic about the prospects of the aluminium profile markets. As the market is gradually becoming matured, smaller-scale peers will be eliminated one after another because the market environment becomes difficult, and leading enterprises will benefit from the continuous production capacity integration. Meanwhile, the application of industrial aluminium profiles will become more extensive in the future, which will have a positive impact on the Group's business with the rollout of more results in the research and development of industrial aluminum profiles. The Group will continue to develop under a balanced approach in both its external business expansion and internal operation efficiency enhancement, so as to bring greater returns to our shareholders and stakeholders.

研發方面，本集團銳意憑藉其在建築鋁型材的市場及技術經驗，開拓工業鋁型材市場，實現以建築鋁型材及工業鋁型材作雙引擎發展。位於廣東三水工業園的精密製造基地已於年內落成，首條全自動積壓機生產線已於10月25日試產，其他生產線將於2021年逐步進駐，預期於2021年5月開始全面投產。該基地規劃為生產高端電子通訊設備、散熱器材、醫療器械及軍工應用等領域的高端工業鋁型材，為本集團落實雙引擎發展踏出重要一步。除了專門的生產設施，本集團也在2020年年底成立獨立的工業鋁型材研發部及銷售部，開拓更多工業鋁型材產品及訂單，加強初、精及深加工的技術，預期2021年將會有首批工業鋁型材產品的研發成果，日後沿著技術路線圖拓展。交通輕量化是未來發展趨勢，本集團在年內著力研究及發展符合輕軌鐵路導電部件使用的鋁型材，由於技術含量及門檻高，以及前期投資龐大，因此市場競爭不大，本集團作為領頭羊，具備先發優勢，長遠可享受規模效益。

長遠而言，本集團對鋁型材市場前景保持審慎樂觀。當市場逐漸成熟，規模較少的同業陸續會因為市場環境變得困難以遭到淘汰，龍頭企業會受惠於持續的產能整合。與此同時，工業鋁型材的應用未來會變得更廣泛，隨著更多工業鋁型材的研發成果推出，將為本集團業務帶來正面作用。本集團將繼續於外部業務拓展及內部營運效率提升兩方面平衡發展，為股東及持份者帶來更大的回報。

Management Discussion and Analysis 管理層討論及分析

FINANCIAL REVIEW

Revenue

The revenue and sales volume of the Group for the Year increased by 5.4% and 6.5% year-on-year to approximately RMB11,886.9 million and 651,721 tonnes respectively (2019: RMB11,280.8 million and 612,223 tonnes respectively). The growth was attributable to the increase in sales orders during the Year.

The sales volume of construction aluminium profiles for the Year increased by 6.3% to 502,948 tonnes (2019: 473,305 tonnes). Meanwhile, the sales volume of industrial aluminium profiles for the Year also increased by 5.7% to 144,142 tonnes (2019: 136,395 tonnes).

The following table sets forth the details of our revenue by reportable segments for the years ended 31 December 2020 and 2019:

財務回顧

營業額

於本年度，本集團之營業額及銷量按年分別增加5.4%及6.5%至約人民幣11,886,900,000元及651,721噸（二零一九年：分別為人民幣11,280,800,000元及612,223噸）。該增長乃主要由於年內銷售訂單增加所致。

於本年度，建築鋁型材銷量增加6.3%至502,948噸（二零一九年：473,305噸）。與此同時，於本年度，工業鋁型材銷量增加5.7%至144,142噸（二零一九年：136,395噸）。

下表載列本集團於截至二零二零年及二零一九年十二月三十一日止年度按可呈報分部劃分的營業額詳情：

		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
Manufacturing and sale of aluminium profiles	生產及銷售鋁型材		
– Construction aluminium profiles	– 建築鋁型材	9,261,704	8,733,486
– Industrial aluminium profiles	– 工業鋁型材	2,320,269	2,210,691
		11,581,973	10,944,177
All other segments	所有其他分部	304,889	336,671
Total	總計	11,886,862	11,280,848

Note: Our Group's revenue from all other segments represented revenue generated from processing service contracts related to aluminum products, sale of office premises and residential properties and sale of aluminium panels, aluminium alloy, moulds and spare parts.

附註： 本集團來自所有其他分部的營業額指有關鋁產品之加工服務合約、銷售辦公物業及住宅物業以及銷售鋁板、鋁合金、模具及零部件所產生的營業額。

Management Discussion and Analysis

管理層討論及分析

Gross profit and gross profit margin

The gross profit of the Group for the Year increased by 9.4% year-on-year to approximately RMB1,629.4 million (2019: RMB1,489.8 million).

The overall gross profit margin for the Year of the Group remained stable at 13.7% (2019: 13.2%), and the sales to production ratio remained stable at 99% (2019: 99%).

The following table sets forth the gross profit margin of our aluminium profiles in 2020 and 2019:

		2020 二零二零年	2019 二零一九年
Construction aluminium profiles	建築鋁型材	13.5%	12.7%
Industrial aluminium profiles	工業鋁型材	9.8%	9.7%

The gross profit margin of construction aluminium profiles increased to 13.5% for the Year as compared to that of 2019. Such increase was in line with the increase in revenue while cost remained stable as a result of hedging for the procurement of raw materials.

The gross profit margin of industrial aluminium profiles remained stable at 9.8% for the Year as compared to that of 2019. This was mainly attributable to the hedging for the procurement of raw materials.

Other income

Other income of the Group for the Year increased significantly by 38.1% year-on-year to approximately RMB146.4 million (2019: RMB106.0 million), which was mainly attributable to the increase in interest income on accounts receivables and the net foreign exchange gain.

毛利及毛利率

於本年度，本集團之毛利按年增加9.4%至約人民幣1,629,400,000元（二零一九年：人民幣1,489,800,000元）。

於本年度，本集團之整體毛利率維持穩定在13.7%（二零一九年：13.2%），而銷售生產比率維持穩定於99%（二零一九年：99%）。

下表載列本集團於二零二零年及二零一九年鋁型材之毛利率：

		2020 二零二零年	2019 二零一九年
Construction aluminium profiles	建築鋁型材	13.5%	12.7%
Industrial aluminium profiles	工業鋁型材	9.8%	9.7%

建築鋁型材於本年度之毛利率較二零一九年提高至13.5%。有關提高與營業額增加同時成本因對沖原材料採購維持穩定一致。

工業鋁型材於本年度之毛利率較二零一九年穩定於9.8%。此乃主要由於對沖原材料採購所致。

其他收益

於本年度，本集團之其他收益按年大幅增加38.1%至約人民幣146,400,000元（二零一九年：人民幣106,000,000元），乃主要由於應收賬款之利息收入及外匯收益淨額增加所致。

Management Discussion and Analysis 管理層討論及分析

Distribution costs

The distribution costs of the Group for the Year increased by 22.8% to approximately RMB360.0 million (2019: RMB293.1 million), which accounted for 3.0% of the revenue (2019: 2.6%). The increase was due to the significant increase in sales volume which led to the corresponding increase in transportation costs and staff costs.

Administrative expenses

Due to business expansion of the Group, the number of management staff increased, resulting in an increase in staff costs during the Year. As a result, the administrative expenses of the Group for the Year increased by 3.4% to approximately RMB396.1 million (2019: RMB383.1 million), which accounted for 3.3% of the revenue (2019: 3.4%).

Finance costs

Finance costs decreased by 32.9% to approximately RMB101.6 million for the Year (2019: RMB151.5 million) mainly due to the decrease in average loans and borrowings during the Year.

Profit for the Year and net profit margin

The profit attributable to shareholders of the Company (“Shareholders”) for the Year increased by 26.3% year-on-year to approximately RMB765.4 million (2019: RMB606.1 million). The increase was primarily attributable to the increase in sales orders during the Year.

分銷成本

於本年度，本集團之分銷成本增加22.8%至約人民幣360,000,000元（二零一九年：人民幣293,100,000元），佔營業額之3.0%（二零一九年：2.6%）。該增加乃由於銷量大幅增加，導致運輸成本及員工成本相應增加。

行政開支

由於本集團之業務拓展，管理員工人數增加，導致本年度員工成本增加。因此，於本年度，本集團之行政開支增加3.4%至約人民幣396,100,000元（二零一九年：人民幣383,100,000元），佔營業額之3.3%（二零一九年：3.4%）。

財務成本

財務成本減少32.9%至約人民幣101,600,000元（二零一九年：人民幣151,500,000元），乃主要由於本年度平均貸款及借貸減少所致。

本年度溢利及純利率

本公司股東（「股東」）應佔本年度溢利按年增加26.3%至約人民幣765,400,000元（二零一九年：人民幣606,100,000元）。該增加乃主要由於本年度銷售訂單增長所致。



Management Discussion and Analysis 管理層討論及分析

Analysis of Financial Position

Current and quick ratios

The following table sets out our Group's current and quick ratios as at 31 December 2020 and 2019:

		2020 二零二零年	2019 二零一九年
Current ratio (Note i)	流動比率 (附註i)	1.30	1.19
Quick ratio (Note ii)	速動比率 (附註ii)	1.01	0.93

Notes:

- (i) Current ratio is calculated based on the total current assets divided by the total current liabilities at the end of the year.
- (ii) Quick ratio is calculated based on the difference between the total current assets and the inventories divided by the total current liabilities at the end of the year.

Current ratio increased for the Year which was mainly due to the decrease in bank loan balances as at 31 December 2020 as compared to that as at 31 December 2019.

Quick ratio improved for the Year which was mainly due to the decrease in bank loan balances as at 31 December 2020 as compared to that as at 31 December 2019.

Gearing ratio

The following table sets out our Group's gearing ratio as at 31 December 2020 and 2019:

		2020 二零二零年	2019 二零一九年
Gearing ratio (Note)	負債比率 (附註)	13.4%	21.9%

Note:

Gearing ratio is calculated based on the loans and borrowings divided by total assets and multiplied by 100%.

財務狀況分析

流動及速動比率

下表載列本集團於二零二零年及二零一九年十二月三十一日之流動及速動比率：

	2020 二零二零年	2019 二零一九年
Current ratio (Note i)	1.30	1.19
Quick ratio (Note ii)	1.01	0.93

附註：

- (i) 流動比率以年末之流動資產總值除以流動負債總額計算。
- (ii) 速動比率以年末之流動資產總值與存貨之差額除以流動負債總額計算。

於本年度，流動比率較二零一九年十二月三十一日上升乃主要由於二零二零年十二月三十一日之銀行貸款結餘減少所致。

於本年度，速動比率較二零一九年十二月三十一日有所提高乃主要由於二零二零年十二月三十一日銀行貸款結餘減少所致。

負債比率

下表載列本集團於二零二零年及二零一九年十二月三十一日之負債比率：

	2020 二零二零年	2019 二零一九年
Gearing ratio (Note)	13.4%	21.9%

附註：

負債比率以貸款及借貸除以資產總值再乘以100%計算。

Management Discussion and Analysis 管理層討論及分析

The gearing ratio was improved for the Year as compared to that of 2019 which was mainly due to the decrease in bank loan balances as at 31 December 2020.

於本年度之負債比率較二零一九年有所改善，乃主要由於二零二零年十二月三十一日的銀行貸款結餘減少所致。

Inventory turnover days

存貨周轉期

The following table sets out our Group's inventory turnover days during the years ended 31 December 2020 and 2019:

下表載列本集團於截至二零二零年及二零一九年十二月三十一日止年度之存貨周轉：

		2020 二零二零年	2019 二零一九年
Inventory turnover days (Note)	存貨周轉期 (附註)	42	42

Note:

附註：

Inventory turnover days is calculated based on the average of the beginning and ending inventory balance before provision for the periods divided by the total cost of sales during the years multiplied by 365 days.

存貨周轉期以計提撥備前之期初及期終之存貨結餘平均數除以年內之銷售成本總額再乘以365日計算。

The production efficiency was maintained at a similar level when compared with last year, leading to the same inventory turnover days for the Year as compared to that of 2019.

生產效率與上年相比維持相若水平使年內存貨周轉期與二零一九年相同。

Debtors' turnover days

應收賬款記賬期

The following table sets out our Group's debtors' turnover days during the years ended 31 December 2020 and 2019:

下表載列本集團於截至二零二零年及二零一九年十二月三十一日止年度之應收賬款記賬期：

		2020 二零二零年	2019 二零一九年
Debtors' turnover days (Note)	應收賬款記賬期 (附註)	96	88

Note:

附註：

Debtors' turnover days is calculated based on the average of the beginning and ending balance of trade and bills receivables (net of allowance for doubtful debts) for the periods divided by revenue during the years multiplied by 365 days.

應收賬款記賬期以期初及期終之交易應收款項及應收票據結餘 (扣除呆賬撥備) 之平均數除以年內之營業額再乘以365日計算。

The debtors' turnover days increased for the Year as compared to that of 2019. This was because repayments from certain downstream customers were slower during the Year.

於本年度之應收賬款記賬期較二零一九年上升。此乃由於年內來自若干下游客戶的還款較慢。

Management Discussion and Analysis 管理層討論及分析

Creditors' turnover days

The following table sets out our Group's creditors' turnover days during the years ended 31 December 2020 and 2019:

		2020 二零二零年	2019 二零一九年
Creditors' turnover days (<i>Note</i>)	應付賬款記賬期 (<i>附註</i>)	83	75

Note:

Creditors' turnover days is calculated based on the average of the beginning and ending balance of trade and bills payables for the periods divided by the total cost of sales during the years multiplied by 365 days.

The creditors' turnover days for the Year increased as compared to that of 2019. This was mainly because longer credit period was granted by the main suppliers due to better negotiation power of the Group.

Loans and borrowings

As at 31 December 2020, the Group's loans and borrowings dominated in RMB amounted to approximately RMB1,130.3 million (31 December 2019: RMB1,698.4 million), of which approximately RMB 518.6 million were fixed rate borrowings (31 December 2019: RMB 899.1 million).

Save for typically lower borrowing requirements in the first quarter of the year due to holidays during the Chinese Lunar New Year, there was no seasonality in the Group's bank borrowing requirements.

Banking facilities and guarantee

As at 31 December 2020, the banking facilities of the Group amounted to approximately RMB8,755.0 million (31 December 2019: RMB7,690.4 million), of which approximately RMB2,265.0 million were utilised (31 December 2019: RMB2,599.1 million).

No banking facilities were guaranteed by related parties of the Group.

應付賬款記賬期

下表載列本集團於截至二零二零年及二零一九年十二月三十一日止年度之應付賬款記賬期：

		2020 二零二零年	2019 二零一九年
		83	75

附註：

應付賬款記賬期以期初及期終之交易應付款項及應付票據結餘之平均數除以年內之銷售成本總額再乘以365日計算。

於本年度，應付賬款記賬期較二零一九年上升。此乃主要由於談判能力增強，本集團獲主要供應商給予較長之記賬期。

貸款及借貸

於二零二零年十二月三十一日，本集團之貸款及借貸以人民幣計值約為人民幣1,130,300,000元（二零一九年十二月三十一日：人民幣1,698,400,000元），其中約人民幣518,600,000元為固定利率借貸（二零一九年十二月三十一日：人民幣899,100,000元）。

除因農曆新年假期令第一季度的借貸要求通常較低外，本集團的銀行借貸要求並無季節性。

銀行信貸額度及擔保

於二零二零年十二月三十一日，本集團之銀行信貸額度約為人民幣8,755,000,000元（二零一九年十二月三十一日：人民幣7,690,400,000元），其中約人民幣2,265,000,000元（二零一九年十二月三十一日：人民幣2,599,100,000元）已動用。

並無銀行信貸額度已獲本集團關連方擔保。

Management Discussion and Analysis 管理層討論及分析

Capital expenditure

Capital expenditure was used for acquisition of property, plant and equipment and lease prepayment. During the Year, our Group's capital expenditure amounted to approximately RMB438.9 million (2019: RMB560.5 million). The significant capital expenditures during the Year were mainly for the acquisition of equipment and lease prepayment for our production plants.

Capital structure

As at 31 December 2020, the Company had 418,068,200 ordinary shares of HK\$0.01 each in issue. During the Year, 17,000 ordinary shares and 51,200 ordinary shares were issued upon exercise of share options granted under the share option scheme of the Company by an employee and by Ms. ZHANG Li, an executive Director, respectively. Save as disclosed above, no shares of the Company has been issued or repurchased during the Year.

Financial instruments for hedging purposes

During the year ended 31 December 2020, the Group used aluminium products futures contracts in the Shanghai Futures Exchange to manage the commodity price risk exposure in respect of the highly probable forecast purchase of aluminium products. The Group designates those futures contracts as hedging instruments in cash flow hedges and does not separate the forward and spot element of the futures contracts but instead designates the futures contract in its entirety in a hedging relationship.

Treasury Policies

The Group's policy is to regularly monitor its liquidity requirements and its compliance with lending covenants, to ensure that it maintains sufficient reserve of cash and adequate committed lines of funding from major financial institutions to meet its liquidity requirements in both short term and long term.

資本開支

資本開支乃用作購買物業、廠房及設備及預付租金。於本年度，本集團之資本開支約為人民幣438,900,000元（二零一九年：人民幣560,500,000元）。本年度之大額資本開支乃主要用作購置生產廠房之設備及預付租金。

資本結構

於二零二零年十二月三十一日，本公司已發行418,068,200股每股面值0.01港元之普通股。於年內，一名僱員及執行董事張莉女士根據本公司之購股權計劃行使獲授購股權後分別發行17,000股普通股及51,200股普通股。除上文所披露者外，於本年度，概無發行或回購本公司之股份。

作對沖用途的金融工具

於截至二零二零年十二月三十一日止年度，本集團於上海期貨交易所使用鋁產品期貨合約管理有關成數很高的預期購買鋁產品的商品價格風險。本集團將該等期貨合約指定為現金流量對沖的對沖工具及並無分開期貨合約的遠期及現貨成份，而是在對沖關係中整體指定期貨合約。

庫務政策

本集團之政策為定期監察流動資金需求及遵守借貸契諾，以確保其維持充裕現金儲備及向大型金融機構取得足夠的承諾資金額度，從而滿足其短期及長遠流動資金需要。

Management Discussion and Analysis

管理層討論及分析

Certain sales and purchases of inventories of the Group are denominated in US dollars and Hong Kong (“HK”) dollars. Furthermore, certain trade receivables, trade payables, bank balances and bank loans are denominated in US dollars and HK dollars, therefore exposing the Group to the currency risk of US dollars and HK dollars.

On 2 September 2019, the Group entered into cross-currency interest rate swap contracts with HSBC Bank (China) Company Limited in respect of short-term loans in aggregate of US\$15,000,000 (equivalent to approximately RMB104,940,000), under which the Group converted the United States (“US”) dollar loans at floating exchange rate into RMB loans at fixed rate.

The purpose of the cross-currency interest rate swap contracts is to hedge against the interest rate risk and foreign currency risk of the US dollar liabilities. The cross-currency interest rate swap contracts matured in August 2020 matching the maturity of the related loans. Further details of the cross-currency interest rate swap contracts are set out in Note 20(b) of the notes to the consolidated financial statements.

Cash Flow Highlights

The following table sets out our Group’s cash flow highlights during the years ended 31 December 2020 and 2019:

Net cash generated from operating activities	經營活動所得現金淨額		
Interest received	已收利息		
Payment for purchase of property, plant and equipment	購買物業、廠房及設備之付款		
Interest paid	支付利息		
Net decrease in bank borrowings	銀行借貸減少淨額		
Dividends paid to equity shareholders of the Company	已付本公司權益股東之股息		

We generally finance our operations through internally generated cash flows, bank borrowings and our cash and cash equivalents. Our Directors believe that on a long-term basis, our liquidity will be funded from operations and, if necessary, additional equity financing or bank borrowings.

本集團若干存貨之買賣乃以美元及港元計值。此外，由於若干交易應收賬款、交易應付賬款、銀行結餘及銀行貸款乃以美元及港元計值，因而令本集團面臨美元及港元貨幣風險。

於二零一九年九月二日，本集團與滙豐銀行(中國)有限公司就總金額15,000,000美元(相當於人民幣104,940,000元)的短期貸款訂立交叉貨幣掉期利率合約，據此，本集團將按浮動利率計息的美元(「美元」)貸款轉換為按固定利率計息的人民幣貸款。

訂立交叉貨幣掉期利率合約的目的乃為對沖美元負債的利率風險及外幣風險。交叉貨幣掉期利率合約於二零二零年八月到期，與相關貸款到期日相同。有關交叉貨幣掉期利率合約之進一步詳情載於綜合財務報表附註20(b)

現金流量摘要

下表載列本集團於截至二零二零年及二零一九年十二月三十一日止年度之現金流量摘要：

		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 generated from operating activities	經營活動所得現金淨額	973,398	953,574
Interest received	已收利息	53,899	42,734
Payment for purchase of property, plant and equipment	購買物業、廠房及設備之付款	(438,918)	(560,535)
Interest paid	支付利息	(101,351)	(161,264)
Net decrease in bank borrowings	銀行借貸減少淨額	(568,816)	(146,619)
Dividends paid to equity shareholders of the Company	已付本公司權益股東之股息	(106,904)	(73,465)

本集團一般透過內部產生之現金流量、銀行借貸及現金及現金等價物為營運提供資金。董事相信，長遠而言，本集團之流動資金將以來自營運及(如有需要)額外股本融資或銀行借貸撥資。

Management Discussion and Analysis 管理層討論及分析

As at 31 December 2020, the Group had cash and cash equivalents of RMB509.6 million (31 December 2019: RMB528.0 million), among which 4% was held in US dollars, 4% was held in HK dollars and the remaining balance was held in RMB.

Property Development

“Xingfa Plaza” (興發大廈), a property project wholly-owned by the Group, is located at the northern side of Jihua Road and western side of Changang Road, Chancheng District, Foshan City, Guangdong Province, the PRC. The land use rights of the property were granted for a term of 40 years expiring on 19 May 2050 for commercial service, office, culture and entertainment uses. The property comprises a parcel of land with a site area of approximately 16,961.36 sq.m. and a gross floor area of approximately 123,527.29 sq.m..

During the Year, 14 units of “Xingfa Plaza” (興發大廈) had been sold and delivered. The revenue recognized from such sale for the Year amounted to approximately RMB15.0 million (2019: RMB81.6 million), with gross profit margin at 64.8% (2019: 53.3%).

Human Resources

As at 31 December 2020, our Group employed a total of approximately 8,345 full time employees in the PRC and Hong Kong which included management staff, technicians, salespersons and workers. In 2020, our Group’s total expenses on the remuneration of employees were approximately RMB959.5 million, represented approximately 8.1% of the revenue of our Group. Our Group’s emolument policies are formulated on the performance of individual employees, which will be reviewed regularly every year. Apart from the provident fund scheme (according to the provisions of the Mandatory Provident Fund Schemes Ordinance for Hong Kong employees), housing fund, medical insurance, unemployment insurance and other relevant insurance (according to the PRC rules and regulations for PRC employees), discretionary bonuses and employee share options are also awarded to employees according to the assessment of individual performance. In-house and external training programmes are provided as and when required.

於二零二零年十二月三十一日，本集團擁有現金及現金等價物人民幣509,600,000元(二零一九年十二月三十一日：人民幣528,000,000元)，其中4%以美元持有、4%以港元持有及餘額以人民幣持有。

物業發展

興發大廈(由本集團全資擁有之物業項目)位於中國廣東省佛山市禪城區季華路以北及禪港路以西。該物業之土地使用權獲授年期40年，於二零五零年五月十九日屆滿，用作商業服務、辦公、文化及娛樂用途。該物業包括一幅地盤面積約16,961.36平方米的土地及建築面積約123,527.29平方米。

於本年度，興發大廈有14個單元已出售及交付。於本年度確認之有關銷售營業額約為人民幣15,000,000元(二零一九年：人民幣81,600,000元)，毛利率為64.8%(二零一九年：53.3%)。

人力資源

於二零二零年十二月三十一日，本集團於中國及香港聘用合共約8,345名全職僱員，包括管理員工、技術人員、銷售人員及工人。於二零二零年，本集團之僱員薪酬總開支約為人民幣959,500,000元，佔本集團營業額約8.1%。本集團之酬金政策乃按個別僱員之表現而制定，並會每年進行定期檢討。除根據強制性公積金計劃條例之規定為香港僱員設立公積金計劃，或根據中國之條例及規定為中國僱員參與住房公積金、醫療保險、失業保險及其他相關保險外，本集團亦會根據個別表現評估結果向僱員提供酌情花紅及僱員購股權作為獎勵。本集團亦按需要提供內部及外界培訓計劃。

Directors and Senior Management 董事及高級管理人員

Directors

Executive Directors

Mr. Liu Libin (“Mr. Liu”), aged 49, was appointed as the Chairman of the Company (“Chairman”) since 8 September 2011. Mr. Liu obtained a Degree of Executive Master of Business Administration from South China University of Technology and has held various senior positions in financial, marketing and governmental fields. Mr. Liu had been the vice section chief (副科長) of finance division of Department of Foreign Trade and Economic Cooperation of Guangdong Province, finance manager and deputy general manager of Sinomart Development Co. Limited (經貿國際有限公司), director and general manager of the finance department of Goldsland Holdings Company Limited (廣新控股有限公司), deputy chairman of Guangdong Advertisement Co., Ltd. (廣東省廣告有限公司) and chairman of Guangdong Guangxin PACO Technology Co., Ltd. (廣東廣新柏高科技有限公司), a subsidiary of Guangdong Guangxin Holdings Group Ltd. (廣東省廣新控股集團有限公司) (“Guangxin Holdings”). Mr. Liu is the chairman of the board of directors of Guangdong Xingfa Aluminium Co., Ltd. (廣東興發鋁業有限公司) (“Guangdong Xingfa”, together with its subsidiaries as “Guangdong Xingfa Group”), a wholly-owned subsidiary of the Company and an executive director of Foshan Xingfa Real Estate Co., Ltd., a wholly-owned subsidiary of the Company.

Mr. Liao Yuqing (“Mr. Liao”), aged 52, is an executive Director and the chief executive officer of the Company. He is in charge of the sales and marketing activities of the Group and is responsible for the planning, development, implementation and evaluation of the marketing strategies of the Group. Mr. Liao joined the Group in January 1993. Prior to that, Mr. Liao was in the military between 1986 to 1991. Mr. Liao worked at the Agricultural Bank of China Jiujiang Branch from 1991 to 1992. Mr. Liao is the director of Guangdong Xingfa and an executive director of Foshan Xingfa Trading Co., Ltd., Guangdong Xingfa Precision Manufacturing Co., Ltd., Guangdong Xingfa Aoke Architecture Technology Co., Ltd., Alxin Investment Co., Ltd. (鋁信投資有限公司) and Alxin Development Co., Ltd. (鋁信發展有限公司). Mr. Liao is the son-in-law of Mr. Luo Su, the Honourable Adviser of the Group.

董事

執行董事

劉立斌先生(「劉先生」)，49歲，自二零一一年九月八日起擔任本公司的主席(「主席」)。劉先生於華南理工大學取得高級管理人員工商管理碩士學位(EMBA)，並於金融、市場推廣及政府領域擔任多個高級職位。劉立斌先生曾擔任廣東省對外經濟貿易合作廳財務處之副科長、經貿國際有限公司之財務經理及副總經理、廣新控股有限公司董事兼財務部總經理、廣東省廣告有限公司之副董事長及廣東省廣新控股集團有限公司(「廣新控股」)之附屬公司廣東廣新柏高科技有限公司之主席。劉先生亦為本公司全資附屬公司廣東興發鋁業有限公司(「廣東興發」，連同其附屬公司統稱為「廣東興發集團」)之董事會主席及本公司全資附屬公司佛山市興發房地產開發有限公司之執行董事。



廖玉慶先生(「廖先生」)，52歲，本公司之執行董事及行政總裁。彼負責本集團銷售及市場推廣活動，並且負責規劃、開展、執行及檢討本集團之市場推廣策略。廖先生於一九九三年一月加入本集團。加入本集團前，廖先生於一九八六年至一九九一年服兵役，於一九九一年至一九九二年任職於中國農業銀行九江分行。廖先生為廣東興發之董事及佛山市興發商貿有限公司、廣東興發精密製造有限公司、廣東興發奧科建築科技有限公司、鋁信投資有限公司、鋁信發展有限公司之執行董事。廖先生為本集團榮譽顧問羅蘇先生之女婿。



Directors and Senior Management 董事及高級管理人員



Ms. Zhang Li (“Ms. Zhang”), aged 41, has been appointed as an executive Director and the chief financial officer of the Company since 10 May 2018. Ms. Zhang is also a director of Guangdong Xingfa. Ms. Zhang has extensive business management experience, before joining the Group, she has worked in various departments of the group companies of Guangxin Holdings since July 2001. She worked at the finance department of Guangdong Dong Fang Import and Export Corp.* (廣東省東方進出口公司) as an accountant from July 2001 to December 2003 and was then promoted to be the deputy manager from January 2004 to December 2004. She then joined the clearings department of Guangxin Holdings as the deputy head from January 2005 to December 2006 and was promoted to be the head of the clearings department from January 2007 to April 2013. Ms. Zhang worked for the capital management department of Guangxin Holdings as an assistant to the head from May 2013 to June 2014 and as the deputy head of the capital management department from June 2014 to April 2018. She has also been a director of Guangxin Shipbuilding & Heavy Industry Co., Ltd.* (廣新海事重工股份有限公司) since September 2014. Ms. Zhang was accredited as a senior accountant in the PRC in April 2011. Ms. Zhang obtained a bachelor’s degree in economics from Central University of Finance and Economics in the PRC in 2001 and a master’s degree in accounting from Sun Yat-Sen University in the PRC in 2009.

張莉女士(「張女士」), 41歲, 自二零一八年五月十日起擔任本公司執行董事及財務總監。張女士亦為廣東興發之董事。張女士具有豐富的業務管理經驗, 她在加入本集團之前, 由二零零一年七月起於廣新控股之集團公司的多個部門工作。由二零零一年七月至二零零三年十二月, 彼於廣東省東方進出口公司之財務部擔任會計師, 其後於二零零四年一月至二零零四年十二月獲晉升為副經理。隨後, 由二零零五年一月至二零零六年十二月期間, 彼加入廣新控股之結算中心出任副主管, 並由二零零七年一月至二零一三年四月期間獲晉升為結算中心主管。由二零一三年五月至二零一四年六月期間, 張女士曾於廣新控股之資金管理部擔任部長助理, 並由二零一四年六月至二零一八年四月期間於資金管理部擔任副部長。自二零一四年九月起, 彼亦為廣新海事重工股份有限公司之董事。於二零一一年四月, 張女士獲認可為中國高級會計師。張女士於二零零一年在中國中央財經大學獲得經濟學學士學位, 並於二零零九年在中國中山大學獲得會計學碩士學位。



Mr. Law Yung Koon (“Mr. Law”), aged 63, has been appointed as an executive Director since 28 April 2009. He is responsible for the sales and marketing of our products in overseas market. Prior to joining the Group, Mr. Law was the general manager of Hang Fat Aluminium Profiles Company Limited, which was the sole distributor of the Group in Hong Kong and Macau and one of the suppliers of aluminium ingots.

羅用冠先生(「羅先生」), 63歲, 自二零零九年四月二十八日起擔任執行董事, 負責本集團產品於海外市場之銷售及市場推廣。於加入本集團前, 羅先生為恆發鋁型材有限公司之總經理, 該公司為本集團於香港及澳門之唯一分銷商, 並為鋁錠供應商之一。

* For identification purpose only

* 僅供識別

Directors and Senior Management 董事及高級管理人員

Mr. Wang Zhihua (“Mr. Wang”), aged 50, is an executive Director. Prior to joining the Group in January 2003, from 1992 to 1997, Mr. Wang worked at Guanglian Industrial Co., Ltd. and the Guangzhou Branch of Huaxia Securities Co., Ltd. Mr. Wang obtained a bachelor’s degree in statistics from the Jiangxi University of Finance and Economics in 1992. Mr. Wang is also an executive director of Xingfa Aluminium (Chengdu) Co., Ltd..

Mr. Luo Jianfeng (“Mr. Luo”), aged 49, has been appointed as an executive Director since 16 April 2018. Mr. Luo has approximately 27 years of experience in accounting and finance. He worked in (i) Shunde City Accounting Firm from July 1993 to March 1996; (ii) Guangdong Dezheng Accounting Firm with Limited Liability from April 1996 to December 2001; (iii) Guangdong Gongcheng Accounting Firm from January 2002 to December 2007. He then worked in Foshan City Zhongzhengcheng Accounting Firm Co., Limited as a certified public accountant from January 2008 to April 2016. In addition, Mr. Luo was the independent non-executive director of Bestsun Energy Co. Ltd. (百川能源股份有限公司)(stock code: 600681), the shares of which are listed on the Shanghai Stock Exchange, from June 2009 to June 2015. Mr. Luo obtained a bachelor’s degree in economics from Guangdong University of Business Studies in the PRC in June 1993 and is a non-practising member of The Chinese Institute of Certified Public Accountants. Mr. Luo is an executive director of China Lesso Group Holdings Limited (中國聯塑集團控股有限公司)(stock code: 2128) (“China Lesso”), the shares of which are listed on the Main Board of The Stock Exchange of Hong Kong Limited (“Stock Exchange”). He is also a director/general manager/supervisor of various companies in China Lesso and its subsidiaries (“China Lesso Group”).

王志華先生(「王先生」), 50歲, 執行董事。二零零三年一月加入本集團前, 王先生自一九九二年至一九九七年於廣聯實業有限公司及華夏證券有限公司廣州分公司工作。王先生於一九九二年獲頒發江西財經大學統計學學士學位。王先生亦為興發鋁業(成都)有限公司之執行董事。



羅建峰先生(「羅先生」), 49歲, 自二零一八年四月十六日起擔任執行董事。羅先生於會計及財務方面擁有約27年經驗, (i)於一九九三年七月至一九九六年三月任職於順德市會計師事務所; (ii)於一九九六年四月至二零零一年十二月任職於廣東德正有限責任會計師事務所; (iii)於二零零二年一月至二零零七年十二月任職於廣東公誠會計師事務所。彼其後於二零零八年一月至二零一六年四月任職於佛山市中正誠會計師事務所有限公司(擔任註冊會計師)。此外, 羅先生曾於二零零九年六月至二零一五年六月在百川能源股份有限公司(股份代號: 600681, 其股份於上海證券交易所上市)出任獨立非執行董事。羅先生於一九九三年六月取得中國廣東商學院的經濟學學士學位, 現為中國註冊會計師協會非執業會員。羅先生為中國聯塑集團控股有限公司(「中國聯塑」, 其股份於香港聯合交易所有限公司(「聯交所」)主板上市(股份代號: 2128))之執行董事。彼亦為中國聯塑及其附屬公司(「中國聯塑集團」)內多間公司之董事/總經理/監事。



Directors and Senior Management 董事及高級管理人員

Non-executive Directors



Mr. Zuo Manlun (“Mr. Zuo”), aged 48, has been appointed as a non-executive Director since 16 April 2018. Mr. Zuo has approximately 20 years of experience in the industry of plastic pipe. Mr. Zuo has extensive business management experience. He is the chief executive officer of China Lesso Group and was appointed as an executive director of China Lesso in February 2010. He is also a director/general manager/supervisor of various companies in China Lesso Group. Mr. Zuo’s expertise was recognised by several awards including “Outstanding Worker of the Plastic Industry in the PRC” accredited by China Plastics Processing Industry Association in 2009 and “Senior Plastic Product Engineer (Technical Entrepreneur)” accredited by Guangdong Human Resources and Social Security Department in 2019.



Ms. Xie Jingyun (“Ms. Xie”), aged 40, has been appointed as a non-executive Director since 6 December 2018. Ms. Xie is experienced in strategic investment and capital operation and is currently the general manager of the operating management centre of Guangxin Holdings. Ms. Xie first joined the Guangxin Holdings group in 2003. She became the deputy department head of the investment development department of Guangxin Holdings in 2008 and was subsequently promoted as the department head. She then joined the capital operation department of Guangxin Holdings as an assistant to department head in 2015 and was promoted as the deputy department head and department head in 2016 and 2018 respectively. She served as the general manager of the operating management centre of the Guangxin Holdings group in 2021. Ms. Xie obtained a bachelor’s degree in business administration from the Guangdong University of Foreign Studies in 2003. Ms. Xie is also a director of (i) Guangdong Advertising Group Co., Limited* (廣東省廣告集團股份有限公司), a company established in the PRC whose shares are listed on the Shenzhen Stock Exchange (stock code: 002400); (ii) Guangdong Shengyi Technology Co., Ltd.* (廣東生益科技股份有限公司), a company established in the PRC whose shares are listed on the Shanghai Stock Exchange (stock code: 600183); and (iii) SHENGYI ELECTRONICS CO., LTD.* (生益電子股份有限公司), a company established in the PRC whose shares are listed on the Shanghai Stock Exchange (stock code: 688183).

* For identification purpose only

非執行董事

左滿倫先生（「左先生」），48歲，自二零一八年四月十六日起擔任非執行董事。左先生於塑料管行業擁有約20年經驗。左先生擁有豐富之業務管理經驗。彼為中國聯塑集團行政總裁及於二零一零年二月獲委任為中國聯塑執行董事。彼亦為中國聯塑集團內多間公司之董事／總經理／監事。左先生之專業曾獲多個獎項認可，包括於二零零九年獲中國塑料加工工業協會評為「中國塑料行業先進工作者」及於二零一九年獲廣東省人力資源及社會保障廳認證為「高級塑料產品工程師（技術企業家）」。

謝景雲女士（「謝女士」），40歲，自二零一八年十二月六日起擔任非執行董事。謝女士具有豐富的戰略投資及資本運營經驗，目前於廣新控股出任資本運營部長。於二零零三年，謝女士首次加入廣新控股集團。彼於二零零八年成為廣新控股之投資發展部副部門主管，隨後獲晉升為部門主管。彼其後於二零一五年加入廣新控股之資本運營部擔任部長助理，並分別於二零一六年及二零一八年獲晉升為副部長及部長，於二零二一年任廣新控股集團運營管理中心總經理。謝女士於二零零三年在廣東外語外貿大學取得工商管理學士學位。謝女士亦為(i)廣東省廣告集團股份有限公司（於中國成立之公司），其股份於深圳證券交易所上市（股份代碼：002400）；(ii)廣東生益科技股份有限公司（於中國成立之公司，其股份於上海證券交易所上市（股份代碼：600183））；及(iii)生益電子股份有限公司（於中國成立之公司，其股份於上海證券交易所上市（股份代碼：688183））之董事。

* 僅供識別

Directors and Senior Management 董事及高級管理人員

Independent non-executive Directors

Mr. Chen Mo (“Mr. Chen”), aged 56, was appointed as an independent non-executive Director on 29 February 2008. He obtained the lawyer qualification certificate issued by the Guangdong Provincial Department of Justice in June 1989. Mr. Chen has been a practicing lawyer in the PRC since 1993 and has been a partner of (i) Goldsun Law Firm (國信聯合律師事務所) from 1998 to 2011; and (ii) Guangdong King & Land Law Firm (廣東君厚律師事務所) from 2011 to March 2019. Mr. Chen was admitted as a lawyer by the Department of Justice of Guangdong Province in June 1989 and obtained 三級律師資格 (Third Grade Lawyer) from the Department of Personnel of Guangdong Province in 1999. Mr. Chen graduated from the Political Education Department of South China Normal University (華南師範大學) in 1986. He has been granted the《律師從事證券法律業務資格證書》(Certificate of Engaging in Securities Law Business) jointly by the Ministry of Justice and China Securities Regulatory Commission in 1996, the《律師從事集體科技企業產權界定法律業務資格證書》(Certificate of Engaging in Delimitation of Property Rights of Collective Science and Technology Enterprises) jointly by the Ministry of Justice, the Ministry of Science and Technology of the PRC and the State-owned Asset supervision and Administration Commission of the State Council in 1998, and the《上市公司獨立董事培訓結業證》(Certificate of Completion of Training on Independent Directors of Listed Companies) by the China Securities Regulatory Commission and the School of Management of Fudan University jointly in 2001. Mr. Chen joined Guangdong Lianyue Law Firm (廣東連越律師事務所) in April 2019.

獨立非執行董事

陳默先生(「陳先生」)，56歲，於二零零八年二月二十九日獲委任為獨立非執行董事。彼於一九八九年六月獲得廣東省司法廳頒發的律師執業資格證書。陳先生自一九九三年起為中國執業律師，及由(i)一九九八年至二零一一年為國信聯合律師事務所合夥人；及(ii)二零一一年至二零一九年三月為廣東君厚律師事務所合夥人。陳先生於一九八九年六月獲委任為廣東省司法廳律師，其後於一九九九年獲得廣東省人事廳三級律師資格。陳先生於一九八六年畢業於華南師範大學政治教育系，於一九九六年獲司法部及中國證券監督管理委員會聯合頒發《律師從事證券法律業務資格證書》，於一九九八年獲司法部、中國科學技術部及國務院國有資產監督管理委員會頒發《律師從事集體科技企業產權界定法律業務資格證書》，於二零零一年獲中國證券監督管理委員會及復旦大學管理學院聯合頒發《上市公司獨立董事培訓結業證》。陳先生於二零一九年四月加入廣東連越律師事務所。



Directors and Senior Management 董事及高級管理人員



Mr. Junius K. Y. Ho (“Mr. Ho”), aged 58, was appointed as an independent non-executive Director on 29 February 2008. He is a Senior Partner of Messrs. K.C. Ho & Fong, Solicitors & Notaries where he is the head of the Litigation and Commercial Department. He is also the Principal Representative of the Guangzhou Office. Having studied at Anglia Ruskin University in the United Kingdom (formerly known as Chelmer Institute of Higher Education), Mr. Ho obtained his Bachelor of Laws Degree in 1984. He then joined the University of Hong Kong for the Postgraduate Certificate in Laws. Mr. Ho was further awarded with the honorary degree of Doctor of Laws by China University of Political Science and Law in 2019.

Mr. Ho was admitted as a solicitor in Hong Kong in 1988. He was subsequently admitted in Singapore, England and Wales in 1995 and 1997 respectively. In 2003, he was appointed as a China-Appointed Attesting Officer.

Mr. Ho has over 30 years of legal experience. Being the Past President (2011-2012) and the Council Member (1995-2017) of The Law Society of Hong Kong, he is committed in serving the community and contributing to the economic co-operation between Hong Kong and Mainland China. Apart from serving the legal profession, he also serves on various government and public boards as follows:

1. Justice of the Peace of the Hong Kong Special Administrative Region (2016-present);
2. New Territories Justice of the Peace of the Hong Kong Special Administrative Region (2016-present);
3. Member of Legislative Council of the Hong Kong Special Administrative Region (2016-2021);

何君堯先生(「何先生」), 58歲, 於二零零八年二月二十九日獲委任為獨立非執行董事。彼為何君柱律師樓的高級合夥人, 主理訴訟及商業部門, 亦同時兼任廣州辦事處首席代表。於英國安格利亞魯斯金大學(前稱州瑪高等教育學院)學習後, 何先生於一九八四年取得法律學士學位。之後他攻讀香港大學法學專業證書。於二零一九年, 何先生進一步獲中國政法大學頒授法學名譽博士學位。

何先生於一九八八年取得香港執業律師資格, 其後分別在一九九五年及一九九七年取得新加坡、英格蘭及威爾斯律師資格。於二零零三年, 彼獲委任為中國委託公證人。

何先生擁有逾30年之法律工作經驗, 作為香港律師會之前任會長(二零一一年至二零一二年)及理事(一九九五年至二零一七年), 他致力於服務社區及促進香港與內地經貿合作。除投身於其本身法律專業外, 彼亦擔任下列之多項政府及公共部門之工作:

1. 香港特別行政區太平紳士(二零一六年至今);
2. 香港特別行政區新界太平紳士(二零一六年至今);
3. 香港特別行政區立法會議員(二零一六年至二零二一年);

Directors and Senior Management 董事及高級管理人員

- | | | | |
|-----|---|-----|--|
| 4. | Elected Member of Lok Tsui District of Tuen Mun District Council (2016-2019); | 4. | 屯門區樂翠區區議員(二零一六年至二零一九年); |
| 5. | Founder of International Probono Legal Services Association (1988-present); | 5. | 國際公益法律服務協會創辦人(一九八八年至今); |
| 6. | Member of the Council of Lingnan University of Hong Kong (2015-present); | 6. | 香港嶺南大學校董(二零一五年至今); |
| 7. | Member of the Panel of Adjudicators of the Obscene Articles Tribunal (2013-present); | 7. | 管制淫褻及不雅物品審裁小組委員(二零一三年至今); |
| 8. | Ex-officio Executive Councillor of Heung Yee Kuk (2016-present); | 8. | 新界鄉議局當然執行委員(二零一六年至今); |
| 9. | Spokesman of New Territories Concern Group (2013-present); | 9. | 新界關注大聯盟發言人(二零一三年至今); |
| 10. | Indigenous Village Representative of Leung Tin Village (2011-present); | 10. | 良田村原居民村代表(二零一一年至今); |
| 11. | Director and Chairman of Yan Oi Tong (1993-1997) and Advisory Board Member of Yan Oi Tong (1997-present); | 11. | 仁愛堂董事及主席(一九九三年至一九九七年)及仁愛堂諮議局成員(一九九七年至今); |
| 12. | Founder of Butterflyers Association (a charitable organization) (2010-present); | 12. | 匯蝶公益創辦人(慈善組織)(二零一零年至今); |
| 13. | Independent Director of Hong Kong Football Association (2011-2019); | 13. | 香港足球總會獨立董事(二零一一年至二零一九年); |
| 14. | Arbitrator of Zhengzhou Arbitration Commission (2009-2018); | 14. | 鄭州仲裁委員會仲裁員(二零零九年至二零一八年); |
| 15. | Arbitrator of South China International Economic and Trade Arbitration Commission (Shenzhen Court of International Arbitration) (2012-present); | 15. | 華南國際經濟貿易仲裁委員會(深圳國際仲裁院)仲裁員(二零一二年至今); |
| 16. | Special Adviser of “One Belt One Road” Legal Services Research Centre of the Guangdong Lawyers Association (2017-present); and | 16. | 廣東省律師協會「一帶一路」法律服務研究中心特別顧問(二零一七年至今);及 |
| 17. | Part-time Tutor of Master of Public Administration, China University of Labor Relations (2018-present). | 17. | 中國勞動關係學院公共管理碩士兼職研究生導師(二零一八年至今)。 |

Directors and Senior Management 董事及高級管理人員



Mr. Lam, Ying Hung Andy (“Mr. Lam”), aged 56, was appointed as an independent non-executive Director on 29 February 2008. He is an associate member of various professional organisations, namely The Institute of Chartered Secretaries and Administrators, The Hong Kong Institute of Company Secretaries and The Hong Kong Institute of Bankers. Mr. Lam is also a fellow member of The Association of Chartered Certified Accountants and the Hong Kong Institute of Certified Public Accountants. He obtained his master’s degree in professional accounting from The Hong Kong Polytechnic University. Mr. Lam has over 30 years of experience in the accounting, banking and finance sectors and currently is the managing consultant of Lontreprise Consulting Limited. Mr. Lam was also the president of Dragon Junior Chamber, a local chamber affiliated with Junior Chamber International Hong Kong in 2004 and was elected as the national vice president of the Junior Chamber International Hong Kong in 2005. He is currently an independent non-executive director of each of Brilliant Circle Holdings International Limited (stock code: 1008), Synertone Communication Corporation (stock code: 1613) and Weiye Holdings Limited (stock code: 1570), the shares of which are listed on the Main Board of the Stock Exchange.

林英鴻先生（「林先生」），56歲，於二零零八年二月二十九日獲委任為獨立非執行董事。林先生為多家專業機構之會員，包括英國特許秘書及行政人員公會、香港公司秘書公會及香港銀行學會，亦是英國特許公認會計師公會及香港會計師公會資深會員。林先生在香港理工大學取得專業會計碩士學位，擁有逾30年會計、銀行和金融行業經驗，目前為龍企諮詢有限公司之首席顧問。林先生於二零零四年擔任騰龍青年商會會長，該商會是國際青年商會香港總會之地方分支機構，並於二零零五年獲選為國際青年商會香港總會副會長。彼目前為貴聯控股國際有限公司（股份代號：1008）、協同通信集團有限公司（股份代號：1613）及偉業控股有限公司（股份代號：1570）之獨立非執行董事，該等公司股份均於聯交所主板上市。

Directors and Senior Management 董事及高級管理人員

Mr. Liang Shibin (“Mr. Liang”), aged 81, was appointed as an independent non-executive Director on 14 December 2013. He completed the programme of Nonferrous Metal and Heat Treatment in the Department of Special Metallurgy from 中南礦冶學院 (unofficial English translation being Central South Institute of Mining and Metallurgy) (now known as 中南大學 (Central South University)). From 1965 to 1982, Mr. Liang had worked in the special workshop of 東北輕合金加工廠 (unofficial English translation being Northeast Light Alloy Processing Factory) first as technician and later as engineer and specialized in atomic reactor technical matters. From 1982 to 1992, Mr. Liang had worked in 廣東省有色金屬加工廠 (unofficial English translation being Guangdong Nonferrous Metal Processing Factory) first as workshop manager, and later as deputy factory general manager and then factory general manager. From 1988 to 1992, he also served as the president of 廣東省鋁型材協會 (unofficial English translation being Guangdong Aluminium Profile Association). From 1992 to 2003, he first served as the general manager of 杭州宏昌鋁業公司 (unofficial English translation being Hangzhou Hongchang Aluminium Company) and later as the deputy general manager and chief engineer of 寧波鋁業公司 (unofficial English translation being Ningbo Aluminium Company). From 2003 to 2011, he served as a senior consultant of 福建省閩發鋁業股份有限公司 (Fujian Minfa Aluminium Co., Ltd.) (a company listed on Small and Medium-sized Enterprise Board of Shenzhen Stock Exchange with stock code: 002578). From 2008 to 2013, Mr. Liang was an independent director of 福建省閩發鋁業股份有限公司 (Fujian Minfa Aluminium Co., Ltd.).

梁世斌先生(「梁先生」)，81歲，於二零一三年十二月十四日獲委任為獨立非執行董事。彼自中南礦冶學院(現名中南大學)特種冶金系的有色金屬及熱處理專業畢業。自一九六五年至一九八二年，梁先生曾任職於東北輕合金加工廠特殊車間，首先出任技術員，隨後出任工程師，專注於原子反應堆技術事宜。自一九八二年至一九九二年，梁先生曾任職於廣東省有色金屬加工廠，首先出任車間主任，隨後出任工廠副總經理及工廠總經理。自一九八八年至一九九二年，彼亦擔任廣東省鋁型材協會會長。自一九九二年至二零零三年，彼首先擔任杭州宏昌鋁業公司之總經理，隨後擔任寧波鋁業公司之副總經理兼總工程師。自二零零三年至二零一一年，彼擔任福建省閩發鋁業股份有限公司(一間於深圳證券交易所中小企業板上市之公司，股份代號：002578)之高級顧問。自二零零八年至二零一三年，梁先生擔任福建省閩發鋁業股份有限公司之獨立董事。



Directors and Senior Management 董事及高級管理人員

Senior Management

Mr. Lin Yan (“Mr. Lin”), aged 52, is the deputy general manager of Guangdong Xingfa Group. Mr. Lin is responsible for the sales operation of the Group. Prior to joining Xingfa Aluminium, Mr. Lin worked in a state-owned enterprise, Guangdong Metals & Minerals Import & Export Group Corporation (廣東省五金礦產進出口集團公司), with more than 20 years of experience in international trade. He was awarded a certificate of Economist by Ministry of Human Resources of the PRC in 1996. Mr. Lin held a Bachelor Degree in Economics from Jinan University, the Degree of Executive Master of Business Administration (EMBA) at South China University of Technology.

Mr. Liu Yuntang, aged 52, is the deputy general manager of Guangdong Xingfa Group and is responsible for production management of the Group. Mr. Liu Yuntang joined Guangdong Xingfa Aluminium Profiles Factory in 1993. Prior to joining the Group in October 1993, Mr. Liu Yuntang worked at Nanhai Guangdong Cable Factory Co., Ltd. from 1991 to 1993. Mr. Liu Yuntang was granted a bachelor’s degree in engineering by the Guangdong Mechanics Institute in 1991. He was certified as assistant engineer in 1993 by the Nanhai City Science Technology Committee and certified as engineer in 2001 by the Foshan City Human Resources Bureau. He was awarded as senior engineer by Guangdong Human Resources and Social Security Department on 4 May 2015, and was granted a senior Executive Master in Business Administration Degree by Sun Yat-sen University on 29 December 2015. On 15 December 2020, he was awarded as Intermediate Certified Safety Engineer by Human Resources and Social Security Department of the PRC.

高級管理人員

林嚴先生(「林先生」)，52歲，擔任廣東興發集團之副總經理，負責本集團銷售業務。林先生加入興發鋁業前，於大型國有企業廣東省五金礦產進出口集團公司工作，有二十多年從事國際貿易的經驗。彼於一九九六年獲全國人力資源部經濟師資格。林先生持有暨南大學經濟學學士學位，華南理工大學高級工商管理碩士學位(EMBA)。

劉允棠先生，52歲，廣東興發集團之副總經理，負責本集團之生產管理。劉允棠先生於一九九三年加入廣東興發鋁型材廠。於一九九三年十月加入本集團前，劉允棠先生於一九九一年至一九九三年任職於南海廣東電纜廠。劉允棠先生於一九九一年獲廣東機械學院授予工程學士學位。彼於一九九三年獲南海市科學技術委員會評為助理工程師，於二零零一年獲佛山市人力資源局評為工程師。彼於二零一五年五月四日獲廣東省人力資源和社會保障廳評為高級工程師，及於二零一五年十二月二十九日獲中山大學授予高級管理人員工商管理碩士學位。於二零二零年十二月十五日，彼獲中華人民共和國人力資源和社會保障部評為中級註冊安全師。



Directors and Senior Management 董事及高級管理人員

Mr. Chen Wensi (“Mr. Chen”), aged 50, is the deputy general manager of Guangdong Xingfa Group. Mr. Chen is responsible for the technology research and development, quality control and safety in environmental protection of the Group. Mr. Chen joined Guangdong Xingfa Aluminum Profiles Factory in 1997. Prior to joining the Group in January 1997, Mr. Chen worked for Guangdong Chang’e Thermal Insulation Container Factory (廣東嫦娥保溫器皿廠) from 1995 to 1996. Mr. Chen graduated from Guangzhou Zhongkai Institute of Agricultural Technology (廣州仲愷農業技術學院) in 1995. He was qualified as a senior engineer in mechanical engineering in 2018. He is also a member of the Measurement Technology Committee of China Non-ferrous Metals Industry Association and an expert of the Expert Committee of China Non-ferrous Metals Processing Industry Association. Mr. Chen has participated in the development, management and standardization of scientific research projects from various national, provincial, municipal and district governments. He has won 5 excellence awards in patents in China, 3 first prizes of the excellence awards in technical standards by the National Non-ferrous Metals Standardization Technical Committee, and 2 progress awards in science and technology by Guangdong Province. On 4 November 2020, he was awarded as senior engineer in metal pressure processing by Foshan Science and Technology Association (佛山市科學技術協會).

Mr. Guan Dubiao (“Mr. Guan”), aged 50, is the deputy general manager of Guangdong Xingfa Group. Mr. Guan is a senior Economist and is currently the council member of Foshan City CPA Institute and Foshan City Association of Chief Financial Officers. His education background is undergraduate, studying business management (accounting) and economic management. Prior to joining the Group, Mr. Guan started his accounting career in the business department of Foshan Nanzhuang Economic Development Company. Subsequently, Mr. Guan served as different important financial positions, such as chief accountant, chief of finance, etc., within several group companies of Foshan Nanzhuang Economic Development Company. Mr. Guan joined the Group in 1999 as deputy head of finance department and chief accountant and subsequently promoted as head of finance department. He was further promoted as deputy general manager of Guangdong Xingfa Group since September 2011.

陳文泗先生(「陳先生」)，50歲，廣東興發集團之副總經理，負責本集團技術研發、質量管控與安全環保。陳先生於一九九七年加入廣東興發鋁型材廠。一九九七年一月加入本集團前，陳先生於一九九五年至一九九六年任職於廣東嫦娥保溫器皿廠。陳先生於一九九五年畢業於廣州仲愷農業技術學院，於二零一八年獲機械工程高級工程師資格，兼任中國有色金屬工業協會計量技術委員會委員及中國有色金屬加工工業協會專家委員會專家。陳先生參與多項國家、省、市、區各級政府科研項目開發管理工作及標準編製工作，獲中國專利優秀獎5項、全國有色金屬標準化技術委員會技術標準優秀獎一等獎3項、廣東省科技進步獎2項等多項科技獎勵。於二零二零年十一月四日，彼獲得由佛山市科學技術協會授予的金屬壓力加工教授級高級工程師。

關道標先生(「關先生」)，50歲，廣東興發集團之副總經理。關先生，為一名高級經濟師，現任佛山市會計學會及佛山市總會計師協會常務理事。學歷：本科，攻讀企業管理(財會類)專業和經濟管理專業。加入本集團前，關先生於佛山南莊經濟發展總公司經營部任會計工作，其後在佛山南莊經濟發展總公司之下屬多間公司擔任主管會計、財務科長等不同的主要財務職務。關先生於一九九九年加入本集團並任職財務部副部長兼主管會計，次年升任至財務部部長，二零一一年九月升任為廣東興發集團之副總經理。

Directors and Senior Management 董事及高級管理人員

Mr. Wu Xi Kun (“Mr. Wu”), aged 49, is the deputy general manager of Guangdong Xingfa Group since 12 May 2020. Mr. Wu obtained Bachelor of Material Science and Engineering from Guangdong Industrial University in the PRC and joined Guangdong Xingfa Group in July 1994. Currently, Mr. Wu is a postgraduate student of Master of Philosophy (Engineering) in Central South University in the PRC.

Mr. Wu has over 20 years of experience in the production management, quality control and research of manufacturing of aluminium ingots and aluminium profiles. Mr. Wu participated in the academic research and seminars in the industry. He published the “Practical Handbook in the Processing Techniques of Aluminium Profiles” in 2006. He also participated in the set up of various national standards regarding aluminium profiles.

COMPANY SECRETARY

Mr. Pang Wai Ching (“Mr. Pang”), aged 32, joined our Group as the company secretary of the Company since February 2021. Mr. Pang has been a member of the Hong Kong Institute of Certified Public Accountants since March 2015. He obtained the Bachelor degree of Business Administration in Accountancy from City University of Hong Kong in July 2010. He has more than 10 years’ experience in accounting, auditing and company secretarial matters. In addition, Mr. Pang was the independent non-executive director of China Shenghai Group Limited (stock code: 1676) from 19 October 2019 to 1 April 2020.

吳錫坤先生（「吳先生」），49歲，自二零二零年五月十二日起為廣東興發集團之副總經理。於一九九四年七月，吳先生於中國廣東工業大學畢業取得材料科學與工程學學士學位及加入廣東興發集團。吳先生現為中國中南大學工程學碩士研究生。

吳先生於生產鋁錠及鋁型材擁有逾20年生產管理，品質管理及研究的經驗。吳先生先參與了業界學術研究及交流。於二零零六年，吳先生出版了《鋁型材加工技術實用手冊》。吳先生亦參與就鋁型材料設定不同的國家標準。

公司秘書

彭偉正先生（「彭先生」），32歲，為自二零二一年二月起加入本集團並擔任本公司之公司秘書。彭先生於二零一五年三月起為香港會計師公會會員。彼於二零一零年七月獲香港城市大學頒授工商管理會計學學士學位。彼於會計、核數及公司秘書事宜方面擁有逾10年經驗。此外，彭先生於二零一九年十月十九日至二零二零年四月一日擔任中國升海集團有限公司（股份代號：1676）之獨立非執行董事。



Report of the Directors 董事會報告

The directors (“Directors”) of Xingfa Aluminium Holdings Limited (“Company”) present their report together with the audited consolidated financial statements of the Company and its subsidiaries (collected referred as to “Group”), for the year ended 31 December 2020 (“Year”).

PRINCIPAL ACTIVITIES

The principal activity of the Company is investment holding. Details of the principal activities of other members of the Group are set out in note 3(a) in notes to the consolidated financial statements.

There were no significant changes in the nature of the Group’s principal activities during the year ended 31 December 2020.

RESULTS AND APPROPRIATION

The results of the Group for the year ended 31 December 2020 are set out in the consolidated statement of profit or loss on page 171 of the annual report.

FINAL DIVIDEND

The Directors recommended the payment of a final dividend of HKD0.36 per ordinary share for the year ended 31 December 2020 (2019: HKD0.28).

CLOSURE OF REGISTER OF MEMBERS

For the purpose of determining the right to attend the forthcoming annual general meeting to be held on Thursday, 27 May 2021, the register of members of the Company will be closed from Monday, 24 May 2021 to Thursday, 27 May 2021 (both days inclusive). During such period, no transfer of the shares in the Company will be registered. In order to qualify for the attendance in the annual general meeting, all transfers, accompanied by the relevant share certificates, must be lodged with the Company’s branch share registrar and transfer office in Hong Kong, Tricor Investor Services Limited, at Level 54, Hopewell Centre, 183 Queen’s Road East, Hong Kong, not later than 4:30 p.m. on Friday, 21 May 2021.

興發鋁業控股有限公司(「本公司」)董事(「董事」)呈報其報告，連同本公司及其附屬公司(統稱「本集團」)截至二零二零年十二月三十一日止年度(「本年度」)之經審計綜合財務報表。

主要業務

本公司之主要業務為投資控股。本集團其他成員公司之主要業務詳情載於綜合財務報表附註之附註3(a)。

於截至二零二零年十二月三十一日止年度內，本集團之主要業務性質並無重大變動。

業績及分配

本集團截至二零二零年十二月三十一日止年度之業績載於年報第171頁綜合損益表。

末期股息

董事建議就截至二零二零年十二月三十一日止年度派發末期股息每股普通股0.36港元(二零一九年：0.28港元)。

暫停辦理股份過戶登記手續

為釐定出席將於二零二一年五月二十七日(星期四)舉行的應屆股東週年大會之權利，本公司將由二零二一年五月二十四日(星期一)起至二零二一年五月二十七日(星期四)止(包括首尾兩日)暫停辦理股份過戶登記手續，於該期間內本公司將不會辦理任何股份過戶。為符合資格出席股東週年大會，所有過戶文件連同相關股票必須最遲於二零二一年五月二十一日(星期五)下午四時三十分前送達本公司之香港股份過戶登記分處卓佳證券登記有限公司，地址為香港皇后大道東183號合和中心54樓。

Report of the Directors 董事會報告

For the purpose of determining the entitlement to the final dividend, the register of members of the Company will be closed from Wednesday, 9 June 2021 to Friday, 11 June 2021 (both days inclusive). During such period, no transfer of the shares in the Company will be registered. In order to qualify for the final dividend, all transfers, accompanied by the relevant share certificates, must be lodged with the Company's branch share registrar and transfer office in Hong Kong, Tricor Investor Services Limited at the above address not later than 4:30 p.m. on Tuesday, 8 June 2021.

FINANCIAL SUMMARY

A summary of the results, assets and liabilities of the Group for the past five years is set out on page 324.

LOANS AND BORROWINGS

Details of the Group's loans and borrowings at the balance sheet date are set out in note 22 in notes to the consolidated financial statements.

PROPERTY, PLANT AND EQUIPMENT

Details of movements in the property, plant and equipment of the Group during the year are set out in note 11 in notes to the consolidated financial statements.

SHARE CAPITAL

Details of the Company's paid-in capital for the year ended 31 December 2020 are set out in note 27 in notes to the consolidated financial statements.

DONATIONS

The Group made donation of RMB353,000 (2019: RMB380,000) for charitable or any other purposes during the Year.

EQUITY-LINKED AGREEMENT

Details of the equity-linked agreements entered into during the Year or subsisting at the end of the Year are set out below.

為釐定享有末期股息之權利，本公司將自二零二一年六月九日(星期三)起至二零二一年六月十一日(星期五)(包括首尾兩日)暫停辦理股份過戶登記手續。於該期間內，將不會辦理任何本公司股份之過戶。為符合收取末期股息之資格，所有過戶文件連同相關股票須不遲於二零二一年六月八日(星期二)下午四時三十分按上述地址送交予本公司之香港股份過戶登記分處卓佳證券登記有限公司。

財務概要

本集團於過往五年之業績、資產及負債概要載於第324頁。

貸款及借貸

本集團於結算日之貸款及借貸詳情載於綜合財務報表附註之附註22。

物業、廠房及設備

本集團之物業、廠房及設備於年內之變動詳情載於綜合財務報表附註之附註11。

股本

本公司截至二零二零年十二月三十一日止年度之實繳股本詳情載於綜合財務報表附註之附註27。

捐款

於本年度，本集團作出人民幣353,000元(二零一九年：人民幣380,000元)之慈善捐款或作任何其他用途。

股權掛鈎協議

於本年內訂立或於本年末存續之股權掛鈎協議詳情載於下文。

Report of the Directors 董事會報告

SHARE OPTION SCHEME

The Company conditionally adopted a new share option scheme (“Share Option Scheme”) on 29 December 2017. The Share Option Scheme became effective for 10 years commencing from 5 January 2018.

The purpose of the Share Option Scheme is to enable the Group to grant options to eligible participants as incentives or rewards for their contribution to the Group and/or to enable the Group to recruit and retain high-calibre employees and attract human resources that are valuable to the Group and any invested entity in which the Group holds an equity interest (“Invested Entity”).

Eligible participants under the Share Option Scheme include directors and employees of the Group or any Invested Entity; any suppliers, customers, advisers or consultants of the Group or any Invested Entity; any persons or entities that provide research development or other technological support to the Group or any Invested Entity; any holders of securities issued by any member of the Group or any Invested Entity; any adviser (professional or otherwise) or consultant to any area of business or business development of any member of the Group or any Invested Entity; and any other groups or classes of participants whom the Board considers have contributed or will contribute to the Group.

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

The maximum number of shares which may be allotted and issued upon exercise of all outstanding options granted and yet to be exercised under the Share Option Scheme and any other share option scheme adopted by the Group must not in aggregate exceed 30% of the shares of the Company in issue from time to time.

購股權計劃

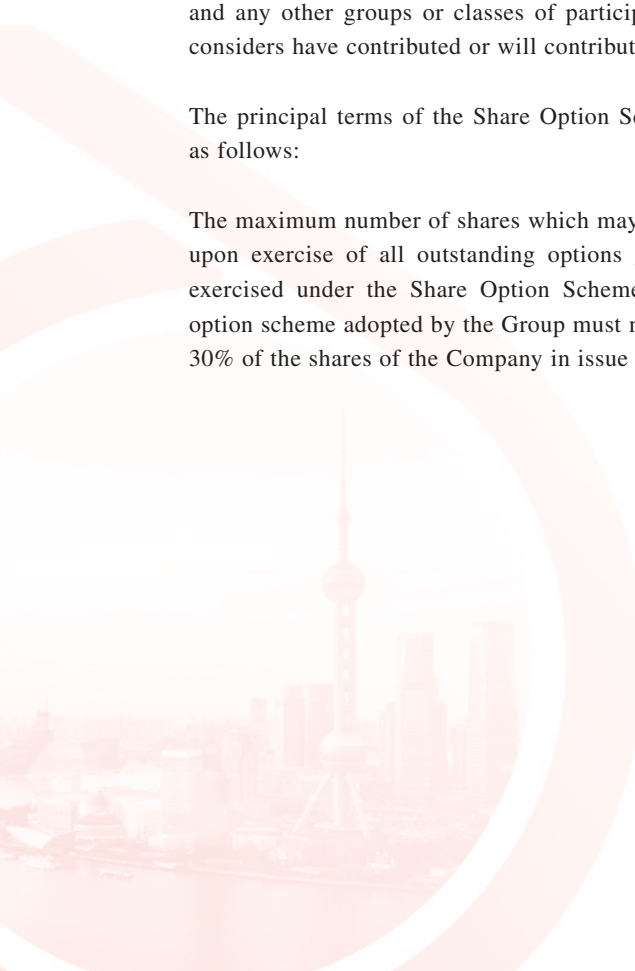
本公司於二零一七年十二月二十九日有條件採納一項新購股權計劃(「購股權計劃」)。購股權計劃自二零一八年一月五日起10年內有效。

購股權計劃旨在讓本集團向合資格參與者授出購股權作為彼等對本集團貢獻之鼓勵或獎勵及／或讓本集團招聘及留聘優秀僱員，並吸引對本集團及本集團持有股權之任何實體(「投資實體」)有價值之人力資源。

購股權計劃項下之合資格參與者包括本集團或投資實體之董事及僱員；本集團或任何投資實體之任何供應商、客戶、顧問或諮詢人；向本集團或任何投資實體提供研發或其他科技支援之任何人士或實體；本集團任何成員公司或任何投資實體所發行證券之任何持有人；本集團任何成員公司或任何投資實體任何業務範疇或業務發展之任何顧問(專業或其他)；及任何董事會認為對本集團已或將作出貢獻之其他組別或類別之參與者。

購股權計劃之主要條款概述如下：

根據購股權計劃及本集團採納之任何其他購股權計劃將予授出之授出而尚未行使其所有購股權獲行使時而可予配發及發行之最高普通股數目合共不得超過本公司不時已發行普通股之30%。



Report of the Directors 董事會報告

The total number of shares of the Company which may be allotted and issued upon exercise of all options (excluding, for this purpose, options which have lapsed in accordance with the terms of the Share Option Scheme and any other share option scheme of the Group) to be granted under the Share Option Scheme and any other share option scheme of the Group must not in aggregate exceed 41,800,000 shares, being 10% of the shares in issue as at the date of approval of the Share Option Scheme by the Shareholders at the extraordinary general meeting held on 29 December 2017. As at the date of this report, the total number of ordinary shares available for issue under the Share Option Scheme is 37,620,000 shares, which represents 9% of the issued shares of the Company as at the date of this report.

The maximum number of shares of the Company issued and to be issued upon exercise of the options granted under the Share Option Scheme and any other share option scheme of the Group to each eligible participant (including exercised and outstanding options) in any 12-month period shall not exceed 1% of the issued shares of the Company from time to time.

The subscription price for shares of the Company under the Share Option Scheme shall be a price determined by the directors of the Company, but shall not be less than the highest of (i) the closing price of shares of the Company as stated in the Stock Exchange's daily quotations sheet for trade in one or more board lots of the shares on the offer date, which must be a business day; (ii) the average closing price of shares of the Company as stated in the Stock Exchange's daily quotations sheets for trade in one or more board lots of the shares for the five business days immediately preceding the offer date; and (iii) the nominal value of a share of the Company.

Upon acceptance of the grant of an option, the grantee shall pay HK\$1.00 to the Company as nominal consideration for the grant.

The Company has granted 4,180,000 share options pursuant to the Share Option Scheme on 15 October 2018. The closing price of the shares of the Company immediately before the date of grant of share options was HK\$5.39.

因行使所有根據本集團購股權計劃及任何其他購股權計劃而授出的購股權(不包括就根據本集團購股權計劃及任何其他購股權計劃條款已失效的購股權)而可配發及發行之本公司股份總數合共不得超過41,800,000股,相當於股東於二零一七年十二月二十九日舉行的股東特別大會上批准購股權計劃當天本公司已發行股份的10%。於本報告日期,根據購股權計劃可予以發行的普通股總數為37,620,000股,其相當於本公司於本報告已發行股份的9%。

於任何12個月期間根據購股權計劃及本集團任何其他購股權計劃授予每名合資格參與者之購股權(包括已行使及未行使購股權)獲行使而已發行及將予發行本公司股份之最高數目,不得超過本公司不時已發行股份之1%。

購股權計劃項下本公司股份之認購價將由本公司董事釐定,惟不得低於下列之最高者:(i)本公司股份於發售日期(必須為營業日)按一手或多手買賣單位交易時於聯交所之每日報價表所示之收市價;(ii)緊接發售日期前五個營業日本公司股份按一手或多手買賣單位交易時於聯交所每日報價表所示之平均收市價;及(iii)本公司股份面值。

於接納授出購股權後,承授人須向本公司支付1.00港元作為授出之名義代價。

本公司已於二零一八年十月十五日根據購股權計劃授出4,180,000份購股權。本公司緊接購股權授出日期前之股份收市價為5.39港元。

Report of the Directors

董事會報告

Details of the outstanding share options and movements of the share options during the year ended 31 December 2020 are as follows:

於截至二零二零年十二月三十一日止年度尚未行使的購股權及購股權變動詳情如下：

Category of grantees	Date of grant	Outstanding as at 1 January 2020 於 二零二零年 一月一日 尚未行使	Exercised During the Year 本年度 已行使	Cancelled during the Year 本年度 已註銷	Lapsed/ Expired During the Year 本年度 已失效/ 屆滿	Outstanding as at 31 December 2020 於 二零二零年 十二月 三十一日 尚未行使
Directors						
董事						
LIU Libin 劉立斌	15.10.2018	229,000	-	-	-	229,000
WANG Zhihua 王志華	15.10.2018	192,000	-	-	-	192,000
ZHANG Li 張莉	15.10.2018	192,000	(51,200)	-	-	140,800
Sub-total 小計		613,000	(51,200)	-	-	561,800
Employees of the Group 本集團僱員	15.10.2018	3,567,000	(17,000)	-	(85,000)	3,465,000
Total 總計		4,180,000	(68,200)	-	(85,000)	4,026,800

Note:

In relation of each grantee of the share options granted on 15 October 2018, 1,393,334 share options were vested on 15 October 2020, 1,393,333 options will vest on 15 October 2021 and 1,393,333 options will vest on 15 October 2022 and the share options vested are then exercisable on or before 14 October 2023. The exercise price per share is HK\$5.46.

Further details of the options granted under the Share Option Scheme are set out in note 25 in notes to the consolidated financial statements.

附註：

就於二零一八年十月十五日授出購股權各承授人而言，1,393,334份購股權已於二零二零年十月十五日歸屬、1,393,333份購股權將於二零二一年十月十五日歸屬及1,393,333份購股權將於二零二二年十月十五日歸屬及已歸屬的購股權屆時可於二零二三年十月十四日或之前行使。每股股份的行使價為5.46港元。

購股權計劃項下授出購股權之進一步詳情載於綜合財務報表附註之附註25。

Report of the Directors 董事會報告

PRE-EMPTIVE RIGHTS

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

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY

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

RESERVES

Details of movements in the reserves of the Group during the Year are set out in note 27 in notes to the consolidated financial statements and in the consolidated statement of changes in equity.

DISTRIBUTABLE RESERVES

As at 31 December 2020, the Company's reserves available for distribution calculated in accordance with the Companies Law, Cap. 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands amounted to RMB572,208,000 (2019: RMB618,633,000).

CONTINGENT LIABILITIES

Details of the contingent liabilities of the Group as at 31 December 2020 are set out in note 30 in notes to the consolidated financial statements.

MAJOR CUSTOMERS AND SUPPLIERS

For the year ended 31 December 2020, sales to the Group's five largest customers accounted for 20.1% (2019:19.9%) of the Group's revenue where sales to the largest customer accounted for 6.2% (2019: 5.6%) of the Group's revenue.

優先購買權

本公司之組織章程細則(「細則」)或開曼群島(即本公司註冊成立之司法權區)法例並無優先購買權之規定，致使本公司必須按比例向現有股東提呈發售新股份。

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，本公司及其任何附屬公司概無購買、出售或贖回任何本公司上市證券。

儲備

本集團儲備於年內之變動詳情載於綜合財務報表附註之附註27及綜合權益變動表。

可供分派儲備

於二零二零年十二月三十一日，本公司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)計算並可用作分派之儲備達人民幣572,208,000元(二零一九年：人民幣618,633,000元)。

或然負債

於二零二零年十二月三十一日，本集團或然負債之詳情載於綜合財務報表附註之附註30。

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，本集團向五大客戶之銷售額佔本集團營業額20.1%(二零一九年：19.9%)，而向最大客戶之銷售額佔本集團營業額6.2%(二零一九年：5.6%)。

Report of the Directors 董事會報告

For the year ended 31 December 2020, purchases from the Group's five largest suppliers accounted for 79.1% (2019: 75.7%) of the Group's total cost of purchase whereas purchases from the largest supplier accounted for approximately 64.5% (2019: 32.8%) of the Group's total cost of purchase.

None of the Directors or any of their close associates or any Shareholders (which, to the best knowledge of the Directors, own more than 5% of the Company's issued share capital) had any beneficial interest in the Group's five largest customers or five largest suppliers during the year ended 31 December 2020.

BUSINESS REVIEW

Below is a business review of this report as required by Schedule 5 to the Companies Ordinance (Chapter 622 of the Laws of Hong Kong). The discussion on a fair review of the Group's business, financial key performance indicators and performance indicators and performance and indication of future development of the Group for the year ended 31 December 2020 can be found in the sections headed "Chairman's Statement" and "Management Discussion and Analysis" in this annual report. Those discussions form part of this report of the Directors.

PRINCIPAL RISKS AND UNCERTAINTIES FACING THE GROUP

The Group is exposed to various risks and uncertainties. The effects of such risks may vary over time. The following sets forth material risks classified by the Group and the relevant alleviating measures for each material risk for the management of such risks.

Business risks

Firstly, most of the Group's revenue was generated from customers in the PRC. Should there be any material adverse change in the political, economic, legal or social conditions in the PRC and the Group is unable to divert sales to other markets outside of the PRC, the turnover, profitability and prospects may be adversely affected.

截至二零二零年十二月三十一日止年度，向五大供應商之採購額佔本集團總採購成本79.1%（二零一九年：75.7%），而向最大供應商之採購額佔本集團總採購成本約64.5%（二零一九年：32.8%）。

於截至二零二零年十二月三十一日止年度內，董事或彼等任何緊密聯繫人士或任何股東（就董事所深知，擁有本公司已發行股本5%以上）概無擁有本集團五大客戶或五大供應商之任何實益權益。

業務回顧

以下為按香港法例第622章公司條例附表5規定所作出的本報告業務回顧。有關截至二零二零年十二月三十一日止年度對本集團業務、關鍵財務績效指標及表現以及預計日後發展的討論載於本年報「主席報告」及「管理層討論及分析」章節。該等討論組成本董事會報告一部分。

本集團面臨之主要風險及不明朗因素

本集團面臨若干風險及不明朗因素。該等風險之影響可不時發生變動。下表載列本集團分類之重大風險及就各重大風險的相關應對措施，以管理有關風險。

業務風險

首先，本集團大部分營業額產生自中國客戶。倘中國政治、經濟、法律或社會環境出現任何重大不利變動，而本集團未能將銷售轉移至中國境外的其他市場，則營業額、盈利能力及前景可能受到不利影響。

Report of the Directors 董事會報告

In order to alleviate such risk, the Group will put efforts to expand overseas market and increase the proportion of overseas sales. During the Year, we have export sales to Australia and Vietnam. The Group will also continue to review competitive edges of the Group in the industry and market trend.

Secondly, the Group's production activities of aluminium profiles rely on, among other things, sufficient and uninterrupted supply of aluminium ingots, being our principal raw materials. The Group procures such principal raw materials from several major suppliers and has not entered into any long-term purchase contracts with any of our major suppliers of aluminium ingots for flexibility in purchasing aluminium ingots at competitive prices at various times.

In order to alleviate such risk, the Group will conduct investigation and assessment on suppliers periodically to ensure stable supply source of raw materials.

Financial risks

Delayed payments of customers who were granted credit period by the Group will increase the Group's exposure to financial risks and have an impact on financial performance and operating cash flows of the Group.

In order to alleviate such risk, the Group will review accounts receivables due from major customers on a regular basis and control over it to an appropriate level. The Group will also manage and maintain strict control internally and put additional efforts to collect trade receivables overdue.

為降低有關風險，本集團將致力拓展海外市場及增加海外銷售比例。於本年度，我們的銷售出口至澳洲及越南。本集團亦將繼續檢討本集團於業內之競爭優勢及市場趨勢。

其次，本集團鋁型材的生產活動依賴（其中包括）主要原材料鋁錠的充足及不間斷供應。本集團自若干主要供應商採購有關主要原材料，及並未與任何主要鋁錠供應商訂立任何長期購買合約，以於不同時期可按具競爭力價格靈活購買鋁錠。

為降低有關風險，本集團將定期對供應商進行調查及評估以確保原材料供應來源的穩定。

金融風險

獲授予本集團信貸期的客戶若延遲付款將令本集團面臨的金融風險增加及對本集團之財務表現及營運現金流產生影響。

為降低有關風險，本集團將定期審閱應收主要客戶之賬款並將其控制在適當水平。本集團亦實施嚴密的內部管理及監控並盡力收回逾期應收賬款。



Report of the Directors 董事會報告

KEY RELATIONSHIPS

1. Employees

Human resources are the most valuable asset of the Group. Developing and retaining talents are vital to our success. The Group is committed to providing our employees with a safe, pleasant and healthy working environment. The Group rewards and recognises employees by competitive remuneration package and implements a key performance index scheme with appropriate incentives, and promote career development and progression by providing opportunities for career advancement to employees.

In addition, each department of the Group is responsible for determining its training needs for employees in its department and any suggested applicable training courses either arranged internally or by external service providers shall be submitted to the senior management of the Group for approval. Knowledge, skills and capacities of employees are vital to continuous business growth and success of the Group. The Group strives to ensure that all employees can fulfill the relevant job requirements in terms of education, training, technical and work experience.

2. Suppliers

We have developed long-standing relationships with a number of our vendors and take great care to ensure that they share our commitment to quality and ethics. We carefully select our suppliers and require them to satisfy certain assessment criteria including track record, experience, financial strength, reputation, ability to produce high-quality products and quality control effectiveness.

主要關係

1. 顧員

人力資源是本集團最具價值之資產。培養及留聘人才對我們的成功至關重要。本集團致力於為我們的僱員提供安全、舒適及健康的工作環境。本集團透過提供有競爭力的薪酬待遇獎勵及認可我們的僱員，實施附帶適當激勵的主要業績指標計劃，通過為僱員提供晉升機會促進僱員職業生涯發展。

此外，本集團各部門負責確定本部門僱員培訓需求，內部安排或外界服務提供商建議的任何相關培訓課程須交由本集團高級管理層批准。僱員的知識、技能及能力對於本集團業務持續增長及成功至關重要。本集團致力確保所有僱員在教育、培訓、技術及工作經驗方面均符合相關工作要求。

2. 供應商

我們已與多名供應商建立長期的合作關係，並盡力確保其遵守我們對質素及道德的承諾。我們審慎挑選供應商，並要求其滿足若干評估標準，包括往績記錄、經驗、財務實力、聲譽、生產高質素產品的能力及質量控制效力。

Report of the Directors 董事會報告

3. Distributors and customers

We sell our products to distributors and customers. We require our distributors and customers to comply with the relevant laws and regulations and our sales and marketing policies, including but not limited to selling price, promotional activities and usage of our ERP system. We also monitor the financial condition and repayment history of our distributors and customers, and their sales performance.

ENVIRONMENTAL POLICIES AND PERFORMANCES

As a supporter of environmental protection and taking into account of the national green manufacturing development plan and guided by enterprise strategy, the Group formulated the Xingfa Aluminium Protection System. The primary mission for the Group's environmental production policy is to govern production emissions by relying on technology, comprehensive utilisation of production waste residue, reduce environmental pollution and develop clean production.

The Group has been in compliance with the relevant environmental laws and regulations in both PRC and Hong Kong.

A further discussion of the environmental policies of the Group is contained in the Environmental, Social and Governance Report of the Company.

3. 分銷商及客戶

我們向分銷商及客戶銷售我們的產品。我們要求分銷商及客戶遵守相關法律法規以及我們的銷售及市場政策（包括但不限於銷售價格、推廣活動以及我們的ERP系統的使用）。我們亦會監控分銷商及客戶之財務狀況及過往付款情況，以及彼等的銷售表現。

環境政策及表現

作為環保擁護者，並結合國家綠色製造發展規劃，以企業戰略為導向，本集團制定了興發鋁業環境保護制度。集團環境保護的主要任務是依靠科技治理生產排放，生產廢渣綜合利用，減少環境污染及發展潔淨生產。

本集團已遵守中國及香港兩地的相關環境法律法規。

有關本集團環境政策的進一步討論載於本公司環境、社會及管治報告。



Report of the Directors 董事會報告

COMPLIANCE WITH RELEVANT LAWS AND REGULATIONS

The Group recognises the importance of compliance with regulatory requirements and the risk of non-compliance with relevant requirements could lead to adverse impact on business operation and financial position of the Group. The Board as a whole is responsible to ensure the Group is in compliance with relevant laws and regulations that have a significant impact on the Company. During the course of the business operations, the Group shall comply with different laws and regulations, including i) laws regarding employee recruitment and benefits, such as the “Labor Law of the PRC”, the “Labor Contract Law of the PRC”, and the “Rulings of Implementing the Labor Contract Law of the PRC”; and ii) the PRC national and local laws and regulations with respect to environmental protection, including the Environmental Protection Law of the PRC. For the year ended 31 December 2020, the Group was in strict compliance with these said laws and regulations.

DIRECTORS

The Directors during the year ended 31 December 2020 and as at date of this report were:

Executive Directors:

Mr. LIU Libin (*Chairman*)
Mr. LIAO Yuqing (*Chief Executive Officer*)
Ms. ZHANG Li (*Chief Financial Officer*)
Mr. LAW Yung Koon
Mr. WANG Zhihua
Mr. LUO Jianfeng

Non-executive Directors:

Mr. ZUO Manlun
Ms. XIE Jingyun

Independent non-executive Directors:

Mr. CHEN Mo
Mr. HO Kwan Yiu
Mr. LAM Ying Hung, Andy
Mr. LIANG Shibin

遵守相關法律及法規

本集團深明遵守監管規定的重要性及不遵守相關規定會對本集團業務營運及財務狀況帶來不利影響之風險。董事會整體負責確保本集團遵守對本公司有重大影響之相關法律及法規。於業務營運過程中，本集團須遵守各類法律法規，包括i)有關員工招募及福利的法律，如《中華人民共和國勞動法》、《中華人民共和國勞動合同法》及《中華人民共和國勞動合同法實施條例》；及ii)有關環境保護的中國國家及地方法律法規，包括《中華人民共和國環境保護法》。本集團於截至二零二零年十二月三十一日止年度已嚴格遵守上述法律法規。

董事

於截至二零二零年十二月三十一日止年度內及截至本報告日期之董事如下：

執行董事：

劉立斌先生 (*主席*)
廖玉慶先生 (*行政總裁*)
張莉女士 (*財務總監*)
羅用冠先生
王志華先生
羅建峰先生

非執行董事：

左滿倫先生
謝景雲女士

獨立非執行董事：

陳默先生
何君堯先生
林英鴻先生
梁世斌先生

Report of the Directors 董事會報告

In accordance with Articles 108(A) and 108(B) of the Articles, each of Mr. LIAO Yuqing, Mr. Wang Zhihua, Mr. HO Kwan Yiu and Mr. LAM Ying Hung, Andy will retire from the office of Director by rotation and each of them, being eligible, will offer himself for re-election at the annual general meeting.

None of the Directors has a service contract with the Company or any of its subsidiaries which is not determinable by the Group within one year without payment of compensation, other than statutory compensation.

The Company has received from each of the independent non-executive Directors an annual confirmation of independence pursuant to Rule 3.13 of the Rules Governing the Listing of Securities on the Stock Exchange (“Listing Rules”) and the Company considered all the independent non-executive Directors to be independent.

DIRECTORS’ AND SENIOR MANAGEMENT’S BIOGRAPHIES

Biographical details of the Directors and the senior management of the Group are set out on pages 24 to 35 of the annual report.

CONTRACT OF SIGNIFICANCE

Save as disclosed in note 31 in notes to the consolidated financial statements and in paragraph headed “Connected transactions” in this report, (i) there is no transaction, arrangement or contract of significance subsisting during or at the end of the Year in which a Director or an entity connected with a Director is or was materially interested, either directly or indirectly; (ii) no other contract of significance was entered into by, and/or subsisted between the Company or any of its subsidiaries with the controlling shareholder or any of its subsidiaries during the Year; and (iii) no other contract of significance in relation to provision of services to the company or any of its subsidiaries by the controlling shareholder or any of its subsidiaries during the Year.

根據細則第108(A)及108(B)條，廖玉慶先生、王志華先生、何君堯先生及林英鴻先生各自將輪席退任董事職務，而彼等各自將合資格並願意於股東週年大會上膺選連任。

概無董事與本公司或其任何附屬公司訂立本集團不可於一年內免付賠償(法定賠償除外)而予以終止之服務合約。

本公司已根據聯交所證券上市規則(「上市規則」)第3.13條自每名獨立非執行董事取得有關其獨立性之年度確認書，而本公司認為全體獨立非執行董事均為獨立人士。

董事及高級管理層履歷

本集團董事及高級管理層之履歷詳情載於年報第24至35頁。

重大合約

除綜合財務報表附註之附註31及本報告「關連交易」一段所披露者外，(i)本公司於本年度內或於本年度末概無存在任何董事或董事之關連實體於其中直接或間接擁有或曾擁有重大權益之重大交易、安排或合約；(ii)本公司或其任何附屬公司與控股股東或其任何附屬公司之間概無於年內訂立、及／或存在任何其他重大合約；及(iii)年內概無涉及控股股東或任何附屬公司向本公司或其任何附屬公司提供服務之任何其他重大合約。

Report of the Directors 董事會報告

DIRECTORS' INTERESTS IN SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY AND ITS ASSOCIATED CORPORATIONS

As at 31 December 2020, the interests and short positions of the Directors and chief executives of the Company in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Future Ordinance (Cap. 571, Laws of Hong Kong) ("SFO")) as recorded in the register required to be kept by the Company under section 352 of the SFO, or were required, pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers contained in Appendix 10 of the Listing Rules ("Model Code"), to be notified to the Company and the Stock Exchange, were as follows:

Long position

Name of directors 董事姓名	Capacity 身份	Ordinary shares of the Company 本公司 普通股	Underlying shares of the Company 本公司 相關股份	Total 總數	Percentage of interest in the Company 佔本公司 權益百分比
LIAO Yuqing 廖玉慶	Founder of a discretionary trust who can influence how the trustee exercises his discretion 全權信託創立人，可影響受託人行使其酌情權之方式	48,200,100	–	48,200,100	11.53%
LAW Yung Koon 羅用冠	Beneficial owner 實益擁有人	19,050,000	–	19,050,000	4.56%
	Interest of spouse 配偶權益	1,719,000	–	1,719,000	0.41%
LIU Libin 劉立斌	Beneficial owner 實益擁有人	–	229,000	229,000	0.05%
ZHANG Li 張莉	Beneficial owner 實益擁有人	51,200	140,800	192,000	0.05%
WANG Zhihua 王志華	Beneficial owner 實益擁有人	–	192,000	192,000	0.05%

董事於本公司及其相聯法團之股份、相關股份及債權證中之權益

於二零二零年十二月三十一日，按本公司根據香港法例第571章證券及期貨條例（「證券及期貨條例」）第352條須予保存之登記冊所記錄，或根據上市規則附錄10所載上市發行人董事進行證券交易的標準守則（「標準守則」）必須知會本公司及聯交所之資料，各董事及本公司主要行政人員於本公司或其任何相聯法團（定義見證券及期貨條例第XV部）之股份、相關股份及債權證之權益及淡倉如下：

好倉

Report of the Directors 董事會報告

Save as disclosed above, as at 31 December 2020, none of the Directors or the chief executive of the Company had registered an interest or short positions in the shares, underlying shares of the Company or any of its associated corporations that was required to be recorded pursuant to Section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBT SECURITIES

Other than the share options granted under the share option scheme disclosed in note 25 in notes to the consolidated financial statements, at no time during the year ended 31 December 2020 were rights to acquire benefits by means of the acquisitions of Shares in or debentures of the Company granted to any Director or their respective spouse or minor children, or were any such rights exercised by them; or was the Company, or any of its subsidiaries a party to any arrangement to enable the Director to acquire such rights in any other body corporate.

DIRECTOR'S INTERESTS IN COMPETING BUSINESS

Save as disclosed in the prospectus of the Company dated 17 March 2008, none of the Directors hold any interests in any business apart from the Company's business, which competes or is likely to compete, either directly or indirectly, with the Company's business for the year ended 31 December 2020.

SUBSTANTIAL SHAREHOLDERS AND OTHER PERSONS WHO ARE REQUIRED TO DISCLOSE THEIR INTERESTS PURSUANT TO PART XV OF THE SFO

As at 31 December 2020, the following persons, other than a Director or the chief executive of the Company, had interests or short positions in the shares and underlying shares of the Company which are required to be recorded in the register required to be kept by the Company under section 336 of the SFO:

除上文所披露者外，於二零二零年十二月三十一日，董事或本公司主要行政人員概無登記於本公司或其任何相聯法團之股份、相關股份中擁有的根據證券及期貨條例第352條須予記錄或根據標準守則須知會本公司及聯交所之權益或淡倉。

董事購買股份或債務證券之權利

除綜合財務報表附註之附註25披露之購股權計劃項下授出之購股權外，於截至二零二零年十二月三十一日止年度內任何時間概無授予任何董事或彼等各自之配偶或未成年子女可透過購入本公司股份或債權證而獲益之權利，或由彼等行使任何該等權利；或由本公司或其任何附屬公司訂立任何安排致使董事可於任何其他法人團體獲得該等權利。

董事於競爭業務之權益

除本公司於二零零八年三月十七日刊發之售股章程所披露者外，截至二零二零年十二月三十一日止年度，董事概無於與本公司業務直接或間接構成競爭或可能構成競爭之任何業務（本公司業務除外）中擁有任何權益。

根據證券及期貨條例第XV部須披露彼等之權益之主要股東及其他人士

於二零二零年十二月三十一日，下列人士（董事或本公司行政人員除外）於本公司之股份及相關股份中擁有須記於本公司根據證券及期貨條例第336條而存置之登記冊內之權益或淡倉：

Report of the Directors

董事會報告

Long position

好倉

Name of entities 實體名稱	Capacity 身份	Total number of ordinary shares of the Company 本公司之 普通股總數	Percentage of interest in the Company 佔本公司 權益百分比
Guangxin Aluminium (HK) Limited 香港廣新鋁業有限公司	Beneficial owner 實益擁有人	132,382,000	31.67%
Guangdong Guangxin Holdings Group Ltd* 廣東省廣新控股集團有限公司	Interest of controlled corporation 受控制法團權益	132,382,000	31.67%
State-owned Assets Supervision and Administration Commission of The People's Government of Guangdong Province* 廣東省人民政府國有資產監督管理委員會	Interest of controlled corporation 受控制法團權益	132,382,000	31.67%
Lesso Group Holdings Limited 領尚集團控股有限公司	Beneficial owner 實益擁有人	109,842,900	26.28%
China Lesso Group Holdings Limited 中國聯塑集團控股有限公司	Interest of controlled corporation 受控制法團權益	109,842,900	26.28%
New Fortune Star Limited New Fortune Star Limited	Interest of controlled corporation 受控制法團權益	109,842,900	26.28%
Xi Xi Development Limited 西溪發展有限公司	Interest of controlled corporation 受控制法團權益	109,842,900	26.28%
UBS Trustees (B.V.I.) Limited UBS Trustees (B.V.I.) Limited	Interest of controlled corporation 受控制法團權益	109,842,900	26.28%

Report of the Directors 董事會報告

Name of entities 實體名稱	Capacity 身份	Total number of ordinary shares of the Company 本公司之 普通股總數	Percentage of interest in the Company 佔本公司 權益百分比
WONG Luen Hei 黃聯禧	Founder of a discretionary trust who can influence how the trustee exercises his discretion 全權信託創立人，可影響受託人行使其酌情權之方式	109,842,900	26.28%
Sure Keen Limited 利順有限公司	Beneficial owner 實益擁有人	48,200,100	11.53%
Glorious Joy Limited Glorious Joy Limited	Interest of controlled corporation 受控制法團權益	48,200,100	11.53%
TMF (Cayman) Limited TMF (Cayman) Limited	Trustee 受託人	48,200,100	11.53%

Save as disclosed above and in the paragraph headed “Directors’ interests in shares, underlying shares and debentures of the Company and its associated corporations” above, as at 31 December 2020, no other person had interests or short positions in the shares and underlying shares of the Company which were required to be recorded in the register required to be kept by the Company under section 336 of the SFO.

除上文及於「董事於本公司及其相聯法團之股份、相關股份及債權證中之權益」一段所披露者外，於二零二零年十二月三十一日，概無其他人士於本公司之股份及相關股份中擁有須記錄於本公司根據證券及期貨條例第336條而存置之登記冊內之權益或淡倉。



Report of the Directors 董事會報告

CONNECTED TRANSACTIONS

關連交易

A. The following entities are connected parties of the Company and had connected transactions and/or continuing connected transactions with the Group during the year ended 31 December 2020:

A. 以下實體為本公司之關連人士，並於截至二零二零年十二月三十一日止年度內與本集團進行關連交易及／或持續關連交易：

Name of the entity 實體名稱	Connection with the Company 與本公司之關係
Guangdong Xingfa Curtain Wall, Door & Window Co., Ltd. ("Xingfa Curtain Wall") 廣東興發幕牆門窗有限公司 (「興發幕牆」)	Owned as to 21% by Mr. LIAO Yuqing and as to 46% by Mr. LUO Su. Mr. LIAO Yuqing is an executive Director and Mr. LUO Su is the father-in-law of Mr. LIAO Yuqing. 由廖玉慶先生擁有21%權益及羅蘇先生擁有46%權益。廖玉慶先生為執行董事及羅蘇先生為廖玉慶先生的岳父。
China Lesso Group Holdings Limited ("China Lesso") 中國聯塑集團控股有限公司 (「中國聯塑」)	A substantial shareholder of the Company, holding, through its wholly-owned subsidiary, approximately 26.28% of the issued shares of the Company as at the date of this report. 本公司主要股東透過其全資附屬公司於本報告日期持有本公司已發行股份之約26.28%。
江西省景興鋁模板製造有限公司 (in English for identification only, Jiangxi Province Jingxing Aluminium Panel Manufacturing Co., Ltd. "Jiangxi Jingxing") 江西省景興鋁模板製造有限公司 (「江西景興」)	Owned as to 80% by the Company through its wholly-owned subsidiary, and had become a connected subsidiary of the Company since 9 July 2019, the date on which Guangzhou Jingxing (as defined below) has become a non-wholly owned subsidiary of China Lesso. On 12 March 2021, the date on which completion of the Equity Transfer (as defined below) took place, the Group ceased to hold any interest in Jiangxi Jingxing and Jiangxi Jingxing ceased to be accounted for as an associate of the Group. 由本公司透過其全資附屬公司擁有80%權益，及自二零一九年七月九日(廣州景興(定義見下文)於當天成為中國聯塑之非全資擁有之附屬公司)成為本公司之關連附屬公司。於二零二一年三月十二日，股權轉讓(定義見下文)完成落實日期，本集團不再於江西景興持有任何權益及江西景興不再作為本集團之聯營公司列賬。
廣州景興建築科技有限公司 (in English for identification only, Guangzhou Jingxing Construction Technology Company Limited "Guangzhou Jingxing") 廣州景興建築科技有限公司 (「廣州景興」)	A 20% shareholder of Jiangxi Jingxing and has become a non-wholly owned subsidiary of China Lesso since 9 July 2019. 江西景興之20%權益股東及自二零一九年七月九日成為中國聯塑之非全資附屬公司。
河南省景興鋁模板製造有限公司 (in English for identification only, Henan Province Jingxing Aluminium Panel Manufacturing Co., Ltd. "Henan Jingxing") 河南省景興鋁模板製造有限公司 (「河南景興」)	A non-wholly owned subsidiary of China Lesso, a substantial shareholder of the Company. 中國聯塑(本公司的一名主要股東)之非全資附屬公司。

Report of the Directors 董事會報告

B. During the year ended 31 December 2020, the following continuing connected transactions were non-exempt continuing connected transactions and are subject to the reporting, announcement, annual review and independent shareholders' approval requirements.

1. The following is a brief description of the continuing connected transactions:

Guangdong Xingfa and Xingfa Curtain Wall entered into a master supply agreement dated 22 September 2017 in relation to the supply of aluminium profiles to Xingfa Curtain Wall by Guangdong Xingfa, for a term from 1 January 2018 to 31 December 2020 (both dates inclusive). The construction materials purchased by Xingfa Curtain Wall were further processed into window and curtain wall and sold to its customers.

2. Annual Cap

The annual cap for the year ended 31 December 2020 of the continuing connected transactions set out above was RMB260 million, and the actual aggregate amount of sale transactions was approximately RMB114.2 million for the Year.

3. Internal control procedures

The Group has complied with the following internal control measures to monitor the pricing and terms of the transactions in relation to the sale of aluminium profiles by Guangdong Xingfa to Xingfa Curtain Wall and ensure that the prices and terms offered by Guangdong Xingfa to Xingfa Curtain Wall will be no more favourable than prices and terms offered to independent customers and that the annual cap is not exceeded:

- (a) monitoring the prevailing price of aluminium as quoted on the Shanghai Nonferrous Metals Price Index and the prevailing spot prices of aluminium as quoted on London Metal Exchange Limited on a daily basis;

B. 於截至二零二零年十二月三十一日止年度，下列持續關連交易為非豁免持續關連交易，並須遵守報告、公佈、年度審閱及獨立股東批准規定。

1. 以下為持續關連交易之簡介：

廣東興發與興發幕牆訂立一份日期為二零一七年九月二十二日之主供應協議，內容有關由廣東興發向興發幕牆供應鋁型材，協議期限自二零一八年一月一日起至二零二零年十二月三十一日止（包括首尾兩日）。興發幕牆將購入之建材再加工為門窗及幕牆後向其客戶出售。

2. 年度上限

上文所載持續關連交易於截至二零二零年十二月三十一日止年度之年度上限為人民幣260,000,000元，及本年度之實際銷售交易總金額約為人民幣114,200,000元。

3. 內部監控程序

本集團已遵守以下內部監控措施以監察有關廣東興發向興發幕牆銷售鋁型材之交易之定價及條款，並確保廣東興發向興發幕牆提供之價格及條款將不優於向獨立客戶提供之價格及條款及並無超出年度上限：

- (a) 每日監察於上海有色金屬價格指數所報之現行鋁價及於倫敦金屬交易所有限公司所報之現行鋁現貨價格；

Report of the Directors 董事會報告

- | | |
|--|---|
| <p>(b) comparing the price and terms of the supply to Xingfa Curtain Wall with the prices and terms of aluminium profiles supplied by the Group in China as agreed with independent customers on a regular basis;</p> | <p>(b) 定期將向興發幕牆供應之價格及條款與本集團經與獨立客戶協定於中國供應之鋁型材之價格及條款進行比較；</p> |
| <p>(c) adhering to the relevant internal control policy of the Group on connected transactions in monitoring the price and terms of supply of aluminium profiles offered by the Group to Xingfa Curtain Wall to ensure that they shall be no more favourable than those offered by the Group to independent customers; and</p> | <p>(c) 秉承本集團有關關連交易之相關內部監控政策監察本集團向興發幕牆提供之供應鋁型材之價格及條款，確保其將不優於本集團向獨立客戶所提供者；及</p> |
| <p>(d) periodic financial report which contains information on all connected transactions carried out by the Group including the continuing connected transactions under the master supply agreement was submitted to the Board.</p> | <p>(d) 已向董事會提交載有關於本集團進行之所有關連交易（包括主供應協議項下之持續關連交易）之資料之定期財務報告。</p> |

4. Views of the independent non-executive Directors

The independent non-executive Directors have reviewed the above continuing connected transactions and considered the information referred to in the section of “3. Internal control procedures” above, and confirmed that the transactions have been entered into:

- (a) in the ordinary and usual course of business of the Company;
- (b) on normal commercial terms or terms no less favourable to the Company than terms available to or from independent third parties; and
- (c) in accordance with the relevant agreement governing them on terms that are fair and reasonable and in the interests of the Shareholders as a whole.

4. 獨立非執行董事之觀點

獨立非執行董事已審閱上述持續關連交易及考慮上文「3.內部監控程序」一節所述之資料，並確認該等交易乃：

- (a) 於本公司一般及日常業務過程中訂立；
- (b) 按一般商業條款或不遜於本公司向獨立第三方提供或取得之條款訂立；及
- (c) 根據規管該等交易之相關協議並按公平合理之條款訂立，且符合股東之整體利益。

Report of the Directors 董事會報告

The Company also confirmed that it has followed the pricing policies and guidelines when determining the price and terms of the transaction during the Year.

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

- (a) nothing has come to the attention of the auditor that causes the auditor to believe that the disclosed continuing connected transactions have not been approved by the Company's board of directors;
- (b) for transactions involving the provision of goods or services by the Group, nothing has come to the attention of the auditor that causes the auditor to believe that the disclosed continuing connected transactions were not, in all material respects, in accordance with the pricing policies of the Group;
- (c) nothing has come to the attention of the auditor that causes the auditor to believe that the disclosed continuing connected transactions were not entered into, in all material respects, in accordance with the relevant agreements governing such transactions;

本公司亦確認其已於年內在釐定交易之價格及條款時遵守定價政策及指引。

5. 根據香港會計師公會發佈之香港核證委聘準則第3000號(經修訂)「歷史財務資料審核或審閱以外之核證委聘」並參考實務說明第740號「香港上市規則規定之持續關連交易之核數師函件」,本公司核數師已受聘對本集團持續關連交易作出報告。根據上市規則第14A.56條,核數師已就上述所載之持續關連交易向董事會發出載有其調查結果及結論之函件。本公司已向香港聯合交易所有限公司提供核數師函件,當中表明:

- (a) 核數師並無發現任何事項,令其相信所披露持續關連交易並未獲本公司董事會批准;
- (b) 就涉及本集團提供貨物或服務之交易而言,核數師並無發現任何事項,令其相信該等所披露持續關連交易於所有重大方面並未根據本集團之定價政策進行;
- (c) 核數師並無發現任何事項,令其相信該等所披露持續關連交易於所有方面並未根據規管該等交易之相關協議進行;

Report of the Directors 董事會報告

- (d) with respect to the aggregate amount of the continuing connected transactions, nothing has come to the attention of the auditor that causes the auditor to believe the disclosed continuing connected transactions have exceeded the annual cap as set by the Company.
- (d) 就持續關連交易之總額而言，核數師並無發現任何事項，令其相信該等所披露持續關連交易已超出本公司所設定之年度上限。
6. Guangdong Xingfa and Xingfa Curtain Wall entered into a new master agreement dated 30 September 2020 in relation to the supply of aluminium profiles to Xingfa Curtain Wall by Guangdong Xingfa Group, for a term from 1 January 2021 to 31 December 2023 (both dates inclusive).
6. 廣東興發與興發幕牆訂立一份日期為二零二零年九月三十日之新主供應協議，內容有關由廣東興發集團向興發幕牆供應鋁型材，協議期限自二零二一年一月一日起至二零二三年十二月三十一日止（包括首尾兩日）。
- C. During the year ended 31 December 2020, the following connected transactions were non-exempt continuing connected transactions and are subject to the reporting and announcement and annual review requirements.
- C. 於截至二零二零年十二月三十一日止年度，以下關連交易為非豁免持續關連交易及須受申報及公告以及年度審閱規定所規限。
1. 2020 Master Supply Agreement A
1. 二零二零年總供應協議A
- (i) Brief description of the continuing connected transactions under the 2020 Master Supply Agreement A
- (i) 二零二零年總供應協議A項下之持續關交易簡介
- On 30 December 2019, Guangdong Xingfa and China Lesso entered into a master supply agreement (“2020 Master Supply Agreement A”) pursuant to which Guangdong Xingfa and its subsidiaries (“Guangdong Xingfa Group”), as suppliers, would supply and China Lesso and its subsidiaries (“China Lesso Group”), as purchasers, would purchase aluminium profiles and/or panels supplied by Guangdong Xingfa Group members on an on-going basis for a term from 1 January 2020 to 31 December 2020 (both dates inclusive).
- 於二零一九年十二月三十日，廣東興發與中國聯塑訂立總供應協議（「二零二零年總供應協議A」），據此，廣東興發及其附屬公司（「廣東興發集團」）（作為供應商）將供應及中國聯塑及其附屬公司（「中國聯塑集團」）（作為買方）將採購由廣東興發集團成員公司按持續基準供應之鋁型材及／或鋁製模板，期限自二零二零年一月一日起至二零二零年十二月三十一日（包括首尾兩日）。

Report of the Directors 董事會報告

(ii) Annual Cap

The annual cap in respect of the transactions contemplated under the 2020 Master Supply Agreement A for the Year was RMB141.5 million, and the actual aggregate amount of sale transactions was approximately RMB117.9 million for the Year.

(iii) Internal control procedures

During the Year, the Group has complied with the following internal control measures to monitor the pricing and terms of the transactions under the 2020 Master Supply Agreement A and ensure that the prices and terms offered by Guangdong Xingfa Group to China Lesso Group were no more favourable than prices and terms offered to independent customers and that the annual cap was not exceeded:

- (a) monitoring the prevailing average price of aluminium ingots as quoted on Guangdong Nanhai Nonferrous Metals Market on a daily basis;
- (b) comparing the prices and terms of the supply to China Lesso Group with the prices and terms of aluminium profiles and/or panels supplied by the Group in the PRC as agreed with independent customers on a regular basis;
- (c) adhering to the relevant internal control policy of the Group on connected transactions in monitoring the prices and terms of supply of aluminium profiles offered by Guangdong Xingfa Group to China Lesso Group to ensure that they would be no more favourable than those offered by the Group to independent customers; and

(ii) 年度上限

本年度有關二零二零年總供應協議A項下擬進行之交易之年度上限為人民幣141,500,000元，及本年度之實際銷售交易總金額約為人民幣117,900,000元。

(iii) 內部監控程序

於本年度，本集團已遵守以下內部監控措施以監察有關二零二零年總供應協議A項下之交易之定價及條款，並確保廣東興發集團向中國聯塑集團提供之價格及條款將不優於向獨立客戶提供之價格及條款及並無超出年度上限：

- (a) 每日監察於廣東南海有色（靈通）所報之現行平均鋁錠價格；
- (b) 定期將向中國聯塑集團供應之價格及條款與本集團經與獨立客戶協定於中國供應之鋁型材及／或鋁製模板之價格及條款進行比較；
- (c) 秉承本集團有關關連交易之相關內部監控政策監察廣東興發集團向中國聯塑集團提供之供應鋁型材之價格及條款，確保其將不優於本集團向獨立客戶所提供者；及

Report of the Directors 董事會報告

(d) periodic financial report containing information on all connected transactions carried out by the Group including the continuing connected transactions under the 2020 Master Supply Agreement A was submitted to the Board.

(d) 已向董事會提交載有關於本集團進行之所有關連交易(包括二零二零總供應協議A項下之持續關連交易)之資料之定期財務報告。

2. 2020 Master Supply Agreement B

(i) Brief descriptions of the continuing connected transactions under the 2020 Master Supply Agreement B

On 30 December 2019, Guangdong Xingfa and Jiangxi Jingxing entered into a master supply agreement (“2020 Master Supply Agreement B”) pursuant to which Guangdong Xingfa Group members, as suppliers, would supply and Jiangxi Jingxing, as purchaser, would purchase aluminium profiles supplied by Guangdong Xingfa Group members on an on-going basis for a term from 1 January 2020 to 31 December 2020 (both dates inclusive).

(ii) Annual Cap

The annual cap in respect of the transactions contemplated under the 2020 Master Supply Agreement B for the Year was RMB54 million, and the actual aggregate amount of sale transactions was approximately RMB14.9 million for the Year.

2. 二零二零年總供應協議B

(i) 二零二零年總供應協議B項下之持續關連交易簡介

於二零一九年十二月三十日，廣東興發與江西景興訂立總供應協議(「二零二零年總供應協議B」)，據此，廣東興發集團公司(作為供應商)將供應及江西景興(作為買方)將採購由廣東興發集團成員公司按持續基準供應之鋁型材，期限自二零二零年一月一日起至二零二零年十二月三十一日(包括首尾兩日)。

(ii) 年度上限

本年度有關二零二零總供應協議B項下擬進行之交易之年度上限為人民幣54,000,000元，及本年度之實際銷售交易總金額約為人民幣14,900,000元。

Report of the Directors 董事會報告

(iii) Internal control procedures

During the Year, the Group has complied with the following internal control measures to monitor the pricing and terms of the transactions under the 2020 Master Supply Agreement B and ensure that the prices and terms offered by Guangdong Xingfa Group to Jiangxi Jingxing were no more favourable than prices and terms offered to independent customers and that the annual cap was not exceeded:

- (a) monitoring the prevailing average price of aluminium ingots as quoted on Guangdong Nanhai Nonferrous Metals Market on a daily basis;
- (b) comparing the prices and terms of the supply of aluminium profiles to Jiangxi Jingxing with the prices and terms of aluminium profiles supplied by the Group in the PRC as agreed with independent customers on a regular basis;
- (c) adhering to the relevant internal control policy of the Group on connected transactions in monitoring the prices and terms of supply of aluminium profiles offered by Guangdong Xingfa Group to Jiangxi Jingxing to ensure that they would be no more favourable than those offered by the Group to independent customers; and
- (d) periodic financial report containing information on all connected transactions carried out by the Group including the continuing connected transactions under the 2020 Master Supply Agreement B was submitted to the Board.

(iii) 內部監控程序

於本年度，本集團已遵守以下內部監控措施以監察有關二零二零總供應協議B項下之交易之定價及條款，並確保廣東興發集團向江西景興提供之價格及條款不優於向獨立客戶提供之價格及條款及並無超出年度上限：

- (a) 每日監察於廣東南海有色(靈通)所報之現行平均鋁錠價格；
- (b) 定期將向江西景興供應之鋁型材之價格及條款與本集團經與獨立客戶協定於中國供應之鋁型材之價格及條款進行比較；
- (c) 秉承本集團有關關連交易之相關內部監控政策監察廣東興發集團向江西景興提供之供應鋁型材之價格及條款，確保其將不優於本集團向獨立客戶所提供者；及
- (d) 已向董事會提交載有關於本集團進行之所有關連交易(包括二零二零總供應協議B項下之持續關連交易)之資料之定期財務報告。

Report of the Directors

董事會報告

3. 2020 Licence and Service Agreement

- (i) Brief description of the continuing connected transactions under the 2020 Licence and Service Agreement

On 30 December 2019, Jiangxi Jingxing and Guangzhou Jingxing entered into a licence and service agreement (“2020 Licence and Service Agreement”) pursuant to which Guangzhou Jingxing agreed to grant to Jiangxi Jingxing a right to use certain design patents and utility patents owned by Guangzhou Jingxing and provide other related technologies and services for a term from 1 January 2020 to 31 December 2020 (both dates inclusive).

- (ii) Annual Cap

The annual cap in respect of the transactions contemplated under the 2020 Licence and Service Agreement for the Year was RMB3.7 million, and the actual aggregate amount of licence and service fee was Nil for the Year.

- (iii) Internal control procedures

During the Year, the Group has complied with the following internal control measures to monitor the continuing connected transactions under the 2020 Licence and Service Agreement were conducted in accordance with the terms of the 2020 Licence and Service Agreement, on normal commercial terms and in accordance with the pricing policy of the Group and that the annual cap was not exceeded:

- (a) instructed its finance department to supervise the continuing connected transactions in accordance with the Company’s internal control procedures on continuing connected transactions; and

3. 二零二零年授權及服務協議

- (i) 二零二零年授權及服務協議項下之持續關連交易簡介

於二零一九年十二月三十日，江西景興及廣州景興訂立授權及服務協議（「二零二零年授權及服務協議」），據此，廣州景興同意向江西景興授出使用若干設計專利及實用專利之權利並提供其他相關技術及服務，期限自二零二零年一月一日起至二零二零年十二月三十一日（包括首尾兩日）。

- (ii) 年度上限

本年度有關二零二零年授權及服務協議擬進行之交易之年度上限為人民幣3,700,000元，及本年度之實際特許權及服務費的總金額為零。

- (iii) 內部監控程序

於本年度，本集團已遵守以下內部監控措施以監察二零二零年授權及服務協議項下進行之持續關連交易乃根據二零二零年授權及服務協議之條款，按一般商業條款根據本集團之定價政策進行，且並無超出年度上限：

- (a) 指示其財務部根據本公司有關持續關連交易之內部監控程序監管持續關連交易；及

Report of the Directors 董事會報告

(b) instructed its finance department to follow and collect the data of the continuing connected transactions to ensure that the annual cap was not exceeded.

(b) 指示其財務部跟進及收集持續關連交易之數據，以確保並無超出年度上限。

4. Tenancy Agreement A

(i) Brief description of the continuing connected transactions under the Tenancy Agreement A

On 30 September 2020, 廣東興發鋁業(河南)有限公司 (in English for identification only, Guangdong Xingfa Aluminium (Henan) Co., Ltd.) (“Xingfa Henan”), an indirect wholly-owned subsidiary of the Company, as landlord, and Henan Jingxing, as tenant, entered into the Tenancy Agreement A pursuant to which Xingfa Henan would rent the property located at 中國河南省沁陽市沁北工業集聚區 (in English for identification only, Qingbei, Industrial District, Qinyang City, Henan Province, the PRC) to Henan Jingxing for the welding, assembling, recycling and maintenance of aluminium panels which were applied as construction materials and the sale of such aluminium panels for a fixed term of three months from 1 October 2020 to 31 December 2020 (both dates inclusive).

(ii) Annual Cap

The annual cap for the transactions contemplated under the Tenancy Agreement A for the period from 1 October 2020 to 31 December 2020 was RMB755,163, and the actual aggregate amount of rent was approximately RMB755,163.

4. 租賃協議A

(i) 租賃協議A項下之持續關連交易簡介

於二零二零年九月三十日，本公司之間接全資附屬公司廣東興發鋁業(河南)有限公司(「興發河南」)(作為業主)與河南景興(作為租戶)訂立租賃協議，據此興發河南將向河南景興出租位於中國河南省沁陽市沁北工業集聚區之物業，用作焊接、組裝、回收及維護用作建築材料的鋁製模板及銷售有關鋁製模板，固定期限自二零二零年十月一日起至二零二零年十二月三十一日(包括首尾兩日)為三個月。

(ii) 年度上限

租賃協議A項下擬進行交易自二零二零年十月一日起至二零二零年十二月三十一日止期間之年度上限為人民幣755,163元，及實際總租金約為人民幣755,163元。

Report of the Directors 董事會報告

(iii) Internal control procedures

During the Year, the Group has complied with the following internal control measures to monitor the rent and terms of the transactions under the Tenancy Agreement A and to ensure that the rent and terms offered by Xingfa Henan to Henan Jingxing would be no more favourable than the rent and terms offered to independent tenants and that the annual cap were not exceeded:

- (a) monitoring the prevailing market rent in the same district on a quarterly basis;
- (b) adhering to the relevant internal control policy of the Group on connected transactions in monitoring the rent under Tenancy Agreement A to ensure that they were no more favourable than those offered by the Group to independent tenants; and
- (c) periodic financial report containing information on all connected transactions carried out by the Group including the continuing connected transactions under Tenancy Agreement A was submitted to the Board.

(iii) 內部監控程序

於年內，本集團已遵守以下內部監控措施以監察有關租賃協議A項下之租金及交易條款，並確保興發河南向河南景興提供之租金及條款將不優於向獨立租戶提供之租金及條款及並無超出年度上限：

- (a) 每季度監察同一區域當前市場租金；
- (b) 秉承本集團有關關連交易之相關內部監控政策監察租賃協議A項下之租金，確保其將不優於本集團向獨立租戶所提供者；及
- (c) 已向董事會提交載有關於本集團進行之所有關連交易(包括租賃協議A項下之持續關連交易)之資料之定期財務報告。



Report of the Directors 董事會報告

5. Tenancy Agreement B

- (i) Brief description of the continuing connected transactions under the Tenancy Agreement B

On 30 September 2020, 廣東興發鋁業(江西)有限公司 (in English for identification only, Guangdong Xingfa Aluminium (Jiangxi) Co., Ltd.) (“Xingfa Jiangxi”), an indirect wholly-owned subsidiary of the Company, as landlord, and Jiangxi Jingxing, as tenant, entered into the Tenancy Agreement B pursuant to which Xingfa Jiangxi would rent the property located at 中國江西省宜春經濟技術開發區經發大道21號 (in English for identification only, No. 21, Jingfa Road, Yichun Economic Development Zone, Jiangxi Province, the PRC) to Jiangxi Jingxing for the welding, assembling, recycling and maintenance of aluminium panels which were applied as construction materials and sale of such aluminium panels for a fixed term of three months from 1 October 2020 to 31 December 2020 (both dates inclusive).

- (ii) Annual Cap

The annual cap for the transactions contemplated under the Tenancy Agreement B for the period from 1 October 2020 to 31 December 2020 was RMB911,463, and the actual aggregate amount of rent was approximately RMB911,463.

5. 租賃協議B

- (i) 租賃協議B項下之持續關連交易簡介

於二零二零年九月三十日，本公司之間接全資附屬公司廣東興發鋁業(江西)有限公司(「興發江西」)(作為業主)與江西景興(作為租戶)訂立租賃協議B，據此興發江西將向江西景興出租位於中國江西省宜春經濟技術開發區經發大道21號之物業，用作焊接、組裝、回收及維護用作建築材料的鋁製模板及銷售有關鋁製模板，固定期限自二零二零年十月一日起至二零二零年十二月三十一日(包括首尾兩日)為三個月。

- (ii) 年度上限

租賃協議B項下擬進行交易自二零二零年十月一日起至二零二零年十二月三十一日止期間之年度上限為人民幣911,463元，及實際總租金約為人民幣911,463元。

Report of the Directors 董事會報告

(iii) Internal control procedures

During the Year, the Group has complied with the following internal control measures to monitor the rent and terms of the transactions under the Tenancy Agreement B and to ensure that the rent and terms offered by Xingfa Jiangxi to Jiangxi Jingxing would be no more favourable than the rent and terms offered to independent tenants and that the annual cap were not exceeded:

- (a) monitoring the prevailing market rent in the same district on a quarterly basis;
- (b) adhering to the relevant internal control policy of the Group on connected transactions in monitoring the rent under Tenancy Agreement B to ensure that they were no more favourable than those offered by the Group to independent tenants; and
- (c) periodic financial report containing information on all connected transactions carried out by the Group including the continuing connected transactions under Tenancy Agreement B was submitted to the Board.

6. Views of the independent non-executive Directors

The independent non-executive Directors have reviewed the continuing connected transactions carried out pursuant to 2020 Master Supply Agreement A, 2020 Master Supply Agreement B, 2020 Licence and Service Agreement, Tenancy Agreement A and Tenancy Agreement B, and have considered the information on internal control procedures referred to in sections C.1(iii), C.2(iii), C.3(iii), C4(iii) and C5(iii) above, and confirmed that the transactions have been entered into:

- (i) in the ordinary and usual course of business of the Company;
- (ii) on normal commercial terms or terms no less favourable to the Company than terms available to or from independent third parties; and

(iii) 內部監控程序

於年內，本集團已遵守以下內部監控措施以監察有關租賃協議B項下之租金及交易條款，並確保興發江西向江西景興提供之租金及條款將不優於向獨立租戶提供之租金及條款及並無超出年度上限：

- (a) 每季度監察同一區域當前市場租金；
- (b) 秉承本集團有關關連交易之相關內部監控政策監察租賃協議B項下之租金，確保其將不優於本集團向獨立租戶所提供者；及
- (c) 已向董事會提交載有關於本集團進行之所有關連交易（包括租賃協議B項下之持續關連交易）之資料之定期財務報告。

6. 獨立非執行董事之觀點

獨立非執行董事已審閱根據二零二零年總供應協議A、二零二零年總供應協議B、二零二零年授權及服務協議、租賃協議A及租賃協議B進行之持續關連交易，及考慮上文C.1(iii)、C.2(iii)、C.3(iii)、C4(iii)及C5(iii)節所述之有關內部監控程序之資料，並確認該等交易乃：

- (i) 於本公司一般及日常業務過程中訂立；
- (ii) 按一般商業條款或不遜於本公司向獨立第三方提供或取得之條款訂立；及

Report of the Directors 董事會報告

- (iii) in accordance with the relevant agreement governing them on terms that are fair and reasonable and in the interests of the Shareholders as a whole.
7. The auditor of the Company was engaged to report on the Group's continuing connected transactions in accordance with Hong Kong Standard on Assurance Engagements 3000 (Revised) "Assurance Engagements Other Than Audits or Reviews of Historical Financial Information" and with reference to Practice Note 740 "Auditor's Letter on Continuing Connected Transactions under the Hong Kong Listing Rules" issued by the Hong Kong Institute of Certified Public Accountants. The auditor has issued its letter to the Board containing its findings and conclusions in respect of the continuing connected transactions as set out in this section "C" above in accordance with Rule 14A.56 of the Listing Rules. A copy of the auditor's letter has been provided by the Company to the Stock Exchange of Hong Kong Limited which stated that:
- (i) nothing has come to the attention of the auditor that causes the auditor to believe that the disclosed continuing connected transactions have not been approved by the Company's board of directors;
- (ii) for transactions involving the provision of goods or services by the Group, nothing has come to the attention of the auditor that causes the auditor to believe that the disclosed continuing connected transactions were not, in all material respects, in accordance with the pricing policies of the Group;
- (iii) nothing has come to the attention of the auditor that causes the auditor to believe that the disclosed continuing connected transactions were not entered into, in all material respects, in accordance with the relevant agreements governing such transactions;
- (iv) with respect to the aggregate amount of the continuing connected transactions, nothing has come to the attention of the auditor that causes the auditor to believe the disclosed continuing connected transactions have exceeded the annual cap as set by the Company.
- (iii) 根據規管該等交易之相關協議並按公平合理之條款訂立，且符合股東之整體利益。
7. 根據香港核證委聘準則第3000號（經修訂）「歷史財務資料審核或審閱以外之核證委聘」並參考香港會計師公會發佈之實務說明第740號「香港上市規則規定之持續關連交易之核數師函件」，本公司核數師已受聘對本集團持續關連交易作出報告。根據上市規則第14A.56條，核數師已就上述本章節「C」所載之持續關連交易向董事會發出載有其調查結果及結論之函件。本公司已向香港聯合交易所有限公司提供核數師函件之副本，當中表明：
- (i) 核數師並無發現任何事項，令其相信所披露持續關連交易並未獲本公司董事會批准；
- (ii) 就涉及本集團提供貨物或服務之交易而言，核數師並無發現任何事項，令其相信該等所披露持續關連交易於所有重大方面並未根據本集團之定價政策進行；
- (iii) 核數師並無發現任何事項，令其相信該等所披露持續關連交易於所有方面並未根據規管該等交易之相關協議進行；
- (iv) 就持續關連交易之總額而言，核數師並無發現任何事項，令其相信該等所披露持續關連交易已超出本公司所設定之年度上限。

Report of the Directors

董事會報告

8. The 2021 Master Supply Agreement A, 2021 Master Supply Agreement B, 2021 Tenancy Agreement A and 2021 Tenancy Agreement B (collectively as the “2021 CCT Agreements”)

Given that the parties to each of the 2020 Master Supply Agreement A, 2020 Master Supply Agreement B, Tenancy Agreement A and Tenancy Agreement B expected that the continuing connected transactions contemplated thereunder would continue on an on-going basis, on 29 December 2020:

- (i) Guangdong Xingfa and China Lesso entered into a new master supply agreement (“2021 Master Supply Agreement A”) for a term from 1 January 2021 to 31 December 2021 (both dates inclusive);
- (ii) Guangdong Xingfa and Jiangxi Jingxing entered into a new master supply agreement (“2021 Master Supply Agreement B”) for a term from 1 January 2021 to 31 December 2021 (both dates inclusive);
- (iii) Xingfa Henan and Henan Jingxing entered into a new tenancy agreement (“2021 Tenancy Agreement A”) for a fixed term from 1 January 2021 to 31 December 2021 (both dates inclusive); and
- (iv) Xingfa Jiangxi and Jiangxi Jingxing entered into a new tenancy agreement (“2021 Tenancy Agreement B”) for a fixed term from 1 January 2021 to 31 December 2021 (both dates inclusive).

8. 二零二一年總供應協議A、二零二一年總供應協議B、二零二一年租賃協議A及二零二一年租賃協議B (統稱「二零二一年持續關連交易協議」)

鑑於二零二零年總供應協議A、二零二零年總供應協議B、租賃協議A及租賃協議B各自訂約方預期該等協議項下擬進行之持續關連交易將按持續基準進行，於二零二零年十二月二十九日：

- (i) 廣東興發與中國聯塑訂立新總供應協議(「二零二一年總供應協議A」)，年期自二零二一年一月一日至二零二一年十二月三十一日(包括首尾兩日)；
- (ii) 廣東興發與江西景興訂立新總供應協議(「二零二一年總供應協議B」)，年期自二零二一年一月一日至二零二一年十二月三十一日(包括首尾兩日)；
- (iii) 興發河南與河南景興訂立新租賃協議(「二零二一年租賃協議A」)，固定年期自二零二一年一月一日起至二零二一年十二月三十一日(包括首尾兩日)；及
- (iv) 興發江西與江西景興訂立新租賃協議(「二零二一年租賃協議B」)，固定年期自二零二一年一月一日起至二零二一年十二月三十一日(包括首尾兩日)。

Report of the Directors 董事會報告

The terms and conditions of each of the 2021 Master Supply Agreement A, 2021 Master Supply Agreement B, 2021 Tenancy Agreement A and 2021 Tenancy Agreement B (including the pricing policies) are substantially similar to those of the 2020 Master Supply Agreement A, 2020 Master Supply Agreement B, Tenancy Agreement A and Tenancy Agreement B respectively. Further details of the 2021 CCT Agreements were disclosed in the announcement of the Company dated 29 December 2020.

- D. The Directors confirm that the material related party transactions as disclosed in note 31 to the consolidated financial statements fall under the definition of “connected transaction” or “continuing connected transaction” (as the case may be) in Chapter 14A of the Listing Rules. The Directors confirm that the Company has complied with the disclosure requirements in accordance with Chapter 14A of the Listing Rules.

CORPORATE GOVERNANCE

In the opinion of the Directors, save as set out in the Company’s corporate governance report in this annual report, the Company had complied with all the code provisions of the Corporate Governance Code as set out in Appendix 14 to the Listing Rules for year ended 31 December 2020.

MODEL CODE

The Company adopted a set of code of conduct regarding directors’ securities transactions on terms no less exacting than the required standard set out in the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 to the Listing Rules (“Model Code”) as its own code of conduct for securities transactions. Having made specific enquiry of all Directors, all Directors confirmed that they had complied with the required standards set out in the Model Code and its code of conduct regarding directors’ securities transactions during the year ended 31 December 2020.

PERMITTED INDEMNITY PROVISION

A permitted indemnity provision (as defined in section 9 of the Companies (Directors’ Report) Regulation (Chapter 622D of the Laws of Hong Kong)) for the benefit of the Directors is currently in force and was in force throughout the Year.

二零二一年總供應協議A、二零二一年總供應協議B、二零二一年租賃協議A及二零二一年租賃協議B各自的條款及條件(包括定價政策)大部分分別與二零二零年總供應協議A、二零二零年總供應協議B、租賃協議A及租賃協議B的條款及條件相似。二零二一年持續關連交易協議的進一步詳情披露於本公司日期為二零二零年十二月二十九日之公佈。

- D. 董事確認，綜合財務報表附註31所披露之重大關連方交易屬於上市規則第14A章定義下之「關連交易」或「持續關連交易」(視情況而定)。董事確認，本公司已遵守上市規則第14A章之披露規定。

企業管治

董事認為，除本年報內本公司之企業管治報告所載者外，本公司於截至二零二零年十二月三十一日止年度內一直遵守上市規則附錄14所載之企業管治守則之全部守則條文。

標準守則

本公司已就董事進行之證券交易採納一套條款並不較上市規則附錄10所載上市發行人董事進行證券交易的標準守則(「標準守則」)所載之規定標準寬鬆之操守守則作為其本身之證券交易操守守則。經向全體董事作出具體查詢後，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內已遵守標準守則所載之規定標準及董事進行證券交易之操守守則。

獲准許的彌償條文

為董事訂立之獲准許的彌償條文(定義見香港法例第622D章《公司(董事報告)規例》第9條)現正有效並於本年度一直有效。

Report of the Directors 董事會報告

EVENTS AFTER THE END OF THE FINANCIAL YEAR

Equity Transfer

In order to facilitate the strategic restructuring of the structure of the Group, Xingfa Jiangxi, an indirect wholly-owned subsidiary of the Company which owned 80% of the equity interest of Jiangxi Jingxing, and Guangzhou Jingxing, a non-wholly owned subsidiary of China Lesso, entered into an equity transfer agreement on 4 February 2021, pursuant to which Xingfa Jiangxi agreed to transfer its entire equity interest in Jiangxi Jingxing to Guangzhou Jingxing at a consideration of RMB10 million ("Equity Transfer"). Completion of the Equity Transfer took place on 12 March 2021. Immediately upon completion of the Equity Transfer, the Group ceased to hold any interest in Jiangxi Jingxing. Jiangxi Jingxing ceased to be accounted for as an associate of the Group. For further details of the Equity Transfer, please refer to the announcements of the Company dated 18 December 2020 and 4 February 2021.

Exercise of share options

Subsequent to the end of the Year and up to the date of this report, an aggregate of 86,000 ordinary shares were issued upon exercise of share options granted under the share option scheme of the Company by four employees of the Group at an exercise price of HK\$5.46 per share. As at the date of this report, 418,154,200 ordinary shares of HK\$0.01 each in the share capital of the Company were in issue.

Impacts of COVID-19 pandemic

The COVID-19 pandemic since early 2020 has brought about additional uncertainties in the Group's operating environment and has impacted the Group's operations and financial position in the first half of 2020.

The Group has been closely monitoring the impact of the developments on the Group's businesses and has put in place contingency measures. These contingency measures include but not limited to: assessing the suppliers' readiness; improving the production process, negotiating with distributors on delivery schedule, continuously monitoring the operations of the distributors and strengthening cost control.

財政年度結束後事項

股權轉讓

為促進本集團架構的戰略重組，本公司之間接全資附屬公司興發江西（擁有江西景興之80%股權）與中國聯塑之非全資附屬公司廣州景興於二零二一年二月四日訂立股權轉讓協議，據此，興發江西同意將其於江西景興的全部股權轉讓予廣州景興，代價為人民幣10,000,000元（「股權轉讓」）。股權轉讓於二零二一年三月十二日完成。緊隨股權轉讓完成後，本集團不再持有江西景興的任何權益。江西景興不再作為本集團之聯營公司列賬。有關股權轉讓之進一步詳情，請參閱本公司日期為二零二零年十二月十八日及二零二一年二月四日之公佈。

購股權行使

於本年度末後及直至本報告日期，合共86,000股普通股於本集團之四名僱員根據本公司購股權計劃授出之購股權按行使價每份5.46港元行使後獲發行。於本報告日期，本公司之已發行股本中有418,154,200股每股面值0.01港元之普通股。

新型冠狀病毒肺炎疫情的影響

自二零二零年初以來的新型冠狀病毒肺炎疫情給本集團的經營環境帶來了更多不確定性，並對本集團二零二零年上半年的經營及財務狀況造成影響。

本集團已密切監控疫情發展對本集團業務的影響並已制定應急措施。該等應急措施包括但不限於：評估供應商是否準備就緒；完善生產流程、與經銷商磋商交付時間表、持續監控經銷商的營運情況並加強成本控制。

Report of the Directors 董事會報告

The Group's management has set up a plan to catch up the delayed schedules as a result of the outbreak of the COVID-19 pandemic during the year ended 31 December 2020.

The Directors believe consumer sentiment will be recovered from COVID-19 pandemic eventually amid the expectation of vaccine will be available for extensive distribution in 2021. The Group will be cautious and stay vigilant and react to the evolving situation.

SUFFICIENCY OF PUBLIC FLOAT

Based on information that is publicly available to the Company and within the knowledge of the Directors, the Company has maintained sufficient public float as at the date of this report.

AUDITORS

The financial statements have been audited by KPMG who shall retire and, being eligible, will offer themselves for re-appointment at the forthcoming Annual General Meeting. A resolution will be proposed at the forthcoming annual general meeting to reappoint KPMG as auditors of the Company.

There has been no change of auditors of the Company in any of the preceding three financial years.

On behalf of the Board of Directors

LIU Libin
Chairman

Foshan China, 26 March 2021

本集團管理層已制定計劃以於截至二零二零年十二月三十一日止年度趕上因新型冠狀病毒肺炎疫情導致之延誤的時間表。

董事相信，隨著疫苗有望在二零二一年廣泛派發，消費者情緒最終將從新型冠狀病毒肺炎疫情中恢復。本集團將保持謹慎，保持警惕並對局勢的變化作出反應。

足夠公眾持股量

根據本公司可獲提供之公開資料及就董事所知，於本報告日期，本公司一直維持足夠公眾持股量。

核數師

財務報表已由畢馬威會計師事務所審計，而畢馬威會計師事務所將於即將舉行之股東週年大會上告退，並符合資格且願意膺選連任。於應屆股東週年大會上將提呈一項決議案以續聘畢馬威會計師事務所為本公司核數師。

本公司於過往三個財政年度並無變更核數師。

代表董事會

主席
劉立斌

中國佛山，二零二一年三月二十六日

Corporate Governance Report 企業管治報告

The Company has adopted the Corporate Governance Code as set out in Appendix 14 to the Listing Rules. In the opinion of the Directors, save as mentioned in this Corporate Governance Report, the Company had complied with all the code provisions of the Corporate Governance Code as set out in Appendix 14 to the Listing Rules for the year ended 31 December 2020.

The Directors are committed to upholding the corporate governance of the Company to ensure that formal and transparent procedures are in place to protect and maximise the interests of the Shareholders.

Set out below is a detailed discussion of the corporate governance practices adopted and observed by the Company throughout the year ended 31 December 2020.

A. DIRECTORS' SECURITIES TRANSACTIONS

The Company adopted a set of code of conduct regarding directors' securities transactions on terms no less exacting than the required standard set out in the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 to the Listing Rules ("Model Code") as its own code of conduct for securities transactions. Having made specific enquiry of all Directors, all Directors confirmed that they had complied with the required standards set out in the Model Code and its code of conduct regarding directors' securities transactions during the year ended 31 December 2020.

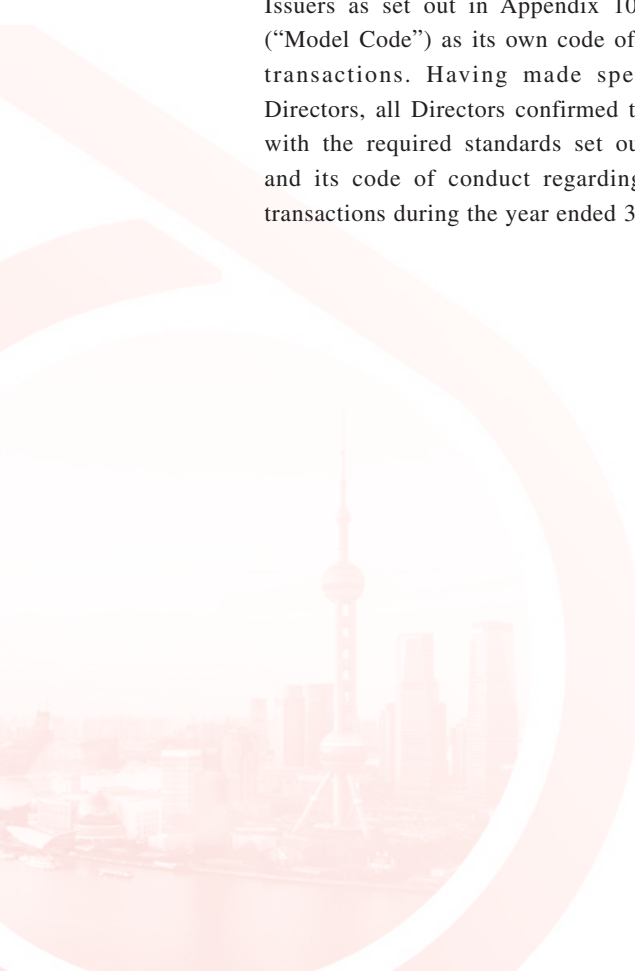
本公司已採納上市規則附錄14所載之企業管治守則。董事認為，除於本企業管治報告所述者外，本公司於截至二零二零年十二月三十一日止年度內一直遵守上市規則附錄14所載之企業管治守則之全部守則條文。

董事致力維持本公司之企業管治，確保具有正式及具透明度程序保障及為股東謀求最大利益。

下文載列本公司於截至二零二零年十二月三十一日止整個年度內所採納及遵守之企業管治常規之詳細討論。

A. 董事進行之證券交易

本公司已就董事進行證券交易採納一套條款並不較上市規則附錄10所載上市發行人董事進行證券交易的標準守則（「標準守則」）所載之規定標準寬鬆之操守守則作為其本身之證券交易操守守則。經向全體董事作出具體查詢後，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內已遵守標準守則所載之規定標準及董事進行證券交易之操守守則。



Corporate Governance Report 企業管治報告

B. BOARD OF DIRECTORS

(i) Board composition

The Board currently comprises a combination of executive Directors and non-executive Directors. As at the date of this report, the Board consisted of the following Directors:

Executive Directors:

Mr. LIU Libin (*Chairman*)
Mr. LIAO Yuqing (*Chief Executive Officer*)
Ms. ZHANG Li (*Chief Financial Officer*)
Mr. LAW Yung Koon
Mr. WANG Zhihua
Mr. LUO Jianfeng

Non-executive Directors:

Mr. ZUO Manlun
Ms. XIE Jingyun

Independent non-executive Directors:

Mr. CHEN Mo
Mr. HO Kwan Yiu
Mr. LAM Ying Hung Andy
Mr. LIANG Shibin

The executive Directors, with the assistance from the senior management, form the core management team of the Company. The executive Directors have the overall responsibility for formulating the business strategies and development plan of the Group and the senior management are responsible for supervising and executing such plans of the Group.

B. 董事會

(i) 董事會之組成

董事會現時由執行董事及非執行董事組成。於本報告日期，董事會包括以下董事：

執行董事：

劉立斌先生 (*主席*)
廖玉慶先生 (*行政總裁*)
張莉女士 (*財務總監*)
羅用冠先生
王志華先生
羅建峰先生

非執行董事：

左滿倫先生
謝景雲女士

獨立非執行董事：

陳默先生
何君堯先生
林英鴻先生
梁世斌先生

在高級管理層之協助下，執行董事組成本公司之核心管理隊伍。執行董事肩負為本集團制訂業務策略及發展計劃之整體責任，高級管理層則負責監察及執行本集團之相關計劃。

Corporate Governance Report 企業管治報告

(ii) Board meetings

During the Year, there were two full board meetings held, at which, among other matters:

- the Directors approved the annual results of the Group for the year ended 31 December 2019 and reviewed the related results announcement, annual report and the circular to the Shareholders in relation to the general mandate proposal and re-election of the Directors retiring by rotation; and
- the Directors approved the interim results of the Group for the six months ended 30 June 2020 and reviewed the related results announcement.

During the Year, the Board also discussed and approved the Group's affairs by way of circulation of written resolutions.

Prior notices convening the Board meetings were despatched to the Directors setting out the matters to be discussed. At the meetings, the Directors were provided with the relevant documents to be discussed and approved. The company secretary of the Company is responsible for keeping minutes of the Board meetings.

(ii) 董事會會議

於本年度，曾舉行兩次董事會全體會議，會上(其中包括)：

- 董事批准本集團截至二零一九年十二月三十一日止年度之全年業績，並審閱相關業績公佈、年報、有關一般授權建議及重選輪席退任之董事而致股東之通函；及
- 董事批准本集團截至二零二零年六月三十日止六個月之中期業績，並審閱相關業績公佈。

於本年度，董事會亦通過提呈書面決議案的形式討論及批准本集團事宜。

載有將於董事會會議上商討事項之通告已在會議召開前寄發予董事。會議上，董事獲提供將予考慮及批准之有關文件。本公司之公司秘書負責將董事會會議記錄存檔。



Corporate Governance Report 企業管治報告

(iii) Attendance record

The following is the attendance record of the board meetings held by the Board and general meeting held during the year ended 31 December 2020:

(iii) 出席紀錄

以下為董事會於截至二零二零年十二月三十一日止年度所舉行之董事會會議及股東大會出席紀錄：

		Attendance at meeting 會議出席率	
		Board Meetings 董事會會議	General Meeting 股東大會
Executive Directors:		執行董事：	
Mr. LIU Libin (Chairman)	劉立斌先生 (主席)	2/2	1/1
Mr. LIAO Yuqing (Chief Executive Officer)	廖玉慶先生 (行政總裁)	2/2	1/1
Ms. ZHANG Li (Chief Financial Officer)	張莉女士 (財務總監)	2/2	1/1
Mr. LAW Yung Koon	羅用冠先生	2/2	1/1
Mr. WANG Zhihua	王志華先生	2/2	1/1
Mr. LUO Jianfeng	羅建峰先生	2/2	1/1
Non-executive Directors:		非執行董事：	
Mr. ZUO Manlun	左滿倫先生	2/2	1/1
Ms. XIE Jingyun	謝景雲女士	2/2	1/1
Independent non-executive Directors:		獨立非執行董事：	
Mr. CHEN Mo	陳默先生	2/2	1/1
Mr. HO Kwan Yiu	何君堯先生	2/2	1/1
Mr. LAM Ying Hung Andy	林英鴻先生	2/2	1/1
Mr. LIANG Shibin	梁世斌先生	2/2	1/1

Corporate Governance Report 企業管治報告

According to the code provision A.1.1 of the Corporate Governance Code, the Board should meet regularly and board meeting should be held at least four times a year at approximately quarterly intervals. During the year ended 31 December 2020, the Board has held two full board meetings. The Company has deviated from this code provision as the Board has discussed matters of the Company through exchange of emails and informal meetings among the Directors and has obtained board consent through circulating written resolutions.

(iv) Independent non-executive Directors

In compliance with Rule 3.10(1) of the Listing Rules, the Company has appointed four independent non-executive Directors. The Board considers that all independent non-executive Directors have the appropriate and sufficient industry or finance experience and qualifications to carry out their duties so as to protect the interests of shareholders of the Company. One of the independent non-executive Directors, Mr. LAM Ying Hung, Andy, has over 26 years in the accounting, banking and finance sectors and is a fellow member of the Association of Chartered Certified Accountants and the Hong Kong Institute of Certified Public Accountants.

The Company has received the annual written confirmations from all independent non-executive Directors in respect of their independence. The Board considers that all independent non-executive Directors are independent. Particular consideration is paid in assessing the independence of those independent non-executive Directors who have been serving on the Board for more than 9 years and seeking re-election in the annual general meeting. When appropriate, reasons will be given in the annual general meeting circular to explain why the Board believes those independent non-executive Directors are still independent and should be re-elected.

根據企業管治守則之守則條文第A.1.1條，董事會須定期召開會議及須至少每年舉行四次董事會會議，大概每季舉行一次。於截至二零二零年十二月三十一日止年度，董事會已舉行兩次董事會全體會議。本公司已偏離此守則條文，原因為董事會已透過於董事間之電郵交流及非正式會議討論本公司事宜及透過傳閱書面決議案取得董事會同意。

(iv) 獨立非執行董事

為符合上市規則第3.10(1)條，本公司委任四名獨立非執行董事。董事會認為，全體獨立非執行董事均具有合適及充足之業界或財務經驗及資格，以履行彼等之職責，以保障本公司股東之權益。其中一名獨立非執行董事林英鴻先生，在會計、銀行及金融業擁有逾26年經驗，並為英國特許公認會計師公會及香港會計師公會資深會員。

本公司已接獲全體獨立非執行董事就其獨立性而發出之年度書面確認。董事會認為全體獨立非執行董事均屬獨立人士。於評估該等在董事會任職超過九年及擬於股東週年大會上尋求重選之獨立非執行董事的獨立性時應給予特別考慮。股東週年大會通函內將列出理由闡述董事會為何仍認為該等獨立非執行董事具獨立性及應予以重選(如適用)。

Corporate Governance Report 企業管治報告

(v) Relationship among members of the Board

Mr. LIAO Yuqing, an executive Director and the chief executive officer of the Company, is the son-in-law of Mr. LUO Su, the Honourable Adviser of the Group. Save as aforesaid, there is no other family relationship between any of the Directors and chief executive officer of the Company. All of them are free to exercise their independent judgement.

(vi) Continuous professional development

During the year ended 31 December 2020, the Company has provided regular updates to Directors on material changes to regulatory requirements applicable to the Directors and the Company and on the latest business development of the Company. The Directors confirmed that they have complied with code provision A.6.5 of the Corporate Governance Code on directors' training. During the year ended 31 December 2020, all Directors, namely Mr. LIU Libin, Mr. LIAO Yuqing, Ms ZHANG Li, Mr. LAW Yung Koon, Mr. WANG Zhihua, Mr. LUO Jianfeng, Mr. ZUO Manlun, Ms. XIE Jingyu, Mr. CHEN Mo, Mr. HO Kwan Yiu, Mr. LAM Ying Hung, Andy and Mr. LIANG Shibin, have participated in continuous professional development by reading materials to develop and refresh their knowledge and skills in areas related to their roles, functions and duties of Directors such as corporate governance, regulatory updates and topics related to aluminium industry, and provided their respective record of training to the Company.

(v) 董事會成員間之關係

執行董事廖玉慶先生為本公司執行董事兼行政總裁為本集團榮譽顧問羅蘇先生之女婿。除上述者外，任何本公司董事或主要行政人員之間概無任何其他家族關係。彼等全體均可作出獨立判斷。

(vi) 持續專業發展

於截至二零二零年十二月三十一日止年度，本公司已就董事及本公司適用之規管規定之重大變動以及有關本公司最新業務發展向董事提供定期更新資料。董事確認，彼等已遵守企業管治守則之守則條文第A.6.5條有關董事培訓之規定。於截至二零二零年十二月三十一日止年度，全體董事（即劉立斌先生、廖玉慶先生、張莉女士、羅用冠先生、王志華先生、羅建峰先生、左滿倫先生、謝景雲女士、陳默先生、何君堯先生、林英鴻先生及梁世斌先生）已透過閱讀各種資料之方式參與持續專業發展，以發展及更新有關其作為董事之角色、職能及職責之知識及技能，如企業管治、最新規管資料及鋁材行業相關資料等，並已向本公司提供彼等各自培訓記錄。

Corporate Governance Report 企業管治報告

C. CHAIRMAN AND CHIEF EXECUTIVE OFFICER

The roles of the Chairman and the chief executive officer are segregated. Mr. LIU Libin is the chairman of the Board. The Chairman is chiefly responsible for managing the Board. Mr. LIAO Yuqing is the chief executive officer of the Company who takes charge of the supervision of the execution of the policies determined by the Board. The Chairman also chairs the Board meetings and briefs the Board members on the issues discussed at the Board meetings.

Code provision A.2.7 of the Corporate Governance Code requires the Chairman to hold meetings at least annually with the independent non-executive Directors without the presence of other Directors. During the Year, Mr. LIU Libin, the Chairman, did not hold any meeting with the independent non-executive Directors without the presence of other Directors. However, the Chairman held meetings with the independent non-executive Directors with the presence of other Directors periodically during the Year to understand their concerns, to discuss pertinent issues and to ensure that there was access to adequate and complete information. The independent non-executive Directors could have direct contacts with the Chairman after meetings if necessary.

D. INDEPENDENT NON-EXECUTIVE DIRECTORS AND NON-EXECUTIVE DIRECTORS

Each of Mr. CHEN Mo, Mr. HO Kwan Yiu, Mr. LAM Ying Hung, Andy and Mr. Liang Shibin has been appointed for a fixed term of three years commencing from 1 April 2020.

Each of Mr. ZUO Manlun and Ms. XIE Jingyun has been appointed for a fixed term of three years commencing from 1 April 2020.

The independent non-executive Directors have attended the Board meetings and provided independent judgement on the issues discussed.

C. 主席及行政總裁

主席及行政總裁兩者角色分立。劉立斌先生為董事會主席。主席主要負責管理董事會。廖玉慶先生則為本公司行政總裁，負責監察及落實董事會釐定之政策。主席亦主持董事會會議，並向董事會成員簡介於董事會會議上商討之事項。

企業管治守則之守則條文第A.2.7條規定，主席須至少每年在其他董事並無出席情況下與獨立非執行董事舉行會議。於本年度，主席劉立斌先生概無與獨立非執行董事在無其他董事出席情況下舉行會議。然而，於本年度，主席已定期與獨立非執行董事在其他董事出席情況下舉行會議，以了解其關注、討論相關事務及確保可獲得足夠及完備的資料。如有必要，獨立非執行董事於會議結束後可直接與主席聯繫。

D. 獨立非執行董事及非執行董事

陳默先生、何君堯先生、林英鴻先生及梁世斌先生各自之固定委任年期由二零二零年四月一日開始，為期三年。

左滿倫先生及謝景雲女士各自之固定委任年期由二零二零年四月一日開始，為期三年。

獨立非執行董事已出席董事會會議，並就所商討之事項提供獨立判斷。

Corporate Governance Report 企業管治報告

E. REMUNERATION OF DIRECTORS

The Company established a remuneration committee with written terms of reference in compliance with the Corporate Governance Code. During the year ended 31 December 2020, the remuneration committee comprised Mr. HO Kwan Yiu (Chairman), Mr. CHEN Mo, Mr. LAM Ying Hung, Andy, Mr. LIU Libin and Mr. LIAO Yuqing. The primary duties of the remuneration committee are to review and make recommendations to the Board on the terms of remuneration packages, bonuses and other compensation payable to the Directors and senior management.

It is the Company's policy that the remuneration package of each Director and senior management shall be determined by reference to the duties, responsibilities, experience and qualifications of each candidate.

During the year ended 31 December 2020, the remuneration committee has held two meetings, at which the remuneration committee members have reviewed and made recommendations to the Board on the terms of remuneration packages, bonuses and other compensation payable to the Directors and senior management.

The following is the attendance record of the committee meetings held by the remuneration committee during the year ended 31 December 2020:

Mr. HO Kwan Yiu	何君堯先生
Mr. CHEN Mo	陳默先生
Mr. LAM Ying Hung Andy	林英鴻先生
Mr. LIU Libin	劉立斌先生
Mr. LIAO Yuqing	廖玉慶先生

E. 董事薪酬

本公司已遵守企業管治守則，成立薪酬委員會，並以書面界定其職權範圍。於截至二零二零年十二月三十一日止年度，薪酬委員會由何君堯先生(主席)、陳默先生、林英鴻先生、劉立斌先生及廖玉慶先生組成。薪酬委員會之主要職責為檢討及就薪酬組合、花紅及其他應付董事及高級管理層之酬金之條款向董事會提供建議。

根據本公司政策，每名董事及高級管理層之薪酬組合須參考各候選人之職責、責任、經驗及資格而釐定。

於截至二零二零年十二月三十一日止年度，薪酬委員會已舉行兩次會議，於會上薪酬委員會已檢討及就薪酬組合、花紅及其他應付董事及高級管理層之酬金之條款向董事會提供意見。

以下為薪酬委員會於截至二零二零年十二月三十一日止年度舉行委員會會議之出席記錄：

Attendance at meeting 會議出席率

2/2
2/2
2/2
2/2
2/2

Corporate Governance Report 企業管治報告

F. NOMINATION OF DIRECTORS

The Company established a nomination committee with written terms of reference in compliance with the Corporate Governance Code. During the year ended 31 December 2020, the nomination committee comprised Mr. LIU Libin (Chairman), Mr. HO Kwan Yiu, Mr. CHEN Mo, Mr. LAM Ying Hung, Andy and Mr. ZUO Manlun. The primary duties of the nomination committee are to make recommendations to the Board on the nominees for appointment as Directors and senior management of the Group.

During the year ended 31 December 2020, no Directors was appointed and no nomination committee meeting has been held.

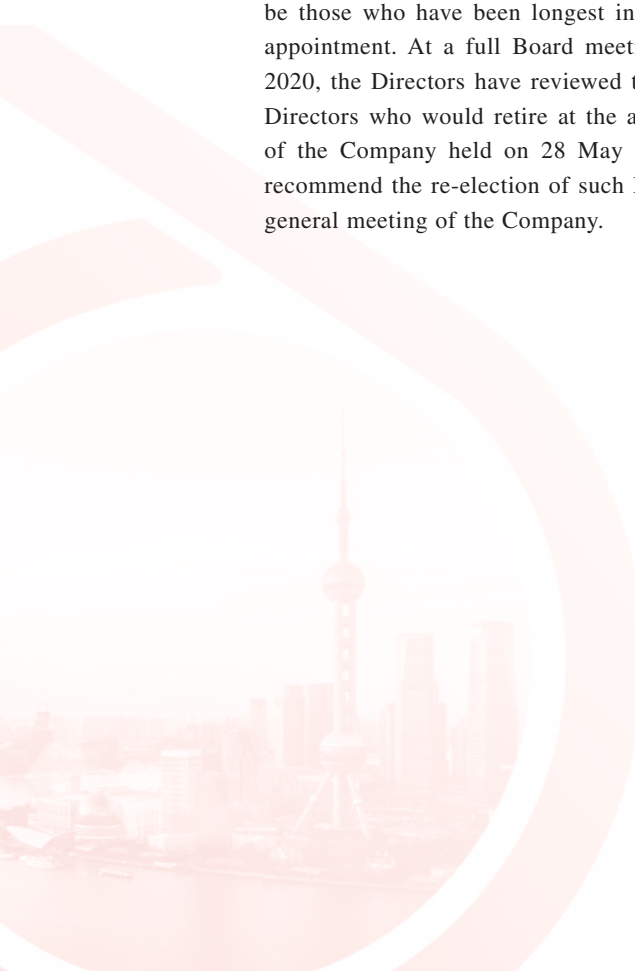
According to the articles of association of the Company, one-third of the Directors are subject to retirement by rotation or, if their number is not three or a multiple of three, then the number nearest to but not less than one-third shall retire from the office and offer themselves for re-election. The Directors to be retired by rotation shall be those who have been longest in office since their last appointment. At a full Board meeting held on 26 March 2020, the Directors have reviewed the performance of the Directors who would retire at the annual general meeting of the Company held on 28 May 2020 and approved to recommend the re-election of such Directors at the annual general meeting of the Company.

F. 提名董事

本公司已遵守企業管治守則，成立提名委員會，並以書面界定其職權範圍。於截至二零二零年十二月三十一日止年度，提名委員會由劉立斌先生(主席)、何君堯先生、陳默先生、林英鴻先生及左滿倫先生組成。提名委員會之主要職責為就提名委任為本集團董事及高級管理層之人士向董事會作出推薦意見。

截至二零二零年十二月三十一日止年度，並無委任董事，亦無舉行提名委員會會議。

根據本公司之組織章程細則，三分之一董事須輪席退任，如數目並非三或三之倍數，則為最接近但不少於三分之一之整數須退任並可重選連任。將予輪席退任之董事須為自彼等上一次獲委任起計任期為最長者。在二零二零年三月二十六日舉行之董事會全體會議上，董事已檢討會於本公司在二零二零年五月二十八日舉行之股東週年大會上退任董事之表現，並批准推薦該等董事於本公司之股東週年大會上重選連任。



Corporate Governance Report 企業管治報告

The Company continuously seeks to enhance the effectiveness of the Board and to maintain the highest standards of corporate governance and recognizes and embraces the benefits of diversity in the Board. The Board has adopted a Board Diversity Policy (“Board Diversity Policy”) to comply with the code provisions of the Corporate Governance Code which was effective from 1 September 2013. The Company believes that a diversity of perspectives can be achieved through consideration of a number of factors including, but not limited to, skills, regional and industry experience, cultural and educational background, race, gender and other qualities. In informing its perspective on diversity, the Company will also take into account factors based on its own business model and specific needs from time to time. The composition, experience and balance of skills on the Board retains core members with longstanding knowledge of the Group alongside new Director(s) appointed from time to time who bring fresh perspectives and diverse experiences to the Board. The process for the nomination of Directors is led by the nomination committee, which has been made on a merit basis. A nomination policy (“Nomination Policy”) was adopted on 31 December 2018 and became effective on 1 January 2019, which serves to improve the transparency of the process and criteria in selecting and recommending candidates as directors of the Company for the Board’s approval from time to time and at any time to appoint any person as a Director either to fill a casual vacancy or as an addition to the Board. The Directors and the nomination committee will consider and nominate candidates according to the Nomination Policy based on objective criteria with due regard to the benefits of diversity as set out in the Board Diversity Policy, to the Board for approval. In identifying individuals and making recommendations for nominations, the nomination committee considers whether such individuals have the appropriate qualifications, ability and perspectives that would enable them to effectively fulfill their roles and responsibilities as directors of the Company. The Board will review the Board Diversity Policy and the Nomination Policy on a regular basis to ensure their continued effectiveness. During the year ended 31 December 2020, the nomination committee was satisfied with the diversity of the existing Board composition and did not, for the time being, set up any measurable objective regarding board diversity.

本公司不斷尋求提升董事會之效率及維持最高水平之企業管治，且了解及認同董事會多元化之裨益。董事會採納董事會多元化政策（「董事會多元化政策」）以符合於二零一三年九月一日生效之企業管治報告之守則條文。本公司認為多元化觀點可透過考慮若干因素而達致，包括但不限於技能、區域及行業經驗、文化及教育背景、種族、性別及其他質素。於達致於多元化觀點時，本公司亦將根據本身不時之業務模式及特別需要事宜作考慮。董事會組成、經驗及技能平衡將維持對本集團具有長期認識之核心成員以及為董事會帶來嶄新觀點及不同經驗之不時獲委任之新董事。提名委員會主導以優點為基準作出之提名董事程序。本公司於二零一八年十二月三十一日採納一項提名政策（「提名政策」），及該政策於二零一九年一月一日起生效，該政策旨在提高於甄選及推薦本公司董事候選人以供董事會不時批准以及隨時委任任何人士為董事以填補董事會臨時空缺或作為新董事方面的程序透明度及標準。董事及提名委員會將根據提名政策基於客觀標準，並經妥為計及董事會多元化政策所載之多元化之裨益後，審議及提名候選人以供董事會批准。於物色個人及就提名作出推薦意見，提名委會考慮有關個人是否擁有合適資格、能力及觀點使其能有效履行其作為本公司董事之職責及責任。董事會將定期檢討董事會多元化政策及提名政策，以確保其持續有效。於截至二零二零年十二月三十一日止年度，提名委員會信納現有董事會構成之多元，及暫時並無就董事會之多元化設立任何可衡量之目標。

Corporate Governance Report 企業管治報告

G. AUDITORS' REMUNERATION

For the year ended 31 December 2020, KPMG, the Group's external auditors, provided annual audit services and other non-audit services to the Company. A breakdown of the remuneration of the Group's external auditors is as follows:

G. 核數師酬金

於截至二零二零年十二月三十一日止年度，本集團外部核數師畢馬威會計師事務所向本公司提供年度核數服務及其他非核數服務。本集團外部核數師之酬金明細如下：

For the 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)

Audit service	核數服務	
Annual audit services	年度審計服務	1,355
Other non-audit services (among others, for reviewing the interim financial information of the Group)	其他非審計服務 (包括審閱本集團中期財務資料)	760

H. AUDIT COMMITTEE

The Company has established an audit committee with written terms of reference based upon the code provisions and recommended practices of the Corporate Governance Code. The primary duties of the audit committee are to review and supervise the financial reporting process and internal control systems of the Group. During the year ended 31 December 2020, members of the audit committee comprised Mr. LAM Ying Hung, Andy (Chairman), Mr. CHEN Mo and Mr. HO Kwan Yiu, being the independent non-executive Directors, and Ms. XIE Jingyun being the non-executive Director.

H. 審核委員會

本公司已根據企業管治守則之條文及建議常規成立審核委員會，並以書面界定其職權範圍。審核委員會之主要職責為審閱及監察本集團之財務申報程序及內部監控系統。於截至二零二零年十二月三十一日止年度，審核委員會由獨立非執行董事林英鴻先生(主席)、陳默先生及何君堯先生以及一名非執行董事謝景雲女士組成。

Corporate Governance Report 企業管治報告

During the year ended 31 December 2020, the audit committee has held two meetings, at which:

- the audit committee members have reviewed and discussed with the external auditors of the Company the Group's consolidated financial statements for the year ended 31 December 2019, who is of the opinion that such statements complied with the applicable accounting standards, the Listing Rules and legal requirements, and that adequate disclosures have been made;
- the audit committee have reviewed the reasonableness and fairness of the continuing connected transactions of the Company for the year ended 31 December 2019; and
- the audit committee members have reviewed and discussed with the external auditors of the Company the Group's unaudited consolidated financial statements for the six months ended 30 June 2020.

The following is the attendance record of the committee meetings held by the audit committee 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，審核委員會已舉行兩次會議，會上：

- 審核委員會成員已對本集團截至二零一九年十二月三十一日止年度之綜合財務報表作出審閱，並與本公司外聘核數師進行商討，其認為該報表符合適用會計準則、上市規則及法例規定，亦已作出足夠披露；
- 審核委員會亦已檢討本公司截至二零一九年十二月三十一日止年度之持續關連交易之合理性及公平性；及
- 審核委員會成員已與本公司外部核數師審閱及討論本集團截至二零二零年六月三十日止六個月之未經審核綜合財務報表。

以下為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委員會會議之出席記錄：

		Attendance at meeting 會議出席率
Mr. LAM Ying Hung Andy	林英鴻先生	2/2
Mr. CHEN Mo	陳默先生	2/2
Mr. HO Kwan Yiu	何君堯先生	2/2
Ms. XIE Jingyun	謝景雲女士	2/2

I. DIRECTORS' ACKNOWLEDGEMENT

All Directors acknowledge their responsibility for preparing the accounts for the year ended 31 December 2020.

I. 董事確認

所有董事均已確認彼等編製截至二零二零年十二月三十一日止年度賬目之責任。

Corporate Governance Report 企業管治報告

J. RISK MANAGEMENT AND INTERNAL CONTROL

The Board has overall responsibilities for maintaining a sound and effective risk management and internal control system of the Group. The Board has not established a risk management committee. Instead, the full Board is responsible for performing the risk management function, including establishing and approving the overall risk management strategies of the Group from time to time, overseeing senior management's implementation of those strategies to align with the Company's risk profile, overseeing risk management framework structure, reviewing key risks and mitigation strategies and ensuring risk management effectiveness.

A bottom-up and top-down approach is utilised to ensure a holistic risk management process. The bottom-up approach is supported by key business units to identify and prioritise risks while the top-down approach reviews and assesses if risks are comprehensively identified, prioritised, and properly addressed by key business units to accomplish the Group's objectives. The management team is regularly monitoring emerging risks for continuous risk assessment purpose and for building the risk-management based internal audit plan and periodically assesses the adequacy and effectiveness of risk management and internal controls for ongoing risk assurance purposes. This enhances the effectiveness of the Group's risk and control framework.

J. 風險管理及內部監控

董事會整體負責維持本集團穩健而有效之風險管理及內部監控系統。董事會未成立風險管理委員會。董事會整體負責行使風險管理功能，包括不時建立及通過本集團整體的風險管理戰略，監督高級管理層對該等戰略的實施以符合本公司整體的業務目標，監督風險管理框架結構，審核主要風險及緩解戰略及保障風險管理的有效性。

本集團利用自下而上及自上而下的方式，確保擁有一套完善的風險管理程序。自下而上的方式由核心業務單位支持以識別風險及確定風險評級；而自上而下的方式則檢討及評估核心業務單位於實現本集團的目標時是否已全面識別風險、為風險劃分級別及予以妥善處理。管理層團隊為持續評估風險定期監測新出現的風險，建立以風險管理為基礎的內部審核計劃，並以現時的風險擔保為目的週期性評估風險管理及內部控制的適當性及有效性。此舉提高了本集團風險及控制框架的有效性。



Corporate Governance Report 企業管治報告

The Group's risk management and internal control system is designed to reduce risks, safeguard the Group's assets, prevent and detect fraud and protect shareholders' investment as well as to ensure that proper accounting records are maintained and applicable legislation and regulations are complied with. During the year under review, through discussions with the management, the internal audit team and external auditors and with reference to a report submitted by the internal audit team and a risk assessment report prepared by a professional audit firm, the Board has conducted assessments and reviews of the effectiveness of the Group's risk management and internal control system in various perspective, including, among others, financial control, operational and compliance controls and risk management. The risk management and internal control systems are reviewed by the Board annually and each review covers a whole financial year.

The internal audit unit of the Company, which is subordinated to the Board, formulates the internal audit plan of the Group based on the strategic objectives analysis, business flow analysis, risk assessment and performance evaluation and the self-inspection mechanism with comprehensive risk management functions under the authority of the Board and the guidance of the audit committee. It regularly reports to the audit committee and the Board for its audit findings and recommendations on internal control. 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.

本集團設立風險管理及內部監控系統，旨在減低風險、保障本集團資產、防止及偵查欺詐及保障股東權益，確保維持適當會計記錄，遵守合適法規及規例。於回顧年度，董事會透過與管理層、內部審計團隊及外聘核數師進行討論，及參考內部審計團隊所呈交報告及由專業審計公司編製的風險評估報告，來評估與在各不同角度檢討本集團風險管理及內部監控系統之有效性，其中包括財務監控、營運與合規監控以及風險管理。風險管理及內部控制系統每年由董事會審核且每次審核覆蓋整個財政年度。

本公司內部審計單位—稽核室隸屬董事會，在董事會之授權範圍內及審核委員會指導下，透過戰略目標分析、業務流程分析、風險評估、績效衡量，結合全面風險管理的內部控制自查機制，擬定本集團內部稽核工作計劃，並定期就查核結果與內控建議向審核委員會及董事會匯報。該系統旨在就重大錯誤陳述或損失提供合理而非絕對之保障，並管理而非完全消除本集團營運系統失效之風險，以達致本集團之業務目標。



Corporate Governance Report 企業管治報告

During the year under review, the internal audit unit of the Company continuously optimized job responsibilities and functions of different departments according to the annual audit plan approved by the Board. Such audit work covered financial, operation, statutory compliance and connected transactions, etc., of the Group. During the year under review, the Board has reviewed the effectiveness of the Group's risk management and material internal controls system. Based on information furnished to it and on its own observations, the Board is satisfied with the present risk management and internal control systems of the Group and considers them effective and adequate. During the year under review and up to the date of this annual report, nothing has been found which requires substantial improvement.

The Company has formulated policies on information disclosure and regularly reminded Directors and employees to properly comply with relevant policies on inside information while notifying the Directors (who are also the senior management of the Group) and employees the latest guidance announced by the regulatory body on such information disclosure from time to time to keep all of them abreast of the latest information.

K. CORPORATE GOVERNANCE FUNCTIONS

The Board has taken up the corporate governance functions in accordance with code provision D.3.1 of the Corporate Governance Code and has reviewed the Company's policies and practices on corporate governance and compliance; has reviewed and monitored the training and continuous professional development of the Directors and senior management; has reviewed and monitored the Company's policies and practices on compliance with legal and regulatory requirements; and has reviewed the Company's compliance with the Corporate Governance Code during the Year as well as the disclosures in this Corporate Governance Report.

於回顧年度，本公司稽核室在不斷完善部門崗位職責之前提下，遵循董事會通過之年度稽核計劃，對本集團進行項目審計，審計範圍涵蓋財務、營運、法規遵循以及關連交易等。於回顧年度，董事會已檢閱本集團的風險管理及重大內部監控系統。根據董事會所獲得資料及其本身觀察，董事會滿意本集團現行之風險管理及內部監控系統及認為該系統是有效及充分。於回顧年度及截至本年報的日期，並無發現有重大事項需要改進。

本公司已制定信息披露政策，並定期提醒董事及員工適當遵守內幕消息的相關政策，並會不時知會董事（彼等亦為本集團的高級管理層）及員工有關監管機構公佈的上述信息披露最新指引，以令彼等全體獲得最新的資訊。

K. 企業管治職能

董事會根據企業管治守則之守則條文第D.3.1條負責企業管治職能，並已審閱本公司企業管治及遵例方面之政策及常規；審閱及監察董事及高級管理層之培訓及持續專業發展；審閱及監察本公司遵守法定及規管規定之政策及常規；以及審閱本公司於本年度遵守企業管治守則之情況及於企業管治報告中之披露。

Corporate Governance Report 企業管治報告

L. COMPANY SECRETARY

During the Year, Ms. Wong Tik was the company secretary of the Company (“Company Secretary”). In delivering her service as Company Secretary, Ms. Wong directly reported to the Chairman. Ms. Wong has confirmed that for the year under review, she has taken no less than 15 hours of relevant professional training.

Ms. Wong resigned on 2 February 2021. The Company has appointed Mr. Pang Wai Ching as the new Company Secretary on 2 February 2021.

M. SHAREHOLDERS’ RIGHTS AND INVESTOR RELATIONS

Pursuant to article 64 of the Company’s articles of association, any one or more shareholder(s) holding, at the date of deposit of the requisition, not less than one-tenth of the paid up capital of the Company carrying the right of voting at general meetings of the Company shall at all times have the right, by written requisition to the Board or the Company Secretary to require an extraordinary general meeting to be called by the Board for the transaction of any business specified in such requisition and such meeting shall be held within two months after the deposit of such requisition. If within 21 days of such deposit the Board fails to proceed to convene such meeting, the requisitioner(s) himself(theyself) may do so in the same manner, and all reasonable expenses incurred by the requisitioner(s) as a result of the failure of the Board shall be reimbursed to the requisitioner(s) by the Company. The written requisition must state the objects of the meeting, and must be signed by the relevant shareholder(s) and deposited to the Company Secretary at the Company’s principal place of business, which is presently situated at Unit 605, 6/F, Wing On Plaza, 62 Mody Road, Tsim Sha Tsui East, Kowloon, Hong Kong. Any shareholder enquiry may be directed to the Board through the Company Secretary by sending to the Company’s principal place of business in Hong Kong.

L. 公司秘書

於本年內，黃荻女士為本公司公司秘書（「公司秘書」）。於作為本公司之公司秘書提供其服務時，黃女士直接向主席報告。黃女士確認彼已於回顧年度接受不少於15小時之相關專業培訓。

黃女士於二零二一年二月二日辭任。本公司已於二零二一年二月二日委任彭偉正先生為新任公司秘書。

M. 股東權利及投資者關係

根據本公司之組織章程細則第64條，任何一名或以上之股東，倘於提交要求日期，持有本公司繳足股本（附有股東於本公司股東大會上之投票權）不少於十分之一，則有權隨時向董事會或本公司秘書提交書面要求，要求董事會召開股東特別大會，以處理該要求書中指明之任何事宜，而該大會應於提交該要求書後兩個月內舉行。倘於提交書面要求後21日內，董事會未能落實召開該大會，則提出要求之人士可以相同方式自行召開大會，而因董事會未能應要求行事而導致提出要求之人士產生之所有合理費用，應由本公司向其歸還。書面要求須載明大會目的，且須由有關股東簽署及送交公司秘書，地址為本公司之主要營業地點，其現時位於香港九龍尖沙咀東部麼地道62號永安廣場6樓605室。任何股東可透過公司秘書以寄往本公司之香港主要營業地點之方式直接向董事會查詢。

Corporate Governance Report 企業管治報告

There is no provision allowing shareholders to put forward proposals at the general meeting under the Company's articles of association or under the Companies Law, Chapter 22 of the Laws of the Cayman Islands (Law 3 of 1961, as consolidated and revised). Shareholders may follow the procedures set out above to convene an extraordinary general meeting for any business specified in such written requisition.

During the year ended 31 December 2020, there was no change in the Company's constitutional documents.

On behalf of the Board of Directors

LIU Libin
Chairman

Foshan China, 26 March 2021

本公司之組織章程細則或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）並無准許股東於股東大會提呈建議之條文。股東可按上文所載程序召開股東特別大會，以處理有關書面要求中指明之任何事項。

截至二零二零年十二月三十一日止年度，本公司之公司組織章程文件並無變動。

代表董事會

主席
劉立斌

中國佛山，二零二一年三月二十六日



Environmental, Social and Governance Report 環境、社會及管治報告

1. ABOUT THIS REPORT

1.1 Basis of Preparation

This 2020 Environmental, Social And Governance (“ESG”) Report of Xingfa Aluminium is prepared in accordance with the requirements of the “Environmental, Social and Governance Reporting Guide” of The Stock Exchange of Hong Kong Limited (“Hong Kong Stock Exchange”), covering the reporting period from 1 January 2020 to 31 December 2020 (the “Year” or “Reporting Period”). This report is prepared in Chinese and the English version is the translation version. If there is any discrepancy between Chinese and English, the Chinese version shall prevail. Unless otherwise stated, the denominated currency in the report is in Renminbi. For the content of corporate governance, please refer to the Corporate Governance Report in the 2020 annual report of the Group.

1.2 Reporting Principle

This report is prepared in compliance with the Environmental, Social and Governance Reporting Guide (hereinafter referred to as the “Guide”) set out in Appendix 27 to the Rules Governing the Listing of Securities of the Hong Kong Stock Exchange. It satisfied the requirements of the reporting principles regarding “materiality”, “quantitativeness”, “consistency” and “balance”.

1. 關於本報告

1.1. 編製基礎

本報告是興發鋁業2020年度環境、社會及管治(「ESG」)報告，依據香港聯合交易所有限公司(「香港聯交所」)《環境、社會及管治報告指引》的要求編製，報告期間為2020年1月1日至2020年12月31日(「本年度」或「報告期」)。本報告以中文編製，英文版為譯本，如中、英文有任何不符之處，概以中文為準。報告涉及金額如無特別說明，均以人民幣為計量單位。有關企業管治的內容，請參閱本集團2020年年報中的《企業管治報告》。

1.2. 報告準則

本報告按照香港聯交所證券上市規則附錄二十七—《環境、社會及管治報告指引》(下稱《指引》)編製而成，涵蓋的報告內容亦符合《指引》中的「重大性」、「量化」、「平衡」及「一致性」的原則。



Environmental, Social and Governance Report 環境、社會及管治報告

1.3. Scope of the Report

The subject of this report covers the core business of Xingfa Aluminium Holdings Limited and its subsidiaries, including the manufacture and sale of construction aluminium profiles and industrial aluminium profiles. This report focuses on reporting the environment and social policies relating to the Group's core business during the Reporting Period. The board of directors of Xingfa Aluminium is fully responsible for the Group's sustainable development strategy, its reporting and risk management. During the Reporting Period, we made disclosures regarding our important environmental and social issues key performance indicators (KPIs) (see Appendix II), and the KPIs of environmental issue only cover four subsidiaries located in Sanshui, Chengdu, Jiangxi and Henan.

1.4 Information and Feedback

We value your suggestions or opinions in seeking constant improvement. If you have any comments about this report, please contact us in the following ways:

Address : No. 5, Zone D, Central Science and Technology Industrial Park, Sanshui District, Foshan City, Guangdong Province
Telephone : 0757-85332727
E-mail : xingfazhb@126.com

1.3. 報告範圍

本報告的主體範圍為興發鋁業控股有限公司及下屬子公司的核心業務，包括建築鋁型材和工業鋁型材的製造及銷售。本報告著重於滙報報告期內與本集團核心業務相關的環境和社會政策。興發鋁業董事會對本集團的可持續發展戰略和報告及風險管理負全面責任。報告期內，我們披露了有關重要環境和社會議題的關鍵績效指標（請參閱附錄二），當中環境議題的關鍵績效指標只涵蓋了位於三水、成都、江西、河南的四間附屬公司。

1.4. 信息及反饋

我們重視閣下提出的建議或意見，以不斷求進。若閣下對本報告有任何意見，歡迎通過以下方式與我們聯繫：

地址：廣東省佛山市三水區中心科技工業園D區5號
電話：0757-85332727
電郵：xingfazhb@126.com



Environmental, Social and Governance Report 環境、社會及管治報告

2. SUSTAINABLE DEVELOPMENT MANAGEMENT

2.1. Sustainable Development Strategy

The Group puts relentless efforts to practice corporate social responsibility to facilitate sustainable development. During the year, the Group was committed to creating value in four major aspects, including “Striving for Perfection and Pursuit of Excellence”, “Protecting the Environment, Co-existing and Co-prosperity”, “Human-oriented, Sincerity and Trustworthy” and “Community Participation and Sharing”, endeavour to respond to the United Nations Sustainable Development Goals (UN SDGs). While adhering to the corporate mission of “let aluminium industry bring excellence for better human life”, we formulated the sustainable development strategy, which covered the followings:

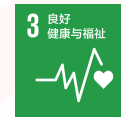
2. 可持續發展管理

2.1. 可持續發展策略

本集團不懈努力踐行企業社會責任，以推動可持續發展。本年度，本集團矢志在四大範疇創造價值，致力回應聯合國可持續發展目標 (UN SDGs)，包括「精益求精 追求卓越」、「保護環境 共生共榮」、「以人為本 以誠取信」及「社區參與 共同分享」。我們在秉持「讓鋁業為人類美好生活添精彩」企業使命的同時，也制定了可持續發展策略，涵蓋以下內容。

Sustainable Development

Strategy 可持續發展策略	Strategic Objectives 戰略目標	UN SDGs Goals 所響應的UN SDGs目標
Striving for Perfection and Pursuit of Excellence 精益求精 追求卓越	Adhering to the vision of “creating excellence in Xingfa as a century-old brand”, strengthening technological innovation, developing high-tech products, and accelerating the industrialization of patented products 秉承「創卓越興發、建百年品牌」興發願景，強化技術創新，開發高科技產品，加快專利產品產業化	Goal 3: Good Health and Well-being Goal 12: Responsible Consumption and Production 目標3：良好健康與福祉 目標12：負責任消費和生產



Environmental, Social and Governance Report

環境、社會及管治報告

Sustainable Development Strategy

可持續發展策略

Strategic Objectives
戰略目標

UN SDGs Goals
所響應的UN SDGs目標

Protecting the Environment, Co-existing and Co-prosperity
保護環境 共生共榮

While consolidating Xingfa products, we are committed to protecting the environment and leading the green production in the industry
在鞏固興發產品的同時，致力打造保護環境，引領行業綠色發展

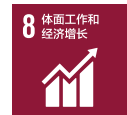
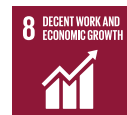
Goal 7: Affordable and Clean Energy
Goal 13: Climate Action
目標7：經濟適用的清潔能源
目標13：氣候行動



Human-oriented, Sincerity and Trustworthy
以人為本 以誠取信

Adhering to the talent concept of “Human-oriented, Sincerity and Trustworthy”, constantly optimizing the talent management model, and building an excellent management team
秉承「以人為本 以誠取信」的人才觀，不斷優化人才管理模式，打造優秀的管理團隊

Goal 1: No Poverty
Goal 8: Decent Work and Economic Growth,
Goal 10: Reduced Inequalities
目標1：無貧窮
目標8：體面工作和經濟增長
目標10：減少不平等



Environmental, Social and Governance Report 環境、社會及管治報告

Sustainable Development Strategy 可持續發展策略	Strategic Objectives 戰略目標	UN SDGs Goals 所響應的UN SDGs目標
---	------------------------------	--------------------------------

Community Participation and Sharing
社區參與
共同分享

In the critical period of fighting against COVID-19, we are actively ensuring the safety of staffs, giving back to community, and working with all parties to achieve growth and win-win situation
在抗疫的關鍵時期在積極保障員工的安全，回饋社區，攜手各方實現成長共贏

Goal 3 Good Health and Well-being
Goal 11: Sustainable Cities and Communities
目標3：良好健康與福祉
目標11：可持續城市和社區



Environmental, Social and Governance Report 環境、社會及管治報告

2.2. Stakeholder Engagement

The Group attaches great importance to the communication with stakeholders. By actively identifying stakeholders, the Group constantly improves various communication mechanisms. Through active and effective communication, the Group interacts with internal and external stakeholders such as customers, governments, partners, staffs, and regulatory agencies to improve the relationships. Based on an in-depth understanding of the expectations and requirements of stakeholders, the Group incorporates their concerns and requirements into the Company's sustainable development issues, and actively responds with practical actions to strive for the common growth with stakeholders.

2.2. 利益相關方參與

本集團十分重視與利益相關方的溝通，主動識別各利益相關方，不斷完善各項溝通機制，通過積極有效的溝通方式與客戶、政府、合作夥伴、員工、監管機構等內、外部利益相關方互動交流、增進聯繫。在深入瞭解利益相關方期望與訴求的基礎上，本集團將利益相關方的關切與訴求納入公司可持續發展議題，並以實際行動積極回應，致力與利益相關方共同成長。

Stakeholder category 利益相關方類別	Main expectations 主要期望	Main communication methods 主要溝通方式
Staffs 員工	Equal opportunities 平等機會 Salary and benefits 薪酬福利 Occupational health and safety 職業健康與安全 Employee Development 員工發展	Intranet 公司內聯網 Training and employee activities 培訓及員工活動 Trade union and workers congress 工會及職工代表大會 Various seminars 各類座談會
Governments and regulatory institutions 政府和監管機構	Compliance operation 合規運營 Tax compliance 依法納稅 Job creation 創造就業 Promote local economic development 促進地方經濟發展	Regular reporting 定期匯報 Supervision and inspection 監督檢查

Environmental, Social and Governance Report 環境、社會及管治報告

Stakeholder category 利益相關方類別	Main expectations 主要期望	Main communication methods 主要溝通方式
Investment institutions/ shareholders 投資機構／股東	Corporate governance 公司治理 Shareholders' equity 股東權益 Information disclosure 信息披露 Risk management and control 風險管控	Company announcements 公司公告 General meetings 股東大會 Roadshow and reverse roadshow 路演及反向路演 Strategy meeting 策略會 Email, telephone, WeChat and corporate website 電郵、電話、微信及公司網站
Suppliers/outsourced producers 供應商／外包生產商	Integrity 誠信履約 Mutual benefit for win-win results 互利共贏	Bidding and tender 招投標 Review and evaluation meeting 審查與評估會 Regular communication 定期交流溝通 Email, telephone, WeChat and corporate website 電郵、電話及微信及公司網站
Customers 客戶	Brand influence 品牌影響力 Product quality 產品質量 Service standard 服務水平 Customer opinion 客戶意見	Customer opinion survey 客戶意見調查 Customer centre and hotline 客服中心和熱線 Customer visit 客戶拜訪 Exhibition fairs 展覽會



Environmental, Social and Governance Report

環境、社會及管治報告

Stakeholder category 利益相關方類別	Main expectations 主要期望	Main communication methods 主要溝通方式
Industry 行業	Comply with industry regulations 遵守行業規範 Promote industry development 促進行業發展 Industrial innovation 產業創新	Industry forums and exchanges 行業論壇和交流會 Site visit 實地到訪參觀 Research 調研
Media 媒體	Information disclosure 信息公開 Social contributions 社會貢獻	Result announcement conference 業績發佈會 Media open day 媒體開放日 Special report 專題報道
Local community 當地社區	Support public welfare 支持公益事業 Create a harmonious community 營造和諧社區	Community activities 社區活動



Environmental, Social and Governance Report 環境、社會及管治報告

2.3. Materiality Assessment

During the Year, to enhance the depth and breadth of stakeholder communication, we further expanded the scope of stakeholder surveys and conducted online questionnaire surveys through an independent third-party institution to identify the important ESG issues of concern to internal and external stakeholders. The specific procedures include:

- Initially identifying 27 ESG issues related to Xingfa's operations by combining the ESG Reporting Guide of the Stock Exchange, issues of peer companies and sustainable development trends while basing on stakeholder surveys and interviews in 2019;
- Inviting internal (including directors, senior management, middle and junior management, and other positions of the Group) and external stakeholders (including investors/shareholders, customers, suppliers, distributors and others) to fill in online questionnaires and collected their ratings regarding the materiality of ESG issues;
- Analyzing the 95 scoring results collected and by reference to the "materiality" reporting principle of the Hong Kong Stock Exchange's ESG report and the "materiality" analysis method of the GRI Standards "sustainability" issues, determining the priority of various ESG issues from two dimensions: "Importance to Xingfa's business and sustainable development" and "Importance to stakeholders and the environment and society" and obtaining the ultimate confirmation from the management.

2.3. 重要性評估

本年度，為提升利益相關方溝通的深度和廣度，我們進一步擴大利益相關方調研的範圍，通過獨立第三方機構開展在線問卷調查，以識別內部及外部利益相關方關注的重要ESG議題，具體步驟包括：

- 在2019年利益相關方調研及訪談的基礎上，綜合聯交所《ESG報告指引》、同業公司議題以及可持續發展趨勢，初步識別出與興發運營相關的27項ESG議題；
- 邀請內部及（包括集團董事、高級管理人員、中層及基層管理人員、其他級別人員）外部利益相關方（包括投資者／股東、客戶、供貨商、經銷商、其他）填寫在線調查問卷，收集其對ESG議題重要性的評分；
- 分析收集到的95份評分結果，參考港交所ESG報告「重要性」匯報原則以及GRI Standards可持續發展議題「實質性」分析方法，分別從「興發業務及可持續發展的重要性」及「對利益相關方及環境和社會的重要性」兩個維度，確定各項ESG議題的優先次序並由管理層最終確認。

Environmental, Social and Governance Report 環境、社會及管治報告

The following sets out the degree of importance of various issues identified from the Group's materiality assessment during the year:

本年度，本集團重要性評估得到的議題重要性結果如下：



Environmental, Social and Governance Report 環境、社會及管治報告

Importance degree 重要程度	Environment Aspect 環境範疇	Social Aspect 社會範疇	Operation Aspect 營運範疇
Highly important 高度重要	<ul style="list-style-type: none"> • Prevention and Handling of Environmental Incidents 環境事故預防及處理 • Wastewater discharge and management 廢水排放與管理 • Exhaust emissions and management 廢氣排放與管理 • Energy usage 能源使用 • Waste Management 廢棄物管理 • Environmental Compliance 環境合規 • Use of water resources 水資源使用 • Supplier environmental risk assessment and management 供應商環境風險評估及管理 	<ul style="list-style-type: none"> • Occupational health and safety 職業健康與安全 	<ul style="list-style-type: none"> • Product quality control 產品質量管控 • Innovative R&D and intellectual property protection 創新研發及知識產權保護 • Anti-corruption 反貪污
Moderately important 中度重要	<ul style="list-style-type: none"> • Green products 綠色產品 • Land resources and impact on biodiversity 土地資源及其對生物多樣性的影響 • Usage of packaging materials 包裝材料使用 • Greenhouse gas emissions 溫室氣體排放 	<ul style="list-style-type: none"> • Human rights and labour rights 人權及勞動權益 • Employee participation and communication 員工參與及溝通 • Diversity and equal opportunities 多元化及平等機會 • Employee development and training 員工發展及培訓 • Employee compensation and benefits 員工薪酬及福利 	<ul style="list-style-type: none"> • Customers privacy protection 客戶隱私保護 • Supplier social risk assessment and management 供應商社會風險評估及管理 • Customers satisfaction 客戶滿意度
Generally important 一般重要	<ul style="list-style-type: none"> • Response to climate change 應對氣候變化 	<ul style="list-style-type: none"> • Community participation and contribution 社區參與及貢獻 	<ul style="list-style-type: none"> • Economic performance 經濟表現

Environmental, Social and Governance Report 環境、社會及管治報告

3. STRIVING FOR PERFECTION AND PURSUIT OF EXCELLENCE

3.1. Smart Manufacturing with Craftsman's Spirit

The Group takes full implementation of the State Council's "Quality Development Outline (2011-2020)" and "National 13th Five-Year Plan for Safe Production" as its primary mission. The Group abides by the ISO 9001 quality management system, government recognized laboratory management system, measurement and certification management system, military certification system and other systems. Our requirements for product quality are higher than industry average. We introduced world-advanced production equipment to optimize the physical and chemical properties of our products.

The followings are the progress of Guangdong Xingfa Aluminium (Jiangxi) Co., Ltd. in performing its lean works during the year:

- Promoting visual management and on-site "5S Sorting and Rectification" in each workshop for the classification, placement and identification of items;
- Adding hook racks in the hanging areas of every production line to reduce labour intensity of staffs;
- By categorizing and sorting out items in hardware warehouse, redundant items can be counted and waste is reduced;
- Before starting to work, staffs in every workshop should join training classes at least twice a week. By promoting efficient and lean thinking, the Group aims to improve the productivity of every workshop.

3. 精益求精 追求卓越

3.1. 匠心智造

本集團以全面貫徹國務院《質量發展綱要(2011-2020)》和《安全生產「十三五」規劃》為首要目標任務，嚴格遵守ISO 9001質量管理體系、國家認可實驗室管理體系、計量認證管理體系、軍工認證體系等體系，對產品質量的要求高於行業平均標準。我們通過引進世界先進生產設備，優化產品的物理性能及化學性能優越。

本年度，以下為廣東興發鋁業(江西)有限公司在精益工作上的進展：

- 在各車間推進目視化管理與現場「5S整理整頓」，完成物品分類放置及標識；
- 在各生產線之掛料區增加掛鉤放置架，減少員工勞動強度；
- 通過對五金倉各類物品的歸類整理，盤點清楚多餘的物品，減少浪費；
- 在上班前，各車間員工進行每週至少2次的培訓班，宣傳提升工作效率及精益思想，提升各生產車間生產力。

Environmental, Social and Governance Report 環境、社會及管治報告

In order to regulate the quality inspection and evaluation of engineering projects, improve the engineering management standard, and reduce quality and safety risks, we strictly control the process quality. We had quality control points in every segment from casting, extrusion, molds, surface treatment to ex-warehouse delivery, and continue to improve while preventing defective products from flowing into the next process. We also strictly controlled every detail of the operation process, carefully checked whether there were quality problems such as grooves, rough lines, and scratches on profile surface, and check the profile angle and flatness through square ruler.

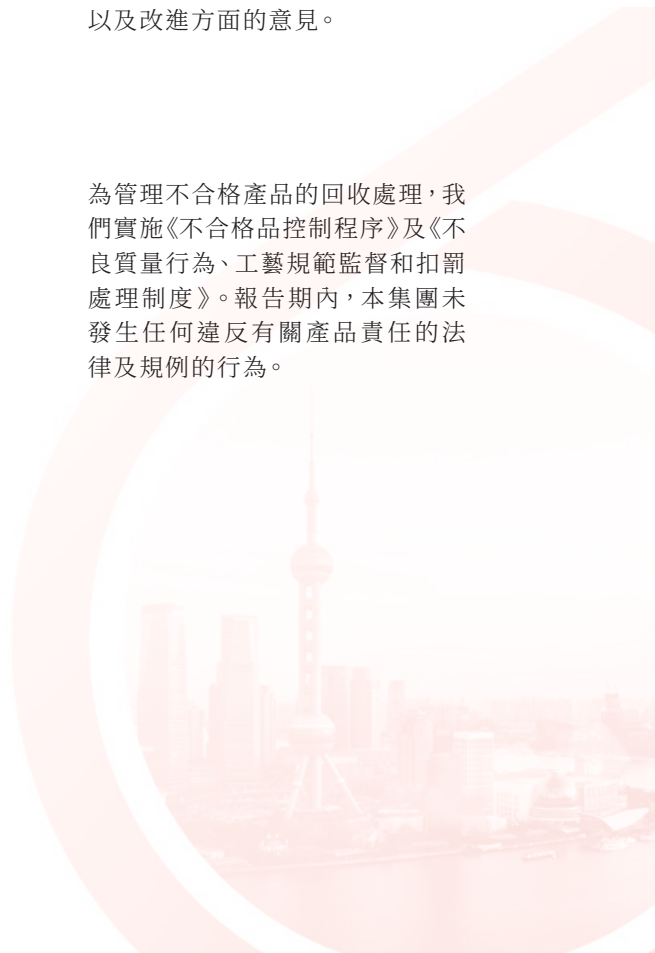
We fully implement the “Product Quality Management Manual”, “Quality Department Management Plan”, “QUASCAP Pearlescent Electrophoresis Profile Inspection Regulations” and “Internal Control Standards”, emphasize product quality management, and strive to provide customers with satisfactory products, protect the ecological environment and maintain staff safety and health. The general manager of the Company holds a dealer meeting every year and visits key customers on an ad hoc basis every month to solicit opinions from customers on product quality and improvement.

In order to manage the recycling and processing of faulty products, we implement the “Control Procedure on Faulty Products” and the “Bad Quality Behavior, Process Specification Supervision and Deduction Treatment System”. During the Reporting Period, the Group did not violate any laws and regulations related to product liability.

為規範工程項目的質量檢查和評估，提高工程管理水平，減低質量和安全風險，我們嚴格控制過程質量，從熔鑄、擠壓、模具、表面處理到出倉發貨的各個環節均設有質量控制點，杜絕不良品流入下個工序的同時持續改進。此外，我們亦嚴控作業過程的每個細節，細緻檢查型材表面是否存在拉溝、粗紋、拉傷等質量問題，並通過角尺對型材角度對平面度進行檢查。

我們全面實施《產品質量管理手冊》、《質量部管理方案》、《QUASCAP珠光電泳型材檢驗規程》及《內控標準》，強調產品質量管理，致力為顧客提供滿意的產品、保護生態環境以及維護員工安全與健康。公司總經理每年召開一次經銷商會議，每月不定期走訪重點客戶，廣泛徵求客戶對產品質量以及改進方面的意見。

為管理不合格產品的回收處理，我們實施《不合格品控制程序》及《不良質量行為、工藝規範監督和扣罰處理制度》。報告期內，本集團未發生任何違反有關產品責任的法律及規例的行為。



Environmental, Social and Governance Report 環境、社會及管治報告

3.2. Research and Development and Innovation

The Group has all along been committed to building core enterprise competitiveness by enhancing its technological innovation capabilities. Since its inception, the Group has obtained more than 1,500 domestic and foreign patents, providing over 200,000 product specifications and models covering all major areas of aluminum alloys, provides aluminum products and engineering solutions relating to door, window and curtain wall systems in construction, electronic equipment, mechanical equipment, rail transportation, aerospace, and ships etc. With our strong research and development capabilities and persistent pursuit of excellent quality, a wide and stable sales network has been established in China and globally in the past over 30 years, so as to meet the needs of global customers for high-quality products. During the Year, Xingfa Aluminum obtained 1 invention patent, 3 utility new models, and 20 appearance patents.

Furthermore, the Company conducts Industry-University-Research collaboration with universities and research institutes. The Jiangxi Company jointly developed a key research and development project, “Key technology development and industrialization of high-strength and corrosion-resistant rare earth aluminum alloys for automobiles”, with Jiangxi University of Science and Technology and Foshan University. In addition, the Jiangxi Company co-operated with South China University of Technology and Jiangxi University of Science and Technology to carry out the Yichun Economic Development Zone Innovation-driven Development Science and Technology Project, focusing on the research and development of major scientific and technological projects of “In-situ nano-Al₂O₃ modified Ni₃Al as binder phase cobalt-free gradient cemented carbide preparation and application research”.

3.2. 研發與創新

本集團一直致力通過提升技術創新能力來打造企業的核心競爭力。自成立而來，本集團獲得超過1,500項國內外專利的授權，提供覆蓋鋁合金各大領域的20多萬種產品規格型號，涉及建築門窗幕牆系統、電子設備、機械裝備、軌道交通、航天航空、船舶等領域的鋁型材產品和工程解決方案，憑藉強大的研發能力及對卓越品質的執著追求，在過去30多年裡在中國及世界各地建立了廣泛而穩定的銷售網絡，滿足全球市場客戶對高品質品的需求。本年度，興發鋁業獲得發明專利1件、實用新型3件、外觀專利20件。

再者，公司與各大高校、科研院所開展產學研合作實踐。江西公司與江西理工大學及佛山科學技術學院共同開發重點研發計劃項目《汽車用高強耐蝕稀土鋁合金關鍵技術開發與產業化》。此外，江西公司與華南理工大學及江西理工大學合作開展宜春經濟開發區創新驅動發展科技計劃項目，重點研發重大科技專項《原位自生納米Al₂O₃改性Ni₃Al為粘結相的無鈷梯度硬質合金製備及應用研究》。

Environmental, Social and Governance Report 環境、社會及管治報告

The Group highly values intellectual property rights management, and in accordance with the requirements of the “Enterprise Intellectual Property Management” (GB/T 29490-2013) issued by National Intellectual Property Administration (CNIPA), we passed the “Enterprise Intellectual Property Management” system certification in the year. We formulate rules and regulations, including the “Company Intellectual Property Rights Management System”, “Patent Management System”, “Trademark Management System”, “Intellectual Property Rights Training Measures”, “Scientific Research Project Management System” and “Intellectual Property Rights Strategic Planning Programme”, so as to strengthen the promotion of patent laws and regulations, the popularization of patent knowledge, patent training, patent application and protection.

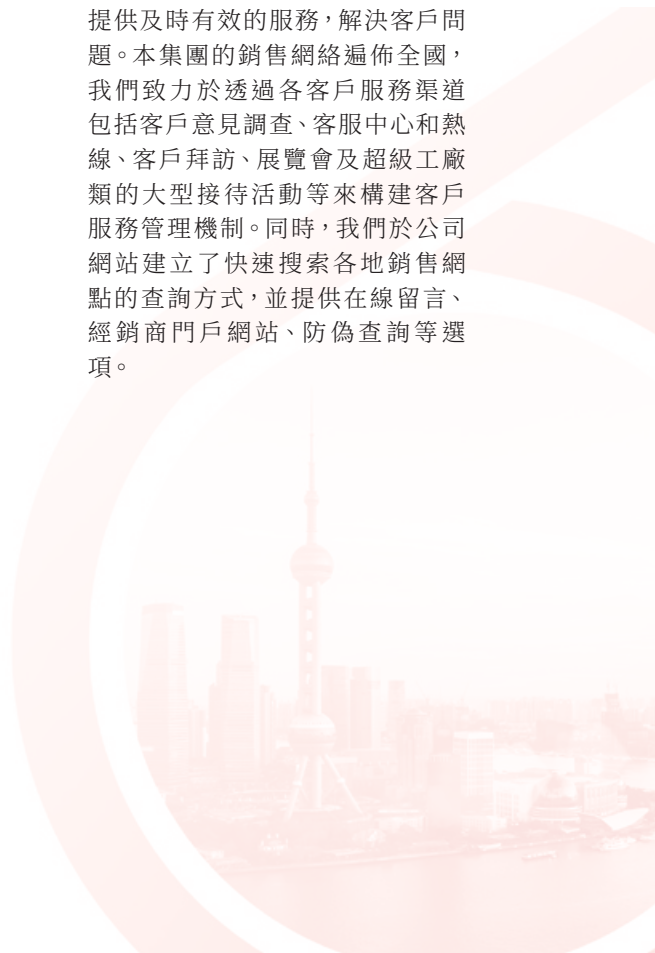
3.3. Products and Services

The Group always values the rights and satisfaction of customers. Apart from satisfying customers’ demands for high-quality products, the Group also focuses on providing timely and effective services to customers to solve their problems. The Group’s sales network covers China nationwide, and we are committed to building a customer service management mechanism through various customer service channels, including customer opinion surveys, customer service centers and hotlines, customer visits, exhibitions and large-scale reception activities such as super factories. At the same time, we have established an enquiry method to quickly search sales outlets in various places on the Company’s website, and provide online messages, dealer portal website, anti-counterfeiting enquiry and other options.

與此同時，本集團亦十分重視知識產權管理，按照國家知識產權局頒佈的《企業知識產權管理規範》(GB/T 29490-2013)要求，通過了《企業知識產權管理規範》體系認證。我們制定《公司知識產權管理制度》、《專利管理制度》、《商標管理制度》、《知識產權培訓辦法》、《科研項目管理制度》及《知識產權戰略規劃方案》等規章制度，旨在強化專利法規宣傳、專利知識普及、專利培訓、專利申請與保護等工作。

3.3. 產品與服務

本集團始終重視客戶的權益及滿意度。除了滿足客戶對高品質產品需求，本集團亦注重通過為客戶提供及時有效的服務，解決客戶問題。本集團的銷售網絡遍佈全國，我們致力於透過各客戶服務渠道包括客戶意見調查、客服中心和熱線、客戶拜訪、展覽會及超級工廠類的大型接待活動等來構建客戶服務管理機制。同時，我們於公司網站建立了快速搜索各地銷售網點的查詢方式，並提供在線留言、經銷商門戶網站、防偽查詢等選項。



Environmental, Social and Governance Report 環境、社會及管治報告

In order to standardize customer service management and improve customer service quality, we provide the following after-sales service undertakings in our tender contracts:

- After receiving the customer's quality feedback, Xingfa will respond within 24 hours or dispatch service staff to the site as soon as possible for after-sales service until the customer is satisfied;
- Xingfa will send technicians to the site to provide technical guidance services when there is a genuine need;
- If there is any damage caused by the quality of the materials provided by Xingfa, such materials will be replaced free of charge;
- Actively participate in engineering coordination meetings organized by customers, strictly implement meeting minutes or signed agreements between the two parties, and pay return visits regularly to understand the use of materials by users;
- After the contract is fulfilled, Xingfa undertakes to continue provide users with the relevant technical services and answer users' inquiries at any time;
- Xingfa will further improve its services, and implement timely service, advanced service, full-process service, and high-quality service throughout the entire product manufacturing and installation process.

為規範客戶服務管理，提高客戶服務質量，我們於中標合同材料中的售後服務做出如下承諾：

- 接到客戶的質量問題反映後，興發會在24小時內做出答覆或派出服務人員，以最快的速度到達現場進行售後服務，直至客戶滿意；
- 確實有需要時興發將派出技術人員到現場進行技術指導服務；
- 如有因興發所供材料質量因素造成的損壞，將免費給予更換；
- 積極參加客戶組織的工程協調會，嚴格執行雙方達成的會議紀要或簽訂的協議，定期回訪，瞭解用戶對材料的使用情況；
- 合同履行完結後，興發承諾仍繼續向用戶提供相關技術服務，隨時解答用戶的詢問；
- 興發將進一步做好服務工作，把及時服務、超前服務、全過程服務、優質服務貫徹在產品製造、安裝的全過程。

Environmental, Social and Governance Report 環境、社會及管治報告

3.4. Information Security and Privacy Protection

The Group attaches great importance to information security and customer privacy protection, strict compliance with relevant national and local laws and regulations. The Group is the first enterprise in the industry to apply the “ERP modern management information network project”, and passed the “Integration of Informatization and Industrialization Management System Assessment” in 2017.

The Group also regulates the collection and preservation of customer information. For software that may contain customer information, customer’s private information will be encrypted, and relevant records will be kept for customer information operation purpose only.

We combined Xingfa’s informatization and digitalization standard, utilize multiple information systems, adopt new Internet of things technology, integrate smart profile WMS, automated material three-dimensional warehouse, automated mold three-dimensional warehouse, energy information integrated management platform, production equipment data acquisition and the comprehensive performance analysis platform and strive to promote the construction of big data to ensure the continuous improvement of the Group’s operational efficiency and overall management standard.

3.4. 信息安全與隱私保護

本集團高度重視信息安全及客戶隱私保護，嚴格遵守國家和地方的相關法律法規。我們作為行業內首個應用「ERP現代管理信息化網絡工程」的企業，早在2017年建立「信息化和工業化融合管理體系評定」。

本集團亦規範關於客戶數據的收集及保存客戶資料的方法。對於可能涉及到客戶信息的軟件，當中的客戶隱私信息將被加密處理，對客戶信息操作留存有相關記錄。

我們結合興發的信息化和數字化水平，利用多個信息化系統，採用新型物聯網技術，結合智慧型材WMS、自動化材料立體倉、自動化模具立體倉、能源信息綜合管理平台、生產設備數據採集及效能綜合分析平台，正在全力推動大數據建設，確保企業運營效率和整體經營管理水平不斷提升。



Environmental, Social and Governance Report 環境、社會及管治報告

We are committed to protecting customer personal privacy and attaching great importance to information security and customer privacy. The Group is in strict compliance with the relevant national and local laws and regulations, proper use of customer information, and prevention of customer privacy leakage in accordance with the laws. We protect data exchange at user end through data encryption and document encryption, and solve the problem of online data leakage through integrated software and hardware solution for online behaviour audit. In 2020, we have carried out the second-level guarantee certification of the latest national guarantee 2.0 version, and further strengthened information security and privacy protection through application data backup, data audit and network security solutions for internal and external networks.

3.5. Sustainable Supply Chain

3.5.1. Supply Chain Environmental Risk Management

While developing, we never forget to join hands with upstream and downstream partners in the industry chain to promote a responsible supply chain, constantly improve service quality, and facilitate the healthy and sustainable development of the industry. We conduct a qualification review when bidding, and stipulate that the bidder must be a registered enterprise in the People's Republic of China, and meet the relevant requirements as a legal person, and must possess a business licence and tax registration certificate. Moreover, materials such as product manuals, quality certificates, various quality system certification certificates (including environmental management systems), and reputation certificates must be provided. At the same time, we also require suppliers to meet the three different dimensions of corporate social responsibility, including economic sustainability, environmental sustainability and social sustainability.

我們矢志保護客戶的個人私隱並高度重視信息安全及客戶隱私。我們嚴格遵守國家和地方的相關法律法規，適當使用客戶信息，依法保障客戶隱私不被洩露。我們通過數據加密、文檔加密的方式對於客戶端的數據交換進行防護，通過上網行為審計軟硬一體化方案解決上網數據洩密問題。2020年，我們已進行國家最新等保2.0版的二級等保級別認證，從應用數據備份、數據審計及內外網的網絡安全方案，進一步加強信息安全和隱私保護。

3.5. 可持續供應鏈

3.5.1. 供應鏈環境風險管理

在發展的同時，我們不忘攜手產業鏈上下游合作夥伴，推進負責任供應鏈、不斷提升服務品質，推動產業健康持續發展。我們在投標時會進行資格審查，規定投標者必須是中華人民共和國註冊單位，並符合招標單位有關要求的法人資格，必須具有企業營業執照和稅務登記證。而且，必須提供產品說明書、質量證明書、各質量體系認證證書(含環境管理體系)、信譽證書等材料。同時，我們亦要求供貨商應滿足三個不同的企業社會責任維度，包括經濟可持續性、環境可持續性以及社會可持續性。

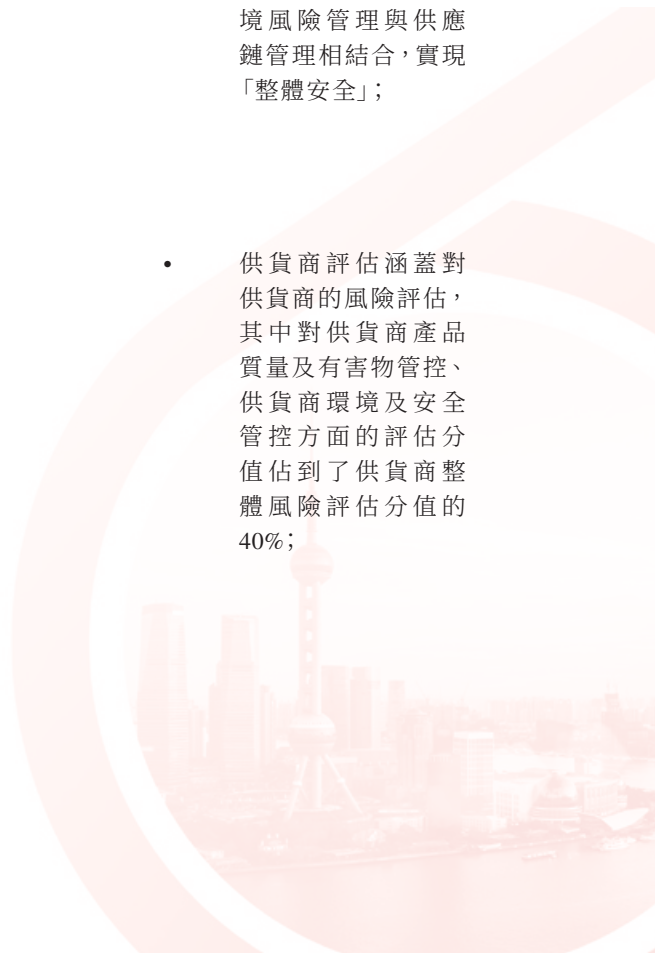
Environmental, Social and Governance Report 環境、社會及管治報告

The raw materials used in products production of the Group are mainly aluminium ingots and aluminium rods. Most of its upstream suppliers are highly-polluted and high energy-consumption enterprises. We are committed to reducing the environmental impact of upstream suppliers. We require our supply chain partners to strictly comply with the specific requirements of the Environmental Protection Law of the People's Republic of China, the Environmental Impact Assessment Law of the People's Republic of China and other relevant laws and regulations. Our environmental and social risk management policy for supply chain include the followings:

- The policy requires suppliers to satisfy the requirements of regulatory, reporting and operational measures. For chemical materials purchases, general safety will be enhanced through strengthening environmental management, preventing environmental pollution incident, and integrating supplier environmental risk management and supply chain management to achieve "overall safety".
- Supplier assessment covers the assessment of risks associated with the supplier, in which aspects relating to product quality and hazardous material control, supplier environment and safety control accounted for 40% of the overall risk assessment.

本集團產品生產所用原材料主要是鋁錠、鋁棒，其上游供應商大多為高污染、高耗能企業，我們致力減少上游供應商對環境帶來的影響。我們要求供應鏈合作夥伴嚴格遵守《中華人民共和國環境保護法》及《中華人民共和國環境影響評價法》等相關法律法規的具體要求。我們的供應鏈環境風險管理政策涵蓋以下內容：

- 要求供貨商滿足監管、報告和運營措施的規定，並對採購的化工類物資加強環境管理，預防環境污染事故，將供貨商環境風險管理與供應鏈管理相結合，實現「整體安全」；
- 供貨商評估涵蓋對供貨商的風險評估，其中對供貨商產品質量及有害物管控、供貨商環境及安全管控方面的評估分值佔到了供貨商整體風險評估分值的40%；



Environmental, Social and Governance Report 環境、社會及管治報告

- Letters of guarantee are to be entered into with suppliers on exclusion of environmentally hazardous substances so as to ensure all materials and components provided by suppliers are free from hazardous substances. All of those materials and components are required to pass the tests conducted by professional testing organization, and testing report with official seal shall be provided.

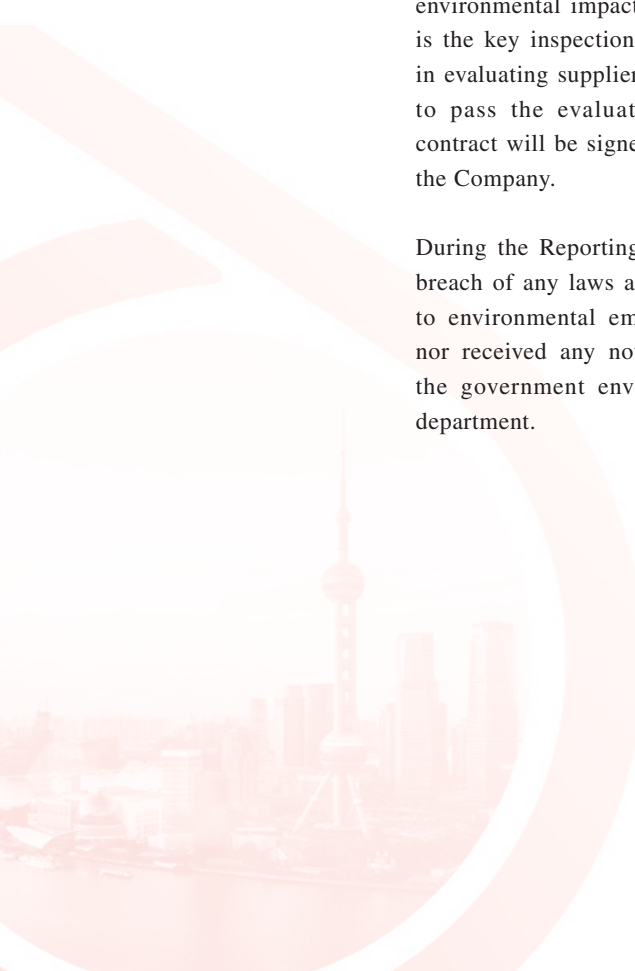
Based on such policy, companies formulate and implement supply chain environmental risk management measures based on actual production and operation conditions. For example, when Chengdu Company organizes its supplier files every year, it requires suppliers to confirm that they are not accountable for any safety and environmental incidents in previous year. Whether the suppliers passed the environmental impact and safety evaluation is the key inspection item of the Company in evaluating suppliers. If any supplier fails to pass the evaluation, no procurement contract will be signed with the supplier by the Company.

During the Reporting Period, there was no breach of any laws and regulations relating to environmental emissions by the Group nor received any notice of violation from the government environmental protection department.

- 與供貨商簽訂環境有害物質不適用保證書，要求供貨商提供的所有材料、零部件必須通過專業檢測機構檢測，並提交加蓋公章的檢測報告。

各公司在此政策的基礎上，根據實際生產運營狀況制定並實施供應鏈的環境風險管理措施。例如，成都公司每年在整理供應商檔案時，都要求供應商確認在上一年中無安全環保事故責任。供應商是否通過環評和安全評價是公司在審核供應商時重點檢查的項目；如果沒有，則不會與其簽訂採購合同。

報告期內，本集團未發生任何違反環境排放相關的法律法規的行為，未收到政府環保部門的違法公告。



Environmental, Social and Governance Report 環境、社會及管治報告

3.5.2. Supply Chain Social Risk Management

The Group has established supplier evaluation control procedures, major raw and auxiliary materials inspection procedures, major raw and auxiliary materials procurement procedures, quality objectives management and statistical regulations for the specification and control of supplier evaluation processes and procurement. The Group's tender purchasing team is led by senior management, comprising of the sourcing director and head of each branch companies and department. The main method of purchasing raw materials is by tender invitation.

In order to reduce the social risk in supply chain, our social risk management policies for supply chain include the followings:

- Investigation on bidder's qualifications: The policy states that bidder must be an entity incorporated in the People's Republic of China, and meets the legal person capacity required by bidding units and possesses an enterprise business license and tax registration certificate. Bidder must provide product specifications, quality certificate, quality system certification (including environmental management system), credit certificate, etc.;
- Corporate Social Responsibility Management: The policy requires the suppliers of the Group to satisfy social sustainability.

3.5.2. 供應鏈社會風險管理

本集團已制定供貨商評價控制程序、主要原輔料檢驗規程、主要原輔料採購規程、質量目標管理及統計規定，以用於規範和控制供貨商評估流程和採購工作的執行。本集團的招標採購小組由高級管理層領導，由採購總監及各分公司與部門主管組成，原材料採購以招標為主要方式。

為減少供應鏈的社會風險，我們的供應鏈社會風險管理政策涵蓋以下內容：

- 投標方資格審查：政策規定投標者必須是中華人民共和國註冊單位，並符合招標單位有關要求的法人資格，具有企業營業執照和稅務登記證。必須提供產品說明書、質量證明書、各質量體系認證證書（含環境管理體系）、信譽證書等材料；
- 企業社會責任管理：政策要求本集團供貨商滿足社會可持續性。

Environmental, Social and Governance Report 環境、社會及管治報告

4. PROTECTING THE ENVIRONMENT, CO-EXISTING AND CO-PROSPERITY

4.1. Environmental Compliance

Through integrating with the national green manufacturing development plan, the Company has formulated a comprehensive environmental protection system, constantly improves the environmental management standard, and successfully obtained the ISO 14000 environmental management system certification and the ISO 50001 energy management system certification. All subsidiaries strictly abide by the Environmental Protection Law of the People's Republic of China, the Environmental Impact Assessment Law of the People's Republic of China, the Water Pollution Prevention and Control Law of the People's Republic of China, the Atmospheric Pollution Prevention and Control Law of the People's Republic of China, the Prevention and Control of Environmental Pollution Caused by Solid Waste Law of the People's Republic of China, the Environmental Noise Pollution Prevention and Control Law of Law of the People's Republic of China and other relevant national laws and regulations, persist in conducting environmental emergency drills, and improve staffs' awareness of energy conservation and environmental protection and work capabilities. The Company has set up a safety and environment office to lead and be accountable for the Group's environmental protection work. We implemented the reward and penalty system for environmental protection to reward environmental protection staffs with outstanding performance or penalise those who have violated the regulations in respect of environmental protection.

4. 保護環境 共生共榮

4.1. 環保合規

公司通過結合國家綠色製造發展規劃，制定全面的環境保護制度，不斷提升環境管理水平，並成功取得ISO 14000環境管理體系和ISO 50001能源管理體系認證。各子公司嚴格遵守《中華人民共和國環境保護法》、《中華人民共和國環境影響評價法》、《中華人民共和國水污染防治法》、《中華人民共和國大氣污染防治法》、《中華人民共和國固體廢物污染環境防治法》、《中華人民共和國環境雜訊污染防治法》等相關國家法律法規，堅持開展環境應急演練，提高員工節能環保意識和工作能力。公司設置了設立安全環境辦公室領導並負責集團的環保工作，並實行環境保護目標責任制，對在環保方面表現突出或違反規定的員工，給予獎勵或處罰。

Environmental, Social and Governance Report 環境、社會及管治報告

During the Year, the Group invested a total of RMB4.81 million in environmental protection, which was mainly used for the preparation of corporate environmental emergency plan, environmental facilities renovation, replacement of environmental protection equipment parts, and environmental protection facilities renovation and hazardous waste disposal. The Jiangxi Company launched the environmental and workshop 7S rectification activities for each workshop, and regulated management training on industrial hazardous waste for workshop managers. The mold workshop organized staffs to carry out liquid ammonia leakage emergency drills. The Chengdu Company carried out training activities such as environmental protection management, hazardous waste management, and comprehensive business of hazardous waste management. The Henan Company has completed the new version of the sewage discharge permit and was rated as a grade B enterprise in 2020. In addition, the Henan Company carried out the environmental protection credit evaluation, and the final score received after the assessment by the Provincial Department of Ecology and Environment was 95 points, and the credit rating is “Integrity”. The Chengdu Company also strengthened the training activities for staffs such as environmental protection management, hazardous waste management, and comprehensive business of hazardous waste management.

本年度，本集團於環保方面總投入超過481萬元，主要用於企業環境應急預案編寫、環境設施改造、環保設備配件更換環保設施改造、危險廢物處理等方面。江西公司在各車間展開了環境及車間7S整治活動以及車間管理人員工業危險廢物規範化管理培訓，模具車間組織員工開展液氨洩露應急演練。成都公司開展了環境保護管理、危廢管理、危廢管理綜合業務等培訓活動。河南公司已完成辦理新版排污許可證並在2020年被評為B級企業。此外，河南公司開展企業環保信用評價工作，經省生態環境廳評定，最終得分95分，信用級別為「誠信」。成都公司亦為員工加強環境保護管理、危廢管理、危廢管理綜合業務等培訓活動。



Environmental, Social and Governance Report 環境、社會及管治報告

In terms of implementing various environmental management tasks, the Group companies were able to achieve all set goals for the Year as follows:

在努力落實各項環境管理工作，本年度集團公司能全部達成以下設定的目標：

Jiangxi Company

江西公司

- No penalty for non-compliance of environmental protection throughout the Year
全年無環保違規罰款
- Regulated management and transfer of industrial hazardous waste throughout the Year
全年工業危險廢物規範管理和轉移

Chengdu Company

成都公司

- Has become an enterprise with good environmental protection credit evaluation
已達成環保信用評價良好企業

Henan Company

河南公司

- No environmental pollution accidents and environmental impact incidents
不發生環境污染事故及環境影響事件
- wastewater discharge, exhaust gas and noise emissions meet the national and local emission standards
廢水、廢氣、噪聲排放符合國家及地方排放標準
- Compliance disposal of solid waste
固廢合規處置

During the Reporting Period, the Group did not violate any laws and regulations related to environmental emissions, nor received any notice of violation from the environmental protection department of the government.

報告期內，本集團未發生任何違反環境排放相關的法律法規的行為，未收到政府環保部門的違法公告。



Environmental, Social and Governance Report 環境、社會及管治報告

4.2. Emissions Management

4.2.1. Exhaust Gas Emissions

Exhaust gas emissions generated during the production and operation of the Group include nitrogen oxide, particulates, sulphur dioxide and organic waste gas. We strictly complied with the relevant laws and regulations, such as the Atmospheric Pollution Prevention and Control Law of the People's Republic of China. In our environmental policies, the Group requires stringent restriction of exhaust gas and particulates emission into the atmosphere. Prior to emissions, exhaust gas must undergo purification treatment and shall not exceed the specified standard prescribed by the national or local environmental protection bureau.

Nitrogen oxide and particulates are mainly generated from casting workshop. The Group has purchased natural gas energy transforming equipment and used natural gas as production energy to effectively reduce exhaust gas emission in workshops. During the Year, our companies had strengthened the exhaust gas purification management:

- Setting a pulse airbag dust removal system in casting workshops to ensure the production facilities are operated simultaneously with the environmental protection equipment;
- Replacing the cloth bag of dust removal equipment to improve the dust collection effect;
- Establishing surrounding wall for slag pot and slag room to reduce smoke and dust leakage;

4.2. 排放物管理

4.2.1. 廢氣排放

本集團生產運營中產生的廢氣包括氮氧化物、粉塵、二氧化硫及有機廢氣等。我們嚴格遵守《中華人民共和國大氣污染防治法》等相關法律法規，於環境政策中要求嚴格限制向大氣排放有毒有害的廢氣，需排放的廢氣必須經過淨化處理，不得超過國家或當地環保局規定的排放標準。

氮氧化物和粉塵主要來源於熔鑄車間。本集團已通過採購天然氣能源改造設備，使用天然氣作為生產能源以有效減少車間廢氣排放。本年度，各公司加強了廢氣淨化管理：

- 熔鑄車間還設有脈衝布袋除塵系統，確保生產設備與環保設備同步運行；
- 更換除塵設備布袋，提高煙塵收集效果；
- 圍壁炒渣鍋和炒渣房，減少煙塵洩露；

Environmental, Social and Governance Report 環境、社會及管治報告

- Cancelling the water bath dust removal equipment of the furnace, and using the pulse dust removal equipment;
- Renovating the furnace hood to increase the collection rate of smoke and dust.

During the Year, the Jiangxi Company adopted the following measures to reduce the impact of floating dust on the environment when constructing the new finished product workshop:

- formulating a scientific construction plan during construction of the workshop, which included: enhancing construction management, advocating civilized construction; strengthening transportation management, and prevention of material loss and leakage measures on material transportation and usage;
- materials were not jammed together during transportation or overflow and transport vehicles were travelling at medium speed to prevent loss and dust floating during transportation, and the speed limit of entering and leaving the construction site was limited to 5 kilometres per hour;
- a simple work shed was set up to store powder, and outdoor storage was strictly prohibited;

- 熔煉爐取消水浴除塵設備，全部使用脈衝除塵器設備；
- 改造熔煉爐煙罩，提高煙塵收集率。

本年度，江西公司在新建新成品車間時，採取以下措施減少工地揚塵對環境的影響：

- 項目施工過程中應制定科學的施工計劃，從加強施工管理著手，提倡文明施工。加強運輸管理，做好材料運輸和使用過程中的防散失、防洩漏措施；
- 物料運輸不堆尖、不滿出車廂，中速行駛，防止沿途散失和塵土飛揚，進出場地時車速小於5km/h；
- 粉料應設置簡易工棚儲存，嚴禁露天堆放；

Environmental, Social and Governance Report 環境、社會及管治報告

- the construction waste should be reasonably piled up and cleaned in time, and dry construction waste should be sprinkled to reduce dust pollution during loading, unloading and transportation;
- watering the ground and roads in operation area, or regularly clearing road soil to reduce the impact of floating dust pollution on the environment and minimize the impact on ambient air.
- 合理堆放建築垃圾，及時清運，對乾燥建築垃圾進行灑水，減輕裝卸和運輸過程產生的揚塵污染；
- 在施工區土地及道路灑水，或定期清理道路積土，以減少施工揚塵對周圍環境空氣的影響，使施工期環境空氣影響降至最小。

4.2.2. Wastewater Discharge

Industrial wastewater generated by each of the Group's production lines mainly consists of acidic and alkaline wastewater, chromium wastewater and nickel wastewater. We strictly abide by the Emission Standards of Pollutants for Inorganic Chemical Industry, the Water Pollution Prevention and Control Law of the People's Republic of China and other relevant laws and regulations and the takeover standard for sewage treatment plant. The annual qualification rate of waste water discharge is 100%.

In addition, our environmental policy requires strengthening the wastewater treatment to reduce its discharge volume. The policy also requires good maintenance of the closed-circuit circulation and integrated treatment of production wastewater, including:

- Operating and upgrading wastewater treatment and purification facilities;
- Building a new chemical oxygen demand ("COD") treatment system to reduce pollutant emissions and stabilizing emissions;

4.2.2. 廢水排放

本集團各生產車間產生的工業廢水主要包括酸鹼污水、鉻廢水、鎳廢水三類。我們嚴格依照《無機化學工業污染物排放標準》、《中華人民共和國水污染防治法》等相關法律法規及污水處理廠接管標準，全年廢水排放合格率为100%。

此外，我們於環境政策中要求加強廢水治理，減少廢水排放，並要求堅持做好生產廢水閉路循環和生產廢水綜合處理工作，包括：

- 運行和升級改造廢水處理和淨化設施；
- 新建一套化學需氧量（「COD」）處理系統，對於減少污染物排放和穩定達標排放；

Environmental, Social and Governance Report 環境、社會及管治報告

- Oily, acidic, alkaline and highly toxic wastewater is prohibited from discharging into the water body. Discharging pollutants into the water system is strictly restricted to prevent pollution;
- Cleaning of vehicles and containers that contained greasy or poisonous substances with water body is prohibited;
- Adding a new defluorination process to the wastewater treatment station, added a dosing tank and maintained the wastewater sedimentation tank;
- Testing centre is responsible for conducting daily sewage inspection, newly added online wastewater monitoring facility, strictly controlling wastewater discharge within standards, as well as preparing inspection reports;
- The safety and environment office of the Group as well as the environmental protection management personnel of production workshop shall cooperate and accept inspection by the environmental protection agency on waste gas emission, and wastewater discharge from time to time.
- 禁止向水體排放油類、酸類、堿液、劇毒廢液，嚴格限制向水體排放、傾倒污染物，防止水體污染；
- 禁止在水體清洗裝貯污染物的過油類或者有有毒車輛和容器；
- 於廢水處理站新增除氟工藝，增加加藥池並對廢水沉澱池進行維護；
- 檢測中心負責實行每天的污水檢測工作，並新增廢水在線監測設施，嚴格控制水體的達標排放，做好記錄並上報檢查報告；
- 由安全環境辦公室及生產車間環保管理人員配合接受環保局不定期的水體排放檢測工作。

Environmental, Social and Governance Report 環境、社會及管治報告

Moreover, to reduce the environmental impact from construction site, Jiangxi Company took the following measures during the construction of new finished goods workshop: during the construction process, avoid any leakage in manual transportation of cement mortar and clean up leaking cement mortar in time, place containers and other appliances in one place and clean up in time, and rinse water into grit pool and set up intercepting trenches around the construction yard to reduce construction materials loss.

4.2.3. Hazardous Waste Management

The Group strictly abides by relevant laws and regulations such as the Law of the People's Republic of China on the Prevention and Control of Environmental Pollution Caused by Solid Waste and the Measures on the Management of Hazardous Waste Manifests, and specify the management requirements for hazardous wastes in the environmental policy. The hazardous waste generated by our production and operation mainly includes waste corrosive liquid, waste washing liquid, waste tank liquid, tank slag, wastewater treatment sludge, waste engine oil, etc.

We strictly follow the National Directory of Hazardous Wastes and other relevant regulations, and all hazardous waste are entrusted to qualified third-party bodies for proper recycling and treatment. When pollution incidents may occur or have occurred, emergency measures must be taken immediately to prevent pollution from spreading out, alleviate and even eliminate the impact of incidents. Major incidents or emergent events should be reported to the safety and environment office of the Company for investigation within two hours after occurrence.

此外，為減少工地廢水對環境的影響，江西公司於新建新成品車間期間採取了以下措施：在施工過程中，人工運輸水泥砂漿時避免洩漏，及時清理洩漏水泥砂漿，運漿容器等用具儘量集中放置、及時清洗，沖洗水引入沉砂池；在施工堆場四周設截流溝，減少施工物質流失。

4.2.3. 有害廢棄物管理

本集團嚴格遵守《中華人民共和國固體廢物污染環境防治法》、《危險廢物轉移聯單管理辦法》等相關法律法規，並於環境政策中詳細規定了對有害廢棄物的管理要求。我們生產運營中產生的有害廢棄物主要包括廢腐蝕液、廢洗滌液、廢槽液、槽渣、廢水處理污泥、廢機油等。

我們嚴格依照《國家危險廢物名錄》等相關規定，有害廢棄物產均委託有資質的第三方機構進行妥善回收處理。在可能或者已經發生污染事故時，應當立即採取應急措施，控制污染蔓延，減輕、消除事故影響。在重大事故或者突發性事件發生後2小時內，應向公司安全環境辦公室報告，接受調查。

Environmental, Social and Governance Report 環境、社會及管治報告

During the Year, the Group continued to propel the process of hazardous waste recycling, reduction and non-hazardous treatment. During the process of building a new finished goods workshop, Jiangxi Company collected construction waste and domestic waste properly, and strictly prohibited mixing them for collection. Domestic waste was promptly handed over to the sanitation department for cleaning, and disposal at will was strictly forbidden to reduce the environmental impact. A small part of the generated construction waste was handed over to the relevant departments in time to handle, and disposal at will was strictly forbidden. The Jiangxi Company transformed the temporary storage warehouse for hazardous wastes by adding new overflow tanks. The hazardous wastes were stringently packed for moving into and moving out of the warehouse. The Henan Company newly added the die cavity recycling device to prevent waste alkaline water from being produced during the production process.

本年度，本集團繼續推進有害廢棄物資源化、減量化和無害化處理的進程。江西公司在新建車間時，把建築垃圾和生活垃圾妥善收集，嚴禁將生活垃圾與建築垃圾混合收置。生活垃圾將及時交由環衛部門清理，嚴禁隨意丟棄影響環境。產生的少部分建築垃圾將及時交由相關部門處理，嚴禁隨意丟棄。江西公司對危廢暫存倉庫進行了改造，新增溢流槽，危廢嚴格按打包入庫、出庫。河南公司新增煲模城回收裝置，使生產過程中不會產生廢城水。



Environmental, Social and Governance Report 環境、社會及管治報告

4.2.4. Non-hazardous Waste Management

The non-hazardous waste generated by the Group's production and operation mainly includes aluminium slag, scrap steel, construction waste, office and domestic waste, etc. The Group also attaches great importance to non-hazardous waste treatment, especially the recycling of waste materials and non-hazardous waste residue. Some of the waste materials can be directly used for production after being processed, for example, the product scraps can be used as raw materials after recycling to the furnace. Other waste materials such as mold steel can be handed over to the steel plant for recycling and reuse after recycling. The main components of non-hazardous waste slag such as aluminium slag in casting workshop are alumina powder, aluminium powder and refractory particles, which can be used as raw materials for high-aluminium cement production after being handed over to the cement plant for treatment.

During the plant construction process, we strictly abided by national and local environmental protection laws and regulations and control construction waste through a series of environmental protection measures. During the Year, when building a new finished goods workshop, Jiangxi Company collected construction waste and domestic waste, and strictly prohibited mixing them for transportation. A small part of the generated construction waste was collected in time for the relevant departments to handle, and disposal at will was strictly forbidden to reduce the environmental impact from construction waste. During the Year, Jiangxi Company successfully recovered 1,700.79 tons of aluminum ash; and Henan Company disposed of 269.93 tons of waste mold steel.

4.2.4. 無害廢棄物管理

本集團生產運營中產生的無害廢棄物主要包括鋁渣、廢鋼、建築施工垃圾、辦公及生活垃圾等。本集團同樣重視無害廢棄物的處理，特別是廢舊材料和無害廢渣的回收處理。部分廢舊材料被處理後可直接用於生產，例如產品邊角料回爐後可重新作為原材料；其它廢舊材料如模具鋼，可在回收後交由鋼鐵廠進行處理並重新利用。無害廢渣例如熔鑄車間鋁渣的主要成分為氧化鋁粉、鋁粉和耐火材料顆粒，交由水泥廠處理後可作為高鋁水泥的生產原料使用。

在廠房建設過程中，我們嚴格遵守國家及當地環保法規，通過一系列環保措施對建築垃圾加以管控。本年度，江西公司在新建新成品車間時，妥善收集建築垃圾和生活垃圾，嚴禁混裝混運，產生的少部分建築垃圾及時收集交由相關部門處理，嚴禁隨意丟棄，以減少建築垃圾對環境的影響。本年度，江西公司成功回收鋁灰1700.79噸；河南公司處置廢模具鋼269.93噸。

Environmental, Social and Governance Report 環境、社會及管治報告

4.3. Use of Resources

4.3.1. Use of Energy

The Group has energy management center system to collect statistics and analyse the measurement and trend of water, electricity, gas and other resources, enabling each production base to monitor resource consumption in real time, and timely debug and repair controlling equipment to improve efficiency.

In order to increase the utilization of electricity resources, we took effective measures including using LED lamps, energy-efficient equipment, replacing electrical machine with new and highly efficient motors, reclaiming waste heat of boiler, installing solar PV power generation equipment on plant roof top. In addition, the Group also made full use of the energy generated during the production process, such as applying the heat generated from the operation of the air compressor in the workshop in heating the technology groove in the oxidation workshop, and also hot water supply for staffs for daily use, in order to effectively reduce the use of electricity resources and natural gas, and reduce safety problems caused by the use of liquefied gas facilities. During the Year, different companies continued to strengthen staffs' energy conservation awareness training and supervision and use pragmatic production activities to reduce process waste and improved operating efficiency, thereby reducing energy consumption per unit of product.

4.3. 資源使用

4.3.1. 能源使用

本集團設有能源管理中心系統，統計及分析水、電、氣等資源的用量和趨勢，使各生產基地得以實時監測能源及資源消耗情況，及時調試修理控制設備，從而提升效率。

為提高能源使用效率，我們採用LED燈、節能設備、將電機更換為新的高效電機、鍋爐餘熱回收供水並於廠房屋頂安裝太陽能光伏發電設備等。同時，本集團還充分利用生產過程中產生的能源，例如將車間空壓機運行產生的熱量用於加熱氧化車間工藝槽以及日常生活中員工的熱水供應，以有效減少用電和天然氣的使用，並降低使用液化氣設施所引發的安全問題。本年度，各公司繼續通過加強員工節能意識培訓及監督，精益生產活動，減少過程浪費，提高運行效率，從而減少單位產品的能源消耗。

Environmental, Social and Governance Report 環境、社會及管治報告

4.3.2. Use of Water Resources

Water resources are of vital importance to our production process as it is indispensable in every process such as squeezing and casting. The Group uses both municipal water and water from its own well, so as to ensure there is no suspension in production due to water supply shortage. The ratio of the municipal water use to well water use is approximately 8:2. In order to enhance water resources management capabilities and improve usage efficiency, the Group continued to implement the water reclaim system, and reuse reclaimed water for daily life activities such as watering, toileting, and cooling water production in facilities through water towers and water tanks. During the Year, the electrophoresis workshop of Jiangxi Company has the reclaimed water reuse equipment in place and its reclaimed water reuse rate was 100%.

4.3.3. Use of Packaging Materials

The packaging materials of the Group are mainly packaging tapes, labels, stick band, lumps of wood and sealing glue. We source from packaging materials suppliers that meet the requirements of relevant national laws and regulations. For sourcing products packaging materials, the Group formulated the group-level sourcing management plan as its principal policy. Packaging materials suppliers are selected by tender, which the Group has already established long-term cooperative partnership with them.

4.3.2. 水資源使用

水資源對本集團的生產過程十分重要，每一個前工序如擠壓、熔鑄等都要用水。本集團使用市水的同時自備水井，兩種用水比例大約為8:2，確保不會因停水而停產。為增強水資源管理能力，提升使用效益，本集團繼續實施中水回用制度，通過循環水塔、回水池等設施將中水回用於澆灌、如廁等日常生活，以及設備冷卻水等生產工序。本年度，江西公司電泳車間有中水回用設備，中水回用率為100%。

4.3.3. 包裝材料使用

本集團的包裝材料主要為包裝帶、標籤、透明膠、木方及封口膠等。我們採用符合國家相關法律法規要求的包裝材料供貨商。針對產品包裝材料的採購，本集團制定了集團層面的採購管理方案作為主要的政策，包裝材料供貨商通過招標方式採用，並建立長期合作夥伴關係。

Environmental, Social and Governance Report 環境、社會及管治報告

4.3.4. Greenhouse Gas Emissions and Management

Climate change is a severe challenge facing humanity in the global community. As a manufacturing enterprise, Xingfa actively responded to the call by Ministry of Industry and Information Technology to construct a green manufacturing system. In 2017, it was selected as the first batch of green manufacturing demonstration lists by Ministry of Industry and Information Technology in 2017 and ranked among the first 201 “green factories” in the PRC. Our project of “Aluminium Profile Production Line Air Pollutant Emission Reduction Technology Reform” won “the National Industrial Clean Production Demonstration Project” of Ministry of Industry and Information Technology, and Xingfa was the only company in Guangdong Province that won the project. It has also won the “Guangdong Province Clean Production Enterprise” and the “First batch of resource-saving and environment-friendly enterprise piloting” in Guangdong Province and other honorary titles.

From 2012 to 2015, we checked carbon emission periodically and reported to Provincial National Development and Reform Commission (“NDRC”) according to government requirements, and provided NDRC with raw data to formulate carbon emission indicators in the future. As greenhouse gas emission is not the most important issue of the Group, and that the PRC government has not issued any specific carbon emission reporting requirements and carbon trading indicators since 2016, therefore, the Group currently has no plan to calculate carbon emissions. In future, we will continue to pay attention to the relevant regulations and trends regarding carbon emissions reporting and update our disclosures.

4.3.4. 溫室氣體排放管理

氣候變化是全球國際社會人類面臨的嚴峻挑戰，興發作為鋁行業領軍者，積極響應工信部提出的綠色製造體系建設號召，2017年已入選工信部2017年第一批綠色製造示範名單，躋身國家首批201家「綠色工廠」之列。我們的「鋁型材生產線大氣污染物減排技術改造」項目獲得工信部的「國家工業清潔生產示範項目」，成為廣東省唯一一家獲得該項目的企業；也先後榮獲「廣東省清潔生產企業」和「第一批廣東省資源節約型和環境友好型企業試點」等榮譽稱號。

2012年至2015年期間，我們依照政府部門要求定期進行碳排放審計並報告至省發改委，向發改委提供原始數據用於制定未來的碳排放指標。由於溫室氣體排放並非本集團最重要的議題，且2016年以來政府尚未頒佈具體的碳排放報告要求和碳交易指南，本集團暫時未有有計劃地計算碳排放量。未來，我們將繼續留意碳排放報告的相關法規及趨勢，適時更新相關披露。

Environmental, Social and Governance Report 環境、社會及管治報告

In order to reduce direct and indirect greenhouse gas emissions in production operations, not only did the Company implement green production, it also promoted green office practices. The Group continued to use natural gas as one of the energy supplies for production operations during the year because the carbon emissions of natural gas is lower than coal and reduce greenhouse gas emissions correspondingly. In addition, while different companies adopt the OA network office system, promote video conferencing system and paperless office and standardize the use of official vehicles and travel management to reduce energy consumption, use of papers and travel carbon emissions while ensuring office efficiency. The recycling of domestic and office water was also encouraged.

In the future, we will further optimize the management system related to green factories, continuously improve the environment and energy management system, and leverage fully our corporate technology, resources and external collaboration conditions to make Xingfa Aluminium the advanced and smart green factories with high energy efficiency, low pollution and low emission, helping the nation's green and low-carbon transformation and development.

為減少生產運營中的直接和間接溫室氣體排放，公司不僅實行綠色生產，同時推行綠色辦公方式。本年度，本集團繼續使用天然氣作為生產運營的能源供應之一，其碳排放較煤低，變相減少溫室氣體排放。此外，各公司採用OA網路辦公系統，推行視訊會議系統和無紙化辦公，規範公務車輛使用和差旅管理，保證辦公高效的同時，減少能源消耗及紙資源的使用，減少出行碳排放，並鼓勵生活和辦公用水循環利用。

未來，我們將進一步優化綠色工廠相關的管理制度，持續改進環境、能源管理體系，並充分利用公司技術、資源和外部協作條件，把興發鋁業打造成一個高能效、低污染、低排放的先進智慧化綠色工廠，助力國家綠色低碳轉型發展。



Environmental, Social and Governance Report 環境、社會及管治報告

5. HUMAN-ORIENTED, SINCERITY AND TRUSTWORTHY

5.1. Employment Practice

The Group strives to provide staffs with a working environment providing diversified and equal opportunity, and to form a highly qualified team. Meanwhile, we aim to create comfortable and safe working conditions to ensure social and cultural diversity and the dynamic development of the Company.

We strictly comply with national and local labour regulations such as the Labour Law, the Labour Contract Law, the Law on the Protection of Minors and Provisions on Prohibition of Child Labour of the PRC and protects the legitimate rights and interests of staffs. We follow the principle of equal employment, namely “fairness, openness and impartiality”, and focus on the job applicants’ business abilities, personal qualities, and development potential during the recruitment process, and none of them will be treated differently for reasons such as age, gender, ethnicity, nationality, marriage and family status, health condition and religion.

We emphasize communication and participation among staffs, disseminated policy and information through posting announcements on bulletin boards, e-mails, employee manual or training. Staff can put forward their opinion and question to management through interview, functional e-mails or group discussion. We encourage staffs to offer suggestions for corporate operation and development purposes.

5. 以人為本 以誠取信

5.1. 僱傭常規

本集團力求為員工提供多元化及擁有平等機會的工作環境，並組建一支高資歷的團隊。同時，我們旨在營造舒適安全的工作條件，以確保社會和文化多樣化以及公司的動態發展。

我們嚴格遵照中華人民共和國《勞動法》、《勞動合同法》、《未成年人保護法》、《禁止使用童工規定》等國家和地方的勞工法規，保障員工合法權益。我們遵照「公平、公開、公正」的平等僱傭原則，在招聘過程中重點關注求職者的業務能力、個人品質、發展潛力，絕不因年齡、性別、民族、國籍、婚姻及家庭狀況、健康狀況和宗教等原因給與差別對待。

我們注重員工溝通及參與，通過公告欄張貼公告、電子郵件、員工手冊、課堂培訓等方式向員工傳達政策和信息，員工可通過面談、職能郵件、小組座談等方式向管理層提出意見和問題，鼓勵員工為公司經營和發展獻計獻策。



Environmental, Social and Governance Report 環境、社會及管治報告

At the same time, the Company's internal trade union organization strictly abides by the relevant requirements of the Trade Union Law of the PRC, protects the rights and interests of staffs in accordance with the law, performs democratic procedures, and gives full play to the role of staffs in enterprise democratic management. In order to enhance their sense of belongings and enthusiasm for work, we have enriched staffs in their spare time by arranging outstanding employee activities, employee birthday parties, daily fruit distribution, a series of festival activities, and various cultural and recreational activities, and helping staffs in need through union organizations.

同時，公司內部的工會組織嚴格遵守《中華人民共和國工會法》中的相關要求，依法維護員工權益，履行民主程序，充分發揮員工在企業民主管理中的作用。為提升其歸屬感與工作熱情，我們通過開展優秀員工活動、員工生日會、日常水果派發、節日系列活動、各類文娛活動豐富員工業餘生活，並通過工會組織幫扶困難員工。



Outstanding employee activity
優秀員工活動



Employee birthday party
員工生日會

Environmental, Social and Governance Report 環境、社會及管治報告

During the Reporting Period, the Group complied with the laws and regulations in relation to employment and labour in all material respects, including the laws and regulations relating to equal opportunity, diversity, anti-discrimination and welfare.

5.2. Labour Standard

The Group offered competitive remuneration packages in the same industry for staffs to ensure staff with excellent performance would obtain corresponding returns. We issue policies relating to employee compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunities, diversity, antidiscrimination and other benefits and welfare in the employee handbook.

We reviewed regularly the remuneration packages at all levels internally, collected industry information on remuneration from the labour market externally, and adjusted the remuneration and benefits standards with reference to position, work capability, work performance, staff skills and benefits to the Group. The personnel management principle that we adopted is performance-based incentives and assurance of internal fairness. For example, the monthly salary of production line staff is calculated according to the comprehensive piecework on a team or group basis, so as to ensure that staff who works more will be paid more. At the same time, for employee performance appraisal process, they are being implemented across different positions according to the performance appraisal method of the respective department in which they work. We adopted a policy whereby management personnel shall abstain from any human resource matter relating to their family members and relatives, with an aim to ensure internal fairness, and require such family members and relatives of management personnel are not allowed to work in the same respective departments.

於報告期內，本集團在所有重大方面遵守了與就業和勞工有關的法律和條例，包括與機會平等、多樣性、反歧視、福利有關的法律和條例。

5.2. 勞工準則

本集團為員工提供同行業中具有競爭力的薪酬福利待遇，保證表現優秀的員工得到相應的回報。我們在員工手冊中發佈了員工薪酬及解僱、招聘及晉升、工作時數、假期、平等機會、多元化、反歧視以及其他待遇及福利方面的政策。

我們定期對內考察員工各級薪酬水平，對外收集本行業勞動力市場薪酬狀況，根據員工的職務、工作能力、工作業績、技術程度和集團效益等因素調整薪酬福利水平。我們採用的人員管理原則為績效獎勵與保證內部公平性，例如生產線員工以班組綜合計件的方式核算每月的工資，以保證多勞多得。同時對於員工的績效考核過程，不同崗位根據所在部門的績效考核辦法實施。為保證內部公平，我們實行管理人員親屬回避制度，要求管理人員的親屬不允許在其所在的部門工作。

Environmental, Social and Governance Report 環境、社會及管治報告

The Group strictly abides by the minimum age of employment requirements stipulated by the PRC and the location where it operates. Our corporate social responsibility has expressly stipulated the prohibition of recruiting child labour under 16 years old. For minors between 16 to 18 years old, we carried out special protection in accordance with the laws. Moreover, the Group illustrated the policy of preventing forced labour in the employee handbook and adopted an order-oriented production model. Pursuant to the approval from local labour department, we implemented a work system with integrated computation of working hours to ensure staffs' right to rest and leave are protected and production and work tasks can be completed through collective working, collective rest, on shift and adjustment leave and flexible working hours, etc.

Apart from prohibiting employment discrimination and forced labour exploitation and ensuring that child labour is eradicated, we also adopt a zero tolerance approach to any form of discrimination or harassment. During the Reporting Period, there was no misconduct nor regulatory non-compliance related to employment of child labour or forced labour in the Group.

本集團嚴格遵守國家及營運所在地規定之最低受僱年齡的要求，並於企業社會責任政策中明文規定禁止僱傭未滿16周歲的童工。對於16至18周歲的未成年工，我們依法實行特殊保護。再者，我們在員工手冊中闡述了防止強制勞工的政策，並實施以訂單為主導的生產模式。根據當地勞動部門的批准，實行綜合計時工作制，通過採用集中工作、集中休息、輪休調休、彈性工作時間等制度，來確保職工的休息休假權利和生產、工作任務的正常完成。

除了禁止就業歧視和強迫剝削勞動，確保杜絕僱傭童工外，我們更對任何形式的歧視或騷擾行為採取零容忍的態度。於報告期內，本集團並沒有發生任何聘用童工或強制勞工的違規個案。



Environmental, Social and Governance Report 環境、社會及管治報告

5.3. Occupational Health and Safety

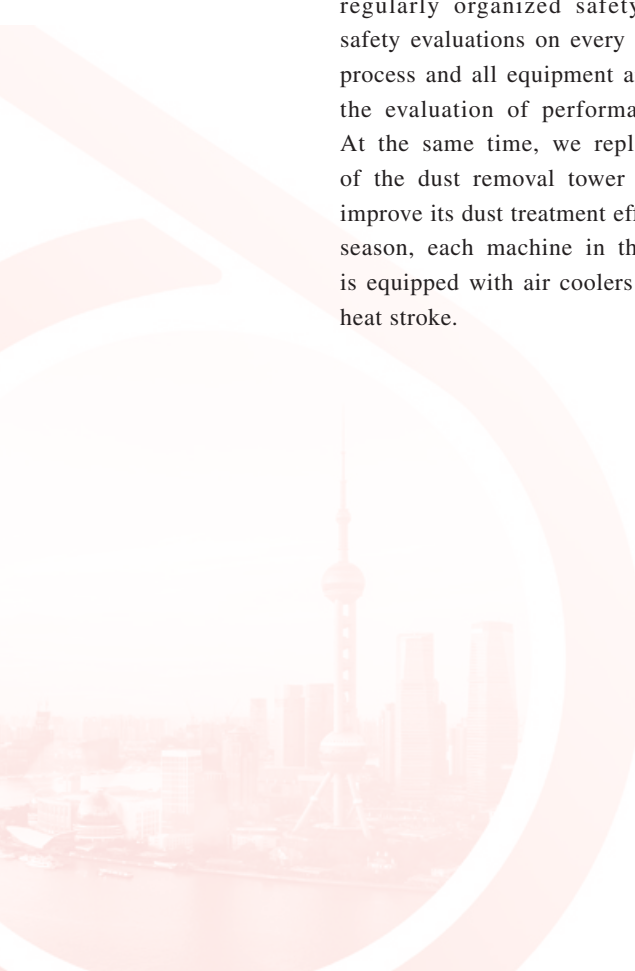
The Group regards protecting the life safety and occupational health of its staffs as its paramount mission. We adhere to the policy of “Safety First, Focus on Prevention and Comprehensive Treatment” and the principle of “Production Management must Encompass Safety Management and Person-in-charge is the Responsible Person”. We prepared the safety production management system, which emphasised that “all activities are based on the life and health of staff”, and established the safe production committee which is responsible for our overall safety production management works of the Group. For implementation, every production department has established its own safe production leading group respectively and is responsible for staff’s production safety work in respective departments.

We strictly follow the relevant regulations of the Group’s safety and quality control, actively carry out promotion on safe production, and regularly organized safety experts to conduct safety evaluations on every segment of production process and all equipment and facilities, including the evaluation of performance and risk factors. At the same time, we replace the filter element of the dust removal tower in melting furnace to improve its dust treatment effect. In the hot summer season, each machine in the extrusion workshop is equipped with air coolers to prevent staffs from heat stroke.

5.3. 職業健康與安全

本集團視保障員工的生命安全及職業健康為首要任務。我們堅持貫徹「安全第一、預防為主、綜合治理」的方針，堅持「管生產必須管安全，誰主管，誰負責」的原則制定了安全生產管理制度。在制度中強調「所有活動要圍繞員工生命健康」，並設立了由董事長擔任組長的安全生產委員會，全面負責所有生產基地的安全生產管理工作。在執行層面，由各生產部門分別成立安全生產領導小組，負責本部門的員工生產安全工作。

我們嚴格按照本集團安全質量管理的相關規定，積極開展安全生產宣貫，定期組織安全專家對各個生產環節、所有設備設施進行安全評價，包括性能和危險因素評估。同時，我們更換了熔煉爐除塵塔濾芯，提高粉塵處理效果。在夏季高溫季節擠壓車間每個機台配備冷風機，防止員工中暑。



Environmental, Social and Governance Report 環境、社會及管治報告

We attach great importance to staff occupational health, and resolutely implement the Law on the Prevention and Control of Occupational Diseases of the PRC to ensure staffs' occupational health. We set up safety facilities on construction sites to improve the working environment and ensure timely provision of safety helmets, gloves and other labour protection supplies. The environmental measures adopted during production could reduce hazardous exhaust gas, waste and wastewater discharge, which are crucial to the health of staff that work in workshops for a long period of time. We are committed to indoctrinating environmental protection concept to staff and successfully achieved the following safety goals during the year:

我們高度重視員工職業健康，堅決貫徹《中華人民共和國職業病防治法》，落實員工職業健康保障。我們在施工工地配備安全設施以改善工作環境，保證安全帽、手套等勞動保護用品的及時配備。生產過程中的環保措施可以減少有害廢氣、廢物和廢水的排放，對長期在生產車間工作的員工健康十分重要。我們致力向員工灌輸環保理念，本年度成功達成以下安全目標：

Safety incidents 安全事故

- Major safety incidents: Nil
重大安全事故：零
- General safety incidents:
一般安全事故：
 - Class C/minor incidents $\leq 8\%$
C級／輕微事故 $\leq 8\%$
 - Class B and above incidents: Nil
B級及以上事故：零
- Fire safety incidents: Nil
消防安全事故：零
- Environmental pollution incidents: Nil
環境污染事故：零
- Major chemical leakage incidents: Nil
重大化學品洩漏事故：零
- Major equipment/facility incidents: nil
重大設備／設施事故：零
- Major production and business-related traffic incidents in which we take up the main responsibility or material damage incidents: Nil
重大生產經營性主責交通事故或物損事故：零

Occupational health 職業健康

- Incidence of occupational diseases: Nil
職業病發生率：零
- Detection rate of occupational hazard factors: 100%
職業危害因素檢測率：100%
- Occupational health check rate before employment: 100%
崗前職業健康體檢率：100%
- Occupational health check rate when in employment: 100%
在崗職業健康體檢率：100%

Rectification rate of hidden danger 隱患整改率

- Rectification rate of due hidden dangers causing incidents $\geq 95\%$
事故隱患到期整改率： $\geq 95\%$
- Rectification rate of hidden dangers causing major incidents: 100%
重大事故隱患整改率：100%
- Inspection rate of special equipment and accessories: 100%
特種設備及附件定期檢驗率：100%
- Signing rate of safe production commitment letter: 100%
安全生產目標責任書簽訂率：100%
- Administrative penalties for safety and environmental protection violations from competent government authority: Nil
來自政府職能部門的安全環保違規行政處罰：零

Environmental, Social and Governance Report 環境、社會及管治報告

Apart from this, we offered a comprehensive safety consciousness and skills training for staff and at the beginning of each year, an annual training programme is prepared according to the training requirements of each production workshop and the entire process is tracked and implemented as scheduled. The General Department organized and launched specific training and drills on fire safety, driving safety knowledge and specific training on practical operations, etc. The training involved specific operation in certain positions, re-training for special equipment and first aid training, etc. Meanwhile, we launched monthly safe production (online) activities to invite staffs to participate in the hidden danger elimination campaign, which received more than 10 safety hazards discovered by them. In addition, we held an online safety knowledge quiz activity to enhance staff awareness of safety, with a total of 75 staffs been awarded.

We regularly organize safety and fire-fighting drills and staff trainings on fire-fighting knowledge, and deploy fire-fighting facilities in workshops and office buildings. We require staff, whether working frontline in workshop production line or in administrative office, must possess firefighting knowledge and can use firefighting equipment properly, so as to improve staff capability in responding incidents.

除此之外，我們為員工提供全面的安全意識和技能培訓，每年年初按各生產車間的培訓需求制定年度培訓工作計劃，並按時間節點全程跟蹤實施。綜合部組織展開消防安全專項培訓及演練、行車安全知識及实操專項培訓等，培訓內容涉及崗位操作規程、特種設備再培訓以及急救培訓等。同時，我們開展安全生產月(線上)活動，邀請員工參與排除隱患大行動活動，活動共收到員工發現的安全隱患10餘條。此外，我們舉辦了線上安全知識答題活動，提升員工的安全意識，共有75名員工得獎。

我們定期組織安全消防演練，員工培訓消防知識，在車間及辦公大樓配置消防設備。我們要求無論是車間生產線一線員工，還是辦公大樓內的員工都必須瞭解消防知識，會正確使用消防設備，提升員工的事務應變能力。



Environmental, Social and Governance Report 環境、社會及管治報告

We allocate different labour protection gear to staff according to the national regulations on the prevention and treatment of occupational diseases, and conduct propaganda training for staff in respect of occupational hazards factors that exist in production environment. The safety production leading group in each department conducts inspection on the actual compliance of staff safety management, and for any staff who does not wear safety equipment properly, warning will be given for the first time of non-compliance discovery, and a fine will be imposed on the responsible leader and respective staff for the second time of non-compliance discovery, i.e. strictly adheres to the principle of “Person-in-charge is the Responsible Person”. At the same time, the enterprise invites the local Occupational Disease Prevention and Control Centre to conduct occupational health examination for front-line workers.

To improve, reconstruct, install and maintain safety protection equipment continuously, the Jiangxi Company has invested a total of RMB7.86 million in safety works, which are mainly used for the inspection and maintenance of special equipment and facilities, fire-fighting facilities and fire-fighting equipment, purchase, update, and improve on-site work safety and production conditions, as well as purchasing necessary emergency rescue facilities, equipment and safety protection gear for on-site workers. The Jiangxi Company has also strengthened the inspection and evaluation of safety production at construction sites, rectified hidden accidents, conducted safety skill training and emergency rescue drills. In addition, the Chengdu Company has invested a total of RMB3.97 million in safety works, which are mainly used for safety education and training, safety testing and evaluation, purchase of labour protection supplies, fire-fighting facilities and equipment, safety and accident prevention facilities, emergency rescue equipment, occupational hazard protection, etc.

我們按照國家職業病防治的相關規定給員工配置勞動防護用品，並針對生產環境中存在的職業危害因素對員工進行宣傳培訓。各部門安全生產領導小組對員工遵守安全管理的實際情況進行檢查，對於員工不恰當佩戴安全裝備的行為，第一次對員工予以警告，第二次則依照「誰主管誰負責」的處罰原則對負責的幹部和員工進行罰款。同時，每年均要求當地職業病防治所到企業內給生產一線員工進行職業健康的體檢工作。

為持續完善、改造、加裝及維護安全防護設備，江西公司的安全投入總計786萬，主要用於特種設備設施、消防設施和消防器材檢測維護保養，購置、更新、改善現場工作安全生產條件，以及配備必要的應急救援器材、設備和現場作業人員安全防護物品。江西公司亦加強了在施工場地進行安全生產檢查與評價，對事故隱患作出整改，進行安全技能培訓及應急救援演練等。此外，成都公司的安全投入總計397萬，主要用於安全教育培訓、安全檢測與評價、購置勞保用品、消防設施設備、安全及預防事故設施、應急救援器材、職業危害防護等。

Environmental, Social and Governance Report 環境、社會及管治報告

Monthly safety production activity

The Company actively responded to the government's call for "Monthly Safe Production" and organized monthly safe production activities in June 2020 under the theme of "Eliminating Accidents and Strengthening Safety Defence Lines", which included the exchange seminars on safety and environmental protection jointly held by the safety office and the workshops, prize-winning quizzes on safety knowledge held in the canteen, and safety-themed speech contests, etc.

安全生產月活動

本公司積極響應國家「安全生產月」號召，以「消除事故隱患、築牢安全防線」為主題，於2020年6月開展了安全生產月活動，分別有安全辦與車間共同召開的安全環保工作交流座談會、在食堂開展安全知識有獎問答、安全主題演講比賽等。



Monthly safe production activity
安全生產月活動

After the launching ceremony of the monthly safe production activities, the participants observed the casting process in the melting and casting workshop and conducted emergency response drills for sudden molten aluminum leakage. The deputy general manager of the production department of the Company and the safety office conducted specific safety inspections at the production and operation sites of each workshop on a daily basis, and a total of 30 inspection reports were issued, and 280 problems/hidden hazards and safety risks that need to be given priority were identified and reported. 在安全生產月活動啟動儀式後，與會人員現場觀摩熔鑄車間鑄造過程，並同時進行突發鋁水洩漏應急處置演練。公司生產副總及安全辦每天對各車間生產作業現場進行安全專項檢查，共發出30份檢查報，發現並指出問題/隱患以及需重點關注的安全風險事項280項。



Emergency response drill for sudden molten aluminum leakage
突發鋁水洩漏應急處置演練

Environmental, Social and Governance Report 環境、社會及管治報告

During the Reporting Period, the Group did not violate any law and regulation on health and safety nor was there any work-related employee fatality incidents. In response to employee injury accidents that occurred during the Year, we promptly and properly treated injured staffs, reviewed and investigated the causes of accidents, and adopted measures to strengthen staffs' safety production education and improve workplace protection conditions to prevent accidents from happening again.

5.4. Development and Training

The Group firmly believes that the development and training of staffs is conducive to reach our business objectives, improve performance and achieve sustainable development. We are committed to attracting and retaining high-quality talents and enhance their sense of belonging by rendering sustainable development and training opportunities. The staff development and training policies are set out in the employee handbook, and staff training is guided in accordance with the "Staff Training Management System" and "Administration Methods for Staff Career Development". We carry out diversified training programs, which are conducted through classroom training and online learning, to continuously help staffs' rapid growth and self-improvement.

報告期內，本集團未發生任何違反有關健康與安全的法律及規例的行為，亦未出現員工因工死亡事件。針對年內出現的員工工傷事故，我們已於第一時間妥善安置受傷員工，檢討和調查事故發生原因，並採取加強員工安全生產教育、改善工作場所防護條件等措施，防範事故再次發生。

5.4. 發展及培訓

本集團堅信員工的發展及培訓可幫忙公司完成經營目標、提高績效、實現持續發展。我們致力透過提供可持續發展和培訓的機會，吸引和保留高素質人才並增強其歸屬感。我們在員工手冊中發佈了員工發展及培訓的政策，同時依照《員工培訓管理制度》以及《員工職業發展管理辦法》指導員工培訓及發展具體工作的執行。我們開展多元化的培訓項目，通過課堂培訓和在線學習兩種方式進行，不斷助力員工的快速成長和自我提升。



Environmental, Social and Governance Report 環境、社會及管治報告

During the Year, Chengdu Company alone had organized more than 340 safety, environmental protection and occupational health trainings, with more than 2,330 participants. While Jiangxi Company conducted 75 safety inspections with 600 participants; and conducted 27 accident emergency drills with 1,623 participants. We made the following achievements during the Year in respect of safety training:

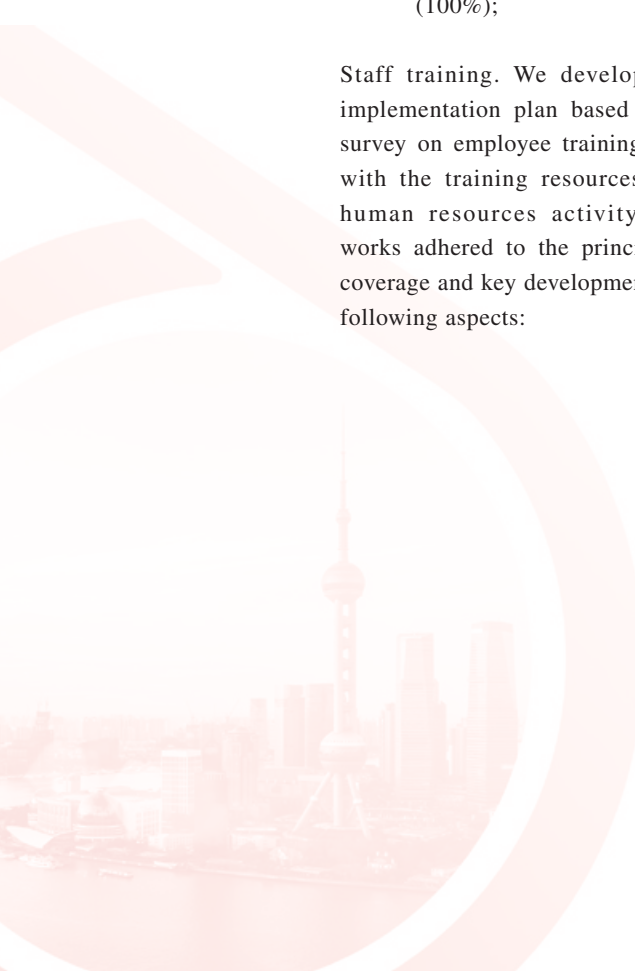
- examination rate of occupational health after employment of 100%;
- safety education and training rate of newly recruited/transferred/reinstated staffs of 100%;
- percentage of staffs holding necessary certificates for special jobs (100%);
- percentage of the Company's principal responsible person and safety management personnel that have received training (100%);

Staff training. We develop an annual training implementation plan based on the results of the survey on employee training needs and integrated with the training resources and the Company's human resources activity plan. Our training works adhered to the principle of comprehensive coverage and key development, mainly covering the following aspects:

本年度，單是成都公司已開辦了超過340場安全環保及職業衛生培訓，參與人次超過2,330人；而江西公司開展安全檢查共75次，參與人次600人；開展事故應急演練27場，參與人次1,623人。在安全培訓方面，本年度我們取得以下成就：

- 100%在崗職業健康體檢率；
- 100%新入職／轉／複崗員工安全教育培訓率；
- 100%特殊工種持證上崗率；
- 100%公司主要負責人、安全管理人員培訓；

員工培訓主要。我們每年根據員工培訓需求調查結果，並結合培訓資源及公司人力資源活動計劃，制定年度培訓實施計劃。我們的培訓工作堅持全面覆蓋、重點開展的原則，內容主要覆蓋：



Environmental, Social and Governance Report 環境、社會及管治報告

New Staff Training

Through various forms of training, new staffs are able to fully understand the Company's development status, organizational structure, rules and regulations, process flow, etc., enhance their recognition and confidence in corporate culture, and give full play to their initiative and enthusiasm.

Management Training

To conduct general management training to all staffs, such as management skills improvement, business etiquette, emotional management, safety training, communication skills improvement, office automation, laws and regulations, and policy presentations to improve staff quality and comprehensive skills.

Professional Training

To offer a wide range of professional training for staffs, such as trainings on sales skills, financial operations skills, human resources management, and training for specific projects. The purpose of such trainings is to improve the know-how and skills of professional staff, thereby improving work efficiency. At the same time, we hire highly skilled staffs as internal lecturers to share work experience and professional skills with other staffs, and use this as an opportunity to explore outstanding talents, to form an efficient internal training instructor team, and to inherit the company's culture and skills knowledge.

新晉培訓

通過多種形式的培訓，讓新晉員工全面瞭解公司的發展現狀、組織架構、規章制度、工藝流程等內容，增強其對公司文化的認同和自信，充分發揮工作主動性和積極性。

管理類培訓

面向全體員工開展通用管理類培訓，如管理技能提升、商務禮儀、情緒管理、安全培訓、溝通技巧、辦公自動化、法律法規和政策宣講等課程，提高員工素質和綜合技能。

專業培訓

為員工提供各類專業培訓，例如銷售技巧、財務操作技能、人力資源管理、以及針對特定項目進行的培訓，以提升專業人員的知識和技能，提高工作效率。同時，聘任高技能員工為公司內部講師，分享工作經驗和專業技術，並以此為契機挖掘公司優秀人才，組建一支高效的內部培訓講師隊伍，傳承公司文化、技能知識。



Environmental, Social and Governance Report 環境、社會及管治報告

On-line Training

We integrate with current intelligentized and Internet-based platform learning methods and collaborate with third-party training institutes to develop an on-line training platform. The platform will match different training programme for staffs at each stage, and incorporate the training assessment into the annual assessment to ensure training effectiveness and timeliness and improve the pro-activeness of staffs in learning.

Apart from the above training and promotion practices, during the year, the Group's headquarters undertook a project to establish the organizational capabilities and human resources systems, and started to explore and discuss the purpose and future development direction of Xingfa Research Institute. The Sanshui Company revised and updated its "Internal Training Lecturer Training System" and "College Student Training Programme", and conducted group leader training, college students sailing series training, internal trainer series training, and large lecture series courses for different personnel, covering management and communication skills, production process, safety production knowledge, customer complaint handling, departmental corporate culture, and office skills, etc. The Henan Company has formulated a system of "Learning from Experienced Staff" to nourish the labour skills of new staffs.

線上培訓

結合目前智能化、互聯網化的平台學習方式與第三方培訓機構合作開發線上平台，平台將為各階段員工搭配不同的套餐，並將培訓考核納入到年度考核中，從而保證培訓的有效性和及時性，提高員工學習的積極性。

除以上培訓與晉升慣例之外，本年度，集團總部正在進行組織能力與人力資源體系建設項目，並對興發研究院的設立目的及未來發展方向展開探討。三水公司修訂更新了《內訓講師培養制度》、《大學生培養方案》，針對不同人員開展了班組長培訓、大學生啟航系列培訓、內訓師系列培訓、大講堂系列課程，內容涵蓋管理和溝通技巧、生產工藝流程、安全生產知識、客戶投訴處理、部門企業文化、辦公技能等方面。河南公司制定了《以老帶新》制度，培養新員工的勞動技能。



New Staffs Seminar
新員工座談會

Environmental, Social and Governance Report 環境、社會及管治報告

5.5. Anti-corruption

The Group has always been committed to operating with integrity and prohibiting any form of corruption and fraudulent acts, including bribery, extortion and money laundering. We have been continuously improving the internal control mechanism and whistle-blowing mechanism to eradicate corruptive behaviour. Adhering to the attitude of zero tolerance for corruption, we reinforced supervision among key segments and staff in key positions that are vulnerable to corruption. We have also strengthened the awareness of the integrity of party members and cadres by conducting conferences on discipline education.

We strictly implement the code of conduct for anti-corruption and antibribery in accordance with the relevant national policies, laws, rules and regulations. It is applicable to material procurement, outsourced processing, facility projects, business sales, equipment procurement and maintenance, quality supervision, other economic activities, and the process of management of individuals, properties and belongings. At the same time, all customers, suppliers, service providers and underwriters who had business relationship with the Group are also covered by the code, which contained the following aspects:

- Requirements of anti-corruption and antibribery conduct for purchasing and sales staff
- Requirements of capital management involving anti-corruption and anti-bribery conduct during the purchasing and selling processes
- Requirements of anti-corruption and antibribery conduct for accounting cashiers
- Regular check on evaluation system
- Whistle-blowing registration system

5.5. 反腐敗

本集團一直致力於誠信經營，並禁止任何形式的腐敗和欺詐行為，包括賄賂、敲詐勒索和洗黑錢。我們不斷健全內控機制和檢舉處罰機制，杜絕貪腐行為。我們秉承「對腐敗事件零容忍」的態度，加強對易發生腐敗的重點環節以及重點崗位人員的監督。我們亦通過開展黨風廉政建設會議工作暨紀律教育專題學習會議，加強黨員幹部的廉潔意識。

我們依據國家有關政策、法律法規和規章制度，嚴格執行《反腐敗、反賄賂行為守則》，的適用範圍包括在集團範圍內的物料採購、委外加工、設施工程、業務銷售、設備採購和維護、質量監督等經濟活動，以及人、財、物管理的過程。同時，所有與本集團有業務來往的客戶、供貨商、服務商、承包商也在本守則管理範圍內，守則涵蓋以下內容：

- 對採購及銷售人員的反腐敗、反賄賂行為要求
- 對購進、銷售過程的資金管理中涉及的反腐敗、反賄賂行為要求
- 對會計出納人員的反腐敗、反賄賂行為要求
- 定期檢查考評制度
- 舉報登記制度

Environmental, Social and Governance Report 環境、社會及管治報告

Anti-Corruption Seminar

On 25 September 2020, the Company launched the “Monthly Discipline Education and Study in Jiangxi Party Branch of Xingfa Aluminum”, during which, Li Meiyu, the Company’s party branch secretary and general manager, gave a special party seminar under the theme of “Strengthening the Construction of Party Style and Clean Management and Building a Clean and Upright Team”, to explain to staffs the importance of constructing the clean management party style, so as to improve staffs’ self-discipline of clean practices. In addition, the Company constantly improve the penalised and prevention system to create a clean and upright cadre team.

反腐倡廉講座

2020年9月25日，公司開展「廉興發鋁業江西黨支部紀律教育學習月活動」，公司黨支部書記、總經理李美玉作了以《加強黨風廉政建設 打造風清氣正隊伍》為主題的專題黨課，向員工講解黨風廉政建設的重要性，從而提高員工廉潔從業的自律性。此外，公司不斷健全懲防體系，打造風清氣正的幹部隊伍。



Special Party Lecture
專題黨課

During the Reporting Period, there was no misconduct or regulatory non-compliance related to bribery, extortion, fraud and money laundering in the Group.

報告期內，本集團未發生任何違反有關防止賄賂、勒索、欺詐及洗黑錢的法律及規例的行為。

Environmental, Social and Governance Report 環境、社會及管治報告

6. COMMUNITY PARTICIPATION AND SHARING

Over the years, Xingfa Aluminum has been actively assuming social responsibilities all the times. By adhering to the “reciprocate of where you get” spirit, the Company has carried out various community construction and social assistance projects. Through a variety of ways and initiatives to care for vulnerable groups, participating in environmental public welfare activities, charitable donations, and poverty alleviation, and conduct practical actions to unify corporate development goals and social responsibility.

While constantly pursuing our development, we always bear in mind that we shall contribute to the society and devote with heart. We have set up a dedicated charitable fund and have actively participated in social charitable donations in the name of companies and individuals, and donated funds to socially disadvantaged groups or charitable associations, and proactively assuming social responsibilities. During the Year, the Group donated a total of RMB320,000 for charities, including lighting projects to help communities, road maintenance, visited poor households, and solved the crisis of shortage of supplies in pandemic prevention and control.

6. 社區參與共同分享

多年來，興發鋁業一直積極承擔社會責任，秉承飲水思源的精神，開展多項社區建設與社會援助項目。我們通過關愛弱勢群體、參與環保公益活動、慈善捐贈、扶貧助學等多種方式和舉措，用實際行動將企業發展目標和社會責任高度統一起來。

在不斷發展的同時，我們亦不忘回饋社會奉獻愛心，設立專項慈善基金，長期以公司和個人名義積極參加社會慈善捐款活動，向社會困難群體或慈善會定向捐款，主動承擔社會責任。本年度，本集團對外捐贈善款共計32萬元，當中包括用於幫扶社區的照明工程、公路修繕、走訪貧困戶及解決疫情防控工作中物資緊缺的危機。



Environmental, Social and Governance Report 環境、社會及管治報告

Fight Against the Epidemic with Concerted Efforts

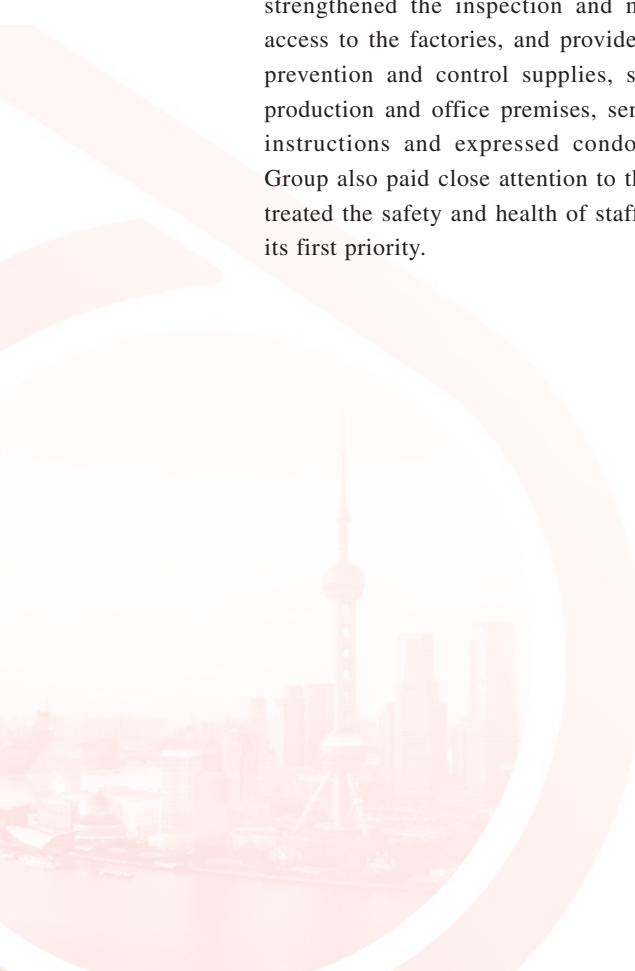
At the beginning of 2020, the sudden outbreak of COVID-19 epidemic broke the calm sentiment of the past. To help the whole society to overcome difficulties smoothly during the special period and ensure the health and safety of staffs, the Company immediately established an epidemic prevention and control group to fight against the epidemic together with all sectors of society by allocating resources and providing assistance to the epidemic regions. The party members of the Company donated RMB9,000 spontaneously and the Company provided prevention and control materials, including 25 kilograms of ethanol for disinfection and 1,000 protective masks, to the Fenglin community so that it can overcome the crisis of material shortage in epidemic prevention and control.

We paid close attention to the development trend of the epidemic, regularly rehearsed the epidemic prevention plan, implemented epidemic prevention measures, suspended work in accordance with the requirements and organized an orderly resumption of work. The Company strengthened the inspection and management of staffs' access to the factories, and provided them with sufficient prevention and control supplies, strictly disinfected the production and office premises, sent epidemic prevention instructions and expressed condolences to staffs. The Group also paid close attention to the health of staffs, and treated the safety and health of staffs and their families as its first priority.

齊心抗疫

2020年伊始，一場突如其來的新型冠狀病毒肺炎疫情打破了往日的平靜。為幫助全社會在特殊時期平穩度過難關，保障員工的健康和安全，公司緊急成立疫情防控工作小組，調度資源，馳援疫區，與社會各界齊心協力共同抗疫。本公司黨員自發捐款9,000元，公司提供防控物資，包括25公斤消毒酒精、1,000個防護口罩捐贈給楓林社區，幫助楓林社區解決疫情防控工作中物資緊缺的危機。

我們高度關注疫情發展態勢，定期預演防疫方案、落實防疫措施，按照規定停工和組織有序復工。本公司加強員工入廠檢測管理，並為員工配備齊全的防控物資，對生產辦公場所嚴格消毒，向員工推送防疫須知和慰問，密切關注員工的健康情況，本集團亦將員工及其家人們的安全和健康放在首位。



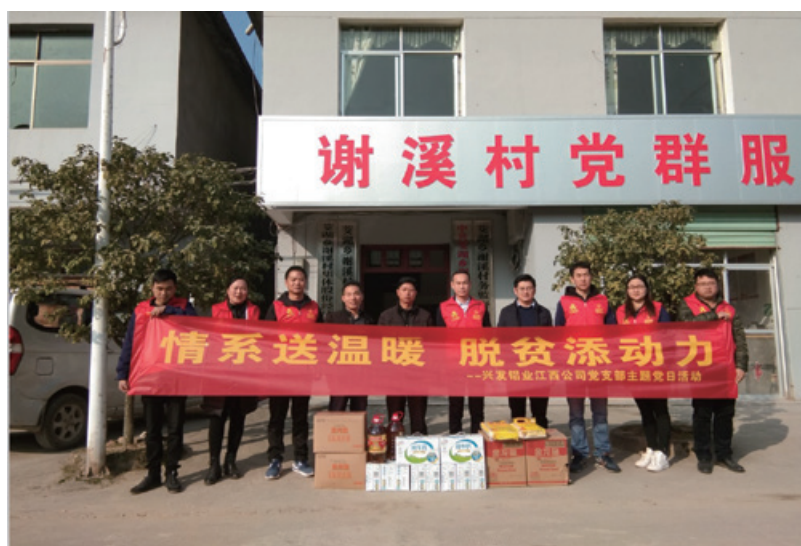
Environmental, Social and Governance Report 環境、社會及管治報告

Alleviating Poverty and Helping the Poor

In response to the call of targeted poverty alleviation, “100 Enterprises Helping 100 Villages”, we gave full play to the exemplary role of party members to support Xiexi Village, Jiaohu Town, Wanzai County in alleviating poverty and achieving economic development. In the morning of 24 December 2020, the Company’s party branch initiated a visit activity under the theme of “Delivering Warmth with Affection while Adding Motivation for Poverty Alleviation”. Under the leadership of Li Meiyu, the party branch secretary and general manager of the Company, 8 people including several party members participated in the activity with the accompaniment of He Zheng, a deputy county-level cadre of the United Front Work Department of the Municipal Party Committee and the special commissioner for poverty alleviation in the village. Prior to the visit, Li Meiyu, our party branch secretary, donated RMB40,000 to Xiexi Village as a special fund for the construction of the Zaoling Convenient Bridge in Xiexi Village on behalf of Guangdong Xingfa Aluminium (Jiangxi) Co., Ltd. to support the poverty alleviation in Xiexi Village. The Party Branch of Jiangxi Company under Xingfa Aluminum visited 10 poor households. They cordially inquired about the living conditions of poor families, expressed their condolences and sent cordial blessings, wished them a happy life and good health, and encouraged them to live a happy life as soon as possible by endeavouring their own efforts and with the help of the government and the society.

扶貧助困

為響應「百企幫百村」精準扶貧行動號召，發揮黨員先鋒模範作用支持萬載縣茭湖鄉謝溪村脫貧致富。2020年12月24日上午，公司黨支部開展了以「情系送溫暖、脫貧添動力」為主題的走訪慰問活動，公司黨支部書記公司總經理李美玉帶領黨支部部分黨員一行8人參與了此活動。市委統戰部副縣級幹部、駐村扶貧特派員何征同志陪同走訪。走訪前，為支持謝溪村脫貧摘帽，黨支部書記李美玉代表廣東興發鋁業(江西)有限公司向謝溪村捐贈4萬元作為謝溪村瓜嶺便民橋建設專項資金。興發鋁業江西公司黨支部一行走訪了10戶貧困戶。他們親切詢問貧困戶家庭生活情況，為他們送去慰問物資和親切祝福，祝願他們生活美滿、身體健康，並鼓勵他們能通過自身努力並在政府、社會的共同幫助下早日過上幸福生活。



Visit activity
走訪慰問活動

Environmental, Social and Governance Report 環境、社會及管治報告

Student Aid Activities

In response to the call of the municipal party committee and government to care for the next generation, on 2 July 2020, under the leadership of Xu Wenbao, deputy general manager of the Company, a caring team comprises of party branch, labour union, and league branch, drove to Shuanghong Primary School in Tiantaishan and launched the student aid activities under the theme of “Caring for the Growth of Minors and Building a Better Future for the Motherland”. Accompanied by Secretary Zhang, the village party secretary, the caring team listened to the talk from Principal Gao of Shuanghong Primary School and learned in details about children’s learning progress and family conditions. The caring team combined education with entertainment, and donated stationery to the children. The caring team led the children to carry out a variety of games and encouraged them to contribute more back to the society in the future.

愛心助學活動

為響應市委市政府關心下一代的號召，2020年7月2日，公司副總經理徐文保帶隊，一支由黨支部、工會、團支部等組成的愛心團隊，驅車前往天臺山，在雙洪小學開展「關注未成年人成長構建祖國美好明天」的愛心助學活動。愛心團隊在村支書張書記的陪同下，聽取了雙洪小學高校長的講解，詳細瞭解了小朋友們的學習進度及家庭狀況。愛心團隊寓教於樂，並贈送文具給予小朋友們。愛心團隊帶領小朋友們開展了豐富多彩的遊戲，並鼓勵他們未來為社會多做貢獻。



Student aid activities
愛心助學活動

Environmental, Social and Governance Report 環境、社會及管治報告

APPENDIX I: MAJOR AWARDS AND HONOURS DURING THE YEAR

附錄一：年內主要獎項和榮譽

Since its establishment, Xingfa Aluminum has always been firmly being the leader of construction aluminum profiles in China. The Group was awarded the following major national awards and honours during the year:

自成立以來，興發鋁業始終邁著中國建築鋁型材領軍者的堅定步伐。本年度，本集團獲得的主要獎項及榮譽如下：

Awards Sponsor 頒發單位	Awardees 獲獎主體	Honours 榮譽名稱
China Non-ferrous Metals Industry Association 中國有色金屬工業協會	Guangdong Xingfa Aluminium Co., Ltd. 廣東興發鋁業有限公司	Gold Cup Award for Physical Quality of Non-ferrous Metal Products – Aluminium Alloy Profiles (Electrophoretic Painted Profiles) 有色金屬產品實物質量金杯獎—鋁合金建築型材(電泳塗漆型材)
China Non-ferrous Metals Industry Association 中國有色金屬工業協會	Guangdong Xingfa Aluminium Co., Ltd. 廣東興發鋁業有限公司	Gold Cup Award for Physical Quality of Non-ferrous Metal Products – Aluminium Alloy Profiles (Spray-Painted Profiles) 有色金屬產品實物質量金杯獎—鋁合金建築型材(噴漆型材)
China Non-ferrous Metals Industry Association 中國有色金屬工業協會	Guangdong Xingfa Aluminium Co., Ltd. 廣東興發鋁業有限公司	Gold Cup Award for Physical Quality of Non-ferrous Metal Products – Aluminium Alloy Profiles (Heat-Insulating Profiles) 有色金屬產品實物質量金杯獎—鋁合金建築型材(隔熱型材)
National Intellectual Property Administration 中華人民共和國國家知識產權局	Guangdong Xingfa Aluminium, Xingfa Aluminium (Chengdu) Co., Ltd. 廣東興發鋁業有限公司、興發鋁業(成都)有限公司	The 21st China Patent Award(A New Energy Vehicle Motor Shell Mould) 第二十一屆中國專利優秀獎(一種新能源汽車電機外殼模具)
China Non-ferrous Metals Industry Association, the Non-ferrous Metals Society of China 中國有色金屬工業協會、中國有色金屬學會	Guangdong Xingfa Aluminium Co., Ltd. 廣東興發鋁業有限公司	Third Prize of China Non-ferrous Metals Industry Science and Technology Award(Research on the Development and Application Technology of Aluminium for All-aluminium Transport Vehicle) 中國有色金屬工業科學技術獎三等獎(全鋁廂式運輸車鋁材開發與應用技術研究)

Environmental, Social and Governance Report

環境、社會及管治報告

Awards Sponsor 頒發單位	Awardees 獲獎主體	Honours 榮譽名稱
Ministry of Human Resources and Society Security of the People's Republic of China, China Non-ferrous Metals Industry Association, China Gold Association 中國人力資源和社會保障部、中國有色金屬工業協會、中國黃金協會	Guangdong Xingfa Aluminium Co., Ltd. 廣東興發鋁業有限公司	National Non-Ferrous Metal Industry Advanced Collective 全國有色金屬行業先進集體
All-China Federation of Industry and Commerce 中華全國工商業聯合會	Guangdong Xingfa Aluminium Co., Ltd. 廣東興發鋁業有限公司	2019 Top 500 Private Enterprises in Manufacturing in China (417th) 2019年中國製造業民營企業500強第417名
China Non-ferrous Metals Industry Association 中國有色金屬工業協會	Guangdong Xingfa Aluminium Co., Ltd. 廣東興發鋁業有限公司	Enterprise with AAA Credit Rating AAA級信用企業
Department of Industry and Information Technology of Guangdong Province 廣東省工業和信息化廳	Guangdong Xingfa Aluminium Co., Ltd. 廣東興發鋁業有限公司	2020 Guangdong Private Enterprises (SMEs) Innovation Industrialisation Demonstration Base 2020年廣東省民營企業(中小企業)創新產業化示範基地
Guangdong Manufacturers Association/Guangdong Provincial Development and Reform Institute 廣東省製造業協會/廣東省發展和改革研究院	Guangdong Xingfa Aluminium Co., Ltd. 廣東興發鋁業有限公司	2020 Guangdong Top 500 Manufacturing Enterprise(57th) 2020年廣東省製造業企業500強第57位
Department of Industry and Information Technology of Guangdong Province 廣東省工業和信息化廳	Guangdong Xingfa Aluminium Co., Ltd. 廣東興發鋁業有限公司	2020 Guangdong Private Enterprises (SMEs) Innovation Industrialisation Demonstration Base 2020年廣東省民營企業(中小企業)創新產業化示範基地
Foshan National Hi-tech Industrial Development Zone Management Committee 佛山市高新區管委會	Guangdong Xingfa Aluminium Co., Ltd. 廣東興發鋁業有限公司	2020 Leading Enterprises in Foshan High-tech Zone 佛山高新區2020年度領軍企業
Foshan National Hi-tech Industrial Development Zone Management Committee 佛山市高新區管委會	Guangdong Xingfa Aluminium Co., Ltd. 廣東興發鋁業有限公司	2020 Foshan High-tech Zone Manufacturing Single Champion Enterprises 2020年佛山高新區製造業單打冠軍企業

Environmental, Social and Governance Report 環境、社會及管治報告

Awards Sponsor 頒發單位	Awardees 獲獎主體	Honours 榮譽名稱
Foshan Hi-tech Industrial Association 佛山市高新技術產業協會	Guangdong Xingfa Aluminium Co., Ltd. 廣東興發鋁業有限公司	Foshan High-Tech Progress Award 2nd Prize(Development and Industrialisation of High Performance Swinging and Sliding Energy Saving Door and Window Systems) 佛山高新技術進步二等獎(高性能旋開推拉節能門窗系統開發及產業化)
Guangdong Sanshui Industrial Zone Management Committee 廣東佛山三水工業園區管理委員會	Guangdong Xingfa Aluminium Co., Ltd. 廣東興發鋁業有限公司	Major Taxpayer of 100 Million Yuan 億元納稅大戶
Jiangxi Federation of Industry & Commerce 江西省工商業聯合會	Guangdong Xingfa Aluminium (Jiangxi) Co., Ltd. 廣東興發鋁業(江西)有限公司	Top 100 Private Enterprises in manufacturing in Jiangxi Province (65th) 江西省製造民營企業100強(第65位)
Bureau of Science and Technology of Yichun 宜春市科學技術局	Guangdong Xingfa Aluminium (Jiangxi) Co., Ltd. 廣東興發鋁業(江西)有限公司	2019 Outstanding Technology-based Enterprises in the City (awarded in 2020) 2019年度全市優秀科技型企業(2020年獲得)
Bureau of Industry and Information Technology of Yichun 宜春市工業和信息化局	Guangdong Xingfa Aluminium (Jiangxi) Co., Ltd. 廣東興發鋁業(江西)有限公司	Water-saving Enterprises in Yichun 宜春市節水型企業
Yichun Economic & Technological Development Zone Management Committee 宜春市經濟開發區管理委員會	Guangdong Xingfa Aluminium (Jiangxi) Co., Ltd. 廣東興發鋁業(江西)有限公司	Operating Revenue Step-Up Award 營業收入上臺階獎
Yichun Economic & Technological Development Zone Management Committee 宜春市經濟開發區管理委員會	Guangdong Xingfa Aluminium (Jiangxi) Co., Ltd. 廣東興發鋁業(江西)有限公司	Taxation Step-Up Award 稅收上臺階獎
Chengdu Enterprise Confederation/ Chengdu Entrepreneurs Association/Chengdu Enterprise Culture Association 成都企業聯合會/成都企業家協會/成都企業文化協會	Xingfa Aluminium (Chengdu) Co., Ltd. 興發鋁業(成都)有限公司	“5+5+1 Top 10 Key Industry Leading Enterprises (New Materials)” Title “5+5+1重點產業領軍企業(新型材料)10強”稱號

Environmental, Social and Governance Report

環境、社會及管治報告

Awards Sponsor 頒發單位	Awardees 獲獎主體	Honours 榮譽名稱
Sichuan Quality Supervision Association 四川省質量監督協會	Xingfa Aluminium (Chengdu) Co., Ltd. 興發鋁業(成都)有限公司	2020 Quality and Integrity Benchmark Enterprise 2020年質量誠信標杆企業
Sichuan Technology Innovation Service Centre/Sichuan Development Center For SME/ Sichuan Enterprise Credit Construction Guidance Centre 四川省技術創新服務中心/ 四川省中小企業發展中心/ 四川省企業信用建設指導中心	Xingfa Aluminium (Chengdu) Co., Ltd. 興發鋁業(成都)有限公司	2020 Sichuan Famous and Quality Products Catalogue 2020年四川省名優產品目錄
Chengdu Municipal Bureau of Economy and Information Technology 成都市經濟和信息化局	Xingfa Aluminium (Chengdu) Co., Ltd. 興發鋁業(成都)有限公司	Chengdu New Materials Enterprise 成都新材料企業
Chengdu Enterprise Confederation/ Chengdu Entrepreneurs Association/Chengdu Enterprise Culture Association 成都企業聯合會/成都企業家協會/ 成都企業文化協會	Xingfa Aluminium (Chengdu) Co., Ltd. 興發鋁業(成都)有限公司	Top 100 Enterprises in Private Sector in Chengdu 成都民營百強企業
Chengdu Enterprise Confederation/ Chengdu Entrepreneurs Association/Chengdu Enterprise Culture Association 成都企業聯合會/成都企業家協會/ 成都企業文化協會	Xingfa Aluminium (Chengdu) Co., Ltd. 興發鋁業(成都)有限公司	Top 100 Manufacturing Enterprises of Chengdu 成都製造業百強企業
Information Centre of the Department of Housing and Urban-Rural Development of Sichuan Province/Sichuan Construction Science and Technology Development Centre 四川省住房和城鄉建設廳信息中心/ 四川省建設科技發展中心	Xingfa Aluminium (Chengdu) Co., Ltd. 興發鋁業(成都)有限公司	Certificate of Green Label for Construction Materials of Sichuan 四川省綠色建材標識證書

Environmental, Social and Governance Report 環境、社會及管治報告

Awards Sponsor 頒發單位	Awardees 獲獎主體	Honours 榮譽名稱
Sichuan Enterprise Confederation/ Sichuan Technology Innovation Service Centre/Sichuan Economic Daily 四川省企業聯合會/四川省 技術創新服務中心/四川 經濟日報社	Xingfa Aluminium (Chengdu) Co., Ltd. 興發鋁業(成都)有限公司	Top 100 Enterprises in Technological Innovation and Development Capability of Sichuan 四川企業技術創新發展能力100強企業
Science and Technology Department of Sichuan Province/Sichuan Provincial Finance Department/ Sichuan Provincial Tax Service, State Administration of Taxation 四川省科學技術廳/四川省 財政廳/國家稅務總局 四川省稅務局	Xingfa Aluminium (Chengdu) Co., Ltd. 興發鋁業(成都)有限公司	Certificate of High & New Technological Enterprise 高新技術企業證書
Sichuan Quality Supervision Association 四川省質量監督協會	Xingfa Aluminium (Chengdu) Co., Ltd. 興發鋁業(成都)有限公司	2020 Benchmark Enterprise with Quality Stability 2020年質量穩定標杆企業
Henan Science and Technology Department etc. 河南省科學技術廳等	Guangdong Xingfa Aluminium (Henan) Co., Ltd. 廣東興發鋁業(河南)有限公司	Exemplary Unit for Innovation on Energy-saving & Emission Reducing Technology in Henan Province 河南省節能減排科技創新示範企業
Henan Water Conservancy Department, Department of Industry and Information Technology of Henan Province 河南省水利廳、河南省工業和 信息化廳	Guangdong Xingfa Aluminium (Henan) Co., Ltd. 廣東興發鋁業(河南)有限公司	Provincial Water-saving Enterprise in Henan Province 河南省省級節水型企業



Environmental, Social and Governance Report
環境、社會及管治報告**APPENDIX II: ENVIRONMENTAL
AND SOCIAL KEY PERFORMANCE
INDICATORS****附錄二：環境及社會關鍵績效指標**

Key performance indicators 關鍵績效指標	Unit 單位	2020 2020年	Remark 備註
Total Aluminum output 鋁產品總產量	ten thousand tonnes 萬噸	63.3	Total output of the self-made products of four companies located in Sanshui, Chengdu, Jiangxi and Henan 為三水、成都、江西、河南四間公司自製產品的總產量。
Environment Aspect 環境範疇			
Emissions 排放物			
Total non-hazardous wastes disposed of 無害廢棄物總量	tonnes 噸	997.8	
Density of non-hazardous waste 無害廢棄物密度	tonnes/ ten thousand tonnes 噸／萬噸	15.8	
Total hazardous waste 有害廢棄物總量	tonnes 噸	1,029.7	
Density of hazardous waste 有害廢棄物密度	tonnes/ ten thousand tonnes 噸／萬噸	16.3	



Environmental, Social and Governance Report 環境、社會及管治報告

Key performance indicators 關鍵績效指標	Unit 單位	2020 2020年	Remark 備註
Air pollution emission 大氣污染物排放			
Total nitrogen oxide 氮氧化物總量	Kg 千克	21,681.8	
Total sulphur dioxide 二氧化硫總量	Kg 千克	10,407.0	
Total VOCs 總VOCs量	Kg 千克	29,282.4	
Total fluoride 氟化物總量	Kg 千克	2,596.6	
Total general dust 一般性粉塵總量	Kg 千克	2,218.2	
Wastewater discharge 廢水排放			
Total chemical oxygen demand 化學需氧量總量	Kg 千克	29,965.1	
Total ammonia 氨氮總量	Kg 千克	779.34	
Exceedance or other non-compliance situations 超出限制或其他不合規情況	times 次數	0	
Fines and prosecutions due to inconformity with environmental laws and regulations 因不符合環保法律法規而被 罰款或起訴	times 次數	0	



Environmental, Social and Governance Report

環境、社會及管治報告

Key performance indicators 關鍵績效指標	Unit 單位	2020 2020年	Remark 備註
Use of resources			
資源使用			
Total energy consumption 能源消耗總量	kWh 千瓦時	919,713,949.4	Energy includes electricity and natural gas, among which, the calculation of natural gas is made by reference to the conversion factor in the “Guidelines on the Calculation Method and Reporting of Greenhouse Gas Emission by Other Industries”. 能源包括電力和天然氣，其中，天然氣的計算參考了《工業其他行業企業溫室氣體排放核算方法與報告指南》中的換算係數。
Energy consumption density 能源消耗密度	kWh/ten thousand tonnes 千瓦時／萬噸	14,540,012.5	
Total purchase of electricity 購買電力總量	kWh 千瓦時	300,137,093.9	
Consumption density 用電密度	kWh/ten thousand tonnes 千瓦時／萬噸	4,744,950.4	
Total natural gas usage volume 天然氣總用量	m ³ 立方米	57,293,074.4	
Density of natural gas usage 天然氣用量密度	m ³ / ten thousand tonnes 立方米／萬噸	905,762.1	
Total water consumption 用水總量	tonnes 噸	3,036,877.6	
Water density 用水密度	tonnes/ ten thousand tonnes 噸／萬噸	186,548.2	
Usage of packaging materials (carton and kraft paper etc.) 包裝材料用量(紙箱、牛皮紙等)	tonnes 噸	16,177.1	
Density of packaging materials (carton and kraft paper etc.) 包裝材料密度(紙箱、牛皮紙等)	tonnes/ ten thousand tonnes 噸／萬噸	255.7	
Usage of packaging materials (Others, including polyethylene wool, protective membrane, condensed membrane, self-adhesive plastic) 包裝材料用量(其他，包括珍珠棉、保護膜、收縮膜、自粘膠)	tonnes 噸	7,970.6	

Environmental, Social and Governance Report 環境、社會及管治報告

Key performance indicators 關鍵績效指標	Unit 單位	2020 2020年	Remark 備註
Density of packaging materials (Others, including polyethylene wool, protective membrane, condensed membrane, self-adhesive plastic) 包裝材料密度(其他, 包括珍珠棉、保護膜、收縮膜、自粘膠)	tonnes/ ten thousand tonnes 噸/萬噸	126.0	
Social Aspect			
社會範疇			
Employment			
僱傭			
Total number of staffs 總僱員人數	number of people 人數	7,366	
By gender 按性別劃分			
Male 男性	number of people 人數	5,866	
Female 女性	number of people 人數	1,500	
By age 按年齡劃分			
16-30 16-30歲	number of people 人數	1,803	
31-50 31-50歲	number of people 人數	5,039	
>50 >50歲	number of people 人數	524	
By employment type 按僱傭類型劃分			
Full-time staffs 正式僱員	number of people 人數	7,366	
Contract labour or part-time staffs 契約或非正式僱員	number of people 人數	0	
Turnover rate 僱員流失率	%	50.6	



Environmental, Social and Governance Report

環境、社會及管治報告

Key performance indicators 關鍵績效指標	Unit 單位	2020 2020年	Remark 備註
Health and Safety 健康與安全			
Number of work-related fatality 因工作死亡人數	number of people 人數	0	
Number of work-related injuries 因工作受傷人數	number of people 人數	5	
Number of working days lost due to work-related injuries 因工傷損失工作日數	days 日	382	
Fines and prosecutions due to inconformity with laws and regulations related to health and safety 因不符合健康與安全相關法律而被罰款或起訴	times 次數	0	
Development and training 發展及培訓			
Average training hours 平均培訓時數			
By employment type 按僱傭類型劃分			
Senior management 高級管理層	hours 小時	30.1	
General management 一般管理層	hours 小時	30.6	
Non-management 非管理層	hours 小時	32.8	
By gender 按性別劃分			
Male 男性	hours 小時	29.9	
Female 女性	hours 小時	31.5	
Labour Standard 勞工準則			
Fines and prosecutions due to inconformity with laws and regulations related to labour standard 因不符合相關勞工法律而被罰款或起訴	times 次數	0	

Environmental, Social and Governance Report 環境、社會及管治報告

Key performance indicators 關鍵績效指標	Unit 單位	2020 2020年	Remark 備註
Product Responsibility			
產品責任			
Fines and prosecutions due to inconformity with laws and regulations related to product responsibility 因不符合產品相關法律法規而被罰款或起訴	times 次數	0	
New products and technical patents acquired during the year 年內獲得的新產品及技術專利	cases 個	24	
Total number of national patents acquired 已獲得國家專利總數	cases 個		
Anti-corruption			
反貪污			
Legal cases regarding corrupt practices brought against the issuer or staffs 對發行人或其僱員提出並已審結的貪污訴訟案件	cases 宗	0	
Community Investment			
社區投資			
Total Group's community investment in 2020 2020年集團在社區投資的總資金	RMB 人民幣	353,000	
Total number of Group's volunteers in 2020 2020年集團在義工總人數	number of people 人數	82	
Total hours of Group's volunteer activities in 2020 2020年集團在義工活動總時數	hours 小時	1,125	



Environmental, Social and Governance Report
環境、社會及管治報告**APPENDIX III: INDEX OF HKEX ESG REPORTING GUIDE****附錄三：香港聯交所《環境、社會及管治報告指引》索引**

	Aspects 範疇	Section 章節	Remarks 備註
A	Environment Aspect 環境範疇		
Aspect A1 層面A1	Emissions 排放物	4.2 Emissions Management 4.2 排放物管理	
	(a) Policies; and (b) Compliance with relevant laws and regulations that have a significant impact on the issuer relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste 有關廢氣及溫室氣體排放、向水及土地的排污、有害及無害廢棄物的產生等的：		
	(a) 政策；及 (b) 遵守對發行人有重大影響的相關法律及規例		
KPI A1.1 關鍵績效指標 A1.1	The types of emissions and respective emissions data 排放物的種類及相關排放資料	Appendix II: Environmental and Social Key Performance Indicators 附錄二：環境及社會關鍵績效指標	
KPI A1.2 關鍵績效指標 A1.2	Greenhouse gas emissions in total (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility) 溫室氣體總排放量(以噸計算)及(如適用)密度(如以每產量單位、每項設施計算)	–	This performance indicator is not the most material aspect of the Group during the year, we will update according to relevant regulations in future 本年度此項指標並非本集團最重要的範疇，我們將按照有關法規更新披露

Environmental, Social and Governance Report 環境、社會及管治報告

	Aspects 範疇	Section 章節	Remarks 備註
KPI A1.3 關鍵績效指標 A1.3	Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility) 所產生有害廢棄物總量(以噸計算)及(如適用)密度(如以每產量單位、每項設施計算)	Appendix II: Environmental and Social Key Performance Indicators 附錄二：環境及社會關鍵績效指標	
KPI A1.4 關鍵績效指標 A1.4	Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility) 所產生無害廢棄物總量(以噸計算)及(如適用)密度(如以每產量單位、每項設施計算)	Appendix II: Environmental and Social Key Performance Indicators 附錄二：環境及社會關鍵績效指標	
KPI A1.5 關鍵績效指標 A1.5	Description of measures to mitigate emissions and results achieved 描述減低排放量的措施及所得成果	4.2 Emissions Management 4.2 排放物管理	
KPI A1.6 關鍵績效指標 A1.6	Description of how hazardous and non-hazardous wastes are handled, reduction initiatives and results achieved 描述處理有害及無害廢棄物的方法、減低產生量的措施及所得成果	4.2 Emissions Management 4.2 排放物管理	
Aspect A2 層面A2	Use of resources 資源使用 Policies on the efficient use of resources, including energy, water and other raw materials. 有效使用資源(包括能源、水及其他原材料)的政策	4.3 Use of resources 4.3 資源使用	
KPI A2.1 關鍵績效指標 A2.1	Direct and/or indirect energy consumption by type (e.g. electricity, gas or oil) in total (kWh in '000s) and intensity (e.g. per unit of production volume, per facility) 按類型劃分的直接及/或間接能源(如電、氣或油)總耗量(以千個千瓦時計算)及密度(如以每產量單位、每項設施計算)	Appendix II: Environmental and Social Key Performance Indicators 附錄二：環境及社會關鍵績效指標	

Environmental, Social and Governance Report

環境、社會及管治報告

	Aspects 範疇	Section 章節	Remarks 備註
KPI A2.2 關鍵績效指標 A2.2	Water consumption in total and intensity (e.g. per unit of production volume, per facility) 總耗水量及密度(如以每產量單位、每項設施計算)	Appendix II: Environmental and Social Key Performance Indicators 附錄二：環境及社會關鍵績效指標	
KPI A2.3 關鍵績效指標 A2.3	Description of energy use efficiency initiatives and results achieved 描述能源使用效益計劃及所得成果	4.3 Use of resources 4.3 資源使用	
KPI A2.4 關鍵績效指標 A2.4	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency initiatives and results achieved 描述求取適用水源上可有任何問題，以及提升用水效益計劃及所得成果	4.3 Use of resources 4.3 資源使用	
KPI A2.5 關鍵績效指標 A2.5	Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced 製成品所用包裝材料的總量(以噸計算)及(如適用)每生產單位佔量	Appendix II: Environmental and Social Key Performance Indicators 附錄二：環境及社會關鍵績效指標	
Aspect A3 層面A3	Environment and Natural Resources 環境及天然資源 Policies on minimising the issuer's significant impact on the environment and natural resources 減低發行人對環境及天然資源造成重大影響的政策	4. Protecting the Environmental and Co-existence and Co-prosperity 4. 保護環境 共生共榮	
KPI A3.1 關鍵績效指標 A3.1	Description of the significant impacts of activities on the environment and natural resources and the action taken to manage them 描述業務活動對環境及天然資源的重大影響及已採取管理有關影響的行動	4. Protecting the Environmental and Co-existence and Co-prosperity 4. 保護環境 共生共榮	

Environmental, Social and Governance Report 環境、社會及管治報告

	Aspects 範疇	Section 章節	Remarks 備註
B	Social Aspect 社會範疇		
Aspect B1 層面B1	Employment 僱傭	5.1 5.1	Employment Practice 僱傭常規
	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, antidiscrimination, and other benefits and welfare 有關薪酬及解僱、招聘及晉升、工作時數、假期、平等機會、多元化、反歧視以及其他待遇及福利的： (a) 政策；及 (b) 遵守對發行人有重大影響的相關法律及規例的資料		
KPI B1.1 關鍵績效指標 B1.1	Total workforce by gender, employment type, age group and geographical region 按性別、僱傭類型、年齡組別及地區劃分的僱員總數		Appendix II: Environmental and Social Key Performance Indicators 附錄二：環境及社會關鍵績效指標
KPI B1.2 關鍵績效指標 B1.2	Employee turnover rate by gender, age group and geographical region 按性別、年齡組別及地區劃分的僱員流失比率		Appendix II: Environmental and Social Key Performance Indicators 附錄二：環境及社會關鍵績效指標



Environmental, Social and Governance Report

環境、社會及管治報告

	Aspects 範疇	Section 章節	Remarks 備註
Aspect B2 層面B2	Health and Safety 健康與安全 (a) Policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to providing a safe working environment and protecting staffs from occupational hazards 有關提供安全工作環境及保障僱員避免職業性危害的：	5.3 Occupational health and safety 5.3 職業健康與安全	
KPI B2.1 關鍵績效指標 B2.1	Number and rate of work-related fatalities 因工作關係而死亡的人數及比率	Appendix II: Environmental and Social Key Performance Indicators 附錄二：環境及社會關鍵績效指標	
KPI B2.2 關鍵績效指標 B2.2	Lost days due to work injury 因工傷損失工作日數	Appendix II: Environmental and Social Key Performance Indicators 附錄二：環境及社會關鍵績效指標	
KPI B2.3 關鍵績效指標 B2.3	Description of occupational health and safety measures adopted, how they are implemented and monitored 描述所採納的職業健康與安全措施，以及相關執行及監察方法	5.3 Occupational health and safety 5.3 職業健康與安全	

Environmental, Social and Governance Report 環境、社會及管治報告

	Aspects 範疇	Section 章節	Remarks 備註
Aspect B3 層面B3	Development and Training 發展與培訓	5.4 Development and Training 5.4 發展及培訓	
	Policies on improving staffs' knowledge and skills for discharging duties at work. Description of training activities. 有關提升僱員履行工作職責的知識及技能的政策。描述培訓活動。		
KPI B3.1 關鍵績效指標 B3.1	Percentage of trained staffs by gender and employee category (e.g. senior management, middle management, etc.) 按性別及僱員類別(如高級管理層、中級管理層等)劃分的受訓僱員百分比	Appendix II: Environmental and Social Key Performance Indicators 附錄二：環境及社會關鍵績效指標	
KPI B3.2 關鍵績效指標 B3.2	The average training hours completed per employee by gender and employee category 按性別及僱員類別劃分，每名僱員完成受訓的平均時數	Appendix II: Environmental and Social Key Performance Indicators 附錄二：環境及社會關鍵績效指標	
Aspect B4 層面B4	Labour Standard 勞工準則	5.2 Labour Standard 5.2 勞工準則	
	(a) Policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child and forced labour 有關防止童工或強制勞工的： (a) 政策；及 (b) 遵守對發行人有重大影響的相關法律及規例的資料		

Environmental, Social and Governance Report

環境、社會及管治報告

	Aspects 範疇	Section 章節	Remarks 備註
KPI B4.1 關鍵績效指標 B4.1	Description of measures to review employment practices to avoid child and forced labour 描述檢討招聘慣例的措施以避免童工及強制勞工	5.2 5.2	Labour Standard 勞工準則
KPI B4.2 關鍵績效指標 B4.2	Description of steps taken to eliminate such practices when discovered 描述在發現違規情況時消除有關情況所採取的步驟	5.2 5.2	Labour Standard 勞工準則
Aspect B5 層面B5	Supply Chain Management 供應鏈管理	3.5 3.5	Sustainable Supply Chain 可持續供應鏈
	Policies on managing environmental and social risks of the supply chain 管理供應鏈的環境及社會風險政策		
KPI B5.1 關鍵績效指標 B5.1	Number of suppliers by geographical region 按地區劃分的供貨商數目	–	
KPI B5.2 關鍵績效指標 B5.2	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, how they are implemented and monitored 描述有關聘用供貨商的慣例，向其執行有關慣例的供貨商數目、以及有關慣例的執行及監察方法	3.5 3.5	Sustainable Supply Chain 可持續供應鏈

Environmental, Social and Governance Report 環境、社會及管治報告

Aspects 範疇	Section 章節	Remarks 備註
<p>Aspect B6 層面B6</p> <p>Product Responsibility 產品責任</p> <p>Percentage of sold or delivered products recalled due to safety and health reasons 已售或已運送產品總數中因安全與健康理由而須回收的百分比</p>	-	
<p>KPI B6.1 關鍵績效指標 B6.1</p> <p>Policies and compliance with relevant laws and regulations that have a significant impact on the issuer relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress 有關所提供產品和服務的健康與安全、廣告、標籤及私隱事宜以及補救方法及對發行人有重大影響的政策以及遵守相關法律及規例</p>	<p>3.4. Information Security and Privacy Protection 3.4. 信息安全與隱私保護</p>	
<p>KPI B6.2 關鍵績效指標 B6.2</p> <p>Number of product and service related complaints received and how they are dealt with 接獲關於產品及服務的投訴數目以及應對方法</p>	-	
<p>KPI B6.3 關鍵績效指標 B6.3</p> <p>Description of practices relating to observing and protecting intellectual property rights 描述與維護及保障知識產權有關的慣例</p>	<p>3.2. Research and Development and Innovation 3.2. 研發與創新</p>	
<p>KPI B6.4 關鍵績效指標 B6.4</p> <p>Description of quality assurance process and recall procedures 描述質量檢定過程及產品回收程序</p>	<p>3.1. Smart Manufacturing with the Craftsman's Spirit 3.1. 匠心智造</p>	
<p>KPI B6.5 關鍵績效指標 B6.5</p> <p>Description of consumer data protection and privacy policies, how they are implemented and monitored 描述消費者資料保障及私隱政策，以及相關執行及監察方法</p>	<p>3.4. Information Security and Privacy Protection 3.4. 信息安全與隱私保護</p>	

Environmental, Social and Governance Report

環境、社會及管治報告

	Aspects 範疇	Section 章節	Remarks 備註
Aspect B7 層面B7	Anti-corruption 反貪污	5.5 5.5	Anti-corruption 反腐敗
	Policies and compliance with relevant laws and regulations that have a significant impact on the issuer relating to bribery, extortion, fraud and money laundering 有關防止賄賂、勒索、欺詐及洗黑錢及對發行人有重大影響的政策及遵守相關法律及規例		
KPI B7.1 關鍵績效指標 B7.1	Number of concluded legal cases regarding corrupt practices brought against the issuer or its staffs during the Reporting Period and the outcomes of the cases 於匯報期內對發行人或其僱員提出並已審結的貪污訴訟案件的數目及訴訟結果	5.5 5.5	Anti-corruption 反腐敗
KPI B7.2 關鍵績效指標 B7.2	Description of preventive measures and whistleblowing procedures, how they are implemented and monitored 描述防範措施及舉報程序，以及相關執行及監察方法	5.5 5.5	Anti-corruption 反腐敗
Aspect B8 層面B8	Community Investment 社區投資	6. 6.	Community participation and Sharing 社區參與 共同分享
	Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities take into consideration the communities' interests 有關以社區參與來瞭解發行人營運所在社區需要和確保其業務活動會考慮社區利益的政策		
KPI B8.1 關鍵績效指標 B8.1	Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport) 專注貢獻範疇(如教育、環境事宜、勞工需求、健康、文化、體育)	6. 6.	Community participation and Sharing 社區參與 共同分享
KPI B8.2 關鍵績效指標 B8.2	Resources contributed (e.g. money or time) to the focus area 在專注範疇所動用的資源(如金錢或時間)	6. 6.	Community participation and Sharing 社區參與 共同分享

Independent Auditor's Report on the Consolidated Financial Statements 綜合財務報表之獨立核數師報告



**Independent Auditor's Report to the Members of
Xingfa Aluminium Holdings Limited**
(Incorporated in the Cayman Islands with limited liability)

Opinion

We have audited the consolidated financial statements of Xingfa Aluminium Holdings Limited (“the Company”) and its subsidiaries (together “the Group”) set out on pages 178 to 323, which comprise the consolidated statement of financial position as at 31 December 2020, the consolidated statement of profit or loss, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated cash flow statement 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 (“IASB”) and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

獨立核數師報告
致興發鋁業控股有限公司股東
(於開曼群島註冊成立的有限公司)

意見

本核數師(以下簡稱「我們」)已審計列載於第178至323頁的興發鋁業控股有限公司(以下簡稱「貴公司」)及其附屬公司(以下統稱「貴集團」)的綜合財務報表,此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、綜合損益及其他全面收益表、綜合權益變動表和綜合現金流量表,以及綜合財務報表附註,包括主要會計政策概要。

我們認為,該等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》」)真實而中肯地反映了貴集團於二零二零年十二月三十一日的綜合財務狀況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》的披露要求妥為擬備。

Independent Auditor's Report on the Consolidated Financial Statements 綜合財務報表之獨立核數師報告

Basis for opinion

We conducted our audit in accordance with Hong Kong Standards on Auditing (“HKSAAs”) 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”) together with any ethical requirements that are relevant to our audit of the consolidated financial statements in the Cayman Islands and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

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

意見的基礎

我們已根據香港會計師公會（「香港會計師公會」）頒佈的《香港審計準則》（「香港審計準則」）進行審計。我們在該等準則下承擔的責任已在本報告「核數師就審計綜合財務報表承擔的責任」部分中作進一步闡述。根據香港會計師公會頒佈的《專業會計師道德守則》（以下簡稱「守則」）以及與我們對開曼群島綜合財務報表的審計相關的道德要求，我們獨立於貴集團，並已履行這些道德要求以及守則中的其他專業道德責任。我們相信，我們所獲得的審計憑證能充足及適當地為我們的審計意見提供基礎。

關鍵審計事項

關鍵審計事項是根據我們的專業判斷，認為對本期綜合財務報表的審計最為重要的事項。這些事項是在我們審計整體綜合財務報表及就其出具意見時進行處理的。我們不會對這些事項提供單獨的意見。

Revenue recognition: distributor arrangements	收益確認：分銷商安排
<i>Refer to Note 3 to the consolidated financial statements and the accounting policies in Note 1(v).</i>	<i>請參閱綜合財務報表附註3及會計政策附註1(v)。</i>
The Key Audit Matter 關鍵審計事項	How the matter was addressed in our audit 我們的審計如何處理該事項
Revenue mainly comprises sales of aluminium profiles to distributors and other customers in a variety of end-user markets. 收益主要來自向各種終端市場之分銷商及其他客戶銷售鋁型材。	Our audit procedures to assess the recognition of revenue from distributor arrangements included the following: 我們用以評估分銷商安排之收益確認的審計程序包括以下各項：

Independent Auditor's Report on the Consolidated Financial Statements 綜合財務報表之獨立核數師報告

Key audit matters (continued)

關鍵審計事項(續)

Revenue recognition: distributor arrangements	收益確認：分銷商安排
Refer to Note 3 to the consolidated financial statements and the accounting policies in Note 1(v).	請參閱綜合財務報表附註3及會計政策附註1(v)。
The Key Audit Matter 關鍵審計事項	How the matter was addressed in our audit 我們的審計如何處理該事項
<p>Sales to distributors accounted for approximately 54% of the Group's revenue for the year. Each year, the Group enters into a framework distribution agreement with each distributor and sells its products in accordance with the terms of separate purchase orders. Once the products are delivered to the location designated by the distributor, the control of the goods are considered to have been transferred to the distributor and revenue is recognised.</p> <p>向分銷商之銷售佔貴集團年內收益約54%。貴集團每年與各分銷商訂立框架分銷協議及根據各採購訂單之條款銷售產品。一旦產品交付至分銷商指定的地點，則貨品的控制權被視為已轉移予分銷商並隨即確認收益。</p> <p>We identified the recognition of revenue from distributor arrangements a key audit matter because revenue is one of the key performance indicators of the Group and therefore there is an inherent risk of manipulation of the timing of recognition of revenue by management to meet specific targets or expectations.</p> <p>我們將分銷商安排之收益確認識別為關鍵審計事項，原因是收益乃貴集團關鍵表現指標之一，故此管理層於確認收益安排時效以達致具體目標或預期時存在固有風險。</p>	<ul style="list-style-type: none"> • assessing the design, implementation and operating effectiveness of management's key internal controls which govern revenue recognition; • 評估管理收益確認之管理層關鍵內部監控之設計、實施及運行效力； • reading distribution agreements entered into with distributors, on a sample basis, and considering whether any agreements contain terms permitting the distributors to make sales returns; • 抽樣閱覽與分銷商訂立之分銷協議，及考慮是否有任何協議包含允許分銷商售貨退回之條款； • for a sample of revenue transactions recorded just before and after the year end, inspecting the related goods delivery notes, which had been signed and dated by the distributors as evidence of their receipt of the goods, to assess if the related revenue had been recognised in the appropriate financial period on the basis of the terms of sale as set out in the distribution agreements and the terms of the purchase orders; and • 就於年末前後記錄之收益交易樣本而言，檢查有關交貨單（其已由分銷商簽署及註明日期以作收貨憑證），以評估有關收益是否已根據分銷協議所載之銷售條款及採購訂單之條款於適當財務期間予以確認；及 • inspecting significant manual adjustments to revenue raised during the reporting period, enquiring of management the reasons for such adjustments and comparing the details of the adjustments with relevant underlying documentation. • 審查報告期內對收益所作的重大手動調整，向管理層詢問有關調整的原因，並將調整的詳情與相關文件進行比較。

Independent Auditor's Report on the Consolidated Financial Statements 綜合財務報表之獨立核數師報告

Key audit matters (continued)

關鍵審計事項 (續)

Expected credit loss allowance for trade receivables	交易應收賬款的預期信貸虧損撥備
Refer to Note 28(a) to the consolidated financial statements and the accounting policies in Note 1(1).	請參閱綜合財務報表附註28(a)及會計政策附註1(1)。
The Key Audit Matter 關鍵審計事項	How the matter was addressed in our audit 我們的審計如何處理該事項
<p>The carrying value of the Group's net trade receivables as at 31 December 2020 totalled RMB2,422,234,000, net of an allowance of RMB143,936,000 for expected credit losses (ECLs).</p> <p>於二零二零年十二月三十一日，貴集團交易應收賬款淨額賬面值（經扣除預期信貸虧損撥備人民幣143,936,000元）合共為人民幣2,422,234,000元。</p> <p>Management measured loss allowance at an amount equal to lifetime ECL of the trade receivables, based on ageing of the receivables and estimated loss rate, current market conditions and forward-looking information. According to the experience of the Group, the loss patterns for different customers are not significantly different and therefore, the receivables are not segmented for the purpose for measurement of loss allowance.</p> <p>管理層根據應收款項的賬齡及估計虧損率、當前市況及前瞻性資料按相等於交易應收賬款全期預期信貸虧損的金額計量虧損撥備。根據貴集團的經驗，不同客戶的虧損模型並無重大差異，及因此應收款項並未分類以計量虧損撥備。</p>	<p>Our audit procedures to assess the expected credit loss allowance for trade receivables included the following: 我們用以評估交易應收賬款之預期信貸虧損撥備的審計程序包括以下各項：</p> <ul style="list-style-type: none"> • obtaining an understanding of and assessing the design, implementation and operating effectiveness of key internal controls relating to credit control, debt collection and estimate of expected credit losses and making related allowances; • 了解及評估有關信貸監控、債務收回及預期信貸虧損估計及所作相關撥備之關鍵內部監控之設計、實施及運行效力； • evaluating the Group's policy for estimating the credit loss allowance with reference to the requirements of the prevailing accounting standard; • 經參考當前會計準則的規定，評估貴集團估算信貸虧損撥備的政策； • obtaining an understanding on the key data and assumptions of the expected credit loss model adopted by the management, including the historical default data and the assumptions involved in management's estimated loss rate; • 了解管理層採用的關鍵數據及預期信貸虧損模型的假設，包括過往預設數據及管理層估計虧損率涉及的假設；

Independent Auditor's Report on the Consolidated Financial Statements 綜合財務報表之獨立核數師報告

Key audit matters (continued)

關鍵審計事項 (續)

Expected credit loss allowance for trade receivables	交易應收賬款的預期信貸虧損撥備
Refer to Note 28(a) to the consolidated financial statements and the accounting policies in Note 1(1).	
The Key Audit Matter 關鍵審計事項	How the matter was addressed in our audit 我們的審計如何處理該事項
<p>We identified the expected credit loss allowance for trade receivables as a key audit matter because trade receivables and loss allowance are material to the Group and because the recognition of expected credit losses is inherently subjective and requires the exercise of significant management judgement.</p> <p>我們將交易應收賬款的預期信貸虧損撥備識別為關鍵審計事項，原因是交易應收賬款及虧損撥備對貴集團屬重要及預期信貸虧損的確定存在內在不確定性，且涉及重大的管理層判斷。</p>	<ul style="list-style-type: none"> • assessing the appropriateness of management's estimates of loss allowance by examining the information used by management to derive such estimates, including testing the accuracy of the historical default data and evaluating whether the historical loss rates are appropriately adjusted based on current economic conditions and forward-looking information; • 藉檢測管理層用以得出有關估算的資料(包括測試過往預設數據的準確性及評估過往虧損率是否按目前經濟狀況及前瞻性資料來適切調整)來評估管理層估算之虧損撥備的適當性； • assessing, on a sample basis, whether items in the trade receivables ageing report were classified within the appropriate ageing category by comparing individual items with underlying sales invoices; and • 將交易應收賬款賬齡的獨立項目與相關銷售票據比較，抽樣評估相關賬齡報告內項目是否分類至適當的賬齡類別；及 • re-performing the calculation of the loss allowance as at 31 December 2020 based on the Group's credit loss allowance policies. • 根據貴集團的信貸虧損撥備政策，重新計算於二零二零年十二月三十一日的虧損撥備。

Independent Auditor's Report on the Consolidated Financial Statements 綜合財務報表之獨立核數師報告

Information other than the consolidated financial statements and auditor's report thereon

The directors are responsible for the other information. The other information comprises all 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.

綜合財務報表及其核數師報告以外的信息

董事需對其他信息負責。其他信息包括刊載於年報內的全部信息，但不包括綜合財務報表及我們的核數師報告。

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

結合我們對綜合財務報表的審計，我們的責任是閱讀其他信息，在此過程中，考慮其他信息是否與綜合財務報表或我們在審計過程中所了解的情況存在重大抵觸或者似乎存在重大錯誤陳述的情況。

基於我們已執行的工作，如果我們認為其他信息存在重大錯誤陳述，我們需要報告該事實。在這方面，我們沒有任何報告。



Independent Auditor's Report on the Consolidated Financial Statements 綜合財務報表之獨立核數師報告

Responsibilities of the directors for the consolidated financial statements

The directors are responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with 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 are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

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

Auditor's responsibilities for the audit of the consolidated financial statements

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

董事就綜合財務報表須承擔的責任

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》及香港《公司條例》的披露要求擬備真實而中肯的綜合財務報表，並對其認為為使綜合財務報表的擬備不存在由於欺詐或錯誤而導致的重大錯誤陳述所需的內部控制負責。

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

審計委員會協助董事履行監督貴集團的財務報告過程的責任。

核數師就審計綜合財務報表承擔的責任

我們的目標，是對綜合財務報表整體是否不存在由於欺詐或錯誤而導致的重大錯誤陳述取得合理保證，並出具包括我們意見的核數師報告。我們僅向整體股東報告。除此以外，我們的報告不可用作其他用途。我們概不就本報告的內容，對任何其他人士負責或承擔法律責任。



Independent Auditor's Report on the Consolidated Financial Statements 綜合財務報表之獨立核數師報告

Auditor's responsibilities for the audit of the consolidated financial statements (continued)

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

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

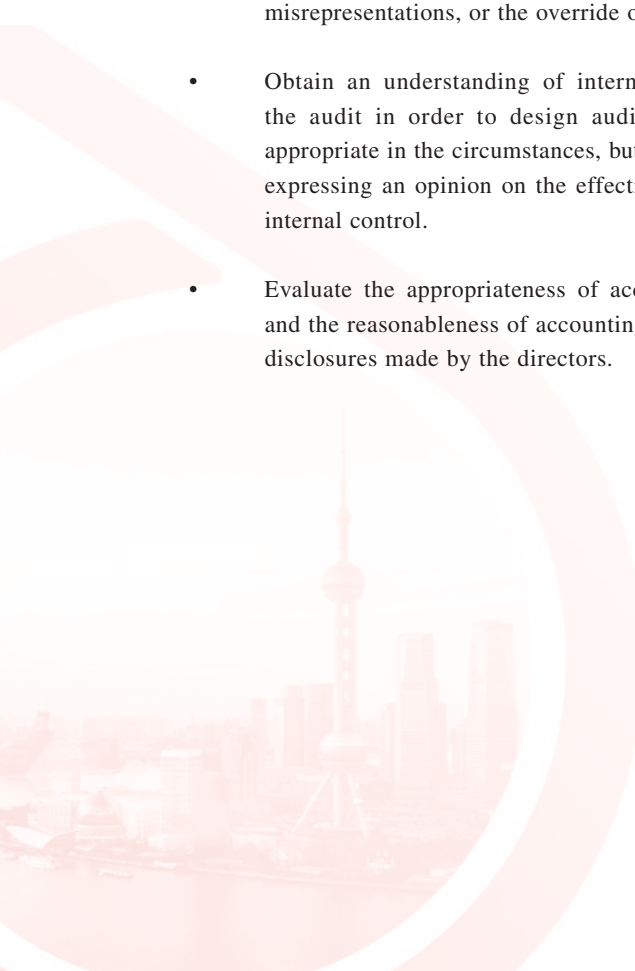
- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of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

核數師就審計綜合財務報表承擔的責任 (續)

合理保證是高水平的保證，但不能保證按照《香港審計準則》進行的審計，在某一重大錯誤陳述存在時總能發現。錯誤陳述可以由欺詐或錯誤引起，如果合理預期它們單獨或匯總起來可能影響綜合財務報表使用者依賴財務報表所作出的經濟決定，則有關的錯誤陳述可被視作重大。

在根據《香港審計準則》進行審計的過程中，我們運用了專業判斷，保持了專業懷疑態度。我們亦：

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



Independent Auditor's Report on the Consolidated Financial Statements 綜合財務報表之獨立核數師報告

Auditor's responsibilities for the audit of the consolidated financial statements (continued)

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with 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 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.

核數師就審計綜合財務報表承擔的責任 (續)

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

除其他事項外，我們與審計委員會溝通了計劃的審計範圍、時間安排、重大審計發現等，包括我們在審計中識別出內部控制的任何重大缺陷。

我們還向審計委員會提交聲明，說明我們已符合有關獨立性的相關專業道德要求，並與他們溝通有可能合理地被認為會影響我們獨立性的所有關係和其他事項，以及在適用的情況下，為消除威脅而採取的行動或已採用的防範措施。

Independent Auditor's Report on the Consolidated Financial Statements 綜合財務報表之獨立核數師報告

Auditor's responsibilities for the audit of the consolidated financial statements (continued)

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 Lam Kai Wa.

Certified Public Accountants

8th Floor, Prince's Building
10 Chater Road
Central, Hong Kong

26 March 2021

核數師就審計綜合財務報表承擔的責任 (續)

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

出具本獨立核數師報告的審計項目合夥人是林啟華。

執業會計師

香港中環
遮打道十號
太子大廈八樓

二零二一年三月二十六日



Consolidated Statement of Profit or Loss 綜合損益表

For the year ended 31 December 2020
截至二零二零年十二月三十一日止年度
(Expressed in Renminbi)
(以人民幣列示)

		Note 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	營業額	3	11,886,862	11,280,848
Cost of sales	銷售成本		(10,257,443)	(9,791,036)
Gross profit	毛利		1,629,419	1,489,812
Other income	其他收益	4	146,409	105,959
Distribution costs	分銷成本		(359,999)	(293,075)
Administrative expenses	行政開支		(396,106)	(383,138)
Impairment loss on trade receivables and other receivables	交易應收款項及其他應收 款項減值虧損	17 & 28(a)	(53,058)	(47,175)
Profit from operations	經營溢利		966,665	872,383
Finance costs	財務成本	5(a)	(101,592)	(151,480)
Share of profit of an associate	分佔一間聯營公司溢利	15	8,339	2,567
Profit before taxation	除稅前溢利	5	873,412	723,470
Income tax	所得稅	6	(111,953)	(120,864)
Profit for the year	年度溢利		761,459	602,606
Attributable to:	以下人士應佔：			
Equity shareholders of the Company	本公司權益股東		765,385	606,109
Non-controlling interests	非控股權益		(3,926)	(3,503)
Profit for the year	年度溢利		761,459	602,606
Earnings per share	每股盈利	10		
Basic (RMB yuan)	基本 (人民幣元)		1.83	1.45
Diluted (RMB yuan)	攤薄 (人民幣元)		1.83	1.45

The notes on pages 178 to 323 form part of these financial statements. Details of dividends payable to equity shareholders of the Company attributable to the profit for the year are set out in Note 27(b).

第178頁至323頁之附註為該等財務報表的一部份。本公司權益股東應佔年度溢利之應付股息詳情載於附註27(b)。

Consolidated Statement of Profit or Loss and Other Comprehensive Income
綜合損益及其他全面收益表

For the year ended 31 December 2020
截至二零二零年十二月三十一日止年度
(Expressed in Renminbi)
(以人民幣列示)

		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		
Profit for the year	年度溢利	761,459	602,606
Other comprehensive income for the year may be reclassified subsequently to profit or loss (after tax):	其後可能重新分類至損益之年度其他全面收益 (扣除稅項後):		
Exchange differences on translation of financial statements of operations outside the Mainland China	9 換算中國大陸以外業務之財務報表之匯兌差額	3,094	(742)
Cash flow hedge: net movement in the hedging reserve	現金流量對沖： 對沖儲備變動淨額	(4,828)	(2)
Other comprehensive income for the year	年度其他全面收益	(1,734)	(744)
Total comprehensive income for the year	年度全面收益總額	759,725	601,862
Attributable to:	以下人士應佔：		
Equity shareholders of the Company	本公司權益股東	763,651	605,365
Non-controlling interests	非控股權益	(3,926)	(3,503)
Total comprehensive income for the year	年度全面收益總額	759,725	601,862

The notes on pages 178 to 323 form part of these financial statements.

第178至323頁之附註為該等財務報表的一部份。

Consolidated Statement of Financial Position 綜合財務狀況表

At 31 December 2020
於二零二零年十二月三十一日
(Expressed in Renminbi)
(以人民幣列示)

			31 December 2020 二零二零年 十二月三十一日	31 December 2019 二零一九年 十二月三十一日
		Note 附註	RMB'000 人民幣千元	RMB'000 人民幣千元
Non-current assets	非流動資產			
Investment property	投資物業	11	73,008	71,694
Property, plant and equipment	物業、廠房及設備	11	2,271,247	2,188,673
			2,344,255	2,260,367
Right-of-use assets	使用權資產	12	336,187	358,620
Intangible assets	無形資產	13	3,779	-
Interest in an associate	於聯營公司之權益	15	6,319	5,791
Deferred tax assets	遞延稅項資產	26(b)	53,171	43,641
			2,743,711	2,668,419
Current assets	流動資產			
Inventories and other contract costs	存貨及其他合約成本	16	1,252,507	1,134,375
Trade and other receivables	交易及其他應收款項	17	3,759,646	3,103,556
Pledged deposits	已抵押存款	18	170,558	327,037
Cash and cash equivalents	現金及現金等價物	19	509,639	528,003
			5,692,350	5,092,971
Current liabilities	流動負債			
Trade and other payables	交易及其他應付款項	20	3,321,622	2,738,786
Contract liabilities	合約負債	21	197,670	164,027
Loans and borrowings	貸款及借貸	22	811,424	1,284,005
Lease liabilities	租賃負債	23	2,368	6,907
Current taxation	即期稅項	26(a)	54,013	68,648
			4,387,097	4,262,373
Net current assets	流動資產淨額		1,305,253	830,598

Consolidated Statement of Financial Position
綜合財務狀況表At 31 December 2020
於二零二零年十二月三十一日
(Expressed in Renminbi)
(以人民幣列示)

			31 December 2020 二零二零年 十二月三十一日	31 December 2019 二零一九年 十二月三十一日
		Note 附註	RMB'000 人民幣千元	RMB'000 人民幣千元
Total assets less current liabilities	總資產減流動負債		4,048,964	3,499,017
Non-current liabilities	非流動負債			
Loans and borrowings	貸款及借貸	22	318,868	414,407
Lease liabilities	租賃負債	23	6,523	13,921
Deferred income	遞延收入	24	14,663	20,200
Deferred tax liabilities	遞延稅項負債	26(b)	10,977	11,609
			351,031	460,137
Net assets	資產淨值		3,697,933	3,038,880
Capital and reserves	股本及儲備			
Share capital	股本	27	3,732	3,731
Reserves	儲備		3,693,460	3,034,604
Total equity attributable to equity shareholders of the Company	本公司權益股東應佔權益總額		3,697,192	3,038,335
Non-controlling interests	非控股權益		741	545
Total equity	權益總額		3,697,933	3,038,880

Approved and authorised for issue by the board of directors on 26 March 2021.

於二零二一年三月二十六日獲董事會批准及授權刊發。

Liu Libin
劉立斌
Chairman
主席Liao Yuqing
廖玉慶
Executive Director
執行董事

The notes on pages 178 to 323 form part of these financial statements.

第178至323頁之附註為該等財務報表的一部份。

Consolidated Statement of Changes in Equity 綜合權益變動表

For the year ended 31 December 2020
截至二零二零年十二月三十一日止年度
(Expressed in Renminbi)
(以人民幣列示)

Attributable to equity shareholders of the Company

本公司權益股東應佔

		Share capital	Share premium	Capital reserve	Other reserve	Statutory reserves	Exchange reserve	Hedge reserve	Retained earnings	Total	Non-controlling interests	Total equity
		股本	股份溢價	資本儲備	其他儲備	法定儲備	匯兌儲備	對沖儲備	保留盈利	總計	非控股權益	總權益
Note		RMB '000	RMB '000	RMB '000	RMB '000	RMB '000	RMB '000	RMB '000	RMB '000	RMB '000	RMB '000	RMB '000
附註		人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
		Note 27(c)	Note 27(d)(i)	Note 27(d)(iii)	Note 27(d)(ii)	Note 27(d)(iv)	Note 27(d)(v)	Note 27(d)(vi)	Note 27(d)(vii)			
		附註27(c)	附註27(d)(i)	附註27(d)(iii)	附註27(d)(ii)	附註27(d)(iv)	附註27(d)(v)	附註27(d)(vi)	附註27(d)(vii)			
Balance at 1 January 2019	於二零一九年一月一日之結餘	3,731	179,568	6,761	209,822	286,942	(461)	-	1,817,747	2,504,110	(252)	2,503,858
Changes in equity for 2019:	二零一九年權益變動:											
Profit for the year	年度溢利	-	-	-	-	-	-	-	606,109	606,109	(3,503)	602,606
Other comprehensive income	其他全面收益	-	-	-	-	-	(742)	(2)	-	(744)	-	(744)
Total comprehensive income	全面收益總額	-	-	-	-	-	(742)	(2)	606,109	605,365	(3,503)	601,862
Recognition of Employees' Share Option Scheme	確認僱員購股權計劃	25(b)	-	2,325	-	-	-	-	-	2,325	-	2,325
Appropriation to reserves	轉撥至儲備		-	-	-	45,536	-	-	(45,536)	-	-	-
Capital injection of non-controlling interest in subsidiaries	附屬公司非控股權益注資		-	-	-	-	-	-	-	-	4,300	4,300
Dividend approved in respect of the previous year	過往年度經批准的股息	27(b)	-	-	-	-	-	-	(73,465)	(73,465)	-	(73,465)
Balance 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之結餘	3,731	179,568	9,086	209,822	332,478	(1,203)	(2)	2,304,855	3,038,335	545	3,038,880
Changes in equity for 2020:	二零二零年權益變動:											
Profit for the year	年度溢利	-	-	-	-	-	-	-	765,385	765,385	(3,926)	761,459
Other comprehensive income	其他全面收益	-	-	-	-	-	3,094	(4,828)	-	(1,734)	-	(1,734)
Total comprehensive income	全面收益總額	-	-	-	-	-	3,094	(4,828)	765,385	763,651	(3,926)	759,725
Shares issued due to exercise of Share Option Scheme	因行使購股權計劃已發行的股份	27(c)	1	417	(102)	-	-	-	-	316	-	316
Recognition of Employees' Share Option Scheme	確認僱員購股權計劃	25(b)	-	-	1,794	-	-	-	-	1,794	-	1,794
Appropriation to reserves	轉撥至儲備		-	-	-	29,962	-	-	(29,962)	-	-	-
Capital injection of non-controlling interest in subsidiaries in the form of intangible assets	附屬公司非控股權益注資 (以無形資產的形式)		-	-	-	-	-	-	-	-	4,122	4,122
Dividend approved in respect of the previous year	過往年度經批准的股息	27(b)	-	-	-	-	-	-	(106,904)	(106,904)	-	(106,904)
Balance at 31 December 2020	於二零二零年十二月三十一日之結餘	3,732	179,985	10,778	209,822	362,440	1,891	(4,830)	2,933,374	3,697,192	741	3,697,933

Consolidated Cash Flow Statement
綜合現金流量表

For the year ended 31 December 2020
截至二零二零年十二月三十一日止年度
(Expressed in Renminbi)
(以人民幣列示)

			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		
Operating activities	經營活動			
Cash generated from operations	業務所得現金	19(b)	1,109,296	1,057,592
Income tax paid	已付所得稅	26(a)	(135,050)	(101,826)
Land Appreciation Tax paid	已付土地增值稅	26(a)	(848)	(2,192)
Net cash generated from operating activities	經營活動所得現金淨額		973,398	953,574
Investing activities	投資活動			
Interest received	已收利息		53,899	42,734
Proceeds received upon maturity of pledged deposits	於已抵押存款到期後 已收所得款項		1,878,340	1,041,802
Payment for pledged deposits	已抵押存款付款		(1,721,861)	(1,022,077)
Payment for purchase of property, plant and equipment	購置物業、廠房及設備 之付款		(438,918)	(560,535)
Payment for deposit of commodity futures contracts	商品期貨合約按金之付款		(160,000)	-
Proceeds received from deposit of commodity futures contracts	自商品期貨合約按金收取的 所得款項		175,354	-
Proceeds from disposal of property, plant and equipment	出售物業、廠房及設備 所得款項		3,213	4,466
Net cash used in investing activities	投資活動所用現金淨額		(209,973)	(493,610)

Consolidated Cash Flow Statement 綜合現金流量表

For the year ended 31 December 2020
截至二零二零年十二月三十一日止年度
(Expressed in Renminbi)
(以人民幣列示)

			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		
Financing activities	融資活動			
Capital element of lease rentals paid	已付租金之本金部分	19(c)	(4,041)	(3,430)
Interest element of lease rentals paid	已付租金之利息部分	19(c)	(654)	(716)
Interest paid	已付利息	19(c)	(101,351)	(161,264)
Proceeds from loans and borrowings	貸款及借貸所得款項	19(c)	1,958,924	2,437,078
Repayment of loans and borrowings	償還貸款及借貸	19(c)	(2,527,740)	(2,583,697)
Proceeds from shares issued under share option scheme	購股權計劃項下已發行股份之所得款項		316	-
Capital injecting from the non-controlling interests of subsidiary	附屬公司非控股權益之注資		-	4,300
Dividends paid to equity shareholders of the Company	已付本公司權益股東之股息	27(b)	(106,904)	(73,465)
Net cash used in financing activities	融資活動所用現金淨額		(781,450)	(381,194)
Net (decrease)/increase in cash and cash equivalents	現金及現金等價物(減少)/增加淨額		(18,025)	78,770
Cash and cash equivalents at 1 January	於一月一日的現金及現金等價物	19(a)	528,003	448,787
Effect of foreign exchange rate changes	匯率變動之影響		(339)	446
Cash and cash equivalents at 31 December	於十二月三十一日的現金及現金等價物	19(a)	509,639	528,003

The notes on pages 178 to 323 form part of these financial statements.

第178頁至323頁之附註為該等財務報表的一部份。

Notes to the Consolidated Financial Statements 綜合財務報表附註

(Expressed in Renminbi unless otherwise indicated)
(除另有指明外，數額以人民幣列示)

1 Significant accounting policies

(a) Statement of compliance

These financial statements have been prepared in accordance with all applicable International Financial Reporting Standards (“IFRSs”), which collective term includes all applicable individual International Financial Reporting Standards, International Accounting Standards (“IASs”) and Interpretations issued by the International Accounting Standards Board (the “IASB”), accounting principles generally accepted in Hong Kong and the disclosure requirements of the Hong Kong Companies Ordinance. These financial statements also comply with the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited. Significant accounting policies adopted by the Group are disclosed below.

The IASB has issued certain amendments to IFRSs that are first effective or available for early adoption for the current accounting period of the Group. Note 1(c) provides information on any changes in accounting policies resulting from initial application of these developments to the extent that they are relevant to the Group for the current accounting periods reflected in these financial statements.

1 主要會計政策

(a) 合規聲明

該等財務報表乃按照所有適用之國際財務報告準則（「國際財務報告準則」），該統稱包括國際會計準則委員會（「國際會計準則委員會」）頒佈的所有適用個別國際財務報告準則、國際會計準則（「國際會計準則」及詮釋）、香港公認會計原則以及香港公司條例之披露規定編製。該等財務報表亦符合香港聯合交易所有限公司證券上市規則之適用披露條文。本集團採納之主要會計政策披露如下。

國際會計準則委員會已頒佈若干國際財務報告準則的修訂，該等準則為於本集團本會計期間首次生效或可提早採納。初次應用該等與本集團有關之國際財務報告準則所引致當前會計期間之任何會計政策變動，已反映於該等財務報表內，有關資料列載於附註1(c)。

Notes to the Consolidated Financial Statements 綜合財務報表附註

(Expressed in Renminbi unless otherwise indicated)
(除另有指明外，數額以人民幣列示)

1 Significant accounting policies (continued)

(b) Basis of preparation of the financial statements

The consolidated financial statements for the year ended 31 December 2020 comprise the Company and its subsidiaries (together referred to as the “Group”) and the Group’s interest in an associate.

The consolidated financial statements are presented in Renminbi (“RMB”), rounded to the nearest thousand, which is the functional currency of the major subsidiaries carrying out the principal activities of the Group.

The measurement basis used in the preparation of the financial statements is the historical cost basis except that the derivative financial instruments are stated at their fair value as explained in the accounting policies set out in Note 1(f).

The preparation of financial statements in conformity with IFRSs requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

1 主要會計政策 (續)

(b) 財務報表之編製基準

截至二零二零年十二月三十一日止年度的綜合財務報表由本公司及其附屬公司(統稱「本集團»)以及本集團於聯營公司之權益組成。

綜合財務報表乃按人民幣(「人民幣»)呈列，並已約整至最接近的千位，人民幣為從事本集團主要業務之主要附屬公司之功能貨幣。

財務報表之編製以歷史成本法為計量基準，惟誠如附註1(f)所載之會計政策所闡釋，衍生金融工具按其公平值入賬除外。

管理層編製符合國際財務報告準則規定之財務報表時，須作出影響政策應用和所呈報資產、負債及收支金額的判斷、估計和假設。該等估計和相關假設乃根據過往經驗及管理層相信於該等情況下屬合理的各項其他因素作出，所得結果用作判斷該等無法從其他渠道直接獲得之資產及負債賬面值之基礎。實際結果可能與該等估計不同。



Notes to the Consolidated Financial Statements 綜合財務報表附註

(Expressed in Renminbi unless otherwise indicated)
(除另有指明外，數額以人民幣列示)

1 Significant accounting policies (continued)

(b) Basis of preparation of the financial statements (continued)

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Judgements made by management in the application of IFRSs that have significant effect on the financial statements and major sources of estimation uncertainty are discussed in Note 2.

(c) Changes in accounting policies

The Group has applied the following amendments to IFRSs issued by the IASB to these financial statements for the current accounting period:

- Amendments to IFRS 3, *Definition of a Business*
- Amendment to IFRS 16, *Covid-19-Related Rent Concessions*

None of these developments have had a material effect on how the Group's results and financial position for the current or prior years have been prepared or presented. The Group has not applied any new standard or interpretation that is not yet effective for the current accounting period.

1 主要會計政策 (續)

(b) 財務報表之編製基準 (續)

估計及相關假設會持續檢討。會計估計之修訂會在修訂估計期間(倘修訂僅影響該期間)或修訂期間及未來期間(倘修訂影響目前及未來期間)確認。

管理層應用國際財務報告準則時所作出對財務報表有重大影響的判斷及估計不確定因素之主要來源載於附註2。

(c) 會計政策變動

本集團已於本會計期間的此等財務報表內應用以下國際會計準則委員會頒佈的國際財務報告準則之修訂：

- 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16號修訂本與Covid-19有關的租金優惠

概無任何政策修訂對本集團編製或呈報當前或過往業績及財務狀況產生重大影響。本集團並未採用任何於當前會計期間尚未生效的新準則或詮釋。

Notes to the Consolidated Financial Statements 綜合財務報表附註

(Expressed in Renminbi unless otherwise indicated)
(除另有指明外，數額以人民幣列示)

1 Significant accounting policies (continued)

(d) Subsidiaries and non-controlling interests

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. When assessing whether the Group has power, only substantive rights (held by the Group and other parties) are considered.

An investment in a subsidiary is consolidated into the consolidated financial statements from the date that control commences until the date that control ceases. Intra-group balances, transactions and cash flows and any unrealised profits arising from intra-group transactions are eliminated in full in preparing the consolidated financial statements. Unrealised losses resulting from intra-group transactions are eliminated in the same way as unrealised gains but only to the extent that there is no evidence of impairment.

Non-controlling interests represent the equity in a subsidiary not attributable directly or indirectly to the Company, and in respect of which the Group has not agreed any additional terms with the holders of those interests which would result in the Group as a whole having a contractual obligation in respect of those interests that meets the definition of a financial liability. For each business combination, the Group can elect to measure any non-controlling interests either at fair value or at the non-controlling interests' proportionate share of the subsidiary's net identifiable assets.

1 主要會計政策 (續)

(d) 附屬公司及非控股權益

附屬公司指由本集團控制的實體。倘本集團因參與某實體的營運而獲得或有權享有其可變回報，並能夠運用其對實體之權力影響該等回報，則本集團控制該實體。在評估本集團是否擁有控制權時，僅考慮實質權利（由本集團及其他人士持有）。

於一間附屬公司之投資自控制開始當日起至控制結束當日期間於綜合財務報表內綜合入賬。集團內公司間結餘、交易及現金流量以及集團內公司間交易產生之任何未變現溢利於編製綜合財務報表時悉數對銷。集團內公司間交易產生之未變現虧損以與未變現收益相同之方式對銷，惟僅於無減值證據時進行。

非控股權益指非本公司直接或間接應佔之附屬公司股權，而本集團並未與有關權益持有人協定任何附加條款，令本集團整體對該等權益產生符合金融負債定義之合約義務。就各企業合併而言，本集團可選擇按公允值或非控股權益所佔附屬公司之淨可識別資產之比例計量任何非控股權益。

Notes to the Consolidated Financial Statements 綜合財務報表附註

(Expressed in Renminbi unless otherwise indicated)
(除另有指明外，數額以人民幣列示)

1 Significant accounting policies (continued)

(d) Subsidiaries and non-controlling interests (continued)

Non-controlling interests are presented in the consolidated statement of financial position within equity, separately from equity attributable to the equity shareholders of the Company. Non-controlling interests in the results of the Group are presented on the face of the consolidated statement of profit or loss and the consolidated statement of profit or loss and other comprehensive income as an allocation of the total profit or loss and total comprehensive income for the year between non-controlling interests and the equity shareholders of the Company. Loans from holders of non-controlling interests and other contractual obligations towards these holders are presented as financial liabilities in the consolidated statement of financial position in accordance with Notes 1(q) or (r) depending on the nature of the liability.

Changes in the Group's interests in a subsidiary that do not result in a loss of control are accounted for as equity transactions, whereby adjustments are made to the amounts of controlling and non-controlling interests within consolidated equity to reflect the change in relative interests, but no adjustments are made to goodwill and no gain or loss is recognised.

When the Group loses control of a subsidiary, it is accounted for as a disposal of the entire interest in that subsidiary, with a resulting gain or loss being recognised in profit or loss. Any interest retained in that former subsidiary at the date when control is lost is recognised at fair value and this amount is regarded as the fair value on initial recognition of a financial asset or, when appropriate, the cost on initial recognition of interest in an associate (see Note 1(e)).

1 主要會計政策(續)

(d) 附屬公司及非控股權益(續)

非控股權益在綜合財務狀況表之權益部份內，與本公司權益股東應佔權益分開呈列。非控股權益所佔本集團業績之權益在綜合損益表及綜合損益及其他全面收益表呈列，以顯示本年度之總溢利或虧損及全面收益總額於非控股權益與本公司權益股東之間之分配。非控股權益持有人貸款及其他該等持有人須履行之合約義務根據附註1(q)或(r)按負債性質於綜合財務狀況表中呈列為金融負債。

本集團將不導致喪失控制權之附屬公司權益變動乃以權益交易入賬，即只調整在綜合權益表內之控股及非控股權益金額以反映相關權益變動，但不調整商譽及確認盈虧。

當本集團喪失對附屬公司之控制權，將按出售該附屬公司之所有權益入賬，而所產生的盈虧於損益確認。任何於喪失控制權當日仍保留該前附屬公司之權益乃按公允值確認，而此金額被視為初始確認金融資產之公允值，或按權益初始確認於聯營公司(見附註1(e))。

Notes to the Consolidated Financial Statements 綜合財務報表附註

(Expressed in Renminbi unless otherwise indicated)
(除另有指明外，數額以人民幣列示)

1 Significant accounting policies (continued)

(d) Subsidiaries and non-controlling interests (continued)

In the Company's statement of financial position, investments in subsidiaries are stated at cost less impairment losses (Note 1(l)).

(e) Associate

An associate is an entity in which the Group has significant influence, but not control or joint control, over its management, including participation in the financial and operating policy decisions.

An investment in an associate is accounted for in the consolidated financial statements under the equity method. Under the equity method, the investment is initially recorded at cost, adjusted for any excess of the Group's share of the acquisition-date fair values of the investee's identifiable net assets over the cost of the investment (if any). The cost of the investment includes purchase price, other costs directly attributable to the acquisition of the investment, and any direct investment into the associate that forms part of the Group's equity investment. Thereafter, the investment is adjusted for the post acquisition change in the Group's share of the investee's net assets and any impairment loss relating to the investment (Note 1(l(ii))). Any acquisition-date excess over cost, the Group's share of the post-acquisition, post-tax results of the investees and any impairment losses for the year are recognised in the consolidated statement of profit or loss, whereas the Group's share of the post-acquisition post-tax items of the investees' other comprehensive income is recognised in the consolidated statement of profit or loss and other comprehensive income.

1 主要會計政策 (續)

(d) 附屬公司及非控股權益 (續)

於本公司之財務狀況表中，於附屬公司之投資按成本減去減值虧損列賬(附註1(l))。

(e) 聯營公司

聯營公司是指本集團可以對其管理層發揮重大影響力(不是控制或共同控制)的企業，其中包括參與財務及經營決策。

於聯營公司的投資按權益法記入綜合財務報表。根據權益法，投資初始以成本入賬，調整本集團在收購當日應佔被投資方可辨認淨資產公平值超過投資成本的金額調整(如有)。投資成本包括購買價、收購該投資的直接應佔其他成本，及構成本集團權益投資一部份於該聯營公司的任何直接投資。其後，調整本集團收購後應佔被投資方的淨資產的變動及與該投資相關的任何減值虧損變動(附註1(l(ii)))。收購當日超出成本的任何金額，本集團本年應佔被投資方的收購後的稅後業績及任何減值虧損在綜合損益表確認，而本集團應佔被投資方的收購後的稅後其他全面收益項目在綜合損益及其他全面收益表確認。

Notes to the Consolidated Financial Statements 綜合財務報表附註

(Expressed in Renminbi unless otherwise indicated)
(除另有指明外，數額以人民幣列示)

1 Significant accounting policies (continued)

(e) Associate (continued)

When the Group's share of losses exceeds its interest in the associate, the Group's interest is reduced to nil and recognition of further losses is discontinued except to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the investee. For this purpose, the Group's interest is the carrying amount of the investment under the equity method, together with any other long-term interests that in substance form part of the Group's net investment in the associate (after applying the expected credit loss (ECL) model to such other long-term interests where applicable (see Note 1(l)(i)).

Unrealised profits and losses resulting from transactions between the Group and its associate are eliminated to the extent of the Group's interest in the investee, except where unrealised losses provide evidence of an impairment of the asset transferred, in which case they are recognised immediately in profit or loss.

In all other cases, when the Group ceases to have significant influence over an associate, it is accounted for as a disposal of the entire interest in that investee, with a resulting gain or loss being recognised in profit or loss. Any interest retained in that former investee at the date when significant influence is lost is recognised at fair value and this amount is regarded as the fair value on initial recognition of a financial asset.

In the Company's statement of financial position, investment in associate are stated at cost less impairment losses (see note 1(l)).

1 主要會計政策(續)

(e) 聯營公司(續)

當本集團應佔聯營公司的虧損額超過其所佔權益時，本集團所佔權益會減少至零，並且不再確認額外虧損；但如本集團須履行法定或推定義務，或代被投資方作出付款則除外。就此而言，就有關其他長期權益(倘適用)(見附註1(l)(i))應用預期信貸虧損模式之後，本集團的權益是以按照權益法計算投資的賬面金額，以及實質上構成本集團於聯營公司投資淨額一部份的任何其他長期權益為準。

本集團與聯營公司之間交易所產生的未實現溢利和損失，均按本集團於被投資方的權益比例抵銷；但如未變現虧損顯示已轉讓資產出現減值，則該等未變現虧損會即時在損益內確認。

在所有其他情況下，如本集團對聯營公司不再有重大影響，應視同整體處置於被投資方所佔的權益，相關盈虧於損益中確認。重大影響喪失當日本集團所保留的於前被投資方的任何剩餘權益按公平值確認，該金額於金融資產初步確認時視為公平值。

於本公司財務狀況表中，於聯營公司的投資按成本減減值虧損呈列(見附註1(l))。

Notes to the Consolidated Financial Statements 綜合財務報表附註

(Expressed in Renminbi unless otherwise indicated)
(除另有指明外，數額以人民幣列示)

1 Significant accounting policies (continued)

(f) Derivative financial instruments

Derivative financial instruments are recognised at fair value. At the end of each reporting period the fair value is remeasured. The gain or loss on remeasurement to fair value is recognised immediately in profit or loss, except where the derivatives qualify for cash flow hedge accounting or hedges of net investment in a foreign operation, in which case recognition of any resultant gain or loss depends on the nature of the item being hedged (see Note 1(g)).

(g) Hedging

The Group designates the derivative as hedging instrument to hedge the variability in cash flows associated with highly probable forecast transactions arising from changes in foreign exchange rates, variable rate borrowings or commodity price risk (cash flow hedges).

Cash flow hedges

Where a derivative financial instrument is designated as a hedging instrument in a cash flow hedge, the effective portion of any gain or loss on the derivative financial instrument is recognised in other comprehensive income and accumulated separately in equity in the hedging reserve. The ineffective portion of any gain or loss is recognised immediately in profit or loss.

If a hedge of a forecast transaction subsequently results in the recognition of a non-financial asset such as inventory, the associated gain or loss is reclassified from equity to be included in the initial cost of the non-financial asset.

1 主要會計政策 (續)

(f) 衍生金融工具

衍生金融工具乃按公平值確認。於各報告期末，公平值乃重新計量。重新計量公平值所產生之收益或虧損即時於損益中確認，除非該衍生工具符合現金流量對沖會計處理或為海外業務投資淨額對沖，在此等情況下，確認任何因此而產生之收益或虧損取決於對沖項目之性質（見附註1(g)）。

(g) 對沖

本集團指定衍生工具作為對沖工具，用以對沖成數很高的預期交易因外匯匯率、浮息借貸及商品價格風險變動而引起的現金流量變動（現金流量對沖）。

現金流量對沖

當衍生金融工具指定用作現金流量對沖之對沖工具時，衍生金融工具任何盈虧之有效部分將於其他全面收益確認，並在對沖儲備內分開累計作權益。任何盈虧之無效部分將即時於損益確認。

如對沖之預期交易隨後導致確認為存貨等非金融資產，則相關盈虧將由權益重新分類，並包括在非金融資產之初始成本中。

Notes to the Consolidated Financial Statements 綜合財務報表附註

(Expressed in Renminbi unless otherwise indicated)
(除另有指明外，數額以人民幣列示)

1 Significant accounting policies (continued)

(g) Hedging (continued)

Cash flow hedges (continued)

For all other hedged forecast transactions, the amount accumulated in the hedging reserve is reclassified from equity to profit or loss in the same period or periods during which the hedged cash flows affect profit or loss (such as when a forecast sale occurs or interest expense is recognised).

If a hedge no longer meets the criteria for hedge accounting (including when the hedging instrument expires or is sold, terminated or exercised), then hedge accounting is discontinued prospectively. When hedge accounting is discontinued, but the hedged forecast transaction is still expected to occur, the amount that has been accumulated in the hedging reserve remains in equity until the transaction occurs and it is recognised in accordance with the above policy. If the hedged transaction is no longer expected to take place, the amount that has been accumulated in the hedging reserve is reclassified from equity to profit or loss immediately.

(h) Investment property

Investment properties are land and/or buildings which are owned or held under a leasehold interest (see Note 1(k)) to earn rental income and/or for capital appreciation. These include land held for a currently undetermined future use and property that is being constructed or developed for future use as investment property.

1 主要會計政策 (續)

(g) 對沖 (續)

現金流量對沖 (續)

有關所有其他對沖之預期交易，在對沖儲備內累計之金額將於對沖現金流量影響損益之同期或多個期內（如發生預計銷售或確認利息開支）由權益重新分類至損益。

當對沖不再符合對沖會計處理標準（包括當對沖工具到期或被出售、終止或行使）時，則往後終止使用對沖會計處理。當對沖會計處理已終止使用，而對沖之預期交易預期仍會發生時，則已於對沖儲備內累計之金額將保持於權益內，直至交易發生為止，並根據上述政策予以確認。倘若所對沖交易預期不會發生，則已於對沖儲備內累計之金額將即時由權益重新分類為損益。

(h) 投資物業

投資物業指為賺取租金收入及／或資本增值而以租賃權益擁有或持有之土地及／或樓宇（見附註1(k)），當中包括就當前尚未確定未來用途持有之土地及正在興建或發展作未來投資物業用途之物業。

Notes to the Consolidated Financial Statements 綜合財務報表附註

(Expressed in Renminbi unless otherwise indicated)
(除另有指明外，數額以人民幣列示)

1 Significant accounting policies (continued)

(h) Investment property (continued)

Investment properties are accounted for using the cost model and stated in the statement of financial position at cost less accumulated depreciation and impairment losses (see Note 1(l)). The cost of investment property, less its estimated residual value and accumulated impairment losses, is depreciated using the straight-line method over its estimated useful lives as follows.

- Land use rights 50 years
- Buildings and plants held for own use which are situated on leasehold land are depreciated over the shorter of the unexpired term of the lease and their estimated useful lives, being no more than 35 years after the date of completion.

(i) Other property, plant and equipment and right-of-use assets

Property, plant and equipment and right-of-use assets are stated at cost less accumulated depreciation and impairment losses (see Note 1(l)).

The cost of self-constructed items of property, plant and equipment includes the cost of materials, direct labour, the initial estimate, where relevant, of the costs of dismantling and removing the items and restoring the site on which they are located, and an appropriate proportion of production overheads and borrowing costs (Note 1(x)).

Construction in progress is transferred to respective items under property, plant and equipment when it is ready for its intended use. No depreciation is provided against construction in progress.

1 主要會計政策 (續)

(h) 投資物業 (續)

投資物業採用成本模式入賬，並以成本減累計折舊及減值虧損後（見附註1(l)）於財務狀況表內列示。投資物業成本（扣除其估計剩餘價值及累計減值虧損後）於其估計使用年內使用直線法折舊，詳情如下：

- 土地使用權 50年
- 位於租賃土地持作自用之樓宇及廠房於未屆滿租期與估計可使用年期兩者之較短期間（不得超過落成日期起計35年）內折舊。

(i) 其他物業、廠房及設備及使用權資產

物業、廠房及設備及使用權資產乃按成本減累計折舊及減值虧損呈列（見附註1(l)）。

自建物業、廠房及設備項目成本包括材料成本、直接勞工費用、拆卸及搬遷項目以及恢復項目所在地原貌成本之初步估算（如相關），以及生產成本及借貸成本（附註1(x)）之適當部份。

當在建工程可作擬定用途時，其便會轉撥至物業、廠房及設備項下相關項目。在建工程不計提折舊。

Notes to the Consolidated Financial Statements 綜合財務報表附註

(Expressed in Renminbi unless otherwise indicated)
(除另有指明外，數額以人民幣列示)

1 Significant accounting policies (continued)

(i) Other property, plant and equipment and right-of-use assets (continued)

Gains or losses arising from the retirement or disposal of an item of property, plant and equipment and right-of-use assets are determined as the difference between the net disposal proceeds and the carrying amount of the item and are recognised in profit or loss on the date of retirement or disposal.

Depreciation is calculated to write off the cost of items of property, plant and equipment and right-of-use assets, less their estimated residual value, if any, using the straight-line method over their estimated useful lives as follows:

- Buildings and plants held for own use which are situated on leasehold land are depreciated over the shorter of the unexpired term of the lease and their estimated useful lives, being no more than 35 years after the date of completion.
- Machinery 3 – 20 years
- Motor vehicles 3 – 5 years
- Office equipment and others 3 – 10 years
- Right-of-use assets are depreciated over the period of the lease term

Where parts of an item of property, plant and equipment have different useful lives, the cost of the item is allocated on a reasonable basis between the parts and each part is depreciated separately. Both the useful life of an asset and its residual value, if any, are reviewed annually.

1 主要會計政策(續)

(i) 其他物業、廠房及設備及使用權資產(續)

物業、廠房及設備及使用權資產項目報廢或出售之收益或虧損按出售所得款項淨額與項目賬面值之差額釐定，並於報廢或出售日期於損益內確認。

折舊是採用直線法在物業、廠房及設備及使用權資產項目之估計可使用年期內撇銷項目之成本減估計剩餘價值(如有)，計算方法如下：

- 位於租賃土地持作自用之樓宇及廠房於未屆滿租期與估計可使用年期兩者之較短期間(不得超過落成日期起計35年)內折舊。
- 機器 3至20年
- 汽車 3至5年
- 辦公室設備及其他 3至10年
- 使用權資產於租賃期間內折舊

倘物業、廠房及設備項目之各個部份擁有不同可使用年期，則該項目之成本值按合理基準於各個部份間分配，且各個部份單獨折舊。資產之可使用年期及其剩餘價值(如有)每年進行檢討。

Notes to the Consolidated Financial Statements 綜合財務報表附註

(Expressed in Renminbi unless otherwise indicated)
(除另有指明外，數額以人民幣列示)

1 Significant accounting policies (continued)

(j) Intangible assets (other than goodwill)

Intangible assets that are acquired by the group are stated at cost less accumulated amortisation (where the estimated useful life is finite) and impairment losses (see Note 1(I)).

Amortisation of intangible assets with finite useful lives is charged to profit or loss on a straight-line basis over the assets' estimated useful lives. The following intangible assets with finite useful lives are amortised from the date they are available for use and their estimated useful lives are as follows:

– Patents	10 years
-----------	----------

Both the period and method of amortisation are reviewed annually.

(k) Leased assets

At inception of a contract, the Group assesses whether the 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. Control is conveyed where the customer has both the right to direct the use of the identified asset and to obtain substantially all of the economic benefits from that use.

(i) As a lessee

Where the contract contains lease component(s) and non-lease component(s), the Group has elected not to separate non-lease components and accounts for each lease component and any associated non-lease components as a single lease component for all leases.

1 主要會計政策 (續)

(j) 無形資產 (商譽除外)

本集團收購的無形資產按成本減累計攤銷(倘估計可使用年期為有限)及減值虧損呈列(見附註1(I))。

具有固定使用年限的無形資產的攤銷以直線法於該項資產的估計可使用年期內計入損益。以下具有固定使用年限的無形資產自彼等可供使用之日起攤銷及彼等的估計可使用年期如下：

– 專利	10年
------	-----

本公司將對攤銷的期間及方法每年進行審閱。

(k) 租賃資產

本集團會於合約初始生效時評估該合約是否屬於或包含租賃。倘合約為換取代價而給予在一段時間內控制可識別資產使用的權利，則該合約屬於或包含租賃。倘客戶有權主導可識別的資產的使用及從該使用中獲取幾乎所有的經濟利益，則表示控制權已轉讓。

(i) 作為承租人

倘合約包含租賃組成部分及非租賃組成部分，本集團已選擇不分拆非租賃組成部分，並就所有租賃對每個租賃組成部分和任何相關的非租賃組成部分作為一個單一的租賃組成部分進行會計處理。

Notes to the Consolidated Financial Statements 綜合財務報表附註

(Expressed in Renminbi unless otherwise indicated)
(除另有指明外，數額以人民幣列示)

1 Significant accounting policies (continued)

(k) Leased assets (continued)

(i) As a lessee (continued)

At the lease commencement date, the Group recognises a right-of-use asset and a lease liability, except for short-term leases that have a lease term of 12 months or less and leases of low-value assets which, for the Group are primarily laptops and office furniture. When the Group enters into a lease in respect of a low-value asset, the Group decides whether to capitalise the lease on a lease-by-lease basis. The lease payments associated with those leases which are not capitalised are recognised as an expense on a systematic basis over the lease term.

Where the lease is capitalised, the lease liability is initially recognised at the present value of the lease payments payable over the lease term, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, using a relevant incremental borrowing rate. After initial recognition, the lease liability is measured at amortised cost and interest expense is calculated using the effective interest method. Variable lease payments that do not depend on an index or rate are not included in the measurement of the lease liability and hence are charged to profit or loss in the accounting period in which they are incurred.

1 主要會計政策 (續)

(k) 租賃資產 (續)

(i) 作為承租人 (續)

於租賃開始日期，本集團確認使用權資產及租賃負債，惟租賃期是12個月或以下的短期租賃以及低價值資產之租賃（對本集團而言，主要為筆記本電腦及辦公室傢俱）除外。當本集團就低價值資產訂立租賃時，本集團就每份租賃決定是否對租賃進行資本化。與未資本化租賃相關的租賃付款會在租賃期內有系統地確認為開支。

若租賃被資本化，則租賃負債以租賃期內應付租賃付款的現值進行初始確認，並使用該項租賃的內含利率折現；或如果內含利率無法輕易釐定，則使用相關的增量借款利率。初始確認後，租賃負債以攤銷成本計量，且利息費用則採用實際利率法計算。不取決於指數或利率的可變租賃付款並不包含於租賃負債的計量中，並因此於其產生的會計期間計入損益。

Notes to the Consolidated Financial Statements 綜合財務報表附註

(Expressed in Renminbi unless otherwise indicated)
(除另有指明外，數額以人民幣列示)

1 Significant accounting policies (continued)

(k) Leased assets (continued)

(i) As a lessee (continued)

The right-of-use asset recognised when a lease is capitalised is initially measured at cost, which comprises the initial amount of the lease liability plus any lease payments made at or before the commencement date, and any initial direct costs incurred. Where applicable, the cost of the right-of-use assets also includes an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, discounted to their present value, less any lease incentives received. The right-of-use asset is subsequently stated at cost less accumulated depreciation and impairment losses (see Notes 1(i) and 1(l)(ii)), except for the following types of right-of-use asset:

- Right-of-use assets related to interests in leasehold land where the interest in the land is held as inventory are carried at the lower of cost and net realisable value in accordance with note 1(m).

1 主要會計政策 (續)

(k) 租賃資產 (續)

(i) 作為承租人 (續)

租賃資本化時已確認的使用權資產按成本進行初始計量，其中包括租賃負債的初始金額加上任何於開始日或之前作出的租賃付款，以及產生的任何初始直接費用。在適用的情況下，使用權資產的成本亦包括將拆卸、搬移相關資產或復原相關資產或資產所在地點的費用估算折現至其現值，減去已收到的租賃優惠。使用權資產其後乃按成本減累計折舊及減值虧損呈列（見附註1(i)及1(l)(ii)），預期為使用權資產的以下類型：

- 與租賃土地權益（於土地的權益作為存貨持有）相關的使用權資產根據附註1(m)按成本與可變現價值淨額的較低者呈列。

Notes to the Consolidated Financial Statements 綜合財務報表附註

(Expressed in Renminbi unless otherwise indicated)
(除另有指明外，數額以人民幣列示)

1 Significant accounting policies (continued)

(k) Leased assets (continued)

(i) As a lessee (continued)

The lease liability is remeasured when there is a change in future lease payments arising from a change in an index or rate, or there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, or there is a change arising from the reassessment of whether the Group will be reasonably certain to exercise a purchase, extension or termination option. When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The lease liability is also remeasured when there is a change in the scope of a lease or the consideration for a lease that is not originally provided for in the lease contract ("lease modification") that is not accounted for as a separate lease. In this case the lease liability is remeasured based on the revised lease payments and lease term using a revised discount rate at the effective date of the modification. The only exceptions are any rent concessions which arose as a direct consequence of the COVID-19 pandemic and which satisfied the conditions set out in paragraph 46B of IFRS 16 *Leases*. In such cases, the group took advantage of the practical expedient set out in paragraph 46A of IFRS 16 and recognised the change in consideration as if it were not a lease modification.

1 主要會計政策(續)

(k) 租賃資產(續)

(i) 作為承租人(續)

當指數或利率變動引起未來租賃付款發生變動；或本集團就餘值擔保下預計應付的金額估計發生變化；或由於重新評估本集團是否合理地確定行使購買、延期或終止選擇權而產生變化時，則重新計量租賃負債。當租賃負債以此方式重新計量時，對使用權資產的賬面值作出相應調整，或倘使用權資產的賬面值減記至零，則計入損益。

當租賃範疇發生變化或租賃合同原先並無規定的租賃代價發生變化（「租賃修改」），且未作為單獨的租賃入賬時，則亦要對租賃負債進行重新計量。在此情況，租賃負債根據經修訂的租賃付款和租賃期限，使用經修訂的貼現率在修改生效日重新計量。唯一的例外是因新冠肺炎疫情而直接產生的任何租金減免，且符合國際財務報告準則第16號租賃第46B段所載的條件。在該等情況，本集團利用國際財務報告準則第16號第46A段所載的實際權宜方法，確認代價變動，猶如其並非租賃修改。

Notes to the Consolidated Financial Statements 綜合財務報表附註

(Expressed in Renminbi unless otherwise indicated)
(除另有指明外，數額以人民幣列示)

1 Significant accounting policies (continued)

(k) Leased assets (continued)

(i) As a lessee (continued)

In the consolidated statement of financial position, the current portion of long-term lease liabilities is determined as the present value of contractual payments that are due to be settled within twelve months after the reporting period.

(ii) As a lessor

When the Group acts as a lessor, it determines at lease inception whether each lease is a finance lease or an operating lease. A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to the ownership of an underlying assets to the lessee. If this is not the case, the lease is classified as an operating lease.

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. The rental income from operating leases is recognised in accordance with Note 1(v)(iv).

When the Group is an intermediate lessor, the sub-leases are classified as a finance lease or as an operating lease with reference to the right-of-use asset arising from the head lease. If the head lease is a short-term lease to which the Group applies the exemption described in Note 1(k)(i), then the Group classifies the sub-lease as an operating lease.

1 主要會計政策 (續)

(k) 租賃資產 (續)

(i) 作為承租人 (續)

於合併財務狀況表內，長期租賃負債的即期部分釐定為應於報告期結束後十二月內結算的合同付款的現值。

(ii) 作為出租人

倘本集團為出租人，其於租賃初始階段釐定一項租賃為融資租賃或經營租賃。倘租賃轉移相關資產的所有權附帶的絕大部分風險及報酬予承租人，該租賃分類為融資租賃。倘不屬於該情況，該租賃被分類為經營租賃。

倘合約包括租賃及非租賃組成部分，本集團根據相對獨立的售價基準將合約代價分配予各組成部分。經營租賃產生的租金收入根據附註1(v)(iv)確認。

倘本集團為中間出租人，經參考總租約產生的使用權資產，分租被分類為融資租賃或經營租賃。倘總租約為短期租賃，本集團豁免遵守附註1(k)(i)所載規定，則本集團將分租分類為經營租賃。

Notes to the Consolidated Financial Statements 綜合財務報表附註

(Expressed in Renminbi unless otherwise indicated)
(除另有指明外，數額以人民幣列示)

1 Significant accounting policies (continued)

(1) Credit losses and impairment of assets

(i) Credit losses from financial instruments and lease receivables

The Group recognises a loss allowance for ECLs on the following items:

- financial assets measured at amortised cost (including cash and cash equivalents, trade and other receivables, which are held for the collection of contractual cash flows which represent solely payments of principal and interest); and
- lease receivables.

Other financial assets measured at fair value, including derivative financial assets, is not subject to the ECL assessment.

Measurement of ECLs

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all expected cash shortfalls (i.e. the difference between the cash flows due to the Group in accordance with the contract and the cash flows that the Group expects to receive).

1 主要會計政策(續)

(1) 信貸虧損及資產減值

(i) 金融工具及租賃應收款項之信貸虧損

本集團就下列各項的預期信貸虧損確認虧損撥備：

- 按攤銷成本計量之金融資產(包括現金及現金等價物、交易及其他應收款項，其乃就收回合約現金流量而持有，即純粹為獲得本金及利息付款)；及
- 應收租賃款項。

以公平值計量的其他金融資產，包括衍生金融資產，均不受限於預期信貸虧損的評估。

預期信貸虧損計量

預期信貸虧損乃以概率加權估計的信貸虧損。信貸虧損以所有預期現金短缺(即根據合約應付予本集團的現金流量及本集團預期收取的現金流量之間的差額)的現值計量。

Notes to the Consolidated Financial Statements 綜合財務報表附註

(Expressed in Renminbi unless otherwise indicated)
(除另有指明外，數額以人民幣列示)

1 Significant accounting policies (continued)

(1) Credit losses and impairment of assets (continued)

(i) Credit losses from financial instruments and lease receivables (continued)

Measurement of ECLs (continued)

The expected cash shortfalls are discounted using the following discount rates where the effect of discounting is material:

- fixed-rate financial assets and trade and other receivables: effective interest rate determined at initial recognition or an approximation thereof;
- variable-rate financial assets: current effective interest rate;
- lease receivables: discount rate used in the measurement of the lease receivable;

The maximum period considered when estimating ECLs is the maximum contractual period over which the Group is exposed to credit risk.

In measuring ECLs, the Group takes into account reasonable and supportable information that is available without undue cost or effort. This includes information about past events, current conditions and forecasts of future economic conditions.

1 主要會計政策 (續)

(1) 信貸虧損及資產減值 (續)

(i) 金融工具及租賃應收款項 之信貸虧損 (續)

預期信貸虧損計量 (續)

倘貼現影響屬重大，預期短缺現金將使用以下貼現率貼現：

- 固定利率金融資產及交易及其他應收款項：初始確認釐定時的實際利率或其近似值；
- 浮動利率金融資產：當前實際利率；
- 租賃應收款項：計量租賃應收款項使用的折現率；

於估計預期信貸虧損時考慮的最長期間為本集團承受信貸風險的最長合約期間。

在計量預期信貸虧損時，本集團考慮合理及有理據而毋須付出不必要的成本或努力獲得的資料。這包括過去事件、當前狀況和未來經濟狀況預測等資料。

Notes to the Consolidated Financial Statements 綜合財務報表附註

(Expressed in Renminbi unless otherwise indicated)
(除另有指明外，數額以人民幣列示)

1 Significant accounting policies (continued)

(I) Credit losses and impairment of assets (continued)

(i) Credit losses from financial instruments and lease receivables (continued)

Measurement of ECLs (continued)

ECLs are measured on either of the following bases:

- 12-month ECLs: these are losses that are expected to result from possible default events within the 12 months after the reporting date; and
- lifetime ECLs: these are losses that are expected to result from all possible default events over the expected lives of the items to which the ECL model applies.

Loss allowances for trade receivables and lease receivables are always measured at an amount equal to lifetime ECLs. ECLs on these financial assets are estimated using a provision matrix based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors and an assessment of both the current and forecast general economic conditions at the reporting date.

For all other financial instruments, the Group recognises a loss allowance equal to 12-month ECLs unless there has been a significant increase in credit risk of the financial instrument since initial recognition, in which case the loss allowance is measured at an amount equal to lifetime ECLs.

1 主要會計政策(續)

(I) 信貸虧損及資產減值(續)

(i) 金融工具及租賃應收款項 之信貸虧損(續)

預期信貸虧損計量(續)

預期信貸虧損基於下列其中一個基準計量：

- 12個月預期信貸虧損：預期於報告日期後12個月內可能發生的違約事件而導致的虧損；及
- 整個存續期的預期信貸虧損：預期於採用預期信貸虧損模式的項目在預期年限內所有可能發生的違約事件而導致的虧損。

交易應收賬款及應收租賃款項的虧損撥備一般乃按等同於整個存續期的預期信貸虧損的金額計量。該等金融資產的預期信貸虧損是利用基於本集團過往信貸虧損經驗的撥備矩陣進行估算，並按於報告日期債務人的個別因素及對當前及預測整體經濟狀況的評估進行調整。

對於所有其他金融工具而言，本集團確認相當於12個月預期信貸虧損的虧損撥備，除非自初始確認以來金融工具的信用風險顯著增加，在這種情況下，虧損撥備計量等於整個存續期的預期信貸虧損的金額。

Notes to the Consolidated Financial Statements 綜合財務報表附註

(Expressed in Renminbi unless otherwise indicated)
(除另有指明外，數額以人民幣列示)

1 Significant accounting policies (continued)

(1) Credit losses and impairment of assets (continued)

(i) Credit losses from financial instruments and lease receivables (continued)

Significant increases in credit risk

In assessing whether the credit risk of a financial instrument has increased significantly since initial recognition, the Group compares the risk of default occurring on the financial instrument assessed at the reporting date with that assessed at the date of initial recognition. In making this reassessment, the Group considers that a default event occurs when (i) the borrower is unlikely to pay its credit obligations to the Group in full, without recourse by the Group to actions such as realising security (if any is held); or (ii) the financial asset is 180 days past due. The Group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort.

1 主要會計政策 (續)

(1) 信貸虧損及資產減值 (續)

(i) 金融工具及租賃應收款項 之信貸虧損 (續)

信貸風險大幅上升

評估金融工具的信貸風險自初始確認以來有否大幅上升時，本集團會比較於報告日期及於初始確認日期評估的金融工具發生違約的風險。作出該重新評估時，本集團認為，倘(i)借款人不大可能在本集團無追索權採取變現抵押(如持有)等行動的情況下向本集團悉數支付其信貸承擔；或(ii)金融資產已逾期180日，則發生違約事件。本集團會考慮合理可靠的定量及定性資料，包括過往經驗及在無需付出過多成本或努力下即可獲得的前瞻性資料。

Notes to the Consolidated Financial Statements 綜合財務報表附註

(Expressed in Renminbi unless otherwise indicated)
(除另有指明外，數額以人民幣列示)

1 Significant accounting policies (continued)

(1) Credit losses and impairment of assets (continued)

(i) Credit losses from financial instruments and lease receivables (continued)

Significant increases in credit risk (continued)

In particular, the following information is taken into account when assessing whether credit risk has increased significantly since initial recognition:

- failure to make payments of principal or interest on their contractually due dates;
- an actual or expected significant deterioration in a financial instrument's external or internal credit rating (if available);
- an actual or expected significant deterioration in the operating results of the debtor; and
- existing or forecast changes in the technological, market, economic or legal environment that have a significant adverse effect on the debtor's ability to meet its obligation to the Group.

1 主要會計政策 (續)

(1) 信貸虧損及資產減值 (續)

(i) 金融工具及租賃應收款項 之信貸虧損 (續)

信貸風險大幅上升 (續)

具體而言，評估信貸風險自初始確認以來有否大幅上升時會考慮以下資料：

- 未能按合約到期日期支付本金或利息；
- 金融工具外部或內部信貸測評的實際或預期顯著惡化（如有）；
- 債務人經營業績的實際或預期顯著惡化；及
- 科技、市場、經濟或法律環境的目前或預期變動對債務人履行其對集團責任的能力有重大不利影響。

Notes to the Consolidated Financial Statements 綜合財務報表附註

(Expressed in Renminbi unless otherwise indicated)
(除另有指明外，數額以人民幣列示)

1 Significant accounting policies (continued)

(1) Credit losses and impairment of assets (continued)

(i) Credit losses from financial instruments and lease receivables (continued)

Significant increases in credit risk (continued)

Depending on the nature of the financial instruments, the assessment of a significant increase in credit risk is performed on either an individual basis or a collective basis. When the assessment is performed on a collective basis, the financial instruments are grouped based on shared credit risk characteristics, such as past due status and credit risk ratings.

ECLs are remeasured at each reporting date to reflect changes in the financial instrument's credit risk since initial recognition. Any change in the ECL amount is recognised as an impairment gain or loss in profit or loss. The Group recognises an impairment gain or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account.

1 主要會計政策 (續)

(1) 信貸虧損及資產減值 (續)

(i) 金融工具及租賃應收款項 之信貸虧損 (續)

信貸風險大幅上升 (續)

取決於金融工具的性質，信貸風險大幅上升的評估乃按個別基準或共同基準進行。倘評估為按共同基準進行，金融工具則按共同的信貸風險特徵（如逾期狀況及信貸風險評級）進行分組。

預期信貸虧損於各報告日期進行重新計量以反映金融工具自初始確認以來的信貸風險變動。預期信貸虧損金額的任何變動均於損益中確認為減值收益或虧損。本集團就所有金融工具確認減值收益或虧損，並通過虧損撥備賬對彼等之賬面值作出相應調整。

Notes to the Consolidated Financial Statements 綜合財務報表附註

(Expressed in Renminbi unless otherwise indicated)
(除另有指明外，數額以人民幣列示)

1 Significant accounting policies (continued)

(1) Credit losses and impairment of assets (continued)

(i) Credit losses from financial instruments and lease receivables (continued)

Basis of calculation of interest income

Interest income recognised in accordance with Note 1(v)(v) is calculated based on the gross carrying amount of the financial asset unless the financial asset is credit-impaired, in which case interest income is calculated based on the amortised cost (i.e. the gross carrying amount less loss allowance) of the financial asset.

At each reporting date, the Group assesses whether a financial asset is credit-impaired. A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

1 主要會計政策 (續)

(1) 信貸虧損及資產減值 (續)

(i) 金融工具及租賃應收款項 之信貸虧損 (續)

計算利息收益的基準

根據附註1(v)(v)確認的利息收入乃根據金融資產之總賬面值計算，除非該金融資產出現信貸減值，在此情況下，利息收入乃根據金融資產之攤銷成本（即總賬面值減虧損撥備）計算。

於各報告日期，集團評估金融資產是否出現信貸減值。當發生一項或多項對金融資產估計未來現金流量有不利影響的事件時，金融資產出現信貸減值。



Notes to the Consolidated Financial Statements 綜合財務報表附註

(Expressed in Renminbi unless otherwise indicated)
(除另有指明外，數額以人民幣列示)

1 Significant accounting policies (continued)

(1) Credit losses and impairment of assets (continued)

(i) Credit losses from financial instruments and lease receivables (continued)

Basis of calculation of interest income (continued)

Evidence that a financial asset is credit-impaired includes the following observable events:

- significant financial difficulties of the debtor;
- a breach of contract, such as a default or past due event;
- it becoming probable that the borrower will enter into bankruptcy or other financial reorganisation;
- significant changes in the technological, market, economic or legal environment that have an adverse effect on the debtor; or
- the disappearance of an active market for a security because of financial difficulties of the issuer.

1 主要會計政策 (續)

(1) 信貸虧損及資產減值 (續)

(i) 金融工具及租賃應收款項 之信貸虧損 (續)

計算利息收益的基準 (續)

金融資產出現信貸減值的證據包括以下可觀察事件：

- 債務人有重大財務困難；
- 違約，例如拖欠或過往到期事件；
- 借款人可能破產或進行其他財務重組；
- 技術、市場、經濟或法律環境出現重大變動而對債務人造成不利影響；或
- 由於發行人出現財務困難，證券活躍市場消失。

Notes to the Consolidated Financial Statements 綜合財務報表附註

(Expressed in Renminbi unless otherwise indicated)
(除另有指明外，數額以人民幣列示)

1 Significant accounting policies (continued)

(1) Credit losses and impairment of assets (continued)

(i) Credit losses from financial instruments and lease receivables (continued)

Write-off policy

The gross carrying amount of a financial asset, lease receivable or contract asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Group determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off.

Subsequent recoveries of an asset that was previously written off are recognised as a reversal of impairment in profit or loss in the period in which the recovery occurs.

1 主要會計政策 (續)

(1) 信貸虧損及資產減值 (續)

(i) 金融工具及租賃應收款項 之信貸虧損 (續)

撇銷政策

若日後實際上不可收回款項，則會撇銷（部分或全部）金融資產、租賃應收款項或合約資產的總賬面值。該情況通常出現在本集團確定債務人沒有資產或可產生足夠現金流量的收入來源來償還應撇銷的金額。

隨後收回先前撇銷之資產於收回期間在損益內確認為減值撥回。



Notes to the Consolidated Financial Statements 綜合財務報表附註

(Expressed in Renminbi unless otherwise indicated)
(除另有指明外，數額以人民幣列示)

1 Significant accounting policies (continued)

(1) Credit losses and impairment of assets (continued)

(ii) Impairment of other non-current assets

Internal and external sources of information are reviewed at the end of each reporting period to identify indications that the following assets may be impaired or an impairment loss previously recognised no longer exists or may have decreased:

- investment property;
- property, plant and equipment;
- right-of-use assets;
- intangible assets;
- interest in an associate; and
- investment in subsidiaries in the Company's statement of financial position.

If any such indication exists, the asset's recoverable amount is estimated.

1 主要會計政策 (續)

(1) 信貸虧損及資產減值 (續)

(ii) 其他非流動資產減值

本集團於各報告期末審閱內部及外部資料，以確定下列資產有否減值跡象或先前確認之減值虧損是否不再存在或可能已減少：

- 投資物業；
- 物業、廠房及設備；
- 使用權資產
- 預付租金；
- 於一間聯營公司權益；及
- 本公司財務狀況表中於附屬公司的投資。

倘存在任何有關跡象，則會估計資產之可收回金額。



Notes to the Consolidated Financial Statements 綜合財務報表附註

(Expressed in Renminbi unless otherwise indicated)
(除另有指明外，數額以人民幣列示)

1 Significant accounting policies (continued)

(i) Credit losses and impairment of assets (continued)

(ii) Impairment of other non-current assets (continued)

– Calculation of recoverable amount

The recoverable amount of an asset is the greater of its fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Where an asset does not generate cash inflows largely independent of those from other assets, the recoverable amount is determined for the smallest group of assets that generates cash inflows independently (i.e. a cash-generating unit).

– Recognition of impairment losses

An impairment loss is recognised in profit or loss if the carrying amount of an asset, or the cash-generating unit to which it belongs, exceeds its recoverable amount. Impairment losses recognised in respect of cash-generating units are allocated to reduce the carrying amount of the other assets in the unit (or group of units) on a pro rata basis, except that the carrying value of an asset will not be reduced below its individual fair value less costs of disposal (if measurable) or value in use (if determinable).

1 主要會計政策(續)

(i) 信貸虧損及資產減值(續)

(ii) 其他非流動資產減值(續)

– 計算可收回金額

資產之可收回金額為其公平值減出售成本與使用價值之較高者。在評估使用價值時，會按可反映當時市場對貨幣時間價值及資產特定風險評估之稅前貼現率，將估計未來現金流量貼現至其現值。倘資產並無產生基本上獨立於其他資產所產生之現金流入，則以能獨立產生現金流入之最小資產組別(即現金產生單位)釐定可收回金額。

– 確認減值虧損

倘資產或其所屬現金產生單位之賬面值超過可收回金額，則於損益確認減值虧損。就現金產生單位確認之減值虧損會按比例減少該單位(或該組單位)內其他資產之賬面值，惟資產之賬面值不可減至低於其個別公平值扣減出售成本(如能計量)或使用價值(如能釐定)。

Notes to the Consolidated Financial Statements 綜合財務報表附註

(Expressed in Renminbi unless otherwise indicated)
(除另有指明外，數額以人民幣列示)

1 Significant accounting policies (continued)

(1) Credit losses and impairment of assets (continued)

(ii) Impairment of other non-current assets (continued)

– Reversals of impairment losses

An impairment loss is reversed if there has been a favourable change in the estimates used to determine the recoverable amount.

A reversal of an impairment loss is limited to the asset's carrying amount that would have been determined had no impairment loss been recognised in prior years. Reversals of impairment losses are credited to profit or loss in the year in which the reversals are recognised.

(iii) Interim financial reporting and impairment

Under the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited, the Group is required to prepare an interim financial report in compliance with IAS 34, Interim financial reporting, in respect of the first six months of the financial year. At the end of the interim period, the Group applies the same impairment testing, recognition, and reversal criteria as it would at the end of the financial year (Notes 1(l)(i) and (ii)).

1 主要會計政策 (續)

(1) 信貸虧損及資產減值 (續)

(ii) 其他非流動資產減值 (續)

– 撥回減值虧損

倘用作計算可收回金額之估計出現有利變化，則會撥回減值虧損。

所撥回之減值虧損僅限於過往年度並未確認減值虧損時應有之資產賬面值。所撥回之減值虧損在確認撥回年度計入損益。

(iii) 中期財務報告及減值

根據香港聯合交易所有限公司證券上市規則，本集團須遵照國際會計準則第34號中期財務報告編製有關財政年度首六個月之中期財務報告。於中期期末，本集團採用等同該財政年度末之減值測試、確認及撥回標準(附註1(l)(i)及(ii))。

Notes to the Consolidated Financial Statements 綜合財務報表附註

(Expressed in Renminbi unless otherwise indicated)
(除另有指明外，數額以人民幣列示)

1 Significant accounting policies (continued)

(m) Inventories and other contract costs

(i) Inventories

Inventories are assets which are held for sale in the ordinary course of business, in the process of production for such sale or in the form of materials or supplies to be consumed in the production process or in the rendering of services.

Inventories are carried at the lower of cost and net realisable value as follows:

– Aluminium profiles manufacturing

Cost is calculated using the weighted average cost formula and comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

– Completed property held for resale

The cost of completed properties held for sale comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

1 主要會計政策(續)

(m) 存貨及其他合約成本

(i) 存貨

存貨指日常業務過程中持有以作銷售、於該等銷售的生產過程中，或在生產過程中耗用的材料或物料或提供服務的形式持有的資產。

存貨以成本與可變現淨值之較低者列賬，載列如下：

– 鋁型材製造

成本使用加權平均成本法計算，並包括所有購買成本、兌換成本及將存貨運送至目前地點及變成現狀所涉之其他成本。

可變現淨值為日常業務過程中之估計售價，減去估計完成成本及進行出售所需之估計成本。

– 持作轉售之已落成物業

持有待售之已落成物業成本包括所有採購成本、加工成本及使存貨處於當前地點及狀況之其他成本。

Notes to the Consolidated Financial Statements 綜合財務報表附註

(Expressed in Renminbi unless otherwise indicated)
(除另有指明外，數額以人民幣列示)

1 Significant accounting policies (continued)

(m) Inventories and other contract costs (continued)

(i) Inventories (continued)

- Completed property held for resale (continued)

In the case of completed properties developed by the Group which comprise of multiple units which are sold individually, the cost of each unit is determined by apportionment of the total development costs for that development project to each unit on a per square foot basis, unless another basis is more representative of the cost of the specific unit. Net realisable value represents the estimated selling price less costs to be incurred in selling the property.

When inventories are sold, the carrying amount of those inventories is recognised as an expense in the period in which the related revenue is recognised.

The amount of any write-down of inventories to net realisable value and all losses of inventories are recognised as an expense in the period the write-down or loss occurs. The amount of any reversal of any write-down of inventories is recognised as a reduction in the amount of inventories recognised as an expense in the period in which the reversal occurs.

1 主要會計政策 (續)

(m) 存貨及其他合約成本 (續)

(i) 存貨 (續)

- 持作轉售之已落成物業 (續)

就本集團開發之已竣工物業 (包括單獨出售之多個單位) 而言，各個單位成本乃按發展項目各單位按每平方呎佔總發展成本的比例釐定，除非另有基準更能代表指定單位之成本。變現淨值指銷售物業產生之估計銷售價格。

當存貨已出售，該等存貨的賬面值於相關收益獲確認的期間內確認為開支。

存貨撇減至可變現淨值的金額及存貨的所有虧損在撇減或出現虧損的期間確認為開支。存貨的任何撇減撥回金額確認為存貨金額的減少，並於撥回發生期間確認為開支。

Notes to the Consolidated Financial Statements 綜合財務報表附註

(Expressed in Renminbi unless otherwise indicated)
(除另有指明外，數額以人民幣列示)

1 Significant accounting policies (continued)

(m) Inventories and other contract costs (continued)

(ii) Other contract costs

Other contract costs are either the incremental costs of obtaining a contract with a customer or the costs to fulfil a contract with a customer which are not capitalised as inventory (see Note 1(m)(i)) or property, plant and equipment (see Note 1(i)) or intangible assets (see Note 1(j)).

Incremental costs of obtaining a contract are those costs that the Group incurs to obtain a contract with a customer that it would not have incurred if the contract had not been obtained e.g. an incremental sales commission. Incremental costs of obtaining a contract are capitalised when incurred if the costs relate to revenue which will be recognised in a future reporting period and the costs are expected to be recovered. Other costs of obtaining a contract are expensed when incurred.

Costs to fulfil a contract are capitalised if the costs relate directly to an existing contract or to a specifically identifiable anticipated contract; generate or enhance resources that will be used to provide goods or services in the future; and are expected to be recovered. Costs that relate directly to an existing contract or to a specifically identifiable anticipated contract may include direct labour, direct materials, allocations of costs, costs that are explicitly chargeable to the customer and other costs that are incurred only because the Group entered into the contract (for example, payments to sub-contractors). Other costs of fulfilling a contract, which are not capitalised as inventory, property, plant and equipment or intangible assets, are expensed as incurred.

1 主要會計政策(續)

(m) 存貨及其他合約成本(續)

(ii) 其他合約成本

其他合約成本乃取得客戶合約的增量成本或履行客戶合約的成本，其並無撥充資本為存貨(見附註1(m)(i))或物業、廠房及設備(見附註1(i))或無形資產(見附註1(j))。

取得合約的增量成本為本集團就取得客戶合約而產生，倘未能取得合約則不會產生的成本(例如增量銷售佣金)。倘有關收益的成本將在未來報告期內確認，而成本預期可收回，取得合約的增量成本於產生時會撥充資本。取得合約的其他成本在產生時支出。

倘履行合約的成本與現有合約或可識別的預期合約直接有關；產生或提升將於未來用於提供產品或服務的資源；並預期可收回，則會撥充資本。與現有合約或可識別的預期合約直接有關的成本可能包括直接勞工、直接材料、成本分配、明確向客人收取的成本及僅由於本集團訂立合約而產生的其他成本(例如向分包商支付款項)。其他履行客戶合約的成本(其並無撥充資本為存貨、物業、廠房及設備或無形資產)在產生時支銷。

Notes to the Consolidated Financial Statements 綜合財務報表附註

(Expressed in Renminbi unless otherwise indicated)
(除另有指明外，數額以人民幣列示)

1 Significant accounting policies (continued)

(m) Inventories and other contract costs (continued)

(ii) Other contract costs (continued)

Capitalised contract costs are stated at cost less accumulated amortisation and impairment losses. Impairment losses are recognised to the extent that the carrying amount of the contract cost asset exceeds the net of (i) remaining amount of consideration that the Group expects to receive in exchange for the goods or services to which the asset relates, less (ii) any costs that relate directly to providing those goods or services that have not yet been recognised as expenses.

Amortisation of capitalised contract costs is charged to profit or loss when the revenue to which the asset relates is recognised. The accounting policy for revenue recognition is set out in Note 1(v).

(n) Contract assets and contract liabilities

A contract asset is recognised when the Group recognises revenue (see Note 1(v)) before being unconditionally entitled to the consideration under the payment terms set out in the contract. Contract assets are assessed for expected credit losses (ECL) in accordance with the policy set out in Note 1(l) (i) and are reclassified to receivables when the right to the consideration has become unconditional (see Note 1(o)).

1 主要會計政策 (續)

(m) 存貨及其他合約成本 (續)

(ii) 其他合約成本 (續)

撥充資本的合約成本按成本減累計攤銷及減值虧損列賬。倘合約成本資產賬面值超過(i)本集團預期收取以交換有關該資產的產品或服務的餘下代價金額，減(ii)任何直接有關提供該等產品或服務，而未確認為開支的成本的淨額，則會確認減值虧損。

當與資產有關的收益獲確認時，撥充資本的合約成本攤銷將自損益扣除。收益確認的會計政策載於附註1(v)。

(n) 合約資產及合約負債

在本集團有權無條件獲取合約所載付款條款代價前確認收益(見附註1(v))時確認合約資產。合約資產按附註1(l)(i)所載政策就預期信貸虧損(預期信貸虧損)而獲評估，並在代價權利成為無條件後獲重新分類至應收款項(見附註1(o))。

Notes to the Consolidated Financial Statements 綜合財務報表附註

(Expressed in Renminbi unless otherwise indicated)
(除另有指明外，數額以人民幣列示)

1 Significant accounting policies (continued)

(n) Contract assets and contract liabilities (continued)

A contract liability is recognised when the customer pays consideration before the Group recognises the related revenue (see Note 1(v)). A contract liability would also be recognised if the Group has an unconditional right to receive consideration before the Group recognises the related revenue. In such cases, a corresponding receivable would also be recognised (see Note 1(o)).

For a single contract with the customer, either a net contract asset or a net contract liability is presented. For multiple contracts, contract assets and contract liabilities of unrelated contracts are not presented on a net basis.

When the contract includes a significant financing component, the contract balance includes interest accrued under the effective interest method (see Note 1(v)).

(o) Trade and other receivables

A receivable is recognised when the Group has an unconditional right to receive consideration. A right to receive consideration is unconditional if only the passage of time is required before payment of that consideration is due. If revenue has been recognised before the Group has an unconditional right to receive consideration, the amount is presented as a contract asset (see Note 1(n)).

Receivables are stated at amortised cost using the effective interest method less allowance for credit losses (see Note 1(l)(i)).

1 主要會計政策 (續)

(n) 合約資產及合約負債 (續)

本集團確認相關收益前，合約負債在客戶支代價時確認（見附註1(v)）。如本集團有無條件權利在本集團確認相關收益前收取代價，則合約負債亦會獲確認。在相關情況下，相應應收款項亦會獲確認（見附註1(o)）。

就與客戶的單一合約而言，淨合約資產或淨合約負債得以呈列。就多份合約而言，不相關合約的合約資產及合約負債不按淨額基準呈列。

合約計及重大融資成分時，合約結餘計入按實際利率法累計的利息（見附註1(v)）。

(o) 交易及其他應收款項

本集團具有無條件權利收取代價時確認應收款項。在該代價到期支付前，收取代價的權利僅需經過一段時間方為無條件。如收益在本集團有無條件權利收取代價前經已確認，則金額呈列為合約資產（見附註1(n)）。

應收款項利用實際利率法按攤銷成本減信貸虧損撥備列賬（見附註1(l)(i)）。

Notes to the Consolidated Financial Statements 綜合財務報表附註

(Expressed in Renminbi unless otherwise indicated)
(除另有指明外，數額以人民幣列示)

1 Significant accounting policies (continued)

(p) Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and on hand and short-term, highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value, having been within three months of maturity at acquisition. Cash and cash equivalents are assessed for expected credit losses (ECL) in accordance with the policy set out in Note 1(1)(i).

(q) Trade and other payables

Trade and other payables are initially recognised at fair value. Trade and other payables are subsequently stated at amortised cost unless the effect of discounting would be immaterial, in which case they are stated at cost.

(r) Interest-bearing borrowings

Interest-bearing borrowings are measured initially at fair value less transaction costs. Subsequent to initial recognition, interest-bearing borrowings are stated at amortised cost using the effective interest method. Interest expense is recognised in accordance with the Group's accounting policy for borrowing costs (see Note 1(x)).

1 主要會計政策 (續)

(p) 現金及現金等價物

現金及現金等價物包括銀行及手頭現金及購入後於三個月內到期可隨時轉換為已知金額現金的短期高流通性並且價值改變風險不大的投資。現金及現金等價物乃根據附註1(1)(i)所載的政策評估預期信貸虧損。

(q) 交易及其他應付款項

交易及其他應付款項初步按公平值確認，其後則按攤銷成本列賬，如貼現影響並不重大，則按成本列賬。

(r) 計息借貸

計息借貸乃初步按公平值減交易成本計量。於初步確認後，計息借貸採用實際利率法按攤銷成本列賬。利息開支根據本集團借貸成本之會計政策確認(見附註1(x))。

Notes to the Consolidated Financial Statements 綜合財務報表附註

(Expressed in Renminbi unless otherwise indicated)
(除另有指明外，數額以人民幣列示)

1 Significant accounting policies (continued)

(s) Employee benefits

(i) Short term employee benefits and contributions to defined contribution retirement plans

Salaries, annual bonuses, paid annual leave, contributions to defined contribution retirement plans and the cost of non-monetary benefits are accrued in the year in which the associated services are rendered by employees. Where payment or settlement is deferred and the effect would be material, these amounts are stated at their present values.

(ii) Share-based payments

The fair value of share options granted to employees is recognised as an employee cost with a corresponding increase in a capital reserve within equity. The fair value is measured at grant date using the binomial lattice model, taking into account the terms and conditions upon which the options were granted. Where the employees have to meet vesting conditions before becoming unconditionally entitled to the options, the total estimated fair value of the options is spread over the vesting period, taking into account the probability that the options will vest.

1 主要會計政策 (續)

(s) 僱員福利

(i) 短期僱員福利及向定額供款退休計劃供款

薪金、年終花紅、有薪年假、向定額供款退休計劃作出之供款及非貨幣福利之成本於僱員提供相關服務之年度內計算。如延遲付款或結算並構成重大影響，則此等金額會以現值列賬。

(ii) 以股份為基礎付款

授予僱員購股權之公平值確認為僱員成本，相應的增加會於權益項下資本儲備反映。公平值在授出日期採用二項式期權定價模式，並計及授出購股權之條款及條件計量。倘僱員須符合歸屬條件方可無條件享有購股權，則購股權之估計總公平值會於考慮購股權將歸屬之可能性後在歸屬期內分攤。

Notes to the Consolidated Financial Statements 綜合財務報表附註

(Expressed in Renminbi unless otherwise indicated)
(除另有指明外，數額以人民幣列示)

1 Significant accounting policies (continued)

(s) Employee benefits (continued)

(ii) Share-based payments (continued)

During the vesting period, the number of share options that is expected to vest is reviewed. Any resulting adjustment to the cumulative fair value recognised in prior years is charged/credited to the profit or loss for the year of the review, unless the original employee expenses qualify for recognition as an asset, with a corresponding adjustment to the capital reserve. On vesting date, the amount recognised as an expense is adjusted to reflect the actual number of options that vest (with a corresponding adjustment to the capital reserve) except where forfeiture is only due to not achieving vesting conditions that relate to the market price of the Company's shares. The equity amount is recognised in the capital reserve until either the option is exercised (when it is included in the amount recognised in share capital for the shares issued) or the option expires (when it is released directly to retained profits).

(iii) Termination benefits

Termination benefits are recognised at the earlier of when the Group can no longer withdraw the offer of those benefits and when it recognises restructuring costs involving the payment of termination benefits.

1 主要會計政策 (續)

(s) 僱員福利 (續)

(ii) 以股份為基礎付款 (續)

於歸屬期內，本公司會檢討預期歸屬的購股權數目。所導致於過往年度確認累計公平值的任何調整乃扣自／計入有關檢討年度的損益，除非原有的僱員支出符合確認為資產的資格而資本儲備作出相應調整則作別論。於歸屬日，本公司調整確認為一項支出的款額，以反映歸屬的實際購股權數目（連同資本儲備的相應調整），惟倘沒收僅因未達致與本公司股份的市價有關的歸屬條件則除外。股權款額乃於資本儲備中確認，直至購股權獲行使（當其計入就已發行股份於股本確認的金額時）或購股權屆滿（當其直接轉出至保留溢利時）為止。

(iii) 終止福利

終止福利乃於本集團不再撤回該等福利要約及涉及支付終止福利之重組成本確認時（以較早者為準）確認。

Notes to the Consolidated Financial Statements 綜合財務報表附註

(Expressed in Renminbi unless otherwise indicated)
(除另有指明外，數額以人民幣列示)

1 Significant accounting policies (continued)

(t) Income tax

Income tax for the year comprises current tax and movements in deferred tax assets and liabilities. Current tax and movements in deferred tax assets and liabilities are recognised in profit or loss except to the extent that they relate to items recognised in other comprehensive income or directly in equity, in which case the relevant amounts of tax are recognised in other comprehensive income or directly in equity, respectively.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the end of the reporting period, and any adjustment to tax payable in respect of previous years.

Deferred tax assets and liabilities arise from deductible and taxable temporary differences respectively, being the differences between the carrying amounts of assets and liabilities for financial reporting purposes and their tax bases. Deferred tax assets also arise from unused tax losses and unused tax credits.

1 主要會計政策 (續)

(t) 所得稅

年內所得稅包括即期稅項及遞延稅項資產與負債之增減。即期稅項及遞延稅項資產與負債之增減於損益確認，惟有關於其他全面收益或直接於權益確認項目之即期稅項及遞延稅項資產與負債之增減則分別於其他全面收益或直接於權益確認。

即期稅項乃根據年內應課稅收入按報告期末已實施或大致實施的稅率計算之預計應付稅項，並會按過往年度之應付稅項調整。

可扣稅與應課稅暫時差額分別產生的遞延稅項資產及負債即作財務報告用途之資產與負債賬面值與相關稅基的差額。遞延稅項資產亦產生自未動用稅務虧損及未動用稅務抵免。



Notes to the Consolidated Financial Statements 綜合財務報表附註

(Expressed in Renminbi unless otherwise indicated)
(除另有指明外，數額以人民幣列示)

1 Significant accounting policies (continued)

(t) Income tax (continued)

Apart from certain limited exceptions, all deferred tax liabilities, and all deferred tax assets to the extent that it is probable that future taxable profits will be available against which the asset can be utilised, are recognised. Future taxable profits that may support the recognition of deferred tax assets arising from deductible temporary differences include those that will arise from the reversal of existing taxable temporary differences, provided those differences relate to the same taxation authority and the same taxable entity, and are expected to reverse either in the same period as the expected reversal of the deductible temporary difference or in periods into which a tax loss arising from the deferred tax asset can be carried back or forward. The same criteria are adopted when determining whether existing taxable temporary differences support the recognition of deferred tax assets arising from unused tax losses and credits, that is, those differences are taken into account if they relate to the same taxation authority and the same taxable entity, and are expected to reverse in a period, or periods, in which the tax loss or credit can be utilised.

The limited exceptions to recognition of deferred tax assets and liabilities are those temporary differences arising from the initial recognition of assets or liabilities that affect neither accounting nor taxable profit (provided they are not part of a business combination), and temporary differences relating to investments in subsidiaries to the extent that, in the case of taxable differences, the Group controls the timing of the reversal and it is probable that the differences will not reverse in the foreseeable future, or in the case of deductible differences, unless it is probable that they will reverse in the future.

1 主要會計政策 (續)

(t) 所得稅 (續)

除若干少數例外情況外，所有遞延稅項負債及所有遞延稅項資產（須可能有日後應課稅溢利可供動用該資產）均會確認。支持確認可扣稅暫時差額所產生遞延稅項資產的日後應課稅溢利包括撥回現有應課稅暫時差額所產生溢利，惟該等差額須與相同稅務機關及相同課稅公司有關，並預期於可扣稅暫時差額預期撥回的同一期間或遞延稅項資產所產生稅務虧損可撥回或結轉的各期間內撥回。釐定現有應課稅暫時差額是否支持確認未動用稅務虧損及抵免所產生遞延稅項資產的條件相同，即與同一稅務機關及課稅公司有關且預期於稅務虧損或抵免動用的期間撥回的差額會計算在內。

確認遞延稅項資產與負債的少數例外情況為首次確認並不影響會計或應課稅溢利的資產或負債（並非業務合併一部份）產生的暫時差額，以及有關投資附屬公司的暫時差額，如為應課稅差額，則本集團可控制撥回時間及該等差額於可見將來應不會撥回者，而如為可扣稅差額，即於可見將來或會撥回者。

Notes to the Consolidated Financial Statements 綜合財務報表附註

(Expressed in Renminbi unless otherwise indicated)
(除另有指明外，數額以人民幣列示)

1 Significant accounting policies (continued)

(t) Income tax (continued)

The amount of deferred tax recognised is measured based on the expected manner of realisation or settlement of the carrying amount of the assets and liabilities, using tax rates enacted or substantively enacted at the end of the reporting period. Deferred tax assets and liabilities are not discounted.

The carrying amount of a deferred tax asset is reviewed at the end of each reporting period and is reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow the related tax benefit to be utilised. Any such reduction is reversed to the extent that it becomes probable that sufficient taxable profits will be available.

Additional income taxes that arise from the distribution of dividends are recognised when the liability to pay the related dividends is recognised.

Current tax balances and deferred tax balances, and movements therein, are presented separately from each other and are not offset. Current tax assets are offset against current tax liabilities, and deferred tax assets against deferred tax liabilities, if the Company or the Group has the legally enforceable right to set off current tax assets against current tax liabilities and the following additional conditions are met:

- in the case of current tax assets and liabilities, the Company or the Group intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously; or

1 主要會計政策(續)

(t) 所得稅(續)

所確認遞延稅項金額乃根據預期資產及負債賬面值變現或結算方式，按報告期末已頒佈或實質頒佈的稅率計算。遞延稅項資產及負債不會貼現。

於各報告期末會檢討遞延稅項資產的賬面值，並會減少至不可能有足夠應課稅溢利供相關稅務優惠動用為止。任何有關減少會於可能有足夠應課稅溢利時撥回。

分派股息產生的額外所得稅會於確認支付相關股息的負債時確認。

即期稅項結餘與遞延稅項結餘以及相關增減會分開呈列，且不會對銷。倘本公司或本集團可合法將即期稅項資產與即期稅項負債對銷，並符合下列其他條件，則可將即期稅項資產與即期稅項負債以及遞延稅項資產與遞延稅項負債互相對銷：

- 如為即期稅項資產及負債，本公司或本集團擬按淨額結算，或同時變現資產及結算負債；或

Notes to the Consolidated Financial Statements 綜合財務報表附註

(Expressed in Renminbi unless otherwise indicated)
(除另有指明外，數額以人民幣列示)

1 Significant accounting policies (continued)

(t) Income tax (continued)

- in the case of deferred tax assets and liabilities, if they relate to income taxes levied by the same taxation authority on either:
 - the same taxable entity; or
 - different taxable entities, which, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered, intend to realise the current tax assets and settle the current tax liabilities on a net basis or realise and settle simultaneously.

(u) Provisions and contingent liabilities

Provisions are recognised for other liabilities of uncertain timing or amount when the Group or the Company has a legal or constructive obligation arising as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made. Where the time value of money is material, provisions are stated at the present value of the expenditure expected to settle the obligation.

Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote. Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events, are also disclosed as contingent liabilities unless the probability of outflow of economic benefits is remote.

1 主要會計政策 (續)

(t) 所得稅 (續)

- 如為遞延稅項資產及負債，則須與同一稅務機關所徵收所得稅有關：
 - 同一應課稅實體；或
 - 不同應課稅實體，計劃在預期有重大金額的遞延稅項負債或資產須予清償或收回的每個未來期間，按淨額基準變現即期稅項資產及清償即期稅項負債，或同時變現及清償該資產及該負債。

(u) 撥備及或然負債

當本集團或本公司因過往事件而須負上法律或推定責任，可能須為履行該責任而耗損經濟利益，並能可靠地估計時，則須就未能確定時間或金額之其他負債計提撥備。倘金額涉及重大時間價值，則有關撥備按預計履行責任所需支出之現值列賬。

倘不大可能需要耗損經濟利益，或其金額未能可靠地預測，則須披露有關責任為或然負債，惟耗損經濟利益之可能性極低者除外。當潛在責任須視乎一項或多項未來事件是否發生方可確定是否存在，則該等責任亦披露為或然負債，惟耗損經濟利益之可能性極低者除外。

Notes to the Consolidated Financial Statements 綜合財務報表附註

(Expressed in Renminbi unless otherwise indicated)
(除另有指明外，數額以人民幣列示)

1 Significant accounting policies (continued)

(v) Revenue and other income

Income is classified by the Group as revenue when it arises from the sale of goods, the provision of services or the use by others of the Group's assets under leases in the ordinary course of the Group's business.

Revenue is recognised when control over a product or service is transferred to the customer, or the lessee has the right to use the asset, at the amount of promised consideration to which the Group is expected to be entitled, excluding those amounts collected on behalf of third parties. Revenue excludes value added tax or other sales taxes and is after deduction of any trade discounts.

Where the contract contains a financing component which provides a significant financing benefit to the customer for more than 12 months, 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 with the customer, and interest income is accrued separately under the effective interest method. Where the contract contains a financing component which provides a significant financing benefit to the Group, revenue recognised under that contract includes the interest expense accreted on the contract liability under the effective interest method. The Group takes advantage of the practical expedient in paragraph 63 of IFRS 15 and does not adjust the consideration for any effects of a significant financing component if the period of financing is 12 months or less.

1 主要會計政策(續)

(v) 收益及其他收入

當收入由銷售貨品、本集團於日常業務過程提供服務或其他公司使用本集團租賃項下資產所產生時，則由本集團分類為收入。

收入於產品或服務的控制權轉移至客戶或承租人擁有資產使用權時確認，金額為本集團將有權收取之承諾代價，且不包括代表第三方收取的有關金額。收入不包括增值稅或其他銷售稅，且乃經扣減任何貿易折扣。

倘合約載有向客戶提供超過12個月的重大融資利益之融資組成部份，則收益按應收金額的現值計量，並使用反映於與有關客戶的個別融資交易之貼現率貼現，且利息收入根據實際利率法分開應計。倘合約載有向本集團提供重大融資利益之融資組成部份，則根據該合約確認的收入包括根據實際利率法合約責任附有的利息開支。本集團利用國際財務報告準則第15號第63段中的實際便利，並無於倘融資期為12個月或以下而就重大融資組成部份之任何影響調整代價。

Notes to the Consolidated Financial Statements 綜合財務報表附註

(Expressed in Renminbi unless otherwise indicated)
(除另有指明外，數額以人民幣列示)

1 Significant accounting policies (continued)

(v) Revenue and other income (continued)

Further details of the Group's revenue and other income recognition policies are as follows:

(i) Sale of aluminum products

Revenue is recognised when the customer takes possession of and accepts the products. If the products are a partial fulfilment of a contract covering other goods and/or services, then the amount of revenue recognised is an appropriate proportion of the total transaction price under the contract, allocated between all the goods and services promised under the contract on a relative stand-alone selling price basis.

(ii) Sale of properties

Revenue arising from the sale of properties developed for sale in the ordinary course of business is recognised when the property is accepted by the customer, or deemed as accepted according to the contract, whichever is earlier, which is the point in time when the customer has the ability to direct the use of the property and obtain substantially all of the remaining benefits of the property. Deposits and instalments received on properties sold prior to the date of revenue recognition are included in the statement of financial position under contract liabilities (see Note 1(n)).

1 主要會計政策 (續)

(v) 收益及其他收入 (續)

本集團收益及其他收入確認政策之進一步詳情如下：

(i) 銷售鋁產品

收益乃於客戶佔有及接受產品時確認。倘產品屬部分履行涵蓋其他貨品及／或服務之合約，則確認之收益金額為合約項下交易總價之適當比例，乃按相對獨立售價基準在合約約定之所有商品及服務之間分配。

(ii) 銷售物業

持作銷售已開發的物業銷售產生之收益一般於物業獲客戶接納或根據合約視為接納(以較早者為準，即客戶有能力直接使用物業及取得該物業大部分剩餘利益之時間點)時予以確認。按金及於收益確認日期前出售物業所收到的分期付款項列入財務狀況表合約負債項下(見附註1(n))。

Notes to the Consolidated Financial Statements 綜合財務報表附註

(Expressed in Renminbi unless otherwise indicated)
(除另有指明外，數額以人民幣列示)

1 Significant accounting policies (continued)

(v) Revenue and other income (continued)

(ii) Sale of properties (continued)

When residential properties are marketed by the Group while the property is still under construction, the Group may offer a discount compared to the listed sales price, provided the customer agrees to pay the balance of the consideration early. In such cases, if the advance payments are regarded as providing a significant financing benefit to the Group, interest expense arising from the adjustment of time value of money will be accrued by the Group during the period between the payment date and the completion date of legal assignment. This accrual increases the balance of the contract liability during the period of construction, and therefore increases the amount of revenue recognised when control of the completed property is transferred to the customer. The interest is expensed as accrued unless it is eligible to be capitalised under IAS 23, *Borrowing costs*, in accordance with the policies set out in Note 1(x).

(iii) Services income

Revenue from services rendered is recognised in profit or loss at the time of provision of the service is completed.

1 主要會計政策 (續)

(v) 收益及其他收入 (續)

(ii) 銷售物業 (續)

當住宅物業由本集團推出市場出售，而該物業仍在建設中時，本集團可能提供較已上市銷售價格折讓，惟客戶同意提早支會代價結餘。於此情況下，倘墊付款項被視為向本集團提供重大融資福利，貨幣價值時間調整產生的利息開支將由本集團於支付日期及法律轉讓期間應計。該應計增加了合約負債金額，及因此增加當已完成物業的控制權轉移予客戶時確認的收益金額。除非符合國際會計準則第23號借貸成本中的資本化，否則利息根據附註1(x)所載之政策按應計費用計銷。

(iii) 服務收入

來自提供服務之收益於提供服務時間完成時於損益確認。

Notes to the Consolidated Financial Statements 綜合財務報表附註

(Expressed in Renminbi unless otherwise indicated)
(除另有指明外，數額以人民幣列示)

1 Significant accounting policies (continued)

(v) Revenue and other income (continued)

(iv) Rental income from operating leases

Rental income receivable under operating leases is recognised in profit or loss in equal instalments over the periods covered by the lease term, except where an alternative basis is more representative of the pattern of benefits to be derived from the use of the leased asset. 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 earned.

(v) Interest income

Interest income is recognised as it accrues under the effective interest method using the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying amount of the financial asset. For financial assets measured at amortised cost that are not credit-impaired, the effective interest rate is applied to the gross carrying amount of the asset. For credit-impaired financial assets, the effective interest rate is applied to the amortised cost (i.e. gross carrying amount net of loss allowance) of the asset (see Note 1(1)(i)).

1 主要會計政策 (續)

(v) 收益及其他收入 (續)

(iv) 經營租賃之租金收入

經營租賃之應收租金收入於相關租期內於損益分期等額確認，惟倘有其他方法能更清楚地反映使用租賃資產所得收益之模式則除外。並非取決於指數或利率之可變租賃付款於所涉會計期間確認為收入。

(v) 利息收入

由於利息收入採用實際利率法，使用將估計日後現金收款透過金融資產之預期使用年期準確貼現至金融資產的賬面值總額的利率應計，因此確認利息收入。就按攤銷成本計量的金融資產或按公平值計入其他全面收益計量的金融資產（可劃轉）而言，實際利率應用於資產賬面總額。就信貸減值金融資產而言，實際利率應用於資產的攤銷成本（即賬面總額減虧損撥備）（見附註1(1)(i)）。

Notes to the Consolidated Financial Statements 綜合財務報表附註

(Expressed in Renminbi unless otherwise indicated)
(除另有指明外，數額以人民幣列示)

1 Significant accounting policies (continued)

(v) Revenue and other income (continued)

(vi) Government grants

Government grants are recognised in the statement of financial position initially when there is reasonable assurance that they will be received and that the Group will comply with the conditions attaching to them. Grants that compensate the Group for expenses incurred are recognised as income in profit or loss on a systematic basis in the same periods in which the expenses are incurred. Grants that compensate the Group for the cost of an asset are initially recognised as deferred income and subsequently recognised as other income in profit or loss over the useful life of the assets.

(w) Translation of foreign currencies

Foreign currency transactions during the year are translated at the foreign exchange rates ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies are translated at the foreign exchange rates ruling at the end of the reporting period. Exchange gains and losses are recognised in profit or loss, except those arising from foreign currency borrowings used to hedge a net investment in a foreign operation which are recognised in other comprehensive income.

Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the foreign exchange rates ruling at the transaction dates. The transaction date is the date on which the Group initially recognises such non-monetary assets or liabilities. Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are translated using the foreign exchange rates ruling at the dates the fair value was measured.

1 主要會計政策(續)

(v) 收益及其他收入(續)

(vi) 政府補助金

倘可合理保證可收取政府補助金且本集團可符合有關條件，則政府補助金會首先於財務狀況表確認。補償本集團所涉開支之補助金於相關開支產生之相同期間按系統性基準於損益內確認為收益。補償本集團資產成本之補助金初步確認為遞延收入，並其後於損益按資產之可使用年期確認為其他收益。

(w) 外幣換算

年內之外幣交易按交易日當日之匯率換算。以外幣為單位之貨幣性資產及負債按報告期末當日之匯率換算。外匯收益及虧損於損益內確認，惟該等自外幣借貸產生用於對沖於外國業務的投資（於其他全面收益確認）淨額者除外。

以外幣按歷史成本計算之非貨幣資產及負債按交易日當日之匯率換算。交易日期為本集團初步確認有關非貨幣資產或負債之日。以外幣計值而以公平值列賬之非貨幣資產及負債乃按釐定公平值當日適用之匯率換算。

Notes to the Consolidated Financial Statements 綜合財務報表附註

(Expressed in Renminbi unless otherwise indicated)
(除另有指明外，數額以人民幣列示)

1 Significant accounting policies (continued)

(w) Translation of foreign currencies (continued)

The results of foreign operations are translated into RMB at the exchange rates approximating the foreign exchange rates ruling at the dates of the transactions. Statement of financial position items are translated into RMB at the closing foreign exchange rates ruling at the end of the reporting period. The resulting exchange differences are recognised directly in other comprehensive income and accumulated separately in equity in the exchange reserve.

(x) Borrowing costs

Borrowing costs that are directly attributable to the acquisition, construction or production of an asset which necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of that asset. Other borrowing costs are expensed in the period in which they are incurred.

The capitalisation of borrowing costs as part of the cost of a qualifying asset commences when expenditure for the asset is being incurred, borrowing costs are being incurred and activities that are necessary to prepare the asset for its intended use or sale are in progress. Capitalisation of borrowing costs is suspended or ceases when substantially all the activities necessary to prepare the qualifying asset for its intended use or sale are interrupted or complete.

1 主要會計政策 (續)

(w) 外幣換算 (續)

海外業務之業績按與交易日匯率相若之匯率換算為人民幣。財務狀況表項目按報告期末之匯率換算為人民幣。由此產生之匯兌差額直接於其他全面收益確認及於匯兌儲備中之權益獨立累計。

(x) 借貸成本

需要相當長時間方可作擬定用途或銷售之資產之收購、建設或生產直接相關之借貸成本撥作該資產成本一部份。其他借貸成本於產生期間予以支銷。

當合資格資產產生開支、涉及借貸成本及將資產作擬定用途或銷售所需之活動進行時，開始將借貸成本資本化為該資產成本一部份。於令合資格資產作擬定用途或銷售所需之絕大部份活動中止或完成時，將會暫停或不再將借貸成本資本化。

Notes to the Consolidated Financial Statements 綜合財務報表附註

(Expressed in Renminbi unless otherwise indicated)
(除另有指明外，數額以人民幣列示)

1 Significant accounting policies (continued)

(y) Related parties

- (a) A person, or a close member of that person's family, is related to the Group if 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 the Group's parent.
- (b) An entity is related to the Group if any of the following conditions applies:
- (i) The entity and the Group are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).
 - (ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).
 - (iii) Both entities 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.

1 主要會計政策(續)

(y) 關連方

- (a) 倘屬以下人士，則該人士或該人士之近親與本集團有關連：
- (i) 控制或共同控制本集團；
 - (ii) 對本集團有重大影響；或
 - (iii) 為本集團或本集團母公司之主要管理層成員。
- (b) 倘符合下列任何條件，則該實體與本集團有關連：
- (i) 該實體與本集團屬同一集團之成員公司（即各母公司、附屬公司及同系附屬公司彼此間有關連）。
 - (ii) 一間實體為另一實體之聯營公司或合營企業（或另一實體為成員公司之集團旗下成員公司之聯營公司或合營企業）。
 - (iii) 兩間實體均為同一第三方之合營企業。
 - (iv) 一間實體為第三方實體之合營企業，而另一實體為該第三方實體之聯營公司。

Notes to the Consolidated Financial Statements 綜合財務報表附註

(Expressed in Renminbi unless otherwise indicated)
(除另有指明外，數額以人民幣列示)

1 Significant accounting policies (continued)

(y) Related parties (continued)

- (b) An entity is related to the Group if any of the following conditions applies: (continued)
- (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.
 - (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).
 - (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 Group's parent.

Close members of the family of a person are those family members who may be expected to influence, or be influenced by, that person in their dealings with the entity.

1 主要會計政策 (續)

(y) 關連方 (續)

- (b) 倘符合下列任何條件，則該實體與本集團有關連：(續)
- (v) 實體為本集團或與本集團有關連之實體就僱員利益設立之離職福利計劃。
 - (vi) 實體受(a)內所識別人土控制或共同控制。
 - (vii) (a)(i)內所識別人土對實體有重大影響力或屬該實體(或該實體之母公司)之主要管理層成員。
 - (viii) 實體或實體所屬之集團任何成員公司向本集團或本集團母公司提供主要管理人員服務。

某一人士之近親家屬成員指預期與實體進行買賣時可影響該人士或受該人士影響的有關家屬成員。

Notes to the Consolidated Financial Statements 綜合財務報表附註

(Expressed in Renminbi unless otherwise indicated)
(除另有指明外，數額以人民幣列示)

1 Significant accounting policies (continued)

(z) Segment reporting

Operating segments, and the amounts of each segment item reported in the financial statements, are identified from the financial information provided regularly to the Group's most senior executive management for the purposes of allocating resources to, and assessing the performance of, the Group's various lines of business and geographical locations.

Individually material operating segments are not aggregated for financial reporting purposes unless the segments have similar economic characteristics and are similar in respect of the nature of products and services, the nature of production processes, the type or class of customers, the methods used to distribute the products or provide the services, and the nature of the regulatory environment. Operating segments which are not individually material may be aggregated if they share a majority of these criteria.

1 主要會計政策(續)

(z) 分部報告

經營分部及於財務報表中呈報之各分部項目金額自定期提供予本集團最高行政管理人員就資源分配及評估本集團不同業務及地理位置之表現之財務資料中識別出來。

就財務呈報而言，除非經營分部具備相似之經濟特徵及在產品及服務性質、生產工序性質、客戶類型或類別、用作分配產品或提供服務之方法及監管環境之性質方面相似，否則各個重大經營分部不會進行合算。個別非重大之經營分部，如果符合上述大部份標準，則可進行合計。



Notes to the Consolidated Financial Statements 綜合財務報表附註

(Expressed in Renminbi unless otherwise indicated)
(除另有指明外，數額以人民幣列示)

2 Accounting judgements and estimates

Sources of estimation uncertainty

Notes 25 and 28 contains information about the assumptions and their risk factors relating to valuation of fair value of share options granted and financial instruments. Other significant source of estimation uncertainty are as follows:

(i) Depreciation

Property, plant and equipment are depreciated on a straight-line basis over the estimated useful lives, after taking into account the estimated residual value. The Group reviews annually the useful life of an asset and its residual value, if any. The depreciation expense for future years is adjusted if there are significant changes from previous estimation.

(ii) Loss allowance for trade receivables

The Group estimates the loss allowances for trade receivables by assessing the ECLs. This requires the use of estimates and judgements. ECLs are based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors, and an assessment of both the current and forecast general economic conditions at the end of reporting period. Where the estimation is different from the original estimate, such difference will affect the carrying amounts of trade receivables and thus the impairment loss in the period in which such estimate is changed. The Group keeps assessing the expected credit loss of trade receivables during their expected lives.

2 會計判斷及估計

估計不確定性之來源

附註25及28載列有關已授出購股權及金融工具公平值估值之假設及其風險因素之資料。其他估計不確定性之主要來源載列如下：

(i) 折舊

物業、廠房及設備經計及估計剩餘價值後，在估計可使用年內以直線法折舊。本集團每年檢討資產的可使用年限及剩餘價值(如有)。倘過往估計有重大改變，則調整日後年度的折舊開支。

(ii) 交易應收款項虧損撥備

本集團透過評估預期信貸虧損估計交易應收款項的虧損撥備。此需要運用估計及判斷。預期信貸虧損乃根據與本集團的過往信貸虧損經驗，就具體債務人的因素作出之調整及於報告期末對當前及預期整體經濟狀況作出的評估得出。倘估計與初始估計出現差異，有關差異將影響交易應收款項的賬面值，因此，有關估計期間的減值虧損會出現變動。本集團會在預期期限內不斷評估交易應收款項的預期信貸虧損。

Notes to the Consolidated Financial Statements 綜合財務報表附註

(Expressed in Renminbi unless otherwise indicated)
(除另有指明外，數額以人民幣列示)

3 Revenue and segment reporting

(a) Revenue

The principal activities of the Group are manufacturing and sale of aluminium profiles and property development. Further details regarding the group's principal activities are disclosed in Note 3(b).

(i) Disaggregation of revenue

Disaggregation of revenue from contracts with customers by major products or service lines is as follows:

Revenue from contracts with customers within the scope of IFRS 15	國際財務報告準則第15號範圍內之客戶合約收益
Disaggregated of product lines or service line	按產品線或服務線劃分之明細
– Sales of aluminium profiles	– 銷售鋁型材
– Sales of aluminium panels, aluminium alloy, moulds and spare parts	– 銷售鋁板、鋁合金、模具及零部件
– Sales of completed properties	– 銷售已竣工物業
– Revenue from processing service contracts	– 加工服務合約收益

Disaggregation of revenue from contracts with customers by the timing of revenue recognition and by geographic markets is disclosed in Notes 3(b)(i) and 3(b)(iii) respectively.

The Group's customer base is diversified and does not include any individual customer (2019: Nil) with whom transactions have exceeded 10% of the Group's revenue.

3 收益及分部報告

(a) 收益

本集團之主要業務為製造及銷售鋁型材及物業發展。有關本集團主要業務之進一步詳情披露於附註3(b)。

(i) 收益明細

按主要產品或服務線劃分之客戶合約收益明細如下：

	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 within the scope of IFRS 15		
Disaggregated of product lines or service line		
– Sales of aluminium profiles	11,581,973	10,944,177
– Sales of aluminium panels, aluminium alloy, moulds and spare parts	279,010	235,633
– Sales of completed properties	14,984	81,599
– Revenue from processing service contracts	10,895	19,439
	11,886,862	11,280,848

按收益確認時間及按區域市場劃分之客戶合約收益明細分別於附註3(b)(i)及3(b)(iii)披露。

本集團客戶基礎多元化，且並不包括交易佔本集團收益超過10%之任何個別客戶(二零一九年：無)。

Notes to the Consolidated Financial Statements 綜合財務報表附註

(Expressed in Renminbi unless otherwise indicated)
(除另有指明外，數額以人民幣列示)

3 Revenue and segment reporting (continued)

(a) Revenue (continued)

(ii) Revenue expected to be recognised in the future arising from contracts with customers in existence at the reporting date

As at 31 December 2020, the aggregated amount of the transaction price allocated to the remaining performance obligations under the Group's existing contracts expected to be recognised as revenue within one year.

(b) Segment reporting

The Group manages its businesses by product lines. In a manner consistent with the way in which the information is reported internally to the Group's most senior executive management for the purposes of resource allocation and performance assessment, the Group has presented the following reportable segments.

- Industrial aluminium profiles: this segment manufactures and sells plain aluminium profiles, mainly for industrial usage.
- Construction aluminium profiles: this segment manufactures and sells aluminium profiles with surface finishing, including anodic oxidation aluminium profiles, electrophoresis coating aluminium profiles, powder coating aluminium profiles and PVDF coating aluminium profiles. Construction aluminium profiles are widely used in architecture decoration.

3 收益及分部報告 (續)

(a) 收益 (續)

(ii) 於報告日期已存續的客戶合約所產生預期將於日後確認之收益

於二零二零年十二月三十一日，根據本集團現有合約分配至剩餘履約責任的交易價格的總金額預期於一年內確認為收益。

(b) 分部報告

本集團按產品線管理其業務。按與向本集團最高執行管理人員內部呈報資料以進行資源分配及績效評估一致之方式，本集團已呈列下列可報告分部。

- 工業鋁型材：該分部製造及銷售純鋁型材，主要用作工業用途。
- 建築鋁型材：該分部製造及銷售經表面處理鋁型材，包括陽極氧化鋁型材、電泳塗裝鋁型材、粉末噴塗鋁型材及PVDF噴塗鋁型材。建築鋁型材廣泛用於建築裝修。

Notes to the Consolidated Financial Statements 綜合財務報表附註

(Expressed in Renminbi unless otherwise indicated)
(除另有指明外，數額以人民幣列示)

3 Revenue and segment reporting (continued)

(b) Segment reporting (continued)

- All other segments: include the revenue generated from processing service contracts related to aluminium products, sales of office premises and residential properties and sale of aluminium panels, aluminium alloy, moulds and spare parts.

(i) Segment results, assets and liabilities

For the purposes of assessing segment performance and allocating resources between segments, the Group's senior executive management monitors the results attributable to each reportable segment on the following bases:

Revenue and expenses are allocated to the reportable segments with reference to sales generated by those segments and the expenses incurred by those segments or which otherwise arise from the depreciation or amortisation of assets attributable to those segments. However, other than reporting inter-segment sales of aluminium profiles, assistance provided by one segment to another, including sharing of assets, is not measured.

The measure used for reporting segment profit is gross profit. The Group's senior executive management is provided with segment information concerning segment revenue and profit. Segment assets and liabilities are not reported to the Group's senior executive management regularly.

3 收益及分部報告(續)

(b) 分部報告(續)

- 所有其他分部：包括鋁產品相關加工服務合約、銷售辦公室物業及住宅物業以及銷售鋁板、鋁合金、模具及零部件產生之收益。

(i) 分部業績、資產及負債

為進行分部績效評估及分部間資源分配，本集團高級執行管理人員按以下基準監察各個可報告分部應佔業績：

收益及開支乃參考該等分部所產生之銷售及該等分部所產生之開支或該等分部應佔資產折舊或攤銷所產生之其他開支分配至可報告分部。然而，除報告分部間鋁型材之銷售外，某一分部向另一分部提供之協助（包括共用資產）並不計算在內。

用於報告分部溢利之計量方式為毛利。本集團高級執行管理人員獲提供有關分部收益及溢利之分部資料。分部資產及負債並無定期向本集團高級執行管理人員報告。

Notes to the Consolidated Financial Statements 綜合財務報表附註

(Expressed in Renminbi unless otherwise indicated)
(除另有指明外，數額以人民幣列示)

3 Revenue and segment reporting (continued)

(b) Segment reporting (continued)

(i) Segment results, assets and liabilities (continued)

Information regarding the Group's reportable segments as provided to the Group's most senior executive management for the purposes of resource allocation and assessment of segment performance for the years ended 31 December 2020 and 2019 is set out below:

	Industrial aluminium profiles 工業鋁型材		Construction aluminium profiles 建築鋁型材		All other segments 所有其他分部		Total 合計	
	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	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
Reportable segment revenue 可報告分部收益								
Revenue from external customers (point in time) 來自外界客戶之收益 (時間點)	2,320,269	2,210,691	9,261,704	8,733,486	304,889	336,671	11,886,862	11,280,848
Reportable segment profit 可報告分部溢利								
Gross profit 毛利	228,534	213,787	1,246,404	1,105,520	154,481	170,505	1,629,419	1,489,812

3 收益及分部報告 (續)

(b) 分部報告 (續)

(i) 分部業績、資產及負債 (續)

就截至二零二零年及二零一九年十二月三十一日止年度之資源分配及分部績效評估而言，向本集團最高執行管理人員提供之有關本集團可報告分部資料載列如下：



Notes to the Consolidated Financial Statements 綜合財務報表附註

(Expressed in Renminbi unless otherwise indicated)
(除另有指明外，數額以人民幣列示)

3 Revenue and segment reporting (continued)

(b) Segment reporting (continued)

(ii) Reconciliations of reportable segment profit

		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
Reportable segment profit derived from the Group's external customers	來自本集團外界客戶之可報告分部溢利	1,629,419	1,489,812
Other income	其他收益	146,409	105,959
Distribution costs	分銷成本	(359,999)	(293,075)
Administrative expenses	行政開支	(396,106)	(383,138)
Impairment losses on trade receivables and other receivables	交易及其他應收款項減值虧損	(53,058)	(47,175)
Finance costs	財務成本	(101,592)	(151,480)
Share of profit of an associate	分佔一間聯營公司溢利	8,339	2,567
Consolidated profit before taxation	除稅前綜合溢利	873,412	723,470

(iii) Geographic information

Analysis of the Group's revenue and results as well as analysis of the Group's carrying amount of non-current assets by geographical market has not been presented as over 99% (2019: 97%) of the revenue are generated from the People's Republic of China (the "PRC") market.

3 收益及分部報告(續)

(b) 分部報告(續)

(ii) 可報告分部溢利之對賬

		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
Reportable segment profit derived from the Group's external customers	來自本集團外界客戶之可報告分部溢利	1,629,419	1,489,812
Other income	其他收益	146,409	105,959
Distribution costs	分銷成本	(359,999)	(293,075)
Administrative expenses	行政開支	(396,106)	(383,138)
Impairment losses on trade receivables and other receivables	交易及其他應收款項減值虧損	(53,058)	(47,175)
Finance costs	財務成本	(101,592)	(151,480)
Share of profit of an associate	分佔一間聯營公司溢利	8,339	2,567
Consolidated profit before taxation	除稅前綜合溢利	873,412	723,470

(iii) 地區資料

並無呈列本集團按地區市場劃分之收益及業績分析以及本集團非流動資產賬面價值之分析，原因為逾99%（二零一九年：97%）之收益均來自中華人民共和國（「中國」）市場。

Notes to the Consolidated Financial Statements 綜合財務報表附註

(Expressed in Renminbi unless otherwise indicated)
(除另有指明外，數額以人民幣列示)

4 Other income

4 其他收益

		2020	2019
		二零二零年	二零一九年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Interest income	利息收入	53,899	42,734
Government grants (i)	政府補貼(i)		
– Unconditional subsidies	– 無條件補貼	30,341	25,788
– Conditional subsidies (Note 24)	– 有條件補貼 (附註24)	26,274	25,354
Rental income	租金收入	13,594	13,429
Net foreign exchange (loss)/gain	外匯(虧損)/收益淨額	(3,769)	2,150
Cross currency interest rate swap: cash flow hedges, reclassified from equity (Note 9(b))	交叉貨幣掉期利率： 現金流量對沖， 自股本重新分類 (附註9(b))	(737)	(696)
Changes in fair value of commodity future contracts recognised as hedge ineffectiveness (Note 28(e))	確認為無效對沖的 商品期貨合約之 公平值變動 (附註28(e))	26,067	–
Gain/(loss) on disposal of property, plant and equipment, and right-of-use assets	出售物業、廠房及設備 以及使用權資產的 收益/(虧損)	740	(2,800)
		146,409	105,959

Notes to the Consolidated Financial Statements 綜合財務報表附註

(Expressed in Renminbi unless otherwise indicated)
(除另有指明外，數額以人民幣列示)

4 Other income (continued)

- (i) Government grants in the form of cash subsidies were received from various PRC government authorities.

– Unconditional subsidies

The entitlements of certain government grants amounting to RMB30,341,000 (2019: RMB25,788,000) were unconditional. The funds were to subsidise the operating expenses of the PRC subsidiaries of the Group during the current year.

– Conditional subsidies

The remaining government grants were conditional government grants and initially recorded as deferred income. The amount of conditional government grants charged to the consolidated statement of profit or loss for the year ended 31 December 2020 was RMB26,274,000 (2019: RMB25,354,000) (Note 24).

4 其他收益 (續)

- (i) 自中國政府各機關獲得現金補貼形式的政府補貼。

– 無條件補貼

金額為人民幣30,341,000元(二零一九年：人民幣25,788,000元)之若干政府補貼配額為無條件。該等資金為年內本集團之中國附屬公司之營運開支提供補貼。

– 有條件補貼

餘下政府補助為有條件政府補貼，並初始列為遞延收入。於截至二零二零年十二月三十一日止年度之綜合損益表內扣除之有條件政府補貼金額為人民幣26,274,000元(二零一九年：人民幣25,354,000元)(附註24)。



Notes to the Consolidated Financial Statements 綜合財務報表附註

(Expressed in Renminbi unless otherwise indicated)
(除另有指明外，數額以人民幣列示)

5 Profit before taxation

Profit before taxation is arrived at after charging/
(crediting):

(a) Finance costs:

5 除稅前溢利

除稅前溢利乃扣除／(計入) 以下各項後
得出：

(a) 財務成本：

		2020 二零二零年 RMB'000 人民幣千元	2019 二零一九年 RMB'000 人民幣千元
Interest expenses on bank loans (Note 19(c))	銀行貸款之利息開支 (附註19(c))	92,177	131,743
Interest expenses on discounted bills (Note 19(c))	已貼現票據之利息開支 (附註19(c))	7,629	18,939
Interest on lease liabilities (Note 19(c))	租賃負債利息 (附註19(c))	654	716
Total interest expense on financial liabilities not at fair value through profit or loss	並非按公平值計入損益 之金融負債利息 開支總額	100,460	151,398
Cross currency interest rate swap: cash flow hedges, reclassified from equity (Note 9(b))	交叉貨幣掉期利率： 現金流量對沖， 自股本重新分類 (附註9(b))	1,132	82
		101,592	151,480

Notes to the Consolidated Financial Statements 綜合財務報表附註

(Expressed in Renminbi unless otherwise indicated)
(除另有指明外，數額以人民幣列示)

5 Profit before taxation (continued)

(b) Staff costs:

		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
Contributions to defined contribution retirement plans	向定額供款退休福利計劃供款	57,423	69,776
Equity-settled share-based payment expenses (Note 25(b))	以股權結算以股份為基礎的付款開支 (附註25(b))	1,794	2,325
Salaries, wages and other benefits	薪金、工資及其他福利	900,312	765,532
		959,529	837,633

Pursuant to the relevant labour rules and regulations in the PRC, the PRC subsidiaries participate in defined contribution retirement benefit schemes (“Schemes”) organised by the local authority whereby the PRC subsidiaries are required to make contributions to the Schemes based on certain percentages of the eligible employees’ salaries. The local government authorities are responsible for the entire pension obligations payable to the retired employees.

Contributions to the Mandatory Provident Fund (“MPF”) are required under the Hong Kong Mandatory Provident Fund Schemes Ordinance (Chapter 485 of the Laws of Hong Kong). The Group and its employees in Hong Kong are required to make monthly mandatory contributions to the MPF scheme at 5% of the employees’ relevant income as defined under the Mandatory Provident Fund Schemes Ordinance. The monthly mandatory contributions from employees and employers are subject to a cap of monthly relevant income of Hong Kong Dollars (“HKD”) 30,000 for the year ended 31 December 2020 (2019: HKD30,000).

The Group’s contributions to the defined contribution plans are expensed as incurred and not reduced by contributions forfeited by those employees who leave the plans prior to vesting fully in the contributions.

5 除稅前溢利 (續)

(b) 員工成本：

	2020 二零二零年 RMB'000 人民幣千元	2019 二零一九年 RMB'000 人民幣千元
Contributions to defined contribution retirement plans	57,423	69,776
Equity-settled share-based payment expenses (Note 25(b))	1,794	2,325
Salaries, wages and other benefits	900,312	765,532
	959,529	837,633

根據中國相關勞動規則及法規，中國附屬公司參與由地方政府機關組織的定額供款退休福利計劃（「計劃」），據此，中國附屬公司須按合資格僱員薪金的一定百分比向計劃作出供款。地方政府機關負責就全部養老金責任向退休僱員作出供款。

強制性公積金計劃條例（香港法例第485章）規定向強制性公積金（「強積金」）作出供款。本集團及其香港僱員每月須按強制性公積金計劃條例下界定的僱員相關收入的5%向強積金計劃作出強制性供款。截至二零二零年十二月三十一日止年度，僱員及僱主的每月強制性供款以每月相關收入30,000港元（「港元」）（二零一九年：30,000港元）為上限。

本集團向該等定額供款計劃作出的供款在產生時支銷，而僱員因在取得全數供款前退出計劃而被沒收的供款將不會用作扣減該等供款。

Notes to the Consolidated Financial Statements 綜合財務報表附註

(Expressed in Renminbi unless otherwise indicated)
(除另有指明外，數額以人民幣列示)

5 Profit before taxation (continued)

(b) Staff costs: (continued)

The Group has no other material obligations for payments of retirement and other post-retirement benefits of employees other than the contributions described above.

To relieve the difficulties encountered by enterprises due to COVID-19 pandemic, pursuant to related policies consented by the State Council of the PRC, major subsidiaries of the Company in PRC were entitled to reduce its contribution to the pension insurance, unemployment insurance, and work injury insurance by 50% amounting to RMB14,156,000 (2019: Nil) from February 2020 to April 2020.

(c) Other items:

5 除稅前溢利 (續)

(b) 員工成本：(續)

除上述供款外，本集團並無就支付僱員退休及其他退休後福利承擔其他重大責任。

為舒緩企業因新冠肺炎疫情所面臨的困難，根據中國國務院頒佈的相關政策，自二零二零年二月起至二零二零年四月，本公司於中國的主要附屬公司有權享有減免其50%養老保險、失業保險及工傷保險繳費，金額達人民幣14,156,000元（二零一九年：無）。

(c) 其他項目：

		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
Depreciation charge	折舊開支		
– Investment properties (Note 11)	– 投資物業 (附註11)	2,093	945
– Other property, plant and equipment (Note 11)	– 其他物業、廠房及設備 (附註11)	393,800	323,018
– Right-of-use assets (Note 12)	– 使用權資產 (附註12)	12,409	12,334
Amortisation cost of intangible assets (Note 13)	無形資產之攤銷成本 (附註13)	343	–
Provision/(reversal) of impairment losses on	以下各項減值虧損之撥備 / (撥回)		
– trade receivables (Note 28(a))	– 交易應收款項 (附註28(a))	52,870	48,296
– other receivables	– 其他應收款項	188	(1,121)
Auditors' remuneration	核數師酬金		
– audit services	– 審核服務	1,355	1,355
– other services	– 其他服務	760	760
Cost of inventories (i)/(Note 16)	存貨成本(i) / (附註16)	10,257,443	9,791,036
Research and development costs (ii)	研發成本(ii)	526,769	490,223

Notes to the Consolidated Financial Statements 綜合財務報表附註

(Expressed in Renminbi unless otherwise indicated)
(除另有指明外，數額以人民幣列示)

5 Profit before taxation (continued)

(c) Other items: (continued)

- (i) Cost of inventories for the year ended 31 December 2020 included RMB959,500,000 (2019: RMB800,668,000) relating to depreciation and staff costs, which amount is also included in the respective total amounts disclosed separately above or in Note 5(b) for each of these types of expenses, and net gain of RMB96,952,000 (2019: Nil) reclassified from other comprehensive income on commodity futures contracts which were designated as cash flow hedging instruments.
- (ii) Research and development costs for the year ended 31 December 2020 included RMB139,380,000 (2019: RMB133,885,000) relating to depreciation and staff costs of employees, which amount is also included in the respective total amounts disclosed separately above or in Note 5(b) for each of these types of expenses.

5 除稅前溢利 (續)

(c) 其他項目：(續)

- (i) 截至二零二零年十二月三十一日止年度，存貨成本包括與折舊及員工成本有關之人民幣959,500,000元(二零一九年：人民幣800,668,000元)，該金額亦已計入上文或附註5(b)分開披露的各類開支總額。及自有關商品期貨合約(指定為現金流量對沖工具)其他收入重新分類的收益淨額人民幣96,952,000元(二零一九年：無)。
- (ii) 截至二零二零年十二月三十一日止年度之研發成本包括與折舊及僱員之員工成本有關之人民幣139,380,000元(二零一九年：人民幣133,885,000元)，該金額已亦計入上文或附註5(b)分開披露各類的開支總額。



Notes to the Consolidated Financial Statements 綜合財務報表附註

(Expressed in Renminbi unless otherwise indicated)
(除另有指明外，數額以人民幣列示)

6 Income tax in the consolidated statement of profit or loss

6 於綜合損益表內之所得稅

(a) Taxation in the consolidated statement of profit or loss represents:

(a) 於綜合損益表內之稅項為：

		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 tax	即期稅項		
Provision for PRC corporate income tax ("CIT")	中國企業所得稅 (「企業所得稅」) 撥備	113,931	111,018
Provision for PRC Land Appreciation Tax ("LAT")	中國土地增值稅 (「土地增值稅」) 撥備	1,332	4,842
		115,263	115,860
Deferred tax	遞延稅項		
Reversal and origination of temporary differences (Note 26(b))	臨時差額撥回及產生 (附註26(b))	(3,310)	5,004
		111,953	120,864

(i) Pursuant to the rules and regulations of the Cayman Islands and the British Virgin Islands (the "BVI"), the Group is not subject to any income tax in the Cayman Islands and the BVI.

(i) 根據開曼群島及英屬處女群島 (「英屬處女群島」) 規則及規例，本集團毋須繳納開曼群島及英屬處女群島之任何所得稅。

(ii) The provision for Hong Kong Profits Tax is calculated at 16.5% (2019: 16.5%) of the estimated assessable profits for the year ended 31 December 2020, except for one subsidiary of the Group which is a qualifying corporation under the two-tiered Profits Tax rate regime.

(ii) 香港利得稅撥備乃按截至二零二零年十二月三十一日止年度之估計應課稅溢利以16.5% (二零一九年：16.5%) 稅率計算，惟本集團一間身為利得稅兩級制合資格企業之附屬公司除外。

Notes to the Consolidated Financial Statements 綜合財務報表附註

(Expressed in Renminbi unless otherwise indicated)
(除另有指明外，數額以人民幣列示)

6 Income tax in the consolidated statement of profit or loss (continued)

(a) Taxation in the consolidated statement of profit or loss represents: (continued)

(ii) (continued)

For this subsidiary, the first HK\$2 million of assessable profits are taxed at 8.25% and the remaining assessable profits are taxed at 16.5%. The provision for Hong Kong Profits Tax for this subsidiary was calculated at the same basis in 2019.

The provision for Hong Kong Profits Tax for 2020 is taken into account a reduction granted by the Hong Kong SAR Government of 100% of the tax payable for the year of assessment 2019/20 subject to a maximum reduction of HK\$20,000 for each business (2019: a maximum reduction of HK\$20,000 was granted for the year of assessment 2018/19 and was taken into account in calculating the provision for 2019).

- (iii) Pursuant to the income tax rules and regulations of the PRC, the PRC subsidiaries of the Group are liable to PRC corporate income tax at a rate of 25% for 2020 (2019: 25%) except for Guangdong Xingfa Aluminium Co., Ltd. (“Guangdong Xingfa”), Xingfa Aluminium (Chengdu) Co., Ltd. (“Chengdu Xingfa”), Guangdong Xingfa Aluminium (Henan) Co., Ltd. (“Xingfa Henan”) and Guangdong Xingfa Aluminium (Jiangxi) Co., Ltd. (“Xingfa Jiangxi”) which were certified as “High and New Technology Enterprises” (“HNTE”) and entitled to the preferential income tax rate of 15% for 2020 (2019: 15%).

6 於綜合損益表內之所得稅 (續)

(a) 於綜合損益表內之稅項為：(續)

(ii) (續)

就此附屬公司而言，首2百萬港元應課稅溢利以8.25%的稅率徵稅，而餘下應課稅溢利以16.5%的稅率徵稅。此附屬公司之香港利得稅撥備乃按與二零一九年相同的基準計算。

二零二零年香港利得稅撥備乃經計及香港特別行政區政府就二零一九年至二零二零年度應評稅應付稅款授出的100%扣減額(各項業務最高扣減額為20,000港元)(二零一九年：二零一八年至二零一九年度就應評稅授出最高扣減額20,000港元，且於計算二零一九年撥備時已計及此扣減額)。

- (iii) 根據中國所得稅規則及規例，本集團之中國附屬公司於二零二零年須按25% (二零一九年：25%)之稅率繳納中國企業所得稅，惟廣東興發鋁業有限公司(「廣東興發」)、興發鋁業(成都)有限公司(「成都興發」)、廣東興發鋁業(河南)有限公司(「興發河南」)及廣東興發鋁業(江西)有限公司(「興發江西」)具備「高新技術企業」(「高新技術企業」)之資格並於二零二零年享有15% (二零一九年：15%)之優惠所得稅稅率。

Notes to the Consolidated Financial Statements 綜合財務報表附註

(Expressed in Renminbi unless otherwise indicated)
(除另有指明外，數額以人民幣列示)

6 Income tax in the consolidated statement of profit or loss (continued)

(a) Taxation in the consolidated statement of profit or loss represents: (continued)

- (iv) Pursuant to the new tax law in the PRC, from 1 January 2008, non-resident enterprises without an establishment or place of business in the PRC or which have an establishment or place of business in the PRC but whose relevant income is not effectively connected with the establishment or a place of business in the PRC, will be subject to withholding tax at the rate of 10% (unless reduced by tax treaty) on various types of passive income such as dividends derived from sources within the PRC. Pursuant to the Sino-Hong Kong Double Tax Arrangement and the related regulations, a qualified Hong Kong tax resident will be liable to a reduced withholding tax rate of 5% on dividends from a PRC enterprise if the Hong Kong tax resident is the “beneficial owner” and holds 25% or more of the equity interest of the PRC enterprise. As Guangdong Xingfa is held by a Hong Kong incorporated subsidiary, a rate of 5% is applicable to the calculation of this withholding tax.

As at 31 December 2020, deferred tax liabilities of RMB10,977,000 (2019: RMB11,609,000) (Note 26(b)(i)) have been provided for in this regard based on the expected dividends to be distributed from Guangdong Xingfa in the foreseeable future in respect of the profits generated since 1 January 2008.

6 於綜合損益表內之所得稅 (續)

(a) 於綜合損益表內之稅項為：(續)

- (iv) 根據中國新稅法，由二零零八年一月一日起，在中國境內未設立機構、場所，或者雖在中國境內設立機構、場所但取得之有關收入與其在中國境內所設機構、場所沒有實際聯繫之非居民企業，將須就多種被動收入（如源於中國境內之股息）按10%稅率（除非按稅收協定減免）繳納預提稅。根據內地與香港訂立的《雙重徵稅安排》及相關法規，倘一名合資格香港稅務居民為「實益擁有人」並持有中國企業25%或以上的股權，則該香港稅務居民須就其來自中國企業的股息按優惠稅率5%繳納預提稅。由於廣東興發由一間於香港註冊成立之附屬公司持有，故計算此預提稅適用之稅率為5%。

於二零二零年十二月三十一日，以廣東興發在可預見將來就自二零零八年一月一日起所產生利潤將會派發的預期股息為基礎，已就人民幣10,977,000元（二零一九年：人民幣11,609,000元）之遞延稅項負債作出撥備（附註26(b)(i)）。

Notes to the Consolidated Financial Statements 綜合財務報表附註

(Expressed in Renminbi unless otherwise indicated)
(除另有指明外，數額以人民幣列示)

6 Income tax in the consolidated statement of profit or loss (continued)

(a) Taxation in the consolidated statement of profit or loss represents: (continued)

- (v) During the year of 2020, Guangdong Xingfa, Xingfa Henan and Xingfa Jiangxi obtained approval from local tax authorities to claim super deduction on research and development expenses incurred in 2019. As such, the income tax for 2020 was reduced by RMB18,002,000 (2019: RMB11,843,000). Such additional tax deduction on research and development expenses equals 75% (2019: 75%) of the amount actually incurred.
- (vi) LAT is levied on properties developed in the PRC by the Group for sale, at progressive rates ranging from 30% to 60% on the appreciation of land value, which under the applicable regulations is calculated based on the proceeds of sales of properties less deductible expenditures including lease charges of land use rights, borrowing costs and relevant property development expenditures.

6 於綜合損益表內之所得稅 (續)

(a) 於綜合損益表內之稅項為：(續)

- (v) 於二零二零年，廣東興發、興發河南及興發江西已就申請加計扣除二零一九年產生之研發開支獲得當地稅務局批准。因此，二零二零年之所得稅減少人民幣18,002,000元(二零一九年：人民幣11,843,000元)。有關對研發開支之額外扣稅相等於實際產生金額之75%(二零一九年：75%)。
- (vi) 土地增值稅乃本集團出售的中國已開發物業就地價增值按土地增值稅累進稅率30%至60%徵收，根據適用法規計算，地價增值即物業銷售所得款項減去可扣減支出(包括土地使用權租賃費用，借貸成本及相關物業發展開支)。

Notes to the Consolidated Financial Statements 綜合財務報表附註

(Expressed in Renminbi unless otherwise indicated)
(除另有指明外，數額以人民幣列示)

6 Income tax in the consolidated statement of profit or loss (continued) 6 於綜合損益表內之所得稅 (續)

(b) Reconciliation between tax expense and accounting profit at applicable tax rates:

(b) 按適用稅率計算之稅項開支與會計溢利對賬：

		2020 二零二零年 RMB'000 人民幣千元	2019 二零一九年 RMB'000 人民幣千元
Profit before taxation	除稅前溢利	873,412	723,470
Less: LAT	減：土地增值稅	1,332	4,842
Profit before CIT and Hong Kong Profits Tax	除企業所得稅及香港利得稅前溢利	872,080	718,628
Notional tax on profit before taxation, calculated at the rates applicable to the jurisdiction concerned	按相關司法權區適用稅率計算之除稅前溢利之名義稅項	214,115	184,666
Tax effect of non-deductible expenses	不可扣稅開支之稅務影響	760	860
Tax effect of share of profit of an associate	分佔一間聯營公司溢利之稅務影響	(1,251)	(385)
Effect of tax concessions	稅務優惠之影響	(90,369)	(68,464)
Super deduction on research and development expenses in respect of prior year (Note 6(a)(v))	上一年度之研發開支加計扣除(附註6(a)(v))	(18,002)	(11,843)
Effect of withholding on undistributed profits retained by PRC subsidiaries (Note 26)	預扣中國附屬公司未分配保留溢利的影響(附註26)	5,368	11,188
CIT and Hong Kong Profits Tax	企業所得稅及香港利得稅	110,621	116,022
Add: LAT	加：土地增值稅	1,332	4,842
Income tax expense	所得稅開支	111,953	120,864

Notes to the Consolidated Financial Statements 綜合財務報表附註

(Expressed in Renminbi unless otherwise indicated)
(除另有指明外，數額以人民幣列示)

7 Directors' emoluments

Directors' emoluments disclosed pursuant to section 383(1) of Hong Kong Companies Ordinance and Part 2 of the Companies (Disclosure of Information about Benefits of Directors) Regulation are as follows:

7 董事酬金

根據香港公司條例第383(1)條及公司(披露董事利益資料)規例第2部披露之董事酬金如下：

		Fees	Salary, allowance and benefits in kind	Contribution to retirement benefit plan	Bonus paid	Sub-Total	Share-based payments	2020 Total
		袍金	薪金、津貼及實物利益	退休福利計劃供款	已付花紅	小計	以股份為基礎的付款	二零二零年總計
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
Executive directors	執行董事							
Mr. LIU Libin	劉立斌先生	300	606	23	1,732	2,661	100	2,761
Mr. LIAO Yuqing	廖玉慶先生	636	264	-	1,927	2,827	-	2,827
Mr. LAW Yung Koon	羅用冠先生	552	-	13	2,649	3,214	-	3,214
Mr. WANG Zhihua	王志華先生	416	90	12	1,555	2,073	84	2,157
Ms. ZHANG Li	張莉女士	-	677	12	467	1,156	83	1,239
Mr. LUO Jianfeng	羅建峰先生	425	-	-	-	425	-	425
Non-executive directors	非執行董事							
Ms. XIE Jingyun	謝景雲女士	-	-	-	-	-	-	-
Mr. ZUO Manlun	左滿倫先生	319	-	-	-	319	-	319
Independent non-executive directors	獨立非執行董事							
Mr. CHEN Mo	陳默先生	150	-	-	-	150	-	150
Mr. HO Kwan Yiu	何君堯先生	150	-	-	-	150	-	150
Mr. LAM Ying Hung, Andy	林英鴻先生	180	-	-	-	180	-	180
Mr. LIANG Shibin	梁世斌先生	55	83	-	-	138	-	138
Total	總計	3,183	1,720	60	8,330	13,293	267	13,560

Notes to the Consolidated Financial Statements 綜合財務報表附註

(Expressed in Renminbi unless otherwise indicated)
(除另有指明外，數額以人民幣列示)

7 Directors' emoluments (continued)

7 董事酬金 (續)

		Fees	Salary, allowance and benefits in kind 薪金、津貼及實物利益	Contribution to retirement benefit plan 退休福利計劃供款	Bonus paid 已付花紅	Sub-Total 小計	Share-based payments 以股份為基礎的付款 (Note) (附註)	2019 Total 二零一九年總計
		RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元
Executive directors	執行董事							
Mr. LIU Libin	劉立斌先生	460	453	23	1,415	2,351	127	2,478
Mr. LIAO Yuqing	廖玉慶先生	636	265	-	1,700	2,601	-	2,601
Mr. LAW Yung Koon	羅用冠先生	423	-	16	1,163	1,602	-	1,602
Mr. WANG Zhihua	王志華先生	416	99	16	2,081	2,612	107	2,719
Ms. ZHANG Li	張莉女士	216	527	29	250	1,022	107	1,129
Mr. LUO Jianfeng	羅建峰先生	424	-	-	-	424	-	424
Non-executive directors	非執行董事							
Ms. XIE Jingyun	謝景雲女士	-	-	-	-	-	-	-
Mr. ZUO Manlun	左滿倫先生	318	-	-	-	318	-	318
Independent non-executive directors	獨立非執行董事							
Mr. CHEN Mo	陳默先生	150	-	-	-	150	-	150
Mr. HO Kwan Yiu	何君堯先生	150	-	-	-	150	-	150
Mr. LAM Ying Hung, Andy	林英鴻先生	180	-	-	-	180	-	180
Mr. LIANG Shibin	梁世斌先生	150	96	-	-	246	-	246
Total	總計	3,523	1,440	84	6,609	11,656	341	11,997

Note:

These represent the estimated value of share options granted to the directors under the Company's share option scheme. The value of these share options is measured according to the Group's accounting policies for share-based payment transactions as set out in Note 1(s)(ii) and, in accordance with that policy, includes adjustments to reverse amounts accrued in previous years where grants of equity instruments are forfeited prior to vesting.

The details of these benefits in kind, including the principal terms and number of options granted, are disclosed under the paragraph "Share option scheme" in the Report of the Directors and Note 25.

附註：

該等金額指根據本公司購股權計劃授予董事的購股權的估計價值。該等購股權的價值根據附註1(s)(ii)所載本集團有關股份付款交易的會計政策計量，而根據有關政策，該金額包括過往年度在所授出權益工具於歸屬前被沒收的情況下所累計的儲備金額。

該等實物利益的詳情，包括已授出購股權的主要條款及數目，已於董事會報告內「購股權計劃」一段及附註25中披露。

Notes to the Consolidated Financial Statements 綜合財務報表附註

(Expressed in Renminbi unless otherwise indicated)
(除另有指明外，數額以人民幣列示)

8 Individuals with highest emoluments

Of the five Individuals with the highest emoluments, four (2019: three) of them are directors whose emoluments are disclosed in Note 7. The aggregate of the emoluments in respect of the other one (2019: two) individuals 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
Fees	袍金	–	–
Salary, allowance and benefits in kind	薪金、津貼及實物利益	330	828
Contribution to retirement benefit plan	退休福利計劃供款	12	32
Bonus paid	已付花紅	1,400	3,239
Share-based payments	以股份為基礎的付款	60	157
		1,802	4,256

The emoluments of the one (2019: two) individual(s) with the highest emoluments are within the following bands:

		2020 二零二零年 Number of Individuals 人數	2019 二零一九年 Number of Individuals 人數
Nil – HK\$1,000,000	零至1,000,000港元	–	–
HK\$1,000,001 – HK\$1,500,000	1,000,001港元至 1,500,000港元	–	–
HK\$1,500,001 – HK\$2,000,000	1,500,001港元至 2,000,000港元	–	1
HK\$2,000,001 – HK\$2,500,000	2,000,001港元至 2,500,000港元	1	–
HK\$2,500,001 – HK\$3,000,000	2,500,001港元至 3,000,000港元	–	1

8 最高薪酬人士

五名最高薪酬人士中，四名（二零一九年：三名）為董事，彼等之酬金於附註7披露。其他一名（二零一九年：兩名）最高薪酬人士的酬金總額如下：

一名（二零一九年：兩名）最高薪人士的酬金介乎下列範圍：

Notes to the Consolidated Financial Statements 綜合財務報表附註

(Expressed in Renminbi unless otherwise indicated)
(除另有指明外，數額以人民幣列示)

9 Other comprehensive income

9 其他全面收益

(a) Tax effects relating to each component of other comprehensive income

(a) 有關其他全面收益各組成部分之稅務影響

		2020 二零二零年			2019 二零一九年		
		Before-tax amount 除稅前 金額 RMB'000 人民幣千元	Tax benefit 稅項 利益 RMB'000 人民幣千元	Net-of-tax amount 除稅後 金額 RMB'000 人民幣千元	Before-tax amount 除稅前 金額 RMB'000 人民幣千元	Tax benefit 稅項 利益 RMB'000 人民幣千元	Net-of-tax amount 除稅後 金額 RMB'000 人民幣千元
Exchange differences on translation of: – financial statements of overseas subsidiaries	換算以下項目之匯兌差額： – 海外附屬公司之財務報表	3,094	–	3,094	(742)	–	(742)
Cash flow hedge: net movement in hedging reserve	現金流量對沖：對沖儲備變動淨額	(5,680)	852	(4,828)	(2)	–	(2)
Other comprehensive income	其他全面收益	(2,586)	852	(1,734)	(744)	–	(744)

Notes to the Consolidated Financial Statements 綜合財務報表附註

(Expressed in Renminbi unless otherwise indicated)
(除另有指明外，數額以人民幣列示)

9 Other comprehensive income (continued)

(b) Components of other comprehensive income, including reclassification adjustments

9 其他全面收益(續)

(b) 其他全面收益之組成部分，包括重新分類調整

		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 flow hedges:	現金流量對沖：		
Effective portion of the cash flow hedge recognised in other comprehensive income during the period	本期間於其他全面收益確認之現金流量對沖之有效部分	89,403	(780)
Reclassification adjustments for amounts transferred to profit or loss:	轉撥至損益金額的重新分類調整：		
– finance costs (Note 5(a))	– 融資成本 (附註5(a))	1,132	82
– foreign exchange (gain)/loss (Note 4)	– 外匯(收益)/虧損 (附註4)	737	696
– cost of inventories (Note 5(c))	– 存貨成本(附註5(c))	(96,952)	–
Net deferred tax credited to other comprehensive income (Note 26(b)(i))	計入其他全面收益的遞延稅項淨額 (附註26(b)(i))	852	–
Net movement in the hedging reserve during the period recognised in other comprehensive income	於其他全面收益確認之期內對沖儲備之變動淨額	(4,828)	(2)

Notes to the Consolidated Financial Statements 綜合財務報表附註

(Expressed in Renminbi unless otherwise indicated)
(除另有指明外，數額以人民幣列示)

10 Earnings per share

(a) Basic earnings per share

The calculation of basic earnings per share is based on the profit attributable to ordinary equity shareholders of the Company of RMB765,385,000 (2019: RMB606,109,000) and the weighted average number of 418,008,000 ordinary shares (2019: 418,000,000 ordinary shares) in issue during the year, calculated as follows:

Weighted average number of ordinary shares

Issued ordinary shares at 1 January	於一月一日的 已發行普通股	418,000	418,000
Effect of share options exercised (Note 27(c)(ii))	行使購股權的影響 (附註 27(c)(ii))	8	-
Weighted average number of ordinary shares at 31 December	於十二月三十一日的 普通股加權平均數	418,008	418,000

10 每股盈利

(a) 每股基本盈利

每股基本盈利乃根據本公司普通股權益股東應佔溢利人民幣765,385,000元(二零一九年：人民幣606,109,000元)及年內已發行普通股加權平均數418,008,000股(二零一九年：418,000,000股普通股)計算如下：

普通股加權平均數

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
418,000	418,000
8	-
418,008	418,000

Notes to the Consolidated Financial Statements
綜合財務報表附註*(Expressed in Renminbi unless otherwise indicated)*
(除另有指明外，數額以人民幣列示)**10 Earnings per share (continued)****(b) Diluted earnings per share**

The calculation of diluted earnings per share is based on the profit attributable to ordinary equity shareholders of the Company of RMB765,385,000 (2019: RMB606,109,000) and the weighted average number of ordinary shares of 419,115,000 shares (2019: 418,176,000), calculated as follows:

(i) Profit attributable to ordinary equity shareholders of the Company (diluted)

Profit attributable to ordinary equity shareholders (diluted)	普通股權益股東應佔溢利(攤薄)
---	-----------------

(ii) Weighted average number of ordinary shares (diluted)

Weighted average number of ordinary shares at 31 December	於十二月三十一日之普通股加權平均數
---	-------------------

Effect of deemed issue of shares under the Company's share option scheme for nil consideration (Note 25)	視作根據本公司之購股權計劃無償發行股份之影響(附註25)
--	------------------------------

Weighted average number of ordinary shares (diluted) at 31 December	於十二月三十一日之普通股加權平均數(攤薄)
---	-----------------------

10 每股盈利(續)**(b) 每股攤薄盈利**

每股攤薄盈利乃根據本公司普通股權益股東應佔溢利人民幣765,385,000元(二零一九年：人民幣606,109,000元)及普通股加權平均數419,115,000股(二零一九年：418,176,000股)計算如下：

(i) 本公司普通股權益股東應佔溢利(攤薄)

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
-----------------------------------	-----------------------------------

765,385	606,109
---------	---------

(ii) 普通股加權平均數(攤薄)

2020 二零二零年 '000 千股	2019 二零一九年 '000 千股
-----------------------------	-----------------------------

418,008	418,000
---------	---------

1,107	176
-------	-----

419,115	418,176
---------	---------

Notes to the Consolidated Financial Statements 綜合財務報表附註

(Expressed in Renminbi unless otherwise indicated)
(除另有指明外，數額以人民幣列示)

11 Investment property and other property, plant and equipment

11 投資物業及其他物業、廠房及設備

(a) Reconciliation of carrying amount

(a) 賬面值之對賬

		Buildings and plants 樓宇及廠房 RMB'000 人民幣千元	Machinery 機器 RMB'000 人民幣千元	Motor Vehicles 汽車 RMB'000 人民幣千元	Office equipment and others 辦公室設備及其他 RMB'000 人民幣千元	Construction in progress 在建工程 RMB'000 人民幣千元	Subtotal 小計 RMB'000 人民幣千元	Investment properties 投資物業 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
Cost:	成本：								
At 1 January 2019	於二零一九年一月一日	1,087,864	2,031,242	24,781	173,117	146,018	3,463,022	-	3,463,022
Additions	添置	5,261	287,949	4,117	15,701	307,965	620,993	-	620,993
Transfer from construction in progress	轉撥自在建工程	117,057	132,074	587	732	(250,450)	-	-	-
Transfer from other property, plant and equipment to investment property	轉撥自其他物業、廠房及設備至投資物業	(59,281)	-	-	-	-	(59,281)	59,281	-
Transfer from right-of-use assets	轉撥自使用權資產	-	-	-	-	-	-	22,780	22,780
Disposal	出售	(113)	(26,182)	(163)	(1,571)	-	(28,029)	-	(28,029)
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	1,150,788	2,425,083	29,322	187,979	203,533	3,996,705	82,061	4,078,766
Additions	添置	4,079	281,434	2,057	12,504	176,990	477,064	-	477,064
Transfer from inventory	轉撥自存貨	3,062	-	-	-	-	3,062	-	3,062
Transfer from construction in progress	轉撥自在建工程	34,195	69,677	785	2,293	(106,950)	-	-	-
Transfer from other property, plant and equipment to investment property	轉撥自其他物業、廠房及設備至投資物業	(1,617)	-	-	-	-	(1,617)	1,617	-
Transfer from right-of-use assets	轉撥自使用權資產	-	-	-	-	-	-	2,795	2,795
Disposal	出售	-	(6,658)	(1,925)	(507)	-	(9,090)	-	(9,090)
At 31 December 2020	於二零二零年十二月三十一日	1,190,507	2,769,536	30,239	202,269	273,573	4,466,124	86,473	4,552,597
Accumulated depreciation:	累計折舊：								
At 1 January 2019	於二零一九年一月一日	(199,414)	(1,153,310)	(18,078)	(140,035)	-	(1,510,837)	-	(1,510,837)
Transfer from other property, plant and equipment to investment property	轉撥自其他物業、廠房及設備至投資物業	5,060	-	-	-	-	5,060	(5,060)	-
Transfer from right-of-use assets	轉撥自使用權資產	-	-	-	-	-	-	(4,362)	(4,362)
Charge for the year	年度支出	(34,362)	(278,214)	(2,079)	(8,363)	-	(323,018)	(945)	(323,963)
Written back on disposals	出售時撥回	27	19,247	153	1,336	-	20,763	-	20,763
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	(228,689)	(1,412,277)	(20,004)	(147,062)	-	(1,808,032)	(10,367)	(1,818,399)
Transfer from other property, plant and equipment to investment property	轉撥自其他物業、廠房及設備至投資物業	372	-	-	-	-	372	(372)	-
Transfer from right-of-use assets	轉撥自使用權資產	-	-	-	-	-	-	(633)	(633)
Charge for the year	年度支出	(38,599)	(344,151)	(2,484)	(8,566)	-	(393,800)	(2,093)	(395,893)
Written back on disposals	出售時撥回	-	4,406	1,742	435	-	6,583	-	6,583
At 31 December 2020	於二零二零年十二月三十一日	(266,916)	(1,752,022)	(20,746)	(155,193)	-	(2,194,877)	(13,465)	(2,208,342)
Net book value:	賬面淨值：								
At 31 December 2020	於二零二零年十二月三十一日	923,591	1,017,514	9,493	47,076	273,573	2,271,247	73,008	2,344,255
At 31 December 2019	於二零一九年十二月三十一日	922,099	1,012,806	9,318	40,917	203,533	2,188,673	71,694	2,260,367

Notes to the Consolidated Financial Statements 綜合財務報表附註

(Expressed in Renminbi unless otherwise indicated)
(除另有指明外，數額以人民幣列示)

11 Investment property and other property, plant and equipment (continued)

(a) Reconciliation of carrying amount (continued)

- (i) All properties owned by the Group are located in the PRC.
- (ii) Up to the date of this report, the Group is in the process of applying for the title certificates of certain properties with carrying value of approximately RMB74,673,000 as at 31 December 2020 (2019: RMB40,425,000). The directors of the Company are of the opinion that the use of and the conduct of operating activities at the properties referred to above are not affected by the fact that the Group has not yet obtained the relevant property title certificates.
- (iii) Certain plants with net book value of RMB577,227,000 (2019: RMB602,309,000) were pledged as securities for bank loans of the Group as at 31 December 2020 (Note 22).

11 投資物業及其他物業、廠房及設備 (續)

(a) 賬面值之對賬 (續)

- (i) 本集團擁有的全部物業均位於中國。
- (ii) 截至本報告日期，本集團正在為於二零二零年十二月三十一日之賬面值約為人民幣74,673,000元(二零一九年：人民幣40,425,000元)之若干物業申請辦理業權證。本公司董事認為，使用上述物業及在上述物業從事經營活動並不會因本集團尚未取得相關物業業權證書而受到影響。
- (iii) 於二零二零年十二月三十一日，賬面淨值為人民幣577,227,000元(二零一九年：人民幣602,309,000元)之若干廠房已抵押作為本集團銀行貸款之擔保(附註22)。



Notes to the Consolidated Financial Statements 綜合財務報表附註

(Expressed in Renminbi unless otherwise indicated)
(除另有指明外，數額以人民幣列示)

11 Investment property and other property, plant and equipment (continued)

(b) Investment property

The Group leases out owned properties under operating leases and began to treat these properties as investment properties since 1 July 2019 because the Group decided to hold these properties in the long-term for capital appreciation or rental income. The leases typically run for an initial period of 1 to 3 years, with an option to renew the lease after that date at which time all terms are renegotiated. Lease payments are usually increased every year to reflect market rentals. None of the leases includes variable lease payments.

Undiscounted lease payments under non-cancellable operating leases in place at the reporting date will be receivable by the Group in future periods as follows:

	2020 二零二零年 RMB'000 人民幣千元	2019 二零一九年 RMB'000 人民幣千元
Within 1 year	744	1,889

Investment properties of the Group were stated in the consolidated statement of financial position at cost less accumulated depreciation and impairment losses. Fair value of these investment properties is RMB138,810,000 as at 31 December 2020 (31 December 2019: RMB131,000,000). The valuations of fair value were carried out by an independent firm of surveyors, Jones Lang LaSalle Corporate Appraisal and Advisory Limited, who have staff with recent experience in the location and category of property being valued.

11 投資物業及其他物業、廠房及設備 (續)

(b) 投資物業

本集團根據經營租賃出租所擁有物業並自二零一九年七月一日起開始將該等物業視為投資物業，原因為本集團決定為長期資本增值或取得租金收入而持有該等物業。租賃一般初步為期1至3年，並有權選擇續訂，屆時所有條款均會重新磋商。租賃付款通常會每年增加，以反映市場租金水平。各項租賃均不包含可變租賃付款。

本集團將於未來期間根據於報告日期訂立的不可解除經營租賃應收的未貼現租賃付款如下：

本集團的投資物業乃於綜合財務狀況表按成本減累計折舊及減值虧損呈列。該等投資物業於二零二零年十二月三十一日的公平值為人民幣138,810,000元(二零一九年十二月三十一日：人民幣131,000,000元)。公平值估值乃由獨立測量師行仲量聯行企業評估及諮詢有限公司進行，其僱員均於估值物業所在地區及所屬類別擁有新近經驗。

Notes to the Consolidated Financial Statements
綜合財務報表附註*(Expressed in Renminbi unless otherwise indicated)*
(除另有指明外，數額以人民幣列示)**12 Right-of-use assets****12 使用權資產**

		Land use rights 土地 使用權 (Note (i)) (附註(i)) RMB'000 人民幣千元	Right-of-use assets 使用 權資產 (Note (ii)) (附註(ii)) RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
Cost:	成本：			
At 1 January 2019	於二零一九年 一月一日	439,671	9,164	448,835
Additions	添置	-	15,094	15,094
Transfer to investment property	轉撥至投資物業	(22,780)	-	(22,780)
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	416,891	24,258	441,149
Additions	添置	-	3,000	3,000
Transfer to investment property	轉撥至投資物業	(2,795)	-	(2,795)
Disposal	出售	-	(15,094)	(15,094)
At 31 December 2020	於二零二零年 十二月三十一日	414,096	12,164	426,260
Accumulated amortisation:	累計攤銷：			
At 1 January 2019	於二零一九年 一月一日	(74,557)	-	(74,557)
Charge for the year	本年度支出	(8,578)	(3,756)	(12,334)
Transfer to investment property	轉撥至投資物業	4,362	-	4,362
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	(78,773)	(3,756)	(82,529)
Charge for the year	本年度支出	(8,292)	(4,117)	(12,409)
Transfer to investment property	轉撥至投資物業	633	-	633
Disposal	出售	-	4,232	4,232
At 31 December 2020	於二零二零年 十二月三十一日	(86,432)	(3,641)	(90,073)
Carrying amount:	賬面值：			
At 31 December 2020	於二零二零年 十二月三十一日	327,664	8,523	336,187
At 31 December 2019	於二零一九年 十二月三十一日	338,118	20,502	358,620

Notes to the Consolidated Financial Statements 綜合財務報表附註

(Expressed in Renminbi unless otherwise indicated)
(除另有指明外，數額以人民幣列示)

12 Right-of-use assets (continued)

The analysis of the net book value of right-of-use assets by class of underlying asset is as follows:

12 使用權資產 (續)

按相關資產類別分析使用權資產賬面淨值如下：

			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
		Notes 附註		
Included in "Right-of-use assets":	計入「使用權資產」：			
Land use rights, carried at depreciated cost	按折舊成本列賬的土地使用權	(i)	327,664	338,118
Other properties leased for own use, carried at depreciated cost	按折舊成本列賬租賃自用的其他物業	(ii)	8,523	20,502
			336,187	358,620
Included in "Inventories and other contract costs":	計入「存貨及其他合約成本」：			
Land use rights under developed properties for sale	已開發待售物業的土地使用權		28,273	28,538
Included in "Investment property":	計入「投資物業」：			
Land use rights, carried at depreciated cost	按折舊成本列賬的土地使用權		19,900	18,221
			384,360	405,379

Notes to the Consolidated Financial Statements
綜合財務報表附註*(Expressed in Renminbi unless otherwise indicated)*
(除另有指明外，數額以人民幣列示)**12 Right-of-use assets (continued)**

The analysis of expense items in relation to leases recognised in profit or loss 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
Depreciation charge of right-of-use assets by class of underlying asset:	按相關資產類別劃分的使用權資產折舊開支：		
Land use rights	土地使用權	8,292	8,578
Plants	廠房	4,117	3,756
Interest on lease liabilities (Note 5(a))	租賃負債利息 (附註5(a))	654	716
Expense relating to short-term leases	與短期租賃有關之開支	459	1,445

During the year, additions to right-of-use assets were RMB3,000,000 (2019: RMB15,094,000). This amount primarily related to the capitalised lease payments payable under new tenancy agreements.

12 使用權資產 (續)

與於損益確認之租賃有關之開支項目分析如下：

		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
Depreciation charge of right-of-use assets by class of underlying asset:	按相關資產類別劃分的使用權資產折舊開支：		
Land use rights	土地使用權	8,292	8,578
Plants	廠房	4,117	3,756
Interest on lease liabilities (Note 5(a))	租賃負債利息 (附註5(a))	654	716
Expense relating to short-term leases	與短期租賃有關之開支	459	1,445

年內，使用權資產添置為人民幣3,000,000元(二零一九年：人民幣15,094,000元)。該金額主要與新租賃協議項下的資本化應付租賃付款有關。

Notes to the Consolidated Financial Statements 綜合財務報表附註

(Expressed in Renminbi unless otherwise indicated)
(除另有指明外，數額以人民幣列示)

12 Right-of-use assets (continued)

Details of total cash outflow for leases and the maturity analysis of lease liabilities are set out in Notes 19(d) and 23, respectively.

The land use rights under right-of-use assets with carrying value of RMB327,346,000 (31 December 2019: RMB338,118,000) were pledged as securities for bank loans of the Group as at 31 December 2020 (Note 22).

(i) Land use rights

As at 31 December 2020, the remaining period of the land use rights ranges from 35 to 50 years.

(ii) Other leases

The Group has obtained the right to use other properties as its plants and machinery through tenancy agreements. The leases typically run for an initial period of 2 to 10 years. Lease payments are usually increased to reflect market rentals.

12 使用權資產 (續)

租賃現金流出總額及租賃負債之到期日分析詳情分別載於附註19(d)及23。

於二零二零年十二月三十一日，賬面值為人民幣327,346,000元(二零一九年十二月三十一日：人民幣338,118,000元)的使用權資產項下土地使用權已抵押作為本集團銀行貸款的抵押品(附註22)。

(i) 土地使用權

於二零二零年十二月三十一日，土地使用權的剩餘期限介乎35年至50年。

(ii) 其他租賃

本集團透過租賃協議獲得使用其他物業(作為其廠房及機器)的權力。租賃一般初步為期2至10年。租賃付款通常會增加，以反映市場租金水平。



Notes to the Consolidated Financial Statements
綜合財務報表附註*(Expressed in Renminbi unless otherwise indicated)*
(除另有指明外，數額以人民幣列示)**13 Intangible assets****13 無形資產**

		Patents 專利 RMB'000 人民幣千元
Cost:	成本：	
At 1 January 2019, 31 December 2019 and 1 January 2020	於二零一九年一月一日、 二零一九年十二月三十一日及 二零二零年一月一日	-
Addition through contribution by non-controlling interest	透過非控股權益出資添置	4,122
At 31 December 2020	於二零二零年十二月三十一日	4,122
Accumulated amortisation:	累計攤銷：	
At 1 January 2019, 31 December 2019 and 1 January 2020	於二零一九年一月一日、 二零一九年十二月三十一日及 二零二零年一月一日	-
Charge for the year	本年度支出	(343)
At 31 December 2020	於二零二零年十二月三十一日	(343)
Net book value:	賬面淨值：	
At 31 December 2020	於二零二零年十二月三十一日	3,779
At 31 December 2019	於二零一九年十二月三十一日	-

The amortisation charge for the year is included in "Administrative expenses" in the consolidated statement of profit or loss.

本年度攤銷支出計入綜合損益表「行政開支」。

Notes to the Consolidated Financial Statements 綜合財務報表附註

(Expressed in Renminbi unless otherwise indicated)
(除另有指明外，數額以人民幣列示)

14 Investments in subsidiaries

The following list contains only the particulars of subsidiaries which principally affected the results, assets or liabilities of the Group. The class of shares held is ordinary unless otherwise stated:

14 於附屬公司之投資

下表僅載有主要影響本集團業績、資產或負債之附屬公司詳情。除另有指明者外，其持有之股份類別為普通股：

Name of companies 公司名稱	Place and date of incorporation/ establishment 註冊成立/ 成立地點及日期	Authorised/ registered and fully paid-up capital 法定/註冊及 繳足資本	Proportion of ownership interest 擁有權比例			Principal activities 主要業務
			Group's effective interest 本集團 實際權益	Held by the Company 由本公司 持有	Held by a subsidiary 由附屬公司 持有	
China Xingfa (BVI) Limited ("Xingfa BVI")	BVI 2 October 2007	United States Dollars ("USD") 2,000/ USD2,000	100%	100%	-	Investment holding 投資控股
China Xingfa (BVI) Limited ("Xingfa BVI")	英屬處女群島 二零零七年 十月二日	2,000美元 ("美元")/ 2,000美元				
Xingfa Aluminium (Hong Kong) Limited ("Xingfa Hong Kong") 興發鋁業(香港)有限公司 ("興發香港")	Hong Kong 14 April 2008 香港 二零零八年 四月十四日	HKD1,000/ HKD1,000 1,000港元/ 1,000港元	100%	-	100%	Sales of aluminium profiles 銷售鋁型材
Guangdong Xingfa Aluminium Co., Ltd 廣東興發鋁業有限公司(i)(ii) ("Guangdong Xingfa") 廣東興發鋁業有限公司(i)(ii) ("廣東興發")	PRC 26 May 2006 中國 二零零六年 五月二十六日	RMB360,040,000/ RMB360,040,000 人民幣 360,040,000元/ 人民幣 360,040,000元	100%	-	100%	Manufacturing and sales of aluminium profiles 生產及銷售鋁型材
Xingfa Aluminium (Chengdu) Co., Ltd. 興發鋁業(成都)有限公司(i)(iii) ("Xingfa Chengdu") 興發鋁業(成都)有限公司(i)(iii) ("興發成都")	PRC 7 July 2009 中國 二零零九年 七月七日	RMB130,000,000/ RMB130,000,000 人民幣 130,000,000元/ 人民幣 130,000,000元	100%	-	100%	Manufacturing and sales of aluminium profiles 生產及銷售鋁型材
Guangdong Xingfa Aluminium (Jiangxi) Co., Ltd. 廣東興發鋁業(江西)有限公司(i)(iii) ("Xingfa Jiangxi") 廣東興發鋁業(江西)有限公司(i)(iii) ("興發江西")	PRC 14 August 2009 中國 二零零九年 八月十四日	RMB100,000,000/ RMB100,000,000 人民幣 100,000,000元/ 人民幣 100,000,000元	100%	-	100%	Manufacturing and sales of aluminium profiles 生產及銷售鋁型材

Notes to the Consolidated Financial Statements 綜合財務報表附註

(Expressed in Renminbi unless otherwise indicated)
(除另有指明外，數額以人民幣列示)

14 Investments in subsidiaries (continued)

14 於附屬公司之投資 (續)

Name of companies 公司名稱	Place and date of incorporation/ establishment 註冊成立/ 成立地點及日期	Authorised/ registered and fully paid-up capital 法定/註冊及 繳足資本	Proportion of ownership interest 擁有權比例			Principal activities 主要業務
			Group's effective interest 本集團 實際權益	Held by the Company 由本公司 持有	Held by a subsidiary 由附屬公司 持有	
Guangdong Xingfa Aluminium (Henan) Co., Ltd. 廣東興發鋁業(河南)有限公司(i)(iii) ("Xingfa Henan") 廣東興發鋁業(河南)有限公司(i)(iii) (「興發河南」)	PRC 10 May 2010 中國 二零一零年 五月十日	RMB100,000,000/ RMB100,000,000 人民幣 100,000,000元/ 人民幣 100,000,000元	100%	-	100%	Manufacturing and sales of aluminium profiles 生產及銷售鋁型材
Foshan Xingfa Real Estate Co., Ltd. 佛山市興發房地產開發有限公司 (i)(iii) ("Xingfa Real Estate") 佛山市興發房地產開發有限公司(i)(iii) (「興發房地產」)	PRC 5 June 2013 中國 二零一三年 六月五日	RMB8,000,000/ RMB8,000,000 人民幣 8,000,000元/ 人民幣 8,000,000元	100%	-	100%	Development, sale and management of properties 物業開發、銷售及管理
Foshan Xingfa Trading Co., Ltd. 佛山市興發商貿有限公司(i)(iii) ("Xingfa Trading") 佛山市興發商貿有限公司(i)(iii) (「興發商貿」)	PRC 3 December 2014 中國 二零一四年 十二月三日	RMB10,000,000/ RMB10,000,000 人民幣 10,000,000元/ 人民幣 10,000,000元	100%	-	100%	Trading of aluminium profiles 鋁型材貿易
Guangdong Xingfa Precision Manufacturing Co., Ltd. 廣東興發精密製造有限公司(i)(iii) ("Xingfa Precision") 廣東興發精密製造有限公司(i)(iii) (「興發精密」)	PRC 26 September 2017 中國 二零一七年 九月二十六日	RMB200,000,000/ RMB200,000,000 人民幣 200,000,000元/ 人民幣 200,000,000元	100%	-	100%	Manufacturing and sales of precision products 生產及銷售精密產品
Guangdong Xingfa Aoke Architecture Technology Co., Ltd. 廣東興發奧科建築科技有限公司 (i)(iii) ("Xingfa Aoke") 廣東興發奧科建築科技有限公司(i)(iii) (「興發奧科」)	PRC 20 July 2018 中國 二零一八年 七月二十日	RMB20,000,000/ RMB19,622,070 人民幣 20,000,000元/ 人民幣 19,622,070元	51%	-	51%	Manufacturing and sales of architecture products 生產及銷售建築產品

Notes to the Consolidated Financial Statements 綜合財務報表附註

(Expressed in Renminbi unless otherwise indicated)
(除另有指明外，數額以人民幣列示)

14 Investments in subsidiaries (continued)

14 於附屬公司之投資 (續)

Name of companies 公司名稱	Place and date of incorporation/ establishment 註冊成立/ 成立地點及日期	Authorised/ registered and fully paid-up capital 法定/註冊及 繳足資本	Proportion of ownership interest 擁有權比例		Principal activities 主要業務	
			Group's effective interest 本集團 實際權益	Held by the Company 由本公司 持有		Held by a subsidiary 由附屬公司 持有
Guangdong Xingfa Environment Technology Co., Ltd. 廣東興發環境科技有限公司(i)(iii) ("Xingfa Environment") 廣東興發環境科技有限公司(i)(iii) ("興發環境")	PRC 30 August 2018 中國 二零一八年 八月三十日	RMB12,000,000/ RMB12,000,000 人民幣 12,000,000元/ 人民幣 12,000,000元	100%	-	100%	Manufacturing and sales of environment protection products 生產及銷售環保產品

- (i) These entities are all PRC limited liability companies. The English translation of the company names are for reference only. The official names of these companies are in Chinese.
- (ii) The subsidiary is a wholly foreign owned enterprise.
- (iii) The subsidiaries are companies with limited liabilities.

- (i) 該等實體均為中國有限公司。該等公司名稱之英文翻譯僅供參考。該等公司之正式名稱為中文名稱。
- (ii) 該附屬公司為外商獨資企業。
- (iii) 該等附屬公司為有限責任公司。

15 Interest in an associate

15 於聯營公司之權益

Details of the Group's interest in the associate, which is accounted for using the equity method in the consolidated financial statements, are as follows:

本集團於聯營公司的權益(於綜合財務報表使用權益法入賬)詳情如下:

Name of associate 聯營公司名稱	Form of business structure 業務架構形式	Place of incorporation and business 註冊成立及業務地點	Particulars of issued and paid-up capital 已發行及 繳足資本詳情	Proportion of ownership interest 擁有權比例		Principal activities 主要業務
				Group's effective interest 本集團 實際權益	Held by a subsidiary 由附屬公司 持有	
Jiangxi Province Jingxing Aluminium Panel Manufacturing Co., Ltd. ("Jiangxi Jingxing") ("江西省景興鋁模板製造 有限公司")(i) 江西省景興鋁模板製造有限公司 ("江西景興")(i)	Limited liability company 有限公司	People's Republic of China 中華人民共和國	Registered capital of RMB5,000,000 註冊資本 人民幣5,000,000元	80% (ii)	80% (ii)	Manufacturing and sales of aluminium panels 生產及銷售鋁板

Notes to the Consolidated Financial Statements 綜合財務報表附註

(Expressed in Renminbi unless otherwise indicated)
(除另有指明外，數額以人民幣列示)

15 Interest in an associate (continued)

- (i) The English translation of the company name is for reference only. The official name of the company is in Chinese.
- (ii) 20% of Jiangxi Jingxing's paid-up capital was contributed by 廣州景興建築科技有限公司 (in English for identification only, Guangzhou Jingxing Construction Technology Co., Ltd.) ("Guangzhou Jingxing"). The Group has entered into the contractual arrangement with Guangzhou Jingxing. According to the agreement, Guangzhou Jingxing has control over Jiangxi Jingxing. Hence, the Group considered that Jiangxi Jingxing is an associate of the Group.

Jiangxi Jingxing, the only associate in which the Group participates, is an unlisted corporate entity whose quoted market price is not available.

During 2020, the amount of the Group's share of profit from this associate and the unrealised profit from transactions with this associate are RMB8,339,000 (2019: RMB2,567,000) and RMB11,000 (2019: realised profit of RMB1,939,000), respectively. Besides, the associate declared dividend of RMB7,800,000 to the Group (2019: RMB19,855,000).

15 於聯營公司之權益 (續)

- (i) 公司名稱之英文翻譯僅供參考。該公司之正式名稱為中文名稱。
- (ii) 江西景興之20%繳足股本由廣州景興建築科技有限公司(「廣州景興」)出資。本集團已與廣州景興訂立合約安排，根據協議，廣州景興對江西景興擁有控制權，因此本集團將江西景興視為本集團之聯營公司。

江西景興是本集團唯一參與的聯營公司，為非上市企業實體，其並無市場報價。

於二零二零年，本集團應佔該聯營公司的溢利及與該聯營公司的交易產生之未變現溢利金額分別為人民幣8,339,000元(二零一九年：人民幣2,567,000元)及人民幣11,000元(二零一九年：已變現溢利人民幣1,939,000元)。此外，該聯營公司向本集團宣派股息人民幣7,800,000元(二零一九年：人民幣19,855,000元)。



Notes to the Consolidated Financial Statements 綜合財務報表附註

(Expressed in Renminbi unless otherwise indicated)
(除另有指明外，數額以人民幣列示)

16 Inventories and other contract costs

16 存貨及其他合約成本

		2020 二零二零年 RMB'000 人民幣千元	2019 二零一九年 RMB'000 人民幣千元
Inventories	存貨		
Aluminium profiles manufacturing	鋁型材製造		
– Raw materials	– 原材料	383,304	312,721
– Work in progress	– 在製品	132,942	110,018
– Finished goods	– 製成品	485,981	461,193
		1,002,227	883,932
Completed properties for sale	已竣工待售物業		
– Land use rights	– 土地使用權	28,273	28,538
– Deed tax	– 契稅	2,839	2,866
– Construction costs	– 建築成本	219,168	219,039
		250,280	250,443
		1,252,507	1,134,375

The analysis of the amount of inventories recognised as an expense and included in profit or loss is as follows:

確認為開支及計入損益之存貨金額分析如下：

		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
Carrying amount of inventories sold	已售存貨賬面值	10,257,443	9,791,036

All of the inventories are expected to be recovered within one year, except for completed properties for sale which is expected to be recovered after more than one year.

所有存貨預期可於一年內收回，惟預期於一年以後可收回之已竣工待售物業除外。

Notes to the Consolidated Financial Statements 綜合財務報表附註

(Expressed in Renminbi unless otherwise indicated)
(除另有指明外，數額以人民幣列示)

17 Trade and other receivables

17 交易及其他應收款項

		2020 二零二零年 RMB'000 人民幣千元	2019 二零一九年 RMB'000 人民幣千元
	Notes 附註		
Trade debtors and bills receivable, net of loss allowance	交易應收款項及 應收票據(扣除 虧損撥備)	3,411,421	2,824,832
Other debtors, net of loss allowance	其他應收款項 (扣除虧損撥備)	106,927	79,887
Financial assets measured at amortised cost	按攤銷成本計量之 金融資產	3,518,348	2,904,719
Dividend receivable	應收股息	27,655	19,855
Deposits and prepayments	按金及預付款項	199,172	178,982
Derivative financial instruments: – held as cash flow hedging instruments	衍生金融工具： — 持作現金流對沖工具	14,471	–
		3,759,646	3,103,556

(i) No trade debtor was pledged as securities for bank loans of the Group as at 31 December 2020 (31 December 2019: Nil) (Note 22).

(ii) Bills receivable of RMB671,890,000 was pledged as securities for issuance of bills payable of the Group as at 31 December 2020 (31 December 2019: RMB355,600,000) (Note 20).

No bills receivable was pledged as securities for bank loans of the Group as at 31 December 2020 (31 December 2019: Nil) (Note 22).

(iii) As at 31 December 2020, loss allowance on other debtors is RMB2,482,000 (31 December 2019: RMB2,294,000).

(i) 於二零二零年十二月三十一日，並無交易應收款項已抵押作為本集團銀行貸款的抵押品(二零一九年十二月三十一日：無)(附註22)。

(ii) 於二零二零年十二月三十一日，應收票據人民幣671,890,000元已抵押作為本集團發行應付票據的抵押品(二零一九年十二月三十一日：人民幣355,600,000元)(附註20)。

於二零二零年十二月三十一日，並無應收票據已抵押作為本集團銀行貸款的抵押品(二零一九年十二月三十一日：無)(附註22)。

(iii) 於二零二零年十二月三十一日，其他應收款項之虧損撥備為人民幣2,482,000元(二零一九年十二月三十一日：人民幣2,294,000元)。

Notes to the Consolidated Financial Statements 綜合財務報表附註

(Expressed in Renminbi unless otherwise indicated)
(除另有指明外，數額以人民幣列示)

17 Trade and other receivables (continued)

- (iv) As at 31 December 2020, dividend receivable of RMB27,655,000 (31 December 2019: RMB19,855,000) is due from the associate of the Group, Jiangxi Jingxing.

The Group's trade and other receivables as at 31 December 2020 included amounts due from related parties of RMB48,005,000 (31 December 2019: RMB43,792,000) (Note 31(b)(i)). The amount of trade and other receivables that is expected to be recovered after more than one year is RMB10,165,000 (2019: RMB12,882,000), which relates to retention money of construction contracts. All of the other current trade and other receivables are expected to be recovered or recognised as expense within one year.

Ageing analysis

As of the end of the reporting period, the aging analysis of trade debtors and bills receivables (which are included in trade and other receivables) based on the invoice date and net of loss allowance, is as follows:

		2020 二零二零年 RMB'000 人民幣千元	2019 二零一九年 RMB'000 人民幣千元
Within 1 month	一個月內	1,671,973	1,574,144
1 to 3 months	一至三個月	839,427	704,279
3 to 6 months	三至六個月	676,807	393,040
Over 6 months	超過六個月	223,214	153,369
		3,411,421	2,824,832

Trade debtors and bills receivable are due within 30 days to 180 days from the date of billing. Further details on the Group's credit policy and credit risk arising from trade debtors and bills receivable are set out in Note 28(a).

17 交易及其他應收款項(續)

- (iv) 於二零二零年十二月三十一日，應收本集團聯營公司江西景興的股息為人民幣27,655,000元(二零一九年十二月三十一日：人民幣19,855,000元)。

本集團於二零二零年十二月三十一日的交易及其他應收款項包括應收關連方款項人民幣48,005,000元(二零一九年十二月三十一日：人民幣43,792,000元)(附註31(b)(i))。交易及其他應收款項預期於一年以後收回人民幣10,165,000元(二零一九年：人民幣12,882,000元)，其與建築合約之保留金有關。所有其他即期交易及其他應收款項預期於一年內收回或確認為開支。

賬齡分析

於報告期末，按發票日期計算並扣除虧損撥備之交易應收款項及應收票據(其乃計入交易及其他應收款項)之賬齡分析如下：

	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
Within 1 month	1,671,973	1,574,144
1 to 3 months	839,427	704,279
3 to 6 months	676,807	393,040
Over 6 months	223,214	153,369
	3,411,421	2,824,832

交易應收款項及應收票據於開票日期後30日至180日內到期。有關本集團信貸政策及交易應收款項及應收票據產生的信貸風險的進一步詳情載於附註28(a)。

Notes to the Consolidated Financial Statements 綜合財務報表附註

(Expressed in Renminbi unless otherwise indicated)
(除另有指明外，數額以人民幣列示)

18 Pledged deposits

As at 31 December 2020, pledged deposits represented bank deposits pledged to bank as securities for bills payable.

As at 31 December 2019, pledged deposits represented bank deposits pledged to bank as securities for loans and issuance of bills payable (Note 22).

18 已抵押存款

於二零二零年十二月三十一日，已抵押存款指已抵押予銀行作為應付票據之擔保之銀行存款。

於二零一九年十二月三十一日，已抵押存款指已抵押予銀行作為貸款及發行應付票據之擔保之銀行存款(附註22)。

19 Cash and cash equivalents and other cash flow information

(a) Cash and cash equivalents comprise:

19 現金及現金等價物及其他現金流量資料

(a) 現金及現金等價物包括：

		2020 二零二零年 <i>RMB'000</i> 人民幣千元	2019 二零一九年 <i>RMB'000</i> 人民幣千元
Cash at bank and on hand	銀行及手頭現金	509,639	528,003

Notes to the Consolidated Financial Statements 綜合財務報表附註

(Expressed in Renminbi unless otherwise indicated)
(除另有指明外，數額以人民幣列示)

19 Cash and cash equivalents and other cash flow information (continued) 19 現金及現金等價物及其他現金流量資料 (續)

(b) Reconciliation of profit before taxation to cash generated from operations: (b) 除稅前溢利與業務所得現金之對賬：

		Note 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
Profit before taxation	除稅前溢利		873,412	723,470
Adjustments for:	經下列各項調整：			
Depreciation	折舊	5(c)	408,302	336,297
Amortisation	攤銷	5(c)	343	-
Impairment losses on trade and other receivables	交易及其他應收款項減值虧損	5(c)	53,058	47,175
Equity-settled share-based payment expenses	以股權結算以股份為基礎的付款開支	5(b)	1,794	2,325
Finance costs	財務成本	5(a)	101,592	151,480
Interest income	利息收入	4	(53,899)	(42,734)
Changes in fair value of commodity future contracts as hedge ineffectiveness	無效對沖的商品期貨合約之公平值變動	4	(26,067)	-
(Gain)/loss on disposal of property, plant and equipment and right-of-use assets	出售物業、廠房及設備以及使用權資產之(收益)/虧損	4	(740)	2,800
Share of profit of an associate	應佔一間聯營公司溢利	15	(8,339)	(2,567)
Unrealised/(realised) profit from transactions with an associate	來自與一間聯營公司交易的未變現/(已變現)溢利	15	11	(1,939)
Net foreign exchange loss	外匯虧損淨額		3,433	(1,188)
Changes in working capital:	營運資金之變動：			
Change in inventories and other contract costs	存貨及其他合約成本之變動		(121,194)	9,669
Change in trade and other receivables	交易及其他應收款項之變動		(696,317)	(338,848)
Change in trade and other payables	交易及其他應付款項之變動		554,870	234,409
Change in contract liabilities	合約負債之變動		33,643	(54,221)
Change in deferred income	遞延收入之變動		(14,606)	(8,536)
Cash generated from operations	業務產生之現金		1,109,296	1,057,592

Notes to the Consolidated Financial Statements

綜合財務報表附註

(Expressed in Renminbi unless otherwise indicated)
(除另有指明外，數額以人民幣列示)

19 Cash and cash equivalents and other cash flow information (continued)

(c) Reconciliation of liabilities arising from financing activities

		Loans and borrowings	Interest payable	Lease liabilities	Cross currency interest rate swaps held to hedge borrowings (liabilities)	Total
		貸款及借貸 RMB'000 人民幣千元 Note 22 附註22	應付利息 RMB'000 人民幣千元 Note 20 附註20	租賃負債 RMB'000 人民幣千元 Note 23 附註23	所持交叉貨幣利率掉期以對沖借貸(負債) RMB'000 人民幣千元 Note 28(f)(i) 附註28(f)(i)	總計 RMB'000 人民幣千元
At 1 January 2019	於二零一九年一月一日	1,845,727	12,709	9,164	-	1,867,600
Changes from financing cash flows:	融資現金流量之變動：					
Proceeds of new bank loans	新銀行貸款之所得款項	2,437,078	-	-	-	2,437,078
Repayments of bank loans	償還銀行貸款	(2,583,697)	-	-	-	(2,583,697)
Capital element of lease rentals paid	已付租賃租金之本金部分	-	-	(3,430)	-	(3,430)
Interest element of lease rentals paid	已付租賃租金之利息部分	-	-	(716)	-	(716)
Finance costs paid	已付財務成本	-	(161,264)	-	-	(161,264)
Total changes from financing cash flows	融資現金流量之變動總值	(146,619)	(161,264)	(4,146)	-	(312,029)
Exchange adjustments	匯兌之調整	(696)	-	-	-	(696)
Changes in fair value	公平值變動	-	-	-	698	698
Other changes:	其他變動：					
Increase in lease liabilities from entering into new leases during this year	本年度訂立新租賃產生之租賃負債增加	-	-	15,094	-	15,094
Interest expenses (Note 5(a))	利息開支(附註5(a))	-	150,764	716	-	151,480

19 現金及現金等價物及其他現金流量資料(續)

(c) 融資活動產生的負債之對賬

Notes to the Consolidated Financial Statements 綜合財務報表附註

(Expressed in Renminbi unless otherwise indicated)
(除另有指明外，數額以人民幣列示)

19 Cash and cash equivalents and other cash flow information (continued) 19 現金及現金等價物及其他現金流量資料(續)

(c) Reconciliation of liabilities arising from financing activities (continued)

(c) 融資活動產生的負債之對賬(續)

		Loans and borrowings	Interest payable	Lease liabilities	Cross currency interest rate swaps held to hedge borrowings (liabilities) 所持交叉貨幣利率掉期以對沖借貸(負債)	Total
		貸款及借貸 RMB'000 人民幣千元 Note 22 附註22	應付利息 RMB'000 人民幣千元 Note 20 附註20	租賃負債 RMB'000 人民幣千元 Note 23 附註23	總計 RMB'000 人民幣千元 Note 28(f)(i) 附註28(f)(i)	總計 RMB'000 人民幣千元
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	1,698,412	2,209	20,828	698	1,722,147
Changes from financing cash flows:	融資現金流量之變動：					
Proceeds of new bank loans	新銀行貸款之所得款項	1,958,924	-	-	-	1,958,924
Repayments of bank loans	償還銀行貸款	(2,527,740)	-	-	-	(2,527,740)
Capital element of lease rentals paid	已付租賃租金之本金部分	-	-	(4,041)	-	(4,041)
Interest element of lease rentals paid	已付租賃租金之利息部分	-	-	(654)	-	(654)
Finance costs paid	已付財務成本	-	(101,351)	-	-	(101,351)
Total changes from financing cash flows	融資現金流量之變動總值	(568,816)	(101,351)	(4,695)	-	(674,862)
Exchange adjustments	匯兌之調整	696	-	-	-	696
Changes in fair value	公平值變動	-	-	-	(698)	(698)
Other changes:	其他變動：					
Increase in lease liabilities from entering into new leases during this year	本年度訂立新租賃產生之租賃負債增加	-	-	3,000	-	3,000
Decrease in lease liabilities from early termination of leases during this year	本年度提早終止租賃產生之租賃負債減少	-	-	(10,896)	-	(10,896)
Interest expenses (Note 5(a))	利息開支(附註5(a))	-	100,938	654	-	101,592
At 31 December 2020	於二零二零年十二月三十一日	1,130,292	1,796	8,891	-	1,140,979

Notes to the Consolidated Financial Statements
綜合財務報表附註*(Expressed in Renminbi unless otherwise indicated)*
(除另有指明外，數額以人民幣列示)**19 Cash and cash equivalents and other cash flow information (continued)****(d) Total cash outflow for leases**

Amounts included in the cash flow statement for leases comprise the following:

		2020 二零二零年 RMB'000 人民幣千元	2019 二零一九年 RMB'000 人民幣千元
Within operating cash flows	屬於經營現金流量	459	1,445
Within financing cash flows	屬於融資現金流量	4,695	4,146
		5,154	5,591

These amounts relate to the following:

		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
Lease rentals paid	已付租金	5,154	5,591

19 現金及現金等價物及其他現金流量資料(續)**(d) 租賃現金流出總額**

就租賃計入現金流量表的金額包括以下：

該等金額與以下各項有關：



Notes to the Consolidated Financial Statements 綜合財務報表附註

(Expressed in Renminbi unless otherwise indicated)
(除另有指明外，數額以人民幣列示)

20 Trade and other payables

20 交易及其他應付款項

		2020 二零二零年 RMB'000 人民幣千元	2019 二零一九年 RMB'000 人民幣千元
Trade payables	交易應付款項	951,766	814,775
Bills payable	應付票據	1,616,647	1,284,032
Accrued payroll and benefits	應計工資及福利	265,037	219,521
Other payables and accruals	其他應付款項及 應計費用	470,096	392,202
Interest payable (Note 19(c))	應付利息(附註19(c))	1,796	2,209
Deferred income (Note 24)	遞延收入(附註24)	16,280	25,349
Financial liabilities measured at amortised cost (a)	按攤銷成本計量之 金融負債(a)	3,321,622	2,738,088
Derivative financial instrument: – held as cash flow hedging instruments (b)/(Note 28(f)(i))	衍生金融工具： – 持作現金流 對沖工具(b)／ (附註28(f)(i))	–	698
		3,321,622	2,738,786

Notes to the Consolidated Financial Statements 綜合財務報表附註

(Expressed in Renminbi unless otherwise indicated)
(除另有指明外，數額以人民幣列示)

20 Trade and other payables (continued)

(a) Financial liabilities measured at amortised cost

All of the trade and other payables, apart from those mentioned in Note 21, are expected to be settled or recognised as income within one year or are repayable on demand.

As of the end of the reporting period, the aging analysis of trade payables and bills payable (which are included in trade and other payables), based on the invoice date, is as follows:

Within 1 month	一個月內
1 to 3 months	一至三個月
3 to 6 months	三至六個月
Over 6 months	超過六個月

As at 31 December 2020, bills payable of RMB267,847,000 was secured by bills receivables of the Group (31 December 2019: RMB162,500,000) (Note 17), bills payable of RMB1,084,500,000 was secured by pledged deposits of the Group (31 December 2019: RMB909,172,000).

20 交易及其他應付款項(續)

(a) 按攤銷成本計量之金融負債

所有交易及其他應付款項(除附註21所述者外)預期將於一年內償付或確認為收入或應要求償還。

於報告期末，按發票日期計算之交易應付款項及應付票據(其乃計入交易及其他應付款項)之賬齡分析如下：

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
-----------------------------------	-----------------------------------

706,016	715,231
594,588	384,420
747,522	583,421
520,287	415,735
2,568,413	2,098,807

於二零二零年十二月三十一日，應付票據人民幣267,847,000元(二零一九年十二月三十一日：人民幣162,500,000元)(附註17)由本集團之應收票據作抵押，應付票據人民幣1,084,500,000元(二零一九年十二月三十一日：人民幣909,172,000元)由本集團之已抵押存款作抵押。

Notes to the Consolidated Financial Statements 綜合財務報表附註

(Expressed in Renminbi unless otherwise indicated)
(除另有指明外，數額以人民幣列示)

20 Trade and other payables (continued)

(b) Derivative financial instrument

As at 2 September 2019, the Group entered into cross-currency interest rate swap contracts with HSBC Bank (China) Company Limited in respect of short-term loans in aggregate of US\$15,000,000 (equivalent to RMB104,940,000), under which the Group converted the United States (“US”) dollar loans at floating exchange rate into RMB loans at fixed-rate. The purpose of the cross-currency interest rate swap contracts is to hedge against the interest rate risk and foreign currency risk of the US dollar liabilities.

The cross-currency interest rate swaps contracts matured in August 2020 matching the maturity of the related loans. The Group applies a hedge ratio of 1:1. The existence of an economic relationship between cross-currency interest rate swap contracts and the US dollar floating-rate borrowings is determined by matching their critical contract terms, including the reference interest rates, tenors, interest repricing dates, maturity dates, interest payment and/or receipt dates, the notional amounts of the swaps and the outstanding principal amounts of the loans.

20 交易及其他應付款項 (續)

(b) 衍生金融工具

於二零一九年九月二日，本集團與匯豐銀行(中國)有限公司就總金額15,000,000美元(相當於人民幣104,940,000元)的短期貸款訂立交叉貨幣掉期利率合約，據此，本集團將按浮動利率計息的美元貸款兌換為按固定利率計息的人民幣貸款。訂立交叉貨幣掉期利率合約的目的乃為對沖美元負債的利率風險及外幣風險。

交叉貨幣掉期利率合約於二零二零年八月到期，與相關貸款到期日相同。本集團應用1:1的對沖比率。交叉貨幣掉期利率合約與美元浮息借款之間存在的經濟關係透過配對其主要合約條款(包括參考利率、期限、利息重新定價日期、到期日、利息付款及/或收取日期、掉期的名義金額以及貸款的未償還本金金額)釐定。

Notes to the Consolidated Financial Statements 綜合財務報表附註

(Expressed in Renminbi unless otherwise indicated)
(除另有指明外，數額以人民幣列示)

20 Trade and other payables (continued)

(b) Derivative financial instrument (continued)

The following table provides a reconciliation of the hedging reserve in respect of interest rate risk and foreign currency risk and shows the effectiveness of the hedging relationships:

		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
Balance at 1 January	於一月一日之結餘	(2)	-
Effective portion of the cash flow hedge recognised in other comprehensive income	於其他全面收益確認之現金流量對沖之有效部分	(1,867)	(780)
Amounts reclassified to profit or loss (Note (i))	重新分類至損益之款項 (附註(i))	1,869	778
Balance at 31 December (Note (ii))	於十二月三十一日之結餘 (附註(ii))	-	(2)
Change in fair value of the forward exchange contracts during the year	年內遠期外匯合約之公平值變動	(1,867)	(780)
Effective portion of the cash flow hedge recognised in other comprehensive income (Note 9(b))	於其他全面收益確認之現金流量對沖之有效部分 (附註9(b))	(1,867)	(780)

Notes:

- (i) Amounts reclassified to profit or loss are recognised in the "Other income" and "Finance costs" line item in the consolidated statement of profit or loss (see Notes 4 and 5(a)).
- (ii) The entire balance in the hedging reserve relates to continuing hedges.

20 交易及其他應付款項 (續)

(b) 衍生金融工具 (續)

下表載列利率風險及外幣風險的對沖儲備對賬，並列示對沖關係的有效性

附註：

- (i) 重新分類至損益之款項於綜合損益表內「其他收益」及「財務成本」細目內確認(見附註4及5(a))。
- (ii) 對沖儲備內之所有結餘與持續對沖有關。

Notes to the Consolidated Financial Statements 綜合財務報表附註

(Expressed in Renminbi unless otherwise indicated)
(除另有指明外，數額以人民幣列示)

21 Contract liabilities

21 合約負債

		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
Aluminium profiles contracts	鋁型材合約		
– Billings in advance of performance	– 履約預付款項	194,408	163,923
Completed properties for sale	已竣工待售物業		
– Forward sales deposits and instalments received	– 已收遠期銷售按金及分期付款	3,262	104
		197,670	164,027

Typical payment terms which impact on the amount of contract liabilities recognised are as follows:

– Aluminium profiles contracts

When the Group receives a deposit before the production activity commences this will give rise to contract liabilities at the start of a contract, until the revenue recognised on the contracts exceeds the amount of the deposit. The amount of the deposit, if any, was negotiated on a case by case basis with customers.

– Completed properties for sale

The Group receives 50%-100% of the contract value as a deposit from customers when they sign the sales and purchase agreement. The deposit is recognised as a contract liability until the properties are legally assigned to the customer. The rest of the consideration is typically paid when legal assignment is completed.

對已確認合約負債金額構成影響的一般支付條款如下：

– 鋁型材合約

倘本集團於生產活動開始前收到按金，將於合約開始時產生合約負債，直至就合約確認的收入超出按金數額為止。按金數額(如有)乃根據具體情況與客戶協定。

– 已竣工待售物業

本集團於客戶簽署買賣協議時收取合約價值的50%至100%作為按金。該按金確認為合約負債，直至物業合法轉讓予客戶。其餘代價通常於法定轉讓完成後予以支付。

Notes to the Consolidated Financial Statements
綜合財務報表附註*(Expressed in Renminbi unless otherwise indicated)*
(除另有指明外，數額以人民幣列示)**21 Contract liabilities (continued)****Movements in contract liabilities**

		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
Balance at 1 January	於一月一日之結餘	164,027	218,248
Decrease in contract liabilities as a result of recognising revenue during the year that was included in the contract liabilities at the beginning of the year	因確認年內收益(計入年初合約負債)而產生之合約負債減少	(164,027)	(218,248)
Increase in contract liabilities as a result of billing in advance of manufacturing activities	因製造活動預付款項而導致的合約負債增加	194,408	163,923
Increase in contract liabilities as a result of receiving forward sales instalments during the year in respect of properties not delivered as at the year end	就並無於年末交付之物業收取遠期銷售分期付款而導致合約負債增加	3,262	104
Balance at 31 December	於十二月三十一日之結餘	197,670	164,027

No billings in advance of performance and forward sales instalments received is expected to be recognised as income after more than one year (2019: Nil).

21 合約負債(續)**合約負債變動**

		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
Balance at 1 January	於一月一日之結餘	164,027	218,248
Decrease in contract liabilities as a result of recognising revenue during the year that was included in the contract liabilities at the beginning of the year	因確認年內收益(計入年初合約負債)而產生之合約負債減少	(164,027)	(218,248)
Increase in contract liabilities as a result of billing in advance of manufacturing activities	因製造活動預付款項而導致的合約負債增加	194,408	163,923
Increase in contract liabilities as a result of receiving forward sales instalments during the year in respect of properties not delivered as at the year end	就並無於年末交付之物業收取遠期銷售分期付款而導致合約負債增加	3,262	104
Balance at 31 December	於十二月三十一日之結餘	197,670	164,027

並無收取之履約預付款項及遠期銷售分期付款預期於一年後確認為收入(二零一九年：無)。

Notes to the Consolidated Financial Statements 綜合財務報表附註

(Expressed in Renminbi unless otherwise indicated)
(除另有指明外，數額以人民幣列示)

22 Loans and borrowings

At 31 December 2020, loans and borrowings were repayable as follows:

		2020 二零二零年 <i>RMB'000</i> 人民幣千元	2019 二零一九年 <i>RMB'000</i> 人民幣千元
Within one year	一年內	811,424	1,284,005
After 1 year but within 2 years	一年後但兩年內	171,250	349,200
After 2 years but within 5 years	兩年後但五年內	72,460	15,150
After 5 years	五年後	75,158	50,057
		318,868	414,407
		1,130,292	1,698,412

22 貸款及借貸

於二零二零年十二月三十一日，貸款及借貸應於下列日期償還：

At 31 December 2020, the loans and borrowings were secured as follows:

		2020 二零二零年 <i>RMB'000</i> 人民幣千元	2019 二零一九年 <i>RMB'000</i> 人民幣千元
Secured bank loans and borrowings	有抵押銀行貸款及借貸	1,080,292	1,698,412
Unsecured bank loans and borrowings	無抵押銀行貸款及借貸	50,000	-
		1,130,292	1,698,412

於二零二零年十二月三十一日，貸款及借貸抵押如下：

Notes to the Consolidated Financial Statements 綜合財務報表附註

(Expressed in Renminbi unless otherwise indicated)
(除另有指明外，數額以人民幣列示)

22 Loans and borrowings (continued)

At 31 December 2020, the secured bank loans were secured by the following assets 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
Carrying value of assets:	資產賬面值：		
Other property, plant and equipment (Note 11)	其他物業、廠房及設備 (附註11)	577,227	602,309
Right-of-use assets (Note 12)	使用權資產(附註12)	327,346	338,118
Pledged deposits (Note 18)	已抵押存款(附註18)	-	8,402
Total	總計	904,573	948,829

As at 31 December 2020, banking facilities of the Group totaling RMB9,377,000,000 (31 December 2019: RMB7,690,366,000) were utilised to the extent of RMB2,770,000,000 (31 December 2019: RMB2,599,084,000).

As at 31 December 2020, certain bank loans of the Group, amounted to RMB218,000,000 (31 December 2019: RMB339,000,000), are subject to the fulfilment of covenants relating to certain of the subsidiaries' balance sheet ratios, which are commonly found in lending arrangements with financial institutions. If the Group were to breach the covenants, the drawn down loans would become repayable on demand. The Group regularly monitors its compliance with these covenants. Further details of the Group's management of liquidity risk are set out in Note 28(b). As at 31 December 2020, none of the covenants relating to drawn down loans had been breached (2019: Nil).

22 貸款及借貸(續)

於二零二零年十二月三十一日，有抵押銀行貸款由本集團以下資產作出抵押。

		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 value of assets:	資產賬面值：		
Other property, plant and equipment (Note 11)	其他物業、廠房及設備 (附註11)	577,227	602,309
Right-of-use assets (Note 12)	使用權資產(附註12)	327,346	338,118
Pledged deposits (Note 18)	已抵押存款(附註18)	-	8,402
Total	總計	904,573	948,829

於二零二零年十二月三十一日，於本集團合共人民幣9,377,000,000元(二零一九年十二月三十一日：人民幣7,690,366,000元)之銀行信貸中，人民幣2,770,000,000元(二零一九年十二月三十一日：人民幣2,599,084,000元)經已動用。

於二零二零年十二月三十一日，本集團若干銀行貸款人民幣218,000,000元(二零一九年十二月三十一日：人民幣339,000,000元)須待達成有關附屬公司若干資產負債表比率之契約(常見於與金融機構訂立之貸款安排)後方可作實。倘本集團違反該等契約，已提取之貸款須於要求時償還。本集團定期監察其是否遵守該等契約。有關本集團對流動資金風險之管理之進一步詳情載於附註28(b)。於二零二零年十二月三十一日，並無違反任何有關已提取貸款之契約(二零一九年：無)。

Notes to the Consolidated Financial Statements 綜合財務報表附註

(Expressed in Renminbi unless otherwise indicated)
(除另有指明外，數額以人民幣列示)

23 Lease liabilities

At 31 December 2020, the lease liabilities were repayable as follows:

23 租賃負債

於二零二零年十二月三十一日，租賃負債應於下列時間償還：

		2020 二零二零年 <i>RMB'000</i> 人民幣千元	2019 二零一九年 <i>RMB'000</i> 人民幣千元
Within 1 year	一年內	2,368	6,907
After 1 year but within 2 years	一年後但兩年內	3,167	9,599
After 2 years but within 5 years	兩年後但五年內	2,508	2,329
After 5 years	五年後	848	1,993
		6,523	13,921
		8,891	20,828



Notes to the Consolidated Financial Statements 綜合財務報表附註

(Expressed in Renminbi unless otherwise indicated)
(除另有指明外，數額以人民幣列示)

24 Deferred income

The movements in deferred income as stated under current and non-current liabilities 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	45,549	54,085
Received during the year	於年內取得	11,668	16,818
Recognised in profit or loss (Note 4)	於損益內確認 (附註4)	(26,274)	(25,354)
At 31 December	於十二月三十一日	30,943	45,549
Less: current portion included in trade and other payables (Note 20)	減：列入交易及其他應付款項之流動部份 (附註20)	(16,280)	(25,349)
		14,663	20,200

Deferred income represents government grants obtained for the purposes of subsidising the Group's operation costs and sponsoring the costs of acquisition of fixed assets incurred by the Group. Government grants received are initially recognised in the consolidated statement of financial position as deferred income.

Government grants received to subsidise the operation costs are amortised through profit or loss on a systematic basis in the same periods in which the related costs of operation are incurred.

Government grants received for sponsoring costs of acquisition of fixed assets are recognised in profit or loss over the useful life of the assets.

24 遞延收入

列入流動及非流動負債項下之遞延收入之變動如下：

	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	45,549	54,085
Received during the year	11,668	16,818
Recognised in profit or loss (Note 4)	(26,274)	(25,354)
At 31 December	30,943	45,549
Less: current portion included in trade and other payables (Note 20)	(16,280)	(25,349)
	14,663	20,200

遞延收入指就補貼本集團之營運成本及資助本集團收購固定資產所產生之成本而取得之政府補助金。所取得之政府補助金初步於綜合財務狀況表內確認為遞延收入。

就補貼經營成本而取得之政府補助金於相關經營成本產生之相同期間按系統性基準透過損益攤銷。

就收購固定資產所產生之資助成本而取得之政府補助金按資產使用年期於損益內確認。

Notes to the Consolidated Financial Statements 綜合財務報表附註

(Expressed in Renminbi unless otherwise indicated)
(除另有指明外，數額以人民幣列示)

25 Equity settled share-based transactions

The Company has granted share options pursuant to a share option scheme on 15 October 2018. Pursuant to the share option scheme, the directors of the Company are authorised, at their discretion, to grant share options to employees of the Group, including directors of any Company in the Group, to subscribe for shares of the Company and other eligible participants. The options granted will vest after two years to four years from the date of grant and are then exercisable on or before 14 October 2023. Each option gives the holder the right to subscribe for one ordinary share in the Company and is settled gross in shares.

(a) Details of the options granted on 15 October 2018 are as follows:

	Number of underlying shares 相關股份之數目	Vesting conditions 歸屬條件	Contractual life of options 購股權合約年期
Options granted to directors: 於以下日期授予董事之購股權：			
– on 15 October 2018 –二零一八年十月十五日	204,334	2 years from the date of grant 自授出日期後兩年	5 years 五年
– on 15 October 2018 –二零一八年十月十五日	204,333	3 years from the date of grant 自授出日期後三年	5 years 五年
– on 15 October 2018 –二零一八年十月十五日	204,333	4 years from the date of grant 自授出日期後四年	5 years 五年
Options granted to employees: 於以下日期授予僱員之購股權：			
– on 15 October 2018 –二零一八年十月十五日	1,189,000	2 years from the date of grant 自授出日期後兩年	5 years 五年
– on 15 October 2018 –二零一八年十月十五日	1,189,000	3 years from the date of grant 自授出日期後三年	5 years 五年
– on 15 October 2018 –二零一八年十月十五日	1,189,000	4 years from the date of grant 自授出日期後四年	5 years 五年
Total share options granted 已授出購股權總數	4,180,000		

25 以股權結算以股份為基礎的交易

本公司於二零一八年十月十五日根據一項購股權計劃授出購股權。根據購股權計劃，本公司董事獲授權酌情向本集團僱員（包括本集團任何成員公司董事及其他合資格參與者授出購股權以認購本公司股份。獲授購股權將自授出日期後兩至四年內歸屬及隨後於二零二三年十月十四日或之前可予行使。各份購股權賦予持有人權利認購本公司一股普通股及以股份總數結算。

(a) 於二零一八年十月十五日授出之購股權詳情如下：

Notes to the Consolidated Financial Statements 綜合財務報表附註

(Expressed in Renminbi unless otherwise indicated)
(除另有指明外，數額以人民幣列示)

25 Equity settled share-based transactions (continued)

(a) Details of the options granted on 15 October 2018 are as follows: (continued)

The exercise of the options granted on 15 October 2018 is conditional upon (i) the fulfilment of certain requirements on the Company as set out in the respective offer letters, including, among others, Guangdong Xingfa Aluminium Co., Ltd. and its subsidiaries having achieved the financial performance target, the auditor expressing no disclaimer or adverse opinion in the annual financial report of the Group, there being no relevant institutions, supervisory boards or audit departments for state-owned assets investors raising major objections to the annual financial report of the Group and there being no significant breaches by the Company or punishment of the Company by relevant government authorities; and (ii) the fulfilment of certain requirements on the grantee as set out in the respective offer letters, including, among others, there being no serious dereliction of duty by the grantee, there being no breach of any rules or regulations or constitution of the Company by the grantee, there being no corruption or other violations and misconducts by the grantee which caused damage to the Company and there being no situations where the grantee fails to perform his/her duties up to the required standard or fails to pass the assessments of the Group.

25 以股權結算以股份為基礎的交易 (續)

(a) 於二零一八年十月十五日授出之購股權詳情如下：(續)

於二零一八年十月十五日授出之購股權須於以下各項獲達成後，方可行使：(i)履行各要約函件所載對本公司之若干規定，其中包括廣東興發鋁業有限公司及其附屬公司已達到財務業績目標；核數師並無就本集團之年度財務報告表示無法表示意見或發表否定意見；並無國有資產出資人的相關機構、監事會或審計部門對本集團之年度財務報告提出重大異議；以及本公司概無發生重大違規行為或受到相關政府機構處罰；及(ii)履行各要約函件所載對承授人之若干規定，其中包括承授人並無嚴重失職；承授人並無違反任何規則或規例或本公司的章程；承授人並無貪污或其他違規行為及不當行為而對本公司造成損失；以及概無發生承授人無法勝任其職責或未能通過本集團之評估之情況。

Notes to the Consolidated Financial Statements 綜合財務報表附註

(Expressed in Renminbi unless otherwise indicated)
(除另有指明外，數額以人民幣列示)

25 Equity settled share-based transactions (continued)

(b) The number and weighted average exercise prices of share options are as follows:

25 以股權結算以股份為基礎的交易 (續)

(b) 購股權數目及加權平均行使價如下：

		2020 二零二零年		2019 二零一九年	
		Weighted average exercise price 加權平均行使價	Number of options 購股權數目 '000 千份	Weighted average exercise price 加權平均行使價	Number of options 購股權數目 '000 千份
Outstanding at the beginning of the year	年初尚未行使	HKD5.46 5.46港元	4,180	HKD5.46 5.46港元	4,180
Exercised during the year	年內已行使	HKD5.46 5.46港元	(68)	-	-
Forfeited during the year	年內已沒收	HKD5.46 5.46港元	(85)	-	-
Outstanding at the end of the year	年末尚未行使	HKD5.46 5.46港元	4,027	HKD5.46 5.46港元	4,180
Exercisable at the end of the year	年末可行使	HKD5.46 5.46港元	1,309	-	-

Save as disclosed above, no share option was lapsed, cancelled or exercised during the year ended 31 December 2020.

The weighted average share price at the date of exercise for share options exercised during the year was HKD7.87.

The weighted average share price immediately before the dates on which the share options were exercised was HKD7.86.

The options outstanding at 31 December 2020 had an exercise price of HKD5.46 (2019: HKD5.46) and a weighted average remaining contractual life of 2.79 years (2019: 3.79 years).

The Group recognised share option expenses of RMB1,794,000 during the year ended 31 December 2020 (2019: RMB2,325,000).

除上文所披露者外，於截至二零二零年十二月三十一日止年度，概無購股權已失效、獲註銷或獲行使。

年內已行使購股權於行使日期的加權平均股價為7.87港元。

緊接購股權獲行使日期前股份加權平均價為7.86港元。

於二零二零年十二月三十一日，尚未行使購股權之行使價為5.46港元（二零一九年：5.46港元）及加權平均剩餘合約年期為2.79年（二零一九年：3.79年）。

截至二零二零年十二月三十一日止年度，本集團確認購股權開支人民幣1,794,000元（二零一九年：人民幣2,325,000元）。

Notes to the Consolidated Financial Statements 綜合財務報表附註

(Expressed in Renminbi unless otherwise indicated)
(除另有指明外，數額以人民幣列示)

25 Equity settled share-based transactions

(continued)

(c) Fair value of share options and assumptions

The fair value of services received in return for share options granted is measured by reference to the fair value of share options granted. The estimate of the fair value of the share options granted is measured based on a binomial lattice model. The contractual life of the share option is used as an input into this model. Expectations of early exercise are incorporated into the binomial lattice model.

Fair value of share options and assumptions

Fair value at measurement date (HK\$)	1.74 ~ 1.78
Share price (HK\$)	5.27
Exercise price (HK\$)	5.46
Expected volatility	45.10%
Option life	5 years
Expected dividends	2.70%
Risk-free interest rate	2.38%

The expected volatility is based on the historic volatility (calculated based on the weighted average remaining life of the share options), adjusted for any expected changes to future volatility based on publicly available information. Expected dividends are based on historical dividends. Changes in the subjective input assumptions could materially affect the fair value estimate.

Share options were granted under a service condition. This condition has not been taken into account in the grant date fair value measurement of the services received. There were no market conditions associated with the share option grants.

25 以股權結算以股份為基礎的交易 (續)

(c) 購股權的公平值及假設

就交換所授出購股權收取服務的公平值，乃參考所授出購股權的公平值計量。所授出購股權的公平值估算乃按二項式矩陣模式計量。購股權之合約期限已用作此模型的輸入數據。二項式矩陣模式已包括提早行使之預期。

購股權的公平值及假設

於計量日期的 公平值 (港元)	1.74~1.78
股價 (港元)	5.27
行使價 (港元)	5.46
預期波幅	45.10%
購股權年期	5年
預期股息	2.70%
無風險利率	2.38%

預期波幅乃以按購股權的加權平均剩餘年期計算的歷史波幅為基準，並就按公開所得資料計算的任何預期日後波幅變動作出調整。預期股息乃以歷史股息計算。主觀輸入假設的變化可能對公平值的估計產生重大影響。

購股權乃根據服務條件授出。此條件於計量所收取服務於授出日期的公平值時並無計算在內。購股權授出並無附帶市場條件。

Notes to the Consolidated Financial Statements 綜合財務報表附註

(Expressed in Renminbi unless otherwise indicated)
(除另有指明外，數額以人民幣列示)

26 Income tax in the consolidated statement of financial position

26 於綜合財務狀況表內之所得稅

(a) Current taxation in the consolidated statement of financial position represents:

(a) 於綜合財務狀況表內之即期稅項指：

		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	68,648	52,806
Transfer from deferred tax liabilities	轉撥自遞延稅項負債	6,000	4,000
Transfer from prepayment for LAT	轉撥自土地增值稅 預付款項	-	-
Provision for LAT (Note 6(a))	土地增值稅撥備 (附註6(a))	1,332	4,842
Provision for CIT (Note 6(a))	中國所得稅撥備 (附註6(a))	113,931	111,018
Income tax paid	已付所得稅	(135,050)	(101,826)
LAT paid	已付土地增值稅	(848)	(2,192)
At 31 December	於十二月三十一日	54,013	68,648

Notes to the Consolidated Financial Statements 綜合財務報表附註

(Expressed in Renminbi unless otherwise indicated)
(除另有指明外，數額以人民幣列示)

26 Income tax in the consolidated statement of financial position (continued)

(b) Deferred tax assets and liabilities recognised:

(i) Movement of each components of deferred tax assets and liabilities

The components of deferred tax assets/(liabilities) recognised in the consolidated statement of financial position and the movements during the year are as follows:

Deferred tax assets/(liabilities) arising from	所產生之遞延稅項資產/(負債)	非流動金融資產減值	使用權資產之臨時差額	預售物業之臨時差額	信貸虧損撥備	稅項虧損 ¹	資本化合約成本攤銷	集團內公司間轉讓若干土地使用權產生之未實現溢利	遞延收入內之政府補助金	現金流量對沖	中國附屬公司未分派溢利	總計
		RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元
At 1 January 2019	於二零一九年一月一日	1,787	-	-	6,951	3,443	(966)	18,129	8,113	-	(4,421)	33,036
Credited/(charged) to profit or loss (Note 6(a))	於損益內計入/(扣除) (附註6(a))	-	49	-	7,056	2,450	966	(3,981)	(356)	-	(11,188)	(5,004)
Transferred to current tax	轉撥至即期稅項	-	-	-	-	-	-	-	-	-	4,000	4,000
At 31 December 2019	於二零一九年十二月三十一日	1,787	49	-	14,007	5,893	-	14,148	7,757	-	(11,609)	32,032
At 1 January 2020	於二零二零年一月一日	1,787	49	-	14,007	5,893	-	14,148	7,757	-	(11,609)	32,032
Credited/(charged) to profit or loss (Note 6(a))	於損益內計入/(扣除) (附註6(a))	-	-	-	7,989	3,078	-	(197)	(2,192)	-	(5,368)	3,310
Credited/(charged) to reserves	於儲備內計入/(扣除)	-	-	-	-	-	-	-	-	852	-	852
Transferred to current tax	轉撥至即期稅項	-	-	-	-	-	-	-	-	-	6,000	6,000
At 31 December 2020	於二零二零年十二月三十一日	1,787	49	-	21,996	8,971	-	13,951	5,565	852	(10,977)	42,194

Deferred tax assets are recognised on unused tax losses of certain subsidiaries of the Group. They are now progressing to their normal operation stage and are deriving profits. Accordingly, it is considered probable that sufficient taxable profits will be available in the future to utilize their unused tax losses before they expire. As at 31 December 2020, tax losses of RMB33,612,000 will expire from 2022 to 2025.

26 於綜合財務狀況表內之所得稅 (續)

(b) 已確認遞延稅項資產及負債：

(i) 遞延稅項資產及負債各部份之變動

年內於綜合財務狀況表確認之遞延稅項資產/(負債)組成部份及變動如下：

遞延稅項資產是就本集團若干附屬公司的未動用稅務虧損而確認。該等公司目前正逐漸發展至正常營運階段並產生溢利。因此相信於未來可能有足夠的應課稅溢利以在到期前使用未動用稅務虧損。於二零二零年十二月三十一日，稅項虧損人民幣33,612,000元將於二零二二年至二零二五年到期。

Notes to the Consolidated Financial Statements 綜合財務報表附註

(Expressed in Renminbi unless otherwise indicated)
(除另有指明外，數額以人民幣列示)

26 Income tax in the consolidated statement of financial position (continued)

(b) Deferred tax assets and liabilities recognised: (continued)

(ii) Reconciliation to the consolidated statement of financial position

	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	53,171	43,641
Net deferred tax liability recognised in the consolidated statement of financial position	(10,977)	(11,609)
	42,194	32,032

(c) Deferred tax liabilities not recognised

The Group is subject to 5% withholding tax on dividends receivable from its PRC subsidiaries in respect of their profits generated since 1 January 2008. As at 31 December 2020, deferred tax liabilities in respect of temporary differences relating to such undistributed profits of RMB3,043,871,000 (2019: RMB2,362,516,000) were not recognised as the Company controls the dividend policy of these subsidiaries and it has been determined that those profits will not be distributed in the foreseeable future.

26 於綜合財務狀況表內之所得稅 (續)

(b) 已確認遞延稅項資產及負債：(續)

(ii) 與綜合財務狀況表的對賬

(c) 未確認之遞延稅項負債

本集團須就來自其中國附屬公司自二零零八年一月一日起所產生溢利中應收股息繳納5%的扣繳稅。由於本公司控制該等附屬公司的股息政策，並已確定不會於可見未來分派有關溢利，故於二零二零年十二月三十一日，並未就與該等未分派溢利人民幣3,043,871,000元(二零一九年：人民幣2,362,516,000元)有關的暫時差額確認遞延稅項負債。

Notes to the Consolidated Financial Statements

綜合財務報表附註

(Expressed in Renminbi unless otherwise indicated)
(除另有指明外，數額以人民幣列示)

27 Capital, reserves and dividends

(a) Movements in components of equity

The reconciliation between the opening and closing balances of each component of the Group's consolidated equity is set out in the consolidated statement of changes in equity. Details of the changes in the Company's individual components of equity between the beginning and the end of the year are set out below:

The Company

			Share capital 股本	Share premium 股份溢價	Capital Reserve 股本儲備	Other Reserve 其他儲備	Exchange reserve 匯兌儲備	Retained earnings 保留盈利	Total 總計
		Note 附註	RMB '000 人民幣千元	RMB '000 人民幣千元	RMB '000 人民幣千元	RMB '000 人民幣千元	RMB '000 人民幣千元	RMB '000 人民幣千元	RMB '000 人民幣千元
			Note 27 (c) 附註27 (c)	Note 27 (d)(i) 附註27 (d)(i)	Note 27 (d)(iii) 附註27 (d)(iii)	Note 27 (d)(ii) 附註27 (d)(ii)	Note 27 (d)(v) 附註27 (d)(v)		
Balance at 1 January 2019	於二零一九年 一月一日之結餘	32	3,731	179,568	561	441,976	(21,497)	4,114	608,453
Changes in equity for 2019	二零一九年度股權變動								
Profit for the year	年度溢利		-	-	-	-	-	74,231	74,231
Other comprehensive income	其他全面收益		-	-	-	-	10,820	-	10,820
Total comprehensive income for the year	年度全面收益總額		-	-	-	-	10,820	74,231	85,051
Recognition of Employees' Share Option Scheme	確認僱員購股權計劃	25(b)	-	-	2,325	-	-	-	2,325
Dividend approved in respect of the previous year	去年批准之股息	27(b)	-	-	-	-	-	(73,465)	(73,465)
Balance at 31 December 2019 and at 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 之結餘	32	3,731	179,568	2,886	441,976	(10,677)	4,880	622,364
Changes in equity for 2020	二零二零年之權益變動								
Profit for the year	年度溢利		-	-	-	-	-	92,164	92,164
Other comprehensive loss	其他全面虧損		-	-	-	-	(33,794)	-	(33,794)
Total comprehensive income/(loss) for the year	年度全面收益/(虧損) 總額		-	-	-	-	(33,794)	92,164	58,370
Shares issued due to exercise of Share Option Scheme	因行使購股權計劃而發行的股份	27(c)	1	417	(102)	-	-	-	316
Recognition of Employees' Share Option Scheme	確認僱員購股權計劃	25(b)	-	-	1,794	-	-	-	1,794
Dividend approved in respect of the previous year	去年批准之股息	27(b)	-	-	-	-	-	(106,904)	(106,904)
Balance at 31 December 2020	於二零二零年 十二月三十一日 之結餘	32	3,732	179,985	4,578	441,976	(44,471)	(9,860)	575,940

27 股本、儲備及股息

(a) 權益部份變動

本集團綜合權益各部份之年初及年末結餘之對賬載於綜合權益變動表。本公司個別權益組成部份於年初及年末之變動詳情載列如下：

本公司

Notes to the Consolidated Financial Statements 綜合財務報表附註

(Expressed in Renminbi unless otherwise indicated)
(除另有指明外，數額以人民幣列示)

27 Capital, reserves and dividends (continued)

27 股本、儲備及股息 (續)

(b) Dividends

(b) 股息

(i) Dividends payable to equity shareholders of the Company attributable to the year

(i) 應付本年度之本公司權益股東股息

		2020 二零二零年 RMB'000 人民幣千元	2019 二零一九年 RMB'000 人民幣千元
Final dividends proposed after the end of reporting year of HKD0.36 per ordinary share (2019: HKD0.28)	於報告年末後建議派付之末期股息每股普通股0.36港元(二零一九年：每股0.28港元)	126,697	105,324

The final dividend proposed after the end of the reporting period has not been recognised as a liability at the end of the reporting period.

於報告期末後建議派付之末期股息並無於報告期末確認為負債。

(ii) Dividends payable to equity shareholders of the Company attributable to the previous financial year, approved and paid during the year

(ii) 於年內批准及派付之上一個財政年度之應付本公司權益股東股息

		2020 二零二零年 RMB'000 人民幣千元	2019 二零一九年 RMB'000 人民幣千元
Final dividends in respect of the previous financial year approved and paid during the year, of HKD0.28 per ordinary share (2019: HKD0.20)	於年內批准及派付上一個財政年度之末期股息每股普通股0.28港元(二零一九年：0.20港元)	106,904	73,465

Notes to the Consolidated Financial Statements
綜合財務報表附註*(Expressed in Renminbi unless otherwise indicated)*
(除另有指明外，數額以人民幣列示)**27 Capital, reserves and dividends (continued)****27 股本、儲備及股息 (續)****(c) Share Capital****(c) 股本****(i) Issued share capital****(i) 已發行股本**

		2020 二零二零年			2019 二零一九年		
		No. of shares 股份數目	Nominal value of fully paid shares 繳足股份面值	RMB equivalent '000 (千股) 千港元 人民幣千元	No. of shares 股份數目	Nominal value of fully paid shares 繳足股份面值	RMB equivalent '000 (千股) 千港元 人民幣千元
Ordinary shares, issued and fully paid	已發行及繳足普通股						
At 1 January	於一月一日	418,000	4,180	3,731	418,000	4,180	3,731
Shares issued under share option scheme	根據購股權計劃發行的股份	68	1	1	-	-	-
At 31 December	於十二月三十一日	418,068	4,181	3,732	418,000	4,180	3,731

The ordinary shares of the Company has a par value of HKD0.01 per share.

本公司普通股之面值為每股股份0.01港元。

(ii) Shares issued under share option scheme**(ii) 根據購股權計劃發行的股份**

In November 2020, share options were exercised to subscribe for 68,200 (2019: Nil) ordinary shares in the Company at a cash consideration of HKD373,000 (equivalent to approximately RMB316,000), of which RMB578 and RMB417,000 were credited to share capital and the share premium account respectively. The balance of RMB102,000 was transferred from the capital reserve to the share premium account in accordance with the Company's accounting policy set out in note 1(s)(ii).

於二零二零年十一月，購股權獲行使以認購本公司68,200股（二零一九年：無）普通股，現金代價為373,000港元（相當於約人民幣316,000元），其中人民幣578元及人民幣417,000元分別計入股本及股份溢價賬。根據附註1(s)(ii)所載本公司的會計政策，結餘人民幣102,000元已自資本儲備轉撥至股份溢價賬。

Notes to the Consolidated Financial Statements 綜合財務報表附註

(Expressed in Renminbi unless otherwise indicated)
(除另有指明外，數額以人民幣列示)

27 Capital, reserves and dividends (continued)

(d) Nature and purpose of reserves

(i) Share premium

The share premium represents the difference between the par value of the shares of the Company and proceeds received from the issuance of the shares of the Company.

Under the Companies Law of the Cayman Islands, the funds in the share premium account and other reserve account of the Company are distributable to the shareholders provided that immediately following the date on which the dividend is proposed to be distributed, the Company will be in a position to pay off its debts as they fall due in the ordinary course of business.

(ii) Other reserve

The other reserve of the Group represents the difference between (a) the nominal value of share capital and the existing balance on the share premium account of a subsidiary acquired; and (b) the nominal value of the shares issued by the Company in exchange under the re-organisation of the Group on 29 February 2008.

The other reserve of the Company represents the difference between (a) the consolidated net assets of the subsidiaries acquired; and (b) the nominal value of the shares issued by the Company in exchange under the re-organisation of the Group on 29 February 2008.

27 股本、儲備及股息 (續)

(d) 儲備性質及用途

(i) 股份溢價

股份溢價指本公司股份面值與發行本公司股份收取的所得款項之間的差額。

根據開曼群島公司法，本公司之股份溢價賬及其他儲備賬之資金可分派予股東，惟緊隨建議分派股息當日後，本公司將能清償其於日常業務過程中到期之債務。

(ii) 其他儲備

本集團之其他儲備指以下兩者之差額：(a)已收購附屬公司股份溢價賬之股本面值及現有結餘；與(b)本公司根據於二零零八年二月二十九日本集團重組為交換而發行之股份面值。

本公司之其他儲備指以下兩者之差額：(a)已收購附屬公司之綜合資產淨值；與(b)本公司根據於二零零八年二月二十九日本集團重組為交換而發行之股份面值。

Notes to the Consolidated Financial Statements 綜合財務報表附註

(Expressed in Renminbi unless otherwise indicated)
(除另有指明外，數額以人民幣列示)

27 Capital, reserves and dividends (continued)

(d) Nature and purpose of reserves (continued)

(iii) Capital reserve

The capital reserve comprises the following:

- waivers of liabilities due to related parties; and
- the portion of the grant date fair value of unexercised share options granted to employees of the Company that has been recognised in accordance with the accounting policy adopted for share-based payments in Note 1(s)(ii).

(iv) PRC statutory reserves

PRC statutory reserves were established in accordance with the relevant PRC rules and regulations and the articles of association of the PRC subsidiaries of the Group. The subsidiaries are required to transfer at least 10% of their net profit, as determined under the PRC accounting rules and regulations, to statutory general reserve until the reserve reaches 50% of the registered capital. The transfer to this reserve must be made before distribution of a dividend to equity shareholders.

PRC statutory reserves can be used to make good prior years' losses, if any, and may be converted into share capital by issuing new shares to equity shareholders proportionate to their existing percentage of equity interests provided that the balance after such issue is not less than 25% of the registered capital.

27 股本、儲備及股息 (續)

(d) 儲備性質及用途 (續)

(iii) 資本儲備

資本儲備包括以下各項：

- 獲豁免之應付關連方負債；及
- 授予本公司僱員尚未行使之購股權之授出日期公平值之部分已根據附註1(s)(ii)就以股份為基礎之付款採納之會計政策確認。

(iv) 中國法定儲備

中國法定儲備乃根據有關中國規則及規定以及本集團中國附屬公司之組織章程細則設立。附屬公司須轉撥其根據中國會計規則及規定釐定之純利之至少10%至法定一般儲備，直至儲備達到註冊資本之50%為止。向該儲備所作轉撥必須在分派股息予權益股東之前作出。

中國法定儲備可用以抵銷過往年度之虧損(如有)，並可根據權益股東現有股權百分比按比例向彼等發行新股份轉換成股本，惟有關發行後之結餘不得少於註冊資本之25%。

Notes to the Consolidated Financial Statements 綜合財務報表附註

(Expressed in Renminbi unless otherwise indicated)
(除另有指明外，數額以人民幣列示)

27 Capital, reserves and dividends (continued)

(d) Nature and purpose of reserves (continued)

(v) Exchange reserve

The exchange reserve comprises all foreign exchange differences arising from the translation of the financial statements of companies with functional currency other than RMB.

(vi) Hedging reserve

The hedging reserve comprises the effective portion of the cumulative net change in the fair value of hedging instruments used in cash flow hedges pending subsequent recognition of the hedged cash flow in accordance with the accounting policy adopted for cash flow hedges in Note 1(g).

(e) Distributability of reserves

The aggregate amount of distributable reserves of the Company as at 31 December 2020 was RMB572,208,000 (2019: RMB618,633,000).

(f) Capital management

The Group's primary objectives when managing capital are to safeguard the Group's ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders, by pricing products and services commensurately with the level of risk and by securing access to finance at a reasonable cost.

27 股本、儲備及股息 (續)

(d) 儲備性質及用途 (續)

(v) 匯兌儲備

匯兌儲備包括因換算功能貨幣並非為人民幣的公司財務報表所產生之所有匯兌差額。

(vi) 對沖儲備

根據附註1(g)所載就現金流量對沖所採納之會計政策，對沖儲備包括用作有待其後確認對沖現金流量之現金流量對沖之對沖工具的公平值累計淨變動之實際部分。

(e) 可供分派儲備

於二零二零年十二月三十一日，本公司之可供分派儲備總額為人民幣572,208,000元(二零一九年：人民幣618,633,000元)。

(f) 資本管理

本集團的主要資本管理目標為保障本集團持續經營的能力，按恰當風險水平為產品及服務定價，並以合理成本取得融資，以繼續為股東提供回報及為持份者提供福利。

Notes to the Consolidated Financial Statements 綜合財務報表附註

(Expressed in Renminbi unless otherwise indicated)
(除另有指明外，數額以人民幣列示)

27 Capital, reserves and dividends (continued)

(f) Capital management (continued)

The Group actively and regularly reviews and manages its capital structure to maintain a balance between the higher shareholders returns that might be possible with higher levels of borrowings and the advantages and security afforded by a sound capital position, and makes adjustments to the capital structure in light of changes in economic conditions.

The Group monitors its capital structure on the basis of an adjusted net debt-to-capital ratio. For this purpose, adjusted net debt is defined as total debt (which includes interest-bearing loans and borrowings, and lease liabilities) plus unaccrued proposed dividends, less cash and cash equivalents and pledged deposits. Adjusted capital comprises all components of equity, other than amounts recognised in equity relating to cash flow hedges less unaccrued proposed dividends.

During 2020, the Group's strategy, which was unchanged from 2019, was to maintain the adjusted net debt-to-capital ratio at a level considered reasonable by the Group's management from time to time with reference to the prevailing market conditions. In order to maintain or adjust the ratio, the group may adjust the amount of dividends paid to shareholders, issue new shares, raise new debt financing or sell assets to reduce debt.

27 股本、儲備及股息(續)

(f) 資本管理(續)

本集團積極定期檢討及管理其資本架構，以在維持較高借貸水平可能帶來較高股東回報與取得充裕資金狀況所帶來的裨益及保障之間的平衡，並就經濟環境的轉變對資本架構進行調整。

本集團按經調整淨負債資本比率監控資本架構。就此而言，本集團將經調整淨負債定義為債務總額（包括計息貸款及借貸，以及租賃負債）加未計提建議股息減現金及現金等價物以及已抵押存款。經調整資本包括權益之所有部份（與現金流量對沖有關之權益所確認之金額除外）減未計提建議股息。

於二零二零年，本集團之策略與二零一九年保持不變乃將經調整淨債務資本比率維持於本集團管理層經參考當時市況後不時認為合理之水平。為維持或調整比率，本集團可能調整向股東支付股息、發行新股份、籌集新債務融資或出售資產以減少債務。

Notes to the Consolidated Financial Statements 綜合財務報表附註

(Expressed in Renminbi unless otherwise indicated)
(除另有指明外，數額以人民幣列示)

27 Capital, reserves and dividends (continued)

27 股本、儲備及股息 (續)

(f) Capital management (continued)

(f) 資本管理 (續)

The Group's adjusted net debt-to-capital ratio at 31 December 2020 and 2019 was as follows:

本集團於二零二零年及二零一九年十二月三十一日之經調整淨債務資本比率如下：

		Note	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
Current liabilities:	流動負債：			
Loans and borrowings	貸款及借貸	22	811,424	1,284,005
Lease liabilities	租賃負債	23	2,368	6,907
			813,792	1,290,912
Non-current liabilities:	非流動負債：			
Loans and borrowings	貸款及借貸	22	318,868	414,407
Lease liabilities	租賃負債	23	6,523	13,921
Total debt	債務總額		1,139,183	1,719,240
Add: Proposed dividends	加：建議股息	27(b)	126,697	105,324
Less: Cash and cash equivalents	減：現金及現金等價物	19	(509,639)	(528,003)
Pledged deposits	已抵押存款	18	(170,558)	(327,037)
Adjusted net debt	經調整債務淨額		585,683	969,524
Total equity	權益總額		3,697,933	3,038,880
Less: Hedging reserve	減：對沖儲備	27(d)	4,830	2
Proposed dividends	建議股息	27(b)	(126,697)	(105,324)
Adjusted capital	經調整資本		3,576,066	2,933,558
Adjusted net debt-to-capital ratio	經調整淨負債資本比率		16%	33%

Notes to the Consolidated Financial Statements 綜合財務報表附註

(Expressed in Renminbi unless otherwise indicated)
(除另有指明外，數額以人民幣列示)

27 Capital, reserves and dividends (continued)

(f) Capital management (continued)

Neither the Company nor any of its subsidiaries are subject to externally imposed capital requirements, except that banking facilities granted to certain subsidiaries are subject to the fulfilment of covenants relating to the subsidiaries' balance sheet ratios (Note 22). The Group will actively and regularly monitor its compliance to such covenants.

28 Financial risk management and fair values of financial instruments

Exposure to credit, liquidity, interest rate, currency risks and commodity price risk arises in the normal course of the Group's business.

The Group's exposure to these risks and the financial risk management policies and practices used by the Group to manage these risks are described below.

(a) Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in a financial loss to the Group. The Group's credit risk is primarily attributable to trade receivables. The Group's exposure to credit risk arising from cash and cash equivalents, bills receivable and derivative financial assets is limited because the counterparties are banks and financial institutions, for which the Group considers to have low credit risk.

The Group does not provide any guarantees which would expose the Group to credit risk.

27 股本、儲備及股息 (續)

(f) 資本管理 (續)

本公司及其任何附屬公司概不受外界資本規定限制，惟授予若干附屬公司的銀行信貸須就附屬公司的資產負債率履行契諾（附註22）除外。本集團將積極定期監察其是否遵守該等契諾。

28 金融風險管理及金融工具之公平值

於信貸、流動資金、利率、貨幣及商品價格中所承受之風險於本集團之日常業務過程中產生。

本集團所承受之該等風險及本集團用以管理該等風險之金融風險管理政策及常規載述如下。

(a) 信貸風險

信貸風險指交易對手未履行其合約責任而導致本集團產生財務虧損的風險。本集團的信貸風險主要來自交易應收賬款。由於交易對手為本集團認為信貸風險低的銀行及金融機構，因此本集團承擔來自現金及現金等價物、應收票據及衍生金融資產之信貸風險有限。

本集團並無提供任何致使本集團須承擔信貸風險之擔保。

Notes to the Consolidated Financial Statements 綜合財務報表附註

(Expressed in Renminbi unless otherwise indicated)
(除另有指明外，數額以人民幣列示)

28 Financial risk management and fair values of financial instruments (continued)

(a) Credit risk (continued)

Trade receivables

The Group has established a credit risk management policy under which individual credit evaluations are performed on all customers requiring credit over a certain amount. These evaluations focus on the customer's past history of making payments when due and current ability to pay, and take into account information specific to the customer as well as pertaining to the economic environment in which the customer operates. Trade receivables are due within 30-180 days from the date of billing. Debtors with balances that are more than 1 month past due are requested to settle all outstanding balances before any further credit is granted. Normally, the Group does not obtain collateral from customers.

The Group has no significant concentration of credit risk in industries or countries in which the customers operate. Significant concentrations of credit risk primarily arise when the group has significant exposure to individual customers. At the end of the reporting period, less than 1% (2019: 2%) and 13% (2019: 12%) of the total trade receivables was due from the Group's largest customer and the five largest customers respectively within industrial aluminium and construction aluminium.

28 金融風險管理及金融工具之公平值 (續)

(a) 信貸風險 (續)

交易應收賬款

本集團已制定信貸風險管理政策，據此，個別信貸評估乃對所有需要若干信貸金額的客戶進行。該等評估集中於客戶支付到期款項的過往記錄及現時的付款能力，並考慮有關客戶及與客戶經營所在經濟環境有關的特定資料。交易應收賬款乃自發單日期起30至180天內到期。欠款逾期逾一個月的債務人須於支付所有未清償餘額後，方始獲授任何額外信貸。一般而言，本集團並無自客戶取得抵押品。

本集團於客戶經營之行業或國家並無重大集中信貸風險。信貸風險高度集中之情況主要於本集團對個別客戶有著重大風險承擔時產生。於報告期末，交易應收賬款總額之不足1% (二零一九年：2%) 及13% (二零一九年：12%) 分別來自本集團工業鋁型材及建築鋁型材分部最大客戶及五大客戶。

Notes to the Consolidated Financial Statements 綜合財務報表附註

(Expressed in Renminbi unless otherwise indicated)
(除另有指明外，數額以人民幣列示)

28 Financial risk management and fair values of financial instruments (continued)

(a) Credit risk (continued)

Trade receivables (continued)

The Group measures loss allowances for trade receivables at an amount equal to lifetime ECLs, which is calculated using a provision matrix. As the Group's historical credit loss experience does not indicate significantly different loss patterns for different customer segments, the loss allowance based on past due status is not further distinguished between the Group's different customer bases.

The following table provides information about the Group's exposure to credit risk and ECLs for trade receivables:

		2020 二零二零年	
		Expected loss rate 預期虧損比率 %	Gross carrying amount 賬面總值 RMB'000 人民幣千元
			Loss allowance 虧損撥備 RMB'000 人民幣千元
Current (not past due)	即期(未逾期)	0.50%	1,165,701
1 – 180 days past due	逾期1至180天	5.00%	1,168,439
181 – 360 days past due	逾期181至360天	10.00%	143,316
361 – 720 days past due	逾期361至720天	50.00%	46,723
More than 720 days past due	逾期超過720天	100.00%	41,991
			2,566,170
			143,936

28 金融風險管理及金融工具之公平值(續)

(a) 信貸風險(續)

交易應收賬款(續)

本集團按與使用撥備矩陣計算的全期預期信貸虧損相等的金額計量交易應收賬款的虧損撥備。由於本集團的過往信貸虧損經驗並無顯示不同客戶分部的虧損模式具有明顯差異，故並無進一步區分本集團不同客戶群按逾期狀況的虧損撥備。

下表提供有關本集團就交易應收賬款所面臨信貸風險及預期信貸虧損的資料：

Notes to the Consolidated Financial Statements 綜合財務報表附註

(Expressed in Renminbi unless otherwise indicated)
(除另有指明外，數額以人民幣列示)

28 Financial risk management and fair values of financial instruments (continued)

(a) Credit risk (continued)

Trade receivables (continued)

		Expected loss rate 預期虧損比率 %	2019 二零一九年 Gross carrying amount 賬面總值 RMB'000 人民幣千元	Loss allowance 虧損撥備 RMB'000 人民幣千元
Current (not past due)	即期(未逾期)	0.50%	1,478,207	7,391
1 – 180 days past due	逾期1至180天	5.00%	583,321	29,166
181 – 360 days past due	逾期181至360天	10.00%	26,478	2,648
361 – 720 days past due	逾期361至720天	50.00%	52,050	26,025
More than 720 days past due	逾期超過720天	100.00%	25,836	25,836
			2,165,892	91,066

Expected loss rates are based on actual loss experience over the past 3 years. These rates are adjusted to reflect differences between economic conditions during the period over which the historic data has been collected, current conditions and the Group's view of economic conditions over the expected lives of the receivables.

28 金融風險管理及金融工具之公平值(續)

(a) 信貸風險(續)

交易應收賬款(續)

		Expected loss rate 預期虧損比率 %	2019 二零一九年 Gross carrying amount 賬面總值 RMB'000 人民幣千元	Loss allowance 虧損撥備 RMB'000 人民幣千元
Current (not past due)	即期(未逾期)	0.50%	1,478,207	7,391
1 – 180 days past due	逾期1至180天	5.00%	583,321	29,166
181 – 360 days past due	逾期181至360天	10.00%	26,478	2,648
361 – 720 days past due	逾期361至720天	50.00%	52,050	26,025
More than 720 days past due	逾期超過720天	100.00%	25,836	25,836
			2,165,892	91,066

預期虧損比率乃按過往三年的實際虧損經驗為準。該等比率乃經調整，以反映收集歷史數據期間的經濟狀況、目前狀況以及本集團對應收款項的預期可用年期期間經濟狀況之看法的差異。

Notes to the Consolidated Financial Statements 綜合財務報表附註

(Expressed in Renminbi unless otherwise indicated)
(除另有指明外，數額以人民幣列示)

28 Financial risk management and fair values of financial instruments (continued)

(a) Credit risk (continued)

Trade receivables (continued)

Movement in the loss allowance account in respect of trade receivables during the year is as follows:

Balance at 1 January	於一月一日之結餘
Amounts written off during the year	年內撇銷金額
Impairment losses recognised	已確認減值虧損
Balance at 31 December	於十二月三十一日之結餘

The following significant changes in the gross carrying amounts of trade receivables contributed to the increase in the loss allowance during 2020:

- increase in 1 – 180 days past due resulted in an increase in loss allowance of RMB29,256,000 (2019: RMB23,543,000); and
- increase in days past due over 180 days resulted in an increase in loss allowance of RMB25,176,000 (2019: RMB25,718,000); and

28 金融風險管理及金融工具之公平值 (續)

(a) 信貸風險 (續)

交易應收賬款 (續)

年內，交易應收款項的虧損撥備賬變動如下：

	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
Balance at 1 January	91,066	42,907
Amounts written off during the year	–	(137)
Impairment losses recognised	52,870	48,296
Balance at 31 December	143,936	91,066

以下為導致二零二零年虧損撥備增加的交易應收款項的賬面總值的重大變動：

- 逾期天數增加1至180天導致虧損撥備增加人民幣29,256,000元(二零一九年：人民幣23,543,000元)；及
- 逾期天數增加超過180天，導致虧損撥備增加人民幣25,176,000元(二零一九年：人民幣25,718,000元)；及

Notes to the Consolidated Financial Statements 綜合財務報表附註

(Expressed in Renminbi unless otherwise indicated)
(除另有指明外，數額以人民幣列示)

28 Financial risk management and fair values of financial instruments (continued)

(b) Liquidity risk

Individual operating entities within the Group are responsible for their own cash management, including the short term investment of cash surpluses and the raising of loans to cover expected cash demands, subject to approval by the parent company's board when the borrowings exceed certain predetermined levels of authority. The Group's policy is to regularly monitor its liquidity requirements and its compliance with lending covenants, to ensure that it maintains sufficient reserves of cash and readily realisable marketable securities and adequate committed lines of funding from major financial institutions to meet its liquidity requirements in the short and longer term.

28 金融風險管理及金融工具之公平值 (續)

(b) 流動資金風險

本集團以內的個別經營實體負責其各自的現金管理(包括現金盈餘的短期投資以及籌集貸款以彌補預期現金需求)，惟於借貸超過若干預定權限時須經由母公司董事會批准。本集團的政策乃定期監察其流動資金需要以及遵守借貸契據的情況，以確保維持充足現金儲備及隨時可變現的有價證券以及主要金融機構承諾提供足夠的資金額度，以應付其短期及長期流動資金需要。



Notes to the Consolidated Financial Statements 綜合財務報表附註

(Expressed in Renminbi unless otherwise indicated)
(除另有指明外，數額以人民幣列示)

28 Financial risk management and fair values of financial instruments (continued)

(b) Liquidity risk (continued)

The following tables show the remaining contractual maturities at the end of the reporting period of the Group's non-derivative financial liabilities (excluding contract liabilities) and derivative financial liabilities, which are based on contractual undiscounted cash flows (including interest payments computed using contractual rates or, if floating, based on rates current at the end of the reporting period) and the earliest date the Group can be required to pay:

28 金融風險管理及金融工具之公平值 (續)

(b) 流動資金風險 (續)

下表列示於報告期末本集團之非衍生金融負債(不包括合約負債)之剩餘合約到期款項，乃按合約未貼現現金流量(包括按合約利率或(如浮動)按於報告期末之現行利率計算之利息款項)及本集團須支付之最早日期計算：

		2020 二零二零年					
		Contractual undiscounted cash outflow 合約未貼現現金流出					
	Within 1 year or on demand	More than 1 year but less than 2 years	More than 2 years but less than 5 years	More than 5 years	Total	Carrying amount at 31 Dec	
	一年內或 應要求	一年後 但兩年內	兩年後 但五年內	五年後	總計	於十二月 三十一日 之賬面值	
	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	
Loans and borrowings	貸款及借貸	820,434	178,747	83,071	92,971	1,175,223	1,130,292
Lease liabilities	租賃負債	7,557	6,334	3,059	1,103	18,053	8,891
Bills payables, creditors and accrued charges*	應付票據、應付賬款及應計費用*	3,305,342	-	-	-	3,305,342	3,305,342
		4,133,333	185,081	86,130	94,074	4,498,618	4,444,525

Notes to the Consolidated Financial Statements 綜合財務報表附註

(Expressed in Renminbi unless otherwise indicated)
(除另有指明外，數額以人民幣列示)

28 Financial risk management and fair values of financial instruments (continued)

(b) Liquidity risk (continued)

		2019 二零一九年					
		Contractual undiscounted cash outflow 合約未貼現現金流出					
		Within 1 year or on demand	More than 1 year but less than 2 years	More than 2 years but less than 5 years	More than 5 years	Total	Carrying amount at 31 Dec 於十二月 三十一日 之賬面值
		一年內或 應要求 RMB'000 人民幣千元	一年後 但兩年內 RMB'000 人民幣千元	兩年後 但五年內 RMB'000 人民幣千元	五年後 RMB'000 人民幣千元	總計 RMB'000 人民幣千元	RMB'000 人民幣千元
Loans and borrowings	貸款及借貸	1,309,216	377,196	26,707	53,714	1,766,833	1,698,412
Lease liabilities	租賃負債	7,082	10,526	3,008	2,657	23,273	20,828
Bills payables, creditors and accrued charges*	應付票據、應付賬款及應計費用*	2,712,739	-	-	-	2,712,739	2,712,739
		4,029,037	387,722	29,715	56,371	4,502,845	4,431,979

* The balance included trade payables, bills payable, accrued payroll and benefits, other payables and accruals and interest payable, which were financial liabilities in nature.

As shown in the above analysis, bank loans and related interest expense of the Group amounting to RMB822,240,000 were due to be repaid during 2021 (2019: RMB1,311,425,000). The short-term liquidity risk inherent in this contractual maturity date was not significantly changed after the reporting period.

28 金融風險管理及金融工具之公平值 (續)

(b) 流動資金風險 (續)

2019
二零一九年

		Contractual undiscounted cash outflow 合約未貼現現金流出					
		Within 1 year or on demand	More than 1 year but less than 2 years	More than 2 years but less than 5 years	More than 5 years	Total	Carrying amount at 31 Dec 於十二月 三十一日 之賬面值
		一年內或 應要求 RMB'000 人民幣千元	一年後 但兩年內 RMB'000 人民幣千元	兩年後 但五年內 RMB'000 人民幣千元	五年後 RMB'000 人民幣千元	總計 RMB'000 人民幣千元	RMB'000 人民幣千元
Loans and borrowings	貸款及借貸	1,309,216	377,196	26,707	53,714	1,766,833	1,698,412
Lease liabilities	租賃負債	7,082	10,526	3,008	2,657	23,273	20,828
Bills payables, creditors and accrued charges*	應付票據、應付賬款及應計費用*	2,712,739	-	-	-	2,712,739	2,712,739
		4,029,037	387,722	29,715	56,371	4,502,845	4,431,979

* 結餘包括交易應付款項、應付票據、應計薪金及福利、其他應付款項及應計費用及應付利息，乃屬金融負債性質。

誠如上述分析所示，本集團為數人民幣822,240,000元（二零一九年：人民幣1,311,425,000元）之銀行貸款及相關利息開支乃於二零二一年內到期將予償還。於本合約到期日固有之短期流動資金風險於報告期後並無重大變動。

Notes to the Consolidated Financial Statements 綜合財務報表附註

(Expressed in Renminbi unless otherwise indicated)
(除另有指明外，數額以人民幣列示)

28 Financial risk management and fair values of financial instruments (continued)

(c) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's interest rate risk arises primarily from long-term borrowings. Borrowings issued at variable rates and fixed rates expose the Group to cash flow interest rate risk and fair value interest rate risk respectively. The Group's interest rate profile as monitored by management is set out in (ii) below.

(i) Interest rate profile

The following table, as reported to the management of the Group, details the interest rate profile of the Group's interest-bearing borrowings at the end of the reporting period.

28 金融風險管理及金融工具之公平值(續)

(c) 利率風險

利率風險為金融工具之公平值或未來現金流量將因應市場利率變動而波動之風險。本集團之利率風險主要來自長期借貸。按浮動利率及固定利率發出之借貸分別令本集團須承受現金流量利率風險及公平值利率風險。本集團由管理層監察之利率概況載於下文(ii)。

(i) 利率概況

向本集團管理層所呈報之下表詳列本集團於報告期末計息借貸之利率概況。

		2020 二零二零年		2019 二零一九年	
		Effective interest rates	Amount	Effective interest rates	Amount
		實際利率	金額 '000 千元	實際利率	金額 '000 千元
Fixed rate borrowings:	定息借貸：				
Lease liabilities	租賃負債	4.90%	8,891	4.90%	20,828
Bank loans	銀行貸款	2.90%-4.51%	509,684	3.48% - 5.13%	878,318
			518,575		899,146
Variable rate borrowings:	浮息借貸：				
Bank loans	銀行貸款	3.55%-4.99%	620,608	3.90% - 5.23%	820,094
Total borrowings	借貸總額		1,139,183		1,719,240
Fixed rate borrowings as a percentage of total borrowings	定息借貸佔借貸總額百分比		46%		52%

Notes to the Consolidated Financial Statements 綜合財務報表附註

(Expressed in Renminbi unless otherwise indicated)
(除另有指明外，數額以人民幣列示)

28 Financial risk management and fair values of financial instruments (continued)

(c) Interest rate risk (continued)

(ii) Sensitivity analysis

At 31 December 2020, it is estimated that a general increase/decrease of 100 basis points in interest rates, with all other variable held constant, would have decreased/increased the Group's profit after tax and retained profits by approximately RMB5,123,000 (2019: RMB6,904,000).

The sensitivity analysis above indicates the instantaneous change in the Group's profit after tax and retained profits that would arise assuming that the change in interest rates had occurred at the end of the reporting period and had been applied to re-measure those financial instruments held by the Group which expose the Group to fair value interest rate risk at the end of the reporting period. In respect of the exposure to cash flow interest rate risk arising from floating rate non-derivative instruments held by the Group at the end of the reporting period, the impact on the Group's profit after tax and retained profits is estimated as an annualised impact on interest expense or income of such a change in interest rates. The analysis is performed on the same basis for 2019.

28 金融風險管理及金融工具之公平值 (續)

(c) 利率風險 (續)

(ii) 敏感度分析

於二零二零年十二月三十一日，估計利率整體上調／下調100個基點，而其他所有變數維持不變，本集團之除稅後溢利及保留溢利將減少／增加約人民幣5,123,000元（二零一九年：人民幣6,904,000元）。

上述敏感度分析指本集團之除稅後溢利及保留溢利可能產生之即時變動。敏感度分析假設利率變動於報告期末已經發生，並已用於重新計量本集團所持有並於報告期末使本集團面臨公平值利率風險之該等金融工具。就本集團於報告期末所持有之浮動利率非衍生工具所產生之現金流利率風險而言，本集團之除稅後溢利及保留溢利之影響乃以因有關利率變動而產生之利息支出或收入之年度影響作估計。該分析乃以二零一九年之同一基準進行。

Notes to the Consolidated Financial Statements 綜合財務報表附註

(Expressed in Renminbi unless otherwise indicated)
(除另有指明外，數額以人民幣列示)

28 Financial risk management and fair values of financial instruments (continued)

(d) Currency risk

Renminbi is not a freely convertible currency and the remittance of funds out of the PRC is subject to the exchange restriction imposed by the PRC government. The Group is exposed to currency risk primarily through sales and purchases which give rise to receivables, payables and cash balances that are denominated in a currency other than the functional currency of the operations to which they relate. The currencies giving rise to this risk are primarily HKD and USD.

28 金融風險管理及金融工具之公平值 (續)

(d) 貨幣風險

人民幣並非可自由兌換之貨幣，而將資金匯出中國須受中國政府所施予之外匯限制。本集團主要透過以與其業務相關之功能貨幣以外之貨幣計值之銷售及購買（其產生應收款項、應付款項及現金結餘）承受貨幣風險。該風險主要來自港元及美元。



Notes to the Consolidated Financial Statements 綜合財務報表附註

(Expressed in Renminbi unless otherwise indicated)
(除另有指明外，數額以人民幣列示)

28 Financial risk management and fair values of financial instruments (continued)

(d) Currency risk (continued)

(i) Exposure to currency risk

The following table details the Group's exposure at the end of the reporting period to currency risk arising from recognised assets or liabilities denominated in a currency other than the functional currency of the entity to which they relate. For presentation purposes, the amounts of the exposure are shown in Renminbi, translated using the spot rate at the year end date. Difference resulting from the translation of the financial statements of foreign operations into the Group's presentation currency is excluded.

28 金融風險管理及金融工具之公平值 (續)

(d) 貨幣風險 (續)

(i) 外幣風險承擔

下表詳列本集團於報告期末在以公司有關功能貨幣以外之其他貨幣計值之已確認資產或負債所產生之貨幣風險承擔。就呈列目的而言，風險承擔之金額以人民幣列示，並以年結日之現貨率換算。換算海外業務財務報表至本集團呈列貨幣所產生之差額並不包括在內。

Exposure to foreign currencies (expressed in RMB)
外幣風險承擔 (以人民幣列示)

		2020 二零二零年		2019 二零一九年	
		HKD 港元 '000 千元	USD 美元 '000 千元	HKD 港元 '000 千元	USD 美元 '000 千元
Trade and other receivables	交易及其他應收款項	8,954	4,846	7,899	10,816
Cash and cash equivalents	現金及現金等價物	21,256	20,901	16,924	12,466
Trade and other payables	交易及其他應付款項	(18,128)	(13,304)	(14,748)	(15,148)
Loans and borrowings	貸款及借貸	-	-	-	(52,322)
Gross and net exposure arising from recognised assets and liabilities	已確認資產及負債產生之風險總額及淨額	12,082	12,443	10,075	(44,188)
Notional amounts of forward exchange contracts used as economic hedges	用作經濟對沖之遠期外匯合約之理論金額	-	-	-	53,018
Net exposure arising from recognised assets and liabilities	已確認資產及負債產生之風險淨額	12,082	12,443	10,075	8,830

Notes to the Consolidated Financial Statements
綜合財務報表附註*(Expressed in Renminbi unless otherwise indicated)*
(除另有指明外，數額以人民幣列示)**28 Financial risk management and fair values of financial instruments (continued)****(d) Currency risk (continued)****(ii) Sensitivity analysis**

The following table indicates the instantaneous change in the Group's profit after tax and retained profits that would arise if foreign exchange rates to which the Group has significant exposure at the end of the reporting period had changed at that date, assuming all other risk variables remained constant.

United States Dollars	美元
Hong Kong Dollars	港元

Results of the analysis as presented in the above table represent an aggregation of the instantaneous effects on each of the Group entities' profit after tax and equity measured in the respective functional currencies, translated into Renminbi at the exchange rate ruling at the end of the reporting period for presentation purposes.

28 金融風險管理及金融工具之公平值 (續)**(d) 貨幣風險 (續)****(ii) 敏感度分析**

下表顯示倘本集團於報告期末有重大風險承擔之匯率於該日有所變動，並假設所有其他風險變數維持不變，本集團之除稅後溢利及保留溢利可能出現之即時變動。

2020 二零二零年		2019 二零一九年	
Increase/ (decrease) in foreign exchange rate	Effect on profit after tax and retained profit 對除稅後 溢利及保留 溢利之影響 '000 千元	Increase/ (decrease) in foreign exchange rate	Effect on profit after tax and retained profit 對除稅後 溢利及保留 溢利之影響 '000 千元
匯率上升/ (下降)		匯率上升/ (下降)	
1%	124	1%	64
1%	121	1%	79

上表呈列之分析結果指對本集團各公司以各自之功能貨幣計量之除稅後溢利及權益之合計即時影響，並就呈列目的按報告期末之匯率換算為人民幣。

Notes to the Consolidated Financial Statements 綜合財務報表附註

(Expressed in Renminbi unless otherwise indicated)
(除另有指明外，數額以人民幣列示)

28 Financial risk management and fair values of financial instruments (continued)

(d) Currency risk (continued)

(ii) Sensitivity analysis (continued)

The sensitivity analysis assumes that the change in foreign exchange rates had been applied to re-measure those financial instruments held by the Group which expose the Group to foreign currency risk at the end of the reporting period, including inter-company payables and receivables within the Group which are denominated in a currency other than the functional currencies of the lender or the borrower. The analysis excludes differences that would result from the translation of the financial statements of foreign operations into the Group's presentation currency. The analysis is performed on the same basis for 2019.

(e) Commodity price risk

The Group used commodity futures contracts in the Shanghai Futures Exchange to manage the commodity price risk exposure in respect of the highly probable forecast purchase of aluminium products. The Group designates those commodity future contracts as hedging instruments in cash flow hedges and does not separate the forward and spot element of the commodity future contracts but instead designates the commodity future contract in its entirety in a hedging relationship.

28 金融風險管理及金融工具之公平值 (續)

(d) 貨幣風險 (續)

(iii) 敏感度分析 (續)

敏感度分析假設匯率變動經已應用以重新計量該等於報告期末讓本集團須承受外幣風險之本集團所持金融工具，包括以貸款人或借款人功能貨幣以外貨幣計值之集團內公司間應付款項及應收款項。分析並不包括換算海外業務財務報表至本集團呈列貨幣所產生之差額。分析已按與二零一九年相同之基準進行。

(e) 商品價格風險

本集團於上海期貨交易所使用商品期貨合約管理有關成數很高的預期購買鋁產品的商品價格風險。本集團將該等商品期貨合約指定為現金流量對沖的對沖工具及並無分開商品期貨合約的遠期及現貨成份，而是在對沖關係中整體指定商品期貨合約。

Notes to the Consolidated Financial Statements 綜合財務報表附註

(Expressed in Renminbi unless otherwise indicated)
(除另有指明外，數額以人民幣列示)

28 Financial risk management and fair values of financial instruments (continued)

(e) Commodity price risk (continued)

The Group applies a hedge ratio of 1:1 and determines the existence of an economic relationship between the commodity future contracts and the highly probable forecast purchase transactions based on: the underlying for hedging instruments and the hedged items are economically related. The basic variables of the hedging instruments and the hedged items are standard aluminium prices. The effect of credit risk does not dominate the value changes.

The balance of commodity future contracts of RMB14,471,000 represented the principals and fair value upward of the commodity future contracts as at 31 December 2020 (31 December 2019: Nil).

28 金融風險管理及金融工具之公平值 (續)

(e) 商品價格風險 (續)

本集團應用1:1的對沖比率並根據：對沖工具的基礎及對沖項目與經濟相關確立商品期貨合約與成數很高的預期購買交易之間存在的經濟關係。對沖工具及對沖項目的變化基準為標準鋁價。信貸風險的影響不會主導價值的變動。

商品期貨合約結餘人民幣14,471,000元為於二零二零年十二月三十一日商品期貨合約的本金及公平值增加部分(二零一九年十二月三十一日：無)。



Notes to the Consolidated Financial Statements 綜合財務報表附註

(Expressed in Renminbi unless otherwise indicated)
(除另有指明外，數額以人民幣列示)

28 Financial risk management and fair values of financial instruments (continued)

(e) Commodity price risk (continued)

The following table provides a reconciliation of the hedging reserve in respect of commodity price risk and shows the effectiveness of the hedging relationships:

		2020 二零二零年 RMB'000 人民幣千元
Balance at 1 January	於一月一日之結餘	–
Effective portion of the cash flow hedge recognised in other comprehensive income	於其他全面收益確認之現金流量對沖之有效部分	91,270
Amounts reclassified to profit or loss (Note (i))	重新分類至損益之款項 (附註(i))	(96,952)
Related tax	相關稅務	852
Balance at 31 December (Note (ii))	於十二月三十一日之結餘 (附註(ii))	(4,830)
Change in fair value of the commodity future contracts during the year	年內商品期貨合約之公平值變動	117,337
Hedge ineffectiveness recognised in profit and loss (Note 4)	於損益確認之對沖無效性 (附註4)	(26,067)
Effective portion of the cash flow hedge recognised in other comprehensive income (Note 9(b))	於其他全面收益確認之現金流量對沖之有效部分 (附註9(b))	91,270

(i) Amounts reclassified to profit or loss are recognised in the “Cost of sales” line item in the consolidated statement of profit or loss.

(ii) The entire balance in the hedging reserve relates to continuing hedges.

28 金融風險管理及金融工具之公平值 (續)

(e) 商品價格風險 (續)

下表載列商品價格風險的對沖儲備對賬，並列示對沖關係的有效性：

(i) 重新分類至損益之款項於綜合損益表內「銷售成本」細目內確認。

(ii) 對沖儲備內之所有結餘與持續對沖有關。

Notes to the Consolidated Financial Statements 綜合財務報表附註

(Expressed in Renminbi unless otherwise indicated)
(除另有指明外，數額以人民幣列示)

28 Financial risk management and fair values of financial instruments (continued)

(f) Fair values measurement

(i) Financial assets and liabilities measured at fair value

Fair value hierarchy

The following table presents the fair value of the Group's financial instruments measured at the end of the reporting period on a recurring basis, categorised into the three-level fair value hierarchy as defined in IFRS 13, Fair value measurement. The level into which a fair value measurement is classified is determined with reference to the observability and significance of the inputs used in the valuation technique as follows:

- Level 1 valuations: Fair value measured using only Level 1 inputs i.e. unadjusted quoted prices in active markets for identical assets or liabilities at the measurement date
- Level 2 valuations: Fair value measured using Level 2 inputs i.e. observable inputs which fail to meet Level 1, and not using significant unobservable inputs. Unobservable inputs are inputs for which market data are not available
- Level 3 valuations: Fair value measured using significant unobservable inputs

28 金融風險管理及金融工具之公平值 (續)

(f) 公平值計量

(i) 按公平值計量之金融資產及負債

公平值層級

下表呈列於報告期末按經常性基準計量的本集團金融工具的公平值，歸類為國際財務報告準則第13號公平值計量定義的三級公平值層級。公平值計量歸類的層級經參考估值技術中使用的輸入值的可觀察性及重要性釐定如下：

- 第一級估值：僅以第一級輸入值計量公平值，即相同資產或負債於計量日在活躍市場的未調整報價
- 第二級估值：以第二級輸入值計量之公平值，即其輸入值之可觀察性並未如第一級輸入值，且並無使用重大不可觀察之數據。不可觀察之輸入值為並無市場數據可作參考之輸入值
- 第三級估值：使用重大不可觀察輸入值計量之公平值。

Notes to the Consolidated Financial Statements 綜合財務報表附註

(Expressed in Renminbi unless otherwise indicated)
(除另有指明外，數額以人民幣列示)

28 Financial risk management and fair values of financial instruments (continued)

(f) Fair values measurement (continued)

(i) Financial assets and liabilities measured at fair value (continued)

Fair value hierarchy (continued)

	Fair value at 31 December 2020 於二零二零年 十二月三 十一日 之公平值 RMB'000 人民幣千元	Fair value measurements as at 31 December 2020 categorised into 於二零二零年十二月三十一日之 公平值計量分類為		
		Level 1 第一級 RMB'000 人民幣千元	Level 2 第二級 RMB'000 人民幣千元	Level 3 第三級 RMB'000 人民幣千元
Recurring fair value measurements				
Assets:				
Derivative financial instruments:				
- Commodity future contracts	14,471	14,471	-	-

	Fair value at 31 December 2019 於二零一九年 十二月三十一 日之公平值 RMB'000 人民幣千元	Fair value measurements as at 31 December 2019 categorised into 於二零一九年十二月三十一日之 公平值計量分類為		
		Level 1 第一級 RMB'000 人民幣千元	Level 2 第二級 RMB'000 人民幣千元	Level 3 第三級 RMB'000 人民幣千元
Recurring fair value measurements				
Liabilities:				
Derivative financial instruments:				
- Cross-currency interest rate swap	698	-	698	-

28 金融風險管理及金融工具之公平值 (續)

(f) 公平值計量 (續)

(i) 按公平值計量之金融資產及負債 (續)

公平值層級 (續)

	Fair value at 31 December 2020 於二零二零年 十二月三 十一日 之公平值 RMB'000 人民幣千元	Fair value measurements as at 31 December 2020 categorised into 於二零二零年十二月三十一日之 公平值計量分類為		
		Level 1 第一級 RMB'000 人民幣千元	Level 2 第二級 RMB'000 人民幣千元	Level 3 第三級 RMB'000 人民幣千元
經常性公平值計量				
資產：				
衍生金融工具：				
- 商品期貨合約	14,471	14,471	-	-

	Fair value at 31 December 2019 於二零一九年 十二月三十一 日之公平值 RMB'000 人民幣千元	Fair value measurements as at 31 December 2019 categorised into 於二零一九年十二月三十一日之 公平值計量分類為		
		Level 1 第一級 RMB'000 人民幣千元	Level 2 第二級 RMB'000 人民幣千元	Level 3 第三級 RMB'000 人民幣千元
經常性公平值計量				
負債：				
衍生金融工具：				
- 交叉貨幣利率掉期	698	-	698	-

Notes to the Consolidated Financial Statements 綜合財務報表附註

(Expressed in Renminbi unless otherwise indicated)
(除另有指明外，數額以人民幣列示)

28 Financial risk management and fair values of financial instruments (continued)

(f) Fair values measurement (continued)

(i) Financial assets and liabilities measured at fair value (continued)

Fair value hierarchy (continued)

During the years ended 31 December 2019 and 2020, there were no transfers between Level 1 and Level 2, or transfers into or out of Level 3. The Group's policy is to recognise transfers between levels of fair value hierarchy as at the end of the reporting period in which they occur.

Valuation techniques and inputs used in Level 2 fair value measurements

The fair values of cross-currency interest rate swap contracts are calculated as the present value of the estimated future cash flows based on the terms and maturity of the contract, taking into account the market rates as at the valuation date and features of the swap.

(ii) Fair value of other financial assets and liabilities carried at other than fair value

The carrying amount of the Group's financial instruments carried at cost or amortised cost were not materially different from their fair value as at 31 December 2019 except as disclosed in Note 11.

28 金融風險管理及金融工具之公平值 (續)

(f) 公平值計量 (續)

(i) 按公平值計量之金融資產及負債 (續)

公平值層級 (續)

截至二零一九年及二零二零年十二月三十一日止年度，第一級與第二級之間並無轉撥，亦無轉撥入第三級或自第三級轉撥出。本集團之政策為於發生之報告期末確認各公平值層級之間之轉撥。

於第二級公平值計量使用之估值技術及輸入值

交叉貨幣利率掉期合約之公平值於計及於估值日期之市場利率及掉期之特點後按基於合約條款及到期情況之估計未來現金流量之現值計算。

(ii) 並非按公平值入賬之其他金融資產及負債之公平值

除附註11所披露者外，本集團按成本或攤銷成本入賬之金融工具之賬面值與其於二零一九年十二月三十一日之公平值並無重大差異。

Notes to the Consolidated Financial Statements 綜合財務報表附註

(Expressed in Renminbi unless otherwise indicated)
(除另有指明外，數額以人民幣列示)

29 Commitments

Capital commitments outstanding at 31 December 2020 not provided for in the financial statements were as follows:

29 承擔

於二零二零年十二月三十一日，於財務報表並無撥備的未履行資本承擔如下：

		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
Contracted for	已訂約		
– Purchase of property, plant and equipment for the production base in Chengdu City	– 為成都市之生產基地購買物業、廠房及設備	19,702	15,879
– Purchase of property, plant and equipment for the production base in Yichun City	– 為宜春市之生產基地購買物業、廠房及設備	7,388	70,492
– Purchase of property, plant and equipment for the production base in Sanshui, Foshan City	– 為佛山市三水區之生產基地購買物業、廠房及設備	254,458	145,894
– Purchase of property, plant and equipment for the production base in Qinyang City	– 為沁陽市之生產基地購買物業、廠房及設備	6,126	10,400
		287,674	242,665

30 Contingent liabilities

The Group had no material contingent liabilities as at 31 December 2020 (2019: Nil).

30 或然負債

於二零二零年十二月三十一日，本集團並無重大或然負債（二零一九年：無）。

Notes to the Consolidated Financial Statements 綜合財務報表附註

(Expressed in Renminbi unless otherwise indicated)
(除另有指明外，數額以人民幣列示)

31 Material related party transactions

In addition to the transactions and balances disclosed elsewhere in these financial statements, the Group entered into the following material related party transactions:

During the year ended 31 December 2020, the directors are of the view that related parties of the Group include the following individuals/companies:

Name of related parties 關連方名稱

Foshan Leahin Coating Co., Ltd. (“Leahin Coating”)
(佛山立興塗料有限公司)(i)
佛山立興塗料有限公司(「立興塗料」)(i)

Guangdong Xingfa Curtain Wall, Door & Window Co., Ltd.
(“Xingfa Curtain Wall”) (廣東興發幕牆門窗有限公司) (i)

廣東興發幕牆門窗有限公司(「興發幕牆」)(i)

China Lesso Group Holdings Limited and its subsidiaries
(“China Lesso Group”)
(中國聯塑集團控股有限公司及其子公司)
(中國聯塑集團控股有限公司及其子公司)
(「中國聯塑集團」)

Jiangxi Jingxing Aluminium Panel Manufacturing Co., Ltd.
(江西省景興鋁模板製造有限公司)(i)
江西省景興鋁模板製造有限公司(i)

(i) The English translation of the company names is for reference only. The official names of these companies are in Chinese.

31 重大關連方交易

除該等財務報表其他部份所披露的交易及結餘外，本集團進行以下重大關連方交易：

於截至二零二零年十二月三十一日止年度，本公司董事認為以下人士／公司為本集團的關連方：

Relationship with the Group 與本集團關係

Effectively owned by certain executive directors of the Company
由本公司若干執行董事實際擁有

Owned as to 21% by Mr. Liao Yuqing and as to 46% by Mr. Luo Su. Mr. Liao yuqing is an executive director of the Company and Mr. Luo Su is the father-in-law of Mr. Liao Yuqing.
由廖玉慶先生擁有21%權益及羅蘇先生擁有46%權益。廖玉慶先生為本公司執行董事及羅蘇先生為廖玉慶先生的岳父。

substantial shareholder of the Company

本公司主要股東

Associate of the Group

本集團之聯營公司

(i) 該等公司的英文譯名僅供參考。該等公司的中文名稱為正式名稱。

Notes to the Consolidated Financial Statements 綜合財務報表附註

(Expressed in Renminbi unless otherwise indicated)
(除另有指明外，數額以人民幣列示)

31 Material related party transactions

(continued)

(a) Transactions

Sales and purchase

		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 of goods to	銷售貨品予		
– Xingfa Curtain Wall	– 興發幕牆	114,224	127,091
– Jiangxi Jingxing	– 江西景興	14,894	25,894
– China Lesso Group (Note)	– 中國聯塑集團 (附註)	33,722	33,779
		162,840	186,764
Properties leased out	物業出租予		
– Jiangxi Jingxing	– 江西景興	5,022	4,625
– China Lesso Group (Note)	– 中國聯塑集團 (附註)	4,264	1,489
		9,286	6,114
Purchase of raw materials	採購原材料		
– Xingfa Curtain Wall	– 興發幕牆	164	544

31 重大關連方交易 (續)

(a) 交易

買賣

		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 of goods to	銷售貨品予		
– Xingfa Curtain Wall	– 興發幕牆	114,224	127,091
– Jiangxi Jingxing	– 江西景興	14,894	25,894
– China Lesso Group (Note)	– 中國聯塑集團 (附註)	33,722	33,779
		162,840	186,764
Properties leased out	物業出租予		
– Jiangxi Jingxing	– 江西景興	5,022	4,625
– China Lesso Group (Note)	– 中國聯塑集團 (附註)	4,264	1,489
		9,286	6,114
Purchase of raw materials	採購原材料		
– Xingfa Curtain Wall	– 興發幕牆	164	544

Notes to the Consolidated Financial Statements
綜合財務報表附註*(Expressed in Renminbi unless otherwise indicated)*
(除另有指明外，數額以人民幣列示)**31 Material related party transactions***(continued)***(b) Balances with related parties**

As at the end of the reporting period, the Group had the following balances with related parties:

(i) Trade and other receivables (Note 17)

Trade related	與交易有關
- Xingfa Curtain Wall	—興發幕牆
- Jiangxi Jingxing	—江西景興
- China Lesso Group (Note)	—中國聯塑集團 (附註)

31 重大關連方交易 (續)**(b) 與關連方的結餘**

於報告期末，本集團與關連方的結餘如下：

(i) 交易及其他應收款項 (附註 17)

	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
	15,994	17,756
	9,029	19,308
	22,982	6,728
	48,005	43,792

Notes to the Consolidated Financial Statements 綜合財務報表附註

(Expressed in Renminbi unless otherwise indicated)
(除另有指明外，數額以人民幣列示)

31 Material related party transactions (continued)

(b) Balances with related parties (continued)

(ii) Trade and other payables

		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 related	與交易有關		
- China Lesso Group (Note)	- 中國聯塑集團 (附註)	124	121
		124	121

The amounts due from related parties are unsecured, interest-free and have no fixed terms of repayment.

Note: Guangzhou Jingxing, Foshan Jingxing Aluminium Panel Manufacturing Co., Ltd. (佛山景興鋁模板製造有限公司), Zhejiang Huijing Construction Technology Co., Ltd. (浙江匯景建築科技有限公司) and Henan Jingxing Aluminium Panel Manufacturing Co., Ltd. (河南省景興鋁模板製造有限公司) are non-wholly owned subsidiaries of China Lesso Group, and the transactions between the Group and the abovementioned entities were treated as parts of related parties transaction between the Group and China Lesso Group.

31 重大關連方交易 (續)

(b) 與關連方的結餘 (續)

(ii) 交易及其他應付款項

應收關連方款項為無抵押、免息且無固定還款期。

附註：廣州景興、佛山景興鋁模板製造有限公司、浙江匯景建築科技有限公司及河南省景興鋁模板製造有限公司均為中國聯塑集團之非全資附屬公司，及本集團與上述實體間之交易隨後被視為本集團與中國聯塑集團間之關連方交易之一部分。

Notes to the Consolidated Financial Statements 綜合財務報表附註

(Expressed in Renminbi unless otherwise indicated)
(除另有指明外，數額以人民幣列示)

31 Material related party transactions

(continued)

(c) Key management personnel remuneration

Remuneration for key management personnel, including the amounts paid to the Group's directors as disclosed in Note 7 and the senior management as disclosed in Note 8, 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
Short-term employee benefits	短期僱員福利	22,977	17,500
Contribution to retirement benefit plan	退休福利計劃供款	131	137
Equity settled share-based payment expenses	以股權結算股份為基礎的付款開支	627	575
		23,735	18,212

Total remuneration is included in "staff costs" (Note 5(b)).

(d) Applicability of the Listing Rules relating to connected transactions

The related party transactions of sales and/or purchase above constitute connected transactions or continuing connected transactions as defined in Chapter 14A of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules"). The disclosures required by Chapter 14A of the Listing Rules are provided in the section headed "Connected Transactions" of the Report of the Directors of this annual report.

31 重大關連方交易 (續)

(c) 主要管理人員酬金

主要管理人員之酬金(包括附註7及附註8所分別所披露之支付予本集團董事及高級管理人員的金額)如下:

		2020 二零二零年 RMB'000 人民幣千元	2019 二零一九年 RMB'000 人民幣千元
Short-term employee benefits	短期僱員福利	22,977	17,500
Contribution to retirement benefit plan	退休福利計劃供款	131	137
Equity settled share-based payment expenses	以股權結算股份為基礎的付款開支	627	575
		23,735	18,212

酬金總額計入「員工成本」(附註5(b))。

(d) 上市規則就關於關連交易之適用性

上述買及/或賣之關連人士交易構成香港聯合交易所有限公司證券上市規則(「上市規則」)第14A章所界定之關連交易或持續關連交易。上市規則第14A章規定之披露載列於本年報董事會報告之「關連交易」一節。

Notes to the Consolidated Financial Statements 綜合財務報表附註

(Expressed in Renminbi unless otherwise indicated)
(除另有指明外，數額以人民幣列示)

32 Company-level statement of financial position

32 公司層面財務狀況表

		Note 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 asset	非流動資產			
Investments in subsidiaries	於附屬公司之投資	14	584,182	621,804
Current assets	流動資產			
Amounts due from a subsidiary	應收一間附屬公司款項		91,992	94,614
Cash and cash equivalents	現金及現金等價物		1,777	1,636
			93,769	96,250
Current liabilities	流動負債			
Amounts due to subsidiaries	應付附屬公司款項		94,820	87,748
Other payables	其他應付款項		7,191	7,942
			102,011	95,690
Net current (liabilities)/assets	流動(負債)/資產淨值		(8,242)	560
Total assets less current liabilities	總資產減流動負債		575,940	622,364
Net assets	資產淨值		575,940	622,364
Capital and reserves	股本及儲備	27		
Share capital	股本		3,732	3,731
Reserves	儲備		572,208	618,633
Total equity	權益總額		575,940	622,364

Notes to the Consolidated Financial Statements 綜合財務報表附註

(Expressed in Renminbi unless otherwise indicated)
(除另有指明外，數額以人民幣列示)

33 Non-adjusting events after the reporting period

- (i) After the end of the reporting period, the directors proposed a final dividend. Further details are disclosed in Note 27(b).
- (ii) Xingfa Jiangxi and Guangzhou Jingxing entered into an equity transfer agreement on 4 February 2021 (the "Equity Transfer"), pursuant to which Xingfa Jiangxi agreed to transfer its entire equity interest in Jiangxi Jingxing to Guangzhou Jingxing. The consideration of the Equity Transfer is RMB10 million. Completion of the Equity Transfer took place on 12 March 2021. Immediately upon completion of the Equity Transfer, the Group ceased to hold any interest in Jiangxi Jingxing and Jiangxi Jingxing ceased to be an associate of the Group.

34 Possible impact of amendments, new standards and interpretations issued but not yet effective for the year ended 31 December 2020

Up to the date of issue of these financial statements, the IASB has issued a number of amendments, and a new standard, IFRS 17, *Insurance contracts*, which are not yet effective for the year ended 31 December 2020 and which have not been adopted in these financial statements. These developments include the following which may be relevant to the group.

33 報告期末後之非調整事項

- (i) 於報告期末後，董事會建議派發末期股息。進一步詳情披露於附註27(b)。
- (ii) 興發江西與廣州景興於二零二一年二月四日訂立股權轉讓協議（「股權轉讓」），據此，興發江西同意將其於江西景興的全部股權轉讓予廣州景興。股權轉讓代價為人民幣10,000,000元。股權轉讓於二零二一年三月十二日完成。緊隨股權轉讓完成後，本集團不再持有江西景興的任何權益及江西景興不再作為本集團之聯營公司列賬。

34 於截至二零二零年十二月三十一日止年度已頒佈但未生效的修訂、新準則及詮釋的潛在影響

截至該等財務報表的刊發日期，國際會計準則委員會已頒佈下列各項於截至二零二零年十二月三十一日止年度尚未生效的修訂及一項新準則國際財務報告準則第17號保險合約，而該等財務報表並無採納該等修訂。該等發展包括下列可能與本集團有關的修訂。

**Effective for
accounting years
beginning on or after
於下列日期或之後
開始的會計年度生效**

Amendments to IFRS 3, <i>Reference to the Conceptual Framework</i> 國際財務報告準則第3號修訂本對框架概念的提述	1 January 2022 二零二二年一月一日
Amendments to IAS 16, <i>Property, Plant and Equipment: Proceeds before Intended Use</i> 國際會計準則第16號修訂本物業、廠房及設備：擬定用途前之所得款項	1 January 2022 二零二二年一月一日
Amendments to IAS 37, <i>Onerous Contracts – Cost of Fulfilling a Contract</i> 國際會計準則第37號修訂本虧損性合約–履行合約的成本	1 January 2022 二零二二年一月一日
Annual Improvements to IFRSs 2018-2020 Cycle 國際財務報告準則二零一八年至二零二零年週期之年度改進	1 January 2022 二零二二年一月一日

Notes to the Consolidated Financial Statements 綜合財務報表附註

(Expressed in Renminbi unless otherwise indicated)
(除另有指明外，數額以人民幣列示)

34 Possible impact of amendments, new standards and interpretations issued but not yet effective for the year ended 31 December 2020 (continued)

The Group is in the process of making an assessment of what the impact of these developments is expected to be in the period of initial application. So far it has concluded that the adoption of them is unlikely to have a significant impact on the consolidated financial statements.

35 Impacts of COVID-19 pandemic

The COVID-19 pandemic since early 2020 has brought about additional uncertainties in the Group's operating environment and has impacted the Group's operations and financial position in the first half of 2020.

The Group has been closely monitoring the impact of the developments on the Group's businesses and has put in place contingency measures. These contingency measures include but not limited to: assessing the suppliers' readiness; improving the production process, negotiating with distributors on delivery schedules, continuously monitoring the operations of the distributors and strengthening cost control.

The Group's management has setup for catching up delayed schedules as a result of the outbreak of the COVID-19 pandemic during the year ended 31 December 2020.

The directors of the Company believe consumer sentiment will be recovered from COVID-19 pandemic eventually amid the expectation of vaccine will be available for extensive distribution in 2021. The Group will be cautious and stay vigilant and react to the evolving situation.

34 於截至二零二零年十二月三十一日止年度已頒佈但未生效的修訂、新準則及詮釋的潛在影響(續)

本集團正在評估該等發展於首次應用期間預期之影響。本集團迄今為止認為採納該等發展對綜合財務報表產生重大影響的可能性不大。

35 COVID-19疫情的影響

自二零二零年初以來，COVID-19疫情為本集團的營運環境蒙上額外不確定因素並已對本集團二零二零年上半年的營運及財務狀況造成影響。

本集團已密切監控疫情發展對本集團業務的影響並已制定應急措施。該等應急措施包括但不限於：評估供應商是否準備就緒；完善生產流程、與經銷商磋商交付時間表、持續監控經銷商的營運情況並加強成本控制。

本集團管理層已制定計劃以於截至二零二零年十二月三十一日止年度內趕上因新型冠狀病毒肺炎疫情導致之延誤的時間表。

本公司董事相信，由於預期疫苗將於二零二一年廣泛分發，消費者情緒最終會於COVID-19疫情過後恢復。本集團會小心謹慎，保持警惕，並因應局勢變化作出應對。

Five Years Summary
五年概要*(Expressed in Renminbi)*
(以人民幣列示)

		As at 31 December 於十二月三十一日				
		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
Assets and liabilities	資產及負債					
Non-current assets	非流動資產	2,743,711	2,668,419	2,376,862	2,301,489	2,140,723
Current assets	流動資產	5,692,350	5,092,971	4,731,621	4,142,972	3,201,732
Current liabilities	流動負債	(4,387,097)	(4,262,373)	(4,190,051)	(3,810,506)	(3,184,340)
Non-current liabilities	非流動負債	(351,031)	(460,137)	(414,574)	(564,920)	(470,195)
Net assets	資產淨值	3,697,933	3,038,880	2,503,858	2,069,035	1,687,920
Capital and reserves	股本及儲備					
Share capital	股本	3,732	3,731	3,731	3,731	3,731
Reserves	儲備	3,693,460	3,034,604	2,500,379	2,065,304	1,684,189
Total equity attributable to equity shareholders of the Company	本公司權益股東應佔權益總額	3,697,192	3,038,335	2,504,110	2,069,035	1,687,920
Non-controlling interests	非控股權益	741	545	(252)	-	-
Total equity	權益總額	3,697,933	3,038,880	2,503,858	2,069,035	1,687,920
		For the 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	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
Results	業績					
Revenue	營業額	11,886,862	11,280,848	9,924,517	7,239,658	5,576,696
Profit before taxation	除稅前溢利	873,412	723,470	607,916	444,445	351,291
Income tax	所得稅	(111,953)	(120,864)	(113,938)	(61,815)	(52,815)
Profit for the year	年度溢利	761,459	602,606	493,978	382,630	298,476
Attributable to:	以下人士應佔：					
Equity shareholders of the Company	本公司權益股東	765,385	606,109	495,230	382,630	298,476
Non-controlling interests	非控股權益	(3,926)	(3,503)	(1,252)	-	-
		761,459	602,606	493,978	382,630	298,476
Earnings per share	每股盈利					
Basic (RMB yuan)	基本 (人民幣元)	1.83	1.45	1.18	0.92	0.71
Diluted (RMB yuan)	攤薄 (人民幣元)	1.83	1.45	1.18	0.92	0.71

The summary above does not form part of the audited consolidated financial statements.

上述摘要並不構成經審計綜合財務報表之一部份。

Unit No. 5, 6th Floor, Wing On Plaza, No. 62 Mody Road, Kowloon, Hong Kong

香港九龍麼地道62號永安廣場6樓605室

Tel 電話: 852-2175 5388 Fax 傳真: 852-2175 5383

No. 5, Zone D, Central Science and Technology Industrial Park, Foshan District,

Foshan City, Guangdong Province, China (Postcode: 528137)

中國廣東省佛山市三水區中心科技工業園D區5號 (郵編: 528137)

Tel 電話: 86-757-8533 2727 Fax 傳真: 86-757-8538 7628

Website 網址: www.xingfa.com