



中國賽特集團有限公司

China Saite Group Company Limited

(Incorporated in the Cayman Islands with limited liability)

(於開曼群島註冊成立的有限公司)

Stock Code 股份代號 : 153

2020

年報 Annual Report





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Corporate Profile

公司簡介

China Saite Group Company Limited (“China Saite” or the “Company”, together with its subsidiaries, the “Group”) is an integrated steel structure and prefabricated construction solution service provider headquartered in Yixing, Jiangsu Province, the People’s Republic of China (the “PRC”). It has been operating for nearly 22 years. The Group’s integrated construction solution services are customised to meet the quality, technical specifications and requirements of different projects, and range extensively from design planning, fabrication and assembly of steel structure components and prefabricated construction, transportation to on-site installation and after-sales services. According to an industry report prepared by Ipsos Hong Kong Ltd., in terms of revenue, China Saite was the second largest prefabricated construction service provider and the third largest steel structure construction service provider in Jiangsu Province in 2012.

The Group commenced undertaking prefabricated construction projects in late 2010 and enjoys a first-mover advantage in the PRC prefabricated construction industry. Prefabricated construction is one of the advanced construction methods deploying a majority of structural components pre-produced and standardised in the factory, ready for installation on site. The Group’s prefabricated construction solution is mainly provided for domestic high-rise commercial and residential buildings as well as social security housing projects.

China Saite has been accredited as a Grade One Steel Structure Engineering Contractor, the highest national qualification, by the Ministry of Housing since November 2005. This enables China Saite to undertake all kinds of steel structure projects without limitation in category, contract sum, construction area or total construction weight in the PRC. The Group has participated in a wide range of steel structure projects, including bridges, train stations, stadiums, exhibition centres and factory premises.

中國賽特集團有限公司(「中國賽特」或「本公司」，連同其附屬公司統稱「本集團」)是一家綜合性鋼結構及預製構件建築解決方案服務供應商，總部位於中華人民共和國(「中國」)江蘇省宜興市，經營歷史近22年。本集團的綜合建築解決方案服務乃專為客戶定製，以符合不同項目的質量、技術規範及要求，服務涵蓋廣闊，自設計方案開始，包括製作裝配鋼結構部件及預製構件建築，運輸，以至現場安裝，售後服務等，均在範圍之內。根據Ipsos Hong Kong Ltd.編製的行業報告，2012年以收益計，中國賽特為江蘇省第二大預製構件建築服務供應商及第三大鋼結構建築服務供應商。

本集團於2010年底開始承接預製構件建築項目，並在中國預製構件建築行業中佔據有利先機。預製構件建築乃先進建築方法之一，當中涉及在廠房內預製標準規格的大部分結構部件，以供于施工現場快速裝配。本集團的預製構件建築方案主要提供予國內的高層商住樓以及保障性住房項目。

2005年11月，住建部向中國賽特頒授鋼結構工程承包企業一級資質(該資質為該領域的國家最高資質)。此資質使中國賽特可在中國承接各類鋼結構項目，而不受鋼結構項目種類、合同金額、建築面積或建築總重量方面的限制。本集團曾參建包括橋樑、火車站、體育場館、展覽中心及廠房等眾多類別的鋼結構項目。

DIRECTORS

Executive Directors

Mr. Li Xulin (Chairman) (appointed on 18 November 2021)
Mr. Shan Hu (Chief Executive Officer)
(appointed on 18 November 2021)
Mr. Zhang Tianbo (appointed on 14 December 2021)
Mr. Xu Fanghua
Mr. Liu Zhibo
Mr. Hua Gang (appointed as Chairman
on 29 October 2021 and ceased to be the Chairman
on 18 November 2021)
Mr. Jiang Jianqiang (Chairman)
(resigned on 29 October 2021)
Mr. Shao Xiaoqiang (Chief Executive Officer)
(resigned on 17 November 2021)

Independent Non-Executive Directors

Mr. Xu Jiaming
Mr. Yan Hualin
Mr. Choi Ho Yan (appointed on 29 June 2020)
Mr. Siu Siu Ling, Robert (appointed on 29 June 2020)
Mr. Wu Zhongxian (resigned on 21 March 2022)

COMPANY SECRETARY

Ms. Chang Kam Lai (appointed on 1 February 2021)
Mr. Pang Wai Ching (appointed on 1 July 2020 and
resigned on 1 February 2021)
Ms. Foo Man Yee Carina (resigned on 1 July 2020)

AUTHORISED REPRESENTATIVES

Mr. Li Xulin (appointed on 18 November 2021)
Ms. Chang Kam Lai (appointed on 1 February 2021)
Mr. Hua Gang (appointed on 29 October 2021 and
resigned on 18 November 2021)
Mr. Jiang Jianqiang (resigned on 29 October 2021)
Mr. Pang Wai Ching (appointed on 1 July 2020 and
resigned on 1 February 2021)
Ms. Foo Man Yee Carina (resigned on 1 July 2020)

董事

執行董事

李緒林先生(主席)(於2021年11月18日獲委任)
單虎先生(行政總裁)
(於2021年11月18日獲委任)
張天博先生(於2021年12月14日獲委任)
徐芳華先生
劉志伯先生
華剛先生(於2021年10月29日
獲委任為主席及於2021年11月18日
不再擔任主席)
蔣建強先生(主席)
(於2021年10月29日辭任)
邵小強先生(行政總裁)
(於2021年11月17日辭任)

獨立非執行董事

徐家明先生
嚴華麟先生
蔡浩仁先生(於2020年6月29日獲委任)
蕭兆齡先生(於2020年6月29日獲委任)
吳忠賢先生(於2022年3月21日辭任)

公司秘書

張錦麗女士(於2021年2月1日獲委任)
彭偉正先生(於2020年7月1日獲委任及
於2021年2月1日辭任)
傅曼儀女士(於2020年7月1日辭任)

獲授權代表

李緒林先生(於2021年11月18日獲委任)
張錦麗女士(於2021年2月1日獲委任)
華剛先生(於2021年10月29日獲委任及
於2021年11月18日辭任)
蔣建強先生(於2021年10月29日辭任)
彭偉正先生(於2020年7月1日獲委任及
於2021年2月1日辭任)
傅曼儀女士(於2020年7月1日辭任)

Corporate Information 公司資料

AUDIT COMMITTEE

Mr. Yan Hualin (Chairman)
Mr. Xu Jiaming
Mr. Choi Ho Yan (appointed on 29 June 2020)
Mr. Siu Siu Ling, Robert (appointed on 29 June 2020)
Mr. Wu Zhongxian (resigned on 21 March 2022)

審核委員會

嚴華麟先生(主席)
徐家明先生
蔡浩仁先生(於2020年6月29日獲委任)
蕭兆齡先生(於2020年6月29日獲委任)
吳忠賢先生(於2022年3月21日辭任)

REMUNERATION COMMITTEE

Mr. Siu Siu Ling, Robert (appointed as Chairman on 21 March 2022)
(appointed on 29 June 2020)
Mr. Yan Hualin
Mr. Choi Ho Yan (appointed on 29 June 2020)
Mr. Shan Hu (appointed on 18 November 2021)
Mr. Zhang Tianbo (appointed on 14 December 2021)
Mr. Wu Zhongxian (Chairman)
(resigned on 21 March 2022)
Mr. Shao Xiaoqiang (resigned on 17 November 2021)

薪酬委員會

蕭兆齡先生(於2022年3月21日獲委任為主席)
(於2020年6月29日獲委任)
嚴華麟先生
蔡浩仁先生(於2020年6月29日獲委任)
單虎先生(於2021年11月18日獲委任)
張天博先生(於2021年12月14日獲委任)
吳忠賢先生(主席)
(於2022年3月21日辭任)
邵小強先生(於2021年11月17日辭任)

NOMINATION COMMITTEE

Mr. Li Xulin (Chairman) (appointed on 18 November 2021)
Mr. Xu Jiaming
Mr. Choi Ho Yan (appointed on 29 June 2020)
Mr. Siu Siu Ling, Robert (appointed on 29 June 2020)
Mr. Shan Hu (appointed on 18 November 2021)
Mr. Zhang Tianbo (appointed on 14 December 2021)
Mr. Yan Hualin (appointed on 21 March 2022)
Mr. Hua Gang (Chairman) (appointed on 29 October 2021
and ceased to be the Chairman on 18 November 2021)
Mr. Jiang Jianqiang (Chairman)
(resigned on 29 October 2021)
Mr. Wu Zhongxian (resigned on 21 March 2022)

提名委員會

李緒林先生(主席)(於2021年11月18日獲委任)
徐家明先生
蔡浩仁先生(於2020年6月29日獲委任)
蕭兆齡先生(於2020年6月29日獲委任)
單虎先生(於2021年11月18日獲委任)
張天博先生(於2021年12月14日獲委任)
嚴華麟先生(於2022年3月21日獲委任)
華剛先生(主席)(於2021年10月29日獲委任及
於2021年11月18日不再擔任主席)
蔣建強先生(主席)
(於2021年10月29日辭任)
吳忠賢先生(於2022年3月21日辭任)

REGISTERED OFFICE

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

註冊辦事處

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

Corporate Information 公司資料

HEADQUARTER AND PRINCIPAL PLACE OF BUSINESS IN THE PRC

No. 5 Peitian Avenue, Sugang Road
Economic Development Zone, Huaiyuan County
Bengbu
Anhui Province
The PRC

總部及中國主要營業地點

中國
安徽省
蚌埠市
懷遠縣經濟開發區
蘇崗路配天大道5號

PRINCIPAL PLACE OF BUSINESS IN HONG KONG

22nd Floor of The Toy House
No. 100 Canton Road
Tsimshatsui, Kowloon
Hong Kong

香港主要營業地點

香港
九龍尖沙咀
廣東道100號
彩星集團大廈22樓

AUDITOR

Messrs. BDO Limited
(appointed on 11 September 2021)

核數師

香港立信德豪會計師事務所有限公司
(於2021年9月11日獲委任)

LEGAL ADVISER AS TO HONG KONG LAW

P. C. Woo & Co.
Robertsons

法律顧問(有關香港法律)

胡百全律師事務所
羅拔臣律師事務所

PRINCIPAL BANKERS

China Construction Bank Corporation
(Yixing Gaocheng Branch)
Agricultural Bank of China Limited
(Yixing Chengzhong Branch)
Jiangsu Yixing Rural Commercial Bank Co., Ltd.
(Gaocheng Branch)
DBS Bank (Hong Kong) Limited
OCBC Wing Hang Bank Limited
Bank of China (Hong Kong) Limited

主要往來銀行

中國建設銀行股份有限公司
(宜興高塍支行)
中國農業銀行股份有限公司
(宜興城中支行)
江蘇宜興農村商業銀行
(高塍支行)
星展銀行(香港)有限公司
華僑永亨銀行有限公司
中國銀行(香港)有限公司



Corporate Information 公司資料

HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

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

香港股份過戶登記分處

卓佳證券登記有限公司
香港
皇后大道東 183 號
合和中心 54 樓

CAYMAN ISLANDS SHARE REGISTRAR AND TRANSFER OFFICE

Royal Bank of Canada Trust Company (Cayman) Limited
Suite 3204, Unit 2A
Block 3, Building D
P.O. Box 1586
Gardenia Court, Cayman Bay
Grand Cayman, KY1-1100
Cayman Islands

開曼群島股份過戶登記處

Royal Bank of Canada Trust Company (Cayman) Limited
Suite 3204, Unit 2A
Block 3, Building D
P.O. Box 1586
Gardenia Court, Cayman Bay
Grand Cayman, KY1-1100
Cayman Islands

STOCK CODE

153

股份代號

153

COMPANY WEBSITE

www.chinasaite.com.cn

公司網站

www.chinasaite.com.cn

Chairman's Statement

主席報告

Dear Shareholders,

On behalf of the board (the "Board") of directors (the "Directors") of China Saite, I am pleased to present the annual results of the Group for the year ended 31 December 2020.

For Year 2020, the Group's revenue amounted to approximately RMB387.5 million, representing a decrease of approximately RMB127.9 million or 25% as compared with Year 2019. In 2020, gross profit amounted to approximately RMB92.1 million, while the overall gross profit margin ("GP margin") of the Group was approximately 23.8% (2019: 17.5%), representing an increase of 6.3 percentage points as compared to that in Year 2019. Details of the Group's results and future prospects will be discussed under the section of "Management Discussion and Analysis" in this report.

Since 2020, all walks of life around the world have faced extremely severe challenges. Local and global business activities have been severely disrupted due to the COVID-19 pandemic. Uncertainty over trade policies and geopolitical tensions have also added to the turmoil in the global economy. In response to this unprecedented unfavorable business environment, the Group is currently undergoing asset restructuring, including division of debts, disposal of non-performing and/or non-core assets of the Group, subscription of shares for capital injection so that it can continue to maintain normal business operations, etc. The Board and the senior management believe that through a series of reorganizations and adjustments, the Group will achieve self-reform and improve its internal management, so as to fully enhance the Group's comprehensive competitiveness and achieve sustainable and stable all-round development.

Looking ahead, the management will continue to prudently respond to the market changes and challenges brought about by the COVID-19 pandemic. Moreover, with the Group's strong resources from reorganisations and adjustments, it will seize the opportunities brought about by China's macroeconomic policies and explore more business diversification possibilities, so as to diversify risks, drive business growth, and create more value for shareholders.

致各位股東：

本人謹代表中國賽特董事（「董事」）會（「董事會」）欣然向閣下呈報本集團截至2020年12月31日止年度之年度業績。

2020年，本集團的收益約為人民幣387,500,000元，較2019年減少約人民幣127,900,000元或25%。2020年的毛利約為人民幣92,100,000元，整體毛利率（「毛利率」）約為23.8%（2019年：17.5%），與2019年的毛利率相比上升了6.3個百分點。有關本集團業績及未來展望的詳情將於本報告之「管理層討論及分析」一節中論述。

2020年以來，全球各行各業面臨極度嚴峻挑戰。因新型冠狀病毒疫情而導致本土及全球業務活動收到嚴重干擾。貿易政策的不確定性、地緣政治緊張態勢亦令全球經濟更生動盪。為應對該前所未有的不利營商環境，本集團目前正進行資產重組，包括劃分債務，處理本集團之不良及／或非核心資產，認購股份注資使其繼續維持一般業務運作等。董事會和高級管理層相信，通過一系列的重組和調整，本集團將達到自我變革，完善內部管理，從而充分提升本集團的綜合競爭能力，務求實現可持續、穩定的全面發展。

展望未來，管理層將繼續審慎應對COVID-19疫情為市場帶來的變化與挑戰，並借助本集團重組調整之後的雄厚資源，把握中國宏觀經濟政策所帶來的機遇，探索更多業務多元化的可能性，以分散風險，拖動業務增長，為股東創造更多價值。



Chairman's Statement

主席報告

On behalf of the Board, I would like to take this opportunity to extend my sincere appreciation to our Shareholders, customers, suppliers and professional parties for their continuous support, as well as our Directors, our management team and staff for their hard work and dedication during the year. The Group will work with you to meet various challenges in the business environment in the future.

本人謹代表董事會藉此機會衷心感謝本年內我們的股東、客戶、供貨商及專業人士的持續支持，同時感謝董事會同仁，管理團隊及員工克盡己任與群策群裏。本集團將在未來與各位共同迎接營商環境的各種挑戰。

Li Xulin

Chairman

Hong Kong, 18 April 2022

主席

李緒林

香港，2022年4月18日

Management Discussion and Analysis

管理層討論及分析

As an integrated steel structure and fully assembled prefabricated structure construction solution service provider, the Group offers integrated construction solutions to customers according to the technical specifications and requirements of different projects as well as the needs of customers. The services include design, secondary detailed design, production, installation, and after-sale services for customers.

The Group's steel structure solutions mainly focus on construction of large-scale public structures (such as sports stadiums, convention and exhibition centers, airports, and railway stations), bridges (such as railway bridges, highway bridges, landscape bridges, river-crossing bridges and sea-crossing bridges), large-scale factory premises, industrial park zones, logistics park zones, etc. The Group's prefabricated construction solutions are mainly used in construction of low-income housing and public utilities during the process of urbanisation initiated by the PRC government.

BUSINESS REVIEW

The Group recorded a decrease in revenue and gross profit for the year ended 31 December 2020 ("Year 2020") over the corresponding period of 2019 ("Year 2019"). The management of the Group adjusted its business strategy to deal with the challenges faced by the Group at relevant times. In Year 2020, the Group recorded revenue of approximately RMB387.5 million (2019: RMB515.4 million). Gross profit for Year 2020 amounted to approximately RMB92.1 million (2019: RMB90.4 million). The average gross profit margin ("GP margin") was approximately 23.8% (2019: 17.5%). Loss attributable to the owners of the Company amounted to approximately RMB214.5 million (2019: RMB6,091.5 million). Basic losses per share amounted to approximately RMB7.1 cents (2019: RMB224.6 cents).

作為一家綜合性鋼結構及全裝配預製構件建築解決方案服務供應商，本集團根據不同項目的技術規範、要求和客戶的需求，為客戶定制綜合建築解決方案，服務內容包括為客戶設計、二次深化設計、製作、安裝和售後服務。

本集團在鋼結構解決方案中主要專注於大型的公用建築(如：體育館、會展中心、機場、火車站)、橋樑(如：鐵路橋、公路橋、景觀橋、跨江、海大橋)、大型工廠、工業園區、物流園區建設等。在全裝配預製構件建築解決方案中，本集團主要專注於中國政府推動的城鎮化建設中的保障性住房建設和公用設施建設。

業務回顧

截至2020年12月31日止年度(「2020年」)，本集團的收益及毛利相較2019年同期(「2019年」)有所下降。本集團管理層已調整其業務策略以應對本集團於有關時間面臨的挑戰。2020年，本集團錄得收益約人民幣387,500,000元(2019年：人民幣515,400,000元)。2020年的毛利約為人民幣92,100,000元(2019年：人民幣90,400,000元)。平均毛利率(「毛利率」)約為23.8%(2019年：17.5%)。本公司擁有人應佔虧損約為人民幣214,500,000元(2019年：人民幣6,091,500,000元)。每股基本虧損約為人民幣7.1分(2019年：人民幣224.6分)。

Management Discussion and Analysis

管理層討論及分析

Steel structure

For Year 2020, the Group's revenue generated from the steel structure business amounted to RMB342.6 million, decreased by 26.0% from RMB462.8 million for Year 2019. The GP margin for the steel structure business was 25.1%, increased by 7.8 percentage point from 17.3% in Year 2019 as the Group only engaged in projects with higher GP margin.

During Year 2020, the Group's steel structure business were mainly located in Jiangsu Province, Anhui Province, Shanghai, Zhejiang Province and Jiangxi Province in the PRC for construction of factories, highways, bridges and other private/public structures.

Prefabricated construction

During Year 2020, revenue from the Group's prefabricated construction business amounted to approximately RMB20.5 million, representing a decrease of approximately 61.1% from RMB52.7 million in Year 2019. During Year 2020, revenue from the Group's prefabricated construction business decreased significantly as compared with that of Year 2019 due to the impact of the restrictions on the development of the real estate industry. GP margin was kept at constant level of approximately 20% compared to Year 2019.



鋼結構

2020年，本集團鋼結構業務收益為人民幣342,600,000元，較2019年的人民幣462,800,000元減少26.0%。鋼結構業務毛利率為25.1%，較2019年的17.3%上升7.8個百分點，乃由於本集團僅參與毛利率較高的項目。

於2020年，本集團的鋼結構業務主要位於中國江蘇省、安徽省、上海、浙江省及江西省，用於工廠、高速公路、橋樑及其他私營／公營結構的建設。

全裝配預製構件建築

2020年，本集團全裝配預製構件建築業務收益約為人民幣20,500,000元，較2019年的人民幣52,700,000元減少約61.1%。2020年，本集團全裝配預製構件建築業務收益較2019年大幅減少乃由於房地產行業發展限制的影響。毛利率約為20%，相較2019年維持穩定。



Management Discussion and Analysis

管理層討論及分析

Construction and installation works

During Year 2020, the Group expanded its source of income to construction and installation works by setting up the operating subsidiaries in Anhui Province in the PRC. Revenue from construction and installation works amounted to RMB24.4 million with GP margin of 8.5%. The GP margin was relatively lower than other type of projects due to different pricing policy as the Group was new to this business.

FUTURE PROSPECTS

In 2021, the business environment in Mainland China, Hong Kong and Macau improved gradually throughout the year until the recent COVID-19 Omicron outbreak in certain regions. However, the erratic global COVID-19 pandemic development and mutant variants continues to impact market development and economic recovery in general, so we expect the road to recovery to be unpredictable and will depend on extent of social distancing restrictions and effectiveness of measures relating to the containment of COVID-19 pandemic.

Looking ahead, the Group will stay vigilant amidst these uncertainties on the road to recovery and will strive to manage its businesses with efficient senior management, disciplined cost control and prudent risk management in 2022. The Group will continue to focus on its steel structure business, prefabricated construction and construction and installation works by strengthening cooperation with state enterprises, central government enterprises and multinational corporations as well as consolidating its resources and improve internal management to achieve better business performance. With the goal of obtaining higher returns for its shareholders, the Group will also pay additional attention to the development and opportunities in the market, and devote to the exploration of new revenue streams.

建築及安裝工程

2020年，本集團在中國安徽省設立營運附屬公司從事建築及安裝工程，擴大其收入來源。建築及安裝工程收益為人民幣24,400,000元，毛利率為8.5%。毛利率相對低於其他類型項目，乃由於因本集團新涉足該業務而定價政策不同。

未來展望

2021年，中國大陸、香港和澳門的營商環境全年逐步改善，直到近期部分地區爆發COVID-19奧密克戎病株。然而，不穩定的全球COVID-19疫情發展及變異病株不可預期，對市場發展及總體經濟復甦造成影響，因此我們預期經濟復甦情況不可預測並將取決於社交距離限制的程度及就控制COVID-19疫情所採取措施的有效性。

展望未來，本集團將保持警惕，應對經濟復甦過程中的各種不確定因素，於2022年，將透過高效的先進管理方式、嚴謹的成本控制和審慎的風險管理進行業務管理。本集團將繼續專注於鋼結構業務、全裝配預製構件建築以及建築及安裝工程，加強與國企、央企、跨國公司的合作，並整合其資源，完善內部管理，實現更好的業務表現。本集團旨在為股東獲取更高的回報，為此，本集團亦將更加關注市場的發展及機遇，致力開拓新的收入來源。

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FINANCIAL REVIEW

Revenue

For Year 2020, the Group's revenue amounted to approximately RMB387.5 million, representing a decrease of approximately RMB127.9 million or 25% as compared with Year 2019.

The following table sets out a breakdown of the Group's revenue in terms of steel structure projects and prefabricated construction projects for each of the periods indicated:

		2020 2020年		2019 2019年	
		RMB'000	Revenue percentage (%)	RMB'000	Revenue percentage (%)
		人民幣千元	收益佔比 (%)	人民幣千元	收益佔比 (%)
Construction of	建設				
— Steel structure projects	— 鋼結構項目	342,602	88.4	462,750	89.8
— Prefabricated construction project	— 全裝配預製構件建築項目	20,511	5.3	52,697	10.2
— Construction and installation works	— 建築及安裝工程	24,402	6.3	—	—
Total	總計	387,515	100.0	515,447	100.0

For Year 2020, revenue from steel structure projects represented approximately 88.4% of the Group's total revenue, while revenue from prefabricated construction projects and revenue from construction and installation works represented approximately 5.3% and 6.3% of the Group's total revenue respectively.

Revenue from steel structure projects decreased by approximately 26.0% from approximately RMB462.8 million for Year 2019 to approximately RMB342.6 million for Year 2020. On the other hand, revenue from prefabricated construction projects decreased by approximately 61.1% from approximately RMB52.7 million for Year 2019 to approximately RMB20.5 million for Year 2020.

財務回顧

收益

於2020年，本集團的收益約為人民幣387,500,000元，較2019年減少約人民幣127,900,000元或25%。

下表載列各所示期間本集團的鋼結構項目及全裝配預製構件建築項目的收益明細：

於2020年，鋼結構項目的收益佔本集團總收益約88.4%，而全裝配預製構件建築項目的收益以及建築及安裝工程的收益分別佔本集團總收益約5.3%及6.3%。

鋼結構項目的收益由2019年約人民幣462,800,000元減少約26.0%至2020年約人民幣342,600,000元。另一方面，全裝配預製構件建築項目的收益由2019年約人民幣52,700,000元減少約61.1%至2020年約人民幣20,500,000元。

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Gross profit and GP margin

The following table sets out a breakdown of the Group's gross profit and GP margin in terms of steel structure projects and prefabricated construction projects for Year 2020 and Year 2019:

		2020 2020年		2019 2019年	
		Gross profit 毛利 RMB'000 人民幣千元	GP margin (%) 毛利率(%)	Gross profit 毛利 RMB'000 人民幣千元	GP margin (%) 毛利率(%)
Construction of	建設				
— Steel structure projects	— 鋼結構項目	85,864	25.1	79,920	17.3
— Prefabricated construction project	— 全裝配預製構件建築項目	4,182	20.4	10,494	19.9
— Construction and installation works	— 建築及安裝工程	2,082	8.5	—	—
Total	總計	92,128	23.8	90,414	17.5

For Year 2020, overall GP margin of the Group was approximately 23.8%, representing an increase of 6.3 percentage points as compared to approximately 17.5% for Year 2019.

GP margin for steel structure projects increased approximately 7.8 percentage point from approximately 17.3% for Year 2019 to 25.1% for Year 2020. The increase was due to the fact that the Group only selected to engage in projects with higher margin.

GP margin for prefabricated construction projects was constant at level of approximately 20%.

GP margin for construction and installation works was 8.5% which were lower than other segments due to different pricing policy adopted as the Group was new to this industry in Anhui province.

毛利及毛利率

下表載列於2020年及2019年本集團的鋼結構項目及全裝配預製構件建築項目的毛利及毛利率明細：

於2020年，本集團的整體毛利率約為23.8%，與2019年的毛利率約17.5%相比上升6.3個百分點。

鋼結構項目的毛利率由2019年約17.3%上升約7.8個百分點至2020年的25.1%。該上升乃由於本集團僅選擇參與利潤率較高的項目。

全裝配預製構件建築項目的毛利率維持穩定於約20%。

建築及安裝工程的毛利率為8.5%，低於其他分部，乃由於因本集團於安徽省新涉足該行業而定價政策不同。

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Other income, other gains and other losses

The other income of the Group for Year 2020 was approximately RMB4.5 million (2019: RMB2.0 million), derived mainly from sales of scrapped materials, interest income on bank deposits, government grants and rental income.

The other gains of the Group for Year 2020 was approximately RMB22.5 million (2019: losses RMB76.4 million), derived mainly from net exchange gain and effect of modification of corporate bonds.

Selling and marketing expenses and administrative expenses

The total selling, marketing expenses and administrative expenses for Year 2020 were approximately RMB56.9 million (2019: RMB64.4 million), represented a decrease of approximately RMB7.5 million. The decrease was mainly attributable to the decrease in commission and legal fee paid for issuance of bonds.

Finance costs

The Group's finance costs for Year 2020 was approximately RMB68.4 million (2019: RMB99.6 million), mainly contributed from interest expenses on short-term borrowings, interests on corporate bonds. The creditors regarding the corporate bonds and the short-term borrowings are independent third parties to the Group.

Impairment losses on financial and contract assets

The Group's impairment losses on financial and contracts assets was approximately RMB182.8 million (2019: RMB5,933.5 million), mainly comprised of impairment losses on trade receivables and other receivables.

其他收入、其他收益及其他虧損

於2020年，本集團的其他收入約為人民幣4,500,000元（2019年：人民幣2,000,000元），乃源自廢料銷售、銀行存款利息收入、政府補助及租金收入。

於2020年，本集團的其他收益約為人民幣22,500,000元（2019年：虧損人民幣76,400,000元），主要源自匯兌收益淨額及修改企業債券的影響。

銷售及營銷開支和行政開支

於2020年，總銷售、營銷開支及行政開支約為人民幣56,900,000元（2019年：人民幣64,400,000元），減少約人民幣7,500,000元，主要是由於發行債券所支付佣金及法律費用減少。

財務成本

於2020年，本集團的財務成本約為人民幣68,400,000元（2019年：人民幣99,600,000元），主要源於短期貸款利息開支及企業債券利息。企業債券及短期貸款的債權人為本集團的獨立第三方。

金融及合同資產減值虧損

本集團的金融及合同資產減值虧損約為人民幣182,800,000元（2019年：人民幣5,933,500,000元），主要包括應收貿易款項及其他應收款項減值虧損。

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Remeasurement of financial guarantees contracts

The financial guarantees contracts recognition made was based on the valuation on the probabilities of default prepared by an independent valuer engaged by the Company for Year 2020. The directors considered the expected payments to reimburse the holder of the guarantees were no longer recoverable from the borrowers and therefore recorded a loss of RMB24.7 million in Year 2020 (2019: RMB53.0 million).

Loss for the year

Loss for the year attributed to the owners of the Company for Year 2020 amounted to RMB214.5 million (2019: RMB6,091.5 million). The decrease in loss of the year compared to previous year was mainly attributable to (i) decrease in impairment losses on trade receivables and other receivables; (ii) decrease in loss of financial guarantee contracts; and (iii) decrease in write-off of property, plant and equipment.

The Group's basic losses per share for Year 2020 was approximately RMB7.1 cents (2019: RMB224.6 cents).

Capital structure, liquidity and financial resources

The Group's cash and cash equivalents as at 31 December 2020 was approximately RMB41.5 million (2019: RMB40.2 million). As at 31 December 2020, the Group had current assets of approximately RMB1,240.6 million (2019: RMB1,227.4 million) and current liabilities of approximately RMB4,746.1 million (2019: RMB4,489.2 million). The current ratio (which is calculated on the basis of current assets over current liabilities) was 0.26 as at 31 December 2020 (2019: 0.27). Total deficit of the Group as at 31 December 2020 was approximately RMB3,411.3 million (2019: RMB3,196.8 million). As at 31 December 2020, the issued share capital of the Company was approximately HK\$302.1 million (2019: HK\$302.1 million) with approximately 3,020.7 million (2019: 3,020.7 million) shares in issue. Total borrowings (including corporate bonds, short-term borrowings, problematic loans and financial guarantee contracts) were approximately RMB859.0 million as at 31 December 2020 (2019: RMB948.8 million).

財務擔保合同重新計量

財務擔保合同確認乃基於2020年本公司委聘的獨立估值師編製的違約概率估值而作出。董事認為無法向借款人收回償付擔保持有人的預期付款額，因此於2020年入賬虧損人民幣24,700,000元（2019年：人民幣53,000,000元）。

年內虧損

於2020年，本公司擁有人應佔虧損為人民幣214,500,000元（2019年：人民幣6,091,500,000元）。年內虧損較上年有所減少乃主要由於(i)應收貿易款項及其他應收款項減值虧損減少；(ii)財務擔保合同虧損減少；及(iii)物業、廠房及設備撇銷減少。

於2020年，本集團的每股基本虧損約為人民幣7.1分（2019年：人民幣224.6分）。

資本結構、流動資金及財務資源

於2020年12月31日，本集團之現金及現金等價物約為人民幣41,500,000元（2019年：人民幣40,200,000元）。於2020年12月31日，本集團的流動資產約為人民幣1,240,600,000元（2019年：人民幣1,227,400,000元），流動負債約為人民幣4,746,100,000元（2019年：人民幣4,489,200,000元）。於2020年12月31日的流動比率（按流動資產除以流動負債計算）為0.26（2019年：0.27）。本集團於2020年12月31日的虧絀總額約為人民幣3,411,300,000元（2019年：人民幣3,196,800,000元）。於2020年12月31日，本公司的已發行股本約為302,100,000港元（2019年：302,100,000港元），已發行約3,020,700,000股（2019年：3,020,700,000股）股份。於2020年12月31日，貸款總額（包括企業債券、短期貸款、問題貸款及財務擔保合同）為約人民幣859,000,000元（2019年：人民幣948,800,000元）。

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Pledge of assets

As at 31 December 2020, the Group had pledged property, plant and equipment with a carrying amount of RMB61.0 million (2019: RMB63.4 million) and leasehold land under right-of-use assets with a carrying amount of RMB30.3 million (2019: RMB31.2 million) to secure bank borrowings of the Group.

Treasury policies

The Group has adopted a prudent treasury policy and thus maintained a healthy liquidity position throughout the year. The Group strives to reduce credit risk by conducting ongoing credit assessments and evaluations of the financial status of its customers. To manage liquidity risk, the Board closely monitors the Group's liquidity position to ensure that the liquidity structure of the Group's assets, liabilities and other commitments can meet its funding requirements from time to time.

Gearing ratio

As at 31 December 2020 and as at 31 December 2019, the Group had deficits of approximately RMB3,411.3 million and RMB3,196.8 million respectively. Calculations of gearing ratio of the Group for Year 2020 and Year 2019 are therefore not applicable.

Foreign exchange exposure

The Group's businesses are principally operated in the PRC and substantially all of its transactions are conducted in RMB and most of the Group's assets and liabilities are also denominated in RMB. The Group is subject to foreign exchange rate risk arising from future commercial transactions and recognised assets and liabilities which are denominated in currencies other than RMB. During the year under review, the Group did not commit to any financial instruments to hedge its exposure to foreign currency risk and did not adopt any foreign currency hedging policy. However, the management of the Group monitors foreign exchange exposure and will consider hedging significant foreign currency exposure should the need arise.

資產抵押

於2020年12月31日，本集團已抵押賬面值人民幣61,000,000元(2019年：人民幣63,400,000元)的物業、廠房及設備以及賬面值人民幣30,300,000元(2019年：人民幣31,200,000元)的使用權資產項下之租賃土地以獲取本集團的銀行借款。

財資政策

本集團已採納審慎財資政策，因而於年內一直維持良好流動資金狀況。本集團對客戶的財務狀況進行持續信貸評審及評估，致力減低信貸風險。為管理流動資金風險，董事會密切監察本集團之流動資金狀況，確保本集團的資產、負債及其他承擔之流動資金結構符合其不時的資金要求。

資本負債比率

於2020年12月31日及2019年12月31日，本集團分別錄得虧絀約人民幣3,411,300,000元及人民幣3,196,800,000元。因此，計算本集團於2020年及2019年的資本負債比率並不適用。

外匯風險

本集團主要於中國經營業務，其絕大部分交易以人民幣進行，且本集團大部分資產及負債亦以人民幣計值。本集團因日後進行的商業交易及以人民幣以外其他貨幣計值的已確認資產及負債而須承受外匯風險。回顧年度內，本集團並無利用任何財務工具對沖外幣風險，亦無採取任何外幣對沖政策。然而，本集團管理層監察外匯風險，並將考慮於有需要時對沖重大外匯風險。

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Capital expenditures

During Year 2020, the Group's capital expenditure consisted of additions to properties, plant and equipment amounting to approximately RMB1.2 million (2019: RMB55.8 million).

Employees

As at 31 December 2020, the Group had approximately 236 employees (2019: 258). The related staff cost (including remuneration of Directors in the form of salaries and other benefits) for Year 2020 was approximately RMB22.3 million (2019: RMB25.6 million). The Group remunerates its employees based on their performance, experience and prevailing industry practice. Competitive remuneration package is offered to retain elite employees. Our package includes salaries, medical insurance, discretionary bonuses, on-the-job training, other benefits as well as mandatory provident fund schemes for employees in Hong Kong and state managed retirement benefit schemes for employees in the PRC.

Contingent liabilities

There was no contingent liabilities as at 31 December 2020 (2019: nil).

Final dividends

The Board does not recommend any final dividend payment for Year 2020 to the Shareholders (2019: nil).

Events after the end of the reporting period

Details of events after the end of the reporting period are set out to note 49 to the consolidated financial statements in this report.

Saved as otherwise disclosed, the Group does not have any material subsequent events after the end of reporting period and up to the date of this report.

資本開支

於2020年，本集團的資本開支包括添置物業、廠房及設備約人民幣1,200,000元(2019年：人民幣55,800,000元)。

僱員

於2020年12月31日，本集團擁有約236名(2019年：258名)僱員。於2020年的有關員工成本(包括薪金及其他福利形式的董事酬金)約為人民幣22,300,000元(2019年：人民幣25,600,000元)。本集團根據僱員的表現、經驗及現時業內慣例釐定彼等之薪酬，並提供具競爭力的薪酬待遇，以留住優秀員工。我們的待遇包括薪金、醫療保險、酌情花紅、在職培訓、其他福利以及強積金計劃(就香港僱員而言)及國家管理退休福利計劃(就中國僱員而言)。

或然負債

於2020年12月31日，概無或然負債(2019年：無)。

末期股息

董事會不建議向股東派付2020年之任何末期股息(2019年：無)。

報告期末後事項

報告期末後事項之詳情載於本報告的綜合財務報表附註49。

除另有披露者外，本集團於報告期末後及直至本報告日期並無任何重大期後事項。

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UPDATE ON WINDING-UP PETITION

As of the date of this report, there is one outstanding petition that has yet to be withdrawn or dismissed. In light of its direction for convening the meeting (the “**Scheme Meeting**”) of the scheme creditors be convened for the purpose of considering, and if thought fit, approving the Scheme of Arrangement (with or without modification), the Court has adjourned the winding-up hearing against the Company to 16 May 2022. No winding-up order has been made against the Company and the winding-up petition has no material adverse impact on the daily operation of the Company.

The Company is actively dealing with the remaining petitioners and supporting creditors and targets to procure the withdrawal or dismissal of the petition subject to the completion of the proposed restructuring.

PROPOSED RESTRUCTURING

The Group is currently implementing a proposed restructuring (the “**Proposed Restructuring**”) which comprises:

- (i) the reorganisation of the Group structure (the “**Group Reorganization**”) whereby, among other things, non-performing and/or non-core assets of the Group would be carved out by way of creditors’ voluntary winding up of the relevant subsidiary(ies). The Group Reorganization is aimed at, among others, carving out a majority of the PRC-based indebtedness of the Group;
- (ii) the capital injection (the “**Capital Injection**”) comprising (a) the issue of the Senior Notes in the aggregate principal amount of HK\$160 million to investors; and (b) the allotment and issue of the Subscription Shares at the aggregate subscription price of HK\$312 million to investors. The aggregate gross proceeds of approximately HK\$472 million would enable the Group to, among other things, effecting the Proposed Restructuring as well as funding its general working capital need, hence enabling the Group to continue sustaining its normal business operations; and

清盤呈請之最新資料

截至本報告日期，仍有一項尚未撤回及駁回之待決呈請。鑒於其召開計劃債權人會議(「**計劃會議**」)的指示，以考慮及酌情批准安排計劃(無論有否修改)，法院已將針對本公司的清盤聆訊押後至2022年5月16日。並未針對本公司發出清盤令，而清盤呈請並無對本公司的日常經營造成重大不利影響。

本公司正積極與剩餘呈請人及支持債權人商討，旨在於完成建議重組後促使撤回及駁回呈請。

建議重組

本集團目前正進行建議重組(「**建議重組**」)，包括：

- (i) 重組本集團之架構(「**集團重組**」)，據此(其中包括)本集團之不良及／或非核心資產將透過債權人自願清盤相關附屬公司的方式劃分。集團重組旨在(其中包括)劃分本集團在中國的大部分債務。
- (ii) 注資(「**注資**」)包括(a)向投資者發行本金總額為160,000,000港元之優先票據；及(b)按總認購價312,000,000港元向投資者配發及發行認購股份。所得款項總額約472,000,000港元將令本集團可(其中包括)進行建議重組以及為其一般營運資金需求提供資金，從而令本集團繼續維持其一般業務運作；及

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(iii) the Scheme of Arrangement to be made between the Company and its creditors in accordance with sections 670 and 673 of the Companies Ordinance of Hong Kong (Chapter 622 of the Laws of Hong Kong), pursuant to which all claims of the creditors against the Company will be fully and finally discharged by virtue of the Scheme of Arrangement in exchange for cash and/or new shares in the Company. The Group is currently actively soliciting the requisite supports from its creditors to proceed with the Scheme of Arrangement.

The Scheme of Arrangement was sanctioned by the Court at the sanction hearing on 11 April 2022. The Scheme of Arrangement shall become effective when an office copy of the order of the Court sanctioning the Scheme of Arrangement is registered by the Registrar of Companies in Hong Kong under Part 2 of the Companies Ordinance and the other conditions precedent set out in the Scheme of Arrangement are duly fulfilled.

Further announcement(s) regarding the Scheme of Arrangement will be made by the Company as and when appropriate.

(iii) 本公司及其債權人根據香港法例第622章香港《公司條例》第670及673條作出之安排計劃，據此，債權人對本公司之全部申索將根據安排計劃悉數及最終解除以換取現金及／或本公司的新股份。本集團目前正積極尋求其債權人的必要支持以推進安排計劃。

法院已於2022年4月11日之批准聆訊上批准安排計劃。當法院批准安排計劃的命令的正式副本由香港公司註冊處處長根據《公司條例》第2部進行登記及安排計劃所載之其他先決條件獲妥善履行時，該安排計劃即告生效。

本公司將適時作出有關安排計劃之進一步公告。

MATERIAL ACQUISITION AND DISPOSAL OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES

The Group did not have any material acquisitions and disposals of subsidiaries, associates and joint ventures during the year ended 31 December 2020.

重大收購及出售附屬公司、聯營公司及合營企業

於截至2020年12月31日止年度，本集團並無任何重大收購及出售附屬公司、聯營公司及合營企業。

Profile of Directors and Senior Management

董事及高級管理層簡介

EXECUTIVE DIRECTORS

Li Xulin

Executive Director and Chairman

Mr. Li Xulin ("Mr. Li"), aged 55, was appointed as the chairman of the Board and an executive Director of the Company on 18 November 2021. He is also the chairman of the Remuneration Committee of the Company.

Mr. Li graduated from the Party School of Anhui Provincial Committee of C.P.C (中共安徽省委黨校) with a postgraduate degree with major in economic management in July 2011.

Mr. Li has vast experiences in the finance area. He worked in the finance department* (財政所) of various districts in Huaiyuan County, Anhui Province, the PRC (中國安徽省懷遠縣) from October 1984 to April 1995. From April 1995 to April 2003, Mr. Li was the Under Secretary for State-Owned Assets Administration Bureau* (國有資產管理局副局長) under the Ministry of Finance (財政部) of the PRC. From April 2003 to May 2005, he worked in the Finance Bureau (財政局) in Huaiyuan County, Anhui Province with his last position as the Secretary for Supervision Bureau* (監督局局長). From May 2006 to December 2008, he was the Officer of the State-owned Assets Supervision and Administration Office* (國有資產管理辦公室主任). From December 2008 to August 2015, Mr. Li was the Deputy Officer* (副主任) and Deputy Secretary* (副書記) of the Huaiyuan economic development area of Anhui Province* (安徽省懷遠經濟開發區). From May 2006 to August 2018, he was responsible for managing the Yuanchengtao Company* (縣城投公司) and Yuan Guarantee Company* (縣擔保公司) with his last positions as the chairman of the board (董事長) of Yuanchengtao Company and the responsible officer (負責人) of Yuan Guarantee Company. From August 2015 to August 2018, Mr. Li was the Party Branch Secretary* (黨組書記) and Secretary for Finance Bureau* (財政局局長) of Huaiyuan County, Anhui Province. Since June 2016, he was the member of the County Committee* (縣委委員). Since August 2018, Mr. Li is the chairman of the board (董事長) of Huaiyuan Investment Group Co., Ltd.* (懷遠投資集團有限公司). He was the Party Branch Deputy Secretary* (黨總支書記) from August 2018 to March 2020 and the Party Secretary* (黨委書記) Huaiyuan Investment Group Co., Ltd.* from March 2020 onwards.

* for translation purposes only

執行董事

李緒林

執行董事兼主席

李緒林先生(「李先生」)，55歲，於2021年11月18日獲委任為本公司董事會主席及執行董事。彼亦為本公司薪酬委員會主席。

李先生於2011年7月畢業於中共安徽省委黨校，並取得研究生學位，主修經濟管理專業。

李先生於金融領域擁有豐富經驗。彼於1984年10月至1995年4月期間任職於中國安徽省懷遠縣多區的財政所。於1995年4月至2003年4月期間，李先生擔任中國財政部轄下國有資產管理局副局長。於2003年4月至2005年5月期間，彼任職於安徽省懷遠縣財政局，其最後職位為監督局局長。於2006年5月至2008年12月期間，彼擔任國有資產管理辦公室主任。於2008年12月至2015年8月期間，李先生擔任安徽省懷遠經濟開發區副主任兼副書記。於2006年5月至2018年8月期間，彼負責管理縣城投公司及縣擔保公司，其最後職位為縣城投公司董事長及縣擔保公司負責人。於2015年8月至2018年8月期間，李先生擔任安徽省懷遠縣黨組書記兼財政局局長。自2016年6月起，彼為縣委委員。自2018年8月起，李先生擔任懷遠投資集團有限公司董事長。彼於2018年8月至2020年3月期間擔任黨總支書記，以及自2020年3月起擔任懷遠投資集團有限公司黨委書記。

* 翻譯僅供參考

Profile of Directors and Senior Management

董事及高級管理層簡介

Shan Hu

Executive Director and Chief Executive Officer

Mr. Shan Hu ("Mr. Shan"), aged 47, was appointed as an executive Director of the Company on 18 November 2021 and the chief executive officer of the Company on 16 December 2021. He is also a member of the Remuneration Committee and Nomination Committee of the Company.

Mr. Shan graduated from Anhui University of Finance & Economics (安徽財經大學) (formerly known as Anhui School of Finance and Trade* (安徽財貿學院) with a bachelor of economics with major in finance in July 1997. From August 1997 to September 2020, Mr. Shan worked at the Industrial and Commercial Bank of China in the PRC, with his last position as deputy head of Bengbu branch* (蚌埠分行), and was responsible for supervising various areas including corporate credit, investment banking, small enterprise, bank card, personal loan, institution, legal, bad debt, investment management, etc. From September 2020 onwards, Mr. Shan is the executive director and general manager of Anhui Tianhong New Type Steel Structural Material Co., Ltd.* (安徽天鴻新型鋼結構材料有限公司).

* for translation purposes only

單虎

執行董事兼行政總裁

單虎先生(「單先生」)，47歲，於2021年11月18日獲委任為本公司執行董事及於2021年12月16日獲委任為本公司行政總裁。彼亦為本公司薪酬委員會及提名委員會成員。

單先生於1997年7月畢業於安徽財經大學(前稱安徽財貿學院)，並取得經濟學學士學位，主修金融專業。於1997年8月至2020年9月期間，單先生於中國的中國工商銀行工作，其最後職位為蚌埠分行副行長，負責監督企業信貸、投資銀行、小型企業、銀行卡、個人貸款、機構、法律、壞賬、投資管理等多個領域。自2020年9月起，單先生擔任安徽天鴻新型鋼結構材料有限公司的執行董事兼總經理。

* 翻譯僅供參考

Profile of Directors and Senior Management

董事及高級管理層簡介

Zhang Tianbo

Executive Director

Mr. Zhang Tianbo ("Mr. Zhang"), aged 41, was appointed as an executive Director of the Company on 14 December 2021. He is also a member of the Remuneration Committee and Nomination Committee of the Company.

Mr. Zhang graduated from the Party School of Anhui Provincial Committee of C.P.C. (中共安徽省委黨校) with a postgraduate degree with major in economic management in July 2014.

Mr. Zhang has vast experiences in the accounting area. He worked as an account staff in finance department* (財政所) of Xuweixiang in Huaiyuan County, Anhui Province, the People's Republic of China (the "PRC") (中國安徽省懷遠縣徐圩鄉) from September 1999 to July 2004. From July 2004 to September 2017, Mr. Zhang worked at the Treasury Section of the Municipal Finance Bureau* (財政局國庫科) in Huaiyuan County, Anhui Province with his last position as Chief* (科長) of the Treasury Section. From September 2017 to October 2018, Mr. Zhang served as the Chief Accountant* (總會計師) as well as a member of the Party Group of the Finance Bureau of Huaiyuan County* (懷遠縣財政局黨組). He was the Major Secretary* (第一書記) of Zhuqiao Village, Shuangqiaoji Town, Huaiyuan County (懷遠縣雙橋集鎮祝橋村) from May 2017 to December 2018. He was the General Manager* (總經理) of Huaiyuan Investment Group Co., Ltd.* (懷遠投資集團有限公司) from December 2018 to December 2019. Since November 2018, Mr. Zhang is a director of Huaiyuan Investment Group Co., Ltd.*. Mr. Zhang is a director and Vice General Manager of Saite Group (Anhui) Ltd.* (賽特集團(安徽)有限公司) (an indirect wholly-owned subsidiary of the Company) from April 2020 onwards.

* for translation purposes only

張天博

執行董事

張天博先生(「張先生」)，41歲，於2021年12月14日獲委任為本公司執行董事。彼亦為本公司薪酬委員會及提名委員會成員。

張先生於2014年7月畢業於中共安徽省委黨校，並取得研究生學位，主修經濟管理專業。

張先生於會計領域擁有豐富經驗。彼自1999年9月至2004年7月於中華人民共和國(「中國」)安徽省懷遠縣徐圩鄉財政所擔任會計人員。於2004年7月至2017年9月，張先生於安徽省懷遠縣財政局國庫科任職，最後職位為國庫科科長。於2017年9月至2018年10月，張先生擔任懷遠縣財政局總會計師兼黨組成員。於2017年5月至2018年12月，彼擔任懷遠縣雙橋集鎮祝橋村第一書記。於2018年12月至2019年12月，彼擔任懷遠投資集團有限公司總經理。自2018年11月起，張先生擔任懷遠投資集團有限公司董事。張先生自2020年4月起擔任賽特集團(安徽)有限公司(本公司的間接全資附屬公司)董事兼副總經理。

* 翻譯僅供參考

Profile of Directors and Senior Management

董事及高級管理層簡介

Xu Fanghua

Executive Director

Mr. Xu Fanghua ("Mr. Xu"), aged 57, was appointed as an executive Director of the Company on 15 December 2015. He has over 11 years of experience in the eco-friendly construction industry. Mr. Xu graduated from Nanjing University of Science and Technology (南京理工大學) in environmental engineering in July 2003. He was appointed as the chairman of the board of directors and general manager of Jiangsu Chenli Company Limited* (江蘇晨力實業有限公司) in February 1991. Jiangsu Chenli Company Limited was deregistered in January 2013. Mr. Xu then founded Jiangsu Chenli in October 2012 and has been appointed as the chairman of the board of directors as well as the general manager of Jiangsu Chenli since October 2012.

Liu Zhibo

Executive Director

Mr. Liu Zhibo ("Mr. Liu"), aged 58, was appointed as an executive Director of the Company on 8 July 2019. He currently serves as chairman of Shanghai Yulin Asset Management Co., Ltd* (上海宇霖資產管理有限公司). Prior to this, Mr. Liu served as teacher at Suzhou University (蘇州大學) from 1986 to 1988; secretary and deputy office director of Jiangyan Agricultural Bank of Jiangsu Province* (江蘇姜堰農業銀行) from 1989 to 1995; deputy director and director of Jiangyan Rural Credit Cooperative Association of Jiangsu Province* (江蘇姜堰農村信用合作聯社) from 1996 to 2002; and director of Technology Department and office director of Jiangsu Credit Cooperative Association* (江蘇省信用合作聯社) from 2003 to 2010. Mr. Liu holds a master's degree of Business Management (企業管理) from Nanjing Tech University (南京工業大學) in 2009.

* for translation purposes only

徐芳華

執行董事

徐芳華先生(「徐先生」)，57歲，於2015年12月15日獲委任為本公司執行董事。彼於環保建築業擁有逾11年的經驗。徐先生於2003年7月畢業於南京理工大學環境工程專業。彼於1991年2月獲委任為江蘇晨力實業有限公司的董事會主席兼總經理。江蘇晨力實業有限公司於2013年1月取消註冊。徐先生隨後於2012年10月成立江蘇晨力，並自2012年10月起獲委任為江蘇晨力的董事會主席兼總經理。

劉志伯

執行董事

劉志伯先生(「劉先生」)，58歲，於2019年7月8日獲委任為本公司執行董事。彼現任上海宇霖資產管理有限公司董事長。此前，劉先生於1986年至1988年於蘇州大學擔任教師；於1989年至1995年於江蘇姜堰農業銀行先後擔任秘書及辦公室副主任；於1996年至2002年於江蘇姜堰農村信用合作聯社先後擔任副主任及主任；於2003年至2010年於江蘇省信用合作聯社先後擔任科技處處長及辦公室主任。劉先生於2009年自南京工業大學獲得企業管理碩士學位。

* 翻譯僅供參考

Profile of Directors and Senior Management

董事及高級管理層簡介

Hua Gang

Executive Director

Mr. Hua Gang (“Mr. Hua”), aged 44, was appointed as an executive Director of the Company on 8 July 2019. He was appointed as Chairman on 29 October 2021 and ceased to be the Chairman on 18 November 2021. He has been serving as deputy general manager of Jiangsu Kaimeng Investments Co., Ltd.* (江蘇凱盟投資有限公司) since March 2011. From May 2008 to February 2011, Mr. Hua served as finance manager of Shimao Group* (世茂集團) and Taizhou Shimao New City Real Estate Development Co., Ltd.* (泰州世茂新城房地產開發有限公司) and as project manager of Taizhou Xingrui Certified Public Accountants Co., Ltd.* (泰州興瑞會計師事務所). From April 2003 to May 2008, Mr. Hua served as general accountant of Jiangsu Fangyuan Construction Engineering Co., Ltd.* (江蘇方圓建築工程有限公司). He obtained a bachelor’s degree in accountancy from Nanjing University of Finance and Economics. Mr. Hua holds the senior accountant technical title and the certified public accountant qualification.

華剛

執行董事

華剛先生(「華先生」)，44歲，於2019年7月8日獲委任為本公司執行董事。彼於2021年10月29日獲委任為主席，並於2021年11月18日不再擔任主席。彼自2011年3月起擔任江蘇凱盟投資有限公司副總經理。於2008年5月至2011年2月，華先生擔任世茂集團及泰州世茂新城房地產開發有限公司財務經理及泰州興瑞會計師事務所專案經理。於2003年4月至2008年5月，華先生擔任江蘇方圓建築工程有限公司總賬會計。彼於南京財經大學獲得會計學學士學位。華先生持有高級會計師技術職稱及註冊會計師資格。

* for translation purposes only

* 翻譯僅供參考

Profile of Directors and Senior Management

董事及高級管理層簡介

INDEPENDENT NON-EXECUTIVE DIRECTORS

Xu Jiaming

Independent Non-executive Director

Mr. Xu Jiaming ("Mr. Xu"), aged 51, was appointed as an independent non-executive Director of the Company on 11 October 2013. He is also a member of the Audit Committee and the Nomination Committee of the Company. Mr. Xu graduated with a bachelor's degree in Industrial Management Engineering (Management Information Systems)* (工業管理工程(管理信息系統)) from Wuhan Institute of Engineering* (武漢工學院) in June 1992 and obtained a master's degree in business administration from Nanjing University (南京大學) in December 2003. He is currently a candidate for a doctorate degree in Management Science and Engineering* (管理科學與工程) at Wuhan University of Technology (武漢理工大學). He has over 17 years of experience in corporate management and consultancy. From January 1997 to May 1998, he served at Nanjing Toptry Information Industry Group Co., Ltd.* (南京同創信息產業集團有限公司), a company principally engaged in software development and information services as the head of its marketing department, deputy manager and the head of its department of electronic commerce (電子商業部). Since May 1998, he has served as the chief consultant and the general manager of Nanjing Zhiyu Corporate Management Consultants Company Limited* (南京智域企業管理諮詢有限公司), a company principally engaged in provision of business consultancy services. He acted as the chief human resources manager of Red Star Home Furniture Group Limited* (紅星家俱集團有限公司), a company principally engaged in, among others, sale of home furniture, between June 2005 and July 2007 and the general manager of Red Star Macalline International Consultancy Company Limited* (紅星美凱龍國際諮詢有限公司), a company principally engaged in provision of business consultancy services, between June 2005 and July 2007. From December 2008 to September 2010, he also served as the management consultant and the president of Permanent Group Co., Ltd.* (恆久集團有限公司), a company principally engaged in the manufacture of steel structures and machineries. Since September 2010, he has acted as the corporate management consultant of Nanjing Fullshare Holdings Group Limited* (南京豐盛產業控股集團有限公司), a company principally engaged in construction projects.

* for translation purposes only

獨立非執行董事

徐家明

獨立非執行董事

徐家明先生(「徐先生」), 51歲, 於2013年10月11日獲委任為本公司獨立非執行董事。彼亦為本公司審核委員會及提名委員會成員。徐先生於1992年6月畢業於武漢工學院, 獲得工業管理工程(管理信息系統)學士學位, 並於2003年12月自南京大學獲得工商管理碩士學位。目前他正在武漢理工大學攻讀管理科學與工程博士學位。彼於企業管理及諮詢領域擁有逾17年經驗。自1997年1月至1998年5月期間, 彼在南京同創信息產業集團有限公司(主要從事軟件開發及信息服務)先後擔任市場行銷部主管及電子商業部副經理及主管。自1998年5月起, 彼擔任南京智域企業管理諮詢有限公司(主要提供企業諮詢服務)的首席顧問及總經理。彼自2005年6月至2007年7月期間擔任紅星家俱集團有限公司(主要從事(其中包括)傢俱銷售)的首席人力資源經理, 並自2005年6月至2007年7月期間擔任紅星美凱龍國際諮詢有限公司(主要提供企業諮詢服務)的總經理。自2008年12月至2010年9月期間, 彼亦擔任恆久集團有限公司(主要從事鋼結構及機械製造)的管理顧問及總裁。自2010年9月起, 他一直擔任南京豐盛產業控股集團有限公司(主要從事建築項目)的企業管理顧問。

* 翻譯僅供參考

Profile of Directors and Senior Management

董事及高級管理層簡介

Yan Hualin

Independent Non-executive Director

Mr. Yan Hualin ("Mr. Yan"), aged 63, was appointed as an independent non-executive Director of the Company on 8 July 2019. He is also the chairman of the Audit Committee and a member of the Remuneration Committee and the Nomination Committee of the Company.

Mr. Yan worked at the People's Bank of Jiangsu Province (江蘇省人民銀行) from January 1980 to March 1980. From April 1980 to July 2002, he worked at Jiangsu Bank School* (江蘇銀行學校) and Nanjing Higher Finance College* (南京金融高等專科學校), being engaged in teaching students in finance, accounting and other majors. At the same time, Mr. Yan served as director of Accounting and Statistics Department at Jiangsu Bank School, deputy director of the Finance Department and director (director level) of the Accounting Department at Nanjing Higher Finance College. From August 2002 to February 2018, Mr. Yan worked at Nanjing Audit Institute (renamed as Nanjing Audit University in 2015), being engaged in teaching students in finance, accounting, financial management, auditing and other majors; at the same time, Mr. Yan also served as the secretary to the Chief Party Committee of Accounting School, director of Finance Department, head of Audit Department and other roles at Nanjing Audit University. From March 2004 to June 2019, Mr. Yan served as independent directors and external supervisors of seven rural commercial banks, such as Jiangyan Rural Commercial Bank* (姜堰農村商業銀行), Siyang Rural Commercial Bank* (泗陽農村商業銀行), Jingjiang Rural Commercial Bank* (靖江農商銀行) and Yangzhou Rural Commercial Bank* (揚州農商銀行). From February 1978 to December 1979, Mr. Yan studied at Jiangsu Bank School (full-time education), majoring in banking and obtained his diploma; From September 1983 to June 1985, Mr. Yan studied at Shaanxi University of Finance and Economics* (陝西財經學院) (currently known as Xi'an Jiaotong University) (full-time education), majoring in finance and obtained his diploma; From September 1991 to June 1993, Mr. Yan studied at Shaanxi University of Finance and Economics* (currently known as Xi'an Jiaotong University) (full-time education), majoring in finance and obtained his diploma; From September 1997 to July 1999, Mr. Yan attended the postgraduate course in economic management of the School of Economics and Trade at Nanjing Agricultural University (on the-job education) and obtained the certificate of completion. Mr. Yan holds a bachelor's degree in finance from Shaanxi University of Finance and Economics* (currently known as Xi'an Jiaotong University). He was qualified as an associate professor and chief accountant.

* for translation purposes only

嚴華麟

獨立非執行董事

嚴華麟先生(「嚴先生」)，63歲，於2019年7月8日獲委任為本公司獨立非執行董事。彼亦為本公司審核委員會主席以及薪酬委員會及提名委員會成員。

嚴先生於1980年1月至1980年3月就職於江蘇省人民銀行。於1980年4月至2002年7月，彼就職於江蘇銀行學校及南京金融高等專科學校，從事金融、會計等專業教學。同時，嚴先生先後擔任江蘇銀行學校會計統計教研室主任、南京金融高等專科學校金融系副主任、會計學系主任(正處)等職務。於2002年8月至2018年2月，嚴先生就職於南京審計學院(於2015年更名為南京審計大學)，從事金融、會計、財務管理、審計等專業教學；同時，嚴先生先後於南京審計大學擔任會計學院黨總支書記、學校財務處處長、學校審計部部長等職務。於2004年3月至2019年6月，嚴先生先後兼任姜堰農村商業銀行、泗陽農村商業銀行、靖江農商銀行及揚州農商銀行等七家農商銀行獨立董事及外部監事。嚴先生於1978年2月至1979年12月就讀於江蘇銀行學校銀行專業(全日制教育)，獲畢業證書；於1983年9月至1985年6月，嚴先生就讀於陝西財經學院(現西安交通大學)金融專業(全日制教育)，獲畢業證書；於1991年9月至1993年6月，嚴先生就讀於陝西財經學院(現西安交通大學)金融專業(全日制教育)，獲畢業證書；於1997年9月至1999年7月，嚴先生參加南京農業大學經貿學院經濟管理研究生課程班學習(在職教育)，獲結業證書。嚴先生持有陝西財經學院(現西安交通大學)金融專業學士學位。彼獲得副教授及總會計師資格。

* 翻譯僅供參考

Profile of Directors and Senior Management

董事及高級管理層簡介

Choi Ho Yan

Independent Non-executive Director

Mr. Choi Ho Yan ("Mr. Choi"), aged 46, was appointed as an independent non-executive Director of the Company with effect from 29 June 2020. He is also a member of the Audit Committee, Remuneration Committee and Nomination Committee of the Company.

Mr. Choi graduated from the University of Hertfordshire, the United Kingdom in July 1998 with a bachelor of arts. He has extensive experience in auditing, accounting, corporate finance, advisory and restructuring and investors relations.

Mr. Choi is currently an independent non-executive director of Time Watch Investments Limited (stock code: 2033), a company listed on the Main Board of the Stock Exchange, since May 2013; and an independent non-executive director of Jimu Group Limited (stock code: 8187), a company listed on GEM of the Stock Exchange, since February 2022. Mr. Choi served as an independent non-executive director of Long Well International Holdings Limited, a company whose shares were delisted on the Main Board of the Stock Exchange on 28 May 2021, from March 2020 to March 2021; and the chief financial officer of KOS International Holdings Limited (stock code: 8042), a company listed on GEM of the Stock Exchange, from January 2018 to December 2021.

蔡浩仁

獨立非執行董事

蔡浩仁先生(「蔡先生」)，46歲，自2020年6月29日起獲委任為本公司獨立非執行董事。彼亦為本公司審核委員會、薪酬委員會及提名委員會成員。

蔡先生於1998年7月畢業於英國赫特福德大學，獲文學學士學位。彼於審計、會計、企業融資、諮詢和重組及投資者關係方面擁有豐富經驗。

蔡先生自2013年5月至今擔任時計寶投資有限公司(一家於聯交所主板上市的公司，股份代號：2033)的獨立非執行董事；自2022年2月至今擔任積木集團有限公司(一家於聯交所GEM上市的公司，股份代號：8187)的獨立非執行董事。蔡先生於2020年3月至2021年3月擔任久康國際控股有限公司(一家股份於2021年5月28日在聯交所主板除牌的公司)的獨立非執行董事；及於2018年1月至2021年12月擔任高奧士國際控股有限公司(一家於聯交所GEM上市的公司，股份代號：8042)的財務總監。

Profile of Directors and Senior Management

董事及高級管理層簡介

Siu Siu Ling, Robert

Independent Non-executive Director

Mr. Siu Siu Ling, Robert ("Mr. Siu"), aged 70, was appointed as an independent non-executive Director of the Company with effect from 29 June 2020. He is also the chairman of the Remuneration Committee and a member of the Audit Committee and Remuneration Committee of the Company.

Mr. Siu is the sole proprietor of the firm, Messrs. Robert Siu & Co., Solicitors. Mr. Siu holds a bachelor's degree in laws from the University of London and a postgraduate certificate in laws from The University of Hong Kong. He also holds a Master of Laws from the University of Greenwich, United Kingdom. He has been admitted as a solicitor in Hong Kong since 1992 and has been admitted as a solicitor in England and Wales since 1993. Mr. Siu engages in general practice in his legal field.

Mr. Siu serves as an independent non-executive director of Future World Financial Holdings Limited (stock code: 572), a company listed on the Main Board of the Stock Exchange, since November 2011; and an independent non-executive director of Finet Group Limited (stock code: 8317), a company listed on GEM of the Stock Exchange, since September 2010. Mr. Siu served as an independent non-executive director of Kaisun Holdings Limited (stock code: 8203), a company listed on GEM of the Stock Exchange, from December 2002 to December 2020.

蕭兆齡

獨立非執行董事

蕭兆齡先生(「蕭先生」)，70歲，自2020年6月29日起獲委任為本公司獨立非執行董事。彼亦為本公司薪酬委員會主席以及審核委員會及薪酬委員會成員。

蕭先生為蕭兆齡律師事務所的獨資經營者。蕭先生持有倫敦大學的法律學士學位及香港大學的專業法律研究生證書。彼亦持有英國格林尼治大學法律碩士學位。彼自1992年起在香港獲認可為事務律師，及自1993年起在英格蘭及威爾斯獲認可為事務律師。蕭先生於其法律領域從事一般執業。

蕭先生自2011年11月起擔任未來世界金融控股有限公司(一家於聯交所主板上市的公司，股份代號：572)的獨立非執行董事；及自2010年9月起擔任財華社集團有限公司(一家於聯交所GEM上市的公司，股份代號：8317)的獨立非執行董事。蕭先生於2002年12月至2020年12月擔任凱順控股有限公司(一家於聯交所GEM上市的公司，股份代號：8203)的獨立非執行董事。

Corporate Governance Report

企業管治報告

CORPORATE GOVERNANCE PRACTICES

The Board has committed to achieving high corporate governance standards.

The Board believes that high corporate governance standards are essential in providing a framework for the Group to safeguard the interests of shareholders and to enhance corporate value and accountability.

The Company has adopted its own corporate governance policy on 11 November 2019 in addition to the code provisions set out in the Corporate Governance Code (the “CG Code”) as set out in Appendix 14 to the Rules Governing the Listing of Securities (the “Listing Rules”) on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”). The Company has complied with all code provisions of the CG Code for the financial year ended 31 December 2020, except for the deviation disclosed below:

企業管治常規

董事會已致力維持高水平之企業管治標準。

董事會相信，高水平之企業管治標準在為本集團提供一個保障股東權益及提高企業價值及問責性的架構方面屬必要。

除香港聯合交易所有限公司(「聯交所」)證券上市規則(「上市規則」)附錄十四的企業管治守則(「企業管治守則」)所載的守則條文外，本公司於2019年11月11日採納其自有的企業管治政策。於截至2020年12月31日止財政年度，本公司已遵守企業管治守則的所有守則條文，惟下文所披露的偏離情況除外：

Code Provision 守則條文	Deviation 偏離情況	Considered Reason for Deviation 就偏離情況已闡明的原因
A.7.1 For regular board meetings, an agenda and accompanying board papers should be sent to all directors. These should be sent in a timely manner and at least 3 days before the intended date of a board meeting.	During the year, certain ad hoc Board meetings were held and the relevant Board meeting papers were sent to all Directors less than 3 days before the date of the Board meeting.	The Board members of the Company were informed by the management of the Company by email, by WeChat or by phone on the updated information of proposed ad hoc projects/transaction(s) to be entered by the Company from time to time. Although the meeting papers could not be sent to the Directors at least 3 days before the meeting, the Board members still have sufficient information to discuss the matters on proposed projects or transactions of the Company. The Board will use its best efforts to meet the CG Code requirements.
A.7.1 關於定期董事會會議，議程及相關董事會文件應全部送交全體董事。該等議程及文件應及時於擬定舉行董事會會議日期前最少三天送出。	於年內，已舉行若干董事會臨時會議，且相關董事會會議文件已於董事會會議日期前不足三天送交全體董事。	本公司董事會成員由本公司管理層不時經電郵、微信或電話告知有關本公司任何擬訂立的臨時項目／交易的最新資訊。儘管會議文件未能於會議前最少三天送交董事，董事會成員仍有充足資訊以討論有關本公司建議項目或交易的事宜。董事會將竭盡所能符合企業管治守則的規定。

Corporate Governance Report

企業管治報告

Code Provision 守則條文	Deviation 偏離情況	Considered Reason for Deviation 就偏離情況已闡明的原因
<p>C.1.2 Management should provide all members of the Board with monthly updates giving a balanced and understandable assessment of the Company's performance, position and prospects in sufficient detail to enable the Board as a whole and each Director to discharge their duties under the Listing Rules.</p>	<p>During the year, management failed to provide to the Directors the management accounts of major subsidiary companies each month.</p>	<p>All the executive Directors were involved in the daily operation of the Group and were fully aware of the performance, position and prospects of the Company, and the management has provided to all Directors (including independent non-executive Directors) half-yearly updates giving a balanced and understandable assessment of the Company's performance, position and prospects in sufficient detail prior to the regular Board meetings of the Company.</p> <p>Further, the management of the Company has provided all members of the Board, in a timely manner, updates on any material changes to the performance, position and prospects of the Company and sufficient background or explanatory information for matters brought before the Board. Therefore, the Company considered that all members of the Board had been given a balanced and understandable assessment on the Company's performance, position and prospects in sufficient detail.</p>
<p>C.1.2 管理層應每月向董事會全體成員提供更新資料，詳列有關本公司表現、狀況及前景的公正及易於理解的評估，內容足以讓整個董事會及各董事履行上市規則所規定的職責。</p>	<p>於年內，管理層未能每月向董事提供主要附屬公司的管理賬目。</p>	<p>所有執行董事均有參與本集團的日常運作，並完全了解本公司的表現、狀況及前景，且管理層已於本公司的常規董事會會議前，每半年向所有董事（包括獨立非執行董事）提供更新資料，詳列有關本公司表現、狀況及前景的公正及易於理解的評估。</p> <p>此外，本公司管理層已及時向董事會全體成員提供有關本公司表現、狀況及前景的任何重大變動的更新資料，並就向董事會提呈的事宜提供足夠的背景或說明資料。因此，本公司認為，董事會全體成員已獲提供有關本公司表現、狀況及前景的公正及易於理解的詳細評估。</p>

Corporate Governance Report

企業管治報告

Code Provision 守則條文	Deviation 偏離情況	Considered Reason for Deviation 就偏離情況已闡明的原因
<p>C.2.1 The Board should oversee the Company's risk management and internal control systems on an ongoing basis, ensure that a review of the effectiveness of the Group's risk management and internal control systems has been conducted at least annually and report to Shareholders that it has done so in its Corporate Governance Report. The review should cover all material controls, including financial, operational and compliance controls.</p>	<p>During the year, the Company failed to have effective risk management and internal control systems within the Group, i.e. deficiencies in internal control over compliance matters.</p>	<p>Due to the inadvertent oversight, there was deficiency in internal control system of the Group. The Company had engaged RSM Consulting (Hong Kong) Limited as internal control consultant to review its certain existing internal control measures on the areas agreed by the Board and provide suggestions and recommendation to improve its internal control systems and risk management system to the Group.</p> <p>In order to fulfill the Resumption Guidance stipulated by the Stock Exchange (details of which are set out in the announcement of the Company dated 22 July 2020) that the Company should conduct an independent internal control review and demonstrate that it has put in place adequate internal control and procedures to comply with the Listing Rules (the "IC Guidance"), the Company has engaged Azzura Corporate Advisory Limited in July 2020 to conduct the Internal Control Review and prepare the Internal Control Report, the findings of which were disclosed in the announcement of the Company dated 7 May 2021.</p> <p>As disclosed in the announcement of the Company dated 13 September 2021, having considered the significance of maintaining an appropriate and effective internal control systems and in order to provide further assurance to the public that the Company is committed to fulfill the IC Guidance, the Board has engaged SHINEWING Risk Services Limited ("Shinewing") on 31 August 2021 as its internal control consultant to conduct a second round of independent review of the internal control systems and procedures of the Group ("2nd IC Review").</p> <p>The 2nd IC Review and follow-up review have been conducted from October 2021 to January 2022 as part of the Company's efforts to meet the Resumption Guidance of the Stock Exchange, in particular the IC Guidance. Shinewing has issued an internal control review report dated 22 February 2022 (the "2nd Internal Control Review Report"), which sets out (i) the deficiencies identified in the 2nd IC Review; (ii) the recommendations to the Company; and (iii) the result of follow-up review of the remedial measures taken by the Company and Anhui Dayu Construction Engineering Co., Ltd.* (安徽大禹建設工程有限公司) as at 29 January 2022.</p> <p>The key findings of the 2nd Internal Control Review Report prepared by Shinewing have been published in the announcement of the Company dated 23 February 2022.</p>

* for translation purposes only

* 翻譯僅供參考

Corporate Governance Report

企業管治報告

Code Provision 守則條文	Deviation 偏離情況	Considered Reason for Deviation 就偏離情況已闡明的原因
C.2.1 董事會應持續監管本公司的風險管理及內部監控系統，確保至少每年檢討一次本集團的風險管理及內部監控系統的有效性，並在其企業管治報告中向股東匯報已完成有關檢討。該檢討應涵蓋所有重大控制，包括財務、營運及合規監控。	於年內，本公司未能於本集團內設有有效的風險管理及內部監控系統，即有關合規事宜的內部監控存在缺陷。	<p>由於無意的疏忽，本集團內部監控系統存在缺陷。本公司已委聘羅申美諮詢顧問有限公司為內部監控顧問，以對董事會協定的領域檢討其若干現有內部監控措施及就改善本集團的內部監控系統及風險管理系統提供建議及推薦意見。</p> <p>為達成聯交所規定的復牌指引（詳情載於本公司日期為2020年7月22日的公告），即本公司應進行獨立的內部監控審查，並證明其已實施足夠的內部監控及程序以遵守上市規則（「內部監控指引」），本公司已於2020年7月委聘恩倫企業諮詢有限公司進行內部監控審查並編製內部監控報告，其調查結果已於本公司日期為2021年5月7日的公告中披露。</p> <p>誠如本公司日期為2021年9月13日的公告所披露，考慮到維持適當有效的內部監控系統的重要性，並為向公眾進一步保證本公司致力於履行內部監控指引，董事會已於2021年8月31日委聘信永方略風險管理有限公司（「信永」）為其內部監控顧問，以對本集團的內部監控系統及程序進行第二輪獨立審查（「第二次內部監控審查」）。</p> <p>為努力達成聯交所的復牌指引（尤其是內部監控指引），本公司已於2021年10月至2022年1月進行第二次內部監控審查及後續審查。信永已出具日期為2022年2月22日之內部監控審查報告（「第二份內部監控審查報告」），當中載列(i)第二次內部監控審查所識別的不足之處；(ii)對本公司的推薦建議；及(iii)本公司與安徽大禹建設工程有限公司於2022年1月29日所採取補救措施的跟進審查結果。</p> <p>信永所編製的第二份內部監控審查報告的主要發現已刊載於本公司日期為2022年2月23日之公告內。</p>

Corporate Governance Report

企業管治報告

Code Provision 守則條文	Deviation 偏離情況	Considered Reason for Deviation 就偏離情況已闡明的原因
A.6.7 Independent non-executive directors should also attend general meetings to gain and develop a balanced understanding of the views of shareholders.	Mr. Xu Jiaming, Mr. Wu Zhongxian and Mr. Yan Hualin, all being the independent non-executive Directors, did not attend the extraordinary general meeting of the Company held on 22 July 2020.	Due to the COVID-19 pandemic, they were unable to attend the extraordinary general meeting of the Company held on 22 July 2020.
A.6.7 獨立非執行董事亦應出席股東大會，全面了解股東意見。	徐家明先生、吳忠賢先生及嚴華麟先生(均為獨立非執行董事)未出席本公司於2020年7月22日舉行的股東特別大會。	彼等因COVID-19疫情而未能出席本公司於2020年7月22日舉行的股東特別大會。
E.1.2 The chairman of the Board should attend the annual general meeting. The chairman should also invite the chairmen of the audit, remuneration and nomination committees to attend.	The Company did not hold the annual general meeting in the year 2020.	As no annual general meeting was held in Year 2020, the Directors are unable to comment as to whether the Company has complied with the said code provisions in Appendix 14 of Listing Rules.
E.1.2 董事會主席應出席股東週年大會。主席亦須邀請審核、薪酬及提名委員會主席出席。	本公司於2020年未舉行股東週年大會。	由於2020年未舉行股東週年大會，董事無法就本公司是否已遵守上述上市規則附錄十四的守則條文發表意見。
The Company will continue to enhance its corporate governance practices to the conduct and growth of its business and to review such practices from time to time to ensure that they comply with the CG Code and align with the latest development.		本公司將繼續加強其業務經營及增長的企業管治常規，並不時檢討有關常規，以確保該等常規遵守企業管治守則，並符合最新的發展。

DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted a code of conduct regarding securities transactions and dealing (the "Code of Conduct") by Directors on terms no less exacting than the required standard contained in the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set out in Appendix 10 to the Listing Rules.

董事進行之證券交易

本公司已採納一套有關董事進行證券交易及買賣之行為守則(「行為守則」)，其條款不遜於上市規則附錄十所載之上市發行人董事進行證券交易之標準守則(「標準守則」)當中所載之規定標準。

Corporate Governance Report

企業管治報告

Having made specific enquiry of all the Directors, the Directors confirmed that they had complied with the Model Code and the Code of Conduct throughout the year ended 31 December 2020.

BOARD OF DIRECTORS

As at 31 December 2020, the Board comprised ten Directors, including five executive Directors and five independent non-executive Directors as named below.

Executive Directors:

Mr. Jiang Jianqiang (*Chairman*)
Mr. Shao Xiaoqiang (*Chief Executive Officer*)
Mr. Xu Fanghua
Mr. Liu Zhibo
Mr. Hua Gang

Independent non-executive Directors:

Mr. Xu Jiaming
Mr. Yan Hualin
Mr. Wu Zhongxian
Mr. Siu Siu Ling, Robert (*appointed on 29 June 2020*)
Mr. Choi Ho Yan (*appointed on 29 June 2020*)

The biographical information of the current Directors are set out in the section headed "Profile of Directors and Senior Management" of this annual report.

None of the Directors have a relationship (including financial, business, family or other material/relevant relationship) with another Director.

Chairman and Chief Executive Officer

As at 31 December 2020, the positions of chairman and chief executive officer of the Company were held by Mr. Jiang Jianqiang and Mr. Shao Xiaoqiang respectively. The chairman provided leadership for the Board and was responsible for overall strategic planning and management of our Group. The chief executive officer focused on overseeing the production and technical teams of our Group. Their respective responsibilities were clearly defined and set out in writing.

經對全體董事作出特定查詢後，董事確認，彼等於截至2020年12月31日止整個年度均一直遵守標準守則及行為守則。

董事會

於2020年12月31日，董事會由十名董事組成，包括五名執行董事及五名獨立非執行董事，名列如下。

執行董事：

蔣建強先生 (*主席*)
邵小強先生 (*行政總裁*)
徐芳華先生
劉志伯先生
華剛先生

獨立非執行董事：

徐家明先生
嚴華麟先生
吳忠賢先生
蕭兆齡先生 (*於2020年6月29日獲委任*)
蔡浩仁先生 (*於2020年6月29日獲委任*)

現任董事之履歷資料載於本年報「董事及高級管理層簡介」一節。

概無董事與其他董事有任何關係（包括財務、業務、家庭或其他重大／相關關係）。

主席及行政總裁

於2020年12月31日，本公司主席及行政總裁職務由蔣建強先生及邵小強先生分別擔任。主席領導董事會，並負責本集團的整體戰略規劃及管理。行政總裁專注監管本集團之生產及技術團隊。彼等之間之職能劃分須明確設定並以書面形式載列。

Corporate Governance Report

企業管治報告

APPOINTMENT, RE-ELECTION AND REMOVAL OF DIRECTORS

Pursuant to article 105(A) of the Company's articles of association, not less than one-third of the Directors (or otherwise the number nearest one-third) for the time being shall retire from office by rotation at each annual general meeting of the Company. All retiring Directors shall be eligible for re-election.

Article 109 of the Company's articles of association provides that any person appointed as a Director either to fill a casual vacancy or as an additional Director shall hold office only until the next following general meeting of the Company and shall then be eligible for re-election at the meeting but shall not be taken into account in determining the Directors or the number of Directors who are to retire by rotation at such meeting.

Each of Mr. Jiang Jianqiang, Mr. Shao Xiaoqiang and Mr. Xu Fanghua, the executive Directors, was appointed for an initial term of three years and is subject to renewal for successive term of one year each commencing from the next day after the expiry of the then current term. Mr. Liu Zhibo and Mr. Hua Gang, the executive Directors, were appointed for an initial term of three years commencing from 8 July 2019. Other than Mr. Xu Jiaming, each of the independent non-executive Directors was appointed for a term of one year. Mr. Xu Jiaming is appointed for an initial term of two years and was subject to renewal for successive term of one year each commencing from the next day after the expiry of the then current term of appointment. All Directors are subject to retirement by rotation and re-election at least once every three years at the annual general meeting of the Company. Their appointments shall be reviewed by the Nomination Committee when they are due for re-election.

There was no annual general meeting held in 2020.

委任、重選及罷免董事

根據本公司的組織章程細則第105(A)條，當時不少於三分之一（或最接近三分之一的數字）之董事須於本公司各股東週年大會上輪值退任。全體退任董事均符合資格重選連任。

本公司的組織章程細則第109條規定，為填補臨時空缺或增加董事名額而獲委任為董事之任何人士，任期應僅至本公司下屆股東大會為止，屆時於會上合資格膺選連任，惟釐定董事或將於有關大會上輪值退任的董事人數時不予考慮在內。

執行董事蔣建強先生、邵小強先生及徐芳華先生各自獲委任的初步年期為三年，均可自動重續一年，自當時年期屆滿後翌日起計。執行董事劉志伯先生及華剛先生各自獲委任的初步年期為三年，自2019年7月8日起計。獨立非執行董事各自獲委任的年期為一年，惟徐家明先生除外。徐家明先生獲委任的初步年期為兩年，可自動重續一年，自當時委任年期屆滿後翌日起計。所有董事均須於本公司股東週年大會上輪值退任及重選，至少每三年一次。彼等之委任將於重選時由提名委員會檢討。

2020年未舉行股東週年大會。

Corporate Governance Report

企業管治報告

Independent non-executive Directors

Independent non-executive Directors are responsible to scrutinize the Company's performance in achieving agreed corporate goals and objectives, and ensuring that exercise of the board authority is within the powers conferred to the Board under the applicable laws, articles of association of the Company and rules and regulations.

During the year ended 31 December 2020, the Board at all times met the requirements of the Listing Rules relating to the appointment of at least three independent non-executive Directors with one of whom possessing appropriate professional qualifications or accounting or related financial management expertise.

The Company has received written annual confirmation from each of the independent non-executive Directors in respect of his independence in accordance with the independence guidelines set out in Rule 3.13 of the Listing Rules. The Company is of the view that all independent non-executive Directors are independent.

BOARD MEETINGS

The Board holds at least four meetings a year. The Board convenes meetings on a regular basis and on an ad hoc basis, as required by business needs. All Directors are invited to attend the Board meetings in person or by telephone conference.

Board papers will be given to the Board before the date of the Board meeting by the company secretary with reasonable time.

If a substantial shareholder or a Director has a conflict of interest in a matter, the matter will be dealt with by a physical Board meeting rather than a written resolution.

During the reporting period, the Board held a total of eight Board meetings. The attendance of each of the Board members was set out on page 46 of this annual report.

獨立非執行董事

獨立非執行董事負責仔細審查本公司在達致協定之企業目標及目的之表現，並確保董事會所行使授權屬適用法律、本公司之組織章程細則及規則及規例授予董事會之權力範圍內。

於截至2020年12月31日止年度，董事會一直符合上市規則有關委任至少三名獨立非執行董事的規定，其中一名具備適當專業資格或會計或相關財務管理專業知識。

本公司已根據上市規則第3.13條所載之獨立性指引，自各獨立非執行董事接獲有關彼之獨立性之年度確認書。本公司認為，全體獨立非執行董事均為獨立。

董事會會議

董事會每年至少舉行四次會議。董事會定期舉行會議，亦會因應業務需要舉行臨時會議。全體董事獲邀親身或以電話會議形式出席董事會會議。

公司秘書會於董事會會議日期前於合理時間內向董事會發出董事會文件。

倘主要股東或董事於某事宜存在利益衝突，有關事宜將由實質董事會會議而非書面決議案處理。

於報告期間，董事會共舉行八次董事會會議。各董事會成員的出席情況載於本年報第46頁。

Corporate Governance Report

企業管治報告

ROLE AND FUNCTION OF THE BOARD AND MANAGEMENT

The Board is responsible for leadership and control of the Company and oversees the Group's businesses, strategic decisions, risk management, internal control systems and performance and is collectively responsible for promoting the success of the Company by directing and supervising its affairs. Directors make decisions objectively in the interests of the Company.

All Directors, including independent non-executive Directors, have brought a wide spectrum of valuable business experience, knowledge and professionalism to the Board for its efficient and effective functioning.

The Directors shall disclose to the Company details of other offices held by them and the Board regularly reviews the contribution required from each Director to perform his responsibilities to the Company.

The Board reserves for its decision all major matters relating to policy matters, strategies and budgets, internal control and risk management, material transactions (in particular those that may involve conflict of interests), financial information, appointment of Directors and other significant operational matters of the Company. Responsibilities relating to implementing decisions of the Board, directing and co-ordinating the daily operation and management of the Company are delegated to the management.

ACCESS TO INFORMATION

All Directors have full and timely access to all the information of the Company as well as the services and advice from the company secretary and senior management. The Directors may, upon request, seek independent professional advice in appropriate circumstances, at the Company's expenses for discharging their duties to the Company.

董事會及管理層職責

董事會負責領導及控制本公司並監管本集團之業務、策略決策、風險管理、內部控制系統及表現以及集體負責透過指導及監管本公司之事務推動其成功發展。董事以本公司之利益作出客觀決定。

全體董事(包括獨立非執行董事)均為董事會帶來多種領域之寶貴業務經驗、知識及專長，使其高效及有效地運作。

董事須向本公司披露彼等擔任之其他職務之詳情，而董事會定期審閱各董事向本公司履行其職責時須作出之貢獻。

董事會負責決定所有重要事宜，當中涉及政策事宜、策略及預算、內部監控及風險管理、重大交易(特別是或會涉及利益衝突者)、財務資料、委任董事及本公司其他重大營運事宜。有關執行董事會決策、指導及協調本公司日常營運及管理之職責轉授予管理層。

獲取資料

全體董事均可全面並及時獲得本公司所有資料以及要求公司秘書及高級管理層提供服務及意見。董事可於要求時在適當情況下尋求獨立專業意見，以向本公司履行其職責，費用由本公司承擔。

Corporate Governance Report

企業管治報告

INDUCTION AND CONTINUOUS PROFESSIONAL DEVELOPMENT OF DIRECTORS

Directors keep themselves abreast of responsibilities as a Director and of the conduct, business activities and development of the Company.

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

Directors should participate in appropriate continuous professional development to develop and refresh their knowledge and skills to ensure that their contribution to the Board remains informed and relevant. Internally-facilitated briefings for Directors will be arranged and reading material on relevant topics will be issued to Directors. All Directors are encouraged to attend relevant training courses at the Company's expenses.

During the year ended 31 December 2020, the Directors received training on the following areas with an emphasis on the roles, functions and duties of a director of a listed company in compliance with the requirement of the CG Code on continuous professional development:

董事之就職及持續專業發展

每名董事須及時了解作為董事之職責，以及本公司之管理、業務活動及發展。

每名新任董事均於首次獲委任時獲提供正式、全面及針對性入職介紹，確保新董事可適當掌握本公司業務及營運，並完全了解於上市規則及相關法規下之董事職責及責任。

董事應參與適當的持續專業發展，以發展及掌握最新的知識及技能，藉此確保彼等對董事會所作貢獻為知情及相關。本公司將為董事安排內部簡報，並向董事寄發相關議題的閱讀材料。本公司鼓勵全體董事參加相關培訓課程，費用由本公司承擔。

於截至2020年12月31日止年度，董事已接受以下有關持續專業發展強調遵守企業管治守則規定之上市公司董事之角色、職能及職責範疇之培訓：

Corporate Governance Report

企業管治報告

Reading regulatory update or corporate governance related or other compliance relevant to director's duties
 閱讀法規更新或相關企業管治或與董事職責相關的其他合規資料

Attending training on notifiable transaction and director's duties
 出席關於須予公佈交易及董事職責的培訓

Executive Directors

Executive Directors	執行董事	
Mr. Jiang Jianqiang (resigned on 29 October 2021)	蔣建強先生 (於2021年10月29日辭任)	✓
Mr. Shao Xiaoqiang (resigned on 17 November 2021)	邵小強先生 (於2021年11月17日辭任)	✓
Mr. Xu Fanghua	徐芳華先生	✓
Mr. Liu Zhibo	劉志伯先生	✓
Mr. Hua Gang	華剛先生	✓

Independent non-executive Directors

Independent non-executive Directors	獨立非執行董事	
Mr. Xu Jiaming	徐家明先生	✓
Mr. Yan Hualin	嚴華麟先生	✓
Mr. Siu Siu Ling, Robert (appointed on 29 June 2020)	蕭兆齡先生 (於2020年6月29日獲委任)	✓
Mr. Choi Ho Yan (appointed on 29 June 2020)	蔡浩仁先生 (於2020年6月29日獲委任)	✓
Mr. Wu Zhongxian (resigned on 21 March 2022)	吳忠賢先生 (於2022年3月21日辭任)	✓

DIRECTORS AND OFFICERS' LIABILITY INSURANCE

The Company has arranged appropriate liability insurance to cover the Directors' and officers' risk exposure arising out of corporate activities. The insurance coverage is reviewed annually.

董事及高級職員之責任保險

本公司已安排適當責任保險以涵蓋董事及高級職員因公司事務所產生的風險。本公司會每年審閱受保範圍。

Corporate Governance Report

企業管治報告

BOARD COMMITTEES

The Board has established the following committees to assist it in carrying out its responsibilities. All committees have their own terms of reference.

Audit Committee

The Company established the Audit Committee with written terms of reference in compliance with the CG Code, with the latest version adopted with effect from 28 March 2019. The full terms of reference is available on the Company's website and the Stock Exchange's website. The main duties of the Audit Committee are to assist the Board in reviewing the financial information and audit plan and relationship with external auditor, and arrangements to enable employees of the Company to raise, in confidence, concerns about possible improprieties in financial reporting, risk management, internal control or other matters of the Company.

During the year ended 31 December 2020 and as at the date of this CG Report, the Audit Committee comprises four independent non-executive Directors, namely Mr. Yan Hualin (Chairman), Mr. Xu Jiaming, Mr. Choi Ho Yan (appointed on 29 June 2020) and Mr. Siu Siu Ling, Robert (appointed on 29 June 2020).

During the year ended 31 December 2020, five meetings of the Audit Committee were held to review the annual unaudited financial results in respect of the year ended 31 December 2019, to follow up update on the 2019 audit and review the preliminary audit findings by Crowe (HK) CPA Limited, and to recommend the appointment of external auditor of the Company. The Audit Committee also reviewed the significant issues on the financial reporting and compliance procedures, risk management and internal control systems and scope of work. The attendance of each of the committee members was set out on page 46 of this annual report.

董事委員會

董事會已成立以下委員會協助其履行職責。所有委員會均已訂明各自職權範圍。

審核委員會

本公司已成立審核委員會，其書面職權範圍符合企業管治守則，最新版本自2019年3月28日起獲採納。職權範圍全文刊登於本公司網站及聯交所網站。審核委員會之主要職責為協助董事會審閱財務資料、審核計劃及與外聘核數師之關係，以及檢討安排，使本公司僱員可以私密方式關注本公司財務申報、風險管理、內部監控或其他方面之可能不當行為。

於截至2020年12月31日止年度及於本企業管治報告日期，審核委員會由四名獨立非執行董事，即嚴華麟先生(主席)、徐家明先生、蔡浩仁先生(於2020年6月29日獲委任)及蕭兆齡先生(於2020年6月29日獲委任)組成。

於截至2020年12月31日止年度，審核委員會舉行五次會議，審閱有關截至2019年12月31日止年度之未經審核年度財務業績，跟進對2019年審核的最新資料及審閱國富浩華(香港)會計師事務所有限公司的初步審核發現，及建議委任本公司之外聘核數師。審核委員會亦審閱有關財務申報及合規程序、風險管理及內部監控系統及工作範疇重大事宜。各委員會成員的出席情況載於本年報第46頁。

Corporate Governance Report

企業管治報告

During the year ended 31 December 2020, there was no disagreement between the Board and the Audit Committee regarding the external auditor and there was no issue of significant importance requiring disclosure in this annual report under the Listing Rules.

The Audit Committee also met the external auditor without the presence of the executive Directors.

Remuneration Committee

The Company established the Remuneration Committee with written terms of reference in compliance with the CG Code. The full terms of reference is available on the Company's website and the Stock Exchange's website. The primary functions of the Remuneration Committee include reviewing and making recommendations to the Board on the remuneration packages of individual executive Directors and senior management, the remuneration policy and structure for all Directors and senior management; and establishing transparent procedures for developing such remuneration policy and structure to ensure that no Director or any of his/her close associates will participate in deciding his/her own remuneration.

During the year ended 31 December 2020, two meetings of the Remuneration Committee were held to review the remuneration package of all Directors and also considered the terms of appointment of new Directors, and other related matters. The attendance of each of the committee members, namely Mr. Wu Zhongxian (Chairman), Mr. Shao Xiaoqiang, Mr. Yan Hualin, Mr. Siu Siu Ling, Robert and Mr. Choi Ho Yan was set out on page 46 of this annual report.

As at the date of this CG Report, the Remuneration Committee comprises three independent non-executive Directors, namely Mr. Siu Siu Ling, Robert (Chairman) (appointed on 29 June 2020), Mr. Yan Hualin and Mr. Choi Ho Yan (appointed on 29 June 2020) and two executive Directors, namely Mr. Shan Hu (appointed on 18 November 2021) and Mr. Zhang Tianbo (appointed on 14 December 2021).

Details of the emoluments of the Directors for the year ended 31 December 2020 are set out in note 13 to the consolidated financial statements in this annual report.

於截至2020年12月31日止年度，董事會與審核委員會概無就外聘核數師出現異議，亦無任何重大事宜須根據上市規則於本年報披露。

審核委員會亦已在執行董事缺席的情況下與外聘核數師舉行會議。

薪酬委員會

本公司已成立薪酬委員會，其書面職權範圍符合企業管治守則。職權範圍全文刊登於本公司網站及聯交所網站。薪酬委員會之主要職責包括審閱個別執行董事及高級管理層之薪酬待遇、全體董事及高級管理層之薪酬政策及架構並就此向董事會提供意見；及設立透明程序以制定薪酬政策及架構，從而確保概無董事或任何彼之緊密聯繫人將參與釐定其自身之薪酬。

於截至2020年12月31日止年度，薪酬委員會舉行兩次會議，檢討全體董事的薪酬待遇及考慮委任新董事的任期及其他相關事宜。各委員會成員（即吳忠賢先生（主席）、邵小強先生、嚴華麟先生、蕭兆齡先生及蔡浩仁先生）的出席情況載於本年報第46頁。

於本企業管治報告日期，薪酬委員會由三名獨立非執行董事，即蕭兆齡先生（主席）（於2020年6月29日獲委任）、嚴華麟先生及蔡浩仁先生（於2020年6月29日獲委任）以及兩名執行董事，即單虎先生（於2021年11月18日獲委任）及張天博先生（於2021年12月14日獲委任）組成。

截至2020年12月31日止年度之董事薪酬詳情載於本年報綜合財務報表附註13。

Corporate Governance Report

企業管治報告

Nomination Committee

The Company established the Nomination Committee with written terms of reference in compliance with the CG Code, with the latest version adopted with effect from 28 March 2019. The full terms of reference is available on the Company's website and the Stock Exchange's website. The principal duties of the Nomination Committee include reviewing the Board composition, developing and formulating relevant procedures for the nomination and appointment of Directors, making recommendations to the Board on the appointment and succession planning of Directors, and assessing the independence of independent non-executive Directors.

During the year ended 31 December 2020, two meetings of the Nomination Committee were held to review the structure, size, composition and diversity of the Board, to assess the independence of the independent non-executive Directors, to consider the qualifications of the retiring Directors standing for election at the annual general meeting, and to recommend the appointment of Directors. The Nomination Committee considered that an appropriate balance of diversity perspectives of the Board is maintained. The attendance of each of the committee members, namely Mr. Jiang Jianqiang (Chairman), Mr. Xu Jiaming, Mr. Wu Zhongxian, Mr. Siu Siu Ling, Robert and Mr. Choi Ho Yan was set out on page 46 of this annual report.

As at the date of this CG Report, the Nomination Committee comprises four independent non-executive Directors, namely Mr. Xu Jiaming, Mr. Yan Hualin, Mr. Choi Ho Yan (appointed on 29 June 2020) and Mr. Siu Siu Ling, Robert (appointed on 29 June 2020) and three executive Directors, namely Mr. Li Xulin (Chairman) (appointed on 18 November 2021), Mr. Shan Hu (appointed on 18 November 2021) and Mr. Zhang Tianbo (appointed on 14 December 2021).

提名委員會

本公司已成立提名委員會，其書面職權範圍符合企業管治守則，最新版本自2019年3月28日起獲採納。職權範圍全文刊登於本公司網站及聯交所網站。提名委員會之主要職責包括審閱董事會之組成、制定及擬定提名及委任董事之相關程序、就董事委任及繼任計劃向董事會提供推薦意見，以及評估獨立非執行董事之獨立性。

於截至2020年12月31日止年度，提名委員會舉行兩次會議，檢討董事會的架構、規模、組成及多元化，評估獨立非執行董事的獨立性，考慮於股東週年大會參選的退任董事的資格以及就委任董事提供推薦建議。提名委員會認為，董事會已維持合適的均衡多元化。各委員會成員（即蔣健強先生（主席）、徐家明先生、吳忠賢先生、蕭兆齡先生及蔡浩仁先生）的出席情況載於本年報第46頁。

於本企業管治報告日期，提名委員會由四名獨立非執行董事，即徐家明先生、嚴華麟先生、蔡浩仁先生（於2020年6月29日獲委任）及蕭兆齡先生（於2020年6月29日獲委任）以及三名執行董事，即李緒林先生（主席）（於2021年11月18日獲委任）、單虎先生（於2021年11月18日獲委任）及張天博先生（於2021年12月14日獲委任）組成。

Corporate Governance Report

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Board Diversity

The Company adopted a board diversity policy (“Board Diversity Policy”) which sets out the approach to achieve and maintain diversity of the Board in order to maintain the competitive advantage of the Company.

Pursuant to the Board Diversity Policy, the Company seeks to achieve Board diversity through the consideration of a number of factors including but not limited to, gender, age, culture, skills, experience, background and other qualities. The differences of factors of the Director will be taken into account in determining the optimum composition of the Board. The ultimate selection decision will be based on merit and contribution that the selected candidates shall bring to the Board.

The Nomination Committee monitors, from time to time, the implementation of the policy, and reviews, as appropriate, the policy to ensure the effectiveness of the policy with the following measurable objectives throughout the reporting period:

1. At least one-third of the member of the Board shall be independent non-executive Directors;
2. At least one of the members of the Board shall have qualification in accounting, financing or other professional qualifications; and
3. At least one of the members of the Board has more than ten years of experience in business other than the core business of the Group.

The above measurable objectives have been met by the Company.

Pursuant to the amended Rule 13.92 of the Listing Rules (effective from 1 January 2022), the Stock Exchange will not regard a single gender board of directors as achieving member diversity. As at the date of this CG Report, the directors of the Board are all male directors, and have not achieved diversity under the amended Rule 13.92 of the Listing Rules. The Company will comply with the relevant rule before 31 December 2024.

董事會多元化

本公司已採納一項董事會多元化政策（「董事會多元化政策」），其中載有達致及維持董事會多元化的方法，以期維持本公司的競爭優勢。

根據董事會多元化政策，本公司通過考慮若干因素（包括但不限於性別、年齡、文化、技能、經驗、背景及其他品格）力求達致董事會多元化。本公司在釐定董事會的最佳組合時，將會考慮董事因素的差異。最終甄選決定將按長處及經甄選候選人將為董事會作出的貢獻而作出。

於報告期間，提名委員會不時監察政策的執行情況，並運用以下可計量目標檢討（倘適用）有關政策以確保政策的成效：

1. 至少三分之一的董事會成員為獨立非執行董事；
2. 至少一名董事會成員擁有會計、財務或其他專業資格；及
3. 至少一名董事會成員擁有十年以上的業務（除本集團的核心業務外）經驗。

本公司已達成上述可計量目標。

根據經修訂上市規則第13.92條（自2022年1月1日起生效），聯交所不會將單一性別的董事會視為實現成員多元化。於本企業管治報告日期，董事會董事均為男性董事，未實現經修訂上市規則第13.92條規定的多元化。本公司將於2024年12月31日前遵守相關規定。

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The nomination committee will monitor the implementation of the board diversity policy from time to time to ensure its continual effectiveness.

Nomination Policy

The Company adopted a nomination policy ("Nomination Policy") which sets out, inter alia, the criteria, process and procedures in nominating and selecting candidates to be appointed or re-appointed as Directors. In the nomination and selection of new Directors, the Nomination Committee assesses the key attributes that an incoming Director should have, based on attributes of the existing Board and the needs of the Board. The nomination criteria include, inter alia, diversity, business experience, board expertise, skills, character, integrity, independency and competence. In the nomination process, each candidate shall be considered upon evaluation against the criteria. According to the nomination procedure, multiple channels will be used for identifying suitable Director candidates, including referral from Directors, shareholders, management, advisors of the Company and external executive search firms. Upon compilation and interview of the list of candidates, the potential candidates will be recommended to the Nomination Committee and the Board for consideration and decision.

If the candidate is nominated by the Shareholders, the nomination and appointment shall follow the procedures (if any) set out in the Company's articles of association, the Listing Rules and the Nomination Policy.

The Nomination Policy shall also be governed by other additional and relevant requirements under the Company's articles of association and the Listing Rules applicable to the nomination, appointment, election and re-election of Directors.

Compliance Committee

The Compliance Committee was established on 11 November 2019 and comprises three independent non-executive Directors, namely Mr. Xu Jiaming, Mr. Yan Hualin and Mr. Wu Zhongxian, and two executive Directors, namely Mr. Shao Xiaoqiang and Mr. Liu Zhibo (Chairman), all being voting members. The Compliance Committee also comprises Mr. Lin Jiahui (ceased on 20 March 2020), the Chief Financial Officer, as a non-voting member.

提名委員會將不時監察董事會多元化政策的執行情況，以確保其持續有效。

提名政策

本公司採納提名政策（「提名政策」），當中載列（其中包括）提名和選擇獲委任或重獲委任為董事候選人的標準、流程及程序。提名委員會提名及選擇新董事時，會根據現有董事會的特質及董事會的需求，評估新任董事應具備的關鍵特質。提名標準包括（其中包括）多元化、業務經驗、董事會專業知識、技能、品格、誠信、獨立性及能力。於提名過程中，按甄選標準評核每名候選人。根據提名程序，使用多個渠道物色合適的董事候選人，包括董事、股東、管理層成員、本公司顧問及外部獵頭公司的推薦。在編選候選人名單及進行面談後，向提名委員會及董事會推薦準候選人以供考慮及決定。

倘候選人由股東提名，則提名及委任須遵守本公司組織章程細則、上市規則及提名政策所載的程序（如有）。

提名政策亦須受適用於董事提名、委任、選舉及重選的本公司組織章程細則及上市規則的其他額外及相關規定的規限。

合規委員會

合規委員會於2019年11月11日成立，由三名獨立非執行董事，即徐家明先生、嚴華麟先生及吳忠賢先生以及兩名執行董事，即邵小強先生及劉志伯先生（主席）（均有表決權）組成。合規委員會亦包括財務總監林嘉薈先生（於2020年3月20日辭任）（並無表決權）。

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The primary functions of the Compliance Committee include reviewing, formulating, approving and monitoring the Group's policies and practices on compliance with legal and regulatory requirements, including but not limited to reviewing the internal controls of key business operation of the Company, arranging training and continuous professional development for the directors, and monitoring the corporate governance practices and functions of the Company to ensure the Group are fully complied with the relevant regulations and maintain the good conduct within its Company operation.

During the year ended 31 December 2020, no meeting of the Compliance Committee was held.

Independent Board Committee

The Board has established an independent board committee on 15 July 2020. The Independent Board Committee currently comprises three independent non-executive Directors, namely Mr. Choi Ho Yan (Chairman), Mr. Yan Hualin and Mr. Siu Siu Ling, Robert.

During the year ended 31 December 2020, three meetings of the Independent Board Committee were held to approve the engagement of the independent internal control consultant, to follow up on the progress of the internal control review, and to review the internal control review report. The attendance of each of the committee members was set out on page 46 of this annual report.

Corporate Governance Functions

The Board is responsible for performing the functions set out in the code provision D.3.1 of the CG Code.

The Board reviewed the Company's corporate governance policies and practices and make recommendations to the Board, training and continuous professional development of Directors and senior management, the Company's policies and practices on compliance with legal and regulatory requirements, the compliance of the Code of Conduct and the Model Code, and the Company's compliance with the CG Code and disclosure in this Corporate Governance Report.

合規委員會的主要職能包括檢討、制定、批准及監察本集團有關法律及監管規定的合規政策及常規，包括但不限於檢討本公司主要業務營運的內部監控、為董事安排培訓及持續專業發展以及監察本公司的企業管治常規及職能，以確保本集團完全遵守相關法規，並在本公司的業務中保持良好的行為。

截至2020年12月31日止年度，合規委員會未舉行會議。

獨立董事委員會

董事會已於2020年7月15日成立獨立董事委員會。獨立董事委員會現由三名獨立非執行董事蔡浩仁先生(主席)、嚴華麟先生及蕭兆齡先生組成。

於截至2020年12月31日止年度，獨立董事委員會共召開了三次會議，以批准委聘獨立內部控制顧問，跟進內部控制審閱的進度，及審閱內部控制審閱報告。各委員會成員的出席情況載於本年報第46頁。

企業管治職能

董事會負責履行企業管治守則之守則條文第D.3.1條所載之職能。

董事會已檢討本公司的企業管治政策及常規及向董事會作出推薦建議、董事及高級管理層的培訓及持續專業發展、本公司有關法律及監管規定的合規政策及常規、行為守則及標準守則的合規情況及本公司的企業管治守則合規情況以及於本企業管治報告作出的披露。

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ATTENDANCE RECORD OF DIRECTORS AND COMMITTEE MEMBERS

董事及委員會成員之出席會議記錄

The attendance record of each Director at the Board and Board Committee meetings and the general meeting of the Company held during the year ended 31 December 2020 is set out in the table below:

截至2020年12月31日止年度舉行之本公司董事會及董事委員會會議及股東大會上各董事出席記錄載於下表：

Name of Directors 董事姓名		Attendance/Number of Meetings 出席次數/會議次數						
		AGM ¹ 股東週年大會 ¹	EGM ² 股東特別大會 ²	Board 董事會	Audit Committee 審核委員會	Remuneration Committee 薪酬委員會	Nomination Committee 提名委員會	Independent Board Committee 獨立董事委員會
Executive Directors 執行董事								
Mr. Jiang Jianqiang (Chairman)	蔣健強先生(主席)	0/0*	0/1	8/8*	N/A 不適用	N/A 不適用	2/2*	N/A 不適用
Mr. Shao Xiaoqiang (Chief Executive Officer)	邵小強先生 (行政總裁)	0/0	0/1	8/8	N/A 不適用	2/2	N/A 不適用	N/A 不適用
Mr. Xu Fanghua	徐芳華先生	0/0	0/1	6/8	N/A 不適用	N/A 不適用	N/A 不適用	N/A 不適用
Mr. Liu Zhibo	劉志伯先生	0/0	0/1	8/8	N/A 不適用	N/A 不適用	N/A 不適用	N/A 不適用
Mr. Hua Gang	華剛先生	0/0	0/1	8/8	N/A 不適用	N/A 不適用	N/A 不適用	N/A 不適用
Independent Non-executive Directors 獨立非執行董事								
Mr. Xu Jiaming	徐家明先生	0/0	0/1	7/8	4/5	N/A 不適用	2/2	N/A 不適用
Mr. Wu Zhongxian	吳忠賢先生	0/0	0/1	6/8	3/5	2/2*	2/2	N/A 不適用
Mr. Yan Hualin	嚴華麟先生	0/0	0/1	8/8	5/5*	0/0	N/A 不適用	3/3
Mr. Siu Siu Ling, Robert (appointed on 29 June 2020)	蕭兆齡先生(於2020年 6月29日獲委任)	0/0	1/1	3/3	3/3	0/0	0/0	3/3
Mr. Choi Ho Yan (appointed on 29 June 2020)	蔡浩仁先生(於2020年 6月29日獲委任)	0/0	1/1	3/3	3/3	0/0	0/0	3/3*
+	Chairman			+	主席			

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Notes:

1. There was no annual general meeting ("AGM") held in 2020.
2. An extraordinary general meeting ("EGM") of the Company was held on 22 July 2020. Due to the COVID-19 pandemic, Mr. Xu Jiaming, Mr. Wu Zhongxian and Mr. Yan Hualin, all being the independent non-executive Directors, were unable to attend the EGM.
3. Attendances of the Directors appointed during the year ended 31 December 2020 were made by reference to the number of meetings held during their respective tenures.

Apart from regular Board meetings, the Chairman also held a meeting with the independent non-executive Directors without the presence of executive Directors during the year.

DIRECTORS' RESPONSIBILITY IN RESPECT OF THE FINANCIAL STATEMENTS

The Directors acknowledged their responsibilities for the preparation of the financial statements of the Group for the year ended 31 December 2020 (the "2020 Financial Statements"). In preparing the 2020 Financial Statements, the Directors have selected suitable accounting policies and applied them consistently, made judgements and estimates that are prudent and reasonable, and prepared the financial statements on a going concern basis.

Due to the changes of auditor of the Company in December 2019, June 2020, November 2020 and September 2021, the Company required additional time to gather sufficient information for the new auditor to perform and complete their audit procedures. As a result, the publication of the Company's 2020 and 2021 financial results and 2020 and 2021 annual reports as well as 2020 and 2021 interim financial results and interim reports were delayed, which constitute non-compliance with Rules 13.49(1) and 13.46(1) of the Listing Rules respectively.

The statement of the independent auditor of the Company, BDO Limited, about its reporting responsibilities on the 2020 Financial Statements of the Group is set out in the Independent Auditor's Report on pages 104 to 112 of this annual report.

附註：

1. 2020年未舉行股東週年大會(「股東週年大會」)。
2. 本公司於2020年7月22日舉行股東特別大會(「股東特別大會」)。徐家明先生、吳忠賢先生及嚴華麟先生(均為獨立非執行董事)因COVID-19疫情而未能出席股東特別大會。
3. 於截至2020年12月31日止年度獲委任的董事的出席情況按於彼等各自任期內所舉行的會議次數列示。

除定期的董事會會議外，主席亦於年內在執行董事缺席下與獨立非執行董事舉行一次會議。

董事有關財務報表之責任

董事了解其編製本集團截至2020年12月31日止年度之財務報表(「2020年財務報表」)的責任。董事於編製2020年財務報表時，已選擇合適的會計政策並貫徹一致應用，作出審慎合理判斷及估計，並按持續經營基準編製財務報表。

由於本公司於2019年12月、2020年6月、2020年11月及2021年9月更換核數師，本公司需要額外時間收集充足資料，以便新核數師執行及完成其審核程序。因此，本公司2020年及2021年財務業績和2020年及2021年年報以及2020年及2021年中期財務業績和中期報告的刊發已延遲，構成未遵守上市規則第13.49(1)及13.46(1)條。

本公司獨立核數師香港立信德豪會計師事務所有限公司有關其對本集團2020年財務報表之報告責任的聲明載於本年報第104至112頁的獨立核數師報告。

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AUDITOR'S REMUNERATION

The remuneration paid or payable to the external auditors of the Company in respect of audit services and non-audit services provided to the Company and its subsidiaries for the year ended 31 December 2020 is set out as follows:

Service Category		Fees Paid/Payable
服務類別		已付／應付費用
		RMB'000
		人民幣千元
Audit Services	審核服務	10,574
Non-audit Services	非審核服務	-
		10,574

核數師薪酬

本公司就截至2020年12月31日止年度提供予本公司及其附屬公司之審核服務及非審核服務向外聘核數師支付或應付之薪酬載列如下：

RISK MANAGEMENT AND INTERNAL CONTROLS

The Board is responsible for risk management and internal control systems of the Group and for reviewing its effectiveness. Procedures have been designed for safeguarding assets against unauthorised use or disposition, the maintenance of proper accounting records for the provision of reliable financial information for internal use or for publications and the compliance of applicable laws, rules and regulations.

Principles and guidelines of our risk management framework are set for an effective and adequate approach to be applied across the Group to manage the risks associated with its business and operations. This framework is designed to enhance risk management of the Group through an integrated framework so that all material risks faced by the Group are identified and appropriately managed.

風險管理及內部監控

董事會負責本集團的風險管理及內部監控系統及檢討其成效，並設有程序以保障資產以防止未經授權下使用或處置、確保適當保存賬簿記錄以提供可靠的財務資料供內部使用或發佈，並確保遵守適用法例、規則及規例。

本公司已建立風險管理框架的原則及指引，以透過有效及充分的方式應用於本集團管理與其業務及營運相關的風險。該框架旨在透過一個綜合的框架加強本集團的風險管理，從而令本集團可識別並妥善管理其所面對的所有重大風險。

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Control Approach

Each department is responsible for identifying, assessing and managing risks within its business, ensuring that appropriate internal control for effective risk management are implemented. The management is responsible for overseeing the risk management and internal control activities of the Group.

The Audit Committee provides independent review on effectiveness of the risk management and internal control systems of the Group which prepared by the independent consultant and gives their recommendation to the Board.

The Audit Committee is responsible for reviewing the internal control review report and the Board is responsible for approving policies and procedures designed by the management.

External Consultant In Internal Control And Risk Management

The Group also engaged an external consultant specialising in identifying and evaluation of significant risk of our business and operation. The external consultant does not have any connection with the Group and the Board believes that their involvement could enhance the objectivity and transparency of evaluation process. In conjunction with our staff and senior management, the external consultant conducts an annual assessment on risk management and internal control systems of the Group together with suggestion and solutions and submit to the Board for their consideration.

During the year under review, the management assisted the Board in the implementation of the Group's policies and procedures within the Board's delegation by identifying and assessing the risks faced, and in the design, operation and monitoring of suitable internal controls to mitigate and control such risks. The Board conducted reviews and discussed with the management on the effectiveness of the Group's risk management and internal control systems as required by code provision C.2 of the CG Code, covering adequacy of resources, staff qualifications and experience, training programmes and budget of the Group's accounting, internal audit and financial reporting functions and any resolutions for material internal control defects.

監控方法

各部門負責識別、評估及管理其業務範疇內的風險，以確保就有效的風險管理實施合適的內部監控。管理層負責監察本集團的風險管理及內部監控活動。

審核委員會就由獨立顧問制定的本集團風險管理及內部監控系統的效力進行獨立審核，並向董事會提出推薦意見。

審核委員會負責審核內部監控審查報告，且董事會負責批准管理層擬定的政策及程序。

內部監控及風險管理的外部顧問

本集團亦委聘外部顧問，專門負責識別及評估我們業務及運營中的重大風險。該外部顧問與本集團概無任何關連，故董事會認為該項委聘可提升評估程序的客觀性及透明性。外部顧問協同我們的員工及高級管理層就本集團的風險管理及內部監控系統作出年度評估以及建議及解決方案，並提呈董事會以供考慮。

於回顧年度，管理層在董事會的授權內以識別及評估所面對的風險，協助董事會執行本集團的政策及程序，並參與設計、營運及監察合適的內部監控措施，以減少及控制相關風險。董事會根據企業管治守則之守則條文第C.2條的規定，對本集團的風險管理及內部監控系統之有效性進行檢討及與管理層作出討論，涵蓋本集團在會計、內部審核及財務匯報職能方面的資源、員工資歷及經驗，以及員工所接受的培訓課程及有關預算是否足夠，以及任何重大內部監控缺失的解決辦法。

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Annual Review

The risk management and internal control systems are reviewed and assessed on an on-going basis by the Audit Committee/Independent Board Committee and the Board, and will be further reviewed and assessed at least once each year by the Board and the Audit Committee respectively. These systems were considered effective and adequate.

Inside Information Policy

The Company adopted a policy and procedures on disclosure of inside information (the "Inside Information Policy") setting out the Group's procedure in handling such information to ensure its equal and timely dissemination to comply with the requirements under Part XIVA of the Securities and Futures Ordinance and the Listing Rules.

REGULATORY COMPLIANCE

The Group have established a system to ensure the management and the relevant personnel have sufficient up-to-date knowledge of relevant laws and regulations. Under such system, the Directors and members of the management in charge of the Group's construction projects shall be informed of the changes to the laws, regulations and government policies applicable to the Group's business and the implications thereof by email and written notice as soon as practicable and, where the Directors consider necessary, a briefing on such changes to the executive Directors and members of the management in charge of the Group's construction projects (the "Relevant Personnel") shall be conducted. Moreover, the Group will organise seminars to be attended by the Relevant Personnel semi-annually on a compulsory basis for each of the two full financial years after Listing disregard whether there will be any changes to the relevant PRC laws and regulations. Thereafter, training session would be held when there is a change or update to the relevant PRC laws and regulations.

In addition, the Company had engaged an external PRC legal adviser to, among others, monitor the Group's compliance with the PRC laws and regulations applicable to its business operation.

年度檢討

審核委員會／獨立董事委員會及董事會持續檢討及評估風險管理及內部監控系統，董事會及審核委員會更分別會每年至少進行一次檢討與評估。該等系統被視為有效及充足。

內幕消息政策

本公司已採納內幕消息披露政策及程序（「內幕消息政策」），列明本集團處理有關消息的程序，確保其公平和及時披露，以符合證券及期貨條例第XIVA部及上市規則的規定。

監管合規

本集團已建立一套體系，確保管理層及相關人員充分實時了解相關法律法規。在該體系下，董事及負責本集團建築項目的管理層成員將會獲告悉適用本集團業務的法律、法規及政府政策的變動，且於可行情況下盡快以電郵及書面通知形式告悉相關影響，且倘董事認為必要，法律專員會就有關變動向執行董事及負責本集團建築項目的管理層成員（「有關人員」）作出簡報。此外，本集團會於上市後兩個完整財政年度各年度內每半年舉辦一次研討會，強制要求有關人員出席，而不論相關中國法律法規有否出現任何變動。其後，本集團會於相關中國法律法規出現任何變動或新情況時舉辦培訓課程。

此外，本公司已委聘一名外聘中國法律顧問以（其中包括）監控本集團有關其業務營運所適用的中國法律及法規的合規事宜。

Corporate Governance Report

企業管治報告

COMPANY SECRETARY

Ms. Foo Man Yee Carina ("Ms. Foo") of CS Legend Corporate Services Limited, an external service provider, was appointed as the company secretary of the Company (the "Company Secretary") on 1 April 2017. Ms. Foo's primary contact person at the Company was Mr. Jiang Jianqiang, the executive Director. Ms. Foo resigned as the Company Secretary with effect from 1 July 2020.

Following the resignation of Ms. Foo, Mr. Pang Wai Ching ("Mr. Pang") of Techson Management Limited, an external service provider, was appointed as the Company Secretary with effect from 1 July 2020 until his resignation as such with effect from 1 February 2021. Ms. Chang Kam Lai ("Ms. Chang") of EDM Corporate Advisory Limited, an external service provider, was appointed as the Company Secretary with effect from 1 February 2021 to fill the vacancies. Mr. Pang's primary contact person at the Company was Mr. Jiang Jianqiang, the executive Director.

During the year ended 31 December 2020, Ms. Foo and Mr. Pang have attended relevant professional training to update their skills and knowledge. They met the training requirement set out in Rule 3.29 of the Listing Rules.

DIVIDEND POLICY

The Company has adopted a dividend policy with the objective of achieving right balance of the amount of dividend and the amount of profits retained in the business for various purposes. In proposing any dividend payout, the Company would consider, inter alia, the following factors: (i) the Company and the Group's actual and expected financial performance; (ii) general business conditions and strategies; (iii) liquidity position and future commitment of the Group; (iv) the Group's expected working capital requirements and future expansion plans; (v) shareholders' interests; (vi) general economic conditions, business cycle of the Group's business and other internal or external factors that may have an impact on the business or financial performance and position of the Company; and (vii) any other factors that the Board may consider relevant.

公司秘書

騰思企業服務有限公司(外部服務供應商)的傅曼儀女士(「傅女士」)於2017年4月1日獲委任為本公司的公司秘書(「公司秘書」)。傅女士於本公司的主要聯絡人為執行董事蔣建強先生。傅女士自2020年7月1日起辭任公司秘書。

傅女士辭任後，德承管理有限公司(外部服務供應商)的彭偉正先生(「彭先生」)獲委任為公司秘書，自2020年7月1日起生效，直至其辭任自2021年2月1日起生效。億達茂企業諮詢有限公司(外部服務供應商)的張錦麗女士(「張女士」)獲委任為公司秘書，自2021年2月1日起生效，以填補空缺。彭先生於本公司的主要聯絡人為執行董事蔣建強先生。

於截至2020年12月31日止年度，傅女士及彭先生已參與相關專業培訓，提升技能及知識。彼等符合上市規則第3.29條所載的培訓要求。

股息政策

本公司已採納股息政策，旨在為達到股息金額與業務保留的盈利金額適當平衡，以備各種用途之用。本公司建議派付任何股息時，將考慮(其中包括)下列因素：(i)本公司及本集團的實際及預期財務業績；(ii)總體商業條件及戰略；(iii)本集團的流動資金狀況及未來之承諾情況；(iv)本集團預期營運資本需求及未來擴張計劃；(v)股東利益；(vi)總體經濟狀況、本集團業務的商業週期，以及可能對本公司業務或財務表現及狀況有影響的其他內部或外部因素；及(vii)董事會可能認為相關的任何其他因素。

Corporate Governance Report

企業管治報告

The payment of dividend is also subject to any restrictions under the applicable laws and the Company's articles of association.

SHAREHOLDERS' RIGHTS

To safeguard shareholder interests and rights, a separate resolution is proposed for each substantially separate issue at shareholder meetings, including the election of individual directors. All resolutions put forward at shareholder meetings will be voted on by poll pursuant to the Listing Rules and poll results will be posted on the websites of the Company and the Stock Exchange after each shareholder meeting.

Convening an Extraordinary General Meeting by Shareholders and Putting Forward Proposals at General Meetings

Extraordinary general meetings may be convened by the Directors on requisition of one or more shareholders holding, at the date of deposit of the requisition, not less than one-tenth of the paid up capital of the Company having the right of voting at general meetings. Such requisition shall be made in writing to the Directors or the Secretary by mail to 22nd Floor of The Toy House, No. 100 Canton Road, Tsimshatsui, Kowloon, Hong Kong, to require an extraordinary general meeting to be called by the Directors for the transaction of any business specified in such requisition. Such meeting shall be held within two months after the deposit of such requisition. If within twenty-one days of such deposit the Directors fail to proceed to convene such meeting, the requisitionist(s) himself (themselves) may do so in the same manner, and all reasonable expenses incurred by the requisitionist(s) as a result of the failure of the Directors shall be reimbursed to the requisitionist(s) by the Company.

派付股息亦受適用法律及本公司組織章程細則的任何限制所規限。

股東權利

為保障股東權益及權利，本公司將就各重大個別事宜（包括選舉個別董事）於股東大會提呈獨立決議案。股東大會上提呈之所有決議案將根據上市規則進行投票表決，且投票表決之結果將於各股東大會結束後在本公司及聯交所網站上刊載。

股東召開股東特別大會及於股東大會上提出議案

應於遞交要求日期持有不少於本公司繳足股本（賦有於股東大會上之投票權）十分之一之一名或以上股東要求，董事可召開股東特別大會。有關要求須以書面形式向董事或秘書提出，郵寄地址為香港九龍尖沙咀廣東道100號彩星集團大廈22樓，要求董事召開股東特別大會以處理有關要求所列明任何事務。有關會議將於提交有關要求後兩個月內舉行。倘有關提交起計二十一日內，董事未能召開有關會議，則遞交要求人士可以相同方式自發召開有關大會，因董事未能召開而提交要求人士所產生所有合理費用將由本公司予以補償。

Corporate Governance Report

企業管治報告

Furthermore, shareholders may propose a person for election as a Director of the Company at a general meeting, details of which are available on the website of the Company.

Putting Forward Enquiries to the Board

For putting forward any enquiries to the Board, shareholders may send written enquiries to the Company. The Company will not normally deal with verbal or anonymous enquiries.

Contact Details

Shareholders may send their enquiries or requests as mentioned above to the following:

Address: 22nd Floor of The Toy House, No. 100 Canton Road, Tsimshatsui, Kowloon, Hong Kong
地址：香港九龍尖沙咀廣東道100號彩星集團大廈22樓
Fax: (852) 3691 8124
傳真：
Email: hkadmin@chinasait.com.hk
電郵：

For the avoidance of doubt, shareholder(s) must deposit and send the original duly signed written requisition, notice or statement, or enquiry (as the case may be) to the above address and provide their full name, contact details and identification in order to give effect thereto. Shareholders' information may be disclosed as required by law.

COMMUNICATION WITH SHAREHOLDERS AND INVESTORS/INVESTOR RELATIONS

The Company considers that effective communication with shareholders is essential for enhancing investor relations and investor understanding of the Group's business performance and strategies. The Company endeavours to maintain an ongoing dialogue with shareholders and the investment community, and in particular, through the Company's financial reports (interim and annual reports), annual general meetings and other general meetings. At the annual general meeting, Directors (or their delegates as appropriate) are available to meet shareholders and answer their enquiries.

此外，股東可於股東大會上提議一名人士參選本公司董事，有關詳情可於本公司網站查閱。

向董事會作出查詢

就向董事會作出任何查詢而言，股東可將書面查詢發送至本公司。本公司通常不會處理口頭或匿名的查詢。

聯絡詳情

股東可透過以下方式發送上述書面查詢或要求：

為免生疑，為使上述查詢或請求生效，股東須向上述地址送交及發出正式簽署的書面請求、通知或聲明或查詢(視情況而定)之正本，並提供彼等全名、聯絡詳情及身份。股東資料或會根據法律規定予以披露。

與股東及投資者的溝通／投資者關係

本公司認為，與股東有效溝通對加強投資者關係及讓投資者了解本集團業務表現及策略相當重要。本公司盡力保持與股東及投資團體之間的持續對話，尤其是透過本公司財務報告(中期及年度報告)、股東週年大會及其他股東大會。於股東週年大會上，董事或彼等的代表(倘適用)與股東會晤，並解答股東的提問。



Corporate Governance Report

企業管治報告

The Company's last AGM was held on 24 May 2019, and the Company has not convene any AGM since then.

本公司上屆股東週年大會乃於2019年5月24日舉行，此後本公司未召開任何股東週年大會。

CONSTITUTIONAL DOCUMENTS

During the year ended 31 December 2020, the Company has not made any change to its articles of association. An up-to-date version of the Company's articles of association is also available on the Company's website and the Stock Exchange's website.

Hong Kong, 18 April 2022

組織章程文件

於截至2020年12月31日止年度，本公司並無對其組織章程細則作出任何更改。本公司組織章程細則的最新版本亦可於本公司網站及聯交所網站查閱。

香港，2022年4月18日

Environmental, Social and Governance Report

環境、社會及管治報告

APPROACH TO ENVIRONMENTAL, SOCIAL AND GOVERNANCE AND REPORTING

The 2020 Environmental, Social, and Governance Report (the “Report”) presented by China Saite Group Company Limited (“China Saite” or the “Company”), together with its subsidiaries, (collectively referred to as the “Group”) is a detailed report following the requirements set forth in the ESG Reporting Guide under Appendix 27 of the Listing Rules governing the Main Board. This report captures our major ESG policies, initiatives and performance of the Group for the year ended 31 December 2020 (the “Reporting Period”).

As an integrated steel structure and fully assembled prefabricated structure construction solution service provider, the Group offers integrated construction solutions to customers according to the technical specifications and requirements of different projects as well as the needs of customers. The services include design, secondary detailed design, production, installation and after-sale services for customers.

The Group believes that environmental protection, low carbon footprint, resource conservation and sustainable development are the key trends in society. In order to follow the key trends and pursue a successful and sustainable business model, the Group recognises the importance of integrating environmental, social and governance (“ESG”) aspects into its risk management system and has taken corresponding measures in its daily operation and governance perspective.

REPORTING SCOPE

Unless stated otherwise, this report mainly covers the Group’s major operating revenue business under direct management control, including its construction of steel structure and prefabricated construction projects in the PRC.

The Group will continue to assess the major environmental, social and governance aspects of different businesses to determine whether they shall be included in the ESG report.

環境、社會及管治方針與報告

2020年環境、社會及管治報告(「本報告」)由中國賽特集團有限公司(「中國賽特」或「本公司」)，連同其附屬公司(統稱「本集團」)提呈，為根據主板上市規則附錄二十七項下《環境、社會及管治報告指引》所載規定編製的詳細報告。本報告載刊本集團截至2020年12月31日止年度(「報告期」)的主要環境、社會及管治政策、措施及表現。

作為一家綜合性鋼結構及全裝配預制構件建築解決方案的服務供應商，本集團根據不同項目的技術規範、要求和客戶的需求，為客戶定制綜合建築解決方案，服務內容包括為客戶設計、二次深化設計、制作、安裝和售後服務。

本集團相信環保、低碳、保護資源及可持續發展為社會大趨勢。為了在大趨勢中乘風破浪及追求成功和可持續的商業模式，本集團認同將環境、社會及管治(「環境、社會及管治」)理念融入其風險管理系統的重要性，並已於其日常經營及管治方面採取相應措施。

報告範圍

除非另有所述，本報告主要涵蓋本集團直接管理控制的主要營運收益業務，包括於中國事鋼結構及全裝配預制構件建築項目的建築施工。

本集團將持續評估不同業務的重大環境、社會及管治範疇，以決定是否需納入環境、社會及管治報告內。

Environmental, Social and Governance Report

環境、社會及管治報告

REPORTING PRINCIPLES

The compilation process of this report follows the reporting principles suggested by the Guide, which include:

- **Materiality:** We evaluate the importance priorities of various sustainable development issues to the Group, thereby defining the disclosure focus of this report and providing accurate and detailed responses to the issues that stakeholders are most concerned about, and utilising them as a reference basis for the Company to formulate sustainable development targets.
- **Quantitative:** the reported ESG performance is measurable and quantified.
- **Balance:** In addition to disclosing the Company's status in sustainable management, this report also discusses the Company's sustainable development challenges and future action plans.
- **Consistency:** Unless otherwise stated, the way the information collected and presented in this report is consistent with the previous year's practices to ensure information comparability.

STAKEHOLDER ENGAGEMENT

The Group values its stakeholders and their views relating to its businesses and environmental, social and governance issues. In order to understand and address stakeholders' concerns, the Group communicates with its key stakeholders, including but not limited to employees, investors, customers, suppliers, government bodies and communities, through different channels such as conferences, electronic platforms and public events. In formulating operational strategies and environmental, social and governance measures, the Group takes into account the stakeholders' expectations and strives to improve its performance through cooperation with the stakeholders, so as to create greater value for the community.

匯報原則

本報告的編製過程遵循《指引》建議的匯報原則，當中包括：

- **重要性：**我們已評估各項可持續發展議題對本集團的重要程度，由此界定本報告的披露專注，為持份者最為關注的議題提供精準詳實的響應，並作為本公司制定可持續發展目標的參考依據。
- **量化：**報告的ESG績效為可衡量及量化。
- **平衡：**除了披露本公司在可持續管理工作的進展外，本報告亦討論本公司面對的可持續發展挑戰及未來的行動計劃。
- **一致性：**除非另有說明，本報告中的訊息採集及呈現形式與往年一致，以確保訊息的可比性。

持份者參與

本集團重視持份者及其對本集團業務及環境、社會及管治事宜的意見。為了解及響應持份者關注事項，本集團與主要持份者（包括但不限於僱員、投資者、客戶、供貨商、政府機構及社會團體）以不同渠道溝通，例如會議、電子平台、公眾活動等。在制訂營運策略及環境、社會及管治措施時，本集團會考慮持份者的期望，力爭透過彼此合作不斷改善本集團的表現，為社會締造更大價值。

Environmental, Social and Governance Report

環境、社會及管治報告

Materiality Assessment

The management and employees who are responsible for the key functions of the Group have participated in preparing this report, assisting the Group in reviewing its operation, identifying key environmental, social and governance issues and assessing the importance of these issues to our businesses and stakeholders. We collected the information from relevant departments and business units of the Group with reference to the identified material environmental, social and governance issues.

The following table summarises the Group's significant environmental, social and governance issues as set out in this report:

重要範疇評估

負責本集團各主要職能的管理層與僱員均參與編製本報告，協助本集團檢討其運作情況，鑒別主要環境、社會及管治事宜，並評估該等事宜對我們的業務及各持份者的重要性。我們參照所鑒別的重大環境、社會及管治事宜，向本集團相關部門及業務單位收集數據。

下表概述本報告所載本集團的重大環境、社會及管治事宜：

The ESG Reporting Guide 環境、社會及管治報告指引	Material ESG aspects of the Group 本集團環境、社會及管治重要範疇	Page 頁數
A. Environment		
A. 環境		
A1. Emissions A1. 排放物	Waste Management 廢棄物管理	60
	Green House Gas Emission 溫室氣體排放	61
A2. Use of Resources A2. 資源利用	Energy Consumption 能源消耗	64
	Water Consumption and Use of Packaging Materials 耗水量及包裝材料使用	65
A3. Environment and Natural Resources A3. 環境及天然資源	Environmental Impact Management 環境影響管理	66
	Noise Pollution 噪音污染	67
	Outdoor Lightings 戶外燈光	67
	Landscape and Natural Habitat 景觀及自然棲息地	67
A4. Climate change A4. 氣候變化	Physical Risks 實體風險	68
	Transition Risks 過渡風險	68

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環境、社會及管治報告

The ESG Reporting Guide 環境、社會及管治報告指引	Material ESG aspects of the Group 本集團環境、社會及管治重要範疇	Page 頁數
B. Society		
B. 社會		
B1. Employment B1. 僱傭	Employee Benefits and Equal Opportunities Policies 僱員待遇及平等機會政策	69
B2. Health and Safety B2. 健康及安全	Occupational Health and Safety 職業健康及安全	72
B3. Development and Training B3. 發展及培訓	Staff Development and Training 員工發展及培訓	74
B4. Labour Standards B4. 勞工準則	Prevention of Child Labour or Forced Labour 防止童工或強制勞工	75
B5. Supply Chain Management B5. 供應鏈管理	Environmental and Social Risk Management of Supply Chain 供應鏈環境及社會風險管理	76
	Green Sourcing 綠色採購	77
B6. Product Responsibility B6. 產品責任	Quality and Safety of Products and Services 產品及服務的質素與安全	78
	Customer Privacy and Intellectual Property Management 客戶私隱及知識產權管理	80
B7. Anti-Corruption B7. 防止貪污	Prevention of Corruption and Fraud 防止貪污及舞弊	81
B8. Community Investment B8. 小區投資	Contributions to Society 社會公益	82

During the year ended 31 December 2020, the Group confirmed that appropriate and effective management policies and internal control systems for environmental, social and governance issues were in place and that the information disclosed in the ESG Report was in compliance with the ESG Reporting Guide.

於截至2020年12月31日止年度，本集團確認已就環境、社會及管治事宜設立合適及有效的管理政策及內部監控系統，並確認環境、社會及管治報告所披露內容符合環境、社會及管治報告指引。

Environmental, Social and Governance Report

環境、社會及管治報告

A. ENVIRONMENT

A1. Emissions

General disclosure and key performance indicators ("KPI")

The core businesses of the Group, which mainly involve construction of steel structure and prefabricated construction projects in the PRC, mainly rely on internet technology and related equipment and do not involve any manufacturing processes in the course of business. Therefore, during the year ended 31 December 2020, the Group and its office did not generate significant emissions, water pollutants and hazardous wastes during the operation, except for greenhouse gas ("GHG") emissions and non-hazardous waste.

Global warming and climate change have become major environmental issues across the world. The Group aims to minimize energy consumption and carbon emissions and has been exploring operational models which incur less adverse impact on the environment. From the environmental reporting perspective, we mainly focused on the environmental impact of the Group's offices in the PRC during the daily operation and relevant measures to be taken, and have formulated policies and procedures relating to environmental management to govern limited GHG emissions and non-hazardous waste generated during our operation. The Group aims to reduce or maintain air emissions at the stable level in the future.

A. 環境

A1. 排放物

一般披露及關鍵績效指標（「關鍵績效指標」）

本集團核心業務（主要於中國從事鋼結構及全裝配預制構件建築項目的建築施工）主要依賴互聯網科技及相關設備，在業務過程中不涉及任何生產工序。因此，於截至2020年12月31日止年度，除溫室氣體（「溫室氣體」）排放及無害廢棄物外，本集團及其辦公室於營運期間並無產生大量廢氣排放、水污染物及有害廢棄物。

全球變暖及氣候變化已成為全球各地面對的重大環境問題。本集團以減低能源消耗和碳排放為目標，並一直探索採取對環境產生較少不利影響的營運模式。就環境報告層面，我們主要針對本集團中國辦公室在日常營運過程中對環境的影響及將採取的相關措施，並制定了環境管理相關政策和規程，以管治營運中產生的少量溫室氣體排放及無害廢棄物。本集團的目標是在未來將廢氣排放量減少或維持在穩定水平。

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Waste management

The Group adheres to waste management principle and strives to properly manage and dispose of wastes produced by our business activities. Our waste management practice complied with relevant laws and regulations relating to environmental protection. The non-hazardous wastes generated by the Group's operations mainly consist of paper, toner cartridges and ink cartridges. During the year ended 31 December 2020, the consumption by the Group is as follow:

Non-hazardous waste category 無害廢棄物種類	Unit 單位	2020 2020年	2019 2019年
Paper 紙張	tonnes 噸	0.099	0.75
Intensity 密度	tonnes/employee 噸／僱員	0.001	3.66
Toner cartridge 硒鼓	pieces 個	23	140.00
Intensity 密度	pieces/employee 個／僱員	0.15	0.68
Ink cartridges 墨盒	pieces 個	39	60.00
Intensity 密度	pieces/employee 個／僱員	0.26	0.29

廢棄物管理

本集團堅守廢棄物管理原則，致力妥善管理及處置我們的業務活動產生的廢棄物。我們的廢棄物管理慣例符合相關環保法律及規例。本集團營運產生的無害廢棄物主要為紙張、硒鼓和墨盒。於截至2020年12月31日止年度，本集團所產生的用量如下：

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We regularly monitor the consumption volume of paper, toner cartridges and ink cartridges and have implemented a number of reduction measures. The Group's office has also provided suitable facilities and encouraged our staff to sort and recycle the wastes to achieve the objectives in waste reduction, reuse and recycling in its operations. We encourage staff to be mindful when printing documents and make use of double-sided printing whenever possible. Non-essential items should be used in e-format. Any documents that are no longer in use should be shredded and recycled. The Group maintains a high standard in waste reduction, educates its employees on the significance of sustainable development and provides relevant support to enhance their skills and knowledge in sustainable development.

The Group does not produce any hazardous wastes in its business activities. The Group aims to reduce or maintain the current hazardous and non-hazardous wastes at the stable level in the next 3 years in the future compared to this Reporting Period.

GREENHOUSE GAS ("GHG") emission

The major source of carbon emission is the electricity consumption in the workplace. The detailed summary of the GHG emission is shown as below:

我們會定期監察紙張、硒鼓和墨盒的用量，並執行多項減少用量措施。本集團的辦公室亦提供適當設施，並鼓勵員工分類及循環再用廢棄物，力求於營運過程中達致減廢、再用及再造的目標。我們鼓勵員工在打印文件時要留心，並盡可能使用雙面打印。非必需品應以電子格式使用。任何不再使用的文件都應切碎並回收。本集團在減廢方面維持高標準，教導僱員可持續發展的重要性及提供相關支持，以提高其實行可持續發展的技能 and 知識。

本集團並無於業務活動中產生任何有害廢棄物。與本報告期間相比，本集團的目標是在未來三年內將現有害廢物無害廢物減少或維持在穩定水平。

溫室氣體排放

碳排放的主要來源是工作場所的用電量。溫室氣體排放的詳盡概要列示如下：

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GHG performance summary

溫室氣體表現概要

GHG Scope ¹ 溫室氣體範圍 ¹	Unit 單位	2020 ² 2020年 ²	2019 2019年
Direct GHG emission (Scope 1) — petrol consumption 溫室氣體直接排放(範圍1) — 汽油消耗	tonnes 噸	5.11	—
Intensity 密度	tonnes/employee 噸/僱員	0.034	—
Indirect GHG emission (Scope 2) — electricity consumption 溫室氣體間接排放(範圍2) — 電力消耗	tonnes 噸	4,952.95	368.70
Intensity 密度	tonnes/employee 噸/僱員	32.59	1.80
Other indirect GHG emission (Scope 3) — paper and water consumption ³ 其他溫室氣體間接排放(範圍3) — 紙張使用及耗水量 ³	tonnes 噸	151.29	3.70
Intensity 密度	tonnes/employee 噸/僱員	1.00	0.02
Total GHG emission 溫室氣體排放總量	tonnes 噸	5,109.35	372.30
Intensity 密度	tonnes/employee 噸/僱員	33.62	1.82

The Group has implemented a number of measures to mitigate energy consumption such as turning off the air-conditioning system at night or when leaving office, keeping the office temperature at 25°C in summer and using LED lights or energy-saving light in the office, etc.

本集團已實施若干措施，以降低能源消耗，例如：在夜間或離開辦公室時關掉空調系統、辦公室夏天室溫維持在25攝氏度及在辦公室採用LED燈或節能燈等。

1 GHG emissions data is presented in carbon dioxide equivalent and was in reference to, including but not limited to, the reporting requirements of the "GHG Protocol Corporate Accounting and Reporting Standard" issued by the World Resources Institute and the World Business Council for Sustainable Development, the "Guidelines to Account for and Report on Greenhouse Gas Emissions and Removals for Buildings (Commercial, Residential or Institutional Purposes)" and the latest published Baseline Emission Factors for Regional Power Grids in China.

2 Due to the update on statistical and calculation methods, direct comparison with figures of the previous year may not be available.

1 溫室氣體排放數據乃按二氧化碳當量呈列，並參照（包括但不限於）世界資源研究所及世界可持續發展工商理事會刊發的《溫室氣體盤查議定書：企業會計與報告標準》、《香港建築物（商業、住宅或公共用途）的溫室氣體排放及減除的核算和報告指引》及最新發佈的中國區域電網基線排放因子。

2 由於統計和計算方法的更新，可能無法與去年的數據進行直接比較。

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At the project level, the Group considers the principle of environmental protection when launching each of its projects. For example, in the course of selecting suppliers, we assess whether the materials used by the suppliers in the activities are hazardous to the environment and whether they can effectively conserve energy and minimize carbon emissions. In addition to the above-mentioned measures, the Group issues environmental-related memorandum to its staff to raise their awareness of environmental preservation. Notices and posters relating to the environmental information have been placed in the offices to promote the best practice of the environmental management.

The Group has complied with relevant environmental laws and regulations, including but not limited to Environmental Protection Law of the People's Republic of China, Law of the People's Republic of China on Prevention and Control of Water Pollution, Law of the People's Republic of China on Prevention and Control of Air Pollution and Environmental Protection Law of Solid Waste Pollution of the People's Republic of China. During the year ended 31 December 2020, the Group was not aware of any material non-compliance with laws and regulations relating to the air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste that would have a significant impact on the Group.

在項目層面上，本集團會於推出每一個項目時考慮環保原則，如選擇供貨商時考慮供貨商於活動使用之物料是否對環境有害及能否有效節省能源和減低碳排放。除上述措施外，本集團會向員工發放環境相關建議書，以提高環保意識。辦公室已掛上載有綠色信息的通告和海報，以宣傳環境管理的最佳實踐。

本集團已遵守環境相關法律法規，包括但不限於《中華人民共和國環境保護法》、《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》及《中華人民共和國固體廢物污染環境防治法》。於截至2020年12月31日止年度，本集團並不知悉在空氣及溫室氣體排放、向水及土地排污以及產生有害及無害廢棄物方面，對本集團造成重大影響的任何嚴重不符合法律法規的情況。

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A2. Use of Resources

General disclosure and KPI

Energy consumption

During the year ended 31 December 2020, the Group's consumption in petrol and electricity were:

Energy Type 能源種類	Unit 單位	2020 ³ 2020年 ³	2019 2019年
Petrol 汽油	litre 升	2,335	–
Intensity 密度	litre/employee 升／僱員	15.36	N/A 不適用
Electricity 電力	kWh 千瓦時	8,254,921	458,900.00
Intensity 密度	kWh/employee 千瓦時／僱員	54,308.69	2,238.54

On top of the measures of mitigating the energy consumption mentioned in previous section, the Group strives to utilize telephone or video conference to minimize face-to-face meeting in order to reduce petrol consumption in traveling and unnecessary business trips. The Group encourages resources saving in daily office operation and proactively fosters a low-carbon corporate culture, which further increases our employees' awareness in energy conservation. The Group aims to reduce or maintain the current energy consumption at the stable level in the next 3 years in the future compared to this Reporting Period.

3 Due to update on statistical and calculation methods, direct comparison with figures of the previous year may not be available.

A2. 資源利用

一般披露及關鍵績效指標

能源消耗

於截至2020年12月31日止年度，本集團的汽油消耗及耗電如下：

除上一部分所述的減少能源消耗措施外，本集團盡量安排電話或視頻會議以減低面談，從而減少出行和不必要的出差耗油。本集團在辦公室日常運作中倡導節約資源，積極建立低碳辦公的企業文化，進一步提高了員工的節能意識。本集團的目標是在未來三年內將當前能源消耗量比本報告期間降低或保持在穩定水平。

3 由於統計和計算方法的更新，可能無法與去年的數據進行直接比較。

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Water consumption and use of packaging materials

Our business activities require water usage is relatively minimal through our business activities. The majority of our water usage comes from water supplies for our offices.

During the year ended 31 December 2020, the Group consumed 115 tonnes (2019: 14,500 tonnes) of water and the water consumption per employee was 10.45 tonnes (2019: 70.73 tonnes). Regardless of limited water consumption, we still promote behavioural changes at office and encourage water conservation. Pantry and toilets are posted with environmental messages to remind employees for water conservation, which results in further enhancing our employees' awareness in water conservation. All water was provided by municipal water supply. Therefore, the Group did not have issues in sourcing water that is fit for use and consumption. The Group aims to maintain the current water consumption at the stable level in the next 3 years in the future compared to this Reporting Period.

In addition, due to the nature of business, the Group did not have physical products for sale and therefore did not involve any use of packaging materials. Therefore, this disclosure is not applicable to the Group.

耗水量及包裝材料使用

我們的業務活動通過我們的業務活動需要的用水量相對較少。我們的大部分用水來自我們辦公室的供水。

於截至2020年12月31日止年度，本集團用水量為115噸(2019年：14,500噸)及每位僱員用水量為10.45噸(2019年：70.73噸)。雖然用水量有限，但我們仍推動辦公室的行為改變，鼓勵節約用水。茶水間及洗手間均貼有環保訊息，提醒僱員節約用水，進一步提高了僱員的節水意識。所有用水均由市政提供，故在尋找適用水源方面沒有重大問題。與本報告期間相比，本集團的目標是在未來三年內將當前用水量維持在穩定水平。

此外，基於業務性質，本集團並無實物產品供銷售，故不需要使用包裝材料。因此，有關披露不適用於本集團。

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A3. Environment and Natural Resources

General disclosure and KPI

Environmental impact management

The Group pursues the best practices in environment protection and focuses on the impact of the Group's businesses on the environment and natural resources. In addition to complying with relevant environmental laws and regulations as well as properly preserve the natural environment, the Group has integrated the concept of environmental protection into its internal management and daily operations, with the aim of achieving environmental sustainability.

The Group strives to promote environmental protection and make effective use of resources. It continuously monitors if the business operations incur any potential impact on the environment and minimizes such impact on the environment through promoting green office and operating environment by adopting four basic principles of reduce, reuse, recycle and replacement. Where applicable, we adopt green procurement strategies and the most practical technologies to protect our natural resources.

A3. 環境及天然資源

一般披露及關鍵績效指標

環境影響管理

本集團於環境保護方面追求最佳實踐，著重本集團業務對環境及天然資源的影響。除遵守環境相關法律法規及適當地保護自然環境外，本集團亦將環境保護的概念融入內部管理及日常營運當中，致力達成環境永續之目標。

本集團以積極推動環境保護及有效利用資源為宗旨，持續監察業務營運是否對環境帶來任何潛在影響，並通過減少、重用、循環利用及替代使用四個基本原則，推廣綠色辦公及營運環境，將營運對環境的影響減至最低。在適用的情況下，我們採取綠色採購策略及最切實可行的技術以保護天然資源。

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Noise pollution

Noise pollution practices are implemented during our construction activities to minimize the noise pollution. Programs are produced in the studios with good soundproof facilities.

Outdoor lightings

During outdoor constructions, the lightings are adjusted to avoid disturbing neighborhood whenever possible.

Landscape and natural habitat

The Group strives to minimize any unnecessary disturbance to the natural landscape and animal habitat in the process of construction, in order to preserve the natural beauty of the environment.

The Group regularly reviews its environmental protection policies and has adopted the necessary precautionary measures and actions to reduce significant impact on the environment and natural resources, and ensure that the Group complies with relevant laws and regulations.

噪音污染

在建築施工活動中實施噪音污染常規，以盡量減少噪音污染，並在有良好隔音設施的工作室制作項目。

戶外燈光

在戶外建築施工時，燈光盡量調校至不會滋擾附近作息的居民。

景觀及自然棲息地

本集團在建築施工過程中盡量減少對自然景觀及動物棲息地作出任何不必要的干擾，保持生態環境的自然美。

本集團定期檢討其環保政策，並已採用必要的預防措施及行動，以減低對環境及天然資源的重大影響，確保本集團符合相關法律法規。

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A4. Climate Change

Physical Risks

The increasing frequency and severity of extreme weather events such as extreme cold or extreme heat, storms, rainstorms and typhoons, could lead to an increased risk of power shortages, interrupt the operation chain and damage the Group's assets. Taking into account the risk of business interruption related to extreme weather events, the Group will remain alert of significant policy changes, and is committed to reducing its environmental impact to minimize the impact of any potential tightening of environmental regulations on the Group's business operations.

Transition Risks

The Group keeps on monitoring changes in regulatory, technological and market landscape due to climate change, including the tightening of national policies and listing rules. The Group has been taking comprehensive measures to deal with changing situation.

A4. 氣候變化

實體風險

極端天氣事件(如極端寒冷或酷熱、風暴、暴雨及台風)的頻率及嚴重程度增加，可能導致電力短缺、中斷營運鏈及損害本集團資產的風險增加。考慮到與極端天氣事件有關的業務中斷風險，本集團將對重大政策變動保持警覺，並致力減少對環境的影響，以盡量減少任何潛在環境法規收緊對本集團業務營運的影響。

過渡風險

本集團持續監察氣候變化導致的監管、技術及市場格局的變化(包括收緊國家政策及上市規則)。本集團一直採取全面措施應對不斷變化的情況。

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B. SOCIETY

B1. Employment

General disclosure

Employee benefits and equal opportunities policies

Employees are regarded as the Group's largest and most valuable assets and the core of competitive advantage. They provide the Group with the driving force for continuous innovation.

During the year ended 31 December 2020, the Group has fully complied with relevant rules and regulations in the PRC, including the Company Law of the People's Republic of China, the Contract Law of the People's Republic of China, the Labour Contract Law of the People's Republic of China and the Regulations on Labour Inspection and Security, as well as the statutory requirements in Hong Kong, including the Companies Ordinance (Chapter 622 of the Laws of Hong Kong), the Mandatory Provident Fund Schemes Ordinance (Chapter 57 of the Laws of Hong Kong), the Minimum Wages Ordinance, the Personal Data Privacy Ordinance and other relevant rules and regulations.

The Group is committed to maintaining a diverse workforce that includes age, gender, family status, sexual orientation, disability, ethnicity, religion and equal opportunities. When job vacancies are available within the Company, we will give precedence to internal promotion. Only if there are no suitable candidates within the Company shall we arrange for external recruitment. The Group has developed departure procedures and departure interview practice. By talking face-to-face with departing employees, we gain insight into how to improve our corporate governance to reduce employee turnover rate and retain talents suitable for the Company.

B. 社會

B1. 僱傭

一般披露

僱員待遇及平等機會政策

僱員被視為本集團最大及最寶貴的資產和競爭優勢的核心，同時為本集團提供不斷創新的原動力。

於截至2020年12月31日止年度，本集團已全面遵守中國相關規則及法規，包括《中華人民共和國公司法》、《中華人民共和國合同法》、《中華人民共和國勞動合同法》及《勞動保障監察條例》，以及香港的法定規定，包括《公司條例》(香港法例第622章)、《強制性公積金計劃條例》(香港法例第57章)、《最低工資條例》、《個人資料私隱條例》及其他相關規則及法規。

本集團承諾保持員工多元化，包括年齡、性別、家庭狀況、性取向、殘疾、種族、宗教及機會平等。如公司職位出現空缺，我們會優先進行內部晉升，如內部並無發現合適人選我們方會安排外部招聘。本集團已制定離職程序，並設有離職面談制度。透過與準備離職的員工面談，了解改善公司管理方法，降低員工離職率，留住適合公司的人才。

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The Group's staff handbook contains policies in regard to recruitment, promotion, discipline, working hours and leave. The human resources department is responsible for ensuring all employees have fully understood the contents of the handbook. The management regularly reviews the Group's remuneration and benefits policies with reference to the market standards and is committed to safeguarding the rights and interests of the staff and providing reasonable working hours. On the other hand, this helps to attract and retain required talents and to fully incentivize employees, thereby improve employees' performance. The Group adjusts remuneration and benefits on an annual basis in accordance with the employees' individual performance, contribution and market conditions. We provide employees with a variety of paid leaves, including statutory holidays, sick leave, work-related injury leave, annual leave, marriage and funeral leave, maternity leave, compensatory leave for overtime, and personal leave.

During the year ended 31 December 2020, the Group was not aware of any material non-compliance with laws and regulations relating to employment and labour practices.

本集團的員工手冊載有規管招聘、晉升、紀律、工時及休假的政策。人力資源部負責確保全體僱員已充分了解手冊內容。管理層參照市場標準定期檢討本集團的薪酬及福利政策，致力保障員工的權利及權益，提供合理工作時數。另一方面，亦為了吸引和留住所需的優秀人才，充分調動廣大員工的工作積極性，藉此提升員工績效。本集團每年根據僱員的個人表現、貢獻及市場環境就薪酬及福利作出調整。我們為員工提供多種帶薪休假包括：法定節假日休息、病假、工傷假、年假、婚喪假、產假、加班補假、事假等。

於截至2020年12月31日止年度，本集團並不知悉任何重大不符合僱傭及勞工常規相關法律及法規的情況。

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As at 31 December 2020, the analysis of the Group's employees by gender, age groups, and employment type are depicted below:

於2020年12月31日，按性別、年齡組、就業類型和地理區域對本集團僱員的分析如下：

Employee Structure	僱員結構	2020 二零二零年 No. of employee 僱員人數
Total number of employees	僱員總數	152
By gender	按性別	
Female	女性	35
Male	男性	117
By age	按年齡	
30 and below	30歲及以下	42
31-40	31-40	73
41-50	41-50	26
51 and above	51及以上	11
By employment type	按就業類型	
Full time	全職	152
Part time	兼職	0
By employment category	按就業類別	
General	一般員工	126
Middle management	中層管理人員	16
Senior management	高層管理人員	7

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B2. Health and Safety

General disclosure

Occupational health and safety

The Group has always placed emphasis on occupational safety and has set up an occupational health and safety management system to provide a safe working environment for office employees. In addition, the Group's relevant business units have obtained valid Safety Production Permit. We attach great importance to the safety and accident prevention at construction sites, and have set out policies, measures, and procedures in this regard to avoid various potential hazards. We have implemented the following safety policies, measures and procedures at construction sites:

- For each project, we have at least one on-site project safety officer to oversee project safety on a daily basis;
- We meet with third-party installation teams regularly to review safety matters and discuss solutions for safe construction;
- We provide site worker with site safety manuals and organize regular safety talks for site workers to enhance their safety awareness;
- We regularly inspect the safety measures for fire protection, electricity usage, and use of equipment; and
- We have developed emergency plans to provide guidelines for safely and effectively coping with various emergencies.

B2. 健康及安全

一般披露

職業健康及安全

本集團向來重視職業安全，並已設立職業健康及安全管理制度，向辦公室僱員提供安全的工作環境。此外，本集團的相關業務單位已有有效的《安全生產許可證》。我們非常重視施工現場的安全及事故防範，並已就此制定政策、措施及程序，以避免出現各種潛在危險。我們已於施工現場執行下列安全政策、措施及程序：

- 就每個項目而言，我們均有至少一名現場項目安全人員，負責每日監督項目安全；
- 我們定期與第三方安裝團隊會晤，以為安全施工檢討安全事宜及商談解決方案；
- 向工地工人提供工地安全須知手冊，並為工地工人安排定期安全座談會，以提高彼等的安全意識；
- 我們會定期檢查防火、用電及設備使用的安全措施；及
- 我們已建立應急方案，作為安全有效應對各種緊急情況的指引。

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During the year ended 31 December 2020, the Group has complied with relevant rules and regulations in the PRC, including the Law of the People's Republic of China on Work Safety and Law of the People's Republic of China on Occupational Disease Prevention and Control, as well as the legislative requirements in Hong Kong, including the Occupational Safety and Health Ordinance.

During the year ended 31 December 2020, the Group was not aware of any non-compliance with the health and safety laws and regulations.

於截至2020年12月31日止年度，本集團已遵守中國相關規則及法規，包括《中華人民共和國安全生產法》及《中華人民共和國職業病防治法》，以及香港的法例規定，包括《職業安全及健康條例》。

於截至2020年12月31日止年度，本集團並不知悉任何不符合健康及安全法律及法規的情況。

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B3. Development and Training

General disclosure

Staff development and training

Employees are regarded as the Group's largest and most valuable assets and an essential part of maintaining a competitive advantage. The Group provides its staff with training courses for upgrading skills and development as needed. Training types include pre-job training, on-the-job training, continuous training, etc. The Group requires all new recruits to receive pre-job training before performing their duties. Through this training, employees can promptly familiarize themselves with the general situation and corporate culture of the Company, and adapt to the working environment as soon as possible. The training enables employees to understand their job responsibilities and grasp the essentials of the work, thereby helping employees to fit in their roles. The head of the department that receives new recruits will be responsible for organizing department-specific induction training, covering job responsibilities, how to ensure safety and quality, and operations relating to equipment, instrument, and process. Such training is conducted through direct teaching. Those who fail the training will not be hired by the Group. In addition, the Group will continue to provide relevant training in areas such as strengthening employees' sense of responsibility, establishing an independent working attitude and maintaining honesty and credibility, so that employees can adapt to the competitive market atmosphere.

The Group encourages and supports employees to participate in personal and professional training to fulfill the needs of emerging technologies and new equipment. The Group also encourages the culture of sharing of knowledge and experience.

B3. 發展及培訓

一般披露

員工發展及培訓

僱員被視為本集團最大及最寶貴的資產及保持競爭優勢的重要部分。本集團根據需要為員工提供技能提升及發展的培訓課程。培訓種類包括崗前培訓、崗位培訓、持續培訓等。本集團要求所有新入職員工在履行職務前須接受崗前培訓，透過此培訓員工可及早了解公司概況及企業文化使員工盡快適應工作環境包括使員工明確自己的崗位職責並掌握工作要領從而有助於員工投入崗位角色。而接受新入職員工部門的部門領導則會負責組織具部門針對性的上崗培訓，內容包括崗位職責、如何確保安全及質量、設備、儀器、工藝的相關操作。此類培訓以直接教授方式進行，培訓不合格者本集團將不會錄用。此外，本集團亦會持續針對強化員工職責意識、建立獨立自主的工作態度並保持誠實信用等方面提供相關培訓，以便適應競爭激烈的市場氛圍。

本集團鼓勵及支持僱員參與個人及專業培訓，藉以滿足新興技術及新設備的需要。本集團亦鼓勵分享知識和經驗的文化。

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B4. Labour Standards

General disclosure

Prevention of child labour or forced labour

The Group strictly prohibits employing any child labour or forced labour in its operations in Hong Kong and the PRC. The Group has established a well-defined recruitment process which examines the background of candidates and a formal reporting procedure for handling any exception. During the recruitment process, the age of the applicant is verified against the identity documents of the applicant. In addition, the Group conducts regular reviews and inspections to prevent any child labour or forced labour in operation.

In the meantime, the Group also avoids engaging vendors and contractors which are already known to employ child labour or forced labour in their operations. The Group has complied with the Employment of Children Regulations (Chapter 57B of the Laws of Hong Kong) under the Employment Ordinance (Chapter 57 of the Laws of Hong Kong), the Convention on the Abolition of Forced Labour with respect to Employment of Workers, the Labour Law of the People's Republic of China on the Employment of Adolescents under the Age of 16 and their Legal Rights and Interests and Provisions on the Prohibition of Child Labour in the People's Republic of China.

During the year ended 31 December 2020, the Group complied with all the laws and regulations relating to the prevention of child labour or forced labour. The Group was not aware of any material non-compliance with laws and regulations relating to employment and labour practices.

B4. 勞工準則

一般披露

防止童工或強制勞工

本集團嚴格禁止其香港及中國業務僱用任何童工或強制勞工。本集團已建立需檢查候選人背景的完善招聘流程及處理任何例外情況的正式報告程序。在招聘過程中，以應徵者之身份證明文件核實其年齡。另外，本集團亦定期進行審查及檢查，以防止經營中存在任何童工或強制勞工。

與此同時，本集團亦避免委聘該等已知悉在其經營中僱用童工或強制勞工的供貨商和承包商。本集團已遵守《僱傭條例》(香港法例第57章)項下《僱用兒童規例》(香港法例第57B章)、有關僱用勞工的《廢止強迫勞動公約》、有關僱用16歲以下青少年及其合法權益的《中華人民共和國勞動法》以及《中華人民共和國禁止使用童工規定》。

於截至2020年12月31日止年度，本集團已遵守所有與防止童工或強制勞工相關的法律法規。本集團並不知悉任何重大不符合僱傭及勞工常規相關法律及法規的情況。

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B5. Supply Chain Management

General disclosure

Environmental and social risk management of supply chain

The Group has established and implemented the Supplier Management Policy. In order to strengthen the selection of suppliers, the Group welcomes qualified, competent and high-quality suppliers to join. The Group's procurement department has specially formulated this policy in order to standardise the supplier management and improve the operational standard. When selecting new suppliers, the Group will first conduct a series of reviews, including preliminary engagement, on-site inspection, and survey of the supplier's market reputation by responsible persons of the supply department. For suppliers who have successfully passed the above reviews, the supply department will submit the supplier's related information to the management for approval and include the supplier in the Qualified Supplier List.

The Group's procurement department is also responsible for organising the supplier evaluation work in two ways which include the ongoing project evaluation and the annual assessment. The Group will conduct goods quality satisfaction surveys every six months on suppliers included in the Qualified Supplier List. The responsible persons and management personnel of the production department, warehouse, quality inspection department, and supply department will provide their opinions in the Qualified Supplier Satisfaction Survey Form. The evaluation results will serve as the basis of supplier management. Rectification opinions will be issued for suppliers with low satisfaction scores. Suppliers need to react quickly to the assessment result, taking effective measures within prescribed period to improve the services provided. The Group has the rights to terminate the cooperation with service providers who violate the rules or do not meet the targets.

B5. 供應鏈管理

一般披露

供應鏈環境及社會風險管理

本集團已制定及實施供貨商管理制度。為了擴大對供貨商的優選範疇，本集團歡迎有資質、有實力、高素質的供貨商加入。本集團採購部為規範供貨商管理，提高經營水平，特制定此制度。本集團在選擇新供貨商時會先由供應部經辦人進行前期接洽、實地考察及對供貨商的市場口碑進行調查等一系列審查。若供貨商成功通過上述審查，供應部會將供貨商相關信息上報管理層以作審批並登錄入《合格供貨商名冊》。

本集團採購部亦負責組織供貨商評估工作，分兩種方式進行，即持續項目評估及年度評估。本集團會對記錄於《合格供貨商名冊》內的供貨商進行每六個月一次的貨物質量滿意度調查，並由生產部、倉庫、質檢部、供應部等負責人及管理人員於《合格供貨商滿意調查表》內填寫意見，評估結果將作為供貨商的管理依據，對於滿意度不足的供貨商將提出整改意見。供貨商需對評估結果作出快速的反應，並在規定時間內採取有效措施改進所提供的服務。本集團有權與違規或服務不達目標供貨商終止合作。

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In the selection of new suppliers, the Group has compared at least three different companies, valuing their operational and compliance records as well as their loyalty culture over cost consideration. Prior to conducting business with suppliers, we carry out annual reviews and evaluations in various aspects including occupational health and safety, employee rights protection, environmental protection and corporate social responsibility. This ensures that our operations comply with national standards or relevant regulations and that we have no child or forced labour issues. The assessment results will be used as a benchmark for the continuation or termination of cooperation in the future.

The Group maintains close liaison with its suppliers and monitor their performance to ensure that it is consistent with their service commitment.

Green Sourcing

The Group integrates sustainability into supply chain by procuring products that cause minimal impacts on the environment, including eco-friendly stationery, reusable items and energy efficient appliances with energy labels.

挑選新供貨商時，本集團最少比較三間不同的公司，並重視供貨商的營運及法律合規記錄及忠誠文化，更甚於成本考慮。與供貨商開展業務前，我們會對多方面進行年度審查及評估，包括職業健康及安全、僱員權利保障、環保及企業社會責任，以確保本集團的經營符合國家標準或相關法規，以及並無童工或強制勞工問題。評估結果將用作日後延續或終止合作的基準。

本集團會與供貨商保持緊密聯繫，監督其表現，以確保與其服務承諾一致。

綠色採購

本集團將可持續發展融入供應鏈，採購對環境影響最小的產品，包括環保文具、可重複使用物品及附有能源標籤的節能電器。

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B6. Product Responsibility

General disclosure

As an integrated steel structure and prefabricated construction solution service provider, our customers are typically property owners, subcontractors or main contractors of construction projects. We do not offer products or services to individual consumers. Therefore, the Group is of the view that advertising and labelling matters have no significant impact on the Group.

Quality and safety of products and services

The Group pays high attention to the quality and safety of its products and services. We have established strict quality management system pursuant to ISO 9001:2015 standards for activities involved in the construction of steel structure projects. We have also issued a series of internal guidelines as our primary standards for quality control, such as operation guidelines, fire control management and hygiene management. Our quality control measures are implemented at every important step throughout our production and installation process, from procurement of raw materials, fabrication and assembly of parts and materials, to inspection of finished works at work sites. To ensure quality, we strictly adhere to the drawings and technical specifications during the fabrication and assembly of parts and materials.

The Group has established relevant quality and safety inspection policies for different projects, communicates with our customers and confirms their project expectation and direction prior launching any project, and actively coordinates projects with customers in the process of providing services.

B6. 產品責任

一般披露

作為一家綜合性鋼結構及預制構件建築解決方案服務供貨商，我們的客戶一般為建築項目的業主、主要承包商或分包商。我們並沒有提供產品或服務予個體消費者。因此，本集團認為廣告及標籤事宜對本集團沒有重大影響。

產品及服務的質素與安全

本集團重視產品及服務的質素與安全。我們有關鋼結構工程的施工所涉及的相關活動已根據ISO 9001：2015標準建立嚴苛的質量管理體系。我們亦頒佈一系列內部指引作為質量控制的主要標準，如操作指引、消防管控及衛生管理。我們於整個生產及安裝過程的各重要階段實施質量控制措施，包括採購原材料、制作及裝配部件及材料以及於施工現場檢測已完工工程。為保證質量，我們於制作及裝配部件及材料時嚴格遵照相關圖紙及技術規範。

本集團已為不同項目制定相關質素及安全檢測制度，在任何項目進行之前先與客戶溝通及確認項目預期及工作方向，並在提供服務的過程中積極與客戶協調項目的進行。

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Quality inspection

Regarding product inspections, personnel from the quality inspection department of the Group shall conduct inspections strictly in accordance with the cutting and product drawings as well as production processes, and supervise the production personnel to strictly implement the production processes for components. Where unqualified products are found, they shall promptly implement rectification measures and notify the supervisor for proper handling and follow-up. The inspection records must be clearly filled out and properly kept to track all products that need to be inspected to prevent such problems as omitted inspections and wrong inspections.

After-sales service

According to the Measures for the Quality Warranty of House Construction Project (the "Measures") promulgated by the Ministry of Housing and Urban-Rural Development of the People's Republic of China in 2000, we are responsible for the repair of the quality defects that occur within the warranty period after completion of the projects. As defined in the Measures, quality defects refer to the quality of the construction projects that does not conform to the mandatory standards of engineering construction as well as the stipulations of relevant construction contracts. Quality defects caused by improper use, a third party or force majeure do not fall within the warranty scope. The warranty periods vary with different parts of construction. Within the warranty period, we are required to correct the quality defects of our works performed, including correcting, reconfiguring or re-performing the work or repair, replacing or modifying the structures or materials provided by us at our own costs to ensure the work is in strict compliance with the terms and conditions of the contract and is free from defects.

質量檢驗

關於產品檢驗方面，本集團質量檢驗部人員須嚴格按照下料及產品圖紙、製作工藝等進行檢驗並監督生產製作人員嚴格執行構件生產製作工藝。如發現有不合格產品應及時執行整改措施並通報主管以便作出適切處理及跟進。檢驗記錄需清楚填寫及妥善保存，以便對各類須要檢驗的產品進行追蹤從而防止漏檢、錯誤檢驗等問題發生。

售後服務

按照中華人民共和國住房和城鄉建設部於2000年頒佈的《房屋建築工程質量保修辦法》（「辦法」），於項目完工後，我們負責對保修期內產生的質量缺陷進行維修。如辦法所界定，質量缺陷指建設項目的質量不符合工程建設的強制性標準及相關施工合同規定。使用不當、第三方或不可抗力造成的質量缺陷不在保修範圍內。不同建築構件的保修期各不相同。於保修期內，我們須自費修繕施工質量缺陷，包括修正、重構或重新施工或維修、更換或改造我們所提供的結構或材料，以確保工程嚴格遵守合同條款及條件及不存在缺陷。

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Customer privacy and intellectual property management

The Group's day-to-day operations involve the use of the intellectual property owned by customers, suppliers or the Group itself. Therefore, the protection of intellectual property rights is an extremely important task for the Group. When the Group engages with its customers or suppliers, it will include the protection of intellectual property in the contractual terms. The Group's legal department will also review all the contracts in operation and ensure that the contractual terms protect both parties' intellectual property rights. The Group also requires technical professionals to sign strict confidentiality agreements. Confidential information of our customers is only accessible to employees who are responsible for the corresponding project.

During the year ended 31 December 2020, the Group complied with relevant laws and regulations governing the confidentiality of data and intellectual property, including but not limited to Hong Kong Intellectual Property Law, Patent Law of the People's Republic of China, Trademark Law of the People's Republic of China and Copyright Law of the People's Republic of China.

During the year ended 31 December 2020, the Group was not aware of any non-compliance with relevant laws and regulations relating to product responsibility.

客戶私隱及知識產權管理

本集團的日常營運牽涉到使用客戶、供貨商或本集團自身擁有的知識產權。因此，保護知識產權為本集團極其重要的任務。本集團與客戶或供貨商訂立合約時均會在合約條款中加入保護知識產權的條款。本集團法律部門亦會審核所有營運的合約，確保合約條款保障了雙方的知識產權。本集團亦要求技術專才簽訂嚴格的保密協議。客戶的機密數據僅可由負責相應項目的僱員存取。

於截至2020年12月31日止年度，本集團已遵守規管數據保密和知識產權的相關法律法規，包括但不限於《香港知識產權法》、《中華人民共和國專利法》、《中華人民共和國商標法》及《中華人民共和國著作權法》。

於截至2020年12月31日止年度，本集團並不知悉任何不符合有關產品責任的相關法律法規的情況。

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B7. Anti-Corruption

General disclosure

Prevention of corruption and fraud

Preventive measures, enforcement and monitoring

The Group has implemented the Prevention of Commercial Bribery Management Policy and strengthened its internal control mechanism, anti-corruption and anti-bribery work to achieve the business philosophy of “abiding by the law, integrity and quality service”. For projects with higher monetary value, the Group makes an open bidding invitation to at least three suppliers. Different level of approval and authorisation is required according to the size of the tender agreement.

Reporting mechanism

The mechanism includes setting up an inspection team and establishing a channel for evaluation and reporting. It is strictly forbidden to use the business opportunities or powers to obtain personal interests or benefits. If there is a conflict of interest, it must be reported to the management of the Group in a timely manner. The Group also encourages employees and all persons with whom the Group does business, including customers and suppliers, to voluntarily report suspected wrongdoing within the Group.

The Group has complied with major relevant laws and regulations including Hong Kong’s “Prevention of Bribery Ordinance” and the Mainland’s “Corruption Ordinance of the People’s Republic of China”.

During the year ended 31 December 2020, the Group was not aware of any non-compliance with relevant laws and regulations relating to anti-corruption.

B7. 防止貪污

一般披露

防止貪污及舞弊

防範措施、執行及監察

本集團已實施預防商業賄賂管理制度，加強企業內控機制、防止貪污和反賄賂工作，做到「守法誠信、優質服務」的經營理念。就所涉金額較大的項目，本集團會作公開招標，邀請最少三家供貨商投標。根據投標協議規模，須取得不同級別的審批及授權。

舉報機制

該機制包括成立稽查小組和設立評價舉報通道，嚴禁利用商機或職權謀取個人利益或好處。如有利益沖突，需要及時向本集團管理層申報。本集團亦鼓勵僱員及所有與本集團有業務往來的人士（包括客戶及供貨商）主動舉報本集團內的疑屬不當行為。

本集團已遵守主要的相關法律法規，包括香港的《防止賄賂條例》及內地的《中華人民共和國懲治貪污條例》。

於截至2020年12月31日止年度，本集團並不知悉任何不符合有關防止貪污的相關法律法規的情況。

Environmental, Social and Governance Report

環境、社會及管治報告

B8. Community Investment

General disclosure

Contributions to society

As a responsible company, the Group actively strives to become a positive force in the community and maintains close communication and interaction with the community to contribute to community development.

The Group enhances the quality of life of community through arts, culture and entertainment using on demand systems and activities. Following the development of culture, the community can gain a deeper understanding of history and culture and cultivate higher appreciation of the present and future cultural activities and derive a greater level of enjoyment therefrom.

The Group will also actively encourage employees to contribute their time and skills to community volunteer works to benefit local communities while taking the opportunities to learn more about social and environmental issues and enhance the corporate value of the Group.

As a moral and responsible enterprise, the Group will consider from time to time to make donations to charities when the Group records after-tax profits and has sufficient funds.

B8. 小區投資

一般披露

社會公益

作為一家盡責的企業，本集團積極努力成為小區的正面力量，並與小區維持密切溝通和互動，為小區發展作出貢獻。

本集團通過藝術文化、娛樂點播系統和活動提高小區市民的生活質素。隨著文化的發展，讓小區不論現在或將來，都可對歷史和文化有更深入的認識和更高的欣賞能力，從中得到更大的樂趣。

本集團亦將積極鼓勵僱員為小區義工工作無償付出時間和技能，以惠及本地小區，藉此給予僱員機會了解更多社會及環境問題，及增強本集團企業價值。

作為一家有道德及責任感的企業，本集團將會不時考慮於本集團錄得除稅後溢利及擁有充裕資金時向慈善團體捐款。

Report of the Directors

董事會報告

The Directors are pleased to present their report and audited consolidated financial statements of the Group for the year ended 31 December 2020.

PRINCIPAL ACTIVITIES

The Group is an integrated steel structure and prefabricated construction solution service provider. Our integrated construction solution services are customised to meet the technical specifications and requirements of different projects, and span from fabrication and assembly of steel structure parts and prefabricated construction materials at our workshops to the installation of these materials onsite, based on the secondary design (as to our steel structure projects) provided by us or our customers.

The Group's turnover is mainly derived from business activities in the PRC. An analysis of the Group's income for the year is set out in note 6 to the consolidated financial statements.

Particulars of the Company's major subsidiaries as at 31 December 2020 are set out in note 47 to the consolidated financial statements.

RESULTS AND DIVIDENDS

The results of the Group for the year ended 31 December 2020 are set out in the consolidated statement of profit or loss and other comprehensive income of this annual report.

The Board does not recommend the payment of a final dividend for the year ended 31 December 2020 (2019: Nil).

董事欣然呈列本集團截至2020年12月31日止年度之報告連同經審核綜合財務報表。

主要業務

本集團是一家綜合性鋼結構及預製構件建築解決方案服務供應商。我們的綜合建築解決方案服務乃專為客戶定製，以符合不同項目的技術規範及要求，服務涵蓋廣闊，由根據我們或客戶提供的二次設計（就鋼結構項目而言）於我們的車間製作裝配鋼結構部件及預製構件建築材料，以至現場安裝該等材料，均在工作範圍之內。

本集團的營業額主要源自於中國的業務活動。本集團本年度收入分析載於綜合財務報表附註6。

本公司主要附屬公司於2020年12月31日的詳情載於綜合財務報表附註47。

業績及股息

本集團截至2020年12月31日止年度的業績載於本年報綜合損益及其他全面收益表。

董事會不建議派付截至2020年12月31日止年度的末期股息（2019年：無）。

Report of the Directors

董事會報告

BUSINESS REVIEW

A review of the business of the Group for the year ended 31 December 2020, including a discussion of the principal risks and uncertainties facing the Group and an indication of likely future developments in the Group's business, are provided in the Management Discussion and Analysis set out on pages 9 to 19 of this annual report and the Group's environmental policies and performance for the year ended 31 December 2020 are provided in the Environmental, Social and Governance Report set out on pages 55 to 82 of this annual report.

AN ANALYSIS USING FINANCIAL KEY PERFORMANCE INDICATORS

An analysis of the Group's performance during the year ended 31 December 2020 using financial performance indicators is provided in the Management Discussion and Analysis set out on pages 9 to 19 of this annual report.

COMPLIANCE WITH RELEVANT LAWS AND REGULATIONS

During the year under review, as far as the Company is aware, and save as elsewhere disclosed in this annual report, there was no material breach of or non-compliance with applicable laws and regulations by the Group that has a significant impact on the business and operations of the Group.

FIVE-YEAR FINANCIAL SUMMARY

The results, assets and liabilities of the Group for the last five financial years, as extracted from the audited consolidated financial statements, are summarised on page 236 of this annual report.

PROPERTY, PLANT AND EQUIPMENT

Details of properties of the Group as at 31 December 2020 are set out in note 17 to the consolidated financial statements.

業務回顧

本集團截至2020年12月31日止年度之業務回顧(包括本集團面臨之主要風險及不確定性以及本集團業務之可能未來發展之跡象討論)載於本年報第9至19頁所載的管理層討論及分析，而本集團截至2020年12月31日止年度之環境政策及表現則載於本年報第55至82頁所載的環境、社會及管治報告。

運用財務主要表現指標進行的分析

本集團截至2020年12月31日止年度運用財務表現指標進行的表現分析載於本年報第9至19頁的管理層討論及分析。

符合相關法律法規

據本公司所知及除本年報其他部分所披露者外，本集團於回顧年度概無違反或未遵守適用法律法規，以致對本集團之業務及營運構成重大影響。

五年財務概要

本集團於最近五個財政年度的業績、資產及負債乃摘錄自經審核綜合財務報表，概述於本年報第236頁。

物業、廠房及設備

本集團於2020年12月31日之物業詳情載於綜合財務報表附註17。

Report of the Directors

董事會報告

SHARE CAPITAL

Details of movements in the share capital of the Company during the year are set out in note 39 to the consolidated financial statements.

Medium Term Bond Programme

The Company has established a medium-term bond programme (the "Programme") under which the aggregate principal amount of bonds issued by the Company and outstanding at any one time shall have provided the Company with aggregate net proceeds not exceeding HK\$516 million.

Details of the corporate bonds issued during the year ended 31 December 2020 are set out in note 35 in the consolidated financial statements of the Group.

SPECIFIC PERFORMANCE BY THE CONTROLLING SHAREHOLDER

Subordination of subrogation rights to the bonds issued under the Programme

In connection with the Programme, the events of default under the instrument for the bonds issued thereunder, among others, include failure by Mr. Jiang Jianqiang, being the controlling shareholder of the Company or any of his associates (including but not limited to companies directly or indirectly owned or controlled by him) to subordinate to the bonds issued under the Programme any subrogation rights they may have against the Company or its subsidiaries in respect of any debts of the Company or its subsidiaries they have paid. As such, the bonds issued under the Programme impose, among others, a specific performance obligation on Mr. Jiang Jianqiang as the controlling shareholder of the Company, a breach of such obligation will cause a default thereunder.

Further details on the Programme and the bonds issued thereunder were disclosed in the Company's announcements dated 14 November 2018, 23 November 2018, 30 November 2018 and 12 April 2019.

股本

有關本公司於年內股本變動詳情載於綜合財務報表附註39。

中期債券計劃

本公司已設立一項中期債券計劃(「該計劃」)，據此，於任何時間，本公司發行及尚未償還債券之本金總額將為本公司提供合共不超過516,000,000港元之所得款項淨額。

截至2020年12月31日止年度發行的企業債券詳情載於本集團綜合財務報表附註35。

控股股東須履行的特定責任

根據該計劃發行債券的代位權後償

就該計劃而言，據此發行的債券文據項下的違約事項包括(其中包括)本公司控股股東蔣建強先生或其任何聯繫人(包括但不限於由其直接或間接擁有或控制之公司)未有使其就其已支付之本公司或其附屬公司之任何債務而可能對本公司或其附屬公司擁有之任何代位權的償還次序排於根據該計劃發行之債券之後。因此，該計劃項下發行之債券對本公司控股股東蔣建強先生施加(其中包括)特定履約責任且違反有關責任將構成違約。

有關該計劃及其項下發行之債券的進一步詳情披露於本公司日期為2018年11月14日、2018年11月23日、2018年11月30日及2019年4月12日的公告。

Report of the Directors

董事會報告

EQUITY-LINKED AGREEMENTS

Save for the Share Option Scheme as disclosed below in this report, no equity-linked agreement was entered into by the Company during the financial year or subsisted at the end of the financial year.

PUBLIC FLOAT

Based on the information that is publicly available to the Company and within the knowledge of the Directors as at the latest practicable date prior to the issue of this annual report, there was sufficient public float of the Company's securities as required under the Listing Rules.

PURCHASE, REDEMPTION OR SALE OF LISTED SECURITIES

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

RESERVES

Details of movements in the reserves of the Group during the year are set out in the consolidated statement of changes in equity of this annual report. Details of distributable reserves of the Company are set out in note 46 to the consolidated financial statements.

股票掛鈎協議

除本報告以下披露之購股權計劃外，本公司於財政年度內或於財政年度末概無訂立或存續股票掛鈎協議。

公眾持股量

根據本公司所獲公開資料及據董事所知，於刊發本年報前之最後可行日期，本公司證券的公眾持股量充足，符合上市規則的規定。

購買、贖回或出售上市證券

於截至2020年12月31日止年度，本公司或其任何附屬公司概無購買、贖回或出售本公司的任何上市證券。

儲備

本集團本年度儲備變動詳情載於本年報的綜合權益變動表。本公司可供分派儲備的詳情載於綜合財務報表附註46。

Report of the Directors

董事會報告

MAJOR CUSTOMERS AND SUPPLIERS

The percentages of sales and purchases for the year attributable to the Group's major customers and suppliers are as follows:

主要客戶及供應商

本集團主要客戶及供應商應佔本年度銷售額及採購額的比例如下：

		Percentage of the total purchases/sales accounted for
		佔總採購額／銷售額的比例
Purchases	採購	
— the largest supplier	— 最大供應商	18%
— five largest suppliers combined	— 五大供應商合計	54%
Sales	銷售額	
— the largest customer	— 最大客戶	16%
— five largest customers combined	— 五大客戶合計	55%

None of the Directors, their close associates or any shareholder of the Company (which to the knowledge of the Directors owns more than 5% of the Company's issued share capital) had an interest in the five largest suppliers or customers of the Group noted above.

本公司董事、其緊密聯繫人或任何股東(據董事所知，擁有本公司已發行股本5%以上)概無於本集團上述五大供應商或客戶中擁有權益。

At no time during the year, none of the Directors, their close associates or shareholders (which to the knowledge of the Directors owns more than 5% of the Company's issued share capital) had any interest in the largest customers or suppliers disclosed above.

於年內任何時間，董事、其緊密聯繫人或股東(據董事所知，擁有本公司已發行股本5%以上)概無於上文披露的最大客戶或供應商中擁有任何權益。

Report of the Directors

董事會報告

DIRECTORS

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

Executive Directors

Mr. Li Xulin (*Chairman*) (*appointed on 18 November 2021*)

Mr. Shan Hu (*Chief Executive Officer*)
(*appointed on 18 November 2021*)

Mr. Zhang Tianbo (*appointed on 14 December 2021*)

Mr. Xu Fanghua

Mr. Liu Zhibo

Mr. Hua Gang

Mr. Jiang Jianqiang (*Chairman*)
(*resigned on 29 October 2021*)

Mr. Shao Xiaoqiang (*Chief Executive Officer*)
(*resigned on 17 November 2021*)

Independent Non-executive Directors

Mr. Xu Jiaming

Mr. Yan Hualin

Mr. Choi Ho Yan (*appointed on 29 June 2020*)

Mr. Siu Siu Ling, Robert (*appointed on 29 June 2020*)

Mr. Wu Zhongxian (*resigned on 21 March 2022*)

董事

於本年度及截至本報告日期在職董事為：

執行董事

李緒林先生(主席)(於2021年11月18日獲委任)

單虎先生(行政總裁)

(於2021年11月18日獲委任)

張天博先生(於2021年12月14日獲委任)

徐芳華先生

劉志伯先生

華剛先生

蔣建強先生(主席)

(於2021年10月29日辭任)

邵小強先生(行政總裁)

(於2021年11月17日辭任)

獨立非執行董事

徐家明先生

嚴華麟先生

蔡浩仁先生(於2020年6月29日獲委任)

蕭兆齡先生(於2020年6月29日獲委任)

吳忠賢先生(於2022年3月21日辭任)

Report of the Directors

董事會報告

INDEPENDENT NON-EXECUTIVE DIRECTORS' CONFIRMATION

The Company has received written annual confirmation from each of the independent non-executive Directors in respect of his independence in accordance with the independence guidelines set out in Rule 3.13 of the Listing Rules. As at the date of this report, the Company is of the view that all independent non-executive Directors are independent.

DIRECTORS' SERVICE CONTRACTS

As at 31 December 2020, none of the Directors proposed for re-election at the forthcoming annual general meeting has a service contract with the Company which is not determinable by the Company within one year without payment of compensation, other than statutory compensation.

DIRECTORS' INTERESTS IN TRANSACTIONS, ARRANGEMENTS AND CONTRACTS OF SIGNIFICANCE

Apart from the particulars disclosed in note 45 under the heading "Related Party Disclosures" to the consolidated financial statements, there were no other transactions, arrangements or contracts of significance in relation to the Company's business, to which the ultimate holding company of the Company, any of the Company's subsidiaries or any subsidiaries of such ultimate holding company was a party and in which a Director or any entity connected with a Director (as defined in the Companies Ordinance of Hong Kong) had, whether directly or indirectly, a material interest subsisted at the end of the year or at any time during the year.

獨立非執行董事確認

本公司按照上市規則第3.13條的獨立性指引，已接獲各獨立非執行董事有關其獨立性的年度書面確認。於本報告日期，本公司認為所有獨立非執行董事均為獨立。

董事服務合同

於2020年12月31日，擬於應屆股東週年大會膺選連任之董事概無與本公司訂立任何可由本公司於一年內毋須作出賠償(法定賠償除外)而終止之服務合同。

董事於交易、安排及重大合同的權益

除綜合財務報表附註45「關連人士披露資料」所述之詳情外，於年末或於年內任何時間，概無本公司最終控股公司、本公司任何附屬公司或有關最終控股公司的任何附屬公司訂立任何有關本公司業務之屬重大之其他交易、安排或合同，亦無董事或任何與董事有關之實體(定義見香港公司條例)直接或間接擁有重大權益之屬重大之其他交易、安排或合同。

Report of the Directors

董事會報告

CONTROLLING SHAREHOLDER'S INTERESTS IN CONTRACTS OF SIGNIFICANCE

No contract of significance had been entered into between the Company or any of its subsidiaries and the controlling shareholder (as defined in the Listing Rules) of the Company or any of its subsidiaries.

No contract of significance for the provision of services to the Company or any of its subsidiaries by the controlling shareholder of the Company or any of its subsidiaries was entered into.

BANK LOANS, OVERDRAFTS AND OTHER BORROWINGS

Particulars of bank loans and other borrowings of the Group as at 31 December 2020 are set out in note 36 to the consolidated financial statements.

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

As at 31 December 2020, the interests or short positions of the Directors or chief executive of the Company in the shares, underlying shares and debentures of the Company or any associated corporation (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO")), as recorded in the register of the Company required to be kept under section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Companies ("Model Code"), are set out below:

控股股東於重大合同的權益

本公司或其任何附屬公司並無與本公司或任何其附屬公司之控股股東(定義見上市規則)訂立重大合同。

本公司或其任何附屬公司之控股股東概無訂立向本公司或其任何附屬公司提供服務之重大合同。

銀行貸款、透支及其他借款

本集團於2020年12月31日之銀行貸款及其他借款詳情載於綜合財務報表附註36。

董事及主要行政人員於股份、相關股份及債券之權益及淡倉

於2020年12月31日，董事或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(「證券及期貨條例」)第XV部)之股份、相關股份及債券中擁有根據證券及期貨條例第352條規定本公司須予存置之股東名冊內記錄，或根據上市公司董事進行證券交易的標準守則(「標準守則」)規定須通知本公司及聯交所之權益或淡倉如下：

Report of the Directors

董事會報告

Long position in the shares of the Company

於本公司股份之好倉

Name of Director	Nature of interest	Number of shares held	Approximate percentage of shareholding as at 31 December 2020 ⁴ 於2020年12月31日的概約股權百分比 ⁴	Note(s)
董事姓名	權益性質	所持股份數目	百分比 ⁴	附註
Mr. Jiang Jianqiang 蔣建強先生	Beneficial owner 實益擁有人	42,202,000 (L)	1.40	
	Interest of controlled Corporations 受控制法團權益	1,020,000,000 (L)	33.77	2 & 3
Mr. Hua Gang 華剛先生	Beneficial owner 實益擁有人	2,580,000 (L)	0.09	

Notes:

- The letter "L" denotes the person's long position in such shares.
- These shares are held by Keen Luck Group Limited ("Keen Luck"), which is wholly owned by Champ Origin Limited ("Champ Origin").
- Champ Origin is owned as to 51% by Mr. Jiang Jianqiang and 49% by Mr. Jiang Yixuan.
- As at 31 December 2020, the total issued capital of the Company is 3,020,747,935 shares.

Save as disclosed above, as at 31 December 2020, none of the Directors and chief executive of the Company had any interests or short positions in the shares, underlying shares and debentures of the Company or any associated corporation (within the meaning of Part XV of the SFO), as recorded in the register of the Company required to be kept under section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

附註：

- 字母「L」表示該人士於有關股份之好倉。
- 該等股份由建瑞集團有限公司(「建瑞」)持有，而建瑞由冠源有限公司(「冠源」)擁有全部權益。
- 冠源由蔣建強先生及蔣毅軒先生分別擁有51%及49%權益。
- 於2020年12月31日，本公司的已發行股本總額為3,020,747,935股股份。

除上文所披露者外，於2020年12月31日，董事及本公司主要行政人員概無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、相關股份及債券中擁有根據證券及期貨條例第352條規定本公司須予存置之股東名冊內記錄，或根據標準守則規定須通知本公司及聯交所之權益或淡倉。

Report of the Directors

董事會報告

SUBSTANTIAL SHAREHOLDERS' AND OTHER PERSONS' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES

主要股東及其他人士於股份及相關股份之權益及淡倉

As at 31 December 2020, so far as was known to the Directors, the following persons, other than the Directors and chief executive of the Company, had an interest or short position in the shares and underlying shares of the Company, which were required to be recorded in the register maintained by the Company pursuant to Section 336 of the SFO were as follows:

於2020年12月31日，據董事所知，除董事及本公司主要行政人員外，下列人士擁有根據證券及期貨條例第336條須記入本公司所存置股東名冊之本公司股份及相關股份之權益或淡倉：

Name of shareholder	Nature of interest	Number of shares held ¹	Approximate percentage of shareholding at 31 December 2020 ¹²	Note(s)
股東名稱／姓名	權益性質	所持股份數目 ¹	於2020年12月31日的概約股權百分比 ¹²	附註
Keen Luck Group Limited ("Keen Luck") 建瑞集團有限公司(「建瑞」)	Beneficial owner 實益擁有人	1,020,000,000 (L)	33.77	
Champ Origin Limited ("Champ Origin") 冠源有限公司(「冠源」)	Interest of a controlled Corporation 受控制法團權益	1,020,000,000 (L)	33.77	2
Ms. Zhou Xiaoying 周小英女士	Interest of spouse 配偶權益	1,062,202,000 (L)	35.16	4
Mr. Jiang Yixuan 蔣毅軒先生	Interest of a controlled corporation 受控制法團權益	1,020,000,000 (L)	33.77	2 & 3
	Beneficial owner 實益擁有人	42,202,000 (L)	1.4	
China Huarong International Holdings Limited ("China Huarong") 中國華融國際控股有限公司 (「中國華融」)	Person having a security interest in shares 於股份擁有抵押權益的人士	1,020,000,000 (L)	33.77	7

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Name of shareholder	Nature of interest	Number of shares held ¹	Approximate percentage of shareholding at 31 December 2020 ¹² 於2020年12月31日的概約股權百分比 ¹²	Note(s)
股東名稱／姓名	權益性質	所持股份數目 ¹	百分比 ¹²	附註
Five Seasons XIV Limited ("Five Seasons XIV") Five Seasons XIV Limited (「Five Seasons XIV」)	Beneficial owner 實益擁有人	190,120,000 (L)	6.29	5 & 6
Five Seasons XVII Limited ("Five Seasons XVII") Five Seasons XVII Limited (「Five Seasons XVII」)	Interest of a controlled corporation 受控制法團權益	190,120,000 (L)	6.29	5 & 6
Fullshare Holdings Limited ("Fullshare") 豐盛控股有限公司 (「豐盛」)	Interest of a controlled corporation 受控制法團權益	190,120,000 (L)	6.29	5 & 6
Mr. Ji Changqun 季昌群先生	Interest of a controlled corporation 受控制法團權益	190,120,000 (L)	6.29	5 & 6
Magnolia Wealth International Limited ("Magnolia") Magnolia Wealth International Limited (「Magnolia」)	Interest of a controlled corporation 受控制法團權益	190,120,000 (L)	6.29	5 & 6
Mr. Li Xiaofei 李曉飛先生	Interest of controlled corporation 受控制法團權益	260,000,000 (L)	8.61	8
Jiangsu Kaimeng Investments Co.,Ltd* ("Jiangsu Kaimeng") 江蘇凱盟投資有限公司 (「江蘇凱盟」)	Beneficial owner 實益擁有人	260,000,000 (L)	8.61	8
Ms. Quan Zhu 全竹女士	Interest of controlled corporation 受控制法團權益	260,000,000 (L)	8.61	8

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Name of shareholder	Nature of interest	Number of shares held ¹	Approximate percentage of shareholding at 31 December 2020 ¹² 於2020年12月31日的概約股權百分比 ¹²	Note(s)
股東名稱／姓名	權益性質	所持股份數目 ¹	百分比 ¹²	附註
Mr. Zhu Hong 朱洪先生	Interest of controlled corporation 受控制法團權益	230,000,000 (L)	7.61	9
Jiangsu Huami Business Management Co., Ltd.* ("Jiangsu Huami") 江蘇華米企業管理有限公司 (「江蘇華米」)	Beneficial owner 實益擁有人	230,000,000 (L)	7.61	9
Shenyang Wanjin Shiye Co., Ltd.* ("Shenyang Wanjin") 沈陽萬錦實業有限公司 (「沈陽萬錦」)	Interest of controlled corporation 受控制法團權益	230,000,000 (L)	7.61	9
Shenyang Huami Shiye Co., Ltd. ("Shenyang Huami") 沈陽華米實業有限公司 (「沈陽華米」)	Interest of controlled corporation 受控制法團權益	230,000,000 (L)	7.61	9
Mr. Li Xiang 李翔先生	Interest of controlled corporation 受控制法團權益	200,000,000 (L)	6.62	10
Wenjia International Limited ("Wenjia") 文甲國際有限公司 (「文甲」)	Beneficial owner 實益擁有人	200,000,000 (L)	6.62	10

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Notes:

1. The letter "L" denotes a person's "long position" (as defined under Part XV of the SFO) in such shares.
2. These shares are held by Keen Luck, which is wholly owned by Champ Origin.
3. Champ Origin is owned as to 51% by Mr. Jiang Jianqiang and 49% by Mr. Jiang Yixuan.
4. Ms. Zhou Xiaoying is the spouse of Mr. Jiang Jianqiang.
5. Five Seasons XVII, Fullshare, Mr. Ji Changqun and Magnolia are deemed to be interested in the 190,120,000 shares of the Company, as Mr. Ji Changqun holds the entire equity interest in Magnolia, which in turn holds 44.73% equity interest in Fullshare.
6. Fullshare holds the entire issued share capital of Five Seasons XVII, and Five Seasons XVII holds the entire issued share capital of Five Seasons XIV, the beneficial owner of the Company.
7. 1,020,000,000 shares are legally and beneficially owned by Keen Luck. Keen Luck is 100% owned by Champ Origin. Champ Origin is owned as to 51% by Mr. Jiang Jianqiang and 49% by Mr. Jiang Yixuan. On 26 January 2017, Keen Luck executed the relevant documentation to create a charge ("Share Charge") over 1,020,000,000 Shares in favour of China Huarong as chargee to provide loan to Keen Luck. China Huarong was owned by Huarong Real Estate Co., Ltd as to 88.10%. Accordingly, China Huarong is deemed to be interested in 1,020,000,000 shares of the Company.
8. Jiangsu Kaimeng is owned as to 60% by Mr. Li Xiaofei and 40% by Ms. Quan Zhu.
9. These shares are held by Jiangsu Huami. Mr. Zhu Hong, Shenyang Huami and Shenyang Wanjin are deemed to be interested in the 230,000,000 shares of the Company, as Mr. Zhu Hong holds the entire equity interest in Shenyang Huami and Shenyang Huami holds 99% equity interest in Shenyang Wanjin, Shenyang Wanjin holds the entire equity interest in Jiangsu Huami.
10. These shares are held by Wenjia, which is wholly owned by Mr. Li Xiang.

附註：

1. 字母「L」表示該人士於有關股份之「好倉」（定義見證券及期貨條例第 XV 部）。
2. 該等股份由建瑞持有，而該公司由冠源擁有全部權益。
3. 冠源由蔣建強先生及蔣毅軒先生分別擁有 51% 及 49% 權益。
4. 周小英女士為蔣建強先生之配偶。
5. Five Seasons XVII、豐盛、季昌群先生及 Magnolia 被視作於本公司的 190,120,000 股股份中擁有權益，此乃由於季昌群先生持有 Magnolia 全部股權，而 Magnolia 持有豐盛 44.73% 之股權。
6. 豐盛持有 Five Seasons XVII 全部已發行股本，而 Five Seasons XVII 持有本公司實益擁有人 Five Seasons XIV 全部已發行股本。
7. 1,020,000,000 股股份由建瑞合法及實益持有。建瑞由冠源擁有全部權益。冠源由蔣建強先生及蔣毅軒先生分別擁有 51% 及 49% 權益。於 2017 年 1 月 26 日，建瑞簽立相關文件以建立一項押記（「股份押記」），涉及 1,020,000,000 股股份，以提供貸款予建瑞，中國華融為受押人。中國華融由華融置業有限責任公司擁有 88.10% 的權益。因此，中國華融被視作於本公司的 1,020,000,000 股股份中擁有權益。
8. 江蘇凱盟由李曉飛先生及全竹女士分別擁有 60% 及 40% 權益。
9. 該等股份由江蘇華米持有。朱洪先生、沈陽華米及沈陽萬錦被視作於本公司的 230,000,000 股股份中擁有權益，此乃由於朱洪先生持有沈陽華米全部股權，而沈陽華米持有沈陽萬錦 99% 之股權，沈陽萬錦持有江蘇華米全部股權。
10. 該等股份由文甲持有，而該公司由李翔先生擁有全部權益。

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11. Pursuant to Section 336 of the SFO, the shareholders of the Company are required to file disclosure of interests forms (the "DI Forms") when certain criteria are fulfilled and the full details of the requirements are available on the Stock Exchange's official website. When a shareholder's shareholdings in the Company changes, it is not necessary to notify the Company and the Stock Exchange unless certain criteria are fulfilled. Therefore, substantial shareholders' latest shareholdings in the Company may be different to the shareholdings filed with the Company and the Stock Exchange. The above statements of substantial shareholders' interests are prepared based on the information in the relevant DI Forms received by the Company as of 31 December 2020. The Company may not have sufficient information on the breakdown of the relevant interests and cannot verify the accuracy of information on the DI Forms.

12. As at 31 December 2020, the total issued capital of the Company is 3,020,747,935 shares.

* for translation purposes only

Save as disclosed above, the Directors and the chief executive of the Company are not aware that there is any party who, as at 31 December 2020, had interests or short positions in the shares and underlying shares of the Company that was required to be recorded pursuant to section 336 of the SFO.

There was a duplication of interest of 1,020,000,000 shares among Keen Luck, Champ Origin, China Huarong, Mr. Jiang Yixuan and Mr. Jiang Jianqiang.

There was duplication of interest of 1,062,202,000 shares among Mr. Jiang Jianqiang and Ms. Zhou Xiaoying.

There was duplication of interest of 190,120,000 shares among Five Seasons XIV, Five Seasons XVII, Fullshare, Magnolia and Mr. Ji Changqun.

There was duplication of interest of 260,000,000 shares among Mr. Li Xiaofei, Jiangsu Kaimeng, Ms. Quan Zhu.

There was duplication of interest of 230,000,000 shares among Mr. Zhu Hong, Jiangsu Huami, Shenyang Wanjin and Shenyang Huami.

There was duplication of interest of 200,000,000 shares between Wenjia and Mr. Li Xiang.

11. 根據證券及期貨條例第336條，倘符合若干條件，本公司股東須呈交披露權益表格（「披露權益表格」），有關規定的全部詳情於聯交所官方網站上可供查閱。當股東所持本公司股權發生變動時，除非符合若干條件，否則毋須告知本公司及聯交所。因此，主要股東於本公司之最新持股量或有別於向本公司及聯交所所提呈者。上述主要股東權益之陳述乃按本公司截至2020年12月31日收到的相關披露權益表格內的資料所編製。本公司未必有相關權益明細的充分資料，且無法核證披露權益表格資料之準確性。

12. 於2020年12月31日，本公司的已發行股本總額為3,020,747,935股股份。

* 翻譯僅供參考

除上文所披露者外，據董事及本公司主要行政人員所知，於2020年12月31日，概無任何人士於本公司之股份及相關股份中擁有根據證券及期貨條例第336條須記錄之權益或淡倉。

建瑞、冠源、中國華融、蔣毅軒先生及蔣建強先生擁有之1,020,000,000股股份權益屬重複權益。

蔣建強先生及周小英女士擁有之1,062,202,000股股份權益屬重複權益。

Five Seasons XIV、Five Seasons XVII、豐盛、Magnolia及季昌群先生擁有之190,120,000股股份權益屬重複權益。

李曉飛先生、江蘇凱盟及全竹女士擁有之260,000,000股股份權益屬重複權益。

朱洪先生、江蘇華米、沈陽萬錦及沈陽華米擁有之230,000,000股股份權益屬重複權益。

文甲及李翔先生擁有之200,000,000股股份權益屬重複權益。

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SHARE OPTION SCHEME

The Company adopted a share option scheme (the "Share Option Scheme") on 11 October 2013 ("Adoption Date"), for the purpose of providing incentives or rewards to selected eligible participants for their contribution to the Group. Unless otherwise cancelled or amended, the Share Option Scheme will remain in force for ten years from the Adoption Date.

Eligible participants of the Share Option Scheme include the following:

1. any employee (whether full time or part time) of the Group or any entity (the "Invested Entity") in which any member of the Group holds any shareholding (including any executive director but excluding any non-executive director of the Group or any Invested Entity);
2. any non-executive directors (including independent non-executive directors) of the Group or any Invested Entity;
3. any supplier of goods or services to any member of the Group or any Invested Entity;
4. any customer of the Group or any Invested Entity;
5. any person or entity that provides research, development or other technological support to the Group or any Invested Entity;
6. any shareholder of any member of the Group or any Invested Entity or any holder of any securities issued by any member of the Group or any Invested Entity;
7. any adviser (professional or otherwise) or consultant to any area of business or business development of the Group or any Invested Entity; and
8. any other group or classes of participants who have contributed or may contribute by way of joint venture, business alliances or other business arrangement to the development and growth of the Group.

購股權計劃

本公司於2013年10月11日(「採納日期」)採納了一項購股權計劃(「購股權計劃」)，旨在向對本集團發展作出貢獻之經選定合資格參與人士給予獎勵或獎賞。除非被註銷或修訂，否則購股權計劃將由其採納日期起計十年內有效。

購股權計劃之合資格參與人士包括以下人士：

1. 本集團或其任何成員公司持有任何股權的任何實體(「投資實體」)的任何全職或兼職僱員(包括本集團或任何投資實體之任何執行董事，但不包括非執行董事)；
2. 本集團或任何投資實體的任何非執行董事(包括獨立非執行董事)；
3. 任何向本集團任何成員公司或任何投資實體提供貨品或服務的供應商；
4. 任何本集團或任何投資實體的客戶；
5. 任何向本集團或任何投資實體提供研究、開發或其他技術支持的人士或實體；
6. 本集團任何成員公司或任何投資實體的任何股東或本集團任何成員公司或任何投資實體所發行任何證券的任何持有人；
7. 本集團或任何投資實體任何業務範疇或業務發展的任何專業或其他顧問或諮詢人；及
8. 曾經或可能藉合資經營、業務聯盟或其他業務安排而對本集團的發展及增長作出貢獻的任何其他組別或類別參與人士。

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Shares which may be issued upon exercise of all options to be granted under the Share Option Scheme must not in aggregate exceed 10% of the shares of the Company ("Shares") in issue on the date of adoption provided that the Company may seek approval from Shareholders to refresh such limit. Moreover, the maximum number of Shares which may be issued upon exercise of all outstanding options granted and yet to be exercised under the Share Option Scheme (and any other schemes of the Company) shall not exceed 30% of the total number of Shares in issue from time to time.

As at the date of this report, a total of 203,800,000 Shares (representing approximately 6.75% of the number of issued Shares) are available for issue under the Share Option Scheme.

The maximum number of Shares issuable upon exercise of the options which may be granted under the Share Option Scheme and any other share option scheme of the Group (including both exercised and outstanding options) to each participant in any 12-month period shall not exceed 1% of the issued share capital of the Company for the time being. Any further grant of share options in excess of this limit is subject to Shareholders' approval in a general meeting.

Share options granted to a Director, chief executive or substantial shareholder of the Company, or to any of their respective close associates (as defined under the Listing Rules), are subject to approval in advance by the independent non-executive Directors (excluding independent non-executive Director who is the grantee of the options). In addition, where any grant of share options to a substantial shareholder or an independent non-executive Director, or to any of their respective close associates, would result in the Shares issued and to be issued upon exercise of all options already granted and to be granted (including options exercised, cancelled and outstanding) to such person in excess of 0.1% of the Shares in issue and with an aggregate value (based on the closing price of the Shares at the date of the grant) in excess of HK\$5 million, in a 12-month period up to and including the date of grant, such grant of share options are subject to Shareholders' approval in a general meeting.

根據購股權計劃授出的所有購股權獲行使時可予發行的股份不得超逾採納日期本公司已發行股份（「股份」）合共10%，惟本公司可尋求股東批准更新該上限。此外，根據購股權計劃（及本公司任何其他計劃）已授出而尚未行使之所有尚未行使購股權獲行使時可予發行之股份最高數目，不得超過不時已發行股份總數的30%。

於本報告日期，根據購股權計劃可予發行之股份總數為203,800,000股股份（相當於已發行股份數目約6.75%）。

根據購股權計劃及本集團任何其他購股權計劃於任何12個月期間可授予各參與人士的購股權（包括已行使及尚未行使的購股權）獲行使時而可予發行的股份最多數目，不得超過本公司當時已發行股本的1%。任何進一步授出超過此限額的購股權必須於股東大會獲得股東批准。

授予董事、本公司主要行政人員或主要股東或任何彼等各自的緊密聯繫人（定義見上市規則）的購股權必須事前經獨立非執行董事（不包括屬購股權承授人的獨立非執行董事）批准。此外，倘向主要股東或獨立非執行董事或任何彼等各自的緊密聯繫人授出任何購股權，將導致於截至授出日期（包括該日）止的12個月期間因向該人士已授出及將授出的所有購股權（包括已行使、已註銷及尚未行使的購股權）獲行使而發行及將予發行的股份超過本公司已發行股份的0.1%，而總值（按股份於授出日期的收市價計算）超過5,000,000港元時，授出有關購股權須於股東大會獲得股東批准。

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The offer of a grant of share options may be accepted within 21 days from the date of the offer, upon payment of a nominal consideration of HK\$1 by the grantee. The exercise period for the share options granted is determined by the Board, which period may commence from the date of acceptance of the offer for the grant of share options but shall end in any event not later than 10 years from the date of the grant of the option subject to the provisions for early termination under the Share Option Scheme.

The subscription price for Shares under the Share Option Scheme shall be a price determined by the Board, but shall not be less than the highest of:

- i. the closing price of Shares as stated in the daily quotations sheet of the Stock Exchange on the date of the offer of the grant, which must be a business day;
- ii. the average closing price of the Shares as stated in the Stock Exchange's daily quotations sheets for the five trading days immediately preceding the date of the offer of grant; and
- iii. the nominal value of the Shares.

There is no minimum period for which an option granted must be held before it can be exercised except otherwise imposed by the Directors.

As at the year ended 31 December 2020, no share option has been granted by the Company.

RELATED PARTY TRANSACTIONS

Other than as disclosed in note 45 to the consolidated financial statements, the Group had no related party transactions during the year. None of the related party transactions constituted a connected transaction or continuing connected transaction (as defined in the Listing Rules) that was required to be disclosed and the Company had not entered into any connected transaction which is subject to the disclosure requirements under the Listing Rules.

授出購股權的要約可於要約日期起計21日內由承授人支付名義代價1港元後予以接納。所授出購股權的行使期由董事會釐定，有關期間可由接納授出購股權的要約日期開始，惟在任何情況下不得遲於購股權授出日期起計10年屆滿，並可根據購股權計劃的條文提早終止。

購股權計劃下的股份認購價須為由董事會釐定的價格，惟不得低於以下最高者：

- i. 股份於要約授出日期(須為營業日)於聯交所每日報價表所報的收市價；
- ii. 股份於緊接要約授出日期前五個交易日於聯交所每日報價表所報的平均收市價；及
- iii. 股份面值。

除非董事另行規定，否則所授出之購股權於可獲行使前並無最短之持有期限。

截至2020年12月31日止年度，本公司概無授出購股權。

關連人士交易

除綜合財務報表附註45所披露者外，本集團於年內並無關連人士交易。概無關連人士交易構成須予披露之關連交易或持續關連交易(定義見上市規則)，且本公司並無訂立任何須遵守上市規則項下之披露規定之關連交易。

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RIGHTS TO ACQUIRE COMPANY'S SECURITIES

Other than as disclosed under the sections headed "Share Option Scheme" above, at no time during the year was the Company, any of its subsidiaries, its ultimate holding company, or any subsidiaries of its ultimate holding company a party to any arrangement to enable the Directors of the Company to acquire benefits by means of acquisition of shares in, or debentures of, the Company or any other body corporate.

COMPETING INTERESTS

None of the Directors or any of their respective close associates (as defined under the Listing Rules) had any interest in a business which competes or may compete with the business of the Group or has any other conflict of interest with the Group during the year and up to the date of this report.

PRE-EMPTIVE RIGHTS

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

MANAGEMENT CONTRACTS

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

PERMITTED INDEMNITY PROVISION

Pursuant to the Company's articles of association, every Director shall be entitled to be indemnified and secured harmless out of the assets of the Company from and against all actions, costs, charges, losses, damages and expenses which he/she may incur or sustain by reason of any act done, concurred in or omitted in or about the execution of his/her duty or supposed duty in his/her office or otherwise in relation thereto. In addition, the Company has arranged appropriate liability insurance coverage for the Directors and officers of the Group.

購買公司證券之權利

除上文「購股權計劃」一節所披露者外，本公司、其任何附屬公司、其最終控股公司，或其最終控股公司之任何附屬公司於年內任何時間概無參與訂立任何安排，讓本公司董事藉購入本公司或任何其他法人團體之股份或債券而獲取利益。

競爭權益

年內及截至本報告日期，董事或任何彼等各自的緊密聯繫人(定義見上市規則)概無於任何對本集團業務造成或可能造成競爭或與本集團構成任何其他利益衝突的業務中擁有任何權益。

優先購買權

本公司之組織章程細則或開曼群島法例並無有關本公司須按比例向現有股東提呈發售新股份之優先購買權規定。

管理合同

本年度內並無訂立或存在任何有關本公司業務之全部或任何重大部分之重大管理及行政合同。

經許可的彌償保證條文

根據本公司的組織章程細則，每名董事應有權就因其履行其任內職責或假定職責或其他有關事宜而作出、同意或遺漏的任何行為而可能招致或蒙受的一切訴訟、費用、收費、損失、損害賠償及開支，將獲得以本公司資產作出的彌償並確保免就此受損。此外，本公司已為本集團董事及高級職員安排適當責任險。

Report of the Directors

董事會報告

DONATIONS

No charitable and other donations were made by the Group during the year (2019: Nil).

EMOLUMENT POLICY

The emolument policy of the employees and senior management of the Group is set up by the Remuneration Committee of the Company on the basis of their merit, qualifications and competence.

The emoluments of the Directors are recommended and decided by the Remuneration Committee and the Board respectively, having regard to the Company's operating results, market competitiveness, individual performance and achievement.

The Company has adopted a share option scheme as an incentive to Directors and eligible employees, details of the scheme is set out in the section headed "Share Option Scheme" of this report and note 40 to the consolidated financial statements.

EMPLOYEES

A review of the number of employees and the related staff costs is provided in the Management Discussion and Analysis on page 17 of this report. The Group ensures that the pay levels of its employees are competitive and in line with the market trend and its employees are rewarded on a performance related basis within the general framework of the Group's salary and bonus system.

CORPORATE GOVERNANCE

Details of the Company's corporate governance practices are set out in the Corporate Governance Report of this annual report.

捐款

本集團於年內沒有慈善及其他捐款(2019年：無)。

薪酬政策

本集團僱員及高級管理層的薪酬政策乃由本公司薪酬委員會根據其長處、資歷及能力訂立。

董事薪酬經考慮本公司經營業績、市場競爭力、個人表現及成就後，分別由薪酬委員會提供推薦意見並由董事會釐定。

本公司已採納購股權計劃，作為對董事及合資格僱員的激勵，有關該計劃的詳情載於本報告「購股權計劃」一節及綜合財務報表附註40。

僱員

有關僱員人數及相關員工成本的回顧載於本報告第17頁管理層討論及分析。本集團確保其僱員的薪金水平具競爭力，並與市場趨勢一致，而其僱員於本集團薪酬及獎金制度的整體框架內按其表現獲得回報。

企業管治

有關本公司之企業管治常規之詳情載於本年報之企業管治報告。

Report of the Directors

董事會報告

CHANGE OF DIRECTORS' INFORMATION

Upon specific enquiry by the Company and following confirmations from Directors, save as otherwise set out in this report, there is no change in the information of the Directors required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules since the Company's last published interim report.

AUDIT COMMITTEE

The Company has established an Audit Committee with written terms of reference in compliance with the requirements as set out in the Listing Rules for the purposes of reviewing and supervising the financial reporting system, risk management and internal control systems of the Group.

The Audit Committee currently comprises Mr. Yan Hualin, Mr. Xu Jiaming, Mr. Choi Ho Yan and Mr. Siu Siu Ling, Robert. The Audit Committee has reviewed and discussed with the management and the external auditor financial reporting matters including the annual results for the year ended 31 December 2020.

INDEPENDENT AUDITOR

The consolidated financial statements of the Company for the year ended 31 December 2020 have been audited by BDO Limited ("BDO").

On 27 December 2019, Crowe (HK) CPA Limited ("Crowe") was appointed as the new auditor of the Company to fill the casual vacancy following the resignation of Deloitte Touche Tohmatsu ("Deloitte"). There are no disagreement between the Company and Deloitte and there are no matter in relation to Deloitte's resignation that needed to be brought to the attention of the shareholders of the Company.

董事資料變更

於本公司作出特定查詢及董事作出下列確認後，除本報告其他地方所載者外，自本公司最近刊發的中期報告以來，概無有關董事的資料變更須根據上市規則第 13.51B(1) 條作出披露。

審核委員會

本公司已成立審核委員會並遵守上市規則的要求訂立書面職權範圍，其目的為審閱及監督本集團之財務申報制度、風險管理及內部監控系統。

審核委員會目前由嚴華麟先生、徐家明先生、蔡浩仁先生及蕭兆齡先生組成。審核委員會已與管理層及外部核數師審閱及討論財務申報事宜，包括截至 2020 年 12 月 31 日止年度之全年業績。

獨立核數師

本公司截至 2020 年 12 月 31 日止年度的綜合財務報表已由香港立信德豪會計師事務所有限公司（「立信德豪」）審核。

於 2019 年 12 月 27 日，國富浩華（香港）會計師事務所有限公司（「國富浩華」）獲委任為本公司新任核數師，以填補德勤·關黃陳方會計師行（「德勤」）辭任後之臨時空缺。本公司與德勤並無任何意見分歧，亦無有關德勤辭任之事宜須提請本公司股東垂注。

Report of the Directors

董事會報告

On 29 June 2020, Ascenda Cachet CPA Limited (“Ascenda Cachet”) was appointed as the new auditor of the Company to fill the casual vacancy following the resignation of Crowe. Save as disclosed in the announcement dated 21 June 2020, there are no other circumstances in respect of the resignation of Crowe that need to be brought to the attention of the shareholders of the Company.

On 19 November 2020, McMillan Woods (Hong Kong) CPA Limited (“McMillan Woods”) was appointed as the new auditor of the Company to fill the vacancy following the resignation of Ascenda Cachet. Save as disclosed in the announcement dated 19 November 2020, there are no other circumstances in respect of the resignation of Ascenda Cachet that need to be brought to the attention of the shareholders of the Company.

On 11 September 2021, BDO was appointed as the new auditor of the Company to fill the causal vacancy following the resignation of McMillan Woods. Save as disclosed in the announcement dated 3 June 2021, there are no other circumstances in respect of the resignation of McMillan Woods that need to be brought to the attention of the shareholders of the Company.

The proposal of re-appointing BDO as the auditor of the Company will be put forward at the coming annual general meeting of the Company for consideration and approval.

Save for disclosed otherwise, there has not been other change in the auditor of the Company during the last three years.

On behalf of the Board
Shan Hu
Executive Director

Hong Kong, 18 April 2022

於2020年6月29日，天健德揚會計師事務所有限公司（「天健德揚」）獲委任為本公司新任核數師，以填補國富浩華辭任後之臨時空缺。除日期為2020年6月21日之公告所披露者外，概無有關國富浩華辭任之其他情況須提請本公司股東垂注。

於2020年11月19日，長青（香港）會計師事務所有限公司（「長青」）獲委任為本公司新任核數師，以填補天健德揚辭任後之臨時空缺。除日期為2020年11月19日之公告所披露者外，概無有關天健德揚辭任之其他情況須提請本公司股東垂注。

於2021年9月11日，立信德豪獲委任為本公司新任核數師，以填補長青辭任後之臨時空缺。除日期為2021年6月3日之公告所披露者外，概無有關長青辭任之其他情況須提請本公司股東垂注。

本公司將於應屆股東週年大會上提呈續聘立信德豪為本公司核數師之議案以供審議及批准。

除另行披露者外，本公司核數師於過去三年內並無其他變動。

代表董事會
執行董事
單虎

香港，2022年4月18日

Independent Auditor's Report

獨立核數師報告



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TO THE MEMBERS OF CHINA SAITE GROUP COMPANY LIMITED

(incorporated in Cayman Islands with limited liability)

致中國賽特集團有限公司股東

(於開曼群島註冊成立的有限公司)

DISCLAIMER OF OPINION

We were engaged to audit the consolidated financial statements of China Saite Group Company Limited (the "Company") and its subsidiaries (together the "Group") set out on pages 113 to 235, which comprise the consolidated statement of financial position as at 31 December 2020, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

We do not express an opinion on the consolidated financial statements of the Group. Because of the significance of the matter described in the "Basis for Disclaimer of Opinion" section of our report, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these consolidated financial statements.

無法表示意見

吾等獲委聘審核第113至235頁所載中國賽特集團有限公司(「貴公司」)及其附屬公司(統稱「貴集團」)的綜合財務報表，此綜合財務報表包括於2020年12月31日的綜合財務狀況表與截至該日止年度的綜合損益及其他全面收益表、綜合權益變動表及綜合現金流量表，以及綜合財務報表附註(包括主要會計政策概要)。

吾等對 貴集團的綜合財務報表不表示意見。由於本報告「無法表示意見的基礎」一節所述的事項關係重大，吾等未能獲得充足及適當的審核憑證為就此等綜合財務報表出具審核意見提供基礎。

Independent Auditor's Report

獨立核數師報告

BASIS FOR DISCLAIMER OF OPINION

(a) Authenticity of problematic loans and guarantee contracts and related documentation

As disclosed in Note 3 to the consolidated financial statements, certain legal claims were filed against the Group in relation to the Problematic Loans and Guarantee Contracts. During the audit of the 2020 consolidated financial statements, the ex-auditors of the Company also raised concerns in their resignation letters to the Company over these litigations. In response, the Board established the Independent Committee which had engaged the Independent Adviser to conduct an independent investigation on these Problematic Loans and Guarantee Contracts.

As further disclosed in Note 3 to the consolidated financial statement, during the investigation, there were two sets of explanations and documents were obtained by the Independent Adviser, with one set provided by the a former director of the Company and certain key finance personnel of Jiangsu Saite Steel Structure Co., Ltd. and Jiangsu Qifeng New Building Materials Company Limited who already left the Group. The sources of those documents were unidentified. Another set of explanations and documents were based on information obtained from the courts in the PRC. Based on the investigation, there are significant differences identified between the two sets of explanations and documents.

During our audit, we planned our procedures to obtain audit evidence in respect of these Problematic Loans and Guarantee Contracts, including those related to resolving the significant differences identified between the two sets of explanations and documents. However, we were unable to obtain explanations and documents from the Directors that we considered necessary to satisfy ourselves as to the completeness and accuracy of the information and documents related to Problematic Loans and Guarantee Contracts presented to us for the purpose of our audit; and the accuracy and completeness of the disclosures in the Group's consolidated financial statements in respect of financial guarantee contracts, transactions and/or balances with related parties, if any, in relation to the transactions, arrangements, and/or the relevant counterparties identified in the investigation.

無法表示意見的基礎

(a) 問題貸款及擔保合同以及相關文件的真實性

誠如綜合財務報表附註3所披露，貴集團因問題貸款及擔保合同被提起若干法律索償。於審核2020年綜合財務報表過程中，貴公司前任核數師亦於彼等致貴公司的辭職函中就該等訴訟提出關注。對此，董事會成立獨立委員會，以委聘獨立顧問對該等問題貸款及擔保合同進行獨立調查。

誠如綜合財務報表附註3所進一步披露，於調查過程中，獨立顧問取得兩套解釋及文件，其中一套由貴公司一名前任董事及江蘇賽特鋼結構有限公司及江蘇旗峰新型建材有限公司若干已離開貴集團的主要財務人員提供，而該等文件的來源不明。另一套解釋及文件則基於從中國法院取得的資料。基於該調查，該兩套解釋及文件之間存在重大差異。

於吾等的審核過程中，吾等為獲取有關該等問題貸款及擔保合同的審核憑證（包括與解決兩套解釋及文件之間的重大差異有關者）而計劃程序。然而，吾等未能向董事取得吾等認為必要的解釋及文件，以使吾等信納提供予吾等作審核用途的有關問題貸款及擔保合同的資料及文件的完整性及準確性；以及貴集團綜合財務報表中與調查中所發現的交易、安排及／或相關對手方有關的財務擔保合同、與關聯方的交易及／或結餘（如有）的披露的準確性及完整性。

Independent Auditor's Report

獨立核數師報告

BASIS FOR DISCLAIMER OF OPINION (Continued)

(b) Incomplete books and records

As disclosed in Note 3 to the consolidated financial statements, the Group encountered financial difficulties, resulted in (1) departure without suitable replacement of key staffs, including senior management, operating staff of different departments, and qualified accounting staffs and led to breakdown of administrative and accounting functions of the Group; and (2) downsizing of business (collectively referred to as "Business Disruption"). The departure of senior management, operating staff and accounting staffs resulted in malfunction of various departments of the Group, resulting in mishandling and loss of source documents. As further disclosed in Note 3 to the consolidated financial statements, the findings revealed in the investigation gave rise to the doubt about the reliability of books and records of the Group of the current and past years.

The Directors represented, as also disclosed in Note 3 that, the consolidated financial statements have been prepared based on incomplete books and records available to the Group. The incomplete books and records limited our ability to carry out the audit. We also performed our procedures to obtain audit evidence outside the Group but the results were not satisfactory and there were no alternative audit procedures that we could perform to satisfy ourselves on the above concern. As a result, we were unable to conclude whether the existence, completeness, accuracy, valuation and disclosure of the assets and liabilities, as disclosed in Note 3 to the consolidated financial statements, and therefore whether the consolidated financial statements for the year ended 31 December 2020 have been properly prepared in accordance with HKFRS.

無法表示意見的基礎(續)

(b) 賬簿及記錄不完整

誠如綜合財務報表附註3所披露，貴集團遭遇財政困難，導致(1)包括高級管理人員、多個部門經營人員及合資格會計人員在內的關鍵人員離職而未找到適當替任人員，導致貴集團的行政及會計職能無法運作；及(2)縮減業務規模(統稱為「業務中斷」)。高級管理人員、經營人員及會計人員的離職導致貴集團各部門出現故障，導致原始文件處理不當及丟失。誠如綜合財務報表附註3所進一步披露，調查發現的問題導致貴集團本年度及過往年度賬簿及記錄的可靠性存疑。

董事表示，亦如附註3所披露，綜合財務報表乃根據貴集團可得的不完整賬簿及記錄編製而成。該等不完整賬簿及記錄限制吾等進行審核的能力。吾等亦執行程序以取得貴集團以外的審計憑證，但結果並不理想，吾等亦無其他的審核程序可供執行，以令吾等信納上述關注。因此，吾等未能就綜合財務報表附註3中所披露之資產及負債是否存在以及其完整性、準確性、估值及披露得出結論，因此亦未能就截至2020年12月31日止年度的綜合財務報表是否已按照香港財務報告準則妥善編製得出結論。

Independent Auditor's Report

獨立核數師報告

BASIS FOR DISCLAIMER OF OPINION (Continued)

(c) Scope limitation on interests in a joint venture and associates

As stated in note 19 and 20 to the consolidated financial statements, the Group has applied the equity method to account for its investment in a joint venture in the PRC, 江蘇華晨賽特投資發展有限公司 and associates, 沃通停車科技有限公司 and 眾停智慧交通江蘇有限公司. In applying the equity method to prepare the consolidated financial statements, the management obtained the financial information of these joint venture and associates for the year ended 31 December 2020. The Group's share of the profit and loss and net assets of these joint venture and associates for the year ended 31 December 2020 and as at that date included in the Group's consolidated financial statements for the year ended 31 December 2020 are set out in Notes 19 and 20 to the consolidated financial statements.

In accordance with Hong Kong Standard on Auditing 600 ("HKSA 600") Special Considerations — Audits of Group Financial Statements (Including the Work of Component Auditors), the joint venture is identified as a significant component of the Group due to its individual financial significance to the Group. Accordingly, as part of our audit, we shall perform an audit on the financial information of the joint venture which is included in the consolidated financial statements. In respect of the associates, we planned our procedures to perform analytical procedures on these associates in accordance with HKSA 600.

However, we were denied access to the books and records by the joint venture and we did not receive from the associates the requested information that we considered necessary to perform the analytical procedures. As a result, the requirements of HKSA 600 have not been fulfilled. There were no other satisfactory audit procedures that we could adopt and therefore we were unable to obtain sufficient appropriate audit evidence as to whether the carrying amount of the Group's interests in a joint venture and associates and the Group's share of their results for the year as included in the Group's consolidated financial statements as at 31 December 2020 and for the year then ended were fairly stated. Consequently, we were unable to determine whether any adjustments to these amounts were necessary and to apply the requirements of all of the applicable auditing standards.

無法表示意見的基礎(續)

(c) 於一間合營企業及聯營公司的權益之範圍限制

誠如綜合財務報表附註19及20所述，貴集團已應用權益法對其於中國的一間合資企業江蘇華晨賽特投資發展有限公司及聯營公司沃通停車科技有限公司及眾停智慧交通江蘇有限公司的投資進行會計處理。在採用權益法編製綜合財務報表時，管理層取得該等合營企業及聯營公司截至2020年12月31日止年度的財務資料。貴集團應佔該等合營企業及聯營公司截至2020年12月31日止年度的損益及資產淨值已於該日計入貴集團截至2020年12月31日止年度的綜合財務報表，並載於財務報表附註19及20。

根據香港審計準則第600號(「香港審計準則第600號」)對集團財務報表審核之特殊考慮(包括組成部分核數師之工作)，由於合營企業對貴集團的個別財務重要性，因此被識別為貴集團的重大組成部分。因此，作為吾等審核的一部分，吾等將對計入綜合財務報表的合營企業的財務資料進行審核。至於聯營公司，吾等計劃根據香港審計準則第600號對該等聯營公司執行分析性程序。

然而，合營企業拒絕吾等查閱賬簿及記錄，吾等亦無接獲聯營公司對吾等所要求資料的回應，吾等認為該等資料對執行分析性程序而言屬必要，因此，香港審計準則第600號的規定尚未履行。吾等並無其他滿意的審核程序可供採納，因此吾等未能就貴集團於一間合營企業及聯營公司的權益以及貴集團在該年度應佔該等公司的業績而計入貴集團於2020年12月31日及截至該日止年度的綜合財務報表的賬面值是否已公允列賬取得充足而適當的審核憑證。因此，吾等無法釐定對該等金額作出的任何調整是否必要，亦無法應用所有適用審計準則的規定。

Independent Auditor's Report

獨立核數師報告

BASIS FOR DISCLAIMER OF OPINION *(Continued)*

(d) Appropriateness of the use of the going concern basis of accounting

As explained in Note 3(b) to the consolidated financial statements, during the year, the Group has incurred a loss of RMB214,460,000 and as at 31 December 2020, its current liabilities exceeded its current assets by RMB3,505,522,000. As at the same date, the Group had cash and cash equivalents amounted to RMB41,476,000 only. In addition, winding-up petitions were lodged with the High Court of Hong Kong (the "Court") against the Company by various creditors in pursuit of the settlement of the outstanding debts owed to them. To deal with this situation, the Company proposed a debt restructuring arrangement ("Scheme of Arrangement"). These events or conditions, together with the Business Disruption as described in Note 3 to the consolidated financial statements, indicate the existence of a material uncertainty that may cast significant doubt on the Group's ability to continue as a going concern, and therefore, that it may be unable to realise its assets and discharge its liabilities in the normal course of business.

In assessing the appropriateness of the use of the going concern basis in the preparation of these consolidated financial statements, the directors of the Company ("Directors") have prepared a cash flow forecast (the "Cash Flow Forecast") covering a period exceeding 12 months from the date of approval of the consolidated financial statements which takes into account of the plans as set out in Note 3(b) to the consolidated financial statements. Based on the assessment made by the Directors, assuming the plans and measures can be successfully implemented as scheduled, the Group is able to continue as a going concern and it is appropriate to prepare the consolidated financial statements on a going concern basis.

The appropriateness of the consolidated financial statements prepared on a going concern basis largely depends on whether those plans and measures as detailed in Note 3(b) can be successfully implemented as scheduled.

無法表示意見的基礎(續)

(d) 使用持續經營會計基準的適當性

誠如綜合財務報表附註3(b)所述，於本年度，貴集團錄得虧損人民幣214,460,000元，而於2020年12月31日，其流動負債超過流動資產人民幣3,505,522,000元。同日，貴集團僅有現金及現金等價物人民幣41,476,000元。此外，多位債權人已針對貴公司向香港高等法院(「法院」)提出清盤呈請，要求清償結欠他們的未償還債務。為應對這種情況，貴公司提出下文所述的債務重組安排(「安排計劃」)。此等事件或情況，連同綜合財務報表附註3所述的業務中斷，表明存在重大不確定性，可能會對貴集團持續經營的能力帶來重大疑慮，因此，其可能無法於正常經營過程中變現資產及清償負債。

於評估編製該等綜合財務報表時使用持續經營基準的適當性時，貴公司董事(「董事」)已編製涵蓋自批准綜合財務報表日期起超過12個月期間的現金流量預測(「現金流量預測」)，其中考慮綜合財務報表附註3(b)所載的計劃。根據董事的評估，假設計劃及措施能如期順利實施，貴集團能持續經營，以持續經營基準編製綜合財務報表屬適當。

以持續經營基準編製綜合財務報表是否恰當，很大程度上取決於附註3(b)所述的計劃及措施能否如期順利實施。

Independent Auditor's Report

獨立核數師報告

BASIS FOR DISCLAIMER OF OPINION *(Continued)*

(d) Appropriateness of the use of the going concern basis of accounting *(Continued)*

In respect of the plans that the Group would implement including (1) Capital Injection through the issue of new shares of the Company, and (2) the Scheme of Arrangement. The Scheme has been approved by the requisite majority of creditors of the Company at the Scheme meeting on 25 February 2022, and has been sanctioned by the High Court of Hong Kong on 11 April 2022.

Despite the restructuring effort of the Group thus far, on 14 January 2022, the Company received a letter from the Stock Exchange stating that the Listing Committee of the Stock Exchange has decided to cancel the Company's listing under Rule 6.01A(1) of the Listing Rules as the Company failed to satisfy all the Resumption Guidance by 21 December 2021 (the "Delisting Decision"). On 21 January 2022, the Company submitted an application requesting the Delisting Decision be referred to the listing review committee of the Stock Exchange for review pursuant to Chapter 2B of the Listing Rules. The review hearing is scheduled to be held on 19 April 2022. As the outcome of the review hearing is unknown as at the date of this report, there is no sufficient supportable evidence that explains the validity of the assumption in relation to the resumption of trading of the shares of the Company.

There are limitations on our scope of work as stated above and there are no alternative audit procedures that we can perform to obtain sufficient appropriate audit evidence to support the above plans can be successfully implemented, As a result, we were unable to obtain sufficient appropriate evidence to conclude whether the Directors' use of the going concern basis of accounting to prepare the consolidated financial statements is appropriate.

無法表示意見的基礎(續)

(d) 使用持續經營會計基準的適當性(續)

就 貴集團將實施的計劃而言，包括(1)透過發行 貴公司的新股份注資，及(2)安排計劃。該計劃已在2022年2月25日的計劃會議上經 貴公司的必要多數債權人批准，並已在2022年4月11日經香港高等法院批准。

儘管 貴集團迄今已作出重組的努力，於2022年1月14日， 貴公司接獲聯交所的函件，當中說明聯交所上市委員會已決定根據上市規則第6.01A(1)條取消 貴公司的上市地位，原因是 貴公司未能於2021年12月21日前滿足所有復牌指引(「除牌決定」)。於2022年1月21日， 貴公司提呈申請，要求根據上市規則第2B章將除牌決定提呈至聯交所上市覆核委員會覆核。覆核聆訊安排在2022年4月19日舉行。由於覆核聆訊的結果於本報告日期尚未可知，故並無存在充分支持憑證說明有關 貴公司恢復股份交易的假設的有效性。

如上文所述吾等的工作範圍存在限制，吾等亦無法執行替代審核程序以獲取支持上述計劃能夠成功實施的充分、適當的審核證據。因此，吾等無法就證明董事使用持續經營會計基準編製綜合財務報表是否適當獲得充分、適當的證據。

Independent Auditor's Report

獨立核數師報告

BASIS FOR DISCLAIMER OF OPINION (Continued)

(d) Appropriateness of the use of the going concern basis of accounting (Continued)

Should the Group be unable to continue as a going concern, adjustments would have to be made to write down the carrying values of the Group's assets to their net realisable amounts, to provide for any further liabilities which might arise and to reclassify non-current assets and non-current liabilities as current assets and current liabilities, respectively. The effects of these adjustments have not been reflected in these consolidated financial statements in making their assessment of the Company's ability to continue as a going concern, the directors have considered the Group's ability to pay off all existing loans and payables and carry on its operations for the foreseeable future.

However, the directors have been unable to predict the action that may be taken by the creditors, lenders and bond holders caused by the matters disclosed in Note 3(b), or the consequential impact to the Group. In addition, as a result of the matters disclosed in Note 3, the directors are unable to represent that all present and contingent liabilities or assets of the Group have been completely identified, or that all assets recorded in the consolidated statement of financial position are recoverable or fairly stated. Given these circumstances, which are more fully described in Note 3 and in the paragraphs above, there were no practicable audit procedures that we could perform to form an opinion on whether management's assessment of its ability to continue as a going concern considers all events and conditions which may be relevant.

We disclaimed our opinion on the Company's consolidated financial statements for the year ended 31 December 2019 ("2019 consolidated financial statements") relating to matters (a) to (d) above. The balances as at 31 December 2019 and the amounts for the year then ended are presented as comparative information in the 2020 consolidated financial statements. We disclaimed our audit opinion on the 2020 consolidated financial statements also for the possible effect of the disclaimer of opinion on 2019 consolidated financial statements on the comparability of 2020 figures and 2019 figures in 2020 consolidated financial statements.

無法表示意見的基礎(續)

(d) 使用持續經營會計基準的適當性(續)

倘 貴集團無法持續經營，則須作出調整以將 貴集團資產的賬面值減記至其可變現淨額，以備抵可能產生的任何進一步負債，並分別將非流動資產及非流動負債重新分類為流動資產及流動負債。於評估 貴公司持續經營的能力時，該等調整的影響並未反映於該等綜合財務報表中，董事已考慮 貴集團於可預見的未來償還所有現有貸款及應付款項及繼續經營業務的能力。

然而，董事無法預測債權人、貸款人及債券持有人可能因附註3(b)所披露的事項而採取的行動，或對 貴集團造成的影響。此外，由於附註3所披露的事項，董事無法聲明 貴集團所有現有及或有負債或資產已被完全識別，或綜合財務狀況表中記錄的所有資產均可收回或已獲公平陳述。鑒於該等情況(於附註3及上文段落中詳述)，吾等無法執行切實可行的審核程序，以就管理層對其持續經營能力的評估是否考慮所有可能相關的事項及條件形成意見。

吾等就 貴公司截至2019年12月31日止年度的綜合財務報表(「2019年綜合財務報表」)有關上述(a)項至(d)項的事宜無法表示意見。於2019年12月31日的結餘及截至該日止年度的金額於2020年綜合財務報表呈列為比較資料。由於無法就2019年綜合財務報表發表意見對2020年綜合財務報表內2020年數字及2019年數字可比較性的可能影響，吾等亦就2020年綜合財務報表無法表示審核意見。

Independent Auditor's Report

獨立核數師報告

NON-COMPLIANCE WITH HKFRSS AND OMISSION OF DOCUMENTS

As explained in Note 3 to the consolidated financial statements, as the consolidated financial statements of the Group have been prepared by the Directors based on incomplete books and records and the Board believes it is almost impossible and not practical to ascertain the correct amounts. Consequently, the Directors were unable to represent that the consolidated financial statements comply with HKFRSSs, or that the disclosure requirements of the Hong Kong Companies Ordinance and the Rules Governing the Listing of Securities of The Stock Exchange of Hong Kong Limited have been complied with. Given these circumstances, which are more fully described in Note 3 to the consolidated financial statements, there were no practicable audit procedures that we could perform to quantify the extent of adjustments that might be necessary in respect of the Group's consolidated financial statements.

DIRECTORS' AND RESPONSIBILITIES 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 HKFRSSs issued by the HKICPA and 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 misstatements, whether due to fraud or error.

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

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

不符合香港財務報告準則及遺漏文件

誠如綜合財務報表附註3所解釋，由於董事是基於不完整的賬簿及記錄編製 貴集團綜合財務報表，且董事會認為確定正確的數額幾乎不可能及不可行，因此，董事不能表示此等綜合財務報表符合香港財務報告準則或已遵守香港《公司條例》及《香港聯合交易所有限公司證券上市規則》的披露規定。鑒於該等情況（於綜合財務報表附註3中詳述），吾等無法執行切實可行的審核程序，以量化可能需對 貴集團的綜合財務報表作出調整的程度。

董事就綜合財務報表須承擔的責任

董事須負責根據香港會計師公會頒佈的香港財務報告準則及香港《公司條例》編製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編製不存在由於欺詐或錯誤而導致的重大錯誤陳述所需的內部控制負責。

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

董事亦須負責監督 貴集團的財務報告過程。審核委員會協助董事履行其於此方面的職責。

Independent Auditor's Report

獨立核數師報告

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

Our responsibility is to conduct an audit of the Group's consolidated financial statements in accordance with Hong Kong Standards on Auditing issued by the HKICPA and to issue an auditor's report. This report is made solely to you, as a body, in accordance with the terms of our engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

However, because of the matter described in the "Basis for Disclaimer of Opinion" section of our report, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these consolidated financial statements.

We are independent of the Group in accordance with the HKICPA's "Code of Ethics for Professional Accountants" (the "Code"), and we have fulfilled our other ethical responsibilities in accordance with the Code.

BDO Limited

Certified Public Accountants

Chow Tak Sing, Peter

Practising Certificate Number P04659

Hong Kong, 18 April 2022

核數師就審核綜合財務報表承擔的責任

吾等的責任是根據香港會計師公會頒佈的香港審計準則就 貴集團綜合財務報表進行審核，並出具核數師報告。本報告乃根據委聘條款僅向整體股東作出，除此之外並無其他用途。吾等不會就本報告內容向任何其他人士負上或承擔責任。

然而，由於本報告「無法表示意見的基礎」一節所述的事項，吾等未能獲得充足及適當的審核憑證為就此等綜合財務報表發表審核意見提供基礎。

根據香港會計師公會頒佈的《專業會計師道德守則》（「守則」），吾等獨立於 貴集團，並已履行守則中的其他專業道德責任。

香港立信德豪會計師事務所有限公司

執業會計師

周德陞

執業證書編號 P04659

香港，2022年4月18日

Consolidated Statement of Profit or Loss and Other Comprehensive Income

綜合損益及其他全面收益表

For the year ended 31 December 2020 截至2020年12月31日止年度

		NOTES 附註	2020 2020年 RMB'000 人民幣千元	2019 2019年 RMB'000 人民幣千元
Revenue	收益	6	387,515	515,447
Cost of sales	銷售成本		(295,387)	(425,033)
Gross profit	毛利		92,128	90,414
Other income	其他收入	8a	4,522	1,953
Other gains and losses	其他收益及虧損	8b	22,497	(76,433)
Impairment losses on financial and contract assets	金融及合同資產減值虧損	10	(182,776)	(5,933,528)
Selling and marketing expenses	銷售及營銷開支		(5,355)	(8,411)
Administrative expenses	行政開支		(51,498)	(55,975)
Finance costs	財務成本	9	(68,364)	(99,642)
Share of loss of a joint venture	分佔一間合營企業虧損	19	-	(1,351)
Share of loss of associates	分佔聯營公司虧損	20	(870)	(6,781)
Remeasurement of financial guarantee contracts	財務擔保合同重新計量	38	(24,697)	(53,045)
Loss before taxation	除稅前虧損		(214,413)	(6,142,799)
Income tax (expense)/credit	所得稅(開支)/抵免	11	(47)	51,254
Loss and other comprehensive income for the year	年內虧損及其他全面收入	12	(214,460)	(6,091,545)
Losses per share — basic and diluted (RMB cents)	每股虧損 — 基本及攤薄 (人民幣分)	16	(7.10)	(224.58)

Consolidated Statement of Financial Position

綜合財務狀況表

At 31 December 2020 於 2020 年 12 月 31 日

		NOTES	2020	2019
		附註	2020 年 RMB'000 人民幣千元	2019 年 RMB'000 人民幣千元
Non-current assets	非流動資產			
Property, plant and equipment	物業、廠房及設備	17	90,627	98,068
Right-of-use assets	使用權資產	18	31,331	33,755
Interest in a joint venture	於一間合營企業之權益	19	152,892	152,892
Interests in associates	於聯營公司之權益	20	2,106	2,256
Equity instruments at fair value through other comprehensive income	透過其他全面收益按公平值列賬之股本工具	21	26,230	26,230
			303,186	313,201
Current assets	流動資產			
Inventories	存貨	23	33,685	47,126
Trade receivables	應收貿易款項	24	158,353	194,909
Contract assets	合同資產	25	111,091	56,204
Other receivables, deposits and prepayments	其他應收款項、按金及預付款項	26	891,279	888,519
Amounts due from associates	應收聯營公司款項	33	3,053	–
Restricted bank balances	受限制銀行結餘	28	1,675	431
Bank balances and cash	銀行結餘及現金	28	41,476	40,233
			1,240,612	1,227,422
Current liabilities	流動負債			
Trade payables	應付貿易款項	29	653,569	587,272
Other payables and accruals	其他應付款項及應計費用	30	2,654,563	2,480,653
Contract liabilities	合同負債	31	2,050	13,022
Amount due to the ultimate holding company	應付最終控股公司款項	32	230,853	229,568
Amounts due to associates	應付聯營公司款項	33	–	2,477
Amount due to a director	應付一名董事款項	27	527,215	446,232
Lease liabilities — current portion	租賃負債 — 流動部分	34	1,161	1,512
Corporate bonds — due within one year	企業債券 — 於一年內到期	35	230,028	244,894
Short-term borrowings	短期貸款	36	137,669	199,280
Problematic loans	問題貸款	37	204,617	204,617
Financial guarantee contracts	財務擔保合同	38	77,742	53,045
Tax liabilities	稅項負債		26,668	26,668
			4,746,135	4,489,240
Net current liabilities	流動負債淨額		(3,505,523)	(3,261,818)
Total assets less current liabilities	總資產減流動負債		(3,202,337)	(2,948,617)

Consolidated Statement of Financial Position

綜合財務狀況表

At 31 December 2020 於2020年12月31日

		NOTES	2020	2019
		附註	2020年 RMB'000 人民幣千元	2019年 RMB'000 人民幣千元
Non-current liabilities	非流動負債			
Lease liabilities — non-current portion	租賃負債 — 非流動部分	34	—	1,237
Corporate bonds — due after one year	企業債券 — 於一年後到期	35	208,937	246,960
			208,937	248,197
Net liabilities	負債淨額		(3,411,274)	(3,196,814)
Capital and reserves	資本及儲備			
Share capital	股本	39	249,103	249,103
Reserves	儲備		(3,660,377)	(3,445,917)
Total deficit	虧絀總額		(3,411,274)	(3,196,814)

The consolidated financial statements on pages 113 to 235 were approved and authorised for issue by the Board of Directors on 18 April 2022 and are signed on its behalf by:

第113頁至第235頁的綜合財務報表已由董事會於2022年4月18日批准及授權刊發，並由下列董事代表簽署：

Shan Hu
單虎
Director
董事

Zhang Tianbo
張天博
Director
董事

Consolidated Statement of Changes in Equity

綜合權益變動表

For the year ended 31 December 2020 截至2020年12月31日止年度

		Share capital	Share premium	Capital reserve	FVTOCI reserve	Statutory reserve	Retained profits/ (accumulated losses)	Total
		股本	股份溢價	資本儲備	透過其他全面收益按公平值列賬儲備	法定儲備	保留盈利/ (累計虧損)	總計
		RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元 (Note a) (附註a)	RMB'000 人民幣千元 (Note b) (附註b)	RMB'000 人民幣千元 (Note c) (附註c)	RMB'000 人民幣千元	RMB'000 人民幣千元
At 1 January 2019	於2019年1月1日	187,410	511,515	66,587	(29,698)	206,838	1,689,819	2,632,471
Loss and total comprehensive income for the year	年內虧損及全面收入總額	-	-	-	-	-	(6,091,545)	(6,091,545)
Issue of shares (Note 39)	發行股份(附註39)	61,693	200,567	-	-	-	-	262,260
At 31 December 2019 and 1 January 2020	於2019年12月31日及2020年1月1日	249,103	712,082	66,587	(29,698)	206,838	(4,401,726)	(3,196,814)
Loss and total comprehensive income for the year	年內虧損及全面收入總額	-	-	-	-	-	(214,460)	(214,460)
At 31 December 2020	於2020年12月31日	249,103	712,082	66,587	(29,698)	206,838	(4,616,186)	(3,411,274)

Notes:

(a) Capital reserve represents

- (i) waiver of amount due to former immediate holding company;
- (ii) the difference between the nominal value of shares of China Saite Group Company Limited (the "Company") issued as consideration in exchange for the aggregate of the share capital of the subsidiaries of the Company arising upon the corporate reorganisation (the "Corporate Reorganisation") to rationalise the Group's structure prior to listing of the Company's shares on The Stock Exchange of Hong Kong Limited (the "Stock Exchange"); and
- (iii) capital contribution from shareholders under the Corporate Reorganisation.

(b) The fair value through other comprehensive income ("FVTOCI") reserve represents cumulative gains and losses arising on the revaluation of equity instruments at FVTOCI that have been recognised in other comprehensive income. The cumulative gain or loss will not be reclassified to profit or loss on disposal of the equity investments, and will continue to be held in the FVTOCI reserve.

(c) The statutory reserves represent the amount transferred from net profit for the year of subsidiaries established in the People's Republic of China (the "PRC") (based on the PRC statutory financial statements of those PRC subsidiaries) in accordance with the relevant PRC laws until the statutory reserves reach 50% of the registered capital of the subsidiaries. The statutory reserves cannot be reduced except either in setting off the accumulated losses or increasing capital.

附註：

(a) 資本儲備指

- (i) 豁免應付前直接控股公司之款項；
- (ii) 中國賽特集團有限公司(「本公司」)發行作為代價的股份面值與因本公司股份於香港聯合交易所有限公司(「聯交所」)上市前公司為優化本集團的架構而進行之公司重組(「公司重組」)產生之本公司附屬公司的股本總額間的差額；及
- (iii) 股東根據公司重組作出的注資。

(b) 透過其他全面收益按公平值列賬(「透過其他全面收益按公平值列賬」)儲備指重估已於其他全面收益確認之透過其他全面收益按公平值列賬之權益工具所產生的累計收益及虧損。累計收益或虧損將不重新分類至出售股本投資之損益，並將繼續於透過其他全面收益按公平值列賬儲備中持有。

(c) 法定儲備指自於中華人民共和國(「中國」)根據相關中國法律成立的附屬公司的年內純利(基於該中國附屬公司的中國法定財務報表)轉撥的款項，直至該等法定儲備達致該附屬公司註冊資本的50%為止。該等法定儲備不可扣減，惟用以抵銷累計虧損或增資則除外。

Consolidated Statement of Cash Flows

綜合現金流量表

For the year ended 31 December 2020 截至2020年12月31日止年度

	NOTES 附註	2020 2020年 RMB'000 人民幣千元	2019 2019年 RMB'000 人民幣千元
CASH FLOWS FROM OPERATING ACTIVITIES	經營活動產生的現金流量		
Loss before taxation	除稅前虧損	(214,413)	(6,142,799)
Adjustments for:	就以下項目作出調整：		
Bank interest income	銀行利息收入	(940)	(42)
Depreciation of property, plant and equipment	物業、廠房及設備折舊	8,467	6,995
Depreciation of right-of-use assets	使用權資產折舊	2,424	1,817
Effect of modification of corporate bonds	企業債券修改的影響	(1,265)	(3,152)
Remeasurement of financial guarantee contracts	財務擔保合同重新計量	24,697	53,045
Impairment losses on financial and contract assets	金融及合同資產減值虧損	182,776	5,933,528
Finance costs	財務成本	68,364	99,642
Exchange differences on short-term borrowings and corporate bonds	短期貸款及企業債券的匯兌差額	(31,810)	308
Share of loss of a joint venture	分佔合營企業虧損	-	1,351
Share of loss of associates	分佔聯營公司虧損	870	6,781
Written-off of property, plant and equipment	撇銷物業、廠房及設備	180	75,574
Operating cash flows before working capital changes	營運資金變動前的經營現金流量	39,350	33,048
(Increase)/decrease in contract assets	合同資產(增加)/減少	(55,733)	532,984
Decrease/(increase) in inventories	存貨減少/(增加)	13,441	(36,484)
Increase in trade receivables	應收貿易款項增加	(100,752)	(583,731)
Increase in other receivables, deposits and prepayments	其他應收款項、按金及預付款項增加	(47,328)	(4,772,918)
Increase in restricted bank balances	受限制銀行結餘增加	(1,244)	(431)
(Decrease)/increase in contract liabilities	合同負債(減少)/增加	(10,972)	13,022
Increase in trade payables	應付貿易款項增加	66,297	495,726
Increase in other payables and accruals	其他應付款項及應計費用增加	173,910	2,376,069
Cash generated from/(used in) operations	經營業務產生/(所用)的現金	76,969	(1,942,715)
PRC income tax paid	已付中國所得稅	(47)	(129)
NET CASH GENERATED FROM/ (USED IN) OPERATING ACTIVITIES	經營業務產生/(所用)的現金淨額	76,922	(1,942,844)

Consolidated Statement of Cash Flows

綜合現金流量表

For the year ended 31 December 2020 截至2020年12月31日止年度

	NOTES 附註	2020 2020年 RMB'000 人民幣千元	2019 2019年 RMB'000 人民幣千元
CASH FLOWS FROM INVESTING ACTIVITIES	投資活動產生的現金流量		
Purchases of property, plant and equipment	購買物業、廠房及設備	(1,206)	(55,870)
Investments in associates	於聯營公司的投資	(720)	(1,400)
Advance to an associate	一間聯營公司所獲墊款	(3,053)	-
Interest received	已收利息	940	42
Acquisition of equity investment	出售股本投資	-	(4,000)
NET CASH USED IN INVESTING ACTIVITIES	投資活動所用的現金淨額	(4,039)	(61,228)
CASH FLOWS FROM FINANCING ACTIVITIES	融資活動產生的現金流量		
Proceeds from issue of corporate bonds	發行企業債券的所得款項	68,468	630,430
Proceeds from issue of ordinary shares	發行普通股所得款項	-	262,260
New short-term borrowings raised	籌集新短期貸款	-	194,780
Advance from a director	一名董事墊款	80,983	446,232
Repayment to an associate	向一間聯營公司還款	(2,477)	(717)
Advance from the ultimate holding company	最終控股公司墊款	1,285	229,568
Repayment of corporate bonds	償還企業債券	(107,969)	(512,001)
Repayment of short-term borrowings	償還短期貸款	(61,611)	-
Finance costs paid	已付財務成本	(48,857)	(81,605)
Repayment of principal portion of lease liabilities	償還租賃負債本金部分	(1,408)	(212)
NET CASH (USED IN)/FROM FINANCING ACTIVITIES	融資活動(所用)/產生的現金淨額	(71,586)	1,168,735
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	現金及現金等價物增加/(減少)淨額	1,297	(835,337)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	年初現金及現金等價物	40,233	856,924
EFFECT OF IMPAIRMENT LOSSES ON BANK BALANCES	銀行結餘減值虧損影響	(54)	18,646
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	年末現金及現金等價物	41,476	40,233
ANALYSIS OF THE BALANCES OF CASH AND CASH EQUIVALENTS	現金及現金等價物結餘分析		
Bank balances and cash	銀行結餘及現金	28	40,233

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2020 截至2020年12月31日止年度

1. GENERAL

China Saite Group Company Limited (the “Company”) is a limited liability company incorporated in Cayman Islands as an exempted company with limited liability. Its shares are listed on the Main Board of The Stock Exchange of Hong Kong Limited (“The Stock Exchange”). The address of its registered office is 22nd Floor of The Toy House, No.100 Canton Road, Tsim Sha Tsui, Kowloon, Hong Kong, which is also its principal place of business. The Company acts as an investment holding company. The principal activities of its subsidiaries are investment holding and providing integrated construction solution which employs steel structure and prefabricated components.

The Company’s parent is Keen Luck Group Limited (incorporated in Hong Kong) and the directors consider its ultimate parent is Champ Origin Limited (incorporated in the British Virgin Islands).

Trading in the shares of the Company on The Stock Exchange has been suspended since 22 June 2020.

2. ADOPTION OF HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”)

(a) Adoption of new/revised HKFRSs

Amendments to HKFRS 3	Definition of a Business
Amendments to HKAS 1 and HKAS 8	Definition of Material
Amendments to HKAS 39, HKFRS 7 and HKFRS 9	Interest Rate Benchmark Reform

None of these new or amended HKFRSs has a material impact on the Group’s results and financial position for the current or prior period. The Group has not early applied any new or amended HKFRSs that is not yet effective for the current accounting period.

1. 一般資料

中國賽特集團有限公司(「本公司」)為一間於開曼群島註冊成立的獲豁免有限公司。其股份於香港聯合交易所有限公司(「聯交所」)主板上市。其註冊辦事處及主要營業地址為香港九龍尖沙咀廣東道100號彩星集團大廈22樓。本公司為投資控股公司。其附屬公司的主要業務為投資控股及提供採用鋼結構及全裝配預製構件的綜合建築解決方案。

本公司的母公司為建瑞集團有限公司(於香港註冊成立)及董事認為其最終母公司為冠源有限公司(於英屬處女群島註冊成立)。

本公司股份已自2020年6月22日起於聯交所暫停買賣。

2. 採納香港財務報告準則(「香港財務報告準則」)

(a) 採納新訂／經修訂香港財務報告準則

香港財務報告準則第3號(修訂本)	業務的定義
香港會計準則第1號及香港會計準則第8號(修訂本)	重大的定義
香港會計準則第39號、香港財務報告準則第7號及香港財務報告準則第9號(修訂本)	利率基準改革

該等新訂或經修訂香港財務報告準則並無對本集團本期間或過往期間的業績及財務狀況造成任何重大影響。本集團並無提前應用任何於本會計期間尚未生效的新訂或經修訂香港財務報告準則。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2020 截至2020年12月31日止年度

2. ADOPTION OF HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”)

(Continued)

(b) New/revised HKFRSs that have been issued but are not yet effective

The following new/revised HKFRSs, potentially relevant to the Group’s financial statements, have been issued, but are not yet effective and have not been early adopted by the Group. The Group’s current intention is to apply these changes on the date they become effective.

Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture ⁷
Amendments to HKAS 1	Classification of Liabilities as Current or Non-current and HK Interpretation 5 (2020), Presentation of Financial Statements — Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause ⁸
Amendments to HKAS 16	Proceeds before Intended Use ⁴
Amendments to HKFRS 9, HKAS 39, HKFRS 7, HKFRS 4, and HKFRS 16	Interest Rate Benchmark Reform — Phase 2 ²
Amendments to HKAS 1 and HKFRS Practice Statement 2	Disclosure of Accounting Policies ⁶
Amendments to HKAS 8	Definition of Accounting Estimate ⁶
Amendments to HKAS 12	Deferred Tax related to Assets and Liabilities arising from a Single Transaction ⁶
Amendments to HKAS 37	Onerous Contracts — Cost of Fulfilling a Contract ⁴
Amendment to HKFRS 16	COVID-19-Related Rent Concessions ¹
Amendment to HKFRS 16	COVID-19-Related Rent Concessions beyond 2021 ³
Amendments to HKFRS 3	Reference to the Conceptual Framework ³
Annual Improvements to HKFRSs 2018–2020 Cycle	Amendment to HKFRS 1 ⁴
Annual Improvements to HKFRSs 2018–2020 Cycle	Amendment to HKFRS 9, Financial Instruments ⁴
Annual Improvements to HKFRSs 2018–2020 Cycle	Amendment to illustrative examples accompanying HKFRS 16, Leases ⁴

2. 採納香港財務報告準則(「香港財務報告準則」)(續)

(b) 已頒佈但尚未生效之新訂／經修訂香港財務報告準則

本集團並無提早採納下列已頒佈但尚未生效且可能與本集團的財務報表相關的新訂／經修訂香港財務報告準則。本集團目前有意於此等變動生效當日應用有關變動。

香港財務報告準則第10號及香港會計準則第28號(修訂本)	投資者與其聯營公司或合營企業之間的資產出售或注入 ⁷
香港會計準則第1號(修訂本)	將負債分類為流動或非流動及香港詮釋第5號(2020年)，財務報表的列報—借款人對載有按要求償還條款的定期貸款的分類 ⁸
香港會計準則第16號(修訂本)	用作擬定用途前的所得款項 ⁴
香港財務報告準則第9號、香港會計準則第39號、香港財務報告準則第7號、香港財務報告準則第4號及香港財務報告準則第16號(修訂本)	利率基準改革—第二階段 ²
香港會計準則第1號及香港財務報告準則實務公告第2號(修訂本)	會計政策的披露 ⁶
香港會計準則第8號(修訂本)	會計估計的定義 ⁶
香港會計準則第12號(修訂本)	與單一交易產生的資產及負債有關的遞延稅項 ⁶
香港會計準則第37號(修訂本)	虧損性合同—履行合同的成本 ⁴
香港財務報告準則第16號(修訂本)	COVID-19相關租金減免 ¹
香港財務報告準則第16號(修訂本)	2021年之後的COVID-19相關租金減免 ³
香港財務報告準則第3號(修訂本)	概念框架的引述 ³
香港財務報告準則2018年至2020年週期的年度改進	香港財務報告準則第1號(修訂本) ⁴
香港財務報告準則2018年至2020年週期的年度改進	香港財務報告準則第9號(修訂本)、金融工具 ⁴
香港財務報告準則2018年至2020年週期的年度改進	香港財務報告準則第16號、租賃隨附說明性示例(修訂本) ⁴

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2020 截至2020年12月31日止年度

2. ADOPTION OF HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”)

(Continued)

(b) New/revised HKFRSs that have been issued but are not yet effective (Continued)

- ¹ Effective for annual periods beginning on or after 1 June 2020.
- ² Effective for annual periods beginning on or after 1 January 2021.
- ³ Effective for annual periods beginning on or after 1 April 2021.
- ⁴ Effective for annual periods beginning on or after 1 January 2022.
- ⁵ Effective for business combinations for which the date of acquisition is on or after the beginning of the first annual period beginning on or after 1 January 2022.
- ⁶ Effective for annual periods beginning on or after 1 January 2023.
- ⁷ The amendments shall be applied prospectively to the sale or contribution of assets occurring in annual periods beginning on or after a date to be determined.

2. 採納香港財務報告準則(「香港財務報告準則」)(續)

(b) 已頒佈但尚未生效之新訂／經修訂香港財務報告準則(續)

- ¹ 於2020年6月1日或之後開始的年度期間生效。
- ² 於2021年1月1日或之後開始的年度期間生效。
- ³ 於2021年4月1日或之後開始的年度期間生效。
- ⁴ 於2022年1月1日或之後開始的年度期間生效。
- ⁵ 對收購日期於2022年1月1日或之後開始之首個年度期間開始當日或之後的業務合併生效。
- ⁶ 於2023年1月1日或之後開始的年度期間生效。
- ⁷ 有關修訂本將預先應用於於待定期限或之後開始的年度期間發生的資產出售或注入。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2020 截至2020年12月31日止年度

2. ADOPTION OF HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”)

(Continued)

(b) New/revised HKFRSs that have been issued but are not yet effective (Continued)

Amendments to HKFRS 10 and HKAS 28 — Sale or Contribution of Assets between an Investor and its Associate or Joint Venture

The amendments clarify the extent of gains or losses to be recognised when an entity sells or contributes assets to its associate or joint venture. When the transaction involves a business the gain or loss is recognised in full, conversely when the transaction involves assets that do not constitute a business the gain or loss is recognised only to the extent of the unrelated investors’ interests in the joint venture or associate.

The directors of the Company are currently assessing the impact that the application of the amendments will have on the consolidated financial statements.

Amendments to HKAS 1, Classification of Liabilities as Current or Non-current and HK Interpretation 5 (2020), Presentation of Financial Statements — Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause

The amendments clarify that the classification of liabilities as current or non-current is based on rights that are in existence at the end of the reporting period, specify that classification is unaffected by expectations about whether an entity will exercise its right to defer settlement of a liability and explain that rights are in existence if covenants are complied with at the end of the reporting period. The amendments also introduce a definition of ‘settlement’ to make clear that settlement refers to the transfer to the counterparty of cash, equity instruments, other assets or services.

2. 採納香港財務報告準則(「香港財務報告準則」)(續)

(b) 已頒佈但尚未生效之新訂／經修訂香港財務報告準則(續)

香港財務報告準則第10號及香港會計準則第28號(修訂本) — 投資者與其聯營公司或合營企業之間的資產出售或注入

該等修訂本澄清實體向其聯營公司或合營企業出售或注入資產時，將予確認之收益或虧損程度。當交易涉及一項業務，則須確認全數收益或虧損。反之，當交易涉及不構成一項業務的資產，則僅以無關連投資者於合營企業或聯營公司之權益為限確認收益或虧損。

本公司董事現正評估應用該等修訂本對綜合財務報表之影響。

香港會計準則第1號(修訂本)，將負債分類為流動或非流動，以及香港詮釋第5號(2020年)，財務報表的列報 — 借款人對載有按要求償還條款的定期貸款的分類

該等修訂本澄清將負債分類為流動或非流動乃基於報告期末存在的權利，並訂明分類不受有關實體會否行使其延遲清償負債的權利的預期所影響，並解釋倘在報告期末遵循契諾，則權利方屬存在。有關修訂本亦引入「清償」的定義，明確說明清償指將現金、股權工具、其他資產或服務轉讓予對手方。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2020 截至2020年12月31日止年度

2. ADOPTION OF HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”)

(Continued)

(b) New/revised HKFRSs that have been issued but are not yet effective (Continued)

Amendments to HKAS 1, Classification of Liabilities as Current or Non-current and HK Interpretation 5 (2020), Presentation of Financial Statements — Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause (Continued)

HK Int 5 (2020) was revised as a consequence of the Amendments to HKAS 1 issued in August 2020. The revision to HK Int 5 (2020) updates the wordings in the interpretation to align with the Amendments to HKAS 1 with no change in conclusion and do not change the existing requirements.

The directors of the Company do not anticipate that the application of the amendments and revision in the future will have an impact on the consolidated financial statements.

Amendments to HKAS 16, Proceeds before Intended Use

The amendments prohibit deducting from the cost of an item of property, plant and equipment any proceeds from selling items produced while bringing that asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Instead, the proceeds from selling such items, and the cost of producing those items, is recognised in profit or loss.

The directors of the Company are currently assessing the impact that the application of the amendments will have on the consolidated financial statements.

2. 採納香港財務報告準則(「香港財務報告準則」)(續)

(b) 已頒佈但尚未生效之新訂／經修訂香港財務報告準則(續)

香港會計準則第1號(修訂本)，將負債分類為流動或非流動，以及香港詮釋第5號(2020年)，財務報表的列報一借款人對載有按要求償還條款的定期貸款的分類(續)

香港詮釋第5號(2020年)已就於2020年8月頒佈的香港會計準則第1號(修訂本)而作出修訂。對香港詮釋第5號(2020年)的修訂更新了詮釋中的措辭，以與香港會計準則第1號(修訂本)一致，但結論並無變動，亦不會更改現行規定。

本公司董事預計日後應用該等修訂本及修訂不會對綜合財務報表產生影響。

香港會計準則第16號(修訂本)，用作擬定用途前的所得款項

該等修訂本禁止從物業、廠房及設備項目成本中扣除出售任何使資產達到管理層擬定的營運方式所需的地點及狀況時所產生項目的所得款項。相反，出售該等項目的所得款項及生產該等項目的成本於損益中確認。

本公司董事現正評估應用該等修訂本對綜合財務報表之影響。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2020 截至2020年12月31日止年度

2. ADOPTION OF HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”)

(Continued)

(b) New/revised HKFRSs that have been issued but are not yet effective (Continued)

Amendments to HKFRS 9, HKAS 39, HKFRS 7, HKFRS 4 and HKFRS 16, Interest Rate Benchmark Reform — Phase 2

The amendments address issues that might affect financial reporting when a company replaces the old interest rate benchmark with an alternative benchmark rate as a result of the interest rate benchmark reform (the “Reform”). The amendments complement those issued in November 2019 and relate to (a) changes to contractual cash flows in which an entity will not have to derecognise or adjust the carrying amount of financial instruments for changes required by the Reform, but will instead update the effective interest rate to reflect the change to the alternative benchmark rate; (b) hedge accounting in which an entity will not have to discontinue its hedge accounting solely because it makes changes required by the Reform, if the hedge meets other hedge accounting criteria; and (c) disclosures in which an entity will be required to disclose information about new risks arising from the Reform and how it manages the transition to alternative benchmark rates.

The directors of the Company do not anticipate that the application of the amendments in the future will have an impact on the consolidated financial statements.

2. 採納香港財務報告準則(「香港財務報告準則」)(續)

(b) 已頒佈但尚未生效之新訂／經修訂香港財務報告準則(續)

香港財務報告準則第9號、香港會計準則第39號、香港財務報告準則第7號、香港財務報告準則第4號及香港財務報告準則第16號(修訂本)，利率基準改革—第二階段

該等修訂本解決因利率基準改革(「改革」)而導致公司以替代基準利率取代舊利率基準時可能影響財務報告的問題。該等修訂本對2019年11月發佈的修訂本進行補充，涉及(a)合同現金流量變動，實體無需因改革所要求的變動而終止確認或調整金融工具的賬面金額，而是更新實際利率以反映替代基準利率的變動；(b)對沖會計法，倘對沖符合其他對沖會計標準，實體無須純粹因改革所要求的變動而終止其對沖會計法；及(c)披露資料，實體須披露關於改革所帶來的新風險的資料，以及如何管理向替代基準利率的過渡。

本公司董事預計日後應用該等修訂本不會對綜合財務報表產生影響。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2020 截至2020年12月31日止年度

2. ADOPTION OF HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”)

(Continued)

(b) New/revised HKFRSs that have been issued but are not yet effective (Continued)

Amendments to HKAS 1 and HKFRS Practice Statement 2, Disclosures of Accounting Policies

The amendments to HKAS 1 require companies to disclose their material accounting policy information rather than their significant accounting policies. The amendments to HKFRS Practice Statement 2 provide guidance on how to apply the concept of materiality to accounting policy disclosures.

The directors of the Company do not anticipate that the application of the amendments in the future will have an impact on the consolidated financial statements.

Amendments to HKAS 8, Disclosures of Accounting Estimates

The amendments clarify how companies should distinguish changes in accounting policies from changes in accounting estimates. That distinction is important because changes in accounting estimates are applied prospectively only to future transactions and other future events, but changes in accounting policies are generally also applied retrospectively to past transactions and other past events.

The directors of the Company do not anticipate that the application of the amendments in the future will have an impact on the consolidated financial statements.

2. 採納香港財務報告準則(「香港財務報告準則」)(續)

(b) 已頒佈但尚未生效之新訂／經修訂香港財務報告準則(續)

香港會計準則第1號及香港財務報告準則實務公告第2號(修訂本)，會計政策的披露

香港會計準則第1號(修訂本)要求公司披露其主要會計政策資料，而非其重大會計政策。香港財務報告準則實務公告第2號(修訂本)為如何將重要性概念應用於會計政策披露提供指引。

本公司董事預計日後應用該等修訂本不會對綜合財務報表產生影響。

香港會計準則第8號(修訂本)，會計估計的披露

該等修訂本澄清公司應如何將會計政策變動與會計估計變動區分。由於會計估計變動僅按未來適用基準應用於未來交易及其他未來事件，而會計政策變動一般亦會追溯應用於過往交易及其他過往事件，故該區分屬重要。

本公司董事預計日後應用該等修訂本不會對綜合財務報表產生影響。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2020 截至2020年12月31日止年度

2. ADOPTION OF HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”)

(Continued)

(b) New/revised HKFRSs that have been issued but are not yet effective (Continued)

Amendments to HKAS 12, Deferred Tax related to Assets and Liabilities arising from a Single Transaction

The amendments clarify whether the initial recognition exemption applies to certain transactions that often result in both an asset and a liability being recognised simultaneously. Such instances might include the initial recognition of leases from the perspective of a lessee or asset retirement obligations (AROs)/decommissioning liabilities.

The directors of the Company do not anticipate that the application of the amendments in the future will have an impact on the consolidated financial statements.

Amendments to HKAS 37, Onerous Contracts — Cost of Fulfilling a Contract

The amendments specify that the ‘cost of fulfilling’ a contract comprises the ‘costs that relate directly to the contract’. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (e.g. direct labour and materials) or an allocation of other costs that relate directly to fulfilling contracts (e.g. the allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling the contract).

The directors of the Company are currently assessing the impact that the application of the amendments will have on the consolidated financial statements. The directors of the Company anticipate that the application of the amendments will likely have an impact on the Group’s accounting policies in respect of the determination of when contracts are onerous, and the measurement of provision for onerous contracts recognised.

2. 採納香港財務報告準則(「香港財務報告準則」)(續)

(b) 已頒佈但尚未生效之新訂／經修訂香港財務報告準則(續)

香港會計準則第12號(修訂本)，與單一交易產生的資產及負債有關的遞延稅項

該等修訂本澄清初步確認豁免是否適用於通常導致資產及負債同時確認的若干交易。該等情況可能包括從承租人角度初步確認租賃或資產報廢責任／棄置責任。

本公司董事預計日後應用該等修訂本不會對綜合財務報表產生影響。

香港會計準則第37號(修訂本)，虧損性合同—履行合同的成本

該等修訂本訂明，「履行合同的成本」包括「與合同直接有關的成本」。與合同直接有關的成本可以是履行該合同的增量成本(如直接勞工及材料)或與履行合同直接有關的其他成本的分配(如履行合同所使用的物業、廠房及設備項目的折舊費用的分配)。

本公司董事現正評估應用該等修訂本對綜合財務報表之影響。本公司董事預計應用該等修訂本將可能對本集團有關確定合同產生虧損時間以及已確認虧損性合同撥備計量的會計政策有所影響。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2020 截至2020年12月31日止年度

2. ADOPTION OF HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”)

(Continued)

(b) New/revised HKFRSs that have been issued but are not yet effective (Continued)

Amendment to HKFRS 16, COVID-19-Related Rent Concessions

HKFRS 16 was amended to provide a practical expedient to lessees in accounting for rent concessions arising as a result of the COVID-19 pandemic, by including an additional practical expedient in HKFRS 16 that permits entities to elect not to account for rent concessions as modifications. The practical expedient applies only to rent concessions occurring as a direct consequence of COVID-19 pandemic and only if all of the following criteria are satisfied:

- (a) the change in lease payments results in revised consideration for the lease that is substantially the same as, or less than, the consideration for the lease immediately preceding the change;
- (b) the reduction in lease payments affects only payments originally due on or before 30 June 2021; and
- (c) there is no substantive change to other terms and conditions of the lease.

Rent concessions that satisfy these criteria may be accounted for in accordance with this practical expedient, which means the lessee does not need to assess whether the rent concession meets the definition of lease modification. Lessees shall apply other requirements of HKFRS 16 in accounting for the rent concession.

2. 採納香港財務報告準則(「香港財務報告準則」)(續)

(b) 已頒佈但尚未生效之新訂／經修訂香港財務報告準則 (續)

香港財務報告準則第16號(修訂本)，COVID-19相關租金減免

香港財務報告準則第16號已作出修訂，透過在香港財務報告準則第16號中加入一項額外可行權宜方法，允許實體選擇不將租金減免列作修訂，為承租人因COVID-19疫情產生之租金減免之會計處理提供可行權宜方法。該可行權宜方法僅適用於COVID-19疫情直接引致之租金減免，且僅於符合以下所有準則時適用：

- (a) 租賃付款變動導致經修訂租賃代價與緊接變動前之租賃代價大致相同，或少於有關代價；
- (b) 租賃付款之減幅僅影響原先於2021年6月30日或之前到期之付款；及
- (c) 租賃之其他條款及條件並無實質變動。

符合該等準則之租金減免可以按照此可行權宜方法入賬，意味著承租人毋需評估租金減免是否符合租賃修訂之定義。承租人須應用香港財務報告準則第16號之其他規定將租金減免入賬。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2020 截至2020年12月31日止年度

2. ADOPTION OF HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”)

(Continued)

(b) New/revised HKFRSs that have been issued but are not yet effective (Continued)

Amendment to HKFRS 16, COVID-19-Related Rent Concessions (Continued)

Accounting for rent concessions as lease modifications would have resulted in the Group remeasuring the lease liability to reflect the revised consideration using a revised discount rate, with the effect of the change in the lease liability recorded against the right-of-use asset. By applying the practical expedient, the Group is not required to determine a revised discount rate and the effect of the change in the lease liability is reflected in profit or loss in the period in which the event or condition that triggers the rent concession occurs.

The directors of the Company do not anticipate that the application of the amendments in the future will have an impact on the consolidated financial statements.

Amendment to HKFRS 16, COVID-19-Related Rent Concessions beyond 2021

The amendment extends the practical expedient available to lessees in accounting for COVID-19 related rent concessions by one year. The reduction in lease payments could only affect payments originally due on or before 30 June 2021 is extended to 30 June 2022. The amendment is effective for annual reporting periods beginning on or after 1 April 2021, with earlier application permitted.

The directors of the Company do not anticipate that the application of the amendments in the future will have an impact on the consolidated financial statements.

2. 採納香港財務報告準則(「香港財務報告準則」)(續)

(b) 已頒佈但尚未生效之新訂／經修訂香港財務報告準則 (續)

香港財務報告準則第16號(修訂本)，COVID-19相關租金減免(續)

將租金減免作為租賃修訂進行會計處理，將導致本集團使用經修訂折現率對租賃負債進行重新計量，以反映經修訂代價，並將租賃負債變動之影響入賬為使用權資產。透過應用可行權宜方法，本集團毋需釐定經修訂折現率，而租賃負債變動之影響於發生觸發租金減免之事件或條件之期間反映於損益中。

本公司董事預計日後應用該等修訂本不會對綜合財務報表產生影響。

香港財務報告準則第16號(修訂本)，2021年之後的COVID-19相關租金減免

該等修訂本將承租人可用於COVID-19相關租金減免會計處理的可行權宜方法延長一年。將僅能影響原定於2021年6月30日或之前到期的付款的租賃付款削減延長至2022年6月30日。該等修訂本於2021年4月1日或之後開始的年度報告期間生效，並允許提早應用。

本公司董事預計日後應用該等修訂本不會對綜合財務報表產生影響。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2020 截至2020年12月31日止年度

2. ADOPTION OF HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”)

(Continued)

(b) New/revised HKFRSs that have been issued but are not yet effective (Continued)

Amendments to HKFRS 3, Reference to the Conceptual Framework

The amendments update HKFRS 3 so that it refers to the revised Conceptual Framework for Financial Reporting 2018 instead of the version issued in 2010. The amendments add to HKFRS 3 a requirement that, for obligations within the scope of HKAS 37, an acquirer applies HKAS 37 to determine whether at the acquisition date a present obligation exists as a result of past events. For a levy that would be within the scope of HK(IFRIC) Interpretation 21, Levies, the acquirer applies HK(IFRIC) Interpretation 21 to determine whether the obligating event that gives rise to a liability to pay the levy has occurred by the acquisition date. The amendments also add an explicit statement that an acquirer does not recognise contingent assets acquired in a business combination.

The directors of the Company do not anticipate that the application of the amendments in the future will have an impact on the consolidated financial statements.

Annual Improvements to HKFRSs 2018–2020 Cycle, Amendment to HKFRS 1

The annual improvements permit a subsidiary that applies paragraph D16(a) of HKFRS 1 to measure cumulative translation differences using the amounts reported by its parent, based on the parent’s date of transition to HKFRSs.

The directors of the Company do not anticipate that the application of the amendments in the future will have an impact on the consolidated financial statements.

2. 採納香港財務報告準則(「香港財務報告準則」)(續)

(b) 已頒佈但尚未生效之新訂／經修訂香港財務報告準則(續)

香港財務報告準則第3號(修訂本)，概念框架的引述

該等修訂本更新香港財務報告準則第3號，使其參考經修訂2018年財務報告概念框架而非2010年頒佈之版本。該等修訂本在香港財務報告準則第3號中增添一項規定，即就香港會計準則第37號範圍內的義務而言，收購方應用香港會計準則第37號釐定於收購日期是否因過往事件而存在現有義務。對於香港(國際財務報告詮釋委員會)－詮釋第21號徵費範圍內的徵費，收購方應用香港(國際財務報告詮釋委員會)－詮釋第21號以釐定導致支付徵費責任之責任事件是否已於收購日期前發生。該等修訂本亦增添一項明確說明，即收購方不會確認在業務合併中收購的或然資產。

本公司董事預計日後應用該等修訂本不會對綜合財務報表產生影響。

香港財務報告準則2018年至2020年週期的年度改進，香港財務報告準則第1號(修訂本)

年度改進允許應用香港財務報告準則第1號第D16(a)段之附屬公司根據母公司過渡至香港財務報告準則之日期，使用其母公司報告之金額計量累計換算差額。

本公司董事預計日後應用該等修訂本不會對綜合財務報表產生影響。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2020 截至2020年12月31日止年度

2. ADOPTION OF HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”)

(Continued)

(b) New/revised HKFRSs that have been issued but are not yet effective (Continued)

Annual Improvements to HKFRSs 2018–2020 Cycle, Amendment to HKFRS 9, Financial Instruments

The annual improvements amend a number of standards, including HKFRS 9, Financial Instruments, which clarify the fees included in the ‘10 per cent’ test in paragraph B3.3.6 of HKFRS 9 in assessing whether to derecognise a financial liability, explaining that only fees paid or received between the entity and the lender, including fees paid or received by either the entity or the lender on other’s behalf are included.

The directors of the Company do not anticipate that the application of the amendments in the future will have an impact on the consolidated financial statements.

Annual Improvements to HKFRSs 2018–2020 Cycle, Amendment to illustrative examples accompanying HKFRS 16, Leases

The annual improvements amend a number of standards, including HKFRS 16, Leases, which amend Illustrative Example 13 to remove the illustration of reimbursement of leasehold improvements by the lessor in order to resolve any potential confusion regarding the treatment of lease incentives that might arise because of how lease incentives are illustrated in that example.

The directors of the Company do not anticipate that the application of the amendments in the future will have an impact on the consolidated financial statements.

2. 採納香港財務報告準則(「香港財務報告準則」)(續)

(b) 已頒佈但尚未生效之新訂／經修訂香港財務報告準則 (續)

香港財務報告準則2018年至2020年週期的年度改進，香港財務報告準則第9號(修訂本)，金融工具

年度改進對若干準則進行修訂，包括香港財務報告準則第9號金融工具，當中闡明香港財務報告準則第9號第B3.3.6段「10%」測試於評估是否終止確認金融負債時所包括之費用，並解釋僅實體與貸款人之間支付或收取之費用(包括實體或貸款人代表其他方支付或收取之費用)包括在內。

本公司董事預計日後應用該等修訂本不會對綜合財務報表產生影響。

香港財務報告準則2018年至2020年週期的年度改進，香港財務報告準則第16號租賃隨附說明性示例(修訂本)

年度改進對若干準則進行修訂，包括香港財務報告準則第16號租賃，當中修訂第13項說明性示例以刪除由出租人補償租賃物業裝修之說明，進而解決因該示例中租賃優惠之說明方式而可能產生之任何有關租賃優惠處理之潛在混淆。

本公司董事預計日後應用該等修訂本不會對綜合財務報表產生影響。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2020 截至2020年12月31日止年度

3. BASIS OF PREPARATION

The consolidated financial statements for the year ended 31 December 2020 comprise the Company and its subsidiaries (collectively referred to as the “Group”).

Since the mid of 2019, certain legal claims were filed against the Group in the PRC. It came to the attention of the directors of the Company (“Directors”) that part of the claims related to certain loans borrowed by or guarantees provided by the Group, with the involvement of two major operating subsidiaries, namely Jiangsu Saite Steel Structure Co., Ltd. (“Jiangsu Saite”), Jiangsu Qifeng New Building Materials Company Limited (“Jiangsu Qifeng”), and the Company, allegedly originated prior to 2019 that were not recorded in the books and records of the Group (the “Problematic Loans and Guarantee Contracts”). In addition, legal claims were noted by business partners, which resulted in loss of business opportunities.

Besides, the Group encountered financial difficulties, resulted in (1) departure without suitable replacement of key staffs, including senior management, operating staff of different departments, and qualified accounting staffs and led to breakdown of administrative and accounting functions of the Group; and (2) downsizing of business (collectively referred to as “Business Disruption”).

The departure of senior management, operating staff and accounting staffs resulted in malfunction of various departments of the Group, resulting in mishandling and loss of source documents and transaction records.

Despite the Business Disruption, the Group strived to retrieve the information and documents necessary for the maintenance of proper books and records and the preparation of 2020 consolidated financial statements, including contacting counterparties outside the Group such as customers, suppliers, but the Group’s effort failed in vain. The Group has also tried to obtain bank statements for the period from the banks and contact bond holders through lawyers.

3. 編製基準

截至2020年12月31日止年度之綜合財務報表包括本公司及其附屬公司(統稱「本集團」)。

自2019年中以來，本集團在中國被提起若干法律申索。本公司董事(「董事」)注意到，部分申索涉及本集團借入的若干貸款或提供的若干擔保，其中涉及兩間主要經營附屬公司(即江蘇賽特鋼結構有限公司(「江蘇賽特」)、江蘇旗峰新型建材有限公司(「江蘇旗峰」))及本公司，據稱有關貸款或擔保是在2019年之前產生，並無記錄在本集團的賬簿及記錄中(「問題貸款及擔保合同」)。此外，商業夥伴注意到了法律申索，這導致了商業機會的流失。

另外，本集團遭遇財務困難，導致(1)包括高級管理人員、多個部門經營人員及合資格會計人員在內的關鍵人員離職而未找到適當替任人員，令本集團的行政及會計職能無法運作；及(2)業務縮減(統稱「業務中斷」)。

高級管理人員、經營人員及會計人員離職導致本集團各部門運作失常，造成原始文件及交易記錄處理不當及丟失。

儘管發生業務中斷，本集團努力檢索維持適當賬簿及記錄以及編製2020年綜合財務報表所需的資料及文件，包括聯絡本集團外部的交易方(如客戶、供應商)，但所作努力未有成效。本集團亦嘗試從銀行獲得該期間的銀行對賬單，並透過律師聯絡債券持有人。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2020 截至2020年12月31日止年度

3. BASIS OF PREPARATION

(Continued)

During the audit of the 2020 consolidated financial statements, the ex-auditors of the Company also raised concerns in their resignation letters to the Company over litigations in relation to the Problematic Loans and Guarantee Contracts that the Group has been involved. In the interest of the Company, its shareholders and bonds holders as a whole, on 22 June 2020, the Company has applied for suspension of trading in the shares on The Stock Exchange.

An independent board committee (“Independent Committee”) comprising the independent non-executive directors of the Company was established on 15 July 2020 to conduct an investigation with the primary scope to fact-finding in respect of the Problematic Loans and Guarantee Contracts. For the purpose of the investigation, the Independent Committee, through its legal adviser (“Independent Legal Adviser”), commissioned a professional firm as the forensic accountant (“Independent Adviser”) on 5 March 2021 to assist on the investigation.

During the investigation, there were two sets of explanations and documents obtained by the Independent Adviser, with one set provided by the former director of the Company and certain key finance personnel of Jiangsu Saite and Jiangsu Qifeng who already left the Group. The sources of those documents were unidentified. Another set of explanations and documents were based on information obtained from the courts in the PRC. Based on the investigation, there are significant differences identified between the two sets of explanations and documents. The Independent Adviser was unable to resolve the differences due to the limitations as set out below.

3. 編製基準(續)

在審核2020年綜合財務報表時，本公司前任核數師亦在其辭任函中對本集團涉及的問題貸款及擔保合同的訴訟提出了關注。為顧及本公司、其股東及債券持有人之整體利益，本公司於2020年6月22日已申請股份於聯交所暫停買賣。

由本公司獨立非執行董事組成之獨立董事委員會(「獨立委員會」)已於2020年7月15日成立，以調查問題貸款及擔保合同的相關事實。就調查而言，獨立委員會已透過其法律顧問(「獨立法律顧問」)於2021年3月5日委聘一家專業事務所作為法證會計師(「獨立顧問」)協助調查。

在調查過程中，獨立顧問獲得了兩套解釋及文件，其中一套是由本公司一名前董事及已經離開本集團的江蘇賽特及江蘇旗峰的若干主要財務人員所提供。該等文件的來源不詳。另一套解釋及文件是基於從中國法院獲得的資料所得。根據調查，兩套解釋及文件之間存在重大差異，由於下文所述的限制，獨立顧問無法解決這些差異。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2020 截至2020年12月31日止年度

3. BASIS OF PREPARATION

(Continued)

As included in the main findings of the Independent Adviser which were summarised in the announcement dated 23 February 2022 (the “Main Findings Announcement”), the below limitations were noted by the Independent Adviser and agreed by the Directors when conducting the investigation into the Problematic Loans and Guarantee Contracts:

1. The Company failed to provide sufficient and credible explanations and evidence;
2. Unavailability of information and documents in relation to some relevant transactions due to long history; and
3. Lack of cooperation from third-party institutions.

The findings revealed in the investigation gave rise to the doubt about the reliability of books and records of the Group of the current and past years. In respect of the Problematic Loans and Guarantee Contracts, the Directors determined to recognise the Problematic Loans amounting to RMB204,617,000 (Note 37) and Guarantee Contracts amounting to RMB53,045,000 (Note 38) as transactions occurred on 31 December 2019.

As of the date of this report, the management has used its best effort, to the extent commercially practicable, to ensure the complete books and records of the Group for the year ended 31 December 2020, applying their best estimates and judgement based on the information of the Group that are available to the management. However, in light of the Business Disruption and findings as revealed in the investigation, the Directors believed that, as at the date of the report, it is almost impossible, and not practical, to ascertain the correct consolidated profit and loss and other comprehensive income and consolidated statement of financial position for the current year for inclusion in the consolidated financial statements of the Group.

3. 編製基準(續)

誠如獨立顧問的主要調查結果所載(有關內容亦概述於日期為2022年2月23日的公告(「主要調查結果公告」)),在對問題貸款及擔保合同進行調查過程中,獨立顧問注意到且董事同意存在以下限制:

1. 本公司未能提供充分及可信的解釋及證據;
2. 由於歷史久遠,無法獲得與一些相關交易有關的資料及文件;及
3. 缺乏來自第三方機構的合作。

調查中發現的問題令本集團本年度及過去幾年的賬簿及記錄的可靠性存疑。就問題貸款及擔保合同而言,董事決定將金額為人民幣204,617,000元的问题貸款(附註37)及金額為人民幣53,045,000元的擔保合同(附註38)確認為2019年12月31日發生的交易。

截至本報告日期,管理層已根據其所掌握的本集團的資料,運用其最佳估計及判斷,盡最大努力在商業上可行的範圍內確保本集團截至2020年12月31日止年度的完整賬簿及記錄。然而,鑒於業務中斷及調查中發現的問題,董事認為,截至本報告日期,確定本年度正確的綜合損益及其他全面收益及綜合財務狀況表以納入本集團的綜合財務報表,是幾乎不可能,亦不現實。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2020 截至2020年12月31日止年度

3. BASIS OF PREPARATION

(Continued)

As the consolidated financial statements have been prepared based on the incomplete books and records available to the Group, the Directors are unable to represent that all transactions entered into by the Group for the year ended 31 December 2020 have been properly reflected in the consolidated financial statements.

As the consolidated financial statements have been prepared based on the incomplete books and records available to the Company, the Directors of the Company are unable to represent that all transactions entered into by the Group for the year ended 31 December 2020 have been properly reflected in the consolidated financial statements. In this connection, the Directors of the Company are also unable to represent as to the completeness, existence and accuracy of identification and the disclosures of revenue in Note 6, segment information in Note 7, other income and other gains and losses in Note 8, finance costs in Note 9, impairment losses on financial and contract assets in Note 10, income tax expense in Note 11, loss for the year in Note 12, directors' and chief executive's emoluments in Note 13, five highest paid employees in Note 14, losses per share in Note 16, property, plant and equipment in Note 17, right-of-use assets in Note 18, interest in a joint venture in Note 19, interests in associates in note 20, equity instruments at fair value through other comprehensive income in Note 21, deferred tax assets and liabilities in Note 22, inventories in Note 23, trade receivables in Note 24, contract assets in Note 25, other receivables, deposits and prepayments in Note 26, amount due to a director in Note 27, bank balances and cash and restricted bank balances in Note 28, trade payables in Note 29, other payables and accruals in Note 30, contract liabilities in Note 31, amount due to the ultimate holding company in Note 32, amounts due from/(to) associates in Note 33, lease liability in Note 34, corporate bonds in Note 35, short-term borrowings in Note 36, problematic loans in Note 37, financial guarantee contracts in Note 38, notes supporting the consolidated statement of cash flows in note 42, capital risk management in Note 43, financial instruments in Note 44, and related party disclosures in Note 45.

3. 編製基準(續)

由於綜合財務報表乃根據本公司可得的不完整賬簿及賬目編製，董事未能聲明本集團截至2020年12月31日止年度訂立的全部交易已在綜合財務報表中妥為反映。

由於綜合財務報表乃根據本集團可得的不完整的賬簿及記錄編製，本公司董事無法表示本集團於截至2020年12月31日止年度進行的所有交易已於綜合財務報表妥善反映。就此而言，本公司董事亦無法就收益(附註6)、分部資料(附註7)、其他收入及其他收益或虧損(附註8)、財務費用(附註9)、金融及合同資產的減值虧損(附註10)、所得稅開支(附註11)、年內虧損(附註12)、董事及主要行政人員薪酬(附註13)、五名最高薪僱員(附註14)、每股虧損(附註16)、物業、廠房及設備(附註17)、使用權資產(附註18)、於一間合營企業之權益(附註19)、於聯營公司之權益(附註20)、透過其他全面收益按公平值列賬之股本工具(附註21)、遞延稅項資產及負債(附註22)、存貨(附註23)、應收貿易款項(附註24)、合同資產(附註25)、其他應收款項、按金及預付款項(附註26)、應付董事款項(附註27)、銀行結餘及現金及受限制銀行結餘(附註28)、應付貿易款項(附註29)、其他應付款項及應計費用(附註30)、合同負債(附註31)、應付最終控股公司款項(附註32)、應收/(付)聯營公司款項(附註33)、租賃負債(附註34)、企業債券(附註35)、短期貸款(附註36)、問題貸款(附註37)、財務擔保合同(附註38)、綜合現金流量表的說明附註(附註42)、資本風險管理(附註43)、金融工具(附註44)及關連人士披露資料(附註45)的識別及披露的完整性、實存性及準確性作出聲明。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2020 截至2020年12月31日止年度

3. BASIS OF PREPARATION

(Continued)

Any adjustments arising from the matters described above would have a consequential significant effect on the net loss of the Group for the year ended 31 December 2020 and net assets of the Group as at 31 December 2020.

(a) Statement of compliance

The directors have presented in these consolidated financial statements the financial information prepared based on all available information to the extent provided to them in their capacity. Except for the matters disclosed above, these financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards ("HKAS") and Interpretations (hereinafter collectively referred to as the "HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"), the disclosure requirements of the Hong Kong Companies Ordinance and the applicable disclosures required by the Rules Governing the Listing of Securities on The Stock Exchange.

(b) Basis of measurement and going concern assumption

The consolidated financial statements have been prepared under the historical cost basis except for certain financial instruments that are measured at fair values as explained in the accounting policies set out below.

During the year, the Group has incurred a loss of RMB214,460,000 and as at 31 December 2020, its current liabilities exceeded its current assets by RMB3,505,522,000. As at the same date, the Group only had cash and cash equivalents amounted to RMB41,476,000.

3. 編製基準(續)

因上述事項所進行的任何調整可能對本集團截至2020年12月31日止年度的虧損淨額及本集團於2020年12月31日的負債淨額產生重大影響。

(a) 合規聲明

董事已於該等綜合財務報表聲明，財務資料乃根據彼等以董事身份可獲提供的所有可得資料編製。除上文所披露事項外，該等財務報表乃根據香港會計師公會（「香港會計師公會」）頒佈的香港財務報告準則、香港會計準則（「香港會計準則」）及詮釋（以下統稱為「香港財務報告準則」）、香港《公司條例》的披露規定及聯交所證券上市規則規定的適用披露而編製。

(b) 計量基準及持續經營假設

除下文所載會計政策解釋的若干金融工具按公平值計量外，綜合財務報表乃按歷史成本基準編製。

年內，本集團產生虧損人民幣214,460,000元，於2020年12月31日其流動負債超出其流動資產人民幣3,505,522,000元。同日，本集團的現金及現金等價物僅為人民幣41,476,000元。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2020 截至2020年12月31日止年度

3. BASIS OF PREPARATION

(Continued)

(b) Basis of measurement and going concern assumption (Continued)

In addition, winding-up petitions were lodged with the High Court of Hong Kong (the "Court") against the Company by various creditors in pursuit of the settlement of the outstanding debts owed to them. To deal with this situation, the Company proposed a debt restructuring arrangement ("Scheme of Arrangement") as detailed below. These events or conditions, together with the Business Disruption as described in Note 3, indicate the existence of a material uncertainty that may cast significant doubt on the Group's ability to continue as a going concern, and therefore, that it may be unable to realise its assets and discharge its liabilities in the normal course of business.

In assessing the appropriateness of the use of the going concern basis in the preparation of these consolidated financial statements, the Directors prepared a cash flow forecast covering a period of 12 months from the date of approval for issue of these consolidated financial statements. In preparing the cash flow forecast, the Directors have given careful consideration to the future liquidity and performance of the Group and its available sources of financing in assessing whether the Group will have sufficient financial resources to continue as a going concern. For this purpose, the following plans and measures have been implemented:

- (i) Group Reorganisation — The Company proceeded a carve out of Jiangsu Saite and Jiangsu Qifeng through a shareholders' voluntary winding up of its parent, Modern Day Holdings Limited. On 24 December 2021, a special resolution was duly passed to wind up Modern Day Holdings Limited. Upon the completion of the reorganisation, Jiangsu Saite and Jiangsu Qifeng are no longer the subsidiaries of the Company;

3. 編製基準(續)

(b) 計量基準及持續經營假設(續)

此外，多名債權人已向香港高等法院(「法院」)提交了針對本公司的清盤呈請，要求清償結欠他們的未償還債務。為應對此情況，本公司已提出一項債務重組安排(「安排計劃」)(如下文詳述)。該等事件或條件，加上附註3所述的業務中斷，表明存在重大不確定性可能會對本集團持續經營的能力產生重大疑問，因此，本集團可能無法在正常業務過程中變現其資產及清償其負債。

為評估於編製此等綜合財務報表時使用持續經營基準的適當性，董事已編製涵蓋此等綜合財務報表獲批准刊發日期起計12個月期間的現金流量預測。於編製現金流量預測時，董事已審慎考慮本集團的未來流動資金及表現以及其可用融資來源，以評估本集團是否有足夠財務資源以持續經營。就此而言，本集團已實施下列計劃及措施：

- (i) 集團重組 — 本公司透過股東對其母公司全傑控股有限公司的自願清盤，對江蘇賽特及江蘇旗峰進行了劃分。於2021年12月24日，正式通過一項特別決議案對全傑控股有限公司進行清盤。於重組完成後，江蘇賽特及江蘇旗峰不再為本公司附屬公司；

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2020 截至2020年12月31日止年度

3. BASIS OF PREPARATION

(Continued)

(b) Basis of measurement and going concern assumption (Continued)

- (ii) Capital Injection — the Group entered into agreements with the investors on 13 September 2021 and 10 December 2021, that the Company to issue the Senior Notes in an aggregate principal amount of HK\$160,000,000 and to issue an aggregate of 3,120,000,000 Subscription Shares at the Subscription Price of HK\$0.10 per Subscription Share, amounted to HK\$312,000,000. The capital injection is subject to, inter alia, the resumption of the trading of the Company's shares before 30 June 2022; and
- (iii) Scheme of Arrangement — Under the Scheme of Arrangement, each creditor of the Company are entitled to elect settlement in cash, to be satisfied by the issue of senior notes totalling HK\$160 million, or by allotment and issue of new shares of the Company for settlement of all its claims against the Company and its subsidiaries under the Scheme of Arrangement. The Scheme has been approved by the requisite majority of creditors of the Company at the Scheme meeting on 25 February 2022, and has been sanctioned by the High Court of Hong Kong on 11 April 2022.

3. 編製基準(續)

(b) 計量基準及持續經營假設(續)

- (ii) 注資 — 本集團於2021年9月13日及2021年12月10日與投資者訂立協議，由本公司發行本金總額160,000,000港元的優先票據及按認購價每股認購股份0.10港元發行合共3,120,000,000股認購股份(合共312,000,000港元)。注資須待(其中包括)本公司股份於2022年6月30日前復牌，方可作實；及
- (iii) 安排計劃 — 本公司正在實施一項安排計劃，本公司各債權人有權選擇以現金支付、透過發行總額為160,000,000港元的優先票據支付、或透過配發及發行本公司新股份支付其根據安排計劃對本公司及其附屬公司的所有申索。該計劃已在2022年2月25日的計劃會議上獲得本公司必要的多數債權人的批准，並在2022年4月11日獲得香港高等法院的批准。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2020 截至2020年12月31日止年度

3. BASIS OF PREPARATION

(Continued)

(b) Basis of measurement and going concern assumption (Continued)

(iii) (Continued)

Despite the restructuring effort of the Group thus far, on 14 January 2022, the Company received a letter from the Stock Exchange stating that the Listing Committee of the Stock Exchange has decided to cancel the Company's listing under Rule 6.01A(1) of the Listing Rules as the Company failed to satisfy all the Resumption Guidance by 21 December 2021 (the "Delisting Decision"). On 21 January 2022, the Company submitted an application requesting the Delisting Decision be referred to the listing review committee of the Stock Exchange for review pursuant to Chapter 2B of the Listing Rules. The review hearing is scheduled to be held on 19 April 2022.

The issue of shares under the Scheme of Arrangement is subject to the resumption of trading of shares of the Company. Nevertheless, the Directors considered that the Scheme of Arrangement would be successful.

Other than the above restructuring plan, certain measures are being contemplated to mitigate the liquidity pressure and to improve its financial position and performance which include, but not limited to the following:

- (i) introducing new investors in order to ensure sufficient working capital and new business to generate revenue; and
- (ii) The Group continues to develop its construction service business to improve its cash flow from operations.

3. 編製基準(續)

(b) 計量基準及持續經營假設(續)

(iii) (續)

儘管本集團迄今已作出重組的努力，於2022年1月14日，本公司接獲聯交所的函件，當中說明聯交所上市委員會已決定根據上市規則第6.01A(1)條取消本公司的上市地位，原因是本公司未能於2021年12月21日前滿足所有復牌指引(「除牌決定」)。於2022年1月21日，本公司提呈申請，要求根據上市規則第2B章將除牌決定提呈至聯交所上市覆核委員會覆核。覆核聆訊安排在2022年4月19日舉行。

根據安排計劃發行股份須待本公司股份恢復買賣後，方告作實。然而，董事認為安排計劃將會成功。

除上述重組計劃外，本公司亦採取若干措施減輕流動資金壓力以及改善其財務狀況及表現，該等措施包括但不限於：

- (i) 引入新投資者以確保充足的營運資金及引入新業務以產生收入；及
- (ii) 本集團繼續發展其建築服務業務以改善其經營現金流量。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2020 截至2020年12月31日止年度

3. BASIS OF PREPARATION

(Continued)

(b) Basis of measurement and going concern assumption (Continued)

Assuming the successful implementation of the above Group's restructuring plan, the Directors are of the opinion that the Group will have sufficient working capital to finance its operations and to meet its financial obligations as and when they fall due within the next twelve months from the date of authorisation for issue of these consolidated financial statements. Accordingly, the consolidated financial statements have been prepared on a going concern basis.

Notwithstanding the above, significant uncertainties exist as to whether management will be able to achieve its plans and measures as described above. Whether the Group will be able to continue as a going concern would depend upon the following:

- (i) successful to obtain funding as capital injection from the potential investors;
- (ii) fulfilment of resumption guidance which would affect the Scheme of Arrangement and the Capital Injection; and

Should the Group fail to achieve the abovementioned plans and measures, it might not be able to continue to operate as a going concern, and adjustments would have to be made to write down the carrying value of the Group's assets to their recoverable amounts, to provide for any further liabilities which might arise, and to reclassify non-current assets and non-current liabilities as current assets and current liabilities, respectively. The effects of these adjustments have not been reflected in these consolidated financial statements.

3. 編製基準(續)

(b) 計量基準及持續經營假設(續)

假設成功實施上述本集團的重組計劃，董事認為本集團將有充足營運資金撥付其營運及履行其自此等綜合財務報表獲授權刊發之日起計未來至少十二個月的財務責任。因此，綜合財務報表乃按持續經營基準編製。

儘管有上述情況，管理層能否達成其上文所述計劃及措施存在重大不確定因素。本集團能否繼續持續經營將取決於下列各項：

- (i) 成功獲取作為潛在投資者注資的資金；
- (ii) 成復牌指引，而這將影響安排計劃及注資；及

倘本集團未能達成上述計劃及措施，其或不能繼續持續經營，且將須作出調整以將本集團資產賬面值撇減至其可收回金額，以就任何可能產生的進一步負債計提撥備，及將非流動資產及非流動負債分別重新分類為流動資產及流動負債。該等調整的影響並未反映於該等綜合財務報表中。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2020 截至2020年12月31日止年度

3. BASIS OF PREPARATION

(Continued)

(c) Functional and presentation currency

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

Amounts are rounded to the nearest thousand, unless otherwise stated.

3. 編製基準(續)

(c) 功能及呈列貨幣

綜合財務報表乃以本公司的功能貨幣人民幣(「人民幣」)呈列。

除另有註明外，金額均約整至最接近的千位數。

4. SIGNIFICANT ACCOUNTING POLICIES

(a) Business combination and basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries (the "Group"). Inter-company transactions and balances between group companies together with unrealised profits are eliminated in full in preparing the consolidated financial statements. Unrealised losses are also eliminated unless the transaction provides evidence of impairment on the asset transferred, in which case the loss is recognised in profit or loss.

The results of subsidiaries acquired or disposed of during the year are included in the consolidated statement of profit or loss and other comprehensive income from the dates of acquisition or up to the dates of disposal, as appropriate. Where necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with those used by other members of the Group.

4. 重大會計政策

(a) 業務合併及綜合基準

綜合財務報表包括本公司及其附屬公司(「本集團」)的財務報表。集團公司內各公司間的交易及結餘連同未變現溢利於編製綜合財務報表時悉數對銷。未變現虧損亦予以對銷，惟相關交易有證據顯示所轉讓資產出現減值則除外，於此情況下，虧損於損益確認。

年內收購或出售附屬公司的業績自收購日期起或至出售日期止(如適用)載於綜合損益及其他全面收益表。必要時，須對附屬公司財務報表作出調整，以使其會計政策與本集團其他成員公司的會計政策貫徹一致。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2020 截至2020年12月31日止年度

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(a) Business combination and basis of consolidation (Continued)

The Group accounts for business combinations using the acquisition method when the acquired set of activities and assets meets the definition of a business and control is transferred to the Group. In determining whether a particular set of activities and assets is a business, the Group assesses whether the set of assets and activities acquired includes, at a minimum, an input and substantive processes and whether the acquired set has the ability to produce outputs.

The cost of an acquisition is measured at the aggregate of the acquisition-date fair value of assets transferred, liabilities incurred and equity interests issued by the Group, as the acquirer. The identifiable assets acquired and liabilities assumed are principally measured at acquisition-date fair value. The Group's previously held equity interest in the acquiree is re-measured at acquisition-date fair value and the resulting gains or losses are recognised in profit or loss. The Group may elect, on a transaction-by-transaction basis, to measure the non-controlling interests that represent present ownership interests in the subsidiary either at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition-related costs incurred are expensed unless they are incurred in issuing equity instruments in which case the costs are deducted from equity.

Any contingent consideration to be transferred by the acquirer is recognised at acquisition-date fair value. Subsequent adjustments to consideration are recognised against goodwill only to the extent that they arise from new information obtained within the measurement period (a maximum of 12 months from the acquisition date) about the fair value at the acquisition date. All other subsequent adjustments to contingent consideration classified as an asset or a liability are recognised in profit or loss.

4. 重大會計政策(續)

(a) 業務合併及綜合基準(續)

當所收購的一組活動及資產符合業務的定義且控制權轉移至本集團時，本集團使用收購法為業務合併入賬。於釐定一組特定活動及資產是否為一項業務時，本集團評估所收購的一組資產及活動是否至少包括一項投入及實質過程，以及所收購的一組資產及活動是否具有生產產出的能力。

收購成本按本集團(作為收購方)所轉移資產、所產生負債及所發行股權於收購日期的公平值總額計量。所收購可識別資產及所承擔負債主要按收購日期公平值計量。本集團過往持有被收購方的股權按收購日期公平值重新計量，所產生收益或虧損於損益確認。本集團可按每宗交易按公平值或按被收購方可識別資產淨值的應佔比例計量佔於附屬公司目前擁有權權益的非控股權益。所產生收購相關成本列作開支，除非有關成本於發行股本工具時產生，否則有關成本會於權益中扣除。

收購方將予轉讓的任何或然代價均按收購日期公平值確認。其後對代價作出之調整，僅於調整乃由於計量期(最長為收購日期起計十二個月)內取得有關於收購日期公平值的新資料產生時，方通過商譽確認。分類為資產或負債的或然代價的所有其他其後調整均於損益內確認。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2020 截至2020年12月31日止年度

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(a) Business combination and basis of consolidation (Continued)

When the Group loses control of a subsidiary, the profit or loss on disposal is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interest. Amounts previously recognised in other comprehensive income in relation to the subsidiary are accounted for in the same manner as would be required if the relevant assets or liabilities were disposed of.

Subsequent to acquisition, the carrying amount of non-controlling interests that represent present ownership interests in the subsidiary is the amount of those interests at initial recognition plus such non-controlling interest's share of subsequent changes in equity. Total comprehensive income is attributed to such non-controlling interests even if this results in those non-controlling interests having a deficit balance.

(b) Subsidiaries

A subsidiary is an investee over which the Company is able to exercise control. The Company controls an investee if all three of the following elements are present: power over the investee, exposure, or rights, to variable returns from the investee, and the ability to use its power to affect those variable returns. Control is reassessed whenever facts and circumstances indicate that there may be a change in any of these elements of control.

In the Company's statement of financial position, investments in subsidiaries are stated at cost less impairment loss, if any. The results of subsidiaries are accounted for by the Company on the basis of dividend received and receivable.

4. 重大會計政策(續)

(a) 業務合併及綜合基準(續)

倘本集團失去附屬公司控制權，出售損益乃按下列兩者的差額計算：(i)所收取代價公平值與任何保留權益公平值總額，及(ii)附屬公司資產(包括商譽)及負債與任何非控股權益過往的賬面值。有關附屬公司於其他全面收益確認的過往金額按出售相關資產或負債時所規定的相同方式入賬。

收購後，相當於目前於附屬公司擁有權之非控股權益的賬面值為該等權益於首次確認時的金額加非控股權益應佔權益其後變動的部分。即使會導致非控股權益出現虧絀結餘，全面收入總額仍歸屬於有關非控股權益。

(b) 附屬公司

附屬公司乃指本集團能對其行使控制權之被投資方。倘具備以下全部三項要素，本公司即對被投資方擁有控制權：有權控制被投資方、就被投資方浮動回報承受或擁有風險或權利及有能力運用其權力影響該等浮動回報。倘有事實及情況顯示任何該等控制權要素可能出現變動，則會重新評估控制權。

於本公司的財務狀況表內，於附屬公司的投資按成本減減值虧損(如有)列賬。本公司按已收及應收股息將附屬公司業績入賬。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2020 截至2020年12月31日止年度

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(c) Associates

An associate is an entity over which the Group has significant influence and that is neither a subsidiary nor a joint arrangement. Significant influence is the power to participate in the financial and operating policy decisions of the investee but not control or joint control over those policies.

Associates are accounted for using the equity method whereby they are initially recognised at cost and thereafter, their carrying amount are adjusted for the Group's share of the post-acquisition change in the associates' net assets except that losses in excess of the Group's interest in the associate are not recognised unless there is an obligation to make good those losses.

Profits and losses arising on transactions between the Group and its associates are recognised only to the extent of unrelated investor's interests in the associate. The investor's share in the associate's profits and losses resulting from these transactions is eliminated against the carrying value of the associate. Where unrealised losses provide evidence of impairment of the asset transferred they are recognised immediately in profit or loss.

Any premium paid for an associate above the fair value of the Group's share of the identifiable assets, liabilities and contingent liabilities acquired is capitalised and included in the carrying amount of the associate. Where there is objective evidence that the investment in an associate has been impaired, the carrying amount of the investment is tested for impairment in the same way as other non-financial assets.

In the Company's statement of financial position, investments in associates are carried at cost less impairment losses, if any. The results of associates are accounted for by the Company on the basis of dividends received and receivable during the year.

4. 重大會計政策(續)

(c) 聯營公司

聯營公司為本集團對其具有重大影響的實體，既非附屬公司，亦非合營安排。重大影響指本集團有權參與被投資方的財務及營運政策決定，但未能控制或共同控制該等政策。

聯營公司使用權益法入賬，當中該等公司首次按成本確認，而其賬面值其後乃按本集團應佔聯營公司資產淨值的收購後變動作出調整，惟虧損超出本集團於聯營公司權益的部分不予確認，除非存在責任補充該等虧損。

本集團及其聯營公司之間的交易所產生的溢利及虧損僅以非關聯投資者於聯營公司的權益為限予以確認。投資者因該等交易應佔的聯營公司溢利及虧損乃就聯營公司的賬面值對銷。倘未變現虧損提供已轉讓資產減值的證據，則會即時在損益內確認。

就聯營公司所支付高於本集團應佔所收購可識別資產、負債及或然負債公平值之任何溢價乃撥充資本，並計入聯營公司的賬面值。倘有客觀證據顯示於聯營公司的投資出現減值，則按與其他非金融資產相同的方式就投資賬面值進行減值測試。

於本公司的財務狀況表內，於聯營公司的投資按成本減減值虧損(如有)列賬。本公司按年內已收及應收股息將聯營公司業績入賬。

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綜合財務報表附註

For the year ended 31 December 2020 截至2020年12月31日止年度

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(d) Joint arrangements

The Group is a party to a joint arrangement where there is a contractual arrangement that confers joint control over the relevant activities of the arrangement to the Group and at least one other party. Joint control is assessed under the same principles as control over subsidiaries.

The Group classifies its interests in joint arrangements as either:

- *Joint ventures*: where the Group has rights to only the net assets of the joint arrangement; or
- *Joint operations*: where the Group has both the rights to assets and obligations for the liabilities of the joint arrangement.

In assessing the classification of interests in joint arrangements, the Group considers:

- The structure of the joint arrangement;
- The legal form of joint arrangements structured through a separate vehicle;
- The contractual terms of the joint arrangement agreement; and
- Any other facts and circumstances (including any other contractual arrangements).

The Group accounts for its interests in joint ventures in the same manner as investments in associates (i.e. using the equity method — see Note 4(c)).

4. 重大會計政策(續)

(d) 合營安排

倘合同安排授予本集團及至少另一方對安排相關活動的共同控制權，則本集團為合營安排的一方。以控制附屬公司的相同準則評估共同控制權。

本集團將其於合營安排中的權益分類為：

- *合營企業*：本集團只享有合營安排資產淨值的權利；或
- *聯合經營*：本集團享有合營安排資產的權利及債務的責任。

於評估合營安排中權益的分類時，本集團考慮：

- 合營安排的架構；
- 通過單獨工具構成的合營安排的法律形式；
- 合營安排協議的合同條款；及
- 任何其他事實及情況(包括任何其他合同安排)。

本集團乃採用與於聯營公司的投資的相同方式(即採用權益法 — 見附註4(c))將其於合營企業的權益入賬。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2020 截至2020年12月31日止年度

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(d) Joint arrangements (Continued)

Any premium paid for an investment in a joint venture above the fair value of the Group's share of the identifiable assets, liabilities and contingent liabilities acquired is capitalised and included in the carrying amount of the investment in joint venture. Where there is objective evidence that the investment in a joint venture has been impaired the carrying amount of the investment is tested for impairment in the same way as other non-financial assets.

The Group accounts for its interests joint operations by recognising its share of assets, liabilities, revenues and expenses in accordance with its contractually conferred rights and obligations.

The Company's interests in joint ventures are stated at cost less impairment losses, if any. Results of joint ventures are accounted for by the Company on the basis of dividends received and receivable.

(e) Property, plant and equipment

Property, plant and equipment including buildings held for use in the production or supply of goods or services, or for administrative purpose (other than construction in progress as described below) are stated in the consolidated statement of financial position at cost less subsequent accumulated depreciation and subsequent accumulated impairment losses, if any.

4. 重大會計政策(續)

(d) 合營安排(續)

就於合營企業的投資所支付高於本集團應佔所收購可識別資產、負債及或然負債公平值之任何溢價乃撥充資本，並計入於合營企業的投資的賬面值。倘有客觀證據顯示於合營企業的投資出現減值，則按與其他非金融資產相同的方式就投資賬面值進行減值測試。

本集團根據合同所授予之權利及義務，透過確認其分佔資產、負債、收益及開支，將其合營業務權益入賬。

本公司於合營企業的權益按成本減減值虧損(如有)列賬。本公司按已收及應收股息將合營企業業績入賬。

(e) 物業、廠房及設備

物業、廠房及設備包括持作生產或供應貨品或提供服務或作行政用途的樓宇(下文所述的在建工程除外)，乃於綜合財務狀況表內按成本減後續累計折舊及後續累計減值虧損(如有)列賬。

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綜合財務報表附註

For the year ended 31 December 2020 截至2020年12月31日止年度

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(e) Property, plant and equipment (Continued)

Depreciation is recognised so as to write off the cost of items of property, plant and equipment other than construction in progress less their residual values over their estimated useful lives, using the straight line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis. The useful lives are as follows:

Buildings and structures	5%
Plant and machinery	10%
Motor vehicles	10% to 19%
Office equipment	5% to 19%
Leasehold improvement	Over the remaining period of the related lease

Construction in progress are carried at cost, less any recognised impairment loss. Costs include professional fees and, for qualifying assets, borrowing costs capitalised in accordance with the Group's accounting policy. Such properties are classified to the appropriate categories of property, plant and equipment when completed and ready for intended use. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

4. 重大會計政策(續)

(e) 物業、廠房及設備(續)

物業、廠房及設備項目(在建工程除外)按其估計可使用年期,經扣除其剩餘價值後以直線法確認折舊以撇銷成本。估計可使用年期、剩餘價值及折舊法於各報告期末作檢討,並按前瞻性基準將任何估算變動的影響列賬。可使用年期如下:

樓宇及構築物	5%
廠房及機器	10%
汽車	10%至19%
辦公室設備	5%至19%
租賃物業裝修	於相關租賃的餘下租賃期內

在建工程按成本減任何已確認減值虧損列賬。成本包括專業費及根據本集團會計政策資本化的貸款成本(就合資格資產而言)。該等物業於竣工及可作擬定用途時被歸類至物業、廠房及設備的適當類別。當該等資產可作擬定用途時,開始進行折舊,其基準與其他物業資產相同。

物業、廠房及設備項目於出售時或預期待日後將不會自持續使用資產獲得經濟利益時取消確認。出售或棄置物業、廠房及設備項目產生的任何收益或虧損按出售所得款項與有關資產賬面值的差額計算,並於損益中確認。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2020 截至2020年12月31日止年度

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(f) Leases

Accounting as a lessee

All leases are accounted for by recognising a right-of-use asset and a lease liability except for:

- Leases of low value assets; and
- Leases with a duration of 12 months or less.

Lease liabilities are measured at the present value of the contractual payments due to the lessor over the lease term, with the discount rate determined by reference to the rate inherent in the lease unless (as is typically the case) this is not readily determinable, in which case the Group's incremental borrowing rate on commencement of the lease is used. Variable lease payments are only included in the measurement of the lease liability if they depend on an index or rate. In such cases, the initial measurement of the lease liability assumes the variable element will remain unchanged throughout the lease term. Other variable lease payments are expensed in the period to which they relate.

On initial recognition, the carrying value of the lease liability also includes:

- amounts expected to be payable under any residual value guarantee;
- the exercise price of any purchase option granted in favour of the Group if it is reasonable certain to assess that option;
- any penalties payable for terminating the lease, if the term of the lease has been estimated on the basis of termination option being exercised.

4. 重大會計政策(續)

(f) 租賃

作為承租人之會計處理

所有租賃均通過確認使用權資產及租賃負債入賬，惟以下除外：

- 低價值資產租賃；及
- 期限為12個月或以內的租賃。

租賃負債於租賃期內按應付出租人合同付款之現值計量，折現率參照租賃固有效率釐定，惟(通常情況下)無法輕易釐定除外，在此情況下，使用本集團於租賃開始時之增量借款利率。倘可變租賃付款取決於一項指數或比率，則其僅計入租賃負債計量。於該等情況下，租賃負債初始計量假設可變要素於整個租賃期內將保持不變，則其他可變租賃付款於相關期間列作開支。

於首次確認時，租賃負債之賬面值亦包括：

- 任何剩餘價值擔保項下預期應付的款項；
- 倘合理確定評估該選擇權，任何給予本集團購買選擇權之行使價；
- 倘租賃期按行使終止租賃的選擇權基準估計，終止租賃應付的任何罰款。

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綜合財務報表附註

For the year ended 31 December 2020 截至2020年12月31日止年度

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(f) Leases (Continued)

Accounting as a lessee (Continued)

Right of use assets are initially measured at the amount of the lease liability, reduced for any lease incentives received, and increased for:

- lease payments made at or before commencement of the lease;
- initial direct costs incurred; and
- the amount of any provision recognised where the Group is contractually required to dismantle, remove or restore the leased asset.

For contracts that both convey a right to the Group to use an identified asset and require services to be provided to the Group by the lessor, the Group has elected to account for the entire contract as a lease, i.e. it does not allocate any amount of the contractual payments to, and account separately for, any services provided by the supplier as part of the contract.

Subsequent to initial measurement lease liabilities increase as a result of interest charged at a constant rate on the balance outstanding and are reduced for lease payments made. Right-of-use assets are amortised on a straight-line basis over the remaining term of the lease or over the remaining economic life of the asset if, rarely, this is judged to be shorter than the lease term.

4. 重大會計政策(續)

(f) 租賃(續)

作為承租人之會計處理(續)

使用權資產初始按租賃負債款項計量，減任何已收租賃獎勵，及加：

- 租賃開始時或之前作出的租賃付款；
- 產生之初始直接成本；及
- 本集團須按合同規定拆卸、移除或修復原租賃資產之任何已確認撥備款項。

就授予本集團權利使用已識別資產及要求出租人向本集團提供服務的合同而言，本集團已選擇將整份合同入賬列作租賃，即其不會將合同付款的任何金額分配予作為合同一部分的供應商所提供的任何服務，亦不會就此單獨入賬。

於初始計量後，由於未償還結餘按固定利率收取利息，因此租賃負債增加，並因作出租賃付款而減少。倘僅判斷為短於租賃期，則使用權資產於剩餘租賃期內或資產剩餘經濟年限內按直線法攤銷。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2020 截至2020年12月31日止年度

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(f) Leases (Continued)

Accounting as a lessee (Continued)

When the Group revises its estimate of the term of any lease (because, for example, it re-assesses the probability of a lessee extension or termination option being exercised), it adjusts the carrying amount of the lease liability to reflect the payments to make over the revised term, which are discounted using a revised discount rate. The carrying value of lease liabilities is similarly revised when the variable element of future lease payments dependent on a rate or index is revised, except the discount rate remains unchanged. In both cases an equivalent adjustment is made to the carrying value of the right-of-use asset, with the revised carrying amount being amortised over the remaining (revised) lease term. If the carrying amount of the right-of-use asset is adjusted to zero, any further reduction is recognised in profit or loss.

When the Group renegotiates the contractual terms of a lease with the lessor, the accounting depends on the nature of the modification:

- if the renegotiation results in one or more additional assets being leased for an amount commensurate with the standalone price for the additional rights-of-use obtained, the modification is accounted for as a separate lease in accordance with the above policy.
- in all other cases where the renegotiation increases the scope of the lease (whether that is an extension to the lease term, or one or more additional assets being leased), the lease liability is remeasured using the discount rate applicable on the modification date, with the right-of-use asset being adjusted by the same amount.

4. 重大會計政策(續)

(f) 租賃(續)

作為承租人之會計處理(續)

當本集團修訂其對任何租期的估計(例如因重新評估行使承租人續期或終止選擇權的可能性),其調整租賃負債的賬面值,以反映在經修訂租期內須支付的款項,並採用經修訂貼現率進行貼現。當取決於利率或指數的未來租賃付款的可變元素被修訂時,租賃負債的賬面值亦作出類似修訂,惟貼現率保持不變。在此兩種情況下,一律對使用權資產的賬面值進行相等調整,經修訂後的賬面值於剩餘(經修訂)租期內攤銷。倘使用權資產之賬面值調整至零,則任何進一步減少均於損益確認。

當本集團與出租人重新磋商租賃合同條款時,會計處理取決於修訂的性質,如下:

- 倘重新磋商引致租用一項或多項額外資產,其金額與所獲得的額外使用權的獨立價格相稱,該項修訂根據上述政策入賬列作一項獨立租賃。
- 在所有其他情況下,倘重新磋商導致租賃範圍增加(不論為延長租期,或租用一項或多項額外資產),則租賃負債使用於修訂日期適用的貼現率重新計量,而使用權資產則按相同金額調整。

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綜合財務報表附註

For the year ended 31 December 2020 截至2020年12月31日止年度

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(f) Leases (Continued)

Accounting as a lessee (Continued)

- if the renegotiation results in a decrease in the scope of the lease, both the carrying amount of the lease liability and right-of-use asset are reduced by the same proportion to reflect the partial or full termination of the lease with any difference recognised in profit or loss. The lease liability is then further adjusted to ensure its carrying amount reflects the amount of the renegotiated payments over the renegotiated term, with the modified lease payments discounted at the rate applicable on the modification date. The right-of-use asset is adjusted by the same amount.

Accounting as a lessor

The Group has leased out certain of its machinery to a number of tenants. Rental income from operating leases is recognised in profit or loss on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised as an expense on the straight-line basis over the lease term.

4. 重大會計政策(續)

(f) 租賃(續)

作為承租人之會計處理(續)

- 倘重新磋商導致租賃範圍縮小，則租賃負債及使用權資產的賬面值均按相同比例減少，以反映租賃部分或全部終止，而任何差額均於損益確認。租賃負債其後再作進一步調整，以確保其賬面值反映重新磋商的期限內重新磋商的付款金額，經修訂的租賃付款按修訂日期適用的利率貼現，而使用權資產則按相同金額調整。

作為出租人之會計處理

本集團將若干機器出租予若干租戶。經營租賃的租金收入在相關租賃期內按直線基準於損益確認。磋商及安排經營租賃時產生的首次直接成本計入租賃資產的賬面值，並於租賃期內按直線基準確認為開支。

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綜合財務報表附註

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4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(g) Financial instruments

(i) Financial assets

A financial asset (unless it is a trade receivable without a significant financing component) is initially measured at fair value plus, for an item not at fair value through profit or loss, transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

All regular way purchases and sales of financial assets are recognised on the trade date, that is, the date that the Group commits to purchase or sell the asset. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the period generally established by regulation or convention in the market place.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

Financial assets at amortised cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Financial assets at amortised cost are subsequently measured using the effective interest rate method. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gains or losses on derecognition is recognised in profit or loss.

4. 重大會計政策(續)

(g) 金融工具

(i) 金融資產

金融資產(並無重大融資部分的應收貿易款項除外)初步按公平價值加上(就並非透過損益按公平價值計量的項目而言)與收購或發行直接相關的交易成本計量。並無重大融資部份的應收貿易款項初步按交易價格計量。

所有常規買賣之金融資產概於交易日(即本集團承諾買賣該資產之日期)予以確認。常規買賣乃指按照一般市場規定或慣例在一定期間交付資產之金融資產買賣。

嵌入衍生工具的金融資產，在釐定其現金流量是否僅為支付本金及利息時，將其全部考慮在內。

按攤銷成本計量的金融資產：對於持有以收取合同現金流量的資產，倘該等現金流量僅代表支付本金和利息，則該資產以攤銷成本計量。按攤銷成本計量的金融資產其後以實際利率法計算。利息收入、匯兌收益及虧損及減值於損益確認。終止確認的任何收益或虧損於損益確認。

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綜合財務報表附註

For the year ended 31 December 2020 截至2020年12月31日止年度

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(g) Financial instruments (Continued)

(i) Financial assets (Continued)

On initial recognition of an equity investment that is not held for trading, the Group could irrevocably elect to present subsequent changes in the investment's fair value in other comprehensive income. This election is made on an investment-by-investment basis. Equity investments at fair value through other comprehensive income are measured at fair value. Dividend income are recognised in profit or loss unless the dividend income clearly represents a recovery of part of the cost of the investments. Other net gains and losses are recognised in other comprehensive income and are not reclassified to profit or loss. All other equity instruments are classified as fair value through profit or loss, whereby changes in fair value, dividends and interest income are recognised in profit or loss.

(ii) Impairment loss on financial assets

The Group recognises loss allowances for expected credit loss ("ECL") on trade receivables and other financial assets measured at amortised cost. The ECLs are measured on either of the following bases: (1) 12-month ECLs: these are the ECLs that result from possible default events within the 12 months after the reporting date; and (2) lifetime ECLs: these are ECLs that result from all possible default events over the expected life of a financial instrument. The maximum period considered when estimating ECLs is the maximum contractual period over which the Group is exposed to credit risk.

4. 重大會計政策(續)

(g) 金融工具(續)

(i) 金融資產(續)

於首次確認並非持作買賣的股本投資時，本集團可不可撤回地選擇在其他全面收益中呈列該投資其後的公平值變動。此項選擇乃因應個別投資而作出。按公平值計入其他全面收益的股本投資按公平值計量。股息收入於損益中確認，除非股息收入明確代表收回部分的投資成本。其他收益及虧損淨額於其他全面收益中確認，但不重新分類至損益。所有其他股本工具分類為按公平值計入損益，據此，公平值變動、股息及利息收入在損益中確認。

(ii) 金融資產的減值虧損

本集團就應收貿易款項及其他按攤銷成本計量的金融資產確認預期信貸虧損(「預期信貸虧損」)的虧損撥備。預期信貸虧損按以下任何一項基礎計量：(1)12個月的預期信貸虧損：即報告日期後12個月內可能發生的違約事件而產生的預期信貸虧損；及(2)全期預期信貸虧損：即於金融工具的預計年期內因所有可能發生的違約事件而產生的預期信貸虧損。在估計預期信貸虧損時考慮的最長期間為本集團承擔信貸風險的最長合同期間。

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綜合財務報表附註

For the year ended 31 December 2020 截至2020年12月31日止年度

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(g) Financial instruments (Continued)

(ii) Impairment loss on financial assets (Continued)

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the Group expects to receive. The shortfall is then discounted at an approximation to the assets' original effective interest rate.

The Group measures loss allowances for trade receivables using HKFRS 9 simplified approach and has calculated ECLs based on lifetime ECLs. The Group has established a provision matrix that is based on the Group's historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

For other financial assets measured at amortised cost of the Group, the ECLs are based on 12-month ECLs. However, when there has been a significant increase in credit risk since origination, the allowance will be based on lifetime ECLs.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECL, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information analysis, based on the Group's historical experience and informed credit assessment and including forward-looking information.

4. 重大會計政策(續)

(g) 金融工具(續)

(ii) 金融資產的減值虧損(續)

預期信貸虧損是信貸虧損的或然率加權估計。信貸虧損按根據合同本集團應付的所有合同現金流量與本集團預期收取的所有現金流量之間的差額。該差額之後按資產原來的實際利率約數折現。

本集團使用香港財務報告準則第9號簡化法計量應收貿易款項的虧損撥備及根據全期預期信貸虧損計算預期信貸虧損。本集團已設立根據本集團過往信貸虧損經驗計算的撥備矩陣，並按債務人特定的前瞻性因素及經濟環境作出調整。

就本集團其他按攤銷成本計量的金融資產而言，預期信貸虧損以12個月預期信貸虧損為基準。然而，惟倘信貸風險自首次確認後大幅增加，則撥備將以全期預期信貸虧損為基準。

當釐定金融資產的信貸風險是否自首次確認後大幅增加，並於估計預期信貸虧損時，本集團考慮到相關及毋須付出過多成本或努力後即可獲得的合理及可靠資料。此包括根據本集團的過往經驗及已知信貸評估得出定量及定性的資料分析，並包括前瞻性資料。

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綜合財務報表附註

For the year ended 31 December 2020 截至2020年12月31日止年度

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(g) Financial instruments (Continued)

(ii) Impairment loss on financial assets (Continued)

The Group assumes that the credit risk on a financial asset has increased significantly if it is more than 30 days past due.

The Group considers a financial asset to be credit-impaired when: (1) 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 (2) the financial asset is more than 90 days past due.

Interest income on credit-impaired financial assets is calculated based on the amortised cost (i.e. the gross carrying amount less loss allowance) of the financial asset. For non credit-impaired financial assets, interest income is calculated based on the gross carrying amount.

(iii) Financial liabilities

The Group classifies its financial liabilities, depending on the purpose for which the liabilities were incurred. Financial liabilities at amortised costs are initially measured at fair value, net of directly attributable costs incurred.

Financial liabilities at amortised cost are subsequently measured at amortised cost, using the effective interest method. The related interest expense is recognised in accordance with the accounting policy set out in Note 4(m).

Gains or losses are recognised in profit or loss when the liabilities are derecognised as well as through the amortisation process.

4. 重大會計政策(續)

(g) 金融工具(續)

(ii) 金融資產的減值虧損(續)

本集團假設，金融資產倘逾期超過30天，則信貸風險已大幅增加。

本集團認為金融資產於下列情況下為信貸減值：(1) 借款人不大可能在本集團並無追索行動(如變現擔保)(如持有)下向本集團悉數支付其信貸義務；或(2) 該金融資產逾期超過90天。

信貸減值金融資產之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。非信貸減值金融資產之利息收入乃根據總賬面值計算。

(iii) 金融負債

本集團視乎金融負債產生的目的將其金融負債分類。按攤銷成本計量的金融負債初步按公平值減所產生的直接應佔成本計量。

按攤銷成本計量的金融負債其後使用實際利率法按攤銷成本計量。有關利息開支根據會計政策所載附註4(m)確認。

收益或虧損於終止確認負債時透過攤銷程序於損益確認。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2020 截至2020年12月31日止年度

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(g) Financial instruments (Continued)

(iv) Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial asset or financial liability and of allocating interest income or interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts or payments through the expected life of the financial asset or liability, or where appropriate, a shorter period.

(v) Equity instruments

Equity instruments issued by the Company are recorded at the proceeds received, net of direct issue costs.

(vi) Financial guarantee contracts

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with the original or modified terms of a debt instrument. A financial guarantee contract issued by the Group and not designated as at fair value through profit or loss is recognised initially at its fair value less transaction costs that are directly attributable to the issue of the financial guarantee contract. Subsequent to initial recognition, the Group measures the financial guarantee contract at the higher of: (i) the amount of the loss allowance, being the ECL provision measured in accordance with principles of the accounting policy set out in Note 4(g)(ii); and (ii) the amount initially recognised less, when appropriate, cumulative amortisation recognised in accordance with the principles of HKFRS 15.

4. 重大會計政策(續)

(g) 金融工具(續)

(iv) 實際利率法

實際利率法為計算金融資產或金融負債的攤銷成本以及分配相關期間的利息收入或利息開支之方法。實際利率乃按金融資產或負債的預期年期或適用的較短期間內確切折現估計未來現金收入或款項的利率。

(v) 權益工具

本公司發行之權益工具乃按已收所得款項扣除直接發行成本入賬。

(vi) 財務擔保合同

財務擔保合同乃規定發行人向持有人支付指定金額，以補償持有人由於特定欠債人未能根據債務工具原訂或經修訂條款到期時付款而蒙受的損失之合同。由本集團發出的並非指定為透過損益按公平值列賬的財務擔保合同初步按公平值減發出財務擔保合同直接應佔的交易成本予以確認。初步確認後，本集團按以下各項較高者計量財務擔保合同：(i) 虧損撥備金額，即根據附註4(g)(ii)所載會計政策原則計量的預期信貸虧損撥備；及(ii) 初步確認金額減(倘適用)根據香港財務報告準則第15號的原則確認的累計攤銷。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2020 截至2020年12月31日止年度

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(g) Financial instruments (Continued)

(vii) Derecognition

The Group derecognises a financial asset when the contractual rights to the future cash flows in relation to the financial asset expire or when the financial asset has been transferred and the transfer meets the criteria for derecognition in accordance with HKFRS 9.

Financial liabilities are derecognised when the obligation specified in the relevant contract is discharged, cancelled or expires.

Where the Group issues its own equity instruments to a creditor to settle a financial liability in whole or in part as a result of renegotiating the terms of that liability, the equity instruments issued are the consideration paid and are recognised initially and measured at their fair value on the date the financial liability or part thereof is extinguished. If the fair value of the equity instruments issued cannot be reliably measured, the equity instruments are measured to reflect the fair value of the financial liability extinguished. The difference between the carrying amount of the financial liability or part thereof extinguished and the consideration paid is recognised in profit or loss for the year.

(h) Inventories

Inventories are initially recognised at cost, and subsequently at the lower of cost and net realisable value. Cost comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition. Cost is calculated using the weighted average method. Net realisable value represents the estimated selling price in the ordinary course of business less the estimated costs necessary to make the sale.

4. 重大會計政策(續)

(g) 金融工具(續)

(vii) 終止確認

當就金融資產之未來現金流量的合同權利屆滿時，或金融資產已轉讓且該轉讓符合香港財務報告準則第9號之終止確認規定，本集團會終止確認該項金融資產。

於相關合同中訂明之責任獲解除、註銷或到期時，終止確認金融負債。

倘由於重新磋商金融負債之條款，本集團向債權人發行其自身權益工具以支付全部或部分之金融負債，則已發行之權益工具為已付代價並於抵銷金融負債或其部分日期按彼等之公平值初步確認及計量。倘已發行權益工具之公平值不能可靠計量，則權益工具將計量以反映所抵銷金融負債之公平值。所抵銷金融負債或其部分之賬面值與已付代價之差額於年內損益中確認。

(h) 存貨

存貨初始按成本確認，後續按成本與可變現淨值兩者中的較低者確認。成本包括所有採購成本、轉換成本以及將存貨運送至其現有地點及達致其目前狀況產生的其他成本。成本乃使用加權平均法計算。可變現淨值指日常業務過程中的估計售價減作出銷售所需的估計成本。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2020 截至2020年12月31日止年度

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(i) Revenue recognition

Revenue from contracts with customers is recognised when control of goods or services is transferred to the customers at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services, 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.

Depending on the terms of the contract and the laws that apply to the contract, control of the goods or services may be transferred over time or at a point in time. Control of the goods or services is transferred over time if the Group's performance:

- provides all of the benefits received and consumed simultaneously by the customer;
- creates or enhances an asset that the customer controls as the Group performs; or
- does not create an asset with an alternative use to the Group and the Group has an enforceable right to payment for performance completed to date.

If control of the goods or services transfers over time, revenue is recognised over the period of the contract by reference to the progress towards complete satisfaction of that performance obligation. Otherwise, revenue is recognised at a point in time when the customer obtains control of the goods or services.

4. 重大會計政策(續)

(i) 收益確認

當貨品或服務控制權轉移予客戶時確認客戶合同收益，而該金額反映本集團預期就提供該等貨品或服務有權獲得的代價(經扣除代表第三方收取的金額)。收益不包括增值稅或其他銷售稅，並經扣除任何貿易折扣。

貨品或服務之控制權是在一段時間內或於某一時點轉移，取決於合同之條款與適用於合同之法律規定。貨品或服務之控制權是在一段時間內轉移，前提為本集團履約過程中：

- 隨本集團履約，客戶同時取得並耗用本集團履約所提供的利益；
- 本集團之履約創建或強化之資產，該資產於創建或強化之時即由客戶控制；或
- 本集團之履約並未產生對本集團有替代用途的資產，且本集團對迄今已完成履約之款項具有可執行之權利。

倘貨品或服務之控制權在一段時間內轉移，參照在整個合同期間已完成履約義務之進度確認收益。否則，收益於客戶獲得貨品或服務控制權之時點確認。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2020 截至2020年12月31日止年度

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(i) Revenue recognition (Continued)

When the contract contains a financing component which provides the customer a significant benefit of financing the transfer of goods or services to the customer for more than one year, revenue is measured at the present value of the amounts receivable, discounted using the discount rate that would be reflected in a separate financing transaction between the Group and the customer at contract inception. 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. For contracts where the period between the payment and the transfer of the promised goods or services is one year or less, the transaction price is not adjusted for the effects of a significant financing component, using the practical expedient in HKFRS 15.

Construction services of steel structure projects and prefabricated construction projects

The Group has determined that for contracts with customers under construction of steel structure projects and prefabricated construction projects, there is generally only one performance obligation. The Group determines that the customer controls all the work in progress as the infrastructure is being constructed and installed at the customer's site, in the course of the construction and installation, the work in progress is being enhanced during the terms of the contracts. Therefore, revenue from these contracts are recognised over time. Invoices are issued according to contractual terms and are usually payable within 30 days. Uninvoiced amounts are presented as contract assets.

4. 重大會計政策(續)

(i) 收益確認(續)

倘合同中包含為客戶提供超過一年的轉移貨品或服務的重大融資利益的融資部分，則收益按應收金額的現值計量，並使用本集團與客戶訂立合同時的單獨融資交易中反映的貼現率貼現。倘合同中包含為本集團提供重大融資利益的融資部分，則根據該合同確認的收益包括按實際利率法計算的合同負債附帶的利息開支。就付款及轉移承諾商品或服務之間的期限為一年或以下的合同，交易價格不會使用香港財務報告準則第15號實際權宜方法就重大融資部分的影響進行調整。

鋼結構項目及全裝配預製構件建築項目建築服務

本集團確定與客戶訂立的鋼結構項目及全裝配預製構件建築項目在建合同，通常僅有一項履約義務。本集團確定在客戶場地建造及安裝基礎設施時，客戶控制所有在建工程，而在建造及安裝過程中，在建工程在合同期限內得到改進。因此，來自該等合同之收益隨時間確認。發票根據合同條款發出，通常於三十天內支付。未開具發票的金額作為合同資產列示。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2020 截至2020年12月31日止年度

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(i) Revenue recognition (Continued)

Contract assets and liabilities

A contract asset represents the Group's right to consideration in exchange for goods that the Group has transferred to a customer that is not yet unconditional. It is assessed for impairment in accordance with HKFRS 9. In contrast, a receivable represents the Group's unconditional right to consideration, i.e. only the passage of time is required before payment of that consideration is due.

A contract liability represents the Group's obligation to transfer goods to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer.

Contract asset is recognised when (i) the Group completes the construction of steel structure projects and prefabricated construction projects under such services contracts but yet certified by architects, surveyors or other representatives appointed by customers, or (ii) the customers retain retention money to secure the due performance of the contracts. Any amount previously recognised as a contract asset is reclassified to trade receivables at the point at which it is invoiced to the customer. If the considerations (including advances received from customers) exceeds the revenue recognised to date under the output method then the Group recognises a contract liability for the difference.

4. 重大會計政策(續)

(i) 收益確認(續)

合同資產及負債

合同資產指本集團就向客戶換取本集團已轉讓的貨品收取代價的權利(尚未成為無條件)。其根據香港財務報告準則第9號評估減值。相反，應收款項指本集團收取代價的無條件權利，即代價付款到期前僅需時間推移。

合同負債指本集團因已自客戶收取代價(或已可自客戶收取代價)，而須轉讓貨品予客戶之義務。

本集團於以下情況下確認合同資產：(i) 根據有關服務合同完成鋼結構項目及全裝配預製構件建築項目的施工，但尚未獲建築師、測量師或客戶指定的其他代表的證明，或(ii) 客戶保留保留金以保證合同的適當履行。先前確認為合同資產的任何金額在向客戶開具發票時重新分類為應收貿易款項。倘代價(包括已收客戶墊款)迄今超過根據產出法確認的收益，則本集團就差額確認合同負債。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2020 截至2020年12月31日止年度

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(i) Revenue recognition (Continued)

Contract costs

The Group recognises an asset from the costs incurred to fulfil a contract when those costs meet all of the following criteria:

- (a) the costs relate directly to a contract or to an anticipated contract that the entity can specifically identify;
- (b) the costs generate or enhance resources of the entity that will be used in satisfying (or in continuing to satisfy) performance obligations in the future; and
- (c) the costs are expected to be recovered.

The asset recognised is subsequently amortised to profit or loss on a systematic basis that is consistent with the transfer to the customer of the goods or services to which the cost relate. The asset is subject to impairment review.

(j) Income taxes

Income taxes for the year comprise current tax and deferred tax.

Current tax is based on the profit or loss from ordinary activities adjusted for items that are non-assessable or disallowable for income tax purposes and is calculated using tax rates that have been enacted or substantively enacted at the end of reporting period.

4. 重大會計政策(續)

(i) 收益確認(續)

合同成本

本集團在履行合同所產生的成本符合下列所有條件時，方從該等成本中確認一項資產：

- (a) 成本直接與合同或實體可以明確識別的預期合同有關；
- (b) 成本產生或增加將用於達成(或繼續履行)未來履約義務的實體資源；及
- (c) 預期成本將會收回。

已確認資產其後應按與成本有關轉移至客戶的貨品或服務一致的系統性基準攤銷至損益。該資產須進行減值檢討。

(j) 所得稅

年內所得稅包括即期稅項及遞延稅項。

即期稅項乃根據日常業務的溢利或虧損，對就所得稅而言毋須課稅或不可扣減的項目作出調整，並按報告期末已頒佈或實質上已頒佈的稅率計算。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2020 截至2020年12月31日止年度

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(j) Income taxes (Continued)

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the corresponding amounts used for tax purposes. Except for goodwill not deductible for tax purposes and initial recognition of assets and liabilities that are not part of the business combination which affect neither accounting nor taxable profits, taxable temporary differences arising on investments in subsidiaries, associates and joint arrangement where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future, deferred tax liabilities are recognised for all taxable temporary differences. Deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised, provided that the deductible temporary differences are not arises from initial recognition of asset and liabilities in a transaction other than in a business combination that affects neither taxable profit or accounting profit. Deferred tax is measured at the tax rates appropriate to the expected manner in which the carrying amount of the asset or liability is realised or settled and that have been enacted or substantively enacted at the end of reporting period, and reflects any uncertainty related to income taxes.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income tax levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

4. 重大會計政策(續)

(j) 所得稅(續)

遞延稅項乃因就財務報告而言資產與負債之賬面值與就稅務而言之相關數值之暫時差額而確認。除不可扣稅商譽及初始確認並非業務合併一部分而不影響會計或應課稅溢利的資產及負債，以及因投資附屬公司、聯營公司及共同安排而產生應課稅暫時差額(倘本集團能控制暫時差額之撥回，且暫時差異可能不會在可預見未來撥回)外，須就所有應課稅暫時差額確認遞延稅項負債。倘應課稅溢利有機會可供扣減暫時差額，則確認遞延稅項資產，前提為該可扣減暫時差額並非由於交易(除不影響應課稅溢利或會計溢利的業務合併外)中初始確認資產及負債而產生。遞延稅項乃按適用於資產或負債賬面值變現或結算之預期方式且已於報告期末頒佈或實質頒佈之稅率計量，並反映與所得稅有關的任何不確定因素。

當擁有可強制執行法律權利將即期稅項資產與即期稅項負債相互抵銷且其與由同一稅項機關所徵收的所得稅有關，而本集團有意按淨額基準清償即期稅項負債及資產，即遞延稅項資產可與負債互相抵銷。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2020 截至2020年12月31日止年度

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(j) Income taxes (Continued)

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the assets to be recovered.

Income taxes are recognised in profit or loss except when they relate to items recognised in other comprehensive income in which case the taxes are also recognised in other comprehensive income or when they relate to items recognised directly in equity in which case the taxes are also recognised directly in equity.

(k) Foreign currencies

Transactions entered into by the group entities in currencies other than the currency of the primary economic environment in which it/they operate(s) (the “functional currency”) are recorded at the rates ruling when the transactions occur. Foreign currency monetary assets and liabilities are translated at the rates ruling at the end of reporting period. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences arising on the settlement of monetary items, and on the translation of monetary items, are recognised in profit or loss in the period in which they arise. Exchange differences arising on the retranslation of non-monetary items carried at fair value are included in profit or loss for the period except for differences arising on the retranslation of non-monetary items in respect of which gains and losses are recognised in other comprehensive income, in which case, the exchange differences are also recognised in other comprehensive income.

4. 重大會計政策(續)

(j) 所得稅(續)

遞延稅項資產的賬面值會於各報告日期作檢討，並扣減至應課稅盈利不可能足以收回全部或部分資產為止。

所得稅乃於損益確認，除非該等稅項與於其他全面收益確認之項目有關，在此情況下該等稅項亦於其他全面收益確認，或除非該等稅項與直接於權益確認之項目有關，在此情況下該等稅項亦直接於權益確認。

(k) 外幣

集團實體以其經營所在主要經濟環境的貨幣(「功能貨幣」)以外的貨幣進行的交易按交易發生時的通行匯率入賬。外幣貨幣資產及負債按報告期末通行的匯率換算。以外幣計值並按公平值列賬之非貨幣項目採用釐定公平值當日之現行匯率重新換算。以外幣計值並按歷史成本計量之非貨幣項目則毋須重新換算。

結算貨幣項目及換算貨幣項目產生的匯兌差額均於彼等產生期間在損益內確認。重新換算非貨幣項目所產生之匯兌差額按公平值計入該期間之損益，惟重新換算有關盈虧在其他全面收益確認之非貨幣項目所產生之差額除外，在此情況下，有關匯兌差額亦於其他全面收益確認。

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綜合財務報表附註

For the year ended 31 December 2020 截至2020年12月31日止年度

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

4. 重大會計政策(續)

(I) Short-term and other long-term employee benefits

(I) 短期及其他長期僱員福利

(i) Short term employee benefits

Short term employee benefits are employee benefits (other than termination benefits) that are expected to be settled wholly before twelve months after the end of the annual reporting period in which the employees render the related service. Short term employee benefits are recognised in the year when the employees render the related service.

(i) 短期僱員福利

短期僱員福利為預期於僱員提供相關服務之年度報告期末後十二個月之前悉數結清之僱員福利(終止僱用福利除外)。短期僱員福利於僱員提供相關服務之年度內確認。

(ii) Defined contribution retirement plan

Contributions to defined contribution retirement plans are recognised as an expense in profit or loss when the services are rendered by the employees.

(ii) 界定供款退休計劃

向界定供款退休計劃作出的供款，於僱員提供服務時在損益確認為開支。

(iii) Termination benefits

Termination benefits are recognised on the earlier of when the Group can no longer withdraw the offer of those benefits and when the Group recognises restructuring costs involving the payment of termination benefits.

(iii) 終止僱用福利

終止僱用福利於本集團不再撤銷提供該等福利時以及當本集團確認涉及支付終止僱用福利之重組成本時(以較早發生者為準)確認。

(m) Borrowing costs

Borrowing costs attributable directly to the acquisition, construction or production of qualifying assets which require a substantial period of time to be ready for their intended use or sale, are capitalised as part of the cost of those assets. Income earned on temporary investments of specific borrowings pending their expenditure on those assets is deducted from borrowing costs capitalised. All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

(m) 貸款成本

收購、建設或生產需要長時間籌備作擬定用途或銷售之合資格資產之直接應佔貸款成本，將撥充資本作為該等資產之一部分成本。有待用於該等資產支出之特定貸款作短期投資所賺取之收入會從已撥充資本之貸款成本中扣除。所有其他貸款成本於產生之期間於損益內確認。

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綜合財務報表附註

For the year ended 31 December 2020 截至2020年12月31日止年度

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(n) Equity-settled share-based payment transactions

Equity-settled share-based payments to employees and others providing similar services are measured at the fair value of the equity instruments at the grant date.

For share options that vest immediately at the date of grant, the fair value of the share options granted is expensed immediately to profit or loss.

When the share options are exercised, the amount previously recognised in share option reserve will be transferred to share capital and share premium. When the share options are forfeited after the vesting date or are still not exercised at the expiry date, the amount previously recognised in share option reserve will be transferred to retained profits.

(o) Impairment of assets (other than financial assets)

At the end of each reporting period, the Group reviews the carrying amounts of the following assets to determine whether there is any indication that those assets have suffered an impairment loss or an impairment loss previously recognised no longer exists or may have decreased:

- property, plant and equipment;
- right-of-use assets; and
- investments in subsidiaries, associates and joint ventures

4. 重大會計政策(續)

(n) 以股權結算以股份為基礎付款交易

向僱員或提供類似服務的其他人士作出之以股權結算以股份為基礎付款乃以股權工具於授出日期的公平值計量。

就於授出日期即時歸屬之購股權而言，所授出購股權之公平值即時於損益支銷。

購股權獲行使時，過往於購股權儲備確認之金額將轉撥至股本及股份溢價。倘購股權於歸屬日期後遭沒收或於屆滿日期仍未行使，過往於購股權儲備確認之金額將轉撥至保留盈利。

(o) 資產(金融資產除外)減值

於各報告期末，本集團檢討以下資產之賬面值，以釐定是否有任何跡象顯示該等資產蒙受減值虧損或過去被確認之減值虧損是否不再存在或可能被減少：

- 物業、廠房及設備；
- 使用權資產；及
- 於附屬公司、聯營公司及合營企業的投資

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2020 截至2020年12月31日止年度

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(o) Impairment of assets (other than financial assets) (Continued)

If the recoverable amount (i.e. the greater of the fair value less costs of disposal and value in use) of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognised as an expense immediately, unless the relevant asset is carried at a revalued amount under another HKFRS, in which case the impairment loss is treated as a revaluation decrease under that HKFRS.

Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, to the extent that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised as income immediately, unless the relevant asset is carried at a revalued amount under another HKFRS, in which case the reversal of the impairment loss is treated as a revaluation increase under that HKFRS.

Value in use is based on the estimated future cash flows expected to be derived from the asset, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or cash generating unit.

4. 重大會計政策(續)

(o) 資產(金融資產除外)減值(續)

當資產的可收回金額(即以公平值減出售成本與使用價值之較高者為準)估計低於其賬面值時，則資產之賬面值乃減少至其可收回金額。減值虧損即時確認為開支，惟相關資產根據另一香港財務報告準則按重估額列賬則除外，在此情況下，減值虧損根據該香港財務報告準則被視作重估減少。

倘減值虧損於其後撥回，則該資產的賬面值會增加至其經修訂估計可收回金額，惟經調高的賬面值不得超逾倘該資產於過往年度並無確認減值虧損而釐定的賬面值。減值虧損撥回會即時確認為收入，惟相關資產根據另一香港財務報告準則按重估額列賬則除外，在此情況下，撥回減值虧損根據該香港財務報告準則被視作重估增加。

使用價值乃根據預期將自資產產生之估計未來現金流量釐定，按可反映金錢時間值之現行市場評估以及對資產或現金產生單位屬特定風險之稅前貼現率貼現至其現值。

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綜合財務報表附註

For the year ended 31 December 2020 截至2020年12月31日止年度

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(p) Provisions

Provisions are recognised for liabilities of uncertain timing or amount when the Group has a legal or constructive obligation arising as a result of a past event, which it is probable will result in an outflow of economic benefits that can be reliably estimated.

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, the existence of which 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.

(q) Research expenditure

Expenditure on research activities is recognised as an expense in the period in which it is incurred.

(r) Government grants

Government grants are not recognised until there is reasonable assurance that the Group will comply with the conditions attaching to them and that the grants will be received.

Government grants are recognised in profit or loss on a systematic basis over the periods in which the Group recognises as expenses the related costs for which the grants are intended to compensate. Government grants related to depreciable assets are recognised as deferred income in the consolidated statement of financial position and transferred to profit or loss over the useful lives of the related assets.

4. 重大會計政策(續)

(p) 撥備

當本集團因已發生之事件而負有法定或推定責任，而該責任將有可能導致可靠估計的經濟利益流出，本集團會就該時間或數額不定之其他負債確認撥備。

凡含有經濟利益之資源外流之可能性不高，或是無法可靠地估計該數額，除非經濟利益外流之可能性極低，否則本集團會將該義務披露為或然負債。須視乎某宗或多宗未來事件是否發生方能確定存在與否之潛在責任，除非經濟利益外流之可能性極低，否則亦會披露為或然負債。

(q) 研究開支

研究活動開支於其產生期間確認為開支。

(r) 政府補助

僅當合理保證本集團將遵守政府補助的附帶條件且將收到補助時，方會確認政府補助。

政府補助於本集團將擬補償的相關成本確認為開支的期間按系統性基準於損益中確認。有關可折舊資產的政府補助於綜合財務狀況表內確認為遞延收入並在相關資產的可使用年期內轉撥至損益。

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綜合財務報表附註

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4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(s) 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 key management personnel of the Group or the Company's parent.
 - (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 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.

4. 重大會計政策(續)

(s) 關連人士

- (a) 倘屬以下人士，即該人士或該人士的近親家屬成員與本集團有關聯：
 - (i) 控制或共同控制本集團；
 - (ii) 對本集團有重大影響力；或
 - (iii) 為本公司或本集團之母公司的主要管理人員。
 - (vi) 該實體受(a)項所述人士控制或共同控制。
 - (vii) (a)(i)項所述人士對該實體有重大影響力或為該實體(或該實體之母公司)之主要管理人員。
 - (viii) 該實體或其所屬集團之任何成員公司為本集團或本集團之母公司提供主要管理人員服務。

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綜合財務報表附註

For the year ended 31 December 2020 截至2020年12月31日止年度

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(s) Related parties (Continued)

- (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.
 - (v) The entity is a post-employment benefit plan for the benefit of the employees of the Group or an entity related to the Group.

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 and include:

- (i) that person's children and spouse or domestic partner;
- (ii) children of that person's spouse or domestic partner; and
- (iii) dependents of that person or that person's spouse or domestic partner.

4. 重大會計政策(續)

(s) 關連人士(續)

- (b) 倘符合下列任何條件，則該實體為與本集團有關連：
- (i) 該實體與本集團屬同一集團的成員公司(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的聯營公司或合營企業(或另一實體為成員公司的集團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的合營企業。
 - (iv) 一間實體為第三方實體的合營企業，而另一實體為同一第三方實體的聯營公司。
 - (v) 該實體為本集團或與本集團有關連的實體就僱員福利而設的離職後福利計劃。

個人的直系親屬成員是指預期在與實體的交易中可影響該人士或受該人士影響的家庭成員，包括：

- (i) 該人士子女及配偶或家庭伴侶；
- (ii) 該人士配偶或家庭伴侶的子女；及
- (iii) 該人士或該人士的配偶或家庭伴侶的受養人。

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綜合財務報表附註

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5. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Group's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

(a) Critical judgements in applying accounting policies

(i) Determination of functional currency

The Group measures foreign currency transactions in the respective functional currencies of the Company and its subsidiaries. In determining the functional currencies of the group entities, judgements are required to determine the currency that mainly influences sales prices for goods and services and of the country whose competitive forces and regulations mainly determines the sales prices of its goods and services. The functional currencies of the group entities are determined based on directors' assessment of the economic environment in which the entities operate and the entities' process of determining sales prices.

5. 重要會計判斷及有關估計不確定性的主要來源

董事在應用本集團的會計政策時，董事需要就不可從表面上即時自其他來源得出的資產及負債賬面值作出判斷、估計及假設。估計及相關假設乃按過往經驗及被視為相關的其他因素得出。實際結果有別於該等估計。

估計及相關假設乃按持續基準檢討。倘會計估計的修訂僅影響修訂期間，則會於修訂有關估計期間確認該修訂，或倘修訂影響當前及未來期間，則會於修訂期間及未來期間確認。

(a) 應用會計政策的重要判斷

(i) 釐定功能貨幣

本集團按本公司及其附屬公司各自的功能貨幣計量外幣交易。於釐定集團實體的功能貨幣時，須作出判斷以釐定主要影響商品及服務售價的貨幣，以及其競爭力及法規主要決定商品及服務售價的國家的貨幣。集團實體的功能貨幣是根據董事對實體經營所在經濟環境的評估及實體釐定售價的程序而釐定。

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綜合財務報表附註

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5. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY *(Continued)*

(a) Critical judgements in applying accounting policies *(Continued)*

(ii) Going concern consideration

In the process of applying the Group's accounting policies, apart from those involving estimations, management has prepared the consolidated financial statements on the assumption that the Group will be able to operate as a going concern in the coming year, which is a critical judgement that has the most significant effect on the amounts recognised in the consolidated financial statements. The assessment of the going concern assumption involves making a judgement by the directors, at a particular point of time, about the future outcome of events or conditions which are inherently uncertain. The directors consider that the Group has the capability to continue as a going concern and the major events or conditions, which may give rise to business risks, that individually or collectively may cast significant doubt upon the going concern assumption are set out in Note 3(b) to the consolidated financial statements.

5. 重要會計判斷及有關估計不確定性的主要來源(續)

(a) 應用會計政策的重要判斷(續)

(ii) 持續經營考慮因素

於應用本集團會計政策的過程中，除涉及估計的該等判斷外，管理層編製綜合財務報表時乃假設本集團於未來年度將可按持續經營基準營運，此乃對綜合財務報表內已確認金額構成最重大影響的重要判斷。評估持續經營假設時，董事需於特定時間點就本質不確定的事件或情況的未來結果作出判斷。董事認為，本集團有能力持續經營，而可能個別或共同對持續經營假設構成重大疑慮且或會引致業務風險的重大事件或情況載於綜合財務報表附註3(b)。

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綜合財務報表附註

For the year ended 31 December 2020 截至2020年12月31日止年度

5. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (Continued)

(b) Key sources of estimation uncertainty

In addition to information disclosed elsewhere in these financial statements, other key sources of estimation uncertainty that have a significant risk of resulting a material adjustment to the carrying amounts of assets and liabilities within next financial year are as follows:

(i) Onerous contracts

The Group determines whether contracts with customers are onerous contracts based on the latest available budgets of those contracts with reference to the overall contracts consideration of each contract which requires management's best estimates and judgements. Construction revenue is estimated in accordance with the terms set out in the relevant contracts. Because of the nature of the construction industry, the management regularly reviews the progress of the contracts and the estimated construction revenue and budgeted costs. Any change in the estimates of construction revenue or budgeted cost will affect the amount of foreseeable losses arising from onerous contracts recognised in the profit or loss in the year of the change.

5. 重要會計判斷及有關估計不確定性的主要來源(續)

(b) 估計不確定性的主要來源

除於該等財務報表其他部分披露的資料外，具有重大風險須對下一財政年度的資產及負債賬面值作出重大調整的估計不確定因素的其他主要來源如下：

(i) 虧損性合同

本集團根據合同的最新可得預算並參考各合同的整體合同代價決定客戶合同是否為虧損性合同，該過程須管理層進行最佳估計及判斷。建築收益乃根據相關合同所列條款估計。由於建築行業的性質，管理層需定期檢討合同進度以及估計建築收益及預算成本。估計建築收益或預算成本的任何變動均將影響預期於變動年度於損益中確認的虧損性合同產生的可預見虧損金額。

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綜合財務報表附註

For the year ended 31 December 2020 截至2020年12月31日止年度

5. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY *(Continued)*

(b) Key sources of estimation uncertainty *(Continued)*

(ii) Fair value measurement of financial instruments

Some of the Group's assets are measured at fair value for financial reporting purposes. The directors of the Company are responsible in determining the appropriate valuation techniques and inputs for fair value measurements.

In estimating the fair value of an asset, the Group uses market-observable data to the extent it is available. Where Level 1 inputs are not available, the Group engages independent qualified professional valuers to perform the valuation. The directors of the Company work closely with the independent qualified professional valuers to establish the appropriate valuation techniques and inputs to the model. The directors regularly assess the impact and the cause of fluctuations in the fair value of the assets.

The Group uses valuation techniques that include inputs that are not based on observable market data to estimate the fair value of certain financial instruments. Note 44 provides detailed information about the valuation techniques, inputs and key assumptions used in the determination of the fair value of various assets.

5. 重要會計判斷及有關估計不確定性的主要來源(續)

(b) 估計不確定性的主要來源(續)

(ii) 金融工具公平值計量

就財務報告而言，本集團有部分資產以公平值計量。本公司董事負責釐定適當之估值方法及輸入數據去計量公平值。

在估計資產的公平值時，本集團盡可能使用可觀察市場數據。在並無第一級的輸入數據的情況下，本集團委聘獨立合資格專業估值師進行估值。本公司董事與獨立合資格的專業估值師緊密合作，為模式制定適當的估值方法及輸入數據。董事定期評估資產公平值波動的影響及原因。

本集團採用包括並非根據可觀察市場數據之資料的估值方法估計若干金融工具的公平值。有關用於釐定各資產公平值的估值方法、輸入數據及關鍵假設的詳細資料載於附註44。

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For the year ended 31 December 2020 截至2020年12月31日止年度

5. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (Continued)

(b) Key sources of estimation uncertainty (Continued)

(iii) Provision of ECL for financial and contract assets

The directors of the Group estimates the amount of lifetime ECL of trade receivables and contract assets based on provision matrix through grouping of various debtors that have similar loss patterns, after considering internal credit ratings, past due status and repayment history of respective trade receivables and contract assets. For other financial assets measured at amortised cost, the management of the Group make periodic individual assessment on the recoverability based on historical settlement records, past experience, and also quantitative and qualitative information that is reasonable and supportive forward-looking information. Estimated loss rates are based on historical observed default rates over the expected life of the debtors and are adjusted for forward-looking information. At every reporting date, the historical observed default rates are reassessed and changes in forward-looking information are considered.

The provision of ECL is sensitive to changes in estimates. The information about the ECL and the Group's trade receivables and contract assets are disclosed in Note 44.

5. 重要會計判斷及有關估計不確定性的主要來源(續)

(b) 估計不確定性的主要來源(續)

(iii) 有關金融及合同資產之預期信貸虧損撥備

本集團董事經考慮應收貿易款項及合同資產各自之內部信貸評級、逾期狀況及還款記錄後，透過具有類似虧損型態的不同債務人組別使用撥備矩陣估計應收貿易款項及合同資產之全期預期信貸虧損。對於以攤銷成本計量之其他金融資產，本集團管理層根據歷史結算記錄、以往經驗、以及合理且具理據支持的前瞻性定量及定性資料進行可回收性定期個別評估。估計虧損率乃基於債務人預期年期中的可觀察歷史違約率並根據前瞻性資料作出調整。於每個報告日期，歷史觀察違約率會重新評估並會考慮前瞻性資料中的變動。

預期信貸虧損的撥備易受預測變動影響。有關預期信貸虧損及本集團應收貿易款項及合同資產的資料於附註44披露。

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For the year ended 31 December 2020 截至2020年12月31日止年度

5. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (Continued)

(b) Key sources of estimation uncertainty (Continued)

(iv) Estimated impairment of property, plant and equipment and right-of-use assets

Property, plant and equipment and right-of-use assets are stated at costs less accumulated depreciation and impairment, if any. In determining whether an asset is impaired, the Group has to exercise judgement and make estimation, particularly in assessing: (1) whether an event has occurred or any indicators that may affect the asset value; (2) whether the carrying value of an asset can be supported by the recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The calculation of the fair value less costs of disposal is based on such available data as binding sales transactions in an arm's length transaction of similar assets or observable market prices less incremental costs for disposing of the asset, and in the case of value in use, the net present value of future cash flows which are estimated based upon the continued use of the asset; and (3) the appropriate key assumptions to be applied in estimating the recoverable amounts including cash flow projections and an appropriate discount rate. When it is not possible to estimate the recoverable amount of an individual asset (including right-of-use assets), the Group estimates the recoverable amount of the cash-generating unit to which the assets belongs. Changing the assumptions and estimates, including the discount rates or the growth rate in the cash flow projections, could materially affect the net present value used in the impairment test.

5. 重要會計判斷及有關估計不確定性的主要來源(續)

(b) 估計不確定性的主要來源(續)

(iv) 預計物業、廠房及設備以及使用權資產之減值

物業、廠房及設備以及使用權資產按成本減累計折舊及減值(如有)列賬。於釐定資產是否減值時，本集團須作出判斷及估計，尤其評估：(1)是否有事件已發生或有任何指標可能影響資產價值；(2)資產賬面值是否能夠以可收回金額(即公平值減出售成本與其使用價值兩者中的較高者)支持。公平值減出售成本乃根據來自同類資產公平交易中具約束力的銷售交易的可得數據或可觀察市價減出售資產的增量成本計算，如為使用價值，則評估按照持續使用資產估計的未來現金流量之淨現值；及(3)將應用於估計可收回金額的適當關鍵假設(包括現金流量預測及適當貼現率)。當無法估計個別資產(包括使用權資產)的可收回金額時，本集團估計資產所屬現金產生單位的可收回金額。更改有關假設及估計(包括現金流預測中的貼現率或增長率)，會對減值測試使用之現值淨額有重大影響。

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For the year ended 31 December 2020 截至2020年12月31日止年度

5. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY *(Continued)*

(b) Key sources of estimation uncertainty *(Continued)*

(v) Deferred tax asset

As at 31 December 2020, no deferred tax assets (2019: nil) has been recognised in the Group's consolidated statement of financial position. Deferred tax asset that has not been recognised is due to the unpredictability of future profit streams. The realisability of the deferred tax asset mainly depends on whether sufficient future profits or taxable temporary differences will be available in the future. In cases where the actual future taxable profits generated are less or more than expected, or change in facts and circumstances which result in revision of future taxable profits estimation, recognition or reversal of deferred tax assets may arise, which would be recognised in profit or loss for the period in which such a reversal or further recognition takes place.

5. 重要會計判斷及有關估計不確定性的主要來源(續)

(b) 估計不確定性的主要來源(續)

(v) 遞延稅項資產

於2020年12月31日，概無遞延稅項資產(2019年：無)已於本集團綜合財務狀況表確認。由於未能預測未來溢利來源，故並無確認遞延稅項資產。遞延稅項資產能否變現主要取決於日後是否有充足之未來溢利或應課稅臨時差額。倘所產生之實際未來應課稅溢利少於或多於預期，或事實及情況有變，導致修訂未來應課稅溢利估計，則可能作出確認或撥回遞延稅項資產，其將於有關撥回或進一步確認進行期間於損益中確認。

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6. REVENUE

6. 收益

		2020 2020年 RMB'000 人民幣千元	2019 2019年 RMB'000 人民幣千元
Type of services:	服務類型：		
Construction of	建設		
— Steel structure projects	— 鋼結構項目	342,602	462,750
— Prefabricated construction projects	— 全裝配預製構件建築項目	20,511	52,697
— Construction and installation works	— 建造及安裝工作	24,402	—
Revenue from contracts with customers	客戶合同之收益	387,515	515,447
Timing of revenue recognition	收益確認時間		
Over time	於一段時間內	387,515	515,447

(i) Performance obligation for contracts with customers

Construction services

The Group provides construction services to customers. Such services are recognised as a performance obligation satisfied over time as the Group creates or enhances an asset that the customer controls as the asset is created or enhanced. Revenue is recognised for these construction services based on the stage of completion of the contract using output method.

Retention receivables, prior to expiration of defect liability period, are classified as contract assets, which usually within one year from the date of the practical completion of the construction. The relevant amount of contract asset is reclassified to trade receivables when the defect liability period expires. The defect liability period serves as an assurance that the construction services performed comply with agreed upon specifications and such assurance cannot be purchased separately.

(i) 客戶合同之履約責任

建築服務

本集團向客戶提供建築服務。隨著本集團創建或增強客戶在資產創建或增強時控制的資產，該等服務被確認為於一段時間內履行履約責任。根據合同完成階段使用產出法確認該等建築服務的收益。

應收保留金於缺陷責任期屆滿前(通常為自實際完工日期起一年內)分類為合同資產。當缺陷責任期屆滿時，合同資產的有關金額重新分類為應收貿易款項。缺陷責任期用於保證所執行的施工服務符合協定的規格，且該保險不能單獨購買。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2020 截至2020年12月31日止年度

6. REVENUE (Continued)

(ii) Transaction price allocated to the remaining performance obligation for contracts with customers

The transaction price allocated to the remaining performance obligations (unsatisfied or partially unsatisfied) as at 31 December 2020 and 2019 and the expected timing of recognising revenue are as follows:

	2020 2020年 RMB'000 人民幣千元	2019 2019年 RMB'000 人民幣千元
Within one year 一年內	35,634	74,480

6. 收益(續)

(ii) 分攤至與客戶訂立合同之餘下履約責任之交易價格

於2020年及2019年12月31日，分攤至餘下履約責任(未完成或部分未完成)的交易價格及確認收益的預期時間如下：

7. SEGMENT INFORMATION

The Group's operating activities are attributable to the operating segments focusing on the construction of steel structure and prefabricated construction projects. These operating segments have been identified on the basis of internal management reports that are regularly reviewed by the executive directors of the Company who are the chief operating decision makers of the Group (the "CODM"). The executive directors review revenue and gross margin analysis by each construction contract for the purpose of resource allocation and performance assessment.

For segment reporting under HKFRS 8 Operating Segments, the revenue and gross margin of each construction contract with similar economic characteristics has been aggregated into a single reportable and operating segment. The accounting policies of the operating segments are the same as the Group's accounting policies described in note 4. The segment revenue and segment result (i.e. gross margin) reviewed by the CODM is the same as the Group's revenue and gross profit.

7. 分部資料

本集團的經營活動歸屬於專注於鋼結構及全裝配預製構件建築項目的建築施工的經營分部。該等經營分部乃按內部管理報告基準確定，而內部管理報告由本公司執行董事(彼等為本集團主要經營決策者(「主要經營決策者」))定期檢討。執行董事審閱各建築合同的收益及毛利率分析，以進行資源分配及表現評估。

就香港財務報告準則第8號經營分部下的分部報告而言，各份具類似經濟特點建築合同的收益及毛利率已合併為單一可呈報及經營分部。經營分部的會計政策與附註4所述本集團的會計政策相同。經主要經營決策者審閱的分部收益及分部業績(即毛利)與本集團的收益及毛利相同。

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綜合財務報表附註

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7. SEGMENT INFORMATION

(Continued)

The CODM makes decisions according to operating results of each segment. No analysis of segment asset and segment liability is presented as the CODM does not regularly review such information for the purposes of resources allocation and performance assessment. Therefore, only segment revenue and segment results are presented.

Entity-wide information

An analysis of the Group's revenue by major types of construction contracts is as follows:

		2020 2020年 RMB'000 人民幣千元	2019 2019年 RMB'000 人民幣千元
Construction of	建設		
— Steel structure projects	— 鋼結構項目	342,602	462,750
— Prefabricated construction projects	— 全裝配預製構件建築項目	20,511	52,697
— Construction and installation works	— 建築及安裝工程	24,402	—
		387,515	515,447

Geographical information

No geographical segment information is presented as all the Group's revenue is derived from operations in the PRC and over 99% of the Group's non-current assets are located in the PRC.

7. 分部資料(續)

主要經營決策者根據各分部的經營業績作出決策。並無呈列分部資產及分部負債的分析，原因為主要經營決策者並無定期審閱該等資料以進行資源分配及表現評估。因此，僅呈列分部收益及分部業績。

實體範圍資料

本集團按建築合同主要類別劃分的收益分析如下：

地區資料

由於本集團的收益全部源自中國的營運及本集團99%以上的非流動資產位於中國，故並無呈列地區分部資料。

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綜合財務報表附註

For the year ended 31 December 2020 截至2020年12月31日止年度

7. SEGMENT INFORMATION

(Continued)

Information about major customers

Revenues from customers of the corresponding years contributing over 10% of the total revenue of the Group are as follows:

7. 分部資料(續)

有關主要客戶的資料

於有關年度，所貢獻的收益佔本集團總收益10%以上的客戶如下：

		2020 2020年 RMB'000 人民幣千元	2019 2019年 RMB'000 人民幣千元
Customer A ¹	客戶A ¹	60,946	146,247
Customer B ¹	客戶B ¹	45,001	64,945
Customer C ²	客戶C ²	47,127	–
		153,074	211,192

¹ Revenue from construction of steel structure projects and prefabricated construction projects.

² Revenue from construction of steel structure projects.

¹ 來自建設鋼結構項目及全裝配預製構件建築項目的收益。

² 來自建設鋼結構項目的收益。

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綜合財務報表附註

For the year ended 31 December 2020 截至2020年12月31日止年度

8. OTHER INCOME AND OTHER GAINS AND LOSSES

8. 其他收入以及其他收益及虧損

(a) Other income

(a) 其他收入

		2020 2020年 RMB'000 人民幣千元	2019 2019年 RMB'000 人民幣千元
Sales of scrapped materials	廢料銷售	1,910	591
Interest income on bank deposits	銀行存款利息收入	940	42
Rental income	租金收入	466	118
Government grants	政府補助	856	1,202
Others	其他	350	-
		4,522	1,953

(b) Other gains and losses

(b) 其他收益及虧損

		2020 2020年 RMB'000 人民幣千元	2019 2019年 RMB'000 人民幣千元
Net exchange gain/(losses)	匯兌收益/(虧損)淨額	21,412	(4,011)
Write-off of property, plant and equipment	物業、廠房及設備撇銷	(180)	(75,574)
Effect on modification of corporate bonds	修改企業債券的影響	1,265	3,152
		22,497	(76,433)

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9. FINANCE COSTS

9. 財務成本

		2020 2020年 RMB'000 人民幣千元	2019 2019年 RMB'000 人民幣千元
Interests on short-term borrowings	短期貸款的利息	40,471	61,736
Interests on corporate bonds (Note 35)	企業債券利息(附註35)	23,451	23,251
Interest on lease liabilities (Note 34)	租賃負債利息(附註34)	192	71
Commission	佣金	4,250	14,584
		68,364	99,642

10. IMPAIRMENT LOSSES ON FINANCIAL AND CONTRACT ASSETS

10. 金融及合同資產減值虧損

		2020 2020年 RMB'000 人民幣千元	2019 2019年 RMB'000 人民幣千元
Impairment losses/ (reversal of impairment losses) on:	就以下項目之減值虧損/ (減值虧損撥回):		
— Trade receivables	— 應收貿易款項	137,308	1,654,571
— Other receivables	— 其他應收款項	44,568	4,344,686
— Contract assets	— 合同資產	846	(47,083)
— Bank balances	— 銀行結餘	54	(18,646)
		182,776	5,933,528

Details of impairment assessment for the years ended 31 December 2020 and 2019 are set out in Note 44.

截至2020年及2019年12月31日止年度之減值評估之詳情載於附註44。

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綜合財務報表附註

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11. INCOME TAX EXPENSE/ (CREDIT)

11. 所得稅開支／(抵免)

		2020 2020年 RMB'000 人民幣千元	2019 2019年 RMB'000 人民幣千元
Current tax:	即期稅項：		
PRC Enterprise Income Tax	中國企業所得稅	47	129
Deferred tax credit (Note 22)	遞延稅項抵免(附註22)	-	(51,383)
		47	(51,254)

Provision for the PRC Enterprise Income Tax was made based on the estimated taxable profits calculated in accordance with the relevant income tax laws and regulations applicable to the Company's PRC subsidiaries.

Under the Law of the PRC on Enterprise Income Tax (the "EIT Law") and Implementation Regulations of the EIT Law, the tax rate of the Company's PRC subsidiaries is 25%.

No provision for Hong Kong Profits Tax has been made as the Group had no assessable profits arising in Hong Kong for both years.

中國企業所得稅撥備乃按根據本公司的中國附屬公司適用的有關所得稅法律及法規計算的估計應課稅盈利作出。

根據《中華人民共和國企業所得稅法》(「企業所得稅法」)及企業所得稅法實施條例，本公司中國附屬公司的稅率為25%。

由於本集團於兩個年度並無在香港產生任何應課稅盈利，故此並未計提香港利得稅撥備。

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綜合財務報表附註

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11. INCOME TAX EXPENSE/ (CREDIT) (Continued)

The income tax expense/(credit) for the year can be reconciled to the loss before taxation per the consolidated statement of profit or loss and other comprehensive income as follows:

11. 所得稅開支／(抵免)(續)

年內的所得稅開支／(抵免)可與綜合損益及其他全面收益表所列的除稅前虧損對賬如下：

		2020 2020年 RMB'000 人民幣千元	2019 2019年 RMB'000 人民幣千元
Loss before taxation	除稅前虧損	(214,413)	(6,142,799)
Tax at the PRC Enterprise Income Tax rate of 25% (2019: 25%)	按中國企業所得稅稅率25% (2019年：25%)計算的稅項	(53,603)	(1,535,700)
Tax effect of expenses not deductible for tax purpose	不可扣稅開支的稅務影響	52,490	1,531,157
Tax effect of tax losses not recognised	尚未確認稅項虧損的稅務影響	1,331	4,067
Tax effect of income not taxable for tax purpose	毋須課稅收入的稅務影響	(389)	(1,428)
Tax effect of share of loss of a joint venture	分佔一間合營企業虧損的 稅務影響	-	338
Tax effect of share of loss of associates	分佔聯營公司虧損的稅務影響	218	1,695
Write-down of deferred tax assets	撤減遞延稅項資產	-	40,733
Reversal of temporary differences	撥回暫時性差額	-	(92,116)
Income tax expense/(credit) for the year	年內所得稅開支／(抵免)	47	(51,254)

Details of the deferred taxation are set out in Note 22.

遞延稅項之詳情載於附註22。

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綜合財務報表附註

For the year ended 31 December 2020 截至2020年12月31日止年度

12. LOSS FOR THE YEAR

12. 年內虧損

Loss for the year has been arrived at after charging:

經扣除以下各項後達致的年內虧損：

		2020 2020年 RMB'000 人民幣千元	2019 2019年 RMB'000 人民幣千元
Auditor's remuneration — audit services	核數師酬金 — 核數服務	10,574	8,574
Depreciation of property, plant and equipment (Note 17)	物業、廠房及設備折舊 (附註17)	8,467	6,995
Amortisation of right-of-use assets (Note 18)	使用權資產攤銷 (附註18)	2,424	1,817
Staff costs (including directors' emoluments)	員工成本 (包括董事薪酬)		
Salaries and other benefits	薪金及其他福利	20,833	23,798
Retirement benefit scheme contributions	退休福利計劃供款	1,494	1,758
		22,327	25,556
Short-term leases — office or container	短期租賃 — 辦公室或集裝箱	352	2,882
Remeasurement of financial guarantee contracts	財務擔保合同重新計量	24,697	53,045

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13. DIRECTORS' AND CHIEF EXECUTIVE'S EMOLUMENTS

The emoluments paid or payable to each of the directors, which include the Chief Executive, were as follows:

13. 董事及主要行政人員薪酬

已付或應付予各董事(包括主要行政人員)的薪酬如下:

		2020 2020年			
		Director fees 董事袍金 RMB'000 人民幣千元	Salaries and allowance 薪金及津貼 RMB'000 人民幣千元	Retirement benefit scheme contribution 退休福利計劃供款 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
Executive directors	執行董事				
Mr. Jiang Jianqiang (note i)	蔣建強先生(附註i)	213	350	8	571
Mr. Shao Xiaoqiang (note ii)	邵小強先生(附註ii)	213	300	8	521
Mr. Xu Fanghua	徐芳華先生	213	-	-	213
Mr. Liu Zhibo	劉志伯先生	213	-	-	213
Mr. Hua Gang	華剛先生	213	-	-	213
Mr. Li Xulin (note iv)	李緒林先生(附註iv)	-	-	-	-
Mr. Shan Hu (note iv)	單虎先生(附註iv)	-	-	-	-
Mr. Zhang Tianbo (note v)	張天博先生(附註v)	-	-	-	-
Sub-total	小計	1,065	650	16	1,731
Independent non-executive directors	獨立非執行董事				
Mr. Xu Jiaming	徐家明先生	213	-	-	213
Mr. Luk Chi Shing (note vi)	陸志成先生(附註vi)	-	-	-	-
Mr. Yan Hualin (note vii)	嚴華麟先生(附註vii)	213	-	-	213
Mr. Choi Ho Yan (note viii)	蔡浩仁先生(附註viii)	161	-	-	161
Mr. Wu Zhongxian (note ix)	吳忠賢先生(附註ix)	160	-	-	160
Mr. Siu Siu Ling Robert (note viii)	蕭兆齡先生(附註viii)	161	-	-	161
Sub-total	小計	908	-	-	908
For the year ended 31 December 2020	截至2020年12月31日止年度	1,973	650	16	2,639

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For the year ended 31 December 2020 截至2020年12月31日止年度

13. DIRECTORS' AND CHIEF EXECUTIVE'S EMOLUMENTS

(Continued)

13. 董事及主要行政人員薪酬(續)

		2019 2019年			
		Director fees	Salaries and allowance	Retirement benefit scheme contribution	Total
		董事袍金	薪金及津貼	退休福利計劃供款	總計
		RMB'000	RMB'000	RMB'000	RMB'000
Name of director	董事姓名	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. Jiang Jianqiang (note i)	蔣建強先生(附註i)	212	350	14	576
Mr. Shao Xiaoqiang (note ii)	邵小強先生(附註ii)	212	300	14	526
Mr. Xu Fanghua	徐芳華先生	212	-	-	212
Mr. Liu Zhibo	劉志伯先生	159	-	-	159
Mr. Hua Gang	華剛先生	159	-	-	159
Sub-total	小計	954	650	28	1,632
Independent non-executive directors		獨立非執行董事			
Mr. Xu Jiaming	徐家明先生	212	-	-	212
Mr. Yan Hualin (note vii)	嚴華麟先生(附註vii)	159	-	-	159
Mr. Wu Zhongxian (note ix)	吳忠賢先生(附註ix)	159	-	-	159
Sub-total	小計	530	-	-	530
For the year ended 31 December 2019		截至2019年12月31日止年度			
		1,484	650	28	2,162

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13. DIRECTORS' AND CHIEF EXECUTIVE'S EMOLUMENTS

(Continued)

Note:

- (i) Mr. Jiang Jianqiang has resigned as an executive director on 29 October 2021.
- (ii) Mr. Shao Xiaoqiang has resigned as an executive director on 17 November 2021.
- (iii) Mr. Liu Zhibo and Mr. Hua Gang were appointed as executive directors on 8 July 2019.
- (iv) Mr. Li Xulin and Mr. Shan Hu were appointed as executive directors on 18 November 2021.
- (v) Mr. Zhang Tianbo was appointed as an executive director on 14 December 2021.
- (vi) Mr. Luk Chi Shing has resigned as an independent non-executive director on 5 July 2019.
- (vii) Mr. Yan Hualin was appointed as an independent non-executive director on 8 July 2019.
- (viii) Mr. Choi Ho Yan and Mr. Siu Siu Ling were appointed as independent non-executive directors on 29 June 2020.
- (ix) Mr. Wu Zhongxian has resigned as an independent non-executive director on 21 March 2022.

The executive directors' emoluments shown above were mainly for their services in connection with the management of the affairs of the Company and the Group.

The independent non-executive directors' emoluments shown above were mainly for their services as directors of the Company.

During the years ended 31 December 2020 and 2019, Mr. Shao Xiaoqiang was also the Chief Executive of the Company and his emoluments disclosed above include those for services rendered by him as the Chief Executive.

None of the directors waived any emoluments for both years. No emolument was paid by the Group to any of the directors as an inducement to join or upon joining the Group or as compensation for loss of office.

13. 董事及主要行政人員薪酬(續)

附註：

- (i) 蔣建強先生已於2021年10月29日辭任執行董事。
- (ii) 邵小強先生已於2021年11月17日辭任執行董事。
- (iii) 劉志伯先生及華剛先生於2019年7月8日獲委任為執行董事。
- (iv) 李緒林先生及單虎先生於2021年11月18日獲委任為執行董事。
- (v) 張天博先生於2021年12月14日獲委任為執行董事。
- (vi) 陸志成先生已於2019年7月5日辭任獨立非執行董事。
- (vii) 嚴華麟先生於2019年7月8日獲委任為獨立非執行董事。
- (viii) 蔡浩仁先生及蕭兆齡先生於2020年6月29日獲委任為獨立非執行董事。
- (ix) 吳忠賢先生已於2022年3月21日辭任獨立非執行董事。

上文所示執行董事的薪酬主要就彼等與管理本公司及本集團事務有關的服務而支付。

上文所示獨立非執行董事的薪酬主要就彼等作為本公司董事的服務而支付。

於截至2020年及2019年12月31日止年度，邵小強先生亦為本公司主要行政人員，上文所披露酬金包括其作為主要行政人員提供服務所獲酬金。

於兩個年度，概無董事放棄任何薪酬。本集團並無向任何董事支付任何酬金以作為彼等加入本集團或於加入本集團時的獎勵或作為離職補償。

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14. FIVE HIGHEST PAID EMPLOYEES

The five highest paid employees of the Group during the year include two directors (2019: three directors), details of whose emoluments are set out in Note 13 above. Details of the emoluments for the year of the remaining three (2019: two) highest paid employees who are neither a director nor chief executive of the Company were as follows:

	2020 2020年 RMB'000 人民幣千元	2019 2019年 RMB'000 人民幣千元
Salaries and other benefits 薪金及其他福利	1,321	1,241
Retirement benefits scheme contributions 退休福利計劃供款	16	16
	1,337	1,257

The number of the highest paid employees who are not the directors of the Company whose emoluments fell within the following bands is as follows:

	2020 2020年	2019 2019年
Nil to Hong Kong dollars ("HK\$") 1,000,000 零至1,000,000港元(「港元」)	3	2

No emolument was paid by the Group to any of the remaining highest paid individuals in the Group as an inducement to join or upon joining the Group or as compensation for loss of office for both years.

14. 五名最高薪僱員

年內，本集團五名最高薪僱員包括兩名董事（2019年：三名董事），彼等的薪酬詳情載於上文附註13。年內餘下三名（2019年：兩名）非本公司董事亦非主要行政人員的最高薪僱員的薪酬詳情載列如下：

薪酬在以下範疇的非本公司董事的最高薪僱員的人數如下：

於兩個年度，本集團概無向本集團餘下任何最高薪人士支付任何薪酬，以作為吸引彼等加入或於加入本集團時的獎勵或離職補償。

15. DIVIDENDS

No dividend was paid or proposed for ordinary shares of the Company during 2020 and 2019, nor has any dividend been proposed since the end of the reporting periods for both 2020 and 2019.

15. 股息

於2020年及2019年概無就本公司的普通股派付或建議派付股息，自2020年及2019年報告期末起亦無建議派付任何股息。

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16. LOSSES PER SHARE

16. 每股虧損

The calculation of basic losses per share is based on the following data:

每股基本虧損乃按以下數據計算：

		2020 2020年 RMB'000 人民幣千元	2019 2019年 RMB'000 人民幣千元
Losses	虧損		
Losses for the purpose of basic and diluted losses per share	計算每股基本及攤薄虧損之虧損		
Loss for the year	年內虧損	214,460	6,091,545
		2020 2020年 '000 千股	2019 2019年 '000 千股
Number of shares	股份數目		
Weighted average number of ordinary shares for the purpose of basic losses per shares	計算每股基本虧損之普通股加權平均數		
		3,020,748	2,712,415

The contingently issuable shares represented Subscription agreed on 24 June 2020 as disclosed in Note 39. The computation of diluted losses per share does not assume those shares would be issuable as the conditions were not met even if the end of the reporting period were the end of the contingency period according to the status at the end of the reporting period and the assumed issuance of those shares would result in a decrease in losses per share. Diluted losses per share for 2019 were same as the basic losses per share as there were no potential ordinary share in issue for 2019.

或有可發行股份指附註39中披露的於2020年6月24日協定的認購事項。計算每股攤薄虧損並無假設該等股份可發行，原因為根據報告期末的情況，即使報告期末為或有事項期末，有關條件並未達成，且假設發行該等股份將導致每股虧損減少。由於2019年並無已發行潛在普通股，2019年的每股攤薄虧損與每股基本虧損相同。

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17. PROPERTY, PLANT AND EQUIPMENT

17. 物業、廠房及設備

		Buildings and structures 樓宇及構築物 RMB'000 人民幣千元	Plant and machinery 廠房及機器 RMB'000 人民幣千元	Motor vehicles 汽車 RMB'000 人民幣千元	Office equipment 辦公室設備 RMB'000 人民幣千元	Leasehold improvement 租賃物業裝修 RMB'000 人民幣千元	Construction in progress 在建工程 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2019年1月1日	206,794	122,569	9,424	16,833	376	1,246	357,242
Additions	添置	35,133	19,193	548	802	-	194	55,870
Disposal	出售	(161,665)	(3,557)	-	-	(376)	-	(165,598)
Write off	撇銷	-	(91,724)	-	(14,795)	-	-	(106,519)
At 31 December 2019	於2019年12月31日	80,262	46,481	9,972	2,840	-	1,440	140,995
Additions	添置	-	159	526	521	-	-	1,206
Write off	撇銷	-	(229)	(44)	-	-	-	(273)
Transfer from construction in progress	轉自在建工程	1,440	-	-	-	-	(1,440)	-
At 31 December 2020	於2020年12月31日	81,702	46,411	10,454	3,361	-	-	141,928
Accumulated depreciation and impairment	累計折舊及減值							
At 1 January 2019	於2019年1月1日	39,608	48,950	5,193	1,879	376	-	96,006
Provided for the year	年內撥備	3,118	3,070	569	238	-	-	6,995
Elimination on disposal	於出售時對銷	(25,825)	(2,928)	-	-	(376)	-	(29,129)
Write off	撇銷	-	(30,682)	-	(263)	-	-	(30,945)
At 31 December 2019	於2019年12月31日	16,901	18,410	5,762	1,854	-	-	42,927
Provided for the year	年內撥備	3,816	3,550	866	235	-	-	8,467
Write off	撇銷	-	(81)	(12)	-	-	-	(93)
At 31 December 2020	於2020年12月31日	20,717	21,879	6,616	2,089	-	-	51,301
Carrying values	賬面值							
At 31 December 2020	於2020年12月31日	60,985	24,532	3,838	1,272	-	-	90,627
At 31 December 2019	於2019年12月31日	63,361	28,071	4,210	986	-	1,440	98,068

The Group's buildings are situated on leasehold land in the PRC.

本集團的樓宇均位於中國的租賃土地上。

The Group had pledged property, plant and equipment with a carrying amount of RMB60,985,000 (2019: RMB63,361,000) as at 31 December 2020 to secure bank borrowings of the Group (Note 36(a)).

於2020年12月31日，本集團已抵押賬面值為人民幣60,985,000元(2019年：人民幣63,361,000元)之物業、廠房及設備以取得本集團的銀行借款(附註36(a))。

During the year ended 31 December 2019, the Group had disposed property, plant and equipment with net carrying amount of RMB136,469,000 to a third party at a consideration of RMB136,469,000. The consideration has not been settled and included in other receivables as at 31 December 2019 and 2020 and subject to impairment assessment.

截至2019年12月31日止年度，本集團已向一名第三方出售賬面淨值為人民幣136,469,000元的物業、廠房及設備，代價為人民幣136,469,000元。於2019年及2020年12月31日，該代價尚未清償及計入其他應收款項，且須進行減值評估。

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18. RIGHT-OF-USE ASSETS

18. 使用權資產

		Leasehold land 租賃土地 RMB'000 人民幣千元	Leased properties 租賃物業 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
At 1 January 2019	於2019年1月1日	57,751	4,719	62,470
Additions	添置	–	2,961	2,961
Disposals	出售	(25,140)	–	(25,140)
Depreciation	折舊	(1,447)	(370)	(1,817)
Termination of lease	終止租賃	–	(4,719)	(4,719)
At 31 December 2019 and 1 January 2020	於2019年12月31日及 2020年1月1日	31,164	2,591	33,755
Depreciation	折舊	(875)	(1,549)	(2,424)
At 31 December 2020	於2020年12月31日	30,289	1,042	31,331

The Group had leasehold land under right-of-use assets with a carrying amount of RMB30,289,000 (2019: RMB31,164,000) as at 31 December 2020 to secure bank borrowings of the Group (Note 36(a)).

於2020年12月31日，本集團抵押使用權資產項下賬面值為人民幣30,289,000元(2019年：人民幣31,164,000元)之租賃土地以取得本集團的銀行借款(附註36(a))。

The analysis of the net book value of right-of-use assets by class of underlying asset is as follows:

按相關資產類別劃分的使用權資產的賬面淨值分析如下：

		2020 2020年 RMB'000 人民幣千元	2019 2019年 RMB'000 人民幣千元
Ownership interests in leasehold land, carried at depreciated cost with remaining lease term of:	於剩餘租期內以折舊成本列示的租賃土地擁有權權益：		
— 30 years or more	— 30年或以上	30,289	31,164
Other properties leased for own use, carried at depreciated cost	租賃作自用的其他物業，以折舊成本列示	1,042	2,591
		31,331	33,755

During the year ended 31 December 2019, the Group had disposed leasehold land with net carrying amount of RMB25,140,000 to a third party at a consideration of RMB25,140,000. The consideration has not been settled and included in other receivables as at 31 December 2019 and 2020 and subject to impairment assessment.

截至2019年12月31日止年度，本集團已向一名第三方出售賬面淨值為人民幣25,140,000元的租賃土地，代價為人民幣25,140,000元。於2019年及2020年12月31日，該代價尚未清償及計入其他應收款項，且須進行減值評估。

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19. INTEREST IN A JOINT VENTURE

19. 於一間合營企業之權益

		2020 2020年 RMB'000 人民幣千元	2019 2019年 RMB'000 人民幣千元
Costs of unlisted investment	非上市投資成本	153,000	153,000
Share of loss of a joint venture	分佔一間合營企業虧損	(108)	(108)
		152,892	152,892

Details of the Group's joint venture at the end of the reporting period are as follows:

本集團於報告期末的合營企業詳情如下：

Name 名稱	Place of incorporation/ establishment 註冊成立/ 成立地點	Principal place of operation 主要營業地點	Principal activities 主要業務	Percentage of ownership interests/voting rights/ profit sharing 擁有權權益/投票權/ 分佔盈利百分比	
				2020 2020年	2019 2019年
江蘇華晨賽特投資發展有限公司 ("Jiangsu Huachen Saite")	PRC	PRC	Inactive	51.00%	51.00%
江蘇華晨賽特投資發展有限公司 ([江蘇華晨賽特])	中國	中國	暫無營業		

The investment is classified as investment in a joint venture because no single party could control Jiangsu Huachen Saite and the relevant activities require unanimous consent of the parties sharing control. Summarised financial information in respect of the Group's investment in the joint venture is set out below. The summarised financial information below represents amounts shown in the joint venture's financial statements prepared in accordance with HKFRSs.

由於任何一方均無法控制江蘇華晨賽特及相關活動須取得分享控制權的各方一致同意，故該投資歸類為於一間合營企業的投資。本集團於合營企業的投資的財務資料概要載列如下。下文所載之財務資料概要指合營企業根據香港財務報告準則編製的財務報表所示之金額。

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19. INTEREST IN A JOINT VENTURE (Continued)

The joint venture is accounted for using the equity method in these consolidated financial statements.

19. 於一間合營企業之權益(續)

在該等綜合財務報表中，合營企業以權益法入賬。

		2020 2020年 RMB'000 人民幣千元	2019 2019年 RMB'000 人民幣千元
Current assets	流動資產	300,005	300,005
Non-current assets	非流動資產	-	-
Current liabilities	流動負債	216	216
Non-current liabilities	非流動負債	-	-
Loss and total comprehensive income	虧損及全面收益總額	-	(2,649)
The above amounts of assets include the following:	上述資產款項包括以下各項：		
Cash and cash equivalents	現金及現金等價物	5	5
Other receivable	其他應收款項	300,000	300,000

Reconciliation of the above summarised financial information to the carrying amount of the interest in a joint venture recognised in the consolidated financial statements:

上述財務資料概要與於綜合財務報表內確認之於一間合營企業之權益的賬面值之對賬：

		2020 2020年 RMB'000 人民幣千元	2019 2019年 RMB'000 人民幣千元
Equity attributable to owners of the joint venture	合營企業擁有人應佔權益	299,789	299,789
Proportion of the Group's ownership interest	本集團之所有權權益比例	51%	51%
Carrying amount of the Group's interest in the joint venture	本集團於合營企業之權益的賬面值	152,892	152,892

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20. INTERESTS IN ASSOCIATES

20. 於聯營公司之權益

		2020 2020年 RMB'000 人民幣千元	2019 2019年 RMB'000 人民幣千元
Costs of unlisted investment	非上市投資成本	10,870	10,150
Share of loss of associates	分佔聯營公司虧損	(8,764)	(7,894)
		2,106	2,256

Details of the Group's associates at the end of the reporting period are as follows:

本集團於報告期末的聯營公司詳情如下：

Name of entity 實體名稱	Place of incorporation/ establishment 註冊成立/ 成立地點	Principal place of operation 主要營業地點	Principal activities 主要業務	Percentage of ownership interests/voting rights/profit sharing 擁有權權益/投票權/ 分佔溢利百分比	
				2020 2020年	2019 2019年
沃通停車科技有限公司	PRC	PRC	Parking service	60.00%*	60.00%*
沃通停車科技有限公司	中國	中國	停車服務		
眾停智慧交通江蘇有限公司	PRC	PRC	Parking service	20.00%	20.00%
眾停智慧交通江蘇有限公司	中國	中國	停車服務		

* The company is accounted for as an associate of the Group at the respective period end date as in accordance with the memorandum and articles of the company, major financial and operating policy decisions of the company require simple majority consent of the board of directors. The Group has appointed 1 out of 3 directors of the company, thus, the Group has significant influence but not control over the company.

* 該公司已根據公司章程大綱及細則於各期間結算日期入賬列作本集團之一間聯營公司，該公司之主要財務及營運政策決策須董事會過半數同意。該公司3位董事中的一位為由本集團委任，因此本集團對該公司有重大影響力但不控制該公司。

The associates are accounted for using the equity method in these consolidated financial statements.

在該等綜合財務報表中，聯營公司以權益法入賬。

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20. INTERESTS IN ASSOCIATES

(Continued)

Aggregate information of associates that are not individually material.

20. 於聯營公司之權益(續)

非個別重大的聯營公司資料匯總。

		2020 2020年 RMB'000 人民幣千元	2019 2019年 RMB'000 人民幣千元
The Group's share of loss and total comprehensive expense	本集團分佔之虧損及全面開支總額	(870)	(6,781)
Aggregate carrying amount of the Group's interests in these associates	本集團於該等聯營公司之權益賬面總額	2,106	2,256

21. EQUITY INSTRUMENTS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

21. 透過其他全面收益按公平值列賬之股本工具

		2020 2020年 RMB'000 人民幣千元	2019 2019年 RMB'000 人民幣千元
Unlisted investments:	非上市投資：		
— Equity securities of entity A	— 實體A的股本證券	22,230	22,230
— Equity securities of entity B	— 實體B的股本證券	4,000	4,000
		26,230	26,230

The above unlisted equity investments represent the Group's equity interest in private entities incorporated in Hong Kong and the PRC. The directors of the Company have elected to designate these investments as equity instruments at FVTOCI as they consider that recognising short-term fluctuations in these investments' fair value in profit or loss would not be consistent with the Group's strategy of holding these investments for long-term purposes and realising their performance potential in the long run. The Group did not receive any dividend income from the investment in these entities during the year ended 31 December 2020 (2019: no dividend income).

上述非上市股本投資指本集團於在香港及中國註冊成立的私人實體之股權。本公司董事認為，於損益確認該等投資之公平值之短期波動與本集團為長遠目的而持有該等投資及長遠實現其潛在表現之策略不符，因此選擇將該等權益工具投資指定為透過其他全面收益按公平值列賬。截至2020年12月31日止年度，本集團並無自該等實體的投資收取任何股息收入(2019年：無股息收入)。

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21. EQUITY INSTRUMENTS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME (Continued)

One of the Group's strategic investments is a 20% interest in Entity B. This investment is not accounted for using the equity method (as an associate) as the Group does not have the power to participate in the company's operating and financial policies, evidenced by the lack of any direct or indirect involvement at board level.

22. DEFERRED TAX ASSETS AND LIABILITIES

For the purpose of presentation in the consolidated statement of financial position, certain deferred tax assets and liabilities have been offset. The following is the analysis of the deferred tax balances for financial reporting purposes:

21. 透過其他全面收益按公平值列賬之股本工具(續)

於實體B持有20%權益為本集團的策略投資之一。由於本集團並無直接或間接參與該公司的董事會事務，證明本集團無權參與其營運及財務政策，故該投資並無採用權益法(作為聯營公司)列賬。

22. 遞延稅項資產及負債

就編製綜合財務狀況表而言，若干遞延稅項資產及負債已被抵銷。就財務報告而言，遞延稅項結餘分析如下：

		2020 2020年 RMB'000 人民幣千元	2019 2019年 RMB'000 人民幣千元
Deferred tax assets	遞延稅項資產	-	-
Deferred tax liabilities	遞延稅項負債	-	-
		-	-

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22. DEFERRED TAX ASSETS AND LIABILITIES (Continued)

The following are the major deferred tax liabilities/(assets) recognised and movements thereon during the current and prior years:

22. 遞延稅項資產及負債(續)

本年度及過往年度已確認之主要遞延稅項負債/(資產)及其變動如下：

		Withholding tax on undistributed earnings 尚未分派盈利 之預扣稅 RMB'000 人民幣千元	Credit loss provision 信貸虧損撥備 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
At 1 January 2019	於2019年1月1日	92,116	(40,733)	51,383
Credited to profit or loss (Note 11)	計入損益(附註11)	(92,116)	40,733	(51,383)
At 31 December 2019, 1 January and 31 December 2020	於2019年12月31日、 2020年1月1日及 12月31日	-	-	-

According to a joint circular of the Ministry of Finance and State Administration of Taxation — Cai Shui 2008 No. 1, dividend distributed out of the profits generated by subsidiaries established in the PRC to “non PRC-resident” investors since 1 January 2008 shall be subject to PRC Enterprise Income Tax and tax payment to be withheld by the PRC entity pursuant to Articles 3 and 27 of the Income Tax Law Concerning Foreign Investment Enterprises and Foreign Enterprises and Article 91 of the Detailed Rules for the Implementation of the Income Tax Law for Enterprises with Foreign Investment Enterprises and Foreign Enterprises. As at 31 December 2019 and 2020, none of the PRC subsidiaries have earnings available for distribution.

根據財政部及國家稅務總局的聯合通知 — 財稅2008第1號，自2008年1月1日起將於中國成立的附屬公司產生的盈利作為股息分派予「非中國居民」投資者須繳納中國企業所得稅，並根據外商投資企業和外國企業所得稅法第3及27條以及外商投資企業和外國企業所得稅法實施細則第91條由中國實體預扣稅款。於2019年及2020年12月31日，概無中國附屬公司有可供分派之盈利。

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22. DEFERRED TAX ASSETS AND LIABILITIES (Continued)

As at 31 December 2020, the Group has unused tax losses of approximately RMB23,406,000 (2019: RMB18,083,000) available for offsetting against future taxable profits. No deferred tax asset has been recognised in respect of such losses due to the unpredictability of future profit streams. The unrecognised tax losses will expire in the following years:

		2020 2020年 RMB'000 人民幣千元	2019 2019年 RMB'000 人民幣千元
2020	2020年	-	1
2021	2021年	1	1
2022	2022年	987	987
2023	2023年	825	825
2024	2024年	12,639	16,269
2025	2025年	8,954	-
		23,406	18,083

22. 遞延稅項資產及負債(續)

於2020年12月31日，本集團尚未動用的稅項虧損約為人民幣23,406,000元(2019年：人民幣18,083,000元)，可用作抵銷未來應課稅盈利。由於無法預知未來盈利來源，故本集團並無就該等虧損確認遞延稅項資產。尚未確認之稅項虧損將於以下年份到期：

23. INVENTORIES

		2020 2020年 RMB'000 人民幣千元	2019 2019年 RMB'000 人民幣千元
Raw materials and consumables	原材料及消耗品	7,980	31,607
Work-in-progress	半成品	878	-
Finished goods	製成品	24,827	15,519
		33,685	47,126

23. 存貨

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24. TRADE RECEIVABLES

24. 應收貿易款項

		2020 2020年 RMB'000 人民幣千元	2019 2019年 RMB'000 人民幣千元
Trade receivables	應收貿易款項		
— construction contracts	— 建築合同	618,022	517,270
Less: Impairment losses	減：減值虧損	(459,669)	(322,361)
Total trade receivables	應收貿易款項總額	158,353	194,909

The following is an aged analysis of trade receivables, presented based on the date of progress billing at the end of the year.

以下為於年末按進度款日期呈列的應收貿易款項的賬齡分析。

		2020 2020年 RMB'000 人民幣千元	2019 2019年 RMB'000 人民幣千元
0 to 30 days	0至30天	25,641	38,759
31 to 90 days	31至90天	30,280	54,187
91 to 180 days	91至180天	41,352	69,937
181 days to 1 year	181天至1年	81,788	45,110
Over 1 year	1年以上	438,961	309,277
Less: Impairment losses	減：減值虧損	(459,669)	(322,361)
		158,353	194,909

Details of impairment assessment of trade receivables for the years ended 31 December 2020 and 2019 are set out in Note 44.

截至2020年及2019年12月31日止年度應收貿易款項之減值評估詳情載於附註44。

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25. CONTRACT ASSETS

25. 合同資產

		2020 2020年 RMB'000 人民幣千元	2019 2019年 RMB'000 人民幣千元
Analysed as current:	分析為流動：		
Retention receivables of construction contracts (note)	建築合同之應收保留金(附註)	112,616	56,883
Less: Impairment losses	減：減值虧損	(1,525)	(679)
		111,091	56,204

Note: Retention receivables included in contract assets represent the Group's right to receive consideration for work performed and not yet billed because the rights are conditional on the satisfaction of the service quality by the customers over a certain period as stipulated in the contracts. The contract assets are transferred to the trade receivables when the rights become unconditional, which is typically at the expiry date of the period for the provision of assurance by the Group on the service quality of the construction work performed by the Group. The due dates for retention receivables are usually one year after the completion of construction work.

Contract assets, that are expected to be settled within the Group's normal operating cycle, are classified as current based on expected settlement dates, which is within one year.

Details of the impairment assessment are set out in Note 44.

附註：計入合同資產之應收保留金指本集團收取已執行但未開票工程代價的權利，原因為該等權利須待客戶於合同規定的特定期間內對服務質量表示滿意後方可作實。當該等權利成為無條件時（通常於本集團就其進行的建築工程的服務質量提供保證期間的屆滿日期），合同資產轉撥至應收貿易款項。應收保留金到期日通常為建築工程完工後一年。

預期將於本集團的正常營運週期內結算的合同資產根據預期結算日期（為一年內）分類為流動。

減值評估詳情載於附註44。

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26. OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

26. 其他應收款項、按金及預付款項

		2020 2020年 RMB'000 人民幣千元	2019 2019年 RMB'000 人民幣千元
Prepayments	預付款項	19,013	17,114
Deposits paid	已付按金	725	539
Other receivables	其他應收款項	871,541	870,866
		891,279	888,519

Prepayments mainly represent the material costs prepaid to suppliers at the total amount of RMB16,513,000 (2019: RMB16,099,000) during the current year.

預付款項主要為本年度內預付予供應商的物料成本，總額為人民幣16,513,000元(2019年：人民幣16,099,000元)。

The impairment provision of other receivables as at 31 December 2020 and 2019 were as follow:

於2020年及2019年12月31日，其他應收款項的減值撥備如下：

		2020 2020年 RMB'000 人民幣千元	2019 2019年 RMB'000 人民幣千元
Other receivables, at gross	其他應收款項總額	2,009,321	1,986,772
Less: Impairment losses	減：減值虧損	(1,137,780)	(1,115,906)
Other receivables, at net	其他應收款項淨額	871,541	870,866

Details of the impairment assessment are set out in Note 44.

減值評估詳情載於附註44。

27. AMOUNT DUE TO A DIRECTOR

27. 應付一名董事款項

The amount due to a director is unsecured, interest-free and is repayable on demand.

應付一名董事款項為無抵押、免息及按需求償還。

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28. BANK BALANCES AND CASH AND RESTRICTED BANK BALANCES

At 31 December 2020, bank balances carry interest at prevailing market rates ranged from 0.01% to 0.35% (2019: 0.01% to 0.35%) per annum.

28. 銀行結餘及現金以及受限制銀行結餘

於2020年12月31日，銀行結餘按當時的市場年利率介乎0.01%至0.35%（2019年：0.01%至0.35%）計息。

		2020 2020年 RMB'000 人民幣千元	2019 2019年 RMB'000 人民幣千元
Bank balances and cash	銀行結餘及現金	41,607	40,310
Less: Impairment losses	減：減值虧損	(131)	(77)
		41,476	40,233
Restricted bank balances	受限制銀行結餘	1,675	431

Details of impairment assessment of bank balances for the years ended 31 December 2020 and 2019 are set out in Note 44.

截至2020年及2019年12月31日止年度銀行結餘之減值評估詳情載列於附註44。

As at 31 December 2020, restricted bank balances RMB1,675,000 (2019: RMB431,000) represented balances held in bank accounts frozen by the court due to litigation claims against the Group. The frozen bank balance cannot be used by the Group until the litigations are resolved.

於2020年12月31日，受限制銀行結餘人民幣1,675,000元（2019年：人民幣431,000元）為因對本集團提起訴訟申索而被法院凍結的銀行賬戶結餘。於訴訟解決前，本集團不能使用凍結的銀行結餘。

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29. TRADE PAYABLES

Trade payables are settled in accordance with the relevant agreements. An aged analysis of the Group's trade payables (by invoice date) at the end of the reporting period is as follows:

		2020 2020年 RMB'000 人民幣千元	2019 2019年 RMB'000 人民幣千元
0 to 30 days	0至30天	53,632	65,176
31 to 90 days	31至90天	47,063	66,936
91 to 180 days	91至180天	47,980	120,203
181 to 1 year	181天至1年	96,518	109,201
Over 1 year	1年以上	408,376	225,756
		653,569	587,272
Retention payables	應付保留金	-	-
		653,569	587,272

29. 應付貿易款項

應付貿易款項乃根據相關協議支付。於報告期末，本集團的應付貿易款項(按發票日期)的賬齡分析如下：

30. OTHER PAYABLES AND ACCRUALS

		2020 2020年 RMB'000 人民幣千元	2019 2019年 RMB'000 人民幣千元
Accrued wages and staff benefits	應計工資及員工福利	9,044	7,060
Other accrued expenses	其他應計開支	91,944	60,855
Other tax payables	其他應付稅項	1,008	1,240
Other payables	其他應付款項	2,552,567	2,411,468
		2,654,563	2,480,653

30. 其他應付款項及應計費用

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31. CONTRACT LIABILITIES

The Group has recognised the following revenue-related contract liabilities:

	2020 2020年 RMB'000 人民幣千元	2019 2019年 RMB'000 人民幣千元
Contract liabilities 合同負債	2,050	13,022

Where discrepancies arise between the milestone payments and the Group's assessment of the stage of completion, contract liabilities can arise.

31. 合同負債

本集團已確認下列收益相關合同負債：

倘進度指標付款與本集團對完成階段作出的評估之間有所偏差，便可能產生合同負債。

Movements in contract liabilities

	2020 2020年 RMB'000 人民幣千元	2019 2019年 RMB'000 人民幣千元
Balance at 1 January 於1月1日的結餘	13,022	-
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 年內確認收益導致年初計入合同負債的合同負債減少	(13,022)	-
Increase in contract liabilities as a result of advanced consideration received from customers 向客戶收取預付代價導致的合同負債增加	2,050	13,022
Balance at 31 December 於12月31日的結餘	2,050	13,022

合同負債變動

32. AMOUNT DUE TO THE ULTIMATE HOLDING COMPANY

The amount due to the ultimate holding company is unsecured, interest-free and is repayable on demand.

33. AMOUNTS DUE FROM/(TO) ASSOCIATES

The amounts due from/(to) associates are unsecured, interest-free and are repayable on demand.

32. 應付最終控股公司款項

應付最終控股公司款項為無抵押、免息及按需求償還。

33. 應收/(應付)聯營公司款項

應收/(應付)聯營公司款項為無抵押、免息及按需求償還。

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34. LEASE LIABILITY

Nature of leasing activities (in the capacity as lessee)

The Group leases a number of properties in the jurisdictions from which it operates. The Group leases offices premises. Rental contracts are typically made for fixed periods from 1 to 2 years for leased properties. All rental contracts comprise only fixed payments over the lease terms.

34. 租賃負債

租賃活動的性質(作為承租人)

本集團於其業務所在的司法管轄區租賃多項物業。本集團租賃辦公物業。租賃物業租約通常為1至2年之固定期限。所有租約於租賃期內僅包括固定付款。

Lease liabilities	租賃負債	Leased properties 租賃物業 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
At 1 January 2019	於2019年1月1日	4,719	4,719
Lease commencement	租賃開始	2,961	2,961
Interest expense (Note 9)	利息開支(附註9)	71	71
Lease payments	租賃付款	(283)	(283)
Termination of lease	終止租賃	(4,719)	(4,719)
At 31 December 2019 and 1 January 2020	於2019年12月31日及 2020年1月1日	2,749	2,749
Interest expense (Note 9)	利息開支(附註9)	192	192
Lease payments	租賃付款	(1,600)	(1,600)
Exchange differences	匯兌差額	(180)	(180)
At 31 December 2020	於2020年12月31日	1,161	1,161

The present value of future lease payments is analysed as:

未來租賃付款現值分析為：

		2020 2020年 RMB'000 人民幣千元	2019 2019年 RMB'000 人民幣千元
Current liabilities	流動負債	1,161	1,512
Non-current liabilities	非流動負債	-	1,237
		1,161	2,749
Aggregate undiscounted commitments for short term leases	短期租賃的未貼現承擔總額	-	314
Short term lease expense	短期租賃開支	352	2,882

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35. CORPORATE BONDS

35. 企業債券

		2020 2020年 RMB'000 人民幣千元	2019 2019年 RMB'000 人民幣千元
Carrying amount as at 1 January	於1月1日的賬面值	491,854	358,232
Proceeds from issue of corporate bonds	發行企業債券的所得款項	68,468	630,430
Redemption	贖回	(107,969)	(512,001)
Effect of modification (Note 8(b))	修訂的影響(附註8(b))	(1,265)	(3,152)
Exchange differences	匯兌差額	(31,630)	308
Interest expense (Note 9)	利息開支(附註9)	23,451	23,251
Interest paid	已付利息	(3,944)	(5,214)
Carrying amount as at 31 December	於12月31日的賬面值	438,965	491,854
Less: amounts due within one year shown under current liabilities	減：列為流動負債於一年內到期的款項	(230,028)	(244,894)
Amounts due after one year shown under non-current liabilities	列為非流動負債於一年後到期的款項	208,937	246,960

(i) In 2018, the Company issued three corporate bonds with principal amount of HK\$10,000,000 each ("2035 due HK\$ Bonds") at a discounted amount of HK\$1,290,000, HK\$1,294,000 and HK\$1,297,000, respectively. The first two and third 2035 due HK\$ Bonds were issued in November 2018 and December 2018, respectively. The 2035 due HK\$ Bonds will mature in November 2035 and December 2035 respectively, unless the holders or the Company exercise the option rights which entitled the holders to sell back the bonds to the Company in October 2027 at 40% of the par value of the initial bonds and the Company to redeem the bonds at 40% of par value of the initial bonds in October 2027.

In the opinion of directors, the fair values of the early redemption options related to the 2035 due HK\$ Bonds are insignificant at initial recognition and the end of the reporting period.

(i) 於2018年，本公司發行三份本金額各為10,000,000港元之企業債券（「2035年到期港元債券」），折現金額分別為1,290,000港元、1,294,000港元及1,297,000港元。首兩份及第三份2035年到期港元債券分別於2018年11月及2018年12月發行。除非持有人或本公司行使賦予持有人權利可於2027年10月以初始債券面值的40%向本公司售回債券及賦予本公司權利可於2027年10月以初始債券面值的40%贖回債券的選擇權，否則2035年到期港元債券將分別於2035年11月及2035年12月到期。

董事認為，有關2035年到期港元債券的提早贖回權之公平值於首次確認時及於報告期末不屬重大。

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35. CORPORATE BONDS (Continued)

- (ii) Except for the 2035 due HK\$ Bonds with option rights, other corporate bonds are redeemable at any time before maturity at the Company's option at a redemption price equal to 100% of the principal amount of the corporate bonds plus accrued and unpaid interest, if any, to the redemption date.
- (iii) Interest are charged at fixed/floating effective interest rates ranging from 0% to 11.66% per annum ("p.a.") (2019: 0% to 11.66% p.a.).

35. 企業債券(續)

- (ii) 除附帶選擇權之2035年到期港元債券外，其他企業債券可於到期前任何時間依本公司選擇按相等於企業債券本金額100%的贖回價，加直至贖回日期應計但尚未支付的利息(如有)贖回。
- (iii) 利息按固定/浮動實際利率介乎每年(「每年」)0%至11.66%(2019年：每年0%至11.66%)收取。

36. SHORT-TERM BORROWINGS

36. 短期貸款

		2020 2020年 RMB'000 人民幣千元	2019 2019年 RMB'000 人民幣千元
Bank loans due for repayment within one year	一年內到期償還的銀行貸款	137,669	199,280

Note:

- (a) The bank loans are secured by:
- (i) the Group's buildings and structures included in property, plant and equipment (Note 17) amounted to RMB60,985,000 (2019: RMB63,361,000);
- (ii) leasehold land under right-of-use assets (Note 18) amounted to RMB30,289,000 (2019: RMB31,164,000);
- (iii) corporate guarantee given by 13 non-related parties (2019: 14); and
- (iv) individual guarantee given by 10 non-related individuals, 2 directors and 1 senior management (2019: 10 non-related individuals, 2 directors and 1 senior management).
- (b) Interest are charged at fixed/floating effective interest rates ranging from 0.4% to 6.09% p.a. (2019: 0% to 6.65% p.a.).
- (c) As at 31 December 2019, the short-term borrowing of RMB4,500,000 classified as due for repayment within one year as at 31 December 2018 was overdue. The loan was interest bearing at 4.35% p.a. and repayable on 5 December 2019. Effective interest rate is 4.35% p.a.. The loan was repaid in 2020 with no penalties charged.

附註：

- (a) 銀行貸款擔保如下：
- (i) 本集團計入物業、廠房及設備(附註17)的樓宇及建造物，金額為人民幣60,985,000元(2019年：人民幣63,361,000元)；
- (ii) 使用權資產項下的租賃土地(附註18)，金額為人民幣30,289,000元(2019年：人民幣31,164,000元)；
- (iii) 十三家非關聯方提供的公司擔保(2019年：十四家)；及
- (iv) 十名非關聯人士、兩名董事及一名高級管理人員提供的個人擔保(2019年：十名非關聯人士、兩名董事及一名高級管理人員)。
- (b) 利息按固定/浮動實際利率介乎每年0.4%至6.09%(2019年：每年0%至6.65%)收取。
- (c) 於2019年12月31日，於2018年12月31日分類為一年內到期償還的短期貸款人民幣4,500,000元已逾期。該貸款按利率每年4.35%計息，須於2019年12月5日償還。實際利率為每年4.35%。該貸款已於2020年償還，並未收取任何罰款。

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37. PROBLEMATIC LOANS

The recognition of problematic loans during the years ended 31 December 2020 and 31 December 2019 was originated from the investigation findings of the Independent Adviser as disclosed in Note 3(a), which are related to the following parts in the Main Findings Announcement:

- (i) Section 1 "Litigations in relation to two overdue loans granted to Jiangsu Saite by two Individuals"
- (ii) Section 2 "Litigation in relation to guarantee provided to Bank A"
- (iii) Section 3 "Litigation in relation to bank loans undertaken by Jiangsu Saite and Jiangsu Qifeng"
- (iv) Borrowings of RMB39.5 million as described in point (a) under Background of Section 4 "Other Identified Matters"
- (v) Borrowings of RMB7.4 million as described in point (b) under Background of Section 4 "Other Identified Matters"

37. 問題貸款

於截至2020年12月31日及2019年12月31日止年度確認問題貸款乃源自附註3(a)所披露的獨立顧問的調查結果，其與主要調查結果公告的以下部分內容有關：

- (i) 第1節「關於兩名個人向江蘇賽特授出的兩筆逾期貸款的訴訟」
- (ii) 第2節「關於向銀行A提供擔保的訴訟」
- (iii) 第3節「關於江蘇賽特及江蘇旗峰承接的銀行貸款的訴訟」
- (iv) 第4節「其他已識別事宜」一節「背景」下第(a)點所述的借款人民幣39,500,000元
- (v) 第4節「其他已識別事宜」一節「背景」下第(b)點所述的借款人民幣7,400,000元

38. FINANCIAL GUARANTEE CONTRACTS

38. 財務擔保合同

		2020 2020年 RMB'000 人民幣千元	2019 2019年 RMB'000 人民幣千元
At the beginning of the year	於年初	53,045	-
Remeasurement	重新計量	24,697	53,045
At the end of the year	於年末	77,742	53,045

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38. FINANCIAL GUARANTEE CONTRACTS (Continued)

The recognition of financial guarantee contracts during the years ended 31 December 2020 and 31 December 2019 was based on the investigation result of the Independent Adviser as disclosed in Note 3(a), which are related to the following parts in the Main Findings Announcement:

- (1) Guarantee of RMB88.8 million provided by Jiangsu Qifeng New Building Materials Company ("Jiangsu Qifeng") as described in point (c) under Background of Section 4 "Other Identified Matters"
- (2) Guarantee of RMB48.83 million provided by Jiangsu Qifeng and RMB12 million provided by the Company as described in point (d) under Background of Section 4 "Other Identified Matters"
- (3) Guarantee of RMB3.2 million provided by Jiangsu Saite Steel Structure Co., Ltd. ("Jiangsu Saite") as described in point (e) under Background of Section 4 "Other Identified Matters"

The financial guarantee contracts were recognised based on the valuation prepared by independent valuer engaged by the Company for the years ended 31 December 2020 and 31 December 2019.

During the course of the preparation of the consolidated financial statements for the year ended 31 December 2020, the directors considered the expected payments to reimburse the holder of the guarantees were no longer recoverable from the borrowers and therefore recorded a loss of RMB24.7 million (2019: RMB53.0 million) in the consolidated statement of profit or loss and other comprehensive income.

38. 財務擔保合同(續)

根據附註3(a)所披露的獨立顧問的調查結果，於截至2020年12月31日及2019年12月31日止年度確認財務擔保合同，而該等財務擔保合同與主要調查結果公告的以下部分內容有關：

- (1) 第4節「其他已識別事宜」一節「背景」下第(c)點所述的江蘇旗峰新型建材有限公司(「江蘇旗峰」)所提供人民幣88,800,000元的擔保
- (2) 第4節「其他已識別事宜」一節「背景」下第(d)點所述的江蘇旗峰所提供人民幣48,830,000元的擔保及本公司所提供人民幣12,000,000元的擔保
- (3) 第4節「其他已識別事宜」一節「背景」下第(e)點所述的江蘇賽特鋼結構有限公司(「江蘇賽特」)所提供人民幣3,200,000元的擔保

財務擔保合同確認乃基於截至2020年12月31日及2019年12月31日止年度本公司委聘的獨立估值師編製的估值而作出。

於編製截至2020年12月31日止年度的綜合財務報表過程中，董事認為無法向借款人收回償付擔保持有人的預期付款額，因此於綜合損益及其他全面收益表入賬虧損人民幣24,700,000元(2019年：人民幣53,000,000元)。

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39. SHARE CAPITAL

39. 股本

		Number of Shares at HK\$0.10 per share 每股0.10港元 的股份數目	Amount 金額 HK\$'000 千港元	Shown in the consolidated financial statements 列示於綜合 財務報表 RMB'000 人民幣千元
Authorised:	法定：			
At 1 January 2019, 31 December 2019 and 2020	於2019年1月1日、2019年 及2020年12月31日	50,000,000,000	5,000,000	
Issued and fully paid:	已發行及繳足：			
At 1 January 2019	於2019年1月1日	2,330,747,935	233,075	187,410
Issue of shares	發行股份	690,000,000	69,000	61,693
At 31 December 2019 and 2020	於2019年及2020年 12月31日	3,020,747,935	302,075	249,103

- (i) On 13 March 2019, the Company issued 260,000,000 new shares to an independent third party at the issue price of HK\$0.50 per share on the completion date, with corresponding increase of share capital at RMB22,204,000 and an increase of share premium at RMB88,816,000. These new shares rank pari passu in all respects with the existing shares of the Company.
- (ii) On 15 August 2019, the Company issued an aggregate of 430,000,000 new shares to two independent third parties at the issue price of HK\$0.38 per share on the completion date, with corresponding increase of share capital at RMB39,489,000 and an increase of share premium at RMB111,751,000. These new shares rank pari passu in all respects with the existing shares of the Company.
- (iii) On 20 April 2020, the Company entered into the subscription agreement with a subscriber pursuant to which the subscriber has conditionally agreed to subscribe for, and the Company has conditionally agreed to allot and issue, 700,000,000 subscription shares at the subscription price of HK\$0.10 per subscription share (the "Subscription"). Details of the Subscription are set out in the announcement of the Company dated 20 April 2020. This subscription transaction was cancelled due to the suspension of trading in shares.
- (i) 於2019年3月13日，本公司於完成日期按發行價每股0.50港元向一名獨立第三方發行260,000,000股新股份，導致股本相應增加人民幣22,204,000元以及股份溢價增加人民幣88,816,000元。該等新股份與本公司現有股份在各方面享有同等權益。
- (ii) 於2019年8月15日，本公司於完成日期按發行價每股0.38港元向兩名獨立第三方發行合共430,000,000股新股份，導致股本相應增加人民幣39,489,000元以及股份溢價增加人民幣111,751,000元。該等新股份與本公司現有股份在各方面享有同等權益。
- (iii) 於2020年4月20日，本公司與一名認購人訂立認購協議，據此，認購人已有條件同意認購而本公司已有條件同意按認購價為每股認購股份0.10港元配發及發行700,000,000股認購股份（「認購事項」）。認購事項的詳情載於本公司日期為2020年4月20日的公告。由於股份暫停買賣，此項認購交易已取消。

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40. SHARE OPTION SCHEME

On 11 October 2013, the Company conditionally adopted a share option scheme (the "Scheme") pursuant to a resolution passed by its then shareholders on 11 October 2013 for the primary purpose of the providing incentives or rewards to eligible employees, non-executive directors of the Company and other selected participants. The adoption of the Scheme became unconditional upon the listing of the shares of the Company on 1 November 2013.

During the years ended 31 December 2020 and 2019, no share options were granted, exercised or outstanding under the Scheme.

41. RETIREMENT BENEFIT SCHEMES

The employees of the Company's subsidiaries established in the PRC are members of state-managed retirement benefit schemes operated by the PRC government. The subsidiaries are required to contribute a specific percentage of the total monthly basic salaries to the retirement benefit schemes. The only obligation of the Group with respect to the retirement benefit schemes is to make the required contributions under the schemes.

The Group also operates a Mandatory Provident Fund Scheme for all qualifying employees in Hong Kong. The assets of the scheme are held separately from those of the Group, in funds under the control of trustee. The Group contributes 5% of relevant payroll costs, which contribution is matched by employees.

The retirement benefit contributions of the directors of the Company and staffs for the year end are set out in Notes 13 and 14 respectively.

40. 購股權計劃

於2013年10月11日，本公司根據本公司當時股東於2013年10月11日通過的一項決議案有條件採納購股權計劃（「計劃」），主要旨在向本公司合資格僱員、非執行董事及其他經篩選參與者提供激勵或獎勵。在本公司股份於2013年11月1日上市時，計劃之採納即為無條件。

截至2020年及2019年12月31日止年度，並無購股權根據計劃被授出、獲行使或尚未行使。

41. 退休福利計劃

本公司於中國成立的附屬公司的僱員為中國政府運作的國家管理退休福利計劃的成員。附屬公司須按每月基本薪金總額的指定百分比向退休福利計劃供款。本集團於退休福利計劃內的唯一責任為根據該計劃作出規定的供款。

本集團亦為全體合資格香港僱員執行一項強制性公積金計劃。計劃之資產與本集團資產分開管理，並由信託人控制之基金持有。本集團會將相關工資成本的5%作為計劃供款，而僱員亦須按計劃繳納相等供款。

本公司董事及員工於年底的退休福利供款分別載於附註13及14。

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42. NOTES SUPPORTING THE CONSOLIDATED STATEMENT OF CASH FLOWS

42. 綜合現金流量表的說明附註

(a) Significant non-cash transactions

Significant non-cash transactions from investing activities are as follows:

(a) 重大非現金交易

投資活動產生的重大非現金交易如下：

	2020 2020年 RMB'000 人民幣千元	2019 2019年 RMB'000 人民幣千元
Property, plant and equipment (Note 17) and leasehold land under right-of-use assets (Note 18) disposed but proceed not yet received	-	161,609
已出售但尚未收到款項的物業、廠房及設備(附註17)及使用權資產(附註18)項下的租賃土地	-	161,609

(b) Reconciliation of liabilities arising from financing activities

The table below details changes in the Group's liabilities arising from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are those for which cash flows were, or the future cash flows will be, classified in the Group's consolidated statement of cash flows from financing activities.

(b) 融資活動產生的負債對賬

下表詳述本集團融資活動產生的負債變動，包括現金及非現金變動。融資活動產生的負債為現金流量會或未來現金流量將會於綜合現金流量表內分類為融資活動產生的現金流量的負債。

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42. NOTES SUPPORTING THE CONSOLIDATED STATEMENT OF CASH FLOWS (Continued)

42. 綜合現金流量表的說明附註(續)

(b) Reconciliation of liabilities arising from financing activities (Continued)

(b) 融資活動產生的負債對賬(續)

		Short-term borrowings	Corporate bonds	Amounts due to associates	Interest payables	Amount due to a director	Amount due to the ultimate holding company	Lease liabilities	Total
		短期貸款	企業債券	應付聯營公司款項	應付利息	應付一名董事款項	最終控股公司款項	租賃負債	總計
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
At 1 January 2019	於2019年1月1日	4,500	358,232	3,194	-	-	-	-	365,926
Financing cash flow	融資現金流量	194,780	118,429	(717)	(81,534)	446,232	229,568	(283)	906,475
Additions during the year	年內添置	-	-	-	-	-	-	2,961	2,961
Effect of modification of corporate bond	企業債券修訂的影響	-	(3,152)	-	-	-	-	-	(3,152)
Finance cost incurred during the year	年內產生的財務成本	-	18,037	-	81,534	-	-	71	99,642
Exchange differences	匯兌差額	-	308	-	-	-	-	-	308
At 31 December 2019	於2019年12月31日	199,280	491,854	2,477	-	446,232	229,568	2,749	1,372,160
Financing cash flow	融資現金流量	(61,611)	(39,501)	(2,477)	(48,665)	80,983	1,285	(1,600)	(71,586)
Effect of modification of corporate bond	企業債券修訂的影響	-	(1,265)	-	-	-	-	-	(1,265)
Finance cost incurred during the year	年內產生的財務成本	-	19,507	-	48,665	-	-	192	68,364
Exchange differences	匯兌差額	-	(31,630)	-	-	-	-	(180)	(31,810)
At 31 December 2020	於2020年12月31日	137,669	438,965	-	-	527,215	230,853	1,161	1,335,863

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43. CAPITAL RISK MANAGEMENT

The Group manages its capital to ensure that the entities in the Group will be able to continue as a going concern while maximising the return to shareholders through the optimisation of the debt and equity balance. The Group's overall strategy remains unchanged from prior years.

The capital structure of the Group consists of net debts, which includes corporate bonds, short-term borrowings and problematic loans disclosed in Notes 35, 36 and 37, respectively, net of cash and cash equivalents and equity attributable to owners of the Company, comprising share capital, share premium, reserves and retained profits.

The directors of the Company review the capital structure on a continuous basis taking into account the cost of capital and the risk associated with the capital. The Group will balance its overall capital structure through payment of dividend, new Shares issue as well as the issue of new debt or repayment of existing debt.

43. 資本風險管理

本集團管理其資本，以確保本集團的實體將可持續經營，並透過在債務與權益間作出最佳平衡為股東帶來最大回報。本集團的整體策略自過往年度起維持不變。

本集團的資本結構包括淨債務，其中包括分別於附註35、36及37披露的企業債券、短期貸款及問題貸款(扣除現金及現金等價物)及本公司擁有人應佔權益(包括股本、股份溢價、儲備及保留盈利)。

本公司董事按持續基準審閱資本結構，並會考慮資本成本及與資本相關的風險。本集團將透過支付股息、發行新股份及發行新債或償還現有債務平衡其整體資本結構。

44. FINANCIAL INSTRUMENTS

(a) Categories of financial instruments

		2020 2020年 RMB'000 人民幣千元	2019 2019年 RMB'000 人民幣千元
Financial assets	金融資產		
Equity instruments at FVTOCI	透過其他全面收益按公平值列賬之股本工具	26,230	26,230
Financial assets at amortised cost	以攤銷成本列賬的金融資產	1,076,098	1,106,439
Financial liabilities	金融負債		
Amortised cost	攤銷成本	4,291,952	4,696,507

44. 金融工具

(a) 金融工具類別

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44. FINANCIAL INSTRUMENTS

(Continued)

(b) Financial risk management objectives and policies

The Group's major financial instruments include equity instruments at FVTOCI, trade receivables, other receivables, amounts due from associates, bank balances and cash, trade payables, other payables, corporate bonds, short-term borrowings, amounts due to ultimate holding company, a director and associates and financial guarantee contracts.

Details of these financial instruments are disclosed in respective notes. The risks associated with these financial instruments include market risk (foreign currency risk and interest rate risk), credit risk and liquidity risk. The policies on how to mitigate these risks are set out below. Directors manage and monitors these exposures to ensure appropriate measures are implemented on a timely and effective manner.

Market risk

Foreign currency risk

Certain transactions of the Group are denominated in HK\$ and United States dollars ("USD") which is different from the functional currency of the relevant group entities i.e. RMB, which expose the Group to foreign currency risk.

The Group currently does not use any derivative contracts to hedge against its exposure to currency risk. Directors manage their foreign currency risk by monitoring the movement of the foreign currency rate and will consider hedging significant foreign currency exposure should the need arise.

44. 金融工具(續)

(b) 財務風險管理目標及政策

本集團的主要金融工具包括透過其他全面收益按公平值列賬之股本工具、應收貿易款項、其他應收款項、應收聯營公司款項、銀行結餘及現金、應付貿易款項、其他應付款項、企業債券、短期貸款、應付最終控股公司、一名董事及聯營公司款項以及財務擔保合同。

該等金融工具的詳情披露於各附註。與該等金融工具有關的風險包括市場風險(外幣風險及利率風險)、信貸風險及流動資金風險。下文載列有關如何降低該等風險的政策。董事管理及監察該等風險，以確保及時有效地採取適當措施。

市場風險

外幣風險

本集團的若干交易乃以港元及美元(「美元」)計值，而港元為有關集團實體功能貨幣(即人民幣)以外的貨幣，因此本集團面臨外幣風險。

本集團目前並無使用任何衍生工具合同對沖其所面臨的貨幣風險。董事透過監察外匯匯率的變動管理其外幣風險，並將於有需要時考慮對沖重大外幣風險。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2020 截至2020年12月31日止年度

44. FINANCIAL INSTRUMENTS (Continued)

(b) Financial risk management objectives and policies (Continued)

Market risk (Continued)

Foreign currency risk (Continued)

As disclosed in Note 3, the directors were unable to ascertain information of denominated currency of the transactions of the Group. As disclosed in Note 3, on the basis that the relevant books and records are incomplete, no disclosure is made by the Company as to the carrying amounts of the Group's assets and (liabilities) denominated in foreign currency as at 31 December 2020 and 2019 and the related sensitivity analysis.

Interest rate risk

The Group is exposed to cash flow interest rate risk in relation to variable-rate bank balances (see Note 28 for details). The Group does not have an interest rate hedging policy. However, directors monitor interest rate exposure and will consider hedging significant interest rate exposure should the need arise.

Total interest income from financial assets that are measured at amortised cost is as follows:

44. 金融工具(續)

(b) 財務風險管理目標及政策(續)

市場風險(續)

外幣風險(續)

誠如附註3所披露，董事無法確定本集團交易的計值貨幣資料。誠如附註3所披露，由於相關賬冊及記錄不完整，本公司並無就2020年及2019年12月31日以外幣計值的本集團資產及(負債)賬面值及相關敏感度分析作出披露。

利率風險

本集團面臨有關浮息銀行結餘的現金流量利率風險(詳情見附註28)。本集團並無利率對沖政策。然而，董事會監察利率風險並於需要時考慮對沖重大利率風險。

按攤銷成本計量之金融資產利息收入總額如下：

		2020 2020年 RMB'000 人民幣千元	2019 2019年 RMB'000 人民幣千元
Financial assets at amortised cost	以攤銷成本列賬的金融資產	940	42

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2020 截至2020年12月31日止年度

44. FINANCIAL INSTRUMENTS

(Continued)

44. 金融工具(續)

(b) Financial risk management objectives and policies (Continued)

Market risk (Continued)

Interest rate risk (Continued)

Total interest expense on financial liabilities not measured at fair value through profit or loss:

	2020 2020年 RMB'000 人民幣千元	2019 2019年 RMB'000 人民幣千元
Financial liabilities at amortised cost 以攤銷成本列賬的金融負債	68,172	99,571

The Group's cash flow interest rate risk is mainly concentrated on the fluctuation of the interest rates quoted by the People's Bank of China arising from the Group's bank balances.

Sensitivity analysis

The sensitivity analysis below has been determined based on the exposure to interest rates for variable-rate bank balances at the end of each reporting period.

The analysis is prepared assuming the variable-rate bank balances outstanding at the end of the reporting period were outstanding for the whole year. A 25 basis point (2019: 25 basis points) increase or decrease for bank balances is used represent directors' assessment of the reasonably possible change in interest rates.

If interest rates on bank balances had been 25 basis points (2019: 25 basis points) higher and all other variables were held constant, a positive number below indicates a decrease in loss for the year.

市場風險(續)

利率風險(續)

並非透過損益按公平值列賬計量之金融負債利息開支總額：

本集團的現金流量利率風險主要集中於因本集團銀行結餘產生的中國人民銀行所報利率波動。

敏感度分析

以下敏感度分析乃按浮息銀行結餘於各報告期末所面臨的利率風險釐定。

分析乃假設於報告期末結欠的浮息銀行結餘於整個年度均未償還。就銀行結餘而言增加或減少25個基點(2019年：25個基點)為董事對利率合理可能變動的評估。

倘銀行結餘利率上升25個基點(2019年：25個基點)，而所有其他變量維持不變，則下表正數顯示年內虧損減少。

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綜合財務報表附註

For the year ended 31 December 2020 截至2020年12月31日止年度

44. FINANCIAL INSTRUMENTS (Continued)

(b) Financial risk management objectives and policies (Continued)

Market risk (Continued)

Sensitivity analysis (Continued)

		2020 2020年 RMB'000 人民幣千元	2019 2019年 RMB'000 人民幣千元
Decrease in loss for the year	年內虧損減少	88	85

In directors' opinion, the sensitivity analysis is unrepresentative of the interest rate risk as the year end exposure does not reflect the exposure during the year.

The Group also exposes to fair value interest rate risk, which primarily relates to the Group's fixed rate short-term borrowings and corporate bonds. After reviewing the Group's exposure for the time being, the Group did not enter into any arrangements to minimise this interest rate risk. Directors monitor interest rate exposure and will consider entering into appropriate hedging transactions should the need arise.

44. 金融工具(續)

(b) 財務風險管理目標及政策(續)

市場風險(續)

敏感度分析(續)

由於年末的風險並不反映年內的風險，故董事認為敏感度分析在利率風險方面並不具代表性。

本集團亦面臨主要與本集團固定利率短期貸款及企業債券有關的公平值利率風險。在本集團檢討當時所面臨的風險後，本集團並無制定任何安排以降低該利率風險。董事監管利率風險，並將在有需要時考慮制定適當的對沖交易。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2020 截至2020年12月31日止年度

44. FINANCIAL INSTRUMENTS

(Continued)

(b) Financial risk management objectives and policies (Continued)

Market risk (Continued)

Credit risk and impairment assessment

As at 31 December 2020, the Group's maximum exposure to credit risk which will cause a financial loss to the Group arising from the carrying amount of the respect recognised financial assets as stated in the consolidated statement of financial position due to failure to discharge an obligation by the counterparties.

The credit risk of the Group is concentrated on trade receivables and contract assets from the Group's five largest customers at 31 December 2020 amounting to RMB462,218,000 (2019: RMB349,338,000) and accounted for 63.3% (2019: 60.8%) of the Group's total trade receivables and contract assets before impairment losses. These five largest customers include state-owned enterprises and private limited companies registered and operated in the PRC. They are mainly the main contractors of construction projects. In order to minimise the credit risk, directors continuously monitor the level of exposure by frequent review of the credit evaluation of the financial condition and credit quality of its customers to ensure that prompt actions will be taken to lower exposure. In addition, the Group performs impairment assessment under ECL model of HKFRS 9 on trade balances based on provision matrix. In this regard, the directors of the Company consider that the Group's credit risk is significantly reduced.

In order to minimise the credit risk of liquid fund, the Group reviews regularly the credit rating of the banks which they placed bank deposits in and performs impairment assessment under ECL model of HKFRS 9 on bank balances individually. In this regard, the directors of the Company consider that the Group's credit risk of liquid fund is significantly reduced.

44. 金融工具(續)

(b) 財務風險管理目標及政策(續)

市場風險(續)

信貸風險及減值評估

於2020年12月31日，本集團所面對的最大信貸風險(因交易對手未能履行責任將導致本集團產生財務虧損)乃來自綜合財務狀況表所載的已確認金融資產的賬面值。

本集團的信貸風險集中於2020年12月31日來自本集團五大客戶的應收貿易款項及合同資產人民幣462,218,000元(2019年：人民幣349,338,000元)，佔本集團於扣除減值虧損前的應收貿易款項及合同資產總額的63.3%(2019年：60.8%)。該等五大客戶包括在中國註冊及經營的國有企業及私人有限公司。彼等主要為建築項目的主要承包商。為將信貸風險減至最低，董事透過頻密檢討其客戶的財務狀況及信貸質素的信貸評估來持續監察所面臨風險的水平，確保即時採取行動，減低所面臨的風險。此外，本集團根據香港財務報告準則第9號預期信貸虧損模式對基於撥備矩陣之貿易結餘進行減值評估。就此而言，本公司董事認為本集團的信貸風險已大幅降低。

為盡量降低流動資金的信貸風險，本集團定期審核其存放銀行存款的銀行信貸評級，並根據香港財務報告準則第9號預期信貸虧損模式對銀行結餘進行個別減值評估。就此而言，本公司董事認為本集團流動資金的信貸風險已大幅降低。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2020 截至2020年12月31日止年度

44. FINANCIAL INSTRUMENTS

(Continued)

(b) Financial risk management objectives and policies (Continued)

Market risk (Continued)

Credit risk and impairment assessment (Continued)

The Group's internal credit risk grading assessment comprises the following categories:

44. 金融工具(續)

(b) 財務風險管理目標及政策(續)

市場風險(續)

信貸風險及減值評估(續)

本集團之內部信貸風險評級評估包括以下類別：

Internal credit rating 內部信貸評級	Description 概況	Trade receivables/ contract assets 應收貿易款項/合同資產	Bank balances/other receivables/ amounts due from associates 銀行結餘/其他應收款項/ 應收聯營公司款項
Low risk 低風險	The counterparty has a low risk of default and does not have any past-due amounts 交易對手的違約風險低及概無任何逾期款項	Lifetime ECL — not credit-impaired 全期預期信貸虧損 — 無信貸減值	12-month ECL 12個月預期信貸虧損
Watch list 監測名單	Debtor frequently repays after due dates but usually settle after due date 債務人經常於到期日後還款，但通常於到期日後結算	Lifetime ECL — not credit-impaired 全期預期信貸虧損 — 無信貸減值	12-month ECL 12個月預期信貸虧損
Doubtful 呆賬	There have been significant increases in credit risk since initial recognition through information developed internally or external resources 自首次確認起，根據內部開發的資料或外部資源，信貸風險大大增加	Lifetime ECL — not credit-impaired 全期預期信貸虧損 — 無信貸減值	Lifetime ECL — not credit-impaired 全期預期信貸虧損 — 無信貸減值
Loss 虧損	There is evidence indicating the asset is credit-impaired 有證據顯示資產出現信貸減值	Lifetime ECL — credit-impaired 全期預期信貸虧損 — 信貸減值	Lifetime ECL — credit-impaired 全期預期信貸虧損 — 信貸減值
Write-off 撇銷	There is evidence indicating that the debtor is in severe financial difficulty and the Group has no realistic prospect of recovery 有證據顯示債務人處於嚴重財政困難及本集團並無實際收回款項的機會	Amount is written off 款項已被撇銷	Amount is written off 款項已被撇銷

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2020 截至2020年12月31日止年度

44. FINANCIAL INSTRUMENTS

(Continued)

44. 金融工具(續)

(b) Financial risk management objectives and policies (Continued)

Market risk (Continued)

Credit risk and impairment assessment (Continued)

The tables below detail the credit risk exposures of the Group's financial assets and contract assets, which are subject to ECL assessment:

(b) 財務風險管理目標及政策(續)

市場風險(續)

信貸風險及減值評估(續)

下表詳細列出本集團金融資產及合同資產的信貸風險敞口，該等金融資產及合同資產須進行預期信貸虧損評估：

2020 2020年	Notes 附註	External credit rating 外部信貸評級	Internal credit rating 內部信貸評級	12-month or lifetime ECL 12個月或全期預期信貸虧損	Gross carrying amount 賬面總額 RMB'000 人民幣千元
Financial assets at amortised costs 以攤銷成本列賬之金融資產					
Bank balances 銀行結餘	28	Aa2/BBB	(Note a) (附註 a)	12-month ECL 12個月預期信貸虧損	43,282
Other receivables 其他應收款項	26	N/A 不適用	(Note b, c) (附註 b、c)	12-month ECL 12個月預期信貸虧損	41,356
				Lifetime ECL 全期預期信貸虧損	1,967,965
Amounts due from associates 應收聯營公司款項	33	N/A 不適用	(Note b, c) (附註 b、c)	12-month ECL 12個月預期信貸虧損	3,053
Trade receivables 應收貿易款項	24	N/A 不適用	(Note c) (附註 c)	Lifetime ECL (provision matrix) 全期預期信貸虧損(撥備矩陣)	618,022
Other items 其他項目					
Contract assets 合同資產	25	N/A 不適用	(Note c) (附註 c)	Lifetime ECL (provision matrix) 全期預期信貸虧損(撥備矩陣)	112,616

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綜合財務報表附註

For the year ended 31 December 2020 截至2020年12月31日止年度

44. FINANCIAL INSTRUMENTS (Continued)

44. 金融工具(續)

(b) Financial risk management objectives and policies (Continued)

(b) 財務風險管理目標及政策(續)

Market risk (Continued)

市場風險(續)

Credit risk and impairment assessment (Continued)

信貸風險及減值評估(續)

2019 2019年	Notes 附註	External credit rating 外部信貸評級	Internal credit rating 內部信貸評級	12-month or lifetime ECL 12個月或全期預期信貸虧損	Gross carrying amount 賬面總額 RMB'000 人民幣千元
Financial assets at amortised costs 以攤銷成本列賬之金融資產					
Bank balances 銀行結餘	28	Aa2/BBB	(Note a) (附註a)	12-month ECL 12個月預期信貸虧損	40,741
Other receivables 其他應收款項	26	N/A 不適用	(Note b, c) (附註b、c)	12-month ECL 12個月預期信貸虧損	4,877
				Lifetime ECL 全期預期信貸虧損	1,981,895
Trade receivables 應收貿易款項	24	N/A 不適用	(Note c) (附註c)	Lifetime ECL (provision matrix) 全期預期信貸虧損(撥備矩陣)	517,270
Other items 其他項目					
Contract assets 合同資產	25	N/A 不適用	(Note c) (附註c)	Lifetime ECL (provision matrix) 全期預期信貸虧損(撥備矩陣)	56,883

Notes:

附註：

- The Group has applied 12-month ECL approach to assess the impairment loss on bank balances and determines the credit rating of this local bank based on the scale, the operation risk and the supervision risk of the bank.
- For the purposes of internal credit risk management, the Group uses past due information, historical settlement records, past experience and also quantitative and qualitative information that is reasonable and supportive forward-looking information to assess whether credit risk has increased significantly since initial recognition.

- 本集團已採用12個月預期信貸虧損方法評估銀行結餘的減值損失，並根據銀行的規模、經營風險及監管風險釐定此本地銀行的信貸評級。
- 就內部信貸風險管理而言，本集團使用逾期資料、歷史結算記錄、過往經驗及屬合理及有理據支持的前瞻性資料的定量及定性資料評估自首次確認起信貸風險是否顯著增加。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2020 截至2020年12月31日止年度

44. FINANCIAL INSTRUMENTS

(Continued)

44. 金融工具(續)

(b) Financial risk management objectives and policies (Continued)

Market risk (Continued)

Credit risk and impairment assessment (Continued)

Notes: (Continued)

- c. The following table provides information about the exposure to credit risk for trade receivables, contract assets and other receivables.

Gross carrying amount

2020	2020年	Average loss rate 平均虧損率	Trade receivables 應收貿易款項 RMB'000 人民幣千元	Contract assets 合同資產 RMB'000 人民幣千元	Other receivables 其他應收款項 RMB'000 人民幣千元
Grade 1: Low risk	第1級：低風險	1.36%	25,799	112,616	1,037
Grade 2: Watch list	第2級：監測名單	1.56%	5,509	-	40,320
Grade 3: Doubtful	第3級：呆賬	5.65%	38,845	-	85
Grade 4: Loss	第4級：虧損	63.39%	547,869	-	1,967,879
			618,022	112,616	2,009,321

2019	2019年	Average loss rate 平均虧損率	Trade receivables 應收貿易款項 RMB'000 人民幣千元	Contract assets 合同資產 RMB'000 人民幣千元	Other receivables 其他應收款項 RMB'000 人民幣千元
Grade 1: Low risk	第1級：低風險	1.21%	38,760	56,883	946
Grade 2: Watch list	第2級：監測名單	1.26%	26,149	-	3,931
Grade 3: Doubtful	第3級：呆賬	4.15%	65,271	-	978
Grade 4: Loss	第4級：虧損	60.58%	387,090	-	1,980,917
			517,270	56,883	1,986,772

For bank balances, the Group assessed the ECL on the carrying amount of RMB41,607,000 at the loss rate of 0.19%, as at 31 December 2020 (2019: RMB40,310,000 at the loss rate of 0.19%).

市場風險(續)

信貸風險及減值評估(續)

附註：(續)

- c. 下表提供有關應收貿易款項、合同資產及其他應收款項信貸風險之資料。

賬面總額

就銀行結餘而言，本集團已於2020年12月31日以0.19%的虧損率評估賬面值人民幣41,607,000元(2019年：人民幣40,310,000元，虧損率為0.19%)的預期信貸虧損。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2020 截至2020年12月31日止年度

44. FINANCIAL INSTRUMENTS

(Continued)

(b) Financial risk management objectives and policies (Continued)

Market risk (Continued)

Credit risk and impairment assessment (Continued)

Notes: (Continued)

c. (Continued)

For amounts due from associates, the Group regularly monitors the business performance of the associates. The Group's credit risks in these balances are mitigated through the value of the assets held by these entities and the power to participate in the financial and operating policies decisions. The management believes that there are no significant increase in credit risk of these amounts since initial recognition and the Group provided impairment based on 12-month ECL. For the year ended 31 December 2020, the Group assessed the ECL for amounts due from associates are insignificant and thus no loss allowance is recognised.

The estimated loss rates are estimated based on historical observed default rates over the expected life of the debtors and are adjusted for forward-looking information that is available without undue cost or effort.

44. 金融工具(續)

(b) 財務風險管理目標及政策(續)

市場風險(續)

信貸風險及減值評估(續)

附註：(續)

c. (續)

就應收聯營公司款項而言，本集團定期監察聯營公司的業務表現。本集團透過該等實體所持有的資產價值及參與財務及經營政策決策的權力，減低本集團於該等結餘的信貸風險。管理層認為，該等金額的信貸風險自首次確認以來並無顯著增加及本集團乃按12個月預期信貸虧損作出減值撥備。截至2020年12月31日止年度，本集團評估應收聯營公司款項的預期信貸虧損並不重大，因此概無確認虧損撥備。

估計虧損率乃根據債務人於預期年期的過往觀察所得違約率估計，並按毋須不必要成本及努力即可獲得的前瞻性資料作出調整。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2020 截至2020年12月31日止年度

44. FINANCIAL INSTRUMENTS

(Continued)

44. 金融工具(續)

(b) Financial risk management objectives and policies (Continued)

Market risk (Continued)

Credit risk and impairment assessment (Continued)

The following table shows the movement in lifetime ECL that has been recognised for trade receivables and contract assets under the simplified approach, 12-month or lifetime ECL that has been recognised for other receivables and bank balances under the general approach.

(b) 財務風險管理目標及政策(續)

市場風險(續)

信貸風險及減值評估(續)

下表載列根據簡化方法確認為應收貿易款項及合同資產的全期預期信貸虧損及根據一般方法確認為其他應收賬款及銀行結餘的12個月預期信貸虧損或全期預期信貸虧損之變動。

		Lifetime ECL (not credit-impaired) 全期預期信貸虧損 (無信貸減值)			Lifetime ECL (credit-impaired) 全期預期信貸虧損 (信貸減值)		12-month ECL (not credit-impaired) 12個月預期信貸虧損 (無信貸減值)		Total
		Trade receivables 應收 貿易款項 RMB'000 人民幣千元	Other receivables 其他 應收賬款 RMB'000 人民幣千元	Contract assets 合同資產 RMB'000 人民幣千元	Trade receivables 應收 貿易款項 RMB'000 人民幣千元	Other receivables 其他 應收賬款 RMB'000 人民幣千元	Other receivables 其他 應收賬款 RMB'000 人民幣千元	Bank balances 銀行結餘 RMB'000 人民幣千元	
As at 1 January 2019	於2019年1月1日	96,445	-	47,762	-	-	-	18,723	162,930
Increase/(decrease) during the year	年內增加/(減少)	(92,907)	41	(47,083)	1,747,478	4,344,608	37	(18,646)	5,933,528
Amount written off during the year as uncollectible	年內因無法收回而撤銷的金額	-	-	-	(1,428,655)	(3,228,780)	-	-	(4,657,435)
As at 31 December 2019	於2019年12月31日	3,538	41	679	318,823	1,115,828	37	77	1,439,023
As at 1 January 2020	於2020年1月1日	3,538	41	679	318,823	1,115,828	37	77	1,439,023
Increase/(decrease) during the year	年內增加/(減少)	(1,425)	(37)	846	138,733	43,990	615	54	182,776
Amount written off during the year as uncollectible	年內因無法收回而撤銷的金額	-	-	-	-	(22,694)	-	-	(22,694)
As at 31 December 2020	於2020年12月31日	2,113	4	1,525	457,556	1,137,124	652	131	1,599,105

Changes in the loss allowance are mainly due to the change of gross amounts with different credit ratings at 1 January 2019, 1 January 2020 and 31 December 2020.

虧損撥備變動乃主要由於於2019年1月1日、2020年1月1日及2020年12月31日具不同信貸評級的總額變動所致。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2020 截至2020年12月31日止年度

44. FINANCIAL INSTRUMENTS

(Continued)

(b) Financial risk management objectives and policies (Continued)

Liquidity risk

In the management of the liquidity risk, the Group monitors and maintains a level of cash and cash equivalents deemed adequate by the directors to finance the Group's operations and mitigate the effects of fluctuations in cash flows.

As disclosed in Note 3, on the basis that the relevant books and records are incomplete, no disclosure is made by the Company as to the weighted-average interest rate, contractual maturity and undiscounted cash flows of financial liabilities as at 31 December 2020 and 2019.

(c) Fair value measurements of financial instruments

Some of the Group's financial instruments are measured at fair value for financial reporting purposes.

In estimating the fair value, the Group uses market-observable data to the extent it is available. Where Level 1 inputs are not available, the Group engages third party qualified valuers to perform the valuation.

44. 金融工具(續)

(b) 財務風險管理目標及政策(續)

流動資金風險

管理流動資金風險方面，本集團監察及維持現金及現金等價物處於董事視為充足的水平，以提供本集團經營所需資金，並減少現金流量波動的影響。

誠如附註3所披露，基於相關賬簿及記錄屬不完整，本公司概無作出有關於2020年及2019年12月31日加權平均利率、合同期及金融負債的未折現現金流量的披露。

(c) 金融工具的公平值計量

本集團部分金融工具就財務呈報目的按公平值計量。

在估計公平值時，本集團盡可能使用可觀察市場數據。在並無第一級輸入數據之情況下，本集團委聘第三方合資格估值師進行估值。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2020 截至2020年12月31日止年度

44. FINANCIAL INSTRUMENTS

(Continued)

(c) Fair value measurements of financial instruments (Continued)

(i) Fair value of the Group's financial assets that are measured at fair value on a recurring basis

Some of the Group's financial assets are measured at fair value at the end of each reporting period. The following table gives information about the fair values of these investments.

Financial assets	Fair value as at 於下列日期之公平值		Fair value hierarchy 公平值層級	Valuation techniques and key inputs 估值技術及主要輸入數據	Significant unobservable input(s) 重大不可觀察輸入數據
	31.12.2020 2020年12月31日	31.12.2019 2019年12月31日			
Private equity investment at FVTOCI 透過其他全面收益按公平值列賬之私募股本投資	<p>20% equity investment in an unlisted entity of RMB4,000,000 ("Entity B") and 11.7% equity investment in an unlisted entity engaging in investment holding of RMB22,230,000 ("Entity A")</p> <p>於非上市實體(「實體B」)之20%股本投資人民幣4,000,000元及於從事投資控股之非上市實體(「實體A」)之11.7%股本投資人民幣22,230,000元</p>	<p>20% equity investment in an unlisted entity of RMB4,000,000 ("Entity B") and 11.7% equity investment in an unlisted entity engaging in investment holding of RMB22,230,000 ("Entity A")</p> <p>於非上市實體(「實體B」)之20%股本投資人民幣4,000,000元及於從事投資控股之非上市實體(「實體A」)之11.7%股本投資人民幣22,230,000元</p>	Level 3 第三級	<p>Income approach — in this approach, the discounted cash flow method was used capture the present value of the expected future economic benefits to be derived from the ownership of this investee, based on an appropriate discount rate.</p> <p>收入法 — 在本方法中，折現現金流量法根據合適折現率用於取得投資對象擁有權將產生之預期未來經營收益的現值。</p>	<p>Long-term revenue growth rate at 2.5%, taking into account management's experience and knowledge of market conditions of the specific industries. (Note a)</p> <p>長期收益增長率2.5%，當中計及管理層之經驗及其對特定行業市況之了解。(附註a)</p> <p>Long-term pre-tax operating margin, taking into account management's experience and knowledge of market conditions of the specific industries, ranging from 34.4% to 40.0%.</p> <p>長期稅前經營利潤率介乎34.4%至40.0%，當中計及管理層之經驗及其對特定行業市況之了解。</p> <p>Discount rate, taking into account of weighted average cost of capital determined using a Capital Asset Pricing Model, ranging from 20.0% to 28.1%. (Note b).</p> <p>使用資本資產定價模式釐定的折現率介乎20.0%至28.1%，當中計及資本加權平均成本。(附註b)。</p> <p>Discount for lack of marketability at 35%. 缺乏市場流通性折讓35%。</p>

44. 金融工具(續)

(c) 金融工具的公平值計量(續)

(i) 本集團按經常性基準以公平值計量之金融資產之公平值

本集團部分金融資產於各報告期末按公平值計量。下表提供該等投資之公平值之資料。

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綜合財務報表附註

For the year ended 31 December 2020 截至2020年12月31日止年度

44. FINANCIAL INSTRUMENTS

(Continued)

(c) Fair value measurements of financial instruments (Continued)

(i) Fair value of the Group's financial assets that are measured at fair value on a recurring basis (Continued)

Notes:

- A slight increase in the long-term revenue growth rates used in isolation would result in an increase in the fair value measurement of the private equity investment, and vice versa. A 1% increase in the long-term revenue growth rates holding all other variables constant would increase the carrying amount of the shares by RMB179,000.
- A slight increase in the discount rate used in isolation would result in a decrease in the fair value measurement of the private equity investments, and vice versa. A 1% increase in the discount rate holding all other variables constant would decrease the carrying amount of the private equity investments by RMB1,755,000.

(ii) Reconciliation of Level 3 fair value measurements

		Equity instruments at FVTOCI 透過其他全面收益按公平值列賬之股本工具 2020 2020年 RMB'000 人民幣千元	Equity instruments at FVTOCI 透過其他全面收益按公平值列賬之股本工具 2019 2019年 RMB'000 人民幣千元
Opening balance	期初結餘	26,230	22,230
Addition	添置	-	4,000
Loss in other comprehensive income	其他全面收益虧損	-	-
Closing balance	期末結餘	26,230	26,230

The directors of the Company consider that the carrying amounts of financial assets and financial liabilities recorded at amortised costs in the consolidated financial statements approximate their corresponding fair values.

44. 金融工具(續)

(c) 金融工具的公平值計量(續)

(i) 本集團按經常性基準以公平值計量之金融資產之公平值(續)

附註：

- 單獨使用的長期收益增長率輕微增長將導致私募股本投資之公平值計量增加，反之亦然。如所有其他變數維持不變，長期收益增長率增長1%將導致股份賬面值增加人民幣179,000元。
- 單獨使用的折現率輕微增長將導致私募股本投資之公平值計量減少，反之亦然。如所有其他變數維持不變，折現率增長1%將導致私募股本投資賬面值減少人民幣1,755,000元。

(ii) 第三級公平值計量對賬

本公司董事認為，按攤銷成本在綜合財務報表列賬之金融資產及金融負債之賬面值與其相應公平值相若。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2020 截至2020年12月31日止年度

45. RELATED PARTY DISCLOSURES

45. 關連人士披露資料

(a) Balances with related parties

(a) 關連人士結餘

The following balances were outstanding at the end of the reporting period:

下列結餘於報告期末尚未償還：

		2020 2020年 RMB'000 人民幣千元	2019 2019年 RMB'000 人民幣千元
Amount due to a director	應付一名董事款項	(527,215)	(446,232)
Amounts due from/(to) associates	應收/(付)聯營公司款項	3,053	(2,477)
Amount due to the ultimate holding company	應付最終控股公司款項	(230,853)	(229,568)

(b) Compensation of key management personnel

(b) 主要管理人員的薪酬

The remuneration of directors and other members of key management for both years were as follows:

於兩個年度內，董事及主要管理人員其他成員的薪酬如下：

		2020 2020年 RMB'000 人民幣千元	2019 2019年 RMB'000 人民幣千元
Short-term benefits	短期福利	3,294	3,375
Contributions to retirement benefit scheme	退休福利計劃供款	32	44
		3,326	3,419

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2020 截至2020年12月31日止年度

46. STATEMENT OF FINANCIAL POSITION AND RESERVES OF THE COMPANY

46. 本公司之財務狀況表及儲備

		NOTES 附註	2020 2020年 RMB'000 人民幣千元	2019 2019年 RMB'000 人民幣千元
Non-current assets	非流動資產			
Investments in subsidiaries	於附屬公司的投資		—	—
			—	—
Current assets	流動資產			
Other receivables and prepayments	其他應收款項及預付款項		—	832
Bank balances	銀行結餘		32,332	34,397
			32,332	35,229
Current liabilities	流動負債			
Other payables and accruals	其他應付款項及應計費用		43,631	182,489
Amounts due to subsidiaries	應付附屬公司款項		276,140	18,689
Corporate bonds	企業債券			
— due within one year	— 於一年內到期		230,028	244,894
Financial guarantee contracts	財務擔保合同		4,345	4,314
			554,144	450,386
Net current liabilities	流動負債淨額		(521,812)	(415,157)
Total asset less current liabilities	總資產減流動負債		(521,812)	(415,157)
Non-current liabilities	非流動負債			
Corporate bonds	企業債券			
— due after one year	— 於一年後到期		208,937	246,960
			208,937	246,960
Net liabilities	負債淨額		(730,749)	(662,117)
Capital and reserves	資本及儲備			
Share capital	股本	39	249,103	249,103
Reserves	儲備		(979,852)	(911,220)
Total deficit	虧絀總額		(730,749)	(662,117)

The statement of financial position of the Company was approved by the Board of Directors on 18 April 2022 and was signed on its behalf.

本公司之財務狀況表於2022年4月18日經董事會批准，並由下列董事代表簽署。

Shan Hu
單虎
Director
董事

Zhang Tianbo
張天博
Director
董事

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綜合財務報表附註

For the year ended 31 December 2020 截至2020年12月31日止年度

46. STATEMENT OF FINANCIAL POSITION AND RESERVES OF THE COMPANY (Continued)

46. 本公司之財務狀況表及儲備(續)

Movement of capital and reserves of the Company

本公司資本及儲備變動

		Share capital 股本 RMB'000 人民幣千元	Share premium 股份溢價 RMB'000 人民幣千元	Capital reserve 資本儲備 RMB'000 人民幣千元	Accumulated losses 累計虧損 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
At 1 January 2019	於2019年1月1日	187,410	511,515	464,556	(161,361)	1,002,120
Issue of share (Note 39)	發行股份(附註39)	61,693	200,567	-	-	262,260
Loss and total comprehensive income for the year	年內虧損及全面收益總額	-	-	-	(1,926,497)	(1,926,497)
At 31 December 2019 and 1 January 2020	於2019年12月31日及2020年1月1日	249,103	712,082	464,556	(2,087,858)	(662,117)
Loss and total comprehensive income for the year	年內虧損及全面收益總額	-	-	-	(68,632)	(68,632)
At 31 December 2020	於2020年12月31日	249,103	712,082	464,556	(2,156,490)	(730,749)

47. PARTICULARS OF PRINCIPAL SUBSIDIARIES OF THE COMPANY

47. 本公司主要附屬公司詳情

Name of subsidiary 附屬公司名稱	Place of incorporation/ establishment 註冊成立/成立地點	Equity interest attributable to the Company 本公司應佔股權		Issued and fully paid share capital/ registered capital 已發行及繳足股本/註冊資本	Principal activities 主要業務
		2020 2020年	2019 2019年		
Modern Day Holdings Limited 全傑控股有限公司	HK 香港	100%	100%	Ordinary shares HK\$1,000,000 普通股1,000,000港元	Investment holding 投資控股
China Saite (Overseas) Company Limited 中國賽特(海外)有限公司	The British Virgin Islands ("BVI") 英屬處女群島 (「英屬處女群島」)	100%	100%	Ordinary share US\$1 普通股1美元	Investment holding 投資控股
China Saite (H.K.) Company Limited 中國賽特(香港)有限公司	HK 香港	100%	100%	Ordinary share HK\$1 普通股1港元	Investment holding 投資控股
Yixing City Zhicheng Consultation Company Limited (note a) 宜興市至誠諮詢有限公司(附註a)	PRC 中國	100%	100%	Registered capital RMB16,667,000 Paid-up capital RMB16,667,000 註冊資本人民幣16,667,000元 實收資本人民幣16,667,000元	Investment holding 投資控股

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綜合財務報表附註

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47. PARTICULARS OF PRINCIPAL SUBSIDIARIES OF THE COMPANY

(Continued)

47. 本公司主要附屬公司詳情(續)

Name of subsidiary 附屬公司名稱	Place of incorporation/ establishment 註冊成立/成立地點	Equity interest attributable to the Company 本公司應佔股權		Issued and fully paid share capital/ registered capital 已發行及繳足股本/註冊資本	Principal activities 主要業務
		2020 2020年	2019 2019年		
Jiangsu Saite Steel Structure Co., Ltd. (note b) 江蘇賽特鋼結構有限公司(附註b)	PRC 中國	100%	100%	Registered capital RMB502,860,000 Paid-up capital RMB341,367,000 註冊資本人民幣502,860,000元 實收資本人民幣341,367,000元	Construction of steel structure and prefabricated construction projects 鋼結構及全裝配預製構件建築 項目的建築施工
Jiangsu Qifeng New Building Materials Company Limited (note c) 江蘇旗峰新型建材有限公司(附註c)	PRC 中國	100%	100%	Registered capital RMB197,000,000 Paid-up capital RMB137,000,000 註冊資本人民幣197,000,000元 實收資本人民幣137,000,000元	Prefabricated construction projects 全裝配預製構件建築項目
Anhui Saite New Building Materials Company Limited (note c) 安徽賽特新型建材有限公司(附註c)	PRC 中國	100%	100%	Registered capital RMB60,000,000 Paid-up capital RMB22,000,000 註冊資本人民幣60,000,000元 實收資本人民幣22,000,000元	Prefabricated construction projects 全裝配預製構件建築項目
Shenzhen Saite Construction Consulting Company Limited (note a) 深圳賽特建築工程諮詢有限公司(附註a)	PRC 中國	100%	100%	Registered capital HK\$50,000,000 Paid-up capital RMB2,000,000 註冊資本50,000,000港元 實收資本人民幣2,000,000元	Construction consulting 建築諮詢
Shanghai Saite Supply Chain Company Limited (note c) 上海賽特供應鏈有限公司(附註c)	PRC 中國	100%	100%	Registered capital RMB50,000,000 Paid-up capital Nil 註冊資本人民幣50,000,000元 實收資本無	Construction consulting 建築諮詢

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綜合財務報表附註

For the year ended 31 December 2020 截至2020年12月31日止年度

47. PARTICULARS OF PRINCIPAL SUBSIDIARIES OF THE COMPANY (Continued)

Notes:

- (a) The entity is a wholly foreign-owned enterprise established in the PRC. The English name is for translation purpose.
- (b) The entity is a sino-foreign equity joint venture established in the PRC. The English name is for translation purpose.
- (c) The entity is a wholly sino-owned enterprise established in the PRC. The English name is for translation purpose.

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

None of the subsidiaries had issued any debt securities at the end of the year.

48. LITIGATION

As described in details in the announcements of the Company dated 8 September 2020, 23 October 2020, 16 November 2020, 2 December 2020, 11 December 2020, 22 January 2021, 30 March 2021 and 22 June 2021, there were certain winding-up petitions filed by the creditors of the Company. Apart from petitioners of 5 winding-up petitions which joined the proceedings of another petition filed against the Company as supporting creditors as disclosed in the announcement dated 22 June 2021, the Company settled with other petitioners.

Upon the date of this report, the hearing of Petition did not reach the conclusion yet and the Company was unable to assess the effect towards the consolidated financial statements.

47. 本公司主要附屬公司詳情(續)

附註：

- (a) 該實體為於中國成立的外商獨資企業。英文名稱僅作翻譯用途。
- (b) 該實體為於中國成立的中外合資企業。英文名稱僅作翻譯用途。
- (c) 該實體為於中國成立的中國獨資企業。英文名稱僅作翻譯用途。

上表列出本公司董事認為主要影響本集團業績或資產的本公司附屬公司。董事認為，提供其他附屬公司的詳情會導致篇幅過於冗長。

於年末，概無附屬公司發行任何債務證券。

48. 訴訟

誠如本公司日期為2020年9月8日、2020年10月23日、2020年11月16日、2020年12月2日、2020年12月11日、2021年1月22日、2021年3月30日及2021年6月22日之公告所詳述，本公司債權人提出若干清盤呈請。除日期為2021年6月22日之公告所披露的5份清盤呈請的呈請人(作為支持債權人)加入另一項針對本公司提出的呈請的法律程序外，本公司已與其他呈請人達成和解。

於本報告日期，呈請的聆訊尚未有結論及本公司未能評估對綜合財務報表的影響。

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綜合財務報表附註

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49. EVENTS AFTER THE END OF THE REPORTING PERIOD

- (a) On 13 September 2021, the Company entered into the note purchase agreements with certain investors, pursuant to which the Company agreed to issue, and the investors agreed to purchase senior notes in an aggregate principal amount of HK\$160 million (the "Note Purchase Agreements"). Details of the Note Purchase Agreements are set out in the announcements of the Company dated 5 October 2021 and 11 October 2021. As at the date of this announcement, the transaction was not yet completed.
- (b) On 10 December 2021, the Company entered into subscription agreements with certain subscribers, pursuant to which the Subscriber has conditionally agreed to subscribe for, and the Company agreed to allot and issue, an aggregate of 3,120,000,000 subscription shares at the subscription price of HK\$0.10 per subscription share (the "2021 Subscription"). Subscriber I agreed to subscribe for 300,000,000 subscription shares, whereas Subscriber II and Subscriber III agreed to subscribe for 1,360,000,000 subscription shares and 1,460,000,000 subscription shares, respectively. Details of the 2021 Subscription are set out in the announcement of the Company dated 10 December 2021. As at the date of this announcement, the 2021 Subscription was not yet completed.
- (c) As described in details in the announcement of the Company dated 24 December 2021, Modern Day Holdings Limited, a wholly-owned subsidiary of the Company resolved that it be wound up voluntarily as part of the reorganisation of the Group structure.

49. 報告期末後事項

- (a) 於2021年9月13日，本公司與若干投資者訂立票據購買協議，據此，本公司同意發行而投資者同意購買本金總額160,000,000港元的優先票據（「票據購買協議」）。票據購買協議的詳情載於本公司日期為2021年10月5日及2021年10月11日的公告。於本公告日期，該交易尚未完成。
- (b) 於2021年12月10日，本公司與若干認購人訂立認購協議，據此，認購人已有條件同意認購而本公司同意按認購價每股認購股份0.10港元配發及發行合共3,120,000,000股認購股份（「2021年認購事項」）。認購人一同意認購300,000,000股認購股份，而認購人二及認購人三分別同意認購1,360,000,000股認購股份及1,460,000,000股認購股份。2021年認購事項的詳情載於本公司日期為2021年12月10日的公告。於本公告日期，2021年認購事項尚未完成。
- (c) 誠如本公司日期為2021年12月24日的公告所詳述，本公司全資附屬公司全傑控股有限公司議決進行自願清盤（作為集團架構重組的一部分）。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2020 截至2020年12月31日止年度

49. EVENTS AFTER THE END OF THE REPORTING PERIOD

(Continued)

- (d) On 14 January 2022, the Company received a letter from the Stock Exchange stating that the Listing Committee of the Stock Exchange has decided to cancel the Company's listing under Rule 6.01A(1) of the Listing Rules as the Company failed to satisfy all the resumption guidance and additional resumption guidance issued by the Stock Exchange (the "Resumption Guidance") by 21 December 2021.
- (e) The Scheme of Arrangement as described in note 3(b) was sanctioned by the High Court at the sanction hearing on 11 April 2022. The Scheme of Arrangement shall become effective when an office copy of the order of the High Court sanctioning the Scheme of Arrangement is registered by the Registrar of Companies in Hong Kong under Part 2 of the Companies Ordinance and the other conditions precedent set out in the Scheme of Arrangement are duly fulfilled. As of the date of this report, there is one outstanding petition that has yet to be withdrawn or dismissed. The High Court has adjourned the winding-up hearing against the Company to 16 May 2022. No winding-up order has been made against the Company.

Upon the date of this report, the hearing of Petition did not reach the conclusion yet and the Company was unable to assess the effect towards the consolidated financial statements.

49. 報告期末後事項(續)

- (d) 於2022年1月14日，本公司接獲聯交所的函件，指出由於本公司未能於2021年12月21日前達成聯交所發佈之所有復牌指引及額外復牌指引（「復牌指引」），聯交所上市委員會已決定根據上市規則第6.01A(1)條取消本公司的上市地位。
- (e) 附註3(b)所述的安排計劃已於2022年4月11日之批准聆訊上獲高等法院批准。當高等法院批准安排計劃的命令的正式副本由香港公司註冊處處長根據《公司條例》第2部登記及安排計劃所載之其他先決條件獲正式履行時，該安排計劃即告生效。於本報告日期，仍有一項尚未撤回或駁回之待決呈請。高等法院已將針對本公司的清盤聆訊押後至2022年5月16日。並未針對本公司發出清盤令。

於本報告日期，呈請的聆訊尚未有結論及本公司未能評估對綜合財務報表的影響。

Five-Year Financial Summary

五年財務概要

SUMMARY FINANCIAL INFORMATION

A summary of the published results and of the assets and liabilities of the Group for the last five financial years prepared on the basis set out in the note below is as follows:

Results

		Year Ended 31 December 截至12月31日止年度				
		2020 2020年 RMB' 000 人民幣千元	2019 2019年 RMB'000 人民幣千元	2018 2018年 RMB' 000 人民幣千元	2017 2017年 RMB' 000 人民幣千元	2016 2016年 RMB' 000 人民幣千元
Revenue	收益	387,515	515,447	1,501,311	1,411,745	1,650,760
Cost of sales	銷售成本	(295,387)	(425,033)	(1,147,488)	(1,051,837)	(1,222,468)
Gross profit	毛利	92,128	90,414	353,823	359,908	428,292
Other income	其他收入	4,522	1,953	12,890	9,985	9,737
Other gains and losses	其他收益及虧損	22,497	(76,433)	(24,708)	(7,399)	(6,608)
Impairment losses on financial and contract assets	金融及合同資產減值虧損	(182,776)	(5,933,528)	(28,519)	-	-
Selling and marketing expenses	銷售及營銷開支	(5,355)	(8,411)	(4,027)	(4,093)	(2,107)
Administrative expenses	行政開支	(51,498)	(55,975)	(57,744)	(37,233)	(31,585)
Finance costs	財務成本	(68,364)	(99,642)	(36,744)	(7,356)	(6,554)
Share of (loss)/profit of a joint venture	分佔一間合營企業(虧損)/盈利	-	(1,351)	332	409	502
Share of loss of associates	分佔聯營公司虧損	(870)	(6,781)	(1,113)	-	-
Remeasurement of financial guarantee contracts	財務擔保合同重新計量	(24,697)	(53,045)	1,200	-	-
(Loss)/profit before taxation	除稅前(虧損)/盈利	(214,413)	(6,142,799)	215,390	314,221	391,677
Income tax (expense)/credit	所得稅(開支)/抵免	(47)	51,254	(76,378)	(87,021)	(103,408)
(Loss)/profit for the year	年內(虧損)/盈利	(214,460)	(6,091,545)	139,012	227,200	288,269
(Losses)/earnings per share	每股(虧損)/盈利					
Basic (RMB cents)	基本(人民幣分)	(7.10)	(224.58)	5.96	9.77	14.13
Diluted (RMB cents)	攤薄(人民幣分)	N/A 不適用	N/A 不適用	N/A 不適用	N/A 不適用	N/A 不適用

財務資料概要

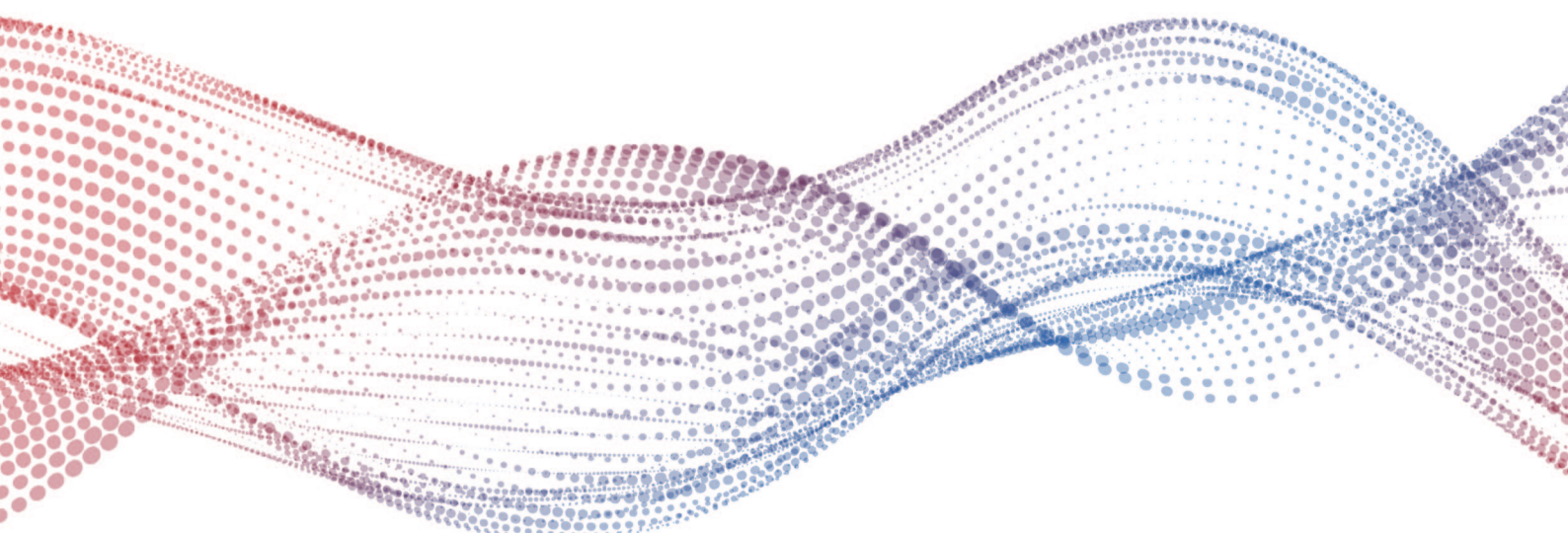
本集團按以下附註所載基準編製於最近五個財政年度之已公佈業績與資產及負債概要如下：

業績

Assets and Liabilities

資產及負債

		Year Ended 31 December 截至12月31日止年度				
		2020 2020年 RMB' 000 人民幣千元	2019 2019年 RMB'000 人民幣千元	2018 2018年 RMB' 000 人民幣千元	2017 2017年 RMB' 000 人民幣千元	2016 2016年 RMB' 000 人民幣千元
Non-current assets	非流動資產	303,186	313,201	542,501	484,998	378,447
Current assets	流動資產	1,240,612	1,227,422	2,770,810	2,572,692	2,313,889
Current liabilities	流動負債	(4,746,135)	(4,489,240)	(426,561)	(269,566)	(264,571)
Non-current liabilities	非流動負債	(208,937)	(248,197)	(254,279)	(179,551)	(92,116)
Total (deficit)/equity	(虧絀)/權益總額	(3,411,274)	(3,196,814)	2,632,471	2,608,573	2,335,649



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