

Stock Code 股份代號: 726



ANNUAL REPORT
2019 年報

DIT Group Limited

築友智造科技集團有限公司

(Formerly known as China Minsheng DIT Group Limited)

(前稱為中民築友智造科技集團有限公司)

(Incorporated in Bermuda with limited liability)

(於百慕達註冊成立之有限公司)





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CORPORATE INFORMATION 公司資料

BOARD OF DIRECTORS

Executive Directors

Mr. WU Po Sum (*Chairman*)
(appointed on 17 September 2019)
Mr. YIN Jun (resigned on 30 November 2019)
Mr. GUO Weiqiang (*Chief Executive Officer*)
(appointed on 17 September 2019)
Mr. YANG Hongwei

Non-executive Directors

Ms. WU Wallis (alias Li Hua) (appointed on 17 September 2019)
Mr. WANG Jun (appointed on 17 September 2019)
Mr. Peng Xiongwen (resigned on 17 September 2019)

Independent Non-executive Directors

Mr. JIANG Hongqing
Mr. LEE Chi Ming
Mr. MA Lishan

BOARD COMMITTEES

Audit Committee

Mr. LEE Chi Ming (*Chairman*)
Mr. JIANG Hongqing
Mr. MA Lishan

Nomination Committee

Mr. WU Po Sum (*Chairman*)
(appointed on 17 September 2019)
Mr. Yin Jun (resigned on 17 September 2019)
Mr. JIANG Hongqing
Mr. LEE Chi Ming

Remuneration Committee

Mr. JIANG Hongqing (*Chairman*)
Mr. WU Po Sum (appointed on 17 September 2019)
Mr. LEE Chi Ming
Mr. Ma Lishan (resigned on 17 September 2019)

COMPANY SECRETARY

Mr. TSANG Ho Pong

AUTHORISED REPRESENTATIVES

Mr. GUO Weiqiang
Mr. TSANG Ho Pong

董事會

執行董事

胡葆森先生 (*主席*)
(於二零一九年九月十七日獲委任)
閻軍先生 (於二零一九年十一月三十日辭任)
郭衛強先生 (*行政總裁*)
(於二零一九年九月十七日獲委任)
楊宏偉先生

非執行董事

李樺女士 (於二零一九年九月十七日獲委任)
王俊先生 (於二零一九年九月十七日獲委任)
彭雄文先生 (於二零一九年九月十七日辭任)

獨立非執行董事

姜洪慶先生
李志明先生
馬立山先生

董事會委員會

審核委員會

李志明先生 (*主席*)
姜洪慶先生
馬立山先生

提名委員會

胡葆森先生 (*主席*)
(於二零一九年九月十七日獲委任)
閻軍先生 (於二零一九年九月十七日辭任)
姜洪慶先生
李志明先生

薪酬委員會

姜洪慶先生 (*主席*)
胡葆森先生 (於二零一九年九月十七日獲委任)
李志明先生
馬立山先生 (於二零一九年九月十七日辭任)

公司秘書

曾浩邦先生

授權代表

郭衛強先生
曾浩邦先生

CORPORATE INFORMATION (CONTINUED) 公司資料(續)

REGISTERED OFFICE

Victoria Place, 5th Floor, 31 Victoria Street
Hamilton HM 10, Bermuda

PRINCIPAL PLACE OF BUSINESS IN THE PRC

10 Zhongshi Road, Changsha City
Hunan Province, the PRC

HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS IN HONG KONG

Room 7707-7708
77th Floor, International Commerce Centre
1 Austin Road West
Kowloon, Hong Kong

INDEPENDENT AUDITOR

PricewaterhouseCoopers
Certified Public Accountants
Registered Public Interest Entity Auditor

PRINCIPAL BANKER

The Hongkong and Shanghai Banking Corporation Limited
Bank of China (Hong Kong) Limited
China Construction Bank (Asia) Corporation Limited

PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

MUFG Fund Services (Bermuda) Limited
The Belvedere Building
69 Pitts Bay Road
Pembroke, HM08
Bermuda

HONG KONG SHARE REGISTRAR AND TRANSFER OFFICE

Computershare Hong Kong Investor Services Limited
Shops 1712-1716
17th Floor, Hopewell Centre
183 Queen's Road East
Wanchai, Hong Kong

註冊辦事處

Victoria Place, 5th Floor, 31 Victoria Street
Hamilton HM 10, Bermuda

中國主要營業地點

中國湖南省
長沙市鐘石路10號

總辦事處及香港主要營業地點

香港九龍
柯士甸道西1號
環球貿易廣場77樓
7707-7708室

獨立核數師

羅兵咸永道會計師事務所
執業會計師
註冊公眾利益實體核數師

主要往來銀行

香港上海滙豐銀行有限公司
中國銀行(香港)有限公司
中國建設銀行(亞洲)股份有限公司

主要股份登記及過戶登記處

MUFG Fund Services (Bermuda) Limited
The Belvedere Building
69 Pitts Bay Road
Pembroke, HM08
Bermuda

香港股份登記及過戶登記處

香港中央證券登記有限公司
香港灣仔
皇后大道東183號
合和中心17樓
1712至1716號舖

CORPORATE INFORMATION (CONTINUED) 公司資料(續)

WEBSITE

<http://cmdrawin.todayir.com>

SHAREHOLDERS' INFORMATION

Share listing

The Company's Shares are listed on the Main Board of the Stock Exchange of Hong Kong Limited

Ordinary Share (as at 31 December 2019)

Shares outstanding: 11,209,602,920 shares

Nominal value: HK\$0.10 per share

FINANCIAL CALENDAR

2019 annual results announcement:

22 April 2020

Book closure period (for determining shareholders' eligibility to attend and vote at the annual general meeting (the "2020 AGM")):

2 June 2020 to 5 June 2020 (both days inclusive)

2020 AGM:

5 June 2020

網站

<http://cmdrawin.todayir.com>

股東資料

股份上市

本公司股份於香港聯合交易所有限公司主板上市

普通股(於二零一九年十二月三十一日)

已發行股份: 11,209,602,920股

面值: 每股0.10港元

財務日誌

二零一九年全年業績公佈日期:

二零二零年四月二十二日

暫停辦理股份過戶登記期間(以釐定股東出席股東週年大會(「2020年股東週年大會」)及於會上投票的資格):

二零二零年六月二日至二零二零年六月五日(包括首尾兩日)

二零二零年股東週年大會:

二零二零年六月五日



CORPORATE PROFILE 公司簡介



DIT Group Limited (hereinafter referred to as “the Company”, together with its subsidiaries, collectively, “the Group”) (stock code: 726HK) is listed on the main board of the Stock Exchange of Hong Kong Limited.

The Group positions itself as a leading service provider of comprehensive and integrated solutions to intelligent buildings as well as an innovative high-tech enterprise engaging in the ecological chain construction of intelligent buildings and we are the first listed company in the prefabricated construction industry. The Group is mainly engaged in the business of modernization of construction industry and prefabricated construction business encompassing a wide coverage ranging from the research and development as well as operation of prefabricated construction technology, the expansion and operation of intelligent prefabricated construction plants to the manufacture of precast components for prefabricated construction.

築友智造科技集團有限公司(下稱「本公司」, 連同其附屬公司統稱「本集團」, 股票編號: 726HK)在香港聯合交易所有限公司主板上市。

本集團的定位為領袖型智慧建築整體解決方案服務商, 同時從事智慧建築生態鏈建設的創新型高科技企業, 是行業第一家上市公司。本集團的主營業務為建築產業現代化及預製裝配式建築業務, 涵蓋裝配式建築技術研發與運營、智能PC工廠的拓展與運營、預製構件的生產。



CORPORATE PROFILE (CONTINUED) 公司簡介(續)

The key mission of the Group lies in the provision of both green buildings and the comprehensive solutions to urban households whereas the Group is dedicated to the strategic business layout in the geographical locations nationwide with seizure of the advantages of industrialization of the construction industry in China during the golden era of ten years to achieve such industrialization, informationalization and technologicalization of the construction industry with the leverage of technology collaborations among various parties so as to elicit the unprecedented huge transformation of the traditional construction industry in China with such a shift from the mode of “building conventions” to that of “precast components + on-the-site prefabrication”.

The core values of the Group of “the establishment of our business with sophistication and delicacy in our products based on the justified conscientiousness and consciousness of the far-reaching expansion of our business with our mutual respect for any contribution and input for a shared experience in growth of our business prosperity” together with our unwavering motto “to create a promising life with intelligence” facilitates the upgrade and transformation with modernization of the construction industry. With our commitment to the creation of the largest modernized operating platform of the construction industry in China, we strive to give shape to the new construction industry which is environmentally friendly, highly efficient and at top quality by the process of informationalization with the seamless combination between technology and building. The Group, with its business location layout which is strategized to the smart digitalized plants across various provinces and municipalities directly administered by the central government in China, is the enterprise equipped with the greatest number of smart production lines. With the integration of the world’s first business mode of EMPC as exclusively innovated by its parent company, the Company’s technology and its products receive a great variety of approvals from the communities and the clients while the Company currently provides its service for projects under construction with site area of 6.00 million square metres in China.

提供綠色建築和城市家居整體解決方案為本集團的主要使命，本集團致力於全國佈局，搶佔建築工業化在中國的黃金十年，同時利用多方技術合作，成就建築業的工業化、信息化和科技化，為中國傳統建築行業帶來前所未有巨大轉變，改「建造」模式為「預製+現場裝配」模式。

「精品立業、正道致遠、尊重貢獻、共享成長」為本集團的核心價值觀，以「智造美好生活」為企業使命，推動建築業的升級轉型及現代化，搭建中國最大的建築產業現代化經營平台，以科技和建築的完美結合，打造環保、高效、優質、信息化的新型建築產業。本集團已在全國多個省市佈局智能化數字工廠，是擁有智能化生產線數量最多的企業。結合母公司在全球首創的EMPC業務模式，公司的技術和產品得到了社會和客戶廣泛認可，目前已服務全國工程項目施工面積600萬平米。

CORPORATE PROFILE (CONTINUED) 公司簡介(續)

With the consistent adherence persevered by the Group to its development strategy of “Top Priority for Leading Edge of Technology”, the Group is equipped with the five most advanced core technology systems specific to the industry of prefabrication construction in the world with the Group’s possession of a plenitude of core technologies ranging from BIM in the context of intelligent building construction, the Internet of Things, Big Data to artificial intelligence. The number of the Company’s patents has been continuously securing top-ranked in the prefabricated construction industry. The Company’s scientific research institutes include the one and the only one research centre at provincial level for the engineering projects specific to the industry as well as the scientific research platforms such as the demonstration enterprise models of intelligent manufacturing and the production bases for the national-level prefabricated construction industry.

The Group is determined to assist in the realization of the living experiences of safer, more comfortable and smarter for the people in general by virtue of continuing technological innovation with an aim to culminate in an ever more open ecological system for intelligent buildings.

本集團始終堅持「科技領先」的發展戰略，擁有行業全球領先的五大核心技術體系，掌握了智慧建築領域BIM、物聯網、大數據、人工智能等核心技術。公司專利數量一直穩居行業第一位，設有行業唯一的省級工程研究中心等科研機構，擁有智能製造示範企業、國家裝配式建築產業基地等科研平台。

本集團立志通過持續技術創新，幫助人們享受更安全、舒適、智能的居住體驗，打造更加開放的智慧建築生態系統。



CHAIRMAN'S STATEMENT 主席報告書



Dear Shareholders,

On behalf of the board (the "Board") of directors (the "Directors") of DIT Group Limited (the "Company"), I am pleased to report the audited consolidated results of the Company and its subsidiaries (collectively, the "Group") for the year ended 31 December 2019.

In 2019, China experiences a steady pace of national economic stability in general with a gradual escalation of quality development against the global backdrop of the languishing acceleration of economies in the world. Better realization of the key objectives of China's economy is expected by the annual gross domestic product amounting to RMB99,086.5 billion, peaking nearly at RMB100,000 billion, while the gross domestic product per capita has made its breakthrough up to USD10,000, which is far more than the average of the upper intermediate level of income in some countries.

各位股東：

本人謹代表築友智造科技集團有限公司(「本公司」)董事(「董事」)會(「董事會」)欣然提呈本公司及其附屬公司(統稱「本集團」)截至二零一九年十二月三十一日止年度之經審核綜合業績。

二零一九年，在全球整體經濟增速下降的大背景下，中國國民經濟運行總體平穩，發展品質穩步提升，主要預期目標較好實現，全年實現國民生產總值人民幣990,865億元，接近人民幣100萬億元，人均GDP已經突破1萬美元，高於中等偏上收入國家平均水準。

CHAIRMAN'S STATEMENT (CONTINUED) 主席報告書(續)

This year sees the prefabricated construction industry, which is greatly promoted by the central government in China, as keeping its fast-forward momentum of its development. Subject to the enhancement of promotion of the policies for the prefabricated construction industry, the competition in the market has been increasingly intensified which is evidenced by the continuing increment of the gross floor areas for the newly built constructions and the more and more prefabricated construction plants are in operation while the prefabricated construction method becomes more preferred to be adopted for the construction of an ever increasing number of public buildings and commodity housing projects. With the upcoming culmination in the critical point of the prefabricated construction in 2020 which shall represent over 15% of the market share of newly built construction as required by the Action Proposal on prefabricated construction under the 13th Five-Year Plan, the development scale of prefabricated construction industry in China continues its skyrocketing growth.

NEW VITALITY UNLEASHED BY THE INDUSTRY SYNERGY THROUGH THE PLATFORM UPGRADE

On 22 July 2019, it is a day which is marked by an extraordinarily terrific moment which leaves an indelible spot of highlight for the milestone of development of the Group which officially joins the big family of Central China. From that moment on, the Group has managed to capture the untapped potential of development opportunities of brand new hugely massive blue ocean markets with synergy of the industry players' collaborations in addition to the hugely massive blue ocean markets which are worth trillions of dollars we have garnered related to prefabricated construction in China. The Group's active engagement of the business collaborations of much substance established with the segments ranging from real property, new lifestyle, education to investment has achieved a positive synergetic effect by virtue of rapid progress of EMPC-based mode on collaborations when the Group will quickly blend itself into Central China in the future, which lies the strategy adopted by the Group to make a future of much fulfillment.

作為國家大力推進裝配式建築行業在本年度也保持著快速的發展，隨著政策大力推廣、新建開工面積的持續提升以及越來越多的PC工廠投入生產，越來越多的公建、商品房項目選擇採用裝配式建築的方式進行打造，市場競爭也趨向激烈。隨著國家《「十三五」裝配式建築行動方案》要求的「2020年裝配式建築在新建建築中的佔比達15%以上」節點臨近，國內裝配式建築行業規模還將持續保持快速攀升的態勢。

平台升級，產業協同釋新動能

二零一九年七月二十二日，是本集團發展歷程上足以濃墨重彩記錄下來的非凡時刻，這一天，本集團正式加入建業大家庭。於此刻起，本集團繼全國裝配式建築萬億藍海市場之餘，又把把握住了產業協同下的建業新藍海這一前所未有的發展機遇。基於EMPC的合作模式快速發展，本集團積極與地產、新生活、教育、投資等板塊建立起了實質性的業務協作，取得了正向協同效應，隨著本集團加速融入建業大家庭，戰略所指，未來可期。



CHAIRMAN'S STATEMENT (CONTINUED) 主席報告書(續)

BREAKTHROUGH ATTAINED FOR THE PLANTS OPERATIONS AMID THE IMPROVEMENT OF PRODUCTION CAPACITY

Our prefabricated construction plants garnered more remarkable results by way of technology improvement and management enhancement throughout this year. Those plants which have been in operation achieve the total annual production capacity of 185,100 cubic metres with the year-on-year growth of 36% whereas the delivery of products achieves 183,000 cubic metres with the year-on-year growth of 44% and the earnings achieved by those plants are represented by the year-on-year growth of 246%.

Our various plants in terms of their operations become the industry benchmark in the areas where those plants are located, among which, the plants in Jiaozuo and Xiangtan gain profit in the first year of the commencements of their operations, the plants in Nanjing with the annual total net profit of RMB25.7 million becomes the most profitable prefabricated construction plants in Jiangsu Province, the annual contract filings for the plants in Jiaozuo of over RMB0.3 billion enables those plants to be in championship over the sales among all prefabricated construction plants in Henan Province, the cost of single unit per square metre for the plants in Changsha realizes RMB1,850 which enable those plants to become the benchmarking reference of cost control.

In addition, we realize the external management consultation for the advanced operations management technology of our plants by way of culmination with contract signing for 5 management consultation projects, which serves to create a very favourable condition of the future expansion of the operations of our light assets.

產能提升，工廠運營實現突破

本年度通過技術提升、管理提升等手段，我們在工廠運營方面取得了較好成績，已投產工廠全年共實現產量18.51萬方，同比增長36%，實現發貨18.30萬方，同比增長44%，工廠盈利同比增長246%。

多個工廠在運營方面成為了所在區域的行業標桿，其中焦作工廠、湘潭工廠實現投產當年即盈利，南京工廠全年淨利潤達人民幣2,570萬元，成為江蘇省盈利最高的PC工廠；焦作工廠年度備案合同超人民幣3億元，成為河南省PC工廠銷售冠軍；長沙工廠實現單方成本人民幣1,850元，成為成本管控標杆工廠。

此外，我們還實現了將先進的工廠運營管理技術對外進行管理諮詢輸出，全年簽訂5個管理諮詢專案合同，為未來擴大輕資產運營打造了有利開局。



CHAIRMAN'S STATEMENT (CONTINUED) 主席報告書(續)

MORE REASONABLE BUSINESS LAYOUT SYSTEM BY WAY OF STRATEGIC BUSINESS LOCATION LAYOUT NATIONWIDE

2019 is also a year which sees a continuous trend of upward development in regards to the prefabricated construction industry where the Company's effort of presence is intensified. This year sees an additional new commencement of operation of two prefabricated construction factories located in Jiaozuo and Xiangtan, which have increased to 10 prefabricated construction factories which are officially commenced in their operations from the original 8 prefabricated construction factories by the Company.

Meanwhile, we have put more effort in the strategic business location layout for the prefabricated construction industry specific to the regions in Henan Province so as to establish a closer connection of greater strength to the property business in the regions with cutting-edge advantage. Following the signing of agreements related to the projects located in Zhoukou and Fengdeng and the Company's success in bidding of the land for Phase One commercial and residential land parcels in Zhoukou as well as the completion of delisting of land parcels for industrial purposes of science parks located in Dongli, Tinjin and Nantong, Jiangsu throughout this year, the Company has achieved an annual turnover for prefabricated construction amounted to HK\$580 million with a year-on-year increase by 36.9% which results in a significant improvement of operating efficiency.

全國佈局，佈局體系更趨合理

二零一九年，也是公司深墾装配式建築產業，發展持續向好的一年。本年度，公司新增投產了焦作、湘潭兩個PC工廠，將正式投產的PC工廠由原來的8家擴展到了10家。

與此同時，為進一步加強與優勢區域的地產業務對接，我們加大了對於河南區域的装配式建築產業佈局，本年度完成周口、登封項目簽約，以及周口第一期商住用地摘地，完成天津東麗、江蘇南通科技園工業用地摘牌。本公司全年實現PC營業收入港幣5.8億元，同比增長36.9%，經營效益大幅提高。



CHAIRMAN'S STATEMENT (CONTINUED) 主席報告書(續)

IMPROVEMENT OF OUR BRAND PRESENCE BOOSTED BY OUR CONFIDENCE IN THE BUSINESS SUBJECT TO THE INDUSTRY IMPACT

With reliance upon the business mode of whole EMPC-based industrial chains of the parent company, various projects with our services involvement have become the prominent projects of prefabricated construction in the areas where they are located. The Greenland Intercity Space Station Project located in Changsha, a project which is the very first high-rise prefabricated residential building with a height of over 130 metres constructed with concrete, is awarded with “the demonstration model of engineering construction of highlighted ad-hoc projects for green buildings and construction industrialization under the crucial national research and design schemes during the period of 13th Five-Year Plan” and “the project in the construction scheme of demonstration models of engineering construction with application of new technology for construction industry at provincial level in Hunan Province”. Nine projects under the Standing Committee of Hunan Province, which are the main reception venues for the First China-Africa Economic and Trade Expo, are appraised as “the demonstration models of prefabrication construction in Hunan Province of the Year 2019”. Phase Two of Huaruncheng Projects located in Qingdao are the very first of the kind of the high-rise prefabricated constructions in Shandong Province with their specified work sites for demonstration display purpose of construction of engineering projects with prefabricated construction of residential buildings in Laoshan District of Qingdao City, which are appraised as the work sites of demonstration model of standardization in the same city. Project of Chenhuiyuan Court as government apartments for young talents directly administered by Henan Province is the highlighted engineering work for the people’s welfare under the provincial reinforcement strategy of “Retaining Talents by Construction of Accommodation” for retaining talents of Henan Province while such project is appraised as “the project with the highest speed of construction among ten government apartments for talents under construction in Henan Province” by the industry players of prefabricated construction.

行業影響，業務自信推動品牌影響力 提升

依託母公司的EMPC全產業鏈業務模式，我們參與服務的多個項目成為了所在區域的裝配式建築明星項目，其中長沙綠地城際空間站是全國首個超130米超高層裝配式混凝土結構住宅，榮獲了「十三五國家重點研發計劃綠色建築及建築工業化重點專項示範工程」及「湖南省級建築業新技術應用示範工程創建計劃項目」；湖南省委九所項目作為第一屆中國—非洲經貿博覽會的主要接待場所，獲評2019年湖南省裝配式建築示範項目；青島華潤城二期項目是山東省首個超百米的裝配式建築，是青島嶗山區裝配式住宅工程施工指定觀摩工地，獲評青島市標準化示範工地；河南省直青年人才公寓晨暉苑項目是河南省人才強省戰略下「築巢留鳳」的重點民生工程，被業內評價為目前河南在建的十個人才公寓中建設速度最快的項目。



CHAIRMAN'S STATEMENT (CONTINUED) 主席報告書(續)

Moreover, we are the host to organize a successful event of major academic conference, "The Fifth National BIM Academic Conference", which is the only one of its kind of such a large-scale academic conference with its theme dedicated to BIM held in China. It is the very first time for us, the first and foremost private enterprise, to be the organizer of such academic conference during which we launch our intelligent construction ecology system, which receives the highest degree of recognition from the industry experts as well as a wide range of media coverages under press spotlight, having rendered us the leading player of the prefabricated construction industry in terms of the comprehensive competitiveness related to research and design capabilities.

Based on industry estimation, the prefabricated construction scale will be amounted to RMB800 billion in 2020, which is the booming year officially marked by a great leap of further development of economies of scales which are accentuated by the momentum of prefabricated construction industry. The potential opportunities of the Group are blue ocean strategies and blue ocean massive markets with the synergetic effect among industry players will definitely pave the way for the Group to be a power of force to be reckoned in the industry. Whilst a great deal of endeavour to be made in respect of the synergy with the industry system and networking, a great amount of efforts will be made by the Group in regards to our strength enhancement by putting an extra focus on research and design commitments of much commercial and application value so as to further maximize the scales of economies effect to its fullest extent in such a way that further enhancement on standardized management level can be attained. With an unwavering motto to create a promising life with intelligence as our mission and a vantage position to be a service provider of comprehensive and integrated solutions to intelligent buildings as our objective, we are dedicated to making the Group an ever more open ecological system for intelligent buildings by virtue of our full devotion to technology and keen optimization to our management with our highest aim to make constant breakthroughs in the field of top-notch technology advancement on the uppermost tier of value chains across the prefabricated construction industry, thereby rendering us an assistance to the realization of living experiences of safer, more comfortable and smarter twists for the people in general.

此外，我們還成功承辦了國內唯一一個以BIM為主題的大型學術會議——第五屆全國BIM學術會議，成為了第一家成功承辦的民營企業，會上發佈了我們的智慧建築生態系統，受到了行業專家和業內同行的高度認可和媒體廣泛關注，產學研綜合實力持續穩居行業前列。

根據行業預計，二零二零年装配式建築規模將達人民幣8,000億元，装配式建築行業已經正式大跨步進入了規模發展時期。藍海的戰略和藍海的市場是本集團的機遇，產業協同是走向強大的必由之路。本集團將在做好體系內協同的同時，著力練好內功，進一步聚焦具有商業和應用價值的科研方向，進一步發揮好規模效應的作用，進一步提升標準化管理水平，堅定智造美好生活的使命和智慧建築整體解決方案服務商的定位，以對技術的執著和對管理的優化，著眼於行業價值鏈的最頂端科技不斷突破，把本集團打造成更加開放的智慧建築生態系統，幫助人民享受更安全、舒適、智能的居住體驗。



CHAIRMAN'S STATEMENT (CONTINUED) 主席報告書(續)

APPRECIATION

On behalf of the Board, I would like to take this opportunity to express my sincere gratitude to the staff for their hard work and dedication during the past year. I would also like to express our gratitude to all shareholders, investors and other business partners for their continuing support and trust to the Group.

By order of the Board of
DIT Group Limited
Wu Po Sum
Chairman

Hong Kong, 22 April 2020

致謝

本人謹藉此機會代表董事會對全體員工過去一年的不懈努力及所作的貢獻致謝，並對所有股東、投資者及其他業務夥伴對本集團一貫的支持與信賴表示衷心的感謝。

承董事會命
築友智造科技集團有限公司
主席
胡葆森

香港，二零二零年四月二十二日

FINANCIAL HIGHLIGHTS

財務摘要

SUMMARY OF CONSOLIDATED STATEMENT OF PROFIT OR LOSS 綜合損益表概要

For the year ended 31 December

截至十二月三十一日止年度

		2019 二零一九年	2018 二零一八年	Changes 變動
Revenue (HK\$'000)	收入(千港元)	695,901	530,232	31.2%
Gross profit (HK\$'000)	毛利(千港元)	177,775	158,125	12.4%
Gross profit margin	毛利率	25.5%	29.8%	-4.3*
Net profit (HK\$'000)	溢利(千港元)	113,617	19,340	487.5%
Net profit margin	溢利率	16.3%	3.6%	12.7*
Profit attributable to equity shareholders (HK\$'000)	權益持有人應佔溢利(千港元)	110,749	27,427	303.8%
Basic earnings per share (HK\$ cents)	每股基本盈利(港仙)	0.99	0.24	312.5%
Diluted earnings per share (HK\$ cents)	每股攤薄盈利(港仙)	0.99	0.24	312.5%

SUMMARY OF CONSOLIDATED STATEMENT OF FINANCIAL POSITION 綜合財務狀況表概要

As at 31 December

於十二月三十一日

		2019 二零一九年	2018 二零一八年	Changes 變動
Total cash (including cash and cash equivalents and restricted bank deposit) (HK\$'000)	總現金(包括現金及現金等值項目以及有限制存款)(千港元)	206,786	264,390	-21.8%
Total assets (HK\$'000)	資產總額(千港元)	3,466,997	3,358,006	3.2%
Total liabilities (HK\$'000)	負債總額(千港元)	1,047,954	979,477	7.0%
Total equity (including non-controlling interest) (HK\$'000)	權益總額(包括非控股權益)(千港元)	2,419,043	2,378,529	1.7%
Total debt (HK\$'000)	債務總額(千港元)	488,701	500,980	-2.5%
Current ratio ⁽¹⁾	流動比率 ⁽¹⁾	112.7%	138.3%	-25.6*
Gearing ratio ⁽²⁾	淨借貸比率 ⁽²⁾	12.1%	11.0%	1.1*
Net asset value per share (HK\$)	每股資產淨值(港元)	0.22	0.21	4.8%
Equity attributable to equity shareholders per share (HK\$)	權益持有人應佔每股權益(港元)	0.16	0.16	0%

Notes: * Change in percentage points

(1) Calculated based on the total current assets divided by the total current liabilities

(2) Calculated as set out on page 37

附註: * 百分比變動

(1) 總流動資產除以總流動負債

(2) 計算過程請參見第37頁

MANAGEMENT DISCUSSION AND ANALYSIS 管理層討論及分析

BUSINESS REVIEW AND PROSPECTS

(I) MACROECONOMIC LANDSCAPE

1. *International Landscape*

2019 is a year which witnesses the phenomenal trends of unilateralism and protectionism across nations which prevail against such backdrop during when the eras of globalization and multi-polarization reign ubiquitously, giving rise to the frequent trade tensions which are intensified by strategic games and witty competitions by confrontation between and among superpowers, which result in potential reshuffle of roles of all nations by division of labour implied in the international arena, whereas, coupled with the fact that the growth of the economy across the globe demonstrates a mild deceleration in general due to insufficient total demand in the absence of new driving momentum which keeps economic dynamics to grow, thus culminating to a slow pace which is widely experienced by 90% economies in the world.

A deceleration in the growth of trade volumes and a substantial drop in import and export trade volumes around the globe makes World Trade Organization lower its forecast of the expected growth of international trade of goods down to 1.2% from 2.4% in October 2019 while lowering its forecast of the expected growth regarding international trade from 3.4% to 3% in 2020; according to the forecast made by International Monetary Fund (IMF) in October 2019, the international economic growth stands at 3%, which has so far hit the lowest ever since the financial crisis outbreak in 2008. Due to the weakened and lethargic manufacturing industries in the major economies which result from the decline in acceleration of productions of industries in the world, a continuous linger below the critical threshold line of 50% is charted for the Purchasing Managers' Index (PMI) during the year.

Various appropriate measures have thus far taken by the world major economies at an opportune time with an aim to stabilize economic acceleration which is evidenced by the respective realizations in economic growth that achieved at 2.3%, 1.6% and 6.0% respectively for USA, Europe and China whilst 3% of enhancement in the global economic growth is attained amid the general slowdown in economic performance.

業務回顧及展望

(I) 宏觀經濟形勢

1. 國際形勢

2019年，在全球化和多極化的時代背景下，單邊主義和保護主義盛行，貿易摩擦頻繁，大國博弈加劇，全球國際分工格局面臨重構；同時世界經濟缺乏新的增長動力，全球總需求不足，世界經濟總體呈緩速增長的態勢，90%的經濟體放慢了發展腳步。

世界貿易量增速減緩，世界進出口貿易額大幅下降，世貿組織於2019年10月將國際貨物貿易增長預期從2.4%下調至1.2%，將2020年全球貿易增長預期從3.4%下調至3%；10月國際貨幣基金組織(IMF)預測，2019年全球經濟增速為3%，為自2008年金融危機爆發以來的最低水平。世界工業生產增速回落，主要經濟體製造業疲軟，本年度採購經理指數(PMI)持續性低於50%的榮枯線。

世界主要經濟體都適時採取了措施應對，穩定經濟增速，美國、歐洲和中國分別實現了2.3%、1.6%和6.0%的經濟增長，全球經濟增長在增速減緩的背景下實現了3%的提升。

MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED) 管理層討論及分析(續)

In particular, year 2020 is expected to be a challenging year. The unexpected outbreak of COVID-19 has brought adverse impact on the macroeconomic condition in an international and domestic context which is expected to persist. The Directors will continue to observe closely and manage risks associated. With the Group's experienced management team and reputation in the market, the Directors consider that the Group is well-positioned to compete against its competitors under such future challenges that are commonly faced by all competitors.

2. *Development Landscape in China*

2019 not only marks the critical year which witnesses the grandiose celebration of the 70th anniversary for establishment of the People's Republic of China in new era but also marks the crucial year when full realization of an all-round moderately prosperous society is achieved. The overall economy in China remains steady which is contributed by a steady and stable enhancement for development quality. With surpassing results achieved beyond expectation by virtue of the motto, "synchronic progression with stability in 6 aspects" and "3 major tough missions", the gross domestic product of China in 2019 amounts to RMB99,086.5 billion, representing an increase by 6.1% as compared with last year on an invariable price basis, which results in steady enhancement of overall economic volume with continuous optimization of economic structures.

In terms of investments in China, the investment in manufacturing industries rebounds from low level which results in the increase in annual investment in manufacturing industries by 3.1%, of which the investment in equipment manufacturing industries increases by 4.3%, the investment in technological reforms for the manufacturing industries increases by 7.4%; there is a rapid growth in the investment in real estate development which is contributed by the fact that annual investment in real estate development increases by 9.9% as compared with last year whereas the floor areas under construction by real estate developers increase by 8.7% as compared with last year; there is also a rapid growth in the investment in high-technology industries which is contributed by the fact that the annual investment in high-technology industries increases by 17.3% as compared with last year while the investment in high-technology manufacturing industries increases by 17.7% as compared with last year, representing more than 20% of the total investment in the manufacturing industries.

特別是，預計二零二零年將是具挑戰性的一年。新型冠狀病毒出乎意料爆發，預期在國際以至國內將持續的背景下，為宏觀經濟形勢帶來不利影響。董事將繼續密切觀察及管理相關風險。董事相信，憑藉本集團經驗豐富的管理團隊及業內聲譽，當本集團日後面對普遍見於同業的挑戰時，能立於有利位置與其他對手競爭。

2. *國內形勢*

2019年是新中國成立70周年的大慶節點，也是全面建成小康社會的關鍵之年，中國經濟總體平穩，發展質量穩步提升，「六穩」並進，「三大攻堅戰」取得超出預期的成果，2019年中國國內生產總值為990,865億元，按不變價格計算，比上年增長6.1%，經濟總量穩步提升，經濟結構持續優化。

在國內投資領域，製造業投資低位回升，全年製造業投資比上年增長3.1%，其中裝備製造業投資增長4.3%，製造業中技改投資增長7.4%；房地產開發投資較快增長，全年房地產開發投資比上年增長9.9%，房地產開發企業房屋施工面積比上年增長8.7%；高技術產業投資快速增長，全年高技術產業投資比上年增長17.3%，高技術製造業投資比上年增長17.7%，佔全部製造業投資的比重超過20%。



MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED) 管理層討論及分析(續)

This year sees booming periods when prefabricated construction experiences rapid growth which is evidenced by the advice documents specific to the local areas on implementation and planning of the prefabricated construction issued by all of the 31 provinces including autonomous regions and municipalities directly administered under the Central Government in China. According to the Action Proposal on prefabricated construction under the 13th Five-Year Plan, it provides that the prefabricated construction in 2020 shall represent over 15% of the market share of newly built construction. In the passing year as recent as in 2019, the industry of fabricated construction continues to expand in terms of its overall scale thanks to the combined effect of the guidance of policies together with the faster speed in investment momentum for real estate development. Based on the forecast report entitled “Overview Profile of Prefabricated Construction Industry in China” published by Qianzhan Industry Institute, the new floor areas under construction of prefabricated construction in the market of real estate development amount to 252 million square metres, accounting for 12% with the market scale of RMB630.0 billion.

装配式建築在這一年處於快速發展期，全國31個省市自治區全部出台了本地的發展實施意見和規劃，國家《「十三五」装配式建築行動方案》要求2020年装配式建築在新建建築中的佔比達15%以上，2019年作為臨近的一年，在政策引領和房地產開發投資較快增長的雙重作用下，行業規模持續擴大，前瞻產業研究院《中國装配式建築產業全景圖譜》報告預測，2019年中國装配式建築在房地產開發市場中的新建面積約為25,200萬平方米，佔比達到12%，市場規模達到人民幣6,300億元。

3. Policy abstract of prefabricated construction in all provinces and autonomous regions and municipalities directly administered under the Central Government in China

3. 全國各省市装配式建築政策摘要

Region 區域	Policy 政策	Objective 目標
Anhui Province 安徽省	“Advice on implementation of facilitating the rapid development of transformation and upgrade of construction industry by People’s Government of Wuhu City, Anhui Province” 《安徽省蕪湖市人民政府辦公室關於促進建築業轉型升級加快發展的實施意見》	By 2020, it is targeted to reach 20% of prefabricated construction citywide in the newly built construction whereas construction main contractors will be determined by way of tender by invitation at the promotional demonstration stage with an aim to facilitate the application of design, construction and management for the technology of BIM (Building Information Modeling) 到2020年，全市装配式建築佔新建建築比例力爭達到20%，在推廣示範階段可採用邀請招標的方式確定總承包單位。推進BIM(建築信息模型)技術在設計、施工、管理中的應用。



MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED) 管理層討論及分析(續)

Region 區域	Policy 政策	Objective 目標
Guangdong Province 廣東省	“Implementation measures on promoting prefabricated construction in Foshan City in Guangdong Province” 《佛山市推廣裝配式建築實施辦法》	To ensure that floor areas under construction of new prefabricated construction accounting for over 20% of that of newly built construction will be achieved in 2020, of which floor areas of prefabricated construction for the engineering projects with investment by the government account for over 50%; to ensure that floor areas under construction of new prefabricated construction accounting for over 35% of that of newly built construction will be achieved in 2025, of which floor areas of prefabricated construction for the engineering projects account for over 70%. 確保2020年實現新建裝配式建築面積佔新建建築面積的20%以上，其中政府投資工程裝配式建築面積佔比達到50%以上；確保2025年實現新建裝配式建築面積佔新建建築面積的35%以上，其中政府投資工程裝配式建築面積佔比達到70%以上。
Hebei Province	“Printing and circulation throughout Hebei Province of key points on energy saving construction and technology tasks as well as key points on prefabricated construction tasks in Hebei Province in 2019”	There will be 2 or 3 industrial bases for prefabricated construction to be cultivated at a provincial level so that industrial bases for prefabricated construction at national level are operated based on reports by the institutes where the cultivation tasks of model cities (counties) for demonstration of those prefabricated construction at a provincial level can set apart where model cities (counties) for demonstration of those prefabricated constructions at national level are displayed based on reports by the institutes for the cultivation tasks which will target accumulatively at about 10 cities (counties) as models for demonstration purposes.
河北省	《河北印發2019年全省建築節能與科技工作要點和裝配式建築工作要點》	培育2-3個省裝配式建築產業基地，組織申報國家裝配式建築產業基地，開展省裝配式建築示範市(縣)培育工作，組織申報國家裝配式建築示範城市，累計培育10個左右示範市(縣)。
Jiangsu Province	“Advice on implementation of facilitating high-quality development of construction industry by the Government of Nanjing City in Jiangsu Province”	By 2020, the proportion of floor areas of prefabricated construction to that of newly built construction will be over 30%.
江蘇省	《南京市政府關於促進建築業高質量發展的實施意見》	至2020年裝配式建築佔新建建築面積的比例達30%以上。

MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

管理層討論及分析(續)

Region 區域	Policy 政策	Objective 目標
Hubei Province 湖北省	“Delegation and distribution of tasks on targeted prefabricated constructions in Hubei Province in 2019” 《湖北省分解下達2019年度裝配式目標建築任務》	By 2020, the floor area under construction by the use of prefabricated construction provincewide will not be less than 10.00 million square metres, out of which 3.00 million square metres are for the floor area of prefabricated construction in Wuhan City in 2019. 到2020年，全省採用裝配式建造的建築面積不少於1000萬平方米。其中武漢2019年度裝配式建築面積300萬平方米。
Hunan Province 湖南省	“Notice of the Tasks on Facilitation of the Development of the Prefabricated Construction Provincewide by the Department of Housing, DRC, the Department of Natural Resources and the Department of Finance of Hunan Province” 《湖南省住建廳、發改委、自然資源廳、財政廳關於推進全省裝配式建築發展有關工作的通知》	Apart from the projects stipulated under “Advice on implementation of facilitating prefabricated construction development by the People’s Government of Hunan Province” (Xiang Zheng Ban Fa (2017) No. 28) and “Notice of the Tasks on Further Facilitation of the Development of the Prefabricated Construction Provincewide by the Department of Housing and Urban-Rural Development of Hunan Province” (Xiang Jian Ke (2018) No. 216), the prefabricated construction shall also be applied to the following newly built construction which needs to meet the requirement of the prefabrication assembly rate stipulated under “Construction Appraisal Criteria of Green Prefabricated Construction in Hunan Province” stating that such criteria shall be applied to: 1. the commodity housing projects by social investment with construction height less than 100 metres which are newly built (with reconstruction for expansion) within smaller residential communities in the old downtown areas under the core districts of the city; and 2. the prefabricated construction projects implemented within the specified zones as required by the local People’s Governments of the core districts of all cities in the province. 除《湖南省人民政府辦公廳關於加快推進裝配式建築發展的實施意見》(湘政辦發〔2017〕28號)及《湖南省住房和城鄉建設廳關於進一步推動我省裝配式建築發展有關工作的通知》(湘建科〔2018〕216號)中規定的項目範圍外，下列新建建築項目也應採用裝配式建築，並達到《湖南省綠色裝配式建築評價標準》中裝配率要求：1. 市州中心城市老城區居民小區新建(改擴建)且建築高度100米以下的社會投資商品房項目；2. 各市州人民政府規定區域範圍內實施的裝配式建築項目。

MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED) 管理層討論及分析(續)

(II) BUSINESS OVERVIEW

1. *New Development under New Leadership with New Shareholder*

The Group has become the fifth largest business segment among the companies of Mr. Wu Po Sum ("Mr. Wu") ever since it is officially acquired by Mr. Wu in July 2019. Ever since Mr. Wu joined the Group, we have gained enormous support and immense development scales from the real estate developers, and thus the future prospect of the Group is benefitted with powerful support in relation to capitals, business, innovation synergy which is backed up by the presence of brand effect, which results in an increase by 31.2% for the annual turnover of the Group as compared with that in 2018.

Ever since Mr. Wu joined the Group, we have been in proactive engagement of business exploration with a substantial effort of synergy and innovation with the companies of Mr. Wu in other segments, culminating with the insight of synergetic mode as "Industry + Property" for better market feedback received.

It is worth to note that this year sees a huge enhancement on the social presences of the industry and brand effect of the Company ever since Mr. Wu joined the Group that its news conference of announcement of acquisition of the Company alone has garnered a wide coverage of mainstream media reports under the categories of property, construction and economy across China. In October 2019, the Company's industrial parks are greeted by a group of nationwide envoys from mainstream media representatives who have also conducted a site inspection visit to the working sites of the prefabricated construction projects of demonstration models by having a deeper level of understanding of the technology of prefabricated construction as well as the recent updates of our business under the leadership of Mr. Wu, thereby the brand presence is greatly improved with a better publicity promotion of the Group's business to the public in general.

(II) 業務回顧

1. 新股東新領導迎來新發展

本集團於2019年7月正式被胡葆森先生(「胡先生」)收購，成為胡先生旗下公司的第五大板塊，胡先生加入本集團以後，我們獲得了龐大的地產開發體量支持，為本集團未來發展獲得了強有力的資金支持、業務支持、創新協同支持和品牌影響力支撐，本集團全年取得營業收入較2018年提升31.2%。

胡先生加入本集團以後，我們與胡先生其他板塊旗下的公司積極開展了大量協同和創新探索，已探索「產業+地產」協同等模式，並已取得了較好的市場反饋。

值得關注的是，胡先生加入本集團對本公司本年度行業和社會品牌影響力的提升巨大，僅本公司收購新聞發佈會資訊就獲得了全國各大主流地產、建築、財經等媒體的廣泛報道，2019年10月期間全國主流媒體組團走入本公司科技園區和示範項目工地考察，了解装配式建築技術以及我們在胡先生的領導下的發展近況，提升了本集團的品牌知名度和業務口碑傳播。



MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED) 管理層討論及分析(續)

2. Expansion of our industrial parks

This year sees our efforts made with great emphasis placed on the enhancement of the expansion and creation of the industrial parks of prefabricated construction in Henan Province.

In August 2019, the Group's green construction industrial park in Jiaozuo is regarded as the industrial base of prefabricated construction in Henan Province. The industrial park is built with a site area of 80 mu comprising four lines of production including one automatic line of production, two fixed lines of production and an extra production line made of rebar reinforcement steel, a modernized mixing plant as well as a depositary for bulky building construct components which are dedicated to those construction markets principally in the peripheral cities of Zhengzhou, Jiaozuo, Xinxiang, Jiyuan and Kaifeng.

In November 2019, a ceremony of contract signing of Dengfeng's green construction science park is held in Zhengzhou. The contract outlines the prospective base of green construction industry for prefabricated construction in Dengfeng where an industrial park will be built with a planned site area of 500 mu with annual production capacity designed to be 0.30 million cubic metres with the construction details including construction plants of precast concrete for prefabricated construction, manufacturing plants of aerated lightweight concrete panels (also known as its abbreviation of ALC panels), manufacturing plants of moulds with the markets principally aimed as far as covering regions of Zhengzhou, Luoyang and Xuchang.

Our business plan in the year 2020 will be laid out for its continuous effort of realization of the expected completion of industrial parks located in Nantong, Wuxi, Tianjin, Zhoukou and Dengfeng, based on its current 10 prefabricated construction plants in operation, for a proactive approach to facilitate the construction of smart factories for prefabricated construction.

3. Operation of our industrial parks

Our plants of prefabricated construction this year experience steady improvement in respect of profitability; 8 plants of the Group have realized making profit as represented by the year-on-year growth approximately 250% of net profit.

2. 園區拓展

本年度我們著力加強了對河南省裝配式建築科技產業園區的拓展和打造工作。

2019年8月，本集團焦作綠色建築科技園被認定為河南省裝配式建築產業基地，該園區佔地80畝，園區擁有生產線四條，包括一條自動線、兩條固定線和一條鋼筋生產線，現代化攪拌站一座，大型構件堆場一處，主要以鄭州、焦作、新鄉、濟源、開封等周邊建築市場為主。

2019年11月我們在鄭州舉行登封綠色建築科技園項目簽約儀式，在登封打造裝配式綠色產業基地，該園區計劃佔地500畝，設計年產能30萬立方米，建設內容包括PC預製混凝土構建工廠、蒸壓加氣混凝土板材（簡稱ALC板）製造廠、模具製造廠，主要市場輻射鄭州、洛陽、許昌等區域。

2020年計劃在目前10家PC工廠正在營運中的基礎上，繼續推動南通、無錫、天津、周口、登封等園區的預期建成投產，積極推動PC智能工廠建設。

3. 園區運營

本年度本集團的PC工廠盈利能力穩步提升，下屬8家工廠實現盈利，淨利潤同比增長約為250%。

MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED) 管理層討論及分析(續)

The annual net profit is amounted to RMB25.70 million for the plants in Nanjing, which become the top-ranking profit-making prefabricated construction plants in Jiangsu Province; the annual contract filings for the plants in Jianzuo reach over RMB0.3 billion, which become the champion of sales among all prefabricated construction plants in Henan Province; the cost of price for each single unit of metre per square for the plants in Changsha realizes RMB1,850, which has become the benchmark plant of cost control.

There are 5 contracts relating to management consultation which are signed by us this year with our effort of the external management of export of orders relating to consultation by means of advanced technology of plant management by way of giving assistance to the realization of better operation for small and medium sized prefabricated construction plants with annual charge of management consultation.

4. Technology Innovation

In the Fifth National Academic Conference on BIM this year, the intelligent construction ecology system of the Company is officially launched by us with such a new system having integrated the technology of BIM as its core components which aid in the creation of intelligent management platform comprising four major platforms and one centre which are respectively intelligent design platform, intelligent production cloud platform, intelligent production cloud platform, intelligent operation and maintenance cloud platform as well as big data centre covering all production chains of prefabricated construction buildings. Based on the enormous amount of data generated by BIM technology with combination of the technology innovation and incorporation of core stages of whole life cycle of construction (which are respectively, stages of design, production, manufacture, operation and maintenance), the basic information at the lowest tier can be continuously refined which is contributed to the construction of operation platform based on big data and Internet of Things. Hence, the artificial intelligence of the platform will be realized in reliance of the population effect of researchers and the automatic function of machinery self-learning which gives shape to the service of open ecology system for the whole industrial production chains of prefabricated construction in its entirety.

南京工廠全年淨利潤達人民幣2,570萬元，成為江蘇省盈利最高的PC工廠；焦作工廠年度備案合同超人民幣3億元，成為河南省PC工廠銷售冠軍；長沙工廠實現單方成本人民幣1,850元，成為成本管控標杆工廠。

我們還將領先的工廠管理技術對外進行管理諮詢訂單輸出，通過管理諮詢年費的方式幫助中小型装配式建築工廠實現更好的運營，全年簽訂了5個管理諮詢合同。

4. 技術創新

本年度我們在全國第五屆BIM學術會議上，正式對外發佈了本公司智慧建築生態系統，該系統將BIM技術作為核心組成部分，打造涵蓋装配式建築全產業鏈的智慧管理平臺，智慧管理平臺包括四大平臺和一個中心，即智慧設計雲平臺、智慧製造雲平臺、智慧建造雲平臺、智慧運維雲平臺和大數據中心。基於BIM技術所產生的海量數據，結合建築全生命周期核心環節(設計、製造、建設、運維)的科技創新和集成，不斷提煉底層基礎信息，構築基於大數據和物聯網的運營平臺，依托研發者群體效應及機器自主學習功能實現平臺的人工智能，形成服務於整個装配式建築全產業鏈的開放生態系統。



MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED) 管理層討論及分析(續)

It is prospectively planned that the system is dedicated to its core users of construction enterprise operators whilst providing different types of information services to real estate developers, construction enterprise providers, building operators, intelligent community managing staff as well as smart city managing staff alike.

5. *Equipment innovation and its operation*

The innovation of technology for our plants have been continuously reinforced by us who are also engaged in the external promotional sales to the market for our specialized equipment and production lines of the prefabricated construction plants with good performance.

In terms of research and design at national level, we completed planning of the production lines for automatic combination and formation of rebar reinforcement steel scaffolding skeletons supporting wall slab component construct structures of demonstration plants model which obtained approval of experts' validation on 11 November 2019; we also commenced the imaging identification technology study of certain rebar reinforcement steel scaffolding skeletons which are completed with validation proof of scientific experiments which have successfully passed the interim examination by the China's 21st Century Agenda Management Center directly affiliated to the Ministry of Science and Technology of China and completed the summary report of our engagement of work tasks for the year of 2019 after which is uploaded to the management system of national technology projects.

In terms of research and design of cost reduction for plants, we completed standard IV regarding the optimization of cost reduction at cross-plants level whereas the application design in Zhoukou projects is realized by means of that particular technology.

In terms of the external operation of equipment, we completed signing of contracts with external clients in respect of 11 production lines and the delivery of installation which is realized by achieving the target of successful project delivery within 48 days without interruption, which is recognized with compliments by the presentation of banners of merit and gratification letters received from the clients in Ningxia, Tianjin and Shandong.

該系統未來計劃面向建築企業運營者為核心用戶，同時面向房地產開發商、建築企業供應商、建築物運營者、智慧社區管理者和智慧城市管理者提供不同類型信息服務。

5. *裝備創新與運營*

本年度我們持續加強對工廠技術的創新，並推動將優良的裝配式建築工廠專用裝備和生產線面向市場進行銷售。

國家級研發項目方面，我們完成了示範工廠牆板構件鋼筋骨架自動組成型生產線規劃，並於2019年11月11日通過專家論證；開展了部品鋼筋骨架的圖像識別技術研究並完成了實驗驗證；順利通過了直屬國家科技部之中國21世紀議程管理中心組織的中期檢查，完成2019年年度工作總結報告，並上傳國家科技項目管理系統。

工廠降本研發方面，我們完成了標準四跨工廠的降本優化，並將該技術在周口項目實現了應用設計。

裝備對外運營方面，我們完成了外部客戶11條產線合同簽訂與安裝交付，實現48天無休項目交付目標，獲寧夏、天津、山東等客戶的錦旗及函件贊譽。

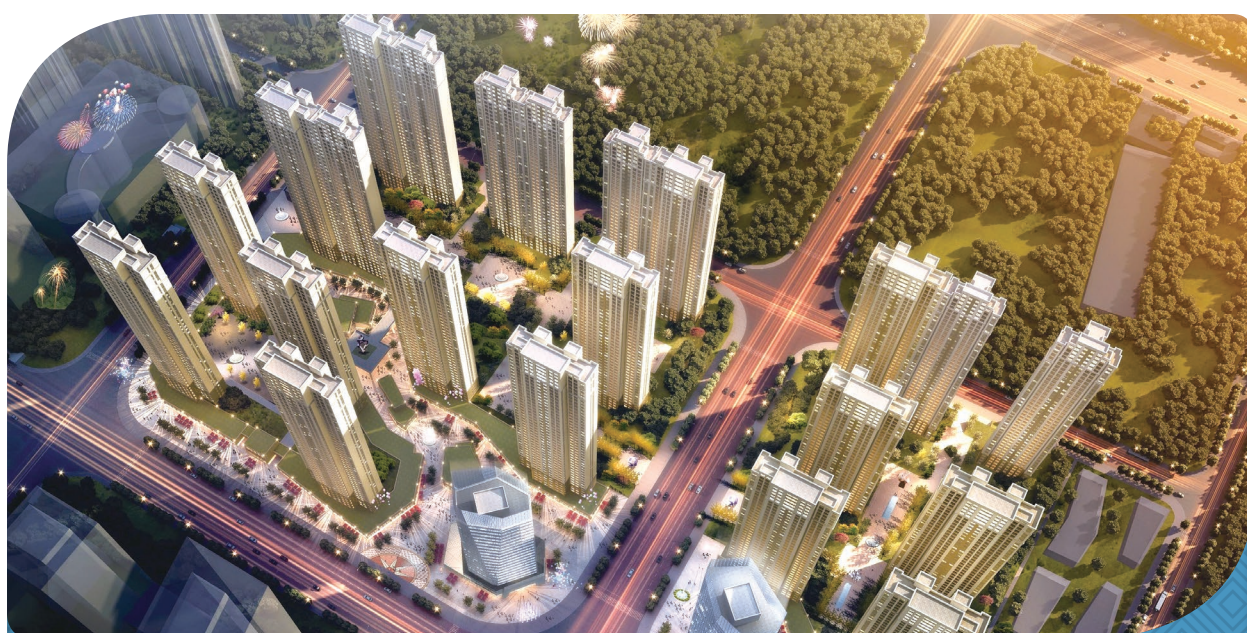
MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED) 管理層討論及分析(續)

6. *Culmination in our projects*

With reliance upon the business mode of whole EMPC-based industrial chains of the parent company, we are proactive in facilitating of promotion of the culmination in the prominent projects of all kinds by leverage of prefabricated construction technology which enables us to be repeatedly recognized by the industry and the communities as a whole:

6. 項目打造

依託母公司的EMPC全產業鏈業務模式，我們利用裝配式建築技術積極助推各類型、明星項目打造，不斷獲得行業和社會的認同：



The Greenland Intercity Space Station
長沙綠地城際空間站



MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED) 管理層討論及分析(續)

The Greenland Intercity Space Station Project located in Changsha, a project which is the very first high-rise prefabricated residential building with a height of over 130 metres constructed with concrete, is built with the prefabricated construction components provided by Changsha plants of the Group. The building is constructed based on the mode of EMPC for such a project which is a building with assembly by prefabricated construction of comprehensive shear wall structure as high as 43-storey levels from the ground level construction where the prefabrication assembly rate is 50.3%. There are “three maximums” characterized by virtue of technology application of prefabricated construction for the project which is summarized as below: the maximum of building height of construction is represented by the super height of the buildings as high as 43 levels of 126.6 metres; the maximum of prefabrication assembly rate of over 50% for the construction of buildings of super height which is the very first of its kind nationwide under investigation and verification; the maximum of precision in accuracy of construction for the building of super height which is constructed by the technology of vertical components of sleeve coupling grout with a maximum of stringent demand of installation precision with precise accuracy of construction. Now the project is appraised as “the demonstration model of engineering construction of highlighted ad-hoc projects for green buildings and construction industrialization under the crucial national research and design schemes during the period of 13th Five-Year Plan”, “the project in the construction scheme of demonstration models of engineering construction with application of new technology for construction industry at provincial level in Hunan Province” as well as a unanimous feedback of positive appraisal from a group of inspection experts who have complimented with praise for the project with all approvals and recognitions under the authorized inspection action on safety supervision of construction market and engineering quality as coordinated and implemented nationwide by the Ministry of Housing and Urban-Rural Development (also known as its abbreviation of “inspection nationwide”).

長沙綠地城際空間站項目 — 該項目是全國首個超130米超高層裝配式混凝土結構住宅，由本集團長沙工廠提供PC構件，採用EMPC模式打造，項目為裝配整體式剪力牆結構，地面建築層數達43層，裝配率為50.3%，項目在裝配式建築技術運用方面體現為「三高」特點：建築高度超高，為超高層，43層，126.6米；裝配率高，超高建築裝配率達50%以上，國內目前查證下第一個；施工精度要求高，超高層，採用豎向構件套筒灌漿技術，施工安裝精度要求非常高。項目被評為「十三五國家重點研發計劃綠色建築及建築工業化重點專項示範工程」、「湖南省級建築業新技術應用示範工程創建計劃項目」，還在由住房和城鄉建設部在全國統籌開展建築市場和工程質量安全監督執法檢查(簡稱「國檢」)中，得到了檢查專家組的一致好評，取得了「國檢」一次通過的好成績。



MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED) 管理層討論及分析(續)

Nine projects under the Standing Committee of Hunan Province, which is the main venue to play host to the First China-Africa Economic and Trade Expo which is opened on 27 June 2019 for those projects, are built with the prefabricated construction components provided by plants of the Company in Changsha. The buildings for those projects are constructed based on the mode of EMPC with the rapid pace of construction ahead of the schedule ever since the commencement of those projects on 26 December 2018 where the designs of those buildings are completed and delivered within one month. Those projects reach hoisting installation stage on 18 January 2019, achieve full capping-off on 10 March 2019, pass the acceptance inspection on 10 May 2019 and culminates in completion and delivery on 23 June 2019. In October 2019, those projects were appraised as demonstration models of prefabrication construction in Hunan Province of the Year 2019 at Changsha Prefabricated Building and Construction Technology Expo.

Xianghe · Xingchengchunxiao Project in Changsha, a project with 53% of its prefabrication assembly rate with gross floor area of approximately 0.24 million square metres, is the very first of its kind of the high-rise prefabricated construction project of height over 100 metres in Changsha county and also the largest of its kind of the prefabricated construction of residential buildings in the same county. The project is built with prefabricated construction components provided by plants of the Group in Changsha based on the mode of EMPC. As a pilot project of management information process of production of the Group, the project is processed with the daily record and feedback on work tasks with the proactive use of tools of information process by the management staff of the project ever since the information process system was strategized to commence its operation in April 2019 under which the management staff have collected a wealth of production management data and imaging information the accumulation of which has provided an invaluable practical experience of work tasks of standardization and digitalization. The project is selectively recognized to be demonstration model of engineering construction projects for information process of the construction industry at a provincial level while it is also appraised as the green demonstration model of work site of construction of buildings in Changsha City.

湖南省委九所項目 — 該項目作為2019年6月27日開幕的第一屆中國 — 非洲經貿博覽會的主要接待場所，項目由本公司長沙工廠提供PC構件，採用EMPC模式打造，項目自2018年12月26號開工以來，快速推進建設進程，1個月完成設計交付，2019年1月18日進入吊裝階段，2019年3月10日實現全面封頂，2019年5月10日通過主體驗收，最終於2019年6月23日實現竣工交付。該項目在2019年10月長沙築博會上，獲評2019年湖南省裝配式建築示範項目。

長沙湘核·星城春曉項目 — 項目住宅裝配率為53%，總建築面積約24萬平方米，是長沙縣首個百米高層裝配式建築項目，也是長沙縣最大的裝配式建築住宅項目，由本集團長沙工廠提供PC構件，並採用EMPC模式打造。該項目作為本集團生產管理信息化試點項目，信息化系統自2019年4月份部署運行以來，項目部管理人員積極運用信息化工具進行日常工作記錄和反饋，積累了大量生產管理數據和影像資料，為標準化、數字化工作積累了寶貴實踐經驗。項目入選省級建設信息化示範工程計劃項目，並獲評為長沙市建築施工綠色示範工地。



MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED) 管理層討論及分析(續)

Phase Two of Huaruncheng Projects located in Qingdao, with the gross floor area of approximately 0.64 million square metres, is the first comprehensive and largest complex operated under TOD mode jointly developed by China Resources (Holdings) Co., Ltd. and the subway. The project is constructed based on the mode of EMPC as initiated first by the Group under which the plants in Jiaozhou provide the prefabricated construction components for the project with the building at level 22 of overall height over 100 metres for its shear wall structure in vertically perpendicular to building limb which is also built by prefabricated construction, which is the very first of its kind of the high-rise prefabricated construction with its prefabrication assembly rate of 35% in Shandong Province. The project not only serves as the specified work site for demonstration display purpose of construction of engineering project with prefabricated construction of residential building in Laoshan District of Qingdao City but also serves as the work site of demonstration model of standardization in the same city.

青島華潤城二期項目 — 總建築面積約64萬平方米，是華潤與地鐵聯合開發的青島首個TOD模式綜合體大盤，項目二期採用本集團首倡的EMPC模式打造，由築友智造膠州工廠提供PC構件，其中22號樓整體高度超一百米，樓體豎向剪力牆部分亦採用預製裝配式建造，是山東省首個超百米的裝配式建築，裝配率35%。項目不僅是青島嶗山區裝配式住宅工程施工指定觀摩工地，還是青島市標準化示範工地。



Huaruncheng in Qingdao
青島華潤城



Huaruncheng in Qingdao
青島華潤城

Project of Chenhuiyuan Court as government apartments for young talents directly administered by Henan Province, with the gross floor area of 0.37 million metres square and prefabrication assembly rate of 55%, is the project comprising 11 residential buildings together with engineering construction of complimentary amenities of business buildings and kindergartens. The project is also the highlighted engineering work for the people's welfare under the provincial reinforcement strategy of "Retaining Talents by Construction of Accommodation" for retaining talents of Henan Province, which is also by far one of the twelve commitments of social affairs to be addressed with highlighted priority in terms of development of Henan Province since 2018 whereas the project is built with the prefabricated construction components provided by the plants of the Group in Jiaozuo and the current project with the highest speed of construction among ten government apartments for talents under construction in Henan Province.

河南省直青年人才公寓晨暉苑項目 — 項目總面積37萬平方米，項目裝配率達55%，包含11棟住宅樓及配套商業、幼兒園工程，是河南省人才強省戰略下「築巢留鳳」的重點民生工程，是2018年以來河南省重點推進的十二件民生實事之一，由本集團焦作工廠提供PC構件，該項目還是目前河南在建的十個人才公寓中建設速度最快的項目。

MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED) 管理層討論及分析(續)

Binhexin Yuan Project located in Anhui is a project which is the current largest project of residential building under construction with process of industrialization of the construction nationwide with the gross floor area of approximately 0.95 million square metres for its total investment of RMB3.0 billion. The project is provided with precast building components of prefabricated construction supported with prefabricated construction technology furnished by the plants of the Group in Hefei. The project is the shortlisted candidate of the Ninth "Guangsha Prize" of the Year 2019 to 2020 while the project is not only the one and the only one shortlisted candidate recognized in Anhui Province but also the one and the only one project to be admitted as one of the shortlisted candidate of resettlement housing community project nationwide.

7. Platform of academic exchanges

As a leading enterprise equipped with cutting edge of industry technology, we not only take a proactive position to explore the most advanced technology but also organize and participate on our own initiatives in the exchanges activities involving scientific research of much significance and trade exchanges so that we can make our contribution to the promotion and prosperity of the prefabricated construction industry.

On 16 and 17 November 2019, we are the host to organize "The Fifth National BIM Academic Conference", which is the only one of its kind of such a large-scale academic conference with its theme dedicated to BIM held in China. It is the very first time for the private enterprise to be the organizer of such academic conference during which we launch our intelligent construction ecology system.



The Fifth National BIM Academic Conference
第五屆全國 BIM 學術會議



The Fifth National BIM Academic Conference
第五屆全國 BIM 學術會議

安徽濱湖沁園項目 — 該項目是目前國內在建的最大住宅產業化項目，總建築面積約95萬平方米，總投資額人民幣30億元，築友智造合肥工廠為項目提供裝配式建築預製構件及裝配式建築技術支持，供應建築面積總計24萬平方米。項目榮獲第九屆(2019-2020年度)「廣廈獎」候選項目，是安徽省唯一入選項目，也是全國唯一入選的安置房小區項目。

7. 學術交流平臺

作為行業技術領先企業，我們不僅積極探索前沿技術，還主動承擔或參與重大科研交流和行業交流活動，為行業推廣和繁榮貢獻力量。

2019年11月16日至17日，我們承辦國內唯一一個以BIM為主題的大型學術會議「第五屆全國BIM學術會議」，該學術會議首次由民營企業承辦，會議期間我們發布了智慧建築生態系統。

MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED) 管理層討論及分析(續)

Between 15 and 17 October 2019, China (Changsha) Prefabricated Building and Construction Technology Expo 2019 was opened and held at Changsha International Convention and Exhibition Centre. As the demonstration model of base of industrialization of residential properties in Hunan Province and the base of prefabricated construction industry at national level, we present ourselves with the practical results of our prefabricated construction boasted for the most advanced technological innovation of the whole industry production chains with our strategic layout of our business locations in China, which has drawn tremendous attention from the leaders of officials of various governmental authorities, media coverage as well as attendants for the Expo.

(III) BUSINESS PROSPECT

The year 2020 will be a critical year of the prefabricated construction industry passing over the threshold mark with a market share of 15% as stipulated by the requirement of the central government against the backdrop of continuous expansion of the market size of the prefabricated construction industry. On the large platform of the companies of Mr. Wu, we will continue our effort of facilitating the advancement of technological innovation and output of actual results, particularly in the synergetic effect of the industry and enhancement in efficiency by cost reduction which will be implemented with our added devotion and determination so as to target at a higher level of technology development with better products while better business turnover and return of profitability will be achieved.

1. Industrial Synergy

The Group has carried out copious amount of synergetic explorations with each and every sector of the companies of Mr. Wu, including the facilitation of collaboration of much substance with the group of Central China Real Estate Limited involving several projects of EMPC-based contract packages as executed in Henan area with the prospective plan of collaboration scale over 2.00 million square metres; our effort will be made for our strategic market layout of business location in China by way of the our output of brand effect and technology export subject to the prospective exploration of the industrialization mode of real property development with Henan Zhongyuan Central China City Development Company Limited ("CCRE Zhongyuan").

2019年10月15日至17日，2019中國(長沙)裝配式建築與工程技術博覽會在長沙國際會展中心開幕，我們作為湖南省住宅產業化示範基地、也是全國裝配式建築產業基地，攜全產業鏈科技創新和全國佈局的裝配式建築實踐成果亮相，受到了與會政府領導、媒體和觀展群眾的高度關注。

(III) 業務展望

2020年，是裝配式建築即將迎來國家要求的15%佔有比例的門檻之年，行業市場規模還將持續擴大，在胡先生旗下公司的大平臺上，我們將持續推動科技創新和成果輸出，尤其在產業協同和降本增效等方面持續加大推進力度，以實現更優質的技術和產品、更優良的營收和利潤回報：

1、產業協同

本集團與胡先生旗下公司內各版塊開展大量協同探索，包括在河南區域與建業地產股份有限公司集團推進若干個EMPC總包項目進行實質合作，未來計劃200萬平方米以上的合作體量；與河南中原建業城市發展有限公司(「中原建業」)探索產業地產模式，以品牌和技術輸出的形式，布局全國市場。

MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED) 管理層討論及分析(續)

2. *Efficiency Enhancement by Cost Reduction*

We will carry out full engagement with dedicated effort of achieving efficiency enhancement by cost reduction by taking all measures for the fields of research and development, design and production in the following manners: continuous optimization of existing system of construction technology by reduction of cost initiated with the endeavour of research and development; continuous creation of standardization system with an aim to reduce cost by standardization for the purpose of establishment of business operation system under standardization for the production management by the plants; establishment of the management systems complemented with cost reduction in purchasing of supply chains in order to reduce the cost of investment of plant establishment and reduce the cost of moulds with the increasing rate of utilization of moulds with the objective of achieving gradual reduction in cost.

The Group will continue its perseverance of proactive facilitation of building more and more prefabricated construction plants in the locations with potential markets of better prospects in the future when the culmination in well-defined policy regarding prefabricated construction industry takes place based on the existing strategic business layout of our presence in China. Our business plan in the year 2020 will be laid out for its continuous effort of realization of prospective completion of construction for the industrial parks located in Nantong, Wuxi, Tianjin, Wuhan, Zhoukou and Dengfeng with its current plan of operation commencement of 10 prefabricated construction plants with an aim of further expansion in the market size and the proportion of market share so as to increase our income and profitability continuously for lifting our status in the industry in an all-round way with our objective to become the most competitive enterprise in the industry.

2 · 降本增效

從研發、設計、製造等各方面採取措施，全面推行降本增效工作：從研發源頭降成本，對現有建築技術體系進行持續優化；持續開展標準化體系建設，以標化降成本，形成工廠製造管理一套標準化的業務運作體系；建立管理機制，輔以供應鏈集採降本、降低投資建廠成本、提高模具利用率以降低模具成本等各類舉措，實現成本的逐步下降。

本集團將在現有全國性產業布局的基礎上持續發力，未來將在裝配式建築政策產業落實明朗、市場前景廣闊的地域積極推進PC智能工廠建設。2020年計劃在目前10家投產PC工廠的基礎上，繼續推動南通、無錫、天津、武漢、周口、登封等園區的建成投產，進一步擴大市場規模和佔有率，持續提高收入及盈利能力，全面提升行業地位，成為行業最具競爭力的領軍企業。



MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED) 管理層討論及分析(續)

PRINCIPAL RISKS AND UNCERTAINTIES

1) Business and future growth may be affected by the macro economic conditions in the PRC

The Group's business and future growth prospect relies on the general economic conditions in the PRC. From 2013 to 2019, China's economy achieved a rapid growth. Since 2020, China's macro economy may experience a soft landing during which it is predicted that China's economy growth may slow down, and various ongoing reforms may be carried out in the PRC, aiming to transform China's macro economy from investment-driven to consumer-driven. In addition, the cooling down of China's fixed asset investment reflects a combined effect of the economy deleveraging, reinforcement of environmental protection control and redundant production capacity elimination in the heavy industry. This economic structure adjustment is expected to improve the quality and efficiency of China's economic development. Some of these measures are beneficial to China's general economy, but may also adversely affect the Group. For example, the PRC government has tightened its control over capital investment, which may decrease government's investments in low-income housing projects and/or public facility construction projects in China; and the deleveraging of economy may affect real estate development construction activities.

As a result, our ability to supply prefabricated construction units or prefabricated construction equipment or undertake housing and public facilities construction projects at a reasonable price may be hindered. The Group involves in construction projects of commercial real estate development, government-funded low-income housing and municipal construction, and these projects are developed or funded by real estate developers or government, government authorities or public organizations, therefore any change of economic conditions in the PRC may affect the availability of funds to the project developers or owners which may result in suspension or termination of the project, and our ability to supply PC units to these projects may be in turn materially and adversely affected.

主要風險及不明朗因素

1) 未來增長可能受中國的宏觀經濟情況的影響

集團的業務及未來增長前景依賴中國的整體經濟情況。中國的經濟自2013年至2019年實現了高速增長。在2020年起，中國宏觀經濟可能經歷軟著陸，預期該期間中國經濟增速可能放緩及中國可能進行各項改革，旨在實現中國宏觀經濟由投資驅動向消費驅動的轉型。此外，中國固定資產投資環境降溫反映了經濟去槓桿、環境保護控制加強以及重工業去冗餘產能的共同影響。此次經濟結構調整預期將提高中國經濟發展的質量和效率。若干該等措施有利於中國整體經濟，但亦可能對集團的經營產生不利影響。例如，中國政府加強對資本投資的控制，可能減少政府對於中國保障房項目及／或公共設施建設項目的投入，而經濟去槓桿可能影響房地產的開發建設活動。

因此，我們以合理的價格供應裝配式建築構件或裝配式建築設備或承接住房及公共設施建設項目的能力可能被削弱，集團參與商業房地產發展、政府保障性安居工程及城市建設的建設項目，該等項目由房地產開發商或政府、政府機關或公共組織建設或出資，中國經濟狀況的任何變動可能影響項目開發商或持有人的可用資金，從而可能導致項目暫停或終止，繼而對我們向該等項目供應PC構件的能力造成重大不利影響。



MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED) 管理層討論及分析(續)

In addition, enhanced control over environmental protection by the PRC government may lead to a massive shutdown or prolonged inspection to the construction site by government departments, which in turn may affect our supply to the construction projects. Any economic structural changes in the PRC may cause changes in the taxation regulation system or foreign exchange control system currently applied to the Group, resulting in adverse effect on the Group's financial condition and results of operation.

Construction activities in the PRC are very sensitive to economic fluctuations and market uncertainties, and are regulated by the PRC government through political decisions. Any slowdown or regression of economy or other changes in China's society, politics or legal environment may decrease the number of new real estate construction projects or infrastructure projects, or lower the purchasing power of residents, and therefore decrease the demand towards our products and affect our results of operation.

2) Intensive competition in the industry of the PRC

The Group is facing intense competition from nationwide large scale construction companies, which may have stable supply of projects or abundant technological resources as well as from regional competitors, which may have abundant long-term customer resources, extensive network in the region, or the advantage of low transportation cost.

Provided that the adoption of prefabricated construction method is not required by the relevant policies or regulations, customers may prefer the traditional construction method, on which the Group do not have competitive edge due to its advantages in respect of low cost and low technology barrier as well as the level of acceptance and familiarity of consumers. In addition, the industrial standards of the prefabricated construction industry are in their early stage of development and the national standards and local standards have just been promulgated and are in their early stage of implementation as well. The development, promulgation or implementation of such standards may affect the Group's products or production, or the Group will incur additional cost to comply with the standards or any changes thereof. In that case, the profitability and prospects of the Group may be adversely affected.

此外，中國政府對於環境保護控制的加強可能導致政府部門要求建築工地施工大量停工或對其曠日持久的檢查，從而影響我們向施工項目的供應。任何中國經濟結構性調整亦可能影響目前適用於我們的稅務法規體系或外匯管制制度，從而對集團的財務狀況及經營業績產生不利影響。

中國的建築活動發展對經濟波動及市場不明朗因素甚為敏感，並由中國政府透過政治決策加以調控。任何經濟放緩、倒退或中國社會、政治或法律環境的其他變動均可能致使新房地產建築項目或基礎建設項目數目減少，或住戶的購買力下降，從而導致對我們產品的需求減少並影響我們的經營業績。

2) 在中國面對激烈的行業競爭

集團面臨與全國性大型建築公司的激烈競爭，該等公司可能擁有穩定的項目供應或豐富的技術資源，亦面臨與區域競爭者的激烈競爭，其可能在地區具有豐富的長期客戶資源、廣泛的網絡，或運費成本低的優勢。

倘相關政策或法規並無規定裝配式建築方式，客戶可能傾向我們並無競爭優勢的傳統建築方式，原因為其具有成本低及技術門檻低的優勢，且消費者接納並熟悉傳統建築方式。此外，裝配式建築行業的行業標準處於發展初期階段，國家標準及地方標準開始頒佈且同樣處於實施的初期階段。製訂、頒佈或實施有關標準或會影響集團的產品或生產，集團可能會產生額外成本以遵守有關標準或任何變動。於此情況下，集團業務的盈利能力及前景可能受到不利影響。



MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED) 管理層討論及分析(續)

FINANCIAL REVIEW

Review of Results

The Group was principally engaged in the production and sale of prefabricated construction units and equipments, and granting licensing in the People's Republic of China (the "PRC").

Revenue

The revenue of the Group increased by approximately 31.2% from approximately HK\$530.2 million for the year ended 31 December 2018 to approximately HK\$695.9 million for the year ended 31 December 2019. The significant increase in revenue were mainly attributable to (i) the increase in the operation for the manufacture and sale of prefabricated components and the continuous increase in the production capacity utilized by technology parks during the year; and (ii) a significant growth in the sales income of equipment for smart devices from the third party customers. As a result, the Group recorded sales revenue for year ended 31 December 2019 of prefabricated construction units of approximately HK\$579.9 million (2018: approximately HK\$423.6 million), granting licenses of approximately HK\$36.4 million (2018: approximately HK\$84.9 million), sales of construction equipment of approximately HK\$65.0 million (2018: approximately HK\$18.6 million), rental income of approximately HK\$13.3 million (2018: approximately HK\$1.9 million) and consulting service income of approximately HK\$1.3 million (2018: approximately HK\$1.2 million).

Cost of sales

The Group recorded cost of sales of approximately HK\$518.1 million (2018: approximately HK\$372.1 million) for the year ended 31 December 2019. The increase was primarily attributable to the increase in sales of prefabricated construction components, while the corresponding cost of sales also increased at the same time; as the additional plants which have been in its initial operation were in low production volume, the increase in each fixed expense therefore resulted in the increase of cost.

財務回顧

業績回顧

本集團主要於中華人民共和國(「中國」)從事預製建築組件及裝備的生產及銷售及授予專利技術。

收入

本集團的收入截至二零一九年十二月三十一日止年度約695.9百萬港元比去年截至二零一八年十二月三十一日止年度約530.2百萬港元增加約31.2%。收入大幅上升主要歸功於(i)製造及銷售預製組件的科技園投產數量增加及產能於年內不斷提升；及(ii)來自第三方客戶之智能裝備設備銷售收入大幅增長。因此，截至二零一九年十二月三十一日止年度，本集團錄得預製建築組件銷售收入約579.9百萬港元(二零一八年：約423.6百萬港元)、授予專利技術使用權的收入約36.4百萬港元(二零一八年：約84.9百萬港元)、銷售建築設備收入約65.0百萬港元(二零一八年：約18.6百萬港元)、租金收入約13.3百萬港元(二零一八年：約1.9百萬港元)及諮詢服務收入約1.3百萬港元(二零一八年：約1.2百萬港元)。

銷售成本

截至二零一九年十二月三十一日止年度，本集團錄得銷售成本約518.1百萬港元(二零一八年：約372.1百萬港元)。該增長主要由於PC構件銷售收入增加，對應的銷售成本亦同時增加；新增投產工廠於初期產量較低，各項固定開支增加導致成本增長。



MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED) 管理層討論及分析(續)

Gross profit and gross profit margin

The gross profit of the Group increased by approximately HK\$19.7 million from approximately HK\$158.1 million for the year ended 31 December 2018 to approximately HK\$177.8 million for the year ended 31 December 2019. The gross profit margin slightly decreased to 25.5% in 2019 from 29.8% in 2018. As the income achieved by granting licenses for the year decreased by 57% when compared with last year, resulting in the overall decrease in gross profit; the actual gross profit of prefabricated construction components decreased by around 5% when compared with the corresponding period of last year.

Other income

The other income of the Group increased by approximately HK\$2.4 million from approximately HK\$3.5 million for the year ended 31 December 2018 to approximately HK\$5.9 million for the year ended 31 December 2019. Other income mainly comprised of (i) interest income arose from bank deposits of approximately HK\$5.1 million and (ii) income arose from penalty income of approximately HK\$0.4 million.

Other losses — net

For the year ended 31 December 2019, other losses — net amounting to approximately HK\$5.5 million mainly comprised of (i) loss arising from deposit loss and penalty on early termination of a lease contract in respect of the previous location of business in Pacific Place in Admiralty of approximately HK\$5.2 million; and (ii) gains on fair value from investment properties of approximately HK\$0.6 million.

Selling and distribution expenses

The selling and distribution expenses amounted to approximately HK\$55.4 million (2018: approximately HK\$34.7 million) for the year ended 31 December 2019. The increase in expense was primarily attributable to the organizational structure adjustment to the Group, the increase in regional salesforce, the increase in salary and the number of plants in operation and growth of income with the moderate growth in transportation fees for product sales.

毛利及毛利率

本集團的毛利截至二零一九年十二月三十一日止年度約177.8百萬港元比去年截至二零一八年十二月三十一日止年度約158.1百萬港元增加約19.7百萬港元。毛利率自二零一八年的29.8%輕微下降至二零一九年的25.5%。由於本年專利權轉讓實現收入較去年減少了57%，導致整體毛利下降；實際PC構件毛利較去年同期減少約5%。

其他收入

本集團的其他收入由截至二零一八年十二月三十一日止年度約3.5百萬港元增加約2.4百萬港元至截至二零一九年十二月三十一日止年度約5.9百萬港元。其他收入主要包括(i)銀行存款所產生的利息收入約5.1百萬港元及(ii)罰款的收入約0.4百萬港元。

其他虧損 — 淨額

截至二零一九年十二月三十一日止年度，其他虧損 — 淨額約為5.5百萬港元，主要包括(i)有關位於金鐘太古廣場之前營業地點的租賃合約之提前終止的按金虧損及懲罰導致的虧損約5.2百萬港元；及(ii)投資性房地產的公允價值收益約0.6百萬港元。

銷售及分銷開支

截至二零一九年十二月三十一日止年度的銷售及分銷開支約為55.4百萬港元(二零一八年：約34.7百萬港元)，開支增加主要是因為本集團組織架構調整，增加區域銷售人員，人工費用以及投產工廠數量的增加及收入增長所致，同時產品銷售運輸費用也有小幅增長。



MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED) 管理層討論及分析(續)

Administrative expenses

During the year ended 31 December 2019, the administrative expenses increased by 6.9% to approximately HK\$117.3 million from approximately HK\$109.7 million in 2018, which was mainly attributable to the staff bonus increased to approximately HK\$6.9 million in 2019 (2018: Nil), while the remaining increase is attributable to the increment of other general administrative expenses, such as rental expenses, professional fee, entertainment, travelling expenses and office expenses etc.

Finance costs

Finance costs of approximately HK\$25.9 million for the year ended 31 December 2019 represented (i) the interest expenses of approximately HK\$31.0 million for the borrowings; (ii) the finance charges of approximately HK\$1.3 million on the lease liabilities; and (iii) capitalisation of approximately HK\$6.4 million interest in plant under development for prefabricated construction business for the year.

Liquidity and Financial Resources

As at 31 December 2019, the cash and bank balances of the Group amounted to approximately HK\$82.4 million (2018: approximately HK\$110.8 million) and the current ratio of the Group is 1.1 (2018: 1.4).

As at 31 December 2019, the borrowings of the Group amounted to approximately HK\$474.7 million (31 December 2018: HK\$496.6 million) and the gearing ratio (calculated as set out on page 37) is 12.1% (2018: 11.0%).

Disposal of Subsidiaries

In December 2019, the Group disposed of its 99% equity interest in Zhoukou Jianheng Real Estate Development Co., Ltd.* (周口建恒房地產開發有限公司) ("Zhoukou Jianheng") to Henan Jigang Real Estate Development Limited Liability Company* (河南濟鋼房地產開發有限責任有限公司). The Group recorded a gain on disposal of approximately HK\$120.5 million.

In 2019, the Group disposed of its 100% equity interest in Haikou China Minsheng DIT Limited* (海口中民築友智造科技有限公司) to Jianhua Construction Materials (China) Limited* (建華建材(中國)有限公司). The Group recorded a gain on disposal of approximately HK\$13.3 million.

行政開支

截至二零一九年十二月三十一日止年度，行政開支由二零一八年約109.7百萬港元增加6.9%至約117.3百萬港元，該增幅乃主要由於員工花紅於二零一九年增加至約6.9百萬港元(二零一八年：零)，而餘下增幅為其他一般行政開支如租金開支、專業費用、招待、差旅費用及辦公室開支的增幅。

融資成本

截至二零一九年十二月三十一日止年度的融資成本約25.9百萬港元指(i)借款的利息開支約31.0百萬港元；(ii)租賃負債的融資開支約1.3百萬港元；及(iii)用於預製組件建築業務的在建廠房年內資本化利息約6.4百萬港元。

流動資金及財務資源

於二零一九年十二月三十一日，本集團現金及銀行結餘約為82.4百萬港元(二零一八年：約110.8百萬港元)，本集團流動比率為1.1(二零一八年：1.4)。

於二零一九年十二月三十一日，本集團持有借貸約474.7百萬港元(二零一八年十二月三十一日：496.6百萬港元)，而資產負債比率(計算過程請參見第37頁)為12.1%(二零一八年：11.0%)。

出售附屬公司

於二零一九年十二月，本集團出售周口建恒房地產開發有限公司(「周口建恒」)的99%權益予河南濟鋼房地產開發有限責任有限公司。本集團錄得出售收益約120.5百萬港元。

於二零一九年，本集團出售海口中民築友智造科技有限公司的100%權益予建華建材(中國)有限公司。本集團錄得出售收益約13.3百萬港元。

MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

管理層討論及分析(續)

Capital Structure

The Shares of the Company were listed on the Main Board of the Stock Exchange on 25 July 1991. The capital structure of the Group comprised issued share capital and reserves. Details of the share capital of the Company are set out in Note 27 to the consolidated financial statements.

Structure of Borrowings and Deposits

The Group continued to adopt a prudent principle on financial management and centralise our funding and financial management. Therefore, we maintained a high proportion of cash with a reasonable level of borrowing. As at 31 December 2019, the repayment schedule of the Group's bank loans and lease liabilities was as follows:

股本架構

本公司股份於一九九一年七月二十五日在聯交所主板上市。本集團的股本架構包括已發行股本及儲備。本公司股本詳情載於綜合財務報表附註27。

借貸及存款結構

本集團繼續堅持審慎理財原則，集中資金和財務管理，因此得以維持高現金持有比例，以及保持合理的借貸水平。於二零一九年十二月三十一日，本集團銀行貸款及租賃負債的還款年期如下：

Repayment Schedule	還款年期	As at 31 December 2019 於二零一九年 十二月三十一日 HK'000 千港元	As at 31 December 2018 於二零一八年 十二月三十一日 HK'000 千港元
Bank borrowings	銀行借款		
Within one year	一年內	351,649	155,900
More than one year, but not exceeding two years	一年以上但未超過兩年	78,702	283,897
More than two year, but not exceeding five years	兩年以上但未超過五年	44,375	56,779
		474,726	496,576
Lease Liabilities	租賃負債		
Within one year	一年內	10,968	–
More than one year, but not exceeding two years	一年以上但未超過兩年	2,770	–
More than two year, but not exceeding five years	兩年以上但未超過五年	237	–
		13,975	–
Obligations under finance lease	融資租賃		
Within one year	一年內	–	1,524
More than one year, but not exceeding two years	一年以上但未超過兩年	–	2,827
More than two year, but not exceeding five years	兩年以上但未超過五年	–	53
		–	4,404
Total debt	債務總額	488,701	500,980
Interest payable	應付利息	58	375
Less: restricted cash for borrowings	減：受限制現金借貸	(114,000)	(130,000)
Less: cash and cash equivalents	減：現金及現金等值項目	(82,415)	(110,802)
Net debt	淨債務	292,344	260,553
Total equity	權益總額	2,419,043	2,378,529
Gearing ratio	借貸比率	12.1%	11.0%

MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED) 管理層討論及分析(續)

FINAL DIVIDEND

The Board does not recommend the payment of a final dividend for the year ended 31 December 2019 (2018: Nil).

DIVIDEND POLICY

Under the Dividend Policy, provided the Group is profitable and without affecting the normal operations of the Group, the Company may consider to declare and pay dividends to the shareholders of the Company. In deciding whether to propose a dividend and in determining the dividend amount, the Board shall take into account, among others, the operating results, cash flow, financial condition and capital requirements of the Group and the interests of the shareholders of the Company. Declaration of dividend by the Company is also subject to the Laws of Bermuda, the Bye-Laws of the Company and any applicable laws, rules and regulations.

The Dividend Policy will continue to be reviewed from time to time and there can be no assurance that a dividend will be proposed or declared in any specific periods.

DETAILS OF FUTURE PLANS FOR MATERIAL INVESTMENTS OR CAPITAL ASSETS

Except as disclosed in the paragraphs headed "Business Overview" above, the Group does not have any future plans for material investments or capital assets as at the date of this annual report.

末期股息

董事會不建議派付截至二零一九年十二月三十一日止年度的末期股息(二零一八年：無)。

股息政策

根據股息政策，假若本集團可獲利且不影響本集團日常運作，則本公司可考慮向本公司股東宣派及支派股息。在決定是否擬派股息時及釐定股息金額時，董事會考慮(其中包括)本集團的經營業績、現金流量、財務狀況及資本要求及本公司股東權益。本公司擬派股息亦受百慕達法例、本公司細則及任何適用法律、規則及規例制約。

股息政策將持續不時加以檢討，難以保證將於任何特定期間擬派或宣派股息。

重大投資或資本性資產之未來計劃之詳情

除上文「業務回顧」各段披露者外，於本年報日期，本集團並無計劃於未來作重大投資或購入資本性資產。



MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED) 管理層討論及分析(續)

HUMAN RESOURCES

As at 31 December 2019, the Group had a total of 630 (2018: 784) employees excluding the Directors. 627 (2018: 778) of them worked in Mainland China and 3 (2018: 6) of them worked in Hong Kong, China.

Employees are basically remunerated based on the nature of their job and their performance as well as the prevailing market trend. Other employee benefits include mandatory provident fund, medical benefits and year end discretionary bonus. Following a people-oriented approach, we implement a systematic recruitment, training and incentive platform, providing internal fuel for the growth of the Company. In doing so, we create a desirable workplace for our employees to develop and flourish.

CHARGES ON GROUP ASSETS

As at 31 December 2019, the Group had no significant assets pledged to banks to secure general banking facilities and bank loan granted to the Group, except for the one as disclosed in the Note 32 to the consolidated financial statements.

LITIGATION

As at 31 December 2019, the Group was not involved in any material litigation threatened against the Group.

人力資源

於二零一九年十二月三十一日，本集團的僱員總數為630(二零一八年：784)人，不包括董事，其中627(二零一八年：778)人受僱於中國內地，3(二零一八年：6)人受僱於中國香港。

僱員薪酬基本上按工作性質、僱員表現及現行市場趨勢而釐定。其他僱員福利包括強積金、醫療福利及年終酌情花紅。我們秉承以人為本的理念，通過實行系統化的招聘、培訓與激勵機制，為本公司的增長提供內在驅動力，並藉此為僱員的發展與成長創造理想的工作環境。

本集團資產的抵押

於二零一九年十二月三十一日，本集團並無重大資產抵押予銀行作為本集團獲授一般銀行融資及銀行貸款的擔保，惟綜合財務報表附註32所披露者除外。

訴訟

於二零一九年十二月三十一日，本集團並無涉及任何針對本集團的重大訴訟。



BIOGRAPHIES OF DIRECTORS AND SENIOR MANAGEMENT 董事及高級管理人員履歷

EXECUTIVE DIRECTORS

Mr. Wu Po Sum (“Mr. Wu”) (formerly known as Hua Jianming), aged 69, the ultimate controlling shareholder of the Company, was appointed as an executive Director on 17 September 2019. Mr. Wu is currently the chairman of the Board. Mr. Wu has over 27 years of experience in real estate development and investment. He is currently an executive director and the chairman of the board of directors of Central China Real Estate Limited (“CCRE”) as well as a director of a number of its subsidiaries.

Mr. Wu started his career with China Textile Import and Export Corporation Henan Branch in 1979. From 1982 to 1985, Mr. Wu was sent by the Department of Foreign Trade of Henan Province to work in Hong Kong. From 1985 to 1986, he was the assistant general manager of Central China International Economic Trade Company Limited. From 1986 to 1988, Mr. Wu worked as the president and the general manager in Guoguang Industrial Company Limited. From 1988 to 1991, Mr. Wu served as the assistant general manager and the general manager in Central China International (Group) Limited and Central China Overseas Development Company Limited, respectively. Mr. Wu entered the PRC real estate market in May 1992, when he found the CCRE Group and established the “Jianye” (“建業”) brand name and thereafter devotes himself to the development of the CCRE Group.

Mr. Wu graduated from Zhengzhou University majoring in English in 1979 and completed the CEO Program for China in China Europe International Business School on 27 March 2005.

In 2017, Mr. Wu was invited to the selection of Golden Sunlight Public Welfare Awards of Henan Daily and was awarded the “Meritorious Person of the First (2017) Central China Social Responsibility” prize. In 2018, Mr. Wu was appointed as the “Deputy Director of the Advisory Committee of Industry and Commerce Association of Henan Province (河南省工商聯諮詢委員會副主任)”, received the “Outstanding Contribution Entrepreneur of Henan (河南卓越貢獻企業家)” award at the “40 Years of Reform and Opening up of Henan (河南省紀念改革開放40年)” event organised by Henan Daily, and was awarded the highest accolade of a leading entrepreneur in the real estate industry in Henan at the “40 Years of Reform and Opening up, Development of Central China (改革開放四十年中原城市大發展)” by Henan Province Real Estate Business Chamber of Commerce. Mr. Wu also received the “Golden Camel Award” granted by the SEE Foundation for his significant contribution in promoting projects concerning environmental protection.

執行董事

胡葆森先生(「胡先生」)(曾用名滑建明)，69歲，本公司的最終控股股東，於二零一九年九月十七日獲委任為執行董事。胡先生現為董事會主席。胡先生在房地產開發及投資方面擁有超過27年的經驗。彼現為建業地產股份有限公司(「建業地產」)的執行董事及董事會主席及其數家附屬公司的董事。

胡先生的事業生涯始於一九七九年加入中國紡織品進出口公司河南分公司。一九八二年至一九八五年間，胡先生獲河南省對外經濟貿易合作廳派往香港工作。自一九八五年至一九八六年，彼出任中原國際經濟貿易公司助理總經理。於一九八六年至一九八八年，胡先生出任國光實業有限公司董事長兼總經理。一九八八年至一九九一年間，胡先生分別於中原國際(集團)有限公司及中原海外發展總公司擔任助理總經理及總經理。於一九九二年五月，胡先生進軍中國房地產市場，建立建業集團及建立「建業」品牌，並致力於發展建業集團。

胡先生於一九七九年畢業於鄭州大學，主修英語，並於二零零五年三月二十七日完成中歐國際工商學院的CEO課程。

二零一七年，胡先生受邀參與河南日報社金陽光公益獎的評選，榮獲「首屆(2017)中原社會責任·功勳人物」獎。二零一八年，胡先生被聘為「河南省工商聯諮詢委員會副主任」；在河南日報社舉辦的「河南省紀念改革開放40年」活動中，榮獲「河南卓越貢獻企業家」榮譽稱號；榮獲河南省房地產商會「改革開放四十年中原城市大發展」河南房地產行業領袖企業家最高榮譽稱號；及因其在環保項目推進方面的積極貢獻，阿拉善SEE基金會授予其「金駝獎」稱號等。

BIOGRAPHIES OF DIRECTORS AND SENIOR MANAGEMENT (CONTINUED)

董事及高級管理人員履歷(續)

Mr. Wu is the father of Ms. Wu, a non-executive Director. As at the date of this announcement, Mr. Wu is (i) interested in 7,121,769,700 Shares, representing approximately 63.53% of the issued share capital of the Company; and (ii) interested in 49% of the equity interests in Changsha China Minsheng DIT Limited* (長沙中民築友智造科技有限公司), an associated corporation (as defined under Part XV of the SFO) of the Company. Save as disclosed aforesaid, Mr. Wu does not have any interests in the shares of the Company within the meaning of Part XV of the SFO.

Mr. Guo Weiqiang (“Mr. Guo”), aged 42, was appointed as an executive Director on 17 September 2019. Mr. Guo is currently the chief executive officer of the Company.

Mr. Guo joined the CCRE Group in 2001 and has held various positions in the CCRE Group since then. Throughout the 18 years in the CCRE Group, Mr. Guo worked as the manager of the treasury department, the assistant general manager of the finance center and the deputy director of the office of the board of directors of the CCRE Group. Mr. Guo also served as the executive deputy general manager of the CCRE Group’s office in Nanyang City, the executive general manager of the CCRE Group’s office in Xinxiang City, the general manager of the CCRE Group’s regional head office in Xinxiang and the assistant president and vice president of CCRE. Mr. Guo was also the secretary of the party committee of CCRE in 2018.

Mr. Guo obtained a Bachelor’s Degree in Real Estate Operation and Management from Henan University of Economics and Law in 2001. He obtained a Master’s Degree in Engineering from Wuhan University in 2009 and a Postgraduate Diploma in Professional Accounting from The University of Hong Kong in 2011.

Mr. Guo obtained the qualification of Senior Accountant in Henan in 2009 and was qualified as a Senior International Finance Manager by the International Financial management Association 2011. Mr. Guo has been a member of the CPA Australia since 2012.

Mr. Guo served as the representative of the 13th and 14th National People’s Congress of Hongqi District, Xinxiang City, as well as the representative of the 13th National People’s Congress of Xinxiang City.

胡先生為非執行董事李女士的父親。於本公告日期，胡先生(i)於7,121,769,700股股份中擁有權益，約佔本公司已發行股本的63.53%，及(ii)於公司的相聯法團(定義見證券及期貨條例第XV部)長沙中民築友智造科技有限公司中擁有49%股權。除上文所披露者外，胡先生並無於本公司股份中擁有證券及期貨條例第XV部界定之任何權益。

郭衛強先生(「郭先生」)，42歲，於二零一九年九月十七日獲委任為執行董事。郭先生現為本公司行政總裁。

郭先生於二零零一年加入建業集團，自此一直於建業集團擔任多個職位。於建業集團之18年間，郭先生歷任建業集團資金部經理、財務中心助理總經理及董事會辦公室副主任。郭先生亦擔任建業集團南陽城市公司常務副總經理、建業集團新鄉城市公司執行總經理、建業集團新鄉區域總公司總經理及建業地產助理總裁、副總裁。郭先生亦於二零一八年任建業地產黨委書記。

郭先生於二零零一年獲河南財經政法大學房地產經營管理學士學位，於二零零九年獲武漢大學工程碩士學位，並於二零一一年獲香港大學專業會計深造文憑。

郭先生於二零零九年取得河南省高級會計師資格，並於二零一一年取得國際財務管理協會高級國際財務管理師資格。郭先生自二零一二年起為澳洲會計師公會會員。

郭先生歷任新鄉市紅旗區第十三屆人大代表、第十四屆人大代表、新鄉市第十三屆人大代表。



BIOGRAPHIES OF DIRECTORS AND SENIOR MANAGEMENT (CONTINUED) 董事及高級管理人員履歷(續)

Mr. Yang Hongwei (“Mr. Yang”), aged 54, was appointed as an executive Director on 1 July 2018. Mr. Yang has worked in various government departments, state-owned enterprises and private corporations in the past 30 years. He served as a Deputy General Manager of Suntown Technology Group Co. Ltd. and an Assistant General Manager of Wuling Power Corporation Ltd.. Prior to that, Mr. Yang was a member of a Standing Committee of Hunan Gongqingtuan Organization* (共青團湖南省委) and was a Minister of Ministry of Qingnong* (青農部). Mr. Yang graduated from Beijing Sport University and obtained a bachelor degree in Education. He then obtained a master degree of Public Management from National University of Defense Technology in 2007.

NON-EXECUTIVE DIRECTORS

Ms. Wu Wallis (“Ms. Wu”), alias Li Hua, aged 38, was appointed as a non-executive Director on 17 September 2019. Ms. Wu is currently a non-executive director of CCRE.

Ms. Wu obtained a Bachelor’s Degree in Architecture from the University of New South Wales in Australia in 2006, and a Master’s Degree in Applied Finance from Macquarie University in 2007. Before joining the CCRE Group in 2006, she worked in Woodhead International (Beijing) and Banatex Architects Pty Ltd in Sydney Australia in 2005. Ms. Wu is the daughter of Mr. Wu, an executive Director, the chairman of the Board and the ultimate controlling shareholder of the Company.

Mr. Wang Jun (“Mr. Wang”), aged 39, was appointed as a non-executive Director on 17 September 2019. He has over 16 years of experience in the real estate industry and capital market.

From 2003 to 2007, Mr. Wang served in PricewaterhouseCoopers Zhong Tian CPAs Limited Company with the latest position as a senior associate; from 2007 to 2011, he served as the head of investor relations and a senior manager of the finance department in Country Garden Holdings Company Limited; and from 2011 to June 2018, he served in Morgan Stanley Asia Limited with the latest position as an executive director. Mr. Wang has served as CCRE’s executive director since August 2018.

Mr. Wang obtained a Bachelor’s Degree in English from Guangdong University of Foreign Studies in 2002 and a Master’s Degree in Business Administration from Hong Kong University of Science and Technology in 2011.

楊宏偉先生(「楊先生」), 54歲, 於二零一八年七月一日獲委任為執行董事。楊先生過往30年於多個政府部門、國企及民營企業工作。彼曾擔任晟通科技集團有限公司副總經理及五凌電力有限公司助理總經理。在此之前, 楊先生曾擔任共青團湖南省委常務委員及青農部部長。楊先生畢業於北京體育大學, 獲得教育學學士學位, 並其後於二零零七年獲得國防科技大學公共管理碩士學位。

非執行董事

李樺女士(「李女士」), 又名李樺, 38歲, 於二零一九年九月十七日獲委任為非執行董事。彼現為建業地產的非執行董事。

李女士於二零零六年獲得澳大利亞新南威爾斯大學建築學學士學位並於二零零七年獲得Macquarie University應用金融學碩士學位。於二零零六年加入建業集團前, 彼曾於二零零五年在北京五合國際建築設計集團及澳大利亞悉尼的Banatex Architects Pty Ltd工作。李女士為執行董事兼董事會主席及本公司的最終控股股東胡先生之女兒。

王俊先生(「王先生」), 39歲, 於二零一九年九月十七日獲委任為非執行董事。彼擁有逾16年房地產及資本市場經驗。

王先生於二零零三年至二零零七年任職於普華永道中天會計師事務所, 任至高級審計師。王先生於二零零七年至二零一一年出任碧桂園控股有限公司投資者關係主管兼財務部高級經理。王先生於二零一一年至二零一八年六月任職於摩根士丹利亞洲有限公司, 任至執行董事。王先生自二零一八年八月至今, 任職建業地產執行董事。

王先生於二零零二年取得廣東外語外貿大學之英語學士學位, 及於二零一一年取得香港科技大學之工商管理碩士學位。

BIOGRAPHIES OF DIRECTORS AND SENIOR MANAGEMENT (CONTINUED)

董事及高級管理人員履歷(續)

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. Jiang Hongqing (“Mr. Jiang”), aged 53, was appointed as an independent non-executive Director on 2 February 2015. Mr. Jiang holds a Ph.D. in Engineering majoring in Architectural Design and Theory from South China University of Technology. He also holds a Master of Engineering Degree majoring in Landscape Architecture Design and a Bachelor of Engineering Degree majoring in Urban Planning from Chongqing Institute of Architecture and Engineering. Mr. Jiang had also been studied in Ecole d’ Architecture Parisla-Seine in Paris, France. He is a Professorate Senior Urban Planner and a Certified Planner of the People’s Republic of China. Mr. Jiang presided over and participated in a number of major engineering technology or research projects at national, provincial and ministerial level; and he has a certain extent of study in Xiongan New Area, China’s Hainan Free Trade Zone, Guangdong – Hong Kong – Macau – Bay Area, urban and rural development, urban renewal and health (pension) industry. Mr. Jiang was an executive director of the Hong Kong Life Sciences and Technologies Group Limited (stock Code: 8085) from 1 December 2012 to 29 September 2017. Mr. Jiang was also an executive director of Birmingham International Holdings Limited (stock code: 2309) from 30 August 2011 to 20 January 2012.

Mr. Lee Chi Ming (“Mr. Lee”), aged 67, was appointed as an independent non-executive Director on 30 December 2014. He is a fellow member of Association of Chartered Certified Accountants (“ACCA”) and Hong Kong Institute of Certified Public Accountants (“HKICPA”). Mr. Lee graduated from Hong Kong Polytechnic. He also holds a LLB degree from University of London and a master degree in Business Administration from University of Hong Kong. Mr. Lee has over 25 years’ experience in the fields of accounting, regulations and asset management. He held various senior positions with the Securities and Futures Commission (“SFC”), Hong Kong since 1995, as director of Licensing, director of Corporate Planning and director of Finance and Administration. Mr. Lee retired from SFC in July 2014, and he is the director and managing partner of Benington Capital Partner Ltd. Mr. Lee is an independent non-executive director of Huatai Securities Company Limited (stock code: 6886) which is listed on the Stock Exchange.

獨立非執行董事

姜洪慶先生(「姜先生」)，53歲，於二零一五年二月二日獲委任為獨立非執行董事。姜先生持有華南理工大學建築設計及其理論專業工學博士學位，彼亦持有重慶建築工程學院風景園林規劃與設計專業工學碩士學位以及城市規劃專業工學學士學位。姜先生亦曾留學於法國巴黎一塞納建築學院。彼為城市規劃高級工程師(教授級)及中華人民共和國註冊城市規劃師。姜先生主持及參與完成了多項國家級與省(部)級重大工程技術或研究專案；在雄安新區、中國(海南)自由貿易區、粵港澳大灣區、城鄉發展、城市更新及健康(養老)產業等領域有一定的研究。姜先生於二零一二年十二月一日至二零一七年九月二十九日擔任香港生命科學技術集團有限公司(股份代號：8085)執行董事。姜先生亦曾於二零一一年八月三十日至二零一二年一月二十日擔任伯明翰環球控股有限公司(股份代號：2309)執行董事。

李志明先生(「李先生」)，67歲，於二零一四年十二月三十日獲委任為獨立非執行董事。李先生為特許公認會計師公會(「特許公認會計師公會」)及香港會計師公會(「香港會計師公會」)資深會員。彼畢業於香港理工學院。彼亦持有倫敦大學法學學士學位及香港大學工商管理碩士學位。李先生在會計、法規及資產管理領域具有逾25年經驗。彼自一九九五年起在香港證券及期貨事務監察委員會(「證監會」)擔任多個高級職務，包括發牌科總監、機構策劃組總監與財務及行政科總監。李先生於二零一四年七月從證監會退休，現任Benington Capital Partner Ltd董事及管理合夥人。李先生現為聯交所上市公司華泰證券股份有限公司(股份代號：6886)的獨立非執行董事。



BIOGRAPHIES OF DIRECTORS AND SENIOR MANAGEMENT (CONTINUED) 董事及高級管理人員履歷(續)

Mr. Ma Lishan (“**Mr. Ma**”), aged 69, was appointed as an independent non-executive Director on 28 June 2016. He has extensive experience in operation and management of modern large-scale corporations and listed companies. Mr. Ma graduated from Beijing Foreign Studies University in the PRC in 1975. Mr. Ma served in various positions such as chairman, executive director, general manager in certain large-scale joint ventures under China Oil & Foodstuff Corporation. From January 1996 to June 2003, Mr. Ma served as an executive director of China Foods Limited, a company listed on the Stock Exchange (stock code: 506). From May 1997 to June 2003, Mr. Ma served as an executive director and the managing director of China Foods Limited. From June 2000 to June 2003, Mr. Ma served as the deputy general manager of China Foods Import and Export (Group) Co., Ltd. From June 2008 to January 2009, Mr. Ma was an executive director of Sino Resources Group Limited (now known as Elife Holdings Limited), a company listed on the Stock Exchange (stock code: 223). From March 2008 to present, he is an independent non-executive director of Silver Base Group Holdings Limited, a company listed on the Stock Exchange (stock code: 886). From 2 August 2009 to present, he is an independent non-executive director of Sunac China Holdings Limited, a company listed on the Stock Exchange (stock code: 1918). From September 2010 to August 2012, he was also the executive director, managing director and chairman of Hao Tian Resources Group Limited (now known as Hao Tian Development Group Limited), a company listed on the Stock Exchange (stock code: 474). He was the senior consultant in Hao Tian Development Group Limited from August 2012 to August 2016. From March 2016 to present, he is also an independent non-executive director of SRE Group Limited, a company listed on the Stock Exchange (stock code: 1207). From August 2016 to present, he is an independent non-executive director of Huarong International Financial Holdings Limited, a company listed on the Stock Exchange (stock code: 993).

馬立山先生(「馬先生」)，69歲，於二零一六年六月二十八日獲委任為獨立非執行董事。馬先生在現代大型企業及上市公司的經營和管理等方面積累了豐富經驗。馬先生於一九七五年畢業於中國北京外國語學院。馬先生先後在中糧集團有限公司，及其旗下之若干大型獨資和合資企業出任董事長、執行董事、總經理等職位。於一九九六年一月至二零零三年六月，馬先生出任聯交所上市公司中國食品有限公司(股份代號：506)的執行董事。於一九九七年五月至二零零三年六月，馬先生擔任中國食品有限公司執行董事及行政總裁。於二零零零年六月至二零零三年六月，馬先生出任中糧集團有限公司副總裁。於二零零八年六月至二零零九年一月，馬先生為聯交所上市公司神州資源集團有限公司(現稱易生活控股有限公司)(股份代號：223)的執行董事。自二零零八年三月至今，彼為聯交所上市公司銀基集團控股有限公司(股份代號：886)的獨立非執行董事。自二零零九年八月二日至今，彼為聯交所上市公司融創中國控股有限公司(股份代號：1918)的獨立非執行董事。自二零一零年九月至二零一二年八月，彼亦為聯交所上市公司昊天能源集團有限公司(現稱昊天發展集團有限公司)(股份代號：474)之執行董事、行政總裁兼主席。於二零一二年八月至二零一六年八月，彼為昊天發展集團有限公司擔任高級顧問。自二零一六年三月至今，彼亦為聯交所上市公司上置集團有限公司(股份代號：1207)的獨立非執行董事。自二零一六年八月至今，彼為聯交所上市公司華融國際金融控股有限公司(股份代號：993)的獨立非執行董事。



BIOGRAPHIES OF DIRECTORS AND SENIOR MANAGEMENT (CONTINUED) 董事及高級管理人員履歷(續)

SENIOR MANAGEMENT

Mr. Yu Dayou (“**Mr. Yu**”), aged 58, was appointed as chief technology officer of the Company on 1 May 2016. Mr. Yu has over 29 years of experience in architectural design and property industry. He has held technical management positions as Deputy General Manager of Hunan Office of China Poly Property* (中國保利地產湖南公司) and General Manager of Hunan Architectural Design Institute. Mr. Yu graduated from architectural profession university in 1989. He has led or involved in formulating numerous local standards and has personally owned more than 40 patent rights. He also received 3 Elite Awards in Science Technology* (精瑞科學技術獎). Mr. Yu is a Senior Engineer, Certified Level-one Architect, an expert of Hunan Province Committee of Experts of Engineering Construction Standardisation* (湖南省工程建設地方標準化專家委員會) and an expert of Committee of Information Management of National Construction Enterprise CIO Development Union* (國家建築企業CIO發展聯盟管理資訊化專業委員會).

* For identification purpose only

高級管理人員

俞大有先生(「俞先生」)，58歲，於二零一六年五月一日獲委任為本公司首席技術官。俞先生擁有逾29年的建築設計與房地產行業工作經驗。他曾擔任中國保利地產湖南公司副總經理及湖南省建築設計院總經理等技術管理職位。俞先生於一九八九年於建築學專業大學畢業，他曾主編或參編多項地方標準制定，個人擁有40餘項專利，3次獲得精瑞科學技術獎。俞先生為高級工程師、國家一級註冊建築師、湖南省工程建設地方標準化專家委員會專家及國家建築企業CIO發展聯盟管理資訊化專業委員會專家。



CORPORATE GOVERNANCE REPORT 企業管治報告

CORPORATE GOVERNANCE PRACTICES

The Company is committed to maintaining high standard corporate governance practices as the Board considers that good and effective corporate governance is essential for enhancing accountability and transparency of a company to the investing public and other stakeholders. During the year ended 31 December 2019, the Company has complied with the code provisions set out in the Corporate Governance Code (the "Code") contained in Appendix 14 to the Listing Rules on the Stock Exchange, except for:

- (a) code provision A.4.1 of the Code in relation to the non-executive director for a specific term;
- (b) code provision A.6.7 of the Code in relation to Directors should attend the general meetings of the Company. Due to their respective engagements, Mr. Yin Jun, Mr. Yang Hongwei, Mr. Peng Xiongwen and Mr. Ma Lishan were unable to attend the special general meeting of the Company held on 4 July 2019.

Code provision A.4.1 of the Code requires that non-executive director should be appointed for a specific term, subject to re-election. Mr. Peng Xiongwen was not appointed for a specific term, but was subject to retirement from office by rotation and re-election in accordance with the provisions of the Company's bye-laws.

企業管治常規

本公司致力於維持高水平的企業管治常規。董事會認為，良好有效的企業管治對於公司加強其面向投資大眾及其他利益攸關方的問責制及透明度至關重要。於截至二零一九年十二月三十一日止年度，本公司已遵守聯交所上市規則附錄十四所載的企業管治守則(「守則」)的守則條文，惟下文披露之偏離除外：

- (a) 守則的守則條文第A.4.1條有關按特定任期委任非執行董事；
- (b) 守則的守則條文第A.6.7條規定，董事應出席本公司股東大會。閻軍先生、楊宏偉先生、彭雄文先生及馬立山先生因自身業務未能出席本公司於二零一九年七月四日舉行的股東特別大會。

守則的守則條文第A.4.1條規定非執行董事應按特定任期委任(可予重選)。彭雄文先生並非按特定任期委任，惟須根據本公司公司細則的條文輪值退任及膺選連任。



CORPORATE GOVERNANCE REPORT (CONTINUED) 企業管治報告(續)

CODE FOR SECURITIES TRANSACTIONS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") contained in Appendix 10 to the Listing Rules as its code of conduct regarding Directors' securities transactions. In response to the specific enquiry made to all Directors by the Company, all the Directors confirmed that they have fully complied with the required standard as set out in the Model Code throughout the year ended 31 December 2019.

BOARD OF DIRECTORS

All the Directors are high caliber executives with diversified industry expertise and bring a wide range of skills and experience to the Group. As at the date of this annual report, the Board comprised three executive Directors, two non-executive Directors and three independent non-executive Directors, whose biographies are set out on pages 40 to 44 of this annual report. Save as disclosed under the section headed "Directors' and Senior Management Biography", there is no financial, business, family or other material or relevant relationships between Board members, and in particular, between the Chairman and the chief executive officer of the Company.

During the year ended 31 December 2019, the Board maintained a high level of independence, with more than one-third of the Board comprised of independent non-executive Directors, who had exercised independent judgement. The independent non-executive Directors are expressly identified in all corporate communications whenever the names of Directors are disclosed.

證券交易守則

本公司已採納上市規則附錄十所載的上市發行人董事進行證券交易的標準守則(「標準守則」)，作為董事進行證券交易的行為守則。應本公司向全體董事所作特定查詢，全體董事已確認，彼等於截至二零一九年十二月三十一日止年度已全面遵守標準守則所載的規定標準。

董事會

全體董事均為才能超群的行政人員，具備不同行業專長，為本集團帶來各種技術與經驗。於本年報日期，董事會由三名執行董事、兩名非執行董事及三名獨立非執行董事所組成，彼等的履歷已列載於本年報第40至44頁。除於「董事及高級管理人員履歷」一節所披露者外，董事會成員與(特別是)本公司主席及行政總裁並無擁有任何財務、業務、家族或其他重大或相關關係。

截至二零一九年十二月三十一日止年度，董事會維持高度獨立，超過三分之一成員由作出獨立判斷的獨立非執行董事組成。所有企業通訊披露董事姓名時，每次均會表明獨立非執行董事的身份。



CORPORATE GOVERNANCE REPORT (CONTINUED)

企業管治報告(續)

Meetings

The composition of the Board and their respective attendance in the general meeting and the Board meetings during the year ended 31 December 2019 are as follows:

會議

截至二零一九年十二月三十一日止年度的董事會成員組合及彼等各自的股東大會及董事會會議出席記錄如下：

		Number of meetings attended/ held during the respective tenure	
		於各自任職期間出席/ 舉行的會議次數	
		General meetings 股東大會	Board meetings 董事會會議
Executive Directors	執行董事		
Mr. Wu Po Sum (<i>Chairman</i>) (appointed on 17 September 2019)	胡葆森先生(主席) (於二零一九年九月十七日獲委任)	1/1	2/2
Mr. Yin Jun (appointed on 3 July 2015, re-designated as Chairman on 3 October 2016, resigned on 30 November 2019)	閻軍先生(於二零一五年七月三日獲委任， 於二零一六年十月三日調任為主席， 於二零一九年十一月三十日辭任)	2/3	5/6
Mr. Guo Weiqiang (<i>Chief Executive Officer</i>) (appointed on 17 September 2019)	郭衛強先生(行政總裁) (於二零一九年九月十七日獲委任)	1/1	2/2
Mr. Yang Hongwei (appointed on 1 July 2018)	楊宏偉先生(於二零一八年七月一日獲委任)	2/3	6/6
Non-executive Directors	非執行董事		
Ms. Wu Wallis (alias Li Hua) (appointed on 17 September 2019)	李禪女士(於二零一九年九月十七日獲委任)	1/1	2/2
Mr. Wang Jun (appointed on 17 September 2019)	王俊先生(於二零一九年九月十七日獲委任)	1/1	2/2
Mr. Peng Xiongwen (appointed on 1 July 2018, resigned on 17 September 2019)	彭雄文先生(於二零一八年七月一日獲委任， 於二零一九年九月十七日辭任)	1/2	2/4
Independent non-executive Directors	獨立非執行董事		
Mr. Jiang Hongqing (appointed on 2 February 2015)	姜洪慶先生(於二零一五年二月二日獲委任)	3/3	6/6
Mr. Lee Chi Ming (appointed on 30 December 2014)	李志明先生(於二零一四年十二月三十日獲委 任)	3/3	6/6
Mr. Ma Lishan (appointed on 28 June 2016)	馬立山先生(於二零一六年六月二十八日獲委 任)	2/3	6/6

Code provision A.6.7 of the Code which provides that independent non-executive directors should attend the general meetings of the Company. Due to their respective engagements, Mr. Yin Jun, Mr. Yang Hongwei, Mr. Peng Xiongwen and Mr. Ma Lishan were unable to attend the special general meeting of the Company held on 4 July 2019.

守則的守則條文第A.6.7條規定，獨立非執行董事應出席本公司股東大會。閻軍先生、楊宏偉先生、彭雄文先生及馬立山先生因自身業務未能出席本公司於二零一九年七月四日舉行的股東特別大會。

CORPORATE GOVERNANCE REPORT (CONTINUED) 企業管治報告(續)

Responsibilities and Delegation

The Board has delegated the supervision of the day-to-day management of the Company's business to the executive Directors. However, the Directors are collectively responsible for promoting the success of the Company by guiding and monitoring the Company to achieve its strategic objectives. The Board's primary functions are to set corporate policy and overall strategy for the Group and to oversee the management's performance. Accordingly, the Board approves strategic plans, major disposals and acquisitions, connected transactions and other significant operational issues. Furthermore, Board meetings may be held on occasions when a Board level decision on a particular matter is required; otherwise daily operational decisions as well as the implementation of the Board's policies and strategies are delegated to the executive Directors and management of the Group.

Directors' Continuous Professional Development

To ensure their contributions to the Board remain informed and relevant, all the Directors are encouraged to participate in continuous professional development to develop and refresh their knowledge and skill.

During the year, all the Directors were provided with regular updates and presentations on changes and developments of the Group's business and the latest developments in laws, rules and regulations relating to director's duties and responsibilities.

The Company organised two in-house seminar conducted by an international law firm in May 2019 and September 2019. Most of the Directors and certain senior management of the Company attended this seminar accordingly. For the year ended 31 December 2019, all of the Directors confirmed that they have obtained sufficient continuous professional development training.

責任與授權

董事會已授權執行董事監督本公司業務的日常管理。然而，董事共同負責促進本公司的成功發展，共同領導及監察本公司以達至其策略目標。董事會主要職能是為本集團制定企業政策、整體策略及監督管理層的表現。因此，董事會審批策略計劃、主要出售及收購、關連交易及其他重大營運事宜。此外，董事會亦可能於其須就某事項作出決定時舉行董事會會議，否則日常營運決策以及執行董事會的政策及策略由本集團執行董事以及管理層負責。

董事持續專業發展

為確保董事在具備充分資訊及切合所需情況下對董事會作出貢獻，我們鼓勵所有董事參加持續專業培訓，以增進及更新彼等的知識及技能。

於年內，全體董事已獲提供有關本集團業務變化及發展情況以及有關董事職責及責任的法律、規則及法規的最新發展情況的定期更新及展示。

於二零一九年五月及九月，本公司安排由國際律師事務所主講的二次內部研討會。本公司大部份董事及若干高級管理人員均相應出席此研討會。截至二零一九年十二月三十一日止年度，所有董事均確認已獲得足夠的持續專業發展培訓。



CORPORATE GOVERNANCE REPORT (CONTINUED)

企業管治報告(續)

Throughout the Report Period, the Directors have participated in continuous professional training as follows:

於整個報告期間，董事已參加持續專業培訓情況如下：

Name of directors	董事姓名	Type of continuous professional development training ^{(1),(2)} 出席會議次數 持續專業培訓種類 ^{(1),(2)}
Mr. Wu Po Sum	胡葆森先生	A & B
Mr. Yin Jun	閻軍先生	A & B
Mr. Guo Weiqiang	郭衛強先生	A & B
Mr. Yang Hongwei	楊宏偉先生	A & B
Ms. Wu Wallis (alias Li Hua)	李樺女士	A & B
Mr. Wang Jun	王俊先生	A & B
Mr. Peng Xiongwen	彭雄文先生	A & B
Mr. Jiang Hongqing	姜洪慶先生	A & B
Mr. Lee Chi Ming	李志明先生	A & B
Mr. Ma Lishan	馬立山先生	A & B

Notes:

- (1) A: Attending seminar(s), conference(s), forum(s) and/or training course(s)
- (2) B: Reading materials provided by external parties or by the Company including but not limited to updates relating to the Company's business or directors' duties and responsibilities, corporate governance and regulatory update, Listing Rules and other applicable regulatory requirements

附註：

- (1) A: 出席研討會、會議、論壇及／或培訓課程
- (2) B: 閱讀由外部人士或本公司提供的材料，包括但不限於與本公司業務或董事職務及職責、企業管治及法規更新、上市規則及其他適用法規規定有關的最新資料。

Appointment and Re-election of Directors

Code provision A.4.1 of the Code requires that non-executive director should be appointed for a specific term, subject to re-election. Mr. Peng Xiongwen was not appointed for a specific term, but was subject to retirement from office by rotation and re-election in accordance with the provisions of the Company's bye-laws.

At each annual general meeting, one-third of the directors for the time being, (or, if their number is not a multiple of three, the number nearest to but not less than one-third) shall retire from office by rotation, provided that every director shall be subject to retirement by rotation at least once every three years. As such, the Company considers that such provision is sufficient to meet the underlying objective of this code provision.

董事委任及重選

守則的守則條文第A.4.1條規定非執行董事應按特定任期委任(可予重選)。彭雄文先生並非按特定任期委任，惟須根據本公司細則的條文輪值退任及膺選連任。

於每屆股東週年大會上，當時三分之一董事(或倘人數並非三的倍數，則最接近但不少於三分之一的人數)須輪值退任，惟每名董事須最少每三年輪值退任一次。因此，本公司認為是項條文充分符合此守則條文的相關目的。

CORPORATE GOVERNANCE REPORT (CONTINUED) 企業管治報告(續)

According to the bye-laws of the Company (the “Bye-laws”), Directors appointed to fill casual vacancies shall hold office until the next following general meeting and can be eligible for re-appointment at that time.

Insurance of the Directors and Officers

The Company has bought liability insurance for Directors and officers in respect of legal action against the Directors and officers which is in compliance with Code provision A.1.8 of the Code.

Board Diversity Policy

Under code provision A.5.6 of the Code, the nomination committee (or the board) should have a policy concerning diversity of board member, and should disclose the policy in the Corporate Governance Report.

The Board adopted a board diversity policy (the “Board Diversity Policy”) on 4 July 2014. The Company recognises and embraces the benefits of having a diverse Board and endeavors to ensure that the Board has a balance of skills, experience and diversity of perspectives appropriate to the requirements of the Company’s business. In determining the optimum composition of the Board, diversity of Board members will be considered from a number of factors in order to maintain an appropriate range and balance of talents, skills, experience and knowledge on the Board. The Company will also take into account its own business model and specific needs from time to time.

The Board currently consists of one female director and seven male directors and Directors are at ages ranging from late-30s to over 70 years old, serving on the Board for different tenures. The Board will take opportunity to increase the proportion of female members over time when selecting and making recommendation on suitable candidates for Board appointments. The Board would ensure that appropriate balance of gender diversity is achieved with reference to stakeholders’ expectation and international and local recommended best practices, with the ultimate goal of bringing the Board to gender parity.

根據本公司公司細則(「公司細則」)的規定，獲委任以填補臨時空缺的任何董事須任職至下屆股東大會，屆時符合資格膺選連任。

董事及行政人員保險

本公司已遵照守則的守則條文第A.1.8條，就董事及行政人員的法律訴訟為彼等購買責任保險。

董事會多元化政策

根據守則的守則條文第A.5.6條，提名委員會(或董事會)應制定董事會成員多元化政策，並在企業管治報告中披露此政策。

董事會於二零一四年七月四日採納董事會成員多元化政策(「董事會多元化政策」)。本公司深明並擁有多元化董事會的益處，並致力確保董事會在適用於本公司業務要求的技術、經驗及觀點多元化方面保持平衡。於釐定董事會的最佳成員組合時，董事會成員的多元化將從若干因素考慮，使董事會成員在人才、技能、經驗及知識方面保持適當的範疇及平衡。本公司亦將不時考慮自身的業務模式及具體需要。

董事會由一名女性董事及七名男性董事組成，董事年齡介乎30多歲至逾70歲，有關董事服務董事會的任期長短各有不同。董事會於甄選及推薦合適候選人以供董事會委任時將藉機增加女性成員比例。董事會將參考持份者的期望以及國內外推薦的最佳慣例以確保實現性別多元化的適當平衡，最終目標為實現董事會在性別方面的平等。



CORPORATE GOVERNANCE REPORT (CONTINUED) 企業管治報告(續)

Board Nomination Policy

The Nomination Committee shall endeavor to find individuals of high integrity who have a solid record of accomplishment in their chosen fields and who possess the qualifications, qualities and skills to effectively represent the best interests of the Group and its Shareholders. Candidates will be selected for their ability to exercise good judgment, and to provide practical insights and diverse perspectives. Candidates will also be assessed in the context of the then-current composition of the Board and the operating requirements of the Group. In conducting this assessment, the Nomination Committee will, in connection with its assessment and recommendation of candidates for director, consider diversity (including, but not limited to, gender, race, ethnicity, age, experience and skills) and such other factors as it deems appropriate given the then-current and anticipated future needs of the Board and the Company, and to maintain a balance of perspectives, qualifications, qualities and skills on the Board.

The Nomination Committee considers the following qualifications at a minimum to be required of any Board members in recommending to the Board potential new board members, or the continued service of existing members:

- reputation for integrity
- accomplishment and professional knowledge and industry experience which may be relevant to the Company
- commitment in respect of available time
- merit and potential contributions that such candidate could bring to the Board with reference to the Company's Board Diversity Policy (as adopted and amended by the Board from time to time), including but not limited to gender, age, cultural and educational background, ethnicity, professional experience, independence, skills, knowledge and length of service
- in case of a candidate for an independent non-executive director of the Company, to assess: (i) the independence of such candidate with reference to, among other things, the independence criteria as set out in Rule 3.13 of the Listing Rules; and (ii) the guidance and requirements relating to independent non-executive directors as set out in Code Provision A.5.5 of Appendix 14 to the Listing Rules and in the "Guidance for Boards and Directors" published by The Stock Exchange of Hong Kong Limited
- board succession planning considerations and the long-term needs of the Company

董事會提名政策

提名委員會致力於物色誠實守信並在彼等從事之領域擁有扎實成就及相關資格、資質及技能的人士加入本公司的董事會，以有效代表本集團及其股東的最佳權益。提名委員會甄選候選人時，將考慮及評估候選人的判斷力、提供實際及多元角度意見的能力、當時的董事會成員的架構和本集團的業務需求。於進行有關評估時，提名委員會不僅考慮有關董事候選人的評估及推薦建議，亦考慮董事會成員的多樣性(包括但不限於性別、人種、民族、年齡、經驗及技能)及其認為符合董事會及本公司當時及預期未來需求的有關其他因素，以保持董事會觀點、資格、資質及技能的平衡。

在向董事會建議潛在新董事會成員或留任現有成員時，提名委員會認為董事會成員至少須滿足以下資格：

- 誠信信譽
- 或與本公司相關的成就、專業知識及行業經驗
- 可投入的時間
- 參考本公司的董事會多元化政策(經董事會採納並不時修訂)，有關候選人可為董事會帶來的好處及潛在貢獻，包括但不限於性別、年齡、文化及教育背景、種族、專業經驗、獨立性、技能、知識及服務期長短
- 就本公司獨立非執行董事候選人而言，將予評估：(i)有關候選人的獨立性(參考(其中包括)上市規則第3.13條所載的獨立性標準)；及(ii)上市規則附錄十四守則條文第A.5.5條及香港聯合交易所有限公司所公佈的「董事會及董事指引」所載的有關獨立非執行董事之指引及規定
- 董事會的繼任規劃考慮因素及本公司的長期需要

CORPORATE GOVERNANCE REPORT (CONTINUED) 企業管治報告(續)

CHAIRMAN AND CHIEF EXECUTIVE

The position of Chairman is held by Mr. Wu Po Sum, and the position of Chief Executive Officer is held by Mr. Guo Weiqiang. These two separate positions have clear distinction in responsibilities.

Mr. Wu Po Sum, being the Chairman, is responsible for the management and leadership of the Board to formulate overall strategies and business development directions for the Group, to ensure that adequate, complete and reliable information is provided to all Directors in a timely manner, and to ensure that the issues raised at the Board meetings are explained appropriately.

Mr. Guo Weiqiang, being the Chief Executive Officer, is responsible for the daily operations of the Group and the implementation of business policies, objectives and plans as formulated and adopted by the Board, and is accountable to the Board for the overall operation of the Group.

BOARD COMMITTEES

Audit Committee

The Company has set up an audit committee (the "Audit Committee") with specific written terms of reference which clearly deal with its authorities and duties. The primary role and function of the Audit Committee is to assist the Board in providing an independent review of the Group's financial reporting and risk management and internal control systems as well as the internal and external audit functions.

The Audit Committee currently comprises all of the three independent non-executive Directors, namely Mr. Jiang Hongqing, Mr. Lee Chi Ming and Mr. Ma Lishan. The composition and members of the Audit Committee comply with the requirements under Rule 3.21 of the Listing Rules. Mr. Lee Chi Ming is an independent non-executive Director with appropriate professional accounting qualification as required under Rule 3.10(2) of the Listing Rules.

主席及行政總裁

主席一職由胡葆森先生擔任，而行政總裁一職則由郭衛強先生擔任。此兩個不同職位各自職責有清晰區分。

主席胡葆森先生負責管理及領導董事會制定本集團總體戰略及業務發展方向，以確保向全體董事及時提供充分、完整及可靠的資料，並確保董事會會議上提出的問題得到適當解釋。

行政總裁郭衛強先生負責本集團日常運營，落實由董事會制定及採納的業務政策、目標及計劃，並就本集團的整體營運向董事會負責。

董事委員會

審核委員會

本公司已成立審核委員會(「審核委員會」)，並有成文權責範圍明確載列其權力及職責。審核委員會的主要角色及功能為協助董事會就本集團的財務匯報及風險管理及內部監控制度，以至內部核數及外聘核數師的職能提供獨立評核。

審核委員會現時由全體三名獨立非執行董事，即姜洪慶先生、李志明先生及馬立山先生組成。審核委員會的構成及其成員均符合上市規則第3.21條的要求。李志明先生為具備上市規則第3.10(2)條規定的適當專業會計資格的獨立非執行董事。



CORPORATE GOVERNANCE REPORT (CONTINUED)

企業管治報告(續)

During the year ended 31 December 2019, the Audit Committee held three meetings to review with the management the Group's adopted accounting principles and practices, internal controls and financial reporting matters in conjunction with the external auditors, including reviews of the half-year and annual financial results and reports. The Audit Committee has also discussed on the financial, operational and compliance controls in particular the adequacy of resources, qualifications and experience of staff of the Group's accounting and financial reporting function, and their training programmes and budget. The Audit Committee has not taken a different view from the Board regarding the selection and re-appointment of the external auditors. The attendance of each member of the Audit Committee is set out below:

截至二零一九年十二月三十一日止年度，審核委員會舉行三次會議，與管理層及外聘核數師共同審閱本集團所採納的會計原則及實務、內部監控及財務匯報等事宜，其中包括審閱半年度及全年財務業績及報告。審核委員會亦就財務、營運及合規監控作出討論，特別是本集團在會計及財務匯報職能方面的資源、員工資歷及經驗是否足夠，以及員工所接受的培訓課程及有關預算是否充足。審核委員會在挑選及續聘外聘核數師方面與董事會並無任何意見分歧。各審核委員會成員的出席記錄如下：

Name of Members 成員名稱		Number of meetings attended 出席會議次數
Mr. Lee Chi Ming (<i>Chairman</i>)	李志明先生(主席)	3/3
Mr. Jiang Hongqing	姜洪慶先生	3/3
Mr. Ma Lishan	馬立山先生	3/3

The audit committee of the Company has reviewed with the management and the independent auditor of the Company the accounting principles and practices adopted by the Group and has discussed the auditing, internal control and financial reporting matters, including a review of the annual results and the consolidated financial statements of the Group for the year ended 31 December 2019.

本公司的審核委員會已與本公司管理層及獨立核數師審閱本集團所採納的會計原則及實務，並討論審計、內部監控及財務匯報等事宜，其中包括審閱本集團截至二零一九年十二月三十一日止年度的全年業績及綜合財務報表。

Nomination Committee

The Company has set up a nomination committee (the "Nomination Committee") with specific written terms of reference which clearly deal with its authorities and duties. The primary duties of the Nomination Committee are to review the structure, size and composition of the Board on a regular basis (including the skills, knowledge and experience), to recommend to the Board on the selection of suitable candidates for directorships and on the succession planning for the Directors.

提名委員會

本公司已成立提名委員會(「提名委員會」)，並有明文權責範圍明確載列其權力及職責。提名委員會的主要職責為定期審閱董事會的架構、規模及組成(包括技能、知識及經驗)，就甄選合適董事候選人及董事繼任計劃等事宜向董事會提供建議。

The Nomination Committee currently comprises one executive Director, namely Mr. Wu Po Sum; and two independent non-executive Directors, namely Mr. Jiang Hongqing and Mr. Lee Chi Ming.

提名委員會現時由一名執行董事(即胡葆森先生)及兩名獨立非執行董事(即姜洪慶先生及李志明先生)組成。

CORPORATE GOVERNANCE REPORT (CONTINUED)

企業管治報告(續)

During the year ended 31 December 2019, the Nomination Committee held one meeting to review the structure and composition and the succession plan of the Board, and to evaluate and make recommendations on individuals nominated for directorship. The attendance of each member of the Nomination Committee is set out below:

於截至二零一九年十二月三十一日止年度，提名委員會舉行一次會議，以審視董事會的架構、組成及繼任計劃，並就各提名董事進行評價及提出建議。各提名委員會成員的出席記錄如下：

Name of Members 成員名稱		Number of meetings attended 出席會議次數
Mr. Wu Po Sum (<i>Chairman</i>) (appointed on 17 September 2019)	胡葆森先生(主席)(於二零一九年九月十七日獲委任)	N/A 不適用
Mr. Yin Jun (resigned on 17 September 2019)	閻軍先生(於二零一九年九月十七日辭任)	1/1
Mr. Jiang Hongqing	姜洪慶先生	1/1
Mr. Lee Chi Ming	李志明先生	1/1

Remuneration Committee

The Company has set up a remuneration committee (the "Remuneration Committee") with specific written terms of reference which clearly deal with its authorities and duties. The primary duties of the Remuneration Committee are to make recommendations to the Board on the overall remuneration policy and structure relating to all Directors and senior management of the Company, including benefits in kind, pension rights and compensation payments including any compensation payable for loss or termination of their office or appointment, and make recommendations to the Board of the remuneration of non-executive Directors. The Remuneration Committee should consider factors such as salaries paid by comparable companies, time commitment and responsibilities of the Directors, and ensure no Director or any of his associates may be involved in any decisions as to his own remuneration.

The Remuneration Committee currently comprises one executive Director, namely Mr. Wu Po Sum; and two independent non-executive Directors, namely Mr. Jiang Hongqing and Mr. Lee Chi Ming.

薪酬委員會

本公司已成立薪酬委員會(「薪酬委員會」)，並有明文權責範圍明確載列其權力及職責。薪酬委員會的主要職責為就本公司全體董事及高級管理人員的整體薪酬政策及架構，包括非金錢利益、退休金權利及補償金(包括喪失或終止職務或委任的賠償)，向董事會作出推薦建議；並就非執行董事的薪酬向董事會提供建議。薪酬委員會應考慮的因素包括：同類公司支付的薪金、董事所投放時間及職責，並確保董事或其任何聯繫人不可參與制定其個人薪酬的任何決定。

薪酬委員會現時由一名執行董事(即胡葆森先生)及兩名獨立非執行董事(即姜洪慶先生及李志明先生)組成。



CORPORATE GOVERNANCE REPORT (CONTINUED)

企業管治報告(續)

During the year ended 31 December 2019, the Remuneration Committee held one meeting to review the remuneration packages of the executive Directors and senior management, consider and approve the renewal of the Company's service agreements with its executive Directors and matters relating to the early termination of such agreements upon change of Board composition of the Company. The attendance of each member of the Remuneration Committee is set out below:

截至二零一九年十二月三十一日止年度，薪酬委員會舉行一次會議，以審視執行董事及高級管理人員的薪酬綜合方案，審議及批准本公司與執行董事續訂的服務協議，以及由於本公司董事會成員變動而需提早終止相關協議的事項。各薪酬委員會成員的出席記錄如下：

Name of Members 成員名稱		Number of meetings attended 出席會議次數
Mr. Jiang Hongqing (Chairman)	姜洪慶先生(主席)	1/1
Mr. Wu Po Sum (appointed on 17 September 2019)	胡葆森先生(於二零一九年九月十七日獲委任)	N/A 不適用
Mr. Lee Chi Ming	李志明先生	1/1
Mr. Ma Lishan (resigned on 17 September 2019)	馬立山先生(於二零一九年九月十七日辭任)	1/1

The existing Remuneration Committee will continue to make recommendations to the Board on the Company's remuneration policy and structure for all Directors and senior management of the Group, and to ensure that no Director or any of his associates will participate in deciding his own remuneration.

現任薪酬委員會將繼續就全體董事及本集團高級管理人員的薪酬政策及架構，向董事會作出推薦建議，並確保董事或其任何聯繫人不會參與決定其個人薪酬。

DIRECTORS' AND SENIOR MANAGEMENT'S EMOLUMENTS AND FIVE HIGHEST PAID INDIVIDUALS

董事及高級管理人員酬金以及五名最高薪人士

All Directors are entitled to a fee as approved by the Board with reference to the prevailing market conditions. Executive Directors are entitled to fees, salaries, housing allowances, other allowances, benefits in kind (including contribution to the pension scheme on behalf of our Directors) or discretionary bonuses, which are determined by the Board having regard to the Group's performance and the prevailing market conditions and approved by the remuneration committee of the Company. Details of Directors' emoluments and emoluments of five highest paid individuals of the Company (including senior management of the Group) are set out in notes 11 and 9 to the consolidated financial statements.

全體董事有權獲得由董事會經參考現行市況後批准的袍金。執行董事有權獲得由董事會經考慮本集團的業績及現行市況後釐定並經本公司薪酬委員會批准的袍金、薪金、房屋津貼、其他津貼、實物利益(包括代表董事就退休金計劃供款)或酌情花紅。董事薪酬及本公司最高薪的五名人士(包括本集團高級管理人員)的薪酬詳情載列於綜合財務報表附註11及9。

CORPORATE GOVERNANCE REPORT (CONTINUED) 企業管治報告(續)

RISK MANAGEMENT AND INTERNAL CONTROLS

The Board is responsible for ensuring sound and effective risk management and internal control systems to safeguard the shareholders' interests and the Company's assets. The Board has the responsibility to evaluate and determine the nature and extent of the risks it is willing to take in achieving the Company's strategic objectives, and to ensure the Company establish and maintain appropriate and effective risk management and internal control systems on an ongoing basis. The risk management and internal control systems are designed to manage rather than eliminate the risk of failure to achieve business objectives, and can only provide reasonable and not absolute assurance against material misstatement or loss.

The audit committee assists the Board in leading the management and overseeing their design, implementation and monitoring of the risk management and internal control systems.

During the year ended 31 December 2019, the Group conducts an annual review on whether there is a need for an internal audit department. Given the Group's simple operating structure, as opposed to a separate internal audit department, the Board is directly responsible for internal control of the Group and for reviewing its effectiveness. It formulates the annual internal audit plan and procedures, conducts periodic independent reviews on the operations of individual divisions to identify any irregularities and risks, develops action plans and recommendations to address the identified risks.

The Board conducts a review on the risk management and internal control system of the Group on an annual basis and has the responsibility to maintain an effective risk management and internal control system. The review involves all material monitoring aspects, including but not limited to finance, operation, compliance and risk management. The Board also reviews and monitors the effectiveness of the internal control and risk management systems on a regular basis to ensure that the systems in place are adequate. The Group's internal control system is comprised of a system of controlled management wherein various authoritative limits are placed to ensure that the Group is able to supervise, control and assess various functions within Group. The system further permits the Group to safeguard its accounting records to minimise material errors in order to provide financial information as accurately as possible.

風險管理及內部監控

董事會負責確保風險管理及內部監控制度健全而有效，以保障股東利益及本公司資產。董事會負責評估並釐定其為實現本公司策略目標而願意承擔的風險之性質及程度，並確保本公司持續建立及維持適當而有效的風險管理及內部監控制度。風險管理及內部監控制度乃為管理而非消除未能達到業務目標的風險，且僅能夠就重大錯誤陳述或虧損提供合理而非絕對的保證。

審核委員會協助董事會領導管理層以及監督風險管理及內部監控制度之制訂、執行及監控。

截至二零一九年十二月三十一日止年度，本集團就是否需要成立內部審計部進行年度審閱。基於本集團營運結構簡單，董事會直接負責本集團內部監控及檢討其成效，而非單獨設立內部審計部。其亦制訂年度內部審核計劃及程序，定期獨立檢討每個部門之營運，以識別任何違規活動及風險，制定行動計劃及提出推薦建議，以應對所識別之風險。

董事會每年檢討本集團的風險管理及內部監控制度並負責維持有效的風險管理及內部監控制度。審查工作涉及所有重大監察方面，包括但不限於財務、營運、合規及風險管理。董事會亦定期檢討及監察內部監控及風險管理制度的成效，以確保既有制度充足。本集團內部監控制度包括在監控下進行的管理系統，當中設定各類權限，確保本集團能夠監督、控制及評估本集團內各職能。該系統更允許本集團保障其會計記錄，盡量減少重大錯誤，以盡可能提供準確的財務資料。



CORPORATE GOVERNANCE REPORT (CONTINUED) 企業管治報告(續)

The Company has developed its disclosure policy which provides a general guide to the Company's Directors, officers, senior management and relevant employees in handling confidential information, monitoring information disclosure and responding to enquiries. Meanwhile, the Company handles and disseminates the inside information according to the related policy to ensure that the inside information is kept confidential before being approved for dissemination and the relevant information will be released effectively and conformably.

During the year ended 31 December 2019, the Company engaged an external independent consultant to conduct a review on the internal control system of the Group in order to maintain high standards of corporate governance. The Board has also reviewed the adequacy of resources, staff qualifications and experience, training programmes and budget of the Company's accounting, internal audit and financial reporting function. Based on the above, the Board is of the view that the Company has established a proper risk management and internal control system which is effective and adequate.

AUDITORS AND AUDITOR'S REMUNERATION

The auditor of the Company for the financial year under review is PricewaterhouseCoopers. During the year ended 31 December 2019, remuneration in respect of audit and non-audit services provided by the auditor of the Company to the Group was approximately HK\$1,930,000 and HK\$182,000 respectively.

DIRECTORS AND AUDITOR'S RESPONSIBILITIES FOR FINANCIAL STATEMENT

The Directors acknowledge their responsibility for preparing the financial statements of the Company for the year ended 31 December 2019. The auditor of the Company acknowledges its reporting responsibilities in the auditor's report on the financial statement during the year. The Directors are not aware of any material uncertainties relating to events or conditions that may cast significant doubt upon the Company's ability to continue as going concern. The statement made by the auditor of the Company regarding their reporting responsibilities on the consolidated financial statements is set out in the Independent Auditor's Report on pages 85 to 94 of this annual report.

本公司制定其披露政策，為本公司董事、主管、高級管理層及相關僱員就處理機密資料、監察資料披露及處理詢問提供一般指引。同時，本公司按公司相關政策處理與發佈內幕消息，以確保內幕消息在獲適當批准前一直保密，並確保有效及一致地發佈有關消息。

截至二零一九年十二月三十一日止年度，本公司委聘獨立外部顧問審閱本集團內部監控制度，以維持高水平的企業管治。董事會亦已檢討本公司會計、內部審核及財務匯報職能方面的資源、員工資歷與經驗、培訓課程及有關預算是否充足。根據上述，董事會認為本公司已建立妥善風險管理及有效且適當的內部監控制度。

核數師及核數師酬金

本公司於回顧財政年度的核數師為羅兵咸永道會計師事務所。截至二零一九年十二月三十一日止年度，本公司核數師向本集團提供有關核數及非核數服務的酬金分別約為1,930,000港元及182,000港元。

董事及核數師就財務報表的責任

董事確認其編製本公司截至二零一九年十二月三十一日止年度財務報表的責任。本公司核數師於核數師報告中確認其就年內財務報表報告的責任。董事並不知悉有任何事件或情況的重大不明朗因素可能對本公司的持續經營能力產生重大疑問。本公司核數師就其對綜合財務報表的報告責任的聲明載於本年報第85至94頁的獨立核數師報告內。

CORPORATE GOVERNANCE REPORT (CONTINUED) 企業管治報告(續)

COMPANY SECRETARY

Mr. Tsang Ho Pong was appointed as the company secretary of the Company (the "Company Secretary") since 14 June 2017. He is full-time employee of the Company and has day-to-day knowledge of the Company's affairs. The Company Secretary reports to the Chairman and is responsible for advising the Board on corporate governance matters and facilitating communication between Board members, the Shareholders and management of the Company. For the year under review, the company secretary has confirmed that he has taken no less than 15 hours of relevant professional training.

SHAREHOLDERS' RIGHTS

Rights to convene special general meetings

(1) Under the Company's bye-laws

Pursuant to Bye-law 62 of the Company's bye-laws, a special general meeting ("SGM") shall be convened on requisition by shareholders of the Company (the "Shareholders", or individually the "Shareholder"), as provided by the Companies Act 1981 of Bermuda (as amended) (the "Companies Act"), or, in default, may be convened by the requisitionists.

(2) Under the Companies Act

Pursuant to Section 74 of the Companies Act, a Shareholder or Shareholders holding at the date of the deposit of the requisition not less than one-tenth of the paid-up capital of the Company as at the date of the deposit carries the right of voting at general meetings of the Company may requisition the Directors to forthwith proceed duly to convene a SGM by depositing a written requisition at the registered office of the Company.

The written requisition must state the purposes of the meeting (including the resolutions to be considered at the meeting), signed by the requisitionists, deposited at the registered office of the Company at Victoria Place, 5th Floor, 31 Victoria Street, Hamilton HM10, Bermuda and may consist of several documents in like form each signed by one or more requisitionists.

公司秘書

曾浩邦先生自二零一七年六月十四日起獲委任為本公司的公司秘書(「公司秘書」)。曾先生為本公司全職僱員且了解本公司日常事務。公司秘書向主席報告，並負責就企業管治事務向董事會提供意見及促進董事會成員、股東及本公司管理層之間的溝通。於回顧年度，公司秘書已確認其已接受不少於15小時相關專業培訓。

股東權利

召開股東特別大會的權利

(1) 根據本公司的公司細則

按照本公司的公司細則第62條，本公司根據百慕達一九八一年公司法(經修訂)(「公司法」)規定須就股東(共同及個別均稱為「股東」)提出的呈請召開股東特別大會(「股東特別大會」)；如公司沒有因應呈請而召開股東特別大會，則可由呈請人召開股東特別大會。

(2) 根據公司法

按照公司法第74條，一名或多名於送達呈請日期持有不少於本公司於呈請日期已繳足股本十分之一並享有在本公司股東大會的投票權的股東，可透過向本公司註冊辦事處遞交書面呈請要求董事就此正式召開股東特別大會。

書面呈請必須列明會議目的(包括將於大會上考慮的決議案)，且必須由呈請人簽署及遞交至本公司註冊辦事處(地址為Victoria Place, 5th Floor, 31 Victoria Street, Hamilton HM10, Bermuda)，並可由一名或多名呈請人簽署同一格式的多份文件組成。



CORPORATE GOVERNANCE REPORT (CONTINUED) 企業管治報告(續)

If the Directors do not within twenty-one days from the date of the deposit of the requisition proceed duly to convene a SGM, the requisitionists, or any of them representing more than one half of the total voting rights of all of them, may themselves convene a SGM, but any SGM so convened shall not be held after the expiration of three months from the date of deposit of the requisition.

A SGM so convened by the requisitionists shall be convened in the same manner, as nearly as possible, as that in which meetings are to be convened by the Directors.

Rights to put forward proposals at general meetings

Shareholders may put forward proposals at general meetings of the Company pursuant to the provisions of the Companies Act as follows:

Sections 79 and 80 of the Companies Act allow certain Shareholder(s) to requisition the Company to give notice to the Shareholders in respect of any resolution which is intended to be moved at an annual general meeting of the Company ("AGM") or circulate a statement in respect of any proposed resolution or business to be considered at a general meeting of the Company.

Under Section 79 of the Companies Act, at the expense of the requisitionists unless the Company otherwise resolves, it shall be the duty of the Company on the requisition in writing by such number of Shareholders:

- (a) to give to the Shareholders entitled to receive notice of the next AGM notice of any resolution which may properly be moved and is intended to be moved at that meeting.
- (b) to circulate to the Shareholders entitled to have notice of any general meeting sent to them any statement of not more than one thousand words with respect to the matter referred to in any proposed resolution or the business to be dealt with at that meeting.

如董事未能於送達呈請日期起計二十一天內正式召開股東特別大會，呈請人或代表全部呈請人總投票權半數以上的任何呈請人，可自行召開股東特別大會，惟任何由此召開的股東特別大會必須於送達呈請日期起計三個月內召開，否則限期屆滿後便不能召開。

呈請人就此召開的股東特別大會須盡可能與由董事召開的會議相同的方式召開。

於股東大會提呈議案的權利

股東可根據以下公司法的條文，於本公司的股東大會上提呈議案：

公司法第79及80條准許若干股東就任何擬於本公司股東週年大會（「股東週年大會」）上動議的決議案要求本公司向股東發出通知，或就任何擬於本公司股東大會上提呈的決議案或考慮的事項要求本公司傳閱陳述書。

根據公司法第79條，在呈請人支付費用的情況下（除非本公司另有決議），本公司在有關數目的股東提出書面呈請時有責任：

- (a) 向有權接收下屆股東週年大會通告的股東發出通告，以告知可能會在該會議上正式動議並擬在該會議上動議的任何決議案。
- (b) 向有權獲送交任何股東大會通告的股東傳閱任何字數不多於一千字的陳述書，以告知在任何建議決議案內所提述的事宜，或將在該會議上處理的事項。



CORPORATE GOVERNANCE REPORT (CONTINUED) 企業管治報告(續)

The number of Shareholders necessary to make the above requisitions to the Company shall be:

- (aa) either any number of Shareholders representing not less than one-twentieth of the total voting rights of all the Shareholders having at the date of the requisition a right to vote at the meeting to which the requisition relates; or
- (bb) not less than one hundred Shareholders. Notice of any such intended resolution shall be given, and any such statement shall be circulated, to Shareholders entitled to have notice of the meeting sent to them by serving a copy of the resolution or statement on each such Shareholder in any manner permitted for service of notice of the meeting, and notice of any such resolution shall be given to any other Shareholder by giving notice of the general effect of the resolution in any manner permitted for giving him notice of meetings of the Company, provided that the copy shall be served, or notice of the effect of the resolution shall be given, as the case may be, in the same manner and, so far as practicable, at the same time as notice of the meeting and, where it is not practicable for it to be served or given at that time, it shall be served or given as soon as practicable thereafter.

Section 80 of the Companies Act sets out the conditions to be met before the Company is bound to give notice of any resolution or to circulate any statement. Pursuant to Section 80 of the Companies Act, the Company shall not be bound under Section 79 to give notice of any resolution or to circulate any statement unless:

- (a) a copy of the requisition signed by the requisitionists, or two or more copies which between contain the signatures of all the requisitionists, is deposited at the registered office of the Company:
 - (i) in the case of a requisition requiring notice of a resolution, not less than six weeks before the meeting; and
 - (ii) in the case of any other requisition, not less than one week before the meeting; and

向本公司提出上述呈請所需的股東人數須為：

- (aa) 代表在呈請日期有權在呈請涉及的會議上表決的不少於所有股東總投票權二十分之一的股東人數；或
- (bb) 不少於一百名股東。任何此等建議決議案的通知及任何此等陳述書，須以准許用於送達會議通告的任何方式，將該決議案或陳述書的副本向有權獲送交會議通告的股東發出或傳閱；至於向任何其他股東發出任何此等決議案的通知，則須以准許用於向其發出本公司會議通告的任何方式，向其發出具該等決議案大意的通知，但該副本的送達方式或該決議案大意通知的發出方式(視屬何情況而定)，須與會議通告發出的方式相同，而送達或發出的時間，亦須在實際可行情況下與會議通告發出的時間相同，如當時不能送達或發出，則須於隨後在實際可行情況下盡快送達或發出。

公司法第80條載有本公司於承擔發出任何決議案通知或傳閱任何陳述書前須達致的條件。根據公司法第80條，本公司毋須根據第79條所述發出有關任何決議案的通知或傳閱任何陳述書，除非：

- (a) 於下述時間將一份由呈請人簽署的呈請(或兩份或以上載有全體呈請人簽字的呈請)遞交至本公司的註冊辦事處：
 - (i) 倘屬需要發出決議案通知的呈請，則須於有關會議舉行前不少於六個星期；及
 - (ii) 倘屬任何其他呈請，則須於有關會議舉行前不少於一個星期；及

CORPORATE GOVERNANCE REPORT (CONTINUED) 企業管治報告(續)

- (b) there is deposited or tendered with the requisition a sum reasonably sufficient to meet the Company's expense in giving effect thereto;

provided that if, after a copy of the requisition requiring notice of a resolution has been deposited at the registered office of the Company, an AGM is called for a date six weeks or less after the copy has been deposited, the copy though not deposited within the abovementioned time shall be deemed to have been properly deposited for the purposes thereof.

Rights to put enquiries to the Board

Shareholders may at any time put enquiries to the Board. All enquiries shall be in writing and be sent by post to the principal place of business of the Company in Hong Kong at Room 7707-7708, 77th Floor, International Commerce Centre, 1 Austin Road West, Kowloon, Hong Kong. Shareholders may also make enquiries with the Board at the general meetings of the Company.

INVESTOR RELATIONS

To manage its relationship with its Shareholders and the investment community, the Company communicates through publication of announcements, circulars and annual and interim reports. Such information is disseminated through the Stock Exchange at its designated website (<http://www.hkexnews.hk>), and can also be accessed via the Company's website (<http://cmdrawin.todayir.com>). The Directors, company secretary and other appropriate members of the senior management will also respond to inquiries from the Shareholders and the investment community put to the Company in the manner as mentioned under the heading "Shareholders' Rights" in the Corporate Governance Report.

During the year, the Company did not make any changes to the memorandum of association of the Company and Bye-laws, the current versions of which are available on the websites of the Stock Exchange and the Company.

- (b) 隨該呈請遞交或繳付一筆足夠本公司合理應付因處理有關呈請而產生的開支的款項；

但若將需要發出決議案通告的呈請遞交至本公司註冊辦事處後，股東週年大會在遞交該呈請後六個星期或較短時間內某日召開，儘管該呈請雖然並非在上述時間內遞交，但就本款而言，亦須當作已恰當遞交論。

向董事會作出查詢的權利

股東可隨時向董事會作出查詢。所有查詢均須以書面方式郵寄至本公司於香港的主要營業地點(地址為香港九龍柯士甸道西1號環球貿易廣場77樓7707-7708室)。股東亦可於本公司股東大會向董事會提出查詢。

投資者關係

本公司處理與股東及投資界的關係時，是透過刊發公告、通函、年報及中期報告進行溝通。有關資料除於聯交所的指定網站(<http://www.hkexnews.hk>)發放外，亦可於本公司網站(<http://cmdrawin.todayir.com>)查閱。董事、公司秘書及其他適當的高級管理層成員亦會就股東及投資界按本企業管治報告標題為「股東權利」所述方式向本公司提出的查詢作出回應。

年內，本公司並無修改本公司的組織章程大綱及公司細則，現行版本可於聯交所及本公司的網站查閱。



REPORT OF THE DIRECTORS 董事會報告

The Directors have pleasure in presenting their annual report and the audited consolidated financial statements of the Group for the year ended 31 December 2019.

PRINCIPAL ACTIVITIES

The Group is principally engaged in the research and development, design, manufacture and sale of assembled building prefabricated units, licensing and property investment in the PRC.

BUSINESS REVIEW

The Group's revenue is derived primarily from business activities conducted in Hong Kong and China Mainland.

A fair review of the Group's business, including a description of the principal risks and uncertainties facing the company, the important events affecting the Group that have occurred since the end of 2019 and the likely future developments, is set out in the Business Review and Prospects and Financial Review sections of this Annual Report.

Disclosure related to the Group's environmental policies and performance and relationships with major stakeholders are included in the Environmental, Social and Governance Report.

FINANCIAL RESULTS

The profit and cash flows of the Group for the year ended 31 December 2019 and the state of affairs of the Group and the Company at that date are set out in the consolidated financial statements on pages 95 to 219.

DIVIDENDS

The Directors do not recommend the payment of any dividend for the year ended 31 December 2019 (2018: Nil).

FINANCIAL SUMMARY

A summary of the consolidated results and assets and liabilities of the Group for the last five financial years/period is set out on page 220.

董事欣然提呈彼等的年報以及本集團截至二零一九年十二月三十一日止年度的經審核綜合財務報表。

主要業務

本集團主要於中國從事裝配式建築預製組件的研發、設計、生產、銷售、發牌及物業投資業務。

業務回顧

本集團的收入主要源自於香港及中國內地進行的業務。

有關本集團業務(包括有關對公司面對的主要風險及不明朗因素的描述、二零一九年底發生並對本集團造成影響的重大事件及可能出現的未來發展)的中肯回顧，載於本年報業務回顧及展望以及財務回顧各節。

有關本集團環境政策及表現以及與主要持份者的關係的披露資料載於環境、社會及管治報告一節。

財務業績

本集團截至二零一九年十二月三十一日止年度的收益及現金流量以及本集團與本公司於該日的事務狀況載於第95至219頁的綜合財務報表內。

股息

董事不建議派發截至二零一九年十二月三十一日止年度的任何股息(二零一八年：無)。

財務摘要

本集團上五個財政年度/期間的綜合業績及資產及負債概要載於第220頁。

REPORT OF THE DIRECTORS (CONTINUED) 董事會報告(續)

PROPERTY, PLANT AND EQUIPMENT

Details of movements in property, plant and equipment of the Group during the year ended 31 December 2019 are set out in Note 15 to the consolidated financial statements.

INVESTMENT PROPERTIES

As at 31 December 2019, the Group revalued its investment properties by using the combinations of an income capitalisation approach and a direct comparison approach. The increase in fair value amounting to approximately HK\$631,000 (31 December 2018: fair value gain of HK\$367,000) has been credited to the consolidated statement of profit or loss and other comprehensive income.

Details of the investment properties of the Group are set out in Note 18 to the consolidated financial statements.

SHARE CAPITAL

Details of share capital for the year ended 31 December 2019 are set out in Note 27 to the consolidated financial statements.

RESERVES

Details of movements in reserves of the Group and the Company during the year ended 31 December 2019 are set out in the statement of changes in equity on page 99 and Note 28 to the consolidated financial statements.

PURCHASE, SALE OR REDEMPTION OF SECURITIES

During the year ended 31 December 2019, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the listed securities of the Company.

物業、廠房及設備

本集團於截至二零一九年十二月三十一日止年度的物業、廠房及設備的變動詳情載於綜合財務報表附註15。

投資性房地產

於二零一九年十二月三十一日，本集團結合收入資本化方法及直接比較法對其投資性房地產進行重新估值。公允價值增加約631,000港元(二零一八年十二月三十一日：公允價值收益367,000港元)已於綜合損益及其他全面收益表入賬。

本集團投資性房地產的詳情載於綜合財務報表附註18。

股本

截至二零一九年十二月三十一日止年度的股本詳情載於綜合財務報表附註27。

儲備

本集團與本公司於截至二零一九年十二月三十一日止年度的儲備變動詳情分別載於第99頁的權益變動表及綜合財務報表附註28。

購買、出售或贖回證券

截至二零一九年十二月三十一日止年度，本公司或其任何附屬公司概無購買、出售或贖回任何本公司上市證券。



REPORT OF THE DIRECTORS (CONTINUED) 董事會報告(續)

DIRECTORS

The Directors who held office during the year ended 31 December 2019 and up to the date of this report were:

Executive Directors:

Mr. WU Po Sum (*Chairman*)
(appointed on 17 September 2019)
Mr. GUO Weiqiang (*Chief Executive Officer*)
(appointed on 17 September 2019)
Mr. YANG Hongwei
Mr. YIN Jun (resigned on 30 November 2019)

Non-executive Director:

Ms. WU Wallis (alias Li Hua) (appointed on 17 September 2019)
Mr. WANG Jun (appointed on 17 September 2019)
Mr. PENG Xiongwen (resigned on 17 September 2019)

Independent Non-executive Directors:

Mr. JIANG Hongqing
Mr. LEE Chi Ming
Mr. MA Lishan

The Company has received from each of the existing independent non-executive Directors an annual confirmation of independence pursuant to Rule 3.13 of the Listing Rules and considers all the independent non-executive Directors to be independent.

PERMITTED INDEMNITY PROVISION

The Directors and Officers Liability Insurance undertaken by the Company provides an indemnity to all the directors of the Company under which every director will be indemnified by the Company against all costs, charges, losses, expenses and liabilities incurred by him in the execution and discharge of his duties or in relation thereto. Such insurance has been in force during the financial year ended 31 December 2019 and as of the date of this report.

董事

截至二零一九年十二月三十一日止年度及直至本報告日期任職的董事如下：

執行董事：

胡葆森先生(主席)
(於二零一九年九月十七日獲委任)
郭衛強先生(行政總裁)
(於二零一九年九月十七日獲委任)
楊宏偉先生
閻軍先生(於二零一九年十一月三十日辭任)

非執行董事：

李樺女士(於二零一九年九月十七日獲委任)
王俊先生(於二零一九年九月十七日獲委任)
彭雄文先生(於二零一九年九月十七日辭任)

獨立非執行董事：

姜洪慶先生
李志明先生
馬立山先生

本公司已收到每名在任獨立非執行董事根據上市規則第3.13條就其獨立性所作的年度確認，並認為所有獨立非執行董事均為獨立人士。

獲准許的彌償條文

本公司購買的董事及行政人員責任保險向所有本公司董事提供彌償保證，據此，每名董事於執行及履行職務時或就此產生的所有成本、費用、損失、開支及債務獲本公司彌償。有關保險於截至二零一九年十二月三十一日止財政年度及本報告日期一直生效。



REPORT OF THE DIRECTORS (CONTINUED) 董事會報告(續)

DIRECTORS' SERVICE CONTRACTS

Mr. Wu Po Sum has entered into a service contract with the Company pursuant to which Mr. Wu Po Sum agreed to act as executive Director for a term of three years with effect from 17 September 2019. Mr. Guo Weiqiang has entered into a service contract with the Company pursuant to which he agreed to act as an executive Director for a term of three years with effect from 17 September 2019. Mr. Yang Hongwei has entered into a service contract with the Company pursuant to which he agreed to act as an executive Director without specific terms with effect from 21 June 2018.

Mr. Yin Jun, who resigned on 30 November 2019, did not enter into any service contract with the Company in acting as a non-executive Director and his engagement was without specific terms with effect from 3 July 2015.

Ms. Wu Wallis (alias Li Hua) has signed a letter of appointment dated 17 September 2019 with the company pursuant to which she agreed to act as non-executive Director for a term of three years with effect from 17 September 2019. Mr. Wang Jun has signed a letter of appointment dated 17 September 2019 with the company pursuant to which he agreed to act as non-executive Director for a term of three years with effect from 17 September 2019. Mr. Pang Xiongwen, who resigned on 17 September 2019, did not enter into any service contract with the Company in acting as a non-executive Director and his engagement was without specific terms with effect from 1 July 2018.

Mr. Ma Lishan has signed a letter of appointment dated 28 June 2019 with the Company pursuant to which he agreed to act as independent non-executive Director for a term of three years with effect from 28 June 2019. Mr. Lee Chi Ming has signed a letter of appointment dated 30 December 2017 with the Company pursuant to which he agreed to act as independent non-executive Director for a term of three years with effect from 30 December 2017. Mr. Jiang Hongqing has signed a letter of appointment dated 30 June 2019 with the Company pursuant to which he agreed to act as independent non-executive Director for a term of three years with effect from 30 June 2019.

Save as disclosed above, no Director 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.

董事的服務合約

胡葆森先生已與本公司訂立服務合約，據此，胡葆森先生同意擔任執行董事，自二零一九年九月十七日起為期三年。郭衛強先生已與本公司訂立服務合約，據此，彼同意擔任執行董事，自二零一九年九月十七日起為期三年。楊宏偉先生已與本公司訂立服務合約，據此，彼同意擔任執行董事，自二零一八年六月二十八日起生效，惟並無具體指定年期。

閻軍先生於二零一九年十一月三十日辭任，並無就擔任非執行董事而與本公司訂立任何服務合約，其委任並無特定任期，自二零一五年七月三日起生效。

李樺女士已與本公司簽署日期為二零一九年九月十七日的聘任函，據此，彼同意擔任非執行董事，自二零一九年九月十七日起為期三年。王俊先生已與本公司簽署日期為二零一九年九月十七日的聘任函，據此，彼同意擔任非執行董事，自二零一九年九月十七日起為期三年。彭雄文先生於二零一九年九月十七日辭任，並無就擔任非執行董事而與本公司訂立任何服務合約，其委任並無特定任期，自二零一八年七月一日起生效。

馬立山先生已與本公司簽署日期為二零一九年六月二十八日的聘任函，據此，彼同意擔任獨立非執行董事，自二零一九年六月二十八日起為期三年。李志明先生已與本公司簽署日期為二零一七年十二月三十日的聘任函，據此，彼同意擔任獨立非執行董事，自二零一七年十二月三十日起為期三年。姜洪慶先生已與本公司簽署日期為二零一九年六月三十日的聘任函，據此，彼同意擔任獨立非執行董事，自二零一九年六月三十日起為期三年。

除上文披露者外，概無董事與本公司訂有本公司不可於一年內免付補償(法定賠償除外)而終止的服務合約。

REPORT OF THE DIRECTORS (CONTINUED) 董事會報告(續)

EMOLUMENT POLICY

The emolument policy of the employees of the Group is set up by the Remuneration Committee on the basis of their merit, qualifications and competence. The emolument of the Directors are decided by the Remuneration Committee, having regard to the Company's operating results, individual performance and comparable market statistics.

The Company has adopted a share option scheme as an incentive to the Directors and eligible employees, details of the scheme are set in the section headed "Share Option Scheme" below.

Details of the emoluments of the Directors and five individuals with highest remuneration are set out in Note 11 and 9 to the consolidated financial statements.

DIRECTORS' INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES

As at 31 December 2019, the following Directors and chief executives of the Company had or were deemed to have interests and short positions in the Shares, underlying Shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) ("SFO")) which (i) have been notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which were taken or deemed to have under such provisions of the SFO); or (ii) have been entered in the register maintained by the Company pursuant to Section 352 of the SFO; or (iii) otherwise have been notified to the Company and the Stock Exchange pursuant to the Model Code to the Listing Rules.

薪酬政策

本集團僱員的薪酬政策由薪酬委員會按彼等的績效、資歷及能力釐定。董事的薪酬由薪酬委員會考慮本公司經營業績、個人表現及可資比較市場數據釐定。

本公司已採納一項購股權計劃作為董事及合資格僱員的獎勵，有關計劃詳情載於下文「購股權計劃」章節。

董事酬金及五名最高薪酬人士的詳情載於綜合財務報表附註11及9。

董事於股份、相關股份及債券的權益及淡倉

於二零一九年十二月三十一日，下列董事及本公司行政總裁概無於本公司或其任何相聯法團(定義見香港法例第571章證券及期貨條例(「證券及期貨條例」)第XV部)的股份、相關股份及債券中擁有或被視作擁有(i)根據證券及期貨條例第XV部第7及8分部已知會本公司及聯交所的權益及淡倉(包括根據證券及期貨條例有關條文彼等被當作或視為擁有的權益及淡倉)；或(ii)根據證券及期貨條例第352條已載入本公司存置的登記冊的權益及淡倉；或(iii)根據上市規則標準守則已另行知會本公司及聯交所的權益及淡倉。



REPORT OF THE DIRECTORS (CONTINUED)

董事會報告(續)

Long positions in the Shares and underlying Shares of the Company 於本公司股份及相關股份中持有的好倉

Name of Director or chief executive	Capacity	Number of Shares held	Percentage of the Issued Share Capital 佔已發行股本百分比 (note 1) (附註1)
董事或最高行政人員姓名	身份	持有股份數目	
Mr. Wu Po Sum 胡葆森先生	Interest of controlled corporation 受控公司權益	7,121,769,700 (note 2) 7,121,769,700 (附註2)	63.53% 63.53%

Note:

- It was based on 11,209,602,920 Shares as at 31 December 2019.
- 7,118,440,000 Shares were owned by Jianye Holdings Limited and 3,329,700 Shares were owned by Joy Bright Investments Limited. Mr. Wu Po Sum holds 100% of the issued share capital of Joy Bright Investments Limited and Jianye Holdings Limited. Accordingly, he is deemed to be interested in 7,121,769,700 Shares by virtue of the SFO.

附註：

- 按於二零一九年十二月三十一日 11,209,602,920 股股份計算。
- 7,118,440,000 股股份由 Jianye Holdings Limited 擁有，而 3,329,700 股股份由恩輝投資有限公司擁有。胡葆森先生持有恩輝投資有限公司及 Jianye Holdings Limited 已發行股本 100%。因此，根據證券及期貨條例，彼被視作於 7,121,769,700 股股份中擁有權益。

Save as disclosed above, as at December 31, 2019, so far as is known to any Director or the chief executive of the Company, none of the Directors nor the chief executives of the Company had any interests or short positions in the Shares, underlying Shares or debentures of the Company or its associated corporations (within the meaning of Part XV of the SFO) which (a) were required, pursuant to Section 352 of the SFO, to be entered in the register referred to therein; or (b) were required, pursuant to the Model Code, to be notified to the Company and the Stock Exchange.

除上文披露者外，於二零一九年十二月三十一日，據任何董事或本公司最高行政人員所知悉，董事及本公司最高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)的股份、相關股份或債券中擁有任何(a)根據證券及期貨條例第 352 條須列入該條所指登記冊的權益或淡倉；或(b)根據標準守則須知會本公司及聯交所的權益或淡倉。

REPORT OF THE DIRECTORS (CONTINUED) 董事會報告(續)

DIRECTORS' INTERESTS IN CONTRACTS OF SIGNIFICANCE

No contract, transaction or arrangement of significance to which the Company or any of its subsidiaries was a party and in which any Director or an entity connected with any Director had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year ended 31 December 2019.

CONTRACT OF SIGNIFICANCE

No contract of significance had been entered into between the Company or any of its subsidiaries, and the controlling shareholder of the Company or any of its subsidiaries during the year ended 31 December 2019.

MANAGEMENT CONTRACTS

No contract concerning the management and administration of all or any substantial part of the Group's business was entered into or existed during the year.

DIRECTORS' AND CHIEF EXECUTIVE'S RIGHT TO ACQUIRE SHARES

Save as disclosed in this report, at no time during the year ended 31 December 2019 was the Company or any of its subsidiaries a party to any arrangement to enable the Directors or their respective spouses or minor children to acquire benefits by means of acquisition of shares in or debentures of the Company or any other body corporate.

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

As at 31 December 2019, as far as known to the Directors or chief executive of the Company, the following persons (other than the Directors or chief executive of the Company) had the interests or short positions in the Shares and underlying Shares of the Company which would fall to be disclosed to the Company under provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept by the Company under Section 336 of the SFO:

董事於重大合約的權益

於年底或截至二零一九年十二月三十一日止年度內任何時間，概無存續任何由本公司或其任何附屬公司訂立且任何董事或與任何董事有關連的任何實體在其中直接或間接擁有重大權益的重大合約、交易或安排。

重大合約

截至二零一九年十二月三十一日止年度內，本公司或其任何附屬公司與本公司或其任何附屬公司之控股股東並無訂立任何重大合約。

管理合約

於年內並無訂立或訂有任何涉及本集團業務全部或任何重大部份的管理及行政工作的合約。

董事及最高行政人員的購買股份權利

除本報告所披露者外，本公司或其任何附屬公司在截至二零一九年十二月三十一日止年度內，均無參與任何安排，以使董事或彼等各自的配偶或未成年子女可藉收購本公司或任何其他公司團體的股份或債券而從中獲取利益。

主要股東於股份及相關股份的權益及淡倉

於二零一九年十二月三十一日，據董事或本公司最高行政人員所知，下列人員(董事或本公司最高行政人員除外)於本公司股份及相關股份中擁有根據證券及期貨條例第XV部第2及3分部條文須向本公司披露或根據證券及期貨條例第336條本公司須予保存的登記冊所記錄的權益或淡倉：

REPORT OF THE DIRECTORS (CONTINUED)

董事會報告(續)

Long positions in the Shares and underlying Shares of the Company 於本公司股份及相關股份中持有的好倉

Name of Shareholders 股東名稱	Capacity 身份	Number of Shares held 持有股份數目	Percentage of the Issued Share Capital 佔已發行股本百分比 (note 1) (附註1)
Jiayao Global Investments Limited ("Jiayao") 嘉耀(國際)投資有限公司(「嘉耀」)	Beneficial owner 實益擁有人	5,880,440,000	52.46%
Jiamin (Holding) Investment Limited 嘉旻(控股)投資有限公司	Beneficial owner 實益擁有人	320,000,000	2.85%
Jianuo (Holding) Investment Limited 嘉諾(控股)投資有限公司	Beneficial owner 實益擁有人	310,000,000	2.76%
Jiaxin (Holding) Investment Limited 嘉信(控股)投資有限公司	Beneficial owner 實益擁有人	274,000,000	2.44%
Jiaheng (Holding) Investment Limited 嘉珩(控股)投資有限公司	Beneficial owner 實益擁有人	269,000,000	2.40%
Jiacheng (Holding) Investment Limited 嘉誠(控股)投資有限公司	Beneficial owner 實益擁有人	65,000,000	0.58%
Jialing (International) Investment Limited 嘉領(國際)投資有限公司	Interest of controlled corporation 受控公司權益	1,238,000,000	11.04%
Jiayao 嘉耀	Interest of controlled corporation 受控公司權益	1,238,000,000	11.04%
Jiaye Summit Global Investment Limited 嘉峰(國際)投資有限公司	Interest of controlled corporation 受控公司權益	7,118,440,000	63.50%
Drawin Intelligent Manufacture Technology Industry Group Limited (formerly known as China Minsheng Drawin Technology Industry Limited) 築友智造科技產業集團有限公司 (前稱：中民築友科技產業有限公司)	Interest of controlled corporation 受控公司權益	7,118,440,000	63.50%

REPORT OF THE DIRECTORS (CONTINUED) 董事會報告(續)

Name of Shareholders	Capacity	Number of Shares held	Percentage of the Issued Share Capital
股東名稱	身份	持有股份數目	佔已發行股本百分比 (note 1) (附註1)
Tianjin Drawin Technology Limited (formerly known as Tianjin China Minsheng Drawin Technology Limited) 天津築友智造科技有限公司(前稱：天津中民築友科技有限公司)	Interest of controlled corporation 受控公司權益	7,118,440,000	63.50%
Henan Hongdao Business Information Consultancy Company Limited 河南弘道商務信息諮詢有限公司	Interest of controlled corporation 受控公司權益	7,118,440,000	63.50%
Construction Development (H.K) Company Limited 建業發展(香港)有限公司	Interest of controlled corporation 受控公司權益	7,118,440,000	63.50%
Construction Housing Group Company Limited 建業住宅集團有限公司	Interest of controlled corporation 受控公司權益	7,118,440,000	63.50%
Jianye Holdings Limited	Interest of controlled corporation 受控公司權益	7,118,440,000 (note 2) (附註2)	63.50%
Joy Bright Investments Limited 恩輝投資有限公司	Beneficial owner 實益擁有人	3,329,700 (note 2) (附註2)	0.03%
Zhu Yuehai 朱岳海	Beneficial owner 實益擁有人	1,000,000,000	8.92%

Notes:

- It was based on 11,209,602,920 Shares as at 31 December 2019.
- Mr. Wu Po Sum holds 100% of the issued share capital of Joy Bright Investments Limited and Jianye Holdings Limited.

附註：

- 按於二零一九年十二月三十一日的11,209,602,920股股份計算。
- 胡葆森先生持有恩輝投資有限公司及Jianye Holdings Limited的全部已發行股本。



REPORT OF THE DIRECTORS (CONTINUED) 董事會報告(續)

Save as disclosed above, and as at 31 December 2019, the Directors were not aware of any persons (other than the Directors and chief executive of the Company) who had any interests or short positions in the Shares or underlying Shares which would fall to be disclosed under Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept by the Company under Section 336 of the SFO.

SHARE OPTION SCHEME

The share option scheme adopted by the Company on 7 November 2003 (the "Old Scheme") was terminated pursuant to an ordinary resolution passed by the shareholders of the Company on 7 August 2013. A new share option scheme (the "New Scheme") in place of the Old Scheme was adopted pursuant to such resolution with effect from 7 August 2013 which has a term of 10 years. No share options have been granted, exercised, cancelled or lapsed under the New Scheme since its adoption on 7 August 2013. As at 31 December 2019 and up to the date of this report, there were no outstanding share options that have been granted and remained outstanding and exercisable under both the Old Scheme and the New Scheme. The following is a summary of the New Scheme:

(a) Purpose

The purpose is to enable the Company to grant options to eligible participants as incentives and/or rewards for their contribution or potential contribution to the growth and development of the Group.

(b) Eligible participants

Eligible participants include employees or officers (including executive Directors), non-executive Directors (including independent non-executive Directors), suppliers, customers, consultants or advisors, and securities holders of the Company, as to be determined by the Board at its absolute discretion within the categories.

除上文披露者外，於二零一九年十二月三十一日，董事並不知悉有任何人士(董事及本公司最高行政人員除外)於股份或相關股份中擁有根據證券及期貨條例第XV部第2及3分部須予披露或根據證券及期貨條例第336條本公司須予保存的登記冊所記錄的任何權益或淡倉。

購股權計劃

本公司於二零零三年十一月七日採納的購股權計劃(「舊計劃」)已根據本公司股東於二零一三年八月七日通過的一項普通決議案予以終止。本公司已根據該決議案採納一項新購股權計劃(「新計劃」)以取代舊計劃，自二零一三年八月七日起生效，為期十年。自於二零一三年八月七日採納新計劃以來，概無購股權據此獲授出、行使、註銷或失效。於二零一九年十二月三十一日及截至本報告日期，舊計劃及新計劃項下均無已授出但尚未獲行使及可予行使的未行使購股權。以下為新計劃的概要：

(a) 目的

旨在讓本公司授出購股權予合資格參與者，作為彼等對本集團的增長及發展所作或可能作出的貢獻的獎勵及／或報酬。

(b) 合資格參與者

合資格參與者包括本公司的僱員或行政人員(包括執行董事)、非執行董事(包括獨立非執行董事)、供應商、客戶、顧問或諮詢人士及證券持有人，按董事會就有關類別全權酌情決定的人士。



REPORT OF THE DIRECTORS (CONTINUED) 董事會報告(續)

(c) Total number of shares available for issue

The maximum number of Shares which may be allotted and issued upon exercise of all outstanding options granted and yet to be exercised under the New Scheme and any other share option schemes of the Company must not in aggregate exceed 30% of the Shares in issue from time to time. The total number of Shares which may be allotted and issued upon exercise of all options to be granted under the New Scheme and any other share option schemes of the Group must not in aggregate exceed 10% of the Shares in issue as at 7 August 2013, but the Company may seek approval of its shareholders in general meeting to refresh the 10% limit under the New Scheme.

(d) Maximum entitlement of each eligible participant

The total number of share issued and to be issued upon exercise of the share options granted under the New Scheme and any other share option schemes of the Company to each eligible participant in any 12-month period up to the date of grant must not exceed 1% of the shares in issue at the date of grant. In addition, any share options granted to a substantial shareholder or an independent non-executive Director, or to any of their associate must not exceed 0.1% of the shares of the Company in issue at any time and with an aggregate value (based on the closing price of the Company's shares at the date of each grant) in excess of HK\$5 million, within any 12-month period up to and including the date of such grant. Subject to separate approval by the shareholders in general meeting with the relevant participant and his associates (as defined in the Listing Rules) abstaining from voting provided the Company shall issue a circular to shareholders before such approval is sought, the Company may grant options to a eligible participant which would exceed this limit.

(e) Option period

The option period within which the shares must be taken up under an option shall be determined by the Board in its absolute discretion at the time of grant, but such period must not exceed 10 years from the date of grant of the relevant option.

(c) 可予發行的股份總數

因悉數行使根據新計劃及本公司任何其他購股權計劃已授出但仍未行使的購股權而可予配發及發行的最大股份數目，合共不得超過不時已發行股份的30%。因悉數行使根據新計劃及本集團任何其他購股權計劃將予授出的購股權而可予配發及發行的股份總數，合共不得超過於二零一三年八月七日已發行股份的10%，惟本公司可在股東大會徵求其股東批准更新新計劃下的10%限額。

(d) 各合資格參與者的最高限額

於截至授出日止任何十二個月期間，因行使根據新計劃及本公司任何其他購股權計劃向各合資格參與者授出的購股權獲發行及將予發行的股份總數，不得超過授出日已發行股份的1%。此外，於截至該授出日止(包括該授出日)任何十二個月期間，向主要股東或獨立非執行董事或彼等任何聯繫人授出的任何購股權，不得超過本公司任何時間已發行股份的0.1%或超過本公司股份於各授出日按股份收市價計算的5百萬港元的總價值。如經股東在股東大會上另行批准，而有關參與者及其聯繫人(定義見上市規則)放棄投票，於本公司在尋求有關批准前向股東發出通函的前提下，本公司可授出超出此限額的購股權予合資格參與者。

(e) 購股權期限

必須行使購股權認購股份的購股權期限乃由董事會在授出購股權時全權酌情決定，但該期間不得超過有關購股權授出日起計十年。



REPORT OF THE DIRECTORS (CONTINUED) 董事會報告(續)

(f) Minimum period for which an option must be held before it can be exercised

The minimum period, if any, for which an option must be held before it can be exercised shall be determined by the Board in its absolute discretion. The New Scheme itself does not specify any minimum holding period.

(g) Payment on acceptance of the option

HK\$10 is payable by the grantee to the Company on acceptance of the option offer. An offer must be accepted within 28 days from the date of grant.

(h) Basis of determining the exercise price

The exercise price shall be determined by the Board in its absolute discretion at the time of the grant but shall not be less than the higher of: (i) the closing price of the shares on the date of grant; (ii) the average closing prices of the shares for the five business days immediately preceding the date of grant; and (iii) the par value of a share.

(i) Remaining life of the New Scheme

The New Scheme will remain valid for a period of ten years commencing on 7 August 2013 unless otherwise terminated by resolution of shareholders in general meeting.

(f) 行使購股權前必須持有的最短期限

行使購股權前必須持有的最短期限(如有)乃由董事會全權酌情決定，惟新計劃本身並不設任何最短持有期限。

(g) 接納購股權須付款項

承授人接納購股權要約須向本公司支付10港元。要約必須於授出日起計二十八日內被接納。

(h) 行使價的釐定基準

行使價須由董事會在授出有關購股權時全權酌情釐定，惟不得低於下列各項中的較高者：(i)於授出日的股份收市價；(ii)在緊接授出日前五個營業日的股份平均收市價；及(iii)一股股份的面值。

(i) 新計劃的餘下年期

新計劃自二零一三年八月七日起計十年期間維持有效，除非於股東大會上以股東決議案予以終止。



REPORT OF THE DIRECTORS (CONTINUED) 董事會報告(續)

CONNECTED TRANSACTIONS

EPC Service Arrangement and Park Design Services Arrangement, Supply arrangement and PC Design Service arrangement and Property leasing agreement

On 3 April 2019, (i) the Company and China Minsheng Drawin Construction Technology Group Co., Ltd* (中民築友建設科技集團有限公司) (“CMDCT”) entered into the Framework Agreement I in relation to (a) the provision of EPC general contracting services by the CMDCT and its subsidiaries (collectively “CMDCT Group”) to the Group, namely the EPC Service Arrangement and (b) the supply of prefabricated construction components and products by the Group to the CMDCT Group, namely the Supply Arrangement; (ii) the Company and China Minsheng Drawin Construction Design Co., Ltd* (中民築友建築設計有限公司) (“CMDCD”) entered into the Framework Agreement II in relation to (a) the provision of design services by the CMDCD and its subsidiaries (collectively “CMDCD Group”) to the Group in respect of the Group’s technology parks in the PRC, namely the Park Design Service Arrangement and (b) the provision of design services by the CMDCD Group to the Group in respect of the design of prefabricated construction components and products, namely the PC Design Service Arrangement and (iii) Changsha China Minsheng Drawin Intelligent Technology Co., Ltd.* (長沙中民築友智造科技有限公司) (“CM Changsha”), an indirect non wholly-owned subsidiary of the Company, and Drawin Intelligent Manufacture Technology Industry Group Limited* (築友智造科技產業集團有限公司) (“Drawin Manufacture”) entered into the Property Leasing Agreement, pursuant to which CM Changsha shall lease to Drawin Manufacture (or its subsidiaries) the properties within the Changsha technology park. The Framework Agreement I and the Framework Agreements II are collectively referred to as the Framework Agreements.

關連交易

EPC 服務安排、科技園設計服務安排、供應安排及 PC 設計服務安排及物業租賃協議

於二零一九年四月三日，(i) 本公司與中民築友建設科技集團有限公司(「中民築友建設科技」)訂立框架協議一，內容有關(a)中民築友建設科技及其附屬公司(統稱為「中民築友建設科技集團」)向本集團提供之EPC總承包服務，即EPC服務安排；及(b)本集團向中民築友建設科技集團供應預製装配式建築構配件及產品，即供應安排；(ii)本公司與中民築友建築設計有限公司(「中民築友建築設計」)訂立框架協議二，內容有關(a)中民築友建築設計及其附屬公司(統稱為「中民築友建築設計集團」)就本集團於中國的科技園向本集團提供之設計服務，即科技園設計服務安排；及(b)中民築友建築設計集團就預製装配式建築配件及產品向本集團提供之設計服務，即PC設計服務安排；及(iii)長沙中民築友智造科技有限公司(「長沙中民」)(本公司間接非全資附屬公司)與築友智造科技產業集團有限公司(「築友智造產業」)訂立物業租賃協議，據此，長沙中民將向築友智造產業(或其附屬公司)出租長沙科技園內的物業。框架協議一與框架協議二統稱為框架協議。



REPORT OF THE DIRECTORS (CONTINUED) 董事會報告(續)

Pursuant to the EPC Service Arrangement, the contractual price of EPC general contracting services to be provided by the CMDCT Group to the Group should be determined with reference to the estimated costs of a construction project plus a profit margin and management fee of not more than 5% of the construction costs. As disclosed in the announcement dated 3 April 2019, the Company estimated that the maximum value of the transactions under the EPC Service Arrangement over the term of the Framework Agreement I may reach RMB250 million (equivalent to approximately HK\$289.79 million).

Pursuant to the Supply Arrangement, the integrated unit price of the prefabricated construction components and products to be supplied by the Group to the CMDCT Group should be the prevailing market price of each unit and the price quotation to be provided by the Group should be determined with reference to the estimated costs of each unit plus a profit margin of not more than 10% margin of the unit cost. As disclosed in the announcement dated 3 April 2019, the Company is required under Rule 14A.53 of the Listing Rules to set an annual cap over the term of the Framework Agreement I. Accordingly, such Proposed Supply Arrangement Annual Cap over the term of the Framework Agreement I has been determined to be RMB300 million (equivalent to approximately HK\$347.75 million).

Pursuant to the Park Design Service Arrangement, the contractual price for the design services to be provided by CMDCD to the Group should be determined with reference to the estimated costs of the design services plus a profit margin and management fee of not more than 5% of the design costs. Pursuant to the PC Design Service Arrangement, the contractual price for the design services in respect of the design of the prefabricated construction components and products to be sold by the Group to third parties should be determined with reference to the estimated costs of the design services plus a profit margin and management fee of not more than 5% of the design costs.

根據EPC服務安排，中民築友建設科技集團將向本集團提供的EPC總承包服務的合約價格須參考建築項目的估計成本另加溢利率和不超過建築成本5%之管理費而釐定。誠如日期為二零一九年四月三日的公告披露，本公司估計，EPC服務安排項下交易於框架協議一期間的最高價值可能達人民幣250.0百萬元(相當於約289.79百萬港元)。

根據供應安排，本集團將向中民築友建設科技集團供應的預製装配式建築構配件及產品的綜合單位價格須為各單位現行市價，而本集團將會提供的商品報價須參考各單位的預計成本另加不超過單位成本的溢利10%的溢利率而釐定。誠如日期為二零一九年四月三日的公告披露，本公司須根據上市規則第14A.53條於框架協議期間設定年度上限。因此，於框架協議一期間的有關建議供應安排的年度上限已釐定為人民幣300.0百萬元(相當於約347.75百萬港元)。

根據科技園設計服務安排，中民築友建築設計將向本集團所提供設計服務之合約價格須參考設計服務之估計成本另加溢利率和不超過設計成本5%之管理費而釐定。根據PC設計服務安排，本集團出售予第三方之預製装配式建築構配件及產品之設計之設計服務合約價格須參考設計服務之估計成本另加溢利率和不超過設計成本5%之管理費而釐定。



REPORT OF THE DIRECTORS (CONTINUED) 董事會報告(續)

As disclosed in the announcement dated 3 April 2019, the Company estimates that the maximum value of the transactions under the Park Design Service Arrangement over the term of the Framework Agreement II may reach RMB6 million (equivalent to approximately HK\$6.95 million). The Company is required under Rule 14A.53 of the Listing Rules to set an annual cap over the term of the Framework Agreement II. Accordingly, such Proposed PC Design Service Arrangement Annual Cap has been determined to be RMB9 million (equivalent to approximately HK\$10.43 million).

Pursuant to the Property Leasing Agreement, CM Changsha agreed to (i) lease to the relevant Drawin Manufacture Group Entity the office premises, staff dormitories, finished production warehouses, test plants and prefabricated components manufacturing plants, and (ii) provide to the same the ancillary services including the supply of heating, hot water and the provision of technology park maintenance services ("Leasing and Ancillary Services Arrangement"). The rentals and service fees under the Property Leasing Agreement have been determined by Drawin Manufacture and CM Changsha after arm's length negotiation with reference to the comparable rental in the relevant market under a normal commercial lease for a term of two to three years as set out in the valuation report on rental appraisal prepared by an independent valuation firm. The total amount of fees payable by Drawin Manufacture on behalf of the Drawin Manufacture Group Entities to CM Changsha for the entire lease term will be calculated based on the following formula:

$$\text{RMB}1,350,748.50 \times (N + M)$$

where N = the number of clear calendar months elapsed during the term of Property Leasing Agreement

M = the actual number of days elapsed in the first month of the term of the Property Leasing Agreement (approval date inclusive) over 30 days

As disclosed in the announcement dated 3 April 2019, the Company is required to set an annual cap over the value of the annual payment by Drawin Manufacture to CM Changsha in respect of the Leasing and Ancillary Services Arrangement pursuant to the Property Leasing Agreement. Under the Leasing and Ancillary Services Arrangement, the maximum transaction value for the year ended 31 December 2019 is RMB16,210,000 (equivalent to approximately HK\$18,789,845.8).

誠如日期為二零一九年四月三日的公告披露，本公司估計於框架協議二的年期內，根據科技園設計服務安排之交易之最高價值可達人民幣6百萬元(相當於約6.95百萬港元)。本公司根據上市規則第14A.53條須就框架協議二之年期設定年度上限。因此，該建議PC設計服務安排年度上限已釐定為人民幣9百萬元(相當於約10.43百萬港元)。

根據物業租賃協議，長沙中民同意(i)向相關築友智造產業集團實體出租辦公室場所、員工宿舍、製成品倉庫、測試廠房及預製裝配式構配件製造廠房；及(ii)向其提供配套服務，包括供熱、熱水供應及提供科技園保養服務(「租賃及配套服務安排」)。根據物業租賃協議之租金及服務費乃由築友智造產業及長沙中民參考獨立估值公司就租金估算所編製估值報告中所載在相關市場正常商業租賃下為期兩至三年的可比租金後，經公平磋商釐定。築友智造產業代表築友智造產業集團實體就整個租期應付的費用總額將按以下程式計算：

$$\text{人民幣 } 1,350,748.50 \text{ 元} \times (N + M)$$

當中 N = 物業租賃協議期內已過去的完整曆月數目

M = 物業租賃協議期內首月已過去而超過30日(包括批准日期)的實際日數

誠如日期為二零一九年四月三日之公告所披露，就根據物業租賃協議之租賃及配套服務安排而言，本公司須就築友智造產業每年向長沙中民支付之款項價值設定年度上限。根據租賃及配套服務安排，截至二零一九年十二月三十一日止年度的最高交易價值為人民幣16,210,000元(相當於約18,789,845.8港元)。

REPORT OF THE DIRECTORS (CONTINUED) 董事會報告(續)

Drawin Manufacture indirectly holds approximately 63.5% of the issued Shares; hence, a controlling shareholder of the Company. Drawin Manufacture is also indirectly wholly-owned by Mr. Wu Po Sum, who is an executive Director. Therefore, Drawin Manufacture is a connected person of the Company under the Listing Rules.

CMDCT is direct wholly-owned subsidiary of Drawin Manufacture, and therefore a connected person of the Company pursuant to Chapter 14A of the Listing Rules. Accordingly, each of the EPC Service Arrangement and the Supply Arrangement under the Framework Agreement I constitutes a connected transaction of the Company under Chapter 14A of the Listing Rules.

CMDCD is an indirect wholly-owned subsidiary of Drawin Manufacture, and therefore a connected person of the Company pursuant to Chapter 14A of the Listing Rules. Accordingly, each of the Park Design Service Arrangement and the PC Design Service Arrangement under the Framework Agreement II constitutes a connected transaction of the Company under Chapter 14A of the Listing Rules.

As the EPC Service Arrangement and the Park Design Service Arrangement are both capital in nature which involve different aspects in the construction of a technology park and CMDCD is a direct wholly-owned subsidiary of CMDCT, the EPC Service Arrangement and the Park Design Service Arrangement require aggregation under Rule 14.22 of the Listing Rules. As the applicable percentage ratios in respect of the estimated maximum values of the EPC Service Arrangement under Framework Agreement I and the Park Design Service Arrangement under Framework Agreement II over the term of the Framework Agreements exceed 5% but are less than 25%, the EPC Service Arrangement and the Park Design Service Arrangement constitute (i) connected transactions of the Company which are subject to the reporting, announcement and independent shareholders' approval requirements under Chapter 14A of the Listing Rules, and (ii) discloseable transactions of the Company which are subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

築友智造產業間接持有已發行股份約63.5%；因此，其為本公司控股股東。築友智造產業亦由執行董事胡葆森先生間接全資擁有。因此，根據上市規則，築友智造產業為本公司關連人士。

根據上市規則第14A章，中民築友建設科技為築友智造產業之直接全資附屬公司，故屬本公司之關連人士。因此，根據上市規則第14A章，框架協議一項下EPC服務安排及供應安排各自構成本公司之關連交易。

根據上市規則第14A章，中民築友建築設計為築友智造產業之間接全資附屬公司，故屬本公司之關連人士。因此，根據上市規則第14A章，框架協議二項下科技園設計服務安排及PC設計服務安排各自構成本公司之關連交易。

由於EPC服務安排及科技園設計服務安排均屬資本性質，涉及科技園建設的不同方面，且中民築友建築設計為中民築友建設科技之直接全資附屬公司，故根據上市規則第14.22條，EPC服務安排及科技園設計服務安排需要合併計算。由於有關框架協議一項下EPC服務安排及框架協議二項下科技園設計服務安排於框架協議期內估計最高價值之適用百分比率超過5%但少於25%，故EPC服務安排及科技園設計服務安排構成(i)本公司之關連交易，須遵守上市規則第14A章項下申報、公告及獨立股東批准之規定；及(ii)本公司之須予披露交易，須遵守上市規則第14章項下申報及公告之規定。



REPORT OF THE DIRECTORS (CONTINUED) 董事會報告(續)

As the Supply Arrangement is of revenue nature and one or more of the applicable percentage ratios in respect of the Proposed Supply Arrangement Annual Cap exceed 5%, the contemplated transaction under the Supply Arrangement constitutes a continuing connected transaction which is subject to the annual review, reporting, announcement and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

Further, the highest applicable percentage ratios in respect of the Proposed PC Design Service Arrangement Annual Cap is more than 0.1% but less than 5%, the contemplated transaction under the PC Design Service Arrangement constitutes a continuing connected transaction which is only subject to the annual review, reporting and announcement requirements and is exempted from the independent shareholders' requirement under Chapter 14A of the Listing Rules.

Drawin Manufacture indirectly holds approximately 63.5% of the issued Shares; hence, a controlling shareholder of the Company. Drawin Manufacture is also indirectly wholly-owned by Mr. Wu Po Sum, who is an executive Director. Therefore, Drawin Manufacture is a connected person of the Company under the Listing Rules. Accordingly, the transactions under the Property Leasing Agreement constitute a continuing connected transaction of the Company under Chapter 14A of the Listing Rules. As the highest applicable percentage ratios in respect of the continuing connected transactions under the Property Leasing Agreement is more than 0.1% but less than 5%, the contemplated transaction under the Property Leasing Agreement constitutes a continuing connected transaction which is only subject to the annual review, reporting and announcement requirements and is exempted from the independent shareholders' approval requirement under Chapter 14A of the Listing Rules.

On 4 July 2019, a special general meeting was held. Under the ordinary resolution, shareholders are confirmed, approved and ratify the Framework Agreements dated 3 April 2019 and the transactions contemplated thereunder (including the Proposed Supply Arrangement Annual Cap and the estimated transaction values under the EPC Service Arrangement and the Park Design Service Arrangement).

由於供應安排屬收入性質，且有關建議供應安排年度上限之一項或多項適用百分比率超過5%，故供應安排項下擬進行交易構成持續關連交易，須遵守上市規則第14A章項下年度審閱、申報、公告及獨立股東批准之規定。

此外，有關建議PC設計服務安排年度上限最高適用百分比率超過0.1%但少於5%，故PC設計服務安排項下擬進行交易構成持續關連交易，僅須遵守上市規則第14A章項下年度審閱、申報及公告規定及獲豁免遵守獨立股東批准之規定。

築友智造產業間接持有已發行股份約63.5%；因此，其為本公司控股股東。築友智造產業亦由執行董事胡葆森先生間接全資擁有。因此，根據上市規則，築友智造產業為本公司關連人士。因此，根據上市規則第14A章，物業租賃協議項下之交易構成本公司之持續關連交易。有關物業租賃協議項下持續關連交易之最高適用百分比率超過0.1%但少於5%，故物業租賃協議項下擬進行交易構成持續關連交易，僅須遵守上市規則第14A章項下年度審閱、申報及公告規定及獲豁免遵守獨立股東批准之規定。

本公司於二零一九年七月四日舉行股東特別大會。根據普通決議案，股東確認、批准及追認日期為二零一九年四月三日的框架協議及其項下擬進行的交易(包括建議供應安排年度上限及EPC服務安排及科技園設計服務安排項下之估計交易價值)。



REPORT OF THE DIRECTORS (CONTINUED) 董事會報告(續)

Confirmation from Independent Non-executive Directors

The independent non-executive directors confirmed that they have reviewed the above arrangement (except in respect of PC Design Service Arrangement and Property Leasing Agreement) and confirmed that:

- (i) the terms and conditions of the Framework Agreements are on normal commercial terms which are fair and reasonable;
- (ii) the Proposed Annual Caps (except in respect of the Proposed PC Design Service Arrangement Annual Cap and the Proposed Property Leasing Annual Cap) are fair and reasonable; and
- (iii) the Framework Agreements and the transactions contemplated thereunder were entered into and will be conducted in the ordinary and usual course of business of the Company and its subsidiaries, and are in the interest of the Company and the Shareholders as a whole.

In respect of PC Design Service Arrangement and Property Leasing Agreement, the independent non-executive directors confirmed that they have reviewed:

- (i) the terms and conditions of the Framework Agreement II and the Property Leasing Agreement are on normal commercial terms which are fair and reasonable;
- (ii) the Proposed PC Design Service Arrangement Annual Cap and the Proposed Property Leasing Annual Cap are fair and reasonable; and
- (iii) the Framework Agreement II and the Property Leasing Agreement and the transactions contemplated thereunder were entered into and will be conducted in the ordinary and usual course of business of the Company and its subsidiaries, and are in the interest of the Company and the Shareholders as a whole.

To the best of the Directors' knowledge and belief after having made all reasonable enquiries, other than (1) Mr. Wu Po Sum (an executive Director) who indirectly holds the entire equity interests in Drawin Manufacture and is a controlling shareholder of the Company, and (2) Ms. Wu Wallis (alias Li Hua) (a non-executive Director) who is the daughter of Mr. Wu Po Sum, none of the Directors has a material interest in the Framework Agreements, the Property Leasing Agreement and the transactions contemplated thereunder.

獨立非執行董事確認

獨立非執行董事確認，彼等已審閱上述安排(除PC設計服務安排及物業租賃協議外)，並確認：

- (i) 框架協議的條款及條件乃屬公平合理的一般商業條款；
- (ii) 建議年度上限(除建議PC設計服務安排年度上限及建議物業租賃年度上限外)實屬公平合理；及
- (iii) 框架協議及其項下擬進行交易乃於本公司及其附屬公司日常業務過程中訂立並將於日常業務過程中進行，符合本公司及股東的整體利益。

就PC設計服務安排及物業租賃協議而言，獨立非執行董事確認彼等已審閱：

- (i) 框架協議二及物業租賃協議的條款及條件乃屬公平合理的一般商業條款；
- (ii) 建議PC設計服務安排年度上限及建議物業租賃年度上限實屬公平合理；及
- (iii) 框架協議二及物業租賃協議及其項下擬進行交易乃於本公司及其附屬公司日常業務過程中訂立並將於日常業務過程中進行，符合本公司及股東的整體利益。

據董事在作出一切合理查詢後所深知、全悉及確信，除(1)間接持有築友智造產業之全部股權及本公司控股股東胡葆森先生(執行董事)及(2)胡葆森先生之女兒李樺女士(非執行董事)外，概無董事於框架協議、物業租賃協議及其項下擬進行交易中擁有重大權益。

REPORT OF THE DIRECTORS (CONTINUED) 董事會報告(續)

Confirmation from auditors

The Company's external auditor was engaged to report on the continuing connected transactions of the Group under the above EPC Service Arrangement, Park Design Service Arrangement, PC Design Service Arrangement, Property Leasing Agreement and Supply Arrangement in accordance with Hong Kong Standard on Assurance Engagements 3000 (Revised) "Assurance Engagements Other Than Audits or Reviews of Historical Financial Information", and with reference to Practice Note 740 "Auditor's Letter on Continuing Connected Transactions under the Hong Kong Listing Rules" issued by the Hong Kong Institute of Certified Public Accountants. The external auditor has issued an unqualified report containing its findings and conclusions in respect of the disclosed above in accordance with Rule 14A.56 of the Main Board Listing Rules. The Company provided a copy of the report to the Stock Exchange.

The external auditor of the Company confirmed that nothing has come to their attention that causes them to believe that the continuing connected transactions for the year ended 31 December 2019 under the Framework Agreements and the Property Leasing Agreement:

- (i) have not been approved by the Board;
- (ii) were not, in all material respects, in accordance with the price policies of the Group;
- (iii) were not entered into, in all material respects, in accordance with the relevant agreements governing such transactions; and
- (iv) have exceeded the annual cap as set by the Company.

Provision of financial assistance

On 29 November 2019, Xiangtan China Minsheng Drawin Technology Limited* (湘潭中民築友科技有限公司) ("Xiangtan Drawin") (an indirect wholly-owned subsidiary of the Company) entered into the Mortgage Agreement with the Yuhua Sub-branch of Changsha Rural Commercial Bank Co. Ltd. (the "Bank"), pursuant to which Xiangtan Drawin agreed to provide the mortgage over Xiangtan Drawin's land use rights of a stated-owned construction land and six constructions in process thereon (with a gross floor area of approximately 89,025 square metres) (the "Mortgage") in favour of the Bank as security for the repayment obligations of Drawin Manufacture (an indirect controlling shareholder of the Company) under the Loan Agreement in respect of a loan facility of up to RMB40,000,000 granted by the Bank to Drawin Manufacture for on-lending to China Minsheng Drawin Technology Investment Limited* (築友智造科技投資有限公司) ("Drawin Investment") (an indirect wholly-owned subsidiary of the Company) on the same terms as the Loan Agreement (the "Shareholder's Loan") without receiving any fee or commission nor any counter-security or guarantee from Drawin Investment.

核數師確認

本公司的外聘核數師獲委聘根據香港會計師公會頒佈的香港鑒證業務準則第3000號(經修訂)「歷史財務資料審計或審閱以外之鑒證業務」,並參照實務說明第740號「關於香港上市規則所述持續關連交易的核數師函件」報告上述EPC服務安排、科技園設計服務安排、PC設計服務安排、物業租賃協議及供應安排項下的持續關連交易。外聘核數師已根據主板上市規則第14A.56條就上文所披露者發出無保留意見報告,當中載有彼等的調查結果及結論。本公司已向聯交所提供該報告的副本。

本公司的外聘核數師確認,並無發現任何事宜令彼等認為截至二零一九年十二月三十一日止年度的該等框架協議及物業租賃協議項下之持續關連交易:

- (i) 未獲董事會批准;
- (ii) 於所有重大方面並不符合本集團的定價政策;
- (iii) 於所有重大方面並非根據規管該等交易的相關協議訂立;及
- (iv) 已超出本公司所訂立的年度上限。

提供財務資助

於二零一九年十一月二十九日,湘潭中民築友科技有限公司(「湘潭築友」)(本公司之間接全資附屬公司)與長沙農村商業銀行股份有限公司的雨花支行(「該銀行」)訂立抵押合同,據此,湘潭同意提供以該銀行為受益人對湘潭築友的國有建設用地的土地使用權及其上的六項在建工程(總建築面積約為89,025平方米)所作抵押(「該抵押」),作為築友智造產業(本公司之間接控股股東)履行於借款合同項下該銀行向築友智造產業授出最多為人民幣40,000,000元的有關貸款融資之還款義務之擔保,而築友智造產業則按與借款合同相同的條款轉借該貸款予築友智造科技投資有限公司(本公司之間接全資附屬公司)(「股東貸款」),而不向中民築友投資收取任何費用或佣金,或任何反擔保或擔保。

REPORT OF THE DIRECTORS (CONTINUED) 董事會報告(續)

Drawin Manufacture indirectly holds approximately 63.5% of the issued Shares, thus an indirect controlling shareholder of the Company. Drawin Manufacture is also indirectly wholly-owned by Mr. Wu Po Sum, who is an executive Director; hence, Drawin Manufacture is a connected person of the Company under the Listing Rules. The provision of the Mortgage by Xiangtan Drawin under the Mortgage Agreement therefore constitutes a connected transaction of the Company under Chapter 14A of the Listing Rules.

As the applicable percentage ratios in respect of the provision of the Mortgage are more than 0.1% but less than 5%, the provision of the Mortgage is subject to reporting and announcement requirements but exempt from the independent Shareholders' approval under Chapter 14A of the Listing Rules.

The on-lending of the loan from Drawin Manufacture to Drawin Investment also constitutes a connected transaction of the Company under Chapter 14A of the Listing Rules, but is fully exempted from Shareholders' approval, annual review and all disclosure requirements pursuant to Rule 14A.90 of the Listing Rules.

To the best of the Directors' knowledge and belief after having made all reasonable enquiries, other than (1) Mr. Wu Po Sum (an executive Director) who indirectly holds the entire equity interests in Drawin Manufacture, and (2) Ms. Wu Wallis (alias Li Hua) (a non-executive Director) who is the daughter of Mr. Wu Po Sum, none of the Directors has a material interest in the Mortgage Agreement, the Shareholder's Loan and the transactions contemplated thereunder.

Save as disclosed above, during the year ended December 31, 2019, the Company had no connected transactions or continuing connected transactions which are required to be disclosed under the Listing Rules. The Company has complied with the disclosure requirements under Chapter 14A of the Listing Rules with respect to the connected transactions or continuing connected transactions entered into by the Group during the year ended December 31, 2019.

築友智造產業間接持有已發行股份約63.5%，因此為本公司之間接控股股東。築友智造產業亦由執行董事胡葆森先生間接全資擁有，故此根據上市規則築友智造產業為本公司關連人士。根據上市規則第14A章，湘潭根據抵押合同提供抵押構成本公司關連交易。

由於提供抵押之適用百分比率超過0.1%但低於5%，提供抵押須遵守上市規則第14A章項下之申報及公告規定，但獲豁免遵守獨立股東批准規定。

根據上市規則第14A章，築友智造產業轉借貸款予中民築友投資亦構成本公司一項關連交易，惟根據上市規則第14A.90條，該筆貸款獲全面豁免遵守股東批准、年度審閱及所有披露規定。

據董事在作出一切合理查詢後所深知、全悉及確信，除(1)間接持有築友智造產業之全部股權及本公司控股股東胡葆森先生(執行董事)及(2)胡葆森先生之女兒李樺女士(非執行董事)外，概無董事於抵押合同、股東貸款及其項下擬進行交易中擁有重大權益。

除上文披露者外，於截至二零一九年十二月三十一日止年度，本公司概無須根據上市規則予以披露之關連交易或持續關連交易。就本集團於截至二零一九年十二月三十一日止年度訂立之關連交易或持續關連交易而言，本公司已遵守上市規則第14A章規定之披露要求。



REPORT OF THE DIRECTORS (CONTINUED) 董事會報告(續)

RELATED PARTY TRANSACTIONS

Details of material related party transactions of the Group undertaken in the normal course of business are set out in Note 36 to the consolidated financial statements. Save for the connected transaction as disclosed above, none of these related party transactions is required to be disclosed under Chapter 14A of the Listing Rules.

MAJOR CUSTOMERS AND SUPPLIERS

For the year ended 31 December 2019:

- (i) The Group's largest customers and the five largest customers accounted for approximately 8.0% and 27.1% of the Group's total turnover respectively.
- (ii) The aggregate purchases attributable to the Group's five largest suppliers were less than 30% of the Group's total purchases.

China Minsheng Drawin Construction Technology Group Company Limited (formerly known as China Minsheng Drawin Construction Co., Ltd) ("CMDCT"), a substantial shareholder of the Company, is a key customer of 18.1% sales of the Group. The connected transactions with CMDCT have been approved at the Board meeting and Shareholders' meeting (if applicable) of the Company.

Save for this, none of the Directors, their associates, or any shareholders (which to the best knowledge of the Directors owned more than 5% of the Company's share capital) has any beneficial interests in these major customers and suppliers.

TAX RELIEF AND EXEMPTION

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

PRE-EMPTIVE RIGHTS

There are no provisions for pre-emptive rights in respect of the shares of the Company under the Company's byelaws although there are no restrictions against such rights under the laws of Bermuda.

關連方交易

本集團於一般業務過程中進行的重大關連方交易詳情載於綜合財務報表附註36。除上文所披露的關連交易外，概無任何關連方交易須根據上市規則第14A章予以披露。

主要客戶及供應商

截至二零一九年十二月三十一日止年度：

- (i) 本集團最大客戶及前五名最大客戶分別佔本集團總營業額約8.0%及27.1%。
- (ii) 本集團前五名最大供應商所佔總購買少於佔本集團總購買之30%。

本公司主要股東中民築友建設科技集團有限公司(前稱：中民築友建設有限公司)(「中民築友建設科技」)為本集團18.1%銷售的關鍵客戶。與中民築友建設科技的關連交易已於本公司董事會會議及股東會議(如適用)上批准。

除此之外，各董事、彼等的聯繫人或任何股東(就董事所深知擁有超過5%本公司股本者)在該等主要客戶及供應商概無擁有任何實益權益。

稅務寬減及豁免

本公司概不知悉有任何因本公司股東持有本公司證券而享有任何稅務寬減及豁免。

優先購買權

百慕達法例概無對有關本公司股份的優先購買權作出任何限制，惟本公司的公司細則亦無任何有關該等權利的規定。

REPORT OF THE DIRECTORS (CONTINUED) 董事會報告(續)

PUBLIC FLOAT

Based on information that is publicly available to the Company and within the knowledge of the Directors, the Company has maintained sufficient public float throughout the year ended 31 December 2019 and up to the latest practicable date prior to the issue of this report.

COMPLIANCE WITH LAWS AND REGULATIONS

During the year, to the best knowledge of the Directors, the Group has complied with all the relevant laws and regulations that have a significant impact on the Group.

KEY RELATIONSHIPS WITH EMPLOYEES, CUSTOMERS, SUPPLIERS AND OTHERS

The Group fully understands that employees, customers and suppliers are the key to our sustainable and stable development. We are committed to establishing a close relationship with our employees, enhancing cooperation with our suppliers and providing high-quality products and services to our customers so as to ensure the Group's sustainable development.

AUDITOR

PricewaterhouseCoopers shall retire in the forthcoming annual general meeting and being eligible, will offer themselves for re-appointment. A resolution for re-appointment of PricewaterhouseCoopers as auditor of the Company will be proposed at the forthcoming annual general meeting.

By Order of the Board of
DIT Group Limited
Wu Po Sum
Chairman

Hong Kong, 22 April 2020

公眾持股量

就本公司所獲公開資料及董事所知悉，本公司於截至二零一九年十二月三十一日止年度及直至刊發本報告前的最後可行日期一直維持充足的公眾持股量。

遵守法例及規例

年內，據董事所深知，本集團已遵守對本集團有重大影響的所有相關法例及規例。

與僱員、客戶、供應商及其他人士的主要關係

本集團充分意識到僱員，客戶和供應商是我們持續穩定發展的關鍵。我們致力於與員工建立密切關係，加強與供應商的合作，為我們的客戶提供高品質的產品及服務，以確保本集團可持續發展。

核數師

羅兵咸永道會計師事務所將於應屆股東週年大會退任並有資格獲得續聘。本公司將於應屆股東週年大會上提呈一項決議案，以續聘羅兵咸永道會計師事務所為本公司的核數師。

承董事會命
築友智造科技集團有限公司
主席
胡葆森

香港，二零二零年四月二十二日



INDEPENDENT AUDITOR'S REPORT 獨立核數師報告



羅兵咸永道

TO THE SHAREHOLDERS OF
DIT Group Limited
(incorporated in Bermuda with limited liability)

致：
築友智造科技集團有限公司全體股東
(於百慕達註冊成立之有限公司)

OPINION

意見

What we have audited

The consolidated financial statements of DIT Group Limited (the "Company") and its subsidiaries (the "Group") set out on pages 95 to 219 which comprise:

我們已審計的內容

築友智造科技集團有限公司(以下簡稱「貴公司」)及其附屬公司(以下統稱「貴集團」)列載於第95至219頁的綜合財務報表，包括：

- the consolidated statement of financial position as at 31 December 2019;
 - the consolidated statement of profit or loss and other comprehensive income for the year then ended;
 - the consolidated statement of changes in equity for the year then ended;
 - the consolidated statement of cash flows for the year then ended; and
 - the notes to the consolidated financial statements, which include a summary of significant accounting policies.
- 於二零一九年十二月三十一日的綜合財務狀況表；
 - 截至該日止年度的綜合損益及其他全面收益表；
 - 截至該日止年度的綜合權益變動表；
 - 截至該日止年度的綜合現金流量表；及
 - 綜合財務報表附註，包括主要會計政策概要。

INDEPENDENT AUDITOR'S REPORT (CONTINUED) 獨立核數師報告(續)



羅兵咸永道

Our opinion

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2019, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

BASIS FOR OPINION

We conducted our audit in accordance with Hong Kong Standards on Auditing ("HKSAs") issued by the HKICPA. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

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.

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

我們的意見

我們認為，該等綜合財務報表已根據香港會計師公會頒佈的《香港財務報告準則》真實而中肯地反映了貴集團於二零一九年十二月三十一日的綜合財務狀況及其截至該日止年度的綜合財務表現及綜合現金流量，並已遵照香港《公司條例》的披露規定妥為編製。

意見基礎

我們已根據香港會計師公會頒佈的《香港審計準則》進行審計。我們在該等準則下承擔的責任已在本報告「核數師就審計綜合財務報表承擔的責任」章節中作進一步闡述。

我們相信，我們所獲得的審計憑證能充足及適當地為我們的審計意見提供基礎。

獨立性

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

關鍵審計事項

關鍵審計事項是根據我們的專業判斷，認為對本期綜合財務報表的審計最為重要的事項。這些事項是在我們審計整體綜合財務報表及出具意見時進行處理的。我們不會對這些事項提供單獨的意見。

INDEPENDENT AUDITOR'S REPORT (CONTINUED) 獨立核數師報告(續)



羅兵咸永道

Key audit matters identified in our audit are summarised as follows:

1. Impairment assessment on property, plant and equipment and right-of-use assets
2. Impairment provision for trade receivables

我們在審計中識別的關鍵審計事項概述如下：

1. 物業、廠房及設備及使用權資產減值評估
2. 貿易應收款項減值撥備

Key Audit Matter 1

關鍵審計事項 1

How our audit addressed the Key Audit Matter

我們的審計如何應對關鍵審計事項

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

物業、廠房及設備及使用權資產減值評估

Refer to Note 5.1 (Critical accounting estimates – Impairment of property, plant and equipment and right-of-use assets), Note 15 (Property, plant and equipment) and Note 16 (Right-of-use assets) to the consolidated financial statements.

請參閱綜合財務報表附註5.1(重要會計估計—物業、廠房及設備及使用權資產減值)、附註15(物業、廠房及設備)及附註16(使用權資產)。

As at 31 December 2019, the carrying amounts of property, plant and equipment and right-of-use assets of the Group were HK\$1,416,328,000 and HK\$726,587,000, respectively.

於二零一九年十二月三十一日，貴集團物業、廠房及設備及使用權資產的賬面值分別為1,416,328,000港元及726,587,000港元。

With regard to the identification of impairment indicators relating to property, plant and equipment and right-of-use assets, we evaluated management's assessment by taking into account macroeconomic data (including industry trends), management's business plans.

就識別與物業、廠房及設備及使用權資產有關的減值指標而言，我們經考慮宏觀經濟數據(包括行業趨勢)及管理層的業務計劃，對管理層的估計進行評估。

With regard to the recoverable amounts of the underlying CGUs with impairment indicators:

關於具有減值跡象的相關現金產生單位的可收回金額：

- We assessed the appropriateness of the valuation model adopted by management.
- 我們評估了管理層採用的估值模型的適當性。



INDEPENDENT AUDITOR'S REPORT (CONTINUED) 獨立核數師報告(續)



羅兵咸永道

Key Audit Matter 1 (Continued) 關鍵審計事項 1 (續)

How our audit addressed the Key Audit Matter 我們的審計如何應對關鍵審計事項

Impairment assessment on property, plant and equipment and right-of-use assets (Continued)

物業、廠房及設備及使用權資產減值評估(續)

Management has assessed whether any impairment indicators of property, plant and equipment and right-of-use assets existed as at the balance sheet date and has identified that impairment indicators of the property, plant and equipment and right-of-use assets existed for certain subsidiaries which are loss-making for consecutive years. 管理層已評估物業、廠房及設備及使用權資產於資產負債表日期是否存在任何減值跡象，並確定連續多年錄得虧損的若干附屬公司存在物業、廠房及設備及使用權資產減值跡象。

For the purpose of assessing the impairment, management identified each subsidiary as a Cash Generating Unit ("CGU"). The recoverable amount of the underlying CGUs were determined based on the present value of estimated future cash flow. No provision for impairment was made based on management's assessment.

為進行減值評估，管理層將各附屬公司確定為一個現金產生單位(「現金產生單位」)。相關現金產生單位的可收回金額乃根據估計未來現金流量的現值釐定。根據管理層的評估，並無作出減值撥備。

- We evaluated the appropriateness of discount rates by comparing them with the costs of capital of comparable companies as well as considering territory specific and other factors.
- 我們通過將折現率與可比公司的資本成本進行比較，以及考慮特定領域及其他因素來評估折現率的適當性。
- We evaluated the reasonableness of revenue growth rates by comparing them with historical operating results, budgets approved by management and future business projections.
- 我們通過將收入增長率與歷史經營業績、管理層批准的預算和未來業務預測進行比較來評估收入增長率的合理性。
- We tested the mathematical accuracy of the underlying present value of estimated future cash flow calculations.
- 我們測試了估計未來現金流量計算的相關現值的數學準確性。

INDEPENDENT AUDITOR'S REPORT (CONTINUED) 獨立核數師報告(續)



羅兵咸永道

Key Audit Matter 1 (Continued)

關鍵審計事項 1 (續)

How our audit addressed the Key Audit Matter

我們的審計如何應對關鍵審計事項

Impairment assessment on property, plant and equipment and right-of-use assets (Continued)

物業、廠房及設備的減值評估(續)

We focused on this area as the carrying amounts of property, plant and equipment and right-of use assets are significant to the consolidated financial statements and the identification of impairment indicators and assessment on the recoverable amounts of the underlying CGUs involved significant management's estimates and judgement, including applying key assumptions such as revenue growth rates and discount rates.

我們注重該領域，原因是物業、廠房及設備及使用權資產的賬面值對綜合財務報表而言屬重大，而確定減值跡象和評估有關現金產生單位的可收回金額涉及重大管理層估計及判斷，包括運用收入增長率及折現率等主要假設。

- We evaluated management's sensitivity analysis around the key assumptions to ascertain the extent of changes in these assumptions required to trigger an impairment of the relevant assets, and considered the likelihood of such changes in those key assumptions.
- 我們評估管理層圍繞關鍵假設的敏感度分析，以確定觸發相關資產減值所需的該等假設的變化程度，並考慮該等關鍵假設發生此等變化的可能性。

Based on the work we performed, we considered the valuation model used by the management was appropriate and the key assumptions were supported by the evidence we gathered.

根據我們所進行的工作，我們認為管理層使用的估值模型乃屬適當，及我們收集的證據支持關鍵假設。



INDEPENDENT AUDITOR'S REPORT (CONTINUED) 獨立核數師報告(續)



羅兵咸永道

Key Audit Matter 2

關鍵審計事項 2

How our audit addressed the Key Audit Matter

我們的審計如何應對關鍵審計事項

Impairment provision for trade receivables

貿易應收款項減值撥備

Refer to Note 5.1 (Critical accounting estimates – Impairment of trade receivables) and Note 22 (Trade and other receivables and prepayments) to the consolidated financial statements.

請參閱綜合財務報表附註5.1(重要會計估計 – 貿易應收款項減值)及附註22(貿易及其他應收款項及預付款項)。

As at 31 December 2019, the Group's gross trade receivables amounted to HK\$516,098,000, against which an impairment provision of HK\$5,134,000 was provided.

於二零一九年十二月三十一日，貴集團的貿易應收款項總額為516,098,000港元，並對其計提減值撥備5,134,000港元。

The Group applied the simplified approach as permitted under Hong Kong Financial Reporting Standard 9 – Financial Instruments to measure expected credit losses which used a lifetime expected loss allowance for all trade receivables, grouped by shared credit risk characteristics by taking into account the days past due.

貴集團採用香港財務報告準則第9號—金融工具允許的簡化方法計量預期信貸虧損，其使用所有貿易應收款項的整個期間預期虧損撥備，在考慮逾期天數後按共享信貸風險特徵分組。

We focused on this area due to the magnitude of trade receivables balances and the significance of management judgements applied in determining the impairment provision.

由於貿易應收款項結餘的重要程度及管理層判斷在釐定減值撥備時的重要性，我們專注於該領域。

Our audit work in relation to impairment provision for trade receivables included:

我們有關貿易應收款項減值撥備的審計工作包括：

- We assessed the reasonableness of key input data and major assumptions adopted in expected credit losses of trade receivables, including the historical default loss rates and the adjustments for the historical default loss rates based on forward looking macroeconomic data.
- 我們評估了主要輸入數據的合理性以及貿易應收款項預期信貸虧損中採用的主要假設，包括歷史違約損失率和基於前瞻性宏觀經濟數據對歷史違約損失率的調整。
- We tested the accuracy of the aging analysis of trade receivables by tracing items in the aging analysis, on a sample basis, to the relevant supporting documents.
- 我們通過追蹤賬齡分析中的項目至有關證明文件，以抽樣方式檢測貿易應收款項賬齡分析的準確性。
- We tested the expected credit losses calculation schedule for mathematical accuracy.
- 我們測試預期信貸虧損計算時間表的數學準確性。
- We checked subsequent settlements relating to trade receivables as at 31 December 2019, on a sample basis.
- 我們以抽樣方式檢查於二零一九年十二月三十一日貿易應收款項的有關後續結算。

Based on the work performed, we considered that the management's judgements in assessing the impairment of trade receivables were supported by the evidence we gathered.

根據所進行的工作，我們認為管理層在評估貿易應收款項減值方面的判斷得到我們收集的證據支持。

INDEPENDENT AUDITOR'S REPORT (CONTINUED) 獨立核數師報告(續)



OTHER INFORMATION

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

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

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

羅兵咸永道

其他資料

貴公司董事須對其他資料負責。其他資料涵蓋年報所載的一切資料(綜合財務報表及當中所載的我們的核數師報告除外)。

我們對綜合財務報表的意見並不涵蓋其他信息，我們既不也將不對該等其他信息發表任何形式的鑒證結論。

結合我們對綜合財務報表的審計，我們的責任是閱讀其他信息並在此過程中，考慮其他信息是否與綜合財務報表或我們在審計過程中所了解的情況存在重大抵觸或者似乎存在重大錯誤陳述的情況。

如果基於我們所執行的工作，我們認為此等其他信息存在重大錯誤陳述，我們需要報告該事實。在這方面，我們沒有需要報告的事項。



INDEPENDENT AUDITOR'S REPORT (CONTINUED) 獨立核數師報告(續)



羅兵咸永道

RESPONSIBILITIES OF DIRECTORS AND THE AUDIT COMMITTEE FOR THE CONSOLIDATED FINANCIAL STATEMENTS

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

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

The audit committee is responsible for overseeing the Group's financial reporting process.

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

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. We report our opinion solely to you, as a body, in accordance with Section 90 of the Companies Act 1981 of Bermuda and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with HKSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

董事及審核委員會就綜合財務報表須 承擔的責任

貴公司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》披露規定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，以及與使用持續經營為會計基礎有關的事項，除非董事有意將貴集團清盤或停止經營，或別無其他實際的替代方案。

審核委員會須負責監督貴集團的財務匯報過程。

核數師就審計綜合財務報表承擔的責任

我們的目標，是對綜合財務報表整體是否不存在由於欺詐或錯誤而導致的重大錯誤陳述取得合理保證，並出具包括我們意見的核數師報告。我們僅向閣下(作為整體)按照百慕達一九八一年《公司法》第90條報告，除此之外本報告別無其他目的。我們不會就本報告的內容向任何其他人士負責或承擔任何責任。合理保證是高水平的保證，但不能保證按照《香港審計準則》進行的審計，在某一重大錯誤陳述存在時總能發現。錯誤陳述可以由欺詐或錯誤引起，如果合理預期它們單獨或滙總起來可能影響綜合財務報表使用者依賴綜合財務報表所作出的經濟決定，則有關的錯誤陳述可被視作重大。

INDEPENDENT AUDITOR'S REPORT (CONTINUED) 獨立核數師報告(續)



羅兵咸永道

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
 - Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
 - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
 - Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
 - Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- 在根據《香港審計準則》進行審計的過程中，我們運用了專業判斷，保持了專業懷疑態度。我們亦：
- 識別和評估由於欺詐或錯誤而導致綜合財務報表存在重大錯誤陳述的風險，設計及執行審計程序以應對這些風險，以及獲取充足和適當的審計憑證，作為我們意見的基礎。由於欺詐可能涉及串謀、偽造、蓄意遺漏、虛假陳述，或凌駕於內部控制之上，因此未能發現因欺詐而導致的重大錯誤陳述的風險高於未能發現因錯誤而導致的重大錯誤陳述的風險。
 - 了解與審計相關的內部控制，以設計適當的審計程序，但目的並非對貴集團內部控制的有效性發表意見。
 - 評價董事所採用會計政策的恰當性及作出會計估計和相關披露的合理性。
 - 對董事採用持續經營會計基礎的恰當性作出結論。根據所獲取的審計憑證，確定是否存在與事項或情況有關的重大不確定性，從而可能導致對貴集團的持續經營能力產生重大疑慮。如果我們認為存在重大不確定性，則有必要在核數師報告中提請使用者注意綜合財務報表中的相關披露。假若有關的披露不足，則我們需要修訂我們的意見。我們的結論是基於核數師報告日止所取得的審計憑證。然而，未來事項或情況可能導致貴集團不能持續經營。
 - 評價綜合財務報表的整體列報方式、結構和內容，包括披露，以及綜合財務報表是否中肯反映有關交易和事項。

INDEPENDENT AUDITOR'S REPORT (CONTINUED) 獨立核數師報告(續)



羅兵咸永道

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

- 就貴集團內實體或業務活動的財務信息獲取充足、適當的審計憑證，以便對綜合財務報表發表意見。我們負責貴集團審計的方向、監督和執行。我們僅對我們的審計意見承擔責任。

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

除其他事項外，我們與審核委員會溝通了設想的審計範圍、時間安排以及重大審計發現，包括我們在審計中識別出內部控制的任何重大缺陷。

We also provide the audit committee with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with the audit committee all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

我們還向審核委員會提交聲明，說明我們已符合有關獨立性的相關專業道德要求，並與審核委員會溝通有可能合理地被認為會影響我們獨立性的所有關係和其他事項，以及在適用的情況下，所採取的相關防範措施。

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

從與審核委員會溝通的事項中，我們確定哪些事項對本期綜合財務報表的審計最為重要，因而構成關鍵審計事項。我們在核數師報告中描述這些事項，除非法律法規不允許公開披露這些事項，或在極端罕見的情況下，如果合理預期在我們報告中溝通某事項造成的負面後果超過產生的公眾利益，我們決定不應在報告中溝通該事項。

The engagement partner on the audit resulting in this independent auditor's report is Mang, Kwong Fung Frederick.

出具本獨立核數師報告的審計項目合夥人是孟江峰。

PricewaterhouseCoopers
Certified Public Accountants

羅兵咸永道會計師事務所
執業會計師

Hong Kong, 22 April 2020

香港，二零二零年四月二十二日

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 2019 截至二零一九年十二月三十一日止年度

			Year ended 31 December 2019 截至 二零一九年 十二月三十一日 止年度 HK\$'000 千港元	Year ended 31 December 2018 截至 二零一八年 十二月三十一日 止年度 HK\$'000 千港元
		Notes 附註		
Revenue	收入	6	695,901	530,232
Cost of sales	銷售成本	9	(518,126)	(372,107)
Gross profit	毛利		177,775	158,125
Gains on disposal of subsidiaries	出售附屬公司的收益	33	134,178	–
Government subsidies	政府補助		23,495	14,029
Other income	其他收入	7	5,892	3,510
Other (losses)/gains — net	其他(虧損)/收益 — 淨額	8	(5,452)	7,151
Selling and distribution expenses	銷售及分銷開支	9	(55,371)	(34,745)
Administrative expenses	行政開支	9	(117,308)	(109,710)
Net impairment losses on financial assets	金融資產減值虧損淨額		(2,837)	(1,633)
Share of gains/(losses) of associates	聯營公司分佔收益/(虧損)		4,491	(1,329)
Operating profit	經營溢利		164,863	35,398
Finance costs	融資成本	10	(25,928)	(9,155)
Profit before income tax	除所得稅前溢利		138,935	26,243
Income tax expenses	所得稅開支	12	(25,318)	(6,903)
Profit for the year	年度溢利		113,617	19,340
Profit/(loss) for the year, attributable to	為以下人士所佔的年度溢利/(虧損)			
— Owners of the Company	— 本公司擁有人		110,749	27,427
— Non-controlling interests	— 非控股權益		2,868	(8,087)
			113,617	19,340
Earnings per share attributable to owners of the Company (expressed in HK\$ cents per share)	本公司擁有人所佔每股盈利 (以每股港仙呈列)	14		
— Basic and diluted	— 基本及攤薄		0.99	0.24

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (CONTINUED)

綜合損益及其他全面收益表(續)

For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度

		Year ended 31 December 2019 截至 二零一九年 十二月三十一日 止年度 Notes 附註	Year ended 31 December 2018 截至 二零一八年 十二月三十一日 止年度 HK\$'000 千港元
Profit for the year	年度溢利	113,617	19,340
Other comprehensive loss, which may be reclassified subsequently to profit or loss	其他全面虧損，其後可能 被重新分類至損益		
— Currency translation differences	— 外幣折算差額	(51,115)	(105,416)
Other comprehensive loss for the year, net of tax	年度其他全面虧損， 扣除稅項	(51,115)	(105,416)
Total comprehensive income/(loss) for the year	年度全面收益／(虧損)總額	62,502	(86,076)
Total comprehensive income/(loss) for the year, attributable to	為以下人士所佔的年度全面 收益／(虧損)總額		
— Owners of the Company	— 本公司擁有人	60,217	(76,811)
— Non-controlling interests	— 非控股權益	2,285	(9,265)
		62,502	(86,076)

The above consolidated statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes.

上述綜合損益及其他全面收益表應與隨附附註一併閱讀。

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

綜合財務狀況表

As at 31 December 2019 於二零一九年十二月三十一日

			As at 31 December 2019 於二零一九年 十二月三十一日	As at 31 December 2018 於二零一八年 十二月三十一日
		Notes 附註	HK\$'000 千港元	HK\$'000 千港元
ASSETS	資產			
Non-current assets	非流動資產			
Property, plant and equipment	物業、廠房及設備	15	1,416,328	1,483,219
Right-of-use assets	使用權資產	16	726,587	–
Land use rights	土地使用權	17	–	732,937
Investment properties	投資性房地產	18	17,080	17,348
Intangible assets	無形資產	19	3,619	4,118
Deferred income tax assets	遞延所得稅資產	30	44,973	37,442
Investments in associates	投資於聯營公司	20	192,883	192,697
Financial assets at fair value through profit or loss	以公允價值計量且其變動計入損益的金融資產	24	43,480	23,967
			2,444,950	2,491,728
Current assets	流動資產			
Inventories	存貨	21	89,672	96,095
Trade and other receivables and prepayments	貿易及其他應收款項及預付款項	22	725,589	505,793
Cash and cash equivalents	現金及現金等值項目	25	82,415	110,802
Restricted cash	有限制存款	26	124,371	153,588
			1,022,047	866,278
Total assets	資產總額		3,466,997	3,358,006
EQUITY	權益			
Equity attributable to owners of the Company	本公司擁有人所佔權益			
Share capital (nominal value)	股本(面值)	27	1,120,960	1,120,960
Reserves	儲備	28	710,485	649,946
			1,831,445	1,770,906
Non-controlling interests	非控股權益	29	587,598	607,623
Total equity	權益總額		2,419,043	2,378,529

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)

綜合財務狀況表(續)

As at 31 December 2019 於二零一九年十二月三十一日

			As at 31 December 2019 於二零一九年 十二月三十一日	As at 31 December 2018 於二零一八年 十二月三十一日
	Notes 附註	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元
LIABILITIES				
Non-current liabilities				
Deferred income		1,708		1,427
Deferred income tax liabilities	30	12,916		8,010
Lease liabilities	16	3,007		-
Obligations under finance lease		-		2,880
Borrowings	32	123,077		340,676
		140,708		352,993
Current liabilities				
Trade and other payables	31	458,112		413,813
Contract liabilities		55,341		40,545
Current income tax liabilities		31,176		14,702
Lease liabilities	16	10,968		-
Obligations under finance lease		-		1,524
Borrowings	32	351,649		155,900
		907,246		626,484
Total liabilities		1,047,954		979,477
Total equity and liabilities		3,466,997		3,358,006

The above consolidated statement of financial position should be read in conjunction with the accompanying notes.

上述綜合財務狀況表應與隨附附註一併閱讀。

The consolidated financial statements on pages 95 to 219 were approved by the Board of Directors on 22 April 2020 and were signed on its behalf by:

第95至219頁的綜合財務報表於二零二零年四月二十二日經董事會批准，並由以下董事代表董事會簽署：

Wu Po Sum
胡葆森
Director
董事

Guo Weiqiang
郭衛強
Director
董事

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

綜合權益變動表

For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度

	Notes 附註	Attributable to owners of the Company 本公司擁有人所佔					Accumulated losses 累計虧損	Total 總額	Non- controlling interests 非控股權益	Total equity 權益總額
		Share capital 股本 HK\$'000 千港元	Share premium 股份溢價 HK\$'000 千港元	Exchange reserve 匯兌儲備 HK\$'000 千港元	Contributed surplus reserve 繳入盈餘儲備 HK\$'000 千港元	Other reserve 其他儲備 HK\$'000 千港元				
Balance at 1 January 2018	於二零一八年一月一日的結餘	1,120,960	859,695	77,976	131,166	28,631	(375,171)	1,843,257	560,864	2,404,121
Profit/(loss) for the year	年度溢利/(虧損)	-	-	-	-	-	27,427	27,427	(8,087)	19,340
Other comprehensive income/(loss):	其他全面收益/(虧損):									
Currency translation differences	外幣折算差額	-	-	(104,238)	-	-	-	(104,238)	(1,178)	(105,416)
Total comprehensive loss/income for the year	年度全面虧損/收益總額	-	-	(104,238)	-	-	27,427	(76,811)	(9,265)	(86,076)
Transactions with owners:	與擁有人進行的交易:									
Disposal of ownership interests in subsidiaries without loss of control	出售附屬公司擁有權權益而無失去控制權	-	-	-	-	1,180	-	1,180	27,774	28,954
Capital injection by ownership interests	擁有權權益注入資金	-	3,652	-	-	(372)	-	3,280	-	3,280
Transactions with NCI:	與非控股權益進行的交易:									
Capital injection by non-controlling shareholders	非控股股東注入資金	-	-	-	-	-	-	-	28,250	28,250
Total transactions with owners	與擁有人之交易總額	-	3,652	-	-	808	-	4,460	56,024	60,484
Balance at 31 December 2018	於二零一八年十二月三十一日的結餘	1,120,960	863,347	(26,262)	131,166	29,439	(347,744)	1,770,906	607,623	2,378,529
Balance at 1 January 2019	於二零一九年一月一日的結餘	1,120,960	863,347	(26,262)	131,166	29,439	(347,744)	1,770,906	607,623	2,378,529
Profit for the year	年度溢利	-	-	-	-	-	110,749	110,749	2,868	113,617
Other comprehensive loss:	其他全面虧損:									
Currency translation differences	外幣折算差額	-	-	(50,532)	-	-	-	(50,532)	(583)	(51,115)
Total comprehensive loss/income for the year	年度全面虧損/收益總額	-	-	(50,532)	-	-	110,749	60,217	2,285	62,502
Transactions with owners:	與擁有人進行的交易:									
Disposal of ownership interests in subsidiaries without loss of control	出售附屬公司擁有權權益而無失去控制權	-	-	-	-	-	-	-	23,318	23,318
Disposal of subsidiaries	出售附屬公司	-	-	-	-	-	-	-	(57,421)	(57,421)
Capital injection by ownership interests	擁有權權益注入資金	-	322	-	-	-	-	322	-	322
Transactions with NCI:	與非控股權益進行的交易:									
Capital injection by non-controlling shareholders	非控股股東注入資金	-	-	-	-	-	-	-	11,793	11,793
Total transactions with owners	與擁有人之交易總額	-	322	-	-	-	-	322	(22,310)	(21,988)
At 31 December 2019	於二零一九年十二月三十一日	1,120,960	863,669	(76,794)	131,166	29,439	(236,995)	1,831,445	587,598	2,419,043

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

上述綜合權益變動表應與隨附附註一併閱讀。

CONSOLIDATED STATEMENT OF CASH FLOWS

綜合現金流量表

For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度

			Year ended 31 December 2019 截至 二零一九年 十二月三十一日 止年度 HK\$'000 千港元	Year ended 31 December 2018 截至 二零一八年 十二月三十一日 止年度 HK\$'000 千港元
	Notes 附註			
Operating activities		經營活動		
Cash generated/(used) in operations	34	經營所得/(所用)的現金	19,170	(55,246)
Income tax paid		已付所得稅	(11,728)	(30,423)
Net cash generated/(used) in operating activities		經營活動所得/(所用)的現金淨額	7,442	(85,669)
Investing activities		投資活動		
Purchase of properties, plants and equipments		購置物業、廠房及設備	(116,019)	(653,884)
Purchase of land use rights		購置土地使用權	(392,062)	(154,101)
Purchase of intangible assets		購置無形資產	(1,083)	(3,805)
Purchase of financial assets at fair value through profit or loss		購置以公允價值計量且其變動計入損益的金融資產	(12,399)	(846,037)
Payment for establishment of an associate		就成立一間聯營公司付款	-	(35,533)
Proceeds from disposal of subsidiaries		出售附屬公司的所得款項	147,450	166,515
Proceeds from disposal of equipments		出售設備的所得款項	10,442	4,873
Proceeds from disposal of investment properties		出售投資性房地產的所得款項	763	722
Interest received		已收利息	3,412	2,359
Proceeds from financial assets at fair value through profit or loss		以公允價值計量且其變動計入損益的金融資產所得款項	-	847,634
Net cash used in investing activities		投資活動所用的現金淨額	(359,496)	(671,257)

CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)

綜合現金流量表(續)

For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度

		Year ended 31 December 2019 截至 二零一九年 十二月三十一日 止年度 HK\$'000 千港元	Year ended 31 December 2018 截至 二零一八年 十二月三十一日 止年度 HK\$'000 千港元
	Notes 附註		
Financing activities	融資活動		
Interest paid	已付利息	(9,670)	(13,364)
Decrease/(increase) in restricted cash	受限制現金減少/(增加)	16,000	(130,000)
Repayments of bank borrowings	償還銀行借貸	(108,118)	(43,826)
Proceeds from a third party borrowing	來自第三方借款的所得款項	334,904	-
Proceeds from partial disposal of equity interests in subsidiaries without loss of control	出售於附屬公司的部份股本權益而失去控制權的所得款項	-	28,954
Proceeds from bank borrowings	銀行借貸的所得款項	97,122	426,272
Payment of lease liabilities	租賃負債所付款項	(18,292)	-
Payment of obligation under finance lease	融資租賃承擔下的所付款項	-	(2,047)
Capital contributions by non-controlling interests	非控股權益注資	11,793	31,530
Net cash generated from financing activities	融資活動產生的現金淨額	323,739	297,519
Net decrease in cash and cash equivalents	現金及現金等值項目減少的淨額	(28,315)	(459,407)
Cash and cash equivalents at beginning of the year	年初的現金及現金等值項目	110,802	582,511
Net exchange losses on cash and cash equivalents	現金及現金等值項目的匯兌虧損淨額	(72)	(12,302)
Cash and cash equivalents at end of the year	年末的現金及現金等值項目	82,415	110,802
	25		

The above consolidated statement of cash flows should be read in conjunction with the accompanying notes. 上述綜合現金流量表應與所附說明一併閱讀。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度

1 GENERAL INFORMATION

DIT Group Limited (the “Company”) was incorporated as an exempted company with limited liability in Bermuda on 28 February 1991 under the Companies Act 1981 of Bermuda and its issued shares are listed on the main board of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) starting from 25 July 1991.

The address of the registered office of the Company is Victoria Place, 5th Floor, 31 Victoria Street, Hamilton HM 10, Bermuda. The principal place of business of the Company is Room 7707 and 7708, 77th Floor, International Commerce Centre, 1 Austin Road West, Kowloon, Hong Kong.

The principal activities of the Company and its subsidiaries (the “Group”) are prefabricated construction work, granting licenses and sales of equipment in the People’s Republic of China (the “PRC”).

The consolidated financial statements are presented in Hong Kong dollars (“HK\$”) and rounded to the nearest thousand (“HK\$’000”), unless otherwise stated.

As at 31 December 2019, the ultimate controlling shareholder of the Company is Mr. Wu Po Sum.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these consolidated financial statements have been consistently applied to the years presented, unless otherwise stated.

2.1 Basis of preparation

The consolidated financial statements of the Company have been prepared in accordance with Hong Kong Financial Reporting Standards (“HKFRSs”) and the disclosure requirements of the Hong Kong Companies Ordinance Cap. 622. The consolidated financial statements have been prepared under the historical cost convention, as modified by the revaluation of certain financial assets and investment properties which are carried at fair value.

1 一般資料

築友智造科技集團有限公司(「本公司」)乃於一九九一年二月二十八日按照百慕達一九八一年公司法於百慕達註冊成立為一家獲豁免的有限責任公司，而其已發行股份自一九九一年七月二十五日起在香港聯合交易所有限公司(「聯交所」)主板上市。

本公司註冊辦事處地址為Victoria Place, 5th Floor, 31 Victoria Street, Hamilton HM 10, Bermuda。本公司主要營業地點為香港九龍柯士甸道西1號環球貿易廣場77樓7707-7708室。

本公司及其附屬公司(「本集團」)的主要業務為於中華人民共和國(「中國」)從事預製裝配式建築工程、授予專利技術使用權及銷售設備。

除另有所指外，綜合財務報表以港元(「港元」)呈列，並湊整至最接近千元(「千港元」)。

於二零一九年十二月三十一日，本公司的最終控股股東為胡葆森先生。

2 重大會計政策概要

除另有所指外，編製該等綜合財務報表時採用的主要會計政策於呈報年度貫徹採用。

2.1 編製基準

本公司綜合財務報表已根據香港財務報告準則(「香港財務報告準則」)及香港公司條例第622章的披露規定編製。綜合財務報表按歷史成本常規法編製，經重估以公允價值計量的若干金融資產及以公允價值列賬的投資性房地產作出修訂。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) 綜合財務報表附註(續)

For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.1 Basis of preparation (Continued) New and amended standards of HKFRSs adopted by the Group

The Group has applied the following standards and amendments for the first time for their annual reporting period commencing 1 January 2019:

- HKFRS 16 *Leases*
- *Prepayment Features with Negative Compensation — Amendments to HKFRS 9*
- *Long-term Interests in Associates and Joint Ventures — Amendments to HKAS 28*
- *Annual Improvements to HKFRS Standards 2015–2017 Cycle*
- *Plan Amendment, Curtailment or Settlement — Amendments to HKAS 19*
- *Interpretation 23 Uncertainty over Income Tax Treatments.*

The impact of the adoption of HKFRS 16 *Leases* is described in Note 3 below. The other amendments listed above did not have any impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods.

New standards and interpretations not yet adopted

Certain new accounting standards and interpretations have been published that are not mandatory for 31 December 2019 reporting periods and have not been early adopted by the group. These standards are not expected to have a material impact on the Group in the current or future reporting periods and on foreseeable future transactions.

2 重大會計政策概要(續)

2.1 編製基準(續) 本集團採納的香港財務報告準則新訂準則及修訂本

本集團已於二零一九年一月一日開始的年度報告期間首次應用以下準則及修訂本：

- 香港財務報告準則第16號租賃
- 具有負補償之提前還款特性 — 香港財務報告準則第9號(修訂本)
- 於聯營公司及合營公司的長期權益 — 香港會計準則第28號(修訂本)
- 香港財務報告準則二零一五年至二零一七年週期的年度改進
- 計劃修訂、縮減或清償 — 香港會計準則第19號(修訂本)
- 詮釋第23號所得稅處理的不確定性

採納香港財務報告準則第16號租賃的影響於下文附註3論述。以上所列的其他修訂本對過往期間確認的金額沒有任何影響，並且預計不會對當期或未來期間產生重大影響。

尚未採納的新準則及詮釋

截至二零一九年十二月三十一日的報告期間，若干新會計準則及詮釋已頒佈但非強制採納，而本集團亦未提前採納。該等準則預計不會對本集團於目前或未來報告期間及可見的未來交易有重大影響。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) 綜合財務報表附註(續)

For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.2 Subsidiaries

2.2.1 Consolidation

Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

Intra-group transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

(a) Business combinations

The acquisition method of accounting is used to account for all business combinations, regardless of whether equity instruments or other assets are acquired. The consideration transferred for the acquisition of a subsidiary comprises the:

- fair values of the assets transferred
- liabilities incurred to the former owners of the acquired business
- equity interests issued by the group
- fair value of any asset or liability resulting from a contingent consideration arrangement, and
- fair value of any pre-existing equity interest in the subsidiary.

2 重大會計政策概要(續)

2.2 附屬公司

2.2.1 綜合入賬

附屬公司指本集團擁有控制權的所有實體(包括結構性實體)。倘本集團就參與實體所得的可變回報承受風險或享有權利，並能透過其權力引導該實體的業務活動以影響該等回報，即是本集團對該實體具有控制權。附屬公司由控制權轉移至本集團當日起全面綜合入賬。彼等由控制權終止當日停止綜合入賬。

集團內公司間交易、結餘及集團公司間交易的未變現收益予以對銷。未變現虧損亦予以對銷，交易可提供證據證明轉移資產減值則作別論。附屬公司之會計政策在必要時會作出更改，以確保與本集團所採納之政策一致。

(a) 業務合併

所有業務合併均採用收購會計法入賬，而不論當中是否已收購權益工具或其他資產。就收購附屬公司轉讓的代價包括：

- 轉讓的資產的公平值
- 對被收購業務前擁有人產生的負債
- 本集團發行的股本權益
- 或然代價安排所產生的任何資產或
- 負債的公平值及於附屬公司的任何先前股本權益的公平值。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) 綜合財務報表附註(續)

For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.2 Subsidiaries (Continued)

2.2.1 Consolidation (Continued)

(a) Business combinations (Continued)

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date. The Group recognises any non-controlling interest in the acquired entity on an acquisition-by-acquisition basis either at fair value or at the non-controlling interest's proportionate share of the acquired entity's net identifiable assets.

Acquisition-related costs are expensed as incurred.

The excess of the:

- consideration transferred,
- amount of any non-controlling interest in the acquired entity, and
- acquisition-date fair value of any previous equity interest in the acquired entity

over the fair value of the net identifiable assets acquired is recorded as goodwill. If those amounts are less than the fair value of the net identifiable assets of the business acquired, the difference is recognised directly in profit or loss as a bargain purchase.

2 重大會計政策概要(續)

2.2 附屬公司(續)

2.2.1 綜合入賬(續)

(a) 業務合併(續)

於業務合併中收購的可識別資產以及承擔的負債及或然負債(除少數例外情況外)初步按於收購日期的公平值計量。本集團視具體情況按公平值或非控股權益分佔被收購實體的可識別資產淨值確認於所收購實體的非控股權益。

收購相關成本於產生時支銷。

- 所轉讓代價
- 於被收購方的任何非控股權益的金額及
- 任何先前持有於被收購方的股權於收購日期的公允價值

超過所收購可識別資產淨值公允價值的差額入賬為商譽。倘該等金額低於所收購業務可識別資產淨值的公平值，所產生的差額直接於損益確認為議價收購。



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) 綜合財務報表附註(續)

For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.2 Subsidiaries (Continued)

2.2.1 Consolidation (Continued)

(b) *Changes in ownership interests in subsidiaries without loss of control*

The Group treats transactions with non-controlling interests that do not result in a loss of control as transactions with equity owners of the Group. A change in ownership interest results in an adjustment between the carrying amounts of the controlling and non-controlling interests to reflect their relative interests in the subsidiary. Any difference between the amount of the adjustment to non-controlling interests and any consideration paid or received is recognised in a separate reserve within equity attributable to owners of the Company.

(c) *Disposal of subsidiaries*

When the Group ceases to consolidate or equity account for an investment because of a loss of control or significant influence, any retained interest in the entity is remeasured to its fair value with the change in carrying amount recognised in profit or loss. This fair value becomes the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to profit or loss or transferred to another category of equity as specified/permitted by applicable HKFRSs.

2 重大會計政策概要(續)

2.2 附屬公司(續)

2.2.1 綜合入賬(續)

(b) *附屬公司擁有權權益變動而無失去控制權*

本集團將不導致喪失控制權的非控股權益交易視作與本集團權益擁有人的交易。擁有權權益變動導致控股與非控股權益帳面值的調整，以反映其於附屬公司的相關權益。非控股權益調整數額與任何已付或已收代價之間的任何差額於本公司權益擁有人應佔權益中的獨立儲備內確認。

(c) *出售附屬公司*

當本集團因喪失控制權或重大影響力而停止綜合入帳或按權益入帳一項投資時，於實體的任何保留權益重新按公平值計量，而帳面值變動於損益確認。就其後入帳列作聯營公司或財務資產的保留權益而言，該公平值為初始帳面值。此外，先前於其他全面收入就該實體確認的任何金額按猶如本集團已直接出售有關資產或負債的方式入帳。這意味著先前於其他全面收入確認的金額重新分類至損益或轉撥至適用香港財務報告準則所指明／許可的另一權益類別內。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) 綜合財務報表附註(續)

For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.2 Subsidiaries (Continued)

2.2.1 Consolidation (Continued)

(c) Disposal of subsidiaries (Continued)

If the business combination is achieved in stages, the acquisition date carrying value of the acquirer's previously held equity interest in the acquiree is re-measured to fair value at the acquisition date; any gains or losses arising from such re-measurement are recognised in profit or loss.

2.2.2 Separate financial statements

Investments in subsidiaries are accounted for at cost less impairment. Cost includes direct attributable costs of investment. The results of subsidiaries are accounted for by the Company on the basis of dividend received and receivable.

Impairment testing of the investments in subsidiaries is required upon receiving a dividend from these investments if the dividend exceeds the total comprehensive income of the subsidiary in the period the dividend is declared or if the carrying amount of the investment in the separate financial statements exceeds the carrying amount in the consolidated financial statements of the investee's net assets.

2.3 Associates

Associates are all entities over which the Group has significant influence but not control or joint control. This is generally the case where the Group holds between 20% and 50% of the voting rights. Investments in associates are accounted for using the equity method of accounting, after initially being recognised at cost.

2 重大會計政策概要(續)

2.2 附屬公司(續)

2.2.1 綜合入賬(續)

(c) 出售附屬公司(續)

倘業務合併分階段進行，則收購方先前所持有的被收購方股權於收購日期的賬面值按收購日期的公允價值重新計量；該重新計量所產生的任何收益或虧損於損益確認。

2.2.2 獨立財務報表

於附屬公司的投資按成本扣除減值入賬。成本包括投資的直接歸屬成本。附屬公司的業績由本公司按已收及應收股息的基準入賬。

當收到來自該等投資的股息而有關股息超過該附屬公司在股息宣派期間的全面收益總額，或倘獨立財務報表的投資賬面值超過被投資方資產淨值的綜合財務報表內的賬面值時，則必須對有關於附屬公司的投資進行減值測試。

2.3 聯營公司

聯營公司為本集團可對用行使重大影響力(但非控制或共同控制)的所有實體。一般情況為集團持有介乎20%至50%的投票權。投資於聯營公司乃初步按成本確認後採用會計權益法入賬。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) 綜合財務報表附註(續)

For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.3 Associates (Continued)

Under the equity method of accounting, the investments are initially recognised at cost and adjusted thereafter to recognise the Group's share of the post-acquisition profits or losses of the investee in profit or loss, and the Group's share of movements in other comprehensive income of the investee in other comprehensive income. Dividends received or receivable from associates are recognised as a reduction in the carrying amount of the investment.

When the Group's share of losses in an equity-accounted investment equals or exceeds its interest in the entity, including any other unsecured long-term receivables, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the other entity.

Unrealised gains on transactions between the Group and its associates and joint ventures are eliminated to the extent of the Group's interest in these entities. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of equity-accounted investees have been changed where necessary to ensure consistency with the policies adopted by the Group.

2.4 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the board of directors of the Company (the "Board of Directors") that makes strategic decisions.

The Group is managed centrally and the Directors are of the view that the whole Group is one single reporting segment and hence no segment information is presented.

2 重大會計政策概要(續)

2.3 聯營公司(續)

根據會計權益法，有關投資初步按成本確認，並其後作出調整以確認本集團所佔投資對象的收購後盈利或虧損以及確認本集團所佔投資對象其他全面收益的變動。從聯營公司已收或應收股息乃以該項投資賬面值的減少確認。

當本集團所佔權益入賬投資的虧損相等或超過其於該實體的權益(包括任何其他無抵押長期應收款項)時，本集團不會確認進一步虧損，惟其代表其他實體產生責任或作出付款則另作別論。

本集團與其聯營公司及合營企業所進行交易的未變現收益將予撇減至本集團於該實體所擁有權益。未變現虧損亦將予撇減，惟該交易能提供所轉讓資產減值的證據則另作別論。權益入賬投資對象的會計政策已作出必需確保與本集團所採納政策一致的改動。

2.4 分部報告

營運分部的報告方式應與提供予主要營運決策者的內部報告一致。主要營運決策者已被識別為作出策略決定的本公司董事會(「董事會」)，由其負責營運分部的資源分配及表現評估。

本集團採用集中管理，而各董事將整個集團視為單一呈報分部，故此並無呈列分部資料。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) 綜合財務報表附註(續)

For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.5 Foreign currency translation

(a) Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ("the functional currency"). The consolidated financial statements are presented in Hong Kong dollars (HK\$), which is the Company's functional and the Group's presentation currency.

(b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year end exchange rates of monetary assets and liabilities denominated in foreign currencies are generally recognised in the consolidated statement of profit or loss and other comprehensive income. They are deferred in equity if they relate to qualifying cash flow hedge and qualifying net investment hedge or are attributable to part of the net investment in a foreign operation.

Foreign exchange gains and losses are presented in the consolidated statement of profit or loss and other comprehensive income on a net basis within "Other (losses)/gains — net".

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss. For example, translation differences on non-monetary assets and liabilities such as equities held at fair value through profit or loss are recognised in profit or loss as part of the fair value gain or loss and translation differences on non-monetary assets such as equities classified as at fair value through other comprehensive income are recognised in other comprehensive income.

2 重大會計政策概要(續)

2.5 外幣折算

(a) 功能及呈列貨幣

計入本集團各實體財務報表的項目使用該實體營運所在主要經濟環境的貨幣(「功能貨幣」)計量。綜合財務報表以港元呈列，港元分別為本公司的功能貨幣及本集團的呈列貨幣。

(b) 交易及結餘

外幣交易按交易日期的匯率折算為功能貨幣。因該等交易結算及按年末匯率折算以外幣計值的貨幣資產及負債所產生的外匯收益及虧損一般在綜合損益及其他全面收益表中確認。倘彼等與合資格現金流量對沖及合資格投資對沖淨額相關或應佔海外營運投資淨額的一部分，則於權益遞延。

所有外匯收益及虧損於綜合損益及其他全面收益表內的「其他(虧損)/收益—淨額」以淨額呈列。

按公允價值計量並以外幣計值之非貨幣性項目使用釐定公允價值當日之匯率折算。按公允價值列賬之資產及負債的折算差額呈報為公允價值損益之一部分。例如，非貨幣性資產及負債(例如按公允價值計入損益的權益)的折算差額在損益表中確認為公允價值盈虧的一部分，而非貨幣性資產(例如分類為按公允價值計入其他全面收入之權益)的折算差額於其他全面收益內確認。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) 綜合財務報表附註(續)

For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.5 Foreign currency translation (Continued)

(c) Group companies

The results and financial position of all the group entities (none of which has the currency of a hyper inflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- (a) assets and liabilities for each balance sheet presented are translated at the closing rate at the date of that balance sheet;
- (b) income and expenses for each consolidated statement of profit or loss and other comprehensive income are translated at average exchange rates (unless this is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the rate on the dates of the transactions); and
- (c) all resulting currency translation differences are recognised in other comprehensive income.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate. Currency translation differences arising are recognised in other comprehensive income.

2 重大會計政策概要(續)

2.5 外幣折算(續)

(c) 集團公司

功能貨幣與呈列貨幣不同的所有集團實體(均無極高通脹經濟地區的貨幣)的業績及財務狀況,均按下列方式折算為呈列貨幣:

- (a) 各資產負債表內呈列的資產及負債按資產負債表日期的收市匯率折算;
- (b) 各綜合損益及其他全面收益表內的收入及開支按平均匯率折算(除非該平均匯率對交易日現行匯率的累計影響並非是一個合理的接近匯率,在此情況下收入及開支按交易日的匯率折算);及
- (c) 所有因此而產生的匯兌差額於其他全面收益確認。

因收購海外實體而產生的商譽及公允價值調整,均作為有關海外實體的資產與負債,並按收市匯率折算。產生的匯兌差額於其他全面收益確認。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) 綜合財務報表附註(續)

For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.5 Foreign currency translation (Continued)

(d) Disposal of foreign operations and partial disposals

On the disposal of a foreign operation (that is, a disposal of the Group's entire interest in a foreign operation, or a disposal involving loss of control over a subsidiary that includes a foreign operation, a disposal involving loss of joint control over a joint venture that includes a foreign operation, or a disposal involving loss of significant influence over an associate that includes a foreign operation), all of the currency translation differences accumulated in equity in respect of that operation attributable to the owners of the Company are reclassified to profit or loss.

In the case of a partial disposal that does not result in the Group losing control over a subsidiary that includes a foreign operation, the proportionate share of accumulated currency translation differences is re-attributed to non-controlling interests and is not recognised in profit or loss. For all other partial disposals (that is, reductions in the Group's ownership interest in associates or joint ventures that do not result in the Group losing significant influence or joint control), the proportionate share of the accumulated exchange difference is reclassified to profit or loss.

2 重大會計政策概要(續)

2.5 外幣折算(續)

(d) 出售海外業務及部份出售

於出售海外業務(即出售本集團於海外業務的全部權益,或出售涉及喪失對包括海外業務的附屬公司的控制權、出售涉及喪失對包括海外業務的合營企業的聯合控制權或出售涉及喪失對包括海外業務的聯營公司的重大影響力)時,就本公司擁有人所佔該業務的權益內累積的所有外幣折算差額重新分類至損益。

如屬並不引致本集團喪失對包括海外業務附屬公司控制權的部份出售,累積外幣折算差額的應佔比例重新歸屬於非控股權益且並不會於損益內確認。就所有其他部份出售(即本集團於聯營公司或合營企業的所有權權益減少,並不引致本集團喪失重大影響力或聯合控制權)而言,累積匯兌差額的應佔比例重新分類至損益。



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) 綜合財務報表附註(續)

For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.6 Property, plant and equipment

Property, plant and equipment are stated at historical cost less accumulated depreciation and impairment losses. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance costs are charged to the consolidated statement of profit or loss and other comprehensive income during the financial period in which they are incurred.

Depreciation is calculated using the straight-line method to allocate their costs or revalued amounts, net of their residual values, over their estimated useful lives or, in the case of leasehold improvements and certain leased plant and equipment, the shorter lease term as follows:

— Buildings	30 years
— Computer equipments	3-6 years
— Motor vehicles	5 years
— Furniture and fixtures	5-7 years
— Equipments	10 years
— Leasehold improvements	3-5 years

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

2 重大會計政策概要(續)

2.6 物業、廠房及設備

物業、廠房及設備按歷史成本減累計折舊及減值虧損列賬。歷史成本包括收購項目的直接應佔開支。

只有在與項目有關的未來經濟利益有可能將流入本集團及項目成本能可靠計量時，其後成本才會計入資產賬面值或確認為一項獨立資產(倘適合)。已更換部份的賬面值則會取消確認。所有其他維修及維護成本則於其產生所在財政期間自綜合損益及其他全面收益表中扣除。

折舊使用直線法計算，按其成本或重估後的價值(扣除其剩餘價值)在其估計可使用年限內分配，或對於租賃物業裝修及若干租賃廠房及設備而言，較短的租賃期如下：

— 樓宇	30年
— 電腦設備	3至6年
— 汽車	5年
— 傢俬及設置	5至7年
— 設備	10年
— 租賃裝修	3-5年

資產的剩餘價值及可使用年期於各報告期末檢討，並於適當情況下予以調整。

倘資產賬面值高於其估計可收回金額，其賬面值即時撇減至其可收回金額。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) 綜合財務報表附註(續)

For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.6 Property, plant and equipment (Continued)

Gains and losses on disposals are determined by comparing proceeds with the carrying amount and are recognised within "Other gains — net" in the consolidated statement of profit or loss and other comprehensive income.

Construction in progress represents property, plant and equipment under construction or pending installation and is stated at cost less provision for impairment loss, if any. Cost includes the costs of construction and acquisition. When the assets concerned are available for use, the costs are transferred to property, plant and equipment and depreciated in accordance with the policy as stated above.

2.7 Investment properties

Investment properties, principally freehold office buildings, are held for long-term rental yields and are not occupied by the Group. Investment property is initially measured at cost, including related transaction costs and where applicable borrowing costs. Subsequently, they are carried at fair value. Changes in fair values are presented in profit or loss as part of a valuation gain or loss in "Other (losses)/gains — net".

2.8 Intangible assets Computer software licences

Acquired computer software licences are capitalised on the basis of the costs incurred to acquire and bring to use the specific software. These costs are amortised over their estimated useful lives of three to five years.

2.9 Land use rights

From 1 January 2019, land use rights is presented as right-of-use assets.

All land in PRC is state-owned or collectively-owned and no individual ownership rights exist. Land use rights represent upfront payments made for the leasehold land in the PRC. It is stated at cost less accumulative amortisation and accumulated impairment losses, if any. Amortisation is calculated using the straight-line method to allocated the cost of land use rights over the remaining period of the lease.

2 重大會計政策概要(續)

2.6 物業、廠房及設備(續)

出售的收益及虧損透過比較所得款項與賬面值而釐定，並在綜合損益及其他全面收益表內的「其他收益 — 淨額」確認。

在建工程指在建或待安裝的物業、廠房及設備，並按成本減去減值虧損撥備(如有)列賬。成本包括建設和收購的成本。當有關資產可供使用時，成本轉移至物業、廠房及設備，並按照上述政策折舊。

2.7 投資性房地產

投資物業(主要為終身保有辦公樓)持作收取長期租金收益，而未由本集團佔用。投資物業初步按成本(包括相關交易成本，在適用情況下亦包括借款成本)計量。本集團採用成本模型對投資物業進行後續計量。因此，投資物業按公平值列賬。公平值變動將於損益呈列為「其他(虧損)/收益 — 淨額」中估值損益的一部分。

2.8 無形資產 電腦軟件特許使用權

已購入電腦軟件特許使用權乃根據收購及使用特定軟件時產生的成本將其資本化。該等成本乃按其估計可使用年期三至五年進行攤銷。

2.9 土地使用權

由二零一九年一月一日起，土地使用權與使用權資產一併列示。

中國的所有土地均為國有或集體所有，不存在個人擁有權。土地使用權是指於中國為租賃土地支付的預付款項。該款項按成本減去累計攤銷及累計減值虧損後(如有)列示。攤銷以直線法計算，以分配租賃剩餘期間的土地使用權成本。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) 綜合財務報表附註(續)

For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.10 Impairment of non-financial assets

Intangible assets that have an indefinite useful life or intangible assets not ready to use are not subject to amortisation but are tested annually for impairment or more frequently if events or changes in circumstances indicate that they might be impaired. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at each reporting date.

2.11 Financial assets

2.11.1 Classification

The Group classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through OCI, or through profit or loss), and
- those to be measured at amortised cost.

The classification depends on the Group's business model for managing the financial assets and the contractual terms of the cash flows.

2 重大會計政策概要(續)

2.10 非金融資產減值

無確定可使用年期的無形資產(或尚未能使用的無形資產)毋須攤銷,惟須每年或更頻繁(倘有事件或情況變化顯示其可能減值)進行減值測試。須攤銷的資產須於發生事情或情況變動顯示其賬面值可能無法收回時進行減值測試。減值虧損按資產賬面值超出其可收回金額的金額確認。可收回金額指資產公允價值減出售成本及使用價值的較高者。就評估減值而言,資產按獨立可識別現金流量(現金產生單位)的最低水平歸類。已減值的非金融資產(商譽除外)於各報告日期檢討是否可能撥回減值。

2.11 金融資產

2.11.1 分類

本集團將其金融資產分類為以下計量類別:

- 其後按公允價值(計入其他全面收入或計入損益)計量的金融資產,及
- 按攤銷成本計量的金融資產。

該分類取決於管理金融資產的集團業務模式及現金流量的合約條款。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) 綜合財務報表附註(續)

For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.11 Financial assets (Continued)

2.11.1 Classification (Continued)

For assets measured at fair value, gains and losses will either be recorded in profit or loss or OCI. For investments in equity instruments that are not held for trading, this will depend on whether the Group has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income (FVOCI).

The Group reclassifies debt investments when and only when its business model for managing those assets changes.

2.11.2 Recognition and derecognition

Regular way purchases and sales of financial assets are recognised on trade-date, the date on which the Group commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all the risks and rewards of ownership.

2.11.3 Measurement

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss (FVPL), transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVPL are expensed in the consolidated statement of profit or loss and other comprehensive income.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

2 重大會計政策概要(續)

2.11 金融資產(續)

2.11.1 分類(續)

就按公允價值計量的資產而言，收益及虧損將計入損益或其他全面收入。並非持作買賣的股本工具投資將視乎本集團是否有在初步確認時作出不可撤銷的選擇，以按公允價值計入其他全面收入（按公允價值計入其他全面收入）的股本投資列賬。

當且僅當本集團管理該等資產的業務模式改變時，方會對債務投資進行重新分類。

2.11.2 確認及終止確認

正常的金融資產買賣乃於交易日期（即本集團承諾買賣該資產的日期）予以確認。當從金融資產收取現金流量之權利已經到期或轉讓，而本集團已將擁有權之絕大部分風險和回報轉讓時，有關金融資產便會終止確認。

2.11.3 計量

於初步確認時，本集團按其公允價值加上（倘金融資產並非按公允價值計入損益（按公允價值計入損益））收購金融資產直接應佔的交易成本計量金融資產。以按公允價值計入損益列賬的金融資產的交易成本於綜合損益及其他全面收益表中支銷。

於確定其現金流量是否僅支付本金及利息時會全面考慮附帶嵌入式衍生工具的金融資產。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) 綜合財務報表附註(續)

For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.11 Financial assets (Continued)

2.11.4 Debt instruments

Subsequent measurement of debt instruments depends on the Group's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Group classifies its debt instruments:

- 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. Interest income from these financial assets is included in finance income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in profit or loss and presented in other gains, together with foreign exchange gains and losses. Impairment losses are presented as separate line item in the statement of profit or loss and other comprehensive income.

2 重大會計政策概要(續)

2.11 金融資產(續)

2.11.4 債務工具

債務工具的後續計量取決於本集團管理資產的業務模式及資產的現金流量特徵。本集團將其債務工具分類為三種計量類別：

- 攤銷成本：倘為收取合約現金流量而持有的資產的現金流量僅為本金及利息付款，則該等資產按攤銷成本計量。該等金融資產的利息收入採用實際利率法計入財務收入。終止確認產生的任何收益或虧損直接於損益中確認，並與外匯收益及虧損於其他收益列示。減值虧損於損益及其他全面收入表內作為單獨項目列示。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) 綜合財務報表附註(續)

For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.11 Financial assets (Continued)

2.11.4 Debt instruments (Continued)

- FVOCI: Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognised in profit or loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in other (losses)/gains — net. Interest income from these financial assets is included in finance income using the effective interest rate method. Foreign exchange gains and losses are presented in other gains and impairment expenses are presented as separate line item in the statement of profit or loss and other comprehensive income.
- FVPL: Assets that do not meet the criteria for amortised cost or FVOCI are measured at FVPL. A gain or loss on a debt investment that is subsequently measured at FVPL is recognised in profit or loss and presented net within other gains in the period in which it arises.

2 重大會計政策概要(續)

2.11 金融資產(續)

2.11.4 債務工具(續)

- 按公允價值計入其他全面收益：倘持有資產目的為收取合約現金流量及銷售金融資產，且資產的現金流量純粹為本金及利息付款，則按公允價值計入其他全面收益計量。賬面值變動計入其他全面收益，惟減值損益、利息收入及匯兌損益於損益中確認。於終止確認金融資產時，先前於其他全面收益確認的累計收益或虧損由權益重新分類至損益並於其他(虧損)/收益—淨額確認。該等金融資產所產生利息收入乃使用實際利率法計入財務收入。匯兌收益及虧損於其他收益呈列，而減值開支在損益及其他全面收益表中呈列為獨立項目。
- 按公允價值計入損益：不符合攤銷成本或按公允價值計入其他全面收益標準的資產按公允價值計入損益計量。其後按公允價值計入損益的債務投資產生的收益或虧損於損益內確認並於其產生期間的其他收益以淨值列示。



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) 綜合財務報表附註(續)

For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.11 Financial assets (Continued)

2.11.5 Equity instruments

The Group subsequently measures all equity investments at fair value. Where the Group's management has elected to present fair value gains and losses on equity investments in OCI, there is no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the investment. Dividends from such investments continue to be recognised in profit or loss as other income when the Group's right to receive payments is established.

Changes in the fair value of financial assets at FVPL are recognised in other gains in the statement of profit or loss and other comprehensive income as applicable. Impairment losses (and reversal of impairment losses) on equity investments measured at FVOCI are not reported separately from other changes in fair value.

2.11.6 Impairment

The Group assesses on a forward looking basis the expected credit losses associated with its debt instruments carried at amortised cost and FVOCI. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

For trade receivables, the Group applies the simplified approach permitted by HKFRS 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

For other receivables (excluding value-added tax recoverable), the Group applies the general model for expected credit losses prescribed by HKFRS 9.

2 重大會計政策概要(續)

2.11 金融資產(續)

2.11.5 股本工具

本集團其後按公允價值計量所有股本投資。倘本集團管理層已選擇於其他全面收入呈列股本投資的公允價值收益及虧損，則於終止確認此類投資後，公允價值收益及虧損其後不再重新分類至損益。當本集團收取付款的權利確立時，此類投資的股息繼續於損益中確認為其他收入。

按公允價值計入損益的金融資產的公允價值變動於損益及其他全面收益表(如適用)其他收益中確認。按公允價值計入其他全面收入計量的股本投資的減值虧損(及減值虧損撥回)不會與公允價值的其他變動分開呈報。

2.11.6 減值

本集團按前瞻性基準評估與其以攤銷成本及按公允價值計入其他全面收入的債務工具相關的預期信貸虧損。所應用的減值方法取決於信貸風險是否顯著增加。

就貿易應收款項而言，本集團採用香港財務報告準則第9號所允許的簡化方法，該方法規定預期使用年期虧損將自初步確認應收款項起確認。

就應收款項(不包括可收回增值稅)而言，本集團採用香港財務報告準則第9號所規定的預期信貸虧損的一般模式。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) 綜合財務報表附註(續)

For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.12 Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined using the weighted average method. The cost of finished goods and work in progress comprises raw materials, direct labour, other direct costs and related production overheads (based on normal operating capacity). Net realisable value is the estimated selling price in the ordinary course of business, less applicable variable selling expenses. Costs of inventories include the transfer from equity of any gains/losses on qualifying cash flow hedges for purchases of raw materials.

2.13 Trade and other receivables

Trade receivables are amounts due from customers for goods sold or services performed in the ordinary course of business and related receivable. If collection of trade and other receivables is expected in one year or less (or in the normal operating cycle of the business if longer), they are classified as current assets. If not, they are presented as non-current assets.

Trade and other receivables are recognised initially at the amount of consideration that is unconditional unless they contain significant financing components, when they are recognised at fair value. The Group holds the trade and other receivables with the objective to collect the contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest method, less loss allowance.

2.14 Cash and cash equivalents

In the consolidated statement of cash flows, cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. In the consolidated and Company's statements of financial position, bank overdrafts are shown within borrowings in current liabilities.

2 重大會計政策概要(續)

2.12 存貨

存貨按成本或可變現淨值(以較低者為準)列賬。成本按加權平均法釐定。製成品及在製品的成本包括原材料、直接勞工、其他直接成本及相關經常費用(基於一般經營產能)。可變現淨值即一般業務過程的估計售價減適用可變銷售開支。存貨成本包括從權益中轉撥有關購買原材料的合資格現金流量對沖產生的任何收益/虧損。

2.13 貿易及其他應收款項

貿易應收款項為日常業務過程中就所售商品或所提供服務而應收客戶的金額及應收相關租金。倘貿易及其他應收款項預期於一年或以內(或如屬較長時間,則以一般營運業務週期為準)收回,則分類為流動資產,否則呈列為非流動資產。

貿易及其他應收款項按公允價值確認時,初步按無條件代價金額確認,惟其包含重大融資成分除外。本集團持有該等貿易及其他應收款項以收取合約現金流量,其後使用實際利率法按攤銷成本扣除虧損撥備計量。

2.14 現金及現金等值項目

於綜合現金流量表內,現金及現金等值項目包括手頭現金、銀行通知存款、其他原到期日為三個月或以內可隨時轉換為已知金額的現金且價值變動的風險微不足道的短期高度流通投資。銀行透支於綜合及本公司的財務狀況表中流動負債內的借貸呈列。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) 綜合財務報表附註(續)

For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.15 Share capital

Ordinary shares are classified as equity. Mandatorily redeemable preference shares are classified as liabilities.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

2.16 Trade and other payables

Trade and other payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Trade and other payables are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities.

Trade and other payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

2.17 Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the consolidated statement of profit or loss and other comprehensive income over the period of the borrowings using the effective interest method.

Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a pre-payment for liquidity services and amortised over the period of the facility to which it relates.

2 重大會計政策概要(續)

2.15 股本

普通股分類為權益。強制性可贖回優先股則分類為負債。

與發行新股份或購股權直接有關的增量成本，均列入權益作為所得款項減值(扣除稅項)。

2.16 貿易及其他應付款項

貿易及其他應付款項為於日常業務過程中向供應商購買貨品或服務的應付責任。倘貿易及其他應付款項乃於一年或以內(或如屬較長時間，則以一般營運業務週期為準)到期，則分類為流動負債，否則呈列為非流動負債。

貿易及其他應付款項初步按公允價值確認，其後使用實際利率法按攤銷成本計量。

2.17 借貸

借貸初步按公允價值扣除所產生的交易成本確認。借貸隨後按攤銷成本計量；所得款項(扣除交易成本)與贖回價值之間的任何差額使用實際利率法於借貸期間在綜合損益及其他全面收益表中確認。

在貸款融資可能將部份或全部提取的情況下，就設立貸款融資支付的費用確認為貸款的交易成本。在此情況下，該費用會遞延至提取貸款融資為止。倘並無證據顯示該融資可能將部份或全部提取，該費用會被資本化作為流動資金服務的預付款項，並於其相關融資期間內攤銷。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) 綜合財務報表附註(續)

For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.17 Borrowings (Continued)

Preference shares, if mandatorily redeemable at a specific date or redeemable at the option of the holder, are classified as liabilities. The dividends on these preference shares are recognised in the consolidated statement of profit or loss and other comprehensive income as finance costs.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the end of the reporting period.

2.18 Borrowing costs

Borrowing costs include interest expense, finance charges in respect of lease liabilities and exchange differences arising from foreign currency borrowings to the extent that they are regarded as an adjustment to interest costs. The exchange gains and losses that are an adjustment to interest costs include the interest rate differential between borrowing costs that would be incurred if the entity had borrowed funds in its functional currency, and the borrowing costs actually incurred on foreign currency borrowings. Such amounts are estimated based on interest rates on similar borrowings in the entity's functional currency.

When the construction of the qualifying assets takes more than one accounting period, the amount of foreign exchange differences eligible for capitalisation is determined for each annual period and are limited to the difference between the hypothetical interest amount for the functional currency borrowings and the actual interest incurred for foreign currency borrowings. Foreign exchange differences that did not meet the criteria for capitalisation in previous years should not be capitalised in subsequent years.

2 重大會計政策概要(續)

2.17 借貸(續)

強制性於特定日期贖回或由持有人選擇贖回的優先股被分類為負債。該等優先股的股息在綜合損益及其他全面收益表內確認為融資成本。

除非本集團具有無條件權利將負債的結算遞延至報告期末後最少12個月，否則借貸被分類為流動負債。

2.18 借貸成本

借貸成本包括利息開支、有關租賃負債的融資開支以及因外幣借貸所產生的匯兌差額(以被視為利息成本調整的金額為限)。屬利息成本調整的匯兌收益及虧損包括倘實體以其功能貨幣借入資金時借貸成本之間將產生的利率差額，以及就外幣借貸實際產生的借貸成本。該等金額乃根據以該實體功能貨幣進行的類似借貸的利率估計得出。

倘建設合資格資產需時多於一個會計期間，則會就各個年度期間釐定符合資格撥充資本的外匯差額的金額，惟以功能貨幣借貸的假設利息金額與就外幣借貸所產生實際利息之間的差額為限。於過往年度並未符合資本化標準的外匯差額不應於其後年度資本化。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) 綜合財務報表附註(續)

For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.18 Borrowing costs (Continued)

When the construction of the qualifying assets takes more than one accounting period, the amount of foreign exchange differences eligible for capitalisation is determined on a cumulative basis based on the cumulative amounts of interest expenses that would have been incurred had the entity borrowed in its functional currency. The total amount of foreign exchange differences capitalised cannot exceed the amount of total net foreign exchange differences incurred on a cumulative basis at the end of the reporting period.

2.19 Income tax

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the countries where the Company and its subsidiaries and associates operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

2 重大會計政策概要(續)

2.18 借貸成本(續)

倘建設合資格資產需時多於一個會計期間，則會根據實體以其功能貨幣借入款項的情況下將產生的累計利息開支金額，按累計基準釐定符合資格撥充資本的外匯差額的金額。撥充資本的外匯差額總額不得超過於報告期末按累計基準產生的外匯差額淨值的總額。

2.19 所得稅

本期間的所得稅開支或抵免指就本期間應課稅收入按各司法權區的適用所得稅稅率支付之稅項(就暫時性差額及未動用稅項虧損應佔遞延稅項資產及負債變動作出調整)。

當期所得稅支出根據本公司及其附屬公司以及聯營公司營運及產生應課稅收入的國家於報告期末已頒佈或實質頒佈的稅務法例計算。管理層就適用稅務法例受詮釋所規限的情況定期評估報稅表的狀況，並在適用情況下根據預期須向稅務機關支付的稅款設定撥備。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) 綜合財務報表附註(續)

For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.19 Income tax (Continued)

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill. Deferred income tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

The deferred tax liability in relation to investment property that is measured at fair value is determined assuming the property will be recovered entirely through sale.

Deferred tax assets are recognised only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax liabilities and assets are not recognised for temporary differences between the carrying amount and tax bases of investments in foreign operations where the Company is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

2 重大會計政策概要(續)

2.19 所得稅(續)

遞延所得稅乃採用負債法就資產和負債的稅基與資產和負債在綜合財務報表的賬面值的暫時差額悉數計提撥備。然而，若遞延稅項負債因商譽的初步確認而產生，則不予確認。若遞延所得稅因於一項交易(業務合併除外)中初步確認資產或負債而產生，而在交易時不影響會計或應課稅損益，則亦不予入賬。遞延所得稅乃按報告期末前已頒佈或實質上已頒佈，並預期將於相關遞延所得稅資產變現或遞延所得稅負債清償時應用的稅率(及稅法)計算。

有關按公允價值計量的投資物業的遞延稅項負債乃假設該物業將透過出售完全收回釐定。

遞延稅項資產僅在未來應課稅金額將可用於利用該等暫時差異及虧損時予以確認。

倘本公司能控制撥回暫時差額的時間及該等差異很可能不會於可見將來撥回，則不會就海外業務投資賬面值與稅基之間的暫時差額確認遞延稅項負債及資產。

倘若存在可依法強制執行的權利將即期稅項資產與負債抵銷，及倘遞延稅項結餘與同一稅務機構相關，則可將遞延稅項資產與負債抵銷。倘實體有可依法強制執行抵銷權利且有意按淨額基準清償或同時變現資產及清償負債時，則即期稅項資產與稅項負債抵銷。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) 綜合財務報表附註(續)

For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.19 Income tax (Continued)

Current and deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

(i) Tax incentives

Companies within the Group may be entitled to claim special tax deductions in relation to qualifying expenditure (e.g. the Research and Development Tax Incentive regime in Oneland). The Group accounts for such tax incentives as tax credits, which means that the tax incentives reduce income tax payable and current tax expense. A deferred tax asset is recognised for unclaimed tax credits that are carried forward as deferred tax assets.

2.20 Employee benefits

(a) Pension obligations

The Group has participated in the Hong Kong Mandatory Provident Fund Scheme (the "MPF Scheme") under the Hong Kong Mandatory Provident Fund Scheme Ordinance for its Hong Kong staff. The assets of the MPF Scheme are held separately from those of the Group in an independently administered fund. The MPF Scheme is generally funded by payments from employees and by the Group. The Group's contributions to the MPF Scheme are expensed as incurred in accordance with the rules of the MPF Scheme and are not reduced by contributions forfeited by those employees who leave the MPF Scheme prior to vesting fully in the contributions.

2 重大會計政策概要(續)

2.19 所得稅(續)

即期及遞延稅項於損益中確認，惟有關於其他全面收入或直接於權益確認的項目除外。在此情況下，稅項亦分別於其他全面收入或直接於權益中確認。

(i) 稅務優惠

本集團旗下公司可就相關合資格開支享有特殊稅項減免(如某地的研發稅項優惠制度)。本集團就該等稅務優惠入賬列為稅收抵免，即稅務優惠降低應付所得稅及即期稅項開支。遞延稅項資產於未申報的稅項抵免結轉為遞延稅項資產時確認。

2.20 僱員福利

(a) 退休金責任

本集團根據香港強制性公積金計劃條例為其香港員工參加香港強制性公積金計劃(「強積金計劃」)。強積金計劃的資產與本集團資產以獨立管理基金分開持有。強積金計劃一般由僱員及本集團的付款撥支。本集團對強積金計劃的供款按照強積金計劃規則於產生時支銷，並不會於僱員在供款全面歸屬前退出強積金計劃而按沒收供款扣減。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) 綜合財務報表附註(續)

For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.20 Employee benefits (Continued)

(a) Pension obligations (Continued)

In accordance with the PRC regulations, the Group is required to pay social security contributions for its PRC staff based on certain percentage of their salaries to the social security plan organised by related governmental bodies ("PRC plan").

The Group has no further payment obligations once the contributions have been paid to the MPF Scheme and PRC plan. The Group's contributions to the MPF Scheme and PRC plan are recognised as employee benefit expense in the consolidated statement of profit or loss and other comprehensive income when they are due.

(b) Termination benefits

Termination benefits are recognised when, and only when, the Group demonstrably commits itself to terminate employment or to provide benefits as a result of voluntary redundancy by having a detailed formal plan which is without realistic possibility of withdrawal.

2.21 Provisions and contingent liabilities

Provisions are recognised when: the Group has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated. Restructuring provisions comprise lease termination penalties and employee termination payments. Provisions are not recognised for future operating losses.

2 重大會計政策概要(續)

2.20 僱員福利(續)

(a) 退休金責任(續)

根據中國法規，本集團須為其中國員工按員工薪金的若干百分比向相關政府機關設立的社會保障計劃(「中國計劃」)作出社會保障供款。

向強積金計劃及中國計劃作出供款後，本集團再無其他付款責任。本集團向強積金計劃及中國計劃作出的供款於應付時在綜合損益及其他全面收益表內確認為僱員福利開支。

(b) 離職福利

離職福利會及只會在本集團已有詳細及正式的離職計劃，並在實際上無撤回可能，明確承諾終止僱用或因自願離職而給予福利時予以確認。

2.21 撥備及或然負債

在出現以下情況時確認撥備：本集團因過往事件而產生現時的法律或推定責任；有可能需要資源流出以履行責任；及金額已獲可靠估計。重組撥備包括租賃終止罰款及僱員離職付款。不就未來營運虧損確認撥備。



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) 綜合財務報表附註(續)

For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.21 Provisions and contingent liabilities (Continued)

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as interest expense.

A contingent liability is a possible obligation that arises from past events and whose existence will only be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group. It can also be a present obligation arising from past events that is not recognised because it is not probable that outflow of economic resources will be required or the amount of obligation cannot be measured reliably.

A contingent liability is not recognised but is disclosed in the notes to the consolidated financial statements. When a change in the probability of an outflow occurs so that outflow is probable, it will then be recognised as a provision.

2.22 Revenue recognition

(i) Sales of prefabricated construction units

Sales of prefabricated construction units are recognised when control of the products has transferred, being when the products are delivered to the customers, and there is no unfulfilled obligation that could affect the customer's acceptance of the products.

2 重大會計政策概要(續)

2.21 撥備及或然負債(續)

如有多項類似責任，需要資源流出以履行責任的可能性乃透過考慮整體責任類別而釐定。即使同類別責任中任何一項可能導致資源流出的機會不大，仍會確認撥備。

撥備乃採用稅前利率按預期履行責任所需開支的現值計量，該稅前利率反映現時市場對貨幣時間價值及該責任特定風險的評估。因時間推移產生的撥備增加乃確認為利息支出。

或然負債指過往事件可能產生的責任，其存在將僅由發生或不發生一項或多項本集團無法全面控制的不確定未來事件而確認。或然負債亦可能是因不太可能需要經濟資源流出，或無法可靠估計責任金額而未有確認的過往事件所產生的現時責任。

或然負債不予確認，但會於綜合財務報表附註作出披露。倘經濟資源流出可能性有變以致可能流出，則或然負債屆時將確認為撥備。

2.22 收入確認

(i) 預製裝配式建築組件銷售

當產品的控制權已轉移時會確認預製裝配式建築組件銷售，即產品已交付予客戶及概無可影響客戶接收產品的未履行責任之時。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) 綜合財務報表附註(續)

For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.22 Revenue recognition (Continued)

(i) Sales of prefabricated construction units (Continued)

When either party to a contract has performed, the Group presents the contract in the consolidated balance sheet as a contract asset or a contract liability, depending on the relationship between the Group's performance and the customer's payment.

(ii) Revenue from granting licenses

Revenue from granting licenses is recognised in conjunction with related services at one point in time when the required training of the licensing is provided to the customers and then the customer can direct the use of, and obtain substantially all of the remaining benefits from a license.

(iii) Sales of prefabricated construction equipments

Sales of prefabricated construction equipments are recognised when the control of the prefabricated construction equipments has transferred, being when the prefabricated construction equipments are delivered to the customer and accepted by the customer in accordance with contract.

(iv) Financing components

The Group does not expect to have any contracts where the period between the transfer of the promised goods or services to the customer and payment by the customer exceeds one year. As a consequence, the Group does not adjust any of the transaction prices for the time value of money.

(v) Revenue from consulting service income

Revenue from consulting service is recognised over the service period when the service are render to the customers as the customers can benefit simultaneously as the Group performing.

2 重大會計政策概要(續)

2.22 收入確認(續)

(i) 預製裝配式建築組件銷售(續)

當合約的任何一方已履約，本集團於綜合資產負債表將合約呈列為合約資產或合約負債，視乎本集團的履約情況與客戶付款之間的關係而定。

(ii) 來自授予專利技術使用權的收入

當處於向客戶提供專利技術的所需培訓及之後客戶可主導的使用並獲得專利技術的絕大部分所有剩餘利益之時間點時，則來自授予專利技術使用權的收入與相關服務一同確認。

(iii) 銷售預製裝配式建築設備

當預製裝配式建築設備的控制權已轉移時會確認銷售預製裝配式建築設備，即預製裝配式建築設備已交付予客戶及客戶根據合約接收該設備之時。

(iv) 融資部分

本集團並不預期在轉讓已承諾的商品或服務予客戶至客戶付款的期間超過一年後有任何合約。因此，本集團並無就貨幣時間值調整任何交易價格。

(v) 來自諮詢服務的收入

由於客戶可以在本集團履行的同時收益，故來自諮詢服務的收入在向客戶提供服務的服務期內確認。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) 綜合財務報表附註(續)

For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.23 Dividend income

Dividend income is recognised when the right to receive payment is established.

2.24 Leases

As explained in Note 2.1 above, the Group has changed its accounting policy for leases where the Group is the lessee. The new policy is described below and the impact of the change in Note 3.

Until 31 December 2018, leases of property, plant and equipment where the Group, as lessee, had substantially all the risks and rewards of ownership were classified as finance leases. Finance leases were capitalised at the lease's inception at the fair value of the leased property or, if lower, the present value of the minimum lease payments. The corresponding rental obligations, net of finance charges, were included in other short-term and long-term payables. Each lease payment was allocated between the liability and finance cost. The finance cost was charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The property, plant and equipment acquired under finance leases was depreciated over the asset's useful life or over the shorter of the asset's useful life and the lease term if there is no reasonable certainty that the Group will obtain ownership at the end of the lease term.

Leases in which a significant portion of the risks and rewards of ownership were not transferred to the Group as lessee were classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) were charged to profit or loss on a straight-line basis over the period of the lease.

2 重大會計政策概要(續)

2.23 股息收入

股息收入於確定有權收取款項時確認。

2.24 租賃

如上文附註2.1所述，本集團已更改有關其作為承租人方面的會計政策。新訂政策載於下文，其變動之影響載於附註3。

直至二零一八年十二月三十一日，本集團(作為承租人)擁有絕大部分風險及回報的物業、廠房及設備租賃已分類為融資租賃。融資租賃在租賃開始時，按租賃物業的公允價值或最低租賃付款現值兩者中的較低者資本化。相應租金責任在扣除財務支出後計入其他短期及長期應付款項。每項租賃付款均分攤為負債及融資成本。融資成本於租賃期內在損益中扣除，以計算出每期剩餘負債的固定週期利率。根據融資租賃而獲得的物業、廠房及設備按資產的使用年期或資產的使用年期與租期兩者中的較短者(倘無合理確定性本集團於租期完結時將獲得擁有權)進行折舊。

凡擁有權的絕大部份風險及回報不會轉移至作為出租人的本集團之所有租賃，均分類為經營租賃。經營租賃的付款(扣除自出租人收取的任何優惠)以直線法於租期內在損益中扣除。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) 綜合財務報表附註(續)

For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.24 Leases (Continued)

From 1 January 2019, leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Group.

Contracts may contain both lease and non-lease components. The Group allocates the consideration in the contract to the lease and non-lease components based on their relative stand-alone prices. However, for leases of property, plant and equipment for which the Group is a lessee, it has elected not to separate lease and non-lease components and instead accounts for these as a single lease component.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable
- variable lease payment that are based on an index or a rate, initially measured using the index or rate as at the commencement date
- payments of penalties for terminating the lease, if the lease term reflects the Group exercising that option.

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the Group, the lessee's incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

2 重大會計政策概要(續)

2.24 租賃(續)

自二零一九年一月一日起，租賃於租賃資產可供本集團使用當日確認為使用權資產及相應負債。

合約可能包含租賃及非租賃組成部分。本集團按照租賃及非租賃組成部分相應的獨立價格，將合約代價分配至租賃及非租賃組成部分。然而，就本集團為承租人的物業、廠房及設備租賃而言，其選擇將租賃及非租賃組成部分入賬為單一租賃組成部分，並無將兩者區分。

租賃產生的資產及負債初步以現值基準計量。租賃負債包括下列租賃付款的淨現值：

- 固定付款(包括實質上的固定付款)，減去任何應收租賃優惠
- 基於指數或利率的可變租賃付款，採用於開始日期的指數或利率初步計量
- 倘租賃期反映本集團行使該選擇權，則支付終止租賃的罰款。

租賃付款使用租賃中隱含的利率進行貼現。倘無法輕易確定該利率(為本集團租賃的一般情況)，則使用承租人的增量借款利率，即個別承租人在類似經濟環境中按類似條款、抵押及條件借入獲得與使用權資產具有類似價值的資產所需資金而必須支付的利率。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) 綜合財務報表附註(續)

For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.24 Leases (Continued)

To determine the incremental borrowing rate, the Group:

- where possible, uses recent third-party financing received by the individual lessee as a starting point, adjusted to reflect changes in financing conditions since third party financing was received.
- uses a build-up approach that starts with a risk-free interest rate adjusted for credit risk for leases held by the Group, which does not have recent third party financing, and
- makes adjustments specific to the lease, e.g. term, country, currency and security.

Lease payments are allocated between principal and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Right-of-use assets are measured at cost comprising the following:

- the amount of the initial measurement of lease liability
- any lease payments made at or before the commencement date less any lease incentives received
- any initial direct costs, and
- restoration costs.

2 重大會計政策概要(續)

2.24 租賃(續)

為釐定增量借款利率，本集團：

- 在可能情況下，使用個別承租人最近獲得的第三方融資為出發點作出調整，以反映自獲得第三方融資以來融資條件的變動；
- 使用累加法，首先就本集團持有租賃且近期無第三方融資的信貸風險調整無風險利率；及
- 進行特定於租約的調整，例如期限、國家、貨幣及抵押。

租賃付款於本金及財務成本之間作出分配。財務成本在租賃期間於損益扣除，藉以令各期間的負債餘額的期間利率一致。

使用權資產按成本計量，包括以下各項：

- 租賃負債的初始計量金額
- 在開始日期或之前支付的任何租賃付款減去已收任何租賃優惠
- 任何初始直接成本；及
- 修復費用。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) 綜合財務報表附註(續)

For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.24 Leases (Continued)

Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. If the Group is reasonably certain to exercise a purchase option, the right-of-use asset is depreciated over the underlying asset's useful life. While the Group revalues its land and buildings that are presented within property, plant and equipment, it has chosen not to do so for the right-of-use buildings held by the Group.

Payments associated with short-term leases of equipment and vehicles and all leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less. Low-value assets comprise IT equipment and small items of office furniture.

Lease income from operating leases where the Group is a lessor is recognised in income on a straight-line basis over the lease term. Initial direct costs incurred in obtaining an operating lease are added to the carrying amount of the underlying asset and recognised as expense over the lease term on the same basis as lease income. The respective leased assets are included in the balance sheet based on their nature. The Group did not need to make any adjustments to the accounting for assets held as lessor as a result of adopting the new leasing standard.

The Group did not need to make any adjustments to the accounting for assets held as lessor under operating leases as a result of the adoption of HKFRS 16.

2.25 Dividend distribution

Dividend distribution to the Company's shareholders is recognised as a liability in the Group's and the Company's financial statements in the period in which the dividends are approved by the Company's shareholders or directors, where appropriate.

2 重大會計政策概要(續)

2.24 租賃(續)

使用權資產一般於資產可使用年期或租賃期(以較短者為準)按直線法計算折舊。倘本集團合理確定行使購買選擇權，則使用權資產於相關資產的可使用年期內予以折舊。本集團在對其土地及樓宇(於物業、廠房及設備內呈列)重新估值時，已選擇不就本集團所持有的使用權樓宇行使有關權利。

與設備及車輛的短期租賃及所有低價值資產租賃相關的付款以直線法於損益確認為開支。短期租賃為租賃期12個月或以下的租賃。低價值資產包括資訊科技設備及小型辦公家具。

本集團作為出租人的經營租賃的租賃收入按直線法於租賃期內確認為收入。獲取經營租賃產生的初始直接成本計入相關資產的賬面值，並於租賃期內以確認租賃收入的相同基準確認為開支。個別租賃資產按其性質計入資產負債表。採納新租賃準則後，本集團無需對作為出租人所持有資產的會計處理作任何調整。

本集團毋須因採納香港財務報告準則第16號而就根據經營租賃作為出租人持有資產的會計處理作出任何調整。

2.25 股息分派

分派予本公司股東的股息在獲本公司股東或董事(如適用)批准為股息的期間的本集團及本公司財務報表確認為負債。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) 綜合財務報表附註(續)

For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.26 Earnings per share

(a) Basic earnings per share

Basic earnings per share is calculated by dividing:

- the profit attributable to owners of the Company, excluding any costs of servicing equity other than ordinary shares
- by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the year and excluding treasury shares.

(b) Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account:

- the after-income tax effect of interest and other financing costs associated with dilutive potential ordinary shares, and
- the weighted average number of additional ordinary shares that would have been outstanding assuming the conversion of all dilutive potential ordinary shares.

2.27 Related parties

A party is considered to be related to the Group if:

(a) A person or a close member of that person's family is related to the Group, if that person:

- (i) has control or joint control over the Group;
- (ii) has significant influence over the Group; or
- (iii) is a member of the key management personnel of the Group or the Group's parent.

2 重大會計政策概要(續)

2.26 每股盈利

(a) 每股基本盈利

每股基本盈利乃除以以下項目後計算得出：

- 本公司擁有人應佔盈利(扣除普通股以外之任何權益成本)
- 除除以財政年度內尚未發行普通股加權平均數，並就年內已發行普通股(不包括庫存股的股份)的股利調整。

(b) 每股攤薄盈利

每股攤薄盈利調整用於釐定每股基本盈利的數字，以計及：

- 利息的除所得稅後影響及與潛在攤薄普通股有關的其他融資成本，及
- 假設轉換所有潛在攤薄普通股，尚未發行額外普通股加權平均數將會增加。

2.27 關連方

倘屬以下情況，則該人士被視為與本集團有關連：

(a) 倘屬以下人士，則該人士或該人士的近親家庭成員與本集團有關連：

- (i) 控制或共同控制本集團；
- (ii) 對本集團有重大影響；或
- (iii) 為本集團或本集團母公司的主要管理層成員。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) 綜合財務報表附註(續)

For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.27 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) the entity and the Group are joint ventures of the same third party.
- (iv) one entity is a joint venture of a third entity and the other entity is an associate of the third entity.
- (v) the entity is a post-employment benefit plan for the benefit of employees of either the Group or an entity related to the Group.
- (vi) the entity is controlled or jointly controlled by a person identified in (a).
- (vii) a person identified in (a) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).

Close family members of an individual are those family members who may be expected to influence, or be influenced by, that person in their dealings with the entity.

A transaction is considered to be a related party transaction when there is a transfer of resources or obligations between related parties.

2.28 Subsequent events

Events after the reporting period that provide additional information about the Group's position at the end of the reporting period ("adjusting events") are reflected in the consolidated financial statements. Events after the reporting period that are not adjusting events are disclosed in the notes when material.

2 重大會計政策概要(續)

2.27 關連方(續)

(b) 倘符合下列任何條件，則該實體與本集團有關連：

- (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旗下成員公司的聯營公司或合營企業)。
- (iii) 該實體與本集團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，而另一實體為該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設立的離職福利計劃。
- (vi) 該實體受(a)內所識別人士控制或共同控制。
- (vii) (a)內所識別人士對該實體有重大影響力或屬該實體(或該實體的母公司)的主要管理層成員。

某個別人士的近親家庭成員指預期與該實體進行買賣時可影響該人士或受該人士影響的家庭成員。

關連方之間轉讓資源或責任的交易，被視為關連方交易。

2.28 報告期後事項

為本集團於報告期末的狀況提供額外資料的報告期後事項(「調整事項」)於綜合財務報表內反映。並非調整事項的重大報告期後事項於附註中披露。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) 綜合財務報表附註(續)

For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度

3 CHANGES IN ACCOUNTING POLICIES

This note explains the impact of the adoption of HKFRS 16 *Leases* on the Group's financial statements.

As indicated in Note 2.1 above, the Group has adopted HKFRS 16 *Leases* from 1 January 2019, but has not restated comparatives for the 2018 reporting period, as permitted under the specific transition provisions in the standard. The reclassifications and the adjustments arising from the new leasing rules are therefore recognised in the opening balance sheet on 1 January 2019.

On adoption of HKFRS 16 *Leases*, the Group recognised lease liabilities in relation to leases which had previously been classified as 'operating leases' under the principles of HKAS 17 *Leases*. These liabilities were measured at the present value of the remaining lease payments, discounted using the lessee's incremental borrowing rate as of 1 January 2019. The weighted average lessee's incremental borrowing rate applied to the lease liabilities on 1 January 2019 was 4.68%.

For leases, previously classified as finance leases, the Group recognised the carrying amount of the lease asset and lease liability immediately before transition as the carrying amount of the right-of-use asset and the lease liability at the date of initial application. The measurement principles of HKFRS 16 are only applied after that date.

(a) Practical expedients applied

In applying HKFRS 16 *Leases* for the first time, the Group has used the following practical expedients permitted by the standard:

- relying on previous assessments on whether leases are onerous as an alternative to performing an impairment review — there were no onerous contracts as at 1 January 2019
- accounting for operating leases with a remaining lease term of less than 12 months as at 1 January 2019 as short-term leases
- using hindsight in determining the lease term where the contract contains options to extend or terminate the lease.

3 會計政策變動

本附註闡釋採納香港財務報告準則第16號租賃對本集團的財務報表產生的影響。

如上文附註2.1所示，本集團自二零一九年一月一日起採用香港財務報告準則第16號租賃，但未重列二零一八年報告期的比較數據(如準則中的具體過渡條文下所允許般)。新租賃規則導致的重新分類及調整因此在二零一九年一月一日的期初資產負債表中確認。

於採納香港財務報告準則第16號租賃時，本集團就先前根據香港會計準則第17號租賃的原則分類為「經營租賃」的租賃確認租賃負債。該等負債按餘下租賃付款的現值計量，並使用承租人截至二零一九年一月一日的增量借款利率進行貼現。於二零一九年一月一日就租賃負債採用的加權平均承租人增量借款利率為4.68%。

對於先前分類為融資租賃的租賃，本集團確認緊接過渡前的租賃資產和租賃負債的賬面值，作為首次應用日期的使用權資產和租賃負債的賬面值。香港財務報告準則第16號的計量原則僅在該日期之後應用。

(a) 所採用之可行權宜方法

於首次應用香港財務報告準則第16號租賃時，本集團乃採用以下獲準則許可的實用權宜方法：

- 依賴先前關於租賃是否虧損的評估，作為進行減值審閱的替代方法 — 於二零一九年一月一日並無虧損性合約
- 將於二零一九年一月一日餘下租期少於12個月的經營租賃入賬列作短期租賃
- 倘合約包含延長或終止租約的選擇權則使用事後方式釐定租期

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度

3 CHANGES IN ACCOUNTING POLICIES (Continued)

(a) Practical expedients applied (Continued)

The Group has also elected not to reassess whether a contract is, or contains a lease at the date of initial application. Instead, for contracts entered into before the transition date the Group relied on its assessment made applying HKAS 17 and Interpretation 4 *Determining whether an Arrangement contains a Lease*.

(b) Measurement of lease liabilities

3 會計政策變動(續)

(a) 所採用之可行權宜方法(續)

本集團亦已選擇不重新評估合約在首次應用日期是否或包含租賃。相反，對於在過渡日期之前訂立的合約，本集團依據其應用香港會計準則第17號及詮釋第4號決定一項安排是否包含租賃作出評估。

(b) 計量租賃負債

		HK\$'000 千港元
Operating lease commitments disclosed as at 31 December 2018	於二零一八年十二月三十一日披露的經營租賃承諾	38,243
Discounted using the lessee's incremental borrowing rate of at the date of initial application	使用承租人在首次應用日期的增量借貸利率折現	32,414
Add: finance lease liabilities recognised as at 31 December 2018	加：於二零一八年十二月三十一日確認的融資租賃負債	4,404
(Less): Short-term leases and low-value leases expenses	(減)：短期租賃和低價值租賃開支	(265)
Lease liabilities recognised as at 1 January 2019	於二零一九年一月一日確認的租賃負債	36,553
Of which are:	其中有：	
Current lease liabilities	流動租賃負債	16,385
Non-current lease liabilities	非流動租賃負債	20,168
		36,553

(c) Measurement of right-of-use assets

Right-of-use assets were measured at the amount equal to the lease liabilities, adjusted by the amount of any prepaid or accrued lease payments relating to that lease recognised in the balance sheet as at 31 December 2018.

(c) 計量使用權資產

使用權資產按與租賃負債相等的金額計量，並經於二零一八年十二月三十一日的資產負債表確認的與該租賃有關的任何預付款項或應計租賃付款調整。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度

3 CHANGES IN ACCOUNTING POLICIES (Continued)

(d) Adjustments recognised in the balance sheet on 1 January 2019

The following tables show the adjustments recognised for each individual item. Line items that were not affected by the changes have not been included. As a result, the sub-total and totals disclosed cannot be recalculated from the numbers provided. The adjustments are explained in more detail by standard below.

Financial position (extract)	財務狀況表(摘錄)	31 December 2018		1 January 2019 Restated 二零一九年 一月一日 重列 HK\$'000 千港元
		As originally presented 二零一八年 十二月三十一日 原先呈列 HK\$'000 千港元	HKFRS 16 香港財務報告 準則第16號 HK\$'000 千港元	
Non-current assets	非流動資產			
Property, plant and equipment	物業、廠房及設備	1,483,219	(4,904)	1,478,315
Right-of-use assets	使用權資產	–	773,659	773,659
Land use rights	土地使用權	732,937	(732,937)	–
Total non-current assets	非流動資產總值	2,491,728	35,818	2,527,546
Current assets	流動資產			
Trade and other receivables and prepayments	貿易及其他應收款項及預付款項	505,793	(3,669)	502,124
Total current assets	流動資產總值	866,278	(3,669)	862,609
Total assets	資產總值	3,358,006	32,149	3,390,155
Non-current liabilities	非流動負債			
Obligations under finance lease	融資租賃	2,880	(2,880)	–
Lease liabilities	租賃負債	–	20,168	20,168
Total non-current liabilities	非流動負債總額	352,993	17,288	370,281
Current liabilities	流動負債			
Obligations under finance lease	融資租賃	1,524	(1,524)	–
Lease liabilities	租賃負債	–	16,385	16,385
Total current liabilities	流動負債總額	626,484	14,861	641,345
Total liabilities	負債總額	979,477	32,149	1,011,626
Total equity	權益總額	2,378,529	–	2,378,529

(e) Lessor accounting

The Group did not need to make any adjustments to the accounting for assets held as lessor under operating leases as a result of the adoption of HKFRS 16 Leases.

3 會計政策變動(續)

(d) 於二零一九年一月一日資產負債表確認之調整

下列各表顯示對每一個別項目確認的調整。不受改動影響的項目未包括在內。因此，所披露的小計和總計無法根據提供的數目重新計算。該等調整通過下述標準更詳細說明。

(e) 出租人的會計處理

本集團毋須因採納香港財務報告準則第16號租賃而就根據經營租賃作為出租人持有資產的會計處理作出任何調整。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) 綜合財務報表附註(續)

For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度

4 FINANCIAL RISK MANAGEMENT AND FINANCIAL INSTRUMENTS

4.1 Financial risk factors

The Group's activities expose it to a variety of financial risks: market risk (including foreign exchange risk, cash flow and fair value interest rate risk), credit risk and liquidity risk. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance.

4.1.1 Market risk

(a) Foreign exchange risk

Foreign exchange risk is the risk that the value of financial instruments will fluctuate due to changes in foreign exchange rates. The majority of the Group's transactions and balances are denominated in HKD and RMB, which are the functional currencies of the Company and its non-PRC mainland subsidiaries, and its PRC mainland companies, respectively.

The Company and its non-PRC mainland subsidiaries' assets and liabilities are mainly denominated in HKD, except for certain bank balances which are denominated in RMB and United State dollars ("USD"). As HKD are pegged to USD, it is assumed that there would be no material currency risk exposure between these two currencies.

The PRC mainland companies' assets and liabilities are mainly denominated in RMB, except for certain bank balances which are denominated in HKD. Accordingly, cash denominated in HKD is subject to foreign exchange risk.

4 財務風險管理及金融工具

4.1 財務風險因素

本集團業務須承受多項財務風險：市場風險(包括外匯風險、現金流量及公允價值利率風險)、信貸風險及流動資金風險。本集團整體風險管理計劃專注於金融市場的不可預測性，旨在盡可能減低對本集團財務表現構成的潛在不利影響。

4.1.1 市場風險

(a) 外匯風險

外匯風險指金融工具的價值因匯率變動而波動的風險。本集團大部份交易及結餘以港元及人民幣計值，港元及人民幣分別為本公司及其非中國內地附屬公司以及其中國內地公司的功能貨幣。

本公司及其非中國內地附屬公司的資產及負債主要是以港元計值，惟若干銀行結餘以人民幣及美元(「美元」)計值。由於港元與美元掛鈎，故假設兩種貨幣之間並無重大貨幣風險。

中國內地附屬公司的資產及負債主要以人民幣計值，惟若干銀行結餘以港元計值。因此，以港元計值的現金須承受外匯風險。



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) 綜合財務報表附註(續)

For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度

4 FINANCIAL RISK MANAGEMENT AND FINANCIAL INSTRUMENTS (Continued)

4.1 Financial risk factors (Continued)

4.1.1 Market risk (Continued)

(a) Foreign exchange risk (Continued)

Fluctuations in the exchange rates of HKD against RMB will affect the Group's result of operations. The Group does not have any formal hedging policies. However, management closely monitors the foreign exchange exposure and will take actions when necessary.

As at 31 December 2019, if RMB had strengthened/weakened by 5%, against HKD with all other variables held constant, post-tax profit for the year would have been HK\$5,000 (2018: HK\$284,000) higher/lower, mainly as a result of net foreign exchange losses/gains on translation of HKD denominated bank deposits. All borrowings are denominated in RMB.

(b) Cash flow and fair value interest rate risk

The Group's cash flow interest rate risk relates primarily to the Group's variable interest generating bank balances and bank borrowings with variable interest rates in 2019 while the short term borrowings with fixed rate exposed the Group to fair value interest rate risk in 2019.

Except for cash deposits in the bank, the Group has no other significant interest bearing assets.

4 財務風險管理及金融工具(續)

4.1 財務風險因素(續)

4.1.1 市場風險(續)

(a) 外匯風險(續)

港元兌人民幣的匯率波動將影響本集團經營業績。本集團並無任何正式對沖政策。然而，管理層密切監控外匯風險，並將於必要時採取行動。

於二零一九年十二月三十一日，倘人民幣兌港元升值／貶值5%而所有其他變數維持不變，年內稅後溢利將會增加／減少5,000港元(二零一八年：284,000港元)，此乃主要由於折算以港元計值的銀行存款產生的匯兌虧損／收益淨額所致。所有借貸均以人民幣計值。

(b) 現金流量及公允價值利率風險

本集團於二零一九年的現金流量利率風險主要與本集團浮息銀行結餘及銀行借貸有關，而短期定息借貸令本集團於二零一九年承受公允價值利率風險。

除存於銀行的現金存款，本集團並無其他重大計息資產。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) 綜合財務報表附註(續)

For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度

4 FINANCIAL RISK MANAGEMENT AND FINANCIAL INSTRUMENTS (Continued)

4.1 Financial risk factors (Continued)

4.1.1 Market risk (Continued)

(b) Cash flow and fair value interest rate risk (Continued)

Management does not anticipate significant impact to interest-bearing assets and bank borrowings resulted from the changes in interest rates, because the interest rates of bank deposits and borrowings are not expected to change significantly.

As at 31 December 2019 and 2018, if interest rates on interest-generating bank deposits and borrowings with floating rates had been 50 basis points higher/lower with all other variables held constant, the post-tax loss of the Group for the years ended 31 December 2019 and 2018 would have changed as follows:

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Post-tax profit increase/(decrease)	稅後溢利增加/(減少)		
— 50 basis points higher	— 上升 50 個基點	(1,310)	(1,171)
— 50 basis points lower	— 下跌 50 個基點	1,310	1,171

4 財務風險管理及金融工具(續)

4.1 財務風險因素(續)

4.1.1 市場風險(續)

(b) 現金流量及公允價值利率風險(續)

管理層預期利率變動將不會對計息資產及銀行借貸帶來重大影響，原因為預期銀行存款及借貸的利率將不會出現重大變動。

於二零一九年及二零一八年十二月三十一日，倘計息銀行存款和按浮動利率計息的借款的利率上升/下跌 50 個基點而所有其他變數維持不變，本集團於截至二零一九年及二零一八年十二月三十一日止年度的稅後虧損將出現以下變動：



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度

4 FINANCIAL RISK MANAGEMENT AND FINANCIAL INSTRUMENTS (Continued)

4.1 Financial risk factors (Continued)

4.1.2 Credit risk

As at 31 December 2019 and 2018, the Group's maximum exposure to credit risk is trade and other receivables and bank balances.

Trade receivables

The Group applies the HKFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables. As at 31 December 2019 and 2018, the loss allowance provision was determined as follows.

		Current 即期	Less than 6 months past due 逾期少於 六個月	6 months -1 year past due 逾期六個月 至一年	More than 1 year past due 逾期多於 一年	Total 總計
As at 31 December 2019	於二零一九年 十二月三十一日					
Expected loss rate	預期虧損率	0.2%	2.2%	4.2%	7.3%	-
Gross carrying amount	賬面總值	406,884	60,388	16,842	31,984	516,098
Loss allowance	虧損撥備	794	1,317	699	2,324	5,134
As at 31 December 2018	於二零一八年 十二月三十一日					
Expected loss rate	預期虧損率	0.1%	2.5%	3.1%	6.9%	-
Gross carrying amount	賬面總值	213,274	48,294	30,684	2,688	294,940
Loss allowance	虧損撥備	268	1,218	944	184	2,614

For credit risk arised from trade receivable balances, each local entity is responsible for managing and analysing the credit risk for each of their new clients before standard payment and delivery terms and conditions are offered.

4 財務風險管理及金融工具(續)

4.1 財務風險因素(續)

4.1.2 信貸風險

於二零一九年及二零一八年十二月三十一日，本集團的最高信貸風險為貿易及其他應收款項及銀行結餘。

貿易應收款項

本集團採用香港財務報告準則第9號簡化方法計量預期信貸虧損，為所有貿易應收款項撥備整個存續期內的預期虧損。於二零一九及二零一八年十二月三十一日虧損撥備乃釐定如下。

就貿易應收款項結餘產生的信貸風險而言，於給予標準付款及交付條款及條件前，各地方實體負責管理及分析每名新客戶的信貸風險。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度

4 FINANCIAL RISK MANAGEMENT AND FINANCIAL INSTRUMENTS (Continued)

4.1 Financial risk factors (Continued)

4.1.2 Credit risk (Continued)

The credit risk on bank deposits are limited because the counterparties are banks with high credit rating assigned by international credit-rating agencies and are the PRC large state-controlled banks. As such, no significant credit risk from bank deposits is anticipated.

The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the consolidated statement of financial position.

Cash transactions are limited to high-credit-quality financial institutions. The table below shows the bank deposit balances as at 31 December 2019 and 2018:

Counter party	交易對手	2019	2018
		二零一九年 HK\$'000 千港元	二零一八年 HK\$'000 千港元
Deposits with the state-owned banks of the PRC	於中國國有銀行的存款	11,965	54,491
Deposits with other listed banks of the PRC	於中國其他上市銀行的存款	68,003	54,854
Deposits with other banks	於其他銀行的存款	2,447	1,457
		82,415	110,802

Management does not expect any losses from non-performance of these counterparties.

4 財務風險管理及金融工具(續)

4.1 財務風險因素(續)

4.1.2 信貸風險(續)

由於交易對手均為獲國際信貸評級機構給予高信貸評級的銀行及中國大型國有銀行，故銀行存款的信貸風險有限。因此，預期銀行存款將不會產生重大信貸風險。

最高信貸風險為綜合財務狀況表內各項金融資產的賬面值。

現金交易僅限於信貸質素良好的金融機構。下表載列於二零一九年及二零一八年十二月三十一日的銀行存款結餘：

管理層預期不會因該等交易對手不履約而招致任何損失。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) 綜合財務報表附註(續)

For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度

4 FINANCIAL RISK MANAGEMENT AND FINANCIAL INSTRUMENTS (Continued)

4.1 Financial risk factors (Continued)

4.1.2 Credit risk (Continued)

Other Receivables

Other receivables mainly comprise receivables amount due from related parties, land auction deposits and receivables relating to disposal of subsidiaries. The Group closely monitors these other receivables to ensure actions are taken to recover these balances in the case of any risk of default.

As at 31 December 2019, since credit risk has not significantly increased after initial recognition, the loss allowance for other receivables recognised during the period was therefore limited to 12 months expected losses. Applying the expected credit risk model resulted in a provision for impairment amounting to HK\$780,000 as at 31 December 2019 (31 December 2018: HK\$580,000).

4.1.3 Liquidity risk

Cash flow forecast is prepared by the finance department of the Company. Group finance monitors rolling forecast of the Group's liquidity requirements to ensure it has sufficient cash to meet operational needs.

Surplus cash held by the Group over and above balance required for working capital are deposited with bank with good credit rating. As at 31 December 2019, the Group held cash and cash equivalent of approximately HK\$82.4 million (31 December 2018: HK\$110.8 million).

4 財務風險管理及金融工具(續)

4.1 財務風險因素(續)

4.1.2 信貸風險(續)

其他應收款項

其他應收款項主要包括應收關聯方款項、土地競拍保證金及有關出售附屬公司的應收款項。本集團會密切監控該等其他應收款項，以確保在出現任何違約風險時採取措施收回此等餘款。

於二零一九年十二月三十一日，由於初步確認後信貸風險並無大幅增加，因此，期內已確認其他應收款項虧損撥備被限制為12個月預期虧損。於二零一九年十二月三十一日，應用預期信貸風險模型導致撥備減值達780,000港元(二零一八年十二月三十一日：580,000港元)。

4.1.3 流動資金風險

現金流量預測乃由本公司財務部編製。集團財務總監對本集團的流動資金需求進行滾動預測，以確保其擁有充裕現金應付營運所需。

本集團所持有高於營運資金所需結餘的盈餘現金存放於具有良好信貸評級的銀行。於二零一九年十二月三十一日，本集團持有現金及現金等值項目約82.4百萬港元。(二零一八年十二月三十一日：110.8百萬港元)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度

4 FINANCIAL RISK MANAGEMENT AND FINANCIAL INSTRUMENTS (Continued)

4.1 Financial risk factors (Continued)

4.1.3 Liquidity risk (Continued)

The table below analyses the Group's financial liabilities into relevant maturity groupings based on the remaining period as at 31 December 2019 and 2018 to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows.

		Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Total contractual cash flows
		少於一年	一年至兩年	兩年至五年	合約現金 流量總額
		HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元
As at 31 December 2019	於二零一九年 十二月三十一日				
Trade and other payables	貿易及其他應付款項	405,620	52,492	-	458,112
Borrowings	借貸	370,725	82,215	45,171	498,111
Lease liabilities	租賃負債	11,413	2,835	250	14,498
		787,758	137,542	45,421	970,721
As at 31 December 2018	於二零一八年 十二月三十一日				
Trade and other payables	貿易及其他應付款項	413,813	-	-	413,813
Borrowings	借貸	178,565	300,892	80,462	559,919
Obligations under finance lease	融資租賃承擔	1,765	2,952	53	4,770
		594,143	303,844	80,515	978,502

4.2 Capital risk management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, issue new shares or sell assets to reduce debt.

4 財務風險管理及金融工具(續)

4.1 財務風險因素(續)

4.1.3 流動資金風險(續)

下表分析本集團的金融負債，並分別根據於二零一九年及二零一八年十二月三十一日至合約到期日止餘下期間按有關到期日進行分組。表內披露的金額為合約未貼現現金流量。

4.2 資本風險管理

本集團管理資本旨在保障本集團持續經營的能力，為股東提供回報並維持最佳資本架構以減低資本成本。

為維持或調整資本架構，本集團可調整派付予股東的股息金額、發行新股份或出售資產以減少債務。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度

4 FINANCIAL RISK MANAGEMENT AND FINANCIAL INSTRUMENTS (Continued)

4.2 Capital risk management (Continued)

The Group monitors capital on the basis of the gearing ratio. This ratio is calculated as net debt divided by total equity. Net debt is calculated as total borrowings, obligations under finance lease, lease liabilities and interest payable less restricted cash for borrowings and cash and cash equivalents.

The gearing ratios of the Group at 31 December 2019 and 2018 were as follows:

4 財務風險管理及金融工具(續)

4.2 資本風險管理(續)

本集團以資產負債比率監察資本。該比率以淨負債除以權益總額計算。淨負債以總借貸、融資租賃、租賃負債及應付利息減受限制現金借貸及現金及現金等值項目計算。

本集團於二零一九年及二零一八年十二月三十一日的資產負債比率如下：

		As at 31 December 2019 於二零一九年 十二月三十一日 HK\$'000 千港元	As at 31 December 2018 於二零一八年 十二月三十一日 HK\$'000 千港元
Total borrowings	總借貸	474,726	496,576
Total obligations under finance lease	融資租賃總額	–	4,404
Total lease liabilities	租賃負債總額	13,975	–
Interest payable	應付利息	58	375
Less: restricted cash for borrowings	減：受限制現金借貸	(114,000)	(130,000)
Less: Cash and cash equivalents	減：現金及現金等值項目	(82,415)	(110,802)
Net debt	淨債項	292,344	260,553
Total equity	權益總額	2,419,043	2,378,529
Gearing ratio	資本負債比率	12.1%	11.0%

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度

4 FINANCIAL RISK MANAGEMENT AND FINANCIAL INSTRUMENTS (Continued)

4.3 Fair value estimation

The table below analyses financial instruments carried at fair value by valuation method. The different levels have been defined as follows:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1).
- Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (Level 2).
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (Level 3).

The financial assets at fair value through profit or loss of the Group are measured at fair value by Level 3.

4 財務風險管理及金融工具(續)

4.3 公允價值估計

下表利用估值法分析按公允價值入賬的金融工具。不同層級的定義如下：

- 相同資產或負債在活躍市場的報價(未經調整)(第1級)。
- 除了第1級所包括的報價外，該資產或負債的可觀察輸入數值，可為直接(即價格)或間接(即源自價格)輸入數值(第2級)。
- 資產或負債並非依據可觀察市場數據的輸入數值(即非可觀察輸入數值)(第3級)。

本集團的按公允價值計入損益之金融資產使用第3級按公允價值計量。

		Level 1 第1級 HK\$'000 千港元	Level 2 第2級 HK\$'000 千港元	Level 3 第3級 HK\$'000 千港元	Total 總計 HK\$'000 千港元
Financial assets at fair value through profit or loss	以公允價值計入損益之金融資產	-	-	43,480	43,480
At 31 December 2019	於二零一九年十二月三十一日	-	-	43,480	43,480
Financial assets at fair value through profit or loss	以公允價值計入損益之金融資產	-	-	23,967	23,967
At 31 December 2018	於二零一八年十二月三十一日	-	-	23,967	23,967

There was no transfer between level 1 and 2 during the year.

年內並無第1級與第2級之間的轉撥。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) 綜合財務報表附註(續)

For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度

4 FINANCIAL RISK MANAGEMENT AND FINANCIAL INSTRUMENTS (Continued)

4.3 Fair value estimation (Continued)

The fair value of financial instruments traded in active markets is based on quoted market prices at the balance sheet date. A market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis. The instrument is included in Level 1.

The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined by using valuation techniques. These valuation techniques maximise the use of observable market data where it is available and rely as little as possible on entity specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in Level 2.

If one or more of the significant inputs is not based on observable market data, the instrument is included in Level 3. The following table presents the changes in Level 3 instruments for the years ended 31 December 2019 and 2018.

4 財務風險管理及金融工具(續)

4.3 公允價值估計(續)

於活躍市場買賣的金融工具公允價值乃按資產負債表日期的市場報價計算。倘交易所、交易商、經紀、行業組織、報價公司或監管當局可輕易地及定期提供報價，則有關市場被視為活躍，而有關價格反映按公平基準實際及經常進行的市場交易。該工具計入第1級。

並非於活躍市場買賣的金融工具(如場外交易衍生工具)公允價值乃使用估值方法釐定。該等估值方法盡量利用可獲得的可觀察市場數據，並盡量減少依賴實體獨有估計。倘釐定工具公允價值所需全部重大輸入數值均可觀察，該工具則計入第2級。

倘一個或以上重大輸入數值並非根據可觀察市場數據作出，則該工具計入第3級。下表分別列示截至二零一九年及二零一八年十二月三十一日止年度第3級工具的變動。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) 綜合財務報表附註(續)

For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度

4 FINANCIAL RISK MANAGEMENT AND FINANCIAL INSTRUMENTS (Continued)

4 財務風險管理及金融工具(續)

4.3 Fair value estimation (Continued)

4.3 公允價值估計(續)

Description	說明	Quantitative information about fair value measurements using significant unobservable inputs (Level 3)	
		Fair value at 31/12/2019	Valuation technique
		有關公允價值計量採用的主要不可觀察輸入數據(第3級)的定量資料	
		於二零一九年十二月三十一日的公允價值 (HK\$'000) (千港元)	估值方法
Other equity securities:	其他股本證券：		Asset-Based approach
Equity instruments (Note 24)	權益工具(附註24)	43,480	資產基礎法

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) 綜合財務報表附註(續)

For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度

5 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of the consolidated financial statements requires the use of accounting estimates which, by definition, will seldom equal the actual results. Management also needs to exercise judgement in applying the Group's accounting policies.

Estimates and judgements are continually evaluated. They are based on historical experience and other factors, including expectations of future events that may have a financial impact on the entity and that are believed to be reasonable under the circumstances.

5.1 Critical accounting estimates

(a) Impairment of trade receivables

The Group's management determines the provision for impairment of trade receivables based on the expected credit losses which use a lifetime expected loss allowance for trade receivables. This assessment is based on the credit history of its customers and other debtors and the current market condition as well as forward looking estimates at the end of reporting period, and requires the use of judgements and estimates. Management reassesses the provisions at each balance sheet date.

(b) Income taxes

The Group is subject to income taxes in a number of jurisdictions. Significant judgement is required in determining the provision for income taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain. The Group recognises liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the current and deferred income tax assets and liabilities in the period in which such determination is made.

5 重要會計估計及判斷

編製綜合財務報表須使用會計估計，按照定義將很少等於實際結果。管理層於應用集團會計政策時亦需行使判斷。

估計及判斷會不斷評估。彼等乃根據過往經驗及其他因素(包括對根據情況認為可能對實體造成財務影響，且屬合理的未來事件的預期)而作出並會進行評估。

5.1 重要會計估計

(a) 貿易應收款項減值

本集團管理層根據應預期信貸虧損就貿易應收款項使用存續期預期虧損撥備來確定貿易應收款項的減值撥備。該評估基於其客戶及其他債務人的信貸記錄及當前市場情況以及於報告期末的前瞻性估計，並需要運用判斷及估計。管理層需於每個資產負債表日重新評估該撥備。

(b) 所得稅

本集團須繳納多個司法權區的所得稅。於釐定所得稅撥備金額時，需要作出重要判斷。有不少未能確定最終稅項的交易及計算。本集團根據是否須繳付額外稅款的估計就預期稅務審核事宜確認負債。倘該等事宜的最終稅務結果與初步記錄的金額不符，有關差異將影響作出釐定的期間內的即期及遞延所得稅資產及負債。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度

5 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (Continued)

5.1 Critical accounting estimates (Continued)

(c) Impairment of property, plant and equipment and right-of-use assets

The Group assesses and analyses whether property and equipment would impair on each balance sheet date. When the carrying value of an asset or a group of assets exceeds the recoverable amount (the higher of the net amount of fair value less cost of disposal and the present value of estimated future cash flow), it indicates that an impairment has occurred. The net amount of fair value less cost of disposal is determined by reference to the agreed sales price or the observable market price of similar assets in arm's length transactions, less incremental costs that are directly attributable to the disposal of the asset. During the estimation of the present value of future cash flow, the management needs to estimate the future cash flow of the asset or group of assets, and select an appropriate discount rate to determine the present value of the future cash flow.

(d) Fair value of financial instruments

The fair value of financial instruments that are not traded in an active market (for example, over-the counter derivatives) is determined by using valuation techniques. The Group uses its judgement to select a variety of methods and make assumptions that are mainly based on market conditions existing at the end of each reporting period.

(e) Fair value of investment properties

The fair value of investment properties is determined by using valuation technique. Such assessment is made based on certain assumptions, which are subject to uncertainties and might materially differ from the actual result. In making the judgement, reasonable consideration has been given to the underlying assumptions that are mainly based on market condition existing at the reporting date. These estimates are regularly compared to actual market data and actual transactions in the market.

5 重要會計估計及判斷(續)

5.1 重要會計估計(續)

(c) 物業、廠房及設備及使用權資產減值

本集團於各資產負債表日對物業及設備是否可能減值進行評估和分析。當資產或資產組的賬面價值高於可收回金額(即公允價值減去處置費用後的淨額和預計未來現金流量的現值中的較高者), 表明發生了減值。公允價值減去處置費用後的淨額, 系參考公平交易中類似資產的銷售協議價格或可觀察到的市場價格, 減去可直接歸屬於該資產處置的增量成本確定。預計未來現金流量現值時, 管理層需估計該項資產或資產組的預計未來現金流量, 並選擇恰當的折現率確定未來現金流量的現值。

(d) 金融工具的公允價值

並非於活躍市場買賣的金融工具(例如場外交易衍生工具)的公允價值乃利用估值方法釐定。本集團憑藉其判斷選擇不同方法, 並主要根據於每個報告期末的現有市場情況作出假設。

(e) 投資性房地產的公允價值

投資性房地產的公允價值乃利用估值方法釐定。該評估乃根據受不明朗因素限制及可能與實際結果有重大差異的若干假設作出。於作出判斷時, 已合理考慮主要根據於報告日期的現有市場情況而作出的相關假設。該等估計定期與市場的實際市場數據及實際交易相比較。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) 綜合財務報表附註(續)

For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度

5 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (Continued)

5.1 Critical accounting estimates (Continued)

(f) *Estimated useful lives and residual values of property and equipment*

The Group's management determines the estimated useful lives, residual values and related depreciation charges for the Group's property and equipment. This estimate is based on the historical experience of the actual useful lives of property and equipment of similar nature and functions. Management will revise the depreciation charges where useful lives are different to that of previously estimated, or it will write-off or write-down technically obsolete or non-strategic assets that have been abandoned or sold. Actual economic lives may differ from estimated useful lives and actual residual values may differ from estimated residual values. Periodic review could result in a change in depreciable lives and residual values and therefore depreciation expense in future periods.

5.2 Critical accounting judgements

(a) *Costs attributable to disposal of a subsidiary*

In October 2019, a subsidiary of the Company, China Minsheng Drawin Technology Investment Limited ("DIT Investment"), entered into investment agreements with the People's Government of Chuanhui District of Zhoukou City. According to the investment agreements, DIT Investment would acquire a industrial land parcel in Zhoukou City to build a prefabricated construction factory as well as a commercial and residential land parcel in Zhoukou City. In particular, DIT Investment commits to complete the construction of the prefabricated construction factory and commence production within 8 months after obtaining the industrial land parcel. Otherwise, DIT Investment should pay delay penalty amounting to 25% consideration of the commercial and residential land parcel in Zhoukou City.

5 重要會計估計及判斷(續)

重要會計估計(續)

(f) *物業及設備的預計可使用年期及剩餘價值*

本集團管理層根據性質或功能類似的物業及設備實際使用年期的過往經驗，確定其預計可使用年期、剩餘價值及相關折舊費用。當可使用年期與之前估計不同時，或核銷或撇減已報廢或已出售的技術上已過時或非戰略性的資產時，管理層將更改折舊費用。實際的經濟年期可能不同於預計可使用年限，實際的剩餘價值也可能有別於預計的剩餘價值。定期檢查可能導致可折舊年期及剩餘價值發生變化，從而導致未來期間的折舊費用發生變化。

5.2 重要會計判斷

(a) *出售附屬公司應佔成本*

於二零一九年十月，本公司之附屬公司中民築友科技投資有限公司(「築友投資」)與周口市川匯區人民政府訂立投資協議。根據該投資協議，築友投資將收購周口市的工業用地，以設立裝配式建築廠，以及於周口市建設商業及住宅用地。特別的是，築友投資承諾於獲得工業用地後的八個月內完成裝配式建築廠的建設並開始生產。否則，築友投資應支付相當於周口市商業及住宅用地面積25%的延遲罰款。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度

5 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (Continued)

5.2 Critical accounting judgements (Continued)

(a) Costs attributable to disposal of a subsidiary (Continued)

In November 2019, a subsidiary of DIT Investment, Zhoukou Jianheng Real Estate Development Co., Ltd. ("Zhoukou Jianheng"), succeeded in bidding the commercial and residential land parcel in Zhoukou City at a consideration of RMB603.6 million. In December 2019, the Group disposed 99% equity interests in Zhoukou Jianheng and recorded a gain on disposal of HK\$120.5 million approximately (Note 33). To the best knowledge of the Group's management and belief, it is remote to cause any outflow of economic benefits from the Group, due to unable to fulfil the commitment to commence production of the prefabricated construction factory on time. Thus, no delay penalty was accrued as costs attributable to disposal of Zhoukou Jianheng in the consolidated financial statements for the year ended 31 December 2019.

5 重要會計估計及判斷(續)

5.2 重要會計判斷(續)

(a) 出售附屬公司應佔成本(續)

於二零一九年十一月，築友投資的附屬公司周口建恆房地產開發有限公司(「周口建恆」)以人民幣603.6百萬元的代價成功競得周口市商業及住宅用地。於二零一九年十二月，本集團出售周口建恆的99%股權，並錄得出售收益約120.5百萬港元(附註33)。就本集團的管理層所知及所信，由於無法履行按時開始建造装配式建築廠的承諾，導致本集團經濟利益流出的可能性很小。因此，截至二零一九年十二月三十一日止年度，於綜合財務報表中出售周口建恆的應佔成本，未計提延誤罰款。

6 REVENUE

6 收入

		Year ended 31 December 2019 截至二零一九年 十二月三十一日 止年度 HK\$'000 千港元	Year ended 31 December 2018 截至二零一八年 十二月三十一日 止年度 HK\$'000 千港元
Revenue from sales of prefabricated construction units	來自銷售預製建築組件的收入	579,853	423,640
Revenue from sales of prefabricated construction equipments	來自銷售建築設備的收入	65,032	18,586
Revenue from granting licenses	來自授予專利技術使用權的收入	36,428	84,895
Rental income	租金收入	13,271	1,919
Revenue from consulting service income	來自諮詢服務的收入	1,317	1,192
		695,901	530,232

note (a): Revenue recognised in relation to contract liabilities

附註(a): 有關合約負債的收益已確認

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度

6 REVENUE (Continued)

The following table shows how much of the revenue recognised in the current reporting period relates to carried-forward contract liabilities and how much relates to performance obligations that were satisfied in a prior year.

		31 December 2019 二零一九年 十二月三十一日 HK\$'000 千港元	31 December 2018 二零一八年 十二月三十一日 HK\$'000 千港元
Revenue recognised that was included in the contract liability balance at the beginning of the year:	於年初包含在合約負債結餘內的已確認收入：		
Sales of prefabricated construction unit contracts	預製建築組件銷售合約	37,770	17,344
Sales of granting licenses contracts	專利技術使用權銷售合約	1,116	5,643
		38,886	22,987

note (b): Unsatisfied long-term sales of prefabricated construction units contracts

附註(b)：未償付長期預製建築組件銷售合約

The following table shows unsatisfied performance obligations resulting from long-term sales of prefabricated construction units contracts and granting licenses contracts.

下表載列因長期預製建築組件銷售合約及授予牌照的合約而產生的未償付履約責任。

		31 December 2019 二零一九年 十二月三十一日 HK\$'000 千港元	31 December 2018 二零一八年 十二月三十一日 HK\$'000 千港元
Sales of prefabricated construction units contracts	預製建築組件銷售合約	938,668	266,444
Sales of granting licenses contracts	專利技術使用權銷售合約	11,164	10,272
		949,832	276,716

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度

7 OTHER INCOME

7 其他收入

		Year ended 31 December 2019 截至二零一九年 十二月三十一日 止年度 HK\$'000 千港元	Year ended 31 December 2018 截至二零一八年 十二月三十一日 止年度 HK\$'000 千港元
Interest income on bank deposits	銀行存款利息收入	5,100	2,359
Others	其他	792	1,151
		5,892	3,510

8 OTHER (LOSSES)/GAINS — NET

8 其他(虧損)/收益 — 淨額

		Year ended 31 December 2019 截至二零一九年 十二月三十一日 止年度 HK\$'000 千港元	Year ended 31 December 2018 截至二零一八年 十二月三十一日 止年度 HK\$'000 千港元
Fair value gains on investment properties	投資性房地產的公允價值收益	631	367
Net exchange gains	匯兌收益淨額	258	4,537
Net gains on financial assets at fair value through profit or loss	以公允價值計量且其變動計入損益的金融資產的收益淨額	—	2,789
Losses on disposal of right-of-use assets	出售使用權資產的虧損	(5,235)	—
Losses on disposal of equipments	出售設備的虧損	(439)	(930)
Others	其他	(667)	388
		(5,452)	7,151

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度

9 EXPENSES BY NATURE

Expenses included in cost of sales, selling and distribution expenses and administrative expenses are analysed as follows:

9 按性質劃分的開支

開支包括銷售成本、銷售及分銷開支及行政開支，分析如下：

		Year ended 31 December 2019 截至 二零一九年 十二月三十一日 止年度 HK\$'000 千港元	Year ended 31 December 2018 截至 二零一八年 十二月三十一日 止年度 HK\$'000 千港元
Raw materials and consumables used	已用原材料及消耗品	273,652	186,309
Changes in inventories of finished goods, goods in transit and work in progress	製成品、途上貨品及在製品 存貨變動	5,694	(9,249)
Employee benefits expenses (note (a))	員工福利開支(附註(a))	125,395	106,263
Labour outsourcing	勞務外包	61,321	32,915
Depreciation	折舊	72,454	50,360
Amortisation of right-of-use assets	使用權資產的攤銷	23,969	-
Amortisation of intangible assets	無形資產的攤銷	1,518	401
Amortisation of land use rights	土地使用權的攤銷	-	10,107
Short-term leases and low-value leases expenses (2018: lease expenses)	短期租賃及低價值租賃開支 (二零一八年：租賃開支)	569	18,202
Transportation	運輸費用	29,385	23,626
Legal and professional fees	法律及專業費用	18,373	13,181
Land use tax and value-added tax surcharges	土地使用稅及增值稅附加費	15,158	13,333
Utilities	公共事業費用	9,458	8,136
Entertainment and travelling expenses	招待及差旅費用	7,213	10,322
Auditors' remuneration	核數師酬金		
— audit services	— 核數服務	1,930	1,890
— non-audit services	— 非核數服務	182	-
Bank charges	銀行收費	1,458	1,009
Office expenses	辦公室開支	807	832
Provision for inventories impairment	存貨減值撥備	530	1,324
Registration expenses	登記費	277	565
Others	其他	41,462	47,036
Total of cost of sales, selling and distribution expenses and administrative expenses	銷售成本、銷售及分銷開支以及行政開支總額	690,805	516,562

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度

9 EXPENSES BY NATURE (Continued)

notes:

(a) Employee benefit expenses (including directors' and chief executive's emoluments)

		Year ended 31 December 2019 截至二零一九年 十二月三十一日 止年度 HK\$'000 千港元	Year ended 31 December 2018 截至二零一八年 十二月三十一日 止年度 HK\$'000 千港元
Wages and salaries	工資及薪金	114,920	96,509
Pensions	退休金	4,348	4,234
Other welfare benefit expenses	其他福利津貼開支	6,127	5,520
Charged to statement of profit or loss and other comprehensive income	計入於損益及其他全面收益表內	125,395	106,263

(b) Five highest paid individuals

The five individuals whose emoluments were the highest in the Group for the year ended 31 December 2019 include two (year ended 31 December 2018: four) directors whose emoluments are reflected in the analysis shown in Note 11. Details of the remuneration for the year ended 31 December 2019 of the remaining three (year ended 31 December 2018: one) highest paid employees are as follows:

9 按性質劃分的開支(續)

附註：

(a) 員工福利開支(包括董事及最高行政人員酬金)

(b) 五名最高薪酬人士

截至二零一九年十二月三十一日止年度，本集團五名最高薪酬人士中，包括兩名(截至二零一八年十二月三十一日止年度：四名)董事，彼等的酬金已於附註11所呈列的分析中反映。截至二零一九年十二月三十一日止年度，其餘三名(截至二零一八年十二月三十一日止年度：一名)的最高薪酬僱員的薪酬詳情如下：

		Year ended 31 December 2019 截至二零一九年 十二月三十一日 止年度 HK\$'000 千港元	Year ended 31 December 2018 截至二零一八年 十二月三十一日 止年度 HK\$'000 千港元
Salaries and other short-term employee benefits	薪金及其他短期僱員福利	2,642	824
Contribution to pension scheme	退休金計劃供款	51	18
		2,693	842

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度

9 EXPENSES BY NATURE (Continued)

notes: (Continued)

(b) Five highest paid individuals (Continued)

The remuneration to the remaining three (year ended 31 December 2018: one) highest paid employees fell within the following emolument band:

		Number of individuals	
		Year ended 31 December 2019 截至二零一九年 十二月三十一日 止年度	Year ended 31 December 2018 截至二零一八年 十二月三十一日 止年度
Nil to HK\$1,000,000	零至 1,000,000 港元	2	1
HK\$1,000,001 to HK\$2,000,000	1,000,001 港元至 2,000,000 港元	1	0

10 FINANCE COSTS

9 按性質劃分的開支(續)

附註：(續)

(b) 五名最高薪酬人士(續)

其餘三名(截至二零一八年十二月三十一日止年度：一名)最高薪酬僱員的薪酬屬下列範圍：

10 融資成本

		Year ended 31 December 2019 截至二零一九年 十二月三十一日 止年度 HK\$'000 千港元	Year ended 31 December 2018 截至二零一八年 十二月三十一日 止年度 HK\$'000 千港元
Interest expenses on borrowings	借貸利息開支	31,048	13,739
Finance charges on lease liabilities	租賃負債的融資開支	1,309	—
Less: Interest capitalised (Note 15)	減：資本化利息(附註 15)	(6,429)	(4,584)
		25,928	9,155

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度

11 BENEFITS AND INTEREST OF DIRECTORS 11 董事福利及權益

(a) Directors' and chief executive's emoluments

The remuneration of every director and the chief executive is set out below. There is no chief executive who is not a director of the Company.

Emoluments paid or payable in respect of a person's services as a director, whether of the Company or its subsidiaries:

For the year ended 31 December 2019:

(a) 董事及最高行政人員的酬金

每名董事及最高行政人員的酬金載列如下。所有最高行政人員均為本公司董事。

就擔任本公司或其附屬公司董事的個人服務的已付或應付酬金：

截至二零一九年十二月三十一日止年度：

Name	姓名	Fees	Salary	Retirement	Total
		袍金	薪金	退休福利成本	
		HKS'000	HKS'000	HKS'000	HKS'000
		千港元	千港元	千港元	千港元
Executive Directors		執行董事			
Wu Po Sum (Chairman)	胡葆森(主席)(於二零一九年九月十七日委任)	-	578	-	578
Guo Weiqiang (CEO)	郭偉強(行政總裁)(於二零一九年九月十七日委任)	231	289	-	520
Yin Jun	閻軍(於二零一九年十一月三十日辭任)	-	1,732	-	1,732
Yang Hongwei	楊宏偉	-	1,364	-	1,364
Non-Executive Directors		非執行董事			
Peng Xiongwen	彭雄文(於二零一九年九月十七日辭任)	45	-	-	45
Wu Wallis	李權(於二零一九年九月十七日委任)	17	-	-	17
Wang Jun	王俊(於二零一九年九月十七日委任)	17	-	-	17
Independent Non-Executive Directors		獨立非執行董事			
Lee Chi Ming	李志明	240	-	-	240
Jiang Hongqing	姜洪慶	240	-	-	240
Ma Lishan	馬立山	240	-	-	240
		1,030	3,963	-	4,993

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度

11 BENEFITS AND INTEREST OF DIRECTORS 11 董事福利及權益(續)

(Continued)

(a) Directors' and chief executive's emoluments (Continued)

For the year ended 31 December 2018:

(a) 董事及最高行政人員的酬金(續)

截至二零一八年十二月三十一日止年度：

Name	姓名	Fees 袍金 HK\$'000 千港元	Salary 薪金 HK\$'000 千港元	Retirement benefit costs 退休福利成本 HK\$'000 千港元	Total 合計 HK\$'000 千港元
Executive Directors 執行董事					
Yin Jun (Chairman)	閻軍(主席)	-	1,950	-	1,950
Chen Domingo (retired on 30 June 2018)	陳致澤(於二零一八年六月三十日退任)	-	1,400	9	1,409
Mi Hongjun (retired on 30 June 2018)	弭洪軍(於二零一八年六月三十日退任)	-	720	-	720
Yang Hongwei (CEO) (appointed on 1 July 2018)	楊宏偉(行政總裁) (於二零一八年七月一日委任)	-	1,614	-	1,614
Non-Executive Directors 非執行董事					
Chen Donghui (retired on 8 May 2018)	陳東輝(於二零一八年五月八日退任)	30	-	-	30
Gan Ping (retired on 8 May 2018)	幹萍(於二零一八年五月八日退任)	30	-	-	30
Zhao Xiaodong (retired on 8 May 2018)	趙曉東(於二零一八年五月八日退任)	30	-	-	30
Peng Xiongwen (appointed on 1 July 2018)	彭雄文(於二零一八年七月一日委任)	30	-	-	30
Independent Non-Executive Directors 獨立非執行董事					
Chan Chi Hung (retired on 30 June 2018)	陳志鴻(於二零一八年六月三十日退任)	140	-	-	140
Jiang Hongqing	姜洪慶	240	-	-	240
Lee Chi Ming	李志明	240	-	-	240
Ma Lishan	馬立山	240	-	-	240
		980	5,684	9	6,673

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) 綜合財務報表附註(續)

For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度

11 BENEFITS AND INTEREST OF DIRECTORS (Continued)

(a) Directors' and chief executive's emoluments (Continued)

For the year ended 31 December 2019 and 2018, the Group did not provide any termination benefits, or pay or receive any consideration to or from third parties for making available directors' service.

During the year ended 31 December 2019 and 2018, the Group did not have outstanding loan, quasi loan or other dealing enter into by the Company or its subsidiaries, in favour of directors of the Company or its controlling shareholder, or the body corporates controlled by such directors or entities connected with such directors.

The emoluments of the directors are decided by the Board of Directors, having regard to the Group's operating results, individual performance and comparable market statistics as well as the recommendations of the Remuneration Committee of the Board of Directors.

No significant transactions, arrangements and contracts in relation to the Group's business to which the Company was a party and in which a director of the Company had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year ended 31 December 2019 and 2018.

11 董事福利及權益(續)

(a) 董事及最高行政人員的酬金(續)

截至二零一九年及二零一八年十二月三十一日止年度，本集團並無為取得董事服務而向或自第三方提供任何離職福利或支付或收取任何代價。

截至二零一九年及二零一八年十二月三十一日止年度，本集團並無擁有任何由本公司或其附屬公司訂立以本公司董事或其控股股東，或由該等董事控制的法人團體或與該等董事有關連的實體為受益人的尚未償還貸款、準貸款或其他交易。

董事酬金由董事會經考慮本集團的經營業績、個人表現及可資比較市場統計數據以及董事會薪酬委員會的推薦建議後釐定。

本公司董事概無於本公司已訂立與本集團業務有關且於年末或於截至二零一九年及二零一八年十二月三十一日止年度任何時間存續的重要交易、安排及合約中擁有任何重大直接或間接權益。



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度

12 INCOME TAX EXPENSES

12 所得稅開支

		Year ended 31 December 2019 截至二零一九年 十二月三十一日 止年度 HK\$'000 千港元	Year ended 31 December 2018 截至二零一八年 十二月三十一日 止年度 HK\$'000 千港元
Current income tax	本年所得稅		
— PRC corporate income tax	— 中國企業所得稅	29,218	24,715
— Hong Kong profits tax	— 香港利得稅	—	—
		29,218	24,715
Deferred income tax (Note 30)	遞延所得稅(附註30)	(3,900)	(17,812)
Total income tax expenses for the year	年度所得稅開支總額	25,318	6,903



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度

12 INCOME TAX EXPENSES (Continued)

The income tax on the Group's profit before income tax differs from the theoretical amount that would arise using the enacted tax rate of the home country of the companies within the Group as follows:

12 所得稅開支(續)

本集團就除所得稅前溢利的所得稅與使用本集團旗下公司所在國家已頒佈的稅率計算的理論金額有所不同，詳情載列如下：

		Year ended 31 December 2019 截至二零一九年 十二月三十一日 止年度 HK\$'000 千港元	Year ended 31 December 2018 截至二零一八年 十二月三十一日 止年度 HK\$'000 千港元
Profit before income tax	除所得稅前溢利	138,935	26,243
Income tax calculated at respective statutory rates	以各自法定稅率計算的所得稅	37,023	8,476
Preferential income tax rate	優惠所得稅率	(15,351)	(5,066)
Previously unrecognised tax losses recognised in current year as deferred tax assets	過往未確認稅項虧損於本年度確認為遞延稅項資產	(990)	(5,032)
Non-deductible expenses	不可扣減支出	916	2,458
Non-taxable income	毋須課稅收入	(1,884)	(66)
Research and development expenditure additional deduction	額外扣除研發支出	(2,906)	(392)
Utilisation of previously unrecognised tax losses	動用過往未確認的稅項虧損	(412)	(971)
Tax losses and temporary differences not recognised as deferred tax assets	未確認為遞延稅項資產的稅項虧損及暫時性差額	9,917	6,834
Prior year's tax filing differences	上一年度報稅差額	(995)	662
Total income tax expenses for the year	年度所得稅開支總額	25,318	6,903

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) 綜合財務報表附註(續)

For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度

12 INCOME TAX EXPENSES (Continued)

Hong Kong profits tax

The applicable Hong Kong profits tax rate is 16.5% (year ended 31 December 2018: 16.5%) on the estimated assessable profit derived in Hong Kong for the year.

PRC corporate income tax

Under the Corporate Income Tax Law of the PRC ("CIT Law"), the CIT rate applicable to the Group's subsidiaries established in mainland China is 25%, while certain subsidiaries are applicable to the preferential tax rate of 15%.

The CIT Law and its implementation rules impose a withholding tax at 10% for dividends distributed by a PRC-resident enterprise to its immediate holding company outside PRC for earnings generated beginning 1 January 2008 and undistributed earnings generated prior to 1 January 2008 are exempted from such withholding tax. A lower 5% withholding tax rate may be applied when the immediate holding companies are established in Hong Kong according to the tax treaty arrangement between the PRC and Hong Kong. The Company's mainland China subsidiaries did not have plan for distributing dividend to the Company for the year ended 31 December 2019, thus no such withholding tax was accrued (31 December 2018: Nil).

13 DIVIDEND

The Board of Directors did not recommend any payment of dividend in respect of the year ended 31 December 2019 (year ended 31 December 2018: Nil).

12 所得稅開支(續)

香港利得稅

於年內按源自香港估計應課稅溢利適用的香港利得稅稅率為16.5%(截至二零一八年十二月三十一日止年度:16.5%)。

中國企業所得稅

根據中國企業所得稅法(「企業所得稅法」)，本集團於中國內地成立的附屬公司的適用企業所得稅稅率為25%，而若干附屬公司適用15%之優惠稅率。

企業所得稅法及其實施細則就中國居民企業於二零零八年一月一日開始產生的盈利向其位於中國境外的直接控股公司所分派的股息徵收10%預扣稅，而於二零零八年一月一日前產生的未分派盈利則獲豁免繳納有關預扣稅。根據中國與香港的稅務協定安排，倘直接控股公司於香港成立，則可能適用較低的5%預扣稅率。截至二零一九年十二月三十一日止年度，本公司的中國內地附屬公司並無計劃向本公司分派股息，故並無計及上述預扣稅(二零一八年十二月三十一日：無)。

13 股息

董事會不建議派發任何截至二零一九年十二月三十一日止年度的股息(截至二零一八年十二月三十一日止年度：無)。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度

14 EARNINGS PER SHARE

(a) Basic

Basic earnings per share for the year is calculated by dividing the consolidated earnings of the Group attributable to owners of the Company by the weighted average number of ordinary shares in issue during the year.

		Year ended 31 December 2019 截至二零一九年 十二月三十一日 止年度	Year ended 31 December 2018 截至二零一八年 十二月三十一日 止年度
Consolidated earnings attributable to owners of the Company (HK\$'000)	本公司擁有人所佔綜合盈利(千港元)	110,749	27,427
Weighted average number of ordinary shares in issue ('000)	已發行普通股的加權平均數(千股)	11,209,603	11,209,603
Basic earnings per share (HK cents)	每股基本盈利(港仙)	0.99	0.24

(b) Diluted

For the years ended 31 December 2019 and 2018, diluted earnings per share were equal to the basic earnings per share as the Group does not have any dilutive shares.

14 每股盈利

(a) 基本

年度每股基本盈利乃根據本公司擁有人所佔本集團綜合盈利除以年內已發行普通股的加權平均數計算得出。

(b) 攤薄

截至二零一九年及二零一八年十二月三十一日止年度，由於本集團並無任何攤薄股份，每股攤薄盈利與每股基本盈利相同。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度

15 PROPERTY, PLANT AND EQUIPMENT

15 物業、廠房及設備

		Buildings	Computer equipments	Motor vehicles	Furniture & fixtures	Equipments	Leasehold improvement	Plants under development for prefabricated construction business 用於預製組件建築業務的	Total
		樓宇	電腦設備	汽車	傢私及設置	設備	租賃裝修	在建廠房	總計
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元
At 1 January 2019	於二零一九年一月一日								
Cost	成本	701,906	4,482	9,047	23,553	240,721	25,880	562,764	1,568,353
Accumulated depreciation	累計折舊	(33,220)	(1,439)	(2,081)	(3,362)	(32,839)	(12,193)	-	(85,134)
Net book amount	賬面淨值	668,686	3,043	6,966	20,191	207,882	13,687	562,764	1,483,219
Year ended 31 December 2019	截至二零一九年十二月三十一日止年度								
Opening net book amount	年初賬面淨值	668,686	3,043	6,966	20,191	207,882	13,687	562,764	1,483,219
Additions	添置	3,521	708	1,940	2,349	240	12,423	87,060	108,241
Transfers upon completion	完成時轉撥	147,970	-	-	-	48,369	-	(196,339)	-
Decrease relating to disposal of subsidiaries	由於出售附屬公司的減少	-	-	-	-	-	-	(49,825)	(49,825)
Other disposals	其他出售	(414)	(50)	(880)	(333)	(8,853)	-	(351)	(10,881)
Depreciation charge	折舊費用	(27,568)	(1,314)	(2,814)	(3,393)	(30,977)	(6,388)	-	(72,454)
Currency translation differences	外幣折算差額	(24,992)	(59)	(127)	(720)	(5,135)	(5,332)	(5,607)	(41,972)
Closing net book amount	年末賬面淨值	767,203	2,328	5,085	18,094	211,526	14,390	397,702	1,416,328
At 31 December 2019	於二零一九年十二月三十一日								
Cost	成本	826,018	4,683	7,498	25,927	272,977	35,563	397,702	1,570,368
Accumulated depreciation	累計折舊	(58,815)	(2,355)	(2,413)	(7,833)	(61,451)	(21,173)	-	(154,040)
Net book amount	賬面淨值	767,203	2,328	5,085	18,094	211,526	14,390	397,702	1,416,328

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度

15 PROPERTY, PLANT AND EQUIPMENT (Continued)

15 物業、廠房及設備(續)

		Buildings	Computer equipments	Motor vehicles	Furniture & fixtures	Equipments	Leasehold improvement	Plants under development for prefabricated construction business 用於預製組件建築業務的	Total
		樓宇	電腦設備	汽車	傢私及設置	設備	租賃裝修	在建廠房	總計
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元
At 1 January 2018	於二零一八年一月一日								
Cost	成本	615,190	4,629	10,426	13,072	194,962	17,847	113,047	969,173
Accumulated depreciation	累計折舊	(13,320)	(1,116)	(1,661)	(1,843)	(16,091)	(6,434)	-	(40,465)
Net book amount	賬面淨值	601,870	3,513	8,765	11,229	178,871	11,413	113,047	928,708
Year ended 31 December 2018	截至二零一八年十二月三十一日止年度								
Opening net book amount	年初賬面淨值	601,870	3,513	8,765	11,229	178,871	11,413	113,047	928,708
Additions	添置	3,722	1,401	1,052	13,905	4,743	8,666	620,199	653,688
Transfers upon completion	完成時轉撥	111,859	-	-	-	53,424	-	(165,283)	-
Disposals	出售	-	(634)	(784)	(1,371)	(3,014)	-	-	(5,803)
Depreciation charge	折舊費用	(21,287)	(1,000)	(1,844)	(3,172)	(19,194)	(3,863)	-	(50,360)
Currency translation differences	外幣折算差額	(27,478)	(237)	(223)	(400)	(6,948)	(2,529)	(5,199)	(43,014)
Closing net book amount	年末賬面淨值	668,686	3,043	6,966	20,191	207,882	13,687	562,764	1,483,219
At 31 December 2018	於二零一八年十二月三十一日								
Cost	成本	701,906	4,482	9,047	23,553	240,721	25,880	562,764	1,568,353
Accumulated depreciation	累計折舊	(33,220)	(1,439)	(2,081)	(3,362)	(32,839)	(12,193)	-	(85,134)
Net book amount	賬面淨值	668,686	3,043	6,966	20,191	207,882	13,687	562,764	1,483,219

Depreciation of property, plant and equipment of HK\$72.5 million (year ended 31 December 2018: HK\$50.4 million) has all been charged to administrative expenses and cost of sales in the consolidated statement of profit or loss and other comprehensive income.

物業、廠房及設備折舊72.5百萬港元(截至二零一八年十二月三十一日止年度: 50.4百萬港元)已於綜合損益及其他全面收益表的行政開支及銷售成本中扣除。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) 綜合財務報表附註(續)

For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度

15 PROPERTY, PLANT AND EQUIPMENT (Continued)

As at 31 December 2019, property, plant and equipment with a net book value of HK\$371.8 million (31 December 2018: HK\$380.0 million) were pledged as collateral for the Group's borrowings HK\$193.7 million (31 December 2018: HK\$146.0 million). Among the collateral, property ownership certificate of the Group's building with a net book value HK\$245.6 million (31 December 2018: HK\$290.0 million) is under China Minsheng Drawin Co., Ltd.. These buildings were pledged as collateral for two bank borrowings of HK\$154.6 million which was secured by China Minsheng Drawin Co., Ltd..

In addition, as at 31 December 2019, property, plant and equipment with a net book value of HK\$88.1 million and right-of-use assets with a net book value of HK\$25.3 million were pledged as collateral for a bank borrowing of HK\$44.7 million (31 December 2018: nil) of Drawin Intelligent Manufacture Technology Industry Group Limited, which is controlled by the same ultimate controlling shareholder.

Interest expenses of HK\$6.4 million were capitalised in plant under development for prefabricated construction business for the year ended 31 December 2019 (year ended 31 December 2018: HK\$4.6 million).

15 物業、廠房及設備(續)

於二零一九年十二月三十一日，賬面淨值為371.8百萬港元(二零一八年十二月三十一日：380.0百萬港元)的物業、廠房及設備已予抵押作為本集團取得193.7百萬港元(二零一八年十二月三十一日：146.0百萬港元)借貸的抵押品。在這些抵押品中，本集團賬面淨值為245.6百萬港元(二零一八年十二月三十一日：290.0百萬港元)的樓宇的房產證隸屬於中民築友有限公司名下。該等樓宇已抵押作為兩筆金額為154.6百萬港元的銀行借貸的抵押物，由中民築友有限公司作抵押。

此外，於二零一九年十二月三十一日，賬面淨值為88.1百萬港元的物業、廠房及設備，連同賬面淨值為25.3百萬港元的使用權資產已抵押予築友智造科技產業集團有限公司(受同一最終控股股東控制)，作為金額為44.7百萬港元的銀行借貸的抵押物(二零一八年十二月三十一日：零)。

截至二零一九年十二月三十一日止年度，用於預製組件建築業務的在建廠房中資本化利息開支為6.4百萬港元(截至二零一八年十二月三十一日止年度：4.6百萬港元)。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度

16 RIGHT-OF-USE ASSETS

This note provides information for leases where the Group is a lessee.

(a) Amounts recognised in the statement of financial position

The statement of financial position shows the following amounts relating to leases:

Right-of-use assets		Property, plant and equipment 物業、廠房 及設備 HK\$'000 千港元	Land use right 土地使用權 HK\$'000 千港元	Total 總計 HK\$'000 千港元
As at 1 January 2019	於二零一九年一月一日	40,722	732,937	773,659
Additions	添置	1,044	770,587	771,631
Decrease relating to disposal of subsidiaries	由於出售附屬公司的減少	-	(759,424)	(759,424)
Other disposals	其他出售	(13,500)	-	(13,500)
Amortisation charged into profit or loss	攤銷計入損益	(14,731)	(9,238)	(23,969)
Amortisation capitalised to plant under development	攤銷資本化至在建廠房	-	(5,842)	(5,842)
Currency translation differences	外幣折算差額	(203)	(15,765)	(15,968)
Balance as at 31 December 2019	於二零一九年十二月三十一日 之結餘	13,332	713,255	726,587
Lease liabilities		31 December 2019	1 January 2019	
租賃負債		二零一九年 十二月三十一日	二零一九年 一月一日	
		HK\$'000	HK\$'000	
		千港元	千港元	
Current	流動	10,968	16,385	
Non-current	非流動	3,007	20,168	
Total lease liabilities	租賃負債總額	13,975	36,553	

16 使用權資產

倘本集團為承租人，則本附註就租賃提供資料。

(a) 於財務狀況表中確認之金額

財務狀況表列示以下有關租賃之金額：



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度

16 RIGHT-OF-USE ASSETS (Continued)

(b) Amounts recognised in the statement of profit or loss and other comprehensive income

The statement of profit or loss and other comprehensive income shows the following amounts relating to leases:

		Year ended 31 December 2019 截至二零一九年 十二月三十一日 止年度 HK\$'000 千港元
Amortisation charge of right-of-use assets	使用權資產攤銷費用	
— Property, plant and equipment	— 物業、廠房及設備	14,731
— Land use right	— 土地使用權	9,238
Finance charges on lease liabilities	租賃負債融資開支	1,309
Short-term leases and low-value leases expenses	短期租賃及低價值租賃開支	569

(c) The Group's leasing activities:

The Group leases various property, plant and equipment. Rental contracts are typically made for fixed periods of 1 to 5 years. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions.

At 31 December 2019, right-of-use assets, with a net book value of HK\$510.5 million (1 January 2019: HK\$218.6 million) were pledged as collateral for the Group's borrowings of HK\$161.0 million (1 January 2019: HK\$184.7 million).

Among the collateral, state-owned land use certificates of the Group's lands with a net book value of HK\$356.3 million (year ended 31 December 2018: HK\$56.2 million) are under China Minsheng Drawin Co., Ltd.. These lands were pledged as collateral for two bank borrowings of HK\$39.1 million which were guaranteed/secured by China Minsheng Drawin Co., Ltd..

16 使用權資產(續)

(b) 於損益及其他全面收益表中確認之金額

損益及其他全面收益表列示以下有關租賃之金額：

(c) 本集團之租賃活動：

本集團租賃各類物業、廠房及設備。租賃合約通常在1至5年的固定期限內訂立。租賃條款乃在個別基礎上協商，並包含各種不同的條款及條件。

於二零一九年十二月三十一日，賬面淨值為510.5百萬港元(二零一九年一月一日：218.6百萬港元)的使用權資產已抵押作為本集團161.0百萬港元借款的抵押品。(二零一九年一月一日：184.7百萬港元)

在各項抵押品中，本集團賬面淨值為356.3百萬港元(截至二零一八年十二月三十一日止年度：56.2百萬港元)的土地之國有土地使用證是在中民築友有限公司的名下。該等土地已被抵押作為兩筆銀行貸款39.1百萬港元的抵押品，並由中民築友有限公司提供擔保/保證。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度

17 LAND USE RIGHTS

The Group's interests in land use rights represent prepaid operating lease payments and their net book value are analysed as follows:

		HK\$'000 千港元
Year ended 31 December 2018	截至二零一八年十二月三十一日止年度	
Beginning balance	年初結餘	628,458
Additions	添置	147,194
Amortisation charged into profit or loss	攤銷計入損益	(10,107)
Amortisation capitalised to plant under development	攤銷資本化至在建廠房	(4,232)
Currency transaction differences	外幣折算差額	(28,376)
Ending balance	年末結餘	732,937
Adoption of HKFRS 16 (Note 3)	採納香港財務報告準則第16號(附註3)	
adjust to Right-of-use assets	調整至使用權資產	(732,937)
Balance as at 1 January 2019	於二零一九年一月一日的結餘	-

17 土地使用權

本集團於土地使用權的權益為預付經營租賃款項及其賬面淨值，分析如下：

18 INVESTMENT PROPERTIES

		Year ended 31 December 2019 截至二零一九年 十二月三十一日 止年度 HK\$'000 千港元	Year ended 31 December 2018 截至二零一八年 十二月三十一日 止年度 HK\$'000 千港元
Beginning balance	年初結餘	17,348	18,543
Disposals	出售	(763)	(722)
Fair value gains on investment properties	投資物業的公允價值收益	631	367
Currency translation differences	外幣折算差額	(136)	(840)
Ending balance	年末結餘	17,080	17,348

18 投資性房地產



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) 綜合財務報表附註(續)

For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度

18 INVESTMENT PROPERTIES (Continued)

Investment properties held by the Group are all commercial properties located in Shandong Province, the PRC.

All investment properties were revalued as at 31 December 2019 and 2018 by Grant Sherman Appraisal Limited, an independent professional qualified valuer. The revaluation gains or losses are included in 'Other (losses)/gains — net' in the consolidated statement of profit or loss and other comprehensive income (Note 8).

As at 31 December 2019 and 2018, the fair value of investment properties which was determined using income approach by reference to the value of income, cash flow or cost savings generated by the asset.

The Group's policy is to recognise transfers into/out of fair value hierarchy levels as of the date of the event or change in circumstances that caused the transfer. The investment properties are within level 3 of fair value hierarchy as at 31 December 2019 and 2018. There were no transfer among Level 1, Level 2 and Level 3 during the years.

18 投資性房地產(續)

本集團持有的投資性房地產均為位於中國山東省的商業物業。

所有投資性房地產乃由獨立專業合資格估值師中證評估有限公司於二零一九年及二零一八年十二月三十一日進行重新估值。重估收益或虧損已納入綜合損益及其他全面收益表的「其他(虧損)/收益—淨額」(附註8)。

於二零一九年及二零一八年十二月三十一日，投資性房地產的公允價值是採用收入法，並參考收入價值、現金流量或資產產生的節省成本而釐定。

本集團的政策為於導致轉撥事件或情況改變的日期，確認公允價值等級內的轉入/轉出。於二零一九年及二零一八年十二月三十一日，投資性房地產處於公允價值架構第3級。年內，第1級、第2級及第3級之間概無轉撥。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度

18 INVESTMENT PROPERTIES (Continued)

Valuation inputs and relationships to fair value

The valuations were performed based on the income approach (term and reversion method) or direct comparison approach for those investment properties. The following significant unobservable inputs for income approach have been used:

18 投資性房地產(續)

估值輸入數據及與公允價值的關係

該等投資性房地產乃根據收入法(定期及復歸法)或直接比較法進行評估,並已就收入法採用以下重大不可觀察輸入數據:

Description	Fair value at 31 December 2019 於二零一九年十二月三十一日的公允價值 HK\$'000 千港元	Valuation technique(s) 估值方法	Unobservable inputs 不可觀察輸入數據	Range of unobservable inputs 不可觀察輸入數據的範圍	Relationship of unobservable inputs to fair value 不可觀察輸入數據與公允價值的關係
Commercial properties	17,080 (2018: 17,348)	Income approach	Term yield	Term yield of 4.0% (2018: 4.0%), taking into account of yield generated from comparable properties and adjustment to effect the certainty of term income secured and to be received	The higher the term yield, the lower the fair value
商業物業	17,080 (二零一八年: 17,348)	收入法	定期收益率	定期收益率4.0%(二零一八年: 4.0%), 經計及可供比較物業產生的收益率以及為反映確切已取得及即將取得的定期收入而做出的調整	定期收益率越高, 公允價值越低

Were the rental rate and yield rate required assumed to increase or decrease by 10% from management's estimate, the carrying amount of investment properties as at 31 December 2019 and 2018 would have changed as follows:

倘假設將產生的租金及收益率較管理層的預測數據增加或減少10%, 於二零一九年及二零一八年十二月三十一日的投資性房地產的賬面值將出現以下變動:

	As at 31 December 2019 於二零一九年十二月三十一日 HK\$'000 千港元	As at 31 December 2018 於二零一八年十二月三十一日 HK\$'000 千港元
Investment properties increase/(decrease)		
— 10 percent rental rate higher	18,755	15,267
— 10 percent rental rate lower	15,406	14,969
Investment properties increase/(decrease)		
— 10 percent yield rate higher	16,410	14,623
— 10 percent yield rate lower	17,862	15,894

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度

18 INVESTMENT PROPERTIES (Continued)

Valuation inputs and relationships to fair value (Continued)

The following rental income amounts relating to the investment properties have been recognised in the consolidated statement of profit or loss and other comprehensive income:

		Year ended 31 December 2019 截至二零一九年 十二月三十一日 止年度 HK\$'000 千港元	Year ended 31 December 2018 截至二零一八年 十二月三十一日 止年度 HK\$'000 千港元
Rental income	租金收入	708	665

18 投資性房地產(續)

估值輸入數據及與公允價值的關係(續)

以下有關投資性房地產的租金收入數額已於綜合損益及其他全面收益表中確認：

19 INTANGIBLE ASSETS

19 無形資產

		Computer software 電腦軟件 HK\$'000 千港元
Year ended 31 December 2019	截至二零一九年十二月三十一日止年度	
Opening net book amount	年初賬面淨值	4,118
Additions	添置	1,083
Amortisation charge	攤銷費用	(1,518)
Currency translation differences	外幣折算差額	(64)
Closing net book amount	年末賬面淨值	3,619
At 31 December 2019	於二零一九年十二月三十一日	
Cost	成本	5,287
Accumulated amortisation	累計攤銷	(1,668)
Net book amount	賬面淨值	3,619

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度

19 INTANGIBLE ASSETS (Continued)**19 無形資產(續)**

		Computer software
		電腦軟件
		HK\$'000
		千港元
Year ended 31 December 2018	截至二零一八年十二月三十一日止年度	
Opening net book amount	年初賬面淨值	782
Additions	添置	3,805
Amortisation charge	攤銷費用	(401)
Currency translation differences	外幣折算差額	(68)
Closing net book amount	年末賬面淨值	4,118
At 31 December 2018	於二零一八年十二月三十一日	
Cost	成本	4,954
Accumulated amortisation	累計攤銷	(836)
Net book amount	賬面淨值	4,118

For the year ended 31 December 2019, amortisation charges of intangible assets were HK\$1,518,000 (For the year ended 31 December 2018: HK\$401,000).

於截至二零一九年十二月三十一日止年度，本集團無形資產的攤銷費用為1,518,000港元(截至二零一八年十二月三十一日止年度：401,000港元)。

20 INVESTMENT IN ASSOCIATES**20 投資於聯營公司**

		As at	As at
		31 December	31 December
		2019	2018
		於二零一九年	於二零一八年
		十二月三十一日	十二月三十一日
		HK\$'000	HK\$'000
		千港元	千港元
Share of net assets	所佔資產淨值	192,883	192,697
Less: Provision for impairment	減：減值撥備	-	-
		192,883	192,697

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度

20 INVESTMENT IN ASSOCIATES (Continued)

20 投資於聯營公司(續)

As at the 31 December 2019, the Company had indirect interests in the following associates:

於二零一九年十二月三十一日，本集團於下列聯營公司擁有間接權益：

Name 名稱	Place of incorporation and operation 註冊成立及經營地點	Proportion of ownership interest 所有權權益比例		Issued share capital 已發行股本	Principal activities 主要業務
		Held by the Company 由本公司持有	Indirectly held 間接持有		
Zhejiang China Minsheng Drawin Technology Company Limited	China	-	47%	HK\$200,000,000	Construction industrialisation
浙江中民築友科技有限公司	中國	-	47%	200,000,000港元	建築產業化
YMCI China Minsheng Kunming Technology Construction Limited	China	-	30%	RMB100,000,000	Construction industrialisation
雲南城投中民昆建科技有限公司	中國	-	30%	人民幣 100,000,000 元	建築產業化

The financial year end dates of the above associates are coterminous with that of the Group.

上述聯營公司的財政年度結束日與本集團的財政年度結束日相同。

There are no contingent liabilities relating to the Group's interests in the associates.

概無有關本集團於聯營公司的權益的或然負債。

Summarised financial information for an associate

The tables below provide summarised financial information for the associate that is material to the Group. The information disclosed reflects the amounts presented in the financial statements of Zhejiang China Minsheng and not the Group's share of those amounts. They have been amended to reflect adjustments made by the Group when using the equity method, including fair value adjustments and modifications for differences in accounting policy.

聯營公司財務資料概要

下表載列對本集團屬重大的聯營公司財務資料概要。所披露的資料反映於浙江中民築友的財務報表中所呈列的數額，而非本集團佔該等數額的份額。該等資料已由本集團使用權益法進行可反映調整的修訂，包括公允價值調整及對會計政策的差異進行修訂。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度

20 INVESTMENT IN ASSOCIATES (Continued)

20 投資於聯營公司(續)

Zhejiang China Minsheng

浙江中民築友

The Group recognised share of gains of associates of HK\$5,664,000 from Zhejiang China Minsheng using the equity method for the year ended 31 December 2019 (2018: HK\$25,000).

截至二零一九年十二月三十一日止年度，本集團確認來自浙江中民築友按權益法入賬的應佔聯營公司溢利為5,664,000港元(二零一八年：25,000港元)。

		As at 31 December 2019 於二零一九年 十二月三十一日 HK\$'000 千港元	As at 31 December 2018 於二零一八年 十二月三十一日 HK\$'000 千港元
Summarised statement of financial position	財務狀況表概要		
Current assets	流動資產		
Cash and cash equivalents	現金及現金等值項目	5,867	17,142
Other current assets	其他流動資產	198,488	174,790
Total current assets	流動資產總額	204,355	191,932
Non-current assets	非流動資產	250,862	231,746
Current liabilities	流動負債		
Financial liabilities (excluding trade payables)	金融負債(不包括貿易應付款項)	124,361	94,727
Other current liabilities	其他流動負債	132,075	131,466
Total current liabilities	流動負債總額	256,436	226,193
Non-current liabilities	非流動負債	3,783	3,948
Net assets	資產淨值	194,998	193,537
Group's share in %	本集團所佔份額(百分比)	47%	47%
Group's share in HK\$	本集團所佔份額(港元)	91,649	90,962
Goodwill	商譽	81,571	83,394
Carrying amount	賬面值	173,220	174,356

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度

20 INVESTMENT IN ASSOCIATES (Continued)

20 投資於聯營公司(續)

Zhejiang China Minsheng (Continued)

浙江中民築友(續)

		Year ended 31 December 2019 截至二零一九年 十二月三十一日 止年度 HK\$'000 千港元	Year ended 31 December 2018 截至二零一八年 十二月三十一日 止年度 HK\$'000 千港元
Revenue	收入	379,928	137,319
Profit before income tax	除所得稅前溢利	12,292	303
Income tax expenses	所得稅開支	-	-
Other comprehensive income	其他全面收益	-	-
Total comprehensive income	全面收益總額	12,292	303

The Group recognised share of losses of associates of HK\$1,173,000 from YMCI China Minsheng using the equity method for the year ended 31 December 2019 (2018: HK\$1,354,000).

截至二零一九年十二月三十一日止年度本集團已使用權益法確認來自雲南城投中民的應佔聯營公司虧損1,173,000港元(二零一八年：1,354,000港元)。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度

21 INVENTORIES

21 存貨

		As at 31 December 2019 於二零一九年 十二月三十一日 HK\$'000 千港元	As at 31 December 2018 於二零一八年 十二月三十一日 HK\$'000 千港元
Raw materials	原材料	40,204	42,264
Finished goods	製成品	47,245	53,198
Goods in transit	在途貨品	1,412	1,967
Work in progress	在製品	816	2
Low value articles	低值易耗品	79	107
Inventory provision	存貨撥備	(84)	(1,443)
		89,672	96,095

Provisions of inventories to net realisable value amounted to HK\$84,000 (2018: HK\$1,443,000). These were recognised as an expense for the year ended 31 December 2019 in the consolidated statement of profit or loss and other comprehensive income.

Inventories recognised as an expense during the year ended 31 December 2019 amounted to HK\$279,346,000 (2018: HK\$177,060,000). These were included in cost of sales.

Write-downs of inventories to net realisable value amounted to HK\$1,240,000 (2018: HK\$4,949,000). These were recognised as an expense during the year ended 31 December 2019 and included in "cost of sales" in the consolidated statement of profit or loss and other comprehensive income.

撥備至可變現淨值的存貨為84,000港元(二零一八年：1,443,000港元)。該等款項於綜合損益及其他全面收益表中確認為截至二零一九年十二月三十一日止年度的開支。

截至二零一九年十二月三十一日止年度確認為開支的存貨為279,346,000港元(二零一八年：177,060,000港元)，均計入銷售成本。

存貨撇減至可變現淨值1,240,000港元(二零一八年：4,949,000港元)。該等存貨於截至二零一九年十二月三十一日止年度確認為費用並計入綜合損益表及其他全面收益表的「銷售成本」中。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度

22 TRADE AND OTHER RECEIVABLES AND PREPAYMENTS

22 貿易及其他應收款項及預付款項

		As at 31 December 2019 於二零一九年 十二月三十一日 HK\$'000 千港元	As at 31 December 2018 於二零一八年 十二月三十一日 HK\$'000 千港元
Trade receivables — third parties	貿易應收款項 — 第三方	353,618	217,128
Trade receivables — related parties	貿易應收款項 — 關聯方	162,480	77,812
Notes receivable	應收票據	2,693	1,574
Receivables relating to disposal of subsidiaries (<i>note (a)</i>)	有關出售一間附屬公司的應收款項 (<i>附註(a)</i>)	72,760	—
Value-added tax recoverable	可收回增值稅	61,314	68,013
Prepayments	預付款項	24,526	15,441
Amounts due from related parties	應收關連方款項	13,251	55,059
Land auction deposits	土地競拍保證金	11,173	46,074
Government grant receivable	應收政府補助	8,261	5,935
Deposits	按金	7,297	12,756
Others	其他	14,130	9,195
		731,503	508,987
Less: Provision for impairment of trade receivables and other receivables (<i>note (b)</i>)	減：貿易應收款項及其他應收款項減值撥備 (<i>附註(b)</i>)	(5,914)	(3,194)
		725,589	505,793

notes:

- (a) Among the receivables relating to disposal of subsidiaries as at 31 December 2019, HK\$55.2 million relating to disposal of Zhoukou Jianheng was received in January 2020.
- (b) As at 31 December 2019, such balance included provision for impairment of trade receivables of HK\$5,134,000 and provision for impairment of other receivables of HK\$780,000 (31 December 2018: HK\$2,614,000 and HK\$580,000, respectively).

附註：

- (a) 於二零一九年十二月三十一日有關出售附屬公司的應收款項中，出售周口建恒的款項55.2百萬港元於二零二零年一月收到。
- (b) 於二零一九年十二月三十一日，該結餘包括貿易應收款項5,134,000港元的減值撥備，及其他應收款項780,000港元的減值撥備(二零一八年十二月三十一日：分別為2,614,000港元及580,000港元)。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) 綜合財務報表附註(續)

For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度

22 TRADE AND OTHER RECEIVABLES AND PREPAYMENTS (Continued)

The ageing analysis of trade receivables as at 31 December 2019 and 2018 based on the invoice issue date were as follows:

		As at 31 December 2019 於二零一九年 十二月三十一日 HK\$'000 千港元	As at 31 December 2018 於二零一八年 十二月三十一日 HK\$'000 千港元
Less than 1 year	少於一年	355,566	263,451
1 to 2 years	一至兩年	149,455	31,489
more than 2 years	超過兩年	11,077	-
		516,098	294,940

The maximum exposure to credit risk as at 31 December 2019 and 2018 is the carrying value of each class of receivables mentioned above.

As at 31 December 2019 and 2018, the fair values of trade and other receivables approximate their carrying amounts.

The carrying amounts of the Group's trade and other receivables and prepayments are denominated in the following currencies:

		As at 31 December 2019 於二零一九年 十二月三十一日 HK\$'000 千港元	As at 31 December 2018 於二零一八年 十二月三十一日 HK\$'000 千港元
HK dollar	港元	3,890	10,698
Renminbi	人民幣	721,699	495,095
		725,589	505,793

22 貿易及其他應收款項及預付款項 (續)

貿易應收款項於二零一九年及二零一八年十二月三十一日按開具發票日期的賬齡如下：

於二零一九年及二零一八年十二月三十一日所面臨最高信貸風險為上述各類別應收款項的賬面值。

於二零一九年及二零一八年十二月三十一日，貿易及其他應收款項的公允價值與其賬面值相若。

本集團的貿易及其他應收款項以及預付款項的賬面值以下列貨幣計值：

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度

22 TRADE AND OTHER RECEIVABLES AND PREPAYMENTS (Continued)

The creation of provision for impairment of receivables has been included in "Net impairment losses on financial assets" in the consolidated statement of profit or loss and other comprehensive income.

22 貿易及其他應收款項及預付款項(續)

應收款項減值撥備之增設已計入綜合損益及其他全面收益表內之「金融資產減值虧損淨額」。

23 PARTICULARS OF SUBSIDIARIES

(a) The following is a list of the principal subsidiaries at 31 December 2019:

23 附屬公司的資料

(a) 下表為於二零一九年十二月三十一日的主要附屬公司名單：

Name	Place of incorporation and operation and kind of legal entity	Principal activities	Particulars of issued share capital	Proportion of ordinary shares directly held by parent company	Proportion of ordinary shares held by the Group	Proportion of ordinary shares held by non-controlling interests
名稱	註冊成立及營業地點以及法人實體類別	主要業務	已發行股本詳情	母公司直接持有的普通股比例(百分比)	本集團持有的普通股比例(百分比)	非控股權益持有的普通股比例(百分比)
				%	%	%
Benelux Property Development (Shanghai) Limited**® 佳益置業發展(上海)有限公司®	China, limited liability company 中國·有限公司	Property development 物業發展	USD5,000,000 5,000,000美元	100%	100%	-
South East (Shandong) Property Limited**® 東南(山東)置業有限公司®	China, limited liability company 中國·有限公司	Property development 物業發展	RMB15,000,000 人民幣 15,000,000元	100%	100%	-
Sunshine Universal Development Limited	BVI, limited liability company 英屬處女群島·有限公司	Inactive 暫無業務	USD1 1美元	100%	100%	-
Perfect Gold Investments Limited 易高投資有限公司	Hong Kong, limited liability company 香港·有限公司	Investment holding 投資控股	HKD2 2港元	100%	100%	-
Shangheng Limited 尚亨有限公司	BVI, limited liability company 英屬處女群島·有限公司	Investment holding 投資控股	USD1 1美元	100%	100%	-

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度

23 PARTICULARS OF SUBSIDIARIES (Continued)

(a) The following is a list of the principal subsidiaries at 31 December 2019: (Continued)

23 附屬公司的資料(續)

(a) 下表為於二零一九年十二月三十一日的主要附屬公司名單：(續)

Name	Place of incorporation and operation and kind of legal entity	Principal activities	Particulars of issued share capital	Proportion of ordinary shares directly held by parent	Proportion of ordinary shares held by the Group	Proportion of ordinary shares held by non-controlling interests
名稱	註冊成立及營業地點以及法人實體類別	主要業務	已發行股本詳情	母公司直接持有的普通股比例(百分比)	本集團持有的普通股比例(百分比)	非控股權益持有的普通股比例(百分比)
				%	%	%
Commit Glory Investments Limited 川達投資有限公司	Hong Kong, limited liability company 香港, 有限公司	Investment holding 投資控股	HKD1 1港元	–	100%	–
Giant Achiever Development Limited 巨創發展有限公司	Hong Kong, limited liability company 香港, 有限公司	Investment holding 投資控股	HKD1 1港元	–	100%	–
Fame Glory Investments Limited 譽高投資有限公司	Hong Kong, limited liability company 香港, 有限公司	Investment holding 投資控股	HKD1 1港元	–	100%	–
Noble Walk Limited 尚行有限公司	BVI, limited liability company 英屬處女群島, 有限公司	Investment holding 投資控股	USD1 1美元	100%	100%	–
Noble Tide Limited 尚潮有限公司	BVI, limited liability company 英屬處女群島, 有限公司	Investment holding 投資控股	USD1 1美元	100%	100%	–
Zheyou Investment Limited 浙友投資有限公司	Hong Kong, limited liability company 香港, 有限公司	Investment holding 投資控股	HKD10,000 10,000港元	100%	100%	–
Guiyou Investment Limited 桂友投資有限公司	Hong Kong, limited liability company 香港, 有限公司	Investment holding 投資控股	HKD10,000 10,000港元	100%	100%	–

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度

23 PARTICULARS OF SUBSIDIARIES (Continued)

(a) The following is a list of the principal subsidiaries at 31 December 2019: (Continued)

23 附屬公司的資料(續)

(a) 下表為於二零一九年十二月三十一日的主要附屬公司名單：(續)

Name	Place of incorporation and operation and kind of legal entity	Principal activities	Particulars of issued share capital	Proportion of ordinary shares directly held by parent	Proportion of ordinary shares held by the Group	Proportion of ordinary shares held by non-controlling interests
名稱	註冊成立及營業地點以及法人實體類別	主要業務	已發行股本詳情	母公司直接持有的普通股比例 (百分比) %	本集團持有的普通股比例 (百分比) %	非控股權益持有的普通股比例 (百分比) %
China Minsheng Drawin Technology Investment Limited* [#] 中民築友科技投資有限公司 [#]	China, limited liability company 中國·有限公司	Construction industrialisation 建築產業化	HKD1,530,000,000 1,530,000,000港元	-	100%	-
Shenzhen China Minsheng DIT Limited* [@] 深圳中民築友智造科技有限公司 [@]	China, limited liability company 中國·有限公司	Construction industrialisation 建築產業化	HKD200,000,000 200,000,000港元	-	100%	-
Lux Property Construction Technology (Shanghai) Limited* [@] 住優建築科技(上海)有限公司 [@]	China, limited liability company 中國·有限公司	Construction industrialisation 建築產業化	HKD200,000,000 200,000,000港元	-	100%	-
Nanjing China Minsheng DIT Limited* [@] (note (i)) 南京中民築友智造科技有限 公司 [@] (附註(i))	China, limited liability company 中國·有限公司	Construction industrialisation 建築產業化	HKD200,000,000 200,000,000港元	-	97%	3%
Hengyang China Minsheng DIT Limited* [@] 衡陽中民築友智造科技有限公司 [@]	China, limited liability company 中國·有限公司	Construction industrialisation 建築產業化	HKD100,000,000 100,000,000港元	-	100%	-
China Minsheng Drawin Technology (Foshan) Limited* [@] 中民築友科技(佛山)有限公司 [@]	China, limited liability company 中國·有限公司	Construction industrialisation 建築產業化	HKD100,000,000 100,000,000港元	-	100%	-

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度

23 PARTICULARS OF SUBSIDIARIES (Continued)

(a) The following is a list of the principal subsidiaries at 31 December 2019: (Continued)

23 附屬公司的資料(續)

(a) 下表為於二零一九年十二月三十一日的主要附屬公司名單：(續)

Name	Place of incorporation and operation and kind of legal entity	Principal activities	Particulars of issued share capital	Proportion of ordinary shares directly held by parent	Proportion of ordinary shares held by the Group	Proportion of ordinary shares held by non-controlling interests
名稱	註冊成立及營業地點以及法人實體類別	主要業務	已發行股本詳情	母公司直接持有的普通股比例(百分比)	本集團持有的普通股比例(百分比)	非控股權益持有的普通股比例(百分比)
				%	%	%
Hefei China Minsheng DIT Limited* [®] 合肥中民築友智造科技有限公司 [®]	China, limited liability company 中國·有限公司	Construction industrialisation 建築產業化	HKD95,000,000 95,000,000港元	–	100%	–
Changsha China Minsheng DIT Limited* [®] (note (i)) 長沙中民築友智造科技有限公司 [®] (附註(i))	China, limited liability company 中國·有限公司	Construction industrialisation 建築產業化	HKD1,108,000,000 1,108,000,000港元	–	51%	49%
Kunshan China Minsheng Drawin Intelligence Construction Technology Limited* [®] 崑山中民築友智造建築科技有限公司 [®]	China, limited liability company 中國·有限公司	Construction industrialisation 建築產業化	RMB50,000,000 人民幣50,000,000元	–	100%	–
China Minsheng Drawin Intelligent Equipment Technology Limited* [®] 中民築友智能裝備科技有限公司 [®]	China, limited liability company 中國·有限公司	Construction industrialisation 建築產業化	HKD23,650,000 23,650,000港元	–	100%	–
Huizhou China Minsheng Drawin Technology Limited* [®] 惠州中民住友科技有限公司 [®]	China, limited liability company 中國·有限公司	Construction industrialisation 建築產業化	RMB40,000,000 人民幣40,000,000元	–	100%	–

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度

23 PARTICULARS OF SUBSIDIARIES (Continued)

(a) The following is a list of the principal subsidiaries at 31 December 2019: (Continued)

23 附屬公司的資料(續)

(a) 下表為於二零一九年十二月三十一日的主要附屬公司名單：(續)

Name	Place of incorporation and operation and kind of legal entity	Principal activities	Particulars of issued share capital	Proportion of ordinary shares directly held by parent	Proportion of ordinary shares held by the Group	Proportion of ordinary shares held by non-controlling interests
名稱	註冊成立及營業地點以及法人實體類別	主要業務	已發行股本詳情	母公司直接持有的普通股比例 (百分比)	本集團持有的普通股比例 (百分比)	非控股權益持有的普通股比例 (百分比)
				%	%	%
China Minsheng Drawin Technology (Pingdingshan) Limited**® (note (i)) 中民築友科技(平頂山)有限公司®(附註(i))	China, limited liability company 中國·有限公司	Construction industrialisation 建築產業化	RMB80,000,000 人民幣 80,000,000元	-	90%	10%
Yuxi China Minsheng Drawin Technology Limited**® 玉溪中民築友科技有限公司®	China, limited liability company 中國·有限公司	Construction industrialisation 建築產業化	RMB100,000,000 人民幣 100,000,000元	-	100%	-
China Minsheng Drawin Technology (Jiaozhou) Limited**® (note (i)) 中民築友科技(膠州)有限公司®(附註(i))	China, limited liability company 中國·有限公司	Construction industrialisation 建築產業化	RMB70,000,000 人民幣 70,000,000元	-	51%	49%
Xiangtan China Minsheng Drawin Technology Limited**® 湘潭中民築友科技有限公司®	China, limited liability company 中國·有限公司	Construction industrialisation 建築產業化	RMB70,000,000 人民幣 70,000,000元	-	100%	-
China Minsheng Drawin Technology (Jiaozuo) Limited**® 中民築友科技(焦作)有限公司®	China, limited liability company 中國·有限公司	Construction industrialisation 建築產業化	RMB70,000,000 人民幣 70,000,000元	-	100%	-
Huai'an China Minsheng DIT Limited**® 淮安中民築友智造科技有限公司®	China, limited liability company 中國·有限公司	Construction industrialisation 建築產業化	RMB70,000,000 人民幣 70,000,000元	-	100%	-

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度

23 PARTICULARS OF SUBSIDIARIES (Continued)

(a) The following is a list of the principal subsidiaries at 31 December 2019: (Continued)

23 附屬公司的資料(續)

(a) 下表為於二零一九年十二月三十一日的主要附屬公司名單：(續)

Name	Place of incorporation and operation and kind of legal entity	Principal activities	Particulars of issued share capital	Proportion of ordinary shares directly held by parent	Proportion of ordinary shares held by the Group	Proportion of ordinary shares held by non-controlling interests
名稱	註冊成立及營業地點以及法人實體類別	主要業務	已發行股本詳情	母公司直接持有的普通股比例(百分比)	本集團持有的普通股比例(百分比)	非控股權益持有的普通股比例(百分比)
				%	%	%
Chongqing Shi Qijiang Qu China Minsheng Drawin Technology Limited* [®] 重慶市綦江區中民築友科技有限公司 [®]	China, limited liability company 中國·有限公司	Construction industrialisation 建築產業化	RMB100,000,000 人民幣 100,000,000元	-	100%	-
Shaoyang China Minsheng DIT Limited* [®] 邵陽中民築友智造科技有限公司 [®]	China, limited liability company 中國·有限公司	Construction industrialisation 建築產業化	RMB100,000,000 人民幣 100,000,000元	-	100%	-
Jiangxi China Minsheng DIT Limited* [®] 江西中民築友智造科技有限公司 [®]	China, limited liability company 中國·有限公司	Construction industrialisation 建築產業化	RMB70,000,000 人民幣 70,000,000元	-	100%	-
Wuxi China Minsheng DIT Limited* [®] 無錫中民築友智造科技有限公司 [®]	China, limited liability company 中國·有限公司	Construction industrialisation 建築產業化	RMB100,000,000 人民幣 100,000,000元	-	100%	-
Shijiazhuang China Minsheng DIT Limited* [®] 石家莊中民築友智造科技有限公司 [®]	China, limited liability company 中國·有限公司	Construction industrialisation 建築產業化	RMB100,000,000 人民幣 100,000,000元	-	100%	-
Chengdu Dayi China Minsheng Drawin Technology Limited* [®] 成都大邑中民築友科技有限公司 [®]	China, limited liability company 中國·有限公司	Construction industrialisation 建築產業化	RMB100,000,000 人民幣 100,000,000元	-	100%	-

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度

23 PARTICULARS OF SUBSIDIARIES (Continued)

(a) The following is a list of the principal subsidiaries at 31 December 2019: (Continued)

23 附屬公司的資料(續)

(a) 下表為於二零一九年十二月三十一日的主要附屬公司名單：(續)

Name	Place of incorporation and operation and kind of legal entity	Principal activities	Particulars of issued share capital	Proportion of ordinary shares directly held by parent	Proportion of ordinary shares held by the Group	Proportion of ordinary shares held by non-controlling interests
名稱	註冊成立及營業地點以及法人實體類別	主要業務	已發行股本詳情	母公司直接持有的普通股比例 (百分比)	本集團持有的普通股比例 (百分比)	非控股權益持有的普通股比例 (百分比)
				%	%	%
Wuhan China Minsheng DIT Limited* [®] 武漢中民築友智造科技有限公司	China, limited liability company 中國·有限公司	Construction industrialisation 建築產業化	RMB100,000,000 人民幣 100,000,000元	-	100%	-
Chengdu China Minsheng DIT Limited* [®] 成都中民築友智造科技有限公司 [®]	China, limited liability company 中國·有限公司	Construction industrialisation 建築產業化	RMB70,000,000 人民幣 70,000,000元	-	100%	-
Tianjin China Minsheng DIT Limited* [®] 天津中民築友智造科技有限公司 [®]	China, limited liability company 中國·有限公司	Construction industrialisation 建築產業化	RMB150,000,000 人民幣 150,000,000元	-	100%	-
Xi'an China Minsheng DIT Limited* [®] 西安中民築友智造科技有限公司 [®]	China, limited liability company 中國·有限公司	Construction industrialisation 建築產業化	RMB150,000,000 人民幣 150,000,000元	-	100%	-
Langfang China Minsheng DIT Limited* [®] 廊坊中民築友智造科技有限公司 [®]	China, limited liability company 中國·有限公司	Construction industrialisation 建築產業化	RMB150,000,000 人民幣 150,000,000元	-	100%	-
Qingdao China Minsheng DIT Limited* [®] (note (i)) 青島中民築友智造科技有限公司 [®] (附註(i))	China, limited liability company 中國·有限公司	Construction industrialisation 建築產業化	RMB100,000,000 人民幣 100,000,000元	-	60%	40%
Xuzhou China Minsheng DIT Limited* [®] 徐州中民築友智造科技有限公司 [®]	China, limited liability company 中國·有限公司	Construction industrialisation 建築產業化	RMB100,000,000 人民幣 100,000,000元	-	100%	-

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度

23 PARTICULARS OF SUBSIDIARIES (Continued)

(a) The following is a list of the principal subsidiaries at 31 December 2019: (Continued)

Name 名稱	Place of incorporation and operation and kind of legal entity 註冊成立及營業地點 以及法人實體類別	Principal activities 主要業務	Particulars of issued share capital 已發行股本詳情	Proportion of	Proportion	Proportion of
				ordinary shares directly held by parent 母公司直接持有 的普通股比例 (百分比) %	of ordinary shares held by the Group 本集團持有 的普通股比例 (百分比) %	ordinary shares held by non-controlling interests 非控股權益持有 的普通股比例 (百分比) %
Xiangxi China Minsheng Drawin Technology Limited* [Ⓐ] (note (i)) 湘西中民築友科技有限責任 公司 [Ⓐ] (附註(i))	China, limited liability company 中國, 有限公司	Construction industrialisation 建築產業化	RMB19,600,000 人民幣 19,600,000元	-	51%	49%
Nantong China Minsheng DIT Limited* [Ⓒ] (note (i)) 南通中民築友智造科技有限 公司 [Ⓒ] (附註(i))	China, limited liability company 中國, 有限公司	Construction industrialisation 建築產業化	RMB100,000,000 人民幣 100,000,000元	-	60%	40%

* For identification purpose only

Ⓐ Registered as wholly foreign-owned enterprises under PRC law

Ⓒ Registered as domestic limited liability companies under PRC law

Registered as a limited liability company (invested by Hong Kong) under PRC law

* 僅供識別

Ⓐ 根據中國法律註冊為外商獨資企業

Ⓒ 根據中國法律註冊為國內有限責任公司

根據中國法律註冊為有限責任公司(台港澳合資)

note (i): The Group holds 97%, 51%, 90%, 51%, 60%, 51% and 60% equity interest of Nanjing China Minsheng DIT Limited*, Changsha China Minsheng DIT Limited*, China Minsheng Drawin Technology (Pingdingshan) Limited*, China Minsheng Drawin Technology (Jiaozhou) Limited*, Qingdao China Minsheng DIT Limited*, Xiangxi China Minsheng Drawin Technology Limited* and Nantong China Minsheng DIT Limited*, respectively. The voting right shall be exercised in proportion to the capital contribution, according to the Company Articles. Except for modification of Company Article, increase or decrease of registered capital, company merger or division and change of corporate structure, a resolution to be made by the shareholders general assembly shall be subject to adoption by more than half of the voting rights held by the shareholders. Nanjing China Minsheng DIT Limited*, Changsha China Minsheng DIT Limited*, China Minsheng Drawin Technology (Pingdingshan) Limited*, China Minsheng Drawin Technology (Jiaozhou) Limited*, Qingdao China Minsheng DIT Limited*, Xiangxi China Minsheng Drawin Technology Limited* and Nantong China Minsheng DIT Limited* are owned by the Company and are accounted for as subsidiaries by virtue of the Group's control over it.

附註(i): 本集團分別持有南京中民築友智造科技有限公司、長沙中民築友智造科技有限公司、中民築友科技(平頂山)有限公司、中民築友科技(膠州)有限公司、青島中民築友智造科技有限公司、湘西中民築友科技有限責任公司和南通中民築友智造科技有限公司97%、51%、90%、51%、60%、51%和60%的股權。根據公司章程, 股東會決議由股東按出資比例行使表決權。除修改公司章程、增加或者減少註冊資本、公司合併或分立及變更公司結構外, 股東大會決議由經代表二分之一以上表決權的股東通過。基於本集團對南京中民築友智造科技有限公司、長沙中民築友智造科技有限公司、中民築友科技(平頂山)有限公司、中民築友科技(膠州)有限公司、青島中民築友智造科技有限公司、湘西中民築友科技有限責任公司和南通中民築友智造科技有限公司的控制權, 該等子公司由本公司擁有並作為附屬公司列賬。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度

23 PARTICULARS OF SUBSIDIARIES (Continued)

b) Companies excluded from consolidation:

Details of the companies excluded from consolidation during the year ended 31 December 2019 are as follows:

23 附屬公司的資料(續)

b) 在綜合賬目內排除的公司：

於二零一九年十二月三十一日止年度，在綜合賬目內排除的公司詳情如下：

Name 名稱	Place of incorporation and operation 註冊成立及營業地點	Issued share capital 已發行股本	Effective equity interest held before disposal 出售前所持實際股本權益	Principal activities 主要業務
Indirect interest: 間接權益：				
Zhoukou Jianheng® 周口建恒	China 中國	Ordinary RMB10,000,000 普通股 人民幣 10,000,000 元	100%	Construction industrialisation 建築產業化
Haikou China Minsheng DIT Limited*® 海口中民築友智造科技有限公司	China 中國	Ordinary RMB60,000,000 普通股 人民幣 60,000,000 元	100%	Construction industrialisation 建築產業化
Hangzhou Linan China Minsheng DIT Limited*® 杭州臨安中民築友智造科技有限公司	China 中國	Ordinary RMB45,000,000 普通股 人民幣 45,000,000 元	60%	Construction industrialisation 建築產業化
Nanning China Minsheng DIT Limited*® 南寧中民築友智造科技有限公司	China 中國	Ordinary RMB650,000 普通股 人民幣 650,000 元	100%	Construction industrialisation 建築產業化

* For identification purpose only

@ Registered as domestic limited liability companies under PRC law.

* 僅供識別

@ 根據中國法律註冊為國內有限公司

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度

24 FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

Financial assets at fair value through profit or loss include the following:

24 以公允價值計量且其變動計入損益的金融資產

以公允價值計量且其變動計入損益的金融資產包括下列各項：

	As at 31 December 2019 於二零一九年 十二月三十一日 HK\$'000 千港元	As at 31 December 2018 於二零一八年 十二月三十一日 HK\$'000 千港元
Unlisted equity Instruments (note (a))	43,480	23,967
非上市權益工具(附註(a))		

note (a): As at 31 December 2019, equity instruments are related to investments in seven (2018: two) unlisted companies in Mainland China which are measured at fair value.

附註(a)：於二零一九年十二月三十一日，權益工具與投資於以公允價值計量的中國大陸的七間(二零一八年：兩間)非上市公司有關。

25 CASH AND CASH EQUIVALENTS

25 現金及現金等值項目

	As at 31 December 2019 於二零一九年 十二月三十一日 HK\$'000 千港元	As at 31 December 2018 於二零一八年 十二月三十一日 HK\$'000 千港元
Cash at bank and on hand		
— Denominated in HKD	5,299	14,050
— Denominated in RMB	77,116	85,535
— Denominated in USD	—	11,217
	82,415	110,802
銀行存款及手頭現金		
— 以港元計值		
— 以人民幣計值		
— 以美元計值		

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度

26 RESTRICTED CASH

26 有限制現金

		As at 31 December 2019 於二零一九年 十二月三十一日 HK\$'000 千港元	As at 31 December 2018 於二零一八年 十二月三十一日 HK\$'000 千港元
Restricted cash	受限制現金		
— Deposit for bank borrowings (note (a))	— 銀行借貸保證金(附註(a))	114,000	130,000
— Deposit for bank notes	— 銀行匯票保證金	10,371	23,588
		124,371	153,588

note (a): As at 31 December 2019, certificate of deposit of HK\$114.0 million was pledged as collateral for the Group's borrowings HK\$99.9 million.

附註(a): 於二零一九年十二月三十一日, 存款單114.0百萬元已抵押作為本集團借款99.9百萬港元的抵押物。

27 SHARE CAPITAL

27 股本

Authorised shares

法定股份

		Number of authorised shares 法定股份數目
As at 31 December 2018 and 2019	於二零一八年及二零一九年十二月三十一日	25,000,000,000

Issued shares

法定股份數目

		Number of issued shares (at HK\$0.1 each) 已發行股份數目 (每股0.1港元)	Ordinary shares (nominal value) HK\$'000 普通股(面值) 千港元
As at 1 January 2018,	於二零一八年一月一日、		
31 December 2018 and	二零一八年十二月三十一日、		
31 December 2019	及二零一九年十二月三十一日	11,209,602,920	1,120,960

All the shares issued rank pari passu in all respects.

所有已發行股份在各方面均享有同等權益。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度

28 RESERVES ATTRIBUTABLE TO OWNERS OF THE GROUP

28 本集團擁有人應佔儲備

		Attributable to owners of the Company					
		本公司擁有人應佔					
		Contributed				Accumulated	Total
		Share premium	Exchange reserve	surplus reserve	Other reserve	losses	
		股份溢價	匯兌儲備	繳入盈餘儲備	其他儲備	累計虧損	總額
Note		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
附註		千港元	千港元	千港元	千港元	千港元	千港元
FOR THE YEAR ENDED	截至二零一九年十二月						
31 December 2019	三十一日止年度						
At 1 January 2019	於二零一九年一月一日	863,347	(26,262)	131,166	29,439	(347,744)	649,946
Comprehensive loss:	全面虧損:						
Profit for the year	年內溢利	-	-	-	-	110,749	110,749
Other comprehensive (loss):	其他全面(虧損):						
Currency translation difference	外幣折算差額	-	(50,532)	-	-	-	(50,532)
Total comprehensive (loss)/income for the year	年內全面(虧損)/收益總額	-	(50,532)	-	-	110,749	60,217
Transactions with owners:	與擁有人進行的交易:						
Capital injection	注入資金	322	-	-	-	-	322
Total transactions with owners	與擁有人進行的交易	322	-	-	-	-	322
At 31 December 2019	於二零一九年十二月三十一日	863,669	(76,794)	131,166	29,439	(236,995)	710,485

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) 綜合財務報表附註(續)

For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度

28 RESERVES ATTRIBUTABLE TO OWNERS OF THE GROUP (Continued)

28 本集團擁有人應佔儲備(續)

		Attributable to owners of the Company 本公司擁有人應佔					
		Contributed			Other	Accumulated	Total
		Share premium	Exchange reserve	surplus reserve	reserve	losses	
		股份溢價	匯兌儲備	繳入盈餘儲備	其他儲備	累計虧損	總額
Note		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
附註		千港元	千港元	千港元	千港元	千港元	千港元
FOR THE YEAR ENDED	截至二零一八年十二月						
31 December 2018	三十一日止年度						
At 1 January 2018	於二零一八年一月一日	859,695	77,976	131,166	28,631	(375,171)	722,297
Comprehensive loss:	全面虧損:						
Profit for the year	年內溢利	-	-	-	-	27,427	27,427
Other comprehensive (loss):	其他全面(虧損):						
Currency translation difference	外幣折算差額		(104,238)	-	-	-	(104,238)
Total comprehensive (loss)/income for the year	年內全面(虧損)/收益 總額	-	(104,238)	-	-	27,427	(76,811)
Transactions with owners:	與擁有人進行的交易:						
Disposal of ownership interests in subsidiaries without loss of control	出售附屬公司擁有權權益 而並無失去控制權	-	-	-	1,180	-	1,180
Capital injection	注入資金	3,652	-	-	(372)	-	3,280
Total transactions with owners	與擁有人進行的交易	3,652	-	-	808	-	4,460
At 31 December 2018	於二零一八年十二月 三十一日	863,347	(26,262)	131,166	29,439	(347,744)	649,946

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度

29 NON-CONTROLLING INTERESTS

The non-controlling interests of the Group are as follows:

29 非控股權益

本集團的非控股權益如下：

		As at 31 December 2019	As at 31 December 2018
		於二零一九年 十二月三十一日	於二零一八年 十二月三十一日
		HK\$'000	HK\$'000
		千港元	千港元
Changsha China Minsheng DIT Limited ("CM Changsha")	長沙中民築友智造科技 有限公司(「長沙中民築友」)	544,186	542,250
Jiaozhou China Minsheng DIT Limited	膠州中民築友智造科技 有限公司	37,519	26,115
Nanjing China Minsheng DIT Limited	南京中民築友智造科技 有限公司	5,893	5,032
Hangzhou Linan China Minsheng DIT Limited	杭州臨安中民築友智造科技 有限公司	-	34,226
		587,598	607,623

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度

29 NON-CONTROLLING INTERESTS (Continued) 29 非控股權益(續)

Summarised financial information on a subsidiary with material non-controlling interests

Set out below are the summarised financial information for the CM Changsha that has non-controlling interests that are material to the Group.

Summarised statement of financial position — CM Changsha

擁有重大非控股權益的附屬公司的財務資料概要

下文載列中民長沙擁有對本集團而言屬重大的非控股權益的財務資料概要。

財務狀況表概要 — 中民長沙

		As at 31 December 2019 於二零一九年 十二月三十一日 HK\$'000 千港元	As at 31 December 2018 於二零一八年 十二月三十一日 HK\$'000 千港元
Current	流動		
Assets	資產	339,193	251,311
Liabilities	負債	(59,780)	(36,222)
Total current net assets	總流動資產淨值	279,413	215,089
Non-current	非流動		
Assets	資產	618,228	655,434
Liabilities	負債	-	-
Total non-current net assets	總非流動資產淨值	618,228	655,434
Net assets	資產淨值	897,641	870,523

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度

29 NON-CONTROLLING INTERESTS (Continued) 29 非控股權益(續)

Summarised statement of financial position — CM Changsha (Continued)

財務狀況表概要 — 中民長沙(續)

		Year ended 31 December 2019 截至二零一九年 十二月三十一日 止年度 HK\$'000 千港元	Year ended 31 December 2018 截至二零一八年 十二月三十一日 止年度 HK\$'000 千港元
Revenue	收入	85,178	42,357
Gain/(Loss) before income tax	除所得稅前收益/(虧損)	3,703	(18,690)
Income tax credit	所得稅抵免	316	548
Other comprehensive income	其他全面收益	-	-
Total comprehensive gain/(loss)	全面收益/(虧損)總額	4,019	(18,142)
Total comprehensive gain/(loss) allocated to non-controlling interests	分配至非控股權益的全面 收益/(虧損)總額	1,969	(8,890)
Dividends paid to non-controlling interests	向非控股權益派付的股息	-	-

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度

29 NON-CONTROLLING INTERESTS (Continued) 29 非控股權益(續)

Summarised statement of financial position — CM Changsha (Continued)

財務狀況表概要 — 中民長沙(續)

		Year ended 31 December 2019 截至二零一九年 十二月三十一日 止年度 HK\$'000 千港元	Year ended 31 December 2018 截至二零一八年 十二月三十一日 止年度 HK\$'000 千港元
Cash flows used in operating activities	經營活動所用的現金流量	(26,919)	(22,941)
Cash flows used in investing activities	投資活動所用的現金流量	(25)	(30,788)
Cash flows from financing activities	融資活動所得的現金流量	28,787	55,808
Net increase in cash and cash equivalents	現金及現金等值項目增加淨額	1,843	2,079

30 DEFERRED INCOME TAX

30 遞延所得稅

		As at 31 December 2019 於二零一九年 十二月三十一日 HK\$'000 千港元	As at 31 December 2018 於二零一八年 十二月三十一日 HK\$'000 千港元
Deferred tax assets	遞延稅項資產		
— to be recovered after more than 12 months	— 將於超過12個月後收回	12,037	11,521
— to be recovered within 12 months	— 將於12個月內收回	32,936	25,921
		44,973	37,442
Deferred tax liabilities	遞延稅項負債		
— to be settled after more than 12 months	— 將於超過12個月後償付	(1,021)	(651)
— to be settled within 12 months	— 將於12個月內償付	(11,895)	(7,359)
		(12,916)	(8,010)
Deferred tax assets — net	遞延稅項資產 — 淨額	32,057	29,432

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) 綜合財務報表附註(續)

For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度

30 DEFERRED INCOME TAX (Continued)

The gross movement on the deferred income tax account is as follows:

30 遞延所得稅(續)

遞延所得稅賬目的總變動如下：

		Year ended 31 December 2019 截至二零一九年 十二月三十一日 止年度 HK\$'000 千港元	Year ended 31 December 2018 截至二零一八年 十二月三十一日 止年度 HK\$'000 千港元
At beginning of the year	於年初	29,432	12,789
Credited to profit or loss (Note 12)	計入損益(附註12)	3,900	17,812
Decrease due to disposal of subsidiaries	因出售附屬公司而減少	(455)	-
Currency translation differences	外幣折算差額	(820)	(1,169)
At the end of the year	於年末	32,057	29,432

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度

30 DEFERRED INCOME TAX (Continued)

The movement in deferred income tax assets and liabilities for the years ended 31 December 2019 and 2018, without taking into consideration the offsetting of balance within the same tax jurisdiction are as follows:

Deferred income tax liabilities

		Government Grant	Depreciation of fixed assets	Total
		政府補助	折舊	總額
		HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元
At 1 January 2019	於二零一九年一月一日	6,757	1,253	8,010
Charged to profit or loss	計入損益	707	4,534	5,241
Currency translation differences	外幣折算差額	(160)	(105)	(265)
At 31 December 2019	於二零一九年 十二月三十一日	7,304	5,682	12,986
At 1 January 2018	於二零一八年一月一日	7,962	–	7,962
Charged to profit or loss	扣除損益	153	1,300	1,453
Currency translation differences	外幣折算差額	(1,358)	(47)	(1,405)
At 31 December 2018	於二零一八年 十二月三十一日	6,757	1,253	8,010

30 遞延所得稅(續)

於截至二零一九年及二零一八年十二月三十一日止年度，遞延所得稅資產及負債的變動(並無計及在同一稅務司法權區內抵銷的結餘)如下：

遞延所得稅負債

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度

30 DEFERRED INCOME TAX (Continued)**30 遞延所得稅(續)****Deferred income tax assets****遞延所得稅資產**

Movements	變動	Tax losses	Elimination of	Leases	Total
			intra-group unrealised profit		
			抵銷集團內 公司間未變現 溢利		
		稅務虧損	溢利	租賃	總額
		HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元
At 1 January 2019	於二零一九年一月一日	22,399	15,043	-	37,442
Credited to profit or loss	計入損益	6,624	2,369	148	9,141
Decrease due to disposal of subsidiaries	因出售附屬公司而減少	(455)	-	-	(455)
Currency translation differences	外幣折算差額	(767)	(315)	(3)	(1,085)
At 31 December 2019	於二零一九年十二月三十一日	27,801	17,097	145	45,043
At 1 January 2018	於二零一八年一月一日	17,092	3,659	-	20,751
Credited to profit or loss	計入損益	7,276	11,989	-	19,265
Currency translation differences	外幣折算差額	(1,969)	(605)	-	(2,574)
At 31 December 2018	於二零一八年十二月三十一日	22,399	15,043	-	37,442

Deferred tax assets arising from the unused tax losses have been recognised to the extent that it is probable that sufficient taxable profit will be available to allow such deferred tax assets to be utilised this year in the consolidated financial statements.

The Group did not recognise deferred tax assets relating to unused tax losses of approximately HK\$149.5 million on 31 December 2019 (31 December 2018: approximately HK\$140.0 million). Among such tax losses HK\$122.7 million (31 December 2018: HK\$113.2 million) have no expiry dates and the remaining will expire within five years.

倘存在足夠應課稅溢利令遞延稅項資產於本年度使用，則未動用稅項虧損產生的有關遞延稅項資產已於綜合財務表確認。

於二零一九年十二月三十一日，本集團並無確認有關未動用稅項虧損的遞延稅項資產約149.5百萬港元(二零一八年十二月三十一日：約140.0百萬港元)。此等稅項虧損中的122.7百萬港元(二零一八年十二月三十一日：113.2百萬港元)並無到期日，而餘下將於五年內到期。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度

31 TRADE AND OTHER PAYABLES

31 貿易及其他應付款項

		As at 31 December 2019 於二零一九年 十二月三十一日 HK\$'000 千港元	As at 31 December 2018 於二零一八年 十二月三十一日 HK\$'000 千港元
Trade payables — third parties	貿易應付款項 — 第三方	216,833	124,382
Trade payables — related parties	貿易應付款項 — 關連方	6,162	5,135
Notes payable	應付票據	24,911	114,365
Accrued payable for property, plant and equipment construction — third parties	物業、廠房及設備建設應付款項 — 第三方	40,965	40,970
Accrued payable for property, plant and equipment construction — related parties	物業、廠房及設備建設應付款項 — 關連方	46,194	66,238
Amounts due to related parties	應付關連方款項	48,482	4,611
Accrued tax payable	應計稅務款項	28,257	31,940
Deposits	按金	9,397	8,639
Accrued payroll	應計工資	8,702	6,264
Interest payable	應付利息	58	375
Others	其他	28,151	10,894
		458,112	413,813

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) 綜合財務報表附註(續)

For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度

31 TRADE AND OTHER PAYABLES (Continued) 31 貿易及其他應付款項(續)

The ageing analysis of trade payables as at 31 December 2019 and 2018 based on the invoice issue date were as follows:

貿易應付款項於二零一九年及二零一八年十二月三十一日按開具發票日期的賬齡分析如下：

		As at 31 December 2019 於二零一九年 十二月三十一日 HK\$'000 千港元	As at 31 December 2018 於二零一八年 十二月三十一日 HK\$'000 千港元
Less than 1 year	少於一年	170,503	129,517
1 to 2 years	一至兩年	52,492	-
		222,995	129,517

As at 31 December 2019 and 2018, the fair values of trade and other payables approximate their carrying amounts.

於二零一九年及二零一八年十二月三十一日，貿易及其他應付款項的公允價值與其賬面值相若。

As at 31 December 2019 and 2018, the carrying amounts of trade and other payables are primarily denominated in Renminbi.

於二零一九年及二零一八年十二月三十一日，貿易及其他應付款項的賬面值主要以人民幣計值。



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度

32 BORROWINGS

32 借貸

		As at 31 December 2019 於二零一九年 十二月三十一日 HK\$'000 千港元	As at 31 December 2018 於二零一八年 十二月三十一日 HK\$'000 千港元
Non-current, secured:	非即期，有抵押：		
— Bank borrowings	— 銀行貸款	359,463	361,790
— Other financial institution borrowings	— 其他金融機構貸款	12,280	—
Non-current, unsecured:	非即期，無抵押：		
— Bank borrowings	— 銀行貸款	20,094	—
— Other financial institution borrowings	— 其他金融機構貸款	—	22,826
		391,837	384,616
Less: Current portion of non-current borrowings	減：長期借款的即期部分	(268,760)	(43,940)
Non-current, total	非即期，總計	123,077	340,676
Current, secured:	即期，有抵押：		
— Bank borrowings	— 銀行貸款	82,889	77,721
Current, unsecured:	即期，無抵押：		
— Bank borrowings	— 銀行貸款	—	34,239
		82,889	111,960
Current portion of non-current borrowings	長期借款的即期部分	268,760	43,940
Current, total	即期，總計	351,649	155,900

notes:

(a) These bank borrowings of the Group are secured by property, plant and equipment (Note 15), right-of-use assets (Note 16) and restricted cash deposit (Note 26) of the Group and/or guaranteed by subsidiaries of the Company or related parties (Note 36(c)).

附註：

(a) 本集團此等銀行借貸以本集團物業、廠房及設備(附註15)、使用權資產(附註16)及受限制現金存款(附註26)作抵押及/或本公司附屬公司或關聯方(附註36(c))提供擔保。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) 綜合財務報表附註(續)

For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度

32 BORROWINGS (Continued)

notes: (Continued)

- (b) The borrowings are all denominated in RMB and their fair values approximate their carrying amounts.
- (c) As at 31 December 2019, the Group's current borrowings included borrowings with principal amounts of HK\$52.7 million (31 December 2018: HK\$99.2 million) which the Group has breached certain terms and conditions, as set out in the respective borrowing agreements among which HK\$19.5 million were originally matured beyond 31 December 2020.
- (d) As at 31 December 2019 and 2018, the Group's borrowings were repayable as follows:

		As at 31 December 2019 於二零一九年 十二月三十一日 HK\$'000 千港元	As at 31 December 2018 於二零一八年 十二月三十一日 HK\$'000 千港元
Within 1 year	一年內	351,649	155,900
Later than 1 year but within 2 years	多於一年但少於兩年	78,702	283,897
Later than 2 years but within 5 years	多於兩年但少於五年	44,375	56,779
		474,726	496,576

- (e) The weighted average effective interest rates as at 31 December 2019 and 2018 were as follows:

		As at 31 December 2019 於二零一九年 十二月三十一日	As at 31 December 2018 於二零一八年 十二月三十一日
Bank borrowings	銀行借貸	5.08%	4.98%
Other financial institution borrowings	其他金融機構貸款	4.40%	4.40%

32 借貸(續)

附註：(續)

- (b) 所有借貸均以人民幣計值，及公允價值與其賬面值相若。
- (c) 於二零一九年十二月三十一日，本集團的現時借貸包括本金額為52.7百萬港元(二零一八年十二月三十一日：99.2百萬港元)的借貸，本集團就該借貸違反若干條款及條件(載於相關借貸協議)，其中19.5百萬港元原定於二零二零年十二月三十一日之後到期。
- (d) 於二零一九年及二零一八年十二月三十一日，本集團的借貸償還情況如下：



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度

33 GAIN ON DISPOSAL OF SUBSIDIARIES

33 出售附屬公司的收益

	2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Gain on disposal of Zhoukou Jianheng (note) 出售周口建恒的收益(附註)	120,497	-
Gain on disposal of Haikou China Minsheng DIT Limited 出售海口中民築友智造科技 有限公司的收益	13,309	-
Gains on disposal of other subsidiaries 出售其他附屬公司的收益	372	-
	134,178	-

note: gain on disposal of Zhoukou Jianheng

附註： 出售周口建恒之收益

	2019 二零一九年 HK\$'000 千港元
Net assets disposed of: 出售的資產淨額：	
Right-of-use assets 使用權資產	672,105
Trade and other receivables and prepayments 貿易及其他應收款項以及預付款	8,909
Cash and cash equivalents 現金及現金等價物	244
Lease liabilities 租賃負債	(336,047)
Borrowings 借款	(334,076)
Trade and other payables 貿易及其他應付款項	(4,232)
	6,903
Fair value of 1% retained equity interest accounted for as financial assets at fair value through profit or loss 以公允價值計入損益的1%保留股權的 公允價值作金融資產入賬	(1,251)
Gain on disposal of Zhoukou Jianheng recognised in profit or loss 出售周口建恒的收益計入當期損益	120,497
Currency transaction differences 貨幣換算差異	(2,487)
Consideration of 99% equity interest satisfied by cash 以現金支付99%股權的代價	123,662

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度

33 GAIN ON DISPOSAL OF SUBSIDIARIES (Continued)

On 20 December 2019, the Group disposed 99% equity interests in Zhoukou Jianheng to Henan Jigang Real Estate Development Co., Ltd. ("Henan Jigang") at a consideration of RMB111 million (equivalent to HK\$124 million approximately) (the "Disposal"). The Company subsequently noted that on 2 January 2020, Henan Jigang disposed 99% equity interests in Zhoukou Jianheng at a consideration of RMB111 million (equivalent to HK\$124 million approximately) to Zhoukou Jianzhi Real Estate Development Co., Ltd., a subsidiary of Central China Real Estate Limited ("CCRE"). CCRE's ultimate controlling shareholder is as the same as the Company's. To the best knowledge of the directors of the Company, information and belief and having made all reasonable inquiries, Henan Jigang had not entered, nor had it proposed to enter, into any agreement, arrangement, understanding or undertaking (whether formal or informal and whether express or implied) with any connected person of the Company (including, without limitation, CCRE and its subsidiaries) in respect of the Disposal or in respect of Zhoukou Jianheng at the time of entering into the Disposal, and Henan Jigang and its ultimate beneficial owners were third parties independent of the Company and connected persons of the Company at the time of entering into the Disposal. Thus, the Disposal did not constitute a connected transaction of the Company under Chapter 14A of the Listing Rules.

An analysis of the net inflow of cash and cash equivalents in respect of the disposal of Zhoukou Jianheng is as follows:

33 出售附屬公司的收益(續)

於二零一九年十二月二十日，本集團以代價人民幣111百萬元(相當於約124百萬港元)向河南濟鋼房地產開發有限公司(「河南濟鋼」)出售周口建恆99%的股權(「出售事項」)。本公司其後注意到，於二零二零年一月二日，河南濟鋼向建業地產股份有限公司(「建業地產」)的附屬公司周口建恆房地產開發有限公司出售了周口建恆的99%股權，代價為人民幣111百萬元(相當於約124百萬港元)。建業地產的最終控股股東與本公司相同。就本公司董事所知、所悉及所信及作出一切合理查詢後，於訂立出售事項時，河南濟鋼並無與本公司任何關連人士(包括但不限於建業地產及其附屬公司)訂立或擬訂立任何有關出售事項或有關出售周口建恆的協議、安排、理解或承諾(無論正式或非正式及明示或暗示)，河南濟鋼及其最終實益擁有人為獨立於本公司及本公司關連人士的第三方。因此，根據上市規則第14A章，出售事項並不構成本公司的關連交易。

有關出售周口建恆的現金及現金等價物流入淨額的分析如下：

		2019 二零一九年 HK\$'000 千港元
Cash proceeds received	已收現金所得款項	66,815
Cash and cash equivalents disposed of	出售的現金及現金等價物	(244)
Net inflow of cash and cash equivalents in respect of the disposal of Zhoukou Jianheng	出售周口建恆的現金及現金等價物流入淨額	66,571

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度

34 NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS

(a) Cash used in operations

34 綜合現金流量表附註

(a) 經營所用現金

		Year ended 31 December 2019 截至二零一九年 十二月三十一日 止年度 HK\$'000 千港元	Year ended 31 December 2018 截至二零一八年 十二月三十一日 止年度 HK\$'000 千港元
Profit before income tax	除所得稅前溢利	138,935	26,243
Adjustments for:	調整：		
Depreciation	折舊	72,454	50,360
Amortisation of right-of-use assets	使用權資產攤銷	23,969	-
Amortisation of land use rights	土地使用權攤銷	-	10,107
Amortisation of intangible assets	無形資產攤銷	1,518	401
Fair value gains on investment properties	投資性房地產的公允價值收益	(631)	(367)
Shares of (gains)/losses from associates	應佔聯營公司(收益)/虧損	(4,491)	1,329
Gains on disposal of subsidiaries	出售附屬公司收益	(134,178)	-
Losses on disposal of fixed assets	出售固定資產虧損	439	930
Losses on disposal of right-of-use assets	出售使用權資產虧損	5,235	-
Fair value gains on financial assets at fair value through profit and loss	以公允價值計量且其變動計入損益的金融資產之公允價值收益	-	(2,789)
Provision for impairment of inventories	存貨減值撥備	84	1,324
Provision for impairment of trade and other receivables	貿易及其他應收款項減值撥備	2,837	1,633
Interest income from bank deposits	銀行存款的利息收入	(5,100)	(2,359)
Finance costs	融資成本	25,928	9,155
Operating profits before changes in working capital	營運資金變動前的經營盈利	126,999	95,967
Decrease/(increase) in restricted cash	受限制現金減少/(增加)	12,701	(24,036)
Decrease/(increase) in inventories	存貨減少/(增加)	6,339	(18,810)
Increase in trade and other receivables and prepayments	貿易及其他應收款項以及預付款項增加	(187,266)	(273,122)
Increase in trade and other payables	貿易及其他應付款項增加	45,601	147,197
Increase in contract liabilities	合約負債增加	14,796	17,558
Cash generated/(used) operations	經營產生/(所用)現金	19,170	(55,246)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) 綜合財務報表附註(續)

For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度

34 NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS (Continued)

34 綜合現金流量表附註(續)

(b) Liabilities arising from financing activities

(b) 融資活動產生的負債

	Other assets 其他資產		Liabilities from financing activities 融資活動產生的負債							Interest payable 應付利息	Total 總計
	Cash 現金	Restricted borrowings 受限制 現金借貸	Borrowings due within 1 year 一年內 到期借貸	Borrowings due after 1 year 一年後 到期借貸	Obligations under finance lease due within 1 year 一年內 到期融資 租賃	Obligations under finance lease due after 1 year 一年後 到期融資 租賃	Lease liabilities due within 1 year 一年內 到期租賃 負債	Lease liabilities due after 1 year 一年後 到期租賃 負債			
	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	
Net debt as at 31 December 2018	於二零一八年十二月 三十一日的淨債務	110,802	130,000	(155,900)	(340,676)	(1,524)	(2,880)	-	-	(375)	(260,553)
Change in accounting policy	會計政策變動	-	-	-	-	1,524	2,880	(18,055)	(23,048)	-	(36,699)
At 1 January 2019 (Restated)	於二零一九年 一月一日(經重列)	110,802	130,000	(155,900)	(340,676)	-	-	(18,055)	(23,048)	(375)	(297,252)
Cash flows	現金流量	(24,281)	(16,000)	73,011	(62,015)	-	-	-	-	317	(28,968)
Acquisitions — lease liabilities	收購 — 租賃負債	-	-	-	-	-	-	7,087	20,041	-	27,128
Foreign exchange adjustments	匯兌調整	(4,106)	-	-	10,854	-	-	-	-	-	6,748
Other changes	其他變動	-	-	-	-	-	-	-	-	-	-
— Reclassification from after 1 year to within 1 year	— 自一年後重新分類 至一年內	-	-	(268,760)	268,760	-	-	-	-	-	-
— Reclassification from obligations under finance lease to lease liabilities	— 自融資租賃 重新分類至 租賃負債	-	-	-	-	-	-	-	-	-	-
Net debt as at 31 December 2019	於二零一九年十二月 三十一日的淨債務	82,415	114,000	(351,649)	(123,077)	-	-	(10,968)	(3,007)	(58)	(292,344)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度

35 COMMITMENTS

(a) Capital commitments

As at 31 December 2019 and 2018, capital expenditure contracted for but not yet incurred is as follows:

	As at 31 December 2019	As at 31 December 2018
	於二零一九年 十二月三十一日	於二零一八年 十二月三十一日
	HK\$'000	HK\$'000
	千港元	千港元
Property, plant and equipment	107,221	83,300
物業、廠房及設備		

(b) Non-cancellable operating lease commitments

From 1 January 2019, the Group has recognised right-of-use assets for leases, except for short-term leases and low-value leases, see note 16 for further information. Minimum lease payments under non-cancellable operating leases related to short-term and low-value leases not recognized in the financial statements as follows:

	As at 31 December 2019
	於二零一九年 十二月三十一日
	HK\$'000
	千港元
Within 1 year	197
一年以內	

The future aggregate minimum lease payments under non-cancellable operating leases as at 31 December 2018 are as follows:

	As at 31 December 2018
	於二零一八年 十二月三十一日
	HK\$'000
	千港元
Within 1 year	7,835
一年以內	

35 承擔

(a) 資本承擔

於二零一九年及二零一八年十二月三十一日，已訂約但尚未產生的資本開支如下：

	As at 31 December 2019	As at 31 December 2018
	於二零一九年 十二月三十一日	於二零一八年 十二月三十一日
	HK\$'000	HK\$'000
	千港元	千港元
Property, plant and equipment	107,221	83,300
物業、廠房及設備		

(b) 據不可取消經營租賃

自二零一九年一月一日起，本集團已確認租賃使用權資產(短期租賃及低價值租賃除外)之進一步詳情見附註16。根據不可取消經營租賃，未於財務報表內確認之短期及低價值租賃相關的最低租賃付款如下：

	As at 31 December 2019
	於二零一九年 十二月三十一日
	HK\$'000
	千港元
Within 1 year	197
一年以內	

於二零一八年十二月三十一日，根據不可取消經營租賃應付的日後最低租金總額如下：

	As at 31 December 2018
	於二零一八年 十二月三十一日
	HK\$'000
	千港元
Within 1 year	7,835
一年以內	

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度

36 RELATED-PARTY TRANSACTIONS

36 關連方交易

(a) Name and relationship with related parties

(a) 關連方的名稱及與其關係

Name 名稱	Relationship 關係
Tianjin Drawin Technology Limited (formerly known as Tianjin China Minsheng Drawin Technology Limited) 天津築友智造科技有限公司(前稱：天津 中民築友科技有限公司)	Controlled by the same ultimate controlling shareholder 受同一最終控股股東控制
Drawin Intelligent Manufacture Technology Industry Group Limited (formerly known as China Minsheng Drawin Technology Industry Limited) 築友智造科技產業集團有限公司(前稱： 中民築友科技產業有限公司)	Controlled by the same ultimate controlling shareholder 受同一最終控股股東控制
China Minsheng Drawin Construction Technology Group Company Limited 中民築友建設科技集團有限公司	Controlled by the same ultimate controlling shareholder 受同一最終控股股東控制
China Minsheng Drawin Culture Co., Ltd. 中民築友文創有限公司	Controlled by the same ultimate controlling shareholder 受同一最終控股股東控制
China Minsheng Drawin New Material Company Limited 中民築友新材有限公司	Controlled by the same ultimate controlling shareholder 受同一最終控股股東控制
China Minsheng Drawin Architectural Design Limited 中民築友建築設計有限公司	Controlled by the same ultimate controlling shareholder 受同一最終控股股東控制

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) 綜合財務報表附註(續)

For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度

36 RELATED-PARTY TRANSACTIONS (Continued)

36 關連方交易(續)

(a) Name and relationship with related parties (Continued)

(a) 關連方的名稱及與其關係(續)

Name 名稱	Relationship 關係
China Minsheng Drawin Co., Ltd. 中民築友有限公司	Controlled by the same ultimate controlling shareholder 受同一最終控股股東控制
Hunan China Minsheng Drawin Green Construction Investment Limited 湖南中民築友綠建投資有限公司	Controlled by the same ultimate controlling shareholder 受同一最終控股股東控制
Jiacheng (Holding) Investment Limited 嘉誠(控股)投資有限公司	Controlled by the same ultimate controlling shareholder 受同一最終控股股東控制
SRE Group Limited 上置集團有限公司	Controlled by the same ultimate controlling shareholder 受同一最終控股股東控制
YMCI China Minsheng Kunming Technology Group Co., Ltd. 雲南城投中民昆建科技有限公司	An associate company of the Group 本集團的聯營公司
Zhejiang China Minsheng Drawin Technology Company Limited 浙江中民築友科技有限公司	An associate company of the Group 本集團的聯營公司

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度

36 RELATED-PARTY TRANSACTIONS (Continued)

(b) Transactions with related parties

During the year ended 31 December 2019 and 2018, the Group has the following related party transactions:

36 關連方交易(續)

(b) 與關連方的交易

於截至二零一九年及二零一八年十二月三十一日止年度，本集團有以下關連方交易：

	Year ended 31 December 2019 截至二零一九年 十二月三十一日 止年度 HK\$'000 千港元	Year ended 31 December 2018 截至二零一八年 十二月三十一日 止年度 HK\$'000 千港元
Payment on behalf of related parties by the Group		
China Minsheng Drawin Construction Technology Group Company Limited	4,177	25,308
China Minsheng Drawin Co., Ltd.	2,135	34
China Minsheng Drawin New Material Company Limited	50	2,098
Tianjin Drawin Technology Limited	-	332
China Minsheng Drawin Architectural Design Limited	-	46
Hunan China Minsheng Drawin Green Construction Investment Limited	-	15
	6,362	27,833
Payment on behalf of the Group by related parties		
China Minsheng Drawin Construction Technology Group Company Limited	857	1,696
China Minsheng Drawin Building Technology Group Company Limited	-	101
	857	1,797

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度

36 RELATED-PARTY TRANSACTIONS (Continued)

(b) Transactions with related parties (Continued)

During the year ended 31 December 2019 and 2018, the Group has the following related party transactions:

36 關連方交易(續)

(b) 與關連方的交易(續)

於截至二零一九年及二零一八年十二月三十一日止年度，本集團有以下關連方交易：

		Year ended 31 December 2019 截至二零一九年 十二月三十一日 止年度 HK\$'000 千港元	Year ended 31 December 2018 截至二零一八年 十二月三十一日 止年度 HK\$'000 千港元
Supply of prefabricated construction components and products by the Group	本集團供應預製裝配式建築配件及產品		
China Minsheng Drawin Construction Technology Group Company Limited	中民築友建設科技集團有限公司	116,411	122,149
YMCI China Minsheng Kunming Technology Group Co., Ltd.	雲南城投中民昆建科技有限公司	11,751	2,916
Zhejiang China Minsheng Drawin Technology Company Limited	浙江中民築友科技有限公司	11,227	11,246
China Minsheng Drawin Architectural Design Limited	中民築友建築設計有限公司	1,388	-
China Minsheng Drawin Co., Ltd.	中民築友有限公司	65	39
China Minsheng Drawin Building Technology Group Company Limited	中民築友房屋科技集團有限公司	-	6,994
		140,842	143,345
Provision of engineering, procurement and construction general contracting services by related parties	關聯方提供的工程、加工及建築總承包服務		
China Minsheng Drawin Construction Technology Group Company Limited	中民築友建設科技集團有限公司	140,329	392,879
China Minsheng Drawin Architectural Design Limited	中民築友建築設計有限公司	-	1,301
China Minsheng Drawin Co., Ltd.	中民築友有限公司	-	355
		140,329	394,535

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度

36 RELATED-PARTY TRANSACTIONS (Continued)

(b) Transactions with related parties (Continued)

During the year ended 31 December 2019 and 2018, the Group has the following related party transactions:

36 關連方交易(續)

(b) 與關連方的交易(續)

於截至二零一九年及二零一八年十二月三十一日止年度，本集團有以下關連方交易：

		Year ended 31 December 2019 截至二零一九年 十二月三十一日 止年度 HK\$'000 千港元	Year ended 31 December 2018 截至二零一八年 十二月三十一日 止年度 HK\$'000 千港元
Revenue from granting licenses to related parties	向關連方授出專利技術 使用權所得收益		
YMCI China Minsheng Kunming Technology Group Co., Ltd.	雲南城投中民昆建科技有限公司	-	36,874
China Minsheng Drawin Architectural Design Limited	中民築友建築設計有限公司	-	179
		-	37,053
Leasing of properties to related parties	租賃物業予關連方		
China Minsheng Drawin Construction Technology Group Company Limited	中民築友建設科技集團有限公司	3,693	-
China Minsheng Drawin Architectural Design Limited	中民築友建築設計有限公司	3,500	-
China Minsheng Drawin New Material Company Limited	中民築友新材有限公司	2,529	890
Drawin Intelligent Manufacture Technology Industry Group Limited	築友智造科技產業集團有限公司	1,220	-
China Minsheng Drawin Culture Co., Ltd.	中民築友文創有限公司	744	-
		11,686	890
Provision of design services by related parties	關連方提供設計服務		
China Minsheng Drawin Architectural Design Limited	中民築友建築設計有限公司	2,405	-
		2,405	-

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度

36 RELATED-PARTY TRANSACTIONS (Continued)

36 關連方交易(續)

(c) Related-party balances

(c) 關連方結餘

	As at 31 December 2019 於二零一九年 十二月三十一日 HK\$'000 千港元	As at 31 December 2018 於二零一八年 十二月三十一日 HK\$'000 千港元
Amount due from related parties		
China Minsheng Drawin Construction Technology Group Company Limited	140,654	83,674
China Minsheng Drawin Architectural Design Limited	7,874	1,934
YMCI China Mingsheng Kunming Technology Group Co., Ltd.	7,360	5,705
China Minsheng Drawin New Material Company Limited	6,704	3,666
Zhejiang China Minsheng Drawin Technology Company Limited	4,648	9,080
China Minsheng Drawin Co., Ltd.	4,020	955
Drawin Intelligent Manufacture Technology Industry Group Limited	2,548	1,141
Hunan China Minsheng Drawin Green Construction Investment Limited	1,036	1,059
China Minsheng Drawin Culture Co., Ltd.	886	36
SRE Group Limited	1	1
China Minsheng Drawin Building Technology Group Company Limited	-	20,561
Jiacheng (Holding) Investment Limited	-	5,000
Tianjin Drawin Technology Limited	-	59
	175,731	132,871

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度

36 RELATED-PARTY TRANSACTIONS (Continued)

36 關連方交易(續)

(c) Related-party balances (Continued)

(c) 關連方結餘(續)

		As at 31 December 2019 於二零一九年 十二月三十一日 HK\$'000 千港元	As at 31 December 2018 於二零一八年 十二月三十一日 HK\$'000 千港元
Amount due to related parties	應付關連方款項		
China Minsheng Drawin Construction Technology Group Company Limited	中民築友建設科技集團有限公司	50,001	70,498
Drawin Intelligent Manufacture Technology Industry Group Limited	築友智造科技產業集團有限公司	44,877	-
China Minsheng Drawin Architectural Design Limited	中民築友建築設計有限公司	2,725	2,327
Zhejiang China Minsheng Drawin Technology Company Limited	浙江中民築友科技有限公司	2,507	2,430
China Minsheng Drawin Co., Ltd.	中民築友有限公司	715	615
China Minsheng Drawin New Material Company Limited	中民築友新材有限公司	13	-
China Minsheng Drawin Building Technology Group Company Limited	中民築友房屋科技集團有限公司	-	114
		100,838	75,985

note: The amounts due from and due to related parties are unsecured, bear no interest and are repayable on demand or within one year.

附註：應收及應付關連方款項為無抵押、免息及須按要求或少於一年內償還。

Guarantee/security for bank borrowings provided by the related party

關連方提供的銀行借貸擔保/抵押

China Minsheng Drawin Co., Ltd.	中民築友有限公司	193,686	173,476
Drawin Intelligent Manufacture Technology Industry Group Limited	築友智造科技產業集團有限公司	20,094	-
		213,780	173,476

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度

36 RELATED-PARTY TRANSACTIONS (Continued)

(d) Key management compensation

Key management includes directors (executive and non-executive), chief financial officer, vice presidents and assistant presidents. The compensation paid or payable to key management for employee services is shown below:

36 關連方交易(續)

(d) 主要管理人員酬金

主要管理人員包括董事(執行及非執行)、首席財務官、副主席及主席助理。就僱員服務已付或應付主要管理人員的酬金列示如下：

	Year ended 31 December 2019 截至二零一九年 十二月三十一日 止年度 HK\$'000 千港元	Year ended 31 December 2018 截至二零一八年 十二月三十一日 止年度 HK\$'000 千港元
Salaries and other short-term employee benefits	4,994	6,202
Employer's contribution to pension scheme	-	9
	4,994	6,211

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) 綜合財務報表附註(續)

For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度

37 SUBSEQUENT EVENT

Following the outbreak of Coronavirus Disease 2019 (the "COVID-19 outbreak") in early 2020, a series of precautionary and control measures have been implemented across the PRC, including extension of the Chinese New Year holiday nationwide, postponement of work resumption after the Chinese New Year holiday in some regions, certain level of restrictions and controls over the travelling of people and traffic arrangements, and heightening of hygiene and epidemic prevention requirements in factories etc. Though it has affected the business and economic activities of the Group to certain extent, the Group's prefabricated construction factories have resumed production gradually under such challenging environment.

As at the date on which the consolidated financial statements were authorised for issue, the Group was not aware of any material adverse effects on the consolidated financial statements as a result of the COVID-19 outbreak. The Group will continue to observe the development of the COVID-19 outbreak closely and evaluate its impact on the financial position and operating results of the Group.

37 期後事項

隨著二零一九年新型冠狀病毒肺炎疫情(「新型冠狀病毒肺炎疫情」)於二零二零年年初在全國爆發，國家採取了一系列防控措施，包括全國範圍延長春節假期、推遲部分地區春節後復工時間、對人員流動和交通進行一定程度的控制、以及加強辦公場所的衛生和防疫要求等。儘管在一定程度上它影響了本集團的業務和經濟活動，但本集團的預製建築廠房已在此等充滿挑戰的環境下逐步恢復生產。

於授權發佈綜合財務報表之日，本集團尚未發現新型冠狀病毒肺炎疫情對本綜合財務報表有任何重大不利影響。本集團將持續密切關注此次新型冠狀病毒肺炎疫情發展情況，並評估其對本集團財務狀況及經營成果等方面的影響。



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度

38 STATEMENT OF FINANCIAL POSITION AND RESERVE MOVEMENTS OF THE COMPANY

38 本公司的財務狀況表及儲備變動

		As at 31 December 2019 於二零一九年 十二月三十一日 HK\$'000 千港元	As at 31 December 2018 於二零一八年 十二月三十一日 HK\$'000 千港元
ASSETS	資產		
Non-current assets	非流動資產		
Property, plant and equipment	物業、廠房及設備	–	6
Investments in subsidiaries	於附屬公司的投資	14,271	14,271
		14,271	14,277
Current assets	流動資產		
Trade and other receivables and prepayments	貿易及其他應收款項以及預付款項	1,483,798	1,485,643
Cash and cash equivalents	現金及現金等值項目	4,890	31,866
		1,488,688	1,517,509
Total assets	總資產	1,502,959	1,531,786
EQUITY	權益		
Equity attributable to owners of the Company	本公司擁有人應佔權益		
Share capital	股本	1,120,960	1,120,960
Reserves (note (a))	儲備(附註(a))	376,357	408,400
Total equity	權益總額	1,497,317	1,529,360
LIABILITIES	負債		
Current liabilities	流動負債		
Trade and other payables	貿易及其他應付款項	5,642	2,426
Total liabilities	負債總額	5,642	2,426
Total equity and liabilities	權益及負債總額	1,502,959	1,531,786

The statement of financial position of the Company was approved by the Board of Directors on 22 April 2020 and was signed on its behalf by:

本公司的財務狀況表於二零二零年四月二十二日經董事會批准，並由以下董事代表董事會簽署：

Wu Po Sum
Director

Guo Weiqiang
Director

胡葆森
董事

郭衛強
董事

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) 綜合財務報表附註(續)

For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度

38 STATEMENT OF FINANCIAL POSITION AND RESERVE MOVEMENTS OF THE COMPANY (Continued)

note:

(a) Reserve movements of the Company

		Share premium	Contributed surplus reserve	Accumulated losses	Total
		股份溢價 HK\$'000 千港元	繳入 盈餘儲備 HK\$'000 千港元	累計虧損 HK\$'000 千港元	總額 HK\$'000 千港元
At 1 January 2018	於二零一八年一月一日	815,125	157,955	(541,063)	432,017
Loss for the year	年內虧損	-	-	(23,617)	(23,617)
Other comprehensive income/(loss):	其他全面收入/(虧損):	-	-	-	-
Total comprehensive loss for the year	年內全面虧損總額	-	-	(23,617)	(23,617)
At 31 December 2018	於二零一八年十二月三十一日	815,125	157,955	(564,680)	408,400
Loss for the year	年內虧損	-	-	(32,043)	(32,043)
Other comprehensive income/(loss):	其他全面收入/(虧損):	-	-	-	-
Total comprehensive loss for the year	年內全面虧損總額	-	-	(32,043)	(32,043)
At 31 December 2019	於二零一九年十二月三十一日	815,125	157,955	(596,723)	376,357

附註:

(a) 本公司的儲備變動



FIVE YEAR FINANCIAL SUMMARY

五年財務概要

For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度

Summary of the results, assets and liabilities of the Group for the last five years/period is as follows:

本集團於過去五個年度／期間的業績、資產及負債概要如下：

		For the period from 1 April 2015 to 31 December 2015 二零一五年 四月一日 至二零一五年 十二月三十一日 止期間 HK\$'000 千港元	For the year ended 31 December 2016 截至 二零一六年 十二月三十一日 止年度 HK\$'000 千港元	For the year ended 31 December 2017 截至 二零一七年 十二月三十一日 止年度 HK\$'000 千港元	For the year ended 31 December 2018 截至 二零一八年 十二月三十一日 止年度 HK\$'000 千港元	For the year ended 31 December 2019 截至 二零一九年 十二月三十一日 止年度 HK\$'000 千港元
Results	業績					
Revenue	收入	347	37,042	216,587	530,232	695,901
Profit/(loss) before income tax	除所得稅前溢利/ (虧損)	(194,755)	(90,409)	112,597	26,243	138,935
Income tax (expense)/credit	所得稅(開支)/抵免	1,546	(10,889)	11,224	(6,903)	(25,318)
Profit/(loss) for the period/year	期間/年度溢利/ (虧損)	(193,209)	(101,298)	123,821	19,340	113,617
Profit/(loss) attributable to owners of the Company	本公司擁有人所佔 溢利/(虧損)	(193,209)	(101,136)	131,719	27,427	110,749
		As at 31 December 2015 於二零一五年 十二月三十一日 HK\$'000 千港元	As at 31 December 2016 於二零一六年 十二月三十一日 HK\$'000 千港元	As at 31 December 2017 於二零一七年 十二月三十一日 HK\$'000 千港元	As at 31 December 2018 於二零一八年 十二月三十一日 HK\$'000 千港元	As at 31 December 2019 於二零一九年 十二月三十一日 HK\$'000 千港元
Assets and liabilities	資產及負債					
Total assets	總資產	1,672,566	2,425,233	2,867,988	3,358,006	3,466,997
Total liabilities	總負債	(203,999)	(500,045)	(462,594)	949,477	1,047,954
Total equity	權益總額	1,468,567	1,925,188	2,405,394	2,378,529	2,419,043



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